義隆電子股份有限公司
ELAN MICROELECTRONICS CORP.

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ELAN Monthly Sales Report – October 2026

ELAN Microelectronics Corp. (the Company), specializing in Edge AI and On-Device AI technologies, announced its consolidated net sales of NT$ 461 million for October 2026. Sales decreased by 53.7% YoY and 23.4% MoM.

Due to capacity constraints in the upstream raw material supply chain, end products have been facing shortages of key components. In addition, rising raw material costs have led to higher product prices, resulting in continued weakening of market demand and a decline in customer orders.

Looking ahead, based on our customers' current marketing strategies, although product shipments remain constrained by component shortages, the Company will work closely with its brand customers and adopt a more flexible supply chain strategy to address the shortage of raw materials. We are committed to resolving these supply issues as quickly as possible and minimizing their impact on operations.

Nevertheless, the Company has officially begun shipments of its AI image recognition algorithm products since 3Q25, successfully expanding applications into drones and various image recognition fields. Diversified products have driven revenue to remain stable compared with peers and exceed the Company's original expectations. This month's revenue share has risen to 16%. The Company continues to strengthen the relationship with customers and adjust strategies flexibly to ensure stable supply.

Sales for October 2026 --YoY Comparison **Unit: NT$ Thousand**

Year	2026	2025	YoY
Net Sales (Consolidated)	461,336	996,946	-53.7%

The sales breakdown for October 2026: Touchpad Module 39%, Touchscreen Controller 13%, Fingerprint Sensor 17%, Pointstick (PST) 10%, AI 16%, and 5% from the sales of

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Microcontroller and affiliates. Touch applications, including biometric applications, accounted for 69%, non-touch applications accounted for 15% and AI accounted for 16%.

As the industry enters its traditional off-season in the fourth quarter, the industry faces continued component imbalances due to robust AI server demand, resulting in a decline of product shipments. In the short term, customers have maintained a high flexibility in their sales and inventory strategies in response to the macroeconomic. The Company has aligned with customers' production requirements, in addition to flexibly adjusting the delivery schedule, we will more closely monitor customers' inventory and delivery status in order to predict demand and optimize capacity planning. Although market uncertainties persist, the Company remains cautiously optimistic about enterprise replacement demand and the development of AI PCs. Commercial models are expected to benefit first, with the proportion of related products continuing to increase steadily.

NB market is expected to continue facing multiple challenges amid the impact of components shortage and geopolitical factors. Nevertheless, both the Company and its brand customers share a strong consensus on the long-term development of AI PCs and will continue to invest in relevant technologies and product roadmaps to address future technological evolution and industry trends, while jointly capturing growth opportunities driven by edge computing.

Furthermore, the Company continues to leverage its core technological strengths in AI image recognition algorithms to expand into diversified application areas, including automotive ADAS, smart cockpits, AI CCTV, drones, robotics, and autonomous vehicles. These initiatives support a more diversified operational layout and are expected to inject long-term, stable growth momentum into the Company's overall operations.

Overall, the Company maintains a positive long-term outlook on the growth prospects of AI image recognition and the NB industry. It will continue to deepen strategic partnerships with key customers, respond flexibly to market changes, and work collaboratively to enhance overall market competitiveness and achieve sustainable, long-term value creation.

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Contacts：

- Spokesperson： Elsa Tsai E-mail: elsa@emc.com.tw
- Deputy Spokesperson： Catherine Pai E-mail: catherine@emc.com.tw

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