DAXIN

Daxin Materials Corporation

Investor Conference

2025.08.13

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

- Company Profile
- Operating Result
- Outlook

Company Profile

Company Profile

Foundation	July 12th, 2006 (JV of AUO & Eternal Chemical)
Paid-in capital	1,027 million NTD
Employees	424 (until Jan., 2025) **R&D >50%**
IPO on TAIEX	July, 16th, 2012 (Code：5234)
Revenue	Y2024：4,118 million NTD
Major products	Semiconductor Materials Display Materials Key Raw Materials Other Specialty Chemicals

Major Products

Semiconductor materials

Direct materials and indirect materials for wafer fabrication and packaging processes.

- Advanced and Mature Wafer Process Materials
- Advanced Packaging Materials (Fan-out, 2.5D, 3D)

Display materials

Direct materials and indirect materials of processes for LCD array, cell and color filter.

- LCD Materials
- EPD Materials
- MicroLED Materials

Key raw materials

Upstream key raw materials for display, green energy industries, chemical-related application industries.

- Functional Monomers
- Green Energy Materials
- Specialty Polymers

Operation Results

Consolidated Statements of Comprehensive Income-1

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Unit：NTD M	2025 Q2		2025 Q1		QoQ	2024 Q2		YoY
Operating revenue	**1,151.1**	**100.0%**	**1,106.1**	**100.0%**	**4.1%**	**1,028.2**	**100.0%**	**11.9%**
Operating costs	684.5	59.5%	653.4	59.1%	4.8%	645.3	62.8%	6.1%
Gross profit from operations	**466.5**	**40.5%**	**452.7**	**40.9%**	**3.1%**	**382.9**	**37.2%**	**21.9%**
Selling expenses	53.1	4.6%	52.5	4.7%	1.1%	51.6	5.0%	2.8%
Administrative expenses	57.6	5.0%	59.1	5.3%	(2.5%)	54.8	5.3%	5.1%
Research and development expenses	135.2	11.7%	134.7	12.2%	0.3%	126.3	12.3%	7.0%
Operating expenses	245.8	21.4%	246.3	22.3%	(0.2%)	232.7	22.6%	5.6%
Operating income	**220.7**	**19.2%**	**206.4**	**18.7%**	**6.9%**	**150.1**	**14.6%**	**47.0%**
Non-operating income and expenses	(34.7)	(3.0%)	19.1	1.7%	(281.4%)	14.0	1.4%	(348.2%)
Income before tax	**186.0**	**16.2%**	**225.5**	**20.4%**	**(17.5%)**	**164.1**	**16.0%**	**13.4%**
Income tax expense	26.7	2.3%	32.7	3.0%	(18.4%)	20.4	2.0%	30.9%
Net income	**159.4**	**13.8%**	**192.8**	**17.4%**	**(17.4%)**	**143.7**	**14.0%**	**10.9%**
Total comprehensive income	**159.4**	**13.8%**	**192.8**	**17.4%**	**(17.4%)**	**143.7**	**14.0%**	**10.9%**
Basic earnings per share (NT$)	**1.55**		**1.88**			**1.40**		

Consolidated Statements of Comprehensive Income-2

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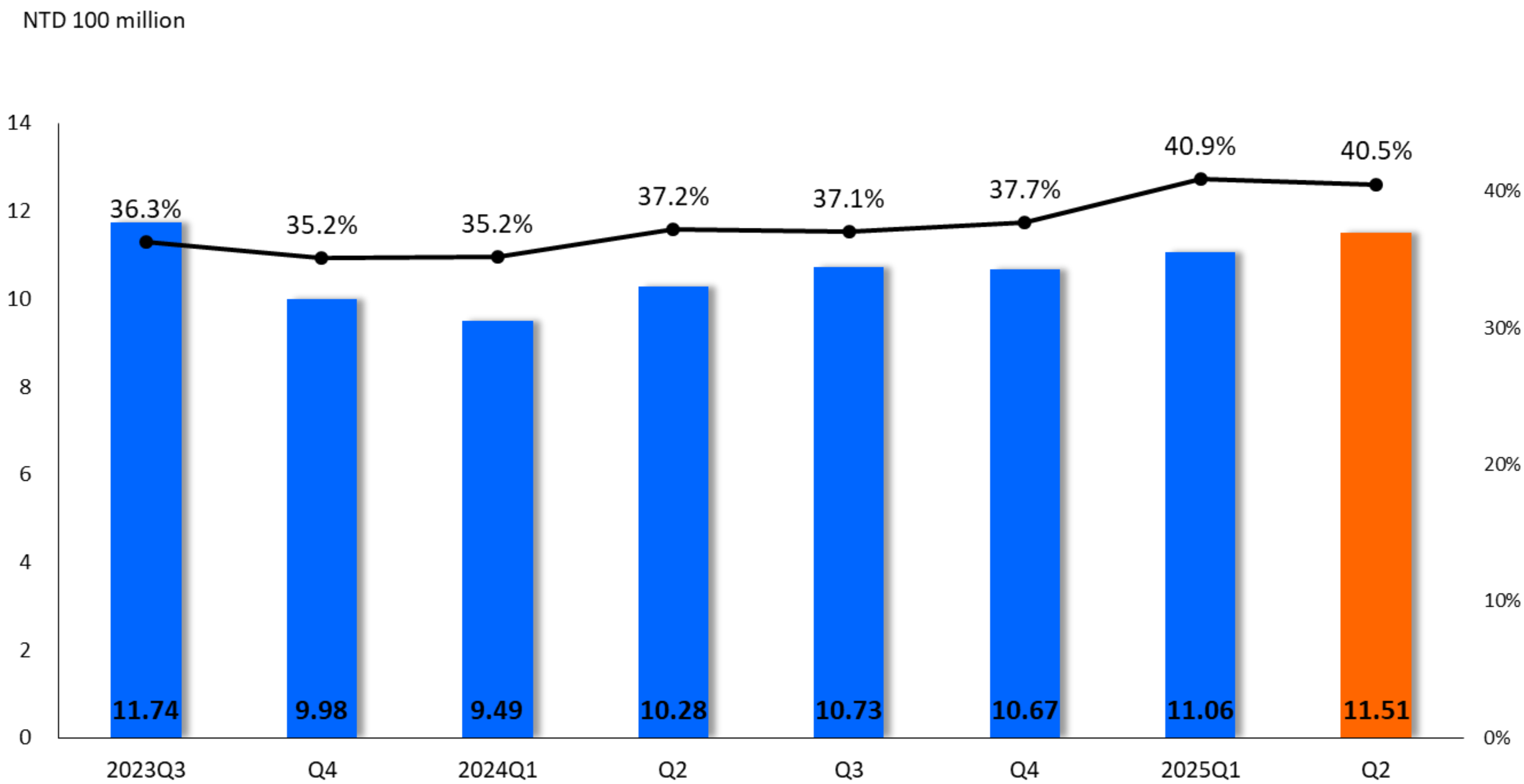
Unit：NTD M	2025 H1		2024 H1		YoY
Operating revenue	**2,257.1**	**100.0%**	**1,977.0**	**100.0%**	**14.2%**
Operating costs	1,337.9	59.3%	1,260.0	63.7%	6.2%
Gross profit from operations	**919.3**	**40.7%**	**717.0**	**36.3%**	**28.2%**
Selling expenses	105.6	4.7%	95.3	4.8%	10.8%
Administrative expenses	116.6	5.2%	107.5	5.4%	8.5%
Research and development expenses	269.9	12.0%	243.8	12.3%	10.7%
Operating expenses	492.1	21.8%	446.6	22.6%	10.2%
Operating income	**427.2**	**18.9%**	**270.4**	**13.7%**	**58.0%**
Non-operating income and expenses	(15.6)	(0.7%)	26.8	1.4%	(158.0%)
Income before tax	**411.6**	**18.2%**	**297.2**	**15.0%**	**38.5%**
Income tax expense	59.4	2.6%	39.5	2.0%	50.3%
Net income	**352.2**	**15.6%**	**257.7**	**13.0%**	**36.6%**
Total comprehensive income	**352.2**	**15.6%**	**257.7**	**13.0%**	**36.6%**

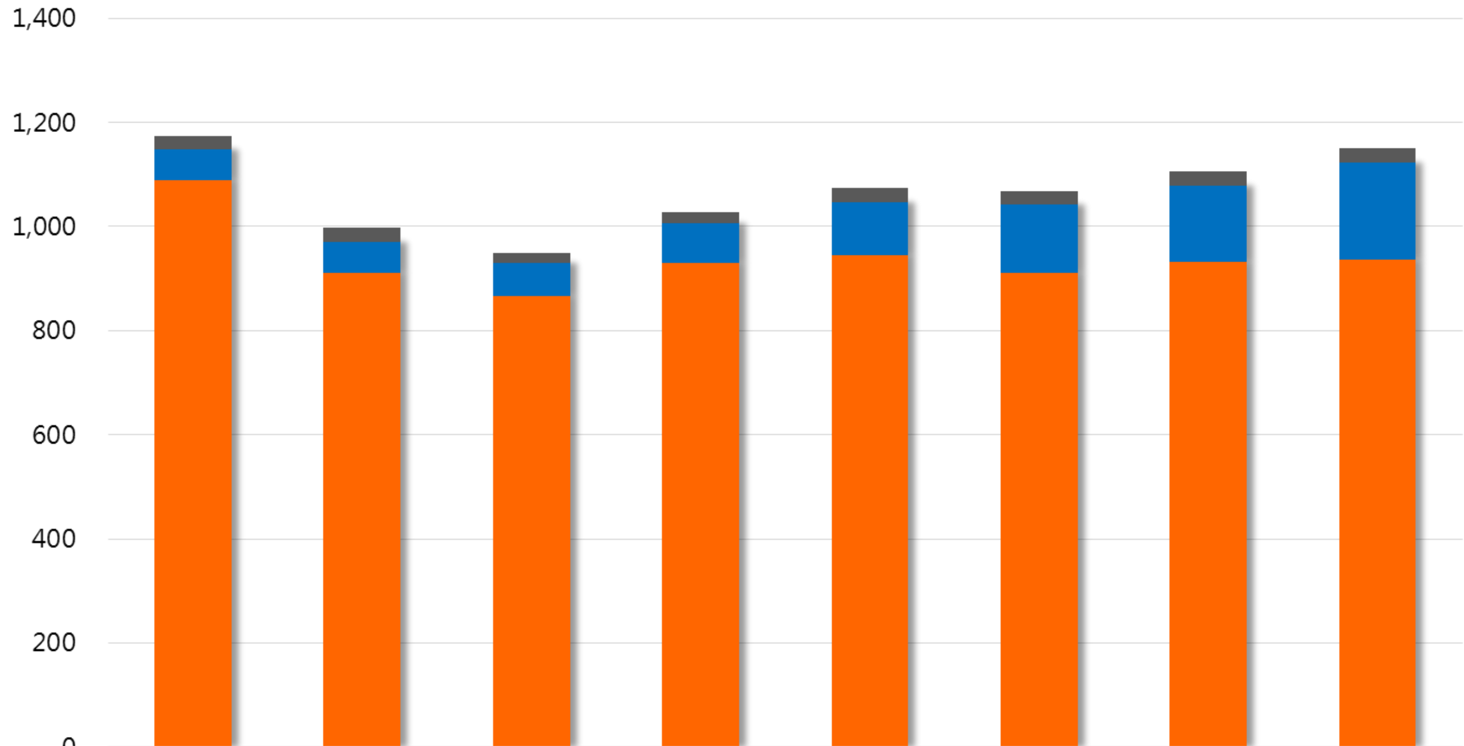
Basic earnings per share (NT$)	**3.43**	**2.51**

Revenue & Gross margin



Revenue by Product

(NTD M)



	2023Q3	Q4	2024Q1	Q2	Q3	Q4	2025Q1	Q2
Key raw materials and others	25.2	26.8	19.3	22.6	27.7	25.7	26.7	28.4
Semiconductor materials	61.0	60.4	63.5	76.4	101.1	130.5	147.5	185.7
Display materials	1,088.1	910.4	866.0	929.2	944.7	911.2	931.9	937.0
TOTAL	1,174.3	997.6	948.8	1,028.2	1,073.5	1,067.4	1,106.1	1,151.1
Key raw materials and others%	2.1%	2.7%	2.0%	2.2%	2.6%	2.4%	2.4%	2.5%
Semiconductor materials%	5.2%	6.1%	6.7%	7.4%	9.4%	12.2%	13.3%	16.1%

Consolidated Balance Sheets Highlights

Unit：NTD M	2025/6/30		2025/3/31		2024/6/30	
Cash and cash equivalents	266	5.7%	166	3.3%	202	4.2%
Current financial assets at amortized costs	1,102	23.4%	1,564	31.0%	1,342	28.2%
Accounts receivable	1,192	25.3%	1,147	22.7%	1,105	23.2%
Inventories	369	7.8%	380	7.5%	360	7.6%
Property, plant and equipment	1,461	31.1%	1,451	28.7%	1,525	32.0%
Right-of-use assets	151	3.2%	152	3.0%	159	3.3%
Total assets	**4,703**	**100.0%**	**5,050**	**100.0%**	**4,763**	**100.0%**
Current liabilities	1,256	26.7%	1,725	34.2%	1,424	29.9%
Non-current liabilities	324	6.9%	361	7.2%	368	7.7%
Total liabilities	**1,580**	**33.6%**	**2,087**	**41.3%**	**1,791**	**37.6%**
Total equity	**3,123**	**66.4%**	**2,963**	**58.7%**	**2,971**	**62.4%**

Key financial highlights	2025/6/30	2025/3/31	2024/6/30
Current ratio	241%	196%	214%
Inventory Turnover (Days)	51	53	51

Consolidated Cash Flows Highlights

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Unit：NTD M	2025 Q2	2025 Q1	2024 Q2
Income before tax	186	226	164
Depreciation and amortization	69	68	68
Other operating activities	(68)	(101)	(54)
Net cash flows from operating activities	**122**	**197**	**98**
Acquisition of property, plant and equipment	(68)	(42)	(75)
Acquisition of financial assets at amortized cost	461	(141)	2
Net cash flows from (used) in investing activities	**410**	**(188)**	**(73)**
Net change of bank loans	84	(36)	(24)
Cash dividends paid	(514)	-	-
Net cash flows used in financing activities	**(432)**	**(38)**	**(26)**
Net increase (decrease) in cash and cash equivalents	**100**	**(29)**	**(1)**

Dividend Policy

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High Payout Ratio Policy

Year	EPS	Cash Dividends	Stock Dividends	Dividend Payout Ratio
2024	5.56	5.0	0.0	90%
2023	5.10	4.1	0.0	80%
2022	4.15	3.3	0.0	80%
2021	6.62	5.3	0.0	80%
2020	6.15	5.0	0.0	81%

Outlook

Industry Overview

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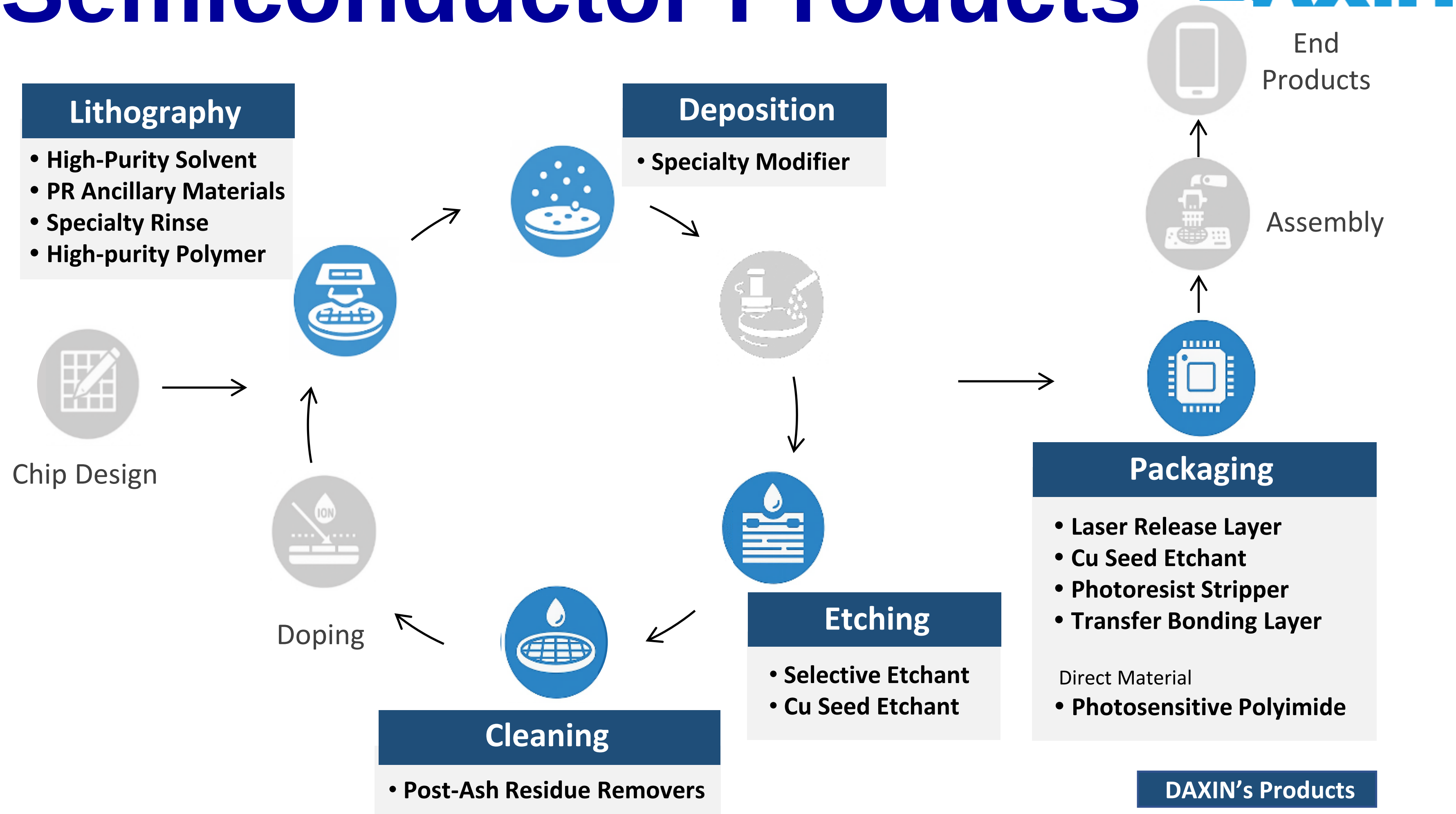
Semiconductor

- From the second half of 2025 through year-end, the ongoing growth in AI server and high-performance computing demand will drive advanced packaging, advanced process technologies, and related materials — especially in sub-3 nm nodes and in areas such as CoWoS and HBM. At the same time, the PC and smartphone markets are expected to restock inventories, though the overall recovery momentum will remain tempered by geopolitical risks and fluctuations in end-market demand, resulting in more moderate growth than that seen in AI-related applications. Overall, the market anticipates that semiconductor output value will sustain a modest growth trend, with AI serving as the primary growth engine.

Display

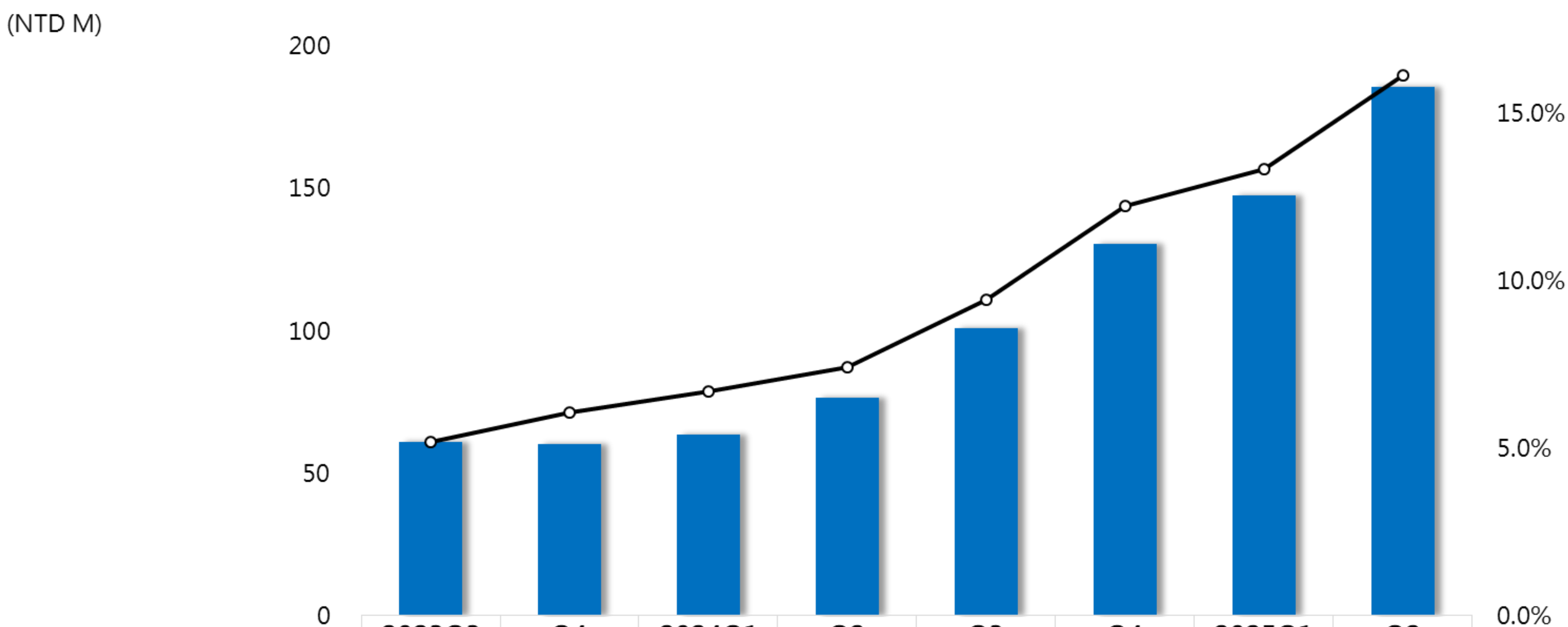
- From the second half of 2025 through year-end, a rebound in IT panel demand — especially from high-end displays — will drive average selling price growth. TV panels are poised for modest gains, supported by the global economic upswing and major sporting events, while small- and medium-sized panels will benefit from steady automotive and industrial-control applications. Nevertheless, the supply chain faces ongoing pricing pressures and capacity adjustments, resulting in subdued overall market growth and a strategic shift toward high-end and specialty applications.

Semiconductor Products



- A total of 25 products: 1 new product has entered HVM in H1, bringing the total to 10 products in HVM. Among them, 4 products are undergoing production line expansion, and 14 products are currently under testing. 2~3 additional products are expected to enter HVM in H2.
- The Chungkang new plant has completed the setup of 9 new production lines.
- Collaboration with major semiconductor and chemical companies: Supporting capacity expansion; new customers and new products are expected to be added in 2025.

Revenue of Semiconductor Materials



	2023Q3	Q4	2024Q1	Q2	Q3	Q4	2025Q1	Q2
Semiconductor materials	61.0	60.4	63.5	76.4	101.1	130.5	147.5	185.7
Semiconductor materials%	5.2%	6.1%	6.7%	7.4%	9.4%	12.2%	13.3%	16.1%

Display Products

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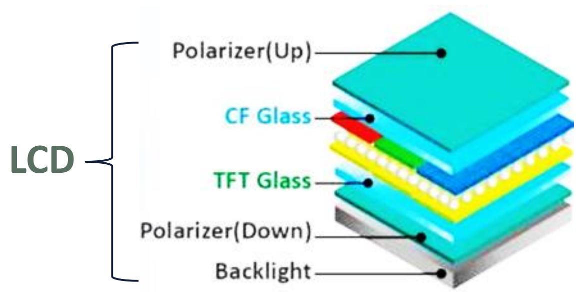
1. **Development of New Specifications & LCD Products**
   Low-temp curing materials (ESG), Cu stripper, FFS PI, ChLC PI

2. **Market Focus – Liquid Crystal Alignment Layer PI**
   Expand PSA PI adoption to new customers & mass production sites

3. **Enhance Cost Competitiveness & Increase Market Share**
   Optimize production processes; Increase in-house raw material production; Maintain PS & Cu Etchant advantages; Expand PI market share



*FFS : Fringe-field switching
*PSA : Polymer Stabilized Alignment

2025 Business Outlook

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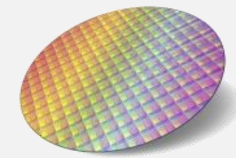
Based on the current business outlook, the Company expects to maintain prudent and steady growth in 2025:



◆ In terms of Semiconductor and Key Raw Materials

- Advance three business models in parallel to accelerate the pace of new product development
  (1. Independent research and development; 2. Collaboration with major international semiconductor materials companies; 3. Co-development with leading international semiconductor companies)
- Expand capacity to meet customer demand and deepen strategic partnerships with global leading companies
- Extend product reach across upstream and downstream segments of diverse application ecosystems

◆ In terms of Display Materials

- Accelerate the volume ramp-up of key product — alignment layer of liquid crystal
- Ensure quality and price competitiveness to maintain advantages and increase market share
- Develop higher-specification, low-temperature, low-carbon new materials that align with ESG sustainability trends

*The above is the Company's forecast based on its current business outlook and is subject to change based on actual market supply and demand conditions.

Q & A

Thank you