



1 Business Strategy and Performance

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1.1 / About Nanya Technology

| The Best DRAM Partner for Smart World

Nanya Technology was established in 1995 and was listed on the stock exchange in August 2000 (stock code: 2408). The Company is headquartered in Taiwan, serving as both its operational and R&D center, with sales offices located in the United States, Germany, Japan, and China. For information on its subsidiaries and business operations, please refer to page211. Nanya Technology is engaged in the research and development, design, manufacturing, and sales of DRAM. We focus on proprietary R&D and intellectual property, integrating smart manufacturing and green technologies to achieve both high efficiency and high-quality production capabilities.

Nanya Technology has successfully developed 10nm-class DRAM process technology and has begun mass production of its latest second-generation 10nm process technology (1B) for 8Gb DDR4 and 16Gb DDR5 products. LPDDR5 and LPDDR4 products are also under development. To address the evolving DRAM demand driven by diverse intelligent applications, the Company will further strengthen its competitive edge in the AI market by optimizing profitability of current capacity, increasing the proportion of high-performance computing products, developing customized ultra-high-bandwidth memory solutions, and accelerating new fab expansion.

[2026 Shareholding Structure](#) 

| Participation in Associations, Non-Profit Organizations, and Advocacy

As a member of the global semiconductor industry, Nanya Technology not only pursues excellence in its core business but also actively participates in exchanges with external entities to promote shared progress in the industry. Under the Sustainable Development Steering Center, Nanya Technology has established the Public Affairs Participation Group. This group is responsible for evaluating and deliberating on decisions related to public affairs involvement. In accordance with our Public Affairs Participation Guidelines, it conducts annual reviews on whether the climate-related associations we participate in align with the goals of the Paris Agreement. Through collaborations with industry peers, we are committed to limiting global warming to well below 2° C. Through supporting and engaging in international advocacy and industry organizations, Nanya Technology aims to collaborate with partners from all sectors, broaden its impact, and accelerate the industry's transition toward sustainability.

» Membership Fees and Other Payments for Participation in Associations and Non-Profit Organizations

Unit: NT\$ Thousand

Participating Role	2022	2023	2024	2025
Member				
Semiconductor Equipment and Materials International (SEMI)	-	643 (US\$22,000)	458 (US\$14,000)	-
Founding Member				
Semiconductor Climate Consortium (SCC, member since 2022)	469 (US\$15,000)	469 (US\$15,000)	474 (US\$15,000)	470 (US\$15,000)
Director				
Taiwan Semiconductor Industry Association (TSIA)	320	695*	640*	695*
Taiwan IC Industry & Academia Research Alliance (TIARA)	100	100	100	100
Taiwan Center for Corporate Sustainability (TCCS)	280	280	280	280
Taiwan Net Zero Emissions Association (TNZEA, member since 2021)	150	150	150	150

Note: In addition to the NT\$320,000 membership fee, other payments represent shared expenses for activities organized by the association.

International Advocacy Organizations

Nanya Technology firmly believes that sustainable development requires cross-industry collaboration and collective action. We actively participate in international initiatives, embedding global sustainability standards into our corporate governance and operational practices. Together with industry peers, we are committed to advancing the sustainable transformation of the semiconductor industry.

SBTi | Science Based Targets initiative

Nanya Technology signed the SBTi commitment in 2021 and, in 2022, obtained validation for its WB2D decarbonization pathway under the SBTi framework. By adopting a science-based approach to our decarbonization strategy, we ensure our climate actions align with the goals of the Paris Agreement.

TCFD | Task Force on Climate-related Financial Disclosures

Nanya Technology began implementing the TCFD framework in 2018, formally declared its support in 2021, and has been publishing a standalone TCFD annual report since 2022. We systematically disclose the financial impacts of climate-related risks and opportunities across four key pillars: governance, strategy, risk management, and metrics and targets.

IFRS S2

Based on the Financial Supervisory Commission's "Taiwan's Roadmap for Alignment with the IFRS Sustainability Disclosure Standards," Nanya Technology established a cross-departmental task force to advance climate-risk identification and financial impact assessment, expand the scope of greenhouse-gas inventories, and develop transformation plans, and to compile a dedicated sustainability chapter in its annual report according to the four-pillar framework of governance, strategy, risk management, and metrics and targets.

TNFD | Taskforce on Nature-related Financial Disclosures

In 2024, Nanya Technology published its first integrated TCFD and TNFD report, establishing science-based targets for nature and evaluating the development of SBTs for non-climate environmental issues such as water resources. This reflects our commitment to biodiversity and natural capital governance.

Carbon Disclosure Project | CDP

Nanya Technology participates in the CDP Climate Change and Water Security questionnaires every year. In 2025, we achieved Leadership Level ratings in both categories and were recognized as a Supplier Engagement Leader among the top-performing global DRAM manufacturers.

Alliance for Water Stewardship | AWS

Nanya Technology adopts the AWS international standard to systematically optimize water management across its facilities. We promote water conservation, recycling and reuse, and watershed risk assessment. In response to the semiconductor industry's high reliance on water resources, we have implemented responsible water stewardship practices and achieved Platinum-level certification.

Semiconductor Climate Consortium | SCC

Nanya Technology is a founding member of the SCC. We collaborate with leading global semiconductor companies, including Micron Technology and SK Hynix. Together, we develop decarbonization solutions for manufacturing processes and promote greenhouse gas reduction across the supply chain, working toward the semiconductor industry's net-zero vision.

Responsible Minerals Initiative | RMI

Nanya Technology follows the RMI framework to promote responsible mineral sourcing. Suppliers are required to participate in supply chain due diligence covering minerals including gold, tantalum, tin, tungsten (3TG), cobalt, mica, as well as aluminum, copper, nickel, zinc, natural graphite, and lithium. In 2025, a total of 284 smelters were surveyed. Among them, all 255 3TG+C-related smelters were recognized by RMI, achieving a 100% compliance rate.

1.2 / Products and Operating Performance

Product Introduction

Nanya Technology is one of the world's key suppliers of DRAM. Our main product lines include standard, consumer, mobile, and automotive and industrial memory, as well as customized solutions. Nanya Technology places *technological innovation* at the core of its values and primary growth driver. We are committed to investing more R&D resources to accelerate the development of 10nm-class process technology and more new-generation DDR5 / LPDDR5 / AI high-bandwidth products to strengthen our competitive edge.

20nm

Leveraging our existing consumer application customer base, we are actively optimizing 20nm products for diverse low-power applications while exploring their potential in high-end automotive and TVs. For server product sales, in addition to stabilizing relationships with existing large customers, we will also reach out to small and medium-sized customers in regional data centers worldwide to expand our sales channels and customer base.

10nm

In 2026, we plan to complete product validation for second-generation 10nm-class (1B) 16Gb DDR4 and 8Gb/16Gb LPDDR4 products. In addition, 8Gb/16Gb LPDDR5 products will begin trial production. The pilot product (16Gb DDR5) using third-generation 10nm-class (1C) process technology entered trial production in the third quarter of 2025 and is expected to complete validation in the third half of 2026. The pilot product using fourth-generation 10nm-class (1D) process technology is scheduled to enter trial production in the third quarter of 2026. Customized product development is expected to contribute additional revenue in the first half of 2027.

Market Overview

DRAM is a critical component enabling intelligence across all electronic devices and is essential to the development of AI. It is widely used in data centers/servers, smartphones, personal computers, and consumer electronics. According to market research projections, the annual growth rate of DRAM bit demand is expected to be approximately 16% to 20% from 2026 to 2029.

The widespread adoption of AI is driving rapid growth in DRAM demand. Major suppliers are reducing output of DDR4/LPDDR4, and gradually shifting their capacity toward High Bandwidth Memory (HBM) and DDR5/LDDR5. Capital expenditures are primarily focused on advanced process technologies and high-end products. As a result, overall DRAM supply remains relatively tight and is expected to continue through 2027.

With the advancement of AI, cloud service providers continue to invest in AI servers equipped with large volumes of high-end DRAM (HBM, LPDDR5, and RDIMM). Edge computing is also being increasingly integrated into end devices such as AI PCs, AI smartphones, and AI robots, further increasing DRAM content per device and demand growth.



DRAM Application Trends

 Servers	Driven by high-performance cloud-based AI computing, demand for HBM and DDR5 continues to grow. Demand for DRAM in both AI servers and conventional servers is expected to grow further, with continued expansion anticipated in 2026.
 Smartphones	DRAM demand for smartphones is expected to remain relatively stable. However, higher-capacity DRAM in premium models is trending, and the rise of AI-enabled smartphones is further increasing demand for high-capacity LPDRAM.
 Personal Computers	Although overall PC shipments may decline slightly, operating system upgrades are expected to increase DRAM content per unit, supporting modest growth in overall PC market demand.
 Other Products	The networking and communications market remains steady. While demand for high-end consumer products is robust, demand for low-end products has softened.

Business Development Plan

Short-Term	- Strategic Support for the Consumer Electronics Market: Expanding production of 20nm and 1Bnm DDR4 products to broaden applications in digital TVs, networking and communications equipment, solid-state drives (SSDs), digital imaging devices, set-top boxes, and automotive and industrial electronics, thereby enhancing profitability. - Promotion of 1B Products: Promoting the adoption of 16Gb DDR5 in the PC segment, providing overclocking solutions, and progressively implementing validation processes for applications in SSDs, networking and communications equipment, and server modules to broaden future applications. - Maintaining Low-Power Market Presence: ① Focusing on mid- to high-end consumer applications such as automotive systems, voice assistants, handheld devices, smartwatches, and digital TVs, with increased emphasis on automotive applications. ② Strengthening strategic partnerships with customers in 5G communications applications. ③ Securing a position in key markets such as multi-chip packaging for digital cameras and embedded stacked packaging applications. - Optimizing Niche Product Sales: Allocating capacity efficiently to support known good die (KGD) demand and continue expanding applications in digital TVs, networking and communications equipment, digital imaging devices, and storage products. - Expanding Customized Business: Introducing customized AI high-bandwidth memory production lines. - Accelerating construction of the 5A fab, with process equipment expected to be installed in early 2027.
Long-Term	- Process Scaling: While the promotion of existing product lines continues, we will enhance our competitive edge through independent R&D of 1C/1D/1E process technologies for product scaling. Meanwhile, we are also developing a high-capacity, high-speed product portfolio to address market demands across low-, medium-, and high-capacity segments. - New Types of Business: Accelerating the development and mass production of customized ultra-high-bandwidth memory products to meet the growing demand for AI edge computing. - Capacity Planning: Accelerating the 5A fab expansion in the short term while planning site selection and capacity allocation for future manufacturing facilities over the medium to long term.

Company Annual Production

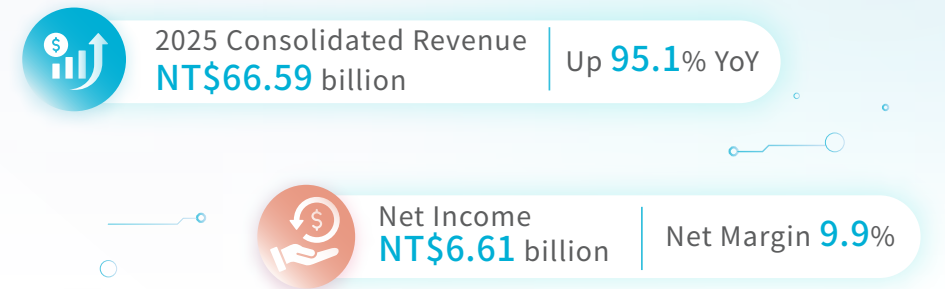


Operating Performance

Nanya Technology reported consolidated operating revenue of NT\$66.59 billion in 2025, a significant increase of approximately 95.1% from NT\$34.13 billion in 2024. Benefiting from improvements in the global memory supply-demand structure, we returned to profitability, recording a net income of NT\$6.61 billion, a net margin of 9.9%, and earnings per share of NT\$2.13 for the year.

In response to the surging demand for high-end memory driven by artificial intelligence, major manufacturers began reallocating production capacity in the second quarter of 2025. They announced plans to discontinue DDR4 and LPDDR4 supply and shift capacity toward HBM and high-capacity DDR5 modules. This led to a notable increase in market prices. In the third quarter, our average selling price rose by more than 40% quarter over quarter, while sales volume increased by over 20%. In the fourth quarter, the average selling price increased by more than 30% from the third quarter, while sales volume grew by approximately 10% quarter over quarter. As a result, full-year operating revenue increased substantially.

The Company returned to profitability beginning in the third quarter of 2025. Net income for the third quarter reached NT\$1.56 billion, while fourth-quarter net income surged significantly to NT\$11.09 billion, demonstrating strong earnings momentum. Operating conditions are expected to continue improving.



Financial Performance During the Last Four Years

	2025	2024	2023	2022
Market Capitalization (in NT\$100 million) ^{Note1}	5,980.4	906.3	2,416.5	1,586.2
Operating Revenue (in NT\$100 million)	665.9	341.3	298.9	569.5
Operating Income (Loss) (in NT\$100 million)	52.4	(105.5)	(144.6)	110.0
Net Income (Loss) Attributable to Owners of the Parent (in NT\$ 100 million)	66.1	(50.8)	(74.4)	146.2
Return on Equity Attributable to Owners of the Parent (%)	3.9	(3.1)	(4.3)	8.3
Total Amount of Cash Dividends (in NT\$100 million) ^{Note2}	46.5	-	-	66.0
Cash Dividend Per Share (in NT\$) ^{Note2}	1.35	-	-	2.13
Employee Welfare Expense (in NT\$100 million)	72.3	58.6	50.8	67.7

Note 1: Calculated based on the closing stock price at the end of each year

Note 2: Dividends are disclosed based on the dividend attributable year and are distributed in the following year

Green Revenue

Nanya Technology has actively engaged in green economic activities, demonstrating tangible achievements in environmental sustainability in semiconductor manufacturing. Nanya Technology's Fab 3 obtained the **Green Factory Label** (No. GF0079) in November 2023 and successfully obtained the Cleaner Production Assessment System Certification for the semiconductor industry (IC manufacturing). These achievements have established an important foundation for the Company's green manufacturing capabilities.

In 2025, Nanya Technology's total annual revenue reached **NT\$66,586,520 thousand**, of which NT\$66,483,483 thousand was generated from dynamic random-access memory (DRAM) products manufactured by Fab 3, representing 99.84% of the Company's total annual revenue. This milestone demonstrates that the Company's core products strongly align with the qualification criteria for green economic activities. Such dedication further reflects the Company's long-term achievements in and commitment to process optimization, enhanced resource efficiency, and reduced environmental impact, as well as underscoring its steady progress toward low-carbon and sustainable development goals.



Tax Policy and Information

Nanya Technology has established a dedicated Tax Policy to effectively control tax risks, create long-term corporate value, pursue sustainable development, and fulfill corporate social responsibility, thereby fully safeguarding the interests of the Company and its investors. Nanya Technology's Tax Policy has been approved by the Board of Directors, our highest governance body. Tax management is overseen by the Sustainable Development Committee, a functional committee under the Board, which monitors significant risks related to relevant policies, procedures, and legal compliance, and reports on management status or significant risks to the Board in a timely manner.

Nanya Technology Tax Policy



Develop a relationship of mutual respect with tax authorities based on trust and good faith.



Disclosures in financial reports are made in accordance with applicable regulations and reporting requirements.



Shall not transfer profits to lower tax jurisdictions



Shall not adopt tax havens or tax structures that are meant for tax avoidance.



Commit to compliance with local tax laws and regulations and their underlying spirit in all operating regions and responsibly fulfill our tax filing and payment obligations.



The company analyzes the operating environment needs to assess tax risks; make major operating decisions with consider the impact of taxation.



Inter-company transactions shall be based on the arm's length principle, in compliance with transfer pricing guidance published by the relevant authority.

Tax Performance During the Last Two Years

Unit: NT\$ Million

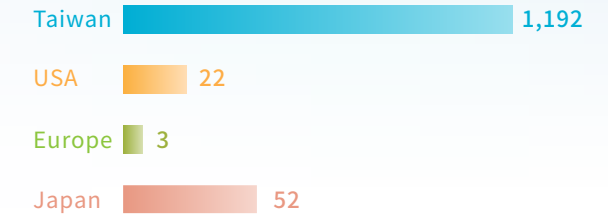
	2025	2024
Net Income (Loss) Before Tax	7,882	(6,557)
Income Tax Expense (Profit)	1,269	(1,474)
Income Taxes Paid	67	4

The Company benefits from tax incentives; for details, please refer to page 34 of our [2025 Consolidated Financial Report](#).

2025 Income Tax Expense by Country

Income Tax Expense

Unit: NT\$ Million



Total 1,269

Government Grants Received in 2025

In response to the global trend toward net-zero emissions and increasingly stringent supply chain sustainability requirements, we actively support government policies and leverage financial subsidies to accelerate our low-carbon and smart transformation, while expanding our decarbonization impact across the supply chain.

To promote industrial upgrading and transformation, enhance industrial competitiveness, and strengthen economic resilience, the Ministry of Economic Affairs has launched the *Large Enterprises Leading Small and Medium Manufacturers in Low-Carbon and Smart Transformation Upgrade Subsidy Program* under the *Special Act for Enhancing Economic and Social Resilience and Public Sharing of Economic Achievement in the Post-pandemic Era*. The program encourages leading manufacturers to support their supply chain partners in adopting low-carbon management mechanisms, reducing carbon emissions, and improving the efficiency of smart manufacturing and supply chain management. The Company participates in this program as a leading enterprise, working with supplier partners to advance decarbonization initiatives and promote sustainable development across the supply chain.

Subsidy/Grant	Granting Entity	Program	Amount
	Industrial Development Administration, Ministry of Economic Affairs	Large Enterprises Leading Small and Medium Manufacturers in Low-Carbon and Smart Transformation Upgrade Subsidy Program	(in NT\$ thousand) 15,948

Note: The total approved subsidy amount for this program is NT\$25,500 thousand, to be disbursed in two phases: We claimed NT\$9,552 thousand (first phase) in December 2024, and claimed the remaining NT\$15,948 thousand (second phase) in December 2025. The disclosed amounts are based on the actual amount recognized in our annual financial statements.