

SIIX Corporation

2025 Integrated Report

Global Business Organizer

Always respond to customer needs with the spirit of "We Care".



SIIX is globally developing one-stop services from procurement to logistics and manufacturing, centered on the functions of an electronic parts trading company.

SIIX Principles (Corporate Philosophy)

Corporate Theme

The Corporate Theme is the SIIX business concept.

Provide the best merit for business through the best business organizing.

Corporate Target

The Corporate Target is the vision of an extremely high-level corporation which we strive to be.

We will become a company that organizes customer needs in all fields around the world to give all stakeholders a sense of affinity and charm as a global business organizer that creates business.

Corporate Mission

The Corporate Mission is the mission SIIX should try to achieve in terms of society.

We contribute to the activation of the social system and the progress of humankind by pursuit of the effective use of the world’s resources.

Corporate Style

The Corporate Style is what our company should always consider very important as to how we should be as a corporation.

1st filter:
Challenging, Speedy and Fair

2nd filter:
Sophisticated, Creative and Simple

Navigation buttons:

 Link to a related page in the report

 Link to an external website

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Editorial policy

We have issued the 2025 Integrated Report to explain in an easy-to-understand way the financial and non-financial aspects of SIIX's business strategy and management foundation to our stakeholders. Please refer to our official website for detailed information.
<https://www.siix.co.jp/en/>
Going forward, we will continue to work toward the realization of a sustainable and global co-creation society through our main business.

Disclaimer

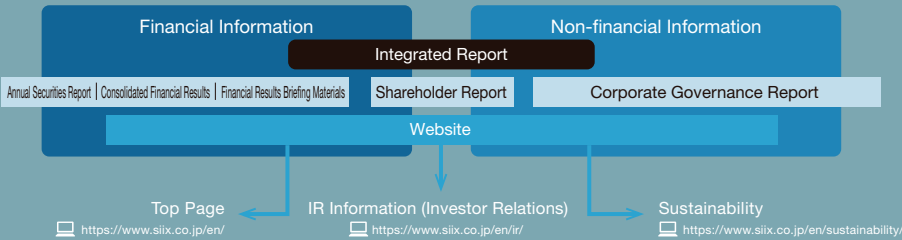
Business forecasts, outlooks, strategies and targets stated in this report, except for those relating to the past or present facts, are forward-looking statements and based on information currently available to the company and plans, expectations and judgments based on certain assumptions deemed reasonable. Accordingly, please understand that actual results may differ from the disclosed business forecasts, etc. due to variable factors with various uncertainties such as economic conditions.

Period and scope

Period : FY2024
(January 2024 - December 2024)
Some sections of this report include information during and after December 2024.

Scope : SIIX and its subsidiaries and affiliates

Information disclosure and communication



History of Value Creation

The company was founded on July 1, 1992, when major ink-maker Sakata Inx Corporation’s Overseas Business Department, in charge of trading, became independent. We marked the 30th anniversary in 2022. As a “global business organizer” that connects various needs and seeds in the world, we have created and offered different types of new value without being bound by industry or field boundaries. The company has the willingness to take on new challenges under the slogan of “Make an Impact,” as well as to work closely with all stakeholders under the spirit of “We care.” We will thus respond swiftly to our customers’ needs.

History of SIIX

From 1957

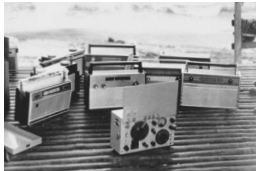
From 1979

From 1992

From 2010

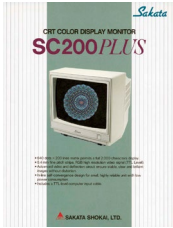
Commenced trading activities overseas

The foundation of the company traces back to when an export section was created in the trading division of Sakata Shokai Co., Ltd (currently Sakata Inx Corporation), the ink-maker that was the company's predecessor, and exports of electronic components to the Philippines began. The company has constructed its business model with a focus on “overseas business” since the initial stages of its founding.

- 1957
- The company's founder Murai, who was in charge of export in the trading division of Sakata Shokai (currently Sakata Inx Corporation), set his eyes on the future prospects of the electronic components market and started exporting electronic components made in Japan to the Philippines (founding of the company)
- 
- 1960s
- Invested in an electronic musical instruments manufacturer and became an exporter of its products
Commenced the export of motorcycles, chemical products, transport machinery, etc. to the Philippines
Established the company's first joint-venture company in the Philippines to strengthen sales of motorcycles and chemical products
- 1970
- Commenced full-fledged OEM production and export of electronic organs
Established Hammond International Japan Inc jointly with Hammond Inc in the U.S.
- 1974
- Commenced assembly and production of motorcycles with Kawasaki Heavy Industries, Ltd. using local capital
- 
- 1977
- Started trilateral trade in Singapore which was groundbreaking in its time

Commenced EMS business

In 1979, when the term EMS (electronics manufacturing services) did not exist, SIIX started this business overseas (Singapore) and became a pioneer in the Japanese EMS industry.

- 1979
- Established a joint venture company in Singapore to start the circuit board mounting business
Became a pioneer of SIIX's EMS business
- 1982
- Became a sales distributor of PANAFACOM and started sales of computers overseas, mainly in Europe
Commenced overseas sales of CRT monitors under the Sakata brand
- 
- 1988
- Commenced circuit board mounting business in Thailand (became our current mainstay factory)
- 
- 1990
- Established a joint venture company in the Philippines and commenced production of wire harnesses for automobiles
- 

Expanded business mainly in Asia

The company spun off from Sakata Inx Corporation and changed its name to SIIX Corporation. Supported by the increasing global demand for electronics manufacturing services, SIIX established production and sales bases in China, ASEAN countries, and Europe, thereby expanding its business.

- 1992
- Spun off from Sakata Inx and established Sakata Inx International
- 
- 1993
- Commenced circuit board mounting business with a joint venture in Guangdong Province, China (leading to the current Dongguan Factory)
- 1994
- Commenced circuit board mounting business in Batam, Indonesia (leading to the current Batam Factory)
- 1996
- Commenced sales of components to major Japanese manufacturers of automotive-related equipment
After making a full-edged entry into the field of automotive-related equipment, the company started receiving outsourcing contracts for materials procurement, circuit board mounting, assembly, and other processes from a variety of customers around the world, allowing it to expand and grow the automotive-related equipment sector into the main business area of the company
- 1997
- Commenced production of LCD modules for European mobile phone manufacturers
- 1998
- Company name changed to SIIX Corporation
- 
- 2000
- Established a semiconductor design and development company and commenced development and manufacture of LCD driver ICs for mobile phones (sold in March 2005)
Achieved sales of 100 billion yen
Listed in the Second Section of the Tokyo Stock Exchange
- 2001
- Established a joint venture company in Shanghai, China and commenced the EMS business
Established a joint venture company in Slovakia and commenced the EMS business
Commenced VMI service for major Japanese manufacturers of automotive-related electronic components
- 2002
- Commenced EMS business for automotive-related equipment at the Thai Factory
- 2005
- Listed in the First Section of the Tokyo Stock Exchange and the Osaka Securities Exchange
- 2007
- Opened a logistics center in Thailand
- 2009
- Patented a new method of circuit board mounting

Expansion of global network

SIIX further expanded its network of bases to respond to the needs of a larger number of customers. The company also focuses on Joint Design Manufacturing (JDM) to connect needs and seeds around the world as a global business organizer.

- 2010
- Established the company's first domestic manufacturing subsidiary in Sagami-hara City, Kanagawa Prefecture
Established a manufacturing subsidiary in Jakarta, Indonesia
- 2012
- Marked the 20th anniversary of its establishment
Established a manufacturing subsidiary in Shanghai
Established a sales subsidiary in Indonesia
- 2013
- Established a manufacturing subsidiary in the Philippines
Established a manufacturing subsidiary in Mexico
Achieved sales of 200 billion yen
- 
- 2014
- Established the company's first joint venture company for plastic molding and die manufacturing in the Philippines
Established Nagoya Sales Department in Sakae, Naka-ku, Nagoya City
- 2015
- Established a joint venture company with GD Midea Heating & Ventilating Equipment Co., Ltd.
Established a joint venture company with a medical device development company in Singapore and entered the robotics field
- 2016
- Established the Detroit Branch in the U.S.
Established a manufacturing subsidiary in Hungary
- 2017
- Established a second joint venture company with GD Midea Heating & Ventilating Equipment Co., Ltd.
Established a manufacturing subsidiary in Hubei Province, China
Established a sales subsidiary in Hanoi, Vietnam
- 
- 2019
- Established a sales subsidiary in Kuala Lumpur, Malaysia
- 2021
- Integrated management of a sales subsidiary and a manufacturing subsidiary in Thailand
- 2022
- Listed in the Prime Market of the Tokyo Stock Exchange
Marked the 65th anniversary of its founding, and the 30th anniversary of its establishment
- 2023
- Integrated management of a sales subsidiary, a manufacturing subsidiary, and a die molding subsidiary in the Philippines
Established a third joint venture company with GD Midea Heating & Ventilating Equipment Co., Ltd.
Established a joint venture company with the Agency for Science, Technology and Research (A*STAR) and SIIX-AGT MEDTECH PTE. LTD.
Achieved sales of 300 billion yen
- 2024
- Invested in a contract development and manufacturing company for bio-antibody drugs, and entered into the CDMO business
- 2025
- Established a sales subsidiary in Bengaluru, India

Social changes and issues

- 1960s
- Period of high economic growth in Japan
- 1970s
- Two oil crises

- Late 1980s
- Trade friction
- Early 1990s
- Burst of the bubble economy

- 1995
- Great Hanshin-Awaji Earthquake
- 2008
- Collapse of Lehman Brothers

- 2011
- Great East Japan Earthquake
- 2018
- U.S.-China trade friction
- 2020
- Spread of COVID-19
- 2021
- Semiconductor chip shortages

Global network

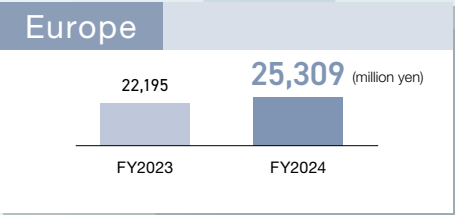
Global Network

Global deployment with 50 bases in 15 countries worldwide

The ability to provide a variety of outsourcing options to our customers through our extensive and organic network of overseas bases is one of the strengths of SIIX. We have established bases in approximately 50 locations in 15 countries worldwide that can assist in the global business development of our customers, from materials procurement to manufacturing and distribution.

(As of the end of December 2024)

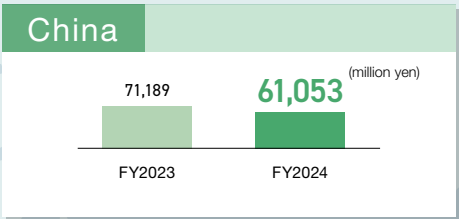
Contact for major European corporations



- 10 SIIX Europe GmbH
 - 11 SIIX EMS Slovakia s.r.o.
 - 12 SIIX Hungary kft.
- * Closure procedures in progress

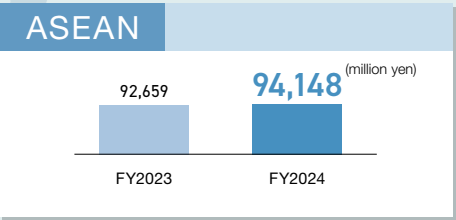
- Sales and distribution of electronic components, etc.
 - Sales of electronic components, etc.
 - Circuit board mounting, assembly and processing of devices and components
 - Plastic molding and die manufacturing
 - Branch office / representative office
 - CDMO (contract development and manufacturing organization) business for bio-antibody drugs
- ★ indicates a non-consolidated subsidiary

Meeting domestic demand in China



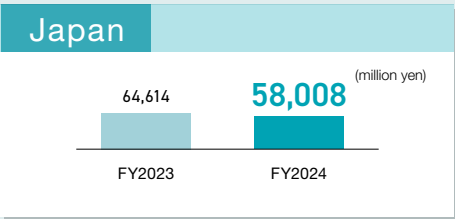
- 13 SIIX (Shanghai) Co., Ltd.
- 14 SIIX EMS (Shanghai) Co., Ltd.
- 15 SIIX HUBEI Co., Ltd.
- 16 SIIX EMS (DONG GUAN) Co., Ltd.
- 17 SIIX H.K. Ltd.
- 18 SIIX TWN Co., Ltd.

Support for decentralized production needs, coordination with cutting-edge technologies



- 19 Thai SIIX Co., Ltd.
- 20 SIIX VIETNAM COMPANY LIMITED
- 21 SIIX Malaysia Sdn.Bhd
- 22 SIIX Phils., Inc.
- 23 SIIX EMS PHILIPPINES, INC.
- 24 SIIX Singapore Pte. Ltd.
- 25 PT SIIX Electronics Indonesia
- 26 PT. SIIX EMS INDONESIA
- 27 PT. SIIX Trading Indonesia
- 28 SIIX INDIA PRIVATE LIMITED

Preparations to expand domestic production in Japan



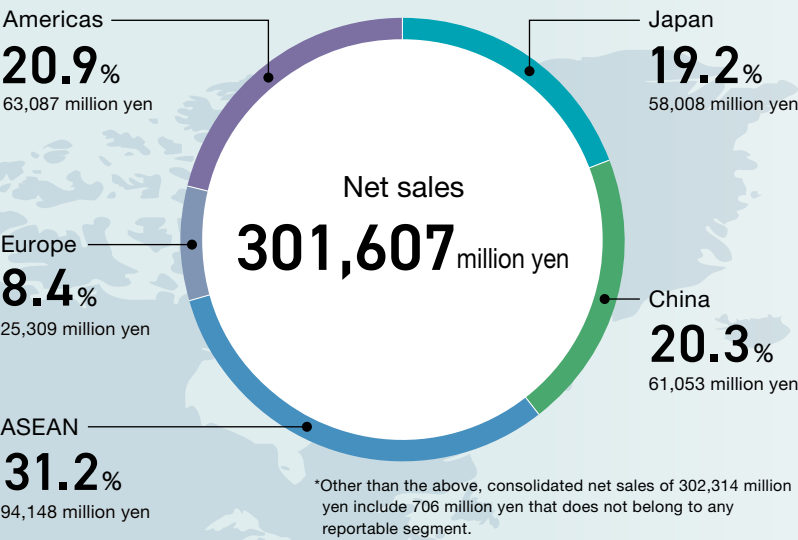
- 1 SIIX Corporation
- 2 SIIX Electronics Co., Ltd.
- 3 Renzoku Biologics Inc.

Establishment of a sales subsidiary in India

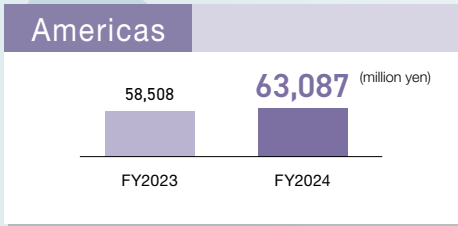
In December 2024, we established a sales subsidiary in Bengaluru, India. India, which has made remarkable development as an economic superpower in recent years and has established a solid position in the global market, especially in the IT industry, has maintained stable economic growth, supported by a favorable international economic environment. We have established a sales subsidiary in India, our first base in the country, and will focus on further business expansion by collaborating with manufacturing and technology partners in the country to develop a broad customer base.



Composition of sales by segment



Enhanced support for western corporations in Mexico

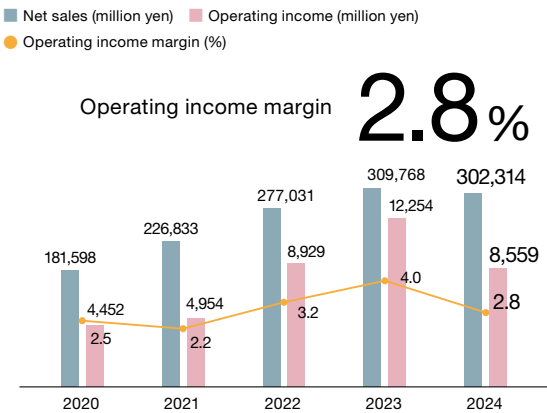


- 4 SIIX U.S.A. Corp.
- 5 SIIX U.S.A. Corp. Detroit Branch
- 6 SIIX U.S.A. Corp. Irvine Branch
- 7 SIIX MEXICO, S.A DE C.V.
- 8 SIIX EMS MEXICO, S. de R.L de C.V.
- 9 SIIX do Brasil Ltda.

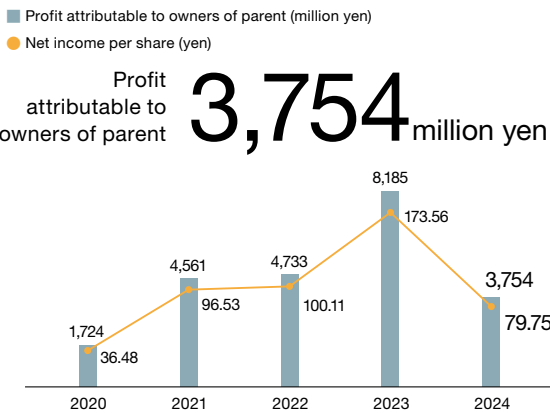
SIIX in Numbers [financial and non-financial high-lights]

Financial data

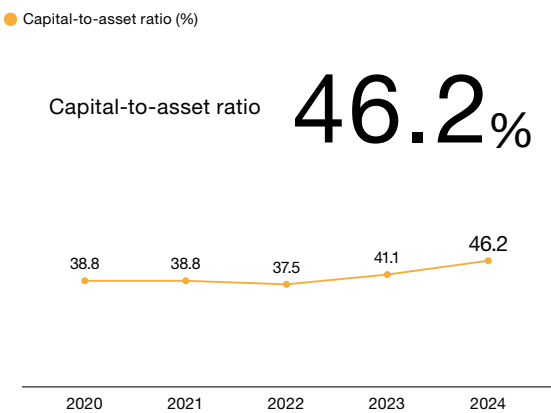
Net sales / Operating income / Operating income margin



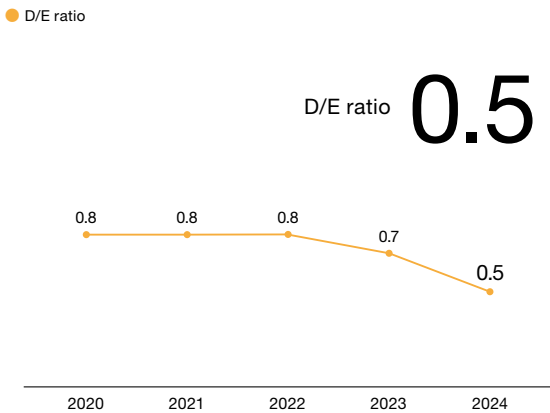
Profit attributable to owners of parent / Net income per share (EPS)



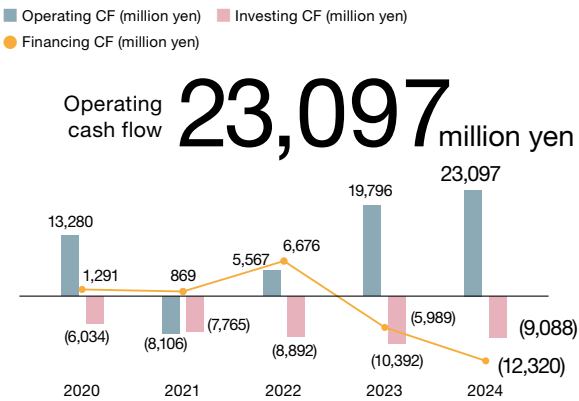
Capital-to-asset ratio



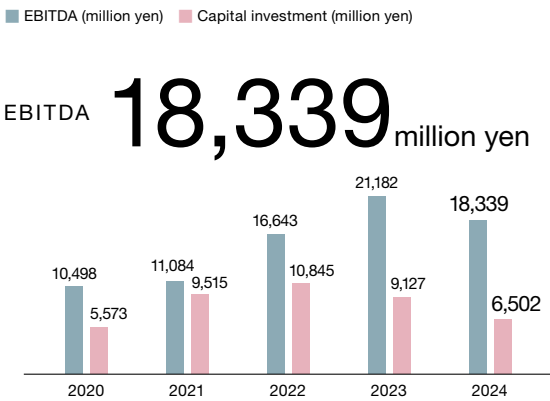
D/E ratio



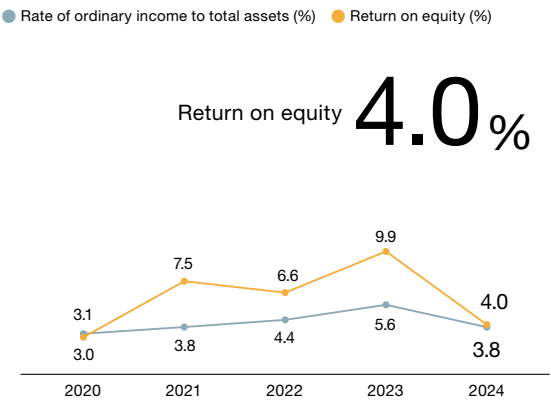
Operating cash flow / Investing cash flow / Financing cash flow



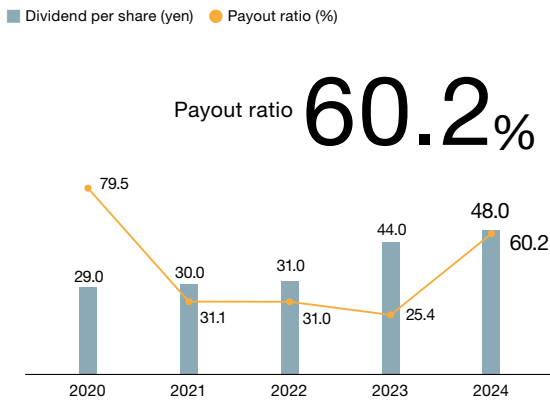
EBITDA / Capital investment



Rate of ordinary income to total assets / Return on equity



Dividend per share / Payout ratio



Non-financial data

Total CO₂ emissions (Scope1, 2, 3)

2024 **580,385_t**
(646,116t in 2023)

Actual solar panel power generation

2024 **6,333_{MWh}**
(4,457MWh in 2023)

Operation at factories in China (Shanghai, Dongguan, and Hubei), Mexico, and Indonesia (Karawang and Batam), and at a distributor in Singapore

Please refer to the Society section (p.47) for detailed information on our initiatives in social issues.

Ratio of women in management positions*

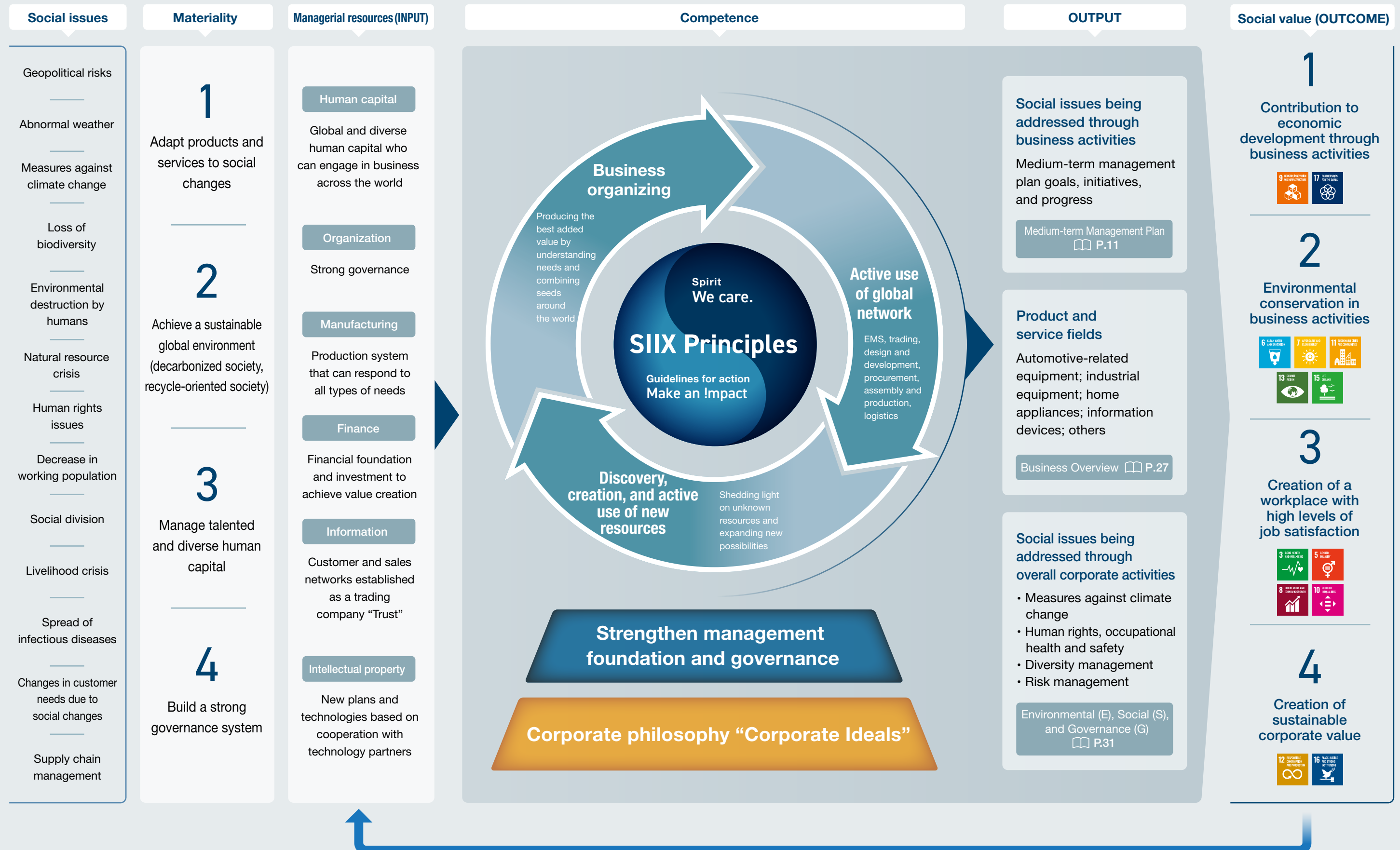
2024 **34.5%**
(32.1% in 2023)

Ratio of local employees in management positions*

2024 **79.7%**
(79.2% in 2023)

*Management position: job level above the rank of a manager in each consolidated company

Value Creation Process



Medium-term Management Plan (2024-2026)

SIIX VISION 2026

Clean, correct and accurate

Providing the best service in the middle of the fairway

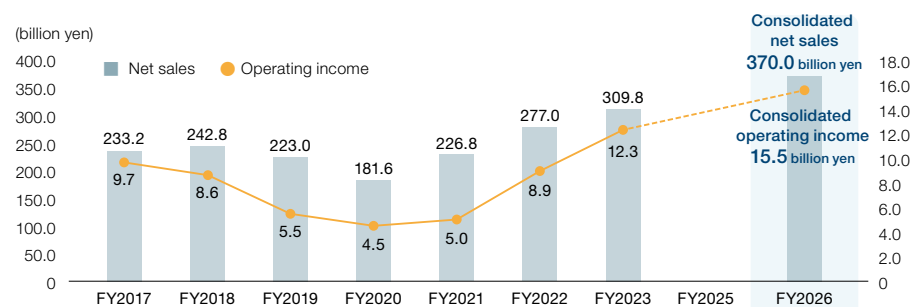
SIIX aims to deepen its relationships with all stakeholders with sincerity and integrity, and to grow and develop together. In order to achieve this, we respect the expectations and demands of our stakeholders, based on the basic principles of trust, transparency and fairness. We will accumulate the right actions every day to fulfil those needs.

Performance Targets

Consolidated performance targets for the final year (FY2026)

Net sales **370.0** billion yen Operating income **15.5** billion yen Operating income margin **4.2%**

*USD = JPY 132



Target Indicators

ROE

Steadily maintain more than **10%**

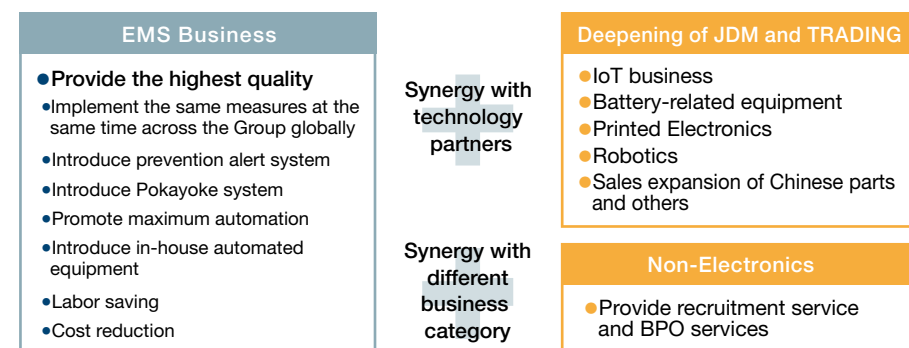
Improvement of operating income margin

4.0% → **4.2%**

Improvement of CCC

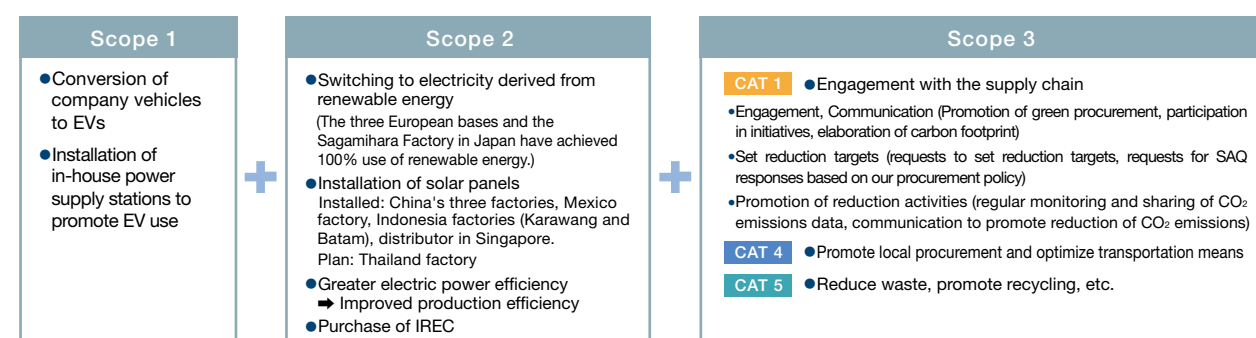
94 days → **65 days**

1 Challenge new business, provide the highest quality

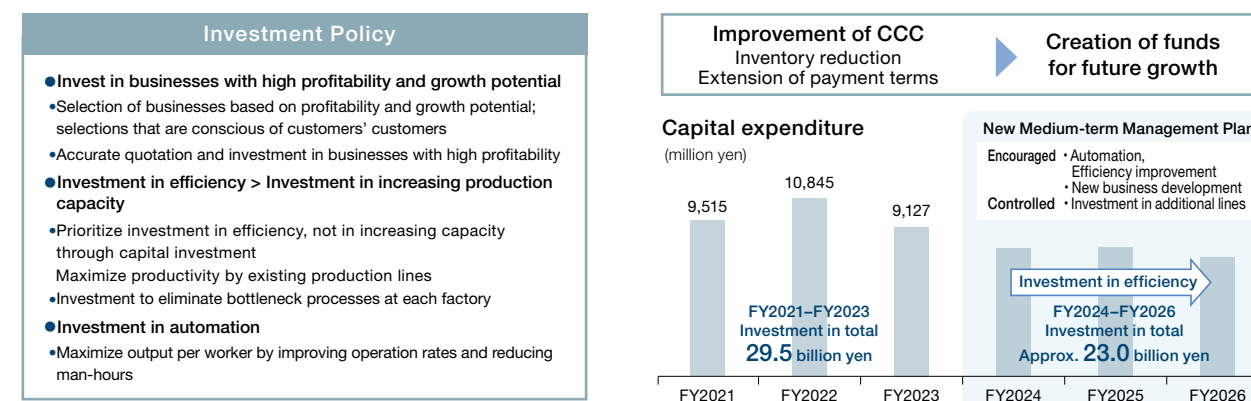


●Develop New Markets: India, Malaysia, Vietnam, Korea, Silicon Valley, etc.

2 Contribution to decarbonized society

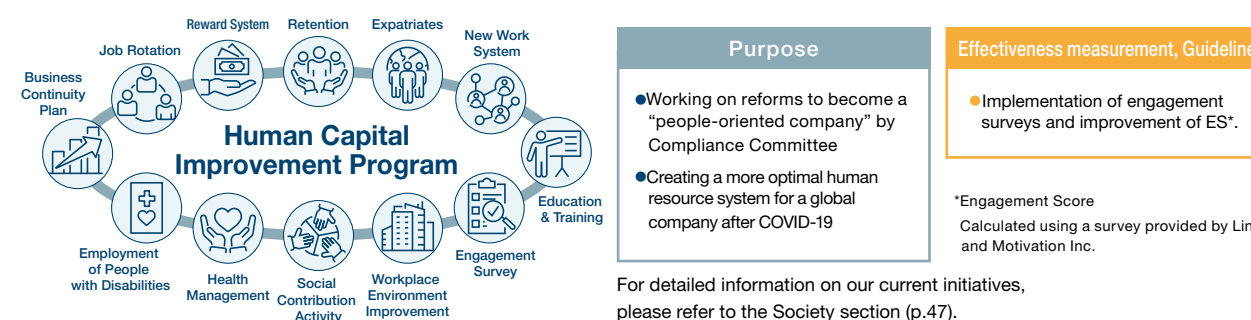


3 Business management, finance



4 Human capital management

We declare that we will completely change to a company that values "human capital" during the medium-term management plan period.



Medium- to Long-term Challenges

Entry into the CDMO business for bio-antibody drugs

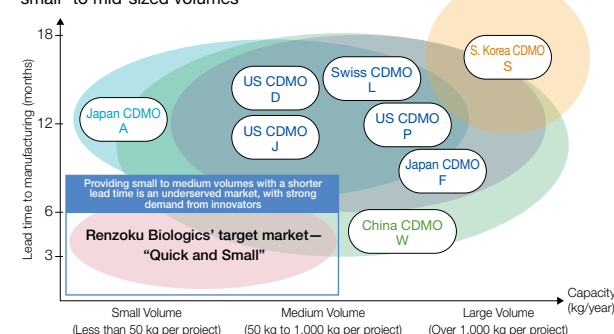


In March 2024, we invested in Renzoku Biologics Inc., which operates a CDMO (contract development and manufacturing organization) business for bio-antibody drugs. Through our support of this company, we will assist the social implementation of technology for fully continuous production of antibody drugs and embark on a CDMO business for bio-antibody drugs based on this technology.



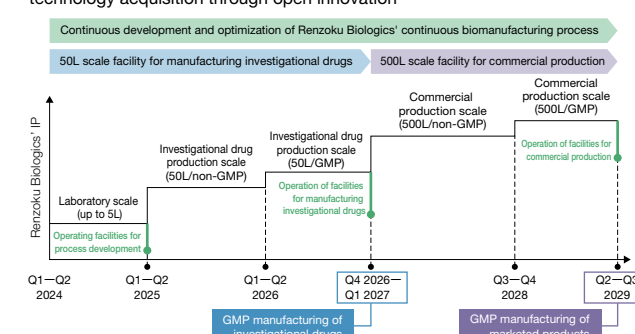
Market Entry Strategy

Renzoku targets markets for contract manufacturing for small- to mid-sized volumes



Future Plans

Accumulate own intellectual property through process development and technology acquisition through open innovation



Message from the COO

Under the new management structure, we will demonstrate our ability to respond quickly to changes in the business environment and strive to improve corporate value

COO & President
Kazuya Hiraoka



In FY2025, we launched a new co-representative structure consisting of two leaders: Kazuya Hiraoka as COO (responsible for overall corporate management and overall business execution), and Toru Maruyama as COS (responsible for overall corporate management, General Affairs Department, Investor & Public Relations Department, and Legal Department). Under the new management structure, while inheriting the values and corporate philosophy established by the founder and former chairman, Shiro Murai, we will maintain even more robust corporate governance and respond swiftly and flexibly to the changing business environment.

[COO’s mission under the new structure]
Building a management structure that inherits the founding spirit and is resilient to change

Amid an ever-changing and increasingly complex business environment, upon my appointment as COO, I will work closely with the COS, sharing responsibilities while maintaining close coordination. In this way, we intend to make management

decisions from multiple perspectives and address management issues with a sense of speed.

Since joining SIIX, I have been engaged in the electronics manufacturing services (EMS) business, primarily in China and Southeast Asia. I was appointed CCO in March 2024, and since March 2025, as COO & President, I have assumed responsibility for overall operations.

Through EMS, we play a role as a global business organizer that connects and optimizes entire supply

chains from upstream to downstream, from manufacturing, procurement, and logistics to sales and after-sales service. I recognize that maintaining and further evolving this unique position is the greatest mission assigned to me.

In addition, I will once again share throughout the company the values of “integrity,” “fairness,” and “relationships of trust with customers” that our founder, Mr. Murai, held so dear and further enhance quality and responsiveness at the execution level. I believe that this, precisely, will be the driving force behind our sustainable growth in a rapidly changing world. As COO, I will also aim to lead the entire company as a promoter of transformation while maintaining stable operations. I will earnestly address the issues facing each business, reflect the opinions of the people on the front lines, and swiftly make and implement decisions to achieve sustainable growth for SIIX.

My view is that partnerships that transcend industry boundaries and management decisions that anticipate future trends in technological innovation will become increasingly important. For the creation of new value, I will work to build an organizational structure that will not miss out on growth opportunities, including initiatives such as co-creation with other industries and the use of digital technologies to rebuild business models. My honest thought is that, while I am keenly aware of the weight of my responsibilities as COO, I am also excited to address management issues head-on with our new board members and employees.

[Review of FY2024]
Focusing on responses to issues and building systems in the face of headwinds in the external environment

Amid continued inflationary pressures around the world, FY2024 was a year of much global uncertainty, including high interest rates mainly in the United States, economic slowdown in the Chinese market, slowing EV demand in Europe, and sharp exchange rate fluctuations. Although supply chain disruptions subsided, demand remained difficult to predict, rendering the business environment surrounding us increasingly difficult.

Under these circumstances, we experienced a decline in both sales and profit in the fiscal year

ended December 31, 2024, with consolidated net sales falling 2.4% year on year to 302,314 million yen, and operating income falling 30.2% year on year to 8,559 million yen. While strong demand was seen in growth regions such as the Americas and Southeast Asia, providing some support for our business results, the slowdown in automotive-related demand in China and Europe affected our performance.

Amid geopolitical risks and changes in regional industrial structures, we focused our efforts on responding quickly to regional issues. In China, in response to changes in supplier conditions due to the growth of EVs and new energy vehicles, we have reorganized our business bases and reviewed the division of responsibilities by promoting local staff, in an effort to build a locally-driven management structure. On the other hand, in Europe, we worked to maintain a sustainable order-receipt framework while streamlining our organizational structure by optimizing business scale and reviewing cost structure.

We have also worked to improve earnings and operational efficiency by rebuilding the support systems that enable each base to implement its own PDCA cycle. The objective of these efforts was to steadily strengthen our management foundation even during periods of declining business performance.

In 2024, we established an Executive Committee that is separate from the Board of Directors. The four members of this committee, the COO, COS, CTO, and CFO, hold meetings twice a month. These meetings give us the opportunity to exchange opinions on topics that cannot be fully discussed at the Board of Directors meeting. For example, we discuss the company’s IT strategy in great depth.

At the same time, for our internal control and compliance systems, we strengthened the auditing function on a global scale and reorganized the standardization rules to raise the level of risk management. I am confident that, precisely at a time when the external environment is so unstable, bolstering our organizational foundations will help strengthen our competitiveness over the medium- to long-term.

Despite these headwinds, my assessment of FY2024 was that it was a year that would lead to

future growth, having steadily pursued the review of our business structure and frontline systems. I see it as a year in which we made progress in laying the structural foundations for a strong turnaround in FY2025 and beyond.

[Progress of the Medium-term Management Plan]
Connecting management strategies and frontline operations and steadily responding to the four challenges

In the Medium-term Management Plan 2024-2026, we set four challenges, namely (1) Challenge new business, provide the highest quality of service, (2) Contribution to a decarbonized society, (3) Business management, Finance, and (4) Human Capital Management.

In the first challenge, “Challenge new business, provide the highest quality of service,” we are pursuing the strengthening of systems to provide customers with consistent added value from upstream to downstream of their supply chains. Optimization of operations through collaboration between different domains, including procurement, logistics, assembly, and quality assurance, is underway. With these initiatives, we are working to demonstrate our unique ability to connect, in addition to the further enhancement of our delivery compliance rate and quality level.

We are also advancing initiatives beyond the boundaries of the EMS business. For example, our initiatives in new businesses, such as the battery pack business, the robotics business in Singapore, and the CDMO business for bio-antibody drugs, are accelerating.

The theme of the second challenge, “Contribution to a decarbonized society,” is to ensure transparency across the entire supply chain, alongside environmental measures such as tracking Scope 3 emissions and making use of recycled materials. As responses to these issues are closely related to frontline operational systems, we are working to visualize responses at each site and build a company-wide monitoring system.

In the third challenge, “Business management, Finance,” we are working to shift away from our past location-based management toward business management aimed at company-wide optimization. We will aim to improve our profit margin and capital

efficiency by redesigning our KPIs and increasing monitoring accuracy. I am personally working to increase sensitivity to numerical figures and to create results through regular dialogue with managing directors at each location.

The key to the fourth challenge, “Human capital management,” will be to create a cycle in which each and every employee thinks, acts, and produces results by themselves across the entire organization. As COO, rather than merely establishing systems and mechanisms, my emphasis is on management in which we listen directly to the voices of the people on the front lines and connect their feedback to improvements.

These four challenges are not mutually exclusive, but closely interrelated. We will aim for the steady execution of the Medium-term Management Plan by converting strategy into action, focusing on frontline operations.

[Strengthening of global expansion]
Securing growth opportunities with a flexible structure in line with regional characteristics

Our strength lies in the fact that we have expanded our business locations around the world and established operational systems that are closely connected to each region. As competition in the EMS industry grows even more intense, companies’ competitiveness will depend on how well they operate globally.

As COO, I am working to optimize operational structures in line with local conditions and concentrate our management resources on high-growth markets. For example, automotive-related demand has remained strong in the Americas, and we are seeing expansion in orders received for new projects, particularly EV-related assembly projects. In the ASEAN countries, such as Thailand and Vietnam, we are enhancing production functions by leveraging our superiority in parts procurement and logistics.

On the other hand, in China, Europe, and other markets, against the backdrop of slowing demand and changes in the industrial structure, we are streamlining and reorganizing our existing bases with the aim of achieving optimal placement from a company-wide perspective. Instead of merely

maintaining the number of locations, we are working to enhance the profitability of our businesses and accelerate the speed of decision-making through the clarification of functions and the redefinition of roles in each region.

In addition, in our global business, which is greatly affected by external factors such as exchange rates and logistics costs, it is imperative to strengthen cooperation among locations. We are also improving business continuity by establishing common operational systems and data linkage systems to improve operational efficiency and the immediacy of information.

We will continue to promote flexible organizational management that is able to overcome geopolitical risks and changes in market structure through the integration of our global business locations. Rather than simply expanding business areas, we will secure growth opportunities through high-quality operations and further enhance our global presence.

[Inheriting the founding spirit and new challenges]
Pursuing value creation starting at the front lines while respecting the origins of our business

The world is currently at a turning point in values, and companies have entered an era in which they are being increasingly called on to exercise social responsibility and sustainability. In such times, I believe that the mission assigned to us is to go

beyond the boundaries of manufacturing alone and continue to be a trusted presence that evolves alongside society.

Based on my experience in frontline operations overseas, I am convinced that the source of corporate value lies in those front lines. The value of our management strategy and the Medium-term Management Plan will ultimately be determined by their execution by each individual employee. To that end, I believe that it is my responsibility as COO to create a culture in which employees can think, act, and challenge themselves.

Further, it is precisely at times of such dramatic changes in the external environment that we must return to our roots. The origin of the company lies in “integrity,” “fairness,” and “relationships of trust” established by the founder, Shiro Murai. We have upheld these values since our founding and will continue to carry them forward unchanged. While preserving this DNA, we will keep striving for sustainable growth starting at the front lines.

As a global business organizer, we will continue to address increasingly complex social issues and create value together with our customers, partner companies, and local communities. We are committed to building a corporate structure that is resilient to change by emphasizing dialogue with stakeholders and discovering new insights and possibilities. I hope that you will continue to look forward to our challenges, and I ask for your ongoing support.



Message from the COS

We will build strong management foundations for the future of the SIIX Group through a focus on dialogue and strengthening of governance.

COS & Representative Director
and Senior Executive Director

Toru Maruyama



[Roles of COS (Chief of Staff) and responses to management issues]

Strengthening organizational foundations as the control tower for governance and company-wide strategy

My name is Toru Maruyama, and, starting from FY2025, I am serving as Representative Director and Senior Executive Director. As COS, I will be responsible for overall corporate management, as well as the General Affairs Department, Investor & Public Relations Department, and Legal Department. I will play a central role in governance, strategy planning, and internal and external communication.

Amid an increasingly uncertain business environment, it is essential for SIIX, as a company that does business on a global scale, to strengthen its governance across regions and standardize its

legal and compliance systems globally. I believe that promotion of internal controls and dialogue with external parties will enhance corporate value. In my capacity as COS, I am determined to make every effort to build systems that will enhance the sustainability and transparency of management.

To respond to rapid changes in the business environment, I will work to improve the accuracy and speed of initiatives by sharing information with Board members on a daily basis and clarifying the gap between frontline operations and management. While the COO's role is to determine where the organization is headed, my role as COS is to decide how to move the organization toward that goal. I believe that this complementary relationship between the two roles represents the true essence of our co-representative structure.

As part of my responsibilities as COS, I intend to address developments such as the Corporate

Governance Code and amendments to the Companies Act with a thorough and robust governance structure.

As COS, I am also focused on consistent messaging from a company-wide perspective, as well as the formulation and monitoring of a medium-to long-term strategic framework. I see it as my responsibility as COS to ensure consistency in company-wide policies and enhance the quality of external accountability.

Given that we operate under the different legal systems and diverse cultures and business practices of various countries, it is imperative to implement corporate governance that will be effective on a global scale. To this end, another role of the COS is to instill the corporate philosophy and guidelines for action at each location and to promote organic cooperation among functional departments. I am working with the Legal Department on risk assessment in contractual and regulatory compliance around the world, with the Investor & Public Relations Department on the consolidation of non-financial information and consistency of communication policies, and with the General Affairs Department on the operation of the Board of Directors and the strengthening of internal control infrastructure.

These efforts will allow us to reallocate management resources, clarify global policies, and instill a shared internal language to accelerate change. My intention is to strengthen such strategic integration capabilities from a company-wide perspective and to contribute to the establishment of a corporate structure that is able to respond flexibly to changes in the global business environment.

[Review of FY2024]

Aiming to strengthen governance structure and evolve interactive governance

In FY2024, we proceeded with the review of our governance structure to further enhance the transparency and soundness of management. To clarify the separation of management oversight functions and business execution functions, we reexamined the composition of the Board of Directors and committee structure, reflecting the opinions of outside directors in the improvements made. We have listened very carefully to evaluations from external parties and shareholder feedback

regarding corporate governance, and advanced reforms that are conscious of a balance of reliability and accountability.

The change in composition of the Nomination and Remuneration Advisory Committee is an important reform to secure transparency and independence of decision-making. By appointing an outside director as chair of the committee, this reform will strengthen objective oversight over the compensation system, which, I believe, will lead to greater trust in our governance structure. Simultaneously, we are considering the revision of performance-linked indicators in executive compensation, aiming to design a system that links compensation to the medium-to long-term enhancement of corporate value.

In addition, to fulfill our obligations as a global corporation, we have also focused efforts on re-evaluating the compliance systems and strengthening the training systems of individual regional bases. Rather than simply imposing rules from headquarters, through ongoing, two-way communication with frontline operations, we are pursuing an approach to internal controls that will not turn them into mere formalities. We have also strived to establish effective systems by strengthening training, including raising awareness among the heads of local bases and managers in major divisions.

Underlying these efforts is the concept of “a governance structure that is rooted in dialogue.” I believe that establishing a culture in which frontline operations and management understand each other, enabling sound decision-making as an organization, instead of tying them up with rules, is the direction that I should aim for as COS.

In 2024, as a major initiative for SIIX, we established a new meeting body called the Executive Committee. The Executive Committee has four members, namely the COO, CFO, CTO, and COS. The purpose of this forum is to discuss management topics and share directions for discussions, so that the internal directors can present a united opinion on those topics before they are debated in Board of Directors meetings. Regarding risk management, for example, we will deepen discussions to embed it into our systems and organizations, aiming to strengthen governance from both offensive and defensive perspectives.

Going forward, our focus will be on how to ensure that governance reform goes beyond mere changes

to systems, and is instead reflected in day-to-day management decisions and proactive frontline operations. We will establish a framework to verify effectiveness from both system and implementation aspects in our aim for continuous improvement. Of particular importance is the coexistence of flexible implementation that takes into account the characteristics of businesses and the diversity of regions and a governance model that aims for company-wide optimization. We position governance not merely as a “defensive” measure, but as a strategic foundation that supports “offensive” management. In this regard, we will continue to pursue governance that balances organizational reliability with an ability to transform.

[Promotion of ESG]

Aiming to create sustainable corporate value through establishment of company-wide systems.

Environmental, social, and governance (ESG) lie at the heart of our management, and we strive to achieve both sustainability and social responsibility in our corporate activities. As COS, I will work to increase the ability of the entire company to implement these initiatives by linking them to management strategies.

In the environment (E) area, in addition to ongoing reductions in Scope 1 and Scope 2 emissions, we are working on the calculation of Scope 3 emissions, the refinement of our carbon footprint, and the visualization of the environmental impact of our entire supply chain. We are also advancing measures rooted in operations, such as promoting the use of recycled materials, designing recycling-oriented products, and improving energy efficiency in production processes. I intend to foster a common awareness that environmental measures are not themes that are confined to certain divisions, but are instead a management issue in which all employees should be involved. In particular, in core divisions such as manufacturing, logistics, and procurement, we will steadily promote the decarbonization of corporate activities as a whole by linking improvement activities in frontline operations with environmental measures.

On the social (S) front, we are emphasizing the development of an environment where diverse human capital can flourish and the creation of rewarding workplaces. From the perspective of human capital management, we are building

systems in which individual growth is directly linked to organizational value through the enhancement of employee engagement, reskilling support, and the promotion of diversity. We are also working on co-creation with local communities and on identifying and responding to human rights risks in the supply chain as part of our social responsibility. In recent years, in addition to developing global human capital, we have emphasized consideration for the labor practices and cultural norms of individual regions, focusing on strengthening partnerships with local communities that aim for co-existence.

As part of human capital management, we are continuing to promote the SIIX Principles, our corporate philosophy, throughout the Group. With a particular emphasis on passing SIIX Principles on to our overseas bases, we are engaging in initiatives to instill them at each location. These efforts are primarily led by local employees nominated as “SIIX Pioneers.” In Japan, meanwhile, similar initiatives are being undertaken by team members known as “Samurai Pioneers.” In these ways, the spirit of our founder, Shiro Murai is being carried on both in Japan and overseas.

On the governance (G) front, it is important to secure transparency in the internal decision-making process and to strengthen a sound management foundation. As COS, I am working across the board in a leading capacity to address issues such as the global standardization of compliance structures, the establishment of legal compliance systems at Group companies, and the greater sophistication of risk management. As investors’ interest in non-financial information has grown in recent years, we are prioritizing the enhancement of the accuracy and immediacy of ESG-related information disclosures in cooperation with the Investor & Public Relations Department. We are also developing infrastructure, such as centralized management of ESG data and clarification of disclosure policies, to foster trust through dialogue.

We position ESG not only as evaluation indicators but also as a foundation that underpins our sustainable growth and social trust. Going forward, we will continue to enhance our organizational responsiveness and improve the quality of our management in all environmental, social, and governance areas. With these initiatives at the core of our strategy, as COS, I will continue my determined efforts to ensure that ESG-based

management takes root throughout the company.

[Investor and public relations strategy, governance and risk management]

Enhancement of disclosure and communication systems to support management transparency and two-way dialogue

It is crucial for us, as a global corporation, to ensure transparency and accountability in management if we are to enhance corporate value over the medium-to long-term. As COS, I will strive for the enhancement of our information disclosure system to support constructive dialogue with capital markets, in cooperation with the Investor & Public Relations Department.

Under the IR strategy, in addition to traditional financial statements and integrated reports, we are enhancing the timely dissemination of non-financial information and two-way communication. In terms of the state of progress toward the realization of the Medium-term Management Plan 2024-2026 and specific initiatives concerning sustainability management, we are striving for the provision of multifaceted information with a narrative element that is easy for investors to understand.

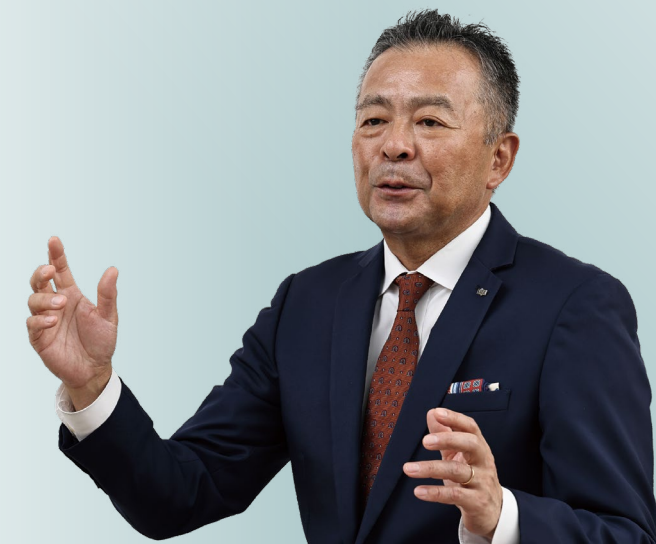
On the other hand, in terms of public relations strategy, it is imperative to enhance internal public relations, including toward employees and affiliates, as well as communication to external parties. I believe that the substance of governance is underpinned by sharing directions and values as a corporation and nurturing our organizational culture with a sense of unity. In recent years, with the growing importance of reputation management,

including responsiveness in times of emergency, we are working to establish public relations systems that will also be trusted at such times.

Sound governance and risk management systems underpin the foundations of information disclosure and dissemination. SIIX is enhancing its management monitoring and oversight structures through thorough compliance with domestic and international laws and regulations, led by the Legal Department, and the strengthening of the functions of the Board of Directors and individual committees. In FY2024, we revised the composition of the Nomination and Remuneration Advisory Committee and established an operational structure for more transparent management appointment and compensation systems by strengthening the involvement of the outside directors.

We are also focusing on establishing a group-wide risk management system. As a company that operates on a global scale, there is a wide range of risks that could affect our management, including legal and compliance risks, information security risks, and geopolitical risks. To respond to such situations, we are building systems that will enable management to make prompt decisions and respond by clarifying policies on the visualization and classification of risks and our responses to them.

As COS, I will continue my efforts to enhance relationships of trust with our stakeholders and contribute to the creation of sustainable corporate value by enhancing the reliability of disclosures and the quality of dialogue.



Message from the CTO

Through the integration of frontline capabilities and technologies as our strength, we will build a competitive advantage in the global market

CTO & Executive Director

Hiroaki Takagi



[Importance of Technology Strategy]
Building competitiveness that directly connects to customer value through the integration of manufacturing technologies and systems

In the EMS sector, technological strength is not only an element of production methods; it is also a differentiating factor that directly connects to solutions to customers’ issues, making it a key strategic resource that affects the growth potential of the business. As CTO, I am concentrating my efforts on building technologies that will connect directly to customer value with the recognition that technology strategy will determine the competitiveness of our business.

One technological issue that I am currently focusing on is scalability and sustainability. As product lifecycles become increasingly shorter, the introduction cycle of new models is accelerating. This has resulted in the need for shorter development lead times, streamlining of equipment installation and design verification, and the review of the New Product Introduction (NPI) process. Another challenge in terms of operations is how to balance the scalability and security of systems with their long-term maintainability. To respond flexibly to such changes in the environment, I believe that reforms are needed that build not only on our existing technological foundations but also incorporate greater scalability and sustainability.

The second issue that I am focused on is the incorporation of new technologies, including generative AI. With the remarkable evolution of AI technologies in recent years, depending on how we incorporate them into our operational processes and quality assurance, they could help us gain a competitive advantage. Instead of merely following popular trends, we need to design operations and define the requirements based on actual operational challenges and, in doing so, build mechanisms for creating concrete value. Further, we will realize the swift, flexible deployment of technologies by adopting distributed architectures, microservices, and event-driven design principles.

The single most important factor in manufacturing is the

coordination between the front lines and technology. Going beyond short-term results, by investing in research and development from medium- to long-term perspectives and maximizing the potential of our technologies, we will enhance our ability to deliver high-value-added proposals that meet global customer needs.

[FY2024 Results]
Using DX and data to extend the transformation abilities generated on the front lines to the entire company

In FY2024, with the advancement of the manufacturing front lines and the company-wide promotion of DX as our key challenges, we made steady progress in concrete reforms at individual sites. The most symbolic achievement in this regard was the utilization of our proprietary cloud system, Siix Manufacturing Platform System (SMAPS). Using SMAPS to instantly share the details of corrective measures in the event of a malfunction and checklists related to advanced product quality planning (APQP), we succeeded in reducing the incidence of customer defects by approximately 50% compared to the previous year. Going forward, we will aim to achieve zero losses due to quality issues by implementing AI-driven automated analysis functions and building mechanisms for the early detection and prediction of signs of abnormalities.

Additionally, using IoT sensors mounted on various equipment, we plan to visualize overall equipment effectiveness (OEE) in real time and accelerate the optimization of production processes. We also have plans to use traceability data from individual processes to build optimal production planning and process balancing.

Another issue is that the wave of DX is also spreading to indirect departments. Our Manufacturing Academy, where all employees can acquire basic knowledge of the manufacturing front lines through structured learning, also targets sales personnel and employees in headquarter departments who have no experience of the front lines. In this way, we are deepening the understanding of manufacturing across the entire company. As

well as education, we are also working on the horizontal deployment of systems between global sites, such as adopting the paperless system for quality data developed at our Thailand factory at our plant in Japan and implementing the production planning system of our Dongguan, China site at our Karawang factory in Indonesia.

In terms of future plans, in addition to promoting the standardization of our manufacturing execution system (MES) and production conditions, we are working on the construction of a system for gauging actual operations at each site in real time. As the foundation of this system, we have already started developing a global IT function and launched a framework for the use of the vast volumes of data accumulated from day-to-day production activities, with the aim of making data-driven decision-making an established practice.

[Toward smart factories]
Evolution into front lines that generate value from co-creation with digital technologies

To strengthen our sustainable competitiveness through the transformation of our manufacturing front lines, we have placed the transition to smart factories and the adoption of new technologies at the heart of our management strategy. Currently, our key initiatives are the automation of manufacturing processes and warehouse operations, the establishment of MES leveraging traceability systems, and real-time visualization through integration with our core system, SAP. To make these kinds of initiatives effective, Global IT, the individual manufacturing bases, and the headquarters are working as one on requirements definition that reflects feedback from the front lines.

A particular focus of that work is the development of a framework for the manufacturing department, information system department, and management team to cooperate with each other interactively towards common goals. At the core of these efforts is Global IT Operation (GITO). In addition to the collection, storage, and visualization of manufacturing data, GITO will facilitate the smooth coordination between operational technology (OT) and IT. Establishing frameworks for coordination between the front lines and headquarters/the cloud will make data-driven management decisions possible, and we will make efforts to raise the quality and speed of company-wide decision-making.

Cooperation with external parties and human capital development will be essential to the promotion of smart factories. For the adoption of advanced technologies such as AI, IoT, digital twin technology, and robotics, we are increasing the pace of open innovation in cooperation with universities, startups, IT vendors, and device manufacturers. In the area of automated equipment development, leveraging our in-house education center, we are placing efforts into the development of robotics engineers. We have also launched recruitment activities for specialized positions in collaboration with science, engineering, and telecommunications universities in Japan.

Going forward, as CTO, I intend to evolve the role of the technology department from an “internal technological support organization” to a “driver of business growth,” thus strengthening technology-driven contributions to management. To this end, through ongoing dialogue with management, operational divisions, and the front lines, we will establish a framework to promote the integration of technology strategies and management strategies.

[Future Outlook]
Advancing company-wide evolution by linking environment, technology, and organization for a sustainable future

We will advance our technology strategy going forward with a dual focus on “sustainability-oriented development” and “rebuilding of our global infrastructure.” As initiatives for the “E (Environmental)” aspect of ESG, we are actively pursuing the switch to renewable energy company-wide, the installation of solar panels, and the adoption of electric vehicles. Through measures such as these, we have achieved a 99.8% improvement in Scope 1 and Scope 2 emissions compared to FY2021, and we are close to realizing carbon-neutral factories. In Scope 3 as well, the Procurement and Logistics Department is leading a collaborative effort with the individual bases to strengthen visualization and improvement initiatives with the cooperation of our suppliers.

The reduction of environmental impact and circular manufacturing are of extreme importance in the development of products and equipment. In equipment development in particular, we are jointly planning and considering equipment with energy-efficient specifications with equipment manufacturers. Additionally, under a strong governance framework, we are monitoring power consumption at each base and working toward continuous improvement of energy-saving activities through monthly reports.

Regarding the rebuilding of our technology infrastructure, to respond to changes in market needs, in cooperation with the sales division, we are advancing technology development that anticipates customer needs. Further, we have begun exploring new material-based manufacturing methods, aiming to create new added value by combining them with existing technologies. We have positioned all of these initiatives as the establishment of company-wide technology infrastructure based on manufacturing DX, with the aim of establishing a globally scalable technology framework.

And from the perspective of global technology strategy, we have placed importance on achieving both local optimization and global optimization. To this end, we are working to strengthen globally common functions, such as quality, technology, IT, and sales techniques and deepening cooperation across domains. Going forward, we will focus our efforts on securing and developing specialist personnel to be in charge of these functions and build a framework that can be advanced in unison with management.

A key focus area for the future will be the realization of new manufacturing through the integration of digital and physical technologies. Specifically, the key lies not only in advancing digital areas such as the digitization of analog data, the establishment of data analytics platforms to help make issues visible, and leveraging AI for optimization and automation, but also in enhancing our ability to implement these solutions on the ground in a way that will lead to greater earnings on the front lines. Through these initiatives, we hope to realize integrated evolution across environment, technology, and organization, and, by placing technology strategy at the center of management, contribute to the maximization of corporate value.

Message from the CFO

Our aim is to maximize corporate value with financial strategies that value cooperation with frontline operations

CFO & Executive Director
Akihisa Kamata



[Approach to financial strategy]
Pursuing overall optimization from both P/L and B/S perspectives with a focus on improving earning power

The strengthening of earning power has been placed at the core of our financial strategy. In addition to cost reductions, our emphasis is on the generation of profit through improvements to gross profit margins. For this reason, in addition to profit/loss indicators such as net sales and operating income, we have also focused on the contents of the balance sheet, including inventory and receivables. Our intention is to strive for well-balanced financial operations, including capital efficiency.

Accounting figures are not merely historical records; they are also important information that reflects the activities and decision-making of each unit. For example, trends in SG&A expenses and inventory fluctuations hint at the operational processes and organizational dynamics behind them. By interpreting these figures appropriately, we can conduct constructive dialogue with frontline teams and connect them to concrete improvements.

I believe that, in addition to fulfilling its accountability based on management figures, the finance division should also contribute to honing management intuition by sharing information and aligning recognition of issues with the business divisions. Further, in executing our financial strategy, we focus not only on short-term improvement of net sales and profit, but also on enhancing our medium- to long-term earning power. We are pursuing overall optimization from both P/L and B/S perspectives.

[Basic perspectives of finance]
Being a CFO who closely examines what is behind the numbers and discusses strategy based on reality

My basic approach to finance is influenced by my experience from my involvement in sales, innovation, and CFO-adjacent work at my previous employer. Going back and forth between business and finance, I have always looked at things from a standpoint close to the front lines of management.

From that experience, my greatest focus in terms of financial affairs is to have an accurate understanding of the business behind the numbers. Rather than seeing the numbers merely as results, I believe that it is the role of the finance division to interpret what kind of facts lie behind those numbers. For this reason, I strongly recommend that personnel in the finance division, myself included, actually visit the front lines ourselves. I strive to understand the meaning of the numbers from multiple perspectives by talking directly to the local accounting sections, external auditors, and even customers.

I also consider it one of my key duties to explain in clear, easily understood terms the direction that SIIX is proceeding toward and its vision, to people both within and outside the company. SIIX operates multiple businesses, including its electronics manufacturing services (EMS) and contract development and manufacturing organization (CDMO) businesses, but we have received feedback from the market that it is a little difficult to understand the complete picture of our operations. For this very reason, I want to go beyond explanations that we are involved in many and varied businesses to convey our strategic intentions more clearly, in terms of ‘This is the direction that we are

aiming for and these are the kinds of initiatives we are progressing to achieve that goal.’

I am currently in the position of CFO, but at the same time, I have a position of responsibility in decision-making as a member of the Executive Committee. No matter what agenda item is put before the Executive Committee, which comprises four directors, we discuss it until we are all satisfied before making judgments. As human beings, we can never be completely free of mistakes, but even so, we engage in our work from day to day with the determination to deliver the best answers for the company.

[Financial status in FY2024]
Review of the earnings structure and strengthening of overall business coordination are matters of urgency

Looking back on the company’s financial condition in FY2024, net sales decreased by 2.4% year on year, and there were also significant declines in operating income, ordinary income, and profit attributable to owners of parent. Factors contributing to the fall in profit included rising costs of materials and the impact of foreign exchange losses. Our inability to fully pass on those cost increases to our selling prices remains an issue, reflecting challenges in price negotiation capabilities.

Moreover, the ongoing high level of inventories is also a significant issue affecting profitability. One factor impeding the improvement of inventory levels is insufficient coordination between the production, sales, and procurement divisions. As such, we need to strengthen our ability to respond as an entire organization.

Given that these kinds of complex factors have resulted in the decline in earning power, I believe that it is important that we go beyond analysis from the financial front and adopt a stance of working on solutions in unison with the front lines.

[Shareholder returns and growth investments]
Developing the next earnings infrastructure with the aim of achieving both returns and growth

The annual dividend for the fiscal year ended December 31, 2024 was 48 yen, an increase of four yen. Our policy is to continue stable and sustainable shareholder returns going forward. As profitability improves and we have more financial flexibility, we will consider measures such as the repurchasing and cancellation of treasury shares in our efforts to further improve the share price.

While steadily issuing stable dividends on the one hand, I also believe that we need to engage proactively in growth investments that look toward the future. In particular, I believe that there is major potential to diversify and strengthen our earning power in the CDMO medical

business domain. The EMS business model has structural challenges, including difficulties in price pass-through, and for this reason, it is essential that we develop highly profitable businesses.

[Future Outlook]
Emphasizing transparency of information and dialogue and aiming for maximization of corporate value

Under the new management team, we will aim to streamline operations and demonstrate synergies among divisions from the perspective of optimizing the organization as a whole. We will share management policies with the entire organization and press ahead with the improvement of our business performance.

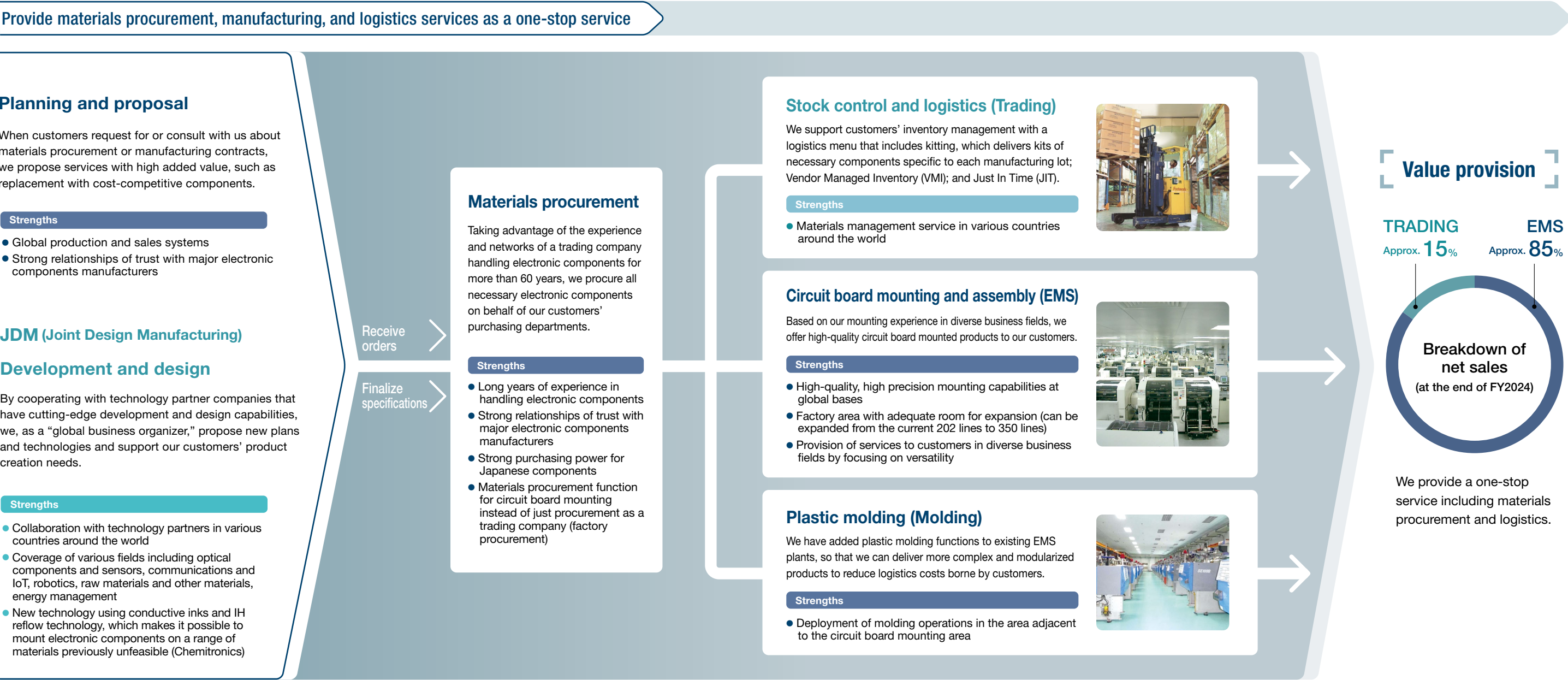
Another aspect that I consider to be crucial is internal IR activities, or in other words, the communication of information to each and every employee. Even people within the company do not necessarily have a clear grasp of the company’s financial situation. For this very reason, there is a need to provide careful explanations of the situation internally, including cash and shareholder equity positions, and to convey our projections that, as long as it does things properly, SIIX will become a stronger company in several years time.

From the perspective of information transparency, with the exception of personal information, it is my personal theory that we should be as open as possible about everything that is happening in the company. In my almost 40 years of business experience, I have felt that the soundest approach is to move forward by sharing information and building consensus as an organization.

At the same time, we also have a responsibility to explain to our investors in more concrete, easily understood terms the direction that SIIX is aiming for and how it intends to move forward in that direction. Returns and growth, short-term and medium- to long-term. I intend to contribute to the maximization of corporate value from both of these angles.

When I was in charge of investor relations at my previous employer, I made a point of holding dialogues with investors from all over the world. What that experience made me realize was that not all investors are necessarily always demanding short-term returns. There were people who sought to support and walk closely alongside the company, and even people who supported the company by expanding their personal networks. This kind of relationship is not, I believe, a one-way street, but one that involves reciprocity and mutual exchange. Going forward, I intend to communicate information sincerely to the greatest disclosable extent, and explain carefully what is and is not possible. In doing so, I hope to build relationships of trust with our stakeholders.

Value Chain



Issues
● Enhancement of handling of European and American components, cultivation of customers in the medical field
● Further improvement in mounting quality and precision, expansion of the scope of information shared between bases
● Work reform to reduce inventory, enhancement of stock management in real time
● Search for merchandise over a wide range without being restricted to just electronic components

Responses
As we work toward identical quality worldwide and strengthen BCP response, we have expanded transactions with both Japanese and non-Japanese customers, especially major Tier 1 (primary) suppliers in Europe. In the medical field, we collaborate with technology partners to develop solutions that are useful on the frontline of medical practice.
Since 2020, all bases across the world have been using a company-wide cloud system called the Siix Manufacturing Platform System (SMAPS). SMAPS enables us to share in real time, with all bases, not only information on quality, manufacturing technologies, and facilities but also human capital development and other materials. Sharing various kinds of information with a company-wide support system has contributed to the promotion of BCP response, and we will continue to operate, develop, and improve the system.
To reduce inventories to an optimal level, we ask for our suppliers’ cooperation in adopting the consignment inventory method to manage inventories. Other measures taken include having our customers guarantee the collection of products that cannot be shipped due to circumstances on their side. Meanwhile, we have introduced SAP’s ERP system, which allows us to grasp real-time trends of inventories and capital worldwide. We will optimize inventories through visualization of financial status and prediction of demand.
We also focus on Joint Design Manufacturing (JDM) to achieve our vision of becoming a “global business organizer,” who continues to provide new value by connecting the various needs and seeds that exist around the world. By cooperating with technology partners that have cutting-edge development and design capabilities, we propose new plans and technologies and support our customers’ product creation needs.

Business Overview

33rd term December 2024

Net sales

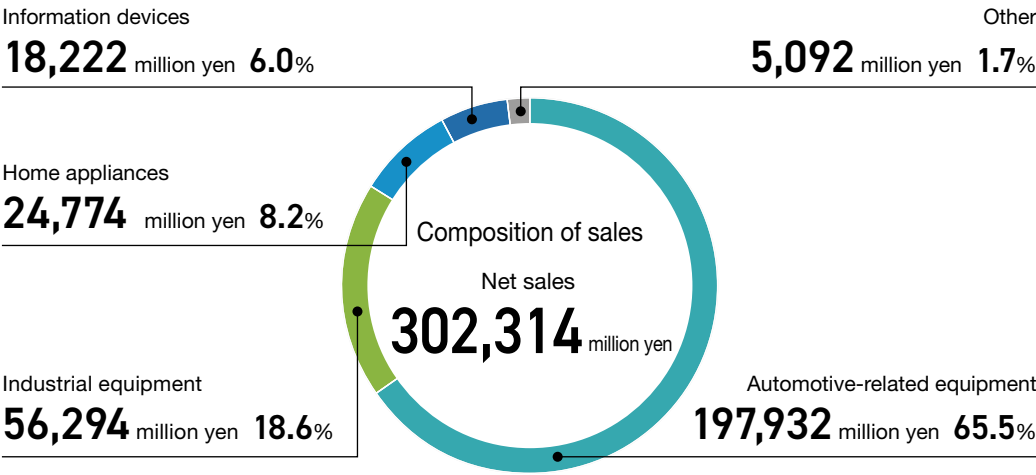
302,314 million yen

Operating income

8,559 million yen

Profit attributable to owners of parent

3,754 million yen



Overview

The electronics market, which is related to the Group, showed an improvement in supply and demand in the prolonged semiconductor chip shortages, but remained somewhat weak due to factors such as the slowdown in the Chinese economy and a slowdown in capital investment demand. However, over the medium- to long-term, we recognize this as a market where the demand for electrification of automobiles and industrial equipment as measures against climate change and for decarbonization will further expand alongside technological innovations such as IoT.

Issues and countermeasures

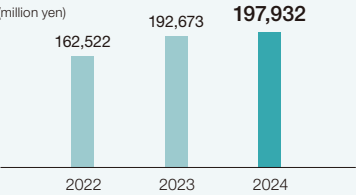
As we trade with customers from various business fields in different areas of the world, the number of customers trading in multiple areas at the same time is increasing. Products and services provided are thus required to have the same quality even if the area or factory is different. We will support the global development needs of our customers promptly and precisely by making use of cloud services to share production know-how, quality information, etc. in real time within the SIIX Group. In addition, we will endeavor to expand our business based on our abundant capacity at global sites and our local response capabilities.

Our medium- to long-term management plan aims for the expansion of the EMS business, which is our current mainstay business, and the collaboration with our technology partners to expand our printed electronics and robotics-related businesses and develop new regions and products, with the aim of supplying customers with products from around the world.

We will also actively promote our participation in businesses in the fields such as IoT and CASE, based on the perspective of contributing to decarbonized society through our businesses.

In addition, we intend to promote “local production for local consumption” to rein in the costs, while we will globally leverage the BCP know-how that we have cultivated so far and offer services that meet our customers’ needs, such as proposing diversification of production sites as part of our customers’ BCPs to cope with contingencies.

Automotive-related equipment

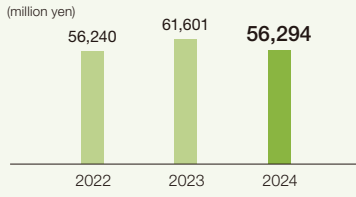


Car multimedia, automotive exteriors, meters, ECU, switches, quasi-millimeter wave radars, ABS, cameras, battery sensors, etc.



Although sales from exterior products and in-vehicle cameras decreased, growth in battery-related products, air conditioning, and car multimedia drove an increase of 5.3 billion yen compared to the previous fiscal year, bringing total sales from automotive-related equipment to 197.9 billion yen.

Industrial equipment

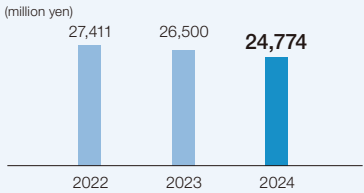


Engine ignition device for power tools, battery packs, inflight entertainments, inverters, medical devices, smart meters, industrial sewing machines, etc.



Due to factors such as poor sales of industrial equipment in China, overall shipments have decreased. Overall sales of industrial equipment decreased by 5.3 billion yen to 56.3 billion yen compared to the previous fiscal year.

Home appliances

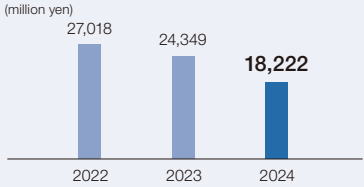


Digital appliances, air conditioners, refrigerators, educational toys, healthcare equipment, electronic musical instruments, etc.



Although sales of kitchen appliances were strong compared to the previous fiscal year, sluggish demand for educational toys, among other things, caused sales of home appliances as a whole to decrease by 1.7 billion yen compared to the previous fiscal year to 24.8 billion yen.

Information devices

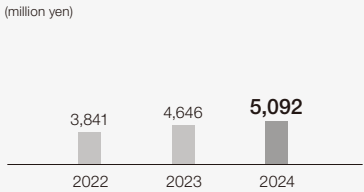


Office equipment, OA equipment, projectors, etc.



Shipments of office equipment decreased. As a result, overall sales of information devices decreased by 6.1 billion yen to 18.2 billion yen compared to the previous fiscal year.

Others

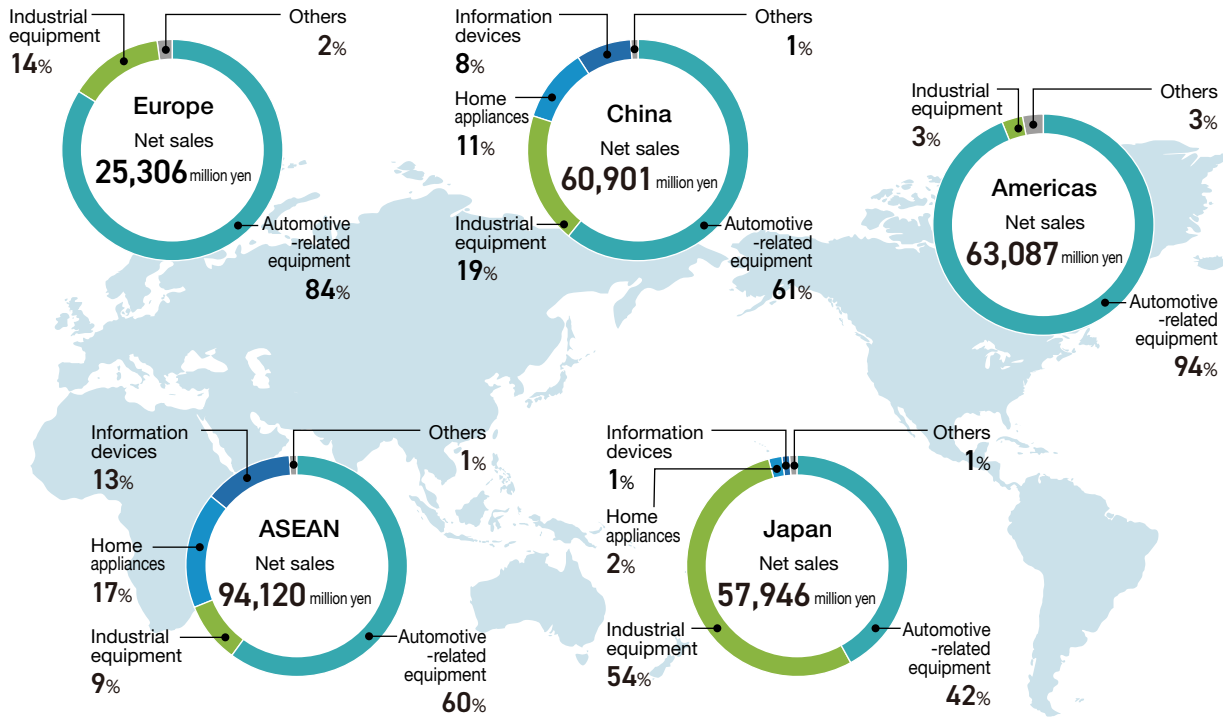


Other electronic components, automobile wire harnesses, motorcycles, ink, etc.

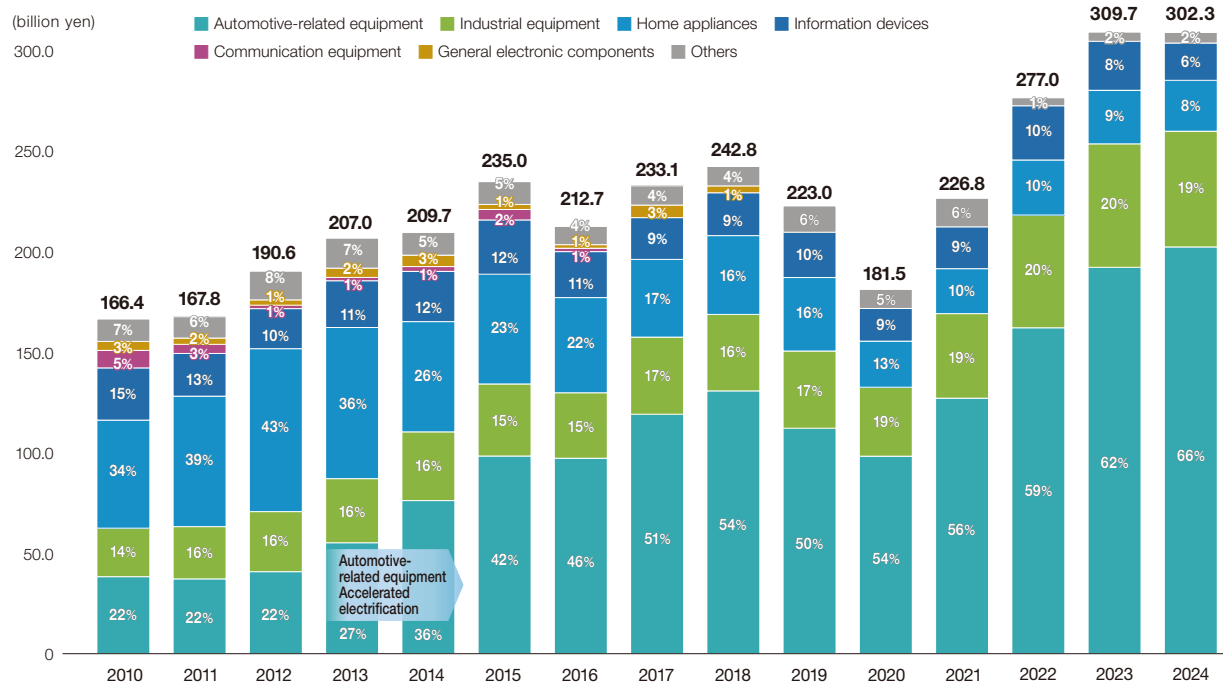


Sales increased by 0.5 billion yen to 5.1 billion yen compared to the previous fiscal year.

Composition ratio of business fields in each segment



Net sales trends by business field



Corporate Governance

We believe that our directors need to possess knowledge and experience on a global basis to conduct diverse businesses in various countries around the world, and we ensure that a sufficient balance of the knowledge and experience required is reflected in the composition of our Board of Directors. Specifically, besides experience related to corporate management, directors having practical skills in sales strategy, manufacturing knowledge, high level of awareness of compliance issues, knowledge of financial strategy, capital policies, etc. are appointed. Outside directors are appointed mainly for the purpose of strengthening financial and capital policies, M&A, and compliance. Regarding the size of the Board of Directors, we believe this is the minimum level required to achieve such an objective.

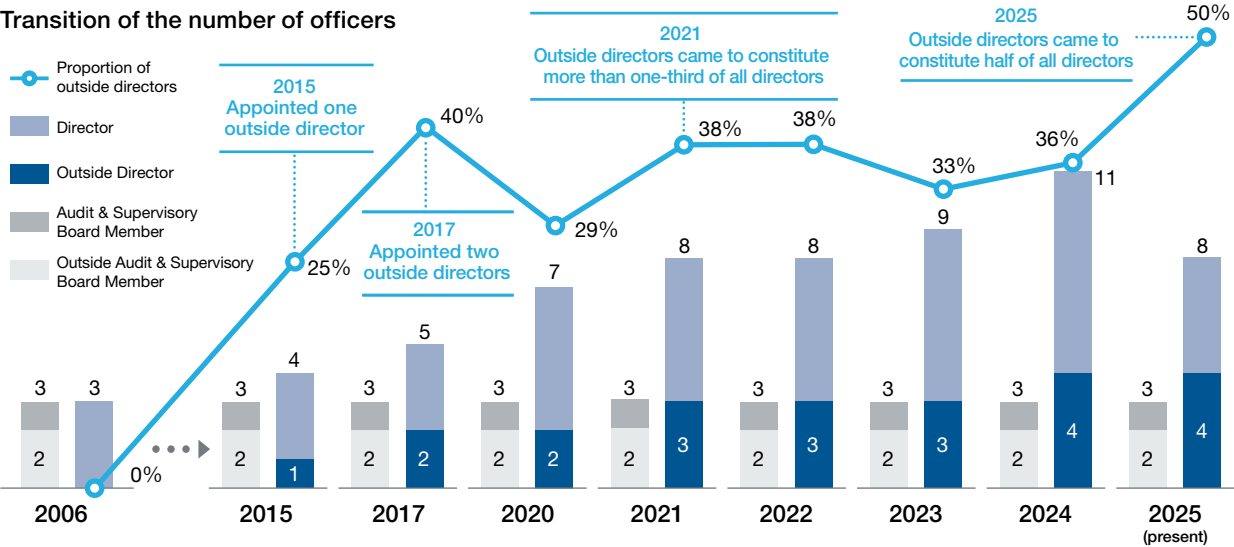
Basic policy on corporate governance

We have developed the SIIX Principles as its corporate philosophy for the conduct of corporate activities by all its officers and employees, and also established the SIIX Group Code of Conduct based on this. Based on the principle of being “fair” under the SIIX Principles, we are aware that strengthening corporate governance to govern our corporate activities is an important management duty, and so we work to build and establish an appropriate and effective corporate governance system for this purpose.

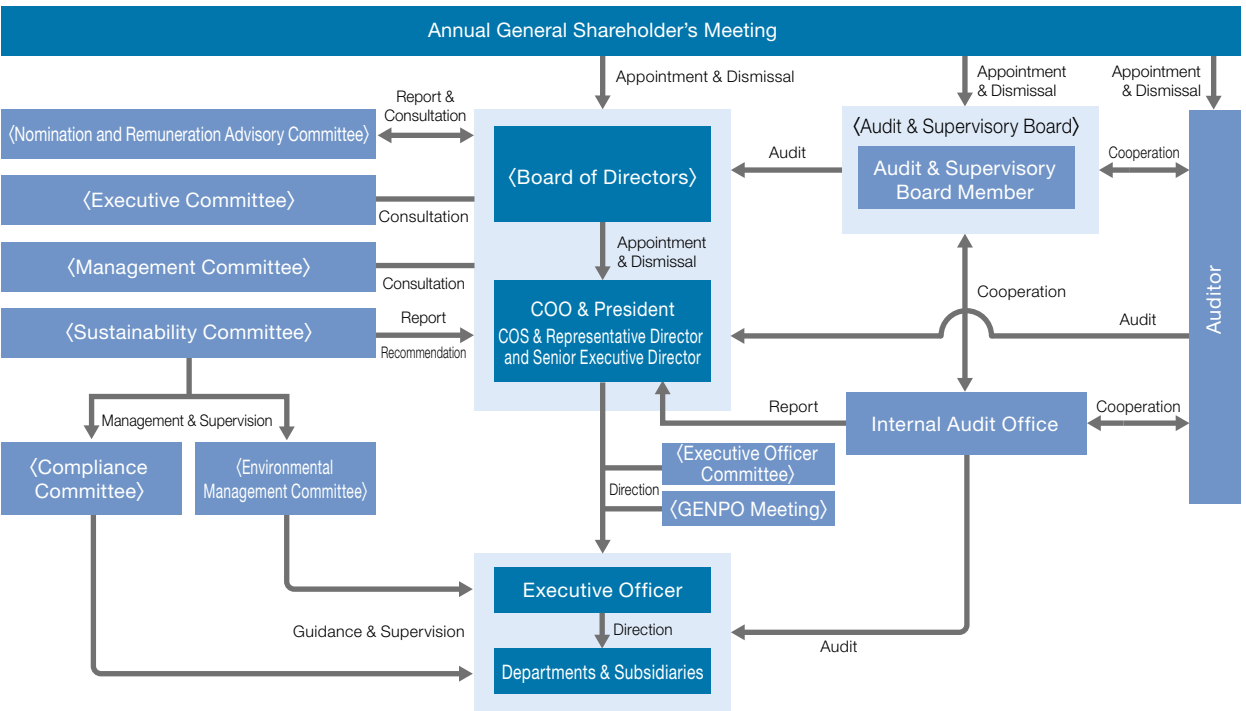
History of our corporate governance system

2002	● Established the SIIX Principles (Values, philosophy)
2005	● Introduced an executive officer system
2006	● Established the SIIX Group Code of Conduct
2015	● Appointed one outside director
2016	● Started to assess the effectiveness of the Board of Directors
2017	● Opened the CSR activities page (currently Sustainability) on the corporate website ● Appointed two outside directors
2018	● Changed the term of office of directors to one year
2019	● Issued stock options (share acquisition rights) ● Established the Nomination and Remuneration Advisory Committee
2021	● Appointed three outside directors, constituting more than one-third of all directors
2022	● Introduced a restricted stock compensation system ● Established the Sustainability Committee
2024	● Introduced the Business Management System
2025	● Appointed four outside directors, constituting half of all directors

Transition of the number of officers



Corporate governance system



Being a company with Audit & Supervisory Board Members, SIIX has built a system to monitor and supervise the business from an objective and neutral position by nominating two outside audit & supervisory board members besides the internal audit & supervisory board members in the composition of the Audit & Supervisory Board. The Board of Directors is composed of eight directors. Four out of the eight directors are outside directors and monthly meetings are conducted with the three audit & supervisory board members (out of which two are outside audit & supervisory board members). During the meetings, issues on human capital, investments, capital policies, budgeting and planning, etc. that are important for management purposes are deliberated and resolutions are adopted from the perspective of improving corporate value and managing risk. Based on the standards for independence of independent directors/auditors as stipulated by Tokyo Stock Exchange, Inc., we have designated all outside directors and audit & supervisory board members who fulfill the qualifications of an independent director/auditor as independent directors and audit & supervisory board members.

Management Committee

We have established the Management Committee, which is composed of inside and outside directors, executive officers, full-time audit & supervisory board members, and others. The committee operates an advisory body with which the Board of Directors consult before important decision making. Matters deliberated by the committee include matters subject to Board of Directors resolutions and prior deliberation, important company policies, and important topics such as large-scale new transactions and investments.

GENPO Meeting

Each subsidiary holds monthly meetings of GENPO Meeting to ensure the appropriateness of business operations at subsidiaries and work toward thorough risk management. Officers from the headquarters, executive officers, officers of local subsidiaries, and others attend the meetings to keep track of the state of management of subsidiaries and discuss specific topics.

Sustainability Committee

We have established the Sustainability Committee to drive forward sustainability management, thereby contributing to social issues through business activities and achieving a sustainable corporate growth. Chaired by the President, the committee consists of all directors and executive officers. It formulates the Group’s sustainability policies, discusses important issues, sets indicators and other targets, and monitors activities. What is discussed will be reported to the Board of Directors regularly and reflected in the committee’s recommendations.

Corporate Governance

Introduction of Directors



Directors’ skill matrix

Director	Areas in which the company has particular expectations for directors											
	Corporate management, management strategy	Sales strategy	Marketing	Finance, capital policy	M & A	Manufacturing	Compliance, internal control	Personnel affairs, HR development	Global experience	ICT, DX	Cultural and social contribution	Diversity
1 COO & President Kazuya Hiraoka	●	●	●			●	●		●	●	●	
2 COS & Representative Director and Senior Executive Director Toru Maruyama	●			●	●		●	●	●		●	
3 CTO & Executive Director Hiroaki Takagi	●		●		●	●		●	●	●		
4 CFO & Executive Director Akihisa Kamata New appointment	●	●	●	●	●		●		●	●	●	
5 Outside Director Shinsuke Takatani	●			●	●		●				●	
6 Outside Director Susumu Omori	●	●	●	●	●		●		●	●	●	
7 Outside Director Nao Yoshizawa	●	●	●	●	●		●		●	●		
8 Outside Director Yasuko Fujii	●		●	●	●		●				●	●

*The above table does not show all of the knowledge and experience that the Directors have.

Name	Attendance at Board of Directors meeting	Reason for appointment
Kazuya Hiraoka	100% (13/13 meetings)	Since joining SIIX, Mr. Kazuya Hiraoka has consistently been engaged with major customers of the Company at the forefront of sales. In addition, he has produced significant results in terms of starting transactions with new customers with the aim of developing good relationships with customers and strategically expanding marketing bases of the Company. He can think globally with his wealth of experience overseas and demonstrates his ability in manufacturing related area and human resource development, among others, embodying sustainable growth of the Company. Accordingly, we believe that he is well qualified for the position of Director, and therefore appointed him.
Toru Maruyama	100% (17/17 meetings)	Mr. Toru Maruyama worked for a corporate planning division and a corporate sales division at a financial institution and was once seconded to the Ministry of Foreign Affairs. Since joining SIIX, he has managed the corporate planning division and the general affairs & human resources division. He has extensive knowledge of IR, public relations strategy, response to capital markets, corporate governance, compliance, credit assessment and other areas, and he plays an appropriate role in increasing the Group's corporate value. Accordingly, we believe that he is well qualified for the position of Director, and therefore appointed him.
Hiroaki Takagi	100% (17/17 meetings)	Mr. Hiroaki Takagi has management experience at overseas factories of a major electronics manufacturer and a global manufacturer. Since joining SIIX, he has expanded both factories in Thailand and Shanghai in his capacity as a MD and made them major manufacturing bases by increasing their production capacity, etc., contributing to the expansion of the ever-growing EMS business. In particular, he has a wide range of knowledge and experience with regard to the manufacturing, technology and quality of the substrate manufacturing process. Accordingly, we believe that he is well qualified for the position of Director, and therefore appointed him.
Akihisa Kamata New appointment	—	Mr. Akihisa Kamata possesses extensive experience with leading global manufacturers as management responsible for a wide range of business areas and has a track record of many achievements. He has a wealth of overseas experience and, in particular, deep insight into domestic and international capital and stock markets. He also possesses practical experience as a CFO. Since joining SIIX, he has made remarkable achievements in developing the Company's business model as management at its overseas locations. Accordingly, we believe that he is well qualified for the position of Director, and therefore appointed him.
Shinsuke Takatani	100% (17/17 meetings)	Mr. Shinsuke Takatani possesses knowledge of accounting and tax affairs acquired through years of experience as a certified public accountant. He offers suggestions on our overall management from a global perspective. In particular, he provides accurate, extremely effective advice on its important investment projects, risk management and tax matters from the certified public accountant's viewpoint, exerting himself to promote the sound growth of SIIX. Accordingly, we believe that he is well qualified for the position of Outside Director, and therefore appointed him.
Susumu Omori	100% (17/17 meetings)	Mr. Susumu Omori served as the leadership at a foreign securities firm for a long period of time and has gained excellent experience in the stock and capital markets. He is also well-versed in the management strategy formulation and other business practices thanks to the experience as the leadership. His advice is essential to bring the Company's corporate governance, ESG initiatives and engagement to a higher level so as to meet the demand of institutional investors. Accordingly, we believe that he is well qualified for the position of Outside Director, and therefore appointed him.
Nao Yoshizawa	100% (17/17 meetings)	Mr. Nao Yoshizawa possesses legal knowledge acquired through years of experience as an attorney. He has remarkably deep insights into corporate legal affairs, M&A, capital markets, etc., and his professional expertise in a wide range of areas, including medical innovation, health care business, advanced elderly research, and data science, is tremendously beneficial for the Company's sustainable growth and new business development. He belongs to a wide range of academic societies and groups in advanced fields and is licensed as a patent attorney, certified fraud examiner, information technology strategist, and registered information security specialist. We believe he can contribute to the Company's governance from a new perspective. Accordingly, we believe that he is well qualified for the position of Outside Director, and therefore appointed him.
Yasuko Fujii	100% (13/13 meetings)	Ms. Yasuko Fujii possesses legal knowledge acquired through years of experience as an attorney. She also has expertise in compliance as a certified fraud examiner. Her accurate advice on the Company's important investment projects, risk management, etc., delivered in a highly insightful manner as an attorney and certified fraud examiner, is tremendously beneficial for the Company's sustainable growth. Accordingly, we believe that she is well qualified for the position of Outside Director, and therefore appointed her.

Corporate Governance

Policy for nomination of directors

Directors are nominated based on international perspective necessary for global business, career in business, character, and other factors.

Remuneration of officers (Nomination and Remuneration Advisory Committee)

For improving the transparency of the decision-making process with regard to the nomination and remuneration of the directors, we have established the Nomination and Remuneration Advisory Committee to deliberate on the nomination and remuneration of the directors. The said committee is composed of three or more members nominated by the Board of Directors, with the majority of them being independent outside directors to ensure its independence as an advisory body to the Board of Directors.

Analysis and assessment of the effectiveness of the Board of Directors

[1] Composition and operation of the Board of Directors

The majority viewed the composition and operation of the Board of Directors as generally appropriate; however, one opinion pointed out a lack of expertise in IT. Furthermore, since there is no department dedicated to marketing or corporate planning and the Board of Directors currently performs this role, it was assessed that proposals submitted to the Board did not undergo detailed investigation and analysis sufficiently. Some stated that they are often asked to provide opinions outside their areas of expertise and must make an effort to deepen their knowledge in those areas.

[2] Communication between inside and outside directors

Some commented that, although two-way communication is active and smooth without undue deference, the Board of Directors sometimes relies too heavily on outside directors to fulfill its roles. There was also an opinion that various opportunities, such as attending regular meetings and social gatherings, have facilitated interactions not only with executives but also with employees in Japan and overseas.

[3] Risk assessment

It was assessed that the quality of due diligence materials for investment and financing projects, as well as the preliminary risk assessments, was insufficient. Some commented that risks should be identified, and that the Board of Directors should hold focused discussions on specific themes for high-priority risks.

[4] Governance and whistle-blowing system

Others commented that, although the Company’s whistle-blowing system has made progress, it remains insufficient. In addition, it was evaluated that verifying effectiveness and penetration is difficult due to the extremely low number of reports. There was an opinion that, in the event of a problem, it is desirable to thoroughly examine coordination among groups both in Japan and overseas.

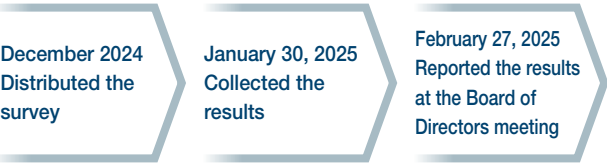
[5] Quality of the decision-making process of the Board of Directors

Regarding deliberation materials, it was evaluated that document quality varies by the department or office preparing them, resulting in additional time for verification and guidance and, in some cases, hindering sufficient discussion. On the content of the deliberations, there was an opinion that intensive discussions should be held on business policies, strategies, and risks at the Executive Committee, while the Board of Directors is expected to focus more on priority issues. There was also an opinion that, since preparation for high-quality discussions is sometimes insufficient, it may be worth considering the establishment of a system to support the Board of Directors.

[6] Interaction with investors and shareholders

Some commented that opportunities for meetings between investors/shareholders and directors other than those responsible for Investor Relations (IR) should be increased. Others commented that IR activities for individual investors are insufficient. Their evaluation was that, although IR activity reports and opinion exchanges are conducted regularly, their frequency and the time devoted to them should be increased. Additionally, the need for outside directors to engage in dialogue with investors was also noted.

Process for effectiveness assessment



Introduced the Business Management System for Directors

We introduced a business management system in March 2024 to clarify supervisory and decision-making functions, as well as the responsibilities and roles of directors in management. Under a robust corporate governance system, we will strive to achieve swift decision-making and greater efficiency in management.

Implementation of executive training

We invited professional lecturers to conduct workshop-style training for full-time directors and executive officers in Japan and overseas, focusing on soft skills to enhance internal motivation through understanding others and building trust. We will continue to use such opportunities to deepen our executives’ knowledge.

Risk management

A number of external factors have considerably affected our business activities in recent years. Those factors include the US-China trade conflict, lockdowns in China due to the spread of COVID-19, and supply shortages of semiconductors and other electronic components. We, however, have responded promptly to such emergencies for early recovery and accumulated BCP know-how. We will continue to work on BCP initiatives and develop a strong corporate system resistant to all kinds of emergencies.

BCP Examples

- Transfer production sites from China to Southeast Asia and Mexico for products delivered to North America
- Encourage internal web meetings with bases around the world
- Promote automation of factories (Smart Factory)
- Operate a company-wide system that supports manufacturing, technology, and quality (Siix Manufacturing Platform System (SMAPS))

Information security

As a “global business organizer,” we are working on the following three initiatives to pursue the effective use of the world’s resources and contribute to the invigoration of the social system and the progress of humankind.

1. We have set up “security goals” for the entire company and each department, with the following items as key themes and will work for these goals.
 - Organizational reinforcement of internal security measures
 - Technological enhancement of internal security measures
 - Strengthening of external security measures
 - Promote the use of information with security in mind
2. We educate our employees on the relevant laws, regulations and contracts (especially confidentiality agreements with customers), and make it their duty to comply with these regulations.
3. We have established and are operating a management system that complies with ISO 27001. We are working to continuously improve the effectiveness of this system.

Compliance

We have established the Compliance Committee as an organization that reports, deliberates, and decides on matters concerning compliance. The committee sets the Group activity policy once a year, makes the policy known and raises awareness at a company-wide meeting, and regularly monitors and follows up on all bases. In addition, the committee sets out and implements rules on whistle-blowing methods and whistle-blower protection to find misconduct and violation of laws and regulations early and take appropriate action.

Discussion by Outside Directors

Based on dialogue and supervision, we will support the soundness of management and sustainable growth, while increasing transparency and trustworthiness.

Under the management structure established by the new Board of Directors following a resolution at the Annual General Shareholder’s Meeting in March 2025, the role of outside directors has become more important than ever. In this discussion, the four outside directors talked about their thoughts on the soundness of management and sustainable enhancement of corporate value, along themes such as strengthening the functions of the Board of Directors, the state of the nomination and compensation systems, engagement with capital markets, and the development of next-generation management talent. What this dialogue revealed was the evolution from a “Board of Directors that supports” to a “Board of Directors that creates together.”



Outside Director
Shinsuke Takatani

Outside Director
Nao Yoshizawa

Outside Director
Yasuko Fujii

Outside Director
Susumu Omori

[Role of the Board of Directors under the new structure]
Strengthening oversight functions and deepening dialogue to support the continuity of management

Takatani The corporate philosophy (SIIX Principles) and the free and open corporate culture, including at local sites, established by the previous Chairman, Shiro Murai, who passed away suddenly in the spring of 2025, are huge, irreplaceable assets for SIIX. His motto of “walking in the middle of the fairway and providing the best service” is an important foundation of management that I believe should continue to be handed down. The continuation of these management

philosophies is one of the most important challenges of the Board of Directors, particularly in the context of human capital management. Personally, I sense the need for the further enhancement of corporate philosophy education, practical education through on-the-job training and the establishment of career path mechanisms for young employees.

It is my hope that the Board of Directors will become a forum for in-depth discussion to make corporate strategy challenges clearer than ever. To that end, as well as ensuring that the executive oversight system, which we have been working on since last fiscal year, is functioning properly, the Board of Directors must serve as a forum for open and candid discussions, with the outside directors

included, based on thorough deliberation of responses to strategic issues and risk management in the Executive Committee.

Omori As Mr. Takatani just said, I believe that it is important to place the corporate philosophy at the foundation of discussions in the Board of Directors. I will emphasize the notions of “challenging, speedy, and fair” in our decision-making.

Also, with the company now having two representative directors, the key will be how to maintain a sense of solidarity in the organization. The Board of Directors is in a position to confirm the consistency between management directions and executive strategies and to encourage course corrections as necessary. I place particular importance on supporting both highly transparent management decisions and swift decision-making through frequent dialogue with the management team, while taking care to maintain a clear distinction between the executive and oversight roles. I will do my utmost to ensure that the Board of Directors is able to demonstrate proactive leadership.

Yoshizawa I view the establishment of the new management structure as an excellent opportunity to strive for the further evolution of governance, and I hope to support those efforts. While the co-representative structure led by the COO and COS will bring diverse perspectives to management, the Board of Directors will need to take a broad view of that diversity and exercise a high level of discernment to determine the company’s overall direction. It is precisely in times like these that, as outside directors, I believe that we need to bring greater depth to strategic discussions and give clear indications of the medium- to long-term path toward the enhancement of corporate value.

Fujii As Mr. Takatani said, the continuation of the corporate philosophies left to us by former Chairman Murai is a precious guidepost for future corporate management. At the same time, I also see it as our duty as outside directors to support the development of flexible structures that will adapt to changes in the times. I will support the sustainable development of the company by demonstrating our respective specializations to the full and supervising both risk and growth appropriately. From my unique perspective as an outside director, I intend to work hard to deepen constructive dialogue with the management team and for the further enhancement of corporate value.

Omori We four outside directors each have different backgrounds and bring multifaceted perspectives to discussions. I believe that it is that very diversity of perspectives that will provide the foundation for

increasing the transparency of management and enhancing the quality of decisions. By continuing to engage in meaningful dialogue with the management team, we will contribute to the formation of a sound and sustainable Board of Directors.

[Reorganization of the Nomination and Remuneration Advisory Committee]
Leveraging the independence and transparency of the outside directors to promote human resources strategy

Takatani It goes without saying that having an outside director serve as chair of the Nomination and Remuneration Advisory Committee is highly significant in terms of supporting trust in management from the viewpoint of independence. I feel keenly the great weight of that responsibility. The greatest mission of the Nomination and Remuneration Advisory Committee is to select members of the Board of Directors. To fulfill that mission, alongside a deep understanding of business and frontline operations, it is essential to have a profound understanding of the people involved, including the executive officers and future executive talent. I am deeply cognizant of the need for even further effort. “Transparency and fairness” lie at the heart of human resources strategy. As such, I will keep these two keywords at the front of my mind in my leadership of the Committee.

Omori The strengthening of governance with the outside directors at the center is crucial for enhancing the transparency and accountability of management. I place particular importance on the quality of decision-making and the generation of a healthy sense of tension by incorporating perspectives that do not exist within the company. For example, in the design of the compensation system, instead of relying solely on financial indicators, we are debating in the committee whether to incorporate multiple non-financial indicators in the evaluation criteria, such as customer satisfaction and contribution to human resources development. This kind of system would, I believe, lead to the promotion of management talent that is not dependent on short-term results and contribute to the sustainable growth of the company.

Yoshizawa The independence of the outside directors in the nomination and evaluation of management personnel is taking on greater importance. My view is that, in addition to a high level of specialist expertise, we should evaluate candidates based on their reliability as people, including qualities such as integrity and a sense of ethics. To this end,

we have introduced a process whereby we interact directly with the candidates to confirm their shared values and assess their ability to communicate. Regarding the compensation system, I place importance on consistency with the corporate philosophy and the relationship with sustainability. It is essential that the system design, in terms of what is evaluated and how it is rewarded, is connected to the organizational culture and long-term strategy. As an outside director, rather than a mere monitoring role, I intend to lead the design of systems for the strategic positioning of management personnel.

Fujii In the promotion of management personnel, as well as specialist expertise and values, candidates must also possess a perspective that accurately captures the diversity of the company and its social obligations. The question will be how well they are able to integrate diversity, including nationality, generation, and gender, into management strategy. To attract outstanding talent and increase employee engagement, in addition to quantitative assessment such as performance targets, non-financial aspects such as action guidelines and degree of contribution to the organization should also be appropriately reflected in evaluations. In terms of the compensation system as well, a fair and highly transparent design is essential to ensure both employee acceptance and external trust. As outside directors, I believe that we have a role to play in the establishment of human resources strategy that is rooted in our organizational culture from these kinds of multifaceted perspectives.

[Strengthening of governance and risk oversight]
Oversight and governance of dialogue for the sustainable enhancement of corporate value

Omori The willingness of management to confront risks head-on is essential to the continued enhancement of corporate value. The Board of Directors has held repeated discussions about geopolitical and other risks that are latent in the business portfolio and supply chain from an overall optimization perspective. If we become too focused on individual problems, there is a risk of losing company-wide balance. For this reason, ensuring a healthy sense of tension in the Board of Directors overall will ultimately result in the establishment of trust with the management team. I hope to go beyond mere oversight to realize highly effective governance by deepening constructive cooperation with the executive side.

Yoshizawa As Mr. Omori said, in addition to addressing risks associated with short-term earnings

fluctuations, I also believe that it is important to assess the risks and returns of medium- to long-term business plans and technology investments. In fact, given the current rapid pace of technological innovation and market change, as well as risks, opportunities for growth also abound. The key challenge will be how to assess those opportunities and make the right choices. I am making a conscious effort to encourage discussions premised on multiple scenarios in the Board of Directors. By deepening strategic thinking from an external perspective, I hope to enhance SIIX's resilience and flexibility.



Fujii I recognize the importance of governance that considers the balance between risk and growth in non-financial areas such as human capital and sustainability as well. For example, a lack of diversity in the workforce and a decline in employee engagement carry a serious risk of impacting long-term corporate value. These are issues that the Board of Directors needs to watch carefully. These risks are difficult to quantify, making multifaceted discussion and ongoing monitoring by the Board of Directors essential. Rather than simply eliminating risk, I believe that a willingness to understand the substance of those risks accurately and manage them appropriately through internal dialogue and system design will help build a sustainable management foundation.

Takatani When it comes to oversight (governance) of management, I believe that it ultimately comes down to each outside director expressing their views firmly from their respective positions. Objective oversight of whether there is a balance between offensive and defensive approaches is particularly important. In terms of strengthening risk management functions, I see our role as to ensure that the

executive side is putting in place a monitoring framework for the early detection of risks through dialogue with frontline operations and data-driven KPI management. In this respect, I would like to emphasize the need for a “monitoring” function for the outside directors in the Board of Directors. For us to perform that monitoring role, mechanisms are needed for the executive side to deliver risk information accurately and in a timely and appropriate manner to the Board of Directors, and I recognize the need to verify whether or not such mechanisms are working properly.

[Dialogue with capital markets]
Outside directors' responsibility for constructive dialogue and information disclosure

Omori We have entered an era in which the transparency and reliability of management are supported by engagement with investors. In the past, the IR division led these efforts, but from now on, I believe that the members of the Board of Directors themselves will need to become more actively involved. In particular, the outside directors conveying in their own words the company's medium- to long-term policies and governance direction will lead directly to the establishment of trust. For example, in non-financial themes such as sustainability and human capital, engaging in dialogue with investors from an independent, external perspective can help enhance investors' confidence in the company's stance. My sense is that we will need to consider systems for sharing information and the enhancement of training in preparation for such engagement opportunities.

Takatani As Mr. Omori mentioned, I believe that opportunities for the outside directors to participate in dialogue with the capital markets will increase further. I, personally, am more than willing to attend such dialogues. On such occasions, I will listen carefully to external feedback and, in addition to financial areas in my capacity as a certified public accountant, I intend to make efforts to explain the management decision-making processes and the backgrounds to strategies simply and in my own words.

In terms of responsibility for information disclosure, I believe that its essence lies in the timeliness and accuracy of the information disclosed and management's commitment to the matters communicated. The outside directors must also be conscious of their role in enhancing the reliability of information disclosure. I intend to engage in more thoughtful and careful dialogue with the capital markets as a company.

Fujii I also regard investors as important partners in creating corporate value together with the company. As outside directors, we are independent from the management team, and we have a responsibility to check the appropriateness of disclosed information and the persuasiveness of the explanations. The expression and messaging consistency of non-financial information in integrated reports and other forums will become increasingly important going forward. I intend to speak up proactively about these aspects to help enhance the quality of disclosures.

[Development of management talent]
Perspectives for selection and development of leadership talent for sustainable growth

Takatani There is no doubt that the selection and development of leadership talent (“human capital management”) is the most critical challenge for the sustainable growth of the company. I believe that it is our role to consistently stress in Board of Directors meetings that such matters are important and deserve dedicated time for discussion.



I was asked what the requirements are for a leader, so I would like to expound on my view of leaders. There are four requirements. They are: (1) the ability to draw up a vision (big picture); (2) energy (passion) as a person and the ability to energize others (employees, including senior executives); (3) the ability to listen to a variety of opinions, take them on board, and make decisions; and (4) execution capabilities (decisions are meaningless without the ability to execute them). I believe that these qualities are required not only in top leaders, but also in project leaders.

In terms of human resources development, I believe that the most important aspect is creating an

environment in which employees are valued, motivated, and able to grow. I will keep saying as an outside director that the enhancement of human capital management is the driving force of sustainable growth. The new management team has also adopted the motto of “People First,” and I look forward to seeing an improvement in engagement scores as a result of putting that motto into practice.



Omori Leadership development for management is deeply connected not only to human resources development initiatives but also to the realization of company-wide growth strategies. For example, assigning next-generation personnel to duties that are directly related to strategy, such as transferring them to new businesses or overseas bases, will be effective in terms of both development and selection. Regarding senior executives, as Mr. Takatani pointed out, as well as assessing their qualifications, a key process will be to continuously monitor their growth through fixed-point observations. The clarification of these kinds of processes and evaluation criteria will lead to greater trust both within and from outside the company. We intend to ensure these kinds of perspectives with a systematic approach through the Nomination and Remuneration Advisory Committee and other forums.

Yoshizawa Amid the growing uncertainty in the business environment of recent years, it has become clear that the promotion of people with diverse backgrounds enhances companies’ flexibility and ability to respond to crises. Involving personnel with experience in different specialist areas, such as finance, technology, and overseas business, in decision-making will enable multifaceted judgments. What is required of management executives, in

addition to such expertise, is the ability to make ethical judgments and the capacity to drive transformation. In human resources development as well, I would like to see the design of multifaceted development opportunities that go beyond internal career advancement to include external training and interaction with advisors. As an outside director, I am conscious of being involved from both the evaluation and support fronts.

Fujii Listening to everyone’s opinions so far, I have realized anew the extreme importance of not only skills and achievements in the selection of management talent, but also their compatibility with the organization’s culture and values. Also, there are many situations in which diversity, such as gender and generational diversity, brings new perspectives to the organization. As an outside director, I personally hope to be involved in personnel assignments that respect that diversity. In doing so, I will give my strong support to the promotion of diverse leaders who possess qualities that foster organizational cohesion, such as communication and empathy skills.

Of course, these kinds of internal qualities are certainly not easy to discern from the formal processes of document screening and interviews. What is important is their actions in “live situations on the front line,” such as discussions and practical operations. The attitudes and judgments they demonstrate in such situations are what will reveal their true capacity as leaders. Our duty as outside directors is to engage deeply with candidates, and it is vital that we not neglect our efforts to learn through observation on the front line. I am confident that it is this slow and steady process that will lead to the establishment of a management structure that can truly be trusted.

[Future image of the Board of Directors]

Evolution of the Board of Directors through dialogue and questioning to support sustainable management

Fujii In the coming era, the establishment of a highly diverse Board of Directors will be imperative to strengthening the company’s flexibility and adaptability to change. I personally feel that understanding of the values and working styles of the younger generation will bring new perspectives to human resources strategy. I believe that proactive contributions to discussions by the outside directors with diverse backgrounds will foster the sound evolution of corporate culture. Going forward, I hope to keep having constructive dialogue with the management team and to serve as a bridge that delivers the voices

of diverse internal and external stakeholders to management. In this way, I am committed to helping realize management with high integrity and transparency that is trusted by all stakeholders.

Yoshizawa To achieve sustainable growth, we need not only unilateral explanations from the company, but also the development of relationships of trust with stakeholders through two-way dialogue. Regular exchanges of opinions with employees and candid Q&A sessions at investor briefings help foster empathy with and confidence in management. Outside directors are also expected to actively participate in such forums and demonstrate accountability to external stakeholders. I also sense a need for the entire Board of Directors to give thorough consideration not only to responses to immediate risks, but also to a vision for leadership and decision-making that anticipates society’s and the market’s needs ten years from now.

Furthermore, discussion of proposals decided by the Board of Directors should not be the end; it will be important to monitor progress continuously.

Takatani To achieve sustainable growth, the Board of Directors must be a forum that engages fully in open and candid debate. In SIIX’s Board of Directors, the Executive Committee has started functioning, and while it is still a work in progress, I believe that it is becoming a forum where discussions can be held based on thorough deliberations.

My view is that the internal directors have two roles. One is their role as Board members, and the other is their role as managing executive officers. In my view, within the Board of Directors, the role of internal directors as envisioned by the Companies Act is to step away from their positions as managing executive officers and, as individual directors, openly express opinions on proposals made by other departments from a company-wide perspective and to exercise mutual checks and balances among directors. From this perspective as well, I see the review of the officer personnel system as a key challenge.

We are independent outside directors who have been elected by the shareholders. As such, I intend to fully consider the positions of individual investors (minority shareholders), as well as institutional investors, and continue in my efforts to help enhance corporate value.

Omori From now on, the Board of Directors will be required not only to fulfill its oversight function, but also to assume a “partnering” role that supports swift and accurate decision-making. In addition to overseeing the conduct of the management team, I believe that it will be important to improve the quality of strategic debate in the Board of Directors, while

sharing values and visions. In fact, in recent meetings of the Board of Directors, there have been examples of improvements to decision-making quality, where the outside directors contributed concrete viewpoints to investment decisions and business portfolio reviews. Through such strategic dialogue, we will aim for the realization of governance that is trusted by stakeholders.

For my part, the stakeholders that I place most importance on are the employees. In Board of Directors meetings, I endeavor to make recommendations that value viewpoints such as whether the outcomes of discussions will benefit employees, whether information is being communicated openly, and whether decisions are being made from their perspectives.

Fujii Essentially, I believe that the Board of Directors is not a place for finding the correct answer, but a place for continuously asking the good questions. In the current age of growing uncertainty, asking ourselves the fundamental questions of “Why are we making this decision now?” and “What impact will it have going forward?” will be the key to enhancing the quality of management judgments. To that end as well, in our day-to-day dialogues, I believe that it is important that the outside directors occasionally cast doubts on common wisdoms and have the courage to ask questions that home in on the substance. To evolve the Board of Directors into the best “intellectual property” that a company can have, one that is brimming with a healthy sense of tension and intellectual creativity. This is what I hope to help accomplish.



Environmental Conservation

The SIIX Group conducts business activities in 15 countries worldwide and works to reduce GHG emissions at each base. In addition to CO₂ emitted indirectly from energy use (Scope 2), we measure direct CO₂ emissions from fuel burning and other activities (Scope 1) and indirect supply chain CO₂ emissions from material procurement to manufacturing, logistics, and sales (Scope 3). We will continue to monitor GHG emissions throughout our supply chain and strive to reduce CO₂ emissions from our business activities.

Endorsement of TCFD

We recognize the importance of addressing climate issues and declared its support for the TCFD recommendations* in July 2022. Based on the TCFD recommendations, we will appropriately disclose information on climate change risks and opportunities that affect the Group’s businesses.

*The TCFD is a task force established by the Financial Stability Board (FSB) in 2015 following a request from the G20. Its final report recommends companies to disclose information around four core elements of how organizations operate (governance, strategy, risk management, and metrics and targets), so that their climate change risks and opportunities can be assessed and rated appropriately.



Governance

In April 2022, we established the Sustainability Committee chaired by the President. The committee meets at least twice a year to resolve such matters as the formulation of company-wide policies and strategies and the setting of targets and metrics concerning climate change and other sustainability issues for the SIIX Group, which has approximately 50 bases in 15 countries around the world. The committee also supervises action plans reported by the Environmental Management Committee, a subordinate body of the Sustainability Committee and headed by a management member, and monitors the results and progress of activities. The status of target achievement and important climate-related matters that are deemed relevant to the Group’s management are reported to the Board of Directors.

Corporate governance system



Risk management

The Sustainability Committee goes over potential risks and opportunities arising from changes in the internal and external environments caused by climate change, and comprehensively assesses and analyzes the impact on the Group’s businesses and value chain from the perspective of financial impact and probability of occurrence along the timeline. Climate-related risks and opportunities that are determined to have high degrees of impact are reported to the Board of Directors (or Management Committee), and identified as material risks and opportunities after a company-wide integrated assessment of the financial and non-financial impacts. In FY2022, climate-related issues were identified as one of the material risks, and in response, the Sustainability Committee has set GHG reduction targets for FY2030 to avoid or reduce such risks.

Strategy

We conducted a scenario analysis related to climate, with reference to the 1.5°C and 4°C scenarios. The analysis resulted in an assessment that the manifestation of impacts of transition to a decarbonized society (policy and regulation/market/reputation) and physical impacts (acute/chronic) of sharp temperature rises could pose climate-related risks and opportunities in the future. To address such risks and opportunities, we will review our business plans and position response to climate change as a priority.

Scenario analysis

In identifying and assessing risks and opportunities related to climate change, we set the following scenarios.

- 1.5°C scenario: A scenario in which the world makes a transition into a decarbonized society (transition scenario)
- 4°C scenario: A scenario in which physical impacts manifest

The scenarios referred to the following materials:
(1) Scenario in which physical impacts manifest: Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report, IPCC Special Report “Global Warming of 1.5°C”
(2) Scenario in which the world rapidly achieves a decarbonized society: International Energy Agency (IEA) World Energy Outlook 2018 Sustainable Development Scenario (SDS), IEA Energy Technology Perspectives 2017 Beyond 2°C Scenario (B2DS)

Scenario analysis Step (1): Major environmental changes caused by average temperature increase	
1.5°C increase A successfully decarbonized society where temperature increase has been limited	4°C increase An insufficiently decarbonized society where temperature increase has taken place
- Average temperature increase causes more frequent and intense natural disasters - New technologies with low GHG emissions are developed and adopted - Stricter regulations on GHG emissions make large fossil fuel consumers stranded assets	- Average temperature increase causes even more frequent and intense natural disasters than the 1.5°C increase scenario - Sea level rise causes more frequent flood damage, etc. in coastal areas - Changes in precipitation patterns and typhoon routes cause more frequent and intense damage from river flooding, etc. and alter which areas are affected - More frequent and intense natural disasters damage corporate assets and lower corporate value
Scenario analysis Step (2)-1: Impacts of transition to a low-carbon or decarbonized society on SIIX	
Impact due to transition to a low-carbon or decarbonized society Impact of mainly 1.5°C to 2°C increase	Scenario in which the world rapidly achieves a decarbonized society
Identified risks	Possible opportunities
- Taxation on carbon increases material and fuel procurement costs - Shift to electricity derived from renewable energy increases fuel costs - Insufficient environmental initiatives result in the following consequences: - Decrease in new orders - Cancellation of existing contracts - Loss of customers due to increased reputation risks	- Demand for energy-saving products increases - Needs for shift to energy-saving products increase - IoT use facilitates more efficient electricity use
Scenario analysis Step (2)-2: Physical impacts of average temperature increase on SIIX	
Physical impacts of average temperature increase Relatively larger impacts of 4°C increase	Scenario in which physical impacts manifest
Identified risks	Possible opportunities
- Torrential rains, typhoons, etc. damage facilities and increase recovery costs - Value chain disruption suspends products and services - Fuel costs increase - Avoiding extremely hot hours lowers productivity	- Abnormal weather increases needs for new products - Facilities are upgraded to high-efficiency equipment - Digital transformation is facilitated and remote work becomes more commonplace

Environmental Conservation

► Metrics and targets (approved as SBTs)

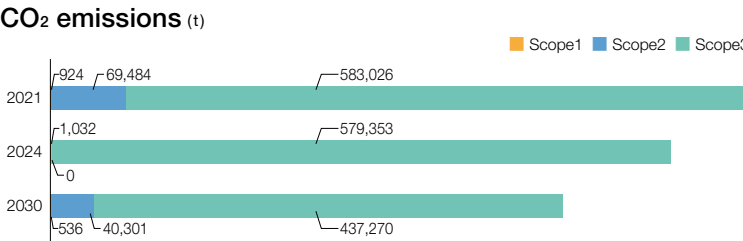
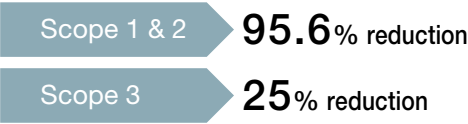
We have set GHG reduction targets for FY2030 (base year: FY2021; covering Scopes 1, 2, and 3). In August 2024, these targets were approved as science-based targets (SBTs). To achieve the GHG reduction targets, we will continue advancing various initiatives and assess the achievement status.

We will accelerate initiatives to address global warming by considering them as opportunities for growth, instead of restrictions on or costs for growth.



SIIX's GHG reduction targets

FY2030 (from FY2021 baseline)



Achievements

Scope and method of calculation			FY2021 GHG emissions	FY2024 GHG emissions	Scope 3 breakdown (%)	
Scope1			924	1,032		
Scope2			69,484	0		
Scope1+2			70,408	1,032		
Scope3						
Category	1	Purchased goods and services	For major suppliers, calculated the intensity based on figures disclosed by each company. Applied the weighted average to other suppliers.	525,157	508,540	88%
Category	2	Capital goods	Calculated by multiplying the amount of capital expenditure by the coefficient set by the Ministry of the Environment.	28,640	19,572	3%
Category	3	Fuel- and energy-related activities not included in Scope 1 or Scope 2	Estimated from the annual consumption of each type of energy.	7,970	8,065	1%
Category	4	Upstream transportation and distribution	Calculated based on the ton-kilometer method.	10,563	7,005	1%
Category	5	Waste generated in operations		—	2,209*	0%
Category	6	Business travel	Calculated by multiplying the number of employees by the coefficient set by the Ministry of the Environment.	1,606	1,240	0%
Category	7	Employee commuting	Calculated by multiplying the number of employees by the coefficient set by the Ministry of the Environment.	5,137	3,966	1%
Category	8	Upstream leased assets	(Not applicable)	—	—	
Category	9	Downstream transportation and distribution	(Not applicable)	—	—	
Category	10	Processing of sold products	(Not applicable)	—	—	
Category	11	Use of sold products	Estimated GHG emissions from the use of scanner products (for five years).	2,275	1,716	0%
Category	12	End-of-life treatment of sold products		—	23,777*	4%
Category	13	Downstream leased assets	(Not applicable)	—	—	
Category	14	Franchises	(Not applicable)	—	—	
Category	15	Investments	Included equity method affiliates, investments in which are considered important.	1,678	3,264	1%
Scope 3 total			583,026	579,353		

*We began calculating emissions for categories 5 and 12 in FY2023.

Initiatives to reduce GHG emissions

■ **Scope1:**
CO₂ emissions at SIIX are mainly from the combustion of gasoline in company vehicles and fuel burning for in-house power generators primarily at production bases. We will continue our efforts to reduce emissions by converting company vehicles to EVs and implementing other measures.

■ **Scope2:**
We are working on reducing CO₂ emissions mainly through the following activities.

Installation of solar panels

Solar panels are installed on the roof of our large factory buildings to supply a part of the electricity used. By the end of 2024, we installed and started operation of solar panels at our factories in China (Shanghai, Dongguan and Hubei), Mexico, and Indonesia (Karawang and Batam). We also plan to install solar panels at our bases in Singapore and Thailand.

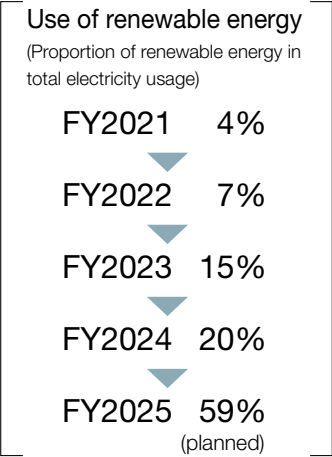
Shift to electricity derived from renewable energy

We purchase a significant portion of our electricity from conventional power utilities, and we are gradually transitioning towards sourcing our electricity from renewable energy sources. All three bases in Europe, as well as Japan (Sagamihara) Factory, and Philippines Factory, have already switched to 100% renewable energy. Since 2024, the Osaka headquarters, Tokyo headquarters and Taiwan office have been switching to 100% renewable energy.

Offsetting CO₂ emissions through purchase of non-fossil certificates

We offset all 57,434 tons of our Scope 2 CO₂ emissions generated from the use of electricity derived from non-renewable energy sources in FY2024 through the purchase of non-fossil certificates. We are committed to environmental protection and sustainability and are working actively to reduce CO₂ emissions and achieve carbon neutrality. Purchasing non-fossil certificates is an important way to support the development of renewable energy and mitigate the impact on the global environment, through which we aim to reduce our environmental impact and engage in sustainable business practices.

■ **Scope3:**
Approximately 90% of the Scope 3 CO₂ emissions are from suppliers. Currently, we collect information from the top 135 suppliers in terms of purchase volume. We also send a Self-Assessment Questionnaire (SAQ) to our major suppliers to identify and encourage their sustainability and CSR procurement initiatives. In 2025, we adopted C-Turtle (developed by NTT DATA) to manage our CO₂ emissions. We will continue to refine our carbon footprint measurement and promote engagement with suppliers to reduce emissions throughout the supply chain.



Selection as a CDP Supplier Engagement Leader

Since 2020, we have participated in annual surveys conducted by CDP, an international non-profit environmental organization. In FY2024, we received a B in the climate change section (compared with an A- in the previous fiscal year).

In addition, we were selected as a Supplier Engagement Leader, the highest rating in the CDP supplier engagement assessment, for the second consecutive year, following FY2023.



Society

As initiatives for the development of a sustainable society are spreading around the world, we will contribute to solving social issues through our business activities, and as a company with a global business presence, we will firmly root ourselves in each region and be involved in the development of local communities. Moreover, in order to actively accept diverse human resources for the realization of a society in which everyone can participate, we will promote initiatives related to new work styles and create an environment in which human resources can grow and play an active role. In the supply chain, we will fulfill our social responsibility to ensure that we are not involved in human rights abuses through our procurement activities.

Respect for human rights

The SIIX Group has established ten codes of conduct to be observed by all employees of SIIX, and in particular, respect for human rights is an important issue for SIIX to fulfill its social responsibility as a public entity of society.

Standard 5 Fostering a Healthy Workplace Environment

We (people working for SIIX Group) will well understand and observe all applicable laws and regulations of each country or region where we do business, as well as internal company rules such as the articles of association, internal policies and so on.

Standard 5

5-3 Respect for human rights

- We will respect the fundamental human rights and the dignity of the individual, and will avoid speech or conducts such as harassment, defamation, insults, verbal abuse or unreasonable coercion that take advantage of our official or business position.
- We will not discriminate any personnel according to nationality, race, ethnic origin, belief, religion, sex, age, physical or mental disability or any other legally protected status.
- We will not engage in actions that may constitute sexual harassment.
- We will take no part in, nor sanction, child labor or forced labor.

The SIIX Group prohibits child employment and forced labor at all locations in its Code of Conduct, and regularly inspects all locations to control and prevent such occurrences.

- In addition, working hours and wages are appropriately managed at each site, and all sites are regularly surveyed.
- With regard to harassment, we have established harassment prevention rules separate from the Code of Conduct, and are working to prevent not only gender-based harassment but also sexual harassment, power harassment, and harassment related to pregnancy, childbirth, childcare leave, and nursing care leave.
- Lectures on power harassment, sexual harassment, and trends in regulations and risks are given by outside directors to all executives, managers, and assistant managers.

Safety and health

Safety and health policy

At SIIX, in accordance with Standards 5 and 6 of our Code of Conduct, we take appropriate measures to ensure that all employees can work safely regardless of nationality, race, ethnicity, creed, religion, gender, age, disability, medical history, etc., in accordance with the ordinances and culture of each country and region where we operate.

Standard 5 Fostering a Healthy Workplace Environment

We will respect the personality and individuality of each employee. Based on this mutual respect and understanding, we will strive to maintain a safe and satisfying workplace environment.

Standard 6 Harmony with the Community

We will mutually respect the culture and practices of different countries or regions, and will engage in contributions to the development of the local community through corporate activities rooted in our respective regional area of operations.

Examples of initiatives	Implementation of health checkups, stress checks, vaccinations, collaboration with industrial physicians, implementation of health and safety education, etc.
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Social initiatives in the supply chain

Supply chain management

With the globalization of corporate activities and the complexity of the supply chain, SIIX respects human rights and complies with laws and regulations throughout the supply chain. We thus actively work on CSR, “Corporate Social Responsibility,” to realize a sustainable society.

Establishment of the SIIX Group CSR Procurement Guidelines

We have established the SIIX Group CSR Procurement Guidelines as one of the means to promote our activities in the supply chain.

Major suppliers have agreed with the guidelines, which are posted on our website.

Going forward, we will inspect our suppliers regularly to monitor compliance and keep track of the status.



 <https://www.siix.co.jp/en/sustainability/social/>

Quality

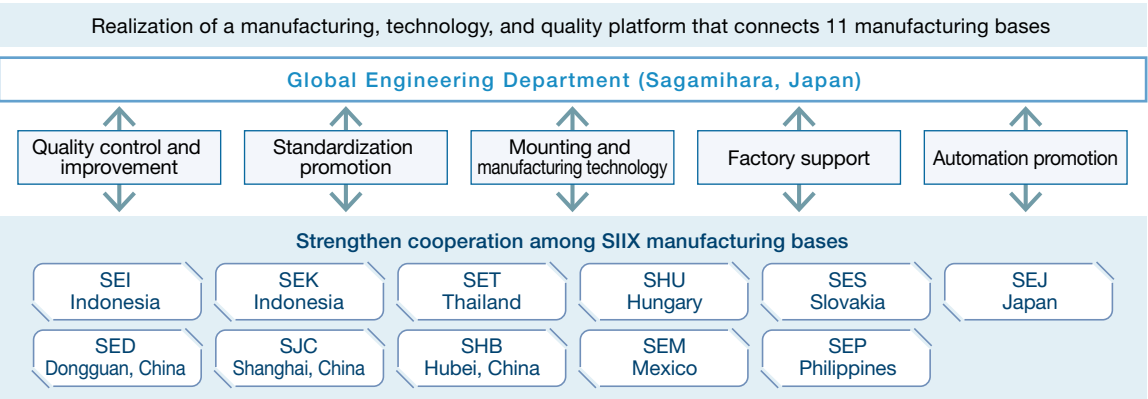
In order to ensure identical quality worldwide, we will develop more efficient and high-quality production systems by advancing information sharing, automation, and labor-saving. As a company engaged in manufacturing, we are committed to complying with environmental laws and regulations to conduct production activities in an environmentally friendly manner. In our activities for materials procurement, we will strive to fulfill our social responsibility, emphasizing the perspective of ensuring transparency in our supply chain.

(1) Quality and environmental policy

- As a global company with a primary focus on customer, we will strive to exceed customers' expectations by fulfilling customer satisfaction, capturing future needs and meeting their requirements.
 - In addition to strictly complying with relevant laws and regulations, as well as regulatory requirements, we aim to be a company that contributes to society through our business activities, environmental activities, and business continuity activities.
- We will establish quality and environmental management systems on a global basis with ISO 9001, IATF 16949 and ISO 14001, and implement their operations based on the corporate philosophy of the SIIX Group.
 - Aiming to contribute to sustainable economic development, we will promote environmental conservation by preventing environmental pollution and promoting energy and resource conservation for continuous environmental impact reduction.

(2) Quality assurance system

Global network & management



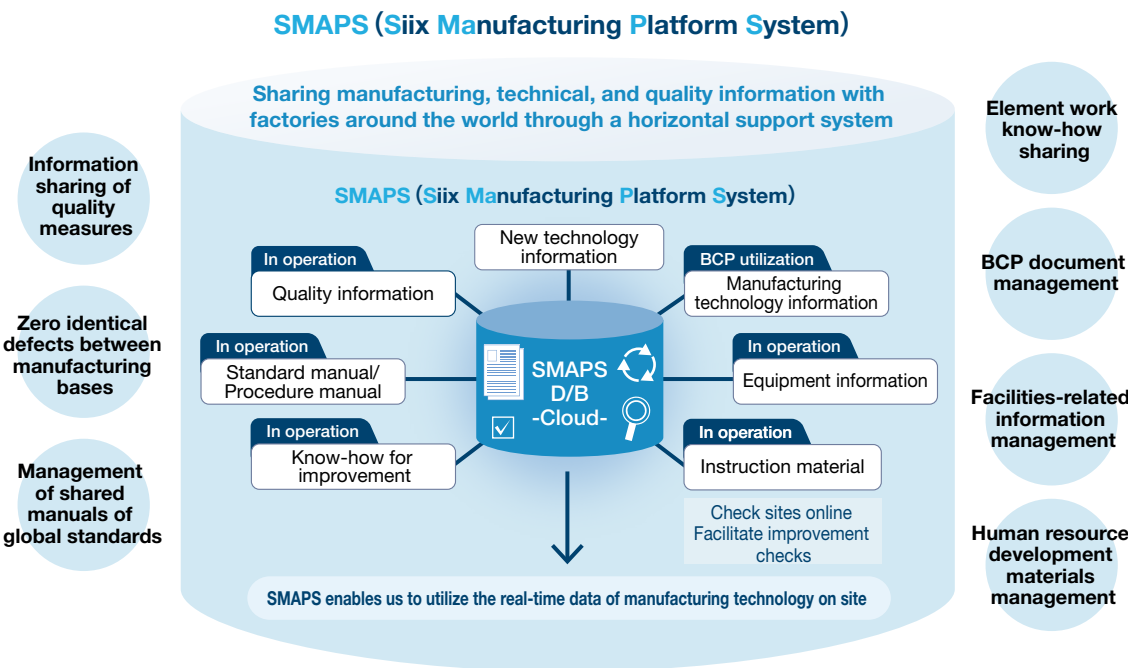
Society

(3) Measures to strengthen manufacturing technology and quality

To be able to respond to future requests for Digital Transformation (DX), SIIX has been focusing on mounting and manufacturing technology and factory environment creation.

In addition, we have been strengthening quality governance and developing group-wide information sharing systems. In particular, we have established a cloud system called the Siix Manufacturing Platform System (SMAPS) to share and use all kinds of information in real time across the world. Furthermore, the Global Engineering Department, key members of each base, and staff in the Philippines support each other to strengthen the technology and quality support system between bases around the world. Going forward, we will further strengthen the support system.

Standardization and sharing information of manufacturing, technology, quality



► Responsible sourcing of minerals

“Responsible Sourcing of Minerals” is defined as “striving to avoid the use of minerals that have possibility of involvement in human rights abuses from a CSR perspective.” In accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act and EU regulations, we conduct annual surveys on conflict minerals to ensure transparency in our supply chain. We will continue to promote the elimination of conflict minerals by proactively conducting surveys in order to fulfill our social responsibility with our business partners.

Minerals subject to the policy	Tantalum, tin, tungsten, and gold (3TG)
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Certifications, standards, etc.

We advance initiatives in accordance with international certifications and guidelines on sustainability.

ISO 9001: International standards for quality management systems

ISO 14001: International standards for environmental management systems

ISO 27001: International standards for information security management systems (ISMS)

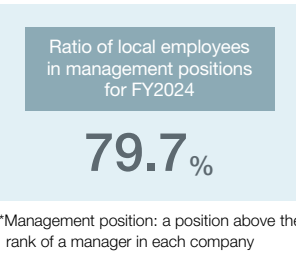
ICTI (International Council of Toy Industries)

Diversity and inclusion

We strive to invigorate and develop the entire organization by creating an environment where human capital with diverse backgrounds can demonstrate their individualities and abilities, and by developing systems that support employees’ work-life balance and enable them to work energetically.

► Promoting the active involvement of local human capital in the workplace

We are expanding our business globally and have established offices around the world, with many local staff members supporting our business. By training many local executives in management at each location, we aim to increase each executive’s loyalty to the company, thereby improving the business performance and corporate value of each company. In several local subsidiaries, local executives have been appointed as presidents. From the perspective of further delegation of authority, we will identify outstanding local employees and actively promote them to the executive level.

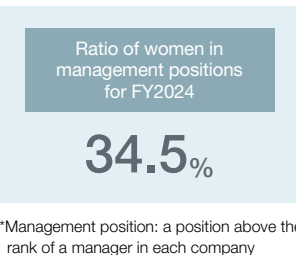
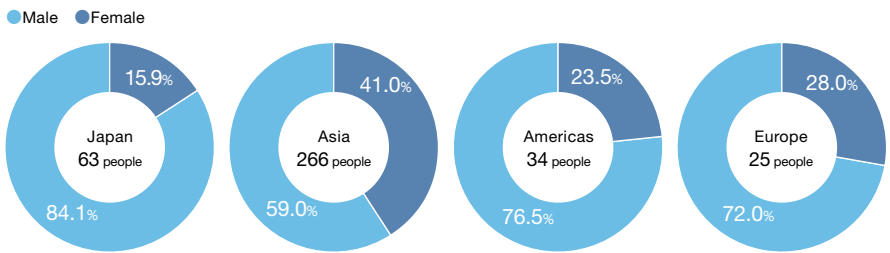


► Promoting the active involvement of women in the workplace

To enable employees with diverse backgrounds to play an active role, we support the Japan Business Federation’s (Keidanren’s) “Challenge Initiatives for 30% of Executives to be Women by 2030” and have been promoting the appointment of female employees to key positions. SIIX was certified as an “Osaka city female employees leading company” (certification level★★★) on March 1 of 2024. In recognition of our initiatives supporting work-life balance of expatriate employees, we also received the FY2024 Special Award under this program.

Currently, we have a female outside director and a female outside audit & supervisory board member. In addition, one of our executive officers is a woman, and many female employees are in management and key positions at local subsidiaries. We will continue to promote the active involvement of women from the perspective of diversity.

Number of employees in management positions & gender ratio by area



► Achieving a healthy workplace environment and work styles

We quantitatively assess the following items while taking each employee’s life stage and work-life balance into account.

Total working hours*1	Annual leave utilization rate*2	Overtime hours*1	Percentage of male employees taking paternity leave*1
We strive to reduce total working hours through the effective use of internal resources and ongoing work reforms.	We aim to increase the annual leave utilization rate by raising internal awareness.	We track monthly overtime and promote awareness about reducing it.	We raise internal awareness to encourage the use of the system.
Target: 30% reduction (from FY2022) FY2024 results: 5.8% reduction	Target: 100% utilization FY2024 results: 79.4% taken	FY2024 results: Average of 19.3 hours per person per month	Target: 100% utilization FY2024 results: 100% taken

*1 Non-consolidated basis. *2 Figures are on a non-consolidated basis. The result, including seconded personnel, is 73.0%.

► Systems to support diverse work styles

SIIX has introduced a range of support systems to help employees demonstrate their abilities while balancing work and personal life.

Examples of support systems	Program for working from home, staggered work hours program, hourly annual leave system, promotion of shortened working hours, welcome back program, etc.
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Society

► Employment of people with disabilities at an indoor farming facility (OSAKA KADOMA Farm)

As part of our diversity initiatives, we aim to foster a corporate culture that respects diverse values and abilities by expanding employment and participation opportunities for people with disabilities.

In addition to employing people with disabilities within our company, we began hydroponic herb cultivation and processing in November 2024 at “OSAKA KADOMA Farm,” an indoor farming facility in Kadoma City, Osaka Prefecture, in collaboration with Startline CO., LTD. The facility serves as an employment model, enabling individuals with disabilities to engage in tasks such as cultivating, harvesting, and packaging vegetables and herbs in an indoor booth located within a company (e.g., Startline CO., LTD.). A key feature of this model is its safe and secure working environment in a stable, climate-controlled space that is unaffected by weather or season.

At OSAKA KADOMA Farm, employees with disabilities select crop varieties, nurture plants, and process them into herbal tea under the guidance of supervisors. The herbal tea produced is intended for use as promotional items in our recruitment activities and as employee benefits.

We will continue to explore diverse work styles and tasks tailored to the specific characteristics of each disability. We are committed to fostering an organizational culture in which every employee respects one another and can work with peace of mind.



Herbs grown in the indoor farming facility

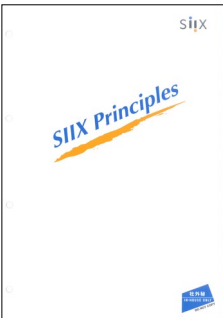
Promoting human capital management

We have set promoting human capital management as a target initiative in the Medium-term Management Plan 2024-2026. As part of this initiative, we will focus on improving employee engagement and developing our human capital.

► Penetration of corporate philosophy

We believe that when all employees understand and practice our corporate philosophy, the SIIX Principles, they contribute to society and enhance corporate value. To promote a deeper understanding of the Principles among employees worldwide, we have translated them into the local languages of all countries where we operate and distributed them across the Group. Since October 2023, we have strengthened our efforts to instill our corporate philosophy by appointing a representative from each local subsidiary to serve as an evangelist for the SIIX Principles. These representatives collectively forms a team called “the SIIX Pioneers.” The team exchanged views on employee education materials, reviewed implementation details at each location, and held presentation sessions on regional initiatives in Bangkok, Thailand, in July 2024, and in Osaka, Japan, in January 2025. By sharing best practices from different locations and exchanging views, the team further deepens its understanding, creating a virtuous cycle in which insights gained are applied to activities at each location. Through these activities, the team strengthens the sense of responsibility and belonging among local executives and builds a stronger organization with enhanced connections between headquarters and local executives. In January 2025, we launched “the Samurai Pioneers,” a group of selected young employees in Japan. While exchanging views with overseas Pioneers, the Samurai Pioneers think independently and bring fresh perspectives to instilling our corporate philosophy.

In the human capital division, employee recruitment, training, and organization building have been more closely aligned with the corporate philosophy than ever before.



SIIX Principles

► Human capital development, diversity management

In promoting diversity management, it is becoming increasingly important to select and empower local employees in management positions, strengthen cooperation with the Japanese headquarters, and ensure a deep understanding of our corporate philosophy. Local executives from around the world attend our twice-yearly global Strategy Conference meetings, where they openly exchange ideas regardless of nationality, gender, or age. Furthermore, we have established global organizations in areas such as manufacturing, new business development, IT, and accounting. This structure facilitates the sharing of technology and information, supporting more agile responses. In addition, the SIIX Pioneers have played an effective role in instilling our corporate philosophy, thinking independently and embedding it into daily operations at each location.

Going forward, we will delve into the framework that enables employees across all locations to thrive and perform at their best, while strengthening organizational and talent management to ensure their capabilities enhance corporate value.

► Trends in engagement scores

As part of our human capital management initiatives, we have set “increasing the engagement score” as a KPI in our Medium-term Management Plan 2024-2026.

As part of the initiatives, with the aim of building a relationship where we and our employees share an affinity and choose each other, we introduced an engagement survey. The survey was supported by Link and Motivation Inc., which has a database of 4.22 million employees from 11,590 companies.

As of February 2024, our initial engagement score was 46.3, below the national average of 50.0, indicating challenges and areas for improvement at each department and level. In response, we have set a target score of 55.0 for the medium-term management plan period and are working on continuous improvement.

Engagement score



[Reference] Relationship between engagement score and rating

Score	33	39	42	45	48	52	55	58	61	67	
Rating	DD	DDD	C	CC	CCC	B	BB	BBB	A	AA	AAA

© Link and Motivation Inc. Where SIIX is now *Scores are presented as deviations from the national average, which is set at B 50.

By strengthening training programs and initiatives that address challenges identified through engagement surveys, we aim to enhance engagement, particularly at our domestic locations, thereby increasing corporate value.

Specifically, we have begun reviewing executive and leadership training programs, as well as new graduate recruitment strategies.

We have also expanded the scope of our engagement surveys to include group companies, now covering approximately 300 employees across 17 domestic and international locations, including our two headquarters. To build a stronger organization under a unified corporate structure as One SIIX, these companies have been included in the regular surveys, starting with the third survey in FY2025.

► Introduction of e-learning “GLOBIS Manabi-Hodai”

To enhance our employee education system, we have introduced GLOBIS Manabi-Hodai from GLOBIS Corporation for all employees. This program allows employees of all ages, backgrounds, skills, and experience to access training videos at their own pace, anytime and anywhere. The program offers a variety of courses, including communication, marketing, leadership, accounting/finance, and personal development, providing employees with the opportunity to voluntarily learn and improve their skills. We expect this program to motivate each employee to pursue further learning.

The program’s implementation office can track participant interest and viewing trends, such as which courses are more popular. Through this program, we will encourage employees to take the initiative in their learning and increase their engagement.

Consolidated Financial Summary

		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Financial Information												
Net sales	Million yen	209,755	235,035	212,768	233,153	242,804	223,037	181,598	226,833	277,031	309,768	302,314
Operating income	Million yen	6,233	8,913	9,134	9,705	8,625	5,506	4,452	4,954	8,929	12,254	8,559
Ordinary income	Million yen	6,460	9,002	9,146	10,513	8,717	5,634	4,444	5,934	8,337	11,849	8,288
Profit attributable to owners of parent	Million yen	4,131	6,717	6,698	7,093	6,414	3,695	1,724	4,561	4,733	8,185	3,754
Selling, general and administrative expenses	Million yen	8,889	10,802	11,067	12,922	12,010	12,155	11,697	15,165	16,862	18,595	20,047
Depreciation and amortization	Million yen	3,166	3,805	3,271	3,465	4,235	5,477	6,046	6,129	7,714	8,928	9,780
Total assets	Million yen	103,429	109,957	109,695	130,526	137,350	143,391	144,436	169,921	205,170	216,838	217,484
Net assets	Million yen	41,497	49,739	51,573	57,609	56,016	58,249	56,498	66,369	77,389	89,545	101,033
Equity capital	Million yen	41,310	49,585	51,332	57,252	55,655	57,846	56,084	65,879	76,891	89,041	100,436
Interest-bearing debt	Million yen	19,128	12,614	11,458	19,553	32,969	38,667	47,471	51,350	63,150	61,984	54,577
Net cash provided by (used in) operating activities	Million yen	2,374	7,996	6,333	4,536	966	8,945	13,280	(8,106)	5,567	19,796	23,097
Net cash provided by (used in) investment activities	Million yen	(2,827)	(5,113)	(5,450)	(9,211)	(6,515)	(9,602)	(6,034)	(7,765)	(8,892)	(10,392)	(9,088)
Net cash provided by (used in) financing activities	Million yen	(1,286)	3,352	(4,171)	6,410	7,991	2,923	1,291	869	6,676	(5,989)	(12,320)
Cash and cash equivalents at end of period	Million yen	6,497	12,473	8,776	10,574	12,813	15,035	22,968	9,315	13,652	18,059	21,769
Free cash flow	Million yen	(453)	2,883	882	(4,674)	(5,549)	(656)	7,246	(15,872)	(3,325)	9,404	14,009
Capital expenditure	Million yen	2,857	3,764	4,528	6,167	7,483	9,082	5,573	9,515	10,845	9,127	6,502
Per-share Data*												
Net income per share (EPS)	Yen	87.53	137.94	133.81	144.01	131.45	78.21	36.48	96.53	100.11	173.56	79.75
Net assets per share (BPS)	Yen	875.24	986.35	1,042.20	1,162.33	1,178.04	1,224.26	1,186.71	1,393.92	1,625.55	1,891.52	2,132.96
Dividends per share	Yen	17.0	21.0	25.0	26.0	27.0	28.0	29.0	30.0	31.0	44.0	48.0
* A two-for-one stock split was conducted on April 1, 2018. The above per-share data have been adjusted retroactively to reflect the effect of this stock split.												
Key Indicators												
EBITDA	(Operating income + depreciation and amortization)	Million yen	9,399	12,719	12,406	13,170	12,861	10,983	10,498	11,084	16,643	18,339
Capital-to-asset ratio	(Equity capital / Total assets (fiscal year-end))	%	39.9	45.1	46.8	43.9	40.5	40.3	38.8	38.8	37.5	46.2
D/E ratio	(Interest-bearing debt / Equity capital (fiscal year-end))	Times	0.5	0.3	0.2	0.3	0.6	0.7	0.8	0.8	0.8	0.5
Return on equity	(Profit attributable to owners of parent / Average equity capital for the last two periods)	%	11.1	14.8	13.3	13.1	11.4	6.5	3.0	7.5	6.6	4.0
Rate of ordinary income to total assets	(Ordinary income / Average total assets for the last two periods)	%	6.7	8.4	8.3	8.8	6.5	4.0	3.1	3.8	4.4	3.8
Payout ratio	((Interim dividends + Year-end dividends) / Profit attributable to owners of parent)	%	19.4	15.2	18.7	18.1	20.5	35.8	79.5	31.1	31.0	60.2
Employees												
	Number of employees	9,545	10,352	10,820	11,659	13,632	12,721	11,257	12,354	12,734	11,052	9,538

CSR Activities

We would like to introduce our social contribution activities.

► Organizing the Slovak National Theatre’s opera performance in Osaka

We have been conducting business in the Slovak Republic for many years and have built a friendly relationship with the country over a long period. For these reasons, His Excellency Mr. Michal Kottman, then Ambassador Extraordinary and Plenipotentiary of the Slovak Republic to Japan, presented his letter of credence to our then President, Shiro Murai. Subsequently, in October 2014, The Honorary Consulate of the Slovak Republic was established* at our Osaka Headquarters.

Since then, we have been committed not only to economic exchange but also to the development of cultural exchange between the two countries, and as part of these activities, we have organized an opera performance in Osaka. In 2025, to commemorate the Osaka-Kansai Expo, Slovakia, a participating country, organized an EXPO-related event and presented the “Opera Gala Concert” as a special performance exclusively in Osaka.

* Due to the passing of Shiro Murai, the Company’s former Chairman who had served as Honorary Consul, the office is currently closed. We are, however, in the process of completing the necessary procedures for the appointment of a new Honorary Consul.

Our homepage at the Honorary Consulate of the Slovak Republic in Osaka:

🔗 <https://www.siix.co.jp/en/corporate/slovakia/>



All the soloists



Photo during performance

► Sponsorship of the Osaka Prefecture Public-Private Partnership Children Support Project “OSAKA Children’s Dreams” Guinness Challenge

We sponsored the Children Support Project “OSAKA Children’s Dreams’ Guinness World Records™ Challenge,” a public-private partnership initiative in Osaka Prefecture (2022, 2023, and 2024). We are engaged in community contribution activities through a project that encourages children to look toward the world and develop a positive attitude for life by taking on the challenge of setting a Guinness World Record™.

“OSAKA Children’s Dreams” Support Project Special Website:

🔗 <https://osakaguinness.com/>



► Various social contribution activities carried out in other countries

We are also engaged in a variety of other social contribution activities. (The following are some examples.)

● Disaster relief activities

Support for areas affected by the Turkey-Syria Earthquake in February 2023 (Donations sent to: Japan for UNHCR)

Support for areas affected by the 2024 Noto Peninsula Earthquake in February 2024 (Donations sent to: Japanese Red Cross Society)

● Rehabilitation support

Donation to Catfish Farming Program (Indonesia): As part of supporting the rehabilitation of ex-offenders, we make donations to a vocational training program for catfish farming.



Catfish Farming Program

Participation in Charity Running Event (Singapore): Staff from our Singapore subsidiary participated in a Charity Running Event organized by the charitable organization Yellow Ribbon Project in Singapore. This event is held to support the rehabilitation of ex-offenders from Singapore prisons, with the aim of assisting their reintegration into society and supporting their families, as well as fostering greater public understanding of these efforts.



Charity Running Event

● Local support

At each location, we are engaged in activities to donate goods and other necessities to our local communities. We intend to continue our donation activities in order to contribute to the sustainability and development of local communities.

- Donations to impoverished areas in Yunnan Province (China/Shanghai)
- Donation to neighboring schools (Thailand)
- Donation of supplies to the elderly and orphans (Philippines)
- Material support for local volunteer centers (Germany)

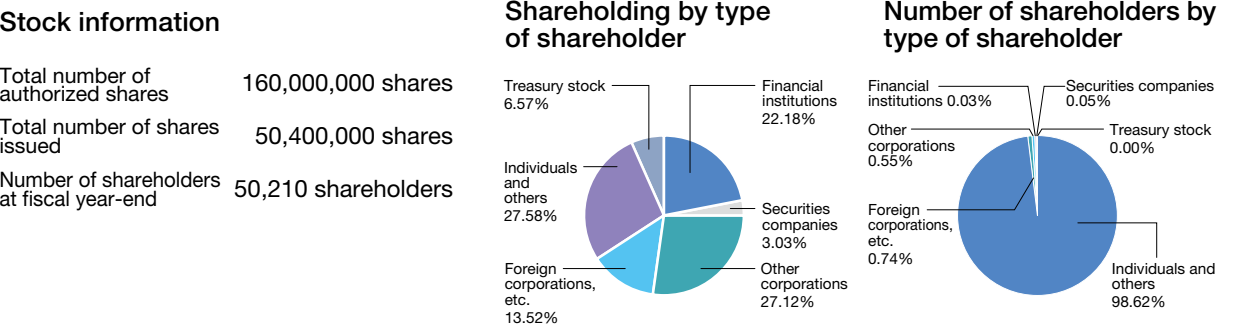
Related page on our website: 🔗 <https://www.siix.co.jp/en/sustainability/social/#section05>

Corporate Data

Corporate Outline

Company name	SIIX Corporation
Established	July 1, 1992
Paid-up capital	2,144 million yen (as of December 31, 2024)
Location	Osaka Headquarters: SIIX BLDG, 1-4-9, Bingo-machi, Chuo-ku, Osaka 541-0051 JAPAN Tokyo Headquarters: SIIX BLDG, 2-3-25, Kudanminami, Chiyoda-ku, Tokyo 102-0074 JAPAN Nagoya Sales Department: 2F SIIX BLDG, 3-2-11, Meieki, Nakamura-ku, Nagoya, Aichi 450-0002 JAPAN
Net sales	302,314 million yen (FY2024: consolidated)
Number of employees	Non-consolidated: 228, consolidated: 9,538 (as of December 31, 2024)

Stock and Shareholder Information (as of December 31, 2024)



Major shareholders

Shareholder name	Number of shares held (in thousands)	Shareholding ratio (%)
Sakata Inx Corporation	10,812	21.45
The Master Trust Bank of Japan, Ltd. (trust account)	3,910	7.76
Forty Six Ltd.	2,400	4.76
Resona Bank, Limited	2,170	4.31
Sumitomo Mitsui Banking Corporation	2,160	4.29
Shiro Murai	1,211	2.40
Custody Bank of Japan, Ltd. (trust account No. 4)	906	1.80
MUFG Bank, Ltd.	720	1.43
Custody Bank of Japan, Ltd. (trust account)	651	1.29
NORTHERN TRUST CO. (AVFC) RE WS WALES PENSION PARTNERSHIP (WALES PP) ASSET POOLING ACS UMBRELLA	641	1.27

* Aside from the above, SIIX owns 3,311,857 shares of treasury stock.

Website of SIIX

Refer to the website of SIIX for the latest company, IR, and CSR information.

SIIX Corporation

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 <https://www.siix.co.jp/en/>