4. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

A. Main areas of business operations

Company's business primarily covers the R&D, manufacturing, testing and after-sales services of the following items:

(1) Desktop, motherboard, all-in-one and professional computer
(2) Server, workstation, AI computing devices and other components
(3) Notebook, tablet, smartphone and handheld devices
(4) VoIP phone, video conference system, telecommunication equipment and multimedia
(5) LCD monitor
(6) After-sales services of above mentioned products and peripheral devices
(7) Waste collecting and disposing
(8) Design and merchandising of computer software and programs
(9) Vitro diagnostic device, physiological signal diagnostic device and medical date system
(10) Manufacturing, processing and selling of electronic products for automobile

B. Revenue distribution

Unit: NT$ thousands

Major Divisions	Total Sales in Year 2025	(%) of Total Sales
3C Electronics	2,154,593,058	98.5
Others	31,929,578	1.5
Total	2,186,522,636	100

C. Current Main Products and Services

(1) AI servers and computing devices
(2) General-purpose servers and network storage devices
(3) Notebook computers
(4) Desktop computers and all-in-one computers
(5) Monitors
(6) VoIP
(7) Networking equipment and network security devices
(8) Industrial computers
(9) Handheld mobile devices
(10) Display components
(11) Digital signage
(12) Smart speakers
(13) Automotive electronics
(14) After-sales service
(15) Green recycling services

D. New products and Services development

(1) Medical devices and services
(2) Battery recycling services
(3) Robotics and automation solutions
(4) Unmanned vehicles
(5) Space communications

4.1.2 Industry Overview

A. Progress and Development of the Industry

(1)Personal Computing

According to IDC, global PC shipments reached 284.7 million units in 2025, representing a year-on-year increase of 8.1%. This growth was primarily driven by replacement demand ahead of the end of support for Windows 10, as well as pull-in demand triggered by adjustments to U.S. tariff policies. In addition, amid tightening memory supply and an upward pricing cycle, brand vendors generally brought forward component procurement and accelerated shipments to secure stable supply, further boosting overall market momentum and contributing to a clear recovery in industry conditions.

Looking ahead to 2026, the global PC market is expected to enter a transitional phase shaped by multiple structural variables. On the one hand, enterprise replacement demand driven by the end of Windows 10 support at the end of 2025 is expected to continue and provide a certain level of support to the market. On the other hand, strong demand from AI servers and data centers for high-performance memory has led memory manufacturers to prioritize production capacity for higher value-added high-bandwidth memory (HBM), relatively crowding out conventional DRAM supply and potentially resulting in tighter supply-demand conditions and higher memory prices.

According to IDC estimates, the average selling price of PCs in 2026 may face upward adjustment pressure of approximately 10% to 20% due to rising memory costs. Higher prices may partially suppress the previously expected Windows upgrade-driven replacement demand, thereby affecting the willingness of both enterprises and consumers to replace their devices.

In addition, although AI PCs are viewed as an important direction for industry innovation, current applications remain largely concentrated in content generation assistance and search efficiency enhancement, and have yet to form compelling killer applications with broad market appeal. At this stage, consumers' purchasing decisions continue to be driven mainly by price, battery life, and traditional computing performance, while their willingness to pay for AI-related features remains to be seen. Against a backdrop of rising end-product prices and still-maturing applications, the growth momentum of the PC market in 2026 remains subject to a certain degree of uncertainty.

(2)Enterprise Computing - AI Computing, Large Data Centers, and General-Purpose Servers

The year 2025 marked an important stage in the deepening and scaling of artificial intelligence technologies. Generative AI and large language models (LLMs) continued to expand into applications across industries, significantly increasing overall demand for computing power. In the fields of AI training and advanced inference, GPU servers led by NVIDIA remained the mainstream market solution, supported by their high-performance computing capabilities and mature software ecosystem.

However, as model sizes continue to expand and inference applications become increasingly widespread, some cloud service providers (CSPs) with sufficient technical capabilities and capital resources have also actively invested in the in-house development of application-specific integrated circuits (ASICs), with the aim of optimizing performance and improving cost efficiency for specific workloads. For example, Google's self-developed TPUs have already been applied to its large language model platform, Gemini, demonstrating that ASIC-based solutions have become highly competitive in certain scenarios

Overall, competition and coexistence between GPUs and ASICs in the global AI data center market have evolved beyond a simple comparison of computing scale and unit cost, extending into multiple dimensions such as high-speed interconnect architecture, system integration capabilities, hardware-software co-design, and ecosystem maturity. To reduce dependence on any single supplier and improve supply chain resilience, many CSPs have adopted diversified deployment strategies that combine both GPUs and ASICs, allocating them differently across application scenarios to balance flexibility and cost efficiency.

Continuous breakthroughs in generative AI technology and the deepening of commercial use cases are driving cloud service providers to accelerate AI infrastructure deployment and capital expenditures. Meanwhile, against a backdrop of increasingly stringent cybersecurity, data sovereignty, and regulatory requirements, governments and large enterprises around the world are actively developing proprietary AI models and dedicated computing platforms, creating long-term growth drivers for AI server demand. Moreover, a significant portion of front-end and back-end application processing, inference workloads, and related supporting computing tasks in the AI computing workflow still relies on general-purpose servers. The rapid growth in data volumes is driving substantial increases in computing and storage demand, further increasing the deployment of general-purpose servers and driving the overall data center industry into a new growth cycle.

From an architectural perspective, AI applications are no longer limited to centralized cloud computing, but are increasingly extending to end devices, making edge computing more important than ever. As products such as AI PCs, AI smartphones, and smart wearable devices gradually adopt on-device inference capabilities, the overall computing architecture is evolving into a division of labor in which the cloud is responsible for model training and core computing, while end devices handle real-time inference and application services. Under this trend, increased computing power at the device level does not replace the role of data centers; rather, through model updates, data synchronization, and advanced computing needs, it continues to drive upgrades in cloud infrastructure. Cloud and edge computing are therefore developing in a complementary manner, helping improve overall computing efficiency and application flexibility.

In summary, AI-related applications are gradually expanding across diverse scenarios, driving computing architectures toward greater layering and coordination, while providing medium- to long-term growth momentum for the server and data center industries.

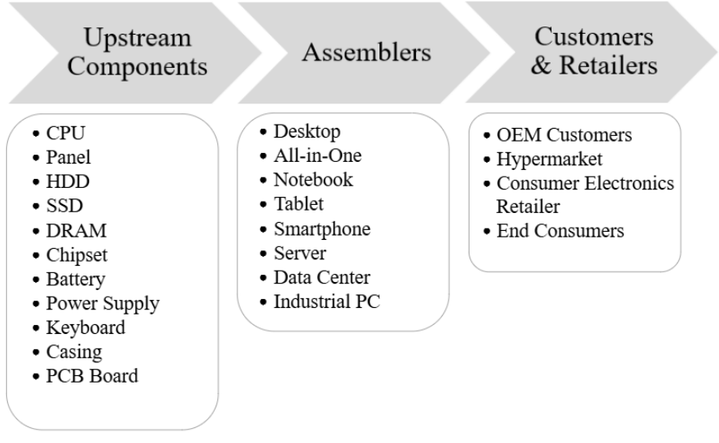
(3)Networking

As cloud computing, artificial intelligence, and enterprise digital transformation continue to advance, the global Ethernet switch market maintained its growth momentum in 2025. Ethernet switches have evolved from conventional networking devices into essential infrastructure supporting mission-critical data center and enterprise applications. Their importance continues to increase in line with growing data traffic and rising demand for real-time computing.

The main drivers of market growth come from upgrades to data center and cloud infrastructure. To meet the high-bandwidth and low-latency requirements of AI training and inference applications, major cloud service providers and data center operators continue to upgrade network architecture specifications, making high-performance data center switches one of the key areas of capital expenditure. The rise of Generative AI has further amplified the requirement for network stability and transmission capacity, fueling the adoption of advanced high-speed networking solutions.

On the enterprise side, digital transformation and hybrid work models are accelerating network modernization. Market demand is shifting away from simple connectivity functions toward integrated solutions featuring higher manageability, automation, and cybersecurity capabilities. Looking ahead, as AI applications and edge computing continue to develop, network transmission standards and equipment performance will continue to improve, and high-performance networking equipment will play an increasingly important role in AI-related infrastructure.

B. Correlation of the industy supply chain (as picture shown below)



C. Product Trends and Competition

(1)Product Development Trends

With ith the rapid adoption of generative AI applications and the continued evolution of human-machine interaction models, artificial intelligence has gradually developed from a business support tool into a core technology widely applied across diverse scenarios. To support large-scale model training and high-intensity inference workloads, market demand for high-performance AI servers continues to rise, driving increases in the number of compute core density, GPU specification upgrades, and the adoption of advanced packaging technologies to enhance overall computing performance and energy efficiency.

However, as model sizes continue to grow, improving the performance of individual servers alone is no longer enough to support hyperscale training. The industry is shifting toward system-level integration and ultra-high-speed networking architectures. To connect large numbers of GPUs while reducing data transmission latency, specifications for high-end data center switches are evolving from 400G to 800G and 1.6T. Constrained by the physical bottlenecks of traditional signal transmission, optical communication technologies are accelerating their adoption. High-performance optical transceivers and silicon photonics technologies are enabling high-speed, low-latency, and low-power data exchange, while co-packaged optics (CPO) is gradually emerging as an important solution for improving bandwidth density.

At the same time, the high thermal loads generated by high-performance computing are driving cooling technologies to evolve from traditional air cooling toward liquid cooling systems. Power consumption per rack has increased from around 10kW in the past to more than 100kW, creating major challenges for data center power supply, power distribution architecture, and energy management. Power availability and energy efficiency have become critical factors affecting the expansion of AI computing capacity. From regional grid capacity and transformer efficiency to backup power system planning, more holistic and forward-looking designs are required.

Meanwhile, the development trend of AI is also extending from the cloud to the edge. By integrating ASIC chips with AI inference capabilities, edge devices are able to process tasks such as image recognition and intelligent decision-making in real time, reducing data transmission latency and improving system efficiency. On this basis, Embodied AI is gradually emerging as an important direction for the next stage of technological development.

Embodied AI emphasizes the integration of AI with physical agents, such as robots, automated equipment, and intelligent machinery. Through a collaborative architecture that combines cloud-based model training with real-time control at the edge, intelligent systems are able to directly interact with the physical environment and execute tasks.

In summary, from hyperscale training in data centers, to real-time inference at the edge, and further to the application of embodied AI in physical environments, the AI ecosystem is showing a clear trend of evolving from centralized high-performance computing toward a layered intelligent computing architecture. Going forward, AI infrastructure will continue to evolve toward deeper integration and coordination between cloud and edge computing, providing medium- to long-term growth momentum for related industries.

(2)Competition

In addition to business scale, how to enhance operations and management efficiency, lower costs, and optimize product and customer mixes have become the key factors in the industry to maintain sales growth and competitiveness. Those factors can be achieved through leading innovative product development capabilities, digital transformation, and a global manufacturing footprint.

Major PC ODMs in Taiwan

Notebook	Wistron, Quanta, Compal, Inventec, Pegatron
Desktop	Wistron, Hon Hai, Pegatron
Smart Device	Wistron, Quanta, Compal, Inventec, Pegatron, Hon Hai
Server	Wistron, Hon Hai, Quanta, Inventec, MiTAC
Monitor	Wistron, AOC, Qisda, Foxconn

4.1.3 Research and Development

A. Research and Development Expenses in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

	2025	2026(As of March 31)
R&D Expenses (NT$ thousands)	31,371,184	-
R&D Expenses to Revenue	1.43%	-

B. The successful development of technologies and products

(1) Intellectual Property

In 2025, Wistron has 120 U.S. and 122 Taiwan patents granted. Additionally, Wistron keeps developing a global patent portfolio, and has obtained 124 issued patents in various other countries in 2025, and has been named a “Top 100 Global Innovators™ 2025” by Clarivate™, “Top 10 Sustainable Innovation Company in Taiwan” by LexisNexis®, earned the “Golden Medal of Invention Award” from the Taiwan National Invention & Creation Award by TIPO, and was ranked among the Top 100 Global 5G Standard-Essential Patent Holders by the renowned IP platform Patently. Going forward, Wistron will continue to implement an unified plan for intellectual capital management, aligning with company’s strategic considerations and business objectives, to drive the timely creation, management, and monetization of intellectual property rights.

(2) Technologies and products

Year	R & D results
2025	Enterprise & Networking ■Network security hardware platform supporting 400GE/200GE/100GE fiber network connections and integrating Zero-Trust Network Access (ZTNA) enforcement within a high-performance next-generation firewall (NGFW) ■Industrial-grade, rugged Unified Threat Management (UTM) firewall appliance ■51.2T liquid cooling with air cooling switch ■102.4T air cooling switch ■AI server GPU NVL144 board system management firmware and root of trust ■Zero trust-based system firmware update mechanism for AI server ■Mechanical design of motherboard module test systems for AI servers GPU NVL144 and NVL8 ■Fanless DLC system for AI server ■Immersion cooling server ■Support NV B300/AMD MI355/Intel Gaudi 3 GPU server
	Personal Computing ■Automated Electronic Circuit generation algorithm ■SAM Management System ■Modular heat spreader
	Displays ■Optimization of the color calibration process for OLED panel displays ■Ultra-high refresh rate OLED panel gaming monitor ■Monitor with intelligent sensing features ■Wireless projection monitor supporting wireless screen sharing via Wi-Fi Display, Miracast, and AirPlay
	Smart Cockpit ■Integrated central computer unit and zonal gateway for software-defined vehicle
	Industrial ■Personal mobile emergency response and positioning device ■Countertop POS terminal with wireless communication and two-way display ■Handheld device integrating RFID, NFC EMVCO and Wi-FI7. ■5G handheld device integrating OLED/Hot Swap/50MP camera/ultra-wide camera/iTOF camera ■High-performance, fanless, and explosion-proof industrial Box PC and PCAP Touch Panel PC ■EVSE AC charger certified with Taiwan CNS15511 and Japan JARI charging standards ■Hands-free hospital communication badge ■6-axis collaborative robot arm ■3D AI cobot vision technology ■Software Define Radio long-range wireless transmission communication module ■LWIR thermal module ■Omni-directional obstacle avoidance system
	Medical Device ■Non-contact OSA monitoring system (TFDA) ■Smart mobility assistive device.

Year	R & D results
2025	Advanced Technology Lab - Space Technology ■Validation and orbital readiness of LEO CubeSat Battery Modules
	Energy Management ■Microgrid management system supporting islanded/grid-connected modes

4.1.4 Long-Term and Short-Term Business Development Plans

A. Short-Term Development Plan

With a commitment to enhancing customer satisfaction and prioritizing quality, we strive to strengthen existing customer relationships and optimize our current customer and product portfolio. We enhance the resilience and flexibility of our supply chain to meet customer requirements regarding production location, continuously improve operational efficiency, increase capacity utilization, and select markets with reasonable profit margins.

B. Long-Term Development Plan

In the long term, we will continue to expand the proportion of high-profit-margin products and services (including AI computing devices, servers, network storage devices, networking equipment, network security devices, industrial application computers, and after-sales service businesses, etc.) and accelerate the pace of new investment businesses in order to strengthen our long-term competitiveness.The strategic plans are as follows:

(1) Marketing Strategy

A. Continuously strengthen core competencies in professional design and technical services.

B. Maintain a strong brand image of high-quality and high-performance products.

C. Optimize the global service network to provide comprehensive after-sales

(2) Manufacturing Policy

A. Global manufacturing and supply chain operations are being optimized through increased automation and the integration of AI-driven intelligent manufacturing. Beyond enhancing operational efficiency and reducing costs, these initiatives enable entry into higher-complexity, technically demanding product segments — expanding gross margins, strengthening competitive resilience, and securing a favorable strategic position.

B. Six Sigma initiatives continue to be advanced in alignment with performance objectives, driving systematic improvements in quality and operational efficiency across all functions.

(3) Product Development Goals

A. Cultivate excellent R&D experts and improve their R&D capabilities.

B. Based on existing computer design capabilities, deeply cultivate technological fields such as AI computing, servers, network storage, advanced network management systems, and industrial computers. Introduce AI tools to strengthen development capabilities and shorten development cycles, in order to enter high-end product markets.

C. Commit to energy conservation by adopting eco-friendly materials and technologies that comply with green product and related environmental laws.

(4) Operation Scale and Financial Support

A.Actively integrate and develop production capacity overseas to fulfill business requirements.

B.Strengthen balance sheet management, control the number of cash turnover days to within a reasonable range, and sustain a healthy financial structure.

4.2 Market, Production and Sales

4.2.1 Market Analysis

A. Sales (Service) Region

(1) The Major Products and Sales Value in the Most Recent Two Years

Unit：KPCS ； NT$ thousands

Year / Sales Value / Major Product	2024				2025			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
3C Electronics	1,391	26,350,581	61,477	982,384,829	1,357	17,875,582	64,677	2,136,717,476
Others	225	786,166	3,169	39,734,205	301	1,323,070	428	30,606,508
Total	1,616	27,136,747	64,646	1,022,119,034	1,658	19,198,652	65,105	2,167,323,984

Note: Company shall prepare consolidated financial reports of 2024& 2025 in accordance with IFRSs regulation.

(2) The Company significant sales based on exported products. Stated below are the geographic information on the Group's sales presented by destination of sales presented by location.

Unit : %

Year / District	2024	2025
United States	51.08	70.65
Japan	3.95	2.04
HK /China	10.65	3.66
ASEAN	3.64	2.92
Europe	23.40	13.98
Others	7.28	6.75
Total	100.00	100.00

Note: Company shall prepare consolidated financial reports of 2024 & 2025 in accordance with IFRSs regulation.

B. Market Share

Taiwan is a major global supplier of information products. Taking several representative product lines as examples, according to MIC (February 2026) and related market statistics, in 2025, Taiwan manufactured approximately 135,350K notebook computers, with our company accounting for approximately 18% of the market share; Taiwan manufactured approximately 39,711K desktop computers, with our company accounting for approximately 24% of the market share; and Taiwan manufactured approximately 12,370K servers, with our company accounting for approximately 22% of the market share. This is sufficient to demonstrate that our company has considerable market competitiveness.

C. Future Market Supply and Demand and Future Growth

(1) Future Market Possible Supply and Demand Scenarios

A. Supply Perspective

While the supply side remained relatively stable in 2025, the surge in demand for High Bandwidth Memory (HBM) and high-capacity DDR5 driven by AI servers led to a renewed tightening of memory supply in the second half of the year. This squeezed out some PC and general-purpose server components, resulting in longer lead times and increased costs. Although the PC market had ample supply of chips and most components, the rebound in memory prices compressed overall system profit margins, requiring ODM manufacturers to balance risks through long-term contracts and inventory strategies. In the server market, the mass production of next-generation AI platforms increased the proportion of high-end memory, and HBM capacity was concentrated in a few manufacturers, making AI computing products a priority for supply chain resources. Looking ahead to 2026, supply is expected to improve as memory manufacturers expand production and advanced packaging capacity gradually comes online. However, with continued growth in AI demand, memory will remain a key variable affecting the shipment schedule and cost structure of PCs, servers, and AI computing products. The supply chain needs to strengthen material management and diversify its procurement strategies to mitigate volatility risks.

B. Demand Perspective

In 2025, the global IT market demand structure continued to diverge. After experiencing the benefits of the pandemic and inventory adjustments, the PC market returned to a mature and stable phase, with replacement demand primarily driven by upgrades in the commercial market and the adoption of new AI PC applications. With the upgrading of enterprise systems and the widespread adoption of on-premises generative AI applications, enterprise users' demand for high-performance processors and memory capacity increased, leading to a rise in the proportion of mid-to-high-end models, although overall growth remained moderate. In contrast, the server market showed significantly stronger demand momentum. Cloud service providers continued to expand their data centers to support generative AI training and inference applications, driving growth in demand for high-performance computing and AI acceleration platforms. With the easing of GPU supply bottlenecks and the mass production of next-generation platforms, AI server shipments rebounded. Simultaneously, increased demand for enterprise private cloud and edge computing deployments made the server market a core driver of overall IT industry growth.

Global PC Shipments Growth Trend

Unit: 1 = 1000 units

Year	2024	2025	2026(e)	2027(f)	2028(f)
Number of NBs	175,400	183,500	176,600	181,000	189,800
Growth Rate	5.9%	4.6%	-3.8%	2.5%	4.9%
Number of DTs	75,900	88,000	78,200	78,300	81,800
Growth Rate	-3.3%	15.9%	-11.1%	0.1%	4.5%
Number of PCs (NB + DT)	251,300	271,500	255,800	259,300	271,600
Growth Rate	3.0%	8.0%	-5.8%	1.4%	4.7%

Source: DIGITIMES Research (January 2026)

Compound growth rate is around 1.96% from 2024 to 2028.

(2) Future Growth

We continue to expand the ratio of higher profit products (such as servers) and expedite growth and profit in technology service businesses.

Global Server Shipments Growth Trend

Unit: 1 = 1000 units

Year	2024	2025	2026(e)	2027(f)	2028(f)
Number of Servers	12,086	12,522	13,538	14,881	15,928
Growth Rate	6.5%	3.6%	8.1%	9.9%	7.0%

Source: Gartner (December 2025)

Compound growth rate is around 7.14% from 2024 to 2028.

D. Competitive Niches

(1) Fully Staffed and Experienced R&D Team

Each business unit in our company has their own R&D department responsible for the research and development of their products. As of January 2026, our company has a R&D team of over 5,600 people, over 99% of which have a college degree or higher and main team leaders have on average over 20 years of experience in developing products in their field. These conditions are a testament to our R&D's strength in terms of the quality of people and their experience.

(2) Fully Integrated Manufacturing Base

We intend to continue our OEM business while actively venturing into new realms. The company's manufacturing bases are located in Taiwan, U.S.A., China, Mexico, Czech Republic, Vietnam, and Malaysia.

One of our company's key advantages now is receiving purchase orders in Taiwan and through lean manufacturing by decreasing production waste, improving production efficiency, and reducing manufacturing cost to maximize profits.

(3) Solid Clients and a Diversified Portfolio of Products

Our company’s business is based mainly on providing professional OEM services supporting clients with world renowned brands, each comprising an equal share of our sales. Our products are also diversified and the company is not affected by shifts in the industry of a single product. The company is also not affected by instability of supply and demand due to clients' shift in product strategy.

(4) Focus on Product Quality

Building on years of experience in design and manufacturing, very comprehensive testing and quality control of our products have earned our clients' trust.

(5) Solid Relationships with Suppliers

No matter to sources of key technologies or suppliers of key components, the company maintains long-term partnerships and total cost considerations with our supply chain to provide comprehensive services and solutions with regards to cost, quality, and delivery.

(6) Global Logistics Management Capability

The company has established manufacturing bases and service centers in Europe, Americas and Asia. Over time, we have established effective global logistics management capabilities in order to fulfill a wide range of demands from clients in different parts of the world. This crucial capability matches future trends in the industry and has become one of the key advantages of our company.

(7) Professional Management Team

Our management teams are all senior professionals with over 20 years of related experience in the industry. The team enjoys a history of collaboration and shares common ideas and a common goal, paving the way for effective leadership to facilitate growth.

E. Advantages and Unfavorable Factors to Long-Term Development and Responding Measures

(1) Advantages

A. Taiwan enjoys an extensive information technology industry with strong overall marketing capabilities.

The domestic IT industry has undergone several phases of transition and matured in the process. The Taiwanese IT industry occupies a solid place in the global marketplace. The industry is proportionally dispersed and well-integrated among individual industries allowing mutual support.

This has led to an increase in the international marketing capability of Taiwan's IT industy, enabling this industry to become a global procurement center for personal computer related products.

B. Taiwan's component industry has matured and enjoys a stable supply of key components.

In recent years, Taiwanese manufacturers have gained dominance in key components such as chip sets, printed circuit boards, and touch modules for motherboards, notebook computers, tablet computers, smart phones and LCD displays. The industry's comprehensive development has helped advance the domestic IT industry and boost Taiwan's IT capabilities.

C. Potent R&D and Technical Innovation Capabilities.

Wistron has built an excellent R&D team and has committed to investing in product R&D and technological innovation. By collaborating with CPU/GPU manufacturers to develop new products, the company can lead the industry in introducing new products. With R&D units in each information product department, the company can maintain a competitive edge in a market environment characterized by short product lifecycles and intense competition.

D. Solid After-Sales Service Networks

The company has established service centers on three continents in Taiwan, U.S.A., China, the Czech Republic, Japan, Hong Kong, Singapore, India, the Philippines, Turkey, Mexico and Brazil, offering real-time and efficient after-sales service.

(2) Unfavorable Factors

A. Intense Price Competition and Declining Gross Profit Margins

The information technology industry, with its relatively low barriers to entry, has attracted numerous manufacturers, leading to fierce competition. As products mature and manufacturing technologies improve, overcapacity has increased, and the diminishing differentiation between products in the future is further shrinking profit margins.

B. Impact of Exchange Rate Fluctuations on Company Profits

The company's main products are export-oriented, making them susceptible to the impact of exchange rate fluctuations on profitability.

C. Geopolitical Risks

Supply chain restructuring under the influence of technology wars and tariff wars, requiring adjustments to production and market layouts, presents extremely significant challenges in terms of talent, factory space, and finances.

D. Unstable Supply of Key Components

The continued shortage of memory and GPUs not only increases costs and delays delivery but also drives up end-user prices. Brands and contract manufacturers must strengthen supply chain resilience and improve inventory management efficiency to reduce operational risks and maintain market competitiveness.

E. Concerns about power shortages

As investment in AI and advanced manufacturing processes continues to expand in Taiwan, the Taiwanese electronics industry faces energy supply challenges, with a potential power shortage becoming a concern. If progress in green energy is slow, it could negatively impact the resilience of the global supply chain.

(3) The Company's Response

A. Confront the competition by active product innovation with high value-added products development, and industrial transformation.

B. Maximize production efficiency by strengthening cost and inventory control and increasing automation.

C. Hedge against exchange rate risks by balancing assets and debt in foreign currency to lower net foreign currency position.

D. Finance personnel must be wary of fluctuations in exchange rates and the company's demand for funds by taking appropriate hedging measures.

E. Raise the quality of the products and lower dependence on manual labor by actively investing in automated production equipment.

F. Increase capacity utilization by streamlining design and production instead of merely increasing capacity.

G. Diversified talent acquisition, cultivation of global professionals, and integration of cutting-edge expertise into routine training programs to upskill employees form the cornerstone of sustained corporate competitiveness.

4.2.2 Core Applications of Major Products and Manufacturing Processes:

A. Core Applications of Major Products

Key Applications of Main Products

(1)Model training, inference applications, real-time decision-making, data storage, logical operations, analysis, network communication, information processing and application, computer-aided design, manufacturing, publishing, education, entertainment, advertising, e-mail order, word processing, financial services, and financial management.

(2)Our product range covers the core architecture of high-performance computing (HPC) and artificial intelligence, with the following main applications:

A. AI and Core Computing: Applied to large-scale language model (LLM) training, high-frequency inference, and real-time decision-making systems, providing powerful logical operations and information processing capabilities.

B. Cloud Infrastructure: Supporting high-reliability computing platforms for large-scale data storage, network communication, and financial services.

C. Diverse Industrial Applications: Extending to professional fields such as computer-aided design (CAD/CAM), automated manufacturing, digital communication (publishing, advertising, entertainment), and intelligent financial management.

B. Manufacturing Processes

(1)Printed Circuit Board Assembly (PCBA: Printed Circuit Board Assembly)

Incoming material inspection → Material preparation → Solder paste printing → SMD component placement → Nitrogen reflow soldering → Automated optical inspection → Component insertion → Wave soldering → Rework → Boundary scan/ICT/ATE testing → Functional testing → Appearance inspection → Packaging → Warehousing → Outbound

(2)Final Assembly (FATP: Final Assembly, Test, and Pack):

Incoming material inspection → Material preparation → Water-cooled plate assembly → Mechanism assembly → Water-cooled piping leakage test → Coolant filling → System function pre-test → Aging test → Software download → System function test → Coolant discharge → Nitrogen filling → Appearance inspection → Finished product packaging → Storage → Outbound

4.2.3 Status of Supply of Chief Materials:

Main Materials	Domestic and Foreign Sources	Status of Supply
CPU	United States	Driven by the surge in data center demand fueled by AI, server CPUs are projected to remain in short supply throughout 2026. Conversely, the PC segment is expected to see significant supply relief in the second half of the year, supported by steady annual demand and the rollout of Intel's next-gen. 18A capacity. However, close monitoring is required to determine if geopolitical conflicts, inflation, logistical bottlenecks, or raw material shortages will further tighten supply or compel manufacturers to raise prices in response to structural cost pressures.
Solid-state drive (SSD)	USA, Japan, Korea	The SSD market in 2025 is undergoing a significant structural transformation. What began as a period of ample supply has rapidly shifted into a global shortage and price surge, primarily driven by the relentless AI wave. Core Material Status: NAND Flash NAND Flash accounts for 85% to 90% of total SSD production costs and is the most critical indicator of supply health. • Widening Supply Gap: Since the second half of 2025, NAND wafer supply has tightened severely. Major original equipment manufacturers (OEMs) like Samsung, SK Hynix, and Micron have drastically reduced wafer allocations for the consumer market to prioritize high-margin Enterprise SSDs (eSSD) for AI servers. • Capacity Pivot to AI: High-capacity QLC (Quad-Level Cell) wafers are in the shortest supply due to surging demand for AI training and inference storage. Contract prices for certain specifications jumped by 20% to 60% by late 2025. • Phasing Out Legacy Processes: Manufacturers are accelerating the end-of-life (EOL) for older, low-layer processes in favor of 232-layer or higher 3D NAND. This has left industries requiring stable, legacy specs (such as industrial and automotive sectors) facing a "no-stock" crisis.
DRAM	Korea, USA, Taiwan	The DRAM (Dynamic Random Access Memory) market in 2025 is in a state of extreme imbalance. Driven by the "predatory" demand for High Bandwidth Memory (HBM) from AI servers, production capacity for traditional DRAM applications has been severely squeezed. Core Product Supply Status: HBM vs. DDR5 The 2025 DRAM market has split into two parallel worlds: "AI-Dedicated" and "Traditional General-Purpose." • HBM (High Bandwidth Memory): • Extreme Shortage: Capacities for HBM3e and HBM4 have been fully booked by giants like NVIDIA through 2026 and beyond.

Main Materials	Domestic and Foreign Sources	Status of Supply
DRAM	Korea, USA, Taiwan	• Capacity Crowding Effect: Producing HBM requires more than 3 times the wafer area of traditional DDR5. This has directly slowed the growth of total global DRAM bit supply. • DDR5 (Mainstream Standard): • Mainstream Transition: PC and server platforms have fully migrated to DDR5. While supply is higher than HBM, the crowding out of capacity by HBM has created a supply gap, causing prices to rise significantly compared to 2024. • LPDDR5x (Mobile Devices): • Driven by Edge AI: The explosion of AI-capable smartphones has led to tight supplies of high-capacity LPDDR5x, forcing manufacturers to lock in inventory six months in advance. The 2025 DRAM market has completely shifted from a "Buyer's Market" to a "Seller's Market." • DDR4 Discontinuity: OEMs like Samsung and Micron are rapidly shutting down legacy processes. Customers still using DDR4 for industrial PCs or older servers will face the double blow of supply disruptions and premium pricing in 2025.
Power IC (PMIC)	USA, Taiwan, China	Following the completion of global semiconductor inventory adjustments, the PMIC market is seeing structural growth driven by HPC and AI. The surge in AI server power consumption is shifting architectures from 12V to high-efficiency 48V systems. This transition boosts demand for multi-phase PMICs and DC-DC converters while demanding superior voltage stability and dynamic transient response, pushing designs toward higher integration and power density. On the supply side, PMICs rely on 8-inch BCD and analog mature processes. Due to foundry capacity reallocations and surging AI demand, supply for high-end products remains tight. Furthermore, regionalization trends and cost fluctuations driven by geopolitics remain key variables. Consequently, the industry has shifted its focus to "Supply Chain Resilience Management." By deepening technical collaboration, diversifying supply sources, and strengthening dynamic inventory control, we ensure supply stability and competitiveness in the high-performance computing era.
Power Supply	Taiwan, China, USA, Thailand	In 2025, benefiting from the surge of the AI wave, the demand for high-performance computing grew strongly, driving a comprehensive upgrade of the power supply market. As the specifications of AI PCs and AI servers increased, the supply chain faced challenges of capacity congestion and shortages of key core components, resulting in the delivery lead time for related power supplies extending significantly to 20–30 weeks. Due to the concentrated demand for upstream semiconductor materials and high-power electronic components, procurement costs rose noticeably.

Main Materials	Domestic and Foreign Sources	Status of Supply
PCB	Taiwan, China, Austria, Korea	In 2025, PCB supply was significantly influenced by the rapid expansion of AI server and HPC demand, resulting in tight capacity for high-layer count PCBs, HDI, and high-speed material boards, with extended lead times for certain products. Driven by strong demand from the NVIDIA AI platform and increasing investments in AI data centers, pricing for high-end PCBs remained elevated. In contrast, recovery in consumer electronics demand was relatively modest, while supply for standard PCBs remained comparatively stable. Meanwhile, geopolitical factors and supply chain diversification strategies have accelerated the shift of electronics manufacturing and PCB production capacity toward Southeast Asia, particularly Thailand and Vietnam, to enhance supply chain resilience and mitigate geopolitical risks.
LCD	Taiwan, China, Korea	In 2025, the LCD supply situation is expected to show an overall trend of "demand recovery and supply concentration." Chinese panel manufacturers will significantly increase their market share, while Taiwanese manufacturers will maintain stability, and Japanese and Korean forces will continue to decline. The global LCD panel supply chain is entering a new round of restructuring. Manufacturers are employing "production control and price stabilization" strategies to maintain price stability. The growth in TV screen sizes and the recovery of demand for IT products are driving LCD demand to exceed supply. Panel manufacturers are using "production control and price stabilization" strategies to stabilize prices, and by the end of 2025, TV panel prices are expected to stop falling and remain steady. Additionally, due to global raw material fluctuations, the costs of key materials used in NB display panels, such as PCB, are on the rise. Follow-up monitoring is required to assess the potential pressure of rising upstream panel costs on panel quotations.

4 | Operational Highlights

4.2.4 Key Accounts in the Past Two Years

A. Key Suppliers

Unit: NT$ thousand

Item	2024					2025				2026 As of March 31 (Note2)			
	Company Name	Amount	Percent	Relation with Issuer		Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A Company	148,597,407	15.35	None		A Company	582,220,764	27.44	None	-	-	-	-
2	R Company	46,733,175	4.83	None		R Company	309,628,144	14.59	None	-	-	-	-
3	Others	772,467,458	79.82	None		Others	1,229,924,106	57.97	None	-	-	-	-
	Total	967,798,040	100.00	-		Total	2,121,773,014	100.00	-	-	-	-	-

Note1 : Increase and decrease of the amount was due to business demand.
Note2: The financial information for the first quarter of 2026 has not been reviewed by CPA.

B. Key Buyers

Unit: NT$ thousands

Item	2024					2025				2026(As of March 31)(Note)			
	Company Name	Amount	Percent	Relation with Issuer		Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Buyer A	310,741,969	29.62	None		Buyer A	859,669,898	39.32	None	-	-	-	-
2	Buyer E	75,552,948	7.20	None		Buyer E	463,782,021	21.21	None	-	-	-	-
3	Buyer I	176,739,893	16.84	None		Buyer I	280,100,868	12.81	None	-	-	-	-
4	Buyer C	100,106,048	9.54	None		Buyer C	188,462,620	8.62	None	-	-	-	-
5	Buyer B	118,176,006	11.26	None		Buyer B	122,846,242	5.62	None	-	-	-	-
6	Others	267,938,917	25.54	-		Others	271,660,987	12.42	-	-	-	-	-
	Total	1,049,255,781	100.00	-		Total	2,186,522,636	100.00	-	-	-	-	-

Note: The financial information for the first quarter of 2026 has not been reviewed by CPA.

4.3 Taiwan Employee Data during the Past Two Years

Year		2024	2025	As of Mar. 31st, 2026
Employee Number	Sales	1,405	1,416	1,425
	Engineers	6,155	7,020	7,204
	Administration	1,331	1,513	1,595
	Direct Labor	3,911	6,956	7,694
	Total	12,802	16,905	17,918
Average Age		36.75	36.0	35.7
Average Seniority		6.30	5.28	5.37
Distribution of Education	Doctor	62	57	59
	Master	3,895	4,412	4,511
	Bachelor	5,819	7,609	8,210
	Diploma	1,824	2,623	2,842
	High School	1,104	2,006	2,085
	High School Below	98	198	211

4.4 Environmental Protection Expenditure

4.4.1 Total Losses and Penalties: None.

4.4.2 Countermeasures and possible disbursements to be made in the future: None.

4.5 Labor Relations

4.5.1 Detailed descriptions of employee benefits, training and development, retirement plan and each of the implementations, as well as the labor management agreement and employee rights preservation policies are listed in the following

A. Employee benefits

In order to enable employees to have a high-quality working life and thereby improve productivity, the Company has always cared about and valued employee welfare. In addition to allocating welfare funds in accordance with the law, the Company established an [Employee Welfare Committee], voting welfare committee representatives to formulate annual plans and handling various activities. In addition, the Company also provides free transportation to and from work, fitness centers, employee assistance programs, employee welfare insurance plans, and organizes family days, group gatherings and other welfare activities.

B. Employees training and development

Wistron embraces an altruistic management philosophy, proactively addressing challenges and driving continuous innovation. Guided by our vision of “Sustainability through Innovation”, Wistron integrates four core values—"Customer Focus", "Integrity", "Innovation", and "Sustainablity"—into everyday decision-making and talent development. In an era of global manufacturing expansion and rapid technological advancement, we reinforce business resilience and long-term talent strength through a systematic talent strategy.

"Aligned with the company’s vision and strategic priorities, Wistron has implemented a global talent development strategy and established a comprehensive talent development framework. This framework includes new employee orientation, general training (covering compliance training, company policies, and workplace skills), professional training (spanning domain-specific expertise, digital transformation, and sustainability-related skills), and management training.
To help new employees quickly adapt to the workplace and unleash their potential, Wistron has designed a series of structured courses including Chairman ""Simon’s Talk"", the Core Values Workshop, and CEO Wi-Talk, enabling new employees to grasp the company’s strategic direction within their first six months, and embody the core values in their daily work."

To enhance employees’ cross-cultural communication skills and global awareness, Wistron provides a variety of general training programs covering compliance, company policies, workplace skills, and language training. Tailored language learning initiatives and resources are rolled out across regions, for instance, Mandarin and Vietnamese courses in various factories, with classes tiered by proficiency and pre- and post-assessments to ensure steady improvement. Supported by cross-regional cultural bridging initiatives to reduce cross-cultural communication gaps, enhance team collaboration quality and professional customer interaction, and improve overall communication efficiency.

Wistron continues to refine its professional training framework to support technological innovation, digital transformation, and sustainability goals. We have developed comprehensive talent development blueprints for key roles—including R&D, manufacturing technology, quality and operations, sustainability, and digital transformation. By incorporating real-world application scenarios and use-case-based practice into the training programs, strnegthen critical competencies while enhancing both operational resilience and innovation momentum.

To address global business challenges and elevate organizational competitiveness, Wistron continuously advances management and leadership training to enhance managerial effectiveness and cultivate high-potential leaders. Wistron places importance on managers' performance management and coaching skills. The leadership training, including Coaching for Empowerment and performance management series, is implemented globally. These foster two-way communication between managers and employees, boosting engagement and organizational alignment. In addition, for senior leadership development, Wistron provides a diverse range of learning resources that leverage practical case studies, cross-disciplinary perspectives, and dialogues with industry experts to deepen strategic thinking and broaden global perspective.

Talent stands as a pivotal competitive advantage for Wistron and serves as the cornerstone for the company's sustainable operations. Wistron has developed a comprehensive competency-based training framework and devised various talent development programs in line with the company's strategic priorities. These initiatives reinforce cross-cultural alignment, deepen technical expertise, advance intelligent transformation and AI capabilities, and enhance sustainability competencies and leadership, aiming to fortify the organization's human capital and enhance the company’s sustainable growth and commitments across global markets.

C. Retirement plan

To stabilize the post-retirement life of our employees, the Company has formulated [Employee Retirement Measures] in accordance with the [Labor Standards Act] and the [Labor Pension Act], which clearly stipulates employee retirement conditions, pension calculation standards, and application and payment matters. In addition to follow the [Labor Pension Act] to allocate amount of 6% of monthly pay to labor retirement funds every month for employees who are subject to this Act, the [Supervisory Committee of Labor Retirement Reserve] is established in accordance with the law and the labor retirement reserve is allocated every month in accordance with the [Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds] and deposited in a special account of a statutory financial institution in the name of the [Supervisory Committee of Labor Retirement Reserve].

D. Labor Relations

The Company has always attached great importance to employee communication and is committed to harmonious labor relations. In 2025, Wistron did not suffer major losses due to labor disputes.

4.5.2 At the time of printing this publication, loss incurred by labor dispute and the amounts of anticipated losses and countermeasures:

The date of the disposition	Number of the disposition	The violation of the provisions	Content of the violation	The amount of the disposition
2025/03/11	高市勞條字第11431344200 號	Article 24,36,40 of the Labor Standards Act	Failure to： 1.Pay additional wages for extension of working hours as required. 2.provide one day of rest as a regular holiday in every seven days. 3.pay additional wages and provide compensatory leave for work on holidays suspended due to natural disasters, accidents, or unexpected events as required.	Fine of N.T.$120,000
2026/02/26	新北府勞檢字第1154584872 號	Article 32, Paragraph 2 of the Labor Standards Act	The extension of working hours combined with the regular working hours exceed twelve hours a day	Fine of N.T.$50,000

4.6 Information Security Management

4.6.1 Information Security Risk Management Framework

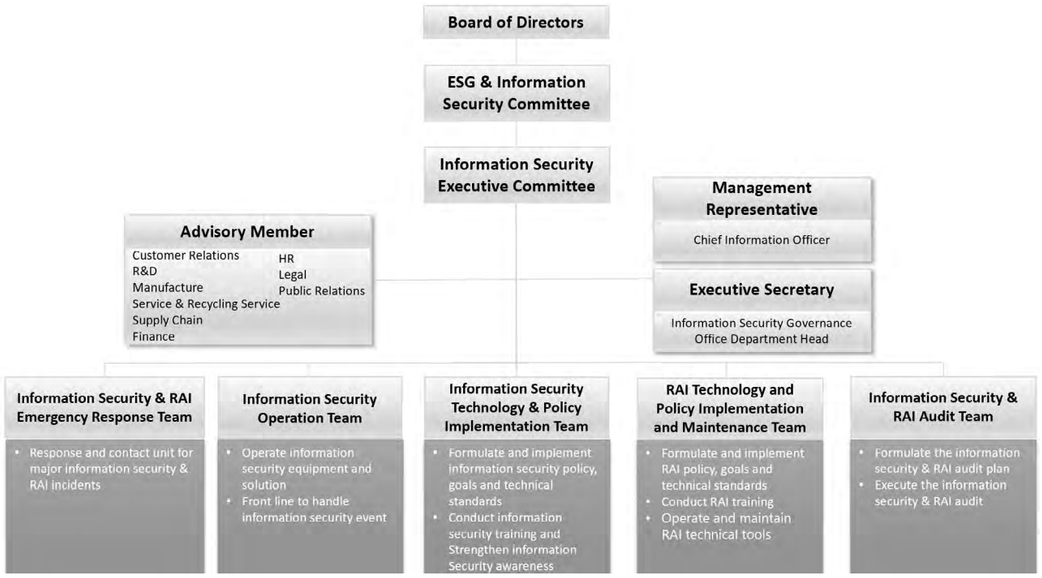
To strengthen the Company’s sustainable competitiveness and further enhance information security management, the Board of Directors resolved on April 2, 2025, to rename the ESG Committee to the ESG & Information Security Committee,and to establish an Information Security Executive Committee under it. The Committee is led by the President & Chief Executive Officer and the Chief Digital Officer & Chief Information Security Officer as the highest-level supervisors. This governance structure demonstrates the Company’s commitment to advancing information security and Responsible Artificial Intelligence (RAI), and oversees the implementation of information security and RAI management frameworks, technical standards, and operational practices.

The Company has appointed the Chief Information Officer as the Management Representative and the Head of the Information Security Governance Division as the Executive Secretary to coordinate information security and RAI-related matters. The Information Security Policy and the Responsible Artificial Intelligence Policy have been established as the foundational management principles to safeguard information assets related to employees, customers, suppliers, and operations, and to ensure sustainable corporate operations.

The Information Security Executive Committee convenes once per quarter. Extraordinary meetings may be convened when necessary and members of the teams must attend. The agenda of the meeting includes information security incident reports, the report of each team on the implementation of the team’s affairs, issues that require the cooperation of different units, other related suggestions, or extemporary motions.

Information Security Exective Committee held 4 meetings in 2025 and management representatives reported the information security implementation status to the board of directors in December.

Wistron Information Security Executive Committee Organization Chart :



4.6.2 Information Security Policy and management Strategy

4.6.2.1 Information Security Policy

In order to protect the information of Wistron Co., Ltd. (hereinafter referred to as The Company) products and services, avoid unauthorized access, modification, use and disclosure, as well as losses caused by natural disasters, and provide complete and available information in a timely manner. The Company is committed to information security management to ensure the confidentiality, integrity and availability of the company's important information property, and comply with the requirements of relevant laws and regulations, thereby gaining the trust of customers, meeting the commitments to shareholders, and ensuring the company's important business continuous operation.

4.6.2.2 Information Security Management Strategy

In implementing ISO/IEC 27001 information security management, Wistron focuses on regulation compliance, standardize processes, employees training and deploy security technology. It strengthens the security on data, information systems, and network. Moreover, it can protect critical business processes and systems from human-induced risks such as theft, improper use, leakage, alteration or destruction which caused by negligence, deliberate or natural disasters.With this, we can ensure the commitment to shareholders/customers and company's business continuity.

After Wistron obtained ISO/IEC 27001: 2013 certification in August 2017, we implemented the "Plan-Do-Check-Act" (PDCA) cycle according to the standards and conduct at least one internal self-audit and one audit by an impartial third party every year. To ensure the Company's implementation of ISO 27001 management mechanisms, the Company executes re-certifications every three years to maintain the validity of the ISO 27001 certification. The certification scope had expanded to all manufacturing plants around the world in 2022 with a coverage of 100%. In 2024, the certified version will be fully updated to ISO/IEC 27001:2022, and the current certificate is valid until August 22, 2026.

In response to changes in the internal and external environment, Wistron has gradually established comprehensive network and computer-related information security protection measures from the people, process and technical aspects of information security governance. In addition to the company's continuous strengthening of information security measures, we joined the information security information sharing organization to obtain information security intelligence, information security threat and vulnerability information, such as: High-tech Information Security Alliance, Taiwan Computer Emergency Response Team / Coordination Center(TWCERT/CC); Combining external information security vendors and expert resources, we continue to pay attention to new information security information and technologies, and apply proper, timely defense or solution, to ensure management with a consistently effective approach to dealing with information security weaknesses and events, At the same time to improve rapid response and recovery capabilities to ensure the resilience of information services, and eliminate the business impact.

4.6.3 Information Security Operation Specific Measures

(1) Identify stakeholder groups associated with the information security management system and regularly verify the needs of stakeholder groups for the information security management system (including customers' demands for information security).
(2) Execute social engineering drills and information security training for employees to fully increase employees' information security awareness.
(3) Establish comprehensive and clear operating procedures to institutionalize the operations of the information security management system.
(4) Perform regular risk assessments to identify high risk items and invest appropriate resources to reduce or transfer risks.
(5) Use tools and technologies to achieve timely and effective identification, protection, detection, response, and recovery.
(6) Establish operating procedures for response and recovery in the event of information security anomalies with the aim of rapid isolation of information security incidents, elimination of threats, and reduction of the scope and extent of impact.
(7) Perform regular disaster recovery exercises for key applications to ensure their effectiveness.
(8) Perform regular annual internal and external audits each year to review the entire management system and ensure normal operation and continuous improvement.
(9) Continuously pay attention to new information security development and technologies and update defense or management practices to effectively block new forms of information security threats and reduce risks for operations.

4.6.4 To Invest in information security management resources

4.6.4.1 Information Security Management and Audit Mechanisms

Wistron headquarter offices (Neihu and Xizhi Offices), and all manufacturing plants around the world have been certified with ISO/IEC 27001 information security international management standard certification in 2022. And continue to strengthen the internal control mechanism to ensure the effective implementation and continuous improvement of information security measures in each plant., we setup the mechanism of the three information security lines of defense ,including the self-inspection of the operation team, the auditing of the information security governance team and the internal auditors.

Wistron enabled Vendor Risk Management (VRM) Program in 2022. To classify suppliers, and implement them in the entire supplier management life cycle from the perspectives of security, risk and privacy. This includes the procurement phase (tier assessment, risk score assessment, contract), ongoing third party risk management (Risk score assessment and remediation), and the eventual offboarding. In 2025, a total of 306 vendors were inventoried, and vendors were graded based on the importance of the services they provided, their relevance to customers and revenue, and their ability to directly access the company's network environment and confidential information. There are three levels in total. First- and second-level manufacturers with higher risk levels are required to comply with Wistron’s information security assessment standards based on individual information security guidelines. A total of 12 vendors met the assessment level after risk score assessment.

4.6.4.2 Strengthen information security awareness among employees

To implement information security in its employees, the Company provides e-Learning resources and executes social engineering drills every six months to enhance the information security awareness and vigilance of each employee. Publish information security e-newsletter every month, including the latest information security trends and recent major information security events at home and abroad, so as to enhance colleagues' awareness and vigilance of information security. If an employee commits a violation of the Information Security Policy, the Company imposes penalties in accordance with the "Implementation Guidelines for Employee Rewards and Penalties" and includes the results as the basis for performance management to reduce information security risks and the impact on the Company's operations.

The email click rates for social engineering drills conducted in the last 4 years on all company employees are as follows :

Measures	Objectives	2022 Outcome	2023 Outcome	2024 Outcome	2025 Outcome
Execute social engineering drills every six months	Employee clicks mail on social engineering drills, click rate < 15%	H1 : 9.3% H2 : 10.2%	H1 : 7.4% H2 : 8.2%	H1 : 7.8% H2 : 12.6%	H1 : 7.4% H2 : 11.9%

Through manpower inventory, four roles of information security governance, information security engineering, information security analysis, and software development and security have been distinguished, and five levels of ability standards have been established. We conduct d ability assessments every year, and develop of talent capacity training and upgrading plans. In 2025, a total of 88 people (including 28 dedicated information security personnel) joined the information security talent training plan , confirming that the ability of information security talents keeps pace with the times.

The training conducted for general employees through online or in-person lessons in 2025 mainly consisted of information security awareness training, information security lessons, and phishing email awarenesss and prevention. The Company completed 10,930 hours of employee information security training for 19,702 participants.

In 2025, 5.050 hours of information security related seminars and training were completed by 188 information security employees. The main course content is divided into 6 core professional courses for the information security team. 5 Software Development Security Tips for Software Development Teams .The course content mainly consisted of the annual Wistron information security seminar, ISO 27001 information security management system lead auditor training, EC-Council CEH (Certificated Ethical Hacker) certification course, Trend Micro TCSE (Trend Certified Security Expert) certification course, CISA(Certified Information Systems Auditor),CISSP(Certified Information Systems Security Professional),CISM(Certified Information Security Manager), CCSP(Certified Cloud Security Prrosessional) certification courses and information security related technologies seminars organized by Gartner, Microsoft, and information security suppliers.

4.6.4.3 Vulnerability detection for networks and systems

Apart from monthly internal vulnerability scans, Wistron entrusts a third party professional service to conduct network and system penetration tests each year to protect the corporate and personal information and prevent losses caused by leaks, theft, destruction, other human factors, or natural disasters. These tests reduce the impact of human factors or natural factors on the Company's operations. The purpose of the tests is to understand and evaluate the status of the company network environment and system security and verify the current information security protection safety rating and effectiveness to resolve vulnerabilities, improve operations, and strengthen system security.

In 2021, Wistron introduced red team drill. Every year, an external team of information security experts conducts intrusion attacks on enterprises without affecting the operation of the enterprise, and tries to achieve the specified test tasks. Comprehensively inspect the company's services, network for vulnerabilities and human failures. Moreover, we checked if the protection, detection, response and recovery mechanisms of the information security operation and response team were functioning smoothly.

4.6.4.4 Software Development Security

In order to control the security of the software development lifecycle (Software development lifecycle, SDLC) in advance, achieve the security of shift left (Shift Left) testing, and reduce the cost of security and maintenance of application systems, Wistron has introduced DevSecOps (Development, Security and Operations) mechanism, and strengthened the collaboration between the development team, the operation team and the information security team. It also introduced the DevSecOps Maturity Model (DOSMM) of the non-profit organization OWASP (Open Web Application Security Project) to evaluate the overall maturity of the software and ensure that the online software meets a certain level of information security maturity. At the same time, Software Composition Analysis (SCA) technology is added to the development process to improve the safety quality of software.

4.6.4.5 Information security alerts and incident management

According to the information security incident management regulations, we can ensure the institutionalization and systemization of information security incident reporting, sorting, classification, handling, recording, and tracking. When an information security incident occurs, Wistron can quickly report and handle the situation. We are able to respond in the shortest possible time to ensure normal operations. Wistron has introduced Advanced Persistent Threat (APT) monitoring and Security Operation Center (SOC) operations. Together with the resources of external information security experts, the information security operations and response teams can quickly grasp the information security alerts and incidents, strengthening and accelerating detection and response mechanisms.

4.6.4.6 Disaster recovery drills

In order to ensure the sustainable execution of operations and important matters, we conduct at least once every six months for Information business operation continuity plan or emergency response plan of information security accidents to prevent the loss of service of important information systems during major disasters. We aim to utilize our disaster response capabilities and disaster recovery mechanisms to quickly restore our operations to normal or acceptable levels during key moments, in order to maintain key applications and systems and prevent operation interruption of the Company. Furthermore, the backup personnel of the data center conducts recovery testing for selected backup storage mediums or recovery equipment at least once a year, in order to confirm the readability of the backup data, the usability of the storage medium, and the possibility of important asset recovery. We aim to create effective backups and recovery procedures that can be completed within the allocated time.

In 2025, the Global Computer Center will select 27 the backup storage media for 7 major functional systems and databases. Recovery testing was successfully completed for the backup data. And yearly disaster recovery drills revealed that the maximum tolerable data loss time during disasters (RPO: Recovery Point Objective) is 1.85 hours. After a disaster occurs, the maximum tolerable information service recovery time (RTO: Recovery Time Objective) is 20.50 hours. The results of the drills in the past four years have all achieved the goals set by the company. The details are as follows:

Measures	Objectives	2022 Outcome	2023 Outcome	2024 Outcome	2025 Outcome
Perform critical application system disasters recovery drills annually to ensure uninterrupted business operations	RPO of SC2 Services <= 4 hours RTO of SC2 Services <=24 hours	RPO=0.9 hour RTO=18.83 hours	RPO=1.0 hour RTO=22.11 hours	RPO=0.6 hour RTO=19.22 hours	RPO=1.85 hour RTO=20.50 hours

4.6.5 Information Security Risk and countermeasures

Wistron has established comprehensive network and computer-related information security protection measures, and continuously reviews and evaluates information security regulations and procedures to ensure the appropriateness and effectiveness, but there is no guarantee that companies are immune to emerging risks and attacks amid the ever-changing information security threats.

Because of the ever-changing threats and attack techniques, we will pay attention on security information technology and apply proper, timely defense or solution, to ensure management with a consistently effective approach to dealing with information security weaknesses and events, ensure the resilience of information services, and eliminate the business impact.

Since 2021, Wistron purchased global information security insurance policies as a group. Apart from mitigating risks, we also hope to further receive the help and resources of external information security experts through the international insurance market. To provide preventative solutions to strengthen existing information security measures, in order to respond to growing information security threats and achieve the goals of corporate sustainable management.

4.6.6 Information security incidents in the most recent 4 years

From 2022 to 2025, except for two major cybersecurity incidents in 2024, there were no cases in the other years where confidential information leaks affected customers' or employees' personal data, nor were there any fines imposed.

In 2024, there were two major information security incidents, namely the power outage in the data center caused by the fire at the Hsinchu factory in Taiwan on March 25 and the network DDoS (distributed denial-of-service) attack on the official website of the head office on October 4. In the event of a cyber attack , the relevant defense mechanism has been activated immediately, and there is no significant impact on the company's operations, and there is no risk of leakage of personal information or internal documents. The statistics of the number of information security violations and fines in the past four years are as follows:

Number of information security violations and fines	2022	2023	2024	2025
Number of information security or network security violations (number of cases)	0	0	2	0
Data leak incidents (number of cases)	0	0	0	0
Number of information security violations that involve customer information	0	0	0	0
Number of customers and employees affected by the data leak (number of people)	0	0	0	0
Amount of fines for information security or network security related incidents (NTD)	0	0	0	0

4.7 Important contracts

Contract Type	Contracting Party	Term of Agreement	Main contents	Restrictive clauses
Purchase Agreement	Foreign and Domestic Companies	Valid	Purchase of computer products and components	None
Maintenance Agreement	Foreign and Domestic Companies	Valid	Maintenance for the hardware and software	None
License Agreement	Foreign and Domestic Companies	Valid	License of certain software and patents	None
Product Development And Supply Agreement	Foreign and Domestic Customers	Valid	The customers will purchase computer products developed and manufactured by Wistron	None
Loan Agreement	Foreign and Domestic Banks	Valid	The loan for business	None