

Sustainability Report 2026

October 2026

Socionext Sustainability Report 2026

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



The 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 to develop 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 and OSATs (Outsourced Semiconductor Assembly & Tests), as well as IP (Intellectual property), EDA (Electronic Design Automation) tools and software.

Mission

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

Values

"Change"

Adaptation to discontinuous change. We adapt ourselves to the disruptive discontinuous changes in business, technology, mindset, 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, the Group is 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 advanced sectors of Automotive, Data center & Networking, we are also seeking to acquire more design wins, while maintaining a geographically balanced customer base, in the fields of Smart Devices, Industrial, and others.

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, the 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 sustainable and 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 suppliers—including foundries, OSATs^{*1}, and providers of IP^{*2}, EDA tools^{*3} and software—that provide the latest technologies 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. At Socionext Group, we are working to accurately understand the risks posed by the diverse issues facing the world and the opportunities created by solving those issues, and to pursue initiatives addressing them.

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}: Subcontract manufacturing services in the back-end process of semiconductor manufacturing (Out-sourced Semiconductor Assembly and Test)

^{*2}: Circuit information organized into partial functional units that constitute semiconductors (Intellectual Property) IP is divided into procured IP purchased externally and in-house IP developed internally

^{*3}: Software and tools that automate semiconductor design work (Electronic Design Automation)

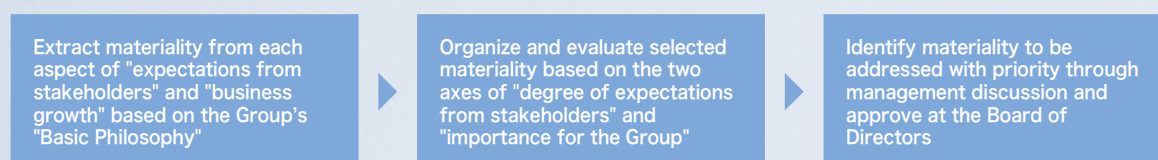
Materiality Identification

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 (important issues) 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 growth and expectations from 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^{*1}/WEF^{*2}/CSRD^{*3}, we evaluated materiality in terms of both "expectations from stakeholders" and "importance to the Group." The final decision is made with the approval of the Board of Directors after discussion at the management level.

In light of changes in the external environment and the group's business environment, we review the appropriateness of our materiality each year and assess the need to revise them.

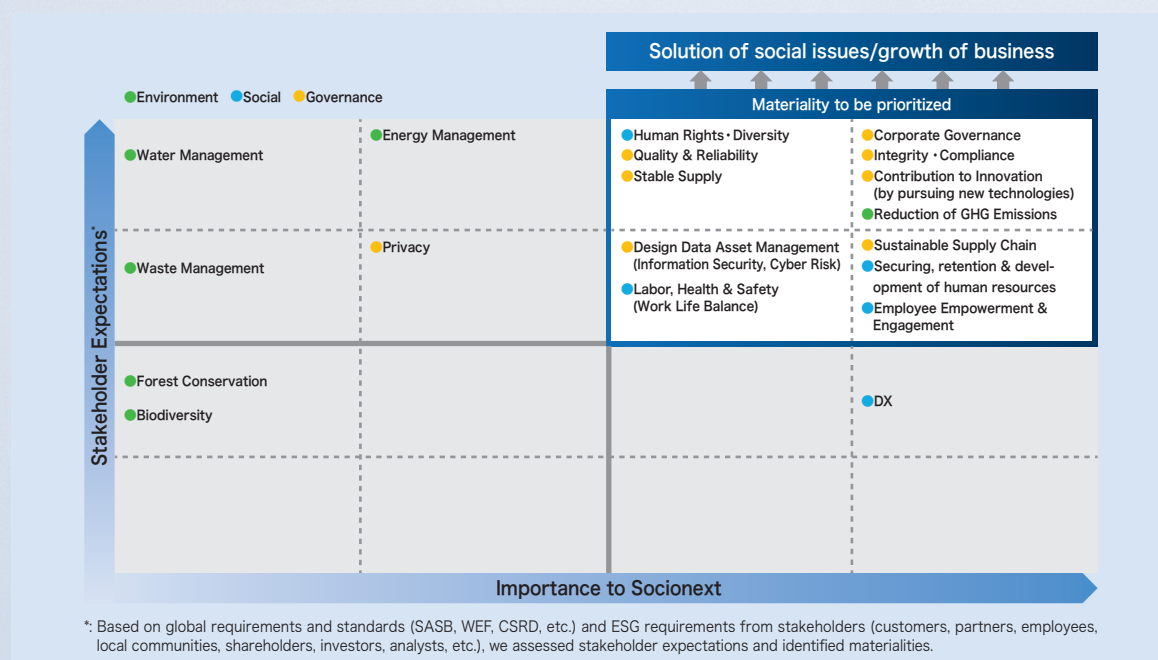


*1: Sustainability Accounting Standards Board

*2: World Economic Forum

*3: 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.96
Integrity and compliance	A high awareness of integrity and compliance is essential for global business development	[Compliance] P.120
(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.15
Reduction of GHG (Greenhouse Gas) 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 SoCs with low power consumption and a compact footprint)	[Environment Activities] P.21
Sustainable Supply chain	In fabless business operations, advanced CSR management throughout the supply chain is essential	[Procurement Management] P.72
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.43
Empowerment and Engagement of Employees	Fostering an environment and corporate culture in which employees can work energetically and grow and take on challenges continuously will be necessary for further business growth	[Society] P.43
Human rights and Diversity	In addition to respecting and giving consideration to the human rights of each individual, further business growth will require a diverse workforce and the development of an environment in which they can play active roles	[Society] P.43
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.92
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.72
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.120
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.43

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

The Group's policy is to disclose sustainability information from the four perspectives of governance, strategy, risk management, and indicators and targets, as outlined in the TCFD^{*1} Declaration, the ISSB^{*2} Sustainability Disclosure Standards (IFRS^{*3} S1/S2), the SSBJ^{*4} Sustainability Disclosure Standards, and GRI^{*5} Standards. The group is currently working on the development and establishment of an internal control system for non-financial information in accordance with the ISSB Sustainability Disclosure Standards and the SSBJ Sustainability Disclosure Standards, and plans to disclose information in accordance with these standards based on requests from the competent authorities.

*1: Task Force on Climate-related Financial Disclosures

*2: International Sustainability Standards Board

*3: International Financial Reporting Standards

*4: Sustainability Standard Board of Japan

*5: Global Reporting Initiative

Sustainability Initiatives

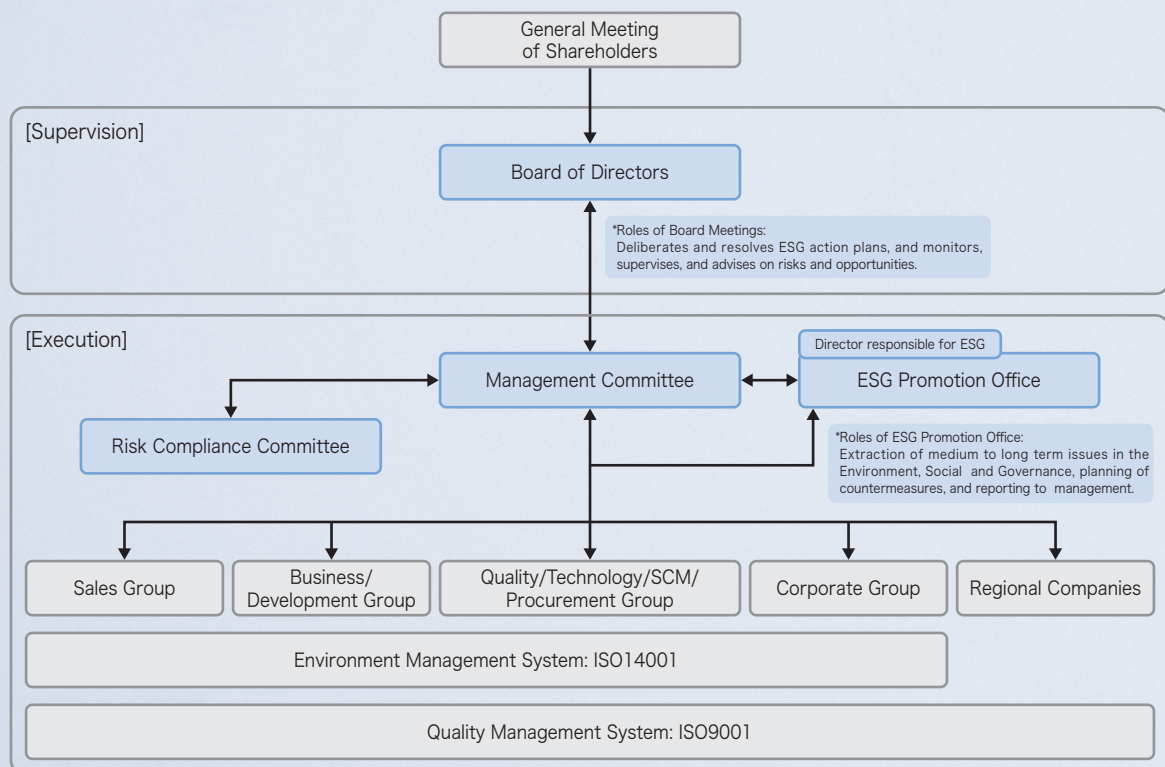
The Group identifies materiality to be addressed with a sense of priority and promotes sustainability activities. Among our materiality, as part of our efforts to address environmental issues and climate change, we have been working to achieve a decarbonized society by reducing the Group's greenhouse gas (GHG) emissions, with such measures including the introduction of renewable energy from April 2024, and by contributing to the reduction of our customers' GHG emissions through the Group's advanced SoCs featuring low power consumption and a compact footprint.

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, recruiting human resources year-round through hiring of new graduates and mid-career hires, and formulating and implementing educational programs related to the training of engineers.

The Group has been working with its semiconductor ecosystem partners to enhance the effectiveness of our efforts to address materiality throughout the supply chain, such as enhancing due diligence on sustainability activities, and striving to achieve a sustainable society by solving social issues and attaining further growth of 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 sustainability initiatives

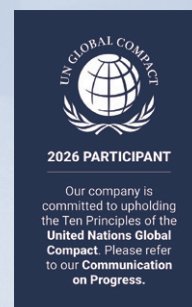


Participation in External Initiatives

●United Nations Global Compact

Following our initial signing in 2025, our Group signed the United Nations Global Compact (UNGC), a voluntary initiative advocated by the United Nations, again in April 2026.

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).



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 and disclosure level, 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 customers, partners, 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.

Masahiro Koezuka,
Representative Director, Chairman and CEO

Business Model

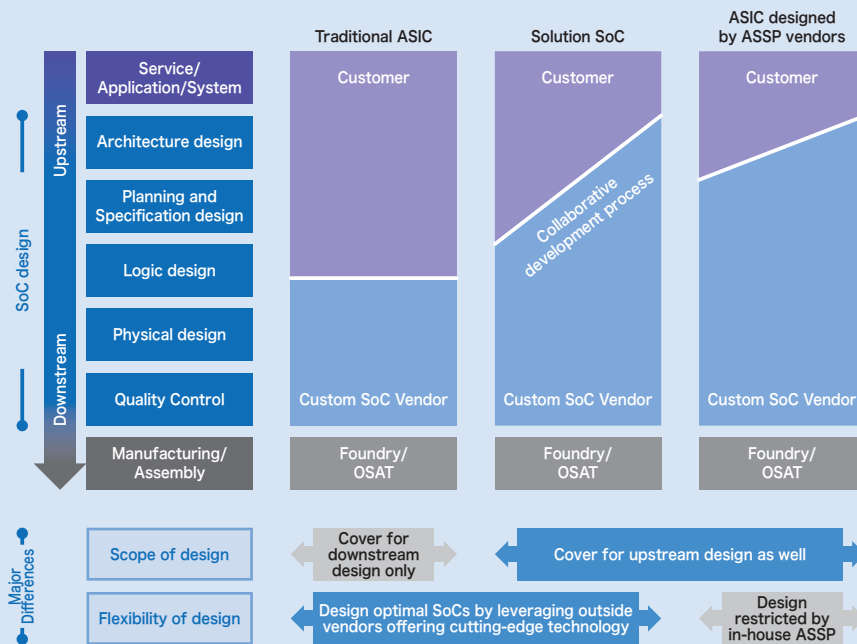


The Group ("the Group," "the Company," "we" and "our" refer to Socionext Inc., and its consolidated subsidiaries) is a fabless semiconductor vendor that develops and supplies custom SoCs to customers in the logic semiconductor market under its new and unique "Solution SoC" business model. As a partner 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 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 ASICs¹, solely managing the physical design based on SoC specifications provided by customers, and general-purpose ASSPs², 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 logic designs and we have shifted to a business model that combines advanced technologies to provide customers with optimal SoCs. Our business now centers on custom SoCs based on this "Solution SoC" business model.

There are three primary business models for custom SoCs. In conventional ASICs, the upstream designs of the SoCs, including architecture design, planning and specification design, as well as logic 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 do not possess 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-in³. In contrast, the "Solution SoC" business model can leverage the most advanced technology provided by external vendors to optimize the SoC for customers while avoiding vendor lock-in.

[Custom SoC Design flow by Business Model]



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 technology⁴, packaging technology⁵, 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. However, the challenge of selecting and integrating those diverse technologies to design and develop optimal SoCs for customers is becoming more intense.

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 in which the SoC will be used. 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 is most suitable for our customers. This is achieved through a collaborative development process in which the SoC specifications are determined jointly with customers who find conventional ASICs, ASSPs, and ASICs customized based on ASSPs 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. As seen above, the Group has been promoting measures in an integrated manner to build a computer-architecture-based design and development platform and standard design and development processes that are appropriate for the "Solution SoC" business model, improve development efficiency and visibility, and reform development management. As a result, the percentage of NRE revenue⁶ 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 and below increased to 84% in the fiscal year ended March 31, 2026.

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 focuses on the advanced fields of Automotive, such as AD (Automated Driving)/ADAS (Advanced Driver Assistance Systems) and in-vehicle sensing; Data Center & Networking, such as data centers and AI accelerators; Smart Devices, such as action cameras and network cameras; and Industrial, such as FA (Factory Automation) equipment and measurement equipment. The Industrial segment is positioned as a new area of focus for the Group due to the growing trend in the use of leading-edge technologies in FA equipment and measurement equipment and in the demand for the "Solution SoC" business model. 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 adoption of 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 have been proactively working on process technologies developed in collaboration with global ecosystem partners, the development of chiplet and advanced packaging technologies, and practical application and developing platform of the latest design tools to utilize the latest technologies in the ever-evolving semiconductor ecosystem. In addition, we have built an advanced chiplet development platform and started providing a chiplet design library that can be customized at RTL (Register Transfer Level).

We will actively 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

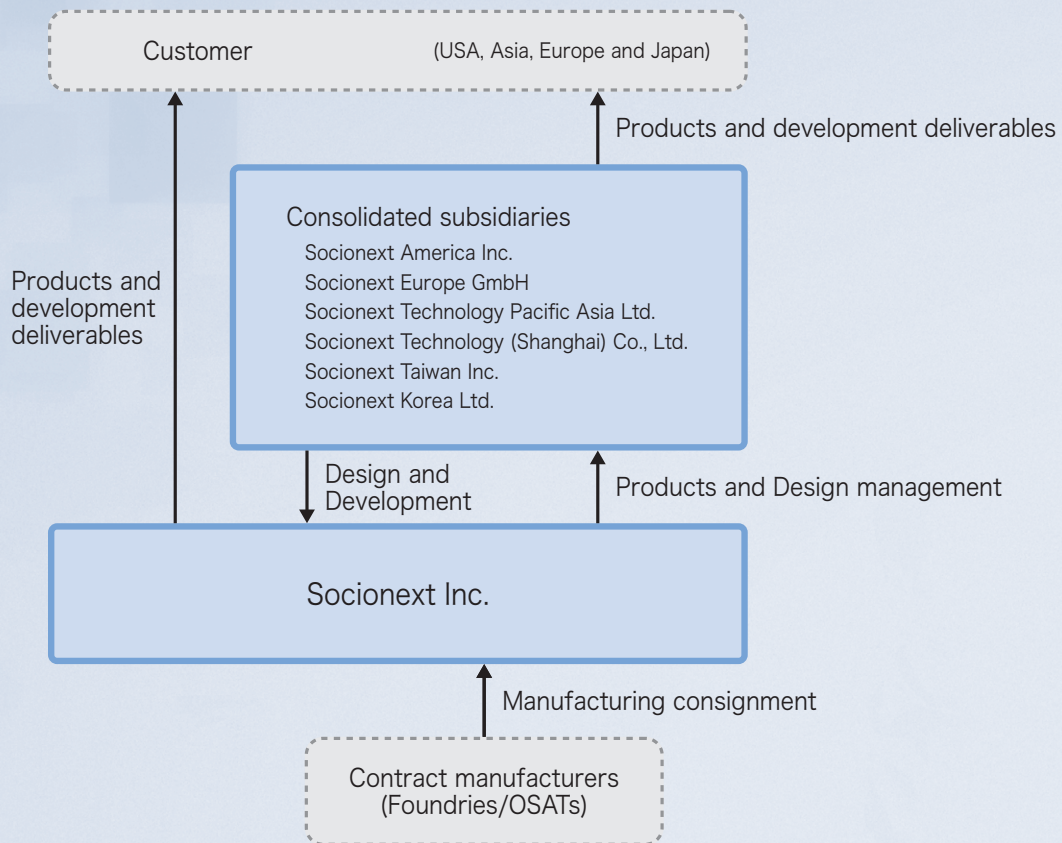
*3: Vendor lock-in means that once you adopt a product or service offered by a specific vendor, it becomes difficult to switch to a superior product or service offered by another vendor in the future, thereby limiting your choices

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

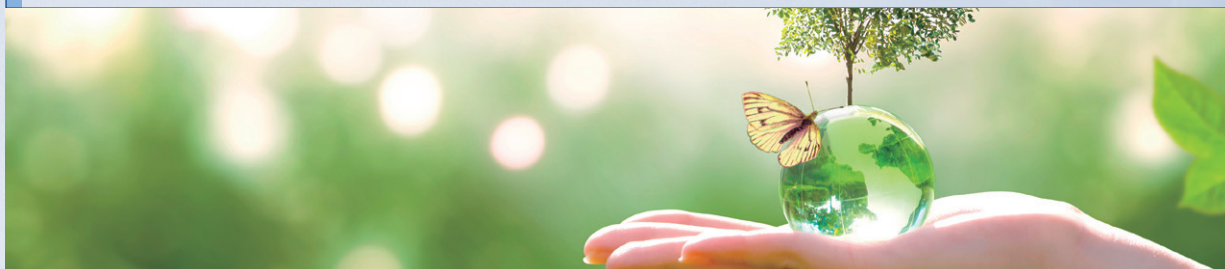
*5: Packaging technology refers to the technology used in the manufacturing process of semiconductors, called the post-process, to protect semiconductor chips from the outside and to connect them electrically

*6: NRE revenue stands for non-recurring engineering sales, referring to the sales received from customers during the development stage before mass production of products. NRE revenue corresponds 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 is usually recorded multiple times as development milestones progress

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



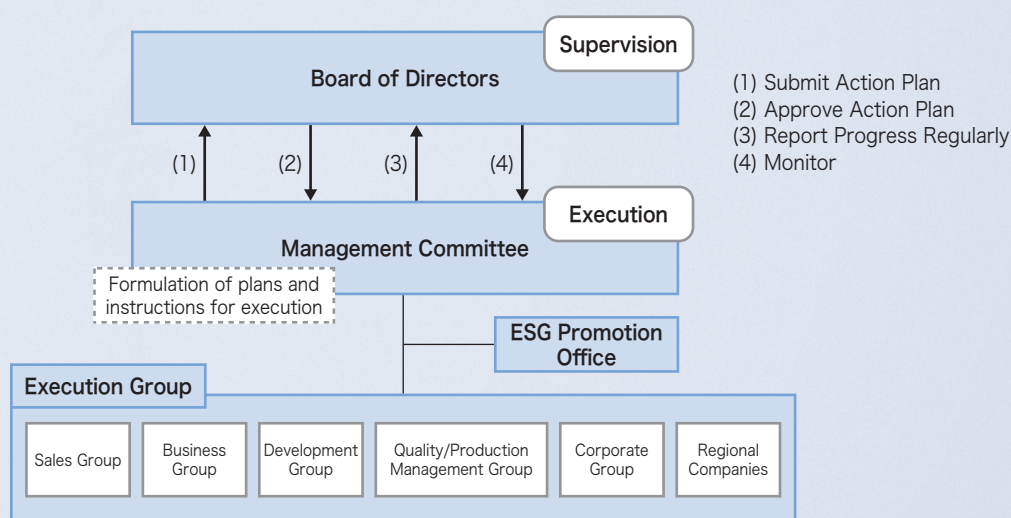
Sustainability Promotion Structure



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, issuing the instructions for the actions to the operational divisions, and promoting initiatives with the approval of the Board of Directors.

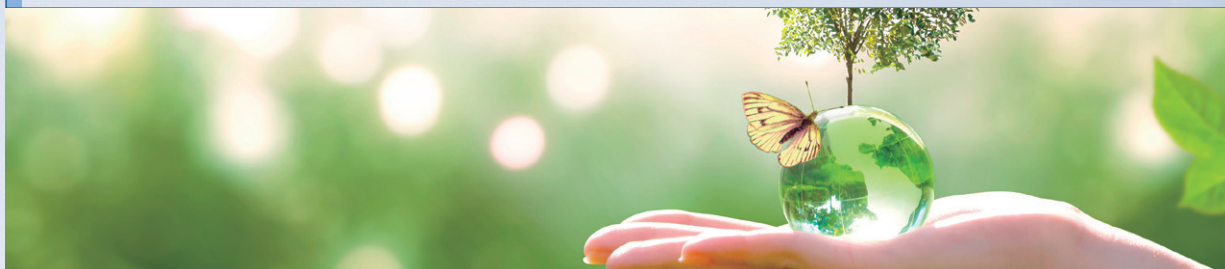
To implement these actions, the ESG Promotion Office, under the direction of the Management Committee, provides support for drafting policies, strategies, actions, and other plans and for putting these into practice. It also tracks the progress of this work and reports back to the Management Committee.

Risk Management

To prevent and mitigate a variety of management and business risks and create business opportunities, the Group conducts company-wide risk management on a semi-annual basis. Sustainability risks such as climate change, human capital, and diversity, and the possibility of creating business opportunities are treated as important elements in this framework, which involves assessing risk, formulating and implementing actions, and reviewing progress and outcomes on a regular basis.

Please refer to "Risk Management (P.119)" 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

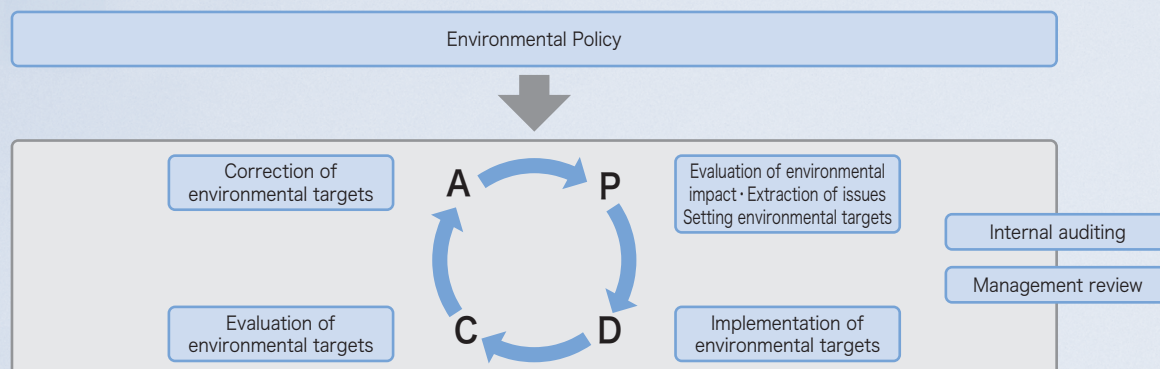
The Group, together with its customers, contributes to the protection of a rich global environment through the design, development, and sale of SoCs with outstanding environmental performance based on advanced technologies and solution businesses and services based on them. Based on the following action 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 under 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)]

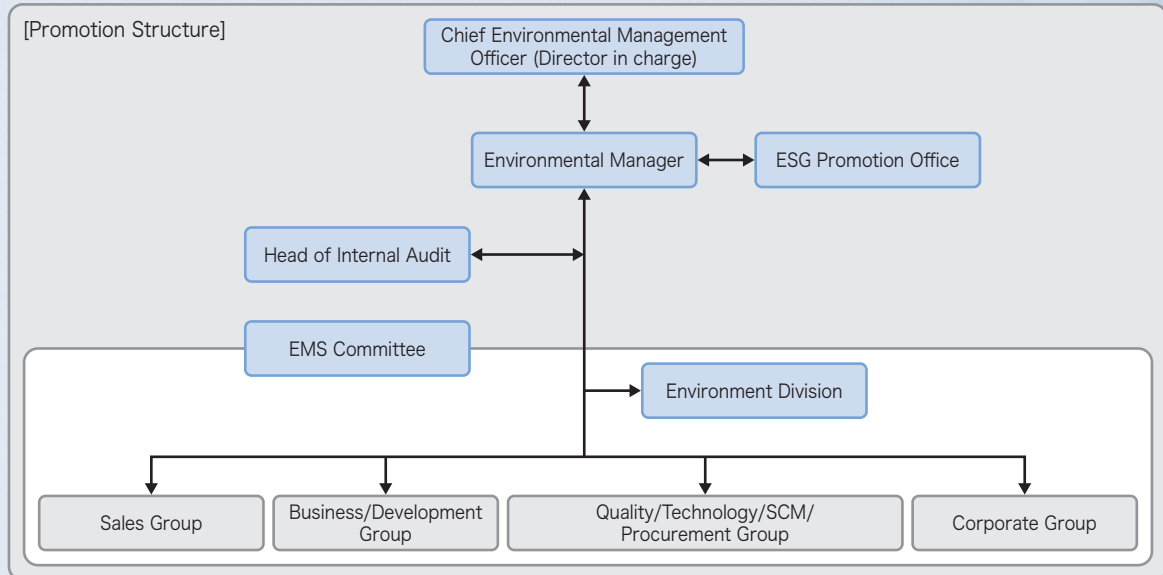


The registration certificate for the Environmental management system (ISO14001) is available on the group's website.

https://www.socionext.com/en/sustainability/environment/ISO14001_2025_EN.pdf

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 devices 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	Promoting the introduction of environmentally friendly IT equipment	Introduction of PC Green Label and EPEAT-certified IT equipment, including PCs, displays, CPUs/servers, and storage devices
	Establish systems and processes to respond to climate change, environmental regulations and others	Disclosure of information on 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.

Socionext products and packaging materials comply with the EU REACH regulations^{*1}, the EU RoHS Directive^{*2}, and the China RoHS directive^{*3}.

In order to provide such environmentally conscious products and ensure compliance with laws and regulations, the Group formulates and operates its own development flow ("Design Review" System), and checks each stage of the development process.

*1: Regulation aimed at registration, evaluation, authorization and restriction of chemicals in the EU (Registration, Evaluation, Authorization and Restriction of Chemicals)

*2: Directive prohibiting the use of certain hazardous substances in electronic and electrical equipment sold in the EU (Restriction of Hazardous Substances)

*3: Directive prohibiting the use of certain hazardous substances in electronic and electrical equipment sold in China (Law on Control and Prevention of Pollution in 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Environmental education	Participation rate	100%	100%	100%
Content of Environmental Education*		Chemical Substance Regulations: Stockholm Convention (POPs Convention), Chemical Substances Control Law, REACH, RoHS, etc	Environment-related laws: the Act on the Rational Use of Energy and Shift to Non-Fossil Energy (Energy Conservation Act), the Act on the Rational Use and Proper Management of Fluorocarbons, the Waste Management and Public Cleansing Act, etc	Environmental Management System (EMS): ISO 14001 Requirements

*: Since environmental education encompasses a wide range of topics, we have implemented a three-year cycle to comprehensively cover them

Risks and Opportunities and Scenario analysis

In the fiscal year ended March 31, 2026, 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](1/2)

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 and 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 and 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 the inability to offer environmentally friendly devices	Develop and provide products and services that contribute to reducing GHG emissions
			Regulation-driven increases in the 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	Suspension of operations in the supply chain including manufacturing contractors, product warehouses, and data centers due to intensified natural disaster	Periodic review of business continuity plans, including site diversification and improving the effectiveness of initial response and early recovery, in anticipation of the shutdown of operations in supply chains such as manufacturing contractors, product warehouses, and data centers
		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

[Main climate change risks and Opportunities](2/2)

Category		Impact of climate change on the Group	The Group's action
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"> Short term: -2027 Medium term: 2028-2030 Long term: 2031-2050
Impact	<ul style="list-style-type: none"> Small: 1 billion yen or less Medium: Over 1 billion yen but up to 5 billion yen Large: Over 5 billion yen <p>*Impact on a fiscal year basis</p>
Scenarios	<ul style="list-style-type: none"> 1.5°C/2.0°C scenario: SDS/NZE of IEA (International Energy Agency), RCP/SSP1 of IPCC (Intergovernmental Panel on Climate Change) 4.0°C scenario: IPCC (Intergovernmental Panel on Climate Change) RCP8.5/SSP5
Scenario analysis process	<p>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</p> <p>Furthermore, using a scenario in which the global average temperature will rise approximately 4.0°C or more above pre-industrial levels, published by the IPCC and other organizations, we focused our analysis on physical risks, which are expected to become more pronounced as climate change intensifies natural disasters and their impact on our business</p>

[Impact on the Group under the 1.5°C/2.0°C scenario and the 4.0°C scenario]

Category		Impact of climate change on the Group	Financial impact on business activities					
			Materiality ¹	Periods	Impact on	Degree of impact ²		
						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 and 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 and Reputation risk due to inability to offer environmentally friendly devices	Medium	Medium to long term	Net Sales	-		
		Regulation-driven increases in the cost of materials, electricity, and other inputs	Medium	Medium to long term	Cost	-		
Physical risks	Acute	Suspension of operations across the supply chain, including manufacturing contractors, product warehouses, and data centers, due to increasingly severe natural disaster	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	High	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 colors of the arrows are used to indicate the categories of climate change scenarios. Light colors indicate the 1.5°C/2.0°C scenario and dark colors indicate the 4.0°C scenario. It does not indicate the degree of impact or the likelihood of occurrence. For risks and opportunities whose impacts are difficult to quantify, only a qualitative assessment is provided for each item, and a dash ("-") is shown

Environmental Transition Plan

Our group established a transition plan in the fiscal year ended March 31, 2025, with the approval of the Board of Directors, to achieve reductions in Scope 1, Scope 2, and Scope 3 GHG emissions, as well as improvements in environmental performance and reductions in GHG emissions during the use phase of our products by customers. Based on this transition plan, we are advancing initiatives aimed at reducing GHG emissions and creating environmental value, while monitoring progress toward the achievement of our targets.

(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 (7nm or smaller) 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.

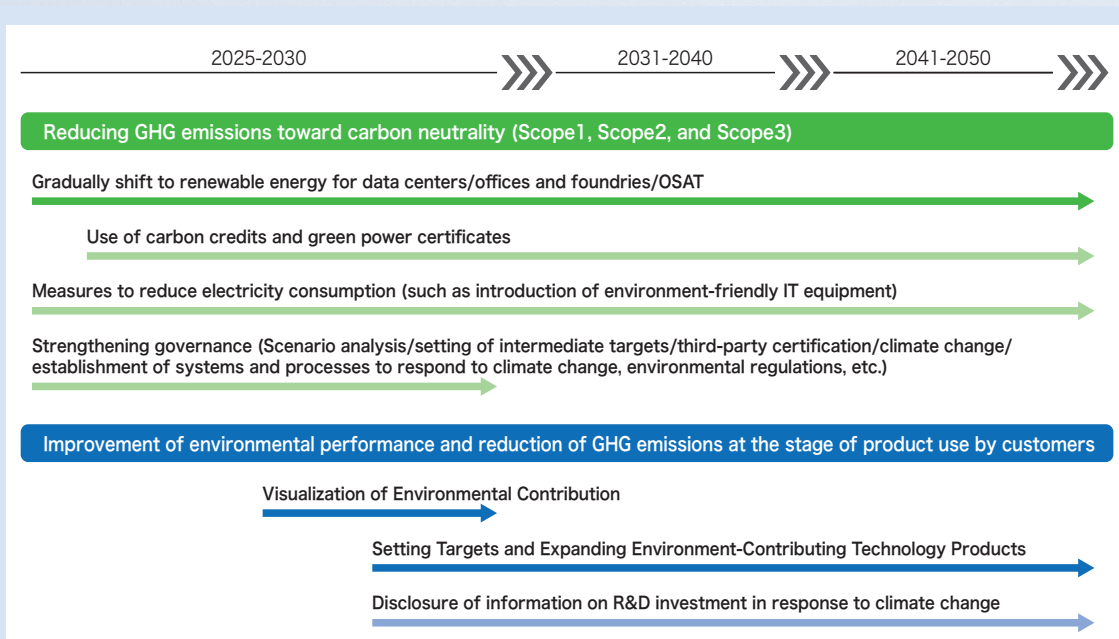
Also, in order to take full advantage of the horizontal division of labor in the semiconductor industry, our group has adopted a fabless business model with no factories and outsources product manufacturing to specialized manufacturers such as foundries and OSAT. The GHG emissions of Scope3 Cat.1 in our group, which include procurement costs from these contractors, account for more than 90% 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) Improvements in environmental performance and reductions in GHG emissions during the use phase of our products by customers.

In recent years, driven by the rapid adoption of generative AI, advancements in autonomous driving and advanced driver-assistance technologies, and the increasing sophistication of the digital society, the computing power required across society has grown dramatically. As a result, there is a growing societal demand for digital technologies that achieve both high performance and low power consumption. Through the further advancement of our technological development, our group contributes to reducing power consumption and GHG emissions in our customers' products. In addition, by quantitatively assessing the environmental impact of these contributions and leveraging the results to set and monitor our environmental targets, we are advancing both business growth and the creation of environmental value.

●Main Initiatives



(Note) The transition plan is as of the end of March 2025 and may be revised in accordance with future business strategies.

Specific actions regarding the Transition Plan

●Introduction of Renewable Energy

Our group began introducing renewable energy in fiscal year 2024. At 4 of our 5 domestic sites, we replaced part or all of the electricity used with renewable energy. Additionally, among our 6 overseas consolidated subsidiaries, Socionext Europe GmbH (headquartered in Germany) has achieved 100% renewable energy usage. Furthermore, we are advancing initiatives to reduce GHG emissions in our design and development operations, including signing new contracts with data centers that use 100% renewable energy.

[Initiatives for Renewable Energy Adoption]

April	2024	: Kyoto site	- 35% renewable electricity introduced
April	2024	: Nagoya site	- 25% renewable electricity introduced
April	2024	: Two European sites	- 100% renewable electricity introduced
April	2024	: Kanto Area Data Center	- 100% renewable electricity introduced
April	2025	: Sendai site	- 100% renewable electricity introduced
November	2025	: Shin-Yokohama headquarters building	- 100% renewable electricity introduced

Through these efforts, we are reducing GHG emissions by replacing 3,138,989 kWh (18.8%) of the 16,727,260 kWh of global electricity consumption in Scope2 for fiscal year 2025 with renewable energy. Our group will continue to gradually increase the share of renewable energy, aiming to achieve 100% renewable energy use in Scope2.

[Renewable Energy Adoption Rate in Scope2]

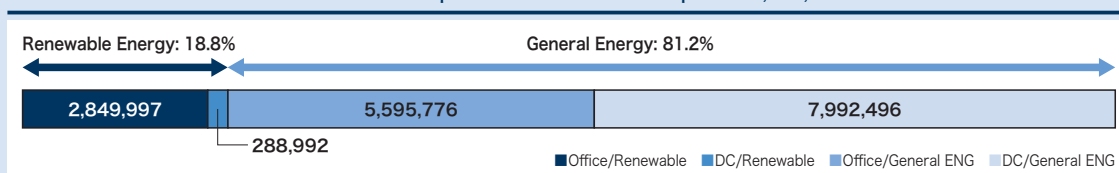
Fiscal Year 2024 Actual : 9.4%

Fiscal Year 2025 Actual : 18.8%

Fiscal Year 2026 Forecast : Approximately 30%

[Fiscal Year 2025 Scope2 Global Power Consumption]

Fiscal Year 2025 Scope2 Global Power Consumption: 16,727,260 kWh



In addition, since Fiscal Year 2024, our Group has been introducing transportation services utilizing Sustainable Aviation Fuel (SAF) to reduce GHG emissions from Scope3 Category4 (Transportation and Distribution (Upstream)).

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.

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

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

We are also working to reduce the number of parts and materials used through the miniaturization of SoCs and to save space.

(1) Efforts to Reduce/Lower SoC Power Consumption

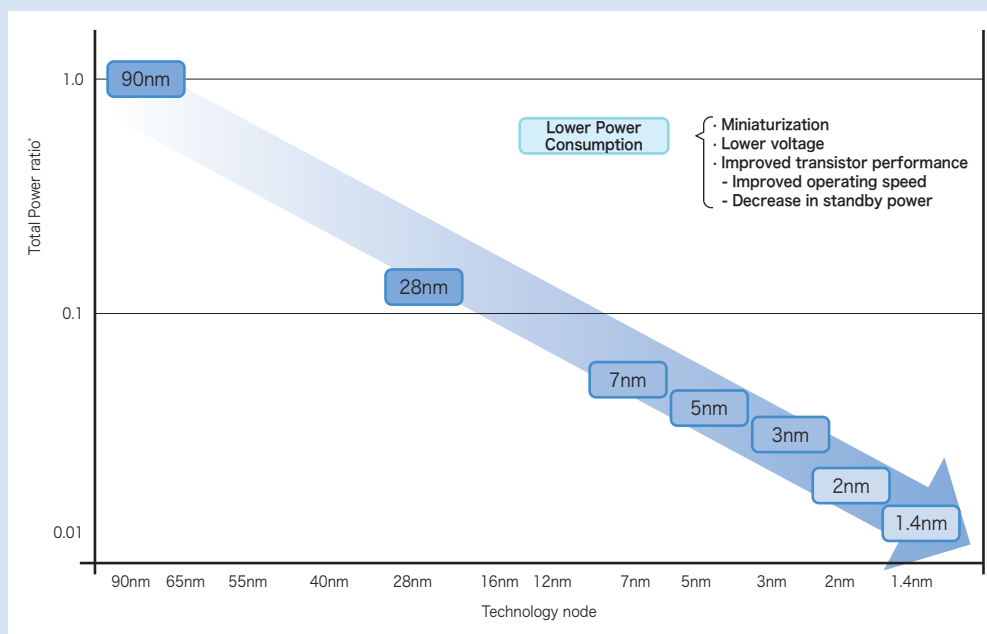
[Reduced power consumption by miniaturization]

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

Comparing the power consumption of advanced and existing processes, the most advanced 2nm and 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.

[Image of power consumption reduction by miniaturization/lower-voltage operation]



*: The vertical axis shows the relative power consumption of each technology, using the total power of the 90 nm process (dynamic power plus leakage power) as the baseline

[Design technology to achieve low-power consumption]

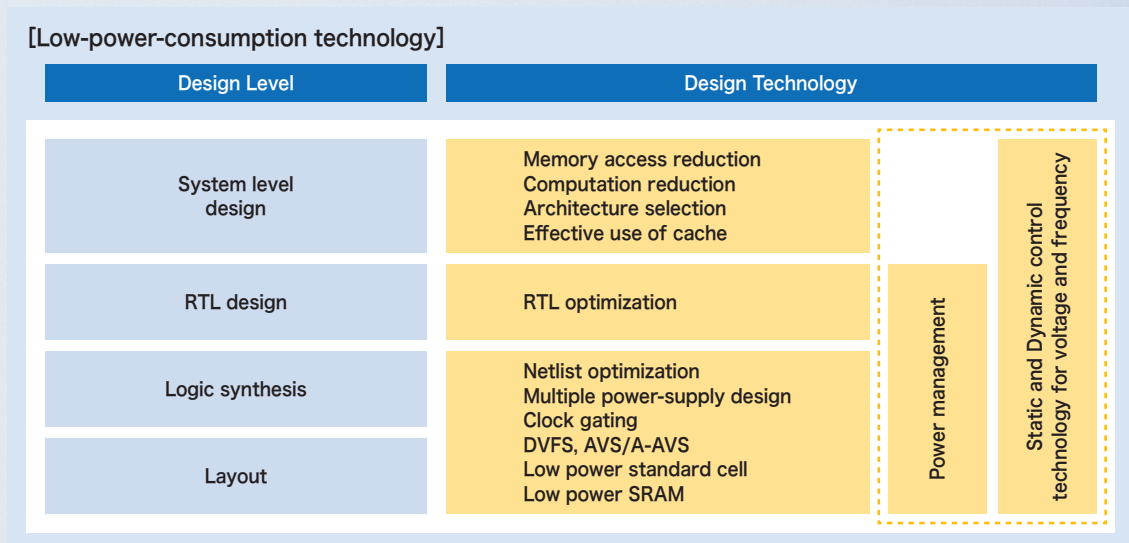
The Group is taking a variety of approaches to meet customers' demands for low-power consumption. To realize low-power SoCs, it is effective to combine various technologies, not only using individual technologies (see figure below). "Reference design flow," the Group's design environment, can respond 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): A standard specification for describing low-power design guidelines standardized as IEEE Std. 1801.

CPF (Common Power Format): A standard specification describing low-power design guidelines standardized by Si2



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

The Group has been building and operating a development system ("Design Review" System) that incorporates environmental considerations from the early stages of product development. We select the most appropriate process nodes and manufacturing partners (Foundry/OSAT) with less environmental impact, while carefully understanding customers' requirements for low power consumption. We support the reduction of GHG emissions throughout the life cycle of our products through consistent efforts from design to manufacturing and use.

In recent years, chiplet technology has attracted widespread attention in the semiconductor industry. Chiplets are advanced packaging and integration technologies that realize high functionality, high performance, and low power consumption by integrating computer chips such as CPUs and GPUs and multiple specialized chips for each function into 2.5D or 3D integration, and contribute to improvements in power consumption, cost, and yield. In this industry trends, Flexlets™ proposed by the Group are positioned as next-generation configurable chiplets that further advance chiplet technology and can be designed flexibly depending on the application. Unlike traditional fixed-function chiplets, Flexlets™ can optimize performance and functionality at the RTL level, enabling fine-grained energy efficiency optimization for each application. It delivers flexibility in a variety of markets, particularly for high-performance computing, networking equipment, and in-vehicle applications. In addition, Flexlets™ are designed to support complex multi-chip integration technologies such as 5.5D as well as 2.5D and 3D, enabling a higher degree of chip-to-chip integration for balancing better power efficiency and higher density. 5.5D is a packaging approach that utilizes high-density horizontal wiring (interposer, RDL, etc.) and combines vertical connections as needed. It is proposed as a large-scale and flexible chip mounting technology that combines the features of the 2.5D and the 3D.

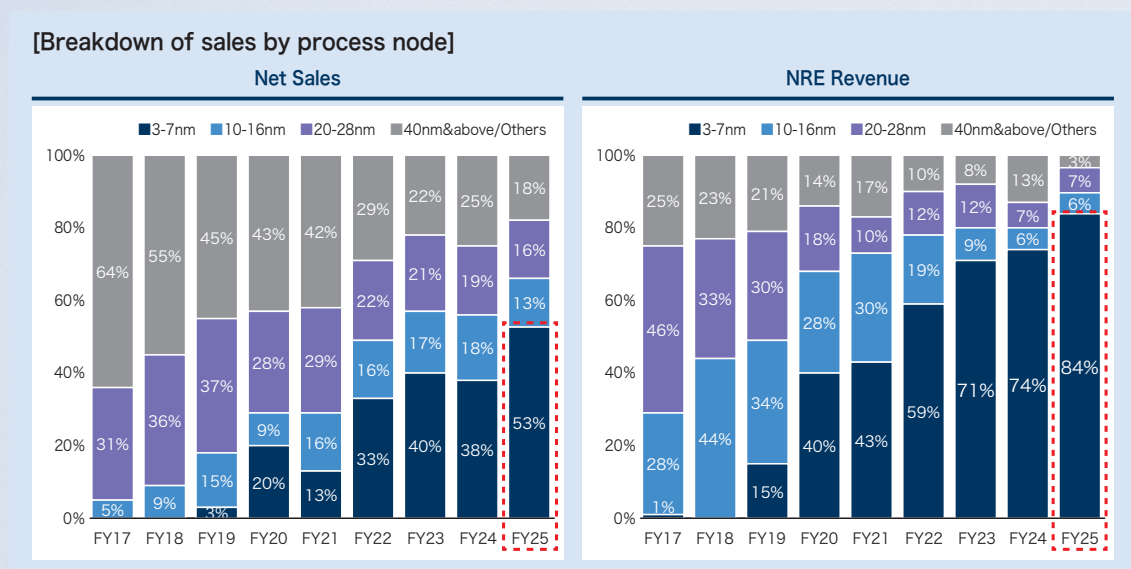
In a multi-chip structure such as 3D/5.5D lamination, heat tends to be concentrated. Therefore, it is important to introduce materials and structures with excellent heat conduction efficiency and to design packages that

reduce thermal interference between chips. In addition, we do not consider the cooling of the SoC alone. Instead, in order to optimize the cooling efficiency and cost of the entire system, we consider how to efficiently release heat to the cooling system on the system side. By adopting the latest thermal design (thermal management), we have been developing products that can both operate stably even with high integration and have high cooling efficiency.

In addition, photonics-electronics convergence technology, which replaces part of the communication between chips done by electrical signals with optical signals, is a future technology that can achieve a high communication bandwidth with significantly reduced power consumption. The Group is also promoting initiatives on this technology.

As described above, we at the Group contribute 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 (7nm or smaller). NRE revenue (for the fiscal year ended March 31, 2026), a leading indicator of future product sales, shows that advanced technology products account for 84% of the total sales.



(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.

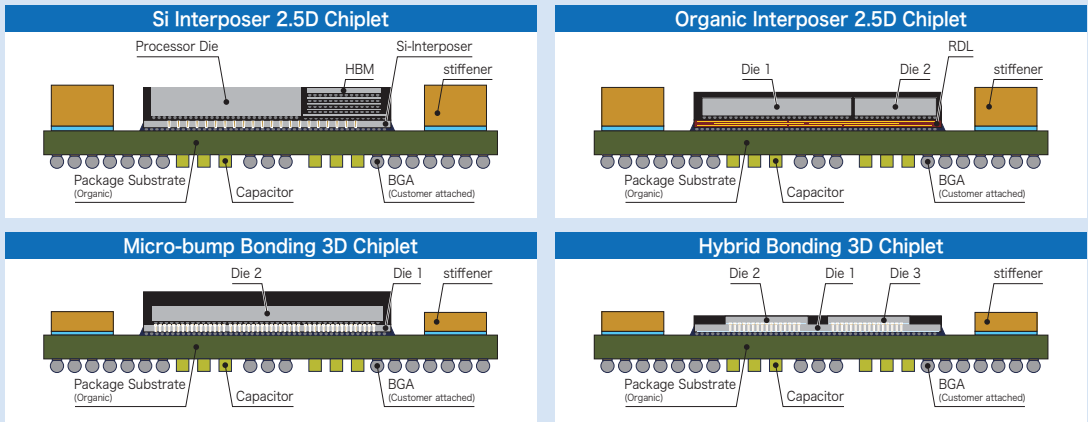
The miniaturization of SoCs leads to smaller size and space-saving in customers' end products, and also leads to the ease of thermal management during equipment operation. As a result, we believe that, in addition to reducing the material used and energy consumed in the manufacturing process by our customers, it leads to the realization of a sustainable society by reducing environmental impact during the use phase of the end product, such as improving the driving range of electric vehicles and reducing the cooling load in data centers. Flexlets™, an extension of the Group's chiplet technology, is a technology that enables highly functional integration within a limited space by flexibly combining chips with various functions such as memory, network and PCIe. In addition to the 2.5D/3D packaging, it is also compatible with new packaging approaches such as the 5.5D, enabling designs with higher density and lower power consumption than before.

Chiplet technology is expected not only to reduce size and space, but also to reduce power consumption and be a breakthrough in the limits of SoC miniaturization. In promoting 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. This compensates for the limitations of the miniaturization of SoCs, and contributes to achieving both greater functionality and reduced environmental impact demanded by customers.

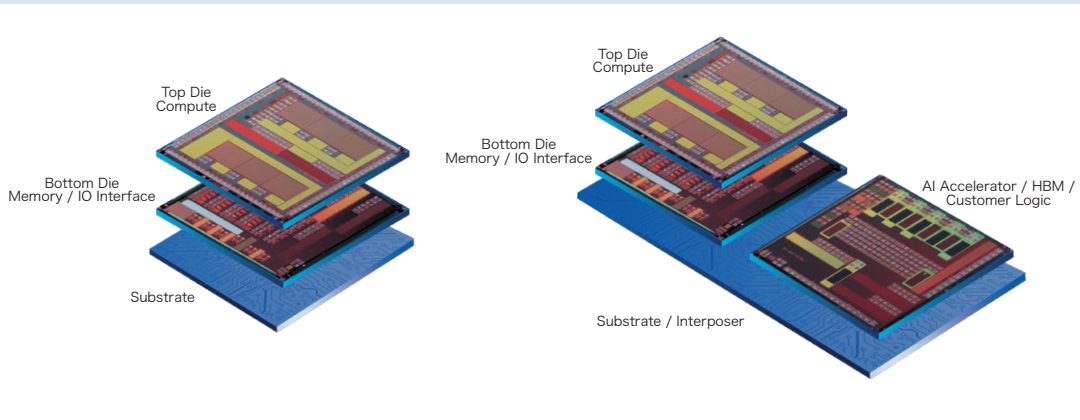
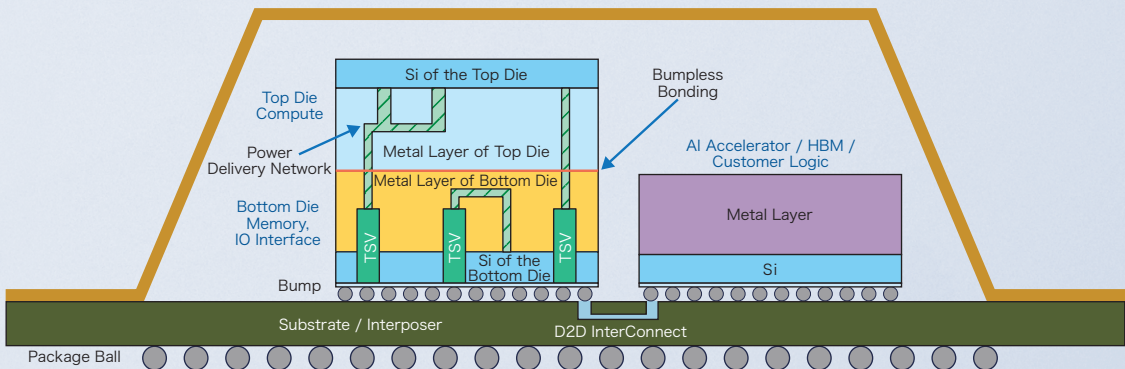
The Group continues to provide solutions that balance performance with the environment by deploying

products that incorporate advanced packaging and chiplet technologies in the data center and network equipment and the automotive fields.

[Conceptual image of Chiplet cross-section structure]



[3DIC F2F (Face-to-face) and 5.5D Structure Image]



(3) Efforts to Reduce Power Consumption at data centers

The shift in development to advanced technology products (3nm or smaller) has led to an increase in the volume of data processing in design and development processes, and power consumption at data centers now accounts for about half of the Group's GHG emissions (the sum of Scope 1 and Scope 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 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., and expanding AI-supported development process.

At data centers, we started introducing renewable energy during the fiscal year ended March 2025, and will continue to further promote the introduction of renewable energy.

Indicators and Targets for the Environment

● Indicators and Targets for the Environment

GHG emissions (Scope1^{*1} and Scope2^{*2}) by the Group for the fiscal year ended March 31, 2026, were 6,094 t-CO₂. Compared with the previous year, this represents a reduction of 433 t-CO₂. GHG emissions per unit of net sales were 3.04 t-CO₂, a reduction of 0.42 t-CO₂ from 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]

Item	Global results (t-CO ₂)						Target
	FY ended March 31, 2022 -Base year-	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	Compared with the base year	Year on Year	
Scope1	241	199	254	238	(3) [(1)%]	(16) [(6)%]	Achieve carbon neutrality by 2050
Scope2	6,846	7,776	6,273	5,856	(990) [(14)%]	(417) [(7)%]	
Total	7,087	7,975	6,527	6,094	(993) [(14)%]	(433) [(7)%]	
Reduction in Scope2 emissions through the introduction of renewable energy*	0	0	<Amount of electric power> 9.4% <GHG> 663t-CO ₂	<Amount of electric power> 18.8% <GHG> 1,458t-CO ₂	-	-	

*: The reduction in emissions resulting from the introduction of renewable energy is already reflected in the Scope2 results

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

Item	Global results (t-CO ₂)					
	FY ended March 31, 2022 -Base year-	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	Compared with the base year	Year on Year
Scope1+Scope2	6.06	3.61	3.46	3.04	(3.02)	(0.42)

[Breakdown of GHG Emissions](1/2)

Item ¹⁾	Global results (t-CO ₂) ²⁾			
	FY ended March 31, 2022 -Base year-	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Scope1+Scope2 (Market-based)	7,087	7,975	6,527	6,094
Scope1+Scope2+Scope3 (Market-based)	266,720	404,716	347,519	522,815
Scope1	241	199	254	238
Carbon dioxide (CO ₂)	241	199	254	238
Methane (CH ₄)	0	0	0	0
Dinitrogen Monoxide(N ₂ O)	0	0	0	0
Hydrofluorocarbons (HFC _s)	0	0	0	0
Perfluorocarbons (PFC _s)	0	0	0	0
Sulfur hexafluoride (SF ₆)	0	0	0	0
Nitrogen trifluoride (NF ₃)	0	0	0	0
Scope2 (Market-based)	6,846	7,776	6,273	5,856
Data center emissions	1,359	3,655	3,156	3,171
Office emissions	5,487	4,121	3,117	2,685
Scope2 (Location-based)	7,254	7,919	7,117	7,149
Scope3	259,633	396,741	340,992	516,721
Cat.1 Purchased goods and services (based on procured value)	229,697	356,133	299,323	471,327
Cat.2 Capital goods (based on procurement expenditure)	27,081	35,025	36,455	39,931
Cat.3 Fuel and energy-related activities not included in Scope1 and Scope2 (based on Scope1 and Scope2 activity data)	1,229	1,327	1,244	1,262
Cat.4 Upstream transportation and distribution (based on transport mass and distance)	908	1,140	1,052	1,054
Cat.5 Waste generated from business (based on the amount of waste disposal consigned and value)	50	25	67	20
Cat.6 Travel (based on travel expenses and number of employees)	201	2,267	2,108	2,090
Cat.7 Commuting by employees (based on commuting expenses paid and number of employees and working days)	467	824	743	1,037
Cat.8 Upstream leased assets	No emissions 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			

[Breakdown of GHG Emissions](2/2)

Item ¹			Global results (t-CO ₂) ²			
			FY ended March 31, 2022 -Base year-	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Scope3	Cat.13	Downstream leased assets	No emissions applicable			
	Cat.14	Franchises	No emissions applicable			
	Cat.15	Investments	No emissions applicable			

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

*2: Based on the revision of the GHG emission calculation method conducted in the fiscal year ended March 2025, the same revision was also applied to the base year (fiscal year ended March 2022)

[Disclosure in accordance with IFRS S2 Sustainability Disclosure Topics and Metrics (57.Semiconductors)]

Disclosure items	Indicator	Actual results			SASB Comparison Table (code)
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
GHG emissions	(1) Gross global Scope 1 emissions (t-CO ₂)	199	254	238	TC-SC-110a.1
	(2) Amount of total emissions from perfluorinated compounds	The group outsources the manufacturing process and does not directly discharge any perfluorinated compounds			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 Scope2) by 2050			TC-SC-110a.2
Energy Management In Manufacturing	(1) Total energy consumed (GJ)	161,037	149,701	152,036	TC-SC-130a.1
	(2) Percentage grid electricity (%)	96.0	91.5	91.8	
	(3) Percentage renewable (%)	0	8.9	17.8	
Water management	(1) Total water withdrawn (m ³)	4,145	2,094	1,922	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 (%)	0	0	0	TC-SC-410a.1
		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 the Group's products that exceeds the threshold value, nor is there any use of reportable applications or substances			
	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) (thousand units)		123,770	99,612	89,876	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			

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 Conservation Act^{*1}). Major energy reduction measures include switching to LED lighting, improving the efficiency of data centers, and consolidating and closing business sites, etc.

The company was selected once again in the previous fiscal year, 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 2025 (results 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/

[Energy Consumption (Japan)]

	FY ended March 31, 2022	FY ended March 31, 2023	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Amount of energy use [KL/year] ^{*2}	3,356	2,761	2,098	1,802	1,777
Amount of energy use [KL/year] (Target value)	3,489	3,428	3,521	3,201	2,813
Usage rate [KL/No. of employees]	1.530	1.260	0.962	0.836	0.799
Five-year average reduction rate [%] (Based on Usage rate)	1.8	5.7	9.8	13.7	12.1

*1: The Act on the Rational Use of Energy and Shift to Non-fossil Energy (Energy Conservation Act)

*2: Energy use is the total energy used by facilities in Japan covered by the Energy Conservation 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 under a fabless business model in which all product manufacturing is outsourced to partner companies. As a result, our business sites are limited to offices dedicated to product design and development, customer support, sales, and administrative functions. Consequently, our water use is primarily limited to domestic consumption, such as drinking water and sanitation for employees, and 100% of the water withdrawn is discharged to public wastewater treatment facilities.

Given these business characteristics, we believe there are limitations to the direct actions we can take to reduce water consumption or promote water recycling. Nevertheless, as a participant in the semiconductor industry, which relies heavily on water resources, we recognize that water conservation is essential to business continuity and represents a critical issue that companies utilizing natural capital must address as part of their social responsibility.

Through our engagement activities with manufacturing partners, we also monitor their water usage and management practices (see Procurement Management, p.72). Should any significant issues be identified, we intend to work collaboratively with our partners to address and resolve them.

In addition, the Socionext Group monitors and manages global water consumption and conducts water risk assessments using the World Resources Institute's (WRI) Aqueduct tool, a globally recognized water risk assessment framework designed to identify potential impacts on business continuity. Assessments have been conducted for all 16 Group locations worldwide as well as our major manufacturing partners.

The assessment identified three Socionext Group locations situated in regions classified as having high water stress risk: Langen (Germany), Bangalore (India), and Shanghai (China). These sites primarily provide customer support functions, and water use is limited to employees' domestic needs, such as drinking water and sanitation. Based on the relatively small scale of water withdrawal at these locations, together with interviews and assessments conducted locally, we have concluded that water stress is unlikely to have a material impact on our business operations.

[Water Consumption (Global)]

Item	Unit	Global Results ^{*1}		
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Water usage	[m ³]	4,145	2,094 ^{*2}	1,922

*1: The actual water recycling volume is 0m³

*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.

Biodiversity Conservation Initiatives

Socionext Group conducts biodiversity risk assessments for 16 domestic and international sites using the Biodiversity Risk Filter provided by WWF (World Wide Fund for Nature). The assessment evaluates a wide range of factors, including environmental factors such as protected areas, Key Biodiversity Areas (KBAs), ecosystem condition, and rare species; socioeconomic factors such as Indigenous Peoples and local communities, human rights, and resource scarcity; as well as reputational risk factors including media scrutiny and political conditions. As a result of the assessment, the average regional Scape Physical Risk scores were 2.6 for Japan, 2.8 for Asia (excluding Japan), 2.6 for Europe, and 2.5 for the Americas. While some sites in Asia showed relatively higher scores, the overall risk level for the region remained within the Medium Risk category. Europe and the Americas were both assessed as being at the Low Risk level.

Socionext Group will continue to monitor biodiversity-related risks across its sites and further promote initiatives aimed at reducing its impact on biodiversity.

[Regional Average Risk Assessment (Scape Physical Risk/SPH)]

Region	Number of Sites	Average SPH Score*	Risk Category
Japan	5	2.6	Low risk
Asia	7	2.8	Medium risk
Europe	2	2.6	Low risk
Americas	2	2.5	Low risk

*: 1.0 ≤ x ≤ 1.8 Very low risk
 1.8 < x ≤ 2.6 Low risk
 2.6 < x ≤ 3.4 Medium risk
 3.4 < x ≤ 4.2 High risk
 4.2 < x ≤ 5.0 Very high risk

External Evaluation of Sustainability Activities

Since our group was listed on the Tokyo Stock Exchange Prime Market in October 2022, we have been actively promoting sustainability initiative integrated with management.

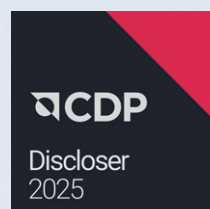
We are striving to further advance our sustainability activities based on the evaluation results from various external evaluation organizations.

● Acquired a "B" score in both Climate Change and Water Security in CDP 2025

In the two areas of "climate change" and "water security" of CDP2025, the Group received a "B" rating, the third highest score.

Established in 2000, CDP is a non-profit organization that runs the world's only independent environmental disclosure system. It collects and analyzes environmental data, including climate change-related information, from major companies worldwide and evaluates them on nine levels (A, A-, B, B-, C, C-, D, D-, F). CDP's database is recognized as the global standard for environmental disclosure, and the number of institutional investors requesting companies to report through CDP continues to grow each year.

*: In CDP2025, more than 22,100 companies, representing more than half of the world's market capitalization, participated and were assessed.



● Awarded the Silver medal in EcoVadis sustainability assessment

In the EcoVadis sustainability assessment, the Group was awarded a Silver Medal, which is granted to companies ranked within the top 15% of all assessed companies. In particular, improvements in the areas of Environment, Ethics, and Sustainable Procurement resulted in the Group being ranked among the top 12% of all assessed companies.

The EcoVadis sustainability assessment, conducted by EcoVadis (headquartered in France), is based on internationally recognized sustainability standards, including the Ten Principles of the United Nations Global Compact, the conventions of the International Labour Organization (ILO), the Global Reporting Initiative (GRI) Standards, and the ISO 26000 standard. Companies are evaluated on four core themes, namely Environment, Labour & Human Rights, Ethics, and Sustainable Procurement, using 21 sustainability criteria. Since its establishment in 2007, more than 150,000 companies across 185 countries and 250 industries have undergone this assessment.



● Evaluated as 4 stars in NIKKEI Sustainable Management Survey, SDGs Edition

The Group received a four-star rating in the 2025 Nikkei Sustainable Management Survey, SDGs Edition, which recognizes companies that contribute to solving social, economic, and environmental challenges through their business activities while enhancing corporate value. This survey evaluates companies on a five-tier scale based on their overall scores in four categories: SDGs Strategy & Economic Value, Social Value, Environmental Value, and Governance. Following last year's three-star rating, the Group achieved a significant improvement in 2025, earning four stars. The Group received S+ ratings in the areas of Social Value, Environmental Value, and Governance, and achieved an A++ rating in SDGs Strategy & Economic Value.



●Selected for Nikkei's GX500 Decarbonization Management Ranking 2025

The Group has been selected for the second consecutive year as one of the top 500 companies in the GX500 Decarbonization Management Ranking, organized by Nikkei Inc.

In 2025, the Group achieved an overall rating of 'BB' and was ranked 131st, a significant improvement from last year's 'C' rating at 431st.

The GX500 Decarbonization Management Ranking identifies and ranks 500 leading companies in the era of green transformation (GX) based on a comprehensive evaluation of corporate decarbonization efforts. In this survey, 830 companies, including listed companies in Japan that responded to the questionnaire, were ranked and rated based on their overall scores in five areas: Information disclosure, Emissions management and reduction results, Energy conservation and use of renewable energy, Concrete measures to reduce greenhouse gases, and Reduction target setting.

In particular, the Group was highly rated in the area of information disclosure, achieving an 'AA' rating and ranking 10th among all companies surveyed.

Decarbonization Management Ranking, GX500

●Selected for the FTSE4Good Index Series

In June 2026, the Group was selected for the first time as a constituent of the ESG investment index, the FTSE4Good Index Series.

The FTSE4Good Index Series is an ESG investment index created by FTSE Russell, a global index provider, and is widely used by investors and asset management institutions around the world in the construction and evaluation of responsible investment funds and various financial products.

FTSE Russell evaluates companies from perspectives including corporate governance, occupational health and safety, anti-corruption measures, and climate change response.

The constituents of the FTSE4Good Index Series are composed of companies that meet stringent environmental, social, and governance (ESG) criteria.

As of the end of June 2026, a total of 2,234 companies worldwide, including 296 Japanese companies, had been selected for inclusion in the FTSE4Good Index Series.



FTSE4Good

●Selected for inclusion in the FTSE JPX Blossom Japan Index and in the FTSE JPX Blossom Japan Sector Relative Index

The Group has once again been selected as a constituent of the "FTSE JPX Blossom Japan Index" and the "FTSE JPX Blossom Japan Sector Relative Index," which are representative indices of ESG (Environmental, Social, and Governance) investment and are adopted by the Government Pension Investment Fund (GPIF) as benchmarks for ESG investment.

About the FTSE JPX Blossom Japan Index

The FTSE JPX Blossom Japan Index was developed by FTSE Russell, a global index and data provider of the London Stock Exchange Group, specifically designed for 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 JPX Blossom Japan Index meet a variety of environmental, social and governance criteria.



FTSE JPX Blossom Japan Index

About the FTSE JPX Blossom Japan Sector Relative Index

The FTSE JPX Blossom Japan Sector Relative Index is an equity index focused on Japanese companies based on ESG (Environmental, Social and Governance) ratings provided by FTSE Russell. Companies with relatively strong ESG performance within each sector are selected, and sector bias is reduced through its sector-neutral design.



FTSE JPX Blossom Japan Sector Relative Index

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

●Selected as a constituent of the S&P/JPX Carbon Efficient Index

The Group was selected for the second consecutive year as a constituent of the S&P/JPX Carbon Efficient Index, an ESG index jointly developed by S&P Dow Jones Indices and Japan Exchange Group (JPX).



About the S&P/JPX Carbon Efficient Index

The index uses TOPIX constituents as its investment universe and aims to promote environmental disclosure and support sustainable corporate activities by evaluating companies' carbon efficiency (greenhouse gas emissions relative to sales revenue) and the quality of their environmental disclosure, and reflecting these assessments in constituent weightings.

S&P/JPX Carbon Efficient Index

<https://www.spglobal.com/spdji/en/indices/sustainability/sp-jpx-carbon-efficient-index/#overview>

●Selected for inclusion in the Sampo Sustainability Index in Fiscal Year 2026

The Group has been selected for inclusion in the 2026 SOMPO Sustainability Index, established by Sampo Asset Management Co., Ltd., for the second consecutive year.

The SOMPO Sustainability Index comprises approximately 300 companies recognized for outstanding ESG initiatives. These selections are based on evaluations for the Environmental Management Survey and ESG Management Survey conducted by Sampo Risk Management Inc. The SOMPO Sustainability Index is widely used by several pension funds and institutional investors as a benchmark for sustainable investment.



SOMPO Sustainability Index (Japanese only)

<https://www.sampo-am.co.jp/institutional/product/06/>

Dialogue with Environmental Stakeholders

To contribute to the realization of a sustainable society, our Group places great importance on engagement with various stakeholders as we strengthen our efforts to address environmental issues. Through ongoing dialogue with diverse stakeholders, including customers, shareholders and investors, partners, and employees, regarding environmental challenges such as climate change, we strive to reduce our environmental impact and promote environmental conservation activities.

With respect to engagement with shareholders and investors, we have conducted Sustainability Meetings since fiscal year 2024, providing opportunities to exchange views on the evaluation of and expectations for our Group's initiatives, particularly those related to climate change. The feedback and recommendations received through these discussions are utilized to enhance our environmental strategy and to identify future priority initiatives.

In our engagement with partners, particularly manufacturing service providers, we discuss targets and monitor progress related to greenhouse gas (GHG) emission reductions and the adoption of renewable energy. We are strengthening collaboration with our partners to reduce environmental impacts across the entire supply chain.

Furthermore, for employees, in addition to annual environmental education programs, we promote environmental awareness and environmental impact reduction activities through the initiatives of the Environmental Management System (EMS) Committee. We encourage each employee to recognize environmental challenges as their own responsibility and to incorporate environmentally conscious actions into their daily work activities.

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 and productivity management," and actively promote the creation of an environment where diverse human talent can maximize their capabilities and support their growth.

Based on this philosophy, the Group is focusing on strengthening its human capital strategy in line with its business characteristics.

The Group's core business is the design and development of custom SoCs, and engineers and other human resources with advanced expertise and creativity are the source of sustainable growth and competitive advantage. As the pace of technological innovation continues to accelerate and the competitive environment surrounding the semiconductor industry becomes increasingly intense, we recognize that investing in human capital is essential for enhancing corporate value over the medium- to long-term.

On the other hand, the age structure of engineers in the Group has a relatively high proportion of seniors, and a certain number of engineers are expected to retire each year in the coming years. For this reason, the Group recognizes that the number of engineers may decrease in the future, and how to ensure the sustainability of human capital while responding to such structural issues is one of the important management issues directly linked to the Group's medium- to long-term growth.

In addition, the Group has won numerous design wins that require advanced design and development capabilities, and will proceed with multiple development projects simultaneously. For this reason, in order to steadily proceed with each project, it is necessary to secure more engineering resources than ever before, and it is also necessary to broaden and deepen engineers' skill sets. Accordingly, if we are unable to secure and develop the human resources we need, a mismatch may arise between the engineering resources we actually have and those required to support our business growth.

Based on this recognition, the Group has set forth the materiality of "securing, retention and development of human resources," as well as "empowerment and engagement of employees," and has positioned securing human resources, development of human resources, and enhancement of development productivity at the core of its human capital strategy, with the aim of stabilizing the quality and quantity of human capital over the medium- to long-term. In addition, we believe that creating an environment in which employees can maximize their capabilities without having to forgo career development or growth opportunities due to personal circumstances, such as childcare responsibilities, caregiving obligations, or changes in life stages, is not merely a matter of enhancing employee benefits. Rather, it is a critical initiative that supports business continuity and directly contributes to the mitigation of business risks.

By strategically addressing human capital, the Group strives to simultaneously strengthen its technological development capabilities and achieve business growth. At the same time, we are working to create an environment in which each and every employee can maximize his or her capabilities. Through continuous investment in human resources, we aim to achieve sustainable growth and enhance corporate value.

●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 35 new graduates in the fiscal year ended March 2026 and 23 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, we have introduced a job-specific recruitment system to ensure that students are hired in a manner that matches their wishes and abilities and enables optimal placement according to each individual's aspirations and capabilities. In addition to the April entry program as the standard, we also offer an October entry program to accommodate diverse circumstances such as studying abroad and research activities, thereby providing flexible opportunities for entry according to each student's situation.

In addition, we maintain close communication with approximately 370 students annually through "laboratory visits" to universities that conduct research closely related to our business, "one-day work experience" programs that provide an opportunity to experience our company's development work, and "Open Company" events for company tours and meetings with senior employees.

Furthermore, through our Solution Lab, we provide opportunities for students to gain a hands-on understanding of our products, technologies, and business activities, thereby striving to reduce gaps in perception before and after joining the company. Through these initiatives, we aim to reduce mismatches after joining the company and enhance employee engagement.

We also utilize direct recruiting tools targeting science and engineering students to improve talent pool formation and matching accuracy in recruitment activities and to recruit as many talented individuals as possible who are aligned with our company's business and development activities.

Fiscal year of entry	Number of new graduate hires (persons)	Number of employees remaining after three years (persons)	Three-year retention rate*
FY2021 entry	33	30	90.9%
FY2022 entry	12	12	100%
FY2023 entry	26	24	92.3%

*: The three-year retention rate is calculated as the percentage of new graduate hires in each fiscal year who remain employed at the end of the fiscal year three years after joining our company

(2) Recruitment of mid-career talent

In our recruitment activities for mid-career talent, 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
New graduates (persons)	26	36	35
Mid-career (persons)	39	32	23

● 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 thrive, 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 performance 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.

Under our remuneration system, to attract and retain talented employees, we conduct continuous reviews, and the average annual salary of engineers increased by approximately 25% over the four-year period from the fiscal year ended March 2022 to the fiscal year ending March 2026.

Under our performance evaluation system, employees were promoted or demoted once a year, but to enable engineers to thrive in the company, starting from the fiscal year ending March 2026, engineers who meet certain conditions and are recognized for their roles and contributions at a higher grade level can be promoted at any time.

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.

Through these initiatives, we support engineers' growth and career development by appropriately evaluating their technical expertise, ability to fulfill their roles, achievements, and willingness to take on challenges, regardless of age or years of experience.

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

We have introduced a professional system in which grades are assigned based on responsibilities associated with each role, regardless of age or years of experience, and treatment is determined based on the degree of achievement (performance) and behavioral expectations. This system is built on a role-based grading framework that clearly defines the roles expected of each employee and provides a mechanism for appropriately evaluating how those roles are fulfilled. Through this system, we encourage employees to perform their duties autonomously and contribute to the organization while enhancing their expertise and creating added value. Furthermore, evaluation results are appropriately reflected in treatment, providing compensation and growth opportunities commensurate with each employee's role. In this way, we foster professional talent capable of working autonomously and globally while enhancing the value of the organization as a whole.

(3) Internal recruitment system

We have introduced an internal recruitment system that allows employees to apply for positions and departments of their choice based on their own interests, thereby expanding opportunities for career choices within the company. In addition to applying for job openings posted internally, the system provides employees with opportunities to take on new challenges in areas of personal interest. Through this system, we promote the utilization of talent across organizational boundaries and establish an environment in which each employee can take on new responsibilities based on their own career aspirations.

●Main Actions on Human Resource Development

(1) Engineer training

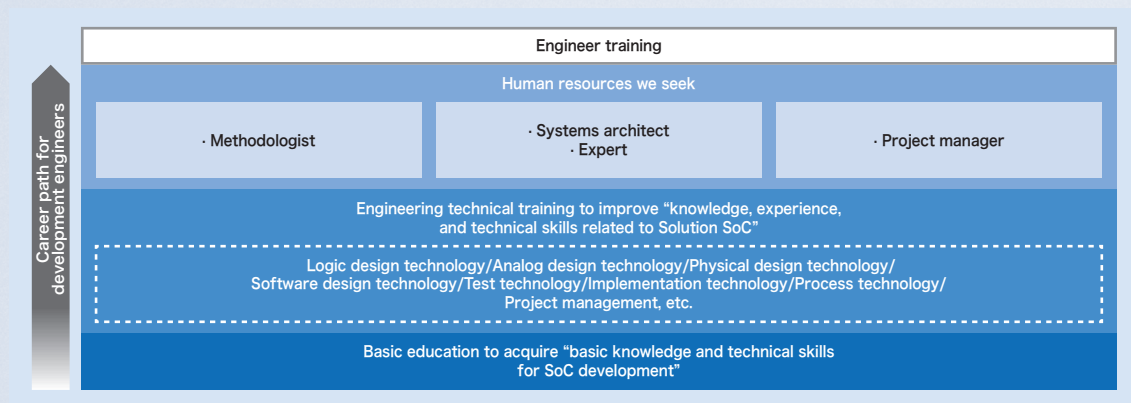
(i) Clarification of human resources required

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 including factory automation (FA) and measuring instruments.

In these fields, customers are seeking a partner with expertise not only in SoC architecture, but also a deep understanding of the end products and services in which the SoC will be used, together with the ability to integrate advanced hardware and software technologies to propose the optimal solution for differentiation. We believe that achieving such a "Solution SoC" business model will require the following engineering talent.

- Methodologists to maintain development competitiveness globally
- Systems 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]

		Methodologist	Systems architect	Expert						Project manager
				Logic design	Analog	Physical design	Software	Test	Implementation	
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	1) Facilitation 2) Leadership 3) Presentation 4) Communication 5) Problem solving 6) Language ability 7) Coaching 8) Business manner	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

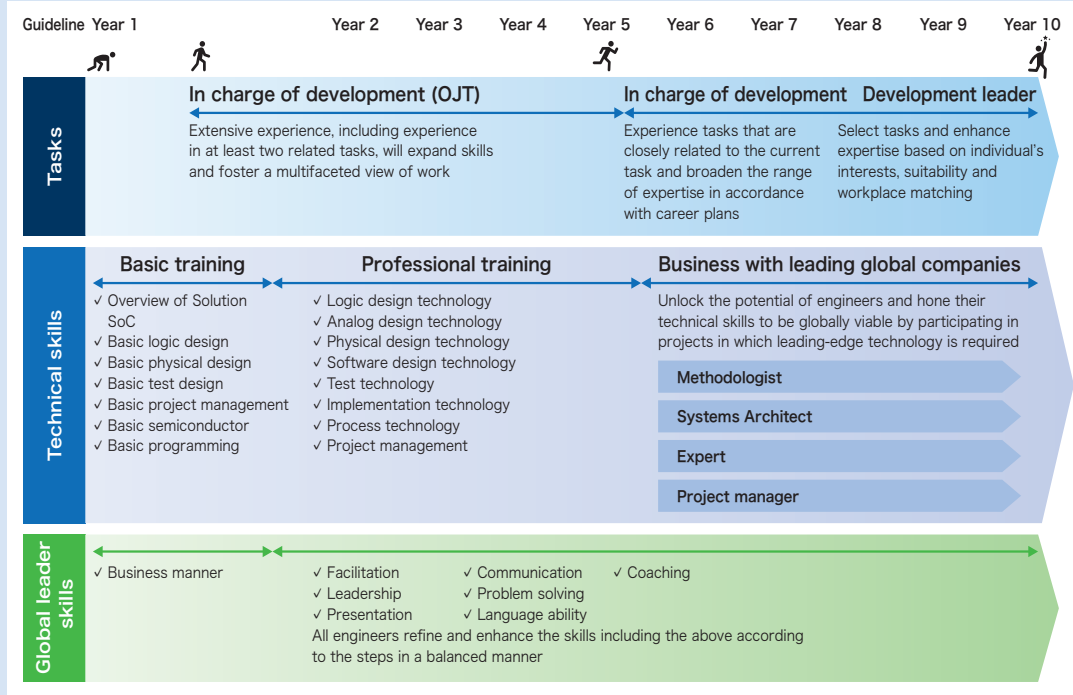
b-: Can utilize and apply basic technology in any of the specified skills (b-)

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

[Implementation status of engineer training]

Implementation status of engineer training		Actual results		
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Total training hours (hours)		19,500	18,900	19,000
Per engineer	Training hours (hours)	13.2	12.8	12.7
	Invested values (10,000 yen)	2.04	2.87	2.32

(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 respond to these changes, we are increasing opportunities for many engineers to strategically participate in overseas business and leading-edge technology businesses, while also capturing and leveraging the know-how and experience gained by engineers across the organization. For young employees in particular, we have intentionally provided opportunities from an early career stage to gain experience that can only be acquired in the course of business. As a result, the proportion of employees with experience in global projects and in leading-edge projects has reached nearly 90% in both categories.

[Project experience of engineers]

Project experience status of engineers	Actual results			Target by 2030
	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Ratio of employees with experience in global projects (%)	82	87	89	Over 90%
Ratio of employees with experience in advanced projects (7 nm or smaller) (%)	75	82	87	Over 90%

We have also launched initiatives to enhance development resource management and further improve our development processes. Specifically, we are developing a system to systematically grasp and manage human resource data such as engineers' skills, experience, and training history through the use of a talent management system. In the future, we aim to visualize the strengths and issues of individuals and organizations, and to consider and judge medium- to long-term human resource development and allocation based on the data. Through these efforts, we will be able to allocate human resources over the medium- to long-term based on skills and experience, and create a system that will enable us to reliably execute development projects of high-priority and strategic importance without depending on specific engineers.

At the same time, in order to strengthen project management and development quality management, we are studying and taking measures to standardize development processes and ensure effective implementation. By promoting these measures, we aim to improve the accuracy of development plans and resource estimates with an eye to future development projects. We also aim to improve the system for promoting development while visualizing the progress and workload status of the entire project, even when many projects are in progress simultaneously, thereby reducing the risk of an extended development period.

As an indicator to understand the progress and results of these efforts, we regularly monitor the status of "engineers who meet the criteria." The number of engineers (Methodologists, Systems architects, Experts, Project managers) meeting the Company's standards has increased steadily in line with the plan. In particular, the index for Methodologists has improved significantly. This is a result of our strategic efforts in recognition of the urgent need to develop Methodologists, who are responsible for deciding development policy and drawing a grand design in order to maintain and strengthen our global development competitiveness, as the ratio of large-scale development projects using advanced technology is increasing.

[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 - Base year -	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Methodologist	100	200	225	500	Index improved year-on-year
Systems architect	100	118	141	145	Index improved year-on-year
Expert	100	101	105	106	Index improved year-on-year
Project manager	100	97	115	118	Index improved year-on-year

(v) Monitoring engineer engagement and improvement cycle

The Group positions engineer engagement as one of the key indicators of human capital, and monitors engineer engagement through regular surveys. We believe that engineers who feel satisfied with their roles and accomplishments and are motivated to perform their work are an important factor of the Group's technological capabilities and development productivity.

In monitoring engagement, we analyze engagement by age group, grade, organization, and evaluation method to understand not only the overall trends but also the issues of each group and organization. Key survey topics include employees' perceptions of the engineer system, satisfaction with evaluations of their activities and achievements, and satisfaction with compensation.

Through these analyses, we have found that challenges of engagement vary by age group and job role. Based on these findings, the Group is working on improvement by enhancing performance feedback, clarifying expected roles and responsibilities, and providing follow-up support tailored to the characteristics of each department. In the future, we aim to maximize the value of human capital and achieve sustainable growth by continuously gathering feedback from engineers and using the results to improve systems and management.

(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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Per employee	Learning time (hours)	11.3	11.7	12.2
	Investment amount (10,000 yen)	1.76	2.59	2.67

●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.

●Identification and Assessment of Human Rights Risks

Our group recognizes that, in order to ensure the effectiveness of its human rights initiatives, it is important to appropriately identify and address human rights risks associated with its business activities.

Our group continuously monitors human rights issues, including discrimination, harassment, labor conditions, child labor, and forced labor, taking into account the countries and regions in which it operates, employment and working conditions, and its overall business activities, including the supply chain. The Group seeks to understand these issues on an ongoing basis through the operation of human rights consultation channels and the implementation of various initiatives.

Based on this understanding, the Group implements various measures to respect and promote human rights.

●Prohibition on Discriminatory Treatment of Employees

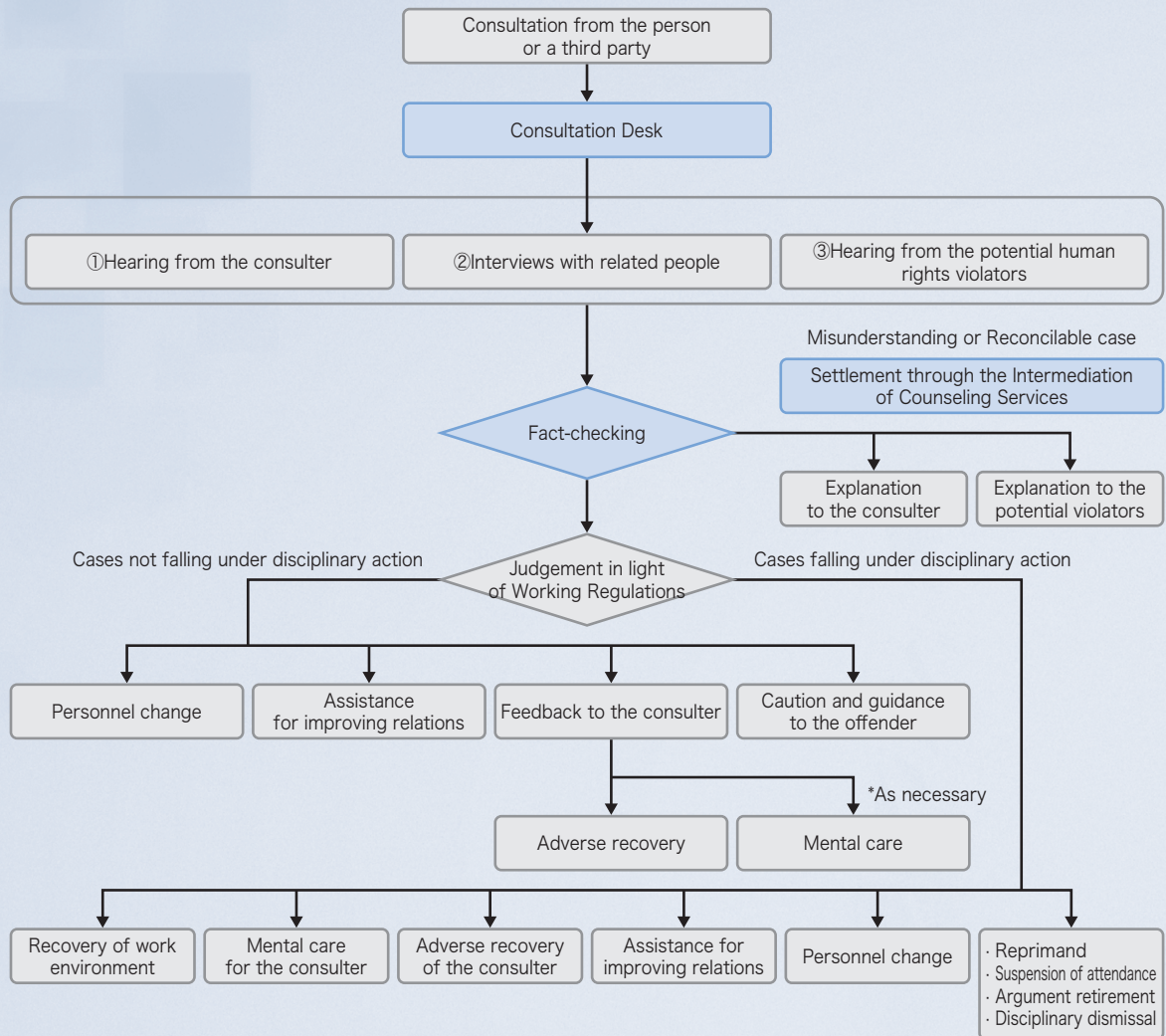
The Group has established clear rules prohibiting the discriminatory treatment of existing or candidate employees on the basis of factors such as nationality, beliefs, gender, or social status, and strictly prohibits discriminatory treatment in its internal regulations. Any violation of the regulations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

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)

In addition, from the perspective of preventing various forms of harassment, such as sexual harassment and power harassment, and discriminatory treatment of recruitment candidates (new graduate students, career applicants, interns, alumni visitors, and others), we have established the "Basic Conduct for Recruiters" and provide education and reminders to recruitment staff.

●Efforts to Prevent and Eradicate Child Labor and Forced Labor

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.122)

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.

●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 addition, 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.

According to an internal survey on the promotion of women's empowerment, while satisfaction with support for balancing work and family life and the working environment was high, issues were identified, including motivation for promotion and management positions, a lack of female role models, and unconscious gender bias. Based on these findings, we are supporting women in taking ownership of their careers while promoting awareness reform and organizational culture reform, including among organizations and supervisors.

Specifically, we support proactive career development and the demonstration of leadership through initiatives such as the introduction of external mentoring programs for female leaders. We also provide unconscious bias training for management-level employees and are working to foster an organizational culture in which diverse human resources can fully demonstrate their abilities. Furthermore, we are developing a workplace environment in which employees can continue working with peace of mind, including measures to address women's specific health issues.

In the future, we will further strengthen support for women's career ownership and leadership development, while continuously promoting workstyle reform and awareness reform, including encouraging men's participation in childcare. Through these efforts, we aim to create a workplace environment in which diverse human resources, including women, can maximize their capabilities.

The actual results for the female manager ratio, gender wage gap, and rate of men taking childcare leave are as follows, and we will continue to promote women's empowerment and the creation of an organization in which diverse human resources can demonstrate their abilities.

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

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	Target
Ratio of female managers	2.6%	2.6%	3.1%	Over 3.4% (by FY 2028)
Gender pay gap (Regular) *Ratio of average annual wage of female to average annual wage of male	72.5%	74.7%	76.8%	-
Male taking childcare leave	57.1%	93.3%	85.7%	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 2026, 255 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 staff members with visual impairments and provides massages to employees, and the Challenge Staff Program, in which seven staff members with mental or developmental disabilities take on routine internal work.

As of the end of June 2026, 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 and appointing talented employees in each region and encouraging their participation. Likewise, in Japan, the selection of both new graduates and mid-career hires is conducted without regard for nationality, and 48 employees of overseas nationality with diverse backgrounds are actively contributing to our business.

To further strengthen this global talent base, we utilize digital platforms such as LinkedIn to promote approaches to highly specialized talent and the dissemination of recruitment information in each country and region. Through these efforts, we aim to secure highly skilled talent across national borders and enhance organizational diversity and create innovation through the recruitment of individuals with diverse knowledge and experience.

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. Through talent acquisition and development that reflect the characteristics and market environment of each region, we aim to achieve sustainable business growth and enhance corporate value.

(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 employees.
- Establishment of an in-house counseling center for LGBTQ+.
- Development of facilities such as multi-purpose toilets.

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 Socionext 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, and other matters.

The status of labor union membership is shown below, and we continuously monitor trends in the number of union members and the union membership rate over the past three years. Going forward, we will continue to strengthen sustainable labor-management relations through transparent information disclosure and constructive dialogue.

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Number of Labor	1,531	1,568	1,533
Labor Union Membership Rate*	70.6%	73.3%	72.6%
Main Items Discussed with the Labor Union	<ul style="list-style-type: none">• Business performance and business plans• Status reports on employees working long hours of overtime• Wage revisions, employment, and working conditions• Labor-management co-sponsored seminars and other initiatives		

*: The labor union membership rate is calculated using the number of employees of Socionext Inc. (non-consolidated) as the denominator.

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.

Based on these basic policies, our company determines employees' salary and compensation and promotion, in coordination with its business plan. We strive to build a fair and transparent performance evaluation and compensation system that takes into account employees' job responsibilities, required expertise, the scope of their roles and responsibilities, as well as their performance results and contributions to the business.

●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 2026 were higher than those in the "RENGO Living Wage Report" and the "Living Wage by Prefecture" published by the Japanese Trade Union Confederation, 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.

●Basic Philosophy on Health and Safety

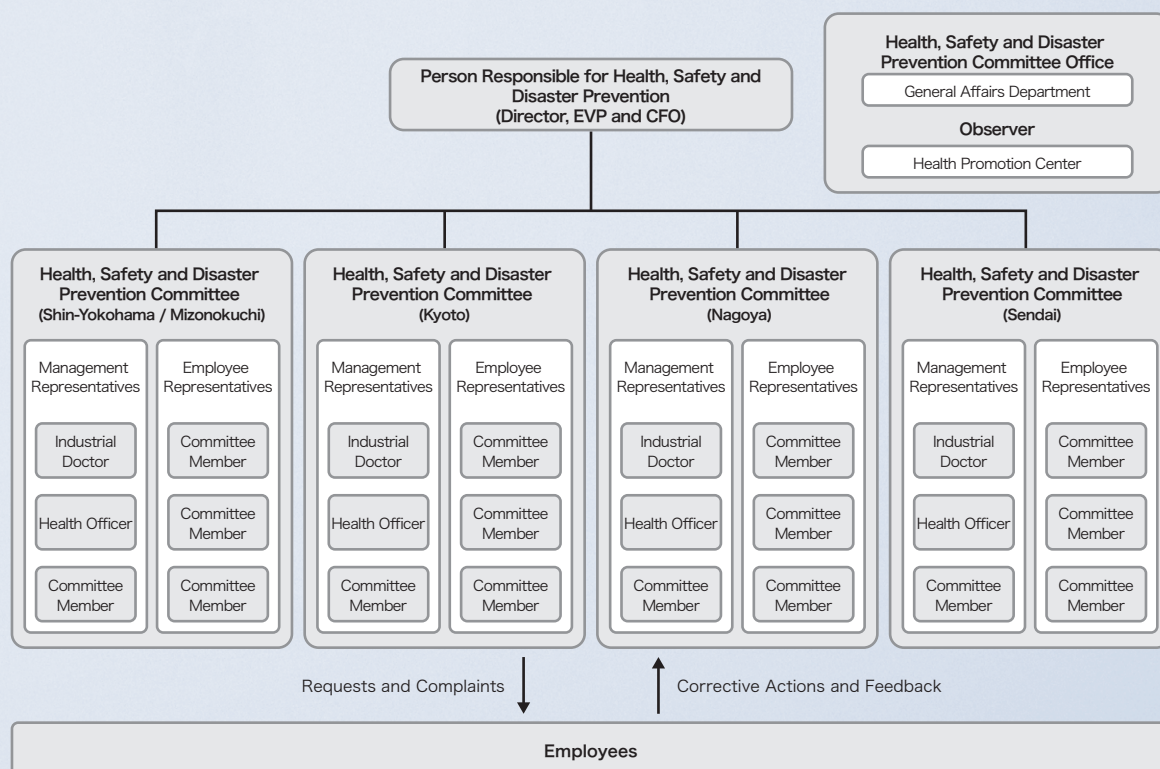
In order to maintain its ongoing growth, our group places top priority on the safety of all people working within the group and ensures that they can work safely and maximize their capabilities. In conducting its business activities, our group places top priority on the safety of all workers, including employees as well as contract and dispatched workers, and all personnel concerned.

To realize a safe workplace free from occupational accidents, Socionext Group promotes accident prevention and the creation of a safe working environment, while continuously promoting occupational health and safety initiatives for all relevant workers.

●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.



●Reporting and Corrective Action Process for Health and Safety Matters

We have established a mechanism that enables employees to report occupational health and safety accidents, hazards, near-miss incidents, and other concerns. Reports are submitted through a designated reporting channel and reviewed by the Health, Safety and Disaster Prevention Office (General Affairs and Human Resources Department), which shares the information with relevant departments as necessary. Relevant departments investigate the causes and implement corrective actions, while the Health, Safety and Disaster Prevention Committee reviews the response status and the effectiveness of the corrective actions. Through these activities, we promote the prevention of recurrence and the continuous improvement of the workplace environment. In addition, we have established an environment in which employees can report concerns with confidence and prohibit any disadvantageous treatment of employees who make such reports.

[Reporting and Corrective Action Flow for Health and Safety Risks and Concerns]



●Main Actions on Health and Safety

We continuously promote health and safety activities centered on the Health, Safety and Disaster Prevention Committee. The major results and targets for the fiscal year ended March 31, 2026 are as follows.

Item	Actual results			Target
	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Number of Health, Safety and Disaster Prevention Committee Meetings	12 meetings	12 meetings	12 meetings	12 meetings (Held monthly)
Attendance Rate at Health, Safety and Disaster Prevention Committee Meetings	100%	100%	100%	100%
Workplace Inspections	12 inspections	12 inspections	12 inspections	12 inspections (Conducted monthly)
Health and Safety Training Completion Rate	100%	100%	100%	100%
Workplace Injuries	0(Serious) 2(Minor)	0(Serious) 1(Minor)	0(Serious) 1(Minor)	Zero workplace injuries
Non-Work-Related Accidents (Commuting accidents and other matters)	4	5	3	-
Disaster Prevention Drills	• Evacuation : 1 • Employee Safety Confirmation : 1	• Evacuation : 1 • Employee Safety Confirmation : 1	• Evacuation : 1 • Employee Safety Confirmation : 1	-
Main Actions	<ul style="list-style-type: none"> • Review and analysis of workplace injury incidents • Identification of improvement issues based on safety patrol results • Review of health examination results and response to health risks • Monitoring of long working hours and implementation of corrective actions • Review of disaster prevention measures and consideration of improvement actions • Identification of hazards through risk assessments and promotion of countermeasures • Verification of the progress and effectiveness of recurrence prevention and improvement measures 			-

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 not merely as an employee welfare initiative, but as one of our management strategies that supports business growth, and are implementing various initiatives.

In fiscal year 2024, we established the Socionext Group Health Declaration and a promotion framework aligned with management, and have continued to actively create a healthy and comfortable working environment.

By continuously identifying employee health issues, formulating priority measures, and evaluating their effectiveness, we promote employee health, revitalize the organization, improve productivity, and aim to achieve sustainable growth.

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.

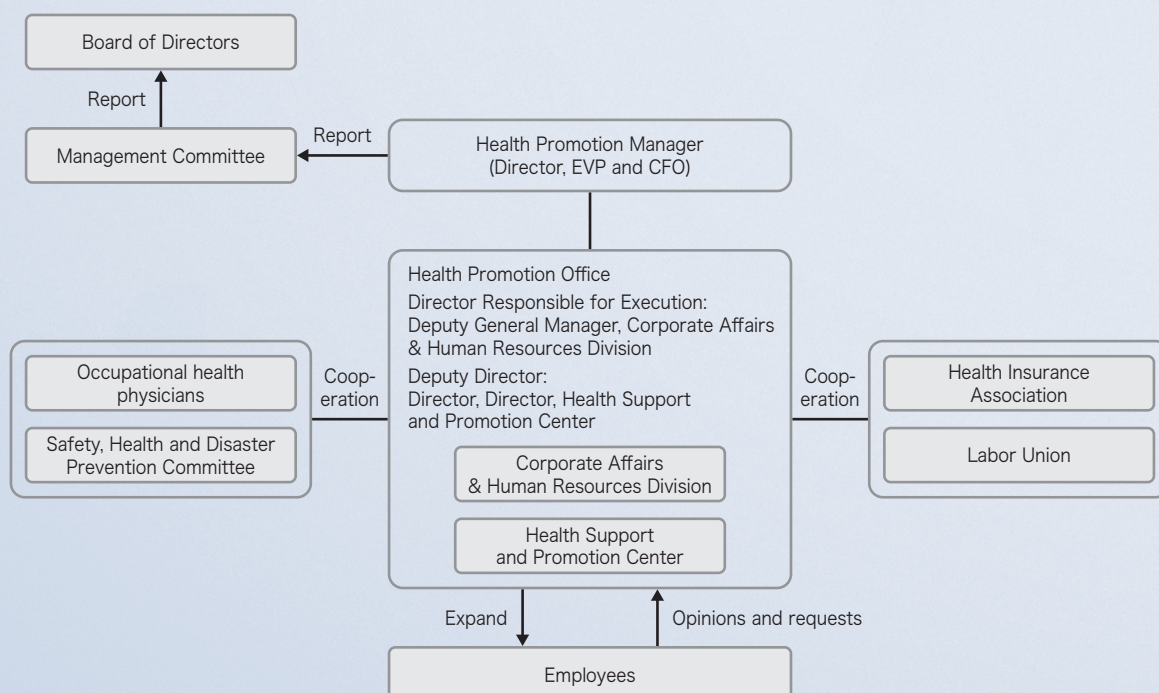
By creating an environment where employees can work with vitality and by encouraging healthy lifestyles, Socionext Group aims to fulfill our mission: "Together with our global partners, we bring innovation to everyone, everywhere." We are committed to contributing to the creation of an affluent society 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
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	0.77%	0.80%	0.93%
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 to commence in fiscal year 2025)	-	-	17.0%
Work engagement	· Positive and fulfilling state of mind related to work · Values calculated using the New Brief Job Stress Questionnaire	2.37	2.40	2.36

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 "Physical Function 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) Work-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]</p> <p>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]</p> <p>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]</p> <p>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"> · 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. · 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. · 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.

●Recognized as a KENKO Investment for Health Outstanding Organization

Our company has been recognized as a "2026 KENKO Investment for Health Outstanding Organization (Large Enterprise Category)" under the Health & Productivity Management Outstanding Organization Recognition Program jointly administered by Japan's Ministry of Economy, Trade and Industry (METI) and the Japan Health Council. Our Group believes that creating a workplace where employees can work energetically while maintaining both physical and mental well-being leads directly to enhanced corporate value. Based on this belief, the Group has positioned health promotion as one of its key management strategies and has been proactively advancing a wide range of initiatives. This recognition reflects the evaluation of these efforts in health and productivity management.

In the future, through initiatives that support the health and active engagement of each employee, our group aims to enhance organizational vitality and achieve sustainable growth.



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, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Employee Satisfaction eNPS [*]	-69	-67	-65	At least industry average (-68)

^{*}: eNPS stands for Employee Net Promoter Score and is a method for quantifying employee engagement, including willingness to contribute and mutual trust. The industry average is the average for the electronic component, device, and electronic circuit manufacturing sector using this tool.

Major Human Capital Initiatives and Programs (non-consolidated)

Our company's initiatives regarding human capital and programs exceed legal or general standards, helping employees maintain their physical and mental health while reducing financial and psychological burdens and creating an environment where they can demonstrate their abilities over the long term. The following are major initiatives and programs that exceed legal or general standards. The custom SoC business based on the "Solution SoC" business model is characterized by long development cycles and projects that require advanced technological expertise. Therefore, we believe that creating an environment in which each employee can fully demonstrate their abilities without having to forgo career development or growth opportunities due to personal circumstances such as childcare, caregiving, or changes in life stages is not merely a matter of enhancing employee benefits, but an important initiative that supports business continuity and directly contributes to the reduction of business risks.

Major initiatives and Programs	Programs and features	(Reference) Legal or general standards
◆Human rights, Diversity & inclusion		
I. Human rights, Diversity and Working environment		
Establishment of a human rights consultation service and training	<ul style="list-style-type: none"> Establishment of internal and external consultation services and a multi-channel consultation system that is easy to use In addition to harassment prevention measures, all employees participate in training that includes harassment prevention and understanding of LGBTQ+ (annually) 	Legal requirement to implement harassment prevention measures (Clarification and communication of policies, establishment of consultation systems, post-incident responses, and prohibition of disadvantageous treatment)
Hiring of People with Disabilities	Rather than establishing a special subsidiary, employees with disabilities are hired and assigned within the Company Examples: Operation of a massage room where employees with visual impairment offer massage services, securing employment opportunities through role design based on job characteristics, and continuous improvements to the working environment reflecting the opinions of employees with disabilities	-
II. Flexible working arrangements		
Flex-time system	Flexible operation with no core time according to job characteristics and individual circumstances	-
Work-from-home system (remote work)	Available primarily up to two days per week for childcare, nursing care, medical treatment, job characteristics, and time zone support	-
Shorter working hours for the treatment of illness or disease	Shorter working hours are available for medical treatment	-
Flexible new graduate entry dates	Primarily April entry, with an additional October entry option	-
III. Support for childcare, Childbirth, and Fertility treatment		
Expansion of pre-maternity leave	Available from 8 weeks before childbirth	6 weeks before childbirth
Support for time off to attend pregnant and postpartum medical appointments	Time off for medical appointments is treated as paid leave	-
Extension of the childcare leave period	Until either April 30 following the child's first birthday or the child reaches 18 months of age, whichever is longer	Until the child reaches 18 months of age
Shorter working hours for childcare	Available until completion of the sixth grade of elementary school	Until the day before the child's third birthday
Child nursing leave	Expanded until completion of the sixth grade of elementary school and treated as paid leave	Until completion of the third grade of elementary school
Subsidy for babysitter fee	50% of fees subsidized up to JPY 10,000 per month	-
Fertility treatment leave program	Leave available for fertility treatment for up to 365 cumulative days	-

Major initiatives and Programs	Programs and features	(Reference) Legal or general standards
◆Human rights, Diversity & inclusion		
IV. Nursing care and family support		
Nursing care leave	Up to one year in total with no limit on the number of times	Up to 93 days in total (may be divided into up to three periods)
Social insurance premiums during nursing care leave	Employee portion subsidized by the Company as an allowance	-
Family care leave	Treated as paid leave	-
Accumulated leave program	Five days granted annually and can be accumulated up to 20 days; available for family caregiving, personal illness or injury, children's school events, fertility treatment, and other eligible purposes	-
V. Leave and compensation system		
Annual paid leave	<ul style="list-style-type: none"> Granted to employees employed as of April 1. Twenty days in the first year (pro-rated for mid-year hires) Also granted on a pro-rated basis according to attendance rate even if attendance is below 80% 	Granted after six months of continuous employment if attendance rate is 80% or higher (10 days in the first year, up to 20 days)
Other (menstrual) leave	Up to two days per occurrence treated as paid leave	-
Miscellaneous leave	Various special leave according to length of service and life events (examples below) <ul style="list-style-type: none"> Refresh leave (5 days) granted every 10 years of service Leave available upon marriage and the birth of a spouse's child (5 days each) 	-
Scholarship repayment support system	Up to JPY 100,000 per year for up to 10 years or until the fiscal year in which the employee reaches age 35	-
Wage premiums for overtime, holiday, and late-night work	<ul style="list-style-type: none"> Overtime: 30% Holiday: 45% Late-night: 30% 	<ul style="list-style-type: none"> Overtime: 25% Holiday: 35% Late-night: 25%
◆Health and safety and Health and productivity management		
Health checkups, gynecological and cancer examinations	In addition to regular health checkups, lifestyle disease examinations for employees aged 35 and over, gynecological examinations, cancer examinations, lung cancer screenings and brain checkups for employees aged 40 and over are provided at the expense of the Company and health insurance association. Medical professionals follow up with employees requiring further examination	Regular health checkups
Stress checks	Conducted for all employees at all sites. 100% response to employees requesting interviews. Group analyses are conducted and results are shared with management	Once a year at workplaces with 50 or more employees
Smoking cessation support and measures to prevent passive smoking	Smoking rooms abolished to prevent passive smoking. Smoking cessation support including recommendations from medical professionals and ongoing awareness activities.	Measures to prevent passive smoking
Infection-prevention measures	Standards for suspension from work established, on-site vaccination programs implemented, and vaccination cost subsidy programs provided	No uniform legal requirement for individual measures (within the scope of the employer's duty of care)
Safety, Health and Disaster Prevention Committee	Establishment of the Safety, Health and Disaster Prevention Committee at all sites, including sites that do not meet the legal threshold for mandatory Health Committees under the Industrial Safety and Health Act, and implementation of disaster prevention and rescue training for buildings under the Fire Service Act	Establishment of Health Committees under the Industrial Safety and Health Act
Implementation of traffic safety training	Mandatory for employees commuting by car and available to all employees who wish to participate	-

Indicators and targets for human capital (non-consolidated)

Human resource development (Engineer)		Actual results			Target
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Percentage of global project experience		82%	87%	89%	Over 90%
Percentage of experience in advanced projects (7 nm or smaller)		75%	82%	87%	Over 90%
Investment in human resource	Training hours	13.2H (11.3H)	12.8H (11.7H)	12.7H (12.2H)	-
Per engineer (All employees)	Investment value	20.4 thousand yen (17.6 thousand yen)	28.7 thousand yen (25.9 thousand yen)	23.2 thousand yen (26.7 thousand yen)	-
Growth rate (index)*	Methodologist	200	225	500	Index improved year-on-year
	Systems Architect	118	141	145	Index improved year-on-year
	Expert	101	105	106	Index improved year-on-year
	Project Manager	97	115	118	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, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Number of hires		New graduates: 26 Mid-career: 39	New graduates: 36 Mid-career: 32	New graduates: 35 Mid-career: 23	Continue to recruit exceeding the fiscal year March 2026 results
Post-retirement re-employment ratio		89.3%	83.5%	91.0%	-
Turnover rate*		1.9%	2.4%	2.8%	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, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Percentage of female workers in managerial positions		2.6%	2.6%	3.1%	3.4% or more by FY 2028*
Percentage of female workers among new graduates		7.7%	16.7%	14.3%	15.0% or more*
Percentage of foreign national employees		2.0%	2.2%	2.3%	-
Percentage of disabled persons employed		2.4%	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, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Wage differences between males and females	All workers: 71.6% Regular: 72.5% Non-regular: 62.7%	All workers: 73.4% Regular: 74.7% Non-regular: 61.8%	All workers: 74.8% Regular: 76.8% Non-regular: 58.5%	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. (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)
Wage differences between males and females (managerial positions)	91.6%	95.4%	90.0%	
Ratio of regular employees whose wages exceed the living wage levels ^{*1}	100%	100%	100%	100%
Implementation rate of due diligence for supply chain	80.2%	95.2%	95.4%	Received responses from 90% of all suppliers in terms of procurement amount
Compliance education e-Learning participation rate ^{*2}	100%	100%	100%	100%

*1: The percentage of regular employees who received wages that exceed the levels indicated in the Rengo Living Wage Report and the Prefectural Living Wage published by the Japan Trade Union Confederation.

*2: 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Percentage of male workers taking childcare leave	57.1%	93.3%	85.7%	Over 50.0% ^{*1}
Percentage of female workers taking childcare leave	100%	100%	100%	100%
Reinstatement rate	100%	100%	100%	100%
Total annual actual work hours	2,099 hours	2,016 hours	2,001 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	75.3%	75.4%	80.3%	Over 70.0%
Absenteeism rate	0.77%	0.80%	0.93%	Less than 1.00%
Percentage of cases where remote work is applied ^{*2}	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 two days per week, and are encouraged to flexibly choose work locations and work efficiently.

Health and safety/health promotion	Actual results			Target
	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Absenteeism ^{*1}	0.77%	0.80%	0.93%	-
Presenteeism ^{*2}	-	-	17.0%	-
Work engagement ^{*3}	2.37	2.40	2.36	-
Implementation rate of stress check	83.2%	87.2%	88.2%	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 (Excluding non-lost-time injuries)	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 using SPQ (University of Tokyo One-Item Version) for employees who continue working while experiencing an illness or symptom that results in reduced work performance or labor productivity.

*3: 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026	
Employee Satisfaction eNPS [*]	-69	-67	-65	At least industry average (-68)

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

Evaluation of human capital by external organizations

The Group actively undergoes external evaluations of its efforts to maximize human capital. Based on the evaluation results, we are continuing to strengthen our initiatives.

●Ranked in the Top 9% of the Semiconductor Sector in S&P Global CSA 2025

S&P Global, a leading global research and rating agency in the field of ESG investment, conducts its Corporate Sustainability Assessment (CSA), evaluating companies worldwide across economic, environmental and social dimensions and recognizing sustainability leaders each year.

The Group achieved a CSA score of 57, ranking in the top 9% of companies in the semiconductor industry.

The Group received particularly high ratings for its performance in areas including materiality assessment and issue management, environmental management, product quality management, supply chain management, and human capital management.



●Recognized as a 2026 KENKO Investment for Health Outstanding Organization (Large Enterprise Category)

The Group has been recognized for the first time as a "2026 KENKO Investment for Health Outstanding Organization (Large Enterprise Category)" under the Health & Productivity Management Outstanding Organization Recognition Program jointly administered by Japan's Ministry of Economy, Trade and Industry (METI) and the Japan Health Council. The Group believes that creating a workplace where employees can work energetically while maintaining both physical and mental well-being leads directly to enhanced corporate value. Based on this belief, the Group has positioned health promotion as one of its key management strategies and has been proactively advancing a wide range of initiatives. This recognition reflects the evaluation of the Group's ongoing efforts in health and productivity management.



●Evaluated as 3 stars in NIKKEI Sustainable Management Survey 2025, Smart Work Edition

The Group received a three-star rating in the overall evaluation of "NIKKEI Sustainable Management Survey 2025, Smart Work Edition", sponsored by Nikkei Inc.

"Smart Work" is a management strategy aimed at maximizing corporate value by fully leveraging human resources, enhancing employee well-being, and accelerating investment in talent to drive innovation, improve productivity, and create new value. The Smart Work Management survey targets listed companies and leading private firms across Japan. Among 788 companies that provided valid responses, organizations are evaluated on a five-star scale based on three key perspectives: Human Resource Utilization, Human Resource Investment, and Technology Utilization.

Within these evaluation categories, the Group was particularly recognized for its strong initiatives in Human Resource Strategy and KPIs.



●Selected for inclusion in the Morningstar Japan ex-REIT Gender Diversity Tilt Index

The Group has been selected for the second consecutive year as a constituent of the Morningstar Japan ex-REIT Gender Diversity Tilt Index, which is adopted by the Government Pension Investment Fund (GPIF) as a benchmark for ESG (Environmental, Social, and Governance) investment.

This index is provided by Morningstar, a U.S.-based investment research firm, and utilizes evaluations from Equileap, which provides data and analysis on gender equality. It assesses companies that have integrated gender diversity into their corporate culture and offer equal opportunities to employees regardless of gender. Companies are evaluated based on factors such as gender balance in leadership and workforce composition, wage gaps, work-life balance, policies promoting gender equality, and transparency and accountability. The weighting of companies in the index is adjusted according to these evaluation results.

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.



F. Marinos Sports Club
©F.M.S.C.

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



Basic Policy and Procurement Strategy

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

To realize this mission and fulfill our social responsibilities as a global company, our Group has established procurement rules to ensure that the goods and services required for its business are procured from the global market under appropriate quality, price, and delivery conditions, in compliance with the laws and regulations of each country and based on fair and reasonable business relationships.

Furthermore, the Group is promoting initiatives to address critical social and environmental issues within the supply chain, including human rights and labor, occupational safety and health, the environment, ethics, business continuity, information security, and responsible mineral sourcing. By working to reduce and appropriately manage risks across the entire supply chain—including customers and partners—we aim to build and strengthen a sustainable supply chain. These initiatives not only fulfill our social responsibilities within the supply chain but also lead to a stable supply of products and services, quality assurance, improved business continuity, and the trust of our stakeholders. We regard these as a vital management foundation that supports the enhancement of corporate value over the medium to long term.

Based on this philosophy, the Socionext Group has established the "Socionext Group CSR Procurement Guidelines" and requires our partners to understand and implement the Group's policies and expectations. Furthermore, focusing on partners with a high level of influence within the supply chain, we are working to improve transparency across the entire supply chain, the effectiveness of responsible procurement activities, and overall resilience through CSR surveys, surveys on responsible mineral procurement, and feedback and dialogue based on evaluation results.

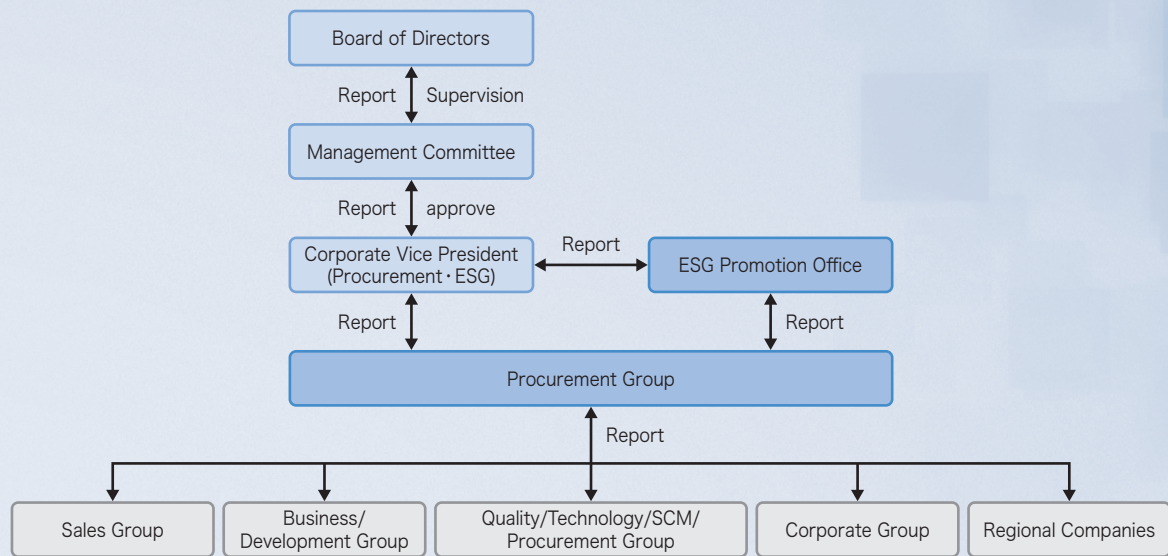
Supply Chain Management Structure (Governance)

To realize our Sustainability Management Policy, ensure the reliable execution of company-wide goals, and promote sustainable procurement activities across the Group, we optimize procurement activities through collaboration among the Production Management and Procurement departments, Business and Development departments, Quality and Manufacturing Technology departments, and Corporate departments.

We have established a system whereby CSR procurement activities and responsible mineral procurement activities across the entire supply chain are reviewed among relevant departments, reported to management, and regularly reported to the Board of Directors. Under the supervision of the Board of Directors, we monitor the implementation status of all sustainability activities; regarding significant risks and response policies, we implement improvement measures following discussions among the relevant departments. Furthermore, regarding significant risks related to the supply chain, we coordinate with the Group's company-wide risk management framework to share information and discuss response strategies.

Internally, we provide training to all employees on topics such as CSR procurement, respect for human rights, responsible mineral sourcing, and compliance, with the aim of promoting understanding of responsible procurement activities and embedding these practices into daily operations. Furthermore, to enhance the effectiveness of risk management across the entire supply chain, we are committed to continuously improving our implementation framework, monitoring processes, and reporting mechanisms to management and the Board of Directors.

●Supply Chain Management Structure Chart



Supply Chain Management

The Group believes that addressing social issues--such as human rights and labor, the environment, and ethics--across the entire supply chain is part of our corporate social responsibility. To ensure our partners understand our "Basic CSR Policy" and support our sustainable procurement activities, we have established the "Socionext Group CSR Procurement Guidelines."

These Guidelines clearly specify the items to be observed in accordance with the RBA Code of Conduct*, such as "Human Rights and 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.

Furthermore, we are working to enhance the effectiveness of our responsible procurement activities by focusing our efforts--particularly on Key Partners with significant influence within the supply chain--on raising awareness of these Guidelines, tracking their acceptance status, and engaging in dialogue and requesting improvements based on the results of CSR surveys. In addition, when necessary, we encourage our partners to disseminate these guidelines or equivalent principles throughout their own supply chains.

*: Responsible Business Alliance Code of Conduct.

CSR Procurement Guidelines (English)

<https://www.socionext.com/en/download/catalog/AD00-00005-2E.pdf>

CSR Procurement Guidelines (Japanese)

<https://www.socionext.com/jp/download/catalog/AD00-00005-2.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"> Prohibition of Forced Labor Prohibition of child labor and consideration for young workers and foreign workers Consideration for working hours Adequate Wages and Benefits Prohibition of inhuman treatment (prohibition of harassment such as power harassment and sexual harassment) prohibition of discrimination Freedom of association, right to collective bargaining 	<ul style="list-style-type: none"> occupational safety emergency preparedness Industrial Accidents and Diseases industrial hygiene Consideration for physically demanding work Safety measures for machinery and equipment Safety and health of facilities Health and Safety Communication health care for workers 	<ul style="list-style-type: none"> Environmental Permits and Reporting Reducing energy consumption and GHG emissions Emissions into the atmosphere water management Effective use of resources and waste management Chemical substance management Management of chemical substances contained in products Renewable Energy Use Biodiversity, Forest and Land Conservation 	<ul style="list-style-type: none"> Prevention of corruption and bribery Prohibition of inappropriate provision and receipt of benefits (prohibition of conflicts of interest) Appropriate information disclosure Respect for intellectual property Fair Business Conduct protection of informants Responsible mineral procurement Emphasizing and implementing business integrity
Quality and safety	Information security	Business continuity plan	Establishment of management system
<ul style="list-style-type: none"> Ensuring product safety quality control Providing accurate product and service information 	<ul style="list-style-type: none"> defense against cyberattacks protection of personal information Prevention of leakage of confidential information 	<ul style="list-style-type: none"> BCP for natural disasters BCP for accidents and terrorism/riots BCP against the spread of disease Scope of the BCP Periodic review of manuals 	<ul style="list-style-type: none"> Establishment of a management system Managing Partners appropriate import and export controls Development of Complaint Handling Mechanism Disclosure of the status of initiatives

CSR Survey of Partners

●Purpose and Process of the CSR Survey

We conduct an annual CSR survey of our partners (including those providing manufacturing, development, jigs and tools, and other critical services) with the aim of identifying CSR-related risks among our Group's partners and encouraging improvements.

Survey targets are selected based on purchase amounts, transaction details, and results from previous years' surveys. We implement this as a comprehensive process that includes surveying and evaluating the selected partners, following up on their improvement measures, reporting to relevant departments and management, and incorporating the findings into the plan for the following fiscal year.

In the survey, we utilize external assessment tools to evaluate areas such as legal compliance, human rights and labor, occupational safety and health, the environment, fair trade and ethics, quality and safety, information security, business continuity planning, and the establishment of management systems. We provide feedback on the evaluation results and identified issues to our partners, and as necessary, request improvements, conduct additional verification, and confirm the status of improvements. Furthermore, we report identified significant risks and the status of improvements to relevant departments, management, and the Board of Directors, and incorporate these findings into the survey plan for the following fiscal year and improvement activities.

●Key Partners and Survey Coverage

Among the partners subject to the CSR survey, our Group identifies those with a particularly significant impact on the supply chain as "Key Partners," based on factors such as quality and stable supply, technological importance, substitutability from a business continuity perspective, and regional and industry characteristics. We review our list of Key Partners annually; for the Fiscal Year ended March 31, 2026, we identified 14 companies, which accounted for 69.3% of our total procurement value.

In the overall CSR survey for the Fiscal Year ended March 31, 2026, we selected survey targets based on the criterion of accounting for at least the top 90% of the previous fiscal year's total procurement value, covering 95.4% of the total procurement value. We also continuously monitor major partners other than Key Partners as necessary, based on CSR survey results and transaction status.

	Partners Subject to Survey ^{*1}	Response results	Survey coverage ^{*2}		Key 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%	95.2%	14 companies	6.8%	67.3%
FY ended March 31, 2026	97 companies	97 companies	50.5%	95.4%	14 companies	7.3%	69.3%

*1: 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 the top 90% or more of the total purchase amount.

*2: The percentage of total purchases for the fiscal year accounted for by purchases from partners who responded to the CSR survey.

●Survey Evaluation Items

In this survey, we conduct evaluations based on our Group's policies and the RBA Code of Conduct--which is widely adopted globally--focusing on the following categories deemed critical to our business transactions. For the Fiscal Year ended March 31, 2026, we expanded the list of evaluation items related to human rights and labor, occupational safety and health, the environment, fair trade and ethics, quality and safety, and the establishment of management systems, in order to enhance the effectiveness of risk identification and management within our supply chain.

Evaluation item	Number of questions			Key Enhancements
	FY ended March 31, 2025	FY ended March 31, 2026	Change	
common	1	1	-	Continue
Respecting the Laws and Internationally Recognized Standards	3	3	-	Continue
Human Rights and Labor	61	64	+3	Added recognition of employee engagement, recognition systems, and human rights requirements
Health and Safety	23	27	+4	Addition of approval, establishment of committees, and confirmation of labor accident indicators
Environment	18	25	+7	Added confirmation on renewable energy, water resources, waste and climate change requirements
Fair Trading and Ethics	28	30	+2	Added confirmation of disciplinary action and responsible mineral procurement
Quality and Safety	11	12	+1	Added confirmation of customer response and quality improvement
Information Security	10	10	-	Continue
Business Continuity Planning	7	7	-	Continue
Establishing a Management System	15	16	+1	Added confirmation of the status of the number of inquiries to the Consultation and Reporting Desk
Total	177	195	+18	

● Survey Evaluation Criteria

Survey results are classified into four tiers, from A to D, based on an overall score of up to 60 points, with D-rated partners designated as high risk. We provide feedback to partners that respond to the CSR survey. If a partner's initiatives are deemed insufficient in any category, we identify the relevant issues and request improvements by the next survey. In particular, if a partner is rated D (high risk), we promptly request corrective action and, as necessary, engage in dialogue or provide support to facilitate improvement. Furthermore, if no improvement is observed in response to our requests and we determine that there is a risk to business continuity, we will take measures such as reviewing our business relationship.

Evaluation rank	Status of Efforts	Score	Our responses
A	Very good	Overall score of 49 or above	We ask partners to continue their current efforts, and we will share best practices as appropriate
B	Good	Overall score between 37 and 48	Through continuous improvement initiatives, we promote further progress and provide feedback on areas for improvement as needed
C	Somewhat inadequate	Overall score between 20 and 36	We will request improvements and, as necessary, engage in dialogue, conduct additional verification, and provide support for implementation
D	Insufficient	Overall score of 19 or below	We will provide prompt feedback, identify the cause, assess the risk impact, request corrective actions, and consider reviewing the business relationship if no improvements are seen

●CSR Survey Results and Improvement Actions for the Fiscal Year Ended March 31, 2026

The CSR survey for the Fiscal Year ended March 31, 2026 covered 97 companies, accounting for 95.4% of total procurement value.

Evaluation rank	Score	FY ended March 31, 2024			FY ended March 31, 2025			FY ended March 31, 2026		
		Number of companies	Ratio of companies	Ratio of response amount*	Number of companies	Ratio of companies	Ratio of response amount*	Number of companies	Ratio of companies	Ratio of response amount*
A	49-60	117 companies	80.7%	99.0%	79 companies	84.0%	97.8%	69 companies	71.1%	92.0%
B	37-48	22 companies	15.2%	0.9%	12 companies	12.8%	2.0%	21 companies	21.7%	7.4%
C	20-36	6 companies	4.1%	0.1%	3 companies	3.2%	0.2%	7 companies	7.2%	0.6%
D	0-19	0 companies	0%	0%	0 companies	0%	0%	0 companies	0%	0%
Total		145 companies	100%	100%	94 companies	100%	100%	97 companies	100%	100%

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

For partners classified as C-rank, we review their evaluation results and areas for improvement, and conduct follow-up discussions or additional verification as necessary.

●Ongoing Risk Reduction Efforts

Our Group works to reduce sustainability risks across the entire supply chain through ongoing dialogue and collaboration with our partners. We identify and assess risks through annual CSR surveys and other initiatives and promote a PDCA cycle for risk reduction by continuously providing feedback based on the evaluation results, requesting improvements, and monitoring the status of improvement efforts. We report significant risks and the status of improvement efforts to the Management Committee and the Board of Directors, which review the effectiveness of our response policies and improvement activities.

If a significant risk is identified and no improvement is observed, we take appropriate action, including reviewing the relevant business relationship, with the approval of the Management Committee.

To further enhance the effectiveness of these initiatives, we began conducting CSR assessments using external evaluation tools in fiscal year 2025. This has enhanced the objectivity and comprehensiveness of our assessments, while enabling us to identify potential supply chain risks at an early stage and enhance improvement activities tailored to the specific challenges of each partner.

Going forward, we will continue to use external evaluation tools to identify and assess risks and implement improvement activities. By incorporating the results into the survey plan for the following fiscal year and our dialogue with partners, we will continuously strengthen our risk reduction efforts.

KPI	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Percentage of D-rated partners who planned corrective actions.	Not applicable	Not applicable	Not applicable
Percentage of partners who planned corrective actions that improved their assessment within one year.	Not applicable	Not applicable	Not applicable

For the Fiscal Year ended March 31, 2026, no partners were classified as Rank D. However, regarding partners classified as Rank C, we are engaging in dialogue with them and conducting additional verification as necessary to understand the background and progress toward improvement—information that cannot be fully grasped from survey responses alone.

Human Rights Due Diligence in the Supply Chain

Based on our Group's approach to respecting human rights and the Socionext Group CSR Procurement Guidelines, we regard respect for human rights in the supply chain as one of our key priorities. In our CSR surveys, we include evaluation items related to human rights and labor, and engage in dialogue with partners to identify human rights risks and promote improvements. In assessing human rights risks, we prioritize our responses based on the severity and likelihood of occurrence, taking into account factors such as country or region, industry, nature of the business relationship, labor intensity, employment status of foreign workers, and survey results from previous years.

● Checkpoints for Human Rights Risks

Confirmation Area	Key Checkpoints	Verification Perspective
Forced Labor	Forced labor, freedom of movement, possession of identification documents, recruitment fees, etc.	Employment must be based on the worker's free will
Child Labor and Young Workers	Minimum Age for Employment, Protection of Young Workers, and Prohibition on Engaging in Hazardous or Harmful Work	Employment Management in Compliance with Laws, Regulations, and International Standards
Foreign Workers	Residence Status, Employment Contract, Wages, Hiring Channels, Consultation Services	Compliance with Laws and Regulations Regarding the Employment of Foreign Workers and the Prevention of Discriminatory Treatment
Discrimination and Harassment	Prohibition of Discrimination; Prevention of Power Harassment, Sexual Harassment, and Other Forms of Harassment; Reporting and Consultation Systems	Ensuring a Workplace Environment That Respects Dignity
Working Hours and Wages	Work Hours Management, Days Off, Minimum Wage, and Wage Deductions	Prevention of Excessive Workloads and Inappropriate Wages
Health and Safety	Workplace Safety, Emergency Response, Work-Related Injuries and Illnesses, Hygiene, and Health Management	Ensuring a Safe and Healthy Work Environment
Redress and Complaint Handling	Complaint Handling Mechanisms, Whistleblower Protection, and Corrective Actions	Counseling and Relief Resources Available to Those Who May Be Affected

● Human Rights Risk Assessment and Response Process

As part of our CSR surveys, we verify the status of partners' initiatives related to the human rights and labor checkpoints listed above. Based on the survey results, the nature of our business relationships, regional characteristics, and industry-specific factors, we identify potential human rights risks. Where significant risks are identified, we verify the facts through dialogue with the relevant partners and, as necessary, request corrective measures. Going forward, we will continue to strengthen our efforts to identify, assess, prevent, mitigate, and monitor human rights risks, while continuously verifying the effectiveness of our human rights due diligence.

Partner Engagement and Capacity-Building Support

●Initiatives for Partners

Our Group views the CSR survey not merely as a one-way means of verifying our partners' performance, but as an opportunity for communication aimed at fostering mutual understanding and continuous improvement. As needed, we share survey trends, areas with room for improvement, and examples of best practices with our partners to promote understanding throughout the supply chain and embed improvement activities.

Furthermore, to enhance our partners' understanding of the purpose of the CSR survey, the evaluation criteria, and our approach to improvement, we hold briefings and debriefing sessions for partners to share survey trends, key considerations for improvement, and our Group's expectations.

For the Fiscal Year ended March 31, 2026, we held briefings and debriefing sessions for partners focusing on topics such as the CSR survey's evaluation criteria, the use of external assessment tools, key areas for improvement, and evaluation items related to human rights, labor, and information security.

Item	Activities in the FY Ended March 31, 2026	Future Disclosure Policy
Partner Briefing/Debriefing Session	Sharing the Purpose of the Survey, Evaluation Criteria, and Approaches to Improvement	Number of events held, number of participating companies, participation rate, and key survey results
Evaluation Results Feedback	Provide feedback on evaluation results and points for improvement to the responding partners	Feedback Implementation Rate, Number of Improvement Requests
Improvement Support and Dialogue	Discuss and conduct additional verification regarding items rated B, C, or D, or those with room for improvement	Number of Improvement Plans Formulated, Number of Corrective Actions Completed, Completion Rate
Sharing Best Practices	Share best practices as needed	Number of Success Stories, Shared Themes

●Training for Procurement Staff

To enhance the effectiveness of our responsible procurement activities, our Group provides training to employees involved in procurement on topics such as CSR procurement, respect for human rights, responsible mineral sourcing, compliance, business continuity planning (BCP), and information security. Through this training, we promote understanding of the principles behind our CSR Procurement Guidelines and the RBA Code of Conduct, the evaluation criteria for CSR surveys, feedback and improvement requests based on evaluation results, and dialogue with partners, with the aim of embedding responsible procurement practices into our daily operations.

Strengthening Supply Chain Resilience (BCP and Information Security)

Our Group believes that enhancing business continuity capabilities and information security within the supply chain is essential to ensuring a stable supply of products and services. To this end, we review our partners' initiatives related to BCP, information security, and cybersecurity measures, and, as necessary, request improvements and conduct monitoring.

●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 provide feedback to them.

The survey assesses preparedness for a wide range of risks that could impact business continuity, including natural disasters such as earthquakes, tsunamis, floods, torrential rains, and heavy snowfall, as well as fires and explosions, demonstrations and labor disputes, terrorism and political upheaval, widespread epidemics and infectious diseases, and regional access restrictions. Furthermore, we request corrective actions and improvements as necessary, monitor the progress of these improvements, and strive to enhance the resilience of our supply chain.

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Evaluated partners	261 Number of companies	97 Number of companies	97 Number of companies
Number of Responding Partners	146 Number of companies	94 Number of companies	97 Number of companies
Response rate	55.9%	96.9%	100%

●Cybersecurity 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	FY ended March 31, 2026
Evaluated partners	261 Number of companies	97 Number of companies	97 Number of companies
Number of Responding Partners	148 Number of companies	94 Number of companies	97 Number of companies
Response rate	56.7%	96.9%	100%

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^{*1}. Every year, due diligence is conducted on the results obtained through CMRT^{*2} and EMRT^{*3} surveys, and efforts are made to identify risks and make improvements.

*1: Responsible Minerals Initiative.

*2: Conflict Minerals Reporting Template.

*3: 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 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 risks such as human rights violations, environmental destruction, or conflict.

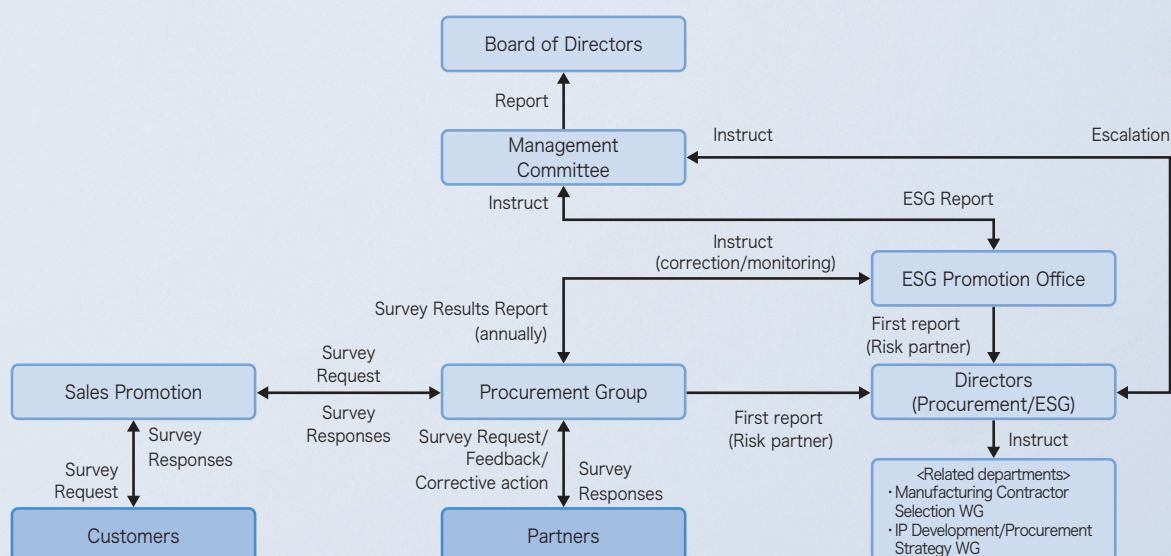
Should we discover that conflict minerals used to fund armed groups are being used in our products, we will notify customers promptly and take corrective action.

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.
- We ask our partners to understand and cooperate with our Group's responsible mineral procurement activities, and, when necessary, request that they complete procedures to express their endorsement or confirmation.
- We require our partners to deal only with 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 whether they have undergone the latest RMAP or 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

We publish our Group's responsible minerals procurement initiatives on our website every year.

[3TG: Survey Results for the Fiscal Year Ended March 2026]

- No. of partners investigated : 24
- No. of partners that replied to inquiries : 24 (100% response rate)
- No. of identified smelters and refiners : 206 across all minerals (of which 201 traders had obtained RMAP certification from RMI)

	3TG				
	FY ended March 2026 (24 companies)				
	Total	Gold	Tantalum	Tin	Tungsten
No. of smelters or other processing facilities	206	89	32	51	34
No. of RMAP-certified (conflict-free) smelters or other processing facilities	201	89	32	49	31
No. of RMAP Active facilities	-	-	-	-	-
No. of other RMI-certified facilities	5	-	-	2	3
Percentage of RMAP-certified facilities	98%	100%	100%	96%	91%
Inquiry response rate	100%	-	-	-	-

[Cobalt & Mica: Survey Results for the Fiscal Year Ended March 2026]

- No. of partners investigated : 23
- No. of partners that replied to inquiries : 23 (100% response rate)
- No. of identified smelters and refiners : 59 across all minerals (of which 49 traders had obtained RMAP certification from RMI)

	Cobalt & Mica		
	FY ended March 2026 (23 companies)		
	Total	Cobalt	Mica
No. of smelters or other processing facilities	59	54	5
No. of RMAP-certified (conflict-free) smelters or other processing facilities	49	45	4
No. of RMAP Active facilities	10	9	1
No. of other RMI-certified facilities	-	-	-
Percentage of RMAP-certified facilities	83%	83%	80%
Inquiry response rate	100%	-	-

Green Procurement and Reducing Environmental Impact in the Supply Chain

Our Group works with our partners to strengthen environmental conservation initiatives and reduce environmental impact across the entire supply chain. In addition to complying with environmental laws, regulations, and international guidelines, we promote green procurement activities in line with our Basic CSR Policy and environmental policy.

Furthermore, to further reduce the environmental impact across the entire supply chain, we are using CSR surveys and green procurement activities to assess the progress of our Key Partners' initiatives in areas such as reducing greenhouse gas emissions, energy conservation, the use of renewable energy, chemical substance management, and waste reduction. The main principles guiding our Group's green procurement activities are as follows.

· 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.

· Improving Energy Efficiency

We Select products with low energy consumption and services with high energy efficiency.

· Reduction of Hazardous Substances

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

· Sustainable Procurement

We seek to ensure that our partners manage resources sustainably and are committed to environmental protection.

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.

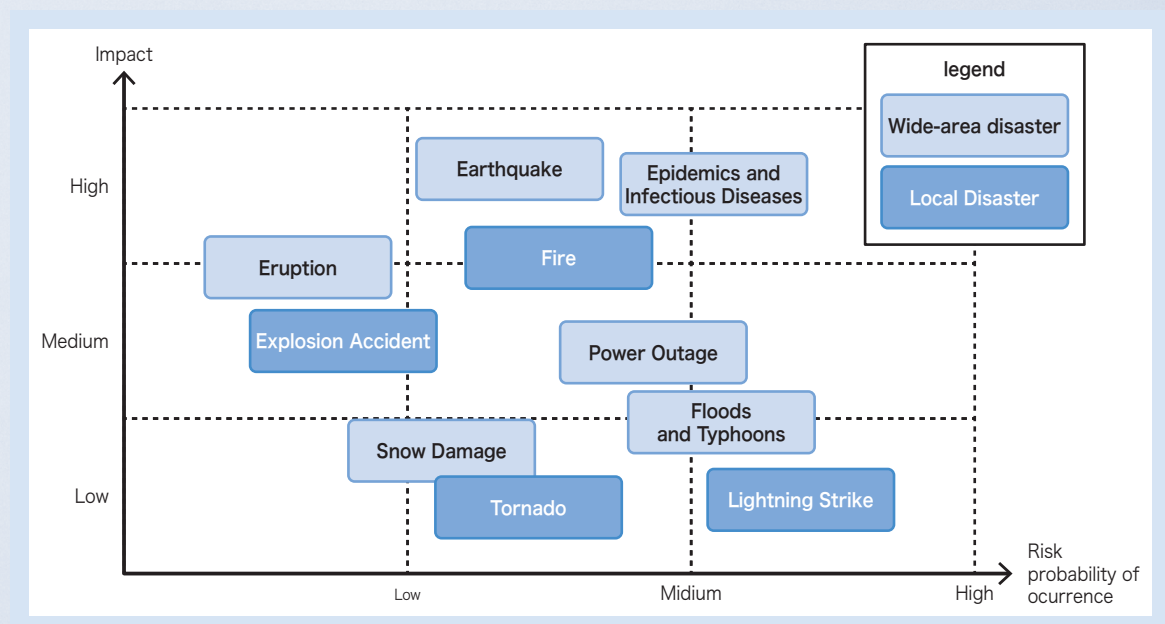
(Action in ordinary times)

- 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

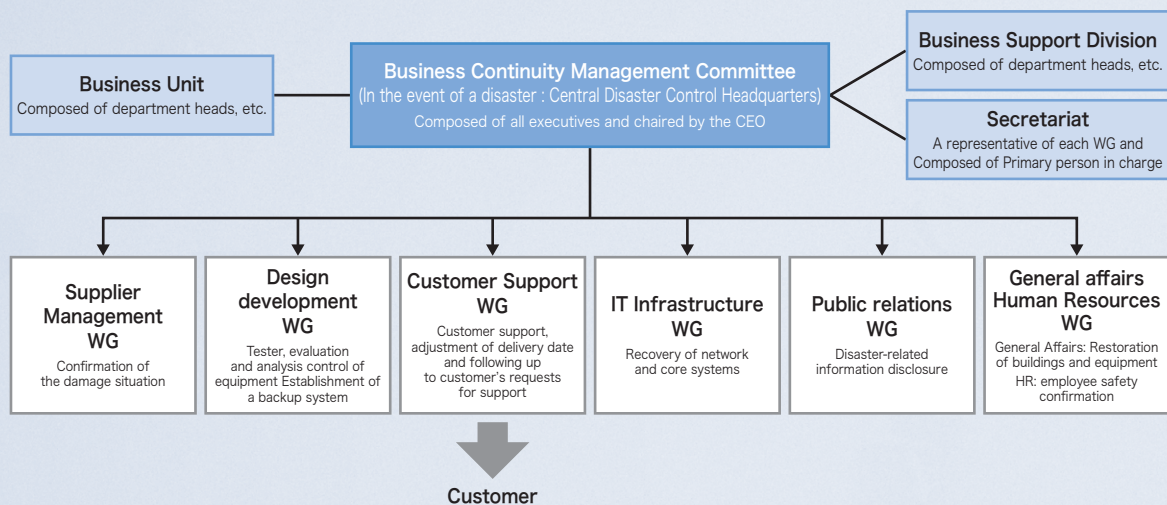


●BCP Activation Criteria (example)

- 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

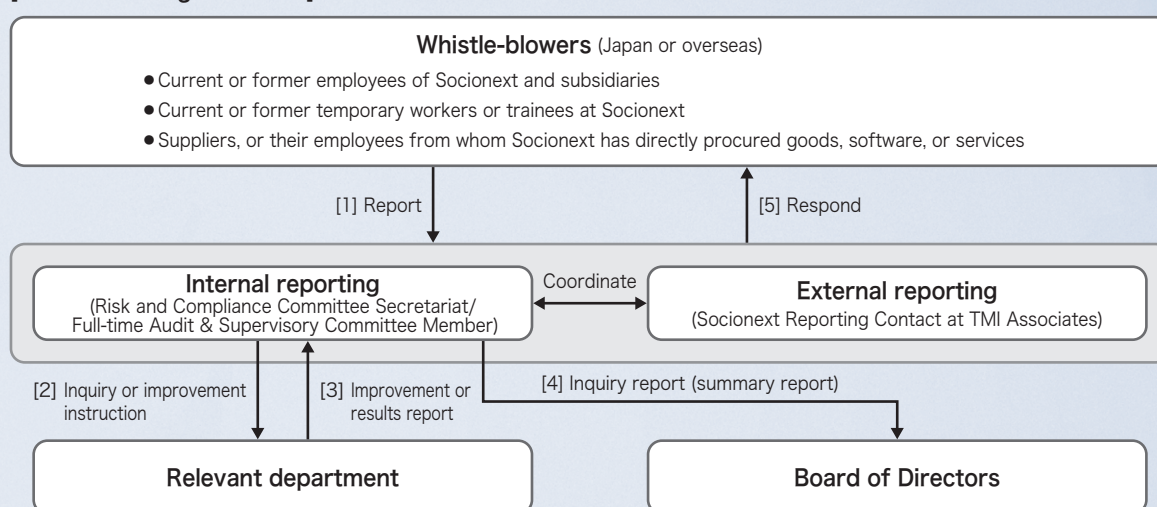
The Group supports and participates in the goals of the Declaration of Partnership Building promoted by the Cabinet Office, Ministry of Economy, Trade and Industry, and others. Along with following good-faith trading practices with all partners, this includes commitments to co-existence and co-prosperity 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.

Under this program, we accept reports and inquiries not only from employees of our Group but also from stakeholders involved in our Group's procurement activities, such as business partners and their employees. Matters subject to reporting include violations of laws and regulations in various countries and regions; violations of laws and regulations related to fair business practices; corruption and bribery; unfair business practices; human rights violations; discrimination and harassment; concerns regarding minerals procurement, health, safety, the environment, and quality; and the improper handling of information security, personal information, and confidential information.

[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.

Metrics and Targets for Procurement Activities

To continuously verify the effectiveness of our responsible procurement activities, our Group monitors key indicators related to CSR surveys, BCP and information security surveys, and responsible mineral procurement surveys.

By regularly reviewing the performance of these indicators and, when necessary, providing feedback to our partners and implementing improvement initiatives, we are working to reduce risks across the entire supply chain and strengthen our sustainable procurement framework.

Item	Key Indicators	Objectives	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	Future Initiatives
CSR Survey	Coverage Based on Total Procurement Value	90% or more	80.2%	95.2%	95.4%	Maintain a high coverage rate and continue to identify risks
	Response Rate	100%	55.6%	96.9%	100%	Maintain a 100% response rate and use the data to inform dialogue and improvement initiatives
	Number of D-Rated Partners	0 Partners	0 Partners	0 Partners	0 Partners	Maintain 0 high-risk partners
	Feedback Provided to C-Rated Partners	100%	-	-	100%	Continue to review and discuss areas with room for improvement
BCM/BCP	BCP Survey Response Rate	100%	55.9%	96.9%	100%	Continue to monitor the status of business continuity measures
Cybersecurity Survey	Cybersecurity Survey Response Rate	100%	56.7%	96.9%	100%	Continue to monitor the status of information security measures
Responsible Minerals Procurement	3TG Survey Response Rate	100%	100%	100%	100%	Continue to verify information on smelters and refineries
	Cobalt-Mica Survey Response Rate	100%	100%	100%	100%	Continue to verify RMAP conformance
Training for Procurement Department Staff	CSR Procurement Training Participation Rate for Procurement Department Staff	100%	100%	100%	100%	To verify the status of training implementation and ensure that practical skills are effectively applied

Intellectual Property



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 services/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.

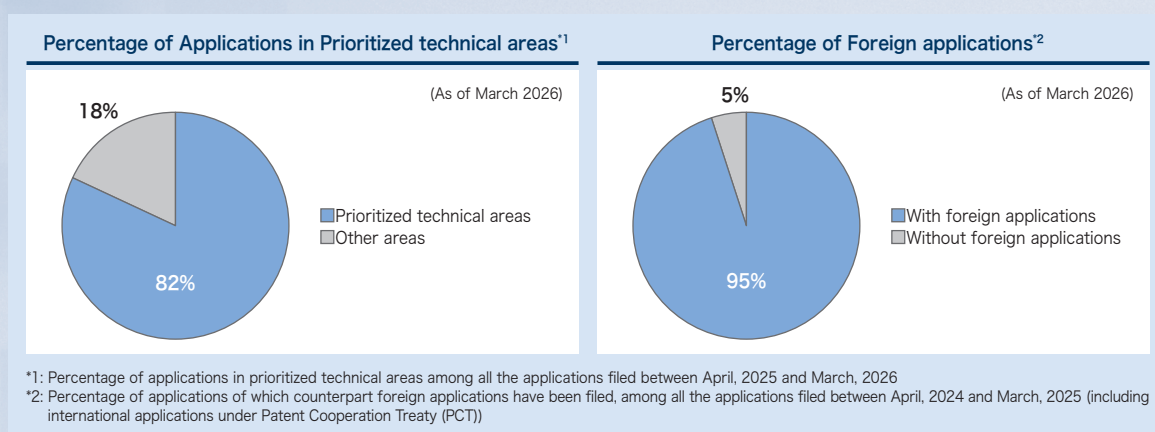
Intellectual Property Activities

[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" business 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", "Industrial" and "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.



[Intellectual Property Risk Management]

Our Group works to reduce various intellectual property risks surrounding our "Solution SoC" business model. 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).

As an example of measures to reduce, to address the risk of litigation and disputes arising from infringement of third party's rights, the Intellectual Property Group conducts an investigation on third-party patents identified during the planning and development stages of products and services using patent search tools or the like, and takes appropriate measures as necessary. To address the risk of leakage of technology and know-how, the Intellectual Property Group appropriately manages technical information released to the public by reviewing materials for external announcements and information posted on external websites in advance to prevent the leakage of confidential information and technologies prior to rights acquisition.

[Software Management Promotion Activities]

Today, in system development, the importance of software is increasing and the proportion of OSS within software is also growing. Therefore, it is important to handle software and OSS appropriately in order to limit risks and create strengths.

We promote initiatives to confirm adequate handling of software and OSS in Our Group's services and products, including those used by our customers. As a reliable partner, we contribute to reducing risks related to licensing, quality, and security in the final system as a whole.

[Intellectual Property Education]

Our Group provides general intellectual property education to new employees. In addition, from the perspective of protecting and utilizing intellectual property, we conduct intellectual property training mainly for young engineers in Development Group. This training allows the trainees to understand what inventions are patentable among inventions created daily and what patents are valuable, and to experience the actual process leading up to patent application. Through these activities, we are working to develop human resources who will support our Group's intellectual property activities.

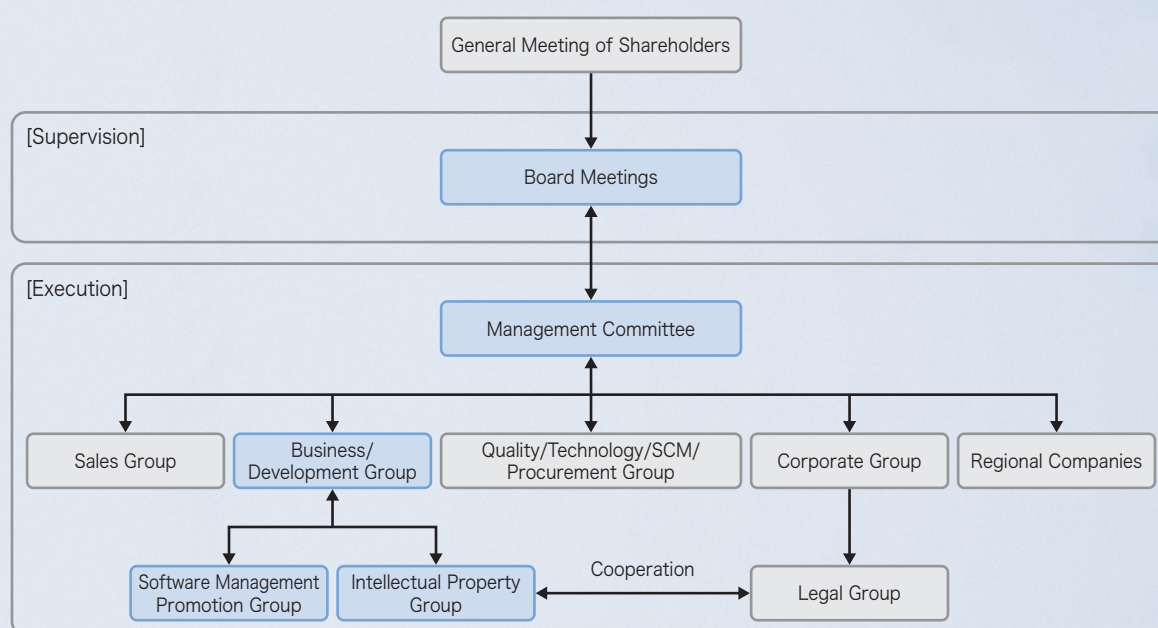
In addition, we continuously conduct education and enlightenment activities regarding the appropriate use of third-party intellectual properties and OSS compliance.

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 the 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 OSS within the Development Group. Opportunities to use OSS in the "Solution SoC" business model 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.

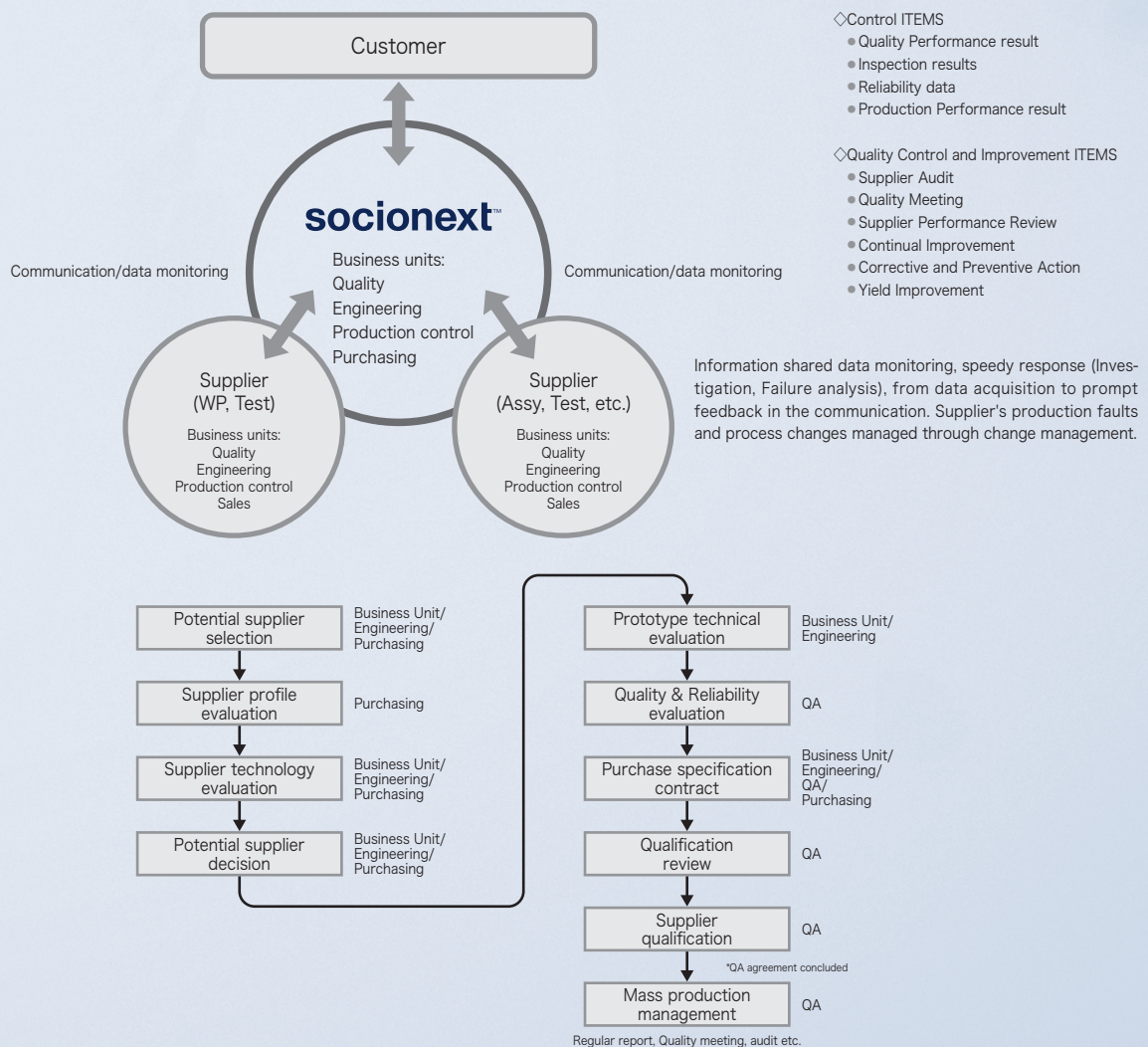


Name	Role	Description
PR	Product planning validity review	We consider the target quality and target reliability to be used for the new product and confirm product development with the agreement of all related offices.
DR0	Product development plan review	We clarify the resources and work required to develop 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

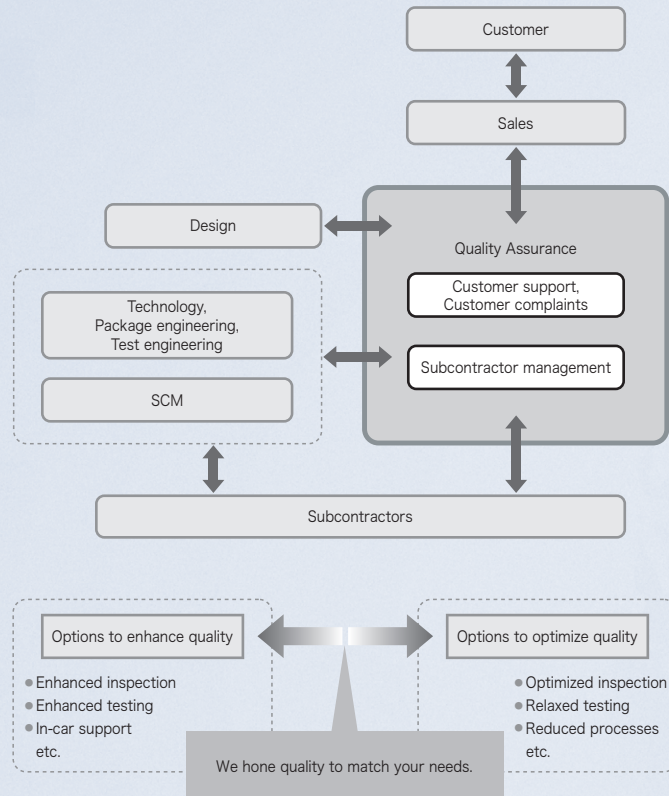
Supplier Management

To assure optimal quality for fabless company, our group builds close relationships of cooperation with domestic and overseas 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Recall information	Number [Items]	0	0	0

ISO9001 Certification

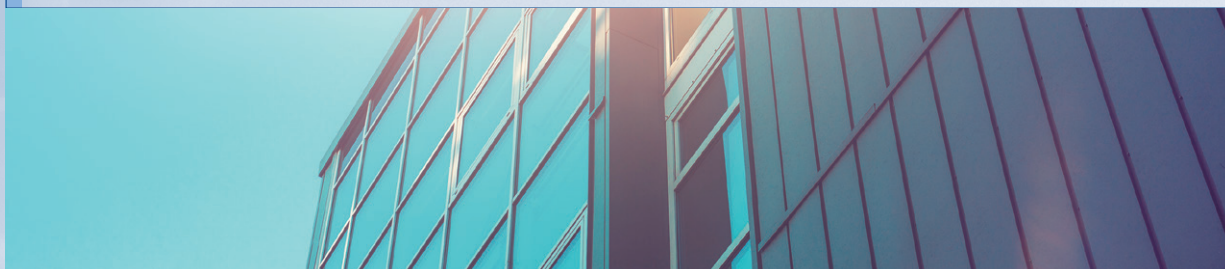
ISO9001 is an international standard for quality management systems with the aim of improving product quality assurance systems and increasing customer satisfaction. We acquired ISO9001 certification. Furthermore, we have set up a system that can expand business globally using the production lines of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

[Certification of Quality management system (ISO9001)]



The registration certificate for the Quality management system (ISO9001) is available on the group's website.
https://www.socionext.com/en/sustainability/quality/ISO9001_2025_EN.pdf

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

(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.

As of the end of June 2026

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
Lead Independent Outside Director	1
Number of Outside Directors Designated as Independent Officers	6

Status of Directors

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

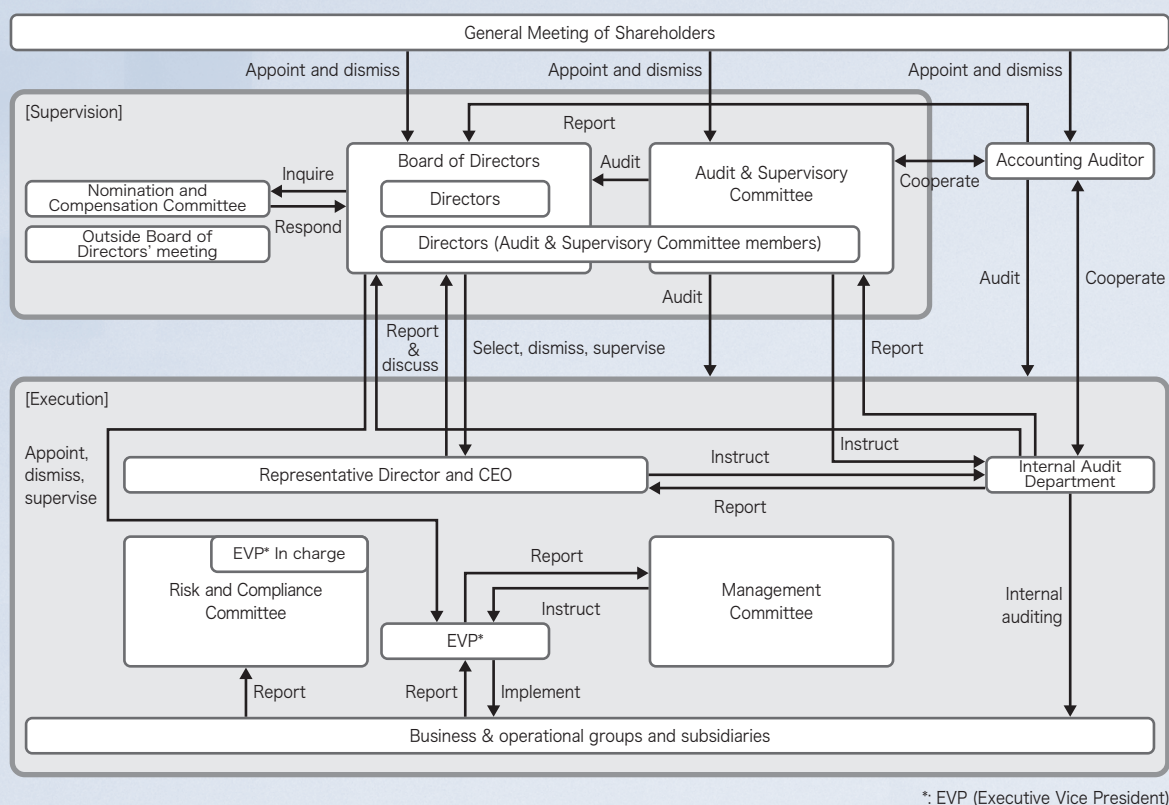
As of the end of June 2026

Position in the company	Name	Responsibilities and significant concurrent positions	Term of office as Director	own Number of shares of the Company
Representative Director, Chairman and CEO	Masahiro Koezuka		11 years and 9 months	132,244 shares
Representative Director, President and COO	Hisato Yoshida	Global Leading Group (GLG) Co-Lead	3 years	26,821 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	4 years and 3 months	26,821 shares
Lead Independent Outside Director	Masatoshi Suzuki	Former Representative Director, President, MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation)	5 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.	4 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.	1 years	-
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.	4 years and 3 months	-
Independent Outside Director (Audit and Supervisory Committee Member)	Noriko Yoneda	Representative Attorney, Kobe Grace Law Office Outside Director of KEIWA Incorporated	3 years	-
Independent Outside Director (Full-time Audit and Supervisory Committee Member)	Shigeo Kawashima	Member of Shigeo Kawashima Certified Public Accountant Office, Certified Public Accountant	New appointment	-

*: The number of shares held is as of the end of March 2026.

●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 independent 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

Independent Outside Directors: Sachiko Kasano, Kazuhiro Nishihata, Yasuyoshi Ichikawa, Noriko Yoneda, and Shigeo Kawashima

(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.

(Chairperson) Independent Outside Directors: Yasuyoshi Ichikawa

(Committee members) Independent Outside Directors: Noriko Yoneda, Shigeo Kawashima (Full-time)

(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.

(Chairperson) Lead Independent Outside Directors: Masatoshi Suzuki

(Committee members) Independent Outside Directors: 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, Noriko Yoneda, and Shigeo Kawashima

Representative Director, Chairman, and CEO: Masahiro Koezuka

(5) Lead Independent Outside Director

The 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 discussions.

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 regularly (at least once a year) 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, conducting 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 2026 is provided below.

●Method of Evaluation

In December 2025, an anonymous external third-party questionnaire survey with approximately 40 questions (both multiple-choice and descriptive) was conducted with all nine 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] Fullness for deliberation on important strategic topics (business strategy, risk management, human capital, capital efficiency, sustainability, 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

Aiming to realize its basic management philosophy and achieve its medium- to long-term business strategies, the Company has identified the skills (knowledge, experience, and abilities) necessary for the Board of Directors to appropriately make decisions and supervise management, and has formulated a skill matrix to organize the skills possessed by Directors.

The formulation of this skill matrix and the selection of candidates for Directors are determined by the Board of Directors after deliberation by the Nomination and Remuneration Committee.

As of the end of June 2026

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	✓	✓	✓					✓	
Noriko Yoneda	Female	✓	✓	✓						✓
Shigeo Kawashima	Male	✓	✓	✓					✓	✓

The reasons for the selection of each skill item are as follows.

Skill item	Reason for selection
Management experience at listed companies	To enhance corporate value as a listed company by formulating and implementing management strategies and supervising management, while building relationships with diverse stakeholders.
Global corporate management	To promote strategies and appropriate risk management in global business development.
Semiconductor business	To promote the Company's Solution SoC business in the global semiconductor ecosystem.
International (overseas experience)	To expand our business globally, including sales and procurement.
Finance and Accounting	To formulate capital policies, establish financial foundations, supervise management based on financial and accounting knowledge, and engage in dialogue with capital markets.
Legal and Compliance	To develop a legal compliance system, realize a sound corporate culture, and establish a management system for various risks.

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 ²
Basic compensation		Based on the scope of responsibility and role (position) in the Company, a fixed amount is paid monthly as basic compensation	Fixed	Cash payment	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		20%
	Stock ¹	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) ^{*1}		Weighting percentage	Variation range ^{*2}
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 ^{*3}	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.

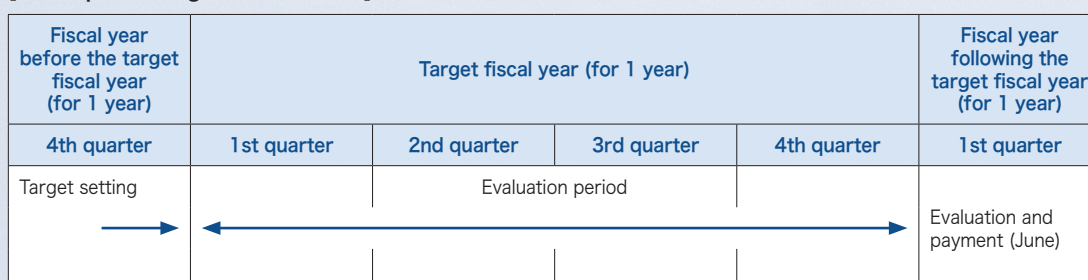
*3: We will consider adding ROE to the evaluation indicator (target) for judgement in the future.

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]



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)]

The total amount of monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) is not more than 800 million yen per year (including not more than 100 million yen for Outside Directors. However, this does not include the employee salaries of Directors who concurrently serve as employees), as resolved by a resolution at the Ordinary General Meeting of Shareholders on June 26, 2025. The specific amount of compensation for each individual is decided by the Board of Directors, leaving the matter to the discretion of Masahiro Koezuka, Representative Director, Chairman, on condition that the decision is made based on the report made by the Nomination and Remuneration Committee to the Board of Directors and that the decision is subject to approval of the Nomination and Remuneration Committee. The reason for delegating this authority was that the Representative Director, Chairman was judged to be suitable for evaluating the division for which each Director is responsible, taking into account the performance of the Company as a whole.

The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) at the conclusion of such General Meeting of Shareholders is six.

Separately from the monetary compensation, the same Ordinary General Meeting of Shareholders approved the introduction of the "Officer Compensation BIP Trust" (hereinafter referred to as the "Plan"), a new stock-based compensation plan based on a share delivery trust for eligible Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and Executive Officers who meet prescribed requirements (hereinafter collectively referred to as the "Eligible Directors, etc."), in place of the previous performance-based restricted stock compensation plan. Specifically, it has been resolved that the maximum amount of trust fund money to be contributed by the Company to the Eligible Directors, etc. shall be 1,150 million yen multiplied by the number of years of the target period, and shall not exceed 3,450 million yen for the initial target of three fiscal years (the initial target period is three fiscal years from the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028). The maximum number of the Company's shares and money equivalent to the conversion value of the Company's shares (hereinafter the "Company Shares, etc.") to be delivered and paid (hereinafter the "Delivery, etc.") to the Eligible Directors, etc. through a trust established by the Company shall be one million shares multiplied by the number of years of the target period, and the maximum number of shares of the Delivery, etc. to the Eligible Directors, etc. for the initial target of three fiscal years shall not exceed three million 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). The number of Directors (excluding Directors who are Audit and Supervisory Committee Members) at the conclusion of such General Meeting of Shareholders is six.

[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, 2026

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)	382	221	81	80	8
(of which, Outside Directors)	(38)	(38)	(-)	(-)	(3)
Directors (Audit & Supervisory Committee Members)	49	49	-	-	3
(of which, Outside Directors)	(49)	(49)	(-)	(-)	(3)
Total	431	270	81	80	11
(of which, Outside Directors)	(87)	(87)	(-)	(-)	(6)

(Notes)

- The amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) includes the amount of compensation, etc. for two Directors who retired at the conclusion of the 11th Ordinary General Meeting of Shareholders held on June 26, 2025 while in office.
- 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 regardless of gender or nationality 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, Noriko Yoneda, and Shigeo Kawashima) 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^{*1,2} or a business executive person thereof^{*3}

- (2) Major client of^{*4} or major lender^{*5} 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^{*6}, 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^{*7}, 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^{*8} or a business executive person thereof
- (9) A close relative of one of the following^{*9}:
 - 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, 2026 under review is as follows.

Position	Name	Attendance
Representative Director, Chairman	Masahiro Koezuka	13 out of 13 (100%)
Representative Director, President	Hisato Yoshida	13 out of 13 (100%)
Director	Yutaka Yoneyama	13 out of 13 (100%)
Director	Koichi Otsuki	3 out of 3 (100%)
Director	Noriaki Kubo	3 out of 3 (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	Kazuhiro Nishihata	10 out of 10 (100%)
Independent Outside Director (Chairman of the Audit & Supervisory Committee)	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%)

(Note)

Koichi Otsuki and Noriaki Kubo retired at the 11th Ordinary General Meeting of Shareholders held on June 26, 2025, and Kazuhiro Nishihata was elected as a Director at the same Ordinary General Meeting of Shareholders, so the attendance (attendance record/number of meetings) differs from other Directors.

●Nomination and Remuneration Committee

The Nomination and Remuneration Committee meets at least 2 times in each fiscal year, and 22 times in the fiscal year ended March 31, 2026.

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, 2026 is as follows.

Position	Name	Attendance
Chairperson (Lead Independent Outside Director)	Masatoshi Suzuki	22 out of 22 (100%)
Committee Member (Independent Outside Director)	Sachiko Kasano	22 out of 22 (100%)
Committee Member (Independent Outside Director)	Kazuhiro Nishihata	17 out of 17 (100%)
Committee Member (Representative Director, Chairman, and CEO)	Masahiro Koezuka	22 out of 22 (100%)

(Note)

Kazuhiro Nishihata was elected as a Director at the 11th Ordinary General Meeting of Shareholders held on June 26, 2025, so the attendance (attendance record/number of meetings) differs from other Directors.

● 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, Shigeo Kawashima, who serves as the full-time Audit & Supervisory Committee member, is a certified public accountant with extensive experience in and deep insight into finance and accounting. 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, 2026, are as follows:

Position	Name	Attendance
Independent Outside Director (Chairman of the Audit & Supervisory Committee)	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%)

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.
- English translations of disclosure documents such as presentation materials of financial briefings, consolidated financial results materials, timely disclosure materials, notices of general shareholders' meetings, annual securities reports, Sustainability reports, and news releases are available on the Company website.
- The disclosure policy is available on the Company website.
<https://www.socionext.com/en/ir/management/disclosure.html>

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 shareholders and investors pages of our website, and by posting a contact point for IR inquiries.
- 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.

Measures to Achieve Management Conscious of Cost of Capital and Share Price

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 report the results compared to the return on capital (ROE, ROIC) to the Board of Directors.

The group's ROE and ROIC exceeded the cost of capital from the fiscal year ended March 2023 to the fiscal year ended March 2025, but fell below the cost of capital in the fiscal year ended March 2026.

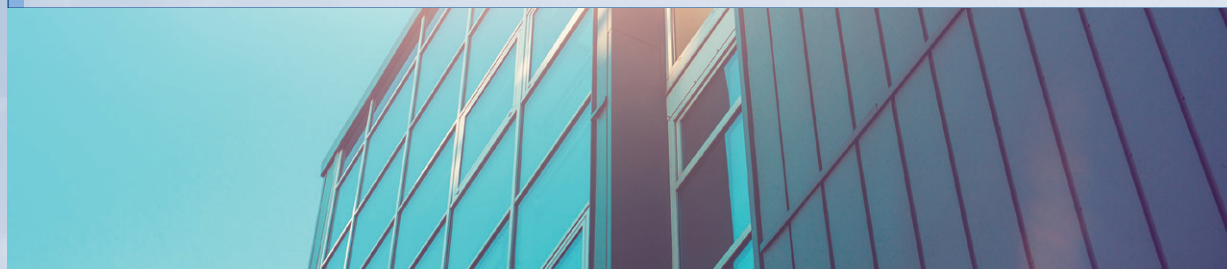
In our Medium-Term Targets, established in April 2025, the group aims to achieve an average annual sales growth rate in the mid-teens and an operating profit margin in the mid-to-high teens.

In order to restore and improve the capital profitability of the group, we will strengthen our cooperative relationships with global players in the semiconductor ecosystem providing and implement the following measures.

- Continuous restructuring and strengthening of the global R&D structure (Strengthening "Entire Design" capability, Building a globally competitive R&D structure, etc.).
- Aggressive investments in cutting-edge technologies (Upfront investment in advanced nodes (2nm and smaller) / Chiplet, Active introduction of Artificial Intelligence into Design & Development, etc.).
- Sales growth in the automotive and data center & networking sectors, where demand is expanding (Improvement in operating margin through leverage effect associated with increased sales in growth markets).

By promoting these measures, we aim to increase our corporate value and improve our market valuation.

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]

- 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.
- The Company has established a system in which Directors can view documents to confirm the status of execution of duties at all times.

(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]

- 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.
- 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.
- The Risk and 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.
- 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.
- 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.
- The activities of the Management Committee and the Risk and Compliance Committee are regularly and occasionally reported to the Board of Directors.

(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.

[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, including the formulation and implementation of standard development processes, commencing full-scale operation of overseas development bases, and introducing AI tools for development operations.

· To enable efficient and quick development, we are promoting visualization of engineering skills and development resources, and building and implementing 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.

[Systems]

[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]

· 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, the COO, the CFO, 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]

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|--|
| [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]

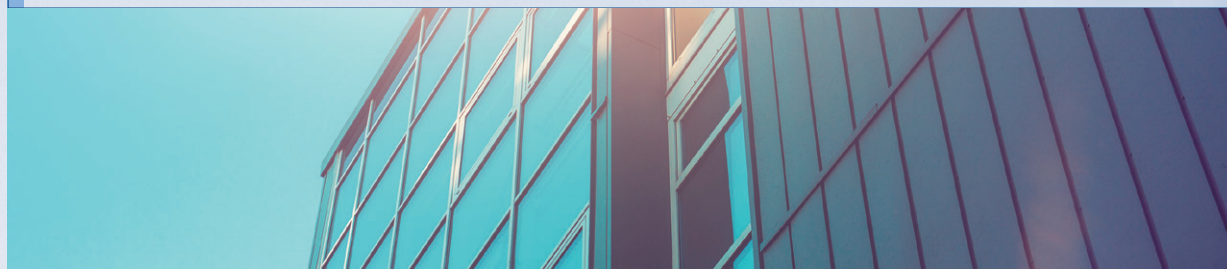
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|---|
| · Officers and employees of the Group exchange information with the Audit & Supervisory Committee upon request from the Audit & Supervisory Committee. |
| · The Audit & Supervisory Committee works closely with the Internal Audit Department, 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) established by the Tokyo Stock Exchange. In addition to the existing financial reporting, our group is currently working on the development and establishment of an internal control system for non-financial information in accordance with the ISSB Sustainability Disclosure Standards and the SSBJ Sustainability Disclosure Standards, and plans to disclose information in accordance with these standards based on requests from the competent authorities.

Risk Management

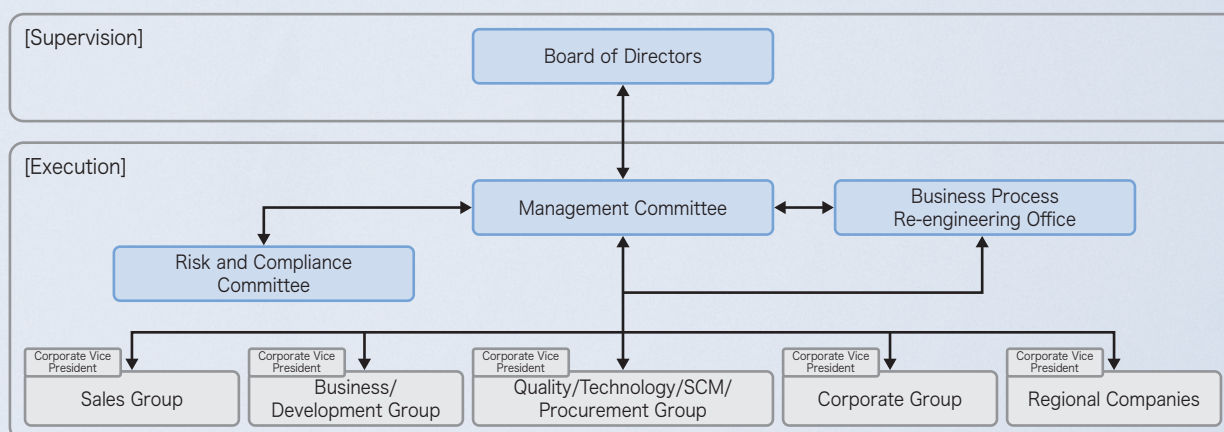


As our group expands its business activities globally, it is important to quickly grasp all risks arising from changes in the complex and diverse business environment and take appropriate countermeasures. We believe that this is essential to achieving our goal.

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, 2026.

●Risk Management Structure

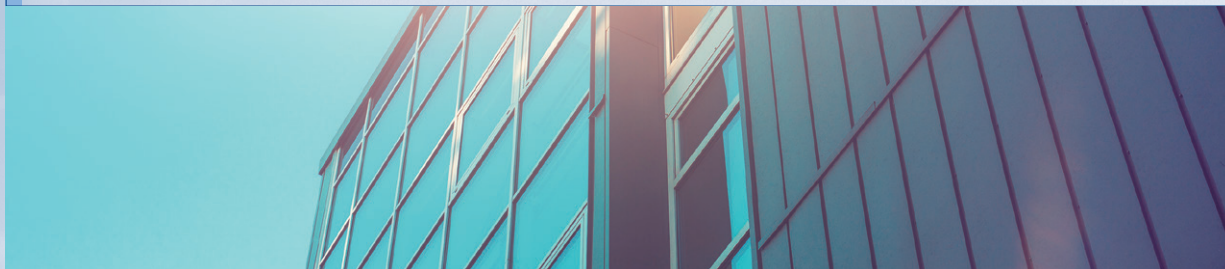


●Overall view of Critical risks

[Business Risks]

- Stable supply products
- Geopolitical risks
- Sophistication of design and development
- Changes in the market environment
- Quality
- Business continuity
- IT systems/information security/cyber 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 individual'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 and the principles of fair trade. We will comply with applicable competition laws, anti-bribery and anti-corruption laws and regulations, and laws and regulations concerning conflicts of interest in all countries where we operate 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.

●Risk and Compliance Committee

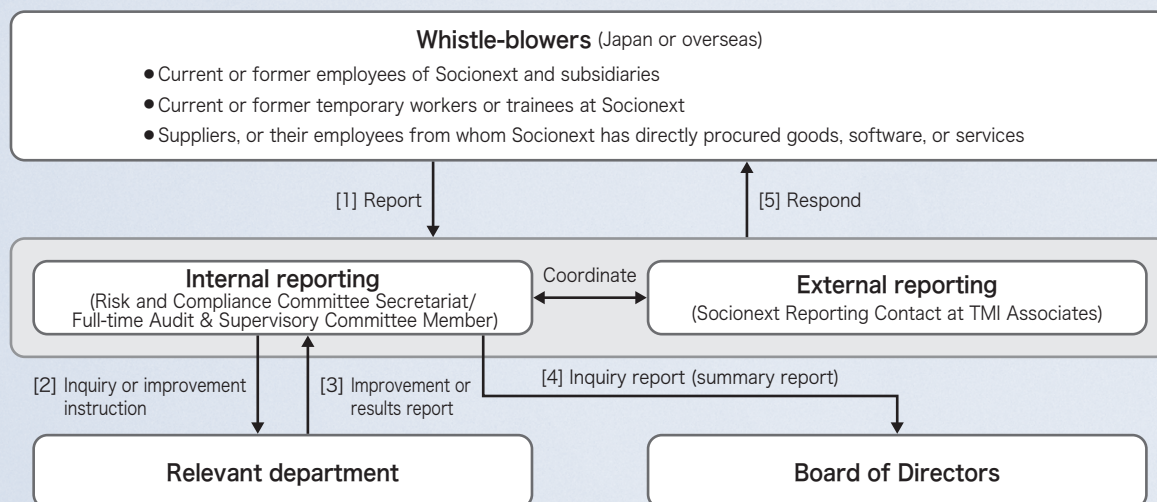
Our group has a Risk and Compliance Committee made up of executives and others and led by the CEO. The committee meets regularly (at least once a year) to assess, analyze, and formulate actions on issues such as compliance, information security, and disaster risks. In the event of an incident, we will 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, 2026 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] CSR Procurement Guidelines, harassment prevention, security-related export controls, information security, competition laws, 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 have 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 strictly manage transactions with related parties and refrain from engaging in any transactions that create, or may appear to create, conflicts of interest.
5. We will comply with Political Funds Control Act and other related laws and regulations regarding political contributions, lobbying activities 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^{*1} and Foreign Law^{*2} 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: "Foreign Exchange and Foreign Trade Act" and Cabinet Orders, ordinances and circulars based on it.

*2: 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*), through which we pay taxes in a timely and appropriate manner and fulfill social responsibilities.

*: 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

(1) Basic policy

Socionext Group operates its business with custom SoCs based on the "Solution SoC" business model at its core and recognizes information security as one of its most important management issues, as we frequently handle customers' important confidential information through our development activities. In addition, recognizing that risks such as information leaks and cyberattacks may affect business activities and corporate value, our group positions the assurance of information security as a basic policy shared across the Group.

Based on this policy, our group has established and operates a company-wide information security framework with the involvement of management. Directors and management are involved in information security policies and other important matters and strengthen information security governance by continuously reviewing and improving their effectiveness.

Our group ensures information security throughout our group by managing the confidentiality, integrity, and availability of information in a balanced manner as a fundamental principle and by continuously maintaining and enhancing information security levels across our group. In addition, our group complies with the relevant laws and regulations in each country and appropriately handles information assets, including personal information relating to customers, partners, and employees, to the extent necessary to achieve their identified purposes of use.

Furthermore, all directors and employees are required to comply with this policy and related internal regulations, and appropriate measures, including disciplinary action, are taken in the event of violations to ensure the proper management of information assets in daily operations. Our group regards information assets as important management resources and promotes continuous efforts throughout the organization. In particular, with respect to customer information and customer confidential information, we place emphasis on information confidentiality and manage such information appropriately based on contractual confidentiality obligations and internal regulations.

In addition, to ensure the effectiveness of information security measures, we conduct regular security assessments by third-party organizations and use the results to identify and respond to potential risks at an early stage. We also based on a zero-trust approach that verifies and manages all access rather than relying solely on the traditional distinction between internal and external networks, we continuously review the management and operation of information assets.

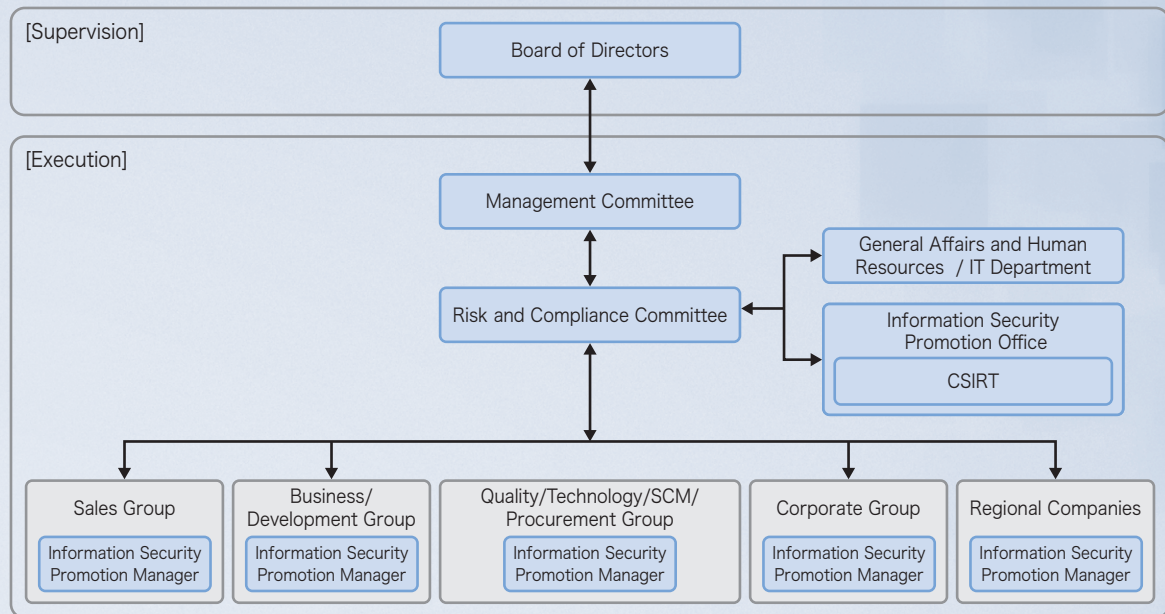
(2) Risk Management System

The Risk and Compliance Committee discusses the identification, analysis, and response policies for information security and personal information protection risks across our group.

Based on the policies and decisions of the Risk and Compliance Committee, the Information Security Promotion Office oversees the establishment of rules related to information security and personal information protection across our group, the promotion of education and training, and the development and operation of a framework for prompt response to security incidents. In addition, our group has established a CSIRT (Computer Security Incident Response Team) within the Information Security Promotion Office, which is responsible for initial responses to cyber incidents and coordination with relevant departments.

In each organization, an Information Security Promotion Manager is appointed with the authority and responsibility for implementing and promoting information security within the organization based on decisions made by the Secretariat of the Risk and Compliance Committee. In cooperation with the Information Security Promotion Office, Information Security Promotion Managers ensure the reliable execution of information security measures.

The Risk and Compliance Committee meets regularly (at least once a year). The Committee consists of the chairperson (Representative Director, Chairman, and CEO), committee members (Executive Officers), and organizational heads appointed by the CEO.



(3) Information Security Measures

Our group implements technical and operational security measures from multiple perspectives, including access management, networks, email, endpoints, monitoring, and data backup. These measures are applied not only to the protection of our information assets but also to various types of customer information and confidential information. Rather than relying on any specific technology, we strive to establish a multilayered defense and monitoring framework based on the principles of Zero Trust.

(i) Access Control and Authentication Management

- Access control is implemented based on users and their assigned privileges.
- Access to systems using privileged accounts is subject to an application and approval process on each occasion.
- Periodic reviews of accounts and access privileges are conducted.
- Multi-factor authentication is implemented for privileged accounts and critical systems.
- Access to customer information and customer confidential information is restricted to employees with a business need and managed based on the principle of least privilege.

(ii) Network and Device Management

- A Zero Trust network architecture is adopted across the globally operating Socionext Group.
- Only registered devices are permitted to connect to the internal network.
- Devices connected to the internal network are continuously monitored through EDR (Endpoint Detection and Response).
- Regular vulnerability assessments are conducted on infrastructure platforms, and identified issues are addressed appropriately.

(iii) Email Security

- Email security services are implemented to block suspicious emails and prevent misdirected transmissions.
- Awareness activities and alerts for users are also conducted.

(iv) Monitoring Framework

- SOC (Security Operation Center) services are utilized to monitor external communications, internal networks, and IT devices.
- A mechanism has been established to rapidly isolate endpoints and networks in the event of critical incidents.
- Operation logs for email systems and critical systems are collected and retained so that they can be reviewed in the event of an incident.
- Access logs for critical information assets, including customer information and customer confidential information, are recorded and retained, and monitoring is conducted to detect unauthorized access or inappropriate use.

(v) Data Backup

- Important data is backed up regularly to immutable storage* and other media for the purpose of business continuity.

(vi) Employee Education (Security Awareness Enhancement)

- Once a year, e-learning training on information security and personal information protection is provided based on the latest trends and developments.
- Simulated targeted email attack training is conducted once every quarter.

(vii) Information Security Management in the Supply Chain

- Information security assessments and evaluations are conducted for partners that handle customer information or confidential information.
- Based on the assessment results, requests for improvement and risk mitigation measures are implemented as necessary.
- Requirements relating to confidentiality and information management are established at the time of contracting, and ongoing management is conducted.

*: A storage technology that prevents data, once written, from being modified, deleted, or tampered with for a specified period of time.

(4) Cybersecurity Initiatives (CSIRT)

To respond promptly and appropriately to information security risks, our group has established a CSIRT (Computer Security Incident Response Team) with the involvement of management. The CSIRT covers all domestic and overseas sites and responds to incidents such as information leakage, data tampering, malware infections, and unauthorized access, supporting the minimization of damage and early recovery. The CSIRT also conducts investigation, containment, and recovery activities in relation to incidents affecting customer information and personal information.

During normal operations, the CSIRT carries out preventive and awareness activities, including the collection of vulnerability information, risk analysis, education and training, and coordination with the Business Continuity Management (BCM) framework. In the event of an incident, the CSIRT leads the entire response process, from incident reporting and initial investigation to isolation and temporary countermeasures, full-scale response, and internal and external reporting.

For significant incidents, a reporting framework has been established under which incidents are reported to the Risk and Compliance Committee and the Board of Directors. When necessary, our group also coordinates with customers, regulatory authorities, the Personal Information Protection Commission, JPCERT/CC, and other external stakeholders. Furthermore, in the event of an incident that has a significant impact on customer information or personal information, appropriate actions, including notification to relevant authorities and affected customers, are taken in accordance with applicable laws, regulations, and contractual obligations.

In addition, escalation contacts are clearly identified on the internal portal site, enabling all employees to report incidents promptly. Through this reporting framework and ongoing education and training, our group continuously strengthens its incident response capabilities.

No significant cybersecurity incidents occurred during the fiscal year ended March 31, 2026.

(5) Protection and Handling of Personal Information

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. Personal information protection is also managed under the same governance framework as information security, and the executive officer in charge of information security is responsible for oversight of personal information protection. In the fiscal year ended March 31, 2026, no material fines or penalties resulting from violations of the Act on the Protection of Personal Information or other privacy-related laws and regulations were incurred, and no significant incidents involving the leakage of customer information or personal information occurred.

- (i) Our group shall periodically educate its board members and employees about the personal information management system. A privacy management chief has been assigned within each department that handles personal information to ensure that personal information is managed appropriately.

- (ii) 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. Personal information shall be retained only for the period necessary to achieve the purposes of use specified at the time of collection and, thereafter, shall be appropriately disposed of or anonymized in accordance with applicable laws and regulations and internal regulations.
 - (iii) 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. In addition, when transferring personal information outside the country, our group shall implement appropriate protective measures in accordance with applicable laws and regulations.
 - (iv) 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.
 - (v) 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. In addition, our group shall appropriately respond to requests for correction, addition, deletion, suspension of use, and suspension of provision to third parties in accordance with applicable laws and regulations.
 - (vi) 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.
- (6) Privacy Policy
- Our company has established a Privacy Policy for the appropriate handling of personal information relating to customers and other individuals. Please refer to our website for details of the Privacy Policy.
<https://www.socionext.com/en/privacy/>

●Use of Generative AI Technologies

Generative AI technologies are evolving rapidly and are increasingly being utilized across a wide range of sectors throughout society. Within our Group, we are actively promoting the use of generative AI technologies across diverse business activities, including the development of SoCs and software, with the objectives of improving operational efficiency, enhancing quality, and creating new values.

Each department evaluates and adopts the generative AI tools best suited to its specific business requirements and continuously explores effective ways to leverage these technologies. In addition, we have established a cross-functional company-wide working group that promotes the appropriate and effective use of generative AI through the sharing of use cases, expertise, and best practices across the organization.

At the same time, the use of generative AI technologies involves certain risks, including the possibility that generated outputs may contain inaccuracies (hallucinations), the risk of information leakage resulting from the improper handling of confidential or personal information, and the risk of infringing upon the intellectual property rights of third parties, including copyrights.

To appropriately manage these risks and ensure the safe and responsible use of generative AI technologies, we have established a company-wide governance framework centered on our IT organization. Through the selection and management of approved generative AI services, the assessment of risks associated with their use, and the development, communication, and implementation of internal policies and guidelines, we promote the proper use of generative AI technologies and continuously strengthen our governance framework.

By leveraging generative AI, we seek to enhance the sophistication and productivity of our operations while promoting responsible AI use that carefully balances technological opportunities with risk management considerations.

ESG Data

E: Environment

●GHG Emissions (Global)

(1/2)

Item ¹⁾	Global results (t-CO ₂) ²⁾			
	FY ended March 31, 2022 -Base year-	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Scope1+Scope2 (Market-based)	7,087	7,975	6,527	6,094
Scope1+Scope2+Scope3 (Market-based)	266,720	404,716	347,519	522,815
Scope1	241	199	254	238
Carbon dioxide (CO ₂)	241	199	254	238
Methane (CH ₄)	0	0	0	0
Dinitrogen Monoxide(N ₂ O)	0	0	0	0
Hydrofluorocarbons (HFC _s)	0	0	0	0
Perfluorocarbons (PFC _s)	0	0	0	0
Sulfur hexafluoride (SF ₆)	0	0	0	0
Nitrogen trifluoride (NF ₃)	0	0	0	0
Scope2 (Market-based)	6,846	7,776	6,273	5,856
Data center emissions	1,359	3,655	3,156	3,171
Office emissions	5,487	4,121	3,117	2,685
Scope2 (Location-based)	7,254	7,919	7,117	7,149
Scope3	259,633	396,741	340,992	516,721
Cat.1 Purchased goods and services (based on procured value)	229,697	356,133	299,323	471,327
Cat.2 Capital goods (based on procurement expenditure)	27,081	35,025	36,455	39,931
Cat.3 Fuel and energy-related activities not included in Scope1 and Scope2 (based on Scope1 and Scope2 activity data)	1,229	1,327	1,244	1,262
Cat.4 Upstream transportation and distribution (based on transport mass and distance)	908	1,140	1,052	1,054
Cat.5 Waste generated from business (based on the amount of waste disposal consigned and value)	50	25	67	20
Cat.6 Travel (based on travel expenses and number of employees)	201	2,267	2,108	2,090

(2/2)

Item ^{*1}			Global results (t-CO ₂) ^{*2}			
			FY ended March 31, 2022 -Base year-	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Scope3	Cat.7	Commuting by employees (based on commuting expenses paid and number of employees and working days)	467	824	743	1,037
	Cat.8	Upstream leased assets	No emissions 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	No emissions applicable			
	Cat.14	Franchises	No emissions applicable			
	Cat.15	Investments	No emissions applicable			

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

*2: Based on the revision of the GHG emission calculation method conducted in the fiscal year ended March 2025, the same revision was also applied to the base year (fiscal year ended March 2022)

●GHG Emissions (Market-based Scope1 and Scope2 emissions by region)

Region	Category	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Japan	Scope1	t-CO ₂	195	238	218
	Scope2		7,014	5,961	5,515
North America	Scope1	t-CO ₂	4	15	20
	Scope2		198	192	96
Europe	Scope1	t-CO ₂	0	0	0
	Scope2		438	0	0
Asia	Scope1	t-CO ₂	0	0	0
	Scope2		127	121	245
Total [*]	Scope1	t-CO ₂	199	254	238
	Scope2	t-CO ₂	7,776	6,273	5,856

*: Because figures have been rounded, the totals may not precisely match the sum of the individual components

●Energy management in Business activities (Global)

Item	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Total energy consumption	GJ	161,037	149,701	152,036
Percentage of power from the grid electricity	%	96.0	91.5	91.8
Percentage of renewable energy	%	0	8.9	17.8

●Energy Consumption (Global)

Item	Unit	Results		
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Energy consumption (Renewable Energy)	kWh	17,883,771 (0)	16,416,680 (1,545,172)	16,727,260 (3,138,989)
Office	kWh	9,875,266	8,303,580	8,445,773
Data center	kWh	8,008,505	8,113,100	8,281,488
Steam	MJ	1,806,509	1,940,546	1,923,833
City Gas	m ³	97,148	123,367	116,063

●Waste Generation (Global by Region)

Region	Item	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Japan	Total Waste Generated	ton	13.38	124.17	10.84
	General waste		2.19	24.83	0
	Recycled		2.19	24.83	0
	Non-recycled		0	0	0
	Industrial Waste		11.00	99.12	10.65
	Recycled		10.46	66.89	10.53
	Non-recycled		0.54	32.23	0.12
	Hazardous Waste (specially controlled industrial waste)		0.20	0.22	0.19
North America	Total Waste Generated	ton	-	0	0
	General waste		-	0	0
Europe	Total Waste Generated	ton	-	3.58	3.44
	General waste		-	3.58	3.44
	Recycled		-	0	0
	Non-recycled		-	3.58	3.44
Asia	Total Waste Generated	ton	-	0	0
	General waste		-	0	0
Total	Total Waste Generated	ton	13.38	127.76	14.28
	General waste		2.19	28.42	3.44
	Recycled		2.19	24.83	0
	Non-recycled		0.00	3.59	3.44
	Industrial Waste		11.00	99.12	10.65
	Recycled		10.46	66.89	10.53
	Non-recycled		0.54	32.23	0.12
	Hazardous Waste (specially controlled industrial waste)		0.20	0.22	0.19

●Management of Chemical Substance (Global)

Item	Unit	Results		
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Volatile organic compounds (VOC Emissions to the Atmosphere)	ton	0	0	0

●Water Consumption (Global by Region)

Region	Item	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Japan	Municipal Water Supply	m ³	3,220	863	105
North America			62	119	106
Europe			0	0	0
Asia			863	1,112	1,712
Total	Municipal Water Supply	m ³	4,145	2,094	1,922
	Groundwater		0	0	0
	Industrial Water		0	0	0
	RainWater		0	0	0
	Total		4,145	2,094	1,922

●Wastewater Discharge by Receiving Destination (Global)

Region	Item	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Japan	Sewer	m ³	3,220	863	105
North America			62	119	106
Europe			0	0	0
Asia			863	1,112	1,712
Total	Sewer	m ³	4,145	2,094	1,922
	Rivers		0	0	0
	Total		4,145	2,094	1,922

●Recycling Water (Global)

Item Unit	Unit	Results		
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Recycled water	m ³	0	0	0

●Results of Environmental Education (Japan)

Item	Unit	Domestic Results		
		FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Environmental education	Participation rate	100%	100%	100%

●Acquisition of ISO Certification: Fiscal Year ended March 31, 2026 (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	
	Nagoya Office	
ISO9001 [Quality Management System]	Shin-Yokohama Headquarters	89% (Coverage rate relative to consolidated employee count)
	Kyoto Office	
	Kawasaki (Mizonokuchi) Office	
	Sendai Office	
	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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Recall information	Number [Items]	0	0	0

●Age Composition of Employees (Japan)

		Unit	FY ended March 31, 2026		
			Total	Female	Male
Regular employee	Total	Persons	1,824	182	1,642
	20s	Persons	139	21	118
	30s	Persons	149	33	116
	40s	Persons	452	57	395
	50s	Persons	995	67	928
	60s	Persons	89	4	85
	70 Years Old or Older	Persons	0	0	0
	Average Age	Years	48.9	44.6	49.3
Non-regular employee	Total	Persons	287	27	260
	Fixed-term full-time	Persons	32	12	20
	Continued hiring after retirement	Persons	255	15	240

●Gender Composition of New graduates (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Female	Persons	2	6	5
	%	7.7	16.7	14.3
Male	Persons	24	30	30
	%	92.3	83.3	85.7
Total	Persons	26	36	35

●Gender Composition of Career hires (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Female	Persons	3	6	5
	%	7.7	18.8	21.7
Male	Persons	36	26	18
	%	92.3	81.2	78.3
Total	Persons	39	32	23
Alumni recruitment	Persons	3	1	1

●Three-Year Employee Retention Rate (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
New graduates	%	90.9	100	92.3
Career hires	%	90.0	90.6	89.7

●Recruitment Cost (Career and New graduates) (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Total	Yen	117,439,348	134,889,134	111,493,846
Per Person	Yen	1,806,759	1,983,664	1,889,726

●Internal Recruitment System (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Internal personnel transfer record*	Persons	0	6	4

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

●Minimum Wage and Living Wage

As of the end of March 2026

Region	Statutory Minimum Wage (JPY/hour)	Living Wage ^{*1} (JPY/hour)	Number of Employees Below Statutory Minimum Wage (persons) ^{*2}	Number of Employees Below Living Wage (persons) ^{*2}
Kanagawa Pref.	1,225	1,300	0	0
Kyoto Pref.	1,122	1,230	0	0
Miyagi Pref.	1,038	1,200	0	0
Aichi Pref.	1,140	1,190	0	0

*1: Based on the figures disclosed in the 2026 RENGO Living Wage Report and the Living Wage by Prefecture report

*2: Applicable to regular employees only

●Consecutive Years Served (Japan)

	Unit	FY ended March 31, 2026		
		Total	Female	Male
Consecutive Years Served*	Years	9.5	8.8	9.6

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

●Employees with Disabilities (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Total Employment of Persons with Disabilities	Persons	55	54	52
Physical disability	Persons	41	41	40
Mental/developmental disability	Persons	14	13	12
Employment Rate of Persons with Disabilities	%	2.4	2.4	2.4
Employment target	%	2.3	2.5	2.5

●Employee Turnover (Japan)

Voluntary	Unit	Employee Turnover Number		
		Total	Female	Male
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
FY ended March 31, 2026	Persons	56	5	51
	%	2.8	0.3	2.6
Number of Resignations Due to Caregiving Responsibilities	Persons	1	0	1
Number of Resignations Due to Illness or Injury	Persons	4	3	1
FY ended March 31, 2026 Number of Mandatory Retirements (Not Included Above)	Persons	7	1	6
FY ended March 31, 2026 Number of Employees Who Left Due to Company-Initiated Separation	Persons	0	0	0

●Composition ratio of Employees (Japan)

		Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Gender Ratio of Regular Employees	Female	%	9.8	9.8	9.9
	Male	%	90.2	90.2	90.1
Gender Ratio of Managerial Positions	Female	%	2.6	2.6	3.1
	Male	%	97.4	97.4	96.9
Female Managerial Positions (by Rank)	Manager Level	%	91.7	91.7	88.9
	Director Level and Above	%	8.3	8.3	11.1
Ratio of Female Employees (by Job Type)	Revenue-Generating Department ^{*1}	%	8.3	8.3	13.4
	STEM Department ^{*2}	%	16.7	16.7	42.6
	Other Department ^{*3}	%	75.0	75.0	44.0

*1: GLG/Sales Division/Business Division

*2: Development Division

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

●Employee Composition Ratio (Global)

		Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Gender Composition of General Employees	Female	%	12.5	12.4	12.6
	Male	%	87.5	87.6	87.4
Gender Composition of Management	Female	%	5.8	5.4	5.8
	Male	%	94.2	94.6	94.2

●Status of Foreign Employees (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Regular (including Executive Officers)	Persons	43(7)	46(7)	47(6)
Non-regular (including Executive Officers)	Persons	1	1	1

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Hiring new graduates	Persons	1	3	2
Hiring Career	Persons	1	1	2

●Wage Differences between Males and Females (Japan)

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
All employees	71.6%	73.4%	74.8%
Regular	72.5%	74.7%	76.8%
Non-regular	62.7%	61.8%	58.5%
Managerial positions only	91.6%	95.4%	90.0%

●Education of Engineers (Japan)

Indicator	Results		
	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Percentage of global project experience	82%	87%	89%
Percentage of experience in advanced technology projects (7nm and below)	75%	82%	87%

●Investment in Human Resource

Item	Results		
	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Training hours per engineer (All employees)	13.2H (11.3H)	12.8H (11.7H)	12.7H (12.2H)
Investment value per engineer (All employees)	20.4 thousand yen (17.6 thousand yen)	28.7 thousand yen (25.9 thousand yen)	23.2 thousand yen (26.7 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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Methodologist	200	225	500
Systems Architect	118	141	145
Expert	101	105	106
Project Manager	97	115	118

●Health and Safety

Item	Results		
	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Number of serious industrial injuries and accidents	0	0	0
Non-Work-Related Accidents (Commuting accidents and other matters)	4	5	3
Occupational Injury Frequency Rate	0.00	0.00	0.00
Occupational Injury Severity Rate (Excluding non-lost-time injuries)	0.00	0.00	0.00

●Work-Life Balance Initiatives (Japan)

	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Health Checkup	Regular health checkup participation rate	99.0%	99.0%	100%
	Ratio of persons subject to specific health guidance	19.1%	19.5%	22.1%
	Rate of receiving specific health guidance	44.1%	56.7%	37.7%
Lifestyle	Percentage of people who exercise regularly	26.5%	27.3%	27.4%
	Percentage of habitual drinkers	13.4%	17.0%	8.2%
	Percentage of smokers	13.9%	13.9%	13.6%
	Percentage of people with sufficient sleep	64.8%	64.7%	67.2%
Stress Check Program	Stress Check Program implementation rate	83.2%	87.2%	88.2%
	Percentage of people with high stress	9.9%	8.5%	9.8%
Ways of working	ES survey acceptance rate	92.6%	92.6%	95.4%
	eNPS*	-69	-67	-65
	Average annual total actual working hours	2,099 hours	2,016 hours	2,001 hours
	Average annual overtime hours	15.4 hours	13.4 hours	12.6 hours
	Rate of paid leave taken	75.3%	75.4%	80.3%
	Remote work application ratio	100%	100%	100%
	Number of paid leave days taken	14.9 days	14.9 days	15.9 days
	Ratio of Employees Taking Childcare Leave (Female)	100%	100%	100%
	Ratio of Employees Taking Childcare Leave (Male)	57.1%	93.3%	85.7%
	Reinstatement rate	100%	100%	100%
	Number of employees utilizing the short working hours system for caregiving	1 (person)	1 (person)	0 (person)
	Absenteeism rate	0.77%	0.80%	0.93%
	Work engagement	2.37	2.40	2.36
	Number of employees on leave due to personal illness or injury	11 (person)	10 (person)	11 (person)
	Employees who have taken family care leave	2 (person)	1 (person)	2 (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, 2024	FY ended March 31, 2025	FY ended March 31, 2026
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	0.77%	0.80%	0.93%
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 to commence in fiscal year 2025)	-	-	17.0%
Work engagement	· Positive and fulfilling state of mind related to work · Values calculated using the New Brief Job Stress Questionnaire	2.37	2.40	2.36

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%	95.2%	14 companies	6.8%	67.3%
FY ended March 31, 2026	97 companies	97 companies	50.5%	95.4%	14 companies	7.3%	69.3%

*: From the fiscal year ended March 2025, the criteria for survey targets have been revised to include all partners accounting for the top 90% or more of the total purchase amount

●Global Evaluation Results of the Survey

Evaluation rank	Score	FY ended March 31, 2024			FY ended March 31, 2025			FY ended March 31, 2026		
		Number of Companies	Companies Count Ratio	Response Amount Ratio	Number of Companies	Companies Count Ratio	Response Amount Ratio	Number of Companies	Companies Count Ratio	Response Amount Ratio
A	49-60	117 companies	80.7%	99.0%	79 companies	84.0%	97.8%	69 companies	71.1%	92.0%
B	37-48	22 companies	15.2%	0.9%	12 companies	12.8%	2.0%	21 companies	21.7%	7.4%
C	20-36	6 companies	4.1%	0.1%	3 companies	3.2%	0.2%	7 companies	7.2%	0.6%
D	0-19	0 companies	0%	0%	0 companies	0%	0%	0 companies	0%	0%
Total		145 companies	100%	100%	94 companies	100%	100%	97 companies	100%	100%

●Continued Risk Reduction Efforts

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Percentage of D-rated partners who planned corrective actions.	Not Applicable	Not Applicable	Not Applicable
Percentage of partners who planned corrective actions that improved their assessment within one year.	Not Applicable	Not Applicable	Not Applicable

●Supply Chain BCP Survey

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Partners subject to evaluation	261 companies	97 companies	97 companies
Partners who provided responses	146 companies	94 companies	97 companies
Inquiry response rate	55.9%	96.9%	100%

●Information Security Surveys

	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Partners subject to evaluation	261 companies	97 companies	97 companies
Partners who provided responses	148 companies	94 companies	97 companies
Inquiry response rate	56.7%	96.9%	100%

●Conflict Minerals (3TG, Global)

	3TG				
	FY ended March 31, 2026 (24 companies)				
	Total	Gold	Tantalum	Tin	Tungsten
No. of smelters or other processing facilities	206	89	32	51	34
No. of RMAP-certified (conflict-free) smelters or other processing facilities	201	89	32	49	31
No. of RMAP Active facilities	-	-	-	-	-
No. of other RMI-certified facilities	5	-	-	2	3
Percentage of RMAP-certified facilities	98%	100%	100%	96%	91%
Inquiry response rate	100%	-	-	-	-

●Conflict Minerals (Cobalt & Mica, Global)

	Cobalt & Mica		
	FY ended March 31, 2026 (23 companies)		
	Total	Cobalt	Mica
No. of smelters or other processing facilities	59	54	5
No. of RMAP-certified (conflict-free) smelters or other processing facilities	49	45	4
No. of RMAP Active facilities	10	9	1
No. of other RMI-certified facilities	-	-	-
Percentage of RMAP-certified facilities	83%	83%	80%
Inquiry response rate	100%	-	-

G: Governance

●Composition of Board of Directors

		Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	End of June 2026
Internal Directors	Female	Persons (%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
	Male	Persons (%)	5 (50%)	5 (50%)	3 (33%)	3 (33%)
	Total	Persons (%)	5 (50%)	5 (50%)	3 (33%)	3 (33%)
Outside Directors	Female	Persons (%)	2 (20%)	2 (20%)	2 (22%)	2 (22%)
	Male	Persons (%)	3 (30%)	3 (30%)	4 (45%)	4 (45%)
	Total	Persons (%)	5 (50%)	5 (50%)	6 (67%)	6 (67%)
Total	Female	Persons (%)	2 (20%)	2 (20%)	2 (22%)	2 (22%)
	Male	Persons (%)	8 (80%)	8 (80%)	7 (78%)	7 (78%)
	Total	Persons (%)	10 (100%)	10 (100%)	9 (100%)	9 (100%)

●Status of Board of Directors

			Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026	End of June 2026
Board of Directors	Total number of Board of directors	Internal Directors (Female)	Persons	5 (0)	5 (0)	3 (0)	3 (0)
		Outside Director (Female)	Persons	5 (2)	5 (2)	6 (2)	6 (2)
	Average Age		years	61.1	62.1	64.0	63.2
	Term of office for directors*		year	1	1	1	1
	Average Term	All Directors	year	3 years and 1 month	4 years and 1 month	4 years and 1 months	4 years and 0 months
		Internal Directors	year	4 years and 6 months	5 years and 6 months	5 years and 11 months	6 years and 2 months
		Outside Director	year	1 year and 7 months	2 years and 7 months	3 years and 2 months	2 years and 11 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, 2026		End of June 2026	
		Audit and Supervisory Committee	Appointments and Remuneration Committee	Audit and Supervisory Committee	Appointments and Remuneration Committee
Number of members	Persons	3	4	3	4
Internal Directors (Female)	Persons	0	1 (0)	0	1 (0)
Outside Director (Female)	Persons	3 (1)	3 (1)	3 (1)	3 (1)

●Number of Board of Directors meetings and committee meetings (Fiscal Year ended March 31, 2026)

Position	Name	Attendance
Representative Director, Chairman	Masahiro Koezuka	13 out of 13 (100%)
Representative Director, President	Hisato Yoshida	13 out of 13 (100%)
Director	Yutaka Yoneyama	13 out of 13 (100%)
Director	Koichi Otsuki	3 out of 3 (100%)
Director	Noriaki Kubo	3 out of 3 (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	Kazuhiro Nishihata	10 out of 10 (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%)

(Note)

Koichi Otsuki and Noriaki Kubo retired at the 11th Ordinary General Meeting of Shareholders held on June 26, 2025, and Kazuhiro Nishihata was elected as a Director at the same Ordinary General Meeting of Shareholders, so the attendance (attendance record/number of meetings) differs from other Directors.

●Number of Board of Nomination and Compensation Committee meetings (Fiscal Year ended March 31, 2026)

Position	Name	Attendance
Chairperson (Lead Independent Outside Director)	Masatoshi Suzuki	22 out of 22 (100%)
Committee Member (Independent Outside Director)	Sachiko Kasano	22 out of 22 (100%)
Committee Member (Independent Outside Director)	Kazuhiro Nishihata	17 out of 17 (100%)
Committee Member (Representative Director, Chairman and CEO)	Masahiro Koezuka	22 out of 22 (100%)

(Note)

Kazuhiro Nishihata was elected as a Director at the 11th Ordinary General Meeting of Shareholders held on June 26, 2025, so the attendance (attendance record/number of meetings) differs from other Directors

●Number of Board of Audit & Supervisory Committee meetings (Fiscal Year ended March 31, 2026)

Position	Name	Attendance
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%)

● Compliance Education

Item	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
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, 2026
Directors (excluding Directors who are Audit & Supervisory Committee Members) [Million yen] *Number of relevant board members: 8	Basic compensation		221
	Performance-based compensation	Monetary compensation	81
		Non-monetary compensation, etc.	80
	Total		382
Director (Audit & Supervisory Committee Member) [Million yen] *Number of relevant board members: 3	Basic compensation		49
	Performance-based compensation	Monetary compensation	-
		Non-monetary compensation, etc.	-
	Total		49
Representative Director, Chairman and CEO [Million yen]	Basic compensation		70
	Performance-based compensation	Monetary compensation	26
		Non-monetary compensation, etc.	26
	Total		122

Category	Total amount of compensation, etc.		FY ended March 31, 2026
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		58
	Fees for non-audit services		-
	Total		58

Category		Unit	FY ended March 31, 2026
Average annual salary of regular employees		thousands of yen	9,590
Median annual salary of regular employees.		thousands of yen	9,014
The ratio of CEO annual compensation to the average annual salary of regular employees.		times	12.78
The ratio of CEO annual compensation to the median annual salary of regular employees.		times	13.60
The ratio of CEO performance-based compensation to the average bonus of regular employees.		times	17.53
The ratio of CEO performance-based compensation to the median bonus of regular employees.		times	19.77
Average wage of regular employees	female	thousands of yen	7,545
	male	thousands of yen	9,819
Median wage of regular employees	female	thousands of yen	7,257
	male	thousands of yen	9,234

Category		Unit	FY ended March 31, 2026
Average bonus of regular employees	female	thousands of yen	2,354
	male	thousands of yen	3,098
Median bonus of regular employees	female	thousands of yen	2,245
	male	thousands of yen	2,681

●Compliance

Item		Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
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 Whistle-blowing

Item		Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
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)	1 (1)	1 (0)
	Number of violations	Cases	0	0	0
	Number of disciplinary actions	Cases	0	0	0

●Compliance – Political contributions and Other Expenditures

Item	Unit	FY ended March 31, 2024	FY ended March 31, 2025	FY ended March 31, 2026
Political activities and Political organizations	thousands of yen	0	0	0
Lobbying	thousands of yen	0	0	0
Semiconductor Industry associations, etc.	thousands of yen	8,916	8,344	9,186
Other	thousands of yen	0	0	0
Donations (Social Contribution)	thousands of yen	612	675	462



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