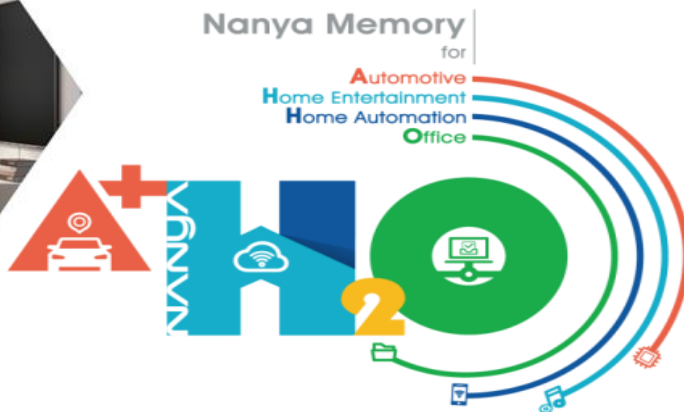


Nanya Technology

Q1' 2018 Investor Conference

Presentation to Investors and Analysts, 17 Apr. 2018

Dr. Pei-Ing Lee , President & Spokesman



Safe Harbor

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Agenda

01.	Q1'18 Key Takeaways
02.	Q1'18 Revenue & Results
03.	CAPEX & Bit Shipment
04.	Market Outlook
05.	Business Outlook



01

Q1'18 KEY TAKEAWAYS

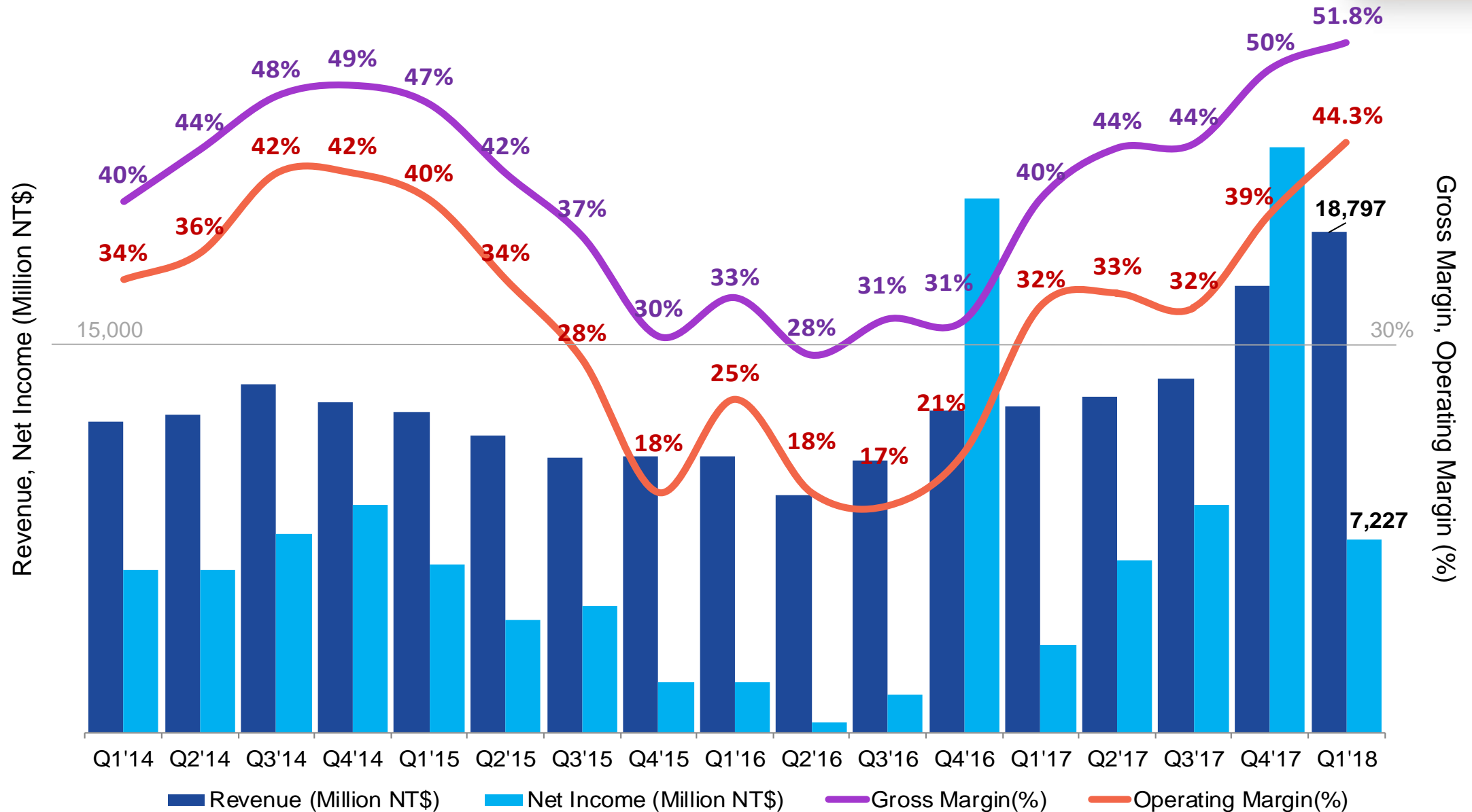
Q1'18 Key Takeaways

- Q1'18 Revenue of NT\$ 18,797 million(M), (+12.1% QoQ)
- ASP increased 6.1%, Bit shipment increased 8.4%
- Gross Margin 51.8%; Operating Margin 44.3%
- Foreign exchange loss of NT\$ 1,178M
- As of Mar. 7, 2018, 100% of ECB were converted
- Q1'18 Net Income of NT\$ 7,227M, Net Margin 38.4%,
EPS NT\$ 2.39, BVPS NT\$ 47.24

02

Q1'18 REVENUE & RESULTS

Quarterly Financial Highlights



Quarterly Revenue Results

	QoQ Q1 '18 vs. Q4'17	YoY Q1'18 vs. Q1'17
Revenue	+12.1%	+53.7%
Shipment	+8.4%	+34.6%
ASP	+6.1%	+21.4%
Exchange Rate	-2.6%	-5.9%

- Q1'18 Revenue increased by 12.1% QoQ
- Q1'18 Bit shipment increased by 8.4% QoQ
- Q1'18 ASP increased by 6.1% QoQ

Q1'18 Financial Results Summary

Amount in Million NT\$, except for EPS & BVPS	Q1'18 Unaudited		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) <i>Gross Margin(%)</i>	9,741	51.8%	8,342	49.7%	16.8%	4,901	40.1%	98.8%
Operating Income (Loss) <i>Operating Margin(%)</i>	8,319	44.3%	6,526	38.9%	27.5%	3,853	31.5%	115.9%
EBITDA* <i>EBITDA Margin (%)</i>	11,236	59.8%	9,407	56.1%	19.4%	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) <i>Net Margin (%)</i>	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\$)	47.24***		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 vs. Q4'17 Results Comparison

Amount in Million NT\$	Q1'18 Unaudited	Q4'17 Audited	QoQ (PPT* Delta)	Difference
Net Sales	18,797	16,769	+12.1%	<ul style="list-style-type: none"> ASP increased 6.1% QoQ Bit shipment increased 8.4% QoQ
Gross Income (Loss) Gross Margin(%)	9,741 51.8%	8,342 49.7%	+2.1%	<ul style="list-style-type: none"> Q1'18 Gross Income increased NT\$ 1,399M, mainly due to ASP& Shipment increase and cost improvement
Operating Income (Loss) Operating Margin(%)	8,319 44.3%	6,526 38.9%	+5.4%	<ul style="list-style-type: none"> Q1'18 OP Income increased NT\$ 1,793M, mainly due to ASP& Shipment increased and R&D expense decreased
Net Income (Loss) Net Margin (%)	7,227 38.4%	21,971 131.0%	-92.6%	<ul style="list-style-type: none"> Q4'17 recognized Micron share disposal gain of NT\$ +16,108M FX** negative NT\$ 782M (Q1'18: NT\$ -1,178M, Q4'17: NT\$ -396M) Interest income positive NT\$ 108M (Q1'18: NT\$ +234M, Q4'17: NT\$ +126M)

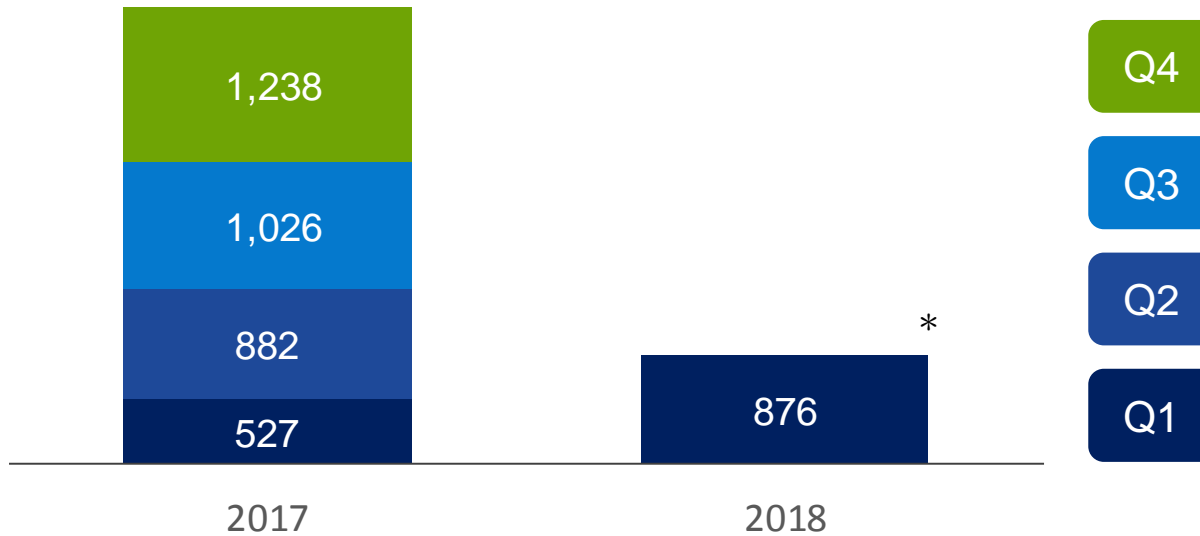
*PPT: Percentage Points, ** FX: Foreign Currency Exchange

Operating Expenses

R&D Expenses

(Million NT\$)

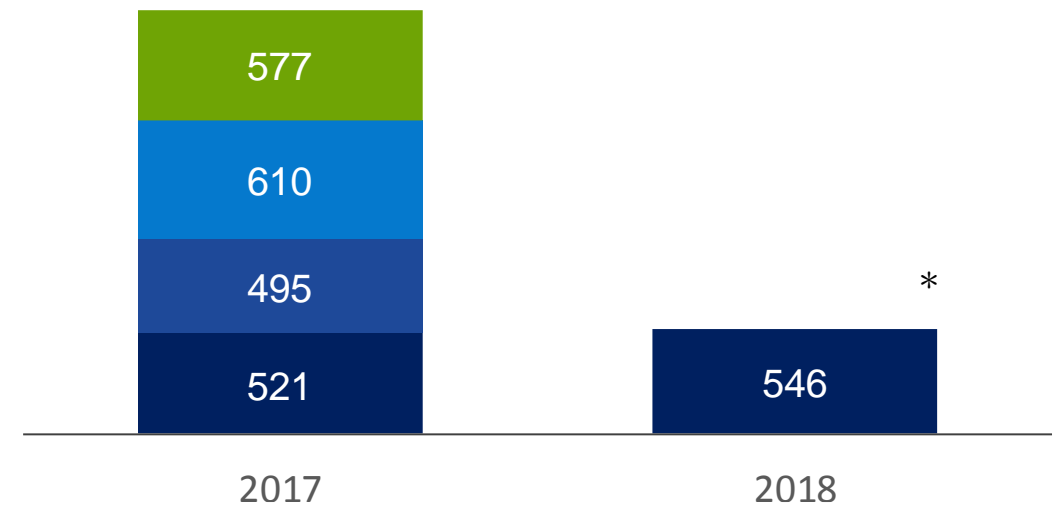
* Unaudited number



SG&A Expenses

(Million NT\$)

* Unaudited number



Note: R&D expenses decreased by NT\$ 362M in Q1'18 mainly because certain 20nm R&D expenses deferred to later quarters

ECB Conversion Completed

Issuance Amount (US\$)	% of total Issuance	Conversion Price / Share (NT\$)	New Shares from Conversion (shares)	Dilution Effect
500,000,000	100.00%	50.94	311,052,084	10.17%

- Nanya issued its ECB of US\$500 million(M) on Jan. 24, 2017
- Accumulated valuation loss of NT\$ 7,739M till the end of March of 2018, including:
 - Till end of 2017: NT\$ 7,599M
 - Q1, 2018: NT\$ 140M
- As of Mar. 7, 2018, 100% of ECB were converted into common shares. Outstanding shares increase to 3.06B

Q1'18 Cash Flows

	Q1'18 Unaudited & Consolidated	Q4'17 Audited & Consolidated	Q1'17 Audited & Consolidated
Unit: Million NT\$			
Beginning Balance	33,769	24,540	9,102
Cash from Operating Activities	7,815	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	10,393**	20,927	1,864
Ending Balance	50,040	33,769	20,300
Free Cash Flow ⁽¹⁾	5,874	5,992	-649

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

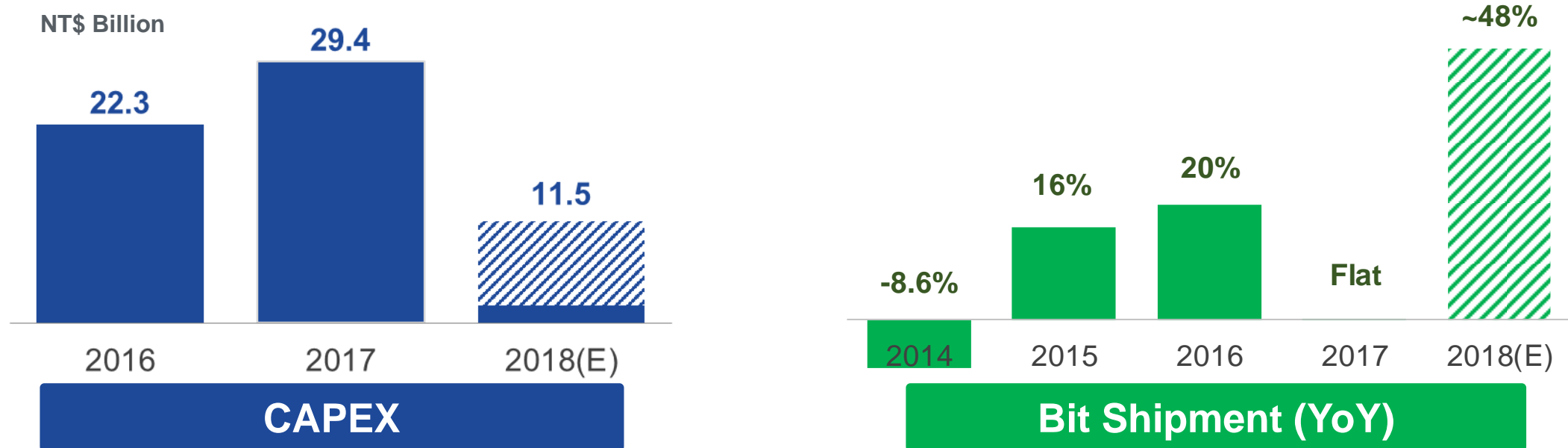
* Remaining NT\$ 17.69 billion bank loans fully repaid

** Net proceeds received NT\$10.6 billion in Q1'18 (Micron shares disposal in Q4'17)

03

CAPEX & BIT SHIPMENT

CAPEX & Bit Shipment



Capital Expenditure (CAPEX)

Bit Shipment

- Q1'18 CAPEX NT\$ 1.94Billion (B)
- Estimated 2018 CAPEX of NT\$ 11.5B
 - 20nm equipment payment deferred
 - 10nm Class technology development
- Additional CAPEX needed to maintain 2019 bit growth to mid teens %
- High teens % increase expected in Q2'18
- Target 2018 to reach 48% bit shipment growth, 2019 bit growth target to reach mid teens %



04

MARKET OUTLOOK

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

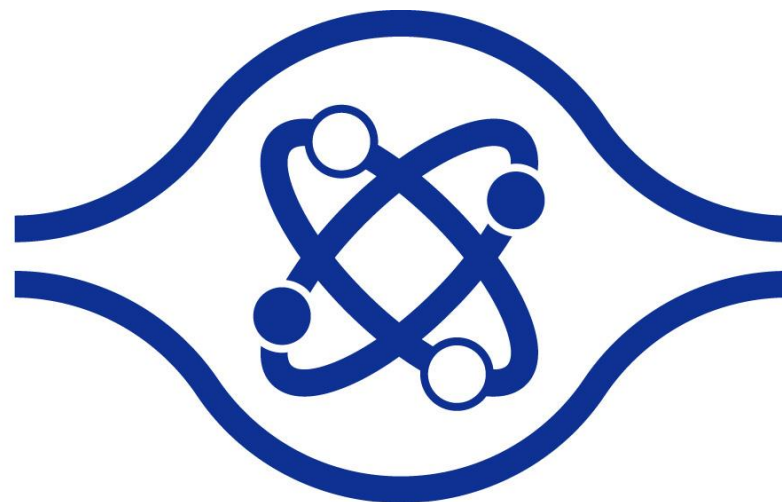


05

BUSINESS OUTLOOK

Nanya Business Outlook

- Q2'18 DRAM Demand-Supply remain stable
- Cash dividend of NT\$ 10.88 billion (NT\$ 3.5 ~ 3.62 per common share) will be proposed to the AGM on May 24, 2018
- 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



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Thanks & Questions

Q1'18 Consolidated Income Statement

Amount: Million NT\$	Q1'18 Unaudited		Q4'17 Audited		QoQ	Q1'17 Audited		YoY
Net Sales	18,797	100.0%	16,769	100.0%	12.1%	12,231	100.0%	53.7%
Cost of Goods Sold	9,057	48.2%	8,427	50.3%		7,330	59.9%	
Gross Margin	9,741	51.8%	8,342	49.7%	16.8%	4,901	40.1%	98.8%
SG&A Expenses	546	2.9%	577	3.4%		521	4.3%	
R&D Expenses	876	4.7%	1,238	7.4%		527	4.3%	
Operating Income	8,319	44.3%	6,526	38.9%	27.5%	3,853	31.5%	115.9%
Non-operating Income (Exp.)	-1,092	-5.8%	15,457	92.2%		-566	-4.6%	
Income before Tax	7,227	38.4%	21,984	131.1%	-67.1%	3,286	26.9%	119.9%
Income Tax Benefit (Expense)	-1	0.0%	-17	-0.1%		-4	0.0%	
Net Income	7,226	38.4%	21,967	131.0%		3,283	26.8%	
Net income attributable to noncontrolling interests	-1	0.0%	-4	0.0%		7	0.1%	
Net Income attributable to NTC	7,227	38.4%	21,971	131.0%	-67.1%	3,275	26.8%	120.6%
EPS(NT\$)	2.39		7.42			1.19		
Book Value Per Share	47.24		44.54			35.31		