Nanya Technology

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Dr. Pei-Ing Lee , President & Spokesman

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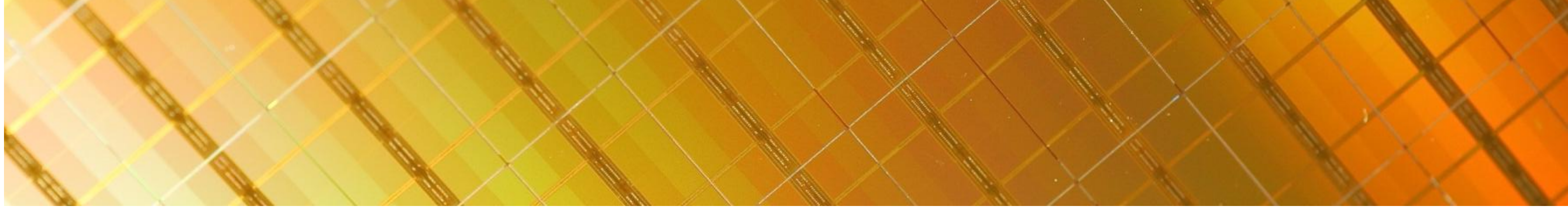

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OVERVIEW

NTC Overview

Corporate Facts

- DRAM Design, Production & Sales
- Founded in 1995, IPO in 2000
- Headquarters: Taoyuan, Taiwan
- Formosa Plastic Group (FPG) has 75.8% equity ownership
- Technology:
  - Now: 30nm (>95%) & 42nm (<5%) (JD w/ Micron)
  - Next: 20nm scheduled for pilot run in 1Q 2017.
    1x/1ynm have license rights from MU
- Capacity : 60,000 WSPM* (12")
- NTC's 24% Inotera's share will sell to Micron
- Plan to invest Micron through private placement

Product Mix

- High quality consumer & specialty DRAM products and multiple mobile memory solution.

SiP = System in Package

KGD = Known Good Die
PoP = Package on Package
MCP = Multiple-Chip Package

Worldwide Coverage & Location

NANYA

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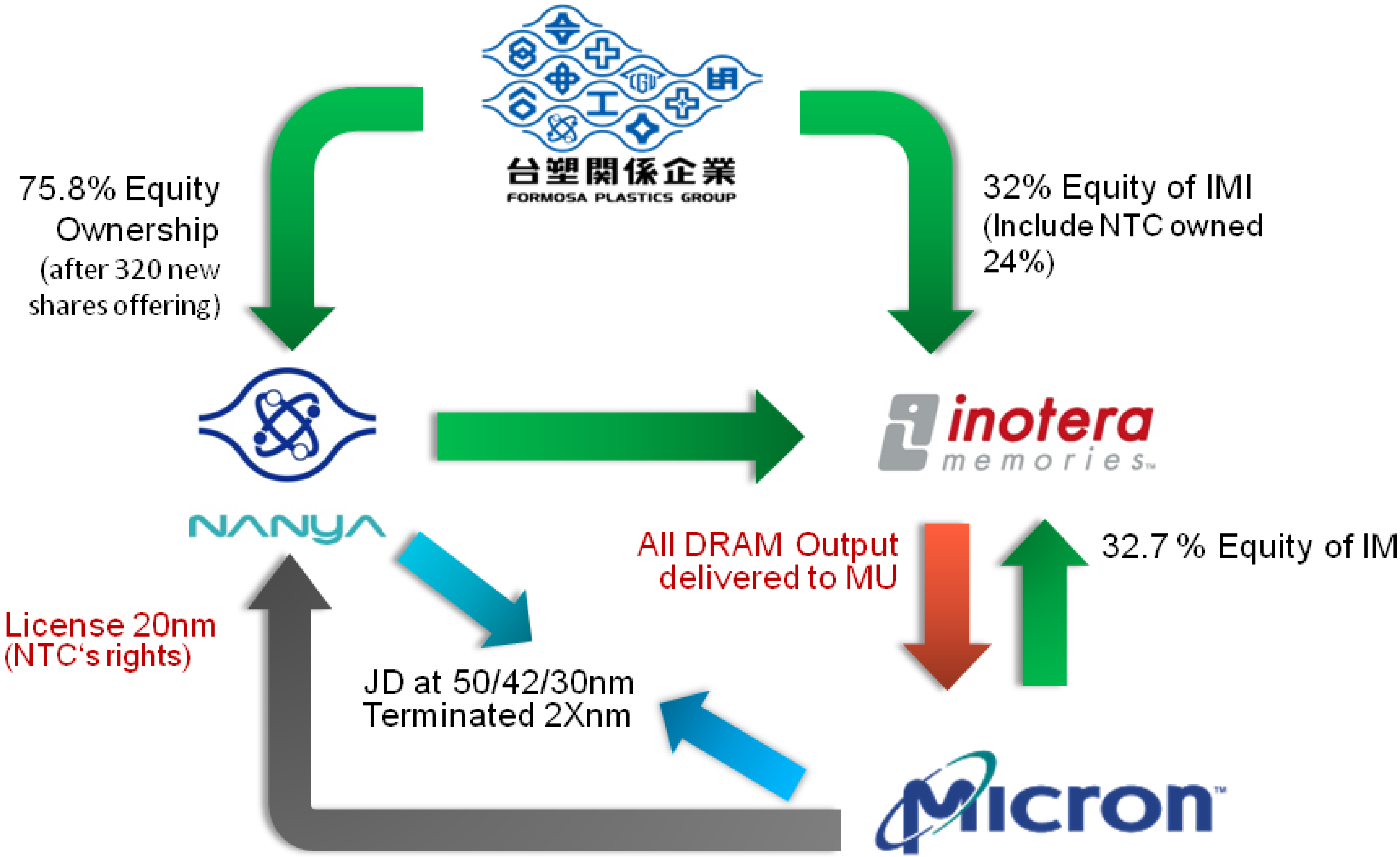
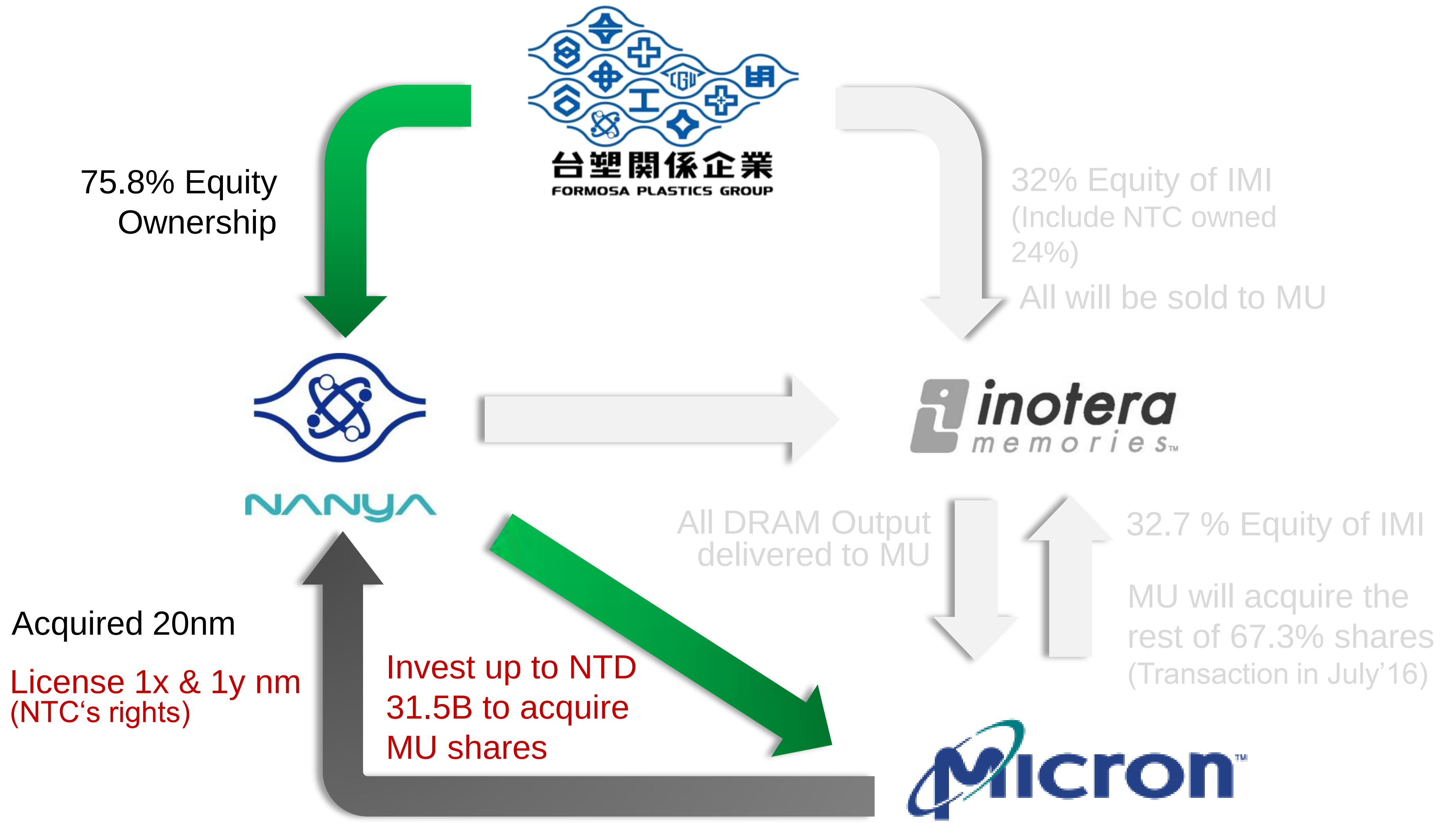
INOTERA TRANSACTION UPDATE

Nanya, Inotera & Micron (Now)



Nanya, Inotera & Micron (After closing)



Inotera Transaction Update

Transaction Price	NTD 30 per share in cash
Status Update	
Definitive Agreement	• Definitive share swap agreement signed on Feb. 3rd, 2016
Specail Shareholders' Meeting	• Subject to approval by 3/29 Inotera Extraordinary General Meeting
Certain condition precedents	• Approvals by the Investment Commission and Fair Trade Commission in Taiwan, or necessary regulatory authorities in other countries
Financing	• NTD 52.5B (approximately $ 1.6B) cash on Micron's balance sheet (40%) • Micron Taiwan will take NTD 80B (approximately $2.4B) Taiwan debt financing (60%) (1 USD: 33.2 NTD)
Partnerships	• Nanya will invest Micron up to NTD 31.5B through private placement
Transaction Close	• Target to close in July 2016

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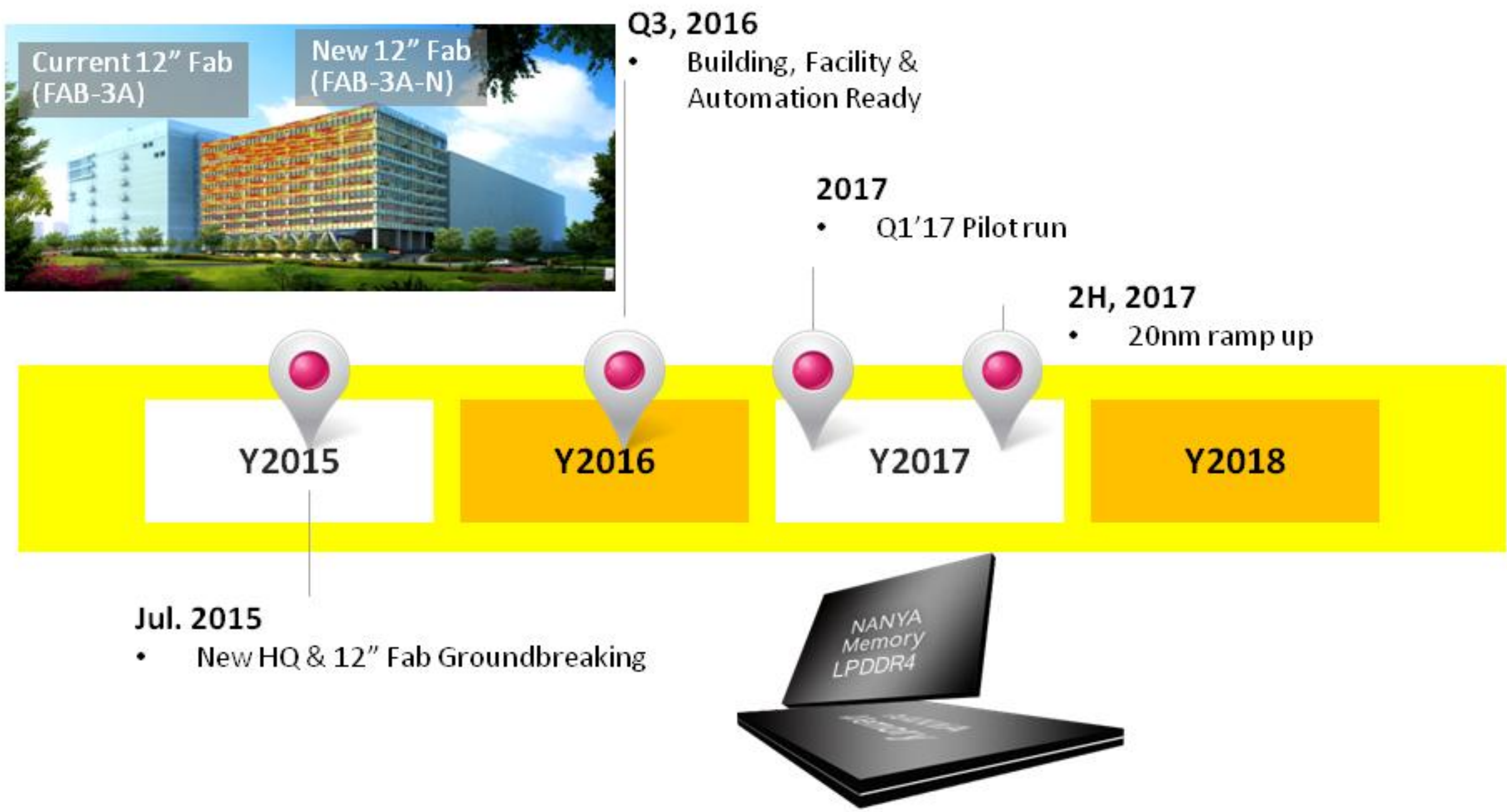
ACCELERATING 20NM TECHNOLOGY

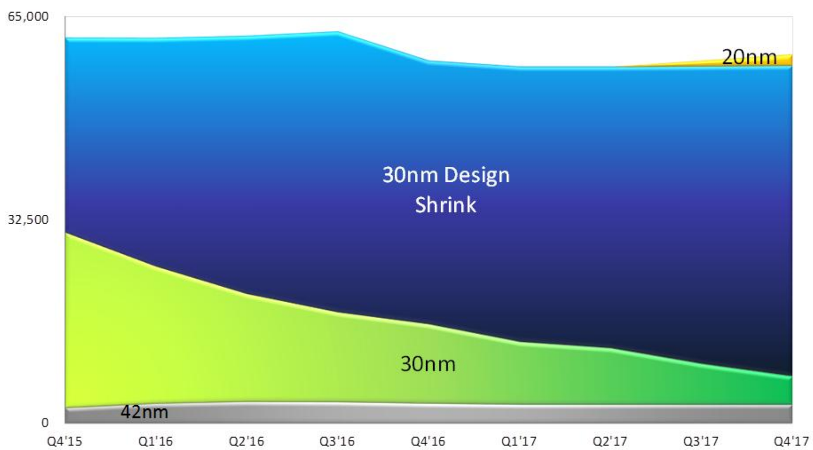
20nm Technology Plan

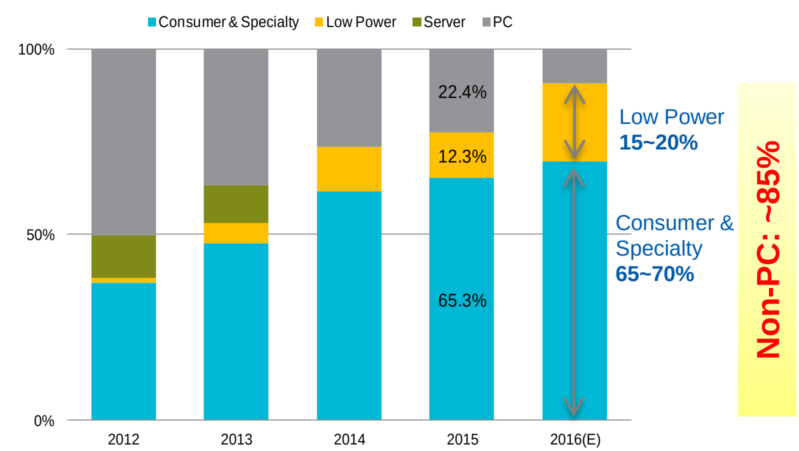
- Plan to convert 30K WSPM to 20nm Technology.
- Additional clean room space will be needed, output schedule for 2H 2017.
- Total capacity remains at 60K WSPM. (30K convert to 20nm, 30K at 42/30nm)
- Anticipated Capex of NT$ 23.63B for 20nm migration in 2016.



Technology Ramp Progress

30nm Design Shrink	20nm Process Technology	1Xnm/1Ynm Process Technology
30nm Design shrink to reach 70% in Q2 2016 Target reach 80% by Q4 2016	Start 20nm technology pilot run in Q1 2017 20nm DRAM ramp in 2H 2017	Signed 1x and 1y Technology transfer & license option agreement with Micron





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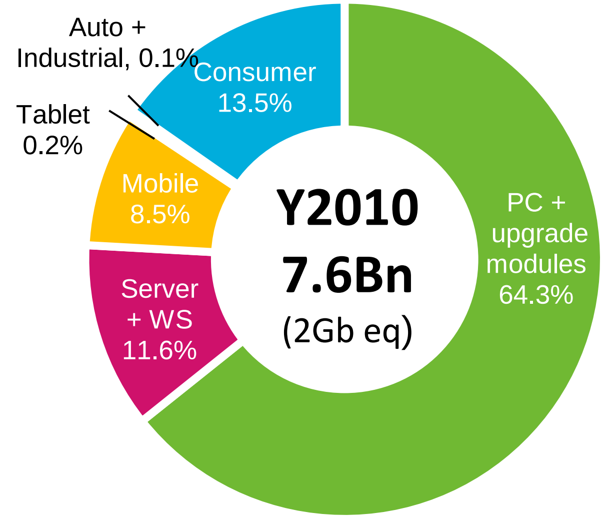
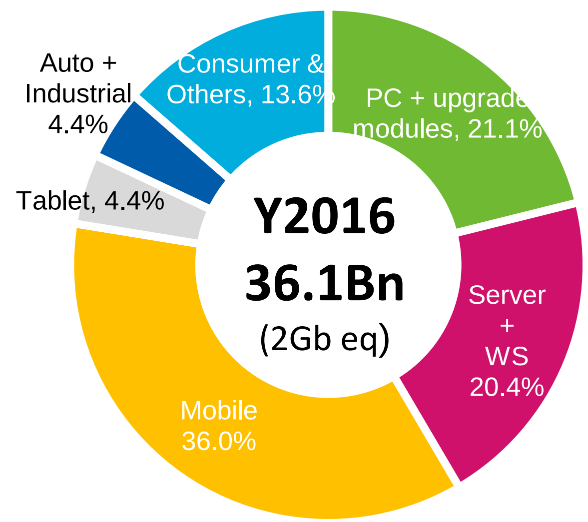
DRAM INDUSTRY ENVIRONMENT

Demand Diversifying

Unit : QTY(Mu) | C/B(GB)		Y2015 QTY,	Y2015 C/B	Y2016 QTY	Y2016 C/B	YoY QTY(Y/Y)	YoY C/B(Y/Y)	YoY Bit Growth
Cloud	Server	15.6	85.1	16.8	110	7.7%	29.3%	39.2%
P2P	PC	288	4.7	283	5.2	-1.7%	9.4%	8.7%
P2P	Tablet	202	1.8	194	2.0	-3.9%	11.1%	6.7%
P2P	Smart Phone	1,398	1.6	1,546	2.0	10.5%	25.0%	38.2%
P2P	LCD TV	214	1.5	223	1.8	4.2%	20%	25.0%
M2M	Car	87.4	0.3	90.5	0.6	3.5%	100%	107.1%





- Bit growth of 2016 in other consumer segments forecast to increase 16.9% yoy.

Source: Gartner, IHS, NTC MKT

DRAM Market Outlook

- Overall worldwide economic is conservative, low to moderate demand growth expected in 2016.
- Short term seasonal demand and demand in China market marginally improved in Q1'16, follow by potential consumer demand from Summer Olympics in 2016.
- Demand remain sluggish in PC segment, cloud computing growth under expectation, mobile unit shipment shows flattish but grow in content.
- Expect DRAM price fall moderately in Q2, price uncertainty expected in 2H'16 due to new capacity introduced by major suppliers.

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FINANCIAL PERFORMANCE

2015 P&L Results

Unit: NT$B	Q1'15	Q2'15	Q3'15	Q4'15	2015
Revenue	12B	11.2B	10.3B	10.3B	43.9B
Gross Profit ***Gross Margin (%)***	5.7B *47%*	4.7B *42%*	3.9B *37%*	3.1B *30%*	17.3B *39.5%*
Operating Income ***Operating Margin (%)***	4.8B *40%*	3.9B *35%*	3.0B *29%*	1.9B *18%*	13.5B *30.7%*
Non-operating Income	1.5B	0.8B	1.8B	0.03B	4.2B
Net Income ***Net Margin (%)***	6.3B *52%*	4.3B *38.1%*	4.7B *46%*	1.9B *18%*	17.1B *39.1%*
Capital	24B*				
EPS	2.61	1.75	1.94	0.77	**7.07**

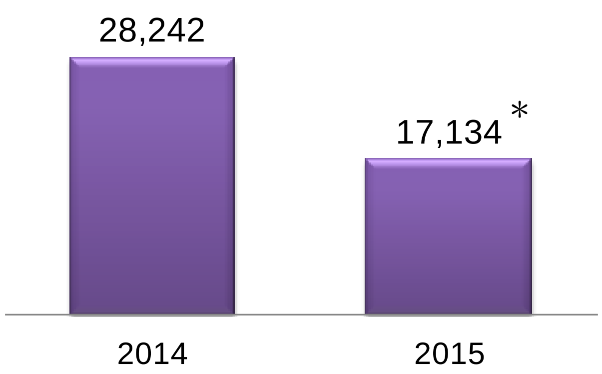
•Company highlights:
- Debt ratio : debt ratio 42% after equity funding.
- EBITDA Margin: 32.2% of Q4'15, BVPS: NT$22.54 of Q4'15.

*BVPS: Book value per share

2015 Financial Highlights

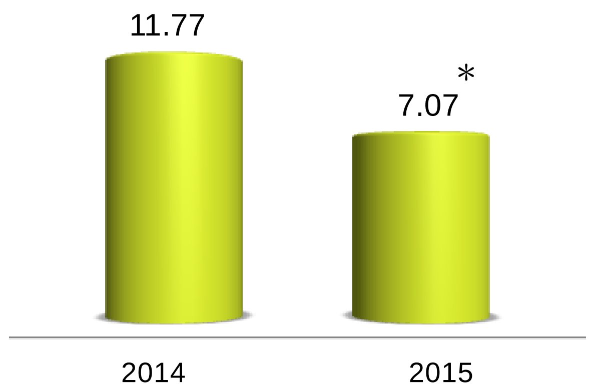
Net Income

(Million NT$)



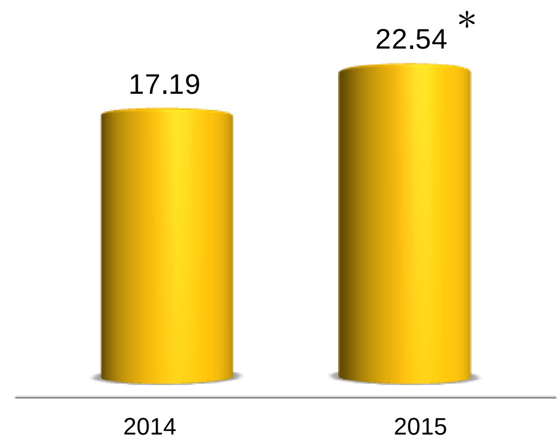
Earnings Per Share

(NT$)



Book Value Per Share

(NT$)



Y2015 Performance

- Net income of NT$17.134 billion(B)
- Net Margin 39.1%
- EPS NT$ 7.07, BVPS NT$ 22.54
- Debt ratio 47% vs. 60 % in 2014

Key Messages

- Shipment up 16.3% YoY.
- Cost /bit improved >20% YoY.
- Recognized IMI's profit of NT$ 4.4B

* Unaudited number

2015 Cash Flows

(Unit: Million NT$)	Q1'15 **Audited & Consolidated**	Q2'15 **Audited & Consolidated**	Q3'15 **Audited & Consolidated**	Q4'15 **Unaudited & Consolidated**
Beginning Balance	**7,268**	**7,429**	**7,189**	**3,747**
Cash from Operating Activities	5,311	4,418	4,622	3,539
Capital expenditures	-964	-782	-1,320	-776
Long-term & Short-term loans	-4,541	-3,993	-1,853	-3,994
Investments and others	356	118	-4,890*	583
Ending Balance	**7,429**	**7,189**	**3,747**	**3,100**
Free Cash Flow (1)	**4,346**	**3,636**	**3,302**	**2,764**

(1) Free Cash Flow = Cash from operating activities – Capital expenditures

**** Mainly due to cash dividend payout to shareholders***

Business Highlights

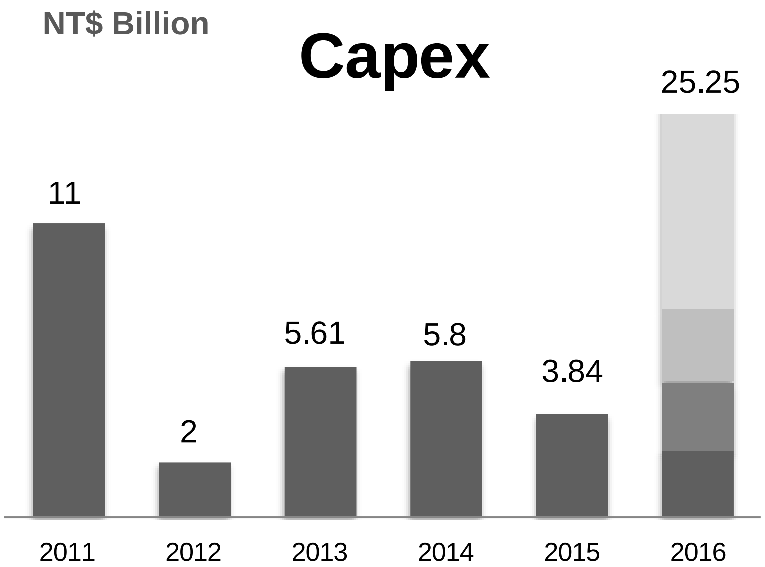
Rights Offering

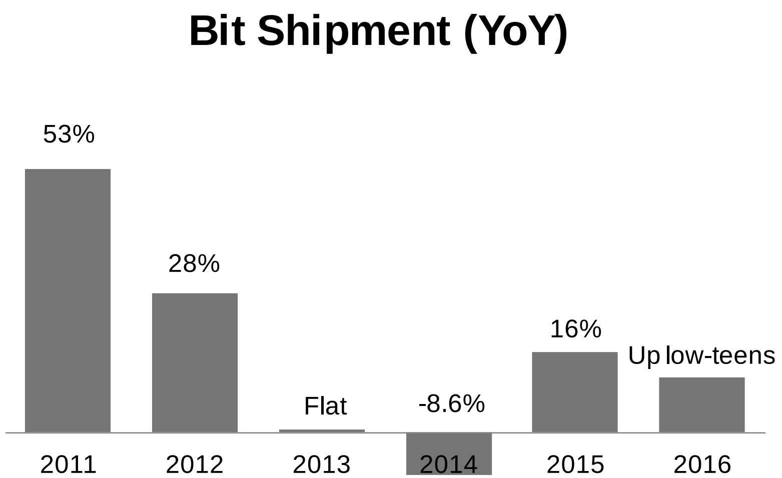
- Completed 320 million new common shares issuance at NT$ 36.5 per share
- Received NT$11.68 billion
- Investors including: Kingston, ADATA, Cathay Life Insurance, Mercuries Life Insurance, Taiwan Post, etc.

NTD 12 Billion Syndicated Loan

- Nanya signed an NTD 12 billion five-year syndicated loan agreement with 15 Banks

Capex & Bit Shipment





- **Capital Expenditure** (Capex)
  - NT$3,842M Capex of Y2015.
  - Estimated NT$25,253M for 2016 Capex.
    (20nm Conversion Capex in 2016 guided for NT$ 23,632M)
- **Bit Shipment**
  - 16.3% bit shipment growth in 2015.
  - 2016 bit shipment guidance to increase low-teens yoy.
  - Estimated bit shipment flat in Q1'16.

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SUMMARY

Key Takeaways

- **Support Inotera share swap transaction target to close in July, 2016.**
- **Start 20nm technology pilot run in Q1 2017.**
- **Expect DRAM price fall moderately in Q2, price uncertainty expected in 2H'16 due to new capacity introduced by major suppliers.**

Thanks & Questions

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2015 Income Statement

Amount: Million NT$	Y2015 Unaudited & Consolidated		Y2014 Audited & Consolidated		YoY
Net Sales	43,869	100.0%	49,108	100.0%	-10.7%
Cost of Goods Sold	26,547	60.5%	26,939	54.9%	
Gross Margin	17,323	39.5%	22,169	45.1%	-21.9%
SG&A Expenses	1,885	4.3%	1,987	4.0%	
R&D Expenses	1,954	4.5%	1,378	2.8%	
Operating Income	13,483	30.7%	18,805	38.3%	-28.3%
Non-operating Income (Exp.)	4,194	9.6%	12,928	26.3%	
Income before Tax	17,677	40.3%	31,733	64.6%	-44.3%
Income Tax Benefit (Expense)	-513	-1.2%	-2,481	-5.1%	
Profit from Continuing Operation	17,164	39.1%	29,251	59.6%	
Income (Loss) from Discontinued Operation	0	0.0%	-1,056	-2.2%	
Net income attributable to noncontrolling interests	30	0.1%	-47	-0.1%	
Net Income attributable to NTC	17,134	39.1%	28,242	57.5%	-39.3%
EPS(NT$)	7.07		11.77		

