

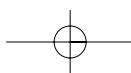
Innovative Service Creating Customer Value

From providing customers with integration services to offering customers projects that create value, Macronix continuously anticipates how to satisfy customer needs and produce greater value—for customers as well as Macronix.

An Innovative Solutions Provider

Macronix has always considered itself an Integrated Solutions Provider (ISP). This meant that Macronix was not just a chip manufacturer, but could also provide complete system integration solutions to satisfy customer requirements. Macronix's wish is to have a synergistic and value-added cooperative relationship with customers, whether it is technology, strategy, or profitability.

Macronix was an Integrated Service Provider in its first stage of operation. Providing R&D, design, manufacturing, and up through package testing, Macronix offered



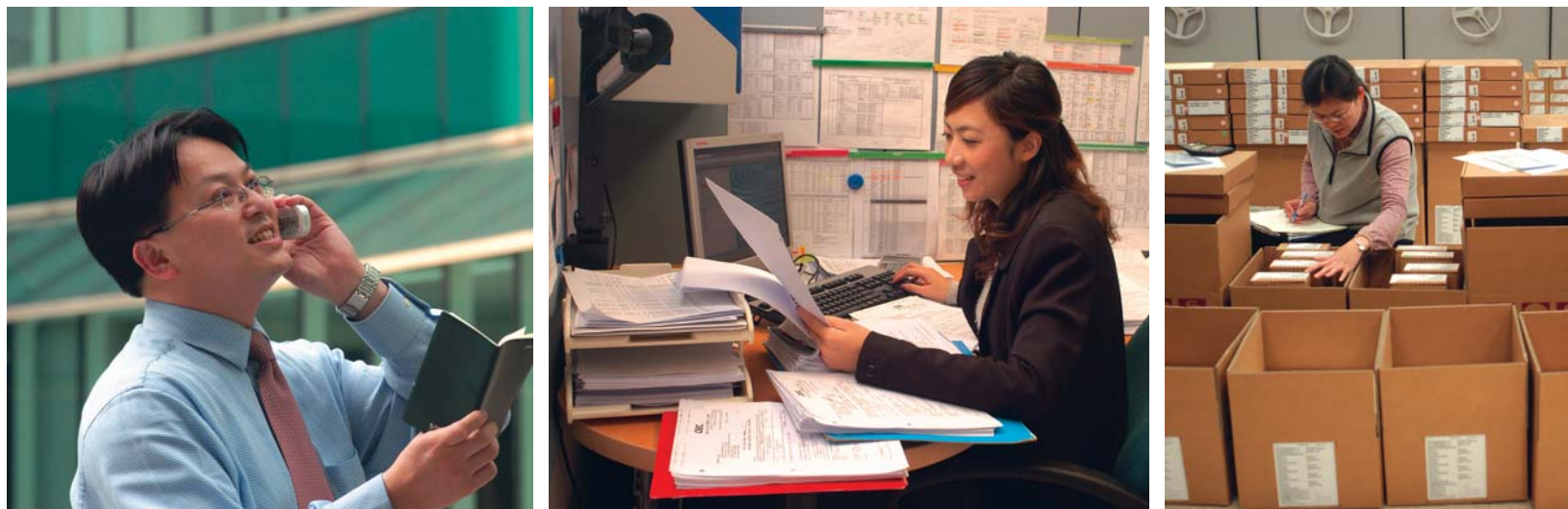


comprehensive services. Now, 15 years later, Macronix is in its second stage as an Innovative Solutions Partner, actively participating in the system development projects of customers. Not only does Macronix provide innovative R&D and advanced manufacturing technology, it also offers innovative ways for increasing the marketability of customer products.

Integrated Solutions Provider is Macronix's promise to customers as well as our main operational objective. In the information appliance era, application oriented components will play a leading role, superceding standardized products. Whoever can offer complete customized solutions will command the next wave of technology.

Working with the Best

Choosing the right field to enter as well as the right customers have been the two mainstays of Macronix's strategy. A key account development strategy is aimed at establishing long-term diversified cooperative relationships with leading global companies. Even the most demanding customers provide an opportunity to sharpen competitiveness. For example, when Macronix first entered the Mask ROM field, the decision was

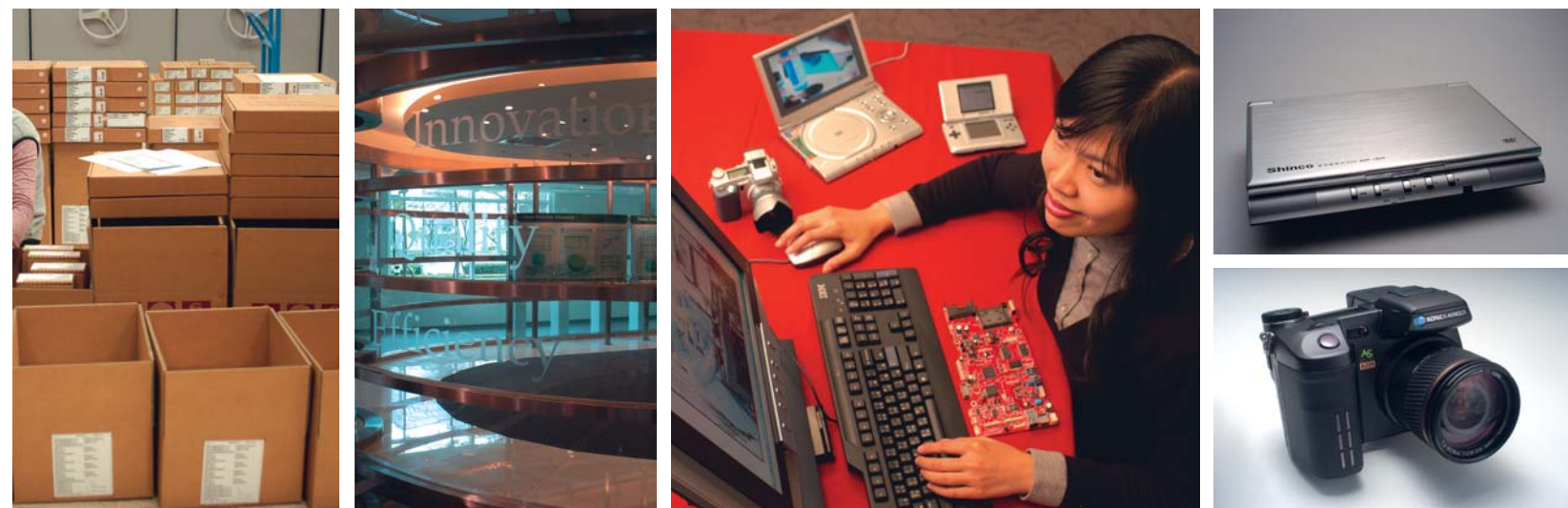
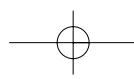


made to pursue Nintendo, the largest user of Mask ROM. Today, Nintendo is an important long-term Macronix customer. With 15 years of effort, Macronix has succeeded in establishing steady strategic customers.

Of all the firms making non-volatile memory in the world today few are like Macronix, making both Mask ROM and Flash products. Yet, this offers great convenience and flexibility to the customer. Customers are located in the following areas: Japan 40%, other Asian countries 40%, Europe and America 20%. Macronix still has ample room to grow in the Japanese, U.S., and European markets. This year Macronix will strengthen its contact with world-class U.S. and European system companies, increasing engineering support for design-in work.

Green Promise to Customers

Environmental protection measures are a challenge for an enterprise, as well as a responsibility. In August 2005, the European Union will begin implementing two major environmental directives. One is the Waste Electrical and Electronic Equipment (WEEE) Directive, which establishes a recycling system for 10 major electronics products. The other is the Restriction of Hazardous Substances (RoHS) Directive, which requires that international companies stop using six materials, including lead and mercury, in products such as IC packaging and computer plastics components.



Two years ago Macronix imported expensive high-tech, lead-free processes to satisfy the requirements of customers such as Sony and Nokia. Macronix currently uses more lead-free processes than any comparable enterprise in Taiwan.

Providing Effective Service

To provide the highest quality customer service, Macronix recently put into place a substantially improved system of communications between the production and marketing departments. From responding to customer special requests to controlling product delivery dates, significant progress was made in all areas.

In 2004 the product and sales departments standardized management procedures for special customer requests. Once a special request is received, account personnel quickly relay the information to the relevant production lines. Within 24 hours an internal task force is assembled to determine how to manage the request and a response to the customer is delivered. With this type of system the production line understands customer needs at an early stage and begins preparing to satisfy customer requirements. A weekly meeting to discuss current and new products, scheduling, and quantities, improves the interaction of production and marketing and enhances our customer promise. Establishing a world-wide technical and logistic support network to further improve service effectiveness, Macronix is active in preparing to meet the next wave of challenges.

