

Innodisk Corporation and Subsidiaries
Consolidated Financial Statements and
Independent Auditor's Review Report
First Quarter of 2026 and 2025
(Stock Code: 5289)

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Innodisk Corporation and Subsidiaries
Consolidated Financial Report and Independent Auditor's Review Report for the First
Quarter of 2026 and 2025
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Independent Auditor's Review Report

(115) Tsai-Shen-Bao-Zi No. 26000309

To the Board of Directors of Innodisk Corporation:

Opinion

We have duly reviewed the consolidated balance sheet of Innodisk Corporation and subsidiaries (the "Group") as of March 31, 2026 and 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to March 31, 2026 and 2025, as well as notes to the consolidated financial statements (including the summary of significant accounting policies). The management shall be responsible for preparing the financial statements fairly presented based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" recognized and released by the Financial Supervisory Commission. We are only responsible for concluding the financial statements based on the result of the review.

Scope of Review

We conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standards Bulletin No. 2410. The procedures of reviewing the consolidated financial statements include inquiry (mainly with the personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of the review work is significantly smaller than that of the audit work, so we may not be able to detect all significant matters that can be identified through the audit work. Therefore, we cannot express an audit opinion.

Conclusion

Based on our review results, nothing has come to our attention that causes us to believe that the above consolidated financial statements have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission, and that would prevent them from fairly presenting the consolidated financial position of the Group as of March 31, 2026 and March 31, 2025, and the consolidated financial performance and consolidated cash flows for January 1, 2026 to March 31, 2026 and January 1, 2025 to March 31, 2025.

PricewaterhouseCoopers, Taiwan

Huang, Shih-Chun

Accountant

Chan-Yuan Tu

Financial Supervisory Commission

Approval number: Jin-Guan-Zheng-Shen-Zi No. 1050029449

Jin-Guan-Zheng-Shen-Zi No. 1120348565

May 8, 2026

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
March 31, 2026, December 31, 2025, and March 31, 2025

Unit: Thousand NTD

Assets	Note	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6 (1)	\$ 2,729,345	11	\$ 1,645,410	11	\$ 2,866,193	28
1136	Current financial assets at amortised cost	6 (3)	170,000	1	150,000	1	400,000	4
1150	Notes receivable, net	6 (4)	1,300	-	3,529	-	-	-
1170	Accounts receivable, net	6 (4)	9,028,365	36	3,292,313	23	1,486,540	15
1180	Accounts receivable -- related parties	6 (4) and 7 (2)	77	-	3	-	15	-
1200	Other receivables		185,874	1	23,720	-	40,250	-
1210	Other receivables -- related parties	7 (2)	32	-	31	-	32	-
1220	Current income tax assets		4,796	-	35,265	-	17,915	-
130X	Inventories	6 (5)	8,370,869	34	5,385,202	37	1,576,592	16
1410	Prepayments	6 (6)	297,829	1	341,181	3	110,604	1
1460	Net non-current assets held for sale	6 (13)	-	-	-	-	69,355	1
11XX	Total Current Assets		<u>20,788,487</u>	<u>84</u>	<u>10,876,654</u>	<u>75</u>	<u>6,567,496</u>	<u>65</u>
Non-Current Assets								
1517	Financial assets measured at fair value through other comprehensive income - non-current	6 (2)	30,703	-	29,837	-	29,038	-
1535	Financial assets measured at amortized cost - non-current	6 (3) and 8	11,206	-	11,206	-	11,206	-
1550	Investments accounted for using equity method	6 (7)	43,953	-	29,753	-	33,624	-
1600	Property, plant and equipment	6(8) and 8	3,101,653	13	3,010,757	21	2,974,030	29
1755	Right-of-use assets	6 (9)	200,116	1	206,434	2	205,443	2
1760	Investment property, net	6 (11)	175,661	1	176,532	1	178,609	2
1780	Intangible assets	6 (12)	50,950	-	47,398	-	52,851	1
1840	Deferred income tax assets		219,909	1	152,325	1	106,386	1
1920	Refundable deposit		7,759	-	7,367	-	7,184	-
1990	Other non-current assets - others		300	-	300	-	3,826	-
15XX	Total Non-Current Assets		<u>3,842,210</u>	<u>16</u>	<u>3,671,909</u>	<u>25</u>	<u>3,602,197</u>	<u>35</u>
1XXX	Total Assets		<u>\$ 24,630,697</u>	<u>100</u>	<u>\$ 14,548,563</u>	<u>100</u>	<u>\$ 10,169,693</u>	<u>100</u>

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
March 31, 2026, December 31, 2025, and March 31, 2025

Unit: Thousand NTD

Liabilities and Equity	Note	March 31, 2026		December 31, 2025		March 31, 2025		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
2100	Short-term borrowings	6 (15)	\$ 3,089,550	13	\$ 1,735,790	12	\$ -	-
2130	Current contract liabilities	6 (23)	165,006	1	42,267	-	40,982	-
2170	Accounts payable		2,905,544	12	1,852,180	13	758,896	8
2180	Accounts payable - related parties	7 (2)	179	-	478	-	59	-
2200	Other payables	6 (14)	1,255,209	5	779,286	5	484,932	5
2220	Other payables - related parties	7 (2)	4	-	-	-	-	-
2230	Current income tax liabilities	6 (30)	1,801,468	7	363,599	3	182,811	2
2250	Provisions for liabilities - current	6 (19)	22,886	-	17,386	-	22,917	-
2280	Current lease liabilities		29,651	-	28,535	-	25,663	-
2320	Long-term liabilities -- current portion	6 (16)	37,334	-	37,280	-	25,191	-
2399	Other current liabilities - others	6 (13)	11,052	-	10,737	-	22,234	-
21XX	Total Current Liabilities		<u>9,317,883</u>	<u>38</u>	<u>4,867,538</u>	<u>33</u>	<u>1,563,685</u>	<u>15</u>
Non-current liabilities								
2540	Long-term loans	6 (16)	298,117	1	307,633	2	335,242	3
2550	Provision for non-current liabilities	6 (19)	75,775	-	53,775	1	41,532	1
2570	Deferred income tax liabilities		70,350	-	18,401	-	7,656	-
2580	Lease liabilities - Non-current		176,407	1	183,610	1	184,917	2
2645	Guarantee deposit received	7 (2)	5,633	-	4,041	-	3,811	-
25XX	Total Non-Current Liabilities		<u>626,282</u>	<u>2</u>	<u>567,460</u>	<u>4</u>	<u>573,158</u>	<u>6</u>
2XXX	Total liabilities		<u>9,944,165</u>	<u>40</u>	<u>5,434,998</u>	<u>37</u>	<u>2,136,843</u>	<u>21</u>
Equity attributable to owners of parent								
	Share capital	6 (20)						
3110	Share capital - common stock		963,552	4	960,407	7	915,746	9
3170	Share capital for cancellation		(178)	-	-	-	-	-
	Capital surplus	6 (21)						
3200	Capital surplus		2,243,010	9	2,196,806	15	1,675,269	16
	Retained earnings	6 (22)						
3310	Legal reserve		1,177,229	5	1,177,229	8	1,066,612	11
3350	Unappropriated retained earnings		10,361,299	42	4,894,942	34	4,184,434	41
	Other equity interests							
3400	Other equity interests		(244,526)	(1)	(288,597)	(2)	12,290	-
31XX	Total equity attributable to owners of parent		<u>14,500,386</u>	<u>59</u>	<u>8,940,787</u>	<u>62</u>	<u>7,854,351</u>	<u>77</u>
36XX	Non-controlling interest		<u>186,146</u>	<u>1</u>	<u>172,778</u>	<u>1</u>	<u>178,499</u>	<u>2</u>
3XXX	Total equity		<u>14,686,532</u>	<u>60</u>	<u>9,113,565</u>	<u>63</u>	<u>8,032,850</u>	<u>79</u>
	Material contingent liabilities and unrecognized contractual commitments	9						
	Material Events Subsequent to the Balance Sheet Date	11						
3X2X	Total Liabilities and Equity		<u>\$ 24,630,697</u>	<u>100</u>	<u>\$ 14,548,563</u>	<u>100</u>	<u>\$ 10,169,693</u>	<u>100</u>

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2026 and 2025

Unit: Thousand NTD
(Except for earnings per share)

Item	Note	January 1 to March 31, 2026		January 1 to March 31, 2025	
		Amount	%	Amount	%
4000 Operating revenue	6(23) and 7 (2)	\$ 13,182,608	100	\$ 2,618,742	100
5000 Operating costs	6 (5) and 7 (2)	(5,391,251)	(41)	(1,818,009)	(69)
5950 Gross profit before unrealized gross profit on sales to subsidiaries		<u>7,791,357</u>	<u>59</u>	<u>800,733</u>	<u>31</u>
Operating expenses	6 (28) and 7 (2)				
6100 Selling expenses		(348,714)	(3)	(187,346)	(7)
6200 General and administrative expenses		(329,965)	(2)	(118,086)	(5)
6300 Research and development expenses		(260,860)	(2)	(128,293)	(5)
6450 Expected loss on credit impairment	12 (2)	(1,618)	-	(19)	-
6000 Total operating expenses		(941,157)	(7)	(433,744)	(17)
6900 Operating profit		<u>6,850,200</u>	<u>52</u>	<u>366,989</u>	<u>14</u>
Non-operating income and expenses					
7100 Interest income	6 (24)	1,804	-	5,527	-
7010 Other income	6 (25) and 7 (2)	9,020	-	7,503	1
7020 Other gains and losses	6 (26)	79,238	1	28,310	1
7050 Finance cost	6 (27)	(28,331)	-	(2,240)	-
7060 Shares of losses of associates and joint ventures accounted for using equity method	6 (7)	5,096	-	(1,962)	-
7000 Total non-operating income and expenses		<u>66,827</u>	<u>1</u>	<u>37,138</u>	<u>2</u>
7900 Profit before income tax		<u>6,917,027</u>	<u>53</u>	<u>404,127</u>	<u>16</u>
7950 Income tax expense	6 (30)	(1,439,498)	(11)	(72,255)	(3)
8200 Net income for the year		<u>\$ 5,477,529</u>	<u>42</u>	<u>\$ 331,872</u>	<u>13</u>
Other comprehensive income (net)					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealized gains or losses of equity instruments measured at fair value through other comprehensive income		\$ 866	-	(\$ 33)	-
8310 Total components of other comprehensive income that will not be reclassified to profit or loss		<u>866</u>	<u>-</u>	<u>(33)</u>	<u>-</u>
Items that may be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		<u>3,456</u>	<u>-</u>	<u>4,400</u>	<u>-</u>
8360 Components of other comprehensive loss that will be reclassified to profit or loss		<u>3,456</u>	<u>-</u>	<u>4,400</u>	<u>-</u>
8300 Other comprehensive income for the period, net of tax		<u>\$ 4,322</u>	<u>-</u>	<u>\$ 4,367</u>	<u>-</u>
8500 Total comprehensive income for the period		<u>\$ 5,481,851</u>	<u>42</u>	<u>\$ 336,239</u>	<u>13</u>
Profit attributable to:					
8610 Owners of the parent		\$ 5,466,357	42	\$ 336,540	13
8620 Non-controlling interest		11,172	-	(4,668)	-
Net income for the year		<u>\$ 5,477,529</u>	<u>42</u>	<u>\$ 331,872</u>	<u>13</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 5,470,623	42	\$ 340,801	13
8720 Non-controlling interest		11,228	-	(4,562)	-
Total comprehensive income for the period		<u>\$ 5,481,851</u>	<u>42</u>	<u>\$ 336,239</u>	<u>13</u>
Basic earnings per share					
9750 Net income for the year	6 (31)	\$	57.49	\$	3.61
Diluted earnings per share					
9850 Net income for the year	6 (31)	\$	56.64	\$	3.57

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to March 31, 2026 and 2025

Unit: Thousand NTD

		Equity attributable to owners of parent											
		Share capital			Retained earnings			Other equity interests					
		Share capital - common stock	Share capital for cancellation	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Employee Unearned Remuneration	Total	Non-controlling interest	Total equity
Note													
January 1 to March 31, 2025													
		\$ 914,561	\$ -	\$ 1,654,047	\$ 1,066,612	\$ -	\$ 3,847,894	\$ 8,928	(\$ 899)	\$ -	\$ 7,491,143	\$ 182,012	\$ 7,673,155
		-	-	-	-	-	336,540	-	-	-	336,540	(4,668)	331,872
		-	-	-	-	-	-	4,294	(33)	-	4,261	106	4,367
		-	-	-	-	-	336,540	4,294	(33)	-	340,801	(4,562)	336,239
	6 (18)	-	-	4,805	-	-	-	-	-	-	4,805	-	4,805
	6 (20)	1,185	-	16,417	-	-	-	-	-	-	17,602	-	17,602
	6 (18)	-	-	-	-	-	-	-	-	-	-	1,049	1,049
		\$ 915,746	\$ -	\$ 1,675,269	\$ 1,066,612	\$ -	\$ 4,184,434	\$ 13,222	(\$ 932)	\$ -	\$ 7,854,351	\$ 178,499	\$ 8,032,850
January 1 to March 31, 2026													
		\$ 960,407	\$ -	\$ 2,196,806	\$ 1,177,229	\$ -	\$ 4,894,942	\$ 10,682	(\$ 133)	(\$ 299,146)	\$ 8,940,787	\$ 172,778	\$ 9,113,565
		-	-	-	-	-	5,466,357	-	-	-	5,466,357	11,172	5,477,529
		-	-	-	-	-	-	3,400	866	-	4,266	56	4,322
		-	-	-	-	-	5,466,357	3,400	866	-	5,470,623	11,228	5,481,851
	6 (20)	3,145	-	40,823	-	-	-	-	-	-	43,968	-	43,968
	6 (18)	-	-	-	-	-	-	-	-	34,725	34,725	-	34,725
	6 (20)	-	(178)	(4,902)	-	-	-	-	-	5,080	-	-	-
	6 (21)	-	-	1,179	-	-	-	-	-	-	1,179	(1,179)	-
	6 (21)	-	-	9,104	-	-	-	-	-	-	9,104	-	9,104
	6 (18)	-	-	-	-	-	-	-	-	-	-	584	584
	6 (34)	-	-	-	-	-	-	-	-	-	-	2,735	2,735
		\$ 963,552	(\$ 178)	\$ 2,243,010	\$ 1,177,229	\$ -	\$ 10,361,299	\$ 14,082	\$ 733	(\$ 259,341)	\$ 14,500,386	\$ 186,146	\$ 14,686,532

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: Thousand NTD

	Note	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flows from operating activities</u>			
Profit before income tax for the year		\$ 6,917,027	\$ 404,127
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6 (28)	41,504	35,180
Depreciation charges on right-of-use assets	6 (28)	8,260	7,829
Amortization charges on the intangible assets and deferred assets	6 (28)	6,618	6,467
Depreciation charges on investment property	6 (26)	805	860
Expected loss on credit impairment	12 (2)	1,618	19
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6 (5)	264,571	(20,430)
Loss on scrapping inventory	6 (5)	94	-
Interest income	6 (24)	(1,804)	(5,527)
Interest expense	6 (27)	28,331	2,240
Issuance Plan for New Restricted Employee Shares	6 (18)	34,725	-
Compensation cost of employee stock options	6 (18)	584	5,854
Share of profit (loss) of associates and joint ventures accounted for using the equity method	6 (7)	(5,096)	1,962
Loss (gain) on disposal of property, plant and equipment	6 (26)	-	2
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		2,229	902
Accounts receivable, net		(5,737,674)	(302,440)
Accounts receivable -- related parties		(74)	29
Other receivables		(161,533)	(27,216)
Other receivables -- related parties		(1)	-
Inventories		(3,250,332)	87,613
Prepayments		43,352	(19,542)
Changes in operating liabilities			
Current contract liabilities		122,739	1,481
Accounts payable		1,053,364	13,782
Accounts payable - related parties		(299)	(313)
Other payables		465,373	(43,190)
Other payables -- Related parties		4	-
Current provisions		5,500	1,615
Non-current provisions		22,000	(1,440)
Other current liabilities - others		315	13,442
Cash (outflow) inflow from operations		(137,800)	163,306
Interest received		1,183	4,871
Income taxes paid		(6,642)	(1,995)
Income taxes received		18,850	-
Net cash (outflow) inflow from operating activities		(124,409)	166,182

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to March 31, 2026 and 2025

Unit: Thousand NTD

	Note	January 1 to March 31, 2026	January 1 to March 31, 2025
<u>Cash flow from investing activities</u>			
Increase in current financial assets at amortized cost		(\$ 20,000)	(\$ 242,102)
Acquisition of property, plant and equipment	6 (32)	(128,543)	(58,550)
Acquisition of intangible assets	6 (12)	(9,963)	(6,408)
(Increase) in refundable deposits		(528)	(201)
Decrease in refundable deposits		232	104
(Increase) in other non-current assets - others		-	(26)
Net cash used in investing activities		<u>(158,802)</u>	<u>(307,183)</u>
<u>Cash flow from financing activities</u>			
Proceeds from short-term borrowings	6 (33)	3,766,365	-
Repayment of short-term debt	6 (33)	(2,441,648)	-
Repayment of long-term debt	6 (33)	(9,411)	(2,174)
Increase in guarantee deposits received	6 (33)	1,500	-
Employees exercise options		43,968	17,602
Interest paid		(20,782)	(2,660)
Payment of lease liabilities	6 (33)	(8,001)	(6,743)
Increase in non-controlling interests - exercise of share options by subsidiaries		<u>2,735</u>	<u>-</u>
Net cash inflow from financing activities		<u>1,334,726</u>	<u>6,025</u>
Effects of changes in foreign exchange rates		<u>32,420</u>	<u>912</u>
Net increase (decrease) in cash and cash equivalents		1,083,935	(134,064)
Cash and cash equivalents at beginning of year		<u>1,645,410</u>	<u>3,000,257</u>
Ending cash and cash equivalents		<u>\$ 2,729,345</u>	<u>\$ 2,866,193</u>

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Notes to Consolidated Financial Statements
First Quarter of 2026 and 2025

Unit: Thousand NTD
(unless otherwise specified)

1. Company history

- (I) Innodisk Corporation (hereinafter referred to as the "Company") was established in March 2005. The Company and its subsidiaries (hereinafter referred to as the "Group") mainly engage in the research, development, manufacturing and sales of various types of industrial embedded storage devices.
- (II) The Taipei Exchange reviewed the Company's application and approved its eligibility to be publicly traded in October, 2013 and the Company became officially listed on the OTC board on November 27, 2013.

2. Date and procedures for approving the financial report

These Consolidated Financial Statements were approved and released by the Board of Directors on May 8, 2026.

3. Application of new standards, amendments, and interpretations

(I) Impact of adoption of new, amended and revised International Financial Reporting Standards endorsed and issued by the Financial Supervisory Commission

The following table summarizes the new, amended and revised standards and interpretations of International Financial Reporting Standards endorsed by the FSC applicable in 2026:

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date issued by International Accounting Standards Board</u>
Amendment to IFRS No. 9 and IFRS No. 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS No. 9 and IFRS No. 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17 - "Insurance contracts"	January 1, 2023
Amendment to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative information"	January 1, 2023
Annual Improvements of IFRS - Volume 11	January 1, 2026

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the consolidated financial position and performance.

(II) Impact of the newly released and amended IFRS recognized by the FSC not yet adopted by the Company

None.

(III) IFRSs issued by the IASB but not yet recognized by the FSC

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards issued by the IASB but not yet recognized by the FSC:

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date issued by International Accounting Standards Board</u>
Amendment to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by the IASB.
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS No. 19 "Subsidiaries not with Public Accountability: Disclosures"	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note: The Financial Supervisory Commission (FSC) announced in its press release dated September 25, 2025 that publicly issued companies will be required to adopt International Financial Reporting Standard No. 18 (hereinafter referred to as IFRS 18) starting from fiscal year 2028. Additionally, if enterprises need to early adopt IFRS 18, they may choose to early adopt the provisions of IFRS 18 after the FSC recognizes IFRS 18.

Except for those described below, the Group has assessed that the above standards and interpretations have no significant impact on the Group's consolidated financial position and consolidated financial performance, and the amount of the relevant impact will be disclosed when the assessment is completed:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS No. 18 "Financial Statement Presentation and Disclosure" supersedes IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement, and strengthens the application in the summary and principle of subdivision of the main financial statements and notes.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance statement

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 “Interim Financial Reporting” recognized and released by the Financial Supervisory Commission.

(II) Basis of preparation

1. Other than financial assets measured at fair value through other comprehensive income, the consolidated financial statements are prepared based on historical cost.
2. The preparation of financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, and IFRIC Interpretations and announcements of interpretations (hereinafter collectively referred to as “IFRSs”) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying them to the Group’s accounting policies, which involves a high degree of judgment or complexity, or the significant assumptions and estimates in the consolidated financial statements. Please refer to note 5.

(III) Basis of consolidation

1. The basis for preparation of consolidated financial statements
 - (1) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) The profit and loss and the components of other comprehensive income attribute to the owners of the parent company and non-controlling interest. The total comprehensive income also attributes to the owners of the parent company and non-controlling interest, even if this results in the non-controlling interests having a deficit balance.
 - (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent

losing control of the subsidiary (transactions with non-controlling interests) are equity transactions, and they are considered as transactions with owners in their capacity as owners. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly recognized in equity.

2. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activity	Percentage of Equity Holdings			Remarks
			March 31, 2026	December 31, 2025	March 31, 2025	
Innodisk Corporation	Innodisk USA Corporation	Sales of Industrial embedded storage devices	100	100	100	
Innodisk Corporation	Innodisk Japan Corporation	After-sales services and support of industrial embedded storage devices	100	100	100	
Innodisk Corporation	Innodisk Europe B.V.	After-sales services and support of industrial embedded storage devices	100	100	100	
Innodisk Corporation	Innodisk Global-M Corporation	Investment holdings	100	100	100	
Innodisk Corporation	Aetina Corporation	Manufacturing and sales of industrial graphics cards	66.76	67.06	67.06	Note 1

Name of Investor	Name of Subsidiary	Main Business Activity	Percentage of Equity Holdings			Remarks
			March 31, 2026	December 31, 2025	March 31, 2025	
Innodisk Corporation	Antzer Tech Co., Ltd.	Electronics Components Manufacturing	100	100	100	
Innodisk Global-M Corporation	Innodisk Shenzhen Corporation	Sales of Industrial embedded storage devices	100	100	100	
Innodisk Europe B.V.	Innodisk France SAS	After-sales services and support of industrial embedded storage devices	100	100	100	
Innodisk Europe B.V.	Innodisk Germany GmbH	After-sales services and support of industrial embedded storage devices	100	100	100	
Aetina Corporation	Aetina USA Corporation	After-sales service and support for industrial graphics cards	100	100	100	
Aetina Corporation	Aetina Europe B.V.	After-sales service and support for industrial graphics cards	100	100	100	
Aetina Corporation	Aetina (Shenzhen) Artificial Intelligence Co., Ltd.	After-sales service and support for industrial graphics cards	100	100	100	
Aetina Corporation	Aetina Japan Corporation	After-sales service and support for industrial graphics cards	100	100	100	

The financial statements of the subsidiaries above included in the Consolidated Financial

Statements as of March 31, 2026 and March 31, 2025 were all reviewed by the Company's independent auditors. The financial statements of all subsidiaries as of December 31, 2025 have been audited by the Company's CPAs.

Note 1: Aetina Corporation issued 170,500 shares upon employees' exercise of stock options in Q1 2026 for NT\$ 2,735, resulting in the Company's shareholding ratio decreasing to 66.76%.

3. Subsidiaries not included in the consolidated financial report: none.
4. Adjustments for subsidiaries with different balance sheet dates: none.
5. Significant restrictions: none.
6. Subsidiaries that have non-controlling interests that are material to the Group: none.

(IV) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (hereinafter referred to as the "functional currency"). The functional currency of the Company is "New Taiwan dollar", and the functional currencies of subsidiaries are "New Taiwan dollar", "Renminbi", "US dollar", "Euro" and "Japanese yen." The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional currency.

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into the functional currency using spot exchange rate at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated using spot exchange rate at the balance sheet date. Exchange differences arising from re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated using spot exchange rate at the balance sheet date. Their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated using spot exchange at the balance sheet date. Their translation differences are recognized in other comprehensive income. For those which are not measured at fair value, they measured by the historical exchange rate of the initial transaction date.
- (4) All foreign exchange gains and losses are presented in the statement of consolidated comprehensive income within "Other gains and losses."

2. Translation of foreign operations

- (1) The operating results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet.
 - B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.
 - C. All resulting exchange differences are recognized in other comprehensive income.
- (2) Goodwill and fair value adjustments arising on acquisition of a foreign entity are regarded as assets and liabilities of the foreign entity, and are translated at the closing rate.

(V) Classification of current and non-current items

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets that are expected to be realized, or intended to be sold or consumed within the normal operating cycle.
- (2) Assets held mainly for trading purposes.
- (3) It expects to realize the asset within twelve months after the reporting period.
- (4) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all assets that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

- (1) It expects to settle the liability in its normal operating cycle.
- (2) Assets held mainly for trading purposes.
- (3) The liability is due to be settled within twelve months after the reporting period.
- (4) Those without the right to defer the settlement of liabilities for at least 12 months after the reporting period.

The Group classifies all liabilities that do not meet the above criteria as non-current.

(VI) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets at fair value through other comprehensive income

1. Refers to an irrevocable election at the time of initial recognition to report the fair value changes of equity investments that are not held for trading in other comprehensive income.

2. The Group adopts transaction-date accounting for financial assets measured at fair value through other comprehensive income which meet the regular transaction practice requirements.
3. The Group measures assets at the fair value plus transaction cost at the time of initial recognition, and subsequently measures at the fair value; changes in the fair value of equity instruments are recognized in other comprehensive income. At derecognition, the accumulated profits or losses previously recognized in other comprehensive income shall not be reclassified to profits and losses but transferred to retained earnings. When the right to receive dividends is confirmed, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably; the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at amortized cost

1. Refer to those that meet the following criteria at the same time:
 - (1) The objective of the business model is achieved by collecting contractual cash flows.
 - (2) The assets' contractual cash flows solely represent payments of principal and interest.
2. The Group adopts transaction-date accounting for financial assets measured at amortized cost which meet the regular transaction practice requirements.
3. The Group measures financial assets at fair value plus transaction costs in the initial recognition. The financial assets are subsequently amortized by the effective interest rate during the circulation to recognize interest income and impairment loss. The profits or losses are recognized in the profit and loss when the assets are derecognized.
4. The Group holds time deposits that are not considered cash equivalents. Due to the short holding period, the impact of discounting is insignificant and is measured by the amount of investment.

(IX) Accounts and notes receivable

1. Refers to accounts and notes that have been unconditionally charged for the right to exchange the value of the consideration due to the transfer of goods or services.
2. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(X) Impairment of financial assets

Regarding the financial assets measured at amortized cost, the Group considers all reasonable and supportable information (including forward-looking ones) and measures the loss allowance based on the expected 12-month credit losses for those that do not have their credit risk increased significantly since initial recognition. For those with their credit risk increasing significantly since initial recognition, the loss allowance is measured based on the expected full lifetime credit losses. For accounts receivable that do not contain significant financial

components, the loss allowance is measured based on the expected amount of credit loss during the duration.

(XI) De-recognition of financial assets

A financial asset is de-recognized when the Group's rights to receive cash flows from the financial assets have expired.

(XII) Leasing arrangements (lessor) -- operating leases

Lease income from operating leases, less any incentives given to the lessee, is amortized in current profit or loss on a straight-line basis over the lease term.

(XIII) Inventories

Inventories are measured at the lower of cost or net realizable value, and the cost is determined by weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads, but excludes borrowing costs. At the end of year, inventories are evaluated at the lower of cost or net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost needed for completion and estimated cost needed to complete the sale.

(XIV) Investments accounted for under equity method -- Associates

1. Associates refer to entities over which the Group has significant influence but is not in control. In general, the associates may have more than 20% of their voting shares directly or indirectly owned by the Group. The Group accounts for its investment in associates using the equity method, and the investment is initially recognized at cost.
2. The Group recognizes the profit and loss upon the acquisition of associates as the current profit and loss. Other comprehensive profit and loss after the acquisition are recognized as the other comprehensive profit and loss. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group will not recognize further losses, unless it has incurred legal or constructive obligations or make payments on behalf of the associate.
3. If an associate has changes in equity not from profit or loss or other comprehensive income, and such changes do not affect the Group's shareholding in the associate, the Group will recognize all changes in equity as "capital surplus" according to the shareholding percentage.
4. Unrealized gains on transactions between the Group and associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

5. In the event that an associate issues new shares and the Group does not subscribe to or acquire the new shares in proportion, which results in a change to the Group's shareholding percentage but the Group maintains a significant influence on the associate, the increase or decrease of the Group's share of equity interest is the adjustment of "capital surplus" and "Investments accounted for using equity method." If the investment percentage is reduced, in addition to the above adjustments, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionally on the same basis as would be required if the relevant assets or liabilities were disposed of.
6. When the Group loses its significant influence on an associate, the remaining investment in said associate is re-measured at fair value, and the difference between the fair value and the book value is recognized as profit or loss in the current period.
7. When the Group disposes of an associate, if it loses the significant influence on the associate, all amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses the significant influence on an associate, all gains or losses previously recognized in other comprehensive income in relation to the associate should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of. If the Group still has significant influence over that associate, it reclassifies to profit or loss the amount previously recognized in other comprehensive income on a proportionate basis in the manner described above.
8. The Group conducts impairment tests for associates with indicators of impairment at the balance sheet date by treating the entire book value of the investment (including goodwill) as a single asset, comparing its recoverable amount (the higher of value in use or fair value less costs of disposal) with its book value. Any impairment loss recognized is included in the book value of the investment. Reversal of impairment losses is recognized to the extent that the recoverable amount of the investment subsequently increases.

(XV) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost.
2. Subsequent costs are included in the asset's book value or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The book value of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
3. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful

lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

4. The Group reviews the assets' residual values, useful lives and depreciation methods at the end of each fiscal year. If the estimates of the residual values and useful lives are different from the previous estimates or the expected pattern of consumption of future economic benefits embodied in the assets has changed significantly, then from the date of change, it shall be handled in accordance with the provisions of International Accounting Standards No. 8 "Changes and Errors in Accounting Policies and Accounting Estimates" regarding accounting estimate changes.

The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2-50 years
Machinery and equipment	1-8 years
Office equipment	2-6 years
Others	1-6 years

(XVI) Leasing agreements (lessee) - right-of-use assets/lease liabilities

1. Leases are recognized as right-of-use assets and lease liabilities at the date at which the leased assets are available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments include fixed payments, less any lease incentives receivables.

The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of re-measurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. At the commencement date, the right-of-use asset is recognized at cost comprising the amount of initial measurement of lease liability.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's service life or the end of lease term. When the lease liability is remeasured, the amount of re-measurement is recognized as an adjustment to the right-of-use asset.

4. Except for lease modifications that decrease the scope of the lease, for which the lessee reduces the book value of the right-of-use asset to reflect the partial or full termination of

the lease and recognizes in profit or loss any difference between the reduced book value and the remeasurement of the lease liability, for all other lease modifications, the lessee adjusts the book value of the right-of-use asset by the amount of the remeasurement of the lease liability.

(XVII) Investment property

Investment property is recognized at cost and subsequently measured using the cost model. Except for land, the service life is recognized on a straight-line basis of depreciation and is about 18 to 41 years.

(XVIII) Intangible assets

1. Computer software

Recognized by the acquisition cost and is amortized on a straight-line basis with an estimated service life of 1 to 8 years.

2. Trademarks and patent rights

Trademarks and patent rights acquired as a result of a business combination are recognized at fair value on the acquisition date. Trademarks and patent rights are assets with a finite useful life and are amortized at the estimated useful life of three years on a straight line basis.

3. Goodwill

Goodwill is measured in a business combination using the acquisition method.

(XIX) Impairment of non-financial assets

1. The Group estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount is lower than the book value, the impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less disposal cost or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased book value due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

2. Goodwill regularly estimates its recoverable amount. An impairment loss is recognized when the recoverable amount is lower than its book value. The goodwill impairment loss will not be reversed in subsequent years.

3. Goodwill is allocated to cash-generating units for the purpose of conducting the impairment testing. The allocation identified based on the operating segment, and the goodwill is allocated to cash-generation units or groups of cash-generation units expected to benefit from the business combination that generates goodwill.

(XX) Borrowings

Refers to long- and short-term funds borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XXI) Accounts and notes payable

1. Refers to debts incurred as a result of the purchase of raw materials, goods or services and the notes payable due to business and non-business purposes.
2. The short-term accounts and notes payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XXII) De-recognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled or expired.

(XXIII) Offset between financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis when there is a legally enforceable right to offset the amount of the recognized financial assets and liabilities and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(XXIV) Provisions

Liability reserve (which is for warranty) is a present statutory or deferred obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Future operating losses shall not be recognized as liability reserves.

(XXV) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2. Pension

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as assets

to the extent of a cash refund or a reduction in future payments.

3. Remuneration for employees and directors

Remunerations for employees and directors are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actually distributed amounts shall be treated as accounting estimate changes. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXVI) Employee share-based payments

The share-based payment agreement for delivery of equity is a transaction in which employees' labor service received as consideration for the Company's equity instrument at fair value, and it is recognized as compensation costs during the vesting period, and the equity is adjusted accordingly. The fair value of equity instrument shall reflect the effects of vesting and non-vesting conditions of market value. The recognized remuneration costs are adjusted in accordance with the expected service conditions to be met and the non-vesting market value conditions, until the final recognized amount is recognized with the vesting amount on the vesting date.

2. Restricted Stock Awards for Employees:

- (1) On the grant date, compensation cost is recognized over the vesting period based on the fair value of the equity instruments granted.
- (2) If the right to participate in dividend distribution is not restricted and employees are not required to return dividends already received upon resignation during the vesting period, compensation cost is recognized at the fair value of dividends on the dividend declaration date for the portion of dividends attributable to employees who are expected to leave during the vesting period.
- (3) Employees are not required to pay any amount to acquire restricted stock awards. If an employee resigns during the vesting period, the Company will repurchase and cancel the shares without paying any consideration. On the grant date, in accordance with the terms and conditions of the issuance plan, the repurchased shares are recognized as a deduction from share capital and capital surplus.

(XXVII) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or

substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their book values in the balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities. They are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXVIII) Share capital

Common stocks are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(XXIX) Dividend distribution

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

Stock dividends are recorded as dividends to be distributed and transferred to be common stocks on the record date of issuance of new shares.

(XXX) Revenue recognition

1. Our Group develops, manufactures and sells various products related to industrial storage devices and memory modules. Sales revenue is recognized when the control of products is transferred to customers. That is, once products are delivered to customers, the customers have discretion on the channel and price of product sales, and the Group has no outstanding performance obligations that may affect customers' acceptance of the products. The delivery of products occurs when products are shipped to a designated location and the risk of obsolescence and loss has been transferred to customers, and the customers accept the products in accordance with the sales contract or have objective evidence that all criteria have been met.
2. The payment terms of sales transactions are usually payment in advance or net 30 to 90. With respect to the contracts signed between the Group and customers, the time interval between the transfer products or services promised to customers and the customers' payment has not exceeded one year, so the Group has not adjusted the transaction price to reflect the time value of money.
3. Sales revenue is recognized as the net from subtracting sales discounts from the contract price. The Group estimates possible sales discounts based on past experience and different contract conditions, and recognizes the refund liabilities accordingly.
4. The Group provides warranty for products sold, and has the obligation to repair product defects, which are recognized as liability provisions when goods are sold.
5. Accounts receivable are recognized when the product is delivered to the customer, because the Group has an unconditional right to the contract price from that point on, and it only takes time to collect the consideration from the customer.

(XXXI) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(XXXII) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and that the grant will be received. If the nature of government subsidies is to compensate the Group for expenses incurred, the government subsidies are recognized in profit or loss on a systematic basis in the period in which the related expenses are incurred.

5. Critical accounting judgments and key sources of estimation and uncertainty

In the Group's preparation of the consolidated financial statements, the management has used its judgment to determine the accounting policies to be adopted, and based on the current situation on the balance sheet date, has made accounting estimates and assumptions based on reasonable expectations for future events. Significant accounting estimates and assumptions may differ from the actual results, and continuous evaluation and adjustment will be made based on historical experience and other factors. Such estimates and assumptions have a risk of causing an adjustment to the book values of assets and liabilities in the next financial year. Please see the following explanation of critical accounting judgments and key sources of estimation and uncertainty:

(I) Critical judgments adopted by the accounting policies

The critical judgments adopted in the Group's accounting policies have been assessed to be free from significant uncertainty.

(II) Significant Accounting Estimates and Assumptions

Inventory Valuation

During the inventory valuation, the Group needs to use judgment to evaluate the wear and tear, obsolescence and market sales value of the inventory to estimate the net realizable value, and write down the inventory cost to the net realizable value. Technological changes, environmental changes and sales conditions will change the inventory value, further affecting its valuation.

For the book value of the Group's inventories as of March 31, 2026 is detailed in Note 6(5).

6. Contents of significant accounts

(I) Cash and cash equivalents

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Cash:			
Cash on hand and working capital	\$ 1,277	\$ 897	\$ 1,600
Checking accounts and demand deposits	2,632,083	1,624,513	1,904,093
Cash equivalents:			
Time deposits	95,985	20,000	960,500
	<u>\$ 2,729,345</u>	<u>\$ 1,645,410</u>	<u>\$ 2,866,193</u>

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
2. The Group has transferred restricted bank deposits to financial assets measured at amortized cost - non-current. Please refer to Note 8 for details.

(II) Financial assets at fair value through other comprehensive income

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Non-current items:			
Equity instruments			
Domestic listed stocks - Preferred stocks	\$ 29,970	\$ 29,970	\$ 29,970
Valuation adjustment	<u>733</u>	<u>(133)</u>	<u>(932)</u>
	<u>\$ 30,703</u>	<u>\$ 29,837</u>	<u>\$ 29,038</u>

1. The Group chooses to classify equity instruments of strategic investment nature as financial assets measured at fair value through other comprehensive income.
2. Please refer to the consolidated statement of comprehensive income for the details of the financial assets measured at fair value through other comprehensive income which are recognized in the comprehensive profit and loss of the Group.
3. The Group has not provided financial assets measured at fair value through other comprehensive income as pledged collateral.
4. Please refer to Note 12(3) for relevant fair value information.

(III) Financial assets measured at amortized cost

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Current items:			
Time deposits due in three months to one year	\$ 170,000	\$ 150,000	\$ 400,000
Non-current items:			
Pledged time deposits	<u>\$ 11,206</u>	<u>\$ 11,206</u>	<u>\$ 11,206</u>

1. Please refer to Note 6(24) for the recognized interest income from financial assets measured at amortized cost.
2. Please refer to Note 8 for the Group's provision of financial assets at amortized cost as pledged collateral.

(IV) Notes and accounts receivable

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Notes receivable	\$ 1,300	\$ 3,529	\$ -
Less: Loss allowance	-	-	-
	<u>\$ 1,300</u>	<u>\$ 3,529</u>	<u>\$ -</u>
Accounts receivable	\$ 9,031,259	\$ 3,293,585	\$ 1,487,195
Account receivable - Related parties	<u>77</u>	<u>3</u>	<u>15</u>
	9,031,336	3,293,588	1,487,210
Less: Loss allowance	<u>(2,894)</u>	<u>(1,272)</u>	<u>(655)</u>
	<u>\$ 9,028,442</u>	<u>\$ 3,292,316</u>	<u>\$ 1,486,555</u>

1. For the aging analysis and the related credit risk information on notes and accounts receivable, please refer to Note 12 (2).
2. For the periods from January 1 to March 31, 2026 and 2025, the balances of notes and accounts receivable were both from customer contracts, and both the balances of notes and accounts receivable on January 1, 2025 were NT\$1,185,701.
3. The Group does not hold any collateral for the aforementioned notes and accounts receivable.

(V) Inventories

	March 31, 2026		
	Cost	Loss allowance for falling prices	Book value
Raw materials	\$ 6,752,914	(\$ 507,512)	\$ 6,245,402
Work in process	1,307,051	(47,796)	1,259,255
Finished goods	732,631	(42,739)	689,892
Merchandise	229,955	(53,635)	176,320
	<u>\$ 9,022,551</u>	<u>(\$ 651,682)</u>	<u>\$ 8,370,869</u>
	December 31, 2025		
	Cost	Loss allowance for falling prices	Book value
Raw materials	\$ 3,958,835	(\$ 284,775)	\$ 3,674,060
Work in process	1,078,524	(39,647)	1,038,877
Finished goods	612,176	(45,512)	566,664
Merchandise	122,778	(17,177)	105,601
	<u>\$ 5,772,313</u>	<u>(\$ 387,111)</u>	<u>\$ 5,385,202</u>
	March 31, 2025		
	Cost	Loss allowance for falling prices	Book value
Raw materials	\$ 1,114,824	(\$ 149,091)	\$ 965,733
Work in process	381,083	(31,704)	349,379
Finished goods	198,768	(27,526)	171,242
Merchandise	101,140	(10,902)	90,238
	<u>\$ 1,795,815</u>	<u>(\$ 219,223)</u>	<u>\$ 1,576,592</u>

1. None of the above inventories are provided with pledged collaterals.
2. The cost of inventories recognized as losses by the Group.

	January 1 to March 31, 2026	January 1 to March 31, 2025
Cost of inventory sold	\$ 5,096,044	\$ 1,831,568
Recovered gain or loss on falling prices of inventory	264,571	(20,430)
Loss on scrapping of inventory	94	-
Others	30,542	6,871
	<u>\$ 5,391,251</u>	<u>\$ 1,818,009</u>

Because the Group sold inventory with valuation loss already recognized and inactive stock, the allowance for impairment loss reduced, and thus a price recovery gain was generated.

(VI) Prepayments

	March 31, 2026	December 31, 2025	March 31, 2025
Tax refund receivable	\$ 171,089	\$ 188,696	\$ 21,572
Prepayments for goods	70,722	112,440	38,398
Others	56,018	40,045	50,634
	<u>\$ 297,829</u>	<u>\$ 341,181</u>	<u>\$ 110,604</u>

(VII) Investments accounted for using equity method

	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	Shareholding percentage	Amount	Shareholding percentage	Amount	Shareholding percentage
Affiliates:						
Millitronic Co., Ltd.	\$ 35,064	29.18%	\$ 19,981	32.16%	\$ 22,621	32.16%
Sysinno Technology Inc.	8,889	42.95%	9,772	42.95%	11,003	42.95%
	<u>\$ 43,953</u>		<u>\$ 29,753</u>		<u>\$ 33,624</u>	

From January 1 to March 31, 2026 and 2025, the Group's share of profit (loss) of associates accounted for under the equity method was NT\$ 5,096 and NT\$ 1,962, respectively, based on the financial statements reviewed by the Company's auditors.

1. Millitronic Co., Ltd. increased its capital by cash of NT\$ 38,844 on March 18, 2026. The Company did not participate in the capital increase of such company, resulting in the shareholding ratio changing from 32.16% to 29.18%; accordingly, the changes in the net value of such equity were recognized as increases in "capital surplus" and "investments accounted for using the equity method" by NT\$ 9,104 each.
2. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group had no individually material associates, and the carrying amounts of the individually immaterial associates in the aggregate were NT\$43,953, NT\$29,753 and NT\$33,624, respectively. Their operating results are summarized as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net profit (loss) for the period from continuing operations	\$ 5,096	(\$ 1,962)
Other comprehensive income or loss (net)	-	-
Total comprehensive income for the period	<u>\$ 5,096</u>	<u>(\$ 1,962)</u>

(blank below)

(VIII) Property, plant and equipment

2026

	Land			Buildings and structures			Machinery and equipment for self-use	Office equipment for self-use	Construction in progress and equipment pending acceptance for self-use	Other for self-use	Total
	For self use	For lease	Subtotal	For self use	For lease	Subtotal					
<u>January 1</u>											
Cost	\$ 1,066,665	\$ -	\$ 1,066,665	\$ 1,878,115	\$ -	\$ 1,878,115	\$ 473,035	\$ 116,979	\$ 22,054	\$ 180,650	\$ 3,737,498
Accumulated depreciation and impairments	-	-	-	(251,646)	-	(251,646)	(311,259)	(55,634)	-	(108,202)	(726,741)
	<u>\$ 1,066,665</u>	<u>\$ -</u>	<u>\$ 1,066,665</u>	<u>\$ 1,626,469</u>	<u>\$ -</u>	<u>\$ 1,626,469</u>	<u>\$ 161,776</u>	<u>\$ 61,345</u>	<u>\$ 22,054</u>	<u>\$ 72,448</u>	<u>\$ 3,010,757</u>
January 1	\$ 1,066,665	\$ -	\$ 1,066,665	\$ 1,626,469	\$ -	\$ 1,626,469	\$ 161,776	\$ 61,345	\$ 22,054	\$ 72,448	\$ 3,010,757
Addition	-	-	-	5,085	-	5,085	7,867	16,157	99,945	2,490	131,544
Reclassification	-	-	-	-	-	-	1,260	579	(1,296)	(543)	-
Depreciation expense	-	-	-	(15,193)	-	(15,193)	(11,396)	(9,412)	-	(5,503)	(41,504)
Net exchange difference	229	-	229	529	-	529	11	26	-	61	856
March 31	<u>\$ 1,066,894</u>	<u>\$ -</u>	<u>\$ 1,066,894</u>	<u>\$ 1,616,890</u>	<u>\$ -</u>	<u>\$ 1,616,890</u>	<u>\$ 159,518</u>	<u>\$ 68,695</u>	<u>\$ 120,703</u>	<u>\$ 68,953</u>	<u>\$ 3,101,653</u>
<u>March 31</u>											
Cost	\$ 1,066,894	\$ -	\$ 1,066,894	\$ 1,882,545	\$ -	\$ 1,882,545	\$ 476,187	\$ 129,420	\$ 120,703	\$ 182,750	\$ 3,858,499
Accumulated depreciation and impairments	-	-	-	(265,655)	-	(265,655)	(316,669)	(60,725)	-	(113,797)	(756,846)
	<u>\$ 1,066,894</u>	<u>\$ -</u>	<u>\$ 1,066,894</u>	<u>\$ 1,616,890</u>	<u>\$ -</u>	<u>\$ 1,616,890</u>	<u>\$ 159,518</u>	<u>\$ 68,695</u>	<u>\$ 120,703</u>	<u>\$ 68,953</u>	<u>\$ 3,101,653</u>

2025

	Land			Buildings and structures			Machinery and equipment for self-use	Office equipment for self-use	Construction in progress and equipment pending acceptance for self-use	Other for self-use	Total
	For self use	For lease	Subtotal	For self use	For lease	Subtotal					
<u>January 1</u>											
Cost	\$ 819,763	\$ 213,475	\$ 1,033,238	\$ 1,683,536	\$ 109,359	\$ 1,792,895	\$ 372,494	\$ 112,425	\$ 32,849	\$ 149,900	\$ 3,493,801
Accumulated depreciation and impairments	-	-	-	(204,776)	(4,067)	(208,843)	(269,708)	(59,988)	-	(88,429)	(626,968)
	<u>\$ 819,763</u>	<u>\$ 213,475</u>	<u>\$ 1,033,238</u>	<u>\$ 1,478,760</u>	<u>\$ 105,292</u>	<u>\$ 1,584,052</u>	<u>\$ 102,786</u>	<u>\$ 52,437</u>	<u>\$ 32,849</u>	<u>\$ 61,471</u>	<u>\$ 2,866,833</u>
January 1	\$ 819,763	\$ 213,475	\$ 1,033,238	\$ 1,478,760	\$ 105,292	\$ 1,584,052	\$ 102,786	\$ 52,437	\$ 32,849	\$ 61,471	\$ 2,866,833
Addition	-	-	-	100	-	100	426	11,431	40,686	836	53,479
Reclassification (Note)	33,688	-	33,688	52,872	-	52,872	2,970	135	(2,970)	(135)	86,560
Disposal	-	-	-	-	-	-	-	(2)1	-	-	(2)
Depreciation expense	-	-	-	(13,890)	(678)	(14,568)	(8,429)	(7,268)	-	(4,915)	(35,180)
Net exchange difference	417	-	417	1,757	-	1,757	8	97	-	61	2,340
March 31	<u>\$ 853,868</u>	<u>\$ 213,475</u>	<u>\$ 1,067,343</u>	<u>\$ 1,519,599</u>	<u>\$ 104,614</u>	<u>\$ 1,624,213</u>	<u>\$ 97,761</u>	<u>\$ 56,830</u>	<u>\$ 70,565</u>	<u>\$ 57,318</u>	<u>\$ 2,974,030</u>
<u>March 31</u>											
Cost	\$ 853,868	\$ 213,475	\$ 1,067,343	\$ 1,727,443	\$ 109,359	\$ 1,836,802	\$ 375,915	\$ 121,537	\$ 70,565	\$ 150,606	\$ 3,622,768
Accumulated depreciation and impairments	-	-	-	(207,844)	(4,745)	(212,589)	(278,154)	(64,707)	-	(93,288)	(648,738)
	<u>\$ 853,868</u>	<u>\$ 213,475</u>	<u>\$ 1,067,343</u>	<u>\$ 1,519,599</u>	<u>\$ 104,614</u>	<u>\$ 1,624,213</u>	<u>\$ 97,761</u>	<u>\$ 56,830</u>	<u>\$ 70,565</u>	<u>\$ 57,318</u>	<u>\$ 2,974,030</u>

Note: Includes transfers of investment properties and non-current assets held for sale.

1. Please refer to note 8 for the information on the collateral provided by the Group with its property, plant and equipment.
2. The Group had no capitalization of interest in property, plant and equipment from January 1 to March 31, 2026 and 2025.

(IX) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles, with the lease contract periods for buildings and company vehicles from 1 to 9 years. The land for the plant site in Taiwan is leased from Hsinchu Science Park; the lease contract has a term of 20 years, and the Company enjoys the priority of lease, with the lease period expected to be 50 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.
2. The information on the book value and recognized depreciation expenses of right-of-use assets are as follows:

	Land	Buildings	Company vehicles	Total
January 1, 2026	\$ 158,749	\$ 44,205	\$ 3,480	\$ 206,434
Addition	-	242	1,672	1,914
Depreciation expense	(1,699)	(5,796)	(765)	(8,260)
Net exchange difference	-	67	(39)	28
March 31, 2026	<u>\$ 157,050</u>	<u>\$ 38,718</u>	<u>\$ 4,348</u>	<u>\$ 200,116</u>
	Land	Buildings	Company vehicles	Total
January 1, 2025	\$ 165,543	\$ 40,995	\$ 5,155	\$ 211,693
Addition	-	739	-	739
Depreciation expense	(1,699)	(5,306)	(824)	(7,829)
Net exchange difference	-	689	151	840
March 31, 2025	<u>\$ 163,844</u>	<u>\$ 37,117</u>	<u>\$ 4,482</u>	<u>\$ 205,443</u>

3. The information on profit and loss items related to lease contracts is as follows:

Items affecting current profit and loss	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest expenses on lease liabilities	\$ 634	\$ 645

4. For the periods from January 1 to March 31, 2026 and 2025, in addition to the cash outflows for lease-related expenses described in Note 6(9) 3. above, the Group also had cash outflows arising from principal repayments of lease liabilities, as described in Note 6(33).

(X) Leasing arrangements - lessor

1. The leased assets of the Group include land and buildings, etc. The lease terms range from 1 to 2 years, and the terms of lease contracts are individually negotiated. To protect the usage condition of leased assets, lessees are typically required to comply with restrictions and agreements such as not subleasing, subletting, or pledging all or part of the leased property.

2. Rental income recognized by the Group under operating lease contracts is described in Note 6(25).

3. The maturity analysis of the lease payments under the operating leases is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
2025	\$ -	\$ -	\$ 14,294
2026	6,874	9,369	4,468
2027	345	340	352
	<u>\$ 7,219</u>	<u>\$ 9,709</u>	<u>\$ 19,114</u>

(XI) Investment property

	2026		
	Land	Buildings and structures	Total
<u>January 1</u>			
Cost	\$ 117,744	\$ 76,798	\$ 194,542
Accumulated depreciation and impairments	-	(18,010)	(18,010)
	<u>\$ 117,744</u>	<u>\$ 58,788</u>	<u>\$ 176,532</u>
January 1	\$ 117,744	\$ 58,788	\$ 176,532
Depreciation expense	-	(805)	(805)
Net exchange difference	(34)	(32)	(66)
March 31	<u>\$ 117,710</u>	<u>\$ 57,951</u>	<u>\$ 175,661</u>
<u>March 31</u>			
Cost	\$ 117,710	\$ 76,750	\$ 194,460
Accumulated depreciation and impairments	-	(18,799)	(18,799)
	<u>\$ 117,710</u>	<u>\$ 57,951</u>	<u>\$ 175,661</u>
	2025		
	Land	Buildings and structures	Total
<u>January 1</u>			
Cost	\$ 197,587	\$ 154,014	\$ 351,601
Accumulated depreciation and impairments	-	(16,882)	(16,882)
	<u>\$ 197,587</u>	<u>\$ 137,132</u>	<u>\$ 334,719</u>
January 1	\$ 197,587	\$ 137,132	\$ 334,719
Reclassification (Note)	(80,326)	(75,589)	(155,915)
Depreciation expense	-	(860)	(860)
Net exchange difference	319	346	665
March 31	<u>\$ 117,580</u>	<u>\$ 61,029</u>	<u>\$ 178,609</u>
<u>March 31</u>			
Cost	\$ 117,580	\$ 76,565	\$ 194,145
Accumulated depreciation and impairments	-	(15,536)	(15,536)
	<u>\$ 117,580</u>	<u>\$ 61,029</u>	<u>\$ 178,609</u>

Note: Reclassified to property, plant and equipment for NT\$144,356 and non-current assets

held for sale for NT\$11,559.

1. Rental income and direct operating expenses of investment real estate:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Rental income from investment property	\$ 2,776	\$ 3,236
Direct operating expenses incurred by investment property that generates rental income for the period	\$ 1,151	\$ 1,062

2. The fair values of investment properties held by the Group as of March 31, 2026, December 31, 2025, and March 31, 2025 were NT\$223,041, NT\$224,367, and NT\$242,731, respectively. The above-mentioned fair value is obtained from the market price assessments and actual transaction prices of similar properties in the vicinity of the relevant assets, and belongs to Level 3.

3. During the periods from January 1 to March 31, 2026 and 2025, the Group had no capitalized interest on investment properties.

(XII) Intangible assets

	2026				
	Patent	Computer software	Trademark rights	Goodwill	Total
<u>January 1</u>					
Cost	\$ 6,000	\$ 178,883	\$ 3,000	\$ 12,722	\$ 200,605
Accumulated amortization and impairments	(6,000)	(144,207)	(3,000)	-	(153,207)
	<u>\$ -</u>	<u>\$ 34,676</u>	<u>\$ -</u>	<u>\$ 12,722</u>	<u>\$ 47,398</u>
January 1	\$ -	\$ 34,676	\$ -	\$ 12,722	\$ 47,398
Additions - from separate acquisition	-	9,963	-	-	9,963
Amortization expenses	-	(6,618)	-	-	(6,618)
Net exchange difference	-	6	-	201	207
March 31	<u>\$ -</u>	<u>\$ 38,027</u>	<u>\$ -</u>	<u>\$ 12,923</u>	<u>\$ 50,950</u>
<u>March 31</u>					
Cost	\$ 6,000	\$ 188,847	\$ 3,000	\$ 12,923	\$ 210,770
Accumulated amortization and impairments	(6,000)	(150,820)	(3,000)	-	(159,820)
	<u>\$ -</u>	<u>\$ 38,027</u>	<u>\$ -</u>	<u>\$ 12,923</u>	<u>\$ 50,950</u>

	2025				
	Patent	Computer software	Trademark rights	Goodwill	Total
<u>January 1</u>					
Cost	\$ 6,000	\$ 158,587	\$ 3,000	\$ 13,204	\$ 180,791
Accumulated amortization (and impairments)	(6,000)	(119,031)	(3,000)	-	(128,031)
	<u>\$ -</u>	<u>\$ 39,556</u>	<u>\$ -</u>	<u>\$ 13,204</u>	<u>\$ 52,760</u>
January 1	\$ -	\$ 39,556	\$ -	\$ 13,204	\$ 52,760
Additions - from separate acquisition	-	6,408	-	-	6,408
Amortization expenses	-	(6,467)	-	-	(6,467)
Net exchange difference	-	-	-	150	150
March 31	<u>\$ -</u>	<u>\$ 39,497</u>	<u>\$ -</u>	<u>\$ 13,354</u>	<u>\$ 52,851</u>
<u>March 31</u>					
Cost	\$ 6,000	\$ 164,995	\$ 3,000	\$ 13,354	\$ 187,349
Accumulated amortization (and impairments)	(6,000)	(125,498)	(3,000)	-	(134,498)
	<u>\$ -</u>	<u>\$ 39,497</u>	<u>\$ -</u>	<u>\$ 13,354</u>	<u>\$ 52,851</u>

1. Breakdown of intangible assets amortization:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Operating costs	\$ 347	\$ 291
Selling expenses	427	205
General and administrative expenses	2,740	2,112
Research and development expenses	3,104	3,859
	<u>\$ 6,618</u>	<u>\$ 6,467</u>

2. Goodwill is allocated to the cash-generating units of the Group:

	March 31, 2026	December 31, 2025	March 31, 2025
Innodisk USA Corporation	\$ 11,392	\$ 11,191	\$ 11,823
Others	1,531	1,531	1,531
	<u>\$ 12,923</u>	<u>\$ 12,722</u>	<u>\$ 13,354</u>

3. Goodwill is allocated to cash-generating units identified by the Group. The recoverable amount is evaluated based on the value in use which is calculated based on the estimated cash flow before taxes.

The Group calculated that the recoverable amount exceeds the book value based on the value in use, so there is no impairment of goodwill. The calculation of value in use mainly considers gross margin, growth rate and discount rate.

The management determines the budgeted gross margin based on past performance and the expectations for market development. The weighted average growth rate used is consistent with the industry's reported forecast. The adopted discount rate is a pre-tax rate and reflects the specific risks of the related operating units.

4. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had not pledged any intangible assets as collateral.

(XIII) Non-current assets held for sale

To revitalize assets and strengthen working capital, the Group, upon resolution approved by the Board of Directors on January 17, 2025, sold owner-occupied and rental properties (including land and buildings), and reclassified the related assets as non-current assets held for sale. The above transaction was completed in May 2025. As of March 31, 2025, the Group had received advance receipts of NT\$11,856 (presented as other current liabilities - other). The fair value less costs to sell of the non-current assets held for sale exceeded their carrying amount, therefore, as of March 31, 2025, the amount of non-current assets held for sale was recognized at its carrying amount of NT\$69,355.

Assets of disposal groups classified as held for sale:

	Property, plant and equipment	Investment property	Total
Land	\$ 38,865	\$ 7,773	\$ 46,638
Buildings and structures	18,931	3,786	22,717
	<u>\$ 57,796</u>	<u>\$ 11,559</u>	<u>\$ 69,355</u>

(XIV) Other payables

	March 31, 2026	December 31, 2025	March 31, 2025
Payroll and bonus payable	\$ 449,193	\$ 444,991	\$ 256,194
Remunerations payable to employees and directors	574,200	173,002	119,102
Accrued expenses	164,433	127,803	84,179
Payable on machinery and equipment	9,199	6,198	4,949
Others	58,184	27,292	20,508
	<u>\$ 1,255,209</u>	<u>\$ 779,286</u>	<u>\$ 484,932</u>

(XV) Short-term borrowings

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2026
Bank borrowings				
Innodisk Corporation				
	From March 13, 2026 to September 11, 2026,	2.0000%	None	\$ 100,000
Hua Nan Commercial Bank	principal and interest are repayable in a lump			
Credit loan	sum upon maturity.			
E.Sun Commercial Bank	From February 9, 2026 to April 30, 2026,	4.2812%	None	312,847
Credit loan	principal and interest are repayable in a lump			

	sum upon maturity.			
E.Sun Commercial Bank Credit loan	From February 9, 2026 to May 29, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2283%	None	105,072
E.Sun Commercial Bank Credit loan	From February 26, 2026 to May 29, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2283%	None	134,315
E.Sun Commercial Bank Credit loan	From March 24, 2026 to June 26, 2026, principal and interest are repayable in a lump sum upon maturity.	4.4609%	None	89,650

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2026
E.Sun Commercial Bank Credit loan	From March 27, 2026 to June 26, 2026, principal and interest are repayable in a lump sum upon maturity.	4.4609%	None	\$ 253,976
E.Sun Commercial Bank Credit loan	From March 27, 2026 to June 26, 2026, principal and interest are repayable in a lump sum upon maturity.	1.9600%	None	70,000
Chinatrust Commercial Bank Credit loan	From February 9, 2026 to May 8, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2900%	None	511,920
Chinatrust Commercial Bank Credit loan	From February 26, 2026 to May 26, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2800%	None	127,980
Chinatrust Commercial Bank Credit loan	From March 12, 2026 to April 13, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2800%	None	95,985
Chinatrust Commercial Bank Credit loan	From March 27, 2026 to July 24, 2026, principal and interest are repayable in a lump sum upon maturity.	4.4400%	None	63,990
HSBC commercial bank Credit loan	From January 16, 2026 to April 1, 2026, principal and interest are repayable in a lump sum upon maturity.	4.3700%	None	159,975
HSBC commercial bank Credit loan	From March 12, 2026 to June 4, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2980%	None	159,975
Citibank Taiwan Credit loan	From February 13, 2026 to May 29, 2026, principal and interest are repayable in a lump sum upon maturity.	4.2300%	None	223,965
Chang Hwa Commercial Bank Credit loan	From January 9, 2026 to April 8, 2026, principal and interest are repayable in a lump sum upon maturity.	2.0250%	None	40,000
Cathay United Commercial Bank Credit loan	From March 23, 2026 to July 23, 2026, principal and interest are repayable in a lump sum upon maturity.	4.3300%	None	
				<u>639,900</u>
				<u>\$ 3,089,550</u>

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2025
Bank borrowings				
Innodisk Corporation				
E.Sun Commercial Bank Credit loan	From December 24, 2025 to February 26, 2026, principal and interest due at maturity for lump sum repayment.	4.545%	None	\$ 131,943
E.Sun Commercial Bank Credit loan	From December 24, 2025 to March 24, 2026, principal and interest due at maturity for lump sum repayment.	4.545%	None	88,067
E.Sun Commercial Bank Credit loan	From December 29, 2025 to January 29, 2026, principal and interest due at maturity for lump sum repayment.	2.100%	None	70,000
Chinatrust Commercial Bank Credit loan	From November 27, 2025 to January 27, 2026, principal and interest due at maturity for lump sum repayment.	4.600%	None	125,720
Chinatrust Commercial Bank Credit loan	From November 28, 2025 to January 27, 2026, principal and interest due at maturity for lump sum repayment.	4.600%	None	62,860
Chinatrust Commercial Bank Credit loan	From December 15, 2025 to February 13, 2026, principal and interest due at maturity for lump sum repayment.	4.450%	None	94,290
HSBC commercial bank Credit loan	From November 19, 2025 to January 16, 2026, principal and interest due at maturity for lump sum repayment.	4.600%	None	157,150
HSBC commercial bank Credit loan	From December 18, 2025 to March 12, 2026, principal and interest due at maturity for lump sum repayment.	4.420%	None	157,150
Citibank Taiwan Credit loan	From December 16, 2025 to February 13, 2026, principal and interest due at maturity for lump sum repayment.	4.350%	None	\$ 94,290
Citibank Taiwan Credit loan	From December 17, 2025 to February 13, 2026, principal and interest due at maturity for lump sum repayment.	4.350%	None	125,720
Cathay United Commercial Bank Credit loan	From December 24, 2025 to March 23, 2026, principal and interest due at maturity for lump sum repayment.	4.320%	None	628,600
				\$ 1,735,790

March 31, 2025: None

Interest expense recognized in profit or loss by the Group is detailed in Note 6(27).

(XVI) Long-term loans

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2026
Borrowing with installment repayments				
Innodisk Corporation				
E.Sun Commercial Bank Credit loan	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.375%	None	\$ 212,302
Innodisk Europe B.V. Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is	3.60%	None	7,342

	amortized annually and the interest is paid quarterly.				
Chinatrust Commercial Bank Credit loan Aetina Corporation	From March 15, 2019 to February 28, 2029, principal repaid annually, interest paid quarterly.	3.65%	None		2,936
Chinatrust Commercial Bank Secured loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.1500%	Please see Note 8 for details.		80,154
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.3000%	None		32,717
					335,451
Less: Long-term borrowings, current portion				(37,334)
				\$	<u>298,117</u>

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral		December 31, 2025
Borrowing with installment repayments Innodisk Corporation					
	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.375%	None	\$	219,458
E.Sun Commercial Bank Credit loan Innodisk Europe B.V.					
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is amortized annually and the interest is paid quarterly.	3.40%	None		7,381
Chinatrust Commercial Bank Credit loan Aetina Corporation	From March 15, 2019 to February 28, 2029, principal repaid annually, interest paid quarterly.	3.45%	None		3,690
Chinatrust Commercial Bank Secured loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.1500%	Please see Note 8 for details.		81,232
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.3000%	None		33,152
					344,913
Less: Long-term borrowings, current portion				(37,280)
				\$	<u>307,633</u>

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral		March 31, 2025
Borrowing with installment repayments Innodisk Corporation					
	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.375%	None	\$	229,000
E.Sun Commercial Bank Credit loan Innodisk Europe B.V.					
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is amortized annually and the interest is paid quarterly.	4.55%	None		8,993

Chinatrust Commercial Bank Credit loan	From March 15, 2019 to February 28, 2029, principal repaid annually, interest paid quarterly.	4.45%	None	3,597
Aetina Corporation				
Chinatrust Commercial Bank Secured loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.1483%	Please see Note 8 for details.	84,411
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	2.2983%	None	34,432
				360,433
Less: Long-term borrowings, current portion				(25,191)
				<u>\$ 335,242</u>

Interest expense recognized in profit or loss by the Group is detailed in Note 6(27).

(XVII) Pensions

- The Company and its domestic subsidiaries have established a defined contribution pension plan under the Labor Pension Act covering all regular employees with domestic citizenship. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- The overseas subsidiary Innodisk Global-M Corporation has not stipulated any employee pension regulations, and there is no mandatory requirement by local laws and regulations. Innodisk USA Corporation, Innodisk Europe BV, Innodisk Japan Corporation, and Aetina Japan Co., Ltd. adopt the defined contribution pension plan, and appropriate a certain percentage of the total salary of local employees on a monthly basis as pension. The Company has no further obligation other than the monthly appropriation.
- Innodisk Shenzhen Corporation and Aetina (Shenzhen) Artificial Intelligence contribute monthly to the endowment insurance in accordance with the endowment insurance system stipulated by the government of the People's Republic of China, which is based on a certain percentage of the total salary of the local employees. The pension of each employee is coordinated and arranged by the government. Other than the monthly contributions, the Group has no further obligations.
- From January 1 to March 31, 2026 and 2025, the pension cost recognized by the Group in accordance with the pension plans above was NT\$ 16,615 and NT\$ 15,818, respectively.

(XVIII) Share-based payment

- The Company's share-based payment arrangements

(1) The Company's Board of Directors resolved on July 6, 2022 to issue the first employee stock options of 2022 and establish the stock option exercise regulations, planning to

issue 3,500,000 units of employee stock options, with each unit of stock option exercisable for 1 share. The plan became effective after filing on July 26, 2022, and the Company issued the employee stock options on August 5, 2022.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Delivery method</u>
Employee stock option plan - B	2022.8.5	3,500 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 years of service tenure are entitled to 50%. Those with 3 years of service tenure are entitled to 100%.

- (2) The Company's Board of Directors resolved on February 26, 2025 and the shareholders' meeting on May 26, 2025 to issue restricted stock awards for employees. The plan is to issue 1,200,000 units of restricted stock awards, with a par value of NT\$10 per unit. These restricted stock awards are issued without consideration and became effective upon filing with the competent authority on July 15, 2025. The Board of Directors resolved on August 6, 2025 to issue 1,179,000 shares at a subscription price of NT\$0 per share, with the capital increase record date set as September 26, 2025.

<u>Type of arrangement</u>	<u>Grant date</u>	<u>Quantity granted</u>	<u>Contract period</u>	<u>Vesting conditions</u>	<u>Delivery method</u>
Restricted Stock Awards for Employees	2025.9.26	1,179 thousand shares	3 years	Achievement of performance conditions (Note)	Equity delivery

Note: After both individual performance conditions and company performance conditions are met, the maximum percentage of shares that employees may vest in each year based on service conditions is as follows:

- A. After 2 years of service from the date of grant: up to 50% of the maximum allocated shares;
- B. After 3 years of service from the date of grant: up to 50% of the maximum allocated shares.

The above restricted stock awards cannot be transferred during the vesting period; however, voting rights are not restricted. Employees who resign during the vesting period must return the shares.

- (3) On November 16, 2023, the Board of Directors of Aetina Corporation, a subsidiary of the Company, resolved to issue the 1st employee stock warrants for 2023 and to establish the subscription rules. A total of 1,700,000 employee stock warrants are planned to be issued, with each unit of stock warrant entitling the holder to subscribe

for 1 share. Aetina Corporation, a subsidiary of the Company, issued the employee stock warrants in tranches on December 22, 2023, July 26, 2024 and November 15, 2024.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee stock option plan - Aetina	2023.12.22	1,383 thousand shares	4 years	Note	Equity delivery
Employee stock option plan - Aetina	2024.7.26	89 thousand shares	4 years	Note	Equity delivery
Employee stock option plan - Aetina	2024.11.15	228 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 years of service tenure are entitled to 50%. Those with 3 years of service tenure are entitled to 100%.

2. Detailed information of the above share-based payment arrangements

(1) Employee stock option plan

	January 1 to March 31, 2026			
	Innodisk		Aetina	
	Employee stock option plan - B		Employee stock option plan	
	Number of stock options (thousand shares)	Weighted average strike price (NTD)	Number of stock options (thousand shares)	Weighted average strike price (NTD)
Options outstanding as of January 1	409	139.80	1,536	16.04
Share options granted this period	-	-	-	-
Share options foregone this period	-	-	(11)	16.04
Share options exercised this period	(315)	139.80	(171)	16.04
Share options expired this period	-	-	-	-
Options outstanding as of March 31	94	139.80	1,354	16.04
Options exercisable as of March 31	84		476	

	January 1 to March 31, 2025			
	Innodisk		Aetina	
	Employee stock option plan - B		Employee stock option plan	
	Number of stock options (thousand shares)	Weighted average strike price (NTD)	Number of stock options (thousand shares)	Weighted average strike price (NTD)
Options outstanding as of January 1	2,006	148.54	1,700	16.04
Share options granted this period	-	-	-	-
Share options foregone this period	(11)	148.54	-	-
Share options exercised this period	(118)	148.54	-	-
Share options expired this period	-	-	-	-
Options outstanding as of March 31	1,877	148.54	1,700	16.04
Options exercisable as of March 31	240		-	

(2) Restricted Stock Awards for Employees

	2026		2025	
	Number of stock options (thousand shares)	Weighted average strike price (NTD)	Number of stock options (thousand shares)	Weighted average strike price (NTD)
Outstanding restricted stock awards at beginning of period (January 1)	1,179	-	-	-
Shares of restricted stock for employees pending cancellation	(18)	-	-	-
Outstanding shares of restricted stock for employees as of March 31	1,161	-	-	-

3. The weighted average share prices on the exercise dates of stock options exercised by the Company from January 1 to March 31, 2026 and 2025 were NT\$ 825.00 and NT\$ 248.23, respectively.

4. The expiration date and exercise price of stock options outstanding as of the balance sheet date are as follows:

(1) The Company

		March 31, 2026	
Approved issue date	Expiration date	Number of shares (thousand)	Strike price (NTD)
August 5, 2022	August 5, 2026	94	139.80
		December 31, 2025	
Approved issue date	Expiration date	Number of shares (thousand)	Strike price (NTD)
August 5, 2022	August 5, 2026	409	139.80
		March 31, 2025	
Approved issue date	Expiration date	Number of shares (thousand)	Strike price (NTD)
August 5, 2022	August 5, 2026	1,877	148.54

(2) The Company's subsidiary, Aetina Corporation

		March 31, 2026	
Approved issue date	Expiration date	Number of shares (thousand)	Strike price (NTD)
December 22, 2023	December 21, 2027	1,122	16.04
July 26, 2024	July 25, 2028	56	16.04
November 15, 2024	November 14, 2028	176	16.04

		December 31, 2025	
Approved issue date	Expiration date	Number of shares (thousand)	Strike price (NTD)
December 22, 2023	December 21, 2027	1,296	16.04
July 26, 2024	July 25, 2028	64	16.04
November 15, 2024	November 14, 2028	176	16.04
		March 31, 2025	
Approved issue date	Expiration date	Number of shares (thousand)	Strike price (NTD)
December 22, 2023	December 31, 2027	1,383	16.04
July 26, 2024	July 25, 2028	89	16.04
November 15, 2024	November 14, 2028	228	16.04

5. The Company and the Company's subsidiary, Aetina Corporation, on the grant date share-based payment transactions used the binomial evaluation model and the Black-Scholes option evaluation model to estimate the fair value of the stock option. The information is as follows:

Type of arrangement	Grant date	Stock price (NTD)	Strike price (NTD)	Expected volatility	Expected duration	Expected dividend	Risk-free rate	Weighted average fair value per unit (NTD)
<u>Innodisk</u>								
Employee stock option plan - B	2022.8.5	168.00	168.00	30.62%	3.25 years	NA	0.95%	38.5462
Restricted Stock Awards for Employees	2025.9.26	310.00	-	Not applicable	Not applicable	Not applicable	Not applicable	310.00
<u>Aetina</u>								
Employee stock options plan	2023.12.22	22.00	16.04	36.77%	3.25 years	NA	1.13%	8.7668
Employee stock options plan	2024.7.26	19.92	16.04	38.83%	3.25 years	NA	1.45%	7.4469
Employee stock options plan	2024.11.15	19.92	16.04	39.68%	3.25 years	NA	1.42%	7.5313

6. The related effects arising from share-based payment transactions are as follows:

Payroll expenses

Salary expenses arising from the above transactions by the Group are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employee stock option plan - the Company	\$ -	\$ 4,805
Employee stock option plan - subsidiaries	584	1,049
Restricted stock awards for employees - the Company	34,725	-
	<u>\$ 35,309</u>	<u>\$ 5,854</u>

(XIX) Provisions

	2026	2025
Balance on January 1	\$ 71,161	\$ 64,274
Provisions used for the period	(2,366)	(5,038)
Provision added this period	29,866	5,213
Balance on March 31	<u>\$ 98,661</u>	<u>\$ 64,449</u>

The analysis of provisions is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	\$ 22,886	\$ 17,386	\$ 22,917
Non-current	75,775	53,775	41,532
	<u>\$ 98,661</u>	<u>\$ 71,161</u>	<u>\$ 64,449</u>

The Company's provisions for warranty liabilities are mainly related to sales of industrial storage devices and memory modules. The provisions for warranty liabilities are estimated based on the historical warranty information of the products.

(XX) Share capital

1. As of March 31, 2026, the Company's authorized capital was NT\$1,200,000, divided into 120,000 thousand shares (including 10,000 thousand shares that may be subscribed through employee stock option certificates), and the paid-in capital was NT\$963,374, with a par value of NT\$ 10 per share. All proceeds from shares issued have been collected. Reconciliation of the Company's outstanding ordinary shares at the beginning and end of the period is as follows: (Unit: shares)

	2026	2025
January 1	96,040,717	91,456,095
Employees exercise options	314,500	118,500
Shares of restricted stock for employees pending cancellation	(17,800)	-
March 31	<u>96,337,417</u>	<u>91,574,595</u>

2. From January 1 to March 31, 2026, the Company issued 314,500 ordinary shares due to employees exercising stock options. As of March 31, 2026, 314,500 shares had not yet completed the capital registration change.
3. The ordinary shares issued due to the exercise of employee stock options from January 1 to March 31, 2025 were 118,500 shares, and the share capital change has been registered.
4. The Company repurchased a total of 17,800 shares of restricted employee rights shares previously granted from January 1 to March 31, 2026. A resolution to retire 17,800 shares was Approved by the Board of Directors on May 8, 2026, and May 9, 2026 was set as the capital reduction record date. As of March 31, 2026, 17,800 shares in connection with the above capital reduction through retirement of restricted employee rights shares had not yet completed the capital registration change.

(XXI) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surplus should not be used to cover accumulated capital deficit unless the legal reserve is insufficient.

2026								
	Issue of shares at premium	Difference between acquisition or disposal price and carrying value of equity in subsidiaries	Changes in ownership interests in subsidiaries recognized	Change in net assets of the associates and joint ventures accounted for using equity method	Employee stock options	Restricted Stock Awards for Employees	Others	Total
January 1	\$ 1,795,924	\$ 802	\$ 47,396	\$ 2,994	\$ 13,476	\$ 324,719	\$ 11,495	\$ 2,196,806
Employees exercise options	51,198	-	-	-	(10,375)	-	-	40,823
Cancellation of restricted shares issued to employees	-	-	-	-	-	(4,902)	-	(4,902)
Changes in equity of subsidiaries not recognized in proportion to ownership interests	-	-	1,179	-	-	-	-	1,179
Changes in equity of associates and joint ventures not recognized in proportion to shareholding ratios	-	-	-	9,104	-	-	-	9,104
March 31	<u>\$ 1,847,122</u>	<u>\$ 802</u>	<u>\$ 48,575</u>	<u>\$ 12,098</u>	<u>\$ 3,101</u>	<u>\$ 319,817</u>	<u>\$ 11,495</u>	<u>\$ 2,243,010</u>

2025							
	Issue of shares at premium	Difference between acquisition or disposal price and carrying value of equity in subsidiaries	Changes in ownership interests in subsidiaries recognized	Change in net assets of the associates and joint ventures accounted for using equity method	Employee stock options	Others	Total
January 1	\$ 1,540,125	\$ 802	\$ 47,396	\$ 2,994	\$ 51,510	\$ 11,220	\$ 1,654,047
Share-based payment	-	-	-	-	4,805	-	4,805
Employees exercise options	20,581	-	-	-	(4,164)	-	16,417
Lapsed options	-	-	-	-	(386)	386	-
March 31	<u>\$ 1,560,706</u>	<u>\$ 802</u>	<u>\$ 47,396</u>	<u>\$ 2,994</u>	<u>\$ 51,765</u>	<u>\$ 11,606</u>	<u>\$ 1,675,269</u>

(XXII) Retained earnings

1. According to the Company's Articles of Incorporation, the surplus income after the final accounts is distributed to the following accounts in their respective order:

- (1) Withholding taxes.
- (2) Make up for past losses.
- (3) Allocate 10% as legal reserve. However, this shall not apply when the legal reserve has reached the amount of the Company's paid-in capital. A special reserve is also allocated or reversed in accordance with laws and regulations or the competent authority's requirements.
- (4) With respect to the balance and the accumulated unappropriated retained earnings of the previous year, the board proposes a surplus distribution to the shareholders

meeting for resolution.

Dividend policy: The Company considers future needs for business operations, long-term financial planning and shareholders' interest in the dividend policy. As the Company is currently in the growing stage, considering the future capital expenditure budget and the need for cash, the annual cash dividends will not be less than 10% of the total of cash and stock dividends. The Company's total earnings distribution to shareholders shall not be less than 30% of the current year's earnings.

2. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purposes. The use of the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
3. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
4. The Company's distribution of profits

(1) The Company's earnings appropriation for 2025 approved by the Board of Directors on February 26, 2026 and the earnings appropriation for 2024 approved by the Annual General Meeting on May 26, 2025 are as follows:

	2025		2024	
		Dividends per share		Dividends per share
	Amount	(NT\$)	Amount	(NT\$)
Legal reserve allocated	\$ 203,564		\$ 110,617	
Stock dividends	19,208	0.20	18,291	0.20
Cash dividends	1,623,088	16.90	859,687	9.40
	<u>\$ 1,845,860</u>		<u>\$ 988,595</u>	

The Company's distribution of earnings for 2025 had not been Approved by the Annual General Meeting as of May 8, 2026; therefore, the dividend payable was not reflected in these Consolidated Financial Statements.

(XXIII) Operating revenue

1. Segmentation of revenue from contracts with customers

The Group derives its revenue from the transfer of goods at a point in time in the following product categories and geographical regions:

		Industrial storage devices and memory modules				
January 1 to March 31, 2026	Taiwan	Asia	Americas	Europe	Others	Total
Revenue from contracts with customers	\$ 3,138,014	\$ 6,010,366	\$ 1,964,938	\$ 1,983,656	\$ 85,634	\$ 13,182,608
		Industrial storage devices and memory modules				
January 1 to March 31, 2025	Taiwan	Asia	Americas	Europe	Others	Total
Revenue from contracts with customers	\$ 731,096	\$ 740,381	\$ 644,362	\$ 471,658	\$ 31,245	\$ 2,618,742

2. Contract liabilities

(1) Contract liabilities related to contracts with customers recognized by the Group:

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Product sales contracts	\$ 165,006	\$ 42,267	\$ 40,982	\$ 39,501

(2) Contract liabilities at the beginning of the period recognized as revenue of the period

	January 1 to March 31, 2026	January 1 to March 31, 2025
Product sales contracts	\$ 30,763	\$ 31,172

(XXIV) Interest income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest on bank deposits	\$ 1,122	\$ 4,276
Interest income from financial assets measured at amortized cost	672	1,248
Others	10	3
	\$ 1,804	\$ 5,527

(XXV) Other income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Government grants	\$ 3,250	\$ -
Rental income	2,921	5,743
Others	2,849	1,760
	\$ 9,020	\$ 7,503

(XXVI) Other gains and (losses)

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net currency exchange gain (loss)	\$ 110,095	\$ 29,172
Gain (loss) on disposal of property, plant and equipment	-	(2)
Depreciation charges on investment property	(805)	(860)
Loss on return of government grant	(30,049)	-
Others	(3)	-
	<u>\$ 79,238</u>	<u>\$ 28,310</u>

(XXVII) Finance cost

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest expense on bank borrowings	\$ 27,685	\$ 1,578
Interest expenses on lease liabilities	634	645
Others	12	17
	<u>\$ 28,331</u>	<u>\$ 2,240</u>

(XXVIII) Expenses by nature

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employee benefit expenses	\$ 1,012,573	\$ 419,751
Depreciation charges on property, plant and equipment	\$ 41,504	\$ 35,180
Depreciation charges on right-of-use assets	\$ 8,260	\$ 7,829
Amortization expense on intangible assets	\$ 6,618	\$ 6,467

(XXIX) Employee benefit expenses

	January 1 to March 31, 2026	January 1 to March 31, 2025
Payroll expenses	\$ 835,170	\$ 348,212
Share-based payment	35,309	5,854
Labor and health insurance fees	36,758	30,518
Pension expense	16,615	15,818
Directors' remuneration	61,896	4,961
Other employee benefit expenses	26,825	14,388
	<u>\$ 1,012,573</u>	<u>\$ 419,751</u>

1. The Company shall allocate the following amounts as employee bonuses and director remunerations if the income before taxes after the deduction to make up for losses still has a balance:

(1) Employees' remuneration of more than 3%.

(2) Less than 2% as directors' remuneration.

At least 25% of the aforesaid employee compensation shall be set aside for distributing to non-executive employees. Employee compensation and non-executive employee compensation may be in the form of stocks or cash and shall be determined by the board resolution and reported to the shareholders' meeting. The recipients include the employees of subsidiaries in which the Company holds more than half of the shares with voting power or the total capital of the subsidiaries.

2. The estimated amounts of employees' remuneration of the Company for the periods from January 1 to March 31, 2026 and 2025 were NT\$338,900 and NT\$22,200, respectively; the estimated amounts of directors' remuneration were NT\$60,600 and NT\$3,900, respectively, and the aforementioned amounts were recorded under salary expense.

The employees' remuneration and directors' remuneration were estimated at 4.69% and 0.84%, respectively, based on the Company's profit for the period from January 1 to March 31, 2026.

The employees' remuneration and directors' remuneration of the Company for 2025, as Approved by resolution of the Board of Directors, were NT\$149,100 and NT\$23,700, respectively, which were consistent with the amounts recognized in the 2025 Consolidated Financial Statements, and had not yet been distributed as of March 31, 2026.

3. Information on employee and director compensation approved by the Company's Board of Directors can be accessed at the Market Observation Post System.

(XXX) Income tax

1. Income tax expense

(1) Components of income tax expense

	January 1 to March 31, 2026	January 1 to March 31, 2025
Current tax:		
Income tax arising from income of the current period	\$ 1,453,477	\$ 77,235
Prior year income tax underestimate (overestimate)	530	(8,491)
Withholding and provisional tax	2,123	3,275
Total current tax	<u>1,456,130</u>	<u>72,019</u>
Deferred income tax:		
Origination and reversal of temporary differences	(15,635)	225
Others:		
Effects of changes in foreign exchange rates	(997)	11
Income tax expense	<u>\$ 1,439,498</u>	<u>\$ 72,255</u>

(2) From January 1 to March 31, 2026 and 2025, the Group had no income tax related to other comprehensive income and directly debited or credited equity.

2. The Company's profit-seeking enterprise income tax has been assessed and approved by the tax collection authority through 2024.

The Group's domestic consolidated subsidiary Aetina Corporation's profit-seeking enterprise income tax has been assessed and approved by the tax collection authority through 2024.

The Group's domestic consolidated subsidiary Antzer Tech Co., Ltd.'s profit-seeking enterprise income tax has been assessed and approved by the tax collection authority through 2023.

(XXXI) Earnings per share

	January 1 to March 31, 2026		
	Amount after tax	Weighted average share outstanding (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net profit attributable to ordinary shareholders of the parent company	\$ 5,466,357	95,080	57.49
<u>Diluted earnings per share</u>			
Current net profit attributable to ordinary shareholders of the parent company	\$ 5,466,357	95,080	
Impact of conversion of all dilutive potential ordinary shares			
- Employee remuneration	-	520	
- Employee stock options	-	78	
- Restricted Stock Awards for Employees	-	835	
Current net profit attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares from conversion	\$ 5,466,357	96,513	56.64
	January 1 to March 31, 2025		
	Amount after tax	Weighted average share outstanding (thousand shares)	Earnings per share (NTD)
<u>Basic earnings per share</u>			
Current net profit attributable to ordinary shareholders of the parent company	\$ 336,540	93,324	3.61
<u>Diluted earnings per share</u>			
Current net profit attributable to ordinary shareholders of the parent company	\$ 336,540	93,324	
Impact of conversion of all dilutive potential ordinary shares			
- Employee remuneration	-	283	
- Employee stock options	-	754	
Current net profit attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares from conversion	\$ 336,540	94,361	3.57

The aforesaid weighted average number of outstanding shares from January 1 to March 31, 2025 has been retroactively adjusted according to the ratio of capital increase from earnings for 2025.

(XXXII) Supplemental cash flow information

Investing activities with partial cash payments:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Purchase of property, plant and equipment	\$ 131,544	\$ 53,479
Add: Opening balance of payable on equipment	6,198	10,020
Less: Ending balance of payable on equipment	(9,199)	(4,949)
Cash paid during the year	<u>\$ 128,543</u>	<u>\$ 58,550</u>

(XXXIII) Changes in liabilities arising from financing activities

	2026			
	Short-term borrowings	Long-term loans (including the current portion)	Lease liabilities (current/non-current)	Guarantee deposit received
January 1	\$ 1,735,790	\$ 344,913	\$ 212,145	\$ 4,041
Increase in borrowings	3,766,365	-	-	-
Repayment of borrowings	(2,441,648)	(9,411)	-	-
Increase in principal of lease liabilities	-	-	1,914	-
Payment of lease liabilities	-	-	(8,001)	-
Increase in guarantee deposits received	-	-	-	1,500
Impact of changes in foreign exchange rates	29,043	(51)	-	92
March 31	<u>\$ 3,089,550</u>	<u>\$ 335,451</u>	<u>\$ 206,058</u>	<u>\$ 5,633</u>

2025

	Short-term borrowings	Long-term loans (including the current portion)	Lease liabilities (current/non-current)	Guarantee deposit received
January 1	\$ -	\$ 361,958	\$ 216,584	\$ 3,821
Repayment of borrowings	-	(2,174)	-	-
Increase in principal of lease liabilities	-	-	739	-
Payment of lease liabilities	-	-	(6,743)	-
Impact of changes in foreign exchange rates	-	649	-	(10)
March 31	<u>\$ -</u>	<u>\$ 360,433</u>	<u>\$ 210,580</u>	<u>\$ 3,811</u>

(XXXIV) Non-controlling interests

Employee stock options exercised by subsidiaries for which the Group did not recognize based on its shareholding ratio

The Company's subsidiary, Aetina Corporation, exercised 170,500 employee stock options in Q1 2026, amounting to NT\$2,735, and the Company did not recognize them based on its shareholding ratio, resulting in a 0.30% decrease in its equity interest. The transaction increased non-controlling interests by NT\$1,556, and equity attributable to owners of the parent by NT\$1,556. The effect of changes in equity of Aetina Corporation in 2026 on equity attributable to owners of the parent is as follows:

	2026
Cash	\$ 2,735
Increase in book value of non-controlling interests	(1,556)
Capital surplus - recognition of changes in ownership interests in subsidiaries	\$ 1,179

7. Related-party transactions

(I) Related parties' names and relationship

Name of the related party	Relationship with the Group
<u>Affiliates:</u>	
Millitronic Co., Ltd.	An entity over which the Group has significant influence
Sysinno Technology Inc.	An entity over which the Group has significant influence
<u>Other related parties:</u>	
I-Media Tech Co., Ltd.	The director of that company and one of the Company's directors are the same person.
Innodisk Foundation	The amount donated by the Company and the directors is more than one-third of the total fund received by the foundation.
All directors, the general manager and key executives.	The Group's key executives and governance units

(II) Significant transactions with the related parties

1. Sales of goods

(1) Operating revenue

The Group's revenue from sales of goods and services to the related parties is shown as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
An entity over which the Group has significant influence	<u>\$ 722</u>	<u>\$ 20</u>

The prices of products sold and services provided to the related parties from the Group are based on the agreements between the parties. The payment terms are net 25 to net 35. There are no significant differences with the non-related parties. The payment terms for non-related parties are payment in advance and net 30 to 90 days.

(2) Accounts receivable

The Group's accounts receivable from the above transactions with related parties is shown as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
An entity over which the Group has significant influence	<u>\$ 77</u>	<u>\$ 3</u>	<u>\$ 15</u>

2. Purchase transaction

(1) Operating costs

Details on the Group's purchase transactions with related parties are as follows:

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
An entity over which the Group has significant influence	\$ 151	\$ 214
Other related parties	142	34
	<u>\$ 293</u>	<u>\$ 248</u>

The prices of the Group's purchase transactions with related parties are based on the agreements with such parties. The payment term is monthly settlement, net 30 to 90 days, which is not significantly different from those of non-related parties. The payment term for non-related parties is payment in advance, 7 days after shipment and monthly settlement, net 30 to 90 days.

(2) Accounts payable

The Group's accounts payment from the above transactions with related parties is shown as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
An entity over which the Group has significant influence	\$ 30	\$ 476	\$ 23
Other related parties	149	2	36
	<u>\$ 179</u>	<u>\$ 478</u>	<u>\$ 59</u>

3. Donation transactions/Operating expenses

The operating expenses arising from supporting education development, fulfilling corporate social responsibility and donations to related parties are detailed as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Innodisk Foundation	<u>\$ 1,000</u>	<u>\$ 1,000</u>

4. Manufacturing overhead/operating expenses

Details of miscellaneous purchases from related parties by the Group are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
An entity over which the Group has significant influence	<u>\$ 4</u>	<u>\$ -</u>

As of March 31, 2026 and 2025, the Group's other payables arising from the above-mentioned related party transactions were NT\$ 4 and NT\$ 0, respectively.

5. Lease and service transactions

(1) Other income

The Group's income from leasing assets to related parties and providing administrative support and other services is detailed as follows:

	January 1 to March 31, 2026		January 1 to March 31, 2025	
	Rental income	Other income	Rental income	Other income
An entity over which the Group has significant influence	<u>\$ 241</u>	<u>\$ 90</u>	<u>\$ 244</u>	<u>\$ 90</u>

The Group's rental income from leasing out offices is negotiated with the related parties

and is collected on a monthly basis.

(2) Other receivables

The Group's other accounts receivable from the above transactions with related parties is shown as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
An entity over which the Group has significant influence	\$ 32	\$ 31	\$ 32

(3) Guarantee deposits received

The Group's deposits received from the above transactions with related parties are shown as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
An entity over which the Group has significant influence	\$ 169	\$ 169	\$ 169

(III) Compensation of key management personnel

	<u>January 1 to March 31, 2026</u>	<u>January 1 to March 31, 2025</u>
Short-term employee benefits	\$ 18,376	\$ 15,559
Post-employment benefits	296	295
Share-based payment	6,560	1,182
	<u>\$ 25,232</u>	<u>\$ 17,036</u>

8. Pledged assets

Assets pledged by the Group as collateral are as follows:

<u>Assets</u>	<u>Book value</u>			<u>Purpose of collateral</u>
	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>	
Financial assets measured at amortized cost				
-- Non-current				
- Pledged time deposits	\$ 11,206	\$ 11,206	\$ 11,206	Provide pledged time deposits for lease and customs tax guarantee
Property, plant and equipment				
- Land and buildings	160,164	161,450	165,353	Long-term loans
	<u>\$ 171,370</u>	<u>\$ 172,656</u>	<u>\$ 176,559</u>	

9. Material contingent liabilities and unrecognized contractual commitments

(I) Material contingent liabilities

The Company and its subsidiary, Innodisk USA Corporation, received a notice from the U.S. government in 2025 that, due to defects in its application qualifications, it may be required to repay subsidies for COVID-19 expenses received from the local government in 2020 and 2021. An amount of USD 950,000 has been accrued (presented under other payables; please refer to Note 6(26) for details), and local counsel has been engaged to handle the matter.

(II) Material unrecognized contractual commitments

As of March 31, 2026, December 31, 2025, and March 31, 2025, the endorsement and guarantee limit for internal financing within the Group was NT\$15,418, NT\$15,498 and NT\$15,107, and the utilized amount was NT\$10,279, NT\$11,070 and NT\$12,590.

10. Losses due to major disasters

None.

11. Material Events Subsequent to the Balance Sheet Date

On February 26, 2026, the Board of Directors Approved the issuance of domestic unsecured convertible corporate bonds with a total face value not exceeding NT\$3,000,000, and the application was submitted to the competent authority on May 4, 2026. As of May 8, 2026, the filing procedure was still in progress.

12. Others

(I) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. The total debt is the total liabilities reported in the Consolidated Balance Sheet. Total capital is calculated as "equity" as shown in the Consolidated Balance Sheet, plus net debt.

The Group's strategy for 2026 remains the same as 2025. Please refer to the consolidated balance sheet for the Group's debt-to-capital ratio as of March 31, 2026, December 31, 2025

and March 31, 2025.

(II) Financial instruments

1. Types of financial instrument

The Group's financial assets (cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets at fair value through other comprehensive income - non-current, financial assets measured at amortized cost (current and non-current) and refundable deposits) and financial liabilities (short-term borrowings, accounts payable (including related parties), other payables (including related parties), long-term borrowings (including due within one year), deposits received, lease liabilities (current and non-current)), please refer to the Consolidated Balance Sheet and related information in Note 6.

2. Risk management policies

(1) The Group's operations are exposed to a variety of financial risks, including market risk (exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.

(2) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the senior executives. The Group's treasury department primarily identifies, evaluates and hedges financial risks.

3. Significant financial risks and degrees of financial risks

(1) Market risk

A. Foreign exchange risk

(A) The Group is a multinational operation and therefore is subject to exchange rate risk arising from transactions between the different currencies of the Company and its subsidiaries, mainly in USD, RMB, JPY and Euro. The related exchange risk from future business transactions have been recognized in assets and liabilities.

(B) The Group's management has set up policies to require companies within the Group to manage their foreign exchange risk against their functional currency. Each company hedges its overall exchange rate risk through its treasury department. Exchange rate risk arises when future business transactions and recognized assets or liabilities are denominated in foreign currencies that are

not the entity's function currency.

(C) The Group's operations involve certain non-functional currencies (the Company's and certain subsidiaries' functional currency is the New Taiwan dollar (NTD), and for other certain subsidiaries, the functional currency is Euro, USD, JPY and Renminbi (RMB)), so it is subject to the impact of exchange rate fluctuation. The details of assets and liabilities denominated in foreign currencies whose values that would be materially affected by exchange rate fluctuations are as follows:

March 31, 2026			
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD : NTD	292,730	31.9950	\$ 9,365,896
RMB : NTD	10,898	4.6290	50,447
JPY : NTD	844,787	0.2005	169,380
EUR : NTD	63	36.7100	2,313
GBP : NTD	3	42.2700	127
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	174,032	31.9950	\$ 5,568,154
JPY : NTD	2,956	0.2005	593
December 31, 2025			
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD : NTD	124,331	31.4300	\$ 3,907,723
RMB : NTD	27,158	4.4960	122,102
JPY : NTD	326,819	0.2008	65,625
EUR : NTD	132	36.9000	4,871
GBP : NTD	3	42.3300	127
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	54,181	31.4300	\$ 1,702,909
JPY : NTD	2,971	0.2008	597
March 31, 2025			
(Foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate	Book value (NTD)
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD : NTD	72,745	33.2050	\$ 2,415,498
RMB : NTD	29,201	4.5730	133,536
JPY : NTD	236,153	0.2227	52,591
EUR : NTD	223	35.9700	8,021
GBP : NTD	4	43.0500	172
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	18,776	33.2050	\$ 623,457

JPY : NTD	11,676	0.2227	2,600
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(D) Please refer to Note 6(26) for the total amount of exchange gains (losses), including realized and unrealized, due to significant exchange rate fluctuations on the Group's monetary items from January 1 to March 31, 2026 and 2025.

(E) The analysis of foreign currency risk due to significant exchange rate fluctuation is as follows:

January 1 to March 31, 2026			
Sensitivity Analysis			
<u>Fluctuation</u>		<u>Effect on profit (loss)</u>	<u>Effect on other comprehensive income (loss)</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 93,659	\$ -
RMB : NTD	1%	504	-
JPY : NTD	1%	1,694	-
EUR : NTD	1%	23	-
GBP : NTD	1%	1	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(55,682)	-
JPY : NTD	1%	(6)	-
January 1 to March 31, 2025			
Sensitivity Analysis			
<u>Fluctuation</u>		<u>Effect on profit (loss)</u>	<u>Effect on other comprehensive income (loss)</u>
<u>Financial Assets</u>			
<u>Monetary items</u>			
USD : NTD	1%	\$ 24,155	\$ -
RMB : NTD	1%	1,335	-
JPY : NTD	1%	526	-
EUR : NTD	1%	80	-
GBP : NTD	1%	2	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1%	(6,235)	-
JPY : NTD	1%	(26)	-

B. Price risk

(A) The Group's equity instruments exposed to price risk are financial assets held and recognized at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Group dispersed its investment portfolio in accordance with the limits set by the Group.

(B) The Group mainly invests in equity instruments issued by domestic companies, and the price of such equity instruments will be affected by the uncertainty of the future values of the investment objects. If the prices of such instruments increase or decrease by 1%, with all other factors remaining constant, other comprehensive income for the periods from January 1 to March 31, 2026 and 2025 would increase or decrease by NT\$307 and NT\$290, respectively, due to equity investments classified as at fair value through other comprehensive income.

C. Cash flow and fair value interest rate risk

(A) The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings at floating rates expose the Group to a cash flow interest rate risk, which is partially offset by cash and cash equivalents held at floating rates. For the periods from January 1 to March 31, 2026 and 2025, the Group's floating-rate borrowings were denominated in NT\$, USD and EUR.

(B) As of March 31, 2026 and 2025, if borrowing rates increased by 1%, with all other factors remaining constant, pre-tax net income for the periods from January 1 to March 31, 2026 and 2025 would decrease by NT\$8,563 and NT\$901, respectively, mainly due to increased interest expenses from floating-rate borrowings.

(2) Credit risk

A. The credit risk of the Group is the risk of financial loss of the Group due to the inability of customers or counterparties of financial instruments to perform their contractual obligations, mainly due to the inability of counterparties to pay off the notes and accounts receivable according to the terms of collection, and the contractual cash flow classified as debt instrument investment measured at amortized cost.

B. The management of credit risk is established with a Group perspective. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management. The utilization of credit limits is regularly monitored.

- C. The credit risk of the Group's investment in debt instrument measured at amortized cost refers to counterparties defaulting on contractual obligations, leading to the Group's financial losses. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- D. In considering the past experience, if the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset is significantly increased since the original recognition.
- E. In considering the past experience with payment collection, if a contract payment is overdue for more than 180 days in accordance with the agreed payment terms, it is considered a breach of contract.
- F. The Group categorizes the accounts receivable from customers based on their evaluation ratings. The loss rate method is adopted as the basis for estimating the expected credit loss.
- G. The Group has included the economic indicators and signals of the National Development Council and Basel Committee on Banking Supervision's forward-looking considerations to adjust the loss rate based on historical and current information for a specific period.
- H. The Group uses the following indicators to determine the status of credit impairments of debt instruments:
 - (A) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
 - (B) The issuer has suffered significant financial difficulties or is likely to enter bankruptcy or other financial restructuring.
 - (C) The issuer delays or does not pay for the interest or principal.
 - (D) Unfavorable changes in the national- or regional-level economic situation resulting in the issuer's default.
- I. The Group will continue the recourse for financial assets that have defaulted to protect the rights of the claims. The Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse.
- J. The Group has incorporated forward-looking considerations to adjust the loss rate built according to historic and current data in order to estimate the loss allowance notes and accounts receivables. The loss rates are shown as follows:

	Not past due	Past due Within 30 days	Past due 31 ~ 60 days	Past due 61 ~ 180 days and over	Past due More than 181 days	Total
<u>March 31, 2026</u>						
Expected loss rate	0.05%~0.20%	0.06%~0.94%	0.08%~1.13%	0.09%~92.36%	100%	
Notes receivable	\$ 1,300	\$ -	\$ -	\$ -	\$ -	\$ 1,300
Accounts receivable	8,697,612	332,477	1,247	-	-	9,031,336
Total book value	\$ 8,698,912	\$ 332,477	\$ 1,247	\$ -	\$ -	\$ 9,032,636
Loss allowance	(\$ 2,629)	(\$ 263)	(\$ 2)	\$ -	\$ -	(\$ 2,894)
	Not past due	Past due Within 30 days	Past due 31 ~ 60 days	Past due 61 ~ 180 days and over	Past due More than 181 days	Total
<u>December 31, 2025</u>						
Expected loss rate	0.05%~0.20%	0.05%~0.76%	0.05%~1.51%	0.05%~100%	100%	
Notes receivable	\$ 3,529	\$ -	\$ -	\$ -	\$ -	\$ 3,529
Accounts receivable	3,093,510	198,332	1,738	8	-	3,293,588
Total book value	\$ 3,097,039	\$ 198,332	\$ 1,738	\$ 8	\$ -	\$ 3,297,117
Loss allowance	(\$ 1,091)	(\$ 178)	(\$ 3)	\$ -	\$ -	(\$ 1,272)
	Not past due	Past due Within 30 days	Past due 31 ~ 60 days	Past due 61 ~ 180 days and over	Past due More than 181 days	Total
<u>March 31, 2025</u>						
Expected loss rate	0.03%~0.20%	0.03%~0.74%	0.03%~1.47%	0.03%~100%	100%	
Accounts receivable	\$ 1,446,211	\$ 40,499	\$ 357	\$ 1	\$ 142	\$ 1,487,210
Total book value	\$ 1,446,211	\$ 40,499	\$ 357	\$ 1	\$ 142	\$ 1,487,210
Loss allowance	(\$ 500)	(\$ 13)	\$ -	\$ -	(\$ 142)	(\$ 655)

The above is an aging report based on the number of days past due.

K. The Group adopts a simplified method in which the loss allowance for the accounts receivable is shown below:

	2026	2025
	Accounts receivable	Accounts receivable
January 1	\$ 1,272	\$ 635
Expected loss on credit impairment	1,618	19
Effects of changes in foreign exchange rates	4	1
March 31	<u>\$ 2,894</u>	<u>\$ 655</u>

(3) Liquidity risk

A. Cash flow forecasting is performed by the operating entities of the Group and aggregated by the Group's treasury department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs.

B. The Finance Department of the Group invests the remaining funds in interest-bearing demand deposits and equity securities; the instruments chosen have appropriate maturities or sufficient liquidity to respond to the forecasts above and provide sufficient funds required in the future. As of March 31, 2026, December

31, 2025 and March 31, 2025, the Group's positions in currency and securities markets are expected to generate immediate cash flow for liquidity risk management.

C. The Group's unused credit facilities are as follows:

	<u>March 31, 2026</u>	<u>December 31, 2025</u>	<u>March 31, 2025</u>
Floating rate			
Maturing within one year	\$ 225,983	\$ 356,005	\$ 1,171,088
Maturing after one year	-	231,000	451,000
	<u>\$ 225,983</u>	<u>\$ 587,005</u>	<u>\$ 1,622,088</u>

D. The Group has no derivative financial liabilities; non-derivative financial liabilities are grouped by relevant maturity dates and analyzed based on the remaining period from the balance sheet date to contractual maturity date. Except for those listed in the table below, all mature within one year, and their undiscounted contractual cash flow amounts are comparable to the amounts listed in the consolidated balance sheet. The undiscounted contractual cash flows of other non-derivative financial liabilities are as follows:

<u>March 31, 2026</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>					
Lease liabilities (current/non-current)	\$ 29,840	\$ 21,176	\$ 33,263	\$ 154,964	\$ 239,243
Long-term loans (including current portion)	43,016	42,556	121,643	161,251	368,466
<u>December 31, 2025</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>					
Lease liabilities (current/non-current)	\$ 30,915	\$ 23,325	\$ 34,490	\$ 157,200	\$ 245,930
Long-term loans (including current portion)	43,126	42,696	122,817	170,792	379,431
<u>March 31, 2025</u>	<u>Within 1 year</u>	<u>1 to 2 years</u>	<u>2 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>					
Lease liabilities (current/non-current)	\$ 28,038	\$ 18,798	\$ 34,847	\$ 164,163	\$ 245,846
Long-term loans (including current portion)	31,475	42,986	125,715	199,528	399,704

(III) Fair value information

1. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is one in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investments in TWSE and TPEx listed stocks belongs to this category.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2. Fair value information of investment property measured at cost is described in Note 6(11).

3. Financial instruments not measured at fair value

The book values of the Group's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets measured at amortized cost (current and non-current), refundable deposits, short-term borrowings, accounts payable (including related parties), other payables (including related parties), lease liabilities (current and non-current), long-term borrowings (including current portion), and deposits received, are a reasonable approximation of their fair values.

4. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics and risks of assets and liabilities and the level of fair value, and the relevant information is as follows:

(1) For those classified by the Group based on the nature of assets and liabilities, the relevant information is as follows:

<u>March 31, 2026</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 30,703	\$ -	\$ -	\$ 30,703
<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 29,837	\$ -	\$ -	\$ 29,837
<u>March 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
- Equity securities	\$ 29,038	\$ -	\$ -	\$ 29,038

- (2) The methods and assumptions used by the Group to measure fair value are as follows:
- A. Where the Group adopts market quotation as the fair value input (i.e., Level 1), the closing price of the shares of TWSE and TPEX listed companies on the balance sheet date shall be adopted.
 - B. The Group includes the adjustment of credit risk evaluation into the calculation of fair value of financial instruments and non-financial instruments to reflect the credit risk of counterparties and the credit quality of the Group.
5. The Group did not have any transfers between Level 1 and Level 2, any changes in Level 3, or any transfers into or out of Level 3 from January 1 to March 31, 2026 and 2025.

13. Additional disclosures

(I) Significant transactions information

1. Loans to others: None.
2. Provision of endorsements and guarantees to others: Please refer to Schedule 1.
3. Significant securities held at period end (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Schedule 2.
4. The amount of goods purchased or sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital: Please refer to Schedule 3.
5. Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Schedule 4.
6. Business relationships and significant transactions between parent and subsidiary companies: Please refer to Schedule 5.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Schedule 6.

(III) Information on investments in China

1. Basic information: Please refer to Schedule 7.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to Schedule 8.

14. Operating Segments Information

(I) General information

The Group is involved in only one industry. The main business is the research, development, manufacturing and sales of industrial memory storage devices. The Group's operating decision maker evaluates the performance and allocates resources of the Group as a whole, and has identified that the Company has only one reportable operating segment.

(II) Measurement of segment information

The accounting policies of the operating segments of the Group are the same as those of the Company. The Company's operating decision maker assesses the performance of each operating segments based on the operating net profit.

(III) Information on segment profit and loss, assets and liabilities

The Group has only one reportable segment and is not required to disclose information on segment profit or loss, assets and liabilities. In addition, the accounting policies and estimates of the Company's reportable segments are the same as the significant accounting policies summary, significant estimates and assumptions in Notes 4 and 5.

(IV) Information on reconciliation of segment profit and loss, assets and liabilities

1. Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the comprehensive income statement. Adjustments to reportable segmental profit and loss, and pre-tax profit from continuing operations are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Profit (loss) from reportable segments	\$ 6,850,200	\$ 366,989
Interest income	1,804	5,527
Other income	9,020	7,503
Other gains and losses	79,238	28,310
Finance cost	(28,331)	(2,240)
Shares of losses of associates and joint ventures accounted for using equity method	5,096	(1,962)
Income (loss) before tax from continuing operations	\$ 6,917,027	\$ 404,127

2. The amount of total assets provided to the chief operating decision-maker is measured in a manner consistent with the assets on the balance sheet, and the Group's reportable segment assets are equal to total assets and no reconciliation is required.

Innodisk Corporation and Subsidiaries
Provision of endorsements and guarantees to others
January 1 to March 31, 2026

Schedule 1 Unit: Thousand NTD

(unless otherwise specified)

Number (Note 1)	Endorser / guarantor	<u>Party being endorsed/guaranteed</u>		Endorsement/ guarantee limit for a single enterprise (Note 3)	Maximum outstanding endorsement/ guarantee amount for the period (Note 4)	Outstanding endorsement/ guarantee amount for the period	Actual amount drawn down	Amount of endorsements / guarantees secured with collateral	Percentage of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Maximum amount of endorsements/ guarantees (Note 3)	Provision of endorsements /guarantees by the parent company to the subsidiary	Provision of endorsements / guarantees by the subsidiary to the parent company	Provision of endorsements/ guarantees to the party in China	Remarks
0	Innodisk Corporation	Innodisk Europe B.V.	2	\$ 2,900,077	\$ 15,784	\$ 15,418	\$ 10,279	-	0.11%	\$ 7,250,193	Y	N	N	

Note 1: The numbers to be filled in are as follows:

- (1) Fill in 0 for the issuer.
- (2) The invested companies are numbered in order starting from 1.

Note 2: Relationships between the endorser/guarantor and the party being endorsed/guaranteed are classified into the following seven categories; fill in the number of the category:

- (1) A company with business dealings.
- (2) A company in which the Company directly or indirectly holds more than 50% of its voting shares.
- (3) A company which directly or indirectly holds more than 50% of the voting shares of the Company.
- (4) A company in which the Company directly or indirectly holds more than 90% of its voting shares.
- (5) A company with mutual guarantees in accordance with the contract in the same industry or a joint constructor for the purpose of contracting the project.
- (6) A company jointly endorsed/guaranteed by all its shareholders in proportion to their ownerships due to joint venture.
- (7) Performance guarantee and joint guarantee by industry peers engaging in a house pre-sale contract in accordance with the Consumer Protection Act.

Note 3: The total amount of endorsements and guarantees of the Company must not exceed 50% of the Company's net worth, and the total amount to a single enterprise shall not exceed 20% of the Company's net worth.

Note 4: The total amount of endorsements and guarantees by a subsidiary shall not exceed 50% of the subsidiary's net worth, and the total amount to a single enterprise shall not exceed 20% of the subsidiary's net worth.

Note 5: Maximum outstanding balance of endorsements/guarantees provided in the reporting period.

Innodisk Corporation and Subsidiaries

Significant securities held at period end (excluding investments in subsidiaries, associates, and joint ventures)

March 31, 2026

Schedule 2 Unit: Thousand NTD

(Unless otherwise specified)

Holding company	Type and name of securities	Relationship with the issuer of securities	Account of recognition	Period end			Fair value	Remarks
				Number of Shares	Book value	Shareholding percentage		
Innodisk Corporation	Domestic listed stocks - Preferred stocks - Supreme Electronics Co., Ltd.	None	Financial assets measured at fair value through other comprehensive income - non-current	666,000	\$ 30,703	2.22%	\$ 30,703	

Note: The shareholding ratio is calculated based on the total number of shares of the same type issued by the investee company; the stocks of TWSE and TPEX listed companies are expressed at the closing price at the end of the period, and the stocks of non-TWSE or non-TPEX listed companies are expressed at the estimated fair value.

Innodisk Corporation and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

January 1 to March 31, 2026

Schedule 3 Unit: Thousand NTD

(Unless otherwise specified)

Purchaser/seller	Counterparty name	Relationship	Transaction				Differences in transaction terms compared with third party transactions		Notes/accounts receivable (payable)		Remarks
			Purchase/sales	Amount	Percentage of total purchase (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Innodisk Corporation	Innodisk USA Corporation	Subsidiary	(sales)	(\$ 1,377,072)	(11%)	Net 60	None	None	\$ 1,097,448	12%	
Innodisk Corporation	Innodisk Shenzhen Corporation	Subsidiary	(sales)	(442,014)	(4%)	Net 60	None	None	505,965	6%	
Innodisk USA Corporation	Innodisk Corporation	Parent company	Purchase	1,377,072	18%	Net 60	None	None	(1,097,448)	(40%)	
Innodisk Shenzhen Corporation	Innodisk Corporation	Parent company	Purchase	442,014	6%	Net 60	None	None	(505,965)	(19%)	

Innodisk Corporation and Subsidiaries
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 January 1 to March 31, 2026

Schedule 4 Unit: Thousand NTD

(Unless otherwise specified)

Companies with accounts receivable	Counterparty name	Relationship	Balance of account receivable from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Amount of recognized allowance for bad debts
					Amount	Action taken		
Innodisk Corporation	Innodisk USA Corporation	Subsidiary	\$ 1,097,448	6.84	\$ -	Not applicable	\$ 638,617	\$ -
Innodisk Corporation	Innodisk Shenzhen Corporation	Subsidiary	505,965	4.53	-	Not applicable	73,601	-

Innodisk Corporation and Subsidiaries
Business relationships and significant transactions between parent and subsidiary companies
January 1 to March 31, 2026
Schedule 5 Unit: Thousand NTD

Individual transactions less than NT\$10 million will not be disclosed. Transactions which are disclosed as part of the parent company's transactions will not be disclosed again.

(Unless otherwise specified)

Number (Note 1)	Name of the trader	Counterparty of transaction	Relationship with the trader	Status of transaction			Percentage of consolidated total operating revenues or total assets (Note 2)
				General ledger account	Amount	Transaction terms	
0	Innodisk Corporation	Innodisk USA Corporation	Parent company to subsidiary	Sales	\$ 1,377,072	Same with other customers	10%
0	Innodisk Corporation	Innodisk Shenzhen Corporation	Parent company to subsidiary	Sales	442,014	Same with other customers	3%
0	Innodisk Corporation	Aetina Corporation	Parent company to subsidiary	Sales	91,791	Same with other customers	1%
0	Innodisk Corporation	Innodisk USA Corporation	Parent company to subsidiary	Accounts receivable	1,097,448	Same with other customers	4%
0	Innodisk Corporation	Innodisk Shenzhen Corporation	Parent company to subsidiary	Accounts receivable	505,965	Same with other customers	2%
0	Innodisk Corporation	Aetina Corporation	Parent company to subsidiary	Accounts receivable	67,392	Same with other customers	0%
0	Innodisk Corporation	Innodisk Japan Corporation	Parent company to subsidiary	Operating expenses	12,283	Same with other customers	0%
0	Innodisk Corporation	Innodisk Europe B.V.	Parent company to subsidiary	Operating expenses	38,162	Same with other customers	0%
0	Innodisk Corporation	Innodisk Europe B.V.	Parent company to subsidiary	Other payables	13,028	Same with other customers	0%

Note 1: The business dealing information between the parent company and the subsidiaries shall be indicated in the number field respectively. The filling method of the number is as follows:

(1). Fill in 0 for the parent.

(2). The subsidiaries are numbered in order starting from "1".

Note 2: Regarding percentage of transaction amount to consolidated total operating revenue or total assets, it is computed based on the period-end balance to consolidated total assets for balance sheet accounts, and based on the accumulated amount for the period to consolidated total operating revenue for income statement accounts.

Note 3: For endorsements and guarantees between parent and subsidiary companies, please refer to Schedule 1 for explanations of endorsement and guarantee situations for others.

Innodisk Corporation and Subsidiaries

Names, locations and other information of investee companies (not including investees in China)

January 1 to March 31, 2026

Schedule 6 Unit: Thousand NTD

(Unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as of the end of period			Net profit (loss) of the investee for the current period		Investment income(loss) recognized by the Company for the current period	Remarks
				Balance at the end of period	End of the previous year	Number of Shares	Percentage	Book value				
Innodisk Corporation	Innodisk USA Corporation	United States	Sales of Industrial embedded storage devices	\$ 140,499	\$ 140,499	2,046,511	100.00	\$ 179,452	\$ 134,464	\$ 138,886		
Innodisk Corporation	Innodisk Japan Corporation	Japan	After-sales services and support of industrial embedded storage devices	3,533	3,533	196	100.00	14,517	1,019	1,023		
Innodisk Corporation	Innodisk Europe B.V.	Netherlands	After-sales services and support of industrial embedded storage devices	17,802	17,802	50,000,100	100.00	70,457	3,281	3,281		
Innodisk Corporation	Innodisk Global-M Corporation	Mauritius	Investment holdings	20,154	20,154	665,000	100.00	(7,736)	59,118	60,586		
Innodisk Corporation	Aetina Corporation	Taiwan	Manufacturing and sales of industrial graphics cards	67,300	67,300	25,762,726	66.76	355,959	33,911	22,748		
Innodisk Corporation	Antzer Tech Co., Ltd.	Taiwan	Electronics Components Manufacturing	57,133	57,133	58,400,000	100.00	38,331	238	238		
Innodisk Corporation	Millitronic Co., Ltd.	Taiwan	Electronics Components Manufacturing	73,518	73,518	6,798,664	29.18	35,064	19,190	5,979		
Innodisk Corporation	Sysinno Technology Inc.	Taiwan	Electronics Components Manufacturing	20,400	20,400	945,000	42.95	8,889	(2,055)	(883)		
Innodisk Europe B.V.	Innodisk France SAS	France	After-sales services and support of industrial embedded storage devices	175	175	5,000	100.00	8,406	811	811		
Innodisk Europe B.V.	Innodisk Germany GmbH	Germany	After-sales services and support of industrial embedded storage devices	868	868	250	100.00	2,758	470	470		
Aetina Corporation	Aetina USA Corporation	United States	After-sales service and support for industrial graphics cards	6,098	6,098	200,000	100.00	7,701	397	397		
Aetina Corporation	Aetina Europe B.V.	Netherlands	After-sales service and support for industrial graphics cards	-	-	100	100.00	3,836	317	317		
Aetina Corporation	Aetina Japan Corporation	Japan	After-sales service and support for industrial graphics cards	1,087	1,087	500	100.00	1,582	56	56		

Note 1: Disclosed at the historical exchange rate

Innodisk Corporation and Subsidiaries
Information on investments in China - Basic data
January 1 to March 31, 2026

Schedule 7 Unit: Thousand NTD

(Unless otherwise specified)

Investee in China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China as of the beginning of current period	Amount remitted from Taiwan to China/ Amount remitted back to Taiwan for the year		Accumulated amount of remittance from Taiwan to China as of the end of current period	Net profit (loss) of the investee for the current period	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized in the current period (Note 2)	Net profit (loss) of the investee for the year	Accumulated amount of investment income remitted back to Taiwan	Remarks
					Remitted to	Remitted back							
Innodisk Shenzhen Corporation	Sales of Industrial embedded storage devices	\$18,168 (USD 600 thousand) (note 3)	2. Innodisk Global-M Corporation	\$18,168 (USD 600 thousand) (Note 3)	\$ -	\$ -	\$18,168 (USD 600 thousand) (Note 3)	\$ 59,118	100	\$ 59,118	\$ 24,390	\$ -	
Aetina (Shenzhen) Artificial Intelligence Co., Ltd.	After-sales service and support for industrial graphics cards	\$1,360 (USD 42 thousand) (Note 5)	1. Aetina Corporation	\$1,360 (USD 42 thousand) (Note 5)	-	-	\$1,360 (USD 42 thousand) (Note 5)	66	100	66	1,542	-	

Note 1: Investment methods are divided into the following three types; simply indicate the type:

- (1) Direct investment in Mainland China
- (2) Reinvestment in Mainland China through a company in a third region (please specify the investment company in the third region)
- (3) Other methods

Note 2: The investment income (loss) recognized in the current period is based on the company's financial statements for the same period audited by the Taiwan parent company's independent accountants.

Note 3: Disclosed at the historical exchange rate

Company name	Accumulated amount of investment remitted from Taiwan to China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in China imposed by the Investment Commission, MOEA (Note 4)
Innodisk Corporation	\$18,168 (USD 600 thousand) (Note 3)	\$18,168 (USD 600 thousand) (Note 3)	\$ 8,811,919
Aetina Corporation	\$1,360 (USD 42 thousand) (Note 5)	\$1,360 (USD 42 thousand) (Note 5)	\$ 325,284

Note 4: According to the upper limit of 60% of the net value according to the letter of the Securities and Futures Commission, Ministry of Finance referenced (90) Tai-Cai-Zheng (I) No. 006130 dated November 16, 2001.

Note 5: The investment amount approved by the Investment Commission, Ministry of Economic Affairs for Aetina Corporation is USD42 thousand.

Innodisk Corporation and Subsidiaries

Information on investment in China - Significant transactions, either directly or indirectly through a third area, with investee companies in China

January 1 to March 31, 2026

Schedule 8 Unit: Thousand NTD

(Unless otherwise specified)

Investee in China	Sales (purchase)		Property transactions		Accounts receivable/payable		Notes endorsement and guarantee or provision of collateral		Financial intermediation				Others
	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Highest balance	Ending balance	Range of interest rate	Current interest rate	
Innodisk Shenzhen Corporation	\$ 442,014	4%	\$ -	-	\$ 505,965	6%	\$ -	-	\$ -	\$ -	-	\$ -	-