

Press Release

Nanya Technology Reports Third Quarter Results

October 17th, 2017 – Nanya Technology Corporation, (TWSE: 2408), today announced its results of the third quarter, ended September 30th, 2017. Nanya's quarterly sales revenue was NT\$ 13,293 million, 5.3 percent increase compared with the second quarter, 2017. Average selling prices (ASP) increased by 2.3 percent; bit shipment increased by 2.9 percent. This quarter exchange rate has no impact on the revenue.

Gross margin of the quarter was NT\$ 5,882 million, percentage of revenue was 44.2 percent, a 0.3 percentage points increase compared with previous quarter. Operating income of the quarter was NT\$ 4,245 million, operating margin was 31.9 percent. Operating margin decreased 1.1 percentage points compared with last quarter, mainly due to R&D expense increased approx. NT\$ 144 million. The quarter recognized NT\$ 11,165 million gain from Micron share disposal, NT\$ 6,863 million loss from ECB option valuation, and also had foreign exchange gain of NT\$ 108.7 million. The Company had net income attributable to Nanya Technology shareholders of NT\$ 8,574 million, with net margin of 64.5 percent. Earnings per share (EPS) of NT\$ 3.12 in the third quarter (EPS is based on weighted average outstanding shares of 2,748 million).

Accumulated the first three quarters of 2017, the Company had net income attributable to Nanya Technology shareholders of NT\$ 18,339 million, with net margin of 48.1 percent, EPS of NT\$ 6.67 (EPS is based on weighted average outstanding shares of 2,748 million). Book value per share (BVPS) was NT\$ 39.46 at the third quarter end (BVPS Included accumulated unrealized gain on Micron shares, and was calculated based on 2,882 million outstanding shares). All numbers are unaudited.

20nm has reached the cost cross-over point, where 20nm devices cost less than 30nm ones in the third quarter of 2017, volume shipment exceeded 10,000 wafers per month at the end of third quarter; and target to ramp 38,000 wafer starts per month (WSPM) by the end of 2017 ahead of original plan. Total capacity will amount to 68,000 WSPM, including 30,000 WSPM of 30nm. 20nm 4Gb DDR3 already in volume shipment, 8Gb DDR4 scheduled for mass production in the fourth quarter of 2017.

Bit shipment forecasts to increase mid-teens percentage in the fourth quarter of 2017 and yearly bit shipment is estimated to be flat compared with last year. Target 45 percent bit shipment growth in 2018.

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Q3 2017 Consolidated Income Statement

Amount in Million NT\$, except for EPS	Q3'17 Unaudited		Q2'17 Audited		QoQ	Q3'16 Audited		YoY
Net Sales	13,293	100%	12,626	100%	5.3%	10,204	100%	30.3%
Gross Margin (Loss) <i>Gross Margin(%)</i>	5,882	44.2%	5,544	43.9%	6.1%	3,171	31.1%	85.5%
Operating Income (Loss) <i>Operating Margin(%)</i>	4,245	31.9%	4,167	33.0%	1.9%	1,699	16.7%	149.9%
EBITDA* <i>EBITDA Margin (%)</i>	6,400	48.1%	6,098	48.3%	5.0%	3,215	31.5%	99.0%
Non-operating Income (Exp.)	4,342**	32.7%	3,835	30.4%		-296	-2.9%	
Income Tax Benefit (Exp.)	-10	-0.1%	-1,505	-11.9%		-2	-0.0%	
Net Income (Loss) <i>Net Margin (%)</i>	8,574	64.5%	6,490	51.4%	32.1%	1,402	13.7%	511.7%
Earnings Per Share	3.12***		2.36			0.51		
Book Value Per Share	39.46****		35.45			22.57		

* EBITDA = Operating income + Depreciation & Amortization Expenses

** NT\$11,165M realized gain from MU share disposal. ECB option valuation loss NT\$6,863M

*** EPS is based on weighted average outstanding shares of 2,748M

**** BVPS Includes accumulated unrealized gain on Micron shares, and is calculated based on 2,882M outstanding shares. 2,882M shares Includes 131.8M shares resulted from ECB conversion as of 9/30

Disclaimer

This press release contains forward-looking statements. These statements relate to future events or our future financial performance. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no duty to update any of the forward-looking statements after the date of this press release to conform such statements to actual results or to changes in our expectations.

Readers are also urged to carefully review and consider the various disclosures made by us which attempt to advise interested parties of the factors which affect our business.

About Nanya

Nanya Technology Corporation ("NTC"), a member of the Formosa Plastics Group, provides key components DRAM to electronic industry, focusing on research and development, design, manufacturing, and sales of consumer and Low Power DRAM products. In addition, NTC continues to enlarge its share of high value-added DRAM market, increases manufacturing efficiency, and strengthens product quality and customer services in respond to market demand. NTC's common stock is traded on the Taiwan Stock Exchange Corporation (TWSE) under the symbol 2408. For more information, please visit <http://www.nanya.com>.

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