Stock Code: 7795

長廣精機股份有限公司
Eternal Precision Mechanics Co., Ltd.

2025 Annual Report

To be published on June 5, 2026
Market Observation Post System: http://mops.twse.com.tw
Company website: https://www.eternal-epm.com

I. Name, Title, Telephone Numbers, and Email Addresses of the Spokesperson and Acting Spokesperson

Spokesperson: Wu Chih-Hsuan
Title: Assistant Manager
Telephone: (07) 787-9007 #1251
Email: chris_wu@eternal-epm.com

Acting Spokesperson: Lee, Hsiao-Ying
Title: Manager
Telephone: (07) 787-9007 #1201
Email: gloria_lee@eternal-epm.com

II. Addresses and Telephone Numbers of the Head Office, Branches, and Plants

Name	Address	Telephone
Head Office	No. 30, Yumin St., Daliao Dist., Kaohsiung City	(07)787-9007
Kaohsiung Office	No. 578, Jiangong Rd., Sanmin Dist., Kaohsiung City	(07)383-8181
Zhongli Office	6F, No. 23, Jilin Rd., Zhongli Dist., Taoyuan City	(03)462-8088
Nikko-Materials Yokohama Head Office, Japan	5F, Concurred Yokohama, 3-1, Kinko-cho, Kanagawa-ku, Yokohama-shi, Kanagawa 221-0056 Japan	(045)620-9480
Nikko-Materials Chiryū Plant, Japan	3-1 Kofukada Shinbayashi-cho, Chiryu-shi, Aichi 472-0017 Japan	(0566)82-6012
Nikko-Materials Kodama Office, Japan	No.200-11, Oaza Motohara, Kamikawamachi, Kodama-gun, Saitama-Pref 367-0241 Japan	(0495)77-4496
Eternal Precision Mechanics (Guangzhou) Co., Ltd.	No. 8, Ruihe Road, Science City, New and High Technology Industrial Development Zone, Guangzhou, Guangdong 510535, China	(20)32203226

III. Name, Address, Website, and Telephone of the Stock Transfer Agent

Name: Stock Affairs Agency Department, President Securities Corporation
Website: https://www.pscnet.com.tw

Address: B1, No. 8, Dongxing Rd., Songshan Dist., Taipei City
Telephone: (02) 2747-8266

IV. Name of Certifying CPAs for the Most Recent Financial Report, Firm Name, Address, Website, and Telephone

Firm name: Deloitte & Touche

Certifying CPAs: Wang Chao-Chun, CPA; Chen Hsiu-Wen, CPA

Address: 3F, No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City

Telephone: (07) 530-1888

Website: https://www.deloitte.com.tw

V. Name of the Overseas Exchange Where Overseas Securities Are Listed and Method for Accessing Information on Such Securities: Not applicable.

VI. Company website: https://www.eternal-epm.com

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Chapter 1. Letter to Shareholders

Looking back on 2025, the global semiconductor industry was driven by the rapid growth of generative artificial intelligence and high-performance computing, which fueled increasing demand for advanced packaging technologies and accelerated the evolution of ABF substrates toward larger sizes and higher layer counts. Although advancements in high-end technologies created significant market opportunities, uncertainties surrounding the global economy and tariff policies during the first half of the year led customers to adopt a cautious approach toward capital expenditures. Demand gradually recovered in the second half of the year; however, challenges remained due to fluctuations in raw material prices and production capacity adjustments. Amid these multiple uncertainties, the Company leveraged its years of expertise in precision assembly technology for high-end vacuum lamination equipment, together with strong market penetration and efficient operational management capabilities, to respond effectively to changes in the external environment. Overall, while the Company's revenue and profitability slightly moderated due to fluctuations in the industry environment, gross margin remained comparable to previous years as a result of an optimized product mix, demonstrating the resilience of the Company's core competitiveness.

Looking ahead to 2026, with inventory adjustments largely completed in 2025 and technological advancements continuing to accelerate, the high-end ABF substrate market is expected to experience a full recovery, particularly in demand for large-size and high-layer-count advanced packaging applications. The Company will continue to focus on achieving ultimate optimization in lamination precision and vacuum environment control to maintain its technological leadership. At the same time, the Company is actively positioning itself for next-generation semiconductor material innovations by investing in the development of high-precision lamination equipment for glass substrates and new composite material packaging technologies. Through ongoing technological upgrades and flexible customization capabilities, the Company aims to satisfy increasingly stringent market requirements for fine-line circuit layouts and highly reliable packaging solutions, while continuing to lead vacuum lamination technology into a new era.

The operating results for 2025 are summarized as follows:

I. 2025 Operating Results (Consolidated)

(I) Financial Performance

Unit: NT$ thousands

Item	2025 Amount
Operating revenue	1,897,890
Gross operating profit	850,214
Operating income	408,883
Non-operating income and expenses	6,643
Profit before income tax	415,526
Net income for the year	219,974
Net income attributable to owners of the Company	219,974

(II) Profitability Analysis (Consolidated)

Unit: %

Item		2025 Amount
Financial structure	Liabilities to assets ratio	38
	Ratio of long-term capital to property, plant and equipment	1,451
Solvency	Current ratio	324
	Quick ratio	241
Profitability	Return on assets	8
	Return on equity	14
	Net profit margin	12
	Earnings per share (NT$)	3.11

II. Research and Development Plans

(I) Short-term development plans

1. Enhance lamination precision, flexibility, and customization capabilities to meet the demands of advanced packaging applications.
2. Expand into the high-end semiconductor markets in Europe and North America to strengthen the Company's global market position.
3. Accelerate the iteration of core technologies and extend applications into emerging electronic component sectors.

(II) Medium- and long-term development plans

1. Develop advanced packaging lamination technologies and collaborate in establishing industry standards.
2. Optimize packaging processes and build a standardized, highly compatible innovation platform.

III. Business Strategies and Production/Sales Policies

The Company continues to strengthen cross-functional collaboration within the group organization and implement lean resource management, with the objective of enhancing operational resilience while maximizing overall cost efficiency. Leveraging fully automated vacuum laminating machines as its core technological foundation, the Company remains focused on deepening its core R&D capabilities and proactively extending applications into key semiconductor sectors, including artificial intelligence and high-performance computing. Through highly specialized products, the Company directly addresses the advanced packaging market and precisely meets global demand for high-end equipment. In addition, adhering to the philosophy of "co-creation and shared prosperity," the Company actively collaborates with partners across the industry chain to advance technological cooperation. By sharing technical resources and accelerating innovation, the Company not only strengthens its next-generation equipment development capabilities but also ensures the continued creation of sustainable corporate value amid an evolving global landscape.

We respectfully wish all shareholders good health and family well-being.

Chairman: Liao Heng-Ning

President: Kazutoshi Iwata

Chapter 2. Corporate Governance Report

I. Information on Directors, Supervisors, and Key Managerial Officers

(I) 1. Director Information

April 26, 2026; Unit: shares, %

Title	Name	Gender Age	Nationality or place of registration	Commencement date of first term	Date elected	Term of office	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation-ship	
Chairman	Representative: Liao Heng-Ning (Note 1)	Male 61–70	Republic of China	2026.02.08	2026.02.08	3 years	43,758	0.06	43,758	0.06	-	-	-	-	• B.S. in Chemistry, National Taiwan University • Eternal Materials Co., Ltd., Vice President	Note 2	None	None	None	
	Representative: Mao Hui-Kuan (Note 1)	Male 61–70	Republic of China	2022.10.01	2025.01.20		233,009	0.33	233,009	0.30	-	-	-	-	• M.S. in Chemistry, National Taiwan University • Eternal Materials Co., Ltd., Director and President	-	None	None	None	-
	Legal Entity Represented: Eternal Materials Co., Ltd.	-	Republic of China	2022.10.01	2025.01.20		49,720,308	70.20	48,640,308	61.70	-	-	-	-	-	-	None	None	None	-
Directors	Representative: Kazutoshi Iwata	Male 61–70	Japan	2022.10.01	2025.01.20	3 years	34,500	0.05	54,500	0.07	-	-	-	-	• D.V.M., Azabu University, Japan • Eternal Precision Mechanics Co., Ltd., Vice President • Nikko-Materials Co., Ltd., Director and Electronic Materials Business Division Head	• Nikko-Materials Co., Ltd. Chairman and President • Eternal Precision Mechanics (Guangzhou) Co., Ltd., Director	None	None	None	-
	Legal Entity Represented: Eternal Materials Co., Ltd.	-	Republic of China	2022.10.01	2025.01.20		49,720,308	70.20	48,640,308	61.70	-	-	-	-	-	-	None	None	None	-
Directors	Representative: Sun Wei-Chieh (Note 3)	Male 61–70	Republic of China	2025.09.26	2025.09.26	3 years	24,420	0.03	36,420	0.05	-	-	-	-	• M.S. in Information Management, National Sun Yat-sen University • Eternal Materials Co., Ltd., Electronic Materials Business Unit, Chief Operating Officer	Note 4	None	None	None	-
	Representative: Hsieh Yen-Fen (Note 3)	Male 51–60	Republic of China	2022.10.01	2025.01.20		81,039	0.11	81,039	0.10	-	-	-	-	• M.B.A., Chi Nan University • Eternal Materials Co., Ltd., Electronic Materials Business Unit, Chief Operating Officer	-	None	None	None	-
	Legal Entity Represented: Eternal Materials Co., Ltd.	-	Republic of China	2022.10.01	2025.01.20		49,720,308	70.20	48,640,308	61.70	-	-	-	-	-	-	None	None	None	-

Title	Name	Gender Age	Nationality or place of registration	Commencement date of first term	Date elected	Term of office	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation-ship	
Directors	Representative: Lu Ching-Lai	Male 61–70	Republic of China	2025.01.20	2025.01.20	3 years	-	-	-	-	-	-	-	-	• EMBA, National Cheng Kung University	Note 5	None	None	None	-
	Legal Entity Represented: All Ring Tech Co., Ltd.	-	Republic of China	2025.01.20	2025.01.20		920,000	1.30	920,000	1.17	-	-	-	-	-	-	None	None	None	-
Independent Director	Chou Szu-Cheng	Male 61–70	Republic of China	2025.01.20	2025.01.20	3 years	-	-	-	-	-	-	-	-	• Ph.D. in Law, Peking University	Note 6	None	None	None	-
Independent Director	Lai Hsin-Chung	Male 41–50	Republic of China	2025.01.20	2025.01.20	3 years	-	-	-	-	-	-	-	-	• B.A. in Accounting, National Taichung Institute of Technology • Partner CPA, Kao Teng CPA & Co.	• Practicing CPA, So Sian CPA & Co. • We & Win Diversification Co., Ltd., Independent Director • GSeven Co., Ltd. • Independent Director	None	None	None	-
Independent Director	Lin Tzu-Ling	Female 41–50	Republic of China	2025.01.20	2025.01.20	3 years	-	-	-	-	-	-	-	-	• Ph.D. in Finance, National Taiwan University • Associate Professor, Department of Finance, National Chung Cheng University • Assistant Professor, Department of Finance, National Chung Cheng University	• Chair, Department of Finance, National Chung Cheng University • Professor, Department of Finance, National Chung Cheng University	None	None	None	-

Note 1: Eternal Materials Co., Ltd. redesignated its representative on January 30, 2026, effective February 8, 2026.

Note 2:
1. Eternal Materials Co., Ltd. Director
2. Eternal Materials Co., Ltd. President
3. Eternal (China) Investment Co., Ltd. Director
4. ETERNAL MATERIALS SINGAPORE PTE. LTD. Director

Note 3: Eternal Materials Co., Ltd. redesignated its representative on September 26, 2025.

Note 4:
1. Eternal Materials Co., Ltd., Electronic Materials Business Unit Chief Operating Officer
2. Eternal Photo Electronic Materials (Guangzhou) Co., Ltd. Chairman
3. Eternal Photoelectric Material Industry (Yingkou) Co., Ltd. Chairman
4. Eternal Electronic (Suzhou) Co., Ltd. Chairman
5. Eternal Technology Corporation Chairman
6. Elga Europe S.r.l. Chairman
7. Eternal Electronic Material (Thailand) Co., Ltd. Chairman
8. Eternal Materials (Malaysia) Sdn. Bhd. Director
9. Advanced PETFILM Investment Co., Ltd. Supervisor

Note 5:
1. All Ring Tech Co., Ltd. Chairman and Chief Strategy Officer
2. Uni-Ring Tech Co., Ltd. Chairman
3. All Ring Tech (Kunshan) Co., Ltd. Chairman
4. Kunshan All Ring Tech Co., Ltd. Chairman
5. All Ring Tech Japan Co., Ltd. Chairman
6. IMAGINE GROUP LIMITED Chairman
7. PAI FU INTERNATIONAL LIMITED Chairman
8. San Hsiung Precision Industry Co., Ltd. Chairman
   ALL RING TECH MALAYSIA SDN. BHD. Director

Note 6:
1. Vedan International (Holdings) Limited Director
2. Vedan Enterprise Corporation Supervisor
3. Tongan Investment Co., Ltd. Supervisor
4. Danlong Construction Co., Ltd. Supervisor
5. Feng Le Real Estate Co., Ltd. Supervisor
6. Vedan Construction Corporation Supervisor
7. Danlian Construction and Development Co., Ltd. Supervisor
8. Vedan Biotechnology Co., Ltd. Supervisor
9. Cyun-Yue Enterprise Co., Ltd. Supervisor
10. Champion Marketing Co., Ltd. Supervisor

Note 7: Following the comprehensive re-election of directors at the extraordinary shareholders' meeting on January 20, 2025, Director Shen Hsiao-Tsung, Director Chu Jui-Hsin, Supervisor Liu Bing-Cheng, and Supervisor Su Hui-Fang stepped down; Director Lu Ching-Lai and Independent Directors Lai Hsin-Chung, Chou Szu-Cheng, and Lin Tzu-Ling were newly elected.

2. Major Shareholders of Juristic Person Shareholders

April 28, 2026

Name of Juristic Person Shareholder	Major Shareholders of Juristic Person Shareholders	Shareholding Ratio (%)
Eternal Materials Co., Ltd. (Note 1)	Kwang Yang Motor Co., Ltd.	10.05
	Kao Ying-Shih	6.44
	Kao Kuo-Lun	3.05
	Kwang Hsing Industrial Co., Ltd.	2.99
	China F.R.P. Corporation	1.71
	Lee Chia-Rong	1.68
	Jia-Cheng Co., Ltd.	1.58
	LGT Bank AG in custody of Standard Chartered	1.48
	Kao Ying-Chih	1.27
	Yang Chin-Ming	1.23
All Ring Tech Co., Ltd. (Note 2)	Feng Qiao Investment Co., Ltd.	9.40
	Lu Ching-Lai	3.44
	Citibank Taiwan as custodian for the Norges Bank Investment Account	3.32
	Shengguan Investment Co., Ltd.	3.20
	Chen Chien-Chang	2.93
	Citibank as custodian for the UBS Europe SE Investment Account	2.66
	HSBC Bank as custodian for the Goldman Sachs International Investment Account	2.38
	Chase Bank as custodian for the J.P. Morgan Securities plc Investment Account	2.23
	Keen Honest Investment Limited	1.66
	Standard Chartered Bank, Commercial Banking Division as custodian for J.P. Morgan	1.49

Note 1: Data source provided by Eternal Materials Co., Ltd.
Note 2: Data source provided by All Ring Tech Co., Ltd.

3. Major Shareholders of Those Major Shareholders That Are Juristic Persons

April 28, 2026

Name of Juristic Person	Major Shareholders of the Juristic Person	Shareholding Ratio (%)
Kwang Yang Motor Co., Ltd.	TrustWin Co., Ltd.	11.31
	Hongguang Investment Co., Ltd.	7.99
	Kuang Chou Investment Co., Ltd.	6.66
	Daming Investment Co., Ltd.	6.33
	Kwang Hsing Industrial Co., Ltd.	5.39
	Ko Chia-Cheng	1.05
	Ko Hung-Ming	1.03
	Ko Wang Shu-Yuan	1.03
	Hung Sheng Investment Co., Ltd.	1.00
	Zhao Guan Investment Co., Ltd.	0.93
China F.R.P. Corporation	Jia-Cheng Co., Ltd.	18.95
	Kao Ying-Shih	13.68
	Kao Kuo-Lun	13.42

Name of Juristic Person	Major Shareholders of the Juristic Person	Shareholding Ratio (%)
	Lee Chia-Rong	8.95
	Chiang Ting International Co., Ltd.	8.89
	Kao Fu-Cheng	5.23
	Kao Fu-Yu	4.30
	Kao Fu-Ting	4.16
	Di Yi Internation Enterprise Inc.	4.09
	Yang Ching-Lan	2.27
Jia-Cheng Co., Ltd.	New Genius Limited (Seychelles)	61.65
	Kao Kuo-Lun	13.85
	Lee Chia-Rong	13.79
	Phuket Investments Limited (Hong Kong)	8.82
	Kao Fu-Ting	1.89
TrustWin Co., Ltd.	Cyclical Investment Corporation	62.10
	Min Fong Investment Corporation	19.05
	Hsin Ching Investment Corporation	18.83
	Ko Chen Su-Hui	0.01
	Ko Hung-Ming	0.01
	Ko Wang Shu-Yuan	0.01
	Hongguang Investment Co., Ltd.	0.01
Hongguang Investment Co., Ltd.	Ko Wang Shu-Yuan	20.00
	Ko Hung-Ming	20.00
	Ko Sheng-Feng	20.00
	Ko Yu-Feng	20.00
	Ko Kwang-Feng	20.00
Kuang Chou Investment Co., Ltd.	Hsin Tung Investment Co., Ltd.	8.25
	Hsien Yu Li Investment Co., Ltd.	7.70
	Ho Wei Investment Co., Ltd.	5.23
	Teng Bin Investment Co., Ltd.	4.38
	Ching Chang Investment Co., Ltd.	4.38
	Chia Chun Investment Co., Ltd.	4.28
	Ching Ta Investment Co., Ltd.	3.53
	Yu Yang Investment Co., Ltd.	3.34
	Chou An Investment Co., Ltd.	3.16
	Cheng Tai Investment Co., Ltd.	3.02
	Other 65 shareholders	52.73
Daming Investment Co., Ltd.	Hung Sheng Investment Co., Ltd.	19.35
	Ko Chia-Hung	12.50
	Ko Chia-Cheng	12.50
	Cheng Chun Investment Co., Ltd.	8.77
	Other 29 shareholders	46.88
Kwang Hsing Industrial Co., Ltd.	Kwang Yang Motor Co., Ltd.	100.00
Hung Sheng Investment Co., Ltd.	Pai Yao Investment Co., Ltd.	13.63
	Ho Sheng Investment Co., Ltd.	12.50
	Shuo Ting Investment Co., Ltd.	12.50
	Po Hsin Investment Co., Ltd.	12.50
	Chen Hsun Investment Co., Ltd.	12.50
	Hou Kang Investment Co., Ltd.	12.50

Name of Juristic Person	Major Shareholders of the Juristic Person	Shareholding Ratio (%)
	Hung Yi Investment Co., Ltd.	12.50
	Chien Yao Investment Co., Ltd.	11.37
Zhao Guan Investment Co., Ltd.	Li Chang-Sheng	34.00
	Li Wen-Hung	2.00
	Other shareholders	64.00
Feng Qiao Investment Co., Ltd.	Chong Yu-Ru	43.09
	Lu Ching-Lai	35.17
	Lu Hui-Xuan	7.25
	Lu Hui-Rou	7.25
	Lu Feng-Zhong	7.25
Shengguan Investment Co., Ltd.	Chong Yu-Ru	36.25
	Lu Hui-Xuan	21.25
	Lu Hui-Rou	21.25
	Lu Feng-Zhong	21.25
Keen Honest Investment Limited	Tsai Ya-Chi	26.11
	Tsai Meng-Jung	26.11
	Tsai Ching-Hsu	23.89
	Tsai Li Wen-Yen	23.89

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors

Qualifications / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Eternal Materials Co., Ltd. Representative: Liao Heng-Ning	• B.S. in Chemistry, National Taiwan University; currently Director and President of Eternal Materials Co., Ltd. • More than five years of work experience in business, finance, accounting, or company operations. • Extensive corporate management experience, with the professional capability to plan and execute the Company's overall business plans. • None of the circumstances set forth in Article 30 of the Company Act apply.	Non-independent director; not applicable.	-
Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata	• D.V.M., Azabu University, Japan; currently President of Eternal Precision Mechanics Co., Ltd. • More than five years of work experience in business, finance, accounting, or company	Non-independent director; not applicable.	-

Qualifications / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	operations. • Specialized in the design and manufacture of vacuum lamination equipment for electronic and semiconductor substrates. • None of the circumstances set forth in Article 30 of the Company Act apply.		
Eternal Materials Co., Ltd. Representative: Sun Wei-Chieh	• M.S. in Information Management, National Sun Yat-sen University; currently Chief Operating Officer of the Electronic Materials Business Unit, Eternal Materials Co., Ltd. • More than five years of work experience in business, finance, accounting, or company operations. • Possesses procurement and management capabilities in electronic materials and electronic equipment. • None of the circumstances set forth in Article 30 of the Company Act apply.	Non-independent director; not applicable.	-
All Ring Tech Co., Ltd. Representative: Lu Ching-Lai	• M.B.A., National Cheng Kung University; currently Chairman of All Ring Tech Co., Ltd. • More than five years of work experience in business, finance, accounting, or company operations. • None of the circumstances set forth in Article 30 of the Company Act apply.	Non-independent director; not applicable.	-
Lai Hsin-Chung Independent Director (Convener)	• B.A. in Accounting, National Taichung Institute of Technology; currently Practicing CPA at So Sian CPA & Co., Independent Director of We & Win Diversification Co., Ltd., and Independent Director of GSeven Co., Ltd. • Holds a CPA license obtained through the national examination as a member of a specialized profession or technical occupation.	1. An independence declaration was submitted at the time of nomination and selection. 2. The independent director has met the qualifications set forth in Article 3 of the "Regulations Governing Appointment of Independent	2

Qualifications / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
	• More than five years of work experience in business, finance, accounting, or company operations. • None of the circumstances set forth in Article 30 of the Company Act apply.	Directors and Compliance Matters for Public Companies" for the two years preceding election and throughout the term of office.	
Chou Szu-Cheng Independent Director	• Ph.D. in Law, Peking University; currently Supervisor of Vedan Enterprise Corporation and Director of Vedan International (Holdings) Limited. • More than five years of work experience in business, finance, accounting, or company operations. • None of the circumstances set forth in Article 30 of the Company Act apply.	1. An independence declaration was submitted at the time of nomination and selection. 2. The independent director has met the qualifications set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" for the two years preceding election and throughout the term of office.	-
Lin Tzu-Ling Independent Director	• Ph.D. in Finance, National Taiwan University; currently Chair and Professor of the Department of Finance, National Chung Cheng University. • More than five years of work experience in business, finance, accounting, or company operations. • None of the circumstances set forth in Article 30 of the Company Act apply.	1. An independence declaration was submitted at the time of nomination and selection. 2. The independent director has met the qualifications set forth in Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" for the two years preceding election and throughout the term of office.	-

5. Information on Directors and Supervisors

(1) Board Member Diversity

In the election of the Company's directors, the overall composition of the Board shall be taken into consideration. The composition of the Board shall reflect diversity, and an appropriate diversity policy shall be formulated based on the Board's own operations, business model, and development needs. This policy should include, but is not limited to, the following two main dimensions:

A. Basic conditions and values: gender, age, nationality, and culture.

B. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The Company's current Board of Directors consists of seven directors, including four directors and three independent directors. Only one Board member also serves as an employee of the Company. Members possess extensive experience and expertise in fields such as industry, operations, finance and accounting, and management. There are no spousal relationships or kinship within the second degree among directors and independent directors. In addition, the Company places importance on gender equality in Board composition, with one female director currently serving. The Company's current diversity policy for Board members and its implementation are as follows:

Diversity Core Items / Name	Title	Basic Composition						Professional Competencies							
		Nationality	Gender	Age			Concurrently Serving as Company Employee	Operational Judgment	Finance and Accounting	Business Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership	Decision-Making
				Age 41–50	Age 51–60	Age 61–70									
Liao Heng-Ning	Chairman: Representative of Eternal Materials Co., Ltd.	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	✓
Kazutoshi Iwata	Director: Representative of Eternal Materials Co., Ltd.	Japan	Male			✓	✓	✓		✓	✓	✓	✓	✓	✓
Sun Wei-Chieh	Director: Representative of Eternal Materials Co., Ltd.	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	✓
Lu Ching-Lai	Director: Representative of All Ring Tech Co., Ltd.	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	✓

Lai Hsin-Chung	Independent Director	Republic of China	Male	✓				✓	✓	✓	✓	✓	✓	✓	✓
Chou Szu-Cheng	Independent Director	Republic of China	Male			✓		✓		✓	✓	✓	✓	✓	✓
Lin Tzu-Ling	Independent Director	Republic of China	Female	✓				✓	✓	✓	✓	✓	✓	✓	✓

(2) Independence of the Board of Directors

The Company values the functions and independence of the Board of Directors. The Company has three independent directors. There are no circumstances among the directors involving Article 26-3, Paragraph 3 or Paragraph 4 of the Securities and Exchange Act, nor are there any spousal relationships or kinship within the second degree. In addition, all of the Company's independent directors meet the qualifications expected by the Company and demonstrate their professional qualities; accordingly, all independent directors of the Company are outsiders independent of the Company.

(II) Information on Key Managerial Officers

April 26, 2026; Unit: shares, %

Title	Name	Gender	Nationality	Date of appointment	Shares held		Shareholding of spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Stock options granted to managers	Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relation-ship		
President and Chief Information Security Officer	Kazutoshi Iwata	Male	Japan	2023.07.01	54,500	0.07	-	-	-	-	• D.V.M., Azabu University, Japan • Eternal Precision Mechanics Co., Ltd., Vice President • Nikko-Materials Co., Ltd. Director and Electronic Materials Business Division Head	• Nikko-Materials Co., Ltd. Chairman and President • Eternal Precision Mechanics (Guangzhou) Co., Ltd., Director	None	None	None	None	-
Assistant Vice President (Note 1)	Hsu Chia-Hui	Female	Republic of China	2024.07.01	40,821	0.05	-	-	-	-	• Masters in Business Management, National Sun Yat-sen University • Head of Administration, Electronic Materials Business Unit, Eternal Materials Co., Ltd.	-	None	None	None	None	-
Chief Financial Officer and Chief Corporate Governance Officer	Wu Chih-Hsuan	Male	Republic of China	2024.09.02	38,500	0.05	-	-	-	-	• M.S. in Accounting, University of Queensland, Australia • Functional Manager, Investment and Risk Management, Finance Department, Eternal Materials Co., Ltd. • Section Manager, Treasury, Finance Division, MOTECH Industries Inc.	• Eternal Precision Mechanics (Guangzhou) Co., Ltd., Director	None	None	None	None	-
Accounting Supervisor	Lee Hsiao-Ying	Female	Republic of China	2022.10.01	35,000	0.04	-	-	-	-	• M.S. in Finance, National Sun Yat-sen University • Functional Manager, Management Accounting, Accounting Department, Eternal Materials Co., Ltd.	• Nikko-Materials Co., Ltd. Supervisor • Eternal Precision Mechanics (Guangzhou) Co., Ltd., Supervisor	None	None	None	None	-
Audit Supervisor (Note 2)	Chung Pei-Ling	Female	Republic of China	2025.11.12	499	0.00	-	-	-	-	• B.A. in Accounting, College of Law and Business, National Chung Hsing University • Internal Audit Project Manager, Eternal Materials Co., Ltd.	-	None	None	None	None	-
Audit Supervisor (Note 2)	Liu Hao-Ming	Male	Republic of China	2022.12.28	13,842	0.02	-	-	-	-	• B.A. in Accounting, National Dong Hwa University • Internal Auditor, San Fang Chemical Industrial Co., Ltd.	-	None	None	None	None	-

Note 1: In line with the Company's operational development and organizational adjustments, Assistant Vice President Hsu Chia-Hui stepped down from her position on November 14, 2025 by resolution of the Board of Directors; the role of Chief Information Security Officer is concurrently held by President Kazutoshi Iwata.

Note 2: Former Audit Supervisor Liu Hao-Ming resigned on October 31, 2025; the Company's Board of Directors resolved on November 12, 2025 to appoint Chung Pei-Ling as the new Audit Supervisor.

(III) Where the Chairman and the President or person holding equivalent position (the most senior manager) is the same person, or where such persons are spouses or relatives within the first degree of kinship, the reasons, reasonableness, necessity, and countermeasures shall be explained: Not applicable.

II. Remuneration Paid to Directors, Supervisors, the President, and Vice Presidents in the Most Recent Fiscal Year

(I) Director Remuneration

1. Remuneration paid to directors in the most recent fiscal year

December 31, 2025; Unit: NT$ thousands

Title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (H)
		Compensation (A)		Retirement pay and pension (B)		Director remuneration (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee compensation (G)						
																The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Chairman	Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan (Note 3)	-	691	-	-	2,780	2,780	42	42	2,822 1.28%	3,513 1.60%	5,605	5,605	-	-	620	-	620	-	9,047 4.11%	9,738 4.43%	24,309
Director	Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata (Note 3)																					
Director	Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen (Notes 3, 4)																					
	Sun Wei-Chieh (Note 4)																					
Director	All Ring Tech Co., Ltd. Representative: Lu Ching-Lai																					
Director	Eternal Materials Co., Ltd. Representative: Chu Jui-Hsin (Note 2)																					
Director	Eternal Materials Co., Ltd. Representative: Shen Hsiao-Tsung (Notes 1, 2)																					
Independent Director	Chou Szu-Cheng	1,500	1,500	-	-	-	-	144	144	1,644 0.75%	1,644 0.75%	-	-	-	-	-	-	-	-	1,644 0.75%	1,644 0.75%	-
Independent Director	Lai Hsin-Chung																					
Independent Director	Lin Tzu-Ling																					

1. State the policy, system, standards, and structure of remuneration paid to independent directors, and explain the linkage between the amount of remuneration paid and the duties, risks, and time devoted to such duties: Remuneration of the Company's independent directors is handled in accordance with the Company's "Guidelines for the Payment of Director Compensation and Remuneration," at NT$500,000 per person per year, payable quarterly. Expenses and perquisites consist of transportation allowances paid based on actual attendance.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): Not applicable.

Note 1: Newly appointed following the re-election at the extraordinary shareholders' meeting on March 18, 2024.
Note 2: Stepped down following the re-election at the extraordinary shareholders' meeting on January 20, 2025.
Note 3: Continued to serve following the re-election at the extraordinary shareholders' meeting on January 20, 2025.
Note 4: Eternal Materials Co., Ltd. redesignated its representative on September 26, 2025, appointing Sun Wei-Chieh to succeed Hsieh Yen-Fen as the corporate representative director.
Note 5: The list of directors above has changed due to the comprehensive re-election at the extraordinary shareholders' meeting on January 20, 2025 and the redesignation of corporate director representatives; for the current directors and independent directors, please refer to the disclosures in "(I) 1. Director Information."
Note 6: The above table compiles the remuneration received by each director during their actual period of service, including remuneration received during periods in which they concurrently served as directors, supervisors, or managers of all companies in the financial report or the parent company.

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2. Ranges of remuneration paid to Directors

<table>
<tr><td rowspan="3">Ranges of remuneration paid to each of the Company's directors</td><td colspan="4">Names of Directors</td></tr>
<tr><td colspan="2">Sum of the First Four Items of Remuneration
(A+B+C+D)</td><td>Sum of the First Seven Items of Remuneration
(A+B+C+D+E+F+G)</td><td>Sum of the First Eight Items of Remuneration
(A+B+C+D+E+F+G+H)</td></tr>
<tr><td>The Company</td><td>All consolidated entities</td><td>The Company</td><td>Parent Company and All Investees</td></tr>
<tr><td>Less than NT$1,000,000</td><td>Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen
Eternal Materials Co., Ltd. Representative: Sun Wei-Chieh
Eternal Materials Co., Ltd. Representative: Shen Hsiao-Tsung
Eternal Materials Co., Ltd. Representative: Chu Jui-Hsin
All Ring Tech Co., Ltd. Representative: Lu Ching-Lai
Chou Szu-Cheng, Lai Hsin-Chung, Lin Tzu-Ling</td><td>Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen
Eternal Materials Co., Ltd. Representative: Sun Wei-Chieh
Eternal Materials Co., Ltd. Representative: Shen Hsiao-Tsung
Eternal Materials Co., Ltd. Representative: Chu Jui-Hsin
All Ring Tech Co., Ltd. Representative: Lu Ching-Lai
Chou Szu-Cheng, Lai Hsin-Chung, Lin Tzu-Ling</td><td>Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen
Eternal Materials Co., Ltd. Representative: Sun Wei-Chieh
Eternal Materials Co., Ltd. Representative: Shen Hsiao-Tsung
Eternal Materials Co., Ltd. Representative: Chu Jui-Hsin
All Ring Tech Co., Ltd. Representative: Lu Ching-Lai
Chou Szu-Cheng, Lai Hsin-Chung, Lin Tzu-Ling</td><td>Eternal Materials Co., Ltd. Representative: Shen Hsiao-Tsung
Eternal Materials Co., Ltd. Representative: Chu Jui-Hsin
All Ring Tech Co., Ltd. Representative: Lu Ching-Lai
Chou Szu-Cheng, Lai Hsin-Chung, Lin Tzu-Ling</td></tr>
<tr><td>NT$1,000,000 (incl.) – NT$2,000,000 (excl.)</td><td>Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan
Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata</td><td>Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan
Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata</td><td>Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan</td><td>Eternal Materials Co., Ltd. Representative: Sun Wei-Chieh</td></tr>
<tr><td>NT$2,000,000 (incl.) – NT$3,500,000 (excl.)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$3,500,000 (incl.) – NT$5,000,000 (excl.)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$5,000,000 (incl.) – NT$10,000,000 (excl.)</td><td>-</td><td>-</td><td>Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata</td><td>Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata
Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen</td></tr>
<tr><td>NT$10,000,000 (incl.) – NT$15,000,000 (excl.)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$15,000,000 (incl.) – NT$30,000,000 (excl.)</td><td>-</td><td>-</td><td>-</td><td>Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan</td></tr>
<tr><td>NT$30,000,000 (incl.) – NT$50,000,000 (excl.)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$50,000,000 (incl.) – NT$100,000,000 (excl.)</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$100,000,000 or above</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Total</td><td>10 persons</td><td>10 persons</td><td>10 persons</td><td>10 persons</td></tr>
</table>

(II) Supervisor Remuneration

1. Remuneration paid to supervisors in the most recent fiscal year

December 31, 2025; Unit: NT$ thousands

Title	Name	Remuneration to Supervisors						Sum of A+B+C and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (D)
		Compensation (A)		Remuneration (B)		Expenses and perquisites(C)				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	
Supervisor (Note)	Liu Bing-Cheng	-	-	-	-	-	-	-	-	219
Supervisor (Note)	Su Hui-Fang									

Note 1: Stepped down following the re-election at the extraordinary shareholders' meeting on January 20, 2025.

Note 2: The above table compiles the remuneration received by each supervisor during their actual period of service, including remuneration received during periods in which they concurrently served as directors, supervisors, or managers of the parent company.

2. Ranges of remuneration paid to supervisors

Ranges of remuneration paid to each of the Company's supervisors	Names of Supervisors	
	Sum of A+B+C	Sum of A+B+C+D
	The Company	Parent Company and All Investees
Less than NT$1,000,000	Liu Bing-Cheng, Su Hui-Fang	Liu Bing-Cheng, Su Hui-Fang
NT$1,000,000 (incl.) −NT$2,000,000 (excl.)	-	-
NT$2,000,000 (incl.) −NT$3,500,000 (excl.)	-	-
NT$3,500,000 (incl.) −NT$5,000,000 (excl.)	-	-
NT$5,000,000 (incl.) −NT$10,000,000 (excl.)	-	-
NT$10,000,000 (incl.) −NT$15,000,000 (excl.)	-	-
NT$15,000,000 (incl.) −NT$30,000,000 (excl.)	-	-
NT$30,000,000 (incl.) −NT$50,000,000 (excl.)	-	-
NT$50,000,000 (incl.) −NT$100,000,000 (excl.)	-	-
NT$100,000,000 or above	-	-
Total	2 persons	2 persons

(III) Remuneration of the President and Vice Presidents

1. Remuneration paid to the President and Vice Presidents in the most recent fiscal year

December 31, 2025; Unit: NT$ thousands

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Kazutoshi Iwata	4,130	4,130	0	0	1,475	1,475	620	0	620	0	6,225 2.83%	6,225 2.83%	0

* This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2. Ranges of remuneration of the President and Vice Presidents

Ranges of remuneration of the Company's President and Vice Presidents	Names of General Manager(s) and Assistant General Manager(s)	
	The Company	All consolidated entities
Less than NT$1,000,000	-	-
NT$1,000,000 (incl.) −NT$2,000,000 (excl.)	-	-
NT$2,000,000 (incl.) −NT$3,500,000 (excl.)	-	-
NT$3,500,000 (incl.) −NT$5,000,000 (excl.)	-	-
NT$5,000,000 (incl.) −NT$10,000,000 (excl.)	Kazutoshi Iwata	Kazutoshi Iwata
NT$10,000,000 (incl.) −NT$15,000,000 (excl.)	-	-
NT$15,000,000 (incl.) −NT$30,000,000 (excl.)	-	-
NT$30,000,000 (incl.) −NT$50,000,000 (excl.)	-	-
NT$50,000,000 (incl.) −NT$100,000,000 (excl.)	-	-
NT$100,000,000 or above	-	-
Total	1 person	1 person

3. Remuneration of the Top Five Highest-Paid Managers in the Most Recent Fiscal Year: Not applicable.

(IV) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

December 31, 2025; Unit: NT$ thousands

	Title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Manager	President	Kazutoshi Iwata	-	888	888	0.40
	Chief Financial Officer	Wu Chih-Hsuan				
	Accounting Supervisor	Lee Hsiao-Ying				

(V) Comparative analysis of the ratio of total remuneration paid to the Company's directors, supervisors, the President, and Vice Presidents in the two most recent fiscal years, by the Company and by all companies included in the consolidated financial report, to net income after tax in the individual or separate financial reports, and explanation of the policies, standards, and combinations of remuneration payment; the procedures for determining remuneration; and its linkage to operating performance and future risks.

1. Analysis of the ratio of total remuneration paid to the Company's directors, supervisors, the President, and Vice Presidents by the Company and by all companies included in the consolidated financial report, to net income after tax in the individual or separate financial reports

Unit: NT$ thousands; %

Title	2024				2025			
	Total Remuneration		Total Remuneration as % of Net Profit		Total Remuneration		Total Remuneration as % of Net Profit	
	The Company	All Companies in the Consolidated Report	The Company	All Companies in the Consolidated Report	The Company	All Companies in the Consolidated Report	The Company	All Companies in the Consolidated Report
Director (Note 1)	-	-	-	-	4,466	5,157	2.03	2.34
Supervisor	-	-	-	-	-	-	-	-
President and Vice Presidents	7,077	7,077	2.37	2.37	6,225	6,225	2.83	2.83

Note 1: Excludes remuneration received concurrently as employees.

2. Policies, standards, and combinations of remuneration payment; the procedures for determining remuneration; and its linkage to operating performance and future risks:

   The Company pays director compensation in accordance with Article 35 of the Articles of Incorporation. If the Company has earnings for the year, employee compensation shall be appropriated, and the Board of Directors may resolve to appropriate no more than 1% of such earnings as director compensation.

   Remuneration of independent directors is handled in accordance with the Company's "Guidelines for the Payment of Director Compensation and Remuneration." An amount of NT$500,000 per person per year is payable quarterly. This is not directly affected by the Company's earnings for the year, but is maintained at a fixed level.

   Remuneration of the Company's directors and President is authorized to be determined by the Board of Directors based on each individual's level of participation in and contribution to the Company's operations, as well as the prevailing levels in the industry.

III. Implementation of Corporate Governance

(I) Operation of the Board of Directors

Between January 1, 2025 and the comprehensive re-election of directors and supervisors at the extraordinary shareholders' meeting on January 20, 2025, the Board held a total of 0 meetings. Following the comprehensive re-election of directors and supervisors at the extraordinary shareholders' meeting, the Board held a total of 8 meetings during 2025. Director attendance is as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Chairman (Corporate Director)	Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan	6	2	75%	Re-elected (continuing to serve) on January 20, 2025; 8 required attendances
Corporate Director	Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata	8	-	100%	Re-elected (continuing to serve) on January 20, 2025; 8 required attendances
Corporate Director	Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen Eternal Materials Co., Ltd. Representative: Sun Wei-Chieh	8	-	100%	Re-elected (continuing to serve) on January 20, 2025; corporate director redesignated its representative on September 26, 2025; 8 required attendances
Corporate Director	All Ring Tech Co., Ltd. Representative: Lu Ching-Lai	7	1	88%	Re-elected (newly appointed) on January 20, 2025; 8 required attendances
Independent Director	Lai Hsin-Chung	8	-	100%	Re-elected (newly appointed) on January 20, 2025; 8 required attendances
Independent Director	Chou Szu-Cheng	8	-	100%	Re-elected (newly appointed) on January 20, 2025; 8 required attendances

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Independent Director	Lin Tzu-Ling	8	-	100%	Re-elected (newly appointed) on January 20, 2025; 8 required attendances
Corporate Director	Eternal Materials Co., Ltd. Representative: Chu Jui-Hsin	-	-	-	Stepped down following the re-election on January 20, 2025; 0 attendance required
Corporate Director	Eternal Materials Co., Ltd. Representative: Shen Hsiao-Tsung	-	-	-	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the Board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
   (I) Any matter under Article 14-3 of the Securities and Exchange Act: See Note 1.
   (II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

II. The recusal of directors from proposals involving conflicts of interest, including the names of the directors, content of the proposals, reasons for recusal, and voting participation: The recusal of directors from proposals involving conflicts of interest: See Note 2.

III. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content: Please refer to the explanation in "(ii) Board Performance Evaluation."

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the Board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:
   (I) The Company's Board of Directors operates in accordance with the "Rules of Procedure for Board of Directors Meetings" to implement corporate governance.
   (II) The Company re-elected its directors on January 20, 2025, established an Audit Committee, and appointed all independent directors to serve as committee members to exercise the powers granted under the Securities and Exchange Act, the Company Act, and other laws and regulations. The Sustainable Development and Risk Management Committee was established on December 24, 2025 to strengthen sustainability and risk management mechanisms.

Note 1: Matters under Article 14-3 of the Securities and Exchange Act were approved by Board resolution on January 20, 2025. The Company elected independent directors and established an Audit Committee at the extraordinary shareholders' meeting on January 20, 2025; accordingly, Article 14-3 of the Securities and Exchange Act no longer applies. Please refer to "Audit Committee Operations" in this section for relevant information.

Board Meeting Date/Session	Content of Proposals	Opinions of All Independent Directors and the Company's Handling of Independent Directors' Opinions
2025/1/20 (3rd Term, 1st Session)	1. Election of the Chairman of the 3rd term. 2. Appointment of members of the 2nd Remuneration Committee. 3. Execution of an industry-academia cooperation and academic feedback mechanism agreement with National Chung Cheng University.	Passed without objection.

Note 2: The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted.

Board Meeting Date/Session	Names of Directors	Content of Proposals	Reason for Recusal Due to Conflict of Interest	Voting Participation
2025/1/20 (3rd Term, 1st Session)	Chou Szu-Cheng, Lai Hsin-Chung, Lin Tzu-Ling	Appointment of members of the Company's 2nd Remuneration Committee.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/1/20 (3rd Term, 1st Session)	Lin Tzu-Ling	Execution of an industry-academia cooperation and academic feedback mechanism agreement between the Company and National Chung Cheng University.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/3/12 (3rd Term, 2nd Session)	Mao Hui-Kuan, Kazutoshi Iwata, Hsieh Yen-Fen (Corporate Director Representatives of Eternal Materials)	Acquisition of right-of-use assets from a related party.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/3/12 (3rd Term, 2nd Session)	Lu Ching-Lai	Proposal for lifting non-competition restrictions on Directors	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/5/7 (3rd Term, 3rd Session)	Kazutoshi Iwata	Distribution of 2024 manager compensation.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/9/5 (3rd Term, 5th Session)	Kazutoshi Iwata	Royalty-free licensing of subsidiary's patent rights for use by the Company.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/11/12 (3rd Term, 7th Session)	Kazutoshi Iwata	Report on the roster of employees eligible to subscribe for shares in the pre-IPO cash capital increase and new share issuance.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.
2025/12/24 (3rd Term, 8th Session)	Kazutoshi Iwata	1. 2026 annual salary adjustments for managers. 2. 2025 annual performance bonuses and operating performance bonuses for managers.	Recused due to involvement of personal interest, as required by law.	Passed without objection by the remaining attending directors.

(II) Implementation of Evaluations of the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method
Conducted annually	January 1, 2025 to December 31, 2025	Board of Directors, individual directors, Remuneration Committee, Audit Committee	Internal self-evaluation

1. Evaluation content:

(1) Board performance evaluation: Board members complete a self-evaluation questionnaire to rate the operation of the Board as a whole.

Evaluation Item	Average Score
I. Participation in the Company's operations.	98
II. Improvement in the quality of Board decision-making.	99
III. Board composition and structure.	99
IV. Election and continuing education of directors.	97
V. Internal controls.	99
Average Score	98

(2) Individual director performance evaluation: Directors complete a self-evaluation questionnaire to rate their own participation in the Board.

Evaluation Item	Average Score
I. Grasp of the Company's goals and mission.	98
II. Awareness of director responsibilities.	97
III. Participation in the Company's operations.	98
IV. Internal relationship management and communication.	99
V. Director professionalism and continuing education.	98
VI. Internal controls.	98
Average Score	98

(3) Functional committee performance evaluation: Committee members complete a self-evaluation questionnaire to rate the operation of the committee as a whole.

Evaluation Item	Average Score	
	Remuneration Committee	Audit Committee
I. Participation in the Company's operations.	100	100
II. Awareness of functional committee responsibilities.	100	100
III. Improvement in the quality of functional committee decision-making.	100	100
IV. Functional committee composition and member selection.	100	100
V. Internal controls.	100	100
Average Score	100	100

2. Evaluation results and improvement plan:

For 2025, the average score for each evaluation item of the Board of Directors, Audit Committee, and Remuneration Committee reached 97 or above (out of 100). Directors and committee members generally provided positive feedback, indicating that the overall operation of the Board, individual director participation in the Board, and the overall operation of the Remuneration Committee and Audit Committee were all in good order. The Company will continue to follow corporate governance standards set by the competent authorities (such as ESG evaluations) to refine the operational effectiveness of the Board and each functional committee. The results of this evaluation were submitted to the Board on March 11, 2026.

(III) Operation of the Audit Committee

1. Since January 20, 2025, the Audit Committee has been composed of all independent directors. The committee held a total of 7 meetings in 2025, with independent director attendance as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Independent Director	Lai Hsin-Chung	7	-	100%	Newly appointed at the extraordinary shareholders' meeting on January 20, 2025
Independent Director	Chou Szu-Cheng	7	-	100%	
Independent Director	Lin Tzu-Ling	7	-	100%	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
   (I) Matters listed under Article 14-5 of the Securities and Exchange Act: See Note 1.
   (II) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director’s name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company’s finances and business and the method(s) and outcomes of the communication):
   (I) Communications between independent directors and the Internal Audit Supervisor
   Since the establishment of the Audit Committee on January 20, 2025, the Internal Audit Supervisor has submitted audit reports to the members of the Audit Committee for review by the end of the month following the completion of each audit item. Independent directors and the Chief Internal Auditor may communicate as needed via email, telephone, or video conference. In addition, the first informal meeting was held with all independent directors on March 12, 2025, at which it was resolved to establish a mechanism of holding at least one informal meeting per year to strengthen communication and exchange of opinions between the two parties.
   Furthermore, the Company's Internal Audit Supervisor maintains a sound and open channel of communication with the CPAs and, in accordance with the requirements of the competent authority, submits a copy of the execution status of the annual audit plan, together with the deficiencies and improvement of irregularities in the internal control system for the year, to the CPAs for record after completing the filing procedures.
   (II) Communications between independent directors and the CPAs
   Since the establishment of the Audit Committee on January 20, 2025, the Audit Committee has held at least one exchange per year with the certifying CPAs to communicate regarding the audit or review of financial statements and recent regulatory developments. Matters that independent directors and the CPAs deem necessary to communicate independently may be discussed in meetings convened from time to time as needed, and, where necessary, the CPAs may also communicate and discuss in writing.
   A summary of the matters communicated between the CPAs and the independent directors is as follows:
   1. On March 12, 2025, at the first meeting of the first Audit Committee, the CPAs communicated with all independent directors regarding the audit work report for the 2024 financial statements. The 2024 business report and financial statements were reviewed by

the Audit Committee on March 12, 2025 and approved by Board resolution.

2. On December 9, 2025, at an independent communication meeting between the independent directors and the CPAs, the CPAs communicated with all independent directors regarding the audit planning for the 2025 financial statements. The 2025 business report and financial statements were reviewed by the Audit Committee on March 11, 2026 and approved by Board resolution.

Note 1: Any matter under Article 14-5 of the Securities and Exchange Act:

Term of the Audit Committee	Date of Audit Committee Meeting	Content of Proposals	Resolution	Independent Directors with Dissenting or Reserved Opinions	Company's Handling of Audit Committee Opinions
1st Term, 1st Session	2025.03.12	1. 2024 Business Report and Financial Statements 2. 2024 earnings distribution and cash distribution from capital surplus. 3. Assessment of the effectiveness of the Company's internal control system for 2024 and Internal Control System Statement. 4. Appointment, remuneration, and assessment of independence and competence of the Company's CPAs. 5. Additions and amendments to the internal control system and regulation management procedures. 6. Acquisition of right-of-use assets from a related party. 7. Proposal for lifting non-competition restrictions on Directors	All passed as proposed	None	Approved by Board resolution
1st Term, 2nd Session	2025.05.07	1. The Company's Q1 2025 consolidated financial statements. 2. Appointment, remuneration, and assessment of independence and competence of the Company's CPAs, and pre-approval of non-assurance services for 2025. 3. Statement on the Company's internal control system special audit. 4. Additions and amendments to the regulation management procedures and the internal control system.	All passed as proposed	None	Approved by Board resolution

Term of the Audit Committee	Date of Audit Committee Meeting	Content of Proposals	Resolution	Independent Directors with Dissenting or Reserved Opinions	Company's Handling of Audit Committee Opinions
1st Term, 3rd Session	2025.08.06	1. The Company's Q2 2025 consolidated financial statements. 2. The Company's "Employee Subscription Rules for the Cash Capital Increase for the Initial Public Offering." 3. Amendments to the regulation management procedures.	All passed as proposed	None	Approved by Board resolution
1st Term, 4th Session	2025.09.05	1. Royalty-free licensing of patent rights from subsidiary Nikko-Materials Co., Ltd. for use by the Company.	All passed as proposed	None	Approved by Board resolution
1st Term, 5th Session	2025.10.02	1. Proposal for a cash capital increase and new share issuance prior to the initial listing on the stock exchange. 2. Land acquisition capital expenditure by subsidiary Nikko-Materials Co., Ltd.	All passed as proposed	None	Approved by Board resolution
1st Term, 6th Session	2025.11.12	1. The Company's Q3 2025 consolidated financial statements. 2. Report on the allocation of pre-IPO cash capital increase shares to non-manager employees of the Company and its subsidiaries. 3. Appointment of the Internal Audit Supervisor.	All passed as proposed	None	Approved by Board resolution
1st Term, 7th Session	2025.12.24	1. Proposal for the renewal of the endorsement and guarantee contract with subsidiaries. 2. Provision of endorsement and guarantee for subsidiaries to obtain bank credit lines. 3. Amendments to the regulation management procedures. 4. 2026 audit plan.	All passed as proposed	None	Approved by Board resolution

2. Annual focus of the Audit Committee:

(1) Review of financial reports:

Review of the annual and second-quarter financial reports, and communication with the certifying CPAs regarding the audit (review) results and the impact of significant accounting adjustment entries or accounting estimates on the financial reports.

(2) Assessment of the effectiveness of the internal control system:
Evaluation of the design and implementation of the Company's internal control system, review of internal audit reports and tracking of improvement results, including review of the annual "Internal Control System Statement."

(3) Review of material financial and business actions:
Review of the compliance and necessity of material cases such as the acquisition or disposal of assets, derivatives trading, lending of funds to others, and endorsements and guarantees for others.

(4) Assessment of the competence and independence of certifying CPAs:
Periodic assessment of the independence, competence, and audit fees of certifying CPAs to ensure the impartial performance of their duties.

3. Attendance by the Supervisors at Board of Directors Meetings
Between January 1, 2025 and the comprehensive re-election of directors and supervisors at the extraordinary shareholders' meeting on January 20, 2025, the Board held a total of 0 meetings. Supervisor attendance is as follows:

<table>
<tr><th>Title</th><th>Name</th><th>No. of meetings attended in person</th><th>In-person attendance rate (%)</th><th>Remarks</th></tr>
<tr><td>Supervisor</td><td>Liu Bing-Cheng</td><td>-</td><td>-</td><td rowspan="2">Stepped down following the re-election at the extraordinary shareholders' meeting on January 20, 2025</td></tr>
<tr><td>Supervisor</td><td>Su Hui-Fang</td><td>-</td><td>-</td></tr>
</table>

Other information required to be disclosed:

I. Composition and responsibilities of supervisors: Supervisors are elected by the shareholders' meeting from among persons with legal capacity or representatives of corporate shareholders. The powers of supervisors as set forth in the Company's Articles of Incorporation are: (1) examining the Company's business and financial conditions; (2) auditing accounting books and documents; (3) supervising the performance of duties by personnel and inspecting illegal acts or dereliction of duty; (4) reviewing budgets and final accounts; (5) examining proposals for the distribution of profits or the offset of losses; and (6) other powers granted by law.

II. Communications between supervisors and Company employees and shareholders: When supervisors deem it necessary, they may communicate directly with employees, shareholders, or stakeholders.

III. Communications between supervisors, the Chief Internal Auditor, and the CPAs:

After the audit reports and follow-up reports are submitted by the Audit Supervisor of the Company, they are delivered to each supervisor by the end of the month following the completion of each audit item, and inquiries from supervisors are responded to in a timely manner, ensuring smooth communication between the two parties. The Company’s Audit Supervisor also maintains a smooth channel of communication with the CPAs and, in accordance with the requirements of the competent authority, submits a copy of the audit plan for the following year and the execution status of the annual audit plan for the previous year, together with the deficiencies and improvement of irregularities in the internal control system for the year, to the certifying CPAs for record after completing the filing procedures.

If any supervisor has expressed an opinion at a Board meeting, specify the specify the Board meeting date, meeting session number, content of the motion, the outcome of the resolution by the Board, and the measures taken by the Company based on the opinion expressed by the supervisor: None.

(IV) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
I. 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?	✓		The Company's Board of Directors has resolved to adopt the "Corporate Governance Best-Practice Principles," which covers principles such as protecting shareholder rights and interests, strengthening Board functions, fully implementing the functions of the Audit Committee, respecting the rights and interests of stakeholders, and enhancing information transparency. These principles are clearly defined and have been implemented accordingly.	No material differences.
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	✓		The Company has established the "Stock Affairs Management Procedures" and has entrusted a professional share transfer agent to handle related stock affairs. The Company has also established a corporate governance unit dedicated to receiving and promptly responding to shareholder suggestions and needs in order to safeguard shareholder rights and interests.	No material differences.
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	✓		The Company's stock affairs unit maintains close contact with the share transfer agent and, in accordance with relevant laws and regulations, effectively maintains a list of major shareholders who actually control the Company and the ultimate controllers of such major shareholders, with regular updates of related information, ensuring transparency of the shareholding structure and implementing corporate governance.	No material differences.
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	✓		The Company has built and implemented a risk management system and a firewall between the Company and its affiliates, and has implemented them accordingly. Through information firewall management, financial and business transaction systems, resource-sharing regulations, and transaction review procedures between affiliated enterprises, the Company ensures that transactions with affiliates comply with regulatory requirements and	No material differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			effectively prevents potential risks, thereby safeguarding the rights and interests of the Company and all shareholders.	
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	✓		In accordance with the Securities and Exchange Act and relevant laws and regulations, the Company has established the "Procedures for Handling Material Internal Information and Prevention of Insider Trading" to prevent insider trading, protect investors' rights and interests, and maintain the Company's reputation. The Company also regularly conducts related educational training and promotional activities to enhance the legal compliance awareness of directors, managers, and all employees, and to implement insider trading prevention mechanisms.	No material differences.
III. Composition and responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the Board and have they been fully implemented?	✓		When determining its composition, the Company's Board considers, in addition to basic conditions such as gender, age, nationality, and culture, ensuring that members possess the necessary knowledge, capabilities, and qualities to perform their duties. 1. Diversity considerations: When electing Board members, the Company considers diversity attributes from multiple angles. The current Term 3 Board comprises seven directors (including three independent directors), and the membership conforms to the diversity policy set forth in the Company's "Corporate Governance Best Practice Principles." 2. Composition of the 3rd Board of Directors: (1) Directors concurrently serving as employees: 1 seat, 14%. (2) Independent directors: 3 seats, 43%. (3) Female directors: 1 seat, 14%. 3. Since the Company primarily considers industry experience, professional capabilities, and the overall functional composition of the Board when nominating directors, the historically limited participation of women in the industry has resulted in a relatively small pool of suitable female director candidates. To implement the principle of gender diversity on the Board, the Company will in the future	No material differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			prioritize the inclusion of female candidates with industry experience and professional capabilities in the director nomination process, and will treat the gender ratio as an important consideration in director re-elections, progressively increasing the number of female directors to achieve the corporate governance goal of gender-balanced Board composition.	
(II) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	✓		To improve decision-making and strengthen management mechanisms, the Company has established a Remuneration Committee and an Audit Committee in accordance with the law, and has voluntarily established a Sustainable Development and Risk Management Committee. In the future, the Company will, based on actual operational needs, establish other functional committees as appropriate to enhance corporate governance effectiveness.	No material differences.
(III) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	✓		The Company has established the "Board Performance Evaluation Procedures," which provide for performance evaluations of the Board as a whole, individual directors, and functional committees to be conducted at least once a year. Pursuant to Article 9 of these procedures, the results of the Board performance evaluation will be used as a reference for the selection or nomination of directors, and the results of individual director performance evaluations will be used as a reference for determining their remuneration. Evaluation indicators include the overall operational efficiency of the Board, director participation, and contributions, with the aim of improving Board performance and further strengthening corporate governance.	No material differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
(IV) Does the Company regularly evaluate its external auditors' independence?	✓		The Company has established the "Procedures for Assessing the Independence and Competence of Certifying CPAs" and assesses the independence and competence of certifying CPAs regularly (at least once a year). The most recent assessment of the independence and competence of certifying CPAs was approved by Audit Committee and Board resolution on March 11, 2026. 1. Deloitte & Touche has issued a declaration of independence and competence. 2. For the items and results of the Company's assessment of the independence and competence of certifying CPAs, see Note 1.	No material differences.
IV. Does the company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing Board meetings and annual general meetings of shareholders as required by law, and compiling minutes of Board meetings and annual general meetings)?	✓		The Board of Directors has resolved to appoint a Chief Corporate Governance Officer, and the Company has appointed appropriate corporate governance personnel in adequate numbers responsible for handling all matters related to corporate governance. The principal responsibilities of the Chief Corporate Governance Officer include, but are not limited to: providing directors with the information necessary for the performance of their duties, assisting directors in complying with relevant laws and regulations, handling matters relating to Board and shareholders' meetings in accordance with the law, and preparing the minutes of Board and shareholders' meetings.	No material differences.
V. Has the Company established channels for communicating with its stakeholders (including but not limited to	✓		The Company has established diversified channels of communication with stakeholders, including, but not limited to, shareholders, employees, customers, and suppliers, and has set up a "Stakeholder Section" on its website to publicly disclose the identified stakeholders, their	No material differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?			concerns, communication channels, and the Company's response methods. The Company actively listens to and responds to the needs of stakeholders, and appropriately addresses important corporate social responsibility issues of concern to them. We regularly update relevant information to maintain a transparent and trusting relationship between the Company and its various stakeholders, ensuring effective communication and interaction.	
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	✓		The Company's stock affairs are handled by a professional share transfer agent — Stock Affairs Agency Department, President Securities Corporation — which is responsible for organizing shareholders' meetings, shareholder registration, vote counting, and other related matters, ensuring the smooth conduct of shareholders' meetings, compliance with relevant regulations, and the protection of shareholder rights and interests.	No material differences.
VII. Information Disclosure				
(I) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		The Company has established a website to disclose corporate governance information such as its management philosophy and code of conduct, and discloses financial and business information on the Market Observation Post System, ensuring transparency of information and the soundness of corporate governance.	No material differences.
(II) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	✓		The Company has established an English-language website and has designated personnel to be responsible for the collection and disclosure of company information. The Company has implemented a spokesperson system to ensure effective external communication of the Company's operating status. In addition, the Company regularly holds investor conferences and posts related materials on the Company's website for reference by shareholders and investors, ensuring the transparency and timely disclosure of information.	No material differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
(III) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	✓		As a listed company, the Company is required to announce and file its annual financial report within three months after the end of the fiscal year, and to file self-prepared financial information within 75 days after the end of the fiscal year. The Company announces and files its annual financial report within 75 days after the end of the fiscal year, enhancing the timeliness of financial information disclosure. The Company will also complete the announcement and filing of its first-, second-, and third-quarter financial reports ahead of the prescribed deadlines, and will regularly disclose monthly operating information, ensuring the transparency and timely provision of financial and operating information.	No material differences.
VIII. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		(I) The Company provides allowances for the three major festivals, travel, and birthdays; and organizes various educational training courses covering professional, management, and lifestyle topics. (II) The Company's management team has consistently operated on the principles of sustainability, integrity, and profitability, creating long-term, stable benefits for shareholders, and cooperating with customers, suppliers, and banks to create win-win outcomes. (III) Investor relations: In addition to providing information on investor activities from time to time on the Company's website, the Company has established dedicated channels to directly serve investors with inquiries. (IV) Supplier relations: The Company maintains a stable and good relationship with its suppliers. (V) Rights and interests of stakeholders: The Company maintains open channels of communication with stakeholders, including banks, other creditors, shareholders, employees, customers, consumers, suppliers, and communities. (VI) Continuing education of directors: The Company provides course information to its directors from time to time. The Company's directors have participated in continuing	No material differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary Description	
			education courses in accordance with regulatory requirements and have obtained certificates of completion. (VII) Insurance coverage purchased by the Company for directors and supervisors: The Company has purchased liability insurance for its directors.	
IX. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed): Not applicable.				

Note 1: Assessment of the independence and competence of certifying CPAs:

Evaluation Item	Yes	No
1. Do the certifying CPA, his/her spouse, and minor children not serve as directors of the Group?	✓	
2. Are the certifying CPA, his/her spouse, and minor children not shareholders of the Group?	✓	
3. Do the certifying CPA, his/her spouse, and minor children not receive remuneration from or have funding or lending relationships with the Group?	✓	
4. Do the certifying CPA and his/her spouse confirm that the joint accounting firm to which they belong complies with independence standards?	✓	
5. Have the common practicing CPAs of the joint accounting firm to which the certifying CPA and his/her spouse belong not, within two years of leaving such firm, served as a director, manager, or in any position with material influence on audit matters at the Company?	✓	
6. Has the certifying CPA not provided audit services to the Company for seven consecutive years?	✓	
7. Does the audit service team comply with the independence standards under Bulletin No. 10 of the Norms of Professional Ethics for Certified Public Accountants and has it provided a declaration of independence?	✓	
8. Audit Quality Indicators (AQIs) information provided by the accounting firm has been obtained, and the audit quality of the accounting firm and audit team has been assessed in accordance with the "Audit Committee Guidelines for Interpreting Audit Quality Indicators (AQI)" issued by the competent authority.	✓	
9. Review of the Audit Quality Indicators (AQIs) information provided by the accounting firm shows no material differences from peers across the five dimensions (professionalism, quality control, independence, supervision, and innovation capabilities) in overall audit quality.	✓	
Assessment result: meets standards of independence and competence: ☑ Yes ☐ No		

(V) Composition, Responsibilities, and Operations of the Remuneration Committee

1. At the extraordinary shareholders' meeting on January 20, 2025, the Company completed the comprehensive re-election of directors. On the same date, the Board resolved to appoint Independent Directors Lai Hsin-Chung, Chou Szu-Cheng, and Lin Tzu-Ling as members of the 2nd Remuneration Committee.
2. The Committee's function is to professionally and objectively assess the Company's remuneration policies and systems for directors and managers, and to make recommendations to the Board for its decision-making reference.
3. Professional qualifications and experience of Remuneration Committee members

Identity	Qualifications / Name	Professional qualifications and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director Convener	Lai Hsin-Chung	Please refer to the section on independent directors on pages 11		2
Independent Director	Chou Szu-Cheng			0
Independent Director	Lin Tzu-Ling			0

4. Operation of the Remuneration Committee
   (1) The Company's Remuneration Committee has a total of 3 members.
   (2) Term of the current committee: The 2nd term runs from January 20, 2025 to January 19, 2028. The Remuneration Committee held 4 meetings in 2025, with member attendance as follows:

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Convener	Lai Hsin-Chung	4	-	100%	Re-elected (continuing to serve) on January 20, 2025; 4 required attendances
Member	Chou Szu-Cheng	4	-	100%	Re-elected (continuing to serve) on January 20, 2025; 4 required attendances
Member	Lin Tzu-Ling	4	-	100%	Re-elected (newly appointed) on January 20, 2025; 4 required attendances
Member	Chen Po-Chien	-	-	-	Stepped down following the re-election on January 20, 2025; 0 attendance required
Other information required to be disclosed: 1. If the Board of Directors does not accept, or amends, any recommendation of the Remuneration Committee, specify the Board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the Board of Directors, and the measures taken by the Company with respect to the opinions given by of the Remuneration Committee: None. 2. With respect to any matter for resolution by the Remuneration Committee, if there is any dissenting					

or qualified opinion of a committee member that is on record or stated in writing, specify the Remuneration Committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

3. Annual focus of the Remuneration Committee was the review of the following matters: Regular assessment and determination of remuneration of directors and managers, appointment of the Chief Information Security Officer and Chief Corporate Governance Officer, additions and amendments to regulation management procedures, and managers eligible for stock subscription rights in the pre-IPO cash capital increase, among other important matters.
4. The dates, session numbers, content of proposals, resolutions of the Remuneration Committee, and the Company's handling of the Committee's opinions for annual meetings of the Remuneration Committee are as follows:

Term of the Remuneration Committee	Date of Remuneration Committee Meeting	Content of Proposals	Resolution	Company's Handling of Remuneration Committee Opinions
2nd Term, 1st Session	2025.03.12	1. 2024 distribution of employees' compensation and Directors' remuneration. 2. Appointment of the Chief Information Security Officer and Chief Corporate Governance Officer. 3. Amendments to the "Remuneration Committee Charter."	All passed as proposed	Approved by Board resolution
2nd Term, 2nd Session	2025.05.07	1. Amendments to the "Employee Compensation Distribution Guidelines." 2. Distribution of 2024 manager compensation.	All passed as proposed	Approved by Board resolution
2nd Term, 3rd Session	2025.11.12	1. Proposal for the allocation of pre-IPO cash capital increase shares to participating managers of the Company.	All passed as proposed	Approved by Board resolution
2nd Term, 4th Session	2025.12.24	1. 2026 annual salary adjustments for managers. 2. 2025 annual performance bonuses and operating performance bonuses for managers. 3. Amendments to the internal performance evaluation indicators of the Board (including functional committees).	All passed as proposed	Approved by Board resolution

(VI) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>I. Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development?
Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board?</td><td>✓</td><td></td><td>1. Governance framework for the promotion of sustainable development:
The Company was spun off from Eternal Materials Co., Ltd. and established in October 2022. As a subsidiary of Eternal Materials, the Company actively cooperates with Group sustainable development policies and standards, executing key actions such as greenhouse gas inventories and IFRS Sustainability Disclosure Standards.
To deepen sustainability competitiveness and strengthen risk control, the Company established the "Sustainable Development and Risk Management Committee" by Board resolution on December 24, 2025. The Board has appointed five directors to serve as committee members (including three independent directors), serving as the highest guidance unit for promoting sustainability and risk management. The Committee is responsible for supervising the sustainability and risk governance and material impact management of the Company and the subsidiaries included in the consolidated financial statements, ensuring that governance standards align with the Group.
At the execution level, senior management serves as conveners, with various functional units of the Group included to form an ESG Executive Group, responsible for identifying material sustainability issues, formulating management policies, advancing action plans, regularly reporting performance to the Sustainable Development and Risk Management Committee and the Board, engaging with stakeholders, and preparing the sustainability report. The ESG Executive Group is divided by task into: Sustainable Environment, Innovation and R&D, Partnerships, and Governance and Risk Management, with each subgroup having a guidance supervisor responsible for cross-departmental resource integration to enhance dedicated management efficiency.</td><td>No material differences.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>2. Implementation of sustainable development and Board supervision:
Sustainability issues related to operations are reported to or proposed for discussion by the Board by the responsible department. Through regular quarterly meetings, the Board communicates with the management team to grasp current operations and the appropriateness of strategies, and prompts adjustments as appropriate to ensure that operating objectives are achieved.
The key focuses of sustainable development promotion for 2025 were reported to the Board on December 24, 2025:
• Deepening the governance structure: Establishment of the "Sustainable Development and Risk Management Committee" to strengthen the decision-making and supervisory functions of sustainable development.
• Improving governance mechanisms: With reference to corporate governance evaluation indicators, amendments were made to corporate governance regulations, and the Chief Corporate Governance Officer and Chief Information Security Officer were appointed to strengthen dedicated management.
• Regular reporting mechanism: Progress in risk management and sustainable development promotion is included as a routine annual reporting item for the Board, enhancing the Board's supervision of sustainability governance.
• Promoting compliance disclosure: The preparation of the sustainability report was initiated, and the competent authority's ESG evaluation indicators were adopted to ensure the quality of information disclosure and to establish a goal tracking mechanism.</td><td></td></tr>
<tr><td>II. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance</td><td>✓</td><td></td><td>1. Scope of risk assessment:
To strengthen operational resilience and enhance corporate governance effectiveness, the Company has completed the "Risk Management Policy and Procedures," which were approved and implemented by Board resolution, with a scope of application covering the Company and the subsidiaries included in the consolidated financial statements</td><td>No material differences.</td></tr>
</table>

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
with the materiality principle, and formulate relevant risk management policies or strategies?			(collectively, "the Group"). 2. Implementation of risk assessment: Following the materiality principle of the GRI Standards, the Company's strategic objectives, and the Risk Management Policy and Procedures, risk identification related to the Group's operations and sustainable development was launched. Synthesizing past practical experience, internal and external risk factors, and the focus areas of stakeholders, potential risk events and risk levels that may impede the achievement of operating objectives or cause losses were inventoried; at the same time, the degree of actual or potential, positive or negative impact of such risk events on the economy, environment, and people (including human rights) was assessed, providing the basis for evaluating the materiality of sustainability issues. A summary of material risk items and management measures was reported to the Board on December 24, 2025: • Economic dimension: market, financial, and innovation R&D (1) Product diversification: Expand lamination technology to other high-end process areas to reduce the impact of single-industry fluctuations. (2) Revenue management: Strengthen after-sales service to establish stable service-based revenue; develop global and emerging market customers. (3) Financial control: Regularly review foreign currency exposure and adopt appropriate hedging measures; control cash flow and purchase property insurance to transfer disaster losses. (4) R&D management: Jointly develop with film material suppliers to enhance equipment-material integration and shorten product time-to-market. • Governance dimension: legal compliance and information security risks (1) Tax management: Apply non-related-party pricing strategies to related-party transactions and conduct transfer pricing reasonableness assessments; track tax	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			law changes and assess applicability. (2) Information security protection system: Regularly update firewalls, implement backup mechanisms and social engineering drills; align with ISO 27001 for cybersecurity management and launch a coaching project to align with international cybersecurity standards. • Social dimension: human resources and product responsibility (1) Talent development and retention: Establish mentorship systems and modular technical training courses; regularly conduct salary market surveys to maintain competitiveness; improve labor-management meetings and diversified grievance mechanisms. (2) Quality management: Introduce ISO 9001 and other standardization tools; conduct accelerated life testing (ALT/HALT) on key modules to ensure high reliability. (3) Rapid response and prevention: Establish regional spare parts warehouses and on-site technical engineers to provide timely customer support, and promote preventive maintenance (PM) to reduce customer downtime risks. • Environmental dimension: No material environmental risk items were identified upon assessment. The Company continues to follow regulations and Eternal Group governance standards, implements environmental management systems, and establishes mechanisms for the collection and statistics of environmental data to support management decisions.	
III. Environmental Issues				
(I) Has the Company set an environmental management system designed to industry characteristics?	✓		The Company follows the environmental management system (ISO 14001) established by the Eternal Group and implements it accordingly. Internal audits are conducted by environmental safety personnel annually to ensure that relevant systems are duly observed. Subsidiaries establish environmental management systems in accordance with local regulations and management needs, and all have obtained third-party certification under ISO 14001	No material differences.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>environmental management systems.
In addition, in alignment with the Financial Supervisory Commission's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies" and Eternal Materials' sustainable development policy, the Company has been progressively completing the greenhouse gas inventory of the Group in accordance with the ISO 14064-1 standard since 2024. Sites that have passed ISO 14001:2015 certification are as follows:
Nikko-Materials Co., Ltd., certificate valid until November 12, 2028.
Eternal Precision Mechanics (Guangzhou) Co., Ltd., certificate valid until March 3, 2027.</td><td></td></tr>
<tr><td>(II) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?</td><td>✓</td><td></td><td>The Group is primarily engaged in component assembly operations, with relatively simple production processes that do not easily generate large amounts of waste or pollutants, and are not classified as high energy-consumption or high carbon-emission industries. Externally purchased electricity is the primary form of energy consumed. The Company is currently continuing to collect energy data of the Group in order to establish base year indicators.
<table>
<tr><td>Fiscal year</td><td>2024</td><td>2025</td></tr>
<tr><td>Data boundary</td><td>The Company</td><td>The Group</td></tr>
<tr><td>Total energy consumption (GJ)</td><td>115.5924</td><td>5129.1793</td></tr>
<tr><td>Energy intensity (GJ/NT$ million revenue)</td><td>0.3753</td><td>2.7024</td></tr>
</table>
Note 1: Subsidiary energy consumption was included in the statistics starting from 2025.
In terms of operational management, office paperless operations have been promoted, with the introduction of an electronic approval system, effectively reducing paper usage while improving administrative efficiency. Water and electricity management continues to be strengthened, and waste sorting and resource recycling are duly implemented. All waste is properly handled by contractors with legal disposal qualifications.
The Company will continue to review and optimize its various environmentally friendly measures, conducting quantitative analysis of greenhouse gas, water resource, and waste data</td><td>No material differences.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>as the basis for management and improvement. At the same time, the Company will assess introducing renewable energy, strengthening equipment energy-saving improvements, and partnering with upstream and downstream value chain partners to jointly promote carbon reduction and waste circular utilization, thereby enhancing resource use efficiency and reducing the overall environmental impact of operations.</td><td></td></tr>
<tr><td>(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address climate-related issues?</td><td>✓</td><td></td><td>The assessment of and response measures to climate change-related risks and opportunities of the Group are described in Section "VIII. Implementation of Climate-Related Information for TWSE/TPEx Listed Companies" of this annual report.</td><td>No material differences.</td></tr>
<tr><td>(IV) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for energy saving and carbon reduction, greenhouse gas reduction, reduction of water consumption, or management of other wastes?</td><td>✓</td><td></td><td>1. Greenhouse gas emissions:
Please refer to Section "VIII. Implementation of Climate-Related Information for TWSE/TPEx Listed Companies" of this annual report.
2. Volume of water consumption:
The Group is primarily engaged in component assembly operations, with relatively low overall water needs, mostly consisting of domestic water and water for plant cooling system equipment. Water consumption information is as follows; not yet verified by a third party:
<table>
<tr><td>Fiscal year</td><td>2024</td><td>2025</td></tr>
<tr><td>Data boundary</td><td>The Company</td><td>The Group</td></tr>
<tr><td>Volume of water consumption (1000 m^3)</td><td>0.1090</td><td>1.6471</td></tr>
<tr><td>Water use intensity (m^3/person)</td><td>2.4222</td><td>7.3204</td></tr>
</table>
Note 1: Subsidiary water consumption was included in the statistics starting from 2025; the headcount used for water intensity includes dispatched personnel.
Note 2: Water consumption at the Company and the Guangzhou subsidiary is estimated based on internal Group cost allocation; water consumption at the Japan subsidiary</td><td>No material differences.</td></tr>
</table>

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

is compiled based on the water consumption shown on water utility bills.

3. Total weight of waste:
The Group has established a comprehensive waste classification system and implement waste sorting and compliance management. The waste generated in the Taiwan and Guangzhou sites are sorted in accordance with Eternal Materials' management standards and then hand it over to Eternal Materials for unified processing; the Japan subsidiary complies with local regulations, has established waste storage and recycling standards, and entrusts authorized contractors to remove and recycle waste. No hazardous waste is generated during operations. Non-hazardous waste includes items such as waste paper, wood, metal scraps, and domestic garbage generated from employees' daily operations and office activities. Scrap materials and metal waste generated within the factory are transferred to licensed contractors for processing, promoting the circular use of resources. Total weight of waste information is as follows; this has not yet been verified or assured by a third party:

Fiscal year	2024	2025
Data boundary	The Company	The Group
Non-hazardous waste (metric tons)	10.0180	168.6259
Waste intensity (metric ton/NT$ million revenue)	0.0325	0.0888

Note 1: The total weight of waste generated at the Company and the Guangzhou subsidiary is estimated by reference to the per capita daily general waste generation published by the Ministry of Environment, using an average of 1.38 kg for both years; the total weight of waste generated at the Japan subsidiary is compiled based on actual waste collection records.

Note 2: Subsidiary total weight of waste was included in the statistics starting from 2025.

4. Reduction policy:
At this stage, the Company continues to compile and collect statistics on the greenhouse gas

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			emissions, water consumption, and total waste of the Group. Once the data is complete and a full baseline period has been established, specific quantitative annual reduction targets will be set based on the results of statistical analysis. The Company will assess various energy-saving and carbon reduction measures, such as improving equipment efficiency, optimizing production processes, and using renewable energy. In addition, through promotion, educational training, and active improvement and follow-up, the Company will enhance environmental management to ensure the achievement of reduction targets.	
IV. Social Issues				
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		To fulfill corporate social responsibility and implement human rights protection, the Company strictly complies with the laws and regulations of all locations of its global operations and implements a corporate culture of "law-abiding, trustworthy, and ethical." Following internationally recognized human rights standards such as the International Bill of Human Rights and the International Labour Organization's core conventions on labor standards, the Company has formulated a "Human Rights Policy" to eliminate acts of human rights violations and infringements, treat all colleagues, contract and dispatched personnel, and interns with dignity, and expects suppliers to also comply with this principle to protect human rights. The scope of application of this policy covers the Group. The Human Rights Policy is disclosed on the Company's website (www.eternal-epm.com). Human Rights Policy guidelines: • Comply with relevant laws and regulations to provide workers with a safe and healthy working environment. • Strictly prohibit any unlawful discrimination (including discrimination based on race, class, language, ideology, gender, sexual orientation, gender identity or expression, skin color, religion, belief, nationality, political party, place of origin, place of birth, age, appearance, facial features, disability, marital status, family background, military service status, socioeconomic status, or union membership, etc.). Ensure equality of opportunity in	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			employment, promotion, and other workplace matters. • Commit to maintaining a working environment free of violence, harassment, and intimidation, while also respecting the privacy and dignity of employees. • Prohibit child labor. • Prohibit forced labor. • Maintain open grievance mechanisms and regularly review and assess related systems and practices. • Respect employees' rights to form and join lawful unions to safeguard their own labor rights and interests. To fully implement human rights commitments, the Group has formulated and implemented work rules and employment management, workplace unlawful infringement and sexual harassment prevention, and other relevant regulations to eliminate unlawful discrimination and ensure workplace equality. Through new employee training, periodic educational training, and internal announcements, employees are educated about their labor rights and interests and the grievance and remedy procedures when subjected to infringement. To ensure colleagues are free from workplace unlawful infringement, all operating sites have established grievance channels. In addition, normalized and mutually trusting communication mechanisms have been established, enabling labor and management to fully exchange views and reach consensus through positive interactions. Human rights protection is promoted by the ESG Executive Group — Partnership Task Group, with the heads of the administrative departments at each operating site guiding local human rights protection measures. In 2025, the Group conducted workplace unlawful infringement-related promotion totaling 86 person-times.	
(II) Has the Company established and implemented reasonable employee welfare measures (include salary/	✓		1. Employee remuneration system The Company's salary system is designed based on job grade and the nature of duties. The salary structure mainly includes fixed salary, year-end bonuses, and performance bonuses,	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/ compensation?			with various allowances designed according to the nature and grade of employee duties. A performance evaluation system has been established, using employee performance as the basis for salary adjustments and reward distribution. The Company also references the results of industry salary surveys to review market competitiveness, ensuring that the salary policy is both attractive and fair. 2. Measures to enhance salaries of entry-level employees The Company's Articles of Incorporation provide that, if the Company has earnings for the year, no less than 0.15% of such earnings (inclusive) shall be appropriated as employee compensation, by resolution of at least two-thirds of the directors attending and a majority of the directors present, with the recipients including employees of controlled or subordinate companies who meet certain conditions, which conditions shall be determined by the Board of Directors. Of the employee compensation resolved by the Board, no less than 12% shall be retained for compensation of entry-level employees. The Board resolved that the 2025 employee compensation amount is NT$3,222,400, of which NT$1,132,680 is appropriated for entry-level employee compensation. "Entry-level employees" of the Company refers to non-managerial employees whose salary level falls below NT$63,000 as defined under the "Regulations Governing the Add-on Deduction of Salary Expenses for Salary Increases for Employees of Small and Medium Enterprises" and the Ministry of Economic Affairs' public announcement of December 31, 2024. 3. Workplace diversity and equality The Group is committed to promoting workplace diversity and gender equality, and do not differentiate in hiring based on gender, age, religion, race, or other factors. In 2025, the Group had a total of 208 employees, with an average age of 41.04 years and an average length of service of 8.8 years. Among them, regular employees accounted for approximately 92%. In terms of gender distribution, since the Group's main business is	

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
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			the manufacture and sale of vacuum lamination machines, with employees primarily consisting of machine assembly and technical service personnel, the proportion of male employees (77%) is higher than that of female employees (23%). There are 19 supervisors, of whom 3 are female, accounting for 16%. 4. Employee benefit measures In addition to providing a safe and comfortable working environment, the Company provides benefit measures such as birthday gifts, holiday gifts, travel allowances, travel leave, scholarships for employees' children, marriage/funeral/celebration allowances, club subsidies, group insurance, and recognition of senior and model employees. Overseas subsidiaries plan the most appropriate benefit systems according to local needs, such as group insurance, health insurance, performance bonuses, holiday gifts, marriage/funeral allowances, and transportation and housing allowances. Regarding childcare support, employees in Taiwan and Japan may apply for parental leave without pay in accordance with the law, while employees in mainland China are entitled to parental leave and breastfeeding leave. Regarding retirement protection, the Company contributes 6% of each employee's total monthly salary to their individual pension account in accordance with the new pension system under the Labor Pension Act, and assists with voluntary contributions in accordance with employee wishes. The Guangzhou and Japan subsidiaries make contributions to pension insurance and pensions, respectively, in accordance with local laws.	
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	✓		The Company values employee safety and health. In addition to first-aid kits and AED equipment installed on factory premises, the Company conducts annual full-staff health examinations, holds at least one fire and first aid-related training session each year, conducts educational training on electrical safety knowledge for entry-level supervisors and key operating personnel, and conducts annual worker workplace environment monitoring, protecting employees from harmful substances in the workplace and providing a healthy and	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			comfortable working environment. Subsidiaries comply with local laws and have established Occupational Safety and Health Committees, which regularly convene safety and health meetings to discuss safety-related issues. Specific implementation measures include workplace environment risk assessments, employee health examinations, safety and health training, disaster prevention drills, fire safety equipment maintenance and self-inspection. Subsidiary Eternal Precision Mechanics (Guangzhou) Co., Ltd. has passed ISO 45001:2018 certification, with the certificate valid until March 3, 2027. Specific results of the Group in maintaining employee safety and health in 2025: a total of 202 person-times participated in safety and health training, and 9 disaster prevention drills were held, enhancing colleagues' risk awareness and response capabilities; in terms of health promotion, the number of persons undergoing annual health examinations totaled 178. Subsidiaries also conducted measures such as first responder training and subsidies for employee flu vaccinations to safeguard employee workplace safety and physical and mental health. No employee disability injury incidents or fire incidents occurred at the Group in 2025.	
(IV) Has the Company established effective career development training programs for employees?	✓		The Company has established educational training procedure manuals and external training procedure manuals to ensure that employee educational training has a basis. Training items cover new employee training, with training content including company introduction, job descriptions, occupational safety and health requirements, regulations and benefits, to help new colleagues quickly integrate into the Company; next is professional training, with training courses planned and implemented based on the professional skills required by each unit. In 2025, the total training hours of the Group was approximately 882 hours, with an average of 4.24 training hours per person. The average training hours for managerial positions was 4.76 hours per person, and for non-managerial positions was 4.19 hours per person.	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(V) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		The Group values the establishment of customer communication mechanisms. At every stage of product component procurement, production, operation, and after-sales service, the Company prioritizes meeting customer quality requirements and is committed to providing products and services of a high standard. To properly handle customer comments and complaints, the Group has established customer complaint handling workflows and related procedure documents. When customers raise concerns about product quality, the Company will analyze the issue according to such procedures, clarify the root cause and adopt countermeasures, while preventing similar situations from recurring, in order to enhance customer satisfaction. In addition, the Company regularly holds operational management meetings and business review meetings to respond promptly to customer feedback and conduct customer satisfaction surveys regularly, strengthening two-way communication and trust. A "Stakeholder Section" is also available on the Company's website, providing channels for customers to make inquiries, complaints, or suggestions, further enhancing service accessibility and transparency. The Company will continue to uphold the principles of "law-abiding, trustworthy, and ethical," strictly fulfilling commitments to product quality and delivery schedules in accordance with written contracts, fully safeguarding customer rights, and building long-term, stable cooperative relationships. The Group has passed ISO 9001:2015 certification: Eternal Precision Mechanics Co., Ltd., certificate valid until March 11, 2027. Nikko-Materials Co., Ltd., certificate valid until October 27, 2026. Eternal Precision Mechanics (Guangzhou) Co., Ltd., certificate valid until March 3, 2027.	No material differences.
(VI) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such	✓		The Group is committed to maintaining long-term and stable partnerships with suppliers, evaluating the quality, manufacturing capabilities, and supply stability of new suppliers through written or on-site visit mechanisms. The evaluation covers areas such as quality systems, occupational safety and health, environmental management, labor and human rights,	No material differences.

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			and intellectual property and confidentiality management. For suppliers involved with technical or design data, the Company requires the signing of non-disclosure agreements (NDAs) to protect the Company's and customers' information. For partner suppliers, the Company regularly conducts quality, delivery, and service evaluations, and continuously monitors suppliers' manufacturing capabilities and quality management status through daily management and factory visits, ensuring quality and reliable supply. In 2025, all suppliers of the Group were evaluated as qualified suppliers by each operating site. Regarding sustainability management, some sites have introduced supplier codes of conduct and have progressively incorporated environmental and social considerations into management throughout the supplier cooperation process. The Guangzhou subsidiary has incorporated the Supplier Code of Conduct into the new supplier management process, having completed the evaluation of 11 new suppliers and service providers in 2025, listing them as qualified suppliers, and having signed relevant documents and the Supplier Code of Conduct. The Company will progressively strengthen supply chain management measures to enhance the resilience and completeness of supply chain management.	
V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company has been listed on the Taiwan stock exchange in 2026 and, in accordance with regulations, is exempt from preparing and disclosing a sustainability report for the preceding year in its first year of listing. To implement corporate governance and align with relevant laws and regulations for listed companies, the Company will, in accordance with general standards and indicators issued by organizations such as the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), voluntarily prepare the 2025 Sustainability Report and disclose it on the Market Observation Post System and the Company's website in 2026. In the future, the Company will comprehensively assess regulatory and corporate governance needs and introduce third-party assurance as appropriate to ensure the transparency and reliability of information disclosure.	No material differences.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td colspan="5">VI. The Company adopted the "Sustainable Development Code" by Board resolution on December 4, 2024. Both the content of this code and its actual operation follow the spirit and principles set forth in the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies." There are currently no material differences.</td></tr>
<tr><td colspan="5">VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development: Relevant information is available on the Company's website at: https://www.eternal-epm.com.

Upholding the principles of giving back to society and caring for local communities, the Company hires local manpower at its operating locations based on the principle of placing the right people in the right positions, promoting local employment and enhancing community identification. The Company's principal operating sites in Taiwan include the Dafa Plant (located in the Dafa Industrial Park, Daliao District, Kaohsiung City) and the Zhongli Office in Taoyuan. As of December 31, 2025, approximately 36% of employees were residents of communities adjacent to operating sites, covering Daliao District, Fengshan District, and Xiaogang District of Kaohsiung City, the Pingtung area, and Zhongli in Taoyuan. The Company appoints local talent to key management positions to deepen local operations. In Taiwan, 86% of senior management positions are held by Taiwanese colleagues; in Japan, the proportion of senior management positions held by local colleagues is 78%, and in mainland China, 50%.
In addition, upholding the philosophy of supporting local industries, the Company purchases approximately NT$45,000 worth of local specialty products (such as agricultural products) annually as holiday gifts, considering Company resources and holiday procurement needs.
The Company will continue to assess the risks and opportunities of operating activities for communities, and, on the principle of maximizing resource efficiency, will appropriately commit to charitable donations, corporate volunteer services, or social engagement projects to exert positive corporate influence and promote community development.</td></tr>
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<table>
<tr><td colspan="2">VIII. Implementation of Climate-Related Information for TWSE/TPEx Listed Companies</td></tr>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.</td><td>The Company's Board of Directors is the highest governance body for sustainability governance of the Group. The "Sustainable Development and Risk Management Committee" was established at the end of 2025 to assist the Board in reviewing sustainable development and risk management policies and management policies, and to supervise the sustainability and risk governance and material impact management of the Group.

At the execution level, the ESG Executive Group is responsible for the promotion of climate-related issues. Of these, the "Governance and Risk Management" and "Sustainable Environment" task groups serving as the core promoting units. The Governance and Risk Management Group is guided by the Chief Corporate Governance Officer and is responsible for incorporating climate change-related risk and opportunity governance into the corporate operational risk management process; the Sustainable Environment Group is guided by the head of the administrative department and is responsible for planning and implementing energy and greenhouse gas management measures at each site. To strengthen integrated management and ensure consistency in the action plans of the Group, subsidiaries adopt corresponding divisions of responsibility modeled after the Company's execution framework, with their administrative department heads and manufacturing department heads respectively responsible for risk and environmental management affairs, ensuring implementation effectiveness through regular reporting mechanisms.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</td><td>As global climate change issues attract increasing attention, the potential impact on the operations, strategy, and finances of the Group has been preliminarily analyzed, identified, and assessed.

The Group is a precision machinery and equipment manufacturer, with manufacturing activities primarily consisting of component assembly. The Group are not classified as high energy-consumption or high carbon-emission industries. At present, the Group primarily face policy and regulatory compliance requirements, necessitating the active introduction of carbon management mechanisms and related certifications to strengthen carbon emission management capabilities. In the short term, transition risks arising from net-zero emissions are not expected to have a material impact on the Company's finances and business.

In the long term, in response to customers' net-zero commitments and supply chain carbon reduction trends, the Group may face transition pressures regarding technological upgrades and product optimization. On the other hand, in view of the development of diverse AI application fields, potential business opportunities will be created for the Company's products and services.
<table>
<tr><th>Potential risks/opportunities</th><th>Countermeasures</th><th>Time horizon of possible impact</th></tr>
<tr><td>• (Transition risk) Policy and regulatory risks: In response to the progressivee application of carbon fees (carbon taxes), carbon credit trading mechanisms, and climate-related information disclosure regulations, operating costs will</td><td>• Introduce carbon management mechanisms and related certifications (inventory, reduction, and verification) to strengthen internal carbon emission management capabilities.
• Establish production backup plans,</td><td>Short- to medium-term.</td></tr>
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<td>increase to comply with policies and regulations.
• (Physical risk) Extreme weather events: Important overseas operating sites may be affected by typhoons, floods, and especially strong earthquakes, impacting the supply chain and product assembly and sales.
• (Opportunity) Energy efficiency improvement: Introduction of high-efficiency motors and smart energy management systems to reduce energy costs and enhance equipment sustainability.</td>
<td>progressively diversifying existing assembly production bases; establish long-term and stable relationships with key partners and develop diversified supply sources to ensure stable supply of core component spare parts.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• (Transition risk) Market risk: In response to market and international customers' net-zero emissions commitments, the Company indirectly faces transition risks of technological upgrades.
• (Opportunity) Products and services: Increased demand for energy management AI, increasing capital expenditure needs of downstream customers.</td>
<td>• Cooperate with peers on technology to develop new products and accelerate equipment development schedules.
• Cooperate closely with downstream application operators and leverage Group resources to meet customized equipment needs.</td>
<td>Long-term</td>
</tr>
<tr>
<td>3. Describe the financial impact of extreme weather events and transformative actions.</td>
<td colspan="3">To address policy and regulatory risks, the Company continues to deepen colleagues' sustainability capabilities and strengthen cross-departmental collaboration mechanisms. With the introduction of professional consulting teams, the Company has launched greenhouse gas inventories, third-party assurance, and an IFRS Sustainability Disclosure Standards alignment plan for the Group, progressively establishing a comprehensive governance framework for climate-related risks and opportunities.
In addition, the Company will progressively implement environmentally friendly and energy-saving and emission-reduction measures, assess the feasibility of introducing green energy and waste circular economy, and pay attention to market development trends, adjusting operating strategies as appropriate to seize transition opportunities. Funding required for the above action measures will be budgeted and executed on an annual basis, with no material impact on overall finances.</td>
</tr>
<tr>
<td>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td>
<td colspan="3">The Company has incorporated the financial and operational impacts of climate change into its annual risk management. For material risks identified, response measures will be reported annually to the Board of Directors and the Sustainable Development and Risk Management Committee, with the governance level supervising the appropriateness of countermeasures. In addition, to enhance information reliability, the Company has launched an IFRS Sustainability Disclosure Standards alignment plan and will, with reference to laws and international standards, progressively establish a comprehensive governance framework for climate-related risks and</td>
</tr>
</table>

	opportunities.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet conducted climate scenario analysis.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	As the Company is not classified as a high energy-consumption and high carbon-emission industry, there is currently no transition plan for managing climate-related risks. However, the Company will conduct carbon inventories and set carbon reduction targets annually, and will commit resources to achieving the Group's sustainability goal of net-zero emissions.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not yet established internal carbon pricing.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	The Company will implement sustainable development policies in alignment with the net-zero emissions goals of the government and the Eternal Group.
9. Greenhouse gas inventory and assurance status, reduction targets, strategies, and specific action plans (1) Greenhouse gas inventory information: State the most recent two years of greenhouse gas emissions (metric tons CO_2e), intensity (metric tons CO_2e/NT$ million), and data coverage scope. Pursuant to the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies": ■ Parent company on a standalone basis shall disclose inventory information starting from 2026, and disclose assurance information starting from 2028.	

The parent company and its subsidiaries included in the consolidated financial report shall disclose inventory information starting from 2027, and disclose assurance information starting from 2029.

- The Company, in accordance with the ISO 14064-1:2018 standard, uses the operational control approach to define organizational boundaries. Annual emissions are as follows:

Item		Emissions (metric tons CO_2e) 2024	Emissions (metric tons CO_2e) 2025
Parent company	Scope 1: Direct GHG emissions	2.4453	2.4851
	Scope 2: Indirect GHG emissions	15.8618	18.6770
	Scope 3: Other indirect GHG emissions	52.2463	80.4726
	Total:	70.5534	101.6347
	Scope 1 and Scope 2 emissions intensity (metric tons CO_2e/NT$ million revenue)	0.0594	0.1374

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), emissions from indirect energy (Scope 2, i.e., indirect greenhouse gas emissions from intaken electricity, heat, or steam) and other indirect emissions (Scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The coverage of direct emissions and energy indirect emissions data shall be handled in accordance with the schedule set forth in Article 10, Paragraph 2 of the Taiwan Stock Exchange's "Regulations Governing Information to be Published in Annual Reports of Public Companies"; other indirect emissions information may be disclosed voluntarily.

Note 3: Through materiality identification, the Company has inventoried the other indirect greenhouse gas emission sources related to operational activities within the operational boundary as follows:
Category 3, indirect greenhouse gas emission sources arising from transportation; sub-categories compiled: emissions from employee commuting and business travel.
Category 4, indirect greenhouse gas emission sources from products used by the organization; sub-categories compiled: raw materials and consumables purchased in connection with in-plant production, production-related externally purchased energy (fuel and electricity) not included in Categories 1 and 2, and emissions from outsourced waste processing.

Note 4: The intensity of greenhouse gas emissions is data calculated based on revenue (NT$ million).

(2) Greenhouse gas assurance information: State the assurance status for the most recent two years, including the assurance scope, assurance organization, assurance criteria, and assurance opinion.
As of the date of publication of this annual report, the annual greenhouse gas emissions are the result of the Company's self-conducted inventory. The Company expects to complete third-party assurance of its 2025 greenhouse gas emissions by the end of 2026.

(VII) Implementation of Ethical Management by the Company and the Measures Adopted

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethic policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	✓		The Company's "Ethical Management Best-Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" were adopted by resolution of the seventh session of the 2nd Board of Directors, clearly stipulating the ethical management code of conduct to be followed by directors, managers, and all employees. The content of the related systems has been disclosed on the Company's website and announced to all employees to enhance awareness and practice of ethical management. At the same time, all directors and managers of the Company have signed declarations of compliance with the ethical management policy, committing to performing their duties in accordance with the principles of integrity and transparency, demonstrating the determination to implement an ethical culture from the top down and shaping a corporate culture of ethical management.	No material differences.
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	✓		The Company has formulated the "Risk Management Policy and Procedures" and actively implements related operations. The Company conducts all business activities on the principles of fairness and integrity. To implement the ethical management policy, in addition to having the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," the Company also continues to enhance employees' awareness and practice of ethical management concepts through educational training and system promotion. The Company has also established a dedicated point of contact to provide internal and external personnel with channels to report and notify the Company of unethical or improper conduct. Through a sound internal control system, audit mechanisms, and ongoing educational training, the Company is	No material differences.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			committed to strengthening business ethics and a culture of legal compliance, reducing risks of unethical conduct, and creating an honest and transparent operating environment.	
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	✓		The Company's "Procedures for Ethical Management and Guidelines for Conduct" adopt necessary preventive measures for business activities with a higher risk of unethical conduct. In the program for preventing unethical conduct, the Company has clearly established relevant operating procedures, guidelines for conduct, disciplinary mechanisms for violations, and grievance systems, ensuring compliance by all employees. Specific measures include clear regulations on various unethical conducts, corresponding disciplinary provisions for necessary actions against violations; at the same time, dedicated grievance channels have been established to ensure that employees or relevant stakeholders can raise concerns and have them properly addressed. In addition, the Company periodically reviews relevant regulations and adjusts preventive measures based on changes in business and internal operations to ensure their effectiveness and timeliness, and monitors implementation through internal audit mechanisms, continuously enhancing the measures and processes for preventing unethical conduct.	No material differences.
II. Ethical Management Practice				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	✓		Before cooperating with business counterparties, the Company assesses their ethical records to ensure that the counterparties meet the Company's standards of ethical management. When signing contracts with business counterparties, ethical conduct clauses are clearly included, governing the principles and code of conduct to be followed by both parties during the course of cooperation. Such ethical clauses cover, but are not limited to, prohibitions on bribery, conflicts of	No material differences.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			interest, leakage of confidential information, and other unethical conduct, and stipulate that in the event of a violation, the matter will be handled and disciplined in accordance with the agreed contractual procedures.	
(II) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	✓		The Company has assigned the Finance Department to be responsible for promoting the formulation and implementation of the Procedures for Ethical Management and Guidelines for Conduct, and to supervise the implementation of ethical management policies and programs for preventing unethical conduct. This unit regularly (at least once a year) reports to the Board on the implementation status of ethical management policies and the operating results of the program for preventing unethical conduct, and proposes recommendations for improvement regarding potential risks to ensure effective implementation of ethical management policies. The annual focus of work for 2025 is as follows, reported to the Board on December 24, 2025: 1. Amendments were made to the "Procedures for Ethical Management and Guidelines for Conduct" and the "Procedures for Handling Material Internal Information and Prevention of Insider Trading" to strengthen the prevention of insider trading and improve material information disclosure operating standards. 2. Material information released was assessed and reviewed in accordance with the internally prescribed assessment and approval procedures, ensuring the legal compliance and accuracy of the information. 3. All directors and managers signed declarations of compliance with the ethical management policy, achieving a 100% signing rate. 4. Ethical management policy was communicated to the Company's new employees, totaling 7 participants, and ethical management and prohibition	No material differences.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>of insider trading policies and regulations were communicated to all employees of the Group, totaling 210 participants.
5. Regulatory promotional materials were provided to newly appointed directors of the Company, and corporate governance and securities laws and regulations courses were arranged for directors and managers to attend.
6. The Company's directors and managers are reminded quarterly by email to comply with insider shareholding reporting requirements and the prohibition on insider trading.
7. The Company's directors are reminded by email before the start of the financial report blackout period that they may not trade Company stock during the 30-day blackout period before the annual financial report announcement and the 15-day blackout period before each quarterly financial report announcement.</td><td></td></tr>
<tr><td>(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?</td><td>✓</td><td></td><td>The Company has formulated the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," which clearly stipulate provisions for preventing conflicts of interest, requiring directors, managers, and all employees to avoid any conduct involving a conflict between personal and Company interests, and to proactively disclose and recuse themselves in accordance with the law in the event of potential conflicts of interest.
The Company has also established grievance and reporting channels, encouraging employees and stakeholders to state opinions regarding improper conduct, and safeguarding the identity and rights and interests of reporting persons. Through system establishment and implementation, conflicts of interest are effectively prevented, strengthening corporate ethical governance.</td><td>No material differences.</td></tr>
</table>

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	✓		The Company has established a sound accounting system and internal control system, which serve as the foundation for strengthening corporate governance and implementing ethical management. Internal auditors formulate annual audit plans and regularly examine the compliance of each unit with the program for preventing unethical conduct, ensuring that operating procedures comply with regulatory requirements and the Company's internal regulations. Auditors execute audits in accordance with the annual plan and prepare audit reports, which are submitted to the Board for resolution after review and approval by the Audit Committee. In addition, to enhance the independence and objectivity of audits, external CPAs may be engaged to perform relevant audit work when necessary, continually strengthening the effectiveness of the Company's ethical management system.	No material differences.
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	✓		To implement the ethical management policy and strengthen the awareness and practice of ethical concepts among all personnel, the Company regularly holds internal ethical management educational training courses, with related teaching materials arranged based on the nature and risk level of each position. The content covers key matters such as the Ethical Corporate Management Best Practice Principles, code of conduct, and measures for preventing unethical conduct. Directors and managers also participate in ethical governance-related courses held by external professional organizations to continuously enhance governance literacy. New employees are taught about the corporate culture of ethical management, related Company regulations, and their importance during onboarding educational training, with periodic promotion at routine educational training or internal meetings.	No material differences.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
III. Implementation of Complaint Procedures				
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle- blowers?	✓		The Company has established specific whistleblowing systems and reward measures in the "Procedures for Ethical Management and Guidelines for Conduct," and has set up a clear and convenient independent whistleblowing mailbox, with the Administration Department serving as the point of contact for receiving whistleblowing cases. To encourage legitimate whistleblowing, those whose reports are verified to be true will be given appropriate rewards in accordance with the Company's reward system, and adequate protective measures will be provided to prevent improper treatment or retaliation.	No material differences.
(II) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	✓		The Company has established standard operating procedures for receiving and investigating whistleblowing matters in the "Procedures for Ethical Management and Guidelines for Conduct," clearly governing the procedures for receiving, investigating, handling, and closing cases. Upon receipt of a report, the authorized unit or personnel will conduct an investigation based on the principles of objectivity and impartiality, and record the entire process and results. After the investigation is completed, appropriate follow-up handling measures will be taken based on the investigation results. If verified to be true, the violator will be disciplined in accordance with the Company's internal regulations or relevant laws and regulations, and relevant competent authorities will be notified depending on the circumstances. The Company has also established strict confidentiality mechanisms to ensure the confidentiality of the identity of the reporting person and the content of the report. Except as required by law or by competent authorities, the disclosure of any information that may identify the reporting person or the details of the case	No material differences.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			is prohibited, thereby safeguarding the rights and interests of the reporting person and creating an environment in which complaints can be made with peace of mind.	
(III) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	✓		The Company has established grievance and whistleblowing mechanisms, and the "Procedures for Ethical Management and Guidelines for Conduct" clearly governs the whistleblowing process and measures to protect reporting persons, safeguarding the confidentiality of the identity of the reporting person and related materials. The Company commits that reporting persons shall not be subject to demotion, dismissal, transfer of duties, adverse evaluation, threats, harassment, or other improper treatment as a result of making a good-faith report of suspected unethical or unlawful conduct.	No material differences.
IV. Strengthening Information Disclosure				
(I) Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	✓		The Company has established a website to disclose ethical management-related information and status. The website address is www.eternal-epm.com.	No material differences.
V. If the Company has formulated its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the differences between its operations and the established principles: The Company has formulated the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" to establish a corporate culture of ethical management and ensure sound development. There are no differences between the actual operations and the Company's principles.				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): None.				

(VIII) Other important information sufficient to enhance the understanding of corporate governance operations: None.

(IX) Implementation Status of the Internal Control System: Please refer to the Market Observation Post System

1. Internal Control System Statement:
Path: Market Observation Post System > Single Company > Corporate Governance > Company Regulations / Internal Controls > Internal Control Statement Announcement
URL: https://mops.twse.com.tw/mops/#/web/t06sg20

2. For companies that engage CPAs to conduct special audits of the internal control system, the CPA's audit report shall be disclosed:
Path: Market Observation Post System > Single Company > Corporate Governance > Company Regulations / Internal Controls > Internal Control Special Audit Report
URL: https://mops.twse.com.tw/mops/#/web/t06hsg20

(X) Important Resolutions of Shareholders' Meetings and Board Meetings in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report

1. Important Resolutions of the First Extraordinary Shareholders' Meeting of 2025

Important Resolutions	Implementation Status
Amendment of certain articles of the Company's "Articles of Incorporation."	Change registration was approved by Letter Jing-Shou-Shang-Zi No. 11430012420 of the Ministry of Economic Affairs dated March 18, 2025.
Amendment of certain articles of the Company's "Regulations Governing the Acquisition and Disposal of Assets."	Resolved and implemented as resolved.
Amendment of certain articles of the Company's "Operational Procedures for Loaning Funds."	Resolved and implemented as resolved.
Amendment of certain articles of the Company's "Operating Procedures for Making of Endorsements/Guarantees".	Resolved and implemented as resolved.
Amendment of certain articles of the Company's "Procedures for Engaging in Derivatives Trading."	Resolved and implemented as resolved.
Amendment of certain articles of the Company's "Rules of Procedure for Shareholders' Meetings."	Resolved and implemented as resolved.
Application by the Company for listing of its shares on the stock exchange.	Resolved and implemented as resolved.
Proposal for a cash capital increase and new share issuance for initial public underwriting, with original shareholders waiving their preemptive subscription rights.	Resolved and implemented as resolved.
Amendment of certain articles of the Company's "Rules for Director and Supervisor Elections" (renamed to "Procedures for the Appointment of Directors").	Resolved and implemented as resolved.
Election of 3rd-term directors.	Change registration was approved by Letter Jing-Shou-Shang-Zi No. 11430012420 of the Ministry of Economic Affairs dated March 18, 2025.

Important Resolutions	Implementation Status
	The directors elected are as follows: Eternal Materials Co., Ltd. Representative: Mao Hui-Kuan Eternal Materials Co., Ltd. Representative: Hsieh Yen-Fen Eternal Materials Co., Ltd. Representative: Kazutoshi Iwata All Ring Tech Co., Ltd. Representative: Lu Ching-Lai The independent directors elected are as follows: Lai Hsin-Chung, Lin Tzu-Ling, Chou Szu-Cheng
Release of newly elected directors from non-competition restrictions.	Resolved and implemented as resolved.

2. Important Resolutions of the 2025 Annual Shareholders' Meeting

Important Resolutions	Implementation Status
Amendment of certain articles of the Company's "Articles of Incorporation."	Change registration was approved by Letter Jing-Shou-Shang-Zi No. 11430108410 of the Ministry of Economic Affairs dated July 22, 2025.
Release of newly elected directors from non-competition restrictions.	Resolved and implemented as resolved.
Acknowledgement of the 2024 Business Report and Financial Statements	Resolved and implemented as resolved.
Acknowledgment of the 2024 earnings distribution proposal	Resolved and implemented as resolved.

3. Important Resolutions of the Board of Directors

Date	Important Resolutions
2025.01.20	Proposal 1: Election of the Chairman of the 3rd term. Proposal 2: Appointment of members of the Company's 2nd Remuneration Committee. Proposal 3: Execution of an industry-academia cooperation and academic feedback mechanism agreement between the Company and National Chung Cheng University.
2025.03.12	Proposal 1: 2024 distribution of employees' compensation and Directors' remuneration. Proposal 2: 2024 Business Report and Financial Statements Proposal 3: 2024 earnings distribution and cash distribution from capital surplus. Proposal 4: Assessment of the effectiveness of the Company's internal control system and Internal Control System Statement for 2024. Proposal 5: Appointment, remuneration, and assessment of independence and competence of the Company's CPAs. Proposal 6: Scope of "entry-level employees" in the Company's Articles of Incorporation. Proposal 7: Amendment of certain articles of the Company's "Articles of Incorporation." Proposal 8: Additions and amendments to the internal control system and regulation management procedures. Proposal 9: Appointment of the Chief Corporate Governance Officer and Chief Information Security Officer. Proposal 10: Acquisition of right-of-use assets from a related party. Proposal 11: Proposal for lifting non-competition restrictions on directors. Proposal 12: Date, time, location, agenda, and related matters for the Company's 2025 Annual Shareholders' Meeting.

Date	Important Resolutions
2025.05.07	Proposal 1: The Company's Q1 2025 consolidated financial statements. Proposal 2: The Company's Q2 through Q4 2025 financial forecasts. Proposal 3: Appointment, remuneration, and assessment of independence and competence of the Company's CPAs, and pre-approval of non-assurance services for 2025. Proposal 4: Execution of the "Over-Allotment and Lock-Up Agreement for Specific Shareholders" between the Company and the lead underwriter, Yuanta Securities Co., Ltd., in connection with the Company's application for initial listing. Proposal 5: Statement on the Company's internal control system special audit. Proposal 6: Additions to the regulation management procedures and amendments to the internal control system. Proposal 7: Amendments to the "Employee Compensation Distribution Guidelines." Proposal 8: Distribution of 2024 manager compensation.
2025.08.06	Proposal 1: The Company's Q2 2025 consolidated financial statements. Proposal 2: The Company's "Employee Subscription Rules for the Cash Capital Increase for the Initial Public Offering." Proposal 3: Amendments to the regulation management procedures.
2025.09.05	Proposal 1: Royalty-free licensing of patent rights from subsidiary Nikko-Materials Co., Ltd. for use by the Company.
2025.10.02	Proposal 1: Proposal for a cash capital increase and new share issuance prior to the initial listing on the stock exchange. Proposal 2: Land acquisition capital expenditure by subsidiary Nikko-Materials Co., Ltd. Proposal 3: Mid-2025 amendments to the operating plan and cash flow plan.
2025.11.12	Proposal 1: The Company's Q3 2025 consolidated financial statements. Proposal 2: Report on the roster of employees eligible to subscribe for shares in the pre-IPO cash capital increase and new share issuance. Proposal 3: Appointment of the Internal Audit Supervisor. Proposal 4: Changes to the Company's Chief Information Security Officer, Acting Spokesperson, and Key Operating Officers.
2025.12.24	Proposal 1: Establishment of the "Sustainable Development and Risk Management Committee," formulation of its organizational charter, and appointment of members of the 1st term. Proposal 2: 2026 operating plan. Proposal 3: 2026 cash flow plan. Proposal 4: Proposal for the renewal of the endorsement and guarantee contract with subsidiaries. Proposal 5: Provision of endorsement and guarantee for subsidiaries to obtain bank credit lines. Proposal 6: Amendments to the internal performance evaluation indicators of the Board (including functional committees). Proposal 7: Amendments to the regulation management procedures. Proposal 8: 2026 annual salary adjustments for managers. Proposal 9: 2025 annual performance bonuses and operating performance bonuses for managers. Proposal 10: 2026 audit plan.
2026.02.09	Proposal 1: Election of the Chairman of the Company's Board of Directors. Proposal 2: Appointment of members of the "Sustainable Development and Risk Management Committee."
2026.03.11	Proposal 1: 2025 Business Report and Financial Statements (consolidated and parent company only). Proposal 2: 2025 earnings distribution proposal. Proposal 3: 2025 distribution of employees' compensation and Directors' remuneration. Proposal 4: Assessment of the effectiveness of the Company's internal control system and Internal Control System Statement for 2025.

Date	Important Resolutions
	Proposal 5: Appointment, remuneration, and assessment of independence and competence of CPAs, and pre-approval of non-assurance services for 2026. Proposal 6: Date, time, location, agenda, and related matters for the Company's 2026 Annual Shareholders' Meeting. Proposal 7: Capital increase of subsidiary Eternal Precision Mechanics (Guangzhou) Co., Ltd. Proposal 8: Plant construction investment by Japan subsidiary Nikko-Materials Co., Ltd. Proposal 9: Application to E.SUN Bank for a financing credit line. Proposal 10: Proposal for lifting non-competition restrictions on Directors. Proposal 11: Promotion and salary review for the Accounting Supervisor.
2026.04.01	Proposal 1: Plant construction investment budget at Toyota, Japan by subsidiary Nikko-Materials Co., Ltd.
2026.05.06	Proposal 1: The Company's Q1 2026 consolidated financial statements. Proposal 2: Distribution of 2025 entry-level employee compensation. Proposal 3: Distribution of 2025 manager employee compensation. Proposal 4: Explanation of the reasonableness of 2025 director compensation payments. Proposal 5: Change of the custodian of the Company's seal. Proposal 6: Additions to the internal performance evaluation indicators of the "Sustainable Development and Risk Management Committee." Proposal 7: Ratification of the early termination of right-of-use assets from a related party by subsidiary Eternal Precision Mechanics (Guangzhou) Co., Ltd. and reacquisition.

(XI) In the most recent fiscal year and up to the date of publication of the annual report, the main content of any dissenting opinions of directors or supervisors recorded or in written statements concerning important resolutions passed by the Board of Directors: None.

IV. Information on CPA (External Auditor) Professional Fees

(I) Where non-audit fees paid to the certifying CPA, the firm to which the certifying CPA belongs, and any of its affiliates are one-fourth or more of the audit fees, the amounts of audit and non-audit fees and the content of non-audit services shall be disclosed.

Unit: NT$ thousands

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Wang Chao-Chun	2025.1.1~2025.12.31	7,194	1,104	8,298	Non-audit fees include CPA certification for the pre-IPO cash capital increase and internal control special audit.
	Chen Hsiu-Wen	2025.1.1~2025.12.31				

Note: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the "Remarks" column and disclose sequentially the audit and non-audit fees paid. For non-audit fees, additionally specify the content of the services.

(II) Where there is a change of CPA firm and the audit fees paid in the year of change are lower than those of the year prior to the change: None.

(III) Where the audit fees decrease by 10% or more compared with the previous year: None.

V. Information on Replacement of CPAs

(I) Change of CPAs during the most recent two fiscal years and subsequent periods

1. Information regarding the former CPAs:

<table>
<tr><td>Date of replacement</td><td colspan="4">Approved by Board resolution on May 28, 2024</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="4">In line with internal adjustment needs of the firm, starting from 2024, the certifying CPAs for the financial report were changed from Wang Chao-Chun, CPA and Hsu Jui-Hsuan, CPA to Wang Chao-Chun, CPA and Chen Hsiu-Wen, CPA.</td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPAs terminated or did not accept the engagement</td><td colspan="2">Parties
Circumstances</td><td>CPAs</td><td>Engaging party</td></tr>
<tr><td colspan="2">Terminated the engagement</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">No longer accepted (discontinued) the engagement</td><td>-</td><td>-</td></tr>
<tr><td>If the CPAs issued an audit report expressing any opinion other than an unqualified opinion during the 2 most recent years, specify the opinion and the reasons</td><td colspan="4">None.</td></tr>
<tr><td rowspan="2">Disagreement with the Company?</td><td rowspan="2">Yes</td><td>-</td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td>-</td><td colspan="2">Disclosure of financial reports</td></tr>
</table>

		-	Audit scope or steps
		-	Other
	None	v	
	Specify details		
Other disclosures (Any matters required to be disclosed under sub-items d to g of Article 10.6.A)	None.		

2. Information regarding the successor CPAs:

Name of accounting firm	Deloitte & Touche
Name of CPAs	Wang Chao-Chun, Chen Hsiu-Wen
Date of engagement	May 28, 2024
Subjects discussed and results of any consultation with the CPAs prior to the engagement, regarding the accounting treatment of or application of accounting principles to any specified transaction, or the type of audit opinion that might be issued on the company's financial report	None
Successor CPAs’ written opinion regarding the matters of disagreement between the Company and the former CPAs	None

3. The reply letter from the former CPA regarding the Company’s disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: Not applicable.

VI. The Company's Chairman, President, and Manager Responsible for Finance or Accounting Matters Having Served in the Firm of the Certifying CPAs or Any of Its Affiliates in the Most Recent Year: None.

VII. Changes in Equity Transfers and Equity Pledges of Directors, Supervisors, Managers, and Shareholders Holding More than 10% of Shares

(I) Changes in Equity: Please refer to the Market Observation Post System

1. Shareholding increase (or decrease):

   Path: Market Observation Post System > Single Company > Equity Changes / Securities Issuance > Equity Transfer Data Query > Post-event Filing Form for Insider Shareholding Changes

   URL: https://mops.twse.com.tw/mops/#/web/query6_1

2. Pledged shareholding increase (or decrease):

   Path: Market Observation Post System > Single Company > Equity Changes / Securities Issuance > Insider Pledge and Release > Insider Pledge and Release Announcement

   URL: https://mopsov.twse.com.tw/mops/web/STAMAK03_1

(II) Information on Related Parties to Equity Transfers

1. 2025: None.
2. 2026 up to the date of publication of the annual report:

Unit: shares; NT$

Name	Reason for transfer	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and shareholders whose shareholding ratio exceed 10%	Shares	Transaction price
Kazutoshi Iwata	Employee subscription in pre-IPO cash capital increase	2026/1/16	Eternal Precision Mechanics Co., Ltd.	Director and Manager	20,000	125
Hsu Chia-Hui	Employee subscription in pre-IPO cash capital increase	2026/1/16	Eternal Precision Mechanics Co., Ltd.	Manager	20,000	125
Wu Chih-Hsuan	Employee subscription in pre-IPO cash capital increase	2026/1/16	Eternal Precision Mechanics Co., Ltd.	Manager	27,000	125
Lee Hsiao-Ying	Employee subscription in pre-IPO cash capital increase	2026/1/16	Eternal Precision Mechanics Co., Ltd.	Manager	27,000	125

(III) Information on Related Parties to Equity Pledges: None.

VIII. Information on the Relationship between the Top Ten Shareholders Who Are Related Parties or Are Spouses or Within the Second Degree of Kinship

Information on the relationship between the top ten shareholders

April 26, 2026; Unit: shares

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Eternal Materials Co., Ltd.	48,640,308	61.70%	-	-	-	-	Kao Kuo-Lun	Chairman	-
Eternal Materials Co., Ltd. Person-in-Charge: Kao Kuo-Lun.	688,478	0.87%	-	-	-	-	-	-	-
Citibank Taiwan as custodian for BNP Paribas Financial Markets Investment Account	1,852,540	2.35%							
HSBC Bank (Taiwan) Co., Ltd. as custodian for the investment account	1,075,000	1.36%							
China F.R.P. Corporation	1,045,000	1.33%	-	-	-	-	-	-	-
China F.R.P. Corporation Person-in-Charge: Lee Shang-Heng	-	-	-	-	-	-	-	-	-
Lee Chia-Rong	1,000,832	1.27%	-	-	-	-	Kao Kuo-Lun	Spouse	-
All Ring Tech Co., Ltd.	920,000	1.17%	-	-	-	-	-	-	-
All Ring Tech Co., Ltd. Person-in-Charge: Lu Ching-Lai	-	-	-	-	-	-	-	-	-
CDIB-Innolux II L.P.	805,000	1.02%	-	-	-	-	-	-	-
Kwang Yang Motor Co., Ltd.	700,000	0.89%	-	-	-	-	Eternal Materials	Directors	-
Kwang Yang Motor Co., Ltd. Person-in-Charge: Ko Chun-Ping	-	-	-	-	-	-	-	-	-
Kao Kuo-Lun	688,478	0.87%	-	-	-	-	Eternal Materials	Chairman	-
							Lee Chia-Rong	Spouse	
GAINS Investment Corp.	660,367	0.84%	-	-	-	-	-	-	-
GAINS Investment Corp. Person-in-Charge: Chen Kuan-Fu	-	-	-	-	-	-	-	-	-

IX. Shareholdings of the Company's Directors, Supervisors, Managers, and Enterprises Directly or Indirectly Controlled by the Company in the Same Investee Enterprise, and Consolidated Shareholding Ratios

Consolidated Shareholding Ratios

December 31, 2025; Unit: shares, %

Investee Enterprise (Note 1)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total Investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Nikko-Materials Co., Ltd.	11,520	100%	-	-	11,520	100%
Eternal Precision Mechanics (Guangzhou) Co., Ltd. (Note 2)	-	100%	-	-	-	100%

Note 1: Refers to long-term investments accounted for under the equity method.

Note 2: No shares have been issued.

Chapter 3. Capital Raising

I. Capital and Shares

(I) Sources of Share Capital

1. Types of Share Capital

April 26, 2026; Unit: thousand shares

Type of stock	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	78,829	21,171	100,000	None

2. Capital formation history

April 26, 2026; Unit: NT$ thousand, thousand shares

Year/Month (Note 1)	Issue price (NT$)	Authorized capital		Paid- in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of Share Capital	Capital paid in by assets other than cash	Other
2022.10	10	100,000	1,000,000	52,000	520,000	Spin-off and incorporation	None	Approved by Letter Jing-Shou-Shang-Zi No. 11101198630 dated October 21, 2022
2024.02	60	100,000	1,000,000	60,500	605,000	Cash capital increase of NT$85,000 thousand	None	Approved by Letter Jing-Shou-Shang-Zi No. 11330030940 dated February 27, 2024
2024.02	60	100,000	1,000,000	61,560	615,600	Exercise of employee stock options of NT$10,600 thousand	None	Approved by Letter Jing-Shou-Shang-Zi No. 11330030940 dated February 27, 2024
2024.05	60	100,000	1,000,000	61,590	615,900	Exercise of employee stock options of NT$300 thousand	None	Approved by Letter Jing-Shou-Shang-Zi No. 11330069530 dated May 13, 2024
2024.10	-	100,000	1,000,000	70,829	708,285	Capitalization of earnings of NT$92,385 thousand	None	Approved by Letter Jing-Shou-Shang-Zi No. 11330863530 dated October 14, 2024
2026.01	125	100,000	1,000,000	78,829	788,285	IPO cash capital increase of NT$8,000 thousand	None	Approved by Letter Jing-Shou-Shang-Zi No. 11530017110 dated March 12, 2026

Note 1: Based on the effective date of change registration.

3. Information on securities offered and issued under the shelf registration system: None.

(II) List of Major Shareholders: Names, shares held, and percentages of shareholders holding 5% or more of shares or among the top ten shareholders by shareholding.

April 26, 2026; Unit: shares, %

Shares / Names of major shareholders	No. of shares held	Shareholding ratio
Eternal Materials Co., Ltd.	48,640,308	61.70%
Citibank Taiwan as custodian for BNP Paribas Financial Markets Investment Account	1,852,540	2.35%
HSBC Bank (Taiwan) Co., Ltd. as custodian for the investment account	1,075,000	1.36%
China F.R.P. Corporation	1,045,000	1.33%
Lee Chia-Rong	1,000,832	1.27%
All Ring Tech Co., Ltd.	920,000	1.17%
CDIB-Innolux II L.P.	805,000	1.02%
Kwang Yang Motor Co., Ltd.	700,000	0.89%
Kao Kuo-Lun	688,478	0.87%
GAINS Investment Corp.	660,367	0.84%

(III) Dividend Policy and Implementation Status of the Company

1. Dividend policy as set forth in the Articles of Incorporation

The Company is currently in a growth stage, and its dividend policy is to distribute dividends on the principle of stability and balance, taking into account the Company's capital expenditure and operating capital needs and the goal of increasing shareholder return on investment.

Accordingly, the total annual shareholder dividends shall not be less than 30% of the total distributable earnings, distributable in the form of stock dividends or cash dividends, provided that cash dividends shall not be less than 10% of the total dividends.

2. Proposed dividend distribution to be submitted at this shareholders' meeting

(1) The 2025 earnings distribution shall be proposed in accordance with Article 38 of the Company's Articles of Incorporation.

(2) 2025 net income after tax of NT$219,974,189, plus actuarial gains and losses on defined benefit plans of NT$1,086,870, less 10% legal reserve of NT$22,106,106 and special reserve appropriated in accordance with law of NT$28,847,669, results in distributable earnings attributable to 2025 of NT$170,107,284.

By Board resolution on March 11, 2026, the proposal is to distribute approximately NT$2.15 per share in cash, based on the shares recorded in the shareholder registry as of the dividend record date.

The dividend record date is April 30, 2026, and the payment date is May 20, 2026. The matter will be reported at the regular shareholders' meeting on June 24, 2026.

3. Where any material change in dividend policy is expected, an explanation shall be provided: No material change.

(IV) The impact of the proposed bonus share distribution at this shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(In accordance with the "Regulations Governing the Publication of Financial Forecasts of Public Companies," the Company has not publicly disclosed financial forecast information for 2025.)

(V) Employee, Director, and Supervisor Compensation

1. Percentage or range of employee and director compensation as set forth in the Articles of Incorporation:

If the Company records annual profits, not less than 0.15% of such profits shall be allocated as employee compensation, as resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present. The recipients may include employees of controlled or affiliated companies who meet certain criteria, which shall be determined by the Board of Directors.

In addition, not more than 1% of such profits may be allocated as directors' compensation by resolution of the Board of Directors. The proposals for employee compensation and directors' compensation shall be reported to the shareholders' meeting.

However, if there are accumulated losses, an amount sufficient to offset such losses shall first be reserved before making the above allocations.

Of the employee compensation resolved by the Board of Directors, not less than 12% shall be reserved for employees at the basic or frontline level.

2. Basis for estimating the amount of employee, director, and supervisor compensation for the current period, the basis for calculating the number of shares for employee compensation distributed in stock, and the accounting treatment where any difference exists between the actual distribution amount and the estimated amount:

The Company's employee compensation and director compensation are estimated on the basis of the distribution conditions set forth in the Articles of Incorporation.

Where the actual amount distributed pursuant to subsequent Board resolution differs from the estimated amount, such difference shall be accounted for as a change in accounting estimate and recognized in profit or loss in the following year.

3. Status of the distribution of compensation approved by the Board:

(1) Amount of employee compensation and director and supervisor compensation distributed in cash or stock. Where any difference exists from the amount estimated as an expense for the year, such difference, the reason for it, and the handling shall be disclosed:

The Board of Directors resolved on March 11, 2026 to distribute employee compensation of NT$3,222,400, an increase of NT$592,924 over the estimated amount of NT$2,629,476. This will be treated as a change in accounting estimate and recognized in profit or loss in the following year and distributed in cash.

Director compensation of NT$2,780,000 was also resolved, an increase of NT$68,436 over the estimated amount of NT$2,711,564, to be treated as a change in accounting estimate and recognized in profit or loss in the following year and distributed in cash.

(2) Amount of employee compensation distributed in stock, and the percentage that such amount represents of net income after tax in the parent company only or separate financial report for the current period and of the total amount of employee compensation: The Company has not proposed to distribute employee compensation in stock this year, and accordingly this is not applicable.

4. Actual distribution of employee and director/supervisor compensation in the previous year:

(1) Employee cash compensation of NT$3,093,501 and director/supervisor compensation of NT$0 were distributed.

(2) Where any difference exists from the recognized employee compensation and director/supervisor compensation, such difference, the reason for it, and the handling shall be set forth:
The Company resolved by Board resolution on March 12, 2025 and at the regular shareholders' meeting on June 23, 2025 to distribute employee compensation of NT$3,093,501, an increase of NT$265,957 over the estimated amount. This was treated as a change in accounting estimate and recognized in profit or loss in the following year.

(VI) Share Repurchases by the Company: None.

II. Issuance of Corporate Bonds: None.

III. Preferred Shares Issued: None.

IV. Global Depositary Receipts (GDR): None.

V. Status of Employee Stock Options and Restricted Stock Awards: None.

VI. Status of New Shares Issued in Connection with the Merger or Acquisition or Acceptance of Transfer of Shares of Another Company: None.

VII. Implementation Status of Capital Utilization Plans: None.

Chapter 4. Operations Overview

I. Business Content

(I) Business Scope

1. Main content of the business operated:
   - (1) Machinery Installation
   - (2) Electronics Components Manufacturing
   - (3) Other Machinery Manufacturing
   - (4) Optical Instruments Manufacturing
   - (5) Mechanical Equipment Manufacturing
   - (6) Wholesale of Plastic Films and Bags
   - (7) Retail Sale of Plastic Films and Bags
   - (8) International Trade
   - (9) Other Consulting Service
   - (10) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
2. Main products and percentage of operating revenue in 2025:

Product Name	Percentage (%)
Equipment	93.74
Film materials	5.76
Services	0.50
Total	100.00

3. Products and services offered:
   The Company provides the manufacture, installation, and sale of electronic and semiconductor equipment and electronic components, with main applications in semiconductor packaging and electronic component manufacturing.
4. New products and services planned for development:
   - (1) Wafer-level vacuum lamination equipment
     In response to market demand for advanced packaging (glass substrate, FO-PLP, PLP), the Company plans to develop wafer-level vacuum lamination equipment with high-vacuum, high-pressure, and precision temperature control functions, to enhance lamination quality, reduce process defects, and meet the high-precision and high-reliability requirements of advanced packaging processes.
   - (2) Wafer-level handling equipment
     Develop a high-precision handling system integrated with EFEM to enhance production line efficiency and cleanliness.
   - (3) Automation equipment for pre- and post-stages of vacuum lamination machines
     Integrate Loader/Unloader, AOI, Alignment, and SECS/GEM communication to enhance overall solution capabilities.

(II) Industry Overview and Future Business Development Plans

1. Current Status and Development of the Industry

   Global semiconductor industry:

   IC substrates serve as the core medium connecting semiconductor chips and printed circuit boards (PCBs), responsible for transmitting critical electrical signals. Based on differences in base material characteristics, they are mainly divided into two product lines: BT (Bismaleimide Triazine) substrates and ABF (Ajinomoto Build-up Film) substrates:

   - BT substrates:
     Leveraging their advantages of high heat resistance and stable electrical properties, BT substrates are deeply established in the mobile communications field and are widely used in application processors (AP), baseband chips (BB), and radio frequency (RF) modules of smartphones, as well as various memory (DRAM/NAND) products.
   - ABF substrates:
     Targeting the high-performance computing (HPC) market, ABF substrates are the core carrier medium for CPUs and GPUs in servers, network communication equipment, and personal computers.

   With explosive growth in demand for AI computing and large data centers, ABF substrates — leveraging their technological advantages in supporting high layer counts, large sizes, and precise routing — have become the core driver of the Company's future operational growth, with favorable long-term development prospects.

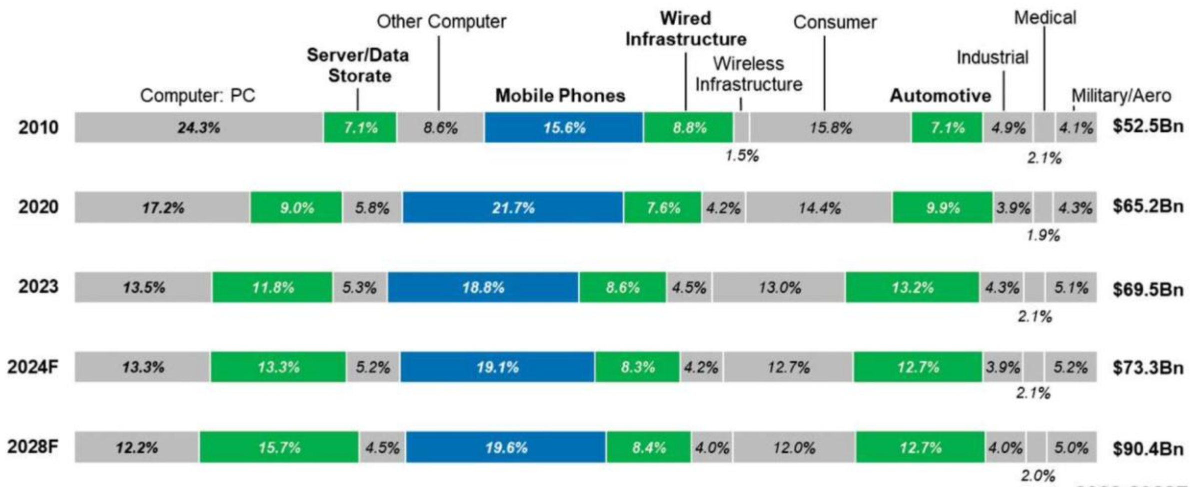
   The substrate industries in Taiwan and Japan have similar structures, both possessing manufacturing capabilities for ABF and BT substrates. With the rapid development of AI and HPC (high-performance computing) in recent years, both regions have progressively increased their proportion of ABF substrate capacity. Currently, ABF substrates account for approximately 65% of total IC substrates in Taiwan, and approximately 70% in Japan. While Taiwan has a leading advantage in substrate capacity, Japan is also in a leadership position in the development of substrate materials (such as ABF, BT), high-end specialty products (photoresists, chemicals, inks, etc.), and key process equipment (such as exposure machines, laser drilling machines, inspection machines, etc.).

   In addition, since Korea's memory industry holds a leading position globally, Korea primarily develops BT substrate products, which account for 75% of its market share. Their main applications are also DRAM and NAND, followed by smartphone applications, including SiP, AiP, and RF modules. Korean substrate makers SEMCO, LG Innotek, and Daeduck continue to expand their ABF capacity, competing in the high-end application market.

   As China's semiconductor industry chain progressively achieves self-sufficiency and controllability, the IC substrate market is entering a period of rapid expansion and is evolving toward high-end technologies such as high layer counts, greater thickness, and high-density designs. This wave of technological upgrades has driven local manufacturers' procurement demand for high-end production and inspection equipment. The Company will closely follow this localization wave, deepening its footprint in the China market and providing corresponding solutions for high-end equipment needs to seize long-term growth opportunities.

ABF substrates have a wide range of applications, covering 5G networking equipment, automotive electronics, PCs, servers, and ASIC chips, possessing the key capability to meet future high-end computing needs. The Company focuses on the development and manufacture of ABF substrate-related equipment, and its products have become one of the most growth-promising and closely watched highlights in the global PCB industry in recent years. According to research data from Prismark, the global overall PCB market will grow from US$52.5 billion in 2020 to US$90.4 billion in 2028, with the server and data center market, to which ABF substrates apply, being the main driver of growth, with a compound growth rate of 11.6%. The PC, networking equipment, and automotive electronics markets are also steadily growing. Under this trend, the Company and its subsidiaries will continue to benefit and strengthen their competitive advantage in the high-end substrate equipment market.

PCB and end-market application overview

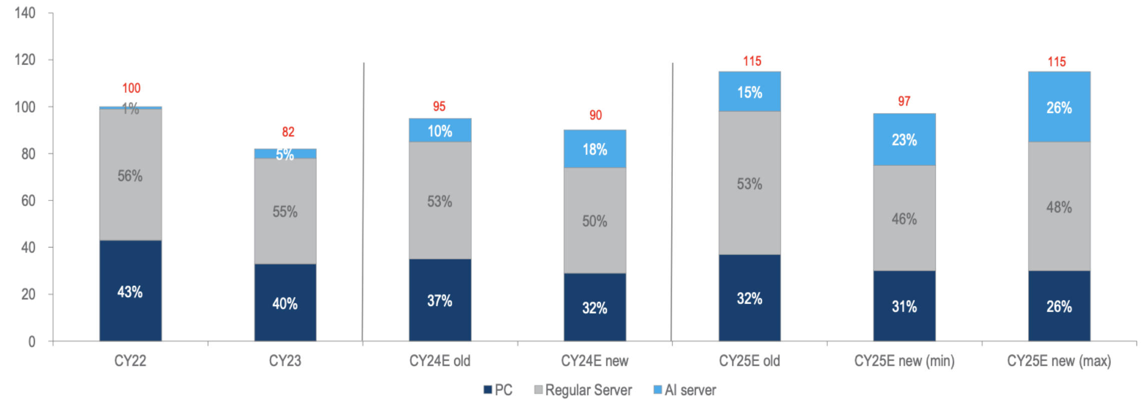


$M	2020	2023	2024	2028F	2023-2028F CAAGR
Computer: PC	$11,210	$9,391	$9,760	$11,020	3.2%
Server/Data Storage	$5,876	$8,201	$9,781	$14,221	11.6%

Source: Prismark

With high-end ABF substrate market demand continuing to climb, driving the expansion of the global advanced packaging industry, the market generally expects leading end-customers to progressively launch a new round of capacity expansion plans to meet the rapid growth in applications such as AI servers and high-performance computing. The Company focuses on the R&D and sale of vacuum lamination machine equipment, with products applied to key processes in ABF substrate manufacturing. To address industry trends and the future capacity expansion needs of downstream customers, the Company actively enhances its equipment technology capabilities and expands its high-end application footprint, strengthening revenue momentum and market competitiveness. Looking ahead, with continued investment in new capacity by end customers in the high-end ABF substrate market, the Company is expected to further benefit from the growth of the advanced packaging industry chain, with operating performance continuing to strengthen.

ABF market demand forecast

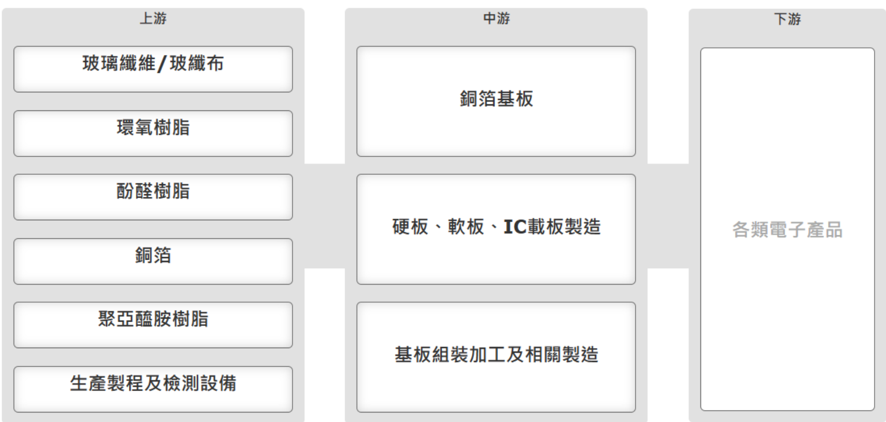


Source: Ibiden

Overall, while the IC substrate industry faces multiple challenges, it also demonstrates strong growth potential. How to effectively address current supply-demand changes and market fluctuations, and to prudently navigate future uncertainties, will be key to the industry's long-term development.

2. Linkage of Upstream, Midstream, and Downstream of the Industry

The linkage of the upstream, midstream, and downstream of the IC substrate industry is shown in the figure below. The Company and its subsidiaries engage in the R&D and manufacture of vacuum lamination machines for ABF substrates, positioning the Company as an upstream production process equipment supplier in "IC substrate manufacturing." Others include copper foil and various specialty chemical suppliers. Downstream customers cover the IC packaging industry and electronics manufacturing services (EMS) companies.



Source: Industry Value Chain Information Platform; compiled by Yuanta Securities.

3. Product Development Trends

Benefiting from the cross-generational evolution of artificial intelligence (AI), high-performance computing (HPC), and 5G/6G communication technologies, the global PCB industry is experiencing structural growth, with ABF substrates having become the core driver of industry growth. As demand for servers, large data centers, and automotive electronics intelligentization continues to climb, ABF substrates are not only expanding significantly in volume but are also developing toward high-end technical specifications such as large area, high layer counts, and high density, to meet end products' stringent requirements for high-speed computing, low latency, and energy-efficient miniaturization.

In pursuit of ultimate performance, the semiconductor industry is accelerating the introduction of advanced technologies such as CoWoS, PLP (panel-level packaging), the forward-looking SOW-X (system-on-wafer), and glass substrates. The aforementioned packaging innovations impose higher requirements on substrate design freedom and signal transmission stability. As technology advances toward high integration and high-frequency, high-speed performance, the overall industry chain is comprehensively evolving toward ultra-precision and high stability, further driving the technological iteration of high-end substrate processes.

4. Competitive Landscape

The Company holds a market-leading position in the vacuum lamination machine field, and the world's major ABF substrate manufacturers are all important customers of the Company. The Company's main competitors include Japanese PCB equipment makers Meiki, Group Up (largest PCB coating and baking equipment maker), and C SUN (TFT LCD multi-layer oven). However, these competitors do not focus on ABF vacuum lamination machines. Even when they subsequently enter equipment manufacturing, their yield rates compared with the Company's still show a significant gap. As substrate manufacturing yield rates and capital thresholds are relatively high, once equipment has passed customer quality validation and been adopted, customers do not easily change equipment suppliers unless they encounter serious quality or service defects.

The Company is committed to working closely with customers, with lamination technology delivering higher yield and flatness than competitors, proprietary film handling technology and integrated equipment design, a combination of Japanese R&D technology and global professional service teams, and the continued provision of comprehensive follow-up support services after equipment delivery, to help customers produce high-yield packaging products. Unlike other companies whose standard for completion is merely the delivery of equipment meeting specifications, the Company actively collaborates with customers to optimize production lines and establish a comprehensive database, enabling real-time assistance in resolving various issues during the production process and effectively reducing customers' trial-and-error costs. With this professional and efficient service model, combined with extensive industry experience and technical capabilities, the Company maintains a leading position in the global market and continues to create value for customers.

(III) Technology and R&D Overview

1. Technical level and R&D status of the business operated

The Company focuses on the R&D and application of vacuum lamination technology, with main products including ABF substrate vacuum lamination machines and other high-end precision manufacturing equipment. In addition to continuing to deepen vacuum technology and automated control technology, the Company also places great importance on customer needs, actively collaborating with customers to develop customized lamination equipment, and with professional technology and rigorous project management, helping customers achieve production goals and performance enhancement.

In addition, the Company's business scope is progressively extending to advanced semiconductor manufacturing and packaging, committed to enhancing market share and strengthening its technological leadership advantage, ensuring that products can continue to meet industry development trends and diversified needs, and maintaining competitiveness in the global substrate equipment market.

2. R&D personnel and their education and experience

Unit: persons

Educational Background \ Fiscal year		2024	2025	As of March 31, 2026
Education Distribution	Ph.D.	0	0	0
	Master's degree	3	4	2
	Bachelor's degree (including junior college)	22	16	18
	Below senior high school	0	3	3
	Total	25	23	23
Average length of service (years)		8.83	8.95	9.41

3. R&D expenses invested each year in the most recent five years

Unit: NT$ thousands; %

Item \ Fiscal year	2021	2022	2023	2024	2025
R&D expenses	31,550	44,365	31,060	11,615	27,510
Net operating revenue	2,964,049	3,877,995	2,360,965	2,233,812	1,897,890
Percentage of net operating revenue	1.06%	1.14%	1.32%	0.52%	1.45%

4. Technologies or products successfully developed each year in the most recent five years

Fiscal year	R&D Results
2020	Vacuum lamination machine for glass substrates
2021	Large-size single-stage vacuum lamination machine
2022	Improved NT-400 pre-lamination machine; improved three-stage vacuum lamination machine
2023	PLP-related vacuum lamination machines
2024	90-ton high-pressure vacuum lamination machine
2025	90-ton improved high-pressure vacuum lamination machine

(IV) Long-Term and Short-Term Business Development Plans

1. Short-term business development plan
   (1) Enhance lamination precision, flexibility, and customization capabilities to meet the demands of advanced packaging applications.
   (2) Expand into the high-end semiconductor markets in Europe and North America to strengthen the Company's global market position.
   (3) Accelerate the iteration of core technologies and extend applications into emerging electronic component sectors.
2. Long-term business development plan
   (1) Develop advanced packaging lamination technologies and collaborate in establishing industry standards.
   (2) Optimize packaging processes and build a standardized, highly compatible innovation platform.

II. Market and Production/Sales Overview

(I) Market Analysis

1. Sales region of main products

Sales regions and amounts of main products in the most recent two years:

Unit: NT$ thousands; %

Item \ Fiscal year		2024		2025	
		Sales amount	Percentage (%)	Sales amount	Percentage (%)
Local		382,662	17.13	528,430	27.85
Export	Asia	1,647,786	73.77	1,338,998	70.55
	Europe	130,318	5.83	3,431	0.18
	Americas	73,046	3.27	27,031	1.42
	Subtotal	1,851,150	82.87	1,369,460	72.15
Total		2,233,812	100.00	1,897,890	100.00

2. Market share

According to the latest global vacuum lamination equipment market research by the research firm in the Vacuum Lamination Equipment Market Research Report 2026, the overall global vacuum lamination equipment market in 2024 (including broad industrial applications such as display panels, semiconductors, green energy, and automotive) had reached US$3.2 billion, and is expected to grow to US$5.1 billion by 2033, with a compound annual growth rate (CAGR) of approximately 6.5% from 2026 to 2033. Among these, the Asia-Pacific (APAC) region, including Taiwan, Japan, South Korea, and other areas dense with wafer and electronics manufacturing, demonstrates the strongest growth momentum and market share.

The Company focuses on the core lamination equipment for "high-end IC substrates and advanced packaging," which has the highest technical barriers and the most stringent process requirements in the market. In this high-value-added niche market, the Company, leveraging its strong Taiwan-Japan technology integration advantages and its mass-production track record with leading global benchmark firms, ranks among the top in market share for high-end substrate vacuum lamination equipment, holding an industry-leading position.

3. Future market supply, demand, and growth potential

In recent years, benefiting from the explosive growth of high-speed computing (HPC), large AI servers, and next-generation communication products, requirements from high-performance chips for the layer count, size, and routing density of high-end FCBGA substrates have risen substantially, driving leading global substrate manufacturers to comprehensively restart a new round of capacity expansion and capital expenditure plans, with demand for core high-end substrate equipment entering a phase of strong and sustained growth potential.

In terms of supply and technological evolution, as heterogeneous integration and advanced packaging technologies (such as CoWoS and panel-level fan-out packaging, FOPLP) become the semiconductor mainstream, process requirements for "ultra-low bubble, high uniformity, and high flatness" bonding are even greater than before, extending the application scope of high-precision vacuum lamination technology from the traditional substrate end further into semiconductor mid- and front-end wafer and advanced packaging processes. Leveraging the deep mass-production track record and high-end customized R&D experience it has accumulated in the IC substrate field, the Company will actively deepen co-development cooperation with leading global semiconductor benchmark firms, rapidly positioning itself in the next-generation process equipment market and seizing key opportunities in the semiconductor industry's upgrade.

4. Competitive Advantages

A. Industry-leading lamination technology with high yield and flatness

The Company's vacuum lamination machine equipment is known for its excellent lamination quality, particularly demonstrating outstanding performance in high-end ABF substrate processes. The single-lamination yield of the Company's equipment reaches as high as 98.5%, and even with multi-layer lamination, the overall yield can still be maintained above 86%, far exceeding the industry average. The achievement of this high yield benefits from its precise hot-press control system and vacuum lamination module design. The equipment can effectively eliminate bubbles during the lamination process, ensuring tight bonding between the film and the substrate, thereby enhancing product flatness and consistency. In addition, through the design of direct pressurization by an upper air bag, the equipment effectively fills in the bottom junction position of steps, further improving product yield. This high-quality lamination technology not only enhances product reliability but also reduces scrap rates in the production process, providing tangible cost benefits to customers. In high-end substrate processes, this technical advantage makes the Company's equipment the partner of choice in the industry.

B. Proprietary film handling technology and integrated equipment design

The Company demonstrates a high degree of innovation in equipment design, with its proprietary film handling technology integrated with the vacuum lamination module to achieve integrated equipment design. This design not only improves production efficiency but also simplifies operating procedures and reduces the possibility of human error. The integrated equipment design combines a high-precision hot-press system with other ancillary equipment, making the overall equipment more compact and saving production space. In addition, this design also helps improve equipment stability and reliability, reducing maintenance needs. Through this innovative equipment design, the Company has not only enhanced the competitiveness of its own products but also provides customers with more efficient and reliable production solutions, further consolidating its leading position in the market.

C. Combination of Japanese R&D technology with global professional service teams

The Company's cooperation with its Japan subsidiary Nikko-Materials Co., Ltd. combines the advantages of Japanese precision manufacturing technology with global professional service teams. This combination enables the Company to achieve excellence in product R&D and customer service. The Japanese R&D team focuses on technological innovation, continuously enhancing equipment performance and quality, ensuring product competitiveness in the market. At the same time, global professional service teams are responsible for providing prompt and efficient problem-solving solutions, ensuring that customers receive the best support during equipment use. This combination of R&D and service has not only enhanced customer satisfaction but also strengthened customer trust in the Company's equipment, further consolidating the Company's leadership position in the global market.

D. Extensive industry experience and wide range of application areas

The Company has extensive industry experience in the vacuum lamination machine equipment field, with products widely applied to processes related to IC packaging substrates, PCBs, FPCs, NCFs, and LEDs. This diversified application capability enables the Company to meet the needs of different customers and provide customized solutions. In addition, the Company is also actively investing in the R&D of advanced packaging technologies, such as packaging equipment for glass substrate and panel-level packaging, FOPLP/FOWLP sheet-type packaging, and wafer-level vacuum lamination, further expanding the scope of product applications. Through this diversified product application and continuous technological innovation, the Company has not only enhanced its own market competitiveness but also provides customers with more comprehensive solutions, consolidating its leading position in the industry.

In summary, the competitive advantages of the Company and its subsidiaries in the vacuum lamination machine equipment field are mainly reflected in lamination technology with high yield and flatness, proprietary film handling technology and integrated equipment design, the combination of Japanese R&D technology with global professional service teams, and extensive industry experience and a wide range of application areas. These advantages enable the Company to maintain a leading position in the global market and continue to create value for customers.

5. Favorable and Unfavorable Factors for Future Development Prospects and Countermeasures

(1) Favorable factors:

A. Growth in advanced packaging demand driven by AI and high-performance computing

With the rapid development of generative AI, cloud computing, and high-performance computing (HPC), chip design has shifted from traditional single large chips to chiplet architectures and integrates multiple chips through advanced packaging technologies (such as SoIC, 2.5D/3D packaging). The packaging design of such high-end chips not only requires more complex routing layer structures but also substantially increases demand for ABF substrates, especially in data centers, high-end servers, and AI training platforms. For example, the number of GPUs in a single server has increased from a traditional 2 to over 8, resulting in a 3-4× growth in overall substrate area demand, intensifying the tight supply situation for high-end ABF substrates.

For the Company, this means that market demands on the precision, thermal processing stability, and vacuum environment control capabilities of lamination equipment will continue to rise. Particularly in scenarios where the number of chip layers increases and fine line widths/spacings become widespread, only equipment with high yield and low-deformation capability can meet ABF process requirements. If the Company and its subsidiaries can, through continuous technological innovation, optimize temperature control, pressure uniformity, and vacuum sealing capabilities during the lamination process, they will directly benefit from the wave of ABF substrate demand driven by AI and HPC.

B. Emerging market dividends amid global supply chain restructuring

Under the push of U.S.-China technological rivalry and geopolitics, the global semiconductor supply chain is undergoing regional restructuring and localization. Subsidy policies such as the U.S. CHIPS and Science Act, Europe's IPCEI, and Japan's semiconductor subsidy program have all promoted the transfer of advanced packaging production lines into their respective markets, driving increased local procurement demand for ABF substrates and corresponding process equipment in various regions. As a precision lamination equipment supplier, the Company stands at the intersection of this trend of global manufacturing redistribution. In particular, the Company has the capability to provide real-time support and module customization to Japanese and Asian market customers, giving it inherent advantages.

On the other hand, in the Asia-Pacific market (especially China and Southeast Asia), capacity construction for high-end communications, automotive electronics, and AIoT terminal applications is rapidly taking off, also accelerating the investment pace of local substrate makers and thereby boosting their willingness to procure high-end equipment locally. If the Company can further strengthen cooperation with packaging substrate manufacturers in China and Southeast Asia, providing them with modular, fast delivery, and high-reliability lamination machine solutions, it will be well-positioned to seize new orders and local after-sales service demand during the ABF globalization expansion phase, opening up more revenue growth potential.

C. Customization advantages of high-technology-threshold equipment

In ABF substrate production, lamination machines are key equipment for ensuring multi-layer dielectric alignment and lamination quality. Process conditions require precise control of temperature curves, pressure uniformity, vacuum environment, and material displacement error. Such equipment has a high degree of non-standardization, leading to highly customized module needs from different customers and different process lines. The Company has unique integrated design capabilities in vacuum lamination, heating modules, and precision motion control systems, and is able to provide tailored modular solutions based on customer equipment planning.

Unlike its competitors, the Company does not merely provide standard models. Instead, it jointly develops with customer technical teams to adjust design parameters to optimize yield and equipment utilization. This deep customization service capability not only allows the Company's products to better integrate into the customer's production rhythm but also establishes long-term cooperative stickiness that is difficult to replace. Especially when customers introduce high-density line width processes or heterogeneous material lamination processes, if it is not possible to quickly adjust the lamination machine's heating rate or the flatness compensation of the lamination platform, defects such as warpage or interlayer peeling can easily result. The Company's module integration technology is a key factor in ensuring quality.

D. Dual support from R&D investment and Japanese manufacturing heritage

The Company, together with its Japan subsidiary Nikko-Materials Co., Ltd., combines Taiwanese and Japanese R&D capabilities in precision manufacturing and materials science, establishing a comprehensive technology system spanning structural design, thermal flow simulation, and on-site equipment adjustment services. Through long-term investment in R&D resources, the Company has accumulated multiple key patents and modular design experiences related to lamination technology. Nikko-Materials further introduces strict Japanese quality management processes into materials processing and module assembly, making the yield rate of equipment assembly and adjustment higher than the industry standard.

In addition, the Company has in recent years actively promoted smart manufacturing and module data collection systems, incorporating lamination equipment operating parameters into databases to assist customers in performing process optimization and preventive maintenance. This has not only enhanced equipment utilization but also positioned the Company as part of customers' process optimization rather than merely an equipment supplier. In the future, if this data platform can be further integrated with manufacturing execution systems, it will substantially enhance the automation and intelligence of customers' advanced packaging production lines, creating greater added value.

E. Technology conversion thresholds and existing introduction barriers form a moat

In the ABF substrate equipment market, once equipment has been introduced, it is generally not easy to switch brands or module specifications in the short term, primarily because each substrate manufacturer has differences in process parameters, stacking structures, and measurement compensation methods. Once introduction and verification are complete, switching equipment suppliers not only requires recalibrating processes but may also affect production line utilization and yield stability. Therefore, high-end equipment suppliers that successfully achieve early introduction often gain long-term cooperation opportunities and technology lock-in benefits.

Through its customization design capabilities and the technical advantages of precision modules, the Company has successfully established cooperative foundations with several major international firms. The process data and joint adjustment experience accumulated at the customer end have not only strengthened the trust between the two sides but also formed technology thresholds and switching barriers that are difficult for new competitors to replicate. Particularly under the trend of continued deepening of AI and HPC applications and continuously rising substrate layer count and area, the Company can continue to provide upgrade modules and expansion solutions, allowing customers to extend equipment life and maintain process advantages without replacing the entire equipment architecture, further consolidating its market-leading position.

(2) Unfavorable factors:

A. Unstable order intake caused by industry cycle fluctuations

The ABF substrate industry has distinct capital expenditure cycle characteristics. When the overall semiconductor market or specific end-applications (such as mobile phones, laptops, automotive electronics) decline, relevant substrate manufacturers may delay or reduce the scale of their investments, thereby affecting the order visibility and shipment volumes of high-end equipment makers. The Company's main products focus on high-end lamination equipment, and its customers are concentrated among a few major substrate manufacturers. If a major customer adjusts its capital expenditure plan, this may cause significant fluctuations in business performance.

<u>Countermeasures:</u>

To reduce order concentration and the impact of industry cycles, the Company should actively pursue a product diversification strategy, expanding lamination technology into other high-end process areas, such as emerging applications including glass substrate and panel-level packaging, FOPLP/FOWLP sheet-type packaging, and wafer-level vacuum lamination. At the same time, software and module after-sales service business should be strengthened, for example by providing data monitoring module upgrades, maintenance contracts, and operating training packages, to establish stable service-based revenue sources. More importantly, developing more medium-sized substrate manufacturers and potential customers in Southeast Asia and emerging markets will help balance the business performance risk brought by fluctuations of a single major customer.

B. Risk of technological updates under pressure of high-end process transformation

With continued increases in chip packaging density and bandwidth demand, ABF substrate processes may in the future accelerate development toward finer line widths, thinner layers, and heterogeneous material lamination. Requirements for the precision control, material compatibility, and thermal management capabilities of lamination machine equipment will further increase. If the Company is unable to promptly adjust the technical architecture of existing models and develop next-generation module platforms, it may be overtaken by other competitors with forward-looking R&D capabilities and lose existing customer orders.

<u>Countermeasures:</u>

In response to the rapid rise of technology thresholds, the Company has continuously invested more R&D resources in the further evolution of core lamination machine technologies, including the development of key modules such as smart heating curve algorithms, automatic alignment and warpage compensation modules, and composite material hot-press process simulation. At the same time, technical integration with subsidiary Nikko-Materials is strengthened, and through joint laboratories and collaborative development with customers, the Company gains early insight into process transformation directions. In addition, integrating AI models for machine control and yield prediction can further strengthen the future competitiveness of equipment, avoiding being eliminated by the market in the new process stage.

C. Labor costs and challenges in technical talent training

With increasing equipment complexity and orders dispersed across different regions, the manpower needs for machine assembly, on-site installation, technical support, and customer education business have also substantially increased. However, cross-disciplinary engineering talents in fields such as high-end mechatronics integration, thermal flow simulation, and embedded control programming currently face supply shortages and salary competition issues in both Taiwan and Japan. If it is not possible to establish a stable talent training mechanism and retention system on a global scale, this will directly affect equipment delivery schedules, maintenance quality, and customer satisfaction.

Countermeasures:

The Company has already established regional technical centers in Taiwan and Japan, including a technical support site in China and an R&D and manufacturing base in Japan, enhancing global service density and balancing pressure on manpower allocation. In terms of human resources, the Company can promote technical function modularization and mentorship-based training, breaking down complex machine knowledge into modular courses to enable new personnel to quickly get up to speed, and retaining core personnel through internal promotion and incentive systems. In addition, the Company also plans to conduct industry-academia cooperation with colleges and universities to cultivate matching talent in advance, making the technical workforce more flexible.

D. Policy subsidies and the rise of local competitors

As countries actively develop their local semiconductor supply chains, many regional governments have introduced clear policy subsidies and financial incentives targeting equipment localization. For example, the Chinese government has explicitly listed the promotion of packaging and substrate equipment self-sufficiency in its 14th Five-Year Plan, and Japan, through its semiconductor subsidy program, has provided funding for local equipment manufacturers to expand capacity and upgrade product lines. These policies have led to local equipment manufacturers in the region gaining strong resource advantages, putting pressure on foreign equipment makers in terms of pricing subsidies, production line certification speed, and land and tax incentives.

Particularly in the mid-end market, local manufacturers, even though their product maturity may not yet match that of major international firms, may still be prioritized by customers under the support of price, delivery times, and policy incentives. If the Company relies solely on Taiwanese and Japanese technological advantages and customization capabilities, it may lose orders in certain projects due to cost and policy condition mismatches. In addition, in certain government projects requiring "local manufacturing" and "local after-sales service," if the Company is unable to set up sites or subsidiaries for production, it will also be excluded from bidding qualifications.

Countermeasures:

To address the rise of local competitors under policy patronage, the Company has actively promoted a regional cooperation localization strategy, achieving a certain degree of localized production and service through setting up subsidiaries, technology licensing, and local module assembly, to meet regulatory or procurement qualifications. At the same time, the Company may establish cooperation with local packaging giants, scientific research institutions, or equipment system integrators, participating in joint development and demonstration production lines to enhance local visibility and policy presence.

In terms of price competition, the Company has launched designs including single-stage, two-stage, and three-stage configurations to meet the needs of different application scenarios, allowing mid-end customers to flexibly procure based on needs, balancing price and performance. At the same time, in an environment where ESG and energy efficiency requirements are becoming increasingly strict, emphasizing the energy-saving characteristics, environmentally friendly materials, and lifecycle management advantages of its own machines will also help establish a brand image of "high quality, high reliability," differentiating from low-priced local products.

E. Rapid adjustments to equipment design required by evolving material technology

With the rapid evolution of ABF substrate material technology, the market is increasingly seeing new resin systems with different combinations of dielectric constant (Dk), coefficient of thermal expansion (CTE), glass transition temperature (Tg), and mechanical toughness. From Ajinomoto's AJKK series to the low-loss new materials launched by Resonac Group and Mitsubishi Gas Chemical (MGC), and the low-CTE polyimide and ceramic composite materials developed by some innovative European and U.S. companies, these materials not only differ greatly in characteristics, but some even have extremely low tolerance to lamination conditions and can only be laminated within narrow temperature and pressure conditions. Otherwise, this can cause bubbles, cracks, or interlayer peeling.

For the Company, if equipment design cannot quickly keep pace with changes in material technology, this will result in restrictions on the parameter range of equipment and the inability to stably produce next-generation substrates, leading to elimination by customers or exclusion from new project specifications. Particularly when materials are still in the validation stage, equipment must have a high degree of adjustability and module replaceability; otherwise, customers will choose to cooperate with other equipment suppliers that are available for R&D and real-time support.

<u>Countermeasures:</u>

To effectively address the lamination challenges brought by changes in material technology, the Company has substantially enhanced the material adaptability design of its lamination machine platforms. The new-generation equipment is fully equipped with adjustable pressure modules, rapid temperature ramp-up and ramp-down technology, vacuum compensation modules, and programmable lamination parameter setting functions, flexibly addressing the characteristics of various resins and stacking needs. In addition, all current equipment is fully equipped with comprehensive parameter adjustment functions, allowing customers to customize processing conditions based on material characteristics, enhancing application flexibility. To further assist customers in lowering the threshold for introducing new materials, the Company has simultaneously established a high-end wafer-level demonstration testing room and dedicated test machines, enabling customers to conduct on-site lamination condition trials and formulation adjustments. This not only effectively shortens the validation cycle for introducing new materials but also allows the equipment side to grasp lamination behavior and failure risks at an early stage. In addition, parameter data, lamination results, and defect analysis generated during all testing processes are recorded in real time and consolidated into an internal database, serving as important reference for subsequent new equipment module design and introducing a market validation-oriented R&D loop to establish a real-time feedback mechanism between R&D and actual application scenarios. Through the closed loop of pilot production, feedback, and design optimization, the Company and its subsidiaries can strengthen their process leadership capabilities and equipment update leadership in the era of advanced materials.

(II) Main Uses and Production Process of Main Products

1. Main uses of main products

Main products	Uses
Vacuum lamination machines	In addition to IC packaging substrates, also applicable to PCB, FPC, NCF, LED, and semiconductor-related processes.

2. Production process

A. Design and development stage

(A) Needs analysis: Based on customer needs and market trends, determine the technical specifications and functions of the vacuum lamination machine, covering application scope (such as IC packaging, PCB, FPC, and semiconductors).

(B) R&D and design: The engineering team is responsible for the structural design of the equipment and the development of the vacuum system, ensuring that the equipment can operate stably and provide precise lamination results. The design includes key modules such as the control system, vacuum chamber, heating module, and lamination structure.

(C) Prototype production: Based on the design drawings, prototype machines are made for preliminary functional testing and performance optimization to ensure compliance with technical requirements.

B. Component production and procurement

(A) Manufacture of core components: Including vacuum pumps, control systems, molds, and heating elements, manufactured by in-house factories or external partner suppliers, ensuring that materials meet the high-precision requirements of the equipment.

(B) Procurement of precision components: Procure high-quality external components such as vacuum valves, pressure sensors, and temperature control systems, and ensure the precision and durability of each component through strict quality testing processes.

C. Assembly stage

(A) Mechanical assembly: Precision assembly of the vacuum chamber, mold platform, heating device, etc., ensuring that all components are connected and installed strictly in accordance with design standards.

(B) Installation of electrical control system: Install the equipment's electrical control system, ensuring precise control of key parameters such as vacuum degree, pressure, and temperature.

(C) Calibration and debugging: After preliminary assembly, the mechanical and electrical portions are calibrated to ensure the stability of the vacuum environment and the consistency of the lamination force.

D. Testing stage

(A) Function testing: Conduct tests of lamination effects, vacuum sealing, heating efficiency, etc., to verify that the equipment can meet expected technical indicators.

(B) Application testing: Simulate actual production conditions, testing equipment performance in IC packaging substrate, PCB, FPC, and semiconductor processes to ensure its stability and accuracy under different processes.

(C) Continuous operation testing: Conduct long-term stable operation testing to ensure that the equipment can still maintain stable operation under high-load production.

E. Quality inspection

(A) Final inspection: After testing is complete, the equipment undergoes final inspection, covering appearance inspection, review of functional test reports, and verification of customer requirements, ensuring that the equipment fully meets standards.

(B) Compliance certification: Obtain relevant quality and safety certifications to provide assurance for the equipment's entry into the market.

F. Packaging and shipment

(A) Packaging design: Ensure the safety of equipment during transportation by using shock-resistant and moisture-proof packaging materials to protect precision components.

(B) Logistics arrangement: Arrange domestic and international logistics transportation based on customer needs, and provide complete after-sales service support.

(III) Supply Status of Main Raw Materials

The Company's products' main raw materials include sheet metal/processed parts, high-precision mechanical components, hardware parts, optical components, electronic control components, and other components, as well as PET films. The main supply sources for these materials are Japanese brands and Taiwanese vendors, all of which are stable and long-term cooperative high-quality domestic and overseas suppliers, with good and reliable supply conditions.

(IV) List of Major Suppliers and Customers of the Company in the Most Recent Two Years

1. Major suppliers for the most recent 2 years:

Unit: NT$ thousands

Item	2024				2025				Q1 2026			
	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	Company 甲	83,236	12.89%	None	Company 甲	109,280	13.83%	None	Company 甲	29,958	12.42%	None
2	-	-	-	-	Company 戊	79,437	10.05%	None	-	-	-	-
3	Other	562,653	87.11%	-	Other	601,387	76.12%	-	Other	211,213	87.58%	-
	Net purchases	645,889	100.00%	-	Net purchases	790,104	100.00%	-	Net purchases	241,171	100.00%	-

Explanation of changes: Mainly due to differences in customization needs for the products sold.

2. Major customers for the most recent 2 years

Unit: NT$ thousands

Item	2024				2025				Q1 2026			
	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	Group A	360,768	16.15	None	Group A	364,204	19.19	None	Group B	81,625	19.54	None
2	Group B	295,178	13.21	None	Group F	322,890	17.01	None	Group A	74,399	17.8	None
3	Group D	280,551	12.56	None	Group B	252,491	13.30	None	Group U	59,719	14.3	None
4	-	-	-	-	Group E	218,419	11.51	None	-	-	-	-
	Other	1,297,315	58.08	-	Other	739,886	38.99	-	Other	202,005	48.36	-
	Net sales	2,233,812	100.00	-	Net sales	1,897,890	100.00	-	Net sales	417,748	100	-

Explanation of changes: The Company's machinery and equipment are primarily produced on a customized basis according to customer order needs. Accordingly, sales amounts in each year vary based on the degree of customization of individual cases and differences in end-customer demand.

III. Employee Information

Unit: persons; years of age; years; %

Item	Fiscal year	2024	2025	As of March 31, 2026
Number of employees (persons)	General personnel	181	185	188
	R&D personnel	25	23	23
	Total	206	208	211
Average age		40.96	41.04	41.5
Average length of service (years)		9.04	8.80	9.43
Education distribution percentage (%)	Ph.D.	0.00%	0.00%	0.00%
	Master's degree	11.65%	12.98%	10.9%
	College	59.71%	62.02%	63.98%
	Senior high school	28.64%	25.00%	24.64%
	Below senior high school	0.00%	0.00%	0.48%

IV. Environmental Protection Expenditure Information

Losses incurred by the Company due to environmental pollution in the most recent fiscal year and up to the date of publication of the annual report, and disclosure of currently and possibly future estimated amounts and countermeasures; where reasonable estimates cannot be made, the fact that no reasonable estimates can be made shall be explained: None.

V. Labor-Management Relations

(I) Various employee benefit measures, continuing education, training, retirement systems and their implementation status, and labor-management agreements and various employee rights protection measures:

1. Employee benefit measures and their implementation status

In addition to statutory benefit measures handled in accordance with the Labor Standards Act, the Company established the Employee Welfare Committee in July 2025 to coordinate and handle employee benefits and various cultural and recreational activities. The Company's current key benefit measures are as follows:

(1) Statutory benefit measures: National Health Insurance, Labor Insurance, contributions to the Arrear Wage Compensation Fund, contributions to Occupational Accident Insurance, and contributions to Labor Pension. In terms of leave, employees are entitled by law to various leaves such as special leave, menstrual leave, family care leave, maternity leave, accompanying prenatal check-up leave, and paternity leave. When an employee encounters circumstances such as childcare, severe injury or illness, or unforeseen events requiring long-term leave, they may apply for leave without pay in accordance with the law and may then apply for reinstatement at the end of the period, balancing personal and family care needs.

(2) Other measures: Birthday gifts, holiday gifts, marriage/funeral/celebration allowances, travel allowances, scholarships for employees' children, recognition of senior and model workers, and other various benefit measures.

2. Continuing education and training and their implementation status

The Company is actively committed to enhancing employees' job competencies and professional knowledge, regularly and irregularly conducting internal educational training, and actively encouraging employees to attend various external training courses, with the goal of cultivating professional talent and improving employee work efficiency.

3. Retirement system and its implementation status

In accordance with the new pension system under the Labor Pension Act, the Company contributes 6% of each employee's total monthly salary to their individual pension account established in accordance with the law, safeguarding employees' future retirement life.

4. Labor-management agreements and various employee rights protection measures

In accordance with the Labor Standards Act, the Company has held quarterly labor-management meetings on a regular basis since its establishment in October 2022, to coordinate opinions and communicate, in order to maintain harmonious labor-management relations and safeguard the various rights and interests of employees. In 2025, employees raised 2 suggestions, all of which have been improved and implemented by the Company.

(II) Labor disputes and losses

In the most recent fiscal year and up to the date of publication of the annual report, the Company has not suffered losses due to labor disputes, nor has it identified any potential losses from labor disputes that may occur. If any potential future losses arise, they will be estimated and addressed with corresponding countermeasures as required.

VI. Cybersecurity Management

(I) Cybersecurity risk management framework:

1. The Company has established an Information Security Office, with a Chief Information Security Officer and personnel.
2. The Information Security Office is primarily responsible for the Company's information security system planning and promotion, technology assessment, educational training, supervision and audit, to strengthen information security risk management and control.
3. Cybersecurity management mission: The Information Security Office is responsible for promoting cybersecurity management matters to implement cybersecurity management control measures.

(II) Cybersecurity policy: Strengthen personnel awareness, prevent data leakage, and implement daily operations, to ensure the confidentiality, integrity, availability, and compliance of core system management operations.

(III) Specific management programs

1. The Information Security Office regularly conducts cybersecurity risk assessments, setting priorities based on the magnitude of risk impact and the cost required to improve risks. The Plan-Do-Check-Act (PDCA) method is used to structure multi-layered cybersecurity defense and establish key cybersecurity performance indicators.
2. The Company has joined cybersecurity collaborative defense organizations, enabling timely access to external cybersecurity information sharing and channels for assistance in handling cybersecurity incidents.
   (1) Taiwan Chief Information Security Officer Alliance (CISO)
   (2) Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC)

(IV) Resources invested in cybersecurity management

1. Regularly patch vulnerabilities related to servers and personal computers to reduce equipment exposure risk.
2. Vulnerability scanning and penetration testing: Conduct annual vulnerability scanning and penetration testing on the Company's network equipment, application systems, and products.
3. Annual cybersecurity education training and phishing drills:
   (1) Conduct cybersecurity education training, phishing email identification promotion, and phishing drills for Group employees, and analyze drill results to formulate improvement measures to continually enhance company-wide information security awareness. Conduct statistical vulnerability scanning and penetration testing on products.
   (2) Conduct annual cybersecurity education training for senior management, integrating cybersecurity awareness into daily management.
   (3) Key work items for 2025:
      - NT$1.8 million was invested in information security protection measures, including strengthening endpoint protection, centralizing information security management, newly purchasing an information asset management system, and upgrading the corporate website host, enhancing overall protection effectiveness.
      - Cybersecurity education training and phishing drills were conducted, with annual training reaching 274 participants, covering social engineering and phishing email prevention, cybersecurity precautions, data flow defense architecture, password security management, and abnormal equipment monitoring.
      - The principle of least privilege was implemented in accordance with the Personal Data Protection Act, with access control implemented for employee, customer, and supplier data, and account permissions reviewed regularly.

VII. Major Contracts

Nature of Contract	Parties	Contract Period	Main Content	Restrictive Clauses
Loan agreement	Mizuho Bank, Ltd.	2025.12.31~2026.12.31	Loan-related agreement with Mizuho Bank	None
Loan agreement	CTBC Bank Co., Ltd. (Guangzhou Branch)	2025.12.31~2027.08.31	Operating turnover	None
Lease agreement	Eternal Materials Co., Ltd. – Dafa Plant	2025.04.01~2030.03.31	Office and plant	None
Lease agreement	Eternal Materials Co., Ltd. – Kaohsiung	2024.01.01~2026.06.30	Office	None
Lease agreement	Eternal Materials Co., Ltd. – Zhongli	2022.11.01~2027.12.31	Office	None
Lease agreement	Eternal Photo Electronic Materials (Guangzhou) Co., Ltd.	2023.07.01~2028.06.30	Office and plant	None
Lease agreement	LASER X Co., Ltd. – Chiryū	2023.04.01~2026.03.31	Office and plant	None
Lease agreement	MORTON INTERNATIONAL CO., LTD – Kodama	2020.04.01~2030.03.31	Office	None
Lease agreement	ジョーンズラングラサール	2025.10.01~2027.09.30	Office	None
Procurement contract	Company 甲	2023.07.01~2026.06.30	Manufacturing consignment contract	Note 1
Procurement contract	Company 戊	2026.01.01~2027.12.31	Business consignment contract	None

Note 1: Obligation to guarantee a minimum monthly production consignment amount and to pay related consignment fees, in the amount of JP¥3,050,000 per month (excluding tax).

Chapter 5. Review and Analysis of Financial Position and Operating Results, and Risk Matters

I. Financial Position

(I) Financial Position Analysis: Main reasons for and impact of material changes in assets, liabilities, and equity in the most recent two years, and the future response plan if the impact is material.

Unit: NT$ thousands

Item \ Fiscal year	2024	2025	Difference	
			Amount	Percentage (%)
Current assets	2,880,530	2,268,080	(612,450)	(21.26%)
Property, Plant and Equipment	112,894	129,743	16,849	14.92%
Right-of-use assets	145,989	122,426	(23,563)	(16.14%)
Intangible assets	32,021	30,633	(1,388)	(4.33%)
Other assets	31,370	31,562	192	0.61%
Total assets	3,202,804	2,582,444	(620,360)	(19.37%)
Current liabilities	1,300,858	700,092	(600,766)	(46.18%)
Non-current liabilities	294,837	293,275	(1,562)	(0.53%)
Total liabilities	1,595,695	993,367	(602,328)	(37.75%)
Share capital	708,285	708,285	0	0.00%
Capital surplus	813,144	600,658	(212,486)	(26.13%)
Retained earnings	452,873	673,934	221,061	48.81%
Other equity	(367,193)	(393,800)	(26,607)	7.25%
Total equity	1,607,109	1,589,077	(18,032)	(1.12%)

Main reasons for and impact of material changes (period-over-period changes of 20% or more, with an absolute change amount of NT$10 million or more) in the most recent two years:

(1) Decrease in current assets: Mainly due to a decrease in bank deposits as a result of repayment of bank loans and distribution of cash dividends.

(2) Decrease in current liabilities: Mainly due to repayment of long-term loans due within one year and the reclassification of contract liabilities upon revenue recognition.

(3) Decrease in total liabilities: Mainly due to repayment of bank loans and the reclassification of contract liabilities upon revenue recognition.

(4) Decrease in capital surplus: Due to the distribution of cash dividends from capital surplus during the year.

(5) Increase in retained earnings: Mainly due to the impact of profit contribution for the period.

II. Financial Performance

(I) Main reasons for and impact of material changes in operating revenue, operating net profit, and pre-tax net profit in the most recent two years

Unit: NT$ thousands

Item \ Fiscal year	2024	2025	Difference	
			Amount	Percentage (%)
Operating revenue	2,233,812	1,897,890	(335,922)	(15.04%)
Operating costs	1,238,139	1,047,676	(190,463)	(15.38%)
Gross operating profit	995,673	850,214	(145,459)	(14.61%)
Operating expenses	432,055	441,331	9,276	2.15%
Operating income	563,618	408,833	(154,785)	(27.46%)
Non-operating income and expenses	(4,078)	6,643	10,721	262.90%
Profit before income tax	559,540	415,526	(144,014)	(25.74%)
Income tax expenses	260,786	195,552	(65,234)	(25.01%)
Net income for the period	298,754	219,974	(78,780)	(26.37%)

Main reasons for material changes in operating revenue, operating net profit, and pre-tax net profit in the most recent two years (period-over-period changes of 20% or more, with an absolute change amount of NT$10 million or more):

(1) Decrease in operating income, profit before income tax, income tax expense, and net income for the period: Mainly due to a decrease in machine sales for the year compared to the previous year.

(2) Non-operating income and expenses: Mainly due to net foreign exchange gain for the year.

(II) Expected sales volume and its basis, and possible impact on the Company's future finances and business and the response plan

Affected by factors such as interest rate hikes, inflation, and geopolitics, customers have mostly reduced capital expenditure or delayed equipment installation, leading to a decline in the Company's vacuum lamination machine equipment sales and operating performance last year compared to the previous year. In the future, the Company will prudently estimate sales volumes based on market demand and customer capacity planning. To address uncertainties, the Company continues to strengthen market promotion, optimize production processes, and enhance customer service, ensuring sound finances and the achievement of sales targets.

III. Cash flow

(I) Analysis of changes in cash flow over the most recent two years

Unit: NT$ thousands

Item \ Fiscal year	2024	2025	Increase (decrease)	
			Amount	Percentage (%)
Operating activities	582,976	(92,867)	(675,843)	(115.93%)
Investing activities	(9,951)	(36,466)	(26,515)	(266.46%)
Financing activities	(658,420)	(457,043)	201,377	30.58%

Analysis of changes in cash flow:
(1) Decrease in cash inflow from operating activities: Mainly due to factors such as a decline in profit for the year, changes in working capital such as inventory, and timing differences in income tax payments.
(2) Decrease in cash inflow from investing activities: Mainly due to the acquisition of property, plant and equipment in 2025.
(3) Increase in cash outflow from financing activities: Mainly due to differences in the amounts of loan repayment and cash dividend distribution between the two years.

(II) Analysis of cash liquidity for the next year

The Company has no situation of insufficient cash, and there is no concern about insufficient liquidity of funds.

(III) Analysis of cash liquidity for the next year

Unit: NT$ thousands

Beginning Cash Balance (1)	Estimated Net Cash Flow from Operating Activities for the Full Year (2)	Estimated Net Cash Flow from Investing Activities for the Full Year (3)	Estimated Net Cash Flow from Financing Activities for the Full Year (4)	Estimated Cash Surplus (Deficit) (1)+(2)+(3)+(4)	Remedial Measures for Cash Surplus or Deficit	
					Investment Plan	Financing Plan
1,131,920	413,014	(210,103)	841,519	2,176,350	None	None

Analysis of changes in cash flow for the coming year:
(1) Operating activities: Mainly driven by growth in IC substrate-related business, leading to an increase in cash flow from operating activities.
(2) Investing activities: Mainly due to increased capital expenditure in line with the subsidiary's plant expansion plan and operational development needs.
(3) Financing activities: Mainly due to the IPO cash capital increase, leading to an increase in cash inflow from financing activities.

IV. Impact of material capital expenditures in the most recent fiscal year on finances and business: None.

V. Reinvestment policy in the most recent fiscal year, the main reasons for profits or losses, improvement plans, and investment plans for the coming year:

(I) Reinvestment policy

The Company has established the "Investment Cycle" and "Regulations Governing the Acquisition and Disposal of Assets," which serve as the basis for the Company's investments in invested enterprises, in order to monitor relevant financial and business conditions.

(II) Main reasons for profits or losses of invested enterprises in the most recent fiscal year and improvement plans

Unit: NT$ thousands

Investee enterprise	Main business items	Investment gain or loss recognized in 2025	Main reasons for profit or loss	Improvement plan
Eternal Precision Mechanics (Guangzhou) Co., Ltd.	Engaged in the manufacture and sale of computers, communications, and other electronic equipment	(26,937)	Sales mix variance	Optimize sales mix and production processes to reduce manufacturing costs.
Nikko-Materials Co., Ltd.	Engaged in the manufacture and sale of vacuum lamination machines	338,252	Revenue growth	None

(III) Investment plans for the coming year:

To align with its medium- and long-term development plans and enhance production efficiency, the Company has formally launched the overseas new plant construction project of its subsidiary Nikko-Materials Co., Ltd. (NM). The main construction budget for this new plant project is expected to involve an investment of JP¥7,980,000 thousand, and the total capital expenditure from land acquisition to completion of construction is approximately JP¥9,362,424 thousand. The required funds will be financed through the Company's own funds and bank financing.

For the expected benefits, possible risks, and response measures of this plant expansion project, please refer to the explanation in "(VIII) Expected Benefits, Possible Risks, and Response Measures of Plant Expansion" of this annual report.

VI. Risk Analysis and Assessment

(I) The impact of changes in interest rates, exchange rates, and inflation on the Company's profit or loss and future response measures:

1. Impact of changes in interest rates in the most recent year on the Company's profit or loss and future response measures:

Unit: NT$ thousands

Item	2025
Net interest income and expense	(5,130)
Operating revenue	1,897,890
Profit before income tax	415,526
Percentage of net interest income and expense to operating revenue	(0.27%)
Percentage of net interest income and expense to profit before tax	(1.23%)

In 2025, the net interest income and expense of the Company and its subsidiaries was (0.27%) of net annual operating revenue, a minor proportion. Accordingly, changes in interest rates have no material impact on the Company's profit or loss. The Company regularly evaluates money market interest rates and financial information to take appropriate response measures in a timely manner, and based on the level of funding costs and possible returns and risks, selects the most advantageous method of fund utilization to reduce the risk of interest rate changes.

2. Impact of changes in exchange rates on the Company's profit or loss and future response measures:

Unit: NT$ thousands

Item	2025
Net exchange gain or loss	7,366
Operating revenue	1,897,890
Profit before income tax	415,526
Percentage of exchange gain or loss to operating revenue	0.39%
Percentage of exchange gain or loss to profit before tax	1.77%

In 2025, the net foreign exchange (loss) gain of the Company and its subsidiaries accounted for 0.39% of net annual operating revenue. The Company's consolidated purchases and sales are primarily conducted in Japan, denominated mainly in Japanese yen. Accordingly, the impact of exchange rate changes on the profit or loss of the Company and its subsidiaries remains limited.

To address exchange rate change risks, the Company and its subsidiaries' Finance Department regularly collects exchange rate information and maintains close contact with banks at all times to fully grasp exchange rate trends, and adjusts foreign exchange holding positions as appropriate in light of exchange rate changes to reduce the impact of exchange rate changes.

3. Impact of inflation on the Company's profit or loss and future response measures

   The Company's and its subsidiaries' products are not essential consumer goods. Accordingly, inflation has no material impact on the profit or loss of the Company and its subsidiaries. In the future, the Company will continue to closely monitor changes in the price index and dynamically adjust production and sales strategies based on the impact of inflation on the Company and its subsidiaries, to reduce the impact of inflation on the Company.

(II) Policies, main reasons for profits or losses, and future response measures on high-risk, high-leverage investments, lending of funds to others, endorsements and guarantees, and derivatives trading:

1. Policies, main reasons for profits or losses, and future response measures on high-risk, high-leverage investments

   The Company and its subsidiaries focus on their main business. In the most recent fiscal year and up to the date of publication of the annual report, they have not engaged in high-risk or high-leverage investments. The Company has established the "Regulations Governing the Acquisition and Disposal of Assets," which governs the risk management system for various investments. Accordingly, there is no adverse impact on the Company.

2. Policies, main reasons for profits or losses, and future response measures on lending of funds to others

   In the most recent fiscal year and up to the date of publication of the annual report, the Company and its subsidiaries have not engaged in lending of funds to others. If the Company subsequently engages in lending of funds to others, it will handle such matters in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the Company's "Operational Procedures for Loaning Funds."

3. Policies, main reasons for profits or losses, and future response measures on endorsements and guarantees

   In the most recent fiscal year and up to the date of publication of the annual report, the Company handles endorsement and guarantee operations of the Company and its subsidiaries in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" and the Company's "Operating Procedures for Making of Endorsements/Guarantees."

4. Policies, main reasons for profits or losses, and future response measures on derivatives trading

   The Company and its subsidiaries focus on their main business. In the most recent fiscal year and up to the date of publication of the annual report, they have not engaged in derivatives trading. The Company has established the "Procedures for Engaging in Derivatives Trading," which governs the risk management system for derivatives. In the future, the Company will also prudently assess derivatives trading and risks. Accordingly, there is no adverse impact on the Company.

(III) Future R&D plans and estimated R&D expenses:

1. Future R&D plans

   The Company and its subsidiaries' R&D direction focuses on the development of advanced packaging equipment, with relevant R&D operations soundly advanced in accordance with the Company's project schedule planning. In the future, the Company will continue to follow industry technology evolution trends and market demand, increasing R&D resource investment and strengthening the integration of talent, capital, and technology to enhance R&D capabilities and technological leadership. The future R&D plans of the Company and its subsidiaries are as follows:

   A. Short-term plan

      (A) Enhance lamination precision, flexibility, and customization capabilities to meet the demands of advanced packaging applications.

      (B) Expand into the high-end semiconductor markets in Europe and North America to strengthen the Company’s global market position.

      (C) Accelerate the iteration of core technologies and extend applications into emerging electronic component sectors.

   B. Long-term plan

      (A) Develop advanced packaging lamination technologies and collaborate in establishing industry standards.

      (B) Optimize packaging processes and build a standardized, highly compatible innovation platform.

2. Estimated R&D expenses

   The Company and its subsidiaries are expected to invest steadily in R&D expenses in the future, and will appropriately increase such expenses year by year in light of overall operations and industry development, to support the needs of technological innovation and product development and strengthen the Company's long-term competitive advantages.

(IV) Impact of changes in important domestic and overseas policies and laws on the Company's finances and business and response measures:

The Company and its subsidiaries continuously monitor any important domestic and overseas policies, changes in the political and economic environment, and related changes in laws and regulations that may affect the Company's finances and business, and collect related change information to provide as a reference for the management team's decision-making, aiming to comply with laws and regulations and reduce the impact on the Company's finances and business. In 2025 and up to the date of publication of the annual report, important domestic and overseas policies and changes in laws and regulations have no material adverse impact on the Company's finances and business.

(V) Impact of technological changes (including cybersecurity risks) and industry changes on the

Company's finances and business and response measures:

In response to industry trends and technological development, the Company continuously invests R&D resources, actively developing new materials and new products, and strengthening the quality and technical services of existing products to implement sustainable management, consolidate customer relationships, and expand markets. To address technological changes and cybersecurity risks, the Company has introduced digital tools to optimize operating processes and strengthened information security protection measures to reduce potential operational risks. For cybersecurity risks, please refer to "Operations Overview, (vi) Cybersecurity Management."

In 2025 and up to the date of publication of the annual report, there have been no circumstances in which technological changes (including cybersecurity risks) or industry changes had a material impact on the Company's finances and business.

(VI) Impact of changes in corporate image on corporate crisis management and response measures:

Since its establishment, the Company and its subsidiaries have, in accordance with the operating policies of ethical management, technological innovation, quality enhancement, and customer satisfaction, valued corporate image, complied with laws and regulations, and actively strengthened operating management quality and performance. As of the date of publication of the annual report, the Company has not faced corporate crisis management situations due to changes in corporate image.

(VII) Expected benefits, possible risks, and response measures of mergers and acquisitions:

In the most recent fiscal year and up to the date of publication of the annual report, the Company and its subsidiaries have not had any merger and acquisition plans.

(VIII) Expected Benefits, Possible Risks, and Response Measures of Plant Expansion

1. Expected benefits

To address future operational development needs and enhance production efficiency, the Company is advancing the overseas new plant construction project of its subsidiary Nikko-Materials Co., Ltd. (NM). Through the establishment of an overseas production base, the Company expects to enhance supply efficiency to international customers and localized technical service capabilities, increase flexibility in order intake and capacity allocation, and further strengthen overall operational resilience and global market competitiveness, providing positive benefits to the Company's medium- and long-term operational development.

2. Possible risks

A. Risk of changes in market demand and capacity benefits:

If the global semiconductor or substrate industry experiences drastic changes in the future, market demand falls short of expectations, or core customers defer capital expenditure, this may affect capacity utilization in the early stage of the new plant's operations and the expected investment recovery benefits.

B. Risk of construction schedule delays and construction cost overruns:
During the construction of the new plant and the relocation of high-end equipment, force majeure factors such as local regulatory approval processes, raw material price fluctuations, labor shortages, or design changes in response to overseas plant construction may result in increased construction costs or delays in the construction schedule.

C. Risk of fund management and exchange rate fluctuations:
The overall capital expenditure of this project is approximately JP¥9,362,424 thousand, with part of the funding source involving bank financing.

If the future international financial environment leads to substantial interest rate increases or strong fluctuations in the Japanese yen exchange rate, this may increase overall fund operating costs.

D. Risk of cross-border operations and legal compliance:
The establishment and operation of overseas sites face differences in local legal environments, labor management, environmental protection policies, and cross-border tax systems, which will increase the management complexity of overall cross-border operations.

3. Response measures

The Company will continue to monitor technological developments and changes in market demand in the global high-speed computing (HPC) and AI advanced packaging industries, and prudently assess capacity expansion and operational progress. At the same time, by maintaining good cooperative relationships and technical exchanges with major customers, the Company will enhance its grasp of market information and the stability of orders.

In terms of construction, the NM operations team will establish project schedule and budget management mechanisms with local professional engineering and construction teams, regularly tracking construction execution status and reporting relevant progress to the Board of Directors and management as appropriate, to strengthen overall project management and risk control.

In terms of financial management, the Company will appropriately plan its own funds and financing arrangements based on construction progress and operational needs, with the Finance Department continuously monitoring international exchange rate and interest rate movements and taking relevant risk management measures as appropriate in light of market conditions, to reduce the impact of exchange rate and interest rate fluctuations on the Company. In addition, the Company will continue to improve the management systems and internal control mechanisms of overseas subsidiaries, combining local professional legal and tax advisory resources to enhance cross-border operational management and regulatory compliance capabilities.

(IX) Risks of Purchasing or Sales Concentration and Response Measures:

The raw materials used by the Company can be obtained from multiple suppliers in the market, and there is no purchasing concentration risk. Although the Company's 2025 sales to its top two sales customers reached 36% of net sales, this reflects the oligopolistic market characteristics of the advanced packaging industry. Once the Company's equipment has passed customer quality validation, customers do not easily change equipment suppliers unless they encounter serious quality or service defects, and the long-term trading history with major customers has reached more than a decade, so the risk of customer turnover or order cancellation is limited. In addition, the Company's main sales customers are all financially sound, well-operated international major firms, and there have been no overdue or bad debt situations.

To reduce the risk of single-source purchasing or sales concentration, the Company continues to expand its supply sources, actively participates in forward-looking technology cooperation with leading international customers, establishes long-term and stable relationships with key partners, and assesses alternatives and adopts diversification strategies, in order to strengthen supply and sales flexibility and enhance operational stability and risk resilience.

(X) Impact, risks, and response measures of large equity transfers or changes by directors, supervisors, or shareholders holding more than 10% of shares:

In 2025 and up to the date of publication of the annual report, there have been no large equity transfers by the principal directors or shareholders holding more than 10% of shares.

(XI) Impact, risks, and response measures of changes in management:

In 2025 and up to the date of publication of the annual report, there have been no changes in management.

(XII) Litigation or non-litigation matters: Material litigation, non-litigation, or administrative litigation matters concluded or pending against the Company and the Company's directors, supervisors, the President, persons with substantive responsibility, shareholders holding more than 10% of shares, and subordinate companies, the results of which may have a material impact on shareholder rights or securities prices, with the facts in dispute, amounts in dispute, dates of commencement of litigation, major parties to the litigation, and status of handling up to the date of publication of the annual report disclosed: None.

(XIII) Other Material Risks and Response Measures:

In recent years, international trade protectionism and geopolitical risks have continued to escalate. The tariff policies of major global economies, export controls on high-tech products, and supply chain restructuring trends may all bring a certain degree of uncertainty to the global economic environment and industry development. However, the global semiconductor and printed circuit board (PCB) industry supply chains are currently still highly concentrated in the Asian region, including Taiwan, Japan, Korea, and Greater China. The Company's core customers, main delivery regions, and revenue sources are also primarily concentrated in the aforementioned markets, and the Company's current business scope does not yet directly involve the U.S. domestic market. Accordingly, at this stage, changes in the international geopolitical situation and U.S. tariff policy have not yet caused a material direct impact on the Company's overall operations and revenue.

However, given that fluctuations in the global economy, the international political and economic situation, and related policy risks remain uncertain, the Company will continue to closely monitor changes in the international situation and industry development, and will adjust its market footprint, customer structure, and operating strategies as appropriate to reduce potential risks and impacts and maintain the steady development of overall operations.

VII. Other important matters: None.

Chapter 6. Special Disclosures

I. Information on Affiliates: Please refer to the Company's consolidated financial statements on the Market Observation Post System.

(I) Audited and certified financial statements for the most recent fiscal year:

Path: Market Observation Post System > Single Company > Electronic Document Download > Financial Reports

URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q1

(II) Consolidated business report of affiliates, consolidated financial statements of affiliates, and affiliation report:

Path: Market Observation Post System > Single Company > Electronic Document Download > Affiliated Enterprise Three Reports Section

URL: https://mopsov.twse.com.tw/mops/web/t57sb01_q10

II. Status of private placement of securities in the most recent fiscal year and up to the date of publication of the annual report: None.

III. Holding or disposal of the Company's shares by subsidiaries of the Company in the most recent fiscal year and up to the publication date of the annual report: None.

IV. Other necessary supplementary explanatory matters: None.

Chapter 7. Matters in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act That Have a Material Impact on Shareholder Rights or Securities Prices:

In the first quarter of 2025, the Company conducted a comprehensive re-election of directors, including 3 independent directors, with a total of 7 directors elected. There were a total of 5 incumbent directors. However, among the Board members, including the Chairman and President, 4 directors experienced changes or were newly appointed after the re-election, with the number of changes reaching one-third or more of the original total number of directors, meeting the circumstances of Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have a material impact on shareholder rights or securities prices.

The Company has completed announcement and filing procedures in accordance with relevant laws and regulations, and continues to strengthen corporate governance mechanisms to ensure sound Board operations, enhance operating efficiency, and thereby safeguard the rights and interests of all shareholders.

Eternal Precision Mechanics Co., Ltd.

Chairman: Liao Heng-Ning