

# Sustainability Report 2025

October 2025

## Socionext Sustainability Report 2025

This report is a consolidated report of Sustainability-related information of the Socionext Group.

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(Some important information outside of the above period is also reported)

**Scope:** Socionext Inc. and its subsidiaries (referred to as "Socionext," "Socionext Group," or "Our company.") However, some of the information pertains to Socionext Inc. on a non-consolidated basis (referred to as "Company")

## Cautionary Notes on Forecast Statements

Forecast statements in this report are based on information currently available to the Company. Actual results may differ from these statements due to various factors.



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## Basic Philosophy



Socionext Group defines the following common group philosophy for its mission and values.

Based upon this philosophy, we will help to bring about a prosperous society by delivering new value to our customers and to people around the world beyond them. We will do this as a valued partner of customers seeking unique and cutting-edge SoCs to differentiate their services and products. We will also do this as a partner of our suppliers providing the latest technologies in the evolving semiconductor ecosystem, including foundries, outsourced semiconductor assembly & tests (OSATs) and providers of intellectual property (IP), electronic design automation (EDA) and software.

### Mission

"Together with our global partners, we bring innovation to everyone everywhere."

### Values

#### "Change"

We adapt ourselves to the disruptive discontinuous changes in business, technology, mind, operations, and other environments.

#### "Technology"

By pursuing cutting-edge technology, we aim to become a company that supports global innovation through development of competitive technology.

#### "Growth"

Our growth helps to deliver benefits to all stakeholders, including shareholders, customers, partners, and employees.

#### "Speed"

We respond quickly to dynamic and rapidly changing markets and customers.

#### "Sustainability"

We ensure a sustainable future by creating a cohesive society with customers and partners.



## Action Guidelines

- Each individual takes ownership of his or her work, responds to changes in the environment, and thinks and acts independently from a market-oriented customer perspective.
- To maintain access to growing markets and companies, we address customer's problems with effective solutions backed by the latest technologies and knowledge.
- Each individual's willingness to take on challenges to persevere toward his or her goals and the desire to become a professional will lead to personal and company growth.
- We make speedy decisions on an individual and organizational basis, always looking ahead and creating value for customers.
- As a member of the global society, we will fulfill our corporate social responsibilities and contribute to the realization of a sustainable and prosperous society.

## Corporate Social Responsibility Policy

### ● Compliance with laws, regulations, and social standards

We fully comply with laws, regulations, and social standards, thus earning the trust of society.

### ● Respect for human rights

We respect each individual's rights, and do not discriminate or tolerate human rights violations.

### ● Establishing an improved work environment

We want our employees to be happy. We respect their individuality, treat them fairly and aim to create a healthy and comfortable work environment.

### ● Environmental considerations

We conduct our business with consideration for the global environment.

### ● Promoting fair trade

Our relationships with our customers and partners are built on trust, in accordance with the principles of fair trade.

### ● Information management

We carefully manage and ensure the confidentiality of company information, third party information from our customers and partners, and personal information.

### ● Respect for intellectual property

We value and protect intellectual property, which is the primary corporate asset.

## Management Policy

To pursue the above basic philosophy, we at the Group are developing and providing SoCs through our own distinctive Solution SoC business model for customers wanting leading-edge custom SoCs, whereby we combine an optimal mix of technologies to implement the functions they require.

Along with the Automotive, Data center & Networking, and Smart device fields that represent our leading-edge sectors, we aim to win more business, in a regionally balanced manner, from global customers in the industrial equipment field and in IoT & radar sensing.

Through our business activities, our goal is to earn the trust of our customers, position ourselves as the top SoC supplier to major global and growing companies, and support our customers' growth. Simultaneously, we contribute to addressing societal issues by applying the Group's low-power technologies, to name just a few. Furthermore, by engaging in collaborative development with our customers, we strive to establish a virtuous cycle of growth for both our engineers and the company. This growth enhances corporate value, thereby generating returns for our shareholders.



# Sustainability Philosophy and Policy



## Basic Philosophy

“Together with our global partners, we bring innovation to everyone everywhere.” Based on this mission, Socionext Group recognizes sustainability as a significant management challenge. We aim to bring new value to our customers and, through them, to people everywhere, and contribute to achieving a prosperous society. We will do this by serving as a partner to customers seeking to differentiate new services and products through the development of their own leading-edge SoCs, and as a partner to foundries, OSATs<sup>\*1</sup>, and suppliers providing the latest technologies, including IP<sup>\*2</sup>, EDA tools<sup>\*3</sup> and software, in the evolving semiconductor ecosystem.

The environment in which companies operate is undergoing major change amid rising global concern about social problems, such as diversity and respect for human rights, as well as attention to environmental problems that include global warming and climate change. The Group, we are working to fully understand the risks posed by the diverse issues facing the world and intend to pursue initiatives that will lead to their resolution.

In pursuing these activities, we are striving to understand the issues involved while also building relationships of trust, engaging in dialogue and collaborative activity with our many stakeholders, who include customers, partners, employees, local communities, and shareholders, with our goal being to create a sustainable society.

\*1: OSAT is an abbreviation of “outsourced semiconductor assembly and testing” and refers to contract manufacturing services that perform these functions.

\*2: IP is an abbreviation of “intellectual property” and in the context of semiconductors refers to modular circuit designs that perform specific functions in an integrated circuit. IP can be divided into outsourced IP that is licensed from another vendor and in-house IP developed internally.

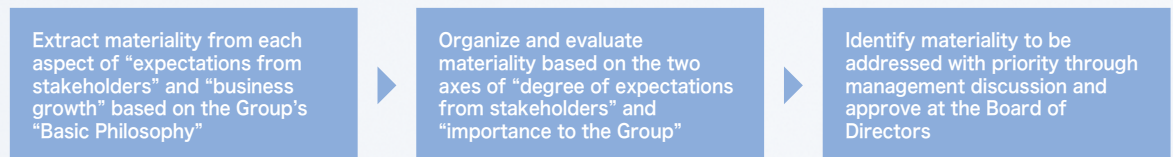
\*3: EDA is an abbreviation of “electronic design automation” and refers to software tools for automating semiconductor design work.

## Materiality Identification

Based on our basic approach to sustainability, we have evaluated the social issues that need to be resolved and their importance to the growth of the Group's business, and have identified materiality to be addressed with a sense of priority. We will promote efforts on materiality throughout our supply chain to achieve sustainable growth by responding flexibly to changes in global trends and the business environment.

### ●Process to identify materiality

In identifying materiality, we referred to the Group's "Basic Philosophy" and extracted materiality from each aspect of the Group's business and the various stakeholders surrounding the Group, including customers, partners, employees, local communities, shareholders, investors, analysts, etc. Based on global requirements and standards, such as SASB<sup>\*1</sup>/WEF<sup>\*2</sup>/CSRD<sup>\*3</sup>, etc., we evaluated materiality in terms of both "expectations from stakeholders" and "importance to the Group." The final decision is made by approval of the Board of Directors after discussion at the management level. In light of changes in the external environment and our group's business environment, we review the appropriateness of the materiality and the need to review it every year.

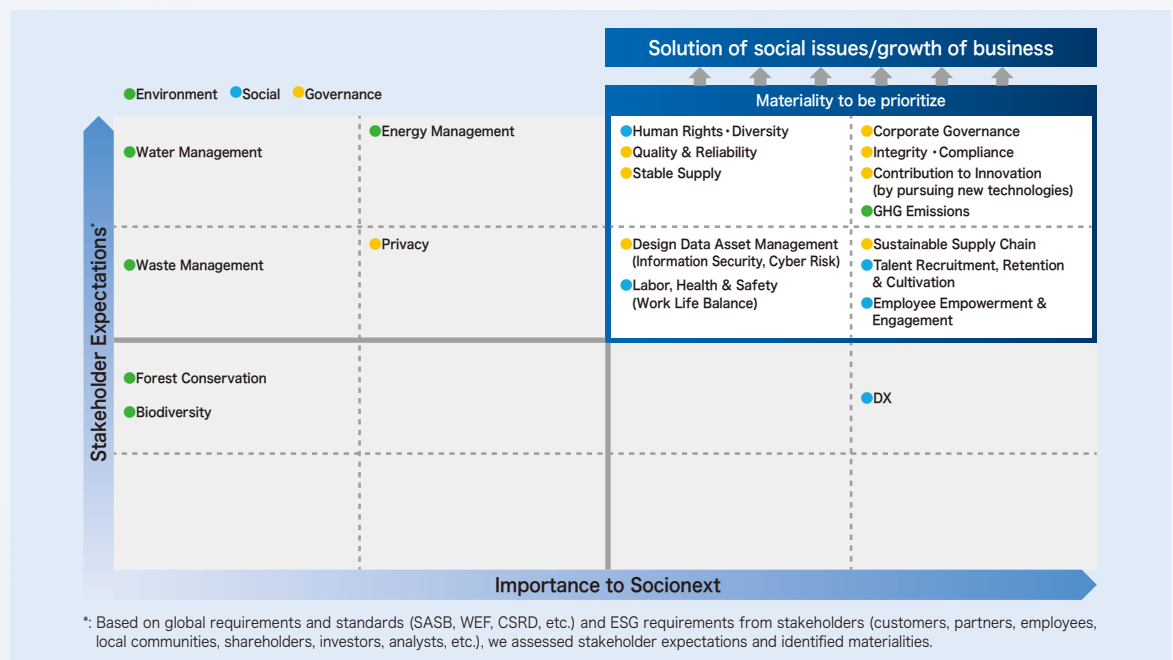


\*1: SASB is an abbreviation for Sustainability Accounting Standards Board.

\*2: WEF is an abbreviation for World Economic Forum.

\*3: CSRD is an abbreviation for Corporate Sustainability Reporting Directive.

### ●Materiality Map





Materiality to address with priority	The Group's approach	Related topics in this Report
Corporate Governance	Sound and transparent governance is the foundation for global business growth.	[Corporate Governance] P.078
Integrity and compliance	A high awareness of integrity and compliance is essential for global business development.	[Compliance] P.101
(By pursuing new technologies) Contribution to innovation	Differentiation of the Group's services and products is a necessary element for achieving medium- to long-term business growth and maximizing corporate value.	[Business Model] P.015
Reduction of GHG Emissions	Contributing to the reduction of GHG emissions in customers' products will lead to the resolution of social issues and business growth of the Group (contribution by providing SoC that can reduce the consumption of energy and the use of space).	[Environment Activities] P.021
Sustainable Supply chain	In fabless business operations, advanced CSR management throughout the supply chain is essential.	[Procurement Management] P.060
Securing, Retention and Development of human resources	In order to maintain global development competitiveness, it is essential to secure and foster human resources who can lead technological development and generate innovation.	[Society] P.039
Empowerment and Engagement of Employees	Fostering an environment and corporate culture in which employees can work energetically and continuously grow and take on challenges will be necessary for further business growth.	[Society] P.039
Human rights and Diversity	In addition to respecting and giving consideration to the human rights of individuals, further business growth will require a diverse workforce and the development of an environment in which they can play active roles.	[Society] P.039
Quality and Reliability	Not only advanced technological capabilities, but also high quality and reliability, are the source of the Group's differentiation and competitiveness.	[Quality and Reliability] P.074
Stable Supply	In order to meet customer requirements and to fulfill social responsibility, excellent QCD, stable supply, and business continuity are required.	[Procurement Management] P.060
Asset management of Design data (Information security, cyber risk)	Strict control of design assets and know-how is the foundation of the business and essential to win the trust of customers.	[Compliance] P.101
Labor, Safety and Health (Work-life balance)	Employees' flexible choice of work location and hours for efficient work, and good physical and mental health are necessary for business growth.	[Society] P.039

We will continue to monitor the status of the Group's efforts in other areas identified as priority materialities and disclose them in our Sustainability reports.

## Approach to Sustainability Information Disclosure

Our disclosure of sustainability information is done in accordance with the TCFD<sup>\*1</sup> declaration, the ISSB<sup>\*2</sup> sustainability disclosure standards (IFRS<sup>\*3</sup> S1/S2) and the SSBJ<sup>\*4</sup> sustainability disclosure standards, and will address the four topics of governance, strategy, risk management, and indicators and targets.

\*1: TCFD is an abbreviation for Task Force on Climate-related Financial Disclosures.

\*2: ISSB is an abbreviation for International Sustainability Standards Board.

\*3: IFRS is an abbreviation for International Financial Reporting Standards.

\*4: SSBJ is an abbreviation for Sustainability Standard Board of Japan.

## Action on Sustainability

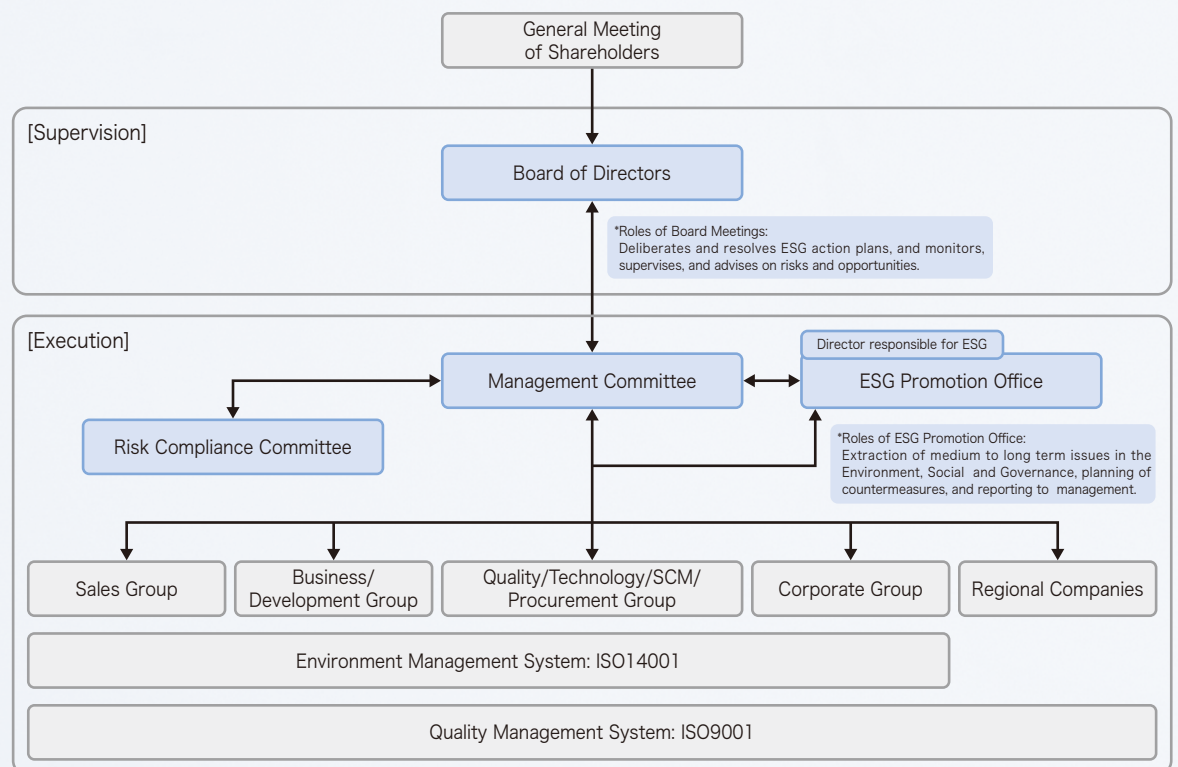
The Group identifies materiality to be addressed with a sense of priority and promotes sustainability activities. Specifically among materiality, as part of our efforts to address environmental issues and climate change, we are working to achieve a decarbonized society by reducing our GHG (Greenhouse Gas) emissions, with such measures including the introduction of renewable energy from April 2024, and contributing to the reduction of GHG emissions by our customers through the Group's advanced SoC that can reduce the consumption of energy and the use of space.

In terms of human capital, we are working to maximize the human capital of the Group by enhancing systems related to human rights, diversity, health and safety, and health promotion, and by formulating educational programs related to the training of engineers.

At the Group, we will continue to work with our partners in the semiconductor ecosystem to enhance the effectiveness of our efforts to address materiality throughout the supply chain, and strive to achieve a sustainable society by solving social issues and further growing our business.

The Group is committed to fulfilling its social responsibility as a global corporation and continuing to be an entity that can earn the trust and support of all stakeholders. The Group will provide new value to the world with its cutting-edge SoC technology, and continue to strive to improve corporate value over the medium to long term.

### ●Management structure for action on sustainability





## Participation in External initiatives

### ●United Nations Global Compact

On April 15, 2025, our group signed the United Nations Global Compact (UNGC), an initiative of the United Nations. The UNGC is the world's largest sustainability initiative in which the United Nations and the private sector (companies/organizations) join forces to build a healthy global society. It is a global framework for companies and organizations to act as good members of society and achieve sustainable growth by exercising responsible and creative leadership. Based on the commitment of the top management of the organization, our group will work to realize a sustainable society based on its 10 principles in 4 areas (human rights, labor, environment and anti-corruption).

**WE SUPPORT**



## Response to External Evaluation Organizations

As part of its sustainability-related risk management activities, our group actively responds to external assessments by S & P Global CSA, MSCI, EcoVadis and Nikkei Sustainability. By objectively evaluating our group's sustainability efforts, we correctly recognize its strengths and weaknesses and use them as indicators for improvement.

We believe that these activities will build relationships of trust with investors and other stakeholders and enhance corporate value.

## Top Commitment



“Together with our global partners, we bring innovation to everyone everywhere.” This is our mission at Socionext Group as an SoC partner and a company that proves its worth through innovation, our goal is to contribute to the creation of a prosperous society by delivering new value to our customers and, through them, to people everywhere. To achieve this, we work with customers seeking to differentiate themselves by means of their own SoCs and tap into a semiconductor ecosystem that provides the latest technologies for everything from IP, EDA tools, and software to process, assembly, and testing. Based on this mission, we work with our global partners to deliver sustainable products and solutions that feature high quality and low power consumption.

One of the values we hold to be most important is “to build a sustainable future through collaboration with our customers, partners, and society.”

This is an expression of our desire to contribute to achieving the SDGs through our business activities. We recognize that we have a duty as a global corporation to fulfil our social responsibilities, not just through the pursuit of technological innovation and leadership, but also by working diligently to improve quality and service and by taking on societal challenges. These latter include human rights issues and environmental problems, especially climate change, at all steps along our supply chain as well as work on promoting professional development and diversity.

In partnership with all of our stakeholders, including customers, partners, employees, local communities, and shareholders, Our Group is working to enhance corporate value and to help bring about a sustainable and prosperous society.



## Business Model

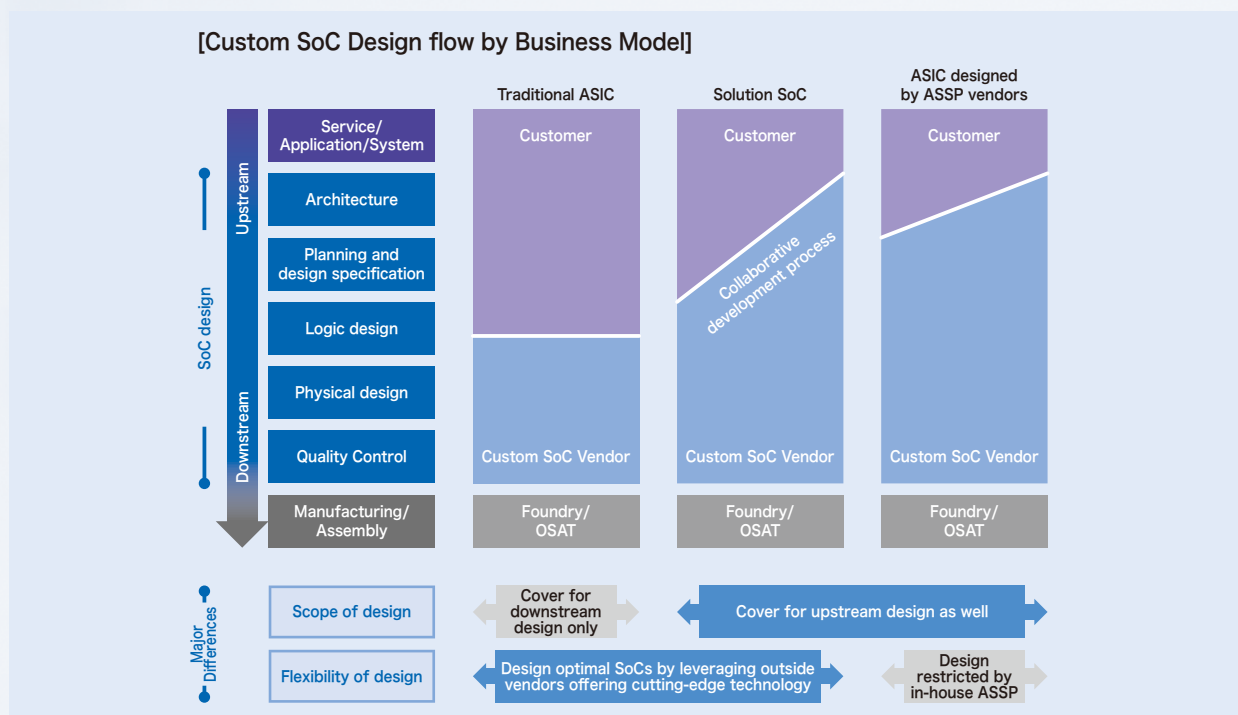


The Group (“the Group,” “the Company,” “we” and “our” refer to Socionext Inc., and its consolidated subsidiaries) is a fabless semiconductor vendor that develops and supplies custom SoCs to customers based on a new and unique business model called “Solution SoC” in the logic semiconductor market. As a partner to customers requiring unique, advanced SoCs to differentiate their new services and products, and in collaboration with suppliers that comprise the semiconductor ecosystem providing the latest technologies, spanning from IP, EDA tools, and software to wafer processing, assembly and testing, we aim to deliver new value not only to our customers but also to people around the world, thereby creating a prosperous society.

In the past, the Group developed businesses centered on conventional ASICs<sup>1</sup>, solely managing the physical design based on SoC specifications provided by customers, and ASSPs<sup>2</sup>, which specialize in functions and purposes within a limited range of fields and applications. Since the fiscal year ended March 31, 2019, in addition to conventional ASICs and ASSPs, we have worked together with customers seeking differentiation in their products to formulate specifications and conduct logical designs. This transitioned us to a business model that combines advanced technologies to deliver optimal SoCs for customers. Our business now centers on custom SoCs based on this “Solution SoC” business model.

There are three primary business models for custom SoCs. First, in conventional ASICs, the upstream designs of the SoCs, including architecture design, planning and specification design, as well as logical design, are undertaken by customers themselves. The subsequent processes are then handled by external custom SoC vendors. Therefore, this limits the use of conventional ASICs to customers who have the ability to perform upstream design themselves. On the other hand, the Group’s Solution SoC business model facilitates collaborative engagement in these upstream designs with its customers, enabling the provision of products to customers who may lack the capability to undertake such upstream designs. In addition, in the model that provides ASICs designed by an ASSP vendor, customization is restricted due to the ASSP being tailored according to the vendor’s own specifications. Simultaneously, customers are cautious about potential vendor lock-in<sup>3</sup>. In contrast, the “Solution SoC” business model also leverages the most advanced technology provided by external vendors to optimize the SoC for customers while avoiding vendor lock-in.





In recent years, advancements in semiconductor manufacturing technology, coupled with the widespread use and integration of various innovative technologies such as networks, clouds, and artificial intelligence (AI) leveraging these advancements, have given rise to a wave of novel services and products. Companies developing these services and products need high-performance, scalable SoCs of their own, leveraging advanced technologies to differentiate their services and products.

Meanwhile, in the semiconductor industry, companies specializing in process technology<sup>4</sup>, packaging technology<sup>5</sup>, and test technology, alongside IP, EDA tools, and software, have emerged. Constantly evolving cutting-edge technologies are transforming the industry into an ecosystem where access to such technologies is readily available in the market. As these technologies evolve, the difficulty of selecting and combining them to design and develop an SoC that is optimal for customers is increasing.

As a result, many companies requiring their own SoCs are seeking a partner with expertise not only in SoC architecture but also a deep understanding of the final products and services the SoC will be equipped with. The ideal partner should be capable of integrating advanced hardware and software technologies to deliver the optimal solution for differentiation.

In the evolving market landscape, the Group stands out with its design and development capabilities for custom SoCs, encompassing from software to subsystems, as well as engineering resources that enable collaborative resolution of technical issues with customers, through appropriate selection. Additionally, the Group possesses strengths, including comprehensive capabilities to ensure mass production, quality assurance, and supply chain management (SCM). Hence, we have developed "Solution SoC" as a business model that enables us to deliver a tailored SoC that better suits our customers. This involves a collaborative development process, where the SoC specifications are determined jointly with the customer who finds conventional ASICs, ASSPs, and ASICs designed by ASSP vendors unsatisfactory. While we accumulate experience and expertise in emerging cutting-edge markets, we proactively invested in developing advanced technologies and exploring and demonstrating various technology combinations for differentiation to enhance our competitiveness. Furthermore, we transitioned to a streamlined R&D system, eliminating barriers across business units, consolidating them based on development functions, and subsequently allocating necessary resources to each project. We also established the Global Leading Group as an organization dedicated to building an R&D platform through model projects undertaken in areas involving large-scale advanced technology. We have been promoting measures for integrating several key activities: establishing a computer-architecture-based design and development platform along with standard design and development processes that are suitable for our Solution SoC business model, and enhancing both the efficiency and visibility of these processes, along with reforms in terms of design and development management. As a result, the percentage of NRE revenue<sup>6</sup> accounted for by projects utilizing advanced process nodes



(an indicator of the generation of semiconductor manufacturing technology (the semiconductor process); 1 nanometer (1nm) is equivalent to one millionth of a millimeter, and the smaller the number of nanometers, the more advanced the technology) of 7nm or smaller increased to 74% in the fiscal year ended March 31, 2025.

In addition to transforming our business model, we have achieved a significant shift in our focus areas, transitioning from consumer-centric areas such as TVs to cutting-edge growth areas, specifically Automotive, Data center & Networking, and Smart Devices.

The Group's focus areas are cutting-edge fields such as Automotive including autonomous driving (AD), advanced driver assistance systems (ADAS) and in-vehicle sensing; Data center & Networking including data centers and the AI accelerator; and Smart Devices including action cameras and network cameras, etc. In the field of Industrial Equipment such as factory automation (FA) equipment and measuring instruments, demand for the use of cutting-edge technology and Solution SoC business model tends to expand, and we will position Industrial Equipment as a focus area for the Group. In addition to these focused areas, we are also developing our business in the field of IoT & Radar Sensing such as radio frequency ranging sensors, which is a unique technology and expected to grow in the future.

Following customer decision to adopt semiconductor products, the process of initiating mass production typically requires a considerable amount of time. It usually takes more than 2 years from the acquisition of design wins through completing design, development and customer evaluation, to initiate mass production. The mass production phase also spans a considerable period of time. For this reason, as a company responsible for the long-term development and supply of customers' core components, we operate with a strong financial foundation.

At the design and development stage, the Group receives the majority of design and development costs from customers as NRE revenue in scheduled milestones. During the mass production stage, it receives product revenue, which constitutes most of the Group's total sales. Moreover, to capitalize on the increasing horizontal division of labor within the semiconductor industry, the Group has adopted a fabless business configuration, operating without its own factories. Production is outsourced to specialized manufacturers such as Taiwan Semiconductor Manufacturing Company Limited (hereafter referred to as "TSMC") and other foundries and OSATs.

Customers' cutting-edge products and services consistently drive the need for new SoCs, and the demands of customers and markets for such advanced SoCs evolve continuously. To swiftly adapt to this change, the Group will forge ahead with upfront development investments and enhance its development capabilities, with the aim of achieving sustainable growth. In the upfront development, we worked closely with Arm Holdings plc (Arm) and TSMC to utilize the latest technologies in the ever-evolving semiconductor ecosystem, and have been proactively working on 2 nm and finer process technologies, advanced packaging technologies such as chiplets, and practical application and platforming of the latest design tools. We also have been making steady progress in the development of a High Performance Computing (HPC) processor SoC using TSMC's 3 nm process technology adopting Arm's architecture, and the development of an SoC for quantum computing with Google. Furthermore, we partnered with the Centre for Development of Advanced Computing (C-DAC), which is the lead research and development agency of the Ministry of Electronics and Information Technology, (MeitY), India, and with MosChip Technologies. In addition, we have won several SoC deals for data centers, mainly in North America, and have started the development. We will continue striving to adopt AI for the design and development process.

\*1: ASIC stands for application specific integrated circuit, which is a collective term for integrated circuits that combine multiple functions tailored for specific customer needs.

\*2: ASSP stands for application specific standard product, referring to large-scale integrated circuits with specialized functions or purposes in a limited field/application. An ASSP is a general-purpose component that is not customized for a specific customer, making it applicable to multiple customers.

\*3: Vendor lock-in means that once you adopt a product or service offered by a specific vendor, it becomes difficult to switch to a superior product or service offered by another vendor in the future, thereby limiting your choices.

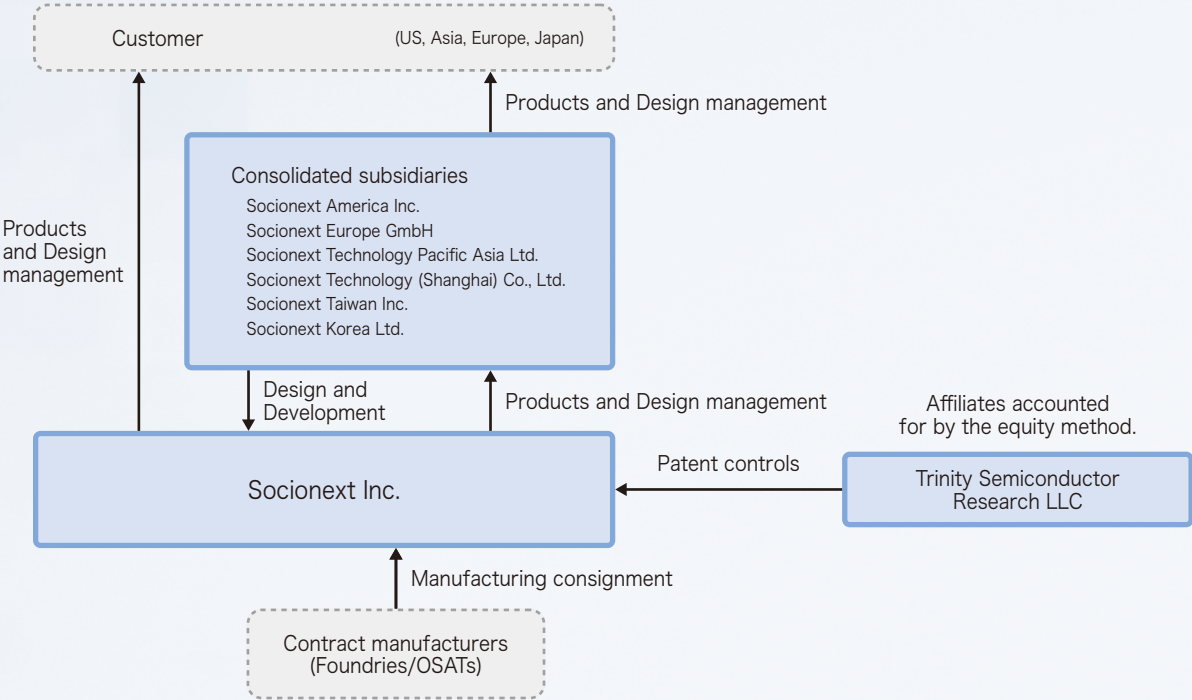
\*4: Process technology refers to the technology used in the front-end process of semiconductor manufacturing to create circuits on a silicon wafer.

\*5: Packaging technology refers to the technology used in the back-end process of semiconductor manufacturing, to protect semiconductor chips from the outside and to connect them electrically.

\*6: NRE stands for non-recurring engineering, referring to the sales received from customers during the development stage before mass production of products. NRE revenue correspond to design and development costs incurred during the development stage, such as labor costs, IP, design tools, reticles (photomasks used in the exposure process of semiconductor manufacturing to transfer the designed circuit to a silicon wafer), and prototype manufacturing, and are usually recorded multiple times as development milestones progress.



The following chart summarizes the structure of the Group's businesses.





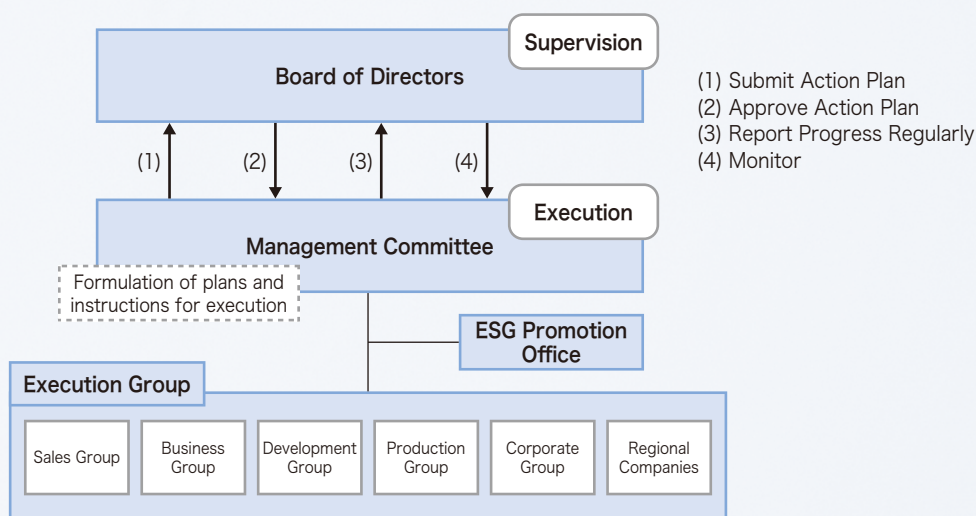
# Sustainability Promotion Structure



## Governance

Socionext Group is putting measures in place for acting on sustainability in ways that are coordinated across relevant internal divisions, including the establishment of an ESG Promotion Office to facilitate ongoing management-level discussion of medium- to long-term challenges. This organizational structure provides a framework for action under the direction of the Management Committee. The Board of Directors debates and approves policies and action plans for important sustainability challenges while also acting in a supervisory role, including by monitoring progress.

For more information, including specific initiatives, please refer to the Group's website.  
<https://www.socionext.com/en/sustainability/>



### ●Board of Directors

The board has responsibility for making decisions on sustainability activities. It debates and approves the associated policies, strategies and actions. It also supervises the progress of these actions semi-annually and issues instructions etc. as necessary.

### ●Management Committee

The committee drafts sustainability policies, strategies, actions, and other plans for subsequent consideration by the board. It is also responsible for ensuring that actions are carried out, issues instructions for doing so to the operational divisions with the board's approval and promotes initiatives.

To implement these actions, the ESG Promotion Office, under the direction of the Management Committee, provides support for drafting policies, strategies, actions, and other plans and for putting these into practice. It also tracks the progress of this work and reports back to the Management Committee.

## Risk Management

To mitigate and reduce management and business risks, the Group conducts a semi-annual, company-wide risk management review. Sustainability risks such as climate change, human resources, and diversity are treated as important elements in this framework, which involves assessing risk, formulating and implementing actions, and assessing outcomes on a regular basis. Please refer to “Risk Management (P.100)” below for our basic approach and system for risk management.



## Environment Activities



### Environment Strategy

Socionext Group seeks to be a company that contributes to a sustainable low-carbon society in harmony with local communities. Our commitment to addressing global environmental issues together with our customers and society starts with the environmental awareness of each of our employees. We are taking action to reduce GHG emissions and we disclose information in accordance with the TCFD framework to help achieve decarbonization. Through the development and distribution of energy-saving and space-saving eco-friendly devices and solutions, we help to reduce the environmental impact of our customers' products.

### Environment Policy

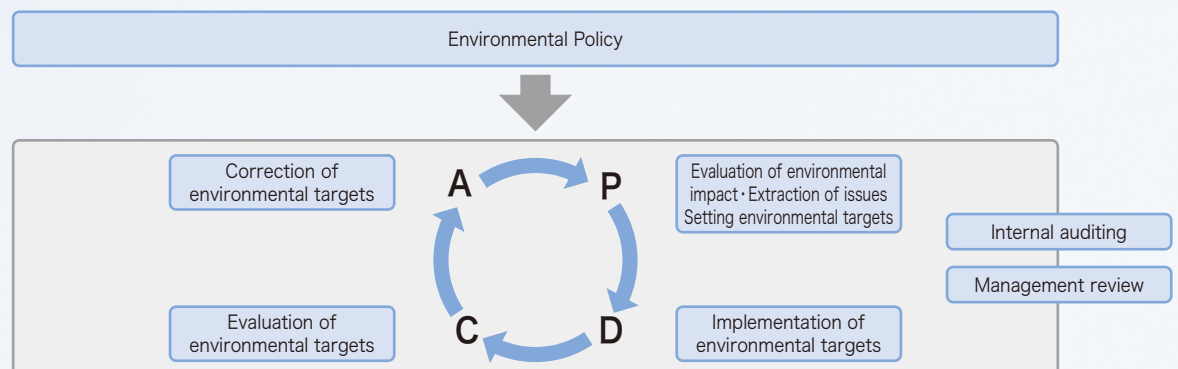
The Group, together with our customers, contributes to the protection of a rich global environment through the design, development, and sale of SoCs with outstanding environmental performance based on advanced technologies and solution businesses and services based on them. Based on the following action guidelines, the Group strives to reduce environmental impact and prevent environmental pollution throughout all life cycles, from development through procurement, production, distribution, sales, usage and disposal.

- (1) By actively promoting the development of environmentally friendly products, such as power saving, weight reduction, and appropriate management of chemical substances contained in them, we will actively contribute to lowering the burden on the global environment by reducing greenhouse gas emissions and waste, among others.
- (2) In order to minimize environmental impact via activities throughout the entire supply chain, from development to procurement, production, distribution, sales, usage, and disposal, we will make effective use of energy, raw materials, and water resources, manage greenhouse gas, waste, and water emissions, and ensure the management of chemical substances contained in materials and secondary materials.
- (3) In order to realize a sustainable society, we will strive to make effective use of resources, while working to prevent environmental pollution, carry out business activities and contribution initiatives that give consideration to biodiversity and forest conservation, and reduce the use of plastic.
- (4) We will comply with environmental laws and regulations in each country and region, as well as agreements with customers regarding these laws and regulations.
- (5) We will promote environmental contributions to local communities by raising the environmental awareness of all officers and employees.
- (6) To implement these environmental activities effectively, we will continuously improve our environmental management system.
- (7) In addition to aligning and supporting activities aimed at preserving the global environment and reducing environmental impact, we will work for appropriate disclosure of environmental information and contributions to the local environment in order to cooperate and collaborate with stakeholders.

## Environmental Management System (ISO14001)

As a specific effort to realize environmental policy, the Company has established an environmental management system based on ISO 14001, an international standard, and promotes environmental activities after obtaining third-party certification from an external certification organization.

In the environmental management system, under the leadership of top management, specific action plans for environmental activities are designed, the implementation and results of the plans are checked, and EMS committees and management reviews are held to ensure we perform a PDCA cycle, aiming for continuous improvement. By establishing the environmental management system, we are able to perform more effective activities, by grasping the status of activities, complying with laws, and responding to emergencies, etc.



### [Certification of Environmental management system (ISO14001)]



\*Before moving from the Kozoji Office to the Nagoya Office.

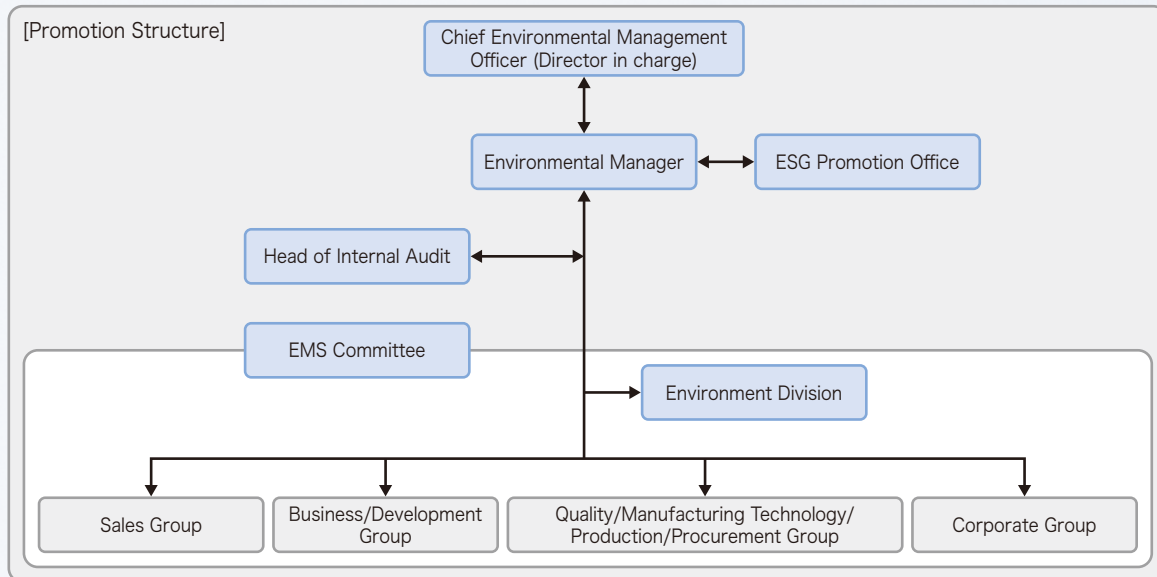


\*After moving from the Kozoji Office to the Nagoya Office.



## Environmental Management System (ISO14001) Promotion Structure

The Company promotes environmental activities by appointing environmental managers at each organizational unit under the Chief Environmental Management Officer (Director in charge). We also collaborate with the ESG Promotion Office, which is the sustainability promotion division, to coordinate with sustainability activities. The EMS Committee meets quarterly to review the results of environmental activities and share information



## Environmental Activities

The Company promotes environmental activities by having each division evaluate and identify environmental impacts and issues, set environmental targets, and check the results quarterly.

Division	Environmental impact and issues	Environmental targets and examples of activities
Sales Group	Power consumption and disposal of LSI products sold in the market.	By selling environmentally friendly products (low power consumption and miniaturization), reduce power consumption and waste generation.
Business/Development Group		By developing environmentally friendly products (low power consumption and miniaturization), reduce power consumption and waste generation.
	Disposal of defective LSI products.	Improved yield by reviewing development, manufacturing and testing processes.
Quality and manufacturing technology/Production/Procurement Group	Power consumption of the tester due to increased LSI test time.	Test time is reduced by optimizing the test and increasing the number of LSIs that can be tested simultaneously.
	Inclusion of regulated chemical substances in LSI products.	Comply with regulations in each country on chemical substances contained in products.
	Energy consumption in distribution.	Optimization of manufacturing and warehouse sites to shorten and streamline distribution routes.
Corporate Group	Power consumption for data center CPUs/servers.	Reduce power consumption of CPUs and servers in the data center used for design and development.
	Establish systems and processes to respond to climate change, environmental regulations and others.	Disclosure of information about environmental activities outside the company.
	Possession of chemicals used in development and defect analysis.	Inventory management of chemicals and SDS evaluation.
	Contribution to the global environment.	Volunteer cleaning activities and recycling of PET bottle caps.

## Providing Environmentally Friendly Products

To reduce environmental impact, the Group provides environmentally conscious products by promoting the use of renewable resources, improving energy efficiency, reducing the use of harmful substances, and developing products with low power consumption, and provides customers with peace of mind by complying with the various laws and regulations of each country.

The products of Socionext and the packing and packaging materials comply with the EU REACH regulations<sup>\*1</sup>, EU RoHS directive<sup>\*2</sup>, China RoHS directive<sup>\*3</sup> and other laws and regulations (excluding exceptions for applying usage prohibition measures).

\*1: The regulations in the EU with the purpose of registering, evaluating, authorizing, and restricting chemicals (Registration, Evaluation, Authorization and Restriction of Chemicals)

\*2: The directive that prohibits the use of specific hazardous substances in electronic and electrical equipment sold in the EU (Restriction of Hazardous Substances)

\*3: The directive that prohibits the use of specific hazardous substances in electronic and electrical equipment sold in the People's Republic of China (Regulatory ordinance preventing pollution from the production of electronic and information products)



## Environmental Education

In order to raise the environmental awareness of all officers and employees, the Company conducts annual e-Learning environmental education programs on the Company's approach to environmental issues, relationship with business operations, environmental laws and regulations, and the Company's initiatives for all executives and employees.

In addition, the status of the Company's environmental activities and targets is posted on the company intranet in an effort to circulate them and raise awareness among all executives and employees.

### [Results of Environmental Education (Japan)]

Item	Unit	Domestic Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Environmental education	Participation rate	100%	100%	100%

## Risks and Opportunities and Scenario analysis

In the fiscal year ended March 31, 2025, the Group identified the following climate change "risks" and "opportunities" in its business activities and calculated their financial and business impacts by scenario analysis.

### [Main climate change risks and Opportunities]

Category			Impact of climate change on the Group	The Group's action
Risks	Transition risk	Government policy and regulation	Increased costs due to action on improving energy efficiency and reducing GHG emissions. (Higher energy costs due to carbon pricing, etc.)	Identify in a timely way global trends and regulatory changes along with systematic investigation, implementation, and evaluation of actions. Determine GHG emissions in the supply chain and continue working with partners to reduce the emissions.
		Technology	Higher R&D spending to maintain and improve competitiveness in the market Higher production costs to maintain and improve competitiveness in the market.	Develop and distribute energy-saving and space-saving eco-friendly devices and solutions in partnership with customers and partners, while streamlining the development process for such devices and solutions.
		Market and Reputation	Sales decrease and reputation risk due to inability to offer environmentally friendly devices.	Develop and provide products and services that contribute to reducing GHG emissions.
			Regulation-driven increases in cost of materials, electricity, and other inputs.	Review the choice of parts and materials. Consider reducing power consumption by improving the efficiency of equipment installed in data centers.
	Physical risks	Acute	Disruptions at contract manufacturers and data centers due to growing severity of abnormal weather.	Regularly revise business continuity plans allowing for shutdowns or other disruptions at contract manufacturers and data centers, including decentralization of such sites.
		Chronic	Disruptions to outsourced production due to water shortages.	
			Higher power costs at data centers and other facilities due to rising air temperatures.	Study of potential power savings through more efficient use of equipment at workplaces and data centers.
Opportunities		Efficient resource use	Lower costs through more efficient use of resources (energy and water) at data centers and other workplaces	Lower costs through more efficient SoC development (use of proprietary multicore design techniques and AI engines and accelerators with low power consumption)
		Products and services	Higher demand, especially for products with low power consumption that help customers reduce GHG emissions and use energy more efficiently	Development and distribution of energy-saving and space-saving eco-friendly devices and solutions
		Market	Acquire new customers by leveraging low-power-consumption technologies.	Leverage low power consumption and miniaturization to acquire new customers, especially SoCs for ADAS/AD and data centers.

### [Scenario analysis]

Category	Scenario/Reference information
Periods	<ul style="list-style-type: none"> <li>Short term: -2026</li> <li>Medium term: 2027-2030</li> <li>Long term: 2031-2050</li> </ul>
Impact	<ul style="list-style-type: none"> <li>Small: 1 billion yen or less</li> <li>Medium: Over 1 billion yen but up to 5 billion yen</li> <li>Large: Over 5 billion yen</li> </ul> *Impact on a fiscal year basis
Scenarios	1.5°C/2.0°C scenario: SDS/NZE of the International Energy Agency (IEA), RCP/SSP1 of the Intergovernmental Panel on Climate Change (IPCC)
Scenario analysis process	The Group analyzed risks and opportunities under a scenario in which the global average temperature rise is limited to less than 2.0°C (partly within 1.5°C) as agreed in the Paris Agreement, as announced by IEA, IPCC, and others.

### [Impact on the Group under the 1.5°C/2.0°C scenario]

Category		Impact of climate change on the Group	Financial impact on business activities					
			Materiality <sup>1</sup>	Periods	Impact on	Degree of impact <sup>2</sup>		
						Small	Medium	Large
Transition risks	Government policy and Regulation	Increased costs due to action on improving energy efficiency and reducing GHG emissions (higher energy costs due to carbon pricing, etc.)	Medium	Medium to long term	Cost	→		
	Technology	Higher R&D spending to maintain and improve competitiveness in the market Higher production costs to maintain and improve competitiveness in the market	High	Short to medium term	Cost	→		
	Market and Reputation	Sales decrease due to changes in customer demand Reputation risk due to inability to offer environmentally friendly devices	Medium	Medium to long term	Net Sales	-		
		Regulation-driven increases in cost of materials, electricity, and other inputs	Medium	Medium to long term	Cost	-		
Physical risks	Acute	Disruptions at contract manufacturers and data centers due to growing severity of abnormal weather	Low	Medium to long term	Net Sales	-		
	Chronic	Disruptions to outsourced production due to water shortages	Low	Medium to long term	Net Sales	-		
		Higher power costs at data centers and other facilities due to rising air temperatures	Medium	Medium to long term	Cost	→		
Opportunities	Efficient resource use	Lower costs through more efficient use of resources (energy and water) at data centers and other workplaces	Medium	Medium to long term	Cost	→		
	Products and Services	Higher demand, especially for products with low-power consumption that help customers reduce GHG emissions and use energy more efficiently	Medium	Medium to long term	Net Sales	-		
	Market	Acquire new customers by leveraging low-power-consumption technologies	Medium	Medium to long term	Net Sales	-		

\*1: The degree of materiality, i.e., "high," "medium," or "low" is evaluated by considering the "likelihood of occurrence" and "degree of impact" of climate-related risks and opportunities.

\*2: The degree of impact for risks and opportunities that are difficult to estimate is presented as "-", keeping the qualitative evaluation in each item.



## Environmental Transition Plan

In the fiscal year ended March 31, 2025, our group established a transition plan approved by Board of Directors to reduce Scope1, Scope2, and Scope3 GHG emissions, as well as to improve environmental performance and reduce GHG emissions at the customer use stage.

### (1) Reducing GHG emissions toward carbon neutrality (Scope1, Scope2 and Scope3)

Our group focuses on advanced fields such as Automotive and Data Center. As a result, we are shifting to the development of advanced technology products (2nm to 7nm) and increasing integration. High integration leads to an increase in the amount of data processed in data centers, which is directly linked to an increase in GHG emissions.

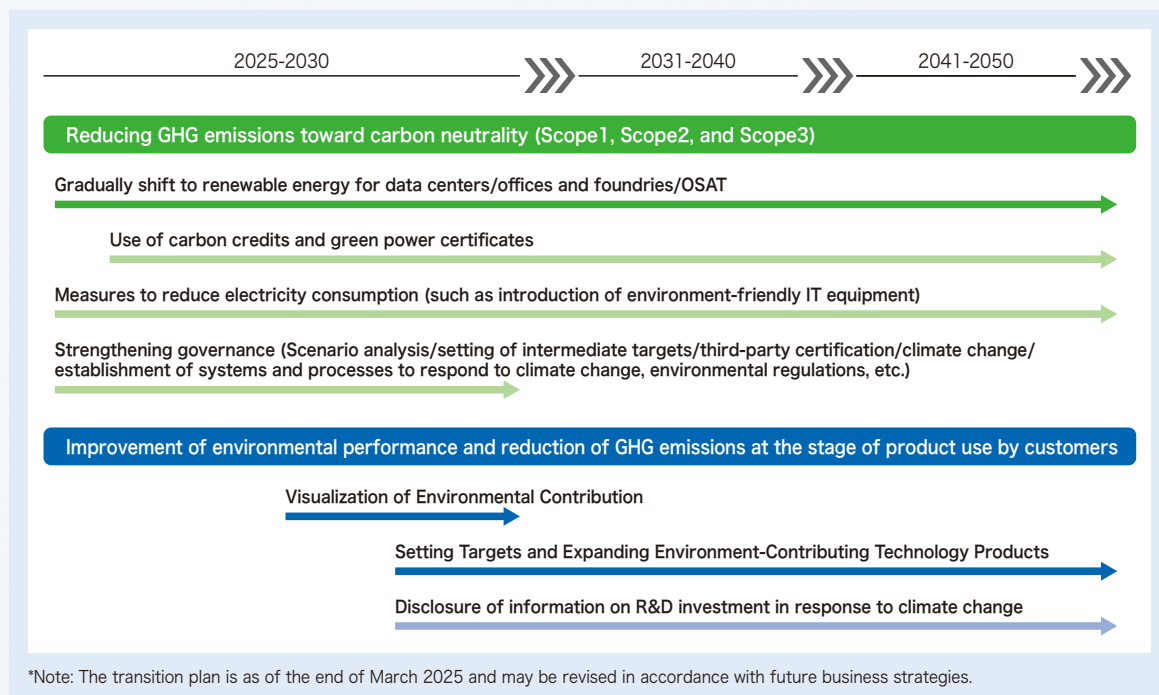
Also, in order to take full advantage of the horizontal division of labor in the semiconductor industry, our group has adopted a fabless business model with no factories and outsources product manufacturing to specialized manufacturers such as foundries and OSAT. The GHG emissions of Scope3 Cat.1 in our group, which include procurement costs from these contractors, account for more than 95% of the total GHG emissions of Scope1, Scope2 and Scope3, representing an extremely high ratio.

To achieve the target of carbon neutrality by 2050, we are steadily implementing measures to reduce GHG emissions based on the transition plan, focusing on the use of renewable energy in our data centers/offices and foundries/OSATs.

### (2) Improvement of environmental performance and reduction of GHG emissions at the stage of product use by customers

In recent years, with the development of autonomous driving technology and the beginning of market use of generative AI, the required computing power is expected to increase exponentially, and reducing power consumption and GHG emissions has become a social issue. By further deepening our group's technological commitment, we directly contribute to optimizing the power consumption and reducing GHG emissions in our customers' products, while our company quantitatively visualizes our contribution and uses it to formulate and track our own environmental goals, steadily promoting corporate sustainability and value.

## ●Main Initiatives



## Specific actions regarding the Transition Plan

### ●Introduction of Renewable Energy

Our group began introducing renewable energy in fiscal year 2024. Of the six sites in Japan, 35% and 25% of electricity consumption at Kyoto and Nagoya sites, respectively, has been replaced with renewable energy. In addition, Socionext Europe GmbH (headquarter: Germany), one of the six overseas consolidated subsidiaries, achieved 100% renewable energy use.

We are also working to reduce GHG emissions in our design and development operations, such as signing new contracts with data centers that use 100% renewable energy for some of our domestic data centers.

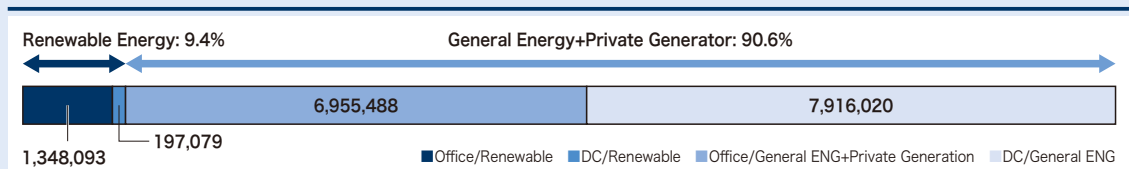
As a result of these efforts, we reduced GHG emissions by replacing 1,545,172 kWh (9.4%) of our total global electricity consumption of 16,416,680 kWh in Scope 2 in fiscal year 2024 with renewable energy.

In addition, as a measure to reduce GHG emissions under Scope3 Cat.4(Transport, Delivery (Upstream)), our group has started to introduce transportation services that use Sustainable Aviation Fuel: SAF.

SAF is a biomass fuel produced from sustainable raw materials (plants such as corn and sugar cane, waste cooking oil from restaurants and households, etc.) and is said to reduce GHG emissions by up to 80% compared to fossil fuels such as jet fuel. Our group plans to further reduce Cat.4 emissions by introducing more SAF.

#### [Fiscal Year 2024 Scope2 Global Power Consumption]

Fiscal Year 2024 Scope2 Global Power Consumption: 16,416,680 kWh





## ● Specific actions regarding optimizing power consumption and reducing GHG emissions in customer products

The Group is working to reduce power consumption from the development stage in order to maintain and improve market competitiveness and counter rising energy costs.

### (1) Efforts to reduce the power consumption of SoCs.

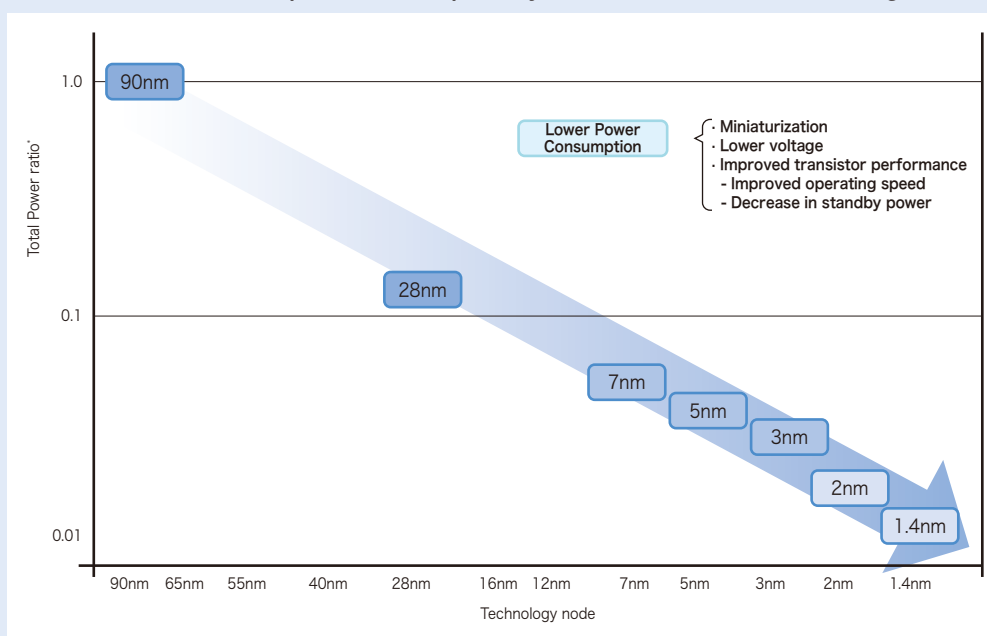
[Reduced power consumption by miniaturization]

In order to meet customers' demands for lower power consumption of SoCs, the Group is pursuing advances in process nodes (miniaturization and lower voltages) to achieve lower power consumption.

Comparing the power consumption of advanced and existing processes, the most advanced 2nm/3nm process consumes approximately 1/10 or less per transistor compared with the 28nm process.

We are also expanding investment in the development of leading-edge technologies (1.4nm/2nm) smaller than 2nm, and continuing to pursue miniaturization and lower voltages.

[Visualization of reduced power consumption by miniaturization and lower voltage]



\*: The vertical axis is the relative ratio of each technology with respect to the 90nm Total Power (sum of Dynamic and Leakage components)

[Design technology to achieve low-power consumption]

The SoC design of the Group is taking a variety of approaches to meet customers' demands for low-power consumption. To realize low-power SoCs, it is effective to combine various technologies, not only using individual technologies (see figure below). "Reference design flow," the Group's design environment, can respond to various low-power technologies and reduce power consumption of SoC's both during operation and standby. In particular, we are systematizing and developing methods to reduce power consumption by controlling the power supply.

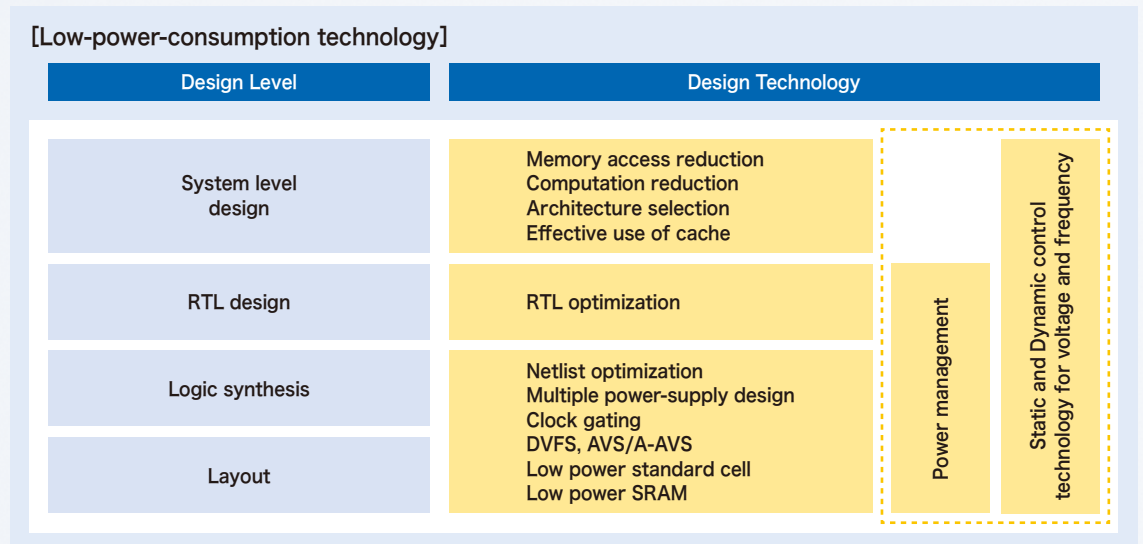
In addition, by adopting UPF/CPF\*, the Group facilitates low-power consumption design while minimizing changes to the customer's design assets. The adoption of UPF/CPF enables highly reliable designs for low-power technologies, which have been extremely difficult to verify in the past.

For more information, please refer to the Group's website.

<https://www.socionext.com/en/products/customsoc/design/low-power.html>

\*: UPF (Unified Power Format) is a standard specification that defines the Low power design guidelines standardized as IEEE Std. 1801

CPF (Common Power Format) is a standard specification that defines the Low power design guidelines standardized as Si2



[Design/development processes and packaging technologies that enable low power consumption]

In order to achieve low power consumption in our customers' products, we have established and operate our own development flow ("Design Review" mechanism). In this system, we contribute to the reduction of GHG emissions at various stages from product manufacturing to it being put to use by listening to customers' requirements for low power and determining specifications, proposing technology selection (including process node selection) to realize the requirements, and selecting foundries and OSATs that are proactive in measures to reduce environmental impact including GHG emission reduction, among other initiatives.

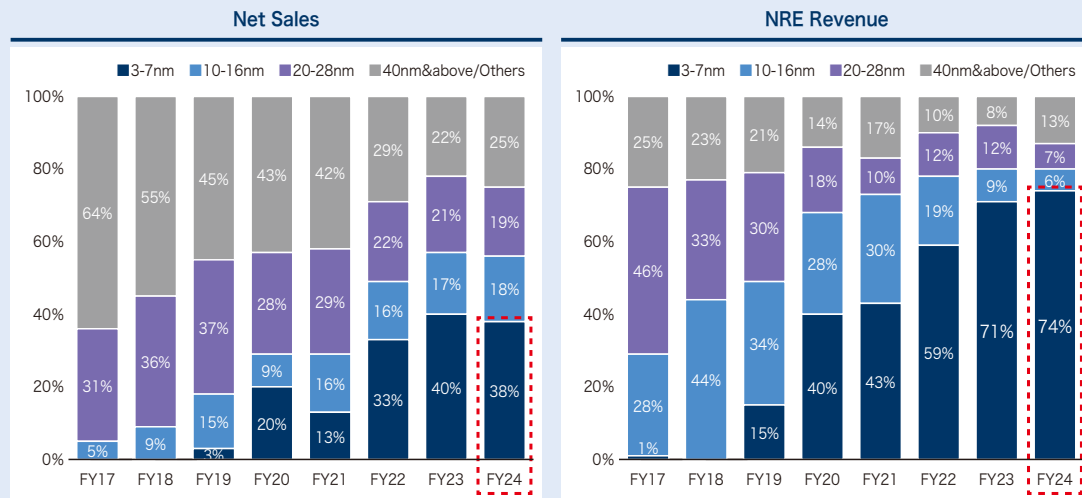
In the development stage, we are working on logic/physical design and packaging design (2.5D, 3D, chiplet strategy, etc.) oriented toward low power consumption and miniaturization, and contributing to the reduction of GHG emissions through SoC products.

As described above, the Group contributes to the reduction of power consumption at our customers' end by developing and providing advanced technology products and products incorporating diverse low-power-consumption technologies.

In terms of sales trends by process node, both product sales and NRE revenue are shifting toward advanced technology products (3nm to 7nm). NRE revenue (for the fiscal year ended March 31, 2025), a leading indicator of future product sales, show that advanced technology products account for 74% of total sales.



## [Breakdown of sales by process node]



### (2) Efforts to reduce size and space

The Group contributes to the reduction of materials used (mineral and fossil resources) by miniaturizing SoCs and to the reduction of energy consumption in the manufacturing process, from raw materials to finished products.

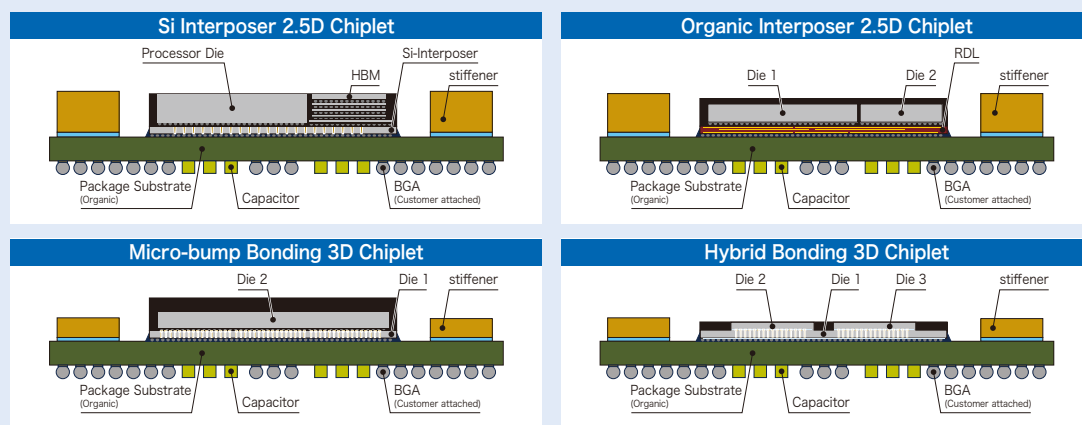
The miniaturization of SoCs leads to smaller size and space-saving in customers' end products, and also leads to easier countermeasures against heat generation during equipment operation. We believe that, in addition to reducing the material used and energy consumed in the manufacturing process by our customers, it leads to the realization of a sustainable society by reducing energy when using finished products (for example, improved cruising distance of electric vehicles, reduced burden on air conditioners in data centers, etc.).

In recent years, chiplets represented by 2.5D and 3D integration technologies have entered the practical stage and are expected to be a breakthrough against the limits of SoCs miniaturization. By actively promoting the adoption of this technology, the Group is promoting further miniaturization, space-saving designs, and low power consumption.

Chiplets have been commercialized by combining advanced technology (3nm to 7nm) SoC chips and multiple functional chips, and we have already begun shipping products for Data center & Networking and Automotive applications.

Aiming for a lower power consumption of chiplets, we have applied design technologies such as optimizing communication between chiplets, adopting low-power interconnect technology, and having fine control of power management for each chiplet to reduce overall power consumption.

## [Conceptual image of Chiplet cross-section structure]



(3) Efforts to Reduce Power Consumption at data centers

The shift in development to advanced technology products (2nm to 7nm) has led to an increase in the volume of data processing in data centers, and power consumption now accounts for about half of the Group's GHG emissions (the sum of Scope 1 and 2). As the scale of our business expands in the future, power consumption is expected to increase further.

As a measure to reduce power consumption in data centers, the Group is sequentially introducing and replacing its equipment with low-power-consumption devices, primarily CPUs and servers. In addition, we are working to reduce power consumption by curbing CPU/server operating time through streamlining operations by improving development processes, methods, etc.

## Indicators and Targets for the Environment

### ● Indicators and Targets for the Environment

GHG emissions (Scope1<sup>\*1</sup> and Scope2<sup>\*2</sup>) by the Group for the fiscal year ended March 31, 2025, were approximately 6,527 t-CO<sub>2</sub>. Compared with the previous year, this represents a reduction of 1,448 t-CO<sub>2</sub>. GHG emissions per net sales were 3.46 t-CO<sub>2</sub>, a reduction of 0.15 t-CO<sub>2</sub> compared with the previous year.

We have set a goal for the group of becoming carbon neutral by 2050 in terms of both Scope1 and Scope2 emissions, and we are continuing to investigate and implement reduction measures that will help us achieve this goal.

\*1: Direct GHG emissions by the organization

\*2: Indirect GHG emissions associated with consumption of electric power, heat, or steam supplied by other companies

#### [GHG Emissions]

	FY ended March 31, 2023 (t-CO <sub>2</sub> )	FY ended March 31, 2024 (t-CO <sub>2</sub> )	FY ended March 31, 2025 (t-CO <sub>2</sub> )	Year on Year (t-CO <sub>2</sub> )	Target
Scope1	168	199	254	55 (128%)	Achieve carbon neutrality by 2050
Scope2	8,172	7,776	6,936	(840) (89%)	
Total	8,340	7,975	7,190	(785) (90%)	
*Emission reduction through introduction of renewable energy (Scope 2)	0	0	(663)	(663)	
Net Total	8,340	7,975	6,527	(1,448) (82%)	

#### [GHG Emissions per 100 million yen unit of net sales]

	FY ended March 31, 2023 (t-CO <sub>2</sub> )	FY ended March 31, 2024 (t-CO <sub>2</sub> )	FY ended March 31, 2025 (t-CO <sub>2</sub> )	Year on Year (t-CO <sub>2</sub> )
Scope1 and 2	4.33	3.61	3.46	(0.15)



## [GHG Emissions Breakdown]

GHG Emissions <sup>*1</sup>		Global results <sup>*2</sup> (t-CO <sub>2</sub> )		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Scope1		168	199	254
Scope2	Market-base	8,172	7,776	6,273
	Location-base	8,327	7,774	7,098
	Of which, data center (Market-based)	3,678	3,655	3,156
	Of which, office/other (Market-based)	4,494	4,121	3,117
Scope3		581,631	396,738	340,898
Total	Market-base	589,971	404,713	347,425
Scope 3 details				
Cat.1	Purchased goods and services (Procurement amount base)	541,839	356,133	299,323
Cat.2	Capital goods (Capital investment amount base)	35,620	35,025	36,455
Cat.3	Fuel and energy-related activities not included in Scope 1 and 2 (Scope1 and 2 activity amount base)	1,375	1,327	1,244
Cat.4	Upstream transportation and distribution (Transport mass and distance base)	1,308	1,137	1,050
Cat.5	Waste generated in operations (Waste disposal consignment amount and amount base)	26	25	67
Cat.6	Business travel (Travel expenses and number of employees base)	953	2,267	2,016
Cat.7	Employee commuting (Commuting expenses paid and number of employees and working days base)	510	824	743
Cat.8	Upstream leased assets	Not applicable		
Cat.9	Downstream transportation and distribution	Not applicable due to calculation by Cat.4		
Cat.10	Processing of sold products	Not applicable		
Cat.11	Use of sold products	Not applicable		
Cat.12	Disposal of sold products	Not applicable		
Cat.13	Downstream leased assets	Not applicable		
Cat.14	Franchises	Not applicable		
Cat.15	Investments	Not applicable		

\*1: GHG emissions are calculated in accordance with the "Basic Guidelines for Calculation of Greenhouse Gas Emissions through the Supply Chain (the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan)."

\*2: We have changed our GHG emission calculation method and have revised the emissions results for Scope 1/2/3 retroactively to the fiscal year ended March 2023.

**[IFRS S2 Disclosure Requirements]**

Disclosure items	Indicator	Actual results*			SASB Comparison Table (code)
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
GHG emissions	(1) Gross global Scope 1 emissions	168 t-CO <sup>2</sup>	199 t-CO <sup>2</sup>	254 t-CO <sup>2</sup>	TC-SC-110a.1
	(2) Amount of total emissions from perfluorinated compounds	Since the Group's products do not contain such substances, there are no GHG emissions.			TC-SC-110a.1
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets and an analysis of performance against those targets	We aim to achieve carbon neutrality in GHG emissions (Scope 1 and 2) by 2050.			TC-SC-110a.2
Energy Management In Manufacturing	(1) Total energy consumed	192,639 GJ	161,037 GJ	149,701 GJ	TC-SC-130a.1
	(2) Percentage grid electricity	97.0%	96.0%	91.5%	
	(3) Percentage renewable	0%	0%	8.9%	
Water management	(1) Total water withdrawn	4,798m <sup>3</sup>	4,145m <sup>3</sup>	2,094m <sup>3</sup>	TC-SC-140a.1
	(2) Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Percentage of use in areas with "extremely high" and "high" water stress is 0%.			
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage of sales generated from products containing substances subject to IEC 62474 declaration is 0%. There is no use of IEC 62474 reportable substances in our Group's products that exceeds the threshold value, nor is there any use of reportable applications or substances.			TC-SC-410a.1
	Processor energy efficiency at a system-level for: (1) servers,(2) desktops and (3) laptops	Not applicable.			TC-SC-410a.2
Total production (Disclosure of Total Production by Manufacturing Equipment Owned by the Company and Manufacturing Equipment with a Manufacturing Contract)		159,068 thousand units	123,770 thousand units	99,612 thousand units	TC-SC-000.A
Percentage of production from own facilities		0%	0%	0%	TC-SC-000.B
		The Group outsources its manufacturing processes and does not produce at its own facilities.			

\*: We have changed the calculation method for "Energy management in manufacturing" and have revised the results retroactively to the fiscal year ended March 2023.



## Reduction in Energy Use

The Company has set a target of a 1% reduction in the five-year average of energy use in its operations (stretch target as defined in the Energy Efficiency Act<sup>\*1</sup>). Major energy reduction measures include the use of lighting LEDs and the efficiency data centers, etc.

The company was selected as a Class S company in recognition of its efforts to reduce energy use in the Act on the Rational Use of Energy (Energy Conservation Act)'s evaluation system by company classification in fiscal year 2023 (submitted in fiscal year 2024), and as a company with excellent energy conservation efforts (company achieving target). The selection is announced on the website of the Agency for Natural Resources and Energy.

S-Class Announcement Website (Japanese only)

[https://www.enecho.meti.go.jp/category/saving\\_and\\_new/saving/enterprise/overview/institution/](https://www.enecho.meti.go.jp/category/saving_and_new/saving/enterprise/overview/institution/)

S-Class Announcement News Release Website (Japanese only)

<https://www.meti.go.jp/press/2024/03/20250331003/20250331003.html>

### [Energy Consumption (Japan)]

	FY ended March 31, 2021	FY ended March 31, 2022	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Amount of energy use [KL/year] <sup>*2</sup>	3,817	3,356	2,761	2,098	1,802
Usage rate [KL/No. of employees]	1.721	1.529	1.260	0.962	0.836
Five-year average reduction rate [%]	-0.1	1.8	5.7	9.8	13.7

\*1: The Act on Rationalizing Energy Use and Shifting to Non-fossil Energy (Energy Efficiency Act)

\*2: Energy use is the total energy used by facilities in Japan covered by the Energy Efficiency Act

## Management of Waste

The Group complies with environmental policies and environmental laws and regulations in each region and strives to reduce waste.

Waste generated from business activities and offices (Unnecessary products and components, reticle, personal computers, peripheral electronic devices, etc.) is recycled as much as possible and then outsourced to specialized processors for recycling.

In addition, in promoting recycling, we select more appropriate recycling methods and disposal companies by understanding the weight of each category of waste, understanding hazardous substances, and thoroughly sorting waste.

The reduction of waste throughout the product life cycle is also set as an environmental target in the operation of the environmental management system (ISO14001), and the results are checked quarterly to promote environmental improvement activities through PDCA.

We will continue to reduce waste and work with our manufacturing vendor and specialized treatment companies to further reduce the environmental impact of waste disposal.

## Efforts to conserve water Resources

The group operates as a fabless company without factories, its business bases are limited to offices. Water use and utilization is limited to drinking water and other domestic water, and 100% of water used is discharged to public sewage treatment plants.

For this reason, it is difficult for our group to make direct efforts to reduce water consumption and recycle water. However, as a member of the semiconductor industry, which uses a large amount of water, we recognize that conservation of water resources is not only the lifeblood of our business, but also an important issue for companies that utilize natural capital in their business activities to fulfill their social responsibilities.

In addition to monitoring and managing water consumption on a global basis, our group conducts water risk assessments at all of its 16 global sites using WRI Aqueduct, a global assessment tool for identifying water risks. As a result of the assessment, Aqueduct did not operate in areas classified as significantly high risk or high risk for water stress. Our group will also focus on efforts throughout the supply chain and continue to play a viable role in conserving water resources.

### [Water Consumption (Global)]

Item	Unit	Global Results <sup>*1</sup>		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Water usage	[m <sup>3</sup> ]	4,798	4,145	2,094 <sup>*2</sup>

\*1: The actual water recycling volume is 0 m<sup>3</sup>.

\*2: Water consumption decreased due to the closure of the Kozoji office.

The company controls water pollutants through the operation of its environmental management system (ISO14001) by establishing internal rules for environmental impact assessment, chemical substance/chemical management, and waste management.

In accordance with the Water Pollution Control Law and the Sewerage Law, our internal regulations specify waste oil (organic solvent/volatile oil, etc.) and acidic/alkaline wastewater (Acidic effluent with a pH of 2.0 or less and alkaline effluent with a pH of 12.5 or more) as specially controlled industrial waste.

Among our company's operations, the handling of the above water pollutants is limited to some operations, such as the physical analysis of LSI, and the treatment of waste oil and liquid is outsourced to an industrial waste treatment company that meets our company's selection standards, and is not discharged into general sewage systems.

The group provides safe drinking water and clean toilet facilities (WASH services) at all its business sites.



## External Evaluation of Sustainability Activities

Since its listing on the Prime Market of the Tokyo Stock Exchange in October 2022, our group has been actively promoting sustainability activities integrated with management. In the Carbon Disclosure Project (CDP) this year, we received a B rank in the first survey. In addition, we received 3 stars in the overall ranking of the 6th Nikkei Business Survey on SDGs sponsored by Nikkei Inc., and were selected as one of the top 500 companies in the GX500 Decarbonization Management Ranking.

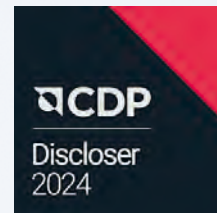
Our company has recently been selected for inclusion in the Sampo Sustainability Index for fiscal year 2025, as well as the FTSE Blossom Japan Index and FTSE Blossom Japan Sector Relative Index, both of which are used by the Government Pension Investment Fund (GPIF) and other sustainable investment funds.

Based on these evaluation results, we are working to further advance our sustainability activities.

### ●Acquired a B rating in 2 areas of CDP 2024: Climate Change and Water Security

The Carbon Disclosure Project (CDP) is the world's only independent non-profit organization to manage an environmental information disclosure system. It collects and analyzes climate change and other environmental information from major companies around the world and rates the results on a nine-point scale (A, A-, B, B-, C, C-, D, D-, F). The CDP database is regarded as the global standard for environmental information disclosure, and the number of institutional investors seeking information disclosure through CDP is increasing year by year.

More than 24,800 companies worldwide responded to CDP 2024 and were evaluated. Participating in the survey for the first time, the Group received a "B" rating in the areas of "climate change" and "water security." This is the third-highest rating.



### ●Rated three stars in the Nikkei Inc.'s 6th Nikkei SDGs Management Survey

We received three stars in the overall ranking of the 6th Nikkei SDGs Management Survey sponsored by Nikkei Inc. The Nikkei SDGs Management Survey assesses companies' efforts toward the United Nations Sustainable Development Goals (SDGs) by rating overall scores in four areas: SDGs strategy/economic value, social value, environmental value, and governance.

The Group received high marks for its "governance policy and effectiveness" and "shareholder engagement and shareholding" among the surveyed subjects.



### ●Selected for 2024 GX500 Decarbonization Management Ranking by Nikkei Inc.

We were selected as one of the top 500 companies in the GX500 Decarbonization Management Ranking sponsored by Nikkei Inc. The GX500 Decarbonization Management Ranking is a comprehensive evaluation of corporate decarbonization efforts and ranks 500 leading companies in the era of green transformation (GX). A total of 887 companies, including listed companies in Japan, that responded to the survey are ranked and rated based on their overall scores in five areas: information disclosure, emission management and reduction performance, energy conservation and renewable energy use, specific measures to reduce greenhouse gases, and reduction target setting.

The Group received high marks for its response to information disclosure, among the surveyed subjects.

### The GX500 Decarbonization Management Ranking



## ●Selected for inclusion in the Sampo Sustainability Index in Fiscal Year 2025

The group was selected for inclusion in the Sampo Sustainability Index for fiscal year 2025 compiled by Sampo Risk Management Inc.

The Sampo Sustainability Index is made up of approximately 300 stocks that demonstrate excellent ESG initiatives, based on ESG evaluations conducted by the Environmental Management Survey and the ESG Management Survey conducted by Sampo Risk Management Co., Ltd., and has been adopted by pension funds and other institutional investors as an index for Sampo's Sustainable Management<sup>\*</sup> index.

2025



Sampo Sustainability Index

\*: Sampo Sustainable Management (Japanese only)- <https://www.sampo-am.co.jp/institutional/product/06/>

\*: More info on Socionext Sustainability- <https://www.socionext.com/en/sustainability/>

## ●Socionext Selected for Inclusion in FTSE Blossom Japan Index and in FTSE Blossom Japan Sector Relative Index

Our group has been newly included in both the "FTSE Blossom Japan Index" and the "FTSE Blossom Japan Sector Relative Index" prominent ESG (Environmental, Social, and Governance) investment indices recognized by sustainable investment funds, such as the Government Pension Investment Fund (GPIF).

### About the FTSE Blossom Japan Index

Developed by FTSE Russell, a global index and data provider of the London Stock Exchange Group, the FTSE Blossom Japan Index serves as an industry-neutral benchmark focused on Japanese companies. It highlights the performance of firms demonstrating strong Environmental, Social, and Governance (ESG) practices. FTSE Russell evaluations are based on performance in areas such as Corporate Governance, Health & Safety, Anti-Corruption and Climate Change. Businesses included in the FTSE Blossom Japan Index meet a variety of environmental, social and governance criteria.



**FTSE Blossom  
Japan Index**

### About the FTSE Blossom Japan Sector Relative Index

The FTSE Blossom Japan Sector Relative Index is designed, focusing on Japanese companies, as a sector neutral benchmark that reflects the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices in Japan.



**FTSE Blossom  
Japan Sector  
Relative Index**

FTSE Blossom Japan Index / FTSE Blossom Japan Sector Relative Index  
<https://www.ftserussell.com/products/indices/blossom-japan>

## Dialogue with Environmental Stakeholders

Through dialogue with stakeholders, our group hopes to strengthen its efforts to address environmental issues and contribute to the realization of a sustainable society. We actively engage in dialogue with various stakeholders, including shareholders, investors, and partners, on climate change and other environmental issues to reduce environmental impact and promote environmental conservation activities.

As part of these efforts, in fiscal year 2024 we began holding sustainability meetings with shareholders and investors, as well as holding hearings with our partners, mainly manufacturing contractors, on the setting of targets/progress to cope with climate change.



## Society



Socionext Group believes that mutual enhancement and cooperation among diverse employees and organizations will enhance leading-edge technology and global development competitiveness, and also serve as the foundation for sustainable growth, leading to the realization of our group's Mission: "Together with our global partners, we bring innovation to everyone everywhere."

Based on the belief that "human resources are the source of corporate value," we focus on "human resource development," "human rights," "diversity and inclusion," "health and safety," and "health promotion," and actively promote the creation of an environment where diverse human talent can maximize their capabilities and support their growth.

Our group has received external evaluations such as EcoVadis, RBA-Online, and SAQ 5.0. We also meet the requirements of rating agencies such as S&P Global CSA and Nikkei Sustainability Survey. These assessments are based on international sustainability standards and are conducted by expert communities specializing in sustainability and supply chain management. We are working to enhance corporate value and achieve sustainable growth while deepening trust with stakeholders through feedback from rigorous third-party evaluations.

### Human Resource Development

#### ●Basic Philosophy on Human Resource Development

Through our leading-edge SoC solution business, we at the Group seek to live up to the many expectations of our stakeholders, including customers, partners, employees, and local communities. We will do so by striving to achieve sustainable growth as a company that supports global innovation through the pursuit of advanced technologies. To this end, we promote human resource development initiatives that cultivate professionals who take ownership of their work and are willing to tackle challenges as enthusiastic self-starters.

#### ●Recruitment

To attract talented engineers, the Socionext group is strengthening its efforts to recruit new graduates and experienced professionals. In Japan, we hired 36 new graduates in the Fiscal year ending March 2025 and 32 experienced employees. We will continue to utilize a variety of recruitment methods to attract more talented employees.

##### (1) Recruitment of new graduates

In our recruitment activities for new graduates, we have introduced a job-specific recruitment system to ensure that students are hired in a manner that matches their wishes and abilities.

In addition, we maintain close communication with approximately 350 students through "laboratory visits" to universities that conduct research closely related to our business, "one-day work experience" for a one-day experience of our company's development work, and "Open Company" for company tours and meetings with senior employees. We also utilize the direct recruiting tools targeting science students to recruit as many talented students as possible who are aligned with our company's business and development activities.



## (2) Recruitment of experienced personnel

In our recruitment activities for experienced personnel, we utilize more than 10 recruitment agencies, direct recruiting tools, and employee referral systems to acquire highly specialized personnel who match our company's business and development operations and are ready to work. We also offer an Alumni recruitment program for employees who have worked at our group in the past.

Number of hires	Results		
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
New graduates (persons)	12	26	36
Mid-career (persons)	32	39	32

## ●Personnel and Evaluation Systems

In particular, we have been working to reform our personnel system in order to proactively recognize and reward talented individuals. Since the fiscal year ended March 2023, our company has shifted from a functional qualification system to a role grade system, and the compensation system has changed accordingly. In the conventional functional qualification system, remuneration tends to rise according to the length of service, and even if young employees perform well, it is difficult to reflect this in remuneration, and a certain number of years are required for promotion. Our group's business situation and the environment surrounding it are changing, including changes in business models, global business expansion, and cutting-edge technological innovation. Our company believes that it is difficult to flexibly treat personnel who will contribute to our company in response to these changes under the conventional functional qualification system, and has therefore shifted to a role grading system. As a result, the seniority system has been eliminated, and we are actively promoting the appointment and hiring of talented personnel according to their roles, responsibilities, and achievements, regardless of age or length of service.

Additionally, within the role grading system, we have different personnel systems for engineers and non-engineers.

### (1) Engineer System

In order to create an environment in which engineers can work actively, we have created an environment in which engineers can concentrate on development while organizing projects flexibly by flattening the engineering organization.

In addition, with regard to the remuneration system and evaluation system for engineers, we have introduced a system that clarifies the image of an engineer that we require, objectively evaluates development results and technical skills according to the engineer's role, and provides appropriate treatment according to roles, responsibilities, and achievements regardless of age or experience.

In addition, each engineer has regular 1-on-1 meetings with their supervisor in which they share their career path and the specific actions they are taking to achieve it, supporting their personal growth.

In the past, employees were promoted or demoted once a year, but to enable engineers to play an active role in the company, from the fiscal year ended March 2026, engineers who meet certain conditions and are recognized for their roles and contributions to the business in higher grades can be promoted at any time.

### (2) Professional System (personnel system for personnel other than engineers)

For non-engineers, we have introduced a professional system that treats talented people according to their roles, responsibilities, and achievements, behavioral expectations based on their roles, regardless of age or experience, and will actively treat professionals who can act autonomously and globally.

### (3) Internal recruitment system

We have introduced an internal recruitment system to expand opportunities for career choices within the company and to shift employees to an environment where they can make the most of their individual strengths.



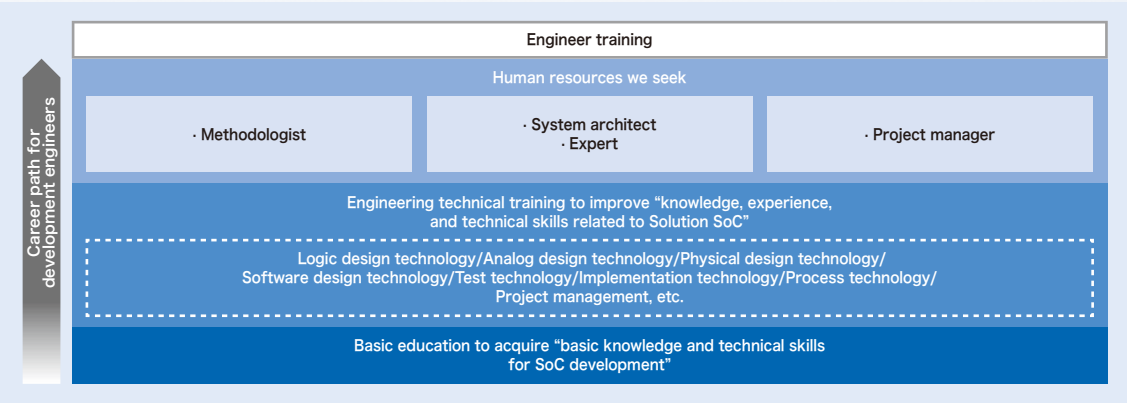
●Main Actions on Human Resource Development

(1) Engineer training

(i) Clarification of human resources required

The Group considers the training of engineers to be one of its most important management issues. In its medium-term business plan, the Group plans to expand business, focusing on each field of Automotive including autonomous driving (AD), advanced driver assistance systems (ADAS) and in-vehicle sensing; Data center & Networking including data centers and AI accelerators; Smart Devices including action cameras and network cameras; and Industrial Equipment including factory automation (FA) and measuring instruments. In these fields, companies requiring their own SoCs are seeking a partner with expertise not only in SoC architecture, but also a deep understanding of the final products and services the SoC will be equipped with. The ideal partner should also be capable of integrating advanced hardware and software technologies to deliver the optimal solution for differentiation. We believe that achieving such the "Solution SoC" business model will require the following engineering talent.

- Methodologists to maintain development competitiveness globally
- System architects who can propose and formulate optimal SoC architecture specifications based on customer requirements
- Experts in each field who can create implementation specifications and design from architectural specifications
- Project managers who earn the trust of customers and lead development smoothly to the goal



(ii) Clarification of skills required for human resources

In order to increase the number of engineers needed, the Group clearly defines the skills and experience required and works to visualize the skills and other resources possessed by each engineer.

[Engineer role model and Skill/importance matrix]

		Method- ologist	Systems Architect	Expert						Project manager
				Logic design	Analog	Physical design	Software	Test	Imple- mentation	
Technical skills	Logic design technology	a-	a-	a	c	b-	b	b-	c	b
	Analog design technology	a-	b-	c	a	c	c	c	c	c
	Physical design technology	a-	a-	b-	b	a	c	b-	b-	b
	Software design technology	a-	a-	b-	c	c	a	c	c	c
	Test technology	a-	b-	b-	c	c	c	a	c	b-
	Implementation technology	a-	b-	c	c	b-	c	c	a	b-
	Process technology	b	b	c	b	b	c	b-	b-	c
	Project management	b	b	b	b	b	b	b	b	a
Global leader skills	Communication, problem-finding/solving skills, etc.	Practical abilities responding to roles and situations in development projects (Skills required for proposal-based human resources who can play an active role globally)								

[Materiality]

a : Possess a particularly high level of expertise

a-: Possess a particularly high level of expertise in any of the designated skills (a-)

b : Can utilize and apply basic technology

b-: Can utilize and apply basic technology in any of the specified skills (b-)

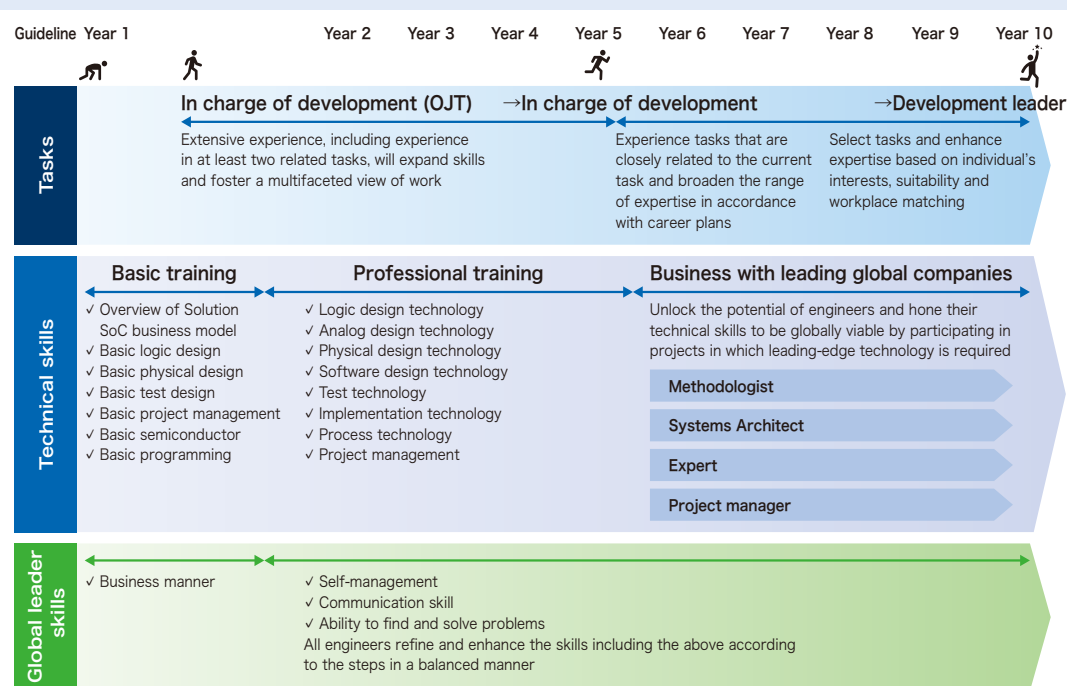
c : Possess basic skills



(iii) Human resource development program for skill acquisition

As part of its efforts to develop engineers, the Group has established a system in which each engineer has a 1-on-1 meeting with his or her supervisor. By sharing their career paths and specific actions to achieve them, the Group supports individuals' growth. In addition, to ensure that each engineer acquires the necessary skills and experience, we have formulated and implemented educational programs tailored to each engineer's level. We are also strengthening our educational support system (Development program for language and communication skills) for language and communication skills, which are essential for conducting business with overseas customers and partners.

[Roadmap for developing engineers]



[Development program for language and communication skills]

For leaders	<ul style="list-style-type: none"> <li>Advanced communication skills (1-on-1 training)</li> <li>Global mindset training (group training)</li> <li>Group coaching training</li> </ul>
For general employees	<ul style="list-style-type: none"> <li>Basic communication skills (group training)</li> <li>Global mindset training (group training)</li> <li>English language skills training</li> <li>Language training for new employees (group training)</li> </ul>
Common to all employees	<ul style="list-style-type: none"> <li>Strengthening basic English language skills (language training application)</li> </ul>

[Implementation status of engineer training]

Implementation status of engineer training		Actual results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Total training hours (hours)		21,000	19,500	18,900
Per engineer	Training hours (hours)	14.4	13.2	12.8
	Invested values (10,000 yen)	1.45	2.04	2.87

(iv) Human resource development indicators and results

In the medium to long term, it is expected that the number of overseas business negotiations will grow and that there will be an increase in collaboration with global partners such as IP vendors, tool vendors, foundries and OSAT that provide the latest technologies. To address these issues, we are increasing opportunities for many engineers to strategically participate in overseas business and leading-edge technology businesses, and are promoting the accumulation and utilization of the know-how and experience gained by engineers on an organization-wide basis. We also provide feedback on our educational programs and are continuously reviewing them.

**[Project experience status of engineers]**

Project experience status of engineers	Actual results			Target by 2030
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Ratio of employees with experience in global projects (%)	72	82	87	Over 90%
Ratio of employees with experience in advanced projects (7 nm or smaller) (%)	61	75	82	Over 90%

As a result of these efforts to develop human resources, the number of engineers (Methodologist, Systems Architect, Expert, Project Manager) meeting the Company's standards has increased since the fiscal year ended March 2023, the baseline period. Particularly, Methodologists increased by 125 points as a result of measures including resource shift and human resource development. We will continue to accelerate our efforts to improve the index year on year.

**[Transition of Engineers who meet the criteria]**

Transition of Engineers who meet the criteria <small>*Index based on the number of employees in the fiscal year ended March 2023 (100)</small>	Actual results			Target
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Methodologist	100	200	225	Index improved year-on-year
Systems Architect	100	118	141	Index improved year-on-year
Expert	100	101	105	Index improved year-on-year
Project manager	100	97	115	Index improved year-on-year



## (2) Implementation of Education and Training Systems for all employees

As part of its training programs for new and younger employees, our company encourages them to improve their motivation and skills and strives to create an environment in which they can perform autonomously at an early stage. In addition to introductory training after joining the company, follow-up training is conducted six months, one year, and two years after joining the company to develop basic business skills such as communication skills and compliance. The two years after joining the company are designated as the initial training period. Based on a training plan tailored to each young employee, OJT is used to improve practical skills and experience under the guidance of senior employees (trainers).

In addition, when promoted to a managerial position, we provide opportunities to acquire the knowledge and skills necessary for managerial positions, such as management, communication, and accounting, through exchanges of opinions with executives, group training, and correspondence courses.

Also, as common education for all employees, we provide e-learning on compliance, information security, prevention of insider trading, prevention of harassment, environment, purchasing transactions, and laws and regulations related to export control every year. 100% of employees take this course.

In addition, with the aim of fostering global human resources, we promote initiatives to improve language skills, such as TOEIC examinations and support for the use of language learning apps to strengthen the language skills of each employee.

### [Implementation status of Education and Training Systems]

Implementation status of Education and Training Systems		Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Per employee	Learning time (hours)	11.8	11.3	11.7
	Investment amount (10,000 yen)	1.25	1.76	2.59

## Human Rights

### ●Basic Philosophy Regarding Human Rights

In the CSR policies that constitute our group's basic philosophy, our group recognizes that it has an important duty to respect human rights and to maintain a good working environment.

Respect for human rights	We will respect the human rights of each and every employee and have no tolerance for discrimination or other such violations of human rights.
Maintain a good working environment	To foster the wellbeing of employees, we will create a healthy and pleasant working environment that respects individuality and treats people fairly.

The Group respects the human rights of all stakeholders involved in the conduct of our business (including customers, partners, employees, and local communities) and will not treat people in ways that are discriminatory or violate their human rights, whether it be with regard to gender, age, nationality, ethnicity, beliefs, religion, social status, employment type, marital status, pregnancy, ancestry, sexual orientation or gender identification, physical features, health, disability, or other such attributes.

We respect the human rights of everyone who works at the Socionext group or in our supply chain. Along with eliminating harassment (power harassment, sexual harassment, etc.) and providing a healthy and empowering workplace, we comply with all labor laws covering matters such as working hours and minimum wage and never engage in forced labor, child labor, or slavery. We also support freedom of association, the right to collective bargaining, and the right to privacy.

## ●Prohibition on Discriminatory Treatment of Employees

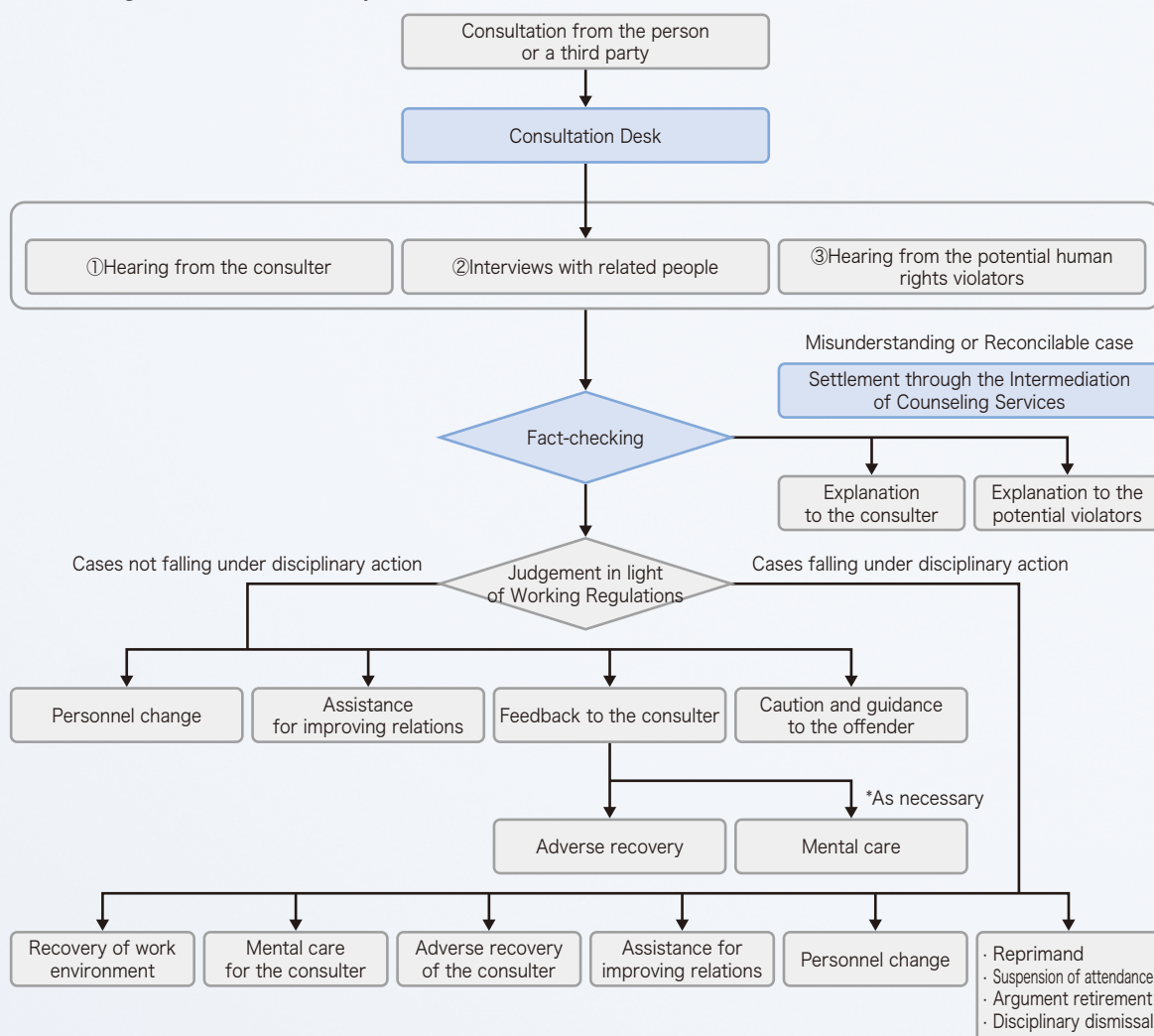
The Group has established clear rules prohibiting the discriminatory treatment of existing or candidate employees on the basis of factors such as nationality, beliefs, gender, or social status, and strictly prohibits discriminatory treatment in its internal regulations. Any violation of the regulations is subject to disciplinary action under the Working Regulations.

## ●Establishment of Whistle-blowing System

The Group has established a human rights whistle-blowing system for human rights violations such as child labor and forced labor, discriminatory treatment, and various forms of harassment such as sexual harassment and power harassment. This consultation service is operated by the head and other responsible members of the Corporate Affairs and Human Resources Division. In the event of a consultation, we check the facts, taking the wishes of the person who consulted us into account, and take measures to provide relief, correct the situation, and prevent recurrence. When a consultation is made through this office, we take measures to ensure anonymity and protect individuals from any disadvantageous treatment resulting from their cooperation in the consultation or investigation.

The system provides for both internal reporting (to the Socionext Risk Compliance Committee Secretariat/Full-time Audit & Supervisory Committee Member) and external reporting (to the Socionext Reporting Contact at TMI Associates). By providing these reporting channels, the system helps to prevent such human rights violations from happening, or, if they do occur, enables them to be detected early and dealt with appropriately.

### [Human Rights Consultation Response Flow]





## ●Efforts to Prevent and Eradicate Harassment in the Workplace (Human Rights Education)

Our company provides human rights education with the aim of improving employee awareness and understanding of human rights.

- Implementation of group-based human rights education for new employees
- Conducted human rights education (including harassment prevention and understanding of LGBTQ+) via e-learning for all employees (100% participation rate)

## ●Efforts to Prevent and Eradicate Child Labor and Forced

Our group requires age verification when hiring employees, and prohibits hiring that may violate child labor laws. We do not tolerate any act that constitutes forced labor. These policies are set forth in our group's CSR Policy, and employees are encouraged to observe them thoroughly.

Based on Socionext CSR Procurement Guidelines, we are also requesting our business partners to comply with the prohibition of child labor and forced labor.

## ●Human rights of External Stakeholders

Human rights due diligence is conducted annually for all new and existing partners. This due diligence is in accordance with our group's CSR Policy and CSR Procurement Guidelines, and we request each partner to observe this policy. In addition, we have established a Whistle-Blowing System for human rights violations which is available to external parties, such as our business partners, in the event of a problem.

For more information on reporting contact, see Compliance > Whistle-Blowing System (P.103)

## Diversity and Inclusion

### ●Basic Philosophy on Diversity

Our Group strives to foster a corporate culture that is welcoming of people with different personalities, attitudes, and values and in which they can fulfill their potential. To achieve this, we recruit and appoint staff regardless of factors such as nationality, gender, or age, and are working to create an environment in which a diverse range of people can thrive in their work.

Diversity and inclusion systems and initiatives	<ul style="list-style-type: none"> <li>· Flextime work system with no core-time</li> <li>· Flexible telecommuting operations</li> <li>· Curbing long overtime work</li> <li>· Recruitment and support of global talent (e.g., hiring new graduates joining in October, global communication training programs, etc.)</li> <li>· Review of the system for promoting Managers</li> <li>· Introduction of scholarship refund support system</li> <li>· Review of post-retirement re-employment system</li> <li>· Childcare leave system/shortened working-hour system for childcare</li> <li>· Subsidy for babysitter fee</li> <li>· Telecommuting program for nursing and caregiving</li> <li>· Shorter working hours for treatment of illness or disease</li> <li>· Leave of absence (child plans, nursing care, etc.)</li> <li>· Accrued leave system (child-rearing, nursing care for the sick and elderly, etc.)</li> <li>· Continued recruitment of people with disabilities and environmental improvements</li> <li>· Operation of a massage room where employees with visual impairment offer massage services</li> <li>· Routine in-house work substitution system for employees with mental disabilities</li> <li>· Conduct a survey of environmental improvement for persons with disabilities and make improvement</li> </ul>
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## ●Main Actions on Diversity

### (1) Creating an environment in which Women can thrive

We are promoting the creation of an environment in which women who balance work and family life can work comfortably, through such measures as a short-time work system, various leave and vacation systems, and a system to subsidize the cost of babysitting services. In order to diversify work styles, we are promoting the operation of a non-core flextime system and a telecommuting system, while prioritizing measures to reduce long hours of overtime work, and are promoting the creation of a healthy and comfortable workplace for diverse human resources, including women. In the future, we will work to reform the company's awareness and culture, such as by enhancing training for young and female employees and promoting the further active participation of female leaders and the participation of men in childcare. The actual results for the female manager ratio, gender wage gap, and rate of men taking childcare leave are as follows, and we aim to increase the ratio above the current level through these efforts.

#### [Ratio of female managers, gender pay gap, and percentage of male taking childcare leave]

	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	Target
Ratio of female managers	2.3%	2.6%	2.6%	Over 3.4% (by FY 2028)
Gender pay gap (Regular) *Ratio of average annual wage of female to average annual wage of male	72.6%	72.5%	74.7%	-
Male taking childcare leave	15.8%	57.1%	93.3%	Over 50.0%

### (2) Creating an environment in which senior employees can thrive

We have established a post-retirement re-employment system for employees who wish to continue working after the retirement age of 60, up to the maximum age of 65. We strive to create an environment in which senior human resources can continue to play an active role within the company, utilizing the experience, knowledge, and skills they have cultivated, and as of the end of March 2025, 228 senior employees are working actively.

### (3) Action on Hiring disabled employees

Socionext is hiring more disabled employees and is working to create an environment in which people with many different types of disabilities can thrive. To expand opportunities for disabled employees, Socionext has also set up its Health Keeper Program, which is run by five staffs with visual impairments and provides massages to employees, and the Challenge Staff Program, in which seven staffs with mental or developmental disabilities take on routine internal work.

As of the end of March 2025, the employment rate of disabled persons was 2.4%. The company intends to hire more disabled employees in the future and to provide them with steady and ongoing employment.

### (4) International Recruitment

The group operates group companies in several different countries and regions, including Asia, Europe, and North America, recruiting or appointing talented employees from these places and encouraging their participation. Likewise, approximately 47 employees in Japan are of overseas nationality, with the selection of both new recruits and mid-career year-round hires being done without regard for nationality.

We are also strengthening our engineering resources at development sites in the US, Europe, Asia, India, and other regions to support our global business expansion.

### (5) Promoting understanding of LGBTQ+

The group aims to create an environment in which employees can reach their full potential regardless of their sexual orientation or gender identity.

As part of these efforts, we believe it is important for each and every employee to properly understand LGBTQ+. We are working on the following initiatives and will continue to improve the system.

- We will improve understanding of LGBTQ+ people through human rights education (e-learning) for all Socionext employees.
- Establishment of an in-house counseling center for LGBTQ+
- Employees and development of a multi-purpose toilet environment.



## Labor-Management Relations

### ●Basic approach to labor-management relations

Our company views its labor union as the representative of its employees, has concluded a collective agreement with the SocionextL labor Union, supports the right to collective bargaining, and maintains good labor-management relations based on the sharing of management information and prior consultation.

Labor and management are working together to prevent excessive working hours for employees through labor-management consultations, concluding the 36 Agreement, establishing internal management standards, and holding a meeting at least once a month to explain the status of overtime work, how to deal with it, and what measures should be taken in the future.

In addition, to promote mutual communication between labor and management and to maintain and improve labor productivity, we hold labor councils to sincerely discuss labor-management issues to be resolved and the direction the company should take in relation to working hours, working conditions, diversity, etc.

## Wage management

### ●Basic wage policy

Based on the labor laws and regulations of each country and region, our group stipulates various conditions, such as appropriate wages, various allowances, and other extraordinary salaries, in wage regulations. In terms of employment, operations and treatment, we promote equal opportunities and do not discriminate in any way. We have established a fair salary system with equal opportunities so that each employee can take full advantage of his or her abilities and motivation by establishing a highly satisfactory evaluation and promotion system for each role.

### ●Efforts to ensure minimum wage compliance and a living wage

In our group, we comply with minimum wage regulations and pay at least the minimum wage amount by region and industry. In addition, a living wage is an employee's right, and our basic policy is to pay employees not only the minimum wage stipulated by laws and regulations but also an appropriate living wage that takes local prices and other factors into account to realize a prosperous and stable life for employees and their families.

The wages paid by our company to its domestic employees in the fiscal year ended March 2025 were higher than those in the "2024 RENGO Living Wage Report" and the "Living Wage by Prefecture" published by the Japanese Trade Union Confederation in September 2024, confirming that the wage system basically exceeds the living wage.

### ●Equal pay for equal work

Our company has established treatment so that there are no unreasonable differences in treatment due to differences in age, gender, nationality or employment status. Based on the concept of equal pay for equal work, our company promotes diverse working styles and aims to maximize the motivation and abilities of employees.

### ●Retirement allowance plan

Our group has a prepaid retirement benefit plan and a defined contribution pension plan.



## Health and Safety

### ●Basic Philosophy on Health and Safety

In order to maintain its ongoing growth, our group places top priority on safety. For its employees and others involved in its business operations, our group ensures that all employees can work safely and make the most of their skills. In addition to taking steps to prevent accidents and ensure a safe working environment, Socionext promotes a variety of measures.

### ●Health and Safety Promotion Structure

We have established a team dedicated to supervising health initiatives and implementing a variety of measures, with industrial doctors and nursing staff employed to improve and manage employee health. The company also holds monthly committee meetings on health, safety, and disaster prevention at each workplace that are attended by industrial doctors, health and safety managers, regular employees, and labor union delegates. These committee meetings report on and debate issues and activities that relate to these matters, drawing on input from industrial doctors and health and safety managers. Topics include the conducting of health and stress checks and workplace inspections, measures for preventing infectious diseases such as COVID-19 or influenza, the prevention of long working hours, and disaster prevention or mitigation measures, in order to promote continuous improvement.

A health officer visits the site once a month to identify risks in the workplace, report them to the committee, and rectify risks as necessary. When there is a request or complaint from an employee regarding an occupational health and safety accident, risk, or concern, the committee discusses the matter with representatives, mainly from labor and management, and takes corrective action.

### ●Main Actions on Health and Safety

#### (1) Prevention of Workplace injury

The committees described above work to prevent injuries by reporting on monthly workplace inspections and incidents and by discussing how to prevent incidents from reoccurring. Only one minor workplace injury occurred in Japan during the end of March 2025. In addition to this, five commuting-related accidents were reported.

#### (2) Health and Safety education

All employees receive safety and health education through e-learning (100% participation rate), and we are working to improve employee awareness and understanding of safety and health rules and systems. We will continue to further enhance education.



## Health and Productivity Management

### ●Basic philosophy on Health and Productivity Management

Socionext Group believes that creating an environment where employees can work actively and maintain good physical and mental health will further enhance its corporate value.

Based on this belief, we have positioned health promotion as one of key management strategies and are implementing various initiatives.

In fiscal year 2024, we established the Socionext Group Health Declaration and a system to promote healthy working environments. As a global company driving innovation worldwide, Socionext Group is committed to promoting employee health, revitalizing organization, and improving productivity. We aim to contribute to the realization of a sustainable and prosperous society.

### Socionext Group Health Declaration

Socionext Group believes that the source of our corporate value lies in the sound and energetic work of each and every employee.

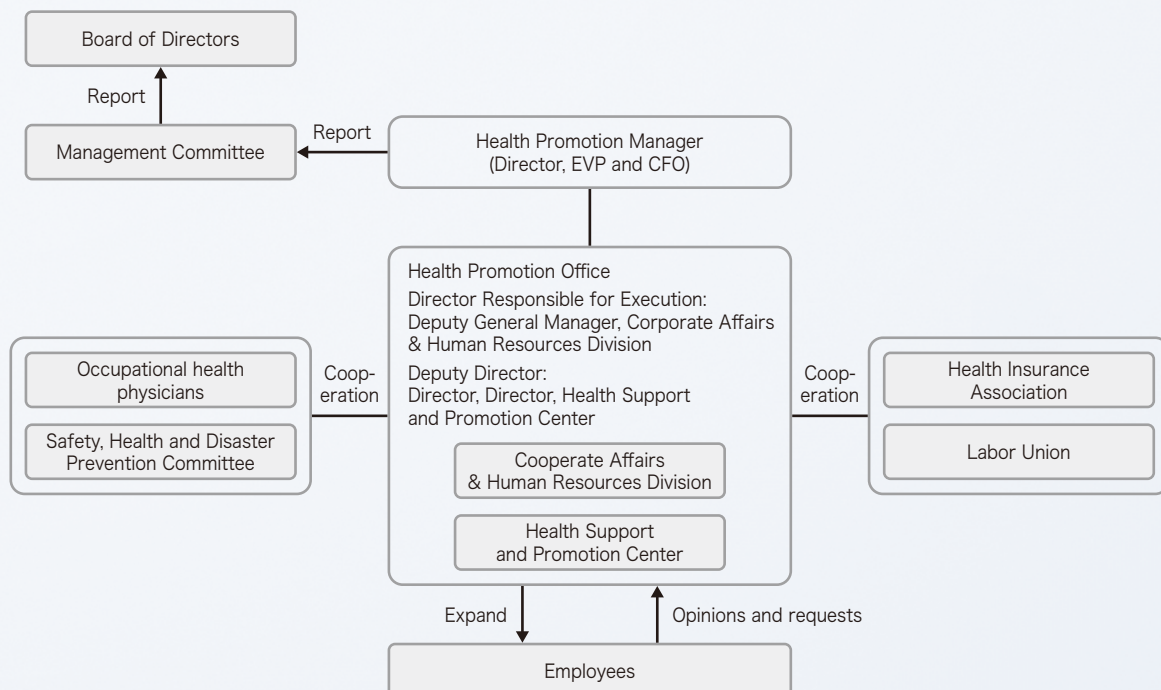
By creating an environment where employees can work with vitality and by encouraging healthy lifestyles, Socionext Group aims to fulfill our mission: "Together with our global partners, we bring innovation to everyone, everywhere." We are committed to contributing to the creation of an affluent society through cutting-edge technology, global competitiveness, and sustainable growth.

**Masahiro Koezuka,**  
Representative Director, Chairman and CEO

### ●Health promotion system

Socionext has established a Health Promotion Office to maintain and promote employee health through the PDCA cycle.

We also assign occupational health physicians and nurses to each of our domestic sites to manage employee health, prevent mental health issues and organize health-related events. The progress and improvement status of various initiatives are regularly discussed at the Management Committee and reported to the Board of Directors by the Health Promotion Office twice a year.



## ●Key Indicators for Health Promotion

Socionext uses absenteeism, presenteeism, and work engagement as key indicators for health promotion.

Item	Overview and calculation method	Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Absenteeism	· The state of being on sick leave Calculated as (Total number of days of leave from illness or injury/Total number of prescribed working days for enrolled employees) ×100	0.60%	0.77%	0.80%
Presenteeism	· A condition in which a person goes to work with some disease or symptom and his/her ability to perform work or labor productivity is reduced(Measurement planned from fiscal year 2025)	-	-	-
Work engagement	· Positive and fulfilling state of mind related to work · Values calculated using the New Brief Job Stress Questionnaire	2.41	2.37	2.40

Additional health-related data not covered above can be found in our ESG disclosures.

## ●Main Actions on Health and Productivity Management

### (1) Annual Health Checkup

In order to maintain the health of employees, we aim for 100% participation in regular health checkups and actively encourage all employees to undergo them. We have maintained a 100% interview rate for employees identified by occupational health physicians as needing follow-up, based on the results of their medical checkups. This contributes to the early detection and treatment of diseases. In addition, occupational health nurses are assigned to each site in Japan, where they conduct interviews with employees who have risk factors for lifestyle-related diseases, as part of preventive health efforts.

### (2) Support for Lifestyle Improvement

Lifestyle Awareness and Education	To enable employees to manage their own health, we have introduced a health management system that allows them to view their health checkup results and record lifelogs via PC or mobile application. We also host webinars led by medical professionals and distribute monthly health information under the title "Health Topics." Each edition focuses on a different theme-such as diet, alcohol consumption, dental and oral health, or sleep-to create opportunities for employees to improve their lifestyle habits.
Fitness Event	We have been organizing walking events called the "Health Challenge" since Socionext establishment. As these are team-based activities, they encourage communication among employees. We strive to create an environment that promotes enjoyable exercise habits. Additionally, in consideration of the relatively high average age of employees, we have implemented fall prevention measures. Starting in fiscal year 2022, we introduced the "Footstep Balance Check Event" to help employees reflect on their physical condition.
Smoking Cessation Support and Passive Smoking Prevention Measures	In fiscal year 2018, we established a working group to promote smoking cessation and prevent passive smoking. Based on the results of an employee awareness survey, we closed all indoor smoking rooms in June 2021 and began encouraging employees to refrain from smoking during working hours. Additionally, we host events in support of smoking cessation in conjunction with World No Tobacco Day. On the 22nd of each month, we share information about tobacco through Socionext "SUWAN SUWAN MAIL" newsletter.

### (3) Mental Health Measures

Stress Check Program	We are working to improve the work environment by promoting mental health initiatives. We conduct Stress Check Program and group analysis every year by the Health Promotion Center. The results are reported to the top management and department heads to improve the work environment. We also offer interviews with occupational health physicians to all employees who wish to participate, aiming to prevent mental health disorders and ensure timely support.
Mental Health Awareness Initiatives	We hold mental health webinars led by medical professionals and distribute yoga videos from external instructors to promote self-care awareness. For all newly graduated and mid-career employees, we conduct interviews with occupational health physicians to emphasize the importance of both mental and physical health management. Additionally, we provide mental health line care training for new managers, conducted by occupational health physicians, as part of our company-wide mental health initiatives.



#### (4) Wor-Life Balance Support

To flexibly accommodate changes in working styles due to life events, we have implemented a range of support measures that go beyond legal requirements. These initiatives are designed to help employees balance their work with childcare, nursing care, and medical treatment.

Balancing Childcare and Work	<p>[Shorter Working Hours for Childcare] Employees can work shorter hours until the end of March following the school year in which their child is in the 6th grade of elementary school (This exceeds the legal requirement, which allows shortened hours only until the child enters elementary school.). Employees can choose between a 1-hour or 2-hour shortened flexible schedule. Flexible working hours (between 7:30 and 22:00) can be set individually, allowing employees to tailor their work style to their needs. In addition, various childbirth and childcare support systems are available for both men and women.</p>
Balancing Familycare and Work	<p>[Family Leave] Family leave is a system that allows employees to take leave of absence for nursing care. The period of leave of absence for eligible family members is up to one year (Up to 93 days by law). In addition, the following programs are available as a support system for balancing work and family life.</p>
Balancing Work and Illness	<p>[Shorter Working Hours for Treatment] This system allows employees to work reduced hours when they are temporarily unable to work full-time due to illness or medical treatment. Among patients diagnosed with physical illnesses or intractable diseases designated by the Ministry of Health, Labour and Welfare, those whose attending physician and the company's occupational health physician determine that treatment support is necessary may be eligible. Upon approval by the Human Resources Division, eligible employees can choose either a 1-hour or 2-hour flexible working schedule.</p> <p>[Other systems]</p> <ul style="list-style-type: none"> <li>· Accumulated Leave In addition to annual leave, this leave is granted for five days each year (up to 20 days) and can be used for illness or family nursing.</li> <li>· Remote Work System Reasons for telecommuting include family circumstances (such as family nursing or caregiving), personal injury, and other similar situations. Employees are also able to choose a flexible working style.</li> <li>· Child Planning Leave This is a leave of absence system designed to support employees undergoing infertility treatment. It is available to those who intend to continue working after the leave period and helps them achieve their life plans.</li> </ul>

## Employee Engagement

### ● Engagement Survey

Since the fiscal year ended March 2024, our company has conducted an annual engagement survey using "Geppo" provided by Recruit Co., Ltd., to ascertain employee awareness and satisfaction levels and to improve the company's systems and environment.

The results are analyzed company-wide and within each division. Issues are identified, and feedback is provided to employees through each division. We are also working to improve employee engagement by developing systems and creating an environment that encourages employees to work actively.

	Results			Target
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Employee Satisfaction eNPS <sup>*</sup>	-	-69	-67	At least industry average (-68)

<sup>\*</sup>: eNPS stands for Employee Net Promoter Score and is a method for quantifying employee engagement, including willingness to contribute and mutual trust. It should be noted that the industry average refers to companies in the electronic component, device, and electronic circuit manufacturing sector that use this tool.

## Indicators and targets for human capital (non-consolidated)

Human resource development (Engineer)		Actual results			Target
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Percentage of global project experience		72%	82%	87%	Over 90%
Percentage of experience in advanced projects (7 nm or smaller)		61%	75%	82%	Over 90%
Investment in human resource	Training hours	14.4H (11.8H)	13.2H (11.3H)	12.8H (11.7H)	-
Per engineer (All employees)	Investment value	14.5 thousand yen (12.5 thousand yen)	20.4 thousand yen (17.6 thousand yen)	28.7 thousand yen (25.9 thousand yen)	-
Growth rate (index)*	Methodologist	100	200	225	Index improved year-on-year
	Systems Architect	100	118	141	Index improved year-on-year
	Expert	100	101	105	Index improved year-on-year
	Project manager	100	97	115	Index improved year-on-year

\*: Index based on the number of employees in the fiscal year ended March 2023 (100)

Diversity & inclusion (Securing and retention of human resources)		Actual results			Target
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Number of hires		New graduates: 12 Mid-career: 32	New graduates: 26 Mid-career: 39	New graduates: 36 Mid-career: 32	Continue to recruit exceeding the fiscal year March 2025 results
Post-retirement re-employment ratio		90.9%	89.3%	83.5%	-
Turnover rate*		2.1%	1.9%	2.4%	Less than 2.5%

\*: The ratio of voluntary terminations among regular employees.

Diversity & inclusion (Human rights and compliance)		Actual results			Target
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Percentage of female workers in managerial positions		2.3%	2.6%	2.6%	3.4% or more*
Percentage of female workers among new graduates		0.0%	7.7%	16.7%	15% or more*
Percentage of foreign national employees		2.2%	2.0%	2.2%	-
Percentage of disabled persons employed		2.3%	2.4%	2.4%	2.5% or more Exceeding the legally mandated employment rate of persons with disabilities

\*: A target formulated under the General Employer Action Plan required by the Act on the Promotion of Women's Active Engagement in Professional Life.



Diversity & inclusion (Human rights and compliance)	Actual results			Target
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Wage differences between males and females	All workers: 71.6% Regular: 72.6% Non-regular: 61.3%	All workers: 71.6% Regular: 72.5% Non-regular: 62.7%	All workers: 73.4% Regular: 74.7% Non-regular: 61.8%	We will enhance systems and programs to support employees' comfort, job satisfaction, and success in their work and improve them by promoting qualified employees to reasonably higher positions, regardless of gender or age.
Wage differences between males and females (managerial positions)	95.4%	91.6%	95.4%	(In the wage system, there is no difference in wages by gender or age for the same qualification grades. The main reason for the difference is the small percentage of women in higher positions and qualification grades)
Implementation rate of due diligence for supply chain	-	80.2%	95.1%	Received responses from 100% of all suppliers in terms of procurement amount
Compliance education e-Learning participation rate*	100%	100%	100%	100%

\*: e-Learning for compliance includes the following topics.

Compliance, information security, preventing insider trading, preventing harassment, the environment, procurement, and laws on security-related export controls, etc.

Diversity & inclusion (Work-life balance)	Actual results			Target
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Percentage of male workers taking childcare leave	15.8%	57.1%	93.3%	Over 50.0% <sup>*1</sup>
Percentage of female workers taking childcare leave	100%	100%	100%	100%
Reinstatement rate	100%	100%	100%	100%
Total annual actual work hours	2,165 hours	2,099 hours	2,016 hours	Target a figure of less than 2,000 hours. Reduce in stages (annual 1% reduction from the previous year)
Percentage of employees taking paid leave	74.1%	75.3%	75.4%	Over 70.0%
Absenteeism rate	0.60%	0.77%	0.80%	-
Percentage of cases where remote work is applied <sup>*2</sup>	100%	100%	100%	-

\*1: A target formulated under the General Employer Action Plan required by the Act on the Promotion of Women's Active Engagement in Professional Life.

\*2: Eligible employees (all employees except those in certain positions) may use remote work up to three times a week, and are encouraged to flexibly choose work locations and work efficiently.

Health and safety/health promotion	Actual results			Target
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Absenteeism <sup>*1</sup>	0.60%	0.77%	0.80%	-
Work engagement <sup>*2</sup>	2.41	2.37	2.40	-
Implementation rate of stress check	85.8%	83.2%	87.2%	100%
Number of serious industrial injuries and accidents	0	0	0	0
Occupational Injury Frequency Rate	0.00%	0.00%	0.00%	-
Occupational Injury Severity Rate	0.00%	0.00%	0.00%	-

\*1: The state of being on sick leave Calculated as (Total number of days of leave from illness or injury/Total number of prescribed working days for enrolled employees) x 100

\*2: Calculated based on the New Brief Job Stress Questionnaire, under a positive and fulfilling psychological condition in relation to work.

Employee engagement	Actual results			Target
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
Employee Satisfaction eNPS <sup>*</sup>	-	-69	-67	At least industry average (-68)

\*: eNPS stands for Employee Net Promoter Score and is a method of quantifying employee engagement (willingness to contribute and trust). Since the fiscal year ended March 31, 2024, the Company has been conducting an annual engagement survey of its domestic employees using Geppo, a survey tool operated by Recruit Co., Ltd. The industry average is for the industry of electronic component/device/electronic circuit manufacturing, using this tool.



## Evaluation of human capital by external organizations

The Group actively undertakes external evaluations of its efforts to maximize human capital. Based on the evaluation results, we are working to further strengthen our measures.

### ● Rated three stars in the 8th Nikkei Smart Work Management Survey sponsored by Nikkei, Inc

We were rated three stars in the overall ranking of the 8th Nikkei Smart Work Management Survey sponsored by Nikkei, Inc. This survey selects advanced companies that aim to generate new innovation, improve productivity, and maximize corporate value by maximizing the use of human resources and accelerating investment in human resources. Listed companies and leading unlisted companies nationwide are evaluated by a five-star rating based on three elements: Human resource utilization, Human resource investment, and Technology utilization.

Among the evaluation areas, the Group was highly evaluated for its response to “Human Resource Strategy and KPI” and “Diverse and Flexible Working Style.”



### ● Gained Top 11% score in Semiconductor Sector in S&P Global CSA 2024

S&P Global, a U.S.-based leading global research and evaluation company in the field of ESG investment, conducts a Corporate Sustainability Assessment (CSA) of companies around the world from three aspects, economic, environmental and social, and annually selects companies with outstanding accomplishments in sustainability.

The Group received a CSA score of 53. This is among the top 11% evaluation in the semiconductor sector. Among the evaluation areas, responses to “Product quality,” “Supply chain management,” and “Maximizing human capital” were highly evaluated.



## Social Contribution Activities

In our relationships with all stakeholders, our group values mutual respect, acceptance of diverse personalities, cultures, and values, and the ability to grow and coexist together with members of various communities through the creation of a sustainable society.

### ●Support for the activities of the F. Marinos Sports Club

F. Marinos Sports Club is actively engaged in social contribution activities such as clean-up activities, first-aid activities, diversity awareness activities, community activities such as reconstruction support, management of a soccer team for the mentally challenged, and implementation of soccer classes at special needs schools. They are also actively involved in academy activities such as coaching and training football for children, from infants to junior high school students. As a member of the local community, we sympathize with this activity and have been supporting it as a supporting member since February 2023. Together with the members of F. Marinos Sports Club, we will continue to contribute to the local community by fostering world-class athletes and supporting the development of better communities through sports.



Our company is a supporting member of F. Marinos Sports Club General Incorporated Association.

[Reference] F. Marinos Sports Club  
<https://www.f-marinos-sportsclub.com/>

### ●Participation in Town beautification Support programs

We actively participate in beautification activities around our business sites.

As a member of the local community, we will contribute to the development of a community where people can live comfortably while communicating with local companies and residents.

[Reference] Sendai Town Beautification Support Program  
<https://www.city.sendai.jp/haiki-shido/kurashi/machi/kankyohozen/machibika/support.html>

### ●Support for The Family Giving Tree

While the Bay Area ranks as one of the wealthiest regions in the world, more than 800,000 Bay Area residents live below the poverty line, with 1 in 5 children living in poverty. Poverty robs children of their happiness and confidence, ultimately reducing their ability to grow and succeed. The Family Giving Tree serves more than 2 million children and individuals throughout the Bay Area and is active in philanthropy and volunteerism.

Socionext America Inc. supports this great Bay Area nonprofit organization.

[Reference] The Family Giving Tree  
<https://familygivingtree.org/>





## ● Movember Fundraiser

Socionext America Inc. participated in Movember's efforts to raise awareness of male-specific cancers and promote men's health. This is a unique fundraiser for growing beards and mustaches for the month of November. Donations raised through Movember go toward projects that address the complex health issues facing men (mental health and suicide prevention, prostate cancer, testicular cancer, etc.). Through these fund-raising activities, the distance between employees has been reduced, and communication within the company has been stimulated.

[Reference] Movember  
<https://us.movember.com/>

## ● Support of an Art exhibition in the Art course of The upper secondary school in Dreieichschule

For many years, Socionext Europe GmbH has supported art exhibitions in the art courses of the upper secondary school in Dreieichschule, providing many students with opportunities to create acrylic and oil paintings. After the art exhibition, students' work is displayed in the offices of Socionext Europe GmbH, where all employees are inspired and healed by their original and creative work.



[Reference] Dreieichschule  
<http://www.dreieichschule.de/>



# Procurement Management



“Together with our global partners, we bring innovation to everyone everywhere.” This is the mission that Socionext Group has set itself.

To realize this vision and fulfill our social responsibilities as a global company, we have established rules for procurement whereby the goods and services we require are purchased from the global market at appropriate quality, price, and delivery terms in a way that is in keeping with the laws of each country and is based on fair and reasonable trading relationships.

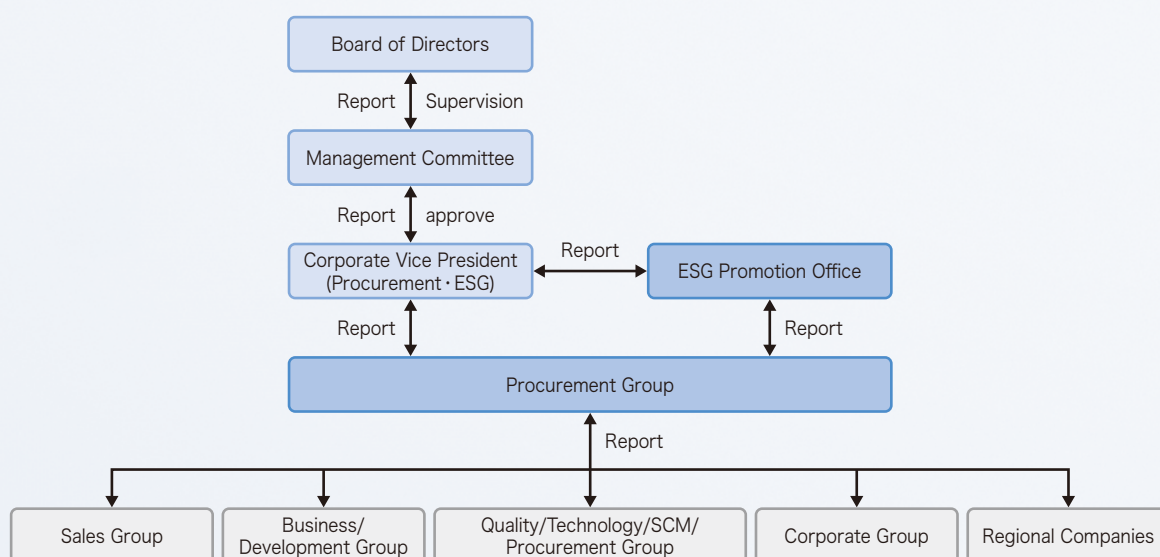
We are also taking steps to reinforce sustainable supply chain arrangements by reducing the risks associated with societal challenges throughout our supply chain, including our customers and partners. Along with labor, human rights, ethics, environmental, and business continuity considerations, this also includes responsible minerals procurement.

## Supply Chain Management Structure

To adopt sustainability management policies and ensure the rigorous implementation of company-wide targets and the use of sustainable procurement practices throughout the group, our group works to optimize how it goes about procurement through collaboration between the departments responsible for operations and development, quality and production engineering, and corporate administration, especially in the areas of manufacturing and procurement.

We have established a system to regularly report to the Board of Directors on CSR procurement activities and Responsible Mineral Procurement activities throughout the supply chain, and under the supervision of the Board of Directors, we monitor whether sustainability activities as a whole are being implemented appropriately and provide advice and feedback to relevant departments as necessary. The Board of Directors also provides advice and feedback to relevant divisions as necessary.

### ●Supply Chain Management Structure Chart





## Supply Chain Management

The Group believes that it is a corporate social responsibility to address social issues such as human rights, labor, the environment, and ethics throughout the entire supply chain, and has established CSR Procurement Guidelines to help our partners understand our CSR Policy and support sustainable procurement activities.

These Guidelines clearly specify the items to be observed in accordance with the RBA Code of Conduct\*, such as "Human Rights, Labor, Environment and Ethics," and require all partners to comply. In addition, based on our CSR Procurement Guidelines, we check the compliance status of our partners every year to promote sustainability activities throughout the supply chain.

\*: Abbreviation for Responsible Business Alliance Code of Conduct.

CSR Procurement Guidelines (English)

<https://www.socionext.com/en/download/catalog/AD00-00005-1E.pdf>

CSR Procurement Guidelines (Japanese)

<https://www.socionext.com/jp/download/catalog/AD00-00005-1.pdf>

### [List of items to be observed under CSR Procurement Guidelines]

Human rights and labor	Health and safety	Environment	Fair trade ethics
<ul style="list-style-type: none"> <li>· prohibition of forced labor</li> <li>· Prohibition of child labor and consideration for young workers</li> <li>· Consideration for working hours</li> <li>· adequate wages and benefits</li> <li>· Prohibition of inhuman treatment (prohibition of harassment such as power harassment and sexual harassment)</li> <li>· prohibition of discrimination</li> <li>· Freedom of association, right to collective bargaining</li> </ul>	<ul style="list-style-type: none"> <li>· occupational safety</li> <li>· emergency preparedness</li> <li>· Industrial Accidents and Diseases</li> <li>· industrial hygiene</li> <li>· Consideration for physically demanding work</li> <li>· Safety measures for machinery and equipment</li> <li>· Safety and health of facilities</li> <li>· Health and Safety Communication</li> <li>· health care for workers</li> </ul>	<ul style="list-style-type: none"> <li>· Environmental Permits and Reporting</li> <li>· Reducing energy consumption and GHG emissions</li> <li>· Emissions into the atmosphere</li> <li>· water management</li> <li>· Effective use of resources and waste management</li> <li>· Chemical substance management</li> <li>· Management of chemical substances contained in products</li> </ul>	<ul style="list-style-type: none"> <li>· Prevention of corruption and bribery</li> <li>· Prohibition of inappropriate provision and receipt of benefits (prohibition of conflicts of interest)</li> <li>· Appropriate information disclosure</li> <li>· Respect for intellectual property</li> <li>· fair conduct of business</li> <li>· protection of informants</li> <li>· Responsible mineral procurement</li> <li>· Emphasizing and implementing business integrity</li> </ul>
Quality and safety	Information security	Business continuity plan	Establishment of management system
<ul style="list-style-type: none"> <li>· Ensuring product safety</li> <li>· quality control</li> <li>· Providing accurate product and service information</li> </ul>	<ul style="list-style-type: none"> <li>· defense against cyberattacks</li> <li>· protection of personal information</li> <li>· Prevention of leakage of confidential information</li> </ul>	<ul style="list-style-type: none"> <li>· BCP for natural disasters</li> <li>· BCP for accidents and terrorism/riots</li> <li>· BCP against the spread of disease</li> <li>· Scope of the BCP</li> <li>· Periodic review of manuals</li> </ul>	<ul style="list-style-type: none"> <li>· Establishment of a management system</li> <li>· Managing Suppliers</li> <li>· appropriate import and export controls</li> <li>· Development of Complaint Handling Mechanism</li> <li>· Disclosure of the status of initiatives</li> </ul>

## ●CSR survey of partners

The CSR Survey is conducted to understand the CSR risks faced by the Group's partners and to encourage them to make improvements, and we conduct supplier surveys of our partners (Manufacturing, development, jigs and tools, etc.) once a year as part of this initiative.

	Survey subject*	Response results	Survey coverage		Major partners		
			Number of companies	Transaction amount	Companies	Number of companies	Transaction amount
FY ended March 31, 2024	261 companies	145 companies	55.6%	80.2%	14 companies	5.4%	70.5%
FY ended March 31, 2025	97 companies	94 companies	45.4%	95.1%	14 companies	6.8%	67.3%

\*: Beginning with the fiscal year ended March 31, 2025, the criteria for inclusion in the survey have been revised to include all partners accounting for at least the 90% of procurement amounts.

## ●Survey Evaluation Items

Based on the Group's policies and the globally widely used RBA Code of Conduct, the study assesses the following categories that we consider important in transactions: "Respecting the Laws and Internationally Recognized Standards," "Human Rights/Labor," "Health and Safety," "Environment," "Fair Trade/Ethics," "Quality/Safety," "Information Security," "Business Continuity Planning," and "Establishing a Management System."

Evaluation item	Number of questions
common	1
Respecting the Laws and Internationally Recognized Standards	3
Human Rights and Labor	61
Health and Safety	23
Environment	18
Fair Trading and Ethics	28
Quality and Safety	11
Information Security	10
Business Continuity Planning	7
Establishing a Management System	15
Total	177

## ●Evaluation standards of Surveys

The evaluation results are classified into four stages (A to D), and if a business partner is judged to be D (high risk), the business partner is requested to correct the situation and support is provided as necessary.

Evaluation rank	Status of Efforts	Score	Our responses
A	Very good	Overall score of 80 or above	Request cooperation to maintain the status quo.
B	Good	Overall score between 60 and 79	Encouraged to further improve through continuous improvement activities.
C	Somewhat inadequate	Overall score between 20 and 59	Demand improvements and cooperate as necessary.
D	Insufficient	Overall score below 19	Nonconforming areas will be required to be remediated and assistance will be provided as needed.



## ●Evaluation results of Surveys

The evaluation results are fed back to the partners who responded to the CSR survey, and if it is judged that there is a lack of effort in each category, the partners are informed of the issues raised and requested to make improvements by the next survey. If no correction is made, the Company will take measures such as reviewing whether to engage them in any future business.

The table below shows the evaluation results for fiscal 2024.

Evaluation rank	Score	FY ended March 31, 2024			FY ended March 31, 2025		
		Number of companies	Ratio of companies	Ratio of response amount*	Number of companies	Ratio of companies	Ratio of response amount*
A	80-100	117	80.7%	99.0%	79	84.0%	97.8%
B	60-79	22	15.2%	0.9%	12	12.8%	2.0%
C	20-59	6	4.1%	0.1%	3	3.2%	0.2%
D	0-19	0	0%	0%	0	0%	0%
Total		145	100%	100%	94	100%	100%

\*: Percentage of purchases from partners who responded to the CSR survey

For those partners that are rated D, corrective actions are requested with the aim of reducing ESG-related risks. Specifically, we will promptly provide feedback to Partners who have been rated D and conduct a reinvestigation by identifying the cause and confirming the risk impact. If there is no improvement in response to the Company's request and we determine that there is a risk to business continuity, we will review the transaction with the approval of the Management Committee.

In addition, regardless of this investigation, if any incident occurs to the partner, we will confirm on a case-by-case basis whether or not the transaction can continue.

## ●Continued Risk Reduction Efforts

We will continue our efforts to reduce risk across partners and the entire supply chain. To check the progress of these activities, we conduct supplier surveys every year, visualize risks, and if there are high risks, conduct PDCA with partners to take corrective actions.

And the results of the annual supplier surveys are reported to the Board of Directors, which also confirms the status of risky suppliers and risk countermeasures.

KPI	FY ended March 31, 2024	FY ended March 31, 2025
Percentage of D-rated partners who planned corrective actions.	0%	0%
Percentage of partners who planned corrective actions that improved their assessment within one year.	0%	0%

## ●Supply Chain BCP Survey

The Group promotes proactive measures to minimize business risks for customers and the Company and to improve business continuity management capabilities in the supply chain. As part of these promotion activities, we conduct surveys on the status of our Business Continuity Plan (BCP) initiatives with our partners and feedback them. In addition, we request corrections and improvements as necessary and monitor the progress of improvements.

	FY ended March 31, 2024	FY ended March 31, 2025
Evaluated partners	261 Number of companies	97 Number of companies
Response Obtaining Partners	146 Number of companies	94 Number of companies
Response rate	55.9%	96.9%

## ● Information Security Survey

In the course of our development work, we sometimes receive important confidential information from our customers. Therefore, we consider information security to be an important management issue, and we are actively working on it. We conduct surveys of our partners on their progress in implementing information security measures and request them to take corrective measures and monitor their progress.

	FY ended March 31, 2024	FY ended March 31, 2025
Evaluated partners	261 Number of companies	97 Number of companies
Response Obtaining Partners	148 Number of companies	94 Number of companies
Response rate	56.7%	96.9%

## Responsible Minerals Procurement

The Group will not tolerate any violation of human rights or environmental damage in its supply chain. Recognizing that responsible mineral procurement is a social issue that needs to be resolved, the Group has formulated and established the "Policy for Responsible Mineral Procurement," "Promotion System," and "Procurement Process," and is conducting procurement activities in accordance with global standards such as RBA and RMI<sup>\*1</sup>. Every year, due diligence is conducted on the results obtained through CMRT<sup>\*2</sup> and EMRT<sup>\*3</sup> surveys, and efforts are made to identify risks and make improvements.

\*1: Abbreviation for Responsible Minerals Initiative.

\*2: Abbreviation for Conflict Minerals Reporting Template.

\*3: Abbreviation for Extended Minerals Reporting Template.

## ● Procurement Policy

The Group does not use materials in its products that derive from conflict minerals illegally mined in the Democratic Republic of Congo or neighboring nations.

We have established management systems in accordance with the Organization for Economic Co-operation and Development (OECD) Due Diligence<sup>\*</sup> Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (CAHRAs) and have measures in place to prevent purchases from suppliers subject to such risks as human rights violations, environmental destruction, or conflict.

Should we discover that conflict minerals used to fund armed groups are being used in our products, we will notify customers promptly and take corrective action.

We also ask partners to respect Socionext Group policy on this matter and to take action to ensure it is followed.

\*: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

## ● Promotion Structure

Our production management group plays a central role in ensuring responsible minerals procurement in accordance with the Socionext Group CSR Procurement Guidelines. We conduct annual due diligence based on the results of CMRT and EMRT surveys to identify and rectify any risks.



## ●Responsible Minerals Procurement Review (Process)

### (1) Development of Management system

- In accordance with company practice, we have worked with the relevant departments in Japan and elsewhere to establish systems for procurement and for conducting risk surveys for the 3TG\*, cobalt, and mica used in our products.
- As well as calling on partners to consent to our responsible mineral's procurement practices, we also ask them to submit written agreements.
- We require our partners to deal only with smelters and other processing smelters and refiners that are RMI certified.
- We promulgate our responsible minerals procurement practices both internally and externally, through sustainability training resources as well as our website.
- To build knowledge, deepen understanding, and raise awareness, we provide our procurement staff responsible for conducting investigations with training on responsible minerals procurement.
- Details of investigation outcomes are managed and archived in accordance with company rules.

\*: 3TG refers to Tungsten, Tantalum, Tin and Gold

### (2) Identification and Assessment of Supply chain risks

- Each year, our group identifies which of the purchased parts and materials used in our products require investigation and we then conduct investigations of our partners using the CMRT and EMRT templates provided by the RMI for this purpose.
- We collect and analyze the data provided by partners to identify the supply chain down to the level of individual processing facilities. When conducting the investigation, we also strive to identify all countries of origin by asking partners to identify the nations in which the minerals were mined.
- Our due diligence of processing facilities includes checking for received the latest RMAP and other third-party audits.

### (3) Development and Implementation of Strategies for dealing with Identified risks

- For ongoing risk minimization, we develop plans for responsible minerals procurement on an annual basis, keep up to date with the latest information, and conduct due diligence when necessary.
- If processing facilities have not completed RMAP or other third-party audits, we work with partners to request that they do so.
- When customers raise concerns about specific processing facilities, we assess the allegations, inform partners of the risk, and work with them to take appropriate action. If the correction is not made, the transaction will be reviewed and other actions will be taken.

## ● Annual reporting of Supply chain due diligence

The Group annually publishes details of our responsible mineral's procurement initiatives on our website.

[3TG: Survey Results for the Fiscal Year Ended March 2025]

- No. of partners investigated: 19
- No. of partners that replied to inquiries: 19 (100% response rate)
- No. of identified smelters and refiners: 221 across all minerals (of which 215 traders had obtained RMAP certification from RMI)

	3TG				
	FY ended March 2025 (19 companies)				
	Total	Gold	Tantalum	Tin	Tungsten
No. of smelters or other processing facilities	221	90	33	66	32
No. of RMAP-certified (conflict-free) smelters or other processing facilities	215	86	33	65	31
No. of RMAP Active facilities	1	1	-	-	-
No. of other RMI-certified facilities	5	3	-	1	1
Percentage of RMAP-certified facilities	97%	96%	100%	98%	97%
Inquiry response rate	100%	-	-	-	-

[Cobalt & Mica: Survey Results for the Fiscal Year Ended March 2025]

- No. of partners investigated: 11
- No. of partners that replied to inquiries: 11 (100% response rate)
- No. of identified smelters and refiners: 53 across all minerals (of which 44 traders had obtained RMAP certification from RMI)

	Cobalt & Mica		
	FY ended March 2025 (11 companies)		
	Total	Cobalt	Mica
No. of smelters or other processing facilities	53	49	4
No. of RMAP-certified (conflict-free) smelters or other processing facilities	44	41	3
No. of RMAP Active facilities	-	-	-
No. of other RMI-certified facilities	9	8	1
Percentage of RMAP-certified facilities	83%	84%	75%
Inquiry response rate	100%	-	-



## Green Procurement

Our group is working to strengthen its environmental conservation efforts in cooperation with its suppliers to reduce the environmental impact of its entire supply chain. In addition to complying with environmental laws, ordinances, and international guidelines, we promote green procurement activities based on our environmental policy based on our Basic CSR Policy.

### · Reducing Environmental Impact

We aim to minimize the environmental impact of our procured products and services throughout their life cycles, from production to disposal.

### · Promoting the use of Renewable Resources

We preferentially procure products that use recycled materials and recyclable parts.

### · Improved Energy Efficiency

Select products with low energy consumption or services with high energy saving performance.

### · Reduction of Hazardous Substances

We place importance on reducing the emission of hazardous substances during the manufacturing process.

### · Sustainable Procurement

Ensure that suppliers manage resources in a sustainable manner and are committed to protecting the environment.

## BCM/BCP

Acknowledging that we ourselves are part of the wider supply chain, ensuring the continuity of product supply is a core policy at our group. This means putting measures in place for business continuity and rapid recovery and acting beforehand to improve responsiveness and resilience. When an emergency does happen, we strive to fulfill our responsibilities to the community and to society and maintain continuity in the delivery of products and services to customers.

### ●Policy

Our Group complies with and engages in the following Basic Business Continuity Policy.

- To assume various risks in ordinary times, measure against, prepare for, and consider of them, and continually improve response and restoration capabilities.
- To exercise responsibility in the region and society through the continuation of business in unexpected circumstances, such as large-scale disasters, and make efforts to reliably supply products and services.

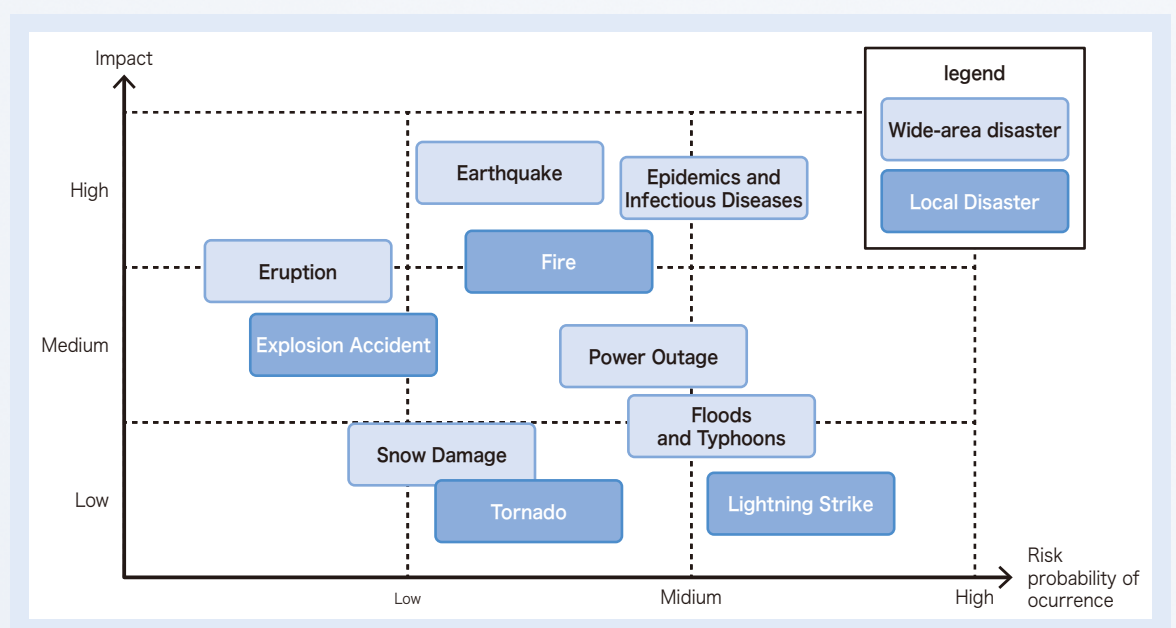
(Action in ordinary times)

- Measures against, preparation for, and consideration of various risks in services to be restored.
- Determination of basic plan with clients regarding early restoration matters, such as business continuity (BC) and recovery time objective (RTO) in unexpected circumstances
- Preparation of plans and other documentation, training and education for BC and recovery in unexpected circumstances.

(Action in unexpected circumstances)

- Confirmation of safety, maintenance of safety, and prevention of secondary disasters regarding employees and their families.
- Implementation of necessary activities for Socionext and clients to continue business and to minimize the effects of disasters.
- Efforts for appropriate communication and information transmission with customers and stakeholders in times of emergency.
- Contributions to society, such as actively supporting local restoration and reconstruction.

### ●Assumed Disasters



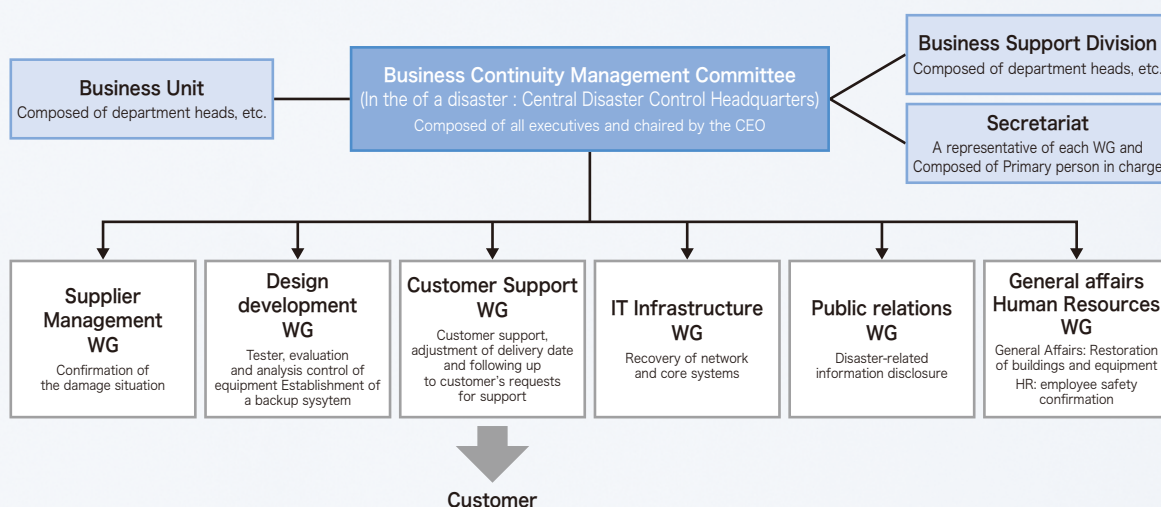


## ●BCP Activation Criteria (example)

- Earthquake : Upper 5 on the Japanese intensity scale
- Fire : Initial fire extinguishing is not possible
- Power outages : Power outages in all buildings
- Infectious diseases : When "WHO" declares Phase 4 or pre-alert
- Common to all cases: When significant damage to management resources is expected

## ●Organization

In the event of a disaster, the disaster control headquarters (Business Continuity Management Committee in ordinary times) and six working groups will lead the initial response to the disaster and the customer support. As a company-wide approach to risk management, the Management Committee identifies, evaluates, analyzes, and checks the status about countermeasures for various risks surrounding our company throughout the year. The PDCA cycle is also carried out on a regular basis to continuously improve measures in BCP.



## Fair Trading Practices

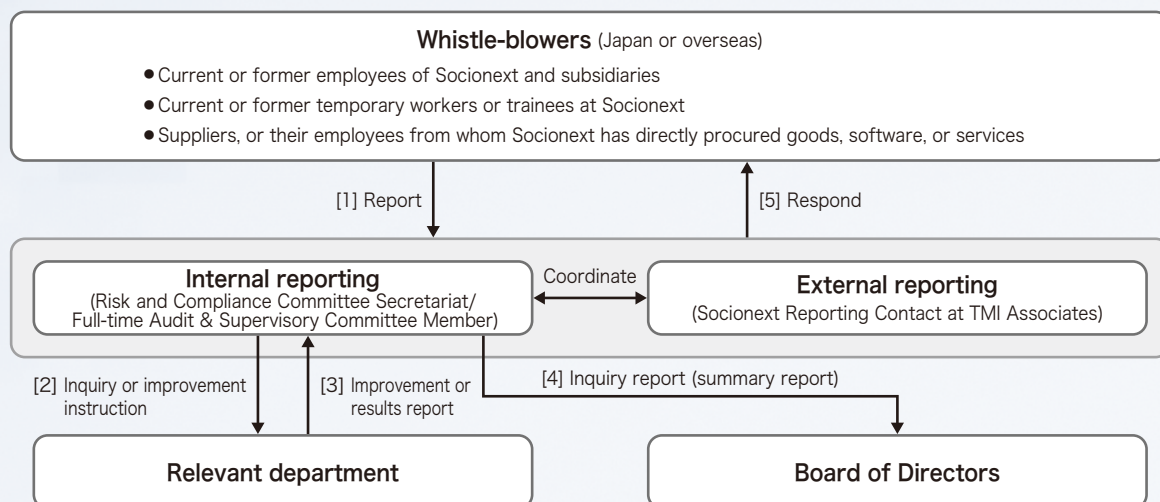
### ●Declaration of Partnership Building

The Group supports and participates in the goals of the Declaration of Partnership Building promoted by the Cabinet Office, Ministry of Economy, Trade and Industry, and others. Along with following good-faith trading practices with all partners, this includes commitments to co-existence and co-prosperity throughout the supply chain together with new forms of collaboration that transcend differences in company size and existing keiretsu relationships. Our goal as a group is to add value throughout the supply chain by building relationships of trust through fair and transparent trading with all our partners.

### ●Procurement Whistle-Blowing System

The Group reports any procurement activities that are, or are suspected of being, compliance violations and cooperates with investigations. We also respond promptly once the facts behind a report have been established and investigated. In accordance with the law and company policy on this issue, measures are in place to ensure that the persons making and receiving reports are not identified so as to prevent them from being subject to any unfavorable treatment.

### [Whistle-Blowing Flowchart]



## Rigorous Procurement Compliance

Our Group believes that it is our responsibility to fulfill our social responsibility as a global company by complying with the Basic CSR Policy and the Socionext Group CSR Procurement Guidelines.

Based on the "Basic CSR Policy" in the basic approach to compliance, Our Group has established a "Compliance Code of Conduct" to ensure that each and every employee acts with high ethical standards and compliance awareness. In it, we have made it clear that we will not tolerate bribery, cartels, or any other inappropriate methods of seeking profits, as well as insider trading, conflict-of-interest transactions, or any other unfair or opaque practices.

Through annual internal audits and other means, we confirm that business operations are conducted in accordance with basic policies, guidelines, and various regulations, and conduct periodic compliance training for all employees, not just those in the procurement department.



# Intellectual Property Policy



Socionext Group (Hereinafter, "Our Group") determines in our CSR Basic Policy that Our Group will protect and respect intellectual properties, which are the source of corporate value.

## Basic Concept

Our Group develops and retains various technologies and know-how to differentiate our products from those of other companies. In accordance with the CSR Basic Policy, Our Group works to protect and utilize these technologies and know-how as intellectual properties, and to appropriately use the intellectual properties of Our Group and third parties.

## Intellectual Property Activities

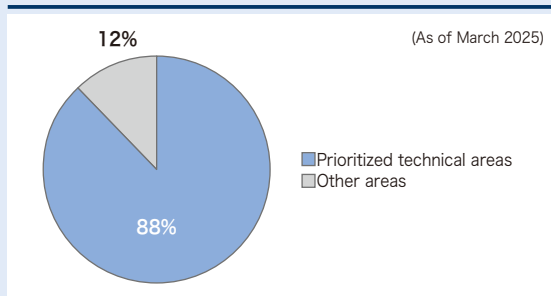
[To strengthen the advantage of our business based on "Solution SoC" business model with Intellectual Properties] Our Group will help to bring about a prosperous society by delivering new value to our customers and to people around the world beyond them. We will do this as a valued partner of customers seeking unique and cutting-edge SoCs to differentiate their services and products. We will also do this as a partner of our suppliers providing the latest technologies in the evolving semiconductor ecosystem.

Our Group has stepped up investments in leading-edge technologies to achieve this goal and has created a lot of technologies and know-how as a result of these investments. By protecting and managing these technologies and know-how as intellectual properties such as patents and confidential information in an appropriate manner, Our Group is strengthening the advantage of our business based on "Solution SoC" model.

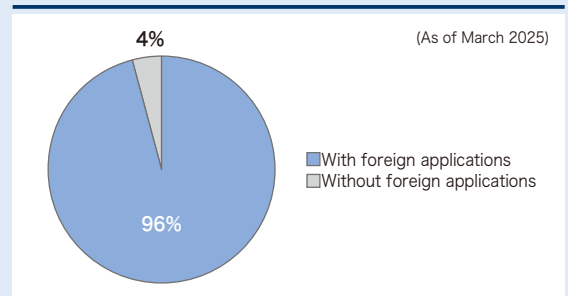
In particular, our Group is promoting patent applications by designating, as prioritized technical areas, "advanced technologies including 2nm and finer process nodes" and "chiplet technologies" that are key to develop custom SoCs in our focus areas of "Automotive", "Data Center & Networking", "Smart Devices", and "Industrial Equipment". In addition, by this promotion activities, our Group is also accommodating a shift to advanced technology products in the future. Furthermore, our Group is proactively promoting foreign applications in addition to domestic (Japanese) applications in light of the increasing percentage of foreign markets in NRE revenue.

In this way, we are promoting domestic (Japanese) and foreign patent applications for leading-edge technologies that are key to our focus areas and building up domestic (Japanese) and foreign patent portfolios that support the advantage of our business based on "Solution SoC" model. Through this activity, we will contribute, from the perspective of intellectual properties, to strengthening our Group's technological capabilities and development competitiveness, which form the foundation for sustainable growth of our Group, and thereby further earning the trust of customers.

Percentage of Applications in Prioritized technical areas<sup>\*1</sup>



Percentage of Foreign applications<sup>\*2</sup>



\*1: Percentage of applications in prioritized technical areas among all the applications filed between April, 2024 and March, 2025

\*2: Percentage of applications of which counterpart foreign applications have been filed, among all the applications filed between April, 2023 and March, 2024 (including international applications under Patent Cooperation Treaty (PCT))

#### [Intellectual Property Risk Management]

Our Group works to reduce various intellectual property risks surrounding our "Solution SoC" business. We have taken measures to reduce, for example, the risk of litigation and disputes arising from infringement of third party's rights, the risk of leakage of technologies and know-how, and the risk of inappropriate use of Open Source Software (OSS).

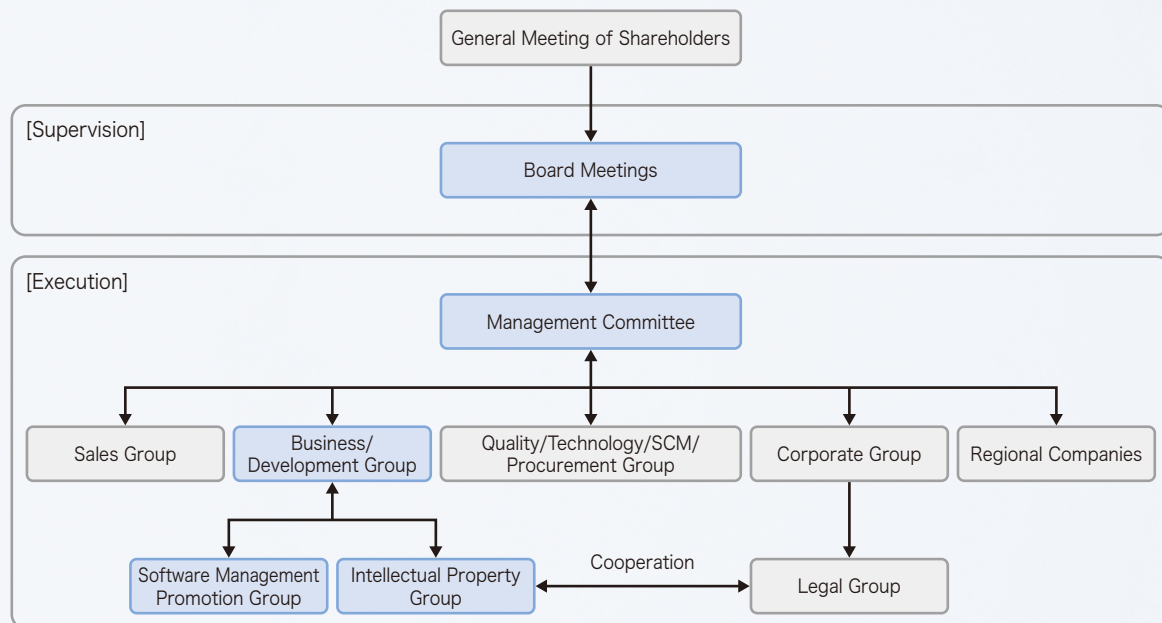


## Governance and Promotion System

Our Group has established an Intellectual Property Group for leading our intellectual property activities within a Development Group. Under the supervision of board meetings, the Development Group, Legal Group and intellectual property Group cooperate closely with each other to promote protection and management of newly created technologies and know-how and handling of intellectual property risks that arise in each case from the development stage of services and products.

In addition, Our Group has established a Software Management Promotion Group for promoting appropriate management of software which includes copyrighted material and Open Source Software (OSS) within the Development Group. Opportunities to use OSS in the "Solution SoC" business are increasing. In order to appropriately manage OSS compliance, Our Group has acquired the international standard certification of OpenChain ISO/IEC 5230:2020 and has worked to appropriately use OSS during the development process of services and products.

### ●Intellectual Property Activities Promotion System Chart



## Quality and Reliability



### Quality Policy

“Leading Quality for Customer Success”

Providing Optimum Quality to Customers through Comprehensive Management Systems.

The products of Socionext are utilized in various fields and are playing very important roles in our customers’ products. We build quality products that meet the varying QCD (Quality, Cost, and Delivery) needs of our customers. Additionally, through comprehensive management systems for the planning and design stages, we as a fabless company choose perfect partners (contract manufacturers) in Japan and overseas according to the characteristics, functionality, and quality of products to be manufactured. Moreover, by leveraging our high-quality and reliable technology that has been developed in the global market and through strong cooperation with our partners (contract manufacturers), we provide optimum quality to our customers in a timely manner.



### Honing from the Source (Design Review)

Each step at the development process, such as market, research, product planning and development planning is completed with design review before starting mass production. In our quality assurance program, design review consists of six steps: product planning validity review (PR), product development plan review (DR0), product design validity review (DR1), mass production transition validity review (DR2), mass production start review (DR3), and pre-shipment audit (PA). We place particular emphasis on the product planning validity review (PR) and product development plan review (DR0). By identifying problems at an earlier stage, we are able to resolve issues to hone quality from the source. Also, we optimize our review contents to ensure that nothing is left out.



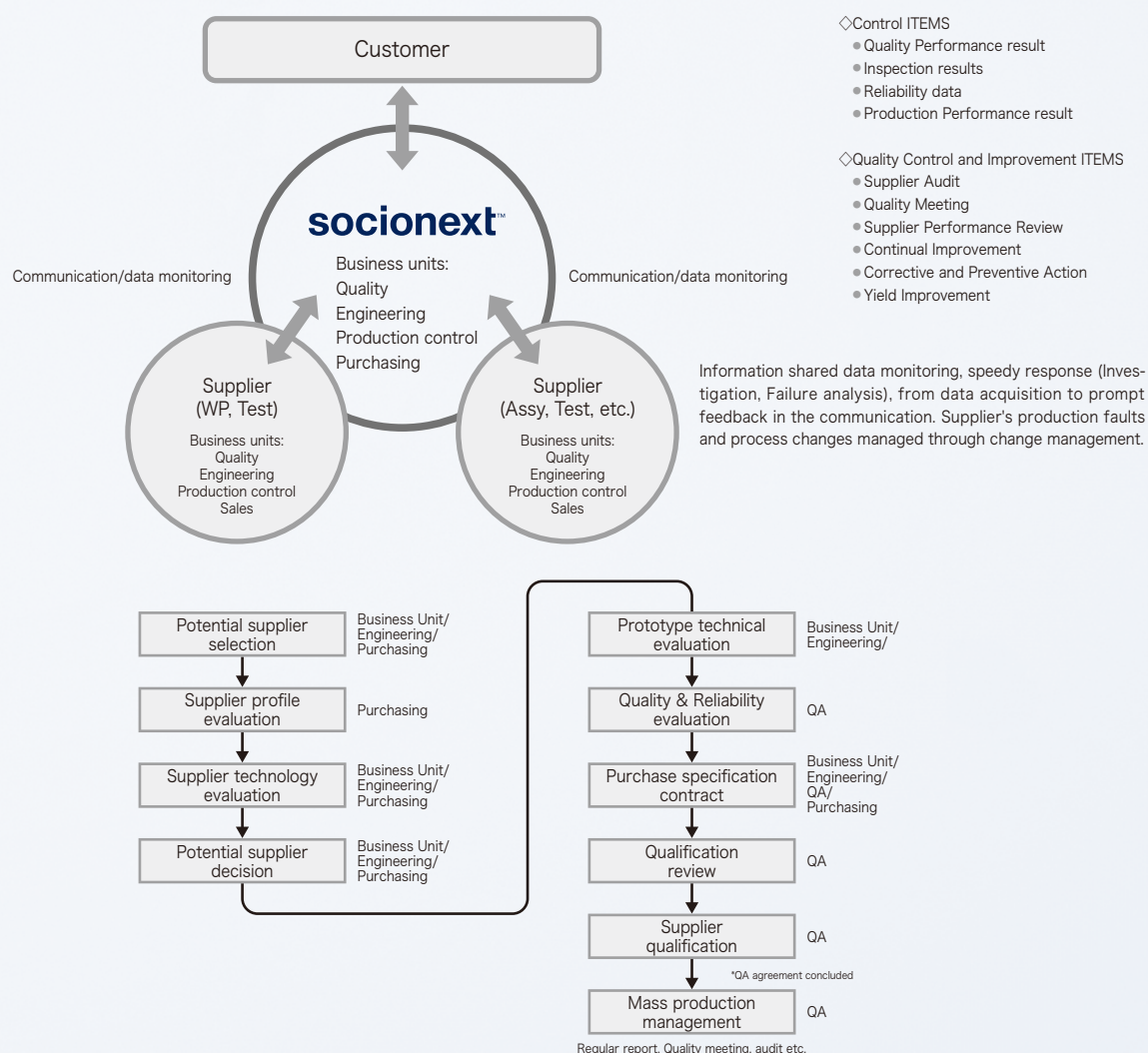


Name	Role	Description
PR	Product planning validity review	We consider the target quality and target reliability to be used for the new product and confirm product development with the agreement of all related offices.
DR0	Product development plan review	We clarify the resources and work required to develop the new product and establish a plan that accounts for everything.
DR1	Product design validity review	Completing the planned design work, we check that the basic design matches the customer's requirements.
DR2	Mass production transition validity review	We confirm the necessary specifications for mass production prototyping, based on results obtained from prototype evaluation.
DR3	Mass production start review	We use the mass production prototype to evaluate the characteristics of the product and confirm the necessary specifications and facilities for mass production.
PA	Pre-shipment review	We conduct feedback based on initial flow management results and in-process fault information.

PR: Planning Review, DR: Design Review, PA: Product Assurance

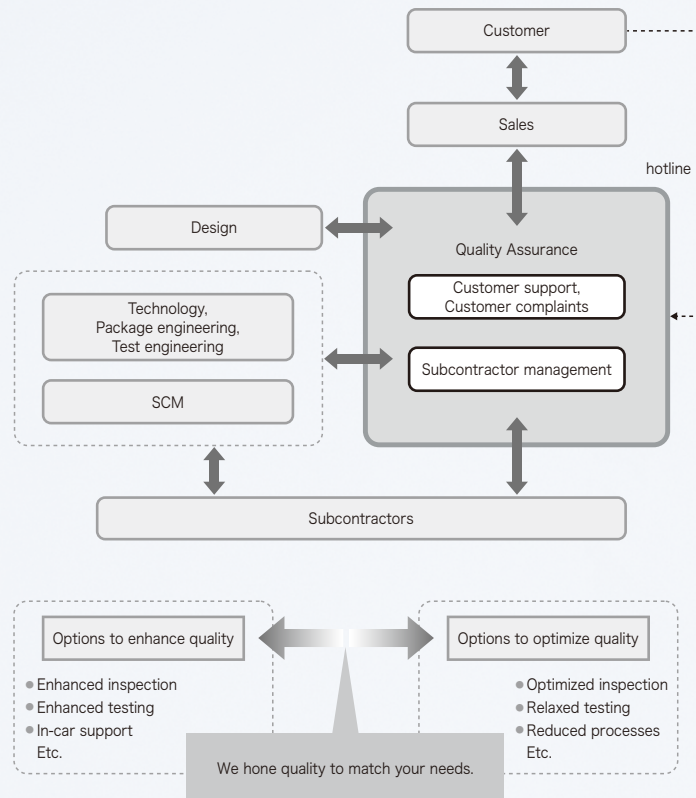
## Supplier Management

To assure optimal quality for fabless company, our group builds close relationships of cooperation with domestic and overseas foundries and partners that have the optimal technology. Through this, we achieve quality management equivalent to in-house fabs.



## Customer Quality Support

The Group provides detailed support in order to supply our customers stably with products in which they can feel satisfied. Specifically, we thoroughly analyze products with defects found by the customer, identify the cause, take counter measures to prevent recurrence of the defect, and report on the status and counter measures. The analysis data of defective products found by customers is directly linked to quality improvement, so we always focus on customer quality support.



## Concept and Initiatives to Protect Customer Safety and Health

Our Group has established a basic policy to protect the health and safety of its customers and is actively working to ensure product safety.

[Service/Product Safety Policy]

### 1. Compliance with laws and regulations

Comply with laws and regulations regarding service and product safety.

### 2. Efforts to ensure safety

In order to ensure the safety of our services and products, we strive to make our products and services safe based on various usage patterns and usage conditions, and take measures as necessary.

### 3. Prevention of accidents due to misuse, etc.

In order for customers and others to use our services and products safely, we will include warnings in the user's manual as well as the product itself to help prevent accidents caused by misuse or carelessness.

### 4. Collection of accident information

We actively collect safety-related information from customers, etc., including information on accidents involving services/ products and information that may lead to accidents.



## 5. Response to accidents

In the event of an accident involving a service/product, we will immediately confirm the facts and investigate the cause. If there is a problem with the safety of a service/product, we provide information to customers, etc., and take measures to recall products, repair services, and prevent the occurrence or spread of other hazards.

## 6. Reporting to the government and related organizations

In the event of a serious product accident, we will promptly report the accident to the relevant authorities in accordance with laws and regulations.

## ●Product Recall Information (Global)

Item	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Recall information	Number [Items]	0	0	0

## ISO9001 Certification

ISO9001 is an international standard for quality management systems with the aim of improving product quality assurance systems and increasing customer satisfaction. We acquired ISO9001 certification. Furthermore, we have set up a system that can expand business globally using the production lines of partner companies that have the IATF16949 certification, which is standard in the automotive industry.

### [Certification of Quality management system (ISO9001)]

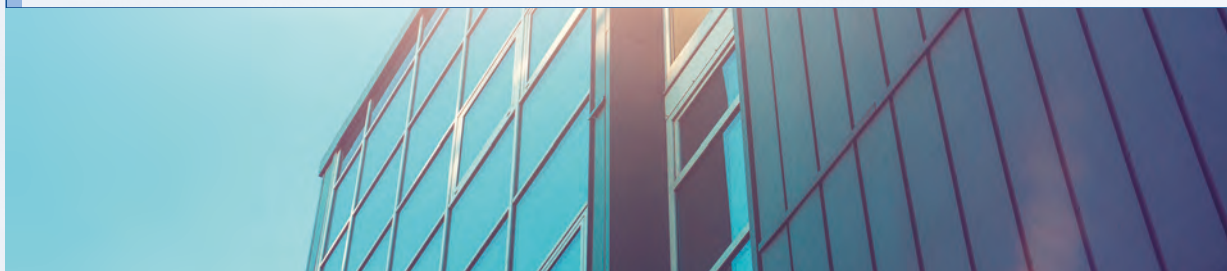


\*Before moving from the Kozoji Office to the Nagoya Office.



\*After moving from the Kozoji Office to the Nagoya Office.

# Corporate Governance



## Basic views on Corporate Governance

Recognizing the importance of management as a company having social responsibilities, Socionext has positioned the development of organizational structures and mechanisms to ensure transparency and fairness in decision-making and the building of a trust relationship with all stakeholders, including shareholders, as one of its most important management issues. Accordingly, we aim to increase our corporate value and achieve sustainable growth through the implementation and continuous improvement of the Corporate Governance Code.

## Reasons for Adoption of Current Corporate Governance System

To increase corporate value over the medium to long term, the Company has established a corporate governance system based on a company with an audit and supervisory committee.

### ●Directors

As of the end of June 2025

Number of Directors Stipulated in Articles of Incorporation	Up to 10 (No more than 3 directors shall be Audit and Supervisory Committee Members.)
Directors' Term of Office Stipulated in Articles of Incorporation	Director (Excluding directors who are Audit and Supervisory Committee Members.): 1 year. Director who is an Audit and Supervisory Committee Member: 2 years
Chairperson of the Board	Chairman
Number of Directors	9 (Of these, 3 directors are Audit and Supervisory Committee Members.)
Number of Outside Directors	6
Number of Outside Directors Designated as Independent Officers	6
Lead Independent Outside Director	1

#### (1) Strengthening Supervisory Functions

The Board of Directors, which includes Independent Outside Directors, and the Audit & Supervisory Committee, the majority of whose members are independent outside directors, will strengthen the supervisory function over business execution.

#### (2) Ensuring Management Transparency

The Company ensures management transparency by appointing more than one-third of its directors as independent outside directors and by having the Nomination and Compensation Committee, a majority of whose members are independent outside directors, report to the Board of Directors on the nomination and compensation of officers.



### (3) Acceleration of Decision-making

The Board of Directors focuses on guiding the course of action for management, making important decisions and overseeing the execution of business operations. By delegating its executive authority to the CEO and executive officers, we aim to promote business operations and increase corporate value through accelerated decision-making.

## Status of Directors

The status of the Company's directors is as follows.

As of the end of June 2025

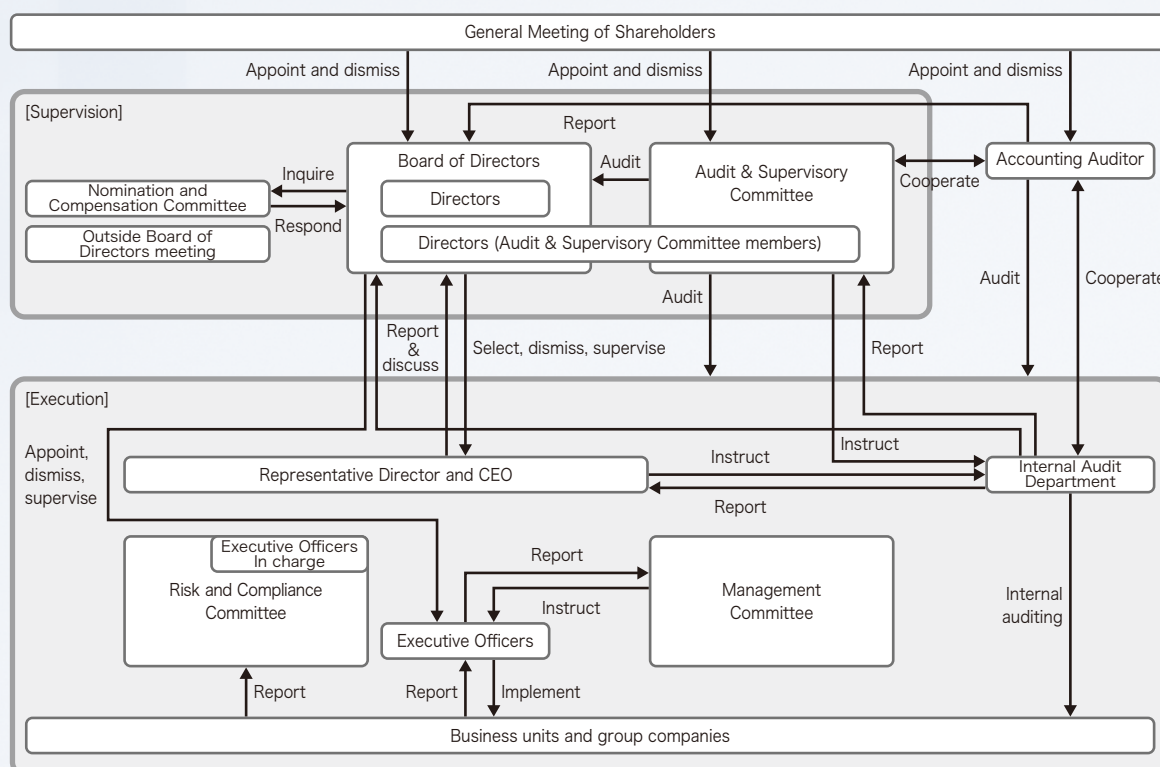
Position in the company	Name	Responsibilities and significant concurrent positions	Term of office as Director	own Number of shares of the Company <sup>*1</sup>
Representative Director, Chairman and CEO	Masahiro Koezuka		10 years and 9 months	122,099 shares
Representative Director, President and COO	Hisato Yoshida	Global Leading Group (GLG) Co-Lead	2 years	20,962 shares
Director, EVP and CFO	Yutaka Yoneyama	In charge of CSR (Sustainability) In charge of risk management In charge of IT systems and Cyber security	3 years and 3 months	20,962 shares
Lead Independent Outside Director	Masatoshi Suzuki	Former Representative Director, President, MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation)	4 years	-
Independent Outside Director	Sachiko Kasano	Attorney-at-law at Shiomizaka Sogo Law Office Outside Director (Audit and Supervisory Committee Member) of Restar Corporation Outside Statutory Auditor of PRAP Japan, Inc.	3 years and 3 months	-
Independent Outside Director	Kazuhiro Nishihata	Former Senior Executive Vice President and Representative Director of NTT DATA (currently NTT DATA GROUP CORPORATION) Former President and Representative Director of NTT DATA, Inc.	-	-
Independent Outside Director (Chairman of Audit and Supervisory Committee)	Yasuyoshi Ichikawa	Member of Yasuyoshi Ichikawa Certified Public Accountant Office, Certified Public Accountant Outside Statutory Auditors of Dai Nippon Printing Co., Ltd.	3 years and 3 months	-
Independent Outside Director (Full-time Audit and Supervisory Committee Member)	Morimasa Ikemoto	Former Full-time Corporate Auditor, FUJITSU COMPONENT LIMITED (currently FCL COMPONENTS LIMITED)	2 years <sup>*2</sup>	-
Independent Outside Director (Audit and Supervisory Committee Member)	Noriko Yoneda	Representative Attorney, Kobe Grace Law Office Outside Director of KEIWA Incorporated	2 years	-

\*1: The number of shares held is as of the end of March 2025.

\*2: He served as Outside Director of the Company for 4 years and 1 month from June 2018 to July 2022.

## ●Corporate Governance Structure

The company's corporate governance structure is as follows.



## The Company's Business Execution and Monitoring System

The Company's business execution and monitoring systems are as follows:

### (1) Board of Directors

The Board of Directors makes decisions on important matters of business execution stipulated by the Board of Directors regulation and matters required by laws and regulations, while continuously supervises the status of business execution. In addition, the Company employs multiple independent outside directors who are experts in diverse fields to strengthen the supervisory function of business execution and develop an effective system through appropriate advice. In principle, the Board of Directors meets once a month on a regular basis, and extraordinary meetings are held as necessary.

In addition, the Board of Directors delegates part of the authority to execute management to the Management Committee, which is chaired by the CEO and is composed of executive officers who supervise each division, in accordance with the Group Approval Authority and Related Company Management Rules.

The Board of Directors consists of 9 members, including 3 internal directors and 6 outside directors, with the majority being Independent Outside Directors.

Representative Director, Chairman and CEO: Masahiro Koezuka (Chairperson)

Representative Director, President and COO: Hisato Yoshida

Internal Directors: Yutaka Yoneyama

Lead Independent Outside Director: Masatoshi Suzuki

Outside Directors: Sachiko Kasano, Kazuhiro Nishihata, Yasuyoshi Ichikawa, Morimasa Ikemoto, and Noriko Yoneda



(2) Audit & Supervisory Committee

The Audit & Supervisory Committee conducts audits on the legality and appropriateness of the execution of duties by directors, ensures the soundness of the Company, and acts in the common interest of shareholders with a view to sustainable enhancement of corporate value. One full-time Audit & Supervisory Committee Member is elected to enhance the effectiveness of the audit and supervisory functions by attending important meetings and strengthening cooperation with the Accounting Auditor and Internal Audit Department. An Independent Outside Director chairs the Committee. In principle, the Audit & Supervisory Committee meets once a month, and extraordinary meetings are held as necessary.

The Audit & Supervisory Committee consists of three Directors, all of whom are Independent outside directors.  
Independent Outside Directors: Yasuyoshi Ichikawa (Chairperson), Morimasa Ikemoto (Full-time),  
and Noriko Yoneda

(3) Nomination and Compensation Committee

The Nomination and Compensation Committee, which is composed of members elected from among the directors by resolution of the Board of Directors, is established as a voluntary advisory body to the Board of Directors with the aim of improving transparency regarding election and compensation of directors who are not Audit and Supervisory Committee Members and executive officers, and election of directors who are Audit and Supervisory Committee Members. The Nomination and Compensation Committee is consulted by the Board of Directors and makes recommendations on the election and compensation of directors who are not Audit and Supervisory Committee Members and executive officers, and the election of Directors who are Audit and Supervisory Committee Members. The Committee formulates election criteria and policies for the personnel of directors and executive officers, and policies for the compensation of directors who are not Audit and Supervisory Committee Members and executive officers and deliberates compensation levels. To adopt independent perspectives, a Lead Independent Outside Director chairs the Committee and three-quarters of the Committee members are Independent Outside Directors.

Lead Independent Outside Directors: Masatoshi Suzuki (Chairperson)

Independent Outside Director: Sachiko Kasano, Kazuhiro Nishihata

Representative Director, Chairman and CEO: Masahiro Koezuka

(4) Outside Directors Meeting

The Outside Board of Directors' group meeting is held every month to gather and share information necessary for Outside Directors' management decision-making and to exchange opinions including their ideas and necessity of discussion for the Board of Directors. The meeting is chaired by a Lead Independent Outside Directors. The Outside Directors' Meeting is composed of all Independent outside directors, and the representative director participates as necessary.

Lead Independent Outside Directors: Masatoshi Suzuki (Chairperson)

Independent Outside Directors: Sachiko Kasano, Kazuhiro Nishihata, Yasuyoshi Ichikawa, Morimasa Ikemoto,  
and Noriko Yoneda

Representative Director, Chairman and CEO: Masahiro Koezuka

(5) Lead Independent Outside Director

Our company selects the Lead Independent Outside Director from among the Independent Outside Directors.

The role of the Lead Independent Outside Director is to act as a liaison between the management and the Independent Outside Directors and to facilitate dialogue between them.

In addition, the Outside Directors Meeting is convened to determine the agenda of the meeting when necessary, and serves as the chairman of the meeting, and the results of the deliberations are communicated to the management or the Board of Directors to encourage discussion.

Lead Independent Outside Director: Masatoshi Suzuki

(6) Management Committee

The Management Committee deliberates and makes decisions on important matters relating to the execution of the Group's business and on important matters to be submitted to the Board of Directors, as determined by the Board of Directors regarding the transfer of authority. In principle, the Management Committee meets once a week and consists of the following members:

CEO, executive officers, and organizational heads appointed by the CEO, etc.



(7) Risk and Compliance Committee

The Risk and Compliance Committee discusses to identify, analyze and take measures for risks including information security, compliance and disasters. Business risks, such as those relating to the business environment, strategy, finance, labor management and supply chain, are deliberated by the Management Committee. The Risk and Compliance Committee meets quarterly and consists of the following members:

Chairperson: CEO, committee members: executive officers, and organizational heads appointed by the CEO, etc.

(8) Internal Audit Department

The Internal Audit Department, which is established directly under the CEO, conducts internal audits on the overall development of internal controls over management activities and the status of execution of business in the Group. The Internal Audit Department's audit plan is approved by the CEO and the Audit & Supervisory Committee, and the results of the Internal Audit Department's audit are reported to the CEO and the Audit & Supervisory Committee. In addition, the Audit & Supervisory Committee can direct the Internal Audit Department as necessary.

## Evaluation of the Effectiveness of the Board of Directors as a Whole

### ●The Company's approach to the Evaluation of effectiveness

The Board of Directors of the Company analyzes and evaluates the effectiveness of the Board of Directors every year with the support of a third-party organization to further ensure its effectiveness and improve its functions.

A summary of the methodology and results of the evaluation of the effectiveness of the Company's Board of Directors for the fiscal year ended March 2025 is provided below.

### ●Method of Evaluation

In December 2024, an anonymous external third-party questionnaire survey with approximately 40 questions (both multiple-choice and descriptive) was conducted with all ten directors, and the results were discussed at a meeting of the Board of Directors to evaluate the effectiveness of the Board of Directors.

### ●Summary of Evaluation results

Overall, we judged that the effectiveness of the Board of Directors of the Company was adequately ensured. The main issues identified as evaluation results of the effectiveness of the Board of Directors are as follows:

- [1] Strengthening the support system for directors
  - Ensuring advance distribution of materials and improvement of comprehensibility
  - Securing opportunities for explanations to the outside directors to understand the semiconductor business and the Company's business model
  - Enhancing the support system for the Audit and Supervisory Committee, including strengthening the internal audit department
- [2] Securing time for deliberation on important strategic topics (Environment, human capital, capital efficiency, etc.)
- [3] Ensuring opportunities for business explanations and communication between the outside directors and the executive officers
- [4] Continuous consideration of the ideal structure of the Board of Directors (diversity, ratio of outside directors, succession planning, officers' compensation plan, etc.)

### ●Initiatives based on Evaluation results

Based on the results of this evaluation, the company will work to further improve the effectiveness of the Board of Directors by promoting continuous improvement activities on issues identified.



## Views on Diversity of the Board of Directors

The Company discloses a skill matrix that lists each director's knowledge, experience, and abilities, as well as a combination of the director's skills etc. in a manner appropriate to the business environment and business characteristics, along with policies and procedures for the election of directors.

Candidates for Directors who are not Audit & Supervisory Committee Members are determined by the Board of Directors based on a report by the Nomination and Compensation Committee, the majority of whose members are Independent Outside Directors.

Candidates for Directors who are Audit & Supervisory Committee Members are determined by the Board of Directors, with the consent of the Audit & Supervisory Committee, based on a report by the Nomination and Compensation Committee, the majority of whose members are Independent Outside Directors.

## Skill matrix of Directors

The skills matrix for the directors is as follows:

As of the end of June 2025

Name	Gender	Outside Director	Independent Officer	Audit & Supervisory Committee Member	1 Management experience at listed Companies	2 Global corporate management	3 Semiconductor business	4 International (Overseas experience)	5 Finance and Accounting	6 Legal and Compliance
Masahiro Koezuka	Male				✓		✓	✓		
Hisato Yoshida	Male						✓			
Yutaka Yoneyama	Male						✓	✓	✓	✓
Masatoshi Suzuki	Male	✓	✓		✓			✓		✓
Sachiko Kasano	Female	✓	✓							✓
Kazuhiro Nishihata	Male	✓	✓		✓	✓		✓		
Yasuyoshi Ichikawa	Male	✓	✓	✓					✓	
Morimasa Ikemoto	Male	✓	✓	✓					✓	
Noriko Yoneda	Female	✓	✓	✓						✓

## Compensation for Directors

### ●Details of the Directors' Compensation System

#### (1) Basic Views

The Company's approach to compensation, etc. for Directors is as follows:

- Highly linked to the company's performance and highly transparent and objective
- Enhancement of corporate value and compensation should be linked in order to share a sense of interest with shareholders
- Contribute to securing and retaining a global management team that meets competent capability requirements in realizing the corporate vision

Compensation for Directors in charge of business execution among Directors consists of a basic compensation based on the compensation standard for the position, and cash and stock incentive compensation reflecting the level of achievement of the company's performance in each fiscal year. For stock incentive compensation, the Company will introduce an "officer compensation BIP trust," which is a stock compensation plan based on a

stock delivery trust.

Compensation for Outside Directors among Directors is fixed basic compensation only in light of their role in supervising business execution.

If the Company appoints a Director not in charge of business execution who does not fall under any of the above categories, the compensation, etc. for such Director not in charge of business execution will be considered separately based on a report by the Nomination and Compensation Committee.

Eligible Directors	Contents	Basic compensation	Incentive compensation	
			Cash compensation	Stock-based compensation
Directors in charge of business execution	To achieve performance targets and increase shareholder value, basic compensation and incentive compensation (cash and stock) will be provided.	✓	✓	✓
Outside Directors	To ensure independence, only basic compensation that is not linked to performance will be paid.	✓	-	-

## (2) Compensation level

In light of the business environment surrounding the Company, we will objectively compare compensation levels with those of other companies in the same industry or other companies of the same size, based on the data from research firms, and establish appropriate levels relevant for the positions.

## (3) Process for Determining compensation

The Company has established a voluntary Nomination and Compensation Committee to ensure the appropriateness of compensation levels and amounts and the transparency of the decision-making process. The chairperson and the majority of committee members are Independent Outside Directors. The Board of Directors consults with the Nomination and Compensation Committee on basic policies and decision procedures. The recommendations of the Nomination and Compensation Committee are deliberated by the Board of Directors, and the Board of Directors decides the basic policy and decision procedures and makes a resolution on the agenda for the General Meeting of Shareholders in the event that the upper limit of total compensation is reviewed.

The specific amount of basic compensation and incentive compensation (cash and stock) for each individual is determined within the scope of the total amount of compensation approved by the General Meeting of Shareholders (on the condition that the specific amount of incentive compensation (stock) for each individual complies with the Board of Directors Share Delivery Regulations established by the Company), based on the report made by the Nomination and Compensation Committee to the Board of Directors. It is subject to approval by the Nomination and Compensation Committee and is determined at the discretion of the Representative Director, Chairman, based on a resolution of the Board of Directors.

## (4) Malus/Clawback Clause

In the event that a material revision of the Company's financial statements or an incident that will have a grave impact on the Company's reputation occurs due to the execution of business by Directors in charge of business execution, or in the event that Directors in charge of business execution (including heirs of the Directors in charge of business execution in the event of the death of a serving Directors in charge of business execution during the trust period) fall under the grounds for disqualification specified by the Company, such as imprisonment without work or heavier penalties, the Company may seek forfeiture (malus) of the beneficiary rights of the Directors in charge of business execution (including heirs of the Directors in charge of business execution in the event of the death of a serving Directors in charge of business execution during the trust period) in question to cash compensation and the Company's shares, scheduled for payment or delivery, or request the return (clawback) of the money of the monetary equivalent of cash compensation and the Company shares, etc. already paid and delivered, etc.



## ● Compensation Structure

The compensation structure of the Company's Directors is as follows:

### (1) Directors (excluding Directors who are Audit & Supervisory Committee Members)

#### [1] Directors in charge of business execution

Type of compensation		Outline	Fixed/ Variable	Payment method	Percentage to total <sup>2</sup>
Basic compensation		Based on the scope of responsibility and role (position) in the Company, a fixed amount is paid monthly as basic compensation	Fixed		60%
Incentive compensation	Cash	Payment of cash (bonus) made yearly as performance-based compensation based on the performance evaluation of one (1) targeted fiscal year	Variable	Cash payment	20%
	Stock <sup>1</sup>	Payment of shares as performance-based compensation based on the performance evaluation of one (1) targeted fiscal year, made at the time of resignation in principle		Payment by stock	20%

\*1: For the payment of stock, using an "officer compensation BIP trust" based on a stock delivery trust, points corresponding to evaluations are granted at the end of every fiscal year, and shares equivalent to the number of such points accumulated are delivered at the time of retiring from the post of Director in principle.

\*2: Percentage figures are estimates and are the percentages when 100% of the performance targets are achieved. In addition, within a range of 0-200%, the ratio of cash and stock to the total incentive compensation may differ, as described below.

#### (i) Basic compensation

Basic compensation is determined, referring to the amount of past compensation, by comparing with the performance of other companies in the same industry or similar size.

Basic compensation is paid as monthly compensation in a fixed amount.

#### (ii) Incentive compensation (cash, stock)

##### a. Structure

In the evaluation items and indicators for the performance-based portion, we consider "net sales," "operating profit," and "design win amount," which are used as numerical targets in the management plan, as quantitative items, with a weighting of approximately 25% each, and also take into account business transformation, growth strategy, ESG measures, etc. as qualitative items as below with a weighting of approximately 25%. In addition, we evaluate all of these items based on comprehensive judgment by the Nomination and Remuneration Committee. We selected the indicators because we believe that quantitative items are numerical targets in the Company's management plan and qualitative items are essential for the sustainable development of the Company. The results of the evaluation are reported to and deliberated by the Board of Directors.

Items subject to evaluation	Items in evaluation	Evaluation timing	Evaluation indicator (target) <sup>1</sup>		Weighting percentage	Variation range <sup>2</sup>
Degree of target achievement in target fiscal year (for 1 year)	Common Items	At the end of the target fiscal year (for 1 year)	Quantitative items	Net sales	25%	The Nomination and Remuneration Committee makes a judgment within the range of 0 - 200% by comprehensively considering the degree of achievement of each item.
				Operating income <sup>3</sup>	25%	
				Design win amount	25%	
	Individual items		Qualitative items	Business transformation, growth strategy, ESG measures, etc.	25%	
					100%	

\*1: We set minimum goals for each evaluation indicator (target). We also set a cap in the variation range of the evaluation for incentive compensation (cash and stock) and determine the evaluation level so that the rate of achievement and the payment amount are consistent.

\*2: The Company may provide all or part of the portion of the incentive compensation (cash) at the level of achievement of evaluation indicators within the range of 0-200% as stock compensation instead of cash, based on the report of the Nomination and Compensation Committee, to ensure that Directors conduct business with more focus on corporate value.

\*3: We will consider adding ROE to the evaluation indicator (target) for judgement in the future.



b. Payment of incentive compensation (cash)

After the performance evaluation period ends, the Nomination and Remuneration Committee makes a comprehensive judgement of the level of achievement of evaluation indicators and submits a report within the range of 0 - 200% to the Board of Directors. In addition, if the Nomination and Compensation Committee judges that it is appropriate to pay all or part of the incentive compensation (cash) within the range of 0-200% as incentive compensation (stock) instead of incentive compensation (cash), it will report to the Board of Directors to that effect. Based on the report of the Nomination and Remuneration Committee, the Board of Directors deliberates and decides the level of incentive compensation (cash) payment. Payment is made in cash in June of the fiscal year following the target fiscal year (for 1 year) of performance evaluation.

[Conceptual image of evaluation]

Fiscal year before target fiscal year (for 1 year)	Target fiscal year (for 1 year)				Fiscal year following target fiscal year (for 1 year)
4th quarter	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter
Target setting →	Evaluation period ←				Final evaluation and payment (June)

c. Payment of incentive compensation (stock)

I Outline

After the performance evaluation period ends, the Nomination and Compensation Committee makes a comprehensive judgement of the level of achievement of evaluation indicators and submits a report within the range of 0-200% to the Board of Directors. In addition, if the Nomination and Compensation Committee judges that it is appropriate to pay all or part of the incentive compensation (cash) within the range of 0-200% as incentive compensation (stock) instead of incentive compensation (cash), it will report to the Board of Directors to that effect. Based on the report of the Nomination and Compensation Committee, the Board of Directors deliberates and decides the level of incentive compensation (stock) payment.

When the performance evaluation period ends, the Company will grant points in accordance with the basic compensation by the position of the individual Eligible Directors, etc. (annual amount), the level of achievement of evaluation indicators, the duration of service during the performance evaluation period, and other factors.

II Delivery of shares

If Directors have fulfilled any of the following conditions when they resign from one of the positions of the officer or employee of the Company as predetermined by the Board of Directors of the Company, they will receive the delivery of the number of Company's shares in a number corresponding to a certain percentage of the points granted to them (one share of the Company's shares per point) by undertaking the prescribed beneficiary finalization procedures. For the number of the Company's shares corresponding to the remaining points, they will receive a monetary amount equivalent to the conversion value of the shares after their conversion within the Trust.

If the "officer compensation BIP trust" is abolished prior to the resignation of Directors from one of the positions of the officer or employee of the Company as predetermined by the Board of Directors of the Company, Directors who are in office will receive the delivery of the number of Company's shares in a number corresponding to a certain percentage of the points granted to them (one share of the Company's shares per point) by undertaking the prescribed beneficiary finalization procedures. For the number of the Company's shares corresponding to the remaining points, they will receive a monetary amount equivalent to the conversion value of the shares after their conversion within the Trust.

- Resignation or retirement from all positions of Board Director, Executive Officer not concurrently serving as Board Director, or employee of the Company due to expiration of term
- Resignation or retirement from all positions of Board Director, Executive Officer not concurrently serving as Board Director, or employee of the Company for a justifiable reason other than expiration of term or death
- Death during the term of office



	Year X March	Year X+1 March	Year X+2 March	Year X+3 March	Year X+4 March	Year X+5 March	Year X+6 March
Year X+1 March	Target setting →	Evaluation period ↔	Evaluation and grant of points (June, July)		Deliver shares at the time of retiring from the post of Director in principle		
Year X+2 March		Target setting →	Evaluation period ↔	Evaluation and grant of points (June, July)		Deliver shares at the time of retiring from the post of Director in principle	
Year X+3 March			Target setting →	Evaluation period ↔	Evaluation and grant of points (June, July)	Deliver shares at the time of retiring from the post of Director in principle	

[2] Outside Directors among Directors

In view of the role of supervising the execution of business, only fixed basic compensation is paid.

(2) Compensation for Directors who are Audit & Supervisory Committee Members

The compensation for Directors who are Audit & Supervisory Committee Members has been determined through discussion among Directors who are Audit & Supervisory Committee Members. In view of the role of supervising the execution of business, only fixed basic compensation is paid, based on the position held by the full-time Audit & Supervisory Committee Member and part-time Members.

(3) Details of the resolution of the General Meeting of Shareholders on compensation, etc.

[Directors (excluding Directors who are Audit & Supervisory Committee Members)]

At the Ordinary General Meeting of Shareholders on June 26, 2025, it was resolved that the total amount of monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) should be no more than 800 million yen per year (up to 100 million yen for Outside Directors; however, this does not include the employee salaries of Directors who also serve as employees). And the specific amount of basic compensation for each individual has been decided by the Board of Directors on condition that the decision is made based on the report made by the Nomination and Compensation Committee to the Board of Directors, and subject to approval of the Nomination and Compensation Committee, and left to the discretion of Masahiro Koezuka, Representative Director, Chairman.

The reason for delegating this authority was that the Representative Director was judged to be suitable for evaluating the division in which each Director is in charge, taking into account the performance of the Company as a whole. The number of Directors at the time the proposal pertaining to the resolution was made (excluding Directors who are Audit & Supervisory Committee Members) was seven, two of them retired due to the expiration of their terms at the conclusion of the General Meeting of Shareholders, and one new member was appointed, so the number of members at the time of the resolution is six.

In addition, separately from the monetary compensation, the Company has resolved "Determination of Amount and Content of Performance-Based Restricted Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors), etc." as a proposal (resolution) at the same Ordinary General Meeting of Shareholders. The contents are as follows. The number of Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) at the time this proposal was submitted and at the time this is resolved is as above.

[1] Recipients of the Company Shares, etc. Subject to the Plan <sup>1</sup>	<ul style="list-style-type: none"> <li>Directors (excluding Directors who are Audit &amp; Supervisory Committee Members and Outside Directors) of the Company</li> <li>Executive Officers of the Company (who meet certain requirements)</li> </ul>
[2] Impact of the Company's Shares Subject to the Plan on the Total Number of Shares Issued	
The upper limit of the monetary amount that the Company will contribute	<ul style="list-style-type: none"> <li>1,150 million yen multiplied by the number of years of the target period. 3,450 million yen for the three fiscal years that are the initial target period (The initial target period is three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028)</li> </ul>
Maximum number of the Company Shares, etc. of the Delivery, etc. to Eligible Directors, etc. <sup>2</sup>	<ul style="list-style-type: none"> <li>1,000,000 shares multiplied by the number of years of the target period. The maximum number of shares of the Delivery, etc. to Eligible Directors, etc. for the three fiscal years that are the initial target period is 3,000,000 shares (The initial target period is three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028)</li> <li>The ratio of the above number of shares per fiscal year (1,000,000 shares) to the Company's total number of issued shares (as of March 31, 2025, net of treasury shares) is approximately 0.6%</li> </ul>
Method of acquisition of the Company shares	<ul style="list-style-type: none"> <li>The Company shares will be acquired from the stock market or the Company (disposition of treasury shares)</li> </ul>
[3] Details of conditions for achievement of performance	<ul style="list-style-type: none"> <li>Varies within the range of 0–200% depending on the status of achievement of the evaluation indicators (targets) in the common items (quantitative items) and the individual items (qualitative items) set in accordance with the Company's business plan.</li> <li>At the level of achievement of evaluation indicators within the range of 0–200%, all or part of the incentive compensation (cash) may be paid as stock compensation in place of cash.</li> </ul> <p>* : Net sales, operating income, and design win amount  ** : Business transformation, growth strategy, ESG measures, etc.</p>
[4] Timing of Delivery, etc. of the Company Shares, etc. to Eligible Directors, etc.	<ul style="list-style-type: none"> <li>In principle, upon the retirement of Eligible Directors, etc.</li> </ul>

\*1: "The Company shares, etc." refers to the Company shares and cash equivalent to the conversion value of the Company's shares, and "delivery, etc." refers to delivery and payment.

\*2: "Eligible Directors" refers to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and Executive Officers who meet certain requirements of the Company.

#### [Directors who are Audit & Supervisory Committee Members]

At the Ordinary General Meeting of Shareholders held on June 26, 2025, it was resolved that the compensation for Directors who are Audit & Supervisory Committee Members shall be fixed basic compensation only and no more than 300 million yen per year, taking into account the nature of their roles and duties. The specific amount of basic compensation for each individual has been determined through discussion among Directors who are Audit & Supervisory Committee Members. The number of Directors who are Audit & Supervisory Committee Members at the time this is resolved was three.

#### (4) Total amount of compensation, etc. by officer category and by compensation type, and number of eligible officers

Fiscal Year Ended March 31, 2025

Category	Total amount of compensation, etc. (Million yen)	Total amount of compensation, etc. by type (million yen)			Number of eligible officers (persons)
		Basic compensation	Performance-based compensation		
			Monetary compensation	Non-monetary compensation, etc.	
Directors (excluding Directors who are Audit & Supervisory Committee Members)	398	232	83	83	7
(of which, Outside Directors)	(24)	(24)	(-)	(-)	(2)
Directors (Audit & Supervisory Committee Members)	41	41	-	-	3
(of which, Outside Directors)	(41)	(41)	(-)	(-)	(3)
Total	439	273	83	83	10
(of which, Outside Directors)	(65)	(65)	(-)	(-)	(5)

(Note) The above total amount of non-monetary compensation, etc. is the amount recorded as expenses related to restricted stock compensation for Directors (excluding Audit & Supervisory Committee Members and Outside Directors).



## Support System for Outside Directors

The Representative Director and Chairman or the Board of Directors Secretariat provides the necessary support to outside directors, including providing supplementary explanations on the business overview and proposals to be submitted to the Board of Directors. Furthermore, for Outside Directors who are Audit & Supervisory Committee Members, the Audit & Supervisory Committee Secretariat provides support for their activities.

## Policy on Election and Dismissal of Directors

The Company sets forth the following policies, standards and procedures for the election and dismissal of directors of the Company.

### ●Policies for Election

- (1) In electing director candidates, consideration shall be given to the composition of the Board of Directors so that the Board of Directors can fully exercise its functions and contribute to the sustainable development of the Group, while ensuring diversity by balancing the experience, knowledge and abilities of each director.
- (2) The Board of Directors shall consist of not more than ten members, and at least one-third of them shall meet the independence standards for outside directors set by the Company.
- (3) The Audit & Supervisory Committee shall, in principle, have at least one legal specialist and one financial accounting specialist.

### ●Election criteria for Director candidates

- (1) Requirements common to All directors
  - A person must have the personality, knowledge, insight and experience required of a director, as well as a high level of awareness in legal compliance and ethics.
  - A person must understand the Group's management philosophy and have the integrity to earn the trust of various stakeholders.
- (2) Requirements for Internal Directors
  - Have a high level of knowledge of the Group's business areas and a wealth of experience and track record in specialized areas.
  - Can promote appropriate organizational management and business execution by making quick and accurate management decisions while overseeing management from a company-wide and medium- to long-term perspective
- (3) Requirements for Outside Directors
  - Can perform supervisory functions from a fair and broad perspective based on extensive experience and knowledge in management and areas of expertise.
  - Can discuss and offer opinions in a frank and constructive manner toward sustainable development of the Group.

### ●Procedures to Elect director candidates

The Board of Directors decides the candidates for directors to be proposed to the General Meeting of Shareholders, based on the recommendations of the Nomination and Compensation, in which the majority of members and the chairperson are Independent Outside Directors. Election of candidates for Directors who are Audit & Supervisory Committee Members shall be subject to the prior consent of the Audit & Supervisory Committee.



## ●Standards and Procedures for Dismissing directors

When a director no longer meets the requirements set forth in “Election criteria for director candidates” or is deemed to lack eligibility as a director, the Board of Directors shall take appropriate measures, such as procedures for dismissal under laws and regulations, based on the report of the Nomination and Compensation Committee.

## The succession plan for the CEO and Other top executives

The succession plan for the CEO and other top executives is implemented through deliberations in the Nomination and Compensation Committee, the majority of whose members are Independent Outside Directors (3 out of 4 members), which is chaired by an Lead Independent Outside Director.

## Training Policies for Directors

For newly appointed internal directors and executive officers, the Socionext group has a policy to improve their skills by utilizing outside seminars for them to acquire the necessary knowledge regarding legal compliance, corporate governance, finance and other matters.

For newly appointed outside directors, the Company explains industry trends and the business situation of the Company, and also has a system in place whereby the new outside directors, after their appointment, can directly request directors and executive officers in charge of business to provide an explanation to deepen their understanding of the Company's business.

In order to revitalize the deliberations of the Board of Directors, the costs of training sessions and socializing opportunities, etc. in which each director voluntarily participates as necessary are to be borne by the Company.

## Independence Standards

### ●Independence Standards for Outside Directors

In the Company, the appointment of independent outside directors, including Audit & Supervisory Committee Members, is subject to deliberation by the Nomination and Compensation Committee on the conformity with independence standards and policies, and the results are reported to the Board of Directors, which deliberates and resolves the matter.

The independence standards adopted and established by the Company are based on the requirements for outside directors stipulated in the Companies Act and the requirements for independent officers stipulated by the Tokyo Stock Exchange.

In accordance with these standards, the Company has registered the six Outside Directors (Masatoshi Suzuki, Sachiko Kasano, Kazuhiro Nishihata, Yasuyoshi Ichikawa, Morimasa Ikemoto, and Noriko Yoneda) as Independent Outside Directors with Tokyo Stock Exchange.

[Independence Standards for Outside Directors]

The Company considers Outside Directors or candidates for such directors to be independent if it determines that none of the following (1) to (9) apply:

However, even if a person falls under any of the following (1) to (9), he or she may be appointed as Independent Outside Director of the Company if the Company believes that he or she has sufficient independence, provided that the reasons for such independence are publicly disclosed.



- (1) A person whose major client or supplier is a Socionext Group Company<sup>\*1,2</sup> or a business executive person thereof<sup>\*3</sup>
- (2) Major client of<sup>\*4</sup> or major lender<sup>\*5</sup> to Socionext Group Companies or a business executive person thereof
- (3) An outside expert who receives a substantial amount of compensation from Socionext Group Companies in addition to officer's compensation<sup>\*6</sup>, or a person who belongs to the organization if the outside expert is an organization such as a corporation
- (4) A member or employee of the Accounting Auditor of the Company
- (5) A person who receives a large donation from a Socionext Group Company<sup>\*7</sup>, or a person who belongs to the organization if the recipient of such a donation is an organization such as a corporation
- (6) A business executive person of a corporation or other organization that accepts directors or other officers from a Socionext Group Company
- (7) A person who has fallen under any of the above items (1) through (6) in the past three years
- (8) A major shareholder of the Company<sup>\*8</sup> or a business executive person thereof
- (9) A close relative of one of the following<sup>\*9</sup>:
  - Persons listed in the above (1) through (8)
  - A business executive person of a Socionext Group Company
  - A business executive person who has been an executive person of a Socionext Group Company in the past three years

\*1: Socionext Group Companies" means Socionext Inc. and its subsidiaries.

\*2: A person whose major client or supplier is a Socionext Group Company" means a party whose sales to Socionext Group Companies account for 2% or more of its annual consolidated total sales in the most recent fiscal year.

\*3: A business executive person is defined in Article 2, Paragraph 3, Item 6 of the Regulations for Enforcement of the Companies Act.

\*4: "Major client of or supplier to a Socionext Group Company" means a party to which 2% or more of Socionext Group Companies' annual consolidated total sales in the most recent fiscal year are recorded.

\*5: Major lender is a major lender stated in the Company's most recent Business Report.

\*6: A substantial amount of compensation means that an individual is paid at least 10 million yen per year in the most recent business year of a Socionext Group Company, and an organization such as a corporation is paid at least 2% of the total annual consolidated sales in the most recent business year of the organization.

\*7: A large donation means a donation of at least 10 million yen per year in the most recent fiscal year of a Socionext Group Company.

\*8: A major shareholder is a person who holds 10% or more of the voting rights.

\*9: A close relative is a spouse, a relative within the second degree of kinship or a relative living together.

## Cross-shareholdings

As a general rule, the Company does not hold any cross-shareholdings and does not currently hold any listed shares as cross-shareholdings.

If it becomes necessary to acquire cross-shareholdings in the future from the perspective of management strategy, etc., the acquisition will be limited to cases that contribute to the sustainable growth of the Company and the enhancement of corporate value over the medium to long term. In addition, the Board of Directors will confirm the significance of acquiring each stock in advance, and after the acquisition, the appropriateness of the holding will be confirmed and reviewed annually. The exercise of voting rights in connection with cross-shareholdings is judged on the basis of whether it contributes to the corporate value of the Company.

## Activities of the Board of Directors, Nomination and Compensation Committee, and Audit and Supervisory Committee

### ●Board of Directors

In principle, the Board of Directors holds regular meetings once a month and holds extraordinary meetings of the Board of Directors as necessary.

The Board of Directors deliberated and made necessary decisions on the revisions of various policies and regulations and the preparation of related documents; business strategies and management issues; the formulation and advancement of business plans; the proposals of general meetings of shareholders; sustainability-related matters; the strengthening of development systems; the conclusion of important agreements; the formulation of policies for determining the compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) and the determination of individual compensation; risk and compliance-related matters; and the establishment and operation of internal control systems, among others. Simultaneously it received reports on the status of business execution from Directors and executive officers.

The attendance of individual directors for the fiscal year ended March 31, 2025 under review is as follows.

Position	Name	Attendance
Representative Director	Masahiro Koezuka	13 out of 13 (100%)
Director	Yutaka Yoneyama	13 out of 13 (100%)
Director	Koichi Otsuki	13 out of 13 (100%)
Director	Noriaki Kubo	12 out of 13 (92%)
Director	Hisato Yoshida	13 out of 13 (100%)
Lead Independent Outside Director	Masatoshi Suzuki	13 out of 13 (100%)
Independent Outside Director	Sachiko Kasano	13 out of 13 (100%)
Independent Outside Director (Audit & Supervisory Committee Member)	Yasuyoshi Ichikawa	13 out of 13 (100%)
Independent Outside Director (Full-time Audit & Supervisory Committee Member)	Morimasa Ikemoto	13 out of 13 (100%)
Independent Outside Director (Audit & Supervisory Committee Member)	Noriko Yoneda	13 out of 13 (100%)

### ●Nomination and Remuneration Committee

The Nomination and Remuneration Committee meets at least 2 times in each fiscal year, and 23 times in the fiscal year ended March 31, 2025.

The Nomination and Remuneration Committee deliberated on the composition of the Board of Directors, policies for the appointment and dismissal of directors and executive officers, criteria for determining the independence of outside directors, matters concerning the remuneration of directors (Excluding directors who are Audit and Supervisory Committee Members.) and executive officers (Basic Policy, Policy on Decisions on the Contents of Remuneration, etc. by Individuals, Contents of Remuneration, etc. by Individuals, etc.), proposals concerning remuneration to be proposed to the General Meeting of Shareholders, succession plans, etc., and made necessary reports to the Board of Directors.

The attendance of individual committee members in fiscal year ended March 31, 2025 is as follows.

Position	Name	Attendance
Chairperson (Lead Independent Outside Director)	Masatoshi Suzuki	23 out of 23 (100%)
Committee Member (Independent Outside Director)	Sachiko Kasano	23 out of 23 (100%)
Committee Member (Representative Director, Chairman, President and CEO)	Masahiro Koezuka	23 out of 23 (100%)



## ●Audit and Supervisory Committee

The Audit & Supervisory Committee consists of three Outside Directors who are Audit & Supervisory Committee Members. In addition, to support the duties of the Audit & Supervisory Committee, the Company established a dedicated Audit & Supervisory Committee Secretariat (2 persons).

Yasuyoshi Ichikawa, who serves as the Chairperson of the Audit & Supervisory Committee, is a certified public accountant with extensive experience in and deep insight into finance and accounting. Morimasa Ikemoto, the full-time Audit & Supervisory Committee Member, has served as a full-time auditor and a director who is an audit & supervisory committee member of a listed company, and has considerable knowledge of finance and accounting, internal control and auditing. Noriko Yoneda is a qualified attorney with extensive experience in and deep insight into corporate legal affairs and compliance.

The Audit & Supervisory Committee and Audit & Supervisory Committee Members audit and supervise the execution of duties by the executive directors by attending important meetings, including meetings of the Board of Directors, investigating the status of operations and assets, and ascertaining the status of the development and operation of internal control systems, in accordance with the annual audit plan formulated by the Audit & Supervisory Committee.

Specifically, the Audit & Supervisory Committee grasps the progress of management and business through interviews with Directors and executive officers, making judgments on the legality and appropriateness of management execution, and so forth. All members of the Audit & Supervisory Committee attend meetings of the Board of Directors to conduct audits and supervise the status of deliberations of the Board of Directors, important decision-making processes related to management strategies and corporate governance etc., initiatives on sustainability, and more. In addition, the Audit & Supervisory Committee exchanges information and opinions with the accounting auditor to promote mutual understanding regarding the status of audit implementation through regular quarterly meetings and additional meetings as necessary. Furthermore, the Audit & Supervisory Committee reviews the election, compensation, and other matters related to Directors who are not Audit & Supervisory Committee Members to determine the opinions of the Audit & Supervisory Committee.

The full-time Audit & Supervisory Committee Member attends important meetings, such as the Management Committee, conducts interviews with Directors and executive officers of the Company, and presidents of its subsidiaries, and examines important agreements, approval documents, and other records. Subsequently, he audits the status of business execution and other relevant matters, reporting the results to the Audit & Supervisory Committee.

The activities conducted in the fiscal year ended March 31, 2025, are as follows:

Position	Name	Attendance
Independent Outside Director (Audit & Supervisory Committee Member)	Yasuyoshi Ichikawa	12 out of 12 (100%)
Independent Outside Director (Full-time Audit & Supervisory Committee Member)	Morimasa Ikemoto	12 out of 12 (100%)
Independent Outside Director (Audit & Supervisory Committee Member)	Noriko Yoneda	12 out of 12 (100%)

## Policy for Constructive Dialogue with Shareholders

The following is the Company's policy regarding the development of systems and initiatives to promote constructive dialogue with shareholders and investors.

### ●Policy for Initiatives to Promote dialogue

- Disclose information in a timely and appropriate manner in accordance with laws and regulations, such as the Financial Instruments and Exchange Act, and the Timely Disclosure Rules of the Tokyo Stock Exchange.
- Efforts will be made to engage in two-way communication with shareholders to explain the Company's management situation and operating policies in an easy-to-understand and accurate manner and report the feedback of shareholders' opinions and requests to the Board of Directors as part of IR/SR status reports, which will be reflected in formulating management strategies, improving business operations and determining information disclosure.
- This will lead to sustainable growth of the Company and medium- to long-term enhancement of its corporate value.



## ●Internal Structure

- The person in charge of Investor Relations and Shareholder Relations shall be the executive officer in charge of corporate planning, and the department in charge of Investor Relations shall be the Public Relations & Investor Relations Office, and the department in charge of Shareholder Relations shall be Corporate Affairs & Human Resources Division.
- Departments committed to Investor Relations and Shareholder Relations (Public Relations & Investor Relations Office, Corporate Planning Office, Corporate Affairs & Human Resources Division, Corporate Finance Division, and ESG Promotion Office, etc.) will fully cooperate in preparing disclosure materials to promote dialogue with shareholders.

## ●Report to the Board of Directors

- The person in charge of Investor Relations and Shareholder Relations regularly reports information and opinions from shareholders and investors to the Board of Directors.

## ●Initiatives to Promote dialogue

- Information that falls under the Timely Disclosure Rules shall be disclosed via TDnet.
- Disclose necessary information on the Investor Relations section of the Company's website.
- Set up opportunities for dialogue with shareholders and investors, such as individual meetings, group meetings and company briefings, and actively disclose information.
- The Company will hold financial results briefings and disclose materials on the Investor Relations section of its website.

## Measures to Realize management with Capital cost and Stock price in mind

In promoting the Custom SoCs business, the Group is implementing management with capital profitability in mind. Specifically, we set up multiple checkpoints for each business project, focusing on profitability and cash flow, during the period from the beginning of the project to the acquisition of the project, and during the period from the acquisition to the start of mass production.

Once a year, we calculate the cost of capital for the fiscal year ended and reports the results compared to the return on capital (ROE, ROIC) to the Board of Directors.

In the fiscal year ended March 2025, we confirmed that our Group's profitability exceeded the cost of capital because the Group's ROE and ROIC exceeded the cost of capital according to our calculation.

Specific measures to further improve ROE and ROIC are as follows.

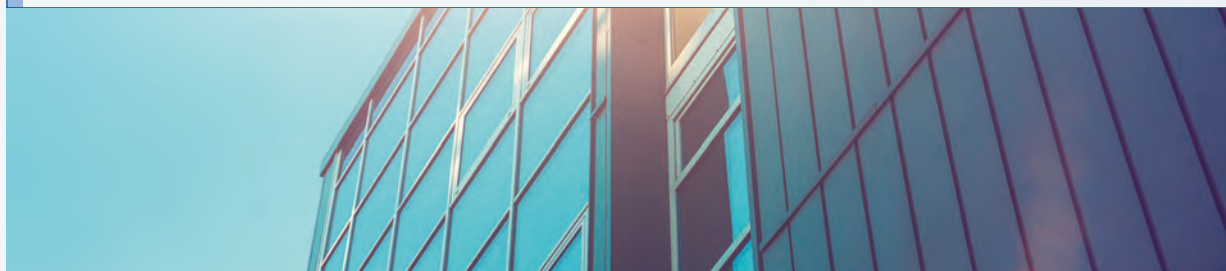
- Thorough Securing of Proper Profits on a per project basis
  - Pursuing development efficiency by strengthening development systems in line with the Custom SoCs business
- By promoting these measures, we aim to increase our corporate value and improve our market valuation.

## Implementation of Dialogue with Shareholders

- We provide shareholders and investors with an interactive environment by disclosing the Group's latest business results and business strategies on the shareholder and investor pages of our website, and by posting a contact point for shareholders and investors.
- We hold quarterly financial results briefings and individual interviews with institutional investors and analysts.
- Dialogues with shareholders, investors, and analysts are reported to the Board of Directors and other meetings to provide feedback to management.



# Internal Control



## Development and Operation status of Internal Control System

The Group's status of development and operation of internal control system is outlined below.

### § Basic Policy on the Development of Internal Control Systems

Pursuant to the Companies Act and the Regulations for Enforcement of the Companies Act, the Company shall establish an internal control system for a corporate group consisting of the Company and its subsidiaries (hereinafter referred to as "the Group") in order to ensure the appropriateness of business operations

### § Overview of status of development and operation

An outline of the operational status of the system to ensure the appropriateness of business operations during the fiscal year under review is as follows.

- (1) Systems to ensure that the execution of the duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

#### [Systems]

- [1] The Company shall be committed to promoting compliance, including compliance with laws and regulations and the Articles of Incorporation, by establishing internal rules, such as the CSR Policy and compliance codes, and making officers and employees of the Group fully understand and comply with them.
- [2] The Company shall clarify laws and regulations pertaining to business activities of the Group, establish internal rules necessary for compliance with them, conduct education, and develop a monitoring system.
- [3] If an officer or employee of the Group becomes aware of any facts that may constitute a material breach of compliance in connection with the conduct of business activities of the Group, he or she shall immediately notify the Board of Directors and Audit & Supervisory Committee of the Company of such fact through the normal line of business.
- [4] In order to enable early detection of compliance issues, the Company shall set up internal and external contact points for whistleblowing from officers and employees of the Group, while ensuring the system to protect whistleblowers.
- [5] The Board of Directors of the Company shall receive regular reports on the execution of duties from the person performing the duties in the Group and shall confirm that there is no non-compliance in the execution of duties.
- [6] The Company shall conduct an internal audit in order to confirm the status of business execution in the Group, ensure compliance with laws and regulations and the Articles of Incorporation, etc. and make improvements in operational efficiency.
- [7] The Group shall take a firm stand against antisocial forces, have no relationship with them and deal with them systematically in coordination with external professional organizations.

#### [Overview of status of development and operation]

- We post internal rules and regulations, including the CSR Policy and compliance codes, on the internal portal site to make them fully understood and also conduct compliance training for officers, e-learning for officers and employees, and departmental education to promote compliance, including compliance with laws and regulations and the Articles of Incorporation.
- We are strengthening our compliance system by appointing a Risk Compliance Officer for each division under the Risk and Compliance Committee.
- We use e-learning to provide all officers and employees with various types of compliance education, including matters related to information security, prevention of insider trading, prevention of harassment, the environment, procurement transactions, and the laws and regulations on security-related export controls.
- The Group's officers and employees who become aware of potential non-compliance issues should report them to the line manager, and the details should be reported to the Board of Directors and the Audit & Supervisory Committee.
- We build and operate our global Whistleblowing System and make the rules for its usage known. In addition, we pursue the prohibition of adverse treatment or retaliation against the whistleblower, as well as the protection of the whistleblower.
- The Board of Directors of the Company receives regular reports on the execution of duties from the person performing the duties in the Group and confirms that there is no non-compliance in the execution of duties.
- The Company conducts an internal audit by the Audit Department in order to confirm the status of business execution in the Group, ensures compliance with laws and regulations and the Articles of Incorporation, etc. and makes improvements in operational efficiency.
- In order to prevent transactions with anti-social forces, we check the appropriateness of transactions as an essential response in our business processes.

(2) Systems under which information regarding execution of duties by Directors shall be retained and managed

**[Systems]**

- |   |
|---|
| [1] The Company shall properly store and manage documents related to the execution of duties by Directors and other important information in accordance with the Important Document Management Regulations, after appointing a person in charge of retention. |
| [2] The Company shall establish a system in which Directors have access at all times to documents to confirm the status of the execution of their duties.   |

**[Overview of status of development and operation]**

- |   |
|---|
| <ul style="list-style-type: none"> <li>· In accordance with the Important Document Management Regulations, minutes of general meetings of shareholders, minutes of meetings of the Board of Directors, minutes of meetings of Management Committee and the approval documents, etc., as the Company's important documents and information, are properly stored and managed with a person responsible for the storage and the method of storage specified.</li> <li>· The Company has established a system in which Directors can view documents to confirm the status of execution of duties at all times.</li> </ul> |
|---|

(3) Regulations and other systems for the risk management of loss

**[Systems]**

- |  |
|--|
| [1] The Company shall establish a risk management system in accordance with the Risk Management Code. Risk management for overall management shall be conducted by the Management Committee, and risk management for disasters/accidents, compliance, information security, etc. shall be conducted by the Risk and Compliance Committee.                      |
| [2] The Company shall systematically and continuously extract and evaluate risks that could cause losses to the Group, appoint an officer for each extracted risk item to clarify a system of responsibility, and formulate and implement measures. In addition, when risks materialize, the Company shall take necessary measures to minimize losses arising. |
| [3] Based on the Business Continuity Plan (BCP)/Business Continuity Management (BCM) Code, the Company shall clarify a system of responsibility, prepare for a contingency such as disasters in the Group and its business partners, and conduct activities to ensure business continuity of the Group.  |
| [4] In accordance with the Information Security Code, the Company shall clarify a system of responsibility and implement specific measures for the Group's information security.   |
| [5] The Company shall regularly report to the Board of Directors on the status of the Group's risk management activities.  |

**[Overview of status of development and operation]**

- |   |
|---|
| <ul style="list-style-type: none"> <li>· In addition to the Board of Directors Regulations and the Management Committee Regulations, the Company has established the Risk Management Code and has developed a global risk management system.</li> <li>· We have established a risk management process and regularly have a company-wide risk review conducted by the Management Committee. Through this process, we ascertain information on the latest risk status, appoint an officer for each risk, develop measures and countermeasures against risks, and check on the progress thereof.</li> <li>· The Risk Compliance Committee, based on a third party's work including vulnerability verification of information security systems, reports information security incidents and cyber security and confirms the progress of countermeasures, and checks whether any violations of laws or regulations have occurred.</li> <li>· As part of the BCP/BCM initiative, we continuously engage in activities such as developing manuals and conducting BCP drills based on our policies during normal times. During the fiscal year under review, we additionally developed a manual based on disaster scenarios, assuming an earthquake occurring directly beneath the Tokyo metropolitan area, to make the manual more specific and effective.</li> <li>· To further strengthen the information security system, we promoted the development of information security rules throughout the Group, led by the Information Security Promotion Office, and also implemented various information security measures, including the introduction of multi-factor authentication, information security training for officers and employees, and drills for targeted e-mail attacks.</li> <li>· The activities of the Management Committee and the Risk and Compliance Committee are regularly and occasionally reported to the Board of Directors.</li> </ul> |
|---|



#### (4) Systems to ensure efficient execution of duties by Directors

##### [Systems]

[1] The Company shall separate the supervisory function from the executive function of management, and the Board of Directors of the Company shall determine basic management policies and important business execution etc., and supervise executive function. The Company shall introduce an executive officer system, and CEO and executive officers are responsible for the executive functions of the business. In addition, the Management Committee shall be established to efficiently conduct multifaceted reviews in the executive function, and it deliberates and decides on important matters related to management strategy and business execution.

[2] The Company shall clarify the duties of the Group's officers and employees and the reporting obligations of its subsidiary officers and employees to the Company in accordance with the Socionext Group Approval Authority and the Affiliate Management Regulations and the Regulations on Organization and Separation of Duties.

[3] The Company shall establish a system for the efficient and lawful conduct of the Group's business by establishing the business process fundamentals for the business.

[4] The Company shall continuously promote the development of internal control systems and the reform of business processes in the Group.

[5] The Company shall disseminate its management policy throughout the Group and formulate a business plan in March of each year that includes the next fiscal year and beyond. At monthly meetings of the Board of Directors, the Company shall monitor and supervise the achievement of management objectives by reporting on financial results and the status of business execution.

##### [Overview of status of development and operation]

· Directors make important management decisions promptly at the Board of Directors meetings and supervise the execution of duties. In addition, among the agenda presented to the Board of Directors meetings, important management issues are discussed and reviewed in advance by the Management Committee to enhance deliberations. In addition, through the introduction of the executive officer system, the Company endeavors to accelerate business execution.

· Specifically, we are improving efficiency in the execution of duties by Directors through the following management, etc.

- By clarifying the business model and the business areas of Solution SoC and promoting a business transformation and shift of resources to growth areas, we are focusing on large-scale global business opportunities and development for business expansion and growth.

We are also strengthening our development resources to support global business expansion by reviewing and improving our development processes and opening new development bases overseas.

- To enable efficient and quick development, we are promoting visualization of development resources and building a system that enables timely resource assignment.

In order to strengthen development resources, the Group is developing and implementing training programs for different levels of engineers.

- We have been further strengthening a structure for execution of duties as a listed company, including the update and improvement of public relations and investor relations functions and shareholder relations functions.

In addition, we promote the construction, execution and disclosure of sustainability-related business processes, and are working to enhance evaluation from our stakeholders and the presence of the Company.

· In accordance with the Management Committee Regulations and the Socionext Group Approval Authority and the Affiliate Management Regulations, important matters relating to the business activities of the Group are set forth and administered as matters to be approved by and reported to the Management Committee. In addition, presidents of the Group Company make monthly business reports to the Management Committee members, etc.

· In the Group Company, the Company officers and employees are assigned to serve as officers of the Group Company to strengthen guidance, support and supervision on the development of operational systems. In addition, we establish the codes applicable to the entire Group Company to strengthen the management system of the Group Company.

· The Company establishes a system for the efficient and lawful conduct of the Group's business by establishing the business process fundamentals for the business. In addition, we conduct internal audits of business processes and take corrective actions as necessary, while continuously improving the processes.

· The Internal Audit Department conducts internal audits of the Group as a whole to ensure that the Group is performing its duties in accordance with the Socionext Group Approval Authority and the Affiliate Management Regulations and the rules of business processes.

· The Group formulates a business plan in March every year that includes the following fiscal year and years beyond. In addition to quarterly management, the Group strives to manage management indicators and targets over the course of multiple fiscal years. Under this structure, we strive to confirm the feasibility of design wins and sales plans, promote comprehensive cost and gross margin improvements, upgrade our market strategy and check the validity of up-front development investments when it comes to design wins and lead generation, globalize and improve the efficiency of SCM, and globalize and improve the efficiency of corporate operations, while at the same time building and strengthening the IT infrastructure that supports our business activities. The status of these initiatives is reported to the Board of Directors monthly.

- (5) Matters relating to Socionext Personnel assisting with the duties of the Audit & Supervisory Committee, matters relating to the independence of such personnel from Directors, and matters relating to ensuring the effectiveness of directions given to such personnel

**[Systems]**

[1] The Company shall have Socionext Personnel to assist with the duties of the Audit & Supervisory Committee of the Company and shall assign appropriate personnel with the abilities and knowledge required by the Audit & Supervisory Committee of the Company.
[2] In order to ensure the independence of the Socionext Personnel referred to in the preceding item and the effectiveness of directions given to such Socionext Personnel by the Audit & Supervisory Committee of the Company, the Company shall obtain the consent of the Audit & Supervisory Committee of the Company with respect to matters relating to personnel, such as appointment, transfer and compensation of such Socionext Personnel.
[3] In principle, the Company shall not allow the Socionext Personnel described in [1] above to serve concurrently with any other organizations. However, when it becomes necessary to have the Socionext Personnel with special expertise concurrently serve at the request of the Audit & Supervisory Committee of the Company, consideration shall be given to ensuring the independence set forth in the preceding paragraph.

**[Overview of status of development and operation]**

· The Company has established an Audit & Supervisory Committee Secretariat to support the duties of the Audit & Supervisory Committee and assigns appropriate personnel.
· The Company obtains the consent of the Audit & Supervisory Committee with respect to matters relating to personnel, such as appointment, dismissal, transfer and compensation of such personnel assisting with the Audit & Supervisory Committee.
· Audit & Supervisory Committee Secretariat is a full-time system and has no concurrent staff.

- (6) System for reporting to the Audit & Supervisory Committee

**[Systems]**

[1] Officers and employees of the Group shall periodically report the performance of their duties to the Audit & Supervisory Committee of the Company and provide Audit & Supervisory Committee members with opportunities to attend important meetings.
[2] Officers and employees of the Group shall immediately report to the Audit & Supervisory Committee of the Company when a risk affecting their management or performance occurs or when they become aware of a fact that constitutes a material breach of compliance with respect to the conduct of their business activities.
[3] The Group shall not treat any officers or employees unfavorably for the reason of making a report under the preceding two items.

**[Overview of status of development and operation]**

· The Audit & Supervisory Committee receives reports on the status of the execution of duties from the CEO and executive officers, etc. on a regular and occasional basis. In addition, the Audit & Supervisory Committee Members attend important meetings such as the Board of Directors, the Management Committee, and meetings for performance reporting, and conduct investigations and interviews with each division and exchange opinions with Directors of the Company.
· Officers and employees of the Group immediately report to the Audit & Supervisory Committee of the Company when a risk affecting their management or performance occurs or when they become aware of a fact that constitutes a material breach of compliance with respect to the conduct of their business activities.
· The Group does not treat its officers and employees who report to the Audit & Supervisory Committee unfavorably for the reason of having made a report under the preceding two items.

- (7) Other Systems for Ensuring Effectiveness of Audit by the Audit & Supervisory Committee

**[Systems]**

[1] Officers and employees of the Group shall exchange information with the Audit & Supervisory Committee upon request from the Audit & Supervisory Committee.
[2] The Audit Department shall regularly report the status and results of audits to the Audit & Supervisory Committee. The Audit & Supervisory Committee may give instructions to the Audit Department as necessary.
[3] The Audit & Supervisory Committee shall receive reports from accounting auditors on plans and results of accounting audits from time to time, and periodically exchange information with accounting auditors.
[4] Expenses incurred in the performance of the duties of the Audit & Supervisory Committee of the Company shall be in accordance with Article 399-2, Paragraph 4 of the Companies Act, and the Company shall establish procedures for the requests in the same paragraph.

**[Overview of status of development and operation]**

· Officers and employees of the Group exchange information with the Audit & Supervisory Committee upon request from the Audit & Supervisory Committee.
· The Audit & Supervisory Committee works closely with the Internal Audit Department, which is the internal audit division, to improve the effectiveness and efficiency of audits by exchanging information and opinions with each other on a regular basis and when necessary. The Audit & Supervisory Committee gives instructions to the Internal Audit Department as necessary.
· The Audit & Supervisory Committee receives periodic and occasional reports from accounting auditors and exchanges information and opinions.
· Expenses of the Audit & Supervisory Committee are properly settled in response to requests from Audit & Supervisory Committee Members.

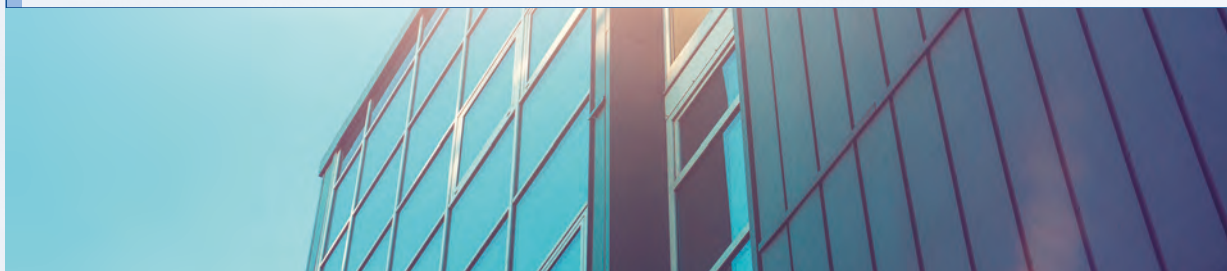


## Disclosure of Non-Financial Information

Currently, our group maintains and operates its internal control system mainly through the "System of Internal Control over Financial Reporting" pursuant to the Financial Instruments and Exchange Act. However, in the April 7, 2023 revision of the "Standards for Evaluation and Implementation of Internal Control over Financial Reporting", the development and operation of this system was changed to the "System of Internal Control over Reporting". This regulation stipulates the development and operation of the internal control system for reporting financial or non-financial information.

Our group discloses non-financial information in accordance with the "Corporate Governance Code (Basic Principle 3)" set forth by the Tokyo Stock Exchange. However, in addition to conventional financial reporting, We will promptly develop and operate an internal control system for non-financial information to ensure appropriate information disclosure and reporting.

# Risk Management

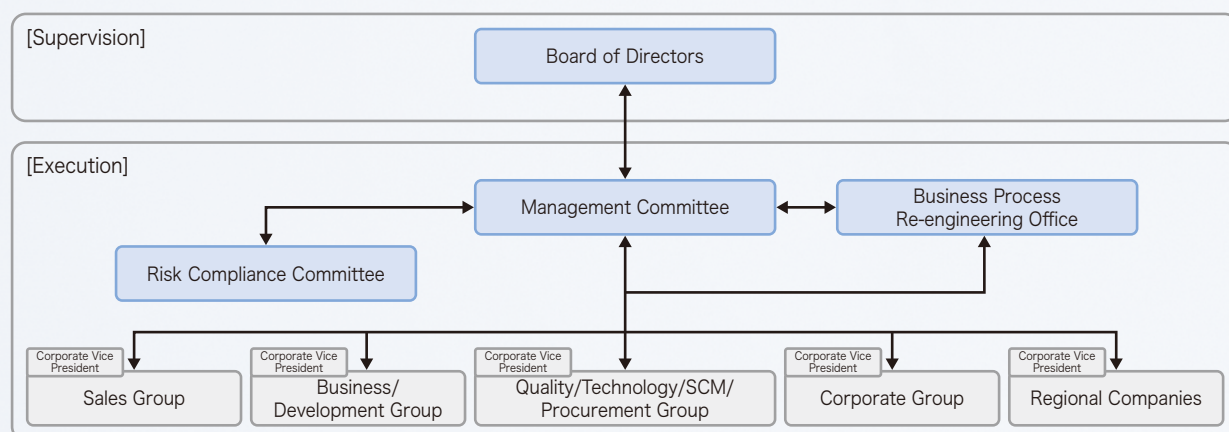


As our group expands its business activities globally, it is important to quickly grasp all risks arising from changes in the complex and diverse business environment and take appropriate countermeasures. We believe that this is essential to achieving our goal.

Under the following structure, our group systematically and continuously extracts and evaluates risks, appoints a managing officer for each extracted risk item, and formulates and implements measures. Furthermore, we have established a system to regularly report to the Board of Directors regarding these initiatives, confirm the comprehensiveness of assumed risks, the effectiveness of various countermeasures, and the progress status. We are working to strengthen risk management to reduce the scale of losses.

The table below shows an overall view of Group material risks based on the risk analysis conducted fiscal year ended March 31, 2025.

## ●Risk Management Structure



## ●Overall view of Critical risks

### [Business Risks]

- Stable supply products
- Geopolitical risks
- Sophistication of design and development
- Changes in the market environment
- Human resources/labor affairs
- Quality
- Business continuity
- IT systems & information security
- Sustainability issues (climate change/human capital)
- Global compliance (antitrust, bribery, etc.)
- Intellectual property
- Accounting/taxation



# Compliance



## Basic Philosophy

"We ensure a sustainable future by creating a cohesive society with customers and partners" is one of Values of the Socionext Group. To achieve this, it is essential to promote fair business and transactions, and the Group has established the CSR Policy as its basic philosophy. Based on this CSR Policy, the Group has established the Compliance Code as part of our Group regulations and ensures that all Group employees act with a high sense of ethics and compliance awareness. We also conduct annual internal audits to confirm that business operations are being conducted in accordance with our basic policies, various regulations and guidelines. Furthermore, violations of these codes and regulations are subject to disciplinary action in accordance with internal regulations.

[Items and concepts specified in the Compliance Standards]

### ● Compliance with laws, regulations and social standards

We fully comply with laws, regulations and social standards, thus earning the trust of society. We will comply with the laws and regulations of the countries and regions where we conduct business activities and will not engage in illegal activities such as scams, fraud and money laundering. In addition, we monitor the status of enactment and revision of laws and regulations in each country where we conduct business activities, prepare internal regulations in a timely manner, and disseminate them through e-learning and other means.

### ● Respect for human rights

We respect each individuals's rights and do not discriminate or tolerate human rights violations. We respect the human rights of all stakeholders (Customers, business partners, employees, local communities, etc.) involved in our business activities, and do not violate human rights or engage in discriminatory treatment based on gender, age, nationality, race, ethnicity, ideology, religion, social status, employment status, marital status, pregnancy status, family origin, sexual orientation or gender identity, physical characteristics, disease, or disability. We have established Group regulations to prevent discriminatory treatment of employees and candidates for employment. Any violation of the regulations is subject to disciplinary action in the work rules. We also present our business partners with CSR Procurement Guidelines established by our company and urge them to respect human rights and to prohibit human rights violations.

### ● Establishing an improved work environment

We want our employees to be happy. We respect individuality, treat them fairly and aim to create a healthy and comfortable work environment. We maintain a safe and healthy working environment by complying with laws and regulations related to labor and health and safety.

### ●Environmental consideration

We conduct our business with consideration for global environment. We comply with the environmental laws and regulations of each country in which we operate our business and strive to develop products that contribute to reducing environmental impact.

### ●Promoting fair trade

Our relationship with our customers and business partners are built on trust, in accordance with practice fair trade. We will comply with the competition laws, anti-bribery and anti-corruption laws of each country and will not engage in activities that raise suspicion.

### ●Information management

We carefully manage and ensure the confidentiality of company information, third party information from our customers and business partners, and personal information. We have established a system for managing confidential information and require all officers and employees to comply with it.

### ●Respect for intellectual property

We value and protect intellectual property, which is the primary corporate asset. Our company has established a system for the creation, protection and exploitation of its intellectual property, and is fully aware of and thorough in ensuring that intellectual property of other companies is not misused.

### ●Handling of Antisocial Forces

Socionext will never have any relationship with antisocial forces, and will never carry out any activities that promote antisocial forces.



## Compliance Administration

### ●Risk and Compliance Committee

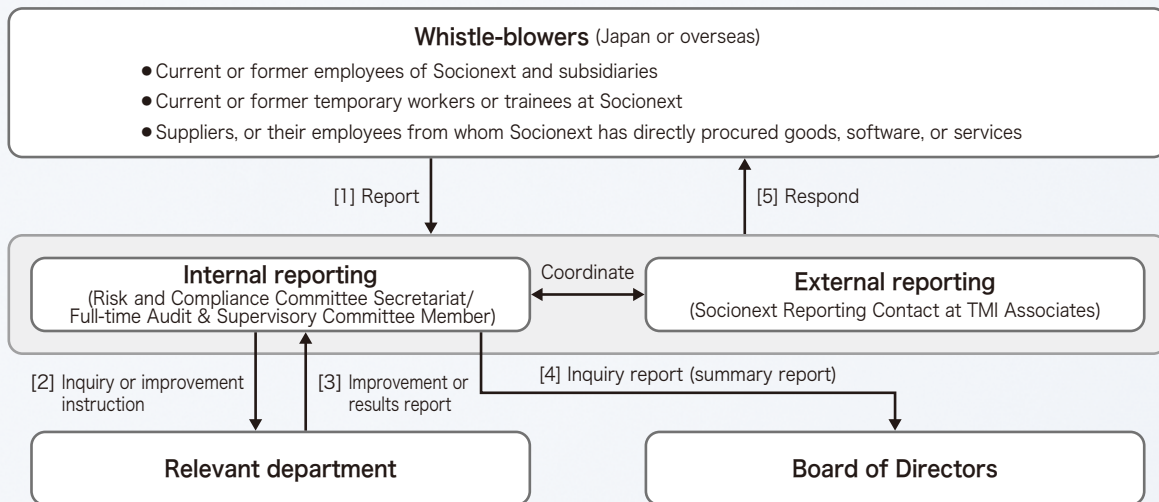
Our group has a Risk and Compliance Committee made up of executives and others and led by the CEO. The committee meets once a quarter to assess, analyze, and formulate actions on issues such as compliance, information security, and disaster risks. In the event of an incident, we will appoint a responsible person and take prompt action. We will also analyze the cause of the incident and formulate and implement measures to prevent recurrence.

### ●Whistle-Blowing System

Our group has established a Whistle-Blowing system for the early detection and response to unauthorized activities that is intended to reinforce fair business practices that are in accordance with the law. The system provides for both internal reporting (to the Socionext Risk and Compliance Committee Secretariat/Full-time Audit & Supervisory Committee Member) and external reporting (to the Socionext Reporting Contact at TMI Associates). The diagram below shows a flowchart of how this works.

In accordance with the law and company policy on this issue, measures are in place to ensure that the persons making and receiving reports are not identified so as to prevent them from being subject to any unfavorable treatment. To date, the company has not received any reports of serious breaches of the law, the CSR Policy, or company rules.

#### [Whistle-Blowing Flowchart]



## Main Actions on Compliance

### ● Compliance education and Training

Our group conducts education and training to raise employee awareness and understanding of compliance. The main instances of compliance education and training in the fiscal year ended March 31, 2025 were as follows.

Education and training	· Basic compliance education for all employees provided by e-learning (100% participation) · e-learning programs for all employees on the following topics (100% participation) [Thema] Laws on subcontractor payments and security-related export controls, harassment prevention, information security, anti-bribery & corruption and insider trading prevention.
	· Group classes for new recruits on compliance, information security, and human rights

### ● Ensuring exclusion of Antisocial forces (organized crime)

The Socionext Group stipulates the exclusion of antisocial forces in its CSR policies and compliance criteria, explicitly declaring its intention to be resolute in its attitudes and response to all forms of antisocial activity and to avoiding such relationships, with this stance being clearly communicated to employees. The company has also formulated rules on dealing with antisocial forces and laid out specific measures for their exclusion.

[Key measures]

- To ensure the exclusion of antisocial forces, provisions to this end are either included in partners and other contracts or are contained in separate agreements reached with such parties.
- We cooperate with the Police and has put measures in place to collect information about antisocial forces. It has appointed a person to be responsible for preventing extortion and has joined an association of companies in Kanagawa for defending against such forces.
- External agencies or similar are used to review all parties with which we have contractual arrangements to determine whether they have connections with antisocial forces or are suspected of doing so, both at the time of entering into the contract and at regular intervals thereafter.

### ● Action on Preventing Insider trading.

Our group has formulated rules for preventing insider trading, with stipulations that include the appropriate handling of material information and the pre-approval and post-fact reporting of company shares. We also ensure that these rules are clearly communicated to employees. To ensure that insider trading does not occur, the rules have also been accompanied by an e-learning course for all our company employees to raise their awareness and understanding of the topic.

[Management of insider information]

- In accordance with laws, regulations, and internal regulations, we will appropriately manage insider information.
- In order to prevent the leakage of financial information and ensure fairness, the period from the day after the end of the fiscal year (quarterly settlement) to the date of the announcement of financial results is designated as a "quiet period," and during this period, in principle, we refrain from answering comments or questions related to financial results. However, even during this period, timely disclosure may be made in accordance with the Timely Disclosure Rules.



## ●Promotion of Fair business transactions

In order to promote fair business transactions and anti-corruption measures, the Socionext Group has established the following Group Policy and is working on measures to ensure thorough dissemination. Since its inception, Socionext group has not violated any national competition, antitrust or anti-corruption laws.

1. We conduct business transactions by fair means based on the principle of free competition and in compliance with national competition laws.
2. We do not participate in agreements with competitors that may violate national antitrust laws and do not engage in practices that raise such suspicions.
3. We comply with national anti-bribery and anti-corruption laws and do not engage in acts that invite such suspicion.
4. We will comply with Political Funds Control Act and other related laws and regulations regarding political contributions and social contributions. In addition, we will conduct activities in a transparent manner that is consistent with our Group's basic philosophy and policies and that emphasizes the public interest of contributing to society as a whole.

[Main measures]

- We are working to prevent corruption by thoroughly disseminating rules prohibiting entertaining and giving gifts to public and foreign officials, applying in advance for entertaining and giving gifts, and conducting regular surveys on entertaining and receiving gifts.
- All employees receive e-learning education, which includes explanations of relevant laws and regulations (Antimonopoly Law, Unfair Competition Law, etc.) and examples of violations, to continuously raise employee awareness.
- Establishing Related Party Transaction Management Rules, the Company examines the reasonableness of transactions and the appropriateness of terms and conditions and eliminates inappropriate transactions such as conflicts of interest.
- Our group has no record of political donations or contributions to outside organizations.

## ●Security Export Control

Our group has established a system for security export control and is implementing appropriate operations. In addition to establishing relevant internal regulations at each our group company, we have established a specialized division within the company, the Security Export Control Office, and are working under the following basic policies.

- With regard to the export of regulated goods, brokered trade transactions, and technology brokered transactions, no acts contrary to the Foreign Exchange Law and Foreign Law shall be conducted.
- In order to comply with foreign exchange and foreign laws and to implement appropriate export control, a person responsible for security export control shall be appointed and an export control system shall be established and enhanced.

We also provide education on security export control through e-learning for all our company employees.

\*1: The "Foreign Exchange Act" refers to the "Foreign Exchange and Foreign Trade Act" and Cabinet Orders, ordinances and circulars based on it.

\*2: "Foreign law" means foreign law that regulates the export of goods and the provision of technology with a view to maintaining international peace and security, as determined by the Security Export Control Office of our company.



## ● Global Tax Policy

Our Group's CSR Policy stipulates that fully complies with laws, regulations and social norms, and that it responds to the trust of society. In the area of taxation Global Tax Policy will clarify our group's tax policy. In addition, the revision of this Policy shall be carried out with the approval of Board of Directors.

### (1) Basic policy

We understand the legislative intent of the tax laws enacted by countries in which Socionext and its subsidiaries operate and commit to comply with such laws. Further, we support the OECD's international tax rules and the action plan on Base Erosion and Profit Shifting (BEPS<sup>\*</sup>), through which we pay taxes in a timely and appropriate manner and fulfill social responsibilities.

<sup>\*</sup>: BEPS, which stands for Base Erosion and Profit Shifting, is an international project launched by the OECD Group of 20 to prevent tax avoidance.

### (2) Tax Governance

Under the leadership of the Chief Executive Officer (CEO) of the Company, we have established a framework under which the tax governance of the group is supervised and controlled by the CFO and corporate finance division of the Company, with the cooperation of regional management who have responsibility for tax affairs in the overseas subsidiaries. With this framework, we appropriately respond and adapt to the changing global taxation environment, including the latest tax legislation changes, in the countries and regions where we operate and have business relations.

### (3) Tax risk management

We take the following actions to minimize tax risks:

- Our specialized tax organization works closely with the business operations department to discover tax risks in the early stages.
- When a material tax risk is identified, we will investigate the facts and determine how to treat such a risk in the context of legislative intent.
- If any uncertainty as to the tax processing remains, we will seek the advice of outside specialists or make advance inquiries to the tax authorities as necessary in an effort to eliminate such uncertainty.
- In cross-border intra-group transactions, we analyze the functions and risks of overseas subsidiaries and determine the transaction prices in accordance with the OECD's guidelines on transfer pricing and our transfer pricing policy.

### (4) Approach to tax haven

We don't use tax havens (countries or regions with no tax or extremely low tax rates) with no presence of actual business conditions for the purpose of international tax avoidance.

### (5) Tax planning

In order to maximize shareholder value, we strive to realize an appropriate tax burden by applying tax incentives using the most favorable method within the scope of our business objectives and legislative intent.

### (6) Organization and personnel training

As tax-related issues are complex and may have a material impact on cash flows, tax affairs require expertise and wide experience. We take the following actions for the operation of tax-related organizations and the training of personnel:

- Since we are required to find solutions for complex tax-related issues and provide instructions for our domestic and overseas subsidiaries, our specialized tax organization will continue to secure and foster experienced personnel with a high level of expertise.
- Each subsidiary develops human resources that can smoothly carry out tax operations by collaborating with external experts.
- We make efforts to spread the necessary knowledge on tax among all employees.

### (7) Relationship with Tax Authorities

We aim to maintain a relationship of trust with tax authorities by providing appropriate information and responding sincerely to each country's tax authorities. If a difference of opinion should arise with each country's tax authority, we will communicate constructively with the tax authority to seek a resolution to the issue.



## ● Information Security/Protection of Personal Information

Socionext, which operates mainly custom SoCs based on the "Solution SoC" business model, we have opportunities to handle customers' important confidential information in development work, so we consider information security to be one of our important management issues and are actively working on it.

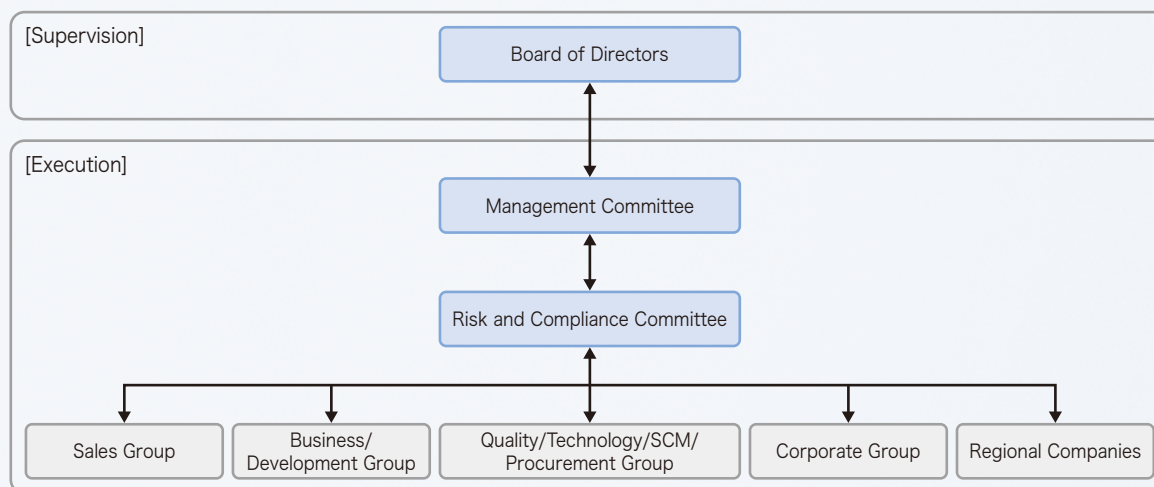
Our group ensures information security throughout the Group by establishing basic measures and systems to ensure information security, and by managing the confidentiality, integrity, and availability of information in a balanced manner, thereby ensuring appropriate handling of information assets of our group, customers, and business partners. We also conduct regular security assessments by third-party organizations to objectively evaluate our security posture and establish a system that enables early identification and response to potential risks.

Our group complies with the relevant laws and regulations in each country and manages and protects all personal information, including customers, business partners, and employees. Our group handles personal information carefully in accordance with the relevant laws and regulations of each country and collects, stores, modifies, transfers, shares, and otherwise processes personal information to the extent necessary to achieve its identified purposes of use.

We also provide education on information security and personal information protection through e-learning for all our company employees.

### · Risk Management System for Information Security and Personal Information Protection

The Risk and Compliance Committee is responsible for identifying, analyzing, and taking measures for information security risks. The Risk and Compliance Committee meets quarterly. The Committee consists of the chairperson (Representative Director, Chairman, and CEO), committee members (Executive Officers), and organizational heads appointed by the CEO.



### · About the Privacy Policy

Our group fully acknowledges that it is our group's social responsibility as a company to appropriately handle the personal information of each user. With this in mind, our group promises to respect the value of personal information and protect all acquired personal information according to the following rules.

- (1) Our group shall periodically educate its board members and employees about the personal information management system. A privacy management chief will be assigned within each department that handles personal information to ensure that personal information is managed appropriately.
- (2) Our group shall use personal information only for the purpose stated beforehand or for a purpose that is apparent from the circumstances of information acquisition, and only when the user consents in advance or when disclosure is required for legal reasons.
- (3) Our group shall not provide personal information to any third party without prior consent from the user, with the exception of disclosures required for legal reasons. Upon providing personal information to a third party, that party is obligated by contract or agreement to handle the personal information appropriately.

- (4) Our group shall employ strict policies to ensure proper handling of personal information and prevent leakage, loss or damage of personal information, and shall take corrective measures when any breach occurs.
- (5) When a user wishes to make an inquiry or raise a complaint, or when disclosure of personal information which our group has the right to disclose is requested in person (or by a representative), our group shall quickly take reasonable action to comply through the appropriate department.
- (6) Our group shall follow the Japanese laws, guidelines and other norms for handling personal information. Our group shall continuously improve the personal information management system.



# ESG Data

## E: Environment

### ●GHG Emissions (Global)

Item			Unit	Global Results (t-CO <sub>2</sub> ) <sup>2</sup>			
				FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	
GHG Emissions <sup>1</sup>	Total (S1+S2) Market Base		t-CO <sub>2</sub>	8,340	7,975	6,527	
	Total (S1+S2+S3) Market Base		t-CO <sub>2</sub>	589,971	404,713	347,425	
	Scope1		t-CO <sub>2</sub>	168	199	254	
	Scope1 (Breakdown)						
	Carbon Dioxide (CO <sub>2</sub> )		t-CO <sub>2</sub>	168	199	254	
	Methane (CH <sub>4</sub> )		t-CO <sub>2</sub>	0	0	0	
	Dinitrogen Monoxide (N <sub>2</sub> O)		t-CO <sub>2</sub>	0	0	0	
	Hydrofluorocarbons (HFCs)		t-CO <sub>2</sub>	0	0	0	
	Perfluorocarbons (PFCs)		t-CO <sub>2</sub>	0	0	0	
	Sulfur Hexafluoride (SF <sub>6</sub> )		t-CO <sub>2</sub>	0	0	0	
	Nitrogen Trifluoride (NF <sub>3</sub> )		t-CO <sub>2</sub>	0	0	0	
	Scope2	Market Base		t-CO <sub>2</sub>	8,172	7,776	6,273
		Emission from Data Centers		t-CO <sub>2</sub>	3,678	3,655	3,156
		Office emissions		t-CO <sub>2</sub>	4,494	4,121	3,117
	Scope2	Location Base		t-CO <sub>2</sub>	8,327	7,774	7,098
	Scope3	Excluding Scope1 and Scope2 (Total)		t-CO <sub>2</sub>	581,631	396,738	340,898
	Cat.1	Purchased Goods and Services (Procurement amount base)		t-CO <sub>2</sub>	541,839	356,133	299,323
	Cat.2	Capital Goods (Capital investment amount base)		t-CO <sub>2</sub>	35,620	35,025	36,455
	Cat.3	Fuel and energy-related activities not included in Scope 1 and 2 (Scope1 and 2 activity amount base)		t-CO <sub>2</sub>	1,375	1,327	1,244
	Cat.4	Upstream Transportation and Distribution (Transport mass and distance base)		t-CO <sub>2</sub>	1,308	1,137	1,050
	Cat.5	Waste Generated in Operations (Waste disposal consignment amount and amount base)		t-CO <sub>2</sub>	26	25	67
	Cat.6	Business Travel (Travel expenses and number of employees base)		t-CO <sub>2</sub>	953	2,267	2,016
	Cat.7	Employee Commuting (Commuting expenses paid and number of employees and working days base)		t-CO <sub>2</sub>	510	824	743
	Cat.8	Upstream Leased Assets		t-CO <sub>2</sub>	Not applicable		
	Cat.9	Downstream Transportation and Distribution		t-CO <sub>2</sub>	Not applicable for calculation in category 4.		
	Cat.10	Processing of Sold Products		t-CO <sub>2</sub>	Not applicable		

Item			Unit	Global Results (t-CO <sub>2</sub> ) <sup>*2</sup>		
				FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
GHG Emissions <sup>*1</sup>	Cat.11	Use of Sold Products	t-CO <sub>2</sub>	Not applicable		
	Cat.12	End-of-Life Treatment of Sold Products	t-CO <sub>2</sub>	Not applicable		
	Cat.13	Downstream Leased Assets	t-CO <sub>2</sub>	Not applicable		
	Cat.14	Franchises	t-CO <sub>2</sub>	Not applicable		
	Cat.15	Investments	t-CO <sub>2</sub>	Not applicable		

\*1: GHG emissions are calculated in accordance with the "Basic Guidelines for Calculation of Greenhouse Gas Emissions through the Supply Chain (the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan)."

\*2: We have changed our GHG emission calculation method and have revised the emissions results for Scope 1/2/3 retroactively to the fiscal year ended March 2023.

## ●Energy management in Business activities (Global)

Item	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Total energy consumption	[GJ]	192,639	161,037	149,701
Percentage of power from the grid electricity	[%]	97.0	96.0	91.5
Percentage of renewable energy	[%]	0	0	8.9

## ●Reduction of Energy Consumption (Global)

Item	Unit	Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Energy consumption	[kWh]	18,736,808	17,883,771	16,416,680
Renewable energy	[kWh]	0	0	1,545,172
On-site power generation	[kWh]	0	0	566,514
Office	[kWh]	11,362,766	9,875,266	6,388,974
Data center	[kWh]	7,374,042	8,008,505	7,916,020
Steam	[MJ]	1,812,805	1,806,509	1,940,546
City Gas	[m <sup>3</sup> ]	75,169	97,148	123,367



## ●Reduction of Waste (Global)

Item		Weight of waste (tons)
FY ended March 31, 2023		13.60
FY ended March 31, 2024 (Total)		13.39
FY ended March 31, 2024 (Breakdown)	Amount of general waste generated	2.19
	Amount recycled	2.19
	Amount not recycled	0
	Industrial Waste Amount	11.00
	Amount recycled	10.46
	Amount not recycled	0.54
	pecially controlled industrial waste	0.20
	Amount recycled	0.15
	Amount not recycled	0.05
	Hazardous Waste	0
FY ended March 31, 2025 (Total)		124.17*
FY ended March 31, 2025 (Breakdown)	Amount of general waste generated	24.83
	Amount recycled	24.83
	Amount not recycled	0
	Industrial Waste Amount	99.12
	Amount recycled	66.89
	Amount not recycled	32.23
	pecially controlled industrial waste	0.22
	Amount recycled	0.15
	Amount not recycled	0.07
	Hazardous Waste	0

\*: Temporary increase in waste due to relocation from the Kozoji office to the Nagoya office.

## ●Management of chemical substance (Global)

Item	Unit	Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Volatile organic compounds (23 VOCs emitted into the air)	[ton]	0	0	0

## ●Water Consumption (Global)

Item Unit	Unit	Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Water supply	[m³]	4,798	4,145	2,094*
Groundwater		0	0	0
Industrial water		0	0	0
Rainwater		0	0	0
Total		4,798	4,145	2,094

\*: Water consumption decreased due to the closure of the Kozoji office.

## ●Wastewater discharge by destination (Global)

Item Unit	Unit	Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Sewerage	[m <sup>3</sup> ]	4,798	4,145	2,094
Rivers		0	0	0
Total		4,798	4,145	2,094

## ●Recycling water (Global)

Item Unit	Unit	Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Recycled water	[m <sup>3</sup> ]	0	0	0

## ●Results of Environmental Education (Japan)

Item	Unit	Domestic Results		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Environmental education	Participation rate	100%	100%	100%

## ●Acquisition of ISO Certification: Fiscal Year ended March 31, 2025 (Global)

ISO certification	scope of authentication	Coverage rate based on personnel
ISO14001 [Environmental Management System]	Shin-Yokohama Headquarters	86% (Coverage rate relative to consolidated employee count)
	Kyoto Office	
	Kawasaki (Mizonokuchi) Office	
	Sendai Office	
	Kozoji/Nagoya Office	
ISO9001 [Quality Management System]	Shin-Yokohama Headquarters	90% (Coverage rate relative to consolidated employee count)
	Kyoto Office	
	Kawasaki (Mizonokuchi) Office	
	Sendai Office	
	Kozoji/Nagoya Office	
	Socionext Europe GmbH	

ISO certification	scope of authentication
ISO26262 [functional safety]	Acquisition by certain business divisions
ISO/IEC5230 [OpenChain/OSS Compliance Management]	All domestic sites

ISO certification	scope of authentication
ISO/IEC27001 [information security]	Shin-Yokohama Headquarters (Acquisition by certain business divisions)
	Socionext Europe GmbH

Detailed information regarding ISO certification is available on our website.  
<https://www.socionext.com/en/sustainability/management/>



## ●Environmental Risk Management (Global)

Item	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Violations of Environmental Rules	Number [Items]	0	0	0
	Penalty Amount [thousands of yen]	0	0	0

## ●Product recall information (Global)

Item	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Recall information	Number [Items]	0	0	0

## S: Society

## ●Age Composition of Employees (Japan)

		Unit	FY ended March 31, 2025		
			Total	Female	Male
Regular employee	Total	Persons	1,895	185	1,710
	20s	Persons	129	18	111
	30s	Persons	150	37	113
	40s	Persons	546	64	482
	50s	Persons	991	62	929
	60s	Persons	79	4	75
	70 Years Old or Older	Persons	0	0	0
	Average Age	Years	48.8	44.5	49.3
non-regular employee	Total	Persons	243	23	220
	Fixed-term full-time	Persons	15	9	6
	Continued hiring after retirement	Persons	228	14	214

## ●Gender Composition of New graduates (Japan)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Female	Persons	0	2	6
	%	0%	7.7%	16.7%
Male	Persons	12	24	30
	%	100.0%	92.3%	83.3%
Total	Persons	12	26	36
Three-year retention rate of new graduate hires	%	88.2%	90.9%	100.0%

## ●Gender Composition of Career hires (Japan)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Female	Persons	8	3	6
	%	25%	8%	19%
Male	Persons	24	36	26
	%	75%	92%	81%
Total	Persons	32	39	32
Reemployment	Persons	0	3	1
Three-year retention rate of mid-career hires	%	89.6%	90.0%	90.6%

## ●Recruitment Cost (Career and New graduates)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Total	Yen	89,723,635	117,439,348	134,889,134
Per Person	Yen	2,039,174	1,806,759	1,983,664

## ●Internal recruitment system (Japan)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Internal personnel transfer record*	Persons	-	0	6

\*: This refers to cases where employees voluntarily request transfers, and does not include personnel changes due to organizational restructuring or company policy.

## ●Minimum Wage

As of the end of March 2025

Region	Unit	Mandated by law	Socionext
Kanagawa Pref.	Yen (hourly wage)	1,162	1,280
Kyoto Pref.		1,058	1,280
Miyagi Pref.		973	1,280
Aichi Pref.		1,077	1,280

## ●Consecutive years served (Japan)

	Unit	FY ended March 31, 2025		
Consecutive Years Served*	Years	Total	Female	Male
		8.8	8.1	8.8

\*: The number of years of service is calculated from March 2015, when the business started.

## ●Employees with Disabilities (Japan)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Total Employment of Persons with Disabilities	Persons	53	55	54
Physical disability	Persons	42	41	41
Mental/developmental disability	Persons	11	14	13
Employment Rate of Persons with Disabilities	%	2.3	2.4	2.4
Employment target	%	2.3	2.3	2.5



## ●Employee Turnover (Japan)

Voluntary	Unit	Employee Turnover Number		
		Total	Female	Male
FY ended March 31, 2023	Persons	42	1	41
	%	2.1%	0.1%	2.0%
FY ended March 31, 2024	Persons	37	4	33
	%	1.9%	0.2%	1.7%
FY ended March 31, 2025	Persons	46	11	35
	%	2.4%	0.6%	1.8%
Number of Resignations Due to Caregiving Responsibilities	Persons	0	0	0
Number of Resignations Due to Illness or Injury	Persons	5	3	2
FY ended March 31, 2025 Number of Mandatory Retirements (Not Included Above)	Persons	14	3	11

## ●Composition ratio of Employees (Japan)

		Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Gender Ratio of Regular Employees	Female	%	9.8%	9.8%	9.8%
	Male	%	90.2%	90.2%	90.2%
Gender Ratio of Managerial Positions	Female	%	2.3%	2.6%	2.6%
	Male	%	97.7%	97.4%	97.4%
Female Managerial Positions (by Rank)	Manager Level	%	90.9%	91.7%	91.7%
	Director Level and Above	%	9.1%	8.3%	8.3%
Ratio of Female Employees (by Job Type)	Revenue-Generating Department <sup>*1</sup>	%	27.3%	8.3%	8.3%
	STEM Department <sup>*2</sup>	%	18.2%	16.7%	16.7%
	Other Department <sup>*3</sup>	%	54.5%	75.0%	75.0%

\*1: GLG/Sales Division/Business Division

\*2: Development Division

\*3: Production & Quality Management Division/Production Control Division/Corporate Division

## ●Status of Foreign Employees (Japan)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Regular	Persons	43	43	46
Non-regular	Persons	1	1	1

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Hiring new graduates	Persons	2	2	3
Hiring Career	Persons	3	1	1

## ●Wage Differences between Males and Females (Japan)

	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
All employees	71.6%	71.6%	73.4%
Regular	72.6%	72.5%	74.7%
Non-regular	61.3%	62.7%	61.8%
Managerial positions only	95.4%	91.6%	95.4%

## ●Education and Training (Japan)

Item	Training Summary	Training Time Per Employee		
		FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Job-level-specific training	Training for new recruits and for newly appointed management, etc.	1.3 hours	2.0 hours	2.5 hours
General training	[All employees attend an annual e-learning course] Topics include compliance, information security, insider trading, preventing harassment, the environment, procurement, quality, and the law on security-related export controls	4.6 hours	5.6 hours	6.1 hours
Specialized training	Language training, communication training, basic technical training, etc.	6.0 hours	3.7 hours	3.1 hours
Total		11.8 hours	11.3 hours	11.7 hours

## ●Education of Engineers (Japan)

Indicator	Results		
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Percentage of global project experience	72%	82%	87%
Percentage of experience in advanced technology projects (7nm and below)	61%	75%	82%

## ●Investment in human resource

Item	Results		
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Training hours per engineer (All employees)	14.4H (11.8H)	13.2H (11.3H)	12.8H (11.7H)
Investment value per engineer (All employees)	14.5 thousand yen (12.5 thousand yen)	20.4 thousand yen (17.6 thousand yen)	28.7 thousand yen (25.9 thousand yen)

## ●Transition of Engineers who meet the criteria (Index based on the number of employees in the Fiscal Year ended March 2023 (100))

Item	Results		
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Methodologist	100	200	225
Systems Architect	100	118	141
Expert	100	101	105
Project manager	100	97	115



## ●Safety and Health

Item	Results		
	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Number of Serious Work-Related Accidents and Incidents	0	0	0
Workplace Accident Frequency Rate	0.00%	0.00%	0.00%
Occupational Accident Severity Rate	0.00%	0.00%	0.00%
Injury Incidence Rate (with Lost Workdays)	0.00%	0.00%	0.00%

## ●Work-Life Balance Initiatives (Japan)

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Health Checkup	Regular health checkup participation rate	100%	99%	99%
	Ratio of persons subject to specific health guidance	20.6%	19.1%	19.5%
	Rate of receiving specific health guidance	13.6%	44.1%	56.7%
Lifestyle	Percentage of people who exercise regularly	25.6%	26.5%	27.3%
	Percentage of habitual drinkers	12.8%	13.4%	17.0%
	Percentage of smokers	13.8%	13.9%	13.9%
	Percentage of people with sufficient sleep	70.5%	64.8%	64.7%
Stress Check Program	Stress Check Program implementation rate	85.8%	83.2%	87.2%
	Percentage of people with high stress	9.4%	9.9%	8.5%
Ways of working	ES survey acceptance rate	-	92.6%	92.6%
	eNPS*	-	-69	-67
	Average annual total actual working hours	2,165 hours	2,099 hours	2,016 hours
	Average annual overtime hours	19.2 hours	15.4 hours	13.4 hours
	Rate of paid leave taken	74.1%	75.3%	75.4%
	Remote work application ratio	100%	100%	100%
	Number of paid leave days taken	14.7 days	14.9 days	14.9 days
	Ratio of Employees Taking Childcare Leave (Female)	100%	100%	100%
	Ratio of Employees Taking Childcare Leave (Male)	15.8%	57.1%	93.3%
	Reinstatement rate	100%	100%	100%
	Number of employees utilizing the short working hours system for caregiving	0 (person)	1 (person)	1 (person)
	Absenteeism rate	0.60%	0.77%	0.80%
	Work engagement	2.41	2.37	2.40
	Number of employees on leave due to personal illness or injury	6 (person)	11 (person)	10 (person)
	Employees who have taken family care leave	3 (person)	2 (person)	1 (person)

\*: eNPS: Abbreviation of "Employee Net Promoter Score." One method of quantifying employee engagement (willingness to contribute/relationship of trust). Since the fiscal year ended March 2024, we have conducted an annual engagement survey of Japanese employees using Recruit's survey tool Geppo.

## ●Key Indicators for Health Promotion

	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Absenteeism	· The state of being on sick leave Calculated as (Total number of days of leave from illness or injury/Total number of prescribed working days for enrolled employees) ×100	0.60%	0.77%	0.80%
Work engagement	· Positive and fulfilling state of mind related to work · Values calculated using the New Brief Job Stress Questionnaire	2.41	2.37	2.40

## Supply Chain (S: Society and E: Environment)

## ●Global Status of CSR Surveys Conducted with Partners

	Number of Companies Surveyed	Number of Responding Companies	Response Coverage Rate		key partners		
			Ratio of Total Trading Companies	Ratio of Total Purchase Amount	Number of Companies	Ratio of Total Trading Companies	Ratio of Total Purchase Amount
FY ended March 31, 2024	261 companies	145 companies	55.6%	80.2%	14 companies	5.4%	70.5%
FY ended March 31, 2025	97 companies	94 companies	45.4%	95.1%	14 companies	6.8%	67.3%

\*: From the fiscal year ending March 2025, the criteria for survey targets have been revised to include all partners accounting for over 90% of the total procurement amount.

## ●Global Evaluation Results of the Survey

Evaluation Rank	Score	FY ended March 31, 2024			FY ended March 31, 2025		
		Number of Companies	Companies Count Ratio	Response Amount Ratio	Number of Companies	Companies Count Ratio	Response Amount Ratio
A	80-100	117 companies	80.7%	99.0%	79 companies	84.0%	97.8%
B	60-79	22 companies	15.2%	0.9%	12 companies	12.8%	2.0%
C	20-59	6 companies	4.1%	0.1%	3 companies	3.2%	0.2%
D	0-19	0 companies	0%	0%	0 companies	0%	0%
Total		145 companies	100%	100%	94 companies	100%	100%

## ●Continued risk reduction efforts

KPI	FY ended March 31, 2024	FY ended March 31, 2025
Percentage of D-rated partners who planned corrective actions.	0%	0%
Percentage of partners who planned corrective actions that improved their assessment within one year.	0%	0%

## ●Supply Chain BCP Survey

	FY ended March 31, 2024	FY ended March 31, 2025
Partners subject to evaluation	261 companies	97 companies
Partners who provided responses	146 companies	94 companies
Inquiry response rate	55.9%	96.9%



## ● Information Security Surveys

	FY ended March 31, 2024	FY ended March 31, 2025
Partners subject to evaluation	261 companies	97 companies
Partners who provided responses	148 companies	94 companies
Inquiry response rate	56.7%	96.9%

## ● Conflict Minerals (3TG, Global)

	3TG				
	FY ended March 31, 2025 (19 companies)				
	Total	Gold	Tantalum	Tin	Tungsten
No. of smelters or other processing facilities	221	90	33	66	32
No. of RMAP-certified (conflict-free) smelters or other processing facilities	215	86	33	65	31
No. of RMAP Active facilities	12	1	-	-	-
No. of other RMI-certified facilities	5	3	-	1	1
Percentage of RMAP-certified facilities	97%	96%	100%	98%	97%
Inquiry response rate	100%	-	-	-	-

## ● Conflict Minerals (Cobalt & Mica, Global)

	Cobalt & Mica		
	FY ended March 31, 2025 (11 companies)		
	Total	Cobalt	Mica
No. of smelters or other processing facilities	53	49	4
No. of RMAP-certified (conflict-free) smelters or other processing facilities	44	41	3
No. of RMAP Active facilities	-	-	-
No. of other RMI-certified facilities	9	8	1
Percentage of RMAP-certified facilities	83%	84%	75%
Inquiry response rate	100%	-	-

## G: Governance

### ●Composition of Board of Directors

		Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	End of June 2025
Internal Directors	Female	Persons (%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
	Male	Persons (%)	6 (60%)	5 (50%)	5 (50%)	3 (33%)
	Total	Persons (%)	6 (60%)	5 (50%)	5 (50%)	3 (33%)
Outside Directors	Female	Persons (%)	1 (10%)	2 (20%)	2 (20%)	2 (22%)
	Male	Persons (%)	3 (30%)	3 (30%)	3 (30%)	4 (45%)
	Total	Persons (%)	4 (40%)	5 (50%)	5 (50%)	6 (67%)
Total	Female	Persons (%)	1 (10%)	2 (20%)	2 (20%)	2 (22%)
	Male	Persons (%)	9 (90%)	8 (80%)	8 (80%)	7 (78%)
	Total	Persons (%)	10 (100%)	10 (100%)	10 (100%)	9 (100%)

### ●Status of Board of Directors

			Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	End of June 2025
Board of Directors	Total number of Board of directors	Internal Directors (Female)	Persons	6 (0)	5 (0)	5 (0)	3 (0)
		Outside Director (Female)	Persons	4 (1)	5 (2)	5 (2)	6 (2)
	Average Age		years	59.8	61.1	62.1	63.3
	Term of office for directors <sup>*</sup>		year	1	1	1	1
	Average Term	All Directors	year	2 years and 8 months	3 years and 1 month	4 years and 1 month	3 years and 4 months
		Internal Directors	year	3 years and 6 months	4 years and 6 months	5 years and 6 months	5 years and 4 months
		Outside Director	year	1 year and 4 months	1 year and 7 months	2 years and 7 months	2 years and 5 months

\*: The term of office for a director who is an audit and supervisory committee member is 2 years.\*

### ●Status of the Committee on Governance

Composition	Unit	FY ended March 31, 2025		End of June 2025	
		Audit and Supervisory Committee	Appointments and Remuneration Committee	Audit and Supervisory Committee	Appointments and Remuneration Committee
Number of members	Persons	3	3	3	4
Internal Directors (Female)	Persons	0	1 (0)	0	1 (0)
Outside Director (Female)	Persons	3 (1)	2 (1)	3 (1)	3 (1)



●Number of Board of Directors meetings and committee meetings (Fiscal Year ended March 31, 2025)

Position	Name	Attendance
Representative Director	Masahiro Koezuka	13 out of 13 (100%)
Director	Yutaka Yoneyama	13 out of 13 (100%)
Director	Koichi Otsuki	13 out of 13 (100%)
Director	Noriaki Kubo	12 out of 13 (92%)
Director	Hisato Yoshida	13 out of 13 (100%)
Lead Independent Outside Director	Masatoshi Suzuki	13 out of 13 (100%)
Independent Outside Director	Sachiko Kasano	13 out of 13 (100%)
Independent Outside Director (Audit & Supervisory Committee Member)	Yasuyoshi Ichikawa	13 out of 13 (100%)
Independent Outside Director (Full-time Audit & Supervisory Committee Member)	Morimasa Ikemoto	13 out of 13 (100%)
Independent Outside Director (Audit & Supervisory Committee Member)	Noriko Yoneda	13 out of 13 (100%)

●Number of Board of Nomination and Compensation Committee meetings (Fiscal Year ended March 31, 2025)

Position	Name	Attendance
Chairperson (Lead Independent Outside Director)	Masatoshi Suzuki	23 out of 23 (100%)
Committee Member (Independent Outside Director)	Sachiko Kasano	23 out of 23 (100%)
Committee Member (Representative Director, Chairman, President and CEO)	Masahiro Koezuka	23 out of 23 (100%)

●Number of Board of Audit & Supervisory Committee meetings (Fiscal Year ended March 31, 2025)

Position	Name	Attendance
Independent Outside Director (Audit & Supervisory Committee Member)	Yasuyoshi Ichikawa	12 out of 12 (100%)
Independent Outside Director (Full-time Audit & Supervisory Committee Member)	Morimasa Ikemoto	12 out of 12 (100%)
Independent Outside Director (Audit & Supervisory Committee Member)	Noriko Yoneda	12 out of 12 (100%)

●Compliance Education

Item	Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Number of training sessions for officers on compliance	times	1	1	1
Number of training sessions for employees on compliance	times	1	1	1

## ● Compensation

Category	Total amount of compensation, etc.		FY ended March 31, 2025
Directors (excluding Directors who are Audit & Supervisory Committee Members) [Million yen] *Number of relevant board members: 7	Basic compensation		232
	Performance-based compensation	Monetary compensation	83
		Non-monetary compensation, etc.	83
	Total		398
Director (Audit & Supervisory Committee Member) [Million yen] *Number of relevant board members: 3	Basic compensation		41
	Performance-based compensation	Monetary compensation	-
		Non-monetary compensation, etc.	-
	Total		41
Representative Director, Chairman and CEO [Million yen]	Basic compensation		63
	Performance-based compensation	Monetary compensation	25
		Non-monetary compensation, etc.	25
	Total		113

Category	Total amount of compensation, etc.		FY ended March 31, 2025
Fees to Certified Public Accountants, etc. for audits(reporting company) [Million yen]	Fees for audit attestation services		71
	Fees for non-audit services		-
	Total		71
Fees to organizations within the same network (Ernst & Young) (consolidated subsidiary) [Million yen]	Fees for audit attestation services		55
	Fees for non-audit services		-
	Total		55

Category		Unit	FY ended March 31, 2025
Average annual salary of regular employees		thousands of yen	9,260
Median annual salary of regular employees.		thousands of yen	9,000
The ratio of CEO annual compensation to the average annual salary of regular employees.		times	12.20
The ratio of CEO annual compensation to the median annual salary of regular employees.		times	12.56
The ratio of CEO performance-based compensation to the average bonus of regular employees.		times	17.62
The ratio of CEO performance-based compensation to the median bonus of regular employees.		times	18.95
Average wage of regular employees	female	thousands of yen	6,978
	male	thousands of yen	9,398
Median wage of regular employees	female	thousands of yen	7,138
	male	thousands of yen	9,258
Average bonus of regular employees	female	thousands of yen	2,244
	male	thousands of yen	2,905
Median bonus of regular employees	female	thousands of yen	2,302
	male	thousands of yen	2,656



## ● Compliance

Item		Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Exclusion recommendation from the Japan Fair Trade Commission or other relevant authorities		Cases	0	0	0
Suspension of operations or business due to scandals or other incidents		Cases	0	0	0
Criminal prosecution due to compliance-related accidents or incidents	Crackdown on price cartels	Cases	0	0	0
	Crackdown on bribery	Cases	0	0	0
	Insider Trading	Cases	0	0	0
	Money Laundering	Cases	0	0	0
	Conflicts of Interest	Cases	0	0	0
	Cases of Leakage of Personal Information, Theft or Loss of Data	Cases	0	0	0
	Information Security Incidents	Cases	0	0	0
	Other types of crackdowns	Cases	0	0	0

## ● Compliance – Status of Internal Reporting

Item		Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Code of Conduct or Ethics Breaches	Number of consultations (via external contact points)	Cases	0 (0)	0 (0)	0 (0)
	Number of violations	Cases	0	0	0
	Number of disciplinary actions	Cases	0	0	0
Number of violations related to human rights abuses and harassment	Number of consultations (via external contact points)	Cases	0 (0)	0 (0)	1 (1)
	Number of violations	Cases	0	0	0
	Number of disciplinary actions	Cases	0	0	0

## ● Compliance – Status of political contributions and donations

Item		Unit	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025
Total Contributions & Expenditures for Political Influence	Political Contributions	Yen	0	0	0
	Expenses for Trade Associations	Yen	0	0	0
	Lobbying	Yen	0	0	0

