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2016 Q2 Results Conference

08/18/2016

# Safe Harbor Statement

Statements in this presentation that are not strictly historical, including the statements regarding the market, economy, the Company's e Paper, LCD and other business, the Company's future product launches, the Company's positioning and expectations for 2016 and future periods, and any other statements regarding events or developments that we believe or anticipate will or may occur in the future, may be "forward-looking" statements within the meaning of the securities laws in Taiwan. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include, among other things, the uncertainty in the economy, contractions or growth rates and cyclicalities of markets we serve, competition, our ability to develop and successfully market new products and technologies and expand into new markets, our ability to successfully identify, consummate and integrate appropriate acquisitions, contingent liabilities relating to acquisitions, risks relating to potential impairment of goodwill and other long-lived assets, currency exchange rates, our compliance with applicable laws and regulations and changes in applicable laws and regulations, tax audits and changes in our tax rate and income tax liabilities, litigation and other contingent liabilities including intellectual property and environmental matters, risks relating to product defects and recalls, the impact of our debt obligations on our operations, raw material costs, our ability to adjust purchases and manufacturing capacity to reflect market conditions, legislative reforms and other changes in industry, labor matters, our relationships with and the performance of our customers and partners, risks relating to man-made and natural disasters, our ability to achieve projected cost reductions and growth, and international economic, political, legal and business factors. These forward-looking statements speak only as of the date of this presentation and the Company does not assume any obligation to update or revise any forward-looking statement, whether as a result of new information, future events and developments or otherwise.



# Consolidated Income Statement Summary

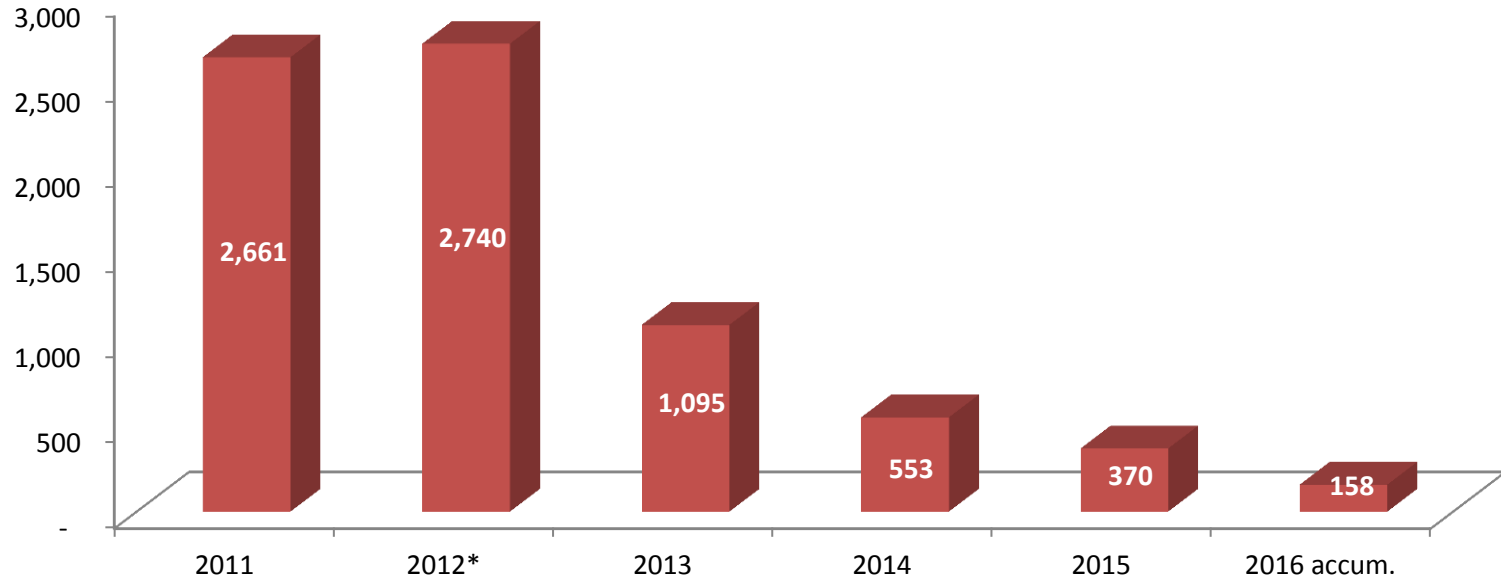
NTD, Million	16Q2	16Q1	QoQ	15Q2	YoY	16 YTD	15 YTD	YTD
Net Sales	3,585	2,503	43.2%	3,479	3.1%	6,089	6,188	-1.6%
Gross Profit	1,403	738	90.0%	1,005	39.6%	2,141	1,638	30.7%
Operating Expense	1,231	1,233	-0.2%	1,142	7.8%	2,464	2,253	9.4%
R&D Expense	450	432	4.1%	421	6.9%	882	785	12.4%
Operating Profit (Loss)	171	(495)		(137)		(323)	(615)	
Non-Op Items	879	328	167.5%	719	22.3%	1,207	1,130	6.8%
Pre-Tax Income	1,050	(166)		582	80.5%	884	515	71.4%
Tax Expense (Benefit)	199	71	181.7%	73	173.5%	270	216	25.1%
Income from Continuing Operations	851	(237)		509	67.2%	614	300	104.8%
Discontinued Operations	(44)	(26)		(395)		(71)	(1,357)	
E Ink Net Income	780	(272)		105	643.9%	508	(1,024)	
Minority Interest	27	9	205.9%	9	189.0%	35	(33)	
EPS ( after-tax)*	0.68	(0.24)		0.09		0.45	(0.90)	
Continuing Operations	0.72	(0.22)		0.42		0.50	0.23	

\*Based on average outstanding shares



# Consolidated CAPEX and Long Term Investment Trend

## Purchases of Property and Equipment



\* 2012 included NTD \$ 1.27B acquisition of Sipix



# Selected Items from Balance Sheet

NTD, Million	16Q2	16Q1	15Q2
Selected Asset Items			
Cash	7,390	7,798	6,449
Inventory ( Net)	1,932	1,645	2,108
Fixed Assets	5,903	6,094	8,217
Intangible Assets	9,370	9,393	9,393
Total Assets	34,054	33,432	35,309
Selected Liability Items			
Short-Term Debt	1,960	2,446	4,966
Long-Term Debt	300	299	788
Total Liabilities	7,749	7,184	10,349
Capital	11,405	11,405	11,405
Total Equity	26,260	26,248	24,960
Net Debt* to Equity	-19.54%	-19.25%	-2.79%

\*Net Debt = ( Short-Term + Long-Term Debts ) - Cash

# Consolidated Cash Flow Summary

NTD, Million	16Q2	16Q1	15Q2
Cash Flow from Operations	428	858	80
Cash Flow from Investing	(176)	190	(72)
Cash Flow from Financing	(634)	242	(383)
Effect of Exchange Rate Change	(26)	(73)	(131)
Net Increase in Cash	(408)	1,216	(506)
Cash at Quarter End	7,390	7,798	6,449
Depreciation & Amortization	336	339	432
Capital Expenditure	89	69	99
Free Cash Flow*	339	789	(19)

\*Free Cash Flow: Cash Flow from Operations – Capital Expenditure

# New Applications for E Ink



ホワイト



ブラック

# More E Ink Prism Applications in Japan



JR Hachinohe Station



JR Shin Aomori Station

日刊工業新聞 2016.7.1 第3種郵便物認可

## 大日印が電子ペーパー

# イーインク方式で攻勢

### POP・建築材向け開拓

大日本印刷は多彩な色表示が可能なイーインク方式電子ペーパー用諸製品の事業を拡大する。台湾のイーインクホルディングスHDと提携して製造開発しており、第1弾の大規模案件として1日からJR東日本に販売促進用広告POPとして採用された。これを機にPOP用途の工次を開拓するほか、新たな床や壁な建築材への活用も提案する。2016年度までに同方式電子ペーパーの売上高で約4割増を目指す。

イーインク方式の電子ペーパーPOP

イーインク互換は多彩な色表示が可能で、応答性が高い。また電圧でも稼働し、導入費用を抑えられるのも特徴だ。大日本印刷は台湾のイーインクHDの「用途」イーインク方式電子ペーパー径40インチ、マリアロは100インチのフセリが敷き詰められており、カンセキは特殊な溶液と色の顔料が入っている電圧センサーで、顔料が入れ替わり、クレンジング表示を行える。赤・青・緑・黒の色の顔料と白色を混ぜており、専用コントラストで表示方式や色の変化、表示時間間隔を操作できる。

技術を活用し、3日同方式電子ペーパーの応用製品の開発・造に着手。POPを品化し、営業活動につなげた。

JR東日本からは青森駅（青森市）と戸駅（青森県八戸市）で展開する観光キャンペーン用ポスターと、ホーム用ポスターとで採用が決まった。

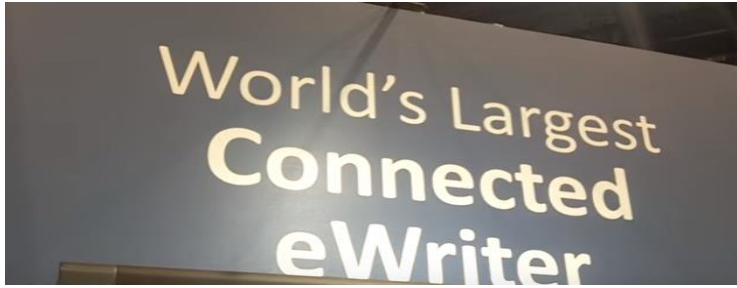
イーインクは、台湾のイーインクホルディングスHDと提携して製造開発しており、第1弾の大規模案件として1日からJR東日本に販売促進用広告POPとして採用された。

## eBoutique 2020



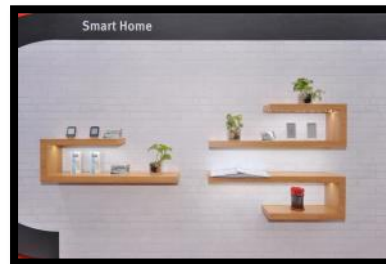


# ePaper Signage: eWriter and Digital Menu Board



<https://www.youtube.com/watch?v=xyQc90MY3fo>

# MWC Shanghai 2016



# E Ink Development Announcements



E Ink Demonstrated Full-Color and 32" Flex ePaper technology advancements at SID 2016



## Full- Color Prototype



## 32" Flexible Display Flexible ePaper





# E Ink Prism

## NeoCon Innovation & SEGD 2016 Global Design Award Winners



ueberall



# E Ink Spectra Wins Silver Award for Taiwan Excellence Award



**TAIWAN  
EXCELLENCE**

**E Ink Spectra™**  
Imaging Film

Spectra allows retailers to elevate the impact of their ESLs, by adding color to logos and quickly directing consumers' attention to important information.



# E Ink Founders Inducted into the Inventors Hall of Fame



## Upcoming Tradeshow: Touch Taiwan

Touch Taiwan 2016

E Ink's Keynote Speech:

*E Ink Makes Every  
Surface Smart*

Display Innovation Taiwan Conference 2016

2016 跨域產業菁英論壇

Aug. 24-26, 2016

[立即報名](#)

主辦單位: TDUA 台灣顯示器產業聯合總會 日經BP社

### Exhibition Information:

- Taipei (Nangang Exhibition Hall 4F)
- August 24 – 26, 2016
- E Ink Booth #: M1019

# Q&A





E INK IS THE ORIGINATOR,  
PIONEER, AND  
COMMERCIAL LEADER IN  
ePAPER DISPLAYS.



# E Ink

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Thank you

[www.eink.com](http://www.eink.com)