Nanya Technology Corp.
MasterLink Non-Deal Roadshow

Presentation to Investors & Analysts, June 20th – 21st, 2017

Dr. Pei Ing Lee, President & Spokesman

Nanya Memory for
Automotive
Home Entertainment
Home Automation
Office

Safe Harbor

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Outline

01.	NTC Overview
02.	DRAM Industry Landscape & Business Strategy

Nanya Technology Overview

IDM Company

- Founded in 1995,
  IPO in 2000
- DRAM Process, Design, Production & Sales
- Headquarters:
  New Taipei, Taiwan
- Employees: >2,700
- Focus on value-added DRAM market
- Formosa Plastic Group (FPG) has 75.8% equity ownership

Technology & Capacity

- **Technology** :
  - 20nm verification completed in Q2'17
  - Plan to ramp 20nm to 38K WSPM in 1H'18
- **Capacity:**
  - Current: 60,000 WSPM(12")
  - 2018: 68,000 WSPM(12") (38K 20nm + 30K 30nm)

Partnerships

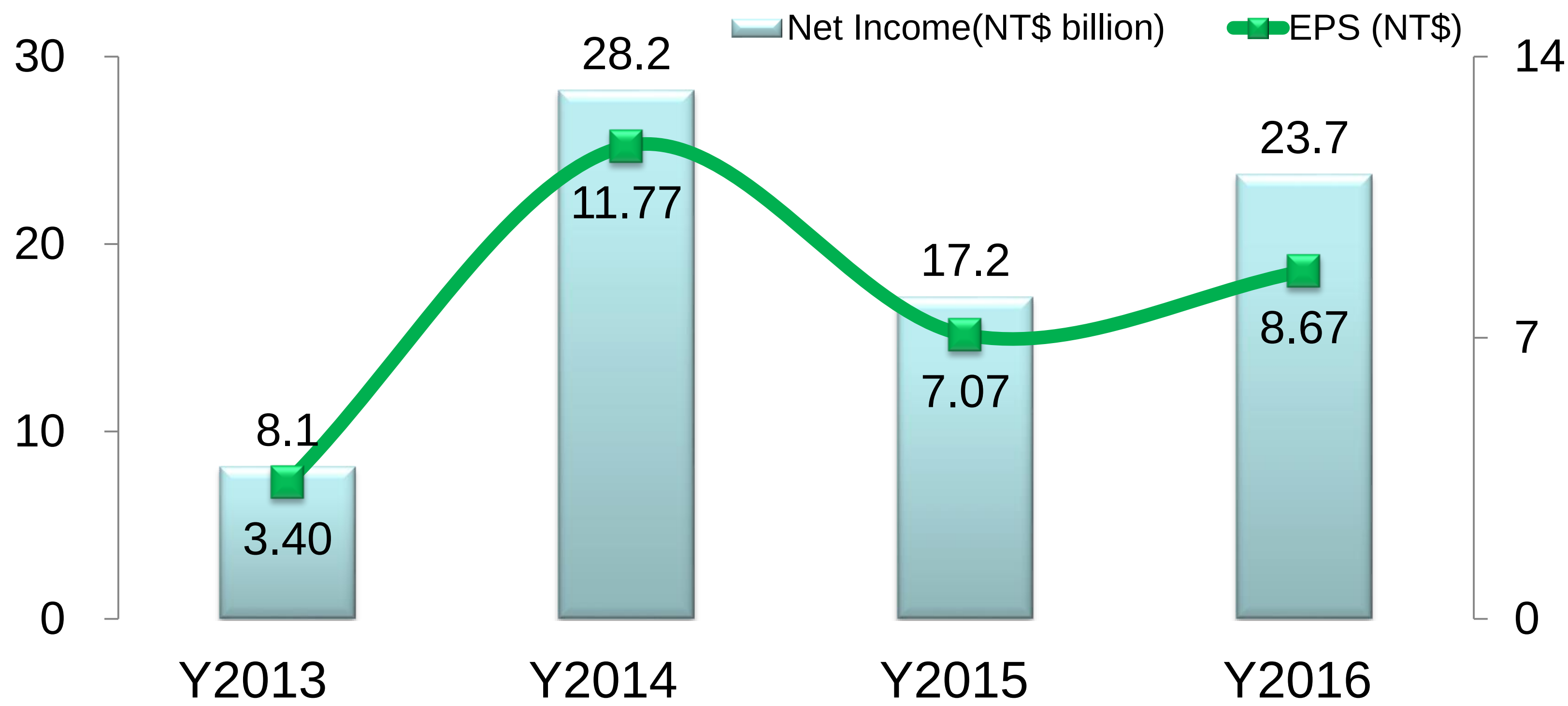
- **Technology license form MU**
  Option rights to license Micron 1x and 1y nm technologies and products.
- **Shareholding in Micron**
  - About 5.22% of Micron's share in Mar., 2017, as major shareholder of Micron
  - Locked-up period expired on Jun. 2, 2017

*WSPM: Wafer Starts Per Month

Worldwide Coverage & Location

Strong Performance

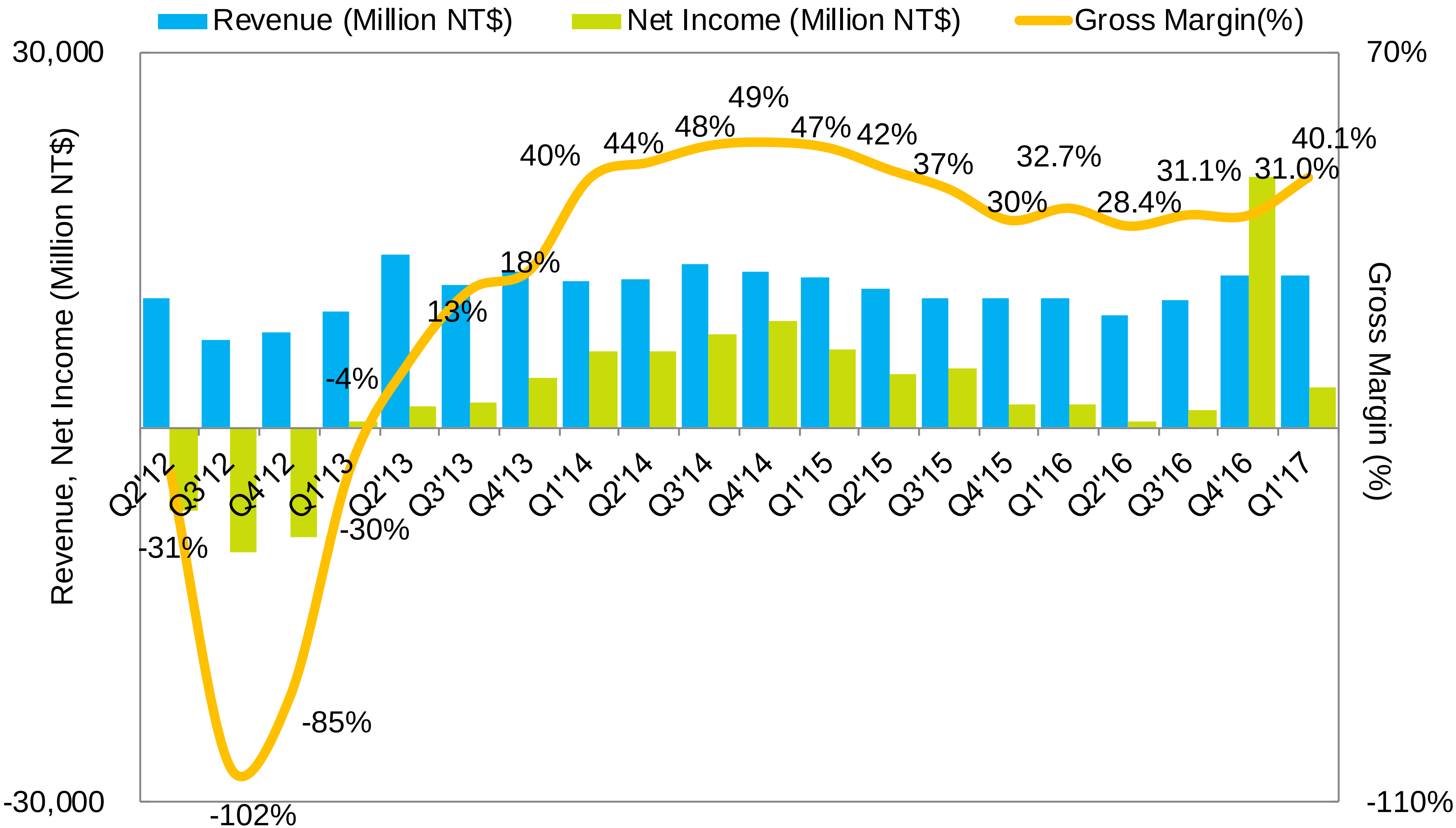
- NTC strategically focus on premium specialty market segments from 2013
- Positive outlook on 2017



Net Income (NT$ Billion)	8.1	28.2	17.2	23.7
EPS(NT$)	3.40	11.77	7.07	8.67

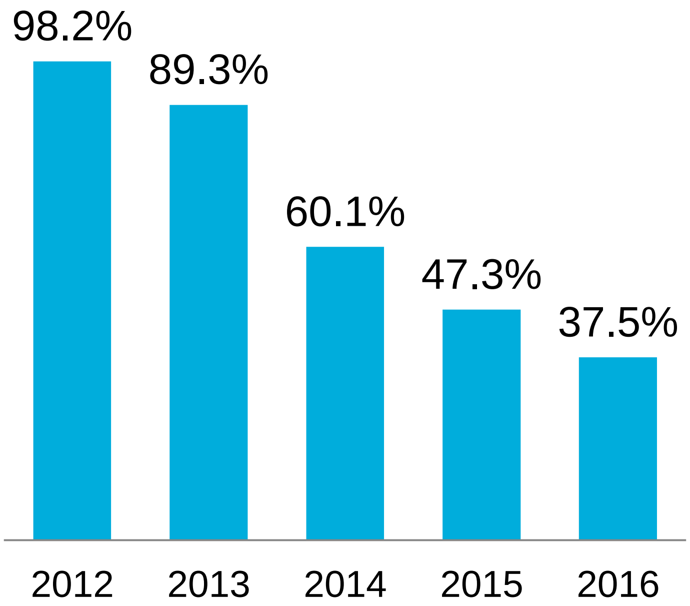
Financial Highlights

- Q1'17 Gross Margin back to 40% since Q2'15



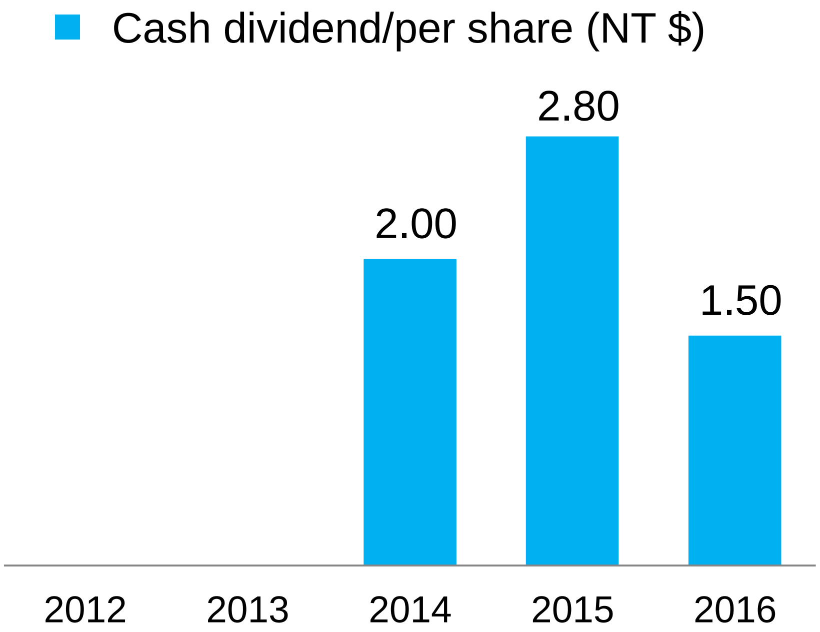
Financial KPI

Debt Ratio



- Debt ratio 38.9% at the end of the 31st of March, 2017
- Book value per share was NT$ 35.31 of 2017/3/31

Dividend for Years



- Consecutive 3 years stable dividend policy since 2014

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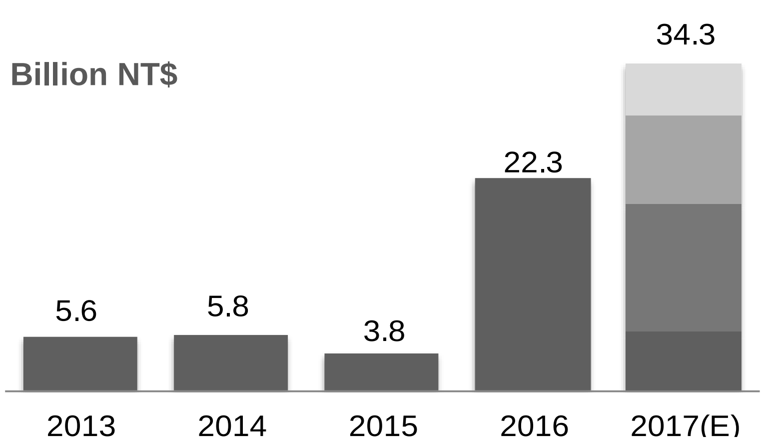
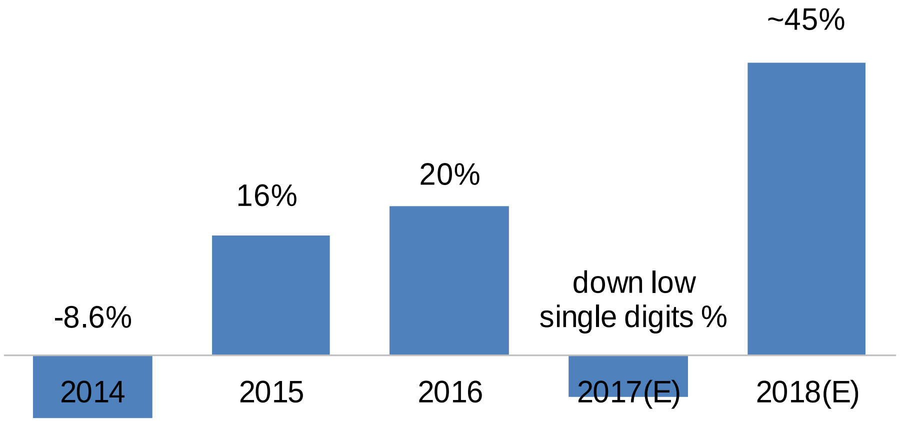
20nm CAPEX & Bit Shipment

CAPEX



BIT SHIPMENT (YOY)



Capital Expenditure (CAPEX)

- Estimated 2017 CAPEX of NT$ 34.3B
- Anticipated CAPEX of NT$55.7B for 38K WSPM 20nm migration. (2016 CAPEX NT$ 20.6B for 20nm)
- 20nm CAPEX mainly from: 1. Cash on hand 2. US$500M ECB, 3. Cash from operating activities

Bit Shipment

- Q1'17 bit shipment down 14.4%, Q2'17 bit shipment forecast to increase low single digits % and future bit shipment to grow onward
- 2017 bit shipment to decrease low single digits %

Q1’17 & 2016 P&L Results

NT$	Q1’17	2016	2015
Revenue	12.2B	41.6B	43.9B
Gross Profit *Gross Margin (%)*	4.9B *40.1%*	12.9B *30.9%*	17.3B *39.4%*
Operating Income *Operating Margin (%)*	3.9B *31.5%*	8.6B *20.5%*	13.5B *30.7%*
Non-operating Income	-0.6B	17.2B	4.2B
Net Income *Net Margin (%)*	3.3B *26.8%*	23.7B *57.0%*	17.1B *39.1%*
Capital	27.5B	27.5B	24.3B
EPS	**1.19**	**8.67**	**7.07**

Company highlights

- 2016 NT$ 23.72Billion (B) net income of 2016, EPS NT$ 8.67.
- Q1’17 Net Income of NT$ 3,275M, Net Margin 26.8%, EPS NT$ 1.19

Note: All financial numbers are audited and approved by BoD

Q1’17 Consolidated Cash Flow

(Unit: Million NT$)	Q1'17	2016	2015
Beginning Balance	**9,102**	**3,104**	**7,268**
Cash from Operating Activities	5,498	15,945	18,522
Capital expenditures	-6,147	-22,336	-3,842
Long-term & Short-term loans	9,984	-6,351	-14,382
Investments and others	1,864	18,740	-4,463
Ending Balance	**20,300**	**9,102**	**3,104**
Free Cash Flow [1]	**-649**	**-6,391**	**14,680**

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

*Inotera transaction net cash inflow NT$ 16B, (Disposal of IMI shares(NT$ 47.5B), Acquisition of Micron’s private placement (NT$ 31.5B)).

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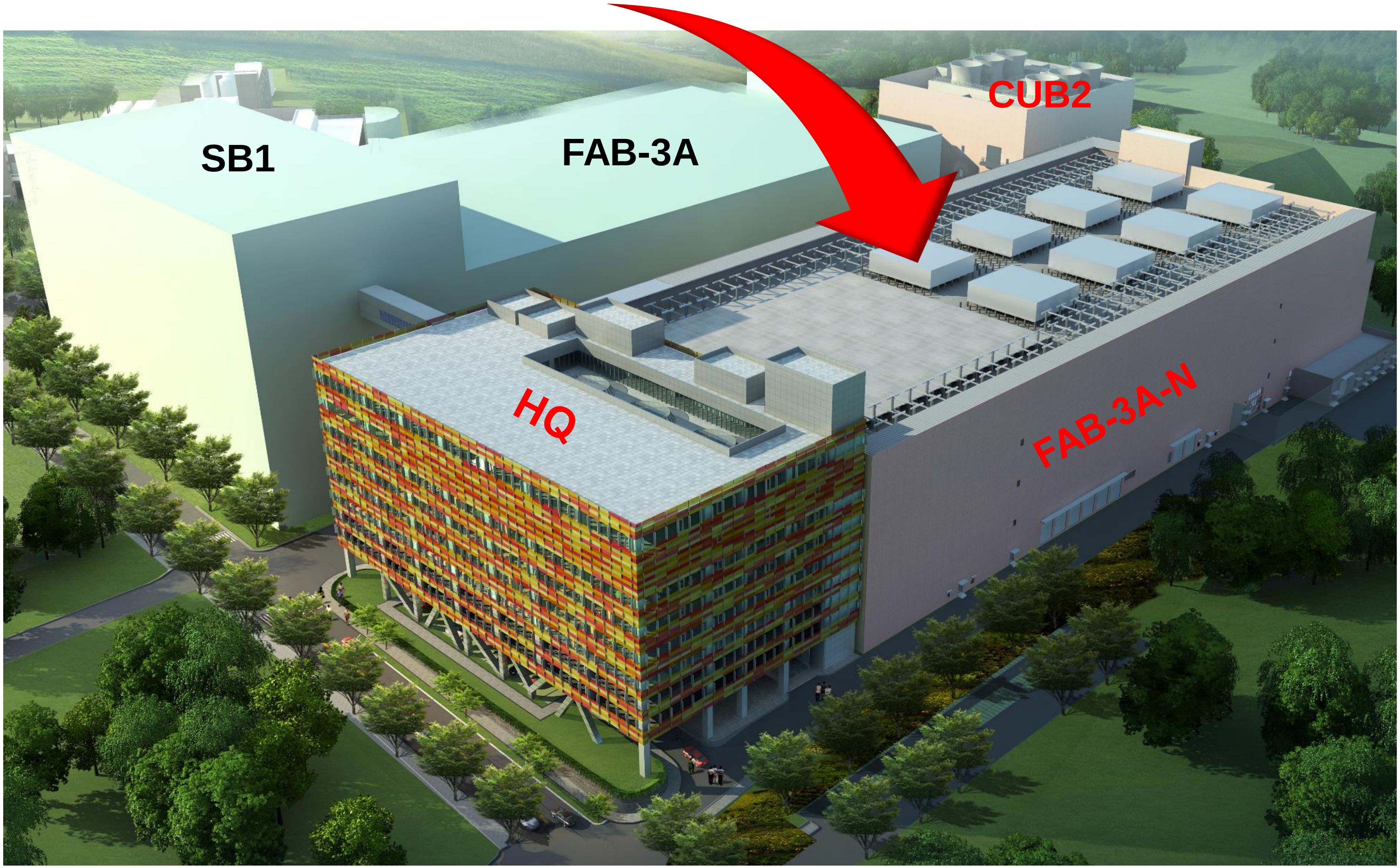
Nanya Manufacturing Site

- New clean room completed in Oct 2016 to facilitate the deployment of advanced technology nodes



20nm Conversion

- 20nm technology to reach 38K WSPM. Total capacity will amount to 68K WSPM
- 20nm verification completed in Q2’17, volume production scheduled for Q3’17,
- 30K wafers input expected in Q4’17, cost cross-over anticipated in Q4’17
- For DDR3, DDR4 & LPDDR4X offerings

8Gb DDR4

8Gb LPDDR4X

Jul, 2015

Ground breaking of new HQ and additional 12” Fab for 20nm

Oct, 2016

- New 12” Fab (FAB-3A-N) complete

Jan, 2017

Jan. 2017 Piloting of 20nm Starts

2H, 2017

- 4Gb DDR3 Mass Production Q3’17
- 8Gb DDR4 Mass Production Q4’17
- Ramping up to 30K Q4’17

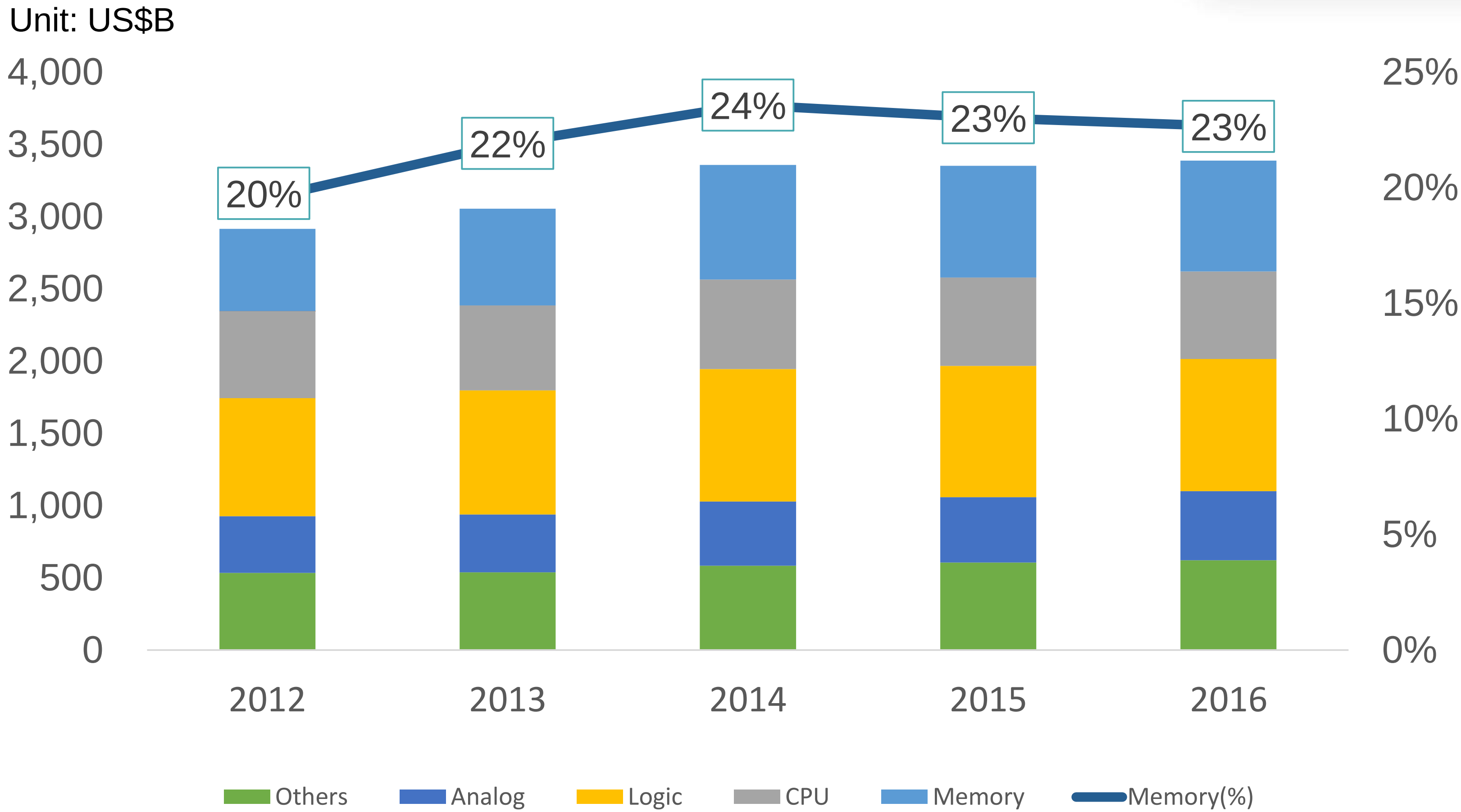
2018

- Ramping up to 38k 1H’18
- 8Gb LPDDR4X Mass Production Q3’18

Outline

01.	NTC Overview
02.	**DRAM Industry Landscape & Business Strategy**

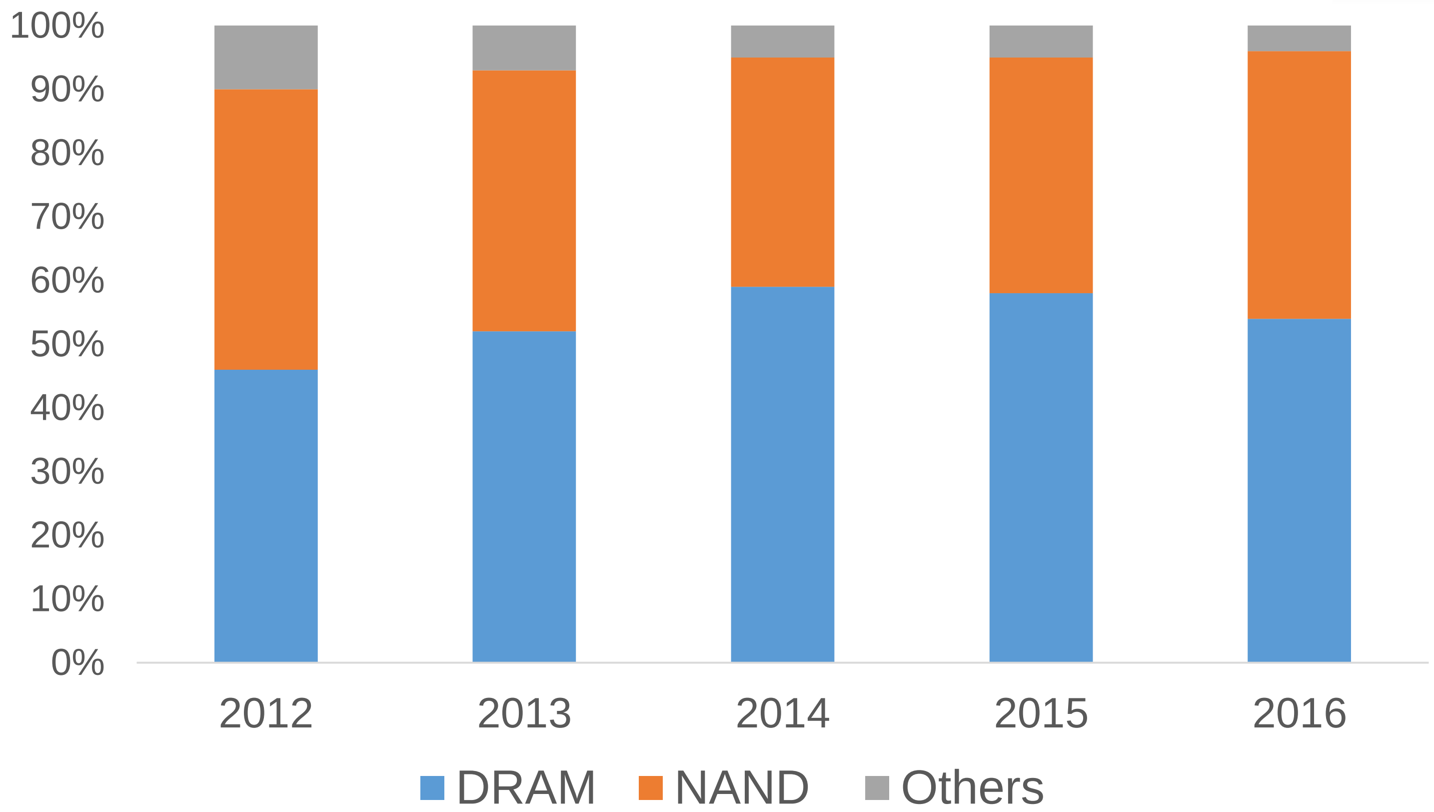
Semiconductor Revenue by Categories



Source: Gartner, WSTS

- In 2016, memory products accounted for 23% of semiconductor market
- In 2017, YoY growth rate of semiconductor is forecasted to be 12.3%

Memory Market and Outlook



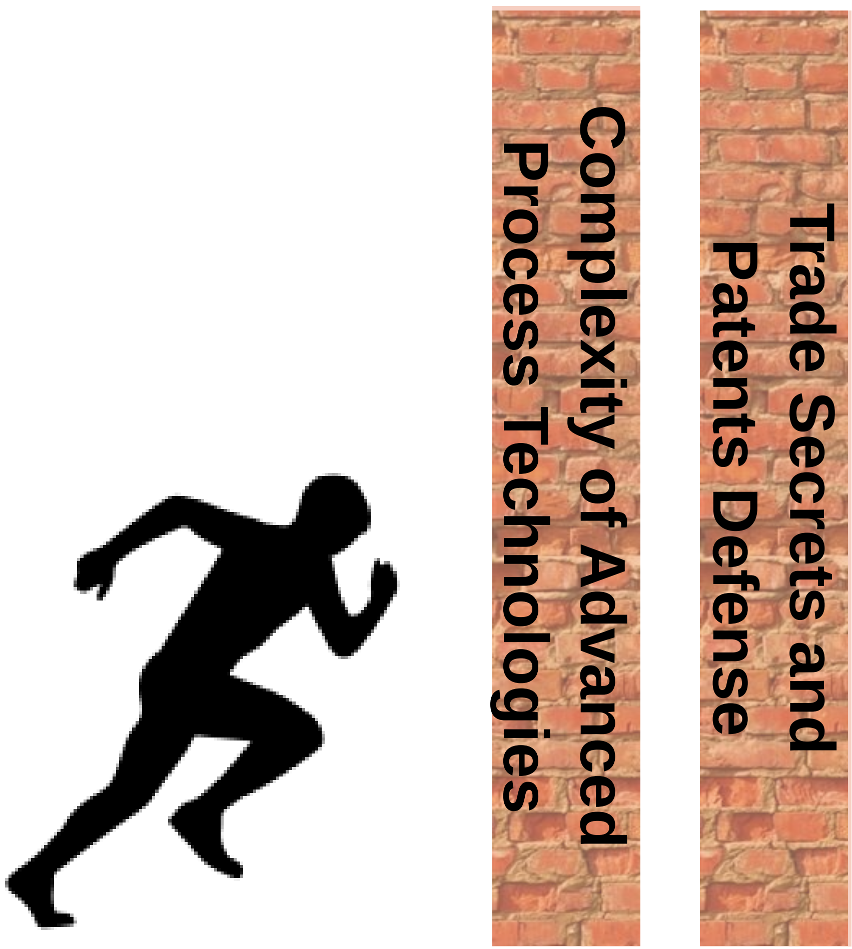
Note: % calculated by respective market revenue

Source: WSTS, Gartner, DRAMeXchange

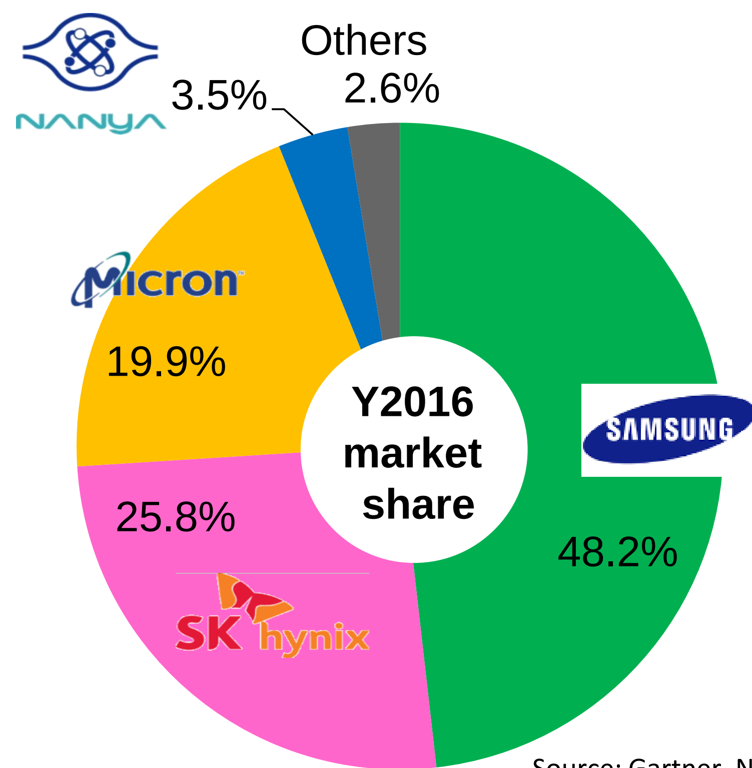
- DRAM and NAND Flash are 2 key products in memory market
- DRAM revenue was $41.2B in 2016, expected to exceed $60B in 2017 and 2018
- Memory market revenue is forecasted approx. $110B in 2017 with 38% YoY

Stable DRAM Industry Structure

- Supply side consolidate to 3 major and 3 small suppliers
- New comers are facing enormous barrier of entry



Since 2013 (3 plus major suppliers)



Source: Gartner, NTC

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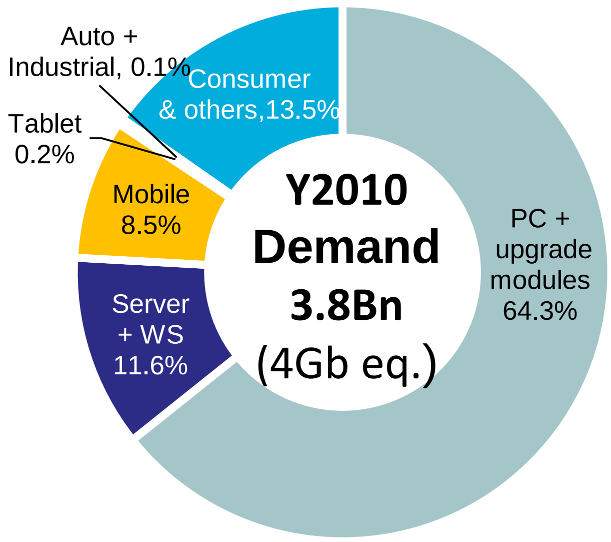
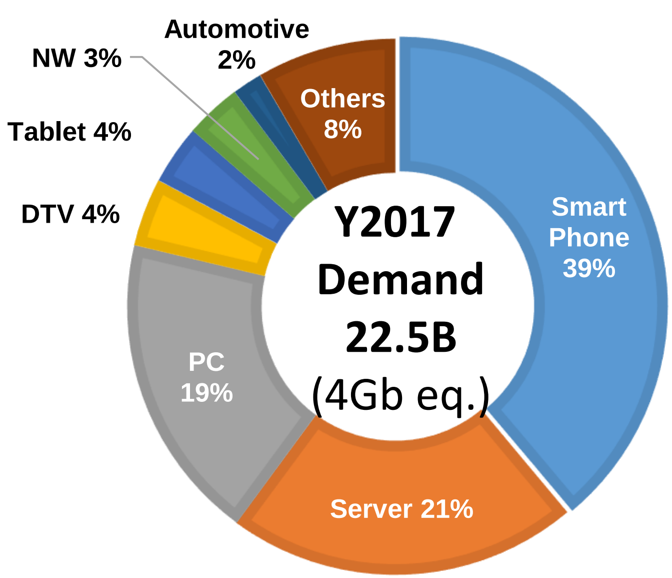
Big Data Era / Diversified DRAM Demand



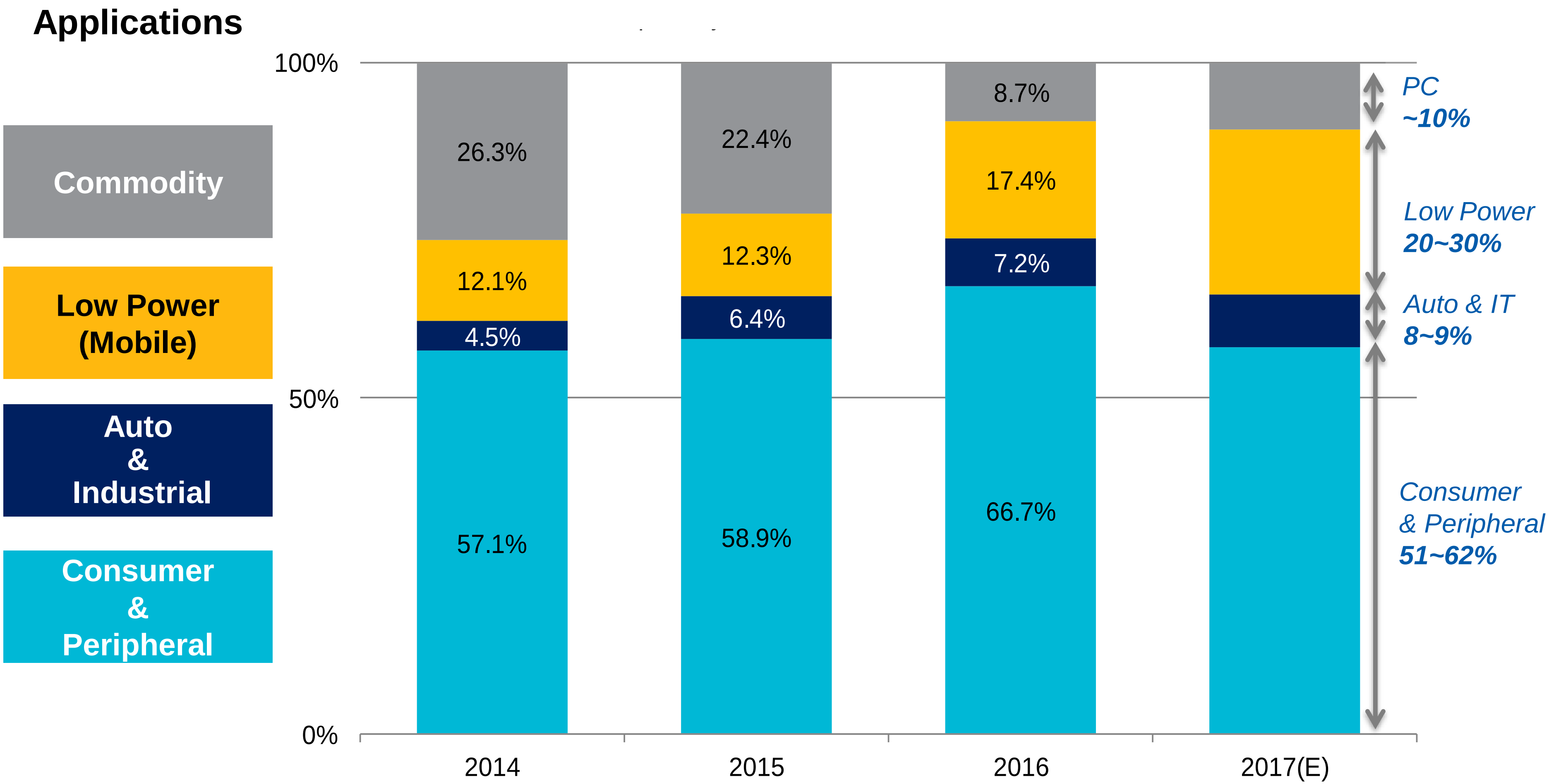


	Y2017		YoY(Y2017/Y2016)		
	QTY (Mu)	C/B (GB)	QTY	C/B	Bit Growth
Smart Phone	1,521	2.8	6.5%	27.3%	38.7%
Server	17.5	136	5.4%	22.5%	29.5%
SSD	185	0.35	27.6%	16.7%	48.9%
Car	94	2.15	2.7%	22.9%	26.3%
Switch	239	1.36	4.4%	19.3%	25.1%
DTV	224	2.1	1.4%	17.1%	18.6%
STB	302	0.6	3.8%	10.0%	14.4%
PC	269	5.6	1.5%	9.2%	11.5%

*Others includes STB, Storage (HDD/SSD), Gaming, Graphics, IP Cam, Industrial…

Source: Gartner, IHS, NTC MKT

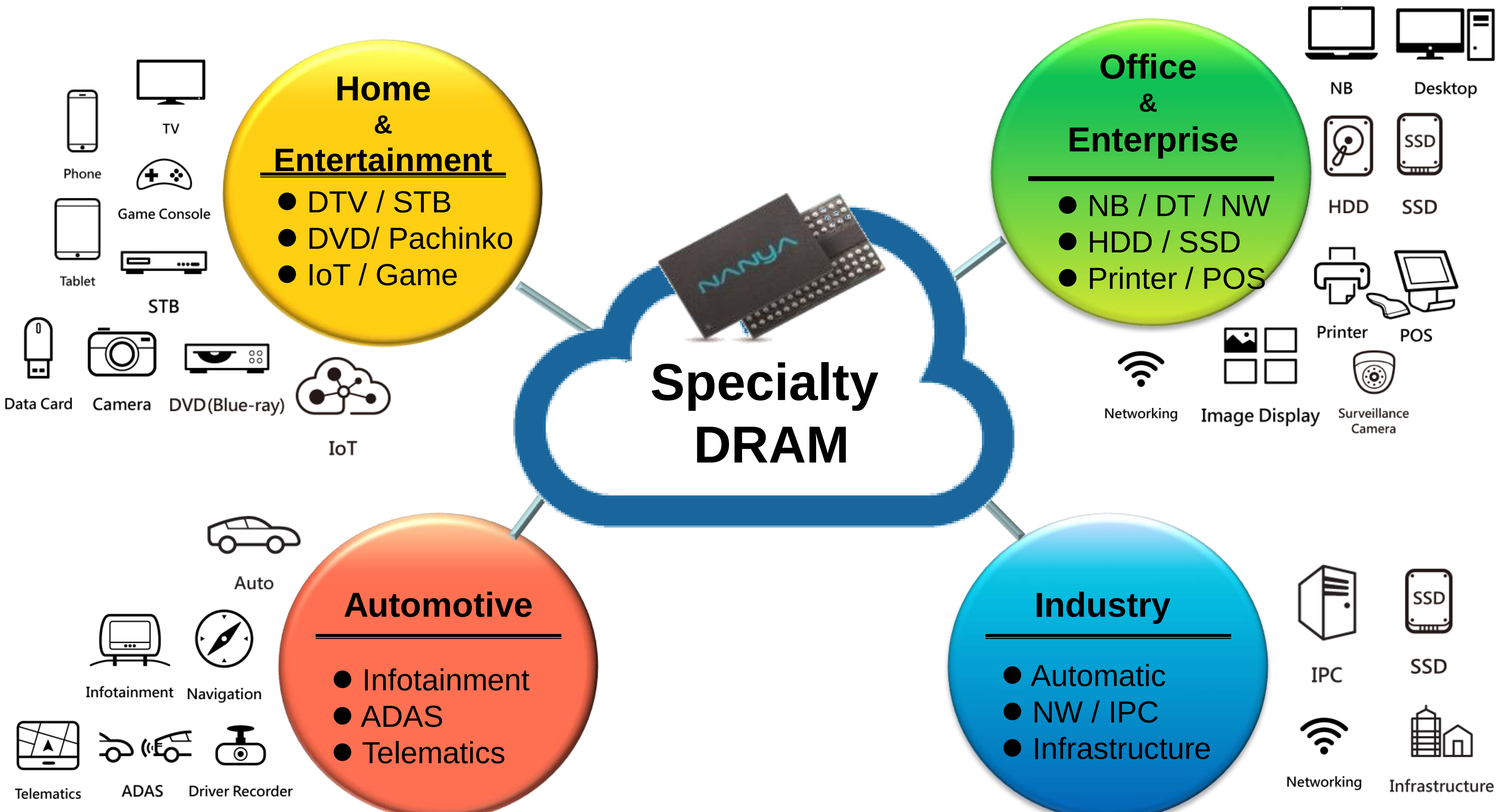
Focus on Specialty DRAM Business



- Revenue portion by Application
- Specialty includes Consumer & Peripheral, Auto & Industrial, Low Power

Specialty DRAM Application

- Specialty DRAM widely adopted by consumer, PC peripherals, auto, industrial and IoT
- Specialty DRAM demand growth continuously promising



Specialty DRAM Facilitators

		Now 2017~2018	Future (2019~)
Video & Image	DRAM Content	1GB ~ 3GB	1GB ~ 6GB
	Driving Force	4K ULTRAHD	Ultra HD 8K
Connectivity	DRAM Content	1Gb ~ 4Gb	1Gb ~ 8Gb
	Driving Force	4G	5G
SSD	DRAM Content	1Gb ~ 4Gb	1Gb ~ 16Gb
	Driving Force	128GB ~ 512GB	128GB ~ 2T
Auto	DRAM Content	2GB ~ 3GB	18GB ~24GB
	Driving Force	Infotainment, ADAS	M2M, Infotainment, ADAS

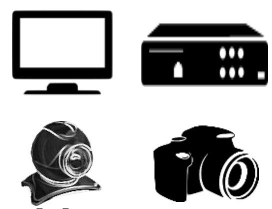
- Specialty DRAM spec ranging from consumer DRAM, auto/industrial grade and mobile DRAM

Nanya Specialty DRAM Marketing Strategy

- Comprehensive cooperation with controller suppliers
- Strong ties with customers

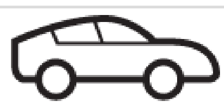
Specialty DRAM

Controllers



Video & Image

Connectivity



Auto

Top 5
&
Others:
Full customer coverage through comprehensive cooperation

Customers

Total customers ~ 600

Nanya Specialty DRAM Product Lineup

- Comprehensive product portfolio to meet various requirements
- Long-life support to fulfill customer needs

Technology	30nm	20nm
Spec.	• DDR/DDR2/DDR3 • LPDDR1/LPDDR2/LPDDR3 • Customized	• DDR3/DDR4 • LPDDR3/LPDDR4X • Customized
Density	512Mb/1Gb/2Gb/4Gb	2Gb/4Gb/6Gb/8Gb
Grade	Commercial/Industrial/Automotive	
Lifecycle	Long-life and stable supply	

Key Takeaways

- Limited DRAM supply growth 2017, favorable market condition expected
- 20nm mass production ahead of schedule, cost cross-over anticipated in early Q4’17
- Consumer and Automotive to adopt DDR4/LPDDR4 from 2018
- As a dedicated specialty DRAM supplier, Nanya offers a comprehensive portfolio of DRAM solution to our customers

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Thanks & Questions

