Hiwin Mikrosystem Corporation and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors’ Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Hiwin Mikrosystem Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Hiwin Mikrosystem Corporation (the "Corporation") and its subsidiaries (collectively, the "Group") as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months ended March 31, 2026 and 2025, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting". endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 12 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2026 and 2025, the combined total assets of these non-significant subsidiaries were NT$1,259,834 thousand and NT$1,033,121 thousand, representing 18% and 16%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$362,128 thousand and NT$298,784 thousand, representing 14% and 13%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amounts of combined comprehensive income of these subsidiaries were NT$32,373 thousand and NT$25,763 thousand, representing 21% and 55%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly in all material respects, the consolidated financial position of the Group as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim

Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the audits resulting in this independent auditors' report are Ting-Chien Su and Hsiao-Fang Yen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 2026

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 739,838	10	$ 805,629	11	$ 605,796	9
Financial assets at fair value through profit or loss - current (Note 7)	188	-	-	-	-	-
Financial assets at amortized cost - current (Notes 9 and 28)	364,721	5	322,515	5	285,131	4
Notes receivable, net (Notes 10 and 20)	55	-	1,005	-	2,394	-
Trade receivables from unrelated parties, net (Notes 10 and 20)	471,213	7	414,228	6	301,807	5
Trade receivables from related parties, net (Notes 10, 20 and 27)	168,074	3	152,438	2	104,758	2
Other receivables (Note 27)	14,831	-	21,792	-	5,270	-
Inventories (Note 11)	1,154,057	16	1,030,611	15	906,552	14
Other current assets	80,896	1	70,375	1	73,339	1
Total current assets	2,993,873	42	2,818,593	40	2,285,047	35
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Note 8)	33,402	1	28,359	-	35,229	1
Financial assets at amortized cost - non-current (Note 9)	247,142	3	240,480	4	183,445	3
Property, plant and equipment (Notes 13, 27 and 28)	3,695,420	52	3,704,947	53	3,792,833	58
Right-of-use assets (Note 14)	33,203	-	34,619	1	37,520	1
Intangible assets (Note 15)	19,046	-	20,273	-	20,003	-
Goodwill	49,218	1	49,218	1	49,218	1
Deferred tax assets (Note 4)	95,746	1	93,609	1	88,453	1
Prepayments for machinery and equipment	5,552	-	19,218	-	22,661	-
Refundable deposits (Note 27)	38	-	41	-	3,681	-
Total non-current assets	4,178,767	58	4,190,764	60	4,233,043	65
TOTAL	$ 7,172,640	100	$ 7,009,357	100	$ 6,518,090	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 16)	$ 80,000	1	$ 60,000	1	$ 40,000	1
Financial liabilities at fair value through profit or loss - current (Note 7)	417	-	159	-	193	-
Contract liabilities (Notes 20 and 27)	37,008	-	30,240	-	43,106	1
Notes payable	1,751	-	2,934	-	1,622	-
Trade payables (Note 27)	551,121	8	508,856	7	314,727	5
Other payables (Notes 17 and 27)	609,175	8	569,850	8	491,011	8
Current tax liabilities (Note 4)	51,807	1	35,041	1	10,220	-
Current portion of long-term loans (Notes 16 and 28)	115,468	2	116,468	2	121,658	2
Other current liabilities	20,457	-	19,313	-	18,436	-
Total current liabilities	1,467,204	20	1,342,861	19	1,040,973	17
NON-CURRENT LIABILITIES						
Long-term loans (Notes 16 and 28)	1,087,969	15	1,115,504	16	1,197,998	18
Deferred tax liabilities (Note 4)	107,197	2	99,821	2	86,327	1
Lease liabilities - non-current (Note 14)	6,940	-	6,697	-	5,892	-
Net defined benefit liabilities - non-current (Note 4)	5,129	-	5,362	-	7,757	-
Other non-current liabilities (Note 27)	3,134	-	3,257	-	2,721	-
Total non-current liabilities	1,210,369	17	1,230,641	18	1,300,695	19
Total liabilities	2,677,573	37	2,573,502	37	2,341,668	36
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION						
Ordinary shares	1,198,018	17	1,198,018	17	1,198,018	19
Capital surplus	1,578,181	22	1,578,181	22	1,578,181	24
Retained earnings						
Legal capital reserve	163,536	2	163,536	2	157,359	2
Special capital reserve	-	-	-	-	3,834	-
Unappropriated earnings	1,138,118	16	1,118,450	16	931,050	14
Other equity	59,959	1	44,486	1	13,719	-
Total equity attributable to owners of the Corporation	4,137,812	58	4,102,671	58	3,882,161	59
NON-CONTROLLING INTERESTS	357,255	5	333,184	5	294,261	5
Total equity	4,495,067	63	4,435,855	63	4,176,422	64
TOTAL	$ 7,172,640	100	$ 7,009,357	100	$ 6,518,090	100

The accompanying notes are an integral part of the consolidated financial statements.

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
SALES (Notes 20 and 27)	$ 855,045	100	$ 587,785	100
COST OF GOODS SOLD (Notes 11, 21 and 27)	521,466	61	377,228	64
GROSS PROFIT	333,579	39	210,557	36
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	34,151	4	34,853	6
General and administrative expenses	79,235	9	58,766	10
Research and development expenses	77,808	9	69,713	12
Total operating expenses	191,194	22	163,332	28
PROFIT FROM OPERATIONS	142,385	17	47,225	8
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 21)	(6,540)	(1)	(3,297)	-
Interest income	7,940	1	7,669	1
Other income (Notes 21 and 27)	7,617	1	8,205	1
Other gains and losses (Note 21)	(4,740)	(1)	(4,209)	-
Net foreign exchange gain (Note 30)	9,674	1	20,409	3
Total non-operating income and expenses	13,951	1	28,777	5
PROFIT BEFORE INCOME TAX	156,336	18	76,002	13
INCOME TAX EXPENSE (Notes 4 and 22)	25,448	3	11,860	2
NET PROFIT FOR THE PERIOD	130,888	15	64,142	11
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (loss)	5,043	1	(12,864)	(2)

(Continued)

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of income tax	$ 19,122	2	$ (4,581)	(1)
Other comprehensive income for the period, net of income tax	24,165	3	(17,445)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 155,053	18	$ 46,697	8
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 155,509	13	$ 53,105	9
Non-controlling interests	15,379	2	11,037	2
	$ 130,888	15	$ 64,142	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 130,982	15	$ 37,742	6
Non-controlling interests	24,071	3	8,955	2
	$ 155,053	18	$ 46,697	8
EARNINGS PER SHARE (Note 23)				
Basic	$ 0.96		$ 0.44	
Diluted	$ 0.96		$ 0.44	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Corporation (Note 19)									
			Retained Earnings			Other Equity				
	Ordinary Shares	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Loss)	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2025	$ 1,198,018	$ 1,578,181	$ 157,359	$ 3,834	$ 901,905	$ 14,964	$ 14,118	$ 3,868,379	$ 285,306	$ 4,153,685
Appropriation of 2024 earnings										
Cash dividends	-	-	-	-	(23,960)	-	-	(23,960)	-	(23,960)
Net profit for the three months ended March 31, 2025	-	-	-	-	53,105	-	-	53,105	11,037	64,142
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	(2,499)	(12,864)	(15,363)	(2,082)	(17,445)
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	53,105	(2,499)	(12,864)	37,742	8,955	46,697
BALANCE AT MARCH 31, 2025	$ 1,198,018	$ 1,578,181	$ 157,359	$ 3,834	$ 931,050	$ 12,465	$ 1,254	$ 3,882,161	$ 294,261	$ 4,176,422
BALANCE AT JANUARY 1, 2026	$ 1,198,018	$ 1,578,181	$ 163,536	$ -	$ 1,118,450	$ 50,102	$ (5,616)	$ 4,102,671	$ 333,184	$ 4,435,855
Appropriation of 2025 earnings										
Cash dividends	-	-	-	-	(98,841)	-	-	(98,841)	-	(98,841)
Net profit for the three months ended March 31, 2026	-	-	-	-	115,509	-	-	115,509	15,379	130,888
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	10,430	5,043	15,473	8,692	24,165
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	115,509	10,430	5,043	130,982	24,071	155,053
BALANCE AT MARCH 31, 2026	$ 1,198,018	$ 1,578,181	$ 163,536	$ -	$ 1,138,118	$ 60,532	$ (573)	$ 4,137,812	$ 357,255	$ 4,495,067

The accompanying notes are an integral part of the consolidated financial statements.

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 156,336	$ 76,002
Adjustments for:		
Depreciation expenses	46,066	38,805
Amortization expenses	1,487	1,756
Net loss on fair value changes of financial assets and liabilities at fair value through profit or loss	229	193
Finance costs	6,540	3,297
Interest income	(7,940)	(7,669)
Gain on disposal of property, plant and equipment	(13)	(14)
Write-down of inventories	5,624	5,197
Unrealized foreign currency exchange gain, net	(3,051)	(11,832)
Others	1,226	(198)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(159)	-
Notes receivable	950	1,310
Trade receivables	(65,564)	49,083
Other receivables	3,917	6,002
Inventories	(125,340)	(36,059)
Other current assets	(10,353)	(10,596)
Contract liabilities	6,768	7,606
Notes payable	(1,225)	129
Trade payables	39,700	(31,806)
Other payables	(28,876)	(28,734)
Other current liabilities	1,144	19
Net defined benefit liabilities	(233)	(152)
Cash generated from operations	27,233	62,339
Interest received	8,139	7,680
Interest paid	(6,329)	(3,166)
Income tax paid	(2,678)	(2,307)
Net cash generated from operating activities	26,365	64,546
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(69,776)	(7,589)
Proceeds from sale of financial assets at amortized cost	31,430	-
Payments for property, plant and equipment	(52,558)	(48,159)
Proceeds from disposal of property, plant and equipment	13	14
Decrease in refundable deposits	3	-
Payments for intangible assets	(260)	(2,501)
Increase in prepayments for machinery and equipment	(3,074)	(5,782)
Net cash used in investing activities	(94,222)	(64,017)

(Continued)

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025**
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase in short-term loans	$ 20,000	$ (40,000)
Repayments of long-term loans	(28,617)	(34,878)
Net cash used in financing activities	(8,617)	(74,878)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	10,683	(1,869)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(65,791)	(76,218)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	805,629	682,014
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 739,838	$ 605,796

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Hiwin Mikrosystem Corporation (the "Corporation") was incorporated on April 1, 1997. It manufactures, repairs and sells a variety of motors, drives and automation systems.

The Corporation's shares have been listed on the Taiwan Stock Exchange (TWSE) since September 4, 2019.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on May 8, 2026.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the FSC

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies:

<u>Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"</u>

a) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

ii. To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

b) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;

- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Group has elected not to restate prior reporting periods for the initial application of the above amendments. On January 1, 2026, there is no material adjustments and effect items.

b. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared 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 FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Corporation and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

See Note 12 and Table 2 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

1) Derecognition of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the liability is extinguished because the Group's obligations are discharged, cancelled or have expired, or the liability is substantially modified or exchanged for a debt instrument with substantially different terms. However, when an electronic payment system is used to settle a financial liability with cash, the financial liability is derecognized when the payment instructions are initiated, provided that once the Group has initiated a payment instruction, it has no practical ability to withdraw, stop or cancel the payment , has no practical ability to access the cash that will be used for settlement, and the settlement risk associated with the electronic payment system is insignificant. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When the Group develops material accounting estimates, the estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 1,523	$ 1,443	$ 1,719
Checking accounts and demand deposits	614,556	654,633	604,077
Cash equivalents			
Time deposits with original maturities of 3 months or less	123,759	149,553	-
	$ 739,838	$ 805,629	$ 605,796
Rate of interest per annum (%)			
Cash in bank	0.03-0.71	0.03-0.60	0.001-0.80
Time deposits with original maturities of 3 months or less	1.00-4.03	1.00-4.03	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
March 31, 2026			
Sell	USD/NTD	2026.03.03-2026.06.25	USD2,000/NTD63,414
Sell	EUR/NTD	2026.03.30-2026.05.04	EUR150/NTD5,613
December 31, 2025			
Sell	USD/NTD	2025.12.16-2026.02.26	USD400/NTD12,446
Sell	EUR/NTD	2025.12.22-2026.02.02	EUR100/NTD3,609
March 31, 2025			
Sell	EUR/NTD	2025.03.24-2025.04.24	EUR100/NTD3,383

The Corporation entered into foreign exchange forward contracts to manage exposure to exchange rate fluctuations of foreign currency-denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	March 31, 2026	December 31, 2025	March 31, 2025
Name of Investee Company			
Domestic listed ordinary shares			
Hiwin Technologies Corporation (Hiwin Technologies)	$ 33,402	$ 28,359	$ 35,229

The investment in equity instrument is held for medium to long-term strategic purposes. Accordingly, the management elected to designate the investment in equity instrument as at FVTOCI as they believe that recognizing short-term fluctuations in the investment's fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Current			
Time deposits with original maturities of 3 months or less (a)	$ 63,990	$ 31,430	$ -
Time deposits with original maturities of more than 3 months (b)	300,731	291,085	285,131
	$ 364,721	$ 322,515	$ 285,131
Non-current			
Time deposits with original maturities of more than 3 months (b)	$ 185,208	$ 179,652	$ 182,504
Corporate bonds (c)			
Government bonds (d)	60,999	59,892	-
	935	936	941
	$ 247,142	$ 240,480	$ 183,445

a. The interest rate for time deposits with original maturities of 3 months or less were 3.80% and 4.40% per annum as of March 31, 2026 and December 31, 2025, respectively. Information relating to assets pledged as security, please refer to Note 28.

b. The interest rates for time deposits with original maturities of more than 3 months were 4.80%-5.32%, 4.80%-5.32% and 4.60%-5.84% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

c. In 2025, the Corporation bought corporate bonds with a total face value of US$1,900 thousand with coupon rates of 4.812%-7.018%, effective interest rates of 4.677%-6.176% and maturity in February 2030 to February 2045.

d. On March 13, 2019, the Corporation bought government bonds at face value of $900 thousand with a coupon rate of 1.625%, an effective interest rate of 0.95% and maturity in March 2032.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
At amortized cost			
Gross carrying amount	$ 55	$ 1,005	$ 2,394
Less: Allowance for impairment loss	-	-	-
	$ 55	$ 1,005	$ 2,394
Trade receivables			
At amortized cost			
Gross carrying amount	$ 639,287	$ 566,666	$ 406,565
Less: Allowance for impairment loss	-	-	-
	$ 639,287	$ 566,666	$ 406,565

a. Notes receivable

The Group's aging of notes receivable is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Not past due	$ 55	$ 1,005	$ 2,394
Past due	-	-	-
	$ 55	$ 1,005	$ 2,394

The above aging schedule was based on the past due days.

b. Trade receivables

The Group determines the credit terms of sales based on the counterparty’s credit rating, region and transaction terms.

In order to minimize credit risk, the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated by reference to the past default records of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as industry outlooks. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. The recoveries made are recognized in profit or loss.

The following table details the loss allowance of trade receivables:

	Not Past Due	1 to 120 Days	121 to 360 Days	Over 360 Days	Total
March 31, 2026					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	$ 639,287	$ -	$ -	$ -	$ 639,287
Loss allowance (Lifetime ECLs)	-	-	-	-	-
Amortized cost	$ 639,287	$ -	$ -	$ -	$ 639,287
December 31, 2025					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	$ 566,666	$ -	$ -	$ -	$ 566,666
Loss allowance (Lifetime ECLs)	-	-	-	-	-
Amortized cost	$ 566,666	$ -	$ -	$ -	$ 566,666
March 31, 2025					
Expected credit loss rate	0%	0%	0%	100%	
Gross carrying amount	$ 403,843	$ 2,722	$ -	$ -	$ 406,565
Loss allowance (Lifetime ECLs)	-	-	-	-	-
Amortized cost	$ 403,843	$ 2,722	$ -	$ -	$ 406,565

11. INVENTORIES

	March 31, 2026	December 31, 2025	March 31, 2025
Merchandise	$ 169	$ 198	$ 383
Finished goods	122,807	109,964	131,959
Work in progress	300,071	279,934	237,694
Raw materials and supplies	731,010	640,515	536,516
	$ 1,154,057	$ 1,030,611	$ 906,552

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2026 and 2025 was $521,466 thousand and $377,228 thousand, respectively.

The cost of inventories recognized as cost of goods sold included inventory write-downs of $5,624 thousand and $5,197 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

		% of Ownership		
Investee	Main Business	March 31, 2026	December 31, 2025	March 31, 2025
Mega-Fabs Motion Systems Ltd. ("Mega-Fabs")	Research, development, manufacture and sale of drives and controllers	60	60	60

Mega-Fabs is not a major subsidiary; its financial statements for the three months ended March 31, 2026 and 2025 have not been reviewed.

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2026	December 31, 2025	March 31, 2025
Assets used by the Group	$ 3,290,277	$ 3,295,544	$ 3,435,600
Assets leased under operating leases	405,143	409,403	357,233
	$ 3,695,420	$ 3,704,947	$ 3,792,833

a. Assets used by the Group

	For the Three Months Ended March 31, 2026					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Land	$ 1,598,673	$ -	$ -	$ -	$ -	$ 1,598,673
Buildings and improvements	2,300,925	1,339	-	-	-	2,302,264
Machinery and equipment	670,944	2,679	(2,862)	16,395	-	687,156
Transportation equipment	31,564	86	(985)	(100)	-	30,565
Molding equipment	106,707	160	(1,600)	-	-	105,267
Leasehold improvements	40,975	-	-	-	1,066	42,041
Miscellaneous equipment	190,820	2,092	(216)	894	508	194,098
Construction in progress	-	10,200	-	-	-	10,200
	4,940,608	$ 16,556	$ (5,663)	$ 17,189	$ 1,574	4,970,264
Accumulated depreciation						
Buildings and improvements	766,310	$ 20,750	$ -	$ -	$ -	787,060
Machinery and equipment	572,702	12,095	(2,862)	-	-	581,935
Transportation equipment	27,021	440	(985)	-	-	26,476
Molding equipment	99,396	1,331	(1,600)	-	-	99,127
Leasehold improvements	29,070	1,050	-	-	755	30,875
Miscellaneous equipment	150,565	3,387	(216)	-	378	154,514
	1,645,064	$ 39,453	$ (5,663)	$ -	$ 1,133	1,679,987
	$ 3,295,544					$ 3,290,277

	For the Three Months Ended March 31, 2025					
	Beginning Balance	Additions	Disposals	Reclassified Amount	Translation Adjustments	Ending Balance
Cost						
Land	$ 1,598,673	$ -	$ -	$ -	$ -	$ 1,598,673
Buildings and improvements	1,477,450	372	-	(100)	-	1,477,722
Machinery and equipment	663,323	160	(399)	2,590	-	665,674
Transportation equipment	29,624	300	-	-	-	29,924
Molding equipment	102,914	1,930	(98)	-	-	104,746
Leasehold improvements	37,292	55	-	-	(245)	37,102
Miscellaneous equipment	179,416	1,472	(978)	1,219	(109)	181,020
Construction in progress	859,896	9,114	-	-	-	869,010
	4,948,588	$ 13,403	$ (1,475)	$ 3,709	$ (354)	4,963,871
Accumulated depreciation						
Buildings and improvements	695,836	$ 13,320	$ -	$ -	$ -	709,156
Machinery and equipment	522,901	13,020	(399)	-	-	535,522
Transportation equipment	25,612	386	-	-	-	25,998
Molding equipment	93,078	1,652	(98	-	-	94,632
Leasehold improvements	22,789	946	-	-	(167)	23,568
Miscellaneous equipment	136,867	3,591	(978)	-	(85)	139,395
	1,497,083	$ 32,915	$ (1,475)	$ -	$ (252)	1,528,271
	$ 3,451,505					$ 3,435,600

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	50 years
Electrical power equipment	10-20 years
Other	7-20 years
Machinery and equipment	3-11 years
Transportation equipment	6 years
Molding equipment	3-10 years
Leasehold improvements	7-14 years
Miscellaneous equipment	3-17 years

Property, plant and equipment pledged as collateral for bank loans are set out in Note 28.

b. Assets subject to operating leases

	For the Three Months Ended March 31, 2026			
	Beginning Balance	Additions	Reclassified Amount	Ending Balance
Cost				
Buildings and improvements	$ 470,427	$ 31	$ -	$ 470,458
Accumulated depreciation				
Buildings and improvements	61,024	$ 4,291	$ -	65,315
	$ 409,403			$ 405,143

	For the Three Months Ended March 31, 2025			
	Beginning Balance	Additions	Reclassified Amount	Ending Balance
Cost				
Buildings and improvements	$ 422,204	$ 10	$ 100	$ 422,314
Accumulated depreciation				
Buildings and improvements	61,278	$ 3,803	$ -	65,081
	$ 360,926			$ 357,233

Operating leases relate to leases of buildings with lease terms ranging from 2 to 3 years. The lessees do not have purchase options to acquire the assets at the expiration of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 18,827	$ 19,599	$ 13,484
Year 2	8,013	6,052	8,677
Year 3	3,531	5,044	-
	$ 30,371	$ 30,695	$ 22,161

Property, plant and equipment leased under operating leases are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings	50 years
Electrical power equipment	10-20 years
Other	10-20 years

Lease commitments with lease terms commencing after the balance sheet date are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Lease commitments of property, plant and equipment	$ -	$ 5,229	$ 8,104

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount			
Buildings	$ 33,203	$ 34,619	$ 37,520

	For the Three Months Ended March 31 2026	2025
Depreciation charge for right-of-use assets		
Buildings	$ 2,322	$ 2,087

Except for the aforementioned recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Non-current	$ 6,940	$ 6,697	$ 5,892

Range of discount rate for lease liabilities (%) was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	4.00	4.00	4.00

c. Material lease-in activities and terms

The Group leases an office space for office and warehouse with lease term of 5 years. The Group has priority right to renew the lease for 6 years but does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

15. INTANGIBLE ASSETS

	For the Three Months Ended March 31, 2026			
	Beginning Balance	Additions	Disposals	Ending Balance
Cost				
Trademarks	$ 31,311	$ -	$ -	$ 31,311
Patents	34,095	117	-	34,212
Computer Software	88,023	143	(8,188)	79,978
	153,429	$ 260	$ (8,188)	145,501
Accumulated amortization				
Trademarks	30,106	$ 83	$ -	30,189
Patents	21,413	436	-	21,849
Computer Software	81,637	968	(8,188)	74,417
	133,156	$ 1,487	$ (8,188)	126,455
	$ 20,273			$ 19,046

	For the Three Months Ended March 31, 2025			
	Beginning Balance	Additions	Disposals	Ending Balance
Cost				
Trademarks	$ 31,035	$ -	$ -	$ 31,035
Patents	31,962	1,198	-	33,160
Computer Software	83,061	1,303	(6)	84,358
	146,058	$ 2,501	$ (6)	148,553
Accumulated amortization				
Trademarks	29,732	$ 92	$ -	29,824
Patents	19,715	410	-	20,125
Computer Software	77,353	1,254	(6)	78,601
	126,800	$ 1,756	$ (6)	128,550
	$ 19,258			$ 20,003

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Trademarks	3-29 years
Patents	8-26 years
Computer Software	1-8 years

16. BANK LOANS

a. Short-term bank loans

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans			
Credit bank loans	$ 80,000	$ 60,000	$ 40,000
Rate of interest per annum (%)			
Credit bank loans	1.78-1.80	1.80	1.91-1.96

b. Long-term bank loans

	March 31, 2026	December 31, 2025	March 31, 2025
Secured bank loans (Note 28)			
Secured loans - maturity dates range from December, 2027 to December, 2042	$ 1,126,041	$ 1,143,000	$ 1,193,875

	March 31, 2026	December 31, 2025	March 31, 2025
Unsecured bank loans			
Credit bank loans - maturity dates range from August, 2027 to February, 2028	$ 77,396	$ 88,972	$ 125,781
	1,203,437	1,231,972	1,319,656
Less: Current portion	(115,468)	(116,468)	(121,658)
Long-term bank loans	$ 1,087,969	$ 1,115,504	$ 1,197,998
Rate of interest per annum (%)			
Secured loans	1.88-2.12	1.88-2.12	1.88-2.12
Credit bank loans	1.35-1.88	1.35-1.88	1.28-1.45

In October 2019, the Corporation received the Ministry of Economic Affairs' approval for the qualification of 'Domestic Corporations' in Taiwan, and received subsidy for the processing fees of long-term bank loans drawn down for the purchase of machinery and equipment and for the operating capital. The Corporation recognized a government grant for the difference between the value of the loan obtained at a lower-than-market interest rate and its fair value, which was accounted for as deferred revenue and would be subsequently recognized in profit or loss over the useful life of the related asset.

17. OTHER PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Payables for salaries and bonuses	$ 376,888	$ 415,335	$ 311,428
Others	232,287	154,515	179,583
	$ 609,175	$ 569,850	$ 491,011

18. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2026 and 2025, the pension expenses of defined benefit plans were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2025 and 2024, respectively.

19. EQUITY

a. Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	300,000	300,000	300,000
Shares authorized	$ 3,000,000	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	119,802	119,802	119,802
Shares issued	$ 1,198,018	$ 1,198,018	$ 1,198,018

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Issuance of ordinary shares	$ 1,576,813	$ 1,576,813	$ 1,576,813
Employee share options	1,368	1,368	1,368
	$ 1,578,181	$ 1,578,181	$ 1,578,181

Capital surplus that arises from shares issued in excess of par value may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

Capital surplus that arises from employee share options may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Corporation's Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for offsetting losses of previous years, setting aside as legal capital reserve at 10% of the remaining profit, until the accumulated legal capital reserve equals the Corporation's paid-in capital, then setting aside or reversing a special capital reserve in accordance with the laws and regulations, and then reserves equal or less than 6% of the remaining profit as cash dividend out of the remaining balance. Dividends can be distributed in the form of cash or share dividends, provided that the value of share dividends does not exceed two-thirds of the Corporation's dividends for the year. A distribution plan is proposed by the board of directors and approved by the shareholders in shareholders' meeting. Dividends distributed in whole or in part by cash can be approved by a board meeting that is attended by at least two-thirds of the board and approved by over one-half of the directors present, submitted to the shareholders' meeting. Approval by the shareholders is not necessary.

The legal capital reserve may be used to offset the Corporation's losses. If the Corporation is not operating at a loss and the legal capital reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or be distributed in the form of cash.

The appropriations of earnings for 2025 and 2024 were as follows:

	Appropriation of Earnings For the Year Ended December 31		Dividends Per Share (NT$) For the Year Ended December 31	
	2025	2024	2025	2024
Legal capital reserve	$ 24,285	$ 6,177		
Reversal of special capital reserve	-	(3,834)		
Cash dividends	95,841	23,960	$ 0.8	$ 0.2

The appropriations of cash dividends per share for 2025 and 2024 had been approved by the board of directors on February 26, 2026 and 2025 respectively, the other appropriations of earnings for 2024 had been approved in the shareholders' meeting on May 27, 2025, and the other appropriation of earnings for 2025 is subject to the resolution of the shareholders in their meeting to be held on May 26, 2026.

20. REVENUE

	For the Three Months Ended March 31	
	2026	2025
Revenue from contracts with customers		
Revenue from the sale of goods	$ 855,045	$ 587,785

a. Contract balances

	March 31, 2026	December 31, 2025	March 31, 2025	January 1, 2025
Notes receivable and trade receivables	$ 639,342	$ 567,671	$ 408,959	$ 453,142
Contract liabilities - current				
Sale of goods	$ 37,008	$ 30,240	$ 43,106	$ 35,500

b. Disaggregation of revenue

	For the Three Months Ended March 31	
	2026	2025
Precision motion and control parts	$ 409,349	$ 306,037
Micro and nano-positioning systems	440,051	276,275
Others	5,645	5,473
	$ 855,045	$ 587,785

21. NET PROFIT FROM CONTINUING OPERATIONS

a. Other income

	For the Three Months Ended March 31	
	2026	2025
Rental income	$ 5,879	$ 5,395
Others	1,738	2,810
	$ 7,617	$ 8,205

b. Other gains and losses

	For the Three Months Ended March 31	
	2026	2025
Depreciation of leased assets	$ (4,291)	$ (3,803)
Valuation loss on financial liabilities at fair value through profit or loss	(314)	(359)
Others	(135)	(47)
	$ (4,740)	$ (4,209)

c. Finance costs

	For the Three Months Ended March 31	
	2026	2025
Interest on bank loans	$ 6,471	$ 3,237
Interest on lease liabilities	69	60
	$ 6,540	$ 3,297

Information about capitalized interest is as follows:

	For the Three Months Ended March 31	
	2026	2025
Capitalized interest amount	$ 44	$ 3,751
Capitalization rates (%)	1.91-2.53	1.77-2.64

d. Employee benefits expense, depreciation and amortization

	Operating Costs	Operating Expenses	Other Operating Income and Expenses	Total
For the Three Months Ended March 31, 2026				
Short-term employee benefits	$ 85,915	$ 134,501	$ -	$ 220,416
Post-employment benefits				
Defined contribution plans	3,012	4,870	-	7,882
Defined benefit plans	50	24	-	74
Other employee benefits	2,839	3,658	-	6,497
Depreciation expenses	23,863	17,912	4,291	46,066
Amortization expenses	6	1,481	-	1,487

	Operating Costs	Operating Expenses	Other Operating Income and Expenses	Total
For the Three Months Ended March 31, 2025				
Short-term employee benefits	$ 68,610	$ 105,942	$ -	$ 174,552
Post-employment benefits				
Defined contribution plans	2,813	4,618	-	7,431
Defined benefit plans	94	50	-	144
Other employee benefits	2,697	3,255	-	5,952
Depreciation expenses	24,860	10,142	3,803	38,805
Amortization expenses	6	1,750	-	1,756

e. Compensation of employees and remuneration of directors

According to the Articles of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 4% of net profit before income tax, for compensation of employees, and the remuneration of directors respectively. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Corporation resolved the amendments to the Corporation's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of no less than 1% of net profit before income tax, compensation of employees and remuneration of directors as compensation distributions, of which no less than 0.3% shall be distributed to non-executive employees. For the three months ended March 31, 2026 and 2025, the compensation of employees (including non-executive employees) and the remuneration of directors were as follows:

	For the Three Months Ended March 31			
	2026		2025	
Cash	Accrual rate	Amount	Accrual rate	Amount
Compensation of employees	5.02%	$ 7,431	1.38%	$ 886
Remuneration of directors	2.51%	3,715	0.69%	443

Shall there be any change in the amounts after the annual consolidated financial statements authorized for issue, the differences are to be recorded as an adjustment to the accounting estimate of the next year.

The appropriations of compensation of employees and remuneration of directors for 2025 and 2024 which have been resolved by the board of directors on February 26, 2026 and February 26, 2025, respectively, were as follows:

	For the Year Ended December 31			
	2025		2024	
Cash	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	4.74%	$ 14,000	5.06%	$ 3,833
Remuneration of directors	2.37%	7,000	2.53%	1,917

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2025 and 2024.

Further information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors is available on the Market Observation Post System of the Taiwan Stock Exchange website.

22. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current period	$ 21,124	$ 8,580
Adjustments for prior years	1,165	-
	22,289	8,580
Deferred tax		
In respect of the current period	3,159	3,280
Income tax expense recognized in profit or loss	$ 25,448	$ 11,860

b. Income tax expense recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
In respect of the current period		
Translation of foreign operations	$ (2,608)	$ 625

c. Income tax assessments

The tax returns of the Corporation through 2024 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

	Net Profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Three Months Ended March 31, 2026			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 115,509	119,802	$ 0.96
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	132	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive ordinary shares	$ 115,509	119,934	$ 0.96

	Net Profit Attributable to Owners of the Corporation	Number of Shares (In Thousands)	Earnings Per Share (NT$)
For the Three Months Ended March 31, 2025			
Basic earnings per share			
Profit for the year attributable to owners of the Corporation	$ 53,105	119,802	$ 0.44
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	23	
Diluted earnings per share			
Profit for the year attributable to owners of the Corporation plus effect of potentially dilutive ordinary shares	$ 53,105	119,825	$ 0.44

The Group may settle the compensation of employees in cash or shares, therefore, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CASH FLOW INFORMATION

a. Non-cash transactions

In addition to those disclosed in other notes, the Group entered into the following non-cash investing and financing activities which were not reflected in the consolidated statements of cash flows for the three months ended March 31, 2026 and 2025.

Cash paid for acquisition of property, plant and equipment for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31	
	2026	2025
Increase in property, plant and equipment	$ 16,587	$ 13,413
Net decrease in payables for purchases of building and equipment	35,971	34,746
	$ 52,558	$ 48,159

The cash dividends for the years of 2025 and 2024 resolved by the Corporation's board of directors have not been paid as of March 31, 2026 and 2025, respectively (refer to Note 19).

b. Changes in liabilities arising from financing activities

	Short-term Bank loans	Long-term Bank loans	Lease Liabilities
For the Three Months Ended March 31, 2026			
Balance, January 1, 2026	$ 60,000	$ 1,231,972	$ 6,697
Net financing cash flows	20,000	(28,617)	-
Interest under operating activities	-	-	69
Non-cash changes	-	82	174
Balance, March 31, 2026	$ 80,000	$ 1,203,437	$ 6,940
For the Three Months Ended March 31, 2025			
Balance, January 1, 2025	$ 80,000	$ 1,354,361	$ 5,872
Net financing cash flows	(40,000)	(34,878)	-
Interest under operating activities	-	-	60
Non-cash changes	-	173	(40)
Balance, March 31, 2025	$ 40,000	$ 1,319,656	$ 5,892

25. CAPITAL MANAGEMENT

To support the needs for expansion and upgrade of its plant and equipment, the Group has to maintain an appropriate amount of capital. Therefore, the Group manages its capital to ensure it has the necessary financial resources and operating plan to support the required operating funds, capital expenditures, research and development expenses, debt repayment and dividend payments in the next 12 months to achieve an overall balanced capital structure.

Management of the Group reviews the capital structure of the Group periodically, considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the overall capital structure is balanced by, adjusting the amount of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

1) Short-term financial instruments' estimated fair value is based on the book value on the balance sheet. These financial instruments are very close to the expiration date; therefore, the book value is a reasonable basis for the estimation of fair value. This method is applicable to cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term bank loans, notes payable, trade payables and other payable.

2) Long-term bank loans' estimated fair value is based on the anticipated cash flow discounted at the long-term interest rate that is available to the Group under similar conditions. The Group's long-term bank loans rate is floating and the book value is equal to its fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

The Group's financial assets and financial liabilities at FVTPL are measured at fair value using Level 2 inputs, and the financial assets at FVTOCI are measured at fair value using Level 1 inputs.

2) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign currency forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

c. Categories of financial instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	$ 188	$ -	$ -
Financial assets at amortized cost (1)	2,005,912	1,958,128	1,492,282
Financial assets at FVTOCI			
Equity instruments	33,402	28,359	35,229
Financial liabilities			
Financial liabilities at FVTPL			
Mandatorily classified as at FVTPL	417	159	193
Financial liabilities at amortized cost (2)	2,349,643	2,373,612	2,143,056

1) The balances included cash and cash equivalents, notes receivable, trade receivables (including from related parties), financial assets at amortized cost, other receivables and refundable deposits.

2) The balances included short-term bank loans, notes payable, trade payables, other payables and long-term bank loans (including current portion).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, bank loans and lease liabilities. The Group's corporate treasury function manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Material treasury activities are reviewed by the audit committee and the board of directors in accordance with relevant regulations and internal control policies.

1) Market risk

The financial risks that the Group's operating activities are exposed to are primarily the risks of changes in foreign currency exchange rates and changes in interest rates.

a) Foreign currency risk

The Group conducts foreign currency denominated sales and purchases, which creates exposure to foreign currency risk. Exchange rate risk exposures are managed by utilizing foreign exchange forward contracts, the anticipated cash flow of accounts receivable and trade payables offsets, or adjustment of foreign deposits, within approved policy parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Group was mainly exposed to the USD, EUR, JPY and RMB.

The sensitivity analysis used when reporting foreign currency risk internally to the executives mainly focuses on foreign currency denominated monetary items at the end of the reporting period. When the NTD had appreciated by 1% against the relevant foreign currencies, the post-tax profit for the three months ended March 31, 2026 and 2025 would have decreased by $9,374 thousand and by $6,519 thousand respectively.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrowed funds with interests at both fixed and floating rates. The Group partially offsets the risk by keeping cash and cash equivalents at floating rate and partially by comparing interest rates from different financial institutions and selecting the best one to manage the interest rate risk.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Fair value interest rate risk			
Deposits in bank	$ 187,749	$ 180,983	$ -
Lease liabilities	6,940	6,697	5,892
Long-term bank loans	77,396	88,972	125,781
Cash flow interest rate risk			
Deposits in bank	1,090,280	1,115,259	1,048,601
Short-term bank loans	80,000	60,000	40,000
Long-term bank loans	1,126,041	1,143,000	1,193,875

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year remained outstanding. A 1% increase or decrease is used when reporting interest rate risk internally to the executives and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher with all other variables held constant, the Group's post-tax profit for the three months ended March 31, 2026 and 2025 would have decreased by $232 thousand and $371 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations, resulting in a financial loss to the Group. As of the end of the reporting period, the counterparties of the Group are all creditworthy, no significant credit risk is expected.

The counterparties of the Group's trade receivables cover a large number of customers across diverse industries and hence the credit risk is not as highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a sufficient level of cash and cash equivalents adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank loans and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group' available unutilized bank loan facilities were $2,053,990 thousand, $2,092,860 thousand and $2,356,410 thousand, respectively.

The following table details the Group's remaining contractual obligations for its financial liabilities with agreed repayment periods. The tables below had been drawn up based on the undiscounted contractual maturities of the financial liabilities.

	Less Than 1 Year	**1-5 Years**	**More Than 5 Years**
March 31, 2026			
Non-derivative financial liabilities			
Non-interest bearing	$ 716,753	$ -	$ -
Lease liabilities	-	7,863	-
Fixed interest rate liabilities	47,635	29,761	-
Floating interest rate liabilities	147,833	440,854	617,354
	$ 912,221	$ 478,478	$ 617,354
December 31, 2025			
Non-derivative financial liabilities			
Non-interest bearing	$ 609,581	$ -	$ -
Lease liabilities	-	7,663	-
Fixed interest rate liabilities	48,635	40,337	-
Floating interest rate liabilities	127,833	443,917	631,250
	$ 786,049	$ 491,917	$ 631,250

	Less Than 1 Year	1-5 Years	More Than 5 Years
March 31, 2025			
Non-derivative financial liabilities			
Non-interest bearing	$ 456,727	$ -	$ -
Lease liabilities	-	6,946	-
Fixed interest rate liabilities	53,825	71,956	-
Floating interest rate liabilities	107,833	334,550	791,492
	$ 618,385	$ 413,452	$ 791,492

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
March 31, 2026					
Lease liabilities	$ -	$ 7,863	$ -	$ -	$ -
Fixed interest rate liabilities	47,635	29,761	-	-	-
Floating interest rate liabilities	147,833	440,854	303,354	261,667	52,333
	$ 195,468	$ 478,478	$ 303,354	$ 261,667	$ 52,333
December 31, 2025					
Lease liabilities	$ -	$ 7,663	$ -	$ -	$ -
Fixed interest rate liabilities	48,635	40,337	-	-	-
Floating interest rate liabilities	127,833	443,917	317,250	261,667	52,333
	$ 176,468	$ 491,917	$ 317,250	$ 261,667	$ 52,333
March 31, 2025					
Lease liabilities	$ -	$ 6,946	$ -	$ -	$ -
Fixed interest rate liabilities	53,825	71,956	-	-	-
Floating interest rate liabilities	107,833	334,550	341,847	272,008	177,637
	$ 161,658	$ 413,452	$ 341,847	$ 272,008	$ 177,637

27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of significant transactions between the Group and other related parties are disclosed as below.

a. Related party name and category

Related Party	Relationship with the Group
Hiwin Technologies Corporation (Hiwin Technologies)	Other related party
Hiwin Corporation, U.S.A. (Hiwin USA)	Other related party
Hiwin Corporation, Japan (Hiwin Japan)	Other related party
Hiwin GmbH (Hiwin Germany)	Other related party
Hiwin Singapore Pte. Ltd. (Hiwin Singapore)	Other related party
Hiwin Technologies (China) Corporation (Hiwin China)	Other related party
Matrix Precision Co., Ltd. (Matrix Precision)	Other related party
Hiwin S.R.L. (Hiwin Italy)	Other related party
Hiwin Corporation (Hiwin Korea)	Other related party
Hiwin (Schweiz) GmbH (Hiwin Schweiz)	Other related party
Suzhou Matrix Precision Machinery Co., Ltd. (Suzhou Matrix)	Other related party
Hiwin S.R.O. (Hiwin Czech)	Other related party

b. Operating transactions

	For the Three Months Ended March 31	
	2026	**2025**
1) Sales of goods		
Other related parties	$ 186,209	$ 120,291

Due to the differences in product specifications, the selling prices of goods sold to related parties and those sold to third parties are not comparable, price and terms were determined in accordance with mutual agreements. The selling price is quoted at cost plus a reasonable margin based on the market and competitor pricing. Credit terms of the related parties are O/A 90 to 150 days and 90 days after the end of the month.

	For the Three Months Ended March 31	
	2026	**2025**
2) Purchases of goods		
Other related parties	$ 29,037	$ 33,942

The products purchased from related parties and those from third parties are not the same; therefore, their prices are not comparable. Payment terms are O/A 90 to 120 days and 60 to 150 days after the end of the month.

3) Other operating transactions

	For the Three Months Ended March 31	
	2026	**2025**
Manufacturing and operating expenses		
Other related parties	$ 935	$ 542

	For the Three Months Ended March 31	
	2026	2025
Non-operating income - rental income (classified as other income)		
Other related parties		
Hiwin Technologies	$ 4,040	$ 5,062
Matrix Precision	1,513	-
	$ 5,553	$ 5,062

Rental income represented the lease rates of the Group's factory in accordance with the lease agreements and were based on rents of similar factories in the vicinity. The rents were paid monthly.

	For the Three Months Ended March 31	
	2026	2025
Non-operating income - other income (classified as other income)		
Hiwin Technologies	$ 1,188	$ 2,547

	March 31, 2026	December 31, 2025	March 31, 2025
4) Trade receivables			
Other related parties			
Hiwin USA	$ 61,511	$ 35,899	$ 1,968
Hiwin Germany	30,318	25,785	40,222
Hiwin Japan	17,983	23,556	17,377
Hiwin Schweiz	14,691	14,616	16,490
Hiwin Italy	6,900	19,173	10,528
Others	36,671	33,409	18,173
	$ 168,074	$ 152,438	$ 104,758
5) Other receivables			
Other related parties	$ 1,538	$ 1,638	$ 40
6) Refundable deposits			
Matrix Precision	$ 37	$ 37	$ -
7) Contract liabilities			
Other related parties	$ 71	$ -	$ -
8) Trade payables			
Other related parties	$ -	$ 7	$ 115

	March 31, 2026	December 31, 2025	March 31, 2025
9) Other payables			
Other related parties	$ -	$ 77	$ -
10) Guarantee deposits received (classified as other non-current liabilities)			
Other related parties			
Hiwin Technologies	$ 1,616	$ 1,616	$ 1,616
Matrix Precision	1,009	1,009	-
	$ 2,625	$ 2,625	$ 1,616

c. Acquisition of property, plant and equipment

	Purchase Price For the Three Months Ended March 31	
	2026	2025
Other related parties	$ 168	$ -

d. Remuneration of key management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 15,928	$ 10,095
Post-employment benefits	95	160
	$ 16,023	$ 10,255

The remuneration of directors and key executives was determined in accordance with the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been provided as collateral for bank loans:

	March 31, 2026	December 31, 2025	March 31, 2025
Property, plant and equipment	$ 3,518,988	$ 3,542,655	$ 2,724,425
Pledged deposits (classified as financial assets at amortized cost - current)	63,990	31,430	-
	$ 3,582,978	$ 3,574,085	$ 2,724,425

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of March 31, 2026, December 31, 2025 and March 31, 2025, commitments for acquisition of property, plant and equipment amounted to $54,937 thousand.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	March 31, 2026			December 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
USD	$ 32,130	32.00	$ 1,027,995	$ 31,967	31.43	$ 1,004,734
RMB	29,865	4.63	138,245	36,563	4.50	164,386
EUR	2,753	36.71	101,064	2,087	36.90	77,024
JPY	212,744	0.20	42,655	139,378	0.20	27,987
Financial liabilities						
Monetary items						
USD	1,463	32.00	46,810	523	31.43	16,426
RMB	16,633	4.63	76,996	22,939	4.50	103,135
EUR	110	36.71	4,034	49	36.90	1,811
JPY	51,801	0.20	10,386	153,810	0.20	30,885

	March 31, 2025		
	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 19,890	33.21	$ 660,457
RMB	17,177	4.57	78,550
EUR	2,479	35.97	89,166
JPY	156,810	0.22	34,922
Financial liabilities			
Monetary items			
USD	519	33.21	17,237
RMB	4,719	4.57	21,581
EUR	54	35.97	1,949
JPY	33,408	0.22	7,440

The Group is mainly exposed to the USD, RMB, EUR and JPY. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant (realized and unrealized) foreign exchange gains (losses) are as follows:

	For the Three Months Ended March 31, 2026		For the Three Months Ended March 31, 2025	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain (Loss)	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	$ 14,322	1 (NTD:NTD)	$ 11,714
ILS	10.13 (ILS:NTD)	(4,648)	9.11 (ILS:NTD)	8,695
		$ 9,674		$ 20,409

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (None)

3) Significant marketable securities held (excluding investments in subsidiaries, associates and jointly controlled entities). (Notes 8 and 9)

4) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

6) Other: intercompany relationships and significant intercompany transactions. (Table 1)

7) Information on investees. (Table 2)

b. Information on investments in mainland China. (None)

32. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments are precision motion and control parts, micro and nano-positioning systems and others.

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	For the Three Months Ended March 31			
	Segment Revenue		Segment Profit	
	2026	2025	2026	2025
Precision motion and control parts	$ 409,349	$ 306,037	$ 52,901	$ 19,019
Micro and nano-positioning systems	440,051	276,275	88,177	27,523
Others	5,645	5,473	1,307	683
Total from continuing operations	$ 855,045	$ 587,785	142,385	47,225
Finance costs			(6,540)	(3,297)
Interest income			7,940	7,669

	For the Three Months Ended March 31			
	Segment Revenue		Segment Profit	
	2026	2025	2026	2025
Other income			$ 7,617	$ 8,205
Other gains and losses			(4,740)	(4,209)
Net foreign exchange gain			9,674	20,409
Profit before income tax			$ 156,336	$ 76,002

Segment revenue reported above represents revenue generated from sales made to external customers.

Segment profit represented the profit before tax earned by each segment without finance costs, interest income, other income, other gains and losses, net foreign exchange gain and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Account	Amount (Note 2)	Payment Terms	% to Total Sales or Assets
0	The Corporation	Mega-Fabs	1	Cost of goods sold	$ 6,816	O/A 30 days	1
			1	Trade payables	2,246	O/A 30 days	-

Note 1: Relationship of investee company to counterparty: (1) parent company to subsidiary; (2) subsidiary to parent company; (3) Subsidiary to subsidiary.

Note 2: Significant intercompany accounts and transactions have been eliminated.

HIWIN MIKROSYSTEM CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2026			Net Income of the Investee	Share of Profit	Note
				March 31, 2026	December 31, 2025	Number of Shares	%	Carrying Amount			
The Corporation	Mega-Fabs	Israel	Research, manufacture and sale of drives and controllers	$ 63,650	$ 63,650	360,000	60	$ 585,101	$ 39,610	$ 23,068	Subsidiary

Note: Significant intercompany accounts and transactions have been eliminated.