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 2024	(%) of Total Sales
3C Electronics	1,008,735,410	96.1
Others	40,520,371	3.9
Total	1,049,255,781	100

C. Current Main Products and Services

(1) Notebook computers

(2) Smart phones and handheld devices

(3) Desktop computers and All-in-One (AIO) computers

(4) Display products

(5) Voice over Internet Protocol (VoIP) phones

(6) Servers and network storage facilities

(7) Network equipment and network security devices

(8) Industrial PC

(9) After-sales services

(10) Green recycling services (11) LCM services (Display components)

(12) AI computing equipment

(13) Digital Signage

(14) Smart audio

(15) Automotive electronics

D. New products and Services development

(1) Medical devices, Medical AI and Big Data services

(2) Battery recycling services

(3) Smart home devices

(4) Drone

(5) Low Earth Orbit Satellite

4.1.2 Industry Overview

A. Progress and Development of the Industry

(1) Personal Computing

In 2024, the overall PC market exhibited a gradual recovery. According to the survey released by the international research firm Canalys, PC shipments reached 255 million units in 2024, an increase of about 3.3% from 247 million units in 2023. This growth was mainly driven by subsidy policies from the Chinese government that boosted consumer spending, as well as strong year-end promotions in the US and parts of Europe. In addition, companies are actively upgrading their hardware in anticipation of Windows 10 support ending in October 2025, further driving market demand.

Looking ahead to 2025, the PC market is expected to see modest growth compared to 2024. Despite ongoing global economic pressures from high inflation and the U.S.-China trade war, enterprise demand for device upgrades will continue to drive a gradual market recovery. Additionally, AI PC shipments in the consumer market are projected to grow. As consumer acceptance of AI PCs continues to rise—particularly in applications such as gaming, video editing, and personal assistants—the advantages of AI PCs will become more prominent, further accelerating the demand for upgrades and replacements. AI PCs are gradually becoming a market focal point. Although the hardware is not yet fully mature and application scenarios are still expanding, AI-driven innovations have already had a positive impact on the PC market.

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

The year 2024 marks a period of rapid growth for artificial intelligence, with continuous advancements across various fields, particularly in generative AI and large language model applications. New use cases and technological innovations are emerging at a fast pace, driving the demand for GPU accelerators. Additionally, the introduction of DeepSeek has further spurred enterprises to invest in the development of their own custom chips (ASICs).
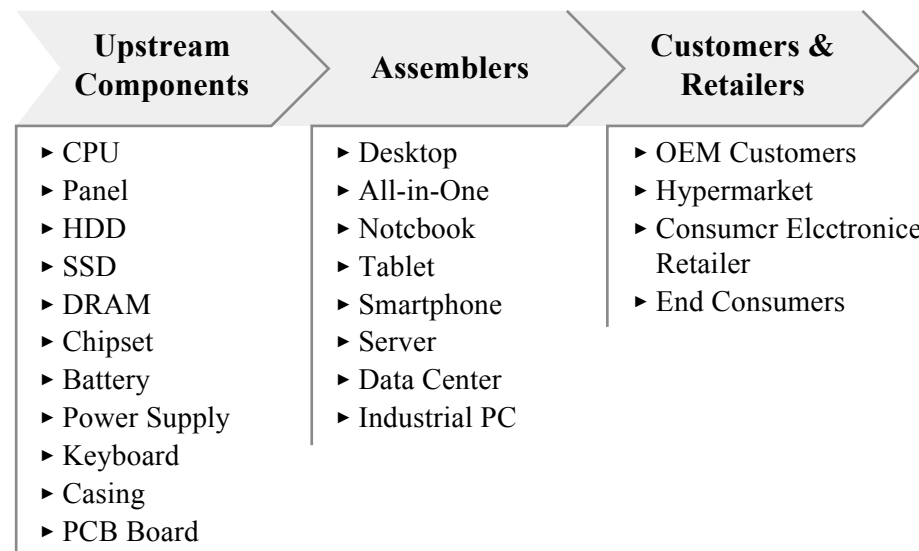
The rise of generative AI has encouraged cloud service providers (CSPs) to expand their infrastructure. Demand for cloud-based AI training and inference has become a key driver of cloud growth. To support the infrastructure and data requirements for AI server operations, the demand for data centers has increased. In 2024, CSPs aggressively expanded AI data centers and deployed large-scale high-performance AI servers, leading to a significant rise in capital expenditures. This momentum is expected to continue into 2025.

As major CSPs actively procure AI servers, they are also beginning to upgrade some general-purpose servers, driving a 3.2% growth in global server shipments in 2024. However, due to economic uncertainties over the next two years and the fact that capital expenditure growth among major CSPs has peaked, the growth momentum for general-purpose server shipments may weaken in 2025. Additionally, high-priced AI servers will remain a key investment focus for CSPs in the coming years. Nevertheless, the market is expected to gradually recover in the second half of the year.

In contrast, the AI server market continues to thrive. Strong GPU demand in 2024 drove the growth of AI server shipments. According to research firms, AI server shipments are expected to grow by 20–30% annually from 2025 to 2027. As AI applications deepen, enterprise demand for AI servers will further expand, while the consumer market is also witnessing the rise of AI PCs. These AI-accelerated personal computers can perform AI inference locally, enhancing the user experience.

Other end applications will also become integral to AI technology, including smart homes, AI smartphones, and smart glasses, enabling more intelligent and convenient services. In this process, edge computing will extend data processing capabilities from data centers to end devices, providing lower latency and more efficient data processing and feedback. Meanwhile, large-scale data centers will continue to serve as the core for data storage and computation. AI computing will be applied in more scenarios, bringing transformative changes to human life.

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

Upstream Components	Assemblers	Customers & Retailers
▸ CPU	▸ Desktop	▸ OEM Customers
▸ Panel	▸ All-in-One	▸ Hypermarket
▸ HDD	▸ Notcbook	▸ Consumcr Elcctronice Retailer
▸ SSD	▸ Tablet	
▸ DRAM	▸ Smartphone	▸ End Consumers
▸ Chipset	▸ Server	
▸ Battery	▸ Data Center	
▸ Power Supply	▸ Industrial PC	
▸ Keyboard		
▸ Casing		
▸ PCB Board		

C. Product Trends and Competition

(1) Product Development Trends

With the rapid adoption of AI applications such as ChatGPT, Copilot, and Sora, human-computer interaction continues to evolve. AI is no longer just an auxiliary tool for business applications but has become deeply integrated into various aspects of daily life. These generative AI applications leverage technologies such as natural language processing, deep learning, and image generation to make human-computer interactions more intuitive, seamless, and convenient.

To support these complex AI applications, the demand for high-performance AI servers continues to surge. AI servers must process massive datasets and handle extremely high computational workloads, driving ongoing advancements in server computing power. This includes increasing the number of processor cores, upgrading GPUs, and evolving network standards—such as the rapid adoption of Wi-Fi 7 and optic fiber network upgrades—all paving the way for high-speed computing. Additionally, the demand for advanced packaging technologies is rising to enhance chip performance and energy efficiency. In addition, the significant heat generated by high-performance AI servers is pushing cooling technologies to shift from air to liquid cooling. This has led to upgrades in rack and chassis designs, which in turn affect the load-bearing capacity, space planning, and maintenance of data centers. These factors require careful planning to ensure the operational efficiency and stability of data center operations.

However, the trend of AI development is not limited to large-scale cloud computing. With the emergence of DeepSeek, not only has it facilitated the launch of more application services, but it has also created room for reducing computational power requirements. More computing tasks are gradually migrating to the edge, bringing AI applications closer to users. For example, smart home devices and smart city surveillance require edge devices to have real-time computing capabilities for tasks such as image recognition and voice control. By incorporating ASIC chips with AI inference capabilities, edge devices can quickly complete AI tasks locally and only send key data back to the cloud for further analysis. This architecture not only improves efficiency but also significantly reduces reliance on centralized computing resources.

In this trend of decentralized computing power, the rise of AI Agents has further driven the evolution from complex cloud computing to lightweight local computing. An AI Agent is an intelligent entity capable of making decisions, learning, and executing tasks autonomously. With technological advancements, AI Agents have become more lightweight, even capable of running on edge devices or personal devices. From voice assistants to complex task collaboration, AI Agents can proactively provide services based on user needs, such as smart itinerary planning, personalized recommendations, or even assisting with program development. By integrating with large models, AI Agents can leverage the powerful computing resources of the cloud for deep learning, while also responding to user needs at the edge with low latency, achieving seamless integration between the cloud and the edge.

With the rapid development of generative AI, AI Agents, and edge computing, the ecosystem is shifting from high to low computing power. From the ultra-large-scale AI model training in data centers to real-time inference and lightweight applications at the edge, computing devices at every level are playing an essential role. In the future, as these technologies gradually mature and become more assessable, AI will become more deeply integrated into human life, evolving into an omnipresent intelligent partner, spanning from the cloud to the edge, from complexity to simplicity.

(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

	2024	2025(As of March 31)
R&D Expenses (NT$ thousands)	25,971,402	-
R&D Expenses to Revenue	2.48%	-

B. The successful development of technologies and products

(1) Intellectual Property

In 2024, Wistron has 93 U.S. and 157 Taiwan patents granted. Additionally, Wistron keeps developing a global patent portfolio, and has obtained 199 issued patents in various other countries in 2024, and has been named a "Top 100 Global Innovators 2024" by Clarivate™, "Top 10 Sustainable Innovation Company in Taiwan" by LexisNexis® and awarded the "Gold Medal of Invention Award" from the Taiwan National Invention & Creation Award by the TIPO. 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
2024	Enterprise & Networking •AI Automated Virtual Factory •High-performance computing (HPC) NVL-72 rack mount server system •51.2TB Near-Packaged Optics (NPO) switch •GPU server liquid cooling and air cooling system •GPU server and rack system product mechanical design •Firmware system for GPU server hardware management

Year	R & D results
2024	•Components reflow soldering defect detection system •Server firmware encryption/decryption and verification •Network security hardware platform for high-performance next-generation firewall (NGFW) with 400GE/200GE/100GE fiber network connections •Industrial-grade Unified Threat Management (UTM) firewall appliance
	Personal Computing •Cooling structure with adjustable air inlet
	Displays •Low power, energy-efficient green monitor •Ultra-thin, high brightness outdoor LCD display •LCD Display with Wi-Fi and 5G Sub-6 wireless transmission •P6 1000x500mm LED display module
	Smart Cockpit •Multi-screen integrated smart cockpit system •Integrated driver face recognition and driver monitoring system •Integrated high-speed in-vehicle communication gateway system •Side camera monitoring system with high contrast, high color gamut and local dimming
	Industrial •High-performance, fanless, and explosion-proof industrial Box PC and PCAP Touch Panel PC •EVSE AC charger compliant with Taiwan CNS15511 and Japan JARI charging standards •EVSE DC fast charger with CCS1/CCS2 charging interface •Hands-free hospital communication badge •Hospital real-time locating system •Long-range Wi-Fi wireless communication module for drones •3-axis, 3-camera gimbal payload system for drones •360 degree video conference device •Countertop POS terminal with wireless communication and two-way display •Handheld device integrating HF RFID and WLAN •5G full-band mobile communication structural design
	Servicing & Green Recycling •Intelligent Simulation and Recommendation System for Renewable Energy Transfer and Power Generation Equipment
	Medical Devices •mmWave Radar for periodic breathing syndrome detection system •mmWave Radar for sleep disorder and Apnea detection system •Multi-battery automatic testing system •Independent dynamic temperature controlled qPCR device
	IOT •PCIe optical communication system for IoT robots •Smart mobility transport system

4.1.4 Long-Term and Short-Term Business Development Plans

A. Short-Term Development Plan

We will prioritize customer satisfaction and quality to strengthen existing relationships and optimize our client and product portfolio. We will enhance supply chain resilience and flexibility to meet customer preferences for production locations. Operational efficiency will be continuously improved to maximize capacity utilization and target markets with reasonable profitability.

B. Long-Term Development Plan

We will expand the share of high-margin products and services, including AI computing devices, servers, network storage, networking equipment, cybersecurity solutions, industrial computers, and after-sales services. Additionally, we will accelerate new investments to strengthen 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 support.

(2) Manufacturing Policy

   A. Optimize the global manufacturing and supply system, increase the proportion of automated production, and introduce AI intelligent manufacturing. This not only enhances efficiency and reduces costs but also helps penetrate the market for products with higher manufacturing complexity and technological requirements. This strengthens competitiveness while increasing profit margins, securing a favorable strategic position.

   B. Continue to promote Six Sigma projects in combination with performance goals to comprehensively enhance quality and efficiency.

(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	2023 Domestic Quantity	2023 Domestic Value	2023 Export Quantity	2023 Export Value	2024 Domestic Quantity	2024 Domestic Value	2024 Export Quantity	2024 Export Value
Computer,Communication & Consumer electronics	1,689	33,770,074	59,508	779,755,857	1,391	26,350,581	61,477	982,384,829
Others	677	1,510,860	11,432	52,020,217	225	786,166	3,169	39,734,205
Total	2,366	35,280,934	70,941	831,776,073	1,616	27,136,747	64,646	1,022,119,034

Note: Company shall prepare consolidated financial reports of 2023& 2024 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 : %

District \ Year	2023	2024
United States	49.19	51.08
Japan	3.69	3.95
HK /China	11.57	10.65
ASEAN	3.3	3.64
Europe	21.71	23.4
Others	10.54	7.28
Total	100.00	100.00

Note: Company shall prepare consolidated financial reports of 2023 & 2024 in accordance with IFRSs regulation.

B. Market Share

Taiwan is a major supplier of information technology products as exemplified by these iconic products. According to the MIC (February 2025) and market statistics, Taiwan produced 127,121K notebook computers, 37,166K desktop computers and 11,287K servers in 2024, of which about 16%, 24%, and 20% were produced by our company respectively. These numbers demonstrate our company's considerable competitiveness in the market.

C. Future Market Supply and Demand and Future Growth

(1) Future Market Possible Supply and Demand Scenarios

A. Supply Perspective

The personal computer (PC) market has reached maturity and Taiwan's manufacturers must rely on exceptional cost control, assembly technology and production flexibility while devising strategies, engaging in research and development, and building on marketing and management experience to acquire OEM orders. With complete upstream and downstream integration, Taiwanese manufacturers can supply competitive products and retain an edge in research and development, offering ODM services that differentiate them from foreign OEM manufacturers. The explosive growth of the generative AI market led to a severe shortage of GPUs, a key component in servers. However, this issue was alleviated in 2024. With supply expected to stabilize in 2025, server shipments are also anticipated to return to normal.

B. Demand Perspective

Supply chain inventories are projected to bottom out in 2024, with consumer electronics demand poised for gradual recovery. The phase-out of Windows 10 and new AI PC releases are expected to trigger a PC replacement wave, while industrial PCs and automotive electronics undergo adjustments amid positive industry sentiment. Generative AI continues to thrive, accelerating the "AI-everything" era. Rapid adoption of AI servers and edge AI devices drives capacity expansion, with emerging technologies like next-gen communications fueling cross-sector innovation. Amid global challenges—high inflation, weak consumption, and geopolitical uncertainties—supply chains must prioritize agility to address evolving demands and disruptions.

Global PC Shipments Growth Trend

Unit: 1 = 1000 units

Year	2023	2024	2025(e)	2026(f)	2027(f)
Number of NBs	165,600	175,400	179,900	192,900	196,200
Growth Rate	-11.5%	5.9%	2.6%	7.2%	1.7%
Number of DTs	78,400	75,900	79,700	83,800	84,500
Growth Rate	-14.6%	-3.2%	5.0%	5.1%	0.8%
Number of PCs (NB + DT)	244,000	251,300	259,600	276,700	280,700
Growth Rate	-12.5%	3.0%	3.3%	6.6%	1.5%

Source: DIGITIMES Research (February 2025)

Compound growth rate is around 3.57% from 2023 to 2027.

(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	2023	2024	2025(e)	2026(f)	2027(f)
Number of Servers	11,259	12,008	12,899	13,742	14,326
Growth Rate	-18.6%	6.7%	7.4%	6.5%	4.2%

Source: Gartner (December 2024)

Compound growth rate is around 6.21% from 2023 to 2027.

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 2025, our company has a R&D team of over 5,100 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, India, 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 industry, 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.

(2) Unfavorable Factors

A. Intense Competition Lowers Profit

The development of the IT industry has lowered entry barriers and the influx of producers has led to intense competition. Meanwhile, the maturity of computer products, advancement of manufacture technology, over-capacity, and less product feature differentiation have led to profit margins decline.

B. Exchange Rates' Effect on Profits

The company's products are mostly for export and profits are susceptible to changes in exchange rates.

C. Mounting Labor and Land Costs Raise Production Costs

Automated assembly can accommodate the production of most of the company's products but certain components still rely on manual labor. Mounting labor cost has raised operation expenditures in China and the industry's production costs which are detrimental to competition in the global market.

(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

Data storage, logic computation, analyses, network communication, data management, computer-assisted design, manufacturing, publication, education, entertainment, advertising, electronic purchases, word processing, financial services and finance management.

B. Manufacturing Processes

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

Incoming material inspection → materials preparation →solder paste printing → high speed placement for small surface mount device → Flexible placement for fine pitch/large surface mount device → nitrogen reflow heating and soldering → automatic optical inspection → in-circuit tester inspection → on-line inspection→ component insertion → wave soldering in heated tin stove→ mending operations → PCB ICT and ATE tests → functional inspection→ visual inspection → packaging → inventory → shipping

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

Incoming material inspection → materials preparation → assembly → system function pre-test → run-in test → operation system download → system final function test → visual inspection → packaging → inventory → shippin

4.2.3 Status of Supply of Chief Materials:

Main Materials	Domestic and Foreign Sources	Status of Supply
CPU	USA	PC market regained momentum in 2024 along with the emergence of AI PC and Intel's newly launched Core® Ultra platform. There may be further demands in 2025 as the result of more AI application became available and global GDP, fixed investment trending steady growth. In response to this upside, Intel have expanded their advance packaging capacity in Southeast Asia in 2024. On datacenter side, though GPU has become critical resources for AI computing power, CPU is still playing a vital role. Moving forward, we should monitor how chip suppliers react to supply chain and manufactory relocation under tariff and geo-political impacts.
Solid-state drive (SSD)	USA, Japan, Korea	In the first half of 2024, the market is still in a stage of inventory destocking and price adjustment, with weak demand. In the second half of 2024, the demand for eSSDs is expected to rise due to growth in AI applications, leading to a price recovery. However, the consumer market demand remains sluggish and is affected by geopolitical factors. Overall, in 2024, SSD prices will remain at a relatively high level, especially with enterprise SSD prices being more stable, while consumer SSD prices are expected to fluctuate significantly due to market demand. Key geopolitical concerns for future changes: 1. The U.S. has imposed restrictions on the export of advanced equipment to Chinese NAND manufacturers (such as Yangtze Memory Technologies), limiting Micron's presence in the Chinese market. Although Samsung and SK Hynix have received exemptions from the U.S., there remains uncertainty in their capacity expansion. 2. Japan and South Korea's semiconductor policies: Japan continues to restrict the export of semiconductor materials to China, and Korea's semiconductor industry is affected by the U.S.-China relationship. 3. The Russia-Ukraine war and the situation in the Middle East - Russian metal supply and the Red Sea conflict affecting logistics. 4. Suppliers are diversifying their capacities to the U.S., Taiwan, and Southeast Asia to reduce risks. In summary, looking ahead to 2025, inventory stocking for SSD products will be relatively conservative, closely communicating with customers to respond to demand conditions in a cautious manner.

Main Materials	Domestic and Foreign Sources	Status of Supply
DRAM	Korea, USA, Taiwan	In the second half of 2024, the rise in demand for AI servers has driven the demand for HBM. Compared with conventional DRAM, HBM has a larger grain size, lower production yield, and greater production profit margin, which has prompted suppliers to actively release plans to transfer conventional DRAM production capacity to HBM. At the same time, the increase in DDR5 penetration has also occupied more DRAM production capacity. Mobile phone and PC manufacturers are worried about the capacity crowding-out effect, and are actively maintaining their DRAM inventory at a high level and accepting the price increase of the original manufacturer. As suppliers gradually reduce DDR3 and DDR4 production, the supply of DDR4 from Chinese capital (CXMT) and server re-industry dismantling has gradually increased, dragging the DDR3 and DDR4 market conditions far behind DDR5, resulting in no significant improvement in product prices and capacity utilization of Taiwanese manufacturers Nanya/Winbond/ESMT.
Power IC (PMIC)	USA, Taiwan, China	After nearing the conclusion of inventory adjustments in 2024, the semiconductor industry is expected to enter a phase of growth in 2025. However, demand for consumer PCs remains weak, leading to limited growth in shipment volumes and value. Overall market observations indicate that the adjustments in end-user demand in the consumer market are close to completion, but the response remains relatively sluggish. It is anticipated that Power IC suppliers will continue to shorten production cycles and adjust inventory levels to cope with uncertain market demand fluctuations. On the other hand, the demand for AI products continues to grow, significantly driving the demand for high-end power management ICs. This has resulted in high capacity utilization rates. However, geopolitical factors causing fluctuations in raw material prices and global logistics issues may impact the stability of chip supply. Therefore, establishing solid supply chain partnerships and diversifying supply sources will become crucial strategies for responding to market changes and seizing growth opportunities in the future.
Power Supply	Taiwan, China, USA	In the year 2024, the recovery of power supply units is moderate, with supply chain pressures easing. The PC market demand is in a period of observation, and the delivery lead time for related power supplies is 8-12 weeks. Looking ahead to 2025, AI PCs and gaming will become the main growth drivers for the PC industry. The demand for AI servers is strong, and the supply of AI power components remains tight, with delivery lead times of 20-28 weeks.
PCB	Taiwan, China, Austria, Korea	In the first half of 2024, the recovery trend was evident, primarily driven by increasing demand for high-end PCBs in AI, HPC, and EV applications, while consumer product demand remained weak. In the second half of 2024, the introduction of new technologies is expected to drive continued growth in the HDI and IC substrate markets. However, due to geopolitical factors, the supply chain is actively expanding production capacity in Southeast Asia.
LCD	Taiwan, China, Korea	In 2024, the global display panel market will continue to be influenced by geopolitical risks, supply chain adjustments, and changes in market demand. The increasing penetration of AI PCs and OLED display technology is expected to drive growth in demand for IT and automotive display markets, becoming a key driver for the display panel market. However, global economic uncertainties and a high-inflation environment may still put pressure on consumer electronics demand. In the first half of 2024, Chinese panel manufacturers maintained price levels by reducing production capacity, leading to continuous price increases in the first two quarters. They also prepared materials based on customer order demand. In the second half of 2024, due to weak demand, there was a slight downward trend.

4.2.4 Key Accounts in the Past Two Years

A. Key Suppliers

Unit: NT$ thousand

Item	2023					2024				2025 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	124,815,169	17.83	None		A Company	148,597,407	15.35	None	-	-	-	-
2	Others	575,343,260	82.17	None		Others	819,200,633	84.65	None	-	-	-	-
	Total	700,158,429	100.00	-		Total	967,798,040	100.00	-	-	-	-	-

Note1 : Increase and decrease of the amount was due to business demand.
Note2 : The financial information for the first quarter of 2025 has not been reviewed by CPA.

B. Key Buyers

Unit: NT$ thousands

Item	2023					2024				2025 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	281,698,350	32.49	None		Buyer A	310,741,969	29.62	None	-	-	-	-
2	Buyer I	111,546,046	12.86	None		Buyer I	176,739,893	16.84	None	-	-	-	-
3	Buyer B	92,522,385	10.67	None		Buyer B	118,176,006	11.26	None	-	-	-	-
4	Buyer C	75,429,677	8.70	None		Buyer C	100,106,048	9.54	None	-	-	-	-
5	Others	305,860,549	35.28	-		Others	343,491,865	32.74	-	-	-	-	-
	Total	867,057,007	100.00	-		Total	1,049,255,781	100.00	-	-	-	-	-

Note: The financial information for the first quarter of 2025 has not been reviewed by CPA.

4 | Operational Highlights

4.3 Taiwan Employee Data during the Past Two Years

Year		2023	2024	As of Mar. 31st, 2025
Employee Number	Sales	1,425	1,405	1,395
	Engineers	6,052	6,155	6,246
	Administration	1,287	1,331	1,335
	Direct Labor	2,220	3,911	4,905
	Total	10,984	12,802	13,881
Average Age		37.37	36.75	36.33
Average Seniority		6.70	6.30	5.94
Distribution of Education	Doctor	63	62	63
	Master	3,831	3,895	3,929
	Bachelor	4,966	5,819	6,218
	Diploma	1,188	1,824	2,215
	High School	863	1,104	1,329
	High School Below	73	98	127

4.4 Environmental Protection Expenditure

4.4.1 Total Losses and Penalties

Violations of environmental regulations:

Disposal date	Disposal number	Factory	Explanation	Amercement	Improvement and Future responses
2024/8/27	40-113-080001	Xin An Factory	On March 25, 2024, the post-disaster recovery waste clearance was conducted without applying for a post-disaster waste clearance permit, violating the Waste Disposal Act. Penalty imposed on August 27, 2024.	NT$ 12,000	1. Proceed in parallel to each factory, avoid recurrence. 2. Since this case is a sudden incident, there will be no "possible expenses" in the future.

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 upholds an altruistic business philosophy, proactively addressing challenges and continuously innovating to adapt to future changes. Guided by the vision of "Sustainability through Innovation", the company is committed to nurturing its employees and embedding the four core values "Customer Focus", "Integrity", "Innovation" and "Sustainability"—into daily operations. Simultaneously, Wistron invests in globally diversified talent development, focusing not only on technological innovation and digital transformation but also on deepening expertise across various domains and fostering leadership development. This strengthens business resilience and talent sustainability, with the aim of collaborating with partners and global employees to move toward a sustainable future.

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 to deepen their understanding of the company's vision, mission, and core values. These include initiatives such as 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, embody the core values in their daily work, and assimilate into the company culture. Additionally, Wistron launched a Global Mobility Talent Program for young Taiwanese employees. Through phased, hands-on training, this program focuses on diverse topics such as digital tool application, project management, factory operation strategies, and soft skills enhancement. Through regular development discussions with plant managers, global mobility talent is cultivated progressively with cross-cultural adaptability and leadership capabilities, preparing a critical talent pool for the company's future growth.

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 Vietnam factories, with classes tiered by proficiency and pre- and post-assessments to ensure steady improvement. Through workshops and site-specific events, employees sharpen their English communication skills and multicultural competencies, reducing misunderstandings due to cultural differences and boosting communication efficiency.

Wistron continues to refine its professional training framework to support technological innovation, digital transformation, and sustainability goals. To keep R&D teams aligned with cutting-edge trends, a learning roadmap for R&D talent has been developed, covering hardware, software, and quality testing domains. This equips engineers with skills ranking from foundational to advanced levels in order to enhance Wistron's product competitiveness. In digital transformation, the Digital and Analytics Academy cultivates digital talent through methodology training and use case simulations, promoting the use of digital tools such as Power BI and RPA. This initiative significantly improves employees' capabilities in digital transformation applications and data-driven decision-making, optimizing end-to-end business processes from R&D to supply chain functions. Furthermore, to enhance sustainability expertise, the ESG Sphere learning roadmap targets six strategic areas, integrating courses and project-based practice on energy saving, carbon reduction, and more topics, ensuring sustainability principles are embedded in daily operations and advancing strategic sustainability initiatives.

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. Additionally, through the Global Leader Development Program, Wistron develops leadership talents with competencies in driving execution, data-driven decision-making, and team motivation. Leveraging project experience, coaching, and diverse learning resources, leadership talent demonstrates growth in both leadership and practical experience. These initiatives not only strengthen critical management competencies but also establish a global common language in management, laying a solid foundation for long-term development.

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, aiming to fortify the organization's human capital and enhance its sustainable competitiveness.

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 2024, 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
2024/07/15	竹環字第 1130023281號	Article 32, Paragraph 2 of the Labor Standards Act	the total number of overtime exceed forty-six hours a month	Fine of N.T.$50,000
2024/06/25	竹環字第 1130020634號	Article 22, Paragraph 2 of the Labor Standards Act	Wages are not paid in full directly to the worker	Fine of N.T.$40,000

4.6 Information Security Management

4.6.1 Information Security Risk Management Framework

In order to strengthen the company's sustainable competitiveness and information security management, the Board of Directors of the Company resolved on April 2, 2025 to change the name of the ESG Committee to the ESG & Information Security Committee, and set up an Information Security Executive Committee under its jurisdiction ,which is composed of The President & Chief Executive Officer, the Chief Infrastructure Officer & Chief Technology Officer and Chief Digital Officer & Chief Information Security Officer, as the company's commitment to promote information security and supervise the implementation of the Company's information security management system, technical standards and maintenance operations. The Vice President of IT is appointed as the management representative, and the head of the information security governance office is appointed as the executive secretary to coordinate information security matters. The Company established the "Information Security Policy" to protect the IT asset security of employees, customers, suppliers, and operations, ensuring corporate sustainable management.

The Information Security Executive Committee (formerly Information Security 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 Committee held 4 meetings in 2024 and management representatives reported the information security implementation status to the board of directors in December.
Wistron Information Security Executive Committee Organization Chart :
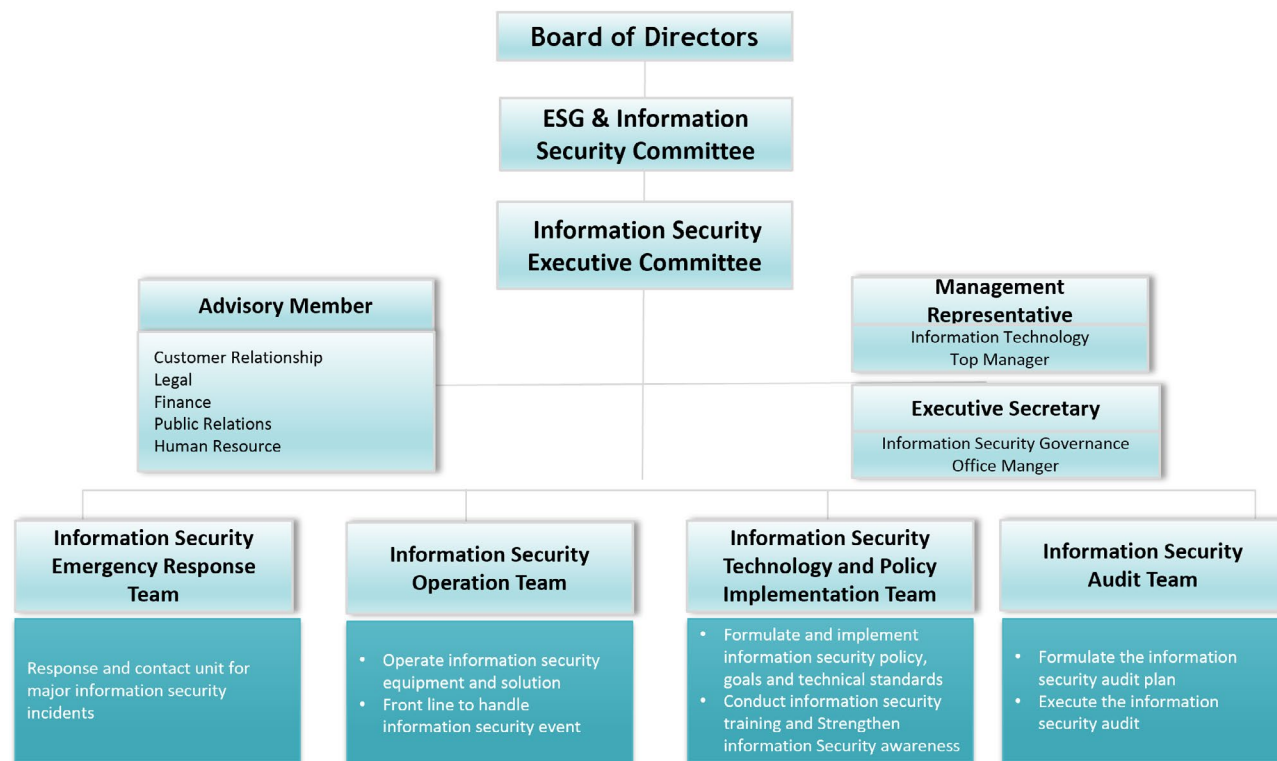
4.6.2 Information Security Policy and management Strategy

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 2024, a total of 275 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 9 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	2021 Outcome	2022Outcome	2023Outcome	2024Outcome
Execute social engineering drills every six months	Employee clicks mail on social engineering drills, click rate < 15%	H1 : 10.8% H2 : 10.7%	H1 : 9.3% H2 : 10.2%	H1 : 7.4% H2 : 8.2%	H1 : 7.8% H2 : 12.6%

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 2024, a total of 89 people (including 26 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 2024 mainly consisted of information security awareness training, information security lessons, and phishing email awareness and prevention. The Company completed 21,346 hours of employee information security training for 24,337 participants. There were 53 punishment records for violating information security regulations.

In 2024, 7.850 hours of information security related seminars and training were completed by 1,599 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 2024, the Global Computer Center will select 18.95% of 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 0.6 hours. After a disaster occurs, the maximum tolerable information service recovery time (RTO: Recovery Time Objective) is 19.22 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	2021Outcome	2022Outcome	2023Outcome	2024Outcome
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=0.8 hour RTO=22.0 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

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

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	2021	2022	2023	2024
Number of information security or network security violations (number of cases)	0	0	0	2
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