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MACRONIX
INTERNATIONAL Co., LTD.

Year 2024 Annual Report

Printed on March 06, 2025

This Annual Report is available at the following Websites:

Taiwan Stock Exchange Market Observation Post System:

<http://mops.twse.com.tw>

Corporate Website: <http://www.macronix.com>

-----Disclaimer-----

THIS IS A TRANSLATION OF YEAR 2024 ANNUAL REPORT OF MACRONIX INTERNATIONAL CO., LTD. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

I. Company Spokesperson and Deputy

Spokesperson: Miin Wu

Tel: 03-5786688

Deputy Spokesperson: Paul Yeh

Tel: 03-5786688

Title: Chairman and CEO

E-mail: ir@mxic.com.tw

Title: Vice President

E-mail: ir@mxic.com.tw

II. Headquarters and Factories

Headquarters and FAB 2: No. 16, Li-Hsin Road, Science Park, Hsin-chu, Taiwan, R.O.C.

Tel: 03-5786688

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Tel: 03-5783333

Taipei Office: 19F, No. 4, Min-Chuan E. Road, Sec. 3, Taipei, Taiwan, R.O.C.

Tel: 02-25093300

III. Stock Transfer Agency

Investor Relations Office

Address: 2F, No. 162-1, Songjiang Road, Zhongshan Dist., Taipei, Taiwan, R.O.C.

Website: <http://www.macronix.com>

Tel: 02-25638128

IV. Auditors

Accounting Firm: Deloitte & Touche

Accountant: Tung-Hui Yeh, Kuo-Tyan Hong

Address: 6F, No. 2, Zhanye 1st Rd., Science Park, Hsin-chu, Taiwan, R.O.C.

Website: <http://www.deloitte.com.tw>

Tel: 03-5780899

V. Overseas Securities Exchanges: None

VI. Company Website: <http://www.macronix.com>

Macronix's Philosophy

“Honesty”

Macronix's Values

“Innovation, Quality, Efficiency, Service, Team Work”

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Chapter I. Letter to Shareholders

Complex Business Environment

In 2024, Taiwanese businesses faced a highly volatile and unpredictable operating environment due to major political and economic shifts such as geopolitical tensions, the US-China technology war, and the US presidential election. In particular, changes in the semiconductor supply chain are closely linked to the US presidential election. Taiwan's semiconductor industry has faced the dual pressure of US regulatory controls and tariffs, as well as various international responses, geopolitical conflicts and war-related disruptions further contributing to sharp fluctuations in raw material prices. Additionally, the Red Sea crisis has led to the increase in container and bulk shipping rates. Domestically, the Hualien earthquake on April 3 and the impending implementation of energy policies, carbon fee collection, and other wide array of impacts also pose significant challenges. In response, the Company has adopted a pragmatic and cautious strategy, including maintaining high-quality products and professional services, proactively and appropriately reducing inventory, accelerating R&D progress, and reducing capital expenditures. However, weak demand for memory products in the end-user market has hindered our inventory reduction efforts. As a result, the Company's consolidated revenue for last year (2024) declined by 6% compared to the preceding year (2023), with a 0.9% decrease in gross profit margin. This led to operating losses for the second consecutive year, falling short of expectations.

Operating Performance

The operating results for 2024 are as follows: The consolidated net operating revenue for the year amounted to NT\$25.9 billion; the consolidated gross profit amounted to NT\$6.1 billion; the average annual gross margin amounted to 23.6%; the loss after tax amounted to NT\$3.2 billion; and the loss per share amounted to NT\$1.73. Cash flow from operating activities amounted to NT\$175 million, whereas cash flow from investment activities amounted to NT\$5.173 billion, with NT\$11.623 billion in cash equivalents at the end of the period. The net value of inventory amounted to NT\$13.406 billion; the debt ratio amounted to 43.5%, and the book value per share amounted to NT\$23.72. All of which indicate that the Company's financial position remains stable.

Commitment to Technological Innovation

The Company has long been dedicated to innovative R&D, enhancing its growth potential and competitiveness through technological innovation. For example, we filed a total of 309 patent applications in various countries last year (2024); as of the end of the same year, the Company had already obtained 9,520 approved patents worldwide. In addition to ranking at the top of the semiconductor industry in terms of number of patents, we also hold a large number of high-quality, internationally critical technology. These assets allowed us to secure a leading position in the global non-volatile memory market. Last year (2024), the Company's ArmorBoot MX76 Secure Boot Serial NOR Flash was recognized as the Best Memory Solution of the Year at the EE Awards Asia 2024. The fourth consecutive time we were honored with the award. Additionally, at electronica 2024 in Munich, Germany, the Company launched its 3D NOR product, aiming to collaborate with world-class customers to address the growing demand for non-volatile memory in various applications, including automotive, industrial, and medical sectors, particularly in areas such as autonomous driving, smart technologies, and high-security solutions.

Production and Quality

In terms of manufacturing processes and products, NOR flash accounted for 59% of annual revenue last year (2024), while ROM contributed 22%. Particularly, the demand for NOR flash from high-quality and high-value-added applications in automotive, industrial, medical, and communication sectors has already exceeded 40%. NAND flash accounted for 11% of annual revenue, while 96-layer 3D NAND flash products achieved

stable production last year (2024) and will gradually contribute to revenue. The ongoing development and application of 3D NAND will focus on enterprise-grade SSD products to meet customers' demands for higher-capacity and high-quality storage solutions.

Products and Marketing

Following the rapid development of high-performance computing centers, AI, the automotive market, and 5G, the applications of memory chips will become even more extensive. In response to customer support, the Company will remain committed to innovative R&D, proprietary technology, and high-quality products, continuously providing customers with high-performance and highly reliable memory solutions. For example, the superior data access capabilities of ArmorFlash not only enable brand customers to develop more AI applications that operate independently and swiftly on end and personal electronic devices, but also feature notable advantages such as low power consumption, high speed, and advanced system security. In this regard, The Company will continue to refine and enhance the new ArmorFlash MX78, which features a new design that increases data access speed by over 100 times compared to the previous generation. In addition to the optimization of the startup process and execution of critical security functions in electronic devices, it provides a smoother user experience. This function has been validated by external organizations, earning ISO/SAE 21434 certification this year (2024), which emphasizes network security in design. This proves that the Company's memory products can meet customer requirements for information confidentiality, integrity, and availability in automotive and industrial control applications. Additionally, the Company has made significant progress in collaborations with leading international autonomous driving solution providers and major automotive MCU chip manufacturers, securing adoption by top-tier automakers and automotive electronics manufacturers.

Sustainable Development and Social Responsibility

Facing growingly complex market environments and risks, even more challenges have appeared in corporate sustainability. In response, the Company adopted the Corporate Governance 3.0 – Sustainable Development Blueprint of the Financial Supervisory Commission under the United Nations Sustainable Development Goals (SDGs), and appropriately established and implemented corporate governance and risk management mechanisms. Last year (2024), the Company ranked in the 6%–20% tier among publicly listed companies in Taiwan's 10th Corporate Governance Evaluation, and in the 11%–20% tier among electronics companies with a market capitalization exceeding NT\$10 billion. Additionally, the Company was recognized by the Ministry of Environment for Excellence in Green Procurement and received the Award of Excellence for Occupational Health and Safety Management System Performance in 2024 issued by the Occupational Safety and Health Administration of the Ministry of Labor. The Company continues to promote a friendly workplace and employee benefits, and improve the facilities at the employee recreation and fitness center to promote employees' physical and mental well-being. As a result, we earned recognition from the Sports Administration of the Ministry of Education, receiving the 2024 Taiwan i Sports certification. The Company and its employees are also actively engaged in social contributions. Through the Macronix Education Foundation and/or various public organizations, the Company unites its strength, employees and the broader public to make a meaningful contribution and extend support to the underserved areas of society. Last year (2024), more than 4,000 employees participated in charitable activities, with total donations exceeding NT\$3.8 million. By now, the Company has been hosting the Golden Silicon Awards for 25 years, using competition categories each year to lead students to engage in innovative research fields. As AI has become one of the most prominent global technology topics in recent years, the Macronix Golden Silicon Awards already introduced an AI category as early as 2019. To date, over 250 competition entries have leveraged AI to drive innovative research, with several advancing to commercial development. The competition has successfully nurtured more than 700 outstanding AI talents. All these efforts serve as a strong affirmation of the Company's ongoing commitment to and implementation of the ESG and sustainable development through concrete actions.

Future Outlook

The global political and economic environment remains dynamic and challenging, while the memory industry continues to develop amid the ongoing market recovery. Facing these external challenges, the Company's management team will continue to uphold the business philosophy of groundedness, sizing up the situation to flexibly calibrate production, actively and prudently reduce inventory, and adjust capital expenditures. Together with employees, the Company will try its best to accelerate R&D, mass production, enhance management efficiency to improve operational performance, and strengthen corporate competitiveness. The Company will continue to develop the high-quality and high-performance memory application market, while also increasing the revenue share of automotive and industrial control products. Furthermore, by leveraging new high-value products, such as 3D NOR flash, the Company aims to seize opportunities in high-end, high-quality, and high-capacity applications within the automotive and industrial control sectors.

We sincerely appreciate our shareholders' continued support and trust, which has enabled the Company to maintain stable operations and drive innovation amid changing market conditions while striving to seize opportunities in times of uncertainty. The Company and all employees will continue to enhance cost competitiveness and strengthen our corporate foundation. We will continue to work hard, and with the best interests of the Company and its shareholder value as the highest priority, will strive to overcome adverse external factors and create value in response to the support and trust of our shareholders, customers, and employees.

Chairman: Miin Wu

President: C. Y. Lu

Chapter II. Corporate Governance Report

I . Profile of Directors, Supervisors, the President, Vice Presidents, Assistant Managers, and Department Directors

(I) Directors and Supervisors

1. Profile of Directors and Supervisors

February 28, 2025

Title	Nationality or Place of registration	Name	Gender/Age	Date Elected	Term (yrs)	Date First Elected	Shareholding When Elected		Shares currently held		Shares held by spouse and underage children		Education/ work experience	Other positions at the Company or elsewhere
							Shares	%	Shares	%	Shares	%		
Chairman	R.O.C	Miin Wu (Note 1)	Male 76	2022.05.27	3	1989.11.25	13,200,809	0.71%	13,440,809	0.72%	None	None	M.S. degree in Material Science and Engineering from Stanford University	Chairman & CEO of Macronix International Co., Ltd. Director of Macronix America, Inc. Director of Macronix (BVI) Co., Ltd. Representative (Director) of Hui Ying Investment Ltd. Representative (Director) of Run Hong Investment Ltd. Chairman of Mxtran Inc. Director of Phoenix 3 Venture Capital Co., Ltd. Director of Phoenix 4 Venture Capital Co., Ltd. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd. Executive Director of Macronix Microelectronics (Suzhou) Co., Ltd. Director of Macronix (Asia) Limited Managing Director of Eastern Electronics Co., Ltd.
Director	R.O.C	Shun Yin Investment Ltd. (Note2)	-	2022.05.27	3	2004.06.18	22,587,265	1.22%	22,587,265	1.22%	None	None	None	None
	Japan	Representative: Masashi Kuramoto	Male 57	2024.08.20	3	2024.08.20	None	None	None	None	None	None	B.S. degree in Chemical Engineering from Doshisha University	Director of MegaChips Corporation Director of MegaChips LSI USA Corporation
Director	R.O.C	C. Y. Lu	Male 74	2022.05.27	3	2003.04.18	2,815,766	0.15%	2,941,766	0.16%	None	None	PhD degree in Physics from Columbia University	President of Macronix International Co., Ltd. Chairman of Macronix America, Inc. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd. Chairman & CEO of Ardentec Corporation Director of Ardentec Korea Co., Ltd. Director of Ardentec Singapore Pte. Ltd. Representative (Chairman) of Sheng Tang Investment Co., Ltd. Representative (Chairman) of Ardentec Semiconductor Co. Ltd. Representative (Chairman) of Giga Solution Tech. Co., Ltd. Independent Director of Hong Tai Electric Industrial Co. Ltd. Director of Feng Chia University
Director	R.O.C	Achi Capital Limited (Note3)	-	2022.05.27	3	2010.06.09	902,456	0.05%	902,456	0.05%	None	None	None	Director of Mxtran Inc.
	R.O.C	Representative: Stacey Lee	Female 65	Omitted	Omitted	2007.06.29	Omitted	Omitted	19,446	0.00%	None	None	PhD degree in Law, University of the Pacific	Representative (Director) of Mxtran Inc. Adjunct Professor of National Yang Ming Chiao Tung University Adjunct Associate Professor of Soochow University

Title	Nationality or Place of registration	Name	Gender/Age	Date Elected	Term (yrs)	Date First Elected	Shareholding When Elected		Shares currently held		Shares held by spouse and underage children		Education/ work experience	Other positions at the Company or elsewhere
							Shares	%	Shares	%	Shares	%		
Director	R.O.C	Chien Hsu Investment Corporation (Note4)	-	2022.05.27	3	2016.06.16	811,421	0.04%	811,421	0.04%	None	None	None	Director of ZOWIE Technology Corporation Director / supervisor of Homey Consulting Corp.
	R.O.C	Representative: Ching-Yun Li	Female 82	Omitted	Omitted	2019.07.26	Omitted	Omitted	1,441,799	0.08%	None	None	Public relations from Shih Hsin School of Journalism	Chairman of Chien Hsu Investment Corporation Representative (Chairman) of Homey Consulting Corp.
Director	R.O.C	Che-Ho Wei	Male 78	2022.05.27	3	2016.06.16	None	None	None	None	None	None	Ph. D. degree in Electronic Engineering from the University of Washington, Seattle, USA.	None
Director	R.O.C	Yan-Kuin Su	Male 76	2022.05.27	3	2007.06.29	None	None	None	None	None	None	PhD degree in Electrical Engineering from National Cheng Kung University	Independent Director of Himax Technologies, Inc Independent Director of Epileds Technologies.Inc Honorary Professor of National Cheng Kung University Professor of Kun Shan University Chair professor of Kun Shan University Green Energy Technology Research Center Dean of Academy of Innovative Semiconductor and Sustainable Manufacturing of National Cheng Kung University
Director	R.O.C	Sung-Jen Fang	Male 57	2022.05.27	3	2022.05.27	370,159	0.02%	457,159	0.02%	30,000	0.00%	PhD degree in Material Science and Engineering from Stanford University	Chairman of Darwin Venture Management Corporation Director of TECO Image Systems Co., Ltd. Independent Director of Sciencetech Corporation
Director	R.O.C	Tom Yiu	Male 72	2022.05.27	3	1995.06.05	6,657,322	0.36%	6,681,322	0.36%	1,272,084	0.07%	M.S. degree in Electronic Engineering from University of California, Berkeley	Senior V.P. & Chief Marketing Officer of Macronix International Co., Ltd. Director of Macronix America, Inc. Representative (Director) of Mxtran Inc. Director of SiTime Corporation Independent Director of Chipbond Technology Corporation
Director	R.O.C	F. L. Ni	Male 66	2022.05.27	3	2007.06.29	1,983,933	0.11%	2,067,933	0.11%	340,333	0.02%	M.S. degree in Electronic Engineering from University of Michigan	Vice President of Macronix International Co., Ltd. Chairman of Macronix Europe N.V. Director of Macronix Pte Ltd. Director of Macronix (Hong Kong) Co., Ltd. Director of Wolley Inc.
Director	R.O.C	Hui Ying Investment Ltd. (Note5)	-	2022.05.27	3	2001.04.19	1,956,619	0.11%	1,956,619	0.11%	None	None	None	None
	R.O.C	Representative: Paul Yeh	Male 68	Omitted	Omitted	2007.07.18	Omitted	Omitted	2,685,174	0.14%	4,985	0.00%	MBA, degree in Business Administration of National Chengchi University	Vice President of Macronix International Co., Ltd. Director of New Trend Technology Inc. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd. Representative (supervisor) of Mxtran Inc.
Independent Director	R.O.C	Tyzz-Jiun Duh	Male 65	2022.05.27	3	2019.06.18	None	None	None	No/ne	None	None	Ph.D., Institute of Forestry, National Taiwan University	Independent Director of USI Corporation Independent Director of KGI Financial Holding Co., Ltd. Independent Director of CDIB Capital Group Independent Director of Walsin Lihwa Corporation

Title	Nationality or Place of registration	Name	Gender/Age	Date Elected	Term (yrs)	Date First Elected	Shareholding When Elected		Shares currently held		Shares held by spouse and underage children		Education/ work experience	Other positions at the Company or elsewhere
							Shares	%	Shares	%	Shares	%		
Independent Director	R.O.C	Chiang Kao	Male 72	2022.05.27	3	2007.06.29	None	None	None	None	None	None	Ph.D. degree in Forest Management from Oregon State University	Honorary Professor of Department of Industrial and Information Management of National Cheng Kung University
Independent Director	R.O.C	Chien-Kuo Yang	Male 66	2022.05.27	3	2022.05.27	None	None	None	None	None	None	B.S. degree in International Trade from Tamkang University	CPA of Diwan & Company Accounting Firm. Chairman of Diwan International Management Consulting Inc. Independent Director of Leadtrend Technology Corporation Independent Director of Andes Technology Corporation Independent Director of Youngtek Electronics Corporation Chairman of Tien Da Investment Co., Ltd.

Note 1: Where the chairman and president or equivalent position (the highest-level of the managerial officer) is the same person, the reasonableness, necessity, and response measures must be disclosed:

Mr. Miin Wu founded Macronix in 1989 and served as its President. He has been elected as the Chairman since 2005 and successfully had the Company become the global leader in non-volatile memory (NVM) with his breadth of vision and innovative business strategy. In 2022, he was elected as the chairman and CEO of the 12th term of the Board of Directors. Considering that the Company has four independent directors, and more than half of its directors are non-employees nor managers of the Company, the independence of the Board of Directors can be ensured. Also, in view of the repeated success of Chairman Miin Wu in leading the Company through challenging times, and to respond to the turbulent and uncertain international political and economic landscape, the restructuring of the semiconductor supply chain, as well as the unpredictable and ever-changing situations involving carbon taxes and tariffs, it is reasonable and necessary for Chairman Miin Wu to continue serving as the Company's Chief Executive Officer (CEO). This will ensure the continuation of the forward-looking and innovative business philosophy, and maintenance of the Company's worldwide reputation, image, and competitiveness, improving the operational efficiency and decision-making, and further enhancing its value.

Note 2: Mr. Masashi Kuramoto was reassigned as representative on August 30, 2024 by Shun Yin Investment Ltd.

Note 3: Ms. Stacey Lee was appointed to attend the 12th Term of the Board of Directors and represent the company exercising any and all Director's rights thereof.

Note 4: Ms. Ching-Yun Li was appointed to attend the 12th Term of the Board of Directors and represent the company exercising any and all Director's rights thereof.

Note 5: Mr. Paul Yeh was appointed to attend the 12th Term of the Board of Directors and represent the company exercising any and all Director's rights thereof.

Note 6: Mr. Cheng-Wen Wu resigned as the Company's independent director on May 19, 2024.

Note 7: Directors held shares by nominee arrangement: Mr. Sung-Jen Fang in the name of other persons held a total of 60,000 of the Company's shares, constituting 0.00% of shareholding; other directors: none.

Note 8: Managers or Directors who are spouses or within second-degree relative of consanguinity to the directors: None.

Major Shareholders of Institutional Shareholders

Name of institutional shareholder	Major shareholders of institutional shareholders
Shun Yin Investment Ltd.	MegaChips Corporation (Japan) (100%)
Achi Capital Limited	Top Harvest Investment Ltd. (Samoa) (100%)
Chien Hsu Investment Corporation	Ching-Yun Li (47.74%) Pao-Yueh Chang (16.00%) Jui-Wen Hu (13.34%) Ting-Chen Hu (13.34%) Chih-To Lee (4.04%) Chun-Jui Chou (1.83%) Guang-Hui Chu (1.75%) Mei-Chih Chen (1.36%) Hsiu-Chu Lin (0.60%)
Hui Ying Investment Ltd.	Macronix International Co., Ltd. (100%)

Major Shareholders Who are Institutional Investors and Their Major Shareholders

Name of institutional shareholder	Major shareholders of institutional shareholders
MegaChips Corporation (Japan)	The Master Trust Bank of Japan, Ltd. (Trust Account) (10.92%) Shindo and Associates (7.15%) Shindo Co., Ltd. (7.03%) Custody Bank of Japan, Ltd. (Trust Account) (4.20%) BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing proxy: MUFG Bank, Ltd) (3.47%) Masahiro Shindo (3.16%) Ritsuko Shindo (3.04%) Noriko Matsui (2.88%) Mika Aoki (2.80%) MUFG Bank, Ltd (2.76%)
Top Harvest Investment Ltd. (Samoa)	Hannah Chen (100%)
Macronix International Co., Ltd.	Fuh Hwa Taiwan Technology Dividend Highlight ETF (6.45%) Syue-Rong Shen (3.40%) Cathay Life Insurance (1.83%) New Labor Pension Fund (1.76%) Robeco Capital Growth Funds (1.32%) Mercuries Life Insurance Co., Ltd. (1.29%) Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds (1.29%) Shun Yin Investment Ltd. (1.22%) Miin Wu (0.72%) Vanguard Total International Stock Index Fund, A Series of Vanguard Star Funds (0.67%)

2. Disclosure of the Professional Qualifications of Directors and Supervisors and the Independence of Independent Directors

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
Miin Wu	<p>Chairman Miin Wu is the founder of Macronix. Before that, Mr. Wu served in several semiconductor companies, such as VLSI Technology Inc., Intel Corp., Rockwell International, and Siliconix Inc. He is currently the chairman and CEO of Macronix and the chairman of Mxtran Inc., the subsidiary of Macronix. He has over 30-year experience in the field of semiconductors and the background in industry technology and marketing. Mr. Miin Wu graduated with an MS in Material Science and Engineering from Stanford University, and has earned many recognitions including the Premier Award on Contemporary Business Leader (Taiwan Business Weekly), Top Executive(Electronic Business Asia), The 25 Industry executives who made a difference (Electronic Buyers News), Cover People of Forbes, Outstanding Contribution Award (The Electronics Devices and Materials Association), and The Stars of Asia (Business Week). He was also awarded an “Honorary Doctorate” by National Chiao Tung University, National Cheng Kung University, and National Tsing Hua University, “Outstanding Achievement Award” by National Cheng Kung University and “Outstanding Alumni Award” by National Taichung First Senior High School, “Outstanding Entrepreneur” by the General Chamber of Commerce of the R.O.C., a Fellow and “Outstanding Performance Award in the Field of Management of Technology” of Chinese Society for Management of Technology, “Professor Shen Wenzhen Memorial Award” for his outstanding contribution to the integrated circuits and system design fields. In addition, he received the Social Education Contribution Awards from Ministry of Education, “Country Winner” and “Business Paradigm Entrepreneur” from EY Entrepreneur Of The Year, “Digital Transforming Leader Award” from Harvard Business Review, Industrial Technology Research Institute (ITRI) Laureate, “Lifetime Achievement Award” from Global Views Leaders Forum, “Presidential Innovation Award” and the “Executive of the Year” from EE Awards Asia.</p>	<ol style="list-style-type: none"> 1. Concurrently serves as the CEO of Macronix and a director with managerial status. 2. Concurrently serves as directors of the subsidiaries of Macronix. 3. Serves as directors of companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraphs 5 and 7 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 4. Except for 1, 2, and 3, the rest all meet the independence requirements in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” 	0

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
Shun Yin Investment Ltd. (Note 2) Representative Masashi Kuramoto	<p>Director Masashi Kuramoto graduated with a B.S. degree in Chemical Engineering from Doshisha University and has a background in industry technology. Mr. Kuramoto is currently the appointed representative of Shun Yin Investment Ltd., the elected director of Macronix. His current position is a director of MegaChips Corporation, General Manager of ASIC Memory Business Unit and Director of MegaChips LSI USA Corporation.</p> <p>Shun Yin Investment Co., Ltd. is a subsidiary of MegaChips Corporation.</p>	<ol style="list-style-type: none"> 1. A corporate shareholder who holds more than 1% of Macronix's outstanding shares, and is one of the top ten major shareholders. 2. Serves as the representative appointed by the corporate director of Macronix. 3. Serves as director of companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 5 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Except for 1, 2, and 3, the rest all meet the independence requirements in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	0

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
C. Y. Lu	<p>Director C. Y. Lu has a PhD degree in Physics from Columbia University, and was previously the president of Vanguard International Semiconductor Corporation. He has a background in industry technology, education, and marketing. Mr. Lu has worked as a professor at National Chiao Tung University and participated in the research of the Bell Labs. He has also served as the deputy director of the Electronics Research & Service Organization (ERSO), Industrial Technology Research Institute (ITRI) and was responsible for the Submicron Project of the Ministry of Economic Affairs, in which he successfully developed the first 8-inch high-density DRAM/SRAM manufacturing technology in Taiwan. He has been the president of Macronix and is currently the chairman and CEO of Ardentec Technology Inc.</p> <p>Mr. Lu has been fellow of the Institute of Electrical and Electronics Engineers (IEEE), the American Physical Society (APS), and the Chinese Society for Management of Technology. Mr. Lu has received many honors, such as the 2012 IEEE Frederik Philips Award, the IEEE Millennium Medal, the National Science and Technology Medal from the Executive Yuan, the Outstanding Research Award from Pan Wen Yuan Foundation, the Special Contribution Award from the Physical Society of Taiwan, the Golden Merchants Award from the General Chamber of Commerce of R.O.C., the Outstanding Alumni Award from National Taiwan University, an Honorary Doctorate from National Chiao Tung University, the ITRI Laureate, the Presidential Science Prize from the Ministry of Science and Technology, the Engineering Sciences Award from the World Academy of Sciences (TWAS), the Technology Management Award from the Chinese Society for Management of Technology, Fellow of the National Academy of Inventors, the Academician of Academia Sinica, the Materials Technology Contribution Award from the Materials Research Society-Taiwan (MRS-T), and the Fellow of the World Academy of Sciences (TWAS).</p>	<ol style="list-style-type: none"> 1. Serves as the president of Macronix and a director with the status of a managerial officer. 2. Concurrently serves as directors of the subsidiaries of Macronix. 3. Serves as directors of companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Except for 1, 2, and 3, the rest all meet the independence requirements in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	1

<p>Achi Capital Limited (Note 3) Representative: Stacey Lee</p>	<p>Director Stacey Lee graduated with a JD from University of the Pacific and has received attorney licenses by passing Bar Examinations in Taiwan and California respectively; she has over 40-year experience in the practice of law and qualifications of a patent attorney and an arbitrator. Mrs. Lee also served as the consultant of Straits Exchange Foundation, a commissioner of the Trade Commission of the Chinese National Federation of Industries, a consultant to the Domain Name Review Committee of the Institute for Information Industry, Lecturer of the Judicial Officer Training Workshop, legal consultant to the Institute for Information Industry, and consultant to many institutions, including the Taiwan Invention Association, the VDU Office of the Ministry of Economic Affairs. She also served as the chairperson of the North Area Fellowship and the director of the Council for Industrial and Commercial Development, chairperson of the Cross-Strait Affair Committee and a committed member of the Board of Council of the Taiwan Patent Attorneys Association. Furthermore, Mrs. Lee served as an associate professor at Tamkang University and Central Police University, and was an international senior partner of Baker McKenzie. Furthermore, Mrs. Lee served as the Legislator of the 8th and 10th Legislative Yuan of Republic of China (Taiwan) and has more than 30-year teaching experience as a professor or adjunct professor at National Yang Ming Chiao Tung University and an adjunct professor at Soochow University, and specialized in cross border transactions, intellectual property, venture capital, incorporation, corporate financing, securities, mergers and acquisitions, licensing and negotiation, international dispute, as well as transactions involving cryptocurrency and financial technology. Mrs. Lee has often been invited to participate in various domestic and/or foreign financial, technological, legal, international political and economic forums, interviews as well as related media events. She has also been a commentator on TV shows and has been writing columns. In short, Mrs. Lee has a solid background in the industry technology, law, economy, education, and public relations.</p>	<ol style="list-style-type: none"> 1. Serves as appointed representatives of the entity directors of Macronix. 2. Serves as a representative of the companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. 3. Except for 1 and 2, the rest all meet the independence requirements in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” 	<p>0</p>
<p>Chien Hsu Investment Corporation (Note 4) Representative: Ching-Yun Li</p>	<p>Director Ching-Yun Li graduated from the Department of Public Relations, Shih Hsin University. She is currently the chairman and the appointed representative of Chien Hsu Investment</p>	<ol style="list-style-type: none"> 1. Serves as appointed representative of the legal entity elected as the juridical persons that are director of Macronix. 	<p>0</p>

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
	Corporation. She also serves as the appointed representative of Homey Consulting Corp., who specializes in public relations.	<p>2. Serves as director of companies that have a specific relationship with Macronix, according to Article 3, Paragraph 1, Subparagraph 5 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>3. Except for 1 and 2, the rest all meet the independence requirements in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”</p>	
Che-Ho Wei	Director Che-Ho Wei graduated with a PhD in Electronic Engineering from the University of Washington and has a background in industry technology and education. He has been the Chairman of the National Science Committee of the Executive Yuan, the director of the Consulting Office of the Ministry of Education, the vice president of National Chiao Tung University, the director of the Taipei Medical University, the director of Arcadyan Technology Corporation and the Independent Director of Sunplus Technology Co., Ltd.	<p>1. Serves as directors of a companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p> <p>2. Except for 1, the rest all meet the independence requirements set in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</p>	0

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
Yan-Kuin Su	Director Yan-Kuin Su graduated with a PhD in electrical engineering from National Cheng Kung University, and has passed the Civil Service Senior Examination of the Construction Personnel, Electrical Engineering Division, Electric Power Section; Mr. Su has a background in industry technology and education. He has been a professor of the Department of Electrical Engineering at National Cheng Kung University and the president of Kun Shan University. Also, he has been an academician of the IEEE. Mr. Su is currently the dean of Academy of Innovative Semiconductor and Sustainable Manufacturing at National Cheng Kung University, emeritus chair professor at National Cheng Kung University and a chair professor at Kun Shan University.	<ol style="list-style-type: none"> 1. Serves as directors of companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 2. Except for 1, the rest all meet the independence requirements in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	1
Sung-Jen Fang	Director Sung-Jen Fang has a PhD in Material Science and Engineering from Stanford University, and formerly worked in the R&D department of Texas Instruments. He formerly held the position of vice president at United Microelectronics Corporation and adjunct assistant professor at Yuan Ze University. He is currently the chairman of Darwin Venture Management, and has a background in industrial technology, financial accounting, education, and marketing.	<ol style="list-style-type: none"> 1. A relative within the second degree of kinship was a director of the Company within two years before the appointment. 2. The rest all complies with the independence requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	1

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
Tom Yiu	<p>Director Tom Yiu graduated with an MS in Electrical Engineering from the University of California, Berkeley, and was previously the Company's COO. He is currently the Company's senior vice president and chief marketing officer, and is the representative of the Company's legal entity director and subsidiary Mxtran Inc. Before joining Macronix, Mr. Yiu has worked in many IC design companies in the United States, such as VLSI Technology Inc, and founded Dynasty Technology Inc. As a result, he has acquired vast experience in memory R&D, design, and marketing, with nearly 100 patents in the United States, Europe, Japan, and Taiwan, etc., and has a background in industrial technology and marketing.</p>	<ol style="list-style-type: none"> 1. Serves as the senior vice president and the chief marketing officer of Macronix and a director with the status of a managerial officer. 2. Concurrently serves as directors of the subsidiaries of Macronix. 3. Serves as a director of a company that has a specific relationship with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Except for 1, 2, and 3, the rest all meet the independence requirements in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	1
F. L. Ni	<p>Director F. L. Ni graduated with an MS in Electrical Engineering from the University of Michigan and has a background in industry technology. Mr. Ni is currently the vice president of the Microelectronics and Memory Solution Group of Macronix and the director of its subsidiary Macronix (Hong Kong) Co., Ltd.</p>	<ol style="list-style-type: none"> 1. Serves as the vice president of Macronix and a director with the status of a managerial officer. 2. Concurrently serves as directors of the subsidiaries of Macronix. 3. Serves as directors of companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 4. Except for 1, 2, and 3, the rest all meet the independence requirements in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	0

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
Hui Ying Investment Ltd. (Note 5) Representative: Paul Yeh	Director Paul Yeh graduated with an MBA from National Chengchi University and has a background in industry technology and financial accounting. Mr. Yeh is the vice president of the Financial Center of Macronix and the appointed representative of Hui Ying Investment Ltd., a juridical person that is a director of Macronix. He has over 30-year vast experience in financial management. He was awarded the 13th edition of the Outstanding Financial Manager from the Chinese Professional Management Association in 1995.	<ol style="list-style-type: none"> 1. Serves as the appointed representative director of Macronix. 2. Serves as the vice president of Macronix and a director with the status of a managerial officer. 3. Concurrently serves as directors of the subsidiaries of Macronix. 4. Serves as supervisors of companies that have specific relationships with Macronix, according to Article 3, Paragraph 1, Subparagraph 7 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 5. Except for 1, 2, 3, and 4, the rest all meet the independence requirements in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". 	0
Tyzz-Jiun Duh	Independent Director Tyzz-Jiun Duh graduated with a PhD in forestry from National Taiwan University and has a background in industry technology and education. He has been the Vice Premier of R.O.C., the Minister of the National Development Council, and an adjunct professor at Soochow University. He is currently a consultant of the Taiwan Electrical and Electronic Manufacturers' Association, and possesses a background in industrial technology and education.	Independent directors have signed the independent director qualification statement for the Company, and were verified to be in compliance with the independence requirements set out in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", which was reported to the board of directors in 2025 Q1.	3

Criteria Name	Professional Qualifications and Work Experiences (Note 1)	Independence Criteria	Number of Other Public Companies in which Serves Concurrently as an Independent Directors
Chiang Kao	Independent Director Chiang Kao graduated with a PhD in forest management from Oregon State University and has a background in industry technology, financial accounting, and education. He has been the president of National Cheng Kung University and a professor at the Department of Computer Science of Texas State University and is currently a chair professor of the Honorary Professor of Department of Industrial and Information Management at National Cheng Kung University, and possesses a background in industrial technology, financial accounting, and education.	Independent directors have signed the independent director qualification statement for the Company, and were verified to be in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, which was reported to the board of directors in 2025 Q1.	0
Chien-Kuo Yang	Independent Director Chien-Kuo Yan has a bachelor degree in international trade from Tamkang University, has passed the national entrance examination for accountants, was previously an accountant at Ernst & Young, Taiwan, and is currently an accountant at Diwan & Company, the chairperson of Diwan International Management Consulting Inc., and the chairperson of Tien Da Investment Co., Ltd. He has a background in industrial technology and financial accounting.	Independent directors have signed the independent director qualification statement for the Company, and were verified to be in compliance with the independence requirements set out in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, which was reported to the board of directors in 2025 Q1.	3

Note 1: None of the directors and the appointed representatives appointed by the directors of the legal person have been or are subject to any circumstances stated in Article 30 of the Company Act.

Note 2: Mr. Masashi Kuramoto was reassigned as representative on August 30, 2024 by Shun Yin Investment Ltd.

Note 3: Mrs. Stacey Lee was appointed to attend the 12th term of the Board of Directors and represent the company exercising any and all of a director's rights thereof.

Note 4: Mrs. Ching-Yun Li was appointed to attend the 12th term of the Board of Directors and represent the company exercising any and all of a director's rights thereof.

Note 5: Mr. Paul Yeh was appointed to attend the 12th term of the Board of Directors, and represent the company exercising any and all director's rights thereof.

Note 6: Mr. Cheng-Wen Wu resigned as the Company's independent director on May 19, 2024.

3. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

The Company planned and implemented Board diversity goals based on its business model and development needs as follows:

- The Board of Directors is required to have members with professional knowledge, technology, or experience in, at a minimum, industrial technology, law, and accounting, in which more than half of all directors must have a background or experience in industrial technology, at least 1 director must be a legal expert, and at least 1 director must be an accounting expert.
- The Board of Directors should include at least two genders.

(2) The qualifications of our Board members meet the Company's development needs and the Board diversity policy.

(3) Implementation of the Board diversity objectives in 2023 is as follows:

- Over 90% of directors have a background or experience in industrial technology, in addition to that, 1 has a background in law, 4 have a background in accounting, 7 have a background in education, 4 have a background in marketing, and 2 has a background in public relations.
- Among the 14 current director seats, 2 are held by female directors, accounting for 14.29%. The composition of the Company's Board members is primarily based on their professional knowledge, skills, and experience. However, in response to the trends of gender diversity and equality, we will actively plan to recruit Board members of different genders who possess expertise essential to the Company's development.

Name	Gender	Professional Background					
		Industrial Technology	Law	Financial Accounting	Education	Marketing	Public Relations
Miin Wu	Male	✓				✓	
Shun Yin Investment Ltd. Representative: Masashi Kuramoto	Male	✓					
C. Y. Lu	Male	✓			✓	✓	
Achi Capital Limited Representative: Stacey Lee	Female	✓	✓		✓		✓
Chien Hsu Investment Corporation Representative: Ching-Yun Li	Female						✓
Che-Ho Wei	Male	✓			✓		
Yan-Kuin Su	Male	✓			✓		
Sung-Jen Fang	Male	✓		✓	✓	✓	
Tom Yiu	Male	✓				✓	
F. L. Ni	Male	✓					
Hui Ying Investment Ltd. Representative: Paul Yeh	Male	✓		✓			
Tyzz-Jiun Duh	Male	✓			✓		
Chiang Kao	Male	✓		✓	✓		
Cheng-Wen Wu	Male	✓			✓		
Chien-Kuo Yang	Male	✓		✓			

(2) Independence of the Board of Directors

There are 3 independent directors among all the 14 directors, which is 21.43% of the Board of Directors. None of the directors (including independent directors) is a spouse or a relative within two generations of other directors. Please refer to page 9 of this annual report for the independence of the Board of Directors.

4. Succession Plan for Board Members and Management

(1) Succession Plan for Board Members

The Company's Articles of Incorporation clearly state that the candidate nomination system is used for director election. Board composition is planned in accordance with the Corporate Governance Principles, Regulations for Director/Supervisor Election, and Nomination Committee Charter, and professionals in industrial technology, law, and accounting are recruited in coordination with the Company's development blueprint and Board diversity policy. Besides irregularly providing directors with continuing education information, the Company regularly schedules directors to take continuing education courses, which include corporate governance, internal control system, and financial reporting responsibility. Completion of such courses will continue to improve directors' professional knowledge and skills, and provide for director succession planning and candidates arrangements.

(2) Succession Plan for Management

Courses for supervisors are offered every year to train managers at all levels and cultivate sufficient managerial talent. Senior executives periodically participate in important cross-departmental business and strategy planning meetings with the president. Discussions during the meetings serve as the basis for establishing the succession team. We also established a talent pool system to examine high-potential talent at any time, and accurately select a succession team.

(II) President, Vice Presidents, Assistant Managers, and Department Directors

February 28, 2025

Title	Nationality	Name	Gender	Date appointed	Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is a spouse or a relative within second degree		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
CEO	R.O.C	Miin Wu (Note 1)	Male	2007.07.30	13,440,809	0.72%	None	None	None	None	M.S. degree in Material Science and Engineering from Stanford University	Director of Macronix America, Inc. Director of Macronix (BVI) Co., Ltd. Representative (Director) of Hui Ying Investment Ltd. Representative (Director) of Run Hong Investment Ltd. Director of Phoenix 3 Venture Capital Co., Ltd. Director of Phoenix 4 Venture Capital Co., Ltd. Chairman of Mxtran Inc. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd. Executive Director of Macronix Microelectronics (Suzhou) Co., Ltd. Director of Macronix (Asia) Limited Managing Director of Eastern Electronics Co., Ltd.	None	None	None
President	R.O.C	C. Y. Lu	Male	2007.07.30	2,941,766	0.16%	None	None	None	None	PhD degree in Physics from Columbia University	Chairman of Macronix America, Inc. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd. Chairman & CEO of Ardentec Corporation Director of Ardentec Korea Co., Ltd. Director of Ardentec Singapore Pte. Ltd. Representative (Chairman) of Sheng Tang Investment Co., Ltd. Representative (Chairman) of Ardentec Semiconductor Co. Ltd. Representative (Chairman) of Giga Solution Tech. Co., Ltd. Independent Director of Hong Tai Electric Industrial Co., Ltd. Director of Feng Chia University	None	None	None
Senior Vice President & Chief Marketing Officer	R.O.C	Tom Yiu	Male	2007.01.01	6,681,322	0.36%	1,272,084	0.07%	None	None	M.S. degree in Electronic Engineering from University of California, Berkeley	Director of Macronix America, Inc. Representative (Director) of Mxtran Inc. Director of SiTime Corporation Independent Director of Chipbond Technology Corporation	None	None	None
Vice President	R.O.C	F. L. Ni	Male	2006.06.27	2,067,933	0.11%	340,333	0.02%	None	None	M.S. degree in Electronic Engineering from University of Michigan	Chairman of Macronix Europe N.V. Director of Macronix Pte Ltd. Director of Macronix (Hong Kong) Co., Ltd. Director of Wolley Inc.	None	None	None
Vice President	R.O.C	Paul Yeh	Male	2007.10.30	2,685,174	0.14%	4,985	0.00%	None	None	MBA degree in Business Administration, of National Chengchi University	Director of New Trend Technology Inc. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd. Representative (supervisor) of Mxtran Inc.	None	None	None
Vice President	R.O.C	Yen-Hie Chao	Male	2013.05.02	1,616,541	0.09%	35,108	0.00%	None	None	B.S. degree in Materials Science and Engineering of National Tsing Hua University	Representative (Director) of Ardentec Corporation	None	None	None
Vice President	R.O.C	Chun-Hsiung Hung	Male	2015.10.28	488,593	0.03%	2,833	0.00%	None	None	M.S. degree in Electronics Engineering of National Chiao Tung University	None	None	None	None
Vice President	R.O.C	Jui-Kun Chen	Male	2016.12.20	548,040	0.03%	None	None	None	None	M.S. degree in Accounting of National Taiwan University	None	None	None	None

Title	Nationality	Name	Gender	Date appointed	Shares currently held		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other positions at the Company or elsewhere	Other officer, director or supervisor who is a spouse or a relative within second degree		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Vice President	R.O.C	Jon-Ten Chung	Male	2018.02.01	800,774	0.04%	158,059	0.01%	None	None	M.S. degree in Economics of University of Arizona	Director of Macronix Pte Ltd. Director of Macronix Europe N.V. Director of Macronix (Hong Kong) Co., Ltd.	None	None	None
Vice President	R.O.C	Kuang-Chao Chen	Male	2022.02.25	921,448	0.05%	1,511	0.00%	None	None	M.S. degree in Chemistry of National Sun Yat-sen University	None	None	None	None
Head of Emerging R&D	R.O.C	Ke-Zhong Wang	Male	2022.02.25	155,534	0.01%	None	None	None	None	PhD in Physics of California Institute of Technology	None	None	None	None
Senior Associate V.P.	R.O.C	Wen-Pin Lu	Male	2022.02.25	440,037	0.02%	None	None	None	None	M.S. degree in Electronic Engineering of National Taiwan University	None	None	None	None
Executive Director	R.O.C	Hsin-Cheng Liu (Note 2)	Male	2020.04.28	70,442	0.00%	None	None	None	None	M.S. degree in Chemical Engineering of National Tsing Hua University	None	None	None	None
Executive Director	R.O.C	Kai-Wen Tu	Male	2020.04.28	82,577	0.00%	None	None	None	None	PhD degree in statistics of National Chiao Tung University	None	None	None	None
Executive Director	R.O.C	Ting-Chang Lin	Male	2020.04.28	109,378	0.01%	None	None	None	None	M.S. degree in Astronomy of National Central University	None	None	None	None
Executive Director	R.O.C	Kun-Lung Chang	Male	2020.04.28	102,253	0.01%	None	None	None	None	M.S. degree in Electronics Engineering of National Chiao Tung University	None	None	None	None
Executive Director	R.O.C	Ta-Hone Yang	Male	2022.07.26	253,312	0.01%	None	None	None	None	M.S. degree in Chemistry of National Tsing Hua University	None	None	None	None

Note 1: Where the chairman and president or equivalent position (the highest level manager) is the same person, the reasonableness, necessity, and response measures must be disclosed:

Mr. Miin Wu founded Macronix in 1989 and served as its President. He has been elected as the Chairman since 2005 and successfully had the Company become the global leader in non-volatile memory (NVM) with his breadth of vision and innovative business strategy. In 2022, he was elected as the chairman and CEO of the 12th term of the Board of Directors. Considering that the Company has four independent directors, and more than half of its directors are non-employees nor managers of the Company, the independence of the Board of Directors can be ensured. Also, in view of the repeated success of Chairman Miin Wu in leading the Company through challenging times, and to respond to the turbulent and uncertain international political and economic landscape, the restructuring of the semiconductor supply chain, as well as the unpredictable and ever-changing situations involving carbon taxes and tariffs, it is reasonable and necessary for Chairman Miin Wu to continue serving as the Company's Chief Executive Officer (CEO). This will ensure the continuation of the forward-looking and innovative business philosophy, and maintenance of the Company's worldwide reputation, image, and competitiveness, improving the operational efficiency and decision-making, and further enhancing its value.

Note 2: Mr. Hsin-Cheng Liu retired on March 3, 2025.

II Remuneration of Directors, Supervisors, President, and Vice Presidents in the Most Recent Fiscal Year

(I) Remuneration of Directors and Independent Directors

December 31, 2024

Unit: NT\$ thousands

Title	Name	Remuneration								The Total of Remuneration (A+B+C+D) and the Ratio Between it and Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								The Total of Compensation (A+B+C+D+E+F+G) and the Ratio Between it and Net Income (%)		Remuneration received from invested companies other than subsidiaries or the parent company
		Base Compensation (A)		Severance Pay (B) (Note 1)		Directors Compensation(C) (Note 2)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F) (Note 1)		Employee Compensation (G) (Note 2)						
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Miin Wu	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	16,831	16,831	721	721	0	0	0	0	17,672 (0.55%)	17,672 (0.55%)	0
Director	Shun Yin Investment Ltd. Representative: Masashi Kuramoto (Note 2)	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Director	C. Y. Lu	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	13,779	13,779	721	721	0	0	0	0	14,620 (0.45%)	14,620 (0.45%)	68,826
Director	Achi Capital Limited	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Director	Chien Hsu Investment Corporation	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Director	Che-Ho Wei	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Director	Yan-Kuin Su	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Director	Sung-Jen Fang	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Director	Tom Yiu	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	8,006	8,006	721	721	0	0	0	0	8,847 (0.28%)	8,847 (0.28%)	1,030
Director	F. L. Ni	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	9,682	9,682	721	721	0	0	0	0	10,523 (0.33%)	10,523 (0.33%)	0
Director	Hui Ying Investment Ltd.	0	0	0	0	0	0	120	120	120 (0.00%)	120 (0.00%)	0	0	0	0	0	0	0	0	120 (0.00%)	120 (0.00%)	0
Independent Director	Tyzz-Jiun Duh	3,600	3,600	0	0	0	0	120	120	3,720 (0.12%)	3,720 (0.12%)	0	0	0	0	0	0	0	0	3,720 (0.12%)	3,720 (0.12%)	0
Independent Director	Chiang Kao	3,600	3,600	0	0	0	0	120	120	3,720 (0.12%)	3,720 (0.12%)	0	0	0	0	0	0	0	0	3,720 (0.12%)	3,720 (0.12%)	0
Independent Director	Cheng-Wen Wu (Note 3)	1,384	1,384	0	0	0	0	46	46	1,430 (0.04%)	1,430 (0.04%)	0	0	0	0	0	0	0	0	1,430 (0.04%)	1,430 (0.04%)	0
Independent Director	Chien-Kuo Yang	3,600	3,600	0	0	0	0	120	120	3,720 (0.12%)	3,720 (0.12%)	0	0	0	0	0	0	0	0	3,720 (0.12%)	3,720 (0.12%)	0
1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The Board of Directors is authorized to determine the remuneration of independent directors based on participation in the Company’s operations, value of contributions, and domestic and overseas industry standards in accordance with the Articles of Incorporation. The independent director’s remuneration is a fixed monthly remuneration and does not participate in the Company’s earnings distribution																						
2. Other than as disclosed in the above table, the remuneration earned by Directors providing services to the Company and all consolidated entities in the latest fiscal year: None.																						

Note 1: Estimated amount

Note 2: Mr. Masashi Kuramoto was reassigned as representative on August 30, 2024 by Shun Yin Investment Ltd.

Note 3: Mr. Cheng-Wen Wu resigned as the Company's independent director on May 19, 2024.

Note 4: Explanation of the correlation and rationality of after-tax changes in the profit and remuneration.

(1) As the result of an after-tax net loss of our company in 2023 and 2024, the director remuneration and employee compensation were not distributed.

(2) Considering the professionalism and contributions of "independent directors," they receive a fixed monthly compensation and transportation expenses regardless of the company's profit or loss. However, they do not participate in profit distribution, which is deemed reasonable. As for "non-independent directors," in the absence of company profits, not receiving director remuneration (only transportation expenses) is also considered reasonable.

(II) Remuneration of the President and Vice Presidents

December 31, 2024
Unit: NT\$ thousands

Title	Name (Note 1)	Salary (A)		Severance Pay (B) (Note)		Bonuses and Allowances (C)		Employee Compensation (D)				The Total of Remuneration (A+B+C+D) and the Ratio Between it and Net Income (%)		Remuneration received from invested companies other than subsidiaries or the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Miin Wu	83,590	83,590	7,213	7,213	14,142	14,142	0	0	0	0	104,945 (3.27%)	104,945 (3.27%)	69,856
President	C. Y. Lu													
Senior Vice President & Chief Marketing Officer	Tom Yiu													
Vice President	F. L. Ni													
Vice President	Paul Yeh													
Vice President	Yen-Hie Chao													
Vice President	Chun-Hsiung Hung													
Vice President	Jui-Kun Chen													
Vice President	Jon-Ten Chung													
Vice President	Kuang-Chao Chen													

Note : Estimated amount

Range of Remuneration for Presidents and Vice Presidents

Range of Remuneration Paid to Each President and Vice President	Name of President and Vice Presidents	
	The Company	Companies in the consolidated financial statements (Note)
Under NT\$1,000,000		
NT\$1,000,000 (inclusive) – NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive) – NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive) – NT\$5,000,000 (exclusive)		
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	Tom Yiu / Jon-Ten Chung / Paul Yeh /Yen-Hie Chao/ Kuang-Chao Chen	Tom Yiu / Jon-Ten Chung / Paul Yeh /Yen-Hie Chao/ Kuang-Chao Chen
NT\$10,000,000 (inclusive) – NT\$ 15,000,000 (exclusive)	C. Y. Lu/ F. L. Ni / Chun-Hsiung Hung / Jui-Kun Chen	F. L. Ni / Chun-Hsiung Hung / Jui-Kun Chen
NT\$15,000,000 (inclusive) – NT\$ 30,000,000 (exclusive)	Miin Wu	Miin Wu
NT\$30,000,000 (inclusive) – NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive) – NT\$ 100,000,000 (exclusive)		C. Y. Lu
Over NT\$100,000,000		
Total	10	10

Note: The total amount of A+B+C+D and remuneration received from subsidiaries or the parent company other than invested companies.

(III) The compensation of the top five highest-paid executives.

December 31, 2024

Unit: NT\$ thousands

Title	Name (Note 1)	Salary (A)		Severance Pay (B) (Note)		Bonuses and Allowances (C)		Employee Compensation (D)				The Total of Remuneration (A+B+C+D) and the Ratio Between It and Net Income (%)		Remuneration received from invested companies other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
CEO	Miin Wu	14,226	14,226	721	721	2,605	2,605	0	0	0	0	17,552 (0.55%)	17,552 (0.55%)	0
President	C. Y. Lu	11,938	11,938	721	721	1,842	1,842	0	0	0	0	14,501 (0.45%)	14,501 (0.45%)	68,826
Vice President	Jui-Kun Chen	8,588	8,588	721	721	1,408	1,408	0	0	0	0	10,717 (0.33%)	10,717 (0.33%)	0
Vice President	F. L. Ni	8,258	8,258	721	721	1,424	1,424	0	0	0	0	10,403 (0.32%)	10,403 (0.32%)	0
Vice President	Chun-Hsiung Hung	7,910	7,910	721	721	1,444	1,444	0	0	0	0	10,075 (0.31%)	10,075 (0.31%)	0

Note : Estimated amount

(IV). Employees Compensation Distributed to Management Team

December 31, 2024
Unit: NT\$ thousands

	Title	Name	Stock (Fair Market Value)	Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	CEO	Miin Wu	0	0	0	0%
	President	C. Y. Lu				
	Senior Vice President & Chief Marketing Officer	Tom Yiu				
	Vice President	F. L. Ni				
	Vice President	Paul Yeh				
	Vice President	Yen-Hie Chao				
	Vice President	Chun-Hsiung Hung				
	Vice President	Jui-Kun Chen				
	Vice President	Jon-Ten Chung				
	Vice President	Guang-Chao Chen				
	Head of Emerging R&D	Ke-Zhong Wang				
	Senior Associate V.P.	Wen-Bin Lu				
	Executive Director	Hsin-Cheng Liu				
	Executive Director	Kai-Wen Tu				
	Executive Director	Ting-Chang Lin				
	Executive Director	Kun-Lung Chang				
	Executive Director	Ta-Hone Yang				

(V)The Ratio of Total Remuneration Paid by the Company and by All Companies Included in the Consolidated Financial Statements for the Two Most Recent Fiscal Years to Directors, Supervisors, President and Vice Presidents of the Company, to the Net Income as Well as the Policies, Standards, and Portfolios for the Payment of Remuneration, the Procedures for Determining Remuneration, and the Correlation with Risks and Business Performance

1. The ratio of the total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

	2023		2024	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors	(0.95%)	(0.95%)	(0.43%)	(0.43%)
Presidents and Vice Presidents	(8.85%)	(8.85%)	(3.27%)	(3.27%)

2. The policy, standards and packages of remunerations, the procedures for such decisions and relation to business performance and future risks.

(1) Remuneration to the Company's directors and managers are distributed in accordance with the Articles of Incorporation and the law, after referring to industry standards in Taiwan and overseas, the length of the tenure of related members, actual participation, and contributions. Remunerations are summarized below:

- Independent Director: Receives NT\$300,000 and travel allowance on a monthly basis regardless of the Company's profit or loss, but does not participate in earning distribution.
- Non-Independent Director: Calculated and distributed based on the director's (including representatives) performance evaluation items (e.g. attendance in Board meetings and shareholders' meetings and continuing education), length of tenure, actual participation, and contributions in accordance with the Company's Articles of Incorporation and the law, after referring to industry standards in Taiwan and overseas, provided that it does not exceed 2% of profits after deducting accumulated losses.

(2) Transportation allowance for directors: NT\$10,000 per month.

(3) Compensation for managers: Reviewed and resolved by the Compensation Committee after referencing manager performance evaluation items, which include financial indicators (e.g., revenue and EPS, etc.) and non-financial indicators (e.g., decision-making ability and performance improvement, etc.), and corporate sustainability promotion index (e.g., leading the corporate net zero and sustainability information disclosure, etc.), and submitted to the Board of Directors for resolution.

(4) Others: With consideration to future changes in the economic environment, remuneration paid to our management team will be carefully established in accordance with the law, based on business performance and future risks, as well as industry standards in Taiwan and overseas.

III. Implementation of Corporate Governance

(I) Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Chairman	Miin Wu	6	0	100%	
Director	Shun Yin Investment Ltd. Former Representative: Ikuo Yamaguchi	4	0	100%	Mr. Masashi Kuramoto was reassigned as the representative on August 30, 2024 by Shun Yin Investment Ltd.
	Representative: Masashi Kuramoto	1	1	50%	
Director	C. Y. Lu	6	0	100%	
Director	Achi Capital Limited Representative: Stacey Lee	6	0	100%	Ms. Stacey Lee has been appointed to attend the 12th Term of the Board of Directors and represent the company exercising any and all of a director's rights thereof.
Director	Chien Hsu Investment Corporation Representative: Ching-Yun Li	6	0	100%	Ms. Ching-Yun Li has been appointed to attend the 12th Term of the Board of Directors and represent the company exercising any and all of a director's rights thereof.
Director	Che-Ho Wei	5	1	83%	
Director	Yan-Kuin Su	5	1	83%	
Director	Sung-Jen Fang	6	0	100%	
Director	Tom Yiu	6	0	100%	
Director	F. L. Ni	6	0	100%	
Director	Hui Ying Investment Ltd. Representative: Paul Yeh	6	0	100%	Mr. Paul Yeh has been appointed to attend the 12th Term of the Board of Directors and represent the company exercising any and all of a director's rights thereof.
Independent Director	Tyzz-Jiun Duh	6	0	100%	
Independent Director	Chiang Kao	6	0	100%	
Independent Director	Cheng-Wen Wu	3	0	100%	Mr. Cheng-Wen Wu resigned on May 19, 2024 before taking office as the Minister of the National Science and Technology Council.
Independent Director	Chien-Kuo Yang	6	0	100%	

Other items that shall be recorded:

I. If any of the following circumstances occur to the operation of the Board of Directors, the date of the meeting, session, content of the motion, all independent directors' opinions, and the Company's response to independent directors' opinions should be specified:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Board of Directors Date/ Term	Motion	Independent Directors' Opinions	The Company's Response to Independent Directors' Opinions
2024.02.27 The 11th meeting of the 12th Term of the Board of Directors	Submitted for approval of fund raising by issuance of new shares, overseas depositary receipts through cash capital increase, and/or the private placement of common shares and/or domestic or overseas convertible bonds.	Approved	Not applicable
2024.04.30 The 12th meeting of the 12th Term of the Board of Directors	Pursuant to the applicable amended regulations, it is hereby proposed to amend the Company's Internal Control System for Shareholders Services Process.	Approved	Not applicable
2024.10.29 The 14th meeting of the 12th Term of the Board of Directors	Submitted for approval of the issuance of the Second Domestic Unsecured Convertible Bonds.	Approved	Not applicable
	Submitted for approval of the 2024 salary adjustment of the Company Managers.	Approved	Not applicable
2024.12.17 The 15th meeting of the 12th Term of the Board of Directors	Submitted for approval of the Company's financial and tax accountants for the year 2025 and resolved by the Audit Committee.	Approved	Not applicable
	Submitted for approval of the fees and expenses of CPAs in 2025 and resolved by the Audit Committee.	Approved	Not applicable
	Submitted for approval of the transactions (sales & purchases) with related party, MegaChips Corporation, in 2025 and resolved by the Audit Committee.	Approved	Not applicable
	Submitted for approval of the Company's "Sustainability Information Management Rules".	Approved	Not applicable

(II) In addition to the aforementioned matters, other motions resolved by the Board of Directors that are objected to by Independent Directors or expressed reservations and recorded or declared in writing: None.

II. If there is Directors' avoidance of motions in conflicts of interest, the Directors' names, content of the motion, causes of avoiding conflicts of interest, and the voting participation should be specified:

Name of Directors who avoid conflict of interest	Motion	Causes of Avoiding Conflicts of Interest	Voting Participation
Miin Wu, C. Y. Lu, Tom Yiu, F. L. Ni, the representative of Hui Ying Investment, Ltd.: Paul Yeh	Submitted for approval of the 2024 salary adjustment of the Company Managers.	Related persons	Recusal and no participation in the resolution by proxy
Shun Yin Investment Ltd. Representative: Masashi Kuramoto	Submitted for approval of the transactions (sales & purchases) with related party, MegaChips Corporation, in 2025 and resolved by the Audit Committee.	Related persons	Recusal and no participation in the resolution by proxy

III. Evaluation of the board of directors:

Internal performance evaluations of the entire board of directors, individual board members, and functional committees (including the Audit Committee, Remuneration Committee, and Nomination Committee) for the year 2024 were conducted in February 2025. Evaluation results are shown in the table below and were reported to the Nomination Committee and Board of Directors meeting on March 4, 2025.

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content	Evaluation result
Performed once per year	January 1, 2024 to December 31, 2024	Entire Board of Directors	Self-assessment of the board of directors	1. Participation in the Company's Operations 2. Raising the Quality of the Board of Directors' Decisions 3. Composition and Structure of the Board of Directors 4. Election and Continuing Education of Directors 5. Internal controls	Overall average 4.98 (out of 5)
Performed once per year	January 1, 2024 to December 31, 2024	each member of the board of directors	Self-assessment of each member of the board of directors	1. Understanding of the Company's Objectives and Tasks 2. Directors' Responsibilities 3. Participation in the Company's Operations 4. Management and Communication of Internal Relations 5. Directors' Expertise and Continuing Education Internal controls	Overall average 4.95 (out of 5)

Assessment cycle	Assessment period	Assessment scope	Assessment method	Assessment content	Evaluation result
Performed once per year	January 1, 2024 to December 31, 2024	Audit Committee	Self-assessment of the Audit Committee	<ol style="list-style-type: none"> 1. Participation in the Company's Operations 2. Audit Committee's Responsibilities 3. Raising the Quality of the Audit Committee's Decisions 4. Composition and Membership of the Audit Committee 5. Internal controls 	Overall average 4.98 (out of 5)
Performed once per year	January 1, 2024 to December 31, 2024	Compensation Committee	Self-assessment of the Compensation Committee	<ol style="list-style-type: none"> 1. Participation in the Company's Operations 2. Compensation Committee's Responsibilities 3. Raising the Quality of the Compensation Committee's Decisions 4. Composition and Membership of the Compensation Committee 	Overall average 5.00 (out of 5)
Performed once per year	January 1, 2024 to December 31, 2024	Nomination Committee	Self-assessment of the Nomination Committee	<ol style="list-style-type: none"> 1. Participation in the Company's Operations 2. Nomination Committee's Responsibilities 3. Raising the Quality of the Nomination Committee's Decisions 4. Composition and Membership of the Nomination Committee 	Overall average 5.00 (out of 5)
<p>IV. Measures taken to strengthen the functions of the Board (for example, establishing an Audit Committee and enhancing information transparency) for the current year and the most recent year and the implementation:</p> <p>The Company has functional committees, including the Audit Committee, Compensation Committee and Nomination Committee, to review and resolve proposals within its authority and to submit to the Board of Directors for decision to enhance supervision and strengthen management. Board members continue to participate in continuing education to enhance their professional knowledge as well as communication to improve the Board's performance. In order to encourage the Directors to continue studies, Sustainable Development, the Company regularly arranges corporate governance courses and provides the course information from external institutions for the Directors' reference. Please refer to page 80 of this annual report for the Company's Director training in the most recent year.</p>					

Note: Attendance rate (%) is calculated based on the number of meetings convened by the Board of Directors and the actual attendance during the service term.

(II) Audit Committee

The Company's Audit Committee is comprised of all independent directors to carry out supervision under applicable laws and regulations, including fair presentation of the Company's financial reports, hiring or dismissal, independence, and performance of CPAs, effective implementation of internal control system, compliance with applicable laws and regulations, and management of the Company's existing and/or potential risks. In the most recent year, the Audit Committee has duly reviewed and resolved the following matters:

1. Assessment of the internal control system and efficiency.
2. The offering, issuance, or private placement of equity securities.
3. Engagement and/or dismissal of auditing CPA and the compensation.
4. Annual and first quarter to third quarter financial reports.
5. Business report and earnings distribution
6. A matter involving personal interest of a director.

A total of 6 (A) Audit Committee meetings were held in the most recent year. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Tyzz-Jiun Duh	6	0	100%	
Member	Chiang Kao	6	0	100%	
Member	Cheng-Wen Wu	3	0	100%	Mr. Cheng-Wen Wu resigned on May 19, 2024 before taking office as the Minister of the National Science and Technology Council.
Member	Chien-Kuo Yang	6	0	100%	

Other items that shall be recorded:

- I. When one of the following situations has occurred to the operations of the Audit Committee, the convening date, term, and agenda of the Audit Committee, the objections, reservations, and major comments of independent directors, resolution of the Audit Committee, and the Company's response to the comments of the Audit Committee shall be stated:
- (I) Items specified in Article 14-5 of the Securities and Exchange Act

Audit Committee Date / Term	Motion	The objections, reservations, and major comments of independent directors	Resolution of the Audit Committee	The Company's response to the comments of the Audit Committee
2024.01.30 The 10th meeting of the 12th Term of the Audit Committee	Submitted for approval of the Company's 2023 "Internal Control System Statement"	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.02.27 The 11th meeting of the 12th Term of the Audit Committee	Year 2023 Financial Statements	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable

	Submitted for approval of fund raising by issuance of new shares, overseas depositary receipts through cash capital increase, and/or the private placement of common shares and/or domestic or overseas convertible bonds.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.04.30 The 12th meeting of the 12th Term of the Audit Committee	The company 2024 Q1 Consolidated Financial Statements.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
	Pursuant to the applicable amended regulations, it is hereby proposed to amend the Company's Internal Control System for Shareholders Services Process.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.07.30 The 13th meeting of the 12th Term of the Audit Committee	The company 2024 Q2 Consolidated Financial Statements.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.10.29 The 14th meeting of the 12th Term of the Audit Committee	The company 2024 Q3 Consolidated Financial Statements.	None	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
	Submitted for approval of the issuance of the Second Domestic Unsecured Convertible Bonds	None	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.12.17 The 15th meeting of the 12th Term of the Audit Committee	Submitted for approval of the Company's "Sustainability Information Management Rules"	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
	Submitted for approval of the Company's financial and tax accountants for the year 2025 and resolved by the Audit Committee.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable

	Submitted for approval of the fees and expenses of CPAs in 2025 and resolved by the Audit Committee.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
	Submitted for approval of the transactions (sales & purchases) with related party, MegaChips Corporation, in 2025 and resolved by the Audit Committee.	None	Unanimously approved by all the members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable

(II) Except the items in the preceding issues, other resolutions approved by two-thirds of all Directors but yet to be approved by the Audit Committee: None.

II. Names, content of the motion, cause of the conflict of interest, and participation in the voting of Independent Directors who have abstained from voting for proposals that are considered to present conflicts of interest: None.

III. Communication between Directors and the head of internal audit and CPAs (including important issues, audit methods, and results related to the Company's finance and business):

1. The Company's head of internal audit, in addition to regularly sending various audit reports to independent directors, also attends and reports to the Audit Committee quarterly. The head of internal audit also responds at all times to any questions that the independent directors may have, and the interactions between them were good.
2. CPAs appointed by the Company attended the Audit Committee quarterly, where they explained financial/accounting matters to the independent directors, and the interactions between them were good.
3. The head internal audit and CPAs shall contact the independent directors alone at least once per year as well as directly contact independent directors at any times and according to need, and the communication channel between them is unimpeded.

4. Summary of communications between independent directors, internal audit supervisors and accountants in the most recent fiscal year are as follows:

Date/Meeting	Attendees	Key points of communication	Results of communication
2024.01.30 Audit Committee	Independent Director: Tyzz-Jiun Duh, Chiang Kao, Cheng-Wen Wu, Chien-Kuo Yang Head of internal audit: Hong-Chi Wang CPAs: Tung Hui Yeh, Kuo Tyan Hong	<ul style="list-style-type: none"> 2023 Statement on Internal Control 	Full attendance No objections from Independent Directors
2024.02.27 Audit Committee	Independent Director: Tyzz-Jiun Duh, Chiang Kao, Cheng-Wen Wu, Chien-Kuo Yang Head of internal audit: Hong-Chi Wang CPAs: Tung Hui Yeh, Kuo Tyan Hong	<ul style="list-style-type: none"> Review results and key review items for the 2023 stand-alone and consolidated financial statements 	
2024.04.30 Audit Committee	Independent Director: Tyzz-Jiun Duh, Chiang Kao, Cheng-Wen Wu, Chien-Kuo Yang Head of internal audit: Hong-Chi Wang CPAs: Tung Hui Yeh, Kuo Tyan Hong	<ul style="list-style-type: none"> Results of review of the consolidated financial statements for Q1 2024 	
2024.07.30 Audit Committee	Independent Director: Tyzz-Jiun Duh, Chiang Kao, Chien-Kuo Yang Head of internal audit: Hong-Chi Wang CPAs: Tung Hui Yeh, Kuo Tyan Hong	<ul style="list-style-type: none"> Audit report Results of review of the consolidated financial statements for Q2 2024 	
2024.10.29 Audit Committee	Independent Director: Tyzz-Jiun Duh, Chiang Kao, Chien-Kuo Yang Head of internal audit: Hong-Chi Wang CPAs: Tung Hui Yeh, Kuo Tyan Hong	<ul style="list-style-type: none"> Audit report Results of review of the consolidated financial statements for Q3 2024 	
2024.12.17 Audit Committee	Independent Director: Tyzz-Jiun Duh, Chiang Kao, Chien-Kuo Yang Head of internal audit: Hong-Chi Wang CPAs: Tung Hui Yeh, Kuo Tyan Hong	<ul style="list-style-type: none"> Audit report The 2025 Audit Plan 	

Note: Attendance rate (%) is calculated based on the number of meetings convened by the Audit Committee and the actual attendance during the service term.

(III) Corporate Governance Implementation Status and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons

The Company attaches great importance to corporate governance. Not only has it introduced the corporate governance systems in advance by taking overseas norms into consideration, but has also adopted the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” as its guideline. In 2003, the Company added two independent directors to the Board of Directors in accordance with the US Securities Laws and Regulations. The following year, three Independent Directors were elected. The Company also established an Audit Committee, which was later renamed the Auditing Committee. The Compensation Committee was set up in 2005, with internal auditing being directly subordinate to the Board.

In 2007, the Company adopted the candidate nomination system for the first time for the election of the Board and Supervisors (including three Independent Directors). In June 2009, the Company set up the Audit Committee to replace Supervisors in accordance with Article 14-4 of the Securities and Exchange Act. In January 2019, the “Compensation Committee” was set up in accordance with Article 14-6 of the Securities and Exchange Act. In January 2019, the Company voluntarily set up the “Nomination Committee” to assist the operation of Board.

In 2007 and 2011, the company passed the Taiwan Corporate Governance Association CG6002 and CG6006 evaluations in the corporate governance system respectively and was ranked in the top 5% of the listed companies in the first corporate governance evaluation in 2014.

The Company was ranked in the top 10% of electronics companies with a market cap of NT\$10 billion and above in the 8th (2021) evaluation, reaffirms the Company’s implementation and active promotion of corporate governance.

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the “Corporate Governance Best-Practice Principles” based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the “Corporate Governance Principles” based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and disclosed them on the company website.	None
II. Shareholding structure & shareholders’ rights (I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes, and litigations, and implement based on the procedure?	✓		(I) The Company has established an Investor Relations Office and a legal center. Dedicated personnel are assigned to address issues such as shareholder suggestions, inquiries, and disputes. The legal actions taken by the shareholders are also properly addressed through internal operating procedures, and records are kept for future reference.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(II) The Company possesses the list of its directors, managers, and shareholders with more than 10% of the shares as well as their major shareholders. Relevant information is routinely disclosed.	None
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(III) The Company has established the “Relevant Financial and Business Operations Rules between Relation Parties” and “Regulations of the Supervision and Management of Subsidiaries” to clearly distinguish the assets, finance, and operations between the Company and its affiliated companies, as well as execute the risk management and firewall system.	None
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(IV) Please refer to page 80 of this Annual Report for the Company’s internal material information handling principles, and the Company has established the “Code of Business Conduct and Ethics” and “Preventing Insider Trading” to clearly regulate matters regarding the staff purchasing the Company’s securities.	None
III. Composition and Responsibilities of the Board of Directors				
(I) Does the board of directors formulate and implement the diversity policies and the specific administration objectives?	✓		(I) The Company’s corporate governance principles stipulate that the composition of the Board of directors shall take diversity into consideration. The authorized Nomination Committee shall also formulate criteria regarding the diversity and independence of the directors' professional knowledge, expertise, experience, and gender. These criteria will be adopted in the search, review, and nomination of director candidates. Please refer to page 18 of this Annual Report for Board diversity policy, objectives and the implementation status.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(II) Does the company voluntarily establish other functional committees in addition to the Compensation Committee and the Audit Committee?	✓		(II) The Company voluntarily set up the Nomination Committee on January 22, 2019, please refer to page 45 of this Annual Report for the members and operations.	None
(III) Does the Company establish standards and methods for evaluating board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination renewal of individual directors?	✓		(III) The Company has established the “Rules for Board of Directors Performance Assessments” to clearly regulate the evaluation cycle, period, scope, execution unit, and procedures. The results were submitted to the Company’s Nomination Committee and Board of Directors. Please refer to page 30 of this Annual Report for implementation status in 2024.	None
(IV) Does the company regularly evaluate the independence of CPAs?	✓		(IV) The Company evaluates the independence and competence of the accountants based on the following matters each year. The review is carried out by the Audit Committee, which submits evaluation results and appointment (extension) of the accountants to the Board of Directors for discussion and approval: 1. Not appointing the same accountant to perform audits for more than seven consecutive years, 2. Obtaining a statement of independence, including but not limited to whether the accountant, audit team, or family members have direct or indirect significant financial interests in the Company; whether there is kinship or business relations that might have an impact on the independence with the Company’s directors, supervisors and managers; whether they concurrently serve as the Company’s directors and supervisors during the audit period or hold positions that	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>have direct and significant influence on the audit.</p> <p>3.Information on the accounting firm's AQI: AQI information consists of 13 items in five aspects. The Company verified that the accountants' audit experience and the accounting firm's quality support ability and training hours were higher than the industry average. Additionally, according to this firm, it has implemented cloud-based audit platform and tools, utilized digital technologies, and expanded the audit support center to enhance audit quality and efficiency.</p>	
IV. Does the TWSE listed company have a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors and supervisors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?	✓		<p>The Board of Directors has designated the Board Secretariat Department to handle administrative matters for the Board. On March 12th, 2019, the Corporate Governance Officer position was established. Mr. Paul Yeh, Vice President, who has over three years of experience in financial management in publicly traded companies, was appointed to oversee and manage director requests and supervise matters related to corporate governance. The terms of reference are set out below:</p> <p>(1) Responsibilities:</p> <ol style="list-style-type: none"> 1.Matters related to the meetings of the Board of Directors and shareholders' meetings in accordance with the law; 2.Prepare the minutes of the Board and Shareholders' Meeting; 3.Assist the directors and supervisors in continuous education; 4.Provide information necessary for the Directors and Supervisors; 5.Assist Directors and Supervisors to comply with the laws and regulations; 	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			6. Report to the Board of Directors results of whether independent directors had the qualifications required by law during their nomination, election, and term. 7. Handle matters related to the change of directors. 8. Other matters stipulated in the Articles of Incorporation or the contract. (2) Please refer to page 83 of this annual report for education of corporate governance supervisor in 2024.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company understands and responds to the stakeholders' reasonable expectations for the Company, needs, and topics of concern through a number of communication channels. Please refer to page 84 of this annual report and the Company's ESG Report. Communications with stakeholders are reported to the Board of Directors every year. The Company has set up a special area, “Contact Us” (https://www.macronix.com/zh-tw/about/contacts/Pages/default.aspx), on the company website, for the related parties to contact, communicate with, ask questions or express opinions to the Company.	None
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		✓	The Company has set up an Investor Relations office since 1997 dedicated to handling matters related to the Company's shareholders. All shareholders' equity operations are carried out in accordance with the “Standards for the Internal Control System of the Stock Department”, and the same applies to shareholders' meetings.	Please refer to Implementation Status
VII. Information Disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(I) The Company has established a corporate website to disclose information on financial operations and corporate governance.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(II) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(II) The Company has established an English website to disclose relevant information and set up dedicated departments for collecting and disclosing company information. Furthermore, to implement the spokesperson system, the Company has designated a spokesperson and a deputy spokesperson to disclose material inside information on behalf of the Company, unless otherwise stipulated by the law or regulations. The briefing and procedures of investor conferences are available in the “Investor Relations/Financial Information/Quarterly Results” section of the company website.	None
(III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		(III) The Company announces and reports quarterly financial statements and monthly operation results within the prescribed time limit, and Year 2024 financial statements were announced and reported within two months after the end of the fiscal year.	None
VIII. Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors’ and supervisors’ training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		1. Status of employee rights, employee wellness, investor relations, supplier relations, and the rights of stakeholders: Please refer to the Company’s ESG Report. 2. Status of risk management policies and risk evaluation: Please refer to on Page 63 of this annual report for important information that can enhance the 3. Directors’ training: The Company arranges training courses for directors annually. Each director also participates in relevant courses organized by external institutions when necessary. All directors received 6 hours of training in 2024. Please refer to page 80 of this annual report for Directors’ training records.	None

Evaluation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			4. Directors’ Liability Insurance: The Company has taken out liability insurance for Directors and Supervisors since October 15th, 1999. For the status of maintaining the insurance and submission to the Board of Directors, please refer to the Market Observation Post System (MOPS).	
<p>IX. Please describe the improvements your company has made based on the corporate governance evaluation results released by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and list priorities and measures for matters that still require improvement.</p> <p>The Corporate Governance Center announced results of the 2023 (10th) Corporate Governance Evaluation in April 2024. The Company ranked in the top 6-20% among public companies and top 11-20% among electronics companies with a market capitalization of over NT\$10 billion. Starting in 2024, major financial and business transactions between the Company and related parties, as well as the Sustainability Report, are submitted for Board approval to further enhance the Board’s oversight of related party transactions and sustainable governance. We will also continue to improve our corporate governance pursuant to “Corporate Governance 3.0 – Sustainable Development Blueprint” and “Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies.”</p>				

(IV) Composition, Functional Authority, and Operations of the Compensation Committee

1. Information on Committee Members

December 31, 2024

Title	Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies In Which The Member Concurrently As A Member of Their Compensation Committee
Independent Director / Convener	Chiang Kao	(Note1)	(Note1)	0
Independent Director	Tyzz-Jiun Duh			3
Independent Director	Chien-Kuo Yang (Note2)			3

Note 1: Please refer to page 9 of this annual report for information on directors and supervisors.

Note 2: Mr. Cheng-Wen Wu resigned on May 19, 2024 before taking office as the Minister of the National Science and Technology Council. And the Board of Directors appointed the replacement Mr. Chien-Kuo Yang as member of the Compensation Committee on July 30, 2024.

2. Responsibilities

- (1) Establishes and periodically reviews the performance evaluation and policies, system, standards, and structure of the compensations for Directors, supervisors, and managers.
- (2) Periodically evaluates and establishes compensations and benefits for Directors, supervisors, and managers.

3. Implementation Status

- (1) This term's Compensation Committee is composed of 3 members, and the service term of the current members is from May 27, 2022 to May 26, 2025.
- (2) The Compensation Committee convened 3 times (A) in the last fiscal year. The qualifications of the members and attendance are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)(B/A) (Note)	Remarks
Convener	Chiang Kao	3	0	100%	
Committee Member	Tyzz-Jiun Duh	3	0	100%	
Committee Member	Cheng-Wen Wu	2	0	100%	Mr. Cheng-Wen Wu resigned on May 19, 2024 before taking office as the Minister of the National Science and Technology Council.
Committee Member	Chien-Kuo Yang	1	0	100%	Mr. Chien-Kuo Yang was appointed as a member of the Compensation Committee by a resolution of the Board of Directors on July 7, 2024
Other items that shall be recorded:					

I. The main items that discussed in the meetings of the Compensation Committee in the most recent year are as follows

Compensation Committee Date/ Term	Motion	Resolution results of the Compensation Committee	The Company's response to the comments of the Compensation Committee
2024.02.27 The 6th meeting of the 12th Term of the Compensation Committee	Submitted for approval of the patents award to C.H. Hung, K.C. Chen, K.L. Chang and Ta-Hone Yang ("Managers").	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
	Submitted for approval of the R&D incentive bonus to C.H. Hung, R.K. Chen, K.C. Chen, W.P. Lu and K.L. Chang and T.H. Yang. ("Managers").		
2024.04.30 The 7th meeting of the 12th Term of the Compensation Committee	Submitted for approval of the Company's 2024 employee salary adjustment.	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.10.29 The 8th meeting of the 12th Term of the Compensation Committee	Submitted for approval of the 2024 salary adjustment of the Company Managers.	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable

II. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Compensation Committee, the date of the meeting, term, agenda, resolution results, and the Company's response to the comments provided by the Salary and Compensation Committee shall be described (if the compensation passed by the Board of Directors is higher than recommended by the Compensation Committee, the difference and reason shall be described): None.

III. For the decisions made by the Compensation Committee, if there are documented records of members who veto or withhold from expressing their opinions, the date, term, agenda, all members' comments, and the measures for handling these comments shall be elaborated: None.

Note: Attendance rate (%) is calculated based on the number of meetings convened by the Compensation Committee and the actual attendance during the service term.

(V) Information on the Members and the Operation of the Nomination Committee

1. Qualifications and Duties

The Nomination Committee is comprised of 3 to 5 directors, in which more than half shall be the independent directors. With authorization from the board of directors, the Nomination Committee will faithfully perform the following duties with a duty of care and then submit them to the Board of Directors for discussion:

- (1) Establish the standards for directors and senior executives, such as expertise, skills, experience, and gender. As well as searching, reviewing, and nominating directors and senior executive candidates based on such standards.
- (2) Establish and develop organizational structure of the Board of Directors and each committee. Evaluate the performance of the Board of Directors, each committee, directors, senior executives, and the independence of independent directors.
- (3) Establish and regularly review the programs for continuing education of directors and succession plan of senior executives.
- (4) Other matters entrusted to the committee by resolution of the Board of Directors.

2. Professional Qualifications, Experience and the Operation

- (1) This term's Nomination Committee is comprised of 3 members. An independent director is a chair in meetings of the Nomination Committee, and the term of the incumbent member is from May 27, 2022 to May 26, 2025. Nomination Committee is composed of three directors (including two independent directors).
- (2) The Nomination Committee convened 3 meetings (A) in the most recent year. The professional qualifications and experience of the members, and the attendances and motions that discussed in the meetings are as follows:

Title	Name	Professional Qualifications and Experience	Attendance in Person(B)	By Proxy	Attendance Rate (%) (B/A)(Note1)	Remarks
Convener / Chairman	Miin Wu	(Note 2)	3	0	100%	
Committee Member / Independent Director	Chiang Kao		3	0	100%	
Committee Member / Independent Director	Cheng-Wen Wu		1	0	100%	Mr. Cheng-Wen Wu resigned on May 19, 2024 before taking office as the Minister of the National Science and Technology Council.
Committee Member / Independent Director	Tyzz-Jiun Duh		2	0	100%	Mr. Tyzz-Jiun Duh was appointed as a member of the Nomination Committee by a resolution of the Board of Directors on July 30, 2024

Other items that shall be recorded:

The main items that discussed in the meetings of Compensation Committee in the most recent year are as follows

Nomination Committee Date/ Term	Motion	Nomination Committee's Opinions or Objections	Resolution results of the Nomination Committee	Nomination Committee Date/ Term
2024.02.27 The 8th meeting of the 12th Term of the Nomination Committee	The 2023 Performance Assessments Report of the Board of Directors.	None	All attending members are in agreement and no other comments and will be submitted to the Board of Directors meeting for approval.	Not applicable
	The Examination Report of the Qualification and Independence of Independent Directors.	None	All attending members are in agreement and no other comments and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.10.29 The 9th meeting of the 12th Term of the Nomination Committee	It is hereby proposed to determine the assessed units and assessment method of the Company's 2024 "Board of Directors Performance Assessments".	None	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable
2024.12.17 The 10th meeting of the 12th Term of the Nomination Committee	2024 "Board of Directors Performance Evaluation" self-evaluation questionnaire.	None	Unanimously approved by all members attending the meeting.	Not applicable
	Propose the 2025 advanced study plan of the directors.	None	Unanimously approved by all members attending the meeting and will be submitted to the Board of Directors meeting for approval.	Not applicable

Note 1: Attendance rate (%) is calculated based on the number of meetings convened by the Nomination Committee and the actual attendance during the service term.

Note 2: Please refer to page 9 of this annual report for information on directors and supervisors.

(VI) The Implementation Status of the Company's Promotion of Sustainable Development, and differences between it and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
I. Has the company established the governance framework for sustainable development and established a fully (or partially) dedicated sustainable development unit? Does the Board of Directors authorize the senior management to handle such matters under its supervision?	✓		<p>The Company's president led the establishment of the Sustainable Development Committee on February 22, 2022. The committee conducts risks assessments of sustainable development issues and promotes the Company's environment, social, and governance (ESG) affairs. The committee reported the sustainable development policy, organization, and strategies to the Board of Directors in July the same year. The Sustainable Development Committee includes the Company's centers, in which the Environment Health and Safety (EHS) Center serves as the executive secretary and tracks the implementation progress of strategies during quarterly work meetings. Related issues and management performance are reported to the Board of Directors at the beginning of each year. The Board of Directors supervises the progress of the Company's sustainable development strategy and related review measures, and provides the guidance and suggestions.</p> <p>In 2024, the Company implemented six plans and made steady progress toward the goal of net-zero emissions by 2050, including expanding the use of renewable energy. Six plans were completed under the supervision of the president as planned, and their</p>	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			implementation results were reported to the board of directors in February 2025.	
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		<p>The Company plans its ESG strategy and assesses risks based on requirements of GRI (Global Reporting Initiative) Standards, which include all sites of the Company in Taiwan. The materiality assessment is determined by how much attention the stakeholders pay and how serious the influence will be on the Company's operations, and those issues will be managed and responded after being sorted by the materiality. The ESG risks are identified every year, and the high-risk items will be managed. Please refer to page 63 of this annual report for other important information that will help understand the ESG operations. We formed the TCFD (Task Force on Climate-related Financial Disclosures) Group in response to the impact of climate change on the operation of the company, and the group has already proposed effective strategies for the risk of climate change.</p> <p>Regarding the risk management, the Company already established the "Risk Management Principles" which were approved by the board of directors as the highest guiding principles for the Company's risk management.</p>	None
III. Environmental issues (I) Has the Company established a suitable environmental management system based on the characteristics of the industry?	✓		(I) The Company established an environmental management system in 1997 and obtains ISO 14001 certification every year to ensure that the system complies with PDCA (Plan-Do-	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
(II) Is the Company committed to improving the efficiency of various resources and utilizing renewable materials to reduce the environmental impact?	✓		<p>Check-Act) of ISO management systems, thereby achieving continuous improvement goals. All sites of the Company have obtained the environmental management system certification (ISO 14001:2015). In addition to the environmental management of the factory area, in 2007, the IECQ QC 080000 Hazardous Substance Process Management System was established and passed to promote environmental management of both the operational and product aspects.</p> <p>(II) The Company continues to carry out energy conservation and carbon reduction work each year, and continues to be recognized by Hsinchu City Government for purchasing electricity-saving and water-saving products or products with the eco-friendly label for numerous consecutive years. Besides installing solar power generation facilities, we will continue to actively implement energy conservation and carbon reduction policies. We have also taken the following measures: 1. Replacing the original equipment with variable-frequency equipment or more energy efficient equipment to improve equipment efficiency. 2. Improving and upgrading components of existing equipment to reduce equipment power consumption. 3. Optimize equipment operation procedures. 4. Enhance cleanroom airtightness and adjust pressure settings as well as airflow design to reduce the load and energy consumption of air conditioning systems. The measures above</p>	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		<p>are estimated to reduce electricity consumption by 9,234,867 kWh and carbon emissions by 4,562 metric tons. This shows that the Company has spared no effort in improving resource efficiency and implementing green production to reduce the environmental impact of its operations and enhance its competitiveness.</p> <p>Every month, the Company monitors the use of materials based on permits issued by government agencies to ensure that the use of materials is within the maximum approved amount. Our engineering department often checks for potential reductions in the use of materials based on manufacturing process requirements, including increasing inner box packaging capacity to reduce carton usage, reusing packaging material scraps to enhance the protective strength and drop resistance of product cartons, and reducing packaging volume to minimize filler material use and achieve optimal packaging.</p> <p>(III) The Company referenced the TCFD recommendations when evaluating the impact of climate change on the Company, and gathered specialists of each center to form a TCFD work team, applying the TCFD framework to identify climate risks and opportunities, come up with ways to manage impacts, and quantify the financial impact of material risks and opportunities through scenario analysis, in order to take</p>	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			<p>response measures that will lower the impact on the Company's operations.</p> <p>The Company defines short-term as within 1 year, mid-term as 1-8 years, and long-term as 8 years and above. The TCFD analyzed and identified main climate risks and opportunities at the company-level based on job characteristics. Sources include the transition risk of carbon tax and low carbon technologies in the mid-term, and physical risks from changes in average temperature. Long-term risks include transition risk of total emission control/emissions trading and physical risks of sea level rise. In terms of opportunities, production processes are short-term, low carbon products/services and adaptation/mitigation plans are mid-term, and changes in customer behavior and searching for new business opportunities are the Company's long-term development opportunities.</p> <p>The Company will face transformation risk that will directly impact operating costs in the short-, mid-, and long-term. Hence, we actively track international trends and regulatory developments, and ensure that our climate management is in full compliance with government laws. For green energy management, we are maintaining the efficiency of the solar power generation system at 80% or above and formulating a green energy purchasing policy. For technology</p>	

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
(IV) Does the company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, and does it establish policies for energy conservation & carbon reduction, greenhouse gas emission reduction, water use reduction, and other waste management?	✓		<p>transformation, we are actively purchasing new process machinery, lowering the carbon emission of products, and producing low-carbon products that meet the expectations of our customers to enhance our competitiveness for sustainability. Long-term risks: Establish a weather forecast and refrigerating machine optimization mechanism, replace machinery with more efficient machinery, and require two or more sources for suppliers that are assessed to be high risk, in order to respond to the potential impact of risks and opportunities.</p> <p>(IV) The Company cooperates with the Ministry of Environment's annual inspection of Greenhouse Gas ("GHG") emissions and files reports accordingly. The Company set the policy of energy conservation and carbon reduction in its ISO 14001 Environmental Management System, and promotes water conservation, waste reduction, and waste recycling and reuse based on the Company EHS policy and CSR management approach.</p> <p>We compiled a GHG inventory for all plants, excluding the subsidiaries, according to ISO 14064-1 and domestic environmental protection laws and regulations, and the GHG inventory was verified by a third party. A total of 7 types of GHG was verified, including carbon dioxide, methane, nitrous oxide,</p>	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons																		
	Yes	No	Summarized Explanation																			
			<p>HFCs, PFCs, sulfur hexafluoride, and nitrogen trifluoride. Statistics of GHG emissions in 2023 and 2024 are as follows:</p> <table> <tr> <th>Item</th> <th>Unit</th> <th>2023</th> <th>2024</th> </tr> <tr> <td>Scope 1</td> <td rowspan="3">tonCO2e</td> <td>120,502.2254</td> <td>115,938.0001</td> </tr> <tr> <td>Scope 2</td> <td>254,499.0547</td> <td>251,427.4784</td> </tr> <tr> <td>Scope 3</td> <td>245,775.8993</td> <td>204,909.6994</td> </tr> <tr> <td>Intensity</td> <td>tonCO2e/Per NT\$1 million in revenue</td> <td>13.6</td> <td>14.2</td> </tr> </table> <p>Remark:</p> <ol style="list-style-type: none"> 1. An external verification of 2024 data was conducted from March 24 to 27 in 2025. The technical review of the third party is still required; the final verified data will be disclosed in the sustainability report. 2. With consideration to the direct association with operations, intensity is not included in Scope 3 “Other Indirect Omissions”. 3. On February 5, 2024 Ministry of Environment announced the Greenhouse Gas Emission Factors, and the Company immediately conducted the inventory and calculation of the GHG emissions for 2023. 4. The GHG emissions of subsidiaries are planned to undergo the first inventory check in 2025, with the first external verification completed in 2026. 	Item	Unit	2023	2024	Scope 1	tonCO2e	120,502.2254	115,938.0001	Scope 2	254,499.0547	251,427.4784	Scope 3	245,775.8993	204,909.6994	Intensity	tonCO2e/Per NT\$1 million in revenue	13.6	14.2	
Item	Unit	2023	2024																			
Scope 1	tonCO2e	120,502.2254	115,938.0001																			
Scope 2		254,499.0547	251,427.4784																			
Scope 3		245,775.8993	204,909.6994																			
Intensity	tonCO2e/Per NT\$1 million in revenue	13.6	14.2																			

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			<p>The Company's GHG reduction policy is listed in the EHS policy and takes the perspective of hazard prevention as the starting point to implement hazard identification, risk assessment, environmental impact analysis, hazardous sources control, implementation of energy conservation, carbon reduction, greenhouse gas reduction, water conservation, and waste reduction. Since Ministry of Environment announced that newly announced GHG emission coefficients will apply starting from 2024, based on ISO 14064-1:2018, article 6.4.2 Review of base-year GHG inventory, rule (b) we adjusted the inspection baseline year for the GHG inventory as 2023, and emission was determined to be 375,001.280 tonCO₂e after third party verification, after deduction of the FAB 1 emissions it equals 392,366.59 tonCO₂e. The reduction goal is $\geq 1\%$ per year. Senior management gave instructions in 2022 to support the government's pathway and plans for net zero emissions. The Company set the goal to achieve net zero emissions by 2050, and will be adjusted according to government laws and regulations, customer needs, and international trends.</p> <p>Carbon reduction measures implemented in response to climate change include but are not limited to:</p> <ol style="list-style-type: none"> 1. Compiling a greenhouse gas inventory every year to understand changes in emissions from plants. 2. Managing PFCs emissions, which has high GHG potential, every month and reviewing emissions quarterly. 	

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			<p>3. Evaluating the feasibility of carbon reduction measures and continuing to encourage energy conservation and carbon reduction plans, managing the quarterly progress of projects using the EHS goal planning system, and summarizing the results of energy conservation plans each year.</p> <p>4. Active participation in projects of the Ministry of Environment and making an effort to obtain carbon reduction quota. The Company has currently passed the Environmental Protection Administration, and the machinery in the project are periodically monitored to ensure carbon reduction effectiveness. The project's carbon reduction potential is approximately 11,821 tonCO₂e every year. After the third party verification, total reduction during the monitoring period of December 31, 2020 to December 31, 2021 was 8,836 tonCO₂e. In October 2024, the Company passed the review by the Climate Change Administration and obtained its first reduction quota.</p> <p>5. Continue to evaluate the feasibility of purchasing and installing renewable energy devices; solar PV devices with the capacity of approximately 430 kW were installed on the rooftop of some facilities at the end of 2023, and generated more than 526 thousand kWh of green electricity in 2024. We have also started to purchase 10.246 million kWh of green electricity each year starting from 2024, reducing carbon emissions by 5,106 tonCO₂e per year.</p>	

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			<p>6. Compared with the target review year of 2025, the GHG omissions in 2024 are still 12,000 metric tons of CO₂e. It is the reduction measures in 2025 include the installation of fluorine gas reduction equipment, increasing the utilization rate of green electricity and energy saving to achieve the target.</p> <p>For water conservation, the target process water recycling rate in 2024 was $\geq 82\%$ for 8-inch wafer fab processes and $\geq 85\%$ for 12-inch wafer fab processes. The water consumption data and water balance chart submitted to the Science Park Bureau each month are used to regularly track and manage water resource usage information, as well as to conduct risk assessments and management. Our internal units also monitor the process water recycling rates on a daily basis through wastewater recycling technology and a supervisory control and data acquisition (SCADA) system. Our water consumption was 2,769 million liters in 2024 and we achieved a water recycling rate of 84.06% for 8-inch wafer fab processes and 88.10% for 12-inch wafer fab processes. Our internal units also monitor the process water recycling rate on a daily basis through wastewater recycling technology and the SCADA system. We set up a rainwater harvesting tank at our head office and store rainwater in the water tower. The water is then used to water plants and flush toilets. We are continuing to actively develop a water resource</p>	

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			<p>recycling strategy to achieve the water conservation and increase the efficiency of water use.</p> <p>As for waste reduction, we compile statistics of waste storage, generation, and clearance on a monthly basis to determine the generation of waste in our plants. We reduce waste by cutting down the consumption of materials through the joint efforts of engineering departments based on a feasible reduction plan.</p> <p>As for improving waste recycling and reuse, prior to waste disposal, we verify if the way contractors process the waste is appropriate, giving priority to reuse.</p> <p>We generated nearly 11,441 metric tons of waste in 2024. General waste and hazardous waste are mainly recycled and reused with a recycling/reuse rate reaching 95.1% (general waste) and 99.8% (hazardous waste), and overall recycling/reuse rate reaching 97.8%; hazardous waste recycling/reuse rate \geq 98.8%. We established a cross-departmental waste management platform, and periodically convene meetings for review and improvement. It is expected to reduce the environmental load caused by the production through the vendor selection, partner vendor audits, and self-management inspections, achieving the ultimate goal of green production and waste reduction.</p>	
IV. Social issues				
(I) Has the Company formulated management policies and procedures in accordance with relevant laws and	✓		(I) The Company supports the Universal Declaration of Human Rights, ILO international labor standards, and RBA CoC, and	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
regulations as well as the International Bill of Human Rights?			formulated the Macronix Human Rights Policy according to requirements of the international standards on human rights protection. We strive to “build an excellent human resources management system and labor system through comprehensive planning and execution.” The Company’s goal is to fully comply with local labor regulations and it has already committed to corporate social responsibility norms to ensure the protection of human rights. The Company conducts thorough due diligence according to the RBA CoC to ensure that its conduct reaches or exceeds the standards, and uses the Self-Assessment Questionnaire (SAQ) designed by the Responsible Business Alliance for self-assessment of labor, health and safety, ethics, and environment. The Company identifies social and environmental risks on this basis and continues to monitor implementation results of improvement plans. Please refer to the company website (https://www.macronix.com/zh-tw/about/CSR/Pages/human-right-policy.aspx) for information on the Company’s human rights policy.	
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(II) The Company has established and implemented reasonable employee benefit measures; please refer to V. Labor Relations on page 105 of this Annual Report. The Company’s performance is reflected by the employees’ and directors’	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
(III) Has the Company provided employees with a safe and healthy working environment, and routinely implemented safety and health education for employees?	✓		<p>salaries; please refer to (V) Compensation for Employees, Directors, and Supervisors on page 94 of this Annual Report.</p> <p>(III) Based on the ideal of providing a warm and pleasant environment for employee's growth, the Company has established a safe and healthy work environment that is better than at another companies. The Company provides comprehensive training for the employees, which has received recognition from the competent authorities, including the National Occupational Safety and Health Enterprise Benchmarking Award from the Ministry of Labor, Contribution to Work Opportunity Creation from the Ministry of Economic Affairs, and the Excellent Employee Assistance Program Award from the Ministry of Labor.</p> <p>The Company's core philosophy is "people orientation". We fully understand the effect of employees' safety and health on our competitiveness, and constantly promote occupational safety and health concepts through training and promotion measures. We work together with employees and vendors to jointly create a healthy, safe, and comfortable working environment.</p> <p>There were no major occupational or fire accidents in 2024. There were 3 accidents that resulted in minor injuries, and the injury rate (IR) was 0.07. Following the occupational safety and health management system, we immediately carry out root cause analysis and corrective measures for occupational</p>	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
(IV) Has the Company established an effective career developmental plan for its employees?	✓		injuries, made improvements to management and construction tools, and verified its effectiveness. (IV) The individual development plan of the Company employees is closed connected to the performance management system. The Company conducts a performance review once every year to examine individual and organizational performance. In order to gradually develop various professional knowledge and skills, employees can have face-to-face discussions with their supervisor to develop their personalized development plan based on their performance and the career development needs.	None
(V) Does the company comply with relevant regulations and international standards and establish rights protection policies for consumers and clients and complaint procedures in issues like customer health and safety, customer privacy, marketing, and labeling?	✓		(V) The Company's products have green product. The products meet the requirements of the European Union's RoHS directive SVHC (Substances of Very High Concern) and ELV (End-of-Life Vehicle). We comply with NDAs with customers and the Personal Data Protection Act to maintain customer privacy, and we also established a personal data protection policy, which employees are required to comply with when performing work that may not be disclosed. In compliance with the regulations of the Commodity Labeling Act, the Company provides clear product specifications, manufacturing details, and other necessary information through datasheets, external packaging markings and labels to ensure information transparency and regulatory	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
(VI) Does the company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓		<p>compliance. In addition, the Company has established a comprehensive customer complaint handling mechanism, having a dedicated unit and standardized management processes to respond to customer requirements promptly and appropriately, enhancing product and service quality.</p> <p>(VI) We proposed due diligence for suppliers in our CSR policy for supplier management. We make suppliers aware of the importance of CSR during annual supplier meetings, and require suppliers to jointly achieve RBA Code of Conducts requirements together with us. We also transformed our expectations for suppliers into actual management requirements on the Code of Conducts Compliance Certificate, which suppliers must sign and submit to us. Responsible units conduct on-site audits or documentary audits of suppliers each year based on their risk, so as to verify whether or not suppliers met our requirements. We also transformed our expectations for suppliers into actual management requirements on the Code of Conducts Compliance Certificate (CoC) that shall be signed by suppliers then submitted to us. The CoC requires suppliers to obtain ISO14001 (environmental protection) and ISO45001 (Occupational safety and Health) certifications. Responsible units conduct on-site audits or documentary audits of suppliers each year based on their risk to verify whether</p>	None

Items of the Promotion	Implementation Status			Differences Between the Implementation Status and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies with Reasons
	Yes	No	Summarized Explanation	
			suppliers met our requirements. Standards are set in the Company's normative documents.	
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as ESG reports? Have the reports above obtained assurance from a third-party verification unit?	✓		The Company began structuring its CSR Report in accordance with the GRI Standards in 2014, and obtained a third-party assurance report that there are no deviations in the CSR Report. Over the years, we have obtained assurance according to AA1000AP(2018) through third party certification companies, such as SGS and BV.	None
VI. If the Company has established corporate social responsibility principles based on “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies” , please describe any discrepancy between the principles and their implementation: There was no substantial difference.				

VII. Other important information that will help understand the ESG operations:

1. The honors and recognitions that our company has received for promoting sustainable development in the most recent (2024) year are as follows. For more information, please refer to the ESG Report of the Company and websites of the Company and the Macronix Education Foundation relevant information. (<http://www.macronix.com>).

- Mr. Chih-Yuan Lu, President of Macronix was awarded of "George E. Pake Prize" by American Physical Society (APS).
- Received the 1.5°C Label Certificate from CommonWealth Magazine. According to AGTP climate modeling and parameter matrix calculations, the Company's rating in the Temperature Rising Index for Pathways (TRIPs) is classified as outstanding.
- Received the Award of Excellence for Breastfeeding Room Certification from Hsinchu City Government.
- Received the Award of Excellence for Occupational Health and Safety Management System Performance in 2024 issued by the Occupational Safety and Health Administration of the Ministry of Labor.
- ArmorBoot MX76 Secure Boot Serial NOR Flash was recognized as the Best Memory Solution of the Year at the EE Awards Asia 2024.
- Received the Gold Tower Award in the ESG Sustainability category at the 2024 Taiwan Continuous Improvement Awards (TCIA).

2. The risk items, management policies, or strategies related to significant issues in environmental, social, and corporate governance are as follows:

Material Issues	Risk Assessment Item	Risk Management Policy, or Strategy
Environment	Environmental protection	Introduced and passed the ISO 14001 Environmental Management System Certification. We ensure that our environmental management systems fully comply with the Plan-Do-Check-Act (PDCA) operations of the ISO system to maintain a healthy and safe environment, and continuously make improvements to reach our goal.
Environment	climate Change management	1. The Company is dedicated to reducing energy use and consumption every year. We follow the instructions provided by the Bureau of Energy, Ministry of Economic Affairs each year to report our energy conservation audit system for energy users. 2. In response to the trend of greenhouse gas control and reduction in the supply chain due to global warming, we planned for greenhouse gas checks, control, and reduction, and described the process of compiling ISO14064-1 GHG inventory in the report.
Society	Epidemic disease	1. Convened the epidemic prevention meetings to formulate anti-epidemic policies and various management measures, and to establish a standard operating procedure, a reporting mechanism, and countermeasures. 2. Assigned dedicated staff to track and pay attention to the epidemic prevention and management measures. Daily pop-ups on computers remind employees about health and safety anti-epidemic measures, and rolling reviews are conducted for the results inspection.

Material Issues	Risk Assessment Item	Risk Management Policy, or Strategy
Society	Occupational health and safety	In accordance with the Occupational Safety and Health Act and the operational requirements of the ISO 45001 for occupational health and safety management systems, trained and qualified personnel conduct risk assessments to identify hazards and risks associated with both routine and non-routine work activities involving employees, visitors, and contractors. A risk grading management is implemented, along with the establishment of improvement processes and the adoption of preventive control measures.
Corporate Governance	Centralized procurement	<ol style="list-style-type: none"> 1. Establish emergency procurement procedures 2. Prepare a safety stock 3. Audit suppliers' capability to plan regarding business continuity 4. Continue to develop alternative suppliers 5. Sign supply contracts with major suppliers
Corporate Governance	Information system services	<ol style="list-style-type: none"> 1. Block malicious attacks with a firewall 2. Use a mail and website filtering system to intercept malware 3. Regularly update computer software and deploy end point protection software 4. Regularly back up important data 5. Cyber-attack simulation drills 6. Install uninterruptible power supply (UPS) 7. Remote backup 8. Simulate information system disruptions
Corporate Governance	Geopolitics	<ol style="list-style-type: none"> 1. Offsite backup shipping 2. Provide overseas warehouse services
Corporate Governance	Water and Power supply interruption	<ol style="list-style-type: none"> 1. Establish a water tanker transport plan 2. Develop an operational maintenance plan for water supply interruptions 3. Simulate water source disruptions caused by drought conditions 4. Dual-circuit power supply design with Taiwan Power Company 5. Install emergency power generators and uninterruptible power systems (UPS) 6. Simulate emergency power outages
Corporate Governance	Earthquake	<ol style="list-style-type: none"> 1. Seismic resistant design of buildings and machines 2. Human resource service orders with major suppliers 3. Earthquake emergency response drill

Material Issues	Risk Assessment Item	Risk Management Policy, or Strategy
Corporate Governance	Fire or chemical spill	The Company will keep observing, conducting reviews and taking actions as needed.
Corporate Governance	Green materials management	<ol style="list-style-type: none"> 1. Comply with EU RoHS regulations on banned/restricted substances (2011/65/EU) 2. Adhere to the European Chemicals Agency REACH requirements for Substances of Very High Concern 3. Comply with international standards (IEC 61249-2-21, JPCA-ES01 2003, IPC 4101) for halogen-free products 4. Prohibit the use and procurement of conflict minerals and trace the sources of gold (Au), tantalum (Ta), tin (Sn), tungsten (W), and other minerals extracted through inhumane practices in products to ensure they come from certified smelters and non-conflict regions. In addition, continuously require suppliers to meet this standard to comply with customer requirements
Corporate Governance	Quality management	Based on the ISO 9000 system and strict quality standards, with certification obtained for ISO/TS 16949. Partnering packaging and testing outsourcing factories are certified under the ISO 9000 system.
Corporate Governance	Information security	Established a dedicated information management unit and related management procedures to protect the safety of computer systems, prevent the risk of data leakage, and provide the basis for compliance by employees and responsible units.
Corporate Governance	Laws and Code of Ethics, etc.	On the job training and assessments as part of their training program.
Corporate Governance	Ethical corporate management and protection of the whistleblower's identity	<ol style="list-style-type: none"> 1. Comply with laws and regulations 2. Effectively implement company policies and codes of ethical conduct through the established Ethical Corporate Management Best Practice Principles, the Code of Business Conduct and Ethics, and the Corporate Social Responsibility Policy 3. Effectively implement relevant regulations through internal and external mechanisms 4. Establish risk management mechanisms 5. Establish a violation reporting system and protect the reporting channels in accordance with the law 6. Enhance on-the-job education and ethics training
Corporate Governance	Sexual harassment, stalking, personal data protection and legal compliance	Establish relevant grievance mechanisms, investigation procedures, and awareness campaigns to ensure compliance with and implementation of laws and regulations.

Climate-Related Information of TWSE/TPEX Listed Company

1. Implementation of Climate-Related Information

Item	Implementation status
<p>1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p> <p>2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</p>	<p>1. Board of Directors: In the first quarter of each year, the Environment, Safety and Health (EHS) Center summarizes the Company's sustainability performance, progress, and implementation results in the past year, including carbon inventory management, and reports it to the Board of Directors. Such include: Material issues such as performance in sustainability, results of communication with stakeholders, management of energy and climate change. Managers: The TCFD (Task Force on Climate-related Financial Disclosures) task force is composed of members appointed by the directors of each center, which jointly reviews internal and external risks, and formulates risk response strategies for material risk issues.</p> <p>2. In the climate risks and opportunities analysis model, the Company defines short-term as within 1 year, mid-term as 1-8 years, and long-term as 8 years and above. The TCFD analyzed and identified main climate risks and opportunities that require attention at the company level based on job characteristics. Main climate risk sources include the transition risk of carbon tax and low carbon technologies in the mid-term, and physical risks from changes in average temperature. Long-term risks include transition risk of total emission control/emissions trading and physical risks of sea level rise. In terms of opportunities, production processes are short-term, low carbon products/services and adaptation/mitigation plans are mid-term, and changes in customer behavior and searching for new business opportunities are the Company's long-term development opportunities. The Company will face transformation risk that will directly impact operating costs. Hence, the Company continually tracks international trends and regulatory developments, and ensures that we are 100% in compliance with government laws for climate management. In terms of green energy management, we cooperate with national policy by evaluating the installation of solar panels and formulation of a green energy purchasing policy. For technology transformation, we are actively purchasing low-carbon (new process) machinery, lowering the carbon emission of products, and producing low-carbon products that meet the expectations of our customers to enhance the sustainability competitiveness. For long-term risks, we established a weather forecast and refrigerating machine optimization mechanism and replaced machinery with more efficient models.</p>

Item	Implementation status
<p>3. Describe the financial impact of extreme weather events and transformative actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and</p>	<p>3. Extreme weather events, such as the change in average temperature has been listed as a major risk in the risk identification results. The impact of average temperature rise will lead to an increase in air conditioning load, power consumption, and electricity bills, resulting in an increase in the Company's direct operating costs. Transition actions, such as the use of new technologies and machinery to meet market expectations for energy conservation and carbon reduction goals of manufacturing, may lead to adjustments in process-related technologies and increases in production cost, which will cause the Company's R&D cost increase.</p> <p>4. The Company divides the TCFD task force into following five working groups based on the correlation between climate opportunities and risks with various businesses: product customers, finance, fab environmental protection, supply chain, and logistics support. The members of each working group include middle and senior management. Each working group, based on executive business and professional judgment, reaches a consensus on risks and opportunities that the Company may face, and formulates a list of such risks and opportunities. The current situation is reviewed based on TCFD identification results, and project management is implemented by the Sustainable Development Committee based on the risk and opportunity review results. Each working group will formulate a material risk management approach based on the feasibility, and assess the financial impact and effect on the Company's operations.</p> <p>5. Positing regulatory pressures in transition risks as the main object for scenario analysis, and forecasting emissions growth based on historical data and future operational growth. The Company assumes three scenarios of external pressures from rising temperatures: 1.5°C, 2°C, and NDC. Future carbon costs and expenses are projected for these three scenarios, and the financial impact of carbon fees, carbon tax, and renewable energy are analyzed. Analysis results show that the main financial impact will come from the purchase of renewable energy and carbon taxes (fees) up to 2040. Using renewable energy as a means of reducing carbon emissions can reduce overall emissions by over 60%, while carbon fees or excess emission fees will need to be paid based on the current control system for emissions that cannot be reduced.</p> <p>6. In response to the risk identification results, the Company set the long-term carbon reduction target to achieve net-zero emissions by 2050 in the face of physical and transformation risks,</p>

Item	Implementation status
<p>transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).</p>	<p>and set a target review year every five years (the first review point is 2025). Reduction measures are flexibly introduced or established according to production capacity planning during the period. The indicator is set as annual greenhouse gas emissions with the target of net zero emissions by 2050.</p> <p>7. The Company has not established an internal carbon pricing mechanism yet.</p> <p>8. The Company set the long-term carbon reduction target of net-zero emissions by 2050, and set a target review year every five years (the first review point is 2025). Reduction measures are flexibly introduced or established according to production capacity planning during the period. The scope covers all locations in Taiwan (Fab 2, Fab 5, Head Office and Testing Plant), and covers Scope 1 and Scope 2 emissions. The short-term annual target is to reduce the annual emissions by $\geq 1\%$ on average compared with the baseline year. The medium-term target is to reduce emissions in 2025 by 20% compared with estimated emissions, and the long-term target is for the Company's Taiwan locations to achieve net-zero emissions by 2050, in line with the national goal. In addition to focusing on process improvement, energy efficiency improvement, increasing the proportion of renewable energy use, and planning to obtain carbon rights, the Company is also actively evaluating participation in government guidance projects. Compared with the target review year of 2025, greenhouse gas emissions in 2024 are still 12,000 metric tons of CO₂e. It is expected that the reduction measures in 2024 and 2025 include the installation of fluorine gas reduction equipment, increasing the utilization rate of green electricity and energy-saving to achieve the target..</p> <p>9. Please see the descriptions in 1-1 and 1-2 below.</p>

1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO₂e), intensity (metric tons CO₂e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

The Company has established a greenhouse gas inventory mechanism in accordance with the Sustainable Development Roadmap for Listed Companies and the ISO14064-1 issued by the International Organization for Standardization (ISO). Greenhouse gas emissions are consolidated based on the operational control approach. A summary of the greenhouse gas inventory data for the most recent two years is as follows:

Scope	2023				2024			
	Carbon emissions (metric tons CO ₂ e/year)	Percentage		Intensity (metric tons CO ₂ e /NT\$1,000,000)	Carbon emissions (metric tons CO ₂ e/year)	Percentage		Intensity (metric tons CO ₂ e /NT\$1,000,000)
		Scope 1 + 2	Scope 1 + 2 + 3			Scope 1 + 2	Scope 1 + 2 + 3	
Scope 1 – Direct emissions	120,502.2254	32.1	19.4	4.4	115,938.0001	31.6	20.3	4.5
Scope 2- Energy indirect emissions	254,499.0547	67.9	41.0	9.2	251,427.4784	68.4	43.9	9.7
Total	375,001.280	100	-	13.6	367,365.479	100	-	14.2
Scope 3- Other indirect emissions	245,775.8993	-	39.6	8.9	204,909.6994	-	35.8	7.9
Total of Scope 1, 2, and 3	620,777.179	-	100	22.5	572,275.178	-	100	22.1

Note: On February 5, 2024 Ministry of Environment announced the Greenhouse Gas Emission Factors, and the Company immediately conducted the self-inventory and calculation of the GHG emissions for 2023. GWP refers to IPCC Fifth Assessment Report (IPCC AR5).

1-1-2 Greenhouse Gas Assurance Information

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.			
The Company has established a greenhouse gas inventory mechanism in accordance with the Sustainable Development Roadmap for Listed Companies and the ISO14064-1 issued by the International Organization for Standardization (ISO). Greenhouse gas emissions are consolidated based on the operational control approach. A summary of the greenhouse gas inventory data for the most recent two years is as follows; the final verified data will be announced in the sustainability report.			
Company's information		2023 Emissions (metric tons of CO ₂ e)	2024 Emissions (metric tons of CO ₂ e)
Company	Scope 1	120,502.2254	115,938.0001
	Scope 2	254,499.0547	251,427.4784
	Total	375,001.280	367,365.479
	Percentage of the inspection data disclosed in the section 1-1-1 above	100%	100%
	Entity providing the assurance	Bureau Veritas Certification (Taiwan) Co., Ltd. (BV)	Bureau Veritas Certification (Taiwan) Co., Ltd. (BV)
	Assurance situation description	ISO 14064-3:2019 Reasonable Assurance	Currently under verification of the assurance entity, the assurance opinion is expected to be obtained in May and will be disclosed in the sustainability report along with the related assurance information
	Assurance opinion/conclusion	Unqualified conclusion/opinion	Currently under verification of the assurance entity, the assurance opinion is expected to be obtained in May and will be disclosed in the sustainability report along with the related assurance information

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
<ul style="list-style-type: none"> • Baseline year for reduction: 2011 is maintained as the baseline year for reduction before review of the boundaries of consolidated financial statements is completed. • Baseline year emissions (Scope 1 and 2): 392,366.585 metric tons of CO₂e • Reduction target: Achieve net zero emissions by 2050

- Strategy: Focus on process improvement, energy efficiency improvement, increasing the proportion of renewable energy use, and making plans to obtain carbon rights.
- Specific action plans: 2025 is the first target review point, the key reduction strategy is to reduce fluorine-containing gases. The Company plans to add 32 local scrubbers, and achieve a 20% reduction of emissions compared with estimates using of solar power self-generated for self-use and purchased renewable energy.
- Achievement of reduction targets: The status of achieving 2025 goals will be reviewed in 2026, and progress will be tracked through review and inspection results each year. Compared with the target review year of 2025, greenhouse gas emissions in 2023 are still 12,000 metric tons of CO₂e. It is reduction measures in 2025 include the installation of fluorine gas reduction equipment, increasing the utilization rate of green electricity and energy saving to achieve the level target.

(VII) Ethical Corporate Management, and Departure from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate policies and programs				
(I) Does the Company establish a board-approved ethical corporate management policy and state in its regulations or external correspondence the policies and practices of the ethical corporate management policy? Are the board of directors and the managerial officers committed to fulfilling this commitment?	✓		(I) The “Ethical Corporate Management Principles” and the “Code of Business Conduct and Ethics” of the Company are approved by the board of directors and published on the Company website and internal electronic bulletin board, and they require our employees and the employees of subsidiaries included in our consolidated financial statements to exhibit honest and ethical conduct when performing their duties.	None
(II) Does the Company establish mechanisms to assess the risks of unethical conduct and perform regular analysis and assessment of operating activities with higher risks of unethical conduct? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least precautionary measures described in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	✓		(II) The Company developed ethical and social responsibility risk assessments for each department, which are carried out on a regular basis and cover all departments of the Company. The Company has established the “Ethical Corporate Management Principles” and “Code of Business Conduct and Ethics” which prohibit giving and taking bribes, receiving unreasonable gifts, benefits, and other improper benefits (avoiding conflicts of interest); intellectual property rights, confidential information, and personal data infringement; and unfair competition and discrimination. The above regulations apply to all the Company staff. The promotion is further strengthened for departments with a higher risk of integrity violation. The effectiveness is regularly evaluated. Suppliers must sign the "Code of	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Does the Company establish procedures, guidelines of conduct, punishment for violation, and reporting system clearly stated in the mechanisms to prevent unethical conduct? Does the Company enforce the programs effectively and perform regular reviews of the preceding?	✓		<p>Conducts Compliance Certificate" which stipulates that supplier shall not conduct any inappropriate commercial behavior such as bribery. Should any incidents occur, the Company can terminate the contract or transactions with the supplier as well as request compensation for any damages.</p> <p>(III) The Company has established the "Ethical Corporate Management Principles" and "Code of Business Conduct and Ethics". In addition to promoting these principles to the Directors and managers, the Company has also included relevant educational training and testing for employees as well as taking the employees' implementation status into consideration in the annual performance evaluation. The task force, established under the Company's Committee for the Promotion of Ethical Corporate Management Best Practice Principles, hosts regular meetings to establish and enhance relevant measures as well as follow-up procedures of the Ethical Corporate Management based on related laws and regulations, the Company's Ethical Corporate Management Best Practice Principles, resolutions of the board of directors and functional committees, and procedures of the Committee for the Promotion of Ethical Corporate Management Best Practice Principles.</p>	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
II 、Fulfill operations integrity policy	✓		(I) Before engaging in business, the Company conducts a credit investigation on the potential partner's records to avoid doing business with those who have records of illegal or unethical behavior. The Company has drafted the "Code of Conducts Compliance Certificate" to regulate supplier behavior. Should a supplier engage in improper business conduct such as bribery, the Company may terminate the contract or transaction at any time as well as request damages.	None
(I) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?				
(II) Does the Company have a unit under the board of directors to promote ethical corporate management on a full-time basis, report ethical corporate management, and regularly report on the programs for the prevention of unethical conduct (at least once a year) to the board of directors, and oversee the operations thereof?	✓		(II) In addition to establishing functional committees under the board of directors, the Company also established the Committee for the Promotion of Ethical Corporate Management, which should be convened at least one time per year, under the management executives that consists of the president as the chairperson and level-1 managers of all departments as committee members. The committee aims to establish an ethical corporate management policy that will be submitted for discussion during the meeting of the board of directors and report the implementation status of the policy to the board at least once a year in accordance with the law. The Company’s Committee for the Promotion of Ethical Corporate Management shall hold a meeting at least once a year. The task forces established under the committee should host regular meetings to establish and enhance relevant measures as well as follow-up procedure of the	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		<p>Ethical Corporate Management based on related laws and regulations, the Company’s Ethical Corporate Management Best Practice Principles, resolutions of the board of directors and functional committees, and procedures of the Committee for the Promotion of Ethical Corporate Management Best Practice Principles.</p> <p>(III) The Company has established the "Ethical Corporate Management Principles" and "Code of Business Conduct and Ethics" to prevent conflicts of interests. The Audit Committee has been set up to assist the Board in overseeing the Company’s implementation status. Directors shall be excused from voting or discussions during the Board meeting when their interests as individuals or representatives of institutions are in potential conflicts.</p>	None
(IV) Does the Company have an effective accounting system and internal control system set up to facilitate ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance to the prevention of unethical conduct? Or are the audits commissioned to a CPA?	✓		<p>(IV) The Company’s accounting and internal control systems are approved by the Audit Committee and the Board. The internal auditing unit is responsible for auditing the actual operations as well as preparing the draft and report of the audit results for the Audit Committee. The goal is to effectively prevent malpractices and oversee the implementation of the Company’s policies and ensure the effectiveness of the internal control system.</p>	None
(V) Does the company provide educational training on corporate social responsibility on a regular basis?	✓		<p>(V) The Company has established the “Ethical Corporate Management Principles” and “Code of</p>	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>Business Conduct and Ethics” which are published on the Company’s website and the internal e-bulletin system. The employees' implementation status is taken into consideration in the annual performance evaluation. To implement ethical corporate management and ethical behavior, the Company arranges courses for directors and online courses for employees every year and organizes educational courses on business secrets, domestic and international data privacy regulations, information security management, and the prevention of insider trading for the purpose of raising the awareness of corporate ethics and compliance. In 2024, there were a total of 18,961 participants, and the number of training hours amounted to 13,152. Suppliers were also invited to the courses to ensure that they understand the regulations of the Company’s ethical corporate management.</p> <p>The Company organizes training and promotion events every year to prevent insider trading, and gave a report on the prevention of insider trading to the Board of Directors on December 17, 2024. We offered and announced online courses for employees in the second half of the year. The content of the courses includes insider trading regulations, structure elements, legal liabilities, prohibited conduct, prevention items etc. In 2023, there were a total of 3,700 participants, and the</p>	

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			number of training hours amounted to 308. In 2024, there were a total of 207 supplier participations, and the number of training hours received amounted to 104.	
III 、Operation of the integrity channel				
(I) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for a follow-up?	✓		(I) The Company has set up a “No Topic is Off Limits” suggestion box and a hotline. The staff can report any fraud they discover to prevent damages to the Company’s image caused by dishonest behavior. The Company also enhanced internal and external reporting channels, and set up an audit office hotline (03-5786688 ext. 78119). In addition, the Company established a process for reporting breaches of ethical corporate management. Once a case is reported and accepted for processing, a task force is established based on the nature and type of the case the case is sent to the relevant units for investigation. The board of directors will also be informed.	None
(II) Does the Company establish standard operating procedures for investigating reported cases, the follow-up measures after investigations, and relevant confidentiality mechanisms?	✓		(II) All cases reported through the “No Topic is Off Limits” suggestion box, the reporting hotline, and the audit office hotline will be given file numbers, documented, investigated, handled, and stored as required by the law. Once a case is reported and accepted for processing, a task force is established based on the nature and type of the case, the case is sent to	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(III) Does the company provide proper whistleblower protection?	✓		<p>relevant units for investigation. The board of directors will also be informed.</p> <p>The Company takes measures to maintain the confidentiality of previous cases to guarantee the legal rights of members.</p> <p>(III) The management regulations of the “No Topic is Off Limits” suggestion box and the reporting hotline specify that the Company will strictly fulfill its responsibility to maintain the confidentiality of whistleblowers and prohibit retaliation against reports made with good intentions. The Company will impose an appropriate penalty for any violations thereof. The Company takes measures to maintain the confidentiality of cases reported through the audit office hotline to guarantee the legal rights of members.</p>	None
<p>IV. Strengthening information disclosure</p> <p>(I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</p>	✓		<p>The Company has disclosed the content and relevant effectiveness of the Company’s “Code of Business Conduct and Ethics” on the Company’s website and MOPS. The content of the "Ethical Corporate Management Principles" is disclosed on the Company’s website.</p> <p>Implementation results of the ethical corporate management were reported to the Board of Directors on February 27, 2024.</p>	None

Evaluation Item	Implementation Status			Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>The annual meeting of the Committee for the Promotion of Ethical Corporate Management was convened on February 19, 2024.</p> <p>Completed the Ethical Corporate Management Best Practice Principles related training in 2024.</p> <p>There was no violation of the Ethical Corporate Management Best Practice Principles in 2024.</p>	
V、If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation: There was no substantial difference.				
<p>VI、Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies)</p> <p>The Company believes that a corporate culture of integrity is a key factor for the sustainable and sound development of the Company. Therefore, the Company has actively complied with the Responsible Business Alliance (RBA) code of conduct.</p> <p>A supplier conference is held annually to announce and promote important policies and messages of the Company. The Company also conducts regular training courses for its suppliers to ensure their quality. In the future, the Company will continue to pay attention to the development of domestic regulations related to integrity and review relevant Company regulations accordingly in order to enhance the effectiveness of the Company's corporate governance.</p>				

(VIII) Other Important Information for Better Understanding of Implementation of Corporate Governance

1. Implementation of risk management policies and risk assessment standards:

The Company gradually implemented risk management mechanisms according to the Corporate Governance 3.0 – Sustainable Development Roadmap of the Financial Supervisory Commission. The Board of Directors established the risk management policy and the Board of Directors approved the "Risk Management Code" on October 24, 2023 as the highest guiding principles of the Company's risk management. Furthermore, the Company established a Risk Management Task Force to plan, implement, review, and improve the risk management system. The president serves as the chair of the Risk Management Committee, and regularly identifies risk factors and manages risks with business units. Every year the committee reports risk assessment and risk management of the previous year to the Board of Directors. Please refer to the company website (<https://www.macronix.com/zh-tw/about/CSR/Pages/risk-management.aspx>) for information on the Company's risk management.

2. Handling of Company's Internal Material Information

The Company established the Procedures for Disclosing Material Insider Information to provide effective mechanisms to handle and disclose material insider information, prevent information leakage, and ensure the consistency and correctness of information announced by the Company. The procedures cover confidentiality and evaluation of material information, preservation of approval records, and violations handling.

The handling and disclosure of material insider information is in accordance with related laws, orders, and the Company's Procedures for Disclosing Material Insider Information. The Company has three principles for public disclosure: (1) accurate, complete and timely; (2) information disclosure shall have a solid base; and (3) fair disclosure to ensure that the interests of the Company and all stakeholders are protected.

Furthermore, the Company has established the "Code of Business Conduct and Ethics" and "Preventing Insider Trading." Besides periodic promotion, the content is provided on the company website for all directors, managers, and employees to avoid violation.

3. Directors' training records

The Directors' training records for the most recent year are set out in the table below. For further information, please refer to the Market Observation Post System (MOPS).

Title	Name	Date	Organizer	Course Name	Hours
Chairman	Miin Wu	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director Representative of the Corporation	Masashi Kuramoto	2024.09.20	Taiwan Investor Relations Institute	Trade Secrets, Information Security Practices, and Securities Regulations	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
		2024.11.28	Accounting Research and Development Foundation	How to Analyze Key Corporate Financial Information to Strengthen Crisis Early Warning Capabilities	6
Director	C.Y. Lu	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.04.25	Taiwan Corporate Governance Association	Green Electricity, Certificates, and Sustainable Development – The Path to Corporate Net Zero	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
		2024.10.31	Taiwan Corporate Governance Association	Management Rights Battles and Case Analysis	3

Title	Name	Date	Organizer	Course Name	Hours
Director Representative of the Corporation	Stacey Lee	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.03.15	Chinese National Association of Industry and Commerce	Key Considerations and Common Issues for Board and Shareholders' Meetings in 2024	3
		2024.10.04	Chinese National Association of Industry and Commerce	Introduction to Company Law, Corporate Governance, and Essential Tax Knowledge for Executives	3
		2024.10.08	Chinese National Association of Industry and Commerce	NVIDIA's Trillion-Dollar Miracle: New Perspectives on the Semiconductor Industry Revolution Behind AI	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director Representative of the Corporation	Ching-Yun Li	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director	Che-Ho Wei	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director	Yan-Kuin Su	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.04	Securities and Futures Institute	2024 Insider Trading Prevention Seminar	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director	Sung-Jen Fang	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.08.08	Taiwan Corporate Governance Association	The Path to Corporate Sustainability and Resilience Management	3
Director	Tom Yiu	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director	F. L. Ni	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Director Representative of the Corporation	Paul Yeh	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.03.22	Taiwan Stock Exchange	Seminar on Building a New Carbon Era with Sustainable Knowledge Empowerment	3
		2024.06.27~2024.06.28	Accounting Research and Development Foundation	Continuing Education Course for Chief Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
		2024.09.30	Taiwan Stock Exchange	Taiwan Capital Market Expansion Summit	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3

Title	Name	Date	Organizer	Course Name	Hours
Independent Director	Tyzz-Jiun Duh	2024.01.26	Taiwan Corporate Governance Association	Analysis of Taiwan's Economic Trends in 2024	3
		2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.03.29	Taiwan Corporate Governance Association	Production Technology and Market Development of High-Value Steel Products	3
		2024.05.03	Taiwan Corporate Governance Association	Prospects of the Nickel Industry Development and Sustainable Resilient Supply Chain Management	3
		2024.07.31	Institute of Financial Law and Crime Prevention	Analysis of Common Deficiencies and Penalty Cases in the Financial Industry & Prevention of Sexual Harassment	3
		2024.10.16	Securities & Futures Institute	Carbon Credit Trading Mechanism and Carbon Management Applications	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
		2024.11.08	Taiwan Corporate Governance Association	Development and Prospects of Taiwan's Cable Industry & Creating a Friendly Workplace (Including Prevention of Sexual Harassment)	3
Independent Director	Chiang Kao	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Independent Director	Chien-Kuo Yang	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.05.09	Taiwan Corporate Governance Association	Intellectual Property Management and Corporate Governance	3
		2024.08.01	Taiwan Corporate Governance Association	Cybersecurity Governance Strategies for Listed Companies from the Perspective of ESG Corporate Sustainable Development	3
		2024.08.06	Taiwan Corporate Governance Association	ESG Corporate Actions and Energy Trend Opportunities	3
		2024.08.06	Taiwan Corporate Governance Association	Updates on International Tax Trends and an Overview of the U.S.-Taiwan Tax Relief Act	3
		2024.10.08	Taiwan Stock Exchange	The Digital and Sustainable Finance Symphony in the AI Boom	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3

4. Education of corporate governance supervisor within the most recent year is shown in the table below:

Date	Organizer	Course Name	Hours
2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
2024.03.22	Taiwan Stock Exchange	Seminar on Building a New Carbon Era with Sustainable Knowledge Empowerment	3
2024.09.30	Taiwan Stock Exchange	Taiwan Capital Market Expansion Summit	3
2024.10.29	Taiwan Institute of Directors	Trends in Sustainable Development Information and Financial Reporting Disclosure	3
Total Hours of Education within the most recent year of Appointment			12

5. Manager Training Records

Miin Wu, C. Y. Lu, Tom Yiu, F. L. Ni, and Paul Yeh are also managers of the Company. Please refer to the table above for the training records. Corporate governance training records for other managers and the audit supervisors of the Company in the most recent year are as follows:

Title	Name	Date	Organizer	Course Name	Hours
Vice President	Yen-Hai Chao	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.04.25	Taiwan Corporate Governance Association	Green Energy, Certificates, and Sustainable Development – The Path to Corporate Net Zero	3
		2024.10.29	Taiwan Institute of Directors	Trends in Sustainability Information and Financial Reporting Disclosure	3
		2024.10.31	Taiwan Institute of Directors	Corporate Control Battles and Case Analysis	3
Deputy Director of the Auditing Office	Hong-Chi Wang	2024.02.27	Taiwan Institute of Directors	Global Economic Outlook	3
		2024.09.13	The Institute of Internal Auditors-Chinese Taiwan	"Regulatory Analysis of Sustainability Information Disclosure" and Key Discussions on Internal Control and Internal Audit	6
		2024.10.29	Taiwan Corporate Governance Association	Trends in Sustainability Information and Financial Reporting Disclosure	3
		2024.11.29	The Institute of Internal Auditors-Chinese Taiwan	New Challenges for Internal Auditors – Analysis of Sustainability Disclosure, Governance Policies, and Key Audit Considerations	6

(VI). Topics of Concern and communication channels of various stakeholder categories :

Stakeholders	Topics of Concern		Communication channels
Investors	<ul style="list-style-type: none"> • Shareholder equity • Intellectual Property Rights • Corporate Governance • Dividends distribution • Overview of Investments 	<ul style="list-style-type: none"> • Corporate operations • Innovative R&D • Product price • Industry development • Product use 	<ul style="list-style-type: none"> • Company's Website and Sustainability Report (annually) • Corporate website, financial statements (annually) • Shareholders' meeting (annually) • Self-organized investor seminars (quarterly) • Participate in forums/visits by investors/visits to investors (irregularly) • Investor service mailbox/phone calls (irregularly)
Customers	<ul style="list-style-type: none"> • Product lead time/ price/technology/quality • Green Products • Future direction of products 	<ul style="list-style-type: none"> • Corporate Social Responsibility • Customer application services • Business Continuity Management • Greenhouse gas Net-zero emissions 	<ul style="list-style-type: none"> • Customer satisfaction survey (annual) • Suppliers' conference (at the request of customers) • Customer communication platform (available 24-7) • Visits in person (irregularly) • Supplier audits (at the request of customers)
Employees	<ul style="list-style-type: none"> • Employee Communication • Labor Relations • Compensation & Benefits • Human rights policy • Training System • Performance evaluation results 	<ul style="list-style-type: none"> • Occupational safety and health • Key points of the amendment to the Labor Standards Act • Calculation/qualifications of retirement pension 	<ul style="list-style-type: none"> • Various open-discussion meetings (held periodically and ad hoc) • "No Topic is Off Limits" suggestion box (available 24-7) • Reporting hotline (available 24-7) • Printed copies and electronic bulletin boards (to irregularly communicate information) • Employee Relationship Management Portal (available 24-7) • Learning map platform (available 24-7) • Performance evaluation procedure (annual) • Health consultation/promotion (held periodically and ad hoc) • Employees seek advice in person or by phone (irregularly)
Suppliers	<ul style="list-style-type: none"> • Occupational safety and health • Supplier evaluation • Green product requirements • Corporate Social responsibility 	<ul style="list-style-type: none"> • Compliance with Business Ethics • Quality improvement procedure • Supply and demand of important materials • Supply chain information security 	<ul style="list-style-type: none"> • Suppliers' conference (annual) • Supplier audits (performed annually based on risk levels) • Supplier evaluation (quarterly and annually) • Quality improvement meeting (irregularly) • Material supply/demand tracking (periodically and ad hoc) • Contractor training courses(as necessary) • Contractor coordination organization meetings (as necessary)
Government	<ul style="list-style-type: none"> • Compliance with regulations • Corporate Governance • Labor Relations • Occupational safety and health • Greenhouse gas Net-zero emissions • Water resource management • Waste Management • The Sustainable Disclosure Standards Introduction Plan of IFRS • Charity event participation 	<ul style="list-style-type: none"> • Employee benefits and average salary • Key points of the amendment to the Labor Standards Act • Impact of the U.S.-China Trade War • Employee overload management • Odor • Noise • Corporate sponsorship/funding 	<ul style="list-style-type: none"> • Official document delivery (as necessary) • Participation in presentations/ promotions/seminars/forums (irregularly) • Competent authority audits (as necessary) • Phone call or e-mail (as necessary) • Communication through the Allied Association for Science Park Industries and Chinese National Federation of Industries (as necessary) • Visited competent authorities (as necessary) • PUBCSR communication mailbox • Charity organizations
Social public	<ul style="list-style-type: none"> • Operational performance • Innovative research and development • Industrial development 	<ul style="list-style-type: none"> • General information about the Company • Compensation & Benefits • Executive management dynamics 	<ul style="list-style-type: none"> • Public Information • Investor seminars
School	<ul style="list-style-type: none"> • Macronix Golden Silicon Awards • Macronix Science Prize Competition 	<ul style="list-style-type: none"> • The process and results of Macronix Science Prize Competition • Recruitment and appointment 	<ul style="list-style-type: none"> • Registration website • Campus promotion • Facebook Fans Group • Macronix Science Awards Association annual meeting

(IX) Implementation of Internal Control System: Please refer to the Market Observation Post System (website: <https://mopsov.twse.com.tw/mops/web/index>) under “Corporate Governance” → “Internal Control Section.”

(X) Major Resolutions of Shareholders’ Meeting and Board Meetings during the Most Recent Fiscal Year and Up to the Printing Date of this Annual Report:

1. 2024 Major Resolutions of Shareholders’ Meeting

Major Resolutions	Review of Implementation
1. Ratification of the 2023 Business Report and Financial Statements	Resolution announced in accordance with Article 230 of the Company Act
2. Ratification of the Company’s 2023 Distribution	June 30, 2024 was set as the Ex-dividend Record Date and cash dividends were paid on July 29, 2024. The cash dividends per share was distributed at NT\$0.5, determined by the Shareholders’ Meeting.
3. Approval of fund raising by issuance of new shares, overseas depositary receipts through cash capital increase, and/or the private placement of common shares and/or domestic or overseas convertible bonds	The capital increase proposal was approved but was not carried out in 2024. The capital increase proposal was approved by the Board of Directors again on March 4, 2025 and submitted to the 2025 Annual Shareholders’ Meeting.
4. Approval of releasing competition restrictions of the directors	Resolution and announcement according to law.

2. Major Resolutions Adopted by the Board of Directors in the Most Recent Year up to the Publication Date

Board of Directors	Date	Major Resolutions
The 11th meeting of the 12th Term of the Board of Directors	2024.02.27	1. Approval of the Company’s 2023 Financial Statements. 2. Approval of the Company’s 2023 Distribution Plan 3. Approval of fund raising by issuance of new shares, overseas depositary receipts through cash capital increase, and/or the private placement of common shares and/or domestic or overseas convertible bonds 4. Board of Directors resolved to convene the 2024 Annual Shareholders Meeting.
The 12th meeting of the 12th Term of the Board of Directors	2024.04.30	Approval of the Company’s First Quarter 2024 Financial Statements.
The 13th meeting of the 12th Term of the Board of Directors	2024.07.30	1. Approval of the Company’s Second Quarter 2024 Financial Statements. 2. Approval of appointing the replacement member of the Compensation Committee 3. Approval of appointing the replacement member of the Nomination Committee
The 15th meeting of the 12th Term of the Board of Directors	2024.10.29	1. Approval of the Company’s Third Quarter 2024 Financial Statements. 2. Approval of the issuance of the Second Domestic Unsecured Convertible Bonds
The 15th meeting of the 12th Term of the Board of Directors	2024.12.17	Board of Directors approved the donation to Macronix Education Foundation

Board of Directors	Date	Major Resolutions
The 17th meeting of the 12th Term of the Board of Directors	2025.03.04	1. Approval of the Company's 2024 Financial Statements. 2. Approval of the Company's 2024 profit deficit appropriation 3. Approval of fund raising by issuance of new shares, overseas depositary receipts through cash capital increase, and/or the private placement of common shares and/or domestic or overseas convertible bonds 4. Board of Directors resolved to convene the 2025 Annual Shareholders Meeting.

(XI) Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

IV. Information on the Professional Fees of the Attesting CPAs

Unit: NT\$ thousands

Accounting Firm	Name of CPAs	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Tung-Hui Yeh	2024.01.01 ~2024.12.31	5,435	2,305	7,740	Non-audit fees mainly included tax certification fee NT\$960,000, ISO27001 implementation NT\$735,000, transfer pricing report service fee NT\$380,000, bonded inventory NT\$230,000.
	Kuo-Tyan Hong					

- (I) Where The Accounting Firm Changed the Audit Partners and the Audit Fee Paid for the Year is Less than that of the Previous Year, the Sum, Proportion, and Cause of the Reduction Shall be Disclosed: Not applicable.
- (II) Where the Audit Fee Paid for the Year is Reduced by more than 10% Compared to that of the Previous Year, the Sum, Proportion, and Cause of the Reduction Shall be Disclosed: Not applicable.

V. CPA Replacement Information: No change in the last two years.

VI. If Chairman, President, or Chief Financial Officer Holding Positions at the Independent Audit Firm or its Affiliated Company within the Most Recent Fiscal Year: None.

VII. Equity Transfer and Pledge by Directors, Supervisors, Managers and/or Shareholders, Who Hold More Than 10% of Outstanding Shares, in the Most Recent Fiscal Year and Up to the Printing Date of this Annual Report

- Please refer to the Market Observation Post System (website: <https://mopsov.twse.com.tw/mops/web/index>) under "Basic Information" → "Shareholding, Pledging, and Transfer of Directors, Supervisors, and Major Shareholders."
- The counterparts of equity transfer or equity pledges in the Most Recent Fiscal Year and Up to the Printing Date of this Annual Report are not related parties.

VIII. Relationship Among the Top Ten Shareholders

June 30, 2024

Unit: shares / %

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Fuh Hwa Taiwan Technology Dividend Highlight ETF	119,617,000	6.45%	None	None	None	None	None	None	
Syue-Rong Shen	63,137,000	3.40%	None	None	None	None	None	None	
Cathay Life Insurance Representative: Ming-Ho Hsiung	33,998,000	1.83%	None	None	None	None	None	None	
New Labor Pension Fund	32,647,271	1.76%	None	None	None	None	None	None	
Robeco Capital Growth Funds	24,505,000	1.32%	None	None	None	None	None	None	
Mercuries Life Insurance Co., Ltd. Representative: Jhao-Si Wong	24,000,000	1.29%	None	None	None	None	None	None	
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	23,847,737	1.29%							
Shun Yin Investment Ltd.	22,587,265	1.22%	None	None	None	None	None	None	
Representative: Ikuo Yamaguchi (Note 1)	None	None	None	None	None	None	None	None	
Miin Wu	13,440,809	0.72%	None	None	None	None	None	None	
Vanguard Total International Stock Index Fund, A Series of Vanguard Star Funds	12,390,546	0.67%	None	None	None	None	None	None	

Note 1: Mr. Masashi Kuramoto was reassigned as representative on August 30, 2024 by Shun Yin Investment Ltd.

Note 2: Base date of shareholding, which was the record date for the distribution of 2024 cash dividend.

Note 3: There was no information on the person responsible for the investment account.

IX. The Total and Combined Shareholding in a Single Enterprise by the Company, its Directors, Supervisors, Managers, and the Directly or Indirectly Controlled Entities

December 31, 2024

Unit: shares / %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Macronix America, Inc.	100,000	100.00%	0	0%	100,000	100.00%
Macronix (BVI) Co., Ltd.	182,589,357	100.00%	0	0%	182,589,357	100.00%
Macronix (Hong Kong) Co., Limited.	89,700,000	100.00%	0	0%	89,700,000	100.00%
Macronix Pte Ltd	174,000	100.00%	0	0%	174,000	100.00%
Hui Ying Investment Ltd.	None	100.00%	None	0%	None	100.00%
Run Hong Investment Ltd.	None	100.00%	None	0%	None	100.00%
Mxtran Inc.	69,627,323	90.43%	3,914,600	5.08%	73,541,923	95.51%

Note: Invested by the Company using the equity method.

Chapter III. Capital Overview

I. Capital and Shares

(I) Source of capital

Year/ month	Issue price	Authorized capital		Paid-up capital		Comments		
		Shares (1,000 shares)	Amount (NT\$1,000)	Shares (shares)	Amount (NTD)	Source of capital	Subscriptions paid with property other than cash	Other
1989.12	-	150,000	1,500,000	81,583,000	815,830,000	Established with a capital of NT\$815,830,000	5,200,000 technology shares	-
1990.12	10	300,000	3,000,000	209,717,000	2,097,170,000	Cash capital increase in the amount of NT\$1,281,340,000	-	Note 1
1992.06	10	300,000	3,000,000	239,717,000	2,397,170,000	Cash capital increase in the amount of NT\$300,000,000	-	Note 2
1993.05	10	300,000	3,000,000	300,000,000	3,000,000,000	Cash capital increase in the amount of NT\$602,830,000	-	Note 3
1995.02	28.5	500,000	5,000,000	350,000,000	3,500,000,000	Cash capital increase in the amount of NT\$500,000,000	-	Note 4
1995.08	-	500,000	5,000,000	433,218,172	4,332,181,720	Capital increase out of earnings in the amount of NT\$832,181,720	-	-
1995.12	40	500,000	5,000,000	500,000,000	5,000,000,000	Cash capital increase in the amount of NT\$667,818,280	-	Note 5
1996.05	48	850,000	8,500,000	600,000,000	6,000,000,000	Issuance of GDRs in the amount of NT\$1,000,000,000 for cash capital increase	-	Note 6
1996.08	-	1,160,000	11,600,000	941,676,940	9,416,769,400	Earnings and capital surplus in the amount of NT\$3,416,769,400 transferred to capital	-	-
1997.04	-	1,160,000	11,600,000	945,824,135	9,458,241,350	Corporate bonds conversion in the amount of NT\$41,471,950	-	-
1997.07	-	2,500,000	25,000,000	1,274,939,621	12,749,396,210	Earnings and capital surplus in the amount of NT\$3,291,154,860 transferred to capital	-	-
1997.08	-	2,500,000	25,000,000	1,415,586,910	14,155,869,100	Corporate bonds conversion in the amount of NT\$1,406,472,890	-	-
1997.12	-	2,500,000	25,000,000	1,441,815,433	14,418,154,330	Corporate bonds conversion in the amount of NT\$262,285,230	-	-
1998.03	-	2,500,000	25,000,000	1,442,334,998	14,423,349,980	Corporate bonds conversion in the amount of NT\$5,195,650	-	-
1998.08	-	2,500,000	25,000,000	1,785,823,693	17,858,236,930	Earnings and capital surplus in the amount of NT\$3,434,886,950 transferred to capital	-	-
1999.09	-	2,500,000	25,000,000	1,964,406,063	19,644,060,630	Capital surplus in the amount of NT\$1,785,823,700 transferred to capital	-	-
2000.03	30	2,500,000	25,000,000	2,099,996,063	20,999,960,630	Cash capital increase in the amount of NT\$1,355,900,000	-	Note 7
2000.03	-	2,500,000	25,000,000	2,126,074,584	21,260,745,840	Convertible bonds conversion in the amount of NT\$260,785,210	-	-
2000.03	-	2,500,000	25,000,000	2,127,526,851	21,275,268,510	Convertible bonds conversion in the amount of NT\$14,522,670	-	-
2000.07	-	3,500,000	35,000,000	2,404,105,343	24,041,053,430	Earnings and capital surplus in the amount of NT\$2,765,784,920 transferred to capital	-	-
2000.07	-	3,500,000	35,000,000	2,472,586,493	24,725,864,930	Corporate bonds conversion in the amount of NT\$684,811,500	-	-
2000.12	-	3,500,000	35,000,000	2,474,409,144	24,744,091,440	Corporate bonds conversion in the amount of NT\$18,226,510	-	-
2001.06	-	4,500,000	45,000,000	3,359,342,613	33,593,426,130	Earnings and capital surplus in the amount of NT\$8,849,334,690 transferred to capital	-	-

Year/ month	Issue price	Authorized capital		Paid-up capital		Comments		
		Shares (1,000 shares)	Amount (NT\$1,000)	Shares (shares)	Amount (NTD)	Source of capital	Subscriptions paid with property other than cash	Other
2002.08	-	5,350,000	53,500,000	3,691,276,875	36,912,768,750	Capital surplus in the amount of NT\$3,319,342,620 transferred to capital	-	-
2003.04	-	5,350,000	53,500,000	3,733,149,529	37,331,495,290	Corporate bonds conversion in the amount of NT\$418,726,540	-	-
2003.07	-	5,350,000	53,500,000	3,779,349,500	37,793,495,000	Corporate bonds conversion in the amount of NT\$461,999,710	-	-
2003.11	-	5,350,000	53,500,000	3,927,758,305	39,277,583,050	Corporate bonds conversion in the amount of NT\$1,484,088,050	-	-
2003.12	8.11	6,550,000	65,500,000	4,402,758,305	44,027,583,050	Cash capital increase in the amount of NT\$4,750,000,000	-	Note 8
2004.03	-	6,550,000	65,500,000	4,430,251,943	44,302,519,430	Corporate bonds conversion in the amount of NT\$274,936,380	-	-
2004.04	10.9	6,550,000	65,500,000	4,955,251,943	49,552,519,430	Issuance of GDRs in the amount of NT\$5,250,000,000 for cash capital increase	-	Note 9
2004.05	-	6,550,000	65,500,000	5,003,704,439	50,037,044,390	Corporate bonds conversion in the amount of NT\$484,524,960	-	-
2004.09	-	6,550,000	65,500,000	5,034,928,514	50,349,285,140	Corporate bonds conversion in the amount of NT\$312,240,750	-	-
2004.11	-	6,550,000	65,500,000	5,035,296,328	50,352,963,280	Corporate bonds conversion in the amount of NT\$3,678,140	-	-
2005.09	-	6,550,000	65,500,000	4,995,296,328	49,952,963,280	Decrease in treasury stock in the amount of NT\$400,000,000	-	-
2006.03	-	6,550,000	65,500,000	2,915,821,786	29,158,217,860	Capital reduction in the amount of NT\$20,794,745,420	-	Note 10
2006.03	8.07	6,550,000	65,500,000	2,915,921,786	29,159,217,860	Private placement in the amount of NT\$1,000,000	-	-
2007.02	-	6,550,000	65,500,000	2,916,157,808	29,161,578,080	Exercise of employee stock options in the amount of NT\$2,360,220	-	-
2007.04	-	6,550,000	65,500,000	2,916,415,946	29,164,159,460	Exercise of employee stock options in the amount of NT\$2,581,380	-	-
2007.09	-	6,550,000	65,500,000	2,917,058,354	29,170,583,540	Exercise of employee stock options in the amount of NT\$6,424,080	-	-
2007.10	-	6,550,000	65,500,000	2,978,817,751	29,788,177,510	Capital increase out of earnings in the amount of NT\$617,593,970	-	-
2007.11	-	6,550,000	65,500,000	3,050,653,298	30,506,532,980	Exercise of employee stock options in the amount of NT\$718,355,470	-	-
2008.02	-	6,550,000	65,500,000	3,060,226,622	30,602,266,220	Exercise of employee stock options in the amount of NT\$95,733,240	-	-
2008.05	-	6,550,000	65,500,000	3,062,751,980	30,627,519,800	Exercise of employee stock options in the amount of NT\$25,253,580	-	-
2008.08	-	6,550,000	65,500,000	3,063,677,465	30,636,774,650	Exercise of employee stock options in the amount of NT\$9,254,850	-	-
2008.09	-	6,550,000	65,500,000	3,124,019,472	31,240,194,720	Capital increase out of earnings in the amount of NT\$603,420,070	-	-
2008.11	-	6,550,000	65,500,000	3,126,296,368	31,262,963,680	Exercise of employee stock options in the amount of NT\$22,768,960	-	-
2009.02	-	6,550,000	65,500,000	3,126,775,749	31,267,757,490	Exercise of employee stock options in the amount of NT\$4,793,810	-	-
2009.02	-	6,550,000	65,500,000	3,123,962,749	31,239,627,490	Decrease in treasury stock in the amount of NT\$28,130,000	-	-

Year/ month	Issue price	Authorized capital		Paid-up capital		Comments		
		Shares (1,000 shares)	Amount (NT\$1,000)	Shares (shares)	Amount (NTD)	Source of capital	Subscriptions paid with property other than cash	Other
2009.05	-	6,550,000	65,500,000	3,135,134,847	31,351,348,470	Exercise of employee stock options in the amount of NT\$111,720,980	-	-
2009.08	-	6,550,000	65,500,000	3,147,538,945	31,475,389,450	Exercise of employee stock options in the amount of NT\$124,040,980	-	-
2009.09	-	6,550,000	65,500,000	3,272,552,230	32,725,522,300	Capital increase out of earnings in the amount of NT\$1,250,132,850	-	-
2009.11	-	6,550,000	65,500,000	3,289,772,530	32,897,725,300	Exercise of employee stock options in the amount of NT\$172,203,000	-	-
2010.02	-	6,550,000	65,500,000	3,303,027,880	33,030,278,800	Exercise of employee stock options in the amount of NT\$132,553,500	-	-
2010.05	-	6,550,000	65,500,000	3,330,319,836	33,303,198,360	Exercise of employee stock options in the amount of NT\$272,919,560	-	-
2010.08	-	6,550,000	65,500,000	3,350,388,992	33,503,889,920	Exercise of employee stock options in the amount of NT\$200,691,560	-	-
2010.11	-	6,550,000	65,500,000	3,355,417,899	33,554,178,990	Exercise of employee stock options in the amount of NT\$50,289,070	-	-
2011.02	-	6,550,000	65,500,000	3,362,301,642	33,623,016,420	Exercise of employee stock options in the amount of NT\$68,837,430	-	-
2011.05	-	6,550,000	65,500,000	3,378,174,280	33,781,742,800	Exercise of employee stock options in the amount of NT\$158,726,380	-	-
2011.08	-	6,550,000	65,500,000	3,381,545,259	33,815,452,590	Exercise of employee stock options in the amount of NT\$33,709,790	-	-
2011.11	-	6,550,000	65,500,000	3,382,456,382	33,824,563,820	Exercise of employee stock options in the amount of NT\$9,111,230	-	-
2012.02	-	6,550,000	65,500,000	3,384,748,566	33,847,485,660	Exercise of employee stock options in the amount of NT\$22,921,840	-	-
2012.05	-	6,550,000	65,500,000	3,392,196,696	33,921,966,960	Exercise of employee stock options in the amount of NT\$74,481,300	-	-
2012.08	-	6,550,000	65,500,000	3,392,302,064	33,923,020,640	Exercise of employee stock options in the amount of NT\$1,053,680	-	-
2012.08	-	6,550,000	65,500,000	3,521,142,831	35,211,428,310	Capital increase out of earnings in the amount of NT\$1,288,407,670	-	-
2012.11	-	6,550,000	65,500,000	3,521,369,314	35,213,693,140	Exercise of employee stock options in the amount of NT\$2,264,830	-	-
2013.02	-	6,550,000	65,500,000	3,521,462,303	35,214,623,030	Exercise of employee stock options in the amount of NT\$929,890	-	-
2014.02	-	6,550,000	65,500,000	3,521,473,020	35,214,730,200	Exercise of employee stock options in the amount of NT\$107,170	-	-
2015.01	-	6,550,000	65,500,000	3,558,773,970	35,587,739,700	New restricted employee shares in the amount of NT\$373,009,500	-	-
2015.08	-	6,550,000	65,500,000	3,620,052,730	36,200,527,300	New restricted employee shares in the amount of NT\$612,787,600	-	-
2015.08	-	6,550,000	65,500,000	3,618,598,730	36,185,987,300	Reduction of new restricted employee shares in the amount of NT\$14,540,000	-	-

Year/ month	Issue price	Authorized capital		Paid-up capital		Comments		
		Shares (1,000 shares)	Amount (NT\$1,000)	Shares (shares)	Amount (NTD)	Source of capital	Subscriptions paid with property other than cash	Other
2015.11	-	6,550,000	65,500,000	3,617,848,930	36,178,489,300	Reduction of new restricted employee shares in the amount of NT\$7,498,000	-	-
2016.02	-	6,550,000	65,500,000	3,617,159,130	36,171,591,300	Reduction of new restricted employee shares in the amount of NT\$6,898,000	-	-
2016.05	-	6,550,000	65,500,000	3,616,471,930	36,164,719,300	Reduction of new restricted employee shares in the amount of NT\$6,872,000	-	-
2016.08	-	6,550,000	65,500,000	3,615,716,830	36,157,168,300	Reduction of new restricted employee shares in the amount of NT\$7,551,000	-	-
2016.11	-	6,550,000	65,500,000	3,615,353,570	36,153,535,700	Reduction of new restricted employee shares in the amount of NT\$3,632,600	-	-
2017.01	-	6,550,000	65,500,000	3,672,829,150	36,728,291,500	New restricted employee shares in the amount of NT\$574,755,800	-	-
2017.02	-	6,550,000	65,500,000	3,672,063,730	36,720,637,300	Reduction of capital for new restricted employee shares in the amount of NT\$7,654,200	-	-
2017.05	-	6,550,000	65,500,000	3,671,002,330	36,710,023,300	Reduction of capital for new restricted employee shares in the amount of NT\$10,614,000	-	-
2017.07	-	6,550,000	65,500,000	1,805,895,303	18,058,953,030	Capital reduction in the amount of NT\$18,651,070,270	-	Note 11
2017.09	-	6,550,000	65,500,000	1,805,028,142	18,050,281,420	Reduction of capital for new restricted employee shares in the amount of NT\$8,671,610	-	-
2017.11	-	6,550,000	65,500,000	1,804,938,491	18,049,384,910	Reduction of capital for new restricted employee shares in the amount of NT\$896,510	-	-
2018.02	-	6,550,000	65,500,000	1,804,775,803	18,047,758,030	Reduction of capital for new restricted employee shares in the amount of NT\$1,626,880	-	-
2018.05	-	6,550,000	65,500,000	1,804,478,493	18,044,784,930	Reduction of capital for new restricted employee shares in the amount of NT\$2,973,100	-	-
2018.09	-	6,550,000	65,500,000	1,840,574,009	18,405,740,090	Capital increase out of earnings in the amount of NT\$360,955,160	-	-
2018.11	-	6,550,000	65,500,000	1,840,291,935	18,402,919,350	Reduction of capital for new restricted employee shares in the amount of NT\$2,820,740	-	-
2019.02	-	6,550,000	65,500,000	1,840,166,993	18,401,669,930	Reduction of capital for new restricted employee shares in the amount of NT\$1,249,420	-	-
2019.05	-	6,550,000	65,500,000	1,840,144,856	18,401,448,560	Reduction of capital for new restricted employee shares in the amount of NT\$221,370	-	-
2019.08	-	6,550,000	65,500,000	1,840,013,422	18,400,134,220	Reduction of capital for new restricted employee shares in the amount of NT\$1,314,340	-	-
2019.11	-	6,550,000	65,500,000	1,839,927,014	18,399,270,140	Reduction of capital for new restricted employee shares in the amount of NT\$864,080	-	-
2020.03	-	6,550,000	65,500,000	1,839,908,862	18,399,088,620	Reduction of capital for new restricted employee shares in the amount of NT\$181,520	-	-
2020.07	-	6,550,000	65,500,000	1,856,309,082	18,563,090,820	New restricted employee shares in the amount of NT\$164,002,200	-	-
2020.08	-	6,550,000	65,500,000	1,856,301,702	18,563,017,020	Reduction of capital for new restricted employee shares in the amount of NT\$73,800	-	-

Year/ month	Issue price	Authorized capital		Paid-up capital		Comments		
		Shares (1,000 shares)	Amount (NT\$1,000)	Shares (shares)	Amount (NTD)	Source of capital	Subscriptions paid with property other than cash	Other
2021.02	-	6,550,000	65,500,000	1,856,186,402	18,561,864,020	Reduction of capital for new restricted employee shares in the amount of NT\$1,153,000	-	-
2021.05	-	6,550,000	65,500,000	1,856,127,002	18,561,270,020	Reduction of capital for new restricted employee shares in the amount of NT\$594,000	-	-
2021.08	-	6,550,000	65,500,000	1,856,046,002	18,560,460,020	Reduction of capital for new restricted employee shares in the amount of NT\$810,000	-	-
2021.11	-	6,550,000	65,500,000	1,856,017,802	18,560,178,020	Reduction of capital for new restricted employee shares in the amount of NT\$282,000	-	-
2022.02	-	6,550,000	65,500,000	1,855,976,783	18,559,767,830	Reduction of capital for new restricted employee shares in the amount of NT\$410,190	-	-
2022.05	-	6,550,000	65,500,000	1,855,925,783	18,559,257,830	Reduction of capital for new restricted employee shares in the amount of NT\$510,000	-	-
2022.08	-	6,550,000	65,500,000	1,855,884,320	18,558,843,200	Reduction of capital for new restricted employee shares in the amount of NT\$414,630	-	-
2022.11	-	6,550,000	65,500,000	1,855,854,341	18,558,543,410	Reduction of capital for new restricted employee shares in the amount of NT\$299,790	-	-
2023.03	-	6,550,000	65,500,000	1,855,827,941	18,558,279,410	Reduction of capital for new restricted employee shares in the amount of NT\$264,000	-	-
2023.05	-	6,550,000	65,500,000	1,855,826,441	18,558,264,410	Reduction of capital for new restricted employee shares in the amount of NT\$15,000	-	-

Note 1: Letter Tai-Cai-Zheng (1)-Zi No. 03305 dated December 7, 1990

Note 2: Letter Tai-Cai-Zheng (1)-Zi No. 03489 dated December 24, 1991

Note 3: Letter Tai-Cai-Zheng (1)-Zi No. 00335 dated February 15, 1993

Note 4: Letter Tai-Cai-Zheng (1)-Zi No. 43729 dated November 5, 1994

Note 5: Letter Tai-Cai-Zheng (1)-Zi No. 49345 dated September 25, 1995

Note 6: Letter Tai-Cai-Zheng (1)-Zi No. 18164 dated March 26, 1996

Note 7: Letter Tai-Cai-Zheng (1)-Zi No. 95699 dated November, 1999

Note 8: Letter Tai-Cai-Zheng-1-Zi No. 0920139445 dated October 15, 2003

Note 9: Letter Tai-Cai-Zheng-1-Zi No. 0920161647 dated January 30, 2004

Note 10: Letter Jin-Guan-Zheng-1-Zi No. 0940156791 dated February 3, 2006

Note 11: Letter Jin-Guan-Zheng-Fa-Zi No. 1060022715 dated June 26, 2017

March 6, 2025

Unit: shares

Type of stock	Authorized capital			Remarks
	Shares issued and outstanding (Note 1)	Un-issued shares	Total	
Common stocks	1,855,826,441	4,694,173,559	6,550,000,000	Note 2

Note 1: 1,855,770,790 shares are public shares; 55,651 shares are private placement shares.

Note 2: Retained 650,000,000 shares of authorized capital for employee stock option certificates, and authorized the Board of Directors to issue the certificates in batches as needed. Retained 864,703,672 for conversion to corporate bonds, which may be adjusted by resolution of the Board of Directors in view of the market situation and business needs.

(II) Major Shareholders

June 30, 2024

Name of Shareholders	Shareholding	Shareholding Percentage (%)
Fuh Hwa Taiwan Technology Dividend Highlight ETF	119,617,000	6.45%
Syue-Rong Shen	63,137,000	3.40%
Cathay Life Insurance	33,998,000	1.83%
New Labor Pension Fund	32,647,271	1.76%
Robeco Capital Growth Funds	24,505,000	1.32%
Mercuries Life Insurance Co., Ltd.	24,000,000	1.29%
Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	23,847,737	1.29%
Shun Yin Investment Ltd.	22,587,265	1.22%
Miin Wu	13,440,809	0.72%
Vanguard Total International Stock Index Fund, A Series of Vanguard Star Funds	12,390,546	0.67%

Note: Base date of shareholding, which was the record date for the distribution of 2024 cash dividend.

(III) Dividend Policy and Implementation

1. Dividend policy in the articles of incorporation

If there is a surplus in the Company's annual final accounts, it will first be used to pay taxes and make up for accumulated losses before the next 10% is taken for legal capital reserve (except when the legal capital reserve has reached the amount of the total capital). A special capital reserve is listed or reversed in accordance with relevant regulations. The remaining balance and the undistributed surplus of the previous year are the shareholder dividends.

The Company belongs to a capital-intensive industry. In line with the long-term financial planning, all or part of the shareholder dividends in the preceding paragraph may be reserved as undistributed earnings depending on the resolution by the shareholders' meeting. The dividends will then be distributed in the following year, together or separately.

The Company prioritizes cash dividends for surplus distribution. However, the Company shall still be able to distribute the surplus as shares depending on the financial, business, or operational status. The ratio follows the principle of not exceeding 50% of the total distributable surplus for the year.

2. Distribution of dividend proposed at the shareholders' meeting: On March 4, 2025, the Board of Directors proposed not to distribute dividends and submitted the proposal for approval at the Annual Shareholders' Meeting on May 23, 2025.

3. Expected material changes to the dividend policy: None.

(IV) Effect to Business Performance and EPS of the Proposed Stock Dividends Distribution: Not applicable.

(V) Compensation for Employees, Directors, and Supervisors

1. Percentage or scope of compensation for employees, directors and supervisors provided in the Company's Articles of Incorporation

According to the Articles of Incorporation, if there is profit for the year, 15% and 2% (or below) of the remaining balance should be allocated as employee and director compensation after accumulated losses have been deducted from the profit. Employee compensation should also be distributed to employees of subordinate companies that meet certain conditions.

2. The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

The company incurred a loss for the fiscal year 2024. In accordance with the company bylaws, no provision has been made for employee and director remuneration.

3. Distribution of compensation approved in the board of directors meeting: None.
4. Information of distribution of compensation of employees, directors, and supervisors for the previous year, and, if there are any discrepancies between the actual distribution and the recognized employee, director, or supervisor compensation, and the discrepancy, cause, and its treatment:
As the Company incurred a loss in 2023, in accordance with the provisions of the Company's Articles of Incorporation and Shareholder's resolution, no employee compensation or director remuneration was distributed, and therefore, no estimation was required.

(VI) Redemption of Common Stock: None.

- II. Corporate Bonds:** The Company's second domestic unsecured convertible bonds were approved for registration in Letter Jin-Guan-Zheng-Fa-Zi No. 1130368163 from the Financial Supervisory Commission dated January 13, 2025. Up to the Printing Date of this Annual Report, they have not yet been issued.
- III. Preferred Shares:** None.
- IV. Global Depositary Receipts:** None.
- V. Employee Stock Options:** None.
- VI. Employee Restricted Stock Awards:** None.
- VII. Mergers, Acquisitions or Issuance of New Shares for Acquisition of Shares of other Companies:** None.
- VIII. Financing Plans and Implementation:** Please refer to the Market Observation Post System (website: <https://mopsov.twse.com.tw/mops/web/index>) under "Investment Section" → "Fundraising Plan Execution Section."

Chapter IV. Operation Summary

I. Business Activities

(I) Scope of Business:

1. Main Business:

The Company and subsidiary main business concentrates on the design, manufacture, sales, and foundry services of integrated circuits and memory chips, as well as the commissioned design, development, and consultancy of relevant products. The Company concurrently engages in the import and export of relevant affairs.

2. Business Proportion

Unit: NT\$ thousands

Products	2023		2024	
	Net Revenue	%	Net Revenue	%
Flash	16,959,567	61.40%	18,325,092	70.80%
ROM	9,036,841	32.71%	5,403,832	20.88%
Foundry	1,619,489	5.86%	2,143,461	8.28%
Others	7,711	0.03%	11,090	0.04%
Total	27,623,608	100.00%	25,883,475	100.00%

3. Current Products and Service of the Company

Product and Service Category	Main Projects
Non-Volatile Memory IC	Flash Memory (NOR Flash, NAND Flash)
	Embedded Multi Media Card (e.MMC™)
	Read-Only Memory (ROM)
Wafer Foundry Services	Sub-micron logic process / high voltage CMOS and BCD process
	BCD and logic processes of embedded non-volatile memory (NVM)

The Company, an integrated device manufacturer in the non-volatile memory (NVM) market, provides memory IC and storage solutions with a wide range of specifications and capacities, including ROM, NOR Flash Memory, NAND Flash Memory, and e.MMC™. The summary is as follows:

- The ROM product line mainly focuses on customized applications.
- The NOR Flash Memory product line provides comprehensive storage capacity support, delivering high quality, high performance, low power consumption, portability, and competitive costs to address the market needs of various applications.
- The NAND Flash Memory product line focuses on SLC products, offering higher storage capacity than the NOR product line to meet the growing demand for higher capacity in diverse applications.
- Leveraging 2D MLC NAND and 3D TLC NAND technology, the e.MMC™ product line employs advanced memory read/write control capabilities to produce high-quality, high-performance, low-power, compact solutions with increased storage capacity.

In the embedded applications market, the Company has three product lines: NOR Flash Memory, NAND Flash Memory and e.MMC™, forming a complete layout of low, medium, and high-capacity solutions.

4. Plans for New Product Development

- ※ 3D NAND Flash: Projects for the third and fourth generations.
- ※ eMMC control chip project for 3D NAND Flash.
- ※ NOR Flash: 45-nanometer product series plan.
- ※ NOR Flash: High-speed interface enhancement plan for protective and encrypted storage chips.
- ※ 3D NOR Flash: Plan for the industry's highest single-chip NOR Flash storage capacity.

(II) State of the Industry

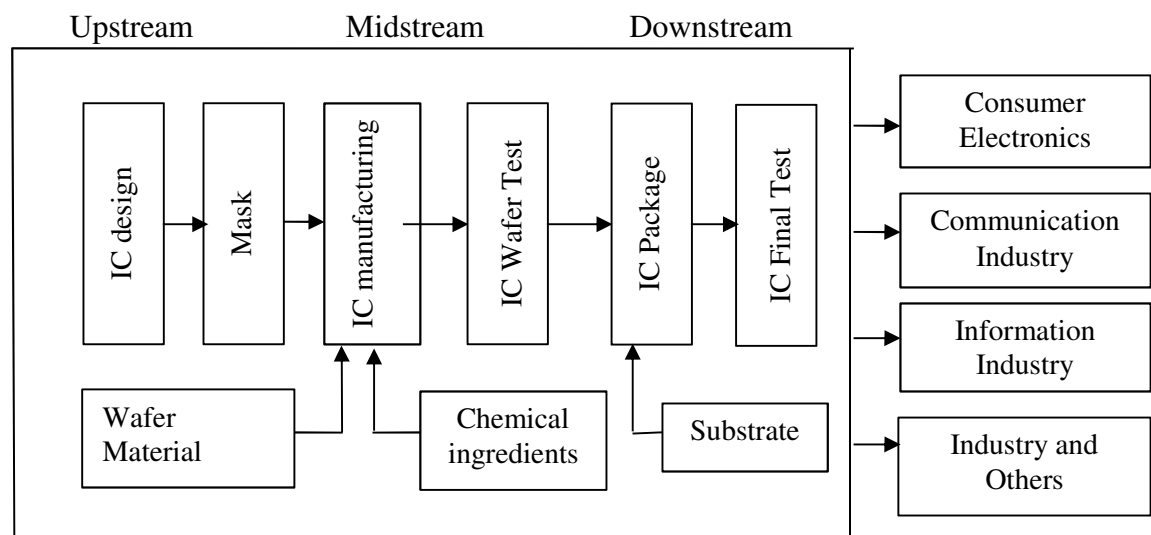
1. Industry Development and Competition

Memory IC can be divided into two types according to their functions. Volatile memory refers to the memory that loses data when the power has been switched off, such as DRAM and SRAM. On the other hand, non-volatile memory retains the memory even when the power is switched off. The Company specializes in non-volatile memory, especially Flash Memory and ROM (read-only memory).

Flash Memory can be read and written repeatedly, and is widely used in consumer electronics, communications, information, mobile phones, automotive, smart medical devices and industrial fields. The Company is the world's leading supplier of NOR Flash and SLC NAND Flash. It has the advantages of sound finance, stable supply, a 12-inch wafer lab, and production capacity. It will grow with the development of emerging applications in the future.

The special feature of ROM is that the data cannot be modified after storage. The main advantage is large storage capacity with low cost. Its application focuses on electronic gaming cards, electronic toys, and game consoles. The industry has become application-oriented. The Company has long been ranked as the largest ROM supplier in the world, with more than half of the market share.

2. Correlation with Upstream, Midstream, and Downstream Sections of the Industry



Source: ITRI Industrial Economics and Knowledge Center

The Company provides customers with a complete range of flexible solutions from R&D, manufacturing to backend package testing and is one of the few professional suppliers in the world that specialize in non-volatile memory.

(III) Overview of Technology and Research & Development

1. R&D Expenses

Unit: NT\$ thousands		
Item \ Year	2023	2024
R&D expenses	5,785,863	6,730,413
Operating Revenue	27,623,608	25,883,475
% of R&D expenses to Operating Revenue	20.95%	26.00%

2. Successfully Developed Technologies or Products

In recent years, the Company has successfully implemented product and technology innovations to extend its superior product competitiveness.

(1) Technology Innovation

- ※ Adopt big data and artificial intelligence (AI) to establish an exclusive system platform for improving the performance and quality control of semiconductor mass production. Become the world's first semiconductor company to elevate the product defect rate measurement indicator from PPM (parts per million) to PPB (parts per billion) level.
- ※ Use various AI technologies to establish an exclusive production process R&D platform to improve resource efficiency and shorten development time.
- ※ Build proprietary design and mass production process technology of 3D NAND flash.
- ※ The Company's mature proprietary 0.11 μm embedded non-volatile memory technology and 0.18 μm BCD (Bipolar-CMOS-DMOS) technology are integrated into foundry services to meet demands of the MCU and analog IC-related markets.

(2) Product Innovation

- ※ For automotive electronics and Internet of Things applications, the Company has proposed an innovative protection and encryption ArmorFlash product series, and won the "Best Memory Product of the Year" at the "EE Awards 2021 (Asia Award)."
- ※ In response to the design and development trend of lower power consumption and energy-saving efficiency, the Company launched the 1.2V SPI NOR flash product series, which saves more than 50% power than the 1.8V product series, and won the "Best Memory Product of the Year" at the "EE Awards 2022."
- ※ To meet the demand for high performance, the Company proposed the OctaFlash product series, which doubled the maximum speed of SPI NOR flash in the industry and won the "Best Memory Product of the Year" at the "EE Awards 2023."
- ※ In response to the need for upgrading encryption protection in existing systems, the Company has introduced the ArmorBoot product series to meet various protection strength requirements. The series was recognized as the "Best Memory Solution" of the Year at the "EE Awards Asia 2024."
- ※ Due to our independent development and mass-production of 3D NAND Flash, the Company has become one of the few suppliers in the industry that has high-quality products of both NOR flash and NAND flash in the world.

(3) Intellectual Rights Achievements

- ※ Philosophy: The Company is persistent in its pursuit of innovation and invention and regularly reports on various issues related to intellectual property achievements to the board of directors.
- ※ Strategy: In today's international industrial competition, intellectual property rights and legal offense and defense are gradually becoming the weapon used in the competition for

strategic technologies. As one of the leading global provider of comprehensive solutions, the Company focuses on the planning, deployment, production, and accumulation of both quality and quantity in its intellectual property strategy network and legal offense-defense efforts. This is done to ensure the protection of its assets and high-value products and services through innovative, high-quality technological intellectual property assets and well-planned legal strategies.

- ※ Management and Execution: To encourage employees to pro-actively submit their inventions, the Company has established the Intellectual Property Management and Incentive Guidelines, and has also introduced the Intellectual Property Rights and Patent Service Network to incorporate and implement the production and maintenance of intellectual property.
- ※ Patent Achievement: The Company values R&D and innovation, and actively applies for patents as a form of intellectual property rights. By the end of 2024, the Company has obtained 3,515 patents in the U.S., 3,399 patents in Taiwan, 2,329 patents in China, and 367 patents in other countries. More than 1,300 patents are pending in the patent offices of different countries. The Company will continue to seek the protection of patent and intellectual property rights for the innovative technologies it has developed.
- ※ Global Legal Defense: Through close collaboration with quality lawyers and technical teams both domestically and internationally, our Company has successfully prevented patent troll threats multiple times via negotiations, settlements, litigation, or arbitration. We have also counter-attacked and won lawsuits against major U.S. and Japanese companies, obtaining large compensation or exemptions from royalty payments (for further information to the Company's annual stock market observation announcements).

(IV) Short/Long-Term Business Development Plans

1. Short-term

- ※ Develop 3D NAND Flash customized product solutions for video games and entertainment to enhance the business growth of niche-based applications.
- ※ Promote the compact nature of NOR Flash in order to increase adoption in consumer electronics, information applications, and IoT.
- ※ Make good use of the high quality of the Company's products and the excellent production management to develop high value-added business in automotive electronics and medical electronics.
- ※ The Company's mature proprietary embedded non-volatile memory logical platform and BCD (Bipolar-CMOS-DMOS) technology are integrated to provide foundry services in MCU, IoT, and analog and smart power management IC related markets and make international leaders in related markets our long-term clients.

2. Long-term

- ※ Develop high-capacity NOR Flash and 3D NAND Flash technologies and products to provide solutions for high-value storage.

II. Market and Sales Overview

(I) Market Analysis

1. Net Revenue by Geography

Unit: NT\$ thousands

Geography \ Year		2023		2024	
		Net revenue	%	Net revenue	%
Domestic		5,475,358	19.82	6,446,336	24.90
Export	Japan	10,324,765	37.38	6,200,788	23.96
	USA	1,684,168	6.10	1,908,983	7.37
	Europe	3,605,977	13.05	3,265,744	12.62
	Asia	6,533,340	23.65	8,061,624	31.15
	Subtotal	22,148,250	80.18	19,437,138	75.10
Total		27,623,608	100.00	25,883,475	100.00

2. Market Share

(1) ROM

The Company's ROM products account for more than 50% of the global market and has been firmly established as the market leader.

(2) NOR Flash

We remain a global leader in non-volatile memory devices with the market share of our NOR flash product line reaching approximately 16.1% in 2024.

3. Competitive Niches

The Company has been developing ROM and Flash technology and products for more than 30 years. The continuous innovation enhances competitiveness while maintaining stable product quality and supply. Recently, IoT, smart medical devices and automotive electronics applications are in the ascendant. One of the trends is the need to integrate NOR Flash into compact wafer products. The Company's emphasis on quality and supply is its competitive advantage.

4. Favorable and Unfavorable Factors Affecting the Company's Development Prospects and Corresponding Countermeasures

The Company's operations and finance are currently sound and stable. The independent technologies and production of Flash Memory and ROM, and stable supply has won customers' trust as The Company's competitive advantage.

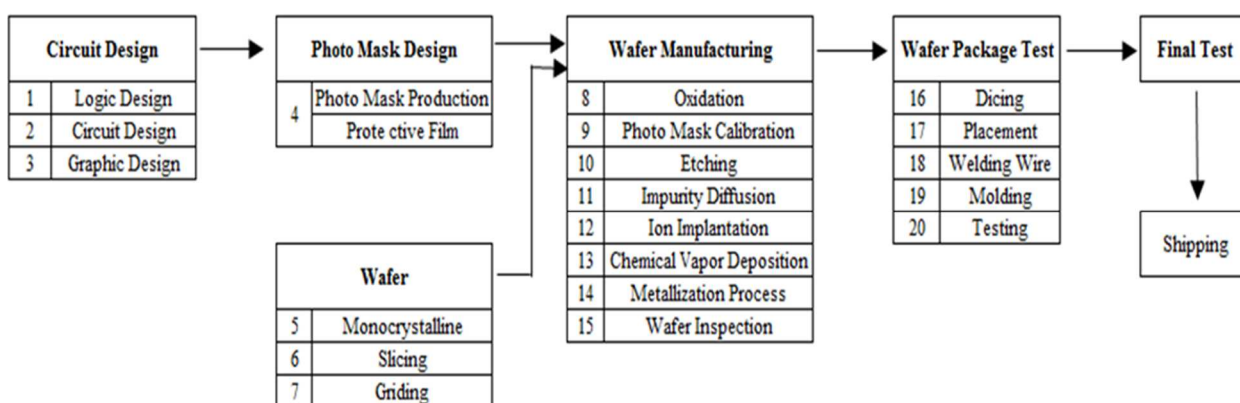
In order to achieve sustainable development, the Company will continue to develop advanced non-volatile memory technology and update the 12-inch fab equipment to create an advanced R&D environment and production base. Our goal is to provide customers with superior products and services in order to gain a stable foothold in the industry.

(II) Important Applications and Production Processes of the Primary Products

1. Major Uses of the Primary Products

Product Category	Primary Products	Use and Function
Non-Volatile Memory IC	Flash Memory	Used in mobile phones, set-top boxes, IoT, personal computers, artificial intelligence, automotive electronics, medical technology, industrial applications, storage equipment, network devices, tablets, wireless communications (Bluetooth, WLAN, 5G), and large entertainment equipment.
	e.MMC™	Mainly used in industrial and network communication products, automotive assisted driving control and audio-visual entertainment systems, smart medical equipment, etc.
	ROM	Mainly used in TV game cards, electronic entertainment equipment, electronic toys and so on.
Wafer Foundry Services	Sub-micron logic process / high voltage CMOS and BCD process	Providing high-voltage CMOS manufacturing technology in order to serve analog IC design customers.
	BCD and logic processes of embedded non-volatile memory (NVM)	Provides integrated technology of BCD and logic processes of embedded NVM to serve microcontroller and smart power management IC design customers.

2. Production Process



(III) Supply of Primary Raw Materials

The ICs manufactured by our fabs are mainly made of silicon wafers, photoresist chemicals, and special gases. The suppliers are well-known large factories at home and abroad, with stable supply and excellent quality.

(IV) Suppliers/Customers Accounted for at Least 10% of Purchase/Sales and Respective Amount and Percentage

1. Information on Major Suppliers in the Last Two Fiscal Years

Unit: NT\$ thousands

	2023				2024			
Item	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer
1	Supplier A	1,282,576	17.34	Related party	Supplier A	550,618	8.06	Related party
	Others	6,112,311	82.66		Others	6,283,803	91.94	
	Net Purchase	7,394,887	100.00		Net Purchase	6,834,421	100.00	

Note1: Names of suppliers taking up more than 10% of the total purchase for the last two years and the amount as well as percentage are listed. However, because the contract stipulates that the name of the supplier should not be disclosed, or the counterparty is an individual but not a related party, it can be represented by a code instead.

Note 2: The increase/decrease is caused by changes in market trends and customer demands.

2. Information on Major Customers in the Last Two Fiscal Years

Unit: NT\$ thousands

	2023				2024			
Item	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer
1	Customer A	9,123,959	33.03	Related party	Customer A	5,456,930	21.08	Related party
	Others	18,499,649	66.97		Others	20,426,545	78.92	
	Net Sales	27,623,608	100.00		Net Sales	25,883,475	100.00	

Note 1: Names of customers taking up more than 10% of the total sales for the last two years and the amount as well as percentage are listed. However, because the contract stipulates that the name of the customer should not be disclosed, or the counterparty is an individual but not a related party, it can be represented by a code instead.

Note 2: The increase/decrease is caused by fluctuating customer needs.

III. Employees Information

(I) Company Employees Information

Year		2023	2024	By the End of March 6 2025
Number of employees	Management Personnel	706	667	628
	R&D and Technical Personnel	1,713	1,721	1,684
	Operators	1,386	1,425	1,391
	Total	3,805	3,813	3,703
Average age		39.2 years old	38.8 years old	39.1 years old
Average Length of Service		12 years and 1 months	12 years and 5 months	12 years and 7 months
Education Level (%)	PhD	2	2	1.9
	Master's Degree	32.9	33.5	32.4
	Bachelor's	46.8	46.1	47.2
	High School	18.1	19.2	18.3
	Below High School	0.2	0.2	0.2

(II) Subsidiary Employees information

Year		2023	2024	By the End of March 6 2025
Number of employees	Management Personnel	112	108	107
	R&D and Technical Personnel	153	160	155
	Operators	0	0	0
	Total	265	268	262
Average age		41.0 years old	41.4 years old	41.8 years old
Average Length of Service		9 years and 11 months	10 years and 7 months	10 years and 11 months
Educational Level (%)	PhD	0.8	0.8	0.4
	Master's Degree	37.7	39.2	38.5
	Bachelor's	59.2	57.8	58.8
	High School	2.3	2.2	2.3
	Below High School	0.0	0.0	0.0

IV. Environmental Protection Expenditures

- (I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

The Company has not been penalized for polluting the environment in the most recent fiscal year and up to the printing date of this annual report. The Company will continue to keep up with equipment maintenance and the implementation of an environmental management system in the future.

(II) Countermeasures and Expenditures

1. The Company's investment and improvement fees in environmental protection engineering, equipment operation maintenance fee, depreciation expenses for environmental protection equipment, clearance and disposal fees, and detection, project research, and training expenses amounted to NT\$273,719,000 in 2024.
2. Impact on competitive position and capital expenditures:
 - (1) The Company promotes energy-saving, water-saving, and waste reduction by investing in and maintaining various pollution prevention equipment. The Company continues to work toward the goal of establishing a green wafer plant that is high in efficiency and low in pollution.
 - (2) The Company has established the "ISO 14001 Environmental Management System", "ISO 14064-1 Guidelines for quantification and reporting of greenhouse gas emissions and removals at the organization level", "IECQ QC 080000 Hazardous Substance Process Management System", etc., and continues to invest manpower in the promotion and maintenance of strengthening its competitive edge on the international stage.
 - (3) The Company has received the Green Partner certificate from customers in meeting their requirements for "Green Products".
 - (4) The Company has been recognized and praised by competent authorities numerous times over the years. The awards received in 2024 are as follows:
 - Recognized as an "Excellent Green Procurement Unit" by the Ministry of Environment for the year 2023
 - Recognized as an "Excellent Green Procurement Unit" among private enterprises and organizations by Hsinchu City in 2023
 - Certificate of Appreciation for Adopting Hsinchu City Eco-Friendly Bicycle Paths by the Hsinchu City Government.
 - Participation in the Tribute to the Ocean –Joint Autumn Beach Cleanup Activity of Taoyuan, Hsinchu City, Hsinchu County and Miaoli
 - Excellence in Landscaping and Environmental Protection Competition (Feb 2).
 - (5) Purchase domestic and overseas products and services with eco-friendly, energy conservation, and water conservation marks and carbon reduction labels and renewable energy to fulfill our corporate social responsibility.
 - (6) Based on respect and care toward social responsibility, the Company will continue to engage and invest in environmental protection in order to achieve the goal of sustainable development.

(III) The Company's Measures in Response to Restriction of Hazardous Substances (RoHS)

With the trend of green consumption awareness and the increasingly strict international environmental protection regulations, the Company strives to manage chemical substances in product components in addition to efforts of reducing environmental pollution caused by the production process. Our efforts in the green products area include:

1. Green Products

- (1) The products comply with the requirements of the European Union's Restriction of Hazardous Substances (RoHS).
- (2) The products meet the requirements of the European Union's Substance of Very High Concern (SVHC) and ELV (End-of-Life Vehicle).
- (3) No "conflict minerals" are used in the products (conflict minerals refer to minerals such as gold, tin, tungsten, tantalum and those related to labor exploitation in the Democratic Republic of the Congo and its adjoining countries).
- (4) The products have obtained green product certificates from internationally renowned customers such as Sony.

2. Management System

- (1) In September 2007, the Company passed the certification of the IECQ QC 080000 Hazardous Substance Process Management System. It obtained the certification once again in 2024, which ensured the effectiveness of green products management.
- (2) The Company Implements Risk Assessment of Suppliers (RAS) to ensure that the EU RoHS Directive and the requirements of SVHC are implemented both for the upstream and downstream of the supply chain, in compliance with international regulations and customer specifications.

V. Labor Relations

(I) Employee Benefits

1. Labor insurance and national health insurance: Employees' insurance and national health insurance coverage is handled according to laws and regulations. The employees enjoy the protection of both labor insurance and national health insurance from the first day of work.
2. Group insurance: Employees are covered by the Company's group insurance policies since the first day of work. The premiums are paid by the Company according to their positions. Group insurance is also open to the employees' family members provided that the employees pay the premiums, which provides extra protection and care for their families.
3. Cancer insurance: The employees receive cancer insurance coverage from the first day of work with the premiums borne by the Company. The employees can opt to pay for the same coverage for their spouses and children.
4. Travel insurance for business trips abroad: Employees' travel insurance is provided by the Company during business trips, covering incidents such as accidental death, injuries, and medical care.
5. Restaurants, accommodation, transportation, free parking space, and healthcare services.
6. Bonuses and employee benefits
7. Employee recreation and fitness center: The center is equipped with a 50-meter heated swimming pool, a hydrotherapy SPA, a children's swimming pool, an aerobics classroom, a fitness room, a massage room, karaoke, courses for billiard, table tennis, badminton, and squash, a family reading room, a children's play room, a video game room, and a common room.
8. Employee Welfare Committee: In order to promote employee welfare, the Company has set up the Employee Welfare Committee in accordance with the provisions of the Employee Welfare Fund

Act. The Company sets aside employee welfare fund to organize various welfare measures, activities, and the operation and management of employee clubs.

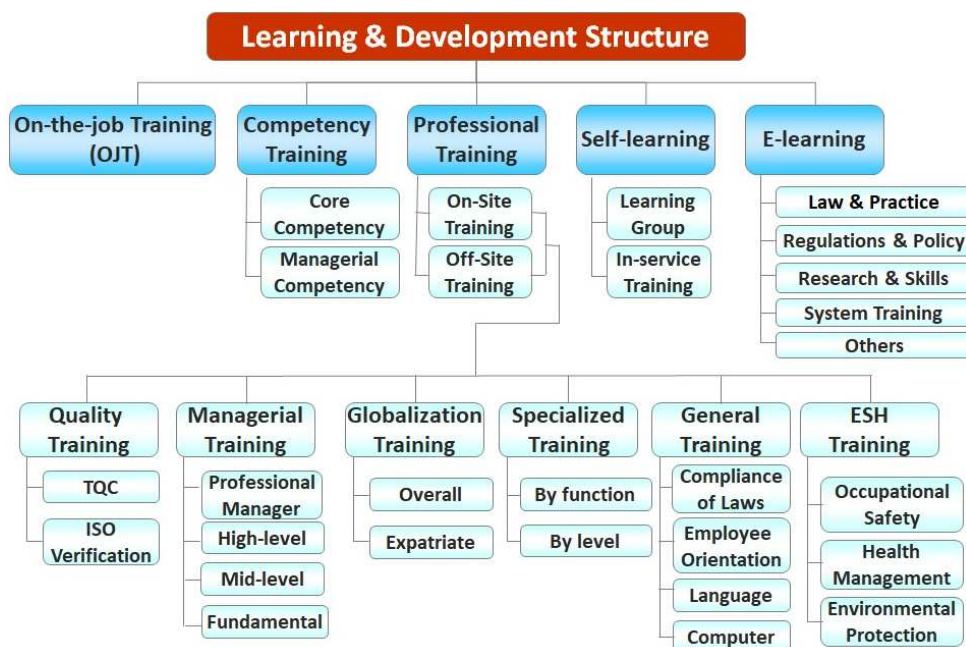
(II) Staff Training and Development

The Company held a total of 2,919 internal and external training courses in 2024. The average training hours of employees were 71.1 hours. The total number of trainees was 86,759 and the total number of their training hours was 273,705 hours. The total training cost was NT\$19,214,188.

The Company's performance management system is closely integrated with individual development plans. Performance interviews are conducted twice a year to examine the setting of individual performance goals and the achievement of individual performance goals and organizational goals. Employees can communicate and discuss with supervisors face-to-face based on the individual job performance and career development needs. A personal development plan is customized to develop various professional knowledge and skills in a step-by-step manner.

※ Comprehensive Learning Development System

The learning development system of the Company is planned according to its strategies, job requirements, and individual development.



The Company's training is designed based on the principles of advancement, function, planning, and continuity. Through a clear and strategically oriented system structure, the Company provides clear and detailed learning maps for the employees to understand their learning path.

1. The Company's learning roadmap system consists of four categories:

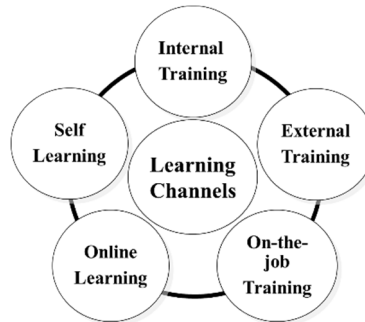
- (1) A newcomer roadmap is designed for new recruits to shorten the adjustment period and quickly integrate into corporate culture.
- (2) A competency roadmap is developed in accordance with the Company's values, in the hope that employees can demonstrate behavior in line with the Company's expectations.
- (3) The management roadmap is developed for different management levels in order to strengthen their management capacity step-by-step.
- (4) Professional roadmaps are developed according to professional competences required in different fields of work; internal and external lecturers are employed to carry out professional training courses to strengthen employees' professional capacity.

2. Other training courses:

- (1) Providing language learning in line with individual needs to strengthen employees' language skills and competitiveness; organizing computer application software courses to improve work efficiency.
- (2) Offering opportunities for employees to participate in foreign academic seminars to understand the latest development trends of technology and industry abroad; providing opportunities of working overseas which can increase international vision and personal competitiveness

※ Diverse Learning Channels

The Company offers different learning channels to meet different employee learning needs.



1. Internal training:

The Company hires internal and external lecturers to hold various training courses in the Company.

2. External training:

The employees can participate in external training courses and seminars that are closely related to work.

3. On-the-job training:

Through professional learning in the workplace, the employees can "learn by doing" and acquire the knowledge and skills necessary for work.

4. Online learning:

The employees can use the Internet to learn without the limits of time and space and learn according to their individual learning speed.

5. Self-learning:

The employees can engage in cross-disciplinary learning of knowledge, skills, etc. according to their personal career plan. They can also advance individual learning through reading or participating in on-the-job training courses.

※ Comprehensive Training Facilities

Macronix Academy's comprehensive facilities and professional equipment enable each employee to study in a good environment.

1. Audio-visual study room: With multimedia computers, books, CDs, video tapes, and audio tapes, the rich learning channel allows employees to learn without boundaries.
2. Training classroom: Several lecture halls and group discussion rooms provide appropriate learning environment according to the curriculum design.
3. Computer classroom: One person is equipped with one computer to maximize learning efficiency.
4. International lecture hall: The hall can accommodate 250 people, and it is the ideal venue for large-scale training, seminars, and lectures.
5. Library: There are a large number of books, periodicals, and audio-visual materials to meet diverse reading needs.

(III) Retirement system

The Company's retirement policy is set according to the relevant provisions of the Labor Standards Act, and the "Retirement Reserve Supervision Committee" has been set up to supervise and manage the retirement reserve. In addition, pension is withheld according to the relevant provisions of the Labor Pension Act.

(IV) Employee Working Environment and Personal Safety Protection Measures

In order to achieve sustainable management, the Company implements Environmental Safety and Health Policy and lays emphasis on corporate social responsibility. It has obtained outstanding achievements in protecting the environment as well as the safety and health of employees. It has won many awards from the government and recognition from customers. The specific management measures include:

1. Management System

- (1) Passed verification from ISO 14001 Environmental Management System, ISO 45001 Occupational Safety and Health Management System, and TOSHMS Taiwan Occupational Safety and Health Management System. The management system operates excellently and was honored with the "Outstanding Performance Recognition Award for Occupational Safety and Health Management System" by the Occupational Safety and Health Administration, Ministry of Labor in the year 2024.
- (2) Verified by the IECQ QC080000 Hazardous Substance Process Management System. The products meet the requirements of EU RoHS and have obtained the Green Product (GP) certificates from international customers.
- (3) Passed the verification "IOS 14064-1 Guidelines for quantification and reporting of greenhouse gas emissions and removals at the organization level".

2. Environmental Protection and Safety Management

- (1) Implementing strict and comprehensive monitoring of the work environment and monitoring air quality on site 24 hours a day to ensure the health and safety of employees.
- (2) Complying with laws and regulations as well as customer requirements to regularly identify and review environmental safety management measures.
- (3) Setting up various environmental pollution prevention measures (water, air, waste, toxic waste, and noise) and strictly monitoring the quality of the environment.
- (4) Implementing "Green Procurement" to purchase equipment or product with the domestic and foreign Environmental Protection Label, such as "Environmental Protection Label" from the Environmental Protection Administration or the "Energy Conservation Label" and "Water Conservation Label" from the Ministry of Economic Affairs, which include energy-saving lamps, water dispensers, personal computers and their peripheral equipment, etc. to realize corporate social responsibility; recognized as an Excellent Green Procurement Unit in the private sector by the Hsinchu Municipal Government in 2024.
- (5) Fully providing employees with personal protective equipment (PPE) and comprehensive safety, health, and environmental protection training.
- (6) Establishing an Emergency Response Team (ERT) with dedicated staff on call 24 hours a day and establishing a Business Continuity Plan (BCP), implementing training, to ensure the safety of all employees and the Company's factory buildings.
- (7) Regularly inspecting the fire safety equipment and complying with the buildings' public safety; regularly holding evacuation drills to improve staff resilience.

- (8) Regularly improving and reviewing human factors in the work environment to provide employees with a comfortable work environment.
- (9) Assisting the Hsinchu Science Park Administration Bureau to organize the work safety and environmental protection promotion month.
- (10) Adopting the Hsinchu Environmental Bikeway and implementing environmental protection public welfare events; receiving the Air Quality Purification Areas Excellence Award from the Ministry of Environment.

3. Health Management

- (1) Regularly holding employee health promotion activities and providing quality health management services. The Company won the "National Excellent Healthy Workplace – Health Model Award" from the Ministry of Health and Welfare in 2022.
- (2) Regularly bringing doctors on site to provide employee health consultation and health promotion activities, as well as conducting health risk assessment and graded health management.
- (3) The responsible unit collects the latest epidemic prevention information to strengthen the epidemic prevention management, provides vaccination services and gives "anti-epidemic packages" for employees on business trips abroad to protect their health.
- (4) According to the domestic and international pandemic situation, review and adjust emergency response plans to prevent the impact of the pandemic on Company operations and to protect the health of our employees and visitors.
- (5) Improving the employee assistance program and providing the best psychological counseling services.
- (6) Implementing maternal health protection measures to take care of pregnant employees and implementing the principle of three noes (no night shifts, no carrying heavy loads, and no engaging in free radiation operations) to build a friendly workplace.
- (7) Regularly monitoring the work environment to ensure a good working environment and protect employee health.
- (8) Conducting spot checks of food ingredients such as meat, oil, and flour products in the Company's kitchen; entrusting government-accredited institution to inspect and ensure the safety of employees' food.
- (9) Setting up a "breastfeeding room" for employees, which has gained employee satisfaction with its lovely environment and comprehensive equipment and received the triennial "Excellence Award" from the Hsinchu City Public Health Bureau.

(V) Measures for Safeguarding Labor Agreements and Employees' Rights and Interests

1. The Company regularly organizes various meetings as channels of communication, including orientation, departmental meetings, cadre meetings, and labor-management meetings, etc. The goal is to facilitate communication and ensure all opinions are heard.
2. The Company has set up the "No Topic is Off Limits" suggestion box for the employees to communicate and express their opinions. Employees can make inquiries, suggestions, and complaints through the suggestion box.
3. The Company has set up a paper and digital bulletin board to facilitate timely delivery of information that is relevant to the employees' rights and interests.
4. "Regulations Governing Sexual Harassment" has been developed to prevent sexual harassment and maintain gender equality at work, detailing the prevention, complaint filing, and punishment of sexual harassment.

5. The Company has set up the "Our Family Employee Relationship Portal Website" as a channel of communication with features including an interface for communicating employee needs directly with the management team, information sharing, lifestyle tips sharing, passing on culture, and employee assistance. Positive behavior is encouraged to enhance motivation and maintain a harmonious labor-management relationship.

(VI) List any Losses Suffered by the Company in the Most Recent Fiscal Years and Up to the Annual Report Publication Date Due to Labor Disputes, Including any Violations of the Labor Standards Act found in Labor Inspection, Specifying the Disposition Dates, Disposition Reference Numbers, the Articles of Law Violated, the Substance of the Legal Violations, and the Content of the Dispositions, and Disclosing an Estimate of Possible Expenses that Could be Incurred Currently and in the Future and Measures Being or to Be Taken. If a Reasonable Estimate Cannot Be made, an Explanation of the Facts of Why It Cannot Be Made Shall Be Provided.

Over the years the Company has earned many high recognitions by the competent authorities and also was awarded the following awards: Sports Enterprise Certification /Sports Administration, Ministry of Education, Platinum Level / Responsible Business Alliance, Award of Excellent Enterprise for Corporate Sustainability Report -Occupational Safety and Health Targets / Occupational Safety and Health Administration, Ministry of Labor. For more award records please refer to the Company's Sustainability Report.

VI. Information Security Management

(I) Information Security Management Strategy, Framework, and Efficacy

1.Information Security Policy

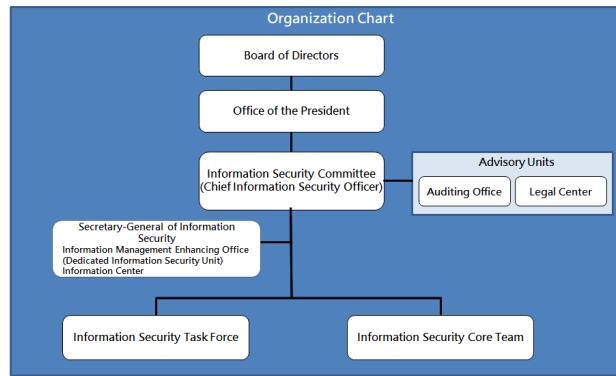
Information security is an important issue for the Company's operation. The Company has formulated the information security policy and established related management systems, which are announced on the company website, to protect the Company's information assets from internal, external, intentional, or accidental threats and damages, lower the incidence of information security incidents and mitigate risks arising from the incidents to an acceptable level.

With proactive action to protect the confidentiality, integrity, and availability, the Company could comply with requirements of the competent authorities and related regulations and ensure the normal operation of the Company's business.

2.Information Security Management Organization and Its Responsibilities

The Company appointed a chief information security officer in accordance with the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" to strengthen the information security administration and information protection. Furthermore, to implement our information security policies and ensure the purposes of information security management could be achieved, we established the Information Security Committee led by the Chief Information Security Officer and the highest-level management from all divisions and business units serving as representatives. In addition, we formed the Information Security Core Team and the Information Security Task Force to implement related affairs.

The Information Security Committee convenes annually on a regular basis, covering a wide range of topics, including information security policy, management, review and improvement, annual budget, work plans, and results reports. Additionally, the president reports important results to the Board of Directors quarterly.

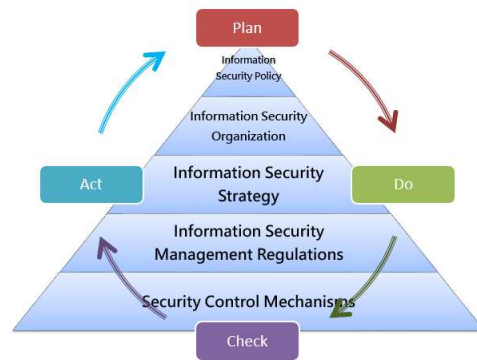


Organization	Work Responsibilities
Information Security Committee	<ol style="list-style-type: none"> 1. Draft the Company's information security policy 2. Review and implement various information security management systems 3. Formulate or review major working plans for information security
Information Security Core Team	<ol style="list-style-type: none"> 1. Formulate the objectives and implementation scope of the information security management system 2. Formulate the information security management system and related regulations 3. Approve the information security audit plan and track improvements 4. Review the implementation progress of information security management operations 5. Supervise the implementation of BCP drills 6. Review and implement the management methods of information security of each unit 7. Review the implementation status of information security awareness training 8. Execute the resolutions of the Information Security Committee 9. Promote and implement information security maintenance and management measures 10. Coordinate the Information Security Task Force's implementation of information security operations
Information Security Task Force	<ol style="list-style-type: none"> 1. Perform information security maintenance and management operations 2. Act as the information security window of each unit and assist in the promotion of security maintenance and management measures 3. Promote and communicate information security related matters 4. Execute the resolutions of the Information Security Core Team 5. Propose recommendations for the improvement of information security maintenance and management measures

Information Security Organizations and Its Responsibilities

3. Information Security Management Framework

The Company's information security management framework consists of information security policy, information security organizations, information security strategies, information security management regulations, and information security control mechanisms, etc. To achieve information security management objectives and ensure the confidentiality, integrity, and availability of information assets, the Company has incorporated security management regulations and implemented information security control mechanisms, e.g. information security defense and data protection networks. Additionally, the Company also uses the intelligent information security reporting system to monitor and handle anomalies. Through the Plan-Do-Check-Act cycle, the Company reviews and refines its information security management framework to minimize the risk of information security incidents, mitigate their impact on corporate operations, and further safeguard the information security of the Company, shareholders, employees, customers, and suppliers.



4. Specific Objectives for Information Security Management

Furthermore, to enhance employees' information security awareness and ensure they fulfill their responsibility in maintaining the Company's information security, the Company actively conducts awareness classes to remind employees to comply with its information security management regulations. Through conducting social engineering exercises, publishing information security e-newsletters in both Chinese and English, and organizing awareness meetings of the Information Security Task Force, etc., the Company raises awareness about the regulations concerning trade secrets and other intellectual property rights, confidential information, personal data protection, and shares real-world cases of virus prevention, hacking defense, and fraud prevention to strengthen employees' information security defense awareness. To ensure that business partners are also aware of the Company's information security management regulations, suppliers and contractors must acknowledge and agree to comply with the information security protection clauses of the Code of Conducts Compliance Certificate, before collaborating with the Company. Additionally, external personnel must complete information security classes and pass an assessment before entering the Company.

Moreover, to stop various information security threats and protect corporate information assets, the Company continues to strengthen its information security defense and data protection networks. Account permission control mechanisms are implemented based on employees' job roles for the use of computers, IT equipment, and network resources. Additionally, data loss prevention systems, data encryption, and document management tools are utilized to ensure that data creation, modification, transmission, storage, and deletion are all properly managed, maintaining confidentiality, integrity, and availability.

To prevent and mitigate damage caused by hacker attacks, the Company also has implemented relevant protective measures, e.g. firewalls and intrusion prevention systems. Additionally, all incoming devices are strictly required to undergo antivirus scanning to prevent malware from entering the Company's systems. Network segmentation controls are in place to prevent the cross-zone spread of computer viruses. Endpoint anti-virus and anti-hacking measures have been deployed, with real-time monitoring and anomaly resolution facilitated by the Security Operations Center (SOC) and the intelligent information security reporting system. Furthermore, critical systems have redundancy structures and data backup mechanisms. Each year, business units are invited to participate in information security incident response and disaster recovery drills to ensure corporate resilience.

To enhance the standard of supply chain information security protection and mitigate supply chain information security risks—preventing potential impact on the Company's operations due to supplier information security incidents—the Information Security Core Team annually dispatches personnel to conduct supplier information security audits and tracks corrective actions for deficiencies.

To assess the strength of the Company's information security systems, the Company adopted third-party information security assessment tools such as Security Scorecard and SEMI's information security risk rating services to monitor vulnerabilities. Additionally, regular vulnerability scans of critical IT equipment are performed, and red team penetration testing by ethical hackers along with external information security audits are conducted. To ensure the effectiveness of information security management measures, the Information Security Core Team reviews the implementation results of relevant operations every week.

5. Achievements of the Promotion of Information Security

In 2024, the Company has implemented multiple information security strengthening initiatives. In addition to successfully completing the ISO 27001:2022 transition certification for information security management systems, third-party information security assessment tools Security Scorecard and Panorays both rated the Company above 96 points, exceeding the global manufacturing industry average. An

information security insurance consultant evaluated the Company's information security maturity based on 106 standards across the six core functions of the National Institute of Standards and Technology Cyber Security Framework (NIST CSF). In the identify (ID), protect (PR), detect (DE), respond (RS), and recover (RC) functions, the Company has shown significant improvement compared with last year. In 2024, there were no reported incidents of personal data or privacy breaches involving employees, customers, or suppliers.

The key execution results are summarized in the figure below ("Results of Information Security Measures Implementation").

Management Framework	Specific Management Plan	Implementation Results
Information security management regulations	Compliance with information security regulations	<ul style="list-style-type: none"> ISO/IEC 27001:2022 transition certification passed in December 2024
	Implementation of information security management system	<ul style="list-style-type: none"> 100% of global employees with external email accounts participated in phishing email social engineering exercises (a total of 8,786 participants) Information security e-newsletters in both Chinese and English issued to promote information security knowledge and company regulations (a total of 23 editions published) 100% of global employees completed information security awareness and regulation promotion classes (a total of 11,292 participants)
Security control mechanisms	Strengthening of the information security defense network	<ul style="list-style-type: none"> Information security KPIs integrated into the intelligent information security reporting system for monitoring (a total 11 KPIs) Third-party intelligence collection and reporting incorporated into digital management for timely vulnerability patching and risk reduction Automated backup and recovery technology implemented for all systems supporting critical business operations (more than 1,000 systems) Digital management implemented for computer antivirus operations to enable real-time monitoring, reporting, and processing (more than 6,000 computers)
	Strengthening of the data protection network	<ul style="list-style-type: none"> Increased encryption strength and expanded coverage (notebook hard drives, file servers, and emails) Audited sensitive application systems, IT services, and high-privilege accounts (more than 30,000 accounts) Strengthened the digital supply chain file transfer security mechanisms (account authorization, data encryption, and file content monitoring)
	Strengthening of the supply chain information security management	<ul style="list-style-type: none"> Promoted SEMI information security requirements, encouraging suppliers to enhance their own information security capabilities (70 suppliers completed self-assessments) Conducted supplier information security audits (4 suppliers audited) Responded to customer information security questionnaires (a total of 42 questionnaires)

Results of Information Security Measures Implementation

6. Investment of Resources in Information Security Management

The Company actively invested into the establishment and maintenance of defense measures and hedging mechanisms for its information security management needs. Such include more than 100 people of information security personnel and allocation of over 10% of the information-related budget for the information security. Key items are as follows:

- (II) In the Most Recent Year and Up to the Publication Date of this Annual Report, If the Losses, Possible Impacts, and Response Measures Caused by Major Information Security Incidents Cannot Be Reasonably Estimated, an Explanation of the Facts of Why They Cannot be Estimated Shall be Provided.

The Company has established information security incident reporting and handling procedures to enhance information security risk management, so that information security incidents can be immediately reported and handled when they occur. There were no material information security incidents in the past three years and up to the date of report.

VII. Important Contracts

Number	Contract	Party	Dates	Main Content	Restriction terms
1	Technology Transfer	Industrial Technology Research Institute	From February 1997	Technology transfer of MPEG-2 Audio Decoder	Intellectual property rights, use, confidentiality and other restrictions
2	License Agreement	Cybernetics, USA	From April 2000	Low Rate Coder technology license	Use, confidentiality and other restrictions
3	License Agreement	Saifun Semiconductors, Israel	From May 2000 until the end of Saifun NROM patent validity period	“NROM” technology license	Intellectual property rights, use, confidentiality and other restrictions
4	License Agreement	Zoran, USA	From June 2000	Technology license of TV decoder/TV signal decoder+3Dimensional color signal enhancement function	Intellectual property rights, use, confidentiality and other restrictions
5	License Agreement	ARM, England	From August 2002	Obtained ARM technology license	Intellectual property rights, use, confidentiality and other restrictions
6	License Agreement	Saifun Semiconductors, Israel	From April 2004	MLC Flash technology license	Intellectual property rights, use, confidentiality and other restrictions
7	License Agreement	Mentor Graphics, Ireland	From July 2005	Work system technology license	Intellectual property rights, use, confidentiality and other restrictions
8	Strategic Alliance	Tower Semiconductor, Israel	From December 2000	Strategic alliance investment in Tower Semiconductor	Confidentiality and other obligations
9	License Agreement	Qimonda	From March 2011	Obtained a specific flash memory design related license	Use, confidentiality and other restrictions
10	Joint Development	IBM, USA	January 22, 2019- January 21, 2025	Joint research for phase-change non-volatile memory	Intellectual property rights, use, confidentiality and other restrictions
11	License Agreement	Creative Integrated Systems, Inc., USA	From April 2014	U.S. Patent 5,241,497 and 5,812,461 and related licensing	License, warranties, exemption, confidentiality and other terms
12	Settlement Agreement	Spansion, USA	From January 2015	Reached a settlement for both parties’ litigation and disputes over global patents, and was granted cross-licensing of disputed patents.	Special patent license, settlement fee, confidentiality and other terms
13	License Agreement	RPX Corporation, USA	December 15, 2019- December 14, 2025	RPX and Round Rock technology license	License, use, confidentiality and other terms
14	Distribution Agreement	Avnet, Inc.	From September 2017	Expanded product sales on the international market	Confidentiality, license, liability and other terms

Number	Contract	Party	Dates	Main Content	Restriction terms
15	Settlement and License Agreement	Toshiba Corporation/ Toshiba Memory Corporation	From October 9, 2018	Settlement of patent litigation in the United States, Japan and Taiwan and cross-licensing patents	Special patent license, settlement fee, confidentiality and other terms
16	Assets Transaction	Hon Hai Precision Industry Co., Ltd.	From August 05, 2021	Transaction of the 6-inch wafer fab	Use, intellectual property rights, confidentiality, liability for damages and other terms
17	License Agreement	IBM, USA	From November 23, 2021	Obtained a AI technology license	License, disclaimer, confidentiality and other terms
18	License Agreement	Synopsys	From February 25, 2022	Technologies related to SSD Controller	License, use, confidentiality and other terms
19	Joint Research	National Cheng Kung University	April 1, 2023-March 31, 2025	Computing in memory circuit setup	Intellectual property rights, confidentiality and other terms
20	Joint Development	IBM, USA	December 31, 2023-December 30, 2026	Joint development of Enterprise SSD Storage	Intellectual property rights, use, confidentiality and other restrictions
21	Joint Research	National Yang Ming Chiao Tung University	January 1, 2024-December 31, 2025	Research on AI algorithm optimization- technics for enhancing the diversity and generalization of dataset distillation	Intellectual property rights, confidentiality and other terms
22	Joint Research	National Taiwan Normal University	January 1, 2024-December 31, 2025	Design and performance optimization study of in-storage computing architecture for database operations	Intellectual property rights, confidentiality and other terms
23	Share transfer	Hui Ying Investment Ltd., Polaris Biopharmaceuticals, Inc.	From January 30, 2024	Genovior Biotech Corporation common stock	Settlement, confidentiality, compensation liability and other terms
24	Share transfer	Run Hong Investment Ltd., Polaris Biopharmaceuticals, Inc.	From January 30, 2024-	Genovior Biotech Corporation common stock	Settlement, confidentiality, compensation liability and other terms
25	License Agreement	Andes Technology Corporation	March 11, 2024-March 10, 2034	Microprocessor IP license	Intellectual property rights, use, confidentiality and other restrictions
26	License Agreement	Silicon Motion, Inc., Wolley (Taiwan) Ltd., Macronix Microelectronics (Suzhou) Co., Ltd.	From May, 15, 2024	SDK software license related to SSD controller chips	License, use, confidentiality and other restrictions
27	Joint Research	National Taiwan University	July 1, 2024-June 30, 2027	Simulation and process development of next generation memory devices and materials	Intellectual property rights, confidentiality and other terms
28	Joint Research	National Tsing Hua University	March 1, 2025-February 28, 2027	High-speed non-volatile memory circuit design	Intellectual property rights, confidentiality and other terms

Chapter V. Review, Analysis, and Risks of Financial Position and Performance

I. Analysis of Financial Status

Unit: NT\$ thousands

Item	2024	2023	Difference	Increase/Decrease (%)
Current Assets	29,253,996	28,692,369	561,627	1.96%
Non-current Assets	48,622,358	49,119,104	(496,746)	(1.01%)
Total Assets	77,876,354	77,811,473	64,881	0.08%
Current Liabilities	10,320,395	9,254,124	1,066,271	11.52%
Non-current Liabilities	23,576,236	20,231,394	3,344,842	16.53%
Total Liabilities	33,896,631	29,485,518	4,411,113	14.96%
Equity Attributed to Shareholders of the Parent	43,977,313	48,324,821	(4,347,508)	(9.00%)
Non-controlling Interest	2,410	1,134	1,276	112.52%
Total Equity	43,979,723	48,325,955	(4,346,232)	(8.99%)
<p>If the difference in comparison with the previous period exceeds 20%, and the main reason and the impact are analyzed as follows:</p> <ul style="list-style-type: none"> Non-controlling Interests: Increased compared to 2023, primarily due to an increase in equity of subsidiaries with less than 100% ownership in 2024. 				

II. Analysis of Financial Performance

Unit: NT\$ thousands

Item	2024	2023	Difference	%
Net Operating Revenue	\$25,883,475	\$27,623,608	(\$1,740,133)	(6.30%)
Operating Costs	19,784,273	20,862,948	(1,078,675)	(5.17%)
Gross Profit	6,099,202	6,760,660	(661,458)	(9.78%)
Realized Gross Profit	6,099,202	6,760,660	(661,458)	(9.78%)
Operating Expenses	10,023,080	9,167,759	855,321	(9.33%)
Loss from Operations	(3,923,878)	(2,407,099)	(1,516,779)	63.01%
Non-operating Income and Expenses	377,649	522,863	(145,214)	(27.77%)
Net Loss before Tax	(3,546,229)	(1,884,236)	(1,661,993)	88.21%
Income Tax Benefit	(333,945)	(185,089)	(148,856)	80.42%
Net Loss for the Year	(3,212,284)	(1,699,147)	(\$1,513,137)	89.05%
Other Comprehensive Income (Loss)	(207,013)	751,758	(958,771)	(127.54%)
Total Comprehensive Income for the Year	(\$3,419,297)	(\$947,389)	(\$2,471,908)	260.92%

Analysis of any increase/decrease in ratio exceeding 20%:

- Loss from Operations: Increased compared to 2023, mainly due to the decrease in Gross Profit and the increase in Operating Expenses in year 2024.
- Non-operating Income and Expenses: Non-operating Income decreased compared to 2023, mainly due to the increase in financial costs in year 2024.
- Net Loss before Tax: Increased compared to 2023, mainly due to the increase in Loss from Operations in the year 2024.
- Income Tax Benefit: Increased compared to 2023, mainly due to the increase in Loss from Operations in the year 2024.
- Net Loss for the Year: Increased compared to 2023, mainly due to the increase in Loss from Operations in the year 2024.
- Other Comprehensive Income (Loss): Decreased compared to 2023, mainly due to the decrease in Unrealized valuation gains and losses in the year 2024.
- Total Comprehensive Income for the Year: Decreased compared to 2023, mainly due to the increase in Loss from Operations in the year 2024.

III. Analysis of Cash Flow

(I) Cash Flow Analysis and Remedy for Liquidity Shortfall

Unit: NT\$ thousands

Cash Balance 12/31/2023①	Net Cash Provided by Operating Activities in 2024②	Net Cash used in Investing and Financing Activities in 2024③	Cash Balance 12/31/2024 ①+②+③	Remedy for Liquidity Shortfall	
				Investing Plan	Financing Plan
11,905,912	(175,304)	(107,119)	11,623,489	None	None

Note 1: Analysis of net cash change in 2024:

- (1) NT\$175.304 million net cash used in operating activities; mainly from operating cash outflows exceeding cash inflows.
- (2) NT\$5,173.111 million net cash used in investing activities; mainly due to the expansion of plant operations, expenditures for purchasing machinery.
- (3) NT\$5,008.195 million net cash generated by financing activities; primarily for long-term debt proceeds.
- (4) NT\$57.797 million net decrease was effect of exchange rate changes

Note 2: Remedial Actions for Liquidity shortfall: Not applicable.

(II) Cash Flow Projection for Next Year:

The Company plan to pay capital expenditures and bank repayment by bank financing, issuance of the Second Domestic Unsecured Convertible Bonds and cash on hand.

IV. Major Capital Expenditures and Impact on Financial and Business in the Most Recent Fiscal Year

(I) Capital Expenditure and Source of Funds

Unit: NT\$ thousands

Project	Actual or Planned Source of Capital	Actual use of Capital			Total Amount
		2022	2023	2024	
Facility engineering, production equipment and advanced process equipment	Self-owned funds, bank borrowings	9,869,012	7,609,696	5,392,109	22,870,817

(II) Expected Benefits

The capital expenditure mentioned above is for expanding capacity of high-end production and accelerating the development of advanced processes (including 3D NAND); its aim is lowering unit costs and enhancing product competitiveness.

V. Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, and Investment Plans for the Coming Year

The Company's reinvestment policy is in line with its operating policies and long-term strategic purposes. Most of the investee companies are consolidated financial statements entities. The value of non-consolidated entities accounts for 5% of the total assets. The dividend income for fiscal year 2024 was NT\$168,779 thousand on a consolidated basis.

VI. Analysis of Risk Management in the Most Recent Fiscal Year and Up to the Printing Date of this Annual Report

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Interest rate

Major central banks have maintained their rate-cutting cycles. Considering both domestic and international economic conditions, the global inflation is expected to decline further in 2025, with inflation rates continuing to decline. Although Taiwan's central bank decided to keep its policy rates unchanged during the joint board of directors and supervisors meeting on December 19, 2024, there are still numerous uncertainties ahead.

The Company regularly assesses the changes in bank loan rates. Moreover, it negotiates with banks to secure financing credits with more favorable interest rates through project loans, the aim of which is to reduce the impact of interest rate fluctuations on the Company's overall operations.

2. Foreign exchange rate

As more than 90% of the Company's revenue is denominated in US dollars or Japanese yen, and about 30% of operating expenses as well as 60% of capital expenditure are paid in US dollars or Japanese yen, exchange rate fluctuations in New Taiwan dollar against the US dollar and Japanese yen naturally have an impact on the Company's financial position. However, to mitigate risks, the Company continues to implement natural hedging for its foreign currency positions and adopts hedging measures such as selling US dollars (or Japanese yen) or pre-selling forward foreign exchange contracts, aiming to reduce the impact of exchange rate fluctuations on the Company. In 2024, the US dollar appreciated against New Taiwan dollar from 30.705 at the beginning of the year to 32.785. The Japanese yen depreciated against the New Taiwan dollar from 0.2172 at the beginning of the year to 0.2099. The Company's net profit on foreign exchange in 2024 was NT\$139,111 thousand.

3. Inflation

Since 2024, domestic inflation has generally maintained a gradual downward trend. Looking ahead to 2025, global trade volume is expected to grow steadily, coupled with continued strong demand for AI and cloud applications. Taiwan's central bank forecasts an economic growth rate of 3.13% for this year (2025). In terms of prices, weather factors in the second half of 2024 have kept fruit and vegetable prices at high levels, leading to short-term inflation volatility. Looking ahead to next year, minimum wages and salaries for military personnel, public servants, and teachers will be raised. Moreover, international oil prices are expected to decline, and the domestic service sector's price increases are likely to ease gradually, with the inflation rate forecasted to decrease to 1.89% for this year (2025). To mitigate the impact of inflation, the Company plans to strengthen long-term cooperation agreements and inventory management. Additionally, it will continue identifying more competitive qualified suppliers while optimizing cost reduction and enhancing the added value of products to address these challenges.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Loans of funds to Others or Endorsement Guarantees, and Derivatives Transactions

1. As of the beginning of 2024 to the printing date of this Annual Report, the Company has not engaged in high-risk and leveraged financial investments. Neither did the Company loan any funds or provide any endorsements/guarantees to other parties.
2. The Company's derivative trading transactions are mainly hedged. The choice of the option for commodity trading is aimed at avoiding risks arising from the Company's business operations and hedging for the expected foreign exchange net position. In addition, the transaction and settlement difference contributed to the profit and loss of the transaction.
3. The Company has established the Procedures for Loaning of Funds to Others, the Operating Procedures for Endorsements and Guarantees, the Procedures for Handling Derivatives Transactions, and the Procedures for Acquisition and Disposal of Assets. All processes adhere strictly to these procedures in order to keep operation and financial risks under control.

(III) Future R&D Projects and the Expected Expenditure

※ Four Domains of the R&D Plan:

1. Advanced technology

- (1) The core technology and patents of the new-generation memory PCM (Phase Change Memory).
- (2) The core technology and patents of the new-generation memory ReRAM.
- (3) The core technology and patents of the 3D NAND Flash
- (4) The core technology and patents of AI Application Memory

2. Manufacturing process

- (1) The manufacturing process of the 3D NAND Flash and subsequent derivative developments.
- (2) The manufacturing process of the 45 nm NOR Flash and subsequent derivative developments.

3. Product

- (1) High-capacity 3D NAND Flash.
- (2) Encryption protected NOR Flash.
- (3) Ultra-low power consumption NOR Flash.

4. Quality and Testing

- (1) Development of quality certification and management processes for automobiles.

※ Expected Expenditure for R&D:

The estimated R&D expenditure for 2025 is approximately NT\$5.4 billion. (The expenditure includes personnel costs, equipment royalty, patent rights, trademark application fee, etc.)

(IV) Changes in Domestic and Overseas Policies and Laws That Have an Impact on the Company's Financial and Business and the Countermeasures:

The Company has always complied with policies and laws and keeps a close eye on significant changes in policies and laws that may affect the Company's financial position and business performance, and makes adjustments accordingly. There were no changes to policies and laws that had a material impact on the Company's financial position and business performance in 2024 and up to the date of report.

(V) Impact of Changes in Technology and Industry to the Company's Finance and Business and the Countermeasures

Different sectors have begun to value and emphasize ESG (Environmental, Social, and Governance) and sustainable development issues in recent years, and this has accelerated the industry's participation in carbon reduction projects and eco-friendly measures. The Company has fab and focuses on GHG reduction items. Preliminary plans and implementation results include: (1) Increasing the percentage of

green electricity (2) Smart energy conservation and monitoring (3) Replacing old equipment with new ones and a year-by-year budget allocation.

Information security and intellectual property protection are important items of operational risk, and the information security concept of the new generation is “the right people have the right access rights on the right devices for limited and secure access, which is continuously monitored and analyzed.” The Company uses digital automated management technologies to replace the manual management method, and has established a strict modernized information security management system to ensure that business operations are not interrupted and to protect intellectual property rights, effectively lowering operational risk.

In recent years, the ever-innovating technology applications, such as mobile devices and the Internet, has greatly improved convenience and efficiency for individuals and corporations but also created potential threats of information security for corporations. Once a major information security incident occurs, the Company’s information assets will be under internal, external, intentional, or accidental threats and damage, which could harm the confidentiality, usability, and integrity of the Company’s confidential information. In addition, it will damage the Company’s competitiveness, sales and operations, and even further affect the Company’s financial results, image, and reputation.

In order to lower the probability of information security incidents, manage risks caused by incidents to an acceptable level, and thus ensure the normal operations of the Company, the Company established internal control system standards in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies, and, in compliance with the request of the competent authority, appointed a chief information security officer to strengthen its information security and information protection. The Company also has an Information Security Committee, Information Security Core Team, and Information Security Task Force to implement its information security policy.

Moreover, the Company employs a variety of information security mechanisms and system architecture designs to block the ever-changing information security threats. The related measures include establishing appropriate safety control mechanisms for the use of computers, regulatory information devices, and network resources, and classification, labeling, and external delivery control of confidential information. Also, in order to prevent malicious software attacks and reduce the accompanied damage, the Company has established enhancement mechanisms and backup systems.

Even though the Company has established the comprehensive network and computer protection measures to ensure information security, it is still under the potential risks of being affected by information security threats and cyberattacks. As a result, the Company has established the information security incidents reporting and handling procedures to respond with immediate action. In addition, the Company has bought information security insurance to reduce resulting damage and impact. The Company has launched annual educational training, and social engineering exercises, and information security e-newsletters to strengthen the information security awareness and training. Additionally, relevant information security requirements were extended to suppliers, ensuring that all employees and business partners jointly protect the Company’s information security.

(VI) Impact of Corporate Image Change on Risk Management and Response Measures:

The Company is determined to uphold the business philosophy of honesty. By adhering to such major values, as innovation, quality, efficiency, service, and teamwork, we have established and implemented corporate governance and risk management mechanisms to create the business environment for sustainable development. To effectively prevent and control risks and meet expectations of competent authorities, customers, investors and related parties, the Company is committed to implementing the risk management in such areas as operational, financial, legal compliance, information security and climate change. This way the Company fulfills its social responsibilities and ensures the Company’s international competitiveness and sustainable operation.

The Company understands that it is vital to communicate with competent authorities, customers, investors and related parties. Therefore, the Company has established the diverse communication channels to gain understanding of and respond to reasonable expectations, requirements and issues of concern towards the Company. All related parties can contact the Company and express their opinions through the Company website (<http://www.macronix.com>).

(VII) Expected Benefits and Potential Risks of Merger and Acquisition: Not applicable.

(VIII) Expected Benefits, Potential Risks, and Countermeasures of Factory Expansion

Last (2024) year saw weak global economic performance, excluding the AI sector, and the intensifying Sino-US trade war contributed to continued oversupply in the mature process memory market. In order to meet customer demand and reduce the risk of potential US tariff increases, the Company upholds the principles of pursuing innovation and high quality as it focuses its efforts on the R&D of high density 3D NOR Flash, 192-layer and 312-layer 3D NAND Flash products and technologies. Besides enhancing the Company's international competitiveness, we will carry out capacity adjustment, domestic and overseas inventory management, and monitoring of developments in customers' products and needs. Through the production and sales management mechanisms, we can timely respond to possible changes and operating conditions, in hopes of lowering our operational risks.

(IX) Risks Relating to the Concentration of Purchasing or Sales and the Countermeasures

The Company's primary raw materials are silicon wafers, raw chemicals, and gases used for processing. In order to ensure the stable supply and gain recognition and trust of our customers, the relationship with suppliers is established based on a long-term, smooth and stable supply. Company's procurement policy has always aimed at establishing long-term and excellent collaborative relationships and decentralized sources for purchasing. Furthermore, in order to reduce the impact of raw materials and price fluctuation risks, we continue to improve our inventory monitoring system and increase the accuracy of demand forecasting. Therefore, the Company ensures that the supply chain maintains appropriate inventory levels and reduces unpredictable risks.

Furthermore, our largest customer accounted for 33% and 21% of our revenue in 2023 and 2024, respectively, while the revenue contribution from any other single customer did not exceed 10%. The Company maintains a stable and good long-term relationship with its major customers and has established appropriate operational risk management mechanisms. Additionally, the Company's major customers are internationally renowned enterprises. Through years of collaboration, parties have developed long-term strategic partnerships. To further diversify sales concentration and mitigate demand fluctuation risks, the Company will continue to invest in new product development and technological innovation while actively expanding into stable growth markets. It places particular emphasis on high-quality application sectors such as automotive, medical, industrial, and data centers to enhance market competitiveness and optimize its business portfolio.

(X) The Impact of Mass Transfer or Change of Equity by Directors, Supervisors, or Shareholders Holding More than 10% of Shares on the Company, Associated Risks and Response Measures: Not applicable.

(XI) The Impact of Change of Operating Rights on the Company, Associated Risk and Response Measures: Not applicable.

(XII) Litigious or Non-litigious Events: Company's main litigation cases of 2024 are the foreign trademark opposition

1. Trademark opposition case: Desmak Teknoloji Anonim Şirketi applied the trademark "Macronix" through the Turkish Patent and Trademark Office, which is similar to the Company's English trademark. Therefore, on the Company on June 7, 2022 and February 17, 2023 separately filed the opposition and appeal with the Turkish Patent and Trademark Office and the appeal authority. On January 5, 2023 the appeal authority determined that the Company is the true owner of the disputed trademark and decided to revoke the registration of the disputed trademark. Currently, the Company has also filed a trademark application for "Macronix" and "MXIC" with the Turkish Patent and Trademark Office.
2. People's Republic of China patent litigation: Canadian company Mosaid has filed a lawsuit for patent infringement against Gao Jie Xin Cheng (高捷芯城科技有限公司) of Shenzhen and the Company under the publication numbers CN101617372B ("Patent CN372") and CN101159264B ("Patent CN264"). In addition, Mosaid has filed three lawsuits for patent infringement against Bihan Internet Technology (上海碧漢網絡科技有限公司), Shenzhen Sundan (深圳市順電連鎖股份有限公司) and the Company under the publication number CN1971912B ("Patent CN912") and required the Company and the local defendants be jointly and severally liable to compensate for each case in the

amount of RMB 5M. The total claim amount for the three cases is RMB 15M. Although the Company firmly believes that there is no infringement involved or that the patents in question should be invalidated, to prevent any harm to the Company rights, we have already entrusted the lawyer from the People's Republic of China to handle a non-infringement defense and have also filed a request for patent invalidation with the China National Intellectual Property Administration of People's Republic of China to challenge the validity of the patents.

(XIII) Other Important Risks and Countermeasures:

Tax risks

Tax Policy: the Company seeks to manage its tax risks in the best way, and devotes itself to information transparency and compliance. The Company also supports government tax policy to drive economic development and sustainability. The Company's 6 guidelines for tax management are as follows:

- (1) All operations comply with tax laws and regulations of Taiwan.
- (2) Transactions between affiliated enterprises comply with the internationally recognized pricing principles announced by the OECD, and BEPS related regulations, so that the pricing policy of related parties complies with the arm's length principle.
- (3) In response to the global trend of anti-tax evasion, avoid using countries with low tax rates in tax planning with the purpose of tax evasion.
- (4) Make information in tax reports transparent; submit the Country-by-Country Report, Master File, and Local File to the tax authority, so that tax disclosure complies with laws, regulations, and guidelines.
- (5) The Company's tax planning and decisions all take into consideration the effect of tax risks.
- (6) Establish a good interaction with the tax authority based on the principles of mutual trust and information transparency.

VII. Other Significant Events: None.

Chapter VI. Special Disclosure

- I. Summary of Affiliated Companies:** Please refer to the Market Observation Post System (website: <https://mopsov.twse.com.tw/mops/web/index>) under “Basic Information” → “E-book.”
- II. Private Placement Securities of the Most Recent Fiscal Year and Up to the Printing Date of this Annual Report:** None.
- III. Other Necessary Supplements:** None.
- IV. The Events Resulting in Significant Impact to Shareholders’ Equity or Stock Prices Under Article 36(3)(ii) of Securities and Exchange Act in the Most Recent Fiscal Year and Up to the Printing Date of this Annual Report:** None.

Macronix International Co., Ltd.

Chairman: Miin Wu