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*Think of Frequency
Think of*



Investment Conference

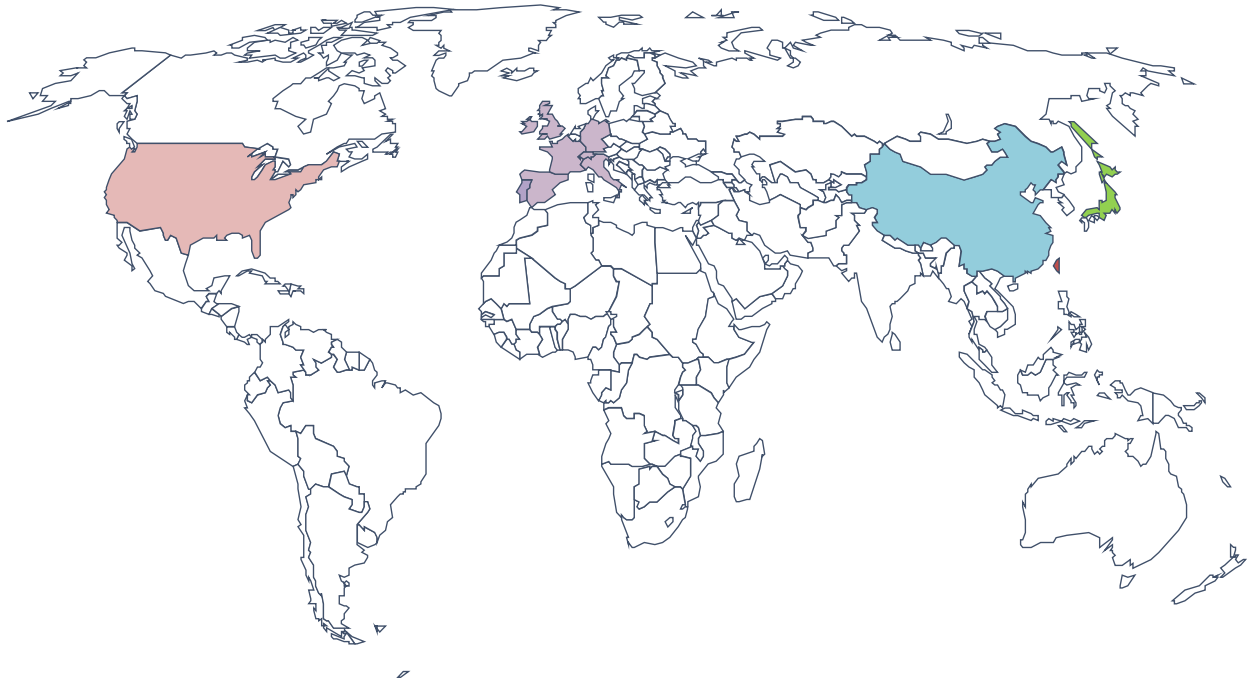
May, 2014



Think of Frequency, Think of TXC

Content

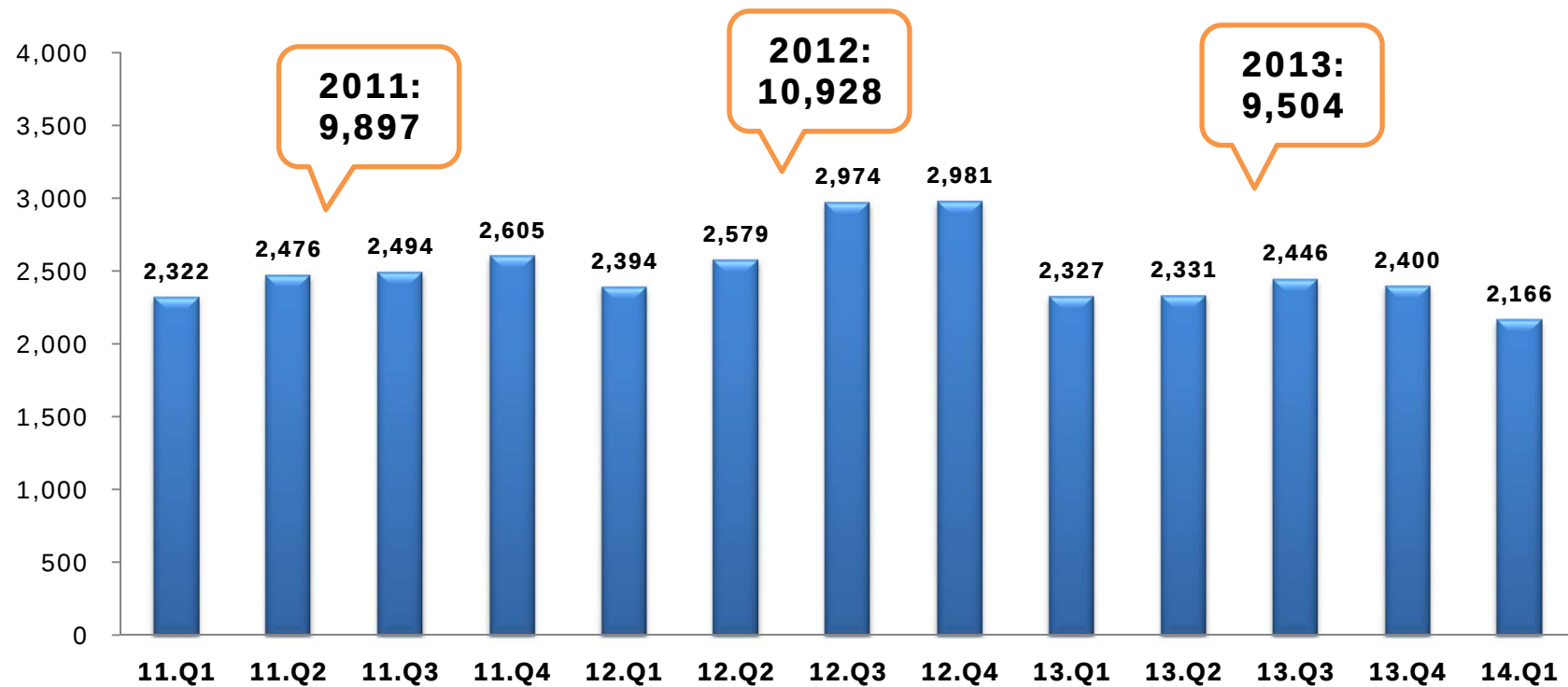
- ***FINANCIAL RESULTS***
- ***SALES & MARKETING***
- ***PRODUCT DEVELOPMENT***
- ***BUSINESS HIGHLIGHT***
- ***Q&A***





Revenue Trend

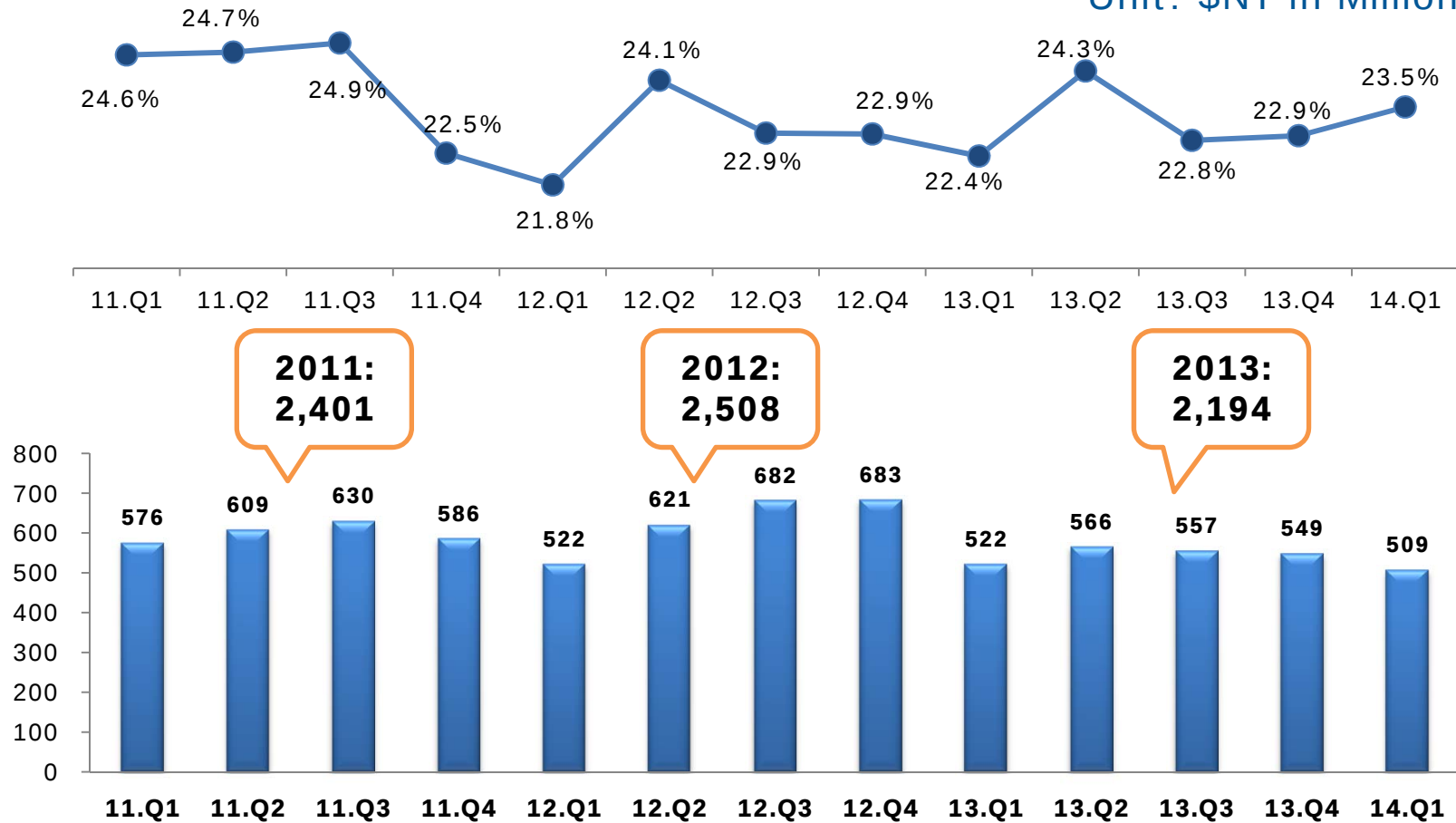
Unit: \$NT in Million



	11.Q1	11.Q2	11.Q3	11.Q4	12.Q1	12.Q2	12.Q3	12.Q4	13.Q1	13.Q2	13.Q3	13.Q4	14.Q1
Revenue (QoQ)	-13.6%	6.6%	0.7%	4.5%	-8.1%	7.7%	15.3%	0.2%	-21.9%	0.2%	4.9%	-1.9%	-9.8%
Revenue (YoY)	9.9%	5.9%	-0.6%	-3.1%	3.1%	4.2%	19.2%	14.4%	-2.8%	-9.6%	-17.8%	-19.5%	-6.9%

Gross Profit Trend

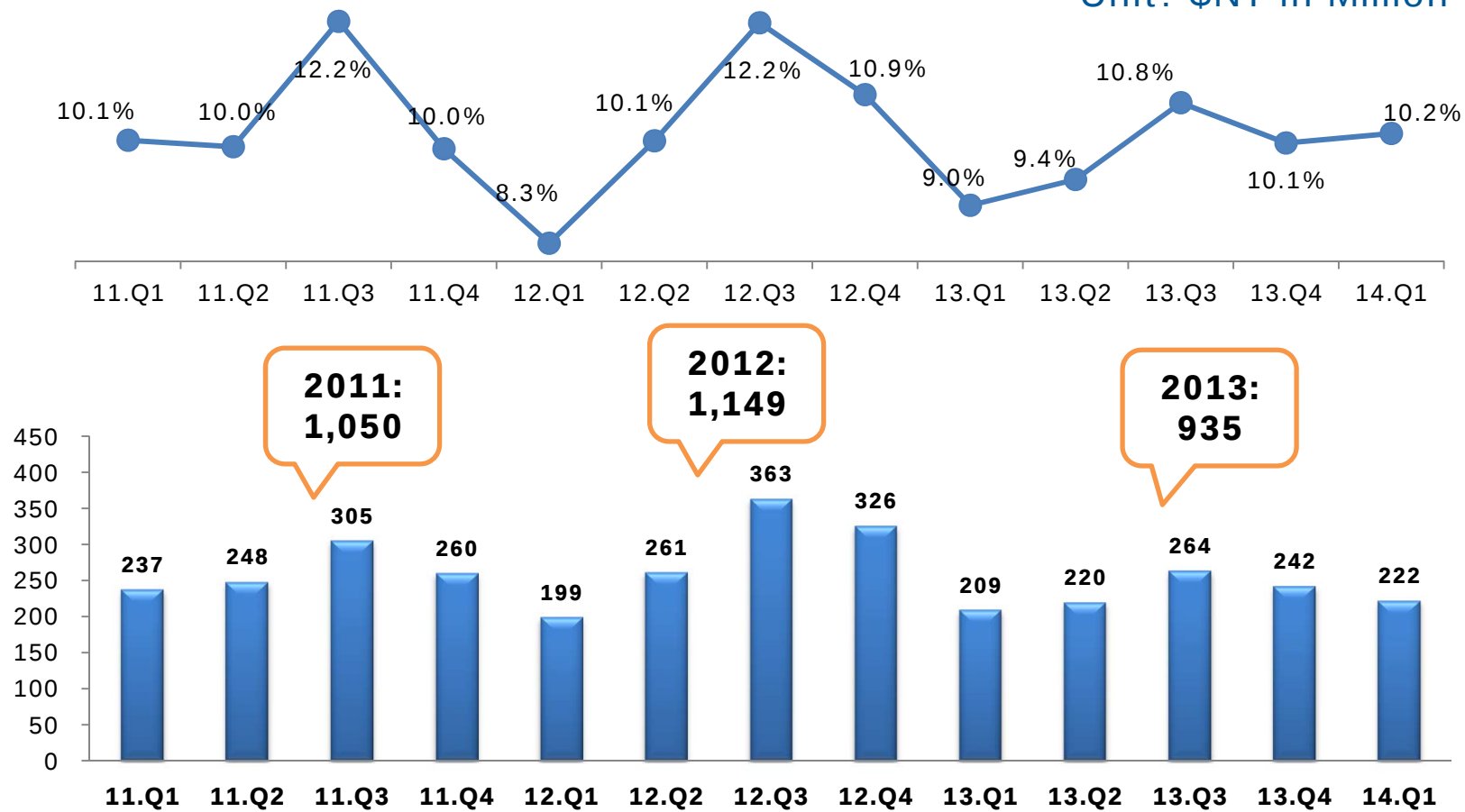
Unit: \$NT in Million



	11.Q1	11.Q2	11.Q3	11.Q4	12.Q1	12.Q2	12.Q3	12.Q4	13.Q1	13.Q2	13.Q3	13.Q4	14.Q1
Gross Profit (QoQ)	-15.2%	5.7%	3.4%	-7.0%	-10.9%	19.0%	9.8%	0.1%	-23.6%	8.4%	-1.6%	-1.4%	-7.3%
Gross Profit (YoY)	8.4%	-3.2%	-9.5%	-13.7%	-9.4%	2.0%	8.3%	16.6%	0.0%	-8.9%	-18.3%	-19.6%	-2.5%

Net Profit Trend

Unit: \$NT in Million



	11.Q1	11.Q2	11.Q3	11.Q4	12.Q1	12.Q2	12.Q3	12.Q4	13.Q1	13.Q2	13.Q3	13.Q4	14.Q1
Net Profit (QoQ)	-16.8%	4.6%	23.0%	-14.8%	-23.5%	31.2%	39.1%	-10.2%	-35.9%	5.3%	20.0%	-8.3%	-8.3%
Net Profit (YoY)	11.3%	-25.1%	-15.4%	-8.8%	-16.0%	5.2%	19.0%	25.4%	5.0%	-15.7%	-27.3%	-25.8%	6.2%

Income Statement Highlight

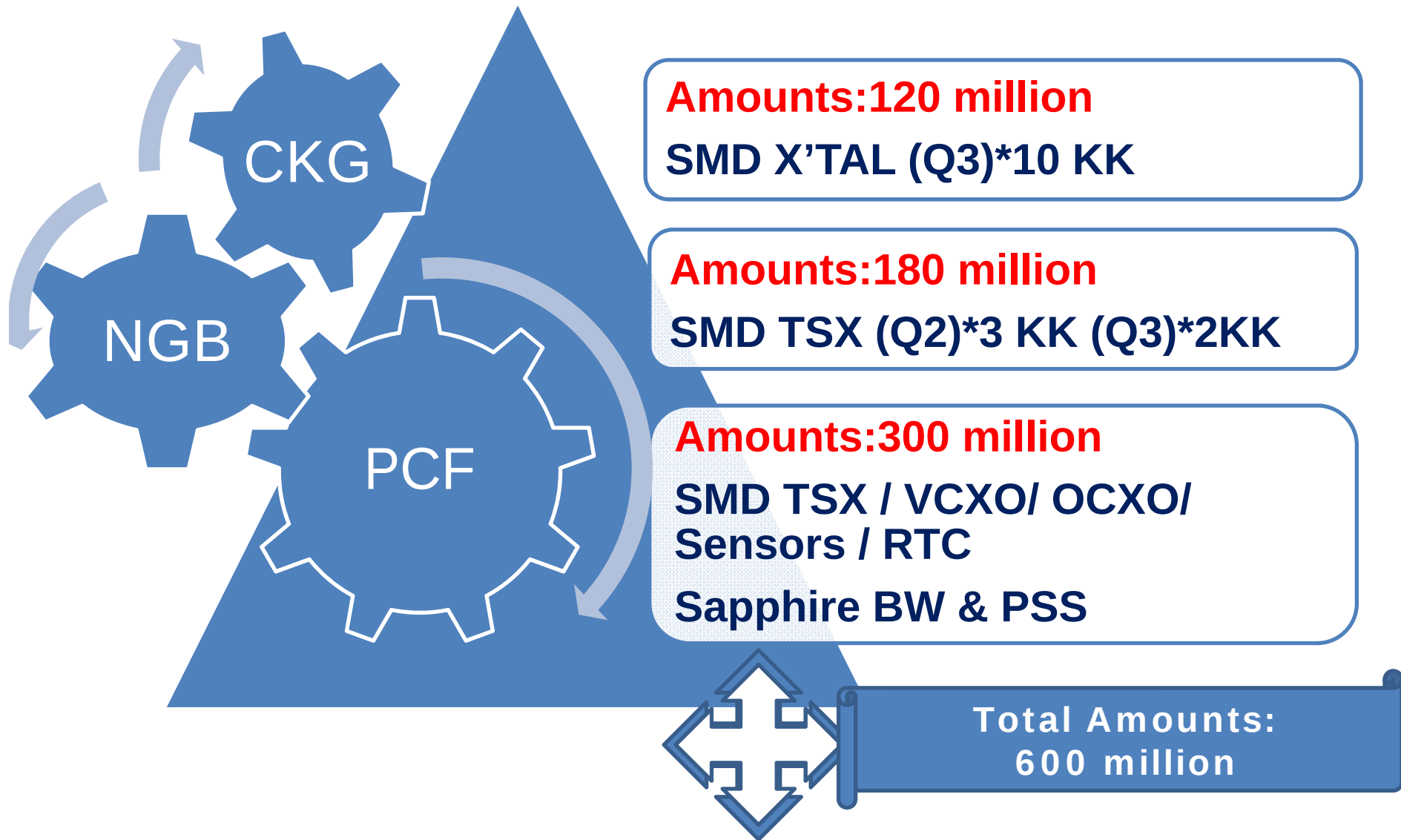
Unit : \$NT in thousand	2012 (T-IFRS)	2013 (T-IFRS)	Growth Rate	Q1 2013 (T-IFRS)	Q1 2014 (T-IFRS)	Growth Rate
Net Revenue	10,928,495	9,503,583	-13.0%	2,326,980	2,165,532	-6.9%
Gross Profit	2,508,295	2,194,030	-12.5%	521,710	509,403	-2.4%
Operating Profit	1,258,412	951,154	-24.4%	219,869	214,156	-2.6%
Income before tax	1,303,377	1,061,765	-18.5%	238,872	253,048	5.9%
Net Income	1,149,534	935,161	-18.6%	209,434	222,112	6.1%
Gross Margin	23.0%	23.1%	-	22.4%	23.5%	-
Operating Margin	11.5%	10.0%	-	9.4%	9.9%	-
Net Margin	10.5%	9.8%	-	9.0%	10.3%	-

Balance Sheet Highlight

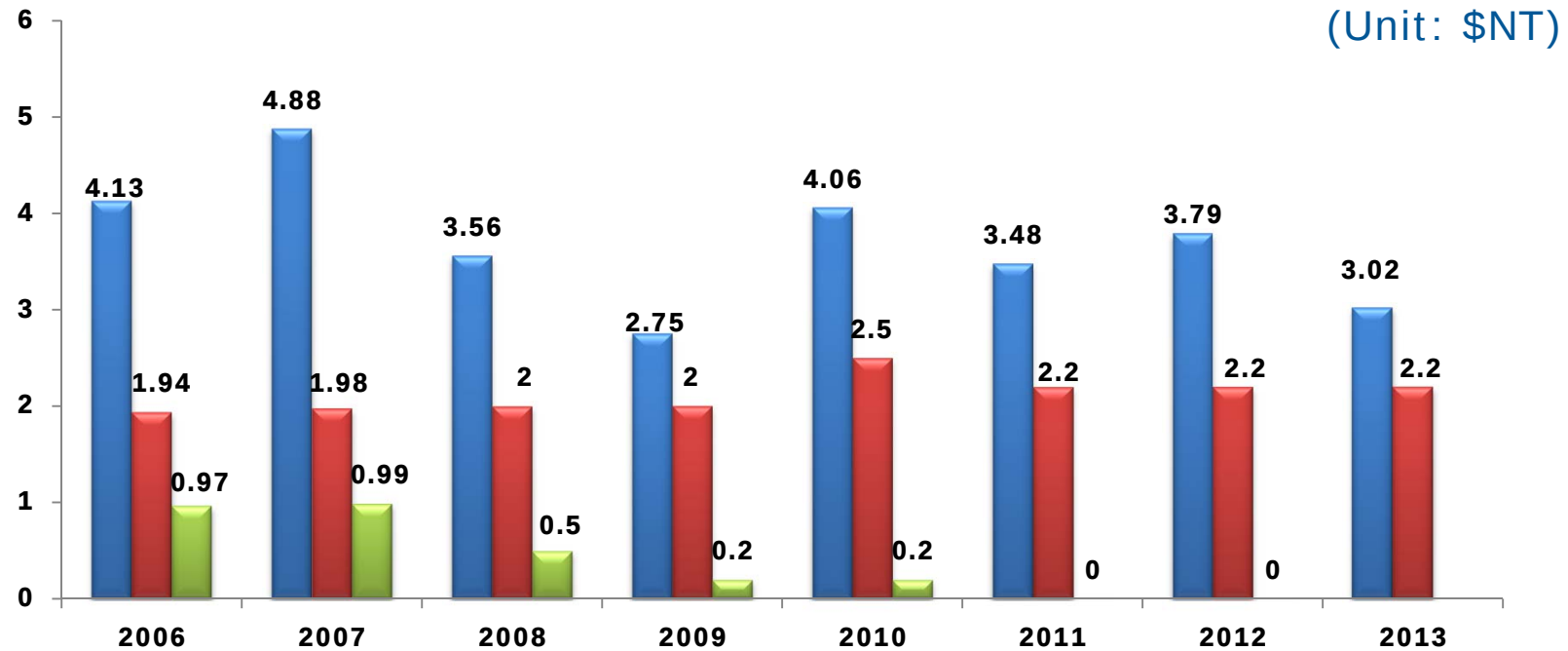
Unit : \$NT in thousand	2013 (T-IFRS)	Q1 2014 (T-IFRS)	Q1 2013 (T-IFRS)
Current Assets	6,858,639	7,476,459	7,280,011
Fixed assets	5,508,064	5,351,302	5,553,851
Total assets	12,983,530	13,457,291	13,575,502
Current liabilities	2,811,689	3,098,978	3,115,300
Long-term liabilities	1,846,958	1,750,805	2,248,184
Total liabilities	4,658,647	4,849,782	5,363,484
Shareholders' equity	8,324,883	8,607,509	8,212,018
Debt ratio	35.9%	36.0%	39.5%
Current Ratio	243.9%	241.3%	233.7%
Quick Ratio	185.1%	183.6%	177.7%
Net Value Per Share	26.88	27.79	26.51

Capital Expenditures of 2014

(Unit: \$NT)



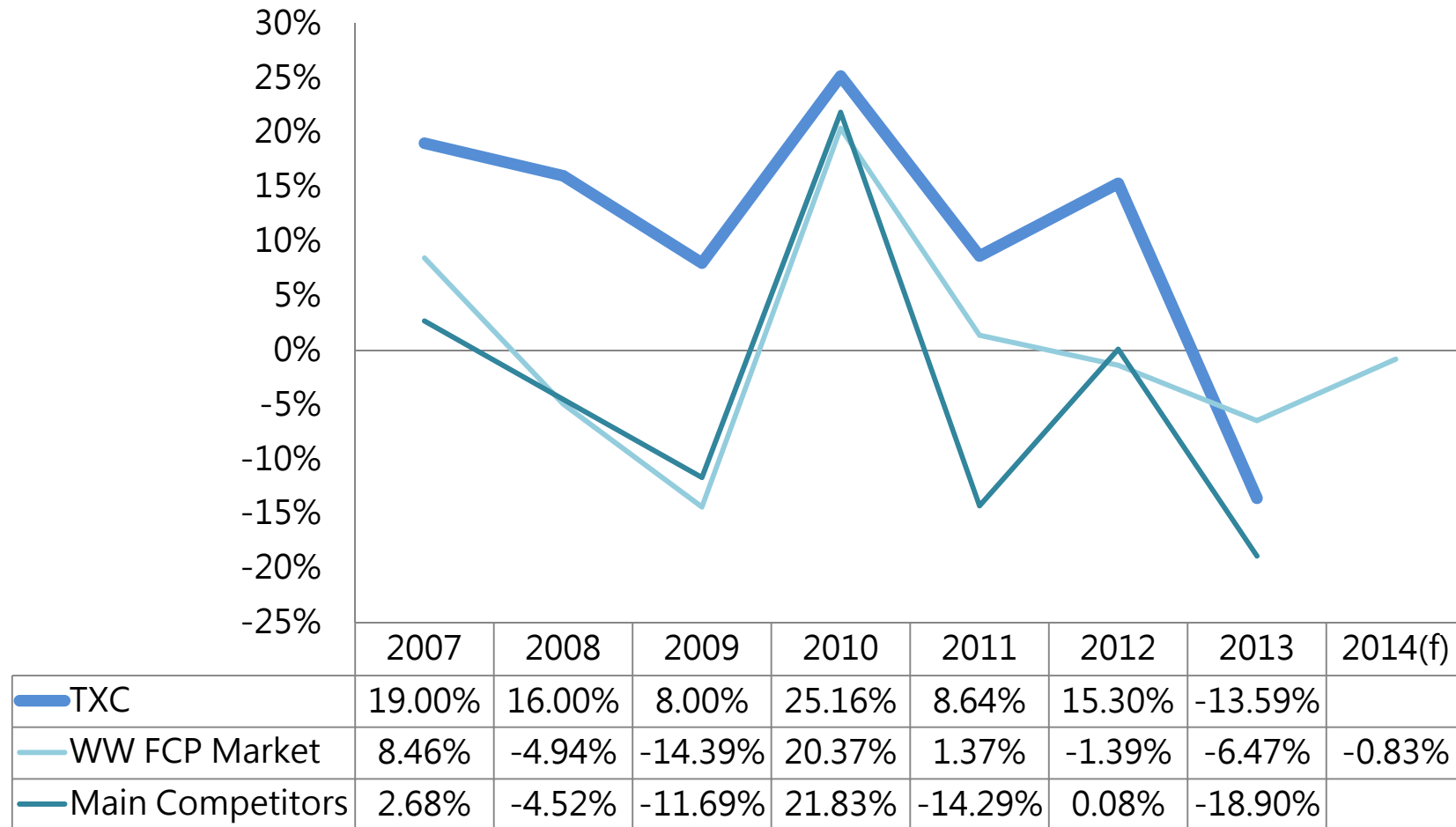
Dividend Policy



	2006	2007	2008	2009	2010	2011	2012	2013
Earning Per Share	4.13	4.88	3.56	2.75	4.06	3.48	3.79	3.02
Cash Dividend Per Share	1.94	1.98	2	2	2.5	2.2	2.2	2.2
Stock Dividend Per Share	0.97	0.99	0.5	0.2	0.2	0	0	0
Share Prices	60.6	54.6	32	52.1	55.9	43.55	44.85	40.7
Yield (%)	3.20%	3.63%	6.25%	3.84%	4.47%	5.05%	4.91%	5.41%



TXC suffered strong price competition and application migration in 2013, but still keep more competitive than our benchmarking competitors



Source: CS&A 2014.04

Worldwide Ranking No. 3 in 2013

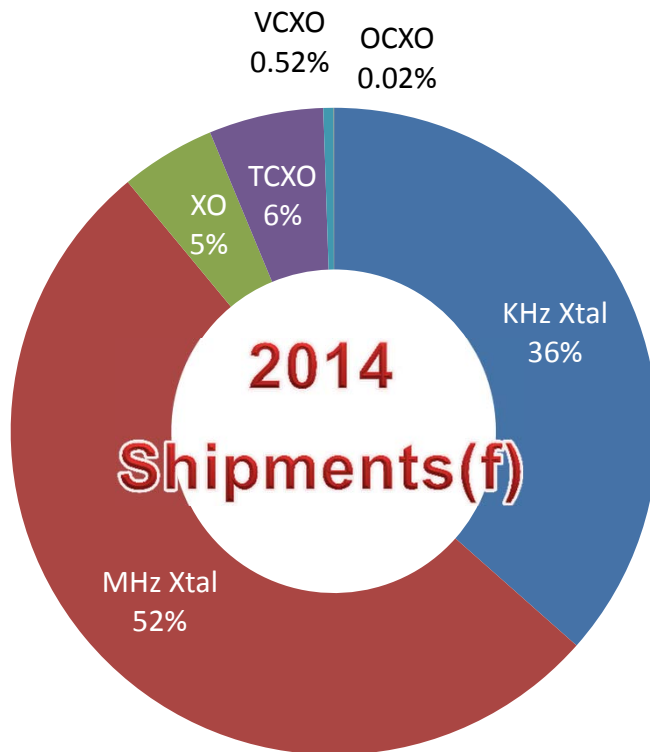
Rank	Company Name	Area	2011	2012	2013	(11-12) Change %	(12-13) Change %	2011 Market Share	2012 Market Share	2013 Market Share
1	Epson Toyocom	Japan	592	610	500	3.0%	-18.0%	16.7%	17.5%	15.3%
2	NDK	Japan	557	540	433	-3.1%	-19.8%	15.7%	15.5%	13.3%
3	TXC	Taiwan	327	377	326	15.3%	-13.5%	9.2%	10.8%	10.0%
4	KED	Japan	265	292	298	10.2%	2.1%	7.5%	8.4%	9.1%
5	KDS	Japan	389	309	260	-20.6%	-15.9%	11.0%	8.9%	8.0%
6	Ventron	USA	196	166	170	-15.3%	2.4%	5.5%	4.8%	5.2%
7	SiWard	Taiwan	90	97	96	7.8%	-1.0%	2.5%	2.8%	2.9%
8	Rakon	New Zealand	111	106	95	-4.5%	-10.4%	3.1%	3.0%	2.9%
9	Hosonic	Taiwan	101	92	94	-8.9%	2.2%	2.9%	2.6%	2.9%
10	River	Japan	52	73	66	-5.8%	-9.6%	1.5%	1.4%	2.0%
11	CTS	USA	53	55	61	3.8%	10.9%	1.5%	1.6%	1.9%
12	Murata(TEW)	Japan	59	57	59	-5.1%	3.5%	1.7%	1.6%	1.8%
13	Taitien	Taiwan	79	59	57	-25.3%	-3.4%	2.2%	1.7%	1.7%
14	Micro Crystal	Switzerland	63	58	55	-7.9%	-5.2%	1.8%	1.7%	1.7%
15	Pericom	USA	52	54	52	3.8%	-3.7%	1.5%	1.5%	1.6%
-	Others	-	553	570	642	-	-	15.6%	16.3%	19.7%
		Total Revenue	3,539	3,489	3,264	-1.4%	-6.4%			

Source: CS&A 2014.04

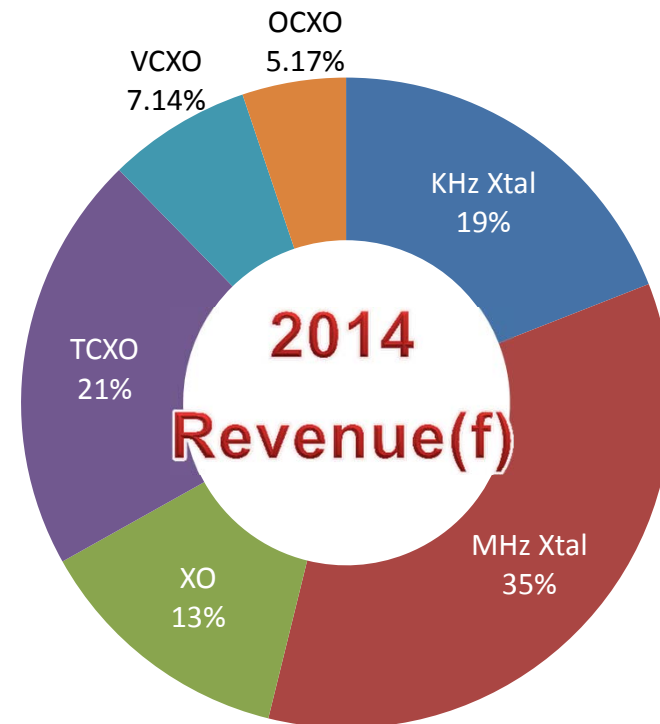


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Worldwide FCP T.A.M. Splits



2014(f) YoY 1.6%
Total: 16,607 M pcs

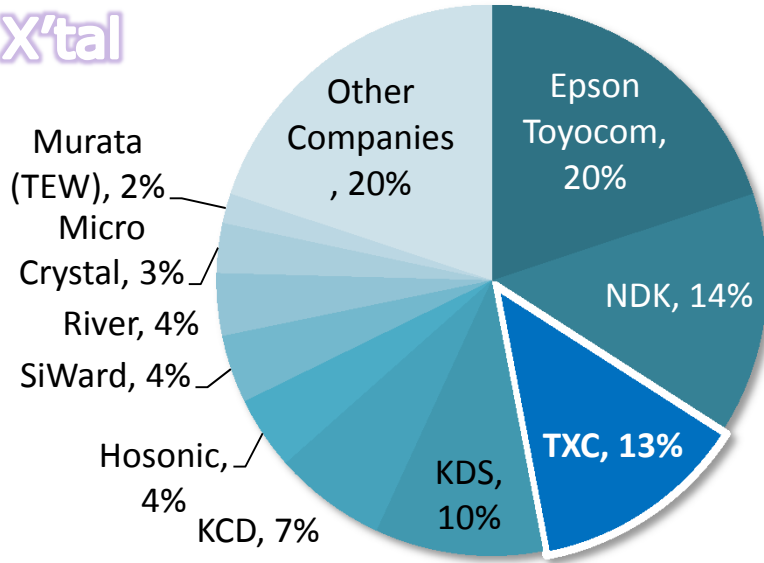


2014(f) YoY -0.8%
Total: USD 3,237 M

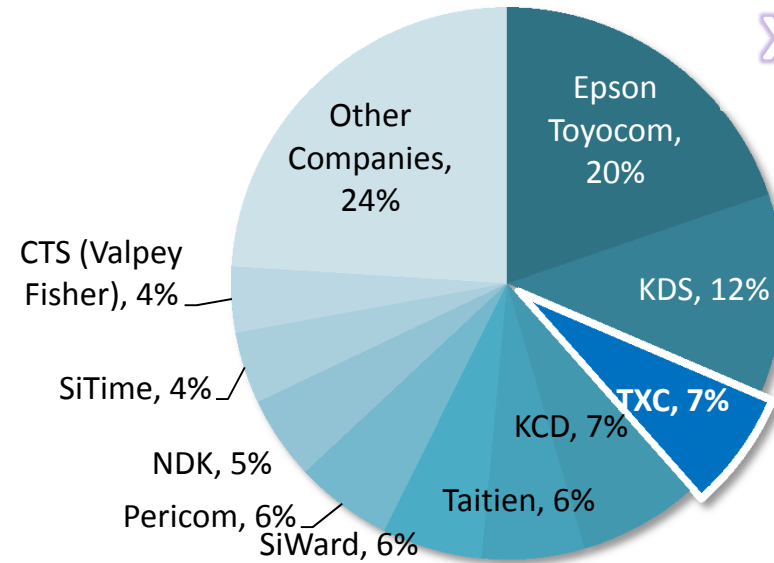
Source: CS&A 2014.04

Worldwide FCP Market Share by Products

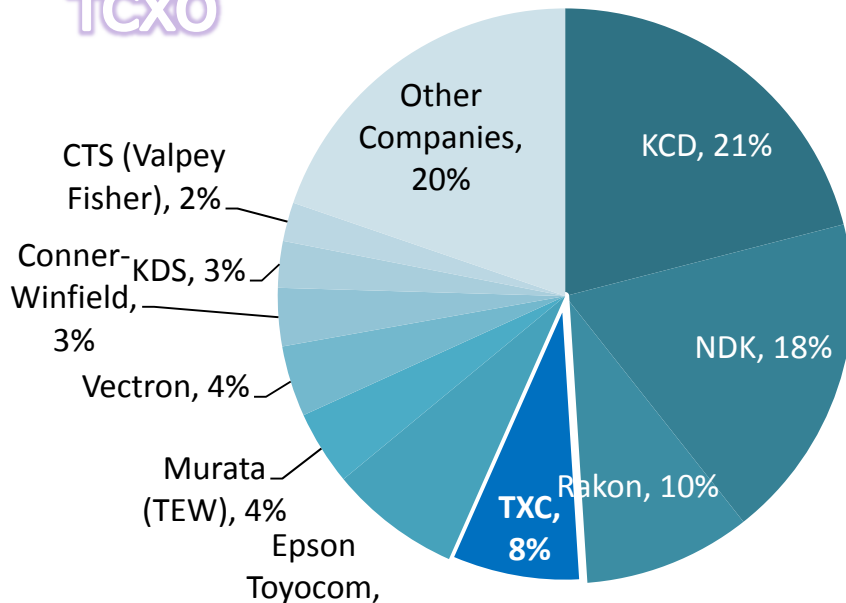
X'tal



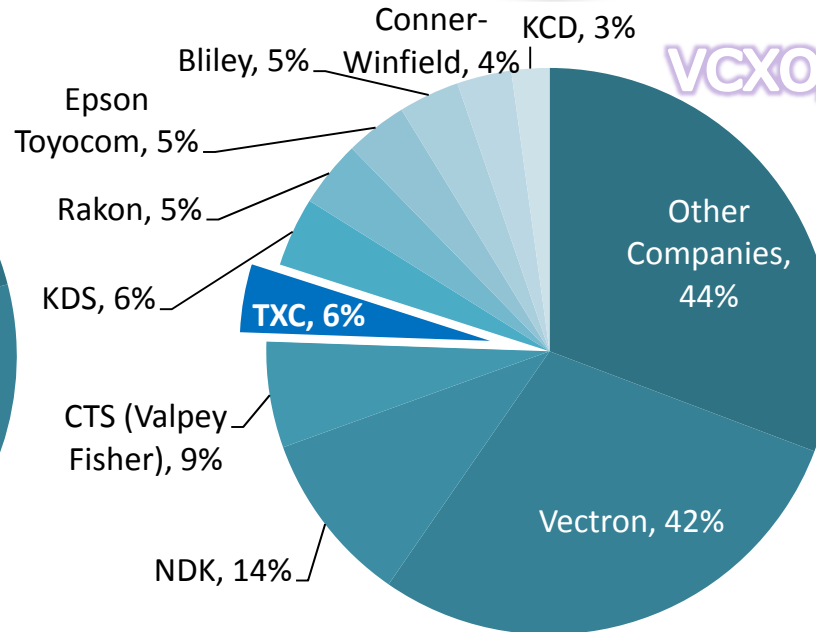
XO



TCXO



VCXO/OCXO



TXC

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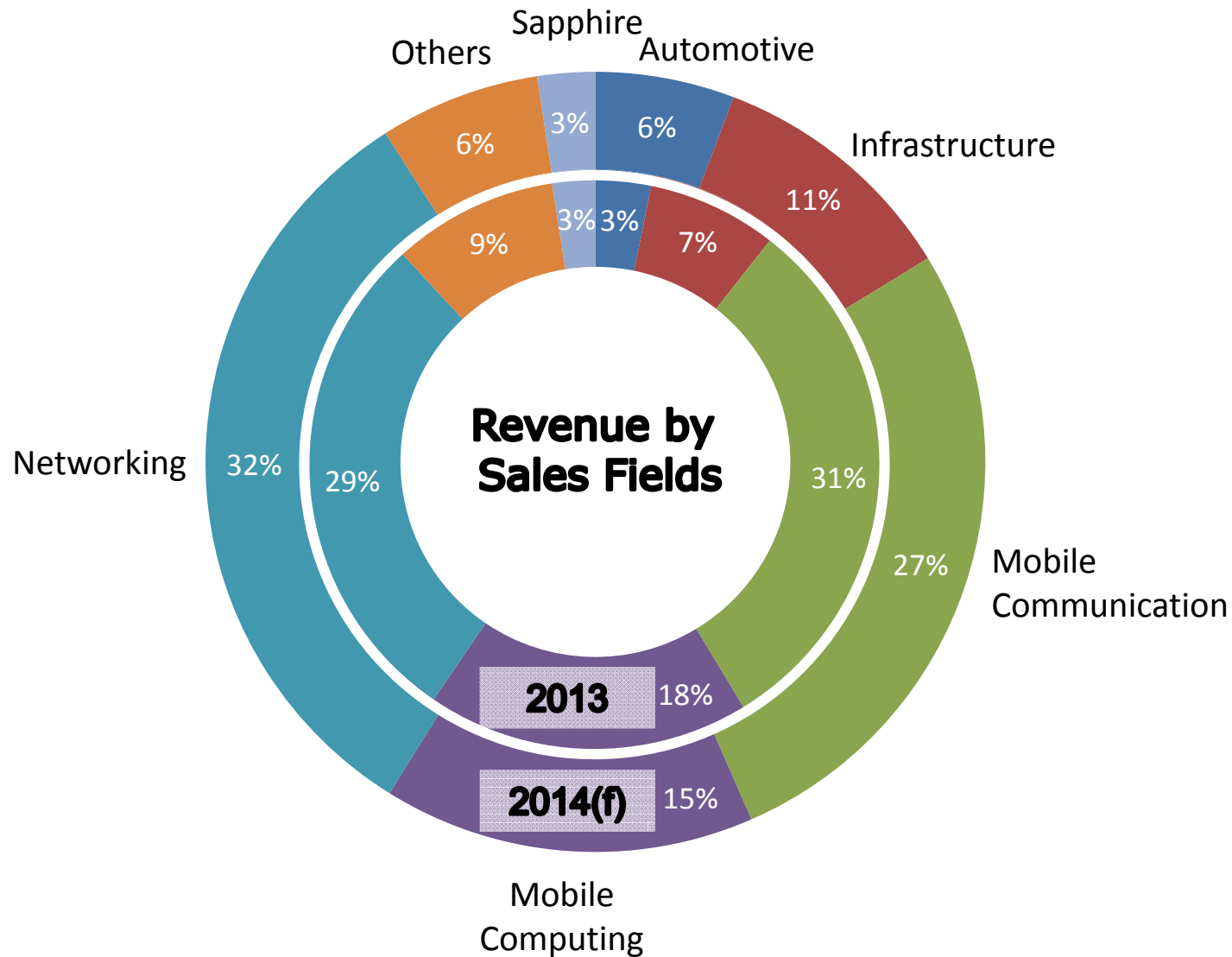
Source: CS&A 2014.04

TXC keep penetrating and developing in high end products

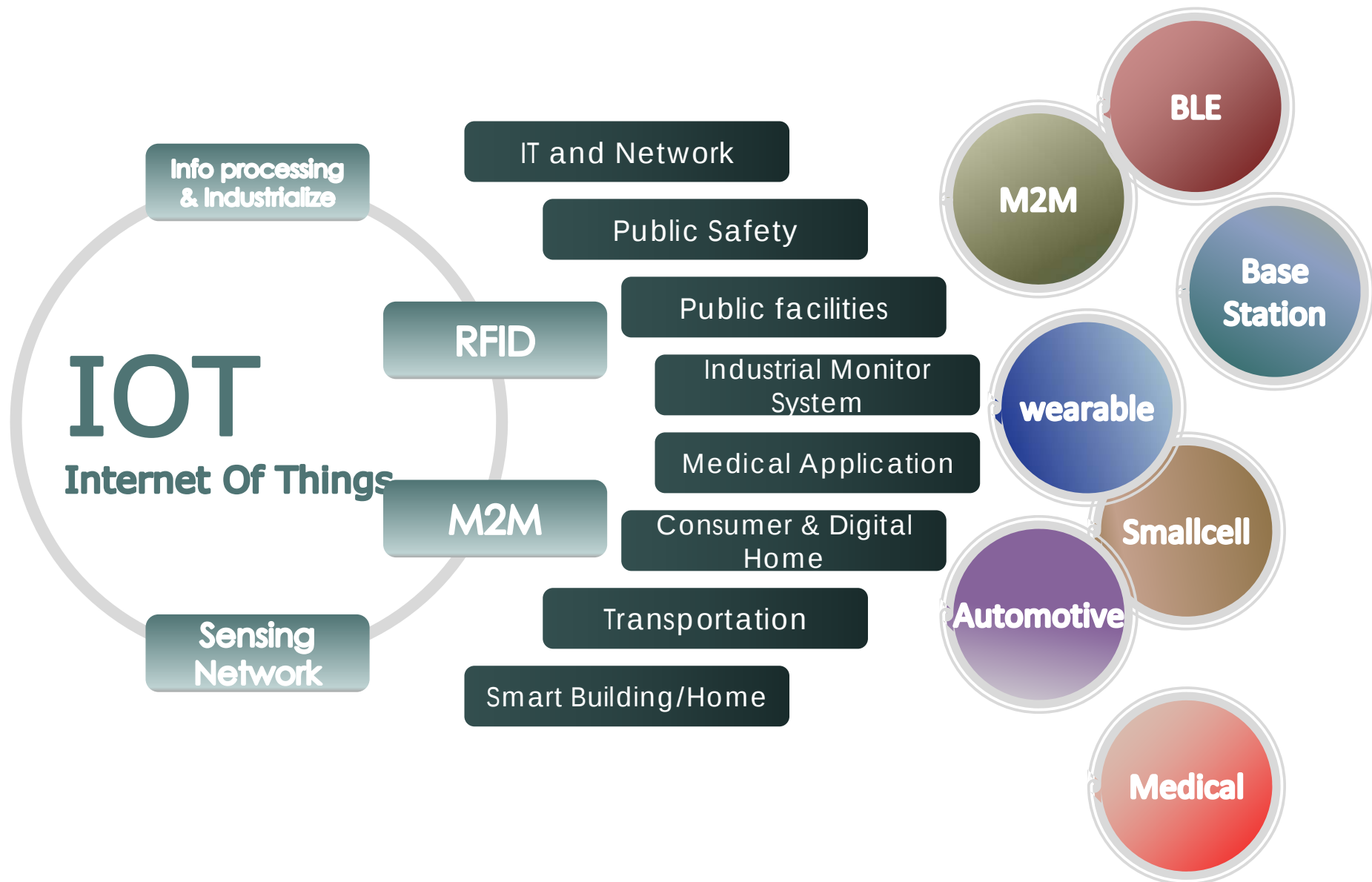


Source: CS&A 2014.04

TXC's Revenue Splits by Product Category



Market focus



Solutions for Base Station and Smallcell Infrastructure

High end and precise performance products to fulfill

OCXO

Ultra Stability $\pm 3\text{ppb}$
Stratum 3/3E Grade

TCXO

High stability $\pm 100\text{ppb}$
Stratum 3

VCXO

Ultra Low Jitter 50fs
High Frequency $\leq 700\text{MHz}$

Migrating to LTE...
SDH/SONET

XO

Ultra Low Jitter 50fs
High Frequency $\leq 800\text{MHz}$

Crystal

Stability $\pm 10\text{ppm}$
Fund. Frequency $\leq 400\text{MHz}$

32kHz RTC

High Stability $\pm 5\text{ppm}$
Temperature Compensated

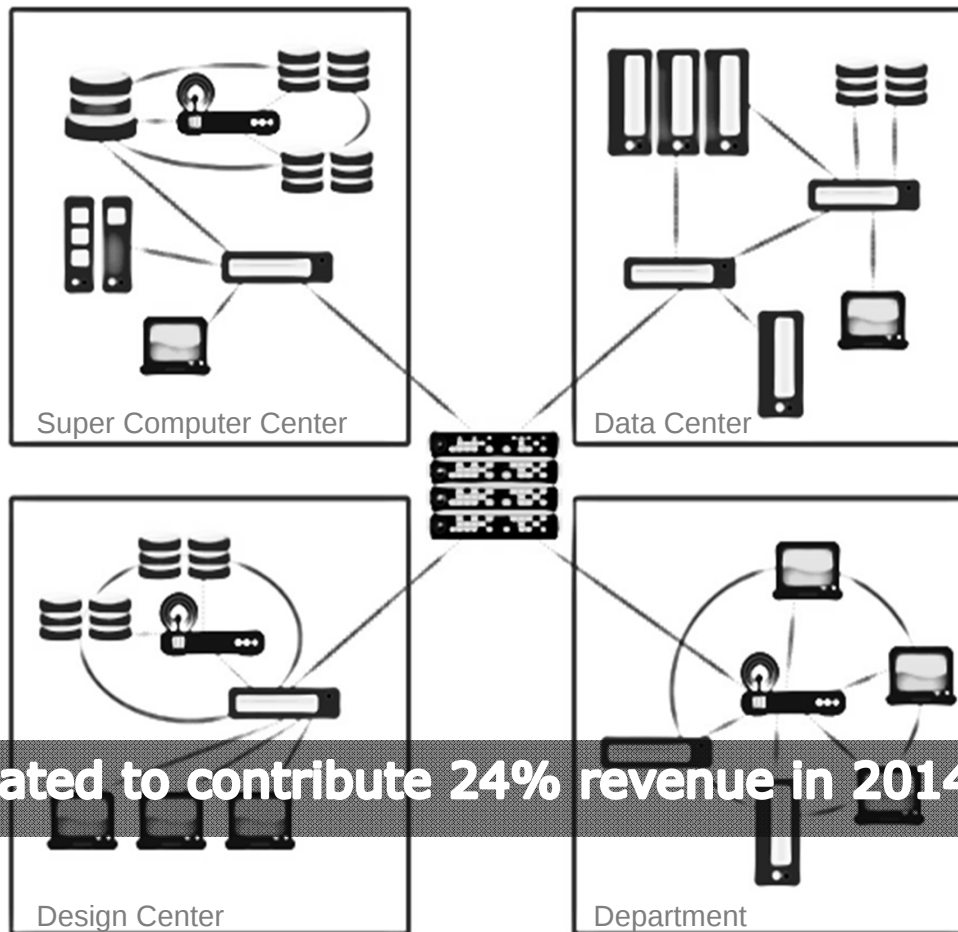


Estimated to contribute 11% revenue in 2014

Solutions for Networking and Data Center

High end and precise performance products to fulfill

High speed processing...
Gigabit Ethernet/Fiber Channel



Estimated to contribute 24% revenue in 2014

VCXO

Ultra Low Jitter 50fs
High Frequency $\leq 700\text{MHz}$

XO, SO (SAW based)

Ultra Low Jitter 50fs
High Frequency $\leq 800\text{MHz}$

Crystal units

High Stability $\pm 10\text{ppm}$
High Frequency $\leq 400\text{MHz}$

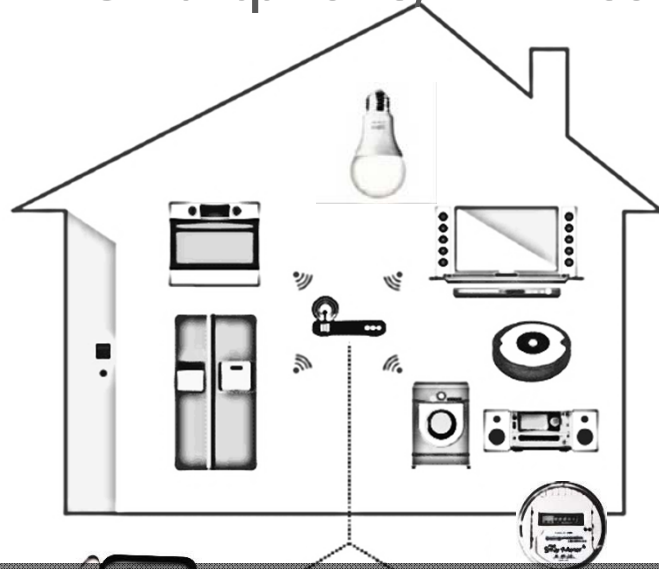
32kHz RTC

High Stability $\pm 5\text{ppm}$
Temperature Compensated

Solutions for Wireless and Smart Home

New, precise performance and miniature products to fulfill

Smartphone, M2M connecting...



LTE

WiFi

BT/BLE

Zigbee

GNSS

Sensor

Estimated to contribute 35% revenue in 2014

3-in-1 Light Sensors

ALS+PS+IR LED (Ceramic)
Smallest 2.5x2.0x1.0mm

32kHz RTC

High Stability $\pm 5\text{ppm}$
Temperature Compensated

TCXO

High stability $\pm 0.5\text{ppm}$
Miniature 1.6x1.2x0.55mm

Crystal units

Smallest and Thinnest
1.2x1.0x0.30mm

TSX

Smallest and Thinnest
1.6x1.2x0.55mm

XO, MO (MEMS based)

Low Jitter $\leq 1\text{ps}$
Smallest 2.0x1.6x 0.75mm

Solutions for Wireless and Smart Wearable

Diversified, precise performance and miniature products to fulfill

Wearable technology...
BT/BLE, WiFi, GNSS
Sensor



Estimated to contribute 1% revenue in 2014

3-in-1 Light Sensors

ALS+PS+IR LED (Ceramic)
Smallest 2.5x2.0x1.0mm

32kHz RTC

High Stability $\pm 5\text{ppm}$
Temperature Compensated

Crystal units

Smallest and Thinnest
1.2x1.0x0.30mm

TSX

Smallest and Thinnest
1.6x1.2x0.55mm

XO, MO (MEMS based)

Low Jitter $\leq 1\text{ps}$
Smallest 2.0x1.6x 0.75mm

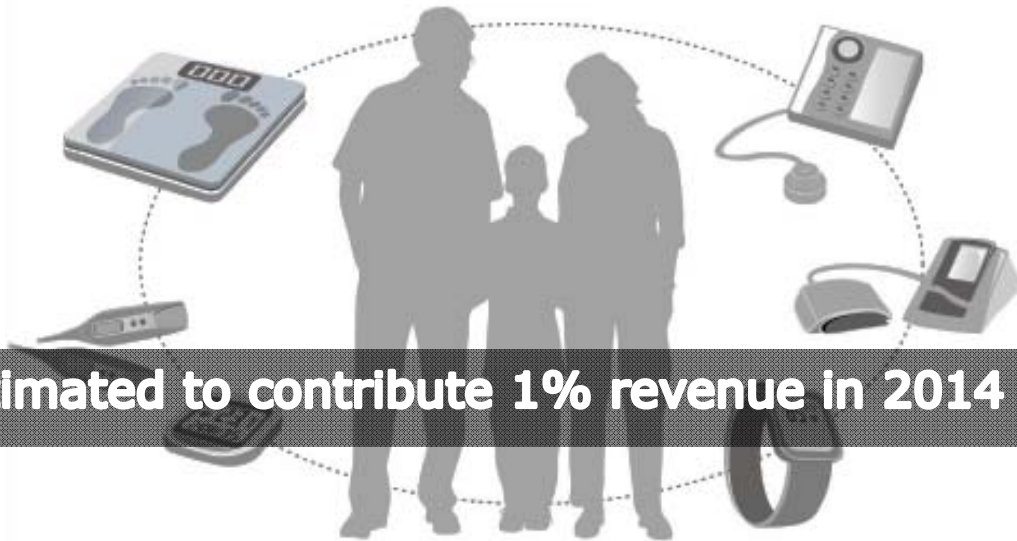
TCXO

High stability $\pm 0.5\text{ppm}$
Miniature 1.6x1.2x0.55mm

Solutions for Smart Medical

High end and precise performance products to fulfill

Healthcare monitoring...
BT/BLE, WiFi, GNSS
Sensor



Estimated to contribute 1% revenue in 2014

3-in-1 Light Sensors

ALS+PS+IR LED (Ceramic)
Smallest 2.5x2.0x1.0mm

32kHz RTC

High Stability $\pm 5\text{ppm}$
Temperature Compensated

Crystal units

Smallest and Thinnest
1.2x1.0x0.30mm

TSX

Smallest and Thinnest
1.6x1.2x0.55mm

XO, MO (MEMS based)

Low Jitter $\leq 1\text{ps}$
Smallest 2.0x1.6x 0.75mm

TCXO

High stability $\pm 0.5\text{ppm}$
Miniature 1.6x1.2x0.55mm

Solutions for Automotive

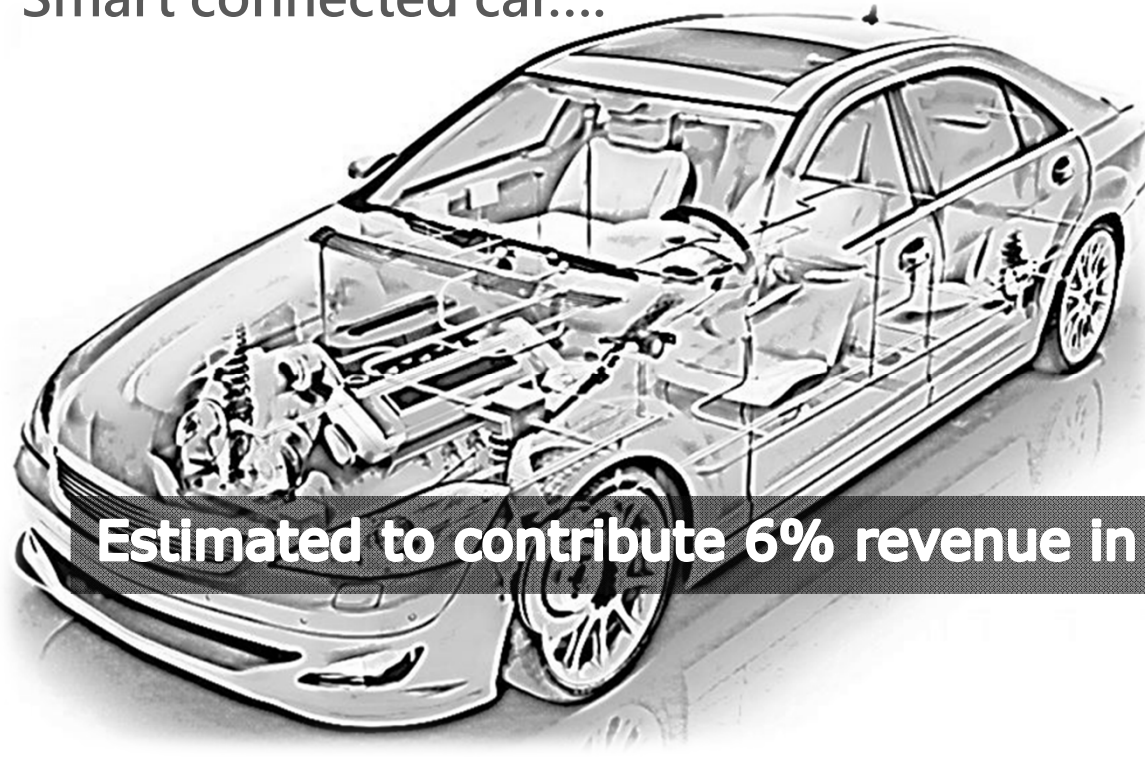
Product Quality to fulfill

Smart connected car....

Infotainment,
(Telematics, GPS,
AV)

Safety Electronics
System (Airbag,
ABS, TPMS)

ADAS
(Advanced Driver
Assisted System)



Estimated to contribute 6% revenue in 2014

Crystal units(AEC Q200)
Metal Can: G2
Glass: G0
Seam: G1

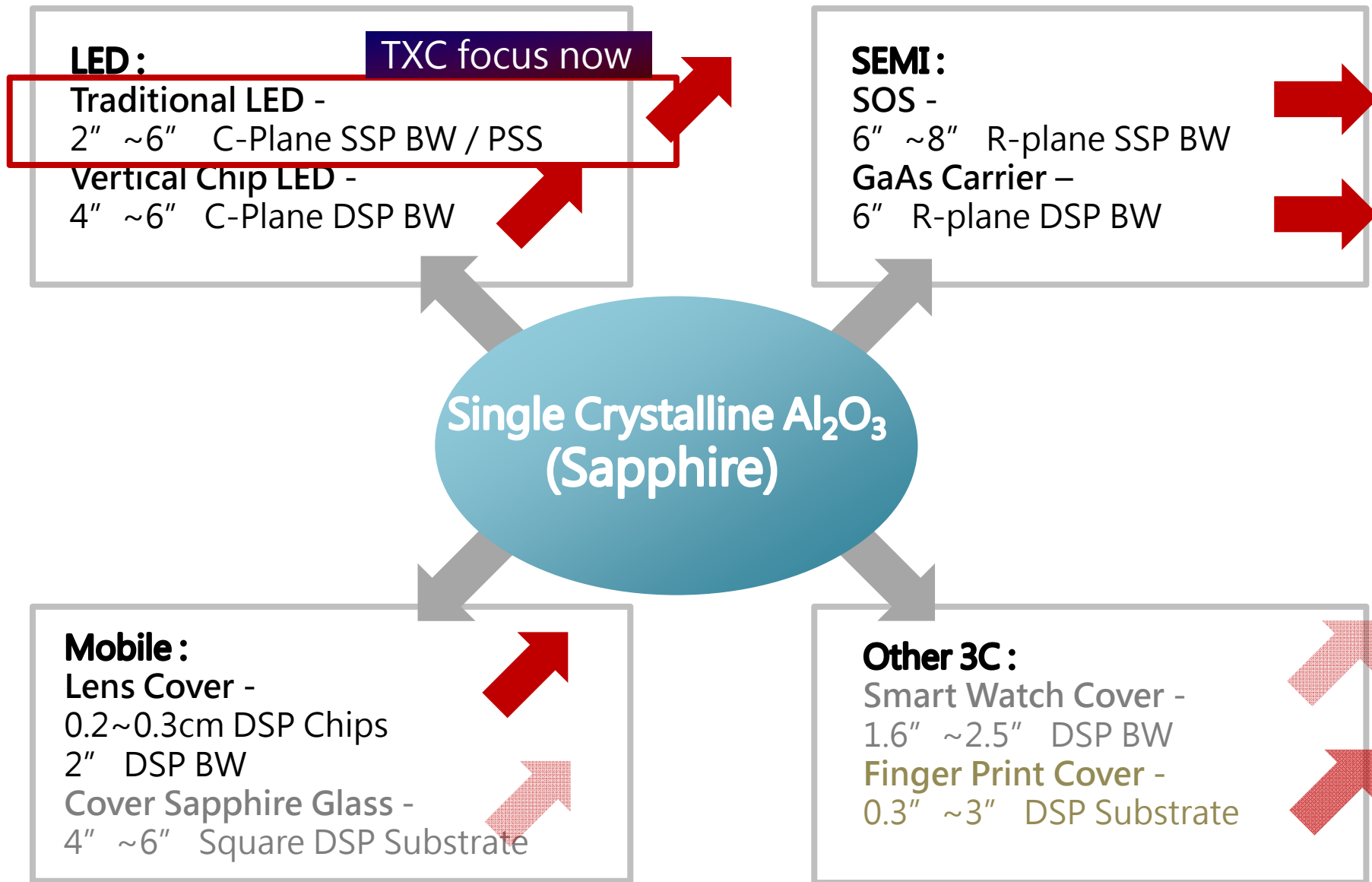
XO (AEC Q100)
Seam: G1

TCXO (AEC Q100)
Seam: G2

Notes:

G3:-40~85°C / G2: -40~105°C / G1: -40~125°C / G0: -40~150°C

Applications of Sapphire Substrate



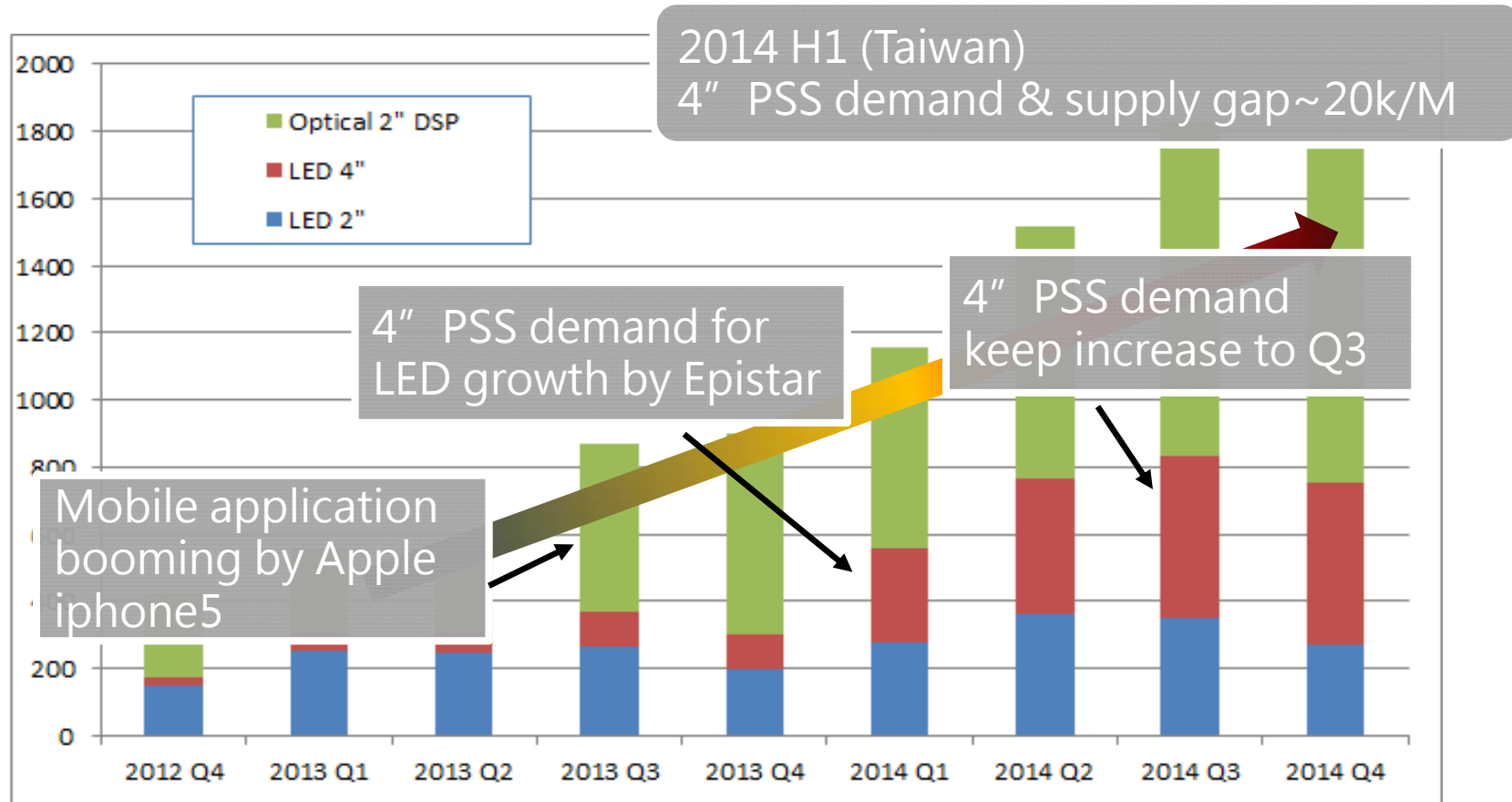
Sapphire Substrate Usage Trend

Opportunity

New application growth (Mobile)
LED market (4" PSS) growth

TXC Strategy

Focus on 4" SSP/PSS for
LED application





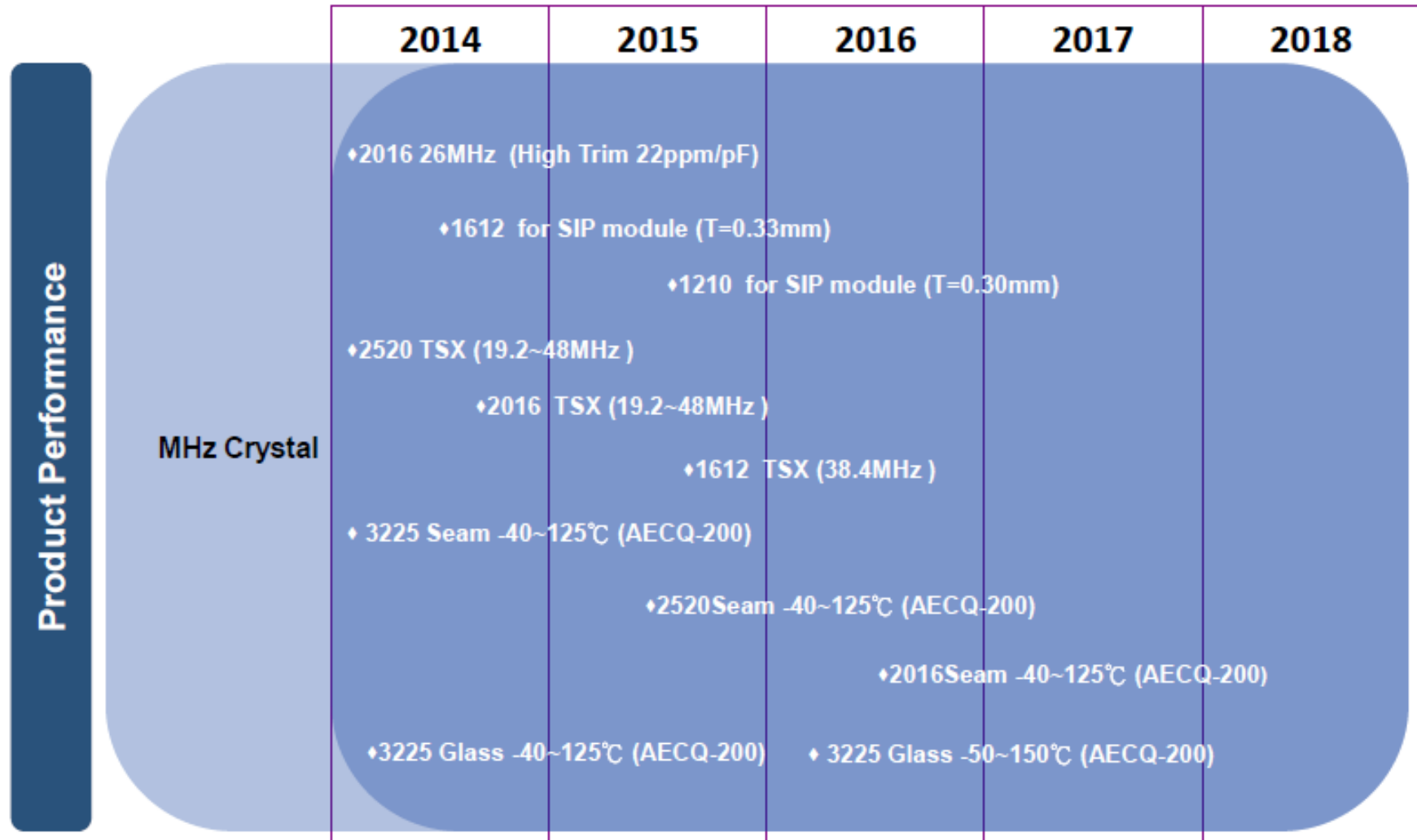
Product Size Roadmap

Seam = Seamseal
Glass = Glass Seal

		2014	2015	2016	2017	2018
Product Size	MHz Crystal	♦1210 Seam(24~54MHz) ♦2520 TSX ♦2016 TSX ♦2520 Glass ♦2016 Glass	♦1612 TSX ♦1612 Glass	♦1008 Crystal		
	KHz Crystal	♦2012 TF ♦1610 TF				
	XO/MO/SO	♦2016 CMOS XO/MO ♦5032 Differential XO ♦5032 Differential SO	♦1612 CMOS XO ♦3225 Differential XO	♦1210 CMOS XO		
	VCXO	♦5032	♦3225			
	TCXO	♦2016(GPS) ♦1612(GPS) ♦7050(S3) ♦5032(S3)	♦1210(GPS) ♦SOP14(RTC) ♦3225(RTC)			
	OCXO	♦3627 SC-Cut ♦2525 SC-Cut ♦2020 SC-Cut ♦2113 SC-Cut ♦1409 SC-Cut	♦1409 AT-Cut ♦0907 AT-Cut	♦0907 SC-Cut		

Continuing miniaturize

Crystal Performance Roadmap



Better Performance

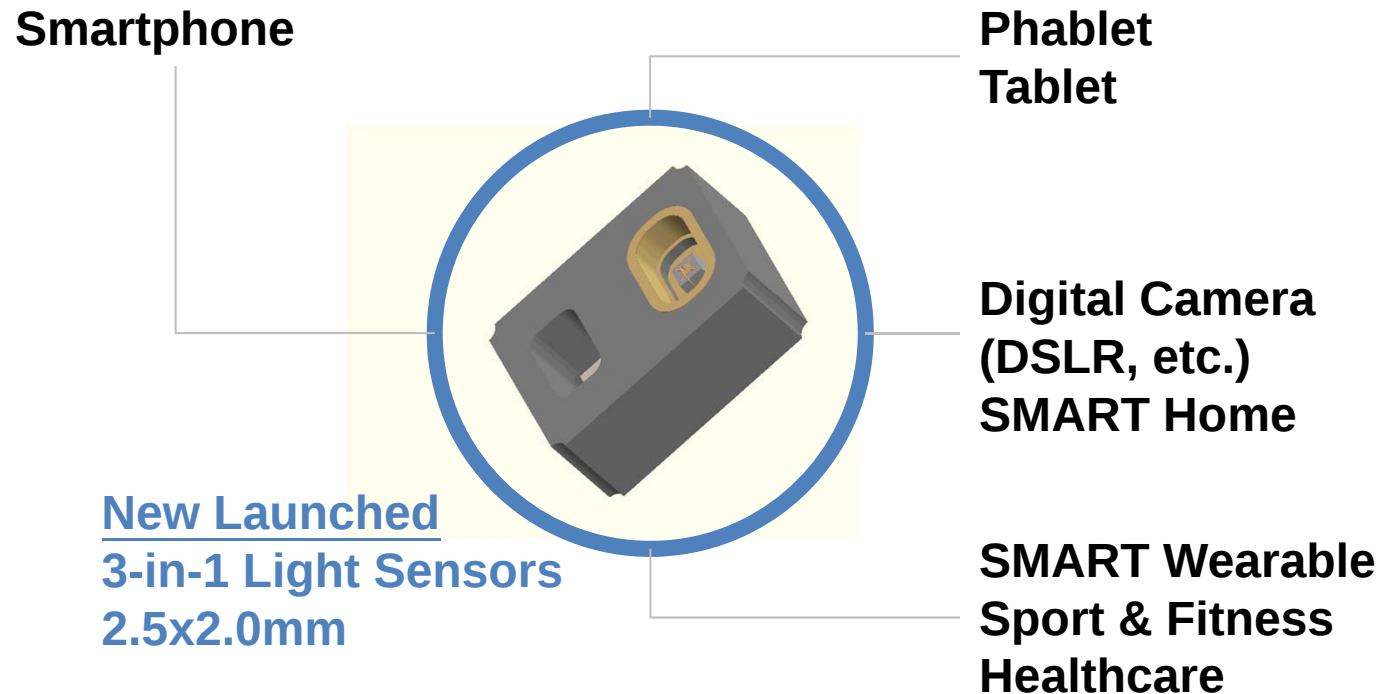
Oscillator Performance Roadmap

		2014	2015	2016	2017	2018
Product Performance	XO/MO/SO	♦ XO 100~200MHz (Fundamental) Phase Jitter < 0.1ps ♦ XO 50~1.4GHz (I2C PLL) Phase Jitter < 0.3ps ♦ XO 10~170MHz (Cost-Saving PLL) Phase Jitter < 1ps ♦ MHz + kHz XO ♦ XO 600Mhz ~1GHz (Fundamental) Phase Jitter < 0.1ps ♦ XO CMOS -40~105°C (AECQ-100)				
	TCXO	♦ ±0.5ppm -40~85°C (GPS) ♦ High Reliability (AECQ-100) ♦ ±0.28/±0.14ppm -40~85°C (Telecom) ♦ 32KHz ±5ppm, -40~85°C (RTC)				
	VCXO	♦ 100~800MHz (PLL) Phase Jitter <0.5ps ♦ 200~600MHz (Fundamental) Phase Jitter <0.1ps ♦ 50MHz~1.4GHz (I2C-PLL) Phase Jitter <0.3ps				
	OCXO	♦ 3627/2525/2020 SC-cut (±3ppb, -40~85°C) ♦ 1409 SC-cut (±30ppb, -40~85°C) ♦ 1409 AT-cut (±30ppb, -40~85°C) ♦ 0907 SC-cut(±30ppb, -40~85°C) ♦ 0907 AT-cut (±30ppb, -40~85°C)				

Better Performance

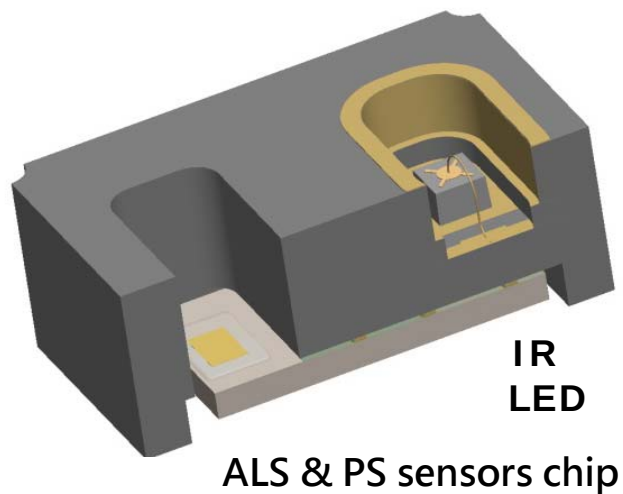
World Smallest 3-in-1 Light Sensors

Sensors are widely used in Smartphone and many other SMART applications



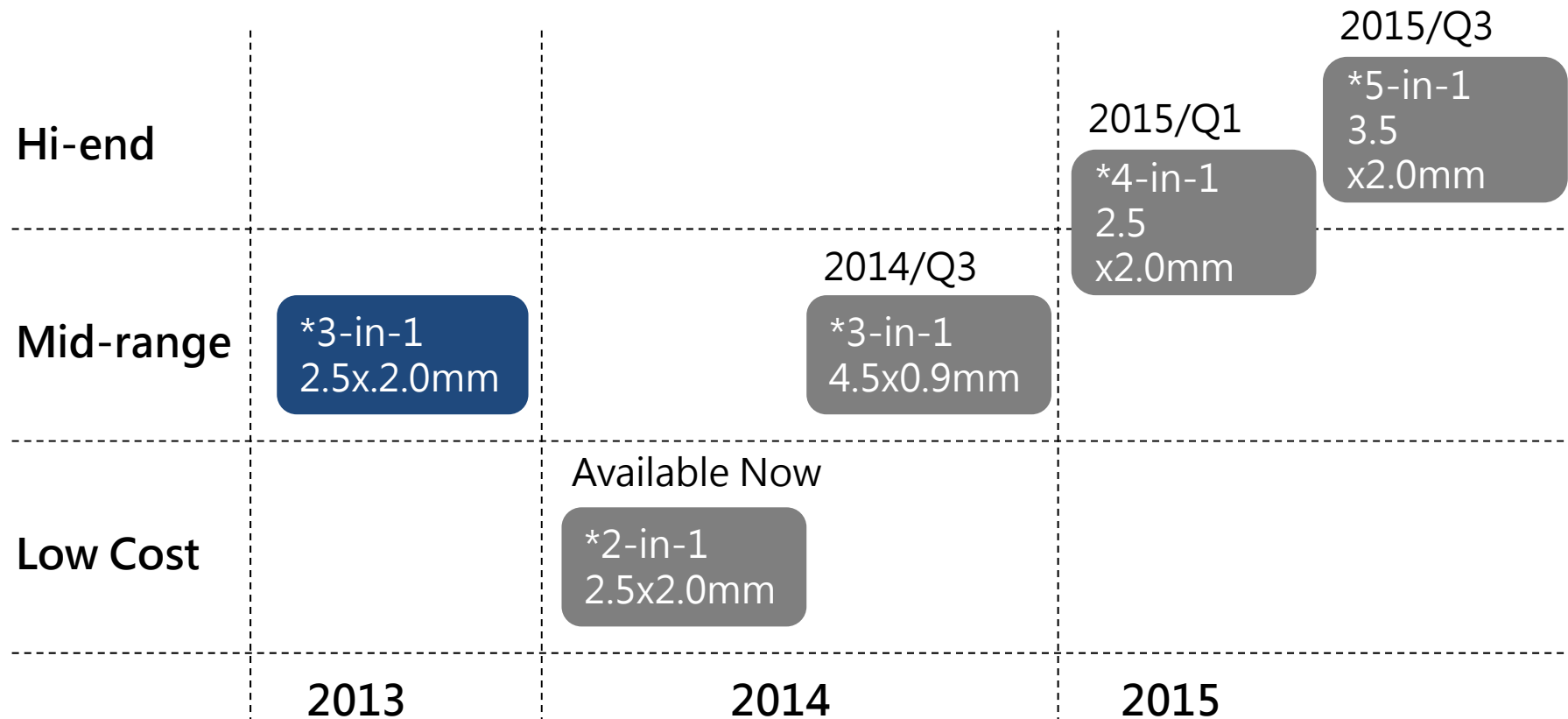
Sensors Introduction

Innovative miniature 3-in-1 Light Sensors design



- Stacking 3D ceramic package design patented
- Integrated ALS & PS sensors chip
- **Customized IC with trimming function**
- Flip-chip mounting technology
- Self-developed automatic production and testing equipment

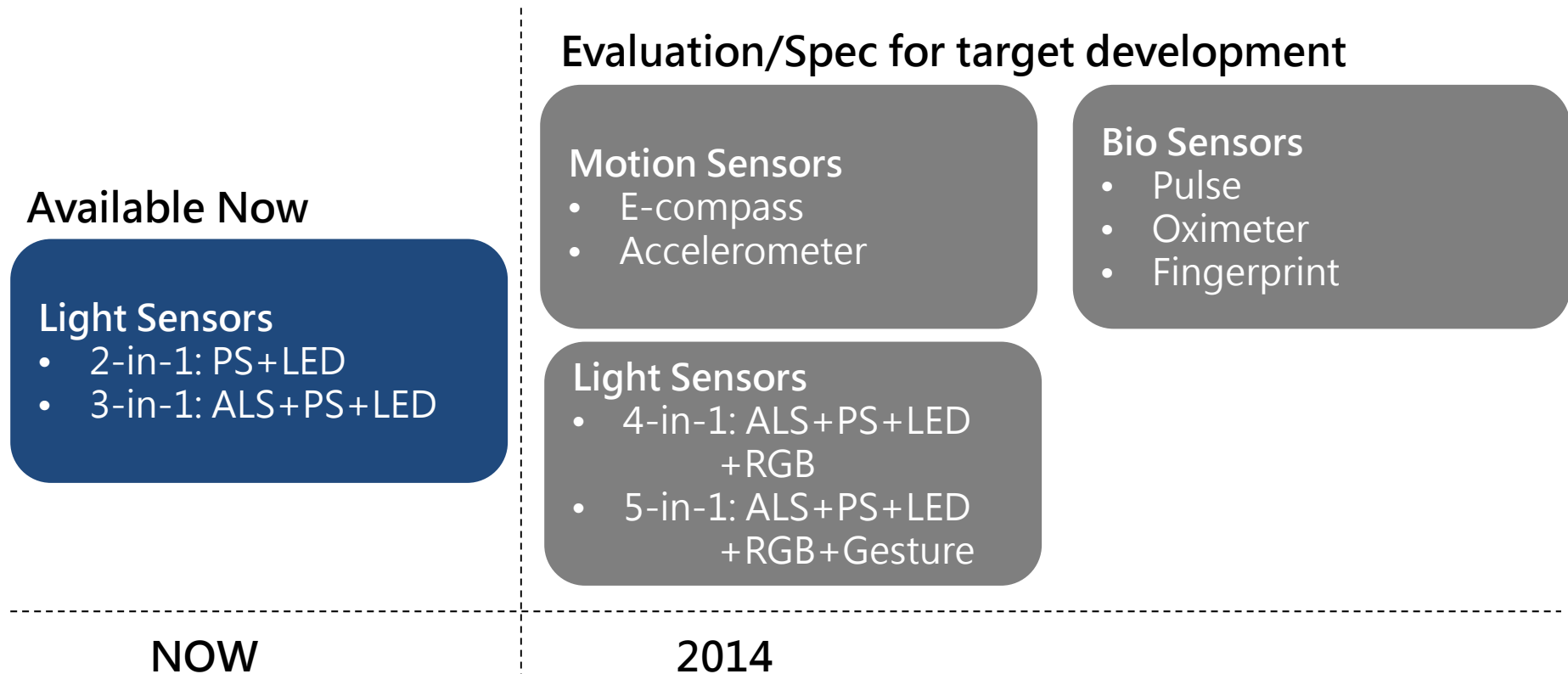
Light Sensors Roadmap



*5-in-1: LS+PS+LED+RGB+Gesture
*4-in-1: ALS+PS+LED+RGB
*3-in-1: ALS+PS+LED
*2-in-1: PS+LED

Aggressive Sensors Development

Sensors in R&D Stage





Event Update



Summary





Thank you