



August 28, 2025

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Notice Regarding the Disposal of Treasury Shares Associated with the Introduction of an Officer Compensation BIP Trust System and a Stock Grant ESOP Trust System

Socionext Inc. (the “Company”) hereby provides a notification to the effect that a resolution to dispose of treasury shares of the Company associated with the introduction of an officer compensation BIP trust and a stock grant ESOP trust (hereinafter referred to as the “Treasury Shares Disposal”) was passed at the meeting of the Board of Directors held today.

1. Outline of disposal

(1) Date of disposal	September 19, 2025
(2) Class and number of shares to be disposed of	Common stock 1,212,000 shares
(3) Disposal price	2,834 yen per share
(4) Total value of disposal	3,434,808,000 yen
(5) Planned recipient	The Master Trust Bank of Japan, Ltd. (Officer compensation BIP trust account) 506,300 shares The Master Trust Bank of Japan, Ltd. (Stock grant ESOP trust account) 705,700 shares
(6) Other	The Treasury Shares Disposal requires that a Securities Registration Statement goes into effect which has been submitted in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

In the expectation of further progress of the business growth and business transformation of the Group, as well as promotion of initiatives for management activities focusing on corporate value, and also to secure domestic and global human resources by reaching closer to the market’s stock compensation levels, the Company resolved at a meeting of the Board

of Directors held on May 19, 2025 to partially amend its current performance-based restricted stock compensation plan for the Company's Board Directors (excluding Board Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter the "Eligible Directors") and Executive Officers who do not concurrently serve as Board Directors and to introduce an "officer compensation BIP trust" (hereinafter, the "BIP trust"), which is a stock compensation plan based on a stock delivery trust for the Eligible Directors and Executive Officers who meet certain requirements (hereinafter collectively referred to as "Eligible Directors, etc."), replacing the current performance-based restricted stock compensation plan, and received approval of a proposal regarding the introduction of the BIP trust at the 11th Ordinary General Meeting of Shareholders held on June 26, 2025.

With the aim of securing human resources and retaining employees, the Company passed a resolution at the meeting of the Board of Directors held today for the introduction of a stock grant ESOP Trust (hereinafter referred to as the "ESOP Trust"; referred to collectively with the BIP trust as the "Plan"), which is a stock compensation plan based on a stock grant trust, initially for certain employees of the Company's U.S. subsidiary (hereinafter referred to as the "Eligible Employees") among the Company's overseas subsidiaries.

For an overview of the Plan, please refer to the "Notice Concerning Amendment of Performance-Based Restricted Stock Compensation Plan" disclosed on May 19, 2025 and the "Notice Regarding the Introduction of a Stock Grant ESOP Trust" disclosed today.

In accordance with the introduction of the Plan, the Company will conclude an officer compensation BIP trust agreement and a stock grant ESOP trust agreement (hereinafter collectively referred to as the "Trust Agreements") with Mitsubishi UFJ Trust and Banking Corporation. When it comes to the Treasury Shares Disposal in question, treasury shares will be disposed of and placed in an officer compensation BIP trust account and a stock grant ESOP trust account established at the Master Trust Bank of Japan, Ltd., which is a co-trustee of the Trust Agreements.

The number of shares to be disposed of is the number of shares expected to be delivered to the Eligible Directors, etc., and the Eligible Employees during the trust period pursuant to the share delivery regulations, that are separately established by the Company and its overseas subsidiaries upon the introduction of the Plan. The scale of dilution will be 0.67% against 179,756,405 shares, the total number of issued shares of the Company as of March 31, 2025. (The percentage of the number of voting rights will be 0.68% against 1,775,298 units, the total number of voting rights as of March 31, 2025. Both percentages are rounded off to the nearest second decimal place).

The Company's shares which are to be subject to the Treasury Shares Disposal will be granted to the Eligible Directors, etc., and to the Eligible Employees in accordance with the share delivery regulations mentioned above. As it is not envisaged that these shares will flow out into the stock market at once due to the Treasury Shares Disposal, the Company has determined that the impact on the stock market will be minimal and that the number of shares for disposal and the scale of dilution are reasonable.

[Reference] Details of the Trust Agreements

(1)	Plan name	Officer compensation BIP trust	Stock grant ESOP trust
(2)	Type of trust	Trust of money other than specified individually operated money trust (third-party beneficiary trust)	
(3)	Purpose of trust	To grant incentives to the Eligible Directors, etc.	To grant incentives to the Eligible Employees
(4)	Settlor	The Company	
(5)	Trustee(s)	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
(6)	Beneficiaries	Eligible Directors, etc.	Eligible Employees
(7)	Trust administrator	Third party with no interests with the Company	
(8)	Trust agreement date	September 16, 2025 (to be confirmed)	
(9)	Trust period	From September 16, 2025, to September 30, 2028 (to be confirmed)	
(10)	Date of the Plan commencement	September 30, 2025 (to be confirmed)	
(11)	Exercise of voting rights	No exercise of voting rights	The trustee exercises voting rights over the Company's shares in accordance with the instructions of the trust administrator, which reflect the intentions of the potential beneficiaries.

3. Basis for calculation of disposal price and its specific details

To ensure that the share disposal price is a price from which arbitrariness has been eliminated, in light of recent share price trends, it shall be 2,834 yen, which is the closing price of the Company's shares on the Tokyo Stock Exchange, Inc. (hereinafter, "Tokyo Stock Exchange") on the business day immediately preceding the day of the Board of Directors' resolution pertaining to the Treasury Share Disposal (August 27, 2025). The reason for the adoption of the closing price of the Company's shares on the Tokyo Stock Exchange is that it is the market value immediately prior to the Board of Directors' resolution, and the Company has determined that it is highly objective and reasonable as a basis for calculation.

All Board Directors who are Audit & Supervisory Committee Members of the Company (3 Directors, all of whom are Outside Directors) have expressed the opinion that the basis for calculation of the disposal price is reasonable and that it is legally compliant by not corresponding to a disposal price that is particularly advantageous to the planned recipient.

4. Procedures pursuant to the Code of Corporate Conduct

As the dilution rate of the Treasury Shares Disposal is less than 25% and there is no change in controlling shareholder, it does not require procedures for receipt of an opinion of an independent third party or confirmation of the intent of shareholders as provided in Rule 432 of the Securities Listing Regulations provided by the Tokyo Stock Exchange.

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