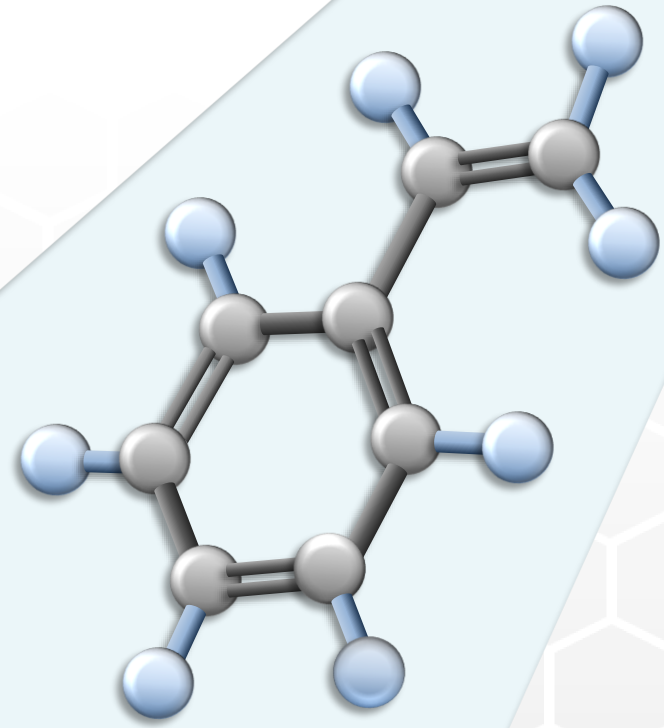
Taiwan Styrene Monomer Co.
Investor Conference

Sep.25, 2025



Disclaimer

This report discloses forecast on operation and revenue. The actual result might be different from today's forecast as the company could not control the uncontrollable factors the forecast was based on.

These uncontrollable factors could come from all directions including the change of supply and demand, price adjustment, competition, global economy, supply chains and exchange rates and many other unpredictable factors.

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Agenda

1. Corporate Profile
2. Market Review & Outlook
3. Financial Review
4. Q & A

Company Highlight

Founded	Listed on TWSE	Paid In Capital	Consolidated Revenue (2024)
Nov. 16, 1979	Aug., 1987	5,278.70 M NTD	11,422.94 M NTD

Managing Group

Chairman : Wen-Yuan Lin

GM : T.K. Chung

Employee

185

(by Jun. 30, 2025)

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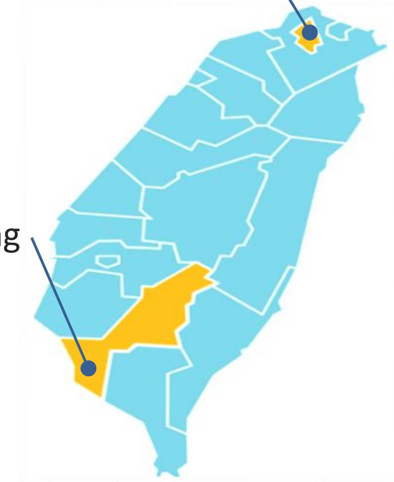
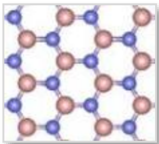
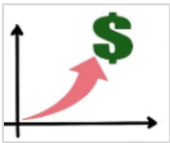


TSMC Group

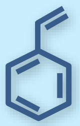

Petrochemical


Materials

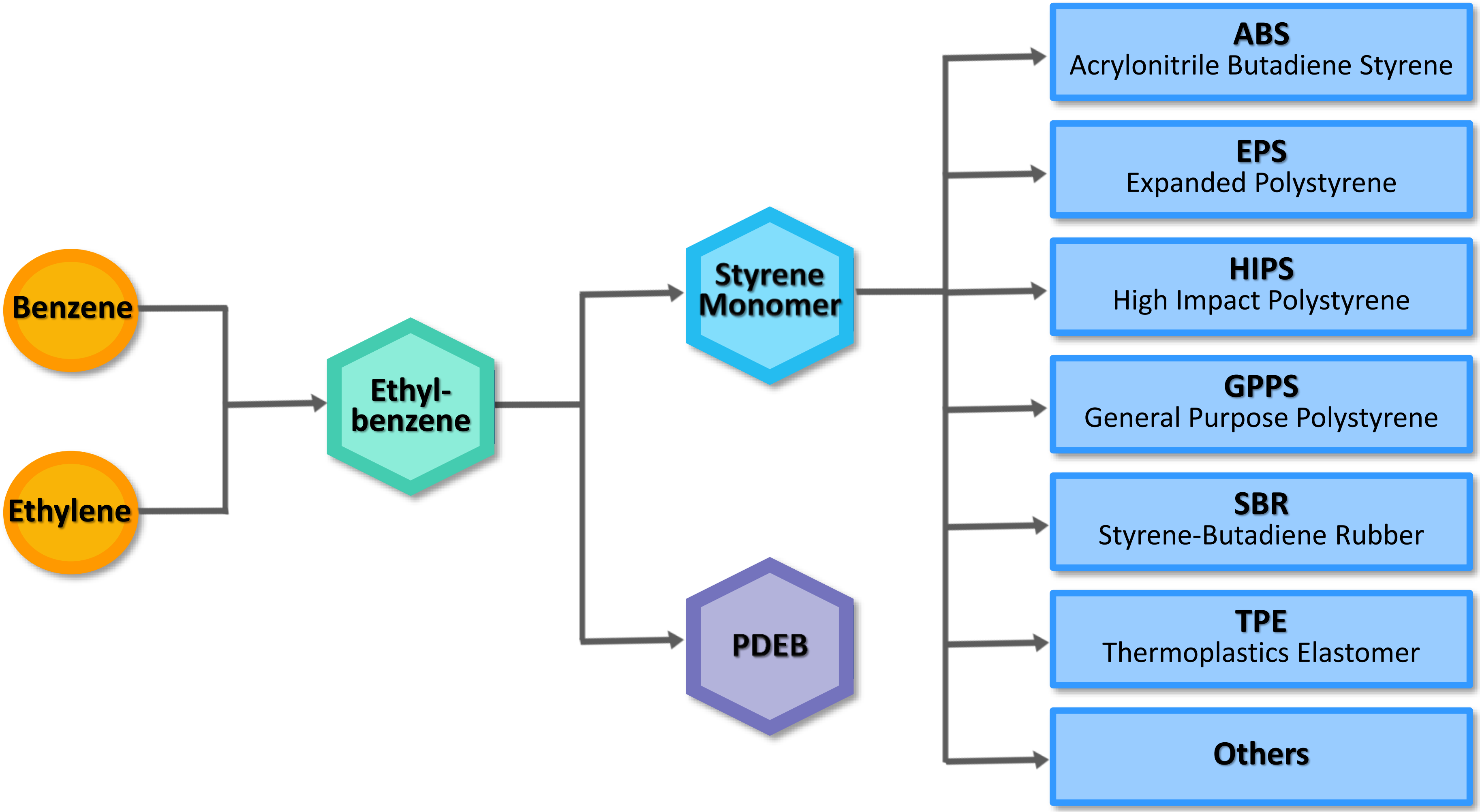

Investment Development


Hospitality

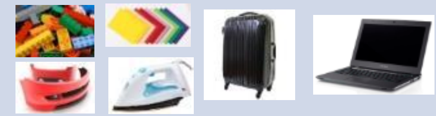
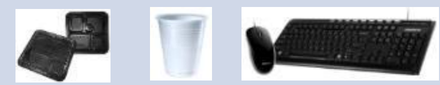
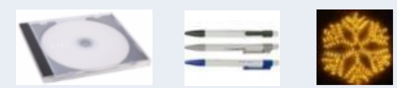
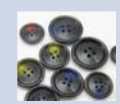
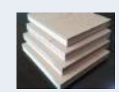
Major Products

Products	Applications	Capacities (tons/year)
 **Styrene Monomer**	The major source material for polystyrene (PS), acrylonitrile butadiene styrene (ABS), styrene-butadiene rubber (SBR) and other polymers.	**350,000**
 **PDEB**	The specialty chemical mainly used as a desorbent for producing Para-xylene in Parex process and Fluxy process.	**7,000**
 **Toluene**	The by-product of the styrene production process, mainly used as an organic solvent.	**8,700**
 **Ethyl-benzene**	The intermediate product of the styrene production process, used as the solvent of polystyrene.	**380,000**

SM Production Materials and Products

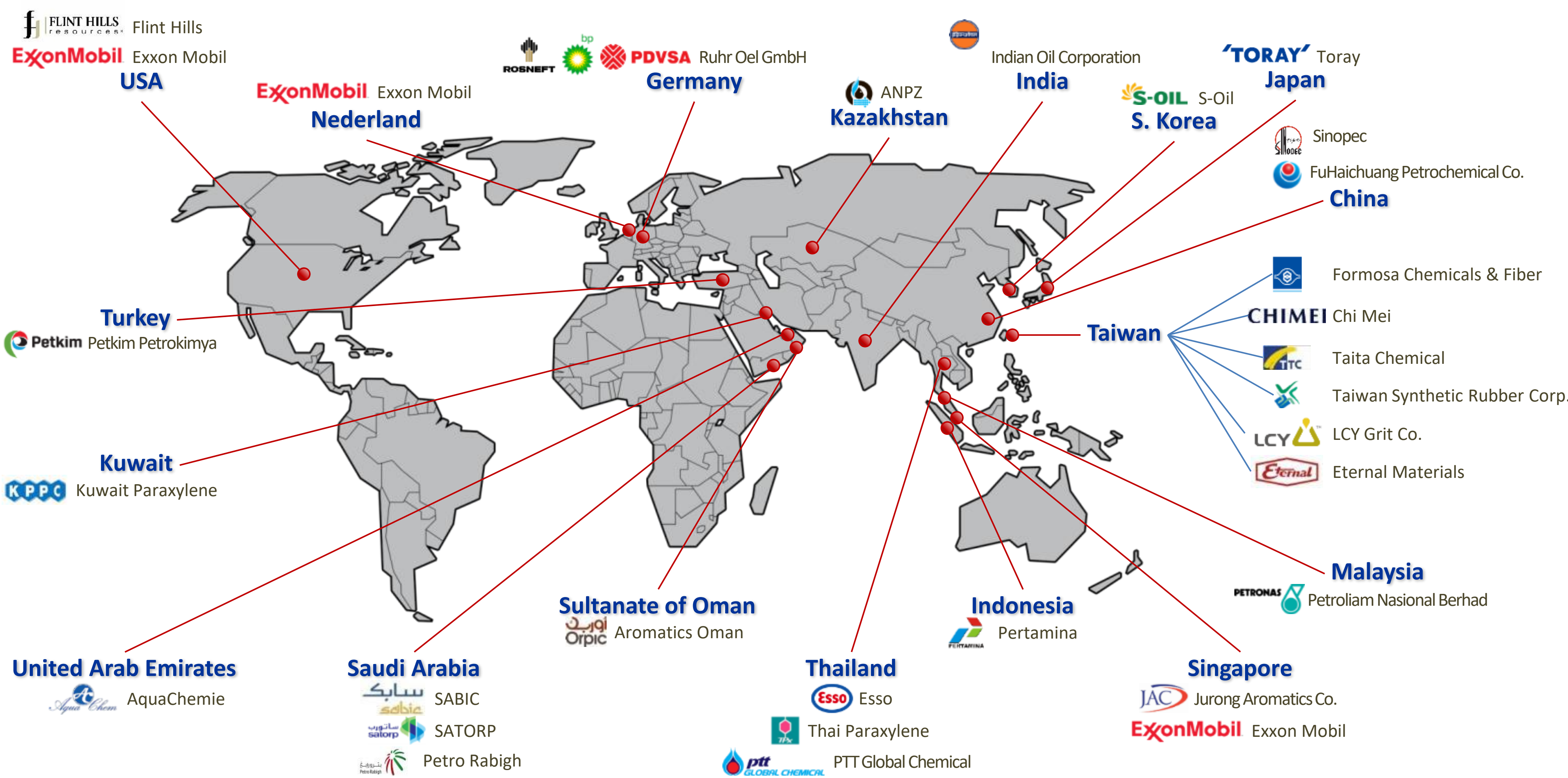


SM Downstream Products and Applications

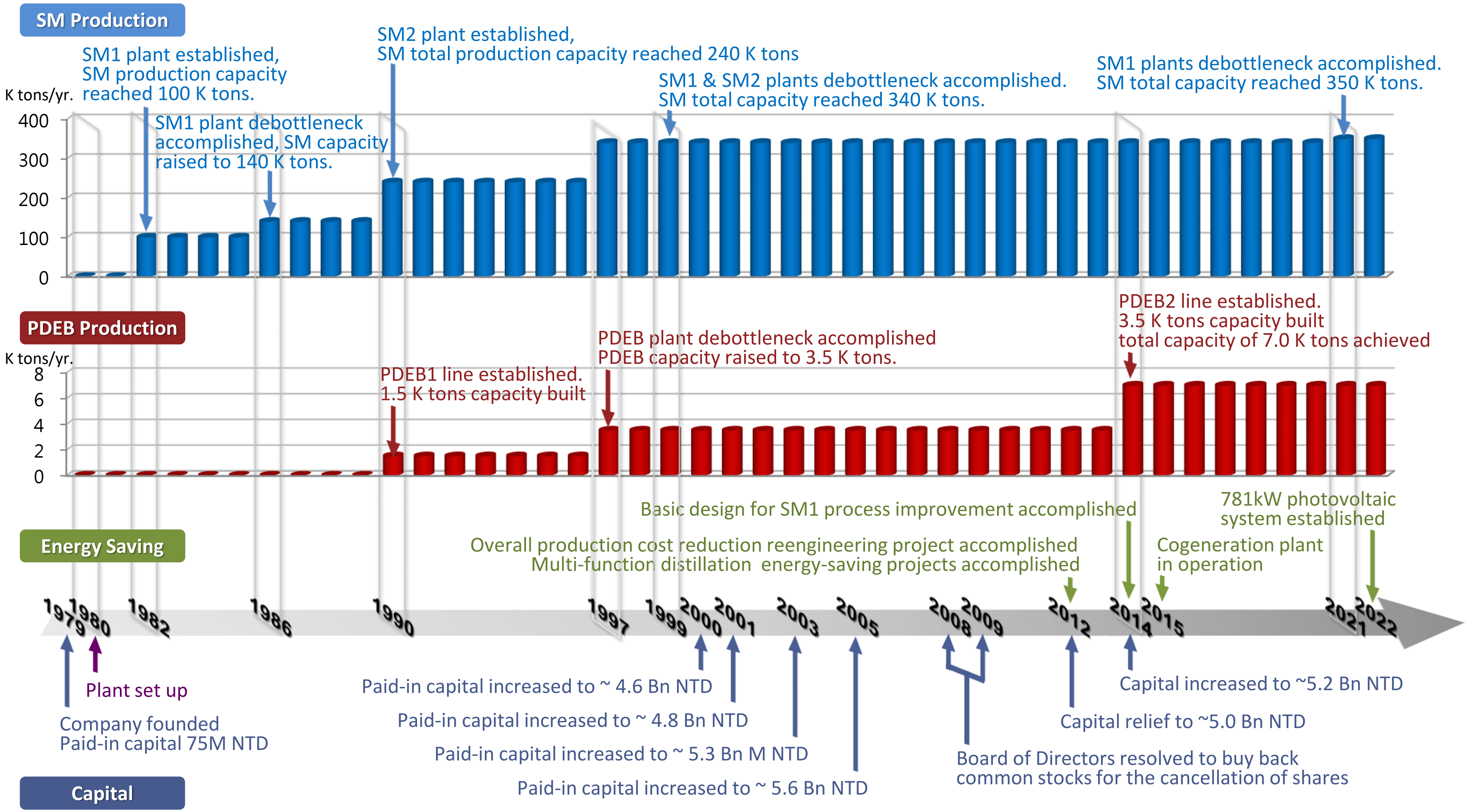
Product	Acronym	Applications	
Acrylonitrile Butadiene Styrene	ABS	auto parts, household appliances, computer case, furnitures, toys, motorcycle case, luggage case	
Expanded Polystyrene	EPS	packaging, insulation, construction, artwork and floating materials, partition board, ice box, cake box	
High Impact Polystyrene	HIPS	keyboard, mouse, computer case, disposable tableware	
General Purpose Polystyrene	GPPS	CD/DVD box, ballpoint pen, X'mas light	
Styrene-Butadiene Rubber	SBR (SSBR)	rubber/color soles, tire	
Thermoplastics Elastomer	TPE	auto, electronic & household appliances	
Unsaturated Polyester Resins	UPR	thermoset composite applications, button	
Emulsion Styrene-Butadiene Rubber	E-SBR	mats, rubber goods and others	

TSMC Clients

The major SM clients are domestic PS, ABS and SBR manufacturers which includes home appliance, mechanical, automobile, electronic and packaging industries. As for PDEB, the clients are chemical plants across the world.



Company and Production History



1 Corporate Profile

Quality, Safety and Environment Systems

Since 1995
ISO-9000 Quality Management System implemented in 1995 and certified in Sep. of the same year.

Since 1997
ISO-14001 Environmental Management System implemented and certified in Dec. 1997.

Since 1998
Joined **Taiwan Responsibility Care Association** (TRCA) since 1998 and pledge the health & safety for employees, clients, public and environment.

Since 2009
OHSAS-18001 Occupational Health &Safety Management Systems implemented and certified in Dec. 2009.

Since 2009
CNS-15506 Occupational Health & Safety Management Systems implemented and certified in Dec. 2009.

Since 2014
ISO-14064-1 (CNS 14064-1) Organization Quantification & Reporting of Green House Gases implemented and certified in Jul. 2015.

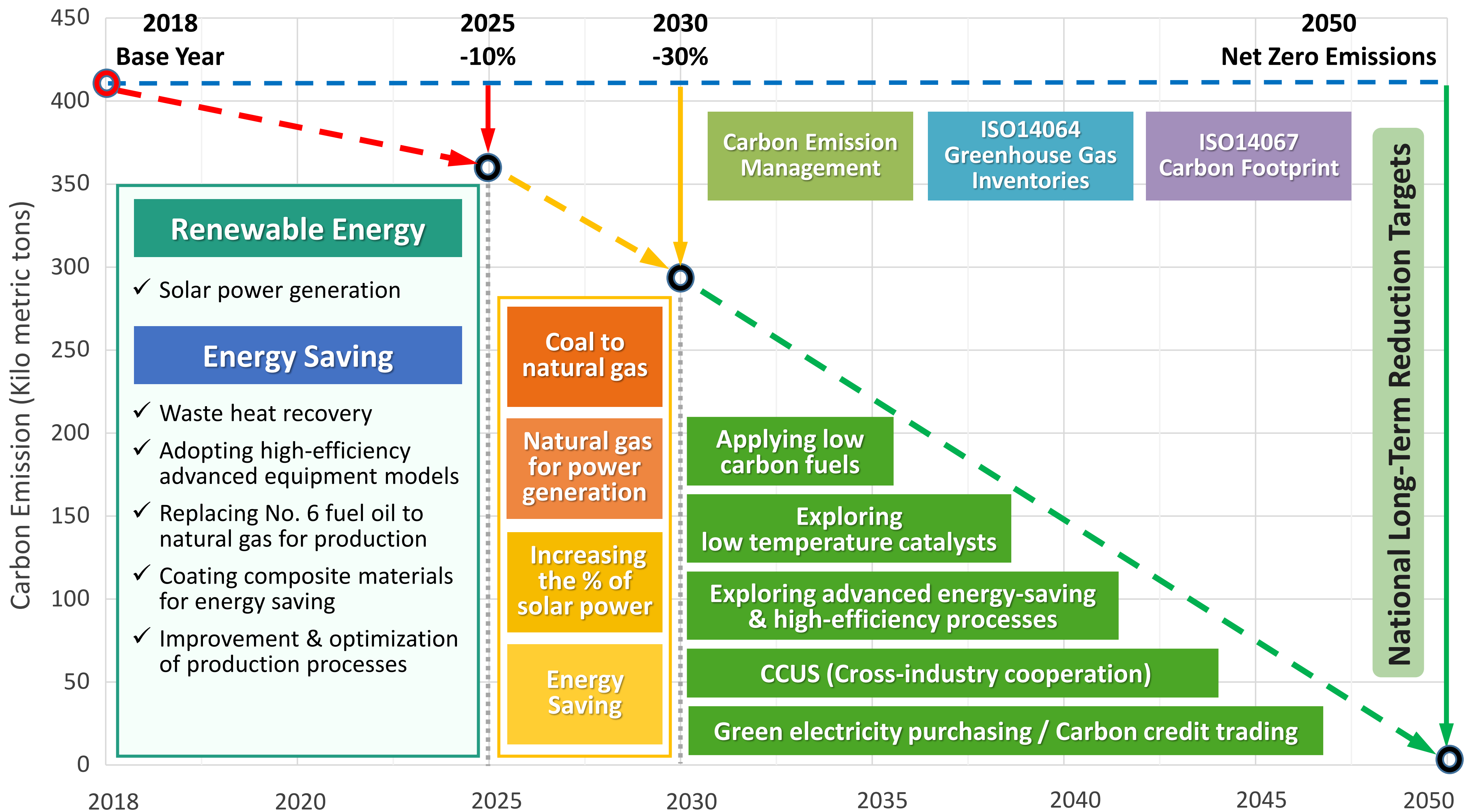
Since 2017
Implementation of **ISO-14001 : Environmental Management Systems** for version change & certified in Jan. 2018.

Since 2018
ISO-9001 (2015) Quality System version change, verification and certified in Sep. 2018.

Since 2020
Conducting audit of OHSAS-18001 to **ISO-45001 system** conversion, and CNS-15506 to **CNS-45001 system** conversion.

Since 2023
ISO-27001 implemented to enforce **Information Security Management**

TSMC's Paths and Goals to Carbon Reduction



Operational Strategy

Strengthen the core business, develop new products and promote business transformation.

Cost Reduction

- Improvement of raw material and energy utilization efficiency
- Continuous process improvement
- Identify adequate catalyst to improve production efficiency

Reinforcement of Workplace Safety & Environmental Protection

- Fulfill and implement all ISO systems
- Implementation of PSM
- Equipment component management & audit
- Greenhouse gas inventory

Subsidiary & Investment Management

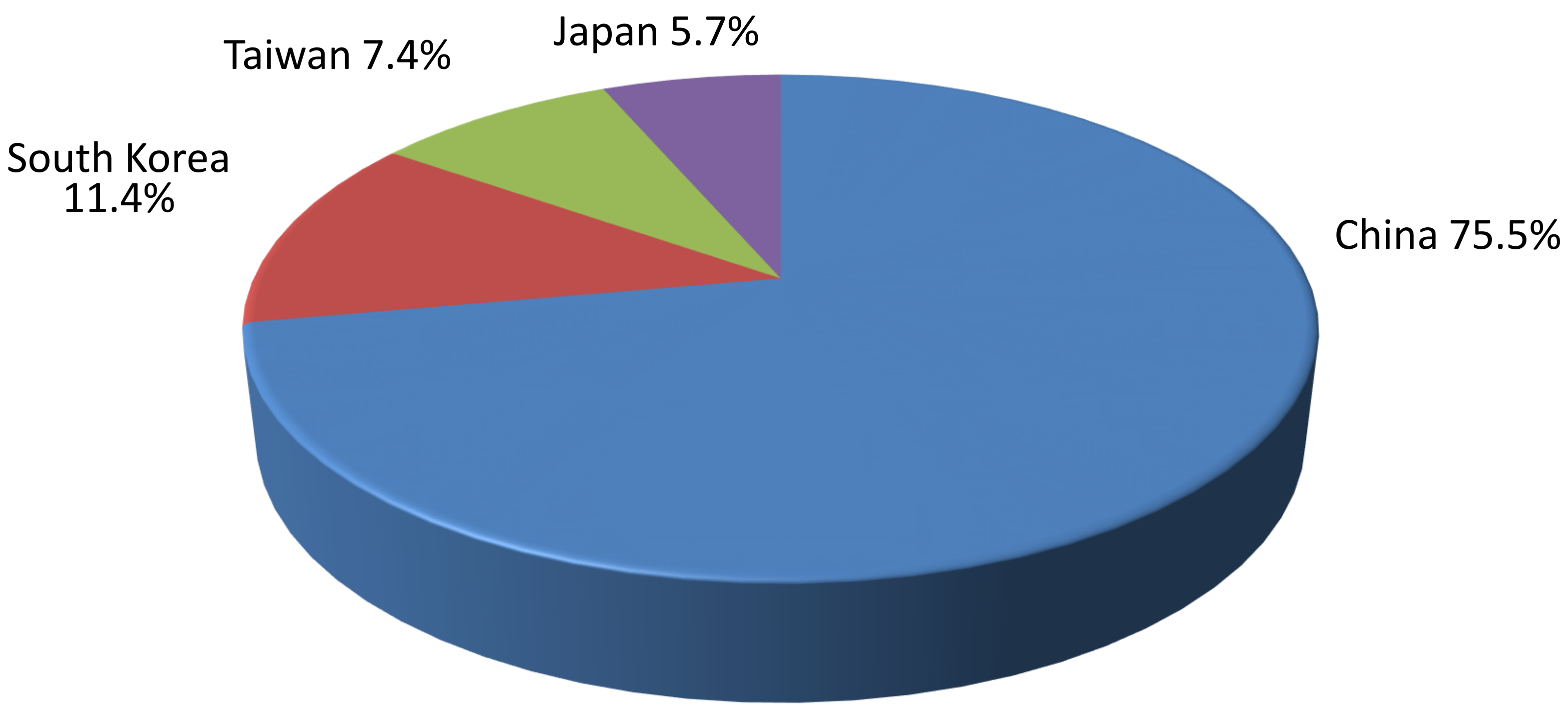
- Disposal of unprofitable business oversea
- Explore new business opportunities and new investment targets

Retrospect and Prospect of SM Market

1. Northeast Asia SM Demand
2. SM Market Supply and Demand in Taiwan
3. Market Review for the First Half of 2025
4. Market Outlook for the Second Half of 2025
5. Overview of TSMC Production and Sales

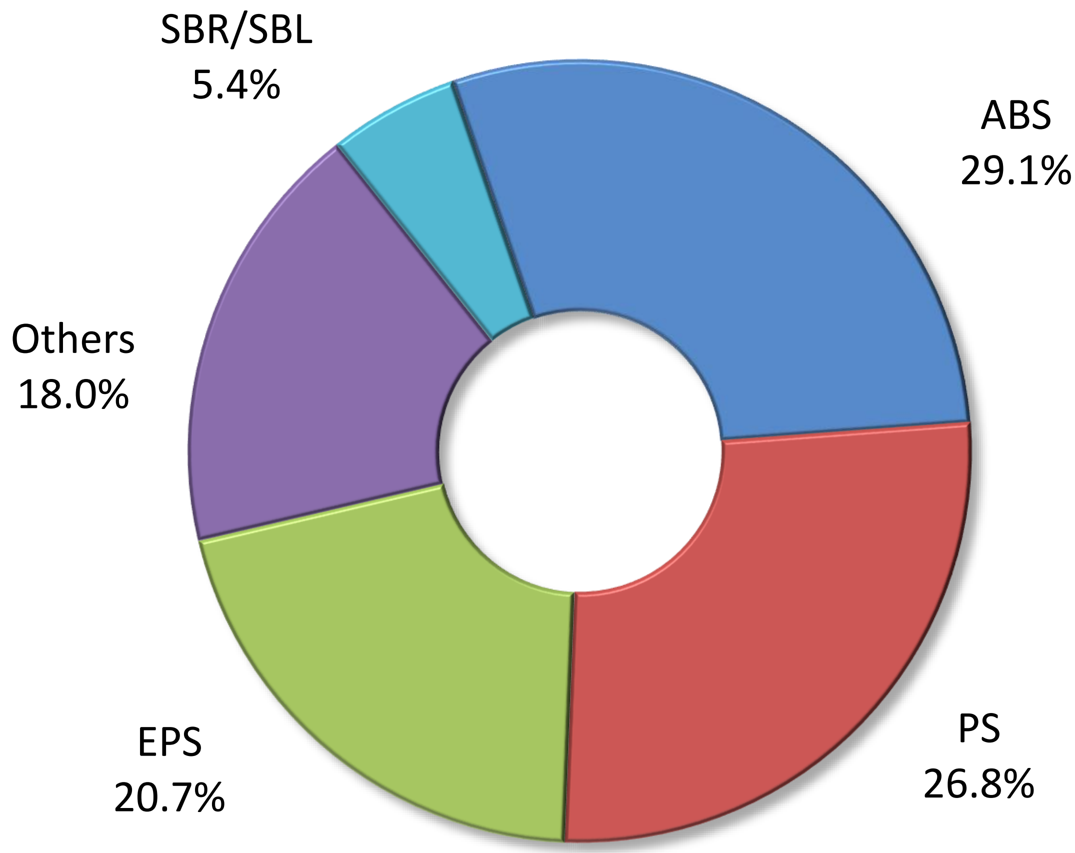
1. Northeast Asia SM Demand

2024 Northeast Asia SM demand by country



1. Northeast Asia SM Demand

2024 SM Demand by its downstream products in Northeast Asia



1. Northeast Asia SM Demand

Growth of demand for SM in Northeast Asia

unit：K MT

	2024	2025			2026		
	Demand	Demand	Demand Growth (%)		Demand	Demand Growth (%)	
China	14,161	14,262	+101	(+0.7%)	14,586	+324	(+2.3%)
Japan	1,066	1,058	-8	(-0.8%)	1,077	+19	(+1.8%)
South Korea	2,162	2,166	+4	(+0.2%)	2,184	+18	(+0.8%)
Taiwan	1,396	1,388	-8	(-0.6%)	1,395	+7	(+0.5%)
NE Total	**14,161**	**14,262**	**+101**	**(+0.7%)**	**14,586**	**+324**	**(+2.3%)**

- According to professional journal data, styrene demand growth in Northeast Asia is projected at 0.5% in 2025 and 1.9% in 2026.

2. SM Market Supply and Demand in Taiwan

- **Taiwan SM supply-demand situation in 2024:**
  1. Domestic production : 1.727 million tons, down 76,000 tons (-4.2%) from 2023 (1.803 million tons).
  2. Domestic demand : 1.396 million tons, down 157,000 tons (-10.1%) from 2023 (1.553 million tons).
  3. Imports : only 61,000 tons, down 22,000 tons (-26.7%) from 2023.
  4. Exports : 392,000 tons, up 59,000 tons (+17.9%) from 2023.
  5. In 2024, Taiwan's SM production, imports, and domestic demand all contracted, while exports increased, reflecting weak domestic demand and a shift of supply to overseas markets.

- **The commissioning of new SM and downstream capacities in China pressured the market, resulting in a full-year 2024 after-tax EPS of -0.72.**

3. Market Review for the First Half of 2025

- **Four Key Factors Affecting the SM Industry in 2025:**
  1. On April 2, the U.S. initiated a global tariff campaign. Prolonged tariff impositions are expected to compress manufacturers' profits, disrupt global supply chains, slow global trade and manufacturing activities, and weaken end-user demand for plastics.
  2. OPEC+ continued production increases have suppressed oil prices, leading to a further decline in petrochemical product prices. Buying momentum remains weak, while high-cost inventories have further exacerbated SM production losses.
  3. As of H1 2025, total SM capacity reached 21.51 million tons in China, accounting for 49% of global capacity. China's imports dropped to 408,000 tons in 2024, down 382,000 tons (approx. 48%) from 790,000 tons in 2023.
  4. With China's downstream product exports increasing year by year, and the EU imposition of provisional anti-dumping duties on ABS from Korea and Taiwan impacting downstream customers export sales, our SM plant operated at an average utilization rate of around 75% in the first half of the year.
- The company recorded a net loss of TWD 372 million in H1 2025, with an after-tax EPS of -0.7, reflecting a deterioration in profitability.

4. Market Outlook for the Second Half of 2025

- Global economic slowdown, combined with China's capacity expansion, has caused a severe market imbalance. End-user demand is expected to remain weak in H2 2025, affecting downstream SM products:
  1. The tariffs imposed on Taiwan are significantly higher than those on key competitors, Japan and Korea. This weakens Taiwan's competitiveness in the international market and puts additional pressure on domestic plastic end-user demand.
  2. In the second half of 2025, China will commission 1.8 million tons of new SM capacity, further intensifying oversupply pressures and driving more exports. SM plants in Japan, Korea, and Taiwan are expected to maintain reduced operating rates on a regular basis.
  3. More downstream capacity for ABS, PS, and EPS is being commissioned, leading to severe oversupply and intense export competition. As a result, our company's SM offtake continues to be affected.
- U.S. trade tariffs will continue to depress end-user plastic demand, and with China's ongoing SM capacity additions, the SM market remains highly challenging in H2 2025.

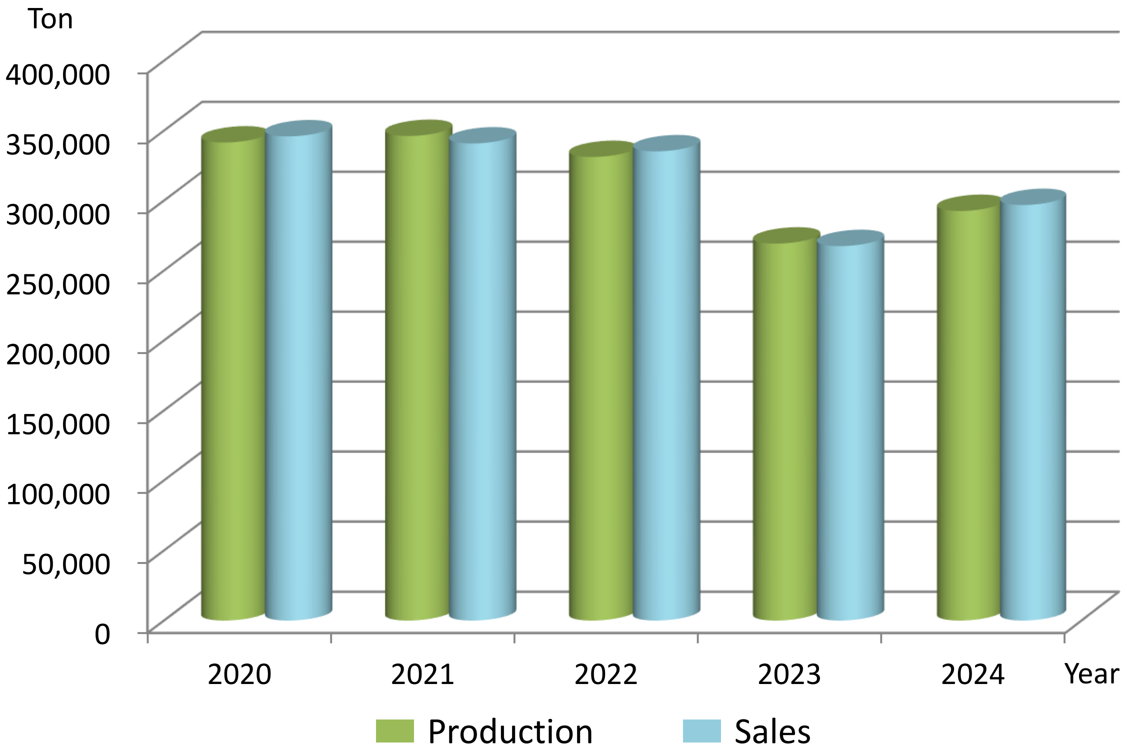
4. Market Outlook for the Second Half of 2025

China SM New Production Capacity for 2025 ~ 2026

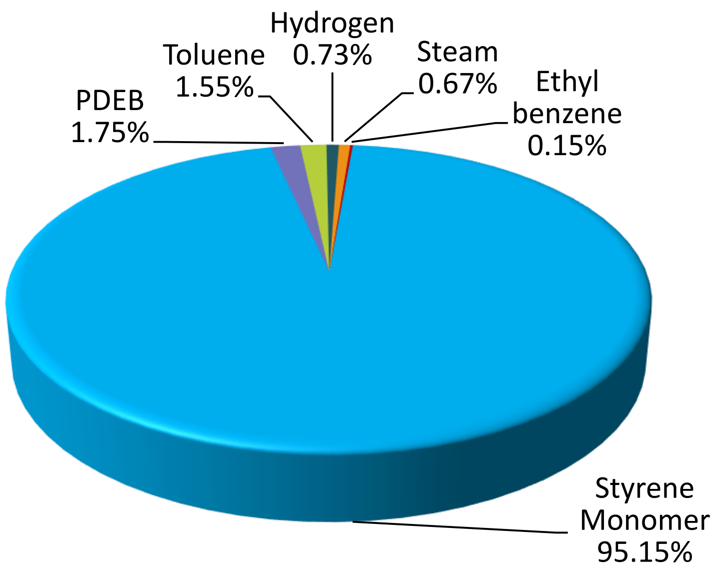
Year	Company	Annual Capacity (K MT)	Estimated Operation Schedule
2025	Chambroad Petrochemical	600	2025/7
	Guangxi Petrochemical	600	2025/10
	Jilin Petrochemical	600	2025/Q4
2025 Total		**1,800**	
2026	Fujian Haiquan Chemical	450	2026/Q1
	Urumqi Petrochemical	300	2026
	Zhenhua Chemical	600	2026
	Rongsheng New Material (Zhoushan)	880	2026
2026 Total		**2,230**	

5. Overview of TSMC Production and Sales

2020~2024 SM Production vs Sales Volume



2024 Sales by Products



Financial Review

1. Consolidated Income Statement
2. Consolidated Financial Analysis
3. EPS & Dividend

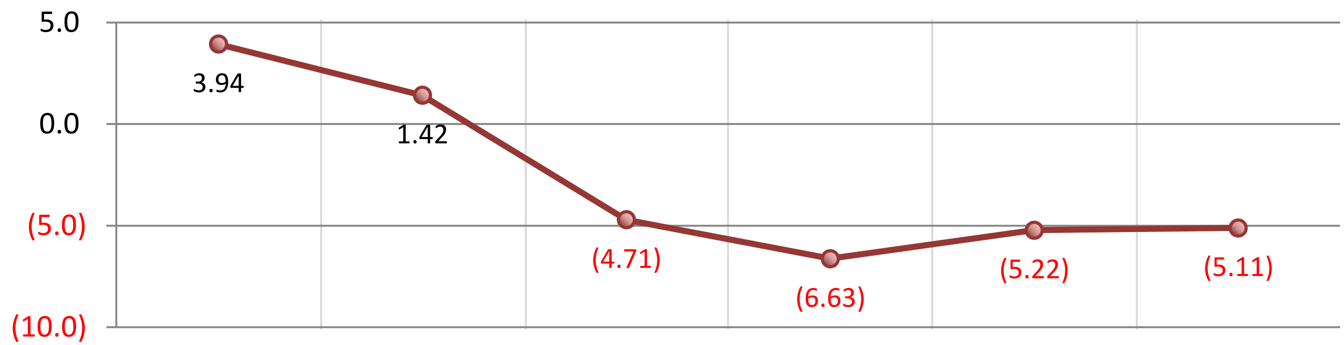
Consolidated Income Statement

Unit：M NTD

	2023	2024	2025 H1
Revenue	9,541	11,423	4,740
Cost	9,952	11,772	5,039
Gross profit	(411)	(349)	(299)
Gross profit rate	**(4%)**	**(3%)**	**(6%)**
Operating expenses	199	203	84
Net profit	(611)	(552)	(383)
Net profit rate	**(6%)**	**(5%)**	**(8%)**
Non-operating income	27	70	(28)
Profit before tax	(583)	(482)	(411)
Tax (refund)	122	99	39
Net profit of the term	(461)	(383)	(372)
Profit rate	**(5%)**	**(3%)**	**(8%)**
Net Income Attributed to			
- Stockholders of the company	(462)	(381)	(372)
- Non-controlling Interest	1	(2)	-
EPS (NTD)	**(0.88)**	**(0.72)**	**(0.70)**

Consolidated Financial Analysis

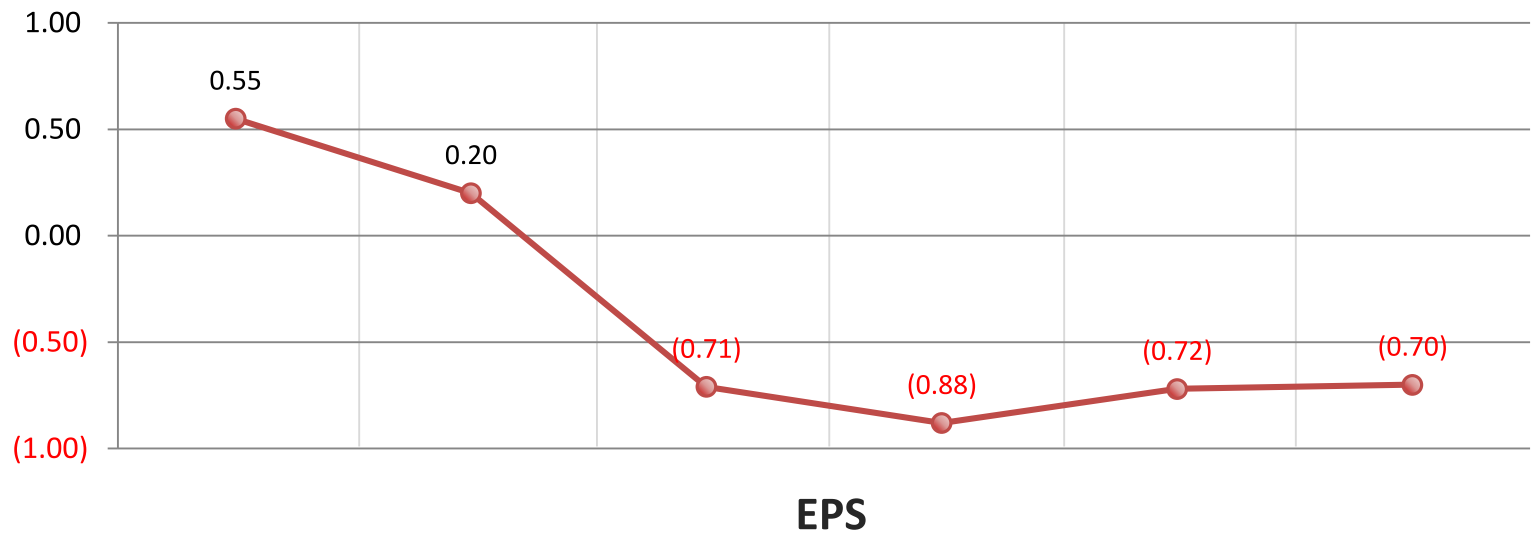
	2020	2021	2022	2023	2024	2025 H1
Debts ratio (%)	17.18	20.73	24.58	26.43	24.97	25.20
Current ratio (%)	203.49	167.09	147.72	117.01	110.67	97.90
Quick ratio (%)	153.51	96.62	104.29	74.41	79.58	67.70
Average collection turnover (times)	9.37	13.05	13.58	10.62	12.44	10.69
Average collection days	38.95	27.92	26.87	34.37	29.34	34.14
Average inventory turnover (times)	18.05	18.41	18.89	15.31	19.81	25.44
Average inventory turnover days	20.22	19.82	19.32	23.84	18.42	14.34
Return on total equity (%)	3.94	1.42	(4.71)	(6.63)	(5.22)	(5.11)



ROE (%)

EPS & Dividend

	2020	2021	2022	2023	2024	2025 H1
EPS (NTD)	0.55	0.20	(0.71)	(0.88)	(0.72)	(0.70)
Cash dividend (NTD)	0.50	0.15	0.20	-	-	-
Stock Dividend from Retained Earnings (NTD)	-	-	-	-	-	-
Payout Ratio	**91%**	**75%**	**-**	**-**	**-**	**N/A**



Q & A

Thank You

台灣苯乙烯工業股份有限公司

Taiwan Styrene Monomer Co.