

**NISHOKU TECHNOLOGY INC.
AND ITS SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS

**With Independent Auditors' Review Report
For The Three Months Ended March 31, 2026 and 2025**

Address: No. 36, Ln. 11, Huacheng Rd., Xinzhuang Dist., New Taipei
City, Taiwan.

Telephone: 886-2-29983578

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

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Independent Auditors' Review Report

To the Board of Directors of Nishoku Technology Inc.:

Introduction

We have reviewed the consolidated financial statements of Nishoku Technology Inc. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025. Management are 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 the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued by the Financial Supervisory Commission of the Republic of China. Our responsibility is to issue a report on these consolidated interim financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with Statement on Auditing Standard 2410, "Engagements to Review Financial Statements". A review consists principally of inquiries of the Group's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

Conclusion

Based on our reviews, 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 Company as of March 31, 2026 and 2025, 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 review resulting in this independent auditor's report are Yung-Hua Huang and An-Chih Cheng.

KPMG

Taipei, Taiwan (Republic of China)

April 30, 2026

Notes to Readers

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

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

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income

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For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>For the three months end March31</u>			
		<u>2026</u>	<u>%</u>	<u>2025</u>	<u>%</u>
4110	Operating revenues (note 6(p))	\$ 1,042,566	101	1,226,729	101
4170	Less: Sales returns and allowances	<u>15,365</u>	<u>1</u>	<u>13,533</u>	<u>1</u>
	Net Operating revenues	1,027,201	100	1,213,196	100
5000	Operating costs (notes 6(d), (f), (g), (k) and 12)	<u>706,332</u>	<u>69</u>	<u>779,868</u>	<u>64</u>
	Gross profit from operations	320,869	31	433,328	36
6000	Operating expenses: (notes 6(c), (f), (g), (k), (n), (q) and 12)				
6100	Selling expenses	16,792	2	18,714	2
6200	Administrative expenses	76,132	7	80,235	7
6300	Research and development expenses	25,689	3	25,695	2
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	<u>581</u>	<u>-</u>	<u>(120)</u>	<u>-</u>
		<u>119,194</u>	<u>12</u>	<u>124,524</u>	<u>11</u>
	Net operating income	201,675	19	308,804	25
	Non-operating income and expenses:				
7010	Other income (note 6(r))	36,473	4	40,507	3
7020	Other gains and losses, net (note 6(s))	15,711	2	12,386	1
7050	Finance costs, net (note 6(j))	<u>(10,278)</u>	<u>(1)</u>	<u>(10,492)</u>	<u>(1)</u>
	Total non-operating income and expenses	41,906	5	42,401	3
7900	Profit before tax	243,581	24	351,205	28
7950	Less: Income tax expenses (note 6(l))	<u>75,662</u>	<u>7</u>	<u>102,735</u>	<u>8</u>
	Profit	167,919	17	248,470	20
8300	Other comprehensive income (loss):				
8360	Item that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations	145,204	14	100,857	8
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(l))	<u>(29,041)</u>	<u>(3)</u>	<u>(20,171)</u>	<u>(2)</u>
8300	Other comprehensive income (after tax)	116,163	11	80,686	6
8500	Total comprehensive income	<u>\$ 284,082</u>	<u>28</u>	<u>329,156</u>	<u>26</u>
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	<u>\$ 167,919</u>	<u>17</u>	<u>248,470</u>	<u>20</u>
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	<u>\$ 284,082</u>	<u>28</u>	<u>329,156</u>	<u>26</u>
9750	Basic earnings per share (NT dollars) (note 6(o))	<u>\$ 2.67</u>		<u>3.95</u>	
9850	Diluted earnings per share (NT dollars) (note 6(o))	<u>\$ 2.66</u>		<u>3.93</u>	

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital		Retained earnings			Total other equity			Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unearned Stock-Based Employee Compensation	attributable to owners of parent	Total equity	
Balance at January 1, 2025	\$ 630,222	940,899	741,898	327,343	2,544,790	(198,317)	(3,168)	4,983,667	4,983,667	
Profit for the period	-	-	-	-	248,470	-	-	248,470	248,470	
Other comprehensive income	-	-	-	-	-	80,686	-	80,686	80,686	
Total comprehensive income	-	-	-	-	248,470	80,686	-	329,156	329,156	
Cash dividends of ordinary share	-	-	-	-	(630,222)	-	-	(630,222)	(630,222)	
Restricted employee stock	-	-	-	-	-	-	(108)	(108)	(108)	
Balance at March 31, 2025	\$ 630,222	940,899	741,898	327,343	2,163,038	(117,631)	(3,276)	4,682,493	4,682,493	
Balance at January 1, 2026	\$ 630,222	940,899	741,898	198,317	2,658,898	(183,077)	(1,018)	4,986,139	4,986,139	
Profit for the period	-	-	-	-	167,919	-	-	167,919	167,919	
Other comprehensive income	-	-	-	-	-	116,163	-	116,163	116,163	
Total comprehensive income	-	-	-	-	167,919	116,163	-	284,082	284,082	
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share		-	-	-	(567,200)	-	-	(567,200)	(567,200)	
Restricted employee stock		-	-	-	-	-	399	399	399	
Balance at March 31, 2026	\$ 630,222	940,899	741,898	198,317	2,259,617	(66,914)	(619)	4,703,420	4,703,420	

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards
NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2026	2025
Cash flows from (used in) operating activities:		
Profit before tax	\$ 243,581	351,205
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation and amortization	60,931	59,920
Impairment gain(reversal of impairment loss) determined in accordance with IFRS 9	581	(120)
Recognition losses on inventory valuation and obsolescence	1,467	5,486
Interest expense	10,278	10,492
Gain on financial assets at fair value through profit or loss	(579)	(2,582)
Interest income	(35,879)	(38,071)
Compensation cost of restricted stock awards for employees	399	(108)
Gain on disposal of property, plant and equipment	(133)	(251)
Other	164	11,691
	<u>37,229</u>	<u>46,385</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	50,011	(63,076)
Inventories	(17,079)	(30,579)
Other current assets and other financial assets	(1,163)	4,427
Total changes in operating assets	<u>31,769</u>	<u>(89,228)</u>
Changes in operating liabilities:		
Notes and accounts payable	1,100	14,180
Other current liabilities	13,375	(9,834)
Total changes in operating liabilities	<u>14,475</u>	<u>4,346</u>
Total adjustments	<u>84,473</u>	<u>(38,497)</u>
Cash inflow generated from operations	327,054	312,708
Interest received	31,401	38,121
Interest paid	(10,253)	(9,314)
Income taxes paid	(67,174)	(101,260)
Net cash flows from operating activities	<u>281,028</u>	<u>240,255</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	-	5,236
Acquisition of financial assets at amortized cost	(33,821)	(33,697)
Acquisition of property, plant and equipment	(79,210)	(77,688)
Proceeds from disposal of property, plant and equipment	151	2,325
Increase in Refundable deposits	(207)	(2,084)
Increase in other non-current assets	(2,689)	(5,868)
Increase in other prepayments	(49,310)	-
Net cash flows used in investing activities	<u>(165,086)</u>	<u>(111,776)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(250,000)	(114,695)
Proceeds from long term borrowings	100,000	-
Payment of lease liabilities	(874)	(874)
Net cash flows used in financing activities	<u>(150,874)</u>	<u>(115,569)</u>
Effect of exchange rate changes on cash and cash equivalents	115,383	80,287
Net increase in cash and cash equivalents	80,451	93,197
Cash and cash equivalents at beginning of period	<u>4,262,228</u>	<u>3,351,920</u>
Cash and cash equivalents at end of period	<u>\$ 4,342,679</u>	<u>3,445,117</u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with generally accepted auditing standards

NISHOKU TECHNOLOGY INC. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

NISHOKU TECHNOLOGY INC. (the “Company”) was incorporated in year 1980, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO on the Taiwan Stock Exchange (TWSE) on October 5, 2011. The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) primarily are involved in the manufacture and sale of plastic injection mold, tooling manufacturing and general import and export trade.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated interim financial statements were authorized for issuance by the board of directors on April 30, 2026

(3) New standards, amendments and interpretations adopted:

- a. The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2026:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

- b. The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

Continued)

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies:

a. Statement of compliance

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

These consolidated interim financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated interim financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

b. Basis of consolidation

Principles of preparation of the consolidated interim financial statements are the same as those of the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 4(c) of the consolidated financial statements for the year ended December 31, 2025.

c. Income Tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated interim financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimation uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2025.

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

In addition to the following, there is no significant difference between the notes on the significant accounting items of the consolidated interim financial statements and the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to note 6 of the consolidated financial statements for the year ended December 31, 2025.

(a) Cash and cash Equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash, and demand deposits	\$ 1,039,221	1,418,658	897,517
Time deposits	2,866,513	2,610,705	2,261,575
Bond acquired under repurchase agreement	436,945	232,865	286,025
Cash and cash equivalents in the consolidated statement of cash flows	\$ 4,342,679	4,262,228	3,445,117

(b) Financial assets at fair value through profit or loss

	March 31, 2026	December 31, 2025	March 31, 2025
Fund investments	\$ 75,120	74,180	40,296
Fund investments non current	\$ 172,359	172,720	185,034

- (i) Please refer to note 6(e) for fund investments-non-current.
- (ii) Please refer to note 6(t) for credit risk and market risk.
- (iii) As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group did not provide any financial assets as collateral for its loans.

(c) Notes and accounts receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	1,230,325	1,280,336	1,469,668
Less : allowance for impairment	(1,281)	(700)	(342)
	\$ 1,229,044	1,279,636	1,469,326

The Group measures the loss allowance for notes and accounts receivable using the simplified approach with the lifetime expected credit losses. To measure the expected credit losses, notes and accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporate forward-looking information.

Analysis of expected credit losses were as follows:

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

	March 31, 2026		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,211,630	-%	-
0 to 120 days past due	13,146	0%~1%	143
121 to 270 days past due	5,549	0%~30%	1,138
Total	<u>\$ 1,230,325</u>		<u>1,281</u>
	December 31, 2025		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,257,274	-%	-
0 to 120 days past due	19,561	0%~1%	-
121 to 270 days past due	3,501	0%~30%	700
Total	<u>\$ 1,280,336</u>		<u>700</u>
	March 31, 2025		
	Carrying amount of accounts receivable	Weighted-average loss rate	Loss allowance for lifetime expected credit losses
Current	\$ 1,451,927	-%	-
Past due less than 120 days	16,481	0%~1%	-
121 to 270 days past due	960	0%~30%	192
271 to 365 days past due	300	0%~100%	150
Total	<u>\$ 1,469,668</u>		<u>342</u>

The movement in the allowance for notes and accounts receivables were as follows:

	Three months ended March 31,	
	2026	2025
Beginning balance	\$ 700	462
Impairment loss (reversal)	581	(120)
Ending balance	<u>\$ 1,281</u>	<u>342</u>

(d) Inventories

	March 31, 2026	December 31, 2025	March 31, 2025
Raw materials	\$ 115,539	127,416	141,205
Work in process	228,991	212,568	191,371
Finished goods	92,717	81,651	94,485
	<u>\$ 437,247</u>	<u>421,635</u>	<u>427,061</u>

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025, raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sale amounted to \$706,332 thousand and \$779,868 thousand, respectively. For the three months ended March 31, 2026 and 2025, the Group recognized the losses on inventory valuation and obsolescence as cost of goods sold amounting to \$1,467 thousand and \$5,486 thousand, respectively.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group did not provide any inventories as collateral.

(e) Non current financial assets at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Restricted bank deposit-current	\$ 540,268	547,385	483,664
Bonds	31,417	30,863	-
	\$ 571,685	578,248	483,664

	March 31, 2026	December 31, 2025	March 31, 2025
Restricted bank deposit-non current	\$ 753,502	713,119	1,270,307
Bonds	-	-	57,468
	\$ 753,502	713,119	1,327,775

In June 2021, May and July 2020, the Group applied to the IRS for the application of “ The Management, Utilization, and Taxation of Repatriated Offshore Funds Act” (hereinafter referred to as the “Act”), which was approved; and thereafter, its overseas funds had been remitted to Taiwan within one month based on the Act. According to the Act, the funds need to be deposited in a special purpose account for five years, in which 5% of the funds can be used without restriction, 25% can be used on financial investment, and a minimum of 70% can be used for substantive investment. In the 6th year, the funds can only be redeemed within 3 consecutive years. For funds used on financial investment, please refer to note 6(b) “ Fund investments noncurrent”

The Group assessed that these corporate bonds held until maturity to collect contractual cash flows, which are solely for the payment of the principal and interest of the outstanding principal, shall be presented as financial assets at amortized cost.

As of March 31, 2026, December 31, 2025, and March 31, 2025, the Group did not provide any financial assets measured at amortized costs as collateral for its loans.

(f) Property, plant and equipment

The cost, depreciation and impairment loss of the property, plant and equipment of the Group for the three months ended March 31, 2026 and 2025, were as follows.

(Continued)

NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Land</u>	<u>Building</u>	<u>Machinery and equipment</u>	<u>Office and other equipment</u>	<u>Construction in progress and testing equipment</u>	<u>Total</u>
Cost or deemed cost:						
Balance on January 1, 2026	\$ 179,672	1,330,497	1,979,479	437,376	14,530	3,941,554
Additions	-	-	30,627	906	47,431	78,964
Reclassifications	-	-	4,587	881	(5,632)	(164)
Disposals	-	-	(8,556)	(1,449)	-	(10,005)
Effect of movements in exchange rates	-	28,715	49,284	11,688	419	90,106
Balance on March 31, 2026	<u>\$ 179,672</u>	<u>1,359,212</u>	<u>2,055,421</u>	<u>449,402</u>	<u>56,748</u>	<u>4,100,455</u>
Balance on January 1, 2025	\$ 179,672	1,304,127	1,918,716	428,867	41,635	3,873,017
Additions	-	5,070	18,498	5,925	34,363	63,856
Reclassifications	-	17,604	3,722	371	(33,360)	(11,663)
Disposals	-	-	(7,146)	(4,845)	-	(11,991)
Effect of movements in exchange rates	-	19,835	66,262	8,135	769	95,001
Balance on March 31, 2025	<u>\$ 179,672</u>	<u>1,346,636</u>	<u>2,000,052</u>	<u>438,453</u>	<u>43,407</u>	<u>4,008,220</u>
Depreciation and impairments loss:						
Balance on January 1, 2026	\$ -	692,927	1,429,212	343,081	-	2,465,220
Depreciation for the period	-	13,528	34,498	7,481	-	55,507
Disposals	-	-	(8,538)	(1,449)	-	(9,987)
Effect of movements in exchange rates	-	15,824	36,700	9,506	-	62,030
Balance on March 31, 2026	<u>\$ -</u>	<u>722,279</u>	<u>1,491,872</u>	<u>358,619</u>	<u>-</u>	<u>2,572,770</u>
Balance on January 1, 2025	\$ -	645,436	1,315,982	337,128	-	2,298,546
Depreciation for the period	-	12,377	36,486	6,939	-	55,802
Disposals	-	-	(7,186)	(2,731)	-	(9,917)
Effect of movements in exchange rates	-	10,288	58,867	6,589	-	75,744
Balance on March 31, 2025	<u>\$ -</u>	<u>668,101</u>	<u>1,404,149</u>	<u>347,925</u>	<u>-</u>	<u>2,420,175</u>
Carrying amounts:						
Balance on March 31, 2026	<u>\$ 179,672</u>	<u>636,933</u>	<u>563,549</u>	<u>90,783</u>	<u>56,748</u>	<u>1,527,685</u>
Balance on January 1, 2026	<u>\$ 179,672</u>	<u>637,570</u>	<u>550,267</u>	<u>94,295</u>	<u>14,530</u>	<u>1,476,334</u>
Balance on March 31, 2025	<u>\$ 179,672</u>	<u>678,535</u>	<u>595,903</u>	<u>90,528</u>	<u>43,407</u>	<u>1,588,045</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the property, plant and equipment of the Group had not been pledged as collateral.

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(g) Right-of-use assets

The Group leases buildings and vehicles. Information about leases for which the Group as a lessee were presented below

	Transportation equipment
Cost: :	
Balance at March 31, 2026 (equal to balance at January 1)	<u><u>\$ 10,193</u></u>
Balance at March 31, 2025 (equal to balance at January 1)	<u><u>\$ 10,193</u></u>
Accumulated depreciation and impairment losses:	
Balance at January 1, 2026	\$ 4,461
Depreciation for the year	<u>849</u>
Balance at March 31, 2026	<u><u>\$ 5,310</u></u>
Balance at January 1, 2025	\$ 1,064
Depreciation for the year	<u>849</u>
Balance at March 31, 2025	<u><u>\$ 1,913</u></u>
Carrying amount:	
Balance on March 31, 2026	<u><u>\$ 4,883</u></u>
Balance on January 1, 2026	<u><u>\$ 5,732</u></u>
Balance on March 31, 2025	<u><u>\$ 8,280</u></u>

(h) Short-term borrowings

The details were as follows:

	March 31,2026	December 31,2025	March 31,2025
Credit loans, no pledge	\$ 1,150,000	1,400,000	1,134,230
Interest rate range	<u>1.78%</u>	<u>1.78%~1.8%</u>	<u>0.5%~4.75%</u>

(i) Long-term borrowings

The details were as follows:

	March 31,2026	December 31,2025	March 31,2025
Unsecured loans	\$ 1,100,000	1,000,000	800,000
Interest rate range	<u>1.8~1.9%</u>	<u>1.9%</u>	<u>1.85%~1.925%</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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Please refer to note 6(t) for the exchange rate risk, the interest rate risk, and the liquidity risk exposure information of the Group.

(j) Lease liabilities

The details were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Current	<u>\$ 3,433</u>	<u>3,417</u>	<u>3,370</u>
Non-current	<u>\$ 1,518</u>	<u>2,382</u>	<u>4,951</u>

For the maturity analysis, please refer to note 6(t).

The amounts recognized in profit or loss were as follows:

	For the three months end March 31,	
	2026	2025
Interests of lease liabilities	<u>\$ 26</u>	<u>41</u>

The amounts recognized in the statement of cash flows were as follows:

	For the three months end March 31,	
	2026	2025
Total cash out flow of lease	<u>\$ 874</u>	<u>874</u>

(k) Employee benefits

The pension costs incurred from the contributions to the Labor Insurance were as follows:

	For the three months ended March 31,	
	2026	2025
Operating Costs	\$ 8,225	9,012
Operating Expenses	<u>2,265</u>	<u>2,126</u>
Total	<u>\$ 10,490</u>	<u>11,138</u>

(l) Income tax

- (i) The amounts of tax expense for the three months ended March 31, 2026 and 2025 were \$75,662 thousand and \$102,735 thousand, respectively.

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- (ii) The amount of income tax expense under other comprehensive income for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months	
	ended March 31,	
	2026	2025
Exchange differences on translation of foreign financial statements	<u>\$ 29,041</u>	<u>20,171</u>

- (iii) The Company and NISHOKU BOUEKI income tax returns have been examined by the tax authority through the years up to 2024 and 2023, respectively.

- (m) Capital and other equity

In addition to the following, there is no material change in capital and other equity of the Group for the three months ended March 31, 2026 and 2025. For the related information, please refer to Note 6(m) of the consolidated financial statements for the year ended December 31, 2025.

- (i) Capital surplus

The balances of capital surplus as of March 31, 2026 and December 31, 2025, and March 31, 2025 were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Additional paid-capital	\$ 924,338	924,338	918,669
Employee share options	10,892	10,892	10,892
Restricted employee stock	5,669	5,669	11,338
Total	<u>\$ 940,899</u>	<u>940,899</u>	<u>940,899</u>

The Company distributed capital surplus allocated to common stock owners according to the distribution plan via the special resolution meeting of shareholders held on April 26, 2024.

	2023	
	Per share	Amount
	(dollars)	
Capital surplus allocated to common stock owners	<u>\$ 0.5</u>	<u>31,520</u>

- (ii) Retained earnings

The Group's article of incorporation stipulate that, when allocating the profit for each fiscal year, the Company shall first offset its losses in previous years. Of the remaining profit, 10% is to be appropriated as legal reserve, until the accumulated legal reserve equals the Company's paid in capital. Aside from the aforesaid legal reserve, the Company shall appropriate or reverse another sum as special earnings reserve in accordance with relevant laws or regulations or requested by

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

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the authorities in charge. The remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the amendment of the of Article 240 and Article 241 of the ROC Company Act, the Company authorized the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The dividend to be distributed shall be no less than 10% of the current year retained earnings available for distribution only if the current year retained earnings available for distribution does not reach \$0.5 per share, the Company may decide not to distribute dividend. The dividend to be distributed may be in the form of cash and stock, and cash portion of the dividend, should not be less than 30% of the total distributed dividend.

Dividend distribution for 2025 and 2024 were decided via the special resolution of the board of directors held on Feb 26, 2026, and Feb 27, 2025. The relevant dividend distributions to shareholders were as follows:

	2025		2024	
	Payout per share	Amount	Payout per share	Amount
Dividend to shareholders:				
Cash	\$ 9.0	<u>567,200</u>	\$ 10.0	<u>630,222</u>

(n) Share-based payment

For the three months ended March 31, 2026 and 2025, there were no significant changes in share-based payment except for the following: (Please refer to note 6(n) of the consolidated financial statements for the year ended December 31, 2025 for other related information).

(i). Restricted stock

As of March 31, 2026, the restricted stock plans of the Company were as follows:

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Notes to the Consolidated Financial Statements

	Restricted stock for Employees	Restricted stock for Employees
	2022-1	2022-2
Grant date	August 3, 2022	July 5, 2023
Fair value (per share)(in dollars)	72.8	84.7
Exercise price (in dollars)	0	0
Granted units (thousand shares)	372	24
Vesting period	2-4 years	2-4 years

The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged, transferred, gifted, or by any other means, disposed of the third parties during the custodian period. The voting rights of these shares are executed by the custodian, and the custodian will act based on law and regulations. If the shares remain unvested after the vesting period, the Group will cancel the unvested shares thereafter.

The related information on restricted stock of the Group was as follows:

	For the three months ended March 31	
(in thousands of shares)	2026	2025
Outstanding at beginning of period	88	176
Vested during the period	-	-
Forfeited during the period	-	-
Outstanding at end of period	88	176

(ii) Expenses attributable to share based payment were as follows:

	For the three months ended March 31	
	2026	2025
Restricted stock for employees	\$ 399	(108)

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(o) Earnings per share

	For the three months ended March 31,	
	2026	2025
Basic earnings per share:		
Profit attributable to ordinary shareholders of the Company	<u>\$ 167,919</u>	<u>248,470</u>
Weighted-average number of ordinary shares (thousand shares)	<u>62,934</u>	<u>62,846</u>
Basic earnings per share (NTD)	<u>\$ 2.67</u>	<u>3.95</u>
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	<u>\$ 167,919</u>	<u>248,470</u>
Weighted-average number of ordinary shares (thousand shares)	62,934	62,846
Effect of employee stock bonus	201	166
Effect of restricted stock	83	153
Weighted average number of ordinary shares (diluted) (thousand shares)	<u>63,218</u>	<u>63,165</u>
Diluted earnings per share (NTD)	<u>\$ 2.66</u>	<u>3.93</u>

(p) Revenue from contracts with customers

(i) Details of revenue

	For the three months ended March 31,	
	2026	2025
<u>Primary geographical markets</u>		
North America	\$ 585,511	843,767
Asia	38,219	55,038
Europe	<u>403,471</u>	<u>314,391</u>
	<u>\$ 1,027,201</u>	<u>1,213,196</u>
<u>Primary productions</u>		
Plastic injection	\$ 931,747	1,108,643
Mold	95,454	84,117
Others	-	20,436
	<u>\$ 1,027,201</u>	<u>1,213,196</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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(ii) Contract balances

For details on accounts receivable, please refer to note 6 (c).

	March 31 31,	December 31,	March 31 31,
	2026	2025	2025
Contract liabilities	<u>\$ 56,406</u>	<u>42,808</u>	<u>51,159</u>

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the three months ended March 31, 2026 and 2025, which was included in the contract liability balance at the beginning of the period, was \$ 21,207 thousand and \$14,756thousand, respectively.

(q) Employee, board of directors', and supervisors' compensation

On May 29, 2025, the Company resolved at its shareholders' meeting to amend its Articles of Incorporation. Under the revised articles, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. Thereafter, a minimum of 1% of the remainder (in form of stock or cash), shall be appropriated as employee remuneration (of which, a minimum of 20% shall be reserved specifically for non executive employees); recipients may include employees of the Company's subsidiaries who meet certain requirements. Moreover, a maximum of 5% of the remaining profit shall be appropriated as directors' remuneration.

Under the Articles of Incorporation prior to the amendment, if the Company incurs profit for the year, the profit should first be used to offset against any accumulated deficits. Thereafter, a minimum of 1% of the remainder (in form of stock or cash), shall be appropriated as employee remuneration; recipients may include employees of the Company's subsidiaries who meet certain requirements. Moreover, a maximum of 5% of the remaining profit shall be appropriated as directors' remuneration.

For the three months ended March 31, 2026 and 2025, the Company accrued and recognized its employee remunerations amounting to \$6,750 thousand and \$6,750 thousand, respectively; as well as its remuneration amounting to \$2,550 thousand and \$2,550 thousand, respectively. These amounts were calculated by using the Company's pre tax net profit for the period before deducting the amounts of the remunerations to employees, directors, multiplied by the distribution of ratio of the remunerations to employees, and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the next year. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the shareholders' meeting.

There were no significant difference between the estimated and actual amounts in 2025 and 2024.

If there is a discrepancy between the above mentioned employee and director remuneration provision amounts and the actual allotment amount determined by the board of directors, it

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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will be treated as a change in accounting estimates and listed as profit or loss for the following year.

(r) Other revenue

The other revenue for the three months ended March 31, 2026 and 2025 were as follows:

	For the three-months ended March 31,	
	2026	2025
Interest income	\$ 35,879	38,071
Others	594	2,436
Total other income	\$ 36,473	40,507

(s) Other gains and losses

The other gains and losses for the three months ended March 31, 2026 and 2025 were as follows:

	For the three months ended March 31,	
	2026	2025
Foreign currency exchange gains , net	\$ 14,999	9,933
Gains on financial assets at fair value through profit or loss	579	2,582
Gains on disposals of property, plant and equipment	133	251
Others	-	(380)
Net gains and losses	\$ 15,711	12,386

(t) Financial Instruments

In addition to the following, there is no material change in financial instruments of the Group. For the related information, please refer to note 6(t) of the consolidated financial statements for the year ended December 31, 2025.

(i) Credit risk

1) Credit risk exposure

As of March 31, 2026 and 2025, the Group's maximum exposure to credit risk was mainly from the carrying amount of financial assets recognized in the consolidated statements of financial position and amounted to \$7,159,102 thousand and \$6,962,614 thousand, respectively. The Group had deposited these bank deposits in different financial institutions, and the Group believes that there is no significant credit risk from the above mentioned financial institutions.

2) Concentration of credit risk

The credit risk exposure of the Group comes from the credit of individual customers, and the industry of the customer also have effect on credit risk. For the three months ended March 31,

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2026 and 2025, sales to the individual customers whose revenue constituting over 10% of net revenue are 77% and 72% of total revenues respectively. As of March 31, 2026 and 2025, 78% and 72%, respectively, of accounts receivable were for those customers.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years
March 31, 2026					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,150,000	1,154,333	1,154,333	-	-
Long-term borrowings	1,100,000	1,135,278	20,800	763,019	351,459
Non-interest bearing liabilities					
Notes and accounts payable	485,833	485,833	485,833	-	-
Lease liabilities	4,951	4,951	3,433	1,518	-
Other financial liabilities	632,602	632,602	632,602	-	-
	\$ 3,373,386	3,412,997	2,297,001	764,537	351,459
December 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,400,000	1,403,113	1,403,113	-	-
Long-term borrowings	1,000,000	1,036,449	19,000	664,327	353,122
Non-interest bearing liabilities					
Notes and accounts payable	484,733	484,733	484,733	-	-
Lease liabilities	5,799	5,799	3,417	2,382	-
Other financial liabilities	67,727	67,727	67,727	-	-
	\$ 2,958,259	2,997,821	1,977,990	666,709	353,122
March 31, 2025					
Non-derivative financial liabilities					
Short-term borrowings	\$ 1,134,230	1,139,650	1,139,650	-	-
Long term borrowings	800,000	825,622	15,305	810,317	-
Non-interest bearing liabilities					
Notes and accounts payable	586,950	586,950	586,950	-	-
Lease liability	8,321	8,321	3,370	4,951	-
Other financial liabilities	710,380	710,380	710,380	-	-
	\$ 3,239,881	3,270,923	2,455,655	815,268	-

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exchange rate risk

a) Exposure to foreign currency risk

The Group significant exposure to foreign currency risk on financial assets and liabilities was as follows:

	March 31, 2026			December 31, 2025			March 31, 2025			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary Items</u>										
USD	\$	136,251	31.995	4,359,335	145,448	31.430	4,571,424	135,819	33.205	4,509,874
JPY		501,334	0.201	100,517	338,638	0.201	67,998	451,737	0.223	100,602
EUR		673	36.710	24,696	617	36.900	22,769	432	35.970	15,523
VND		35,025,513	0.001195	41,856	27,986,641	0.001175	32,884	21,439,478	0.001275	27,335
<u>Financial liabilities</u>										
<u>Monetary Items</u>										
USD		2,927	31.995	93,659	3,182	31.430	100,020	3,370	33.205	111,897
EUR		-	-	-	49	36.900	1,799	-	-	-
VND		40,370,643	0.001195	48,243	54,621,149	0.001175	64,180	51,731,904	0.001275	65,958

b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables, financial assets carried at amortized cost, accounts payable and other payables that are denominated in foreign currency.

A weakening (strengthening) of 1% of the NTD against the USD and JPY and EUR and VND at March 31, 2026 and 2025, would have increased or decreased the net profit before tax by \$43,845 thousand and \$44,755 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.

c) Exchange gains and losses on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed in a summarized manner, please refer to note 6(s).

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d) Interest rate analysis

The interest risk exposure from financial assets and liabilities has been disclosed in the note of liquidity risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by \$392 thousand and \$213 thousand for the three months ended March 31, 2026 and 2025, respectively, assuming all other variable factors were constant. This mainly resulted from borrowings and bank deposits at variable interest rates.

(iv) Fair value of financial instruments

1) Fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

	Carrying amounts	March 31, 2026			Total
		Fair Value			
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non derivative financial assets at fair value through profit or loss-current	\$ 75,120	75,120	-	-	75,120
Non derivative financial assets at fair value through profit or loss-non-current	\$ 172,359	172,359	-	-	172,359
Financial assets carried at amortized cost					
Cash and cash equivalents	\$ 4,342,679				
Notes and accounts receivable, net	1,229,044				
current financial assets measured at amortized cost	571,685				
Other financial assets-current	14,713				
Refundable deposits	11,432				
Non-current financial assets measured at amortized cost	753,502				
	<u>\$ 6,923,055</u>				
Financial liabilities carried at amortized cost					
Long and short term borrowings	\$ 2,250,000				
Notes and accounts payable	485,833				
Lease liability	4,951				
Other payable	632,602				
	<u>\$ 3,373,386</u>				

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Financial liabilities carried at amortized cost

Long and short term borrowings	\$ 1,934,230
Notes and accounts payable	586,950
Lease liability	8,321
Other payable	<u>710,380</u>
	<u>\$ 3,239,881</u>

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument. Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

(u) Financial risk management

The Group's risk management policies are no material change in financial instruments of the Group for the three months ended March 31, 2026 and 2025. For the related information, please refer to note 6(u) of the consolidated financial statements for the year ended December 31, 2025.

(v) Capital management

As of March 31, 2026, there were no changes in the Group's approach to capital management. For the related information, please refer to Note 6(v) of the consolidated financial statements for the year ended December 31, 2025.

(w) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the three months ended March 31, 2026 and 2025, were as follows:

- (i) For acquisition of right-of-use assets, please refer to note 6(g).
(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January1, 2026	Cash flows	Foreign exchange movement and others	March31, 2026
Short term borrowings	\$ 1,400,000	(250,000)	-	1,150,000
Long term borrowings (including current portion)	1,000,000	100,000	-	1,000,000
Lease liability	5,799	(874)	26	4,951
Total liabilities from financing activities	<u>\$2,405,799</u>	<u>(150,874)</u>	26	<u>2,254,951</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES
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	January 1, 2025	Cash flows	Foreign exchange movement and others	March 31, 2025
Short term borrowings	\$ 1,248,925	(114,695)	-	1,134,230
Long term borrowings (including current portion)	800,000	-	-	800,000
Lease liability	9,154	(874)	41	8,321
Total liabilities from financing activities	\$ 2,058,079	(115,569)	41	1,942,551

(7) Related-party transactions:

- (a) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31,	
	2026	2025
Short-term employee benefits	\$ 11,949	11,603
Post-employment benefits	81	81
	<u>\$ 12,030</u>	<u>11,684</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	March 31, 2026	December 31, 2025	March 31, 2025
Demand deposits (classified under other current financial assets)	Performance bond	<u>\$ 1,673</u>	<u>1,645</u>	<u>1,785</u>

(9) Significant Commitments and contingencies:

- (a) The aggregate unpaid amounts of contracts pertaining to the purchase of plant and equipment were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Acquisition of property, plant and equipment	<u>\$ 477,046</u>	<u>31,899</u>	<u>40,476</u>

- (b) For the necessary to bank loan, the Company provide guarantee and endorsement for its subsidiaries were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Outstanding guarantee notes	<u>\$ 1,113,426</u>	<u>1,093,764</u>	<u>1,155,534</u>
Actual usage amount	<u>\$ -</u>	<u>-</u>	<u>199,230</u>

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	Three months ended March 31,					
		2026			2025		
		Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expenses							
Salaries		220,633	54,571	275,204	230,912	52,758	283,670
Labor and health insurance		10,334	3,111	13,445	9,746	3,170	12,916
Pension		8,225	2,265	10,490	9,012	2,126	11,138
Others		9,366	7,222	16,588	10,346	7,397	17,743
Depreciation		48,299	8,057	56,356	47,764	8,887	56,651
Amortization		2,940	1,635	4,575	2,447	822	3,269

(13) Other disclosures:

- (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Actual usage amount during the period	Interest rate	Nature of financing	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
0	The Company	NISHOKU VIETNAM	Other accounts receivable	Yes	223,965	223,965	127,980	4.15%	Necessary to loan other parties	-	Operating capital	-	-	-	470,342 (Note 1)	1,881,368 (Note 1)

Note 1: The individual amount and the total amount for lending to a company shall not exceed 10% and 40% of the lending company’s net worth in the latest financial statement, respectively. The Company for lending to the Company directly or indirectly holds 100% of their shares, with the loan amount not limited and the total amounts not exceeding the lending company’s net worth in the last financial statement.

Note 2: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (Note 3)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	NISHOKU VIETNAM	4,703,420	1,113,426	1,113,426	-	-	23.67%	4,703,420	4,703,420	Y	N	N

Note 1: The amount and the total amount of the guarantee to a company shall not exceed 30% and 100%, respectively, of the Company net worth in the latest financial statements. The total amount of the guarantee that the Company and its subsidiaries to a company shall not exceed 100%, of the Company's net worth in the latest financial statement. The Company directly or indirectly holds 100% of their shares, the guarantee amounts not limited by the Company's net worth in the latest financial statement.

Note 2: The relationship of guarantor and endorsements to related parties were as follows:

- 1) Business relationship between the Company
- 2) The Company directly or indirectly holds over 50% of subsidiaries' shares;
- 3) The parent company and its subsidiaries hold over 50% of investees' shares;
- 4) A subsidiary jointed owned over 50% by the Company and the Company's directly-owned subsidiary.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Securities held as of March 31, 2026 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of securities	Relationship with the securities issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Nomura Global Financial Bond Fund Accumulate	None	Financial assets at fair value through profit or loss - current	-	9,386	- %	9,386	
"	JPMorgan Investment Funds-Global High Yield Bond Fund	"	"	-	11,207	- %	11,207	
"	ABITL Income Multi-asset Income Fund of Funds A2	"	"	-	7,389	- %	7,389	
"	BGF ESG Multi-Asset Fund	"	"	-	14,433	- %	14,433	
"	Amundi Funds – USD Short-Term Bond Fund (East Asia)	"	"	-	32,705	- %	32,705	(Note)
"	FOXCONN (FAR EAST) 16/26 MTN	"	Financial assets at amortized cost-current	-	15,722	- %	15,854	
"	APPLE 16/26	"	"	-	15,695	- %	15,918	
"	PineBridge Global ESG Quantitative Bond Fund	"	Financial assets at fair value through profit or loss - non current	-	50,737	- %	50,737	
"	PineBridge Global Multi-Strategy High Yield Bond Fund	"	"	-	46,208	- %	46,208	
"	Nomura Global Financial Bond Fund	"	"	-	25,104	- %	25,104	
"	ABITL Income Fund -Multi Asset Income Fund of Funds	"	"	-	18,150	- %	18,150	
"	Allianz Global Investors Income and Growth Fund	"	"	-	32,160	- %	32,160	

Note: The "Amundi Funds – USD Short Term Bond Fund" was renamed "Amundi Funds – USD Short Term Bond Fund (East Asia)" on November 2025

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Notes to the Consolidated Financial Statements

- (iv) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- (v) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	KUNSHAN NISHOKU PLASTIC	Associate	100,717	4.28	-		36,515	-

Note 1: Until April 20, 2026.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

- (vi) Business relationships and significant intercompany transactions:

The following is the information for the three months ended March 31, 2026, business relationships and significant intercompany transactions with the amounts exceeding NT\$10 million:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	SAME START (Anguilla)	1	Purchase	32,497	Note 3	3.1%
"	"	"	1	Account Payable	32,871	"	0.4%
"	"	KUNSHAN NISHOKU	1	Sales	99,444	"	9.5%
"	"	"	1	Account receivable	100,717	"	1.1%
"	"	NISHOKU VIETNAM	1	Sales	71,624	"	6.9%
"	"	"	1	Account receivable	72,600	"	0.8%
"	"	"	1	Other receivables	128,688	Loans to related party	1.4%
1	SAME START (Anguilla)	KUNSHAN NISHOKU	3	Purchase	32,614	Note 3	3.1%
"	"	"	3	Account Payable	32,876	"	0.4%
2	KUNSHAN NISHOKU	NISHOKU VIETNAM	3	Sales	56,187	"	5.4%
"	"	"	3	Account receivable	56,832	"	0.6%

Note 1: "0" represents the parent company, and the others represent the subsidiaries.

Note 2: "1" represents the transactions from parent company to subsidiary.

"2" represents the transactions from subsidiary to parent company.

"3" represents the transactions between subsidiaries.

Note 3: The trading price and product that purchase or sale from related parties that did not purchase or sale from third parties, so can not be compared. The payments terms were 90 days for related parties.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2026 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2026	December 31, 2025	Shares (thousands)	Percentage of ownership	Carrying value			
The Company	SUN NICE (SAMOA)	SAMOA	Holding	384,762	384,762	11,181	100%	4,228,326	116,500	116,500	
"	NISHOKU BOUEKI	Taiwan	Purchase and sales of plastic raws and parts	1,000	1,000	300	100%	10,111	20	20	
"	NISHOKU VIETNAM	Vietnam	Manufacture and sale of tooling and plastic products	1,119,034 (USD 36,500 thousand)	1,119,034 (USD 36,500 thousand)	-	100%	1,024,336	24,929	24,929	
SUN NICE (SAMOA)	SAME START (Anguilla)	Anguilla	Purchase and sale of mold and plastic products	-	-	-	100%	(501)	(0)	1,126	
"	NISHOKU HK	HK	Holding	1,088,929 (USD 34,627 thousand)	1,088,929 (USD 34,627 thousand)	39,010	100%	3,052,559	82,664	82,664	
"	SUNNICE (BVI)	BVI	"	585,292 (USD 17,948 thousand)	585,292 (USD 17,948 thousand)	15,697	100%	1,201,785	32,719	32,719	

Note : Transactions within the Group were eliminated in the consolidated financial statements.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2026	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
KUNSHAN NISHOKU PLASTIC	Manufacture and sale of mold and plastic products	USD 53,310 thousand	Indirect investment through third area	1,674,270 (USD 52,524 thousand)	-	-	1,674,270 (USD 52,524 thousand)	118,063	100%	115,184	4,207,358	2,249,163

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,674,270	1,674,270	(Note 2)

Note 1: The above investment income (loss) in Mainland China were based on financial statements audited by the Company's auditors.

Note 2: The Company has received the certificate issue by the Industrial Development Bureau, Ministry of Economic Affairs, allowing it to start operating of its headquarters.

Note 3: Above investment amount within the Group were eliminated in the consolidated financial statements.

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NISHOKU TECHNOLOGY INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “Information on significant transactions ” and ”Business relationships and significant intercompany transactions”.

(14) Segment information:

The Group’s identifies its operating segments based on decision of the chief operating decision marker (CODM). The Group’s operating segments are in United States, Asia and Europe, etc. Those operating segments are reportable segments. The Revenue from manufacture and supply electronic parts to clients. Since the strategy of each segment is different, it is necessary to separate them for management.

The operating segment’s profit or loss is measured by net operating income, and as the basis of performance evaluation. The operating segment accounting policies are similar to those described in note 4 “significant accounting policies”. The Group regards sales and transfers between operating segments as transactions with third parties.

The Group’s product revenues from geographical clients were as follows:

	For the three months ended March 31, 2026				
	United States	Asia	Europe	Elimination	Total
Revenue from					
external customers	<u>\$ 585,511</u>	<u>38,219</u>	<u>403,471</u>	<u>-</u>	<u>1,027,201</u>
Reportable segment					
profit or loss	<u>\$ 225,403</u>	<u>5,344</u>	<u>(29,072)</u>	<u>-</u>	<u>201,675</u>
	For the three months ended March 31, 2025				
	United States	Asia	Europe	Elimination	Total
Revenue from					
external customers	<u>\$ 843,767</u>	<u>55,038</u>	<u>314,391</u>	<u>-</u>	<u>1,213,196</u>
Reportable segment					
profit or loss	<u>\$ 338,173</u>	<u>(6,943)</u>	<u>(22,426)</u>	<u>-</u>	<u>308,804</u>

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