



Eternal Materials Group



長廣精機

Taishin Securities
2026 Q3 Global Investment Forum

2026.08.26

ETERNAL PRECISION MECHANICS

Safe Harbor Notice

Except for statements in respect of historical matters, the statements in this presentation are “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual performance, financial condition or results of operations of the group of Eternal Precision Mechanics Co., Ltd. (EPM, including consolidated subsidiaries) to be materially different from any future such matters implied by such forward-looking statements. Investors are cautioned that actual events and results could differ materially from these statements as a result of a variety of factors, including conditions in the overall market and economy, acceptance and demand for products, and technological and development risks.

The audited financial statements included were prepared and published in accordance with TIFRSs as issued by the ARDF Taiwan

The financial forecasts and forward-looking statements in this release reflect the current belief of the group of EPM as of the date of this release and EPM undertakes no obligation to update these forecasts and forward-looking statements for events or circumstances that occur subsequent to such date.

Contents



- 01 EPM COMPANY OVERVIEW**
- 02 FINANCIAL ANALYSIS (2026H1-2025)**
- 03 FUTURE MARKET OUTLOOK**
- 04 CAPACITY & MAJOR CAPEX PLANS**
- 05 ADVANCED PACKAGING INDUSTRY DEVELOPMENT & PRODUCT R&D**

Company Overview

■ Eternal Precision Mechanics Co., Ltd.

Founded: 21, Oct. 2022
Capital: TWD 788M (incl. IPO capital increase)
Chairman: Heng-Ning Liao
President: Kazutoshi Iwata
Employees: 50

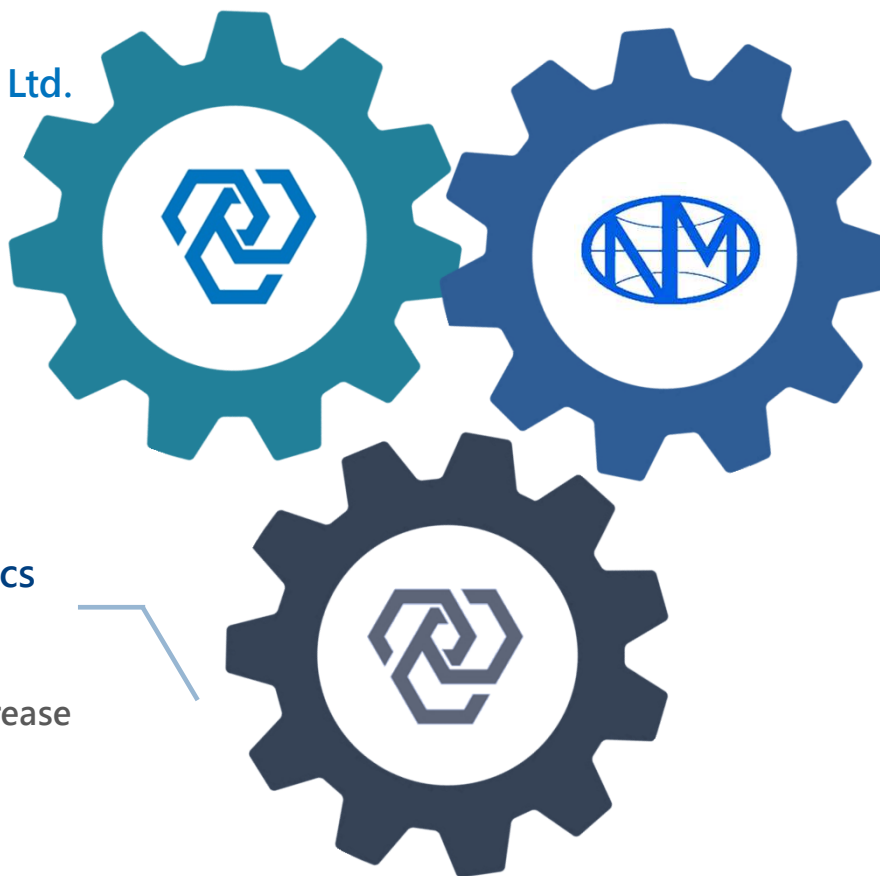
■ Nikko-Materials Co., Ltd. (NM)

Founded: 30 Sep, 1997
Capital: JPY 406M
President: Kazutoshi Iwata
Employees: 173

■ Eternal Precision Mechanics (Guangzhou) Co., Ltd.

Founded: Sep 1, 2023
Capital: CNY 50M (capital increase completed)
General Manager: Po-Nan Lin
Employees: 50

◆ Total consolidated group employees: 273



Eternal Materials Group Structure

Eternal Materials (TWSE Ticker:1717)



61.70%



長廣精機 (TWSE Ticker:7795)

Eternal Precision Mechanics

100%



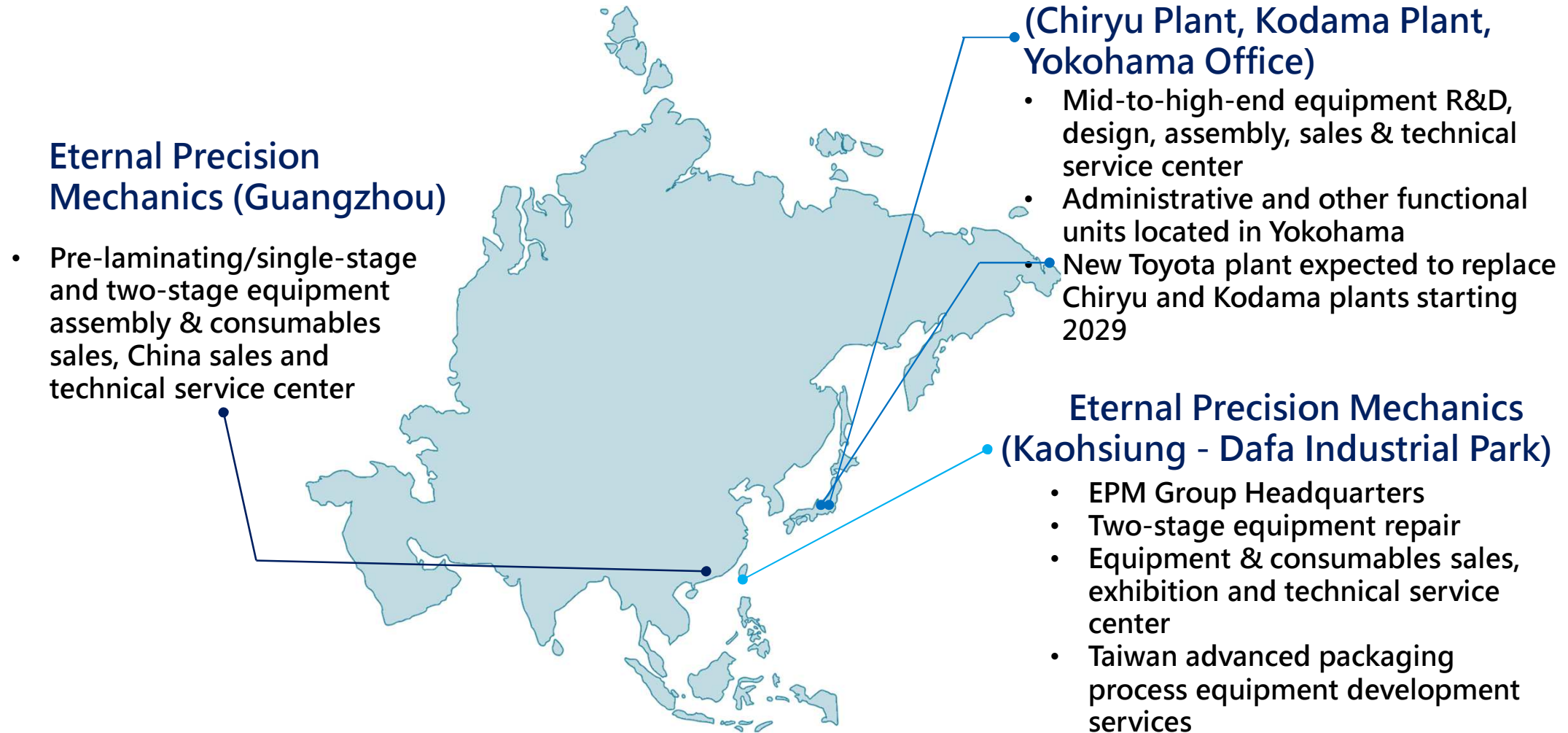
Eternal Precision Mechanics
(Guangzhou)

100%

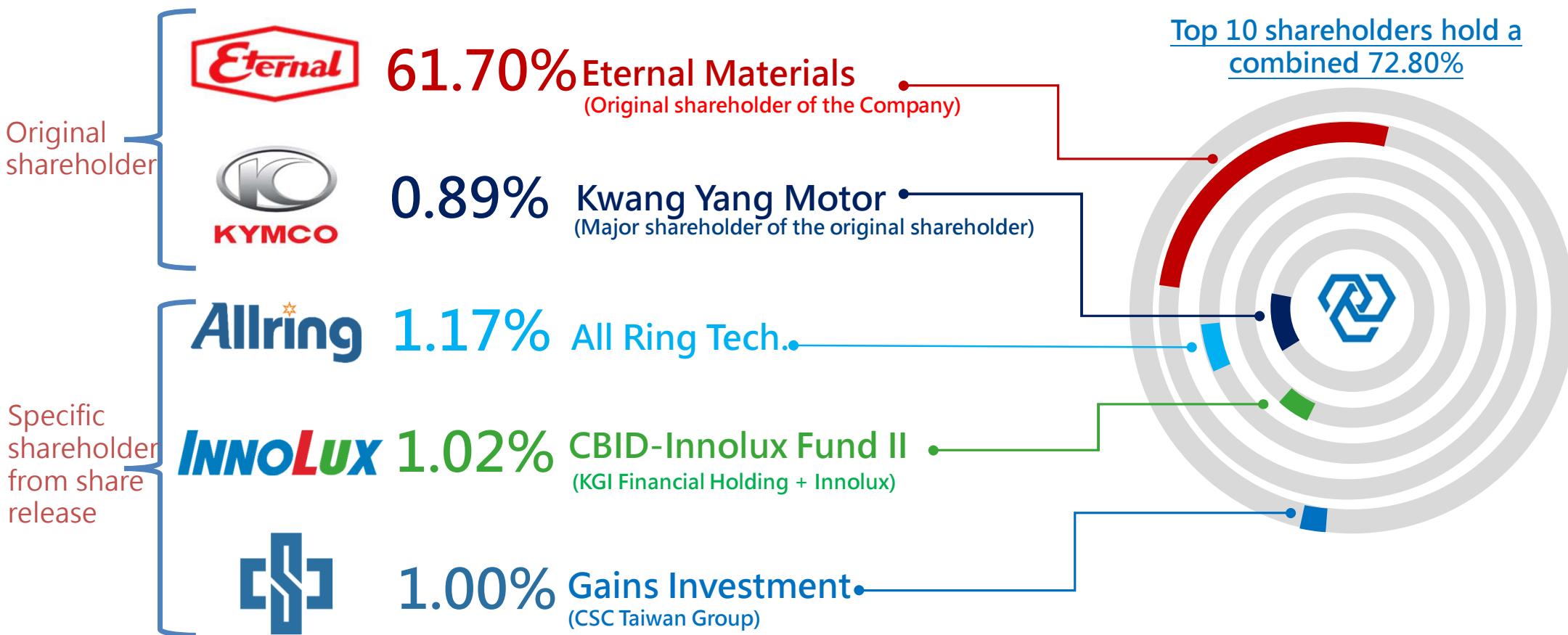


Nikko
Materials

EPM Operating Locations



EPM Major Shareholders



Contents



- 01 EPM COMPANY OVERVIEW
- 02 FINANCIAL ANALYSIS (2026H1-2025)
- 03 FUTURE MARKET OUTLOOK
- 04 CAPACITY & MAJOR CAPEX PLANS
- 05 ADVANCED PACKAGING INDUSTRY DEVELOPMENT & PRODUCT R&D

EPM Revenue Analysis

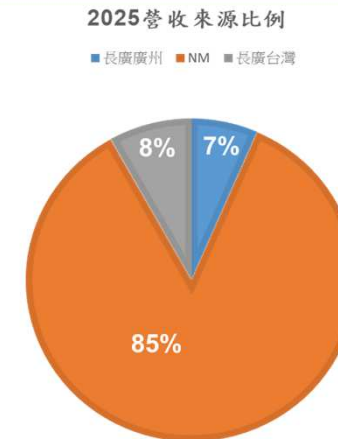
Japan subsidiary equipment sales are the main revenue source

- ✓ EPM revenue includes "equipment sales" and "carrier film" sales, but equipment revenue exceeds 90%;
- ✓ Japan is the assembly and sales centre for high-end products
- ✓ The Kaohsiung Dafa plant is the centre for high-end new technology equipment display, customer service and repair
- ✓ China's Guangzhou plant will upgrade assembly capability to two-stage vacuum laminators (mid-range products)

EPM Revenue by Product - Equipment Revenue 94%



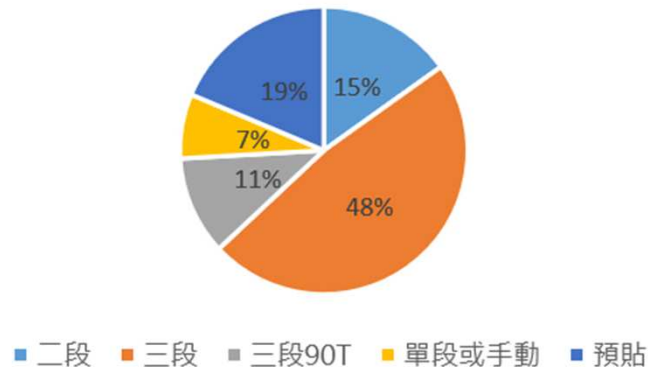
EPM Revenue by Region - Japan NM 85% of Revenue



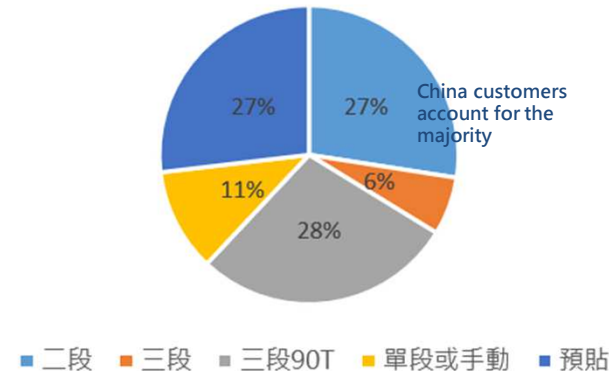
EPM Equipment Sales Product Mix

- ✓ In 2026H1, high-end product shipments were affected by longer assembly time and customer new-plant installation schedules, so the high-end shipment ratio was only 35% (vs. 59% in 2025)
- ✓ High-end equipment shipments to Taiwan substrate customers are expected to increase significantly from the end of Q3, with the product mix gradually normalizing or improving quarter by quarter

2025 Equipment Sales Amount Composition (%)



2026H1 Equipment Sales Amount Composition (%)



EPM Consolidated Sales and Profit

- ✓ In 2026H1, revenue, gross margin and net profit achievement were relatively low due to the product sales mix and Q1 employee stock subscription expense recognition
- ✓ Overall operations in 2026H2 are expected to grow significantly from H1 as a large volume of equipment is going to be shipped and installed

EPM Operating Overview

(Revenue,
TWD 100M)



(Revenue, TWD
100M)



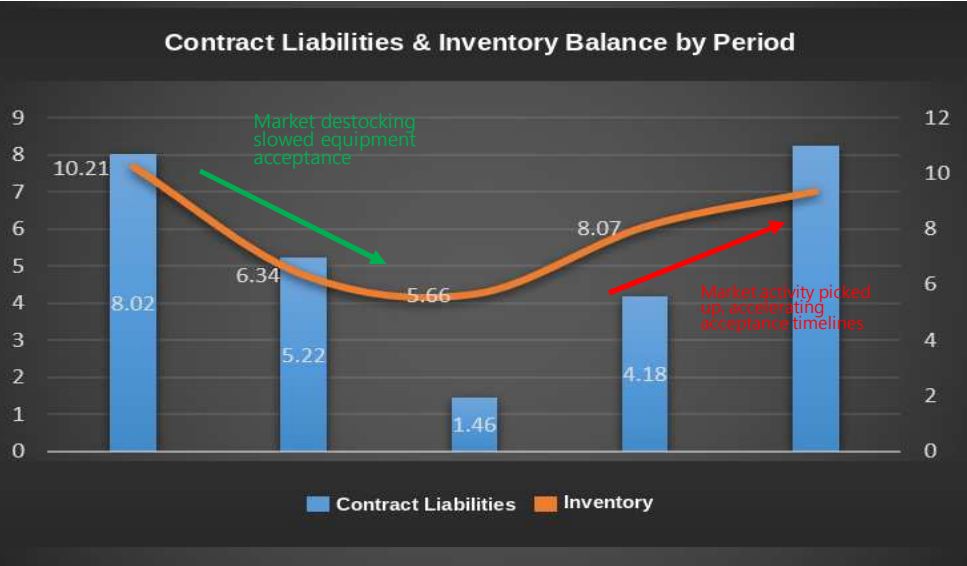
(Net Income
After Tax, TWD
100M)

EPM — Consolidated Contract Liabilities Analysis



Revenue for Jan–Jul 2026 still grew YoY, and contract liabilities at the end of July were already several times higher than at the start of the year
(Revenue recognition offsets contract liabilities)

(Contract Liabilities,
TWD 100M)



(Inventory,
TWD 100M)

(Revenue,
TWD 100M)



(Contract Liabilities,
TWD 100M)

EPM Consolidated P&L Expense Analysis

Gross Margin

2025: 45% 、2026Q1: 39% 、2026Q2: 44%

Gross margin is expected to return to or exceed 2025 levels in 2026H2, driven by an increased high-end product mix and price increases

SG&A and R&D Expense Ratio

- ✓ Selling expenses are approximately 10% of revenue
- ✓ Administrative expenses were higher in Q1 due to IPO stock subscription expense recognition; as revenue momentum grows, the 2026 target is within 10% of revenue
- ✓ R&D expenses are higher than in previous years due to ongoing advanced packaging projects, estimated at 1.0%-1.5% of revenue.

Effective Tax Rate

Assuming the Guangzhou plant and Taiwan headquarters turn from loss to profit, the effective tax rate is expected to decline 4%-5% from close to 50%.

Contents



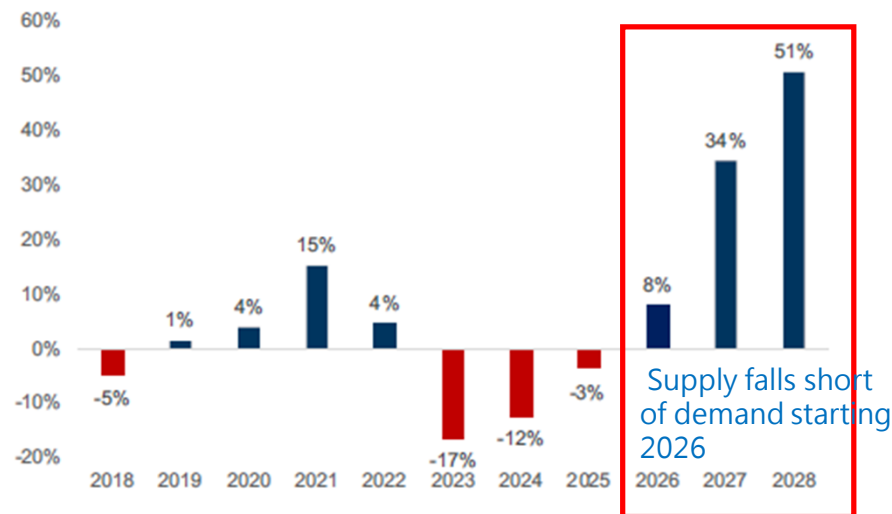
- 01 EPM COMPANY OVERVIEW
- 02 FINANCIAL ANALYSIS (2026H1-2025)
- 03 **FUTURE MARKET OUTLOOK**
- 04 CAPACITY & MAJOR CAPEX PLANS
- 05 ADVANCED PACKAGING INDUSTRY DEVELOPMENT & PRODUCT R&D

AI Servers and CPUs Become the Strongest Growth Driver for High-End ABF

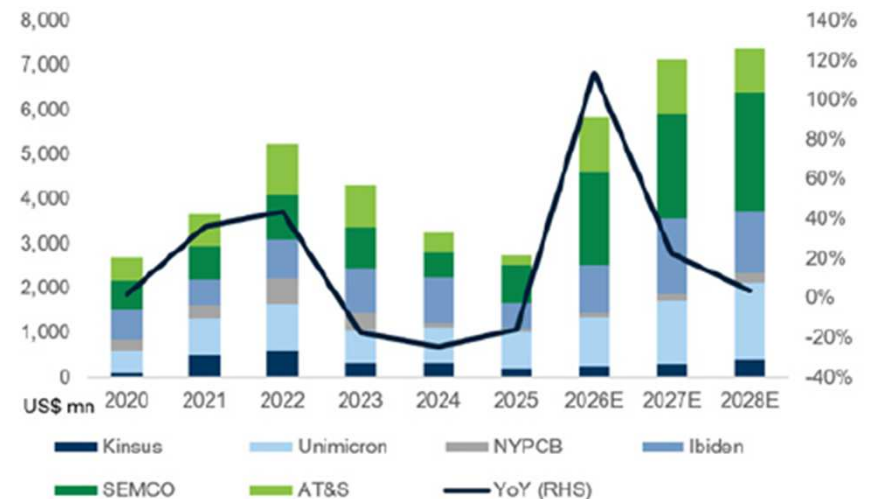
Substrate demand continues to grow, and capital expenditure will reach a new high

- ✓ AI & CPU demand growth, larger substrate area, more layers, and lower process yield are jointly amplifying substrate demand
- ✓ Global substrate makers' capex: US\$12–15B (2026–2028)
- ✓ Mid-to-high-end ABF vacuum laminators: fully booked through 2027, visibility to 2029 — outlook remains strong

ABF Substrate Industry Supply-Demand (D-S)



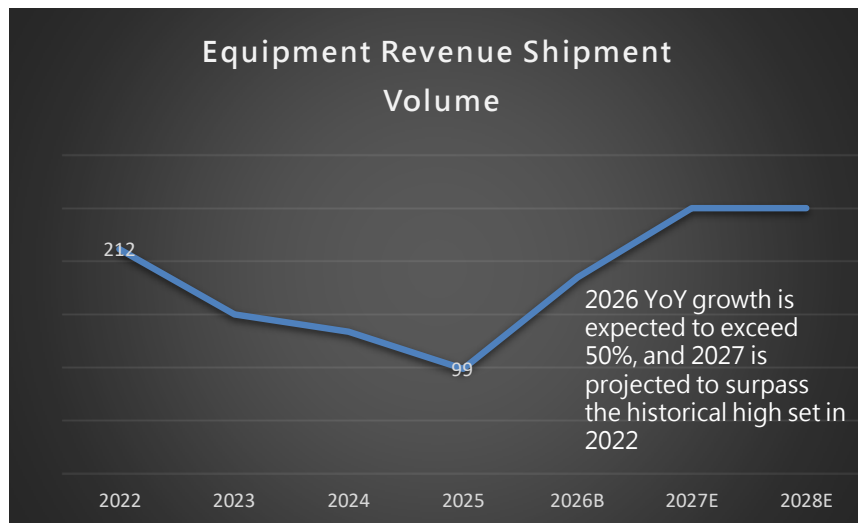
Major Substrate Makers' CapEx Plans



2026H2 Financial Results Will Reflect Market Conditions Quarter by Quarter

- ✓ 2026H2 revenue shipment volume is expected to grow multiple times over H1
- ✓ 2026H2 high-end equipment shipment ratio is expected to recover to about 30% (comparable to 2025 levels, but with the denominator being the 2026 estimated total)
- ✓ Prices for all products will rise by about 20% starting 2026H2, expected to be reflected after year-end installation

EPM Vacuum Laminator Shipment Units



EPM High-End Equipment Shipment Ratio



Contents



- 01 EPM COMPANY OVERVIEW
- 02 FINANCIAL ANALYSIS (2026H1-2025)
- 03 FUTURE MARKET OUTLOOK
- 04 **CAPACITY & MAJOR CAPEX PLANS**
- 05 ADVANCED PACKAGING INDUSTRY DEVELOPMENT & PRODUCT R&D

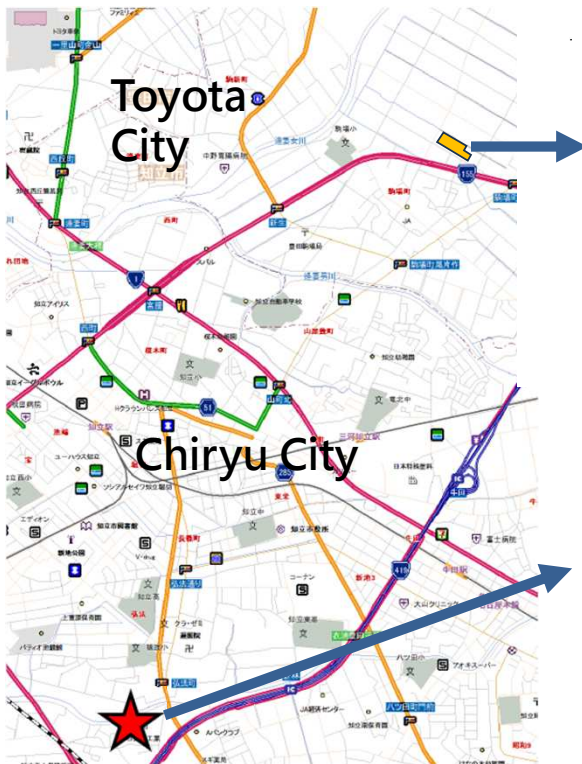
2027-28 Short-Term Capacity Expansion Plan

- ✓ Japan's NM responds via mid-term factory leasing and contracted assembly staff; the leased facility accommodates 10 units of 3-stage 90T assembly space
- ✓ The Guangzhou company completed a CNY 20M capital increase in H2, expanding assembly staff via leased facilities, and shifting assembly and sales to focus mainly on mid-range two-stage equipment

Capacity	Unit	NM Notes	Unit	GZ Notes
Current Monthly Max/Unit	18		4	Mainly single-stage equipment
Target Monthly Max/Unit	28	Collaborating with automaker supply chain partners, gradually increasing Q by Q to reach target by mid-2027	5	Mainly two-stage equipment; expected to reach target after lunar New Year 2027
Current Annual Max/Unit	216		48	
Target Annual Max/Unit	336		60	

Japan Toyota New Plant Relocation Plan

A land-use change application is currently underway, with completion expected in mid-2029
The new plant will consolidate the existing Chiryu and Kodama plants; going forward, Japan NM will operate only the Toyota plant and the Yokohama office



- ✓ **Capacity & Expansion**
Planned annual capacity: 350 units. Production line designed for future expansion to meet market growth
- ✓ **Site & Investment**
Land area: 20,205 sq. m. Total plant investment JPY 9.362 billion (subject to adjustment based on construction progress/spec changes)
- ✓ **Funding Sources**
NM's own funds. EPM Taiwan loans. Local bank financing
- ✓ **Strategic Benefits**
Combined assembly + R&D centre boosts operational efficiency. Proximity to automaker precision assembly cluster aids talent recruitment. Strengthens brand image and market visibility

Kaohsiung Headquarters New Office Acquisition & Relocation Plan

Plans to invest approximately TWD 350M of own funds to acquire a 510-ping (1,686 sq. m) downtown office for the headquarters relocation, expected to be completed by mid-2027

- ✓ Shorter communication chain — 10 min from Eternal Materials HQ, boosts cross-dept collaboration
- ✓ Lower commuting burden — Cuts combined commute by ~300 km/day vs. Dafa site; better work-life balance, lower Scope 3 emissions
- ✓ Stronger talent competitiveness — Wider recruiting pool, better retention, improved corporate image
- ✓ Closer to semiconductor customers — Near northern Kaohsiung's growing chip cluster; faster response, deeper customer relationships



Contents

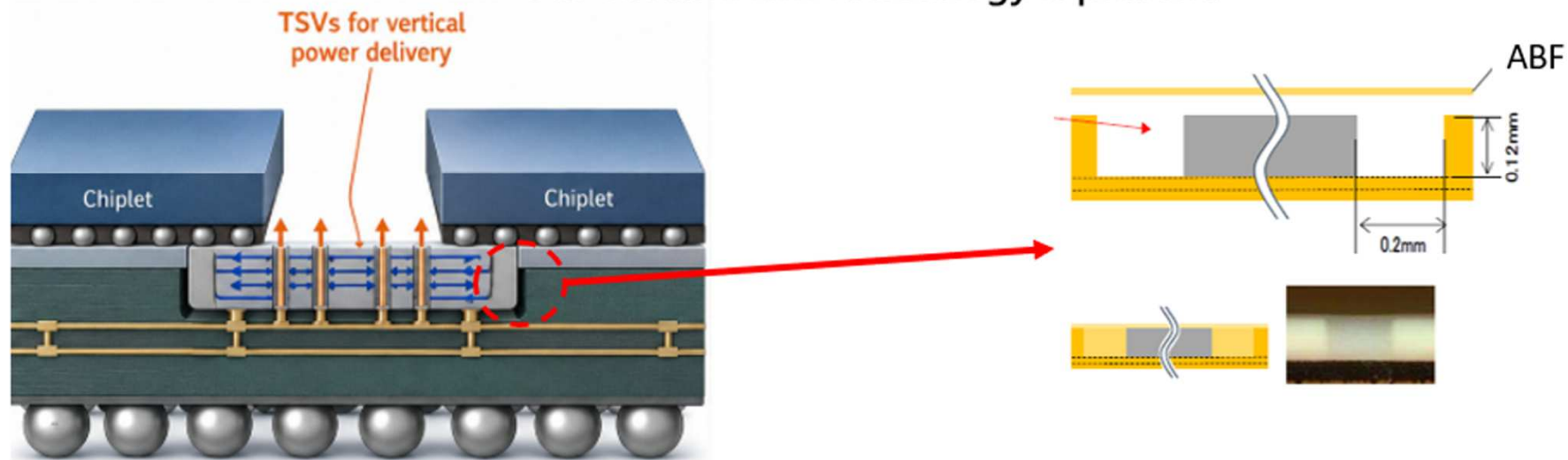


- 01 EPM COMPANY OVERVIEW
- 02 FINANCIAL ANALYSIS (2026H1-2025)
- 03 FUTURE MARKET OUTLOOK
- 04 CAPACITY & MAJOR CAPEX PLANS
- 05 ADVANCED PACKAGING INDUSTRY DEVELOPMENT & PRODUCT R&D**

Existing IC Substrate Equipment Development — ABF Vacuum Laminator for Silicon Bridge Substrates

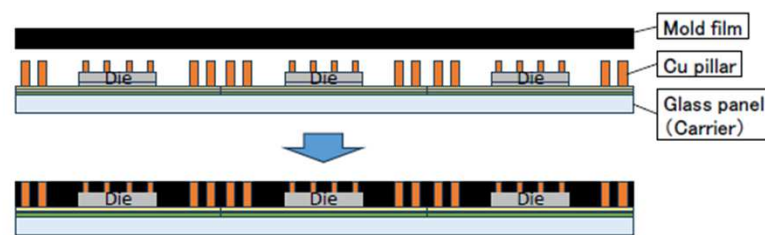
Developing vacuum laminators for silicon bridge substrates / embedded components in collaboration with customers led by a major U.S. CPU maker and Japanese substrate makers, with shipments expected to begin in 2027

Embedding the bridging silicon(or component) with build-up film material(ABF)
Our Vacuum lam Technology is present!

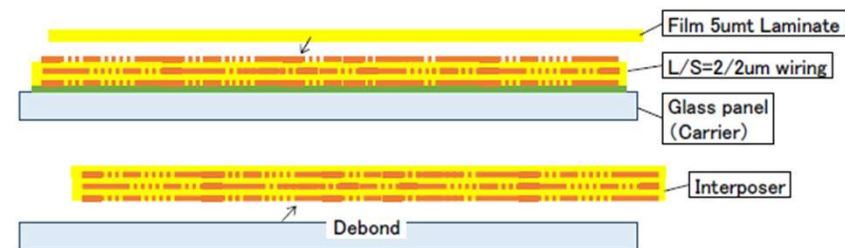


Glass Substrate and Carrier Glass Equipment Development

- ✓ From 2022-2024, glass substrate transport and 3 stage vacuum lamination testing for 0.1mm-1.8mm thickness were completed with a US manufacturer; testing and development for glass processing and inspection are now pending with 4 Japanese glass processing manufacturers
- ✓ Working with Taiwan OSAT makers, Japanese materials makers, and US end customers on carrier glass advanced packaging for FOPLP and RDL interposer vacuum lamination processes

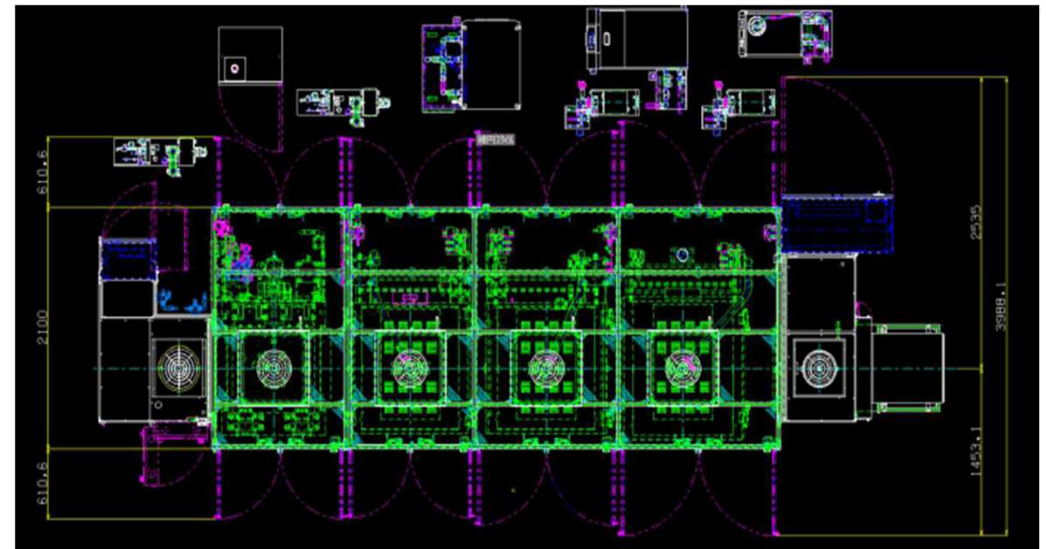


•微細線路中介層 (Interposer) 製程開發
正在共同開發載有 $L/S = 2/2 \mu m$ 微細線路的薄型中介層製造製程



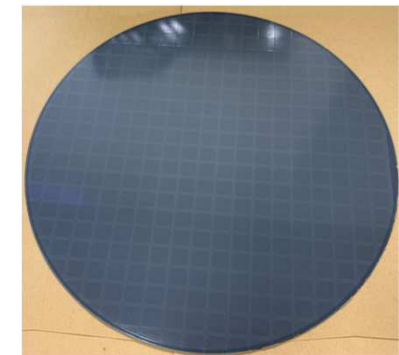
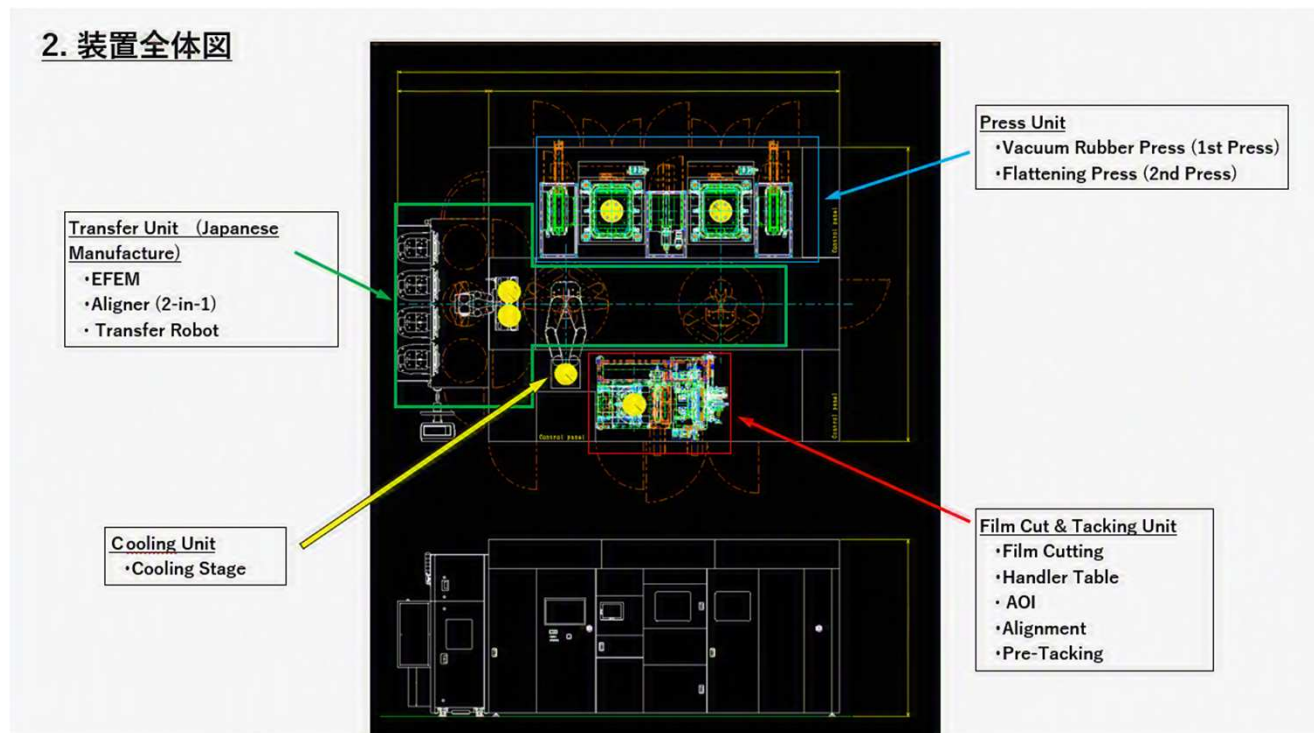
4 Stage Vacuum Laminator

Participating in Japanese company Resonac's Joint 3 project to develop a 4 stage vacuum laminator, developing future materials for advanced packaging vacuum lamination flatness requirements



Wafer-Level Vacuum Laminator

Continuing to design and develop Wafer ABF vacuum film-laminating equipment for Foundry, with the project expected to complete a test machine by 1Q2027





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Thank You

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