TWSE STOCK CODE 1560

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KINIK

3Q 2024 Investor Conference

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- The prospective statements released or mentioned in this presentation are based on our company's data as well as the current situation.
- The forward-looking statements contained in this presentation are affected by risks, uncertainties, and people's inferences. As a result, actual results may differ materially from those in the forward-looking statements. There are various factors that can affect our prospective statements, including but not limited to the increasing cost of raw materials, market demands, changes of policies or financial situations, and risks that our company cannot control.
- Our statements on future outlook represent our company's views regarding the future and the data. Our company does not guarantee the accuracy of the data nor undertake any obligation to update or correct any forward-looking statements, whether as a result of new information or future events.

Outline

- Welcome — William Lee, DBU President/Spokesperson; Tony Pai, Vice President/Acting Spokesperson
- Company overview
- 3Q 2024 financial results
- 2024 outlook
- Q & A
- **Appendix:** KINIK Visions/Missions, Products, Plants information

Company Overview

- Company established in 1953; Taiwan Stock Code 1560
- Capital : 1,458M TWD (Sep. 30 2024)
- Employees： ~2100 worldwide. (~1800 in Taiwan.)
- 2023 revenue 6,381M TWD, EPS 5.91
- Main Products by 3 Business Units and Sales Ratio in 2023

Product Introduction

ABU: Abrasives BU

Subsidiaries: KTC & Hongia

Sales Ratio: 20%

Grinding wheel
(Machinery & Mechanical Indus.)

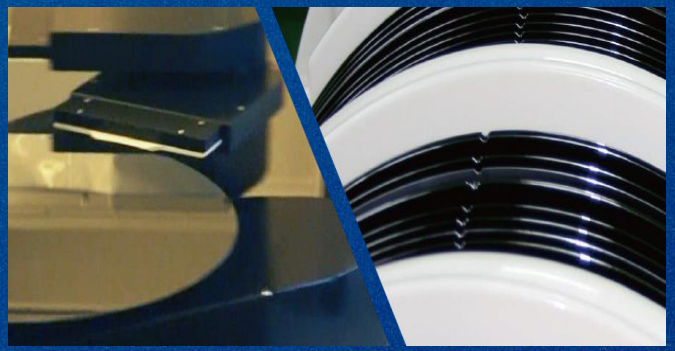
DBU: Diamond BU

29%

CMP Diamond Disk
(Semiconductor Indus.)

SBU: Semiconductor Material BU

52%

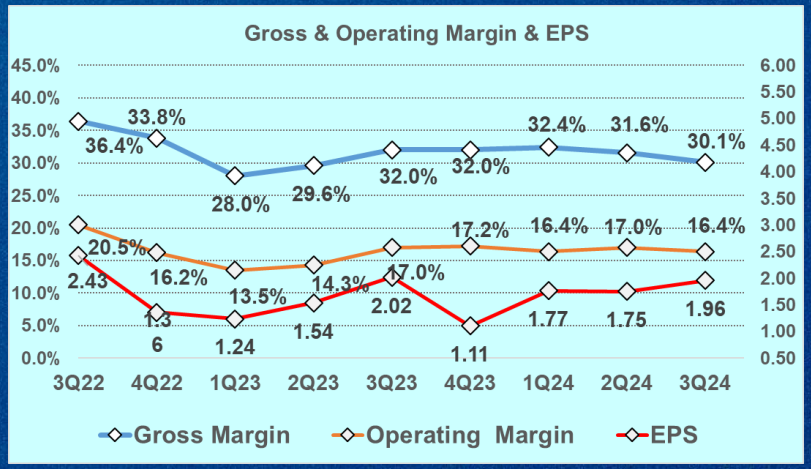


Reclaim & Test Si Wafer
(Semiconductor Indus.)

3Q24 Consolidated Income statement

- 3Q24 revenue 1,859M TWD(USD 57.5M), QoQ +7.4%, GM 30.1%(-1.5 ppt), EPS 1.96
- 1~3Q24 revenue 5,185M TWD(USD 161.8M), YoY +8.3%, GM 31.3%(+1.4 ppt), EPS 5.48
- The TWD/USD appreciation in 3Q24 induced ~29M non-operation loss (which was depreciation and had 25M gain in 2Q24).

Accounting Period Income (all in thousands TWD except *)	3Q24	2Q24	1Q~3Q24	1Q~3Q23	3Q24 over 2Q24	1~3Q 2024 over 1~3Q 2023
*Net Revenue(USD thousand)	57,530	53,543	161,827	154,916	7.4%	4.5%
Net Revenue	1,859,189	1,731,114	5,185,481	4,786,463	7.4%	8.3%
Gross Margin	30.1%	31.6%	31.3%	29.9%	-1.5 ppt	+1.4 ppt
Operating Expenses	(253,353)	(252,490)	(760,738)	(716,247)	0.3%	6.2%
Operating Margin	16.4%	17.0%	16.6%	15.0%	-0.6 ppt	+1.6 ppt
Non-Operating Items	21,256	39,230	120,362	142,853	(17,974)	(22,491)
Net Income to Shareholders of the Parent Company	285,349	253,669	795,708	692,162	12.5%	15.0%
Net Profit Margin	15.3%	15.0%	15.7%	14.7%	+0.3 ppt	+1.0 ppt
EPS	1.96	1.75	5.48	4.80	12.0%	14.2%
ROE	16.7%	15.8%	15.9%	15.2%	+0.9 ppt	+0.7 ppt
Exchange Rate for Evaluation	31.65	32.45	32.05	30.90	-2.5%	3.7%

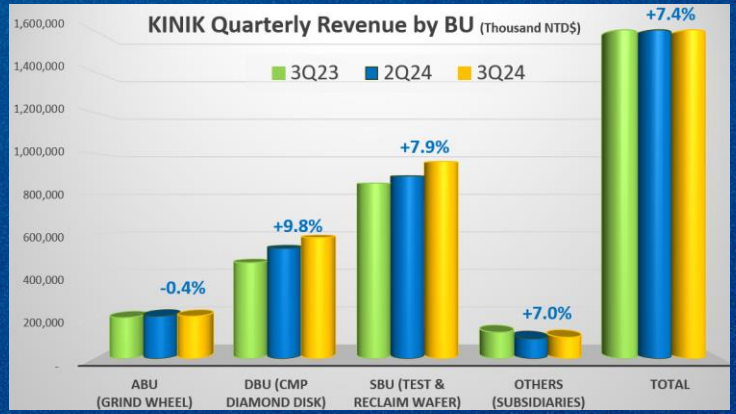


3Q24 Sales Performance by BU

ABU: Grinding Wheel **DBU:** CMP Pad Conditioner **SBU:** Reclaim Wafer
Others: Subsidiaries

- **ABU:** With lower demands in machinery & mechanical industries, QoQ sales -0.5%.
- **DBU:** With higher CMP diamond disk's demands in advanced logic technologies and the memory customers, QoQ +9.8%.
- **SBU:** With higher demands in test and specialty wader, QoQ revenue +7.9%.

Business Unit	3Q23	2Q24	3Q24		QoQ	YoY
ABU (Grind Wheel)	199,366	207,217	206,463	11%	-0.4%	3.6%
DBU (CMP Diamond Disk)	467,168	537,297	589,715	32%	9.8%	26.2%
SBU (Test & Reclaim Wafer)	854,139	889,486	959,557	52%	7.9%	12.3%
Others (Subsidiaries)	128,217	97,114	103,864	6%	7.0%	-19.0%
Total	1,648,890	1,731,114	1,859,597	100%	7.42%	12.8%

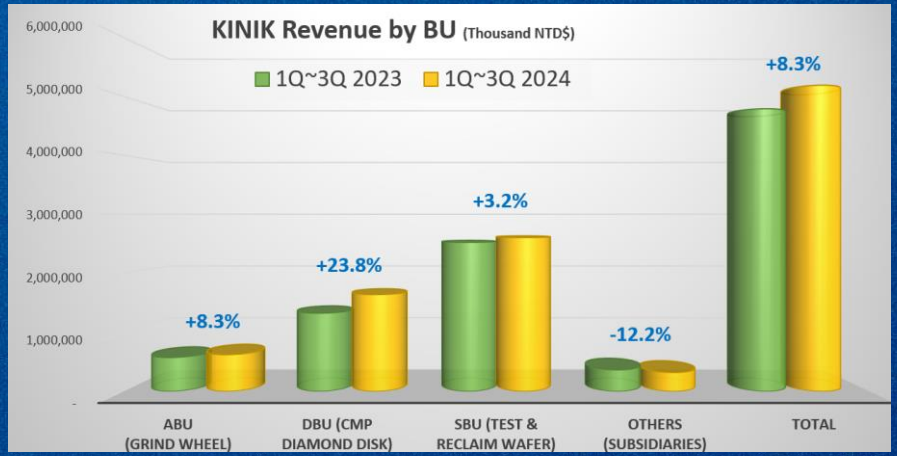


1Q~3Q24 Sales Performance by BU

ABU: Grinding Wheel **DBU:** CMP Pad Conditioner **SBU:** Reclaim Wafer
Others: Subsidiaries

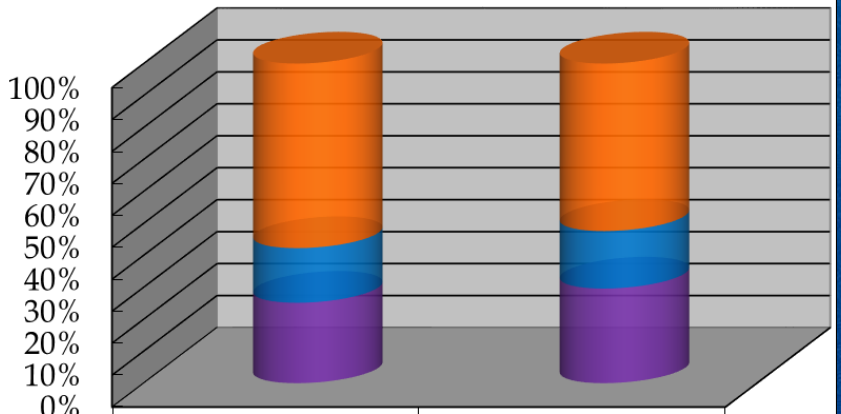
- KINIK 1Q~3Q24 revenue YoY +8.3%.

Business Unit	1Q~3Q 2023	1Q~3Q 2024		YoY
ABU (Grind Wheel)	574,244	621,968	12%	8.3%
DBU (CMP Diamond Disk)	1,324,045	1,638,601	32%	23.8%
SBU (Test & Reclaim Wafer)	2,523,375	2,605,169	50%	3.2%
Others (Subsidiaries)	364,799	320,153	6%	-12.2%
Total	4,786,462	5,185,889	100%	8.3%



3Q24 Diamond Disk Sales (1/2)

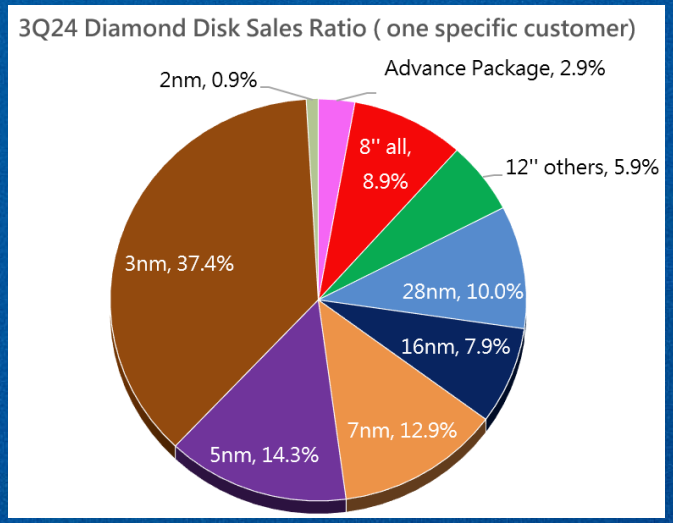
Diamond Disk Sales Ratio by Region

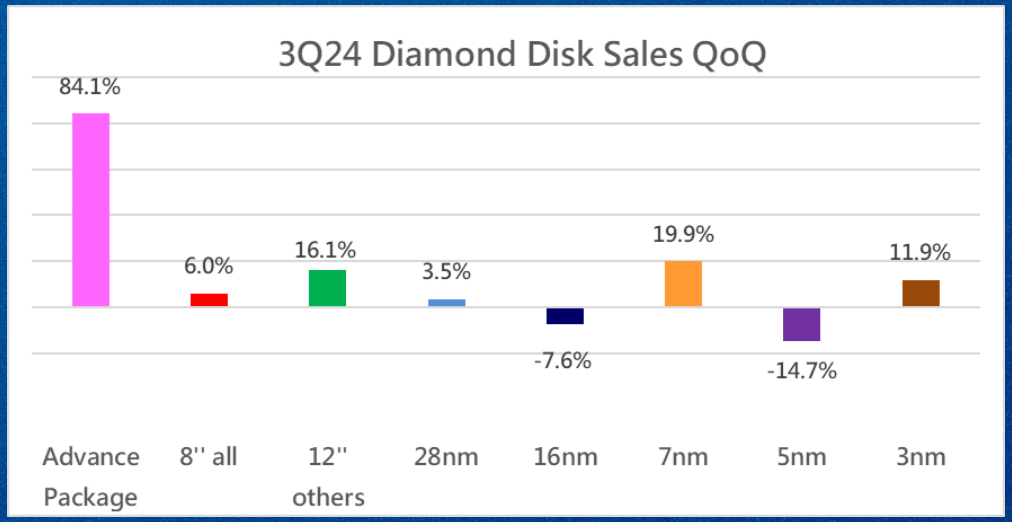


	2023 Q3	2024 Q3
Taiwan / Unique One	57.75%	52.42%
Taiwan / Others	17.10%	17.98%
Oversea customers	25.15%	29.60%

3Q24 Diamond Disk Sales (2/2)

- In 3Q24, the sales ratio of advanced technologies(5 nm and below) was slightly reduced to 52.6% from 53.3%.
- Small-scale shipments of 2nm diamond disks have begun.

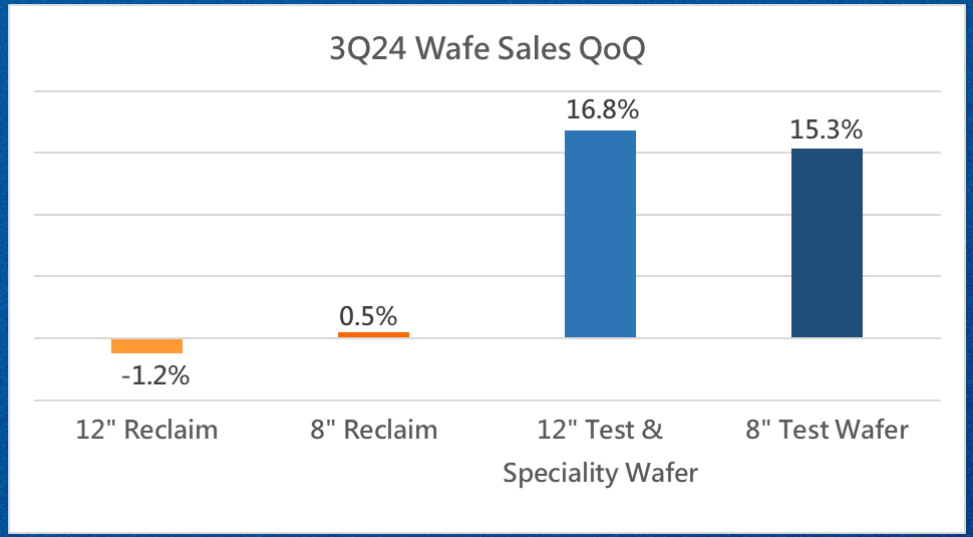


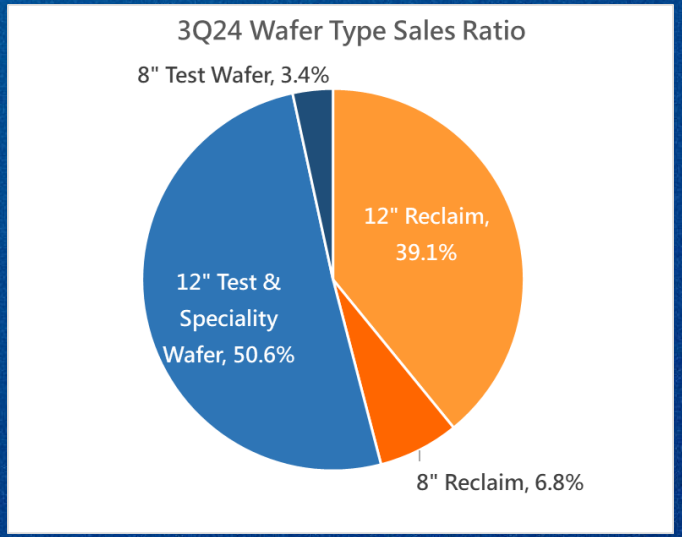


Remark：Data regards to one specific customer.

3Q24 SBU Test/Reclaim Wafer Sales

- Sales of 12-inch test wafers and specialty wafers increased, with quarterly revenue growth of 7.9%.
- The sales ratio of test and special wafers (8-inch + 12-inch) increased by 4.0 percentage points to 54%.





2024 Outlook

- KINIK group: Estimated YoY revenue growth +7% to +10%, gross margin 30% to 32% and an operating margin 15.5% to 17.5%.

  (Compared to the estimates in 1Q24, the midpoint estimate is +3% in revenue, -4% in gross margin, and -2.5% in operating margin).

- ABU Grinding Wheel
  - Due to a slight decline in demands from traditional and machinery clients in the fourth quarter, YoY sales are estimated to grow by 5% to 8%.
- DBU CMP Diamond Disk
  - Shipments of diamond disk used in advance logic technology and advance DRAM customers are expected to increase quarter by quarter, with small-scale shipments of 2nm diamond disks beginning in the third quarter. The expected YoY sales increase is more than 20%.
  - Current maximum capacities is 40K disks/month, and with plans to increase maximum monthly capacity to 50,000 units by the end of 2024 to meet 2025 customer demand.
- SBU Reclaim/Test Wafer:
  - Keep full capacity running in 2024 whole year, 300k 12" and 150K 8" wafers per month.
  - Despite an approximately 5% drop in the ASP of Silicon wafers compared to 2023, the YoY sales +3%~+6% is expected by keep increasing the high grade of wafer portfolio including reclaim, test, and specialty wafers.

Q & A

Thanks for your attention

KINIK's investor relationship mail: ir@kinik.com.tw

Appendix

- Company Philosophy, Mission, and Vision
- Introduction of KINIK Products
- Plants Information
- Company Milestone

KINIK Company

經營理念

Business philosophy
Good together
Good to You, Me, All

共好

你好，我好，大家好

使命 Mission

Keep creating innovative values for industries and customers.

精益求精為產業與客户創新價值

願景 Vision

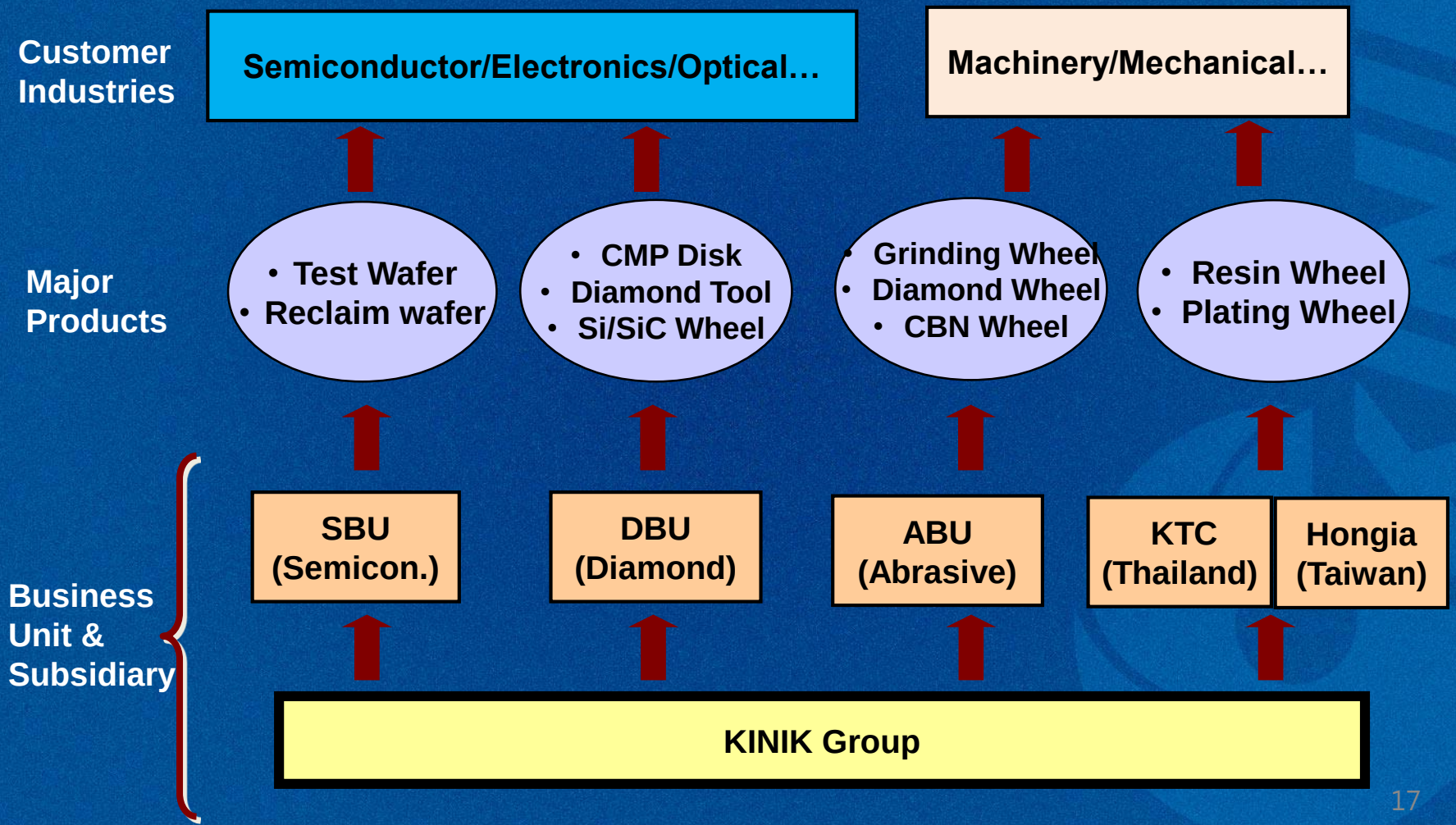
成為研磨解決方案的卓越智造與服務中心

Become an excellent and intelligent smart manufacturing and service center for grinding solutions.

History, Now, and Future of KINIK

Core Technology “ Grinding”

Major Product and Business Diagram



KINIK COMPANY

中砂公司 TWSE STOCK CODE 1560

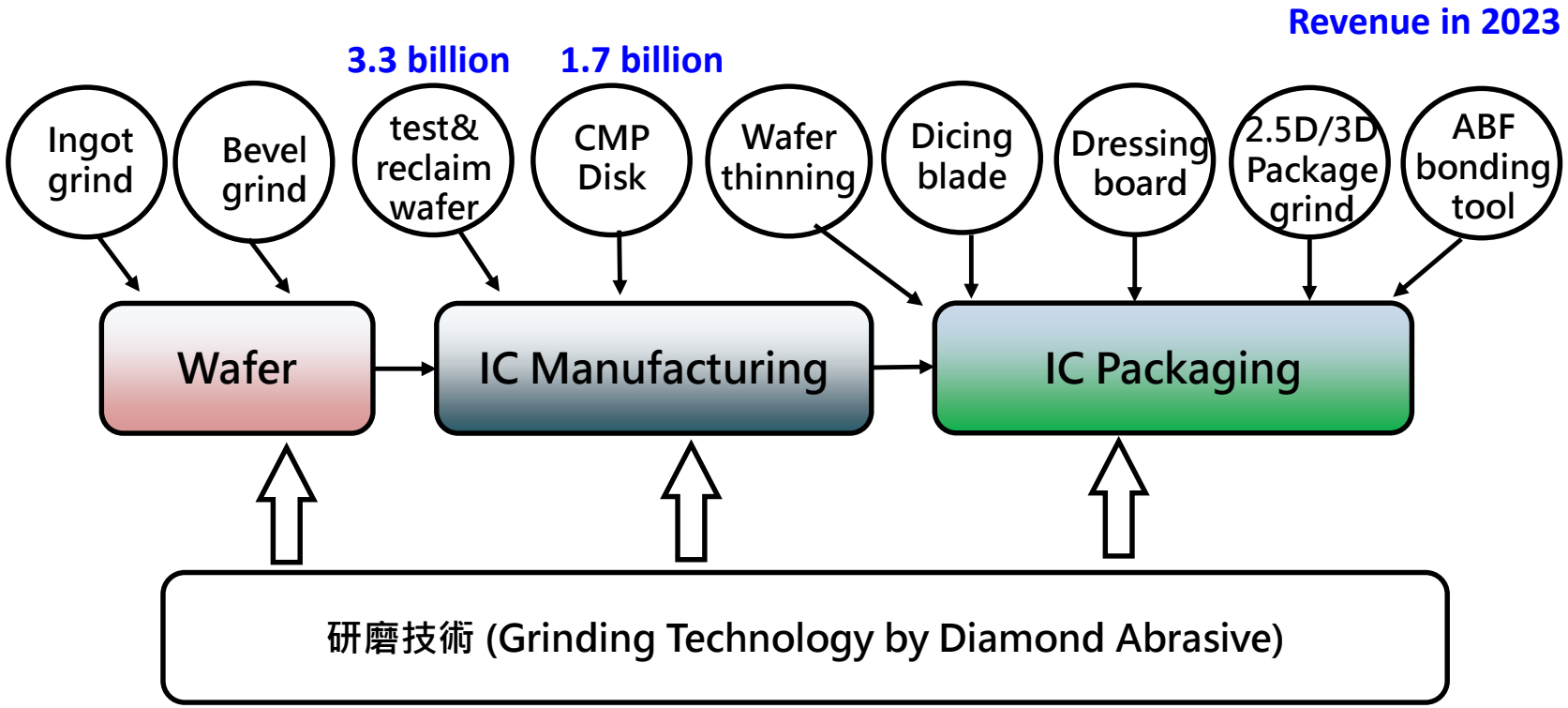
EST.1953

KINIK

中砂產品介紹

Products Introduction

KINIK's products in Semiconductor Industries



In 2023, revenue from semiconductor industries was 5.0 billion (78% of total rev.)
The gross margin was 35%(5% higher than the total average (30.4%))

測試&再生晶圓 Test/Reclaim Wafer

What is test and reclaim wafer?

The source of the reclaimed wafers comes from the monitor wafers and the dummy wafers but not the defect wafers manufactured by the semiconductor fab. The services we provide to refurbish these reclaimed wafers can dramatically lower the running cost of a semiconductor manufacturer.

The reclaimed wafers can be categorized according to functions as figure 1 and the reclamation system is shown as figure 2.

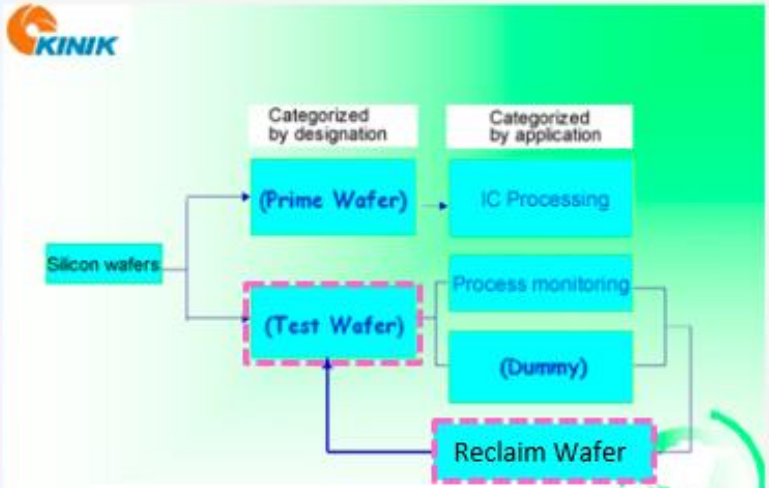


Figure 1 - The classification of the wafer application

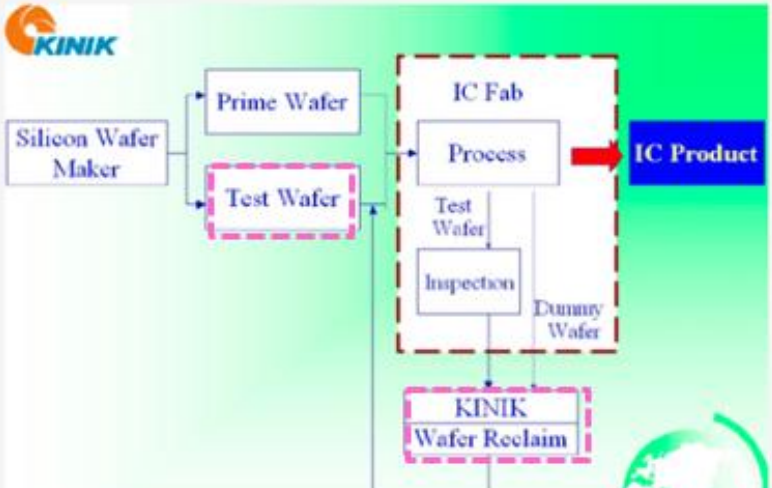
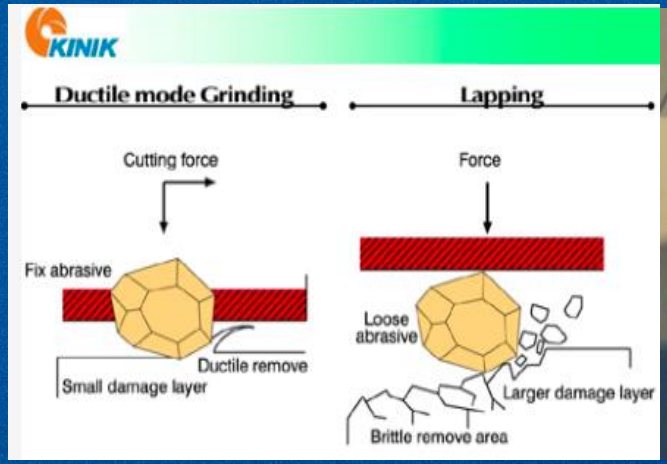


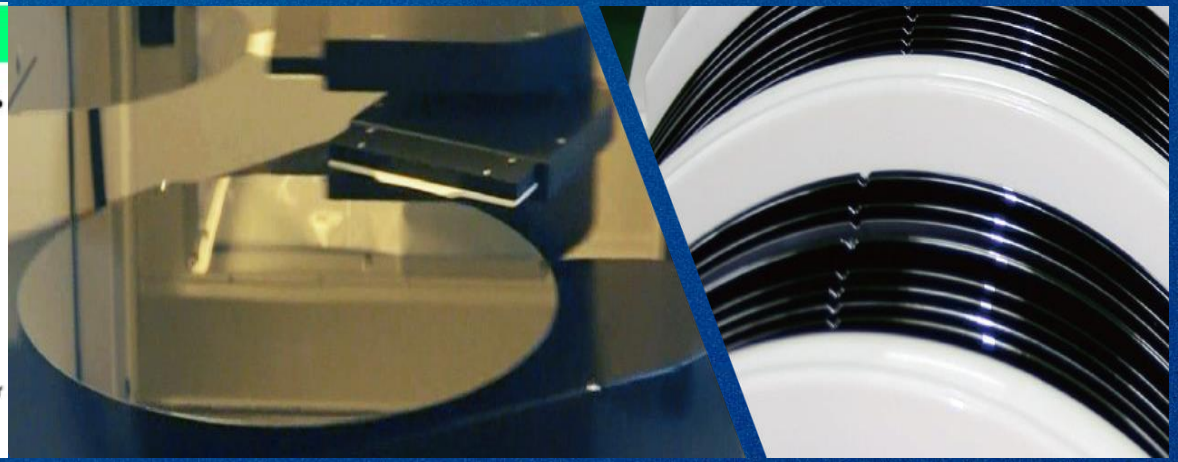
Figure 2 -The reclamation system for the reclaimed wafer

測試&再生晶圓 Test/Reclaim Wafer

中砂的再生晶圓之製程特色以延性輪磨(Ductile Mode Grinding)加工取代傳統研磨(Lapping)加工，目的是降低加工之變質層，減少化學藥品污染，且可提高加工精度，為最先進之再生晶圓製程。

The features of the KINIK reclaimed wafers are refurbished by ductile mode grinding used to replace traditional lapping to lower the strained thickness on the surface and chemical contamination. The ductile mode grinding is the leading-edge process for the high precious reclaimed wafers.

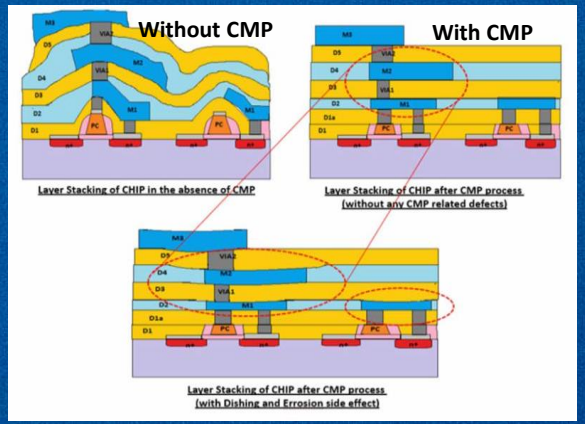


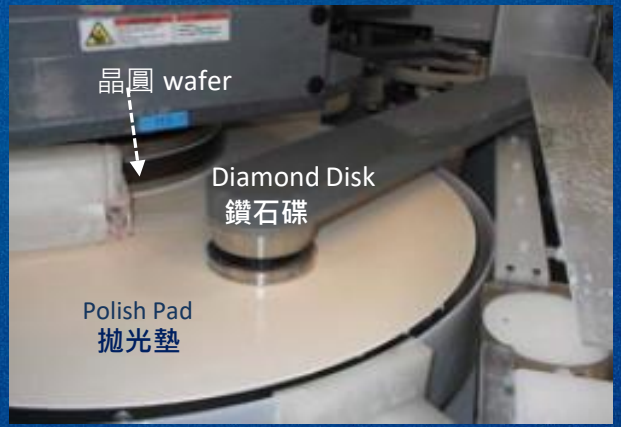


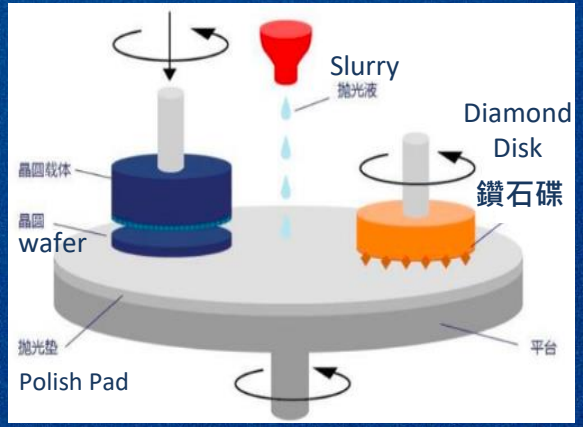
CMP鑽石碟 Diamond Disk

CMP (Chemical Mechanical Polish) 化學機械拋光，主要用於先進IC製程中，透過拋光墊與拋光液同時透過機械與化學反應加工晶圓表面，達到表面晶圓材料的移除及整體的平坦化，才能接續後續製程以及提高良率，進而能循摩爾定律持續微縮IC線寬面積，推展出N5/N3/N2先進製程。而**鑽石碟**的功用就是在拋光晶圓的同時去加工拋光墊，以移除拋光時的副產物及穩定拋光速率並提升良率及延長拋光墊使用壽命，是先進IC拋光製程中提升良率及控制成本中非常重要的一環。

CMP (Chemical Mechanical Polish) is widely used for advanced IC manufacturing processes for surface material removal, smoothing surfaces, and planarization by the polish pad (mechanical) and the abrasive slurry (chemical reaction). And the **diamond disk (aka pad conditioner)**'s function is to in-situ dress the polish pad during the process to remove the polish byproduct, to maintain a stable pad roughness and remove rate, to improve yield, and to prolong the lifetime of the pad.







CMP鑽石碟 Diamond Disk

中砂鑽石碟用於半導體化學機械研磨製程中修整研磨墊以達到理想移除率及平坦度。

KINIK diamond disk is used on semi-conductor CMP process in order to make the pad reach the desirable removal rate and uniformity.

Conventional Disk

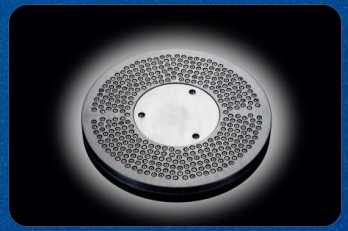
DiaGrid®

I-DiaGrid®

S-DiaGrid®

Advanced Disk：High Performance / Long Life Time

Pyradia®



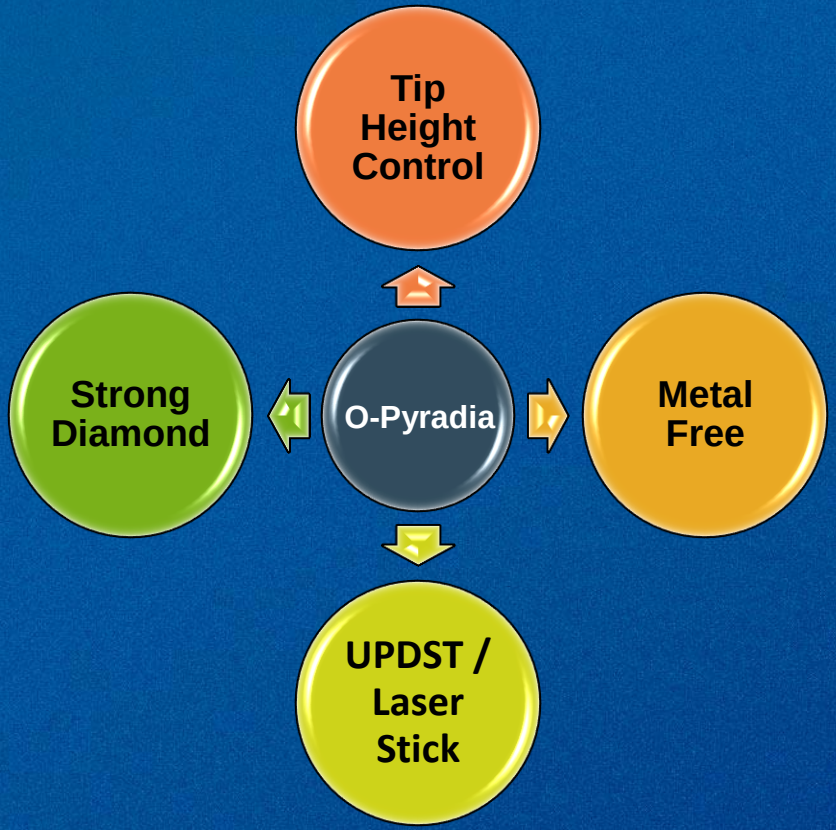
O-Pyradia®
(Metal Free)

CVD Hybride

CVD-WAVE

Metal-free O-Pyradia® 鑽石碟

- O-Pyradia CMP pad conditioner for advanced customer's tightened metal contamination control.

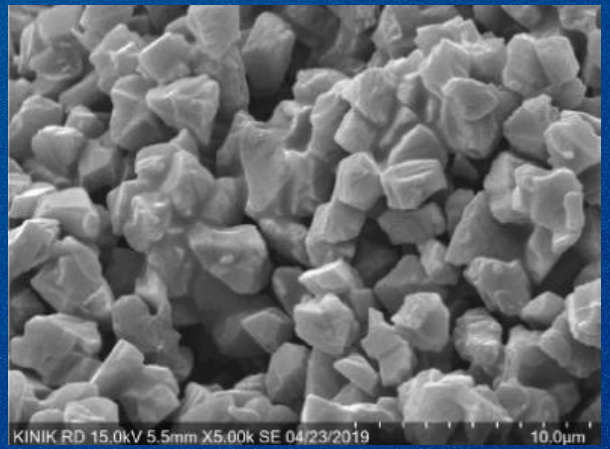


Pyradia Type	O-Pyradia	Pyradia
Photo		
Material of Substrate	Polymer	Metal
Bonding Material	Polymer	LM(Ni ; Cr powder)
Bonding Strength	+	++
Process Temp	<100 degree	~1000 degree
Diamond Strength	++	+
Acid and alkali resistant	Metal Free	Ni ; Cr

Semiconductor Grinding Wheel

- The Wafer grinding wheels are used in the in-feed grinding process of semiconductor wafers such as Si, SiC, and advanced 2.5D/3D package (Cu/compound…etc.). The in-feed grinding process consists of rough and fine grinding processes. Wafer grinding wheels are made of diamond abrasives and customized vitrified or resin bond in a unique porous microstructure. The diamond size for rough and finish grinding processes are #325～#1000 and #2000～#8000 respectively. The features of these wafer grinding wheels are stable high removal rate, long lifetime and lower grinding resistance.

Wafer Grinding Wheels



Porous microstructure

Diamond Roller

- The diamond rollers are used to sophisticatedly dress the complex and high precision form of grinding wheels (e.g. Al2O3, SiC, cBN wheels) for automatic shaping high volume production of high precision transmission components such as ball screws, guides, bearings, gears, tools, automotive and aerospace parts etc..
- Diamond rollers are mainly made by reverse-plated or infiltration methods using natural, synthetic diamond grits or CVD diamond either randomly or regularly distributed. The features of the diamond rollers are high profile accuracy and high dressing efficiency. We can supply proper diamond rollers for grinders in various applications in accordance with customers need.

Diamond roller for dressing profile grinding wheel of ball screw

Tools for Semiconductor &photoelectric

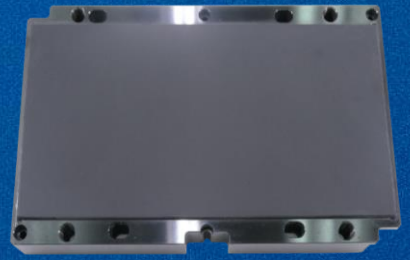
中砂以最新電鑄、成型與燒結技術製造成的精密鑽石切割刀。搭配特殊的金屬與樹脂等結合劑，使切割軟刀具備高剛性、低磨耗且具備良好的自銳性；適合在各類精密陶瓷、硬脆材料、磁性材料，光學玻璃，印刷電路板與半導體封裝材料的切割應用。

KINIK Company announces the introduction of Super Hubless Dicing Blade with resin, metal and nickel matrices. The dicing blades are manufactured by specialty consolidation, sintering and electro-forming process that improve the uniformity of the thin blades. They are suitable for cutting ceramics, brittle materials , optical glass, printed circuit boards, especially for semiconductor packaging.

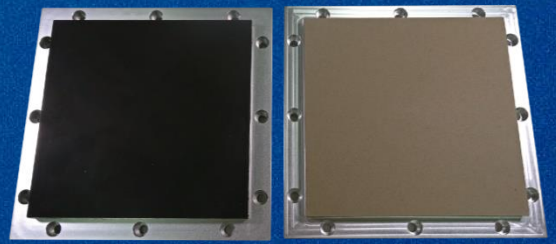
鑽石切割軟刀 Dicing Blade

磨刀板 Dressing Board

多孔質陶瓷真空吸盤
Porous Ceramic Chuck Table



多孔質陶瓷孔洞均勻微細、不發塵、可具靜電消散特性，應用於真空吸盤具備吸力均勻、局部吸附性、不產生印痕、工作效率及精度高等優點，可充分應用於半導體研磨、清洗、切割及檢測等設備。



– High-performance, High-precision, Uniform suction force.
– Partial chucking without sagging.
– Chucking and transport of wafer without leaving suction marks.
– Produces no static electricity and dust.

Application：
Wafer grinder, cleaning/dicing machine and measuring equipment, etc.

金屬精密加工刀具

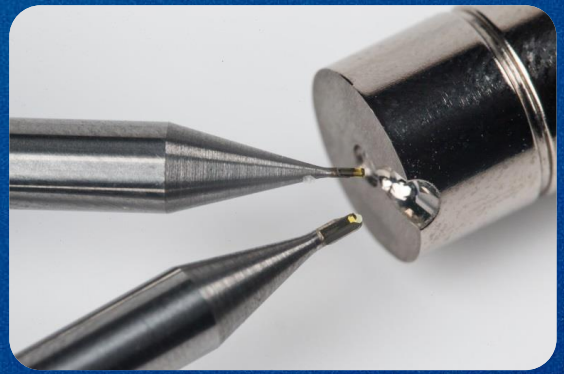
Ultra Precision Machining Tools

中砂提供電子業、PCB板、木工業及金屬加工業所需的單晶（SCD）、聚晶鑽（PCD）、立方氮化硼（PcBN）等鑽石刀具已逾20年。

近年積極投入生產高精度、更微小之SCD、PCD 及 PcBN產品供光學業、精密模具等加工技術使用，如：單晶鑽石車刀與銑刀、PcBN微小徑銑刀等。

KINIK company already has more than 20-year experience in providing all kinds of diamond tools for the applications of PCB, woodworking and metal working industries.

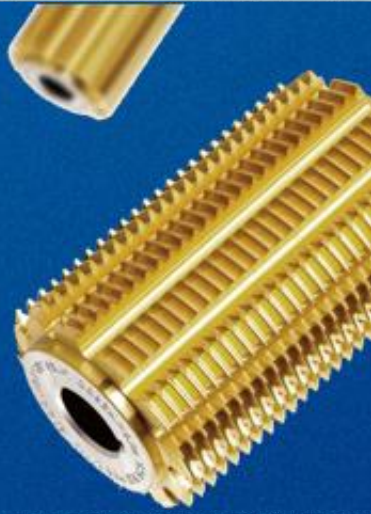
Recently, KINIK also developed several kinds of SCD, PCD and PcBN precision micro tools to meet high-end market's requirements.



加工面達到極高的光潔度表現。
High finish at processing parts.

PVD/CVD 鍍膜

PVD/CVD Coating Service

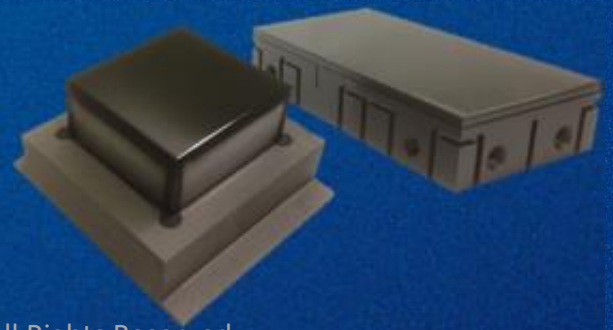


中砂鍍膜代工中心2000年成立，在PVD/CVD真空鍍膜領域深耕近20年，不斷投入相關鍍膜設備及開發TiN、TiCN、TiAlN、DLC、Diamond鍍膜技術等。同時持續將研究成果應用至各個產業，提供給客戶高效能的鍍膜應用工具，包括機械加工、精密模具、3C產品、汽車、通訊、醫療、光學及電子產業等。

Established in 2000, KINIK Coating Center has 20 years of experiences in PVD/CVD coating.

KINIK persistently invests in the development of PVD/CVD equipment and coating technologies of TiN, TiCN, TiAlN, DLC and Diamond etc.

KINIK provides these high-performance, hard films coated tools for customers in various industrial applications, including machining tools, precision molds, 3C products, automobiles, communication, medical, optical, electronics and so on.



傳統砂輪及鑽石/CBN砂輪

Traditional Grinding Wheel & Diamond / CBN Grinding Wheel

中砂提供各式平面、內外圓、無心及雙平面等工件研磨及切斷用的傳統、BD及電鑄砂輪。

主要產業應用包含精密機械業的滑軌及齒輪研磨與砂輪成形修整用的鑽石滾輪、鋼鐵業的輥筒研磨、工具製造業的高速鋼鑽頭、CNC及PCD/PcBN刀具等研磨、半導體業的晶圓減薄及倒角研磨、高效率硬脆材料如SiC研磨用的蜂巢砂輪、光學模具模仁拋光等。

KINIK provides various grinding wheels for surface, internal & cylindrical, centerless and disc surface grinding and cutting of workpiece production. The main industrial applications include linear guideway, gear grinding and diamond roller for dressing wheel in precision machinery, steel roll grinding, HSS drill, CNC & PCD/PcBN tool grinding, wafer thinning and edge grinding in semiconductor, honeycomb wheel for high-efficient grinding of hard and brittle materials such as SiC, optical mold polishing etc.

傳統砂輪及鑽石/CBN砂輪

Traditional Grinding Wheel & Diamond / CBN Grinding Wheel

平面研磨
Surface Grinding

外圓研磨
Cylindrical Grinding

輥筒研磨
Roll Grinding

滑軌成形研磨
Linear Guideway Grinding

雙平面研磨
Disc Surface Grinding

齒輪研磨
Gear Grinding

傳統砂輪及鑽石/CBN砂輪

Traditional Grinding Wheel & Diamond / CBN Grinding Wheel

光學模仁拋光
Optical Mold Polishing

內圓研磨
Internal Grinding

CNC刀具研磨
CNC Tools Grinding

蜂巢砂輪
Diamond & CBN Honey Comb Wheel

PCD刀具研磨
PCD Cutting Tools Grinding

傳統砂輪及鑽石/CBN砂輪

Traditional Grinding Wheel & Diamond / CBN Grinding Wheel

電鑄砂輪
Electroplated Diamond & CBN Wheels and Products

各式切斷及可彎曲、碟式砂輪
Cut-off, Depressed & Flexible Wheels, and Flap Disc

鑽石滾輪
Diamond Roller

砂輪動平衡校正儀
Grinder Balancer

廠區 Plant Information

總 公 司 Head Office
鶯歌廠區 Yingge Factory

239010 新北市鶯歌區中山路64號
No.64, Zhongshan Rd., Yingge Dist.,
New Taipei City 239010, Taiwan
TEL:+886 2 2679-1931~40

Grinding Wheel & Diamond Disk

樹林廠區 Shulin Factory

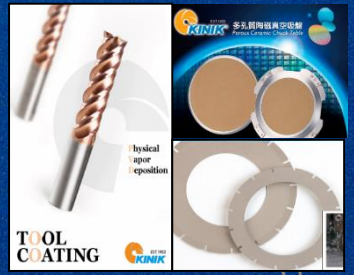
238010 新北市樹林區中山路2段151巷16號
No.16, Ln. 151, Sec. 2, Zhongshan Rd.,
Shulin Dist., New Taipei City 238010, Taiwan
TEL:+886 2 8684-4111~13

Diamond Disk
Diamond Cutting & Dicing Tools

新竹廠區 Hsinchu Factory

303035 新竹縣湖口鄉新竹工業區文化路6號
No.6, Wenhua Rd., Hukou, Hsinchu Ind.
Park, Hsinchu County 303035, Taiwan
TEL:+886 3 598-4990

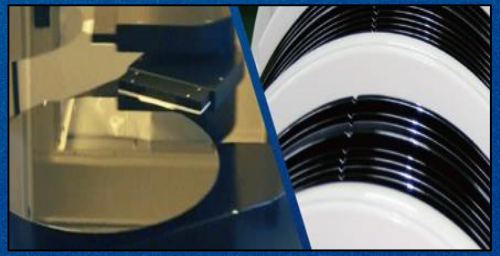
Diamond Dicing Tools. PVD Coating
Ceramic Vacuum Chuck



廠區 Plant Information

竹北廠區 Zhubei Factory
302059 新竹縣竹北市十興路260號
No.260, Shixing Rd., Zhubei City, Hsinchu County 302059, Taiwan
TEL:+886 3 550-7160~5

竹科廠區 Hsinchu Science Park Factory
350401 苗栗縣竹南鎮科北五路6號
No. 6, Kebei 5th Rd., Jhunan Township, Miaoli County 350401, Taiwan
TEL:+886 3 550-7160



Reclaim & Test Wafer
再生晶圓 & 測試晶圓

廠區 Plant Information

SINCE 1978 HONGIA® 鴻記工業股份有限公司
HONGIA INDUSTRY CO., LTD.

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Email : hongia-sale@kinik.com.tw
www.hongia.com.tw

電鑄砂輪
Electroplated Diamond & CBN Wheels and Products

Electroplated Diamond Wheel 電鑄砂輪

金力泰國有限公司
Kinik - Thai Co., Ltd.

225 Moo 7 , Khok Pip, Simahosot,
Prachinburi 25190 Thailand
TEL:+663 727 6954
Email : sales@kinikthai.co.th
www.kinikthai.co.th

各式切斷及可彎曲、碟式砂輪
Cut-off, Depressed & Flexible Wheels, and Flap Disc

Resin and Ceramic Wheel
樹脂砂輪&陶瓷砂輪

榮耀記事 Milestone

2021年11月榮獲行政院「第26屆國家品質獎 全面卓越類 - 績優經營獎」。

Nov. 2021, Honored with "BUSINESS MERIT AWARD of Total BUSINESS EXCELLENCE" at the 26th NATIONAL QUALITY AWARD from the Executive Yuan, R.O.C.

https://nqa.cpc.tw/NQA/Web/Awards26th_Content.aspx?p=f2b6e812-92aa-49c3-8149-1e005a0fe706

賀!中國砂輪公司榮獲「第26屆國家品質獎」

經濟部 林全能次長(左)、中國砂輪公司 林伯全董事長(右)。圖/經濟部工業局提供。

中國砂輪公司 榮獲「第26屆國家品質獎」，林伯全董事長受邀晉見總統

中國砂輪公司董事長 林伯全(右)、總統 蔡英文(左)。圖／總統府提供

榮耀記事 Milestone

2021年10月榮獲經濟部「2022年第30屆台灣精品獎 - 12吋再生晶圓」。

Oct. 2021, Honored with "Taiwan Excellence Award - 12" Reclaimed Wafers" from the MOEA, R.O.C.

https://www.taiwanexcellence.org/tw/award/product/1110433

台灣精品 2022

TAIWAN EXCELLENCE

得獎產品：12 inches Reclaim Wafer

榮耀記事 Milestone

榮獲經濟部第四屆卓越中堅企業獎
Honored with 4th Taiwan mittelstand Award from the MOEA, R.O.C, in 2017.

榮獲經濟部2013年 第14屆
工業精銳獎 機械、運輸工業類
Honored with 14th Industrial Sustainable Excellence Award from the MOEA, R.O.C, in 2013.

TOP 100
TAIWAN BRANDS

榮獲經濟部台灣百大品牌獎
Honored with the Top 100 Taiwan Brands Award from the MOEA, R.O.C, in 2011.

榮耀記事 Milestone

榮獲經濟部2006年台灣優良品牌獎
Honored with the Taiwan Superior Brand Award from the MOEA, R.O.C, in 2006.

榮獲第十屆經濟部產業科技發展傑出獎
Award of Excellence, the 10th R.O.C. MOEA Industrial Technology Advancement Award in 2002.

全國第一家砂輪公司榮獲國家傑出精品獎
The first grinding wheel plant won Excellent Product Award in 1993.