

Note:

This English translation is made for reference purposes only, and in the event of any discrepancies between the English version and the Japanese version, the Japanese version prevails.

socionext

Notice of the 11th Ordinary General Meeting of Shareholders

Date and time

Thursday, June 26, 2025, at 10 a.m. (JST)

(Reception begins at 9 a.m.)

Venue

3-4 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa
" Wakana " on the fourth floor of Shin-Yokohama Prince Hotel

Matters to be resolved

Proposal 1:

Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Proposal 2:

Election of Three (3) Directors Who Are Audit & Supervisory Committee Members

Proposal 3:

Election of One (1) Substitute Director Who Is Audit & Supervisory Committee Member

Proposal 4:

Revision of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Proposal 5:

Revision of Compensation for Directors Who Are Audit & Supervisory Committee Members

Proposal 6:

Determination of Amount and Content of Performance-Based Restricted Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors), etc.

Socionext Inc.

Securities Code: 6526

Basic Philosophy

We at the Socionext Group aim to bring new value to our customers and, through them, to people everywhere, and contribute to achieving a prosperous society. We will do this by serving as a partner to customers seeking to differentiate new services and products through the development of their own leading-edge SoCs, and as a partner to foundries, OSATs, and suppliers providing the latest technologies, including IP, EDA tools and software in the evolving semiconductor ecosystem.

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 the 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.

Dear Shareholders

We would like to express our gratitude to our shareholders' continued support.

Since 2018, the Group has been implementing bold reforms, including transforming its business model and shifting to high-growth and cutting-edge business areas. In addition, we are promoting Phase 2 transformation, aimed at establishing a competitive R&D structure and creating a business culture that is suitable for a multinational company. As a result, the design win amount in growth fields has increased to around 300 billion yen, which is steadily leading to sales expansion.

In research and development, advanced development of chiplets using 2 nm and finer process technology in collaboration with companies in the global semiconductor ecosystem and development of SoCs for high-performance computing using advanced processes such as 3 nm and 5 nm and autonomous driving are steadily progressing.

For the 11th fiscal year (from April 1, 2024, to March 31, 2025), despite an increase in NRE sales, both sales and profit declined from the previous fiscal year due to a decrease in product sales on the back of the end of special demand boost and a decrease in demand in China.

The Company decided to set the year-end dividend for shareholders at 25 yen per share, with a payment commencement date of June 5, 2025. As a result, the annual dividend, including the interim dividend of 25 yen per share, will be 50 yen per share, an increase of 2 yen from the previous fiscal year.

Going forward, in addition to strengthening our global development platform and building our production and procurement systems, we will further strengthen our relationships with global companies that form the semiconductor ecosystem and pursue further transformation to achieve sustainable growth in the future.

We would highly appreciate having our shareholders' further support.

June 2025

Masahiro Koezuka
Representative Director, Chairman, President and CEO

Securities Code: 6526

June 4, 2025

Commencement date of electronic provision measures: May 28, 2025

To Our Shareholders

10-23, Shin-Yokohama 2-Chome, Kohoku-ku, Yokohama City, Kanagawa Prefecture

Socionext Inc.

Masahiro Koezuka, Representative Director, Chairman, President and CEO

Notice of the 11th Ordinary General Meeting of Shareholders

We would like to express our gratitude to your continued support.

We hereby inform you that the 11th Ordinary General Meeting of Shareholders will be held as set forth below. In convening this General Meeting of Shareholders, the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters to be electronically provided) has been electronically provided and posted on our company website on the Internet in the form of “Notice of the 11th Ordinary General Meeting of Shareholders,” so please visit and confirm our company website below.

The Company website

<https://www.socionext.com/en/ir/meeting/>

In addition to the above website, the matters to be electronically provided are also posted on the website of the Tokyo Stock Exchange (TSE). Please access the TSE website (TSE Listed Company Information Service) below, enter and search “Socionext” in “Issue Name (Company Name)” or the Company Stock code “6526” in “Code,” select “Basic Information,” and then “Documents for public inspection/PR information,” and then click “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” in “Filed information available for public inspection.”

TSE website (TSE-listed company information service)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

If you do not attend the meeting, you may exercise your voting rights in writing (by mail) or via the Internet, etc. Please refer to the “Instructions for Exercising Voting Rights” section below and exercise your voting rights by 5:30 p.m. on Wednesday, June 25, 2025.

Date and Time:

Thursday, June 26, 2025, at 10 a.m. (reception begins at 9 a.m.)

Venue:

3-4 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa
“Wakana” on the fourth floor of Shin-Yokohama Prince Hotel

Purposes:**Matters to be reported:**

1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 11th Business Period (April 1, 2024, to March 31, 2025)
2. Auditing Reports from the Accounting Auditor and Audit & Supervisory Committee on the Results of the Audit of the Consolidated Financial Statements for the 11th Business Period

Matters to be resolved:

- Proposal 1:** Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 2:** Election of Three (3) Directors Who Are Audit & Supervisory Committee Members
- Proposal 3:** Election of One (1) Substitute Director Who Is Audit & Supervisory Committee Member
- Proposal 4:** Revision of Compensation for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 5:** Revision of Compensation for Directors Who Are Audit & Supervisory Committee Members
- Proposal 6:** Determination of Amount and Content of Performance-Based Restricted Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors), etc.

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\* Shareholders who have not made a request for the delivery of written documents will receive only the Notice of Convocation, the Reference Documents for the General Meeting of Shareholders, and the Voting Rights Exercise Form. For other matters among the Electronic Provision Measures, please access either of the above websites and check them.

\* In accordance with laws and regulations and the Articles of Incorporation of the Company, we will send a document that does not include the following items from among the Items to be Provided Electronically to shareholders who have made a request for the delivery of written documents. As for the items not included, please access either of the above websites and check them.

- 1) “Accounting Auditor” and “Systems to Ensure Appropriateness of Business and Operational Status of Such Systems” in the Business Report
- 2) Consolidated Statement of Changes in Net Assets and Notes to the Consolidated Financial Statements
- 3) Non-Consolidated Statement of Changes in Net Assets and Notes to the Non-Consolidated Financial Statements

The business report audited by the Audit & Supervisory Committee in preparing the audit report includes each item of the business report mentioned above. In addition, the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and Audit & Supervisory Committee in the preparation of the accounting audit report and the audit report include the matters described above in the consolidated financial statements and the non-consolidated financial statements.

- \* If there are any amendments to the matters to be electronically provided, the above-mentioned websites that take electronic provision measures will be updated to state to such effect and the matters before and after the amendments will be posted there.
- \* The results of the resolutions of this General Meeting of Shareholders will be posted on the above-mentioned Company website instead of sending a notice of resolutions.

## **Guide to Exercising Voting Rights**

You may exercise your voting rights in the following three ways:

### **Attending the General Meeting of Shareholders**

**Please submit your Voting Rights Exercise Form to the receptionist at the meeting.**

**Date and Time: Thursday, June 26, 2025, at 10 a.m. (reception begins at 9 a.m)**

### **Exercising voting rights in writing (by mail)**

Please indicate your approval or disapproval of the proposals on the Voting Rights Exercise Form and post it without a stamp.

**Due date for exercise                      Receipt by the Company by 5:30 p.m. on Wednesday, June 25, 2025**

### **Voting via the Internet, etc.**

Please exercise your voting rights after reviewing the guide on the next page for exercising your voting rights via the Internet, etc.

**Due date for exercise                      Completion of entry by 5:30 p.m. on Wednesday, June 25, 2025**

- \* If you exercise your voting rights more than once via the Internet, etc., the last vote cast will be treated as a valid vote.
- \* If you exercise your voting rights both in writing (by mail) and via the Internet, etc., only your vote via the Internet, etc. will be valid.
- \* If there is no indication of approval or disapproval of a proposal, we will treat it as an indication of approval.

## **Guide to Exercising Voting Rights via the Internet**

### **How to scan the QR code “Smart Exercise”**

You can log in to the voting website without entering your voting code and password.

**1 Please scan the QR code at the bottom right of the Voting Rights Exercise Form.**

**\*QR Code is a registered trademark of DENSO WAVE INCORPORATED.**

**2 Then follow the on-screen instructions to enter your approval or disapproval.**

**Exercising your voting rights by “Smart Exercise” is valid only once.**

If you wish to change your vote after exercising your voting rights, please access the PC version of the website, log in by entering your “voting code” and “password” on the voting form and then exercise your voting rights again.

\*You can go to the PC site by scanning the QR code again.

### **How to enter your voting code and password**

Voting website <https://www.web54.net>

**1 Please access the voting website.**

Click “Next”

**2 Please enter the “Voting Rights Exercise Code” provided on the Voting Rights Exercise Form.**

Enter the “Voting Rights Exercise Code”

Click “Login”

**3 Please enter the password provided on the Voting Rights Exercise Form.**

Enter “Password”

Please set a new password that you will actually use

Click “Register”

**4 Then follow the on-screen instructions to enter your approval or disapproval.**

\*The operation screen is for illustrative purposes only.

### **Inquiries regarding the exercise of voting rights via the Internet, etc.**

Exclusive telephone number of Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Toll-free number: 0120-652-031 (Business hours: 9:00–21:00)

### **To Institutional Investors**

The electronic voting platform for institutional investors operated by ICJ, Inc. is available for the exercise of voting rights.

## Reference Document for the General Meeting of Shareholders

**Proposal 1:** Election of Six (6) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The terms of office of all seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members; the same shall apply hereinafter in this proposal unless otherwise stated) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to reduce the number of Directors by one (1) and to elect six (6) Directors, including three (3) Outside Directors. If This Proposal and Proposal 2 are approved, after the conclusion of this Ordinary General Meeting of Shareholders, the Board of Directors will consist of a majority of Independent Outside Directors, and the supervisory function of the Board of Directors will be further strengthened.

The decision on this proposal has been made through prior deliberation by the Nomination and Remuneration Committee, the majority of whose members are Independent Outside Directors. In addition, the Audit & Supervisory Committee put this proposal under consideration, which led to the opinion that this proposal is reasonable.

The candidates for Directors are as follows.

| Candidate No. | Gender | Name                                                                              | Current position at the Company                      | Number of years in office | Attendance at Board of Directors meetings |
|---------------|--------|-----------------------------------------------------------------------------------|------------------------------------------------------|---------------------------|-------------------------------------------|
| 1             | Male   | Masahiro Koezuka <b>Reappointment</b>                                             | Representative Director, Chairman, President and CEO | 10 years and 9 months     | 13 out of 13 (100%)                       |
| 2             | Male   | Hisato Yoshida <b>Reappointment</b>                                               | Director and COO                                     | 2 years                   | 13 out of 13 (100%)                       |
| 3             | Male   | Yutaka Yoneyama <b>Reappointment</b>                                              | Director and EVP, CFO                                | 3 years and 3 months      | 13 out of 13 (100%)                       |
| 4             | Male   | Masatoshi Suzuki <b>Reappointment</b><br><b>Outside</b><br><b>Independent</b>     | Director                                             | 4 years                   | 13 out of 13 (100%)                       |
| 5             | Female | Sachiko Kasano <b>Reappointment</b><br><b>Outside</b><br><b>Independent</b>       | Director                                             | 3 years and 3 months      | 13 out of 13 (100%)                       |
| 6             | Male   | Kazuhiro Nishihata <b>New appointment</b><br><b>Outside</b><br><b>Independent</b> | Advisor                                              | -                         | -                                         |

**Reappointment**

Candidates for reappointment as Directors

**New appointment**

Candidates for new appointment as Directors

**Outside**

Candidates for appointment as Outside Directors

**Independent**

Candidates for Independent Officers as provided by the TSE



Candidate No. 1      **Masahiro Koezuka**      Date of birth: December 14, 1951

**Reappointment**

Number of the Company's shares held 122,099

**Career summary, position and responsibility in the Company**

|                |                                                                                                                 |
|----------------|-----------------------------------------------------------------------------------------------------------------|
| April 1974     | Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry) |
| June 2010      | Director, Senior Managing Executive Officer of Fujitsu Limited                                                  |
| May 2013       | Director, Senior Executive Vice Chairman of Fujitsu Limited                                                     |
| September 2014 | Representative Director of Socionext Inc. (Preparation Company)                                                 |
| February 2015  | Director of Socionext Inc.                                                                                      |
| April 2016     | Representative Director and Chairman of Fujitsu Research Institute                                              |
| April 2018     | Representative Director, Chairman and CEO of Socionext Inc.                                                     |
| March 2022     | Representative Director, Chairman, President and CEO of Socionext Inc. (current position)                       |

**Reasons for nomination as a candidate for Director**

He has served on the Board of Directors of the Company since its founding and is well-versed in the semiconductor business, currently serving as Representative Director, Chairman, President and CEO, and helping to expand the Company's business performance and increase its corporate value. Therefore, we believe that he will be able to appropriately perform his duties as Director and request his re-election.

Candidate No. 2      **Hisato Yoshida**      Date of birth: November 3, 1963

**Reappointment**

Number of the Company's shares held 20,962

**Career summary, position and responsibility in the Company**

|              |                                                                                                                                                             |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| April 1988   | Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)                                                                  |
| April 2010   | Group Manager of Fourth Development Group, First Business Division, System LSI Division of Panasonic Corporation (currently Panasonic Holdings Corporation) |
| March 2015   | Director, Development Department IV of IoT System Business Unit, Business Group I of Socionext Inc.                                                         |
| January 2021 | Vice Head of Global Development Group and SNDP Promotion Group of Socionext Inc.                                                                            |
| April 2022   | Corporate Executive Vice President and Head of Global Development Group of Socionext Inc.                                                                   |
| June 2023    | Director, Corporate Executive Vice President and Head of Global Development Group of Socionext Inc.                                                         |
| April 2024   | Director and Deputy President in charge of Development Group of Socionext Inc.                                                                              |
| April 2025   | Director, COO and Global Leading Group (GLG) Co-Lead of Socionext Inc. (current position)                                                                   |

**Reasons for nomination as a candidate for Director**

He has been responsible for development in the semiconductor business for many years, and currently oversees overall design and development as COO and Global Leading Group (GLG) Co-Lead, contributing to improve business performance and increase corporate value. Therefore, we believe that he will be able to appropriately perform his duties as Director and request his re-election.

Candidate No. 3      **Yutaka Yoneyama**      Date of birth: June 20, 1962

**Reappointment**

Number of the Company's shares held 20,962

**Career summary, position and responsibility in the Company**

April 1985      Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Holdings Corporation)  
April 2013      Accounting Group Manager of System LSI Division of Panasonic Corporation (currently Panasonic Holdings Corporation)  
March 2015      Deputy General Manager, Corporate Finance Division of Socionext Inc.  
July 2020      General Manager, Corporate Finance Division and Corporate Affairs & HR of Socionext Inc.  
March 2022      Director Senior Vice President of Corporate Finance Division, Corporate Affairs & HR and Intellectual Property & Legal of Socionext Inc.  
April 2022      Director and Corporate Executive Vice President in charge of Finance and Business Administration of Socionext Inc.  
April 2024      Director, Deputy President in charge of Finance & Business Administration and CFO of Socionext Inc.  
October 2024      Director, Deputy President in charge of Business Administration and CFO of Socionext Inc.  
April 2025      Director and EVP, CFO of Socionext Inc. (current position)

**Reasons for nomination as a candidate for Director**

He has been in the semiconductor business for many years and has a wealth of experience and insight in finance and accounting. He continues to play a wide range of roles as Executive Vice President (EVP) CFO, contributing to improve business performance and increase corporate value. Therefore, we believe that he will be able to appropriately perform his duties as Director and request his re-election.

Candidate No. 4      **Masatoshi Suzuki**      Date of birth: October 30, 1951

**Reappointment**

**Outside**

**Independent**

Number of the Company's shares held -

**Career summary, position and responsibility in the Company**

April 1975      Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation)  
June 2008      Representative Director, Senior Executive Vice President, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.)  
June 2012      Representative Director, Senior Executive Vice President, MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation)  
October 2012      Representative Director, President, MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation)  
June 2020      Director and Advisor, MIRAIT Holdings Corporation (currently MIRAIT ONE Corporation)  
June 2021      Outside Director of Socionext Inc.  
March 2022      Chairman of the Nomination and Remuneration Committee of Socionext Inc. (current position)  
October 2022      Lead Independent Outside Director of Socionext Inc. (current position)

**Reasons for nomination as a candidate for Outside Director and outline of expected roles**

Leveraging a wealth of management experience gained from having served as a representative director and other positions at listed companies, he supervises and advises management from an objective and neutral standpoint as Lead Independent Outside Director. Therefore, we believe that he will be able to appropriately perform his duties as Outside Director from an independent position and request his re-election. The Company expects him to contribute to the enhancement of management oversight functions and the improvement of corporate value through proposals for general management based on his extensive management experience.

Candidate No. 5     **Sachiko Kasano**     Date of birth: April 14, 1977

**Reappointment**

**Outside**

**Independent**

Number of the Company's shares held -

**Career summary, position and responsibility in the Company**

|               |                                                                                                                                          |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------|
| October 2001  | Qualified as an attorney and joined Miyakezaka Sogo Law Office                                                                           |
| January 2016  | Established Kasumimon Sogo Law Offices (currently SHIOMIZAKA), Attorney (current position)                                               |
| June 2021     | Outside Audit & Supervisory Board Member of Socionext Inc.                                                                               |
| March 2022    | Outside Director (Chairman of Audit & Supervisory Committee) of Socionext Inc.                                                           |
| October 2022  | Independent Outside Director (Chairman of Audit & Supervisory Committee) of Socionext Inc.                                               |
| June 2023     | Independent Outside Director of Socionext Inc. (current position)                                                                        |
| June 2023     | Outside Director (Audit & Supervisory Committee Member) of Restar Holdings Corporation (currently Restar Corporation) (current position) |
| November 2023 | Outside Statutory Auditor of PRAP Japan, Inc. (current position)                                                                         |

**Significant concurrent positions**

Attorney, SHIOMIZAKA

Outside Director (Audit & Supervisory Committee Member) of Restar Corporation

Outside Statutory Auditor of PRAP Japan, Inc.

**Reasons for nomination as a candidate for Outside Director and outline of expected roles**

Based on her extensive experience as an attorney and her deep insight into corporate legal affairs and compliance, she supervises and advises management from an objective and neutral standpoint. While she has no experience of being involved in corporate management other than having served in the past as Outside Officer, we believe that she will be able to appropriately perform her duties as Outside Director from an independent position and request her re-election. The Company expects her to contribute to the enhancement of management oversight functions and the improvement of corporate value through proposals for general management based on her extensive experience and deep insight as an attorney.

Candidate No. 6     **Kazuhiro Nishihata**     Date of birth: March 16, 1957

**New appointment**

**Outside**

**Independent**

Number of the Company's shares held -

**Career summary, position and responsibility in the Company**

|                |                                                                                                                 |
|----------------|-----------------------------------------------------------------------------------------------------------------|
| April 1981     | Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) |
| June 2006      | President and Representative Director of NTT EUROPE LTD.                                                        |
| June 2009      | Senior Vice President, Head of Global Business Sector of NTT DATA                                               |
| June 2015      | Executive Vice President and Director of NTT DATA                                                               |
| June 2017      | Senior Executive Vice President and Representative Director of NTT DATA                                         |
| June 2018      | Executive Advisor of NTT DATA                                                                                   |
| June 2020      | Senior Executive Vice President and Representative Director of NTT DATA                                         |
| October 2022   | President and Chief Executive Officer, Representative Director of NTT DATA, Inc.                                |
| September 2024 | Advisor to Socionext Inc. (current position)                                                                    |

**Reasons for nomination as a candidate for Outside Director and outline of expected roles**

He has experience in global business management, such as having served as the representative director of a listed company and the president of an overseas operating company, and a wealth of technical knowledge related

to IT services. Therefore, we believe that he will be able to appropriately perform his duties as Outside Director from an independent position and request his election. The Company expects him to contribute to the enhancement of management oversight functions and the improvement of corporate value through proposals for general management based on his extensive management experience.

Notes:

1. There are no special conflicts of interest between any of the candidates and the Company.
2. Masatoshi Suzuki, Sachiko Kasano and Kazuhiro Nishihata are candidates for Outside Directors.
3. Although Masatoshi Suzuki and Sachiko Kasano are currently Outside Directors. Masatoshi Suzuki and Sachiko Kasano will have served as Outside Directors for four years and three years and three months, respectively, as of the conclusion of this General Meeting of Shareholders.
4. The Company has entered into limited liability agreements with Masatoshi Suzuki and Sachiko Kasano pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation to limit their liability for damages as defined under Article 423, Paragraph 1 of the Company Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Company Act. If they are elected and appointed as Directors, the Company plans to continue the said agreement. In addition, if Kazuhiro Nishihata is elected and appointed as Director, the Company plans to enter into a similar limited liability agreement with him.
5. The Company has entered into indemnity agreements with Masahiro Koezuka, Hisato Yoshida, Yutaka Yoneyama, Masatoshi Suzuki and Sachiko Kasano to the effect that the Company will compensate, to the extent provided by laws and regulations, for the expenses referred to in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses referred to in Item 2 of the same paragraph so that Directors can fully perform their expected roles. If each candidate is elected and appointed as Director, the Company plans to continue the said agreement. In addition, if Kazuhiro Nishihata is elected and appointed as Director, the Company plans to enter into a similar indemnity agreement with him.
6. The Company has entered into officers' liability insurance contracts with insurance companies pursuant to Article 430-3, Paragraph 1 of the Companies Act, under which the insured is liable in connection with the execution of his/her duties or shall be compensated for any damage that may arise from the receipt of a claim related to the pursuit of such liability. All premiums for the insured are fully paid by the Company. If each candidate is elected and appointed as Director, he or she will be an insured under the relevant insurance policy. The policy is also scheduled to be renewed at the next renewal.
7. On July 7, 2021, MIRAIT Corporation (currently, MIRAIT ONE Corporation), for which Masatoshi Suzuki was serving as a Director, received a notice of administrative disposition from the Kanto Bureau of Telecommunications of the Ministry of Internal Affairs and Communications, concerning an order to suspend its registered inspection business and a business improvement order, alleging that the company had acted in violation of the Radio Act in connection with its past inspection of radio station equipment. We understand that he was not aware of the above facts until they were made known to the corporation, and believe that he appropriately carried out his duties while serving as a director of the Company, such as making recommendations on legal compliance on a regular basis, and after the fact came to light, asking the Board of Directors of the corporation to take measures to prevent the recurrence of the situation.
8. The Company appointed Masatoshi Suzuki and Sachiko Kasano as Independent Officers as provided by the Tokyo Stock Exchange and has registered them with the Tokyo Stock Exchange. The Company will continue to appoint them as Independent Officers if they are elected. If Kazuhiro Nishihata is elected and appointed as Director, he meets the requirements for Independent Officer as provided by the Tokyo Stock Exchange, and the Company plans to register him as Independent Officer.
9. The number of the Company's shares held by each candidate is as of March 31, 2025.
10. Sachiko Kasano's name on the family register is Sachiko Yanai.

**Proposal 2: Election of Three (3) Directors Who Are Audit & Supervisory Committee Members**

The terms of office of three (3) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes to elect three (3) Directors who are Audit & Supervisory Committee Members.

With regard to this agenda item, the consent of the Audit & Supervisory Committee has been obtained.

The candidates for Director who are Audit & Supervisory Committee Members are as follows.

| Candidate No. | Gender | Name               |                                         | Current position at the Company                           | Number of years in office | Attendance at Board of Directors meetings |
|---------------|--------|--------------------|-----------------------------------------|-----------------------------------------------------------|---------------------------|-------------------------------------------|
| 1             | Male   | Yasuyoshi Ichikawa | Reappointment<br>Outside<br>Independent | Director (Audit & Supervisory Committee Member)           | 3 years and 3 months      | 13 out of 13 (100%)                       |
| 2             | Male   | Morimasa Ikemoto   | Reappointment<br>Outside<br>Independent | Director (Full-time Audit & Supervisory Committee Member) | 2 years                   | 13 out of 13 (100%)                       |
| 3             | Female | Noriko Yoneda      | Reappointment<br>Outside<br>Independent | Director (Audit & Supervisory Committee Member)           | 2 years                   | 13 out of 13 (100%)                       |

Reappointment  
Outside  
Independent

Candidates for reappointment as Directors

Candidates for appointment as Outside Directors

Candidates for Independent Officers as provided by the TSE

Candidate No. 1      **Yasuyoshi Ichikawa**      Date of birth: July 16, 1961

Reappointment  
Outside  
Independent

Number of the Company's shares held -

**Career summary, position and responsibility in the Company**

October 1985      Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)  
August 2018      Executive officer of Deloitte Touche Tohmatsu LLC (in charge of Quality Control)  
December 2020      Established Yasuyoshi Ichikawa Certified Public Accountant Office, Certified Public Accountant (current position)  
March 2022      Outside Director (Audit & Supervisory Committee Member) of Socionext Inc. (current position)  
October 2022      Independent Outside Director (Audit & Supervisory Committee Member) of Socionext Inc.  
June 2023      Independent Outside Director (Chairman of Audit & Supervisory Committee) of Socionext Inc. (current position)  
June 2023      Outside Audit & Supervisory Board Member of Dai Nippon Printing Co., Ltd. (current position)

**Significant concurrent positions**

Member of Yasuyoshi Ichikawa Certified Public Accountant Office, Certified Public Accountant  
Outside Audit & Supervisory Board Member of Dai Nippon Printing Co., Ltd.

**Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles**

Based on his extensive experience as a certified public accountant and his deep insight into financial accounting, he supervises and advises management from an objective and neutral standpoint as Chairman of the Audit & Supervisory Committee. While he has no experience of being involved in corporate management other than having served in the past as Outside Officer, the Company concluded that he will be able to perform his duties appropriately from an independent standpoint and proposes re-electing him as Outside Director who is an Audit & Supervisory Committee Member. The Company expects him to contribute to the enhancement of

management oversight functions and the improvement of corporate value through proposals for general management based on his extensive experience and deep insight as a certified public accountant.

Candidate No. 2      **Morimasa Ikemoto**      Date of birth: January 4, 1954

Reappointment  
**Outside**  
**Independent**

Number of the Company's shares held -

**Career summary, position and responsibility in the Company**

|            |                                                                                                                    |
|------------|--------------------------------------------------------------------------------------------------------------------|
| April 1979 | Joined Fujitsu Limited                                                                                             |
| June 2012  | General Manager, Corporate Internal Audit Division of Fujitsu Limited                                              |
| June 2014  | Full-time Corporate Auditor, FUJITSU COMPONENT LIMITED (currently FCL COMPONENTS LIMITED)                          |
| June 2016  | Director (Audit & Supervisory Committee Member), FUJITSU COMPONENT LIMITED (currently FCL COMPONENTS LIMITED)      |
| June 2018  | Outside Director of Socionext Inc.                                                                                 |
| July 2022  | Advisor to Socionext Inc.                                                                                          |
| June 2023  | Outside Director (Full-time Audit & Supervisory Committee Member) of Socionext Inc.                                |
| April 2024 | Independent Outside Director (Full-time Audit & Supervisory Committee Member) of Socionext Inc. (current position) |

**Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles**

He has served as a director who is an audit and supervisory committee member and a full-time auditor of a listed company, and has considerable knowledge of finance and accounting, internal control and auditing. He supervises and advises management from an objective and neutral standpoint as a full-time Audit & Supervisory Committee Member. Therefore, the Company concluded that he will be able to perform his duties appropriately and proposes re-electing him as Outside Director who is an Audit & Supervisory Committee Member. If elected, he is expected to take on the responsibilities of a full-time Audit & Supervisory Committee Member. The Company expects him to contribute to the enhancement of management oversight functions and the improvement of corporate value through proposals for general management based on his extensive knowledge.

Candidate No. 3      **Noriko Yoneda**      Date of birth: June 30, 1975

Reappointment  
**Outside**  
**Independent**

Number of the Company's shares held -

**Career summary, position and responsibility in the Company**

|              |                                                                                                          |
|--------------|----------------------------------------------------------------------------------------------------------|
| October 2001 | Qualified as an attorney and joined Tatsuno, Ozaki & Fujii Law Office                                    |
| October 2014 | Joined TMI Associates                                                                                    |
| July 2020    | Established Kobe Grace Law Office, Representative Attorney (current position)                            |
| March 2023   | Outside Director of KEIWA Incorporated (current position)                                                |
| June 2023    | Independent Outside Director (Audit & Supervisory Committee Member) of Socionext Inc. (current position) |

**Significant concurrent positions**

Representative Attorney of Kobe Grace Law Office  
Outside Director of KEIWA Incorporated

### **Reasons for nomination as a candidate for Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles**

She has extensive experience as an attorney and deep insight into corporate legal affairs and compliance. She has supervised and advised management from an objective and neutral standpoint as an Audit & Supervisory Committee Member. While she has no experience of being involved in corporate management other than having served in the past as Outside Officer, the Company concluded that she will be able to perform her duties appropriately from an independent standpoint and proposes re-electing her as Outside Director who is an Audit & Supervisory Committee Member. The Company expects her to contribute to the enhancement of management oversight functions and the improvement of corporate value through proposals for general management based on her extensive experience and insight as an attorney.

#### **Notes:**

1. There are no special conflicts of interest between any of the candidates and the Company.
2. Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda are candidates for Outside Director.
3. Although Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda are currently Outside Director of the Company, Yasuyoshi Ichikawa will have served as Outside Director for three years and three months, and Morimasa Ikemoto and Noriko Yoneda will have served as Outside Directors for two years, at the conclusion of this General Meeting of Shareholders. Morimasa Ikemoto served as Outside Director for four years and one month from June 2018 to July 2022.
4. The Company has entered into limited liability agreements with Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation to limit their liability for damages as defined under Article 423, Paragraph 1 of the Company Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Company Act. If each candidate is elected and appointed as Director who is an Audit & Supervisory Committee Member, the Company plans to continue the said agreement.
5. The Company has entered into indemnity agreements with Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda to the effect that the Company will compensate, to the extent provided by laws and regulations, for the expenses referred to in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses referred to in Item 2 of the same paragraph so that a Director who is an Audit & Supervisory Committee Member can fully perform their expected roles. If each candidate is elected and appointed as Director who is an Audit & Supervisory Committee Member, the Company plans to continue the said agreement.
6. The Company has entered into officers' liability insurance contracts with insurance companies pursuant to Article 430-3, Paragraph 1 of the Companies Act, under which the insured is liable in connection with the execution of his/her duties or shall be compensated for any damage that may arise from the receipt of a claim related to the pursuit of such liability. All premiums for the insured are fully paid by the Company. If each candidate is elected and appointed as Director who is an Audit & Supervisory Committee Member, he or she will be an insured under the relevant insurance policy. The policy is also scheduled to be renewed at the next renewal.
7. The Company appointed Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda as Independent Officers as provided by the Tokyo Stock Exchange and has registered them with the Tokyo Stock Exchange. If they are elected and appointed as Directors who are Audit & Supervisory Committee Members, the Company will continue to appoint them as Independent Officers.
8. The number of the Company's shares held by each candidate is as of March 31, 2025.
9. Noriko Yoneda's name on the family register is Noriko Oshima.

**Reference: Composition of the Board of Directors and skill matrix of Directors (after the conclusion of this General Meeting of Shareholders)**

If Proposal 1 and Proposal 2 are approved as proposed, the composition of the Board of Directors and the skill matrix of Directors after the conclusion of this General Meeting of Shareholders will be as shown in the table below.

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



## Reference: Independence Standards for Outside Directors

### 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 Socionext Group Companies (Note 1) (Note 2) or a business executive person thereof (Note 3)
2. Major client of (Note 4) or major lender (Note 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 the officer's compensation (Note 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 Socionext Group Companies (Note 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 Socionext Group Companies
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 (Note 8) or a business executive person thereof
9. A close relative of one of the following (Note 9):
  - (1) Persons listed in the above 1 through 8
  - (2) A business executive person of Socionext Group Companies
  - (3) A business executive person who has been an executive person of Socionext Group Companies in the past three years

Note: 1 Socionext Group Companies means Socionext Inc. and its subsidiaries.

Note: 2 A person whose major client or supplier is Socionext Group Companies 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.

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

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

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

Note: 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 Socionext Group Companies, 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.

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

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

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

**Proposal 3: Election of One (1) Substitute Director Who Is an Audit & Supervisory Committee Member**

In order to prepare for the case where the number of Directors who are Audit & Supervisory Committee Members falls short of the number stipulated by laws and regulations, the Company requests the election of one (1) Substitute Director who is an Audit & Supervisory Committee Member.

The election of the substitute Director who is an Audit & Supervisory Committee Member is effective until the start of the ordinary general meeting of shareholders for the last fiscal year of the fiscal years ending within one year after the election; also, provided it is before the appointment of a Director who is an Audit & Supervisory Committee Member becoming effective, the election may be rescinded by a resolution of the Board of Directors with the consent of the Audit & Supervisory Committee.

With regard to this agenda item, the consent of the Audit & Supervisory Committee has been obtained.

The candidate for Substitute Director who is an Audit & Supervisory Committee Member is as follows.

**Go Anan**

Date of birth: March 20, 1977

**Outside**  
**Independent**

Number of the Company's shares held -

**- Career summary**

|              |                                                                                   |
|--------------|-----------------------------------------------------------------------------------|
| October 2001 | Qualified as an attorney and joined Mori Sogo (currently Mori Hamada & Matsumoto) |
| April 2007   | Joined Sueyoshi Sogo Law Office (currently SHIOMIZAKA) (current position)         |
| May 2021     | Outside Statutory Auditor of INFORICH INC. (current position)                     |
| June 2022    | Outside Director of AGP CORPORATION (current position)                            |

**- Significant concurrent positions**

Attorney, SHIOMIZAKA  
Outside Statutory Auditor of INFORICH INC.  
Outside Director of AGP CORPORATION

**[Reasons for nomination as a candidate for Substitute Outside Director who is an Audit & Supervisory Committee Member and outline of expected roles]**

He has extensive experience as an attorney and deep insight into corporate legal affairs. While he has no experience of being involved in corporate management other than having served in the past as Outside Officer, the Company concluded that he will be able to perform his duties appropriately from an independent standpoint and proposes electing him as Substitute Outside Director who is an Audit & Supervisory Committee Member. The Company expects him to contribute to the enhancement of management oversight functions and the improvement of corporate value through proposals for general management based on his extensive experience and insight as an attorney.

Notes:

1. There are no special conflicts of interest between the candidate and the Company.
2. Go Anan is a candidate for Substitute Outside Director.
3. If Go Anan is elected and appointed as Director who is an Audit & Supervisory Committee Member, the Company plans to enter into a limited liability agreement with him pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation to limit his liability for damages as defined under Article 423, Paragraph 1 of the Company Act to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Company Act.
4. If Go Anan is elected and appointed as Director who is an Audit & Supervisory Committee Member, the Company plans to enter into an indemnity agreement with him to the effect that the Company will compensate, to the extent provided by laws and regulations, for the expenses referred to in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses referred to in Item 2 of the same paragraph so that a Director who is an Audit & Supervisory Committee Member can fully perform his expected roles.
5. The Company has entered into officers' liability insurance contracts with insurance companies pursuant to Article 430-3, Paragraph 1 of the Companies Act, under which the insured is liable in connection with the execution of his/her duties or shall be compensated for any damage that may arise from the receipt of a claim related to the pursuit of such liability. All premiums for the insured are fully paid by the Company. If the candidate is elected and appointed as Director who is an Audit & Supervisory Committee Member, he will be an insured under the relevant insurance policy.
6. If Go Anan is elected and appointed as Director who is an Audit & Supervisory Committee Member, he meets the requirements for Independent Officer as provided by the Tokyo Stock Exchange, and the Company plans to register him as Independent Officer.
7. The number of the Company shares held by the candidate is as of March 31, 2025.

**Proposal 4:** Revision of the amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members)

At the Extraordinary General Meeting of Shareholders on July 27, 2022, it was resolved by a deemed resolution that the total amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall not be more than 550 million yen per year (including not more than 45 million yen for Outside Directors; however, this does not include the employee salaries of Directors who concurrently serve as employees).

The Group aims to further develop as a multinational company through business growth and business transformation. In order to draw closer to the market's compensation levels to secure human resources at home and abroad, it is proposed that the amount of compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be revised to 800 million yen per year (including 100 million yen for Outside Directors; however, this does not include the employee salaries of Directors who concurrently serve as employees).

At a meeting of the Board of Directors held on May 19, 2025, the Company formulated the policy for decisions on the contents of compensation, etc. for individual new Directors, subject to the approval of this Proposal and Proposal 6 "Determination of Amount and Content of Performance-Based Restricted Stock Compensation, etc. for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), etc." as originally proposed, an outline of which is shown on pages 27 to 32.

This proposal has been determined in accordance with the policy, etc. for decisions on the contents of compensation, etc. for individual Directors after the revision. The Company has concluded that it is appropriate by comprehensively considering various circumstances, including the scale of the Company's business, the executive compensation system and its payment level in the future, and the recent economic situation. The decision on this proposal has been made through prior deliberation and report by the Nomination and Remuneration Committee, the majority of whose members are Independent Outside Directors. In addition, the Audit & Supervisory Committee put this proposal under consideration, which led to the opinion that this proposal is reasonable.

The current number of Directors (excluding Directors who are Audit & Supervisory Committee Members) is seven (7) (including two (2) Outside Directors). If Proposal 1 is approved, the number of Directors (excluding Directors who are Audit & Supervisory Committee Members) will be six (6) (including three (3) Outside Directors).

**Proposal 5:** Revision of the Amount of Compensation, etc. for Directors Who Are Audit & Supervisory Committee Members

At the Extraordinary General Meeting of Shareholders held on July 27, 2022, it was resolved by a deemed resolution that the compensation, etc. for Directors who are Audit & Supervisory Committee Members shall be no more than 200 million yen per year (including no more than 80 million yen for Outside Directors).

With the expansion of the Group's global business, the content and scope of audit work by Directors who are Audit & Supervisory Committee Members have expanded more than before, and the importance of audits for business execution has increased. Accordingly, in order to raise the compensation level appropriate to this, the Company proposes to revise the amount of compensation, etc. for Directors who are Audit & Supervisory Committee Members to no more than 300 million yen per year.

The Company has concluded that the proposal is appropriate by rationally considering factors, including the scale of the Company's business, the executive compensation system and its payment level, as well as optimal personnel structure to further strive to enhance corporate governance in the future. The decision on this proposal has been made through prior deliberation and report by the Nomination and Remuneration Committee, the majority of whose members are Independent Outside Directors. In addition, the Audit & Supervisory Committee put this proposal under consideration, which led to the opinion that this proposal is reasonable.

The current number of Directors who are Audit & Supervisory Committee Members is three (3). If Proposal 2 is approved, the number of Directors who are Audit & Supervisory Committee Members will continue to be three (3).

**Proposal 6:** Determination of the Amount and Content of Performance-Based Restricted Stock Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members and Outside Directors), etc.

At the Extraordinary General Meeting of Shareholders held on July 27, 2022, it was approved by a deemed resolution that a performance-based restricted stock compensation plan (hereafter referred to as the “Current plan”) is introduced for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and that the total amount of monetary compensation claims to be paid to eligible Directors for the grant of stock compensation under the Current plan shall not exceed 170 million yen per year (however, this does not include the employee salaries of Directors who concurrently serve as employees).

If Proposal 4 is approved as originally proposed, the total amount of monetary compensation for Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be not more than 800 million yen per year (including not more than 100 million yen for Outside Directors; however, this does not include employee salaries for Directors who concurrently serve as employees). The Company expects that further progress will be made in the Group’s business growth and business transformation, and that management activities will be further promoted with a focus on corporate value, and wishes to secure human resources at home and abroad by drawing closer to the market’s stock compensation levels. To this end, this Proposal separately requests the approval of shareholders for the introduction of an “officer compensation BIP trust” (hereinafter referred to as the “Plan”), which is a stock compensation plan based on a stock delivery trust for Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) and Executive Officers who meet certain requirements (hereinafter collectively referred to as “Eligible Directors, etc.”) in place of the Current Plan. There is no change in the basic policy regarding the performance-based restricted stock compensation plan in the Current Plan.

Subject to the approval of this proposal by the General Meeting of Shareholders, the ceiling for the compensation under the Current Plan that was approved as a deemed resolution at the Extraordinary General Meeting of Shareholders held on July 27, 2022, will be abolished as of the fiscal year ended March 31, 2025, and subsequently, no new allotments of restricted stock will be made. However, restricted stocks that have already been granted and that are scheduled for a grant for the fiscal year ended March 31, 2025, will be preserved.

The introduction of the Plan aims to further enhance awareness of contribution to the Group’s improvement of medium- to long-term business performance and increase of corporate value by setting the timing of the delivery of shares to Eligible Directors, etc. at the time of their retirement, in principle. At a meeting of the Board of Directors held on May 19, 2025, the Company established the policy for decisions on the contents of compensation, etc. for individual new Directors, subject to the approval of Proposal 4 “Revision of the Amount of Compensation, etc. for Directors (Excluding Directors who are Audit & Supervisory Committee Members)” and this Proposal as originally proposed, an outline of which is shown on pages 27 to 32. The Company considers that the introduction of the Plan is appropriate as the Plan is in line with the policy. The decision on this proposal has been made through prior deliberation and report by the Nomination and Remuneration Committee, the majority of whose members are Independent Outside Directors. In addition, the Audit & Supervisory Committee put this proposal under consideration, which led to the opinion that this proposal is reasonable.

If Proposal 1 “Election of Six (6) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” is approved as originally proposed, the number of Directors of the Company subject to the Plan will be three (3). As mentioned above, the Plan also covers Executive Officers (at the conclusion of the General Meeting of Shareholders, there will be seven (7) Executive Officers who do not concurrently serve as Directors eligible for the Plan), and the compensation, etc. based on the Plan includes compensation, etc. for Executive Officers. This Proposal proposes the amount and details of the compensation, etc. for Eligible Directors, etc., as to the entire compensation, etc. based on the Plan, in light of the possibilities that those Executive Officers may become Directors during the period covered by the Trust (as defined in (1) below).

#### (1) Outline of the Plan

The Plan is a stock compensation scheme whereby the Company’s shares are acquired through a trust (hereinafter, the “Trust”) funded by the compensation amounts of the Eligible Directors, etc. contributed by the Company, and the Company’s shares and money equivalent to the conversion value of the Company’s shares (hereinafter, the “Company Shares, etc.”) are delivered and paid (hereinafter, the “Delivery, etc.”) to the Eligible Directors, etc. in accordance with the Board Directors Share Delivery Regulations or Executive Officers Share Delivery Regulations established by the Company (details are provided in (2) and after below).

|                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1) Recipients of the Company Shares, etc. Subject to the Plan</b>                                                      | <ul style="list-style-type: none"> <li>Directors (excluding Directors who are Audit &amp; Supervisory Committee Members and Outside Directors) of the Company</li> <li>Executive Officers of the Company (who meet certain requirements)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>2) Impact of the Company's Shares Subject to the Plan on the Total Number of Shares Issued</b>                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| The upper limit of the monetary amount that the Company will contribute<br>(Described in (3) below.)                      | <ul style="list-style-type: none"> <li>1,150 million yen multiplied by the number of years of the target period. 3,450 million yen for the three fiscal years that are the initial target period<br/>(The initial target period is three fiscal years from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028)</li> </ul>                                                                                                                                                                                                                                                                                         |
| Maximum number of the Company Shares, etc. of the Delivery, etc. to Eligible Directors, etc.<br>(Described in (4) below.) | <ul style="list-style-type: none"> <li>1,000,000 shares multiplied by the number of years of the target period. The maximum number of shares of the Delivery, etc. to Eligible Directors, etc. for the three fiscal years that are the initial target period is 3,000,000 shares<br/>(The initial target period is three fiscal years from the fiscal year ending March 31, 2026, to the fiscal year ending March 31, 2028)</li> <li>The ratio of the above number of shares per fiscal year (1,000,000 shares) to the Company's total number of issued shares (as of March 31, 2025, net of treasury shares) is approximately 0.6%</li> </ul> |
| Method of acquisition of the Company shares<br>(Described in (3) below.)                                                  | <ul style="list-style-type: none"> <li>The Company shares will be acquired from the stock market or the Company (disposition of treasury shares)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>3) Details of conditions for achievement of performance (Described in (4) below.)</b>                                  | <ul style="list-style-type: none"> <li>Varies within the range of 0–200% depending on the status of achievement of the evaluation indicators (targets) in the common items (quantitative items)*1 and the individual items (qualitative items)*2 set in accordance with the Company's business plan.<br/>At the level of achievement of evaluation indicators within the range of 0–200%, all or part of the incentive compensation (cash) may be paid as stock compensation in place of cash.<br/>*1: Net sales, operating income, and design win amount<br/>*2: Business transformation, growth strategy, ESG measures, etc.</li> </ul>      |
| <b>4) Timing of Delivery, etc. of the Company Shares, etc. to Eligible Directors, etc. (described in (5) below.)</b>      | <ul style="list-style-type: none"> <li>In principle, upon the retirement of Eligible Directors, etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

(2) Trust period

The initial trust period will be a period of approximately three (3) years from August 2025 (to be confirmed) to August 2028 (to be confirmed). However, at the time of expiration of the trust period, the trust period may be extended pursuant to (3) below.

(3) The upper limit of the monetary amount that the Company will contribute

The Company shall set an upper limit for the trust funds to be contributed as compensation, etc. for Eligible Directors, etc. for each applicable period for the purpose of acquiring the Company's shares for Delivery, etc. to the Eligible Directors, etc. This upper limit shall be the amount obtained by multiplying 1,150 million yen by the number of years of the applicable period (3,450 million yen for the three (3) fiscal years of the initial applicable period). The Company shall then contribute such trust funds as compensation, etc. for Eligible Directors, etc. and establish the Trust for the period corresponding to the applicable period, with the Eligible Directors, etc. as beneficiaries. The Trust will comply with the instructions of the trust administrator and use

the trust funds to acquire the Company's shares from the stock market or from the Company (disposal of treasury shares). During the applicable period, the Company will grant points (described in (4) below) to the Eligible Directors, etc., and Delivery, etc. of the Company Shares, etc. corresponding to the number of points will be made from the Trust at the time of resignation of such Eligible Directors, etc. in principle. If the residual shares in the Trust are insufficient for the number of shares to be delivered to the Eligible Directors, etc. during the applicable period, additional contributions may be made to the Trust within the upper limit described above and additional acquisitions of the Company's shares may be made.

At the time of expiration of the trust period, the Trust may be continued by modifying the trust agreement and entrusting additional funds, in lieu of establishing a new trust. In such an event, the trust period will be extended only for the same period as the previous trust period, and the new applicable period shall be three (3) fiscal years after the extension of the trust period. For each extended trust period, the Company shall make additional contributions within the range of the amount approved at the General Meeting of Shareholders and continue to grant points to the Eligible Directors, etc. during the extended trust period, and the Trust shall continue to make Delivery, etc. of Company Shares, etc. during the extended trust period. However, when making such additional contributions, if there are any Company shares (excluding those Company shares corresponding to the points granted to the Eligible Directors, etc. but whose Delivery, etc. has not been completed) and monies (hereinafter, "Residual Shares, etc.") remaining in the Trust on the last day of the trust period prior to its extension, the total amount of the Residual Shares, etc. and the trust funds to be additionally contributed shall be within the range of the amount approved at the General Meeting of Shareholders.

In addition, if modification of the trust agreement and additional entrustment of funds are not to be conducted at the time of expiration of the trust period (in the event of the extension of the trust period as described above, at the time of expiration of the trust period after its extension), no new points will be subsequently granted to the Eligible Directors, etc., but the trust period of the Trust may be extended for a certain period only until the Delivery, etc. of the Company Shares, etc. to the Eligible Directors, etc. is completed.

(4) Calculation and the upper limit of the number of the Company Shares, etc. for the Delivery, etc. to the Eligible Directors, etc.

The number of the Company Shares, etc. for the Delivery, etc. to the Eligible Directors, etc. shall be determined by the number of points granted according to their position, the level of achievement of performance targets, and other factors during the trust period. In addition, the Delivery, etc. of the Company Shares, etc. shall be made according to the number of points accumulated at the time of resignation of the Eligible Directors, etc. in principle (hereinafter, "Accumulated Points").

One (1) point equates to one (1) of the Company's shares. However, if, during the trust period, an event occurs for which an adjustment of the points is deemed fair and appropriate, such as a stock split or consolidation of the Company's shares, the number of the Company's shares per point will be adjusted in accordance with the split ratio, consolidation ratio, or similar factors.

The maximum number of points that may be granted to the Eligible Directors, etc. during the trust period of the Trust shall be 1,000,000 points multiplied by 3, the number of years in the applicable period. The maximum number of the Company Shares, etc., for which the Eligible Directors, etc. may receive the Delivery, etc., from the Trust during the applicable period (hereinafter, the "Maximum Number of Shares, etc. for the Delivery") shall be the number of shares corresponding to that maximum number of points. Therefore, the Maximum Number of Shares, etc. for the Delivery for the initial applicable period of three (3) fiscal years shall be 3,000,000 shares. Further, if the Trust is continued pursuant to (3) above, the Maximum Number of Shares, etc. for the Delivery for the extended trust period shall be the same as described above. These Maximum Numbers of Shares, etc. for the Delivery have been set with reference to share price used when considering the most recent acquisition of treasury stock and other factors in light of the upper limit of the monetary amount that the Company will contribute pursuant to (3) above.

## Method of calculation of points

### 1. Composition of compensation for Eligible Directors, etc.

The composition of compensation for the Eligible Directors, etc. shall be as shown in the table below. The compensation under the Plan shall be provided as the compensation stated in the cells related to “Stock” of “Incentive compensation” in the table.

| Type of compensation   |                | Outline                                                                                                                                                                 | Fixed/variable | Payment method   | Percentage to total (Note 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 the target one fiscal year                                 | Variable       |                  | 20%                          |
|                        | Stock (Note 1) | Payment of shares as performance-based compensation based on the performance evaluation of one (1) applicable fiscal year, made at the time of resignation in principle |                | Payment by stock | 20%                          |

Notes: 1. For the payment by 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 the resignation of the Eligible Directors, etc. in principle.  
2. Percentage figures are estimates and are the percentages when 100% of the performance targets are achieved. In addition, within the range of 0–200%, the ratio of cash and stock to the total incentive compensation may differ.

### 2. Method of calculation of points

The points granted to individual Eligible Directors, etc. every year are determined according to the basic compensation by position of the individual Eligible Directors, etc. (annual amount), the level of achievement of performance targets (evaluated within the range of 0–200%), consisting of quantitative items (net sales, operating profit, design win amount) and qualitative items (business transformation, growth strategy, ESG measures, etc.), the duration of service during the performance evaluation period, and other factors.

#### (5) Method and timing of the Delivery, etc. of the Company Shares, etc. to the Eligible Directors, etc.

If the Eligible Directors, etc. have fulfilled any of the Conditions for Delivery of Stock below at the time of their resignation, they will receive the Delivery, etc. of the number of the Company Shares, etc. corresponding to the number of points determined based on (4) above by undertaking the prescribed beneficiary finalization procedures. If the Plan is abolished prior to the resignation of the Eligible Directors, etc., those Eligible Directors, etc. who are in office will receive the Delivery, etc. of the number of the Company Shares, etc. corresponding to the number of points determined based on (4) above by undertaking the prescribed beneficiary finalization procedures.

At that time the Eligible Directors, etc. will receive the Delivery, etc. of the Company’s shares in a number corresponding to a certain percentage of the points granted to them (rounded down to share units) 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.



However, in the event of the death of a serving Eligible Director, etc. during the trust period, in principle, all of the Company's shares corresponding to the number of Accumulated Points granted at that point in time will be converted into cash within the Trust and a monetary amount equivalent to the conversion value of the shares will be paid to the heirs of such Eligible Director, etc.

| <b>Conditions for Delivery of Stock</b> |                                                                                                                                                                                                                          |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                       | 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                                       |
| 2                                       | 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 |
| 3                                       | Death during the term of office                                                                                                                                                                                          |

(6) 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 the Eligible Directors, etc., or in the event that the Eligible Directors, etc. (including heirs of the Eligible Directors, etc. in the event of the death of a serving Eligible Director, etc. 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 Eligible Directors, etc. (including heirs of the Eligible Director, etc. in the event of the death of a serving Eligible Director, etc. during the trust period) in question to the Company's shares, scheduled for Delivery, etc. or request the return (clawback) of the monetary equivalent of the Company Shares, etc. already delivered, etc.

(7) Voting rights pertaining to the Company's shares in the Trust

Voting rights pertaining to the Company shares in the Trust shall not be exercised during the trust period to ensure neutrality toward the Company's management.

(8) Handling of dividends pertaining to the Company's shares in the Trust

The dividends pertaining to the Company's shares in the Trust are to be received by the Trust and allocated to its trust fees and trust expenses. In addition, the portion of any residual dividends pertaining to the Company's shares in the Trust that have arisen at the time of the expiration of the trust period and that exceed the trust reserve will be donated to organizations that have no interest with the Company or the Eligible Directors, etc. if the Trust is to be terminated.

(9) Other details of the Plan

Other details of the Plan will be decided by the Board of Directors at the time of setting up the Trust, modification of the trust agreement, and additional contributions to the Trust.

Reference: Policy for decisions on the contents of compensation, etc. for individual Directors

At a meeting of the Board of Directors held on May 19, 2025, the Company resolved the policy for decisions on the contents of compensation, etc. for individual new Directors, subject to the approval of Proposal 4 “Revision of the Amount of Compensation, etc. for Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)” as originally proposed. The revised outline of the policy for decisions on the contents of compensation, etc. for individual Directors is as follows.

◆ The contents of policy for decisions on the contents of compensation, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members) after the conclusion of this General Meeting of Shareholders (revised)

A. Details of the Directors’ Compensation System

1) Basic concept

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 qualified 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 Remuneration 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 Director                          | 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 a similar size, based on the data from research firms, and establish appropriate levels relevant for the positions.

## 3) Process for determining compensation, etc.

The Company has established a voluntary Nomination and Remuneration Committee to ensure the appropriateness of compensation levels and amounts and the transparency of the decision-making process. The chairman and the majority of committee members are Independent Outside Directors.

The Board of Directors consults with the Nomination and Remuneration Committee on basic policies and decision procedures. The recommendations of the Nomination and Remuneration 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 Directors Share Delivery Regulations or Executive Officers Share Delivery Regulations established by the Company), based on the report made by the Nomination and Remuneration Committee to the Board of Directors. It is subject to approval by the Nomination and Remuneration 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.

## B. Compensation structure

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

### 1) Directors in charge of business execution

17. Directors in charge of business execution

| Type of compensation   |                | Outline                                                                                                                                                                 | Fixed/variable | Payment method   | Percentage to total (Note 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 the target one fiscal year                                 | Variable       |                  | 20%                          |
|                        | Stock (Note 1) | Payment of shares as performance-based compensation based on the performance evaluation of one (1) applicable fiscal year, made at the time of resignation in principle |                | Payment by stock | 20%                          |

- Notes: 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 it with the performance of other companies in the same industry or of a similar size.

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

#### (ii) Incentive compensation (cash and 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) (Note 1) |                                                              | Weighting percentage | Variation range (Note 2)                                                                                                                                     |
|---------------------------------------------------------------------------------------|---------------------|---------------------------------------------------|----------------------------------------|--------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target fiscal year<br>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 (Note 3)                                    | 25%                  |                                                                                                                                                              |
|                                                                                       |                     |                                                   |                                        | Design win amount                                            | 25%                  |                                                                                                                                                              |
|                                                                                       | Individual items    |                                                   | Qualitative items                      | Business transformation, growth strategy, ESG measures, etc. | 25%                  |                                                                                                                                                              |
|                                                                                       |                     |                                                   |                                        |                                                              | 100%                 |                                                                                                                                                              |

- Notes: 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 Remuneration 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 Remuneration Committee judges that it is appropriate to pay all or part of the incentive compensation (cash) within the range of 0–200% as incentive compensation (stock) instead of incentive compensation (cash), it will report to the Board of Directors to that effect. Based on the report of the Nomination and Remuneration Committee, the Board of Directors deliberates and decides the level of incentive compensation (cash) payment.

Payment is made in cash in June of the fiscal year following the target fiscal year (for 1 year) of performance evaluation.

<Conceptual image of evaluation>

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

c. Payment of incentive compensation (stock)

I Outline

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

## 2) Outside Directors among Directors

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

# Business Report (April 1, 2024, to March 31, 2025)

## 1. Current Status of Corporate Group

### (1) Business progress and results

[Status of the world economy]

During the fiscal year under review, while inflationary pressures were easing, there arose regional variances in the global economy. Specifically, Europe and Japan continued to face severe conditions, due to a decline in export demand by factors such as sluggish domestic demand in China. On the other hand, in the United States, the economy remained firm due to improvement in personal consumption and expanding demand including capital investment. Moreover, the gradual pace of interest rate cuts in the U.S. made it unlikely for the interest rate gap between Japan and the U.S. to narrow, which leading to the depreciation of the Japanese yen.

[Results of the Phase 1 transformation and initiatives for the Phase 2 transformation]

Since April 2018, the Group has been progressing with transforming our business model and shifting focus areas to high-growth and cutting-edge business areas where more global large-scale design wins are expected, and also carrying out structural reform, including a bold transformation in our business structure (which we refer to as the Phase 1 transformation). As a result, we have been acquiring more design wins in our focus areas including automotive, data center & networking, and smart devices. The annual design win amount was roughly 100 billion yen before the structural reform. But the amount reached roughly 200 billion yen after the reform and roughly 250 billion yen in the fiscal year ended March 31, 2023, and further expanded to about 300 billion yen in the fiscal year ended March 31, 2025. (1 U.S. dollar = 100 yen). In addition, the design wins that have been acquired gradually started mass production and assuredly will lead to an expansion in sales.

Moreover, we are also proceeding with our next stage of transformation, which we call the Phase 2 transformation. This phase is aimed at establishing a competitive R&D structure and creating a business culture that is suitable for a multinational company. We are intensifying our efforts to transform our corporate systems, organizational structures, and employee awareness through ongoing communication with global customers, players that comprise the semiconductor ecosystem, investors and other parties.

[Strengthening the R&D platform]

Led by the Global Leading Group, an organization dedicated to developing model projects in advanced technology fields and building a development platform, we have been building a computer architecture-based development platform and standard development processes that are suitable for our Solution SoC business model. At the same time, we have actively worked on enhancing the efficiency and visibility of development processes, along with reforming development management.

[Establishment of production and supply system to strengthen the Solution SoC business model]

Given the concentration of semiconductor-related suppliers in Taiwan, we have placed a team managing the production of our partners there (Taiwan) to establish a direct interface. As a result, we have been strengthening coordination with these suppliers and developing a structure that allows us to respond swiftly to any changes in the manufacturing capacities of our manufacturing partners.

[Strengthening relationships with global companies forming the semiconductor ecosystem]

With acquired design wins of large-scale advanced development projects over the past few years, we have strengthened our relationships with global companies that form the ecosystem across the semiconductor industry. We have particularly made progress such as joint development projects in advanced technology areas by establishing and enhancing management-level relationships with global companies headquartered in North America and Taiwan.

[Status of design and development]

Our research and development consists of both upfront development for acquiring design wins in our focus areas and product development linked to acquired design wins. During the fiscal year under review, our research and development costs increased 12.3% from the previous period to 59,821 million yen. This was mainly due to the increase in product development for design wins acquired. In the upfront development, we worked closely with Arm Holding plc (Arm) and Taiwan Semiconductor Manufacturing Company Limited (TSMC) to utilize the latest technologies in the ever-evolving semiconductor ecosystem, and have been proactively working on 2 nm and finer process technologies, advanced packaging technologies such as chiplets, practical application of the latest design tools and platforming. We also have been making steady progress in the development of a High Performance Computing (HPC) processor SoC using TSMC's 3 nm process technology adopting Arm's



architecture, and the development of an SoC for quantum computing with Google. Furthermore, we partnered with the Centre for Development of Advanced Computing (C-DAC), which is the lead research and development agency of the Ministry of Electronics and Information Technology, MeitY), India, and with MosChip Technologies. In addition, we have won several SoC deals for data centers, mainly in North America, and have started the development.

In the future, we will continue striving to introduce AI in design and development.

[External evaluation of Sustainability]

The Group identifies materiality (important issues) to be addressed with a sense of priority and promotes sustainability activities. During the fiscal year under review, as a result of our efforts to achieve individual cases of materiality, we were selected in the GX500 Decarbonization Management Ranking and highly rated in the Nikkei Smart Work Management Survey and the Nikkei SDGs Management Survey. We recognize they are the signs of a certain degree of appreciation from outside of the Group.

[Status of business performance during the fiscal year under review]

The consolidated net sales for the year ended March 31, 2025, were 188,535 million yen, a decrease of 14.8% compared with the previous fiscal year. Our net sales consist of product revenue from the applicable products received which entered the mass production stage and NRE revenue received from customers based on costs incurred in scheduled milestones during the design and development process. Product revenue were 146,578 million yen, a decrease of 19.8% from the previous fiscal year, due to the closing of special demand boost for 5G base stations in China and a decline in demand for telecommunications equipment etc. for the data center & networking area in the Chinese market. NRE revenue was 41,019 million yen, an increase of 9.1% from the previous fiscal year, due to reasons including a combination of automotive applications, high-end cameras and development projects of 7 nm and finer advanced technologies in data centers.

Operating income was 25,000 million yen, a decrease of 29.6% from the previous fiscal year, and ordinary income was 25,118 million yen, decreased by 32.3% year-on-year. Profit attributable to owners of parent was 19,600 million yen, decreased by 25.0% year-on-year. The decrease in operating income was mainly due to a drop in gross profit brought by the lower product revenue.

The depreciation of the Japanese yen has led to increases of 8.5 billion yen in net sales and 3.2 billion yen in operating income compared with the previous fiscal year.

## **(2) Issues to Deal With**

In order to achieve sustainable growth for the Group, there are many challenges that need to be tackled, including strengthening development competitiveness, transforming our business structure, globalizing the entire organization, and further improving profit margins. Based on the “quantitative changes” achieved in the Phase 1 transformation, we will boldly promote the “qualitative changes” aimed at building a competitive R&D system and creating an organizational culture suitable for a global company, as the Group’s Phase 2 transformation.

[Restructure development system and improve business processes]

In line with the shift to our Solution SoC business model, the Group has been proceeding to restructure its development system to strengthen development capabilities and improve development efficiency. Through ongoing communication with global customers, players in the semiconductor ecosystem and investors, we will work in an integrated manner to establish a global development platform and standard development processes suitable for our Solution SoC business model, as well as further enhancing global development system and technological capabilities led by the Global Leading Group, advancing the efficiency and visibility in development and reforming development management.

In addition, as we expand design wins with global customers, we will continue to implement measures to globalize and improve operations in our production management group. We aim to improve efficiency and transparency in delivery systems by connecting customers with the Group’s production systems. Through these efforts, we will establish a robust structure that enables accurate production planning and timely procurement, and will improve our business processes, including our relationships with foundries and Outsourced Semiconductor Assembly and Test (OSAT) companies to which we entrust our manufacturing.

[Active investment in advanced technology]

In order to strengthen the technological capabilities necessary for sustainable growth in the future, we will expand investment in advanced technology areas and promote growth-oriented management. Specifically, we will actively invest in advanced technologies such as chiplets and leading-edge packaging technologies, strengthen SoC design technologies, and secure human resources in regions such as the United States and India.

[Expansion of sales and operating income with a view to medium- to long-term growth]

For future sales management, the Group has adopted a management indicator called “design win balance,” which is the balance obtained by subtracting actual sales from the amount of design wins acquired. Based on the balance of design wins acquired, the Group is now able to forecast sales trends through the fiscal year ending March 2027 to some extent. The balance expanded to about 300 billion yen in the fiscal year ended March 31, 2025. For the continuous sustainable growth of the Group in the fiscal year ending March 2028 and beyond, we recognize that it is necessary to continuously acquire design wins. To this end, in addition to the automotive area, in which we have been steadily acquiring design wins, we will promote efforts to acquire design wins in a balanced manner in each of our focus areas, including the data center & networking area.

As for measures to increase operating income, we will continue to boost product gross profit, improve income and expenditures in the area of development, and appropriately manage selling, general and administrative expenses.

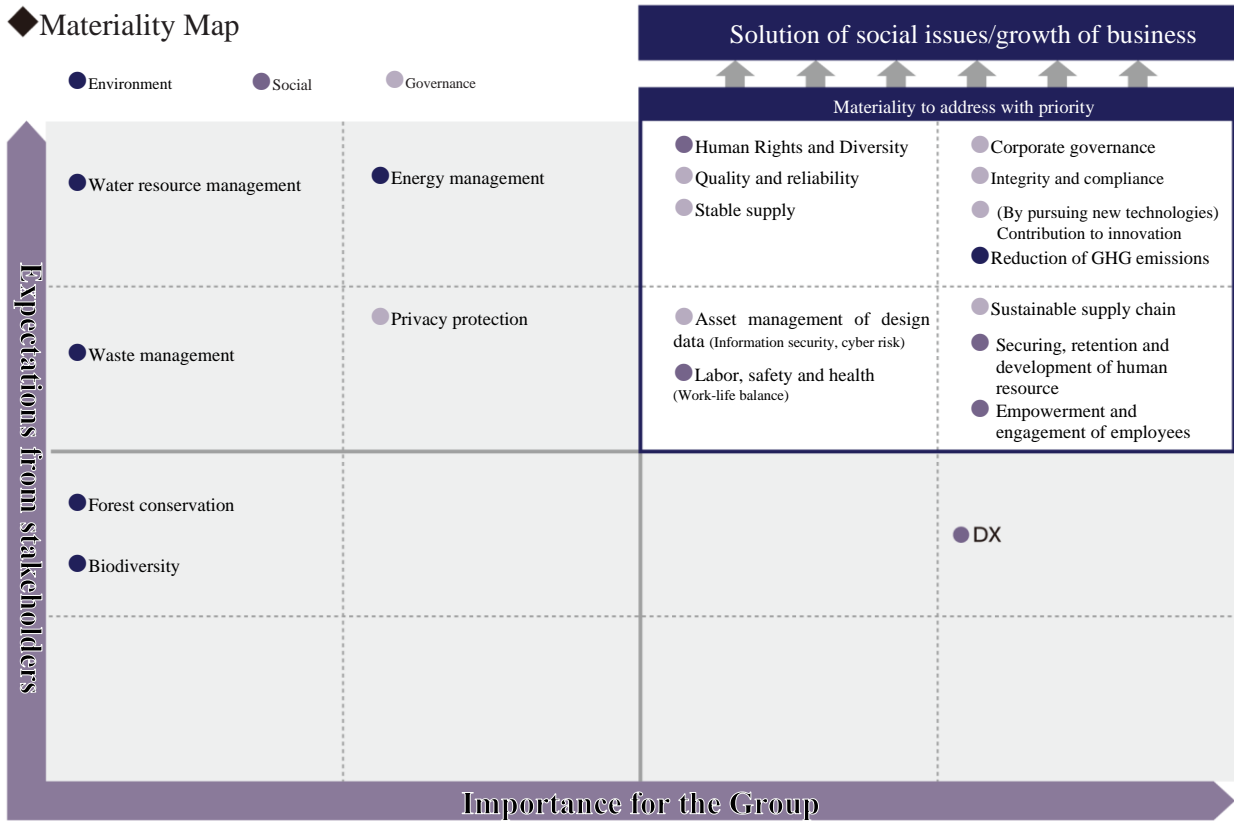
[Initiatives for Sustainability]

The Group identifies materiality (important issues) to be addressed with a sense of priority and promotes sustainability activities.

Specifically among materiality, as part of our efforts to address environmental issues and climate change, we are working to achieve a decarbonized society by reducing our greenhouse gas (GHG) emissions, with such measures including the introduction of renewable energy from April 2024, and contributing to the reduction of GHG emissions by our customers through the Group’s advanced SoC that can reduce the consumption of energy and the use of space.

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

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



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

### (3) Status of Capital investment

Capital investment (including intangible assets) made during the fiscal year under review totaled 16,659 million yen. The main investments among them are for intellectual property (IP), reticles, test boards and enhancement of the development environment.

### (4) Status of Financing

To respond to fluctuations in customer demand, as well as to address a global economic slowdown and geopolitical risks, the Company has concluded a commitment line agreement of 20 billion yen. As of March 31, 2025, the commitment lines with a total amount of 20 billion yen were unused.

### (5) Financial Position and Results of Operations

| Category                                   |                  | 8th Business<br>Period<br>FYE March<br>2022 | 9th Business<br>Period<br>FYE March<br>2023 | 10th Business<br>Period<br>FYE March<br>2024 | 11th Business<br>Period<br>FYE March<br>2025<br>Fiscal year<br>under review |
|--------------------------------------------|------------------|---------------------------------------------|---------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------|
| Net sales                                  | (million<br>yen) | 117,009                                     | 192,767                                     | 221,246                                      | 188,535                                                                     |
| Operating income                           | (million<br>yen) | 8,463                                       | 21,711                                      | 35,510                                       | 25,000                                                                      |
| Ordinary income                            | (million<br>yen) | 9,050                                       | 23,440                                      | 37,122                                       | 25,118                                                                      |
| Profit attributable to<br>owners of parent | (million<br>yen) | 7,480                                       | 19,763                                      | 26,134                                       | 19,600                                                                      |
| Profit per share                           | (yen)            | 44.44                                       | 117.40                                      | 148.39                                       | 109.78                                                                      |
| Total assets                               | (million<br>yen) | 118,428                                     | 193,945                                     | 186,840                                      | 170,312                                                                     |
| Total net assets                           | (million<br>yen) | 89,609                                      | 109,864                                     | 131,020                                      | 137,046                                                                     |

- Notes: 1. The Company conducted a 4-for-1 share consolidation of its common stock, Type A shares, and Type B shares each on September 5, 2022. In addition, due to the exercise of put options by its shareholders, the Company acquired all Type A shares and Type B shares on September 6, 2022, and delivered as consideration 1.3466666 shares of common stock for Type A shares per share and 1 share of common stock for Type B shares per share. The Company cancelled all Type A shares and Type B shares. Profit per share is computed based on the assumption that the share consolidation was conducted at the beginning of the fiscal year ended March 31, 2022.
2. The Company implemented a stock split on January 1, 2024, at a ratio of one common share to five shares. Profit per share is computed based on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2022.

**(6) Major Subsidiaries**

| Company name                              | Common stock               | The Company's stake | Main Business                                  |
|-------------------------------------------|----------------------------|---------------------|------------------------------------------------|
| Socionext America Inc.                    | Thousand USD<br>2,800      | 100.0%              | Design, development and sales of solution SoCs |
| Socionext Europe GmbH                     | Thousand Euros<br>11,400   | 100.0%              | Design, development and sales of solution SoCs |
| Socionext Technology Pacific Asia Ltd.    | Thousand USD<br>6,000      | 100.0%              | Design, development and sales of solution SoCs |
| Socionext Technology (Shanghai) Co., Ltd. | Chinese Yuan<br>12,249,600 | 100.0%              | Design, development and sales of solution SoCs |
| Socionext Taiwan Inc.                     | Thousand TWD<br>29,000     | 100.0%              | Design, development and sales of solution SoCs |
| Socionext Korea Ltd.                      | Million KRW<br>400         | 100.0%              | Sales of solution SoCs                         |

Notes: Shares of Socionext Technology (Shanghai) Co., Ltd. and Socionext Taiwan Inc. are held indirectly through Socionext Technology Pacific Asia Ltd.

**(7) Principal Business** (as of March 31, 2025)

The Company's business is a single segment of the Solution SoC business and consists primarily of the following five areas:

| Area                     | Main Applications                                                                                                              |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| Automotive               | AD/ADAS, in-vehicle sensing, IVI (In-Vehicle Infotainment), cockpit HMI                                                        |
| Data center & networking | Data center, AI accelerators and 5G mobile base stations                                                                       |
| Smart Devices            | Smart glasses, AR/VR, action cameras, digital still cameras                                                                    |
| Industrial automation    | FA, measuring instruments, printers                                                                                            |
| IoT & Radar sensing      | Smart home appliances, smart homes, IoT devices, broadcast receivers, satellite communication/in-vehicle communication devices |

**(8) Principal Offices** (as of March 31, 2025)

## 1) The Company

| Name          | Location                           |
|---------------|------------------------------------|
| Head Office   | Yokohama City, Kanagawa Prefecture |
| Kyoto Office  | Kyoto City, Kyoto Prefecture       |
| Nagoya Office | Nagoya City, Aichi Prefecture      |
| Sendai Office | Sendai City, Miyagi Prefecture     |

Notes: On July 16, 2024, Kozoji Office (Kasugai City, Aichi Prefecture) was relocated and Nagoya Office (Nagoya City, Aichi Prefecture) was opened.

## 2) Subsidiaries

| Company name                              | Location           |
|-------------------------------------------|--------------------|
| Socionext America Inc.                    | USA, Milpitas      |
| Socionext Europe GmbH                     | Germany, Langen    |
| Socionext Technology Pacific Asia Ltd.    | China, Hong Kong   |
| Socionext Technology (Shanghai) Co., Ltd. | China, Shanghai    |
| Socionext Taiwan Inc.                     | Taiwan, Taipei     |
| Socionext Korea Ltd.                      | South Korea, Seoul |

**(9) Employees** (as of March 31, 2025)

| <b>Number of employees</b> | <b>Change from the previous fiscal year-end</b> |
|----------------------------|-------------------------------------------------|
| 2,490                      | Decrease of 44                                  |

Notes: The number of employees includes temporary employees (fixed-term employees, contract employees, and incoming secondees). In addition to the above, we have 44 employees on secondment outside the Group.

## 2. Current condition of the Company

### (1) Shares (as of March 31, 2025)

- 1) Total number of authorized shares 673,000,000
- 2) Total number of shares outstanding 179,756,405

Notes: 1. The exercise of share subscription rights between April 1, 2024, and March 31, 2025, increased the total number of shares outstanding by 1,027,950 shares.

2. As of July 31, 2024, the Company issued 41,050 shares of common stock to five (5) Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors), seven (7) executive officers who do not concurrently serve as Directors, and one (1) employee for the purpose of issuing restricted stocks as stock compensation.

3) Number of shareholders 91,389

### 4) Major shareholders

| Name of shareholder                                                              | Number of shares held (shares) | Percentage of shareholding (%) |
|----------------------------------------------------------------------------------|--------------------------------|--------------------------------|
| The Master Trust Bank of Japan, Ltd. (trust account)                             | 43,454,400                     | 24.44                          |
| Custody Bank of Japan, Ltd. (trust account)                                      | 15,174,500                     | 8.53                           |
| MSIP CLIENT SECURITIES                                                           | 3,302,308                      | 1.85                           |
| STATE STREET BANK AND TRUST COMPANY 505001                                       | 3,124,236                      | 1.75                           |
| STATE STREET BANK WEST CLIENT - TREATY 505234                                    | 2,316,700                      | 1.30                           |
| HSBC-FUND SERVICES CLIENTS A/C 500                                               | 1,812,500                      | 1.01                           |
| HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES                  | 1,697,400                      | 0.95                           |
| The Nomura Trust and Banking Co., Ltd. (investment trust account)                | 1,650,500                      | 0.92                           |
| NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT | 1,534,700                      | 0.86                           |
| STATE STREET BANK AND TRUST COMPANY 505103                                       | 1,343,532                      | 0.75                           |

Notes: 1. The Company, which holds 2,017,427 shares of treasury shares, is excluded from the list of major shareholders listed above.

2. The percentage of shareholding is calculated after deducting treasury shares.

### 5) Shares granted to the Company officers as consideration for the performance of duties during the business year under review

| Eligible Directors                                                                                  | Number of shares (shares) | Number of persons eligible (persons) |
|-----------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------|
| Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) | 21,481                    | 5                                    |

Notes: Details of the Company's stock compensation are described in "(5) Compensation, etc. for Directors" in "(2) Status of Officers" under "2. Current condition of the Company."

## (2) Status of Officers

### 1) Directors (as of March 31, 2025)

| Position in the Company                                   | Name               | Responsibilities and Significant Concurrent Positions                                                                                                      |
|-----------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Representative Director, Chairman, President and CEO      | Masahiro Koezuka   | -                                                                                                                                                          |
| Director and Deputy President and CFO                     | Yutaka Yoneyama    | In charge of Business Administration                                                                                                                       |
| Director and Deputy President                             | Koichi Otsuki      | In charge of Sales & Business Development as well as Strategic Sourcing & Production Management                                                            |
| Director and Deputy President                             | Noriaki Kubo       | In charge of Business                                                                                                                                      |
| Director and Deputy President                             | Hisato Yoshida     | In charge of Development                                                                                                                                   |
| Director                                                  | Masatoshi Suzuki   | -                                                                                                                                                          |
| Director                                                  | Sachiko Kasano     | Attorney, SHIOMIZAKA<br>Outside Director (Audit & Supervisory Committee Member) of Restar Corporation<br>Outside Statutory Auditor of PRAP Japan, Inc.     |
| Directors (Audit & Supervisory Committee Members)         | Yasuyoshi Ichikawa | Member of Yasuyoshi Ichikawa Certified Public Accountant Office, Certified Public Accountant<br>Outside Statutory Auditor of Dai Nippon Printing Co., Ltd. |
| Director (Full-time Audit & Supervisory Committee Member) | Morimasa Ikemoto   | -                                                                                                                                                          |
| Directors (Audit & Supervisory Committee Members)         | Noriko Yoneda      | Representative Attorney of Kobe Grace Law Office<br>Outside Director of KEIWA Incorporated                                                                 |

Notes: 1. Directors Masatoshi Suzuki and Sachiko Kasano and Directors who are Audit & Supervisory Committee Members Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda are Outside Directors.

- There is no special relationship between the Company and the organizations in which significant concurrent positions are held by Director Sachiko Kasano and Directors who are Audit & Supervisory Committee Members Yasuyoshi Ichikawa and Noriko Yoneda.
- Directors who are Audit & Supervisory Committee Members Yasuyoshi Ichikawa and Morimasa Ikemoto have considerable knowledge of finance and accounting as follows:
  - Yasuyoshi Ichikawa, Director who is an Audit & Supervisory Committee Member, is qualified as a certified public accountant.
  - Morimasa Ikemoto, Director who is an Audit & Supervisory Committee Member, engaged in the accounting and audit departments of other companies for many years.
- The Company selected Morimasa Ikemoto as a full-time Audit & Supervisory Committee Member in order to enhance information-gathering, improve the effectiveness of audits through adequate collaboration with the internal audit department, etc., and strengthen the audit and supervisory functions.
- The Company has designated Outside Directors Masatoshi Suzuki, Sachiko Kasano, Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda as Independent Officers as provided by the Tokyo Stock Exchange, and has registered them with the Tokyo Stock Exchange.



## **2) Outline of contracts for limitations of liability**

The Company has entered into agreements with Outside Directors Masatoshi Suzuki, Sachiko Kasano, Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, to limit their liability for damages as defined under Article 423, Paragraph 1 of the Companies Act.

The amount of liability under the said agreements shall be limited to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Company Act. Such limitation of liability is permitted only when the director concerned acts in good faith and without gross negligence in the performance of duties that caused the liability.

## **3) Outline of contents for indemnity agreement**

The Company has entered into indemnity agreements provided in Article 430-2, Paragraph 1 of the Companies Act, with Directors Masahiro Koezuka, Yutaka Yoneyama, Koichi Otsuki, Noriaki Kubo, Hisato Yoshida, Masatoshi Suzuki and Sachiko Kasano, and Directors who are Audit & Supervisory Committee Members Yasuyoshi Ichikawa, Morimasa Ikemoto and Noriko Yoneda. The agreements are to the effect that the Company will compensate, to the extent provided by laws and regulations, for the expenses referred to in Article 430-2, Paragraph 1, Item 1 of the Companies Act and the losses referred to in Item 2 of the same paragraph. In order to ensure that the appropriate execution of duties by corporate officers is not undermined by the indemnity agreement, the Company stipulates that in the event that an officer executes his or her duties for the purpose of pursuing his or her own or a third party's illicit gain or causing damage to the Company, the Company may claim reimbursement of the expenses under Item 1 of the same paragraph, and in the event that there is malicious intent or gross negligence in the execution of his or her duties, the loss under Item 2 of the same paragraph shall not be covered by the indemnity.

## **4) Outline, etc. of contents of officers' liability insurance contract**

The Company has entered into officers' liability insurance contracts with insurance companies as provided for in Article 430-3, Paragraph 1 of the Companies Act with Directors (including Directors who are Audit & Supervisory Committee Members), executive officers and managers, etc. of the Company, and officers and managers, etc. of the Company's subsidiaries constituting the insured persons. Under such insurance contracts, the Company is responsible for all premiums, and the insurance company indemnifies the insured against any indemnities and litigation costs that the insured may incur if the insured receives a claim for damages in the performance of its duties.

## 5) Compensation, etc. for Directors

### a. Total amount of compensation, etc. for directors

| a. Total amount of compensation, etc. for directors       |                                                  |                                                          |                                |                                 |                                       |
|-----------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|--------------------------------|---------------------------------|---------------------------------------|
| 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. |                                       |
| Director (excluding Audit & Supervisory Committee Member) | 398                                              | 232                                                      | 83                             | 83                              | 7                                     |
| (of which, Outside Directors)                             | (24)                                             | (24)                                                     | (-)                            | (-)                             | (2)                                   |
| Directors (Audit & Supervisory Committee Members)         | 41                                               | 41                                                       | (-)                            | (-)                             | 3                                     |
| (of which, Outside Directors)                             | (41)                                             | (41)                                                     | (-)                            | (-)                             | (3)                                   |
| Total                                                     | 439                                              | 273                                                      | 83                             | 83                              | 10                                    |
| (of which, Outside Directors)                             | (65)                                             | (65)                                                     | (-)                            | (-)                             | (5)                                   |

Notes: 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).

### b. Performance-based compensation, etc.

Outline of the matters related to performance-based compensation, etc. is described in “(ii) Incentive compensation (cash and stock)” in “(1) Directors in charge of business execution,” under “B. Compensation structure,” in “e. Policies etc. for decisions on the contents of compensation, etc. for individual Directors, etc.”

### c. Non-monetary compensation, etc.

Non-monetary compensation, etc. consists of the Company’s shares. The terms and conditions at the time of allotment are described in “c. Payment of incentive compensation (stock)” under “(ii) Incentive compensation (cash and stock)” in “(1) Directors in charge of business execution,” in “B. Compensation structure,” under “e. Policies, etc. for decisions on the contents of compensation, etc. for individual Directors, etc.” below. The status of granting for the fiscal year under review is described in “(e) Shares granted to the Company officers as consideration for the performance of duties during the business year under review” under “(1) Shares” in “2. Current condition of the Company.”

d. Matters relating to the resolution of the General Meeting of Shareholders on compensation, etc. for Directors

- 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 550 million yen per year (including not more than 45 million yen for Outside Directors). (However, this does not include the employee salaries of directors who also serve as employees). This was resolved by a deemed resolution at the Extraordinary General Meeting of Shareholders on July 27, 2022. 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 and President, 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 was judged to be suitable for evaluating the division in which each Director is in charge, taking into account the performance of the Company as a whole. The number of Directors on the Board at the time the proposal pertaining to the deemed resolution was made (excluding Directors who are Audit & Supervisory Committee Members), was nine, two of whom resigned when the resolution was deemed to have been made at the Extraordinary General Meeting of Shareholders and the general shareholders' General Meeting of Class Shareholders on July 27, 2022. As such, the number of Directors at the time when the said resolution was deemed to have been made was seven. In addition, separately from the monetary compensation, the introduction of a performance-based restricted stock compensation plan was approved by a deemed resolution at the above-mentioned extraordinary general meeting of shareholders. An outline of the plan is described in "c. Payment of incentive compensation (stock)" under "(ii) Incentive compensation (cash and stock)" in "(1) Directors in charge of business execution," in "B. Compensation structure," under "e. Policies, etc. for decisions on the contents of compensation, etc. for individual Directors, etc." Specifically, the resolution stipulates that the total amount of monetary compensation claims to be paid to eligible Directors for the grant of performance-based restricted stock compensation shall not exceed 170 million yen per year (however, this does not include the employee salaries of Directors who concurrently serve as employees). And it states that eligible Directors shall pay all such monetary compensation claims in the form of property contributed in kind and receive the issuance or disposition of the Company's common stock, whereby the total number of the Company's common stock to be issued or disposed of shall not exceed 200,000 shares per year (however, adjustments will be made in the event of a stock split or consolidation of the Company's common stock). The number of eligible Directors at the time when the said resolution was deemed to have been made was five (5).

- Directors (Audit & Supervisory Committee Members)

At the Extraordinary General Meeting of Shareholders held on July 27, 2022, it was resolved by a deemed resolution that the compensation of Directors who are Audit & Supervisory Committee Members shall be fixed basic compensation only and no more than 200 million yen per year (including no more than 80 million yen for Outside Directors), 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 the proposal pertaining to the deemed resolution was made was four (4), one (1) of whom resigned when the resolution was deemed to have been made at the Extraordinary General Meeting of Shareholders and the general shareholders' General Meeting of Class Shareholders on July 27, 2022, so the number of Directors who are Audit & Supervisory Committee Members at the time when the said resolution was deemed to have been made was three (3).

- e. Policies, etc. for decisions on the contents of compensation, etc. for individual Directors, etc.
- \* At a meeting of the Board of Directors held on May 19, 2025, the policy for decisions on the contents of compensation, etc. for individual new Directors was resolved, subject to the approval of Proposals 4 and 6 as originally proposed at the 11th Ordinary General Meeting of Shareholders. (Please refer to Proposal 6 [Reference] for the content of the revised policy for decisions on the contents of compensation, etc. for individual Directors, etc.)

◆ The contents of a policy for decisions on the contents of compensation, etc. for individual Directors (excluding Directors who are Audit & Supervisory Committee Members)

A. Details of the Directors' Compensation System

1) Basic concept

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 qualified 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. In stock incentive compensation, the Company grants performance-based restricted stock.

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 Remuneration 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 Director                          | 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 a similar size, based on the data from research firms, and establish appropriate levels relevant for the positions.

3) Process for determining compensation, etc.

The Company has established a voluntary Nomination and Remuneration Committee to ensure the appropriateness of compensation levels and amounts and the transparency of the decision-making process. The chairman and the majority of committee members are Independent Outside Directors.

The Board of Directors consults with the Nomination and Remuneration Committee on basic policies and decision procedures. The recommendations of the Nomination and Remuneration 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 based on the report made by the Nomination and Remuneration Committee to the Board of Directors. It is subject to approval by the Nomination and Remuneration Committee and is determined at the discretion of the Representative Director, Chairman, based on a resolution of the Board of Directors.

#### B. Compensation structure

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

##### 1) Directors in charge of business execution

| 1) Directors in charge of business execution |                |                                                                                                                             |  |                |                |                              |
|----------------------------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------|--|----------------|----------------|------------------------------|
| Type of compensation                         |                | Outline                                                                                                                     |  | Fixed/variable | Payment method | Percentage to total (Note 2) |
| Basic compensation                           |                | Based on the scope of responsibility and role (position) in the Company, a fixed amount is paid as basic compensation       |  | Fixed          | Cash payment   | 60%                          |
| Incentive compensation                       | Cash           | Payment by cash (bonus) as performance-based compensation based on the evaluation of performance results in the target year |  | Variable       |                | 20%                          |
|                                              | Stock (Note 1) | Payment by stock as performance-based compensation based on the evaluation of performance results in the target year        |  |                |                | Payment by stock             |

Notes: 1. Stocks are distributed to Directors after the end of the relevant fiscal year by providing monetary compensation claims to grant performance-based restricted stock compensation and having the Directors pay the full amount of the monetary compensation claims as property contributed in kind.  
2. Percentage figures are estimates and are the percentages when 100% of the performance targets are achieved. In addition, if the achievement of the evaluation indicators exceeds 150%, as described below, the ratio of cash and stock to the total incentive compensation may differ.

##### (i) Basic compensation

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

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

(ii) Incentive compensation (cash and 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) (Note 1) |                                                              | Weighting percentage | Variation range (Note 2)                                                                                                                                     |
|----------------------------------------------------|---------------------|--------------------------------------|----------------------------------------|--------------------------------------------------------------|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Degree of target achievement in target fiscal year | Common Items        | At the end of the target fiscal 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 (Note 3)                                    | 25%                  |                                                                                                                                                              |
|                                                    |                     |                                      |                                        | Design win amount                                            | 25%                  |                                                                                                                                                              |
|                                                    | Individual items    |                                      | Qualitative items                      | Business transformation, growth strategy, ESG measures, etc. | 25%                  |                                                                                                                                                              |
|                                                    |                     |                                      |                                        |                                                              | 100%                 |                                                                                                                                                              |

Notes: 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. If the achievement of the evaluation indicators exceeds 150%, the Company may provide all or part of the portion of the incentive compensation (cash) exceeding 150% as incentive compensation (stock) instead of incentive compensation (cash), based on the report of the Nomination and Remuneration Committee, to ensure that the eligible Directors conduct business with more focus on corporate value. In this case, the sum of incentive compensation (stock) paid in proportion to the achievement of the evaluation indicators and incentive compensation (stock) paid in lieu of incentive compensation (cash) may exceed the amount equivalent to 200% of incentive compensation (stock) paid in the case of 100% achievement of the evaluation indicators.

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

4. Net sales, which are set as an evaluation indicator (target) for the performance-based portion, were 188.5 billion yen for the fiscal year ended March 31, 2025, as opposed to the initial financial results forecast of 200.0 billion yen. Operating income for the same period was 25.0 billion yen, compared with the initial forecast of 27.0 billion yen. The design win amount for the same period reached about 300.0 billion yen, compared with about 250.0 billion yen, planned at the same level of design wins acquired in the previous fiscal year.

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 achievement of the evaluation indicators exceeds 150% and the Nomination and Remuneration Committee judges that it is appropriate to pay all or part of the incentive compensation (cash) exceeding 150% 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 of performance evaluation.

<Conceptual image of evaluation>

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

c. Payment of incentive compensation (stock)

I Outline

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 achievement of the evaluation indicators exceeds 150% and the Nomination and Remuneration Committee judges that it is appropriate to pay all or part of the incentive compensation (cash) exceeding 150% 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 (stock) payment.

When the performance evaluation period ends and eligible Directors meet the following requirements, the Company shall deliver performance-based restricted stock to each eligible Director by providing monetary compensation claims to grant performance-based restricted stock to each eligible Director and having each eligible Director pay the full amount of such monetary compensation claims as property contributed in kind.

- During the performance evaluation period and up to and including immediately prior to the conclusion of the first ordinary general meeting of shareholders held after the end of the performance evaluation period, the eligible Directors continued to hold one of the positions of the officer or employee of the Company as predetermined by the Board of Directors of the Company
- He or she does not fall under certain illegal acts or other reasons for non-payment as determined by the Board of Directors of the Company

The performance-based restricted stock will be delivered by means of the issuance of new shares or the disposition of treasury shares by the Company, and the amount to be paid in per share will be determined by the Board of Directors on the basis of the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of each resolution of the Board of Directors of the Company regarding the allotment of performance-based restricted stock (if a trade is not made on the said day, the closing price on the immediately preceding trading day) to the extent that the amount is not particularly favorable to eligible Directors who will subscribe for such common stock.

## II Transfer restriction period

Eligible Directors shall not transfer, create a security interest on or dispose otherwise of the shares of common stock of the Company allotted to them (hereafter referred to as the "Allotted Shares") under the allotment agreement (hereafter referred to as "Transfer Restrictions"). This shall apply during the period from the date of allotment of the performance-based restricted stock under the Restricted Stock Allotment Agreement to be separately concluded with the Company (hereafter referred to as the "Allotment Agreement") until the date of retirement from one of the positions of the officer or employee of the Company as predetermined by the Board of Directors of the Company (hereafter referred to as the "Transfer Restriction Period").

## III Treatment at the time of retirement

If an eligible Director retires from one of the positions of the officer or employee of the Company as predetermined by the Board of Directors of the Company, the Company will naturally acquire the Allotted Shares free of charge, unless his or her term of office expires, he or she dies, or the Board of Directors determines that there are other valid reasons for his or her retirement.



#### IV Lifting of Transfer Restrictions, etc.

The Company will release Transfer Restrictions on all of the Allotted Shares upon the expiration of the Transfer Restriction Period, provided that eligible Directors have continued to hold one of the positions of the officer or employee of the Company as predetermined by the Board of Directors of the Company during the Transfer Restriction Period.

|                   | Year X<br>March        | Year X+1<br>March          | Year X+2<br>March                          | Year X+3<br>March                          | Year X+4<br>March                          | Year X+5<br>March          | Year X+6<br>March |
|-------------------|------------------------|----------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------|-------------------|
| Year X+1<br>March | Target<br>setting<br>→ | Evaluation<br>period<br>←→ | Evaluation<br>and grant<br>(June,<br>July) |                                            | Transferable<br>retirement                 | after                      |                   |
| Year X+2<br>March |                        | Target<br>setting<br>→     | Evaluation<br>period<br>←→                 | Evaluation<br>and grant<br>(June,<br>July) |                                            | Transferable<br>retirement | after             |
| Year X+3<br>March |                        |                            | Target<br>setting<br>→                     | Evaluation<br>period<br>←→                 | Evaluation<br>and grant<br>(June,<br>July) | Transferable<br>retirement | after             |

#### 2) Outside Directors among Directors

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

##### f. Matters related to delegation of decisions on compensation for individual directors

Matters related to delegation of decisions on compensation, etc. for individual Directors are described in “A. Details of the Directors’ Compensation System” under “e. Policies, etc. for decisions on the contents of compensation, etc. for individual Directors, etc.,” in “Directors (excluding Directors who are Audit & Supervisory Committee Members),” under “d. Matters relating to the resolution of the General Meeting of Shareholders on compensation, etc. for Directors.” Based on the fact that the amount of compensation for each individual director (excluding directors who are Audit & Supervisory Committee Members) has been determined through such procedures, the Board of Directors has concluded that the content of such compensation is in line with its decision policy.

6) Matters related to Outside Officers

Status of major activities

| Category                                                | Name               | Attendance                                                                                      | Outline of statements made and duties performed regarding expected roles of Outside Directors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outside Director                                        | Masatoshi Suzuki   | Board of Directors<br>13 out of 13<br><br>Nomination and Remuneration Committee<br>23 out of 23 | Leveraging a wealth of management experience gained from having served as a representative director and other positions at listed companies, he supervises and advises management from an objective and neutral standpoint as Lead Independent Outside Director.<br><br>In addition, as Chairman of the Nomination and Remuneration Committee, he provides various opinions and proposals from an independent standpoint, and contributes to the enhancement of supervisory functions, transparency and fairness in the process of determining the content of proposals for the election of directors and officers compensation, etc. |
| Outside Director                                        | Sachiko Kasano     | Board of Directors<br>13 out of 13<br><br>Nomination and Remuneration Committee<br>23 out of 23 | Based on her extensive experience as an attorney and her deep insight into corporate legal affairs and compliance, she supervises and advises management from an objective and neutral standpoint.<br><br>In addition, as a member of the Nomination and Remuneration Committee, she provides various opinions and proposals from an independent standpoint, and contributes to the enhancement of supervisory functions, transparency and fairness in the process of determining the content of proposals for the election of directors and officers compensation, etc.                                                              |
| Outside Director (Audit & Supervisory Committee Member) | Yasuyoshi Ichikawa | Board of Directors<br>13 out of 13<br><br>Audit & Supervisory Committee<br>12 out of 12         | Based on his extensive experience as a certified public accountant and his deep insight into financial accounting, he supervises and advises management from an objective and neutral standpoint.<br><br>In addition, as Chairman of the Audit & Supervisory Committee, he leads audits of the execution of duties by Directors and promotes the management of the Committee.                                                                                                                                                                                                                                                         |

| Category                                                          | Name             | Attendance                                                                              | Outline of statements made and duties performed regarding expected roles of Outside Directors                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outside Director (Full-time Audit & Supervisory Committee Member) | Morimasa Ikemoto | Board of Directors<br>13 out of 13<br><br>Audit & Supervisory Committee<br>12 out of 12 | He has served as a director who is an audit & supervisory committee member and a full-time auditor of listed companies, and supervised and advised management taking advantage of extensive experience and from professional standpoints regarding finance and accounting, and internal control and auditing from an objective and neutral standpoint. In addition, as a full-time Audit & Supervisory Committee Member, he audits the execution of duties by Directors based on his expert knowledge. |
| Outside Director (Audit & Supervisory Committee Member)           | Noriko Yoneda    | Board of Directors<br>13 out of 13<br><br>Audit & Supervisory Committee<br>12 out of 12 | Based on her extensive experience as an attorney and her deep insight into corporate legal affairs and compliance, she supervises and advises management from an objective and neutral standpoint. In addition, as a member of the Audit & Supervisory Committee, she audits the execution of duties by Directors based on her expert knowledge.                                                                                                                                                       |

- Notes: 1. In addition to the above number of meetings of the Board of Directors, there were five (5) written resolutions that were deemed to have been made by the Board of Directors in accordance with the provisions of Article 370 of the Companies Act and the Articles of Incorporation.
2. Masatoshi Suzuki has been selected as 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 Independent Outside Directors and to facilitate dialogue between them. In addition, he participates in the determination of the agenda of the regular Board of Directors meetings, and when necessary, convenes a meeting of outside officers while determining the agenda of the meeting and chairing it, and communicates the results of the deliberations to the management or the Board of Directors to encourage discussion.

### 3. Policy on Decisions of Dividends of Surplus, etc.

One of the Company's key management priorities is to increase corporate value over the medium to long term while returning profits to shareholders. We aim to pay a stable dividend with a target consolidated dividend payout ratio of around 40%, taking into account the balance between advanced investment in the development needed for future growth and maintaining a solid financial base as a credit to customers. In addition, over the medium term, we will continue to invest in growth and maintain a strong financial base while promoting shareholder return with a target total return ratio of around 50% in order to further improve shareholder interests and capital efficiency.

In addition, the Articles of Incorporation stipulate that matters stipulated in each item of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, shall be determined by a resolution of the Board of Directors without a resolution of a General Meeting of Shareholders, and that an interim dividend may be paid as of the record date of September 30 each year, unless otherwise provided by law. The Company's basic policy is to pay dividends twice a year, an interim dividend and a year-end dividend, from the fiscal year ended March 2025 onward.

Based on this policy, at the meeting of the Board of Directors held on May 19, 2025, the Company resolved to set the year-end dividend at 25 yen per share, with a payment commencement date of June 5, 2025.

In addition, since the interim dividend of 25 yen per share was paid as of the record date of September 30, 2024, the annual dividend for the fiscal year under review is 50 yen per share: 25 yen for the interim dividend and 25 yen for the year-end dividend.

Reference: Status of annual dividends

| Fiscal term                                     | Annual amount of dividend per share (yen) |
|-------------------------------------------------|-------------------------------------------|
| 11th Fiscal year (FY ended March 2025) (Note 1) | 50                                        |
| 10th Fiscal year (FY ended March 2024)          | 48 (Note 2)                               |
| 9th Fiscal year (FY ended March 2023)           | 42 (Note 2)                               |

- Notes:
1. The ratio of the sum of total dividends paid and share repurchases to profit in the fiscal year under review (so-called total payout ratio) accounts for 71.1%.
  2. Dividend per share is calculated on the assumption that the stock split implemented on January 1, 2024 was implemented at the beginning of the fiscal year ended March 2023.
  3. The ratio of total dividends to the total consolidated profit for the past three years including the fiscal year under review is 37.5%, and the ratio of total dividends and repurchases of treasury shares to the total consolidated profit for the same period (so-called total payout ratio for three years) is 45.1%.

# Consolidated Financial Statements

## Consolidated balance sheet

As of March 31, 2025

(Millions of yen)

| Item                                 | Amount         | Item                                          | Amount         |
|--------------------------------------|----------------|-----------------------------------------------|----------------|
| <b>Assets</b>                        |                | <b>Liabilities</b>                            |                |
| <b>Current assets</b>                | <b>126,290</b> | <b>Current liabilities</b>                    | <b>31,271</b>  |
| Cash on hand and in banks            | 72,837         | Accounts payable–trade                        | 11,936         |
| Accounts receivable–trade            | 31,609         | Accounts payable–other                        | 4,597          |
| Finished goods                       | 6,388          | Accrued expenses                              | 7,412          |
| Work in process                      | 10,650         | Income taxes payable                          | 3,361          |
| Accounts receivable–other            | 866            | Others                                        | 3,965          |
| Advance payments to suppliers        | 2,108          |                                               |                |
| Prepaid expenses                     | 1,800          | <b>Long-term liabilities</b>                  | <b>1,995</b>   |
| Others                               | 32             | Asset retirement obligations                  | 350            |
|                                      |                | Others                                        | 1,645          |
| <b>Non-current assets</b>            | <b>44,022</b>  | <b>Total liabilities</b>                      | <b>33,266</b>  |
| <b>Property, plant and equipment</b> | <b>22,338</b>  | <b>Net assets</b>                             |                |
| Buildings and structures             | 2,462          | <b>Shareholders' equity</b>                   | <b>135,237</b> |
| Machinery, equipment and vehicles    | 65             | Common stock                                  | 32,971         |
| Tools, furniture and fixtures        | 19,667         | Deposits for subscriptions of shares          | 46             |
| Construction in progress             | 144            | Capital surplus                               | 32,971         |
| <b>Intangible assets</b>             | <b>14,408</b>  | Retained earnings                             | 74,252         |
| Technology assets                    | 12,373         | Treasury stock                                | (5,003)        |
| Others                               | 2,035          |                                               |                |
| <b>Investments and other assets</b>  | <b>7,276</b>   | <b>Accumulated other comprehensive income</b> | <b>1,809</b>   |
| Investment securities                | 0              | Foreign currency translation adjustments      | 1,809          |
|                                      |                |                                               |                |
| Deferred tax assets                  | 6,124          |                                               |                |
| Others                               | 1,152          |                                               |                |
|                                      |                | <b>Total net assets</b>                       | <b>137,046</b> |
| <b>Total assets</b>                  | <b>170,312</b> | <b>Total liabilities and net assets</b>       | <b>170,312</b> |

(Note) Monetary amounts are rounded to the nearest million yen.

## Consolidated Statement of Income

From April 1, 2024, to March 31, 2025

(Millions of yen)

| Item                                         | Amount |         |
|----------------------------------------------|--------|---------|
| Net sales                                    |        | 188,535 |
| Cost of sales                                |        | 84,616  |
| Gross profit                                 |        | 103,919 |
| Selling, general and administrative expenses |        | 78,919  |
| Operating income                             |        | 25,000  |
| Non-operating income                         |        |         |
| Interest income                              | 405    |         |
| Others                                       | 41     | 446     |
| Non-operating expenses                       |        |         |
| Foreign exchange losses                      | 250    |         |
| Others                                       | 78     | 328     |
| Ordinary income                              |        | 25,118  |
| Extraordinary income                         |        |         |
| Gain on sale of non-current assets           | 1,790  | 1,790   |
| Extraordinary losses                         |        |         |
| Impairment losses                            | 1,531  | 1,531   |
| Profit before income taxes                   |        | 25,377  |
| Income taxes—current                         | 5,175  |         |
| Income taxes—deferred                        | 602    | 5,777   |
| Profit                                       |        | 19,600  |
| Profit attributable to owners of parent      |        | 19,600  |

(Note) Monetary amounts are rounded to the nearest million yen.

## Non-Consolidated Financial Statements

### Non-Consolidated balance sheet

As of March 31, 2025

(Millions of yen)

| Item                                  | Amount         | Item                                        | Amount         |
|---------------------------------------|----------------|---------------------------------------------|----------------|
| <b>Assets</b>                         |                | <b>Liabilities</b>                          |                |
| <b>Current assets</b>                 | <b>113,148</b> | <b>Current liabilities</b>                  | <b>29,213</b>  |
| Cash on hand and in banks             | 55,514         | Accounts payable–trade                      | 13,058         |
| Accounts receivable–trade             | 35,890         | Accounts payable–other                      | 4,951          |
| Finished goods                        | 6,388          | Accrued expenses                            | 6,434          |
| Work in process                       | 10,650         | Income taxes payable                        | 3,279          |
| Advance payments to suppliers         | 2,108          | Others                                      | 1,490          |
| Prepaid expenses                      | 1,613          |                                             |                |
| Accounts receivable–other             | 955            |                                             |                |
| Others                                | 27             | <b>Long-term liabilities</b>                | <b>300</b>     |
|                                       |                | Asset retirement obligations                | 300            |
| <b>Non-current assets</b>             | <b>44,450</b>  |                                             |                |
| <b>Property, plant and equipment</b>  | <b>20,357</b>  | <b>Total liabilities</b>                    | <b>29,514</b>  |
| Buildings                             | 848            |                                             |                |
| Machinery and equipment, net          | 0              | <b>Net assets</b>                           |                |
| Tools, furniture and fixtures         | 19,364         | <b>Shareholders' equity</b>                 | <b>128,085</b> |
| Construction in progress              | 143            | <b>Common stock</b>                         | <b>32,970</b>  |
| <b>Intangible assets</b>              | <b>14,381</b>  | <b>Deposits for subscriptions of shares</b> | <b>45</b>      |
| Technology assets                     | 12,373         | <b>Capital surplus</b>                      | <b>32,970</b>  |
| Others                                | 2,008          | Legal capital surplus                       | 32,970         |
| <b>Investments and other assets</b>   | <b>9,711</b>   | <b>Retained earnings</b>                    | <b>67,101</b>  |
| Investment securities                 | 0              | Other retained earnings                     | 67,101         |
| Shares of subsidiaries and affiliates | 2,704          | Retained earnings brought forward           | 67,101         |
| Deferred tax assets                   | 5,952          | <b>Treasury stock</b>                       | <b>(5,003)</b> |
| Others                                | 1,053          |                                             |                |
|                                       |                | <b>Total net assets</b>                     | <b>128,085</b> |
| <b>Total assets</b>                   | <b>157,599</b> | <b>Total liabilities and net assets</b>     | <b>157,599</b> |

(Note) Monetary amounts are rounded down to the nearest million yen.

## Non-Consolidated Statement of Income

From April 1, 2024, to March 31, 2025

(Millions of yen)

| Item                                         | Amount |         |
|----------------------------------------------|--------|---------|
| Net sales                                    |        | 187,714 |
| Cost of sales                                |        | 84,525  |
| Gross profit                                 |        | 103,189 |
| Selling, general and administrative expenses |        | 81,230  |
| Operating income                             |        | 21,958  |
| Non-operating income                         |        |         |
| Dividend income                              | 1,455  |         |
| Others                                       | 76     | 1,531   |
| Non-operating expenses                       |        |         |
| Foreign exchange losses                      | 214    |         |
| Others                                       | 61     | 276     |
| Ordinary income                              |        | 23,213  |
| Extraordinary income                         |        |         |
| Gain on sale of non-current assets           | 1,789  | 1,789   |
| Extraordinary losses                         |        |         |
| Impairment losses                            | 1,530  | 1,530   |
| Income before income taxes                   |        | 23,473  |
| Income taxes—current                         | 4,911  |         |
| Income taxes—deferred                        | 598    | 5,510   |
| Profit                                       |        | 17,963  |

(Note) Monetary amounts are rounded down to the nearest million yen.



## (Translation)Independent Auditor's Report

May 15, 2025

The Board of Directors  
Socionext Inc.

Ernst & Young ShinNihonLLC  
Tokyo, Japan

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/s/NoriakiKenmochi Designated  
Engagement Partner Certified  
Public Accountant

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/s/Shinichi Masuda  
Designated Engagement Partner  
Certified Public Accountant

### Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Socionext Inc. and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

|                                                             |
|-------------------------------------------------------------|
| <p>Notes to the Readers of Independent Auditor's Report</p> |
|-------------------------------------------------------------|

|                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.</p> |
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# (Translation)Independent Auditor's Report

May 15, 2025

The Board of Directors  
Socionext Inc.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

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/s/Noriaki Kenmochi Designated  
Engagement Partner Certified  
Public Accountant

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/s/Shinichi Masuda  
Designated Engagement Partner  
Certified Public Accountant

## Opinion

Pursuant to Article 436, paragraph 2, item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to the non-consolidated financial statements of Socionext Inc. (the Company) applicable to the fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2025, in accordance with accounting principles generally accepted in Japan.

## Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management, the Audit and Supervisory Committee for the Non-consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non- consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the non- consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Readers of Independent Auditor's Report**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.

## Audit & Supervisory Committee's Report

### Audit Report

The Audit & Supervisory Committee has audited the Directors' execution of duties for the 11th fiscal year from April 1, 2024 to March 31, 2025. The following are the reports of the methods and results of the audit.

#### 1. The methods and contents of the audit

With respect to the contents of the resolution of the Board of Directors regarding the matters set forth in Article 399-13, Paragraph 1, Item 1, (b) and (c) of the Companies Act, and the systems (Internal Control Systems) developed based on such resolution, the Audit & Supervisory Committee received periodic reports from Directors, employees and other relevant functions concerning the status of formation and implementation of such systems, asked for explanations as necessary, expressed its opinions and conducted the audit in the following manner.

- 1) In accordance with the audit policy and the allocation of duties and other terms defined by the Audit & Supervisory Committee, the Audit & Supervisory Committee, in coordination with the internal control divisions of the Company, attended material meetings, received reports from the Directors, employees and other relevant functions on matters related to their execution of duties, asked for explanations as necessary, and investigated the status or condition of the business activities and assets by inspecting important approval document and reports in the head office and other major offices.

In addition, with respect to subsidiaries, the Audit & Supervisory Committee communicated and exchanged information with directors and auditors of subsidiaries, and received reports on business from subsidiaries whenever necessary.

- 2) The Audit & Supervisory Committee monitored and verified that the Accounting Auditor maintained independence and conducted appropriate audits, received reports from the Accounting Auditor on the status of their audit work, and asked for explanations as necessary. The Audit & Supervisory Committee was also advised by the Accounting Auditor that they had the "system for ensuring that the performance of the accounting auditors is being carried out correctly" (matters set forth in each item of Article 131 of the Rules of Corporate Accounting) in place in accordance with the "Quality Control Standards" (Business Accounting Council, October 28, 2005) and other relevant regulations and asked for explanations as necessary.

Based on the above stated steps, the Audit & Supervisory Committee examined the business report and the supplementary schedules, the non-consolidated financial statements (the balance sheet, the statement of income, the statement of changes in net assets and the notes to the financial statements) and the supplementary schedules thereof, and the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements) for the fiscal year under review.

#### 2. Results of the audit

- (1) Results of the audit of the business report and the supplementary schedules

- 1) The business report and the supplementary schedules present fairly the status of the Company's business conditions in conformity with the applicable laws and regulations and the Articles of Incorporation;
- 2) There is no indication of significant wrongdoing or violation of laws and regulations and the Articles of Incorporation in the Directors' execution of duties; and
- 3) The contents of the resolution by the Board of Directors regarding the internal control system were appropriate. Also there is no item to be noted on description in the business report and the Directors' execution of duties regarding the internal control systems.

- (2) Audit Results on the Non-consolidated Financial Statements and the Supporting Schedules

The methods and results of audits conducted by Ernst & Young ShinNihon LLC, the Accounting Auditor of the Company, are appropriate.

- (3) Results of the audit of the consolidated financial statements

The methods and results of audits conducted by Ernst & Young ShinNihon LLC, the Accounting Auditor of the Company, are appropriate.

May 15, 2025

Audit & Supervisory Committee of Socionext Inc.

Audit & Supervisory Committee Member

Audit & Supervisory Committee Member

Full-time Audit & Supervisory Committee Member

Yasuyoshi Ichikawa (Seal)

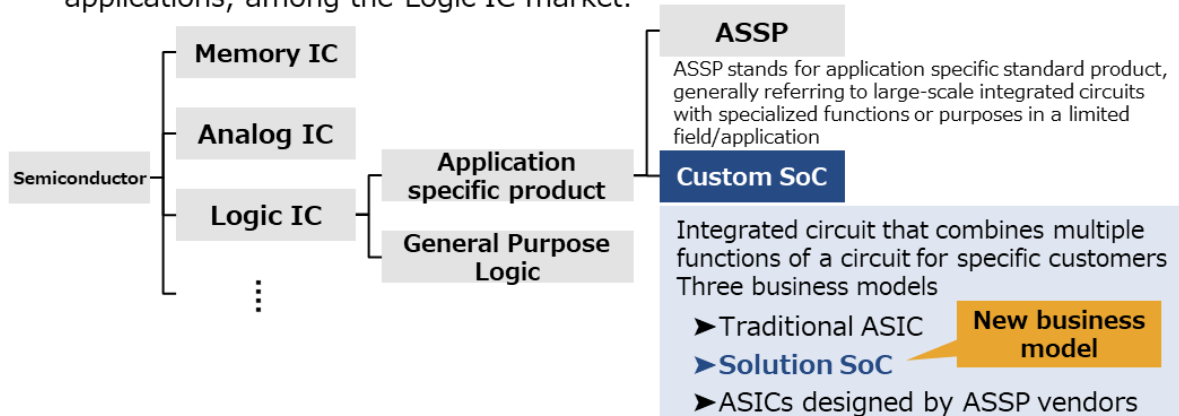
Noriko Yoneda (Seal)

Morimasa Ikemoto (Seal)



## Custom SoC market in the semiconductor market

The Company provides services mainly in the Custom SoC for specific applications, among the Logic IC market.



<The Company's Primary Applications>



Automotive



Data center & networking



Smart devices



Industrial equipment

## Features of Solution SoC Business Model

1

Covering the upstream of the design flow (architecture and specification design of SoC)

Provide custom SoCs to customers with limited in-house resources for upstream design of SoC

2

Possible to combine optimal technologies without restrictions from ASSP business

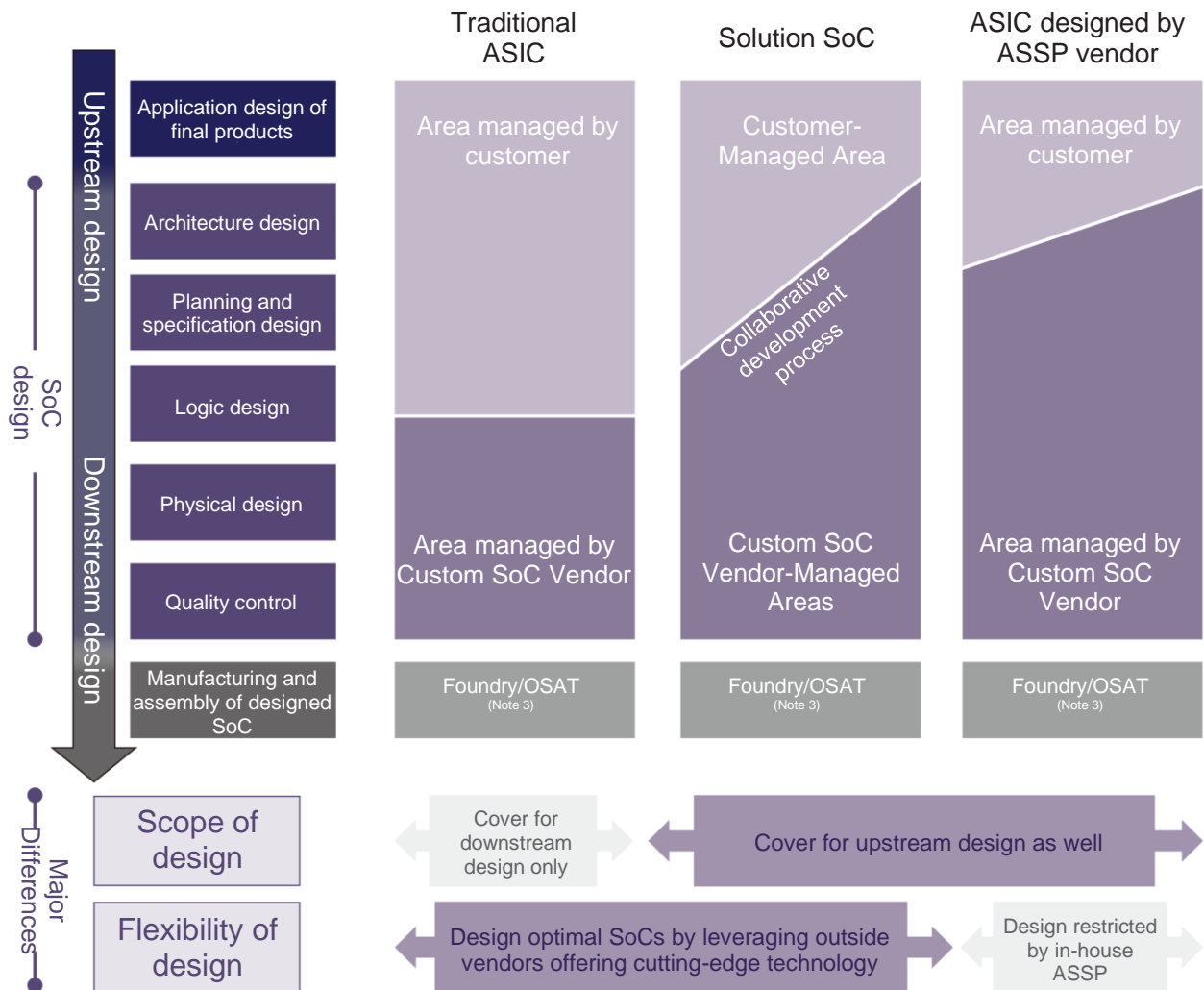
Possible to provide optimal SoCs for customers

3

Understand optimal system services, including SoCs

Possible to provide SoCs that deliver optimal system services demanded by customers

## Custom SoC design flow by business model



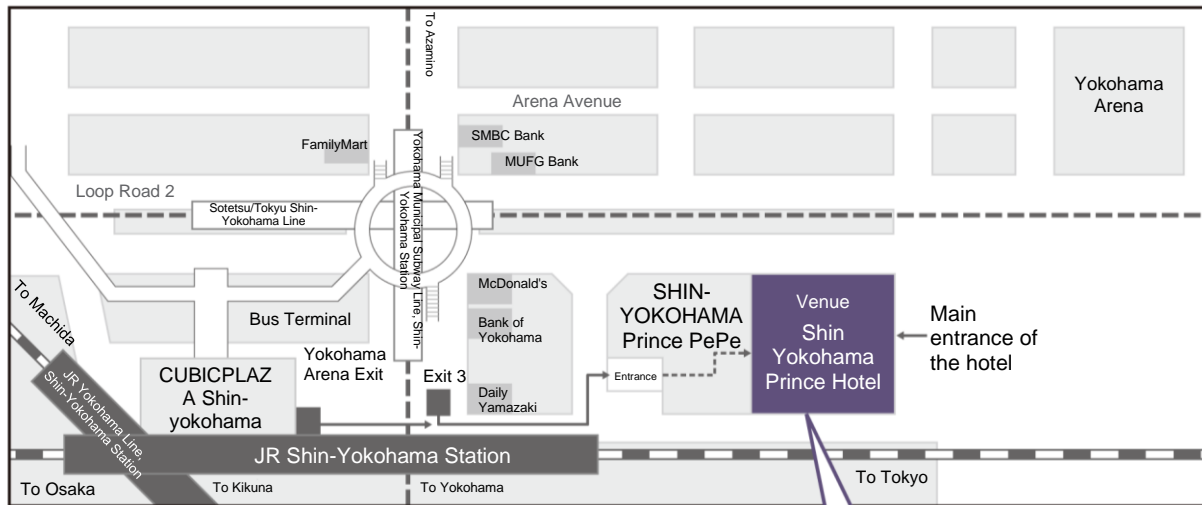
## Reference: Description of Key Terms Used in the Semiconductor Industry

(Listed in alphabetical order)

| Terminology             | Description                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADAS                    | Abbreviation for advanced driving assistant system for automobiles.                                                                                                                                                                                                                                                                                                                                                      |
| IP                      | Abbreviation for intellectual property. It is circuit information that is organized in partial functional units to make up a semiconductor, and is divided into procurement IP that is purchased from outside and in-house IP that is developed in-house.                                                                                                                                                                |
| NRE Sales               | Abbreviation for non-recurring engineering sales. It refers to the sales received from customers during the development stage before mass production of a product. NRE sales correspond to design and development costs incurred during the development phase, such as labor costs, IP, design tools, reticles, and prototype manufacturing, and are usually recorded multiple times as development milestones progress. |
| OSAT                    | Abbreviation of Out-sourced Semiconductor Assembly and Test. Manufacturing companies contracted dedicatedly in the later stages (assembly and test) of semiconductor manufacturing.                                                                                                                                                                                                                                      |
| SCM                     | Abbreviation for supply chain management.<br>A method of business management to achieve overall efficiency and optimization by comprehensively reviewing the flow of manufactured products from material procurement through design, manufacturing, and distribution to the end user.                                                                                                                                    |
| System architecture     | The design and structure of the entire system in which semiconductor is mounted.                                                                                                                                                                                                                                                                                                                                         |
| Chiplet                 | A semiconductor packaging technology that combines multiple semiconductor chips like blocks and treats them like a single chip to realize more advanced functions and performance without relying solely on the refinement of process technology in the pre-process of semiconductor manufacturing.                                                                                                                      |
| Test board              | Also called an evaluation board, it is a printed circuit board that contains peripheral chips, circuits and terminals necessary for operation and is created and provided for testing and evaluating products such as semiconductor chips.                                                                                                                                                                               |
| Tapeout                 | The step of completing the semiconductor design process and moving to the reticle manufacturing process for transferring circuit information.                                                                                                                                                                                                                                                                            |
| Design methodology      | A set of semiconductor design methods, including tools for designing and developing semiconductors.                                                                                                                                                                                                                                                                                                                      |
| Semiconductor ecosystem | A structure of business relationships between multiple semiconductor companies that support the design, development and manufacture of semiconductors.                                                                                                                                                                                                                                                                   |
| Packaging technology    | A technology used in the manufacturing process of semiconductors, called the post-process, to protect semiconductor chips from the outside and to connect them electrically.                                                                                                                                                                                                                                             |
| Foundry                 | A company that specializes in contract manufacturing of the pre-process of semiconductor manufacturing.                                                                                                                                                                                                                                                                                                                  |
| Reticle                 | A glass substrate used in the semiconductor manufacturing process to transfer designed circuit information to a silicon wafer through an exposure device.                                                                                                                                                                                                                                                                |
| SoC                     | Abbreviation for system on chip.<br>The implementation of multiple functions needed to run a device or system on a single semiconductor chip.                                                                                                                                                                                                                                                                            |

## Information on the venue of Ordinary General Meeting of Shareholders

Venue      **“Wakana” on the fourth floor of Shin Yokohama Prince Hotel**  
 3-4 Shin-Yokohama, Kohoku-ku, Yokohama City, Kanagawa Prefecture



Access - JR Shin-Yokohama Station

2 minutes' walk from North Exit on the Yokohama Line  
 2 minutes' walk from East Exit or West Exit on the Tokaido Shinkansen Line  
 Leave the ticket gate and walk towards the Yokohama Arena Exit.

- Yokohama Municipal Subway Blue Line, Shin-Yokohama Station  
 Sotetsu/Tokyu Shin-Yokohama Line, Shin-Yokohama Station

2 minutes' walk from Exit 3

\*We do not offer souvenirs at shareholders meetings.  
 We would appreciate your understanding.

### Floor map

Please go up to the fourth floor by escalator

