

1. Letter to Shareholders

Dear Shareholders,

In the year of 2022, the global pandemic peaked and gradually eased, followed by the outbreak of the Russo-Ukrainian War, which led to a surge in raw material and energy prices, strongly impacting the global supply chain. Under the push of global inflation, the weak demand for end products caused by the pandemic dividend ending and insufficient momentum for shipments resulted in a slight decline in Wistron's PC shipments. However, we still outperformed the industry average, while other product categories such as servers, industrial computers, and artificial intelligence (AI) computing business continued to grow.

Herein, we report the 2022 business overview of Wistron, the 2023 business plan summary, and future company development strategies as follows:

2022 Financial and Operation Results

Wistron's consolidated revenue reached NT\$984.6 billion, an annual increase of 14% in 2022. The gross profit margin was 7.1%, the consolidated operating profit margin was 2.8%, the consolidated operating profit was NT\$27.47 billion, the consolidated pre-tax profit was NT\$24.71 billion, the net profit attributable to the parent company was NT\$11.16 billion, and the earnings per share was NT\$4.01. Among Wistron's major products, servers, industrial computers, and AI computing businesses performed outstandingly, while the rest of the main product lines either remained at the same level or experienced a slight decline.

Sustainability

In terms of ESG (Environment, Social, and Governance) and sustainable development performance, Wistron has been recognized as one of the top 5% of companies in Taiwan for corporate governance evaluations for four consecutive years (the 5th to 8th sessions). Wistron has won three major awards, including the "Taiwan Top 100 Sustainable Model Enterprises Award", "Sustainability Report Award: Platinum Category 1 in the Electronic Information Manufacturing Industry", and "Innovation and Growth Leadership Award" in the TCSA Taiwan Corporate Sustainability Awards. In addition, Wistron was ranked fourth in the large enterprise category of the "Sustainable Citizen Award". Wistron also won three awards in the "Digital Transformation Revolution Award" for the first time, including the top prize for large enterprises in the "Excellence in Operational Transformation Award", the top prize for large enterprises in the "Smart Manufacturing Transformation Award", and the ESG Special Award.

In international ESG evaluations, Wistron has made significant progress, with its first inclusion in the CDP Climate Change A list and successful inclusion in the emerging market component of the Dow Jones Sustainability Index (DJSI). In addition, Wistron ranked in the top 5% of the industry in the 2023 S&P Global "Sustainability Yearbook" (Top 5% S&P Global ESG Score) and won the Industry Mover award, demonstrating its outstanding performance in environmental, social, and corporate governance and receiving international recognition from investors.

2023 Business and Operation Focus

In response to environmental changes and in pursuit of growth, the Board of Directors has decided to reorganize and integrate the operations of Wistron Technology and Wistron Infocomm to enhance competitiveness and operational efficiency, and to face the challenges from rapidly changing markets and geopolitical changes. With regard to operational direction, this year's focus will be on the following four key points:

- (1) **Enhancing the speed and scale of entry into new markets**
In addition to maintaining its leading position in the computer industry, Wistron is also striving to expand its presence in emerging technology fields, with the aim of achieving more diverse sources of revenue and profits. We closely monitors technology trends, actively engages in industry-academia collaborations, and continues to expand its investment in cutting-edge technology research and development. The projects cover emerging fields with future potential such as network communication, AI computation, technology services, green energy and environmental protection, Industry 4.0, and intelligent automobiles.
- (2) **Continuing the globalization of the supply chain**
To enhance the resilience of the supply chain and respond to customer needs, Wistron plans to expand its manufacturing scale in Vietnam, Mexico, and Taiwan. We will strategically integrate resources and suppliers from various regions to achieve the overall optimization of cost control and management efficiency.
- (3) **Incorporating innovation into the corporate culture**
Wistron has long encouraged employees to engage in research and development and innovation, and has improved the transparency and integrity of the patent process systemically, focusing on an efficient global patent portfolio to strengthen its business competitiveness and explore future development opportunities. Wistron has been selected as one of the Top 100 Global Innovators by Clarivate Analytics for two consecutive years, which demonstrates its research and development innovation achievements and capabilities that have been well recognized internationally.
- (4) **Focusing on ESG 6-pillar strategies**
In order to pursue sustainability for our company and turn ESG issues into positive impacts on the environment and society, we have developed ESG 6-pillar strategies that are most in line with Wistron's future sustainability: including "Sustainable supply base", "Green products", "Recycling", "Decarbonization", "People with purpose", and "Labor welfare". We have also set specific short-, medium-, and long-term goals, launched various initiatives, and taken proactive actions to implement sustainability.

Outlook for the Future

As we enter the third decade of our company's history, Wistron will focus even more on diversified business operations, striving to gain a foothold in more emerging technology application markets and create a more diverse portfolio of revenue and profit sources. In terms of production strategy, we will continue to promote the pace of global manufacturing, upholding our four core values of customer orientation, integrity and honesty, innovation breakthroughs, and sustainability. We will share these beliefs and successes with our employees and partners.

Thanks to all shareholders for all your support and encouragement to Wistron over the years. The management team and all employees of Wistron will continue to work hard to create maximum value for the company and shareholders.

Chairman

