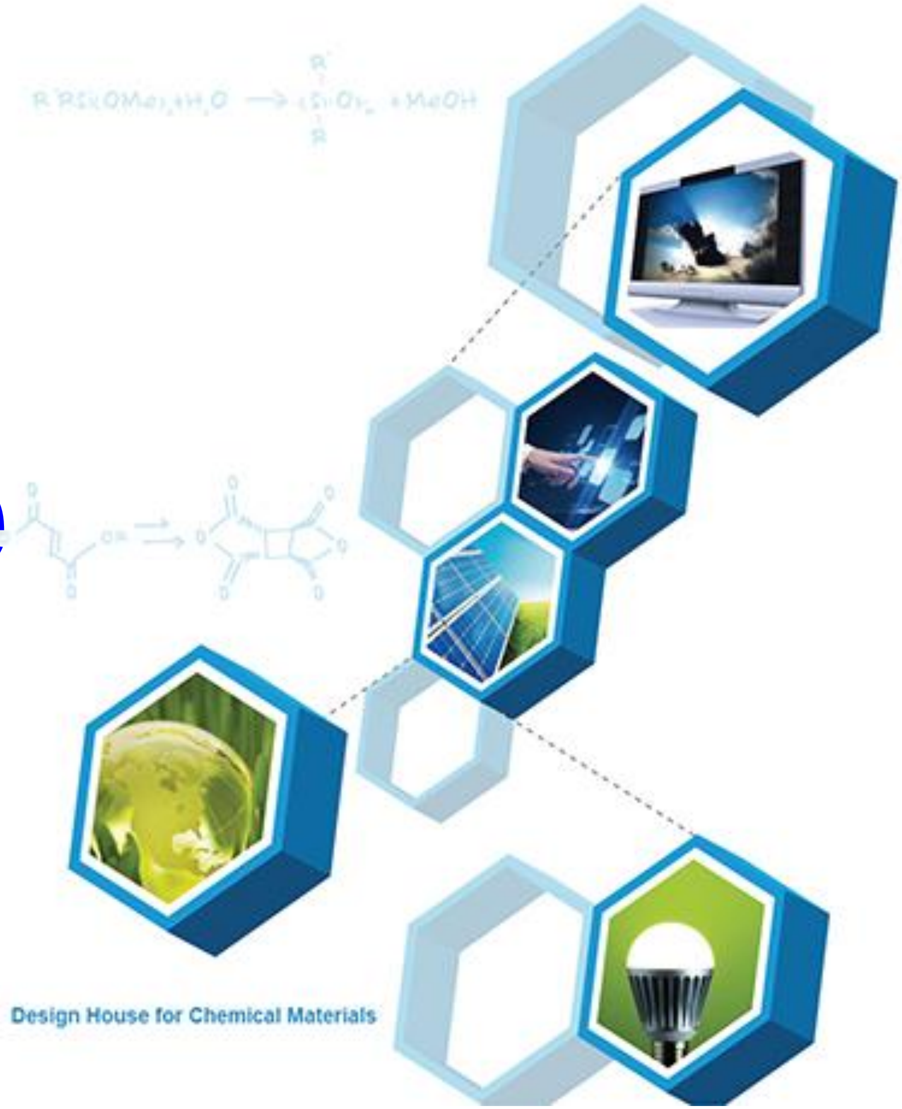
Daxin Materials Corporation

Investor Conference

2023.12.13



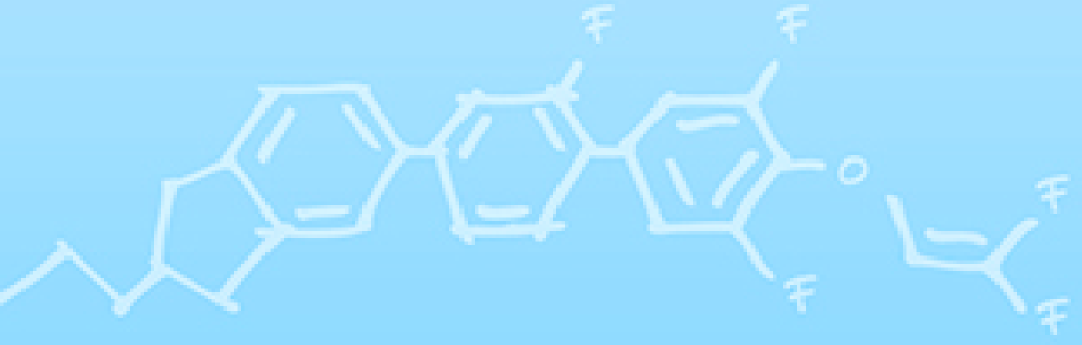
Disclaimer

- DAXIN’ s statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

- Except as required by law, we undertake no obligation to update any forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

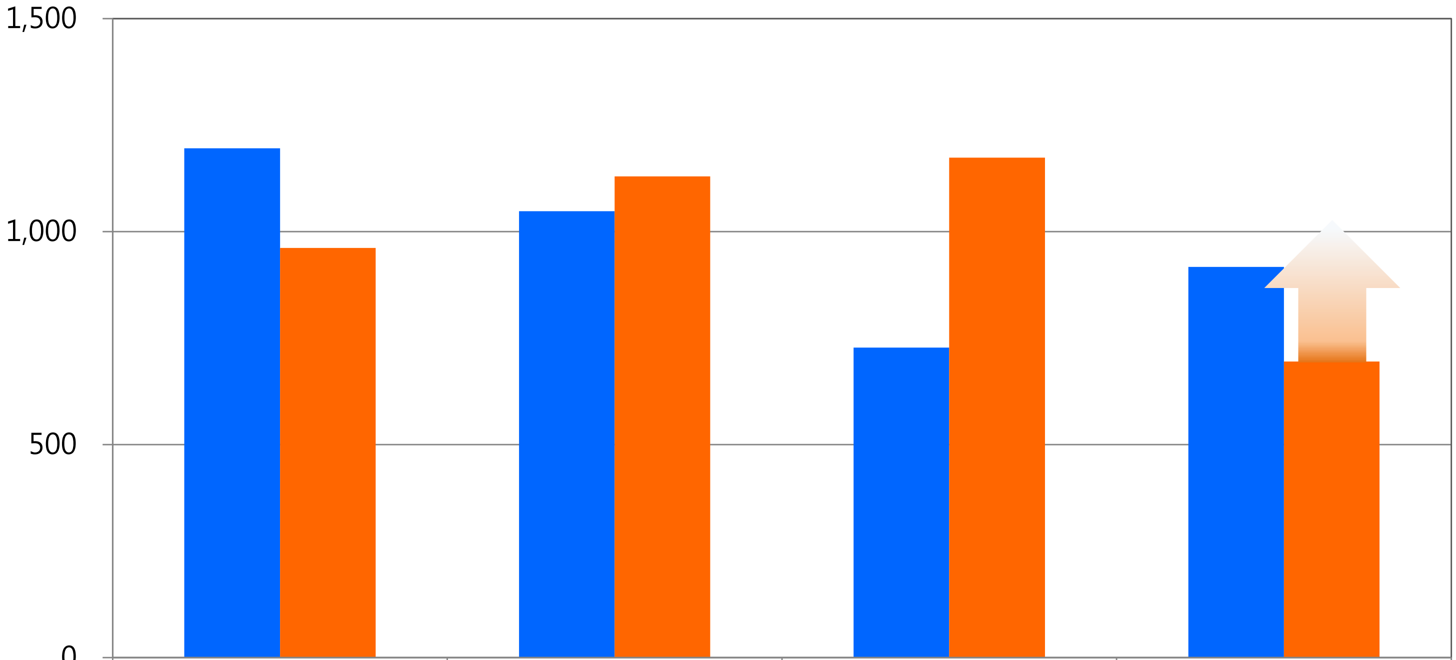
- Operating Result
- Operational Highlights & Outlook



Operation Results

Sales by Quarter

Unit: NTD M



	Q1	Q2	Q3	Q4
2022 Sales	1,196	1,048	728	917
2023 Sales	962	1,130	1,174	695 *

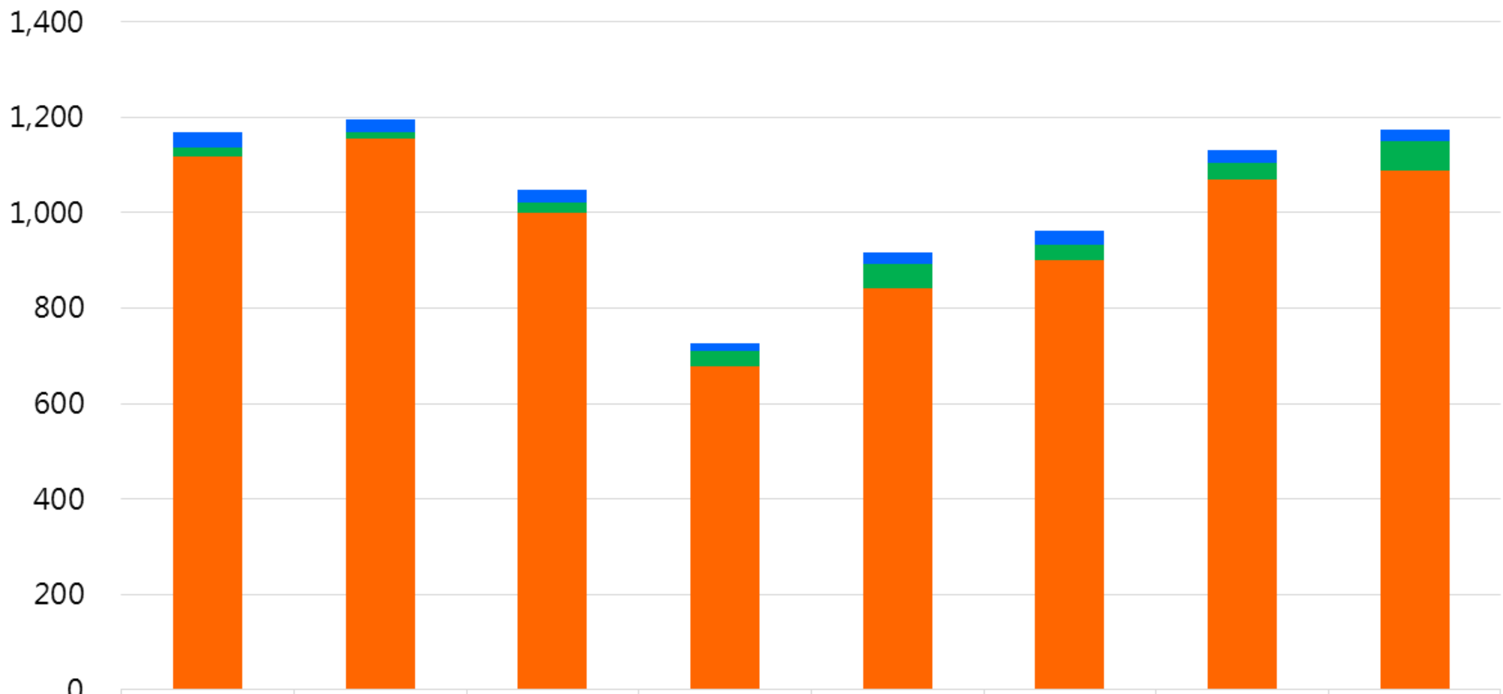
*2023/10-2023/11

- **The year-to-date (from Jan to Nov) sales was NT$ 3,961 million, which increased 10.8% year-over-year.**

Remark：the figure of 2023Q4 has not been audited.

Sales by Product

(NTD M)



	2021Q4	2022Q1	Q2	Q3	Q4	2023Q1	Q2	Q3
Key raw materials and others	30.9	26.1	27.3	17.4	25.9	27.8	26.6	25.2
Semiconductor materials	17.9	14.8	20.8	31.8	50.0	34.4	34.1	61.0
Display materials	1,118.9	1,155.4	1,000.0	678.4	841.5	899.7	1,069.6	1,088.1
TOTAL	1,167.7	1,196.3	1,048.1	727.6	917.3	961.9	1,130.3	1,174.3
Key raw materials and others%	2.6%	2.2%	2.6%	2.4%	2.8%	2.9%	2.4%	2.1%
Semiconductor materials%	1.5%	1.2%	2.0%	4.4%	5.5%	3.6%	3.0%	5.2%

Consolidated Statements of Comprehensive Income

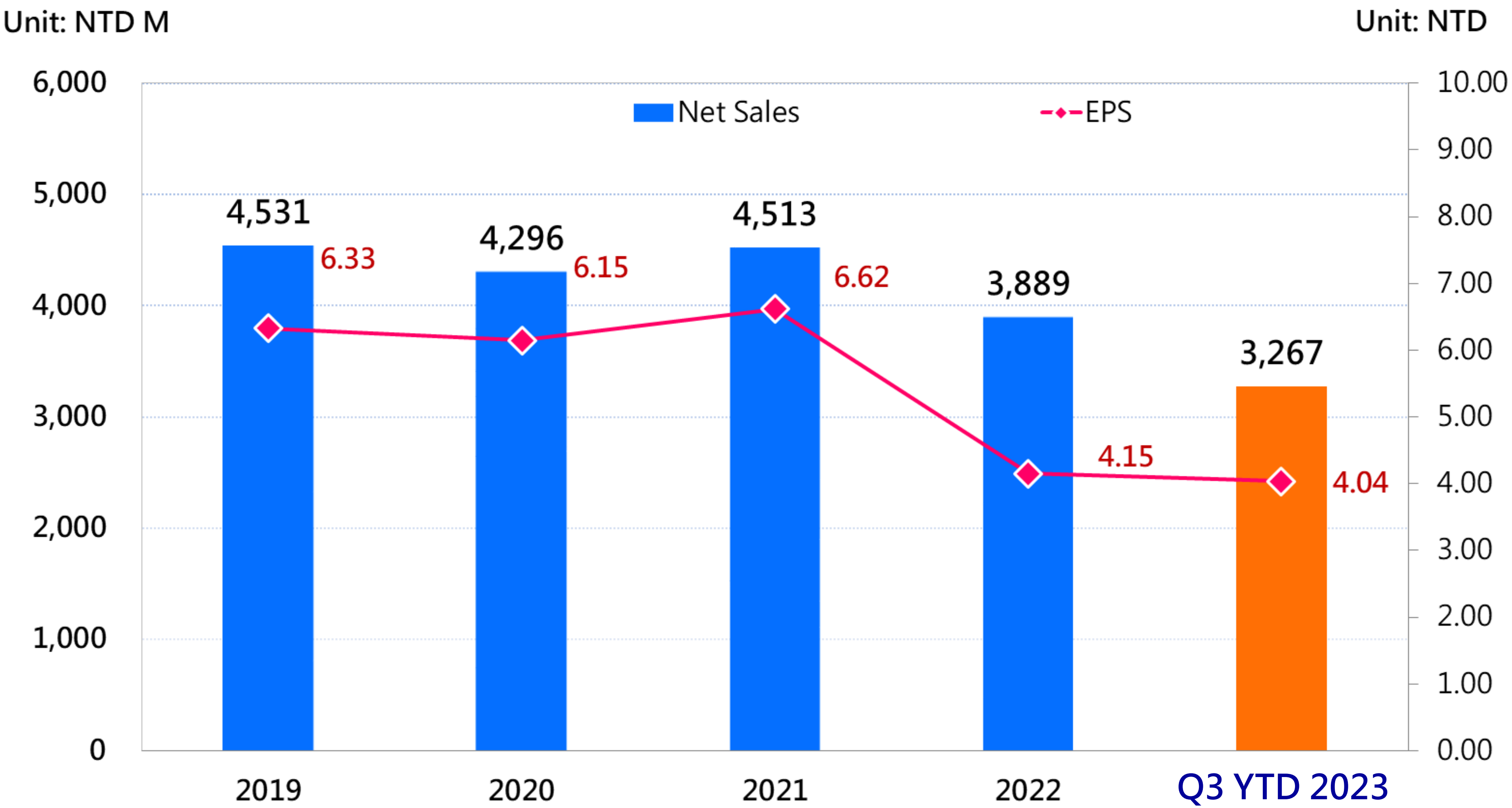
DAXIN

(In NT$ millions unless otherwise noted)	2023 Q1		2023 Q2		2023 Q3		Nine months ended Sep. 30 2023		Nine months ended Sep. 30 2022		Nine months ended Sep. 30 YoY%
Operating revenue	**962**	100.0%	**1,130**	100.0%	**1,174**	100.0%	**3,267**	100.0%	**2,972**	100.0%	**9.9%**
Operating costs	651	67.7%	739	65.4%	748	63.7%	2,138	65.5%	2,025	68.2%	5.6%
Gross profit from operations	**311**	**32.3%**	**391**	**34.6%**	**427**	**36.3%**	**1,128**	**34.5%**	**947**	**31.8%**	**19.2%**
Operating expenses	196	20.3%	219	19.4%	240	20.4%	655	20.1%	613	20.6%	6.9%
Operating income	**115**	**11.9%**	**172**	**15.2%**	**187**	**15.9%**	**473**	**14.5%**	**334**	**11.2%**	**41.8%**
Non-operating income and expenses	(2)	(0.2%)	4	0.4%	7	0.6%	9	0.3%	50	1.7%	(81.4%)
Income before tax	**113**	**11.8%**	**176**	**15.6%**	**194**	**16.5%**	**483**	**14.8%**	**384**	**12.9%**	**25.7%**
Net income	**98**	**10.2%**	**150**	**13.3%**	**166**	**14.1%**	**415**	**12.7%**	**339**	**11.4%**	**22.4%**
Basic earnings per share (NT$)	**0.96**		**1.46**		**1.62**		**4.04**		**3.30**		

- **The year-to-date (from Jan to Nov) income before tax was NT$ 579 million, which increased 29.5% year-over-year.**

Sales and EPS

DAXIN



Consolidated Balance Sheets Highlights

(In NT$ millions)

	Sep. 30, 2023		Sep. 30, 2022		YoY	YoY %
Cash and cash equivalents	265	5.7%	196	4.6%	69	34.9%
Current financial assets at amortized costs	889	19.0%	1,033	24.4%	(144)	(14.0%)
Accounts receivable	1,228	26.3%	813	19.2%	415	51.0%
Inventories	385	8.2%	382	9.0%	4	0.9%
Property, plant and equipment	1,572	33.6%	1,576	37.2%	(4)	(0.3%)
Right-of-use assets	166	3.6%	175	4.1%	(9)	(5.4%)
Total assets	**4,673**	**100.0%**	**4,242**	**100.0%**	**431**	**10.2%**
Current liabilities	1,202	25.7%	895	21.1%	307	34.3%
Non-current liabilities	446	9.5%	485	11.4%	(39)	(8.1%)
Total liabilities	**1,648**	**35.3%**	**1,380**	**32.5%**	**268**	**19.4%**
Total equity	**3,025**	**64.7%**	**2,862**	**67.5%**	**163**	**5.7%**

Key financial highlights

Current ratio	**242%**	**276%**
Inventory Turnover (Days)	**48**	**50**

Consolidated Cash Flow Highlights

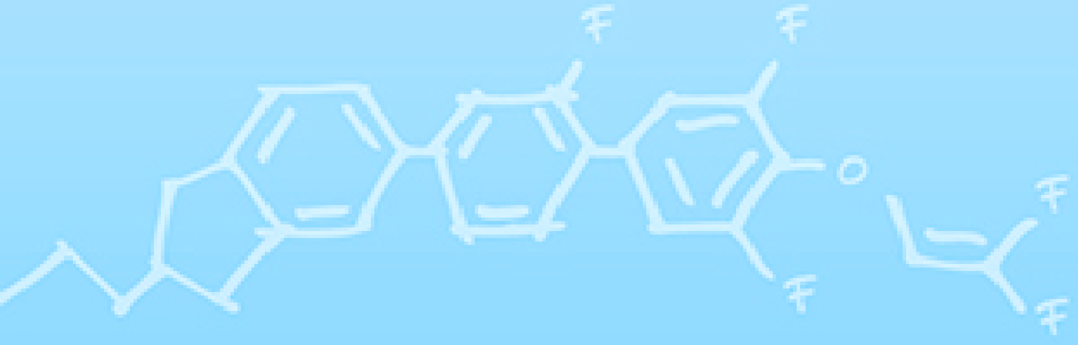
(In NT$ millions)	Nine months ended Sep. 30	
	2023	2022
Income before tax	483	384
Depreciation and amortization	193	164
Other operating activities	(202)	166
Net cash flows from operating activities	**402**	**623**
Acquisition of property, plant and equipment	(170)	(173)
Disposal of (Acquisition of) financial assets at amortized cost	165	(92)
Net cash flows used in investing activities	**(9)**	**(267)**
Increase in short-term loans	195	120
Repayments of short-term debt	(195)	(120)
Increase in long-term loans	60	182
Repayments of long-term debt	(53)	(6)
Cash dividends paid	(339)	(544)
Net cash flows used in financing activities	**(339)**	**(375)**
Net increase (decrease) in cash and cash equivalents	**54**	**(19)**
Cash and cash equivalents at end of period	**265**	**196**

Dividend Policy

DAXIN

■ High Payout Ratio Policy

Year	EPS	Cash Dividends	Stock Dividends	Dividend Payout Ratio
2022	4.15	3.3	0.0	80%
2021	6.62	5.3	0.0	80%
2020	6.15	5.0	0.0	81%
2019	6.33	5.0	0.0	79%
2018	6.38	5.0	0.0	78%



Operation Highlights & Outlook

Locations

HQ / R&D Center – Taichung

AMC II – LCD Materials Plant

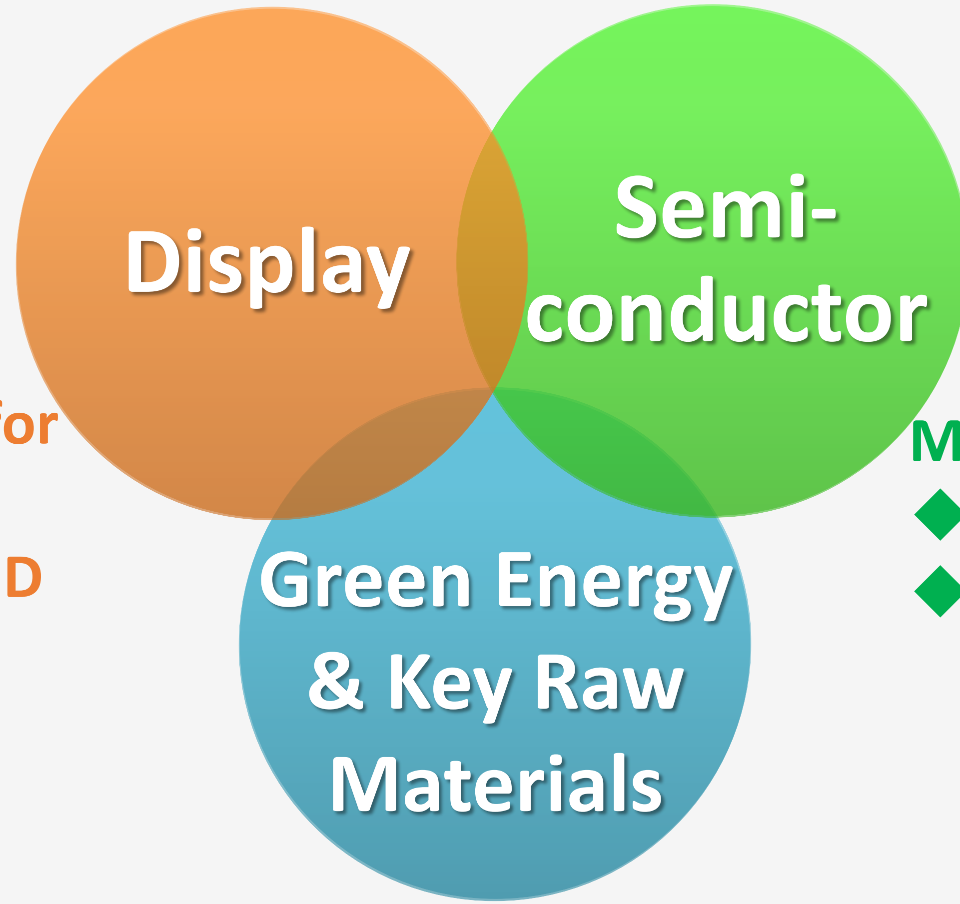
AMC II – SEMI Materials Plant

AMC I – Taichung

(AMC : Advanced Manufacturing Center)

- **AMC I and AMC II – LCD Materials Plant:**
  - High-volume manufacturing of SEMI products in AMC I and AMC II respectively.
- **AMC II – SEMI Materials Plant:**
  - High-purity production lines of synthesis, purification, and formulation.
  - Small-volume-manufacturing of two products in Dec. 2023.

Product Domains



Materials for
- LCD
- MicroLED

Materials for
- Advanced Processes
- Advanced Packaging

Y2023 Achievements

Display

■ **LCD Color Filter_ Photo Spacer :**

Conducted high-resolution PS to new production lines.
Maintain worldwide leading position.

■ **LCD Cell_ PI Alignment Layer :**

Expanded PSA* PI production to major panel makers.
Improve revenue growth with adoption of new models in 2024.

■ **LCD Array_ Cu Etchant :**

Maintain worldwide leading position.
Developed next generation products.

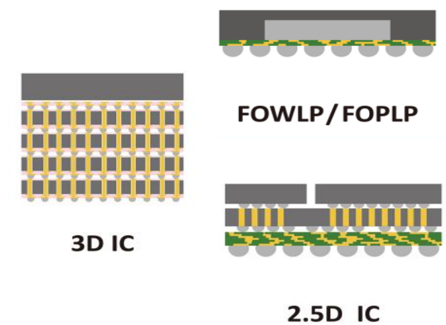
*PSA : Polymer Stabilized Alignment

Y2023 Achievements

Semi-conductor

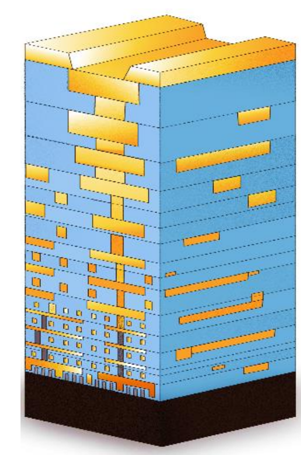
■ **Advanced Packaging** (Wafer Level / Panel Level)

- **Release layer : HVM* and new customers verification.**
- **PR Strippers A : HVM* and demand growth in 2024.**
- **Highly-selective Cu etchant A : SVM* and Qualification.**



■ **Wafer Fabrication** (Advanced Process / Mature Process)

- **High-purity solvent : HVM* and new customers verification.**
- **PR Strippers B : HVM* and verification of new technology node.**
- **Highly-selective Cu etchant B : SVM* and Qualification.**
- **High-purity polymer : Qualification and revenue growth in 2024.**
- **BARC Strippers : SVM* and Qualification.**



*HVM : High-volume manufacturing *PR : Photoresist
*SVM : Small-volume manufacturing *BARC : Bottom-Anti-Reflective Coating

R&D Plans - Display

- Improve competitiveness by expediting production of key raw materials and optimizing manufacturing processes.
- Develop high-performance materials and low-temperature curing materials for ESG consideration.

LCD Color Filter

- LT* curing photo spacer
- LT* curing thermal overcoat
- LT* curing black-matrix resist

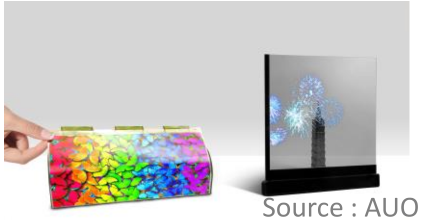
LCD Cell & Array

- LT* curing PI alignment layer
- FFS* PI alignment layer
- Cu etchant for fine-line

MicroLED

- Transfer-bonding adhesive
- White resist

Source : AUO



Source : AUO

*LT : Low-temperature *FFS : Fringe-field switching

R&D Plans - Semiconductor

■ Improve synthesis and purification technologies of semiconductor-grade ultra-high purity chemicals.

■ Establish technical capabilities for analysis and detection of ultra-trace impurities and nanoparticles.

Advanced Packaging

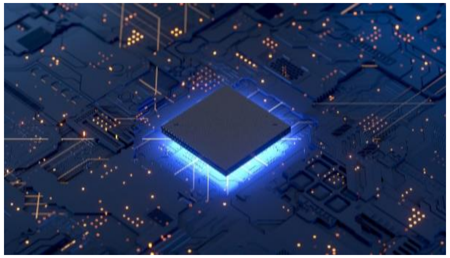
- High-resolution photosensitive dielectrics
- LT* curing & low Dk photosensitive dielectrics
- Permanent adhesive

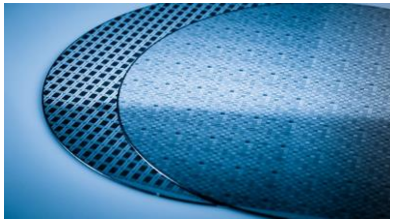
Advanced Process - BEOL

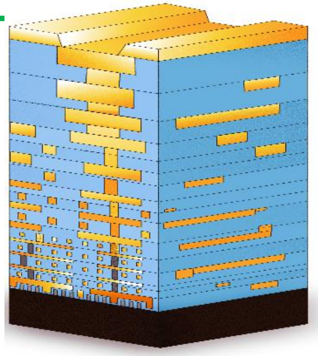
- High-purity cleaner A
- High-purity cleaner B
- High-purity surface treatment chemical A

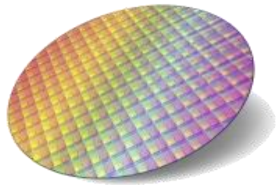
Advanced Process - FEOL

- Bevel sealant
- High-purity surface treatment chemical B









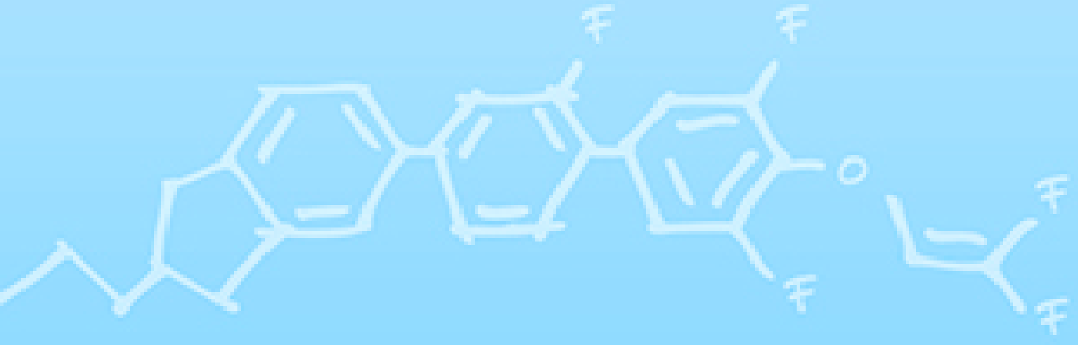
Operation Plans - Semiconductor

Develop New Materials

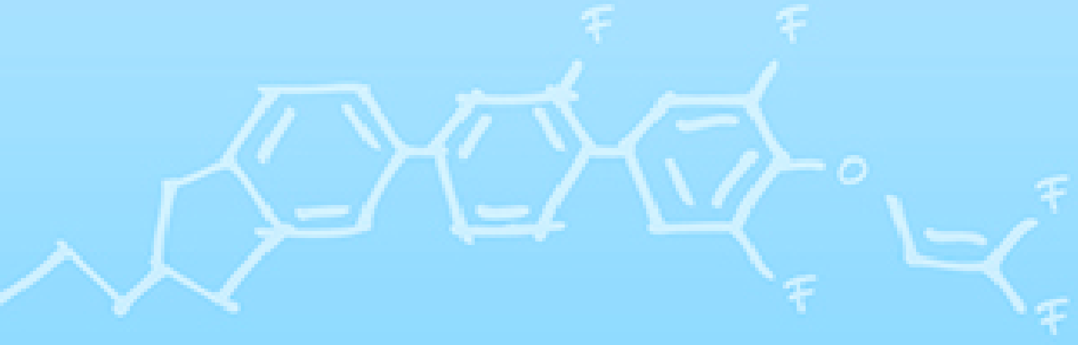
- Speed up troubleshooting of customer production line issues during semiconductor materials verification.
- Develop new materials for next generation advanced processes and advanced packaging

Cooperate with Global Top Companies

- Expand strategic collaboration projects and models with major international manufacturers.
- Improve precision manufacturing technologies of synthesis and purification of semiconductor-grade chemicals.



Q & A



Thank you