

[IR/JAMES CHEN]: Good afternoon to all of you in the investment and media community.
I'm James Chen, the IR of Fitipower.

I am holding today's meeting. Thank you for joining us today for the Q2 2025 conference call.

Today's business executives include

MR. Young Lin, Chairman

and Mr. PC Chen, CFO

This page is the Safe Harbor Notice for your reference.

Today's agenda is as follows

First, I will describe the operating results of the second quarter of 2025 and the first half of the year.

The next part is a review of Fitipower.

The fourth part is that the chairman will have some Key Message to everyone for some medium and long term key growth drivers, and the last part is the Q&A part.

First of all, we will talk about the operating results of the second quarter of the year 2025.

Our second quarter revenue of NT\$5.076 billion increased by 8.91% quarter-over-quarter compared to the previous quarter.

1.06% annual increase

The Gross Margin component of Gross Margin was 28.63%, a decrease of 0.68% compared to the previous quarter.

Almost flat

In the same quarter a year ago, there was a 2.09% decrease.

We're on the expense side.

Total expenses were NT\$958 million, with R&D expenses increasing to NT\$689 million.

Fees are increased by 9.14%

The operating margin was 9.75%, compared to 10.47% in the previous quarter.

A year ago in the second quarter it was 14.03%

Our

Net Income margin

The final result was 9.54%, compared to 11.68% in the previous quarter.

In the same quarter a year ago, it was 14.61%.

EPS for the second quarter was NT\$2.62 per share.

ROE attributable to the parent company was 1.9%, compared to 2.27% in the prior quarter and 3.42% a year ago

Here's the figure I just mentioned for your reference.

In the balance sheet section of the second quarter

We have added a cash and financial assets section to the six categories.

Aggregate a cash-like portion is approximately

NT\$18 billion

That's about 69% of our total assets.

Our portion of the debt ratio was 20.2% in the second quarter.

At the end there are some key operating metrics, including AR turnover days and DOI.

They are all lower than the previous quarter.

AR turnover days decreased to 65.8 days from 74.9 days in the previous quarter.

DOI decreased to 64.15 days from 72.56 days in the previous quarter

Operating cash flow was a net inflow of NT\$1.29 billion.

Free cash flow was a net inflow of NT\$1,232 million.

This is the figure just mentioned, and in the upper right-hand corner we have a new low in inventory as a percentage of total assets, at 8.9%.

This is a breakdown of the changes in revenue, absolute inventory and DOI over the past eight quarters.

In the chart on the left, we can see that the blue bar is the revenue and the red bar is the absolute amount of inventory.

The green folded line is a change in the absolute amount of inventories, which dropped by 17.63% in the latest quarter.

On the right, the blue folds are also revenue, the red folds are DOI, and the green bar graph is a variation of DOI.

Our latest DOI for the second quarter was down 8.41 days.

This is one of our four major product lines for Season 2

Change as a percentage of total revenue

The first is in the medium-sized and large-sized parts, which is the Display IC.

In the second quarter, it accounted for 21.67% of revenue, a decrease of 3.81% compared to the previous quarter.

The second segment is power management ICs

In the second quarter, it was 11.57%, an increase of 1.13% compared to the previous quarter.

The third segment is Mobile ICs

In the second quarter, it accounted for 34.87% of revenue, an increase of 2.49% compared to the previous quarter.

the last, in other related semiconductors

31.87% of total revenue in the second quarter, up 0.18% from the previous quarter.

On the right is a comparison of the previous quarter and the same quarter a year ago.

Our revenue for the second quarter was NT\$5,076 million.

Quarter-to-quarter increase of 8.91%, year-to-year increase of 1.06%

Quarter-over-quarter, the most significant contributors to revenue growth are

If you sort them out, the first one is Power IC, which is power management IC.

The second is Mobile IC and the third is other related semiconductors.

Year-over-year, the most significant contributors to growth are, in order, other related semiconductors.

Mobile IC and Power IC

In the face of uncertainties such as tariffs, exchange rates, and geopolitics, we strive to develop new products.

Enhance competitiveness, pull up the technology of a moat, and decentralize sale client.

In addition, the proportion of our non-driver ICs is also gradually increasing, providing Fitipower with a better product portfolio.

Gross margins we continue to

We seek an optimal balance between the factors of customers, manufacturing suppliers and inventory.

Let's look at the details of the four product lines.

First, the Display IC section includes medium and large sizes.

Revenue for the second quarter was NT\$1.1 billion.

Quarter-over-quarter, it declined by 7.3%, and year-over-year, it declined by 32.45%.

Quarter-over-quarter

The growth was in our mid-size segment.

The mid-size segment includes our industrial control and automotive segments.

We will continue to work on display driver ICs to increase the market share for P2P interfaces.

to increase our competitiveness and sales.

For mid-size, we will continue to focus on the industrial control market.

Traditional large size markets including TV, Notebook and Monitor are affected by geopolitics and tariffs,

The impact of tariffs on expected demand is still uncertain, and there are signs that the distinction between low and high seasons is gradually blurring.

Power Management ICs

Revenue for the second quarter was NT\$587 million, representing a quarter-over-quarter growth of 20.67% and year-over-year growth of 3.71%.

The major growth drivers of consolidated revenue on a quarter-to-quarter basis are, in order, as follows

EPD's PMIC, the second is Mobile's PMIC, and the third is Battery, which is the fast charging part, PD and QC.

The most important growth drivers of consolidated revenue year-over-year are, in order, EPD's PMIC, and the second is Regulator, which includes

LVBuck, LDO & BOOST

We will continue to expand our customers and markets for existing products, such as India and other emerging countries.

Our revenue in the power management IC category hit a five-quarter high due to new product launches, and actually hit a new high since the third quarter of 2023.

In the Mobile IC segment

Q2 revenue was NT\$1,769 million, a 17.28% quarter-over-quarter and 13.71% year-over-year increase.

Quarter-over-quarter

The major growth drivers were TDDI's TAB.

TFT Small Size Driver ICs

For Mobile

The third is TFT IoT

Year-on-year, the most important growth driver is TDDI's TAB in order.

TFT Small Size Driver IC for Mobile and TFT IoT.

In this category, each product line still gain

The market share of each product line contributes to the revenue of Mobile IC.

In the second half of this year, OLED products will start to contribute to the revenue in this category.

A part in other related semiconductor ICs

Revenue for the second quarter was NT\$1,618 million, an increase of 9.55% quarter-over-quarter and 27.57% year-over-year.

Record Revenue

Consolidated revenue was driven quarter-over-quarter by EPD, followed by ESL.

Year-over-year

ESLs in order, followed by EPDs

E-paper-related shipments continued to grow.

One of our chips in Edge AI will also start contributing to revenue in the second half of the year.

In addition, we will continue to look for niche ICs and make early deployments to enable the company to grow more steadily and diversify the company's profitability risk.

This is a figure for the past five quarters.

You have all seen these figures.

The amount of research and development (R&D) expenditure reached a relatively high level of NT\$689 million.

EPS2.62, our book value is at NT\$136.54 per share.

This is the figure mentioned just now, and I would like to invite you to have a look at our operating performance in the first half of the year.

Total revenue was 9.737 billion NTD

The Gross margin is 28.95%.

Our operating margin was 10.1%, net income margin was 10.56%, and EPS for the first half of the year was NT\$5.88 per share.

Company Headquarters

in Hsinchu Science Park, currently has 900 people.

Our main projects are the 4 main product lines that we have just reported on

In the second quarter, the total number of Driver ICs in small, medium, and large sizes remained at the same level as in the previous quarter, at about 57%.

43% in the non-driven IC segment

In 2019, it was at 81%, which is quite a drop over the years.

A bar graph on the right is

An allocation of each product line from 2020 to 2024 for your reference.

Our Payout Ratio has increased to 80% for two consecutive years in 2023 and 2024.

We have a Commitment at ESG.

In the first point, which is additional to the previous quarter, on July 31st we published our first Group Sustainability Report.

The scope of information disclosure has been further expanded to cover consolidated net revenue entities.

Including subsidiaries, this is also a situation where Jasper and its subsidiaries are practicing sustainability at the same time.

Our subsidiaries are currently listed in other countries.

This is one of the most advanced situations in this country for some listed companies to reveal ESG-related figures.

The main purpose of this page is to describe

Fitipower attaches great importance to ecological conservation, and we have released a policy on biodiversity and non-destruction of forests.

A strategy to achieve zero net loss and zero net deforestation by 2040 through avoidance, minimization, compensation and creative conservation.

Toward a stage of positive impact

In addition, through the Fitipower Environmental Sustainability Foundation, we have also joined hands with professional teams from various sectors to continue to expand the influence of our entire enterprise.

We have

Recently, we have made some relatively new moves

There have been some other honors, including the fact that in 2025, which is this year, we were again honored by HBR Women.

In terms of the ranking of the general managers of listed companies, we ranked fifth.

It's a ranking of the Top 30 female CEOs.

We are also the only semi-conductor industry in the top 10, and we got the fifth place.

Among other ESG-related awards

Comparisons are worth mentioning

It's a life-long commitment for Limulidae.

and a project documentary on making the world a better place.

We were honored at the 7th Taipei Golden Eagle Microfilm Festival.

The Silver and Bronze Awards for Sustainable Microfilm, a specialized award related to sustainability.

A summary of recent important events, including the dividend distribution trading day on July 1st and the dividend distribution trading day on July 9th.

Fitipower, along with five other companies, including ASUS, Quanta, Wistron, Pegatron and Delta.

Cooperation with NTU's School of Electrical Information Technology to establish the AI Electricity Consortium, which is quite rare, we are the only one IC design company in the team.

This is my report.

Next, we will focus on

We would like to ask the Chairman of the Board to explain the medium- and long-term key growth drivers.

[CHAIRMAN/YOUNG LIN]: Hello everyone, let me explain to you the third and fourth quarter of 2025, that is, the next six months of Fitipower.

Key Growth Drivers

We are still divided into four categories, Display, Power, Mobile and Other Semi, in Display in this quarter.

Some TV high transmission products, some driver ICs over 4Gbps, will be launched and mass production soon.

These are for high resolution, high refresh rate TVs.

Then in this season, we have specialized in PMICs for some economical HD and Full HD TVs in South China.

will also enter mass production.

And in the next season? On the TV line.

PMIC for high resolution, high refresh rate TV specialties

It has also begun mass production, which can effectively improve the stability of the system, as well as the efficiency of the power supply, and the Notebook's LTPS PMIC.

Level Shifter will also be released in the next quarter.

Then next quarter we will launch Full HD high-end projector driver ICs, and we have used our exclusive RGB

Algorithms to maintain high color vibrancy even with increased brightness.

There is also another PMIC IC used in the Monitor 3-in-1, which is a combination of all PMICs with Level Shifter and P-Gamma.

This will also be mass-produced in the next quarter.

This is the Display area.

What about Power ICs? This quarter, we continue to promote the eMarker IC, which we have been promoting in the previous quarters, and now we have started mass production. The market demand for eMarker will increase rapidly because fast charging is very popular nowadays, and charging cables with a current of more than 3A will be used. You must have an eMarker.

Similarly, in the field of fast charging, USB fast chargers are gradually developing towards high wattage and multi-port integration.

So we have launched some protocol ICs, with HVBUCK, which are those power management ICs.

Some multi-port programs have been formed, and shipments continue to increase. Then, we started mass production of PMICs and LED drivers for new products and projects for customers of electronic readers.

Then DDR5 started to be shipped to module makers, mainly for their use in DIMMs.

Next quarter we will launch

Some LDOs with high PSRR and small packages are used in CCM, AR, VR markets.

This is a market that needs this kind of Package

Because it's going to be small, it imports into WLCSP and then has to be High PSRR

In addition, the new ball type VCM motor driver IC will be mass-produced, which is used in some of the

Periscope, which can be substantially

These are now more popularly known as ball-type OIS motors, and its Signal-to-Noise ratio

Reduces the noise of ball motor shaking.

And then, continuing with those fast charging protocol ICs from this quarter, we're going to be launching highly integrated, minimalist peripheral fast charging protocol ICs next quarter.

Gather all the peripheral components and do some minor consolidation.

And then in Mobile, in this quarter.

We will launch AMOLED bridge image processing ICs and then HD TDDI sinking Cost reduction means cost optimization, and then feature-enhanced versions will be mass-produced in this quarter.

Then next quarter, we'll be launching the industrial control side.

Digital Industrial Display Driver IC TDDI Mass Production

Then we will mass produce AMOLED Driver IC in Dual-RAM next quarter.

Then some LTPS FHD ICs with RAM and Mobile HD DDICs were mass produced.

Just now, apart from cost optimization, we often take into account systemic considerations by including the peripheral resistors and capacitors.

These HD DDICs will also be mass-produced in the fourth quarter.

On the Other Semi side, our eDP1.2 T-Con is starting to release, paired with mostly Chromebook apps!

Then in Monitor, we are focusing on FHD all the way from 120Hz, 144Hz, 165Hz, 144Hz, 165Hz and now

We have a

The upgraded specification of Monitor is called Light Gaming.

It's not the old QHD big screen.

Monitor, can also be used for Gaming, then the Refresh Rate should be supported to 165Hz.

Then in the next generation of ESL E5 3-bit ICs we will also be launched in the next quarter, hope to support partners!

The new e-paper display technology makes smart retail applications.

Meanwhile, in the current quarter eDP1.5

We have also launched a simplified version, which can be equipped with higher frequencies, but the cost has been optimized in the hope that it can be reduced.

System Costs of Mainstream Models

Just mentioned that Monitor has Light Gaming corresponding to its driver IC, its PMIC, also need to make some adjustments, so we hope to

In this season, we hope to complete the whole package of Timing Controller, DDIC and PMIC in FHD.

165Hz

Let's get this specification up.

At the same time, we can realize a lower cost on it.

Next quarter, we will focus on

TV advanced T-CON, UD165 above we will also launch the corresponding T-CON, with this TV Monitor higher T-CON!

The next season, Season 4, will mainly feature some TV, Monitor

There's also the T-CON, which is a higher-end version of the Notebook.

There are also Edge AI ICs in white-colored appliances and some smart home products in the next quarter.

Mass production will begin.

That's probably what I'm going to say about some of the key growth drivers for the next two quarters of the law conference.

[IR/JAMES CHEN]: Thank you, Mr. Chairman.

Let's move on to the third part of the Q&A session.

The Q&A session was divided into three parts, the first of which was about the features you can utilize with WebEx.

Then you press raise your hand and I'll send an unmute, you press accept and you'll be able to ask your question.

Secondly, some investors have raised some questions during the registration process, so I will read them out and ask the Chairman to answer them.

In the third part, Members can make use of the function of online messaging.

Then pass it on to me, and I'll put the question to you.

After reading it out, I would also like to ask the Chairman to give a reply.

Okay, everyone.

You may ask your questions. Thank you.

Okay. Thank you.

At present, it seems that no one is going to raise their hands online, and some investors have asked questions in response to some of the questions raised during the registration process.

I will ask the Chairman to answer first.

The first question is whether the company has considered implementing a treasury stock program at some point in time.

[CHAIRMAN/YOUNG LIN]: Taking into account the relationship between the current share price and bookvalue, we will consider implementing treasury shares at an appropriate point in time.

[IR/JAMES CHEN]: Okay, thank you, Chairman. The second question is What is the main reason for the revenue increase of Power related ICs?

[CHAIRMAN/YOUNG LIN]: In addition, we launched some new products, and then the adjustments to our customers' inventories came to an end.

Gradual release of new ICs leads to increase in POWER-related ICs revenue.

[IR/JAMES CHEN]: Okay, the third question is the percentage of revenue related to electronic paper.

What is the outlook for the third quarter and this year?

[CHAIRMAN/YOUNG LIN]: We hope to maintain our share at a relatively good level, and in the third quarter we are working with our strategic partners and customers, and so far the market seems to be doing well.

We hope that

Companies can develop more evenly. There are actually quite a number of products related to electronic paper, except for electronic price labels,

E-books also hope to move towards electronic outdoor signage.

Electronic photo frames to expand the application of electronic paper and diversify this product line.

[IR/JAMES CHEN]: Thank you!

How much do you expect Power and other ICs to account for in the future?

[CHAIRMAN/YOUNG LIN]: Then we hope that within three to five years, we will be able to account for more than 50% of the total revenue.

[IR/JAMES CHEN]: The fifth question is: What is the outlook of each product line for the second half of this year? If there is an outlook, what is the rate of growth and the order in which it should be ranked?

[CHAIRMAN/YOUNG LIN]: In the second half of the year, we are working hard to achieve the same revenue as in the first half.

We hope to achieve the same level of revenue as the first half of the year.

As we all know that China's state subsidies have been implemented with no force, coupled with the tariffs, there are many effects of pulling goods ahead of schedule.

We will minimize the impact on the company's revenue as far as possible, of course, by launching new products and then reducing costs.

Increase the competitiveness of our products.

[IR/JAMES CHEN]: Thank you, Mr. Chairman.

Everyone on the line

Investors and corporations

Or media reporters and friends

If you want to ask a question, you can use the WebEx hand-raising function or send a direct message to ask the question, and I will do so in order.

Answer by the Chairman of the Board of Directors

If there are no questions from the floor, this is the end of today's Conference Call for Season 2 of the Law Society.

Thank you for joining us today, and welcome!

OK

One of our media friends asked

How does the company currently assess the impact of the tariffs on semiconductors, this is from kaddy of the Economic Times

[CHAIRMAN/YOUNG LIN]: How to evaluate

I think because the company itself actually exports very little to the U.S., so the impact will not be significant.

However, since our suppliers may need to have some co-operative relationship with the United States, we have to work with the United States to ensure that they have the right to co-operate with the United States.

In that case, we will also make enquiries and discuss with them how to cope with the impact of this tariff in the future.

So far, the impact has not been assessed to be significant.

[IR/JAMES CHEN]: Okay, thank you. Thank you, Mr. Chairman, for your answer.

Is there anyone else online who would like to ask a question?

If there are no questions, I think today's meeting ends here, and I would like to welcome you all to come to the next quarter's conference call of Fitipower, thank you.

Thank you.

[CHAIRMAN/YOUNG LIN]: Thank you.