

2 Innovative Breakthrough

2.1 Technological Innovation

2.2 Quality Management

2.3 Customer Satisfaction

2.4 Sustainable Supply Chain



2.1 Technological Innovation

NEXCOM's Technology Innovation Strategy: Integrating Edge AI to Lead the Smart Future

NEXCOM is determined to become a world-renowned company, and technological innovation is the core driving force for us to achieve this vision. We firmly believe that only by continuously developing cutting-edge technologies and products that meet market needs can we win the recognition and trust of the market. To this end, we actively introduce forward-looking technologies such as edge computing and artificial intelligence (Edge AI). Through continuous technological development and innovation, we not only ensure the excellent quality and reliability of our products but also strive to improve the intelligence and instant response capabilities of our products. We continue to optimize our research and development (R&D) systems and tools, pursuing simultaneous improvement of R&D speed and quality. This unremitting pursuit of technology, quality and intelligence aims to exceed customer expectations and consolidate and enhance NEXCOM's competitiveness in the international market.

NEXCOM's innovative products are not only widely adopted and highly praised by customers, but also won the Taiwan Excellence Award. In the process of product design and operation, we attach great importance to ecological protection and sustainable development, such as promoting ecological balance in water management solutions. We incorporate green indicators into the monitoring and evaluation system to ensure environmental friendliness and continue to improve accordingly.

In order to exceed customer expectations, NEXCOM will continue to invest in technological innovation and product development. We firmly believe that only by deeply integrating advanced technologies such as Edge AI and developing smarter and more efficient products can we win long-term customer trust and market support. NEXCOM will continue to strive for excellence, provide customers with excellent products and services, and move towards the goal of becoming a world-class enterprise.

R&D Innovation - Short, Medium, and Long-Term Strategic Target

(1) Short-term goal (1-2 years): Strengthen market competitiveness and market share and lay a solid foundation for smart manufacturing.

Short-term goals include:

1. Maintain an excellent product foundation: Continue to ensure high performance, stability and reliability of products and maintain the product service life of at least 3 years longer than that of peers.
2. Optimize customer supply chain response: Strengthen cooperation between suppliers and customers and respond to customer concerns 2 days earlier through smarter forecasting and communication.
3. Expand product portfolio: Each business unit will launch at least one new product series every year to meet the needs of multiple markets.
4. Invest in smart factories and Edge AI applications: Independently develop smart manufacturing solutions for the entire factory, use Edge AI for real-time quality monitoring, predictive maintenance and process optimization, and improve production through efficiency to more than 99%.
5. Introducing Edge AI technology: Integrate Edge AI technology into specific product lines to achieve real-time data analysis, local decision-making and intelligent early warning functions, and improve the intelligence and response speed of products.

(2) Medium-term goal (3-5 years): Deepen technology R&D and innovation capabilities and establish a leading position in Edge AI.

Medium-term goals include:

1. Strengthen low-carbon and sustainable technologies: Continue to invest more resources in low-carbon technology research and development every year, with the goal of reducing carbon emissions during the product use phase by 25%.
2. Launch innovative products integrating Edge AI: Launch at least two products that deeply integrate Edge AI technology and have significant innovation and leadership every year to meet the market's demand for new technologies and intelligent solutions.
3. Strengthen independent intellectual property rights: Continue to develop independent IP, apply for no less than 5 R&D patents each year (focus on Edge AI-related patents), and improve the company's core technology barriers.

(3) Long-term goal (more than 5 years): Achieve sustainable development and become a leader in smart solutions.

Long-term goals include:

1. Expand the global market: Strengthen internationalization strategy and significantly expand overseas market share, especially in the fields of intelligence and Edge AI applications.
2. Deepen the net zero emission industry: Promote and practice net zero emissions, aiming to reduce the overall carbon emissions of Scope 1 and 2 to below 55% by 2030, and develop smart solutions to support the net zero transformation of the industry.
3. Promote innovation culture: Share new technology knowledge (including Edge AI application cases) and corporate culture to improve employee cohesion and creativity.
4. Enhance corporate social responsibility: Actively fulfill social responsibilities, contribute to society through technological innovation (such as environmental monitoring), and enhance the company's image and brand value.



Application example: Smart water monitoring system with Edge AI

In response to the mid-term goal and reflecting the introduction of Edge AI technology, the design and operation of the Smart Water Area Monitoring System fully demonstrates NEXCOM's commitment to ecological protection, sustainable development and technological innovation:

- 1. Zero-carbon design: Using solar power generation and combining it with smart energy management to ensure stable power supply. Optimizing energy efficiency through intelligent control systems to achieve carbon-free emissions during operation. The product is sealed to avoid environmental pollution.
- 2. Collaborative operation and edge intelligent control: Collaborative operation of multiple monitoring devices (RN30) to establish a smart water management network. Devices can communicate and share data with each other. Through the built-in Edge AI engine, local real-time data analysis and collaborative judgment are carried out to achieve faster automated operation and response, significantly improving the efficiency and reliability of the overall system.
- 3. Real-time monitoring and edge intelligent analysis: The system not only monitors changes in water level, mud level, etc., but also uses Edge AI to perform real-time data processing, pattern recognition and anomaly detection on front-end devices. Important water information or abnormal events are efficiently transmitted back to the cloud situation center through wireless NBIoT or LoRA grid, and the latest situation of the basin is fully displayed on the map. Edge AI engines conduct local predictions and warnings, reducing latency and cloud workload while enabling faster field-level response. Meanwhile, the cloud platform aggregates advanced machine learning models for deeper analysis and long-term forecasting. Together, edge and cloud work in tandem to deliver timely, accurate, and actionable insights for decision-makers.



Patent Accumulation

Actively investing in innovative research and development, we filed a total of 233 patent applications in 2025, with 159 of them being inventions, accounting for 68% of the total applications. This demonstrates our continued adherence to the principles of innovation and maintaining our R&D competitiveness. Additionally, we introduced the self-developed "NEXCOM Patent Management System Inquiry Platform" to incorporate intellectual property protection and trade secret protection into our network security management mechanism. This prevents hackers from accessing the company's advanced technologies, thereby safeguarding our intellectual property.

► Number of Patented Inventions Issued

2025	Patents	Invention Patents (No.)	Invention Patents Share (%)
NEXCOM Co., Ltd.	178	129	68%
NexAIoT Co., Ltd.	31	10	
NexCOBOT Co., Ltd.	24	20	
Total	233	159	
2024	Patents	Invention Patents (No.)	Invention Patents Share (%)
NEXCOM Co., Ltd.	175	127	69%
NexAIoT Co., Ltd.	31	10	
NexCOBOT Co., Ltd.	23	20	
Total	233	157	
2023	Patents	Invention Patents (No.)	Invention Patents Share (%)
NEXCOM Co., Ltd.	168	124	72%
NexAIoT Co., Ltd.	24	11	
NexCOBOT Co., Ltd.	23	20	
Total	215	155	

*Source: Global Patent Search System. NEXCOM Group and its subsidiaries in Taiwan.

R&D Investment

NEXCOM focuses on diverse hardware innovation and software integration solutions for research and development. The 2025 financial report disclosed that R&D expenses reached NT\$570 million. By selecting strategies based on new generation development trends and positioning for market differentiation, NEXCOM aims to achieve industry leadership.

► R&D Investment Expenditure

(Unit: NT\$ thousand)

Year	R&D Expenditure	Revenue	R&D Expenditure Proportion
2023	585,037	5,765,509	10.15%
2024	586,366	5,421,065	10.82%
2025	572,712	5,702,153	10.04%

Note: The data sources include NEXCOM Taiwan headquarters, and global overseas subsidiaries.

Technology Innovation Column

Column 1: NexCOBOT: The Robotics Company That "Does Not Build Robots"

Three-in-One Control Architecture: VLA Decision-Making, Real-Time Motion Control, and Functional Safety



Cerebrum — AI Cognitive & Behavioral Decision-Making (VLA)

Integrates Vision-Language-Action (VLA) large models. Responsible for high-level situational awareness, logical reasoning, and task planning converting abstract instructions into specific behavioral paths.

Cerebellum — Real-Time Motion Control

Responsible for millisecond-level (Real-Time) dynamic and kinematic calculations. Calculates precise torques for each joint baser on behavior planned by the Cerebrum, ensuring the robot maintains balance and dynamic environment in smooth motion.

Safety Brain — Functional Safety Monitoring

An independently running Functional Safety layer. Highest system priority, continuously monitoring safety sensor signals and immediately intervening upon detection of collision risk or system anomaly to ensure human-robot collaboration safety.

When people think of robots, they usually picture humanoid robots walking around, robotic arms moving rapidly on a factory floor, or Autonomous Mobile Robots (AMRs) navigating warehouses. However, what truly enables a robot to "move with precision, speed with control, operate with stability, and prioritize safety" is not its external appearance--it is the control platform hidden deep within its body.

NexCOBOT is a "robotics company that does not build robots." We do not manufacture the complete physical robot, nor do we build shells, arms, or wheels. Instead, we architect the robot's "brain, nervous system, and safety mechanisms." Our mission is to empower robot manufacturers, smart production line equipment providers, and system integrators to rapidly develop intelligent equipment that is highly efficient, energy-saving, top-quality, and completely trusted.

AI Makes Robots Smarter, but "Smart" Is Simply Not Enough

In the past, most robots operated strictly under fixed programming--moving components from Point A to Point B, repeatedly tightening screws, or loading and unloading materials along predefined paths. While highly stable, these traditional robots offered limited flexibility. Today, with the integration of AI, robots have begun to "perceive and understand" their environments. Through vision systems, they can now detect product defects, sort recyclables, comprehend operational commands, and even utilize natural language to enable direct human-machine communication.

This evolution unlocks unprecedented possibilities for smart manufacturing: production lines become more agile, equipment grows more intelligent, and robots can handle complex tasks that were previously deemed impossible to automate.

However, this advancement introduces a new set of challenges. Unlike traditional control programming, AI-driven decision-making is not entirely deterministic; it is inherently probabilistic and susceptible to variations in environments, datasets, models, or sensor inputs. Consequently, on the factory floor and in human-robot collaboration (HRC) workspaces, chasing after "smarter robots" is no longer enough. We must guarantee that the robot "moves traceably under control, comes to a safe stop instantly, and protects both humans and equipment when anomalies occur." This critical intersection is precisely where NexCOBOT focuses its core expertise.

Motion Control: Guaranteeing Precise and Stable Robotic Performance

For a robot to successfully execute its tasks, cognitive intelligence must be paired with flawless physical precision.

Just as the human nervous system transmits commands from the brain to the muscles to orchestrate accurate body movements, a robot relies on a parallel mechanism. While AI determines what to do next, it is the motion control system that drives motors, robotic arms, linear stages, and grippers to move with absolute precision.

NexCOBOT has long committed its R&D to robot controllers, EtherCAT-based motion control, and real-time system tuning and validation. Simply put, our technology ensures that control signals are delivered consistently within microsecond-level intervals. This guarantees that equipment operates with zero latency, eliminates erratic movements, and suffers no erratic velocity fluctuations.

In the realm of smart manufacturing, this real-time control capability is paramount. A microscopic delay in a robotic arm can bottleneck throughput; a fractional positional deviation can lead to quality defects; and any systemic instability can result in costly downtime or equipment damage.

Therefore, what NexCOBOT delivers is far more than a mere hardware box. We provide a fully tuned, tested, and validated control platform that enables customers to minimize integration time while significantly reducing on-site debugging and maintenance costs.

Functional Safety: Ensuring Robots Not Only Move, But Know Exactly How to Stop

As robots integrate deeper into factories, warehousing, healthcare, and the service industry--especially when working alongside humans--safety has escalated into one of the most critical challenges.

In the past, traditional robots were often confined within physical safety fences; if humans did not enter the enclosure, safety was relatively assured. However, the next generation of robots is fundamentally different. They are designed to share space with humans—examples include collaborative robot arms (cobots), AMRs, automated guided vehicles (AGVs), and even humanoid robots.

Under these conditions, safety can no longer rely solely on external barriers. Instead, it must be embedded directly into the control system itself. This is the essence of "Functional Safety." In plain terms, it means that when a system detects an anomaly or a hazard, it must reliably execute a safety response--such as decelerating, coming to a controlled stop, restricting operational ranges, or cutting off hazardous outputs.

NexCOBOT has accumulated extensive, long-term expertise in functional safety control platforms, spanning safety controllers, safe communication protocols, safety-certified hardware/software architectures, and the associated documentary chain of evidence. These capabilities empower our customers when developing intelligent robots and smart production lines. Rather than navigating complex safety frameworks from scratch, they can build upon a pre-validated platform, thereby significantly accelerating product time-to-market and mass production.

Converging AI, Motion Control, and Functional Safety to Formulate the Next-Generation Control Platform

The intelligent manufacturing platforms of tomorrow will no longer rely on standalone computers, isolated controllers, or disconnected software. Instead, they will manifest as fully integrated platforms possessing three critical, simultaneous capabilities:

1. AI Computing Power: Enabling equipment to perceive intelligently and decide rapidly, while effortlessly processing vision, data analytics, and smart applications.
2. Real-Time Motion Control: Ensuring robotic operations are executed with pinpoint precision and instantaneous responsiveness, thereby satisfying demanding high-end scenarios such as robotics, CNC machining, AMRs, and intelligent production lines.

3. Functional Safety and Cyber Security: Ensuring that equipment remains inherently safe, deeply reliable, and legally compliant when confronting human-robot collaboration, regulatory requirements, and long-term lifecycle maintenance—thereby driving faster adoption by customers and the global market.

The convergence of these three pillars defines the core value NexCOBOT delivers to our customers. We do not merely sell an individual controller box; rather, we provide a production-ready, maintainable, upgradeable, and safety-compliant control platform engineered for the future of smart manufacturing.

Transforming Customer Demos into True Production-Ready Products

Many smart manufacturing and robotics projects look spectacular during the demonstration phase. However, when transitioning into actual factory mass production, critical bottlenecks invariably surface: Can the hardware sustain long-term stable operations? Is the software version maintainable? Are the drivers compatible? Is the real-time performance sufficient? Can it pass stringent safety certifications? And how do we comply with evolving regulations and cyber security requirements?

NexCOBOT's role is to proactively resolve these challenges for our customers.

Spanning from requirement audits and hardware selection, to BSP and driver integration, real-time control tuning, safety validation, test reporting, golden image creation, and life-cycle maintenance—NexCOBOT delivers a seamless, PoC-to-production pathway.

NexCOBOT's Vision: Making Smart Manufacturing More Efficient, Energy-Efficient, and Reliable

The goal of smart manufacturing is not simply to make factories look more advanced—it is to solve real industrial challenges.

Greater efficiency means enabling equipment to respond faster, reducing downtime, and shortening product development and deployment cycles.

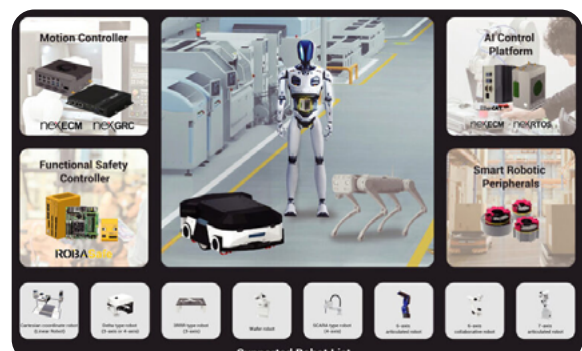
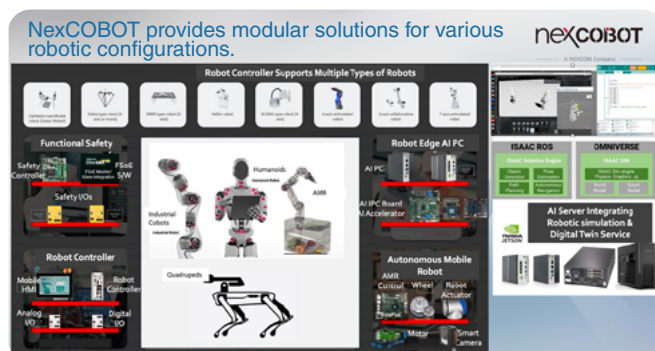
Greater energy efficiency is achieved through more precise motion control, optimized system integration, and data-driven analytics that minimize unnecessary energy consumption and resource waste.

Higher quality means delivering more stable production processes, more accurate equipment operation, and improved detection and management of operational anomalies.

At NexCOBOT, we believe the future of robotics and smart production lines extends beyond automation. It is about building intelligent systems that are reliable, trustworthy, and safe.

Artificial intelligence enables robots to think smarter. Motion control allows them to move with greater precision. Functional safety ensures they can work safely alongside people. NexCOBOT integrates these three core technologies into a unified control platform that customers can deploy, mass-produce, and maintain with confidence.

While NexCOBOT may not manufacture the robots themselves, we are building the technologies that matter most—the intelligent control platform at the heart of next-generation robotics and smart manufacturing. Our mission is not only to make robots move, but to help them operate more intelligently, more reliably, and more safely.



Column 2: SeesAll Technology: Seaport-Dedicated AI PTZ Speed Dome Camera

SeesAll Technology Port-Specific AI PTZ High-Speed Dome Camera

The World's First AI Visual Solution with Simultaneous Integration of AI ShakeDry (Raindrop Detection & Vibration Scattering) and OIS (Optical Image Stabilization)



In maritime and seaport environments, strong winds, dense fog, heavy rain, and low-light conditions often pose severe challenges to video surveillance. Engineered specifically to overcome these adversities, our company introduced the SeesAll Technology Seaport-Dedicated AI PTZ Speed Dome Camera. This product stands as the world's first intelligent imaging solution to simultaneously integrate AI ShakeDry (raindrop detection and micro-vibration dispersion technology) with OIS (Optical Image Stabilization), effectively minimizing interferences caused by water droplets and camera shakes.

Even under rigorous conditions such as severe storms, intense backlight, or ultra-low nighttime illumination, the camera operates with unwavering stability, maintaining pristine image quality. Concurrently, it performs continuous AI on-site calibrations to guarantee the accuracy and consistency of recognition results. This not only optimizes surveillance efficiency but also significantly mitigates the risk of false alarms.

Currently deployed in smart seaport applications, this product actively enhances port safety management and operational efficiency, setting a more reliable and intelligent new benchmark for maritime surveillance.



Column 3: Driving Industrial Sustainable Transformation via the "AI Master" Series



As ESG (Environmental, Social, and Governance) becomes a corporate imperative, Small and Medium Enterprises (SMEs) often confront the most severe hurdles: restricted resources, fragmented data, and talent deficits. We firmly believe that a true sustainability transition should not be a staggering burden, but rather a data-driven efficiency revolution.

1. Core Practice: "Production Master" -- Driving Social and Governance Transformation in Smart Manufacturing (S & G)

Tailored for resource-constrained SMEs, "Production Master" serves as the catalyst for the "first mile" of digital transformation, deploying AI technology to optimize production governance and resource allocation:

- **Precision Cost Governance (G):** Through the MCI (Manufacturing Cost Intelligence) system, we establish a three-tiered dashboard connecting executive management to front-line engineers. This transforms obscure production data into transparent, real-time cost dynamics, empowering enterprises to make data-backed, rational decisions amid market volatility.
- **Eliminating Process Waste (S):** By introducing "The Auditor," an automated auditing system, we seamlessly reconcile data discrepancies between ERP and APS systems. This not only mitigates manual verification fatigue and error rates but also liberates front-line employees from tedious data processing, allowing them to pivot toward high-value technical analysis and enhancing workplace fulfillment.
- **Resource Efficiency Optimization (E):** Utilizing AI for cost forecasting and machinery monitoring, we precisely manage material consumption and scrap output. This minimizes resource waste resulting from inefficient trial productions, achieving tangible environmental protection objectives.

2. Deep Integration: NexDATA — The Bedrock of Data Governance and Energy Management (E)

If the "Production Master" serves as the sensory organs of a smart factory, NexDATA functions as its data heart. Within the environmental dimension of ESG, robust data governance forms the underlying logic of any Energy Management System (EMS):

- **Optimizing Factory Energy Data Governance:** We deploy NexDATA across factory energy data governance frameworks. Through standardized data cleansing and integration, we empower enterprises to precisely monitor and identify carbon emission hotspots.
- **Breaking Down Data Silos for Measurable Reduction:** When data is no longer isolated in disconnected silos, enterprises can genuinely implement "data-driven carbon reduction." This shifts energy-saving and consumption-reduction initiatives from mere slogans into trackable, optimized, and concrete performance metrics.

3. Cross-Domain Application: "Medical Master" -- The Social Impact of AI Technology (S)

The breadth of ESG extends far beyond the factory floor, reaching into healthcare environments to fortify social safety nets. By translating our verified industrial experience in "poka-yoke" (error-proofing) and "visualization" into the "Medical Master" solution, we achieve:

Enhancing Medication Safety: Leveraging visual guidance technology, the solution empowers medicine cabinets with the ability to "proactively indicate location."

Alleviating Healthcare Burdens: Reducing medicine retrieval time by over 60%, this solution significantly mitigates scheduling pressures driven by healthcare labor shortages, fulfilling the original intent of technology serving humanity.

Digitally Empowering Professionals: Enabling pharmacists to return to their core professional consultations rather than expending physical energy on repetitive sorting tasks, thereby practicing "decent work" within healthcare institutions.

Looking Ahead: Transitioning from Data Visualization to Autonomous Collaboration with Agentic AI

In the next phase, we will propel the "Production Master" and "Medical Master" series beyond passive auxiliary tools, evolving them into Agentic AI capable of autonomous planning and execution. This is not merely a technological upgrade, but an accelerator for the company's long-term ESG vision:

- **From "Problem Detection" to "Proactive Resolution" (G - Governance Transformation):**

The future "Production Master" will no longer merely display cost risks or data gaps. Powered by Agentic AI, the system will autonomously scan for anomalous data within NexDATA. Acting as an experienced executive assistant will proactively interface with ERP systems, verify inventory status, and even automatically formulate multiple alternative scheduling options for managerial decision-making when material shortage risks are detected—realizing truly high-efficiency governance.

- **Ultimate "Workforce Empowerment" (S - Social Responsibility):**

In medical fields, "Medical Master" will evolve into a predictive, intelligent pharmaceutical Agent. Beyond guided light indicators for retrieval, it will autonomously initiate procurement simulations or expiration-date warning allocations before inventory hits critical thresholds. This completely liberates pharmaceutical personnel from tedious administrative chores. This "agentic collaboration" model will profoundly ease labor deficits in high-pressure sectors, fostering a more humane and caring workplace environment.

- **Dynamic "Net-Zero Path Optimization" (E - Environmental Sustainability):**

By harnessing the autonomy of Agentic AI, NexDATA will possess the capability to actively regulate energy consumption. When the AI perceives machinery idling or anomalies in power usage, it can issue real-time commands to optimize equipment parameters instantaneously, rather than waiting for post-event report reviews. This real-time, autonomous optimization will serve as the most robust technological backbone for enterprises striving to achieve "net-zero carbon emissions."

Conclusion: Data for Common Good, Value for Co-Creation

Through the integration of Agentic AI, we are not merely developing software; we are defining a new paradigm for future human-machine collaboration.

From the production front lines of manufacturing plants to the medicine dispensing windows of hospitals, we utilize AI agents to shoulder repetitive, high-pressure decision-making processes. This allows every professional to return to what matters most: high-value, creative work. Our unwavering pursuit of "digital equity" and "ultimate efficiency" stands as our most authentic, long-term commitment to sustainable development.

2.2 Quality Management

NEXCOM obtained ISO 9001 certification in 1999, initiating the implementation of a Total Quality Management (TQM) system aimed at developing a comprehensive quality system. In 2005, the company achieved ISO 14001 Environmental Management System certification and in 2013, OHSAS 18001 Occupational Health and Safety Management System Certification, which was updated to ISO 45001 in 2019, establishing an Environmental Safety and Health (ESH) Management System. Recognizing the significance of the medical system, NEXCOM obtained ISO 13485 Medical Devices Quality Management System Certification in 2017, ensuring a rigorous production process for medical device products.

NEXCOM sets various targets and management plans annually to enhance quality performance and improve occupational health and safety risks, consistently meeting these targets for several years. Additionally, annual audits by third-party verification companies ensure the effective implementation of all ISO management system.

Total Quality Management and Continuous Improvement

“Develop mutual understandings on quality control and strive for excellence (Consistent Quality), Regulate all workflows and checkpoints on professional standards (Total Quality Assurance), Strive to be impeccable and improve on performance for total customer satisfaction (Continual Improvement) - this is NEXCOM's quality policy.” From the formulation of the quality policy, it is clear that NEXCOM direction in quality management adopts the concept of comprehensive quality. By involving all employees in quality improvement, the company continuously enhances various aspects, including product technology, manufacturing capabilities, employee skills, optimal quality costs, and satisfaction of both internal and external customers. In terms of specific practices, departments within NEXCOM, including design, procurement and supplier management, manufacturing, post-sales service, and related support units are responsible for their performance of quality managing and monitoring. Top-level leaders are responsible for promoting the all-employee involvement. Regular meetings are called for fundamental monitoring activities. Directors of inter-related departments should jointly establish annual work plan and key performance indicators (KPIs) for next year based on results of previous accomplishment in customer quality requirements, industry quality management indicators and future corporate operational strategies. Real-time monitoring of key indicators is conducted based on the SMART principles (Specific/Measurable/Attainable/Relevant/Time-bound) to enhance the effectiveness of continuous improvement and ultimately ensure product quality and customer satisfaction.

Green Product Supply Chain Management System

To efficiently manage all components to meet green environmental requirements, NEXCOM has implemented the (GPMS) Green Product Management System. This system is equipped with multi-national regulations, exemptions, and customer standards, allowing suppliers to quickly and easily update information on green components online. It effectively manages suppliers and tracks quality performance. The GPMS system can set regulations, substances, materials, documents, and audit processes. When new materials are updated, the system automatically notifies suppliers to upload relevant documents. After the suppliers upload the documents, the system notifies the NEXCOM green components product unit for review. When it is necessary to check if various models comply with green standards, quality management personnel can use the report generator to automatically produce complete customer declaration reports, including RoHS, REACH, and full material investigation reports. This also includes bringing out all related documents of parts for tracking and evaluation. Through the standardized automated platform of GPMS, NEXCOM 's green product management becomes more efficient, and the company continues to move towards the targets of green and sustainable quality in the future.

Quality - Short, Medium, and Long-term Strategic Targets

Short-term Quality Targets:

- Execute Conduct incoming quality inspections to reduce product defect rates and enhance customer satisfaction.
- Implement appropriate quality control measures to ensure products meet international standards.
- Aperiodically conduct education and training to enhance employees' understanding and awareness of quality to reduce errors and mistakes.

Medium-term Quality Targets:

- Continuously improving research and development (R&D) and design quality to enhance market competitiveness.
- Strengthen supplier management to ensure that materials and components obtained from suppliers meet standards.
- Enhance product safety and reliability to ensure customers' experience and reliability of products.

Long-term Quality Targets:

- Increase the use of IoT technologies to enhance overall management guidelines and achieve continuous improvement and innovation.
- Establish a comprehensive quality management digital footprint system to achieve long-term stability and ISO certification.
- Utilize AI for research and development innovation and process optimization based on historical records, continuously improving product quality and technological capabilities to meet market and customer demands.



2.3 Customer Satisfaction

NEXCOM is committed to establishing and maintaining strong customer relationships to provide the best products and services. In order to understand customer satisfaction with our products and services, we regularly hold customer satisfaction surveys every year. Targeting important customers for the previous year, we provide a channel for customers to immediately reflect their opinions, which is an important basis for continuous improvement of products and service processes. The survey items include "Sales Service," "Product Quality," "Customer Service," "Delivery," and "Website." Customer satisfaction survey results will be promptly feedback to various departments within the company for improvement and enhancement.

Through the customer satisfaction survey, we not only gain insights into how customers perceive our products and services but also receive positive reinforcement that encourages and supports our dedicated employees. Additionally, the surveys help us identify areas for improvement from an external perspective, allowing us to make timely adjustments. For customers whose satisfaction levels fall short of our set targets, we promptly report the issues to the departments responsible. These departments are tasked with formulating improvement measures and presenting them at management review meetings for follow-up and tracking.

Additionally, we engage in regular communication with our customers to understand their needs and feedback, allowing us to make timely improvements and enhancements. We utilize various communication channels, including email, telephone conferences, video meetings, and business trips, to ensure close contact with our customers. We believe that through continuous improvement and enhancement of our products and services, we can build and maintain strong customer relationships, ultimately earning their long-term trust and support.

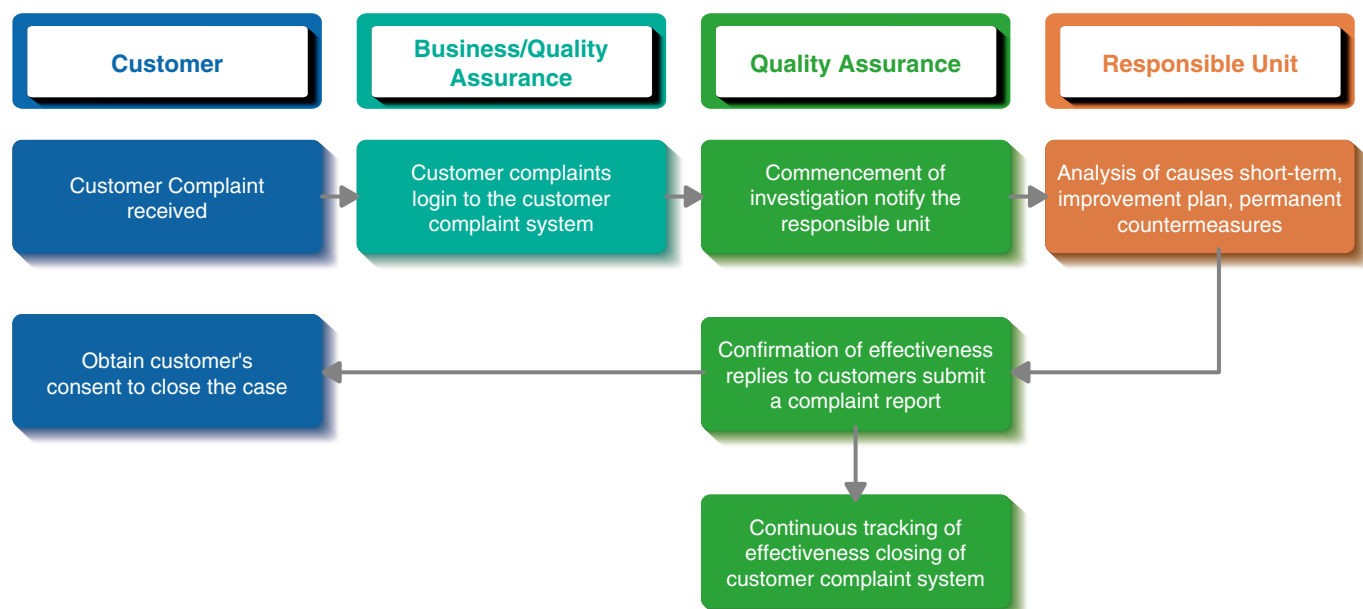
Overall, the average customer satisfaction score for 2025 reached 88.4 points, representing an increase of 1.6 points compared to 2024. This improvement underscores the continuous enhancement of the company's overall product quality and service standards. Further analysis shows that satisfaction continues to remain at a high level and has shown a stable development trend in the past three years, indicating that the customer relationship management and service quality improvement measures continuously promoted by the company are effective. In the future, we will conduct in-depth analysis on projects with slightly declining satisfaction and continue to strengthen the communication and feedback mechanism with customers, in order to further improve customer satisfaction.

► Customer Satisfaction Score

Year	2023	2024	2025
Customer Satisfaction (%)	87.0	86.8	88.4

Note: The data source is NEXCOM.

► Customer Complaint Handling Process



2.4 Sustainable Supply Chain

From the perspective of corporate sustainable governance, suppliers are not only operational partners but also indispensable stakeholders within the corporate value chain. The operational stability and sustainability performance of upstream supply chains directly impact a company's overall achievements in Environmental, Social, and Governance (ESG) domains. It is vital to establish relationships grounded in transparency, trust, and mutual growth with suppliers to ensure that product and service quality align with corporate standards. Guided by a long-term commitment to corporate sustainability, NEXCOM promotes the continuous advancement of suppliers' sustainable governance capabilities through institutionalized procurement and evaluation mechanisms. All cooperative suppliers must comply with the Company's Procurement Management Procedures and undergo periodic evaluations and reviews, which serve as a critical basis for continuous improvement and deeper collaboration.

Supplier Management Policy and Regulatory Standards

NEXCOM places a high priority on sustainable supply chain management. To mitigate the environmental and social impacts of our supply chain, we have established a comprehensive Supplier Management Policy and related regulatory guidelines. Sustainable requirements—including environmental protection, occupational health and safety, labor and human rights, business integrity, and legal compliance—are integrated into our supply chain management mechanisms, serving as critical criteria for supplier evaluation, selection, and management. In terms of environmental governance, NEXCOM requires suppliers to adhere to domestic and international environmental regulations as well as customer mandates, while actively driving the following environmental management initiatives:

- Establishing Environmental Management Systems: Encouraging suppliers to obtain ISO 14001 Environmental Management System certification.
- Implementing Hazardous Substance Management: Complying with regulatory requirements and aligning with international environmental frameworks such as RoHS and REACH.
- Promoting Energy Conservation and Resource Efficiency: Driving carbon reduction, pollution prevention, and efficient resource utilization measures.
- Enforcing Waste Management and Recycling: Implementing robust waste management and material recycling to minimize environmental impacts.
- Aligning with Green Supply Chain Mandates: Adhering to customer requirements regarding green products and sustainable supply chain management.
- Banning Hazardous Substances: Prohibiting the use of restricted substances and requiring suppliers to provide related testing reports or declarations of conformity.

Furthermore, NEXCOM incorporates environmental, health and safety (EHS), and sustainability risks into its supplier management and evaluation workflows. Through these actions, we continually elevate the sustainability capabilities of our supply chain while lowering overall operational risks.



Implementation Status of Supplier Management Policy and Regulations

To effectively execute sustainable supply chain management, NEXCOM continuously conducts supplier due diligence, comprehensive evaluations, and sustainability management initiatives. The implementation status for the 2025 fiscal year is outlined below:

- 1. Supplier Evaluation and Due Diligence: Prior to onboarding new suppliers, assessment procedures covering basic profiles, quality capabilities, environmental management, and regulatory compliance must be conducted. Environmental and sustainability management capabilities are integrated into these review items, serving as a vital basis for supplier selection.
- 2. Supplier Self-Assessment and Document Management: We require suppliers to provide environmental declarations, hazardous substance compliance data, and other customer-mandated documentation. This information is regularly updated to verify ongoing alignment with environmental regulations and green product specifications.
- 3. Supplier Performance Evaluation: Periodic supplier performance appraisals are executed, evaluating key metrics such as quality, delivery, service, and legal compliance. Concurrently, we closely monitor suppliers' execution performance regarding environmental protection and sustainability management.
- 4. Supplier Guidance and Sustainability Promotion: In alignment with customer mandates and international regulations, we maintain continuous communication with suppliers regarding hazardous substance management, green products, and sustainable supply chain requirements, assisting them in elevating their environmental management capabilities and regulatory compliance.
- 5. Green Supply Chain Management: We actively promote green procurement and the management of environmentally friendly materials, giving preference to suppliers that meet stringent environmental management requirements to mitigate the environmental impacts throughout the product life cycle.
- 6. Risk Management and Anomaly Tracking: In the event that a supplier experiences a major violation concerning quality, environmental standards, or legal regulations, NEXCOM requires the immediate submission of corrective action plans and performs rigorous follow-up tracking. When necessary, the qualification for cooperation will be re-evaluated to lower overall supply chain risks.

Through these supplier management policies and continuous oversight measures, NEXCOM consistently fortifies the environmental and sustainability capabilities of its supply chain. We work hand-in-hand with our suppliers to drive low-carbon, eco-friendly, and sustainable development goals, ultimately enhancing corporate sustainability competitiveness and corporate governance performance.

New Supplier Evaluation

The procurement department selects suppliers based on the company's actual needs, using criteria such as quality, price, delivery time, quantity, and service attitude. Additionally, suppliers who have obtained ISO 14001 certification, are Green Partner certified, or have received recognition from government agencies for their environmental excellence are also eligible to become NEXCOM's suppliers. To ensure that suppliers clearly understand our environmental, safety, and health requirements, all new suppliers are required to complete and return our Environmental Safety and Health Guidelines form.

► Number and Percentage of New Suppliers Meeting Environmental Standards Screening

Year	2023	2024	2025
Number of New Suppliers	13	11	19
Percentage of Completion for Screening	92%	92%	100%

Note: The data source is NEXCOM.

Annual Supplier Evaluation

Scores of quality, delivery and services are recorded quarterly in the evaluation database. Scores are divided into four Grades:

- Grade A - The score is 90 or above
- Grade B - The score is 80 or above
- Grade C - The score is 70 or above
- Grade D - The score is below 69

For those whose scores are below 69 points, NEXCOM requires suppliers to submit improvement countermeasures reports within a time limit and requires relevant units to continue to pursue them. If the total evaluation score is lower than 79 points, NEXCOM will also reduce the procurement ratio of suppliers, and if necessary, tighten their purchase control according to inspection and control procedures.

Corporate Social and Environmental Responsibility Code of Conduct

NEXCOM implements the "Corporate Social and Environmental Responsibility Code of Conduct" to ensure that suppliers meet sustainable standards, this code includes requirements related to human rights issues (no child labor, no discrimination, and no forced labor), environmental responsibility, and ethical business practices. In 2025, a total of 19 new raw material suppliers signed the Corporate Social and Environmental Responsibility Code of Conduct.

► 2025 Statistic of Suppliers Signed Corporate Social and Environmental Responsibility Code of Conduct

Year	2023	2024	2025
Number of New Suppliers	12	12	19
Suppliers Response	12	12	19
Percentage of Response	100%	100%	100%

Note: The data source is NEXCOM.

Supplier - Corporate Social Responsibility Questionnaire

NEXCOM conducted a survey to understand its suppliers' commitment to protecting labor rights, promoting fair employment conditions, ensuring safe working conditions, managing environmental issues responsibly, and upholding high ethical standards. In 2025, a total of 396 were issued and 396 were collected, achieving a 100% return rate.

► 2025 Supplier Social Responsibility Questionnaire Return Rate Statistics

Year	2023	2024	2025
Number of New Suppliers	466	457	396
Suppliers Response	466	457	396
Percentage of Response	100%	100%	100%

Note: The data source is NEXCOM.

Conflict Minerals

NEXCOM upholds the core values of corporate sustainability and social responsibility by actively promoting supply chain transparency to ensure that metals such as gold (Au), cobalt (Co), mica, tin (Sn), tantalum (Ta), and tungsten (W) are sourced in compliance with conflict-free mineral principles. We firmly oppose the use of minerals mined or smuggled by illegal armed groups from the Democratic Republic of the Congo (DRC) and neighboring conflict-affected regions. According to the United Nations Security Council, the following countries are identified as non-compliant with conflict-free mineral standards for related metal exports: Democratic Republic of the Congo (DRC), Rwanda, Uganda, Burundi, Tanzania, and Kenya.

To implement our responsible sourcing policy, NEXCOM has fully promoted the Conflict Minerals Reporting Template (CMRT) / Extended Minerals Reporting Template (EMRT) surveys, issuing requests to 446 suppliers, of which 439 have responded. We will continue to collaborate with our supply chain partners to build a transparent, sustainable, and responsible supply system.

As a global corporate citizen, NEXCOM declares and commits not to accept metals sourced from conflict-affected areas. At the same time, we require our suppliers to:

1. Fulfill social and environmental responsibilities
2. Refrain from using “conflict minerals” sourced from the DRC and surrounding countries and regions
3. Trace the origin of all gold (Au), cobalt (Co), mica, tin (Sn), tantalum (Ta), and tungsten (W) contained in their products
4. Suppliers are required to cascade this requirement down to their respective upstream suppliers

In 2025, all products supplied by NEXCOM to customers will be guaranteed conflict-free metal products.

Restricted Substances

NEXCOM ensures that all raw materials used comply with the EU's RoHS, REACH, and halogen-free standards. This ensures that our products not only meet customer requirements but also protect our employees and the ecological environment.

In 2019, NEXCOM established the "Green Product Management System," which includes the use of non-toxic raw materials, modular design for product interchangeability, and pollution reduction during the manufacturing process. This system aims to increase the recyclability of products and waste and reduce the impact on the environment.

Local Procurement

NEXCOM continues to practice corporate social responsibility starting from the procurement end. NEXCOM progressively promotes the concept of local procurement (within Taiwan). Through local procurement, we can stimulate local economic development and support business growth, while also reducing environmental impact and lowering carbon emissions caused by long-distance transportation. NEXCOM will continue to advance the concept of local procurement, moving towards sustainable development.

► Local Procurement Amount Statistics

(Unit: NT\$ thousand)

Year	2023	2024	2025
Local Supplier Procurement Expenditure	2,221,583	2,601,589	2,963,694
Total Procurement Amount	2,356,402	2,808,832	3,236,421
Percentage of Local Supplier Procurement Expenditure	94.28%	92.62%	91.57%

Note 1: Since the procurement amounts are converted from USD to TWD, this amount is calculated in TWD.

Note 2: The data source is NEXCOM.