Nanya Technology

Q1’ 2018 Financial Summary

NTC Proprietary
Level: Property

Safe Harbor

The information herein and the presentation made during the conference contain forward-looking statements and are provided for information purposes only. Neither Nanya Technology Corp. nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements or undertakes duty to update the statements. You are urged to review the information provided herein carefully, and please don’t distribute, reproduce or disclose the information in whole or in part without prior written permission of NANYA Technology Corp.

Q1'18 Financial Results Summary

Amount in Million NT$, except for EPS & BVPS	Q1'18 Audited		Q4'17 Audited		QoQ	Q1'17 Audited		YoY
Net Sales	18,797	*100%*	16,769	*100%*	12.1%	12,231	*100%*	53.7%
Gross Margin (Loss) *Gross Margin(%)*	9,741	*51.8%*	8,342	*49.7%*	16.8%	4,901	*40.1%*	98.8%
Operating Income (Loss) *Operating Margin(%)*	8,319	*44.3%*	6,526	*38.9%*	27.5%	3,853	*31.5%*	115.9%
EBITDA* *EBITDA Margin (%)*	11,237	*59.8%*	9,407	*56.1%*	19.5%	5,458	*44.6%*	105.9%
Non-operating Income (Expense)	-1,092	*-5.8%*	15,457	*92.2%*		-566	*-4.6%*	
Income Tax Benefit (Expense)	-1	*0.0%*	-17	*-0.1%*		-4	*0.0%*	
Net Income (Loss) *Net Margin (%)*	7,227	*38.4%*	21,971	*131.0%*	-67.1%	3,275	*26.8%*	120.6%
Earnings Per Share (NT$)	2.39**		7.42			1.19		
Book Value Per Share (NT$)	48.13***		44.54			35.31		
Shares Outstanding(million shares)	3,060		2,986			2,748		

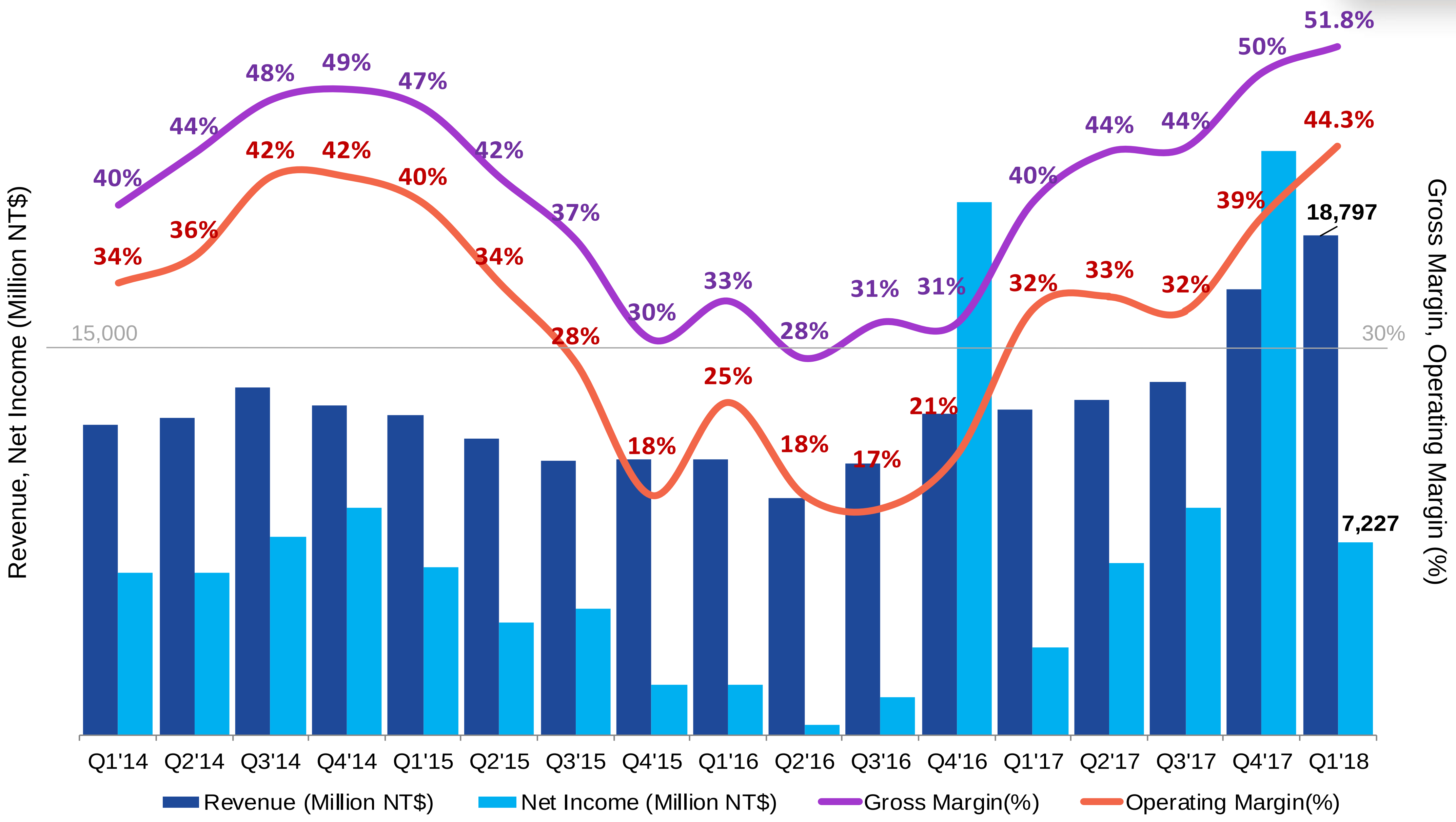
Note: * EBITDA = Operating income + Depreciation & Amortization Expenses

** EPS is based on weighted average outstanding shares of 3,028M

*** BVPS is calculated based on 3,060M outstanding shares (ECB conversion included) as of Mar. 31, 2018

- Q1'18 Revenue of NT$ 18,797 million(M), (+12.1% QoQ)
- Gross Margin 51.8%; Operating Margin 44.3%
- Q1'18 Net Income of NT$ 7,227M, Net Margin 38.4%, EPS NT$ 2.39, BVPS NT$ 48.13

Quarterly Financial Highlights



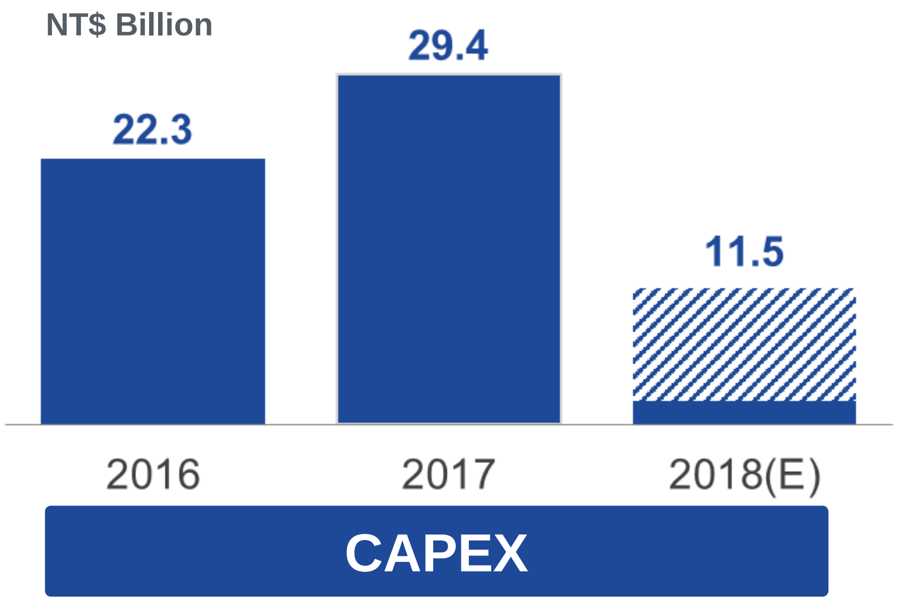
Q1’18 Cash Flows

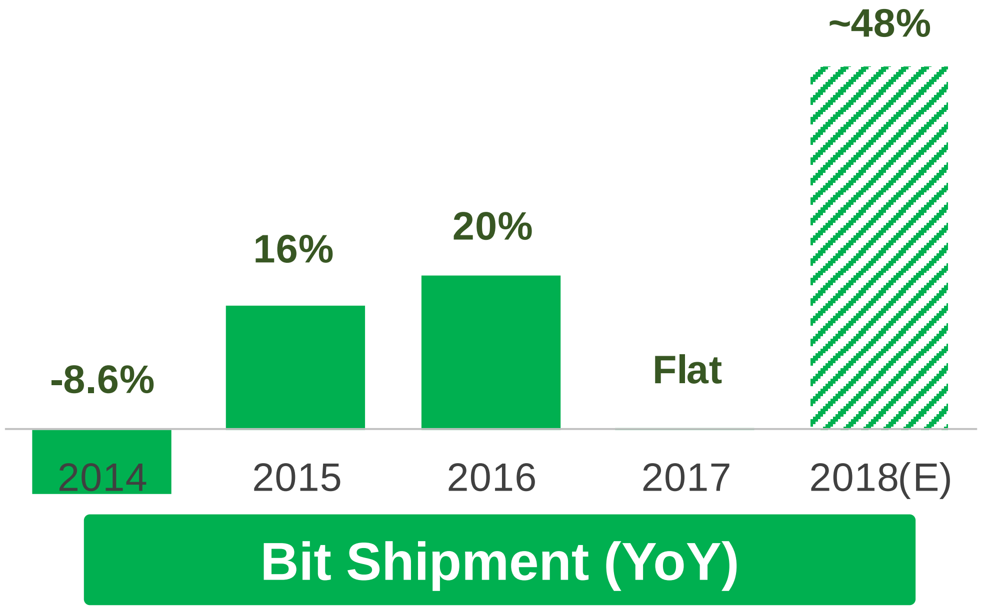
Unit: Million NT$	Q1'18 Audited & Consolidated	Q4'17 Audited & Consolidated	Q1'17 Audited & Consolidated
Beginning Balance	**33,769**	**24,540**	**9,102**
Cash from Operating Activities	7,943	8,857	5,498
Capital expenditures	-1,941	-2,865	-6,147
Long-term & Short-term loans	5	-17,690*	9,984
Investments and others	10,421	20,927	1,864
Ending Balance	**50,197**	**33,769**	**20,300**
Free Cash Flow (1)	**6,003**	**5,992**	**-649**

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

* Remaining NT$ 17.69 billion bank loans fully repaid
** Net proceeds received NT$10.6 billion in Q1’18 (Micron shares disposal in Q4’17)

CAPEX & Bit Shipment





Capital Expenditure (CAPEX)

- Q1'18 CAPEX NT$ 1.94Billion (B)
- Estimated 2018 CAPEX may increase beyond NT$ 11.5B
  - 20nm equipment payment deferred
  - 10nm Class technology development
- May 9th, the Board of Directors approved CAPEX budget of up to NT$19.71 billion for 20nm ramp up to meet mid teens % bit growth in 2019

Bit Shipment

- High teens % increase expected in Q2'18
- Target 2018 to reach 48% bit shipment growth, 2019 bit growth target to reach mid teens %

DRAM Market – Q2’18

Supply

- DRAM supply to remain tight in 1H’18; DRAM wafer starts increase likely in 2H’18.

Demand

- Expect DRAM demand grow steady in Q2 and Q3 2018, demand growth 21~23% yoy.
- Mobile Market: new flagship smartphones with enhanced Artificial Intelligence(AI) and dual-cam features after MWC. High-end Android phones equipped with 4-6GB will continue to drive DRAM demand
- Server Market: server market remains strong, including hyperscale data centers, Intel Purley platform trigger potential replacement, high performance DRAM become instrumental for AI, big data and edge computing
- PC market: solid gaming PC demand and expect to see consumer PC recovery in North America, commodity DRAM consumption decline slowing down
- Consumer Market: consumer market remains healthy, including set-top boxes(STB) DRAM content grow to 0.9GB/box from 0.5GB/box, 4K IPTV penetration exceed 50%, high-end smart speaker equipped with 1~2GB/box, and game console equipped with 4GB/box to 12GB/box

Nanya Business Outlook

- **2018 2Q DRAM Demand-Supply remain stable**
- **The Board of Directors approved capital expenditure budget of up to NT$19.71 billion for 20nm ramp up on May 9, 2018**
- **Cash dividend of NT$ 10.88 billion (The cash dividend per share adjusted to NT$ 3.508727 on June 8, 2018, due to ECB Conversion & ESOP exercise)**
- **Nanya Technology Operation Focuses:**
  - Expect ~48% YoY bit output in 2018, Q2’18 bit shipment guided for high teens %
  - 20nm products exceed 60% of total revenue, volume shipment of 8Gb DDR4
  - Expand 20nm product line up for diversified applications
  - On track to develop 10nm class technology node

Thanks & Questions