

HIWIN® MIKROSYSTEM

Code : 4576
<http://mops.twse.com.tw>
<http://www.hiwinmikro.tw>

***2025
Annual Report***

HIWIN MIKROSYSTEM CORP.

2026. 5. 5

Spokesperson

Name: Hung-Yi Tsai

Title: Manager

Tel: 886-4-2355-0110 Ext.9276

E-mail:investor@hiwinmikro.tw

Deputy Spokesperson

Name: Kai-Sheng Yu

Title: Senior Vice President

Tel: 886-4-2355-0110 Ext. 9274

E-mail:investor@hiwinmikro.tw

Stock Transfer Agent

Yuanta Securities Co., Ltd. Registrar and
Transfer Agency Dept.

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd.,
Da'an Dist., Taipei City 106.

Tel: 886-2-2586-5859

Website: <http://www.yuanta.com.tw>

Auditors

Deloitte & Touche

Auditors: Ting-Chien Su, Hsiao-Fang Yen

Address: 22F, No. 88, Huizhong Rd., Sec. 1,
Xitun Dist., Taichung

Tel.: 886-4-3705-9988

Website: <http://www.deloitte.com.tw>

Overseas Securities Exchange

None

Corporate Website

<http://www.hiwinmikro.tw>

Headquarters, Branches and Plant

Headquarters

Address: No.6, Jingke Central Rd.,
Nantun Dist., Taichung

Tel: 886-4-23550110

Second area

Address: No.7, Jingke 8th Rd., Nantun
Dist., Taichung

Tel: 886-4-23550110

Yunlin Plant

Address: No. 5, Keban 1st Rd., Douliu
City, Yunlin

Tel: 886-4-23550110

Fengshan Plant

Address: No.68 Fenggong Road,
Hukou Township, Hsinchu

Tel: 886-4-23550110

Contents

I. Letter to Shareholders.....	1
1.1 2025 annual operating report.....	2
1.2 Summary of the 2026 business plan	3
II. Corporate Governance Report.....	5
2.1 Information on directors and senior managers.....	5
2.2 Implementation of Corporate Governance.....	19
2.3 CPA Information.....	57
2.4 Replacement of CPA.....	57
2.5 Information on the chairman, general manager, and manager responsible for the Company’s financial or accounting operations, who have worked at the firm of a CPA firm or its affiliated companies in the most recent year.....	58
2.6 Transfer of equity and changes in equity pledge of directors, supervisors, managers, and shareholders with a shareholding ratio of more than 10% in the most recent year and as of the date of publication of the annual report.....	59
2.7 Shareholding ratio of the top ten shareholders, information on their relationship with each other, spouse, or relatives within the second degree.....	60
2.8 The number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise and combined to calculate the comprehensive shareholding ratio.....	61
III . Capital Overview.....	62
3.1 Capital and Shares.....	62
3.2 Implementation status of corporate bonds.....	65
3.3 Implementation status of special stocks.....	65
3.4 Implementation status of overseas depository receipts.....	65
3.5 Implementation status of employee stock options.....	65
3.6 Implementation status of restrictions on handling new shares with employee rights.....	65
3.7 Implementation status of handling mergers and acquisitions or transfer of shares of other companies to issue new shares.....	65
3.8 Implementation status of financial plans.....	65
IV.Operational Highlights.....	66
4.1 Business Activities.....	66
4.2 Market and Sales Overview.....	72
4.3 Information of employees for the last two years and as of the publication date of the annual report.....	75
4.4 Environmental Protection Expenditure.....	75
4.5 Labor Relations.....	76
4.6 Information Security Management.....	78
4.7 Major contracts.....	81

V. Review and analysis of financial status, financial performance, and risk issues.....	82
5.1 Financial Status.....	82
5.2 Financial Performance.....	83
5.3 Cash Flow.....	83
5.4 The impact of significant capital expenditures on financial operations in the most recent year	84
5.5 Investment policy in the most recent year, Main causes of profits or losses, Improvement plans and investment plans for the coming year.....	84
5.6 Risk Analysis	85
5.7 Other important matters.....	89
VI. Special Disclosures.....	90
6.1 Information on Affiliated Companies.....	90
6.2 Private placements in the most recent year and as of the date of publication of the annual report....	91
6.3 Other necessary supplementary information.....	91
6.4 Any event with significant impact on shareholders' equity or security price in the most recent year and as of the date of publication of the annual report, according to Article 36.3.2 of the Securities and Exchange Act	91

I. Letter to Shareholders

Dear Shareholders,

Facing the uncertainties brought about by the dramatic changes in the political and economic environment, geopolitics, and supply chain reshoring in 2025, semiconductor equipment investment momentum is strengthening, driven by robust growth in demand for AI, high-speed computing, and advanced packaging. Market demand for high-precision electromechanical integration solutions continues to expand. Leveraging its long-standing expertise in electromechanical integration and our efficient team, Hiwinmikro System Corp. continues to optimize product performance and delivery flexibility, consolidating its leading position, the company achieved consolidated revenue of NT\$2,714,367 thousand in 2025 up 20 % from NT\$2,253,707 thousand in 2024 and net profit after tax of NT\$259,924 thousand, an increase of NT\$168,984 thousand over the NT\$90,940 thousand recorded in 2024, demonstrating solid operational growth and long-term potential.

HMC continues to focus on precision positioning and high performance drive control technologies, using its integrated capabilities in mechatronic integration, product manufacturing, and technical services as its core competitive advantage. The company deepens its presence in the semiconductor, electronic equipment, smart automation, and machine tool sectors. Benefiting from the growth of advanced semiconductor processes and packaging, HMC expands its service scope with industry leading precision positioning technology and system packaged solutions, delivering professional positioning system integration that shortens development cycles and boosts output efficiency for top global semiconductor customers through complementary technologies and R&D collaborations.

With AI spurring industries toward ever more precise and rapid manufacturing, equipment requirements for speed, accuracy, stability, and thermal efficiency continually rise. HMC's water cooled motors effectively manage machine temperature during operation. In 2026, the newly launched Multi-Dimensional Positioning Stage (MD ZT) paired with a next generation high end driver controller provides both high performance dynamic characteristics and nanometer level servo stability. This comprehensive solution precisely meets diverse customer applications. In addition to targeting high end fields such as glass substrate packaging, AOI high speed inspection, and industrial communication platforms, HMC is actively expanding its product ecosystem into new energy, smart manufacturing, and advanced medical sectors. Backed by deep proprietary know-hows, the company has secured several mass production orders, continuously feeding future revenue growth.

HMC is actively pursuing corporate sustainability transformation. In 2025 it received the "Taichung City Government Enterprise Sustainability A+ Action Competition – Sustainability Leadership Award" and the "Taiwan Investor Relations Association – Investor Relations Potential Progress Award," showcasing concrete achievements in sustainable governance and information transparency. Its product innovation, the Multi-Dimensional Positioning Stage (MD-ZT), won the Ministry of Economic Affairs' 34th Taiwan Excellence Gold Award and has accumulated seven gold and five silver recognitions. The platform meets semiconductor and other high-dynamic-application needs through combined hardware-software technology and modular design, lowering customers' upgrade barriers and reducing costs. Moreover, the product's material recycling rate reaches 95 %, blending performance advancement with green manufacturing, enhancing international competitiveness and capturing future growth opportunities.

Thank you to all partners who have supported and trusted HMC along the way. Looking ahead to 2026, changes in geopolitics and trade policies will continue to shape global capital-expenditure trends. HMC will keep integrating resources from its overseas subsidiaries and partners, strengthening global market service capacity, localized technical support, and service resilience. By refining R&D technologies and fostering innovative thinking, we will create more comprehensive mechatronic-integration and smart-manufacturing solutions, work hand-in-hand with our partners, achieve sustainable and steady profit growth, and generate long-term value for shareholders.

The implementation results of the 2025 business plan are as follows:

1.1 2025 annual operating report

(1) The business plan implementation results

The consolidated financial statements for 2025 show revenue of NT\$2,714,367 thousand, which is a 20 % increase over the NT\$2,253,707 thousand recorded in 2024; operating profit of NT\$324,240 thousand, a 533 % increase compared with the NT\$51,203 thousand in 2024; net profit after tax of NT\$259,924 thousand, up 186 % from the NT\$90,940 thousand in 2024; net profit attributable to the parent company's shareholders of NT\$241,328 thousand, an increase of NT\$180,676 thousand over the NT\$60,652 thousand in 2024; and earnings per share of NT\$2.01, which is NT\$1.50 higher than the NT\$0.51 per share reported in 2024.

(2) Analysis of financial income and expenditure and profitability:

1. Financial income and expenditure

Unit: NT\$1,000

Item	Year	Finance Audited in 2025	
		Amount	%
Operating revenue		2,714,367	100%
Operating cost		1,723,413	63%
Operating gross profit		990,954	37%
Operating expenses		666,714	25%
Net operating profit		324,240	12%
Non-operating income and expenses		(22,939)	-1%
Net profit for the year		259,924	10%
Net profit after tax attributable to the owner of the parent company		241,328	9%

Note: This table is based on the consolidated financial statement. The Company has not disclosed its financial forecast for 2025, so there is no budgetary disclosure.

2. Profitability analysis

Item	Year
	2025
Return on Assets (%)	3.99
Return on shareholders' equity (%)	6.05
Ratio of operating profit to paid-in capital (%)	27.06
Ratio of pre-tax net profit to paid-in capital (%)	25.15
Net Profit rate (%)	9.58
Earnings per share (NT\$)	2.01

(3) Research development

1. In 2025, the research and development expenditure accounted for 10.05% of the turnover. A total of 18 domestic and foreign patent applications were filed, and 11 patent certificates were issued. As of the end of 2025, a total of 230 patents had been obtained and were still valid.

2. The R&D product "Multi-Dimensional Positioning Platform – MD-ZT" was honored with the Ministry of Economic Affairs' 34th Taiwan Excellence Gold Award, recognizing its technological capabilities at the national level.

3. Research and development results:

(1) Nanometer-scale multi-dimensional positioning module

(2) High-vacuum linear motor

(3) High-torque, high-efficiency liquid-cooled torque motor

(4) Advanced fan-out panel-level packaging (FOPLP) inspection and positioning platform

1.2 Summary of the 2026 business plan

(1) Operation policy:

- A. Center on enhancing customer value as the core objective, by developing high-efficiency, energy-saving, and high-added-value products to continuously strengthen corporate competitiveness and stable profitability.
- B. Establish a robust, efficient, and resilient operating system to streamline production-sales coordination and supply reliability. Strengthen risk-response and resource-allocation capabilities, and guarantee superior quality, delivery timelines, and service stability to meet global customer needs.
- C. Leverage core technologies and innovative applications, reinforce leadership in direct-drive technology, motion control, and smart manufacturing, while broadening product and market coverage.
- D. Advance sustainability and global development by balancing environmental responsibility, regulatory compliance, and business growth, thereby elevating brand value and international market influence.

(2) Expected sales volume and its basis:

- A. The Company's expected sales in 2026 are as follows:

Unit: PCS	
Product category	Sales Volume
Precision motion and control components	252,505
Micro and Nano Positioning Systems	2,623
Total	255,128

- B. Based on global economic trends, the business environment of each industry, market supply and demand, and competition, as well as analysis of business development with existing customers and the progress of potential customers, while considering various factors such as balance between production and sales, the Company estimates its sales volume for 2026.

(3) Important production and sales policies:

- A. Strengthen market-driven R&D mechanism Integrate sales and technical information to establish a dynamic market-intelligence loop, optimizing resource allocation toward high-growth sectors and accelerating time-to-market.
- B. Implement data-driven smart manufacturing: Promote full-scale automation and visualized production-data management, continuously optimize process quality and stability, and ensure compliance with customers' reliability requirements.
- C. Enhance supply chain localization and resilience: Prioritize local sourcing of critical materials and diversify supply sources, build regional supply networks and alternate-material management mechanisms, reduce geopolitical and transportation risks, and improve supply stability and cost competitiveness.
- D. Optimize production-sales coordination and inventory-management efficiency Integrate MRP/MDS and CRM data systems to increase demand-forecast accuracy and capacity-allocation efficiency, enhancing on-time delivery capability, and maintain lean inventory levels.
- E. Build a global technical-support and service platform: Refine a digital customer-service mechanism and provide rapid, localized assistance through a worldwide technical-service network, fostering a long-term, stable foundation for customer collaboration.

(4) Future company development strategy

- A. Deepen core direct-drive technology and system-solution capabilities
Based on advanced application scenarios and industry trends, continuously advance precision motion-control technology, transition from being a key component supplier to a smart-manufacturing solution expert, and expand the product and service value chain.
 - B. Drive product modularization to achieve scale and efficiency
Fully implement a product-modular design strategy to shorten development time and reduce production complexity. Balance high-end customization requirements with increased production efficiency and profitability.
 - C. Expand the global service and partnership network
Deepen strategic cooperation with global agents and system integrators (SIs) to broaden and deepen technology delivery, accelerate expansion into emerging application markets such as semiconductor, medical, and new energy, and enhance brand influence.
 - D. Champion low-carbon transformation with green technology
In response to the worldwide decarbonization trend, develop high-efficiency drivers and energy-saving positioning systems, turning environmental responsibility into product competitiveness. Help customers optimize energy consumption and create sustainable value that benefits both the enterprise and the environment.
- (5) Impact of external competitive environment, regulatory environment, and overall business environment

(5) Impact of external competitive environment, regulatory environment, and overall business environment
Facing global geopolitical shifts, trade-policy adjustments, and exchange-rate fluctuations, the company remains committed to strengthening its resilient production-sales coordination and procurement mechanism. By leveraging localized operations and flexible scheduling, it effectively enhances risk-response capability and cost control, ensuring operational stability and worldwide supply reliability amid international uncertainties.

The rise of generative AI is accelerating advanced semiconductor processes, new-energy technologies, and high-end medical applications toward smarter automation. Consequently, market demand for high-performance and high-efficiency motion-control solutions keeps increasing. Centered on direct-drive technology, the company supplies critical positioning and drive modules that improve customers' process performance, stability, and energy-saving outcomes. We are dedicated to transforming core technologies into smart-manufacturing solutions, positioning itself as a strategic partner that co-creating long-term value with its customers.

Looking ahead, HIWINMIKROSYSTEM will focus on technological innovation and global deployment as the main pillars of development, implement the core competitive strengths outlined in its operating policy, and achieve the long-term goal of sustainable business management.

HIWIN MIKROSYSTEM CORP.
Chairman Shou-Yeu Chuo

II. Corporate Governance Report

2.1 Information on directors and senior managers

(1) Information of Directors

March 28, 2026

Title	Nationality / Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Concurrently holding positions in the Company and other companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	ROC	Shou-Yeu Chuo	Female, 51-60y/o	2024.5.30	3 years	2008.06.24	22,395,630	18.69%	22,123,630	18.47%	928,689	0.78%	—	—	Master of Financial Management, Baruch College, USA, Sino Bank, Secretary to Chief Financial Officer, HIWIN MIKROSYSTEM CORP. Vice Chairman	HIWIN MIKROSYSTEM CORP. Deputy CEO, Convenor of the Sustainability Development Committee Matrix Precision Co., Ltd. Vice Chairman/Co-CEO Holds the position of Director: -HIWIN TECHNOLOGIES CORP. -HIWIN INVESTMENT AND HOLDING CORP. -HIWIN Business Management Co., Ltd. -Hiwin Corporation, USA -Hiwin Singapore Pte Ltd. -Hiwin GmbH HIWIN CORPORATION, Japan, Director Supervisor, Yong-Yin Investment and Holding Corp	Vice Chairman	Eric Y. T. Chuo	Father and Daughter	—
Director	ROC	HIWIN INVESTMENT AND HOLDING CORP.	—			2018.12.12	6,592,991	5.50%	6,592,991	5.50%	—	—	—	—	—	—	—	—	—	—

Title	Nationality / Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Concurrently holding positions in the Company and other companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
		Representative Eric Y. T. Chuo	Male, 81-85yo	2024.5.30	3 years		1,476,145	1.23%	1,476,145	1.23%	1,224,083	1.02%	—	—	University of San Francisco, Master of Public Administration, National Kaohsiung University of Science and Technology (NKUST), Hon PhD of Engineering, National Chung Cheng University, Hon PhD of Management, National Taiwan University of Science and Technology, Hon PhD of Engineering, National Tsing Hua University, Hon. Doctor of Philosophy, China Medical University, Hon. Doctor of Engineering, National Taiwan University, Hon. Doctor of Science, Matrix Precision Co., Ltd. Chairman, HIWIN MIKROSYSTEM CORP. Legal Representative Chairman, Taiwan Automation Intelligence and Robotics Association (TAIROA) Founding Chairman, Taiwan Machine Tool & Accessory Builders' Association (TMBA), Honorary Chairman	HIWIN MIKROSYSTEM CORP. CO-CEO HIWIN TECHNOLOGIES CORP. Co-Executive CEO Holds the Director position: -HIWIN TECHNOLOGIES CORP. -MATRIX PRECISION Co., Ltd. Legal Representative Director & Co-CEO -HIWIN INVESTMENT AND HOLDING CORP. -HIWIN Education Foundation -Asia University	Chairman Executive President	Hsiu-Yu Chuo Kai-sheng You	Father and Daughter Son-in-law	—
Director	ROC	Kou-I Szu	Male, 61-70yo	2024.5.30	3 years	2003.06.27	623,986	0.52%	617,986	0.52%	135,630	0.11%	—	—	Universität Paderborn, Germany. Doctor of Engineering, Taiwan Electronic Equipment Industry Association (TEEIA) Director, Taiwan Automation Intelligence and Robotics Association (TAIROA) Chairman Board Member, Taiwan-Israel Commercial and Cultural Promotion Association (TICC) Member, SEMI Semiconductor Association - Test & Metrology Committee	HIWIN MIKROSYSTEM CORP. President Mega-Fabs Motion Systems Ltd. Chairman	—	—	—	—

Title	Nationality / Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Concurrently holding positions in the Company and other companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Director	ROC	YONGCHIANG Investment Co., Ltd.	—			2018.12.12	2,067,881	1.73%	2,067,881	1.73%	—	—	—	—	—	—	—	—	—	—
		Representative Shun-Chin Lee	Male, 71-80y/o	2024.5.30	3 years	2024.05.30	266,523	0.22%	266,523	0.22%	389,206	0.32%	—	—	University of California-Berkeley, MBA, Feng Chia University, MBA	Holds the position of Chairman: -Market Finder Corporation -NAIQIANG, Ltd. -JEN YONG Ltd. -YONGCHIANG Investment Co., Ltd.(Legal Representative)	—	—	—	—
Director	ROC	Liang-Chi Chang	Male, 81-85y/o	2024.5.30	3 years	2018.05.08	327,185	0.27%	327,185	0.27%	438,793	0.37%	—	—	Chinese Culture University, B.A., HIWIN TECHNOLOGIES CORP. Supervisor, Long Life Nutraceutical Intl. Co., Ltd. Chairman, Taiwan Cooperative Bank ., Specialist	—	—	—	—	—
Director	ROC	HIWIN TECHNOLOGIES CORP.	—				9,525,676	7.95%	9,525,676	7.95%	—	—	—	—	—	—	—	—	—	—
		Representative Yan-Qi Peng	Female, 61-70y/o	2024.5.30	3 years	2024.05.30	172,057	0.14%	168,057	0.14%	—	—	—	—	Master of Computer Information Engineering from the University of Southern California, Vice President of Hiwin Technology Co., Ltd.	Chairperson of HIWIN China Director of HIWIN USA Senior Vice President of Marketing Division, Hiwin Technology Corporation	—	—	—	—
Independent Director	ROC	Hsueh-Pin Chang	Male, 71-80y/o	2024.5.30	3 years	2018.12.12	—	—	—	—	—	—	—	Ph.D., Institute of Mechanics and Aeronautics, Cornell University, USA, Chair Professor and Acting Chancellor of Kao Yuan University, Vice Chancellor Reviewer of the Board of Science and Technology (BOST) of the Executive Yuan, Director of Hsi-Chun Hua Air Force Foundation, Chairman of Innovings Investment &	HIWIN MIKROSYSTEM CORP. Member of Audit , Convenor of the Remuneration and Nomination Committee Advanced International MultiTech Co., Ltd. Independent Director Convener, Ministry of Economic Affairs	—	—	—	—	

Title	Nationality / Place of Incorporation	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Concurrently holding positions in the Company and other companies	Executives, Directors or Supervisors Who are Spouses or within the Second Degree of Kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
															Consulting Corporation, Director of Air Asia Company Limited, Supervisor of China Engine Corporation, Tech. Consultant to the Department of Industrial Technology (DoIT) of the Ministry of Economic Affairs, Senior Vice President of International Turbine Engine Company LLC., Chief Engineer of Aerospace Technology Research And Development Center of ROCAF/Aerospace Industrial Development Corporation, China Steel Corp. Independent Director	Electric Bus Domestic-Production Technology Review Committee Consultant, Metal Industry Research & Development Center Advisor, Taiwan Unmanned Vehicle Systems Industry Development Association				
Independent Director	ROC	Chung-Jen Chen	Male, 51-60yo	2024.5.30	3 years	2018.12.12	-	-	-	-	-	-	-	-	Bachelor of Accounting, National Cheng Kung University, Specialist, Accounting Office, Bank of Taiwan, Manager of the Audit Office of Taiwan Financial Holdings Co., Ltd., Director of Accounting Office, Chung Yuan University,	HIWIN MIKROSYSTEM CORP. Audit Committee Convener, Member of the Remuneration and Nomination Committee	-	-	-	-
Independent Director	ROC	Chien-Yu Lo	Female, 51-60yo	2024.5.30	3 years	2024.5.30	-	-	-	-	-	-	-	-	Middlebury Institute of International Studies at Monterey, Master of Arts in Translation and Interpretation National Taiwan University, Bachelor of Arts Gogoro Taiwan Ltd. Department of Public Affairs Senior Manager Liberty Times Ltd. Division of Industrial Economy Convener	HIWIN MIKROSYSTEM CORP. Member of Audit Committee, Member of the Remuneration and Nomination Committee, Member of the Sustainability Development Committee Taiwan Excellent Brand Association Secretary-General	-	-	-	-

Note : Where the Chairman of the Board of Directors and the President or a person with equivalent position (top- level manager) of a company are the same person, spouses, or relatives within the first degree of kinship: None

1. Major shareholders of institutional shareholders:

March 28, 2026

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	
	Name	Holding %
HIWIN TECHNOLOGIES CORP. (Note)	HIWIN INVESTMENT AND HOLDING CORP.	8.15%
	Representative: Wen Hen Chuo	1.93%
	Labor Pension Fund, New System	4.14%
	HSBC Bank(Taiwan) Limited entrusted with custody of Fidelity Advisor Series VIII:Fidelity Advisor focuses on Emerging Markets Fund Investment Account	3.31%
	Eric Y. T. Chuo	3.11%
	Shun-Chin Lee	2.44%
	Nanshan Life Insurance Co., Ltd. Representative: Chong yao Yin	1.94%
	Eddie W.H Chuo	1.93%
	Norges Bank Investment Account under custody of Citibank(Taiwan)	1.84%
	Deutsche Bank Taipei Branch in custody for Fidelity Emerging Markets Fund Investment Account	1.72%
First Bank Trust-Fund Account Appointed by Shun-Chin LEE	1.70%	
HIWIN INVESTMENT AND HOLDING CORP.	You-Ying Chuo	22.97%
	You-Song Chuo	19.70%
	You-Po Chuo	19.70%
	Eddie W.H Chuo	18.82%
	Shou-Yeu Chuo	9.50%
	Hui-Ching Tsai	5.76%
	Shiu-Min Chuo	2.69%
	Yu-Fang Chiu	0.39%
	Yu-Jen Chiu	0.39%
	Shi-Rong Qiu	0.04%
	Zi-Qin Pan	0.04%
YOUNGCHIANG INVESTMENT Co., Ltd.	JENYNG, Ltd.	50%
	NAIQIANG, Ltd.	50%

Note : According to HIWIN TECHNOLOGIES CORP., the information on major shareholders as of March 31, 2025 was disclosed in the 2024 annual report.

2. Major shareholders of institutional shareholders

March 28, 2026

Name of Institutional Shareholders	Major Shareholders of Institutional Shareholders	
	Name	Holding %
JEN YONG Ltd.	Shun-Chin Lee	5.71%
	Mei-Yue Chen	5.71%
	Cheng-Lun Li	5.71%
	Ai-Lun Li	5.71%
	Wei-Lun Li	5.71%
	NAI QIANG, Ltd.	71.43%
NAI QIANG, Ltd.	Shun-Chin Lee	5.71%
	Mei-Yue Chen	5.71%
	Cheng-Lun Li	5.71%
	Ai-Lun Li	5.71%
	Wei-Lun Li	5.71%
	JEN YONG Ltd.	71.43%

3. Information on professional qualifications of Directors and on independence of Independent Directors

Name	Criteria	Professional qualifications and experience	Independence	Number of other public companies where the person is concurrently serving as an independent director
Shou-Yeu Chuo, Chairman		For the Directors' professional qualifications and experience, please refer to the "Director Member Information" in this annual report (pages 5-8)	Not applicable	0
HIWIN INVESTMENT AND HOLDING CORP. Representative: Eric Y. T. Chuo, Director				0
Kou-I Szu, Director				0
YONGCHIANG INVESTMENT Co., Ltd. Representative: Shun-Chin Lee, Director				0
Liang-Chi Chang, Director				0
HIWIN TECHNOLOGIES CORP. Representative: Yan-Qi Peng				0
Hsueh-Pin Chang, Independent Director				None of the directors are classified under Article 30 of the Companies Act. (Note 1)
Chung-Jen Chen, Independent Director		0		
Chien-Yu Lo Independent Director		0		

Note 1: Those who fall under the following conditions shall not be appointed as managers. Those who have already been appointed shall be dismissed accordingly:

1. Have committed a crime specified in the Organized Crime Prevention Act, post-conviction, have not started serving the sentence or have not completed serving the sentence; the probation has expired, or the pardon has not exceeded five years
2. Have committed fraud, breach of trust or embezzlement and have a determinate prison sentence of more than one year, and have not started serving the sentence or have not completed serving the sentence; the probation has expired, or the pardon has not exceeded two years
3. Have committed a crime under the Anti-Corruption Act and have been convicted of the crime and have not started serving the sentence or have not completed serving the sentence; the probation has expired, or the pardon has not exceeded two years
4. Have declared bankruptcy or have started liquidation procedures as determined by the court, but without reinstatement of rights
5. A bill of exchange is dishonored and the term of such sanction has not expired.
6. Have no capacity to make juridical acts or have a limited capacity to make juridical acts
7. A commencement of guardianship has not been revoked.

Note 2: Two years prior to being elected and during the term of office, the following independence assessment criteria have been met:

1. Not a government entity, legal person or its representative as stipulated in Article 27 of the Company Act
2. Concurrently serving as an Independent Director of other three or less public companies
3. Not classified under any of the following in two years before the election and during the term of office:
 - (1) An employee of the Company or its affiliated companies
 - (2) A director or supervisor of the Company or its affiliated companies
 - (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1 percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
 - (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
 - (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act
 - (6) If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
 - (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

- (8) A director, supervisor, officer, or shareholder holding 5 percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company
- (9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

4. Diversification and independence of Board of Directors:

(1) Board of Directors Diversification

In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company's "Code of Practice on Corporate Governance" stipulates that the composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that Directors to possess the two but not be limited to, perspectives of standards, basic requirements and values, professional knowledge and skills. The Company's current Board consists of 9 Directors, including 3 natural-person Directors, 3 legal-person Directors and 3 Independent Directors. All Independent Directors have not served for more than 3 consecutive terms of office. The composition of Directors is diversified, with different core competencies, in addition to Independent Directors with different professional backgrounds.

(2) Specific management objectives

The Board of Directors of the Company shall guide corporate strategy, supervise senior management, and be accountable to both the Company and its shareholders. All corporate-governance procedures and arrangements must ensure that the Board exercises its authority in accordance with applicable laws, the Articles of Incorporation, and resolutions of the General Meeting of Shareholders. To strengthen the Board's functions and achieve the ideal objectives of corporate governance, Article 20 of the Company's "Corporate-Governance Practice Code" specifies that the Board as a whole must possess the following competencies: Operational judgment ability, Accounting and financial-analysis capability, Crisis-handling skill, Industry knowledge, International-market perspective, Leadership ability, Decision-making competence. Each competency area shall be represented by at least three directors. In addition: Women directors should account for at least one-third of the total director seats, Directors who also serve as company executives shall not exceed one-third of the total director seats, No more than two directors may have a spouse or a relative within the second degree of kinship.

(3) Achievements

There are 9 members serving on the 11th Board of Directors, including 3 Independent Directors. Each term of office is 3 years and directors are eligible for re-election. There are three female directors (accounting for 33%); three directors are managers of the Company (accounting for 33%); two directors are within the second degree of kinship (accounting for 22%). Independent Directors account for 33% of the board, who have been on the board for 2 to 8 years. There are at least 3 directors with expertise in each field, aligning with the Board's diversity goals. The implementation of the diversification policy of the Board of Directors is illustrated as follows.

Director's Name	Nationality	Gender	Concurrently serving as an employee of the Company	Age (y/o)	Independent Director Term (Seniority)	Industry experience		Professional ability		
						Banking	Assets Management	Accounting	Technology	Risk Management
Shou-Yeu Chuo	ROC	Female	V	below 60	-	V	V	V		V
HIWIN INVESTMENT AND HOLDING CORP., Representative: Eric Y. T. Chuo	ROC	Male	V	over 71	-	V	V	V	V	V
Yongchiang Investment Co., Ltd. Representative: Shun-Chin Lee	ROC	Male		over 71	-		V			V
Liang-Chi Chang	ROC	Male		over 71	-	V	V	V		V
HIWIN TECHNOLOGIES CORP. Representative: Yan-Qi Peng	ROC	Female		61-70	-		V		V	V
Kou-I Szu	ROC	Male	V	61-70	-		V		V	V
Hsueh-Pin Chang	ROC	Male		over 71	7-9 years		V		V	V
Chung-Jen Chen	ROC	Male		below 60	7-9 years	V		V		V
Chien-Yu Lo	ROC	Female		below 60	1-3 years				V	V

Director's Name	Business judgment	Accounting and Financial Analysis	Operational Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership	Decision Making
Shou-Yeu Chuo	V	V	V	V	V	V	V	V
HIWIN INVESTMENT AND HOLDING CORP. Representative: Eric Y. T. Chuo	V	V	V	V	V	V	V	V
YONGCHIANG INVESTMENT Co., Ltd. Representative: Shun-Chin Lee	V		V	V	V	V	V	V
Liang-Chi Chang	V	V	V	V	V	V	V	V
HIWIN TECHNOLOGIES CORP. Representative: Yan-Qi Peng	V		V	V	V	V	V	V
Kou-I Szu	V		V	V	V	V	V	V
Hsueh-Pin Chang			V		V	V	V	V
Chung-Jen Chen		V			V	V	V	V
Chien-Yu Lo				V	V	V	V	V
Target No. of Directors	3	3	3	3	3	3	3	3
No. of Directors Achieved	6	4	7	7	9	9	9	9
Achievement Rate	100%	100%	100%	100%	100%	100%	100%	100%

(2) President, Vice President, heads of various departments and branches

March 28, 2026

Title	Nationality	Name	Gender	Date Effected	Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman CEO	ROC	Shou-Yeu Chuo	Female	2024.08.13	22,123,630	18.47%	928,689	0.78%	-	-	Master of Financial Management, Baruch College, USA, Sino Bank, Secretary to Chief Financial Officer, HIWIN MIKROSYSTEM CORP. Vice Chairman	Matrix Precision Co., Ltd. Vice Chairman/Co-CEO Holds the position of Director: -HIWIN TECHNOLOGIES CORP. -HIWIN INVESTMENT AND HOLDING CORP. -HIWIN BUSINESS MANAGEMENT Co., Ltd. USA -HIWIN CORPORATION, USA -HIWIN SINGARPORE Pte Ltd. -HIWIN GMBH HIWIN CORPORATION, JAPAN. Director Supervisor, YONGYIN Investment and Holding Corp	Co CEO Executive Vice President	Eric Y. T. Chuo Kai-Sheng Yu	Father and Daughter Spouse	-
Co-CEO	ROC	Eric Y. T. Chuo	Male	2024.08.13	1,476,145	1.23%	1,224,083	1.02%	-	-	University of San Francisco, Master of Public Administration, National Kaohsiung University of Science and Technology (NKUST), Hon PhD of Engineering , National Chung Cheng University, Hon PhD of Management, National Taiwan University of Science and Technology, Hon PhD of Engineering, National Tsing Hua University, Hon. Doctor of Philosophy, China Medical University, Hon. Doctor of Engineering, National Taiwan University, Hon. Doctor of Science, Matrix Precision Co., Ltd. Chairman, HIWIN MIKROSYSTEM CORP. Legal Representative Chairman, TAIWAN AUTOMATION INTELLIGENCE AND ROBOTICS ASSOCIATION (TAIROA) Founding Chairman, MACHINE TOOL & ACCESSORY BUILDERS' ASSOCIATION(TMBA), Honorary Chairman	HIWIN TECHNOLOGIES CORP. Co-Executive CEO Holds the position of Director: -HIWIN TECHNOLOGIES CORP. -MATRIX PRECISION Co., Ltd. Legal Representative Director, and Co-CEO -HIWIN INVESTMENT AND HOLDING CORP. -HIWIN EDUCATION FOUNDATION -ASIA UNIVERSITY	CEO Executive Vice President	Shou-Yeu Chuo Kai-Sheng Yu	Father and Daughter Son-in-law	-

Title	Nationality	Name	Gender	Date Effectuated	Shareholding		Spouse & Minor child Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Positions	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
President	ROC	Kou-I Szu	Male	2017.06.01	617,986	0.52%	135,630	0.11%	—	—	Universität Paderborn, Germany. Doctor of Engineering, Taiwan Electronic Equipment Industry Association (TEEIA) Director, Taiwan Automation Intelligence and Robotics Association (TAIROA) Chairman, Board Member, Taiwan-Israel Commercial and Cultural Promotion Association (TICC) Member, SEMI Semiconductor Association-Test & Metrology Committee	Mega-Fabs Motion Systems Ltd. Chairman	—	—	—	—
Executive VP	ROC	Kai-sheng Yu	Male	2017.06.01	928,689	0.78%	22,123,630	18.47%	—	—	Pace University, Master of Financial Management Cathay Life Securities Investment Researcher, HIWIN Technologies Assistant Manager, Taiwan Electronic Equipment Industry Association (TEEIA) Executive Director	Holds the position of Director: -MEGA-FABS MOTION SYSTEMS Ltd. -HIWIN TECHNOLOGY, KOREA -HIWIN SINGAPORE Pte Ltd. -HIWIN TECHNOLOGY, CHINA HIWIN BUSINESS MANAGMENT Co., Ltd. Supervisor	Co CEO CEO	Eric Y. T. Chuo Shou-Yeu Chuo	Son-in-law Spouse	—
Finance director Head of Accounting Head of Corporate Governance	ROC	Hung-Yi Tsai	Male	2024.08.13	88	—	—	—	—	—	Master of Finance and Banking from National Chung Cheng University, Manager of Hiwin Microsystems Co., Ltd.	—	—	—	—	—

Note 1: Date of appointment under current title

Note 2: The President or equivalent position (top manager) and the Chairman are the same person, each other's spouse, or within first degree of kinship: None

Note 3: Refers to incumbents as of the date of publication of the annual report.

(3) Remuneration paid to directors and senior managers in the most recent year

1. Remuneration of Directors and Independent Directors

Unit: NT\$1,000

Title	Name	Director Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees						Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%) (Note 1)		Remuneration from ventures other than subsidiaries or from the parent company			
		Base Remuneration (A)		Severance Pay (B)		Directors Remuneration(C)		Allowances (D)		Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Remuneration (G) (Note 2)									
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	All companies in the consolidated financial statements				
		Cash	Stock	Cash	Stock			The Company	All companies in the consolidated financial statements														
Director	Shou-Yeu Chuo																						
	HIWIN INVESTMENT AND HOLDING CORP. Representative: Eric Y. T. Chuo																						
	Kou-I Szu																						
	Yongchiang Investment Co., Ltd. Representative: Shun-Chin Lee	—	—	—	—	7,000	7,000	1,200	1,200	8,200 3.40%	8,200 3.40%	32,849	32,849	534	534	913	-	913	-	42,496 17.61%	42,496 17.61%	None	
	Liang-Chi Chang																						
	HIWIN TECHNOLOGIES CORP. Representative: Yan-Qi Peng																						
Independent Director	Hsueh-Pin Chang																						
	Chung-Jen Chen	6,000	6,000	—	—	—	—	—	—	6,000 2.49%	6,000 2.49%	—	—	—	—	—	—	—	—	6,000 2.49%	6,000 2.49%	None	
	Chien-Yu Lo																						

1. Please specify the Independent Director's remuneration distribution policy, system, standards, and structure, as well as their correlation with the amount of remuneration paid according to the responsibilities, risks, investment time and other factors:

The remuneration of the Company's Independent Directors, in accordance of the "Director Performance Appraisal and Remuneration Policy", is a fixed monthly sum. Independent Directors do not participate in the annual distribution for Directors.

2. Except as disclosed in the table above, the remuneration received by the Company director for services provided in the most recent year (such as serving as a consultant for non-employees of the parent company/all companies investment undertakings in the financial report, etc.): None.

Note 1: The after-tax surplus is based on the financial statements approved by the CPA in 2025

Note 2: As of the date of publication of the annual report, the list of employee remuneration allotments has not yet been determined, so the proposed allotment for this year is calculated based on the actual allotment ratio of previous years

Remuneration Range

Remuneration range of Company Directors	Director's Name			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Below NT\$ 1,000,000	HIWIN INVESTMENT AND HOLDING CORP. (Representative Eric Y. T. Chuo), HIWIN TECHNOLOGIES CORP. (Representative Yan-Qi Peng), Kou-I Szu, YONGCHIANG INVESTMENT Co., Ltd. (Representative Shun-Chin Lee), Liang-Chi Chang	HIWIN INVESTMENT AND HOLDING CORP. (Representative Eric Y. T. Chuo), HIWIN TECHNOLOGIES CORP. (Representative Yan-Qi Peng), Kou-I Szu, YONGCHIANG INVESTMENT Co., Ltd. (Representative Shun-Chin Lee), Liang-Chi Chang	HIWIN TECHNOLOGIES CORP. (Representative Yan-Qi Peng), YONGCHIANG INVESTMENT Co., Ltd. (Representative Shun-Chin Lee), Liang-Chi Chang	HIWIN TECHNOLOGIES CORP. (Representative Yan-Qi Peng), YONGCHIANG INVESTMENT Co., Ltd. (Representative Shun-Chin Lee), Liang-Chi Chang
NT\$1,000,000(including) - NT\$2,000,000(excluding)	Hsueh-Pin Chang, Chien-Yu Lo	Hsueh-Pin Chang, Chien-Yu Lo	Hsueh-Pin Chang, Chien-Yu Lo	Hsueh-Pin Chang, Chien-Yu Lo
NT\$2,000,000(including) - NT\$3,500,000(excluding)	Shou-Yeu Chuo ,Chung-Jen Chen	Shou-Yeu Chuo ,Chung-Jen Chen	Chung-Jen Chen	Chung-Jen Chen
NT\$3,500,000(including) - NT\$5,000,000(excluding)	—	—	—	—
NT\$5,000,000(including) - NT\$10,000,000(excluding)	—	—	Kou-I Szu	Kou-I Szu
NT\$10,000,000(including) - NT\$15,000,000(excluding)	—	—	HIWIN INVESTMENT AND HOLDING CORP. (Representative Eric Y. T. Chuo)	HIWIN INVESTMENT AND HOLDING CORP. (Representative Eric Y. T. Chuo)
NT\$15,000,000(including) - NT\$30,000,000(excluding)	—	—	Shou-Yeu Chuo	Shou-Yeu Chuo
NT\$30,000,000(including) - NT\$50,000,000(excluding)	—	—	—	—
NT\$50,000,000(including) - NT\$100,000,000(excluding)	—	—	—	—
Above NT\$100,000,000	—	—	—	—
Total	9 People	9 People	9 People	9 People

2. Remuneration of CEO, President, and Vice Presidents

Unit: NT\$1,000

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Remuneration (D) (Note 1)				Ratio of total remuneration (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Shou-Yeu Chuo	25,560	25,560	642	642	16,958	16,958	1,278	-	1,278	-	44,438 18.41%	44,438 18.41%	None
CO-CEO	Eric Y. T. Chuo													
President	Kou-I Szu													
Executive Vice President	Kai-Sheng Yu													

Note : The allocated employee remuneration in 2025 was NT\$14,000 thousand. As of the publication date of the annual report, the employee remuneration distribution list has not yet been determined, so the proposed distribution amount for this year is calculated based on the actual distribution ratio in previous years.

Remuneration Range

Remuneration range of Company CEO, President, and Deputy President	Names of CEO, President, and Vice President	
	The Company	Companies in the consolidated financial statements
Below NT\$ 1,000,000	—	—
NT\$1,000,000(including) - NT\$2,000,000(excluding)	—	—
NT\$2,000,000(including) - NT\$3,500,000(excluding)	—	—
NT\$3,500,000(including) - NT\$5,000,000(excluding)	—	—
NT\$5,000,000(including) - NT\$10,000,000(excluding)	Eric Y. T. Chuo, Kou-I Szu	Eric Y. T. Chuo, Kou-I Szu
NT\$10,000,000(including) - NT\$15,000,000(excluding)	Kai-Sheng Yu	Kai-Sheng Yu
NT\$15,000,000(including) - NT\$30,000,000(excluding)	Shou-Yeu Chuo	Shou-Yeu Chuo
NT\$30,000,000(including) - NT\$50,000,000(excluding)	—	—
NT\$50,000,000(including) - NT\$100,000,000(excluding)	—	—
Above NT\$100,000,000	—	—
Total	4 People	4 People

4. Names of managers in charge of employee remuneration and distribution:

March 31, 2026

Unit: NT\$1,000

Managers	Title	Name	Stock	Cash	Total	Proportion of total amount to net profit after tax
		CEO	Shou-Yeu Chuo	0	1,504	1,504
	CO-CEO	Eric Y. T. Chuo				
	President	Kou-I Szu				
	Executive Vice President	Kai-Sheng Yu				
	Head of finance, head of accounting, head of corporate governance	Hung-Yi Tsai				

Note 1: The employee remuneration allocated for 2025 was NT\$14,000,000. As of the date of publication of the annual report, the list of employee remuneration distribution has not yet been determined. Therefore, the proposed distribution for this year is calculated based on the actual distribution ratio in previous years.

Note 2: Refers to incumbents as of the publication date of this annual report.

(4) Analysis of the ratio of the total remuneration (to the after-tax net profit) paid to Directors, Presidents, and Vice Presidents in the last two years by the Company and all companies in the consolidated statements; explanation of the policy, standard and combination of remuneration distribution, the formula for setting remuneration and operating performance and future risks

1. Analysis of the ratio of the total amount of remuneration (to the after-tax net profit) paid to Directors, Presidents, and Vice Presidents in the last two years by the Company and all companies in the consolidated statement:

Title \ Item	Ratio of total remuneration to net profit after tax			
	2025		2024	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	20.10%	20.10%	61.11%	61.11%
CEO, President, and Vice President	18.41%	18.41%	58.23%	58.23%

Note 1. The after-tax net profit attributable to the parent company in 2025 was NT\$241,238 thousand .

2. The after-tax net profit attributable to the parent company in 2024 was NT\$60,652 thousand.

3. On February 26, 2026, the Company's board of directors approved the appropriation of NT\$14,000 thousand for employee remuneration and NT\$7,000 thousand for directors', accounting for 5.8% and 2.9% of the 2025 after-tax profit, respectively. As of the publication of the annual report, the employee remuneration distribution list has not yet been determined, and this is a tentative estimate of the proposed distribution.

4. The total remuneration of directors includes relevant compensation received by part-time employees, so there is an overlap with regard to the calculation of the total remuneration of the CEO, Presidents, and Vice Presidents.

2. The policy, standard and combination of remuneration distribution, procedures for determining remuneration, the correlation between business performance and future risks

(1) Article 31 of the Company's Articles of Association stipulates that if the Company generates profit in a year, it should allocate no less than 1% for employee remuneration , of which, no less than 0.3% are for non-executive employees.; and no more than 4% for directors' remuneration. The appropriation amount shall be released only after the Remuneration Committee's review; after which, it will be submitted to the Board of Directors for discussion and to be reported during the Shareholders' Meeting.

(2) The Company's procedures for determining the remuneration of Directors, the President, and Vice Presidents are guided by the "Director Performance Appraisal and Compensation Policy," "Procedures for Director Performance Evaluation," and "Manager Performance Appraisal and Bonus Policy." Director compensation is not only influenced by the Company's overall operational performance, future industry risks, and development trends, but also by internal assessments conducted through self-assessment questionnaires. Assessment criteria include understanding of company goals and missions, awareness of director responsibilities, level of participation in company operations, management and communication of internal relationships, professionalism, ongoing learning (such as corporate governance courses), internal controls, ESG sustainability performance (weighted at least 10%), and contribution to the Company. The compensation of the President and Vice Presidents follows the Company's "Policy for Employee

Salaries and Managers' Benefits", considering both the manager's individual performance and the Company's overall operational performance and future risks. Recommendations are presented to the Remuneration Committee and then to the Board of Directors for resolution. This allows for periodic reviews of the remuneration system based on actual operating conditions and relevant laws and regulations, ensuring a balance between the Company's sustainable operations and risk management.

- (3) The performance evaluation and compensation rationality of the Company's directors and managers both have undergone a thorough review by the Remuneration Committee, and have been examined by the Board's annual appraisal and audit. Key factors considered include the attainment rates of performance by each responsibility unit, progress of ESG project implementation, profitability (weighted at least 10%), and contribution to the Company. Moreover, the Company's overall operational performance, future industry risks, and development trends are also factored in. The prevailing trends in corporate governance is also considered, to determine the appropriate remuneration level.

2.2 Implementation of Corporate Governance

(1) Board Operations

There were 4 (A) board meetings in 2025. The actual attendance rate of all directors was 100%. The attendance of individual directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Shou-Yeu Chuo	4	0	100%	
Director	HIWIN INVESTMENT AND HOLDING CORP. Representative: Eric Y. T. Chuo	4	0	100%	
Director	YONGCHIANG INVESTMENT Co., Ltd. Representative: Shun-Chin Lee	4	0	100%	
Director	Kou-I Szu	4	0	100%	
Director	Liang-Chi Chang	4	0	100%	
Director	HIWIN TECHNOLOGIES CORP. Representative: Yan-Qi Peng	4	0	100%	
Independent Director	Chung-Jen Chen	4	0	100%	
Independent Director	Hsuch-Pin Chang	4	0	100%	
Independent Director	Chien-Yu Lo	4	0	100%	

Other supplementary notes :

- Shall any of the following events occur during a board meeting, the date, period, content of the proposal, opinions of all independent directors, and the Company's handling of independent directors' opinions are to be disclosed:
 - Items listed in Article 14-3 of the Securities Exchange Act: Not applicable. The Company has Audit Committee. For further information please refer to the Operation of the Audit Committee in this report.
 - Except for the above-mentioned matters, other resolutions of the Board of Directors that have been opposed or reserved by independent directors with records or written statements: None.
- For the implementation of directors' recusal from involvement in proposals with potential conflict of interest, the director's name, content of proposal, and reasons for recusal and abstention from voting should be disclosed.
 - Board Meeting on February 26, 2025
Proposal Content:
Removed prohibition on non-competes for new directors and their representatives
Reasons for recusal and abstention from voting: Pursuant to Article 206 of the Company Act, Director Shun-Chin Lee and Director Yan-Qi Peng have a direct interest in this proposal; therefore

they must withdraw from the meeting and are prohibited from exercising any voting rights on the matter. The remaining board members have passed the resolution without objections.

(2) Board Meeting on November 10, 2025

Proposal content:

Appointment of members to the 1th Sustainability Development Committee

Reasons for recusal and abstention from voting: In accordance with Article 206 of the Company Act, Chairperson Shou Yeu Chuo, Independent Director Chien-Yu Lo, and Executive Vice President Kai Sheng Yu have a direct interest in this agenda item and therefore must withdraw from the meeting and are prohibited from exercising any voting rights on the proposal. The remaining board members under the direction of the acting chairperson have passed the resolution without objections.

3. Evaluation aspects of implementation status such as evaluation cycle and period, evaluation scope, method, and evaluation content of the board of directors' self (or peer) evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluation results
Once a year	2025.01.01 ~ 2025.12.31	Board of Directors	Director's self-assessment	1. Level of involvement in Company operations 2. Enhancement of the quality of decision-making within the board 3. Composition and structure of the board 4. Election of directors and continuing education 5. Internal control	Exceeding the benchmark
Once a year	2025.01.01 ~ 2025.12.31	Individual Director	Director's self-assessment	1. Understanding Company goals and tasks 2. Understanding directors' responsibilities 3. Level of involvement in Company operations 4. Internal relationship management and communication 5. Professional and continuing education of directors 6. Internal control 7. ESG Sustainability Performance	Exceeding the benchmark
Once a year	2025.01.01 ~ 2025.12.31	Audit Committee	Self-assessment by Committee Members	1. Level of involvement in Company operations 2. Understanding of the Audit Committee's responsibilities 3. Enhancement of decision-making quality within the Audit Committee 4. Composition and member selection of the audit committee 5. Internal control	Exceeding the benchmark
Once a year	2025.01.01 ~ 2025.12.31	Remuneration and Nomination Committee	Self-assessment by Committee Members	1. Level of involvement in Company operations 2. Understanding the responsibilities and Nomination of the remuneration committee 3. Enhancement of the quality of decision-making within remuneration and Nomination committees 4. Composition of remuneration and Nomination committees and selection of members 5. Internal control	Exceeding the benchmark

Note: The Sustainability Development Committee was established in November 2025; therefore, no self-assessment by committee members was conducted for that fiscal year.

4. Results of strengthening the functions of the board in the current year and the most recent year (e.g., establishment of audit committee, improving information transparency, etc.) :

- (1) To improve information transparency, important resolutions were announced on the MOPS.TWSE on the same day in both Mandarin and English. Briefings are to be held when necessary to explain and answer questions in detail for the benefit of investors and reporters. Videos are also disclosed simultaneously to ensure that investors who cannot attend the briefing will receive the same

information, for equal opportunities for all investors.

- (2) In addition to disclosing relevant information on the MOPS.TWSE in line with the regulation, a Sustainability area, an Investor area and a Corporate Governance area were also setup on the Company's website to disclose information in detail and in real time concerned by various stakeholders.
- (3) To continuously enhance directors' understanding of corporate governance trends, external speakers are invited to give lectures to the board members to keep abreast of global trends.
- (4) In order to promote corporate governance and effectively perform the functions of the board, the Company has appointed a head of corporate governance in accordance with "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- (5) The Company has obtained indemnity insurance for directors and important officers to protect against legal liability risks and enhance corporate governance capabilities.
- (6) The board of the Company is composed of nine directors, each with diverse professional backgrounds. This includes three independent directors, who hold one-third of the seats. There are three female directors serving on the board, upholding the principle of equality .

(2) Audit Committee Operations

1. Professional qualifications and experiences of Audit Committee members

The Company sets up an audit committee, which is composed of all independent directors in accordance with the provisions of Article 14-4 of the Securities and Exchange Act. The committee follows the Company's "Audit Committee Organizational Regulations". The Company's Audit Committee is composed of three independent directors whose professional qualifications and experience are as follows.

Member	Professional qualifications and experience
Hsueh-Pin Chang	<ul style="list-style-type: none"> • Ph.D. from the Institute of Mechanics and Aeronautics, Cornell University, former Vice Chancellor and Dean of the School of Information of Kao Yuan University of Science and Technology, qualified lecturer in public and private colleges and universities in departments relevant to the Company's businesses • Former chief reviewer of the Board of Science and Technology (BOST) of the Executive Yuan, currently an independent director of China Steel Corporation, has more than five years work experience in the fields of business, legal affairs, finance, and accounting, as well as the Company's businesses
Chung-Jen Chen	<ul style="list-style-type: none"> • Bachelor of Accounting from National Cheng Kung University, Certified Public Accountant and Internal Auditor, a certified professional and technical personnel who passed the national examination • Worked as Manager of the Audit Department of the Board of Directors of Taiwan Financial Holdings Co., Ltd. and Director of Accounting, Chung Yuan University, has more than five years work experience in the fields of business, legal affairs, finance, and accounting, as well as the Company's businesses
Chien-Yu Lo	<ul style="list-style-type: none"> • Middlebury Institute of International Studies at Monterey, Master of Arts in Translation and Interpretation National Taiwan University, Bachelor of Arts Gogoro Taiwan Ltd. Department of Public Affairs Senior Manager Liberty Times Ltd. Division of Industrial Economy Convener • Currently serving as the Secretary General of the Taiwan Boutique Brand Association, with more than five years of work experience in business, legal affairs, finance, accounting or corporate business

2. Main functions and powers are as follows:

- (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities Exchange Act.
- (2) Assessment of the effectiveness of the internal control system.
- (3) The adoption or amendment, pursuant to Article 36-1 of the Securities Exchange Act, of procedures for handling financial and business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- (4) Matters in which a director is and interested party.
- (5) Asset transactions or derivative trading of a material nature.
- (6) Loans of funds, endorsements or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The appointment or dismissal of CPAs, or their compensation.

- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Annual financial reports signed or sealed by the chairman, a manager or an accounting chief, and the second quarter financial report to be audited and attested by a CPA.
- (11) Other material matters as may be required by the Company or by the competent authority.
3. Matters under consideration in 2025 included the following:
- (1) Financial statement audit and accounting policies and procedures.
 - (2) Assessment of the effectiveness of the internal control system.
 - (3) Directors' personal interests.
 - (4) Qualifications, independence, and suitability of CPAs.
 - (5) Appointment and remuneration of CPAs.
 - (6) Compliance with laws and regulations.
 - (7) Revision of the Company's internal control policies.
 - (8) Enterprise risk management .

4. A total of 4 (A) Audit Committee meetings were held in 2025. The actual attendance rate of all individual directors was 100%. The attendance of individual directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) [B/A]	Remarks
Independent Director	Chung-Jen Chen	4	0	100%	
Independent Director	Hsueh-Pin Chang	4	0	100%	
Independent Director	Chien-Yu Lo	4	0	100%	

Other supplementary notes:

1. If any of the following occurs, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be disclosed:

(1) Matters referred to in Article 14-5 of the Securities and Exchange

Act.Meeting Date (Session)	Content of the proposal	Resolution result	Company's handling of Audit Committee's opinions
2025.02.26 3 th meeting of the 3 rd Committee	<ul style="list-style-type: none"> • The Company's 2024 "Internal Control System Declaration" • A change of CPA due to internal rotation within the accounting firm • The Company's 2024 annual business report and financial statements • The Company's 2024 earning distribution plan • Amendments to the Company's Articles of Incorporation • The independence and suitability of the Company's CPAs and their appointment & remuneration • Proposal of Releasing the Prohibition on Directors and Their Representatives from Participation in Competitive Business 	After the chairman consulted all members present, the proposals were approved without objection and were submitted to the board for discussion	The proposals were approved by the board
2025.05.09 4 th meeting of the 3 rd Committee	<ul style="list-style-type: none"> • The Company's consolidated financial report for the first quarter of 2025 		
2025.08.12 5 st meeting of the 3 rd Committee	<ul style="list-style-type: none"> • The Company's consolidated financial report for the second quarter of 2025 		
2025.11.10 6 nd meeting of the 3 rd Committee	<ul style="list-style-type: none"> • The Company's consolidated financial report for the third quarter of 2025 • Approved the 2026 audit plan 		

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds of directors or more: None.

2. Incidence for any independent directors who recused themselves due to conflict of interest, the directors' names, content of motion, reason for recusal and voting should be specified: None
3. Communication between the independent directors, the Company's chief internal auditor and CPAs.

(1) Independent Directors and the internal auditor:

The head of internal audit has held a close-door discussion with the independent directors at least every six months to explain the internal audits, audit results and progress of ramifications. The communication between the independent directors and the head of internal audit went well. The communication as of the date of publication of the annual report is as follows.

Date	Communication key point	Communication results
2025.02.26	Issuance of the Company's Statement of Internal Control System for 2024	Contents of the statement was considered and approved by the Board, and was announced to the public and reported to the regulatory authority
2025.05.09 (The head of internal audit reported privately to the independent directors)	Overview on the Internal Audit Engagements for the first half of 2025	After discussion and communication, the Independent Directors had no objection to the report on the audit results.
2025.11.10 (The head of internal audit reported privately to the independent directors)	Overview on the Internal Audit Engagements for the Second Half of 2025	After discussion and communication, the Independent Directors had no objection to the report on the audit results.
2026.02.26	Issuance of the Company's Statement on Internal Control System for the year 2025	Contents of the statement was considered and approved by the Board , and was announced to the public and reported to the regulatory authority.

(2) Independent Directors and CPAs of the Company

The Company's CPAs has held close-door discussions with the independent directors at least every six months. The communication between the independent directors and the CPAs went well. The communication as of the date of publication of the annual report is as follows.

Date	Communication key point	Communication results
2025.02.26 (The CPA reported privately to the independent directors)	<ul style="list-style-type: none"> ● The Company's 2024 Annual Financial Report and discussion of audit findings ● Finding on Critical Audit topics ● New legislations and standards applicable 	The annual financial statements were approved by the Audit Committee and the Board , and were announced to the public and reported to the regulatory authority.
2025.11.10 (The CPA reported privately to the independent directors)	<ul style="list-style-type: none"> ● Audit Plan for 2025 financial reports (including communication of Critical Audit Topics) ● Report on Significant Risks and Key Audit Matters ● New legislations and standards applicable 	After discussion and communication, no objection was raised.
2026.02.26 (The CPA reported privately to the independent directors)	<ul style="list-style-type: none"> ● The Company's 2025 Annual Financial Report and discussion of audit findings ● Report on Significant Risks and Key Audit Matters ● New legislations and standards applicable 	The annual financial statements were approved by the Audit Committee and the Board, and were announced to the public and reported to the regulatory authority.

4. The Company shall convene the Audit Committee on a regular basis and invite the accountant, the head of audit, and relevant officers to attend the meetings as deemed necessary.

(3) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies”

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons
	Yes	No	Summary Description	
1. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the “Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies”?	V		The Company has established its "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies" and as the basis for implementation of relevant regulations and handling of various disclosures, which are available for download in the Investors webpage of the Company's website.	None
2. Shareholding structure & shareholders' rights				
(1) Has the Company established internal operating procedures to deal with shareholders' suggestions, queries, disputes, and litigations, and managed these based on the procedures?	V		(1) The Company has established internal procedures that assign relevant units to deal with shareholders' suggestions, queries or disputes, and has appointed a spokesperson, proxy spokesperson and investor contact window which can be found on the Company's website, providing immediate information and services to shareholders.	None
(2) Does the Company have a list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company keeps track of the shareholdings of Directors, Managers and the top ten shareholders, and to abide by regulations to report relevant information.	None
(3) Has the Company established and executed a risk management and firewall system within its conglomerate structure?	V		(3) The Company has formulated "Administrative Measures for Group Enterprises, Specific Companies and Related Party Transactions", "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises" "Operating Procedures for Endorsement" and "Procedures for Lending Funds to Other Parties" in accordance with relevant laws and regulations, and has established a firewall mechanism. It has also setup guidelines for "Supervision and Management of Subsidiaries" to implement the risk control mechanism for subsidiaries in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory Commission.	None
(4) Has the Company established internal rules against using inside information for insider trading	V		(4) The Company has formulated "Procedures for Handling Material Inside Information and Prevention of Insider Trading", which expressly prohibits company insiders and other persons who are privy to the Company's internal material information given their status, occupation or control from using unpublished information on the market to buy and sell securities. Relevant company personnel are required to strictly comply so as to protect investors and safeguard the rights and interests of the Company. This method is also disclosed on the Company's website	None
3. Composition and Responsibilities of the Board of Directors				
(1) Does the Board develop and implement a diversity policy with regard to the composition of its members?	V		(1) The Company implements a board diversity policy set forth in the "Corporate Governance Best Practice Principles," including but not limited to the following standards: (1) Basic conditions and values: gender, age, nationality, race and culture; (2) Professional knowledge and skills: professional background (e.g., law, accounting, industry, finance, marketing or technology), and industry experience. For management objectives and implementation, please refer to the "Diversity and Independence of the Board of Directors" in this annual report.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies” and Reasons
	Yes	No	Summary Description	
(2) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and Audit Committee?	V		(2) In addition to the legally established Remuneration and Nomination Committee (approved by the Board on 10 November 2025, merging the Remuneration Committee and the Nomination Committee) and the Audit Committee, the Company also set up a Sustainability Development Committee on 10 November 2025. The committee is composed of Chairperson Shou Yeu Chuo, Independent Director Chien Yu Lo, and Executive Vice President Kai Sheng Yu. Its purpose is to embody the concept of corporate sustainable development, implement sound corporate governance, fulfill corporate social responsibility, and advance the Company’s sustainability policies, thereby strengthening the Board’s functionality and enhancing the management mechanism.	None
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for re-election?	V		(3) In order to implement corporate governance and enhance the functions of the Company's board of directors, and to establish performance goals to strengthen the operational efficiency of the board, the Company formulated the Company's "Rules for Performance Evaluation of Board of Directors" in accordance with the Taiwan Securities Regulatory Letter No. 1070025395 dated December 27, 2018, which were approved by the board on November 13, 2019. Before the end of the first quarter of the following year, the deliberative units of the Company's board of directors distributed the "Self-evaluation Questionnaire for Performance Appraisal of the Board of Directors", "Self-assessment Questionnaire for Performance Appraisal of Directors", "Self-assessment Questionnaire for Audit Committees" and "Self-assessment Questionnaire for Performance Appraisal of Remuneration and Nomination Committees". The assessment results were recorded and sent to the board. The overall performance evaluation results of the board, individual board members, the Audit committee, Remuneration committee and the Nomination committee in 2025, were all "exceeding the benchmark" and were noted in the motion of the board of directors on February 26, 2026. The evaluation results were properly recorded and will be used as a reference for future directors' remuneration and election.	None
(4) Does the Company regularly evaluate the independence of CPAs?	V		(4) In accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”, the Audit Committee assesses annually the independence and appropriateness of the CPA. In addition to requesting the "Statement of Extraordinary Independence" and "Audit Quality Indicators (AQIs)" from the CPA, the Audit Committee also conducts the assessment in accordance with the criteria set out in (Note) and the 13 indicators in the AQIs. It is ratified that the CPA has no direct, or material indirect, financial interests with the Company other than the fees from audits of financial statements and income tax, and does not serve as a director or independent director of the Company, and is not a shareholder of the Company and is not paid by the Company, being at an adequate situation. It is also verified that the audit experience and training hours of the CPA and the firm were better than the industry average, referring to the Audit Quality Indicators (AQIs). The auditing firm has been utilizing digital audit tools in the past three years to improve audit quality. The results of the latest annual appraisal were discussed and approved by the Audit Committee on February 26, 2026, and submitted to the Board of	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons
	Yes	No	Summary Description	
			Directors for approval on February 26, 2026.	
4. Has the Company appointed a suitable number of competent personnel and supervisor responsible for corporate governance matters (including but not limited to providing information on the functions of directors and supervisors, assisting directors and supervisors with regard to compliance, handling board shareholder meetings, and recording minutes of board meetings and shareholders' meetings)?	V		<p>To implement corporate governance, the Company has designated appropriate number of corporate governance personnel and, with the approval of the Board of Directors on 13 August 2024, appointed Mr. Hung-Yi Tsai, Head of Finance, as the Head of Corporate Governance. Mr. Tsai, who has more than three years of relevant management experience in public companies, is in charge of the following duties:</p> <ol style="list-style-type: none"> (1) provides information necessary for directors to carry out their functions, handles matters relating to board and shareholder meetings in accordance with the law, handle the registration of companies and amendments, records minutes of board and shareholder meetings as well as other corporate governance-related matters (2) consults relevant Board members prior to the Board meeting to enable functional committees to plan and prepare the agenda, as well as sends the notice of meetings and related meeting information in accordance with statutory deadlines in order to provide sufficient time for Directors to go over the agenda; after the meeting, the minutes are compiled and sent out in accordance with regulations (3) prepares for shareholder meetings in accordance with the law and Company procedures, and handles the registration of amendments to the Articles of Association after approval or re-election of directors (4) informs the members of the Board of Directors of the latest amendments to laws and regulations relating to Company operations and corporate governance; arrangements are also made for directors to attend professional development courses on corporate governance, finance and legal affairs to help enhance the professional knowledge and legal literacy of directors for a more effective implementation of corporate governance (5) convenes communication meetings with the CPAs, independent directors, internal auditor, and finance directors from time to time to implement internal audit and control systems (6) informs the Board of Directors regularly about the latest legal and regulatory developments in the Company's business and corporate governance, and provides assistance in the appointment of directors and compliance with the law (7) reports to the Board of Directors on the evaluation results of the qualifications of independent directors meet the relevant laws and regulations during the nomination, appointment, and tenure periods <p>The business initiatives for the year 2025 are as follows:</p> <ol style="list-style-type: none"> (1) Prepared meeting agendas for the Board of Directors and functional committees as well as information to facilitate meeting proceedings; notified all directors at least seven days prior to the meeting, providing the members with sufficient information to understand the agenda; reminded members in concerning in advance of the need to recuse themselves from certain issues to be discussed in case there were any conflicts of interest. Administered four Board meetings, four Audit Committee meetings , and four Remuneration and Nomination Committee meetings in 2025. (2) Responsible for announcing material information on important resolutions at the Board and shareholder meetings to ensure the compliance and accuracy of contents made public, and to safeguard the equality of obtaining trading information by investors. (3) Evaluated the performance of the Board of Directors and functional committees annually in accordance with the Company's "Rules for Performance Evaluation of Board of Directors" . (4) Provided assistance to directors with regard to appointment 	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons
	Yes	No	Summary Description	
			and compliance with the Act; organized at least six hours of continuing education courses in 2025 to help directors complete the annual training. (5) Addressed issues relating to ordinary general meetings in accordance with the Act: registered the date of the general meeting each year according to the deadline specified in the Act, prepared and reported the notice of the meeting, manual and minutes of the meeting before the deadline; registered Company changes after the amendment of the “Articles of Association” or the re-election of directors. The Head of Corporate Governance has completed 12 hours of training in 2025. Please refer to the Annual Report under Head of Corporate Governance and Head of Audit for the complete course information.	
5. Has the Company established a communication channel and built a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as addressed issues related to corporate social responsibility?	V		(1) The Company assigns various departments to assist stakeholders so as to establish good rapport and communication. The Company's website (www.hiwinmikro.tw) has a "Stakeholder" webpage that provides a year-round communication channel for customers, suppliers, employees and the general public, so they can contact the Company in which a dedicated person would respond and address their concerns regarding critical social issues. Activities of communication with stakeholders will be reported to board of directors least once a year. (2) The Company has a spokesperson system, which will be responsible for responding to corporate and investor-related issues. (3) The Company has also set up an email address, which is a different communication channel for stakeholders. If stakeholders have any suggestions, concerns or complaints, they can use the email address to get in touch with the dedicated point of contact to ensure effective and smooth communication between the Company and its stakeholders.	None
6. Has the Company appointed a professional shareholder services agent to deal with shareholder affairs?	V		The administration of the Company's shareholder meetings is held by professional shareholder service provider. This year, Yuanta Securities Co., Ltd has been appointed as our shareholder service agent .	None
7. Information Disclosure				
(1) Does the Company have a corporate website to disclose both financial information and status of corporate governance?	V		(1) The Company has an official website, which includes a webpage for "Investors" in both English and Chinese to disclose information on financial operations and corporate governance, and reports relevant information on a regular basis through the channels designated by the FSC in accordance with relevant laws and regulations.	None
(2) Does the Company have other information disclosure channels (e.g. English website, designated people to handle information collection and disclosure, spokesman system, webcast of investor conferences)?	V		(2) The Company has set up a website in English and Chinese and has instructed relevant departments to assign dedicated staff to maintain and update the web content and information for the convenience of the public. The Company has also established a spokesperson system, with a spokesperson and acting spokesperson, who are responsible for addressing the concerns of stakeholders on behalf of the Company. The Company's contact information (i.e., telephone and e-mail) can also be found on the website. Information from investor conferences and presentations are posted on the Company website as required.	None
(3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operating results before the prescribed time limit?	V		(3) The Company's consolidated and individual financial statements for the year 2025 were published on February 26, 2026. In addition, the first, second and third quarterly reports and monthly operating results were announced and reported within the prescribed deadlines, as reported on the Market Observation Post System. (https://mops.twse.com.tw/)	None

8. Is there any other important information that can help shareholders understand the system of corporate governance? Yes. Describe in detail

(1) Operational performance

In order to implement corporate governance, the Company has not only established an effective internal control framework and implemented self-assessment on internal control measures, but also welcomed independent directors whose professional experience can help elevate management wisdom and effectiveness, and strengthen the functions of the Board while protecting shareholder rights and interests as well as enhancing information transparency. In addition, the Company has established a public information reporting mechanism in accordance with relevant laws and regulations to enable shareholders and investors to fully understand the Company's financial and business conditions and corporate governance. In order to strengthen corporate governance, the Company has likewise created a website in both English and Chinese to provide timely information to domestic and international investors. There is also a stakeholder section that serves as a communication channel wherein stakeholders can inquire any time and the Company can promptly take action.

(2) Information on environmental protection expenses and a description of labor relations (staff rights and employee care)

Please refer to Section 4.4 and 4.5 of this annual report.

(3) Investor relations

The Company appoints a professional shareholder service agent to handle shareholder matters and treats all shareholders fairly and equally. Shareholders are notified to attend shareholder meetings following procedures as stipulated in the regulations. To protect their rights and interests, shareholders are given sufficient opportunity to ask questions or submit proposals. The Company also prescribes rules and regulations for shareholder meetings in accordance with the law, keeps proper records of shareholder meeting minutes and proceedings, and adequately reports and announces relevant information on the designated websites of competent authorities. In order to ensure that shareholders enjoy the right to be fully informed and to participate in and make decisions on important matters, the Company not only publishes all material information in accordance with the law, but also has a spokesperson and acting spokesperson to handle shareholders' suggestions and concerns and to respond immediately to questions from legal entities and investors so that they can better understand the Company's operating results and business conditions

(4) Supplier relations

The Company maintains a good relationship with its suppliers. It has established an evaluation mechanism for previous suppliers and upholds professional integrity. In addition to signing integrity pledges and CSR compliance clauses with suppliers, the Company strictly prohibits any form of bribery and adheres to fair trade principles. It provides guidance to regular suppliers through training courses or on-site visits to achieve mutual growth and benefit.

(5) Respect for the rights of stakeholders

The Company is required by law to disclose company information honestly to protect the basic rights of investors and to maintain smooth communication with bankers, employees, customers and suppliers. In addition to various forms of interaction with stakeholders in its day-to-day business, the Company has set up a "Stakeholder Section" on its website where stakeholders can immediately get in touch. The Company respects and protects legal rights. It has set up internal Suggestion Boxes in the workplace (Office of the Chairman, HR Department, and the internal audit office) to encourage feedback from employees or stakeholders or to report irregularities and strengthen communication with stakeholders.

(6) Training for Directors

All members of the Board of Directors of the Company were required to attend additional training on corporate governance and related laws and regulations in order to enhance their professional knowledge and legal literacy, and enable them to perform their duties as directors. The directors underwent further training and education as described below:

Title	Name	Training Date	Course Name	Training Hours
Chairman	Shou-Yeu Chuo	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3
Director	HIWIN INVESTMENT AND HOLDING CORP. Legal Rep.: Eric Y. T. Chuo	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3
Director	YONGCHIANG INVESTMENT Co., Ltd. Legal Rep.: Shun-Chin Lee	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3
Director	Liang-Chi Chang	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3
Director	HIWIN TECHNOLOGIES CORP. Legal Rep.: Yan-Qi Peng	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.10.03	2025 Insider-Trading Prevention Seminar.	3

Title	Name	Training Date	Course Name	Training Hours
Director	Kou-I Szu	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3
Independent Director	Hsueh-Pin Chang	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.22	2025 Taishin Shin Kong Net-Zero Summit.	3
Independent Director	Chung-Jen Chen	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3
Independent Director	Chien-Yu Lo	2025.04.09	Viewing corporate sustainable governance from a risk perspective – from corporate governance to ESG.	3
		2025.05.23	Global AI Landscape: Successful Strategies for Taiwanese Companies to Break Through Competition	3
		2025.08.12	Management Mindset and Strategies for Protecting Trade Secrets in Corporate Competition	3

(7) Continuing education for the Head of Accounting, Head of Corporate Governance and Head of Audit

Title	Name	Training Date	Course Name	Training Hours
Head of Corporate Governance	Hung-Yi Tsai	2025.03.07	Corporate M&A Practices and Related Labor Issues; Issues to Note for the 114th-Year (2025) Board and Shareholders' Meetings and a Review of Frequently Asked Questions	12
		2025.03.26		
		2025.04.09		
		2025.08.12		
Head of Accounting	Hung-Yi Tsai	2025.03.12~2025.03.21	Issuers, Securities Firms, and Stock Exchange Principal Accounting officer Beginner Training Course	30
Head of Audit	Lo-Chia Wang	2025.03.31	Generative AI × Python: Hands-On Data Cleaning and Feature Selection	6
		2025.09.18	Generative AI × Python Web Scraping: Hands-On Practice and Visual Analysis	6

(8) Strengthening corporate governance and protecting investors' interests

The Company has procured indemnity insurance policies for all its directors and key officers in charge of decision-making and management to reduce risks borne by directors and the Company as well as to strengthen corporate governance. Details are as follows.

Insured	Insurance Company	Insured amount	Insurance Period	Remark
All directors and executives	AIG Property & Casualty Insurance Co., Ltd. (U.S. incorporated)	US \$5 million (Approx.NT \$166 million).	2025.4.1~2026.4.1	Note 1
All directors and executives	AIG Property & Casualty Insurance Co., Ltd. (U.S. incorporated)	US \$5 million (Approx.NT \$159.8million).	2026.4.1~2027.4.1	Note 2

Note 1: Calculated based on the average exchange rate of the Bank of Taiwan of 33.20 on April 1,2025

Note 2: Calculated based on the average exchange rate of the Bank of Taiwan of 31.96 on April 1,2026

(9) Succession planning for members of the Board and key management personnel

1. Succession Planning for Board Members

In accordance with the "Corporate Governance Best Practice Principles", the Company has implemented a board diversity policy. Currently, there are nine directors (including three independent directors) with diverse and complementary industry experience, as well as academic, finance, and finance & accounting expertise. Three of the directors are senior managers of the Company. The composition and background of the Board of Directors shall remain the same going forward, and the Board members shall be evaluated annually based on their performance. The 11th session of the board directors were elected on 30

May 2024 for a three-year term (from 30 May 2024 to 29 May 2027) and the first board meeting of the 11th session was held on the same day to elect Ms. Shou-Yeu Chuo as Chairman of the Board. With regard to succession planning for the Chairman, the Company nurtures senior managers to join the Board and familiarise themselves with Board operations and increase their industrial experience by expanding involvement in operating units. In addition to their professional background and skills, potential leaders of the Company should also have expertise in business planning and operations. To enhance the professionalism of its board members, the Company shall keep up with emerging trends and organize at least six hours of refresher courses per year for each director, taking into account changes in the Company's internal and external environments and development needs, so as to assist directors in continuously updating their knowledge and maintaining their core values as well as professional strengths and capabilities.

2. Succession planning for key management personnel

In addition to having excellent professional and management skills, the Company's key management staff must have values that are in line with those of the Company, as well as personality traits such as honesty, integrity, innovation and execution. In terms of training for key management personnel, this is reinforced through professional courses. Through management training and job experience, candidates are able to enhance their management skills and mindset, so that they are prepared to take over the responsibilities ahead of the schedule.

(10) Intellectual property management plan and implementation

1. Intellectual Property Strategy

In order to strengthen its leading position in the industry and safeguard its hard-earned R&D technology achievements, the Company has set up an intellectual property management plan that is integrated with its operational strategies. The Company was TIPS-certified, and a comprehensive management system for patents, trademarks and trade secrets has been established to strengthen the use and management of intellectual property, implement corporate governance and compliance, and enhance the Company's competitive advantage in the industry.

2. Intellectual property(IP) management plan, risks and mitigation strategies

The Company's competitiveness relies heavily on the proprietary technologies and know-how. In order to protect its intellectual property, the Company actively manages the flow of information in and out of the organization through a three-line framework of internal control. Company's IP department also cooperates with the R&D and information security team to further protect commercially valuable technologies not only through patent applications or trade secrets, but also through the establishment of R&D procedures and knowledge protection systems to strictly monitor the process of IP incubation and originality of creation. At the same time preventing daily operations from infringing the intellectual property rights of others. Following the Company's development blueprint, the Company sets product and technology development goals and implements talent nurturing programme and IP layout plans to ensure the sustainability of the Company's R&D capacity and competitive advantage.

The risk assessment and management of the Company's intellectual property are regularly reviewed and evaluated by the Risk Management Committee and the Intellectual Property Management Committee. In the face of an increasingly competitive and uncertain environment, the Company has allocated its human and material resources superior to the industry standard for intellectual property management. In addition to the investment in information security equipment and management structure in recent years, the renewal of internal control systems and regulations, the completion of global strategic trademark registration and product image integration, and regular training of the team on intellectual property and legal knowledge have contributed to the growth and development of the Company's intellectual property management structure. Through a multi-faceted control and audit mechanism, the Company has achieved an R&D culture that is both protective and innovative.

3. Intellectual property list inventory/results: The following items were accrued by the end of December 2025

Intellectual property rights	License Held	Application Pending Approval
Patent	652	18 applications
Trademark	129	6 applications

4. Implementation status: The Company has reported intellectual property-related matters during the 4th Board Meeting on 10 November, 2025 and below is the implementation status:

Year	Implementation Status
2017	<ul style="list-style-type: none"> Established a classification system for important company documents Obtained the Taiwan Intellectual Property Management Standards (TIPS) certification and incorporated the TIPS system into the ISO system
2018	<ul style="list-style-type: none"> Established the Ethical Corporate Management Best Practice Principles to ensure employee compliance with the Company's various confidentiality regulations

Year	Implementation Status
2020	<ul style="list-style-type: none"> Established the Intellectual Property Management Committee, chaired by the President himself, to manage and supervise intellectual property-related issues and risks, and to plan the application and layout of intellectual properties Comprehensively revised the ISO manuals and procedures on IP management in accordance with the guidelines on intellectual property management structure published by the Intellectual Property Bureau of the Ministry of Economic Affairs and added the "Policies on Management of Trade Secret " to strengthen employee awareness of intellectual property protection
2021	<ul style="list-style-type: none"> Invited renowned experts to give lectures to board members and senior managers, conducting practical discussions on issues related to intellectual property rights and enhancing the Company's ability to create, protect and utilize intellectual property The first "Risk Management Meeting" was held and led by the Chairman of the Board of Directors. The conference included topics such as intellectual property risk management and was organized to enhance intellectual property risk management capability Continuous education and training on the protection of corporate trade secrets and intellectual property rights to raise and strengthen employee awareness and knowledge of intellectual property protection
2022	<ul style="list-style-type: none"> The IP department organized 15 training sessions totaling 19.5 hours with 132 participants.
2023	<ul style="list-style-type: none"> Completed the introduction of "Policies on open-source codes management" Introduced the intellectual property management software for managing patents and trademarks Completed the global stocktaking of effective trademarks and formulated trademark application guidelines Organized 4 training sessions, totaling 12.5 hours, with 134 participants
2024	<ul style="list-style-type: none"> Completed the implementation of the iPMS (intellectual Property Management System) Organized 4 IP-training sessions, totaling 23.5 hours, with 178 participants
2025	<ul style="list-style-type: none"> Completed development of the R&D project-management system. By integrating data-management capabilities, it greatly reduces the need for paper-based transmission of sensitive information and lowers the risk of unnecessary exposure. Organized 3 IP-training sessions, totaling 218.5 hours, with 99 participants

(11) Criteria for assessing the independence and suitability of CPAs

No.	Evaluation Item	Evaluation Result	Independent
1	Does the accountant have a direct or significant indirect financial interest in the Company?	No	Yes
2	Is there any financing or guarantee between the accountant and the Company or its directors?	No	Yes
3	Does the accountant have a close business relationship with the Company?	No	Yes
4	Does the accountant have a potential employment relationship with the Company?	No	Yes
5	Is there any contingent audit fee related to the audit of the case?	No	Yes
6	Does the accountant currently serve or has served in the last two years as a director, manager or any position in the Company that has significant impact on the audit case?	No	Yes
7	Promote or broker stocks or other securities issued by the Company	No	Yes
8	Will non-audit services provided to the Company directly affect important aspects of the audit case?	No	Yes
9	Does the accountant act as the Company's defender or settle disputes with other third parties on behalf of the Company?	No	Yes
10	Does the accountant have a kinship relationship with the Company's directors, managers, or persons who have a significant influence on the audit case?	No	Yes
11	A co-certified public accountant who has resigned within one year and shall serve as a director, manager of the Company or a position that has a significant impact on the audit case.	No	Yes
12	Does the accountant accept gifts with great value from the Company or its directors or managers?	No	Yes
13	Does the accountant provide the services of directors, managers or equivalent positions for colleagues of the Company?	No	Yes

No.	Evaluation Item	Evaluation Result	Independent
14	Does the accountant provide the following non-audit services (with exceptions stipulated in the Professional Code of Ethics for Certified Public Accountants No. 10)? (1) Accounting services (2) Evaluation services (3) Tax services (4) Internal audit services (5) Short-term personnel dispatch service (6) Recruitment of senior management personnel (7) Company financial services	No	Yes
15	Does the accountant regularly participate in Company shareholder meetings and attend the audit committee and the board meetings when necessary?	Yes	Not applicable
16	Does the accountant provide relevant education and training for the Company?	Yes	Not applicable
17	The Company's financial statements have not been corrected by the competent authority	Yes	Not applicable

Evaluation conclusion: Accountants Ting-Chien Su and Hsiao-Fang Yen of Deloitte Touche Tohmatsu CPA LLP meet the Company's independence and suitability evaluation standards, qualified to serve as our company's certifying accountant.

9. Please provide information on improvements made based on the corporate governance assessment results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and propose priorities and measures to enhance those that have not yet been improved: The results of the 11th Annual (2025) Corporate Governance Assessment of the Company, which ranked 6% to 20% among listed companies, are described below based on the following unscored items:

1. Report on the remuneration received by directors at ordinary general meetings: Due to the protection of personal information, the remuneration is not disclosed for the time being and degree of disclosure will be assessed in the future.
2. Performance evaluation of the Board of Directors: To implement corporate governance and enhance the Board's functionality, the Company set performance targets to improve Board operating efficiency. Accordingly, based on Taiwan Securities Governance Office Letter No. 1070025395 dated 27 December 2018, the Company established its "Board Performance Evaluation Guidelines" and approved by the Board on 13 November 2019. Each year, directors are asked to complete self assessment questionnaires covering the Board, individual directors, and functional committees for the annual Board performance reviews. For the 2025 fiscal year, the appraisal results for the Board, its directors, and each functional committee were rated "excellent," with no significant deficiencies requiring remediation, and were incorporated into the Board resolution of 26 February 2026. The Company is actively assessing whether to engage an external organization to evaluate director performance.
3. Disclosure of English Interim Financial Reports:
The Company has disclosed the Chinese version of its interim financial reports in accordance with regulatory requirements and is actively evaluating the feasibility of disclosing the English version.

(4) Composition and Operation of the Remuneration and Nomination Committee and the Sustainability Development Committee

A. Remuneration and Nomination Committee

To achieve the Company's sustainable-development goals and strengthen the Boards functions, enhancing administrative efficiency and resource integration, the Board resolved on 10 November 2025 to merge the Remuneration Committee and the Nomination Committee, renaming the combined body the "Remuneration & Nomination Committee".

(a) Information on members of the Remuneration and Nomination Committee

Title	Criteria Name	Professional qualification and experience	Independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (Convener)	Hsueh-Pin Chang	Please refer to this Annual Report, Corporate Governance Report, 1.	All members of the Remuneration and Nomination Committee meet the following conditions: 1. Comply with Article 14-6 of the Securities and Exchange	1

Independent Director	Chung-Jen Chen	Information on directors and senior managers, (1) Director information, 3. "Disclosure of Professional Qualifications of Directors and Independent Directors' Independence Information"	Act and "Regulations on the Establishment and Exercise of Powers and Functions of Remuneration Committees of Publicly Listed or Traded Companies" (Note) issued by the Financial Supervisory Commission 2. A person (or using the name of another person), whose spouse and minor children do not hold any shares of the Company 3. No remuneration received from the Company or its affiliates in the last two years for business, legal, financial or accounting services	0
Independent Director	Chien-Yu Lo			0

Note: Two years prior to and during the term of office, none of the following conditions exist:

- (1) A person employed by the Company or its affiliated companies
- (2) A director or supervisor of the Company or its affiliates
- (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the Company or ranking in the top ten in holdings
- (4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a manager under subparagraph (1) or any of the persons in the preceding two subparagraphs
- (5) A director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the Company, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act or staff
- (6) If a majority of the Company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor or employee of that other Company
- (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor or employee of that other company or institution.
- (8) A director, officer, supervisor, or shareholder holding 5% or more of the shares, of a specified company or institution that has financial or business relationship with the company.
- (9) A professional individual who, or an owner, partners, directors, supervisor, or officer of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a members of the Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(2) Responsibilities of Remuneration and Nomination Committee members

- A. Establish and regularly review policies, systems, standards, and structures for the evaluation of the performance standards and remuneration of directors and managers.
- B. Regularly evaluate and determine the remuneration of directors and managers of the Company.
- C. Regularly review the organizational procedures of the Remuneration and Nomination Committee and evaluate whether to propose any amendments.
- D. Establish selection criteria for the composition and qualifications required for board members and senior executives, select and review candidates for directors and senior executives.
- E. Plan and execute performance evaluations of the board, various functional committees, directors, and senior executives.
- F. Plan and execute director training programs.

- G. Review the policies regarding the committee and corporate governance best practice principles.
- (3) Information on the operation of the Remuneration and Nomination Committee
- A. There are three members in the Company's Remuneration and Nomination Committee.
- B. The term of office of current members are from May 30, 2024 to May 29, 2027. A total of 4 Remuneration and Nomination Committee (A) meetings were hold in 2025. The actual attendance rate of all individual directors was 100%. The attendance of individual directors is as follows:

Title	Name	Actual Attendance in Person (B)	By Proxy	Actual Attendance Rate (%) 【B/A】	Remarks
Convener	Hsueh-Pin Chang	4	0	100%	-
Member	Chung-Jen Chen	4	0	100%	-
Member	Chien-Yu Lo	4	0	100%	-
Other supplementary notes:					
1. If the Board of Directors fails to adopt or amends the recommendations of the Remuneration and Nomination Committee, the date and period of the Boards' meeting, the content of the motion, the result of the Boards' resolution and the Company's handling of the Remuneration and Nomination Committee's recommendations should be disclosed (If the remuneration approved by the Board is better than that recommended by the Remuneration and Nomination Committee, the difference and reasons for such difference should be stated.): None.					
2. If members of the Remuneration and Nomination Committee have any objections or reservations to resolutions, and if such objections or reservations are recorded or stated in writing, the date and period of the Remuneration and Nomination Committee meeting, the content of the resolutions, the opinions of all members and treatment of members' opinions shall be stated: None					

- (4) The outcome of discussions and resolutions of the Remuneration and Nomination Committee, and the Company's handling of members' opinions

Meeting Date (Session)	Content of proposal	Remuneration and Nomination result	Company's handling of Remuneration Committee members' opinions
2025.02.26 2 th meeting of the 4 rd Committee	<ul style="list-style-type: none"> Reporting on the result of self-assessment of manager's salary Report on the Results of the Board and Functional Committees' Performance Evaluation Performance Evaluation Report of Senior 	Known by all attended members	
	<ul style="list-style-type: none"> 2024 Employee Remuneration and Director Remuneration Distribution 2025 Annual Director Training Plan 	The proposal was resolved to pass unanimously by all members present at the meeting upon inquiry by the chair, and to be submitted to the Board for discussion	Approved by the Board with the consent of all Directors present

Meeting Date (Session)	Content of proposal	Remuneration and Nomination result	Company's handling of Remuneration Committee members' opinions
2025.11.10 3 st meeting of the 4 th Committee	<ul style="list-style-type: none"> Reporting on the result of self-assessment of manager's salary 2025 Annual Director Training Plan 	Known by all attended members	-
	<ul style="list-style-type: none"> Approved the amendment to the "Employee compensation and benefits regulations" Approved the renaming of the "Remuneration Committee" to "Remuneration and Nomination Committee", and dissolve the Nomination Committee Approved the amendment to the "Remuneration Committee Charter" and rename to the "Remuneration and Nomination Committee Charter" . Approved the amendment to the "Director Performance Evaluation and Compensation System" . Proposal to establish a Sustainability Development Committee and to draft the Committee Charter. Proposal to appoint members of the Company's first Sustainability Development Committee. Proposal to amend the "Sustainability Practice Code". 	The proposal was resolved to pass as it was unanimously by all members present at the meeting upon inquiry by the chair, and to be submitted to the Board for discussion	Approved by the Board with the consent of all Directors present
2026.02.26 4 nd meeting of the 4 th Committee	<ul style="list-style-type: none"> Reporting on the result of self-assessment of manager's salary Report on the Results of the Board and Functional Committees' Performance Evaluation Performance Evaluation of senior management 	Known by all attended members	
	<ul style="list-style-type: none"> 2025 Employee Remuneration and Director Remuneration Distribution 	The proposals were passed unanimously by all	Approved by the Board with the

Meeting Date (Session)	Content of proposal	Remuneration and Nomination result	Company's handling of Remuneration Committee members' opinions
	<ul style="list-style-type: none"> • 2026 Annual Director Training Plan • Approved the amendment to the "Director Performance Evaluation and Compensation System" . • Approved the amendment to the "Employee compensation and benefits regulations" 	members present at the meeting upon inquiry by the chair, and to be submitted to the Board for discussion	consent of all Directors present

2. Sustainability Development Committee

(1) The Committee is appointed by the Board and consists of Chairperson Shou-Yeu Chuo, Independent Director Chien-Yu Lo and Executive Vice President Kai-Sheng Yu. Its duties are :

- Set the company's sustainability direction, strategy, and goals; develop related management policies and concrete implementation plans.
- Track, review, and revise the execution status and outcomes of sustainability initiatives.
- Oversee sustainability-related disclosures and review the sustainability report.
- Supervise managements over existing or potential sustainability issues (including climate, natural resources, and biodiversity).
- Guide the execution of the Sustainable Development Practice Code and any other sustainability-related tasks approved by the Board.

(2) Professional qualifications and experience of Sustainability Development Committee members and their operations are as follows:

A. The Company's Sustainability Development Committee consists of 3 members.

B. The term of office for the committee is from November 10, 2025 to May 29, 2027.

In the 2025 fiscal year the Committee met once. The attendance of individual directors is as follows :

Title	Name	Professional qualifications and experience	Actual Attendance in Person	By Proxy	Actual Attendance Rate (%)	Remarks
Convener	Shou-Yeu Chuo	Please refer to this Annual Report, 2. Corporate Governance Report, 1. Information on directors and senior managers, (1) Director information, 3. "Disclosure of Professional Qualifications of Directors and Independent Directors' Independence Information"	1	0	100%	-
Member	Chien-Yu Lo	Technology and risk management	1	0	100%	-
Member	Kai- Sheng Yu	Technology and risk management	1	0	100%	-

(3) The outcome of discussions and resolutions of the Sustainability Development Committee, and the Company's handling of members' opinions

Meeting Date (Session)	Content of proposal	Resolution result	Company's handling of Remuneration Committee members' opinions
2025.11.10 1 st meeting of the 1 st Committee	<ul style="list-style-type: none"> Cases concerning the nomination of conveners. 	All committee members agreed to nominate Chairperson Shou-Yeu Chuo as convener.	-

(5) Fulfilment of Sustainable Development and Deviations from the "Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies"

Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons									
	Yes	No.	Summary Description										
1. Has the Company exclusively (or concurrently) established dedicated first-line managers authorized by the board, to be in charge of proposing corporate social responsibility policies and reporting to the board?	V		Since its establishment in 2020, the Company's Sustainability Development Committee has been the highest supervisory and guiding body for the Company's sustainability work. From 2025, this committee was elevated to become a functional committee under the Board of Directors, chaired by the Chairman. In accordance with the Company's "Code of Conduct for Sustainability" and sustainability policies, the committee supervises the Company's sustainability action team, led by the Executive Vice President, to implement the sustainability strategies and reports the results to the Board of Directors annually.	None									
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	V		<p>The Company's Sustainable Development Committee regularly conducts risk analysis and assessment procedures on guidelines or development strategies proposed by regulatory agencies, governments, and international sustainability advocacy organizations, as well as other issues related to sustainability, to assess their impact on the Company's operations. It aims to identify challenges and opportunities for the Company based on risk factors listed from the perspectives of environmental, social, and corporate governance. By employing the concepts and techniques of risk management, the committee comprehensively devises a set of management strategies to facilitate the Company's sustainable operation.</p> <p>The main categories of risks and corresponding measures of the Company are as follows:</p> <table border="1"> <thead> <tr> <th>Major issues</th> <th>Assessment Content</th> <th>Management Strategies</th> </tr> </thead> <tbody> <tr> <td>Environmental</td> <td>Energy consumption and management</td> <td> <ul style="list-style-type: none"> Comply with government energy management regulations, support the implementation of sustainable energy products and services, set and implement energy management targets Reduce the consumption of raw materials in manufacturing processes, develop and extend the life cycle of production waste </td> </tr> <tr> <td>Social</td> <td>Friendly and diverse workplace</td> <td> <ul style="list-style-type: none"> Provide a variety of channels for workplace communication, promote positive communication between employers and employees Protect the rights and interests of employees in accordance with international standards and local laws of locations where the Company operates Continuously organize a variety of health care and promotion activities and encourage employee participation </td> </tr> </tbody> </table>	Major issues	Assessment Content	Management Strategies	Environmental	Energy consumption and management	<ul style="list-style-type: none"> Comply with government energy management regulations, support the implementation of sustainable energy products and services, set and implement energy management targets Reduce the consumption of raw materials in manufacturing processes, develop and extend the life cycle of production waste 	Social	Friendly and diverse workplace	<ul style="list-style-type: none"> Provide a variety of channels for workplace communication, promote positive communication between employers and employees Protect the rights and interests of employees in accordance with international standards and local laws of locations where the Company operates Continuously organize a variety of health care and promotion activities and encourage employee participation 	None
Major issues	Assessment Content	Management Strategies											
Environmental	Energy consumption and management	<ul style="list-style-type: none"> Comply with government energy management regulations, support the implementation of sustainable energy products and services, set and implement energy management targets Reduce the consumption of raw materials in manufacturing processes, develop and extend the life cycle of production waste 											
Social	Friendly and diverse workplace	<ul style="list-style-type: none"> Provide a variety of channels for workplace communication, promote positive communication between employers and employees Protect the rights and interests of employees in accordance with international standards and local laws of locations where the Company operates Continuously organize a variety of health care and promotion activities and encourage employee participation 											

Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons									
	Yes	No.	Summary Description										
			<table border="1"> <thead> <tr> <th>Major issues</th> <th>Assessment Content</th> <th>Management Strategies</th> </tr> </thead> <tbody> <tr> <td>Social</td> <td>Talent Development</td> <td> <ul style="list-style-type: none"> Establish a structured talent development system to encourage continuous learning. Review the implementation of the talent development system on a quarterly basis Develop training plans based on performance appraisals to ensure that the right people are fit for purpose </td> </tr> <tr> <td>Corporate governance</td> <td>Business Performance</td> <td> <ul style="list-style-type: none"> Make operational decisions based on the premise of sustainable growth of the business in compliance with legislation Frequently adjust operational strategies to address the high uncertainties caused by changing global economic and political conditions </td> </tr> </tbody> </table> <p>For detailed risk analysis, please refer to the chapter on §2.5 "Risk Assessment and Crisis Management" in the Company's Sustainability report.</p>	Major issues	Assessment Content	Management Strategies	Social	Talent Development	<ul style="list-style-type: none"> Establish a structured talent development system to encourage continuous learning. Review the implementation of the talent development system on a quarterly basis Develop training plans based on performance appraisals to ensure that the right people are fit for purpose 	Corporate governance	Business Performance	<ul style="list-style-type: none"> Make operational decisions based on the premise of sustainable growth of the business in compliance with legislation Frequently adjust operational strategies to address the high uncertainties caused by changing global economic and political conditions 	
Major issues	Assessment Content	Management Strategies											
Social	Talent Development	<ul style="list-style-type: none"> Establish a structured talent development system to encourage continuous learning. Review the implementation of the talent development system on a quarterly basis Develop training plans based on performance appraisals to ensure that the right people are fit for purpose 											
Corporate governance	Business Performance	<ul style="list-style-type: none"> Make operational decisions based on the premise of sustainable growth of the business in compliance with legislation Frequently adjust operational strategies to address the high uncertainties caused by changing global economic and political conditions 											
3. Environmental issues													
(1) Has the Company established proper environmental management systems based on the characteristics of its industries?	V		(1) As a member of the global community, the Company has been certified with ISO 14001 and ISO 45001 for its environmental management system since 2002, aiming at effectively preventing environmental pollution. Additionally, in 2022, the Company obtained ISO 50001 Energy Management System certification. The latest validation date for ISO 14001 and ISO 45001 was on December 19, 2024, and the certificates are valid until January 4, 2027. The ISO 50001 certification was issued on September 13, 2024, and is valid until September 22, 2027. In 2023, the Company was also certified for ISO 14064-1 Greenhouse Gas (GHG) Inventory Management System and ISO 14067 Carbon Footprint of drive and torque motor product, demonstrating proactive adoption of management practices that surpass industry standards, thus advancing towards the path of net-zero sustainability.	None									
(2) Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) The Company has set 2022 as its carbon reduction baseline year, with the carbon reduction goals of "halving carbon emissions by 2030 and achieving net zero by 2050". Having obtained third-party certification, the Company actively promotes various energy-saving measures, including replacing outdated energy-consuming units with energy-efficient equipment, monitoring equipment load to maintain optimal energy consumption, and continuously increasing energy efficiency. The Company has implemented the ISO 50001 energy management system to systematically and effectively monitor all operational activities. The Company's total energy consumption in 2025 was 31% lower than the 2022 baseline year. In addition to advanced technology, our products prioritize human factors such as equipment safety, user convenience, and environmental compatibility, achieving a product design that balances environmental protection, energy conservation, recyclability, and functional safety. We insist that all metal materials, plastics, and electronic components used in our products comply with RoHS and REACH, etc. certifications, gradually reducing our environmental impact and contributing to the protection of our planet.	None									

Item	Implementation Status			Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No.	Summary Description	
(3) Does the Company evaluate potential climate change risks and opportunities in connection with the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) The Company utilizes the framework outlined in the TCFD proposal published by the Financial Stability Board (FSB) to identify climate-related risks and opportunities. Based on the identification results, we establish measurement indicators and implement targeted measures for risk management. For detailed information, please refer to Chapter 6 "Execution Status of Climate-related Information" of this report and the Company's 2025 Sustainability report.	None
(4) Has the Company taken inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implemented policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water conservation, or waste management?	V		<p>1. Greenhouse gas emissions</p> <ul style="list-style-type: none"> • Please refer to Chapter 6 "Execution Status of Climate-related Information," Table 1-1 "Company Greenhouse Gas Emission and Certification Status for the Last Two Years" for the greenhouse gas emissions of the Company in the past two years. • Management objectives: Based on 2022 emissions, a greenhouse gas (Category I + Category II) emissions reduction of 5% annually starting in 2026, with a total reduction of 50% of the baseline annual emissions by 2030, and a long-term goal of net zero by 2050. • Measures to achieve the target: Implementing a systematic energy and resource management mechanism, replacing outdated equipment with energy-efficient alternatives, introducing energy-saving production processes for short-to mid-term. In the long run, by changing product design and the production methods, as well as by rationalizing production line configurations. • Achievement: The company's greenhouse gas emissions in 2025 were reduced by 32.8% compared to the base year of 2022, a further reduction of 8 percentage points from the original target. For other details of carbon reduction efforts (including the results of the global greenhouse gas inventory) and the implementation status of carbon reduction efforts, please refer to our company's annual sustainability report. • The 2025 GHG emission information, information disclosed in the Sustainability report, as well as data on water and waste management disclosed in this section all have been certified by TUV Rheinland Taiwan Ltd. <p>2. Water Management</p> <ul style="list-style-type: none"> • Our company adopts waterless processes and does not consume a large amount of water resources during the production processes. The company uses water mainly for running factory facilities such as air conditioning and domestic water used by employees. • The sole water source used by the Company is supplied by Taiwan Water. Wastewater is discharged via the public sewerage system under stringent scrutiny and periodic testing by the Technology Park Authority. Since the Company's inception, there have been no fines or regulatory incidents from the authorities. • Management Goal: Complete the water cycle key 	None

Item	Implementation Status		Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies” and Reasons																														
	Yes	No.		Summary Description																													
			<p>control points monitoring system for both plants to ensure every drop of water is traceable and utilised.</p> <ul style="list-style-type: none"> Measures to Achieve the Target: Track water use and wastewater flow data daily to ensure early detection of leak, abnormal water intake or discharge volumes; enhance the cleanliness of the water from the cooling towers to enhance recyclability of the cooling water. Achievement: In 2025, water withdrawal intensity decreased by 30% (or 0.41 percentage points) compared to same period last year; The Company achieved 100% water balance across all key measurement points of our water cycle in 2025.. Water consumption statistics for the past two years: <table border="1"> <thead> <tr> <th>Water Usage</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Total Water Withdrawn (million litres/year)</td> <td>27.562</td> <td>23.161</td> </tr> <tr> <td>Volume of Discharge (million litres/year)</td> <td>11.814</td> <td>8.682</td> </tr> <tr> <td>Consumption intensity (million litres / million dollar of parent's revenue)</td> <td>1.38%</td> <td>0.97%</td> </tr> </tbody> </table> <p>Note 1: The scope includes the headquarter and the second plant in Taiwan. Note 2: Water Intensity = Annual Water Withdrawal (in million liters) divided by the parent company's revenue (in million dollars).</p> <p>3. Waste Management</p> <ul style="list-style-type: none"> Management target: Reduction of the intensity of non-recyclable waste by 5 % annually. Measures to achieve the target: Implement source reduction and increase the reuse rate to maximize resource utilization. Achievement: In 2025 the waste-recycling rate was 77.1 %, the intensity of non-recyclable waste was 2.32 %, a 26 % reduction on the 2024 data (a decrease of 0.83 percentage points). Waste generation statistics for the past two years: <table border="1"> <thead> <tr> <th>Types of waste</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste (ton)</td> <td>0.77</td> <td>1.31</td> </tr> <tr> <td>Non-hazardous waste (ton)</td> <td>268.54</td> <td>240.84</td> </tr> <tr> <td>Recyclable Waste (ton)</td> <td>206.61</td> <td>186.70</td> </tr> <tr> <td>Proportion of waste recycled (%)</td> <td>76.72%</td> <td>77.10%</td> </tr> <tr> <td>Intensity of Total Waste (ton/million dollar of parent's revenue)</td> <td>13.51%</td> <td>10.13%</td> </tr> </tbody> </table> 	Water Usage	2024	2025	Total Water Withdrawn (million litres/year)	27.562	23.161	Volume of Discharge (million litres/year)	11.814	8.682	Consumption intensity (million litres / million dollar of parent's revenue)	1.38%	0.97%	Types of waste	2024	2025	Hazardous waste (ton)	0.77	1.31	Non-hazardous waste (ton)	268.54	240.84	Recyclable Waste (ton)	206.61	186.70	Proportion of waste recycled (%)	76.72%	77.10%	Intensity of Total Waste (ton/million dollar of parent's revenue)	13.51%	10.13%
Water Usage	2024	2025																															
Total Water Withdrawn (million litres/year)	27.562	23.161																															
Volume of Discharge (million litres/year)	11.814	8.682																															
Consumption intensity (million litres / million dollar of parent's revenue)	1.38%	0.97%																															
Types of waste	2024	2025																															
Hazardous waste (ton)	0.77	1.31																															
Non-hazardous waste (ton)	268.54	240.84																															
Recyclable Waste (ton)	206.61	186.70																															
Proportion of waste recycled (%)	76.72%	77.10%																															
Intensity of Total Waste (ton/million dollar of parent's revenue)	13.51%	10.13%																															

Item	Implementation Status			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons						
	Yes	No.	Summary Description							
			<table border="1"> <thead> <tr> <th>Types of waste</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Intensity of Non-Recyclable Waste (ton/million dollar of parent’s revenue)</td> <td>3.15%</td> <td>2.32%</td> </tr> </tbody> </table> <p>Note : The scope covers both plants of the parent company in Taiwan.</p>	Types of waste	2024	2025	Intensity of Non-Recyclable Waste (ton/million dollar of parent’s revenue)	3.15%	2.32%	
Types of waste	2024	2025								
Intensity of Non-Recyclable Waste (ton/million dollar of parent’s revenue)	3.15%	2.32%								
<p>4. Social issues</p> <p>(1) Has the Company established appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>(1) The Company shall protect the legal rights and interests of its employees in accordance with labor laws and regulations and formulate relevant management methods. We also abide by the international human rights norms of the United Nations Universal Declaration of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, the Responsible Business Alliance, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the Organization for Economic Cooperation and Development Guidelines for Multinational Enterprises, and formulate the following relevant human rights protection policies:</p> <ol style="list-style-type: none"> Diversity, Inclusion, and Equal Employment Opportunities: The Company’s recruitment, evaluation, and promotion practices are based on objective job requirements and individual performance. No employee is subject to differential treatment or discrimination based on gender, age, nationality, ethnicity, language, religion, political affiliation, marital status, appearance, physical features, or disabilities. Prohibition of child labor: The Company does not employ child laborers under the age of 16 and has established work rules for employees under the age of 18 in accordance with the Labor Standards Act. Gender Equality and Maternal Health Protection: No differential salary treatment or benefit protection based on gender. The Company adhere to gender equality by implementing the “Sexual Harassment Prevention Measures and Disciplinary Regulations”; adheres to the Labor Standards Act and Gender Equality in Employment Act to protect female employees' rights, including equal employment opportunities, maternity leave, pregnancy leave, paternity leave, menstrual leave, parental leave, access to nursing rooms and priority parking spaces. Adjustments to work hours and production job assignments during pregnancy as needed. Additionally the company has established the “Employee Childcare Subsidy Policy” to help ease the financial burden of childcare. Prohibition of All Forms of Harassment: The Company is committed to providing a workplace free from harassment and adopts a zero-tolerance policy toward any form of workplace harassment. Reasonable working hours: To comply with relevant laws and regulations of the Labor Standards Act, we have established “Working Hours Policy” and “Leave Policy”, encouraging employees to pay attention to work-life balance. 	None						

Item	Implementation Status			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons
	Yes	No.	Summary Description	
(2) Does the Company have reasonable employee benefit measures (including salary and wages, leave, and other benefits), and does employee salary reflect business performance or results?	V		<p>6. Human rights training is integrated into new employee orientation and staff annual core training programs, with the aim of fostering human rights awareness and encouraging its practice in daily work life. In 2025, a total of 590 hours of online training related to human rights protection were delivered across 574 employees. In the future, we will continue to focus on human rights protection issues and promote relevant education and training to raise awareness of human rights protection.</p> <p>7. Multiple omnibus channels have been established, including a telephone hotline, email, and physical mailbox, and are personally handled by dedicated company personnel.</p> <p>8. To protect the information security of customers, suppliers, and employees, and to ensure uninterrupted operations, the company has established the "Information and Communications Security Operational Guidelines" as a guiding principle for information security governance and implementation, and has formulated a privacy policy in accordance with the Personal Data Protection Act and the company's information security policy.</p> <p>9. The Company regularly discloses its relevant policies, practices, and specific initiatives, as well as the results of implementing corporate sustainability initiatives (ESG), on its website, annual reports, or Sustainability reports.</p> <p>(2) To establish and implement a reasonable employee welfare policy</p> <p>1. Employee welfare policy The Company offers remuneration that surpass industry standards and follows the principle of equal pay for equal work. Salary adjustments and bonuses are based on colleagues' performance evaluations. Various benefits are provided, including group insurance, funeral subsidies, health checkups exceeding regulatory standards, relocation subsidies, marriage and childcare subsidies. The company also offers onsite medical services for professional consultation. The leave policy complies with labor laws, allowing employees to apply for unpaid leave for extended periods due to personal or family needs, such as childcare, major injuries, or significant events. The Company provides a "childcare subsidy" benefit, offering a monthly subsidy of NT\$5,000 per newborn until the child turns 3, totaling NT\$180,000 per newborn. In 2025, the total childcare subsidy amounted to NT\$2,740,000 and benefited 60 families.</p> <p>2. Diversity and equality in the workplace Equal pay for equal work and equal promotion opportunities for women and men, and reserving a minimum of 15% of female executive positions to promote sustainable and inclusive growth The average percentage of female staff is 28.4% and the average percentage of female members to total number of managers is 16.2% in 2025.</p> <p>3. Staff compensation reflects operating performance The Company sets a pay schedule based on the contribution of each position and operates under a fair and systematic payroll policy. In order to encourage employees to work together in producing business results, employee remuneration may be adjusted based on the company's financial status, operating</p>	None

Item	Implementation Status			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies” and Reasons
	Yes	No.	Summary Description	
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>performance, job responsibilities, employee’s ability and performance to incentivise competitive edge. Employee salary may reflect the company's operating results for the year, along with each individual’s performance reviews . According to its 'Articles of Association,' if the Company makes a profit in the current year, no less than 1% of the retained profit, with no less than 0.3% are for non-executive employees, shall be appropriated for employee remuneration. For distribution details, please refer to Sec. 3. Fundraising Situation (5), Employee and Director Remuneration. With the profit-sharing scheme, the Remuneration Committee regularly reviews the remuneration policies to ensure competitiveness of salary structure and benefits, to attract and retain talents. The Company is also active in conducting education and training to provide employees with necessary skills and knowledge that can be applied in their works. Incentives are also given to encourage employees who takes initiatives to study hard. All full-time employees undergo performance appraisals every quarter and at the end of the year, so that their work process can be monitored by supervisors. Those who demonstrates commitments to continuously improve and grow will be rewarded. The Company has also formulated performance management policies to promptly reward achievements and prohibit non-compliance, so that the code of conduct is followed.</p> <p>4. Company retirement policies All company employees are currently subject to the new Labor Pension Regulations, with 6% of their salary deducted monthly to the employee's personal pension account at the Bureau of Labor Insurance. For those who still have years of service under the old system, 2% of their salary is deducted monthly to the Labor Pension Reserve Account in the name of the Labor Pension Reserve Supervisory Committee.</p> <p>(3) The Company has obtained ISO45001 certification, and regularly engages the third party consultants to conduct external audits. The latest certification date of both ISO45001 is January 5, 2024, valid until January 4, 2027.</p> <p>1. Occupational Safety and Health Policy Through the PDCA (Plan, Do, Check and Action) model, and the efforts of the Occupational Safety and Health Committee, the prevention of occupational hazards is priority of the Company to ensure the safety and health of all employees. The Company has formulated a comprehensive accident reporting and investigation procedure to record, track, and analyze the root causes of accidents and proposed corrective and preventive measures. Through walk-through, 6S self-improvement, and employee suggestion program, etc., all employees are empowered to actively identify potential safety and health risks. In 2025, there were no fire-related incidents; however, there were 3 cases of minor injuries. Follow-up improvement strategies have subsequently been implemented.</p> <p>2. Workplace Environmental Monitoring To protect workers from exposure to hazardous substances in the workplace and to provide a healthy and safe working environment, workplace environmental monitoring is conducted every six months to check exposure of employees through test data. The results are published on the bulletin board to inform all colleagues.</p>	None

Item	Implementation Status			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies” and Reasons																			
	Yes	No.	Summary Description																				
(3) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		<p>3.Occupational Safety Audit The Company has set an annual occupational safety and health protection plan, with a environmental, safety and health management representative as the general convener. Various inspection reports are used by the EHS department to log the inspection suggestions and progress of improvements . The department supervisors are to review the preventive measures. Quarterly Occupational Safety and Health Committee meetings are held to review any deficiencies.</p> <table border="1"> <thead> <tr> <th colspan="2">EHS Department Audit Operations</th> </tr> </thead> <tbody> <tr> <td>Senior management's Occupational Safety and Health Audit</td> <td>Quarterly unscheduled inspections</td> </tr> <tr> <td>Workplace Safety and Health Audit</td> <td>Irregular daily checks</td> </tr> <tr> <td>6S Check</td> <td>Regular monthly inspections</td> </tr> <tr> <td>Off-site Construction Sites Work Safety Inspections</td> <td>As required by the site contractor</td> </tr> </tbody> </table> <p>4.Equipment Safety Management All hazardous machines and equipment of the Company are regularly checked in accordance with relevant EHS regulations. The EHS department conducts environmental & safety evaluation on modification projects. It follows the risk analysis of the equipment and the checklist of safety protection measures to ensure that the machines and equipment are safe for use.</p> <p>5.The post two years occupational safety and health training and workshops held:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total No. of Education and Training Participants</th> <th>Total Education and Training hours/participants</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>767</td> <td>2,043.5</td> </tr> <tr> <td>2025</td> <td>1,360</td> <td>2,325.0</td> </tr> </tbody> </table>	EHS Department Audit Operations		Senior management's Occupational Safety and Health Audit	Quarterly unscheduled inspections	Workplace Safety and Health Audit	Irregular daily checks	6S Check	Regular monthly inspections	Off-site Construction Sites Work Safety Inspections	As required by the site contractor	Year	Total No. of Education and Training Participants	Total Education and Training hours/participants	2024	767	2,043.5	2025	1,360	2,325.0	None
EHS Department Audit Operations																							
Senior management's Occupational Safety and Health Audit	Quarterly unscheduled inspections																						
Workplace Safety and Health Audit	Irregular daily checks																						
6S Check	Regular monthly inspections																						
Off-site Construction Sites Work Safety Inspections	As required by the site contractor																						
Year	Total No. of Education and Training Participants	Total Education and Training hours/participants																					
2024	767	2,043.5																					
2025	1,360	2,325.0																					
(4) Does the Company provide career development and training for its employees?	V		<p>(4) The Company has talent development framework and a comprehensive training programme for supervisors and staff, including new employees training, professional skills training, junior supervisor management skill development, etc. The courses are diverse and with experienced supervisors as lecturers who impart practical skills and knowledge to enable everyone to learn and grow. In 2025, 3,404 participations were trained throughout the year, with a total training time of 17,893 hours.</p> <p>The company has established a learning blueprint that clearly defines the capabilities that each position should possess. Based on the functional differences of employees, we organize various career development programs with diverse training methods and combined with promotion pathways In 2025, a total of 323 people completed the training, with a completion rate of 60%. Among them, 11 people were promoted to supervisory positions, and the internal promotion rate for supervisory positions was 65%. Since 2014, programes aimed to co-operate with academia have been launched, and 99 students have since been successfully admitted to our company for internships.</p>	None																			

Item	Implementation Status		Summary Description	Deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No.		
(5) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, as well as marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		<p>(5) In order to ensure the effectiveness of the quality assurance system, Quality committee was set up to ensure the Company's good product quality standards. RoHS certified materials and production consumables are used for the Parts products in accordance with EU standards. Multiple channels are built to ensure timely communication with customers. A stakeholder's section on the Company website is also setup to collect complaints or opinions to safeguard customer's rights.</p> <p>The Company has established personal-data protection framework and policies to safeguard customers' or individual's private information collected, which is monitored by regular internal audits, and aided with crisis-prevention measures and staff training. Our privacy policy is published on the company website.</p>	None
(6) Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		<p>(6) Being long-term and important partners of HIWIN MIKROSYSTEM, the Company's suppliers provide goods and services with superb quality and timely delivery, as well as comply with energy-saving management, occupational safety and health, protection of labor rights, proper environmental protection, prohibition of use of conflict minerals, restrictions on hazardous substances, etc. The suppliers also pledged the "Supplier Corporate Social Responsibility Commitment" in accordance with international labor rights-related standards and the Taiwan Labor Standards Law which prohibits forced and abusive labor, child labor and hazardous work for minors.</p> <p>1. New Supplier Assessment New suppliers undergo assessments including written, on-site and product sample evaluations. Candidate suppliers are required to sign the "Integrity and Integrity Trading Pledge", "Confidentiality Agreement", "Restricted Substances Policy Commitment" and "Supplier Corporate Social Responsibility Commitment" and "Code of Conduct for HIWIN MIKROSYSTEM" and they are assessed based on the criteria (with score of 60 or above) to qualify as suppliers.</p> <p>2. Supplier Appraisal Suppliers are evaluated on a quarterly/annual basis. Aspects of the evaluation includes product quality, delivery, cost and service, environmental management, occupational safety and health, labor rights, financial evaluation and handling of confidential information. Suppliers whose evaluation score is below D will be required to make improvements within a specified period, and will be required to provide relevant supporting documentation or arrange for an on-site audit.</p> <p>3. Supplier On-site Audits On-site audits were conducted on suppliers with substandard appraisal results. Audit items included quality systems, environmental safety and health systems, and social responsibility management systems (labor rights). Deficiencies were identified, and the suppliers were required to provide immediate corrective measures, with follow-up monitoring of effectiveness.</p> <p>In 2025 136 suppliers were appraised with a 99% response rate, covering issues such as labor, ethics, health and safety, fire safety, social responsibility, corporate governance, environmental protection, and management systems, further identified 6 high-risk vendors that were subjected to on-site audits. 3 deficiencies under the environmental safety and health category and the social responsibility category were subsequently observed for correction.</p>	None

Item	Implementation Status			Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies” and Reasons
	Yes	No.	Summary Description	
			<p>4. Supplier Counseling and Training The Company assists suppliers in adopting the Company’s own online Supply Chain Management Platform (eSCM) to accelerate their own digital transformation. By moving transaction online, which is integrated with the Ministry of Finance’s electronic invoice platform for timely and automated settlement, reducing the consumption of paper and risk of human errors.</p> <p>Vendors seminars are also held regularly to promote environmental safety regulations and the concept of social responsibility management. Through on-site guidance and training, a mutually supportive, growth oriented partnership is cultivated.</p> <p>In 2025, one contractor training session was conducted with 41 participants, achieving a 100 % course completion rate.</p>	
5. Does the Company reference internationally-accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as corporate social responsibility reports? Did the reports above undergo assurance review conducted by a third-party verification unit?	V		<p>Since 2020, the Company has voluntarily compiled and released sustainability reports, all of which have been certified by a third-party. The 2025 sustainability report was certified by TÜV Rheinland (Taiwan) Ltd. in March 2026, complying with the GRI guidelines and the AA1000 AS V3 Assurance Standard. The Sustainability report is scheduled to be uploaded to the Market Observation Post System and made publicly available on the Company’s website in August 2026.</p>	None
6. Describe the difference, if any, between actual practice and Sustainable Development Principles, if the Company has implemented such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX-Listed Companies: The Company has established the Company’s “Sustainable Development Best Practice Principles” in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”. There is no significant difference between the actual operation of the Best Practice Principles.				None
7. Other useful information for explaining the status of corporate social responsibility practices:				
			<ol style="list-style-type: none"> 1. In February 2025, the company was awarded the “Outstanding Employer” honor by the Ministry of the Interior’s Department of Conscription for the 114th Year Military Service Festival. 2. In 2025, the company was honored with the Taiwan Excellence Award Gold Award for its MD-ZT multidimensional platform. 3. In October 2025, the company was awarded the Taichung City “Enterprise Sustainability A+ Action – Sustainability Leader” Award. 4. Since 2018, the HIWIN MIKROSYSTEM Volunteer Team has organized 97 volunteer events, engaging 475 volunteers and accumulating 2,178.5 volunteer hours. The team continues to give back to local communities and promote community development. 5. In 2025 the Company donated goods to social welfare organizations 77 times, using these charitable supplies to help vulnerable children improve their nutrition and to ensure that care and warmth are extended throughout the entire year. 6. The Company is committed to integrating environmental protection with social welfare. It donates obsolete IT hardware to the ASUS Cultural and Educational Foundation, who refurbishes them into recycled computers and then distributes them to disadvantaged groups. 7. The solar power generation system has a total installed capacity of 138.25 kW. In 2025 it produced 187,272 kWh of electricity, resulting in a carbon emission reduction of 88.8 t CO₂e. 8. To date, the Company has neither allocated capital to, nor issued sustainability bonds certified by TPEX. 	

(6) Climate-related Information Implementation Status

Items	Implementation Status						
<p>1. Describe the supervision and governance of climate-related risks and opportunities by the Board and the management.</p>	<ul style="list-style-type: none"> The Board of Directors, as the highest governance body, is responsible for comprehensive oversight of the Company's climate-related risks and opportunities. Established a Sustainability Development Committee, with the Company's Chairperson serving as the conveyor, responsible for setting policies, reviewing the results, and reporting to the Board of Directors on short-term, medium-term, and long-term climate management objectives and implementation status. The Committee supervises the Company's Sustainability Action Team to conduct in-depth analysis on significant climate-related risks and opportunities by applying the TCFD guidelines. Devising strategies and plans for action. The Internal Audit Department is responsible for assessing the effectiveness of internal control and risk management systems and reports its findings to both the Board of Directors and the Audit Committee. 						
<p>2. Describe how identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, long-term).</p>	<ul style="list-style-type: none"> Explore all types of risks and opportunities, issues, types of impacts, and their financial implications outlined in the TCFD guidelines, distinguishing the significance and relevance of each issue based on likelihood and impact. Define short-term, medium-term, and long-term as within 3 years, 3 to 5 years, and beyond 5 years, respectively, assessing the potential timing of each issue. Develop optimal risk management approaches for each issue, and after evaluating the cost-effectiveness of risk management, identify 6 significant risks and 4 opportunities relevant to the Company. <table border="1" data-bbox="758 1115 1417 1675"> <thead> <tr> <th data-bbox="758 1115 997 1149">short-term</th> <th data-bbox="997 1115 1216 1149">medium-term</th> <th data-bbox="1216 1115 1417 1149">long-term</th> </tr> </thead> <tbody> <tr> <td data-bbox="758 1149 997 1675"> <ul style="list-style-type: none"> Physical Risk: Increased frequency or severity of extreme weather events Opportunity: Entry into new markets or new customers, development of low-carbon products and services, use of more efficient production, adoption of new technologies </td> <td data-bbox="997 1149 1216 1675"> <ul style="list-style-type: none"> Transition Risk: Increase in renewable energy regulations and demand, increase in procurement costs for raw materials, transition to low-carbon energy </td> <td data-bbox="1216 1149 1417 1675"> <ul style="list-style-type: none"> Transition Risk: Implementation of carbon pricing mechanisms, regulations and licensing requirements for existing products and services </td> </tr> </tbody> </table>	short-term	medium-term	long-term	<ul style="list-style-type: none"> Physical Risk: Increased frequency or severity of extreme weather events Opportunity: Entry into new markets or new customers, development of low-carbon products and services, use of more efficient production, adoption of new technologies 	<ul style="list-style-type: none"> Transition Risk: Increase in renewable energy regulations and demand, increase in procurement costs for raw materials, transition to low-carbon energy 	<ul style="list-style-type: none"> Transition Risk: Implementation of carbon pricing mechanisms, regulations and licensing requirements for existing products and services
short-term	medium-term	long-term					
<ul style="list-style-type: none"> Physical Risk: Increased frequency or severity of extreme weather events Opportunity: Entry into new markets or new customers, development of low-carbon products and services, use of more efficient production, adoption of new technologies 	<ul style="list-style-type: none"> Transition Risk: Increase in renewable energy regulations and demand, increase in procurement costs for raw materials, transition to low-carbon energy 	<ul style="list-style-type: none"> Transition Risk: Implementation of carbon pricing mechanisms, regulations and licensing requirements for existing products and services 					
<p>3. Describe the financial impact of extreme weather events and transition actions.</p>	<ul style="list-style-type: none"> Financial Impact of Transition Risks: With increasing demand for renewable energy and rising raw material costs, the Company's supply chain and product costs may be significantly affected. This could weaken ESG performance, potentially resulting in fewer orders. Additionally, the rising cost of metals may further increase financial pressure and negatively impact overall operational efficiency. Financial Impact of Physical Risks: 						

Items	Implementation Status
	<p>Extreme weather events may disrupt international transportation, causing material-supply delays and heightened supply-chain interruption risk. These disruptions can upset production schedules and delivery timelines, negatively impacting revenue and gross margin.</p> <ul style="list-style-type: none"> • Financial Impact of Opportunities: <p>Growing governmental, societal, and customer demands for carbon-reduction create a market for low-carbon products and services. By entering the green-economy market, the company can generate new growth avenues, enhance competitiveness, and achieve sustainable value creation.</p>
<p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system..</p>	<ul style="list-style-type: none"> • Through the operating mechanism of the Company's Risk-Management Committee, we integrate the risk and opportunity factors collected and reviewed each year by the Action Team. This integration allows us to assess the relevance and effectiveness of current management strategies. After the assessment, the Committee formulates appropriate response plans and first submits them to the Sustainability Development Committee and reported to the Board of Directors regularly, to ensure that the decision-making tier has up-to-date information on climate-related risks and opportunities. • The Risk-Management Committee also oversees the implementation performance of climate-risk-management measures, ensuring they are carried out effectively and continuously improved, thereby enhancing the Company's overall resilience to climate risks.
<p>5. If resilience to climate change risks is assessed using scenario analysis, the context, parameters, assumptions, analysis factors, and key financial impacts should be explained</p>	<ul style="list-style-type: none"> • Based on the IPCC Climate Change Report, the Company adopted SSP (Shared Socioeconomic Pathways) scenarios for in-depth analysis, simulating climate risks and their potential financial impacts under various socioeconomic conditions. This provides a precise foundation for corporate decision-making. • The Company assessed flood risks posed by extreme weather events at its Taichung headquarters and Yunlin facility, and developed concrete measures to enhance operational resilience and ensure business continuity and disaster resistance of infrastructure. • Scenario analysis shows that, if global warming continues to worsen and mitigation efforts remain insufficient, flood risk at the Yunlin site will increase markedly, potentially causing significant operational losses. Consequently, we must strengthen our Business Continuity Plan (BCP) by establishing comprehensive emergency response procedures, resource-allocation mechanisms, and regular drills. These actions will mitigate disruption from disasters and ensure the Company can maintain stable operations under any climate-change scenario.
<p>6. If there is a transformation plan in place to address and manage climate-related risks, please outline the plan's contents, along with the indicators and objectives utilized for identifying and managing physical and transitional risks.</p>	<ul style="list-style-type: none"> • The Company's risk mitigation plan is developed based on potential significant risks that may be encountered in the future, constructed by three major perspectives: Design of low-carbon products and development of new markets; energy efficient and lean production; sustainable supply chain management. <ol style="list-style-type: none"> 1.By adopting green design and introducing low-carbon, recyclable materials, as well as by improving product energy efficiency, helps customers achieve carbon-reduction targets, and simultaneously opens up new markets. 2.Introducing Industrial-IoT and other energy-saving, process-management technologies to optimize production

Items	Implementation Status
	workflows, increase capacity, and enhance resource utilization. 3. In response to potential supply chain disruptions caused by climate change, efforts to be made to promote supply chain diversification and strategic inventory buildup to assist upstream and downstream companies in reducing carbon emissions and enhancing resilience. • Maintaining high profitability amidst the impact of climate change, effectively reducing overall corporate carbon emissions, and achieving a win-win situation for both economic growth and sustainability.
7. If internal carbon pricing is utilized as a planning tool, the rationale behind price setting should be elucidated.	The issue of internal carbon pricing in the Company is currently in the planning stage, and it is expected to be evaluated based on the regulations of Taiwan's Climate Change Response Act.
8. If climate-related targets are set, information on the activities covered, scope of greenhouse gas emissions, planning timeframe, annual progress achieved, etc. should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, details on the source and quantity of carbon offsets exchanged or the number of RECs should be explained.	<ul style="list-style-type: none"> • Since 2021, the Company has been certified with the ISO 14064-1 Greenhouse Gas emission annually, and has been certified with ISO 50001 Energy Management System since 2022, by third-party consultant. • The Company also discloses its greenhouse gas emission results annually, formulates short, medium, and long-term carbon reduction goals and strategies, and regularly reviews performance and achievement. • Simultaneously, annual water resource and waste recycling management goals are set to facilitate performance management. • Progress on these indicators, please refer to Chapter 4 of the Company's 2025 Sustainability report.
9. Greenhouse Gas Inventory and Assurance Status, Reduction Goals, Strategies, and Specific Action Plans. Also filled in Tables 1-1 and 1-2.	<ul style="list-style-type: none"> • In 2021, the Company completed the greenhouse gas inventory for the first time and obtained third-party verification. Please refer to the following table for detailed information. • Please also refer to Chapter 4 of the Company's 2025 Sustainability report for a detailed explanation of the Company's carbon reduction goals, strategies, and specific action plans.

1-1 Greenhouse Gas Inventory and Assurance Status of the Company for the past two years

1-1-1 Information on Greenhouse Gas Inventory

Illustrate the greenhouse gas emissions for the past two years, including the emissions volume (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million dollars), and the scope of data coverage

(Individual)	2024	2025
Direct emissions (tCO ₂ e)	454.70	390.52
Energy indirect emissions (tCO ₂ e)	3,559.44	3,204.09
Scope 1 + Scope 2 Total Emission	4,014.14	3,594.61
Intensity (tCO ₂ e per million dollars)	1.78	1.32

Note1: The greenhouse gas emission results for the 2024/2025 fiscal year of our subsidiary did not reach the 5% materiality threshold for disclosure under ISO 14064-1, With the consent of the certifier, these results will not be included in the scope of this year's greenhouse gas verification audit and are therefore not disclosed at this time.

Note2: Intensity = Total Emission (Ton)/Annual Consolidated Revenue (\$million dollar)

Note3: For detailed carbon emissions data for each scope, please refer to the Company's 2025 Sustainability report.

1-1-2 Information on Greenhouse Gas Emission Assurance

Explain the assurance status for past two years up to the date of the annual report printing, including the assurance scope, assurance institution, assurance standards, and assurance opinion.		
The details of the assurance status are explained in following Table 1-1-1.		
	2024	2025
Assurance scope	Global Warming Potential (GWP): IPCC 2021, AR6	Global Warming Potential (GWP): IPCC 2021, AR6
Assurance institution	TÜV Rheinland Taiwan Ltd.	TÜV Rheinland Taiwan Ltd.
Assurance standards	ISO 14064-1: 2018	ISO 14064-1: 2018
Assurance opinion	Reasonable assurance	Reasonable assurance

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans

Explain the greenhouse gas reduction base year and data, reduction targets, strategies, specific action plans, and achievement of reduction targets.
<p>As of the end of 2025, the Company's actual paid-in capital was NT\$1,198,018,480, placing it among companies with a capital of less than NT\$5 billion. According to the "Regulations Governing Information to be Published in Annual Reports of Public Companies," the base year for greenhouse gas reduction should be set as 2026, with individual companies required to conduct an inventory starting from 2026.</p> <p>Embracing the ethos of sustainable operation and consistent adherence to excellent corporate governance standards, the Company proactively designated 2022 as the base year for greenhouse gas reduction, initiating efforts in carbon reduction and environmental protection. The Company's greenhouse gas inventory data for 2022 has been reasonably assured by TÜV Rheinland Taiwan Ltd. Please refer to Table 1-1-1 of this annual report.</p> <p><u>Reduction Targets</u></p> <p>The company aims to reduce emissions in Category 1 and Category 2 by half by 2030 compared to the total emissions in the same categories in 2022; and achieve net zero emissions by 2050. We will achieve this through multiple channels and strategies, including energy conservation, waste reduction, and energy saving.</p> <p>In 2025, through measures such as replacing central air conditioning with dehumidifiers and strengthening the management of air conditioning use, the Company reduced its carbon emissions in Scope 1 and Scope 2 from the baseline of 5,350.61 tons in 2022 to 3,594.61 tons in 2025, a reduction of 32.8%, exceeding the target by nearly 7 percentage points. Simultaneously, the Company's revenue grew by 20%, reducing its annual greenhouse gas emission intensity to 1.32 tons of CO₂ equivalent per million dollar of revenue, a decrease of 20.1% compared to 2022.</p> <p>Furthermore, the Company's revenue grew by 20%, reducing its annual greenhouse gas emission intensity to 1.32 tons of CO₂ equivalent per million dollar of revenue, a decrease of 20.1% compared to 2022.</p> <p>For detailed strategies, specific action plans, and achievement of targets, please refer to Chapter 4 of the Company's 2025 Sustainability report.</p>

(7) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary Description	
1. Establishment of ethical corporate management policies and programs				
(1) Has the Company established a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the said ethical corporate management policy and practices; did the Company's Board of Directors and management make an active commitment towards enforcement of such policy?	V		<p>(1) The Company has established the "Ethical Corporate Management Best Practice Principles", which allow the Company's Board of Directors and management to actively implement the Company's policy of conducting business with integrity.</p> <p>In addition to explaining in detail the policies and commitments related to integrity management on its official website, the Company also reinforces employee awareness of its integrity management philosophy by upholding and advocating the Company's management principles of "professionalism, enthusiasm and work ethics".</p>	None
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure that the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?	V		<p>(2) The Company's internal audit unit regularly performs fraud risk assessments within the Company's business scope, in line with applicable laws, regulations and various codes of conduct, as well as globally accepted internal control framework and principles. In addition to conducting audits of operating activities as per the annual audit plan approved by the Board of Directors, the audit findings and subsequent improvement plans are routinely reported to the Board, which helps mitigate the risk of business fraud.</p> <p>The Company has also established "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Best Practice Principles for Listed Companies" for its workplace. The Company has also developed and published internal control-related documents for its workplace in line with the "Ethical Corporate Management Best Practice Principles for Listed Companies", Article 7, paragraph 2, or other high fraud risk business activities. In addition, through training courses and brief promotional articles, the Company regularly imparts its core values and compliance system to its employees, fostering a culture of integrity and high ethical standards in the workplace. Furthermore, it persistently mandates employees to understand the laws and international regulations pertinent to the business to ensure adherence and offers several confidential reporting channels for stakeholders in event of fraudulent behavior.</p>	None
(3) Does the Company clearly provide the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	V		<p>(3) The company has clearly defined all operational procedures in its "Codes of Ethical Conduct", "Work Rules Reference Handbook", and "Procedures for Ethical Management and Guidelines for Conduct". These documents also stipulate that any employee who violates these regulations will be subject to disciplinary action commensurate with the severity of the violation.</p> <p>To foster a rigorous atmosphere and culture of integrity throughout the company, we have not only implemented various awareness-raising and educational activities, but also immediately report any illegal, unethical, or untrustworthy conduct to the Chairperson once a case confirmed by thorough investigation, thereby initiating adjudication procedures.</p> <p>Internal auditors regularly conduct random checks on the implementation of the above systems, focusing on dishonest behavior to ensure that all standards are fully implemented and that a culture of integrity is integrated into all aspects of the organization.</p>	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary Description	
2.Fulfill operations integrity policy (1) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) In addition to integrating terms and conditions related to integrity in the contracts with its business partners, the Company mandates suppliers and outsourced service providers to sign a separate "Letter of commitment to integrity and honest transactions". This ensures that they comprehend the importance of integrity and consent to adhere to the Company's code of ethical conduct. The Company has formulated an assessment mechanism for its business partners such as customers, suppliers, and service providers. It shall emphasize integrity in all its transactions, reaffirm its commitment to integrity and ethical practices and pursue improvements or terminate any business relationship found to be fraudulent, if necessary.	None
(2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2) To further strengthen the integrity management of the Company, the "Ethical Corporate Management Best Practice Principles" approved by the Board stipulates the HR Department as the designated team responsible for formulating and monitoring the implementation of integrity management policies, who reports to the Board at least once a year. Execution progress of the policies for 2025 was reported to the Board on 26 February 2026. 2025 Results are as follows: 1. Organizing training courses on regulations, internal control, information security or on operation management were conducted to remind supervisors, employees and new staff the importance of honesty and integrity. The total number of training hours was 494.5 with 213 participants attended. 2. Promote the Company's management philosophy (professionalism, commitment and ethics) and establish the values of ethics and morality 3. Setup multiple communication channels and infrastructure where employees can report any suspicious or illegal activity to senior management or to the human resources department 4. Publish "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", internal control framework and other fraud prevention measures on the Company's website to mitigate risks.	None
(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement them?	V		(3) The company's "Ethical Corporate Management Best Practice Principles" and other corporate governance rules clearly stipulate policies and procedures for preventing conflicts of interest at all levels. If a conflict of interest is discovered, employees can report it to their immediate supervisor, the internal auditor, or directly to the Chairperson through the company's secure email address for the message to be handled by the intent recipient in person. To protect the safety and privacy of whistleblowers, all complaints are subject to strict confidentiality mechanisms. To facilitate external stakeholders, the website provides a dedicated contact number and email address in the "Stakeholder Section," offering immediate consultation and complaint channels to ensure transparent corporate governance, information symmetry, and effective prevention of conflicts of interest.	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary Description	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to inspect the systems accordingly to prevent unethical conduct, or hire external accountants to perform the audits?	V		(4) To foster a corporate culture of integrity and healthy growth, the Company has consistently emphasized the importance of ensuring the effectiveness and integrity of the financial reporting procedures and their controls. The Company has designed a robust accounting policies and an internal control system for procedures with potentially higher risk of employee fraud. The Company's internal audit unit prepares an annual audit plan based on the risk assessment results and conducts relevant audits in accordance with the plan. Further integrity or fraud-related follow-ups are conducted on an ongoing basis to detect and prevent dishonest conduct in the event of procedural irregularities.	None
(5) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		(5) At least once a year, the Company organizes training on relevant laws and regulations for directors, managers and employees. The Company promotes integrity through monthly meetings, orientation, inter-departmental meetings and various training activities. There were 494.5 hours of training courses on corporate integrity, fraud and information security risks organized in 2025, with a total of 213 participants.	None
3.Operation of the integrity channel				
(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The Company has "Code of Ethical Conduct" that sets out the procedures for whistleblowing, and a "Work Rules Reference Handbook" that outlines criteria for rewards and disciplinary actions. A confidential email address is available for filing relevant information directly with the Chairman, the internal auditor or the HR Department. External parties may also use the contact information in the Stakeholder section of the Company's website to report concerns. Designated personnel have been assigned to all the above-mentioned contact channels, who will process the information in a timely manner in accordance with the Company's procedures.	None
(2) Does the Company have in place standard operating procedures for investigating allegations, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(2) The Company's "Code of Ethical Conduct" stipulates the standard operating procedures for receiving filings. The information received and all subsequent investigations are handled in a confidential and rigorous manner.	None
(3) Does the Company provide proper whistleblower protection?	V		(3) The Company shall treat the identity of the whistleblower and its report in confidence. It is also committed to protecting the whistleblower from unfair treatment or retaliation. In 2025, our company have received three formal complaints of workplace harassment, all of which have been fully investigated and closed in accordance with relevant laws and company procedures. Respondents of allegations that were substantiated have been subjected to disciplinary actions.	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies" and Reasons
	Yes	No	Summary Description	
4.Strengthening information disclosure (1) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		The Company's integrity management philosophy, "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" are disclosed on the Company's website and the Market Observation Post System. The progress of implementation is maintained on the website and in this annual report.	None
5.If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies", please describe any discrepancy between the policies and their implementation. The Company's "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" are drawn in line with the guidance issued by Taiwan Stock Exchange Corporation. Every member of the Company is expected to adhere to these and adopt the codes and guidelines into daily operations. Therefore, the Company's operations are consistent with the codes.				
6.Other important information to facilitate better understanding of the Company's ethical corporate management policies:				
<ol style="list-style-type: none"> To implement the fundamentals of ethical corporate management policies, the Company operates in accordance with the "Company Act", "Securities and Exchange Act", "Businesses Entity Accounting Act", regulations for Listed Companies, and other laws and decrees concerning business transactions. The Company's "Rules of Procedure for Board of Directors Meetings" establishes a conflict-of-interest system for directors. A director who has an interest in a proposal submitted to the board should disclose the significant content of his/her interest at the board meeting. If it is detrimental to the interests of the Company, the director should abstain from participating in the discussion or voting. The director should recuse himself/herself from the discussion and not exercise his/her voting rights on behalf of other directors. The Company has established a pledge of honesty and integrity in its dealings and requires suppliers to sign the pledge. This serves as a commitment to abide by the principles of honesty and integrity in all transactions with the Company. 				

(8) If the Company has established a code of corporate governance and related regulations, it should disclose its inquiry methods:

The rules and regulations related to corporate governance established by the Company have been posted on the Company's website under the following path: Home > Investor Relations > Corporate Governance > Rules Related to Corporate Governance (www.hiwinmikro.tw) for the interest of the public.

(9) Other important information that may be disclosed to facilitate better understanding of corporate governance: None

(10) Internal Control Systems

1. Internal control statement

HIWIN MIKROSYSTEM Corp. Internal Control System Statement

Date: February 26th, 2026

The Company states the following with regards to its internal control system during fiscal year 2025, based on the findings of a self-evaluation:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability of financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divides internal control into five elements based on the process of management control: (1) control environment; (2) risk assessment; (3) control activities; (4) information and communications; (5) monitoring. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of 31st December, 2025 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability of financial reporting, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's annual report and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on February 26, 2026, where 0 of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

HIWIN MIKROSYSTEM Corp.

Chairman : Shou-Yeu Chuo
President : Kou-I Szu

2. If an accountant is appointed to review the internal control system, the accountant's review report should be disclosed: Not applicable

(11) Significant shareholder and board resolutions in the most recent year and up to the date of printing of the annual report

1. Important Shareholder resolutions

Shareholders Meeting Date	Important Proposals	Implementation description
2025.05.27	Recognition of the 2024 Annual Report on Operations and Financial Statements	The resolution was passed. Relevant forms were filed and reported in accordance with the provisions of the Companies Act and other relevant laws and regulations.
	Approved the distribution of earnings for the year 2024	The resolution was passed. Cash dividend of NT\$0.2 per share, with an ex-dividend date of 23 July 2025 were paid on 15 August 2025.
	Approved the amendment to the Articles of Incorporation.	The resolution was passed, announced on the Company's website, and the amendment was registered with the Ministry of Economic Affairs on 1 July 2025.
	Approved the removal of prohibition on competition for directors and their representatives	Resolved that a material announcement be made on the same day as the shareholders' meeting

2. Important Board resolutions

Board Meeting Date	Important resolutions
2025.02.26	Approved the distribution of employee remuneration and director remuneration for FY2024
	Approved the "Statement of Internal Control System" for the year 2024
	Approved the change of CPA due to internal rotation within the accounting firm.
	Approved the 2024 Annual Operating Report and Financial Statements
	Approved the distribution of the Company's earnings for FY2024
	Approved the amendment to the 'Articles of Incorporation'
	Approved the evaluation of independence, suitability and appointment remuneration of certified public accountant
	Approved the Company's business plan for FY2025
	Removed prohibition on non-competes for new directors and their representatives
	Approved the time, place, agenda, and related matters for the 2025 Annual Shareholders' Meeting of the Company
2025.05.09	Approved the Company's consolidated financial statements for the first quarter of 2025
	Approved the scope of the non-executive employees
2025.08.12	Approved the Company's consolidated financial statements for the second quarter of 2025
	Approved the Sustainability Report
2025.11.10	Approved the Company's consolidated financial statements for the third quarter of 2025
	Approved the 2026 audit plan
	Approved the establishment of the Sustainability Development Committee and the amendment to the "Sustainability Development Committee Charter"
	Appointed the appointment of members to the 1th Sustainability Development Committee members
	Approved the amendment to the "Sustainable Development Best Practice Principles"
	Approval of the amendment to the "Employee Salary and Benefits Operating Procedures"
	Approved the renaming of the Remuneration Committee to Remuneration and Nomination Committee, and dissolved the Nomination Committee
	Approved the amendment to the "Remuneration Committee Charter" and renamed to the "Remuneration and Nomination Committee Charter"
Approved the amendment to the "Director Performance Evaluation and Compensation System"	

Board Meeting Date	Important resolutions
2026.02.26	Approved the distribution of employee remuneration and director remuneration for FY2025
	Approved the "Statement of Internal Control System" for the year 2025
	Approved the 2025 Annual Operating Report and Financial Statements
	Approved the distribution of the Company's earnings for FY2025
	Approved the evaluation of independence, suitability and appointment remuneration of certified public accountant'
	Approved the Company's business plan for FY2026
	Approved the scope of the non-executive employees
	Approval of the proposed amendments to the "Managerial Performance Appraisal and Bonus System"
	Approval of the amendment to the "Employee Salary and Benefits Operating Procedures"
	Removed prohibition on non-competes for new directors and their representatives
	Approved the time, place, agenda, and related matters for the 2026 Annual Shareholders' Meeting of the Company

(12) Main content of any dispute of directors or supervisors with respect to important resolutions passed by the board of directors in the most recent year and up to the date of printing of the annual report, which are recorded or stated in writing: None

2.3 Auditor Information

(1) Audit fee

Unit: NT\$1,000

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remark
Deloitte Taiwan	Ting-Chien Su Hsiao-Fang Yen	2025	1,690	350	2,040	The Non-audit fee is for tax service.

1. The audit fee in the year when the accounting firm was changed is less than the audit fee in the year before it was changed: None
2. The audit fee decreased by 10% or more from the fee in the prior year: None
3. The audit fee for the year 2026 was approved by the Board of Directors on February 26, 2026.

(2) Independence of the Auditor

The Company regularly assesses the independence of the CPA and reports the results of that assessment to the Board.

1. The Accountant's Statement of Independence and Suitability Information for the assessment is obtained.
2. The Accountant's Independence and Competence Assessment Form is completed.
3. The Company has not been audited by the same CPA for more than seven consecutive years.
4. The Company confirms that the provision of non-audit services does not affect the outcome of the audit.

2.4 Replacement of CPA

(1) About the former CPA

Replacement Date	Approved by the Board of Directors on 26 February 2025
Reasons for change and explanations	In line with Deloitte Taiwan's internal rotation system, the Company's auditor shall be changed from Done-Yuin Tseng and Hsiao-Fang Yen to Ting-Chien Su and Hsiao-Fang Yen starting from the first quarter of 2024.

Company's termination or CPA's refusal of appointment	Client		CPA	Appointee
	Situation		Not applicable	
Other issues (other than unqualified report) raised in the audit reports within the last two years	Voluntary termination of appointment			
	Refusal of (continuing) appointment			
Any disagreement with the issuer	Yes		Accounting Principles or Practices	
			Disclosure of Financial Reports	
			Scope or Procedure of Audit	
			Other	
	None	V		
	Description			
Other disclosures (Those that should be disclosed in paragraphs 1(d) to 1(g) of paragraph 6 of Article 10 of this Standard)	None			

(2) About the successor CPA

Name of accounting firm	Deloitte Taiwan
Name of CPA	CPAs: Ting-Chien Su and Hsiao-Fang Yen
Date of appointment	Approved by the Board of Directors on February 26, 2025
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the Company's financial reports that the CPA might issue prior to engagement	Not applicable
Successor CPA's written opinion regarding accounting disagreement with predecessor	None

(3) Reply letter from the former accountant on matters set out in paragraphs 6(1) and 2(3) of Article 10 of the Standards: Not applicable

2.5 Information on the chairman, general manager, and manager responsible for the Company's financial or accounting operations, who have worked at the CPA firm or its affiliated entities in the most recent year: None

2.6 Transfer of equity and changes in equity pledge of directors, supervisors, managers, and shareholders with a shareholding ratio of more than 10% in the most recent year and as of the date of publication of the annual report

(1) Changes in Shareholdings of Directors, Supervisors, Managers and Major Shareholders

Unit: Share

Title	Name	2025		As of March 28, 2026	
		Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)
Chairman and 10% major shareholder	Shou-Yeu Chuo	(137,000)	—	—	—
Director	HIWIN INVESTMENT AND HOLDING CORP.	—	—	—	—
	Eric Y. T. Chuo	—	—	—	—
Director	Kou-I Szu	(6,000)	—	—	—
Director	YONGCHIANG Investment Co., Ltd.	—	—	—	—
	Representative: Shun-Chin Lee	—	—	—	—
Director	Liang-Chi Chang	—	—	—	—
Director	HIWIN TECHNOLOGIES CORP.	—	—	—	—
	Representative: Yan-Qi Peng	(2,000)	—	—	—
Independent Director	Hsueh-Pin Chang	—	—	—	—
Independent Director	Chung-Jen Chen	—	—	—	—
Independent Director	Chien-Yu Lo	—	—	—	—
Executive Vice President	Kai-sheng Yu	—	—	—	—
Head of Finance and Accounting, Head of Corporate Governance	Hung-Yi Tsai	—	—	—	—

(2) Information on Share Transfer with Related Parties: None

(3) Pledged Shares with Related Parties: None

2.7 Shareholding ratio of the top ten shareholders, information on their relationship with each other, spouse, or relatives within the second degree

March 28, 2026; Unit: Share, %

Name	Current Shareholding		Spouse's/minor child's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship between the Company's Top Ten Shareholders, or Spouses or Relatives within the Second-Degree of Kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Shou-Yeu Chuo	22,123,630	18.47%	928,689	0.78%	—	—	Show-Min Chuo Wen-Hen Chuo	2nd degree of kinship 2nd degree of kinship	—
HIWIN TECHNOLOGIES CORP.	9,525,676	7.95%	—	—	—	—	—	—	—
HIWIN TECHNOLOGIES CORP. Representative: Wen-Hen Chuo	74,416	0.06%	8,786,149	7.34%	—	—	You-Ying Chuo You-Song Chuo You-Po Chuo Shou-Yeu Chuo Show-Min Chuo	1st degree of kinship 1st degree of kinship 1st degree of kinship 2nd degree of kinship 2nd degree of kinship	—
HIWIN INVESTMENT AND HOLDING CORP.	6,592,991	5.50%	—	—	—	—	—	—	—
HIWIN INVESTMENT AND HOLDING CORP. Representative: Wen-Hen Chuo	74,416	0.06%	8,786,149	7.34%	—	—	You-Ying Chuo You-Song Chuo You-Po Chuo Shou-Yeu Chuo Show-Min Chuo	1st degree of kinship 1st degree of kinship 1st degree of kinship 2nd degree of kinship 2nd degree of kinship	—
You-Ying Chuo	3,517,667	2.94%	—	—	—	—	Wen-Hen Chuo You-Song Chuo You-Po Chuo	1st degree of kinship 2nd degree of kinship 2nd degree of kinship	—
Show-Min Chuo	3,000,914	2.50%	2,258,869	1.89%	—	—	Yu-Jen Chiu Yu-Fang Chiu Shou-Yeu Chuo Wen-Hen Chuo	1st degree of kinship 1st degree of kinship 2nd degree of kinship 2nd degree of kinship	—
You-Song Chuo	2,634,241	2.20%	—	—	—	—	Wen-Hen Chuo You-Ying Chuo You-Po Chuo	1st degree of kinship 2nd degree of kinship 2nd degree of kinship	—
You-Po Chuo	2,634,241	2.20%	—	—	—	—	Wen-Hen Chuo You-Ying Chuo You-Song Chuo	1st degree of kinship 2nd degree of kinship 2nd degree of kinship	—
Chin-Tsai Chen	2,618,168	2.19%	—	—	—	—	—	—	—
Yu-Jen Chiu	2,258,869	1.89%	—	—	—	—	Show-Min Chuo Yu-fang Chiu	1st degree of kinship 2nd degree of kinship	—
Yu-Fang Chiu	2,252,735	1.88%	—	—	—	—	Show-Min Chuo Yu-Jen Chiu	1st degree of kinship 2nd degree of kinship	—

2.8 The number of shares held by the Company, its directors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise and combined to calculate the comprehensive shareholding ratio

December 31, 2025; Unit: 1,000 shares, %

Reinvestment Businesses (Note)	Company investment		Director, supervisor, manager and direct or indirect control of business investment		Comprehensive investment	
	Shares	Holding %	Shares	Holding %	Shares	Holding %
Mega-Fabs Motion Systems Ltd.	360	60%	–	–	360	60%

Note: Represents investments in which the Company uses the equity method.

III. Capital Overview

3.1 Capital and Shares

(1) Source of Capital

Unit: 1,000 Shares; NT\$1,000

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increase (Non-cash Assets)	Other
2012.07.19	10	58,480	584,800	56,459	564,594	Surplus to capital increase Employee dividend allotment of shares	None	Authorized Commercial No. 10101142320 on July 19 2012
2012.10.02	30	98,480	984,800	64,459	644,594	Cash capital increase	None	Authorized Commercial No. 10101203840 on October 2 2012
2013.08.09	10	98,480	984,800	66,650	666,502	Surplus to capital increase Employee dividend allotment of shares	None	Authorized Commercial No. 10201163830 on August 9 2013
2013.12.04	30	98,480	984,800	73,650	736,502	Cash capital increase	None	Authorized Commercial No. 10201245300 on December 4 2013
2014.09.18	10	98,480	984,800	75,303	753,034	Surplus to capital increase Employee dividend allotment of shares	None	Authorized Commercial No. 10301192350 on September 18 2014
2015.08.25	10	98,480	984,800	78,684	786,843	Surplus to capital increase Employee remuneration allotment of shares	None	Authorized Commercial No. 10401180950 on August 25 2015
2015.12.07	30	98,480	984,800	90,684	906,843	Cash capital increase	None	Authorized Commercial No. 10401260900 on December 7 2015
2016.12.02	10	98,480	984,800	92,162	921,624	Surplus to capital increase Employee remuneration allotment of shares	None	Authorized Commercial No. 10501274670 on December 2 2016
2017.10.02	10	98,480	984,800	92,826	928,264	Surplus to capital increase Employee remuneration allotment of shares	None	Authorized Commercial No. 10601138420 on October 2 2017
2018.07.11	10	98,480	984,800	95,408	954,083	Surplus to capital increase Employee remuneration allotment of shares	None	Authorized Commercial No. 10701076070 on July 11 2018
2018.08.03	35	150,000	1,500,000	106,408	1,064,083	Cash capital increase	None	Authorized Commercial No. 10701087970 on August 3 2018
2019.02.21	-	300,000	3,000,000	106,408	1,064,083	Update of number of shares authorized	None	Authorized Commercial No. 10801014370 on February 21 2019
2019.09.27	56	300,000	3,000,000	117,908	1,179,083	Cash capital increase	None	Authorized Commercial No. 10801130750 on September 27 2019
2020.08.31	10	300,000	3,000,000	118,616	1,186,157	Surplus to capital increase	None	Authorized Commercial No. 10901160810 on August 31 2020
2021.10.26	10	300,000	3,000,000	119,802	1,198,018	Surplus to capital increase	None	Authorized Commercial No. 11001193610 on October 26 2021

Unit: Share

Share Type	Authorized Capital			Authorized Capital
	Issued Shares	Unissued Shares	Total Shares	
Registered common stock	119,801,848	180,198,152	300,000,000	Shares of a listed company

Information on the Omnibus Reporting System: None

(2) List of Major Shareholders

March 28, 2026

Shareholder's Name	Shares	Shareholding (Shares)	Percentage
Shou-Yeu Chuo		22,123,630	18.47%
HIWIN TECHNOLOGIES CORP.		9,525,676	7.95%
HIWIN INVESTMENT AND HOLDING CORP.		6,592,991	5.50%
You-Ying Chuo		3,517,667	2.94%
Show-Min Chuo		3,000,914	2.50%
You-Song Chuo		2,634,241	2.20%
You-Po Chuo		2,634,241	2.20%
Chin-Tsai Chen		2,618,168	2.19%
Yu-Jen Chiu		2,258,869	1.89%
Yu-Fang Chiu		2,252,735	1.88%

(3) Dividend policy and implementation status of the Company

1. Dividend policy

When the Company distributes earnings for each fiscal year, it shall first recover losses and set aside 10% as legal reserve, except when the accumulated legal reserve has reached the Company's total capital. The Company also distributes (or reverses) the special reserve in accordance with other laws and regulations, extra dividend of 6% (inclusive) or less. Distributions of earnings may be made in the form of cash dividends or stock dividends, provided that the percentage of stock dividends shall not exceed two-thirds of the sum of cash dividends and stock dividends to shareholders for the year.

Based on financial, business, and operational considerations, the Company may distribute the remaining balance after deducting the aforementioned amount, together with all or part of the undistributed earnings of the previous year and the distributable earnings of the current year.

The Company's Articles of Association do not specify the distribution rate of dividends to shareholders. The distribution of dividends is subject to adjustment based on future capital expenditure plans and capital conditions, and shall be resolved by the Board of Directors and shareholders' meeting. As the Company continues to expand its plants and develop new products, it needs to retain a certain level of capital. In addition, in recent years, the distribution rate has been no less than 30% of the Company's annual net income, in the form of cash or shares, with all cash dividends being no less than one-third of the total dividends.

2. The proposed dividend distribution at the shareholders' meeting

The appropriation of earnings for the year 2025 was resolved by the board of directors on February 26, 2026, and the total dividends of NT\$95,841,478 (NT\$0.80 per share) to shareholders will be paid in cash. The cash dividends will be submitted at the shareholders' meeting after approval of the board of directors, and the chairman shall be authorized to set the basis date for dividend distribution.

3. Significant changes in dividend policy: None

(4) Impact of the proposed gratis allotment of shares at the shareholders' meeting on the Company's operating results and earnings per share

The proposed gratis allotment of shares at the shareholders' meeting will not be distributed and is therefore not applicable.

(5) Employee and Director Remuneration

(1) The percentage or scope of employee and directors' remuneration as stipulated in the Company's Articles of Incorporation

The Company's remuneration consists of basic salary, bonuses, and employee compensation. The total of bonuses and employee remuneration depends on the Company's overall operating performance and performance of individual employees which determine the amount to be allocated.

In accordance with the Company's Articles of Incorporation, if the Company earns a profit in a year, it shall allocate no less than 1% for employee remuneration, of which, no less than 0.3% are for non-executive employees, and no more than 4% for directors' remuneration. The remuneration to employees shall be distributed in the form of shares or cash as determined by the Board of Directors, and the remuneration to directors shall be paid in cash. The remuneration to employees and directors shall be reported at the shareholders' meeting. However, if the Company has accumulated losses, the amount of remuneration should be reserved in advance, and the remuneration to directors and supervisors as well as employees should be provided in accordance with the aforementioned ratio.

(2) Basis for estimating the total employee and directors' remuneration, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment if the actual amount of distribution differs from the estimated amount

If there is a significant change in the amount of remuneration resolved by the board of directors post year-end, the change shall be adjusted to the expense of the year when the profit originated.

If there is still a change in the amount after the annual financial statements have been approved and released, it shall be treated as a change in accounting estimate and recorded the following year.

- (3) The Board of Directors approves the distribution of remuneration in the following circumstances:
- (a) Employee and directors' remuneration in the form of cash or shares: At the Board of Directors' meeting held on February 26, 2026, the distribution of employee remuneration and directors' remuneration for 2025 was approved. The amount and distribution method are as indicated in the table below, with no variance from the estimated provision amount for expense recognition for the fiscal year.

Unit: NT\$1,000

Items		Amount as Board Resolution	percentage of profit	Form of Distribution
Employees' Compensation	Non-executive employees	3,000	1.0%	Cash
	Other staff	11,000	3.7%	
Employees' Compensation Summary		14,000	4.7%	
Directors' Compensation		7,000	2.4%	

- (b) The amount of employee remuneration distributed in the form of shares and its proportion to the total amount of net income after tax and total employee remuneration in the individual or individual financial statements for the period: Not applicable
- (4) Actual distribution of employee remuneration and directors' remuneration in the previous year
- (a) The actual cash distribution as employee remuneration in 2025 was \$3,833 thousand.
- (b) The actual cash distribution as directors' remuneration in 2025 was \$1,917 thousand.
- (c) There was no difference between the actual distribution and distribution amount reported at the shareholders' meeting held on May 27, 2025.

(6) **Company shares repurchase:** None

3.2 Implementation status of corporate bonds: None

3.3 Implementation status of special stocks: None

3.4 Implementation status of overseas deposit receipts: None

3.5 Implementation status of employee stock options: None

3.6 Implementation status of restrictions on handling new shares with employee rights: None

3.7 Implementation status of handling mergers and acquisitions or transfer of shares of other companies to issue new shares: None

3.8 Implementation status of financial plans:

As of the last quarter of the year prior to the printing date of the annual report, there were no issuance of securities or private placements outstanding or completed within the last three years for which the benefits of the plan have not yet been achieved.

IV. Operational Highlights

4.1 Business Activities

(1) Business scope

1. The main content of the company's business

The Company is among the few global leaders that possesses autonomous development capabilities for electromechanical components, precision positioning platforms, and integrated systems. With a long-standing commitment to advanced drive and motion-control technologies, we drive innovation through comprehensive solutions.

In response to the transition toward nanoscale and smart production, we focus on breakthroughs in nano-level positioning technology while continuously strengthening our portfolio of ultra-high-precision motion-control components. Our product line includes high-end drive devices such as linear motors, direct-drive motors, vacuum motors, torque motors, and servo motors, integrated with incremental and absolute position-measurement systems that enhance positioning accuracy and dynamic stability. Simultaneously, we have developed high-performance drivers and multi-axis motion controllers that support major international industrial-communication protocols—including EtherCAT, EtherNet/IP, and PROFINET—forming a holistic ecosystem from key components to control systems. Leveraging deep technical expertise and integration capabilities, the Company has become a critical partner for the semiconductor-equipment, high-end machine-tool, advanced electronics-manufacturing, and intelligent-automation industries, helping customers improve process yield and competitiveness.

2. Operating weighting

Unit: NT\$1,000 ; %

Main Products	2024		2025	
	Amount	Weighting (%)	Amount	Weighting (%)
Micron and Nano-level Positioning Systems	1,004,843	44.59	1,427,102	52.58
Precision Motion and Control Components	1,226,039	54.40	1,263,937	46.56
Others	22,825	1.01	23,328	0.86
Total	2,253,707	100.00	2,714,367	100.00

3. Current Products (Services)

Our two main product categories and their respective series are summarized below. These products are extensively deployed across various industries including semiconductors, high-end machine tools, advanced electronic manufacturing equipment, and smart manufacturing, and smart manufacturing, functioning as essential enablers for advanced processes and high-precision equipment.

Product Category	Series
Precision Motion and Control Components	Controllers, drives, linear motors, direct drive motors, torque motors, servo motors, linear actuators, position measurement systems
Micron and nano-level positioning systems	Single-axis positioning stages, dual-axis positioning stages, gantry-based positioning stages, bridge-based positioning stages, air-bearing positioning stages, multi-axis positioning stages, customized positioning stages

4. New products (services) to be developed

The Company continues to focus on the development of high precision motion control

components and high-precision positioning systems. The new products planned for development are as follows:

- (1) Nano-precision multi-axis positioning drive controller
- (2) Large-bore / ultra-thin direct-drive motor
- (3) Low-force iron-core linear motor
- (4) Hollow-shaft high-speed motor

(2) Industry overview

1. Industry Development and Status

With the rapid evolution of high-performance AI computing, Electric Vehicle (EV) electronics, and smart manufacturing, the global technology industry is entering a new wave of precision-manufacturing upgrades. AI training and inference continuously raise chip specifications, driving wafer processing, heterogeneous integration, and advanced-packaging technologies toward ever-higher accuracy requirements. The mass production of EV electronics further accelerates the adoption of line automation and ultra-precise motion-control technologies.

These trends are spurring a rapid increase in demand from the semiconductor, optoelectronic-panel, and smart-manufacturing sectors for high-precision handling and electromechanical-integration control equipment. At the same time, the global manufacturing landscape is becoming increasingly diversified, and cross-disciplinary technology integration has become a key focus for industry advancement. The traditional technical boundaries among optoelectronics, semiconductors, and smart-manufacturing equipment are gradually dissolving. For example, advanced-packaging production lines require the simultaneous integration of high-precision handling modules and optical metrology systems; new-energy-vehicle electronic assembly lines must achieve full-scale integration of multi-axis motion control, real-time monitoring, and multiple industrial communication protocols, thereby creating production platforms capable of on-the-fly adjustment and automatic optimization.

Looking ahead, emerging applications such as AI, 5G, high-performance computing, electric vehicle (EV), and smart healthcare will escalate manufacturing precision and complexity. Electromechanical-equipment suppliers that possess nano-level positioning, high-performance drive, and system-integration capabilities will become key competitive edge for next-generation processes and smart manufacturing. As technology extends from a single domain to cross-industry applications, the value of integrated solutions will capture and sustain market attention.

2. The precision motion industry value chain can be divided into three tiers:

Upstream: Supplies raw materials such as metals and engineering plastics and performs preliminary machining and surface treatment, laying the foundation for downstream manufacturing.

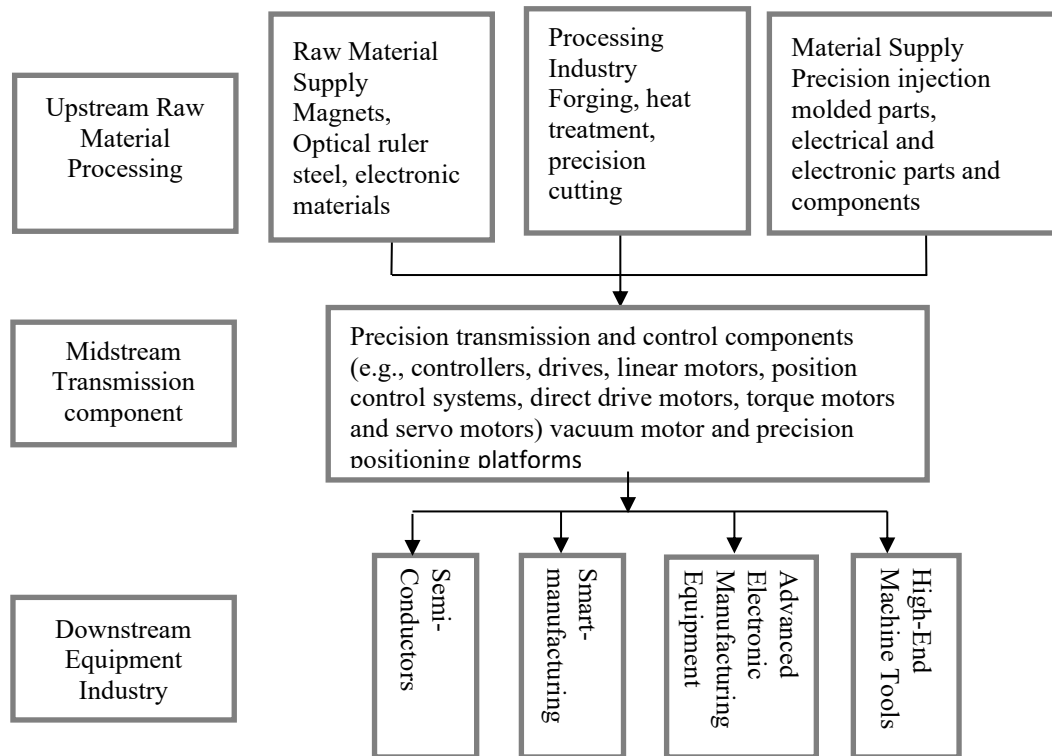
Midstream: Focuses on the research, development, and mass production of precision drivetrain components, serving as the pivot for technology and quality.

Downstream: Encompasses diverse end-market applications—including industrial machinery, smart-automation equipment, automobiles (including new-energy vehicles), aerospace, and medical devices—where drivetrain components are integrated into complete systems.

Our company is positioned in the midstream of the value chain, concentrating on the design, development, and manufacture of high-precision drivetrain components. The Company possesses deep technical expertise and comprehensive manufacturing capabilities. Through continuous innovation and rigorous quality management, we effectively link upstream material suppliers with downstream customer demands,

delivering high-value-added integrated solutions.

Our strategy also emphasizes deepening long-term partnership relationships, aiming to promote robust upgrades and sustainable development across the entire industry chain



3. Product Development Trend

As global smart-manufacturing continues to advance toward higher precision and higher-performance motion control, industry demand has evolved from the improvement of individual component performance to the deep integration of drive units, positioning platforms, and controllers. The trend now moves toward comprehensive motion-control and mechatronic-integration solutions to meet the increasingly complex process requirements of the semiconductor, optoelectronic, and smart-manufacturing sectors.

In semiconductor processing, wafer transport, optical metrology, and advanced-packaging equipment all require the integration of linear motors, direct-drive motors, nanometer-level positioning platforms, and high-speed computational controllers. Such systems must sustain nanometer accuracy and low-vibration characteristics even under high-speed operation. Our products development will focus on high dynamic response drive technologies, nanometer positioning techniques, and high-bandwidth motion controllers, combined with in-house nanometer positioning platforms and integrated manufacturing capabilities. This enables us to address next-generation process applications, including wafer-level packaging (WLP), mass transfer, precision optical measurement, and Mini/Micro-LED processing.

Looking ahead, the growing demand for generative AI computation is driving the development of advanced packaging technologies such as CoWoS, 3D-IC, and FOPLP, which in turn extend to new-energy-vehicle and smart-medical-device applications. Consequently, market demand for ultra-precise drive-control and nanometer-positioning equipment is expected to rise. We will continue to strengthen our R&D synergy and cross-platform integration capabilities, and deepen collaborations with global leaders on next-generation technologies such as silicon photonics (CPO), thereby enhancing our competitiveness in semiconductor equipment markets and capturing emerging industry opportunities.

4. Product Competition

In the highly competitive global market for precision-control components, our company leverages a comprehensive product portfolio and a vertical-integration strategy to continuously sustain its key competitive advantage. Driven by the rapid growth of industrial automation, robotics, and AI-enabled smart manufacturing, we deliver end-to-end solutions that integrate servo drives, precision motors, and control systems, meeting the complex requirements of diverse application scenarios while boosting overall process efficiency

We have adopted a fully autonomous management approaches regarding R&D and manufacturing—from design to production—to ensure consistent product quality and robust delivery schedules. This approach not only enables stringent cost management but also allows dynamic response to market changes, to address high-performance demands and price competition. The flexibility of our management approach also allows us to tailor diversified solutions to customer needs, creating long-term value.

As market demand diversifies and evolves continuously, we will further deepen technological innovation, expand into emerging application arenas, and enhance our service capabilities and product competitiveness in the global market.

(3) Technology and R&D overview

1. Technology level of business

- (1) Specializing in the motion-control sector, focusing on the research, development, and manufacture of key electromechanical components. Our product portfolio includes linear motors, torque motors, direct-drive and servo motors, as well as a full range of drivers, controllers, and high-precision position-measurement systems. These components are widely applied in automation, display panels, PCB, semiconductor, machine-tool, printing, and automotive industries, enabling us to deliver end-to-end solutions from concept design to final implementation.
- (2) In response to the trend of "lightweight, thin and small" consumer products such as mobile phones and display panels, we continue to improve the high speed and high precision performance of our products, while achieving energy conservation and carbon reduction goals by reducing heat loss and energy consumption. The enhanced safety mechanism ensures the protection of personnel and equipment in high-energy working environments, and combined with the communication and intelligent self-diagnosis functions of Industry 4.0, the system has the ability to monitor in real time and perform preventive maintenance
- (3) All product lines—linear, torque, direct-drive, servo motors, drivers, controllers, and position-measurement systems—have obtained CE, UL, and functional-safety certifications. We have repeatedly earned the “Taiwan Excellence” Gold and Silver Awards. Our technology meets global standards and has been endorsed and adopted by major manufacturers in Germany, Japan, the United States, Israel, and other regions.
- (4) Leveraging vertically integrated global resources and electromechanical integration expertise, we co-develop next-generation ultra-precision positioning platforms with customers. These platforms serve advanced processes in front-end and back-end semiconductor manufacturing (including advanced packaging), display-panel production, and PCB inspection. They have secured long-term adoption by the world’s two largest semiconductor manufacturers and the top three PCB AOI inspection firms, reinforcing our leadership in high-end markets.
- (5) We will continue to drive innovation, uphold product quality, safety, and environmental sustainability, and deepen collaborations with international industry leaders. Our focus remains on delivering smart manufacturing and Industry 4.0

solutions that generate greater value for customers and ensure steady, sustainable growth for the company.

2. Research and Development

- (1) Continuing our R&D-driven core strategy in 2025, we concentrated on key Industry 4.0 and smart manufacturing needs, focusing on the in-depth development of components, such as linear motors, torque motors, servo motors, direct drive motors and their drive control systems. Through precise analysis of application scenarios in various industries, we are able to not only provide individual part, but integrated system for comprehensive solutions, and collaborate with customers to develop forward-looking ultra-precision positioning platforms, so that our technology level is in sync with international standards and leads the industry.
 - (2) In terms of production process innovation, our key processes are designed in-house; the core components are developed, and smart manufacturing production lines are built on our own within the company. This not only allows us to ensure the safety and comfort of the working environment, but to effectively protect production know-hows, and maintain a significant competitive advantage in product quality, pricing and delivery lead-time. The introduction of smart production lines makes the production process more flexible and efficient, providing customers with faster and more reliable product services.
 - (3) R&D resources are used for both internal projects and external collaborations. In addition to increasing our own R&D budget and personnel, we actively collaborate with leading overseas research centers, domestic academic institutions, and related scientific research units. Through technology exchange and joint development, we continuously improve our R&D capabilities. The industry-academia-research "triple helix" model accelerates technology transfer and cultivates an interdisciplinary R&D team, laying a solid foundation for long-term competitive advantage.
 - (4) In 2025 we filed 18 domestic and overseas patent applications and received 11 patents, bringing the total number of active patents to 230. Our 2025-developed "Multi-Dimensional Positioning Platform-MD-ZT" won the 34th Ministry of Economic Affairs Taiwan Excellence Gold Award, validating our team's technical strength in product development and manufacturing, and enhancing brand recognition and trust in international markets.
 - (5) We will continue to vertically integrate global resources, deepen R&D of smart-manufacturing and Industry 4.0 solutions, and focus on higher speed, higher precision, and greater safety. Green design—low thermal loss and energy-saving, carbon-reduction features—will be incorporated to meet sustainability trends. Continuous innovation and refinement will create higher added value for customers and deliver stable, sustainable growth for the company.
3. Research and development expenses for the most recent year and up to the publication date of the annual report:

Unit: NT\$1,000 ; %

Item	2024	2025
Research and development expenses	280,525	272,798
Net operating revenue	2,253,707	2,714,367
Percentage of net operating income	12.45%	10.05%

4. Technology or products developed in the latest year and up to the date of printing of the annual report

The following products and technologies were successfully developed during the year:

- (1) Nanometer-scale multi-dimensional positioning module
- (2) High-vacuum linear motor
- (3) High-torque, high-efficiency liquid-cooled torque motor
- (4) Advanced panel-grade packaging inspection and positioning platform

(4) Long-term and Short-term Business Development Plans

Our company has been dedicated to the two core domains of high-precision motion-control components and precision positioning systems, striving to deliver highly competitive, high value-added mechatronic integration solutions for a long time. Going forward, we will continue to strengthen research and development on key driver and controller technologies, deepen motion control expertise, and enhance the overall technical capability and market competitiveness of our product portfolio.

Our market positioning will concentrate on high-end applications such as direct-drive motors, nanometer-scale multi-axis positioning platforms, wafer-inspection equipment, advanced semiconductor-packaging platforms, and integrated modular systems, actively expanding into high-growth, high-entry-barrier markets.

We will reinforce our operations and commercial strategies, defining short-term, medium-term and long-term development directions anchored on technological innovation, product optimization, and market expansion to drive steady, long-term growth.

1. Short-term Business Development Plan

- (1) Accurately capture customer demands and application on core problems, establishing solid, long-lasting partnerships to boost market competitiveness.
- (2) Integrate the group's global sales and service network, delivering timely, localized technical support and services to raise customer satisfaction.
- (3) Refine pre-sale and post-sale service processes, improving response speed and service quality, while strengthening feedback mechanisms to enhance customer satisfaction and loyalty.

2. Medium- and Long-term Business Development Plan

- (1) Leverage group-wide resource integration and optimal allocation to reinforce products strengths and the value of comprehensive solutions, deepening collaborations with customers and becoming a pivotal partner in their transformation and upgrade journeys.
- (2) Continue deepening presence in high-growth sectors such as semiconductors, electric vehicles, and automation, expanding our global market footprint and increasing both market influence and share.
- (3) Device ESG initiatives and net-zero carbon targets, embedding sustainability concepts into product innovation and process optimization, thereby establishing a solid foundation for the company's long-term, sustainable development.

4.2 Market and Sales Overview

(1) Market analysis

1. Major product sales regions

The Company's revenue and proportion by region for the last two years are as follows

Unit: NT\$ 1,000

Region \ Year		2024		2025	
		Amount	Weighting (%)	Amount	Weighting (%)
Export	Asia	1,435,964	63.72	1,632,896	60.16
	Europe	376,508	16.71	357,499	13.17
	America	81,678	3.62	196,358	7.23
	Other	7,538	0.33	1,842	0.07
	Subtotal	1,901,688	84.38	2,188,595	80.63
Domestic Sales		352,019	15.62	525,772	19.37
Total		2,253,707	100.00	2,714,367	100.00

2. Market share

According to publicly available industry data, our products are primarily deployed in high-precision positioning platforms and linear-motor applications and have already been integrated into the supply chains of key customers, establishing a solid foothold in the relevant markets. Benefiting from the introduction of new products and the growing demand from AI and automotive-electronics sectors, our shipment volumes and customer coverage in these domains have remained stable, and our market-share position continues to be steady. Going forward, we will persistently invest in technology R&D and product optimization to further strengthen our competitiveness and expand market applications.

3. Future market supply and demand and growth

As smart manufacturing and AI advance rapidly, the demand for high-performance, highly integrated systems in related applications is increasing, which in turn raises the technical and service thresholds for mechatronic-system solutions. Growing demand in the semiconductor, PCB electronics manufacturing, and automation sectors further drives the mechatronic-integration market toward higher-end, more consolidated offerings.

Our company provides complete mechatronic-system integration solutions. In response to expanding industry needs, we continuously enhance our market competitiveness and increase our market share. At the same time, we remain committed to advancing low-carbon and energy-saving products, through collaborations with partners, strengthening our capabilities in green innovation and sustainable business development.

4. Competitive Niche

(1) We possess development expertise that spans critical components, drive-control technology, and system integration, enabling us to deliver one-stop solutions that shorten product-introduction timelines and boost overall system performance.

(2) With a solid technical foundation and extensive application experience, we can meet demanding high-precision and high-stability requirements while continuously improving product performance and reliability.

(3) By leveraging the group's worldwide sales and service resources and strengthening localized technical supports and rapid-response service, we can promptly address customer needs, increase market penetration, and enhance customer loyalty.

(4) Our abilities to manufacture critical technologies and core processes internally allows us to tightly control product qualities and delivery schedules, thereby reducing supply-chain risk.

5. Favorable and unfavorable factors of development prospect and its countermeasures

(1) Favorable factors

(A) The products align with the trends of high-precision positioning and automation, and its mastery of key technologies help to preserve core competitiveness.

- (B) Holding multiple patented technologies, such as ultra-thin direct-drive motors, giving us an industry-leading advantage and enables it to meet market demand for high-performance, energy-efficient, and slim-profile products.
 - (C) A complete and diversified products portfolio can address the varied requirements of different industry applications, strengthening overall market-expansion capability.
 - (D) Strong group-level resource integration allows the company to offer customers comprehensive solutions with flexible allocation and support.
 - (E) A worldwide network of sales and service locations could provide real-time, localized support, deepening customer relationships and boosting satisfaction.
 - (F) Ongoing investments in R&D drive technology upgrades and product innovation, delivering next-generation, high-value-added products and technical services.
- (2) Negative Factors
- (A) A slowdown in global economic growth, coupled with geopolitical risks, shifts in trade policies, and the volatility of currency exchange rate, may dampen market demand and alter customers' investment decisions, thereby increasing operational uncertainty.
 - (B) Changes in the international trade environment and trade frictions among major economies could raise tariffs and non-tariff barriers, also effect on import and export activities and adding further uncertainty to supply-chain operations.
 - (C) As manufacturing technologies advance and automation levels rise, the demand for high-skill talent intensifies, driving up related labor costs and creating imbalances in the labor market. This may impact human-resource allocations and overall operational developments.
- (3) Countermeasures:
- (A) Continuously expand global sales and service locations to diversify regional risks, increase market coverage, and strengthen risk-monitoring and contingency mechanisms.
 - (B) In response to changes in the international trade environment, continually optimize the global market footprint to lessen the impact on import-export operations, while enhancing in-house manufacturing capabilities and localized supply networks to shorten lead times and improve supply-chain resilience and stability.
 - (C) Persistently promote talent development and technology transfer through internal training programs and industry-academia collaborations, enriching both internal and external talent pools to meet the growing demand for advanced technical personnel and support long-term operational growth.

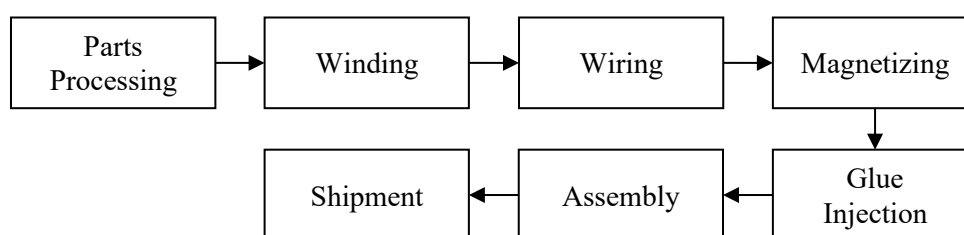
(2) Important applications and production processes (main products)

1. Important use of major products

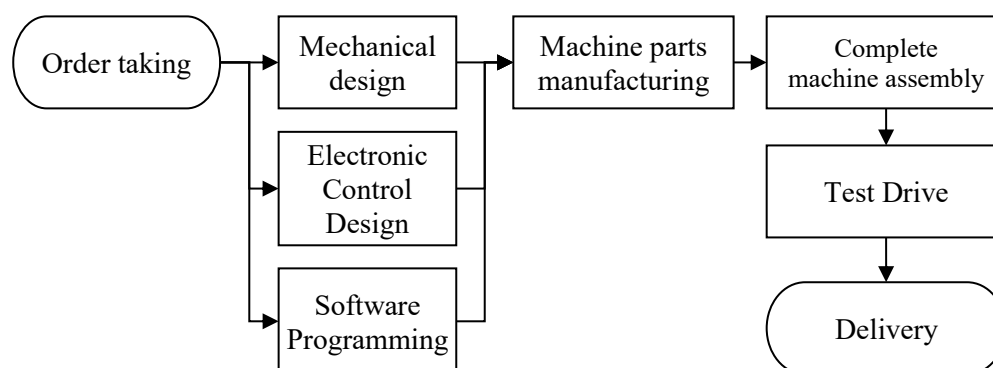
Main Products	Applications
Precision Motion and Control Components	Linear motors, direct drive motors, vacuum motor torque motors, servo motors, high speed spindle motors, position measurement systems, etc., with self-developed drives and controllers to achieve nano-scale high precision positioning control functions; our products are widely used in different industries such as semiconductor equipment/automation transport/FPD equipment/PCB equipment/AOI inspection equipment/SMT equipment/laser processing machine/various of robot arms/ machine tools/EV-related/solar energy, etc.
Micron and Nano-scale Positioning Systems	Various high precision positioning stages, such as single-axis, X-Y dual-axis, bridge, gantry, and air bearing positioning stages for different industrial applications (e.g., automation equipment, automotive industry, optical inspection, laser processing, plastic coating, metal processing, etc.)

2. Production processes

(1) Precision motion and control elements



(2) Micron and Nanometer Positioning System



(3) Supply of major raw materials

Our company's main raw materials include mechanical components, optical scales, magnets, and electronic components, primarily sourced from Taiwan, Europe, America, Japan, and China, with a good supply status. To effectively address supply chain risks caused by climate change, we have established a dedicated team to conduct risk assessments and prepare response strategies. These include strategic stockpiling and employing diverse designs to mitigate specific material risks, ensuring the stability of our supply chain and the flexibility of our business operations.

(4) Customers who have accounted for more than 10% of the total purchase and sales in the last two years

1. List of suppliers accounting for more than 10% of total purchase

There were no suppliers with more than 10% of the purchases for the 2024-2025 fiscal year.

2. List of suppliers accounting for more than 10% of total sales

Item	2024				2025			
	Name	Amount	Ratio of annual net sales (%)	Relationship with the Issuer	Name	Amount	Ratio of annual net sales (%)	Relationship with the Issuer
1	Customer A	656,546	29.13	None	Customer A	947,712	34.92	None
2	Customer B	584,473	25.93	Other related parties	Customer B	554,055	20.41	Other related parties
3	Others	1,012,688	44.94	-	Others	1,212,600	44.67	-
	Net sales	2,253,707	100.00	-	Net sales	2,714,367	100.00	-

Analysis of Changes: The 20% increase in 2025 compared to 2024 is mainly due to increased investment in semiconductor equipment driven by growing demand for AI, high-speed and advanced packaging.

4.3 Information of employees for the last two years and as of the publication date of the annual report

Unit: person

Year		2024	2025	As of March 31, 2026
Number of Employees	Manager	21	20	21
	Production line staff	208	204	199
	General staff	319	311	311
	Total	548	535	531
Average Age		38.3	39.05	39.22
Average Years of Service		7.5	7.99	8.16
Education	Ph.D.	0.73%	0.75%	0.75%
	Masters	28.83%	27.85%	28.44%
	Bachelor's Degree	60.22%	61.50%	61.21%
	Senior High School	10.22%	9.90%	9.6%
	Below Senior High School	0%	0%	0%

4.4 Environmental Protection Expenditure

(1) In the latest year and as of the printing date of the annual report, the Company has not incurred any losses or been fined by regulatory authorities due to environmental pollution incidents.

(2) Countermeasures

The Company has always placed great emphasis on environmental protection and the implementation of sustainable practices. For detailed explanations of the management strategies regarding water, air, energy, and waste, please refer to Chapter 4 of the ESG report for the year.

4.5 Labor Relations

(1) Employee welfare measures, further studies, training, retirement system and its implementation, as well as agreements between labor and management and various measures to protect employees' rights and interests.

Employees are the cornerstone of the company's sustained growth and stable development. We are committed to building a safe, healthy, and high-quality workplace. In addition to providing legally mandated comprehensive benefits, training and retirement security, we place great emphasis on labor-management harmony and, through regular negotiations, protect employees' rights, realizing the long-term goal of mutual development for both the enterprise and its staff.

1. Employee Benefits Measures:

- (1) A leave system superior to the Labor Standards Act, granting employees paid leave upon arrival at work in advance.
- (2) Providing fully equipped, comfortable employee dormitories to ensure staff have an excellent resting environment.
- (3) Offering free uniforms, employee parking, staff cafeteria, overtime meals, and complimentary snacks.
- (4) Regularly organizing health examinations, free health seminars, course activities, and providing on-site doctor consultations and professional counseling services to support employees' physical and mental well-being.
- (5) Implementing maternity protection measures, including dedicated parking spaces and priority meal service lines to ensure convenience and safety during pregnancy.
- (6) Providing employees with a monthly childcare subsidy of NT\$5,000 per child for up to 3 years, totaling NT\$180,000, and establishing comfortable nursing rooms to encourage childbearing and support employees' family lives.
- (7) Provide medical care, accident, and critical illness insurance for employees and their dependents to ensure employees receive the necessary support.
- (8) Establish an employee welfare committee in accordance with the law to promote various employee welfare activities and enhance the well-being of employees.
- (9) Hold annual exemplary employee recognition ceremonies to encourage outstanding employee performance and contributions with substantial monetary rewards.
- (10) Implement a fair compensation and bonus system to motivate employees to achieve performance goals and share operational results, creating a win-win situation.

2. Education and Training

(1) Comprehensive Training for All Employees

We firmly believe that outstanding talent is the cornerstone of enterprise sustainability and value the learning opportunities and career development of each colleague. Our training programs cover a wide range of topics, including new employee training, professional skills, managerial skills, and general competency training. The aim is to enhance the professional skills and technical proficiency of all employees through a comprehensive training approach.

(2) Diverse Training Opportunities

We provide abundant and diverse training resources and channels, encouraging employees to grow and learn through various means. In addition to various in-house training activities, we actively encourage employees to participate in professional exhibitions and benchmark company visits both domestically and internationally, broadening their horizons and deepening their understanding of industry trends to continue progressing.

(3) Learning Incentive Mechanism

To encourage lifelong learning, we support employees in attending classes, credit courses, and degree programs at major colleges and universities. Each colleague can apply for training and freely register for various training activities organized by the company. All learning expenses, including course fees, transportation, and accommodation, are fully covered by the company. Furthermore, we offer a learning incentive mechanism, such as salary increases, certification rewards, and the distribution of learning bonuses.

3. Retirement system and its implementation status:

The company has established an employee retirement scheme in accordance with the Labor

Standards Act and the Labor Pension Act, which includes both defined benefit and defined contribution systems. We regularly commission actuaries to provide employee benefit actuarial reports to ensure the fulfillment of retirement benefit obligations and safeguard the retirement rights of our colleagues.

(a) New Pension System

- A. All employees of the Company choose or are subject to the new system.
- B. The Company contributes 6% of employee salaries to the employee individual pension accounts in the Bureau of Labor Insurance monthly, and a total of NT\$22,248 thousand was contributed in 2025.

(b) Old system pension

- A. Employees subject to the Labor Standards Act before the implementation of the Labor Pension Act who retain seniority are eligible.
- B. The Labor Retirement Reserve Supervisory Committee is established to manage the old retirement pensions.
- C. Contribution to employee retirement reserve: The Company contributes 2% of employee salaries to the pension fund monthly, which is deposited under the name of the Labor Retirement Reserve Supervisory Committee which is a special account for labor retirement reserve. This special account is used exclusively for this purpose, and the Trust Department of the Bank of Taiwan handles the income and expenses of the fund and its custody to ensure that it is not the subject of alienation, attachment, offsetting or guarantee.
- D. Employee pension payments: When employees who meet the conditions of the old retirement scheme apply for retirement benefits from the company, the Company pays the employee from the Labor Retirement Reserve Fund.
 - (A) Employees who have worked for 15 years or more shall be paid two base salaries for each year of service, and those who have worked for more than 15 years shall be paid one base salary for each year of service, up to a maximum of 45 base salaries, and the remaining service shall be counted as half a year if it is less than half a year and one year if it is more than half a year.
 - (B) The pension shall be paid in lump sum within 30 days after the date of retirement.
 - (C) Employees who are compulsorily retired and are physically or mentally disabled due to performance of duties shall receive an additional 20% of their pension.
 - (D) The standard base salary mentioned above is the average monthly salary of the retiree at the time of retirement approval.
- E. As of the end of 2025, the accumulated amount of the Labor Retirement Reserve Fund was NT\$25,326 thousand.

(c) Retirement System

- A. Company employees may retire under any of the following conditions:
 - (A) If the employee has worked for at least fifteen years and has reached the age of fifty-five.
 - (B) If the employee has worked for at least twenty-five years.
 - (C) If the employee has worked for at least ten years and has reached the age of sixty.
- B. The length of service of employees transferred between affiliated companies (including but not limited to those specified by the Company Law as affiliated companies) shall be aggregated, and retirement benefits shall be distributed based on the ratio of service years in each company.

4. Agreements between labor and management, and measures to protect employee rights and interests

The company fully recognizes that harmonious employee relations are essential for sustainable growth. In addition to holding quarterly labor-management meetings, we conduct periodic employee-satisfaction surveys to actively listen to and implement staff feedback, thereby enhancing rights-protection measures. To embody workplace diversity, equity, and inclusion (DEI) and safeguard the interests of foreign colleagues, all meeting minutes and key announcements are also provided in English, ensuring information parity and transparency.

(2) Losses suffered due to labor disputes in the last two years and up to the date of printing of the annual report

The Company is committed to maintaining harmonious labor-management relations and has not incurred any losses due to labor disputes.

(3) Employee code of ethical conduct

The Company has established comprehensive policies—including the “Procedures for Ethical Management and Guidelines for Conduct,” the “Code of Ethical Conduct,” and the “Policy on Employee Reception and Gift-Handling”—to build a rigorous integrity management system and provide employees with clear conduct standards and compliance guidance.

4.6 Information Security Management

(1) Information security management infrastructure

1.The company places a high priority on information security. A dedicated Information-Security Governance Committee, chaired by the Executive Vice President, is responsible for the end-to-end management of security risks—identifying, assessing, controlling, and monitoring all threats to our information assets—to ensure stable operations and regulatory compliance.

2.The Audit Department conducts periodic internal audits in accordance with established control procedures. When a material deficiency is identified, the audited unit must submit a corrective action plan and specific measures for Board approval. The Audit Department then tracks implementation and effectiveness to ensure the identified security risk is mitigated.

3.Regarding information security operations, we have established key performance indicators for information security and adopted the PDCA (Plan-Do-Check-Adjust) goal management cycle to promote an information security-oriented management system, ensuring the reliability of goal achievement and continuous improvement.

The framework for ICT security management is as follows:

Internal				External	
Board of Directors	Internal Audit Office	Regular information security audits, with significant deficiencies reported to the Board of Directors		Information Security Professional Vendor	External Audits
Information Security Governance Committee	Set information security policies and objectives	Risk Management and Compliance	Protection of Stakeholder Interests	.New information security threat education and training .New information technology education and training .Information security health inspection .Information security system suggestion .Information security vulnerability assessment	Regular information security audits
Information Technology Department	Information security Procedure and guideline	Internal Control Procedures	Information Security Risk and Security Assessment		
	Information software and hardware asset management		Information Security Control Management System		
	Program source code Management	Safety configuration management	White List Program List		
Information System User Department	Information Operations Application and Management	Daily operation exception report	Customer and Supplier Relationship Management		
Information Security Education and Training					
Information security organization culture and awareness					

(2) Information and Communication Technology (ICT) Security Policy

We actively strengthen information security protection, establish effective ICT security management mechanisms, prevent waste and loss of company resources, protect the company's reputation, optimize operational processes and efficiency, and ensure the best protection of the interests of the company, shareholders, employees, customers, and suppliers.

ICT security management covers the following areas to prevent various risks and damages

to the company resulting from human error, intentional acts, or natural disasters, such as improper use, leakage, alteration, or destruction of data:

Scope of management include:

- Information security policy formulation and evaluation.
- Establishment and operation of information security organization.
- Classification and management of information and communication assets.
- Personnel access security management and information security education and training.
- Computer system security management.
- Network and communication operation security management.
- System access control.
- Physical and environmental security management.
- Planning and management of business continuity plans.

(3) Specific management plan for information and communication security

The company has established the "Information and Communication Technology (ICT) Security Operations Policies" to ensure the confidentiality, integrity, and availability of all assets and information, protecting them from internal and external intentional or accidental threats. Rigorous assessments of information security risks are conducted, and response measures are formulated. Specific management measures include:

- System Backup and Recovery: Important systems have real-time backup mechanisms and off-site data backup storage to ensure data security and recovery capabilities.
- Network Security: Enterprise-grade firewalls, wireless network equipment, and secure remote connection mechanisms are implemented.
- Email Control: Spam filtering and blocking systems are implemented, and periodic email phishing attack simulations are conducted to enhance employee awareness.
- Print Review: Documents printed by important departments require approval from authorized supervisors to prevent sensitive data leakage.
- Security Scanning & Antivirus: regular vulnerability scans, system patch management, deployment of enterprise-grade antivirus and endpoint protection, daily virus-signature updates.
- ICT Asset Management: Strict control over software installation permissions and storage device usage to ensure only authorized software is used.
- Electronic Data Protection: Encryption systems are implemented to protect company intellectual property.
- Endpoint Security Protection: Internet access control and antivirus systems are deployed and updated regularly.
- Regular information security promotion and information security education and training sessions are conducted.

Violation of the company's ICT security policies will result in appropriate disciplinary measures or legal action, depending on the severity of the breach. Furthermore, all employees should understand that all information obtained during working hours is company property, and unauthorized use is strictly prohibited.

(4) Resources devoted to information and communications security management

1. The company has appointed three dedicated information-security personnel who annually update and maintain our IT security hardware and software. This reduces the risk of losses and liability from business interruptions, ensures regulatory compliance, and reinforces our image as a mature security-governed enterprise.
2. In line with the importance of information security, the Risk Management Committee and the Information-Security Project Committee meet regularly. In 2025, a total of 20 meetings

were held, during which we reported security project plans and implementation progress to the Chairman, General Manager, and other senior executives.

3. The security team continuously collects domestic and international threat intelligence, conducts risk assessments, and tracks findings to enhance our defense against external threats.

4. In addition to quarterly security awareness campaigns, we provide Information-Security Training” for new hires and conduct social-engineering exercises for all employees.

5. We cooperate with external security vendors to perform periodic system security assessments; for any critical or high-risk issues, corrective actions are implemented immediately to ensure ongoing effectiveness of our security controls.

(5) Major information and communication security incidents: As of the printing date of this annual report, there were no material information and communication security incidents.

4.7 Major contracts

Agreement	Counterparty	Period	Main Content	Limitation Clause
Financing contract	BANK OF TAIWAN	2012.12.28~2027.12.28	Guaranteed Loans	None
	BANK OF TAIWAN	2016.12.14~2031.12.14	Guaranteed Loans	None
	BANK OF TAIWAN	2016.12.19~2031.12.19	Guaranteed Loans	None
	BANK OF TAIWAN	2020.10.16~2027.10.15	Medium-term loans	None
	CHANG HWA COMMERCIAL BANK	2022.06.15~2025.06.27	Guaranteed Loans	None
	TAIWAN COOPERATIVE BANK	2024.12.31~2024.12.31	Medium-term loans	None
Construction contract	FU TAI CONSTRUCTION Co., Ltd	2022.11.30~2024.08.31	Construction of the first phase of Fengshan Plant	None
	CHYIDING TECHNOLOGIES CO., LTD	2022.12.23~2024.08.31	Electrical and mechanical works of the first phase of Fengshan Plant	None
	CHYIDING TECHNOLOGIES CO., LTD	2022.12.23~2024.08.31	Air-conditioning of the first phase of Fengshan Plant	None

Note: Final inspection and acceptance of the first phase of the Fengshan Plant in Hsinchu County is undergoing.

V. Review and analysis of financial status, financial performance, and risk issues

5.1 Financial Status

(1) Analysis of Financial Status

Unit: NT\$1,000

Item \ Year	2024	2025	Variance	
			Amount	%
Current Assets	2,366,980	2,818,593	451,613	19.08
Property, plant and equipment	3,812,431	3,704,947	(107,484)	(2.82)
Intangible Assets	19,258	20,273	1,015	5.27
Other Assets	426,571	465,544	38,973	9.14
Total Assets	6,625,240	7,009,357	384,117	5.80
Current liabilities	1,145,932	1,342,861	196,929	17.19
Non-current liabilities	1,325,623	1,230,641	(94,982)	(7.17)
Total liabilities	2,471,555	2,573,502	101,947	4.12
Capital	1,198,018	1,198,018	-	-
Capital surplus	1,578,181	1,578,181	-	-
Retained earnings	1,063,098	1,281,986	218,888	20.59
Other equity	29,082	44,486	15,404	52.97
Non-controlling equity	285,306	333,184	47,878	16.78
Total equity	4,153,685	4,435,855	282,170	6.79

(2) Analysis of changes in the percentage of increase or decrease over 20%

1. The increase in retained earnings was mainly due to the increase in net profit during the period.
2. The increase in other equity was mainly attributable to exchange gains arising from the translation of financial statements of foreign operations.

5.2 Financial Performance

(1) Comparative analysis of operating results

Unit: NT\$1,000

Item \ Year	2024	2025	Variance	
			Amount	%
Operating Revenue	2,253,707	2,714,367	460,660	20.44
Operating Costs	1,554,283	1,723,413	169,130	10.88
Gross profit	699,424	990,954	291,530	41.68
Operating Expenses	648,221	666,714	18,493	2.85
Net profit	51,203	324,240	273,037	533.24
Non-operating income and expenses	63,485	(22,939)	(86,424)	(136.13)
Income before tax	114,688	301,301	186,613	162.71
Net profit for the year	90,940	259,924	168,984	185.82
Other comprehensive income or loss	50,011	46,206	(3,805)	(7.61)
Total consolidated profit or loss for the year	140,951	306,130	165,179	117.19

(2) Analysis of changes in the percentage of increase or decrease over 20%

1. Operating revenue, gross profit and net profit all increased, primarily driven by growing demand for emerging-technology applications and a continued heating of the semiconductor market, which lifted full-year operating revenue.
2. The decrease in non-operating income and expenses was mainly due to increased losses from the exchange of foreign currency time deposits.
3. The increase in pre-tax profit, net profit for the year and total comprehensive profit and loss for the year was mainly due to increased industry demand and improved operating revenue and gross profit margin.

(3) Expected sales volume and basis, potential impact on the Company's future financial operations and response plan:

Please refer to the "Report to Shareholders".

5.3 Cash Flow

(1) Liquidity analysis for the last two years

Item \ Year	2024	2025	Increase (Decrease ratio (%))
Cash Flow Allowance Ratio (%)	112.57	111.70	(0.77)
Cash Reinvestment Ratio (%)	7.21	5.68	(21.22)

Analysis of increase or decrease by more than 20%:

The cash-flow ratio, cash-flow adequacy ratio, and cash-reinvestment ratio rise or fall, mainly due to reduction in net cash inflows from operating activities.

(2) Improvement plans for lack of liquidity:

The Company has no issues with insufficient liquidity.

(3) Cash flow analysis for the coming year:

The Company expects that cash on hand and cash inflow from operating activities in the coming year should be able to cover the expenses of investing and fundraising activities.

5.4 The impact of significant capital expenditures on financial operations in the most recent year:

(1) Utilization and Funding Sources of Significant Capital Expenditures

Project	Actual or Expected Funding Sources	Actual or Expected Completion Date	Total Funding Required for 2025 and 2026	Actual Funding Utilization in 2025 and Planned Funding Utilization in 2026	
				2025	2026
Construction of Plant	Internal Funds, Financing	2026.12	153,075	44,106	108,969
Expansion of Production Equipment	Internal Funds, Financing	2026.12	151,095	45,574	105,521

(2) Expected Benefits Expected:

Capital expenditures are primarily aimed at new product development and capacity expansion to support future operational growth. Simultaneously, process optimization will be conducted to continually enhance quality, improve delivery flexibility, and optimize cost competitiveness.

5.5 Investment policy in the most recent year, Main causes of profits or losses, Improvement plans and investment plans for the coming year

(1) Reinvestment policy:

The Company's reinvestment policy takes into account sustainable management and operational growth. The "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" established by competent authorities provide "Procedures for the Acquisition or Disposal of Assets" as the basis for the Company's reinvestment business. The Company has also established the "Supervision and Management of Subsidiaries" as part of its internal control system to enhance the supervision and management of its investee companies, which focuses on information and financial status. This internal control system is also used for the disclosure of information, finance, operations, inventories, and financial management of the Company's reinvestment business to maximize its effectiveness.

(2) Main reasons for profit or loss behind reinvestment in the most recent year and improvement plans:

Unit: NT\$1,000

Investee company	Main business	Investment income (loss)		Main reasons for profit or loss	Improvement plan
		2024	2025		
Mega-Fabs Motion Systems Ltd.	Development and production of drives and controllers	45,430	27,895	Development and sales of nano and submicron control systems to several world-class semiconductor equipment suppliers, with good operating conditions	-

(3) Investment plans for the coming year: Subject to operational conditions.

5.6 Risk Analysis

Risk analysis of the following was conducted in the most recent year and up to the date of printing of the annual report:

(1) Impact of interest rates, exchange rate changes and inflation on the Company's profit and loss, and future response measures

1. Interest rates

As of the printing date of the annual report, the Company's short-term loan were contractually available for drawdown over the contract period, enhancing financial flexibility. The Company regularly assessed bank borrowing rates and market rates with the aim of improving financial balances and reducing the risk of interest rate fluctuations. As the financial structure strengthens, the Company negotiates with banks for more favorable financing terms. Therefore, the changes in interest rates on the Company is not significant.

2. Exchange rates

In 2025, the Company's foreign-currency revenue was primarily derived from the U.S. dollar, followed by the euro and the Chinese renminbi. Correspondingly, the majority of raw-material and equipment purchases were denominated in these three currencies. Over the years, we have consistently implemented an "Asset-Liability Management" foreign-exchange risk policy and employed forward FX contracts to mitigate currency risk. By actively monitoring exchange-rate movements, promptly adjusting our strategies, and maintaining strong relationships with our banks, we have effectively reduced exposure to exchange-rate volatility.

3. Inflation:

According to the Directorate-General of Budget, Accounting and Statistics, Taiwan's CPI annual growth rate is projected at 1.83 % for 2025 and 1.61 % for 2026, indicating that inflation risk remains within a controllable range. The Company mitigates cost pressures by optimizing raw-material inventory management, procurement strategies, and process-innovation research, while adjusting selling prices as market conditions warrant to preserve profit margins and cushion the impact of inflation on operations.

(2) The policy of engaging in high-risk, highly leveraged investments, lending funds to others, endorsing guarantees and derivative transactions, the main reasons for profits or losses and future measures to address them:

The Company adopts a cautious policy regarding high-risk investments and other financial activities to ensure stable operations and financial health:

1. High-Risk Investments: The company does not engage in any high-risk or highly leveraged investment transactions, adhering to the principle of prudent management to avoid unnecessary risks.
2. Lending Activities: As of the publication date of the annual report, we have not engaged in lending activities. If such transactions are considered in the future, they will strictly adhere to the Company's established "Procedure for Lending Funds to Others" to ensure manageable risk.
3. Endorsements and Guarantees: As of the date of printing this annual report, the Company has not undertaken any endorsement-guarantee activities. Should the Company engage in endorsement guarantees in the future, it will strictly follow the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and obtain approval from the Board of Directors.
4. Derivative Financial Instruments: The Company's involvement in derivative financial instrument transactions is primarily for risk management purposes, aiming to mitigate risks associated with real exchange rate fluctuations through hedging strategies. We do not engage in speculative trading to ensure that our trading activities align with the overall risk management strategy of the company.

Through aforementioned measures, the Company is committed to maintaining stable financial conditions and risk levels, ensuring long-term stable growth of the enterprise.

(3) Future R&D plans and estimated R&D expenditure:

In the face of multiple pressures—including U.S. tariffs, geopolitical conflicts, and low-price dumping from China—combined with declining birth rates, inflation-driven labor shortages, and rising raw-material costs, the Company will accelerate smart automation and digital transformation to overcome geographic and cost constraints.

Our company focuses its R&D resources on advanced semiconductor packaging and intelligent driving technologies. In terms of packaging technology, we not only continue to develop precision positioning platform systems for manufacturers, but also proactively plan for panel-level packaging, developing alignment systems and thermal balance management modules to solve error and yield problems in large-area packaging, helping AI chips gain a competitive edge in mass production iterations.

Secondly, in response to the rise of Mini and Micro LED display technologies and the demand for high efficiency in the upgrading of automated machine tools, we are developing high-speed, front-mounted drive control modules and energy motors. We adhere to stringent green design specifications to meet global standards for energy conservation and carbon reduction.

Faced with tariff barriers and geopolitical uncertainties, we are consolidating Taiwan's leading position in the global semiconductor landscape and creating long-term value for our customers through continued investment in advanced packaging, smart automation, and digital transformation. We will proactively transform external pressures into innovative momentum, becoming an indispensable key player in the global industry value chain.

1. Future Research and Development Plan:

Two main research areas:

- (a) In response to the increasing demand for smart manufacturing automation in factories during the Industry 4.0 era, we continue to invest in the research and development of key components and systems for intelligent drives and high-precision positioning with high efficiency, high speed, and low force, including:
 - A. Low-force iron core linear motor
 - B. Hollow high-speed motor
- (b) In response to the expansion of data centers required for large-scale AI model training, the trend towards thinner and smaller consumer electronics, and the rapid advancements in autonomous driving technology for electric vehicles, the market demand for high-performance chips continues to rise. To meet this demand, semiconductor manufacturing processes must employ more precise nanometer-level positioning and high-volume equipment, prompting us to continuously develop platforms and advanced control systems with high-speed, ultra-precise positioning capabilities, including:
 - A. Nano Precision Positioning Multi-Axis Drive Controller
 - B. Large hollow/ultra-thin direct drive motor

2. Estimated R&D expenditure:

The Company will continue to invest in research and development in FY2026 and expects to invest a total of NT\$286,631 thousand in R&D. The direction of research and development will be towards smart manufacturing, Industry 4.0, and sustainability trends such as environmental protection, green energy, energy conservation, and carbon reduction to meet customer needs while continuing to innovate, pursue process integration and internal process reengineering, reduce production costs, and shorten delivery time to gain a competitive edge.

(4) The impact of significant domestic and international policy and legal changes on the Company's financial operations and response measures:

The Company conducts its operations in accordance with relevant domestic and international

laws and regulations. It closely monitors trends in domestic and international policies and regulatory changes to stay abreast of developments in the market environment and to propose timely and proactive measures in response to ensure stable growth for the Company. As of the publication date of the annual report, major international or domestic policies and legal changes have not yet significantly affected the Company's finances and challenge.

(5) The impact of technological changes (including information security risks) and industry changes on the Company's financial operations and measures to address them:

The company adopts a proactive information-security management strategy, implementing comprehensive network and endpoint protection measures. Guided by regulatory authorities, we continuously review and assess security policies and procedures to ensure their relevance and effectiveness. We regularly evaluate the adequacy of our cybersecurity strategy, upgrade hardware and software, strengthen network monitoring and endpoint-control mechanisms, and rigorously apply risk-management practices to safeguard operational stability and regulatory compliance.

In recent years, the surge in global AI infrastructure, chips, advanced-packaging and server demand has driven a sharp increase in high-precision semiconductor-equipment components and positioning platforms. At the same time, the recent Middle-East conflicts have pushed material prices higher and heightened supply-chain risk. Confronted with these opportunities and challenges, we are deepening cooperation with key suppliers, building strategic inventories of critical materials, and simultaneously developing local supply partners. By expanding smart automation, clean production environments, we can accelerate shipments and service delivery while mitigating the impact of external supply fluctuations on operating costs and gross margins, thereby meeting the growth needs of existing semiconductor and electronic-equipment customers and capturing new automation business generated by the AI sector.

Driven by global net zero and the Carbon Border Adjustment Mechanism (CBAM), product carbon footprints have become a long-term competitive metric. Therefore, the company is advancing a “high-performance and low-energy” green-product development strategy, integrating energy-saving control algorithms into motor drives and mechatronic components to achieve optimal energy efficiency from the component level up to complete systems. These energy-saving capabilities enable our customers to build low-carbon, smart-automation integration solutions, creating additional win-win value for both parties.

In summary, cybersecurity, semiconductor electronics supply chain, and green energy transformation have become key factors for the company's financial stability and business growth. The company's core response strategy revolves around zero-trust cybersecurity management, self-developed key components, and low-carbon products. This strategy transforms technological changes into momentum for enhanced operational resilience, reduced cost volatility, and expansion into new markets, ensuring continued value creation in an uncertain global environment.

(6) Impact of change in corporate image on corporate risk management and measures to address it:

Since its establishment, the Company has focused on its business operations, complied with relevant laws and regulations, actively strengthened the integration and management of all potential strategic, operational, financial and hazard risks that may affect its operations and profitability, while maintaining harmonious labor relations and good corporate image. Up to the date of printing of the annual report, the Company has never faced any incidents that could damage its corporate image or trigger a crisis.

(7) Expected benefits, possible risks and responses to mergers and acquisitions:

The Company has not made any merger or acquisition in the recent year and up to the publication date of the annual report.

(8) Expected benefits, possible risks, and contingency measures for plant expansion:

1. Expected benefits:

For the situation of the expansion of the plant, please refer to the explanation provided in Part 5, Section 4 of this year's report.

2. Possible Risks and Response Measures:

The construction of new plants to support operational growth carries the risk of decreased capacity utilization due to industry fluctuations leading to reduced demand, which in turn increases unit fixed costs. To mitigate this risk, we will accelerate automation upgrades, cultivate R&D and manufacturing professionals, and optimize processes to shorten production cycles and improve overall efficiency. Simultaneously, we will leverage our technological advantages to expand into new customers and markets, further enhancing capacity utilization. Our management team possesses extensive industry experience and a deep understanding of product demand, enabling us to fully utilize the increased capacity and mitigate operational uncertainties.

(9) Risks associated with the concentration of imports or sales and measures to be taken:

1. Risks associated with the concentration of imports and contingency measures

The Company is a professional enterprise engaged in research & development and manufacturing of linear motion and control components, using raw materials with mainly electronic materials such as ICs, optical components, and magnets. To manage supplier concentration risk, maintain flexible pricing and ensure a stable source of materials, the Company maintains at least two suppliers for its main raw materials and establishes a good cooperative relationship with them. It also has available qualified alternative suppliers in the event of a shortage of materials. The Company has no supplier that accounts for more than 10% of its purchases in 2024 and 2025, so there is no risk of supplier concentration.

2. Risk of concentration of sales and response measures

The Company employs the same global distribution model as its peers, leveraging professional-technology and comprehensive after-sales service distributors to bring its products to international markets. To accelerate market coverage, we have partnered with Group's overseas subsidiaries, utilizing their well-known sales outlets and scale advantages. The high compatibility and complementarity of our product lines enable a rapid increase in the Company's global reach.

This partnership reduces the Company's marketing and customer-management time and costs, while allowing Group to incorporate our components into electromechanical integration solutions, creating a win-win co-branding strategy. Consequently, a portion of sales becomes concentrated within Group.

To avoid over-reliance on a single channel, we continue expanding our global dealer network and actively developing customers in emerging regions such as Asia and Latin America (including Central and South America), thereby diversifying order sources. In 2024 and 2025, net sales to Group accounted for 26% and 20%, respectively, of the Company's total net sales.

(10) Impact of significant transfer or replacement of shareholdings of Directors or substantial shareholders with more than 10% shares on the Company, as well as risks, and contingencies: The transfer of shareholdings of Company directors or substantial shareholders with more than 10% of shares are reported in accordance with relevant regulations enforced by competent authorities. As of the publication date of the annual report, there has been no significant transfer or replacement of shareholdings that has affected the operations of the Company.

(11) Impact of changes in operating rights on the Company, as well as risks, and contingency measures: None

(12) For litigation or non-litigation events, the Company and its directors, supervisors, presidents, materially responsible persons, substantial shareholders with more than 10% of shares, and subsidiaries should disclose any material litigation, non-litigation or administrative disputes that have been determined or are still pending; the outcome of which may have a significant impact on shareholders' equity or security price. The

facts, the subject amount, the date of commencement of litigation, the principal parties involved and the disposition of the matter as at the date of printing of the annual report:

None

(13) Other significant risks and contingencies: None

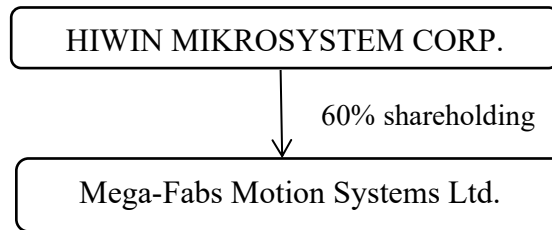
5.7 Other important matters: None

VI. Special Disclosure

6.1 Information on Affiliated Companies

(1) Organizational Chart of Affiliates

Date: March 31, 2026



(2) Information of each affiliate

Company Name	Establishment Date	Address	Paid-in Capital (Note)	Main Business or production items
Mega-Fabs Motion Systems Ltd.	1999.11.29	6 Hayozma St. Industrial Park, P.O. Box 540, Yokneam 2069206, Israel	NIS 60,000	Research and development, production and sales of drives and controllers

Note: Paid-in Capital base date is on March 31, 2026 and is denominated in Israeli NIS "Shekel".

(3) Information on the same shareholders who are presumed to be in a controlling and subordinate relationship: None

(4) Industries covered by the overall business of the Company's affiliates

HIWIN MIKROSYSTEM and its affiliates operate in industries that focus on transmission control and system technology, supporting each other through technology development, services, and sales to create maximum and mutual benefit.

(5) Information of directors, supervisors, and presidents of each affiliated enterprise

Unit: Share ; %

Company Name	Title	Name or Representative	Shares	Holding %
Mega-Fabs Motion Systems Ltd.	Chairman	Kou-I Szu	-	-
	Director	Kai-Sheng Yu	-	-
	Director	Ben-Dov Shimshon	-	-
	President	Ben-Dov Shimshon	-	-

Note: Information as of March 31, 2026

(6) Operational highlights of each affiliated company

Unit: NT\$1,000

Company Name	Paid-in capital	Total assets	Total liabilities	Net value	Operating income	Operating profit	Profit and loss	Earnings per share (NT\$)
Mega-Fabs Motion Systems Ltd.	497	1,187,566	348,532	839,034	361,174	107,162	50,737	84.56

Note 1: The base date of the financial information of the affiliated company's operational highlights is December 31, 2025.

Note 2: The relevant figures of related companies are presented in New Taiwan as of the reporting date, and the exchange rates are as follows:

	<u>Final Exchange Rate</u>	<u>Average Exchange Rate</u>
Israeli New Shekels (ILS)\$1:	NT\$9.8527	NT\$9.0423

(7) Consolidated financial reports of affiliated companies

The financial reports prepared by the Company have been placed on our website and can be accessed on <https://www.hiwinmikro.tw/zh/investor/financial>

(8) Relationship report: Not applicable

6.2 Private placements in the most recent year and as of the date of publication of the annual report: None

6.3 Other necessary supplementary information: None

6.4 Any event with significant impact on shareholders' equity or security price in the most recent year and as of the date of publication of the annual report, according to Article 36.3.2 of the Securities and Exchange Act: None

HIWIN MIKROSYSTEM CORP.

Chairman: Hsiu-Yu Chuo