

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

2022

Annual Report

Annual Report Inquiry URLs:

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

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

Printed Date: May 13, 2023rd year of the Republic of China (equivalent to 2023 in the Gregorian calendar)

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

Table of Contents

One. Report to Shareholders	1
1. Business Report for the Year 111 (2022)	1
2. Summary of Operating Plan for the Year of 2022	3
3. Company's Future Development Strategies	4
4. Impact of External Competitive, Regulatory, and Macro-Economic Environmentsenvironment	5
Two. Company Profile	6
1. Establishment Date	6
2. Company History	6
Three. Corporate Governance Report	9
1. Organizational System	9
2. Information of Directors, Supervisors, the General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments	18
3. Remuneration of Directors, Supervisors, General Manager, and Deputy General Manager for the most recent fiscal year	42
4. Operations of Corporate Governance	52
5. CPA Fee Information	124
6. Information on Changes of Accountants	124
7. Within the past year, there have been no instances where the Chairman of the Board, CEO, or managers responsible for finance or accounting affairs have held positions in the auditing firm or its affiliated companies	124
8. Substantial transfer or replacement of the shares of Directors, Supervisors, or major shareholders holding more than 10% of the shares in the most recent year and up to the date of the publication of the annual report	124
9. Top 10 shareholders in terms of shares held who are related persons, spouse, or relative within second degree of kinship	129
10. The shares held by the Company, its Directors, Supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the comprehensive shareholding ratio calculated on a consolidated basis	131
Four. Funding Status	132
1. Company Capital and Shares	132
2. Issuance of corporate bonds	140
3. Issuance of preferred stocks	140
4. No overseas depositary receipts were issued	140
5. No employee stock warrants were issued	140

6.	No restrictions on employee rights for new share issuances -----	140
7.	No issuance of new shares for mergers or acquisitions of other companies' shares -----	140
8.	Execution status of capital utilization plan -----	141
Five.	Operation Overview -----	142
1.	Business Contents-----	142
2.	Market and Sales Overview -----	149
3.	Employee of the industry -----	156
4.	Environmental Expenditure Information-----	156
5.	Labor-Management Relations -----	157
6.	Information Security Management -----	161
7.	Significant Contracts -----	165
Six.	Financial Overview-----	166
1.	Condensed Balance Sheets and Income Statements for the Past Five Years -----	166
2.	Financial Analysis for the Most Recent Five Fiscal Years-----	171
3.	Audit Committee's review report for the financial statements of the year 2022 -----	175
4.	Consolidated financial statements of the parent and subsidiary companies audited by the accountant for the year 2022-----	175
5.	Individual financial statements audited by the accountant for the year 2022 -----	175
6.	Difficulties in financial turnover and their impact on the company's financial condition in the most recent year and until the printing date of the annual report for the company and its affiliated companies-----	175
Seven.	Review Analysis and Risk Assessment of Financial Status and Financial Performance -----	176
1.	Analysis of Changes in Financial Position-----	176
2.	Analysis of Operating Results-----	176
3.	Cash Flow-----	177
4.	Impact of Significant Capital Expenditures on Financial Operations in the Recent Year -----	178
5.	Investment Policy, Profit or Loss Reasons, Improvement Plans, and Future Investment Plans for the Recent Year -----	178
6.	Risk Management Analysis and Evaluation Matters -----	179
7.	Other important matters to repor-----	185
Eight.	Special Notes -----	186
1.	Related information on affiliated companies -----	186
2.	Recent annual and until the printing date of the annual report, there has been no issuance of privately placed securities -----	189

3. The holding or disposal of the Company’s stocks by subsidiaries of the Company in the most recent year up until the publication date of the annual report -----	189
4. Other important notices to add -----	189
5. In the recent annual and until the printing date of the annual report, there have been no significant events affecting shareholder equity or securities prices -----	189

Appendix

[Appendix 1] Nidec Chaun-Choung Technology Corporation Audit Committee Review Report-----	191
[Appendix 2] Audited Consolidated Financial Statements for the Fiscal Year Ended 2022 with Auditor's Certification -----	192
[Appendix 3] Audited Individual Financial Statements for the Fiscal Year Ended 2022 with Auditor's Certification -----	201

One. Report to Shareholders

Dear shareholders, ladies and gentlemen,

On behalf of the Board of Directors and all the employees, I would like to express our sincere gratitude for your support and care for our company. At the same time, I am pleased to present to you the operational achievements of our company for the year 2022 and the operational plan for the year of 2023.

1. Business Report for the Year 111 (2022)

(1) Implementation Results of the Business Plan for the Year 111 (2022)

The consolidated net revenue of the Company for the year 111 (2022) amounted to NTD 11,897,939 thousand, representing an 8% growth compared to NTD 11,011,928 thousand in the year 110 (2021). The pre-tax net profit was NTD 933,376 thousand, which increased by 82% compared to NTD 512,508 thousand in the year 110 (2021). The after-tax net profit was NTD 613,158 thousand, with an earnings per share of NTD 7.1. This shows a 75% increase compared to the after-tax net profit of NTD 349,664 thousand and earnings per share of NTD 4.05 in the previous year. In recent years, there has been sustained growth in various sectors, including personal computers, gaming and entertainment, internet communication, servers, data centers, and high-performance computing, benefiting from these industries' demands. Due to continuous performance improvement and increased computing power and power consumption, it has driven the quality and revenue growth of cooling devices. However, the recent situation of international inflation, coupled with significant fluctuations in the exchange rates between the US dollar and various currencies, has posed challenges to business operations and profitability.

Nowadays, related technologies such as Cloud, Artificial Intelligence (AI), and 5G have gradually developed and matured. The application of cooling products has expanded from industries related to personal devices like PCs to areas such as smartphones, cloud data centers, the Internet of Things (IoT), automotive, telecommunications, information computing facilities, and smart appliances. Both the demand and market size for cooling products continue to accelerate. To provide a more diverse range of cooling solutions, our company continues to cultivate existing customer groups while actively developing cooling solutions for automobiles, cloud data centers, handheld devices, gaming consoles, high-wattage gas cooling, and liquid cooling to meet market demand. With a focus on the development driven by applications in electric vehicles (EV), AI, IoT, and 5G, we aim to enhance connections with key regions and customers worldwide, strengthening service to existing customers and expanding into new customer segments.

In addition to improving the thinness and performance of mature and stable cooling products, our research and development team also focuses on developing overclocking cooling modules for gaming laptops, lightweight thermal components for action cameras, high-density and high-performance cooling modules for high-performance computing (HPC) workstations, and liquid cooling solutions for Advanced Driver Assistance Systems (ADAS). We integrate air/liquid cooling systems and active/passive cooling design solutions in these developments. Furthermore, we are researching and developing non-30 copper alloy technologies, targeting their application in more demanding cooling solutions for automotive and power electronics. These solutions require higher cooling power, stronger intensity, and lighter weight. In the face of increasing geopolitical risks, volatile raw material prices, rising inflation, and the imbalanced supply and demand in global supply chains caused by COVID-19, we will continue to focus on process optimization to enhance capacity and production efficiency. We will also continue to innovate in technology, products, and applications to ensure our leading position in the industry in terms of core competitiveness and overall performance.

(2) Budget Execution Status: According to the "Guidelines for the Handling of Public Financial Forecast Information by Publicly Issued Companies," the Company has not publicly disclosed the financial forecast information for the year 111 (2022), and therefore, there is no need to disclose the budget execution analysis data for the year 2022.

(3) Financial Income and Profitability Analysis(3) Financial income and profitability analysis.

Unit: NTD 1,000

Item		Year	
		2021	2022
Financial Income and Expenditure	Revenue from operations	11,011,928	11,897,939
	Operating gross profit	1,729,957	2,176,310
	Net profit after tax	349,664	613,158
Profitability	Return on assets (%)	3.68	5.68
	Return on Equity (%)	7.70	12.23
	Pre-tax net profit to paid-in capital ratio (%)	59.35	108.10
	Net Profit Margin (%)	3.17	5.15
	Basic earnings per share (NTD)	4.05	7.10

(4) Research and development

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

Unit: NTD 1,000

Year	Year 2021	Year 2022
Research and development expenses amount	506,726	574,543
Percentage of research and development expenses to annual revenue:	4.60	4.60

2. Research and development achievements

(1) Successful development of technologies or products

- (i) Development of ultra-thin heat spreaders (below 0.3mm) for smartphone cooling
- (ii) Development of high-density cooling modules (above 300 watts) for high-performance computing servers
- (iii) Development of air cooling modules (above 600 watts) for network communication equipment
- (iv) Development of liquid cooling modules (above 2 kilowatts) for automotive IGBT modules.

(2) Ongoing development of technologies or products

- (i) Continuous R&D of Slight/Slim/Strong (3S) heat dissipation products.
- (ii) Development of AI chip heat dissipation products - High heat flux heat transfer components ranging from 100 W/cm² to 200 W/cm².
- (iii) Development of third-generation semiconductor heat dissipation products - Heat transfer components with extreme temperature resistance from -40°C to 260°C.
- (iv) Development of MetaVerse wearable heat dissipation products - Lightweight and slim non-copper alloy heat transfer components.

2. Summary of Operating Plan for the Year of 2022:

(1) Business Policies:

- 1. Actively develop new industries and domains, as well as new cooperative clients, and seize opportunities in a timely manner to expand the scale of revenue.
- 2. Integrate the R&D department, strengthen organizational capabilities, and shorten product development cycles. Establish a dedicated research center to develop new products and technologies, creating a solid competitive advantage for the future.

3. Make full use of Nidec Group resources to enhance business and product development, quality assurance, procurement, and other functions, continuously strengthening competitiveness.
4. Lower costs through expanding production at the Vietnam factory and accelerating automation and labor-saving measures at the China factory.
5. The Taiwan factory will focus on R&D and production of new models, gradually transferring mass production models overseas.

(2) Sales forecast and basis

Our company primarily sells heat pipes, heat plate-related heat dissipation modules, and heat sinks. Our main product lines are used in the personal computer industry (PC), server (Server), network communication, smartphones, and gaming consoles. In the fiscal year of 2023, in addition to consolidating our market share in the existing heat dissipation components for PC, server, network communication, and gaming consoles, we will actively explore potential customers and business development in new application areas within our existing product lines.

(3) Important production and sales policies

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

3. Company's Future Development Strategies

- (1) Set short, medium, and long-term goals/visions, and fully implement action plans, actively track execution effectiveness, and make strategic adjustments.
- (2) Expand the product and service scope and industry categories through group cooperation relationships, and gain relative competitive advantages for each product line within the industry.

- (3) Continuously enhance research and development (R&D) technology quality and capabilities, and share R&D achievements and revenue growth with customers.
- (4) Continuously improve high-capacity utilization efficiency and automated production processes to meet future market demands.
- (5) Pay attention to important issues related to ESG (Environment, Social, Governance) sustainability reporting, and actively pursue the sustainable development path and greenhouse gas inventory and verification schedule set by the Financial Supervisory Commission. Continuously focus on environmental protection policies in the industry, energy conservation, carbon emissions reduction, creating a friendly environment, and improving labor conditions, fulfilling social responsibilities.

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

The company is facing challenges from external market competition, new regulations imposed by securities regulatory authorities, domestic and international environmental regulations, as well as changes in the global economic environment. These factors have an impact on the company's operational performance and results. In response to the external environmental changes brought about by overall economic conditions and globalization, the company not only complies with regulations set by securities regulatory authorities but also maintains good communication and cooperation with upstream and downstream suppliers and customers. We are committed to strengthening supply chain integration, increasing the in-house production rate of components, improving production processes to reduce manufacturing costs, and promptly capturing customer order requirements for effective raw material procurement planning. These efforts aim to continuously enhance the company's overall competitiveness.

Finally, we extend our best wishes for good health

and the safety of your family.

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

Two. Company Profile

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

2. Company History

(1) Important Milestones

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

Date	Item
2009	<ul style="list-style-type: none"> • Commenced mass production of server key component "heat plate."
2010	<ul style="list-style-type: none"> • Listed on the Taiwan Stock Exchange on September 16, 2010.
2011	<ul style="list-style-type: none"> • Approved by the Investment Commission of the Ministry of Economic Affairs for further investment in GLOBE STAR ENTERPRISE LIMITED and indirect investment in Chongqing Cyun Siang High-Tech Co., Ltd., holding a 100% stake.
2013	<ul style="list-style-type: none"> • Awarded the Top 5000 Outstanding Business Performance Enterprise Award.
2014	<ul style="list-style-type: none"> • Purchased a 400-ping building in Sanchong District, New Taipei City, to expand the production capacity of ultra-thin heat pipes and heat plates.
2015	<ul style="list-style-type: none"> • Kunshan Jue-Choung Electronics Co., Ltd., a subsidiary, obtained the certificates for "Enterprise Carbon Footprint," "Product Carbon Label," and "Carbon Neutrality."
2017	<ul style="list-style-type: none"> • Completion of the new factory of Chongqing Cyun Siang High-Tech Co., Ltd., a subsidiary. • Acquisition of 100% equity of Dongguan Chiuan- Vector Industrial Co., Ltd. by Kunshan Jue-Choung Electronics Co., Ltd.
2018	<ul style="list-style-type: none"> • Received a commendation from the Ministry of Economic Affairs for 40 years of entrepreneurial contributions to promoting industrial and commercial development and employment. • In November of the 107th year (2018), Nidec Corporation completed the acquisition of 41,444,831 ordinary shares of our company, representing a 48% stake in our company.
2019	<ul style="list-style-type: none"> • On January 29th of the 2019th year (2019), a comprehensive re-election of directors and supervisors took place, with Nidec Corporation obtaining a majority of the director seats and becoming the ultimate controller of our company and its subsidiaries. • The headquarters of Nidec Chaun-Choung Group relocated from Yingyi Building on Xingde Road to Zhongxing North Street in July 2019.
2020	<ul style="list-style-type: none"> • In January of the 2020th year (2020), the board of directors approved the establishment of a new subsidiary in Vietnam, Nidec Chaun Choung Vietnam Corporation, with a capital of USD 10 million, for the purpose of engaging in significant investment projects in Vietnam. • In March of the 2020th year (2020), Nidec Chaun Choung Vietnam Corporation, the subsidiary in Vietnam, completed its company establishment registration. • In December 2020, the extraordinary shareholders' meeting passed a resolution to change the company's Chinese name from "超眾科技股份有限公司" to "尼得科超眾科技股份有限公司" and the English name from "Chaun-Choung Technology Corporation" to "Nidec Chaun-Choung Technology Corporation." • Received RBA Responsible Business Alliance system verification.

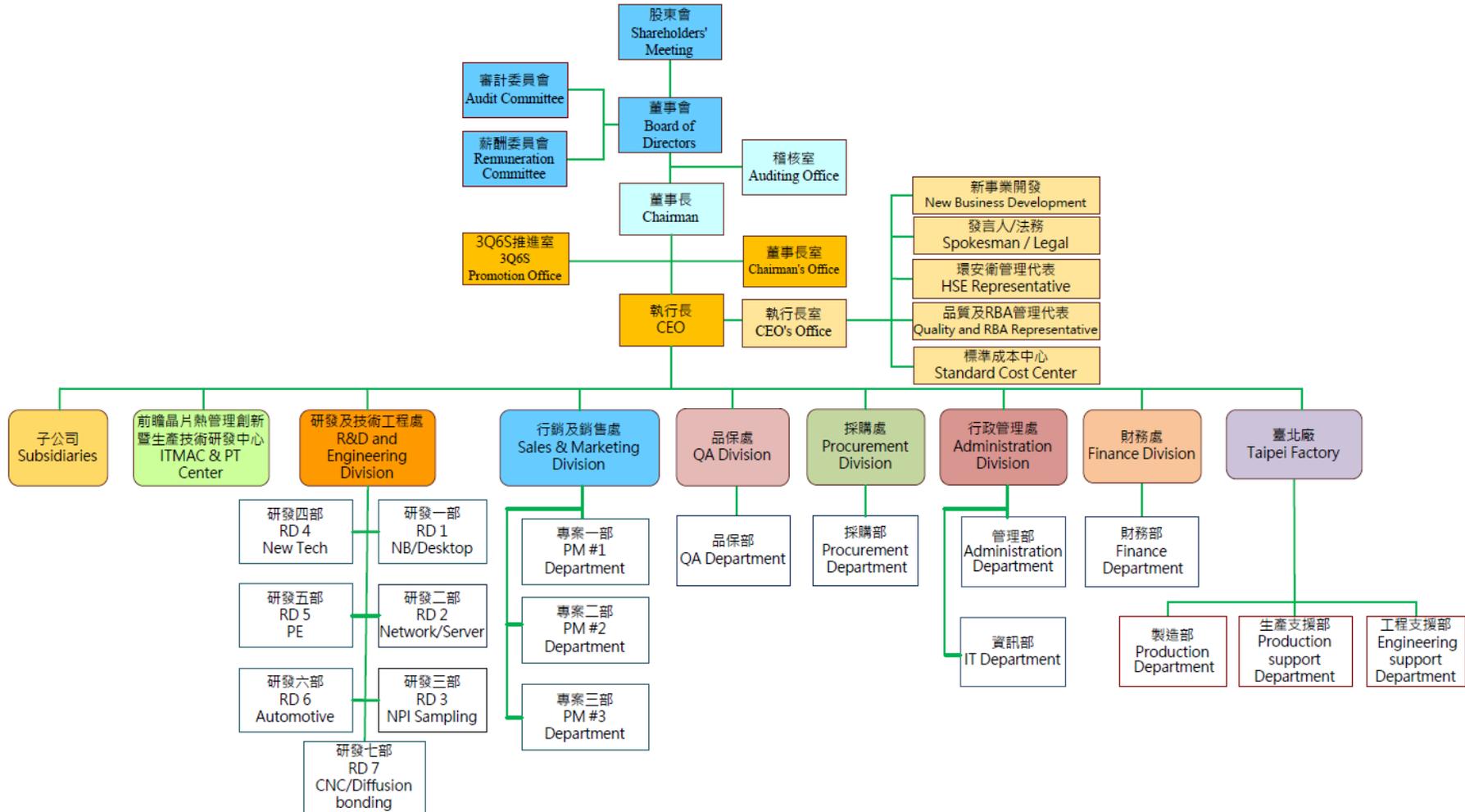
Date	Item
2021	<ul style="list-style-type: none"> • In January of the 2021st year (2021), internal stakeholders, including Director Youchang Investment Co., Ltd. and Supervisor Yicen Investment Co., Ltd., collectively sold 6,883,410 shares to Nidec Corporation. • On January 8, 2021, the company's name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

- (2) Recent and up to the printing date of the annual report, there have been no mergers, investments in affiliated companies, or reorganizations.
- (3) Recent and up to the printing date of the annual report, there have been significant transfers or changes in the shareholding of directors, supervisors, or major shareholders holding more than 10% of the shares. Please refer to pages 76-78 of the annual report for "Transfers of Shareholding and Changes in Pledged Shares by Directors, Executives, and Shareholders Holding More Than 10% of the Shares."
- (4) Recent and up to the printing date of the annual report, there have been no significant changes in ownership, business operations, or other matters that could affect shareholder rights and interests.

Three. Corporate Governance Report

1. Organizational System

(1) Organizational Structure of the Company - April 20, 2023



(2) Business Operations of Each Major Department

Name	Main Duties
Chairperson's Office	<ol style="list-style-type: none"> 1. Nidec Chaun-Choung Group is responsible for formulating and managing the business strategy, objectives, and operations. 2. Collecting various marketing information and industry intelligence. 3. Planning marketing strategies. 4. Planning and executing new business units, such as investing in new ventures, establishing subsidiaries, or planning new departments. 5. Making decisions on important operational and financial matters. 6. Planning and executing stock-related matters, including legal announcements and disclosure of significant information. 7. Preparing and operating the Audit Committee, Board of Directors, and Shareholders' Meeting. Handling matters related to board and shareholders' meetings in accordance with the law, preparing minutes of board and shareholders' meetings, assisting directors in their appointment and continuing education, providing necessary information for directors to carry out their duties, assisting directors in compliance with laws and regulations, and other matters stipulated in the company's articles of incorporation or contracts.
CEO's Office (Former General Manager's Office)	<ol style="list-style-type: none"> 1. Monitor the business environment and respond to the demands and expectations of stakeholders, address risks and opportunities, formulate business strategies, and implement decisions made by the Board of Directors. Establish the company's operational structure and oversee daily operations. 2. Handle internal and external public relations and facilitate communication and coordination across departments. 3. Responsible for designing and implementing the company's internal control system. 4. Ensure the company's quality and occupational health and safety management systems comply with customer or international standards and operate effectively. 5. Promote production reforms such as equipment automation and the Internet of Things (IoT).

Name	Main Duties
	<ol style="list-style-type: none"> 6. Review and draft contracts and legal documents, ensure compliance with laws and regulations, and seek advice on contract execution issues. 7. Protect and litigate intellectual property rights of the company. 8. Drive and manage cost control-related projects, including but not limited to establishing standard cost mechanisms for samples, products, or production, and tracking and controlling costs. 9. Revenue and operational improvement. 10. Develop and plan new business areas such as automotive and liquid cooling.
Audit Department	<ol style="list-style-type: none"> 1. Evaluate the soundness, reasonableness, and effectiveness of the company's internal control systems and management systems. 2. Assess the efficiency of various units within the company in implementing plans or policies. 3. Ensure that all units have proper records and appropriate measures to prevent cash, securities, or other assets from being wasted, misused, or inefficiently utilized. 4. Review the audit reports and self-assessment reports submitted by various units and subsidiaries, and monitor the improvement of internal control deficiencies and abnormal situations. 5. Cooperate with external organizations (Financial Supervisory Commission, consulting securities firms, accounting firms, etc.) to conduct internal control audits. 6. Comply with the regulations of the Financial Supervisory Commission and handle matters related to public disclosure.
3Q6S Promotion Office	<ol style="list-style-type: none"> 1. Management, execution, and tracking of the group's 3Q6S activities. 2. Developing standardized guidelines (manual) for various matters to be followed by the group in accordance with 3Q6S principles, and ensuring their implementation and adherence. 3. Inventory management, usage control, and procurement of stationery and general office supplies within the company. 4. Handling other 3Q6S-related matters within the company.

	Name	Main Duties
Research and Technical Engineering Department	Research and Development Department 1-7	<ol style="list-style-type: none"> 1. Nidec Chaun-Choung Group allocates research and development resources and manages various laboratories. 2. Liquid cooling and key component research and development. 3. Development of next-generation chip cooling solutions (such as AI deep learning chip and high-power graphics card cooling solutions, etc.). 4. Promotion of new cooling solutions and exploration of new applications. 5. Responsible for the development of new heat pipe structures. 6. Responsible for the development of new heat spreader structures. 7. Responsible for research and development of new products, new materials, and new applications. 8. Development of products that meet customer quality and product environmental quality (HSF) requirements. 9. Collection of information related to product environmental quality (HSF) management to comply with international regulations and customer requirements. 10. Assisting the project department in product design and application development according to customer requirements. 11. Responsible for the production process design, machine equipment, and mass production molds/tools design from product development to pre-mass production, ensuring smooth production after achieving product design yield rate. 12. Formulation and revision of HP and VC technical documents (production process/process specifications, SOP, etc.). 13. Research and development of automotive-related products (including but not limited to IGBT, ECU, batteries, 5G communication, etc.). 14. Planning and execution of product blueprints and research and development plans. 15. Development of heat dissipation/transfer technology and application of new products. 16. Exploration of new market demands and updates on technical information. 17. Customer-specific design and project execution. 18. Formulation and revision of module technical documents. 19. Development of production machinery and equipment automation, factory tool configuration and installation, incorporating cost and quality control factors to maximize production efficiency and performance.

Name		Main Duties
		20. Assisting in the transfer of completed manufacturing processes to subsidiary companies or factories. 21. Coordination and guidance of process optimization and equipment in the production technology engineering department of subsidiary companies or factories. 22. New generation manufacturing methods development, machine tools optimization, etc., for best productivity, yield rate maximization.
Innovation of Thermal Management in Advanced Chipset and Production Technology Research Center		1. Core technology in thermal management 2. Innovative Production Technology
Sales and Marketing Department	Project Department 1-3	(Sales & Marketing) 1. Development and coordination of sales plans, assessment of sales performance, and collection of customer accounts receivable. 2. Gathering, analyzing, organizing, and reporting on customer credit information and market trends. 3. Development of new customers and new markets. 4. Establishing positive and effective communication with customers (including customer assets) and analyzing and handling customer complaints. 5. Planning and executing product marketing strategies. 6. Collecting customer requirements related to product quality and environmental standards. 7. Responsible for the development and planning of new products and new markets, such as automotive and liquid cooling systems.

Name		Main Duties
Quality Assurance Department	Quality Assurance Department	<ol style="list-style-type: none"> 1. Responsible for the formulation of quality policies, ensuring the implementation of quality systems, conducting quality audits, and driving continuous improvement. 2. Provide recommendations to management regarding quality matters, assist and coordinate departments in implementing quality policies, and promote activities and training for quality improvement to ensure customer satisfaction. 3. Responsible for project quality assurance, quality systems, supplier quality management, measurement, and system analysis from new product development to mass production. Supervise the implementation of supplier evaluations. 4. Oversee the implementation and verification of product environmental quality (HSF). 5. Analyze and respond to customer complaints, and take the lead in addressing customer audits. 6. Responsible for the calibration and management of internal or external measuring instruments used in the production line.
Procurement Department	Procurement Department	<ol style="list-style-type: none"> 1. Contractor evaluation, management (such as establishing an approved vendor list), and development to meet customer quality/product environmental quality (HSF) requirements. 2. Responsible for material and supplier sourcing, control, and procurement from new product development to pre-mass production. Also responsible for the pricing of all raw materials purchased by the company. 3. Responsible for business related to intellectual property and triangular trade. 4. Contact point for supplier property-related matters. 5. Provide general administrative support, procure office supplies, and handle other non-factory department procurement needs (such as office infrastructure, office equipment, research and development equipment, computer equipment, etc.).

Name		Main Duties
Taipei Factory	Manufacturing Department	<ol style="list-style-type: none"> 1. Responsible for the manufacturing and production of heat pipes, heat sinks, heat modules, and thermal plates. 2. Produce products that meet customer quality/product environmental quality (HSF) requirements. 3. Coordinate with production scheduling to plan and allocate production lines, capacity, and personnel. 4. Train, guide, and supervise operators to achieve optimal performance. 5. Ensure timely and high-quality delivery of products.
	Engineering Support Department	<ol style="list-style-type: none"> 1. Maintenance and improvement of production equipment. 2. Development of equipment specifications and operating instructions. 3. Maintenance and improvement of production molds/fixtures. 4. Analysis of abnormal causes in mass production processes, yield improvement, and continuous improvement. 5. Optimization of mass production process parameters and workflow. 6. Optimization of production line flow and production tooling. 7. Responsible for the quality of mass-produced products, raw materials, and processes. 8. Responsible for process quality control, finished product quality control, and shipment quality control of product manufacturing. 9. Management of supplier quality for mass-produced products, incoming quality control, and outsourced process quality control.

Name	Main Duties
	<p data-bbox="320 952 576 1032">Production Support Department</p> <ol style="list-style-type: none"> <li data-bbox="587 259 1461 533">1. Responsible for the procurement of raw materials, production equipment, production consumables, production supplies, production tools, molds/fixtures, outsourced processing, production-related engineering, and plant engineering at the Taipei factory. Implement procurement strategies that ensure appropriate quality, quantity, timeliness, and cost-effectiveness. <li data-bbox="587 546 1461 674">2. Procure raw materials, semi-finished products, and finished products that meet customer quality and environmental requirements. <li data-bbox="587 687 1461 815">3. Evaluate and manage contractors' performance after mass production to meet customer quality and environmental requirements. <li data-bbox="587 828 1461 956">4. Control and maintain records of material storage and inventory, ensuring the integrity of plant inventory and timely supply of required materials. <li data-bbox="587 969 1203 1008">5. Handle the sale of scrap materials and assets. <li data-bbox="587 1021 1353 1059">6. Conduct inventory aging review and inventory counting. <li data-bbox="587 1072 1461 1200">7. Coordinate and plan production scheduling activities, including arranging production meetings, issuing work orders, requesting production materials, and managing safety stock levels. <li data-bbox="587 1214 1075 1252">8. Ensure timely delivery of products. <li data-bbox="587 1265 1461 1346">9. Provide maintenance and repairs for plant facilities and equipment, as well as facility setup for production lines. <li data-bbox="587 1359 1461 1487">10. Maintain and repair plant utility systems such as water, electricity, air conditioning, and communication, and provide a suitable production environment. <li data-bbox="587 1500 1461 1581">11. Plan and execute recruitment, education, and training for dispatched personnel in the plant. <li data-bbox="587 1594 1139 1632">12. Manage attendance records at the plant. <li data-bbox="587 1646 1461 1727">13. Perform other human resources tasks related to the Taipei factory.

Name		Main Duties
Administrative Management Department	Information Technology Department	<ol style="list-style-type: none"> 1. Stay informed about information trends and establish information policies to accelerate digitalization efforts. 2. Coordinate and align information technology initiatives to optimize resource utilization. 3. Plan, develop, implement, and maintain information systems; serve as a point of contact for related information business and troubleshoot issues. 4. Establish relevant information systems that meet customer quality and environmental requirements. 5. Coordinate the planning, monitoring, and execution of information security systems; establish a risk management system; implement decisions made by the information security management committee.
	Management Department	<ol style="list-style-type: none"> 1. Provide general administrative services and management for office areas, including asset repairs and maintenance, upkeep of water, electricity, air conditioning, and communication supply systems, and ensuring a suitable environment. 2. Maintain and manage data related to fixed assets. 3. Plan and execute personnel systems and performance evaluations. 4. Handle employee education and training as well as salary management. 5. Prepare and operate the compensation committee. 6. Plan, manage, and conduct environmental health and safety affairs in accordance with relevant regulations. 7. Handle the issuance and management of company internal control, ISO, and RBA documents. 8. Assign R&D project codes, manage group component coding, review and transfer BOM (Bill of Materials) documents.
Finance Department	Finance Department	<ol style="list-style-type: none"> 1. Provide operational information and conduct variance analysis. 2. Evaluate, plan, and execute financial and long/short-term investment activities. 3. Develop group accounting systems and handle financial settlement. 4. Responsible for the preparation, implementation, monitoring, and analysis of group financial budgets. 5. Comply with financial regulations and guidelines for listed companies.

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

(1) Information of Directors and Supervisors

1. Information of Directors and Supervisors

April 30, 2023; Unit: shares Quality Assurance Department

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
Chairman	Japan	Nidec Corporation	–	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Junichi Nagai	Male/ 61~ 70 years old.	2022.6.20	3 years	2019.1.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics from Yokohama National University The overseas business management division of Japan Nidec Corporation	Chairman and CEO of Nidec Chaun-Choung Technology Corporation Chairman of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd Chairman of Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. And Nidec Chaun Choung Vietnam Corporation	None	None	None	Note 1
Director	Japan	Nidec Corporation	–	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
		Delegate: Hishida Masahiro	Male/ 61~ 70 years old.	2022.6.20	3 years	2022.06.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Economics from Doshisha University, Japan Department Manager, Development Department 2, General Motor Motor Business Headquarters, Nidec Corporation Director of Shiga Technology Development Center	Executive Director of Nidec Corporation, Japan	None	None	None	Note 1
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Miyamoto Eiji	Male/ 61~ 70 years old.	2022.6.20	3 years	2021.4.1	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Director of Development Department 2, General Motor Motor Business Headquarters, Nidec Corporation Director of Shiga Technology Development Center	Executive Director of Nidec Corporation, Japan	None	None	None	None
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Matsuhashi Hidetoshi	Male/ 61~ 70 years old.	2022.6.20	3 years	2019.1.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics from Toyama University, Japan Chief Financial Officer of GMS Division, Precision Small Motor Business Headquarters, Nidec Corporation	Chief Financial Officer and General Manager of Small Motor Business Division at Nidec Corporation. Vice Chairman of Nidec Chaung-Choung Technology America, Inc. Director of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.,	None	None	None	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Matsuda Yoshihiro (Note 2)	Male/ 51~ 60 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics from Doshisha University Department Manager of Business Finance, 1st Division, at the Management and Supervision Department, Small Precision Motor Business Division.	Nidec Corporation, Precision Small Motor Business Unit, Finance Director	None	None	None	None
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Tetsu Nishizawa (Note 2)	Male/ 41~ 50 years old.	2023.6.20	3 years	2023.1.1	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Ko-Nan University Faculty of Business Administration, Business Administration Major - Bachelor's degree.	Nidec Corporation, Small Motor Business Unit, Precision Small Motor Business Division, 2nd Development General Department, Production Management Department Manager	None	None	None	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Hayashi Hiroki (Note 3)	Male/ 51~ 60 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	University of Buddhism, Japan - Sociology Department, Bachelor's degree.	Nidec International Trading (Shanghai) Co., Ltd., Chairman, Nidec Group China Region Business Management	None	None
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Tetsuo Kino (Note 3)	Male/ 51~ 60 years old.	2022.6.20	3 years	2023.04.01	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Kinki University Faculty of Agriculture, Food and Nutrition Science Major - Bachelor's degree.	Nidec Corporation, Small Motor Business Unit, Deputy General Manager of Sales	None	None
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None
		Delegate: Tatsumi Akio	Male/ 51~ 60 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Electrical Engineering from Fukui Institute of Technology Department Manager of Production Technology at the Small Precision Motor Business Group (SPMS), GMS Division, Nidec Corporation. General Manager of Nidec Chaun-Choung Electronics (Kunshan) Co., Ltd.	Director of Nidec Chaun Choung Vietnam Corporation	None	None
Director	Japan	Nidec Corporation	-	2022.6.20	3 years	2019.1.29	74,448,982	86.22%	74,514,982	86.3%	0	0.00%	0	0.00%	N/A	N/A	N/A	N/A	N/A	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
		Delegate: Takasawa Shinji	Male/ 51~ 60 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in International Relations from Peking University. Manager of the International Department and Delegate of the Guangzhou Branch at Sanmei Corporation Headquarters. Chairman and CEO of Gaoze Business Consultants (Hong Kong) and (Shenzhen) Limited. Senior Executive in the President's Office at Fujitsu Limited (FUJITSU GENERAL).	Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	None	None	None	None
Independent Director	Republic of China.	Hsu Ke-Wei	Male/ 61~ 70 years old.	2022.6.20	3 years	2019.1.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree from National Taiwan University. Juris Doctor (J.D.) degree from the University of Pennsylvania Law School. Master of Business Administration (MBA) degree from the Wharton School of the University of Pennsylvania. Senior Advisor at Zhongda International Law Firm. General Counsel/Legal Advisor at Mud Entertainment Co., Ltd. Independent Director of Nidec Chaun-Choung Technology Corporation	Legal Consultant of Wende Pharmaceutical Co., Ltd. Independent Director of Uni-President Enterprises Corp.	None	None	None	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
Independent Director	Republic of China.	Wang Wen-Yeu	Male/ 61~ 70 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor of Juridical Science (J.S.D.) from Stanford University. Master of Laws (LL.M.) from Columbia University. Master of Laws (LL.M.) from National Taiwan University. Commissioner at the Fair Trade Commission, Executive Yuan. Director at Cooperative Bank of Taiwan. Supervisor at Taiwan Futures Exchange. Council Member at the Taiwan Law Society. Professor at the College of Law, National Taiwan University. Attorney at Sullivan & Cromwell law firm in New York, USA.	Convener of the Taiwan Branch of the International Association of Comparative Law (IACL) Independent Director of Creative Electronics Co., Ltd. Independent Director of Precision Components Technology Co., Ltd.	None	None	None	None
Independent Director	Republic of China.	Lian Jun-Hua	Male/ 51~ 60 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Business Administration (MBA) from State University of New York at Buffalo. Bachelor's degree in Accounting from National Chengchi University. Chief Financial Officer at Hezheng Technology Co., Ltd. Deputy General Manager of Underwriting Department at South China Securities Co., Ltd. Special Assistant at GodBrain International Enterprise and Deputy Chief Financial Officer and Spokesperson at Guoding BioTech.	Independent Director of King Yuan Precision Technology Co., Ltd.	None	None	None	None

Job Title	Nationality or Place of Registration	Name	Gender/ Age	Elected (Appointed) Date	Term of Office	Date of Initial Appointment	During the appointment Shares Held		Current Number of Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main education and work experience	Currently Serving Posts in the Company and Other Companies Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Remarks
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
Independent Director	Republic of China.	Chou Chien-Hung	Male/ 41~ 50 years old.	2022.6.20	3 years	2022.6.20	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master's degree in Accounting from Chinese Culture University. Bachelor's degree in Economics from Feng Chia University. Completion of credits for Master of Laws (LL.M.) at National Taipei University. Manager at Capital Market Department of Taishin Securities. Manager at Investment Banking Department of Yuanta Securities Co., Ltd.	Partner at Zhanyue United Certified Public Accountants	None	None	None	None

Note 1: If the Chairman of the company also holds the position of General Manager or an equivalent position (the highest executive), is married to the General Manager, or is a first-degree relative, the reason, rationale, necessity, and corresponding measures should be explained. This may include increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as employees or executives, among other methods. Relevant information should be provided.

Nidec Corporation (referred to as "Nidec") completed a public acquisition of our company in November of the year 2018 (referred to as "107-year" in Taiwan calendar), making it our parent company. On January 29, 2019 (referred to as "108-year" in Taiwan calendar), an extraordinary general meeting of shareholders was held to conduct a comprehensive re-election of directors and supervisors. Junichi Nagai, the representative appointed by Nidec, was elected as the Chairman. As the parent company, Nidec appointed Junichi Nagai to concurrently serve as the CEO of our company in order to oversee and supervise our operations. He is responsible for formulating our business strategies, objectives, and marketing strategies, as well as planning and executing new business units. Additionally, he plays a key role in decision-making regarding important operational and financial matters. This management approach is commonly seen in multinational corporations. The Chairman regularly communicates the operational status and future operational policies to the directors through board meetings, ensuring effective corporate governance. In line with the operational needs of the company, an independent director position was established on June 20, 2022, to enhance the functions of the board of directors and strengthen the oversight mechanism.

Note 2: Mr. Yoshihiro Matsuda, the corporate director representative appointed by Japan Nidec Corporation has been reassigned to Mr. Tetsu Nishizawa effective from . January 1, 2023.

Note 3: Mr. Hiroki Hayashi, the corporate director and representative of Japan Nidec Corporation, who was originally appointed, has been reassigned to Mr. Tetsuo Kino as of April 1, 2023.

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

April 30, 2023

Legal entity shareholder	Major shareholders of legal entity	Shareholding Percentage
Nidec Corporation	Japan Master Trust Trust Bank Co., Ltd. (Trust Account)	14.18%
	Eimori Shigekazu	8.30%
	Custody Bank of Japan, Ltd. (Trust Account)	5.03%
	Kyoto Bank, Ltd.	4.16%
	Nidec Corporation	3.53%
	S.N. Kosan, LLC.	3.40%
	Mitsubishi UFJ Bank, Ltd.	2.49%
	The Bank of New York Mellon	2.37%
	Nippon Life Insurance Company	2.21%
	SSBTC Client Omnibus Account	2.15%
	Meiji Yasuda Life Insurance Company	2.15%

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

April 30, 2023

Legal entity shareholder	Major shareholders of legal entity	Shareholding Percentage
Master Trust Bank of Japan, Ltd.	Mitsubishi UFJ Trust and Banking Corporation	46.50%
	Nippon Life Insurance Company	33.50%
	Meiji Yasuda Life Insurance Company	10.00%
	Norinchukin Trust & Banking Co., Ltd.	10.00%
Custody Bank of Japan, Ltd. (Custody Account)	Sumitomo Mitsui Trust Holdings, Inc.	33.30%
	Mizuho Financial Group, Inc.	27.00%
	Resona Bank, Limited	16.70%
	The First Life Insurance Co., Ltd.	8.00%
	Asahi Mutual Life Insurance Company	5.00%
	Meiji Yasuda Life Insurance Company	4.50%
	Japan Post Insurance Co., Ltd.	3.50%
The Kyoto Bank, Ltd.	Fukoku Mutual Life Insurance Company	2.00%
	Master Trust Bank of Japan (Trust Account)	11.71%
	Japan Trustee Services Bank (Trust Account)	3.94%
	Nippon Life Insurance Co., Ltd.	3.60%

Legal entity shareholder	Major shareholders of legal entity	Shareholding Percentage
	Tokio Marine & Nichido Fire Insurance Co.,	3.35%
	Meiji Yasuda Life Insurance	3.30%
	Northern Trust (AVFC) SILCHESTER Intl.	2.68%
	Bank of New York Mellon 140051	2.62%
	Kyocera Corporation	2.10%
	Japan Master Trust Bank (Omron Retirement	2.01%
	Sumitomo Life Insurance Co., Ltd.	1.74%
Mitsubishi UFJ Trust and Banking Corporation (Mitsubishi UFJ Bank)	The Master Trust Bank of Japan	16.13%
	Custody Bank of Japan, Ltd.	6.15%
	SSBTC CLIENT OMNIBUS ACCOUNT	2.13%
	THE BANK OF NEW YORK MELLON AS	2.00%
	STATE STREET BANK WEST CLIENT -	1.81%
	Master Trust Bank of Japan, Ltd.	1.45%
	JP Morgan Chase Bank 385781	1.37%
	Morgan Stanley & Co. Ltd.	1.26%
	Toyota Motor Corporation	1.23%
	GOVERNMENT OF NORWAY	1.22%

4. Director Education and Training

Title	Name	Date of Education	Organizer	Course Name	Study Hours
Chairman	Junichi Nagai	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Director	Miyamoto Eiji	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Director	Yasuhiro Mase	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
Director	Matsuhashi Hidetoshi	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Director	Hishida Masahiro	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Director	Matsuda Yoshihiro	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Director	Hayashi Hiroki	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Director	Tatsumi Akio	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in	3 hours

Title	Name	Date of Education	Organizer	Course Name	Study Hours
		2022/12/16		Compliance with Regulations	
		2022/12/27		Latest Internet Attacks and Case Studies	3 hours
				Labor Law Practices	3 hours
Director	Takasawa Shinji	2022/11/03	Securities and Futures Market Development Foundation	Corporate Governance of Listed and OTC Companies in Taiwan	3 hours
		2022/11/21		Discussion on Implementing ESG in Compliance with Regulations	3 hours
		2022/12/16		Latest Internet Attacks and Case Studies	3 hours
		2022/12/27		Labor Law Practices	3 hours
Independent Director	Wang Wen-Yeu	2022/08/25	GreTai Securities Market	Internal Equity Advocacy and Explanation Seminar for OTC and Emerging Stock Companies	3 hours
		2022/08/04	Chinese Corporate Governance Association	The final piece of the puzzle for sustainable business - Opportunities and tools for impact investing.	3 hours
		2022/12/22	Chinese Corporate Governance Association	Origin, Prevention, and Director Responsibility in Management Rights Disputes	1 hours
Independent Director	Chou Chien-Hung	2022/10/05	Securities and Futures Market Development Foundation	Global Net Zero Emissions Response and Corporate ESG Actions	3 hours
		2022/10/12		Operational Practices of Audit Committees	3 hours
		2022/09/20	Federation of Accounting Professions in Taiwan	International Tax Reform and Family Wealth Succession	3 hours
		2022/09/21	Federation of Accounting Professions in Taiwan	Journey towards Net Zero Emissions and Carbon Management	3 hours
		2022/10/06	Federation of Accounting Professions in Taiwan	Auditing Standards Bulletin No. 75	3 hours
		2022/10/07	Federation of Accounting Professions in Taiwan	Auditing Standards Bulletin No. 75	3 hours
		2022/10/28	Federation of Accounting Professions in Taiwan	Practical Inventory of Greenhouse Gas (Part 1)	6 hours
		2022/11/02	Federation of Accounting Professions in Taiwan	Practical Inventory of Greenhouse Gas (Part 2)	6 hours
Independent Director	Hsu Ke-Wei	2022/07/07	Securities and Futures Market Development Foundation	Future Development of Metaverse and Cryptocurrency Blockchain	3 hours
		2022/10/12	Securities and Futures Market Development Foundation	Advanced Seminar on Directors, Supervisors (Including Independent Directors), and Corporate Governance Executives	3 hours
		2022/10/18	Taiwan Corporate Governance Association	Identifying Future Growth Drivers and Creating New Brand Patterns	3 hours
		2022/04/20	Taiwan Corporate Governance Association	New Trends in Business Models - Subscription-Based	3 hours
Independent Director	Lian Jun-Hua	2022/07/21	Accounting Research and Development Foundation, Republic of China.	Financial Review - Common Deficiencies and Practical Analysis of Internal Control	6 hours

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

Conditions Name	Independent Director	Members of the Audit Committee	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public corporations in which the person concurrently serves as an independent director.
Delegate of Nidec Corporation: Junichi Nagai	—	—	<p>1. Work experience in business, technology, operations, and decision-making abilities</p> <p>2. Other experiences are obtained through concurrent positions in other companies. For information regarding education, gender, professional qualifications, work experience, and diversity, please refer to pages 13-16 and 23 of this annual report.</p> <p>3. There are no circumstances falling under Article 30 of the Company Act.</p>	N/A	0
Delegate of Nidec Corporation: Hishida Masahiro	—	—			0
Delegate of Nidec Corporation: Miyamoto Eiji	—	—			0
Delegate of Nidec Corporation: Matsubishi Hidetoshi	—	—			0
Delegate of Nidec Corporation: Matsuda Yoshihiro	—	—			0
Delegate of Nidec Corporation: Tetsu Nishizawa	—	—			0
Delegate of Nidec Corporation: Hayashi Hiroki	—	—			0
Delegate of Nidec Corporation: Tetsuo Kino	—	—			0
Delegate of Nidec Corporation: Tatsumi Akio	—	—			0
Delegate of Nidec Corporation: Takasawa Shinji	—	—			0

Conditions Name	Independent Director	Members of the Audit Committee	Professional Qualifications and Experience (Note 1)	Independence Status (Note 2)	Number of other public corporations in which the person concurrently serves as an independent director.
Chou Chien-Hung	V	V (Convener)	<p>1. Work experience in business, technology, operations, and decision-making abilities</p> <p>2. Other experiences are acquired through concurrent positions in other companies. Information regarding education, gender, professional qualifications, work experience, and diversity can be found on pages 13-16 and 23 of the provided materials.</p> <p>3. Regarding Article 30 of the Company Act, there are no circumstances falling under its provisions.</p>	<p>As an independent director, meeting the independence criteria: This includes, but is not limited to, not serving as a director, supervisor, or employee of the company or its affiliated enterprises for oneself, spouse, parents within the second degree of kinship, etc.; not holding any shares of the company; not serving as a director, supervisor, or employee of companies with specific relationships to the company; and not receiving compensation from the company or its affiliated enterprises for providing business, legal, financial, accounting, or similar services in the past two years.</p>	0
Lian Jun-Hua	V	V			1
Hsu Ke-Wei	V	V			1
Wang Wen-Yeu	V	V			2

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

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

6. Board Diversity and Independence:

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

The current board of directors of our company consists of 13 directors, including 4 independent directors and 9 general directors. The members possess rich experience and expertise in areas such as overseas business management, industry knowledge, technological research and development, corporate operations, strategic planning, product marketing, finance, accounting, legal affairs, and business management. They offer professional insights from different perspectives, greatly benefiting the company. The board of directors guides the company's strategy, oversees management, and is accountable to the company and its shareholders. In various operational and organizational arrangements of the corporate governance system, the board of directors exercises its powers in accordance with laws, the company's articles of incorporation, or resolutions of the shareholders' meeting. The board of directors emphasizes independent operation and transparency. Both directors and independent directors operate independently as individuals and exercise their powers independently. There are no situations where directors have spousal or close relatives within the second degree of kinship, nor do they fall under the circumstances stipulated in Article 26, Paragraph 3, and Paragraph 4 of the Securities and Exchange Act. The independent directors also comply with the regulations of the Financial Supervisory Commission and the Taiwan Stock Exchange regarding independent directors. The following is a list of the current members of our board of directors, demonstrating the implementation of our diversity policy:

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

Note 1: Mr. Yoshihiro Matsuda, the corporate director representative appointed by Japan Nidec Corporation has been reassigned to Mr. Tetsu Nishizawa effective from January 1, 2023.

Note 2: Mr. Hiroki Hayashi, the corporate director and representative of Japan Nidec Corporation, who was originally appointed, has been reassigned to Mr. Tetsuo Kino as of April 1, 2023.

7. Succession Planning for Board Members and Key Management Personnel

(1) Succession Planning for Board Members

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

(2) Succession Planning for Key Management Positions

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

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

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

April 30, 2023; Unit: shares Quality Assurance Department

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
CEO	Japan	Junichi Nagai	Male	2019.2.1	0	0.00%	0	0.00%	0	0.00%	Bachelor of Economics from Yokohama National University The overseas business management division of Japan Nidec Corporation	Chairman of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd, Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. and Nidec Chaun Choung Vietnam Corporation	None	None	None	Note 1
Chief Executive Officer	R.O.C.	Wu Shiling	Female	2019.1.29	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Business Administration and Master's degree in Accounting from the State University of New York. Former Assistant Manager in the Finance Department of Taiwan Mobile Corporation. Former Assistant Manager in the Finance Department of Risheng Life Technology Corporation. Special Assistant to the Chairman and Chairman of Nidec Chaun-Choung Technology Corporation	Director of Conquer Wisdom Co., Ltd. Chairman of Nidec Chaung-Choung Technology America, Inc. Chairman of GLOBE STAR ENTERPRISE LTD. Supervisor of Yisen Investment Corporation. Spokesperson of Nidec Chaun-Choung Technology Corporation.	None	None	None	None
Chief Financial Officer	Japan	Yasuhiro Mase	Male	2021.4.1	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Japanese Literature from Shinshu University, Faculty of Humanities. Master of Business Administration (MBA) from the Indian Institute of Management, Ahmedabad, India. Currently serving as the Head of the Revenue Management Team and Team Leader in the Global Performance Management Department of Nidec Corporation.	Directors of Nidec Chaun Choung Electronics (Kunshan) Co., Ltd., Nidec Chaun Choung Technology (Chongqing) Co., Ltd. and Nidec Chaun Choung Vietnam Corporation	None	None	None	Note 2

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chief Financial Officer	Japan	Matsuhashi Hidetoshi	Male	2023.01.01	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Economics from Doshisha University. Currently serving as the Director of Business Finance, 1st Department, in the Management and Supervision Department of the Precision Small Motor Business Division.	Finance Manager of the Precision Small Motor Business Division at Nidec Corporation.	None	None	None	Note 3
Chief Financial Officer	Japan	Matsuda Yoshihiro	Male	2022.10.16	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Economics from Toyama University. Currently serving as the Finance Manager of the GMS Division in the Precision Small Motor Business Division of Nidec Corporation. Previously served as the Production General Manager in the Small Motor Business Division of Nidec Corporation.	Production General Manager of the Small Motor Business Division at Nidec Corporation.	None	None	None	Note 2 Note 3
Deputy Chief Financial Officer	Japan	Masanori Asano	Male	2022.9.19	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree from the Faculty of Economics at Kyoto Sangyo University. Finance Department at Nidec Corporation. Chief Financial Officer (CFO) at Nidec Corporation Vietnam.Nidec Chaun Choun Vietnam Corporation	None	None	None	None	Note 2
Vice General Manager	R.O.C	Lin Zhi Ren	Male	2011.9.1	0	0.00%	0	0.00%	0	0.00%	Master's degree in Business Administration from the University of South Australia.Senior Manager of Procurement and Senior Manager of Quality Assurance at Dell Taiwan, a subsidiary of a Dutch company. Deputy Manager of the Quality Assurance Department at Nidec Chaun-Choung Technology Corporation.	None	None	None	None	Note 4

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice General Manager	R.O.C.	Yang Li-Min	Male	2020.11.9	0	0.00%	0	0.00%	0	0.00%	Williams Business College in Sydney, Australia. Director of the Hon Hai Precision Industry Co., Ltd., Hong-Chao-Chuan Business Group (SHZBG).	None	None	None	None	Note 5
Vice General Manager	R.O.C.	Huang Chuan-Zhan	Male	2021.5.17	0	0.00%	0	0.00%	0	0.00%	Master's degree from the Institute of Mechanical Engineering at National Cheng Kung University. Deputy Manager at Lijit Technology.	None	None	None	None	Note 6
Vice General Manager	R.O.C.	Chung Chun Min	Male	2021.7.5	0	0.00%	0	0.00%	0	0.00%	Master's degree from the Institute of Mechanical Engineering at National Central University. CEO at Wistron Information Technology & Services. Manager of the Surface Mount Technology (SMT) Engineering Department at Quanta Computer.	None	None	None	None	None
Quality Assurance Department Vice General Manager	R.O.C.	Yuan Shi Zhong	Male	2021.12.1	0	0.00%	0	0.00%	0	0.00%	Department of Electrical Engineering at Chienkuo Technology University. Quality Manager (Senior Director) at Compal Electronics (GQAC Global Quality Assurance Center). Director of Quality Assurance at Quanta Computer Vietnam Factory. Manager at Hon Hai Technology Group Central Quality Technical Committee.	None	None	None	None	None
RDC1 Vice General Manager	R.O.C.	Wang Zheng Du	Male	2007.8.30	0	0.00%	0	0.00%	0	0.00%	Master's degree in Mechanical Engineering from National Taiwan University of Science and Technology. Research and Development Center Manager and Deputy Manager at Chaun-Choung Technology Corporation	None	None	None	None	Note 7

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
RDC2 Vice General Manager	R.O.C.	Huang Meng Zheng	Male	2014.3.26	0	0.00%	0	0.00%	0	0.00%	Ph.D. in Mechanical Engineering from National Taiwan University.	None	None	None	None	None
PM1 Vice General Manager	R.O.C.	Zheng Hong Lin	Male	2019.1.1	0	0.00%	0	0.00%	0	0.00%	Master's degree in Mechanical Engineering from Yuan Ze University. Research Engineer and Marketing Manager/Deputy Manager at Chaun-Choung Technology Corporation's Product Development Department	None	None	None	None	None
PM2 Vice General Manager	R.O.C.	Chi Ya-Qin	Female	2019.1.1	0	0.00%	0	0.00%	0	0.00%	World News Vocational College - Journalism Administration Department Secretary to the General Manager and Marketing Manager/Deputy Manager at Chaun-Choung Technology Corporation's Product Development Department	None	None	None	None	Note 8
PM3 Senior Vice President	R.O.C.	Shen Zhi Ye	Male	2019.7.22	0	0.00%	0	0.00%	0	0.00%	National Tsing Hua University - Bachelor of Chemical Engineering Deputy General Manager at Guanghe Technology Co., Ltd. Deputy General Manager and Marketing Manager of the Product Development Department at Nidec Chaun-Choung Technology Corporation	Nidec Jue-Choung Electronics (Kunshan) Co., Ltd. 總經理	None	None	None	None
New Business Development Department Assistant Manager	R.O.C.	Hsu Chih Wei	Female	2020.11.9	0	0.00%	0	0.00%	0	0.00%	Soochow University - Bachelor of Japanese Language and Literature Director of Market Business Development and Customer Manager at Lite-On Technology Corporation's Imaging and Video Solutions Business Division.	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Executive Office Assistant Manager	Japan	Kenji Matsui	Male	2021.1.4	0	0.00%	0	0.00%	0	0.00%	Kyushu University - Master of Engineering in Interdisciplinary Science and Engineering (Specialization: Materials Development Engineering) Purchasing Department Manager under the Production Control Department of the GMS Business Division at Nidec Corporation's Precision Small Motor Business Unit.	None	None	None	None	Note 9
Executive Office Assistant Manager	R.O.C.	Wang Ruoying	Female	2021.1.25	0	0.00%	0	0.00%	0	0.00%	Soochow University - Bachelor of International Trade Manager of Shipping and Distribution Center at Levis Taiwan Branch Logistics Manager at Jusda, a subsidiary of Foxconn Group.	None	None	None	None	Note 10
Procurement Department Assistant Manager	R.O.C.	Hong Minghong	Male	2021.9.8	0	0.00%	0	0.00%	0	0.00%	Yuan Ze University - Master of Industrial Management Special Assistant at Yu Wei Technology Senior Manager at Fei Jie Technology Director (Agency) at Zhong Qiang Optoelectronics	None	None	None	None	None
Taipei Factory Assistant Manager	R.O.C.	Zou Xulong	Male	2022.5.1	0	0.00%	0	0.00%	0	0.00%	Department of Chemical Engineering at United Vocational College Director at Hung Yun Technology	None	None	None	None	Note 11
RD1 Assistant Manager	R.O.C.	Lin Yiyong	Male	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering at Longhua University of Science and Technology. RD Manager at Nidec Chaun-Choung Technology Corporation	None	None	None	None	Note 12

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
RD2 Assistant Manager	R.O.C.	Shi Bozhou	Male	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Master's degree from the Department of Mechanical Engineering at National Taiwan University. Senior Manager and RD Manager at Nidec Chaun-Choung Technology Corporation	None	None	None	None	Note 13
RD3 Assistant Manager	R.O.C.	Qiu Yaocong	Male	2022.7.1	0	0.00%	0	0.00%	0	0.00%	Associate Bachelor's Degree, National Taichung University of Science and Technology. Assistant to the General Manager, Chuan-Choung (Stock) Corporation. Deputy Manager of Yuanli Electric Motor Business. RD Manager at Nidec Chaun-Choung Technology Corporation	None	None	None	None	Note 14
RD4 Assistant Manager	R.O.C.	Lu Shaoqian	Male	2021.4.1	0	0.00%	0	0.00%	0	0.00%	Master's degree in Aerospace Engineering from the University of Texas at Arlington. Deputy Manager of the Project Division at Nidec Chaun-Choung Technology Corporation. Chief Engineer at Kilin Technology (Stock) Corporation.	None	None	None	None	None
PM1 Assistant Manager	R.O.C.	Lin Shiyuan	Male	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Dawn Technical College PM1 senior marketing manager of Nidec Chaun-Choung Technology Corporation	None	None	None	None	Note 15
PM3 Assistant Manager	R.O.C.	Wen Lufang	Female	2022.6.1	0	0.00%	0	0.00%	0	0.00%	Graduate of the Tourism Department at Shih Hsin University. Manager at Lichitech Co., Ltd. PM3 senior marketing manager of Nidec Chaun-Choung Technology Corporation	None	None	None	None	Note 16

Job Title	Nationality	Name	Gender	Date Elected/ Appointed	Holding of Shares		Shares Held by Spouses and Minor Children		Using someone else's name Holding of Shares		Main education and work experience	Currently holding positions in other companies	Managerial positions involving spouse or relatives up to the second degree of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Vice General Manager of Executive Office	R.O.C.	Lin Li Wen	Male	2023.3.15	0	0.00%	0	0.00%	0	0.00%	Graduate of the Manufacturing Engineering Management Department at Yuan Ze University. Deputy General Manager at Tonei Technology. Deputy General Manager at Ye Qiang Technology.	None	None	None	None	Note 17
Finance Department Manager (Financial and Accounting Manager)	R.O.C.	Chen Mei Hua	Female	2020.8.10	0	0.00%	0	0.00%	0	0.00%	Bachelor's degree in Accounting from Soochow University. Graduate of the 16th session of the Continuing Legal Education Credit Class at National Taiwan University Extension Division. Finance Manager and Special Assistant to the General Manager at Hua Guo Grand Hotel (Stock) Corporation. Assistant Manager at Anhou International Financial Advisory (Stock) Corporation. Manager of the Audit Department at Zi Cheng Accounting Firm.	None	None	None	None	None
Corporate Governance Supervisor	R.O.C.	Wei Zi Heng	M	2023.03.24	0	0.00%	0	0.00%	0	0.00%	Master of Laws from McGeorge School of Law. Master of Business Administration from California State University. Legal Manager at GIGABYTE Technology (Stock) Corporation. Senior Legal Manager and Special Assistant to the General Manager at Tsann Kuen Enterprise (Stock) Corporation. Director of Legal Affairs at Ace Mobility (Stock) Corporation	None	None	None	None	Note 18

- Note 1: When the General Manager or an equivalent position (the highest executive) and the Chairman are the same person, spouses, or immediate family members, the reasons, rationale, necessity, and corresponding measures should be disclosed (e.g., increasing the number of independent directors, ensuring that more than half of the directors are not concurrently employees or executives, etc.). Please refer to Note 1 in Annex 1 of the "Director and Supervisor Information" appendix for further explanation.
- Note 2: Mr. Yasuhiro Mase resigned from the position of Chief Financial Officer (CFO) of the company on November 16, 2022, and Mr. Matsuda Yoshihiro assumed the role of CFO. Mr. Yoshinori Asano was appointed as Deputy Chief Financial Officer (DCF) on September 19, 2022.
- Note 3: Mr. Yoshihiro Matsuda resigned from the position of Chief Financial Officer of the company on January 1, 2023. Mr. Hidehisa Matsubashi succeeded him as the new Chief Financial Officer.
- Note 4: Mr. Lin Zhiren retired and resigned from the position of Deputy General Manager of the company on February 1, 2023..
- Note 5: Mr. Li-Min Yang resigned from the position of Vice General Manager of the company on January 1, 2023 (Gregorian calendar year, equivalent to 112 in the ROC calendar) due to personal career planning.
- Note 6: Mr. Chuan-Zhan Huang resigned from the position of Vice General Manager of the company on April 23, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar) due to personal career planning.
- Note 7: Mr. Zheng-Du Wang resigned from the position of Vice General Manager of the company on July 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar) due to personal career planning.
- Note 8: Ms. Ya-Qin Chi retired from the position of Vice General Manager of the company in November 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 9: Mr. Kenji Matsui resigned from the position of Assistant Manager of the company on October 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar) due to personal career planning.
- Note 10: Ms. Ruoying Wang resigned from the position of Assistant Manager of the company on May 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar) due to personal career planning.
- Note 11: Mr. Xulong Zou, Senior Manager of Taipei Factory, was promoted to Assistant Manager on May 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 12: Mr. Yiyong Lin, Senior Manager of Research and Development, was promoted to Assistant Manager on June 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 13: Mr. Bozhou Shi, Senior Manager of Research and Development, was promoted to Assistant Manager on June 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 14: Mr. Yaocong Qiu, Senior Manager of Research and Development, was promoted to Assistant Manager on July 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 15: Mr. Shiyuan Lin, Senior Manager of Marketing, was promoted to Assistant Manager on June 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 16: Mr. Lufang Wen, Senior Manager of Marketing, was promoted to Assistant Manager on June 1, 2022 (Gregorian calendar year, equivalent to 111 in the ROC calendar).
- Note 17: Mr. Li Wen Lin, Deputy General Manager of Executive Office, assumed office on March 15, 2023 (Gregorian calendar year, equivalent to 112 in the ROC calendar).
- Note 18: Mr. Ziheng Wei, Manager, assumed office on March 24, 2023 (Gregorian calendar year, equivalent to 112 in the ROC calendar).

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

Unit: NT\$ thousands

Title	Name	Remuneration of Directors								Proportion of A, B, C, and D to After-Tax Net Income		Remuneration Paid to Part-Time Employees								Percentage of Total Net Profit After Tax of A, B, C, D, E, F, and G		Remuneration received from investments outside of subsidiaries or parent companies (Note 3)		
		Remuneration (A)		Retirement Severance Pay (B)		Director Compensation (C)		Business execution Business execution expenses (D)				Salary, Bonus, and Compensation, Bonus, and Other Allowances (E)		Pensions (B) (F)		Employee compensation (G)								
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	All companies		Financial reports		The Company	All companies included in the financial statements					
General Director	Nidec Corporation Delegate: Junichi Nagai																							
	Nidec Corporation Delegate: Hishida Masahiro																							
	Nidec Corporation Delegate: Miyamoto Eiji																							
	Nidec Corporation Delegate: Matsuhashi Hidetoshi																							
	Nidec Corporation Delegate: Matsuda Yoshihiro (Note 1)																							
	Nidec Corporation Delegate: Tetsu Nishizawa																							
	Nidec Corporation Delegate: Hayashi HirokiHayashi Hiroki (Note 2)	0	0	0	0	0	0	99	99	0.02%	0.02%	7,811	7,811	0	0	0	0	0	0	1.29%	1.29%	45,613		
	Nidec Corporation Delegate: Tetsuo Kino (Note 2)																							
	Nidec Corporation Delegate: Tatsumi Akio																							
	Nidec Corporation Delegate: Takasawa Shinji																							
	Nidec Corporation Delegate: Yasuhiro Mase (Note 4)																							
	Nidec Corporation Delegate: Kenji Ito (Note 3)																							

Title	Name	Remuneration of Directors								Proportion of A, B, C, and D to After-Tax Net Income	Remuneration Paid to Part-Time Employees								Percentage of Total Net Profit After Tax of A, B, C, D, E, F, and G		Remuneration received from investments outside of subsidiaries or parent companies (Note 3)	
		Remuneration (A)		Retirement Severance Pay (B)		Director Compensation (C)		Business execution Business execution expenses (D)			Salary, Bonus, and Compensation, Bonus, and Other Allowances (E)		Pensions (B) (F)		Employee compensation (G)				The Company	All companies Included in the financial statements		
		The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements		The Company	All companies Included in the financial statements	The Company	All companies Included in the financial statements	All companies		Financial reports					
Independent Director	Hsu Ke-Wei																					
	Wang Wen-Yeu																					
	Lian Jun-Hua	0	0	0	0	3,375	3,375	27	27	0.55%	0.55%	0	0	0	0	0	0	0	0	0.55%	0.55%	0
	Chou Chien-Hung																					
	Jiang Ya-Ping (Note 5)																					

1. Please state the policy, system, standards, and structure for the remuneration of independent directors, and explain the correlation between their responsibilities, risks, time commitment, and the amount of remuneration. The remuneration for independent directors of the company, in addition to reimbursement for attending board meetings, includes director's fees based on factors such as the company's operational performance, industry standards, the level of participation of independent directors in company operations, and the risks they assume. The recommendation for director's remuneration is proposed by the Compensation Committee and submitted to the Board of Directors for approval.
In addition to the disclosed information in the financial reports, please provide details of any remuneration received by the company's directors in the latest fiscal year for services rendered to other companies (such as serving as non-employee consultants): There were no such cases.
2. In addition to the disclosed information in the financial reports, please provide details of any remuneration received by the company's directors in the latest fiscal year for services rendered to other companies (such as serving as non-employee consultants): There were no such cases.

Note 1: Starting from January 1, 112 (AD 2023), Mr. Yoshihiro Matsuda, the corporate director of Nidec Corporation, has been reassigned as the representative by Mr. Tetsu Nishizawa.

Note 2: Effective from April 1, 2023, Japan Nidec Corporation has reassigned its corporate director representative from Mr. Hiroki Hayashi to Mr. Tetsuo Kino.

Note 3: Mr. Kenji Ito, the representative director of Nidec Corporation, resigned from his position on June 20, 111 (AD 2022) as part of a comprehensive director re-election.

Note 4: Mr. Yasuhiro Manase, the representative director of Nidec Corporation, resigned from his position on October 16, 111 (AD 2022) due to personal career planning.

Note 5: Independent director Ya-Ping Chiang resigned from her position on June 20, 2022, following the complete re-election of the board of directors.

Note 6: Refers to the remuneration received by the company's directors from the parent company for expatriate personnel or for serving as executives of the parent company.

Note 7: Japanese directors of the company do not receive director or supervisor remuneration in Taiwan, and if they hold concurrent positions as employees, they also do not receive bonuses or employee compensation in Taiwan.

Table of Remuneration Ranges for General Directors and Independent Directors

Payment of remuneration levels for each director of the Company	Board of Directors Names			
	Total amount of the first four levels of remuneration (A+B+C+D)		Total amount of the first seven levels of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements (H)	The Company	The parent company and all invested companies (I)
Less than NT\$1,000,000	Junichi Nagai, Hishida Masahiro, Yasuhiro Mase, Kenji Ito, Miyamoto Eiji, Matsuhashi Hidetoshi, Matsuda Yoshihiro, Tetsu Nishizawa, Hayashi Hiroki, Tetsuo Kino, Tatsumi Akio, Takasawa Shinji, Wang Wen-Yeu, Lian Jun-Hua, Chou , Chien-Hung and Jiang Ya-Ping	Junichi Nagai, Hishida Masahiro, Yasuhiro Mase, Kenji Ito, Miyamoto Eiji, Matsuhashi Hidetoshi, Matsuda Yoshihiro, Tetsu Nishizawa, Hayashi Hiroki, Tetsuo Kino, Tatsumi Akio, Takasawa Shinji, Wang Wen-Yeu, Lian Jun-Hua, Chou , Chien-Hung and Jiang Ya-Ping	Hishida Masahiro, Kenji Ito, Miyamoto Eiji, Hidehisa Matsubashi), Yoshihiro Matsuda, Tetsu Nishizawa, Hayashi Hiroki, Tetsuo Kino, Tatsumi Akio, Takasawa Shinji, Wang Wen-Yeu, Lian Jun-Hua, Chou Chien-Hung and Jiang Ya-Ping	Tetsu Nishizawa, Tetsuo Kino, Tatsumi Akio, Takasawa Shinji, Wang Wen-Yeu, Lian Jun-Hua, Chou Chien-Hung and Jiang Ya-Ping
1,000,000 NT dollars (inclusive) to 2,000,000 NT dollars (exclusive)	Hsu Ke-Wei	Hsu Ke-Wei	Hsu Ke-Wei	Hsu Ke-Wei
2,000,000 NT dollars (inclusive) to 3,500,000 NT dollars (exclusive)	–	–	Yasuhiro Mase	–
3,500,000 NT dollars (inclusive) to 5,000,000 NT dollars (exclusive)	–	–	–	Yasuhiro Mase and Kenji Ito Matsuda Yoshihiro and Hayashi Hiroki
5,000,000 NT dollars (inclusive) to 10,000,000 NT dollars (exclusive)	–	–	Junichi Nagai	Junichi Nagai and Hishida Masahiro Miyamoto Eiji and Matsuhashi Hidetoshi
10,000,000 NT dollars (inclusive) to 15,000,000 NT dollars (exclusive)	–	–	–	–
15,000,000 NT dollars (inclusive) to 30,000,000 NT dollars (exclusive)	–	–	–	–
30,000,000 NT dollars (inclusive) to 50,000,000 NT dollars (exclusive)	–	–	–	–
50,000,000 NT dollars (inclusive) to 100,000,000 NT dollars (exclusive)	–	–	–	–
Over NT\$100,000,000.	–	–	–	–
Total	17 seats	17 seats	17 seats	17 seats

(2) Remuneration of Supervisors

Unit: NT\$ thousands

Title	Name	Remuneration of Supervisor						Proportion of A, B, and C to After-Tax Net Income (%)		Remuneration received from investments outside of subsidiaries or parent companies
		Remuneration (A)		Compensation (B)		Business Allowances (C)		The Company	All Companies Included in the Financial Statements	
		The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements			
Supervisor	Ko Taka Hashi	0	0	512	512	6	6	0.08%	0.08%	1,745
Supervisor	Yan Qun Yu									

Note 1: The Japanese supervisors of the company do not receive remuneration for their roles as directors or supervisors in Taiwan.

On June 20, 2022, the board of directors was completely re-elected, and the Audit Committee replaced the supervisors.

Table of Remuneration Ranges for Supervisors

Remuneration Ranges for each Supervisor in the Company	Supervisor Name	
	Total Remuneration for the First Three Items (A+B+C)	
	The company	the parent company and all consolidated investment entities (D)
Less than NT\$1,000,000	Ko Taka Hashi and Yan Qun Yu	Yan Qun Yu
1,000,000 NT dollars (inclusive) to 2,000,000 NT dollars (exclusive)	–	Ko Taka Hashi
2,000,000 NT dollars (inclusive) to 3,500,000 NT dollars (exclusive)	–	–
3,500,000 NT dollars (inclusive) to 5,000,000 NT dollars (exclusive)	–	–
5,000,000 NT dollars (inclusive) to 10,000,000 NT dollars (exclusive)	–	–
10,000,000 NT dollars (inclusive) to 15,000,000 NT dollars (exclusive)	–	–
15,000,000 NT dollars (inclusive) to 30,000,000 NT dollars (exclusive)	–	–
30,000,000 NT dollars (inclusive) to 50,000,000 NT dollars (exclusive)	–	–
50,000,000 NT dollars (inclusive) to 100,000,000 NT dollars (exclusive)	–	–
Over NT\$100,000,000.	–	–
Total	2 seats	2 seats

(3) Remuneration of General Manager and Deputy General Managers

Title	Name	Salary (A)		Pensions (B)		Bonuses and Special Expenses (C)		Employee Compensation Amount (D)				Ratio of the total amount (Sum of A, B, C, and D) to Net Income (%)		Remuneration received from investments outside of subsidiaries or parent companies (Note 1)
		The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company		All Companies Included in the Financial Statements		The Company	All Companies Included in the Financial Statements	
								Cash Amount	Stocks Amount	Cash Amount	Stocks Amount			
CEO	Junichi Nagai	36,628	35,594	1,037	1,037	3,267	3,267	8,990	0	8,990	0	8.14%	8.30%	11,200
Chief Executive Officer	Wu Shiling													
PM3 Senior Vice President	Shen Zhi Ye													
Vice General Manager	Lin Zhi Ren (Note 2)													
Vice General Manager	Yang Li-Min (Note 3)													
Vice General Manager	Chung Chun Min (Note 4)													
Vice General Manager	Chung Chun Min													
Deputy General Manager of the Quality Assurance Department	Yuan Shi Zhong													
RD1 Vice General Manager	Wang Zheng Du (Note 5)													

RD3 Vice General Manager	Huang Meng Zheng													
PM1 Vice General Manager	Zheng Hong Lin													
PM2 Vice General Manager	Chi Ya Qin (Note 6)													
Chief Financial Officer	Yasuhiro Mase (Note 7)													

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

Note 2: Mr. Lin Zhiren retired and resigned from the position of Deputy General Manager of the company on February 1, 2023.

Note 3: Mr. Yang Limin resigned from the position of Deputy General Manager of the company on January 1, 2023, due to personal career planning.

Note 4: Mr. Huang Chuanchan resigned from the position of Deputy General Manager of the company on April 23, 2022, due to personal career planning.

Note 5: Mr. Wang Zhengdu resigned from the position of Deputy General Manager of the company on July 1, 2022, due to personal career planning.

Note 6: Ms. Chi Yaqin retired and resigned from the position of Deputy General Manager of the company in November 2022.

Note 7: Mr. Yasuhiro Mase resigned from the position of Chief Financial Officer on October 16, 2022, due to personal career planning.

Note 8: Japanese executives of the company in Taiwan do not receive bonuses or employee compensation. Remuneration Range for General Manager and Vice General Manager

President and Vice Presidents Remuneration Bracket

Pay ranges for the general manager and deputy general manager of the Company	Names of the general manager and deputy general manager	
	The company itself,	Parent Company and all affiliated investment ventures (E)
Less than NT\$1,000,000	–	–
1,000,000 NT dollars (inclusive) to 2,000,000 NT dollars (exclusive)	Wang Zheng Du, Yasuhiro Mase and Huang Chuan-Zhan	Wang Zheng Du, Yasuhiro Mase and Huang Chuan-Zhan
2,000,000 NT dollars (inclusive) to 3,500,000 NT dollars (exclusive)	Lin Zhi Ren , Chi Ya-Chin, Yuan Shi Zhong and Chung Chun Min	Lin Zhi Ren , Chi Ya-Chin, Yuan Shi Zhong and Chung Chun Min
3,500,000 NT dollars (inclusive) to 5,000,000 NT dollars (exclusive)	Zheng Hong Lin, Huang Meng Zheng and Yang Li-Min	Zheng Hong Lin, Huang Meng Zheng and Yang Li-Min
5,000,000 NT dollars (inclusive) to 10,000,000 NT dollars (exclusive)	Junichi Nagai, Wu Shi Ling and Shen Zhi Ye	Wu Shi Ling and Shen Zhi Ye
10,000,000 NT dollars (inclusive) to 15,000,000 NT dollars (exclusive)	–	Junichi Nagai
15,000,000 NT dollars (inclusive) to 30,000,000 NT dollars (exclusive)	–	–
30,000,000 NT dollars (inclusive) to 50,000,000 NT dollars (exclusive)	–	–
50,000,000 NT dollars (inclusive) to 100,000,000 NT dollars (exclusive)	–	–
Over NT\$100,000,000.	–	–
Total	13 Seats	13 Seats

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

December 31, 2023; Unit: NT\$1,000

Item	Title	Name	Stock Amount	Cash amount (Note 2)	Total	Total amount of Post-Tax Net Income %
Manager	CEO	Junichi Nagai	0	3,190	3,190	0.91%
	Chief Executive Officer	Wu Shiling				
	Chief Financial Officer	Yasuhiro Mase (Note 1)				
	Deputy Chief Financial Officer	Matsuda Yoshihiro (Note 1)				
	Deputy Chief Financial Officer	Masanori Asano (Note 1)				
	Vice General Manager	Lin Zhi Ren (Note 2)				
	Vice General Manager	Yang Li-Min (Note 3)				
	Vice General Manager	Huang Chuan-Zhan (Note 4)				
	Vice General Manager	Chung Chun Min				
	Vice General Manager	Yuan Shi Zhong				
	Vice General Manager	Wang Zheng Du (Note 5)				
	Vice General Manager	Huang Meng Zheng				
	Vice General Manager	Zheng Hong Lin				
	Vice General Manager	Chi Ya Qin (Note 6)				
	Senior Vice General Manager	Shen Zhi Ye				
	Assistant Manager	Xu Zhi Wei				
	Assistant Manager	Hong Ming Hong				
	Assistant Manager	Zou Xu Long (Note 7)				
	Assistant Manager	Lin Yi Yong (Note 8)				
	Assistant Manager	Shi Bai Zhou (Note 9)				
	Assistant Manager	Qiu Yao Cong (Note 10)				
	Assistant Manager	Lu Shao Qian				
	Assistant Manager	Lin Shi Yuan (Note 11)				
Assistant Manager	Wen Li Fang (Note 12)					
Manager of Finance Department (Financial and Accounting Manager)	Chen Mei Hua					

- Note 1: Mr. Yasuhiro Mase resigned from the position of Chief Financial Officer (CFO) of the company on November 16, 2022, and Mr. Matsuda Yoshihiro assumed the role as the new CFO. Mr. Yoshinori Asano was appointed as Deputy Chief Financial Officer (DCFO) on September 19, 2022.
- Note 2: Mr. Lin Zhiren retired and resigned from the position of Deputy General Manager of the company on February 1, 2023..
- Note 3: Mr. Yang Limin resigned from the position of Deputy General Manager of the company on anuary 1, 2023, due to personal career planning.
- Note 4: Mr. Huang Chuanchan resigned from the position of Deputy General Manager of the company on April 23, 2022, due to personal career planning.
- Note 5: Mr. Wang Zhengdu resigned from the position of Deputy General Manager of the company on July 1, 2022, due to personal career planning.
- Note 6: Ms. Chi Yaqin retired and resigned from the position of Deputy General Manager of the company in November 2022.
- Note 7: Zou Xu Long, a senior manager, was promoted to Assistant Manager on May 1, 2022.
- Note 8: Lin Yi Yong, a senior manager in research and development, was promoted to Assistant Manager on June 1, 2022.
- Note 9: Shi Bai Zhou, a senior manager in research and development, was promoted to Assistant Manager on June 1, 2022.
- Note 10: Qiu Yao Cong, a senior manager in research and development, was promoted to Assistant Manager on July 1, 2022.
- Note 11: Lin Shi Yuan, a senior manager in marketing, was promoted to Assistant Manager on June 1, 2022.
- Note 12: Wen Li Fang, a senior manager in marketing, was promoted to Assistant Manager on June 1, 2022.
- Note 13: The company's board of directors approved the allocation of employee compensation of NTD 23,971,998 for the fiscal year 2022 on March 24, 2023. As of the date of the annual report, the proposed allocation of employee compensation to managers has not been determined. Therefore, this table is an estimation based on the actual allocation to managers in the previous year.
- Note 14: Japanese managers of the company in Taiwan do not receive bonuses or employee compensation.

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

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

Title \ Item	The total amount of remuneration paid to the directors, supervisors, general manager, and deputy general manager of the Company and its consolidated subsidiaries as a percentage of the individual financial report's post-tax net income.			
	Year 2021		Year 2022	
	The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements
Director	14.99%	23.10%	10.07%	10.23%
Supervisor				
General Manager and Vice General Manager				

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

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

(2) The remuneration of the company's CEO and Vice CEO, including salary, bonuses, and employee compensation, is determined based on the salary levels of comparable positions in the industry market, taking into account factors such as seniority, level of responsibility, individual job performance, achievement of goals, and overall

contribution to the company's performance. Additionally, reasonable compensation is provided by considering factors such as the company's annual business performance, potential operational risks and trends in the industry, and salary and benefits levels in the industry. The content and reasonableness of the remuneration are reviewed by the Compensation Committee and submitted to the Board of Directors for discussion and approval. The remuneration system is periodically reviewed based on operational conditions and relevant regulations to balance sustainable business operations and risk management.

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

4. Operations of Corporate Governance

(1) Board of Directors operation situation

In the most recent fiscal year (Fiscal Year 2022), the Board of Directors of the Company held 7 meetings. The attendance of directors and supervisors at these meetings is as follows:

Job Title	Name	Actual Attendance Count	Delegate Attendance Count	Actual Attendance Rate(%)	Remark
Chairman	Nidec Corporation Delegate: Junichi Nagai	7	0	100%	Reelection
Directors	Nidec Corporation Delegate: Hishida Masahiro	3	0	100%	Change of corporate director to appoint a representative, took office on June 20, 2022, expected to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Miyamoto Eiji	7	0	100%	Reelection
Directors	Nidec Corporation Delegate: Matsubishi Hidetoshi	7	0	100%	Reelection
Directors	Nidec Corporation Delegate: Yasuhiro Mase	6	0	100%	Change of corporate director to appoint a representative, resigned on October 16, 2022, expected to attend 6 board meetings.

Directors	Nidec Corporation Delegate: Matsuda Yoshihiro	3	0	100%	Change of corporate director to appoint a representative, took office on June 20, 2022, expected to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Hayashi HirokiHayashi Hiroki	3	0	100%	Change of corporate director to appoint a representative, took office on June 20, 2022, expected to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Tatsumi AkioTatsumi Akio	3	0	100%	Change of corporate director to appoint a representative, took office on June 20, 2022, expected to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Takasawa Shinji	3	0	100%	Change of corporate director to appoint a representative, took office on June 20, 2022, expected to attend 3 board meetings.
Directors	Nidec Corporation Delegate: Kenji Ito	4	0	100%	Change of corporate director to appoint a representative, resigned on June 20, 2022, expected to attend 4 board meetings.
Independent Director	Chiang Ya-Ping	4	0	100%	Resigned on June 20, 2022, expected to attend 4board meetings.
Independent Director	Hsu Ke-Wei	7	0	100%	Reelection
Independent Director	Wang Wen-Yeu	3	0	100%	Complete re-election of directors, took office on June 20, 2022, expected to attend 3 board meetings.
Independent Director	Lian Jun-Hua	3	0	100%	Complete re-election of directors, took office on June 20, 2022, expected to attend 3 board meetings.

Independent Director	Chou Chien-Hung	3	0	100%	Complete re-election of directors, took office on June 20, 2022, expected to attend 3 board meetings.
Supervisor	Ko Taka Hashi	3	0	75%	Complete re-election of directors, took office on June 20, 2022, expected to attend 4 board meetings.
Supervisor	Yan Qun Yu	4	0	100%	Complete re-election of directors, took office on June 20, 2022, expected to attend 4 board meetings.

Other items that shall be recorded:

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

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

Meeting date	Important resolutions
The 24th session of the 17th term January 20, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Appointment of Senior Executives in the Company. 2. Issuance of Performance Promotion and Profit Incentive Plan Bonuses for Senior Executives in the Company for the 2022nd fiscal year. 3. Drafting of the "Audit Committee Organization Regulations" for the Company. 4. Revision of certain articles in the "Company Bylaws" of the Company. 5. Proposed adjustment of the organizational structure chart and revision of the "Organizational Authority, Responsibility, and Internal Communication Management Procedures" in the Company. 6. The Company plans to apply for a funding loan limit to its wholly-owned subsidiary, Nidec Jue-Choung Electronics (Kunshan) Co., Ltd., to address operational turnover needs. <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
The 25th session of the 17th term March 24, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approval of the Company's 2021st fiscal year operating report, consolidated financial statements, and individual financial statements. 2. Approval of the Company's operating plan and budget. 3. Approval of the distribution of earnings for the Company's 2021st fiscal year.

	<ol style="list-style-type: none"> 4. Approval of employee compensation and director and supervisor remuneration for the Company's 2021st fiscal year. 5. Appointment of the Company's auditors for the 2022nd fiscal year. 6. Issuance of the Company's internal control system statement for the 2021st fiscal year. 7. Amendment of the Company's "Asset Acquisition or Disposal Procedures." 8. Amendment of certain articles of the Company's "Articles of Incorporation." 9. Drafting of the "Director Appointment Procedures." 10. Amendment of certain articles of the "Remuneration Committee Organizational Regulations." 11. Amendment of certain articles of the Company's "Code of Conduct" and "Operational Procedures and Behavioral Guidelines for Ethical Business Operations." 12. Amendment of the Company's "Code of Ethics." 13. Amendment of the Company's "Board Meeting Regulations." 14. Amendment of certain articles of the Company's "Corporate Governance Best Practice Guidelines." 15. Comprehensive re-election of directors (including independent directors). 16. Nomination and review of director (including independent director) candidates. 17. Lift the restrictions on newly appointed directors and their representatives regarding competition. 18. Determination of matters related to convening the Company's 2022nd annual general meeting of shareholders. 19. Acceptance of matters related to shareholder proposals for the Company's 2022nd annual general meeting of shareholders. 20. Consideration of matters related to the inclusion of shareholder nominations in the list of candidates. 21. Acceptance of matters related to shareholder proposals for the Company's 2022nd annual general meeting of shareholders. 22. The company handles matters related to the inclusion of shareholder nominations in the candidate list. <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After consulting the opinions of all attending directors, as requested by the Chairman (Acting Chairman), the resolution was unanimously passed without objections.</p>
<p>The 26th session of the 17th term April 25, 2022</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposal for the nomination and review of director candidates (including independent directors). 2. Review of the written proposals submitted by shareholders for the 2022nd annual general meeting of the company. 3. Amendment of certain articles in the "Internal Control System Management Regulations," "Internal Audit Implementation Rules," and "Internal Control System Self-Assessment Operation Regulations" of the company.

	<p>4. Proposed adjustment of the organizational structure chart of the company and amendment of the "Organizational Authority and Internal Communication Management Regulations."</p> <p>5. Proposal for the promotion and salary adjustment of senior executives in the company.</p> <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
<p>The 27th session of the 17th term May 9, 2022</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Agenda Item: Approval for the company to apply to the parent company, Nidec Corporation, for maintaining the short-term loan limit and extending the existing long-term loan tenure. 2. Proposal for the amendment to the director candidate list nominated by the Board of Directors, submitted for discussion. <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
<p>The 1st session of the 18th term June 20, 2022</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposal for the appointment of Chairman of the Board, submitted for discussion. 2. Proposal for the establishment of the Audit Committee and appointment of Audit Committee members, submitted for discussion. 3. Proposal for the appointment of the Remuneration Committee, submitted for discussion. <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
<p>The 2nd session of the 18th term August 10, 2022</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposal for the establishment of the ex-dividend date for the distribution of cash dividends for the fiscal year 2022 of the company, submitted for discussion. 2. Proposal for the allocation of employee compensation and director and supervisor remuneration for the fiscal year 2021 of the company, submitted for discussion. 3. Proposal for the amendment of the "Internal Audit Plan for the Year 2022" of the company, submitted for discussion. 4. Proposal for the retrospective approval of promotions and salary adjustments for senior executives in the company, submitted for discussion. 5. Proposal for the retrospective approval of the proposed adjustment of the organizational structure chart of the company and amendment of the "Organizational Authority and Internal Communication Management Regulations," submitted for discussion. 6. Proposal for the amendment of the "Accounting System" of the company, submitted for discussion.

	<p>7. Proposal for the planning of greenhouse gas inventory and verification schedule, submitted for deliberation.</p> <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>
<p>The 3rd session of the 18th term November 7, 2022</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposal for the "Internal Audit Plan for the Year 2023 of the company," submitted for discussion. 2. Proposal for the change in the "Director responsible for signing audit reports," submitted for discussion. 3. Proposal for the amendment of the "Financial Statement Preparation Process Management Regulations" of the company, submitted for discussion. 4. Proposal for the amendment of the "Internal Handling of Material Non-public Information and Prevention of Insider Trading Operations Procedures," submitted for discussion. 5. Proposal for the retrospective approval of changes in the positions of Chief Financial Officer (CFO) and Deputy Chief Financial Officer (DCFO) in the company, submitted for discussion. <p>Independent Director's Opinion: No objections or reservations. Company's Handling of Independent Director's Opinion: N/A. Resolution Result: After the Chairman (acting Chairman) solicited opinions from all attending directors, the proposal was passed without objection.</p>

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

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

(1) Board Meeting Date: May 9, 2022 (17th Session, 27th Meeting)

1. Discussion Content: The agenda is to discuss and approve the company's proposal to apply to the parent company, Nidec Corporation, for maintaining the short-term loan limit and extending the existing long-term loan tenure.
2. Directors with conflicts of interest: Junichi Nagai, Miyamoto Eiji, Yasuhiro Mase, Kenji Ito, Matsuhashi Hidetoshi
3. Conflict of Interest and Voting Participation: The directors appointed by Nidec Corporation, who are also the corporate representatives, have a conflict of interest in this matter. They have recused themselves from the discussion and voting process. The acting chairperson sought the opinions of the remaining directors present, and there were no objections. The agenda was passed accordingly.

(2) Board of Directors Meeting: August 10, 2022 (18th, 2nd meeting)

1. Agenda: Approval of the allocation of employee compensation and director/supervisor remuneration for the fiscal year 2021 of the company.
2. Directors with Conflict of Interest: Hsu Ke-Wei

3. Reason for abstention and participation in voting: Due to involvement in the discussion regarding the allocation of director remuneration for the fiscal year 2021 and the distribution of employee compensation, which includes information on their own remuneration as well as their role as an executive, the director abstained from voting due to a conflict of interest. They did not participate in the discussion or voting. The Chairman sought the opinions of the remaining directors present, and there were no objections, leading to the resolution being passed.

(3) Board of Directors Meeting: May 9, 2022 (18th, 6th meeting)

1. Agenda: Approval of the application for a short-term loan limit from the company's parent company, Nidec Corporation.
2. Directors with Conflict of Interest: Junichi Nagai, Hishida Masahiro, Miyamoto Eiji, Matsuhashi Hidetoshi, Tetsu Nishizawa, Tetsuo Kino, Tatsumi Akio and Takasawa Shinji
3. Conflict of Interest and Voting Participation: The directors appointed by Nidec Corporation, who are also the corporate representatives, have a conflict of interest in this matter. They have recused themselves from the discussion and voting process. The acting chairperson sought the opinions of the remaining directors present, and there were no objections. The agenda was passed accordingly.

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

Evaluation Period	Conducted annually
Evaluation Period	The performance of the Board of Directors from June 20, 2022, to December 31, 2022 (Board reconstitution on 06/20/2022) is being evaluated
Evaluation Scope	The Board of Directors, individual directors, and functional committees (including the Compensation Committee and the Audit Committee).
Evaluation Method	The evaluations are conducted through self-assessments by members of the Board of Directors.
Evaluation Content	<ol style="list-style-type: none"> 1. Evaluation of the Board of Directors' performance: including the level of engagement in company operations, quality of board decision-making, composition and structure of the board, director selection and continuous education, internal controls, etc. 2. Evaluation of individual director performance: including mastery of company goals and tasks, awareness of director responsibilities, level of engagement in company operations, internal relationship management and communication, director's expertise and continuous education, internal controls, etc. 3. Evaluation of the Audit and Compensation Committees' performance: level of engagement in company operations, understanding of committee responsibilities, quality of committee decision-making, composition and member selection of the committees, internal controls, etc.

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

- (1) The company has established an Audit Committee, and the operations of the Board of Directors are carried out in accordance with laws, the company's bylaws, and resolutions of the shareholders' meeting. All directors possess the necessary professional knowledge, skills, and qualities to perform their duties and adhere to the principles of loyalty, good faith, and fiduciary duty, aiming to create maximum benefits for all shareholders. The Audit Committee of the company was established in the year 2022.

- (2) Upholding operational and information transparency, the company discloses important decisions of the Board of Directors and other relevant information on its website, ensuring the protection of shareholders' rights and interests.
- (3) In order to implement corporate governance and enhance the efficiency of the Board of Directors, the company has formulated the "Performance Evaluation Methods for the Board of Directors and Functional Committees" in compliance with the latest regulations, which was approved by the Board of Directors on January 14, 2020 and is on record. The performance evaluation for the Board of Directors and functional committees for the year 2022 has been completed before the end of 2022, and the evaluation scores for the three self-assessment components are all above 90 (presented conceptually as a percentage). The performance evaluation results have been submitted to the Board of Directors on January 13, 2023.
- (4) The company arranges at least one meeting per year for the independent directors and supervisors to meet with the auditors separately. In the event of significant changes in accounting standards or revisions to laws and regulations, the company invites the auditors to have discussions with the Board of Directors to address professional issues raised by the directors. The internal audit manager communicates with the independent directors and the Audit Committee every six months to discuss audit operations. The independent directors review the audit reports and, if they have any questions or instructions, they communicate with the audit manager through email or phone calls, maintaining good communication between parties.

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

1. The company established the Audit Committee on 06/20/2022, replacing the role of the supervisor.
2. The Audit Committee was established on 06/20/2022, and during the current term, it held 2 meetings.
3. In the most recent fiscal year (2022), the Audit Committee held 2 meetings. (A) The attendance record of independent directors is as follows:

Title	Name	Number of attendance in person (B)	Number of proxy attendance	Rate of attendance in person (%)	Remarks
Independent Director	Hsu Ke-Wei	2	0	100%	Newly appointed
Independent Director	Wang Wen-Yeu	2	0	100%	Newly appointed
Independent Director	Lian Jun-Hua	2	0	100%	Newly appointed
Independent Director	Chou Chien-Hung	2	0	100%	Newly appointed

Other items that shall be recorded:

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

Audit Committee Date	Discussion agenda and resolution result	Items Listed of Securities and Exchange Act Article 14-5	Decisions made with the approval of more than two-thirds of the entire board of directors without the approval of the Audit Committee
1st Session of the 1st Term August 10, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1.The proposal for the appointment of the convener of the current Audit Committee. 2.Amendment to the "Internal Audit Plan for the fiscal year 2022" of the company. 3.Proposed revision of the "Accounting System" of the company. 4.Proposed adjustment of the organizational structure chart and retrospective approval of the amendment to the "Organizational Authority, Responsibility, and Internal Communication Management Regulations" of the company. ° 	Yes	No
<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve</p>			
2nd Session of the 1st Term November 7, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1.The proposal for the "Internal Audit Plan for the fiscal year 2023" of the company. 2.Proposed revision of the "Financial Statement Preparation Process Management Regulations" of the company. 3.Discussion on the amendment to the "Internal Major Information Processing and Prevention of Insider Trading Management Procedures. 	Yes	No
<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve</p>			

1st Session, 3rd Meeting March 24, 2023	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposal for issuing the "Internal Control System Statement for the fiscal year 2022" of the company. 2. Proposal for the "Business Report, Consolidated Financial Statements, and Individual Financial Statements for the fiscal year 2022" of the company. 3. Proposal for the distribution of earnings for the fiscal year 2022 of the company. 4. Proposal for appointing the auditor for the fiscal year 2023 of the company. 5. Proposal for the establishment of general principles for the "Pre-approval of Non-assurance Services (NAS) Policy" of the company. 6. Proposal for the appointment of the "Corporate Governance Officer" of the company. 7. Proposal for adjusting the organizational structure chart and amending the "Organizational Authority, Responsibility, and Internal Communication Management Regulations" of the company. 	Yes	No
<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve</p>			
4th Session of the 1st Term May 9, 2023	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposal for the company's application for a short-term loan facility from the parent company, Nidec Corporation, and requesting discussion on the matter. 	Yes	No
<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the opinions of the Audit Committee: All attending directors agreed to approve</p>			

- (2) Communication between the Audit Committee, Internal Audit Manager, and Accountant:
1. The internal audit manager submits the monthly audit reports and follow-up reports to the independent directors, attends regular quarterly board meetings to report on audit activities, and communicates with the audit committee and independent directors during each audit committee meeting. Furthermore, during the review of audit reports, the independent directors can raise inquiries or provide instructions to the audit manager via email or phone, ensuring effective communication between them. Here is a summary of the internal audit supervisor's communication occurrences for the year 2022:

Communication Date	Meeting Method	Key Points of Communication	Communication Result
Year 2023 May 9	Audit Committee	Audit Report on J-SOX Internal Control for the Year 2022	Independent director has no opinions or suggestions.
	Board of Directors	Audit Business Execution Report for March-April 2023	Independent director has no opinions or suggestions.
Year 2023 March 24	Audit Committee	(1) Self-Assessment and Execution of Internal Control and Audit Plan for the year 2022: (2) Audit Report on the Implementation of J-SOX Internal Control for the year 2022: (3) Modification of Key Internal Control Systems.	Independent director has no opinions or suggestions.
	Board of Directors	Audit Business Execution Report from November 2022 to February 2023	Independent director has no opinions or suggestions.
Year 2023 January 13	Board of Directors	Attendance at Inquiry Session	Independent director has no opinions or suggestions.
Year 2022 November 07	Audit Committee	(1) Audit Plan for the year 2023: (2) Execution of Audit Plan for the year 2022 and Reporting of Whistleblowing Cases: (3) Modification of Key Internal Control Systems.	Independent director has no opinions or suggestions.
	Board of Directors	Audit Business Execution Report for August to October of year 2022	Independent director has no opinions or suggestions.
Year 2022 August 10	Audit Committee	(1) Revision of Audit Plan for the year 2022. (2) Execution of Audit Plan for the year 2022 and Reporting of Whistleblowing Cases. (3) Modification of Key Internal Control Systems.	Independent director has no opinions or suggestions.
	Board of Directors	Audit Business Execution Report for May to July of the year 2022	Independent director has no opinions or suggestions.

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

Below is a summary of the communication between the auditor and the Board of Directors for the year 2022:

Communication Date	Meeting Method	Key Points of Communication	Communication Result
March 24,, 2022	Meeting (Board of Directors and Supervisors)	Discussion on the communication of audit findings for the year 2021	Independent directors and supervisors have no objections or suggestions
November 7, 2022	Meeting (One-on-One with Independent Director)	Discussion on the pre-audit communication for the year 2022 and communication regarding significant regulatory updates.	Independent director has no opinions or suggestions.

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

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

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

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies																																																																														
	Yes	No	Summary and Explanation																																																																															
			<p>Here is a list of the implementation status of the policy on board diversity for all board members:</p> <table border="1"> <thead> <tr> <th rowspan="2">Title</th> <th rowspan="2">Diversification projects Board of Directors Names</th> <th>Age</th> <th colspan="3">Age</th> <th rowspan="2">Gender</th> <th rowspan="2">position as an employee</th> <th rowspan="2">Tenure of Independent Directors</th> <th rowspan="2">Management/Leadership Operational</th> <th rowspan="2">Industry Knowledge</th> <th rowspan="2">Financial Accounting International market</th> <th rowspan="2">decision-making skills</th> <th rowspan="2">Remarks</th> </tr> <tr> <th>Nationality</th> <th>41 to 50</th> <th>51 to 60</th> <th>61 to 70</th> </tr> </thead> <tbody> <tr> <td>Chairman</td> <td>Delegate of Nidec Corporation: Junichi Nagai</td> <td>Japan</td> <td></td> <td>√</td> <td></td> <td>Male</td> <td>√</td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in overseas business management.</td> </tr> <tr> <td>Director</td> <td>Delegate of Nidec Corporation:</td> <td>Japan</td> <td></td> <td>√</td> <td></td> <td>Male</td> <td></td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in industry knowledge</td> </tr> <tr> <td>Director</td> <td>Delegate of Nidec Corporation:</td> <td>Japan</td> <td></td> <td>√</td> <td></td> <td>Male</td> <td></td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in industry knowledge</td> </tr> <tr> <td>Director (Note 1)</td> <td>Delegate of Nidec Corporation:</td> <td>Japan</td> <td>√</td> <td></td> <td></td> <td>Male</td> <td></td> <td>N/A</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>Proficient in overseas business</td> </tr> </tbody> </table>	Title	Diversification projects Board of Directors Names	Age	Age			Gender	position as an employee	Tenure of Independent Directors	Management/Leadership Operational	Industry Knowledge	Financial Accounting International market	decision-making skills	Remarks	Nationality	41 to 50	51 to 60	61 to 70	Chairman	Delegate of Nidec Corporation: Junichi Nagai	Japan		√		Male	√	N/A	√	√	√	√	√	Proficient in overseas business management.	Director	Delegate of Nidec Corporation:	Japan		√		Male		N/A	√	√	√	√	√	Proficient in industry knowledge	Director	Delegate of Nidec Corporation:	Japan		√		Male		N/A	√	√	√	√	√	Proficient in industry knowledge	Director (Note 1)	Delegate of Nidec Corporation:	Japan	√			Male		N/A	√	√	√	√	√	Proficient in overseas business	
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Evaluation Items	Implementation Status													The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEx Listed Companies				
	Yes	No	Summary and Explanation															
			Director	Delegate of Nidec Corporation: Masahiko	Japan			√	Male	√	N/A	√	√	√	√	√	√	Proficient in financial finance and
			Director (Note 2)	Delegate of Nidec Corporation: Takashi	Japan		√		Male	√	N/A	√	√	√	√			Proficient in industry knowledge
			Director	Delegate of Nidec Corporation: Takashi	Japan		√		Male	√	N/A	√	√	√	√	√		Proficient in corporate strategic
			Director	Delegate of Nidec Corporation: Takashi	Japan	√			Male	√	N/A	√	√	√	√	√		Proficient in corporate strategic
			Independent Director	Hsu Ke-Wei	Taiwan R.O.C.			√	Male		3~6 years	√	√	√	√	√		Proficient in legal affairs
			Independent Director	Wang Wen-Yeu	Taiwan R.O.C.			√	Male		Within 3	√	√	√	√	√		Proficient in legal affairs
			Independent Director	Lian Jun-Hua	Taiwan R.O.C.		√		Male		Within 3	√	√	√	√	√		Proficient in financial
			Independent Director	Chou Chien-Hung	Taiwan R.O.C.	√			Male		Within 3	√	√	√	√	√		Proficient in financial

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(2) Besides the Compensation Committee and Audit Committee, does the company voluntarily set up other functional committees?	√		(2) Our company has established a Compensation Committee, and upon the completion of the current term of the Board of Directors (in the year 2022), when a comprehensive election of directors takes place, an Audit Committee will be formed. In the future, the establishment of other functional committees will be evaluated based on operational needs. °	
(3) Has the company established a board performance evaluation method and its evaluation method, conducted performance evaluations regularly every year, and reported the results of the evaluation to the board for use as a reference for individual director compensation and nomination for reappointment?	√		<p>(3) On December 24th, 2015, the Board of Directors approved the "Board of Directors' Performance Evaluation Guidelines," which mandated regular evaluations of the Board's performance. Subsequently, in accordance with the latest legal requirements, the guidelines were revised as the "Board of Directors and Functional Committees' Performance Evaluation Guidelines" and were approved by the Board of Directors on January 13th, 2023. The self-assessment is conducted by all directors and members of the Compensation Committee, covering three aspects: "Overall Board Operations," "Board Members," and "Compensation Committee Operations."</p> <p>At the end of each fiscal year, self-assessment questionnaires are distributed to all members of the Board of Directors and the Compensation Committee. After collecting the questionnaires, the Chairman's Office and the management department compile and analyze the assessment results based on the scoring criteria for each performance indicator. Any indicators with lower scores or recommendations from directors or the Compensation Committee are reported to the Board of</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
(4) Does the company regularly assess the independence of its auditing CPAs?	√		<p>Directors and Supervisors for their information. These results serve as references for future adjustments or improvements in the operation of the Board of Directors and the Compensation Committee. The performance evaluation of the Board of Directors and functional committees for the fiscal year 2022 has been completed before the end of 2022. The assessment scores for the three self-assessment criteria are all above 90 points (converted to a percentage concept). The results of the performance evaluation have been submitted to the Board of Directors on January 13, 2023.</p> <p>Regarding the evaluation results of the board of directors' performance, this company may use them as a reference for selecting or nominating directors. Additionally, the individual performance evaluation results of each director should serve as a reference for determining their individual compensation.</p> <p>(4) The company conducts regular evaluations of the independent integrity of its auditors, taking into account the evaluation criteria set forth in the "Regulations Governing the Professional Ethics of Certified Public Accountants of the Republic of China," Issue No. 10, "Integrity, Impartiality, Objectivity, and Independence." These criteria include: when the appointed auditors have conflicts of interest that may affect their impartiality and independence, they should be avoided; members of the auditing service team, other practicing accountants, firms, and affiliated enterprises should maintain</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>independence from the company; the appointed auditors should possess independence and maintain an unbiased and objective position; the independence of the auditors should not be affected by self-interest, self-assessment, advocacy, familiarity, or coercion. For example, there should be no significant financial interests, close business relationships, or potential employment relationships between the auditors and the company; members of the auditing service team should not have served as directors, executives, or held positions with significant influence over audit cases for the company within the current or past two years; they should not have promoted or brokered the company's issuance of stocks or other securities, nor acted as the company's advocates; the auditors or members of the auditing service team should not have any familial relationship with the company's directors, executives, or individuals with significant influence over audit cases, nor have received significant gifts or presents from the company or its directors or executives; the auditors should not have accepted improper choices regarding accounting policies or inappropriate disclosures in financial statements, and so on.</p> <p>On March 24, 2023, this company's board of directors resolved to appoint auditors for the certification of the financial statements for the fiscal year 2023, as well as to evaluate their independence. After the evaluation, the appointed auditors all meet the company's standards for independence, and they have provided the company with a statement declaring their absolute independence.</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
4. Has the listed company appointed competent and appropriate governance personnel and designated a governance officer responsible for governance-related matters (including but not limited to providing directors and supervisors with necessary information, assisting directors and supervisors in complying with laws and regulations, conducting board and shareholders' meetings in accordance with laws, and preparing minutes of board and shareholders' meetings)?	√		<p>The company has a corporate governance officer who, together with the chairman and personnel, is responsible for corporate governance-related matters, including:</p> <ol style="list-style-type: none"> 1. Acting as the secretariat for the board of directors, which includes compiling meeting agendas, sending meeting notices to directors and supervisors at least seven days prior to the meeting, and providing sufficient meeting materials to facilitate understanding of the agenda items by attendees. In cases where agenda items involve conflicts of interest with directors themselves or the legal entities they represent, advance reminders should be provided to avoid conflicts of interest in compliance with laws and regulations. Within 20 days after the meeting, the minutes of the board of directors should be sent to all directors and supervisors for retention. 2. Responsible for the timely release of significant information and related announcements after board meetings or shareholders' meetings to ensure the legality and accuracy of information disclosure and safeguard the rights of investors to symmetrical information. 3. Conducting pre-registration operations for shareholder meetings in accordance with the law, preparing and submitting meeting notices, agendas, annual reports, and minutes of shareholder meetings within the specified deadlines. 4. Handling the reporting of shareholding changes by insiders and various commercial registration changes. 	No significant differences

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>5. To enhance the efficiency of the board of directors, conducting an internal performance evaluation of the board's operations for the previous year before the end of the first quarter and reporting the evaluation results to the board of directors.</p> <p>6. Managing the renewal of the company's "Directors, Supervisors, and Key Personnel Liability Insurance" and reporting the insurance coverage to the board of directors.</p> <p>7. Providing occasional information on professional development for directors and supervisors and arranging relevant courses for foreign directors and supervisors to fulfill the required training hours according to the "Guidelines for the Professional Development of Directors and Supervisors of Listed and OTC Companies." Completing the related announcement and reporting requirements.</p> <p>8. Providing directors and supervisors with information on new laws or regulatory amendments related to their duties and corporate governance on an irregular basis.</p> <p>9. Reviewing the indicators of corporate governance evaluations and proposing improvement plans or response measures for indicators that have not achieved a passing score.</p> <p>10. Providing operational or financial information to directors and supervisors as needed, ensuring smooth communication and exchange between the board of directors and the management level.</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a special area for stakeholders on the company website, and properly respond to the important issues of corporate social responsibility the stakeholders are concerned about?	√		The company has a spokesperson and deputy spokesperson to communicate with stakeholders. Contact information for the spokesperson, deputy spokesperson, and business/product inquiries is provided on the company's website, including contact windows and email addresses. Additionally, under the Corporate Social Responsibility section of the company's website, there is a dedicated area for stakeholders where concerns and issues from employees, customers, investors (media), suppliers, and regulatory authorities are addressed appropriately, ensuring smooth communication channels.	No significant differences
6. Does the company appoint a professional stock agency to handle the affairs of the Board of Shareholders?	√		The company has appointed –Yuanta Securities Co., Ltd., Shareholder Services Department, a professional shareholder services agency, to handle shareholder meeting affairs.	No differences

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

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
8. Does the company have other important information that helps understand the operation of corporate governance (including but not limited to employee benefits, employee care, investor relations, supplier relationships, rights of stakeholders, status of education and training for directors and supervisors, implementation of risk management policies and risk measurement standards, execution of customer policies, and the company's purchase of liability insurance for directors and supervisors)?	√		<ol style="list-style-type: none"> 1. Employee Rights and Employee Care: Please refer to Section V, "Labor-Management Relations," of the company's 2022nd Annual Report for information on employee benefits and employee care. 2. Investor Relations, Supplier Relations, and Stakeholder Rights: The company has established various corporate social responsibility guidelines and practices, including the "Corporate Governance Best Practice Guidelines," "Supplier Evaluation Procedures," "Corporate Social Responsibility Guidelines," "Code of Conduct," and "Code of Conduct Operation Procedures and Behavior Guidelines." These guidelines aim to promote corporate governance and ensure the rights of stakeholders. For more information, please refer to Section IV, "Corporate Governance Operational Status," Section V, "Execution of Sustainable Development and Differences in Sustainable Development Practices Guidelines for Listed Companies" of the company's 2022nd Annual Report. 3. Continuing Education of Directors and Supervisors: In the year 2022, all directors and supervisors of the company accumulated a total of 157 hours of continuing education. The details of their continuing education are listed as follows: 	No significant differences.

Evaluation Items	Implementation Status					The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies																																																											
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Evaluation Items	Implementation Status				The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies				
	Yes	No	Summary and Explanation						
				2022/12/27	Foundation	Labor Law Practices	3 hours		
			Director	Hishida Masahiro	2022/11/03	Securities and Futures Market	Corporate Governance	3 hours	
					2022/11/21		Discussion on	3 hours	
					2022/12/16	Development	Latest Internet Attacks	3 hours	
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			Director	Matsuda Yoshihiro	2022/11/03	Securities and Futures Market	Corporate Governance	3 hours	
					2022/11/21		Discussion on	3 hours	
					2022/12/16	Development	Latest Internet Attacks	3 hours	
					2022/12/27	Foundation	Labor Law Practices	3 hours	
			Director	Hayashi Hiroki	2022/11/03	Securities and Futures Market	Corporate Governance	3 hours	
					2022/11/21		Discussion on	3 hours	
					2022/12/16	Development	Latest Internet Attacks	3 hours	
					2022/12/27	Foundation	Labor Law Practices	3 hours	
			Director	Tatsumi Akio	2022/11/03	Securities and Futures Market	Corporate Governance	3 hours	
					2022/11/21		Discussion on	3 hours	
					2022/12/16	Development	Latest Internet Attacks	3 hours	
					2022/12/27	Foundation	Labor Law Practices	3 hours	

Evaluation Items	Implementation Status				The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies				
	Yes	No	Summary and Explanation						
			Director	Takasawa Shinji	2022/11/03	Securities and Futures Market	Corporate Governance	3 hours	
					2022/11/21		Discussion on	3 hours	
					2022/12/16	Development Foundation	Latest Internet Attacks	3 hours	
					2022/12/27		Labor Law Practices	3 hours	
			Independent Director	Wang Wen-Yeu	2022/08/25	GreTai Securities	Internal Equity Advocacy and	3 hours	
					2022/08/04	Chinese Corporate	The final piece of the puzzle for sustainable	3 hours	
					2022/12/22	Chinese Corporate	Origin, Prevention, and Director	1 hours	
			Independent Director	Chou Chien-Hung	2022/10/05	Securities and Futures Market	Global Net Zero	3 hours	
					2022/10/12	Development	Operational Practices	3 hours	
					2022/09/20		International Tax	3 hours	
					2022/09/21		Journey towards Net	3 hours	
					2022/10/06	Federation of Accounting	Auditing Standards	3 hours	
					2022/10/07	Professions in Taiwan	Auditing Standards	3 hours	
					2022/10/28		Practical Inventory of	6 hours	
					2022/11/02		Practical Inventory of	6 hours	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies																								
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Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>We have established the "Business Strategy Management Guidelines" and "Risk Management Guidelines," where the management level, considering the company's operational situation, internal and external business issues, as well as the needs and expectations of stakeholders, responds to the derived risks and opportunities. We regularly compile a "Risk Survey and Assessment Form" that is completed by various departments. The departments evaluate the likelihood and significance of identified risks, the severity of potential outcomes, and whether they involve any relevant legal regulations. Based on these evaluations, the results of the risk assessments are calculated. The responsible unit for risk management conducts a review of the overall "Risk Survey and Assessment Form" and includes risks with higher scores and greater potential impact in the "Risk Management Activity Plan Report." Relevant departments are then notified to propose improvement plans and implement them. °</p> <p>In the most recent period (early 2023rd year), a total of 211 risk issues were compiled in the "Risk Survey and Assessment Form." Among them, there were 2 risks that scored 30 points or higher, indicating a high level of potential impact. The relevant departments have already proposed corresponding strategies and action plans to mitigate operational risks and capitalize on potential opportunities. °</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>(5) Implementation of Customer Policy: Our company adheres to the principles of integrity, innovation, and mutual benefit in its business operations. We have adopted customer-oriented policies that focus on providing excellent products, timely delivery, and conducting business with integrity. The implementation of our customer policy is evident in our company's operational performance.</p> <p>(6) Purchase of Directors and Supervisors' Liability Insurance: The "Directors, Supervisors, and Key Personnel Liability Insurance" for the fiscal year 2022 has a coverage amount of 3 million US dollars. As of the printing date of the annual report, the insurance policy has not yet expired but is nearing its end in late May. Our company will complete the renewal process before the policy expires and submit the important details of the insurance coverage to the Board of Directors.</p>	

Evaluation Items	Implementation Status			The Reason of Departure from the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
9. Please explain the improvement measures implemented in response to the Corporate Governance Evaluation System results of the most recent year published by the Corporate Governance Center of Taiwan Stock Exchange; and propose improvement measures for under-performing aspects. (If the company is not included in the evaluation, no need to fill in.) Based on the "Corporate Governance Evaluation System" established by the Taiwan Stock Exchange's Corporate Governance Center, our company conducts self-assessment of corporate governance. In the 9th term of the year 2022, our "Corporate Governance Evaluation" result was classified in the range of 81% to 100%. During the comprehensive election of directors and supervisors upon the completion of their term in the year 2022, the appointment of four independent directors has been completed, including the establishment of an audit committee. The priority areas for our future enhancement include: 1. Establishing functional committees beyond the statutory requirements. 2. Currently, we have established the "Business Strategy Management Guidelines" and "Risk Management Guidelines" to conduct inventory and assessment of company risk issues and propose corresponding strategies and action plans. In the future, we will disclose the actual implementation status on our company's website and report to the board of directors at least once a year. 3. Promoting a dedicated unit for ethical business operations. In the future, we will explain the operation and execution of the unit on our company's website and annual report, and report to the board of directors at least once a year. 4. Completion of establishing a governance framework and revising measures to promote sustainable development.				

(4) Composition and Operation of the Remuneration Committee:

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

1. Information on the Members of the Compensation Committee

Identity category		Conditions	Professional Qualifications and Experience	Independence status	Number of members who are also members of the
Independent Director	With over 30 years of relevant work experience	Hsu Ke-Wei	Specializes in legal affairs and possesses the necessary work experience, professional knowledge, and skills in business, finance, accounting, and corporate operations. There are no circumstances as referred to in Article 30 of the Company Act.	Serves as an independent director and meets the independence criteria, including but not limited to the following: neither the individual, spouse, nor close relatives within the second degree of kinship hold positions as directors, supervisors, or employees in the company or its affiliated enterprises; does not hold any shares of the company; does not serve as a director, supervisor, or employee in companies with specific relationships to the company; has not received remuneration from providing business, legal, financial, accounting, or other services to the company or its affiliated enterprises in the past two years.	1
Independent Director	With over 30 years of relevant work experience	Wang Wen-Yeu	Specializes in legal affairs and possesses the necessary work experience, professional knowledge, and skills in business, finance, accounting, and corporate operations. There are no circumstances as referred to in Article 30 of the Company Act.	Serves as an independent director and meets the independence criteria, including but not limited to the following: neither the individual, spouse, nor close relatives within the second degree of kinship hold positions as directors, supervisors, or employees in the company or its affiliated enterprises; does not hold any shares of the company; does not serve as a director, supervisor, or employee in companies with specific relationships to the company; has not received	2

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

2. Operation of the Remuneration Committee

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

Title	Name	Actual Attendance Count	Number of proxy attendance	Actual Attendance Rate (%)	Remarks
Committee member (Convener)	Hsu Ke-Wei	4	0	100%	Reelection
Committee member	Wang Wen-Yeu	2	0	100%	Newly appointed (2022.06.20)
Committee member	Lian Jun-Hua	2	0	100%	Newly appointed (2022.06.20)
Committee member	Chou Chien-Hung	2	0	100%	Newly appointed (2022.06.20)
Committee member (Convener)	Chiang Ya-Ping	2	0	100%	Resigned on June 20, 2023
Committee member	Huang Jing Pei	2	0	100%	Resigned on June 20, 2023

Other items that shall be recorded:

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

Salary and Compensation Committee Date	Discussion agenda and resolution result
The 16th meeting of the 5th term January 20, 2022	Proposal: 1. Approved the employee promotion and salary adjustment plan within the company.

	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>
The 17th meeting of the 5th term April 25, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the proposed organizational structure chart and the revision of the "Organizational Authority, Responsibility, and Internal Communication Management Policy" of the company. 2. Approved the promotion and salary adjustment proposal for senior executives of the company.
	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>
The 1st meeting of the 6th term August 10, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the nomination of the convener of the current term's Remuneration Committee. 2. Approved the allocation of employee remuneration and director and supervisor remuneration for the year 2021 of the company. 3. Approved the retroactive recognition of the promotion and salary adjustment for senior executives of the company. 4. Approved the retroactive recognition of the proposed adjustment of the organizational structure chart and the revision of the "Organizational Authority, Responsibility, and Internal Communication Management Policy" of the company.
	<p>Committee members' opinions: No objections or reservations</p> <p>Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections.</p> <p>Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it.</p>
The 2nd meeting of the 6th term November 7, 2022	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the retrospective changes to the Chief Financial Officer (CFO) and Deputy Chief Financial Officer (DCFO) positions within the company. The company plans to adjust the organizational structure of the Research and Development Center and revise the "Organizational Authority, Responsibilities, and Internal Communication Management Regulations" proposal.

	<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it.</p>	
<p>The 3rd meeting of the 6th term January 13, 2023</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the disbursement of year-end bonuses for senior executives of the company for the year 2022, subject to discussion. 2. Approved the change in the company's spokesperson and presented it for discussion. 3. Approved the retroactive recognition of the change in the Chief Financial Officer (CFO) of the company and presented it for discussion. 4. Discuss and approve the proposed adjustment of the company's organizational structure chart and the revision of the "Organizational Responsibilities and Internal Communication Management Regulations." <p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>	
<p>The 4th meeting of the 6th term March 24, 2023</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Approved the distribution of employee remuneration and director's remuneration for the company's fiscal year 2022, subject to discussion. 2. Approved the appointment of a "Corporate Governance Officer" for the company and presented it for discussion. ° 3. Discuss and approve the proposed adjustment of the company's organizational structure chart and the revision of the "Organizational Responsibilities and Internal Communication Management Regulations." <p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>	
<p>The 5th meeting of the 6th term May 9, 2023</p>	<p>Proposal:</p> <ol style="list-style-type: none"> 1. Proposed for discussion the promotion and salary adjustment plan for senior executives within the company. 	

<p>Committee members' opinions: No objections or reservations Resolution result: After the chairman consulted the opinions of all attending committee members, the proposal was passed without objections. Company's handling of the Compensation Committee's opinions: The matter was presented to the Board of Directors, and all attending directors agreed to approve and implement it. It falls under the rules and regulations and has been publicly announced in the "Organizational Operation Regulations" section on the company's website.</p>	
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(5) Implementation status of sustainable development initiatives and differences in sustainability practices between listed and non-listed companies, along with the reasons for these differences.

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
1. Has the company established a governance framework to promote sustainable development and set up a dedicated unit to promote sustainable development, authorized by the board of directors to be handled by senior management, and supervised by the board of directors?		√	<p>Since 2022, our company has been proactively promoting sustainable development governance, integrating sustainability into our business planning. We have established the "GHG Reduction Committee," "RBA Committee," and "Occupational Health and Safety Committee" to drive sustainability initiatives. These committees report to the board of directors at least once a year on business-related plans and implementation results.</p> <p>Currently, we have not established a dedicated position for driving sustainable development.</p>	Establishing a dedicated position to promote sustainable development will be considered.
1, Has the company conducted risk assessments on environmental, social, and corporate governance issues related to its operations, in accordance with the principle of materiality, and established relevant risk management policies or strategies?	√		<p>(1) Environmental and Safety Health Management:</p> <p>Our company is a professional designer and manufacturer of electronic information products and heat dissipation components. To fulfill our corporate social responsibility and minimize the environmental impact of our production and operations, we have implemented an Environmental Management System (ISO 14001) and an Occupational Health and Safety Management System (ISO</p>	If there are no significant differences, relevant matters will be reported to the Board of

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

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure						
	Yes	No	Summary and Explanation							
			<p>external issues, and the expectations of stakeholders, we conduct risk assessments on environmental, social, and corporate governance issues related to company operations.</p> <p>The company has established a "Risk Management Policy" to assess and prepare for uncertainties that may threaten business operations. Through risk assessment and contingency plan exercises, we can respond with the most appropriate measures in the shortest possible time.</p> <p>(3) Significant Operational Issues and Management Strategies:</p> <table border="1"> <thead> <tr> <th>Management Aspect:</th> <th>Significant Issues:</th> <th>Strategies:</th> </tr> </thead> <tbody> <tr> <td>Environment.</td> <td>Water resource management, greenhouse gas management, energy resource management, waste</td> <td> <ul style="list-style-type: none"> Implementing environmental, health, and safety management systems in accordance with policies and legal requirements, aiming for environmental sustainability and circular economy. Actively engaging in </td> </tr> </tbody> </table>	Management Aspect:	Significant Issues:	Strategies:	Environment.	Water resource management, greenhouse gas management, energy resource management, waste	<ul style="list-style-type: none"> Implementing environmental, health, and safety management systems in accordance with policies and legal requirements, aiming for environmental sustainability and circular economy. Actively engaging in 	
Management Aspect:	Significant Issues:	Strategies:								
Environment.	Water resource management, greenhouse gas management, energy resource management, waste	<ul style="list-style-type: none"> Implementing environmental, health, and safety management systems in accordance with policies and legal requirements, aiming for environmental sustainability and circular economy. Actively engaging in 								

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>management, chemical safety, and climate change risk management.</p> <p>energy conservation, carbon reduction, pollution prevention, waste reduction, and recycling to address the challenges of climate change. °</p> <ul style="list-style-type: none"> • Incorporating environmentally friendly and hazardous substance-free materials or raw materials, continuously advancing technology and innovation to meet customer and market demands. Actively investing in green and sustainable processes to strengthen core competitiveness. 	
			<p>Social Occupational health and safety, talent attraction and retention, employee</p> <ul style="list-style-type: none"> • Strict adherence to labor laws, customer requirements, and responsible business alliance codes of conduct in the operating regions, ensuring fair employment, 	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			development and training, human rights, social participation/community relations.	<p>humane treatment, employee communication, and working conditions. Providing employees with diverse development opportunities, training, and fair compensation and benefits.</p> <ul style="list-style-type: none"> • Complying with occupational safety, fire safety, and relevant regulations to provide a safe and healthy working environment according to environmental, health, and safety policies. • Embracing the concept of "taking from society and giving back to society," participating in social welfare and emergency relief activities, sharing love, and fulfilling social responsibilities as a good corporate citizen.

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>Corporate Governance</p> <p>Corporate governance, professional ethics, customer relationship management, technology and research and development, product safety and quality, sustainable supplier management, information security.</p>	<ul style="list-style-type: none"> • Implementing corporate governance practices, enhancing information transparency, and safeguarding and respecting the rights and interests of shareholders and stakeholders. • Establishing a robust and comprehensive corporate responsibility management system to ensure compliance with labor, health and safety, environmental, and ethical standards. Fulfilling the company's social responsibilities and actively participating in activities related to the Responsible Business Alliance (RBA) Code of Conduct management system. Adhering to relevant labor, ethical, environmental health and safety

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
				<p>laws and regulations to establish a good corporate image.</p> <ul style="list-style-type: none"> • Establishing a sustainable supply chain management system and standards, maintaining regular communication with suppliers to establish stable and mutually beneficial strategic partnerships for sustainable development. <p>Expanding the procurement of environmentally friendly products and adhering to the principles of the Organisation for Economic Co-operation and Development (OECD) to prohibit the use of conflict minerals originating from high-risk conflict areas.</p>

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
3. Environmental Issues				No significant differences
(1) Has the company established an appropriate environmental management system based on its industry characteristics?	√		(1) The company has obtained ISO 14001:2015 certification for its environmental management system, aiming to effectively prevent and control environmental pollution while improving resource and energy utilization efficiency.	
(2) Is the company committed to improving energy efficiency and utilizing low environmental impact renewable materials?	√		(2) The company is dedicated to promoting energy recovery and reuse, reducing environmental impact. It comprehensively utilizes ROHS-compliant materials and promotes the recycling and reuse of waste materials. The relevant projects and steps are clearly defined within the ISO 14001 framework. Under the ISO 14001 environmental management system, the company continuously strives for the design and manufacture of green products. This involves using materials efficiently, employing non-toxic, harmless, and easily decomposable designs. The production process utilizes raw materials supplied by qualified suppliers, minimizes waste, employs efficient equipment and material recycling, and promotes the reuse of recyclable waste. These measures aim to enhance resource utilization efficiency, protect the environment, and minimize impact on ecosystems.	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
(3) Does the company assess the potential risks and opportunities of climate change on its current and future operations, and implement measures to address climate-related issues?	√		Human-induced greenhouse gas emissions contribute significantly to global warming and climate change. Therefore, the company continues to promote energy conservation and carbon reduction policies. This includes adopting energy-efficient lighting, gradually replacing outdated energy-consuming equipment, setting air conditioning temperatures, encouraging good habits such as turning off lights when not in use, and posting signage near elevators to encourage stair usage within certain floor ranges. These efforts aim to implement and advocate for energy conservation and carbon reduction policies, encouraging employees to save energy. For further details on product production practices, please refer to the explanation in the second point above.	
(4) Has the company compiled data on greenhouse gas emissions, water consumption, and total waste weight for the past two years, and developed policies for energy conservation, carbon reduction, water conservation, or other waste management?	√		(1) The company is committed to fulfilling its corporate social responsibility and actively promotes energy conservation and carbon reduction policies. The greenhouse gas emissions for the past two fiscal years (FY 110, FY 111) were 3,420.85 metric tons of CO ₂ e/year and 3,658.20 metric tons of CO ₂ e/year, respectively. Water consumption during the same periods was 10,233 cubic meters and 11,990 cubic meters, while the quantities of recyclable waste (scrap	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
			<p>materials) were 33,073 kilograms and 53,521 kilograms. The company has established "Energy Resource Management Procedures" and "Waste Management Regulations" to control and conserve water and electricity usage, reduce resource waste, and conduct regular greenhouse gas inventories. If any abnormal usage or emissions are identified, the company investigates the causes and implements improvements. Furthermore, through proper waste management and resource recycling, the company aims to reduce environmental pollution and ecological impact. The management has implemented regulations for the proper handling of general and hazardous recyclable waste to avoid environmental harm. Additionally, since the integration of the Nidec Corporation's management team, the company has actively promoted the 3Q6S management model. Through voluntary improvement proposals, the company has not only enhanced operational efficiency but also reduced electricity and water expenses. The goal is to become a low-carbon enterprise contributing to sustainable environmental development.</p>	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
4. Social Issues				
(1) Does the Company establish management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	√		The company adheres to relevant labor laws such as the Labor Standards Act, Employment Service Act, and Gender Equality in Employment Act, and has established internal regulations for compliance. The company also has "Corporate Social Responsibility Practice Guidelines" and "RBA (Responsible Business Alliance) Handbook" to ensure compliance with labor, health and safety, environmental, and ethical regulations. These efforts aim to fulfill the company's social responsibilities and establish a positive corporate image.	No significant differences
(2) Has the company established and implemented reasonable employee welfare measures (including salary, vacation, and other benefits), and appropriately reflected business performance or results in employee compensation?	√		The company follows the Labor Standards Act and related laws to establish various salary and welfare measures for employees. The company's "Articles of Incorporation" clearly states the proportion of profits allocated to employee remuneration each year. Additionally, the "Personnel Management Regulations" specify the distribution of annual bonuses to employees based on the company's operational performance and profitability for the year, demonstrating that the company appropriately reflects its business performance in employee compensation.	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
(3) Does the Company provide a safe and healthy work environment for employees, and regularly conduct health and safety training for employees?	√		The company has established "Occupational Health and Safety Work Guidelines" and an "Annual Environmental Health and Safety Monitoring Plan." By implementing standard operating procedures for work with relatively high-risk characteristics and conducting regular monitoring of the work environment, drinking water quality, and maintenance of fire protection equipment, the company ensures that all employees have a safe and healthy working environment. Furthermore, new and existing employees receive occupational health and safety training to enhance their awareness and compliance with occupational safety regulations. The company also conducts regular health checks for employees and specific health examinations for those engaged in hazardous operations as required by regulations. Additionally, the management department periodically shares health information with employees via email to promote their physical and mental well-being.	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
(4) Has the company established effective career development and training plans for employees?	√		The company has established an "Education and Training Implementation Method" and conducts internal and external on-the-job education and training for employees each year according to the "Annual Education and Training Plan." These initiatives aim to enhance employees' professional knowledge, skills, and career development capabilities.	
(5) Does the company comply with relevant laws and international standards regarding customer health and safety, customer privacy, marketing, and labeling issues related to its products and services? Additionally, has the company established policies and complaint procedures to protect consumer rights?	√		The company has established the "Customer Service Management Guidelines" and "Complaint Handling Procedures" to prioritize customer feedback. In addition to personal visits, the company also provides a business (product) contact window and an email inbox on its website. It has also set up a stakeholder section to provide channels for customers to ask questions, file complaints, or make suggestions. The company upholds the principle of integrity and handles and responds to these issues appropriately to protect customer rights.	
(6) Has the company established a supplier management policy, requiring suppliers to follow relevant regulations on environmental protection, occupational	√		The company has established the "Supplier Evaluation Guidelines" and "Supplier Management Procedures for Social Responsibility," which require suppliers to sign a "Supplier Social Responsibility Commitment" to comply with relevant regulations regarding labor	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
safety and health, or labor rights, and implemented such policy?			conditions (including occupational health and safety) and human rights management, fulfilling corporate social responsibility. Suppliers are also required to sign a "Supplier Environmental, Health, and Safety Requirement Notice" and an "Environmental Declaration," partnering with suppliers to jointly promote green products, energy conservation, and carbon reduction. The aim is to provide products that comply with international standards and regulations (such as RoHS and REACH) regarding environmental policies. Non-compliance or violations will result in the termination of procurement activities and the revocation of supplier qualifications. If such actions cause any losses to the company, compensation may be sought from the supplier. In addition, the company also requires suppliers to conduct reasonable due diligence on the supply chain and sign a "Conflict-Free Minerals Commitment" to ensure that the materials provided to Nidec Chaun-Choung Technology Corporation do not contain conflict minerals, fulfilling corporate social responsibility, environmental protection, and the practice of international justice.	

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
5. Does the company refer to internationally recognized reporting guidelines or frameworks to prepare non-financial information disclosure reports such as Corporate Social Responsibility reports? Has the aforementioned report obtained a confirmation or assurance opinion from a third-party verification agency?		√	The company has not yet prepared non-financial information reports such as sustainability reports. Therefore, there is no confirmation or assurance from a third-party verification entity. However, in terms of environmental protection, product responsibility, labor relations and safety, integrity in business operations, and ethics, the company has implemented the spirit of corporate social responsibility in its actual operations.	The company has not yet prepared a corporate social responsibility report. It will be evaluated in the future based on
6. If the company has established its own corporate social responsibility guidelines in accordance with the "Practical Guidelines for CSR Practices of Listed and OTC Companies," please specify any differences between its operations and the established guidelines: The company has established the "Corporate Social Responsibility Guidelines" to promote various aspects of corporate social responsibility, and there are no significant differences between the actual operations and the established guidelines.				

Evaluation Items	Implementation Status			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies and the reasons for such departure
	Yes	No	Summary and Explanation	
<p>7. Other important information contributing to understanding the operation of corporate social responsibility:</p> <p>(1) In August 2020 (Year 109), the company obtained certification from the Responsible Business Alliance (RBA), demonstrating its commitment to compliance with labor, health and safety, environmental, and ethical regulations. This certification reflects the company's fulfillment of its social responsibilities and its dedication to building a positive corporate image.</p> <p>(2) Human rights: The company places great importance on the rights of stakeholders. A stakeholder section is provided on the company's website as a platform for effective and convenient communication. This platform aims to understand the reasonable expectations and needs of stakeholders. Queries, complaints, or suggestions raised by stakeholders are handled by the respective contact windows, which bring relevant issues to the appropriate departments. Subsequently, these departments provide thorough responses and take appropriate actions. Feedback and interaction from stakeholders through this platform are essential references for the company to adjust and enhance its operational efficiency, as well as to maintain a foundation for sustainable development.</p>				

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

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

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

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
<p>(2) Does the company establish a dedicated unit under the board of directors to promote corporate integrity management, and report its integrity management policies, measures to prevent dishonest behavior, and supervisory implementation to the board of directors on a regular basis (at least once a year)?</p> <p>(3) Does the company have a conflict of interest prevention policy, provide appropriate representation channels, and implement them?</p>	<p>√</p> <p>√</p>		<p>rights, obligations, and transaction conditions of both parties are clearly stipulated in the credit contracts, ensuring transparent and legal transactions.</p> <p>(2) The company designates the Management Department as the responsible unit for promoting corporate integrity management. Currently, the Internal Audit Department assists in reporting the compliance status of group-wide integrity management during regular quarterly board meetings to assist the board in understanding the implementation of the integrity management policy and measures to prevent dishonest behavior.</p> <p>(3) The "Code of Conduct," "Operating Procedures and Code of Conduct for Integrity Management," and "Business Ethics Management Procedures" established by the company explicitly define policies to prevent conflicts of interest and require employees to implement them. If any suspected incidents are discovered, employees are required to report them to their immediate supervisors, the dedicated unit within the company, or through the company's whistleblower mailbox. In addition, for matters listed on the board's agenda</p>	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(4) Does the company have effective accounting and internal control systems in place to implement corporate integrity, and does the internal audit unit develop relevant audit plans based on the assessment of the risk of dishonest behavior, and use them to verify compliance with anti-dishonesty behavior plans, or commission accountants to conduct audits?	√		<p>involving board members who have a vested interest, the company follows the provisions regarding conflict of interest avoidance in Article 15 of the "Board of Directors Meeting Regulations."</p> <p>(4) The company has established comprehensive and effective control mechanisms in its accounting system and internal control system to manage business activities and operational processes with potential higher risks of dishonest behavior. The internal audit team includes high-risk operational procedures as audit items in the annual audit plan to enhance preventive measures. The execution of the audit plan is reported to the quarterly board meetings on a regular basis. Furthermore, with the inclusion of Nidec Corporation's management team, our company has complied with the regulations of Japanese listed companies and implemented the Japanese version of the Sarbanes-Oxley Act (J-SOX). As per J-SOX requirements, an accounting firm independent of financial statement attestation has conducted an internal control system audit to ensure the reliability of our company's financial reporting and disclosure.</p>	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(5) Does the company regularly conduct internal and external education and training on ethical corporate management?	√		(5) The "Code of Conduct" and "Operating Procedures and Code of Conduct for Integrity Management" established by the company are disclosed on the company's website under the "Investor Relations" section in the "Corporate Governance" category, outlining the organizational operation regulations. In addition to online disclosure, internal and external education and training programs are conducted to promote the code of conduct. In the fiscal year 2022, directors and supervisors participated in integrity management training courses organized by securities regulatory agencies, with existing directors and supervisors receiving 6 hours of training and newly appointed directors and supervisors receiving 12 hours of training. The Management Department and Internal Audit Department disseminate information to all employees through internal emails regarding the "RBA Responsible Business Alliance Code of Conduct," "Operating Procedures and Code of Conduct for Integrity Management," and "Company's Corporate Social Responsibility Policy Commitment," as well as the "Channel for Reporting Dishonest Behavior." In the fiscal year 2022,	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
			approximately 565 individuals received this information through internal dissemination. For new employees, the Internal Audit Department has developed an educational training presentation on "Introduction to Internal Control Systems and Explanation of Operating Procedures and Code of Conduct for Integrity Management" to ensure that new employees have a clear understanding of the company's integrity management policy. In the fiscal year 2022, a total of 4,074 new employees received this training, with a total training duration of approximately 7,823 hours.	
<p>3. Implementation of the Company's Whistleblowing System</p> <p>(1) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?</p>	√		(1) The "Operating Procedures and Code of Conduct for Integrity Management" of the company stipulates in Article 21 the system for reporting and rewards. If any personnel within the group suspects or discovers any dishonest behavior, they can make a report through the "Whistleblower Mailbox" on the company's website or through a dedicated email address for internal audit. If the reported matter involves regular employees, it should be reported to the department supervisor. If the reported matter involves directors or senior executives, it should be reported to independent directors or	No significant differences

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(2) Whether the company has established standard operating procedures for handling whistleblower reports, procedures for conducting investigations, measures to be taken after completing the investigations, and relevant confidentiality mechanisms.	√		<p>supervisors. The company's Integrity Management Department and the responsible supervisor or personnel should promptly investigate the relevant facts and, if necessary, seek assistance from regulatory compliance or other relevant departments.</p> <p>(2) The "Operating Procedures and Code of Conduct for Integrity Management" of the company stipulates in Article 21 the standard operating procedures for handling reported matters. The acceptance of reports, investigation process, and investigation results should be documented and retained for five years. If the reported matter is verified to be true, the relevant responsible units should be required to review internal control systems and operating procedures and propose improvement measures to prevent the recurrence of similar behavior. The dedicated unit of the company should report the reported matters, handling methods, and subsequent review and improvement measures to the board of directors.</p>	

Evaluation Items	Implementation Status			Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No	Summary and Explanation	
(3) Does the company take measures to protect the whistleblower against inappropriate disciplinary actions?	√		(3) The company is committed to maintaining the confidentiality of the identity of whistleblowers and the content of the reports and promises to protect whistleblowers from any improper treatment as a result of their reports.	
IV. Enforcing Information Disclosure Has the company disclosed the content and effectiveness of its code of conduct on its website and the Public Information Observation Station?	√		The company has disclosed its "Code of Ethics" and its implementation on the company's website, the Taiwan Stock Exchange (TWSE) website, and in the annual report, in accordance with Article 25 of the "Code of Ethics for Listed and OTC Companies." °	No significant differences
5. Regarding any differences between the company's own code of ethics and the "Code of Ethics for Listed and OTC Companies," the company has implemented its own "Code of Ethics" in line with its corporate culture of ethical business practices, and there are no significant differences between the actual operations and the provisions of the established code.				
VI. Other important information relevant to the ethical corporate management of the Company: (e.g. The Company's review and amendment to its Ethical Corporate Management Best Practice Principles)				
(1) In August 2020, the company obtained certification from the Responsible Business Alliance (RBA), and the Chairman signed a declaration of social responsibility policy and commitment. The declaration includes aspects such as clean business practices, no improper gains, information disclosure, protection of intellectual property rights, fair transactions, advertising and competition, whistleblower confidentiality and prevention of retaliation, and privacy protection. The company fulfills its social responsibility as a responsible corporate citizen.				

Evaluation Items	Implementation Status		Summary and Explanation	Departure from the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies, and reasons
	Yes	No		
<p>(2) The company has established the "Internal Handling of Material Non-Public Information and Prevention of Insider Trading Management Procedures," which clearly states that directors, supervisors, executives, and employees are prohibited from disclosing material non-public information to others. They are also prohibited from inquiring or collecting non-relevant material non-public information about the company from individuals who have access to such information. Furthermore, they are prohibited from disclosing non-public material information of the company to others, even if they have obtained such information outside the scope of their job responsibilities. °</p>				

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

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

(8) Other important information that enhances understanding of the company's governance practices:

1. The company regularly holds corporate briefings, and related information from these briefings is disclosed on the public information disclosure platform and the company's website for investors to access.
2. The company's accounting supervisor has accumulated a total of 12 hours of professional development training in the 2022nd and 2023rd fiscal years until the end of March. The training information is as follows: [Please provide the specific training information for translation.]

Title	Name	Date of Education	Organizer	Course Name	The nature and duration of continuing education courses		
Accounting Director	Chen Mei Hua	2022/1/1~2023/3/31	Foundation for Accounting Research and Development, Republic of China	Continuous professional development courses for accounting executives in securities firms and stock exchanges.	Auditing	Corporate governance.	Professional ethics and legal responsibilities
					3 hours	6 hours	3 hours

(9) Implementation of Internal Control System:

Declaration of Internal Control

Nidec Chaun-Choung Technology Corporation
Statement of Internal Control System

Date: March 24, 2023

Based on the results of our self-assessment, we hereby declare the following regarding the internal control system of our company for the fiscal year 2022:

- I. It is the responsibility of the Board of Directors and Managers of the Company to establish, implement and maintain the internal control system, which the company has established. The purpose of the internal control system is to achieve effective and efficient operations (including profitability, performance, and safeguarding of assets), reliable and timely reporting, transparency, and compliance with relevant regulations and laws. It provides reasonable assurance in achieving these objectives.
- II. The internal control system has its inherent limitation, no matter how perfect the design is, the effective internal control system can only provide reasonable assurance for the above three objectives; moreover, the effectiveness of the internal control system may change with the change of environment and situation. However, the internal control system of the Company is provided with a self-monitoring mechanism, and the company will take corrective actions once the absence is identified.
- III. The Company shall judge whether the design and implementation of the internal control system are effective or not according to the judgment items of the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control System by Public Owned Corporations" (hereinafter referred to as "Handling Guidelines"). The internal control system assessment criteria adopted in the "Handling Guidelines" consist of five components: 1. Control Environment, 2. Risk Assessment, 3. Control Activities, 4. Information and Communication, and 5. Monitoring Operations. Each component includes various items, which can be referred to in the provisions of the "Handling Guidelines."
- IV. The Company has already adopted the aforementioned internal control system assessment criteria to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the assessment results mentioned above, the Company believes that its internal control system (including the supervision and management of subsidiaries) as of December 31, 111 (2022), including the design and implementation of understanding the achievement of operational effectiveness and efficiency goals, reliable and timely reporting, transparency,

and compliance with relevant regulations and laws, is effective. It reasonably ensures the achievement of the aforementioned objectives.

VI. This statement will be the main content of the Company's annual report and public statement, and will be made public. If any of the contents disclosed above is found to be false, with concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This statement has been approved by the Board of Directors of the Company on March 24, 2023 (Taiwanese calendar). Out of the 11 directors present, 0 expressed opposition, and the rest agreed with the contents of this statement. Therefore, this statement is hereby declared.

Nidec Chaun-Choung Technology Corporation

Chairman: Junichi Nagai
General Manager: Junichi Nagai

Signature
Signature

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

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

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

Significant resolution items of Board of Directors

Meeting date	Important resolutions
<p>The 24th session of the 17th term January 20, 2022</p>	<ol style="list-style-type: none"> 1. The appointment of senior executives in the company is submitted for approval. 2. The distribution of performance-based incentives and profit enhancement plan bonuses for senior executives in the company for the year 2022 is proposed for discussion. 3. The draft of the "Audit Committee Organizational Regulations" for the company is proposed for discussion. Revised "Articles of Incorporation" of our company are proposed for discussion. 4. The company intends to adjust the organizational structure chart and revise the "Internal Communication and Responsibility Management Procedures" for discussion. 5. The company proposes to apply for a funding loan limit to be provided to its wholly-owned subsidiary, Nidec Jue-Choung Electronics (Kunshan) Co., Ltd., to support operational turnover. This matter is presented for discussion.
<p>The 25th session of the 17th term March 24,, 2022</p>	<ol style="list-style-type: none"> 1. The annual business report, consolidated financial statements, and individual financial statements for the year 2021 of the company are proposed for discussion. 2. The operational plan and budget of the company are proposed for discussion. 3. The profit distribution for the year 2022 of the company is proposed for discussion. 4. The allocation of employee remuneration and director and supervisor remuneration for the year 2021 of the company is proposed for discussion. 5. The appointment of the auditor for the year 2022 of the company is proposed for discussion. 6. The issuance of the internal control system statement for the year 2021 of the company is proposed for discussion. 7. The revision of the "Procedure for Acquisition or Disposal of Assets" of the company is proposed for discussion.

Meeting date	Important resolutions
	<ol style="list-style-type: none"> 8. Revised "Articles of Incorporation" of our company are proposed for discussion. 9. The draft of the "Director Appointment Rules" of the company is proposed for discussion. 10. The amendment of certain provisions of the "Remuneration Committee Organizational Regulations" of the company is proposed for discussion. 11. The amendment of certain provisions of the "Ethical Corporate Management Principles" and "Code of Conduct and Operation Guidelines for Ethical Business Practices" of the company is proposed for discussion. 12. The amendment of the "Code of Ethics" of the company is proposed for discussion. 13. The amendment of the "Board Meeting Rules" of the company is proposed for discussion. 14. The amendment of certain provisions of the "Practical Guidelines for Corporate Governance" of the company is proposed for discussion. 15. Comprehensive re-election of directors (including independent directors) is proposed for discussion. 16. Nomination and review of director candidates (including independent directors) list for deliberation. 17. Removal of restrictions on newly appointed directors and their representatives regarding competition is proposed for review. 18. Setting the agenda for the annual general meeting of shareholders for the year 2022 of the company is proposed for discussion. 19. Handling matters related to shareholder proposals for the annual general meeting of shareholders in the year 2022 of the company is proposed for discussion. 20. Handling matters related to the nomination of shareholders to be included in the candidate list is proposed for discussion.
<p>The 26th session of the 17th term April 25, 2022</p>	<ol style="list-style-type: none"> 1. Nomination and review of director candidates (including independent directors) list for deliberation. 2. The examination of shareholder written proposals for the company's annual general meeting in the year 2022 is proposed for review. 3. The revision of certain provisions of the "Internal Control System Management Measures," "Internal Audit Implementation Regulations," and "Internal Control System Self-Assessment Operation Measures" of the company is proposed for discussion. 4. The company intends to adjust the organizational structure chart and revise the "Internal Communication and Responsibility Management Procedures" for discussion. 5. The promotion and salary adjustment of senior executives of the company is proposed for discussion.

Meeting date	Important resolutions
The 27th session of the 17th term May 9, 2022	<ol style="list-style-type: none"> 1. Agenda Item: Approval for the company to apply to the parent company, Nidec Corporation, for maintaining the short-term loan limit and extending the existing long-term loan tenure. 2. Proposal to amend the list of director candidates nominated by the Board of Directors, proposed for discussion.
The 1st session of the 18th term June 20, 2022	<ol style="list-style-type: none"> 1. Appointment of the Chairman of the Board of Directors, proposed for discussion. 2. Establishment of the Audit Committee and appointment of committee members, proposed for discussion. 3. Appointment of the Compensation Committee, proposed for discussion.
The 2nd session of the 18th term August 10, 2022	<ol style="list-style-type: none"> 1. Establishment of guidelines for determining the ex-dividend date for cash dividends for the year 2022, proposed for discussion. 2. Distribution of employee remuneration and director and supervisor remuneration for the year 2021, proposed for discussion. 3. Revision of the "Internal Audit Plan for the Year 2022" of the company, proposed for discussion. 4. Retrospective approval for the promotion and salary adjustment of senior executives of the company, proposed for discussion. 5. Proposed adjustment of the organizational structure chart and revision of the "Organizational Responsibilities and Internal Communication Management Procedures," for retrospective approval. 6. Proposed revision of the "Accounting System" of the company, proposed for discussion. 7. Greenhouse gas inventory and verification schedule planning, proposed for review. °
The 3rd session of the 18th term November 7, 2022	<ol style="list-style-type: none"> 1. Proposal for the "Internal Audit Plan for the Year 2023" of the company, proposed for discussion. 2. Change of the "Directors for Approving Audit Reports," proposed for discussion. 3. Proposed revision of the "Management Procedures for Financial Statement Preparation Processes" of the company, proposed for discussion. 4. Revision of the "Internal Handling of Material Nonpublic Information and Prevention of Insider Trading Management Procedures," proposed for discussion. 5. Retrospective approval for the changes in the Chief Financial Officer (CFO) and Deputy Chief Financial Officer (DCFO) of the company, proposed for discussion.
The 4th session of the 18th term January 13, 2023	<ol style="list-style-type: none"> 1. Proposal for the distribution of year-end bonuses for the senior executives of the company for the year 2022, proposed for discussion. 2. Proposal to apply to Mega International Commercial Bank for customs duty accounting guarantee limit and A+ research and

Meeting date	Important resolutions
	<p>development subsidy performance guarantee limit, and to apply to First Commercial Bank for business card credit limit, proposed for discussion.</p> <ol style="list-style-type: none"> 3. Proposed revision of certain articles of the "Director Appointment Measures" of the company, proposed for discussion. 4. Proposed revision of certain articles of the "Board of Directors Meeting Regulations" of the company, proposed for discussion. 5. Proposed revision of certain articles of the "Corporate Governance Best Practices Guidelines" of the company, proposed for discussion. 6. The company intends to adjust the organizational structure chart and revise the "Internal Communication and Responsibility Management Procedures" for discussion. 7. Proposal for a change in the company's spokesperson, proposed for discussion. 8. Retrospective approval for the change in the Chief Financial Officer (CFO) of the company, proposed for discussion.
<p>The 5th session of the 18th term March 24, 2023</p>	<ol style="list-style-type: none"> 1. Proposal for issuing the company's Internal Control System Statement for the year 2022, proposed for discussion. 2. Proposal for the company's Annual Business Report, Consolidated Financial Statements, and Individual Financial Statements for the year 2022, proposed for discussion. 3. Proposal for the distribution of earnings for the year 2022, proposed for discussion. 4. Proposal for the distribution of employee remuneration and director and supervisor remuneration for the year 2022, proposed for discussion. 5. Proposal for the company's budget for the year 2023, proposed for discussion. 6. Proposal for the appointment of the company's statutory auditors for the year 2023, proposed for discussion. 7. Proposal for the formulation of general principles for the company's policy on pre-approval of Non-Assurance Services (NAS), proposed for discussion. 8. Proposal for the appointment of the company's "Corporate Governance Officer," proposed for discussion. 9. Proposal for the arrangements related to convening the company's shareholders' meeting for the year 2023, proposed for discussion. 10. Proposal for handling matters related to shareholders' proposals for the company's shareholders' meeting for the year 2023, proposed for discussion. 11. Proposal to adjust the organizational structure chart and revise the "Organizational Authority, Responsibility, and Internal Communication Management Procedures" of the company, proposed for discussion.

Meeting date	Important resolutions
The 6th session of the 18th term May 9, 2023	<ol style="list-style-type: none"> 1. The company proposes to apply for a short-term loan limit from its parent company, Nidec Corporation, and requests it to be discussed. 2. The appointment of senior executives within the company is proposed for acknowledgment. 3. The promotion and salary adjustment plan for senior executives within the company is proposed for discussion.

Important resolutions and implementation status of the shareholders' meeting:

Meeting date	Important resolutions	Implementation status
2022 June 20	<ol style="list-style-type: none"> 1. Approval of the recognition of the company's fiscal year 2021 operating report and financial statements. 2. Approval of the recognition of the company's fiscal year 2021 profit distribution. 3. Adoption of the discussion on the amendment of the company's articles of incorporation. 4. Adoption of the resolution on the company's director appointment procedures. 5. Adoption of the amended version of the company's asset acquisition or disposal procedures. 6. Adoption of the resolution for the election of directors. 7. Adoption of the resolution to lift the restrictions on competition for newly appointed directors in the company. 	<ol style="list-style-type: none"> 1. The resolution has been approved by a majority vote exceeding the statutory requirement, and the motion is recognized without any objections. 2. The Board of Directors has set August 31, Year 2022, as the ex-dividend date and September 15 of the same year as the dividend payment date. Cash dividends of NT\$0.61 per share have been fully distributed. 3. Following the shareholders' meeting, the company has applied for and obtained approval from the Ministry of Economic Affairs for the amendment and registration of the articles of incorporation on July 11, Year 2022. The revised "Articles of Incorporation" have been uploaded to the company's website for employees' reference, and relevant operations have been implemented accordingly. 4. Following the shareholders' meeting, the revised "Director Appointment Procedures" have been uploaded to the company's website, and relevant operations have been carried out in accordance with the amended procedures. 5. Following the shareholders' meeting, the revised "Asset Acquisition or Disposal Procedures" have been uploaded to the Public Information Observation System and the company's website, and relevant operations have been conducted in accordance with the amended procedures.

Meeting date	Important resolutions	Implementation status
		<p>6. The company has undergone a comprehensive election of directors at the 2022nd shareholders' meeting, and the resolution has been approved by a majority vote exceeding the statutory requirement. The motion is passed without any objections and has been uploaded to the Public Information Observation System and the company's website.</p> <p>7. The resolution has been approved by a majority vote exceeding the statutory requirement at the shareholders' meeting and has been uploaded to the Public Information Observation System.</p>

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

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

Title	Name	Date of	Date of	Reason for resignation or
Research and Development	Wang Zheng Du	96.08.30	2022.06.30	Personal career planning

Note: The term "company officials" refers to the Chairman, General Manager, Chief Accountant, Chief Financial Officer, Internal Audit Manager, Corporate Governance Manager, and R&D Manager, among others.

5. CPA Fee Information :

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

Amount unit: Thousand New Taiwan Dollars (NTD)

Name of CPA	Name of CPA	Audit period	Audit Fees	Non-Audit Fees	Total	Remarks
KPMG Taiwan	Kou Hui Zhi	2022.1.1~2022.12.31	5,840	2,270	8,110	Note 2
	Yu Ji Long					

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

Note 2: The non-audit fees include the following:

Transfer pricing benchmarking analysis report (2021): 250,000 NTD

Transfer pricing project audit for 2019: 1,800,000 NTD

Transfer pricing report for 2021: 220,000 NTD

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

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

6. Information on Changes of Accountants: None.

7. Within the past year, there have been no instances where the Chairman of the Board, CEO, or managers responsible for finance or accounting affairs have held positions in the auditing firm or its affiliated companies.

8. Substantial transfer or replacement of the shares of Directors, Supervisors, or major shareholders holding more than 10% of the shares in the most recent year and up to the date of the publication of the annual report

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

Job Title	Name	Year 2022		Year 2023 As of March 31st	
		Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)
Director and Major shareholder	Nidec Corporation	381,000	0	0	0
Legal Delegate of the Board of Directors	Junichi Nagai	0	0	0	0
Legal Delegate of the Board of Directors (Chief Executive Officer)	Wu Shiling	0	0	0	0
Legal Delegate of the Board of Directors (Chief Financial Officer)	Yasuhiro Mase (Note 1)	0	0	0	0
Legal Delegate of the Board of Directors	Kenji Ito (Note 2)	0	0	0	0
Legal Delegate of the Board of Directors (Chief Financial Officer)	Matsuda Yoshihiro (Note 3)	0	0	0	0
Legal Delegate of the Board of Directors	Miyamoto Eiji	0	0	0	0
Legal Delegate of the Board of Directors (Chief Financial Officer)	Matsubishi Hidetoshi	0	0	0	0
Legal Delegate of the Board of Directors	Hishida Masahiro	0	0	0	0
Legal Delegate of the Board of Directors	Tetsu Nishizawa (Note 3)	0	0	0	0
Legal Delegate of the Board of Directors	Hayashi Hiroki	0	0	0	0
Legal Delegate of the Board of Directors	Tatsumi Akio	0	0	0	0
Legal Delegate of the Board of Directors	Takasawa Shinji	0	0	0	0
Supervisor	Ko Taka Hashi (Note 4)	0	0	0	0

Job Title	Name	Year 2022		Year 2023 As of March 31st	
		Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)
Supervisor	Yan Qun Yu (Note	0	0	0	0
Senior Vice General Manager	Shen Zhi Ye	0	0	0	0
Vice General Manager	Lin Zhi Ren	0	0	0	0
Vice General Manager	Lin Li Wen	0	0	0	0
RD1 Vice General Manager	Wang Zheng Du (Note 7)		0	0	0
RD3 Vice General Manager	Huang Chuan-Zhan	0	0	0	0
RD4 Vice General Manager	Huang Meng Zheng	0	0	0	0
RD5 Vice General Manager	Chung Chun Min	0	0	0	0
PM1 Vice General Manager	Zheng Hong Lin	0	0	0	0
PM2 Vice General Manager	Chi Ya-Chin (Note 8)	0	0	0	0
Deputy General Manager of Quality Assurance	Yuan Shi Zhong	0	0	0	0
Manufacturing and Production Technology Engineering Vice General Manager	Yang Li-min (Note 9)	0	0	0	0
Assistant Manager of New Business Development Department	Xu Zhiwei	0	0	0	0
Assistant Manager of Material Department	Kenji Matsui (Note 10)	0	0	0	0
Assistant Manager of Product Development and Promotion Division	Wang Ruoying (Note 11)	0	0	0	0
RD1Assistant Manager	Lin Yi-yong	0	0	0	0
RD2Assistant Manager	Shi Bo-zhou	0	0	0	0
RD3Assistant Manager	Qiu Yao-cong	0	0	0	0

Job Title	Name	Year 2022		Year 2023 As of March 31st	
		Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)	Number of Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)
RD4Assistant Manager	Lu Shao-qian	0	0	0	0
PM1Assistant Manager	Lin Shi-yuan	0	0	0	0
PM3Assistant Manager	Wen Li-fang	0	0	0	0
Assistant Manager of Procurement Department	Hong Ming-hong	0	0	0	0
Assistant Manager of Taipei Plant	Zou Xulong	0	0	0	0
Independent Director	Hsu Ke-Wei	0	0	0	0
Independent Director	Chiang Ya-Ping (Note 12)	0	0	0	0
Independent Director	Lian Jun-Hua	0	0	0	0
Independent Director	Wang Wen-Yeu	0	0	0	0
Independent Director	Chou Chien-Hung	0	0	0	0
Manager of Finance Department (Financial and Accounting Manager)	Chen Mei Hua	0	0	0	0
Deputy Chief Financial Officer	Masanori Asano	0	0	0	0
Corporate Governance Manager	Wei Zi-heng	0	0	0	0

Note 1: Mr. Yasuhiro Mase, the corporate director and representative of Japan Nidec Corporation, originally assigned to the position, resigned as the Chief Financial Officer of the company on October 16, 2022.

Note 2: Mr. Kenji Ito, the representative director of Nidec Corporation, resigned on June 20, 2022.

Note 3: Mr. Yoshihiro Matsuda, the corporate director representative appointed by Japan Nidec Corporation has been reassigned to Mr. Tetsu Nishizawa effective from . January 1, 2023.

Note 4: Mr.Ko Taka Hashiand Mr. Yan Qun Yu resigned as supervisors on June 20, 2022 (due to a comprehensive directorial election).

Note 5: Mr. Lin Zhiren retired and resigned from the position of Deputy General Manager of the company on February 1, 2023..

Note 6: Mr. Huang Chuanzhan resigned from the position of Deputy General Manager of the company on April 23, 2022, due to personal career planning.

Note 7: Mr. Wang Zhengdu resigned from the position of Deputy General Manager of the Company effective from July 1, 2022.

Note 8: Ms. Chi Yaqin retired and resigned from the position of Deputy General Manager of the Company in November 2022.

Note 9: Mr. Yang Limin resigned from the position of Deputy General Manager of the Company effective from January 1, 2023.

Note 10: Mr. Matsui Kenji resigned from the position of Deputy General Manager of the Company effective from October 1, 2022.

Note 11: Ms. Wang Ruolian resigned from the position of Deputy General Manager of the Company effective from May 1, 2022.

Note 12: Ms. Jiang Yaping, an independent director, stepped down on June 20, 2022 (in the comprehensive director election).

(2) Relative parties involved in equity transfer: None

(3) Relative parties involved in equity pledge: None

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

Unit: Thousand shares; as of April 30, 2034

Name	Shares Held By Myself		Shares held by my spouse and underage children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are related persons, spouses, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (Or Name)	Relationship	
Nidec Corporation	41,444,831	48.00%	0	0.00%	0	0.00%	None	None	
Nidec Corporation Delegate: Nagamori Shigenobu	0	0.00%	0	0.00%	0	0.00%	None	None	
China Trust Commercial Bank is entrusted to custody the investment portfolio of Nidec Corporation. Nidec Corporation.	33,070,151	38.30%	0	0.00%	0	0.00%	None	None	
Global Life Insurance Co., Ltd.	912,000	1.06%	0	0.00%	0	0.00%	None	None	
Global Life Insurance Co., Ltd. Delegate: Peng Tengde	0	0.00%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, entrusted by Advanced Starlight Fund Company's series funds, Advanced Total Return International Equity Index Fund Investment Trust Account	491,645	0.57%	0	0.00%	0	0.00%	None	None	
Citibank (Taiwan) is entrusted to custody the investment portfolio of the Central Bank of Norway.	491,000	0.57%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Vanguard Group's manager,	488,000	0.57%	0	0.00%	0	0.00%	None	None	

Name	Shares Held By Myself		Shares held by my spouse and underage children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are related persons, spouses, or relatives within the second degree of kinship		Remarks
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Title (Or Name)	Relationship	
Vanguard Emerging Markets Stock Index Fund Investment Trust Account.									
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Japan Securities Finance Corporation.	257,000	0.30%	0	0.00%	0	0.00%	None	None	
Citibank (Taiwan) is entrusted to custody the investment portfolio of Yuanta Securities (Hong Kong) Limited - Customer Investment Account.	200,000	0.23%	0	0.00%	0	0.00%	None	None	
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Advanced Trust Company's corporate fully international stock market index trust II investment trust account.	189,000	0.22%	0	0.00%	0	0.00%	None	None	
Lin Biyun	154,000	0.180%	0	0.00%	0	0.00%	None	None	

Note: Nidec Corporation holds its shares through two accounts. The first account is under the name of "Nidec Corporation" and holds 41,444,831 shares (i.e., the public acquisition account). The second account is under the name of "China Trust Commercial Bank entrusted to custody the investment portfolio of Nidec Corporation." As of April 30, 112 (AD 2023), the investment portfolio held by this account amounts to 33,070,151 shares. Therefore, the total shareholding of Nidec Corporation in our company as of April 30, 112 (AD 2023) is 74,514,982 shares. For more details, please refer to Chapter 3, "Director and Supervisor Information."

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

Unit: Thousand shares; as of April 30, 2034

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

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

Four. Funding Status

1. Company Capital and Shares

(1) Source of Share Capital

Unit: Shares; New Taiwan Dollars (NTD) , as of April 30,
2023

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

Year	Month	Issue Price : (TWD)	Authorized Capital		Paid-In Capital		Remark		
			Number of shares (share)	Amount (TWD)	Number of shares (share)	Amount (TWD)	Source of Share Capital (TWD)	Equity-Settled Share-Based Payment	Others (Approval Document Number):
93	01	10	55,800,000	558,000,000	42,399,037	423,990,370	Convertible corporate bonds Issuance of common shares: 7,803,500	None	January 19, 2004, approved by the Economic Ministry, Letter No. 09331573310
93	04	10	55,800,000	558,000,000	43,420,197	434,201,970	Convertible corporate bonds Issuance of common shares: 10,211,600	None	April 27, 2007, approved by the Economic Ministry, Letter No. 09332037290
93	08	10	55,800,000	558,000,000	43,498,230	434,982,300	Convertible corporate bonds Issuance of common shares 780,330	None	August 2, 2004, approved by the Economic Ministry, Letter No. 09332517160
93	11	10	55,800,000	558,000,000	51,881,054	518,810,540	Increase in capital through surplus: 77,014,090 (including employee dividends of 7,897,180) Convertible corporate bonds Issuance of common shares: 6,814,150	None	November 4, 2004, approved by the Economic Ministry, Letter No. 09301200260
94	02	10	55,800,000	558,000,000	53,863,713	538,637,130	Convertible corporate bonds Issuance of common shares: 19,826,590	None	February 1, 2005, approved by the Economic Ministry, Letter No. 09401019010

Year	Month	Issue Price : (TWD)	Authorized Capital		Paid-In Capital		Remark		
			Number of shares (share)	Amount (TWD)	Number of shares (share)	Amount (TWD)	Source of Share Capital (TWD)	Equity-Settled Share-Based Payment	Others (Approval Document Number):
94	05	10	55,800,000	558,000,000	54,089,550	540,895,500	Convertible corporate bonds Issuance of common shares: 2,258,370	None	May 5, 2005, approved by the Economic Ministry, Letter No. 09401079240
94	06	10	78,000,000	780,000,000	60,089,550	600,895,500	Cash capital increase 60,000,000	None	June 9, 2005 - Granted Business Registration No. 09401102220
94	07	10	78,000,000	780,000,000	60,126,314	601,263,140	Convertible corporate bonds Issuance of common shares: 367,640	None	July 22, 2005 - Granted Business Registration No. 09401138500
94	10	10	78,000,000	780,000,000	70,706,641	707,066,410	Increase in capital through surplus: 105,299,200 Convertible corporate bonds Issuance of common shares: 504,070	None	October 19, 2005 (1911+94) - Granted Business Registration No. 09401209040
95	09	10	120,000,000	1,200,000,000	78,493,996	784,939,960	Increase in capital from retained earnings: 77,873,550 TWD (including employee bonus of 7,166,900 TWD).	None	September 13, 2006 - Granted Business Registration No. 09501205590

Year	Month	Issue Price : (TWD)	Authorized Capital		Paid-In Capital		Remark		
			Number of shares (share)	Amount (TWD)	Number of shares (share)	Amount (TWD)	Source of Share Capital (TWD)	Equity-Settled Share-Based Payment	Others (Approval Document Number):
97	09	10	120,000,000	1,200,000,000	86,343,396	863,433,960	Increase in capital from retained earnings: 78,494,000 TWD	None	September 23, 2008 - Granted Business Registration No. 09701243310

April 30, 2023; Unit: shares Quality Assurance Department

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

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

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

(2) Shareholders Structure

April 22, 2023 (Record date); Unit: shares

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

(3) Shareholding Structure

1. Distribution of Equity Ownership of Common Share

As of April 22, 2023 (Record date)

Shareholding Level (Shares)		Number of	Number of Shares	Shareholding(%)	
1	~	999	3,532	188,052	0.22
1,000	~	5,000	2,073	3,628,030	4.20
5,001	~	10,000	153	1,187,736	1.38
10,001	~	15,000	51	651,275	0.75
15,001	~	20,000	28	510,638	0.59
20,001	~	30,000	17	442,129	0.51
30,001	~	40,000	10	354,336	0.41
40,001	~	50,000	4	181,000	0.21
50,001	~	100,000	13	901,994	1.04
100,001	~	200,000	8	1,143,579	1.32
200,001	~	400,000	1	257,000	0.30
400,001	~	600,000	3	1,470,645	1.70
600,001	~	800,000	0	0	0.00
800,001	~	1,000,000	1	912,000	1.06
Over 1,000,001			2	74,514,982	86.31
Total			5,896	86,343,396	100%

2. Shareholding Structure of Preferred Shares: N/A

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

As of April 22, 2023 (Record date)

Major Shareholder Name	Shareholdings	Number of Shares Held	Shareholding Percentage (%)
Nidec Corporation		41,444,831	48.00%
China Trust Commercial Bank is entrusted to custody the investment portfolio of Nidec Corporation.		33,070,151	38.30%
Global Life Insurance Co., Ltd.		912,000	1.06%
JPMorgan Chase Bank, Taipei Branch, entrusted by Advanced Starlight Fund Company's series funds, Advanced Total Return International Equity Index Fund Investment Trust Account		491,645	0.57%
Citibank (Taiwan) is entrusted to custody the investment portfolio of the Central Bank of Norway.		491,000	0.57%

Major Shareholder Name	Shareholdings	Number of Shares Held	Shareholding Percentage (%)
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Vanguard Group's manager for the Vanguard Emerging Markets Stock Index Fund Investment Trust Account.		488,000	0.57%
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Japan Securities Finance Corporation.		257,000	0.30%
Citibank (Taiwan) is entrusted to custody the investment portfolio of Yuanta Securities (Hong Kong) Limited - Customer Investment Account.		200,000	0.23%
JPMorgan Chase Bank, Taipei Branch, is entrusted to custody the investment portfolio of Advanced Trust Company's corporate fully international stock market index trust II investment trust account.		189,000	0.22%
Lin Bi Yun		154,000	0.180%

Note: Nidec Corporation holds its shares through two accounts. The first account is under the name of "Nidec Corporation" and holds 41,444,831 shares (i.e., the public acquisition account). The second account is under the name of "China Trust Commercial Bank entrusted to custody the investment portfolio of Nidec Corporation." As of April 30, 112 (AD 2023), the investment portfolio held by this account amounts to 33,070,151 shares. Therefore, the total shareholding of Nidec Corporation in our company as of April 30, 112 (AD 2023) is 74,514,982 shares. For more details, please refer to Chapter 3, "Director and Supervisor Information."

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

Unit: Thousand Shares/New Taiwan Dollars

Item	Year	2022	Year 2023	As of April 30 of Year 2023 (Note 7)
Market price per share (Note 1)	Highest	239.00	172.00	175.00
	Lowest	154.00	94.00	109.00
	Average	195.81	119.31	143.91
Per Share Net Asset Value (Note 2)	Dividend before distribution	54.07	62.06	63.38
	Dividend after distribution	53.46	(Note 3)	—
Earnings Per Share (Note 2)	Weighted average shares	86,343	86,343	86,343
	Earnings per Share	4.05	7.10	1.14
Cash dividend	Cash Dividends (Note 3)	0.61	1.07 (Note 3)	—

per share Dividend	Free Share Issuance	0 (Note 3)	0	0 (Note 3)	–
		0 (Note 3)	0	0 (Note 3)	–
	Accumulated Dividends	Unpaid	0	0 (Note 3)	–
Investment Return Analysis	Price-to-Earnings Ratio (Note 4)		48.35	16.80	–
	Price-to-Earnings Ratio (Note 5)		321.00	2023.01 (Note 3)	–
	Cash dividend yield ratio %(Note 6)		0.31	0.89 (Note 3)	–

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

Note 2: The net asset value per share and earnings per share up to the first quarter of the 2023rd fiscal year have been audited or reviewed by certified accountants.

Note 3: The distribution of earnings is based on the resolutions of the annual shareholders' meetings. The distribution of earnings for the 2022nd fiscal year has not been approved by the shareholders' meeting yet.

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

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

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

Note 7: The net asset value per share and earnings per share are as of the printing date of the annual report, audited by certified accountants for the first quarter of the 2023rd fiscal year. Other information is as of April 30th of the 2023rd fiscal year.

(6) Dividend Policy and Implementation Status

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

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

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

amount of shareholder dividends, and the amount of cash dividends shall not be less than 20% of the total amount of shareholder dividends.

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

According to the proposal approved by the board of directors on March 24th of the 2023rd fiscal year, the dividend distribution for the 2022nd fiscal year is as follows:

(1) Proposed cash dividend to shareholders: 92,387,434 New Taiwan Dollars, with a dividend of 1.07 NT dollars per share.

(2) After the 2023rd annual shareholders' meeting approves this profit distribution plan, the board of directors will be authorized to set another ex-dividend date. In the event of subsequent factors such as conducting a cash capital increase through new share issuance or repurchasing the company's shares, which may affect the total number of outstanding shares, resulting in changes to the dividend yield, the board of directors will seek authorization from the shareholders' meeting to adjust the shareholder dividend yield and related matters. °

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

(7) Impact of the proposed bonus shares on the company's business performance and earnings per share: The company does not propose any bonus shares at the shareholders' meeting, and the financial forecast for the 2023rd fiscal year has not been disclosed, so it is N/A.

(8) Remuneration for employees, directors, and supervisors

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

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

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

The amount of employee, director, and supervisor compensation for the 2022nd fiscal

year is estimated based on the pre-tax income before deducting the distribution of employee, director, and supervisor compensation, multiplied by the distribution ratio specified in the company's articles of incorporation. However, if the actual distribution amount determined by the board of directors differs from the estimate, it is considered an accounting estimate change and should be included in the income statement for the 2022nd fiscal year. If employee compensation is distributed in the form of stocks, the basis for calculating the number of shares is the closing price of ordinary shares on the day before the board of directors' decision to distribute employee compensation.³ The Board of Directors has approved the allocation of remuneration as follows:

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

Based on the board of directors' resolution on March 24, 2023rd fiscal year, the company has allocated employee compensation of NT\$23,972 thousand and director and supervisor compensation of NT\$3,888 thousand for the 2022nd fiscal year, which matches the estimated amounts in the financial statements for the 2022nd fiscal year.

- (2) The proportion of employee compensation distributed in the form of stocks to the net income after tax and the total amount of employee compensation for the current period or individual financial reports: The company did not distribute employee compensation in the form of stocks for the 2022nd fiscal year.

4. The actual distribution of employee, director, and supervisor compensation for the 2021st fiscal year, any differences from the recognized amounts, and the reasons and treatment of such differences should be stated:

There were no differences between the actual distribution of employee, director, and supervisor compensation for the 2021st fiscal year and the distribution approved by the board of directors and recognized in the financial statements. (9) Repurchase of company shares: None

2. Issuance of corporate bonds: None

3. Issuance of preferred stocks: None.

4. No overseas depositary receipts were issued.

5. No employee stock warrants were issued.

6. No restrictions on employee rights for new share issuances.

7. No issuance of new shares for mergers or acquisitions of other companies' shares.

8. Execution status of capital utilization plan:

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

Five. Operation Overview

1. Business Contents

(I) Business Scope

1. Main Business Content:

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

2. Current main product categories and their revenue contribution (for the year 2022):

Unit: NTD 1,000

Product Categories	Amount	百分比(%)
Heat Dissipation Modules	9,389,685	78.92
Heat Sinks	1,867,414	15.70
Others	640,840	5.38
Total	11,897,939	100.00

3. Future planned new products of the company:

(1) Current Product Line

Notebook Computer Heat Dissipation Modules

Server Heat Dissipation Modules

5G Base Station Heat Dissipation Modules

Smartphone Heat Dissipation Products

Network Communication Equipment Heat Dissipation Products

High-Density Computing Server Heat Dissipation Products

Automotive Electronic Heat Dissipation Products

Various Heat Sinks, Heat Pipes, and Heat Spreading Plates

(2) Planned/Under Development Technologies or Products

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

B. Coolant Monitoring Host (CDU)

C. AI Chip Heat Dissipation Modules

D. Third-generation Semiconductor Heat Dissipation Products

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

(2) Sector Overview

1. Product Development Status

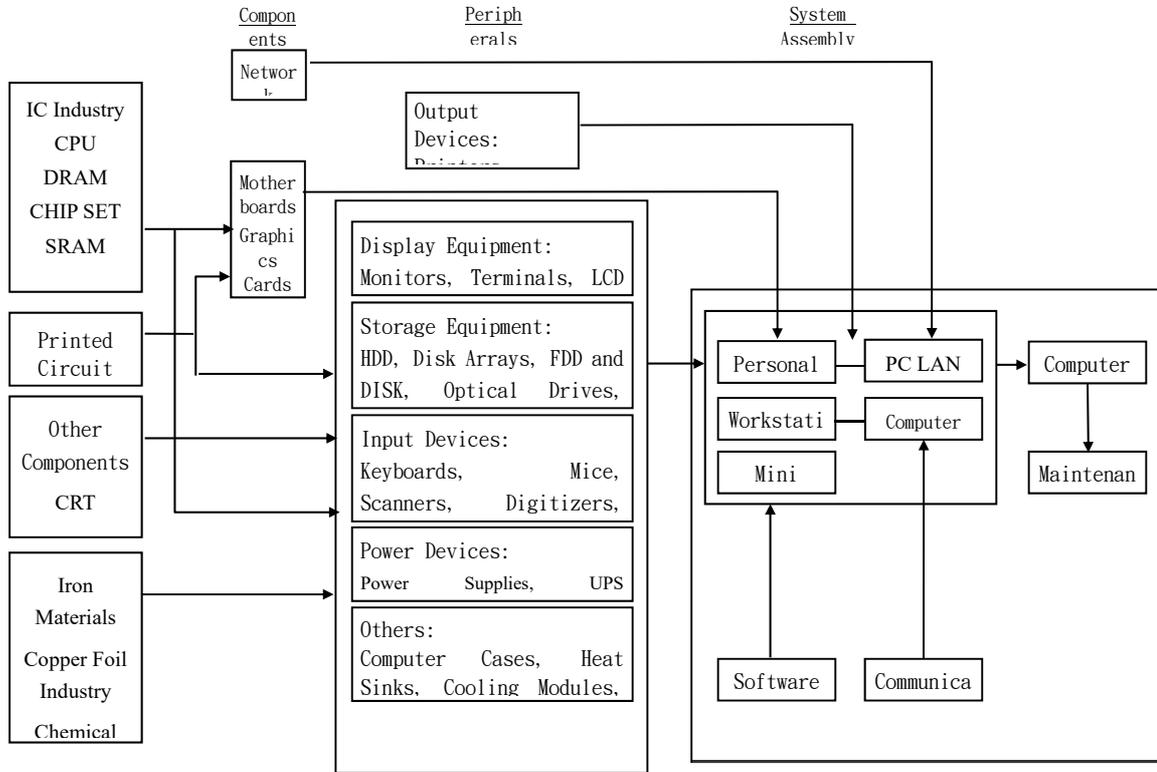
The company's main product lines include heat dissipation devices for notebook computers (NB), desktop computers (DT), servers, network communications, gaming consoles, smartphones, and household appliances. Among them, PC, server, network communication, and smartphone-related heat dissipation devices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

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

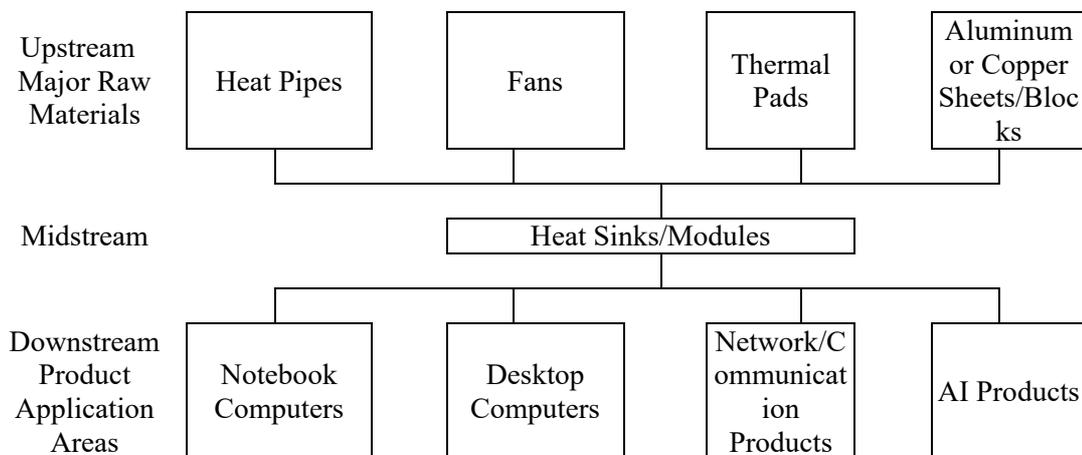
After completing the public acquisition of our company by its parent company, Nidec Corporation, at the end of 2018, Nidec Corporation has officially become part of our operational team. This transition involved the re-election of directors and supervisors, as well as the deployment of senior management personnel. In recent years, both parties have been actively integrating resources and leveraging group synergies. In the future, they will further expand their global presence and pursue a proactive strategy to increase operational scale, achieve higher revenue growth, and enhance profitability. These efforts aim to create greater benefits for customers, shareholders, and employees.

2. Interrelationships among Upstream, Midstream, and Downstream Industries

Interrelated Product System in



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



(1) Upstream Raw Material Supply Situation

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

(2) Downstream Product Application Areas

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

3. Various Product Development Trends:

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

4. Product Competitive Situation:

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

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

(3) Technology and R&D Overview

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

Unit: NTD 1,000

Year	Year 2021	Year 2022	Year 2023 As of the end of the first quarter
Research and	506,726	574,543	133,370
Percentage of research	4.6	4.83	4.56

2. Successfully developed technologies or products

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

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

1. Short-term development plan

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

(1) Capacity expansion plan: The first phase of the major investment project for the new plant in Hanoi, Vietnam has been completed and put into production since May 2021. Continuously optimize the utilization of production capacity in Kunshan (Jiangsu) plant, Chongqing plant, and Taipei headquarters.

(2) Production technology and engineering department: Continuously improve production technology and automation capabilities, gradually introduce manufacturing technology from other plants within the group, and enhance automation level.

(3) Accelerate the development of new customers and new product lines:

A. Potential customers without existing business relationships for current product lines (PC/Server/HPC/Cloud/Smartphone/Network/Game Console...)

B. Development of potential customers for new product lines and new products (Automotive/Liquid Cooling/AIoT/Graphic Card/Base Station/5G Applications and Industry 4.0...)

(1) Strengthening human resources: Strategic deployment to increase mid- to high-level management personnel to achieve revenue growth and profitability improvement.

(2) Launch of research and development projects: The R&D center has established specific technical research and development projects, with a duration of two years to complete research results and deliver mass production applications. The project has obtained approval and incentives from the Ministry of Economic Affairs, Industrial Development Bureau.

2. Medium-term plan:

(1) Capacity expansion plan: Promote the mid-term (Phase 2) factory expansion plan in Hanoi, Vietnam, to continuously provide capacity and momentum for revenue growth. Continuously optimize and enhance production capacity in Kunshan (Jiangsu) plant and Chongqing plant to meet customer growth demands.

(2) Enhance production technology and automation level: Implement research and development achievements in various plants within the group to improve production efficiency and automation level, enhance product quality and stability, and reduce manufacturing costs.

(3) Implement results of new customer and new product line development:

A. Effectively expand the customer base for existing product lines (PC/Server/HPC/Cloud/Smartphone/Network/Game Console).

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

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

3. Long-term plan:

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

2. Market and Sales Overview

(I) Market Analysis

1. Major Product Sales by Region

Unit: NTD 1,000

Region \ Year	Year 2022	
	Amount	Percentage (%)
China (Mainland)	8,344,269	70.13
Taiwan	734,646	6.17
Malaysia	676,928	5.69
Singapore	669,326	5.63
Other Countries	1,472,770	12.38
Total	11,897,939	100.00

2. Market Share

According to statistical data from research institutions, the global shipment volume of personal computers in 2022 was approximately 285 million units, while the global shipment volume of servers was around 14.62 million units. The global smartphone market was impacted by the pandemic, resulting in a total shipment volume of only 1.206 billion units, representing a year-on-year decrease of approximately 11.3%. Our company estimates that our market share in the PC, server, 5G network equipment, and smartphone segments is approximately 10% to 15%, 20%, and 15%, respectively. Our customer orders primarily come from the United States, China, Japan, South Korea, and Taiwan.

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

The revenue composition of our company's products is approximately 38% for personal computers (desktops and laptops) and their peripheral cooling devices, 33% for server/network communication equipment cooling, 26% for gaming console cooling, 1% for mobile phone cooling, and 2% for other categories.

As the pandemic dividend fades, according to estimates by market research institutions, the traditional PC market in the Asia-Pacific region experienced a decline of 11.6% in shipments in 2022, with a shipment volume of approximately 106 million units. The latest research by IDC's "Global Personal Computing Device Tracker" expects a further decline of 7.6% in PC shipments in 2023 due to inventory adjustments, demand satisfaction, and ongoing economic pressures negatively impacting PC sales.

4. Competitive niche

The company's niche has the following aspects:

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

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

(1) Positive factors

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

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

B. Complete and mature planning/marketing/project team

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

(2) Adverse factors and corresponding strategies

I. Unfavorable factors

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

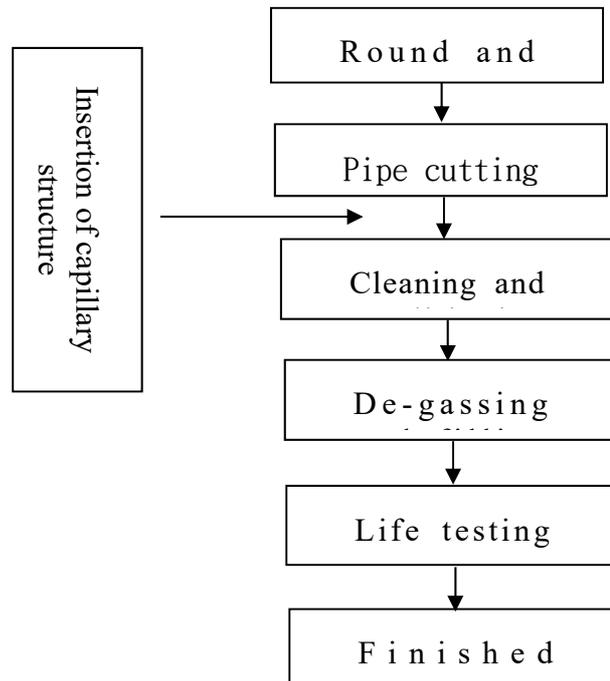
II. Response strategies:

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

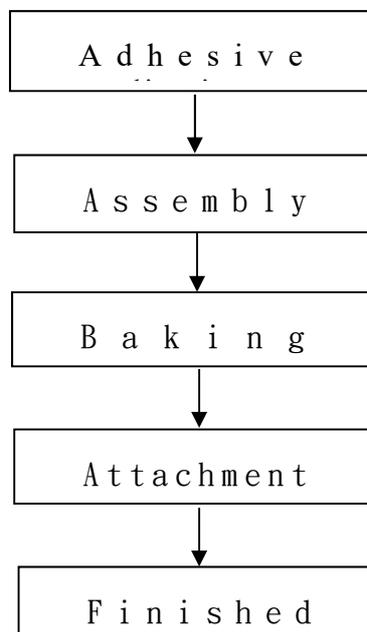
(II) Main Functions of Products and Manufacturing Processes:

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

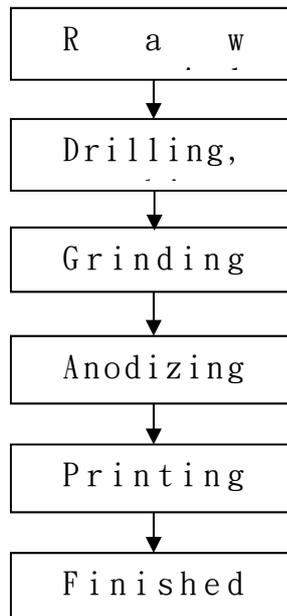
Heat Pipe Manufacturing



2. Heat Sink Module Assembly



3. Heat Sink Fin



(3) Supply Status of Major Raw Materials

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

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

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

Unit: NT\$ thousands

Year Item	Year 2021				Year 2022				Year-to-Date as of Q1 of 2023			
	Name	Amount	Percentage of the net sales of the year (%)	Relation to the issuer	Name	Amount	Percentage of the net sales of the year (%)	Relation to the issuer	Name	Amount	Percentage of Net Sales for the Year-to-Date (%)	Relation to the issuer
1	DEL001	2,286,148	20.76	Non-related party:	DEL001	2,253,006	18.94	Non-related party:	DEL001	485,591	16.60	Non-related party:
2	Japan Electric Manufacturing Group	2,055,177	18.66	- related party	Japan Electric Manufacturing Group	3,365,243	28.28	- related party	Japan Electric Manufacturing Group	1,145,203	39.15	- related party
3	HON001	1,254,065	11.39	Non-related party:	HON001	1,522,600	12.80	Non-related party:	HON001	327,876	11.21	Non-related party:
4	Others	5,416,538	49.19	Non-related party:	Others	4,757,090	39.98	Non-related party:	Others	966,769	33.04	Non-related party:
	Sales Net Sales	11,011,928	100.00		Sales Net Sales	11,897,939	100.00		Sales Net Sales	2,925,439	100.00	

The company is a professional manufacturer of heat dissipation components. Its main products include heat modules for notebook computers, heat modules for desktop computers, and heat sinks for computer information and consumer products peripherals. The main customers are globally recognized PC manufacturers, with a focus on the sales of computer heat modules. Since becoming a subsidiary of Nidec Corporation, considering the group's sales cooperation strategy, Nidec Corporation and its subsidiaries have accounted for over 10% of the company's annual sales starting from the fiscal year 2020. Overall, the company's customer base is considered stable.

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

Unit: NT\$ thousands

Year Item	Year 2021				Year 2022				Year-to-Date as of Q1 of 2023			
	Title	Amount	Percentage of net purchase amount for the full year (%)	relationship with the issuer	Title	Amount	Percentage of net purchase amount for the full year (%)	relationship with the issuer	Title	Amount	Percentage of Purchases Net Amount to the Net Sales (Until the End of the First Quarter of the Current Year)	relationship with the issuer
1	JIFU	1,671,827	20.62	Non-related party:	JIFU	1,509,898	21.67	Non-related party:	JIFU	339,589	20.02	Non-related party:
2	Others	6,436,989	79.38	Non-related party:	Others	5,457,247	78.33	Non-related party:	Others	1,356,525	79.984	Non-related party:
	Net purchase	8,108,816	100.00		Net purchase	6,967,145	100.00		Net purchase	1,696,114	100.00	

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

(5) Production value for the past two years.

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

Year Production value Main product	Year 2021			Year 2022		
	Production capacity	Production volume	Production Value	Production capacity	Production volume	Production Value
Heat Dissipation Modules	123,900	50,166	8,224,728	70,000	47,855	8,801,668
Heat Sinks	36,000	5,113	485,543	19,000	3,682	413,948
Others (Note)	–	–	618,683	–	–	29,280
Total	–	–	9,328,954	–	–	9,244,896

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

(6) Yearly Sales Volume in the Last Two Years

Unit: NT\$ thousand/pcs

Year Sales Volume Value Main product	Year 2021				Year 2022			
	Domestic sales		Overseas sales		Domestic sales		Overseas sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Heat Dissipation Modules	182	42,773	49,216	8,218,911	72	26,570	47,995	9,363,114
Heat Sinks	54	4,347	26,213	1,770,830	35	3,695	25,327	1,863,719
Others	83	11,749	48,940	963,318	72	12,102	24,424	628,739
Total	319	58,869	124,369	10,953,059	179	42,367	97,746	11,855,572

3. Employee of the industry.

(1) Yearly Employee Structure

Year		Year 2021	Year 2022	As of March 31 of 2023
Item				
Number of employees	Indirect Staff	1,111	1,253	1,283
	Direct Staff	2,595	2,079	2,279
	Total	3,706	3,332	3,562
Average Age		34.22	34	34
Average Years of Service		3.73	3.27	3.27
Educational distribution ratio%	Doctorate	0.27%	0.09%	0.09%
	Master	1.73%	2.32%	2.47%
	Higher education (colleges and universities)	22.84%	26.75%	26.30%
	High School	26.71%	36.13%	36.24%
	Below High School	48.45%	34.71%	34.90%

4. Environmental Expenditure Information

(1) Total losses and disposals due to environmental pollution for the recent fiscal year and until the date of printing: None.

(2) Future strategies and potential expenses:

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

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

5. Labor-Management Relations

(1) Employee welfare measures and their implementation

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

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

(2) Employee Training and Development:

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

1. Orientation training for new employees, including organizational overview, environmental introduction, occupational health and safety training, code of conduct, and internal control systems.
2. Training on company regulations and ISO management systems.

3. Professional skills courses and mandatory certification training for employees (including in-house training and external training).
4. Fire drills.
5. In the fiscal year 2022, a total of 4,074 person-times participated in internal and external training courses, with an annual education and training cost of 1,300 million NT dollars.

(3) Retirement System and Implementation

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

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

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

1. Voluntary Retirement:

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

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

2. Mandatory Retirement:

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

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

Regarding the mandatory retirement age specified in paragraph (1), the company may

apply to the competent authority for approval to adjust it for workers in special occupations that involve risks or require strong physical strength. However, it may not be less than fifty-five years old. ◦

3. Retirement Benefits:

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

4. Retirement Benefit Payment:

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

(4) Employee Conduct or Code of Ethics:

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

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

- (2) Provide professional skills and knowledge necessary for professional personnel through external and internal training programs.

(5) Agreements and Measures for Employee Rights and Labor-Management Relations:

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

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

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

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

(6) Work Environment and Employee Personal Safety Protection Measures

1. Occupational Health and Safety:

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

2. Environmental Protection:

- (1) Properly handle waste and report to the Environmental Protection Agency as required.

(2) Implement ISO 14001 and continuously improve environmental protection practices.

3. Fire Safety:

(1) Conduct regular fire drills every six months.

(2) Perform monthly visual and performance inspections of fire equipment.

(3) Annually commission professional fire agencies to conduct fire safety inspections and maintenance. °

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

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

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

6. Information Security Management

To strengthen the confidentiality, integrity, and availability of all information assets in the company and ensure the effective implementation, operation, supervision, and continuous improvement of information security, all employees have the obligation to actively participate in promoting information security policies. This is to ensure the continuous operation of the company's information systems, equipment, and network-related information business environment, and to comply with relevant regulations. This aims to protect against intentional or accidental threats from internal and external sources, thereby achieving the goal of continuous information operation.

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

1. Information Security Management Strategy and Framework:

The responsibility unit for information security in the company is the Information Department, which consists of 1 Information Supervisor and several professional information personnel in the AP Team and Infra Team. They are responsible for establishing internal information security policies, planning and implementing information

security operations, and promoting and enforcing information security policies.

The Audit Department serves as the supervisory unit for information security oversight. It has 1 Audit Supervisor and several dedicated audit personnel. In accordance with Taiwan's audit standards and Japan's J-SOX audit standards, the Audit Department is responsible for supervising the implementation of internal information security. If any deficiencies are identified during the audit, the audited unit is required to submit relevant improvement plans and specific actions. The Audit Department also regularly monitors the effectiveness of the improvements to reduce internal information security risks.

2 · Information and Communications Security Policy

- 2.1 The company's information security management regulations must comply with relevant government laws and regulations, such as the Cybersecurity Management Act, Criminal Law, National Classified Information Protection Act, Patent Law, Trademark Law, Copyright Law, Personal Data Protection Act, etc.
- 2.2 An information security management organization is established to be responsible for establishing and promoting the information security system.
- 2.3 Regular implementation of information security education and training to promote information security policies and related implementation regulations.
- 2.4 Establish a management mechanism for the use of hosts and networks to coordinate the allocation and utilization of resources.
- 2.5 Before the installation of new equipment, risks and security factors must be taken into consideration to prevent situations that may harm system security.
- 2.6 Clearly define the permissions for the use of network systems to prevent unauthorized access.
- 2.7 Establish an internal audit plan for the information security management system to regularly review the use of all personnel and equipment within the scope of implementing the information security management system. Based on the audit report, develop and implement corrective and preventive measures.
- 2.8 All company personnel have the responsibility to maintain information security and should comply with relevant information security management regulations.
- 2.9 Information security management system documents should have clear management specifications.

3. Specific Management Plan

3.1 Computer Equipment Security Management

- 3.1.1 The company's computer hosts, various application servers, and other equipment are located in dedicated computer rooms, and records of entry and exit are kept for reference.
- 3.1.2 The computer rooms are equipped with independent air conditioning systems to maintain the computer equipment in an appropriate temperature environment. Fire extinguishers are also placed, capable of suppressing fires caused by general or electrical sources.
- 3.1.3 The computer room hosts are equipped with uninterrupted power supply and voltage stabilization devices to prevent system crashes caused by sudden power outages or ensure uninterrupted operation of computer application systems during temporary power cuts.

3.2 Network Security Management

- 3.2.1 For the entrance connecting to external networks, enterprise-grade firewalls are deployed to block illegal intrusions by hackers. Network policies are configured to exclude network addresses and content that pose threats, enhancing network security.
- 3.2.2 Colleagues accessing the company's internal network through remote login must apply for VPN accounts. Access is only granted through secure VPN connections, and usage records are retained for auditing purposes.

3.3 Virus Protection and Management

- 3.3.1 Anti-virus hosts are established, and endpoint protection software is installed on servers and colleagues' terminal devices. The virus definitions are automatically updated to ensure the ability to block the latest types of viruses. The software can detect and prevent the installation of potentially threatening system executable files.

3.4 System Access Control

- 3.4.1 Colleagues apply for relevant information system privileges through the BPM system's information service request form to access various application systems. After approval by the responsible supervisor, the IT department creates system accounts, and system administrators authorize access based on the requested functional privileges.

3.4.2 Account passwords are required to meet appropriate strength and length criteria. They must include at least three of the following: uppercase letters, lowercase letters, numbers, and special symbols.

3.5 Information System Backup ◦

3.5.1 System and database backup: A distributed backup system is established, with backup data stored at separate off-site computer rooms. Off-site redundant systems are also set up to ensure the security of the systems and data.

3.5.2 Disaster recovery drills: Each system conducts two drills annually. After selecting a restoration date reference point, backup media is restored to the system hosts, and the user units confirm the accuracy of the recovered data in writing, ensuring the correctness and effectiveness of the backup media.

3.5.3 Two data lines are leased from a telecommunications company. Bandwidth management devices are used to parallelly connect the two lines for redundant use, ensuring uninterrupted network communication.

3.6 Information Security Awareness and Education Training

3.6.1 Information security awareness: Examples of information security practices are provided as references for colleagues.

3.6.2 Education training: Newly hired colleagues receive education and training on information security and are required to comply with the policies and guidelines.

4. Specific Management Plan and Implementation Measures for Investing Information Security Management Resources: Firewall Protection, Antivirus Software, Internal and External Network Control, Disk Access Control, Email Security Control, Website Protection Mechanism, Data Backup Mechanism, Off-site Backup Storage, Maintenance Records, Information Security Awareness, Operating System Updates, Regular Information Security Audits, Implementation of Information Security Management Policies to ensure the security of information, data, systems, equipment, and networks.

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

7. Significant Contracts

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

Contract nature	Involved parties	Starting date and end date of contract	Main content	Key Content Provisions
Loan Agreement	Our company has a close partnership with Nidec Corporation.	From December 1, 2020, to March 31, 2023	Medium to long-term loan contract, serving as a source of funding for our company's capital increase in Nidec Chaun Choung Vietnam Corporation	Subject to approval by the Investment Commission before utilization
Land Lease Agreement	Between subsidiary Nidec Chaun Choung Vietnam Corporation and Vietnam FPT Hoa Lac Hi-Tech Park Development Company Limited	From April 3, 2020, to August 30, 2060	Subsidiary leases a portion of land in Hoa Lac Hi-Tech Park, Hanoi, Vietnam, for factory construction and production purposes	None
Houses House	Between our company and Shengtai Technology	From July 15, 2021, to December 31, 2025	Leasing a building located in Sanchong District, New	None
House Lease Agreement	Between our company and Shengtai Technology Corporation	From July 15, 2021, to December 31, 2025	Leasing a building located in Sanchong District, New Taipei City for office and production purposes	None

Six. Financial Overview

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

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

Unit: NT\$ thousands

Year		Financial Information for the Most Recent 5 Years (Note 1)					As of March
Item		2018	2019	2020	2021	2022	31 of 2023 (Note 1)
Current Assets		5,253,442	5,397,234	6,408,819	7,650,612	8,634,458	8,176,704
Property, plant, and equipment		1,329,492	1,609,032	2,146,342	2,599,565	2,819,834	2,826,561
Intangible Assets		13,093	11,523	29,144	29,755	32,221	33,824
Other Assets		303,459	249,186	127,183	241,916	245,397	233,243
Total Assets		6,899,486	7,266,975	8,711,488	10,521,848	11,731,910	11,270,332
Current Liability	B e f o r e Distributio n	2,666,513	2,737,883	3,623,626	4,427,677	4,780,165	4,202,620
	A f t e r Distributio n	3,072,327	3,158,375	3,741,053	4,480,346	Note 2	–
Non-Current Liability		394,677	470,034	675,117	1,426,011	1,593,262	1,595,563
Total Liabilities	Before Distributio n	3,061,190	3,207,917	4,298,743	5,853,688	6,373,427	5,798,183
	After Distributio n	3,467,004	3,628,409	4,416,170	5,906,357	Note 2	–
Equity Attributable to Owners of Parent Company		3,838,296	4,059,058	4,412,745	4,668,160	5,358,483	5,472,149
Share Capital		863,434	863,434	863,434	863,434	863,434	863,434
Capital surplus		531,823	531,823	531,823	531,823	531,823	531,823
Retained Earnings	B e f o r e Distributio n	2,628,521	2,886,170	3,244,579	3,473,651	4,037,618	4,135,973

	After Distributio n	2,222,707	2,465,678	3,127,149	3,420,982	Note 2	–
Other Equities		(185,482)	(222,369)	(227,091)	(200,748)	(74,392)	
Treasury stock		–	–	–	–	–	–
Non-Control Interest		–	–	–	–	–	–
Equity Stock Amount	Before Distributio n	3,838,296	4,059,058	4,412,745	4,668,160	5,358,483	
	After Distributio n	3,432,482	3,638,566	4,295,318	4,615,491	Note 2	–

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

Note 2: The profit distribution for the year 2022 has not yet been approved by the shareholders' meeting.

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

Unit: NT\$ thousands

Year Item	Financial Information for the Most Recent 5 Years (Note 1)					As of March 31 of 2023	
	2018	2019	2020	2021	2022		
Current Assets	3,510,273	3,265,960	3,676,491	4,576,780	5,220,875	–	
Property, plant, and equipment	400,475	457,404	487,090	629,820	611,019	–	
Intangible Assets	5,445	4,453	21,128	22,928	21,734	–	
Other Assets	2,980,305	3,327,867	4,192,247	5,208,262	5,995,310	–	
Total Assets	6,896,498	7,055,684	8,376,956	10,437,790	11,848,938	–	
Current Liability	B e f o r e Distributio n	2,664,830	2,531,462	3,346,285	4,428,857	5,001,170	–
	A f t e r Distributio n	3,070,644	2,951,954	3,463,712	4,481,526	Note 2	–
Non-Current Liability	285,962	393,372	465,164	617,926	1,340,773	–	

Total Liabilities	Before Distribution	3,058,202	2,996,626	3,964,211	5,769,630	6,490,455	–
	After Distribution	3,464,016	3,417,118	4,081,638	5,822,299	Note 2	–
Share Capital		863,434	863,434	863,434	863,434	863,434	–
Capital surplus		531,823	531,823	531,823	531,823	531,823	–
Retained Earnings	Before Distribution	2,628,521	2,886,170	3,244,579	3,473,651	4,037,618	–
	After Distribution	2,222,707	2,465,678	3,127,152	3,420,982	Note 2	–
Other Equities		(185,482)	(222,369)	(227,091)	(200,748)	(74,392)	–
Treasury stock		–	–	–	–	–	–
Equity Stock Amount	Before Distribution	3,838,296	4,059,058	4,412,745	4,668,160	5,358,483	–
	After Distribution	3,432,482	3,638,566	4,295,318	4,615,491	Note 2	–

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

Note 2: The profit distribution for the year 2022 has not yet been approved by the shareholders' meeting.

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

Unit: NT\$ thousands

Items	Year	Financial Information for the Most Recent 5 Years (Note 1)					As of March 31 of 2023 (Note 1)
		2018	2019	2020	2021	2022	
Revenue from operations		7,662,175	8,586,172	9,123,421	11,011,928	11,897,939	2,925,439
Operating gross profit		1,551,889	1,858,195	1,982,682	1,729,957	2,176,310	513,554
Operating Profit and Loss		826,703	973,296	1,082,676	462,484	798,913	186,623
Non-operating income and expense		104,345	(5,439)	(5,713)	50,024	134,463	(52,048)
Net Profit Before Tax		931,048	967,857	1,076,963	512,508	933,376	134,575
Continuing Operation Unit Current Net Profit		595,610	701,534	782,398	349,664	613,158	98,355
Loss from Suspended Operations		–	–	–	–	–	–
Current Net Profit (Loss)		595,610	701,534	782,398	349,664	613,158	98,355
Current Other Comprehensive Income (Net Amount After Tax)		(30,341)	(74,958)	(8,219)	23,177	129,834	15,311
Total comprehensive income for this reporting period		565,269	626,576	774,179	372,841	742,992	113,666
Net Profit Attributable to Owners of the Parent Company		595,610	701,534	782,398	349,664	613,158	98,355
Net Profit Attributable to Non-Controlling Interests		–	–	–	–	–	–

Comprehensive income attributable to owners of the parent company	565,269	626,576	774,179	372,841	742,992	113,666
Total comprehensive income attributable to: Non-Control Interest	–	–	–	–	–	–
Earnings Per Share	6.90	8.12	9.06	4.05	7.10	1.14

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

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

Unit: NT\$ thousands

Items	Year	Financial Information for the Most Recent 5 Years (Note 1)					As of March 31 of 2023
		2018	2019	2020	2021	2022	
Revenue from operations		5,724,321	6,308,832	6,073,490	7,694,769	9,612,241	–
Operating gross profit		534,802	713,832	609,620	696,186	981,573	–
Operating Profit and Loss		157,509	256,239	155,348	86,122	281,855	–
Non-operating income and expense		657,591	612,636	772,570	367,347	489,352	–
Net Profit Before Tax		815,100	868,875	927,918	453,469	771,207	–
Continuing Operation Unit Current Net Profit		595,610	701,534	782,398	349,664	613,158	–
Loss from Suspended Operations		–	–	–	–	–	–
Current Net Profit (Loss)		595,610	701,534	782,398	349,664	613,158	–

Current Comprehensive Income (Net Amount After Tax)	Other	(30,341)	(74,958)	(8,219)	23,177	129,834	–
Total comprehensive income for this reporting period		565,269	626,576	774,179	372,841	742,992	–
Earnings Per Share		6.90	8.12	9.06	4.05	7.10	–

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

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

Year	Accounting firm	Name of CPA	Audit opinion
2018	KPMG Taiwan	Guo Xinyi and Yu Jilong	Unqualified Opinion
2019	KPMG Taiwan	Guo Xinyi, and Kou Huizhi	Unqualified Opinion
2020	KPMG Taiwan	Guo Xinyi, and Kou Huizhi	Unqualified Opinion
2021	KPMG Taiwan	Guo Xinyi, and Kou Huizhi	Unqualified Opinion
2022	KPMG Taiwan	Kou Huizhi and Yu Jilong	Unqualified Opinion

2. Financial Analysis for the Most Recent Five Fiscal Years

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

Analysis Items	Year	Financial Analysis for the Most Recent 5 Years					As of March 31 of 2023
		2018	2019	2020	2021	2022	
Financial Structure	Debt to assets ratio (%)	44.36	44.13	49.34	55.63	54.32	51.44
	Long-term funds to property, plant, and equipment ratio (%)	318.39	281.47	237.04	234.43	246.53	250.04
Debt-paying ability	Current ratio (%)	197.01	197.13	176.86	172.79	180.63	194.56
	Quick ratio (%)	154.69	159.56	141.28	129.68	139.79	148.58
	Interest Coverage Ratio	619.22	1,076.39	1,034.55	83.27	33.14	9.64
Operati	Receivables Turnover Rate (Times)	3.33	3.22	3.00	3.08	3.12	3.40

ng Capacit y	Average Collection Days	109.60	113.35	121.66	118.5	116.98	107.35
	Inventory Turnover Rate (Times)	6.20	6.39	6.48	6.12	5.31	5.34
	Payables Turnover Rate (Times)	3.37	3.48	3.15	3.13	3.05	3.22
	Average Days for Sales	58.87	57.12	56.32	59.64	68.73	68.35
	Property, plant, and equipment turnover (times)	5.76	5.33	4.25	4.23	4.21	4.13
	Total asset turnover (times)	1.11	1.18	1.04	1.04	1.01	1.03
Profitab ility	Return on assets (%)	8.91	9.91	9.80	3.68	5.68	0.95
	Return on Equity (%)	16.01	17.76	18.47	7.70	12.23	1.81
	Ratio of Income before tax to Paid-In Capital (%)	107.83	2023.09	124.73	59.35	108.10	15.58
	Net Profit Margin (%)	7.77	8.17	8.57	3.17	5.15	0.84
	Earnings Per Share (NT\$)	6.90	8.12	9.06	4.05	7.10	1.14
Cash flow	Cash Flow Ratio (%)	12.54	38.35	26.45	7.43	21.80	17.46
	Cash Flow Adequacy Ratio (%)	98.47	105.59	88.41	62.12	71.95	89.13
	Cash Flow Reinvestment Ratio (%)	(0.14)	12.31	8.92	2.89	11.93	8.67
Degree of Leverag e	Degree of Operating Leverage	1.80	1.83	1.85	3.54	2.61	10.35
	Degree of Financial Leverage	1.00	1.00	1.00	1.01	1.03	1.09

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

1. Decrease in interest coverage ratio: In the 2022nd fiscal year, the pre-tax and pre-interest net income increased compared to the previous period, but the interest expenses also increased due to the higher interest rates on short-term and long-term borrowings in the 2022nd year and an increase in the borrowing amount. As a result, the overall interest coverage ratio decreased.
2. Increase in profitability-related financial ratios: The financial ratios related to profitability showed an increase, mainly due to a significant increase of 75% in net profit in the 2022nd year compared to the previous period.
3. Increase in cash flow ratios: The increase in the cash flow ratio was primarily due to the significant increase in net profit in the 2022nd year compared to the previous period, leading to a substantial increase in net cash inflow from operating activities. The increase in the cash reinvestment ratio was mainly due to the higher net cash inflow from operating activities in the 2022nd year compared to the previous period and a smaller increase in capital expenditure.
4. Decrease in operating leverage: The decrease in operating leverage was due to the increase in revenue and gross profit in the 2022nd fiscal year, which was relatively lower than the increase in operating profit.

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

Analysis Items		Year					As of March 31 of 2023
		2018	2019	2020	2021	2022	
Financial Structure	Debt to assets ratio (%)	44.34	42.47	47.32	55.27	54.77	–
	Long-term funds to property, plant, and equipment ratio (%)	1,056.66	988.94	1,032.80	954.07	1,120.71	–
Debt-paying ability	Current ratio (%)	131.72	129.01	109.86	103.33	104.39	–
	Quick ratio (%)	105.26	102.77	92.20	80.26	81.86	–
	Interest Coverage Ratio	544.03	1,759.85	1,014.01	74.37	33.87	–
Operating Capacity	Receivables Turnover Rate (Times)	3.46	3.60	3.14	3.31	3.44	–
	Average Collection Days	105.49	101.38	116.24	110.27	106.10	–
	Inventory Turnover Rate (Times)	8.18	8.22	8.78	8.75	8.11	–
	Payables Turnover Rate (Times)	2.36	2.49	2.21	2.12	2.12	–
	Average Days for Sales	44.62	44.40	41.57	41.71	45.00	–
	Property, plant, and equipment turnover (times)	14.29	13.20	12.46	12.21	15.73	–
	Total asset turnover (times)	0.83	0.85	0.72	0.73	0.81	–
Profitability	Return on assets (%)	8.84	10.06	10.14	3.76	5.66	–
	Return on Equity (%)	16.01	17.76	18.47	7.70	12.23	–
	Ratio of Income before tax to Paid-In Capital (%)	94.40	100.63	107.46	52.51	89.31	–
	Net Profit Margin (%)	10.40	11.61	12.88	4.54	6.37	–
	Earnings Per Share (NT\$)	6.90	8.12	9.06	4.05	7.10	–
Cash Flow	Cash Flow Ratio (%)	10.78	17.12	14.31	9.99	10.59	–
	Cash Flow Adequacy Ratio (%)	67.51	72.06	62.94	48.51	70.96	–
	Cash Reinvestment Ratio (%)	(1.23)	0.59	1.11	5.14	6.59	–
Degree of Leverage	Degree of Operating Leverage	2.89	2.47	3.59	7.18	3.20	–
	Degree of Financial Leverage	1.00	1.00	1.00	1.07	1.09	–

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

1. Decrease in interest coverage ratio: This is due to an increase in pre-tax and pre-interest net income in the 2022nd year compared to the previous period. However, interest expenses also increased in the 2022nd year due to higher interest rates on short-term and long-term borrowings, leading to a decrease in the overall interest coverage ratio.
2. Increase in profitability-related financial ratios: The significant increase of 75% in net profit in the 2022nd year compared to the previous period is the main reason for the upward trend in profitability-related financial ratios.
3. Increase in the cash flow adequacy ratio: The rise in this ratio is primarily due to a significant increase in net cash inflow from operating activities in the 2022nd year compared to the previous period, while the increase in inventory and cash dividend amounts was relatively smaller. The increase in the cash reinvestment ratio is also attributed to the substantial increase in net profit in the 2022nd year, resulting in a higher net cash inflow from operating activities during the same period, coupled with a smaller increase in capital expenditures.
4. Decrease in operating leverage: This is because the growth rate of revenue and gross profit in the 2022nd year was relatively lower than the growth rate of operating profit compared to the previous period.

The financial analysis calculation formulas are as follows:

1. Financial Structure

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

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

2. Solvency

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

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

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

3. Operating Performance

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

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

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

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

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

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

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

4. Profitability

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

5. Cash Flow

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

6. Degree of Leverage :

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

3. Audit Committee's review report for the financial statements of the year 2022: Please refer to Appendix 1, page 123.
4. Consolidated financial statements of the parent and subsidiary companies audited by the accountant for the year 2022: Please refer to Appendix 2, page 124.
5. Individual financial statements audited by the accountant for the year 2022: Please refer to Appendix 3, page 185.
6. Difficulties in financial turnover and their impact on the company's financial condition in the most recent year and until the printing date of the annual report for the company and its affiliated companies: No such circumstances exist.

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

1. Analysis of Changes in Financial Position

Unit: NT\$ thousands

Item	Year	Year 2021	Year 2022	Difference	
				Amount	%
Current Assets		7,650,612	8,634,458	983,846	12.86
Property, Plant, and Equipment and Right-of-Use Assets		2,599,565	2,819,834	220,269	8.47
Intangible Assets		29,755	32,221	2,466	8.29
Other Assets		241,916	245,397	3,481	1.44
Total Assets		10,521,848	11,731,910	1,210,062	11.50
Current Liability		4,427,677	4,780,165	352,488	7.96
Non-current liabilities		1,426,011	1,593,262	167,251	11.73
Total Liabilities		5,853,688	6,373,427	519,739	8.88
Equity Attributable to Owners of Parent Company		4,668,160	5,358,483	690,323	14.79
Capital stock		863,434	863,434	0	-
Capital surplus		531,823	531,823	0	-
Retained Earnings		3,473,651	4,037,618	563,967	16.24
Other equity		(200,748)	(74,392)	126,356	(62.94)
Total equity		4,668,160	5,358,483	690,323	14.79

Explanation for Variations Exceeding 20%:

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

2. Analysis of Operating Results

Unit: NT\$ thousands

Item	Year	Year 2021	Year 2022	Difference	
				Amount	%
Net operating income		11,011,928	11,897,939	886,011	8.05
Operating cost		9,281,971	9,721,629	439,658	4.74
Operating gross profit		1,729,957	2,176,310	446,353	25.80
Operating expense		1,267,473	1,377,397	109,924	8.67
Operating profit		462,484	798,913	336,429	72.74
Non-operating income and expense		50,024	134,463	84,439	168.80
Net profit before tax for the period		512,508	933,376	420,868	82.12
Income tax expense		162,844	320,218	157,374	96.64
Net profit for the period		349,664	613,158	263,494	75.36

In the current year, the consolidated net operating revenue of the company for the year 2022 was NT\$11,897,939 thousand, representing an 8% growth compared to NT\$11,011,928 thousand in the year 2021. The pre-tax net profit was NT\$933,376 thousand, showing an increase of 82% compared to NT\$512,508 thousand in the year 2021. The after-tax net profit was NT\$613,158 thousand, reflecting a 75% increase compared to the previous year. In recent years, there has been sustained growth in various sectors, including personal computers, gaming and entertainment, internet communication, servers, data centers, and high-performance computing, benefiting from these industries' demands. Due to continuous performance improvement and increased computing power and power consumption, it has driven the quality and revenue growth of cooling devices. However, the recent situation of international inflation, coupled with significant fluctuations in the exchange rates between the US dollar and various currencies, has posed challenges to business operations and profitability.

- (2) Expected sales quantities, their basis, the potential impact on the company's future financial operations, and the corresponding plans are detailed on page 3.

3. Cash Flow

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

In the current year, the company's cash and cash equivalents increased by NT\$1,081,810 thousand compared to the previous year. The variations in cash flows from various operating activities are as follows:

Unit: NT\$ thousands

Item	Year	Year 2021	Year 2022	Variation Rate (%)
Net cash inflows (outflows) from operating activities		329,277	1,042,470	216.59
Net cash inflows (outflows) from investment activities		(778,298)	(621,919)	(20.09)
Net cash inflows (outflows) from financing activities		445,262	448,233	0.67
Cash Flow Ratio%		7.43	21.80	193.41
Cash Flow Adequacy Ratio%		62.12	71.95	15.82
Cash Flow Reinvestment Ratio%		2.89	11.93	312.80
<p>1. The increase in net cash inflow from operating activities is primarily due to a significant increase in current year's pre-tax net profit.</p> <p>2. The decrease in net cash outflow from investing activities is mainly attributable to the reduction in the addition of production lines and the purchase of machinery and equipment in 2022.</p>				

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

Unit: NT\$ thousands

Beginning balance (1)	Expected Net Cash Flow from Operating Activities for the entire year (2)	Expected Cash Outflows for the entire year (3)	Expected Cash Surplus/(Deficit) (1)+(2)-(3)	Expected measures to remedy any cash shortfall.	
				Investment plan	Financial Plan:
2,819,374	1,374,000	966,000	3,227,374	–	–

Analysis of Cash Flow for the Current Year:

(1) Operating Activities: The trading conditions for the 2023rd year of the Republic of China remained unchanged, and it is expected that there will be a net cash inflow from operating activities.

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

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

In the year 2022, the company acquired property, plants, and equipment amounting to NT\$641,992 thousand. These funds were used for process improvements, replacement or upgrading of production equipment, and automation of production lines. In addition to maintaining the existing customer base, the company will actively develop potential customers and explore new product application areas in the market to secure more order opportunities.

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

(1) Cross-Investment Policy

The company's decision regarding cross-investment is based on considerations such as internationalization, operational growth requirements, government regulations, and investment environment. By conducting cross-investment in third-party regions, the company has established production bases in Kunshan, Shanghai, and Chongqing in mainland China. This allows us to serve customers in close proximity, reducing order lead times and transportation distances. Additionally, to provide localized customer service, we have established bases in the United States and South China, enabling us to stay updated on industry information and explore new markets. Furthermore, as part of establishing another

significant production base, in the first quarter of the year 2020, the company initiated the establishment of a new subsidiary in Vietnam, with the aim of undertaking major investment projects in the Hanoi region of Vietnam in the future.

(2) Cross-Investment Analysis

Unit: NT\$ thousands

Explanations Cross-Investment Business Name	Recognition in the 2022th Fiscal Year Investment (Loss) Amount	Profit or loss Main reasons	Improve ment Plan	The coming year Investment plan
Conquer Wisdom Co., Ltd.	716,861	Recognition of investment income from cross-investment	None	None
Nidec Chaun Choung Vietnam Corporation	(100,592)	During the preparation and trial operation period for establishing a plant	Actively securing orders and striving for economic production scale	Investment will be increased as per operational needs
Nidec Chaun-Choung Technology America, Inc.	1,341	Enhancing development in the US market	None	None
Globe Star Enterprise Limited	755,233	Recognition of investment income from cross-investment	None	None
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	133,850	Moderate adjustment of production capacity to meet demand	None	None
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	(1,106)	Still in the market development stage	None	None
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	621,562	Moderate adjustment of production capacity to meet demand	None	None

6. Risk Management Analysis and Evaluation Matters

(1) Risk Management Policy and Organizational Structure

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

ensure that employees understand their roles and obligations.

1. Operational Risk

The CEO of the company convenes meetings with the general managers of each subsidiary to formulate operational strategies and conduct risk assessments. Afterward, performance reviews are conducted to strive for the achievement of the company's operational objectives.

2. Financial Risk

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

II. Impact of Interest Rate, Exchange Rate, and Inflation on the Company's Profit and Loss, and Future Measures:

1. Impact of Interest Rate Fluctuations and Future Measures:

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

2. Impact of Exchange Rate Fluctuations and Measures Taken:

The company and its subsidiaries have a significant proportion of revenue from export business, accounting for over 90% of total revenue. The primary currency for transactions is the US dollar. In the 2022nd year of the Republic of China, the net exchange gain amounted to 174,121 thousand NT dollars, representing 1.46% of net revenue. To mitigate the risk of exchange rate fluctuations, the company and its

subsidiaries have implemented the following measures:

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

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

During the fiscal year of 2022, there were no significant impacts on the operations of our company and its subsidiaries due to inflation in their respective regions.

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

1. The company prohibits engaging in high-risk, high-leverage investments. In the 2022, the company did not engage in high-risk investments, highly leveraged investments, endorsement guarantees, or derivative transactions that resulted in profits or losses.
2. According to the company's "Endorsement Guarantee Procedure," the total amount of endorsement guarantees provided by the company to external parties is limited to 30% of the company's net worth. The limit for endorsement guarantees to a single enterprise is set at 20% of the company's net worth. During 2022, the company and its subsidiaries did not engage in endorsing guarantees for others.
3. The company: According to the company's "Procedure for Loaning Funds to Others," the total amount of funds loaned to entities with business transactions or short-term liquidity needs with the company should not exceed 40% of the net worth as per the most recent audited or reviewed financial statements. For individual entities with short-term liquidity needs, the loan amount should not exceed 10% of the company's net worth. In the 2020th year, the company provided loan facilities to its subsidiary Nidec Chaun Choung Vietnam Corporation for operational turnover, following internal control procedures and with approval from the Board of Directors. These transactions were adequately disclosed in the audited and reviewed financial reports.
4. Subsidiaries of the company: According to the "Procedure for Loaning Funds to Others" of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd., loans can be provided to overseas subsidiaries in which the company holds 100% voting rights, subject to the total loan amount and individual loan amounts for short-term liquidity needs not exceeding the net worth as per the most recent audited or reviewed financial statements of Nidec Jue-Choung Electronics (Kunshan) Co., Ltd. In the 2020th year, Nidec Jue-Choung Electronics (Kunshan) Co., Ltd. provided loan facilities to Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. for operational turnover, following internal

control procedures and with approval from the Board of Directors. These transactions were adequately disclosed in the audited and reviewed financial reports.

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

The total projected R&D expenses for the 2022th fiscal year amount to 502,000 thousand NTD. The future development directions for different research areas are as follows:

Research Area:	Expected Research Content:	Expected Research Schedule:
Advanced Chips	High-temperature chip packaging process (VC LID technology)	2022.01.01-2024.12.31
Power/Electric Vehicles	1. Ultra-high-power waterproof and dustproof cooling solutions 2. Development of high-power IGBT cooling modules for electric vehicles	2018.01.01-2024.01.01 2021.01.01-2023.01.01
Industrial/Communications	Research and development of high-power loop-type three-dimensional heat plate heat exchangers	2022.01.01-2024.12.31

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

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

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

With technological advancements and the rise of cloud service systems, the number of consumers using tablets and smartphones is increasing. This has indeed impacted the global shipments of laptops. However, for both information technology and communication

products, miniaturization and continuous enhancement of functionalities, including CPU processing for communication and graphics, have remained a trend with increasing chip heat generation over the years. In order to ensure smooth operation of electronic components in high-temperature environments and maintain product stability and reliability, thermal management is essential for the entire 3C and communication industries. The importance of thermal management is growing day by day, and this trend aligns with Nidec Chaun-Choung's established direction for research and development.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(13) Litigation or Non-Litigation Events:

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

(14) Other Important Risks and Response Measures:

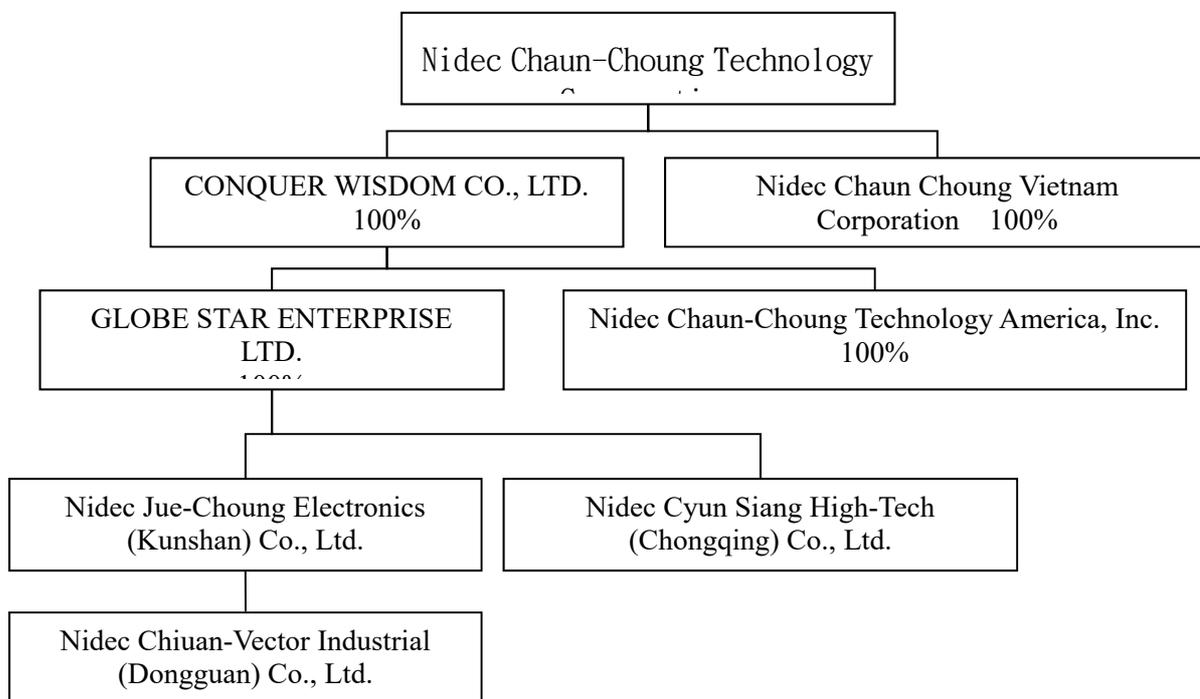
Explanation of Information Security Risk Assessment and Analysis: The Information Technology department serves as the internal unit responsible for ensuring the information security of the company's internal computers, systems, and networks. In order to prevent information security threats from both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

7. Other important matters to report: None.

Eight. Special Notes

1. Related information on affiliated companies

(1) Organizational chart of affiliated companies



(2) Basic information of each affiliated company

Unit: Thousand New Taiwan Dollars, as of December 31, 2022

Name of affiliated company	Date of Establishment	Location	Paid-in capital	Primary business items
Conquer Wisdom Co, Ltd.	2000.08.14	British Virgin Islands	737,240	Return on Investment Analysis
Nidec Chaun-Choung Technology America, Inc.	92.11.01	USA	9,213	Sales of computer cooling modules
Globe Star Enterprise Limited	97.04.02	Hong Kong	554,070	Investment
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	90.02.28	China	706,330	Production and sales of computer cooling modules
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	2010.09.08	China	16,750	Research and development as well as sales of thermal cooling components
Nidec Cyun Siang High-Tech	2011.06.08	China	245,680	Production and sales of

(Chongqing) Co., Ltd.				computer cooling modules
Nidec Chaun Choung Vietnam Corporation	2020.03.31	Vietnam	1,002,134	Production and sales of cooling components

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

(4) Business activities and division of affiliated companies:

1. Conquer Wisdom Co., Ltd.

Main business: Engaged in investment holding

2. Nidec Chaun-Choung Technology America, Inc.

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

3. GLOBE STAR ENTERPRISE LIMITED

Main business: Engaged in investment holding in mainland China

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

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

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

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

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

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

7. Nidec Chaun Choung Vietnam Corporation

Mainly engaged in the production and sales of cooling components

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

Unit: 1,000 shares

C o m p a n y n a m e	Position	Name or representat i v e	H o l d i n g S h a r e s	
			Shares	Sharehold i n g R a t i o
Conquer Wisdom Co., Ltd.	Director	Wu Shiling	–	–
Nidec Chaun-Choung Technology America, Inc.	Chairman	Wu Shiling	–	–
	Vice Chairman	Matsuhashi Hidetoshi	–	–
	Director	Chen Zhen Xing	–	–
GLOBE STAR ENTERPRISE LIMITED	Director	Wu Shiling	–	–
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd. (Note 1)	Chairman	Junichi Nagai	–	–
	Director and concurrent General Manager	Shen Zhi Ye	–	–
	Director	Matsuhashi Hidetoshi	–	–
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd. (Note 1)	Supervisor	Wang Xian Gjian	–	–
	Chairman	Matsuhashi Hidetoshi	–	–
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd. (Note 1)	Chairman	Junichi Nagai	–	–
	Director and concurrent General Manager	Takasawa Shinji	–	–
	Director	Matsuhashi Hidetoshi	–	–
	Supervisor	Wang Xian Gjian	–	–
NIDEC CHAUN CHOUNG VIETNAM CORPORATION	Chairman	Junichi Nagai	–	–
	Director	Matsuhashi Hidetoshi	–	–
	Director	Xie Qi Feng	–	–
	Director	Tatsumi Akio	–	–
	Supervisor	Wang Xian Gjian	–	–

Note 1: Unissued shares

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

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

December 31, 2023; Unit: NT\$1,000

Company name	Paid-up capital	Net Assets	Net Liability	Net value	Business Revenue	Operating profit	Income or Loss for the Period (After Tax)	After-Tax Earnings Per Share (NTD)
Conquer Wisdom Co, Ltd	737,240	4,961,170		4,961,170		(89)	753,878	41.67
Nidec Chaun Choung Vietnam Corporation	1,002,134	1,020,628	126,169	894,459	36,232	(98,665)	(100,592)	Note
Nidec Chaun-Choung Technology America, Inc.	9,213	67,869	51,931	15,938	168,452	1,341	1,341	4.47
Globe Star Enterprise Limited	554,070	4,886,145		4,886,145		(179)	755,233	5.38
Nidec Jue-Choung Electronics (Kunshan) Co., Ltd.	706,330	3,996,959	1,021,216	2,975,743	3,539,441	87,706	126,737	Note
Nidec Chiuan-Vector Industrial (Dongguan) Co., Ltd.	16,750	1,468	216	1,252	6,438	(1,143)	(1,106)	Note
Nidec Cyun Siang High-Tech (Chongqing) Co., Ltd.	245,680	4,595,934	2,667,017	1,928,917	5,021,934	566,125	621,264	Note

Note: Unissued shares

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

(8) Related Party Report

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

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

Appendix

【Appendix 1】

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

The Board of Directors has prepared the Business Report, Consolidated Financial Statements, Standalone Financial Statements and the Earnings Distribution in 2022. I have reviewed these reports and statements, which were appropriately done. I hereby issue this Review Report pursuant to Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act.

To

2023 Annual Shareholders Meeting of Nidec Chaun-Choung Technology Corporation

Convener of Audit Committee:
Cf Taxcpa

March 24, 2023

[Appendix 2] Audited Consolidated Financial Statements for the Fiscal Year Ended 2022 with Auditor's Certification

Stock code: 6230

3

Representation Letter

The entities that are required to be included in the combined financial statements of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, “ Consolidated Financial Statements.” endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION.

Chairman: JUNICHI NAGAI

Date: March 24, 2023

Independent Auditors' Report

To the Board of Directors of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION.:

Opinion

We have audited the consolidated financial statements of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION, and its subsidiaries (“ the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“ IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Please refer to note 4(n) “Revenue recognition” for accounting policy related to revenue recognition, and note 6(n) “Revenue from contracts with customers” for disclosure information about revenue recognition of the consolidated financial statements.

Description of key audit matter:

The main revenue of the Group comes from the researching, development, production, and sale of thermal components in the computer and related industries. Since products are highly customized, the revenue recognition is concerned by the users or receiver of the financial statements, the test for revenue recognition is a highly concerned matter when we comply the audit procedure for the financial statements of the Group.

How the matter was addressed in our audit:

Our principal audit procedures included obtaining the list of top-ten customers and newly-added customers for the current year to analyze whether there is an unusual situation or not, inspecting of significant new contracts and understanding terms and conditions to assess whether there are any significant abnormalities, assessing the appropriateness of accounting policies for revenue recognition (including sales returns and discounts), testing the effectiveness of the design and the implementation of internal controls of sales and performing the sales cut-off test on the period before and after the balance sheet date, to ensure sales are recognized in the appropriate accounting period. In addition, we also check the trading condition to client, and test the sales samples in the period of time around year end, to ensure the correctness of periods recognized revenue.

Other Matter

NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION. has prepared its parent-company -only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Ko and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)

March 24, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION (ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>December 31, 2022</u>		<u>December 31, 2021</u>			<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (notes 6(a) and (q))	\$ 2,819,374	24	1,737,564	17	2100 Short-term borrowings from related parties (notes 6(g), (q) and 7)	\$ 750,070	7	199,296	2
1150 Notes receivable, net (notes 6(c), (n), (q) and 7)	44,080	1	2,260	-	2170 Accounts payable (note 6(q))	2,964,312	25	3,302,811	31
1170 Accounts receivable, net (notes 6(c), (n) and (q))	2,262,679	19	3,166,158	30	2180 Total accounts payable to related parties (notes 6(q) and 7)	13,305	-	89,168	1
1180 Accounts receivable due from related parties, net (notes 6(c), (n), (q) and 7)	1,390,062	12	743,683	7	2200 Other payables (note 6(q))	857,577	8	695,569	7
1200 Other receivables, net (note 6(q))	49,794	-	932	-	2220 Other payables to related parties (notes 6(q) and 7)	25,290	-	6,990	-
1210 Other receivables due from related parties, net (notes 6(q) and 7)	30	-	389	-	2250 Current provisions	1,869	-	1,852	-
130X Inventories (note 6(d))	1,829,781	16	1,826,090	17	2280 Current lease liabilities (note 6(q))	25,232	-	33,575	-
1410 Prepayments	122,021	1	82,668	1	2300 Other current liabilities	142,510	1	98,416	1
1470 Other current assets	116,637	1	90,868	1	Total current liabilities	4,780,165	41	4,427,677	42
Total current assets	8,634,458	74	7,650,612	73	Non-current liabilities:				
Non-current assets:					2540 Long-term borrowings from related parties (notes 6(h), (q) and 7)	737,040	6	664,320	6
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (q))	93,969	1	94,468	1	2570 Deferred income tax liabilities (note 6(k))	776,934	7	660,870	6
1600 Property, plant and equipment (note 6(e))	2,577,326	22	2,334,950	22	2580 Non-current lease liabilities (note 6(q))	39,910	-	59,581	1
1755 Right-of-use assets (note 6(f))	242,508	2	264,615	3	2640 Net defined benefit liability, non-current (note 6(j))	-	-	6,059	-
1780 Intangible assets	32,221	-	29,755	-	2670 Other non-current liabilities, others	39,378	-	35,181	1
1840 Deferred income tax assets (note 6(k))	107,942	1	101,990	1	Total non-current liabilities	1,593,262	13	1,426,011	14
1975 Net defined benefit asset, non-current (note 6(j))	172	-	-	-	Total liabilities	6,373,427	54	5,853,688	56
1990 Other non-current assets, others	43,314	-	45,458	-	Equity attributable to owners of parent (note 6(l)):				
Total non-current assets	3,097,452	26	2,871,236	27	3100 Ordinary shares	863,434	7	863,434	8
					3200 Capital surplus	531,823	5	531,823	5
					Retained earnings:				
					3310 Legal reserve	858,721	7	824,071	8
					3320 Special reserve	200,748	2	227,091	2
					3350 Unappropriated retained earnings	2,978,149	26	2,422,489	23
					Total retained earnings	4,037,618	35	3,473,651	33
					3400 Other equity	(74,392)	(1)	(200,748)	(2)
					Total equity	5,358,483	46	4,668,160	44
Total assets	\$ 11,731,910	100	10,521,848	100	Total liabilities and equity	\$ 11,731,910	100	10,521,848	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION
(ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income For the years ended December 31, 2022 and 2021 (Expressed in
Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000 Operating revenues (notes 6(n) and 7)	11,897,939	100	11,011,928	100
5000 Operating costs (notes 6(d), (e), (f), (j), (o) and 7)	<u>9,721,629</u>	<u>82</u>	<u>9,281,971</u>	<u>84</u>
Gross profit from operations	<u>2,176,310</u>	<u>18</u>	<u>1,729,957</u>	<u>16</u>
Operating expenses (notes 6(e), (f), (j), (o) and 7):				
6100 Selling expenses	320,797	2	304,823	3
6200 Administrative expenses	482,787	4	455,215	4
6300 Research and development expenses	574,543	5	506,726	5
6450 (Reversal of impairment loss) impairment loss determined in accordance with IFRS 9 (note 6(c))	<u>(730)</u>	<u>-</u>	<u>709</u>	<u>-</u>
Total operating expenses	<u>1,377,397</u>	<u>11</u>	<u>1,267,473</u>	<u>12</u>
Net operating income	<u>798,913</u>	<u>7</u>	<u>462,484</u>	<u>4</u>
Non-operating income and expenses:				
7100 Interest income (note 6(p))	16,931	-	17,017	-
7010 Other income (notes 6(p) and 7)	76,044	1	73,810	1
7020 Other gains and losses, net (note 6(p))	70,520	-	(34,574)	-
7050 Finance costs (notes 6(p) and 7)	<u>(29,032)</u>	<u>-</u>	<u>(6,229)</u>	<u>-</u>
Total non-operating income and expenses	<u>134,463</u>	<u>1</u>	<u>50,024</u>	<u>1</u>
7900 Income before income tax	933,376	8	512,508	5
7950 Less: Income tax expenses (note 6(k))	<u>320,218</u>	<u>3</u>	<u>162,844</u>	<u>2</u>
Profit	<u>613,158</u>	<u>5</u>	<u>349,664</u>	<u>3</u>
8300 Other comprehensive income (loss):				
8310 Items that may not be reclassified subsequently to profit or loss:				
8311 Gains (losses) on remeasurements from defined benefit plans	4,348	-	(3,956)	-
8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(499)	-	66,485	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>870</u>	<u>-</u>	<u>(791)</u>	<u>-</u>
Total items that may not be reclassified subsequently to profit or loss	<u>2,979</u>	<u>-</u>	<u>63,320</u>	<u>1</u>
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation	158,569	1	(50,179)	(1)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>31,714</u>	<u>-</u>	<u>(10,036)</u>	<u>-</u>
Total items that may be reclassified subsequently to profit or loss	<u>126,855</u>	<u>1</u>	<u>(40,143)</u>	<u>(1)</u>
8300 Other comprehensive income	<u>129,834</u>	<u>1</u>	<u>23,177</u>	<u>-</u>
8500 Total comprehensive income	<u>\$ 742,992</u>	<u>6</u>	<u>\$ 372,841</u>	<u>3</u>
Basic earnings per share (note 6(m))				
9750 Basic earnings per share (NT Dollars)	<u>\$ 7.10</u>		<u>\$ 4.05</u>	
9850 Diluted earnings per share (NT Dollars)	<u>\$ 7.08</u>		<u>\$ 4.04</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION (ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES**Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Other equity		Total	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance on January 1, 2021	\$863,434	531,823	746,181	222,369	2,276,029	3,244,579	(235,076)	7,985	(227,091)	4,412,745
Profit for the year ended December 31, 2021	-	-	-	-	349,664	349,664	-	-	-	349,664
Other comprehensive (loss) income for the year ended December 31, 2021	-	-	-	-	(3,165)	(3,165)	(40,142)	66,485	26,343	23,178
Comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	346,499	346,499	(40,142)	66,485	26,343	372,842
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	77,890	-	(77,890)	-	-	-	-	-
Special reserve	-	-	-	4,722	(4,722)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(117,427)	(117,427)	-	-	-	(117,427)
Total increase (decrease) in equity	-	-	77,890	4,722	(200,039)	(117,427)	-	-	-	(117,427)
Balance on December 31, 2021	863,434	531,823	824,071	227,091	2,422,489	3,473,651	(275,218)	74,470	(200,748)	4,668,160
Profit for the year ended December 31, 2022	-	-	-	-	613,158	613,158	-	-	-	613,158
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,478	3,478	126,855	(499)	126,356	129,834
Comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	616,636	616,636	126,855	(499)	126,356	742,992
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	34,650	-	(34,650)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(52,669)	(52,669)	-	-	-	(52,669)
Reversal of special reserve	-	-	-	(26,343)	26,343	-	-	-	-	-
Balance on December 31, 2022	863,434	531,823	858,721	200,748	2,978,149	4,037,618	(148,363)	73,971	(74,392)	5,358,483

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION
(ORIGINAL NAME : CHAUN-CHOUNG TECHNOLOGY CORPORATION) AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 933,376	512,508
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	369,175	339,502
Amortization expense	8,712	8,618
Expected credit (gain) loss	(730)	709
Interest expense	29,032	6,229
Interest revenue	(16,931)	(17,017)
Dividend income	(1,483)	(1,483)
Loss (gain) from disposal of property, plant and equipment	96,414	(350)
Property, plant and equipment transferred to expenses	14,898	5,814
Unrealized foreign exchange (gain) loss	(2,511)	546
Gain from lease modifications	(482)	(170)
Total adjustments to reconcile profit	<u>496,094</u>	<u>342,398</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in notes receivable	(41,820)	4,066
Decrease (increase) in accounts receivable	904,203	(703,002)
(Increase) decrease in accounts receivable due from related parties	(646,379)	19,778
Decrease (increase) in other receivables	(22,519)	8,028
Increase in inventories	(5,289)	(621,664)
Increase in prepayments	(36,381)	(326)
Increase in other current assets	(49,808)	(41,485)
Total changes in operating assets	<u>102,007</u>	<u>(1,334,605)</u>
Changes in operating liabilities:		
(Decrease) increase in accounts payable	(338,499)	898,575
Decrease in accounts payable to related parties	(75,863)	(41,049)
Increase in other payables	116,030	17,266
Increase (decrease) in other payables to related parties	14,069	(1,708)
Increase (decrease) in provisions	17	(9)
Increase in other current liabilities	44,094	5,425
Decrease in net defined benefit liability	(1,882)	(1,349)
Total changes in operating liabilities	<u>(242,034)</u>	<u>877,151</u>
Total changes in operating assets and liabilities	<u>(140,027)</u>	<u>(457,454)</u>
Total adjustments	<u>356,067</u>	<u>(115,056)</u>
Cash inflow generated from operations	1,289,443	397,452
Interest received	16,931	17,017
Interest paid	(24,783)	(6,229)
Income taxes paid	(239,121)	(78,963)
Net cash flows from operating activities	<u>1,042,470</u>	<u>329,277</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(641,992)	(774,006)
Proceeds from disposal of property, plant and equipment	26,765	6,240
Decrease (increase) in refundable deposits	2,144	(1,972)
Acquisition of intangible assets	(10,319)	(8,931)
Dividends received	1,483	371
Net cash flows used in investing activities	<u>(621,919)</u>	<u>(778,298)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	531,460	201,456
Decrease in short-term borrowings	-	(323,730)
Proceeds from long-term borrowings	-	678,720
Increase in guarantee deposits received	483	333
Payments of lease liabilities	(34,755)	(28,018)
Increase in other non-current liabilities	3,714	33,928
Cash dividends paid	(52,669)	(117,427)
Net cash flows used in financing activities	<u>448,233</u>	<u>445,262</u>
Effect of exchange rate changes on cash and cash equivalents	213,026	(33,341)
Net increase (decrease) in cash and cash equivalents	1,081,810	(37,100)
Cash and cash equivalents at beginning of period	1,737,564	1,774,664
Cash and cash equivalents at end of period	<u>\$ 2,819,374</u>	<u>1,737,564</u>

See accompanying notes to consolidated financial statements.

[Appendix 3] Audited Individual Financial Statements for the Fiscal Year Ended 2022
with Auditor's Certification

Stock code: 6230

3

Independent Auditors' Report

To the Board of Directors of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION:

Opinion

We have audited the financial statements of NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION (“ the Company”), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

2. Revenue recognition

Please refer to note 4(n) "Revenue recognition" for accounting policy related to revenue recognition, and note 6(o) "Revenue from contracts with customers" for disclosure information about revenue recognition of the financial statements.

Description of key audit matter:

The main revenue of the Company comes from the researching, development, production, and sale of thermal components in the computer and related industries. Since products are highly customized, the revenue recognition is concerned by the users or receiver of the financial statements, the test for revenue recognition is a highly concerned matter when we comply the audit procedure for the financial statements of the Company.

How the matter was addressed in our audit:

Our principal audit procedures included obtaining the list of top-ten customers and newly-added customers for the current year to analyze whether there is an unusual situation or not, inspecting of significant new contracts and understanding terms and conditions to assess whether there are any significant abnormalities, assessing the appropriateness of accounting policies for revenue recognition (including sales returns and discounts), testing the effectiveness of the design and the implementation of internal controls of sales and performing the sales cut-off test on the period before and after the balance sheet date, to ensure sales are recognized in the appropriate accounting period.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

7. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hui-Chih Ko and Chi-Lung Yu.

KPMG

Taipei, Taiwan (Republic of China)

March 24, 2023

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION
(Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollar)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (notes 6(a) and (r))	\$ 908,536	8	484,971	5	2100 Short-term borrowings from related parties (notes 6(h), (r), (s) and 7)	\$ 221,112	2	199,296	2
1150 Notes receivable, net (notes 6(c), (o) and (r))	-	-	1,483	-	2170 Accounts payable (note 6(r))	631,900	5	941,995	9
1170 Accounts receivable, net (notes 6(c), (o) and (r))	1,571,683	13	1,889,709	18	2180 Accounts payable to related parties (notes 6(r) and 7)	3,637,851	31	2,902,892	28
1181 Accounts receivable due from related parties, net (notes 6(c), (o), (r) and 7)	1,441,241	12	681,312	7	2200 Other payables (note 6(r))	344,030	3	271,151	3
1200 Other receivables (note (r))	45,287	-	16,467	-	2220 Other payables to related parties (notes 6(r) and 7)	51,933	-	36,935	-
1210 Other receivables due from related parties (notes (r) and 7)	74,427	1	447,023	4	2250 Current provisions	739	-	739	-
130X Inventories (note 6(d))	1,113,947	10	1,012,360	10	2280 Current lease liabilities (note 6(r))	24,934	-	32,676	-
1410 Prepayments	12,753	-	9,724	-	2300 Other current liabilities	88,671	1	43,173	-
1470 Other current assets	53,001	-	33,731	-	Total current liabilities	5,001,170	42	4,428,857	42
Total current assets	5,220,875	44	4,576,780	44	Non-current liabilities:				
Non-current assets:					2540 Long-term borrowings from related parties (notes 6(i), (r), (s) and 7)	737,040	6	664,320	6
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(b) and (r))	93,969	1	94,468	1	2570 Deferred tax liabilities (note 6(l))	712,713	6	611,850	6
1550 Investments accounted for using equity method (note 6(e))	5,789,489	49	4,993,826	48	2580 Non-current lease liabilities (note 6(r))	39,475	1	58,487	1
1600 Property, plant and equipment (notes 6(f) and 8)	547,071	5	538,966	5	2640 Net defined benefit liability, non-current (note 6(k))	-	-	6,059	-
1755 Right-of-use assets (note 6(g))	63,948	-	90,854	1	2670 Other non-current liabilities, others	57	-	57	-
1780 Intangible assets	21,734	-	22,928	-	Total non-current liabilities	1,489,285	13	1,340,773	13
1840 Deferred tax assets (note 6(l))	69,314	1	77,409	1	Total liabilities	6,490,455	55	5,769,630	55
1975 Net defined benefit asset, non-current (note 6(k))	172	-	-	-	Equity (note 6(m)):				
1990 Total other non-current assets, others	42,366	-	42,559	-	3100 Ordinary shares	863,434	7	863,434	9
Total non-current assets	6,628,063	56	5,861,010	56	3200 Capital surplus	531,823	5	531,823	5
					Retained earnings:				
					3310 Legal reserve	858,721	7	824,071	8
					3320 Special reserve	200,748	2	227,091	2
					3350 Unappropriated retained earnings	2,978,149	25	2,422,489	23
					Total retained earnings	4,037,618	34	3,473,651	33
					3400 Other equity	(74,392)	(1)	(200,748)	(2)
					Total equity	5,358,483	45	4,668,160	45
					Total liabilities and equity	\$ 11,848,938	100	10,437,790	100
Total assets	\$ 11,848,938	100	10,437,790	100					

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION
 (Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)
Statements of Comprehensive Income
 For the years ended December 31, 2022 and 2021
 (Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenues (notes 6(o) and 7)	\$ 9,614,241	100	7,694,769	100
5000 Operating costs (notes 6(d), (f), (g), (k), (p) and 7)	8,632,668	90	6,998,583	91
Gross profit from operations	981,573	10	696,186	9
Operating expenses (notes 6(f), (g), (k), (p) and 7):				
6100 Selling expenses	167,409	2	150,711	2
6200 Administrative expenses	177,792	2	152,693	2
6300 Research and development expenses	355,091	4	306,314	4
6450 (Reversal of impairment loss) impairment loss determined in accordance with IFRS 9 (note 6(c))	(574)	-	346	-
Total operating expenses	699,718	8	610,064	8
Net operating income	281,855	2	86,122	1
Non-operating income and expenses (notes 6(q) and 7):				
7100 Interest income	2,240	-	706	-
7010 Other income	34,357	-	59,058	1
7020 Other gains and losses, net	(140,057)	(1)	48,759	1
7050 Finance costs	(23,457)	-	(6,180)	-
7070 Share of profit of subsidiaries accounted for using equity method, net	616,269	6	265,004	3
Total non-operating income and expenses	489,352	5	367,347	5
7900 Profit before income tax	771,207	7	453,469	6
7950 Less: Income tax expenses (note 6(l))	158,049	2	103,805	1
Profit	613,158	5	349,664	5
8300 Other comprehensive income:				
8310 Items that may not be reclassified subsequently to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	4,348	-	(3,956)	-
8316 Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(499)	-	66,485	1
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	870	-	(791)	-
Total components of other comprehensive income that will not be reclassified to profit or loss	2,979	-	63,320	1
8360 Items that may be reclassified subsequently to profit or loss				
8361 Exchange differences on translation	158,569	2	(50,179)	(1)
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	31,714	-	(10,036)	-
Total components of other comprehensive income that will be reclassified to profit or loss	126,855	2	(40,143)	(1)
8300 Other comprehensive income	129,834	2	23,177	-
Total comprehensive income	\$ 742,992	7	372,841	5
Basic earnings per share (note 6(n))				
9750 Basic earnings per share (NT Dollars)	\$ 7.10		4.05	
9850 Diluted earnings per share (NT Dollars)	\$ 7.08		4.04	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION
(Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollar)

	Retained earnings					Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance on January 1, 2021	\$ 863,434	531,823	746,181	222,369	2,276,029	3,244,579	(235,076)	7,985	(227,091)	4,412,745
Profit for the year ended December 31, 2021	-	-	-	-	349,664	349,664	-	-	-	349,664
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(3,165)	(3,165)	(40,142)	66,485	26,343	23,178
Comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	346,499	346,499	(40,142)	66,485	26,343	372,842
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	77,890	-	(77,890)	-	-	-	-	-
Special reserve	-	-	-	4,722	(4,722)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(117,427)	(117,427)	-	-	-	(117,427)
Balance on December 31, 2021	863,434	531,823	824,071	227,091	2,422,489	3,473,651	(275,218)	74,470	(200,748)	4,668,160
Profit for the year ended December 31, 2022	-	-	-	-	613,158	613,158	-	-	-	613,158
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	3,478	3,478	126,855	(499)	126,356	129,834
Comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	616,636	616,636	126,855	(499)	126,356	742,992
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	34,650	-	(34,650)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	(52,669)	(52,669)	-	-	-	(52,669)
Reversal of special reserve	-	-	-	(26,343)	26,343	-	-	-	-	-
Balance on December 31, 2022	\$ 863,434	531,823	858,721	200,748	2,978,149	4,037,618	(148,363)	73,971	(74,392)	5,358,483

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)
NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION
 (Original name : CHAUN-CHOUNG TECHNOLOGY CORPORATION)

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollar)

	<u>2022</u>	<u>2021</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 771,207	453,469
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	129,995	105,736
Amortization expense	4,979	5,395
Expected credit loss (reversal of impairment gains)	(574)	346
Interest expense	23,457	6,180
Interest income	(2,240)	(706)
Dividend income	(1,483)	(1,483)
Share of profit of subsidiaries, accounted for using equity method	(616,269)	(265,004)
Loss (gain) from disposal of property, plant and equipment	6,054	(409)
Property, plant and equipment transferred to expenses	2,905	5,210
Unrealized gain on transactions with affiliates	(20,825)	(5,506)
Unrealized foreign exchange (gain) loss	(2,511)	546
Gain from lease modifications	(482)	(170)
Total adjustments to reconcile profit	<u>(476,994)</u>	<u>(149,865)</u>
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	1,483	(1,483)
Decrease (increase) in accounts receivable	318,600	(474,044)
Increase in accounts receivable due from related parties	(759,929)	(24,505)
Increase in other receivables	(57,960)	(6,891)
Decrease (increase) in other receivables due from related parties	401,736	(15,657)
Decrease in inventories	(101,587)	(426,750)
Increase in prepayments	(642)	(6,780)
Increase in other current assets	(19,270)	(7,523)
Total changes in operating assets	<u>(217,569)</u>	<u>(963,633)</u>
Increase (decrease) in accounts payable	(310,095)	279,676
Increase in accounts payable to related parties	734,959	829,844
Increase in other payables	55,524	1,305
Increase in other payables to related parties	14,998	26,016
Increase in other current liabilities	45,498	8,559
Decrease in net defined benefit liability	(1,882)	(1,349)
Total changes in operating liabilities	<u>539,002</u>	<u>1,144,051</u>
Total changes in operating assets and liabilities	<u>321,433</u>	<u>180,418</u>
Total adjustments	<u>(155,561)</u>	<u>30,553</u>
Cash inflow generated from operations	615,646	484,022
Interest received	2,240	706
Interest paid	(23,457)	(6,180)
Income taxes paid	(64,320)	(35,985)
Net cash flows from operating activities	<u>530,109</u>	<u>442,563</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(702,791)
Acquisition of property, plant and equipment	(125,632)	(202,153)
Proceeds from disposal of property, plant and equipment	11,021	3,972
Increase in refundable deposits	193	(1,508)
Acquisition of intangible assets	(3,785)	(6,835)
Dividends received	1,483	371
Net cash flows used in investing activities	<u>(116,720)</u>	<u>(908,944)</u>
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	-	201,456
Decrease in short-term borrowings	-	(323,730)
Proceeds from long-term borrowings	-	678,720
Increase (decrease) in guarantee deposits received	-	57
Payment of lease liabilities	(34,202)	(27,565)
Cash dividends paid	(52,669)	(117,427)
Net cash flows used in financing activities	<u>(86,871)</u>	<u>411,511</u>
Effect of exchange rate changes on cash and cash equivalents	97,047	(6,656)
Net increase (decrease) in cash and cash equivalents	423,565	(61,526)
Cash and cash equivalents at beginning of period	484,971	546,497
Cash and cash equivalents at end of period	<u>\$ 908,536</u>	<u>484,971</u>

See accompanying notes to parent company only financial statements.

Nidec Chaun-Choung Technology Corporation

Chairman: Junichi Nagai