

Safe Harbor

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Agenda

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|-----|-------------------------|
| 01. | Q4'16 Key Takeaways |
| 02. | Q4'16 Revenue & Results |
| 03. | 2016 Revenue & Results |
| 04. | Operations |
| 05. | Market Outlook |
| 06. | Business Outlook |



01

KEY TAKEAWAYS

Q4'16 Key Takeaways

- **Q4'16 Revenue of NT\$ 12,096 million(M), 18.5% increased QoQ**
- **ASP increased 12.1%**
- **Gross margin 31.1%, Operating margin 21.2%**
- **Recognized NT\$ 20,045M pre-tax profit from Inotera share disposal**
- **Recognized NT\$ 477M profit from Inotera's earning in Q4'16**
- **Completed the investment in Micron's private placement with about 5.26% shareholding**
- **Net income of NT\$ 20,062M, Net margin 165.9%, EPS NT\$ 7.33**



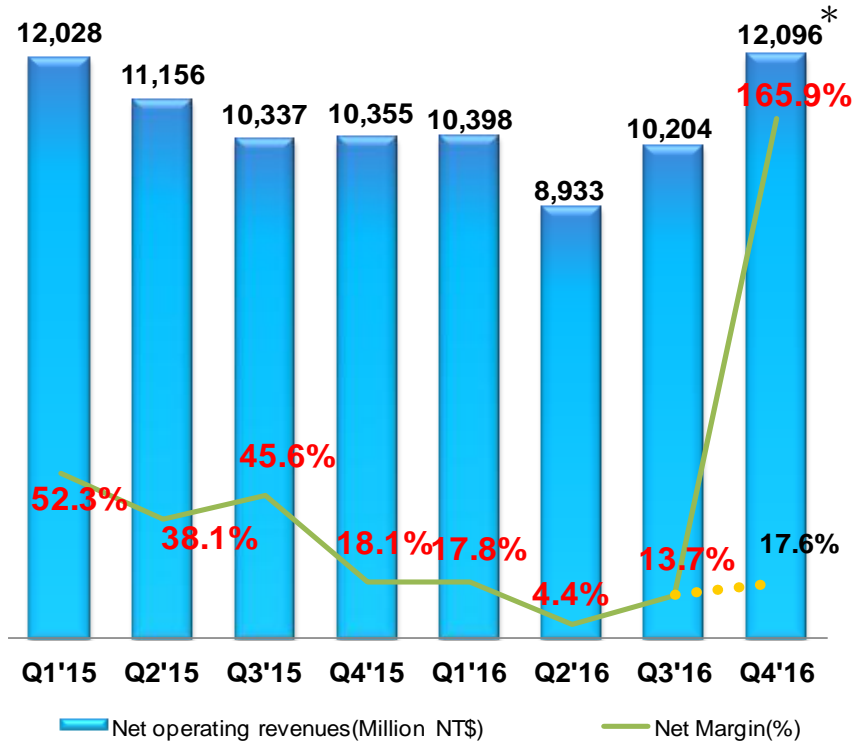
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Q4'16 REVENUE & RESULTS

Financial Highlights

2015-2016 Quarterly Results

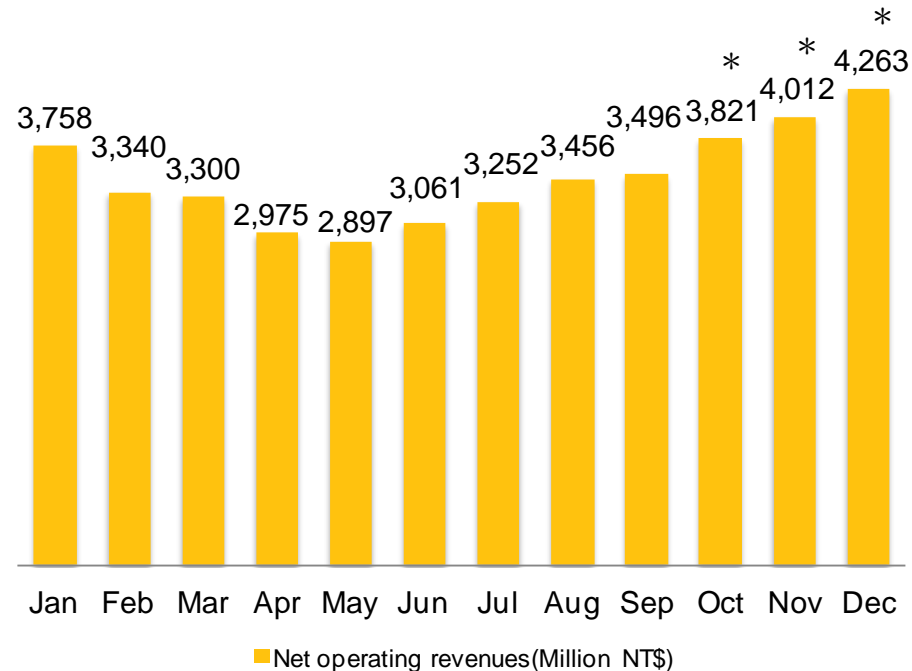
* Unaudited number



Note: ●●● 17.6% net margin excluded IMI disposal gain

2016 Monthly Revenues

* Unaudited number



Quarterly Revenue Results

	QoQ Q4 '16 vs. Q3'16	YoY Q4'16 vs. Q4'15
Revenue	18.5%	16.8%
Shipment	5.9%	17.7%
ASP	12.1%	2.2%
Exchange Rate	-0.2%	-2.9%

- Revenue increase 18.5% quarter-over-quarter
- Q4'16 bit shipment increased 5.9% and ASP increased 12.1% QoQ.

Q4'16 Financial Results Summary

Amount in Million NT\$,
except for EPS & BVPS

	Q4'16		Q3'16		QoQ	Q4'15		YoY
	Unaudited		Audited			Audited		
Net Sales	12,096	100%	10,204	100%	18.5%	10,355	100%	16.8%
Gross Margin (Loss) <i>Gross Margin(%)</i>	3,767	31.1%	3,171	31.1%	18.8%	3,089	29.8%	21.9%
Operating Income (Loss) <i>Operating Margin(%)</i>	2,570	21.2%	1,699	16.7%	51.2%	1,860	18.0%	38.2%
EBITDA* <i>EBITDA Margin (%)</i>	4,075	33.7%	3,215	31.5%	26.7%	3,326	32.1%	22.5%
Non-operating Income (Expense)	18,842**	155.8%	-296	-2.9%		25	0.2%	
Income Tax Benefit (Expense)	-1,347	-11.1%	-2	0.0%		-9	-0.1%	
Net Income (Loss) <i>Net Margin (%)</i>	20,062	165.9%	1,402	13.7%	1331.3%	1,870	18.1%	973.0%
Earnings Per Share (NT\$)	7.33***		0.51			0.77		
Book Value Per Share (NT\$)	31.71		22.57			22.55		
Shares Outstanding(million shares)	2,748		2,748			2,429		

Note: * EBITDA = Operating income + Depreciation & Amortization Expenses

** For Non-Operating income details, refer to page 10.

*** EPS is based on weighted average outstanding shares of 2,748 million.

Q4'16 vs. Q3'16 Results Comparison

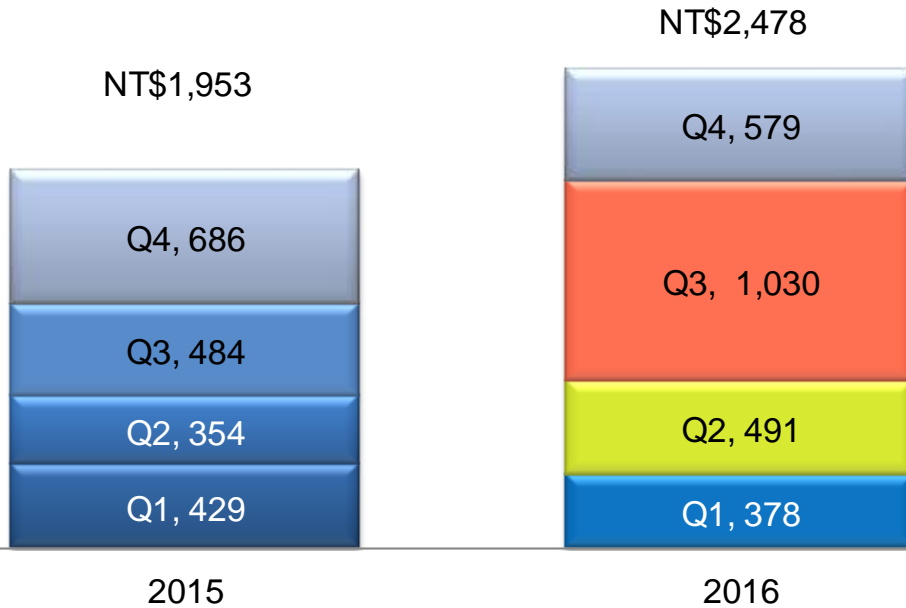
*Percentage Points

Amount in Million NT\$	Q4'16	Q3'16	QoQ (PPT*)	Difference
	Unaudited	Audited		
Net Sales	12,096	10,204	+18.5%	<ul style="list-style-type: none"> ASP increased 12.1% QoQ Bit shipment increased 5.9% QoQ
Gross Margin (Loss) Gross Margin(%)	3,767 31.1%	3,171 31.1%	0%	<ul style="list-style-type: none"> 20nm conversion impact to gross margin Employee compensation
Operating Income (Loss) Operating Margin(%)	2,570 21.2%	1,699 16.7%	+4.5%	<ul style="list-style-type: none"> Operating expense decreased NT\$ 275M mainly from R&D expense reduction
Net Income (Loss) Net Margin (%)	20,062 165.9%	1,402 13.7%	+152.2%	<ul style="list-style-type: none"> Recognized NT\$ 20,045M (pre-tax) gain on disposal of Inotera share Recognized Inotera profit increased NT\$ 262M (Q4: NT\$ +477M, Q3: NT\$ +215M) Exchange gain increased NT\$ 928M (Q4: NT\$ +480M, Q3: NT\$ -448M) Recognized NT\$ 1,160M loss from asset impairment Recognized NT\$ 872M estimated remediation costs of Inotera's specific environmental safety and facilities items Q4 recognized NT\$ 1,335M basic tax expense of selling Inotera shares

Operating Expenses

R&D Expenses

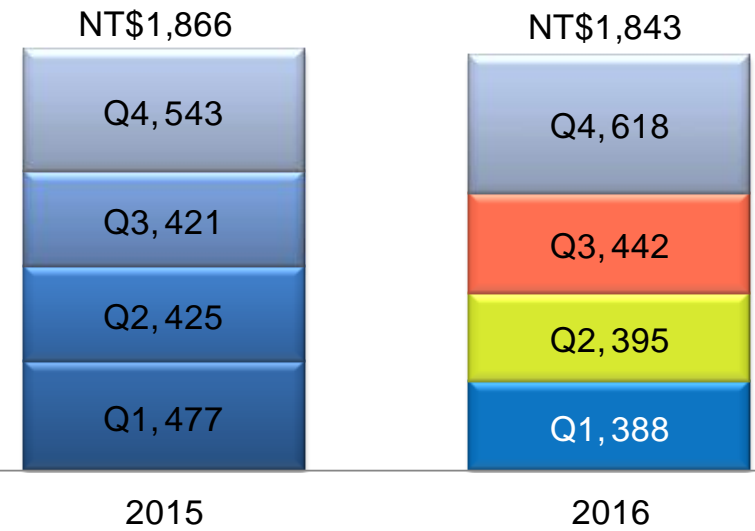
(Million NT\$)



Note: NT\$ 539M R&D expense increased in Q3; mainly in 30nm design shrink mobile DRAM development and 20nm early preparation.

SG&A Expenses

(Million NT\$)



Note: SG&G expense increased mainly from Employee compensation and other expense in Q4'16

Investment of Micron Private Placement

The Investment as of 2016/12/02		Accounting Treatment as of 2016/12/31	
Volume	<ul style="list-style-type: none"> 57,780,138 shares 	Account	<ul style="list-style-type: none"> Available-for-sales financial assets
Purchase price & EX rate	<ul style="list-style-type: none"> US\$ 17.29 per share (=NT\$544.42752) US\$ 1: NT\$ 31.488 	Market Price	<ul style="list-style-type: none"> US\$ 21.92 per share (=NT\$707.55568) US\$ 1: NT\$ 32.279
Investment amount	<ul style="list-style-type: none"> NT\$ 31,457,097,237 	Market Value	<ul style="list-style-type: none"> NT\$40,882,664,833
Shareholding	<ul style="list-style-type: none"> about 5.26% of Micron's interest 	Measurement	<ul style="list-style-type: none"> Mark to market on monthly basis
Lock-up period	<ul style="list-style-type: none"> Six months (till 2017/6/2) 	Unrealized gain	<ul style="list-style-type: none"> NT\$9,425,567,596

Q4'16 Cash Flows

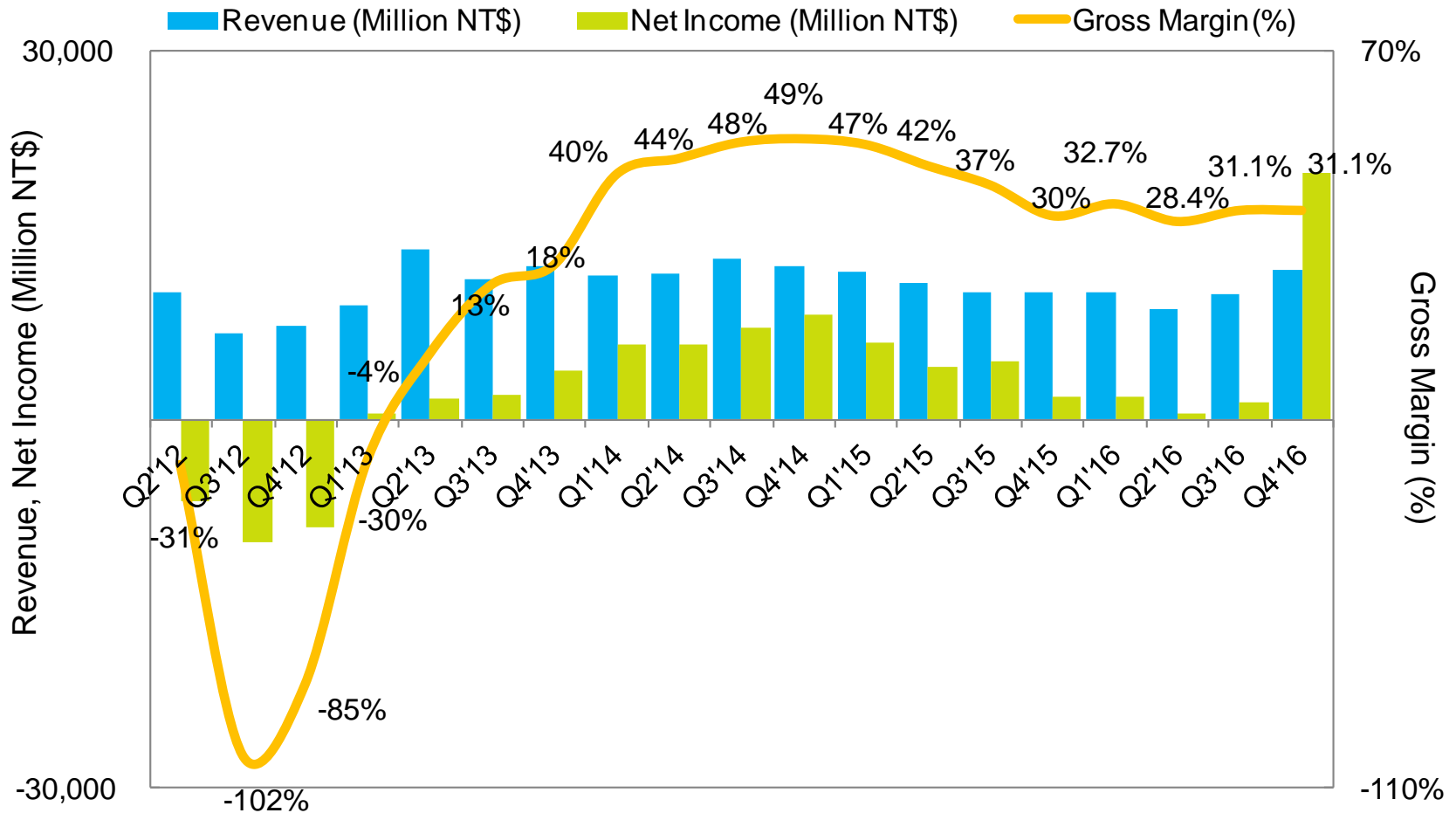
(Unit: Million NT\$)	Q4'16 Unaudited & Consolidated	Q3'16 Audited & Consolidated	Q4'15 Audited & Consolidated
Beginning Balance	13,248	15,961	3,747
Cash from Operating Activities	4,771	3,376	4,171
Capital expenditures	-14,990	-4,791	-775
Long-term & Short-term loans	-8,463*	1,979	-3,994
Investments and others	14,471**	-3,277	-46
Ending Balance	9,038	13,248	3,104
Free Cash Flow ⁽¹⁾	-10,219	-1,415	3,397

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

* Q4'16 Repayment on loan total NT\$ 10.1B.

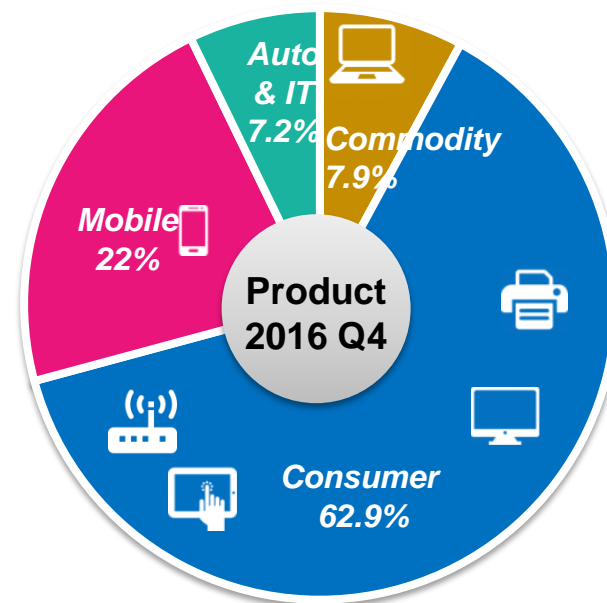
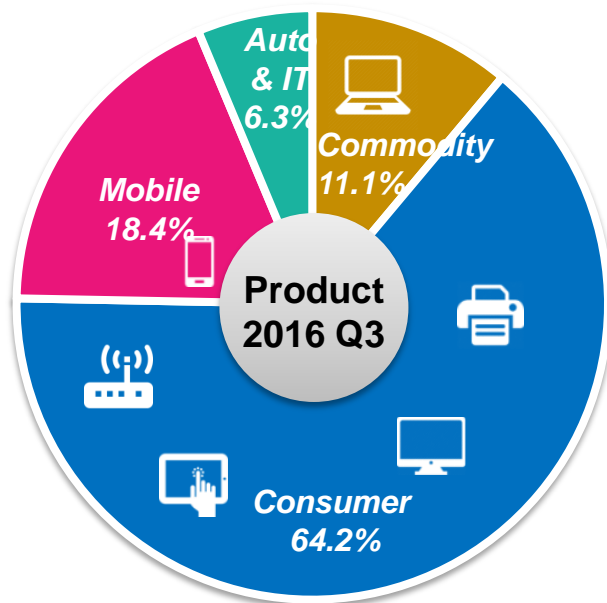
** Net proceeds NT\$ 16B, (Disposal of IMI shares(NT\$ 47.6B), Acquisition of Micron's private placement (NT\$ 31.5B)), Money market fund NT\$ 2B.

Financial Highlights



Sales Breakdown by Application

■ Q4'16 Auto & IT accounted for 7.2% of total revenue.





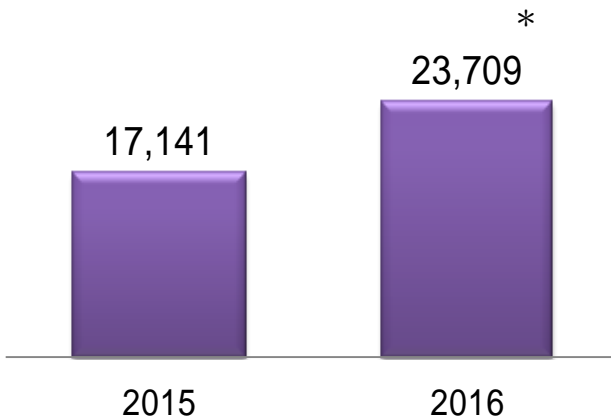
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2016 REVENUE & RESULTS

2016 Financial Highlights

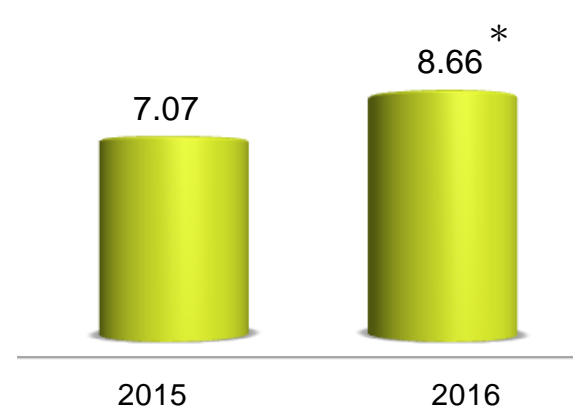
Net Income

(Million NT\$)



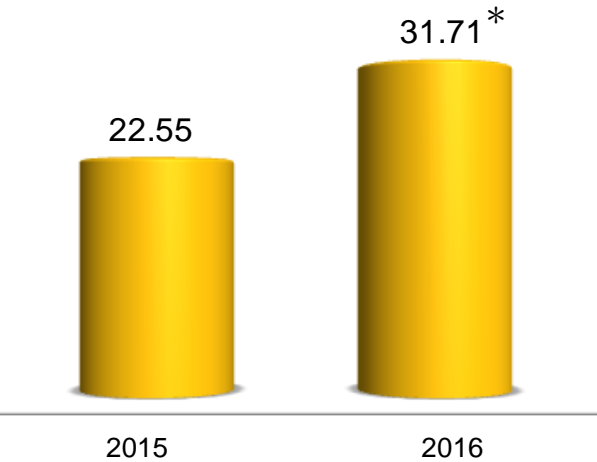
Earnings Per Share

(NT\$)



Book Value Per Share

(NT\$)



Y2016 Performance

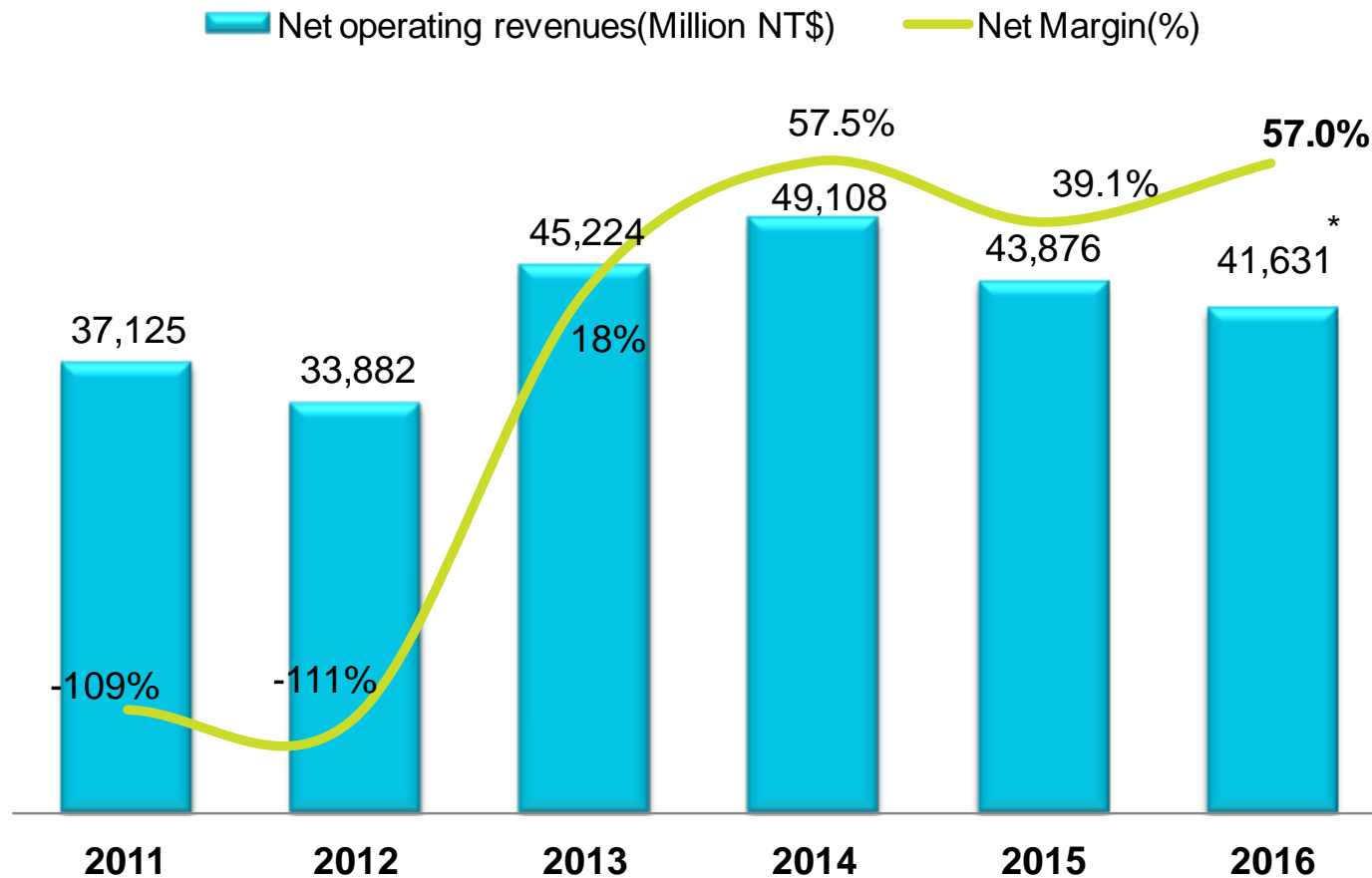
- Net income of NT\$23.709B
- Net Margin 57%
- EPS NT\$ 8.66, BVPS NT\$ 31.71
- Debt ratio 36.3% vs. 47% in 2015

Key Messages

- Shipment up 20.3% YoY.
- Cost /bit improved >10% YoY.
- Recognized IMI disposal gain of NT\$ 20.04B

Annual Revenue & Net Margin

* Unaudited number



2016 Revenue Results

	2016 vs. 2015
Revenue	-5.1%
Shipment	+20.3%
ASP	-22.1%
Exchange Rate	+1.2%

- 2016 revenue decreased 5.1% YoY.
- Bit shipments increased 20.3% YoY.
- ASP decreased 22.1% YoY.
- Revenue up 1.2% due to exchange rate.

2016 Income Statement

Amount: Million NT\$	Y2016		Y2015		YoY
	Unaudited & Consolidated		Audited & Consolidated		
Net Sales	41,631	100.0%	43,876	100.0%	-5.1%
Cost of Goods Sold	28,757	69.1%	26,568	60.6%	
Gross Margin	12,873	30.9%	17,308	39.4%	-25.6%
SG&A Expenses	1,843	4.4%	1,867	4.3%	
R&D Expenses	2,478	6.0%	1,954	4.5%	
Operating Income	8,553	20.5%	13,487	30.7%	-36.6%
Non-operating Income (Exp.)	17,160	41.2%	4,190	9.5%	
Income before Tax	25,712	61.8%	17,677	40.3%	45.5%
Income Tax Benefit (Expense)	-1,996	-4.8%	-506	-1.2%	
Profit from Continuing Operation	23,716	57.0%	17,171	39.1%	
Income (Loss) from Discontinued Operation	0	0.0%	0	0.0%	
Net income attributable to noncontrolling interests	7	0.0%	30	0.1%	
Net Income attributable to NTC	23,709	57.0%	17,141	39.1%	38.3%
EPS(NT\$)	8.66		7.07		

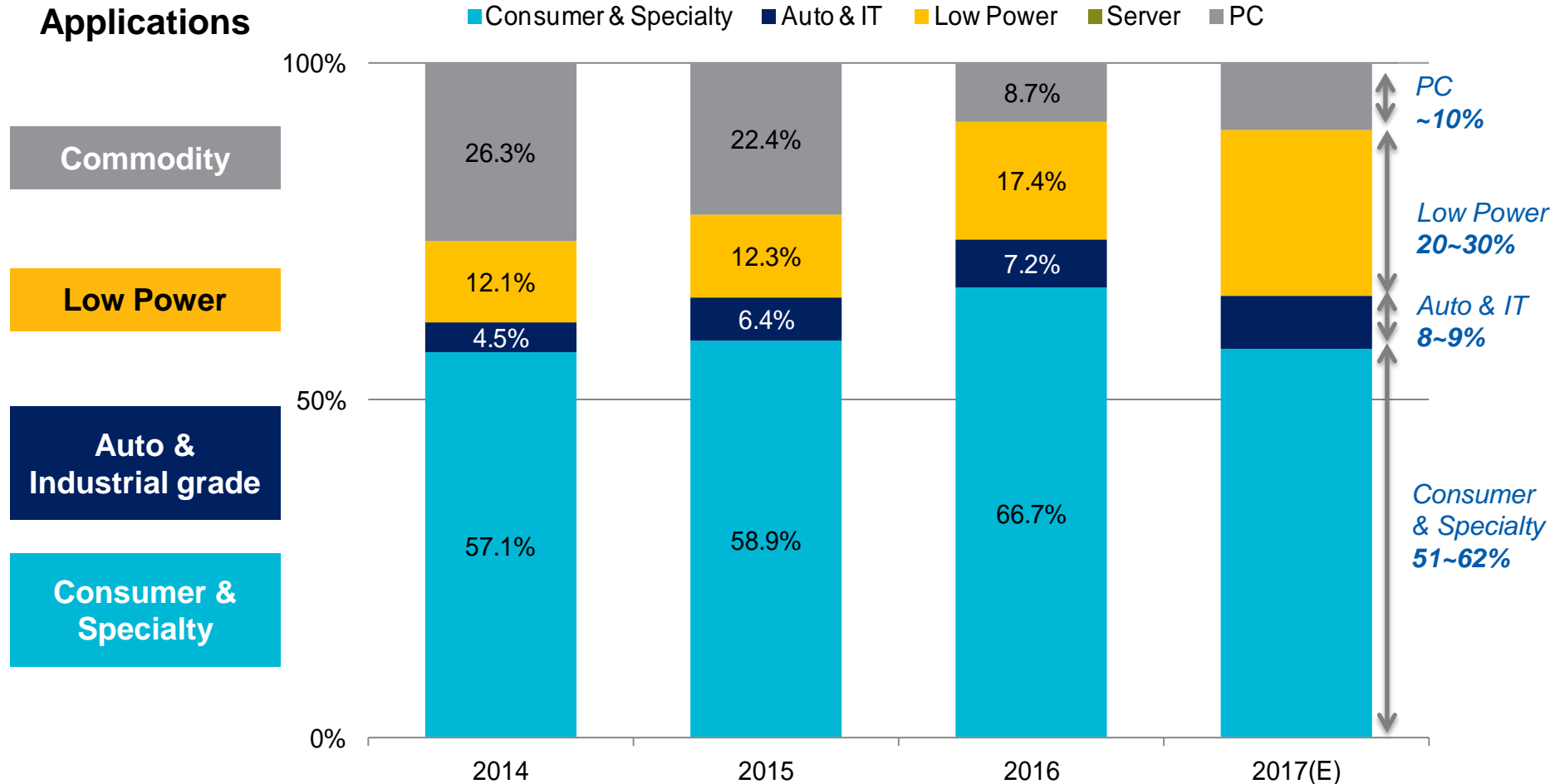


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OPERATIONS

2017 Revenue Breakdown Guidance

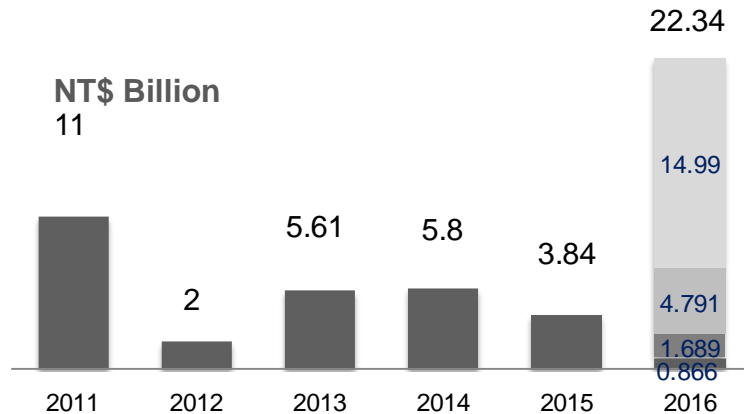
Applications



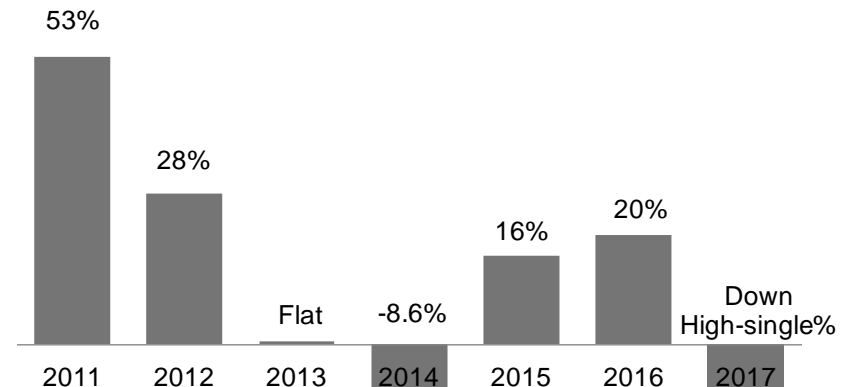
* Revenue portion by Application

CAPEX & Bit Shipment

Capex



Bit Shipment (YoY)



■ Capital Expenditure (CAPEX)

- NT\$ 14,990M Capex of Q4'16
- NT\$ 22,335M for 2016 Capex
- Estimated 2017 CAPEX same level as 2016 (To be finalized in Q1'17)

■ Bit Shipment

- Q4'16 bit shipment increased 5.9% QoQ
- 2016 bit shipment increased 20.3% yoy
- Estimated bit shipment decrease mid-teen % in Q1'17
- 2017 bit shipment guidance to decrease high-single digits % yoy due to 20nm conversion

ECB Offering

Subject	Issue US\$ 500 million Zero Coupon Convertible Bond due 2022
Issue Size & Coupon	<ul style="list-style-type: none"> Issue Amount: US\$ 500 million Coupon Rate: 0%
Listing	<ul style="list-style-type: none"> Singapore Exchange Securities Trading Limited
Issue Date	<ul style="list-style-type: none"> Jan. 24 2017
Maturity Date	<ul style="list-style-type: none"> Jan. 24, 2022
Initial Conversion Price	<ul style="list-style-type: none"> NT\$ 52.47 per share
Yield to Put/ Maturity	<ul style="list-style-type: none"> 1.75%
Put Option Date	<ul style="list-style-type: none"> On January 24, 2020 (At the end of 3rd year)
Call Option Period	<ul style="list-style-type: none"> At any time after January 24, 2020 (36 months from Issue Date)
Conversion	<ul style="list-style-type: none"> Converted Securities: The newly-issued common shares of Nanya Technology Conversion Period: At any time starting from the day immediately following the 40th day after the Issue Date to the 10th day prior to the Maturity Date. (2017/3/6~2022/1/14)
Dilution Effect	<ul style="list-style-type: none"> If the bonds are fully converted, the dilution effect to original shareholders is about 9.9%. (excluding book value adjustment)



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MARKET OUTLOOK

DRAM Industry Environment

Supply Side

- Limited supply growth contributed mainly by process conversion
- Less than 20% supply growth in 2017 expected

- DRAM demand relatively stable in 2017.

- Mid-to-high end smartphones with high resolution and dual lens cameras requiring 4-6GB(8GB for flagship) driving DRAM demand.

Demand Side

- Continues strong momentum in server market. Mobile devices including high-end, 2-in-1 ultra thin and gaming laptops demonstrating significant growth and 8GB as new standard.
- Consumer DRAM content growth stimulated by high potentials from 4K TV over 30% penetration, IP cameras, smart watches and automotive applications, especially infotainment segment.

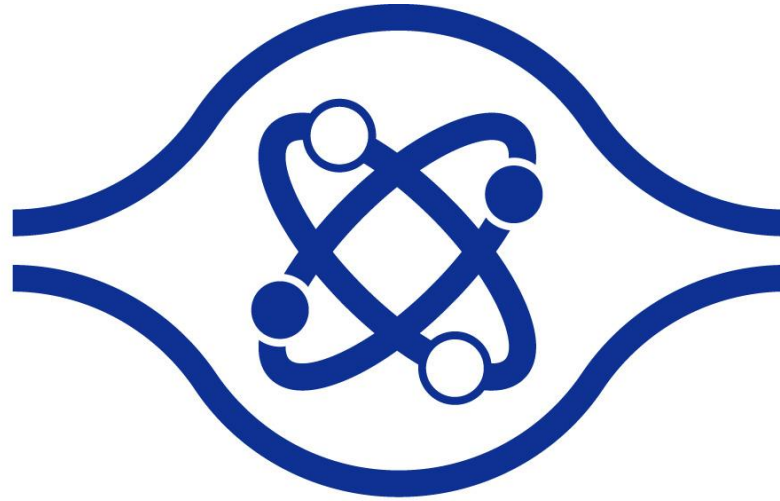


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BUSINESS OUTLOOK

Business Outlook

- **20nm on schedule to pilot run in Q1'17.**
- **Expect Q1 2017 bit shipment to decrease due to 20nm piloting.**
- **Limited supply growth in DRAM and improving market conditions continue.**



NANYA

Thanks & Questions

Q4'16 Consolidated Income Statement



Amount: Million NT\$	Q4'16		Q3'16		QoQ	Q4'15		YoY
	Unaudited		Audited			Audited		
Net Sales	12,096	100.0%	10,204	100.0%	18.5%	10,355	100.0%	16.8%
Cost of Goods Sold	8,330	68.9%	7,033	68.9%		7,266	70.2%	
Gross Margin	3,767	31.1%	3,171	31.1%	18.8%	3,089	29.8%	21.9%
SG&A Expenses	618	5.1%	442	4.3%		543	5.2%	
R&D Expenses	579	4.8%	1,030	10.1%		686	6.6%	
Operating Income	2,570	21.2%	1,699	16.7%	51.2%	1,860	18.0%	38.2%
Non-operating Income (Exp.)	18,842	155.8%	-296	-2.9%		25	0.2%	
Income before Tax	21,412	177.0%	1,403	13.8%	1426.0%	1,885	18.2%	1036.1%
Income Tax Benefit (Expense)	-1,347	-11.1%	-2	0.0%		-9	-0.1%	
Profit from Continuing Operation	20,065	165.9%	1,401	13.7%		1,876	18.1%	
Income (Loss) from Discontinued Operation	0	0.0%	0	0.0%		0	0.0%	
Net income attributable to noncontrolling interests	3	0.0%	0	0.0%		6	0.1%	
Net Income attributable to NTC	20,062	165.9%	1,402	13.7%	1331.3%	1,870	18.1%	973.0%
EPS(NT\$)	7.33		0.51			0.77		
Book Value Per Share (NT\$)	31.71		22.57			22.55		