

**NIDEC CHAUN-CHOUNG
TECHNOLOGY CORPORATION**
(Original: Chaun-Choung Technology Corporation)

2023

Annual Report

Annual Report Inquiry URLs:

Public Information Observation System: <http://mops.twse.com.tw>

Company Website: <http://www.ccic.com.tw>

Printed Date: May 15, 2024

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5. Name of the overseas securities exchange for listing and the method to inquire about information on those overseas securities: None.

6. Company website: <http://www.ccic.com.tw>

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One. Report to Shareholders

Dear shareholders, ladies and gentlemen,

On behalf of the Board of Directors and all the employees, I would like to express our sincere gratitude for your support and care for our company. At the same time, I am pleased to present to you the operational achievements of our company in 2023 and the operational plan in 2024.

1. 2023 Business Report

(1) Implementation Results of the 2023 Business Plan

The Company's consolidated net operating revenue for 2023 was NT\$10,759,092 thousand, a decrease of 9.57% from NT\$11,897,939 thousand in 2022. Pre-tax net profit was NT\$880,959 thousand, down 5.6% from NT\$933,376 thousand in 2022; net profit after tax was NT\$605,776 thousand with earnings per share of NT\$7.02, slightly down by 1.2% from NT\$613,158 thousand and earnings per share of NT\$7.1 in the previous year. The post-pandemic global economic environment, international trade activities, and industry chain restructuring have collectively influenced the overall economic recovery, posing continuous challenges to our operations and profitability.

The application range of our cooling products has significantly widened and is increasingly prevalent in PCs, notebooks, smartphones, cloud data centers, automotive, and artificial intelligence (AI) sectors, with both demand and market size for cooling products continuously expanding. The Company has been strengthening long-established partnerships and customer relations, developing automotive cooling, cloud data center cooling, high-wattage air cooling, and liquid cooling solutions to meet the needs of new customers and markets. We aim to foster product development driven by applications in EV, AI, IoT, and 5G, enhancing connections with key global regions and clients. Benefiting from stable growth in server and networking market demands and anticipating replacement cycle opportunities in the laptop market next year, our revenue performance in related products is expected to improve. As demand for servers and networking grows, the need for related components also increases, with cooling products being crucial for enhancing efficiency. With the global AI boom driving computational power upgrades, the overall related industries are expected to expand their business opportunities.

Our R&D team has been diligently focused on the research and development of cooling product applications, aiming to make products lighter and enhance performance; they are also dedicated to the development of non-copper alloy technologies, targeting more stringent conditions such as automotive and power electronics cooling solutions. The Company's annual R&D expenses consistently exceed 4% of total revenue, reaching over 5% in the last

two years. We continuously strive to develop new products, linking our cutting-edge R&D outcomes with client products for mutual benefits. For instance, we have recently completed reliability development testing for 3DVC products. Additionally, we participated in the Ministry of Economic Affairs' A+ Company Innovation R&D Refinement Program with the "Forward-Looking Chip Thermal Management Innovation and Production Technology R&D Center Project" and received government subsidies and recognition for our R&D projects.

(2) Budget Execution Status: According to the "Guidelines for the Handling of Public Financial Forecast Information by Publicly Issued Companies," the Company has not publicly disclosed the financial forecast information for 2023, and therefore, there is no need to disclose the budget execution analysis data for 2023.

(3) Financial Income and Profitability Analysis

Unit: NT\$ thousands

Item		Year	2022	2023
Financial Income and Expenditure	Revenue from operations		11,897,939	10,759,092
	Operating gross profit		2,176,310	2,106,327
	Net profit after tax		613,158	605,776
Profitability	Return on assets (%)		5.68	5.82
	Return on Equity (%)		12.23	10.92
	Pre-tax net profit to paid-in capital ratio (%)		108.10	102.02
	Net Profit Margin (%)		5.15	5.63
	Basic earnings per share (NT\$)		7.10	7.02

(4) Research and development

1. Research and development expenses in the past two years:

Unit: NT\$ thousands

Year	2022	2023
Research and development expenses amount	574,543	591,822
Percentage of research and development expenses to annual revenue:	4.80	5.50

2. Research and development achievements

(1) Successful development of technologies or products

- (i) Development of ultra-thin heat spreaders (below 0.3mm) for smartphone cooling
- (ii) Development of high-density cooling modules (above 300 watts) for high-performance computing servers

- (iii) Development of air cooling modules (above 600 watts) for network communication equipment
 - (iv) Development of liquid cooling modules (above 2 kilowatts) for automotive IGBT modules.
- (2) Ongoing development of technologies or products
- (i) Continuous R&D of Slight/Slim/Strong (3S) heat dissipation products.
 - (ii) Development of AI chip heat dissipation products - High heat flux heat transfer components ranging from 100 W/cm² to 200 W/cm².
 - (iii) Development of third-generation semiconductor heat dissipation products - Heat transfer components with extreme temperature resistance from -40°C to 260°C.
 - (iv) Development of MetaVerse wearable heat dissipation products - Lightweight and slim non-copper alloy heat transfer components.
 - (v) Development of 3DVC 700-1250W
 - (vi) Development of Transient Calculation

2. Summary of the 2024 Operating Plan:

(1) Business Policies:

1. Continuously develop new industries and fields, new collaborative clients, and strategically seize opportunities to expand revenue scale. Deepen relationships with partners and refine service strategies.
2. Continuously recruit outstanding R&D personnel, strengthen the organization of the R&D department, and enhance the efficiency and quality of product development. Additionally, continue developing new products and technologies to secure a competitive edge for the future.
3. Utilize Nidec's overall group resources to strengthen business, product development, quality management, and procurement functions, continuously increasing the group's global competitiveness to cultivate profound capabilities.
4. Invest in the development of the Vietnam factory, which has reached a certain production scale and passed certifications from several clients, aiming to utilize its high production capacity and become one of the solid production bases.
5. The Taiwan factory will focus on R&D and production of new models, while mass production models will shift to Vietnam and China.

(2) Sales forecast and basis

Our company primarily sells heat pipes, heat plate-related heat dissipation modules, and heat sinks. Our main product lines are used in the personal computer industry (PC), server (Server), network communication, smartphones, and gaming consoles. In 2024, in addition to consolidating our market share in the existing heat dissipation components for PC, server, network communication, and gaming consoles, we will actively explore potential customers and business development in new application areas within our existing product lines.

(3) Important production and sales policies

1. Production: Due to the industry characteristics of heat dissipation products, which have fewer standardized components and frequent design changes with urgent order requirements, the company strictly manages inventory and reduces inventory levels while improving inventory turnover. Additionally, there is a proactive investment in automated production equipment to reduce labor demand, enhance product quality, and streamline processes. The use of common materials in design helps effectively reduce costs and provide more competitive pricing.
2. Sales: In addition to maintaining a strong market share in the existing domestic and international markets, the company will gradually increase the production capacity of heat plates based on market supply and demand. Furthermore, there will be a focus on strengthening overseas marketing efforts, establishing agent sales channels, and actively expanding into international markets.

3. Company's Future Development Strategies

- (1) Plan broader business goals in response to current market trends and launch comprehensive action plans, actively tracking and adjusting strategies based on performance.
- (2) Utilize group resources and strong, longstanding customer relationships to expand product and service range and industry categories, securing a solid position among competitors.
- (3) Continuously enhance the quality and capacity of R&D technology, sharing the outcomes of R&D and revenue growth with clients.
- (4) Continuously improve the high utilization efficiency of production capacity and automation of manufacturing processes to meet future market demands.
- (5) Continuously strengthen important issues like ESG (Environmental, Social, Governance) sustainability reporting and commit resources to fully pursue the sustainable development paths and greenhouse gas inventory and verification timelines issued by the Financial Supervisory Commission. Remain attentive to the environmental policies of key industries, focusing on energy saving, carbon emission reduction, creating a friendly environment, and improving labor conditions, thus fulfilling social responsibilities.

4. Impact of External Competitive, Regulatory, and Macro-Economic Environmentsenvironment

The Company is significantly impacted by external market competition, new regulations issued by securities regulators, domestic and international environmental laws, and changes in the global economic environment. In recent years, ESG sustainability has become a globally emphasized issue and a long-term goal and focus of the Company. Since our clients are internationally renowned large corporations, continuing to progress with clients in sustainability enables us to go further. Facing the increasing risks of global geopolitical security changes, fluctuations in global industrial chain distribution, market supply and demand, and product price competition, our Company remains competitive and keeps pace with the times to address the challenges of globalization.

Finally, we extend our best wishes for good health

and the safety of your family.

Chairman: Nagai Junichi CEO: Nagai Junichi Chief Accountant: Mei-Hua Chen

Two. Company Profile

1. Establishment Date: Established on December 14, 1973 in the Republic of China (Taiwan)

2. Company History

(1) Important Milestones

Date	Item
1973	<ul style="list-style-type: none"> • Mr. Wu Chung founded Chaun Choung Technology Co., Ltd. with a capital of NT\$300,000, primarily engaged in the manufacturing and processing of aluminum alloy products.
1995	<ul style="list-style-type: none"> • Collaborated with the Industrial Technology Research Institute (ITRI) to develop the key component “heat pipe” for notebook computer cooling modules.
1997	<ul style="list-style-type: none"> • Started mass production of the key component “micro heat pipe” for notebook computer cooling modules in collaboration with ITRI. • Expanded the size of the R&D organization and invested in the design of notebook computer cooling modules.
1998	<ul style="list-style-type: none"> • Began mass production and shipment of notebook computer cooling modules. • Obtained ISO 9001 quality assurance certification.
1999	<ul style="list-style-type: none"> • Changed the company name to Chaun Choung Technology Corporation, expanding the main business to include the design and manufacturing of information product cooling components, in addition to the original aluminum alloy product manufacturing and processing. • Received Taiwan Excellence Awards for “High-performance Heat Conduction Component - Heat Pipe” and “Notebook Computer CPU Cooling Module.”
2000	<ul style="list-style-type: none"> • Made a 100% investment in CONQUER WISDOM CO., LTD in the British Virgin Islands. • Purchased office buildings in Xingde Road, Sanchong City, to meet business and future growth needs (12th floor of No. 123-1 and 10th floor of No. 111).
2001	<ul style="list-style-type: none"> • Approved by the Investment Commission of the Ministry of Economic Affairs for indirect investment in Kunshan Jue-Choung Electronics Co., Ltd., a subsidiary of CONQUER WISDOM CO., LTD, holding a 100% stake.
2002	<ul style="list-style-type: none"> • Listed on the Emerging Stock Market on April 2, 2002.
2003	<ul style="list-style-type: none"> • Listed on the Over-the-Counter Securities Exchange on January 14, 2003. • Approved by the Ministry of Economic Affairs for the lead project of developing high-efficiency micro heat plate cooling components on April 30, 2003.
2004	<ul style="list-style-type: none"> • Obtained ISO 14001 and OHSAS 18001 certification for environmental, health, and safety management systems.
2005	<ul style="list-style-type: none"> • Completion of the new factory of Kunshan Jue-Choung Electronics Co., Ltd.
2008	<ul style="list-style-type: none"> • Adjusted the investment structure in China, with indirect investment in Kunshan Jue-Choung Electronics Co., Ltd. through CONQUER WISDOM CO., LTD, which invested in GLOBE STAR ENTERPRISE LIMITED.

Date	Item
2009	<ul style="list-style-type: none"> • Commenced mass production of server key component “heat plate.”
2010	<ul style="list-style-type: none"> • Listed on the Taiwan Stock Exchange on September 16, 2010.
2011	<ul style="list-style-type: none"> • Approved by the Investment Commission of the Ministry of Economic Affairs for further investment in GLOBE STAR ENTERPRISE LIMITED and indirect investment in Chongqing Cyun Siang High-Tech Co., Ltd., holding a 100% stake.
2013	<ul style="list-style-type: none"> • Awarded the Top 5000 Outstanding Business Performance Enterprise Award.
2014	<ul style="list-style-type: none"> • Purchased a 400-ping building in Sanchong District, New Taipei City, to expand the production capacity of ultra-thin heat pipes and heat plates.
2015	<ul style="list-style-type: none"> • Kunshan Jue-Choung Electronics Co., Ltd., a subsidiary, obtained the certificates for “Enterprise Carbon Footprint,” “Product Carbon Label,” and “Carbon Neutrality.”
2017	<ul style="list-style-type: none"> • Completion of the new factory of Chongqing Cyun Siang High-Tech Co., Ltd., a subsidiary. • Acquisition of 100% equity of Dongguan Chiuan- Vector Industrial Co., Ltd. by Kunshan Jue-Choung Electronics Co., Ltd.
2018	<ul style="list-style-type: none"> • Received a commendation from the Ministry of Economic Affairs for 40 years of entrepreneurial contributions to promoting industrial and commercial development and employment. • In November 2018, Nidec Corporation completed the acquisition of 41,444,831 ordinary shares of our company, representing a 48% stake in our company.
2019	<ul style="list-style-type: none"> • On January 29, 2019 a comprehensive re-election of directors and supervisors took place, with Nidec Corporation obtaining a majority of the director seats and becoming the ultimate controller of our company and its subsidiaries. • The headquarters of Nidec Chaun-Choung Group relocated from Yingyi Building on Xingde Road to Zhongxing North Street in July 2019.
2020	<ul style="list-style-type: none"> • In January 2020, the board of directors approved the establishment of a new subsidiary in Vietnam, Nidec Chaun Choung Vietnam Corporation, with a capital of US\$ 10 million, for the purpose of engaging in significant investment projects in Vietnam. • In March 2020, Nidec Chaun Choung Vietnam Corporation, the subsidiary in Vietnam, completed its company establishment registration. • In December 2020, the extraordinary shareholders’ meeting passed a resolution to change the company’s Chinese name from “超眾科技股份有限公司” to “尼得科超眾科技股份有限公司” and the English name from “Chaun-Choung Technology Corporation” to “Nidec Chaun-Choung Technology Corporation.” • Received RBA Responsible Business Alliance system verification.

Date	Item
2021	<ul style="list-style-type: none"> • In January 2021, internal stakeholders, including Director Youchang Investment Co., Ltd. and Supervisor Yicen Investment Co., Ltd., collectively sold 6,883,410 shares to Nidec Corporation. • On January 8, 2021, the company’s name change was approved and registered by the Ministry of Economic Affairs. • On January 20, 2021, the new stock began trading after the company’s name change, with the Chinese stock abbreviation changed from “超眾” to “尼得科超眾” and the English stock abbreviation changed from “CCI” to “NCCI.” • On March 8, 2021, an increase in capital of US\$ 24.904 million was completed for Nidec Chaun Choung Vietnam Corporation, bringing its paid-in capital to US\$ 34.904 million. • In March 2021, an additional investment of US\$ 24.904 million was completed for Nidec Chaun Choung Vietnam Corporation, a subsidiary company. The company’s paid-up capital reached US\$ 34.904 million as a result. • In May 2021, the construction of the first phase of the factory for Nidec Chaun Choung Vietnam Corporation (NCCV) in Hanoi, Vietnam, was completed.
2022	<ul style="list-style-type: none"> • Selected as the best supplier of cooling modules through HP evaluation.

- (2) Recent and up to the printing date of the annual report, there have been no mergers, investments in affiliated companies, or reorganizations.
- (3) Recent and up to the printing date of the annual report, there have been significant transfers or changes in the shareholding of directors, or major shareholders holding more than 10% of the shares. Please refer to pages 77-78 of the annual report for “Transfers of Shareholding and Changes in Pledged Shares by Directors, Executives, and Shareholders Holding More Than 10% of the Shares.”
- (4) Recent and up to the printing date of the annual report, there have been no significant changes in ownership, business operations, or other matters that could affect shareholder rights and interests.

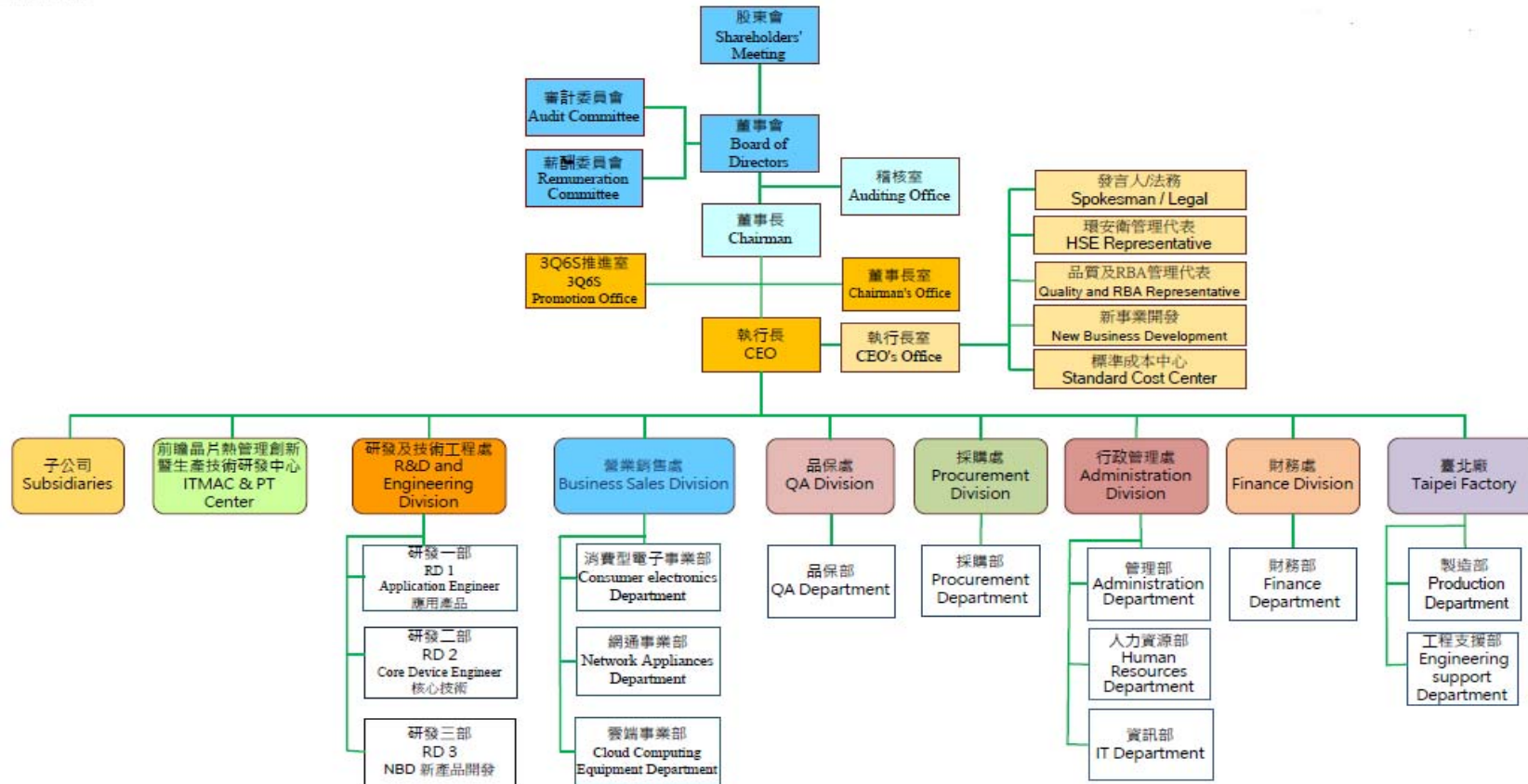
Three. Corporate Governance Report

1. Organizational System

(1) Organizational Structure of the Company - May 8, 2024



尼得科超眾科技股份有限公司組織架構表
Organization Chart of Nidec Chaun-Choung Technology Corporation



(2) Business Operations of Each Major Department

Name	Main Duties
Chairperson's Office	<ol style="list-style-type: none"> 1. Nidec Chaun-Choung Group is responsible for formulating and managing the business strategy, objectives, and operations. 2. Collecting various marketing information and industry intelligence. 3. Planning marketing strategies. 4. Planning and executing new business units, such as investing in new ventures, establishing subsidiaries, or planning new departments. 5. Making decisions on important operational and financial matters. 6. Planning and executing stock-related matters, including legal announcements and disclosure of significant information. 7. Preparing and operating the Audit Committee, Board of Directors, and Shareholders' Meeting. Handling matters related to board and shareholders' meetings in accordance with the law, preparing minutes of board and shareholders' meetings, assisting directors in their appointment and continuing education, providing necessary information for directors to carry out their duties, assisting directors in compliance with laws and regulations, and other matters stipulated in the company's articles of incorporation or contracts.
CEO's Office (Former General Manager's Office)	<ol style="list-style-type: none"> 1. Monitor the business environment and respond to the demands and expectations of stakeholders, address risks and opportunities, formulate business strategies, and implement decisions made by the Board of Directors. Establish the company's operational structure and oversee daily operations. 2. Handle internal and external public relations and facilitate communication and coordination across departments. 3. Responsible for designing and implementing the company's internal control system. 4. Ensure the company's quality and occupational health and safety management systems comply with customer or international standards and operate effectively. 5. Promote production reforms such as equipment automation and the Internet of Things (IoT). 6. Review and draft contracts and legal documents, ensure compliance with laws and regulations, and seek advice on contract execution issues. 7. Protect and litigate intellectual property rights of the company. 8. Drive and manage cost control-related projects, including but not limited to establishing standard cost mechanisms for samples, products, or production, and tracking and controlling costs. 9. Revenue and operational improvement. 10. Develop and plan new business areas such as automotive and liquid cooling. 11. Responsible for planning, establishing, monitoring, and responding to information security systems; executing information security management operations, and establishing related risk management systems and control measures.
Audit Department	<ol style="list-style-type: none"> 1. Evaluate the soundness, reasonableness, and effectiveness of the company's internal control systems and management systems. 2. Assess the efficiency of various units within the company in implementing plans or policies. 3. Ensure that all units have proper records and appropriate measures to prevent cash, securities, or other assets from being wasted, misused, or inefficiently utilized. 4. Review the audit reports and self-assessment reports submitted by various units and subsidiaries, and monitor the improvement of internal control deficiencies and abnormal situations. 5. Cooperate with external organizations (Financial Supervisory Commission,

Name		Main Duties
		consulting securities firms, accounting firms, etc.) to conduct internal control audits. 6. Comply with the regulations of the Financial Supervisory Commission and handle matters related to public disclosure.
3Q6S Promotion Office		1. Management, execution, and tracking of the group's 3Q6S activities. 2. Developing standardized guidelines (manual) for various matters to be followed by the group in accordance with 3Q6S principles, and ensuring their implementation and adherence. 3. Inventory management, usage control, and procurement of stationery and general office supplies within the company. 4. Handling other 3Q6S-related matters within the company.
Research and Technical Engineering Department	Research and Development Department 1-3	1. Nidec Chaun-Choung Group allocates research and development resources and manages various laboratories. 2. Liquid cooling and key component research and development. 3. Development of next-generation chip cooling solutions (such as AI deep learning chip and high-power graphics card cooling solutions, etc.). 4. Promotion of new cooling solutions and exploration of new applications. 5. Responsible for the development of new heat pipe structures. 6. Responsible for the development of new heat spreader structures. 7. Responsible for research and development of new products, new materials, and new applications. 8. Development of products that meet customer quality and product environmental quality (HSF) requirements. 9. Collection of information related to product environmental quality (HSF) management to comply with international regulations and customer requirements. 10. Assisting the project department in product design and application development according to customer requirements. 11. Responsible for the production process design, machine equipment, and mass production molds/tools design from product development to pre-mass production, ensuring smooth production after achieving product design yield rate. 12. Formulation and revision of HP and VC technical documents (production process/process specifications, SOP, etc.). 13. Research and development of automotive-related products (including but not limited to IGBT, ECU, batteries, 5G communication, etc.). 14. Planning and execution of product blueprints and research and development plans. 15. Development of heat dissipation/transfer technology and application of new products. 16. Exploration of new market demands and updates on technical information. 17. Customer-specific design and project execution. 18. Formulation and revision of module technical documents. 19. Development of production machinery and equipment automation, factory tool configuration and installation, incorporating cost and quality control factors to maximize production efficiency and performance. 20. Assisting in the transfer of completed manufacturing processes to subsidiary companies or factories. 21. Coordination and guidance of process optimization and equipment in the production technology engineering department of subsidiary companies or factories. 22. New generation manufacturing methods development, machine tools optimization, etc., for best productivity, yield rate maximization.

Name		Main Duties
Innovation of Thermal Management in Advanced Chipset and Production Technology Research Center		<ol style="list-style-type: none"> 1. Core technology in thermal management 2. Innovative Production Technology
Sales Department	Consumer Electronics Department Networking and Cloud Services Department	<p>(Sales & Marketing)</p> <ol style="list-style-type: none"> 1. Development and coordination of sales plans, assessment of sales performance, and collection of customer accounts receivable. 2. Gathering, analyzing, organizing, and reporting on customer credit information and market trends. 3. Development of new customers and new markets. 4. Establishing positive and effective communication with customers (including customer assets) and analyzing and handling customer complaints. 5. Planning and executing product marketing strategies. 6. Collecting customer requirements related to product quality and environmental standards. 7. Responsible for the development and planning of new products and new markets, such as automotive and liquid cooling systems.
Quality Assurance Department	Quality Assurance Department	<ol style="list-style-type: none"> 1. Responsible for the formulation of quality policies, ensuring the implementation of quality systems, conducting quality audits, and driving continuous improvement. 2. Provide recommendations to management regarding quality matters, assist and coordinate departments in implementing quality policies, and promote activities and training for quality improvement to ensure customer satisfaction. 3. Responsible for project quality assurance, quality systems, supplier quality management, measurement, and system analysis from new product development to mass production. Supervise the implementation of supplier evaluations. 4. Oversee the implementation and verification of product environmental quality (HSF). 5. Analyze and respond to customer complaints, and take the lead in addressing customer audits. 6. Responsible for the calibration and management of internal or external measuring instruments used in the production line. 7. Responsible for the quality of mass-produced products, raw materials, and in-process manufacturing. 8. Accountable for process quality during product production, finished product quality control, and shipment quality control. 9. Oversees supply chain quality management for mass-produced products, incoming quality control, and outsourced process quality control.

Name		Main Duties
Procurement Department	Procurement Department	<ol style="list-style-type: none"> 1. Contractor evaluation, management (such as establishing an approved vendor list), and development to meet customer quality/product environmental quality (HSF) requirements. 2. Responsible for material and supplier sourcing, control, and procurement from new product development to pre-mass production. Also responsible for the pricing of all raw materials purchased by the company. 3. Responsible for business related to intellectual property and triangular trade. 4. Contact point for supplier property-related matters. 5. Provide general administrative support, procure office supplies, and handle other non-factory department procurement needs (such as office infrastructure, office equipment, research and development equipment, computer equipment, etc.). 6. Handles the procurement of raw materials, various production equipment, production consumables, production supplies, production tools (such as tools, molds), subcontracted work within the factory, production-related engineering, and factory construction projects in Taipei, ensuring quality, quantity, timing, and pricing strategies are met. 7. Procures raw materials, semi-finished products, and finished products that meet customer quality/environmental standards. 8. Manages material warehousing and inventory control and records, maintaining complete inventory in the factory to ensure timely supply. 9. Responsible for the sale of scrap materials and disposal of scrapped assets. 10. Executes the Company's stock age review and inventory count. 11. Coordinates and plans production scheduling, such as arranging production-sales meetings, issuing work orders, requisitioning production materials, managing safety stock levels to ensure timely product delivery.
Taipei Factory	Manufacturing Department	<ol style="list-style-type: none"> 1. Responsible for the manufacturing and production of heat pipes, heat sinks, heat modules, and thermal plates. 2. Produce products that meet customer quality/product environmental quality (HSF) requirements. 3. Coordinate with production scheduling to plan and allocate production lines, capacity, and personnel. 4. Train, guide, and supervise operators to achieve optimal performance. 5. Ensure timely and high-quality delivery of products. 6. Cleaning, maintenance, and if necessary, requesting purchases for repairs of the factory's water, electricity, air conditioning, and chiller supply systems to maintain an appropriate production environment. 7. Planning and executing factory area educational training.
	Engineering Support Department	<ol style="list-style-type: none"> 1. Maintenance and improvement of production equipment. 2. Development of equipment specifications and operating instructions. 3. Maintenance and improvement of production molds/fixtures. 4. Analysis of abnormal causes in mass production processes, yield improvement, and continuous improvement. 5. Optimization of mass production process parameters and workflow. 6. Optimization of production line flow and production tooling. 7. Provides maintenance and repairs for factory facilities and setup of production lines.

Name		Main Duties
Administrative Management Department	Information Technology Department	<ol style="list-style-type: none"> 1. Stay informed about information trends and establish information policies to accelerate digitalization efforts. 2. Coordinate and align information technology initiatives to optimize resource utilization. 3. Plan, develop, implement, and maintain information systems; serve as a point of contact for related information business and troubleshoot issues. 4. Establish relevant information systems that meet customer quality and environmental requirements.
	Management Department	<ol style="list-style-type: none"> 1. Provide general administrative services and management for office areas, including asset repairs and maintenance, upkeep of water, electricity, air conditioning, and communication supply systems, and ensuring a suitable environment. 2. Maintain and manage data related to fixed assets. 3. Prepare and operate the compensation committee. 4. Plan, manage, and conduct environmental health and safety affairs in accordance with relevant regulations. 5. Handle the issuance and management of company internal control, ISO, and RBA documents. 6. Assign R&D project codes, manage group component coding, review and transfer BOM (Bill of Materials) documents.
	Human Resources Department	<ol style="list-style-type: none"> 1. Planning and implementation of personnel systems and performance evaluations. 2. Employee education, training development, and compensation management. 3. Assists in the recruitment of personnel for various departments. 4. Manages personnel changes or data updates; processes enrollments and withdrawals from labor insurance and group insurance. 5. Manages employee attendance. 6. Computes salaries and handles income tax filings. 7. Conducts human resource inventories and produces job descriptions for employees.
Finance Department	Finance Department	<ol style="list-style-type: none"> 1. Provide operational information and conduct variance analysis. 2. Evaluate, plan, and execute financial and long/short-term investment activities. 3. Develop group accounting systems and handle financial settlement. 4. Responsible for the preparation, implementation, monitoring, and analysis of group financial budgets. 5. Comply with financial regulations and guidelines for listed companies.

2. Information of Directors, the General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments

(1) Information of Directors and Supervisors

1. Information of Directors and Supervisors

April 30, 2024; Unit: shares Quality Assurance Department

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship	
							Chairman	Japan	Nidec Corporation	–	2022.6.20	3 years	2019.1.29	74,448,982			86.22%	74,514,982	86.3%	
Delegate: Nagai Junichi	Male/ 61~ 70 years old.	2022.6.20	3 years	2019.1.29	0	0.00%			0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics from Yokohama National University The overseas business management division of Japan Nidec Corporation	Chairman and CEO of Nidec Chaun-Choung Technology Corporation Chairman of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd Chairman of Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. and Nidec Chaun Choung Vietnam Corporation	None	None	None	None
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2022.6.20	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	None	
		Delegate: Yamaoka Naoto	Male/ 41~ 50 years old.	2022.6.20	3	2023.7.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Graduated from the Department of Mechanical Systems Engineering, Faculty of Engineering, University of Miyazaki Master of Business Administration from Kyoto University of Advanced Science Graduate School Department Head, SPMS Business Planning Division, Nidec Corporation Group Leader, SPMS Business Planning Division, Nidec Corporation Business Planning Division, SPMS, Nidec Corporation GMS Business Planning Division, SPMS, Nidec Corporation	—	None	None	None	Note 4
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	None	
		Delegate: Hishida Masahiro	Male/ 61~ 70 years old.	2022.6.20	3	2022.06.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics, Doshisha University Director of the Second Development Division, Precision Small Motor Business Unit, GMS Division, Nippon Densan Corporation Director, Shiga Technical Development Center	Executive Director, Nippon Densan Corporation	None	None	None	Note 3
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	None	
		Delegate: Kitao Yoshihisa	Male/ 61~ 70 years	2022.6.20	3	2023.07.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics, Kyoto Sangyo University Director, Nanba Corporate Sales First Division,	Vice President and Executive Director, Nippon Densan	None	None	None	Note 3

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship	
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	Sumitomo Mitsui Financial Group Executive Officer, Nippon Densan Corporation Business Unit Director, Small Motor Business Unit, Nidec Corporation	Corporation				
		Delegate: Miyamoto Eiji	Male/ 61~ 70 years old.	2022.6.20	3	2021.4.1	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Electrical Engineering, Chubu University Director of the Second Development Division, Precision Small Motor Business Unit, GMS Division, Nippon Densan Corporation Director, Shiga Technical Development Center	Executive Director, Nippon Densan Corporation	None	None	None	None
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Nishizawa Toru	Male/ 41~ 50 years old.	2022.6.20	3	2023.1.1	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Business Administration, Konan University	Department Head of Production Management, Second Development Division, Precision Small Motor Business Unit, Small Motor Business Unit, Nippon Densan Corporation	None	None	None	None
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Matsuhashi Hidetoshi	Male/ 61~ 70 years old.	2022.6.20	3	2019.1.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics, University of Toyama Finance Director, Precision Small Motor Business Unit, GMS Division, Nippon Densan Corporation Director and Finance Director, Nidec Chaun-Choung Technology Corp. Director, Kunshan Jue-Chung Electronics Co., Ltd., Nidec Chongqing Cyun Siang High-Tech Co., Ltd., Nidec Chaun Choung Vietnam Corporation Chairperson, NIDEC MOTOR (DONGGUAN) CORPORATION	Finance Director and Department Head of the Management Oversight Division, Small Motor Business Unit, Nippon Densan Corporation Vice Chairperson, Nidec Chaung-Choung Technology America, Inc.	None	None	None	Note 3
Director	Japan	Nippon Densan Corporation	–	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Sano Yoshihide	Male/ 61~ 70 years old.	2022.6.20	3	2023.7.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Graduated from Nishinomiya-kita High School Graduated from the Department of Management Engineering, Faculty of Engineering, Tokyo University of Science WSEC Director of Administration, Sharp Corporation Vice President, NIDEC SANKYO ELECTRONICS (DONGGUAN) CORPORATION Vice President, NIDEC SANKYO (DONGGUAN) PRECISION CORPORATION Department Head, Business Accounting, First Vehicle Business Division, Vehicle Business	CFO and Department Head of the Management Oversight Division and Group Performance Management Department, Small Motor Business Unit, Nippon Densan Corporation	None	None	None	Note 3

Job Title	Nationality or Place of Registration	Name	Gender/Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship	
Director	Japan	Nippon Densan Corporation	-	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Hayashi Hiroki	Male/ 51~ 60 years old.	2022.6.20	3	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Sociology, Bukkyo University	Chairperson, Nidec (Shanghai) International Trading Co., Ltd., Business Management for Nidec Group in China	None	None	None	Note 2
Director	Japan	Nippon Densan Corporation	-	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Kino Tetsuo	Male/ 51~ 60 years old.	2022.6.20	3	2023.04.01	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Food and Nutrition Science, Faculty of Agriculture, Kindai University	Vice Department Head of Business, Small Motor Business Unit, Nippon Densan Corporation	None	None	None	Note 2
Director	Japan	Nippon Densan Corporation	-	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Tatsumi Akio	Male/ 51~ 60 years old.	2022.6.20	3	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Electrical Engineering, Fukui University of Technology Department Head, Production Technology Division, Small Precision Motor Business Group (SPMS), GMS Division, Nippon Densan Corporation President, Kunshan Jue-Chung Electronics Co., Ltd.	Director, Nidec Chaun Choung Vietnam Corporation	None	None	None	Note 4
Director	Japan	Nippon Densan Corporation	-	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Sumikawa Yohei	Male/ 51~ 60 years old.	2022.6.20	3	2023.8.02	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Graduated from the Department of Commerce and Trade, Faculty of Commerce, Chuo University FP&A Department Head, Cost Accounting Section, Accounting Department, Finance Division, Japan AMP Corporation Head of Accounts Receivable Management, Japan Head of Management Accounting, Financial Shared Services Japan FP&A Department Head, Automotive Business Unit Vice President of Finance, Automotive Business Unit, Japan Vice President of Finance, Automotive Business Unit, ASEAN Japan Senior Manager, Project Management Division, Business Unit	Director at Kunshan Jue-Chung Electronics Co., Ltd., Nidec Chongqing Cyun Siang High-Tech Co., Ltd., Nidec Chaun Choung Vietnam Corporation Vice Chairperson, NCCU	None	None	None	Note 4
Director	Japan	Nippon Densan Corporation	-	2022.6.20	3	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship	
		Delegate: Takasawa Shinji	Male/ 51~ 60 years old.	2022.6.20	3	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of International Relations, Peking University Manager of FA International Division and Representative of Guangzhou Branch, Mitsumi Electric Co., Ltd. Chairperson and President, Takasawa Business Consulting (Hong Kong), (Shenzhen) Co., Ltd. Chief Division Head, President's Office, Fujitsu General Ltd.	President, Nidec Chongqing Cyun Siang High-Tech Co., Ltd.	None	None	None	None
Independent Director	Republic of China.	Hsu Ke-Wei	Male/ 61~ 70 years old.	2022.6.20	3 years	2019.1.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree from National Taiwan University. Juris Doctor (J.D.) degree from the University of Pennsylvania Law School. Master of Business Administration (MBA) degree from the Wharton School of the University of Pennsylvania. Senior Advisor at Zhongda International Law Firm. General Counsel/Legal Advisor at Mud Entertainment Co., Ltd. Independent Director of Nidec Chaun-Choung Technology Corporation	Legal Consultant of Wende Pharmaceutical Co., Ltd. Independent Director of Uni-President Enterprises Corp.	None	None	None	None
Independent Director	Republic of China.	Wang Wen-Yeu	Male/ 61~ 70 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor of Juridical Science (J.S.D.) from Stanford University. Master of Laws (LL.M.) from Columbia University. Master of Laws (LL.M.) from National Taiwan University. Commissioner at the Fair Trade Commission, Executive Yuan. Director at Cooperative Bank of Taiwan. Supervisor at Taiwan Futures Exchange. Council Member at the Taiwan Law Society. Professor at the College of Law, National Taiwan University. Attorney at Sullivan & Cromwell law firm in New York, USA.	Convener of the Taiwan Branch of the International Association of Comparative Law (IACL) Independent Director of Creative Electronics Co., Ltd. Independent Director of Precision Components Technology Co., Ltd.	None	None	None	None
Independent Director	Republic of China.	Lian Jun-Hua	Male/ 51~ 60 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration (MBA) from State University of New York at Buffalo. Bachelor's degree in Accounting from National Chengchi University. Chief Financial Officer at Hezheng Technology Co., Ltd. Deputy General Manager of Underwriting Department at South China Securities Co., Ltd. Special Assistant at GodBrain International Enterprise and Deputy Chief Financial Officer and Spokesperson at Guoding BioTech.	Independent Director of King Yuan Precision Technology Co., Ltd.	None	None	None	None
Independent Director	Republic of China.	Chou Chien-Hung	Male/ 41~ 50 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master's degree in Accounting from Chinese Culture University. Bachelor's degree in Economics from Feng Chia University. Completion of credits for Master of Laws (LL.M.) at National Taipei University. Manager at Capital Market Department of Taishin Securities. Manager at Investment Banking Department of Yuanta Securities Co., Ltd.	Partner at Zhanyue United Certified Public Accountants	None	None	None	None

Note 1: If the Chairman of the company also holds the position of General Manager or an equivalent position (the highest executive), is married to the General Manager, or is a first-degree relative, the reason, rationale, necessity, and corresponding measures should be explained. This may include increasing the number of independent directors

and ensuring that a majority of directors do not concurrently serve as employees or executives, among other methods. Relevant information should be provided. Nidec Corporation (referred to as “Nidec”) completed a public acquisition of our company in November 2018, making it our parent company. On January 29, 2019, an extraordinary general meeting of shareholders was held to conduct a comprehensive re-election of directors and supervisors. Nagai Junichi, the representative appointed by Nidec, was elected as the Chairman. As the parent company, Nidec appointed Nagai Junichi to concurrently serve as the CEO of our company in order to oversee and supervise our operations. He is responsible for formulating our business strategies, objectives, and marketing strategies, as well as planning and executing new business units. Additionally, he plays a key role in decision-making regarding important operational and financial matters. This management approach is commonly seen in multinational corporations. The Chairman regularly communicates the operational status and future operational policies to the directors through board meetings, ensuring effective corporate governance. In line with the operational needs of the company, an independent director position was established on June 20, 2022 to enhance the functions of the board of directors and strengthen the oversight mechanism.

Note 2: Mr. Hayashi Hiroki, the previously appointed corporate director representative of Nippon Densan Corporation, was replaced by Mr. Kino Tetsuo on April 1, 2023.

Note 3: Mr. Hishida Masahiro and Mr. Matsushashi Hidetoshi, the previously appointed corporate director representatives of Nippon Densan Corporation, were replaced by Mr. Kitao Yoshihisa and Mr. Sano Yoshihide on July 27, 2023.

Note 4: Mr. Tatsumi Akio, the previously appointed corporate director representative of Nippon Densan Corporation, was replaced by Mr. Sumikawa Yohei on August 2, 2023.

Note 5: Mr. Yamaoka Naoto was appointed as the corporate director representative of Nippon Densan Corporation, effective July 27, 2023.

Note 6: Mr. Kino Tetsuo, the previously appointed corporate director representative of Nippon Densan Corporation, was replaced by Mr. Ota Shingo on April 12, 2024.

2. Directors and supervisors representing corporate shareholders, the names of the corporate shareholders, and the names and shareholding percentages of the top ten shareholders:

April 30, 2024

Legal entity shareholder name	Major shareholders of legal entity	Shareholding Percentage
Nidec Corporation	Japan Master Trust Trust Bank Co., Ltd. (Trust Account)	12.91%
	Eimori Shigekazu	8.30%
	Custody Bank of Japan, Ltd. (Trust Account)	4.94%
	Kyoto Bank, Ltd.	4.16%
	Nidec Corporation	3.56%
	S.N. Kosan, LLC.	3.40%
	Mitsubishi UFJ Bank, Ltd.	2.49%
	Nippon Life Insurance Company	2.21%
	Meiji Yasuda Life Insurance Company	2.15%
	The Bank of New York Mellon140042	1.87%

3. For corporate shareholders who are themselves major shareholders, the information regarding their main shareholders is as follows:

April 30, 2024

Legal entity shareholder name	Major shareholders of legal entity	Shareholding Percentage
Master Trust Bank of Japan, Ltd.	Mitsubishi UFJ Trust and Banking Corporation	46.50%
	Nippon Life Insurance Company	33.50%
	Meiji Yasuda Life Insurance Company	10.00%
	Norinchukin Trust & Banking Co., Ltd.	10.00%
Custody Bank of Japan, Ltd. (Custody Account)	Sumitomo Mitsui Trust Holdings, Inc.	33.30%
	Mizuho Financial Group, Inc.	27.00%
	Resona Bank, Limited	16.70%
	The First Life Insurance Co., Ltd.	8.00%
	Asahi Mutual Life Insurance Company	5.00%
	Meiji Yasuda Life Insurance Company	4.50%
	Japan Post Insurance Co., Ltd.	3.50%
Fukoku Mutual Life Insurance Company	2.00%	
The Kyoto Bank, Ltd.	Kyoto Financial Group	100%
Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Financial Group, Inc. (MUFG)	100%

4. Director Education and Training

Title	Name	Date of Education	Organizer	Course Name	Study Hours
Chairman	Nagai Junichi	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
Director	Yamaoka Naoto	2023/07/10	Securities and Futures Market Development Foundation	Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours
Director	Kitao Yoshihisa	2023/07/27	Securities and Futures Market Development Foundation	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours
Director	Miyamoto Eiji	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
Director	Sano Yoshihide	2023/07/27	Securities and Futures Market Development Foundation	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours
Director	Sumikawa Yohei	2023/07/10	Securities and Futures Market Development Foundation	Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours
Director	Nishizawa Toru	2023/04/17	Securities and Futures Market Development Foundation	Practical Labor Regulations	3 hours
		2023/04/27		Basics of Taiwan's Tax System	3 hours
		2023/07/10		Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours
Director	Kino Tetsuo	2023/04/17	Securities and Futures Market Development Foundation	Practical Labor Regulations	3 hours
		2023/04/27		Basics of Taiwan's Tax System	3 hours
		2023/07/10		Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours
Director	Takasawa Shinji	2023/04/27	Securities and Futures Market	Basics of Taiwan's Tax System	3 hours
		2023/07/27		Liabilities of Directors and Supervisors for	3 hours

			Development Foundation	False Financial Reporting and Insider Trading	
Director (Resigned)	Hishida Masahiro	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours
Director (Resigned)	Matsuhashi Hidetoshi	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours
Director (Resigned)	Tatsumi Akio	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours
Independent Director	Hsu Ke-Wei	2023/04/27	Taiwan Institute of Directors (TWIoD)	Taiwan's Economic Outlook Amid International Changes	3 hours
		2023/05/10	Taiwan Independent Director Association	Cutting-Edge Tools for Board Audit and Fraud Warning—Internal Investigations and E-Discovery	3 hours
		2023/10/26	Taiwan Institute of Directors (TWIoD)	Digital Innovation and Sustainable Transformation for Smart Enterprises	3 hours
Independent Director	Wang Wen-Yeu	2023/11/7	Taiwan Corporate Governance Association	Struggles for Management Rights and Case Studies	3 hours
		2023/08/04	Taiwan Corporate Governance Association	Updated Blueprint of Corporate Governance and Compliance Highlights	3 hours
Independent Director	Lian Jun-Hua	2023/09/12	Accounting Research and Development Foundation	Advanced Workshop for Directors, Supervisors (Including Independents), and Governance Executives—Ethical Corporate Management Best Practice Principles	3 hours
		2023/09/14		Advanced Workshop for Directors, Supervisors (Including Independents), and Governance Executives—Audit Committee Practices	3 hours
Independent Director	Chou Chien-Hung	2023/03/02	CPA ASSOCIATIONS R.O.C. (TAIWAN)	Key Points and Doubts in Business Income Tax Filing	7 hours
		2023/03/31		Investment Accounting Using the Equity Method	3 hours
		2023/04/17		Accounting for Real Estate	3 hours
		2023/06/28		Implementing Anti-Money Laundering Measures	3 hours
		2023/09/11		IAS 12 Income Taxes	3 hours
		2023/10/23		Latest Trends in Anti-Money Laundering	3 hours
		2023/10/23		House and Land Transactions Tax 2.0	3 hours
		2023/11/08		Practices of Independent Directors and Audit Committees	3 hours
		2023/11/13		2023 Accountants' Discipline Forum	3 hours
		2023/11/14		AI Applications in Accounting	3 hours
		2023/12/21		Facing Shareholder Disputes and Responsibilities	3 hours

5. Disclosure of Director's Professional Qualifications and Independence of Independent Directors:

Name	Conditions Independent Director	Members of the Audit Committee	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public corporations in which the person concurrently serves as an independent director.
Delegate of Nidec Corporation: Nagai Junichi	—	—	<p>1. Work experience in business, technology, operations, and decision-making abilities</p> <p>2. Other experiences are obtained through concurrent positions in other companies. For information regarding education, gender, professional qualifications, work experience, and diversity, please refer to pages 13-16 and 23 of this annual report.</p> <p>3. There are no circumstances falling under Article 30 of the Company Act.</p>	N/A	0
Delegate of Nidec Corporation: Kitao Yoshihisa	—	—			0
Delegate of Nidec Corporation: Miyamoto Eiji	—	—			0
Delegate of Nidec Corporation: Yamaoka Naoto	—	—			0
Delegate of Nidec Corporation: Sumikawa Yohei	—	—			0
Delegate of Nidec Corporation: Nishizawa Toru	—	—			0
Delegate of Nidec Corporation: Ota Shingo	—	—			0
Delegate of Nidec Corporation: Tatsumi Akio	—	—			0
Delegate of Nidec Corporation: Takasawa Shinji	—	—			0
Chou Chien-Hung	V	V (Convener)	<p>1. Work experience in business, technology, operations, and decision-making abilities</p> <p>2. Other experiences are acquired through concurrent positions in other companies. Information regarding education, gender, professional qualifications, work experience, and diversity can be found on pages 13-16 and 23 of the provided materials.</p> <p>3. Regarding Article 30 of the Company Act, there are no circumstances falling under its provisions.</p>	As an independent director, meeting the independence criteria: This includes, but is not limited to, not serving as a director, supervisor, or employee of the company or its affiliated enterprises for oneself, spouse, parents within the second degree of kinship, etc.; not holding any shares of the company; not serving as a director, supervisor, or employee of companies with specific relationships to the company; and not	0
Lian Jun-Hua	V	V			1
Hsu Ke-Wei	V	V			1
Wang Wen-Yeu	V	V			1

Name	Conditions	Independent Director	Members of the Audit Committee	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public corporations in which the person concurrently serves as an independent director.
					receiving compensation from the company or its affiliated enterprises for providing business, legal, financial, accounting, or similar services in the past two years.	

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of individual directors and supervisors, and if they are members of the audit committee with accounting or financial expertise, their accounting or financial background and work experience should be stated. Also, indicate whether there are any circumstances under Article 30 of the Company Act.

Note 2: Independent directors should disclose their compliance with independence criteria, including but not limited to whether oneself, spouse, parents within the second degree of kinship, or other close relatives serve as directors, supervisors, or employees of the company or its affiliated enterprises; whether oneself, spouse, parents within the second degree of kinship (or using others' names) hold shares of the company and their proportions; whether oneself serves as a director, supervisor, or employee of companies with specific relationships to the company (referring to the provisions of Subparagraphs 5-8, Paragraph 1, Article 3 of the Regulations Governing the Appointment of Independent Directors of Public Issuing Companies); and the amount of compensation received in the past two years for providing business, legal, financial, accounting, or similar services to the company or its affiliated enterprises.

6. Board Diversity and Independence:

According to Article 20 of our company's "Corporate Governance Best Practice Principles," the composition of the board of directors should consider diversity, without limitations based on gender, race, or nationality. However, in addition to possessing the necessary knowledge, skills, and qualifications to perform their duties, the ideal goal of corporate governance necessitates that the board of directors as a whole possesses abilities including operational judgment, accounting and finance, business management, crisis management, industry knowledge, international market perspectives, leadership, and decision-making capabilities.

The current board of directors of our company consists of 13 directors, including 4 independent directors and 9 general directors. The members possess rich experience and expertise in areas such as overseas business management, industry knowledge, technological research and development, corporate operations, strategic planning, product marketing, finance, accounting, legal affairs, and business management. They offer professional insights from different perspectives, greatly benefiting the company. The board of directors guides the company's strategy, oversees management, and is accountable to the company and its shareholders. In various operational and

organizational arrangements of the corporate governance system, the board of directors exercises its powers in accordance with laws, the company's articles of incorporation, or resolutions of the shareholders' meeting. The board of directors emphasizes independent operation and transparency. Both directors and independent directors operate independently as individuals and exercise their powers independently. There are no situations where directors have spousal or close relatives within the second degree of kinship, nor do they fall under the circumstances stipulated in Paragraphs 3 and 4, Article 26 of the Securities and Exchange Act. The independent directors also comply with the regulations of the Financial Supervisory Commission and the Taiwan Stock Exchange regarding independent directors.

The following is a list of the current members of our board of directors, demonstrating the implementation of our diversity policy:

Title	Diversification projects Board of Directors Names	Nationality	Age			Gender	Simultaneously holding a position as an employee of the company	Tenure of Independent Directors	Operational Judgment/Management	Crisis Management/Leadership Decision-making	Industry Knowledge	International market insight	Financial Accounting	decision-making skills	Remarks
			41 to 50	51 to 60	61 to 70										
Chairman	Delegate of Nidec Corporation: Nagai Junichi	Japan			√	Male	√	N/A	√	√	√	√	√	Proficient in overseas business management, corporate operations, and strategic planning, as well as product marketing.	
Director (Note 1)	Delegate of Nidec Corporation: Kitao Yoshihisa	Japan			√	Male		N/A	√	√	√	√	√	Proficient in industry knowledge and product development management.	
Director	Delegate of Nidec Corporation: Miyamoto Eiji	Japan			√	Male		N/A	√	√	√	√	√	Proficient in industry knowledge and product development management.	
Director	Delegate of Nidec Corporation: Nishizawa Toru	Japan	√			Male		N/A	√	√	√	√	√	Proficient in overseas business management and corporate strategic planning.	
Director (Note 3)	Delegate of Nidec Corporation: Yamaoka Naoto	Japan	√			Male	√	N/A	√	√	√	√	√	Proficient in industry knowledge and product development management.	
Director (Note 2)	Delegate of Nidec Corporation: Sumikawa Yohei	Japan		√		Male	√	N/A	√	√	√	√	√	Proficient in financial and business management.	
Director (Note 1)	Delegate of Nidec Corporation: Sano Yoshihide	Japan			√	Male		N/A	√	√	√	√	√	Proficient in overseas business management, corporate operations, and strategic planning.	
Director (Note 4)	Delegate of Nidec Corporation: Ota Shingo	Japan		√		Male		N/A	√	√	√	√	√	Proficient in industry knowledge and product development management.	
Director	Delegate of Nidec Corporation: Takasawa Shinji	Japan	√			Male	√	N/A	√	√	√	√	√	Proficient in corporate strategic planning, finance, and legal affairs.	
Independent Director	Hsu Ke-Wei	R.O.C.			√	Male		3~6 years	√	√	√	√	√	Proficient in legal affairs.	
Independent Director	Wang Wen-Yeu	R.O.C.			√	Male		Within 3 years	√	√	√	√	√	Proficient in legal affairs.	
Independent Director	Lian Jun-Hua	R.O.C.		√		Male		Within 3 years	√	√	√	√	√	Proficient in financial accounting affairs.	
Independent Director	Chou Chien-Hung	R.O.C.	√			Male		Within 3 years	√	√	√	√	√	Proficient in financial accounting affairs.	

Note 1: Mr. Hishida Masahiro and Mr. Matsunami Hidetoshi, the previously appointed corporate director representatives of Nippon Densan Corporation, were replaced by Mr. Kitao Yoshihisa and Mr. Sano Yoshihide on July 27, 2023.

Note 2: Mr. Tatsumi Akio, the previously appointed corporate director representative of Nippon Densan

Corporation, was replaced by Mr. Sumikawa Yohei on August 2, 2023.

Note 3: Mr. Yamaoka Naoto was appointed as the corporate director representative of Nippon Densan Corporation, effective July 27, 2023.

Note 4: Mr. Kino Tetsuo, the previously appointed corporate director representative of Nippon Densan Corporation, was replaced by Mr. Ota Shingo on April 12, 2024.

7. Succession Planning for Board Members and Key Management Personnel

(1) Succession Planning for Board Members

Our company has established a candidate nomination system for the appointment of directors, as stipulated in the company's articles of incorporation. The composition of the board of directors is planned in accordance with our "Corporate Governance Best Practice Principles" and "Director Appointment Guidelines," while aligning with the company's development blueprint and the policy of board member diversity. We aim to attract professionals from various fields, including industry technology, law, and finance and accounting. In addition to periodically providing relevant training information to directors, we also arrange regular training courses for directors, covering topics such as corporate governance, internal control systems, and financial reporting responsibilities. These courses aim to continuously enhance the professional knowledge and skills of directors, as well as to facilitate succession planning and candidate selection for the board.

(2) Succession Planning for Key Management Positions

We hold regular executive courses every year to provide training for managers at various levels, nurturing an adequate pool of managerial talent.

Senior executives regularly participate in important operational meetings and strategic planning meetings with the CEO and cross-departmental teams. Through discussions in these meetings, we establish succession planning strategies.

(2) General Manager, Deputy General Managers, Division Managers, Department Heads, and Branch Managers Information:

April 30, 2023; Unit: shares Quality Assurance Department

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Shares Held in the Name of Others		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
CEO	Japan	Nagai Junichi	Male	2019.2.1	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics from Yokohama National University The overseas business management division of Japan Nidec Corporation	Chairman of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd, Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. and Nidec Chaun Choung Vietnam Corporation	None	None	None	None
Chief Executive Officer	R.O.C.	Wu Shih-Ling	Female	2019.1.29	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Business Administration and Master's degree in Accounting from the State University of New York. Former Assistant Manager in the Finance Department of Taiwan Mobile Corporation. Former Assistant Manager in the Finance Department of Risheng Life Technology Corporation. Special Assistant to the Chairman and Chairman of Nidec Chaun-Choung Technology Corporation	Director at Conquer Wisdom Co., Ltd. Chairperson at Nidec Chaung-Choung Technology America, Inc. Chairperson at GLOBE STAR ENTERPRISE LTD. Supervisor at Yi Cen Investment Co., Ltd. Chief Administrative Officer and Spokesperson at Nidec Chaun-Choung Technology Corp.	None	None	None	None
Vice President	Japan	Yamaoka Naoto	Male	2024.8.7	0	0.00%	0	0.00%	0	0.00%	Graduated from the Department of Mechanical Systems Engineering, Faculty of Engineering, University of Miyazaki Master of Business Administration from Kyoto University of Advanced Science Graduate School Department Head, SPMS Business Planning Division, Nidec Corporation Group Leader, SPMS Business Planning Division, Nidec Corporation Business Planning Division, SPMS, Nidec Corporation GMS Business Planning Division, SPMS, Nidec Corporation	—	None	None	None	Note 2
CFO	Japan	Sumikawa Yohei	Male	2024.8.7	0	0.00%	0	0.00%	0	0.00%	Graduated from the Department of Commerce and Trade, Faculty of Commerce, Chuo University FP&A Department Head, Cost Accounting Section, Accounting Department, Finance Division, Japan AMP Corporation Head of Accounts Receivable Management, Japan Head of Management Accounting, Financial Shared Services Japan FP&A Department Head, Automotive Business Unit Vice President of Finance, Automotive	Director at Kunshan Jue-Chung Electronics Co., Ltd., Nidec Chongqing Cyun Siang High-Tech Co., Ltd., and Nidec Chaun Choung Vietnam Corporation NCVI Vice Chairperson at NCCU.	None	None	None	Note 3

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Shares Held in the Name of Others		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											Business Unit, Japan Vice President of Finance, Automotive Business Unit, ASEAN Japan Senior Manager, Project Management Division, Business Unit					
CFO	Japan	Matsuhashi Hidetoshi	Male	2023.01.01	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics, Doshisha University Director of the Second Development Division, Precision Small Motor Business Unit, GMS Division, Nippon Densan Corporation Director, Shiga Technical Development Center	Finance Director at Precision Small Motor Business Unit, Nippon Densan Corporation	None	None	None	Note 3
Deputy CFO	Japan	Asano Masanori	Male	2022.9.19	0	0.00%	0	0.00%	0	0.00%	Kyoto Sangyo University - Bachelor of Economics Nidec Corporation, Finance Department CFO of Nidec Vietnam Corporation Nidec Chaun Choung Vietnam Corporation	None	None	None	None	
Vice President	R.O.C.	Chung Chun-Min	Male	2021.7.5	0	0.00%	0	0.00%	0	0.00%	National Central University - Master of Mechanical Engineering Department Manager at Wistron Corporation Manager at Quanta Computer Inc., SMT Engineering Department	None	None	None	None	Note 5
Vice President of Quality Assurance Department	R.O.C.	Yuan Shi-Zhong	Male	2021.12.1	0	0.00%	0	0.00%	0	0.00%	National Chin-Yi University of Technology - Electrical Engineering Quality Director (GQAC Global Quality Assurance Center Senior Director) at MITAC INTERNATIONAL CORPORATION Quality Assurance Department Manager at Compal Electronics, Inc., Vietnam Factory Manager at Hon Hai Technology Group, Central Quality Technical Committee	None	None	None	None	Note 6
Vice President	R.O.C.	Lin Zhi-Ren	Male	2011.9.1	0	0.00%	0	0.00%	0	0.00%	University of South Australia - Master of Business Administration Senior Manager of Purchasing and Quality Assurance at DELL TAIWAN B.V., TAIWAN BRANCH (NETHERLANDS) Assistant Manager of Quality Assurance Department at Nidec Chaun-Choung Technology Corp.	None	None	None	None	Note 7
Vice President of RD4	R.O.C.	Huang Meng-Zheng	Male	2014.3.26	0	0.00%	0	0.00%	0	0.00%	National Taiwan University - PhD in Mechanical Engineering Assistant Manager of Research and Development at Nidec Chaun-Choung	None	None	None	None	Note 4

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Shares Held in the Name of Others		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											Technology Corp.					
CMO of the Marketing Department	R.O.C.	Zheng Hong-Lin	Male	2019.1.1	0	0.00%	0	0.00%	0	0.00%	Yuan Ze University - Master of Mechanical Engineering Research and Development Engineer, Marketing Manager of Product Development Department, Assistant Manager at Nidec Chaun-Choung Technology Corp.	None	None	None	None	None
Senior Vice President	R.O.C.	Shen Zhi-Ye	Male	2019.7.22	0	0.00%	0	0.00%	0	0.00%	National Tsing Hua University - Bachelor of Chemical Engineering Vice President at KUANG HO TECHNOLOGY CO., LTD. Marketing Assistant Manager, Vice President of Product Development Department at Nidec Chaun-Choung Technology Corp. General Manager and Director at Choung Vietnam Corporation NCV	President of Kunshan Jue-Chung Electronics Co., Ltd.	None	None	None	None
Assistant General Manager of New Business Development Office	R.O.C.	Hsu Chih-Wei	Female	2020.11.9	0	0.00%	0	0.00%	0	0.00%	Soochow University - Bachelor of Japanese Language and Literature Director of Marketing and Business Development, Client Manager at LITE-ON Technology, Image and Video Solutions Business Unit	None	None	None	None	None
Assistant General Manager of Procurement Department	R.O.C.	Hong Ming-Hong	Male	2021.9.8	0	0.00%	0	0.00%	0	0.00%	Yuan Ze University - Master of Industrial Management Special Assistant at DIVA Laboratories, Ltd. Senior Manager at FLYTECH TECHNOLOGY CO., LTD. Department Manager (acting) at Coretronic Corporation	None	None	None	None	None
Assistant General Manager of Taipei Plant	R.O.C.	Zou Xu-Long	Male	2022.5.1	0	0.00%	0	0.00%	0	0.00%	National United University - Bachelor of Chemical Engineering Department Manager at HOWIN MECHANICS CO., LTD.	None	None	None	None	None
Assistant General Manager of RD1	R.O.C.	Lin Yi-Yong	Male	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Lunghwa University of Science and Technology - Bachelor of Mechanical Engineering RD Manager at Nidec Chaun-Choung Technology Corp.	None	None	None	None	None
Assistant General Manager of RD2	R.O.C.	施柏州	Male	2022.6.1	0	0.00%	0	0.00%	0	0.00%	National Taiwan University - Master of Mechanical Engineering Research Institute RD Manager, Senior Manager at Nidec Chaun-Choung Technology Corp.	None	None	None	None	None
Assistant General Manager of Quality Assurance Department	R.O.C.	Qiu Yao-Cong	Male	2022.7.1	0	0.00%	0	0.00%	0	0.00%	National Taichung University of Science and Technology - Associate's Degree Special Assistant to the President at Tranyoung Technology Corp.	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Shares Held in the Name of Others		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
											Deputy Manager of Sales at A-POWER ELECTRIC CO., LTD. RD Manager at Nidec Chaun-Choung Technology Corp.					
Assistant General Manager of RD4	R.O.C.	Lu Shao-Qian	Male	2021.4.1	0	0.00%	0	0.00%	0	0.00%	University of Texas at Arlington - Master of Aerospace Mechanical Engineering Deputy Manager of Project Department 1, Chief Engineer at CHI LIN TECHNOLOGY CO., LTD. at Nidec Chaun-Choung Technology Corp.	None	None	None	None	None
Vice Director of Marketing Department	R.O.C.	Lin Shi-Yuan	Male	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Lee-Ming Institute of Technology Senior Marketing Manager of PM1 at Nidec Chaun-Choung Technology Corp.	None	None	None	None	None
Assistant General Manager of Cloud Business Division	R.O.C.	Wen Lu-Fang	Female	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Shih Hsin University - Bachelor of Tourism Manager at Forcecon Technology Co., Ltd. Senior Marketing Manager of PM3 at Nidec Chaun-Choung Technology Corp.	None	None	None	None	None
Finance Manager (Finance and Accounting Director)	R.O.C.	Chen Mei-Hua	Female	2020.8.10	0	0.00%	0	0.00%	0	0.00%	Soochow University - Bachelor of Accounting Graduated from the 16th Law Continuing Education Class at National Taiwan University Extension Division Financial Manager and Special Assistant to the President at Imperial Hotel Taipei Assistant Manager at KPMG Assurance Services Co., Ltd. Audit Manager at PwC Taiwan	None	None	None	None	None
Corporate Governance Officer	R.O.C.	Wei Zi-Heng	Male	2023.03.24	0	0.00%	0	0.00%	0	0.00%	McGeorge School of Law - Master of Laws MBA from California State University Legal Manager at GIGA-BYTE Technology Co., Ltd. Senior Legal Manager and Special Assistant to the President at Tsannkuen Co., Ltd. Senior Legal Manager/Assistant to the COO at J.D.United Manufacturing Corporation Ltd. Legal Director at Eyes Media Co., Ltd.	None	None	None	None	Note 8

Note 1: When the General Manager or an equivalent position (the highest executive) and the Chairman are the same person, spouses, or immediate family members, the reasons, rationale, necessity, and corresponding measures should be disclosed (e.g., increasing the number of independent directors, ensuring that more than half of the directors are not concurrently employees or executives, etc.). Please refer to Note 1 in Annex 1 of the “Director and Supervisor Information” appendix for further explanation.

Note 2: Mr. Yamaoka Naoto, Vice Chairperson, effective from the board selection on August 7, 2023.

Note 3: Mr. Matsuhashi Hidetoshi, CFO of the Company, due to internal group position adjustments, will be replaced by Mr. Sumikawa Yohei, effective from August 7, 2023.

Note 4: Mr. Huang Meng-Zheng retired and resigned from his position as Vice President of the Company on March 2024.

Note 5: Mr. Chung Chun-Min resigned from his position as Vice President of the Company due to personal career planning on December 1, 2023.

Note 6: Mr. Yuan Shi-Zhong resigned from his position as Vice President of the Company due to personal career planning on January 1, 2024.

Note 7: Mr. Lin Zhi-Ren retired and resigned from his position as Vice President of the Company on February 1, 2023.

Note 8: Manager Wei Zi-Heng assumed office on March 24, 2023.

3. Remuneration of Directors, Supervisors, General Manager, and Deputy General Manager for the most recent fiscal year
 (1) Remuneration of General Directors and Independent Directors

Unit: NT\$ thousands

Title	Name	Remuneration of Directors								Remuneration Paid to Part-Time Employees								Percentage of Total Net Profit After Tax of A, B, C, D, E, F, and G		Remuneration received from investments outside of subsidiaries or parent companies (Note 3)				
		Remuneration (A)		Retirement Severance Pay (B)		Director Compensation (C)		Business execution Business execution expenses (D)		Proportion of A, B, C, and D to After-Tax Net Income		Salary, Bonus, and Compensation, Bonus, and Other Allowances (E)		Pensions (B) (F)		Employee compensation (G)								
		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company			From all consolidated entities		The Company	From all consolidated entities
																		Cash	Stocks		Cash	Stocks		
General Director	Nidec Corporation Delegate: Nagai Junichi																							
	Nidec Corporation Delegate: Hishida Masahiro (Note 3)																							
	Nidec Corporation Delegate: Kitao Yoshihisa (Note 3)																							
	Nidec Corporation Delegate: Yamaoka Naoto (Note 5)																							
	Nidec Corporation Delegate: Sumikawa Yohei (Note 4)	0	0	0	0	0	0	87	87	0.01%	0.01%	7,799	7,799	0	0	0	0	0	0	1.30%	1.30%	53746		
	Nidec Corporation Delegate: Miyamoto Eiji																							
	Nidec Corporation Delegate: Matsuhashi Hidetoshi (Note 3)																							
	Nidec Corporation Delegate: Sano Yoshihide																							
	Nidec Corporation Delegate: Nishizawa Toru																							
	Nidec Corporation Delegate:																							

Title	Name	Remuneration of Directors								Remuneration Paid to Part-Time Employees						Percentage of Total Net Profit After Tax of A, B, C, D, E, F, and G		Remuneration received from investments outside of subsidiaries or parent companies (Note 3)			
		Remuneration (A)		Retirement Severance Pay (B)		Director Compensation (C)		Business execution Business execution expenses (D)		Proportion of A, B, C, and D to After-Tax Net Income		Salary, Bonus, and Compensation, Bonus, and Other Allowances (E)		Pensions (B) (F)					Employee compensation (G)		
		The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	The Company	From all consolidated entities	Cash	Stocks		Cash	Stocks	The Company
	Hayashi Hiroki (Note 2)																				
	Nidec Corporation Delegate: Kino Tetsuo (Note 2)																				
	Nidec Corporation Delegate: Tatsumi Akio (Note 4)																				
	Nidec Corporation Delegate: Takasawa Shinji																				
Independent Director	Hsu Ke-Wei																				
	Wang Wen-Yeu	0	0	0	0	4,000	4,000	60	60	0.67%	0.67%	0	0	0	0	0	0	0	0	0.67%	0.67%
	Lian Jun-Hua																				
	Chou Chien-Hung																				
<p>1. Please state the policy, system, standards, and structure for the remuneration of independent directors, and explain the correlation between their responsibilities, risks, time commitment, and the amount of remuneration: The remuneration for independent directors of the company, in addition to reimbursement for attending board meetings, includes director's fees based on factors such as the company's operational performance, industry standards, the level of participation of independent directors in company operations, and the risks they assume. The recommendation for director's remuneration is proposed by the Compensation Committee and submitted to the Board of Directors for approval. In addition to the disclosed information in the financial reports, please provide details of any remuneration received by the company's directors in the latest fiscal year for services rendered to other companies (such as serving as non-employee consultants): There were no such cases.</p> <p>2. In addition to the disclosed information in the financial reports, please provide details of any remuneration received by the company's directors in the latest fiscal year for services rendered to other companies (such as serving as non-employee consultants): There were no such cases.</p>																					

Note 1: Mr. Hayashi Hiroki, the previously appointed corporate director representative of Nidec Corporation, was replaced by Mr. Kino Tetsuo on April 1, 2023.

Note 2: Mr. Hayashi Hiroki, the previously appointed corporate director representative of Nidec Corporation, was replaced by Mr. Kino Tetsuo on April 1, 2023.

Note 3: Mr. Hishida Masahiro and Mr. Matsushashi Hidetoshi, the previously appointed corporate director representatives of Nippon Corporation, were replaced by Mr. Kitao Yoshihisa and Mr. Sano Yoshihide on July 27, 2023.

Note 4: Mr. Tatsumi Akio, the previously appointed corporate director representative of Nippon Corporation, was replaced by Mr. Sumikawa Yohei on August 2, 2023.

Note 5: Mr. Yamaoka Naoto was appointed as the corporate director representative of Nippon Corporation, effective July 27, 2023.

Note 6: Refers to the compensation received by directors of the Company from the parent company for expatriates or for serving as managers of the parent company.

Note 7: Japanese directors of the Company do not receive director and supervisor compensation in Taiwan, and if they also hold an employee role, they do not receive bonuses or employee compensation in Taiwan either.

Table of Remuneration Ranges for General Directors and Independent Directors

Payment of remuneration levels for each director of the Company	Board of Directors Names			
	Total amount of the first four levels of remuneration (A+B+C+D)		Total amount of the first seven levels of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements (H)	The Company	The parent company and all invested companies (I)
Less than NT\$1,000,000	Nagai Junichi, Hishida Masahiro, Kitao Yoshihisa, Yamaoka Naoto, Sumikawa Yohei, Miyamoto Eiji, Matsuhashi Hidetoshi, Sano Yoshihide, Nishizawa Toru, Hayashi Hiroki, Kino Tetsuo, Tatsumi Akio, Takasawa Shinji,	Nagai Junichi, Hishida Masahiro, Kitao Yoshihisa, Yamaoka Naoto, Sumikawa Yohei, Miyamoto Eiji, Matsuhashi Hidetoshi, Sano Yoshihide, Nishizawa Toru, Hayashi Hiroki, Kino Tetsuo, Tatsumi Akio, Takasawa Shinji,	–	–
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Hsu Ke-Wei, Wang Wen-Yu, Lien Jun-Hua, Chou Chien-Hung	Hsu Ke-Wei, Wang Wen-Yu, Lien Jun-Hua, Chou Chien-Hung	Hsu Ke-Wei, Wang Wen-Yu, Lien Jun-Hua, Chou Chien-Hung, Hayashi Hiroki	Hsu Ke-Wei, Wang Wen-Yu, Lien Jun-Hua, Chou Chien-Hung, Hayashi Hiroki
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	–	–	Matsuhashi Hidetoshi, Tatsumi Akio, Sano Yoshihide, Yamaoka Naoto, Sumikawa Yohei	Matsuhashi Hidetoshi, Tatsumi Akio, Sano Yoshihide, Yamaoka Naoto, Sumikawa Yohei
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	–	–	Hishida Masahiro, Takasawa Shinji	Hishida Masahiro, Takasawa Shinji
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	–	–	Nagai Junichi, Miyamoto Eiji, Nishizawa Toru, Kino Tetsuo, Kitao Yoshihisa	Nagai Junichi, Miyamoto Eiji, Nishizawa Toru, Kino Tetsuo, Kitao Yoshihisa
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	–	–	–	–
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	–	–	–	–
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	–	–	–	–
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	–	–	–	–
Over NT\$100,000,000.	–	–	–	–
Total	17 seats	17 seats	17 seats	17 seats

(3) Remuneration of General Manager and Deputy General Managers

Unit: NT\$ thousands

Title	Name	Salary (A)		Pensions (B)		Bonuses and Special Expenses (C)		Employee Compensation Amount (D)				Ratio of the total amount (Sum of A, B, C, and D) to Net Income (%)		Remuneration received from investments outside of subsidiaries or parent companies (Note 1)
		The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company		All Companies Included in the Financial Statements		The Company	All Companies Included in the Financial Statements	
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
CEO	Nagai Junichi	30,953	33,070	1,592	1,592	486	486	503	0	503	0	5.54%	5.89%	14,989
Chief Executive Officer	Wu Shih-Ling													
Vice Chairperson	Yamaoka Naoto (Note 2)													
CFO	Sumikawa Yohei (Note 3)													
CFO	Matsuhashi Hidetoshi (Note 3)													
Vice General Manager	Lin Zhi-Ren (Note 7)													
Vice General Manager	Lin Li-Wen (Note 8)													
Vice General Manager	Chung Chun-Min (Note 5)													
Vice General Manager	Yuan Shi-Zhong (Note 6)													
Vice General Manager	Huang Meng-Zheng (Note 4)													
CMO	Zheng Hong-Lin													
Senior Vice President	Shen Zhi-Ye													
Vice General Manager	Lin Shi-Yuan													

Note 1: Refers to the remuneration received by the General Manager and Deputy General Managers (or equivalent positions) of the company from the parent company for expatriate personnel.

Note 2: Mr. Yamaoka Naoto, Vice Chairperson, effective from the board selection on August 7, 2023.

Note 3: Mr. Matsuhashi Hidetoshi, CFO of the Company, due to internal group position adjustments, will be replaced by Mr. Sumikawa Yohei, effective from August 7, 2023.

Note 4: Mr. Huang Meng-Zheng retired and resigned from his position as Vice President of the Company on March 1, 2024.

Note 5: Mr. Chung Chun-Min resigned from his position as Vice President of the Company due to personal career planning on December 1, 2023.

Note 6: Mr. Yuan Shi-Zhong resigned from his position as Vice President of the Company due to personal career planning on January 1, 2024.

Note 7: Mr. Lin Zhi-Ren retired and resigned from his position as Vice President of the Company on February 1, 2023.

Note 8: Mr. Lin Li-Wen was reassigned to NCCV on July 1, 2023.

Note 9: Japanese managers of the Company do not receive bonuses or employee compensation in Taiwan.

President and Vice Presidents Remuneration Bracket

Pay ranges for the general manager and deputy general manager of the Company	Names of the general manager and deputy general manager	
	The company itself,	Parent Company and all affiliated investment ventures (E)
Less than NT\$1,000,000	Lin Zhi-Ren, Matsuhashi Hidetoshi, Sumikawa Yohei	Lin Zhi-Ren
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Yamaoka Naoto	–
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Huang Meng-Zheng, Zheng Hong-Lin, Lin Li-Wen, Yuan Shi-Zhong, Chung Chun-Min, Lin Shi-Yuan	Huang Meng-Zheng, Zheng Hong-Lin, Lin Li-Wen, Yuan Shi-Zhong, Chung Chun-Min, Lin Shi-Yuan, Matsuhashi Hidetoshi
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	Nagai Junichi, Wu Shih-Ling	Wu Shih-Ling, Sumikawa Yohei, Yamaoka Naoto
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	Shen Zhi-Ye	Shen Zhi-Ye
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)		Nagai Junichi
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	–	–
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	–	–
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	–	–
Over NT\$100,000,000.	–	–
Total	13 Seats	13 Seats

(4) Name and Allocation of Remuneration to Employees by Managers

December 31, 2023; Unit: NT\$ thousands

Item	Title	Name	Stock Amount	Cash amount (Note 2)	Total	Total amount of Post-Tax Net Income %
Manager	CEO	Nagai Junichi	0	963	963	0.16%
	Vice Chairperson	Yamaoka Naoto (Note 1)				
	CAO	Wu Shih-Ling				
	CFO	Sumikawa Yohei (Note 2)				
	CFO	Matsubishi Hidetoshi (Note 2)				
	Deputy CFO	Asano Masanori				
	CMO	Zheng Hong-Lin				
	Senior Vice President	Shen Zhi-Ye				
	Vice General Manager	Lin Zhi-Ren (Note 7)				
	Vice General Manager	Yang Li-Ming				
	Vice General Manager	Huang Chuan-Chan				
	Vice General Manager	Chung Chun-Min (Note 4)				
	Vice General Manager	Yuan Shi-Zhong (Note 5)				
	Vice General Manager	Huang Meng-Zheng (Note 3)				
	Vice General Manager	Lin Shi-Yuan				
	Assistant Manager	Hsu Chih-Wei				
	Assistant Manager	Hong Ming-Hong				
	Assistant Manager	Zou Xu-Long				
	Assistant Manager	Lin Yi-Yong				
	Assistant Manager	Shi Bozhou				
	Assistant Manager	Qiu Yao-Cong				
	Assistant Manager	Lu Shao-Qian				
	Assistant Manager	Wen Lu-Fang				
Finance Manager (Finance and Accounting Director)	Chen Mei-Hua					
Corporate Governance Officer	Wei Zi-Heng (Note 6)					

Note 1: Mr. Yamaoka Naoto, Vice Chairperson, effective from the board selection on August 7, 2023.

Note 2: Mr. Matsubishi Hidetoshi, CFO of the Company, due to internal group position adjustments, will

- be replaced by Mr. Sumikawa Yohei, effective from August 7, 2023.
- Note 3: Mr. Huang Meng-Zheng retired and resigned from his position as Vice President of the Company on March 2024.
- Note 4: Mr. Chung Chun-Min resigned from his position as Vice President of the Company due to personal career planning on December 1, 2023.
- Note 5: Mr. Yuan Shi-Zhong resigned from his position as Vice President of the Company due to personal career planning on January 1, 2024.
- Note 6: Manager Wei Zi-Heng assumed office on March 24, 2023.
- Note 7: Mr. Lin Zhi-Ren retired and resigned from his position as Vice President of the Company on February 1, 2023.
- Note 8: On March 12, 2024, the board of directors of the Company approved the distribution of NT\$23,463,637 as employee compensation for 2023. As of the date of printing the annual report, the amount of employee compensation to be distributed to managers for the current year has not been determined, thus, this table estimates the proposed distribution based on the actual amount distributed to managers last year.
- Note 9: Japanese managers of the Company do not receive bonuses or employee compensation in Taiwan.

(5) Analysis of the Total Compensation for Directors, Supervisors, General Managers, and Deputy General Managers of the Company and its Consolidated Companies in the Past Two Years as a Percentage of the Entity’s Financial Statements’ Net Profit After Tax, and Explanation of Compensation Policies, Standards, Composition, Procedures for Determining Compensation, and their Relationship with Business Performance and Future Risks:

1. Analysis of the Total Compensation for Directors, Supervisors, General Managers, and Deputy General Managers of the Company as a Percentage of the Entity’s Financial Statements’ Net Profit After Tax in the Past Two Years:

Title \ Item	The total amount of remuneration paid to the directors, supervisors, general manager, and deputy general manager of the Company and its consolidated subsidiaries as a percentage of the individual financial report’s post-tax net income.			
	2022		2023	
	The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements
Director and Supervisor				
General Manager and Vice General Manager	10.07%	10.23%	7.67%	8.02%

2. Policies, Standards, Composition, and Procedures for Determining Compensation, and their Relationship with Business Performance and Future Risks:

(1) According to Article 20 of the Company’s Articles of Incorporation, if the company generates profits in a fiscal year, a minimum of 3% should be allocated for employee compensation. Within the limit of 3% of the profit, the Board of Directors may also allocate compensation for directors and supervisors. The remuneration for directors and supervisors is determined based on factors such as the company’s annual business performance, industry standards, their level of involvement in company operations, and their performance contributions. After review by the Compensation Committee, the proposed remuneration is presented to the Board of Directors for discussion and approval, and subsequently reported to the shareholders’ meeting.

(2) The remuneration of the company’s CEO and Vice CEO, including salary, bonuses, and employee compensation, is determined based on the salary levels of comparable positions in the industry market, taking into account factors such as seniority, level of responsibility, individual job performance, achievement of goals, and overall contribution to the company’s performance. Additionally, reasonable compensation is provided by considering factors such as the company’s annual business performance, potential operational risks and trends in the industry, and salary and benefits levels in the industry. The content and reasonableness of the remuneration are reviewed by the Compensation Committee and submitted to the Board of Directors for discussion and approval. The remuneration system is periodically

reviewed based on operational conditions and relevant regulations to balance sustainable business operations and risk management.

- (3) The remuneration policy of the company takes into account the company's financial condition, business results, and future capital utilization needs for comprehensive planning. The assessment of future risks is also included in the considerations to minimize the likelihood of risk occurrence.

4. Operations of Corporate Governance

(1) Board of Directors operation situation

In the most recent fiscal year (fiscal year 2023), the Board of Directors of the Company held 7 meetings. The attendance of directors at these meetings is as follows:

Job Title	Name	Actual Attendance Count	Delegate Attendance Count	Actual Attendance Rate(%)	Remark
Chairman	Nidec Corporation Delegate: Nagai Junichi	5	0	100%	—
Directors	Nidec Corporation Delegate: Yamaoka Naoto	2	0	100%	The corporate director's representative was appointed on July 27, 2023, and was required to attend 2 board meetings.
Directors	Nidec Corporation Delegate: Hishida Masahiro	3	0	100%	The corporate director's representative was dismissed on July 27, 2023, and was required to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Kitao Yoshihisa	2	0	100%	The corporate director's representative was appointed on July 27, 2023, and was required to attend 2 board meetings.
Directors	Nidec Corporation Delegate: Miyamoto Eiji	5	0	100%	—
Directors	Nidec Corporation Delegate: Matsuhashi Hidetoshi	3	0	100%	The corporate director's representative was dismissed on July 27, 2023, and was required to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Sano Yoshihide	2	0	100%	The corporate director's representative was appointed on July 27, 2023, and was required to attend 2 board meetings.
Directors	Nidec Corporation Delegate: Nishizawa Toru	4	0	80%	The corporate director's representative was appointed on January 1, 2023, and was required to attend 5 board meetings.
Directors	Nidec Corporation Delegate: Hayashi Hiroki	0	0	0%	The corporate director's representative was dismissed on April 1, 2023, and was required to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Tatsumi Akio	2	0	80%	The corporate director's representative was dismissed on August 2,

					2023, and was required to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Takasawa Shinji	5	0	100%	—
Directors	Nidec Corporation Delegate: Sumikawa Yohei	2	0	100%	The corporate director's representative was appointed on August 2, 2023, and was required to attend 2 board meetings.
Independent Director	Hsu Ke-Wei	5	0	100%	—
Independent Director	Wang Wen-Yeu	5	0	100%	—
Independent Director	Lian Jun-Hua	5	0	100%	—
Independent Director	Chou Chien-Hung	5	0	100%	—

Other items that shall be recorded:

1. If any of the following circumstances occur in the operation of the board of directors, the date, term, agenda, opinions of all independent directors and the company's handling of independent directors' opinions should be described:

(1) Matters listed in Article 14-3 of the Securities and Exchange Act:

Meeting date	Important resolutions
The 4th session of the 18th term January 13, 2023	<p>Proposals:</p> <ol style="list-style-type: none"> Distribution of the Company's senior executives' year-end bonuses for 2022. The Company plans to apply to Mega International Commercial Bank for a customs guarantee limit and an A+ R&D subsidy performance guarantee. Amendment to the Company's "Rules for Election of Directors". Amendment to the Company's "Rules of Procedure for Board Meetings". Amendment to the Company's "Corporate Governance Best Practice Principles". Change of the Company's spokesperson. Recognition of change in the Company's Chief Financial Officer (CFO). <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
The 5th session of the 18th term March 24, 2023	<p>Proposals:</p> <ol style="list-style-type: none"> Issuance of the Company's 2022 internal control system statement. The Company's 2022 business report, consolidated financial statements, and parent company only financial statements. Distribution of the Company's 2022 profits. Distribution of employee and director/supervisor compensation for 2022. The Company's budget for 2023. Appointment of the Company's CPAs for 2023. Proposal to establish general principles for the pre-approval of Non-assurance Services (NAS) by the Company. Appointment of the Company's "Corporate Governance Officer". Scheduling of the Company's 2023 Annual Shareholder Meeting and related matters. Acceptance of shareholder proposals for the 2023 Annual Shareholder Meeting. Proposal to adjust the Company's organizational structure and revise the "Organizational Responsibilities and Internal Communication Procedures". <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>

<p>The 6th session of the 18th term May 9, 2023</p>	<p>Proposals: 1. The Company plans to apply to Nidec Corporation for a short-term borrowing limit. 2. Appointment of the Company's senior executives. 3. Promotion and salary adjustments for the Company's senior executives.</p> <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
<p>The 7th session of the 18th term August 7, 2023</p>	<p>Proposals: 1. Setting the record date for the distribution of cash dividends for 2023. 2. Distribution of employee and director/supervisor compensation for 2022. 3. Proposal to add to the list of pre-approved Non-assurance Services (NAS) items. 4. Nomination of the Company's Vice Chairperson. 5. Recognition of change in the Company's Chief Financial Officer (CFO).</p> <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
<p>The 8th session of the 18th term November 7, 2023</p>	<p>Proposals: 1. The Company's "2024 Internal Audit Plan". 2. The Company plans to apply to Mega International Commercial Bank for a customs guarantee limit and an A+ R&D subsidy performance guarantee; also, to First Commercial Bank for a corporate card credit limit. 3. Proposal to revise the "Financial Statement Preparation Process Management Procedures" 4. Proposal to revise the "Decision-making Authority Table". 5. Proposal to adjust the Company's organizational structure and revise the "Organizational Responsibilities and Internal Communication Procedures" for recognition. 6. Recognition of changes, promotions, and salary adjustments for the Company's senior executives.</p> <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>

(2) Apart from the aforementioned matters, there were no other decisions made by the Board of Directors in which any independent director expressed opposition or reservation with recorded or written statements.

2. The implementation status of directors' abstentions from interested party matters shall be presented, including the names of the directors, the content of the matters, the reasons for abstention due to conflicts of interest, and their participation in voting:

(1) Board of Directors Meeting: May 9, 2023 (18th Session, 6th Meeting)

1. Agenda Item: Approval of the Company's application to the parent group, Nidec Corporation, to maintain its short-term borrowing limit.
2. Directors avoiding conflict of interest: Nagai Junichi, Hishida Masahiro, Miyamoto Eiji, Matsushashi Hidetoshi, Nishizawa Toru, Kino Tetsuo, Tatsumi Akio, Takasawa Shinji.
3. Reason for avoiding conflict and participation in voting: The matter discussed was an application for a borrowing limit from the parent company, Nidec Corporation. The above directors, being corporate representative directors appointed by Nidec Corporation, avoided conflict of interest due to personal stakes and did not participate in the discussion or voting. The acting Chairperson solicited the opinions of all other directors present and the motion was passed unanimously without objection.

(2) Board of Directors Meeting: August 7, 2023 (18th Session, 7nd meeting)

1. Agenda Item: Approval of the Company's distribution of 2022 employee compensation and director/supervisor compensation.
2. Directors avoiding conflict of interest: Hsu Ke-Wei, Wang Wen-Yu, Lien Jun-Hua, Chou Chien-Hung.
3. Reason for avoiding conflict and participation in voting: The matter involved compensation amounts for

director fees for 2022 and employee compensation for those directors also serving as managers. Due to personal interest, these directors avoided conflict and did not participate in the discussion or voting. The Chairperson solicited the opinions of all other directors present, and the motion was passed unanimously without objection.

3. Implementation of Self (or Peer) Evaluation by the Board of Directors:

Evaluation Period	Conducted annually
Evaluation Period	The performance of the Board of Directors from January 20, 2023, to December 31, 2023 is being evaluated
Evaluation Scope	The Board of Directors, individual directors, and functional committees (including the Compensation Committee and the Audit Committee).
Evaluation Method	The evaluations are conducted through self-assessments by members of the Board of Directors.
Evaluation Content	<ol style="list-style-type: none"> 1. Evaluation of the Board of Directors' performance: including the level of engagement in company operations, quality of board decision-making, composition and structure of the board, director selection and continuous education, internal controls, etc. 2. Evaluation of individual director performance: including mastery of company goals and tasks, awareness of director responsibilities, level of engagement in company operations, internal relationship management and communication, director's expertise and continuous education, internal controls, etc. <p>Evaluation of the Audit and Compensation Committees' performance: level of engagement in company operations, understanding of committee responsibilities, quality of committee decision-making, composition and member selection of the committees, internal controls, etc.</p>

4. Assessment of the Strengthening of the Board's Functions in the Current and Recent Years:

- (1) The company has established an Audit Committee, and the operations of the Board of Directors are carried out in accordance with laws, the company's bylaws, and resolutions of the shareholders' meeting. All directors possess the necessary professional knowledge, skills, and qualities to perform their duties and adhere to the principles of loyalty, good faith, and fiduciary duty, aiming to create maximum benefits for all shareholders. The Audit Committee of the company was established in 2023.
- (2) Upholding operational and information transparency, the company discloses important decisions of the Board of Directors and other relevant information on its website, ensuring the protection of shareholders' rights and interests.
- (3) In order to implement corporate governance and enhance the efficiency of the Board of Directors, the company has formulated the "Performance Evaluation Methods for the Board of Directors and Functional Committees" in compliance with the latest regulations, which was approved by the Board of Directors on January 14, 2020 and is on record. The performance evaluation for the Board of Directors and functional committees for 2023 has been completed before the end of 2023, and the evaluation scores for the three self-assessment components are all above 90 (presented conceptually as a percentage). The performance evaluation results have been submitted to the Board of Directors on January 30, 2024.
- (4) The company arranges at least one meeting per year for the independent directors and supervisors to meet with the auditors separately. In the event of significant changes in accounting standards or revisions to laws and regulations, the company invites the auditors to have discussions with the Board of Directors to address professional issues raised by the directors. The internal audit manager communicates with the independent directors and the Audit Committee every six months to discuss audit operations. The independent directors review the audit reports and, if they have any questions or instructions, they communicate with the audit manager through email or phone calls, maintaining good communication between parties.

(2) The Operation of the Audit Committee or the Involvement of the Supervisors in the Operation of the Board of Directors:

In the most recent fiscal year (fiscal year 2023), the Audit Committee held 5 meetings. (A) The attendance record of independent directors is as follows:

Title	Name	Number of attendance in person (B)	Number of proxy attendance	Rate of attendance in person (%)	Remarks
Independent Director	Hsu Ke-Wei	5	0	100%	—
Independent Director	Wang Wen-Yeu	5	0	100%	—
Independent Director	Lian Jun-Hua	5	0	100%	—
Independent Director	Chou Chien-Hung	5	0	100%	—

Other items that shall be recorded:

- (1) Pursuant to Article 14-5 of the Securities and Exchange Act, matters listed therein, as well as other matters not approved by the Audit Committee but approved by a majority of two-thirds or more of the directors present, shall be specified with the date and term of the Board of Directors, the content of the resolution, the date and term of the Audit Committee meeting, the content of the resolution, any dissenting opinions, reservations, or significant recommendations from the independent directors, the decision of the Audit Committee, and the company's response to the opinions of the Audit Committee.

Audit Committee Date	Discussion agenda and resolution result	Items Listed of Securities and Exchange Act Article 14-5	Decisions made with the approval of more than two-thirds of the entire board of directors without the approval of the Audit Committee
3 st Session of the 1st Term January 13, 2023	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Amendment to the Company's "Rules for Election of Directors". 2. Amendment to the Company's "Rules of Procedure for Board Meetings". 3. Amendment to the Company's "Corporate Governance Best Practice Principles". 4. Proposal to adjust the Company's organizational structure and revise the "Organizational Responsibilities and Internal Communication Procedures". 	Yes	No
<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>			

<p>4 st Session of the 1st Term March 24, 2023</p>	<p>Proposals: 1. Issuance of the Company’s 2022 internal control system statement. 2. The Company’s 2022 business report, consolidated financial statements, and parent company only financial statements. 3. Distribution of the Company’s 2022 profits. 4. Appointment of the Company’s CPAs for 2023. 5. Proposal to establish general principles for the pre-approval of Non-assurance Services (NAS) by the Company. 6. Appointment of the Company’s “Corporate Governance Officer”. 7. Proposal to adjust the Company’s organizational structure and revise the “Organizational Responsibilities and Internal Communication Procedures”.</p>	<p>Yes</p>	<p>No</p>
<p>Committee members’ opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company’s handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>			
<p>5 st Session of the 1st Term May 9, 2023</p>	<p>Proposals: 1. The Company plans to apply to Nidec Corporation for a short-term borrowing limit.</p>	<p>Yes</p>	<p>No</p>
<p>Committee members’ opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company’s handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>			
<p>6 st Session of the 1st Term August 7, 2023</p>	<p>Proposals: 1. Proposal to add to the list of pre-approved Non-assurance Services (NAS) items.</p>	<p>Yes</p>	<p>No</p>
<p>Committee members’ opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company’s handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>			
<p>7 st Session of the 1st Term November 7, 2023</p>	<p>Proposals: 1. The Company’s “2024 Internal Audit Plan”. 2. Proposal to revise the “Financial Statement Preparation Process Management Procedures”. 3. Proposal to revise the “Decision-making Authority Table”. 4. Proposal to adjust the Company’s organizational structure and revise the “Organizational Responsibilities and Internal Communication Procedures” for recognition. 5. Appointment and compensation of the Company’s CPAs for 2023.</p>	<p>Yes</p>	<p>No</p>

	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>		
8 st Session of the 1st Term January 30, 2024	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Appointment and compensation of the Company's CPAs for 2023, including additional J-SOX services. 2. Amendment to certain articles of the Company's "Articles of Incorporation". 	Yes	No
	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>		
9 st Session of the 1st Term March 12, 2024	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Issuance of the Company's 2022 internal control system statement. 2. The Company's 2023 business report, consolidated financial statements, and parent company only financial statements. 3. Distribution of the Company's 2023 profits. 4. Appointment of the Company's CPAs for 2024. 5. Proposed loan of funds to subsidiary Nidec Chaun Choung Vietnam Corporation. 	Yes	No
	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve.</p>		

(2) Communication between the Audit Committee, Internal Audit Manager, and Accountant:

1. The internal audit manager submits the monthly audit reports and follow-up reports to the independent directors, attends regular quarterly board meetings to report on audit activities, and communicates with the audit committee and independent directors during each audit committee meeting. Furthermore, during the review of audit reports, the independent directors can raise inquiries or provide instructions to the audit manager via email or phone, ensuring effective communication between them. Here is a summary of the internal audit supervisor's communication occurrences for 2023:

Communication Date	Meeting Method	Key Points of Communication	Communication Result
November 07, 2023	Audit Committee	(1) 2024 Audit Plan (2) Implementation and Reporting of the 2023 Audit Plan (3) Significant Modifications to Internal Control Systems	Independent director has no opinions or suggestions.
	Board of Directors	Audit Operations Report for July to October 2023	Independent director has no opinions or suggestions.
August 7, 2023	Audit Committee	Internal Audit Status of Internal Controls and J-SOX	Independent director has no opinions or

			suggestions.
	Board of Directors	Audit Operations Report for May to June 2023	Independent director has no opinions or suggestions.
May 9, 2023	Audit Committee	Audit Report on J-SOX Internal Control for the Year 2022	Independent director has no opinions or suggestions.
	Board of Directors	Audit Business Execution Report for March-April 2023	Independent director has no opinions or suggestions.
March 24, 2023	Audit Committee	(1) Self-Assessment and Execution of Internal Control and Audit Plan for the year 2022: (2) Audit Report on the Implementation of J-SOX Internal Control for the year 2022: (3) Modification of Key Internal Control Systems.	Independent director has no opinions or suggestions.
	Board of Directors	Audit Business Execution Report from November 2022 to February 2023	Independent director has no opinions or suggestions.

2. The auditor regularly visits our company and meets with the Independent Board of Directors at least once a year. In case of significant changes in accounting standards or amendments to laws, the company invites the auditor to have discussions with the Board of Directors to address professional issues raised by the directors.

Below is a summary of the communication between the auditor and the Board of Directors for 2023:

Communication Date	Meeting Method	Key Points of Communication	Communication Result
March 24, 2023	Meeting (Board of Director)	Discussion on the communication of audit findings for 2023	Independent director have no objections or suggestions
November 7, 2023	Meeting (One-on-One with Independent Director)	Discussion on the pre-audit communication for 2023 and communication regarding significant regulatory updates.	Independent director has no opinions or suggestions.

(3) Operation of Corporate Governance and Differences from the Corporate Governance Best Practice Principles for Listed and OTC Companies, and Reasons for the Differences:

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
1. Does the company establish and disclose a code of practice of corporate governance in accordance with the “Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies?”	√		In order to establish a sound corporate governance system, our company has developed the “Practical Guidelines for Corporate Governance,” which is disclosed on the company’s website and the Public Information Observation System for public access.	No significant differences
2. Company’s Equity Structure and Shareholders’ Equity				No significant differences
(1) Has the company established internal operating procedures to handle shareholder suggestions, doubts, disputes, and litigation matters, and implemented them accordingly?	√		(1) Apart from utilizing a shareholder services agency, our company has appointed a spokesperson and proxy spokesperson, as well as a dedicated unit to handle shareholder suggestions, doubts, disputes, and litigation matters. We ensure proper responses to these matters and, when necessary, seek assistance from our legal advisors. Furthermore, our company’s website includes a stakeholder section where investors (shareholders) can provide suggestions or raise questions.	
(2) Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders?	√		(2) Our company continuously monitors the shareholding status of directors, supervisors, managers, and shareholders holding more than 10% of the shares. We maintain records of major shareholders and the ultimate controllers through the shareholder registry in each instance.	
(3) Has the company established and	√		(3) Our company has established the “Regulations on Related Party	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>implemented risk management and firewall mechanisms with related parties?</p> <p>(4) Has the company established internal regulations prohibiting insiders from trading securities with undisclosed material information in the market?</p>	√		<p>Transactions” and the “Supervision and Management Regulations for Subsidiaries.” These regulations clearly define the responsibilities and powers between our company and related enterprises, and appropriate firewalls are established based on risk assessments to ensure ongoing execution and control.</p> <p>(4) Our company has implemented internal regulations, including the “Code of Ethics for Directors, Supervisors, and Managers,” the “Operating Procedures for Handling Material Non-public Information and Preventing Insider Trading,” and the “Operational Procedures and Behavioral Guidelines for Integrity Management.” These internal norms strictly prohibit insiders from trading securities based on undisclosed material information in the market.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors formulated a policy for diversity, specific management goals, and implemented them?</p>	√		<p>(1) Our company has established a diverse policy for the composition of the Board of Directors in Article 20 of the “Practical Guidelines for Corporate Governance.” Taking into account the company’s operational development needs and the shareholding status of major shareholders, the Board consists of 13 directors, including 4 independent directors and 9 non-independent directors. The members possess rich experience and expertise in various fields such as overseas business management,</p>	No significant differences

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies																																																																																																																			
	Yes	No	Summary and Explanation																																																																																																																				
			<p>industry knowledge and research and development, corporate operations, strategic planning, product marketing, finance, accounting, legal affairs, and business management.</p> <p>Here is a list of the implementation status of the policy on board diversity for all board members:</p> <table border="1"> <thead> <tr> <th rowspan="2">Title</th> <th rowspan="2">Diversification projects</th> <th rowspan="2">Nationality</th> <th colspan="3">Age</th> <th rowspan="2">Gender</th> <th rowspan="2">Simultaneously holding a position as an employee of the company</th> <th rowspan="2">Tenure of Independent Directors</th> <th rowspan="2">Operational Judgment/Management</th> <th rowspan="2">Crisis Management/Leadership Decision-making</th> <th rowspan="2">Industry Knowledge</th> <th rowspan="2">International market insight</th> <th rowspan="2">Financial Accounting</th> <th rowspan="2">decision-making skills</th> <th rowspan="2">Remarks</th> </tr> <tr> <th>41 to 50</th> <th>51 to 60</th> <th>61 to 70</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Delegate of Nidec Corporation: Nagai Junichi</td> <td>Japan</td> <td></td> <td>√</td> <td></td> <td>Male</td> <td>√</td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in overseas business management, corporate operations, and strategic planning, as well as product marketing.</td> </tr> <tr> <td>Director (Note 1)</td> <td>Delegate of Nidec Corporation: Kitao Yoshihisa</td> <td>Japan</td> <td></td> <td>√</td> <td></td> <td>Male</td> <td></td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in industry knowledge and product development management.</td> </tr> <tr> <td>Director</td> <td>Delegate of Nidec Corporation: Miyamoto Eiji</td> <td>Japan</td> <td></td> <td>√</td> <td></td> <td>Male</td> <td></td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>Proficient in industry knowledge and product development management.</td> </tr> <tr> <td>Director</td> <td>Delegate of Nidec Corporation: Nishizawa Toru</td> <td>Japan</td> <td>√</td> <td></td> <td></td> <td>Male</td> <td></td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>Proficient in overseas business management and corporate strategic planning.</td> </tr> <tr> <td>Director (Note 3)</td> <td>Delegate of Nidec Corporation: Yamaoka Naoto</td> <td>Japan</td> <td>√</td> <td></td> <td></td> <td>Male</td> <td>√</td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td></td> <td>√</td> <td>Proficient in industry knowledge and product development management.</td> </tr> <tr> <td>Director</td> <td>Delegate of Nidec</td> <td>Japan</td> <td>√</td> <td></td> <td></td> <td>Male</td> <td>√</td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in financial and business</td> </tr> </tbody> </table>	Title	Diversification projects	Nationality	Age			Gender	Simultaneously holding a position as an employee of the company	Tenure of Independent Directors	Operational Judgment/Management	Crisis Management/Leadership Decision-making	Industry Knowledge	International market insight	Financial Accounting	decision-making skills	Remarks	41 to 50	51 to 60	61 to 70	Chairman	Delegate of Nidec Corporation: Nagai Junichi	Japan		√		Male	√	N/A	√	√	√	√	√	√	Proficient in overseas business management, corporate operations, and strategic planning, as well as product marketing.	Director (Note 1)	Delegate of Nidec Corporation: Kitao Yoshihisa	Japan		√		Male		N/A	√	√	√	√	√	√	Proficient in industry knowledge and product development management.	Director	Delegate of Nidec Corporation: Miyamoto Eiji	Japan		√		Male		N/A	√	√	√	√		√	Proficient in industry knowledge and product development management.	Director	Delegate of Nidec Corporation: Nishizawa Toru	Japan	√			Male		N/A	√	√	√	√		√	Proficient in overseas business management and corporate strategic planning.	Director (Note 3)	Delegate of Nidec Corporation: Yamaoka Naoto	Japan	√			Male	√	N/A	√	√	√	√		√	Proficient in industry knowledge and product development management.	Director	Delegate of Nidec	Japan	√			Male	√	N/A	√	√	√	√	√	√	Proficient in financial and business	
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Evaluation Items	Implementation Status													The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies			
	Yes	No	Summary and Explanation														
			(Note 2)	Corporation: Sumikawa Yohei												management.	
			Director (Note 1)	Delegate of Nidec Corporation: Sano Yoshihide	Japan			√	Male	N/A	√	√	√	√	√	√	Proficient in overseas business management, corporate operations, and strategic planning.
			Director (Note 4)	Delegate of Nidec Corporation: Ota Shingo	Japan		√		Male	N/A	√	√	√	√	√	√	Proficient in industry knowledge and product development management.
			Director	Delegate of Nidec Corporation: Takazawa Shinji	Japan	√			Male	√	N/A	√	√	√	√	√	Proficient in corporate strategic planning, finance, and legal affairs.
			Independent Director	Hsu Ke-Wei	Taiwan R.O.C. 民國			√	Male	3~6 years	√	√	√	√	√	√	Proficient in legal affairs.
			Independent Director	Wang Wen-Yeu	Taiwan R.O.C.			√	Male	Within 3 years	√	√	√	√	√	√	Proficient in legal affairs.
			Independent Director	Lian Jun-Hua	Taiwan R.O.C. Taiwan R.O.C.			√	Male	Within 3 years	√	√	√	√	√	√	Proficient in financial accounting affairs.
			Independent Director	Chou Chien-Hung	Taiwan R.O.C. Taiwan R.O.C.	√			Male	Within 3 years	√	√	√	√	√	√	Proficient in financial accounting affairs.
			<p>(2) Our company has established a Compensation Committee, and upon the completion of the current term of the Board of Directors (in 2023), when a comprehensive election of directors takes place, an Audit Committee will be formed. In the future, the establishment of other functional committees will be evaluated based on operational needs.</p> <p>(3) On December 24, 2015, the Board of Directors approved the “Board of</p>														

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>Directors' Performance Evaluation Guidelines," which mandated regular evaluations of the Board's performance. Subsequently, in accordance with the latest legal requirements, the guidelines were revised as the "Board of Directors and Functional Committees' Performance Evaluation Guidelines" and were approved by the Board of Directors on January 13, 2023. The self-assessment is conducted by all directors and members of the Compensation Committee, covering three aspects: "Overall Board Operations," "Board Members," and "Compensation Committee Operations."</p> <p>At the end of each fiscal year, self-assessment questionnaires are distributed to all members of the Board of Directors and the Compensation Committee. After collecting the questionnaires, the Chairman's Office and the management department compile and analyze the assessment results based on the scoring criteria for each performance indicator. Any indicators with lower scores or recommendations from directors or the Compensation Committee are reported to the Board of Directors and Supervisors for their information. These results serve as references for future adjustments or improvements in the operation of the Board of Directors and the Compensation Committee. The performance evaluation of the Board of Directors and functional committees for fiscal year 2023 has been completed before the end of 2023. The assessment scores for the three self-assessment</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>(2) Besides the Compensation Committee and Audit Committee, does the company voluntarily set up other functional committees?</p> <p>(3) Has the company established a board performance evaluation method and its evaluation method, conducted performance evaluations regularly every year, and reported the results of the evaluation to the board for use as a reference for individual director compensation and nomination for reappointment?</p>	√		<p>criteria are all above 90 points (converted to a percentage concept). The results of the performance evaluation have been submitted to the Board of Directors on January 30, 2024.</p> <p>Regarding the evaluation results of the board of directors' performance, this company may use them as a reference for selecting or nominating directors. Additionally, the individual performance evaluation results of each director should serve as a reference for determining their individual compensation.</p> <p>(4) The company conducts regular evaluations of the independent integrity of its auditors, taking into account the evaluation criteria set forth in the "Regulations Governing the Professional Ethics of Certified Public Accountants of the Republic of China," Issue No. 10, "Integrity, Impartiality, Objectivity, and Independence." These criteria include: when the appointed auditors have conflicts of interest that may affect their impartiality and independence, they should be avoided; members of the auditing service team, other practicing accountants, firms, and affiliated enterprises should maintain independence from the company; the appointed auditors should possess independence and maintain an unbiased and objective position; the independence of the auditors should not be affected by self-interest, self-assessment, advocacy, familiarity, or coercion. For example, there should be no significant financial interests,</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(4) Does the company regularly assess the independence of its auditing CPAs?	√		<p>close business relationships, or potential employment relationships between the auditors and the company; members of the auditing service team should not have served as directors, executives, or held positions with significant influence over audit cases for the company within the current or past two years; they should not have promoted or brokered the company's issuance of stocks or other securities, nor acted as the company's advocates; the auditors or members of the auditing service team should not have any familial relationship with the company's directors, executives, or individuals with significant influence over audit cases, nor have received significant gifts or presents from the company or its directors or executives; the auditors should not have accepted improper choices regarding accounting policies or inappropriate disclosures in financial statements, and so on.</p> <p>On March 12, 2023, this company's board of directors resolved to appoint auditors for the certification of the financial statements for fiscal year 2024, as well as to evaluate their independence. After the evaluation, the appointed auditors all meet the company's standards for independence, and they have provided the company with a statement declaring their absolute independence.</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
4. Has the listed company appointed competent and appropriate governance personnel and designated a governance officer responsible for governance-related matters (including but not limited to providing directors and supervisors with necessary information, assisting directors and supervisors in complying with laws and regulations, conducting board and shareholders' meetings in accordance with laws, and preparing minutes of board and shareholders' meetings)?	√		<p>The company has a corporate governance officer who, together with the chairman and personnel, is responsible for corporate governance-related matters, including:</p> <ol style="list-style-type: none"> 1. Acting as the secretariat for the board of directors, which includes compiling meeting agendas, sending meeting notices to directors and supervisors at least seven days prior to the meeting, and providing sufficient meeting materials to facilitate understanding of the agenda items by attendees. In cases where agenda items involve conflicts of interest with directors themselves or the legal entities they represent, advance reminders should be provided to avoid conflicts of interest in compliance with laws and regulations. Within 20 days after the meeting, the minutes of the board of directors should be sent to all directors and supervisors for retention. 2. Responsible for the timely release of significant information and related announcements after board meetings or shareholders' meetings to ensure the legality and accuracy of information disclosure and safeguard the 	No significant differences

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>rights of investors to symmetrical information.</p> <ol style="list-style-type: none"> 3. Conducting pre-registration operations for shareholder meetings in accordance with the law, preparing and submitting meeting notices, agendas, annual reports, and minutes of shareholder meetings within the specified deadlines. 4. Handling the reporting of shareholding changes by insiders and various commercial registration changes. 5. To enhance the efficiency of the board of directors, conducting an internal performance evaluation of the board's operations for the previous year before the end of the first quarter and reporting the evaluation results to the board of directors. 6. Managing the renewal of the company's "Directors, Supervisors, and Key Personnel Liability Insurance" and reporting the insurance coverage to the board of directors. 7. Providing occasional information on professional development for directors and supervisors and arranging relevant courses for foreign directors and supervisors to fulfill the required training hours according to the "Guidelines for the Professional Development of Directors and Supervisors of Listed and OTC Companies." Completing the related announcement and reporting requirements. 8. Providing directors and supervisors with information on new laws or 	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>regulatory amendments related to their duties and corporate governance on an irregular basis.</p> <p>9. Reviewing the indicators of corporate governance evaluations and proposing improvement plans or response measures for indicators that have not achieved a passing score.</p> <p>10. Providing operational or financial information to directors and supervisors as needed, ensuring smooth communication and exchange between the board of directors and the management level.</p>	
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a special area for stakeholders on the company website, and properly respond to the important issues of corporate social responsibility the stakeholders are concerned about?	√		The company has a spokesperson and deputy spokesperson to communicate with stakeholders. Contact information for the spokesperson, deputy spokesperson, and business/product inquiries is provided on the company's website, including contact windows and email addresses. Additionally, under the Corporate Social Responsibility section of the company's website, there is a dedicated area for stakeholders where concerns and issues from employees, customers, investors (media), suppliers, and regulatory authorities are addressed appropriately, ensuring smooth communication channels.	No significant differences
6. Does the company appoint a professional stock agency to handle the affairs of the Board of Shareholders?	√		The company has appointed –Yuanta Securities Co., Ltd., Shareholder Services Department, a professional shareholder services agency, to handle shareholder meeting affairs.	No differences

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>7. Information Disclosure</p> <p>(1) Does the company have a website that discloses financial and corporate governance information?</p> <p>(2) Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, and placing judicial person briefings on the company website)?</p> <p>(3) Has the company announced and filed its annual financial report within two months after the end of the accounting year, and announced and filed its first,</p>	√		<p>1.The company has a corporate website (www.ccic.com.tw) where financial and corporate governance information is disclosed. The website is periodically updated to facilitate investor access.</p> <p>2.The collection and disclosure of information on the company’s website are jointly handled by the Chairman’s Office and relevant departments. The company has established the “Internal Handling of Material Nonpublic Information and Prevention of Insider Trading Operation Procedures” and implements a spokesperson system. Information related to corporate briefings is not only disclosed on the Public Information Observation System but also made available on the company’s website to enhance transparency of company information.</p> <p>3.The company complies with legal requirements to announce and report annual financial statements, quarterly financial reports, and monthly operating results within specified time limits. The feasibility of early disclosure and reporting will be assessed based on internal operational procedures.</p>	<p>No significant differences. Furthermore, the feasibility of early disclosure and reporting of annual financial statements, quarterly financial reports, and monthly operating results will be evaluated based on internal operational procedures.</p>

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
second, and third quarter financial reports and monthly business operations before the prescribed deadline?				
8. Does the company have other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relationships, rights of stakeholders, status of education and training for directors and supervisors, implementation of risk management policies and risk measurement standards, execution of customer policies, and the company's purchase of liability insurance for directors and supervisors)?	√		<ol style="list-style-type: none"> 1. Employee Rights and Employee Care: Please refer to Section V, "Labor-Management Relations," of the company's 2023 Annual Report for information on employee benefits and employee care. 2. Investor Relations, Supplier Relations, and Stakeholder Rights: The company has established various corporate social responsibility guidelines and practices, including the "Corporate Governance Best Practice Guidelines," "Supplier Evaluation Procedures," "Corporate Social Responsibility Guidelines," "Code of Conduct," and "Code of Conduct Operation Procedures and Behavior Guidelines." These guidelines aim to promote corporate governance and ensure the rights of stakeholders. For more information, please refer to Section IV, "Corporate Governance Operational Status," Section V, "Execution of Sustainable Development and Differences in Sustainable Development Practices Guidelines for Listed Companies" of the company's 2023 Annual Report. 3. Continuing Education of Directors and Supervisors: 	No significant differences

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies																																													
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			<p>In 2023, all directors and supervisors of the company accumulated a total of 124 hours of continuing education. The details of their continuing education are listed as follows:</p> <table border="1"> <thead> <tr> <th>Title</th> <th>Name</th> <th>Date of Education</th> <th>Organizer</th> <th>Course Name</th> <th>Study Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chairman</td> <td rowspan="2">Nagai Junichi</td> <td>2023/04/27</td> <td rowspan="2">Securities and Futures Market Development Foundation</td> <td>Basics of Taiwan's Tax System</td> <td>3 hours</td> </tr> <tr> <td>2023/07/27</td> <td>Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading</td> <td>3 hours</td> </tr> <tr> <td rowspan="3">Director</td> <td rowspan="3">Yamaoka Naoto</td> <td>2023/07/10</td> <td rowspan="3">Securities and Futures Market Development Foundation</td> <td>Corporate Governance of TWSE/TPEX Listed Companies in Taiwan</td> <td>3 hours</td> </tr> <tr> <td>2023/07/27</td> <td>Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading</td> <td>3 hours</td> </tr> <tr> <td>2023/12/11</td> <td>Duties and Responsibilities of Directors of Listed Companies</td> <td>3 hours</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Kitao Yoshihisa</td> <td>2023/07/27</td> <td rowspan="2">Securities and Futures Market Development Foundation</td> <td>Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading</td> <td>3 hours</td> </tr> <tr> <td>2023/12/11</td> <td>Duties and Responsibilities of Directors of Listed Companies</td> <td>3 hours</td> </tr> <tr> <td rowspan="2">Director</td> <td rowspan="2">Miyamoto Eiji</td> <td>2023/04/27</td> <td rowspan="2">Securities and Futures Market Development Foundation</td> <td>Basics of Taiwan's Tax System</td> <td>3 hours</td> </tr> <tr> <td>2023/07/27</td> <td>Liabilities of Directors and Supervisors for False Financial Reporting and</td> <td>3 hours</td> </tr> </tbody> </table>	Title	Name	Date of Education	Organizer	Course Name	Study Hours	Chairman	Nagai Junichi	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours	2023/07/27	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	Director	Yamaoka Naoto	2023/07/10	Securities and Futures Market Development Foundation	Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours	2023/07/27	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	2023/12/11	Duties and Responsibilities of Directors of Listed Companies	3 hours	Director	Kitao Yoshihisa	2023/07/27	Securities and Futures Market Development Foundation	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	2023/12/11	Duties and Responsibilities of Directors of Listed Companies	3 hours	Director	Miyamoto Eiji	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours	2023/07/27	Liabilities of Directors and Supervisors for False Financial Reporting and	3 hours	
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Chairman	Nagai Junichi	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours																																												
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours																																												
Director	Yamaoka Naoto	2023/07/10	Securities and Futures Market Development Foundation	Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours																																												
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours																																												
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours																																												
Director	Kitao Yoshihisa	2023/07/27	Securities and Futures Market Development Foundation	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours																																												
		2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours																																												
Director	Miyamoto Eiji	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours																																												
		2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and	3 hours																																												

Evaluation Items	Implementation Status				The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies				
	Yes	No	Summary and Explanation						
			Director	Sano Yoshihide	2023/07/27	Securities and Futures Market Development Foundation	Insider Trading	3 hours	
					2023/12/11		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	
			Director	Sumikawa Yohei	2023/07/10	Securities and Futures Market Development Foundation	Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours	
					2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	
					2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours	
			Director	Nishizawa Toru	2023/04/17	Securities and Futures Market Development Foundation	Practical Labor Regulations	3 hours	
					2023/04/27		Basics of Taiwan's Tax System	3 hours	
					2023/07/10		Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours	
					2023/07/27		Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	
					2023/12/11		Duties and Responsibilities of Directors of Listed Companies	3 hours	
			Director	Kino Tetsuo	2023/04/17	Securities and Futures Market Development Foundation	Practical Labor Regulations	3 hours	
					2023/04/27		Basics of Taiwan's Tax System	3 hours	
					2023/07/10		Corporate Governance of TWSE/TPEX Listed Companies in Taiwan	3 hours	

Evaluation Items	Implementation Status				The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies				
	Yes	No	Summary and Explanation						
				2023/07/27	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours			
				2023/12/11	Duties and Responsibilities of Directors of Listed Companies	3 hours			
			Director	Takasawa Shinji	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours	
					2023/07/27	Securities and Futures Market Development Foundation	Liabilities of Directors and Supervisors for False Financial Reporting and Insider Trading	3 hours	
			Director (Resigned)	Hishida Masahiro	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours	
			Director (Resigned)	Matsuhashi Hidetoshi	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours	
			Director (Resigned)	Tatsumi Akio	2023/04/27	Securities and Futures Market Development Foundation	Basics of Taiwan's Tax System	3 hours	
			Independent Director	Hsu Ke-Wei	2023/04/27	Taiwan Institute of Directors (TWIoD)	Taiwan's Economic Outlook Amid International Changes	3 hours	
						2023/05/10	Taiwan Independent Director Association	Cutting-Edge Tools for Board Audit and Fraud Warning—Internal Investigations and E-Discovery	3 hours
						2023/10/26	Taiwan Institute of Directors (TWIoD)	Digital Innovation and Sustainable Transformation for Smart Enterprises	3 hours

Evaluation Items	Implementation Status				The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies				
	Yes	No	Summary and Explanation						
			Independent Director	Wang Wen-Yeu	2023/11/7	Taiwan Corporate Governance Association	Struggles for Management Rights and Case Studies	3 hours	
					2023/08/04	Taiwan Corporate Governance Association	Updated Blueprint of Corporate Governance and Compliance Highlights	3 hours	
			Independent Director	Lian Jun-Hua	2023/09/12	Accounting Research and Development Foundation	Advanced Workshop for Directors, Supervisors (Including Independents), and Governance Executives—Ethical Corporate Management Best Practice Principles	3 hours	
					2023/09/14		Advanced Workshop for Directors, Supervisors (Including Independents), and Governance Executives—Audit Committee Practices	3 hours	
			Independent Director	Chou Chien-Hung	2023/03/02	CPA ASSOCIATIONS R.O.C. (TAIWAN)	Key Points and Doubts in Business Income Tax Filing	7 hours	
					2023/03/31		Investment Accounting Using the Equity Method	3 hours	
					2023/11/08		Practices of Independent Directors and Audit Committees	3 hours	
					2023/11/13		2023 Accountants' Discipline Forum	3 hours	
					2023/12/21		Facing Shareholder Disputes and Responsibilities	3 hours	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>(4) Implementation of Risk Management Policy and Risk Measurement Standards:</p> <p>Our company has a risk management policy in place, which is implemented by the Executive Office. The relevant departments and units are convened based on the types of operational risks to execute risk management measures. We emphasize comprehensive risk control by all employees and maintain a proactive approach to risk prevention.</p> <p>We have established the “Business Strategy Management Guidelines” and “Risk Management Guidelines,” where the management level, considering the company’s operational situation, internal and external business issues, as well as the needs and expectations of stakeholders, responds to the derived risks and opportunities. We regularly compile a “Risk Survey and Assessment Form” that is completed by various departments. The departments evaluate the likelihood and significance of identified risks, the severity of potential outcomes, and whether they involve any relevant legal regulations. Based on these evaluations, the results of the risk assessments are calculated. The responsible unit for risk management conducts a review of the overall “Risk Survey and Assessment Form” and includes risks with higher scores and greater potential impact in</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>the “Risk Management Activity Plan Report.” Relevant departments are then notified to propose improvement plans and implement them.</p> <p>In the most recent period (early 2024 year), a total of 161 risk issues were compiled in the “Risk Survey and Assessment Form.” Among them, there were 2 risks that scored 30 points or higher, indicating a high level of potential impact. The relevant departments have already proposed corresponding strategies and action plans to mitigate operational risks and capitalize on potential opportunities.</p> <p>(5) Implementation of Customer Policy: Our company adheres to the principles of integrity, innovation, and mutual benefit in its business operations. We have adopted customer-oriented policies that focus on providing excellent products, timely delivery, and conducting business with integrity. The implementation of our customer policy is evident in our company’s operational performance.</p> <p>(6) Purchase of Directors and Supervisors’ Liability Insurance: The “Directors, Supervisors, and Key Personnel Liability Insurance” for fiscal year 2023 has a coverage amount of US\$ 3 million. As of the printing date of the annual report, the insurance policy has not yet expired but is nearing its end in early June. Our company will complete the renewal process before the policy expires and submit</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			the important details of the insurance coverage to the Board of Directors.	
<p>9. Please explain the improvement measures implemented in response to the Corporate Governance Evaluation System results of the most recent year published by the Corporate Governance Center of Taiwan Stock Exchange; and propose improvement measures for under-performing aspects. (If the company is not included in the evaluation, no need to fill in.)</p> <p>Based on the “Corporate Governance Evaluation System” established by the Taiwan Stock Exchange’s Corporate Governance Center, our company conducts self-assessment of corporate governance. In the 10th term of 2023, our “Corporate Governance Evaluation” result was classified in the range of 81% to 100%.</p> <p>During the comprehensive election of directors and supervisors upon the completion of their term in 2025, the appointment of 5 independent directors has been completed, including the establishment of an audit committee.</p> <p>The priority areas for our future enhancement include:</p> <ol style="list-style-type: none"> 1. Establishing functional committees beyond the statutory requirements. 2. Currently, we have established the “Business Strategy Management Guidelines” and “Risk Management Guidelines” to conduct inventory and assessment of company risk issues and propose corresponding strategies and action plans. In the future, we will disclose the actual implementation status on our company’s website and report to the board of directors at least once a year. 3. Promoting a dedicated unit for ethical business operations. In the future, we will explain the operation and execution of the unit on our company’s website and annual report, and report to the board of directors at least once a year. <p>Completion of establishing a governance framework and revising measures to promote sustainable development.</p>				

(4) Composition and Operation of the Remuneration Committee:

Here is the composition, qualification requirements, and attendance of the Remuneration Committee of our company:

1. Information on the Members of the Compensation Committee

Identity category	Name	Professional Qualifications and Experience	Independence status	Number of members who are also members of the compensation committee of other public corporations.
Independent Director With over 30 years of relevant work experience	Hsu Ke-Wei	Specializes in legal affairs and possesses the necessary work experience, professional knowledge, and skills in business, finance, accounting, and corporate operations. There are no circumstances as referred to in Article 30 of the Company Act.	Serves as an independent director and meets the independence criteria, including but not limited to the following: neither the individual, spouse, nor close relatives within the second degree of kinship hold positions as directors, supervisors, or employees in the company or its affiliated enterprises; does not hold any shares of the company; does not serve as a director, supervisor, or employee in companies with specific relationships to the company; has not received remuneration from providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past two years.	1
Independent Director With over 30 years of relevant work experience	Wang Wen-Ye u	Specializes in legal affairs and possesses the necessary work experience, professional knowledge, and skills in business, finance, accounting, and corporate operations. There are no circumstances as referred to in Article 30 of the Company Act.	Serves as an independent director and meets the independence criteria, including but not limited to the following: neither the individual, spouse, nor close relatives within the second degree of kinship hold positions as directors, supervisors, or employees in the company or its affiliated enterprises; does not hold any shares of the company; does not serve as a director, supervisor, or employee in companies with specific relationships to the company; has not received remuneration from providing business, legal, financial, accounting, or other services to the company or its affiliated	1

			enterprises in the past two years.	
The independent director has over 20 years of relevant work experience.	Lian Jun-Hua	The individual has expertise in accounting affairs, possessing a CPA license and possessing work experience and professional knowledge and skills required for business, finance, accounting, and corporate operations. There are no circumstances as referred to in Article 30 of the Company Act.	Serves as an independent director and meets the independence criteria, including but not limited to the following: neither the individual, spouse, nor close relatives within the second degree of kinship hold positions as directors, supervisors, or employees in the company or its affiliated enterprises; does not hold any shares of the company; does not serve as a director, supervisor, or employee in companies with specific relationships to the company; has not received remuneration from providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past two years.	1
The independent director has over 20 years of relevant work experience.	Chou Chien-Hung	The individual is a practicing accountant and currently serves as a partner at Zhanyue Certified Public Accountants. They have work experience and possess professional knowledge and skills in business, finance, accounting, and corporate operations, which are required for their role. There are no circumstances as referred to in Article 30 of the Company Act.	Serves as an independent director and meets the independence criteria, including but not limited to the following: neither the individual, spouse, nor close relatives within the second degree of kinship hold positions as directors, supervisors, or employees in the company or its affiliated enterprises; does not hold any shares of the company; does not serve as a director, supervisor, or employee in companies with specific relationships to the company; has not received remuneration from providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past two years.	0

2. Operation of the Remuneration Committee

- (1) There are a total of four members in the Compensation Committee of the company.
- (2) The current committee members' term of office is from June 20, 2022, to June 19, 2025. In the most recent fiscal year (fiscal year 2023), the Compensation Committee held 5 meetings, and the attendance records of the committee members are as follows:

Title	Name	Actual Attendance Count	Number of proxy attendance	Actual Attendance Rate (%)	Remarks
Committee member (Convener)	Hsu Ke-Wei	5	0	100%	—
Committee member	Wang Wen-Yeu	5	0	100%	—
Committee member	Lian Jun-Hua	5	0	100%	—
Committee member	Chou Chien-Hung	5	0	100%	—

Other items that shall be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, it shall disclose the date, session, agenda, resolution of the Board of Directors, and the company's handling of the opinions of the Compensation Committee (if the compensation approved by the Board of Directors exceeds the recommendations of the Compensation Committee, the differences and reasons should be stated): There were no such cases in the current year.
2. Regarding the decisions of the Compensation Committee, if any members have objections or reservations with recorded or written statements, the date, session, agenda, opinions of all members, and the handling of these opinions should be disclosed: There were no such cases in the current year.
3. Recent Annual Remuneration Committee Discussion and Resolution Results, and Company's Handling of Committee Opinions:

Salary and Compensation Committee Date	Discussion agenda and resolution result
The 3rd meeting of the 6th term January 13, 2023	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the disbursement of year-end bonuses for senior executives of the company for the year 2022, subject to discussion. 2. Approved the change in the company's spokesperson and presented it for discussion. 3. Approved the retroactive recognition of the change in the Chief Financial Officer (CFO) of the company and presented it for discussion. <p>Discuss and approve the proposed adjustment of the company's organizational structure chart and the revision of the "Organizational Responsibilities and Internal Communication Management Regulations."</p>

	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and All attending directors agreed to approve. and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>
<p>The 4th meeting of the 6th term March 24, 2023</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the distribution of employee remuneration and director's remuneration for the company's fiscal year 2022, subject to discussion. 2. Approved the appointment of a "Corporate Governance Officer" for the company and presented it for discussion. 3. Discuss and approve the proposed adjustment of the company's organizational structure chart and the revision of the "Organizational Responsibilities and Internal Communication Management Regulations."
	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and All attending directors agreed to approve. and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>
<p>The 5th meeting of the 6th term May 9, 2023</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposed for discussion the promotion and salary adjustment plan for senior executives within the company.
	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and All attending directors agreed to approve. and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>
<p>The 6th meeting of the 6th term August 7, 2023</p>	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Distribution of employee and director/supervisor compensation for 2022. 2. Recognition of change in the Company's Chief Financial Officer (CFO).
	<p>Committee Opinions: No opposition or reservations.</p> <p>Decision Results: With the Chairperson soliciting opinions from all present committee members, the motion was passed unanimously.</p> <p>Company's Handling of the Compensation Committee's Opinions: The proposals were approved by all present directors at the Board of Directors meeting and executed accordingly.</p>

<p>The 7th meeting of the 6th term November 7, 2023</p>	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Proposal to adjust the Company’s organizational structure and revise the “Organizational Responsibilities and Internal Communication Procedures” for recognition. 2. Recognition of changes, promotions, and salary adjustments for the Company’s senior executives.
	<p>Committee Opinions: No opposition or reservations. Decision Results: With the Chairperson soliciting opinions from all present committee members, the motion was passed unanimously. Company’s Handling of the Compensation Committee’s Opinions: The proposals were approved by all present directors at the Board of Directors meeting and executed accordingly.</p>
<p>The 8th meeting of the 6th term January 30, 2024</p>	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Approval of the Company’s senior executives’ 2023 year-end bonus distribution.
	<p>Committee Opinions: No opposition or reservations. Decision Results: With the Chairperson soliciting opinions from all present committee members, the motion was passed unanimously. Company’s Handling of the Compensation Committee’s Opinions: The proposals were approved by all present directors at the Board of Directors meeting and executed accordingly, as announced on the Company’s website.</p>
<p>The 9th meeting of the 6th term March 12, 2023</p>	<p>Proposals:</p> <ol style="list-style-type: none"> 1. Approval of the Company’s 2023 employee and director compensation distribution.
	<p>Committee Opinions: No opposition or reservations. Decision Results: With the Chairperson soliciting opinions from all present committee members, the motion was passed unanimously. The proposals were submitted to the Board of Directors and unanimously approved by all present directors for execution. For those pertaining to rules and procedures, they have been announced on the “Organizational Operations Regulations” section of the Company’s website.</p>

(5) Implementation status of sustainable development initiatives and differences in sustainability practices between listed and non-listed companies, along with the reasons for these differences.

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
1. Has the company established a governance framework to promote sustainable development and set up a dedicated unit to promote sustainable development, authorized by the board of directors to be handled by senior management, and supervised by the board of directors?		√	Since 2023, our company has been proactively promoting sustainable development governance, integrating sustainability into our business planning. We have established the “GHG Reduction Committee,” “RBA Committee,” and “Occupational Health and Safety Committee” to drive sustainability initiatives. These committees report to the board of directors at least once a year on business-related plans and implementation results. Currently, we have not established a dedicated position for driving sustainable development.	Establishing a dedicated position to promote sustainable development will be considered.
2. 1, Has the company conducted risk assessments on environmental, social, and corporate governance issues related to its operations, in accordance with the principle of materiality, and established relevant risk management policies or strategies?	√		(1) Environmental and Safety Health Management: Our company is a professional designer and manufacturer of electronic information products and heat dissipation components. To fulfill our corporate social responsibility and minimize the environmental impact of our production and operations, we have implemented an Environmental Management System (ISO 14001) and an Occupational Health and Safety Management System (ISO	If there are no significant differences, relevant matters will be reported to the Board of Directors

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>45001) to reduce adverse environmental effects. We also actively implement energy-saving and carbon reduction policies, enhance employees' environmental awareness, and improve the efficiency of resource utilization.</p> <p>We have established an Occupational Health and Safety Committee, which follows the guidelines of the "Environmental, Heal, and Safety Risk Assessment and Management Procedure" and the "Environmental, Heal, and Safety Risk and Opportunity Identification Procedure." This committee serves as the basis for identifying significant environmental risks and opportunities, and formulating environmental, heal, and safety objectives and policies. These objectives and policies guide the improvement direction of our environmental, heal, and safety management system to achieve management performance and meet the requirements of environmental, heal, and safety standards consistently.</p> <p>(2) Operational Risk Management Strategy Considering the company's circumstances, internal and</p>	based on operational needs.

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure						
	Yes	No	Summary and Explanation							
			<p>external issues, and the expectations of stakeholders, we conduct risk assessments on environmental, social, and corporate governance issues related to company operations.</p> <p>The company has established a “Risk Management Policy” to assess and prepare for uncertainties that may threaten business operations. Through risk assessment and contingency plan exercises, we can respond with the most appropriate measures in the shortest possible time.</p> <p>(3) Significant Operational Issues and Management Strategies:</p> <table border="1"> <thead> <tr> <th>Management Aspect:</th> <th>Significant Issues:</th> <th>Strategies:</th> </tr> </thead> <tbody> <tr> <td>Environment.</td> <td>Water resource management, greenhouse gas management, energy resource management, waste</td> <td>.In accordance with our environmental, safety, and health policy, we are committed to implementing and operating an environmental, safety, and health management system, and complying with legal</td> </tr> </tbody> </table>	Management Aspect:	Significant Issues:	Strategies:	Environment.	Water resource management, greenhouse gas management, energy resource management, waste	.In accordance with our environmental, safety, and health policy, we are committed to implementing and operating an environmental, safety, and health management system, and complying with legal	
Management Aspect:	Significant Issues:	Strategies:								
Environment.	Water resource management, greenhouse gas management, energy resource management, waste	.In accordance with our environmental, safety, and health policy, we are committed to implementing and operating an environmental, safety, and health management system, and complying with legal								

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>management, chemical safety, and climate change risk management.</p> <p>requirements. .Dedicated to environmental sustainability and the circular economy, we conduct greenhouse gas inventories for future reference in initiatives aimed at reducing emissions to address the challenges of climate change. .We fully integrate environmentally friendly HSF materials or raw materials, continuously enhancing technology and innovation to meet customer and market demands; we actively engage in green, cost-effective processes to strengthen our core competitive capabilities.</p>	
			<p>Social Occupational health and safety,</p>	<p>·Strict adherence to labor laws, customer requirements, and</p>

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>talent attraction and retention, employee development and training, human rights, social participation/community relations.</p> <p>responsible business alliance codes of conduct in the operating regions, ensuring fair employment, humane treatment, employee communication, and working conditions. Providing employees with diverse development opportunities, training, and fair compensation and benefits.</p> <ul style="list-style-type: none"> ·Complying with occupational safety, fire safety, and relevant regulations to provide a safe and healthy working environment according to environmental, health, and safety policies. ·Embracing the concept of “taking from society and giving back to society,” participating in social welfare and emergency relief 	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
				<p>activities, sharing love, and fulfilling social responsibilities as a good corporate citizen.</p> <p>Corporate Governance Corporate governance, professional ethics, customer relationship management, technology and research and development, product safety and quality, sustainable supplier management, information</p> <p>·Implementing corporate governance practices, enhancing information transparency, and safeguarding and respecting the rights and interests of shareholders and stakeholders. ·Establishing a robust and comprehensive corporate responsibility management system to ensure compliance with labor, health and safety, environmental, and ethical standards. Fulfilling the company's social responsibilities and actively participating in activities related to</p>

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>security.</p> <p>the Responsible Business Alliance (RBA) Code of Conduct management system. Adhering to relevant labor, ethical, environmental health and safety laws and regulations to establish a good corporate image.</p> <p>·Establishing a sustainable supply chain management system and standards, maintaining regular communication with suppliers to establish stable and mutually beneficial strategic partnerships for sustainable development.</p> <p>Expanding the procurement of environmentally friendly products and adhering to the principles of the Organisation for Economic Co-operation and Development</p>	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			(OECD) to prohibit the use of conflict minerals originating from high-risk conflict areas.	
3. Environmental Issues				No significant differences
(1) Has the company established an appropriate environmental management system based on its industry characteristics?	√		(1) The company has obtained ISO 14001: 2025 certification for its environmental management system, aiming to effectively prevent and control environmental pollution while improving resource and energy utilization efficiency.	
(2) Is the company committed to improving energy efficiency and utilizing low environmental impact renewable materials?	√		(2) Our Company is committed to promoting energy recycling and reuse to reduce environmental impact. We fully utilize ROHS compliant materials and the recycling and reuse of scrap materials, with related items and steps explicitly defined in ISO14001. Under the ISO 14001 environmental management system, the company continuously strives for the design and manufacture of green products. This involves using materials efficiently, employing non-toxic, harmless, and easily decomposable designs. The production process utilizes raw materials supplied by qualified suppliers, minimizes waste, employs efficient equipment	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			and material recycling, and promotes the reuse of recyclable waste. These measures aim to enhance resource utilization efficiency, protect the environment, and minimize impact on ecosystems.	
(3) Does the company assess the potential risks and opportunities of climate change on its current and future operations, and implement measures to address climate-related issues?	√		Our Company, adhering to the standard requirements of ISO 14064-1, uses the year 2022 as the baseline year for systematic greenhouse gas emission inventorying, verification procedures, and documentation to accurately monitor our greenhouse gas emissions. This data will serve as a reference for future greenhouse gas reduction initiatives aimed at contributing to the mitigation of global warming trends. Through managing the use of raw materials in production processes, consumption of energy resources, and emissions of pollutants, we aim to enhance the efficiency of our production activities and manage greenhouse gases effectively to minimize environmental impact, thereby achieving our goal of “environmentally friendly, sustainable development.”	
(4) Has the company compiled data on greenhouse gas emissions, water	√		(1) Our Company is committed to fulfilling our corporate social responsibility by continuously promoting energy conservation	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
consumption, and total waste weight for the past two years, and developed policies for energy conservation, carbon reduction, water conservation, or other waste management?			<p>and carbon reduction policies. Over the past two years (2022 and 2023), our category one and two greenhouse gas emissions were 3,355.522 tonnes CO₂e/year and 2,833.37 tonnes CO₂e/year, respectively; water usage was 11,542 m³ and 10,080 m³, respectively; the amount of recyclable waste (scrap material) was 54,140 kilograms and 74,463 kilograms, respectively.</p> <p>(2) The company has established “Energy Resource Management Procedures” and “Waste Management Regulations” to control and conserve water and electricity usage, reduce resource waste, and conduct regular greenhouse gas inventories. If any abnormal usage or emissions are identified, the company investigates the causes and implements improvements. Furthermore, through proper waste management and resource recycling, the company aims to reduce environmental pollution and ecological impact. The management has implemented regulations for the proper handling of general and hazardous recyclable waste to avoid environmental harm. Additionally, since the integration of the Nidec Corporation’s management</p>	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			team, the company has actively promoted the 3Q6S management model. Through voluntary improvement proposals, the company has not only enhanced operational efficiency but also reduced electricity and water expenses. The goal is to become a low-carbon enterprise contributing to sustainable environmental development.	
4. Social Issues (1) Does the Company establish management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	√		The company adheres to relevant labor laws such as the Labor Standards Act, Employment Service Act, and Gender Equality in Employment Act, and has established internal regulations for compliance. The company also has “Corporate Social Responsibility Practice Guidelines” and “RBA (Responsible Business Alliance) Handbook” to ensure compliance with labor, health and safety, environmental, and ethical regulations. These efforts aim to fulfill the company’s social responsibilities and establish a positive corporate image.	No significant differences
(2) Has the company established and implemented reasonable employee welfare measures (including salary, vacation, and other benefits), and	√		The company follows the Labor Standards Act and related laws to establish various salary and welfare measures for employees. The company’s “Articles of Incorporation” clearly states the proportion of profits allocated to employee remuneration each year.	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
appropriately reflected business performance or results in employee compensation?			Additionally, the “Personnel Management Regulations” specify the distribution of annual bonuses to employees based on the company’s operational performance and profitability for the year, demonstrating that the company appropriately reflects its business performance in employee compensation.	
(3) Does the Company provide a safe and healthy work environment for employees, and regularly conduct health and safety training for employees?	√		The company has established “Occupational Health and Safety Work Guidelines” and an “Annual Environmental Health and Safety Monitoring Plan.” By implementing standard operating procedures for work with relatively high-risk characteristics and conducting regular monitoring of the work environment, drinking water quality, and maintenance of fire protection equipment, the company ensures that all employees have a safe and healthy working environment. Furthermore, new and existing employees receive occupational health and safety training to enhance their awareness and compliance with occupational safety regulations. The company also conducts regular health checks for employees and specific health examinations for those engaged in hazardous operations as required by regulations. Additionally, the management department periodically shares health information	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			with employees via email to promote their physical and mental well-being.	
(4) Has the company established effective career development and training plans for employees?	√		The company has established an “Education and Training Implementation Method” and conducts internal and external on-the-job education and training for employees each year according to the “Annual Education and Training Plan.” These initiatives aim to enhance employees’ professional knowledge, skills, and career development capabilities. Regenerate response	
(5) Does the company comply with relevant laws and international standards regarding customer health and safety, customer privacy, marketing, and labeling issues	√		The company has established the “Customer Service Management Guidelines” and “Complaint Handling Procedures” to prioritize customer feedback. In addition to personal visits, the company also provides a business (product) contact window and an email	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
related to its products and services? Additionally, has the company established policies and complaint procedures to protect consumer rights?			inbox on its website. It has also set up a stakeholder section to provide channels for customers to ask questions, file complaints, or make suggestions. The company upholds the principle of integrity and handles and responds to these issues appropriately to protect customer rights.	
(6) Has the company established a supplier management policy, requiring suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor rights, and implemented such policy?	√		The company has established the “Supplier Evaluation Guidelines” and “Supplier Management Procedures for Social Responsibility,” which require suppliers to sign a “Supplier Social Responsibility Commitment” to comply with relevant regulations regarding labor conditions (including occupational health and safety) and human rights management, fulfilling corporate social responsibility. Suppliers are also required to sign a “Supplier Environmental, Health, and Safety Requirement Notice” and an “Environmental Declaration,” partnering with suppliers to jointly promote green products, energy conservation, and carbon reduction. The aim is to provide products that comply with international standards and regulations (such as RoHS and REACH) regarding environmental policies. Non-compliance or violations will result in the termination of procurement activities	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			and the revocation of supplier qualifications. If such actions cause any losses to the company, compensation may be sought from the supplier. In addition, the company also requires suppliers to conduct reasonable due diligence on the supply chain and sign a “Conflict-Free Minerals Commitment” to ensure that the materials provided to Nidec Chaun-Choung Technology Corporation do not contain conflict minerals, fulfilling corporate social responsibility, environmental protection, and the practice of international justice.	
5. Does the company refer to internationally recognized reporting guidelines or frameworks to prepare non-financial information disclosure reports such as Corporate Social Responsibility reports? Has the aforementioned report obtained a confirmation or assurance opinion from a third-party verification agency?		√	The company has not yet prepared non-financial information reports such as sustainability reports. Therefore, there is no confirmation or assurance from a third-party verification entity. However, in terms of environmental protection, product responsibility, labor relations and safety, integrity in business operations, and ethics, the company has implemented the spirit of corporate social responsibility in its actual operations.	The company has not yet prepared a corporate social responsibility report. It will be evaluated in the future based on operational

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure needs.
	Yes	No	Summary and Explanation	
6. If the company has established its own corporate social responsibility guidelines in accordance with the “Practical Guidelines for CSR Practices of Listed and OTC Companies,” please specify any differences between its operations and the established guidelines: The company has established the “Corporate Social Responsibility Guidelines” to promote various aspects of corporate social responsibility, and there are no significant differences between the actual operations and the established guidelines.				
7. Other important information contributing to understanding the operation of corporate social responsibility: (1) In August 2020, the company obtained certification from the Responsible Business Alliance (RBA), demonstrating its commitment to compliance with labor, health and safety, environmental, and ethical regulations. This certification reflects the company’s fulfillment of its social responsibilities and its dedication to building a positive corporate image. (2) Human rights: The company places great importance on the rights of stakeholders. A stakeholder section is provided on the company’s website as a platform for effective and convenient communication. This platform aims to understand the reasonable expectations and needs of stakeholders. Queries, complaints, or suggestions raised by stakeholders are handled by the respective contact windows, which bring relevant issues to the appropriate departments. Subsequently, these departments provide thorough responses and take appropriate actions. Feedback and interaction from stakeholders through this platform are essential references for the company to adjust and enhance its operational efficiency, as well as to maintain a foundation for sustainable development.				

(6) Climate-Related Information for Publicly Listed Companies

(1) Implementation of Climate-Related Information

Item	Implementation Status																									
<p>1. Description of the Board of Directors and management’s oversight and governance of climate-related risks and opportunities.</p>	<p>The Board of Directors serves as the supreme supervisory unit for climate change risk governance at our Company, responsible for reviewing and formulating climate strategies. A GHG Greenhouse Gas Reduction Committee has been established to manage climate risks, track the achievement of environmental sustainability goals, oversee the implementation of greenhouse gas reduction programs, and publish greenhouse gas inventory reports.</p> <p>The GHG Greenhouse Gas Reduction Committee reports to the Board at least once a year on the outcomes of climate governance efforts.</p>																									
<p>2. Description of how identified climate risks and opportunities impact the company’s business, strategy, and financials (short-term, medium-term, long-term).</p>	<p>Through meetings held by the GHG Greenhouse Gas Reduction Committee, and based on the TCFD recommendation framework, in 2023, the Company identified eight significant climate-related risks and four significant climate-related opportunities:</p> <p>(1) Climate Risks:</p> <table border="1" data-bbox="1032 810 2078 1423"> <thead> <tr> <th data-bbox="1041 817 1137 863">Risk Type</th> <th data-bbox="1137 817 1368 863">Risk Details</th> <th data-bbox="1368 817 1496 863">Duration</th> <th data-bbox="1496 817 1933 863">Mitigation/Adaptation Measures</th> <th data-bbox="1933 817 2078 863">Financial Impact</th> </tr> </thead> <tbody> <tr> <td data-bbox="1041 863 1137 1015">Transition Risk</td> <td data-bbox="1137 863 1368 1015">【Policies and Regulations】 Implementation of carbon taxes/regulations in various countries.</td> <td data-bbox="1368 863 1496 1015">Short-term</td> <td data-bbox="1496 863 1933 1015">Completed external verification of 2022 greenhouse gas emissions and formulated feasible reduction plans based on the inventory results.</td> <td data-bbox="1933 863 2078 1015">Operating costs</td> </tr> <tr> <td data-bbox="1041 1015 1137 1150">Transition Risk</td> <td data-bbox="1137 1015 1368 1150">【Policies and Regulations】 Governmental increases in renewable energy usage standards.</td> <td data-bbox="1368 1015 1496 1150">Short-term</td> <td data-bbox="1496 1015 1933 1150">Purchasing renewable energy and setting renewable energy usage targets.</td> <td data-bbox="1933 1015 2078 1150">Operating costs</td> </tr> <tr> <td data-bbox="1041 1150 1137 1321">Transition Risk</td> <td data-bbox="1137 1150 1368 1321">【Policies and Regulations】 Need to adjust or replace suppliers to comply with low-carbon trends in product carbon footprints.</td> <td data-bbox="1368 1150 1496 1321">Medium-term</td> <td data-bbox="1496 1150 1933 1321">Require suppliers to disclose their greenhouse gas emissions, set carbon reduction targets and timelines, and integrate an environmental assessment screening mechanism.</td> <td data-bbox="1933 1150 2078 1321">Procurement costs</td> </tr> <tr> <td data-bbox="1041 1321 1137 1423">Transition Risk</td> <td data-bbox="1137 1321 1368 1423">【New Technology Investment】 Replacement of production equipment for</td> <td data-bbox="1368 1321 1496 1423">Medium-term</td> <td data-bbox="1496 1321 1933 1423">Conduct research and purchasing evaluations of energy-saving production equipment, aligning with the Company’s production plans, and plan feasibility and supporting measures.</td> <td data-bbox="1933 1321 2078 1423">Capital Expenditure</td> </tr> </tbody> </table>	Risk Type	Risk Details	Duration	Mitigation/Adaptation Measures	Financial Impact	Transition Risk	【Policies and Regulations】 Implementation of carbon taxes/regulations in various countries.	Short-term	Completed external verification of 2022 greenhouse gas emissions and formulated feasible reduction plans based on the inventory results.	Operating costs	Transition Risk	【Policies and Regulations】 Governmental increases in renewable energy usage standards.	Short-term	Purchasing renewable energy and setting renewable energy usage targets.	Operating costs	Transition Risk	【Policies and Regulations】 Need to adjust or replace suppliers to comply with low-carbon trends in product carbon footprints.	Medium-term	Require suppliers to disclose their greenhouse gas emissions, set carbon reduction targets and timelines, and integrate an environmental assessment screening mechanism.	Procurement costs	Transition Risk	【New Technology Investment】 Replacement of production equipment for	Medium-term	Conduct research and purchasing evaluations of energy-saving production equipment, aligning with the Company’s production plans, and plan feasibility and supporting measures.	Capital Expenditure
Risk Type	Risk Details	Duration	Mitigation/Adaptation Measures	Financial Impact																						
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		energy efficiency in response to low-carbon trends.			
	Risk Type	Risk Details	Duration	Mitigation/Adaptation Measures	Financial Impact
	Transition Risk	【New Technology Investment】 Actively research and develop low-carbon production technologies in response to low-carbon trends.	Long-term	Establish research and development projects for low-carbon production technologies.	Research and Development Expenditure
	Transition Risk	Changes in Consumer Behavior】 Increased demand for low-carbon products.	Long-term	Develop and provide customers with low-carbon steel products, collaborating with key suppliers in the supply chain to establish joint carbon reduction targets and timelines, effectively reducing product carbon footprints and meeting customer needs and low-carbon trends.	Operating income
	Physical Risks	【Immediate Risks】 Frequency of extreme weather affecting supply chains and transportation.	Long-term	Enhance the control of raw material safety inventory days and develop backup measures for dispersed purchasing from suppliers.	Operating income
	Physical Risks	【Immediate Risks】 Increased likelihood of water shortages due to climate change.	Long-term	Extend the safety inventory days for water storage in factories, plan support strategies for water truck allocation, and set targets for reducing water intensity.	Operating income
	(2) Climate Opportunities				
	Opportunity Content	Duration	Mitigation/Adaptation Measures		Financial Impact
	Launch low-carbon products	Medium-term	Collaborate with key suppliers in the supply chain to establish shared carbon reduction targets and timelines, effectively reducing product carbon footprints to meet customer needs and adapt to low-carbon trends.		Operating income
	Utilize renewable energy	Short-term	Purchase and use renewable energy, and set targets for renewable energy usage.		Energy costs
	Implement more efficient production methods	Long-term	Undertake projects for the development of low-carbon production technologies.		Production costs
	Improve efficiency	Medium-term	Conduct research and evaluation of energy-saving production equipment, aligning with the Company's plans for expansion of energy-efficient facilities, and plan feasibility and supporting measures.		Energy-saving equipment and energy costs

3. Explain the financial impacts of extreme weather events and transition actions.	Frequent extreme weather events affect suppliers' ability to produce or deliver shipments normally, leading to operational interruptions at factories, which result in reduced revenue for the Company. Transition actions refer to the net-zero carbon emission action plans promoted by the Company, as detailed in the table above (Item 2).
4. Describe how the identification, assessment, and management of climate risks are integrated into the overall risk management system.	The Company utilizes the TCFD framework to identify risks and opportunities related to climate change. Department heads, considering the Company's current operational status and available resources, tailor specific and effective climate change risk management policies for significant risk items.
5. If using scenario analysis to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used.	The Company has initiated adaptation strategies and actions in response to climate change, including promoting low-carbon energy-saving measures, greenhouse gas inventorying, and resource recycling. We are progressively seeking opportunities to reduce energy consumption across the enterprise and its products, and plan to gradually increase financial impact assessments to effectively manage the risks posed by climate change.
6. If there is a transition plan to manage climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	Please refer to the table above (Item 2).
7. If internal carbon pricing is used as a planning tool, explain the basis of price setting.	The Company has not yet planned for internal carbon pricing.
8. If climate-related targets are set, explain the activities covered, the scopes of greenhouse gas emissions, the planning period, and the annual progress achieved. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, explain the source and quantity of the carbon offsets or the number of RECs.	(1) The Company has initiated external greenhouse gas verification operations in 2024. The external verification for the base year of 2022 was completed in March 2024, and the external verification for 2023 is expected to be completed by June 2024. Based on the inventory results, feasible reduction plans are being formulated to achieve low-carbon production targets. (2) In collaboration with key suppliers in the supply chain, we have established joint carbon reduction targets and timelines to effectively reduce the carbon footprint of products.
9. Greenhouse gas inventory and verification status	Please refer to the following page for the greenhouse gas inventory and verification status of the last two years.

(2) Greenhouse Gas Inventory and Verification for the Past Two Years

<p>Basic Information of the Company</p> <p><input type="checkbox"/> Companies with a capital of over NT\$10 billion, steel industry, cement industry</p> <p><input type="checkbox"/> Companies with a capital of NT\$5 billion but less than NT\$10 billion</p> <p><input checked="" type="checkbox"/> Companies with a capital of less than NT\$5 billion</p>	<p>As required by the sustainability development pathway for listed companies, at least the following should be disclosed:</p> <p><input checked="" type="checkbox"/> Parent company inventory <input type="checkbox"/> Subsidiaries inventory</p> <p><input type="checkbox"/> Parent company verification <input type="checkbox"/> Subsidiaries verification</p>
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State the greenhouse gas emissions for the past two years (in tonnes CO₂e), emission intensity (tonnes CO₂e/NT\$1 million), and the scope of the data

The method used by the Company for setting organizational boundaries for the greenhouse gas inventory is the “control approach,” based on the “operational control” method. This involves inventorying facilities at two operational sites in Taiwan (Zhongxing Plant and Shengtai Plant). The emission data for the past two years is as follows:

Year	2022	2023 (not yet verified)
Category 1: Direct greenhouse gas emissions	82.8392	82.4999
Category 2: Indirect greenhouse gas emissions from purchased energy	3,272.6828	2,750.8772
Total	3,355.5220	2,833.3771
Emission Intensity (tonnes CO ₂ e/NT\$1 million revenue)	0.2820	0.2638
Category 3: Indirect greenhouse gas emissions from transportation	225.9499	304.7003
Category 4: Indirect greenhouse gas emissions from the use of products by the organization	29,388.4574	14,323.5356
Category 5: Indirect emissions related to the use of company products	No data	No data
Category 6: Indirect greenhouse gas emissions from other sources	No data	No data

Explanation:

1. Emission intensity = (Category 1 + Category 2 greenhouse gas emissions (tonnes CO₂e)) / Revenue (NT\$1 million)
2. The greenhouse gases are externally verified by an external verification agency (AFNOR Asia Ltd.) and a verification statement is obtained.

(7) Business Integrity Practices and Differences in Business Integrity Guidelines between Listed and OTC Companies, along with the reasons for these differences:

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>I. Formulating Policies and Plans for Ethical Corporate Management</p> <p>(1) Has the company established a policy of ethical management approved by the board of directors and clearly stated the policy and practices of ethical management in regulations and external documents, and has the board of directors and senior management actively implemented the commitment to the management policy?</p> <p>(2) Has the company established a risk assessment mechanism for dishonest behavior, regularly analyzed and evaluated business activities with higher risk of dishonest behavior within its scope of business, and formulated measures to prevent dishonest</p>	<p>√</p> <p>√</p>		<p>(1) On July 4, 2011, the Board of Directors of the company approved the establishment of the “Code of Conduct.” Subsequently, revisions were made based on legal amendments and approved by the Board of Directors on March 25, 2015, and August 10, 2020. The code has been disclosed on the Public Information Observation System and the company’s website (www.ccic.com.tw). Members of the Board of Directors and senior management of the company uphold the principle of integrity in their business operations and are responsible for overseeing the implementation of the integrity management policy.</p> <p>(2) The company has established the “Operating Procedures and Code of Conduct for Integrity Management.” It regularly analyzes and assesses business activities within its scope of operations that pose a higher risk of dishonest behavior. Based on these analyses, preventive measures are formulated, and specific provisions are established, including</p>	<p>No significant differences</p>

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>behavior, covering at least preventive measures for each item in Article 7, Paragraph 2 of the “Code of Conduct for Integrity in Listed and OTC Companies”?</p> <p>(3) Has the company clearly defined operating procedures, behavioral guidelines, disciplinary measures for violations, and appeal procedures in its plan to prevent dishonest behavior, and implemented and periodically reviewed and revised the aforementioned plan?</p>	√		<p>“prohibition of bribery and acceptance of bribes,” “prohibition of offering or receiving improper benefits,” “prohibition of providing or promising facilitation payments,” “prohibition of illegal political contributions,” “prohibition of improper charitable donations or sponsorships,” “prohibition of conflicts of interest,” “prohibition of disclosing trade secrets or intellectual property rights,” “prohibition of engaging in unfair competition,” “protection of the rights, health, and safety of stakeholders from product or service-related harm,” and “prohibition of insider trading.” These provisions are accompanied by preventive measures and educational campaigns to uphold the integrity management policy.</p> <p>(3) On December 26, 2014, the Board of Directors approved the establishment of the “Operating Procedures and Code of Conduct for Integrity Management.” Subsequent revisions were made based on legal amendments and approved by the Board of Directors on June 28, 2018, August 10, 2020, and March 24, 2023. These guidelines specify the precautions to be taken by company personnel during business operations. They include operational procedures and codes of conduct to prevent various forms of dishonest behavior, disciplinary</p>	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
			measures for violations, and a complaint mechanism. Training and regular communication mechanisms regarding the integrity management policy are provided for new and existing employees to ensure the effective implementation of the company's integrity management policy.	
II. Implementation of Ethical Corporate Management (1) Does the company assess the integrity record of its business contacts and specify the terms of good faith conduct in its contracts with its business contacts? (2) Does the company establish a dedicated unit under the board of directors to promote	 √ √		(1) The company has established "Supplier Evaluation Measures" and "Social Responsibility Supplier Management Procedures" that require suppliers to sign a "Clean Pledge" and commit to strictly adhere to all regulations regarding the integrity control management of Nidec Chaun-Choung Technology Corporation's trading partners. No improper benefits shall be provided or promised to related persons of Nidec Chaun-Choung Technology Corporation to achieve transaction objectives or fulfill transaction contracts. In addition, all financial institutions the company deals with are legally registered and well-known commercial banks, and the rights, obligations, and transaction conditions of both parties are clearly stipulated in the credit contracts, ensuring transparent and legal transactions. (2) The company designates the Management Department as the responsible unit for promoting corporate integrity	No significant differences

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>corporate integrity management, and report its integrity management policies, measures to prevent dishonest behavior, and supervisory implementation to the board of directors on a regular basis (at least once a year)?</p> <p>(3) Does the company have a conflict of interest prevention policy, provide appropriate representation channels, and implement them?</p> <p>(4) Does the company have effective accounting and internal control systems in place to implement corporate integrity, and does the internal audit unit develop relevant</p>	<p>√</p> <p>√</p>		<p>management. Currently, the Internal Audit Department assists in reporting the compliance status of group-wide integrity management during regular quarterly board meetings to assist the board in understanding the implementation of the integrity management policy and measures to prevent dishonest behavior.</p> <p>(3) The “Code of Conduct,” “Operating Procedures and Code of Conduct for Integrity Management,” and “Business Ethics Management Procedures” established by the company explicitly define policies to prevent conflicts of interest and require employees to implement them. If any suspected incidents are discovered, employees are required to report them to their immediate supervisors, the dedicated unit within the company, or through the company’s whistleblower mailbox. In addition, for matters listed on the board’s agenda involving board members who have a vested interest, the company follows the provisions regarding conflict of interest avoidance in Article 15 of the “Board of Directors Meeting Regulations.”</p> <p>(4) The company has established comprehensive and effective control mechanisms in its accounting system and internal control system to manage business activities and operational</p>	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>audit plans based on the assessment of the risk of dishonest behavior, and use them to verify compliance with anti-dishonesty behavior plans, or commission accountants to conduct audits?</p> <p>(5) Does the company regularly conduct internal and external education and training on ethical corporate management?</p>	√		<p>processes with potential higher risks of dishonest behavior. The internal audit team includes high-risk operational procedures as audit items in the annual audit plan to enhance preventive measures. The execution of the audit plan is reported to the quarterly board meetings on a regular basis. Furthermore, with the inclusion of Nidec Corporation's management team, our company has complied with the regulations of Japanese listed companies and implemented the Japanese version of the Sarbanes-Oxley Act (J-SOX). As per J-SOX requirements, an accounting firm independent of financial statement attestation has conducted an internal control system audit to ensure the reliability of our company's financial reporting and disclosure.</p> <p>(5) The "Code of Conduct" and "Operating Procedures and Code of Conduct for Integrity Management" established by the company are disclosed on the company's website under the "Investor Relations" section in the "Corporate Governance" category, outlining the organizational operation regulations. In addition to online disclosure, internal and external education and training programs are conducted to promote the code of conduct. In fiscal year 2023, directors and supervisors participated in integrity management training courses organized by securities regulatory agencies, with</p>	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
	√		existing directors and supervisors receiving 6 hours of training and newly appointed directors and supervisors receiving 12 hours of training. The Management Department and Internal Audit Department disseminate information to all employees through internal emails regarding the “RBA Responsible Business Alliance Code of Conduct,” “Operating Procedures and Code of Conduct for Integrity Management,” and “Company’s Corporate Social Responsibility Policy Commitment,” as well as the “Channel for Reporting Dishonest Behavior.” In fiscal year 2023, approximately 5,032 individuals received this information through internal dissemination. For new employees, the Internal Audit Department has developed an educational training presentation on “Introduction to Internal Control Systems and Explanation of Operating Procedures and Code of Conduct for Integrity Management” to ensure that new employees have a clear understanding of the company’s integrity management policy. In fiscal year 2023, a total of 47 new employees received this training, with a total training duration of approximately 564 hours.	
3. Implementation of the Company’s Whistleblowing System				No significant differences

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(1) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?	√		(1) The “Operating Procedures and Code of Conduct for Integrity Management” of the company stipulates in Article 21 the system for reporting and rewards. If any personnel within the group suspects or discovers any dishonest behavior, they can make a report through the “Whistleblower Mailbox” on the company’s website or through a dedicated email address for internal audit. If the reported matter involves regular employees, it should be reported to the department supervisor. If the reported matter involves directors or senior executives, it should be reported to independent directors or supervisors. The company’s Integrity Management Department and the responsible supervisor or personnel should promptly investigate the relevant facts and, if necessary, seek assistance from regulatory compliance or other relevant departments.	
(2) Whether the company has established standard operating procedures for handling whistleblower reports, procedures for conducting investigations, measures to be taken after completing the investigations, and relevant confidentiality mechanisms.	√		(2) The “Operating Procedures and Code of Conduct for Integrity Management” of the company stipulates in Article 21 the standard operating procedures for handling reported matters. The acceptance of reports, investigation process, and investigation results should be documented and retained for five years. If the reported matter is verified to be true, the relevant responsible units should be required to review	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(3) Does the company take measures to protect the whistleblower against inappropriate disciplinary actions?	√		internal control systems and operating procedures and propose improvement measures to prevent the recurrence of similar behavior. The dedicated unit of the company should report the reported matters, handling methods, and subsequent review and improvement measures to the board of directors. (3) The company is committed to maintaining the confidentiality of the identity of whistleblowers and the content of the reports and promises to protect whistleblowers from any improper treatment as a result of their reports.	
IV. Enforcing Information Disclosure Has the company disclosed the content and effectiveness of its code of conduct on its website and the Public Information Observation Station?	√		The company has disclosed its “Code of Ethics” and its implementation on the company’s website, the Taiwan Stock Exchange (TWSE) website, and in the annual report, in accordance with Article 25 of the “Code of Ethics for Listed and OTC Companies.”	No significant differences
V. Regarding any differences between the company’s own code of ethics and the “Code of Ethics for Listed and OTC Companies,” the company has implemented its own “Code of Ethics” in line with its corporate culture of ethical business practices, and there are no significant differences between the actual operations and the provisions of the established code.				
VI. Other important information relevant to the ethical corporate management of the Company: (e.g. The Company’s review and amendment to its Ethical Corporate Management Best Practice Principles)				
(1) In August 2020, the company obtained certification from the Responsible Business Alliance (RBA), and the Chairman signed a declaration of social responsibility policy and commitment. The declaration includes aspects such as clean business practices, no improper gains,				

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>information disclosure, protection of intellectual property rights, fair transactions, advertising and competition, whistleblower confidentiality and prevention of retaliation, and privacy protection. The company fulfills its social responsibility as a responsible corporate citizen.</p> <p>(2) The company has established the “Internal Handling of Material Non-Public Information and Prevention of Insider Trading Management Procedures,” which clearly states that directors, executives, and employees are prohibited from disclosing material non-public information to others. They are also prohibited from inquiring or collecting non-relevant material non-public information about the company from individuals who have access to such information. Furthermore, they are prohibited from disclosing non-public material information of the company to others, even if they have obtained such information outside the scope of their job responsibilities.</p>				

(8) If the Company has established corporate governance rules and related regulations, it shall disclose the methods for inquiry as follows:

The company has currently established “Articles of Incorporation,” “Shareholders’ Meeting Rules,” “Board Meeting Rules,” “Evaluation Measures for Board of Directors and Functional Committees,” “Director Appointment Procedures,” “Remuneration Committee Organization Regulations,” “Procedures for Acquisition or Disposal of Assets,” “Operational Procedures for Lending Funds to Others,” “Endorsement and Guarantee Regulations,” “Internal Handling of Material Non-public Information and Prevention of Insider Trading Operational Procedures,” “Corporate Governance Best Practice Principles,” “Corporate Social Responsibility Best Practice Principles,” “Ethical Corporate Management Best Practice Principles,” “Operational Procedures and Behavioral Guidelines for Ethical Corporate Management,” “Code of Ethics for Directors, Supervisors, and Managers,” and “Duties and Scope of Independent Directors Rules.” These regulations can be found on the company’s website (www.ccic.com.tw) and MOPS.

(9) Other important information that enhances understanding of the company’s governance practices:

1. The company regularly holds corporate briefings, and related information from these briefings is disclosed on the public information disclosure platform and the company’s website for investors to access.
2. The company’s accounting supervisor has accumulated a total of 12 hours of professional development training in fiscal year 2023 until the end of December. The training information is as follows: [Please provide the specific training information for translation.]

Title	Name	Date of Education	Organizer	Course Name	The nature and duration of continuing education courses		
					Financial	Corporate governance.	Professional ethics and legal responsibilities
Accounting Director	Chen Mei-Hua	2023/1/1~2023/12/31	Foundation for Accounting Research and Development, Republic of China	Continuous professional development courses for accounting executives in securities firms and stock exchanges.	3 hours	3 hours	6 hours

(10) Implementation of Internal Control System:

Declaration of Internal Control

Nidec Chaun-Choung Technology Corporation
Statement of Internal Control System

Date: March 12, 2024

Based on the results of our self-assessment, we hereby declare the following regarding the internal control system of our company for fiscal year 2023:

- I. It is the responsibility of the Board of Directors and Managers of the Company to establish, implement and maintain the internal control system, which the company has established. The purpose of the internal control system is to achieve effective and efficient operations (including profitability, performance, and safeguarding of assets), reliable and timely reporting, transparency, and compliance with relevant regulations and laws. It provides reasonable assurance in achieving these objectives.
- II. The internal control system has its inherent limitation, no matter how perfect the design is, the effective internal control system can only provide reasonable assurance for the above three objectives; moreover, the effectiveness of the internal control system may change with the change of environment and situation. However, the internal control system of the Company is provided with a self-monitoring mechanism, and the company will take corrective actions once the absence is identified.
- III. The Company shall judge whether the design and implementation of the internal control system are effective or not according to the judgment items of the effectiveness of the internal control system stipulated in the “Guidelines for the Establishment of Internal Control System by Public Owned Corporations” (hereinafter referred to as “ Handling Guidelines”). The internal control system assessment criteria adopted in the “Handling Guidelines” consist of five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Operations. Each component includes various items, which can be referred to in the provisions of the “Handling Guidelines.”
- IV. The Company has already adopted the aforementioned internal control system assessment criteria to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the assessment results mentioned above, the Company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31, 2023, including the design and implementation of understanding the achievement of operational effectiveness and efficiency goals, reliable and timely reporting, transparency, and compliance with relevant regulations and laws, is effective. It reasonably ensures the

achievement of the aforementioned objectives.

- VI. This statement will be the main content of the Company's annual report and public statement, and will be made public. If any of the contents disclosed above is found to be false, with concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors of the Company on March 12, 2024. Out of the 13 directors present, 0 expressed opposition, and the rest agreed with the contents of this statement. Therefore, this statement is hereby declared.

Nidec Chaun-Choung Technology Corporation

Chairman: Nagai Junichi
General Manager: Nagai Junichi

Signature
Signature

If an accountant is entrusted to examine the internal control system, the audit report shall be disclosed: N/A.

(11) In the current year and up to the date of this annual report, if the company or its internal personnel have been punished in accordance with the law, or if the company has punished its internal personnel for violating internal control system regulations, and the result of such punishment may have a significant impact on shareholders' equity or securities prices, the punishment details, main deficiencies, and improvement status should be specified. However, there is no such situation for the current period.

(12) Important resolutions of the shareholders' meeting and the Board of Directors as of the date of publication of the annual report in the most recent year:

Significant resolution items of Board of Directors:

Meeting Date	Important Resolutions
The 4th session of the 18th term January 13, 2023	<ol style="list-style-type: none"> 1. Distribution of the Company's senior executives' year-end bonuses for 2022. 2. The Company plans to apply to Mega International Commercial Bank for a customs guarantee limit and an A+ R&D subsidy performance guarantee; also, to First Commercial Bank for a corporate card credit limit. 3. Amendment to the Company's "Rules for Election of Directors". 4. Amendment to the Company's "Rules of Procedure for Board Meetings". 5. Amendment to the Company's "Corporate Governance Best Practice Principles". 6. The company proposes to apply for a funding loan limit to be provided to its wholly-owned subsidiary, Nidec Jue-Choung Electronics (Kunshan) Co., Ltd., to support operational turnover. This matter is presented for discussion. 7. Change of the Company's spokesperson. 8. Recognition of change in the Company's Chief Financial Officer (CFO).
The 5th session of the 18th term March 24, 2023	<ol style="list-style-type: none"> 1. Issuance of the Company's 2022 internal control system statement. 2. The 2022 operational plan and budget of the company are proposed for discussion. 3. The profit distribution for the year 2022 of the company is proposed for discussion. 4. The allocation of employee remuneration and director and supervisor remuneration for the year 2022 of the company is proposed for discussion. 5. The Company's budget for 2023. 6. Appointment of the Company's CPAs for 2023. 7. Proposal to establish general principles for the pre-approval of Non-assurance Services (NAS) by the Company. 8. Appointment of the Company's "Corporate Governance Officer".

Meeting Date	Important Resolutions
	<ol style="list-style-type: none"> 9. Scheduling of the Company’s 2023 Annual Shareholder Meeting and related matters. 10. Acceptance of shareholder proposals for the 2023 Annual Shareholder Meeting. 11. Proposal to adjust the Company’s organizational structure and revise the “Organizational Responsibilities and Internal Communication Procedures”.
<p>The 6th session of the 18th term May 9, 2023</p>	<ol style="list-style-type: none"> 1. The Company plans to apply to Nidec Corporation for a short-term borrowing limit. 2. Appointment of the Company’s senior executives. 3. The promotion and salary adjustment of senior executives of the company is proposed for discussion.
<p>The 7th session of the 18th term August 7, 2023</p>	<ol style="list-style-type: none"> 1. Establishment of guidelines for determining the ex-dividend date for cash dividends for 2023, proposed for discussion. 2. Distribution of employee remuneration and director and supervisor remuneration for the year 2022, proposed for discussion. 3. Proposal to add to the list of pre-approved Non-assurance Services (NAS) items. 4. Nomination of the Company’s Vice Chairperson. 5. Recognition of change in the Company’s Chief Financial Officer (CFO).
<p>The 8th session of the 18th term November 7, 2023</p>	<ol style="list-style-type: none"> 1. Proposal for the “Internal Audit Plan for 2023” of the company. 2. The Company plans to apply to Mega International Commercial Bank for a customs guarantee limit and an A+ R&D subsidy performance guarantee; also, to First Commercial Bank for a corporate card credit limit. 3. Proposed revision of the “Management Procedures for Financial Statement Preparation Processes” of the company. 4. Proposal to revise the “Decision-making Authority Table”. 5. Proposal to adjust the Company’s organizational structure and revise the “Organizational Responsibilities and Internal Communication Procedures” for recognition. 6. Recognition of changes, promotions, and salary adjustments for the Company’s senior executives.
<p>The 9th session of the 18th term January 30, 2024</p>	<ol style="list-style-type: none"> 1. Proposal for the distribution of year-end bonuses for the senior executives of the company for 2023, proposed for discussion. 2. Amendment to certain articles of the Company’s “Articles of Incorporation”.

Meeting Date	Important Resolutions
<p>The 10th session of the 18th term March 12, 2024</p>	<ol style="list-style-type: none"> 1. Proposal for the distribution of year-end bonuses for the senior executives of the company for 2023, proposed for discussion. 2. Proposal to apply to Mega International Commercial Bank for customs duty accounting guarantee limit and A+ research and development subsidiary performance guarantee limit, and to apply to First Commercial Bank business card credit limit, proposed for discussion. 3. Distribution of the Company's 2023 profits. 4. The Company's 2023 Compensation Distribution Plan for Employees and Directors 5. Proposed loan of funds to subsidiary Nidec Chaun Choung Vietnam Corporation. 6. The Company's budget for 2024. 7. Appointment of the Company's CPAs for 2024. 8. Scheduling of the Company's 2024 Annual Shareholder Meeting and related matters. 9. Acceptance of shareholder proposals for the 2024 Annual Shareholder Meeting.

Important resolutions and implementation status of the shareholders' meeting:

Meeting Date	Important Resolutions	Implementation Status
<p>2023 June 20</p>	<ol style="list-style-type: none"> 1. Approval of the recognition of the company's fiscal year 2022 operating report and financial statements. 2. Approval of the recognition of the company's fiscal year 2022 profit distribution. 3. Adoption of the resolution on the company's director appointment procedures. 	<ol style="list-style-type: none"> 1. The resolution has been approved by a majority vote exceeding the statutory requirement, and the motion is recognized without any objections. 2. The Board of Directors has set August 30, 2023, as the ex-dividend date and September 15 of the same year as the dividend payment date. Cash dividends of NT\$1.07 per share have been fully distributed. 3. Following the shareholders' meeting, the revised "Director Appointment Procedures" have been uploaded to the company's website, and relevant operations have been carried out in accordance with the amended procedures.

(13) In the most recent fiscal year and up until the printing date of the annual report, there were no recorded instances of directors or supervisors expressing dissenting opinions or providing written statements regarding significant decisions approved by the Board of Directors.

(14) In the most recent fiscal year and up until the printing date of the annual report, there were no resignations or dismissals of the Chairman of the Board, CEO, Chief Accountant, Chief Financial Officer, Internal Audit Director, Corporate Governance Director, or R&D Director.

5. CPA Fee Information:

(1) Payment to the certifying accountant, their firm, and affiliated enterprises for audit fees and non-audit fees, as well as the amounts and nature of non-audit services, are as follows:

Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	Audit period	Audit Fees	Non-Audit Fees	Total	Remarks
KPMG Taiwan	Kou Hui-Zhi	Jan. 1, 2023 ~ Dec. 31, 2023	5,765	220	5,985	Note 2
	Yu Ji-Long					

Note 1: If the company has changed auditors or audit firms during the current year, please provide the respective audit periods and state the reasons for the change in the notes, along with the disclosed information on audit and non-audit fees paid. Non-audit fees should be accompanied by an explanation of the services provided.

Note 2: Non-audit public expenses include NT\$220 thousand for the 2023 transfer pricing report.

(2) There is no reduction in audit fees compared to the previous year in the case of changing audit firms and changing audit years.

(3) There is no disclosure required for a decrease in audit fees by more than 10% compared to the previous year, including the amount, percentage, and reasons, as there is no such situation.

6. Information on Changes of Accountants: None.
7. Within the past year, there have been no instances where the Chairman of the Board, CEO, or managers responsible for finance or accounting affairs have held positions in the auditing firm or its affiliated companies.
8. Substantial transfer or replacement of the shares of Directors, Supervisors, or major shareholders holding more than 10% of the shares in the most recent year and up to the date of the publication of the annual report

(1) Changes in the equity holdings of directors, managers, and major shareholders:

Job Title	Name	2023		2024 As of March 31	
		Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)
Director and Major shareholder	Nidec Corporation	0	0	0	0
Legal Delegate of the Board of Directors (Chairman and CEO)	Nagai Junichi	0	0	0	0
Legal Delegate of the Board of Directors (Vice Chairman)	Yamaoka Naoto (Note 3)	0	0	0	0
Legal Delegate of the Board of Directors (CFO)	Sumikawa Yohei (Note 2)	0	0	0	0
Legal Delegate of the Board of Directors (CFO)	Matsubishi Hidetoshi (Note 1)	0	0	0	0
Legal Delegate of the Board of Directors	Hishida Masahiro (Note 1)	0	0	0	0
Legal Delegate of the Board of Directors	Kitao Yoshihisa (Note 1)	0	0	0	0
Legal Delegate of the Board of Directors	Miyamoto Eiji	0	0	0	0
Legal Delegate of the Board of Directors	Sano Yoshihide (Note 1)	0	0	0	0
Legal Delegate of the Board of Directors	Nishizawa Toru	0	0	0	0
Legal Delegate of the Board of Directors	Hayashi Hiroki (Note 4)	0	0	0	0
Legal Delegate of the Board of Directors	Kino Tetsuo (Note 4)	0	0	0	0
Legal Delegate of the Board of Directors	Tatsumi Akio (Note 2)	0	0	0	0
Legal Delegate of the Board of Directors	Takasawa Shinji	0	0	0	0
CAO	Wu Shih-Ling	0	0	0	0
Senior Vice General Manager	Shen Zhi-Ye	0	0	0	0
CMO	Zheng Hong-Lin	0	0	0	0
Vice General Manager	Lin Shi-Yuan	0	0	0	0
Vice General Manager	Huang Meng-Zheng (Note 5)	0	0	0	0
Vice General Manager	Lin Zhi-Ren (Note 8)	0	0	0	0

Job Title	Name	2023		2024 As of March 31	
		Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)
Vice General Manager	Chung Chun-Min (Note 6)	0	0	0	0
Vice General Manager	Yuan Shi-Zhong (Note 7)	0	0	0	0
Vice General Manager	Lin Li-Wen	0	0	0	0
Assistant Manager	Hsu Zhi-Wei	0	0	0	0
Assistant Manager	Lu Shao-Qian	0	0	0	0
Assistant Manager	Hong Ming-Hong	0	0	0	0
Assistant Manager	Zou Xu-Long	0	0	0	0
Assistant Manager	Shi Bo-zhou	0	0	0	0
Assistant Manager	Wen Li-fang	0	0	0	0
Assistant Manager	Lin Yi-Yong	0	0	0	0
Assistant Manager	Qiu Yao-Cong	0	0	0	0
Assistant Manager	Liu Li-Ling	0	0	0	0
Independent Director	Hsu Ke-Wei	0	0	0	0
Independent Director	Lian Jun-Hua	0	0	0	0
Independent Director	Wang Wen-Yeu	0	0	0	0
Independent Director	Chou Chien-Hung	0	0	0	0
Financial and Accounting Manager	Chen Mei-Hua	0	0	0	0
Deputy Chief Financial Officer	Asano Masanori	0	0	0	0
Corporate Governance Manager	Wei Zi-heng (Note 9)	0	0	0	0

Note 1: Mr. Hishida Masahiro and Mr. Matsuhashi Hidetoshi, the previously appointed Legal Delegate of the Board of Directors of Nippon Corporation, were replaced by Mr. Kitao Yoshihisa and Mr. Sano Yoshihide on July 27, 2023.

Note 2: Mr. Tatsumi Akio, the previously appointed Legal Delegate of the Board of Directors of Nippon Corporation, was replaced by Mr. Sumikawa Yohei on August 2, 2023.

Note 3: Mr. Yamaoka Naoto was appointed as the Legal Delegate of the Board of Directors of Nippon Corporation, effective July 27, 2023.

Note 4: Mr. Hayashi Hiroki, the previously appointed corporate director representative of Nidec Corporation, was replaced by Mr. Kino Tetsuo on April 1, 2023.

Note 5: Mr. Huang Meng-Zheng retired and resigned from his position as Vice President of the Company on March 1, 2024.

Note 6: Mr. Chung Chun-Min resigned from his position as Vice President of the Company due to personal

career planning on December 1, 2023.

Note 7: Mr. Yuan Shi-Zhong resigned from his position as Vice President of the Company due to personal career planning on January 1, 2024.

Note 8: Mr. Lin Zhiren retired and resigned from the position of Deputy General Manager of the company on February 1, 2023.

Note 9: Manager Wei Zi-Heng assumed office on March 24, 2023.

(2) Relative parties involved in equity transfer: None.

(3) Relative parties involved in equity pledge: None.

9. Top 10 shareholders in terms of shares held who are related persons, spouse, or relative within second degree of kinship:

Unit: Thousand shares; as of April 30, 2024

Name	Shares Held By Myself		Shares held by my spouse and underage children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are related persons, spouses, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (Or Name)	Relationship	
Nidec Corporation	41,444,831	48.00%	0	0.00%	0	0.00%	None	None	
Nidec Corporation Delegate: Nagamori Shigenobu	-	0.00%	0	0.00%	0	0.00%	None	None	
China Trust Commercial Bank is entrusted to custody the investment portfolio of Nidec Corporation.	33,070,151	38.30%	0	0.00%	0	0.00%	None	None	
Global Life Insurance Co., Ltd.	736,000	0.85%	0	0.00%	0	0.00%	None	None	
Global Life Insurance Co., Ltd. Delegate: Lin Wen-Hui	-	0.00%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, entrusted by Advanced Starlight Fund Company's series funds, Advanced Total Return International Equity Index Fund Investment Trust Account	491,645	0.57%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Vanguard Group's manager, Vanguard Emerging Markets Stock Index Fund Investment Trust Account.	488,000	0.57%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Advanced Trust Company's corporate fully international stock	237,000	0.27%	0	0.00%	0	0.00%	None	None	

Name	Shares Held By Myself		Shares held by my spouse and underage children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are related persons, spouses, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (Or Name)	Relationship	
market index trust II investment trust account.									
Tu Shui-Cheng	207,000	0.24%	0	0.00%	0	0.00%	None	None	
Citibank (Taiwan) is entrusted to custody the investment portfolio of Yuanta Securities (Hong Kong) Limited - Customer Investment Account.	200,000	0.23%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of J.P. Morgan Securities (Taiwan) Limited investment trust account.	142,579	0.17%	0	0.00%	0	0.00%	None	None	
HSBC Bank (Taiwan) Limited is entrusted to custody the investment portfolio of VEU - Vanguard FTSE All-World ex-US Index Fund investment account.	139,000	0.16%	0	0.00%	0	0.00%	None	None	

Note: Nidec Corporation holds its shares through two accounts. The first account is under the name of “Nidec Corporation” and holds 41,444,831 shares (i.e., the public acquisition account). The second account is under the name of “China Trust Commercial Bank entrusted to custody the investment portfolio of Nidec Corporation.” As of April 30, 2024, the investment portfolio held by this account amounts to 33,070,151 shares. Therefore, the total shareholding of Nidec Corporation in our company as of April 30, 2024 is 74,514,982 shares. For more details, please refer to Chapter 3, “Information of Directors.”

10. The shares held by the Company, its Directors, Supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio calculated on a consolidated basis

Unit: Thousand shares; as of April 30, 2024

Reinvested Businesses	Investment of the Company		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Consolidated investments	
	Shares	%	Shares	%	Shares	%
Conquer Wisdom Co., Ltd.	18,093	100%	0	0	18,093	100%
Nidec Chaun-Choung Technology America, Inc.	0	0	300	100%	300	100%
Globe Star Enterprise Ltd.	0	0	140,408	100%	140,408	100%
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	0	0	Note	100%	Note	100%
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	0	0	Note	100%	Note	100%
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	0	0	Note	100%	Note	100%
Nidec Chaun Choung Vietnam Corporation	Note	100%	0	0	Note	100%

Note: It is a limited company and has not issued shares.

Four. Funding Status

1. Company Capital and Shares

(1) Source of Share Capital

Unit: Shares; NT\$, as of April 30, 2024

Year	Month	Issue Price : (NT\$)	Authorized Capital		Paid-In Capital		Remark		
			Number of shares (share)	Amount (NT\$)	Number of shares (share)	Amount (NT\$)	Source of Share Capital (NT\$)	Equity-Settled Share-Based Payment	Others (Approval Document Number):
88	11	10	28,000,000	280,000,000	17,857,143	178,571,430	Increase in capital through surplus: 38,571,430	None	November 18, 1999 Commercially approved (88) 141547
89	10	10	35,000,000	350,000,000	30,214,286	302,142,860	Cash capital increase 70,000,000 Increase in capital through surplus: 53,571,430	None	June 30, 2000 (89) Taiwan Finance Certificate (1) Letter No. 54747
91	08	10	43,000,000	430,000,000	37,040,000	370,400,000	Increase in capital through surplus: 68,257,140 (including employee dividends of 10,850,000)	None	July 24, 2002 Taiwan Finance Certificate (1) Letter No. 0910141303
92	09	10	55,800,000	558,000,000	41,618,687	416,186,870	Increase in capital through surplus: 45,786,870 (including employee dividends of 5,413,270)	None	September 17, 200, approved by the Economic Ministry, Letter No. 09232679810
93	01	10	55,800,000	558,000,000	42,399,037	423,990,370	Convertible corporate bonds Issuance of common shares: 7,803,500	None	January 19, 2004, approved by the Economic Ministry, Letter No. 09331573310

Year	Month	Issue Price : (NT\$)	Authorized Capital		Paid-In Capital		Remark		
			Number of shares (share)	Amount (NT\$)	Number of shares (share)	Amount (NT\$)	Source of Share Capital (NT\$)	Equity-Settled Share-Based Payment	Others (Approval Document Number):
93	04	10	55,800,000	558,000,000	43,420,197	434,201,970	Convertible corporate bonds Issuance of common shares: 10,211,600	None	April 27, 2007, approved by the Economic Ministry, Letter No. 09332037290
93	08	10	55,800,000	558,000,000	43,498,230	434,982,300	Convertible corporate bonds Issuance of common shares 780,330	None	August 2, 2004, approved by the Economic Ministry, Letter No. 09332517160
93	11	10	55,800,000	558,000,000	51,881,054	518,810,540	Increase in capital through surplus: 77,014,090 (including employee dividends of 7,897,180) Convertible corporate bonds Issuance of common shares: 6,814,150	None	November 4, 2004, approved by the Economic Ministry, Letter No. 09301200260
94	02	10	55,800,000	558,000,000	53,863,713	538,637,130	Convertible corporate bonds Issuance of common shares: 19,826,590	None	February 1, 2005, approved by the Economic Ministry, Letter No. 09401019010
94	05	10	55,800,000	558,000,000	54,089,550	540,895,500	Convertible corporate bonds Issuance of common shares: 2,258,370	None	May 5, 2005, approved by the Economic Ministry, Letter No. 09401079240

Year	Month	Issue Price : (NT\$)	Authorized Capital		Paid-In Capital		Remark		
			Number of shares (share)	Amount (NT\$)	Number of shares (share)	Amount (NT\$)	Source of Share Capital (NT\$)	Equity-Settled Share-Based Payment	Others (Approval Document Number):
94	06	10	78,000,000	780,000,000	60,089,550	600,895,500	Cash capital increase 60,000,000	None	June 9, 2005 - Granted Business Registration No. 09401102220
94	07	10	78,000,000	780,000,000	60,126,314	601,263,140	Convertible corporate bonds Issuance of common shares: 367,640	None	July 22, 2005 - Granted Business Registration No. 09401138500
94	10	10	78,000,000	780,000,000	70,706,641	707,066,410	Increase in capital through surplus: 105,299,200 Convertible corporate bonds Issuance of common shares: 504,070	None	October 19, 2005 (1911+94) - Granted Business Registration No. 09401209040
95	09	10	120,000,000	1,200,000,000	78,493,996	784,939,960	Increase in capital from retained earnings: NT\$77,873,550 (including employee bonus of NT\$7,166,900)	None	September 13, 2006 - Granted Business Registration No. 09501205590
97	09	10	120,000,000	1,200,000,000	86,343,396	863,433,960	Increase in capital from retained earnings: NT\$78,494,000	None	September 23, 2008 - Granted Business Registration No. 09701243310

April 30, 2024; Unit: shares

Share Type	Approved Capital Stock			Remark
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares	86,343,396	33,656,604	120,000,000	Listed company stock

Note: Out of the authorized share capital of 120,000,000 shares, 500,000 shares are reserved for the exercise of stock warrants, convertible preferred shares, or convertible corporate bonds.

For companies that have been approved to raise funds and issue securities under the comprehensive filing system, the approved amount, planned issuance, and relevant information of issued securities should be disclosed: N/A.

(2) Shareholders Structure

April 22, 2024 (Record date); Unit: shares

Shareholders Structure Quantity	Government institutions.	Financial Institutions	Other Corporations	Individuals	Foreign Institutions and Individuals	Total
Number of individuals	0	2	123	5,726	45	5,896
Number of Shares Held	0	919,000	214,998	7,437,813	77,771,585	86,343,396
Shareholding Ratio	0.00%	1.06%	0.25%	8.62%	90.07%	100.00%

(3) Shareholding Structure

1. Distribution of Equity Ownership of Common Share:

As of April 25, 2024 (Record date)

Shareholding Level (Shares)		Number of	Number of Shares	Shareholding(%)
1	~ 999	0.25	215,712	0.25
1,000	~ 5,000	4.88	4,212,615	4.88
5,001	~ 10,000	1.42	1,228,393	1.42
10,001	~ 15,000	0.76	655,776	0.76
15,001	~ 20,000	0.71	609,832	0.71
20,001	~ 30,000	0.67	578,377	0.67
30,001	~ 40,000	0.48	416,554	0.48
40,001	~ 50,000	0.3	262,097	0.3
50,001	~ 100,000	0.75	650,834	0.75

100,001	~	200,000	0.97	838,579	0.97
200,001	~	400,000	0.51	444,000	0.51
400,001	~	600,000	1.13	979,645	1.13
600,001	~	800,000	0.85	736,000	0.85
800,001	~	1,000,000	0	0	0
Over 1,000,001			2	74,514,982	86.32
Total			6,941	86,343,396	100%

2. Shareholding Structure of Preferred Shares: N/A

(4) List of Major Shareholders: Names of shareholders with a shareholding percentage of 5% or more or the top ten shareholders by shareholding percentage

As of April 25, 2024 (Record date)

Major Shareholder Name	Shareholdings	Number of Shares Held	Shareholding Percentage (%)
Nidec Corporation		41,444,831	48.00%
China Trust Commercial Bank is entrusted to custody the investment portfolio of Nidec Corporation.		3,070,151	38.30%
Global Life Insurance Co., Ltd.		736,000	0.85%
JPMorgan Chase Bank, Taipei Branch, entrusted by Advanced Starlight Fund Company's series funds, Advanced Total Return International Equity Index Fund Investment Trust Account		491,645	0.57%
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Vanguard Group's manager for the Vanguard Emerging Markets Stock Index Fund Investment Trust Account.		488,000	0.57%
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Advanced Trust Company's corporate fully international stock market index trust II investment trust account.		237,000	0.27%
Tu Shui-Cheng		207,000	0.24%
Citibank (Taiwan) is entrusted to custody the investment portfolio of Yuanta Securities (Hong Kong) Limited - Customer Investment Account.		200,000	0.23%
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of J.P. Morgan Securities (Taiwan) Limited investment trust account.		142,579	0.17%
HSBC Bank (Taiwan) Limited is entrusted to custody the investment portfolio of VEU - Vanguard FTSE All-World ex-US Index Fund investment account.		139,000	0.16%

Note: Nidec Corporation holds its shares through two accounts. The first account is under the name of "Nidec Corporation" and holds 41,444,831 shares (i.e., the public acquisition account). The second account is under the name of "China Trust Commercial Bank entrusted to custody the investment portfolio of Nidec Corporation." As of April 30, 2024, the investment portfolio held by this account amounts to 33,070,151 shares. Therefore, the total shareholding of Nidec Corporation in our company as of April 30, 2024 is 74,514,982 shares. For more details, please

refer to Chapter 3, “Director and Supervisor Information.”

(5) Per Share Market Price, Net Asset Value, Earnings, Dividends, and Related Information for the Past Two Fiscal Years

Unit: Thousand Shares/NT\$

Item		Year		As of April 30, 2024 (Note 7)	
		2022	2023		
Market price per share (Note 1)	Highest	172.00	195.00	124.00	
	Lowest	94.00	109.00	324.50	
	Average	119.31	144.52	237.32	
Per Share Net Asset Value (Note 2)	Dividend before distribution	62.06	66.43	68.45	
	Dividend after distribution	60.99	(Note 3)	–	
Earnings Per Share (Note 2)	Weighted average shares	86,343	86,343	86,343	
	Earnings per Share	7.10	7.02	0.53	
Cash dividend per share Dividend	Cash Dividends (Note 3)		1.07	1.053 (Note 3)	–
	Free Share Issuance	0 (Note 3)	0	0 (Note 3)	–
		0 (Note 3)	0	0 (Note 3)	–
	Accumulated Unpaid Dividends		0	0 (Note 3)	–
Investment Return Analysis	Price-to-Earnings Ratio (Note 4)		16.8	20.6	–
	Price-to-Earnings Ratio (Note 5)		111.5	137.25 (Note 3)	–
	Cash dividend yield ratio % (Note 6)		0.9	0.73 (Note 3)	–

Note 1: The average market price for each year is calculated based on the transaction value and volume.

Note 2: The net asset value per share and earnings per share up to the first quarter of fiscal year 2024 have been audited or reviewed by certified accountants.

Note 3: The distribution of earnings is based on the resolutions of the annual shareholders’ meetings. The distribution of earnings for fiscal year 2023 has not been approved by the shareholders’ meeting yet.

Note 4: Price-to-earnings ratio = Average closing price per share of the year / Earnings per share.

Note 5: Price-to-book ratio = Average closing price per share of the year / Cash dividends per share.

Note 6: Dividend yield = Cash dividends per share / Average closing price per share of the year.

Note 7: The net asset value per share and earnings per share are as of the printing date of the annual report, audited by certified accountants for the first quarter of fiscal year 2024. Other information is as of April 30, 2024.

(6) Dividend Policy and Implementation Status

1. The dividend policy stipulated in the company’s articles of incorporation is as follows:

According to the company’s articles of incorporation, in the event of annual surplus,

taxes shall be paid first, followed by the offsetting of accumulated losses from previous years. Ten percent of the legal surplus shall be allocated to the statutory surplus reserve, except when the statutory surplus reserve has reached the company's paid-in capital. In addition, special surplus reserves may be set up in accordance with the company's operational needs and legal regulations. If there are remaining profits along with undistributed earnings from the beginning of the period, the board of directors shall propose a profit distribution plan to be approved by the shareholders' meeting.

The distribution of profits by the company is generally not less than 15% of the net profit after tax for the fiscal year. Apart from the aforementioned provisions, when distributing dividends, the amount of stock dividends shall not exceed 80% of the total amount of shareholder dividends, and the amount of cash dividends shall not be less than 20% of the total amount of shareholder dividends.

2. The proposed dividend distribution for the shareholders' meeting is as follows.

According to the proposal approved by the board of directors on March 12, 2024, the dividend distribution for fiscal year 2023 is as follows:

(1) Proposed cash dividend to shareholders: NT\$90,919,596, with a dividend of NT\$1.053 per share.

(2) After the 2024 annual shareholders' meeting approves this profit distribution plan, the board of directors will be authorized to set another ex-dividend date. In the event of subsequent factors such as conducting a cash capital increase through new share issuance or repurchasing the company's shares, which may affect the total number of outstanding shares, resulting in changes to the dividend yield, the board of directors will seek authorization from the shareholders' meeting to adjust the shareholder dividend yield and related matters.

3. Explanation should be provided when there are significant changes expected in the dividend policy: No such circumstances exist.

(7) Impact of the proposed bonus shares on the company's business performance and earnings per share: The company does not propose any bonus shares at the shareholders' meeting, and the financial forecast for the 2024 fiscal year has not been disclosed, so it is N/A.

(8) Remuneration for employees, directors, and supervisors

1. Percentage or range of employee, director, and supervisor compensation as stated in the company's articles of association:

According to the company's articles of incorporation, if the company generates profits in a fiscal year, it should allocate employee compensation of no less than 3% of the profits, to be distributed in the form of stocks or cash, including subsidiary company employees who meet the conditions set by the board of directors. The board of directors may also allocate director and supervisor compensation within the limit of 3% of the aforementioned profit amount, as determined by the board of directors. However, when the company has

accumulated losses, the amount for compensation should be reserved in advance for offsetting, and the remaining balance can be used for the distribution of employee and director/supervisor compensation.

2. The accounting treatment for the estimated amount of employee, director, and supervisor compensation, the basis for calculating the stock-based employee compensation, and the actual distribution amount when there is a difference from the estimate are as follows:

The amount of employee, director, and supervisor compensation for fiscal year 2023 is estimated based on the pre-tax income before deducting the distribution of employee, director, and supervisor compensation, multiplied by the distribution ratio specified in the company's articles of incorporation. However, if the actual distribution amount determined by the board of directors differs from the estimate, it is considered an accounting estimate change and should be included in the income statement for fiscal year 2023. If employee compensation is distributed in the form of stocks, the basis for calculating the number of shares is the closing price of ordinary shares on the day before the board of directors' decision to distribute employee compensation.

3. The Board of Directors has approved the allocation of remuneration as follows:

(1) The amounts of employee compensation and director and supervisor remuneration distributed in cash or in stock. If there is a difference between the actual amount and the estimated amount recognized as an expense in the year, the difference, reasons, and treatment should be disclosed.

The Board of Directors of the Company resolved on March 12, 2024, to distribute employee compensation of NT\$23,464 thousand and compensation for directors and supervisors of NT\$4,400 thousand for the year 2023. These amounts are consistent with the employee compensation and directors and supervisors compensation amounts estimated in the 2023 financial statements, which are NT\$23,464 thousand and NT\$4,400 thousand, respectively.

(2) The proportion of employee compensation distributed in the form of stocks to the net income after tax and the total amount of employee compensation for the current period or individual financial reports: The company did not distribute employee compensation in the form of stocks for 2023.

4. The actual distribution of employee, director, and supervisor compensation for 2022, any differences from the recognized amounts, and the reasons and treatment of such differences should be stated:

There were no differences between the actual distribution of employee, director, and supervisor compensation for 2022 and the distribution approved by the board of directors and recognized in the financial statements.

(9) Repurchase of company shares: None.

2. Issuance of corporate bonds: None
3. Issuance of preferred stocks: None.
4. No overseas depositary receipts were issued.
5. No employee stock warrants were issued.
6. No restrictions on employee rights for new share issuances.
7. No issuance of new shares for mergers or acquisitions of other companies' shares.
8. Execution status of capital utilization plan:

The company has no outstanding issuances or private placements of securities that are yet to be completed, nor has there been any completed within the past three years with no apparent benefits realized.

Five. Operation Overview

1. Business Contents

(I) Business Scope

1. Main Business Content:

The main business activities of the company and its subsidiaries are focused on the manufacturing, processing, and trading of heat dissipation components. They also provide heat dissipation product design and optimal cooling solutions. The main products include heat dissipation modules, heat sinks, heat pipes, and micro heat plates.

2. Current main product categories and their revenue contribution (for 2023):

Unit: NT\$ thousands

Product Categories	Amount	Percentage (%)
Heat Dissipation Modules	8,498,465	78.99
Heat Sinks	1,657,046	15.40
Others	603,581	5.61
Total	10,759,092	100.00

3. Future planned new products of the company:

(1) Current Product Line

Notebook Computer Heat Dissipation Modules

Server Heat Dissipation Modules

5G Base Station Heat Dissipation Modules

Smartphone Heat Dissipation Products

Network Communication Equipment Heat Dissipation Products

High-Density Computing Server Heat Dissipation Products

Automotive Electronic Heat Dissipation Products

Various Heat Sinks, Heat Pipes, and Heat Spreading Plates

(2) Planned/Under Development Technologies or Products

A. Continuous R&D of Slight/Slim/Strong (3S) Heat Transfer Products

B. Coolant Monitoring Host (CDU)

C. AI Chip Heat Dissipation Modules

D. Third-generation Semiconductor Heat Dissipation Products

E. Metaverse Wearable Heat Dissipation Products - Development of Lightweight Non-Copper Alloy Heat Transfer Components

F. Development of 3DVC 700-1250W

G. Development of Transient Calculations

(2) Sector Overview

1. Product Development Status

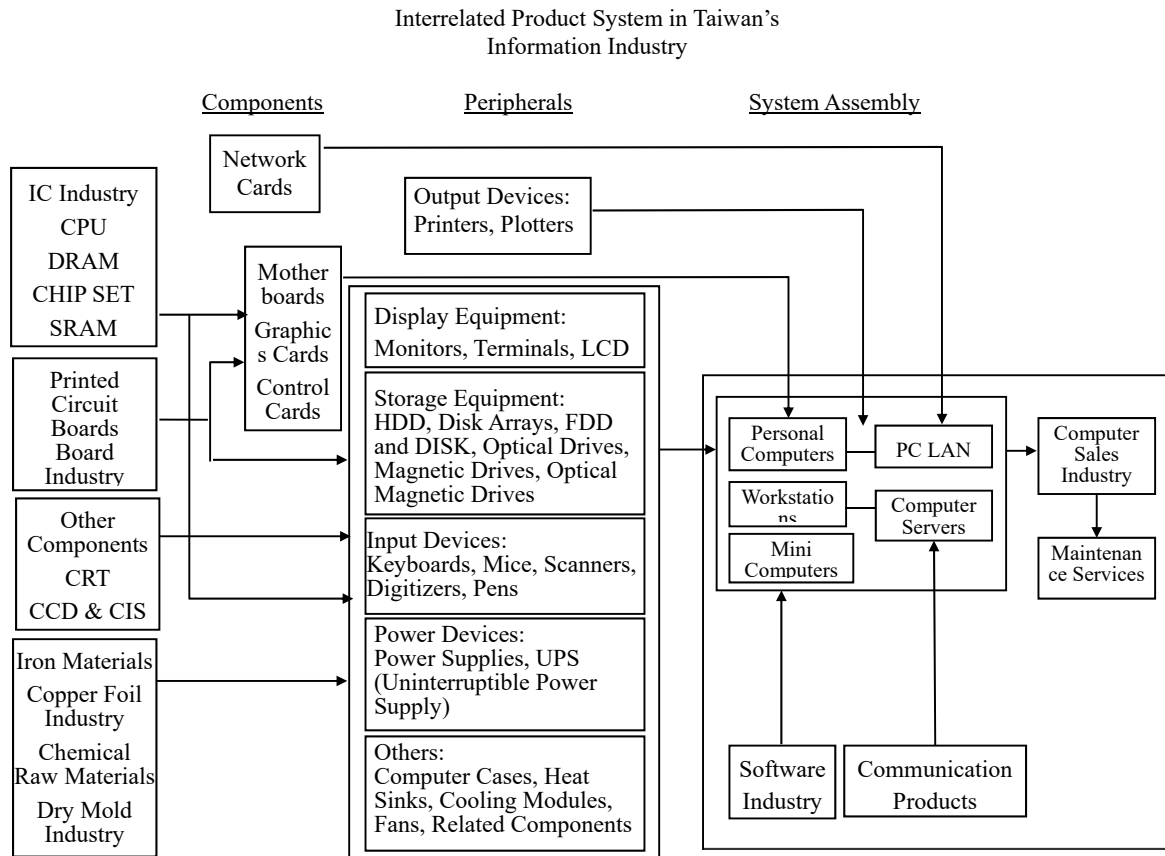
The company's main product lines include heat dissipation devices for notebook computers (NB), desktop computers (DT), servers, network communications, gaming consoles, smartphones, and household appliances. Among them, PC, server, network communication, and smartphone-related heat dissipation devices are the primary focus. As CPUs generate increasing heat, and there is a growing demand for heat dissipation components due to high heat dissipation requirements for chipsets, graphics chips, and other devices. In recent years, the rapid development of handheld mobile devices, coupled with the launch of 5G-related systems, has significantly increased the demand for high-speed transmission rates and improved hardware and software performance, thereby driving the global heat dissipation market.

The company is committed to addressing and solving heat dissipation issues in information electronic products. In 1995, through collaboration with the Industrial Technology Research Institute, the company developed the key component "heat pipe" for notebook computer heat dissipation modules. Mass production began in 1998, and it was applied to heat dissipation devices for personal computers (DT, NB). In 2007, high-power heat plates for server and network communication heat dissipation devices were mass-produced. In 2015, ultra-thin heat plates and heat pipes for smartphone heat dissipation were mass-produced, covering the majority of heat dissipation needs in information-related products. The company continues to recruit R&D design talents, improve production processes and efficiency, reduce noise generated during manufacturing, and comply with emission standards. It also continuously introduces relevant automation equipment, positioning the company as one of the global leading manufacturers in the research, development, manufacturing, environmental protection, and energy-saving carbon reduction of heat pipes, heat plates, and heat dissipation modules.

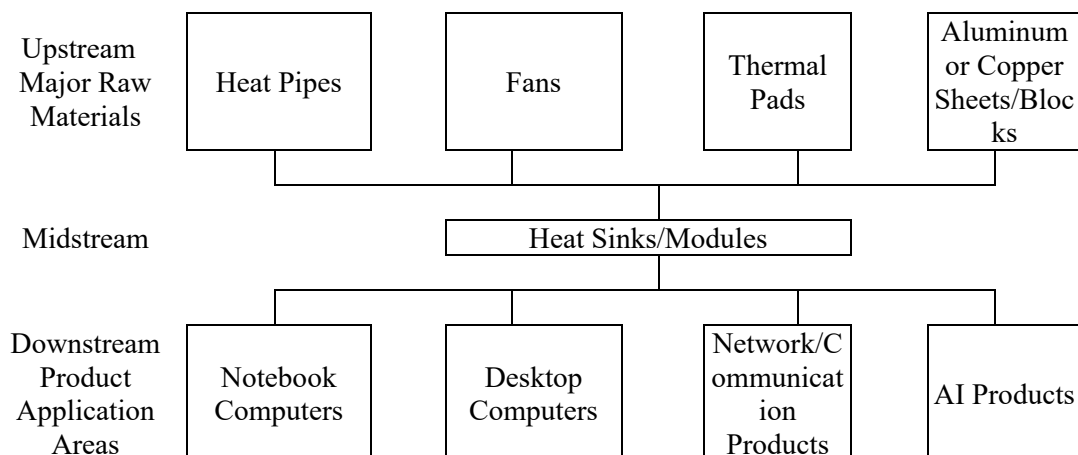
After completing the public acquisition of our company by its parent company, Nidec Corporation, at the end of 2018, Nidec Corporation has officially become part of our operational team. This transition involved the re-election of directors and supervisors, as well as the deployment of senior management personnel. In recent years, both parties have been actively integrating resources and leveraging group synergies. In the future, they will

further expand their global presence and pursue a proactive strategy to increase operational scale, achieve higher revenue growth, and enhance profitability. These efforts aim to create greater benefits for customers, shareholders, and employees.

2. Interrelationships among Upstream, Midstream, and Downstream Industries



Our company's main products are heat modules and heat sinks, primarily used in the information and electronic component industry. The interrelated product system of this industry is depicted in the diagram above. Furthermore, the upstream major raw materials and downstream application areas of our company's products are summarized as follows:



(1) Upstream Raw Material Supply Situation

Most of the heat pipes required for the production of computer heat dissipation modules are self-developed, while the externally purchased raw materials are supplied by long-term partner manufacturers. Additionally, there are usually multiple suppliers for each raw material, ensuring a relatively stable supply for the company.

(2) Downstream Product Application Areas

Most precision electronic products require specific heat dissipation devices, and since the introduction of heat dissipation modules into notebook computers in 1997, they have become an essential component. With the trend of miniaturization and enhanced functionality in information electronic products, various sectors such as information technology, communication, and consumer electronics have become new application areas for heat dissipation modules.

3. Various Product Development Trends:

The PC industry has experienced negative growth for several consecutive years, prompting the company to actively seek new opportunities in non-PC fields. With the increasing power consumption accompanying the enhancement of various electronic mobile devices' functionalities, new heat dissipation demands have emerged, with the network/communication market showing significant growth. The company's R&D team, through keen observation of industry trends and professional judgment, is at the forefront of market development for heat dissipation solutions in handheld products. In the future, efforts will continue to be made in new fields such as lightweight mobile communication devices, cloud and power modules, and automotive electronics to create new business opportunities.

4. Product Competitive Situation:

The rapidly expanding heat dissipation market driven by the continuous evolution of electronic product functionalities has attracted competition from foreign manufacturers, including well-known domestic and international enterprises as well as manufacturers from mainland China. However, due to the ever-changing nature of the electronic product market and the rapid advancement of electronic application technology, the company's early investment in heat transfer research and development since 1995, coupled with its long-term cooperation with domestic and international system manufacturers, naturally gives it a competitive advantage and greater sensitivity to industry trends. In the face of product competition, Nidec Chaun-Choung relies on its quick response capability and production flexibility, earning praise and reliance from customers, allowing it to maintain stable long-term orders. Efforts will continue to be made to enhance competitiveness in the following aspects.

(1) Business management transformation

- (2) Strengthening research and development capabilities
- (3) Forming strategic alliances with upstream and downstream industries
- (4) Developing cooling products for handheld mobile devices, consumer gaming, automotive electronics, cloud computing, etc.

(3) Technology and R&D Overview

1. The research and development (R&D) expenses invested in the most recent fiscal year and up to the date of the annual report printing are as follows:

Unit: NT\$ thousands

Year	2022	2023	As of the end of the first quarter in 2024
Research and development expenses amount	574,543	591,822	134,534
Percentage of research and development expenses to annual revenue:	4.83	5.50 50.	7.61

2. Successfully developed technologies or products

- (1) Smartphones cooling product - Development of ultra-thin heat dissipation plate below 0.3mm completed.
- (2) High-density computing server cooling product - Development of air-cooled heat dissipation module above 300 watts completed.
- (3) Network communication equipment cooling product - Development of air-cooled heat dissipation module above 600 watts completed.
- (4) Automotive IGBT cooling product - Development of liquid-cooled module above 2k watts completed.

(4) Long-term and short-term business development plans

1. Short-term development plan

The main product lines of our company in the cooling industry include personal computers (Notebooks, Desktops, All-in-One), servers, data centers/storage devices, network communication equipment, smartphones, gaming consoles, and other related information electronic products, graphics cards, automotive, and water cooling solutions. The short-term plan aims to expand the production capacity of each plant, enhance production technology and automation level, accelerate the development of new customers and new product lines, and increase mid- to high-level management and research and development personnel to achieve revenue growth and profitability improvement. The short-term strategic plans are as follows:

- (1) Capacity expansion plan: The first phase of the major investment project for the new plant in Hanoi, Vietnam has been completed and put into production since May 2021. Continuously optimize the utilization of production capacity in Kunshan (Jiangsu) plant, Chongqing plant, and Taipei headquarters.
- (2) Production technology and engineering department: Continuously improve production technology and automation capabilities, gradually introduce manufacturing technology from other plants within the group, and enhance automation level.
- (3) Accelerate the development of new customers and new product lines:
 - A. Potential customers without existing business relationships for current product lines (PC/Server/HPC/Cloud/Smartphone/Network/Game Console...)
 - B. Development of potential customers for new product lines and new products (Automotive/Liquid Cooling/AIoT/Graphic Card/Base Station/5G Applications and Industry 4.0...)
 - (1) Strengthening human resources: Strategic deployment to increase mid-to high-level management personnel to achieve revenue growth and profitability improvement.
 - (2) Launch of research and development projects: The R&D center has established specific technical research and development projects, with a duration of two years to complete research results and deliver mass production applications. The project has obtained approval and incentives from the Ministry of Economic Affairs, Industrial Development Bureau.

2. Medium-term plan:

- (1) Capacity expansion plan: Promote the mid-term (Phase 2) factory expansion plan in Hanoi, Vietnam, to continuously provide capacity and momentum for revenue growth. Continuously optimize and enhance production capacity in Kunshan (Jiangsu) plant and Chongqing plant to meet customer growth demands.
- (2) Enhance production technology and automation level: Implement research and development achievements in various plants within the group to improve production efficiency and automation level, enhance product quality and stability, and reduce manufacturing costs.
- (3) Implement results of new customer and new product line development:
 - A. Effectively expand the customer base for existing product lines (PC/Server/HPC/Cloud/Smartphone/Network/Game Console).

B. Achieve concrete results in the development of potential customers for new product lines and new technologies (Automotive/Liquid Cooling/Graphic Card/Base Station/Metaverse/AIoT/5G Applications and Industry 4.0...).

- (4) Continuously transfer R&D achievements to mass production: Enhance the overall technological content and diversity of the company's products, becoming a leading technology provider in the cooling industry.
- (5) Integration of active and passive cooling effectiveness: Collaborate with the parent company, Nidec Corporation, to integrate active and passive cooling components in design, providing customers with more comprehensive, one-stop services.

3. Long-term plan:

- (1) Capacity expansion plan: Promote the medium-to-long-term expansion plan of the Hanoi plant in Vietnam, continuously providing capacity and momentum for revenue growth. Continuously optimize and enhance production capacity in Kunshan (Jiangsu) plant and Chongqing plant to meet customer growth demands and maximize economies of scale.
- (2) Enhance production technology and automation level: Implement research and development achievements in various plants within the group to improve production efficiency and automation level, enhance product quality and stability, and reduce manufacturing costs, becoming a leading manufacturer with the most advanced production technology in the industry.
- (3) Results in new customer and new product line development: Expand the customer base for existing product lines, achieve concrete results in the development of potential customers for new product lines and new technologies, aiming to become the world's largest heat dissipation service provider.
- (4) Continuously strengthen core R&D capabilities (3S) in the research and development department: Strengthen the research and development of heat transfer technologies for lightweight, slim, and strong high-power applications, expand product application range, enhance technological advantages, improve overall technological content and diversity of products, and consolidate the leading position in the field of heat dissipation technology.

2. Market and Sales Overview

(I) Market Analysis

1. Major Product Sales by Region

Unit: NT\$ thousands

Region \ Year	2023	
	Amount	Percentage (%)
China (Mainland)	7,581,930	70.47
Singapore	677,547	6.30
Taiwan	589,048	5.47
Other Countries	1,910,567	17.76
Total	10,759,092	100.00

2. Market Share

According to statistics from research institutions, the total PC shipments in 2023 decreased by 14.8% to 242 million units. Industry intelligence reports indicate that the generative AI boom continues to drive global AI server shipment growth. In 2023, AI servers accounted for more than half of the total global server output, with Taiwan's server industry accounting for over 80% of global shipments. Of this, contract manufacturing of AI servers constitutes 90%. The institution estimates that the global shipment of AI servers will reach 1.942 million units in 2024. The Company estimates that our market shares in PCs, servers, and 5G network equipment are approximately 20% to 25%, 20%, and 15%, respectively, with major customer orders coming from the USA, China, Japan, Korea, and Taiwan.

3. Supply and demand. and potential growth of future market

The revenue composition of our company's products is approximately 41% for personal computers (desktops and laptops) and their peripheral cooling devices, 29% for server/network communication equipment cooling, 25% for gaming console cooling, 1% for mobile phone cooling, and 4% for other categories.

4. Competitive niche

The company's niche has the following aspects:

- (1) Accumulation of more than 10 years of practical experience in handling over 1,000 different types of heat dissipation modules/components, with a continuous focus on enhancing key product R&D and innovation capabilities.
- (2) A large and stable cooperative supply chain with numerous partners.
- (3) Sufficient production capacity, with flexible production processes across all manufacturing sites.
- (4) Possession of development and design capabilities for critical heat dissipation components.
- (5) An efficient and mature planning/marketing/project team.

(6) Obtained heat dissipation specification certifications from domestic and international brand manufacturers, becoming their long-term partners.

5. Factors affecting future development prospects, both favorable and unfavorable, and corresponding strategies

(1) Positive factors

A. Complete research and development capabilities and production capacity for heat pipes, ultra-thin pipes, heat plates, and related products

As information electronic products become increasingly diversified in terms of design and functionality, the requirements for heat dissipation performance and quality are constantly increasing. Therefore, the ability of heat dissipation component suppliers to rapidly adapt to technological updates in application products has become increasingly important. Since the successful mass production of heat pipes in 1997, our company has developed a high level of expertise in heat pipe technology. We have accumulated rich practical experience in handling over 1,000 different types of heat dissipation modules/components, possess a strong R&D team, and maintain consistent production equipment, ensuring competitive production efficiency. In recent years, we have expanded the application range of this core technology, developing mini heat pipes, convex heat plates, high-end interface cards, video processors, Ultrabook laptops, supercomputers, and other heat dissipation modules, leveraging the excellent thermal conductivity and compact size of heat pipes.

B. Complete and mature planning/marketing/project team

In 2008, our company successfully mass-produced NB heat dissipation modules, subsequently passing evaluations by globally renowned system manufacturers. Our customer base spans the United States, Europe, and the Asia-Pacific region. Due to our well-executed marketing strategy and accelerated internationalization.

(2) Adverse factors and corresponding strategies

I. Adverse factors

- i. Inconsistent product specifications and short product life cycles.
- ii. Emergence of diverse heat dissipation applications leading to industry consolidation.
- iii. Strong buyer dominance in pricing.

II. Corresponding strategies:

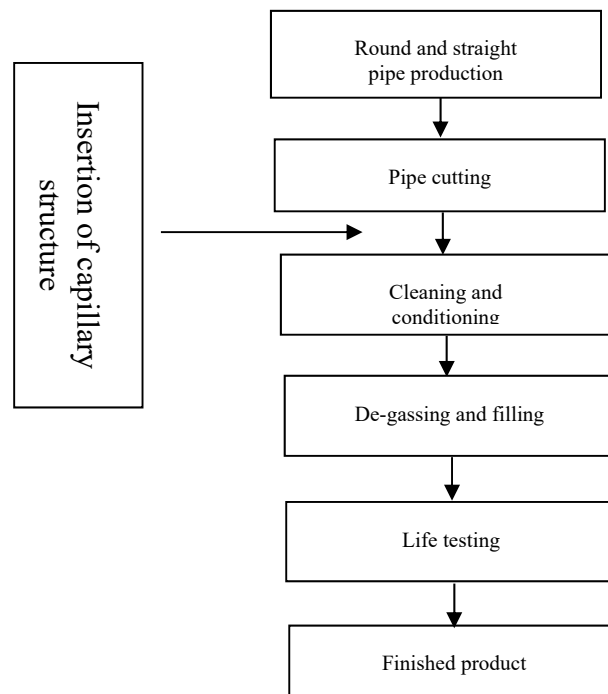
- i. Focus on research and development of heat dissipation materials and technologies, as well as process improvements, to ensure a competitive edge.

- ii. Stay informed about industry development trends and customer plans for introducing new models, and adjust research and mold development schedules accordingly.
- iii. Diversify customer sources to mitigate the risk of concentrated sales.
- iv. Strict inventory control to avoid excessive obsolescence.
- v. Timely launch heat dissipation products that meet market demands and continue to explore other application areas.
- vi. Continuous development of new products based on new markets, applications, and customer needs.
- vii. Optimize the utilization of heat plate (VC), ultra-thin pipes, and heat pipe production capacities, and flexibly adjust them according to customer demands to meet the diversified market growth.

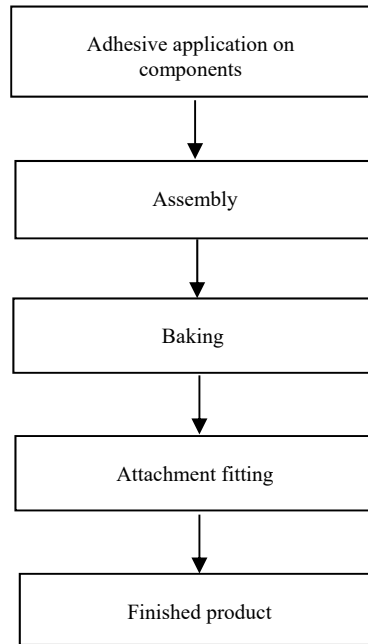
(II) Main Functions of Products and Manufacturing Processes:

The company’s primary production includes heat pipes, heat sinks, and heat modules, which are mainly used in products such as notebook computers, desktop computers, servers, and power supplies to provide uniform temperature heat dissipation.

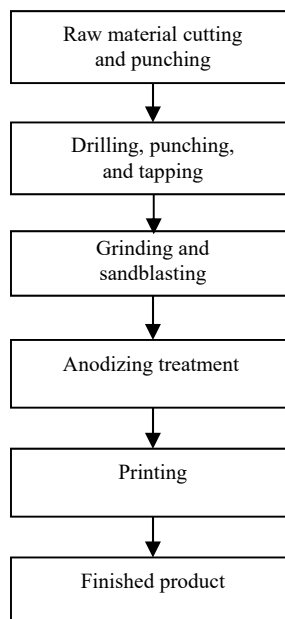
1. Heat Pipe Manufacturing



2. Heat Sink Module Assembly



3. Heat Sink Fin



(3) Supply Status of Major Raw Materials

Main Materials:	Supply Locations	Supply Status
Aluminum Pressure Die Casting	Mainland China	Abundant and no concerns
Aluminum Extrusion	Taiwan, Mainland China	Abundant and no concerns
Copper Extrusion	Mainland China	Abundant and no concerns
Fans	Mainland China	Abundant and no concerns
Heat Pipes	Mainland China, Taiwan	Abundant and no concerns
Copper Tube Materials	Mainland China, Taiwan, Japan	Abundant and no concerns
Stamped Parts	Taiwan, Mainland China	Abundant and no concerns

(4) Major Customers and Suppliers in the Past Two Fiscal Years

1. Customers with Sales Amount Accounting for 10% or more of Net Sales in the Fiscal Year

Unit: NT\$ thousands

Year Item	2022				2023				As of Q1 of 2024			
	Name	Amount	Percentage of the net sales of the year(%)	Relation to the issuer	Name	Amount	Percentage of the net sales of the year(%)	Relation to the issuer	Name	Amount	Percentage of Net Sales for the Year-to-Date (%)	Relation to the issuer
1	Nidec Group	3,365,243	28.28	Related party	Nidec Group	3,071,812	28.55	Related party	DEL001	550,639	31.15	Non-related party
2	DEL001	2,253,006	18.94	Non-related party	DEL001	2,202,841	20.47	Non-related party	HON001	311,872	17.64	Non-related party
3	HON001	1,522,600	12.80	Non-related party	HON001	1,355,070	12.59	Non-related party	Nidec Group	139,100	7.87	Related party
4	Others	4,757,090	39.98	Non-related party	Others	4,129,369	38.39	Non-related party	Others	765,908	43.34	Non-related party
	Sales Net Sales	11,897,939	100.00		Sales Net Sales	10,759,092	100.00		Sales Net Sales	1,767,519	100.00	

The company is a professional manufacturer of heat dissipation components. Its main products include heat modules for notebook computers, heat modules for desktop computers, and heat sinks for computer information and consumer products peripherals. The main customers are globally recognized PC manufacturers, with a focus on the sales of computer heat modules. The company's customer base is considered stable.

2. Suppliers whose annual purchase amount accounts for more than 10% of the annual net purchase amount

Unit: NT\$ thousands

Year Item	2022				2023				As of Q1 of 2024			
	Title	Amount	Percentage of net purchase amount for the full year. (%)	Relationship with the issuer	Title	Amount	Percentage of net purchase amount for the full year. (%)	Relationship with the issuer	Title	Amount	Percentage of Purchases Net Amount to the Net Sales (Until the End of the First Quarter of the Current Year)	Relationship with the issuer
1	JIFU	1,509,898	21.67	Non-related party	JIFU	1,064,270	17.27	Non-related party	JIFU	180,450	18.73	Non-related party
2	Others	5,457,247	78.33	Non-related party	Others	5,097,860	82.73	Non-related party	Others	783,124	81.27	Non-related party
	Net purchase	6,967,145	100.00		Net purchase	6,162,130	100.00		Net purchase	963,574	100.00	

The main raw materials for the company's products include heat pipes, aluminum die-casting parts, aluminum stamped parts, thermal pads, heat sinks, and fans. The company maintains long-term and good cooperative relationships with its suppliers, ensuring an abundant and secure source of raw materials.

(5) Production value for the past two years.

Unit: Capacity - thousand pcs; Output - thousand pcs; Output Value - NT\$ thousands

Production value Main product	Year	2022			2023		
		Production capacity	Production volume	Production Value	Production capacity	Production volume	Production Value
Heat Dissipation Modules		70,000	47,855	8,801,668	123,900	50,166	8,224,728
Heat Sinks		19,000	3,682	413,948	36,000	5,113	485,543
Others (Note)		–	–	29,280	–	–	618,683
Total		–	–	9,244,896	–	–	9,328,954

Note: The products have different specifications, and the unit price and quantity vary depending on the orders in each year. Therefore, it is not possible to calculate the production capacity based on a specific product.

(6) Yearly Sales Volume in the Last Two Years

Unit: NT\$ thousands/pcs

Sales Volume Value Main product	Year	2022				2023			
		Domestic sales		Overseas sales		Domestic sales		Overseas sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Heat Dissipation Modules		72	26,570	47,995	9,363,114	73	36,545	41,723	8,461,918
Heat Sinks		35	3,695	25,327	1,863,719	28	3,334	19,774	1,653,713
Others		72	12,102	24,424	628,739	72	15,570	16,286	588,012
Total		179	42,367	97,746	11,855,572	173	55,449	77,783	10,703,643

3. Employee of the industry.

(1) Yearly Employee Structure

Item	Year	2022	2023	As of March 31, 2024
	Number of employees	Indirect Staff	1,253	1,040
Direct Staff		2,079	1,354	1,341
Total		3,332	2,394	2,358
Average Age		34	35	35
Average Years of Service		3.27	4.43	4.43
Educational distribution ratio%	Doctorate	0.09%	0.08%	0.04%
	Master	2.32%	2.13%	2.04%
	Higher education (colleges and universities)	26.75%	24.64%	24.17%

	High School	36.13%	30.79%	31.13%
	Below High School	34.71%	42.36%	42.62%

4. Environmental Expenditure Information

- (1) Total losses and disposals due to environmental pollution for the recent fiscal year and until the date of printing: None.
- (2) Future strategies and potential expenses:

The company has implemented ISO 14001/ISO 45001 (Environmental Health and Safety Management System) for over a decade, investing considerable funds in pollution prevention and improvement of employee work areas. In the future, we will continue to conduct risk assessments and pollution prevention based on the environmental health and safety management system to consistently reduce the impact of our operational activities on the natural environment.

- (3) Currently, all our products comply with the restricted substance limits of the RoHS directive, and the products supplied by our existing suppliers or delivered to customers are in compliance with the RoHS requirements.

5. Labor-Management Relations

- (1) Employee welfare measures and their implementation

Since its establishment, the company has placed special emphasis on labor-management relations, leading to a harmonious relationship between labor and management. In addition to adhering to the business philosophy of “integrity, innovation, and mutual benefit,” the company actively utilizes various communication channels on a daily basis to understand the voices and ideas of employees at all levels. The existing welfare measures and their implementation are as follows:

1. Our company provides employees with labor insurance, health insurance, group insurance, regular health check-ups, retirement benefits, annual bonuses, employee remuneration, salary adjustments, and implements employee education and training programs.
2. In accordance with the law, our company has established an Employee Welfare Committee and selected welfare committee members responsible for organizing various employee welfare activities. The source of welfare funds is derived from a fixed percentage allocated from the company’s capital, monthly revenue, employee salaries, and proceeds from asset sales. Each year, an annual plan and budget are set, and activities such as employee trips, gatherings, subsidies for weddings and funerals, scholarships, cultural and recreational activities, and birthday bonuses are organized.
3. Establishment of Employee Compensation Distribution Method to Strengthen Employee

Engagement:

(2) Employee Training and Development:

As an ISO 9001, ISO 14001, and ISO 45001 certified company, we attach great importance to employee occupational safety and professional competence training. Each year, we establish an “Annual Education and Training Plan” for the following year, and we implement it through our quality/environment/health and safety management systems. This enables our employees to continuously enhance their knowledge and skills through ongoing learning and professional development. As the company grows, we remain committed to nurturing talent and ensuring the continuous improvement of our employees. The training programs are divided into pre-employment training and on-the-job training. Employees are encouraged to continuously enhance their professional skills through continuous education and training. The course content includes:

1. Orientation training for new employees, including organizational overview, environmental introduction, occupational health and safety training, code of conduct, and internal control systems.
2. Training on company regulations and ISO management systems.
3. Professional skills courses and mandatory certification training for employees (including in-house training and external training).
4. Fire drills.
5. In fiscal year 2023, a total of 4,869 person-times participated in internal and external training courses, with an annual education and training cost of NT\$1,758 million.

(3) Retirement System and Implementation

Our overseas entities have established retirement systems in accordance with local labor regulations, and sufficient contributions have been made to individuals’ retirement accounts or designated accounts specified by local authorities.

In Taiwan, to ensure the stability of employees’ retirement life, our company has established the Labor Retirement Preparation Fund Supervisory Committee and follows the Labor Retirement Regulations. A retirement reserve fund is regularly allocated at a rate of 3.6% of the total salary expenses each month, and it is stored in the Taiwan Bank (formerly Central Trust Bureau account) to safeguard the rights and interests of workers. Starting from July 1, 2005, the government’s new retirement system has been adopted, and 6% of the employee’s total salary income is allocated to the employee’s personal retirement account. For those who voluntarily contribute to the retirement fund, an additional voluntary contribution rate is deducted from the employee’s monthly salary and deposited into the personal retirement account managed by the Labor Insurance Bureau.

Regarding the application of the Labor Standards Act, the following provisions apply

1. Voluntary Retirement:

Workers may voluntarily retire under the following circumstances: (For those who choose to apply the Labor Retirement Pension Act, the provisions of the Act shall apply.)

- (1) Workers who have worked for fifteen years and are at least fifty-five years old.
- (2) Workers who have worked for twenty-five years or more.
- (3) Workers who have worked for ten years and are at least sixty years old.

2. Mandatory Retirement:

The company may not force employees to retire unless they meet the following conditions:

- (4) Employees who are at least sixty-five years old.
- (5) Employees who are physically or mentally disabled and unable to perform their job.

Regarding the mandatory retirement age specified in paragraph (1), the company may apply to the competent authority for approval to adjust it for workers in special occupations that involve risks or require strong physical strength. However, it may not be less than fifty-five years old.

3. Retirement Benefits:

- (1) For employees with work experience before and after the application of the Labor Standards Act, and for those who choose to continue applying the retirement pension provisions under the Labor Retirement Pension Act or retain the work experience before the application of the Labor Retirement Pension Act, the retirement benefits shall be calculated according to Article 84-2 and Article 55 of the Labor Standards Act.
- (2) Employees who are mandatorily retired under Subparagraph 2, Paragraph 1, Article 54 of the Labor Standards Act due to physical or mental disabilities caused by job performance shall receive an additional 20% according to Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act.
- (3) For employees subject to the retirement pension provisions of the Labor Retirement Pension Act, the company contributes 6% of their monthly salary to their personal retirement account as stipulated by the Labor Insurance Bureau.

4. Retirement Benefit Payment:

The company shall provide retirement benefits to employees in accordance with the latest provisions of the Labor Standards Act.

(4) Employee Conduct or Code of Ethics:

In order to ensure that employees at all levels understand ethical concepts, obligations, rights, and behavioral guidelines, the company has established relevant regulations and provisions for all employees to follow. The summary of the related measures is as follows:

1. Authority Matrix: Clearly defines the decision-making authority at each level as the basis for hierarchical responsibility, in order to improve the overall operational efficiency of the company.
2. Organizational Responsibilities and Communication Management Measures: Clearly defines the overall organizational structure of the company, the organization of each department, and the scope of authority and responsibilities for each position.
3. Implementation Measures for Education and Training:
 - (1) Provide new employees with courses on occupational health and safety, personnel management regulations, ISO requirements, internal controls, and integrity in operations, to help them understand their responsibilities and obligations.
 - (2) Provide professional skills and knowledge necessary for professional personnel through external and internal training programs.
- (5) Agreements and Measures for Employee Rights and Labor-Management Relations:

The company places great importance on humanistic management, and harmonious labor-management relations are one of the important strategies in the company's human resources management.

To ensure gender equality in the workplace and respect for employees' work dignity, the company combines existing regulations, such as the Gender Equality in Employment Act, to establish procedures for protecting female employees and measures for preventing and addressing sexual harassment. Additionally, the company has established channels for employee complaints: employees can submit written complaints to the company's dedicated mailbox or directly to the management department. Immediate appropriate actions are taken based on the situation to safeguard employee rights and strengthen workplace safety.

With a commitment to integrity and a responsible attitude, all measures related to labor-management relations are fully communicated between labor and management. Quarterly labor-management meetings are held to understand and discuss issues and suggestions raised by employee representatives regarding their concerns and matters of importance. Reasonable response plans are developed to reach consensus and promote labor-management harmony.

Furthermore, the company has legally established an Employee Welfare Committee to handle various employee welfare matters. Regular recreational activities are organized to enhance a harmonious working atmosphere and foster a sense of unity.

(6) Work Environment and Employee Personal Safety Protection Measures

1. Occupational Health and Safety:

- (1) Annually develop a “Labor Safety and Health Plan” in accordance with legal requirements, implementing “work environment measurements,” “education and training,” “employee health check-ups,” and other prescribed measures.
- (2) Follow legal procedures when there are changes in safety and health personnel.
- (3) Establish standard operating procedures for various machinery and equipment.
- (4) Implement ISO 45001 and continuously improve safety and health practices.

2. Environmental Protection:

- (1) Properly handle waste and report to the Environmental Protection Agency as required.
- (2) Implement ISO 14001 and continuously improve environmental protection practices.

3. Fire Safety:

- (1) Conduct regular fire drills every six months.
- (2) Perform monthly visual and performance inspections of fire equipment.
- (3) Annually commission professional fire agencies to conduct fire safety inspections and maintenance.

(7) Losses incurred due to labor disputes in the recent fiscal year and up to the printing date of the annual report: None.

(8) Disclosure of estimated amounts and measures to address current and potential future incidents:

The company places great emphasis on labor-management relations, with a primary focus on communication between labor and management. Regular labor-management meetings are held to fully understand the opinions of both parties. Since its establishment, the company has maintained harmonious labor-management relations, and there have been no losses incurred due to labor disputes. In the future, the company will continue to promote various employee welfare measures to enhance employee engagement and maintain a positive labor-management relationship.

6. Information Security Management

To strengthen the confidentiality, integrity, and availability of all information assets in the company and ensure the effective implementation, operation, supervision, and continuous improvement of information security, all employees have the obligation to actively participate in promoting information security policies. This is to ensure the continuous

operation of the company's information systems, equipment, and network-related information business environment, and to comply with relevant regulations. This aims to protect against intentional or accidental threats from internal and external sources, thereby achieving the goal of continuous information operation.

(1) Information Security Risk Management Framework, Information Security Policies, Specific Management Plans, and Allocation of Resources for Information Security Management:

1. Information Security Management Strategy and Framework:

The IT department is responsible for the Company's information security, headed by one IT manager and several IT professionals, tasked with standardizing internal information security policies and planning and implementing information security operations and policy enforcement.

The Company's audit office supervises information security, led by one audit manager and several full-time auditors. They oversee internal information security performance according to ISO9001/ITFA16949/ISO27001 and Japanese J-Sox auditing standards. If audits reveal deficiencies, the audited departments are required to submit and implement corrective plans and track improvements to mitigate internal information security risks.

2. Information and Communications Security Policy

- 2.1 The company's information security management regulations must comply with relevant government laws and regulations, such as the Cybersecurity Management Act, Criminal Law, National Classified Information Protection Act, Patent Act, Trademark Act, Copyright Act, Personal Data Protection Act, etc.
- 2.2 An information security management organization is established to be responsible for establishing and promoting the information security system.
- 2.3 Regular implementation of information security education and training to promote information security policies and related implementation regulations.
- 2.4 Establishing management mechanisms for computer and network usage to coordinate and utilize resources efficiently.
- 2.5 Clearly define the permissions for the use of network systems to prevent unauthorized access.
- 2.6 Establish an internal audit plan for the information security management system to regularly review the use of all personnel and equipment within the scope of implementing the information security management system. Based on the audit report, develop and implement corrective and preventive measures.

2.7 All company personnel have the responsibility to maintain information security and should comply with relevant information security management regulations.

3. Specific Management Plan

3.1 Computer Equipment Security Management

3.1.1 Company servers and equipment are housed in a dedicated server room, which maintains access records for security.

3.1.2 The server room is equipped with independent air conditioning to keep the computer equipment at proper operating temperatures and has gas fire extinguishers suitable for electrical fires.

3.1.3 The main server room is equipped with uninterruptible power supply (UPS) and voltage regulators to prevent system crashes during sudden power failures and ensure that the computer systems continue to operate during temporary power outages.

3.2 Network Security Management

3.2.1 For the entrance connecting to external networks, enterprise-grade firewalls are deployed to block illegal intrusions by hackers. Network policies are configured to exclude network addresses and content that pose threats, enhancing network security.

3.2.2 Colleagues accessing the company's internal network through remote login must apply for VPN accounts. Access is only granted through secure VPN connections, and usage records are retained for auditing purposes.

3.3 Virus Protection and Management

3.3.1 Anti-virus servers and employee terminals are installed with endpoint protection software, which automatically updates virus definitions to block the latest viruses and detect and prevent potentially threatening activities.

3.4 System Access Control

3.4.1 Employees access application systems through the BPM system's information service request forms. After approval by the responsible managers, the IT department creates system accounts, and system administrators grant access based on the requested permissions.

3.4.2 Account passwords must meet specified strength requirements, including a combination of uppercase and lowercase letters, numbers, and special characters, and must be changed regularly.

3.5 Information System Backup

- 3.5.1 System and database backup: A distributed backup system is established, with backup data stored at separate off-site computer rooms. Off-site redundant systems are also set up to ensure the security of the systems and data.
- 3.5.2 Disaster recovery drills: Each system conducts one drill annually. After selecting a restoration date reference point, backup media is restored to the system hosts, and the user units confirm the accuracy of the recovered data in writing, ensuring the correctness and effectiveness of the backup media.
- 3.5.3 Two data lines are leased from a telecommunications company. Bandwidth management devices are used to parallelly connect the two lines for redundant use, ensuring uninterrupted network communication.

3.6 Information Security Awareness and Education Training

- 3.6.1 Information security awareness: Examples of information security practices are provided as references for colleagues.
- 3.6.2 Education training: Newly hired colleagues receive education and training on information security and are required to comply with the policies and guidelines.

4. Specific management plans and execution of information security management resources: Firewall protection, antivirus software, internal and external network controls, file access controls, email security management, website protection mechanisms, data backup systems, offsite backup storage, maintenance records, information security promotion, operating system updates, and regular information security audits to enforce the information security management policy and ensure the security of data, systems, equipment, and networks.

(2) Regarding the losses, potential impacts, and response measures resulting from significant information security incidents in the recent years up to the publication date of this report, if it is not reasonably estimable, the fact that it cannot be reasonably estimated shall be explained: No such incidents have occurred.

7. Significant Contracts

As of the date of the annual report printing, the following are the significant contracts that are still valid and have recently expired in the past year, including supply and distribution agreements, technology cooperation agreements, project contracts, long-term loan contracts, and other contracts that can affect the rights and interests of investors:

Contract nature	Involved parties	Starting date and end date of contract	Main content	Key Content Provisions
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Loan Agreement	Our company has a close partnership with Nidec Corporation.	From December 1, 2020, to December 31, 2025	Medium to long-term loan contract, serving as a source of funding for our company's capital increase in Nidec Chaun Choung Vietnam Corporation	Subject to approval by the Investment Commission before utilization
Land Lease Agreement	Between subsidiary Nidec Chaun Choung Vietnam Corporation and Vietnam FPT Hoa Lac Hi-Tech Park Development Company Limited	From April 3, 2020, to August 30, 2060	Subsidiary leases a portion of land in Hoa Lac Hi-Tech Park, Hanoi, Vietnam, for factory construction and production purposes	None
Houses House	Between our company and Shengtai Technology	From July 15, 2021, to December 31, 2025	Leasing a building located in Sanchong District, New	None
House Lease Agreement	Between our company and Shengtai Technology Corporation	From July 15, 2021, to December 31, 2025	Leasing a building located in Sanchong District, New Taipei City for office and production purposes	None

Six. Financial Overview

I. Condensed Balance Sheets and Income Statements for the Past Five Years

(1) Condensed Balance Sheets - International Financial Reporting Standards (Consolidated)

Unit: NT\$ thousands

Item		Year	Financial Information for the Most Recent 5 Years (Note 1)					As of March
			2019	2020	2021	2022	2023	31, 2024 (Note 1)
Current Assets			5,397,234	6,408,819	7,650,612	8,634,458	7,349,302	6,865,283
Property, plant, and equipment			1,609,032	2,146,342	2,599,565	2,819,834	2,730,147	2,723,525
Intangible Assets			11,523	29,144	29,755	32,221	32,716	31,061
Other Assets			249,186	127,183	241,916	245,397	193,102	168,188
Total Assets			7,266,975	8,711,488	10,521,848	11,731,910	10,305,267	9,788,057
Current Liability	Before Distribution		2,737,883	3,623,626	4,427,677	4,780,165	3,237,624	2,652,541
	After Distribution		3,158,375	3,741,053	4,480,346	4,872,552	Note 2	–
Non-Current Liability			470,034	675,117	1,426,011	1,593,262	1,332,262	1,225,679
Total Liabilities	Before Distribution		3,207,917	4,298,743	5,853,688	6,373,427	4,569,886	3,878,220
	After Distribution		3,628,409	4,416,170	5,906,357	6,465,814	Note 2	–
Equity Attributable to Owners of Parent Company			4,059,058	4,412,745	4,668,160	5,358,483	5,735,381	5,909,837
Share Capital			863,434	863,434	863,434	863,434	863,434	863,434
Capital surplus			531,823	531,823	531,823	531,823	531,823	531,823
Retained Earnings	Before Distribution		2,886,170	3,244,579	3,473,651	4,037,618	4,553,909	4,599,815
	After Distribution		2,465,678	3,127,149	3,420,982	3,945,231	Note 2	–
Other Equities			(222,369)	(227,091)	(200,748)	(74,392)	(213,785)	
Treasury stock			–	–	–	–	–	–
Non-Control Interest			–	–	–	–	–	–

Equity Stock Amount	Before Distribution	4,059,058	4,412,745	4,668,160	5,358,483	5,735,381	
	After Distribution	3,638,566	4,295,318	4,615,491	5,266,096	Note 2	–

Note 1: The above financial information is prepared in accordance with international accounting standards and has been audited (reviewed) by the auditors.

Note 2: The profit distribution for 2023 has not yet been approved by the shareholders' meeting.

(2) Condensed Balance Sheets - International Financial Reporting Standards (Individual)

Unit: NT\$ thousands

Year		Financial Information for the Most Recent 5 Years (Note 1)					As of March 31, 2024
		2019	2020	2021	2022	2023	
Item							
Current Assets		3,265,960	3,676,491	4,576,780	5,220,875	3,664,330	–
Property, plant, and equipment		457,404	487,090	629,820	611,019	481,839	–
Intangible Assets		4,453	21,128	22,928	21,734	22,388	–
Other Assets		3,327,867	4,192,247	5,208,262	5,995,310	6,265,536	–
Total Assets		7,055,684	8,376,956	10,437,790	11,848,938	10,434,093	–
Current Liability	Before Distribution	2,531,462	3,346,285	4,428,857	5,001,170	3,523,509	–
	After Distribution	2,951,954	3,463,712	4,481,526	5,093,557	Note 2	–
Non-Current Liability		465,164	617,926	1,340,773	1,489,285	1,175,203	–
Total Liabilities	Before Distribution	2,996,626	3,964,211	5,769,630	6,490,455	4,698,712	–
	After Distribution	3,417,118	4,081,638	5,822,299	6,582,842	Note 2	–
Share Capital		863,434	863,434	863,434	863,434	863,434	–
Capital surplus		531,823	531,823	531,823	531,823	531,823	–
Retained Earnings	Before Distribution	2,886,170	3,244,579	3,473,651	4,037,618	4,553,909	–
	After Distribution	2,465,678	3,127,149	3,420,982	3,945,231	Note 2	–
Other Equities		(222,369)	(227,091)	(200,748)	(74,392)	(213,785)	–
Treasury stock		–	–	–	–	–	–
Equity Stock Amount	Before Distribution	4,059,058	4,412,745	4,668,160	5,358,483	5,735,381	–
	After Distribution	3,638,566	4,295,318	4,615,491	5,266,096	Note 2	–

Note 1: The above financial information is prepared in accordance with international accounting standards and has been audited by the auditors.

Note 2: The profit distribution for 2023 has not yet been approved by the shareholders' meeting.

(3) Condensed Consolidated Statements of Comprehensive Income for the Most Recent Five Fiscal Years - Adopting International Financial Reporting Standards

Unit: NT\$ thousands

Items	Year	Financial Information for the Most Recent 5 Years (Note 1)					As of March 31, 2024 (Note 1)
		2019	2020	2021	2022	2023	
Revenue from operations		8,586,172	9,123,421	11,011,928	11,897,939	10,759,092	1,767,519
Operating gross profit		1,858,195	1,982,682	1,729,957	2,176,310	2,106,327	324,898
Operating Profit and Loss		973,296	1,082,676	462,484	798,913	701,623	1,480
Non-operating income and expense		(5,439)	(5,713)	50,024	134,463	179,336	75,966
Net Profit Before Tax		967,857	1,076,963	512,508	933,376	880,959	77,446
Continuing Operation Unit Current Net Profit		701,534	782,398	349,664	613,158	605,776	45,906
Loss from Suspended Operations		–	–	–	–	–	–
Current Net Profit (Loss)		701,534	782,398	349,664	613,158	605,776	45,906
Current Other Comprehensive Income (Net Amount After Tax)		(74,958)	(8,219)	23,177	129,834	(136,491)	128,550
Total comprehensive income for this reporting period		626,576	774,179	372,841	742,992	469,285	174,456
Net Profit Attributable to Owners of the Parent Company		701,534	782,398	349,664	613,158	605,776	45,906
Net Profit Attributable to Non-Controlling Interests		–	–	–	–	–	–
Comprehensive income attributable to owners of the parent company		626,576	774,179	372,841	742,992	469,285	174,456

Total comprehensive income attributable to: Non-Control Interest	-	-	-	-	-	-
Earnings Per Share	8.12	9.06	4.05	7.10	7.02	0.53

Note 1: The above financial information is prepared in accordance with international accounting standards and has been audited (reviewed) by the auditors.

(4) Condensed Consolidated Statements of Comprehensive Income for the Most Recent Five Fiscal Years - Adopting International Financial Reporting Standards (Individual)

Unit: NT\$ thousands

Items	Year	Financial Information for the Most Recent 5 Years (Note 1)					As of March 31, 2024
		2019	2020	2021	2022	2023	
Revenue from operations		6,308,832	6,073,490	7,694,769	9,612,241	8,712,379	–
Operating gross profit		713,832	609,620	696,186	981,573	976,612	–
Operating Profit and Loss		256,239	155,348	86,122	281,855	276,262	–
Non-operating income and expense		612,636	772,570	367,347	489,352	477,995	–
Net Profit Before Tax		868,875	927,918	453,469	771,207	754,257	–
Continuing Operation Unit Current Net Profit		701,534	782,398	349,664	613,158	605,776	–
Loss from Suspended Operations		–	–	–	–	–	–
Current Net Profit (Loss)		701,534	782,398	349,664	613,158	605,776	–
Current Other Comprehensive Income (Net Amount After Tax)		(74,958)	(8,219)	23,177	129,834	(136,491)	–
Total comprehensive income for this reporting period		626,576	774,179	372,841	742,992	469,285	–
Earnings Per Share		8.12	9.06	4.05	7.10	7.02	–

Note 1: The above financial information is prepared in accordance with international accounting standards and has been audited by the auditors.

(5) Auditor's Name and Audit Opinion for the Most Recent Five Fiscal Years

Year	Accounting firm	Name of CPA	Audit opinion
2019	KPMG Taiwan	Guo Xin-Yi and Kou Hui-Zhi	Unqualified Opinion
2020	KPMG Taiwan	Guo Xin-Yi and Kou Hui-Zhi	Unqualified Opinion
2021	KPMG Taiwan	Guo Xin-Yi, and Kou	Unqualified Opinion

		Hui-Zhi	
2022	KPMG Taiwan	Kou Hui-Zhi and Yu Ji-Long	Unqualified Opinion
2023	KPMG Taiwan	Kou Hui-Zhi and Yu Ji-Long	Unqualified Opinion

2. Financial Analysis for the Most Recent Five Fiscal Years

(1) Financial Analysis - International Financial Reporting Standards (Consolidated)

Analysis Items		Year	Financial Analysis for the Most Recent 5 Years					As of
		2019	2020	2021	2022	2023	March 31, 2024	
Financial Structure	Debt to assets ratio (%)	44.13	49.34	55.63	54.32	44.34	39.62	
	Long-term funds to property, plant, and equipment ratio (%)	281.47	237.04	234.43	246.53	258.87	261.99	
Debt-paying ability	Current ratio (%)	197.13	176.86	172.79	180.63	226.99	258.81	
	Quick ratio (%)	159.56	141.28	129.68	139.79	171.11	193.71	
	Interest Coverage Ratio	1,076.39	1,034.55	83.27	33.14	17.95	8.02	
Operating Capacity	Receivables Turnover Rate (Times)	3.22	3.00	3.08	3.12	3.44	3.08	
	Average Collection Days	113.35	121.66	118.5	116.98	106.10	118.50	
	Inventory Turnover Rate (Times)	6.39	6.48	6.12	5.31	4.93	3.53	
	Payables Turnover Rate (Times)	3.48	3.15	3.13	3.05	3.42	3.15	
	Average Days for Sales	57.12	56.32	59.64	68.73	74.03	103.39	
	Property, plant, and equipment turnover (times)	5.33	4.25	4.23	4.21	3.94	2.59	
	Total asset turnover (times)	1.18	1.04	1.04	1.01	1.04	0.72	
Profitability	Return on assets (%)	9.91	9.80	3.68	5.68	5.82	0.52	
	Return on Equity (%)	17.76	18.47	7.70	12.23	10.92	0.78	
	Ratio of Income before tax to Paid-In Capital (%)	112.09	124.73	59.35	108.10	102.02	8.96	
	Net Profit Margin (%)	8.17	8.57	3.17	5.15	5.63	0.64	
	Earnings Per Share (NT\$)	8.12	9.06	4.05	7.10	7.02	0.53	
Cash flow	Cash Flow Ratio (%)	38.35	26.45	7.43	21.80	43.96	5.45	
	Cash Flow Adequacy Ratio (%)	105.59	88.41	62.12	71.95	98.57	95.94	
	Cash Flow Reinvestment Ratio (%)	12.31	8.92	2.89	11.93	15.57	1.65	
Degree of Leverage	Degree of Operating Leverage	1.83	1.85	3.54	2.61	2.88	896.81	
	Degree of Financial Leverage	1.00	1.00	1.01	1.03	1.07	-0.16	

The reasons for the changes in financial ratios by 20% in the past two years are as follows:

1. The Current Ratio and Quick Ratio both improved due to a significant decrease in both current assets and current liabilities at the end of 2023, with a greater reduction in current liabilities.
2. The Interest Coverage Ratio decreased as interest expenses in 2023 increased due to higher interest rates on both short-term and long-term borrowings compared to 2022, resulting in an overall decrease in the interest coverage ratio.
3. The Cash Flow Ratio increased primarily because the balances of accounts receivable and accounts payable both significantly decreased at the end of 2023, leading to an increase in net cash inflow from operating activities, while the balance of current liabilities was lower due to the repayment of short-term borrowings. The increase in the Cash Flow Adequacy Ratio was due to an increase in the average net cash inflow from operating activities. The Cash Reinvestment Ratio increased mainly because the net cash inflow from operating activities in 2023 increased, and capital expenditures increased by a smaller margin.

(2) Financial Analysis - International Financial Reporting Standards (Individual)

Analysis Items		Year	Financial Analysis for the Most Recent 5 Years					As of March 31, 2024
		2019	2020	2021	2022	2023		
Financial Structure	Debt to assets ratio (%)	42.47	47.32	55.27	54.77	45.03	–	
	Long-term funds to property, plant, and equipment ratio (%)	988.94	1,032.80	954.07	1,120.71	1434.21	–	
Debt-paying ability	Current ratio (%)	129.01	109.86	103.33	104.39	103.99	–	
	Quick ratio (%)	102.77	92.20	80.26	81.86	75.57	–	
	Interest Coverage Ratio	1,759.85	1,014.01	74.37	33.87	18.09	–	
Operating Capacity	Receivables Turnover Rate (Times)	3.60	3.14	3.31	3.44	3.60	–	
	Average Collection Days	101.38	116.24	110.27	106.10	101.38	–	
	Inventory Turnover Rate (Times)	8.22	8.78	8.75	8.11	7.33	–	
	Payables Turnover Rate (Times)	2.49	2.21	2.12	2.12	2.19	–	
	Average Days for Sales	44.40	41.57	41.71	45.00	49.79	–	
	Property, plant, and equipment turnover (times)	13.20	12.46	12.21	15.73	18.03	–	
	Total asset turnover (times)	0.85	0.72	0.73	0.81	0.83	–	
Profitability	Return on assets (%)	10.06	10.14	3.76	5.66	5.75	–	
	Return on Equity (%)	17.76	18.47	7.70	12.23	10.92	–	
	Ratio of Income before tax to Paid-In Capital (%)	100.63	107.46	52.51	89.31	87.35	–	
	Net Profit Margin (%)	11.61	12.88	4.54	6.37	6.95	–	
	Earnings Per Share (NT\$)	8.12	9.06	4.05	7.10	7.02	–	
Cash Flow	Cash Flow Ratio (%)	17.12	14.31	9.99	10.59	5.87	–	
	Cash Flow Adequacy Ratio (%)	72.06	62.94	48.51	70.96	78.91	–	
	Cash Reinvestment Ratio (%)	0.59	1.11	5.14	6.59	1.55	–	
Degree of Leverage	Degree of Operating Leverage	2.47	3.59	7.18	3.20	3.21	–	
	Degree of Financial Leverage	1.00	1.00	1.07	1.09	1.19	–	

Reasons for financial ratio changes exceeding 20% in the past two years:

1. The Long-term Funds to Property, Plant, and Equipment Ratio increased, primarily due to an increase in shareholders' equity from profits and a reduction in the net amount of fixed assets, thus raising this ratio.
2. The Interest Coverage Ratio decreased in 2023 because interest expenses increased due to raised interest rates on short-term and long-term borrowings compared to 2022, resulting in an overall decrease in the interest coverage ratio.
3. The Cash Flow Ratio decreased primarily because the reduction in accounts payable at the end of 2023 was greater than the reduction in accounts receivable, leading to a decrease in net cash inflow from operating activities for the period. The decrease in current liabilities was due to a significant reduction in accounts payable and a decrease in short-term borrowing repayments compared to earlier periods. The Cash Reinvestment Ratio decreased mainly because the net cash inflow from operating activities in 2023 decreased, and capital expenditures were reduced.

The financial analysis calculation formulas are as follows:

1. Financial Structure

(1) Debt to asset ratio = Total liabilities / Total assets.

(2) Long-term Capital to Fixed Assets Ratio = (Net Shareholders' Equity + Long-term Liabilities) / Net Fixed Assets.

2. Solvency

(1) Current ratio = Current assets / Current liabilities.

(2) Quick ratio = (Current assets - Inventory - Prepaid expenses) / Current liabilities.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure

3. Operating Performance

(1) Turnover ratio of accounts receivable (including accounts receivable and notes receivable arising from sales) = Net sales / Average balance of accounts receivable (including accounts receivable and notes receivable arising from sales).

(2) Average collection period = 365 / Turnover ratio of accounts receivable.

(3) Inventory turnover ratio = Cost of goods sold / Average inventory.

(4) Turnover ratio of accounts payable (including accounts payable and notes payable arising from purchases) = Cost of goods sold / Average balance of accounts payable (including accounts payable and notes payable arising from purchases).

(5) Average sales period = 365 / Inventory turnover ratio.

(6) Fixed Assets Turnover Ratio = Net Sales / Average Net Fixed Assets

(7) Total asset turnover ratio = Net sales / Average total assets.

4. Profitability

- (1) Return on assets = $(\text{Net income after tax} + \text{Interest expense} \times (1 - \text{Tax rate})) / \text{Average total assets}$.
- (2) Return on Equity (ROE) = $\text{Net Income} / \text{Average Net Shareholders' Equity}$
- (3) Profit Margin = $\text{Post-Tax Profit or Loss} / \text{Net Sales}$.
- (4) Earnings per Share (EPS) = $(\text{Net Income} - \text{Preferred Stock Dividends}) / \text{Weighted Average Number of Outstanding Shares (Note 4)}$

5. Cash Flow

- (1) Cash Ratio = $\text{Operating Cash Flow} / \text{Current Liabilities}$.
- (2) Net Cash Flow Coverage Ratio = $\text{Average Operating Cash Flow of the Latest 5 Years} / (\text{Capital Expenditure} + \text{Increase in Inventory} + \text{Cash Dividends of the Latest 5 Years})$.
- (3) Cash Reinvestment Ratio = $(\text{Net Cash Flow from Operating Activities} - \text{Cash Dividends}) / (\text{Gross Fixed Assets} + \text{Long-term Investments} + \text{Other Assets} + \text{Operating Working Capital})$. (Note 5)

6. Degree of Leverage:

- (1) Operating Leverage = $(\text{Net Operating Revenue} - \text{Variable Operating Costs and Expenses}) / \text{Operating Income (Note 6)}$.
- (2) Degree of Financial Leverage = $\text{Operating Profit} / (\text{Operating Profit} - \text{Interest Expense})$.

3. Audit Committee's review report for the 2023 financial statements: Please refer to Appendix 1, page 123.
4. Consolidated financial statements of the parent and subsidiary companies audited by the accountant for 2023: Please refer to Appendix 2, page 124.
5. Individual financial statements audited by the accountant for 2023: Please refer to Appendix 3, page 185.
6. Difficulties in financial turnover and their impact on the company's financial condition in the most recent year and until the printing date of the annual report for the company and its affiliated companies: No such circumstances exist.

Seven. Review Analysis and Risk Assessment of Financial Status and Financial Performance

1. Analysis of Changes in Financial Position

Unit: NT\$ thousands

Item	Year	2022	2023	Difference	
				Amount	%
Current Assets		8,634,458	7,349,302	(1,285,156)	(14.88)
Property, Plant, and Equipment and Right-of-Use Assets		2,819,834	2,730,147	(89,687)	(3.18)
Intangible Assets		32,221	32,716	495	1.54
Other Assets		245,397	193,102	(52,295)	(21.31)
Total Assets		11,731,910	10,305,267	(1,426,643)	(12.16)
Current Liability		4,780,165	3,237,624	(1,542,541)	(32.27)
Non-current liabilities		1,593,262	1,332,262	(261,000)	(16.38)
Total Liabilities		6,373,427	4,569,886	(1,803,541)	(28.30)
Equity Attributable to Owners of Parent Company		5,358,483	5,735,381	376,898	7.03
Capital stock		863,434	863,434	0	0.00
Capital surplus		531,823	531,823	0	0.00
Retained Earnings		4,037,618	4,553,909	516,291	12.79
Other equity		(74,392)	(213,785)	(139,393)	187.38
Total equity		5,358,483	5,735,381	376,898	7.03

Explanation for Variations Exceeding 20%:

1. Other Equity: The variation exceeding 20% is due to exchange rate fluctuations resulting in translation differences for financial statements of foreign operating entities.

2. Analysis of Operating Results

Unit: NT\$ thousands

Item	Year	2022	2023	Difference	
				Amount	%
Net operating income		11,897,939	10,759,092	(1,138,847)	(9.57)
Operating cost		9,721,629	8,652,765	(1,068,864)	(10.99)
Operating gross profit		2,176,310	2,106,327	(69,983)	(3.22)
Operating expense		1,377,397	1,404,704	27,307	1.98
Operating profit		798,913	701,623	(97,290)	(12.18)
Non-operating income and expense		134,463	179,336	44,873	33.37
Net profit before tax for the period		933,376	880,959	(52,417)	(5.62)
Income tax expense		320,218	275,183	(45,035)	(14.06)
Net profit for the period		613,158	605,776	(7,382)	(1.20)

- (1) The consolidated net operating revenue of the Company for 2023 was NT\$10,759,092 thousand, a 10% decrease from NT\$11,897,939 thousand in 2022; pre-tax net profit was NT\$880,959 thousand, a reduction of 6% from NT\$933,376 thousand in 2022; and post-tax net profit was NT\$605,776 thousand, a 1% decrease compared to the previous year. In recent years, sustained growth has been supported by the demand for personal computers, gaming entertainment, network communications, servers, data centers, and high-performance computing. Due to continual performance improvements and increased computational efficiency and power consumption, there has been significant growth in the quality and revenue of cooling devices. Recently, unresolved global inflation, along with significant fluctuations in the U.S. dollar exchange rate and other currencies, have also posed challenges in operations and profitability.
- (2) Expected sales quantities, their basis, the potential impact on the company's future financial operations, and the corresponding plans are detailed on page 3.

3. Cash Flow

(1) Analysis of Recent Year's Cash Flow Variations

In the current year, the company's cash and cash equivalents increased by NT\$68,265 thousand compared to the previous year. The variations in cash flows from various operating activities are as follows:

Unit: NT\$ thousands

Item	Year	2022	2023	Variation Rate (%)
Net cash inflows (outflows) from operating activities		1,042,470	1,423,573	36.56
Net cash inflows (outflows) from investment activities		(621,919)	(266,380)	(57.17)
Net cash inflows (outflows) from financing activities		448,233	(969,413)	(316.27)
Cash Flow Ratio%		21.80	43.96	101.65
Cash Flow Adequacy Ratio%		71.95	98.57	37.00
Cash Flow Reinvestment Ratio%		11.93	15.57	30.51
1. The increase in net cash inflows from operating activities was primarily due to a significant reduction in both accounts receivable and payable in 2023. 2. The decrease in net cash outflows in investment activities was mainly due to reduced purchases of new machinery and equipment in 2023. 3. The increase in net cash outflows in financing activities was due to the repayment of long-term and short-term borrowings.				

- (2) Improvement plan for insufficient liquidity and analysis of future cash flow for the next year

Unit: NT\$ thousands

Beginning balance (1)	Expected Net Cash Flow from Operating Activities for the entire year (2)	Expected Cash Outflows for the entire year (3)	Expected Cash Surplus/(Deficit) (1)+(2)-(3)	Expected measures to remedy any cash shortfall.	
				Investment plan	Financial Plan:
2,887,639	800,000	400,000	3,287,639	–	–

Analysis of Cash Flow for the Current Year:

(1) Operating Activities: The trading conditions in 2024 remained unchanged, and it is expected that there will be a net cash inflow from operating activities.

(2) Investing and Financing Activities: Construction of new factory buildings and the acquisition or replacement of equipment were carried out. Additionally, there was an increase in the cash outflow from investing activities due to the addition of equipment related to the automation production line.

4. Impact of Significant Capital Expenditures on Financial Operations in the Recent Year:

In 2023, the company acquired property, plants, and equipment amounting to NT\$325,444 thousand. These funds were used for process improvements, replacement or upgrading of production equipment, and automation of production lines. In addition to maintaining the existing customer base, the company will actively develop potential customers and explore new product application areas in the market to secure more order opportunities.

5. Investment Policy, Profit or Loss Reasons, Improvement Plans, and Future Investment Plans for the Recent Year:

(1) Cross-Investment Policy

The Company's decisions on investments are influenced by factors such as internationalization, operational growth needs, government regulations, and investment environments. Through investments into third regions like mainland China, production sites have been established in Shanghai Kunshan, Chongqing, and Hanoi, Vietnam to service clients closely, shorten order delivery times, and reduce transportation distances. Additionally, to closely serve clients, capture real-time industry information, and explore new markets, facilities have been set up in the United States and Southern China.

(2) Cross-Investment Analysis

Unit: NT\$ thousands

Explanations Cross-Investment Business Name	Recognition in Fiscal Year 2022 Investment (Loss) Amount	Profit or loss Main reasons	Improvement Plan	The coming year Investment plan
Conquer Wisdom Co., Ltd.	552,081	Recognition of investment income from cross-investment	None	None
Nidec Chaun Choung Vietnam Corporation	(130,083)	During the preparation and trial operation period for establishing a plant	Actively securing orders and striving for economic production scale	Investment will be increased as per operational needs
Nidec Chaun-Choung Technology America, Inc.	561	Enhancing development in the US market	None	None
Globe Star Enterprise Limited	556,553	Recognition of investment income from cross-investment	None	None
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	209,393	Moderate adjustment of production capacity to meet demand	None	None
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	(145)	Still in the market development stage	None	None
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	347,191	Moderate adjustment of production capacity to meet demand	None	None

6. Risk Management Analysis and Evaluation Matters

(1) Risk Management Policy and Organizational Structure

The Board of Directors of the company is fully responsible for establishing and overseeing the risk management framework of the merged company. Under the Board of Directors, the Chairman's Office and the Group Operations Center are established to develop and control the risk management policies of the merged company. The risk management policies and systems are regularly reviewed to reflect market conditions and changes in the operation of the merged company. Through training, internal control measures, and operating procedures, a disciplined and constructive control environment is developed to ensure that employees understand their roles and obligations.

1. Operational Risk

The CEO of the company convenes meetings with the general managers of each

subsidiary to formulate operational strategies and conduct risk assessments. Afterward, performance reviews are conducted to strive for the achievement of the company's operational objectives.

2. Financial Risk

The company is exposed to credit risk, liquidity risk, and market risk due to the use of financial instruments. The main credit risk arises from accounts receivable from customers. The company has established a credit policy and conducts individual credit analysis for each customer, setting credit limits and conducting regular reviews. Customers who do not meet the minimum credit rating are only allowed to transact on a prepayment basis. The company maintains a provision account to reflect estimated losses on receivables. On the balance sheet date, a single entity is identified based on materiality, and objective evidence of significant individual impairment is examined. For those with significant individual impairment, a 100% bad debt provision is made, while those with indications of impairment, although not reaching the threshold of significance, are also subject to individual assessment. Customers for whom no objective evidence of impairment is found are grouped based on credit risk characteristics, and the impairment rate (bad debt amount/sales amount) for each grade is calculated based on the historical records of the past three years, and bad debt provisions are made accordingly.

(2) Impact of Interest Rate, Exchange Rate, and Inflation on the Company's Profit and Loss, and Future Measures:

1. Impact of Interest Rate Fluctuations and Future Measures:

The company's fund planning follows a conservative and prudent approach. The operational funding required for business expansion is financed through the parent company within the group. As the company consistently generates profits that are sufficient to support its operational capital turnover, short-term financing rate fluctuations do not have a significant impact on the company's borrowing costs.

2. Impact of Exchange Rate Fluctuations and Measures Taken:

The company and its subsidiaries have a significant proportion of revenue from export business, accounting for over 90% of total revenue. The primary currency for transactions is US dollar. In 2023, the net exchange gain amounted to NT\$135,851,000, representing 1.26% of net revenue. To mitigate the risk of exchange rate fluctuations, the company and its subsidiaries have implemented the following measures:

- A. Monitoring exchange rate trends and adjusting foreign exchange positions in a timely manner using foreign currency accounts to mitigate the adverse impact of exchange rate volatility.
- B. Conducting transactions with suppliers in US dollars and naturally hedging the US

dollar positions generated from exports.

3. Impact of Inflation on the Company’s Profit and Loss, and Measures Taken:

During fiscal year 2023, there were no significant impacts on the operations of our company and its subsidiaries due to inflation in their respective regions.

(3) Policies, Profit or Loss Reasons, and Future Measures Regarding High-Risk, High-Leverage Investments, Fund Lending, Endorsements, and Derivative Transactions:

1. The company prohibits engaging in high-risk, high-leverage investments. In 2023, the company did not engage in high-risk investments, highly leveraged investments, endorsement guarantees, or derivative transactions that resulted in profits or losses.
2. According to the company’s “Endorsement Guarantee Procedure,” the total amount of endorsement guarantees provided by the company to external parties is limited to 30% of the company’s net worth. The limit for endorsement guarantees to a single enterprise is set at 20% of the company’s net worth. In 2023, the company and its subsidiaries did not engage in endorsing guarantees for others.
3. The company: According to the company’s “Procedure for Loaning Funds to Others,” the total amount of funds loaned to entities with business transactions or short-term liquidity needs with the company should not exceed 40% of the net worth as per the most recent audited or reviewed financial statements. For individual entities with short-term liquidity needs, the loan amount should not exceed 10% of the company’s net worth.
4. Subsidiaries of the company: According to the “Procedure for Loaning Funds to Others” of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd., loans can be provided to overseas subsidiaries in which the company holds 100% voting rights, subject to the total loan amount and individual loan amounts for short-term liquidity needs not exceeding the net worth as per the most recent audited or reviewed financial statements of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.

(4) Future Research and Development Plans and Expected R&D Expenses:

The total projected R&D expenses for fiscal year 2024 amount to NT\$518,000,000. The future development directions for different research areas are as follows:

Research Area:	Expected Research Content:	Expected Research Schedule:
Advanced Chips	High-temperature chip packaging process (VC LID technology)	2022.01.01-2024.12.31
Power/Electric Vehicles	1. Ultra-high power waterproof and dustproof cooling solutions	2018.01.01-2024.01.01 2021.01.01-2023.01.01

Research Area:	Expected Research Content:	Expected Research Schedule:
	2. Development of high-power IGBT cooling modules for electric vehicles and 3DVC 700-1250W development 3. Development of transient calculation solutions	
Industrial/Communications	Research and development of high-power loop-type three-dimensional heat plate heat exchangers	2022.01.01-2024.12.31

5. Impact of Recent Domestic and International Policy and Legal Changes on the Company's Financial Operations and Measures Taken:

The company operates in Taiwan, mainland China, and the United States. In recent years, Taiwan and mainland China have successively revised labor laws and regulations to enhance workplace friendliness and protect workers' rights. In response to the increased personnel costs, the company places greater emphasis on employee education and training to improve work efficiency and mitigate the impact. Additionally, the company closely monitors domestic and international policy trends and regulatory changes, collects relevant information for management decision-making, and may seek advice from external professional firms. Appropriate measures are taken to address these developments, ensuring that they do not have a significant impact on the company's financial and operational activities.

(6) Impact of Technological and Industry Changes on the Company's Financial Operations and Response Measures:

With technological advancements and the rise of cloud service systems, the number of consumers using tablets and smartphones is increasing. This has indeed impacted the global shipments of laptops. However, for both information technology and communication products, miniaturization and continuous enhancement of functionalities, including CPU processing for communication and graphics, have remained a trend with increasing chip heat generation over the years. In order to ensure smooth operation of electronic components in high-temperature environments and maintain product stability and reliability, thermal management is essential for the entire 3C and communication industries. The importance of thermal management is growing day by day, and this trend aligns with Nidec Chaun-Choung's established direction for research and development.

Currently, heat sinks and heat modules are still primarily used in the PC market within the information electronics industry, with applications mainly focused on electronic components such as CPUs, chipsets, VGAs (graphics cards), and MCMs (single-chip and multi-chip modules). Downstream products include desktop computers, laptops, servers, workstations, and power supplies. The company continues to explore industries beyond traditional personal computer devices, aiming for broader and more diverse applications.

Looking ahead, in addition to consolidating its market share in PC cooling solutions, the company is actively responding to the rapidly changing computer industry and the increasing demand for cooling in the field of networking and communications. The company will continuously attract talented R&D professionals to enhance product cooling performance and explore new application areas to enhance competitiveness. Therefore, the technological advancements in cooling solutions are expected to bring positive benefits to the company's financial and business operations.

(7) Impact of Corporate Image Changes on Crisis Management and Response Measures:

After the inclusion of the Nisshin Denki Group in our company's management team, there has been a significant enhancement of internal controls and the overall management of the company. This has resulted in the improvement of our company's reputation, image, and sustainable development. Our company is committed to solidifying our position as a leader in the cooling industry and actively expanding our international business to maximize profitability and share the benefits with our shareholders and employees. Furthermore, our business model is guided by corporate image and responsibility. As a result, there have been no major incidents that have negatively impacted our company's image up to this point.

(8) Expected Benefits, Potential Risks, and Response Measures in Mergers and Acquisitions:

There have been no merger or acquisition activities undertaken by the company during the reporting period of the fiscal year ending on the date of the annual report.

(9) Expected Benefits, Potential Risks, and Response Measures in Expanding Manufacturing Facilities:

The company will assess market supply and demand conditions and plan optimal capacity allocation based on the advantages and characteristics of each production site. Additionally, in order to seize the opportunities presented by the development trend in the 5G industry and expand production capacity by establishing another core manufacturing base, significant investments were made in the Hanoi region of Vietnam in fiscal year 2020. This move will contribute to the expansion of the company's operations and capture business opportunities. However, expanding manufacturing facilities will increase cash outflows, operating costs, and expenses. If the corresponding increase in revenue cannot be achieved, it will have a negative impact on the company's financial performance. In addition to leveraging the abundant resources and support from the parent company, Nidec Corporation, the company will continue to closely monitor changes in the industry and market supply and demand. It will maintain close cooperation with customers and continuously explore new customer sources to mitigate any potential negative impact of expanding manufacturing facilities on the company's financial performance.

(10) Risks and Response Measures Associated with Concentration of Procurement or Sales:

1. After the integration of Nidec Corporation into our company's management team, there has been a significant enhancement in internal control and overall management. This has positively contributed to the company's reputation, image, and sustainable development. We are committed to strengthening our position as a leading manufacturer in the cooling industry while actively expanding our international business to maximize profitability with optimal operational efficiency. The achievements of our operations are shared among all shareholders and employees. Furthermore, our business model is guided by corporate image and corporate responsibility. As a result, we have not experienced any major incidents that have impacted the company's reputation up to this point.
2. The main materials used in the sales of our company's heat modules and heat sinks include heat pipes, aluminum castings, aluminum stampings, thermal pads, heat fins, and fans. These materials are not monopolistic and have sufficient sources of supply. Additionally, our company follows a decentralized procurement approach and obtains quotes from two or more suppliers for the same materials, thus mitigating the risk of concentrated purchasing.

(11) The risks in substantial transfer or replacement of the shares of directors, supervisors, or major shareholders holding more than 10% of the Company's shares, and corresponding strategies:

For information on significant transfers of shareholdings involving directors, supervisors, or shareholders holding more than ten percent of the company's shares during the recent fiscal year and up to the date of the annual report, please refer to pages 76-78.

(12) Impact of Changes in Management Rights, Risks, and Response Measures:

After the comprehensive election of directors and supervisors on January 29, 2019, the company has not changed its business model or operational projects. As a result, there have been no impacts or risks arising from this change.

(13) Litigation or Non-Litigation Events:

1. There have been no significant litigation, non-litigation, or administrative disputes involving the directors, supervisors, general manager, substantial shareholders holding more than 10% of shares, or subsidiary companies of the company in the recent fiscal year or up to the printing date of the annual report that could have a significant impact on shareholder equity or stock prices.
2. There have been no incidents under Article 157 of the Securities Exchange Act involving the directors, supervisors, executives, or substantial shareholders holding more than 10% of shares in the recent fiscal year or up to the printing date of the annual report.

(14) Other Important Risks and Response Measures:

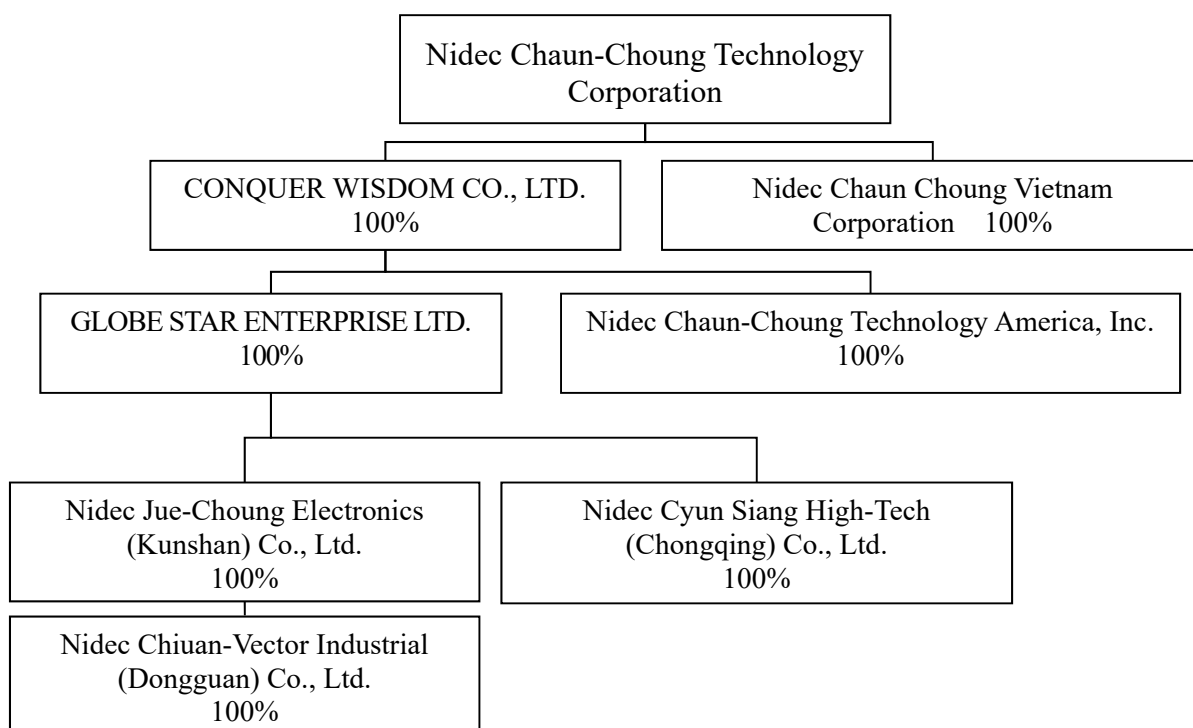
Explanation of Information Security Risk Assessment and Analysis: The Information Technology department serves as the internal unit responsible for ensuring the information security of the company's internal computers, systems, and networks. In order to prevent information security threats from both internal and external sources that may disrupt daily operations or be used as a platform for attacking external entities, the company has implemented comprehensive protective measures such as firewalls, email and endpoint security. In addition to regular internal information security awareness programs, the company has established high availability backup mechanisms for system servers and network infrastructure to mitigate the risk of catastrophic impacts. Network administrators continuously monitor external information security updates and promptly respond as necessary. Internal auditors and accounting firms conduct regular audits, and to date, there have been no major information security incidents affecting the company's operations.

7. Other important matters to report: None.

Eight. Special Notes

1. Related information on affiliated companies

(1) Organizational chart of affiliated companies



(2) Basic information of each affiliated company

Unit: NT\$ thousands, as of December 31, 2023

Name of affiliated company	Date of Establishment	Location	Paid-in capital	Primary business items
Conquer Wisdom Co, Ltd.	2000.08.14	British Virgin Islands	737,240	Return on Investment Analysis
Nidec Chaun-Choung Technology America, Inc.	2003.11.01	USA	9,212	Sales of computer cooling modules
Globe Star Enterprise Limited	2008.04.02	Hong Kong	553,980	Investment
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	2001.02.28	China	706,215	Production and sales of computer cooling modules
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	2010.09.08	China	16,382	Research and development as well as sales of thermal cooling components
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	2011.06.08	China	245,640	Production and sales of computer cooling

				modules
Nidec Chaun Choung Vietnam Corporation	2020.03.31	Vietnam	1,002,134	Production and sales of cooling components

(3) There is no presumed control or subsidiary relationship with the same shareholders.

(4) Business activities and division of affiliated companies:

1. Conquer Wisdom Co., Ltd.

Main business: Engaged in investment holding

2. Nidec Chaun-Choung Technology America, Inc.

The company serves customers in proximity, grasps real-time information about customers and industries, and develops new customers through indirectly investing in subsidiaries in third regions. Engaged in the sales of computer cooling modules and other cooling components.

3. GLOBE STAR ENTERPRISE LIMITED

Main business: Engaged in investment holding in mainland China

4. Nidec Jue-Choung Electronics (Kunshan) Co., Ltd

This is a mainland subsidiary indirectly invested by the company through Conquer Wisdom Co., Ltd., which further invests in GLOBE STAR ENTERPRISE LIMITED. Involved in the production of computer cooling modules and other cooling components.

5. Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.

A wholly-owned subsidiary of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd. Mainly engaged in the research and sales of cooling components.

6. Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd

This is a mainland subsidiary indirectly invested by the company through Conquer Wisdom Co., Ltd., which further invests in GLOBE STAR ENTERPRISE LIMITED. Involved in the production of computer cooling modules and other cooling components.

7. Nidec Chaun Choung Vietnam Corporation

Mainly engaged in the production and sales of cooling components

(5) Information on directors, supervisors, and general managers of each affiliated company:

Unit: 1,000 shares

Company name	Position	Name or representative	Holding Shares	
			Shares	Shareholding Ratio
Conquer Wisdom Co., Ltd.	Director	Wu Shih-Ling	–	–

Company name	Position	Name or representative	Holding Shares	
			Shares	Shareholding Ratio
Nidec Chaun-Choung Technology America, Inc.	Chairman	Wu Shih-Ling	–	–
	Vice Chairman	Matsuhashi Hidetoshi	–	–
	Director	Chen Zhen-Xing	–	–
GLOBE STAR ENTERPRISE LIMITED	Director	Wu Shih-Ling	–	–
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd. (Note 1)	Chairman	Nagai Junichi	–	–
	Director and concurrent General Manager	Shen Zhi-Ye	–	–
	Director	Matsuhashi Hidetoshi	–	–
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd. (Note 1)	Supervisor	Wang Xian-Jian	–	–
	Chairman	Matsuhashi Hidetoshi	–	–
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. (Note 1)	Chairman	Nagai Junichi	–	–
	Director and concurrent General Manager	Takasawa Shinji	–	–
	Director	Matsuhashi Hidetoshi	–	–
	Supervisor	Wang Xian-Jian	–	–
NIDEC CHAUN CHOUNG VIETNAM CORPORATION	Chairman	Nagai Junichi	–	–
	Director	Matsuhashi Hidetoshi	–	–
	Director	Xie Qi-Feng	–	–
	Director	Tatsumi Akio	–	–
	Supervisor	Wang Xian-Jian	–	–

Note 1: Unissued shares

Note 2: The above list of directors and supervisors is based on information as of April 30, 2023

(6) Overview of the business operations of each affiliated company.

December 31, 2023; Unit: NT\$ thousands

Company name	Paid-up capital	Net Assets	Net Liability	Net value	Business Revenue	Operating profit	Income or Loss for the Period	After-Tax Earnings Per Share

							(After Tax)	(NT\$)
Conquer Wisdom Co, Ltd	737,240	5,399,342		5,399,342		(129)	556,764	30.77
Nidec Chaun Choung Vietnam Corporation	1,002,134	1,022,423	242,874	779,549	265,798	(117,834)	(116,447)	Note
Nidec Chaun-Choung Technology America, Inc.	9,212	73,260	56,752	16,508	197,489	568	561	1.87
Globe Star Enterprise Limited	553,980	5,324,140		5,324,140		(36)	556,553	3.96
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	706,215	4,374,712	1,260,303	3,114,409	3,509,396	231,695	208,115	Note
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	16,382	1,307	225	1,082		(147)	(145)	Note
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	245,640	3,270,605	1,043,259	2,227,346	4,229,886	312,256	347,503	Note

Note: Unissued shares

(7) Consolidated Financial Statements of Related Companies are detailed in Appendix pages 124-184

(8) Related Party Report

According to Article 369-12 of the Company Act, as a subsidiary company that is not publicly traded, the Company is not required to prepare a related party report.

2. Recent annual and until the printing date of the annual report, there has been no issuance of privately placed securities.
3. The holding or disposal of the Company's stocks by subsidiaries of the Company in the most recent year up until the publication date of the annual report: None.
4. Other important notices to add: None
5. In the recent annual and until the printing date of the annual report, there have been no significant events affecting shareholder equity or securities prices.

Appendix

【Appendix 1】

**Nidec Chaun-Choung Technology Corporation
Audit Committee's Review Report**

The Board of Directors has prepared the Business Report, Consolidated Financial Statements, Standalone Financial Statements and the Earnings Distribution in 2023. I have reviewed these reports and statements, which were appropriately done. I hereby issue this Review Report pursuant to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act.

To

2024 Annual Shareholders Meeting of Nidec Chaun-Choung Technology Corporation

Convener of Audit Committee:

Cf Taxcpa

March 12, 2024

**【Appendix 2】 Audited Consolidated Financial Statements for the Year Ended
December 31, 2022 with Auditor's Certification**

Stock code: 6230

**【Appendix 3】 Audited Individual Financial Statements for the Year Ended
December 31, 2022 with Auditor's Certification**

Stock code: 6230

Nidec Chaun-Choung Technology Corporation

Chairman: Nagai Junichi