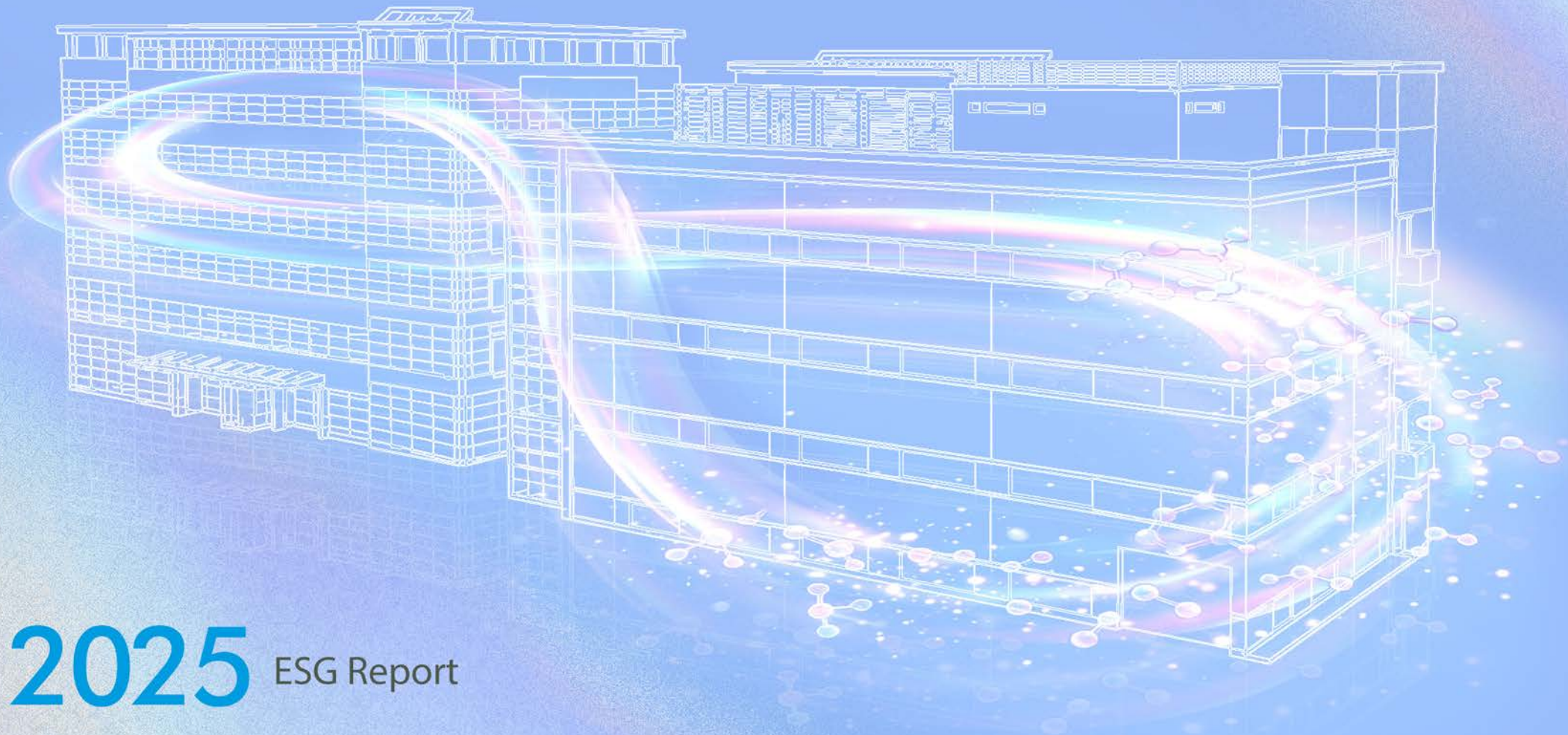


A Materials Design House, and More.



2025 ESG Report

03

Chapter

Research and Innovation

3.1 Technological Innovation

3.2 Intellectual Property Strategy

3 Research and Innovation

Daxin is a specialty chemicals company dedicated to R&D, design, and advanced manufacturing technology services. Committed to becoming a world-leading innovator in materials science, we position technological innovation as the cornerstone of our sustainable growth strategy. We continuously invest in forward-looking technologies and breakthrough material development, strengthening R&D infrastructure and core technical capabilities to anticipate future market needs and deliver comprehensive solutions for our customers. The Company places strong emphasis on intellectual property protection, safeguarding R&D achievements through patent applications, patent portfolio management, and trade secret management — enhancing our competitive advantage while protecting customer interests. Our R&D practices also incorporate green design principles to minimize environmental impact across the product lifecycle, advancing our vision of uniting innovation with sustainability.



Policies and Actions



Management Policy

Daxin's R&D strategy is anchored in multi-disciplinary fundamental chemistry research, integrated with process technology, equipment integration, analytical capabilities, and AI-assisted simulation. This approach spans three core application areas — semiconductor materials, display materials, and key raw materials — with continuous investment in next-generation advanced materials and forward-looking technology projects.

- Maintain high R&D investment and a strong R&D personnel ratio; integrate intelligent process controls to enhance production stability and flexibility.
- Actively develop low-energy, environmentally friendly materials in collaboration with customers to achieve shared ESG goals.
- Establish a systematic intellectual property management system to strengthen the protection of R&D outcomes and associated risk mitigation.



Objectives and Targets

2025 Performance Outcomes

- ✓ R&D Investment Ratio: **12.1%** Note 1
- ✓ R&D Personnel Ratio: **50.5%**
- ✓ Continuously maintain TIPS A-level certification Note 2
- ✓ Pre-R&D Intellectual Property Assessment Achievement Rate Note 3: **116%**
- ✓ Patent specialist external advanced training: **16.3 (hours/person)** Note 4
- ✓ Internal patent courses offered: **10 courses** Note 4
- ✓ Intellectual Property Management System: Patent Application Function Launched Note 4

Short-term Objectives (2026)

- ⊗ R&D Investment Ratio: **10%**
- ⊗ R&D Personnel Ratio: **50%**
- ⊗ Continuously maintain TIPS A-level certification
- ⊗ Maintain the scale of the patent portfolio: **300~350** Note 5

Medium to Long-term Objectives (2030)

- ⊗ R&D Investment Ratio: **10%**
- ⊗ R&D Personnel Ratio: **50%**
- ⊗ Continuously maintain TIPS A-level certification
- ⊗ Maintain the scale of the patent portfolio: **320~370**

Note 1: To support future growth, Daxin has continued to expand R&D investment in new products and semiconductor materials, with total R&D expenditure reaching NT\$559.6 million in 2025.

Note 2: First certified in 2022; re-certified in October 2025, valid through December 31, 2027.

Note 3: Achievement Rate = New cases opened in 2025 ÷ Researchers employed on or before June 30, 2024. Rates exceeding 100% indicate researchers with multiple cases. No separate target is set as TIPS A-level certification already covers this objective.

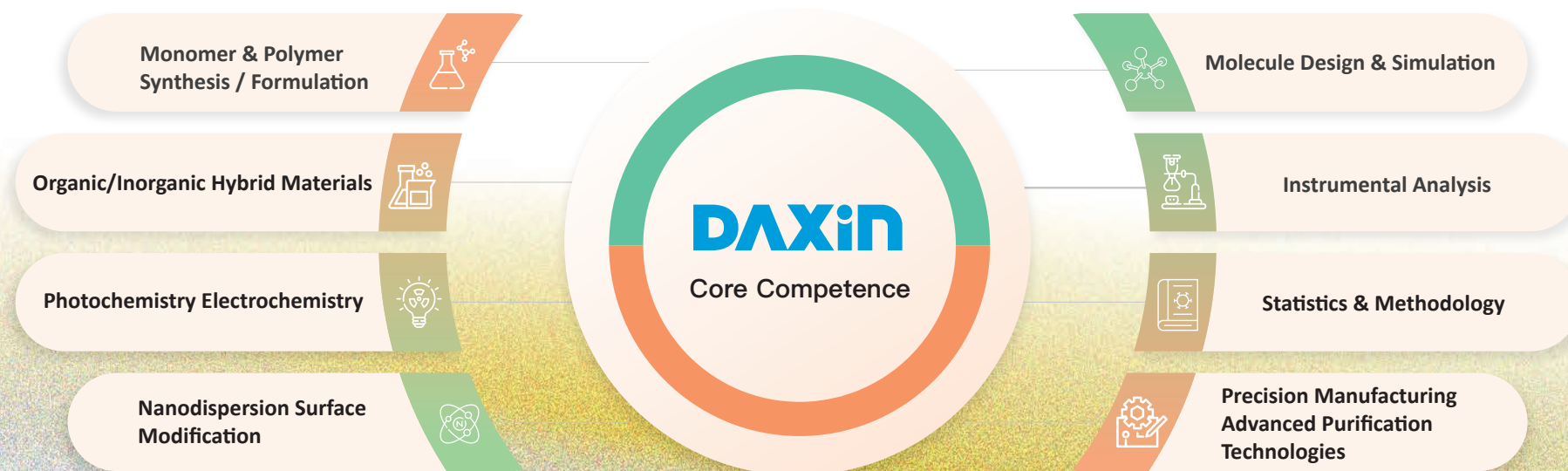
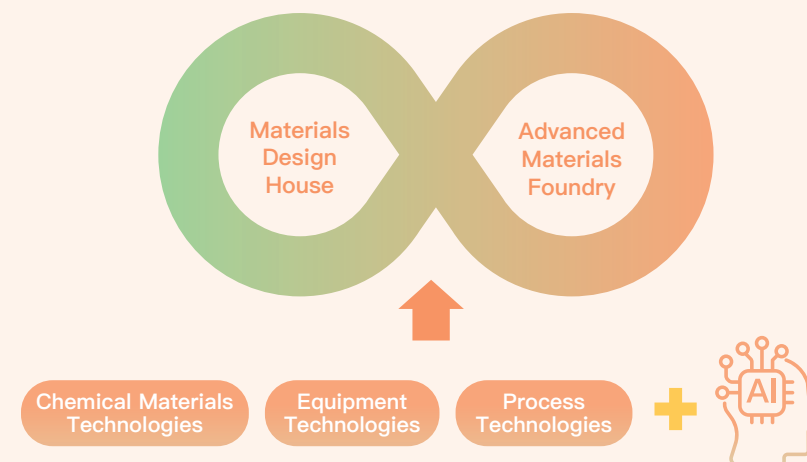
Note 4: No separate target is set as TIPS A-level certification already covers this objective.

Note 5: New target to balance patent quality and quantity. Cases are filed after internal review, with regular evaluation of existing patent maintenance.

3.1 Technological Innovation

Daxin's R&D team specializes in the design and development of specialty chemical materials, leveraging core capabilities in process and equipment technology alongside AI to enhance R&D efficiency and drive continuous innovation in advanced materials.

Grounded in solid fundamental knowledge, Daxin has cultivated a diverse portfolio of core technologies, including photochemistry, electrochemistry, molecular structure design, monomer and polymer synthesis, surface chemistry, dispersion science, organic-inorganic hybrid materials, nanomaterial development, and the precision manufacturing and purification techniques essential for semiconductor applications. These capabilities enable us to deliver advanced, customized chemical material solutions for semiconductor and display industries.



3.1.1 Research Achievements

Daxin focuses on semiconductor materials, display materials, and key raw materials as its three core development areas. In 2025, R&D expenditure reached NT\$560 million, reflecting our continued commitment to high R&D investment and a strong R&D personnel ratio. The Company has successfully renewed its TIPS Level A certification and continues to invest in advanced materials and forward-looking technologies to address future market needs.



Semiconductor Materials

Daxin provides key semiconductor material solutions spanning from front-end processes (FEOL/BEOL) to advanced packaging. Front-end wafer materials include lithography auxiliary materials (TARC/Top Coat), specialized rinse chemicals (FIRM), and high-selectivity etchants. Advanced packaging materials feature market-leading laser release layers, high-thermal-stability PSPI (Photosensitive Polyimide), and metal etchants. Driven by surging AI and HPC demand, several products have secured POR certification from leading international manufacturers and entered mass production, with further market share expansion and next-generation product development anticipated in the coming year.

Our laser release layer has established a leading global supplier position, becoming the preferred material for both Wafer-Level Packaging (WLP) and Panel-Level Packaging (PLP). High-purity resins for photoresists and strippers, co-developed with international partners, remain in stable mass production. Looking ahead, Daxin will deepen its Joint Development Project (JDP) collaborative model, serving as a technical extension of customers' R&D teams while continuing to develop specialty chemicals for advanced processes. Key photosensitive dielectric materials for FOPLP, developed under a Ministry of Economic Affairs subsidy program, will provide superior integration solutions for 2.5D and 3DIC advanced packaging — completing our evolution from a local supplier to a global strategic partner.



Display Materials

Daxin has a long-established presence in the display materials sector. Key 2025 R&D achievements include a low-temperature PSA liquid crystal alignment layer that significantly reduces process energy consumption, and a cholesterol liquid crystal alignment layer aligned with ESG trends that has been successfully adopted in automotive and e-paper applications. Despite global supply chain realignments and tariff uncertainties, growing demand for AI smart displays and ultra-large panels (85" and above) is expected to generate new market momentum. Daxin continues to strengthen its product portfolio, actively positioning in high-end, high-resolution, and MicroLED advanced materials to maintain technological leadership and market share.

In response to the global net-zero transition and customer demand for low-energy technologies, Daxin is working with customers to introduce ESG-compliant green materials in phases, focusing on reducing process temperatures and overall energy consumption. Future products in development include eco-friendly Black Matrix (BM), sustainable Photo Spacer (PS), and MicroLED/SEMI laser debonding adhesives. By pioneering low-temperature curing and other green process solutions, Daxin helps customers reduce carbon pressure while reinforcing its long-term competitive advantage in the sustainability era.



Key Raw Materials

Leveraging deep chemical R&D expertise, Daxin focuses on developing critical raw materials for displays, semiconductors, lithium-ion batteries, and advanced IC substrates. Core offerings include anode binders for lithium-ion batteries, proprietary patented PI functional monomers (CBDA), and low Dk/Df resin materials for high-frequency, high-speed transmission applications. Through specialized molecular structure design and in-house equipment development, Daxin precisely meets downstream requirements for purity and electrical performance, delivering customized solutions with high technical barriers.

With years of deep experience in electronic chemicals, Daxin continues to strengthen product competitiveness through proprietary R&D and high-purity manufacturing of key raw materials, playing a pivotal role in overcoming technical bottlenecks in next-generation advanced processes. Daxin drives Taiwan's specialty chemicals industry toward higher value-added development and has become a trusted strategic partner for global semiconductor leaders, co-developing high-purity polymer materials for advanced lithography.

Looking ahead, as semiconductor process and packaging technologies continue to evolve, Daxin will deepen strategic collaborations with international partners and advance the localization of upstream raw material production. In display materials, the Company will continue developing high-end products and low-temperature, energy-saving green materials to consolidate its competitive position. With a steady and measured approach, Daxin is progressing from a leader in display materials toward a strategic role at the core of the global semiconductor materials industry.

3.1.2 Industry-Academia Collaboration

Daxin has been actively building its industry-academia network since 2022, bridging academic research with industrial needs through joint projects and technical R&D platforms. By translating frontier chemical materials research and advanced application technologies into real industrial momentum, Daxin has completed 4 collaborative projects to date,

2025 Industry-Academia Collaboration Highlights

In 2025, Daxin partnered with 4 leading domestic universities and 5 professors, focusing on new materials R&D, intelligent processes, and environmental sustainability, with a total investment of NT\$4.1 million.

Industry-academia Joint Development Project

University	Professor	Project	Investment Amount	Project Duration
National Taiwan University	Eric Lee/Chih-Chen Hsieh	Development of technology for removing low-concentration nanoparticles from solutions by combining surface metal-coated polymer films with dielectrophoresis technology	NT\$1,520,000	2022/05~2025/07
National Tsing Hua University	De-Hao Tsai	Detection service for organic substances in water using a differential mobility analyzer-condensation particle counter	NT\$425,000	2023/11~2025/10
National Taiwan University	Cheng-Che Hsu	Development of Plasma Technology for Surface Treatment of Fluorocarbon Polymers	NT\$870,000	2024/08~2026/07
National Taiwan University	Chen-Chia Chin	Material design and application development of functional adhesives for high-energy anodes	NT\$1,290,000	2025/08~2027/07

Our industry-academia efforts focus on three core objectives:



Technology Collaboration

Connecting academic research capabilities with industrial needs, bridging fundamental research through to pilot-scale production and market application to advance cutting-edge technology development.



Talent Development

Promoting hands-on internship programs that bridge the academic-industry gap, enabling students to gain practical R&D experience through project participation and technical validation.



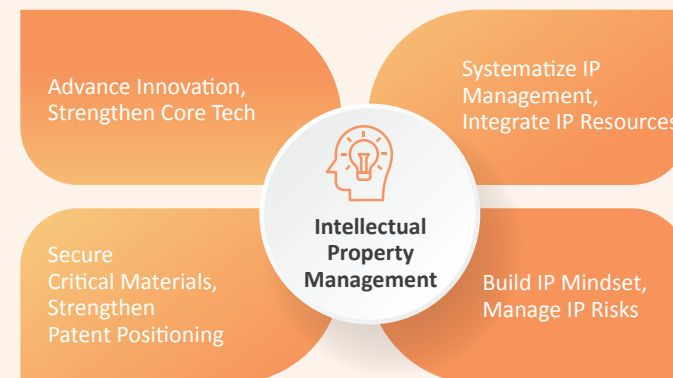
Innovation and Commercialization

Identifying and nurturing innovative ideas, accelerating technology commercialization and new business model development through strategic collaboration and resource integration.

Looking ahead, Daxin will continue deepening partnerships with leading domestic academic institutions while connecting with international academic resources and cross-disciplinary research teams. Through our industry-academia-research co-creation model, we encourage professors and emerging scholars to engage in pioneering research across materials, processes, and equipment. Through joint projects, international conferences, talent exchanges, and technology transfers, we aim to drive sustained momentum for Taiwan's materials science and global industrial innovation.

3.2 Intellectual Property Strategy

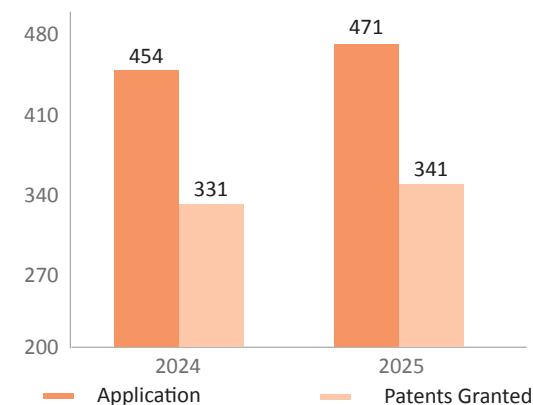
Daxin implements a comprehensive IP management policy covering the acquisition, protection, maintenance, and utilization of intellectual property, aligned with corporate objectives and its commitment to sustainable operations. Through structured management, we safeguard R&D achievements, mitigate operational risks, and report IP performance to the Board regularly, ensuring our intangible assets continuously enhance competitiveness and protect customers' core interests.



3.2.1 Key Achievements

Built on proprietary core technologies and integrated with marketing strategies, Daxin continues to strengthen its patent portfolio through strategic deployment of R&D achievements, with steady growth in both patent applications and grants. Existing display materials are continuously refined and innovated, while efforts are actively extended to semiconductor process-related materials, with patent coverage developed across semiconductor cleaning solutions, liquid crystal alignment agents, photosensitive resins, and key raw materials. As of December 31, 2025, cumulative global patent applications reached 471, an increase of 17 from the prior year; cumulative granted patents reached 341, an increase of 10 from the prior year.

Looking ahead to 2026, Daxin will continue to balance patent quality and portfolio scale. New R&D cases will be filed following internal review and assessment, while the maintenance effectiveness of existing patents will be evaluated regularly. The Company aims to maintain its patent portfolio within a target range of 300 to 350 patents.



3.2.2 Management System

Daxin has implemented an intellectual property management system, establishing the "Intellectual Property Management Manual" to actively enforce its IP management policy. TIPS A-level certification was first obtained in 2022, with re-certification completed in 2025, valid through December 31, 2027.

Following TIPS standards, we manage intellectual property throughout the complete cycle of acquisition, protection, maintenance, and utilization. Our patent incentive system promotes innovation through structured intellectual property training tailored to roles such as R&D personnel and TIPS audit staff, along with systematic reviews of internal R&D outcomes, aiming to generate high-quality patents and technically valuable trade secrets.

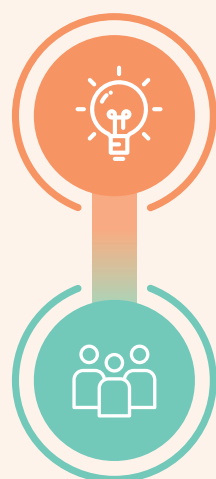


To safeguard confidential information, Daxin has established management protocols covering documents, work environments, and personnel, reinforced through training and internal communications. An external patent monitoring and analysis mechanism proactively identifies potential IP risks, providing management with timely intelligence and assessment recommendations, enabling preventive actions before disputes arise.

Patent	Technical trade secrets	Risk management
- Internal review committee evaluation - External collaboration control mechanism - Regular maintenance evaluation	- Internal review committee evaluation - NDA and personnel access control - Document listing and labeling	- Patent monitoring and risk mitigation - Trade secret confidentiality protection - Prompt conflict reporting

3.2.3 Systematic Management of Intellectual Property

Daxin takes a dual-track approach to IP management, combining a project tracking mechanism with a proprietary IP management system. The project tracking mechanism enables real-time monitoring of external patent status, enhancing IP management effectiveness and strengthening patent portfolio planning and risk control. The proprietary IP management system consolidates technology proposals, patent applications, and examination progress into a single platform, supporting patent data analysis and value assessment to improve decision-making quality and overall IP management efficiency.

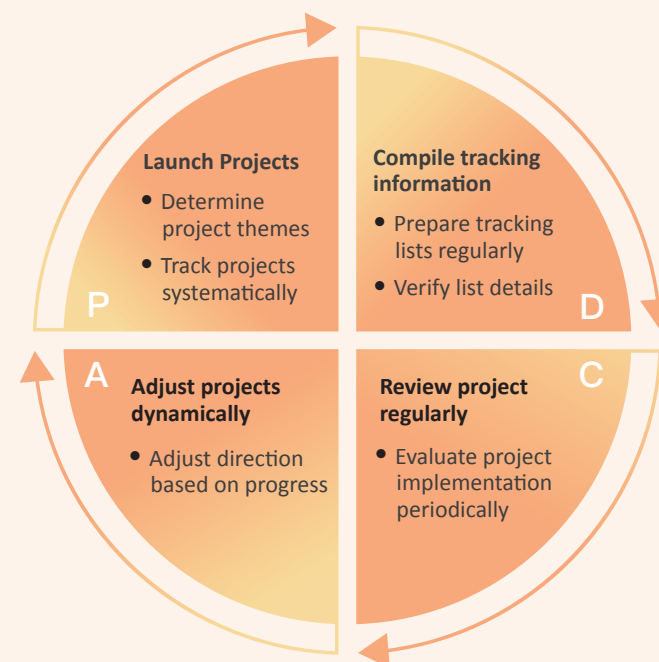


IP Management System

- Technical proposal tracking and analysis
- Patent application and management
- Patent analysis and portfolio planning
- Patent maintenance evaluation

Project Tracking Plan

- Real-time tracking of external patents
- Patent landscaping opportunity identification
- IP risk monitoring



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