Q1. How does the Company view the overall outlook of the semiconductor wafer industry from 2H26 to 2027?

A: The Company observes that the semiconductor industry is gradually entering a new phase of growth. The recovery momentum has expanded from advanced nodes to a broader range of applications, though the pace of recovery still varies across different products and markets.

From a mid- to long-term perspective, industry development can be summarized by several key trends, including: the continued expansion of AI applications to edge devices and Agentic AI, driving demand for high-performance computing and advanced nodes; the industry's focus gradually shifting from pure shipment volume toward product value and technology upgrades; and the advancement of advanced packaging and system integration, further increasing semiconductor content per end device and overall silicon consumption. However, the overall market remains subject to uncertainties such as geopolitical factors, tariff and trade policies, exchange rate fluctuations, and energy and raw material costs. The Company will continue to prudently manage and flexibly respond to market changes.

Q2. What are the demand trends for 12-inch wafers and advanced nodes?

A: Driven by AI and high-performance computing applications, demand for 12-inch wafers remains solid. While newly built capacity is still in the ramp-up phase, existing production lines continue to maintain high utilization rates. Demand for advanced nodes and high-end products remains relatively clear and serves as a key driver of industry growth.

Q3. What is the current status of the mature-node and small-/mid-size wafer markets?

A: Demand for mature nodes has gradually improved, particularly driven by power management and analog applications. The market is showing signs of recovery. As inventory digestion enters the later stage, demand for small- and mid-size wafers is likely to continue its rebound.

Q4. What is the progress of GlobalWafers' global capacity expansion?

A: GlobalWafers continues to advance its global capacity expansion and localization strategy. Major sites are accelerating sampling and customer qualification, with results gradually materializing.

The Utsunomiya plant in Japan turned profitable shortly after its expansion completion and has begun contributing positive cash flow; the new production line in Italy has passed IATF 16949 certification, indicating that its processes and quality management meet the stringent requirements of the automotive supply chain, which helps accelerate customer qualification and mass production adoption; the new fab in Texas, U.S., has obtained Tier-1 customer certification and has started ramping up capacity; the 12-inch SOI production line at the Missouri site in the U.S. continues to optimize processes and product mix., with certain RF and silicon photonics products entering mass production in the first quarter of 2026, marking it as one of the first highlights among the Group's various strategic initiatives to deliver tangible results.

Q5. What is the progress in developing high value-added products?

A: Driven by advanced packaging technologies and high-efficiency, high-frequency applications, the demand for new materials continues to grow. GlobalWafers is actively expanding into high-value application products such as SOI, GaN, and SiC. The SOI product line has delivered strong performance, supported by robust customer demand and clear order visibility. In compound semiconductors, 12-inch SiC has completed R&D and entered customer qualification, with subsequent volume ramp to follow based on qualification progress, advancing applications in thermal management, advanced packaging, and optics. GaN focuses on high-efficiency power applications, covering data centers, charging infrastructure, and smart devices, with capacity remaining stable and continuing to expand to support long-term demand.

Q6. What impact does advanced packaging have on wafer demand?

A: Advanced packaging has become a key technology for enhancing system performance, driving demand for high-specification wafers. As packaging complexity increases, wafer specifications and application scenarios continue to expand, which helps enhance product value and improve long-term demand visibility for the industry.

Q7. How do government subsidies and financial structure affect the Company?

A: The Company has received support from related programs in the United States and Europe in 2026 Q1 and continues to advance relevant applications, supporting global expansion and improving capital efficiency. Meanwhile, the Company continues to optimize its balance sheet structure. As operational momentum gradually builds, the Company's financial position continues to strengthen.