FY2023
Corporate Governance
&
Shareholder Return Policy

Great People Great Technology

CONTENTS

01·02

Corporate Governance & Shareholder Return Policy

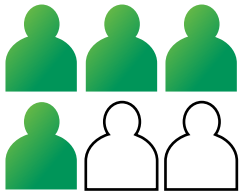
Corporate Governance

Board Independence – Strengthen independence of committees in year of 2024

CEO/Board Chair Separation
(Mar. 2024)

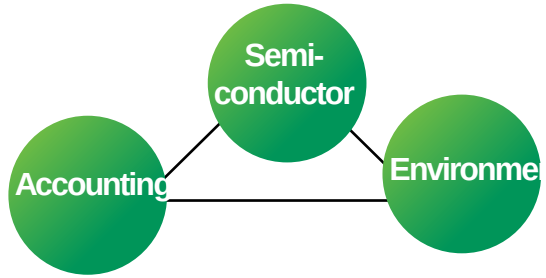
100% Independent Directors on Key Board Committees
(Mar. 2023)

Diversification of Composition of Board - Well-Balanced of Board



Independent director 2/3
(Mar. 2023)

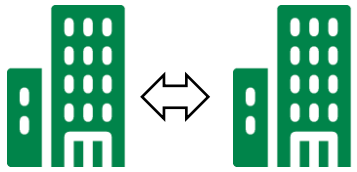
Gender Diversification, 17%
(Mar. 2023)



Expertise from Each Field
(Mar. 2023)

Corporate Governance

Internal Control System – More Effective Internal Control System in year of 2024

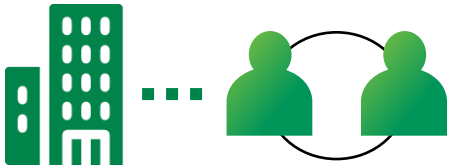


Internal Trading Committee
within the holding company and affiliates
(Chair : Independent Director)
(Mar. 2024)

Compensation Committee
(Chair : Independent Director)
(Mar. 2024)

Fair Audit Opinion by
Independent Auditor

Audit Committee Operation
(3 Times a year → 4 Times a year)
(2023)



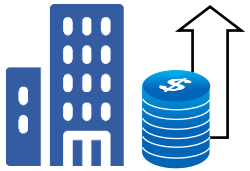
Executive Sessions Every Half of Year with
Chair Audit Committee and
Independent Auditor without management present
(2023)

Shareholder Return Policy for FY2023 ~ FY2027

Total Shareholder Return(TSR) 30%, Consisting of Dividend and Share Buyback

Dividend Payout Ratio
10% → 10~20%

+



Share Buyback
6% → 15%

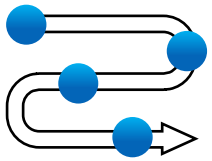
≧

TSR
30%

Keeping in-house Reserve Funds Stable (Co-investment is planned to be raised, if a massive investment is needed)

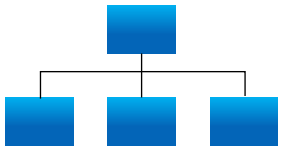
Sufficient reserve to share buyback and cash dividend

Communication with Shareholders and Sustainability Management



Improving Procedure of Dividend Distribution

Designating shareholders who will receive dividend payouts after they determine dividend amounts.



Establishment of IR·ESG Team

Established IR/ESG team in, becoming a more shareholder-friendly Co.
- Recruiting IR/ESG specialists
- Incorporating shareholder's opinion in earnest

IR Events on Regular Basis

- Disclosure of information on quarterly pre-earning guidance for the first time.
- Offering quarterly earning result briefings and oversea NDR for foreign investors starting 2024.

Enhancing Sustainability MGMT

- Annual sustainability report disclosure
- Consultation with an external professional advisory institution(Anticipatory corporate governance)

03

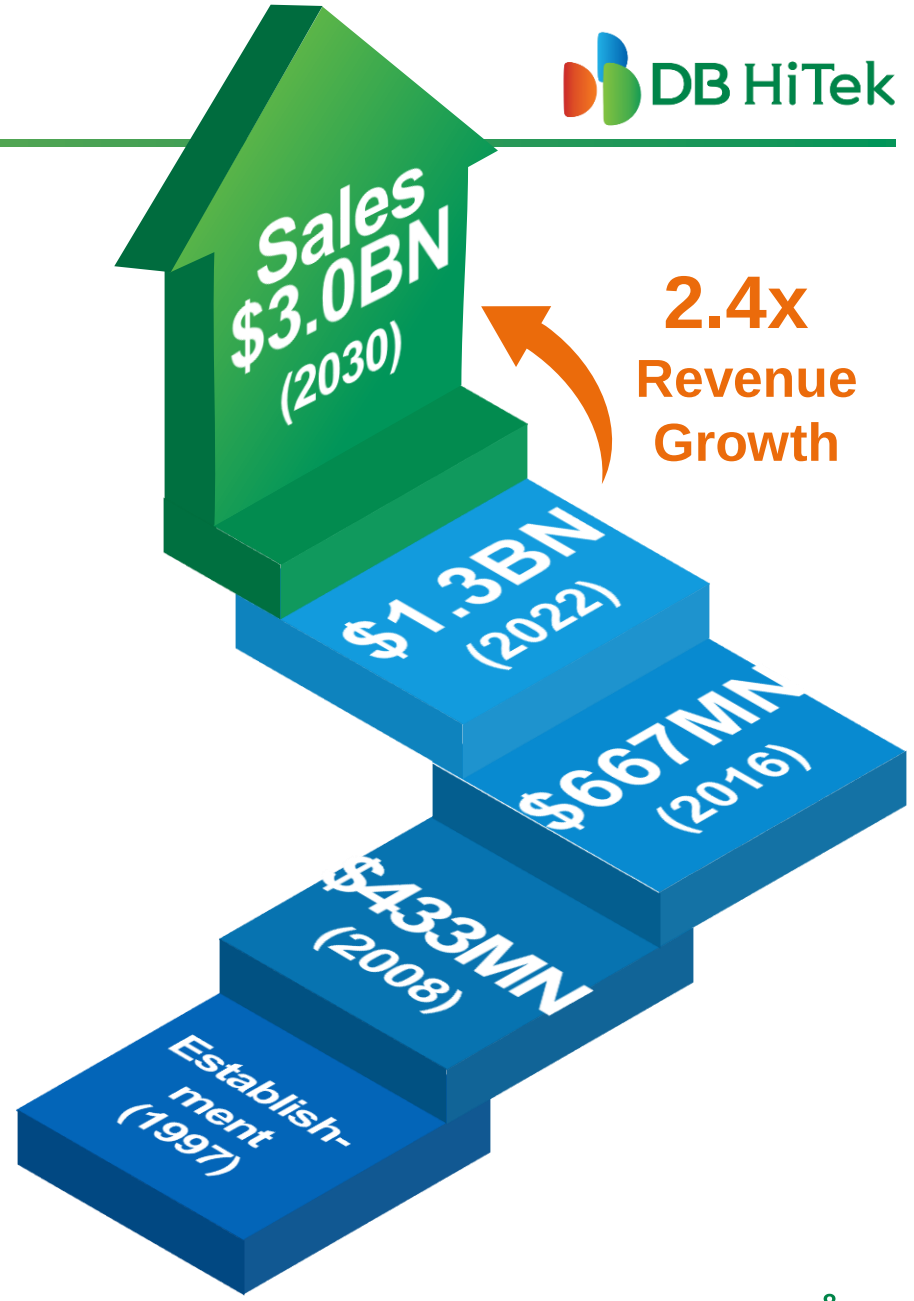
Vision & Investment Strategy

Vision

“Global Small Giant System Semiconductor Company”

Great People, Great Technology

With our premier experts, we will be the world’s best company delivering innovative technologies in Specialty System ICs



4 Key Business Development Strategies

DB HiTek

To Invest $3.6B by 2030(from 2023), to Establish a Groundwork for Annual Revenue of $3.0B and Annual Operating Profits of $780M in 2030

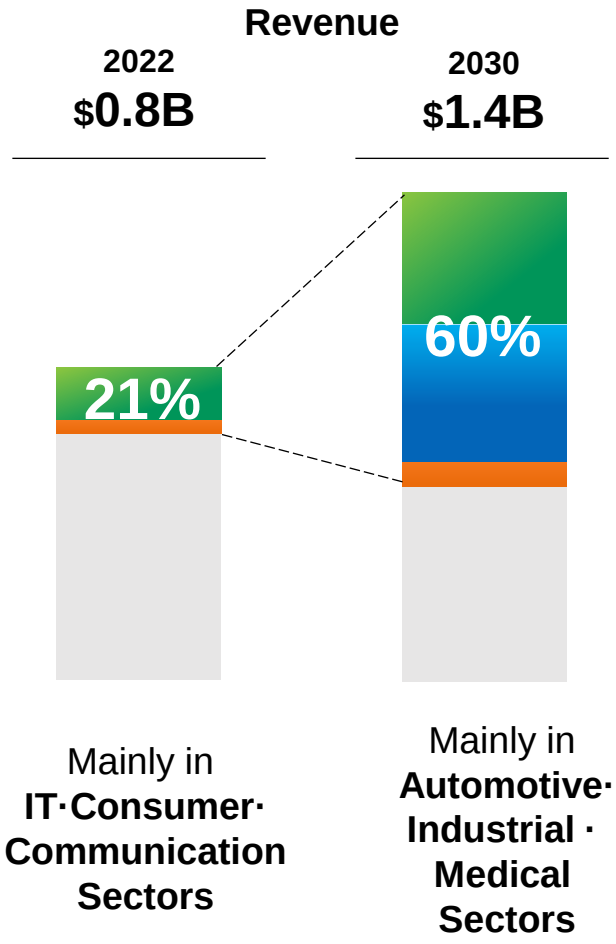
			CapEX (Investment Period)	Revenue AS-IS	Revenue TO-BE(2023)
8”	8” Foundry Advancement	Focus on developing high value-added power semiconductor	$1.8B (2021-2030)	$0.8B	$1.4B
12”	Starting 12” Foundry	Co-investment with partnership or M&A	$2.0B (2025-2030)		$0.4B
Fabless	Business Spin-Off	High value adding and Business diversification with M&A	$0.15B (2027-2030)	$0.1B	$1.0B
	Next Growth Engines	Vertical integration of semiconductor supply chain, starting eco-friendly business	$0.23B (2030)		$0.2B

Business Development Strategy – 8-inch Foundry Advancement

New-Generation Power Semiconductor and High-Value Added Specialty CIS(in area as automotive)

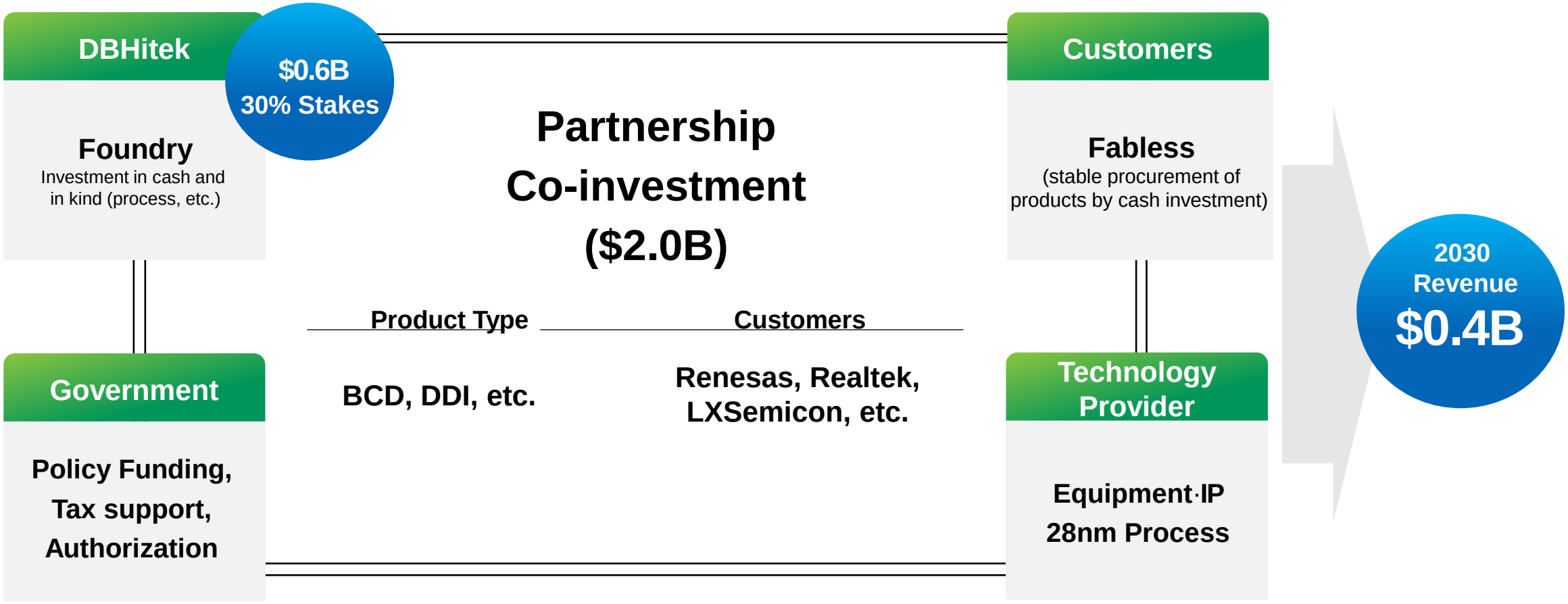
High Value Added + New Growth Engine

	Product	Customers
High Voltage · Power Semiconductor	HV BCD, SJ MOSFET	Qualcomm, Renesas, Sony, Analog Devices, etc.
New Generation Power Semiconductor	GaN, SiC	Infineon, Navitas, Hyundai Mobis, AOS, etc.
High Value Added Specialized Process	Specialty CIS, etc.	Sharp, Mitsubishi, Teledyne, Rayence, etc.



Business Development Strategy – Entering into 12-inch Foundry

Joint-Venture with Strategic Partners, to Share Costs and New Business Risks



Business Development Strategy – Spin-off Fabless

Growth driven by High Value-Added OLED, Business Diversification through M&A

OLED
IT → Mobile·TV

- **Solidifying OLED Business**
  (32% of total revenue in 2022 → 50% in 2030)
- **Revenue growth generated by Mobile and TV**
  (17% of total revenue in 2022 → 38% in 2030)

LCD
Increasing M/S in China

- **Rising Revenue to the Top3 Panel Maker in China**
  (12% of total revenue in 2023 → 25% in 2030)

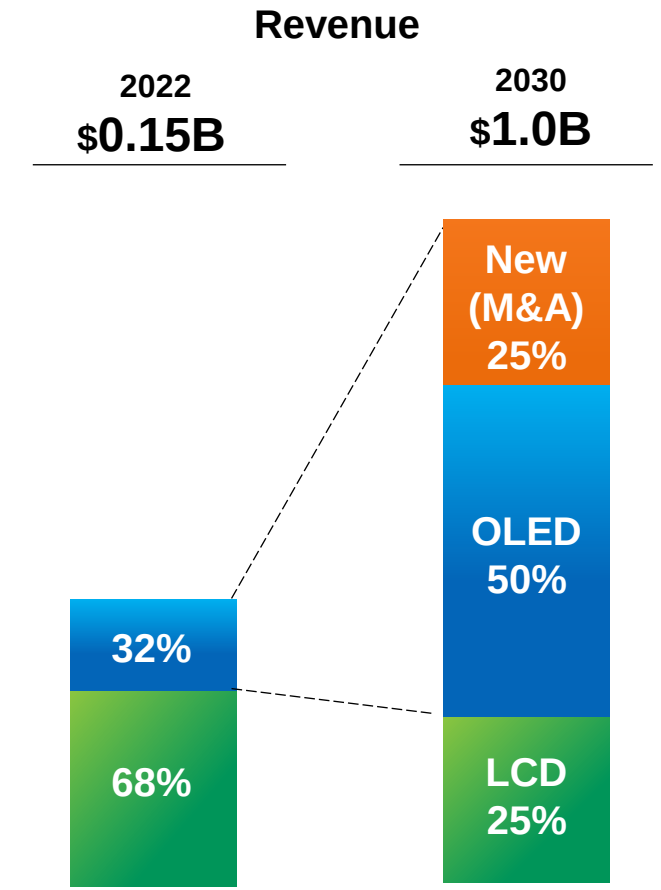
※ Top 3 panel marker in China : BOE/CSOT/HKC

New Business

- **Automotive · Smart Watch OLED**
- **Micro LED(AR/VR· Smart Watch)**
- **Mini LED(TV), Display PMIC, T-CON**

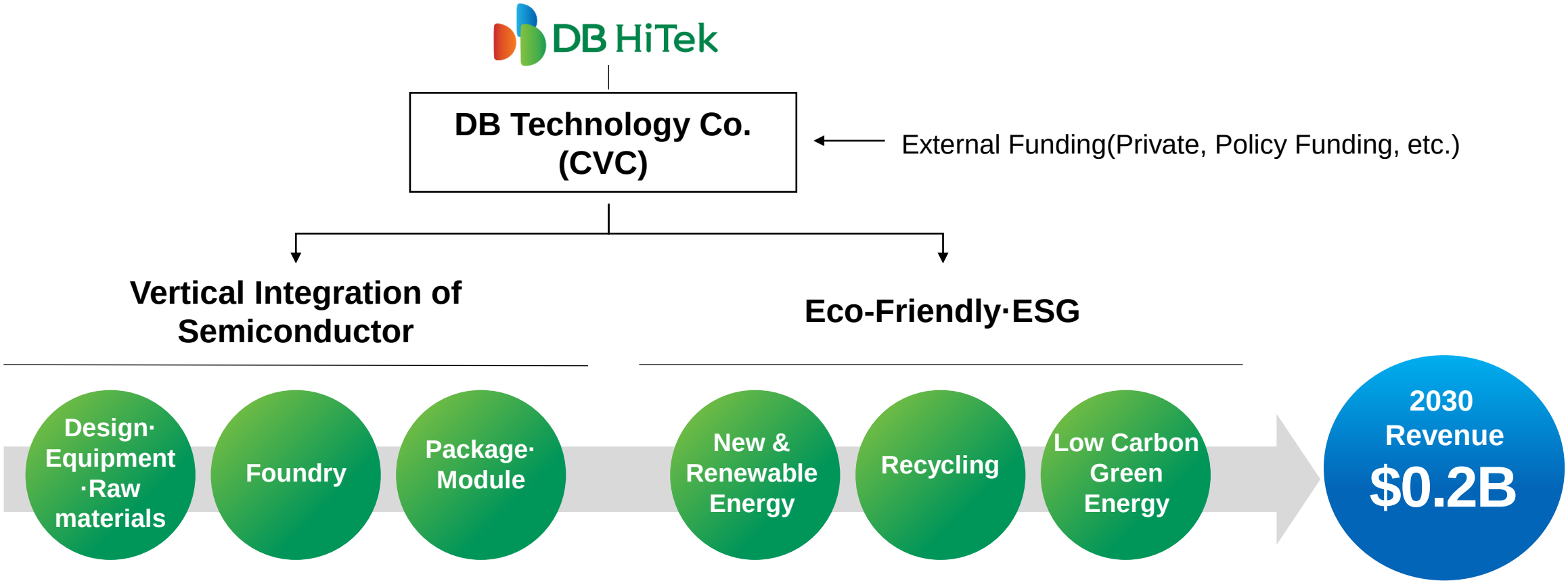
M&A

- **Mini LED, Display PMIC, etc.**



Business Development Strategy – New Growth Engine

Finding Future Growth Engine through DB Venture Platform(DB Technology)



CapEX Plan for 2023~2030

Massive Investment Plan, reflecting 4 Key Business Development Strategies

Category		Production Capacity	Investment Size	Investment Period	Note
8” Foundry Advancement	SiC	20K/Month	$0.5B	2023 ~ 2030	Developing new process such as next generation power Semiconductor
	GaN	10K/Month	$0.3B	2023 ~ 2026	
	Clean Room	Fab2 South (Max. Capa 35K/Month)	$0.1B	2023 ~ 2026	Resolving the existing capacity limit issue
	HV BCD	HV BCD Portion 20% → 50%	$0.1B	2023 ~ 2024	Expanding high value-added products in automotive and industrial sector
	Facility Maintenance	Replace Equipment Maintenance	$0.3B	2023 ~ 2030	Investing annual average of $30M
12” Foundry	Co-Investment	20K/Month	$2.0B	2025 ~ 2030	Starting 12-inch Fab
Fabless		M&A	$0.1B	2026 ~ 2030	Business Diversification
New Growth Engine		M&A, JV, Participation in Equity (through DB Venture Platform)	$0.2B	2026 ~ 2030	Vertical Integration of semiconductor supply chain, Eco-Friendly ESG
Total		-	$3.6B		

Thank you