

www.txccorp.com

*Think of Frequency
Think of*



Investment Conference

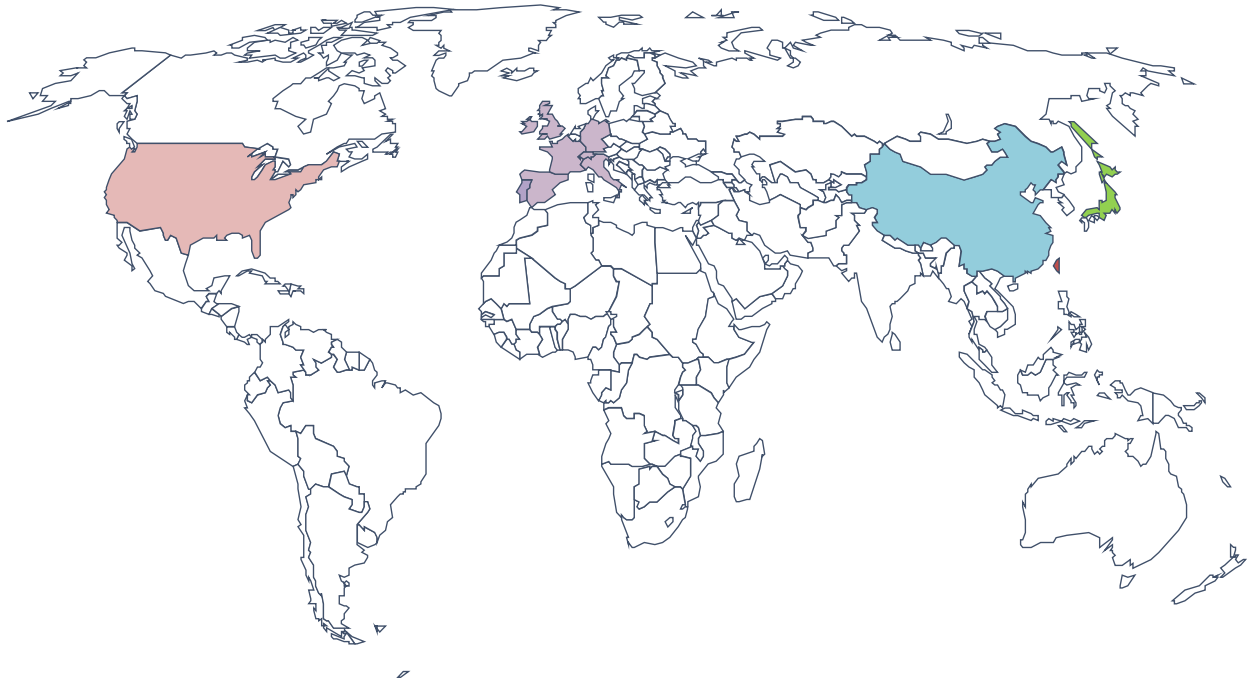
Dec., 2015



Think of Frequency, Think of TXC

Content

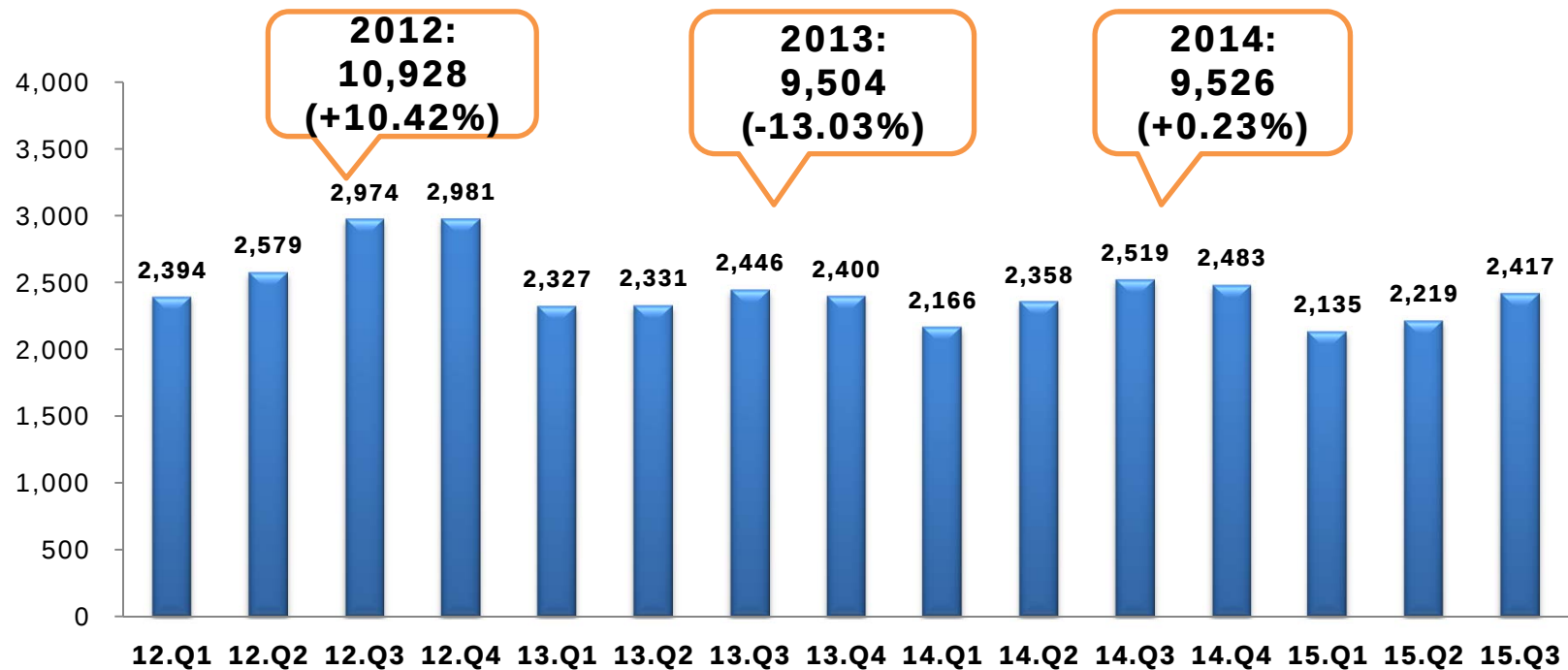
- ***FINANCIAL RESULTS***
- ***SALES & MARKETING***
- ***BUSINESS HIGHLIGHT***
- ***Q&A***





Revenue Trend

Unit: \$NT in Million

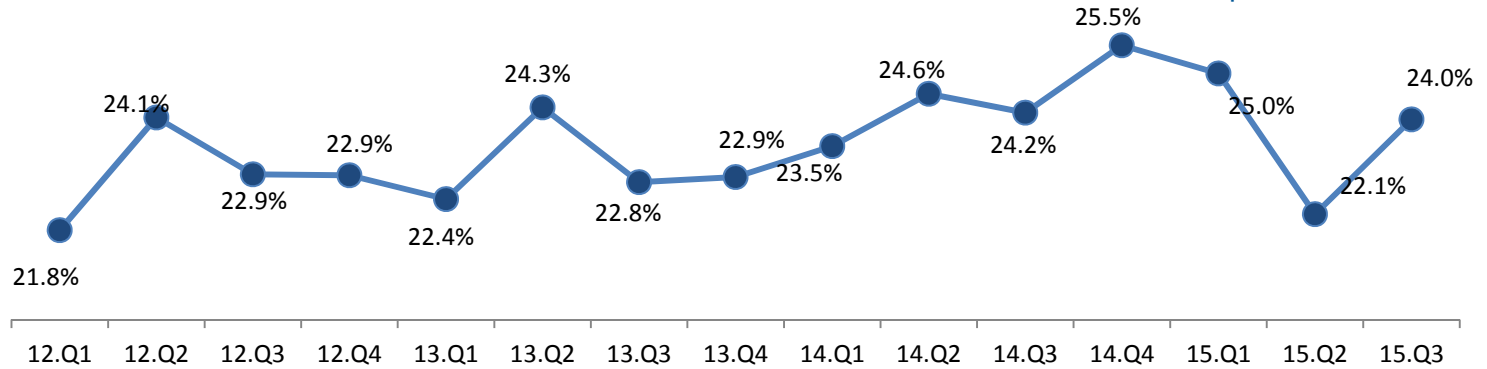


	12.Q1	12.Q2	12.Q3	12.Q4	13.Q1	13.Q2	13.Q3	13.Q4	14.Q1	14.Q2	14.Q3	14.Q4	15.Q1	15.Q2	15.Q3
Revenue (QoQ)	-8.1%	7.7%	15.3%	0.2%	-21.9%	0.2%	4.9%	-1.9%	-9.8%	8.9%	6.8%	-1.4%	-14.0%	3.9%	8.9%
Revenue (YoY)	3.1%	4.2%	19.2%	14.4%	-2.8%	-9.6%	-17.8%	-19.5%	-6.9%	1.2%	3.0%	3.5%	-1.4%	-5.9%	-4.0%

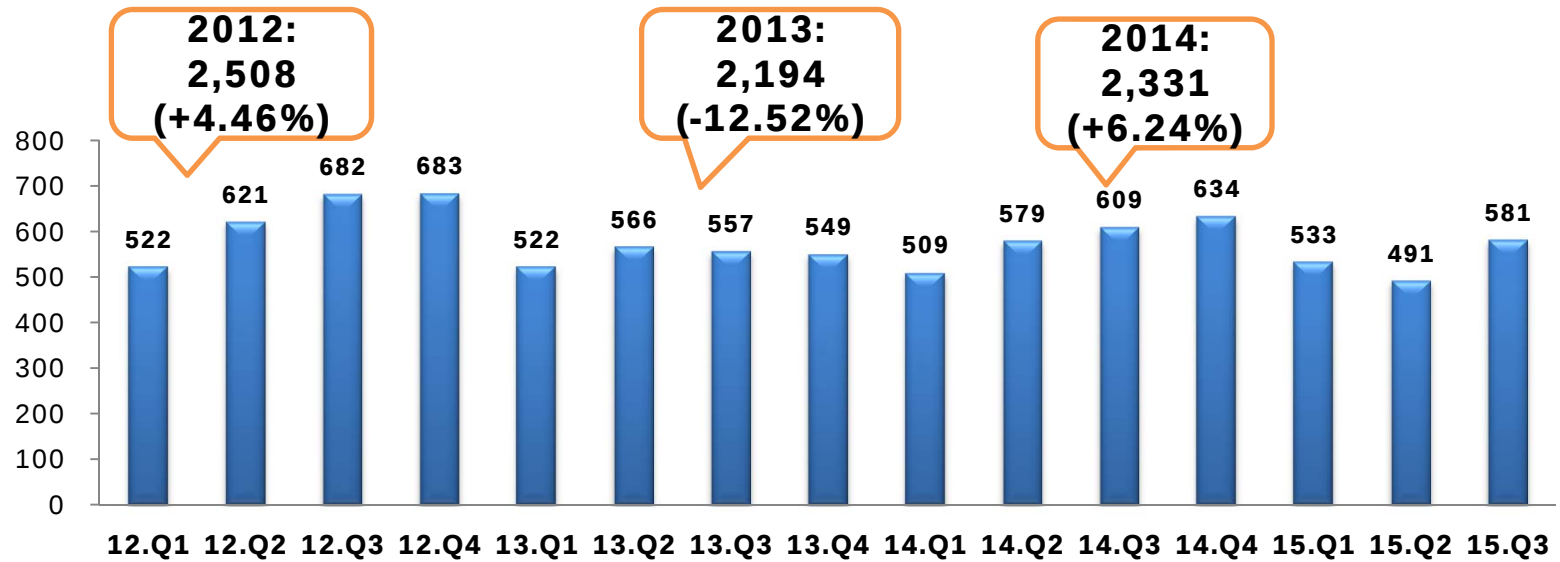
Gross Profit Trend

Unit: \$NT in Million

Gross Margin



Gross Profit

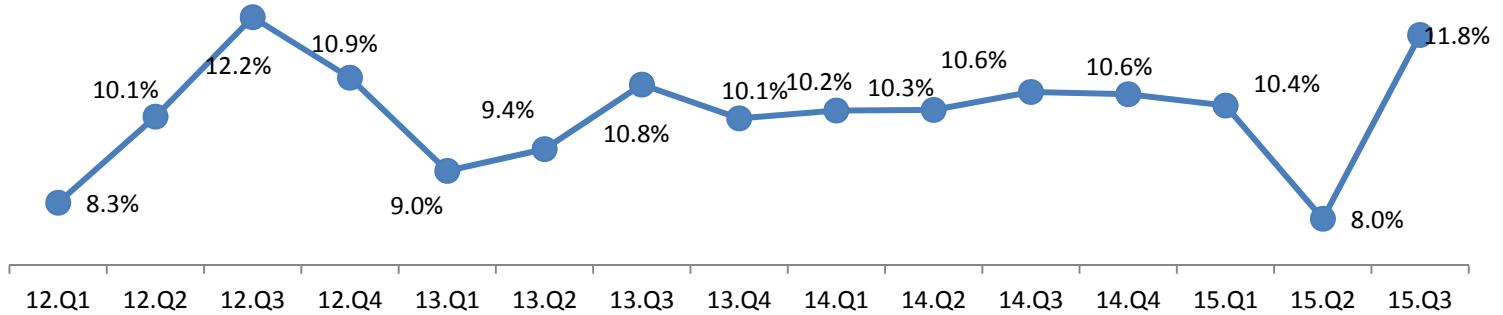


	12.Q1	12.Q2	12.Q3	12.Q4	13.Q1	13.Q2	13.Q3	13.Q4	14.Q1	14.Q2	14.Q3	14.Q4	15.Q1	15.Q2	15.Q3
Gross Profit (QoQ)	-10.9%	19.0%	9.8%	0.1%	-23.6%	8.4%	-1.6%	-1.4%	-7.3%	13.8%	5.2%	4.1%	-15.9%	-7.9%	18.3%
Gross Profit (YoY)	-9.4%	2.0%	8.3%	16.6%	0.0%	-8.9%	-18.3%	-19.6%	-2.5%	2.3%	9.3%	15.5%	4.7%	-15.2%	-4.6%

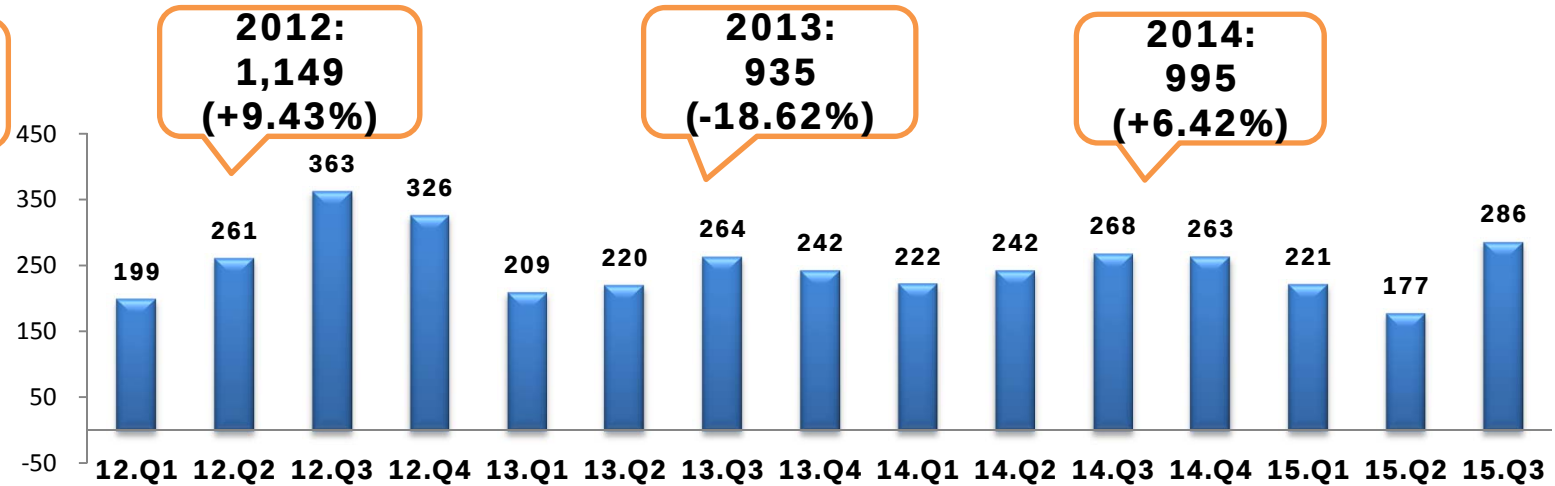
Net Profit Trend

Unit: \$NT in Million

Net Margin



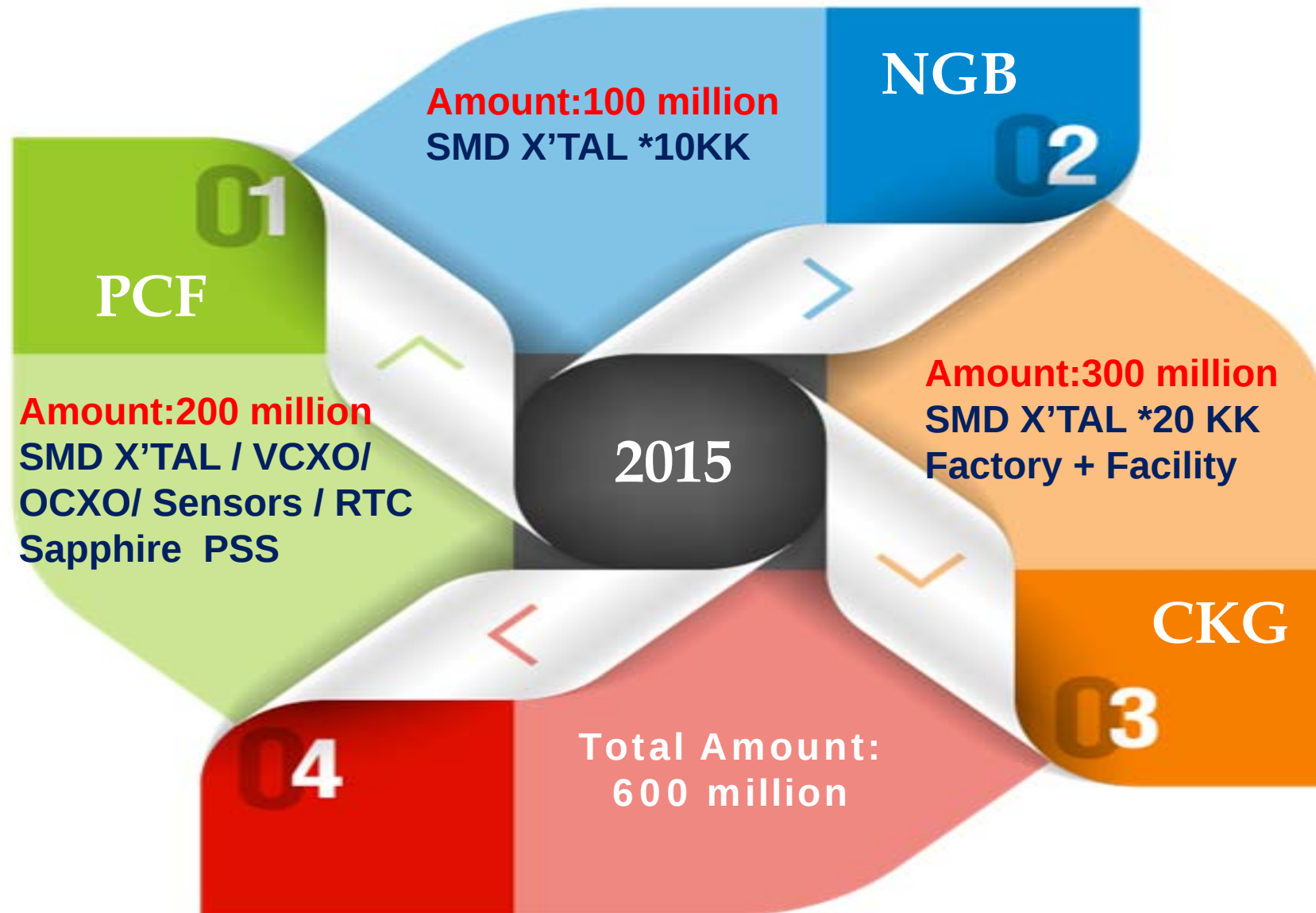
Net Profit



	12.Q1	12.Q2	12.Q3	12.Q4	13.Q1	13.Q2	13.Q3	13.Q4	14.Q1	14.Q2	14.Q3	14.Q4	15.Q1	15.Q2	15.Q3
Net Profit (QoQ)	-23.5%	31.2%	39.1%	-10.2%	-35.9%	5.3%	20.0%	-8.3%	-8.3%	9.0%	10.7%	-1.9%	-16.0%	-19.9%	61.6%
Net Profit (YoY)	-16.0%	5.2%	19.0%	25.4%	5.0%	-15.7%	-27.3%	-25.8%	6.2%	10.0%	1.5%	8.7%	-0.5%	-26.9%	6.7%

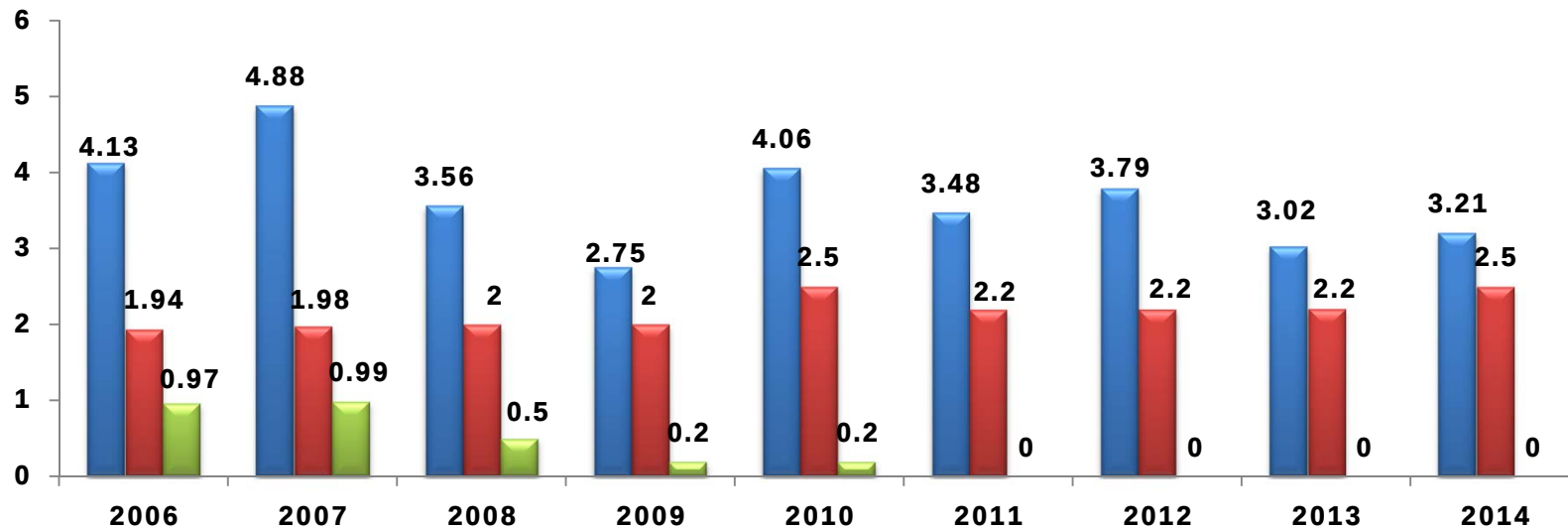
Capital Expenditure of 2015

(Unit: \$NT)



Dividend Policy

(Unit: \$NT)

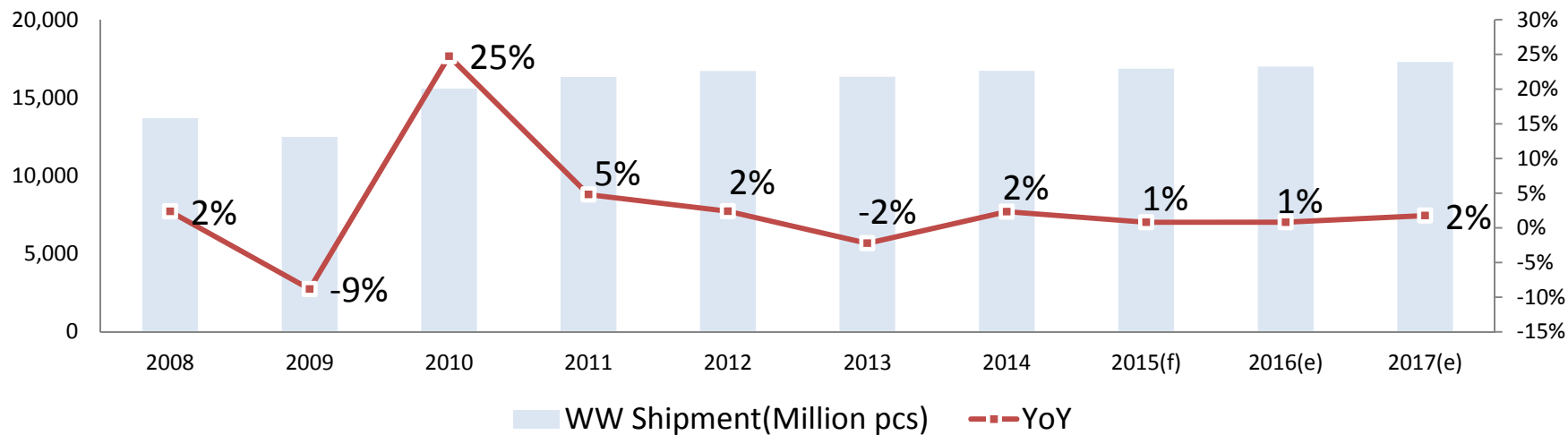


	2006	2007	2008	2009	2010	2011	2012	2013	2014
Earning Per Share	4.13	4.88	3.56	2.75	4.06	3.48	3.79	3.02	3.21
Cash Dividend Per Share	1.94	1.98	2	2	2.5	2.2	2.2	2.2	2.5
Stock Dividend Per Share	0.97	0.99	0.5	0.2	0.2	0	0	0	0
Share Prices(3/31)	60.6	54.6	32	52.1	55.9	43.55	44.85	40.7	40.05
Yield (%)	3.20%	3.63%	6.25%	3.84%	4.47%	5.05%	4.91%	5.41%	6.24%

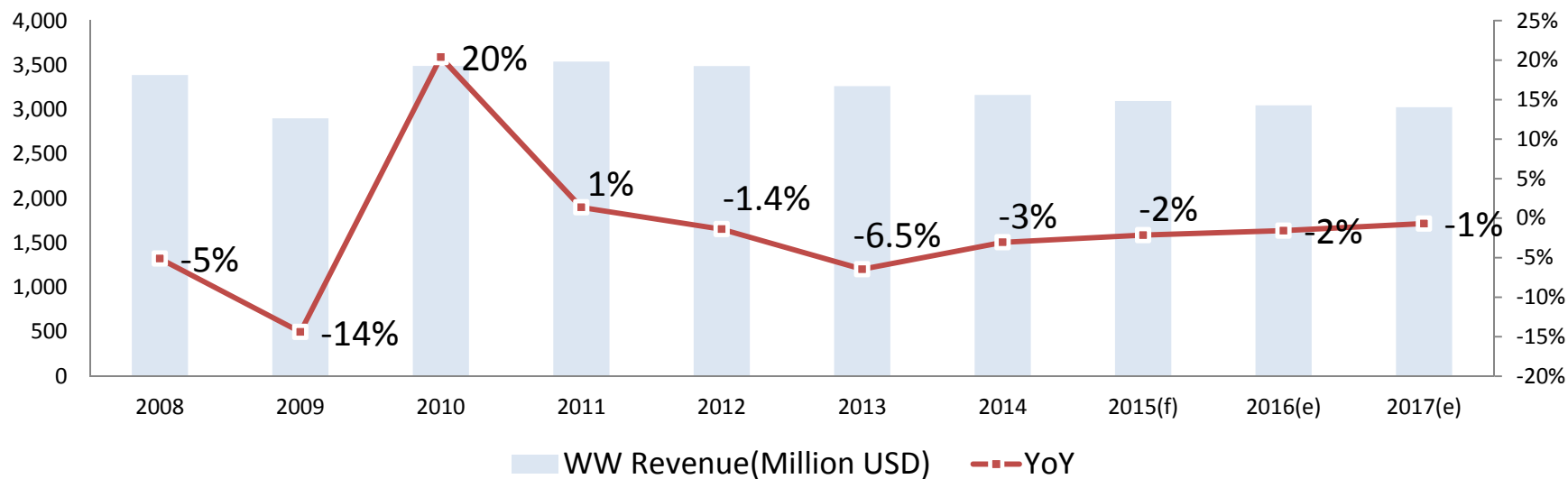


Worldwide X'tal & Oscillator Market Updates

Worldwide X'tal & Oscillator Shipment Y2008~2017



Worldwide X'tal & Oscillator Revenue Y2008~2017



2014 World Ranked No.3

2014 Rank	Company Name	2014 Revenue (M)	Percent of Total
1	Epson Toyocom	\$449	14.1%
2	NDK	\$417	13.1%
3	TXC	\$323	10.1%
4	KCD	\$293	9.2%
5	KDS	\$264	8.3%
6	Vectron	\$176	5.5%
7	SiWard	\$99	3.1%
8	Hosonic	\$95	3.1%
9	Rakon	\$71	2.2%
10	Failong	\$65	2.0%
	Other Companies	\$938	29.3%
	Total Revenue	\$3,190	100.0%

*TXC total revenue included others

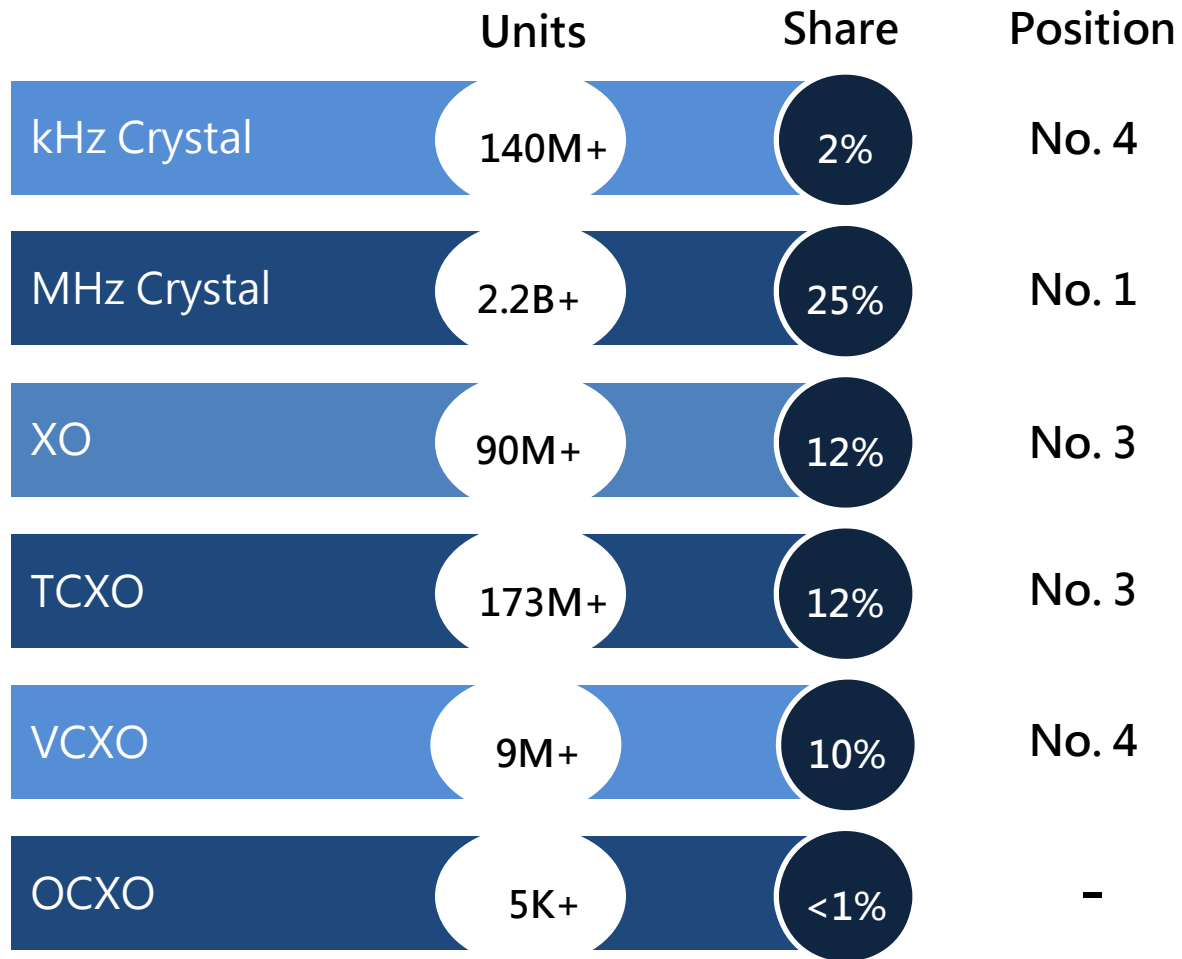
Source: TXC, CS&A 2015



Think of Frequency, Think of TXC

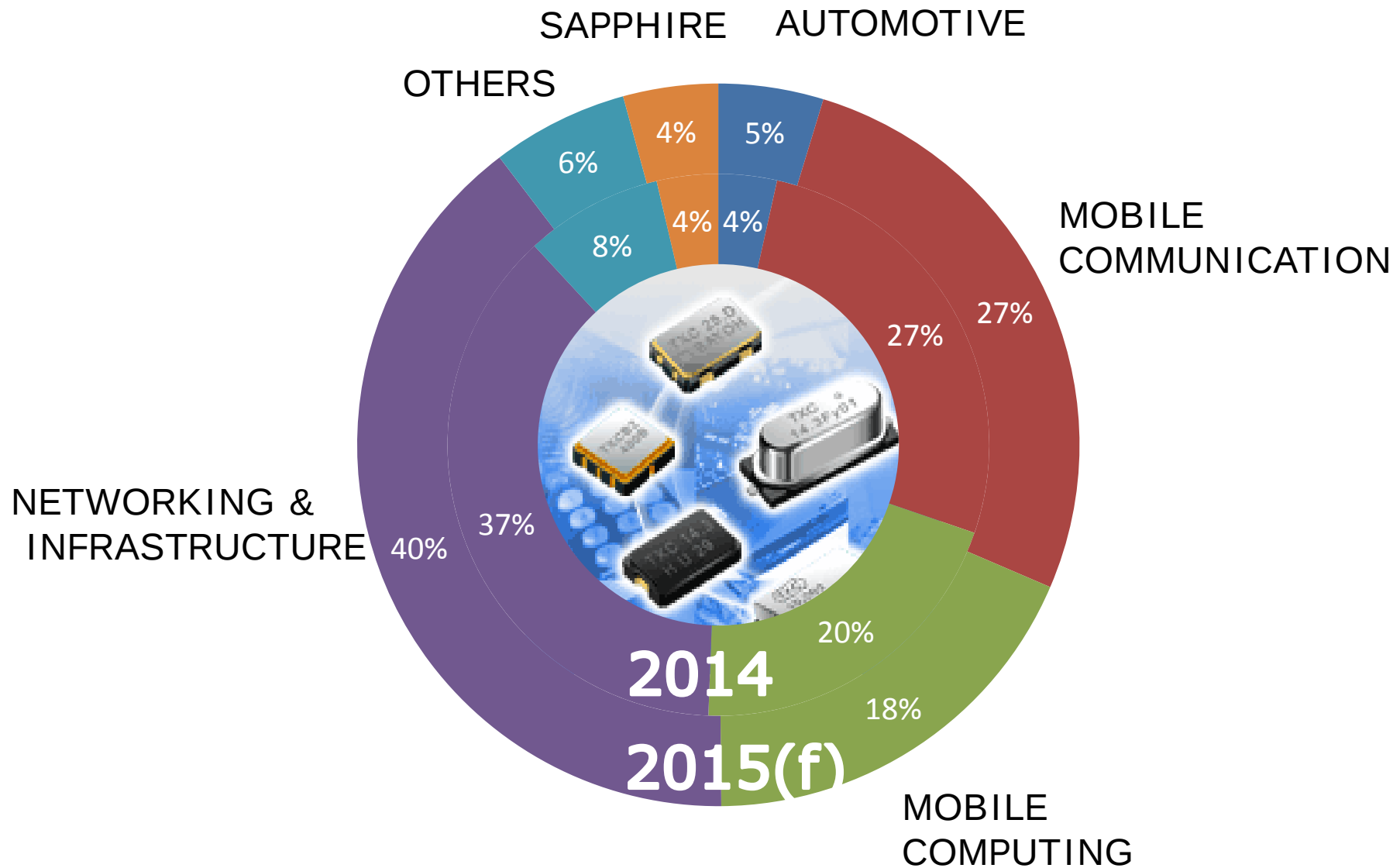
2014 Shipping Record

2014 Crystals & Oscillators Shipping Record

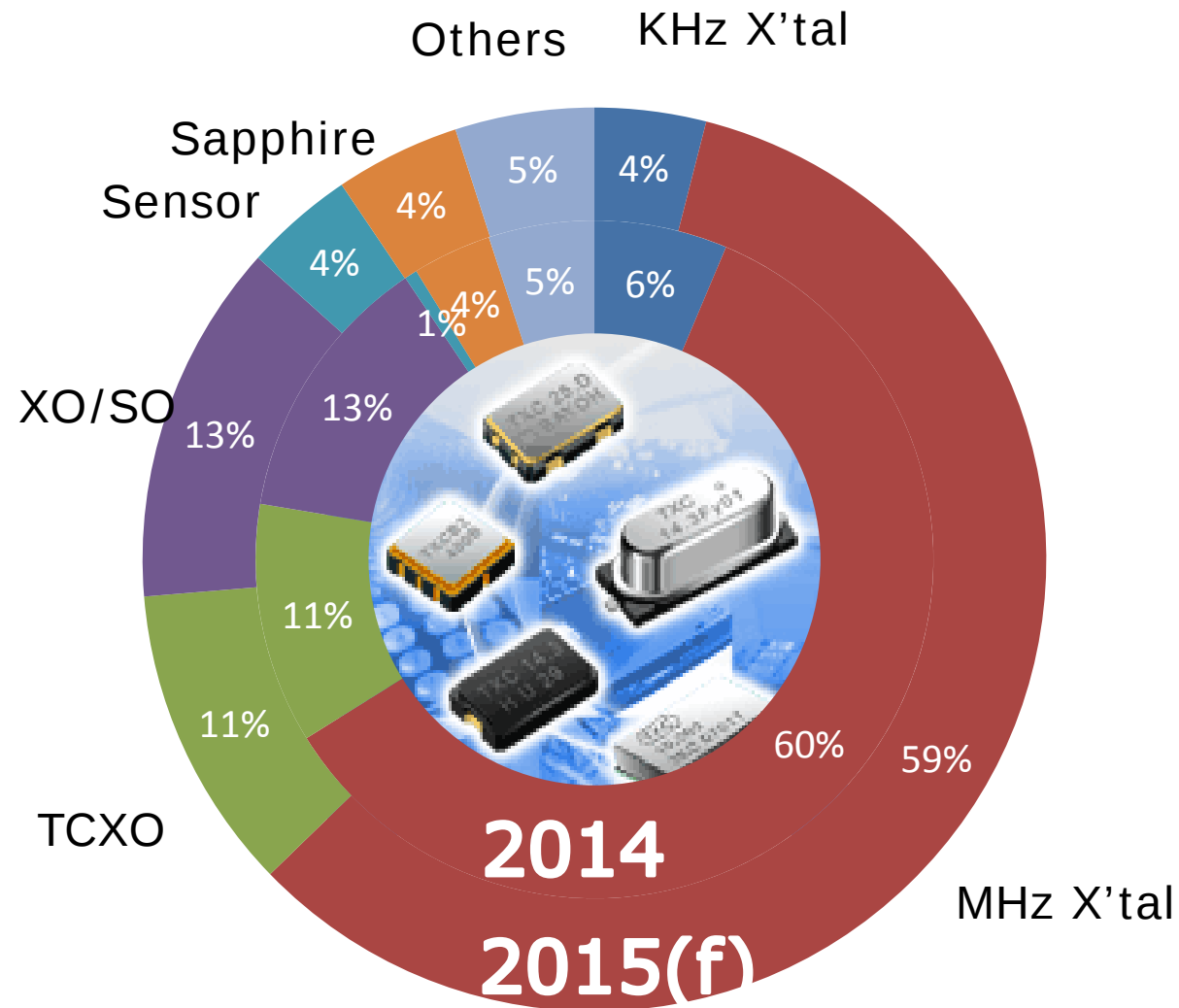


Source: TXC, CS&A 2015

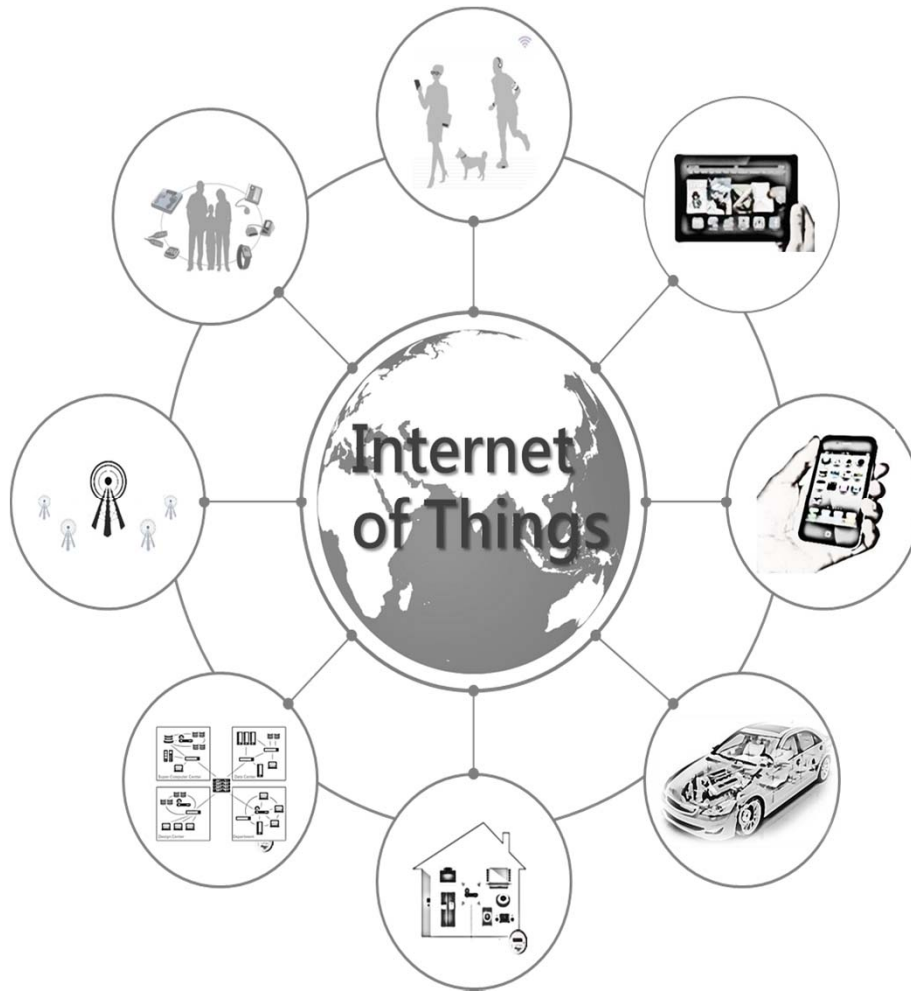
Revenue Breakdown by Market Segments



Revenue Breakdown by Products



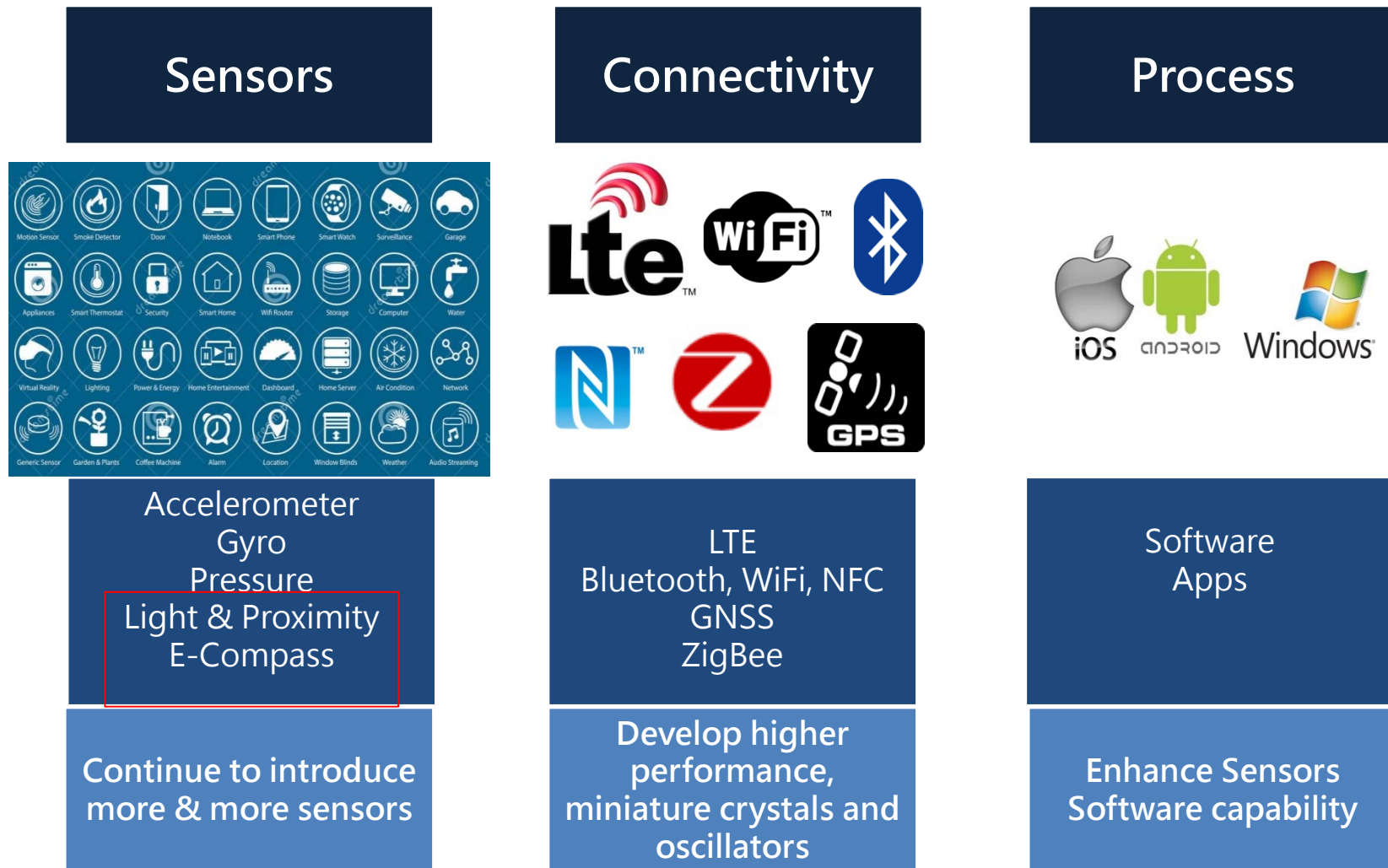
Market Outlook – The Internet of Things is already here



We already have smartphone, smart TVs, cars, homes, industrial equipment and many things connected to the Internet, and they can automate systems, communicate easier, and collect data for us.

These networked and connected things are the Internet of Things (IoT)

***Market Driver – IoT is driven by a combination of technologies.
TXC already here to provide all possible solutions to IoT***



For Smartphone, Tablet, and NB, TXC provides the smallest and thinnest designed package with high performance crystals and oscillators for wireless connectivity needs



Source: BER

- 3G/4G LTE
- WiFi
- BT/BLE
- NFC
- GNSS

Crystal

Smallest and Thinnest
1.2x1.0x0.30mm

TSX

Smallest and Thinnest
1.6x1.2x0.55mm

TCXO/VCTCXO

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

QUALCOMM
MEDIATEK

intel

BROADCOM

HISILICON

SPREADTRUM

NXP

TXC

Think of Frequency, Think of TXC

More sensors being used in Smartphone, TXC already started to provide sensors solutions, will continue to bring out more sensors solutions

New

Sensors

2013 Q2 launched
Combo Ambient Light + Proximity Sensors (LED/VCSEL)

- Smallest package 2.5x2.0mm
- Slim package 4.5x0.9mm

2015 Q2 launched
Anti-magnetic interference and low power e-Compass Sensors

- 3-Axis e-Compass, 1.6x1.6mm
- 6-Axis e-Compass, 2.5x2.5mm (Magnetometer + Accelerometer)



TXC

Source: Samsung

Think of Frequency, Think of TXC

Wireless connectivity and sensors technologies already being used in wearable, home, and healthcare devices, these are part of TXC growth market segments



Source: Apple, Fitbit, CTimes

New

Sensors

Ambient Light + Proximity
e-Compass

Crystal

Smallest and Thinnest
1.2x1.0x0.30mm

TSX

Smallest and Thinnest
1.6x1.2x0.55mm

TCXO/VCTCXO

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

XO

Phase noise $\leq -100\text{dBc/Hz}$
@ 10Hz; 2.5x2.0x0.75mm

Small cell and Base Station, also part of TXC growth market segments

OCXO

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

S3-TCXO

Ultra Stability $\pm 100\text{ppb}$
Stratum 3

VCXO

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

XO, SO

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

Crystal

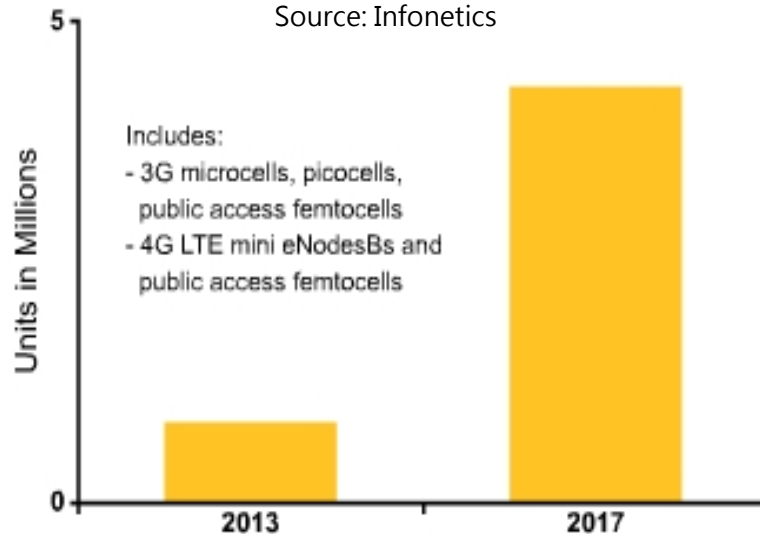
High Stability $\pm 10\text{ppm}$
Frequency up to 400MHz

32kHz RTC

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

Unit shipments of small cells are growing
at a 75% compound annual growth rate

Source: Infonetics



ZTE



TXC

Think of Frequency, Think of TXC

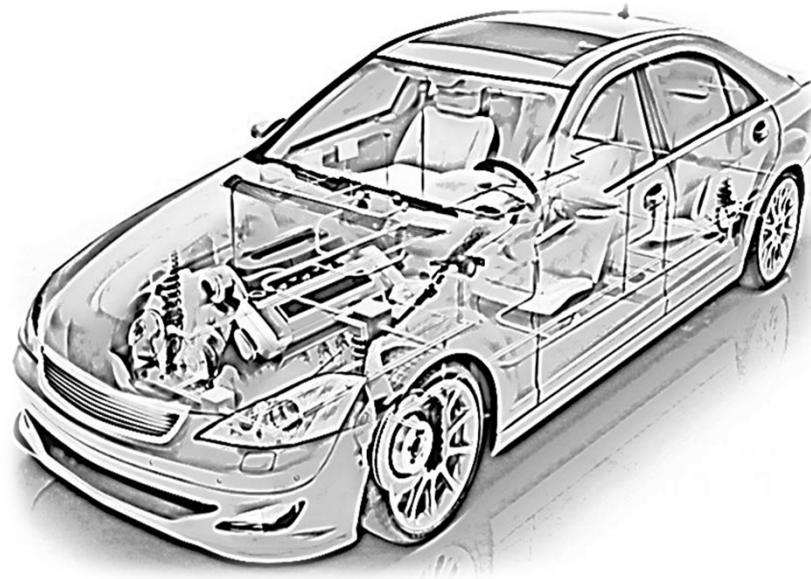
In Automotive, TXC provides high reliability crystals and oscillators solutions comply with AEC-Q100 and 200 standards

Telematics & Infotainment System

Security Electronic System

Safety Electronic System, TPMS

Advanced Driver Assisted System



ISO/TS 16949 Certified

Crystal (AEC Q200)

Metal Can: -40~105°C
Glass: -40~150°C
Seam: -40~125°C

XO (AEC Q100)

Seam: -40~105°C

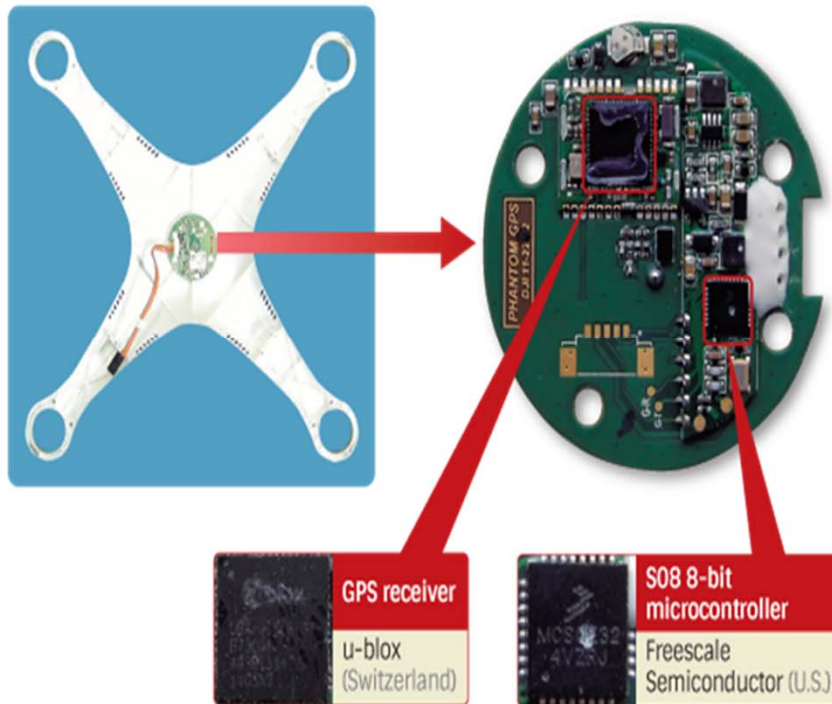
TCXO (AEC Q100)

Seam: -40~105°C

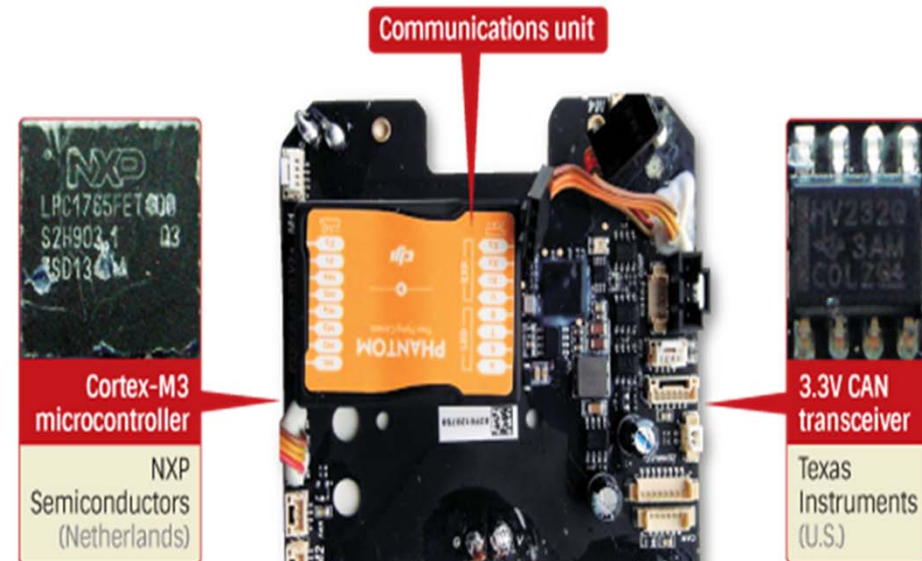
Notes: G3: -40~85°C / G2: -40~105°C / G1: -40~125°C / G0: -40~150°C

New Opportunities: Professional drones require estimated 6 X'tals, 1 XO, and 1 TCXO

At center of four propellers, main components of GPS unit



Structural components of motherboard



New Opportunities: Head Mount Displays (HMD) require estimated 3~10 X'tals & 1 ~2 Sensors

Head Mounted Displays (HMD)

Non Optical See-Through



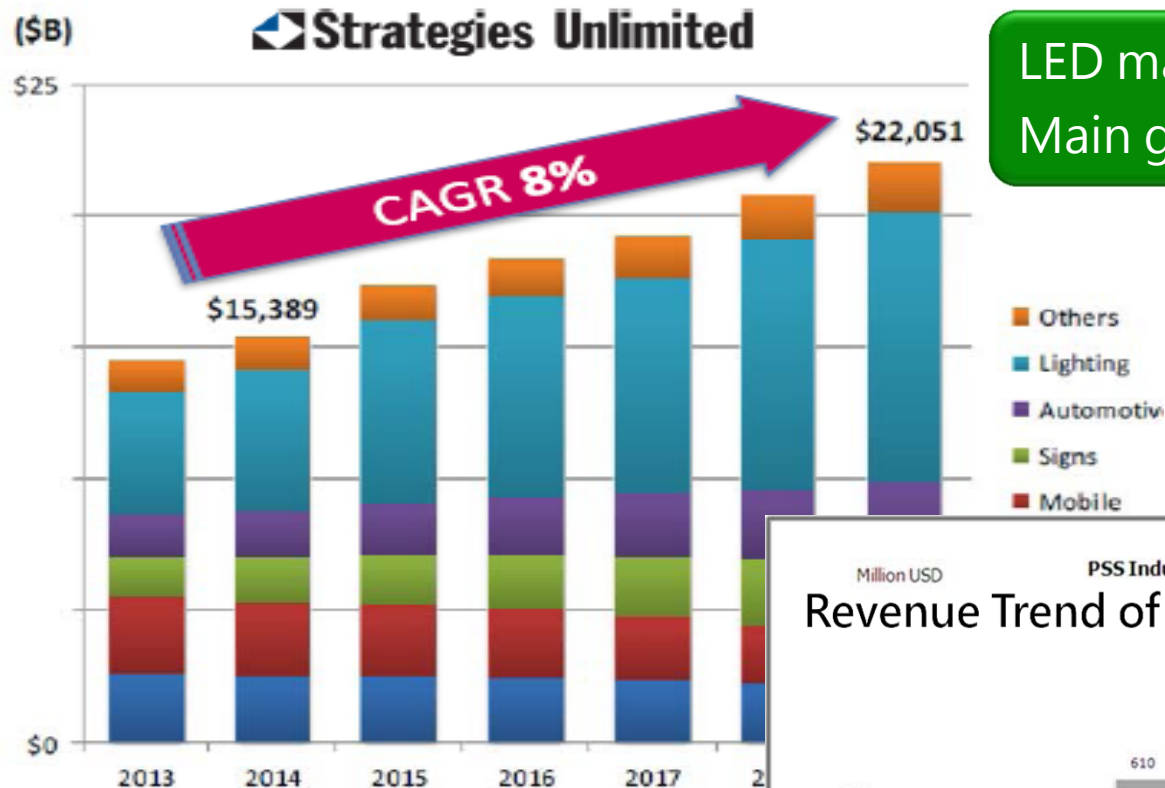
Optical See-Through (OST)



TXC

Think of Frequency, Think of TXC

LED & PSS Market Trend



LED market keeps growth.
Main growth engine: Lighting!

Ref.: LED Forum, Epistar, Mar 25, 2015

Million USD
PSS Industry Market Value Forecast
Revenue Trend of PSS 2010-2016



PSS demand keeps growth.
Wafer size go larger (4" ,6")

Ref.: LED inside, July, 2014

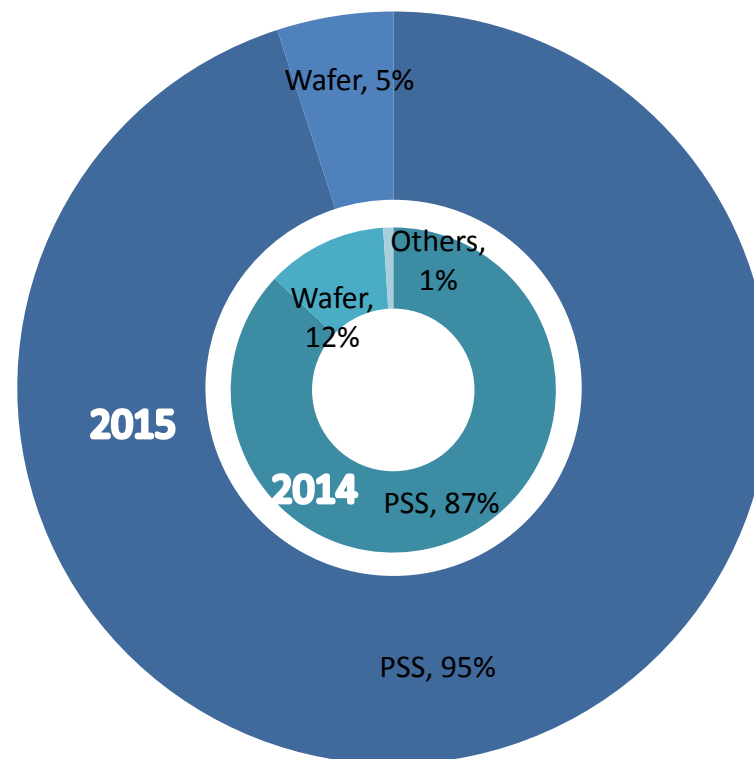
LED & PSS market keeps growth.
And no obvious replace tech. in short term.

2015 LED Business Strategy

◆ 2015 Strategy: Stable growth

- 2015 major product is 4" PSS
- Develop and start 6" wafer and PSS sale
- Focus on Taiwan major customer and develop China market
- Improve product quality, yield and manufacturing efficiency
- Improve cost structure

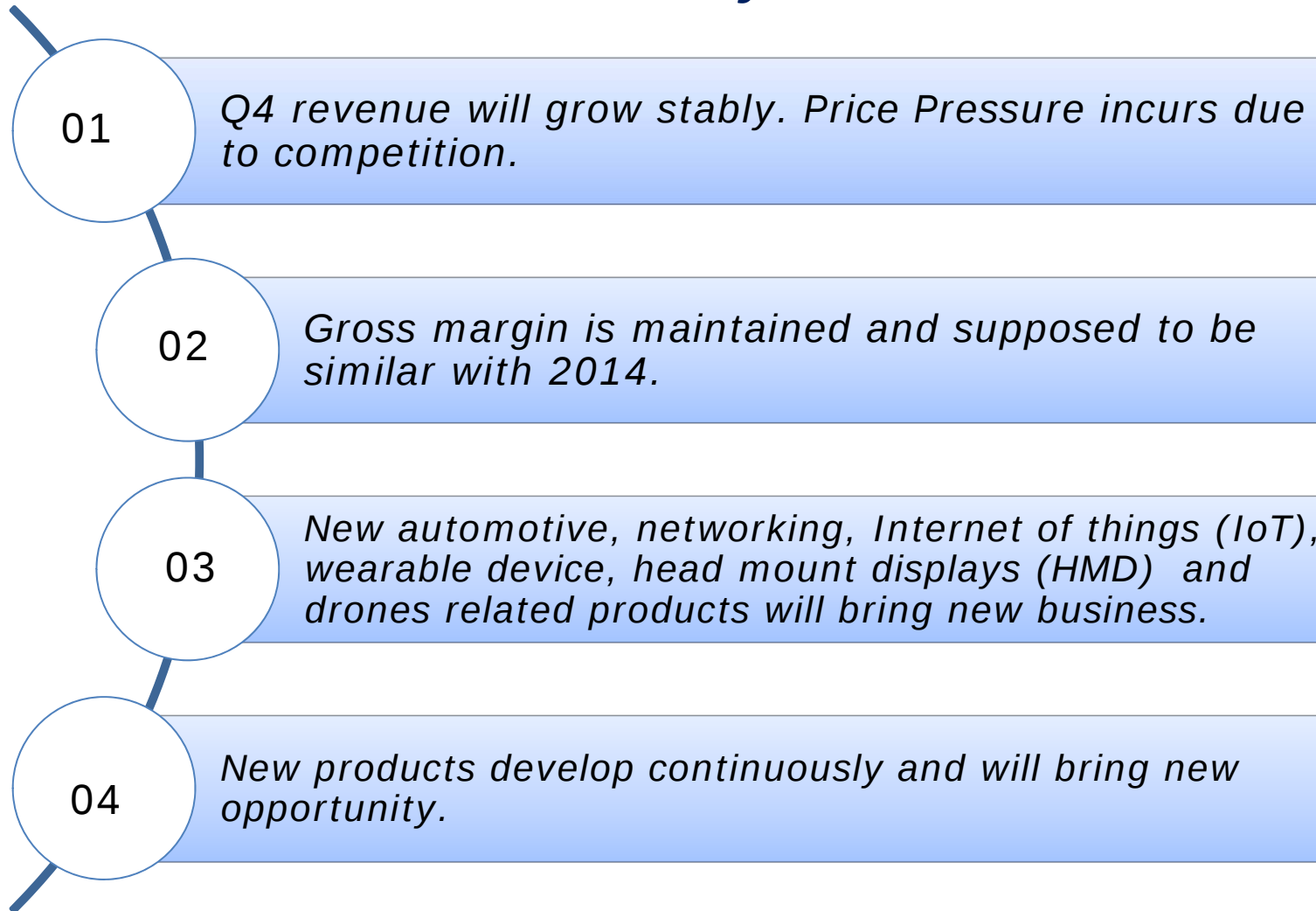
◆ 2015 4" PSS shipment target is 400k , YoY +100%

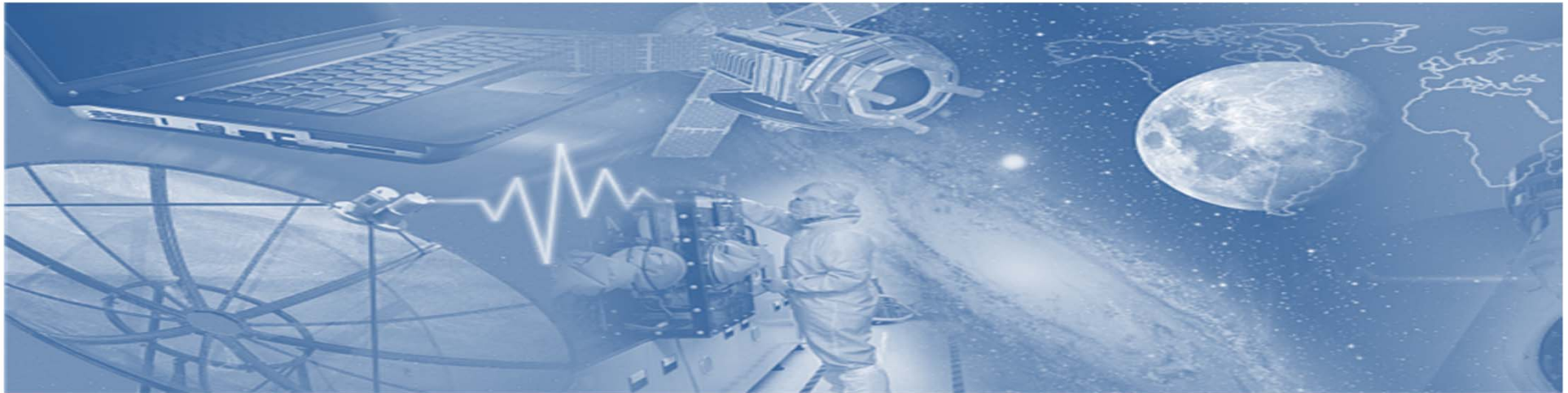


**2014-2015 Revenue Breakdown
by products**



Summary





Thank you