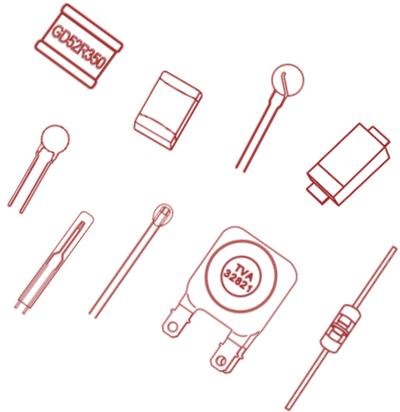




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# THINKING

# Investor Conference



2023.12



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# Operation Overview: Quarterly Consolidated Income Statement

Unit: Thousand NTD

Item	3Q 2023	2Q 2023	3Q 2022	QoQ	YoY
Net sales	1,763,393	1,816,449	1,888,547	-2.9%	-6.6%
<b>Gross profit margin</b>	<b>39.28</b>	<b>36.11</b>	<b>33.48</b>	<b>3.17</b>	<b>5.80</b>
Operating expenses	285,658	297,300	283,990	-3.9%	0.6%
<b>Operating expenses ratio</b>	<b>16.20</b>	<b>16.37</b>	<b>15.04</b>	<b>-0.17</b>	<b>1.16</b>
Net operating income	407,031	358,672	348,377	13.5%	16.8%
<b>Operating profit margin</b>	<b>23.08</b>	<b>19.75</b>	<b>18.45</b>	<b>3.34</b>	<b>4.64</b>
Non-operating income and expenses	36,126	44,868	170,207	-19.5%	-78.8%
Net profit	334,937	313,041	403,435	7.0%	-17.0%
<b>Net profit margin</b>	<b>18.99</b>	<b>17.23</b>	<b>21.36</b>	<b>1.76</b>	<b>-2.37</b>
<b>Earning per share (NTD)</b>	<b>2.6</b>	<b>2.43</b>	<b>3.12</b>	<b>0.17</b>	<b>-0.52</b>



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# Operation Overview: Yearly Consolidated Income Statement

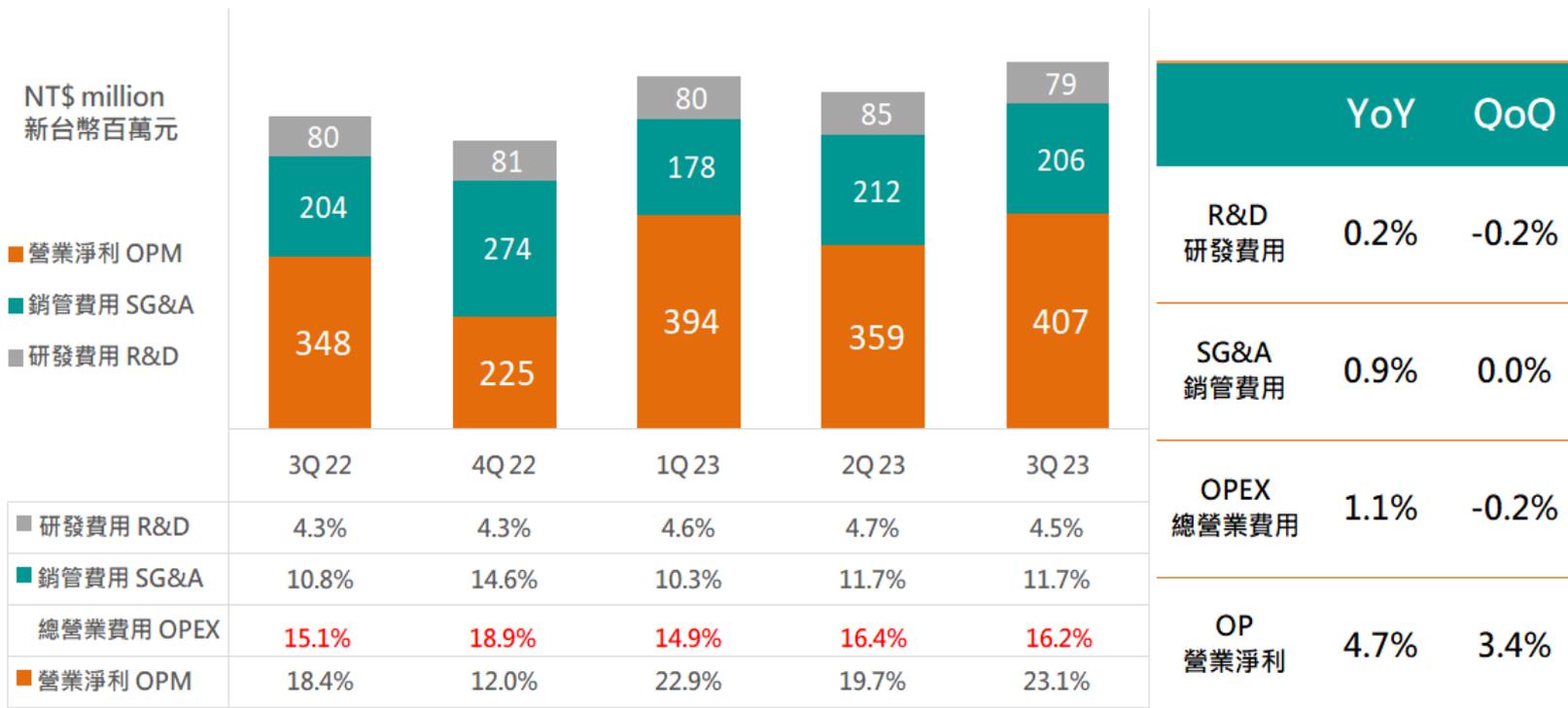
Unit: Thousand NTD

Item	2023 Q1~Q3	2022 Q1~Q3	YoY
Net sales	5,298,945	5,588,278	-5.2%
<b>Gross profit margin</b>	<b>37.74</b>	<b>36.74</b>	<b>1.00</b>
Operating expenses	840,438	877,845	-4.3%
<b>Operating expenses ratio</b>	<b>15.86</b>	<b>15.71</b>	<b>0.15</b>
Net operating income	1,159,555	1,175,415	-1.3%
<b>Operating profit margin</b>	<b>21.88</b>	<b>21.03</b>	<b>0.85</b>
Non-operating income and expenses	94,427	410,267	-77.0%
Net profit	952,233	1,214,188	-21.6%
<b>Net profit margin</b>	<b>17.97</b>	<b>21.73</b>	<b>-3.76</b>
<b>Earning per share (NTD)</b>	<b>7.37</b>	<b>9.40</b>	<b>-2.03</b>



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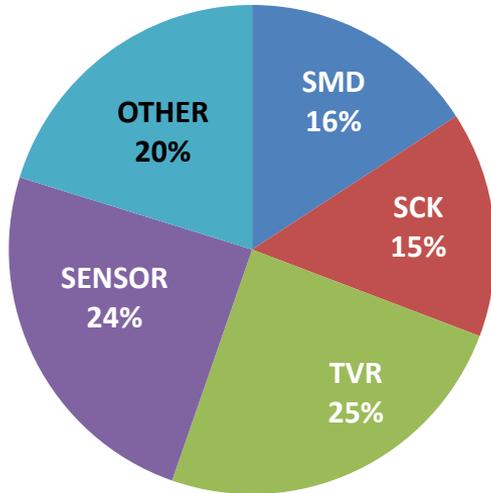
# Operation Overview: Analysis of Operating Expenses





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# Gross Margin Improvement Strategy



## Internal Improvements:

1. Implementing strategic transfers of production bases for mature products among group companies to regions with a competitive advantage in labor and electricity costs, aiming to reduce overall production costs. **E.g., SCK+TVR revenue accounts for 40%.**
2. Continuously optimizing the yield of SMD surface-mount products and introducing foreign labor to achieve a reduction in labor costs.
3. Lowering overall production costs for SENSOR products, which are highly customized, through material system integration, process automation, and relocation to regions with lower labor costs.

## External Expansion:

1. Sustaining growth in the export market and targeting an increase in **revenue share from exports to 40% from the current 25%.**
2. Enhancing capacity utilization to effectively reduce depreciation and fixed amortization costs.



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# Corporate Mission

## Mission Statement:

Contribute to safety and operation efficiency of electronics

We “think” and “are keen” to offer customers “service.”



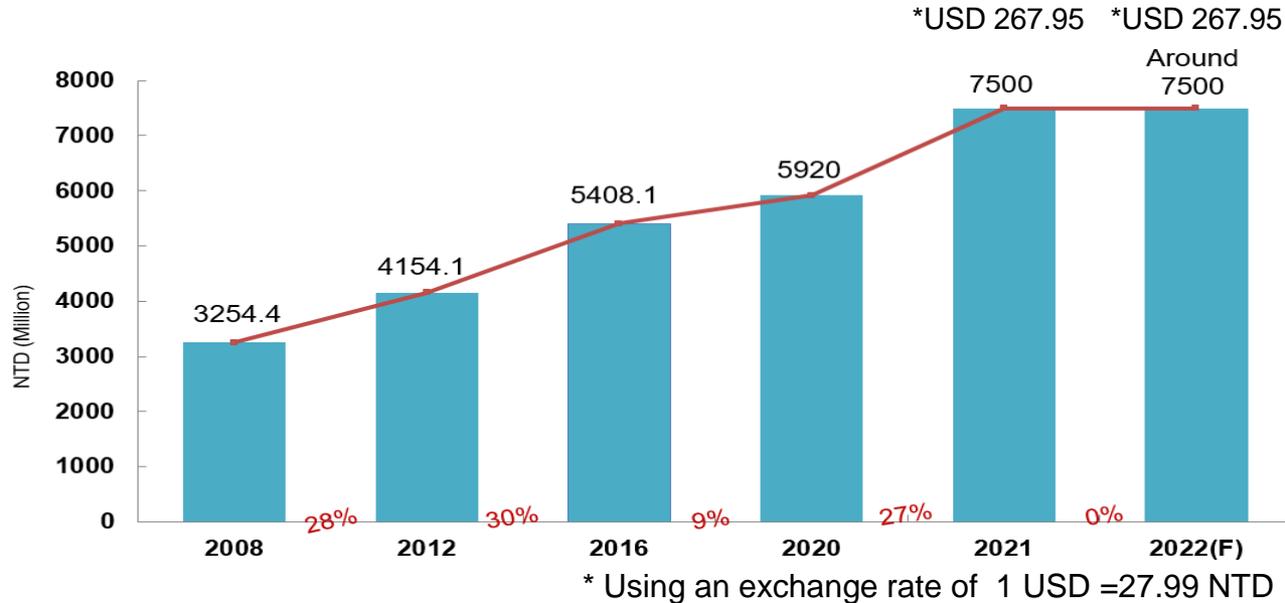
<b>T</b>	<i>Think</i>
<b>K</b>	<i>Keen</i>
<b>S</b>	<i>Service</i>



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# Company Introduction

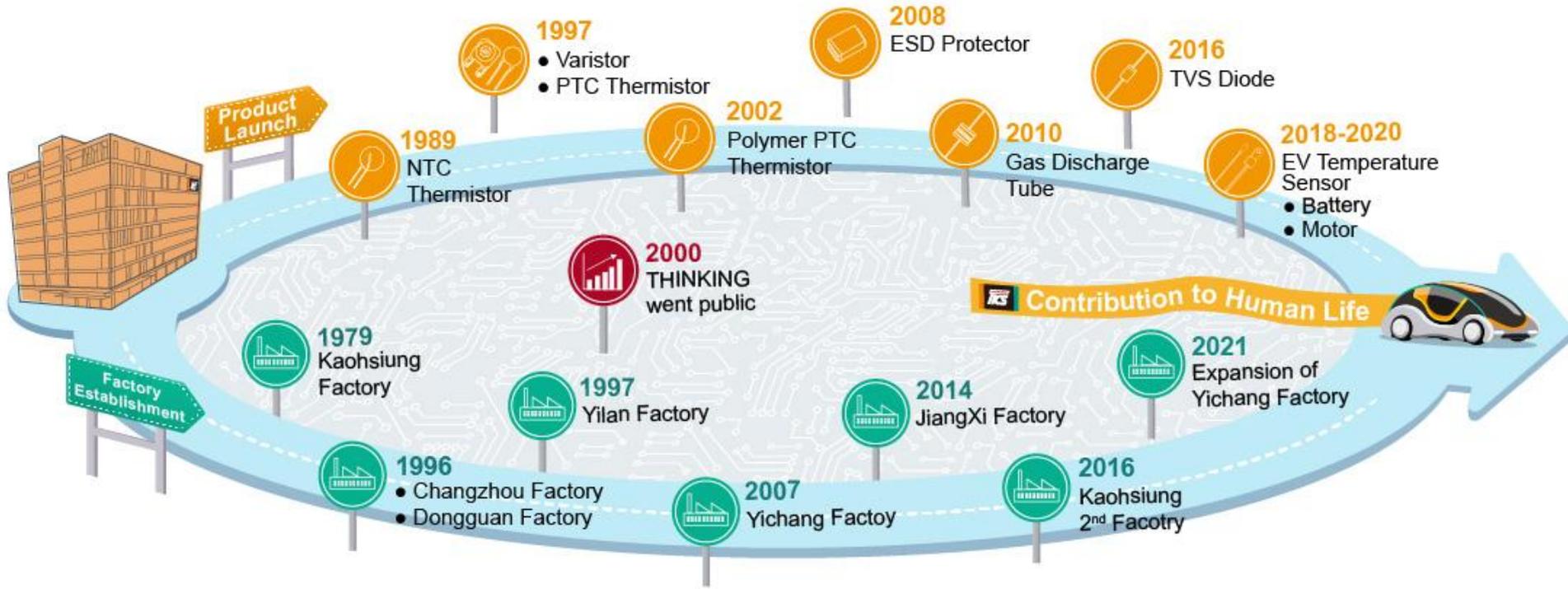
Established in 1979  
7 factories and 4500 employees  
2008-2022 Net Revenue:





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# Milestone





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# THINKING All Around the World

## All Around The World.





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# Factories of THINKING

### Yichang Factory



Major Product



### Changzhou Factory



Major Product



### Yilan Factory



Major Product



### Kaohsiung 1st Factory



Major Product



### JiangXi Factory



Front-End

### Dongguan Factory



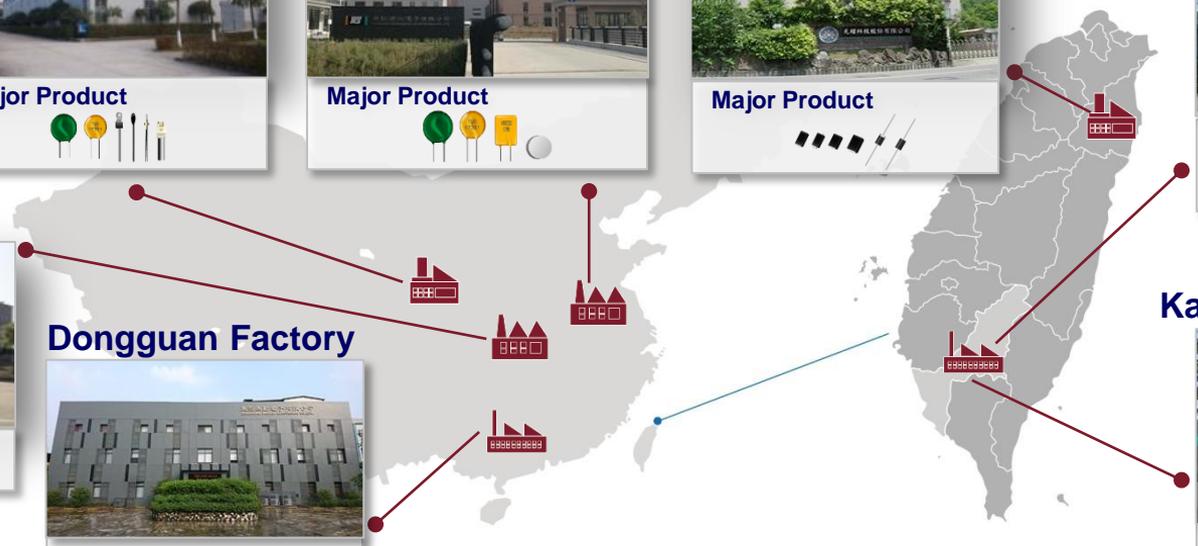
Major Product



### Kaohsiung 2nd Factory



Major Product





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# THINKING Products





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# Major Markets

## Information and Communication Technology



Telecom



Power Supply



Consumer Electronics



Computer

## Home Appliances and Lighting



Home Appliances



Lighting

## Automotive and Industrial



Automotive  
(12%)



Industrial

## Medical and Others



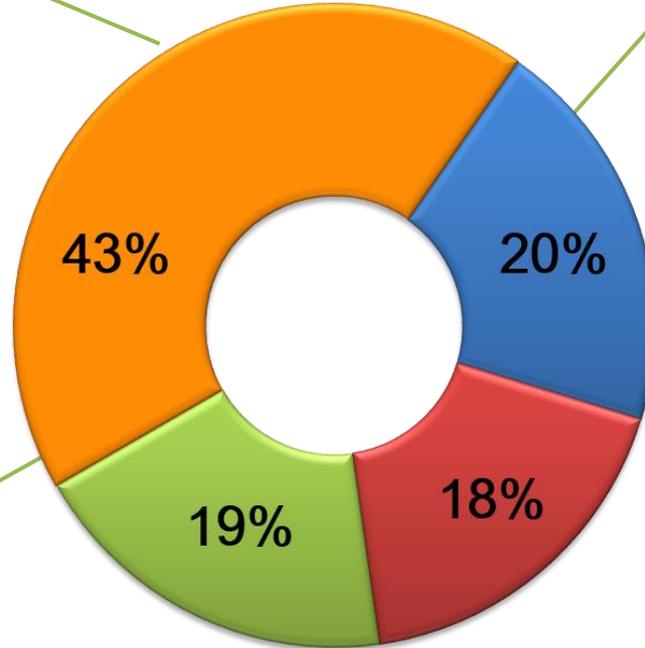
Medical

Other

Other applications



Distributor

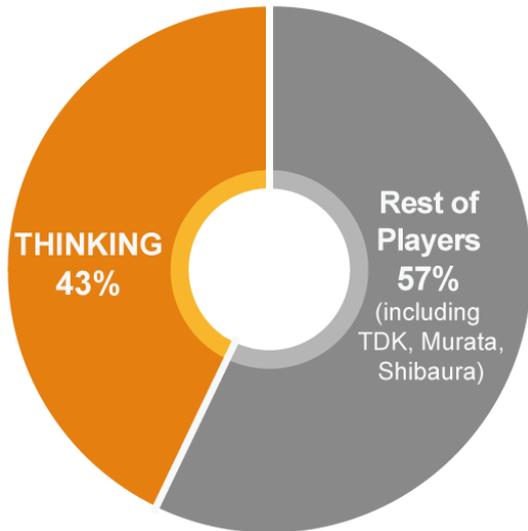




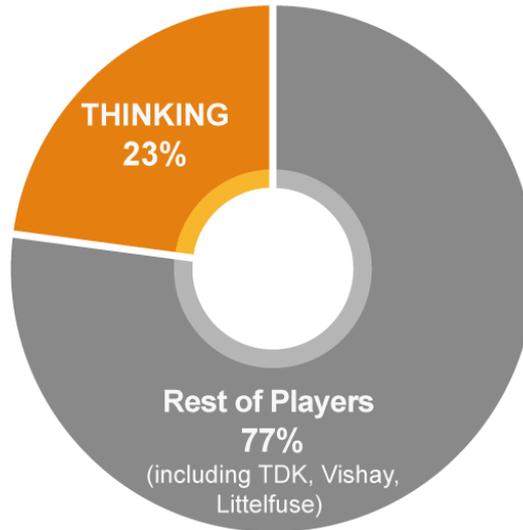
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# Market Positions of THINKING Products

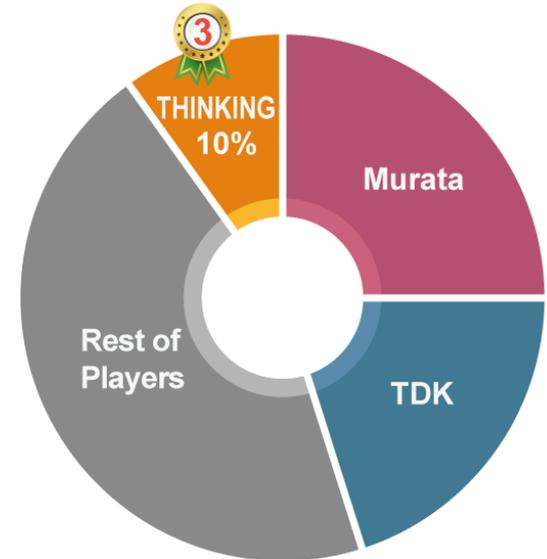
## NTC Thermistor



## Disc Varistor



## Ceramic PTC Thermistor



### Note:

- 1.Data source: Circuit Protection Components: World Markets, Technologies & Opportunities: 2019-2024, Paumanok Publication
- 2.Fiscal year 2021 calculation of THINKING NTC thermistor and disc varistor ended in December 31, 2021.



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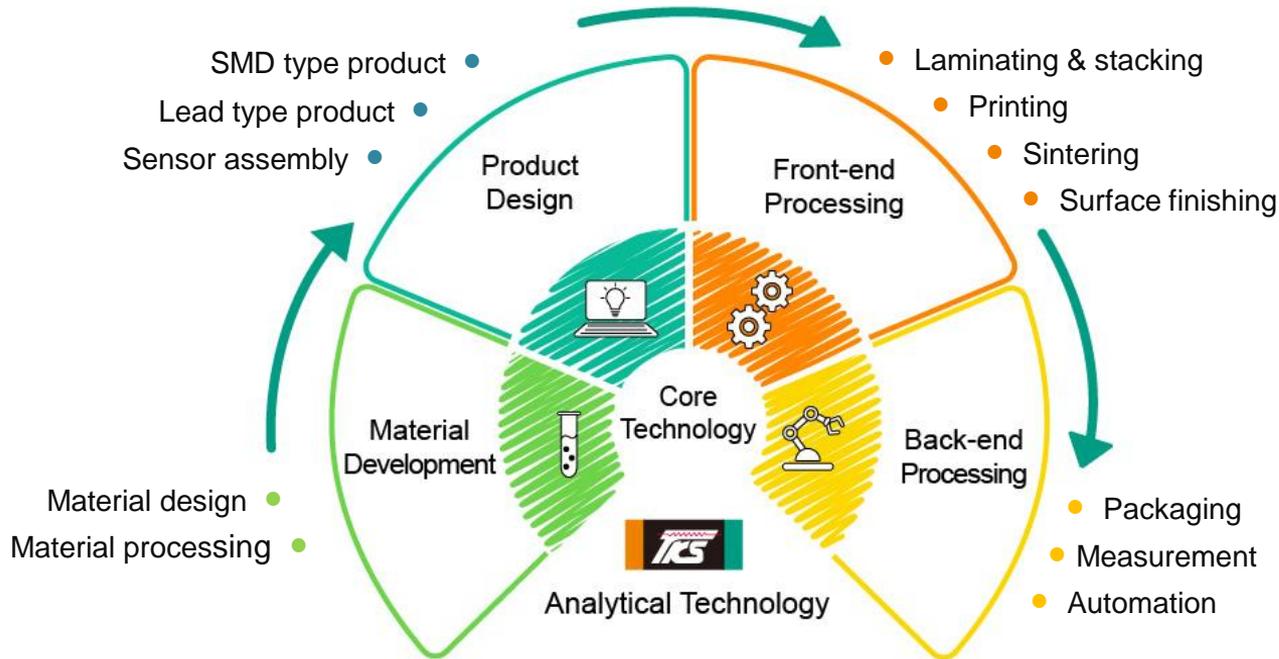
**Target Markets**



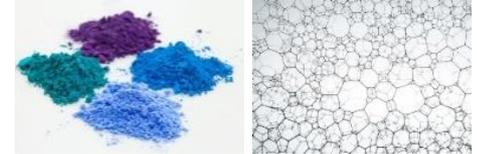


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# Core Technology

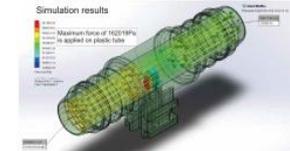


## Material Development



Our know-how of key raw material and ceramic recipes make our products competitive in the market.

## Product Design



Our simulation technology ensures our precise product design.

## Back-end Processing



Automated production ensures our stable product quality.



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# Agency Approval of Product

NTC Thermistor		NTC Temperature Sensor		PTC Thermistor		Polymer PTC Thermistor		Varistor	TVS Diode	Gas Discharge Tube

備註: 代表UL+cUL



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# Certified Laboratories

Laboratories of THINKING passed the CTDP (Client Test Data Program) of UL and witness testing qualification of TUV, and they provide the following advantages.

- International laboratory management is based on **ISO 17025**
- Testing equipment and technicians **are equivalent with** those of approval agencies, and which offers reliable test results
- In-house equipment tests and measures THINKING products, and which **shortens certification process time** and **accelerates customer's new product launch**





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# Technical Support

 THINKING AE team provides comprehensive technical support.



## Technical Consultation

AE discusses technical problems with customers



## Product Selection Suggestion

- AE selects products based on customer's needs
- Customer selects products via selection tools of THINKING website



## Circuit Design & Application

AE discusses circuit design problems and shares application experience with customers



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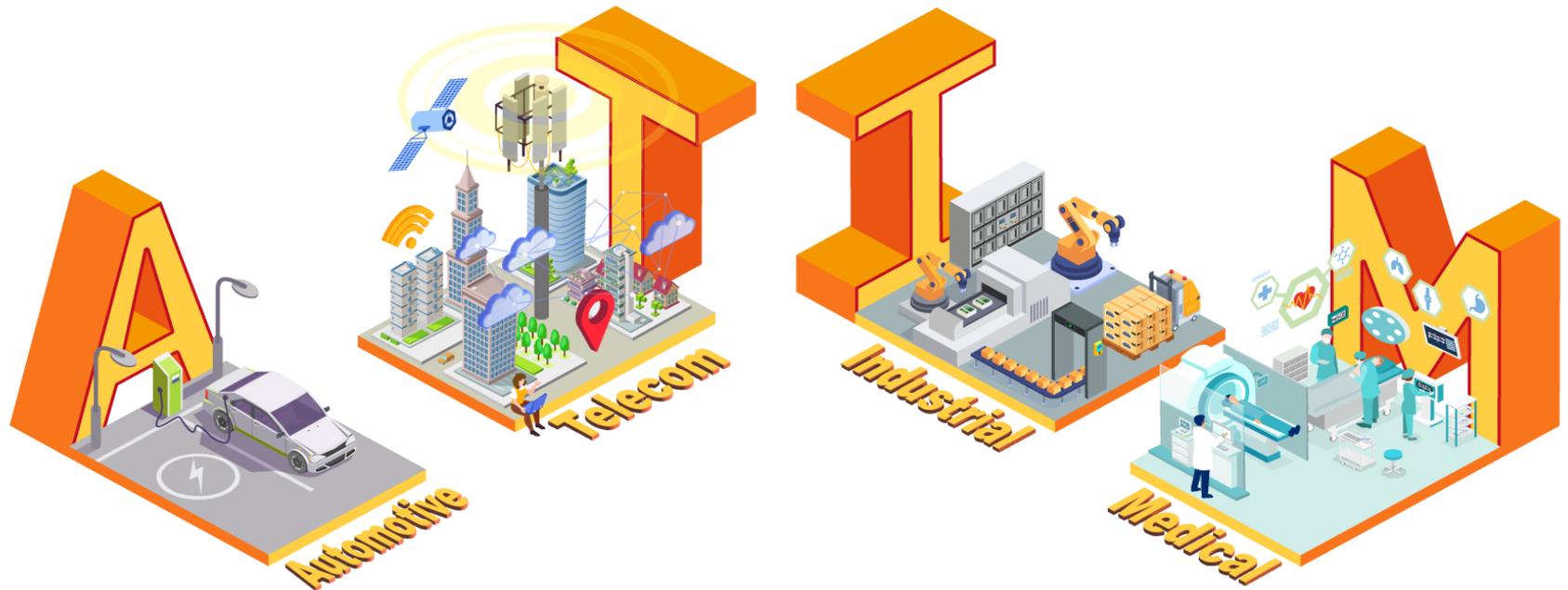




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# Target Markets

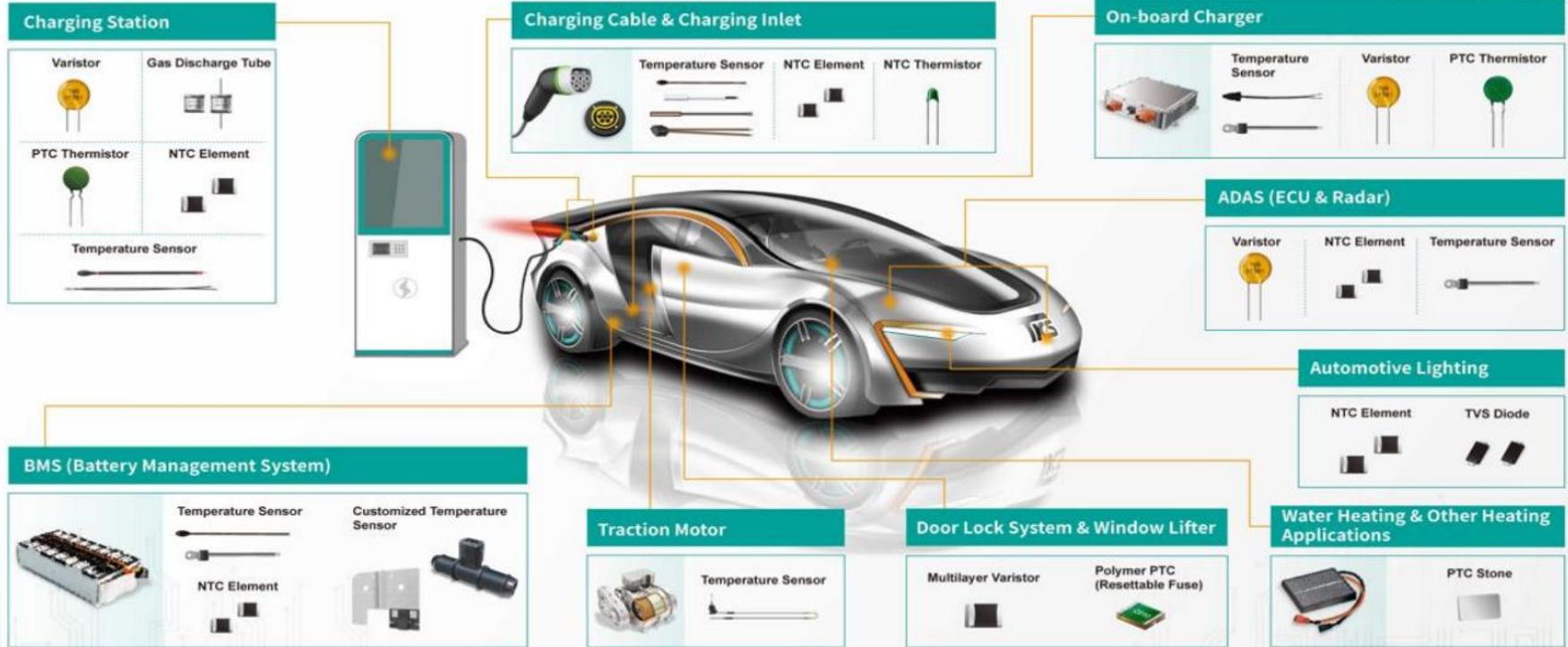
## Contribution to Human Life in





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# EV Applications



THINKING ELECTRONIC INDUSTRIAL CO., LTD.



# THANK YOU!

## THINKING

Contribute to safety and operation efficiency of electronics