SIIX Corporation

2026 Integrated Report

Global Business Organizer

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

SIIX 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 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 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 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

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Key Points in Each Section

Knowing SIIX

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ESG

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Editorial policy

We have issued the 2026 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

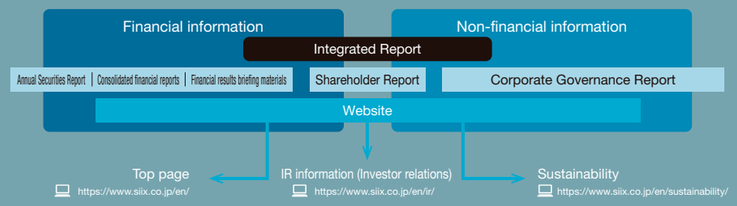
Business forecasts, outlooks, strategies and targets stated in this report, except for those relating to the past or present facts, are forward-looking statements and based on information currently available to the company and plans, expectations and judgments based on certain assumptions deemed reasonable. 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: FY2025
(January 2025 - December 2025)
Some sections of this report include information during and after December 2025.

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 !mpact," 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

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

From 1979

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



From 1992

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

From 2010

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 Sagamihara 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.

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

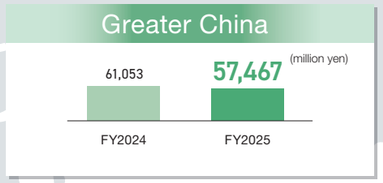
2021 Semiconductor chip shortages

Global Network

Global deployment with 50 bases in 14 countries worldwide

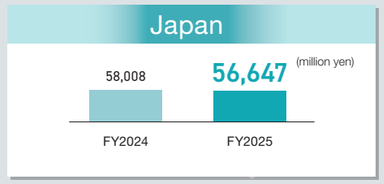
The ability to provide a variety of outsourcing options to our customers through our extensive and organic network of overseas bases is one of the strengths of SIIX. We have established bases in approximately 50 locations in 14 countries worldwide that can assist in the global business development of our customers, from materials procurement to manufacturing and distribution.
(As of the end of December 2025)

Meeting domestic demand in Greater China



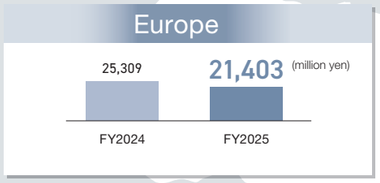
- ⑫ SIIX (Shanghai) Co., Ltd.
- ⑬ SIIX EMS (Shanghai) Co., Ltd.
- ⑭ SIIX HUBEI Co., Ltd.
- ⑮ SIIX EMS (DONG GUAN) Co., Ltd.
- ⑯ SIIX H.K. Ltd.
- ⑰ SIIX TWN Co., Ltd.

Preparations to expand domestic production in Japan



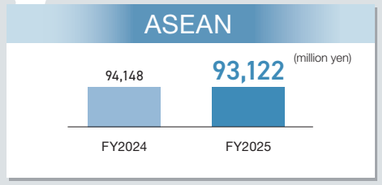
- ① SIIX Corporation
- ② SIIX Electronics Co., Ltd.
- ③ Renzoku Biologics Inc.

Contact for major European corporations



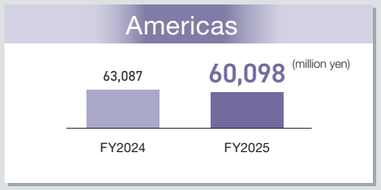
- ⑩ SIIX Europe GmbH
- ⑪ SIIX EMS Slovakia s.r.o.

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



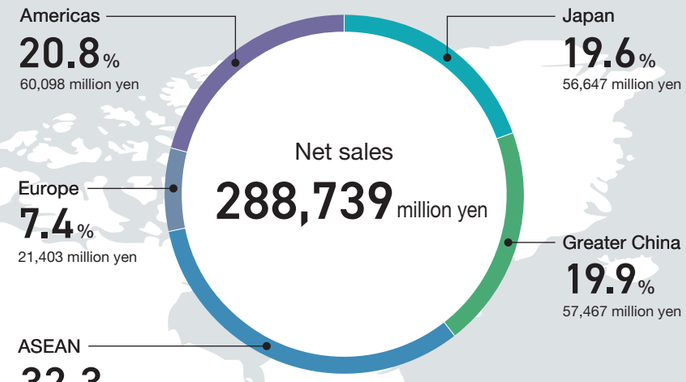
- ⑱ Thai SIIX Co., Ltd.
- ⑲ SIIX VIETNAM COMPANY LIMITED ★
- ⑳ SIIX MALAYSIA SDN. BHD.
- ㉑ SIIX Phils., Inc.
- ㉒ SIIX EMS PHILIPPINES, INC.
- ㉓ SIIX Singapore Pte. Ltd.
- ㉔ PT SIIX Electronics Indonesia
- ㉕ PT. SIIX EMS INDONESIA
- ㉖ PT. SIIX Trading Indonesia
- ㉗ SIIX INDIA PRIVATE LIMITED ★

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. ★

●Composition of sales by segment



*Other than the above, consolidated net sales of 289,491 million yen include 752 million yen that does not belong to any reportable segment.

- 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

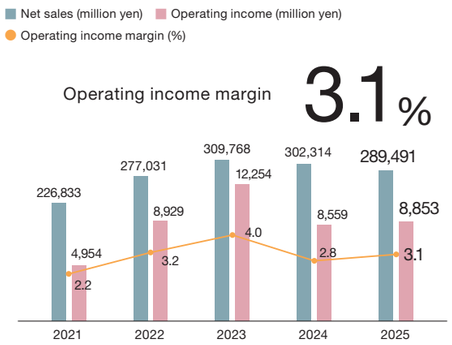
*★ indicates a non-consolidated subsidiary.

Global Network

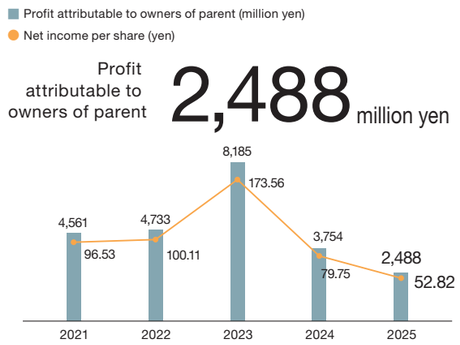
SIIX in Numbers [financial and non-financial highlights]

Financial data

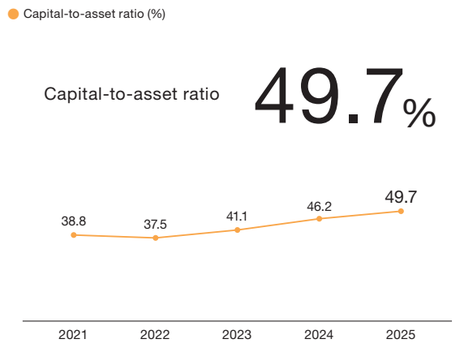
Net sales / Operating income / Operating income margin



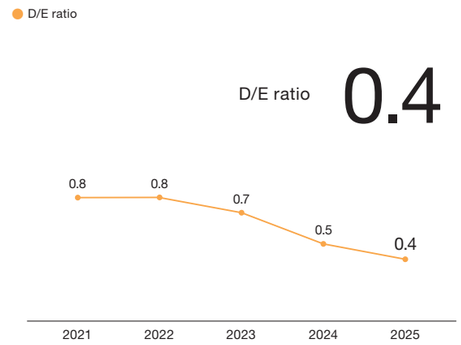
Profit attributable to owners of parent / Net income per share (EPS)



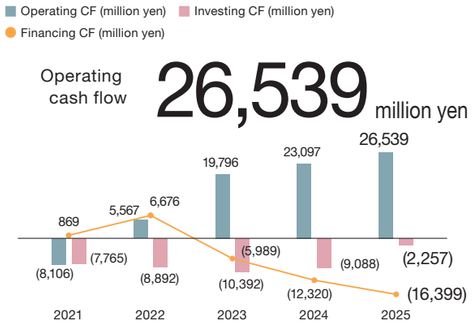
Capital-to-asset ratio



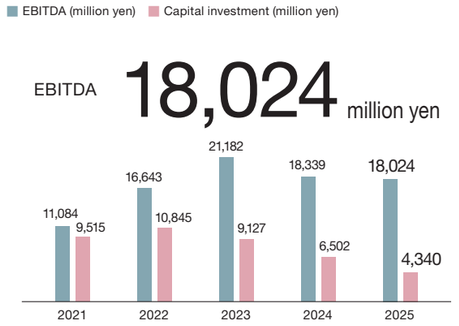
D/E ratio



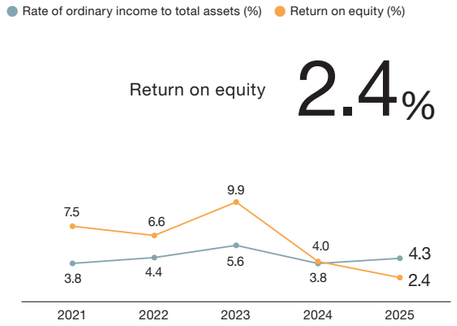
Operating cash flow / Investing cash flow / Financing cash flow



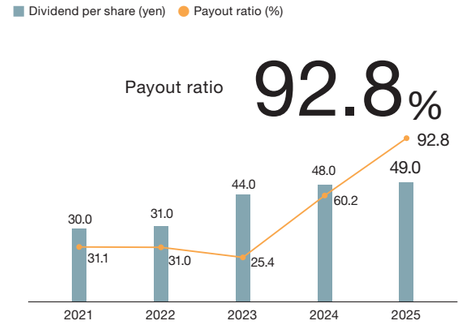
EBITDA / Capital investment



Rate of ordinary income to total assets / Return on equity



Dividend per share / Payout ratio



Non-financial data

Please refer to the Society section (p.45) for detailed information on our initiatives in social issues.

Total CO_2 emissions (Scope 1, 2, 3)

2025 572,634t

(580,385 t in 2024)

Actual solar panel power generation

2025 7,512MWh

(6,333 MWh in 2024)

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

Ratio of women in management positions*

2025 36.6%

(34.5% in 2024)

Ratio of local employees in management positions*

2025 80.8%

(79.7% in 2024)

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

Value Creation Process

Social issues

- Geopolitical risks
- Abnormal weather
- Measures against climate change
- Loss of biodiversity
- Environmental destruction by humans
- Natural resource crisis
- Human rights issues
- Decrease in working population
- Social division
- Livelihood crisis
- Spread of infectious diseases
- Changes in customer needs due to social changes
- Supply chain management

Materiality

1 Adapt products and services to social changes

2 Achieve a sustainable global environment (decarbonized society, recycle-oriented society)

3 Manage talented and diverse human capital

4 Build a strong governance system

Managerial resources (INPUT)

Human capital
Global and diverse human capital who can engage in business across the world

Organization
Strong governance

Manufacturing
Production system that can respond to all types of needs

Finance
Financial foundation and investment to achieve value creation

Information
Customer and sales networks established as a trading company “Trust”

Intellectual property
New plans and technologies based on cooperation with technology partners

Competence

Business organizing
Producing the best added value by understanding needs and combining seeds around the world

Active use of global network
EMS, trading, design and development, procurement, assembly and production, logistics

Spirit
We care.

SIIX Principles
Guidelines for action
Make an !mpact

Discovery, creation, and active use of new resources
Shedding light on unknown resources and expanding new possibilities

Strengthen management foundation and governance

Corporate philosophy “Corporate Ideals”

OUTPUT

Social issues being addressed through business activities
Medium-term management plan goals, initiatives, and progress
Medium-term Management Plan P.11

Product and service fields
Automotive-related equipment; industrial equipment; home appliances; information devices; others
Business Overview P.27

Social issues being addressed through overall corporate activities
- Measures against climate change
- Human rights, occupational health and safety
- Diversity management
- Risk management

Environmental (E), Social (S), and Governance (G) P.31

Social value (OUTCOME)

1 Contribution to economic development through business activities

2 Environmental conservation in business activities

3 Creation of a workplace with high levels of job satisfaction

4 Creation of sustainable corporate value

Medium-term Management Plan (2024-2026)

SIIX VISION 2026

Clean, correct and accurate

Providing the best service in the middle of the fairway

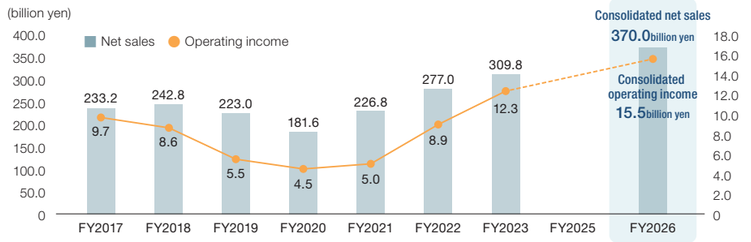
SIIX aims to deepen its relationships with all stakeholders with sincerity and integrity, and to grow and develop together. In order to achieve this, we respect the expectations and demands of our stakeholders, based on the basic principles of trust, transparency and fairness. We will accumulate the 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 = JPY132



Target indicators

ROE

Steadily maintain more than **10**%

Improvement of operating income margin

4.0% ➡ **4.2**%

Improvement of CCC

94days ➡ **65** days

1 Challenge new business, provide the highest quality

EMS business

- **Provide the highest quality**
  - Implement the same measures at the same time across the Group globally
  - Introduce prevention alert system
  - Introduce Pokayoke system
  - Promote maximum automation
  - Introduce in-house automated equipment
  - Labor saving
  - Cost reduction

Synergy with technology partners

Deepening of JDM and TRADING

- IoT business
- Battery-related equipment
- Printed electronics
- Robotics
- Sales expansion of Chinese parts and others

Synergy with different business category

Non-electronics

- Provide recruitment service and BPO services

Create new business Improve profitability

- **Develop new markets:** India, Malaysia, Vietnam, Korea, Silicon Valley, etc.

2 Contribution to decarbonized society

Scope 1

- Conversion of company vehicles to EVs
- Installation of in-house power supply stations to promote EV use

Scope 2

- Switching to electricity derived from renewable energy
  (The three European bases and the Sagamihara Factory in Japan have achieved 100% use of renewable energy.)
- Installation of solar panels
  Installed: China's three factories, Mexico factory, Indonesia factories (Karawang and Batam), distributor in Singapore.
  Plan: Thailand factory
- Greater electric power efficiency ➡ Improved production efficiency
- Purchase of IREC

Scope 3

- CAT 1 Engagement with the supply chain
  - Engagement, Communication (Promotion of green procurement, participation in initiatives, elaboration of carbon footprint)
  - Set reduction targets (requests to set reduction targets, requests for SAQ responses based on our procurement policy)
  - Promotion of reduction activities (Regular monitoring and sharing of CO_2 emissions data, communication to promote reduction of CO_2 emissions)
- CAT 4 Promote local procurement and optimize transportation means
- CAT 5 Reduce waste, promote recycling, etc.

3 Business management, finance

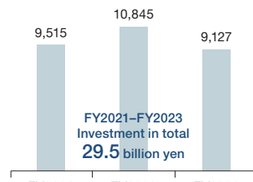
Investment policy

- **Invest in businesses with high profitability and growth potential**
  - Selection of businesses based on profitability and growth potential; selections that are conscious of customers' customers
  - Accurate quotation and investment in businesses with high profitability
- **Investment in efficiency > Investment in increasing production capacity**
  - Prioritize investment in efficiency, not in increasing capacity through capital investment
    Maximize productivity by existing production lines
  - Investment to eliminate bottleneck processes at each factory
- **Investment in automation**
  - Maximize output per worker by improving operation rates and reducing man-hours

Improvement of CCC
Inventory reduction
Extension of payment terms
➡ Creation of funds for future growth

Capital expenditure

(million yen)



New Medium-term Management Plan

Encouraged ・Automation, efficiency improvement
・New business development
Controlled ・Investment in additional lines



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.



Purpose

- Working on reforms to become a "people-oriented company" by Compliance Committee
- Creating a more optimal human resource system for a global company after COVID-19

Effectiveness measurement, guidelines

- Implementation of engagement surveys and improvement of ES*.

*Engagement Score
Calculated using a survey provided by Link and Motivation Inc.

For detailed information on our current initiatives, please refer to the Society section (p.45).

Medium- to long-term challenges

Entry into the CDMO business for bio-antibody drugs

Renzoku Biologics

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.

Our targets

- "EMS for pharmaceuticals" = Entry into CDMO business
- Aiming for the social implementation of fully continuous production technology with excellent production scale variability and flexible response to small- and medium-volume, high-mix production
- Maximize synergies with the bio-antibody drug field by leveraging our expertise in operations management and global expansion cultivated as an EMS

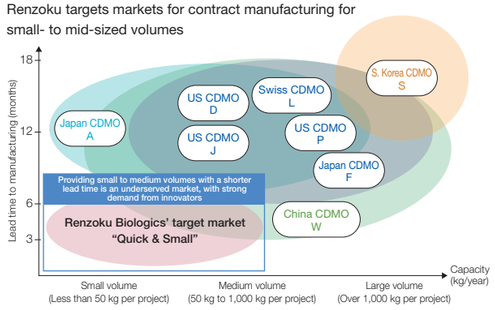
Features of fully continuous production



Operations Management:
DX/ICT-enabled data, quantification, visualization, remoteness, traceability, etc.
Expertise in automation and labor saving

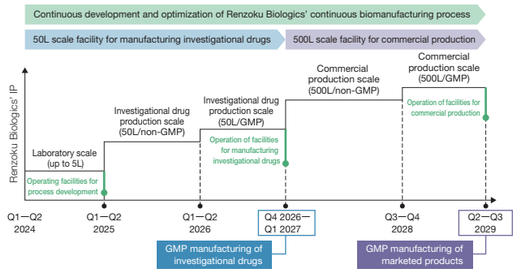
Market entry strategy

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 CEO



CEO and COO, Representative Director & President and Executive Officer

Kazuya Hiraoka

Message from the CEO

Striving for further evolution as a global business organizer, we will realize sustainable growth and enhance corporate value

The business environment in recent times remains difficult to predict, with intensifying geopolitical risks, structural changes in the Chinese market, and environmental changes surrounding the automotive industry. Under these circumstances, steady progress is being made in establishing a foundation for the next stage of our growth, including structural reforms in China and Europe, inventory optimization, and improved profitability.

Since my appointment as CEO in 2025, I have been steadily advancing the initiatives of the Medium-term Management Plan, while preparing the company for its next stage of growth. Precisely because the market environment is changing so dramatically, we will refine our unique strengths and secure new opportunities for growth.

Business environment and SIIX's strengths

Amid the ongoing restructuring of the supply chain, now is the time for SIIX's value to shine

In recent years, against the backdrop of escalating geopolitical risks, conflicts in various regions, and fluctuations in foreign exchange rates, the external environment surrounding companies has become extremely unpredictable, so much so that we could say that we are living in an era where "anything can happen." In the electronics and automotive industries, the review of production systems and supply chains is progressing, and conventional assumptions are changing significantly. In the Chinese market in particular, a major transformation is taking place. The environment surrounding Japanese automakers, which have driven growth until now, is becoming increasingly challenging, and the presence of Chinese manufacturers is rising rapidly. While SIIX is also affected by these changes, we are adapting to the shifting market structure flexibly and working to create new growth opportunities.

Amid these changes in the environment, our global production and procurement networks are once again proving to be a key strength. While we operate production bases worldwide, our strength lies in more than simply having a large number of bases. The important thing is that each of those bases functions at the same level in essential areas such as quality and production capacity.

For example, even with products destined for the European market, it is not always necessary to manufacture them in Europe. Depending on the customer's requirements and supply chain conditions, we can leverage our bases in the ASEAN region, including Thailand, the Philippines, and Indonesia. This kind of flexibility has become a competitive advantage today, as the restructuring of supply chains progresses. One of SIIX's key strengths is our ability to connect the strengths of each region to build the most suitable production and procurement structure for our customers.

We are also advancing initiatives to optimize our entire supply chain by coordinating our procurement and logistics functions worldwide. Rather than pursuing local optimization at each individual location, we take a holistic view of procurement and logistics management across the entire global network, in an effort to improve cost competitiveness while ensuring a stable supply. We consider this kind of supply chain management capability to be another one of our key competitive advantages.

Furthermore, we are not what is known as an EMS company; rather, we are the "global business organizer" as envisioned by our founder. One principle that he repeatedly taught us was "Do not do your work based on what you can do; do it based on what the market and our customers need." Our role is not to push our own services, but to deliver the specific functions necessary to solve customers' challenges in the most suitable way. I believe that this approach is precisely the driving force behind our sustainable growth in a rapidly changing world.

Strengthening the corporate structure

By enhancing profitability and capital efficiency, we will solidify our foundation for the next phase of growth

While the challenging business environment continued in FY2025, management has been making steady forward progress. To address the changes in the Chinese market and the challenges in our European operations, we made difficult but necessary decisions with an eye to the future and implemented the necessary structural reforms. Although this had a temporary impact on our earnings, we believe that addressing these issues without delay has led to our current improvement.

We are also beginning to see positive results from our inventory optimization efforts, which we have been continuously working on over the past few years. Inventory levels that once exceeded 70 billion yen across the entire Group have shown major improvement, and this optimization work is ongoing. However, I do not believe that continuing to reduce inventory indiscriminately is necessarily the right approach. Our mission is to satisfy demand from our

customers. To that end, it is also crucial to maintain appropriate inventory levels and achieve a stable supply. Although excessive inventory is certainly a problem, if we cut back even on the inventory required, we will no longer be able to deliver value to our customers. What is important is to maintain an appropriate level of inventory based on the circumstances of each business.

We are currently focusing not only on sales growth, but also on profitability and capital efficiency. In addition to profitability and the ability to generate cash, we have positioned capital efficiency metrics such as ROE and ROIC as key management priorities. Of course, top-line growth will remain critical into the future. However, that alone will not lead to a true increase in corporate value. We must increase corporate value not only through revenue growth, but also by improving profitability and capital efficiency. I believe that this is what will be expected of SIIX in the years ahead. Going forward, we will review our business portfolio, streamline inventory, and improve profitability. Through these efforts, we will build a leaner, more resilient management foundation that can adapt quickly to change, while aggressively pursuing new growth opportunities.

Advanced EMS and new growth strategy

Evolving our business areas to deliver the value sought by the market

One of our key areas of focus today is the realization of “Advanced EMS.” For many years, the EMS business has been a key pillar of our growth. However, going forward, I believe that it is essential that we go beyond manufacturing services and further expand our role to evolve into a company that delivers higher added value to our customers.

Behind this is the fact that the role that our customers want us to fulfill is changing. We are increasingly expected not only to manufacture high-quality products, but also to provide support, from design and development to procurement, and even optimization of the entire supply chain. For this reason, we are expanding our business areas further upstream and downstream than previously, through initiatives such as product development support, participation from the design stage, and the development of automation and inspection equipment. I believe that instead of clinging to the EMS business, it is important for SIIX itself to evolve in response to the value sought by customers.

We are also expanding our customer base and diversifying our business portfolio. In terms of expansion of the customer base, in China, instead of relying only on our business for Japanese automakers, we are working to expand our business with Chinese manufacturers. The pursuit of volume is not what is important. I believe that the important thing is to build relationships with customers who recognize our value and to balance profitability and growth.

On the other hand, in the diversification of our business portfolio, I see great potential in AI-related, data center-related, and semiconductor-related fields. We are receiving new inquiries about the semiconductor field in particular, including from existing customers. We are focusing on this as an area where we can leverage the knowledge we have cultivated over many years in manufacturing, procurement, and supply chain management. Working closely with our partner companies, we will identify areas in which we can demonstrate value.

We are also focusing on India as a future growth market. Against the background of population growth and economic growth, we can expect to see further market expansion in India going forward. Instead of simply viewing India as a production base to replace China, we will position it as a medium- to long-term growth market and strive to generate business opportunities.

We established the Sales Marketing & Planning Office in 2025 to promote these kinds of growth strategies. Previously, our management followed an “additive” approach, where each location pursued growth within its own respective market. Going forward, we aim to achieve “multiplicative” growth, in which we will create new value by leveraging our global locations, talent, and customer bases in an interconnected way. We have also established a company-wide framework to not only expand our existing businesses but also develop new markets, broaden our service areas, and create new business opportunities.

The kind of value demanded by the market is constantly changing. Rather than considering our business based on what we can do, we have evolved our business with the value sought by the market and our customers as our starting point. “Advanced EMS” is an initiative that embodies this approach, and we believe it will serve as a vital strategy to support SIIX’s future growth.

SIIX’s vision for the next ten years

Toward a company where every individual can shine and that is needed by society

If I were to be asked what kind of company SIIX will become ten years from now, I do not want us to focus solely on the size of our sales or profits. Of course, continuous growth as a company is essential, and achieving our financial targets remains a key management responsibility. However, what matters even more is that we remain a company that is truly needed by our customers and society.

And above all, I want us to be a company where every single employee can feel proud and happy to say, “I am glad I work for SIIX.” I value opportunities for direct conversation with our new-graduate recruits, which allow me to learn firsthand about what the younger generation expects from SIIX and the aspirations that brought them to the company. Supporting the growth and challenges of each individual, while building a company where they can work with pride, is, I believe, a crucial responsibility of management.

I have also long believed that employees are at the very heart of all our stakeholders. When each and every employee grows, thrives, and fully demonstrates their capabilities, their value naturally spreads out to all our stakeholders, including customers and shareholders. When our employees shine, SIIX also shines. That is the kind of virtuous cycle I want to realize.

Even in an era when AI and digital technology are rapidly evolving, it is people who support the growth of a company. For SIIX to continue growing sustainably from now on, it will be essential to establish an environment where people can thrive and to continue to be an organization where each and every individual can demonstrate their abilities. To be a company where employees can think, “I am glad I work at SIIX”—I believe that the accumulation of these efforts will earn the trust of customers and society, and become the driving force that will improve corporate value.



Message from the COS



COS, Representative Director &
Senior Managing Executive Officer

Toru Maruyama

Building a management foundation to support future growth and increase corporate value

By carrying forward our long-cherished values into the future and bringing together the strengths of a diverse workforce and knowledge from around the world, we will create new value, leading to further growth and enhanced corporate value.

Message from the COS

Passing on the founder's spirit

Passing on the values that serve as the foundation for sustainable growth

This past year held special meaning for me. The most significant event was the passing of our founder. While demonstrating strong leadership, our founder also instilled the philosophy and values that form the basis of the company's management decisions. For many years, we have shared the same philosophy as we engaged in management. Now that the founder is no longer with us, one of our greatest challenges will be to determine how to carry forward his spirit and pass it on to the next generation.

How will we take the company that our founder built up and further advance it in the years ahead? Alongside President Hiraoka, it is my important role to shoulder this heavy responsibility and achieve sustainable growth.

In my role as Chief of Staff (COS), I place particular importance on communication with President Hiraoka. In any company, the top executive can sometimes find themselves in a lonely position. It is precisely in these moments that my position becomes more critical, a fact of which I am keenly aware. President Hiraoka uses the expression, "conversations that go straight to the heart of the matter." For better management decisions, I place great importance on accurately and candidly communicating what is actually happening within the organization, even when we have differing opinions.

At the same time, we have a responsibility to pass the values cherished by our founder on to the next generation. The generation that listened directly to the founder's words and learned by watching him at work will gradually step away from the frontlines. I believe that, in some respects, those experiences and memories have their own "shelf life." What the founder valued and the kind of thinking he used to grow the company sustainably must be preserved as the DNA of the organization.

Of course, this does not mean that we should keep preserving the past just as it is. As times change, the ideal form of management and the organization must also transform. However, there are some things that must never be changed. What is the true essence of SIIX? What have we cherished to date? Changing what needs to be changed and preserving what needs to be preserved, without losing sight of this essence. I believe that the accumulation of such efforts will form the foundations of our vision for the next 30 years and 100 years.

Brand strategy for the 70th anniversary

Redefining the true essence of SIIX to enhance corporate value

In 2027, SIIX will celebrate the 70th anniversary of its founding. I view this milestone not merely as a commemorative year, but as the new starting point for the 30 years to follow. Looking ahead to our 100th anniversary, what kind of company will we build together? I define this milestone as an important turning point in clarifying our management strategy and direction, one that will lay the foundations for the future.

We have launched various initiatives to celebrate the 70th anniversary. One of these initiatives is the compilation of our company history. In general, a company history is often thought of as a record of past events. However, what we are working on is not simply an exercise in organizing and documenting our history. The history of the company and the way of thinking of its predecessors will be organized and accurately preserved for the future. These are not just stories of our success. At the heart of the concept is the idea of taking a fresh look at the company by reflecting on the lessons we have learned from our failures.

This initiative is, in a sense, part of our rebranding efforts. You may associate the word "brand" with things like logos and advertising. However, in its truest sense, a brand is the very philosophy of what a company values and what kind of value it seeks to provide. One of SIIX's most important values is the trust that has been passed down since our foundation. I believe that by exploring these values more deeply and shaping them in a way that can be shared by each and every employee on a global basis, we will build a brand for the new era.

The aim of rebuilding our brand strategy is not simply about external communications. While it is important to encourage customers' and investors' understanding of SIIX's value, it is equally important to ensure that all employees around the world correctly understand and identify with the company's value and raison d'etre. Rather than considering brand strategy, human resources strategy, and business strategy separately, we will combine them organically under a single concept and deliver a consistent message to all stakeholders.

Seventy years of history is an invaluable asset for the company. On the other hand, we cannot expect further growth unless we continue to change. That is precisely why we must learn from the past correctly

as we chart the future. With the values that have been passed down since the company's inception as our foundation, we will build a company that is appropriate for the next generation. I view the rebranding initiatives in the lead-up to the 70th anniversary as the first step in that process.

Deepening human capital management

Enhancing growth potential through investment in people

"Why does SIIX's HR function focus primarily on the just under 400 people hired at headquarters?" This question, posed by President Hiraoka's words not long after his appointment, prompted me to think more deeply about human capital management. The SIIX Group has about 9,000 colleagues working in various parts of the world. I realized anew that it is important to see the entire Group as a single organization and to draw out the strengths of all the people who work in it.

The starting point of human capital management for SIIX is to create an environment where each and every employee can work comfortably. There is nothing complicated about this; it simply means that employees can wake up in the morning and feel good about coming in to work. This is the kind of thing that I place particular importance on. In our position of supporting the lives of tens of thousands of people on a consolidated basis, if we include employees and their families, it is an important responsibility of management to provide an environment in which workers can demonstrate their abilities to the fullest with peace of mind.

Based on this approach, we have implemented various measures over the past several years. A review of the support systems for employees working overseas is one example. While it is important to set up the systems themselves, I believe it is even more important to communicate that the company is committed to each and every employee and is listening to their voices. We are increasingly hearing from our overseas employees that they feel valued and supported by the company.

The change in our engagement score is one outcome of this. The score, which was initially 46.3 points, has since improved to 51.9 points. Of course, we do not believe that it has reached a satisfactory level. While I have personally set a score of 55 points as one target, this is merely a milestone along the way. I view these numbers simply as indicators that reflect changes in the organization.

The foundation of human capital management lies in the sharing of common values. For this reason, we have been focusing our efforts on instilling our corporate philosophy, the SIIX Principles. In this regard, their translation into local languages has already been completed across all our global sites. The spirit of "trust" passed down since our founding and our founder's motto of "walking in the middle of the fairway" are deeply embedded in that philosophy. I believe that a true sense of unity as a global enterprise is born only when we share common values, even amid differences in countries, cultures, and religions.

Going forward, we will further focus on the reform of our personnel system. We will place particular emphasis on the integrated design of career development and human capital development in harmony with our management strategy. The values held by our employees are becoming increasingly diverse, with some aspiring to management roles and others seeking to master specific expertise. While accommodating such diverse career perspectives, we will establish frameworks that enable every individual to grow with a true sense of satisfaction.

There is no doubt that establishing systems and frameworks is important. However, the true essence of human capital management lies in engaging sincerely with individuals. The growth of each individual employee will lead to the growth of the company. Cherishing this mindset, we will continue to advance people-centric management.

Strengthening our global management foundation

Transforming global talent and knowledge into a force for growth

As we expand human capital management across the entire Group, I believe that establishing a global HR framework (one that integrates personnel functions across countries) is crucial. SIIX currently operates in 14 countries worldwide, and as mentioned above, we have a workforce of some 9,000 employees. To achieve sustainable growth, it is essential that we establish a framework for sharing knowledge and issues related to human resources across the Group and for resolving those issues together.

One initiative to this end is the Global HR Meeting. Through continuous dialogue between local HR representatives and the headquarters HR & Administration Department, it has become clear that, while issues vary by country and region, many locations share common concerns. We began by getting to know each other and sharing our respective experiences and knowledge. These activities have great significance for the enhancement of a sense of unity across the entire Group.

We will also actively enhance mobility of human resources going forward. People from our overseas bases may come to work at the Japanese headquarters, and conversely, headquarters personnel may gain experience abroad. We have already made progress in promoting local talent, and we will further advance the leveraging of human resources regardless of their nationality or other attributes.

We will also approach diversity from a more fundamental perspective. Diversity does not just mean the advancement of women. What matters most to SIIX is to create an environment where individuals of diverse nationalities, values, and experiences can thrive and to execute personnel placements and organizational design that will place the right people in the right roles, without being bound by conventional stereotypes. Without this, I do not believe we could call ourselves a global enterprise in the true sense of the term.

On the other hand, sound governance is essential to support these changes. One of the major changes over the past year has been the nature of the Executive Committee. We now meet twice a month, consistently engaging in lively discussions. This meeting functions as a platform to practice "conversations that go straight to the heart of the matter," where members exchange views that are not bound by their own areas of responsibility and passionately debate their perspectives. The alignment between this committee and the Board of Directors has also been firmly established, and through candid discussions, it is enhancing the quality of management decisions and leading to the growth of the entire organization.

We will create an organization where diverse human resources can thrive across borders while sharing the values inherited from the founder. At the same time, we will continue to refine our management foundation and governance to support these challenges. I believe that these efforts will provide the foundation for SIIX's growth over the next 30 years and for the 100 years that follow.



Message from the CTO

Creating new value in manufacturing through our evolution to “Advanced EMS”

CTO, Director & Managing Executive Officer
Hiroaki Takagi



Changes in the role expected of EMS companies

From contracted manufacturing to becoming a partner supporting our customers’ manufacturing

In the electronics and automotive industries, products and technologies are rapidly becoming more sophisticated as electrification and digitalization continue to advance. In the automotive sector in particular, electronic control is taking on an increasingly significant role, and the importance of software continues to grow. While changes such as these represent significant business opportunities for EMS companies, they are also changing the very role that is required of manufacturing.

SIIX is currently pursuing further evolution, moving beyond the phase of a contract manufacturing company. Specifically, this is an evolution from being a conventional contracted EMS to becoming a partner that supports our customers’ entire manufacturing process.

In recent years, many of our customers have been facing shortages of talent in the areas of development and production engineering. This has led to growing expectations of technical support that extends from the design stage through to mass production. For this reason, here at SIIX, we are actively driving the development of “Advanced EMS.” Through initiatives such as Joint Design Manufacturing (JDM: a framework for product design and development jointly with the customer) and Design for Manufacturability (DFM: proposals for improvements from the design stage taking manufacturability and quality into consideration), we are involved from the product development stage. We also promote the in-house development of automation and inspection equipment, along with the enhancement of manufacturing processes. By adding value to both the product and manufacturing processes, we aim to contribute to enhancing our customers’ competitiveness.

We have also established a new Sales Engineering Group. By stationing engineers in Tokyo, Nagoya, and Osaka, we have established a framework in which the engineering departments participate from the initial inquiry stage of new projects. By strengthening technical communication with customers and providing proposals that take into account the entire process from the design stage through to mass production, we will support their entire manufacturing process.

Quality is the very core of SIIX’s manufacturing. We possess expertise in quality and process management, cultivated over many years in the automotive-related equipment field. We believe that our experience in dealing with products that demand safety and reliability will be a significant advantage as we expand into new fields in the future. However, in the era ahead, quality alone will no longer be enough. Based on my own experience in the home appliances industry, I believe that a lack of speed was one of the key factors that caused Japanese companies to lose their competitiveness. Of course, we have no intention of abandoning our commitment to quality. By balancing both quality and speed, we will continue to evolve as a partner trusted by our customers.

A technology strategy for capturing the wavefront

Venturing into growth areas in the era of AI and robotics

In the automotive industry, the EV market is currently experiencing a temporary plateau. However, this does not mean that technological innovation itself has stopped. Technologies such as autonomous driving, advanced driver assistance systems (ADAS), millimeter-wave radar, and light detection and ranging (LiDAR) continue to evolve steadily. In the electronics industry as well, fields such as AI, semiconductors, and robotics are expanding rapidly, creating new business opportunities.

Going forward, we intend to achieve further growth by capturing the “wavefront,” that is, staying at the very forefront of these growing markets. We will identify which markets will grow and which technologies will lead the next era, and deliver value at the forefront of those waves. To achieve this, it is essential that the sales, sales marketing & planning, and engineering departments work together to identify changes in markets and technology. While identifying growth areas, we will continue to take on challenges in fields where we can demonstrate SIIX’s unique strengths.

We are newly focusing on areas such as AI, server-related technologies, physical AI, and robotics. Robotics technology, including humanoid robots, has the potential to significantly transform manufacturing operations in the future. An era will arrive when a wide range of factory processes such as transportation, storage, and production, will become automated.

To adapt to these changes, we are implementing AI-based visual inspection and building AI models. In addition to improving quality and productivity through the use of AI, we also have our sights set on expanding these initiatives globally in the future.

While we can predict technological progress, it is impossible to accurately foretell what will have become mainstream five or ten years from now. That is precisely why it is important to constantly monitor these changes and continue capturing the waves of growing markets. Our intention is not just to avoid falling behind the wave, but to be at the forefront, delivering new value to our customers.

Strengthening our global technological foundation

Global knowledge and talent are the sources of our competitive advantage

The most important factor in realizing our technology strategy is our people. As the adoption of AI and robotics advances, we are also working to develop system engineers and AI talent. To respond to increasingly sophisticated products and processes, we must develop individuals who do not just rely on knowledge and experience, but who are able to think, improve, and take action independently.

I have a strong sense of urgency about the succession of technical expertise. As our more experienced engineers grow older, passing on their long-cultivated knowledge of manufacturing to the next generation has become a key management challenge. The SIIX Manufacturing Academy is at the core of these efforts. SIIX engineers themselves have created the educational materials for this program, and we currently offer 47 curricula translated into seven languages. More than 3,000 people worldwide have completed the comprehension test, and the program now serves as our global learning platform for sharing technology and knowledge.

Meanwhile, unlike conventional manufacturing companies, we do not follow the concept of a mother factory that serves as a central production facility. Instead of creating a hierarchy with a specific country or factory at the top, every base shares its unique strengths globally. If a specific base excels in quality control, it becomes the hub for that particular field. If another site possesses strengths in equipment maintenance, we deploy that specific expertise across our global network. By positioning bases with specialized expertise in areas such as quality control, production engineering, and equipment maintenance as central hubs, we are raising the standard of operations worldwide.

The source of our competitiveness lies in a corporate culture in which our people transcend national borders to share knowledge and grow together. In the era ahead, our people will hone their skills, those skills will generate value, and that value will earn our customers’ trust. We believe that creating this kind of virtuous cycle will lead to our sustainable growth and enhance our corporate value.

Message from the CFO

Turning an improved financial position into a driving force to take on the next stage of our growth

CFO, Director & Managing Executive Officer
Akihisa Kamata



Financial challenges in the EMS business

Making profit margin improvement our highest priority

Since my appointment as CFO, my top priority on the financial front has been the improvement of our profit margins. SIIX operates its businesses globally and has established a stable scale of sales. However, our low profit margins have been a longstanding issue.

The EMS industry generally tends to be viewed as a low-margin business. However, through quality improvements, investments in automation, and strengthening of traceability, it is certainly possible to increase added value and enhance profitability. In the first quarter of the fiscal year ending December 31, 2026, our net profit margin exceeded 3% for the first time since the COVID-19 pandemic. We recognize this as an early indication that the initiatives we have advanced to date are gradually starting to bear fruit.

We are also proceeding with a review of our cost structure for the improvement of our profit margins. We have advanced procurement reforms on a global basis and worked to reduce our materials costs. In recent years, with the Procurement and Logistics Department playing a central role, we have been working on the centralized management of the supply chain globally in our efforts to generate profits and enhance competitiveness through the optimization of procurement and logistics costs. In addition, we have been thorough in the visualization of costs on the manufacturing frontlines, and we have established a structure that allows us to identify accurately what products are being produced at which factories and at what cost.

Moreover, we are also maintaining strict discipline in the management of selling, general and administrative expenses. Instead of allowing fixed costs to balloon in line with the expansion of business scale, we place importance on increasing management efficiency while keeping fixed costs at an appropriate level. I have called on each base to first make a 1% improvement. While it may be an accumulation of small improvements, the results are steadily starting to appear.

Strengthening of financial foundations to underpin corporate value enhancement

Taking an integrated view of the three financial statements and enhancing our ability to generate cash

Alongside improving profit margins, another priority for me is management that takes an integrated view of the three financial statements. In corporate management, there is a tendency to focus on the statement of income, but I believe that comprehensive management that also includes the balance sheet and statement of cash flows is important. With regard to the balance sheet in particular, we use it in management not simply by reflecting on past results, but by using it to work backward from where we want the company to be in the future.

In that process, the optimization of inventory has taken on the most importance. A year ago, our inventories stood at close to 70 billion yen, but we have succeeded in reducing that to around 50 billion yen currently. We are working on the improvement of capital efficiency while, of course, paying due consideration to the balance with our supply responsibilities.

As a result, we were able to generate approximately 26 billion yen in operating cash flow and approximately 24 billion yen in free cash flow. The cash generated has primarily been allocated to loan repayments, and we have improved our net interest-bearing debt balance from around 30 billion yen to less than 10 billion yen.

Through these initiatives, we have made progress in improving our financial position, and our equity ratio has recovered to around 50%. Moreover, these efforts are contributing directly to an improvement in capital efficiency, and we will now work toward ROE of around 10% as one of our targets.

Advancement of global management

Evolving our management approach from regional optimization to group-wide optimization

In recent years, the way we manage the company itself has undergone change. Whereas previously, we had operated our businesses with an emphasis on individual optimization that leverages the characteristics of each base and region, today, we have strengthened cross-organizational functions under headquarters' leadership in our advancement of group-wide optimization.

A typical initiative toward this end is the establishment of the Sales Marketing & Planning Office. We have introduced key account management, in which we manage our major customers on a global basis, and we are building a structure that enables us to serve customers from the perspective of SIIX as a whole, rather than on a regional basis. From the customer's perspective, they are dealing with the same SIIX, whether it be our American, European, or Asian base. Rather than optimizing for individual regions, we are required to offer the best proposals that are optimal for the Group as a whole.

We have also adopted a pipeline management approach and are working to develop a framework for global sharing and management of future order trends and demand forecasting. By visualizing the order information at the pre-order stage, we can make more appropriate decisions on production capacity, procurement structures, and investments, which we believe will lead to optimal distribution of management resources.

Further, with the growing uncertainty of the business environment due to factors such as tariff issues and geopolitical risks, decisions on what regions to manufacture in, where to make investments, and how to distribute resources have become increasingly important.

I believe that the fundamental essence of the EMS business lies not in mere manufacturing services, but in balance sheet management. To pursue the global optimization of factories, equipment, inventories, and customer demand as we operate our businesses, a perspective that takes an integrated view of financial matters and business operation is essential. In my position of supporting management from the financial perspective, I will further advance the development of these kinds of frameworks.

Challenge of business portfolio transformation

Building the financial foundations to underpin growth investments and helping to enhance corporate value

Our pursuit of improvements in profit margins and strengthening of cash generation capacity to date have been intended to secure surplus investment capacity for future growth and build a management foundation that is able to take on the challenge of new business opportunities. Going forward, we will actively invest in growth areas, as well as existing business areas. In addition to our forays into new areas such as healthcare and robotics, leveraging M&A, equity investment in startups, and collaborations with external partners, we will strive to create new business opportunities.

In addition, in our business portfolio, automotive-related equipment is an important foundation that accounts for approximately 65% of sales, and future growth in that sector is expected going forward. Leveraging the strengths that we have cultivated in the automotive-related equipment sector, such as quality control and global supply systems, we will engage in new areas such as healthcare and robotics in our efforts to diversify our business foundations. We will build an earnings structure that is not easily influenced by trends in specific markets in our aim of sustainable growth.

SIIX's strength lies in its ability to create value by coordinating with diverse partners, rather than insisting on doing everything ourselves. Examples include our collaboration with an Indian software company and our robotics-related business in Singapore. Our goal is to be a "business organizer" for the new era, one that combines the necessary technologies, people, and networks to create new businesses.

Through the transformation and diversification of our business portfolio, we aim to build a high-value-added, highly profitable business structure capable of achieving stable, long-term growth. Relationships of trust with investors are essential for the enhancement of corporate value. We emphasize early disclosures and dialogue with the market, and we aim to be a company whose business model and future potential are well understood and that can win support from long-term perspectives. My own role is to build the financial foundations that will underpin such a growth strategy. While further improving profit margin and generating cash, we will secure the funds needed for future growth investments and connect that to the sustainable enhancement of corporate value.

Value Chain

Provide materials procurement, manufacturing, and logistics services as a one-stop service

Planning and proposal

When customers request for or consult with us about materials procurement or manufacturing contracts, we propose services with high added value, such as replacement with cost-competitive components.

Strengths

- Global production and sales systems
- Strong relationships of trust with major electronic components manufacturers

JDM(Joint Design Manufacturing) Development and design

By cooperating with technology partner companies that have cutting-edge development and design capabilities, we, as a "global business organizer," propose new plans and technologies and support our customers' product creation needs.

Strengths

- Collaboration with technology partners in various countries around the world
- Coverage of various fields including optical components and sensors, communications and IoT, robotics, raw materials and other materials, energy management
- New technology using conductive inks and IH reflow technology, which makes it possible to mount electronic components on a range of materials previously unfeasible (Chemitronics)

Receive orders

Finalize specifications

Materials procurement

Taking advantage of the experience and networks of a trading company handling electronic components for more than 60 years, we procure all necessary electronic components on behalf of our customers' purchasing departments.

Strengths

- Long years of experience in handling electronic components
- Strong relationships of trust with major electronic components manufacturers
- Strong purchasing power for Japanese components
- Materials procurement function for circuit board mounting instead of just procurement as a trading company (factory procurement)

Stock control and logistics (Trading)

We support customers' inventory management with a logistics menu that includes kitting, which delivers kits of necessary components specific to each manufacturing lot; Vendor Managed Inventory (VMI); and Just In Time (JIT).

Strengths

- Materials management service in various countries around the world



Circuit board mounting and assembly (EMS)

Based on our mounting experience in diverse business fields, we offer high-quality circuit board mounted products to our customers.

Strengths

- High-quality, high precision mounting capabilities at global bases
- Factory areas with ample room for expansion
- Provision of services to customers in diverse business fields by focusing on versatility



Plastic molding (Molding)

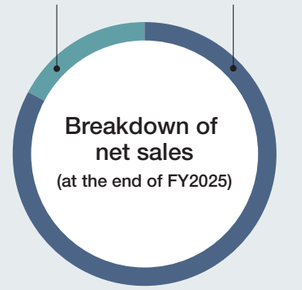
We have added plastic molding functions to existing EMS plants, so that we can deliver more complex and modularized products to reduce logistics costs borne by customers.

Strengths

- Deployment of molding operations in the area adjacent to the circuit board mounting area



Value provision



We provide a one-stop service including materials procurement and logistics.

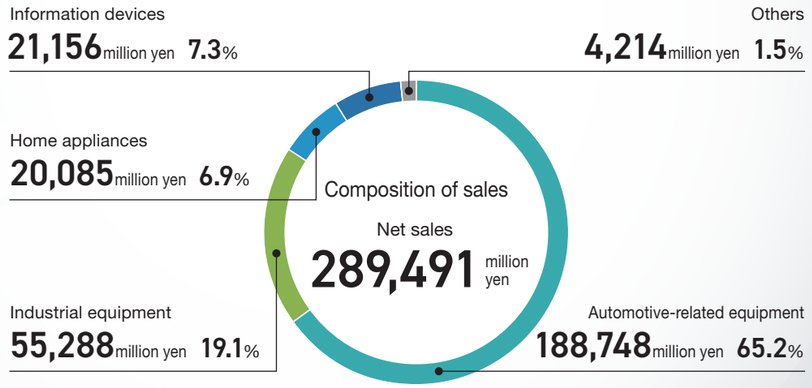
Issues and Responses

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

34th term December 2025

Net sales	289,491 million yen
Operating income	8,853 million yen
Profit attributable to owners of parent	2,488 million yen



Overview

The electronics market, which is related to the Group, saw data center investments in infrastructure support the economy in the United States amid the growing adoption of generative AI. In China, exchanges of additional tariffs between the United States and China, export restrictions, and other factors have accelerated the development of independent supply chains and intensified the export drive into ASEAN countries. Against this backdrop, the market environment remains unstable in the near term due to policy developments and customers' BCP (business continuity planning) measures, while 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.

Issues and countermeasures

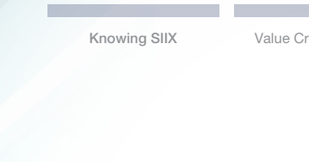
As we trade with customers from various business fields in different areas of the world, the number of customers trading in multiple areas at the same time is increasing. We are thus required to consistently provide the same quality and services even if the area or factory is different. To address these needs, we are utilizing IT infrastructure and digital technologies to promote the sharing of production know-how and quality information within the Group. By making cross-organizational use of the knowledge accumulated at each base, we are working to enhance our production systems and quality control and to build a framework that enables rapid and appropriate responses as a partner supporting our customers' global expansion.

Our medium- to long-term management plan aims for the expansion of the EMS business, which is our mainstay business, and the collaboration with our technology partners to expand our printed electronics and robotics-related businesses, with the aim of providing higher-value-added products and services. At the same time, we will 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 costs, while we will leverage the global supply system and risk response capabilities 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

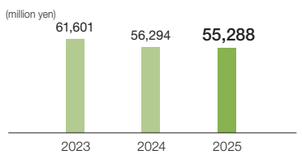


Car multimedia, automotive exteriors, meters, ECU, switches, quasi-millimeter wave radars, ABS, cameras, battery sensors, etc.



Although sales of air conditioning and ABS increased, sales of exterior products and battery-related products decreased. As a result, overall sales of automotive-related equipment decreased by 9.2 billion yen compared to the previous fiscal year to 188.7 billion yen.

Industrial equipment



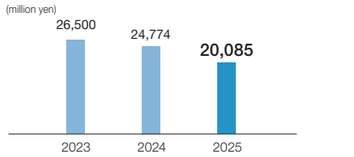
Engine ignition device for power tools, battery packs, inflight entertainments, inverters, medical devices, smart meters, industrial sewing machines, etc.





Although inflight entertainments and power distribution equipment grew, overall shipments declined due in part to sluggish industrial equipment sales in China. As a result, overall sales of industrial equipment decreased by 1.0 billion to 55.3 billion yen compared to the previous fiscal year.

Home appliances

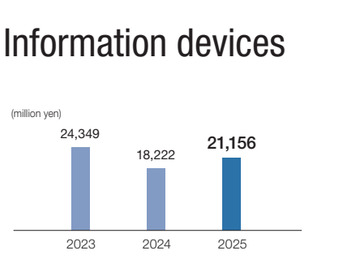


Digital appliances, air conditioners, refrigerators, educational toys, healthcare equipment, electronic musical instruments, etc.



Sluggish demand for educational toys, among other things, caused sales of home appliances as a whole to decrease by 4.7 billion yen compared to the previous fiscal year to 20.1 billion yen.

Information devices

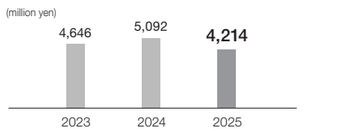


Office equipment, OA equipment, projectors, etc.



Shipments of office equipment increased. As a result, overall sales of information devices increased by 2.9 billion yen to 21.2 billion yen compared to the previous fiscal year.

Others

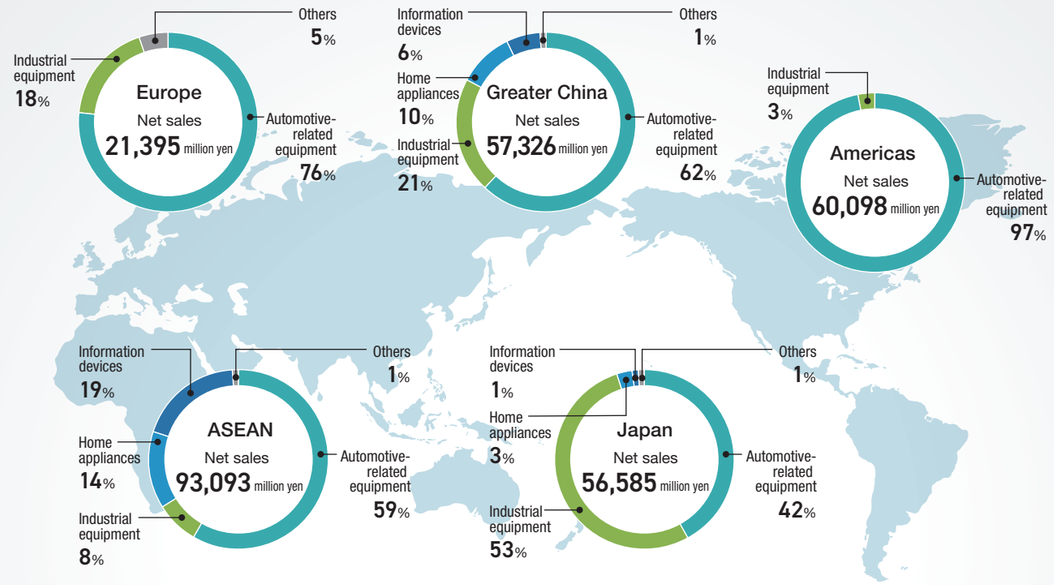


Other electronic components, automobile wire harnesses, motorcycles, ink, etc.

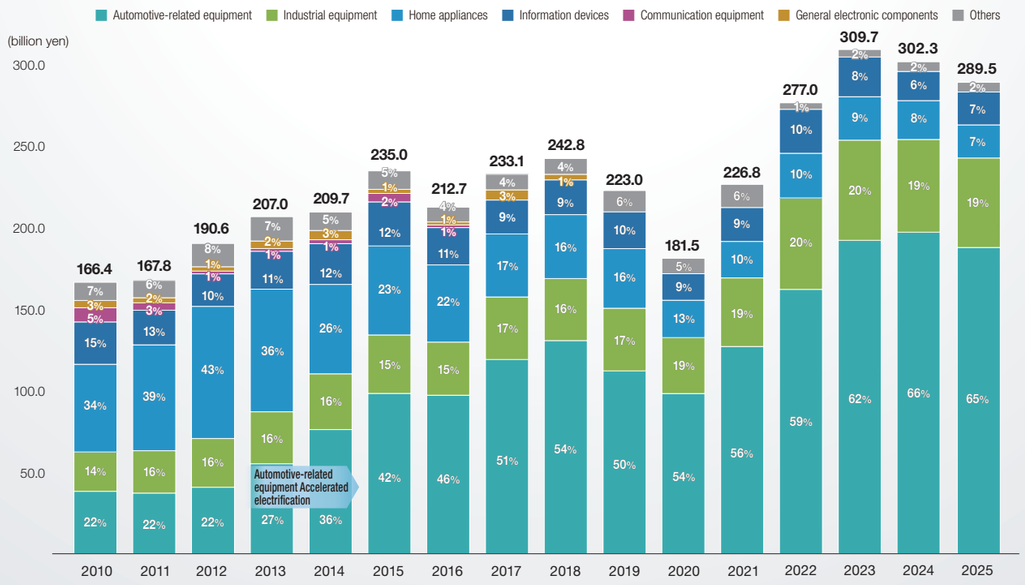


Sales decreased by 0.9 billion yen to 4.2 billion yen compared to the previous fiscal year.

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.

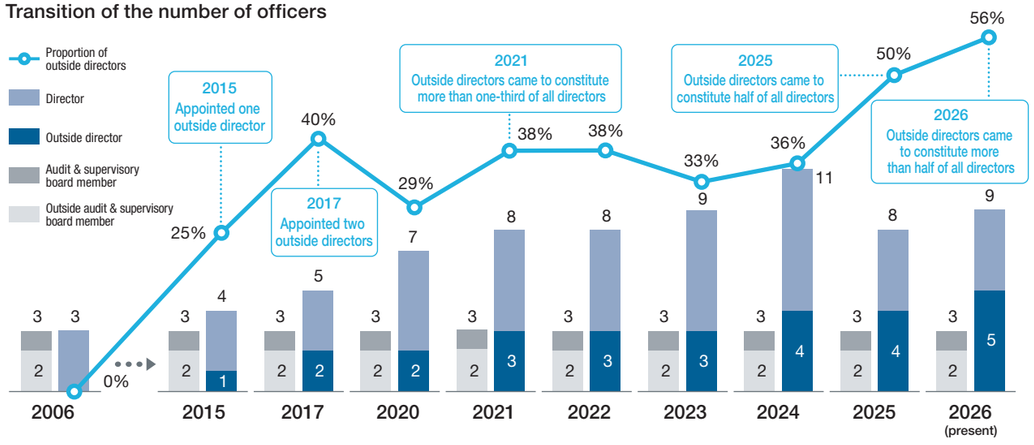
Basic policy on corporate governance

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.

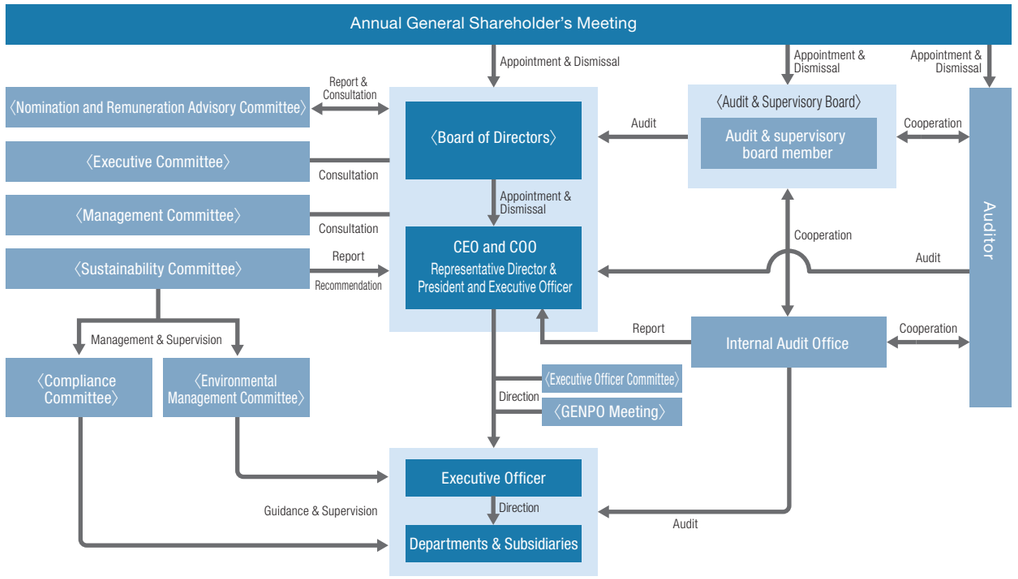
History of our corporate governance system

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
2026	● Appointed five outside directors, constituting more than half of all directors

Transition of the number of officers



Corporate governance system



Being a company with an Audit & Supervisory Board, 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 nine directors. Five out of the nine 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 directors, executive officers, full-time audit & supervisory board members, and others. The committee operates as an advisory body with which the Board of Directors consults before making important decision. 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. The committee regularly reports to and makes recommendations to the Board of Directors on matters discussed.

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	ICT*1, DX*2	Sustainability, ESG*3
1 CEO & COO, Representative Director & President and Executive Officer Kazuya Hiraoka	●	●	●			●	●			
2 COS, Representative Director & Senior Managing Executive Officer Toru Maruyama	●			●			●	●		●
3 CTO, Director & Managing Executive Officer Hiroaki Takagi			●		●	●			●	●
4 CFO, Director & Managing Executive Officer Akihisa Kamata		●	●	●	●				●	
5 Outside Director Shinsuke Takatani		●		●	●		●			●
6 Outside Director Susumu Omori	●			●	●		●			●
7 Outside Director New appointment Kensuke Futagoishi	●		●	●				●	●	
8 Outside Director New appointment Kiyoshi Handa	●	●	●			●			●	
9 Outside Director New appointment Tetsu Ozaki	●			●	●			●		●

*1 ICT is the abbreviation of Information and Communication Technology and is a general term for technologies relating to information and communication.
*2 DX is a company's undertaking to respond to drastic changes in the business environment, utilize data and digital technologies to transform its products, services, and business models based on the needs of customers and society as well as transform its operations themselves, organization, processes, and corporate culture and climate, and establish competitive advantages.
*3 ESG is an approach that evaluates corporate activities and emphasizes long-term growth and sustainability from the perspective of Environmental, Social and Governance.
*4 The above table does not show all of the knowledge and experience that the directors have.
*5 CEO: Chief Executive Officer; COO: Chief Operating Officer; COS: Chief of Staff; CTO: Chief Technical Officer; CFO: Chief Financial Officer

Name	Attendance at Board of Directors meeting	Reason for appointment
Kazuya Hiraoka	100% (17/17 meetings)	Since joining the Company, 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 the Company, 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 the Company, 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	100% (13/13 meetings)	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 the Company, he has made remarkable achievements in developing the Company's business model as management at our 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 the Company's 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 the Company. 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.
Kensuke Futagoishi New appointment	—	Mr. Kensuke Futagoishi has a wealth of management experience in the financial field and led the development of a financial infrastructure based on convenience store ATMs, the first such service in Japan. His deep insight into both finance and technologies exemplified above, as well as practical experience in managing risks and strengthening compliance systems, will greatly contribute to sophisticating internal controls and governance of the Company. Accordingly, we believe that he is well qualified for the position of outside director, and therefore appointed him.
Kiyoshi Handa New appointment	—	Mr. Kiyoshi Handa has engaged in management of the hardware and information equipment business at a major global manufacturer for many years, and has deep, practical knowledge of the manufacturing industry, ICT, and global markets. His multifaceted management experience covering such fields as organizational transformation, overseas business management, and formulation of technology strategies for new product development, in addition to his deep understanding of customer requirements cultivated through his extensive experience in sales, are extremely valuable to the Company's business operations. Accordingly, we believe that he is well qualified for the position of outside director, and therefore appointed him.
Tetsu Ozaki New appointment	—	Mr. Tetsu Ozaki has an extremely high level of expertise in securities and financial capital markets, and has broadly engaged in market operations, investment banking, and corporate finance in Japan and overseas at a major securities company. With his wealth of practical experience in capital strategy, investor communication, corporate finance, and administrative departments, he is expected to play an important role in promoting the Company's financial strategies and sustainability management. Accordingly, we believe that he is well qualified for the position of outside director, and therefore appointed him.

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

While the size of the Board of Directors was generally considered appropriate, it was noted that there is a shortage of personnel with skills related to automation and the use of IT and AI, as well as skills for making investment decisions in various new fields. It was also noted that, in addition to the balance between inside and outside directors, greater diversity of skills is needed to ensure adequate coverage of the skill matrix. The operation of the Board of Directors was evaluated as being mindful of time management, with the chair encouraging each member to speak and ensuring an atmosphere in which opinions can be expressed freely and openly.

[2] Communication between inside and outside directors

While compliance and legal expertise are important, it was noted that further diversity of skills is needed, including skills in management decision-making backed by experience as a corporate manager.

There was also an opinion that a considerable amount of time has been devoted to actively interacting not only with executives but also with employees in Japan and overseas through various opportunities, such as attending regular meetings and social gatherings. It was also noted that directors attend meetings of the Audit & Supervisory Board as observers, ensuring close communication with audit & supervisory board members, including outside audit & supervisory board members, and that candid and rigorous opinions are also expressed at meetings of the Board of Directors, demonstrating that the expected roles are being fulfilled.

[3] Risk assessment

It was noted that personnel capable of handling management decisions and risk analysis in the field of AI will be needed going forward. It was also noted that the Board of Directors needs to secure sufficient time for discussion of risks and establish a mechanism for providing information to outside directors in advance.

[4] Governance and whistle-blowing system

In addition to a full-time audit & supervisory board member, outside directors have been appointed as a point of contact for whistle-blowing, and the current arrangement was evaluated as generally functioning effectively, with efforts being made to raise awareness of the system internally through the company newsletter.

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

It was noted that the quality of deliberation materials varies by the department or office preparing them and that there is room for improvement. It was also noted that in FY2025 there were somewhat more cases in which materials were received immediately before meetings, and that the timing of distribution should also be improved. Regarding matters for deliberation, it was suggested that the direction and rules concerning personnel matters considered by the Nomination and Remuneration Advisory Committee should be designed and disclosed in a manner that is clear to external stakeholders, and that such matters should be discussed together with the succession plan.

Regarding the time allotted for deliberations, it was noted that while time management should be kept in mind, there are occasions when it is necessary to allow for thorough discussion without a time limit, taking a flexible approach as circumstances require.

[6] Interaction with investors and shareholders

It was noted that meetings with personnel responsible for exercising voting rights are becoming an established practice and that communication is good. It was also noted that IR activities for individual investors and overseas investors need to be accelerated. Additionally, the need for outside directors to engage in dialogue with investors was also noted. It was also pointed out that the content of financial and non-financial information in the Integrated Report should be further enhanced.

Process for effectiveness assessment

- December 2025: Distributed the survey
- January 30, 2026: Collected the results
- February 19, 2026: Reported the results at the Board of Directors meeting

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 are working to instill our corporate philosophy and strategies while strengthening the management capabilities needed to lead the organization. In these training programs, we emphasize not only raising awareness but also translating it into concrete behavioral changes in management decision-making and organizational management.

Through these initiatives, we will further strengthen executives' ability to fulfill their roles while reinforcing the management foundation that supports sustainable growth.

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
- 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



Outside Director
Kiyoshi Handa

Outside Director
Kensuke Futagoishi

Outside Director
Tetsu Ozaki

With the values that have been passed down over the years as our strength, we are moving toward our next stage of growth as a global company

SIIX's competitive advantage

The values established by SIIX's founder are spreading throughout the world

—First, from your perspective as newly appointed outside directors, what do you see as SIIX's strengths?

Futagoishi I believe that the founder's philosophy will endure in any age. The true essence of that philosophy is that, at its core, it is about putting people first. Ultimately, everything comes down to people. Konosuke Matsushita, the founder of the former Matsushita Electric Industrial, once said, "We do not just sell electrical goods; we make people." I feel that there is something very similar in spirit between that philosophy and our founder's thinking. The global environment is changing significantly and will continue to do so into the future. However, the fundamental principle of business remains unchanged; namely, to firmly grasp customers' needs and respond to them. In that respect, I believe that the values established by SIIX's founder will continue to live on.

Handa I have the same impression. Having had dealings with SIIX since my time at an operating company in my previous job, I believe that the founder's "isms" are still deeply embedded within the company even today. SIIX's approach to management is exceptionally sincere and principled, and it has consistently maintained a customer-first approach. In the short term, the business environment is harsh, particularly in the automotive industry, and we face various challenges such as inflation and China-related risks. However, precisely because of the times we are living in, it is important to engage in manufacturing with sincerity and earn customers' trust. I hope that this approach to management will continue to be cherished in the years to come.

Ozaki Although I have only recently been appointed as an outside director, I have a strong sense that SIIX is a company that has even greater potential ahead of it. While the immediate business environment is challenging, it has been gradually shifting away from a single-product business model toward one that delivers new value. In this transition, the adaptability to change that it has nurtured since the beginning, along with its strong customer relationships, will surely serve as major strengths.

—It seems that you all agree that SIIX's strengths lie in its people and in the trust that it has built.

Futagoishi I felt that very strongly. As an example, an experience at the Annual General Shareholder's Meeting left a great impression on me. After the meeting, there was an opportunity to talk to shareholders, and I was touched by how many of them came up to talk to me. I have seen many companies in my time, but this experience was a first for me. It felt as though more than simply holding shares, they were actually fans of the company. When I asked why this was, I learned that it stems from the relationships with shareholders that the founder built over many years. It gave me a real sense of how this accumulation of trust has become one of SIIX's greatest assets today.

Handa I had a very similar experience. When I visited the Dongguan Factory in China, I was deeply moved. It started with the local employees welcoming me at the entrance, and when I walked into the office, everyone stood up to greet me. Furthermore, when I spoke with the local staff, I was struck by how seriously they consider their customers. At the time, I even found myself wondering if, perhaps, they care more about their customers than the customers' own employees do. They are not simply doing their jobs; they are constantly thinking about what they can do for their customers. The fact that this mindset has taken root across SIIX's global operations is one of the company's greatest strengths.

Ozaki Listening to both of your stories, I understand that SIIX's corporate culture is not just a philosophy on paper, but it is deeply embedded in actual actions. It is for this very reason that this culture continues to function as a source of competitiveness, even in a challenging environment. A corporate culture cannot easily take root through words alone. It only becomes powerful when it is embodied in actual actions and decision-making. In that respect, I feel that SIIX possesses strengths that have been cultivated over many years.

—Looking ahead, in what ways do you believe SIIX should leverage these strengths?

Futagoishi That commitment to putting people first is something that should never change, and I hope that they will never seek to change it. No matter how the global environment evolves, a business cannot exist unless it fits customers' needs. The people on the frontlines are the ones who know the changes in the environment best, and staying attuned to and responding to customers' needs will remain crucial going forward.

Handa I agree. Precisely because the environment is so challenging, I believe that, ultimately, trust is what truly matters. Relationships of trust with customers, with employees, and with suppliers—the accumulation of these kinds of relationships will drive SIIX's competitiveness in the years ahead.

Ozaki On that basis, what is important is to firmly establish that competitiveness into an organizational capability that transcends the individual power of the founder. A critical theme for the future will be how to pass down the ability to anticipate change and build customer relationships as an organization. SIIX possesses strengths that have been nurtured throughout its history. If these strengths can be passed on to the next generation while creating new value, I believe that the company can achieve even greater growth.

Changes in the business environment

Transforming the business structure and creating new pillars of growth will be critical

—The environment surrounding the electronics and automotive industries is changing dramatically. How do you view the current business environment?

Futagoishi As the environment surrounding companies constantly changes, it is management's job to determine how to adapt to those changes. Throughout the company's history, the founder grew the business by staying highly attuned to changes in the business environment. Now, the key question is how to respond to change under President Hiraoka's leadership. Now that the immense presence of the founder is no longer here, the direction of this new structure is a matter of great interest. I truly hope to be of some help as the company steps up onto this new stage.

Handa There is no denying the severity of the current business environment. The EMS industry has never been a high-margin business. Within this reality, the key lies in how to improve the gross profit margin and drive operational efficiency. Furthermore, while major growth has been achieved in the automotive-related equipment sector, this field now accounts for the vast majority of our sales. As the automotive industry itself enters a major transition period, SIIX will need to move away from its over-reliance on this sector as its sole pillar of growth. Of course, the automotive-related equipment business remains important, but the company must look toward other industries and regions to cultivate its next pillars of growth.



Ozaki I share the same awareness. Right now, the automotive industry itself is undergoing a major transformation. For this reason, it is not just a matter of SIIX itself changing. Its customers are also trying to change, and the key will be how to survive together amid this transformation of the industry. As I mentioned at the Board of Directors meeting, a perspective of "surviving together with our customers" is critical. This means growing and surviving together with customers, rather than being swayed by short-term profit margins. To this end, I believe that thought needs to be given to what kind of role SIIX can play to achieve that.

—Amid these kinds of environmental changes, what specific challenges do you think SIIX should address?

Handa To move away from its over-reliance on the single pillar of the automotive-related equipment business, the development of new markets and customers will be essential. Moves to upgrade core systems are underway, which I believe is a crucial initiative. Efforts to enhance competitiveness by building frameworks for the optimization of inventory and production while sharing information with customers and suppliers will be needed.

Ozaki While business diversification is important, it is equally essential to transform the “ability to anticipate change,” which the founder emphasized, into organizational strength. The founder successfully explored new business opportunities by observing changes in the market. We must ensure that this capability does not end with the ability of an individual, but is instead institutionalized across the whole organization. Customers will change, and so, too, will the market. SIIX’s future growth depends entirely on whether it can maintain its capability as a company to anticipate these changes and create new businesses.

Futagoishi Listening to both of your insights, I am reminded once again that adapting to environmental changes is the very essence of management. When the environment changes, so, too, do the customers, and the value that those customers seek will change as well. This is why the direction the company takes under the new structure is so important. I sincerely hope that President Hiraoka will c+ontinue to do his best, and we, as outside directors, will continue to support him by drawing on our respective experience.

Perspectives on enhancement of corporate value

Sharing a vision for the future and connecting it to sustainable growth

—Going forward, what kind of discussions do you believe will be key for the enhancement of corporate value?

Futagoishi In the Medium-term Management Plan, in addition to discussions on numerical targets, broader discussions on what we want the company to become in the future will be essential. Given that companies exist within society, they need to demonstrate what kind of value they will deliver and what kind of role they will fulfill within that society. The next step is to chart a path toward achieving that vision. I believe that considering such scenarios is the very essence of management.

Handa I am of the same opinion. While the Medium-term Management Plan is important, there are aspects that cannot be captured within a three-year timeframe alone. The business environment is constantly changing, and numerical targets will fluctuate accordingly. This is why demonstrating the long-term direction the company intends to pursue is so important. What kind of relationships will it build with its customers to drive growth, and what kinds of business will it leverage as its core strengths? Sharing its future vision in these kinds of areas is what truly matters.

Ozaki I agree that a medium- to long-term perspective is crucial. However, what I want to discuss in the Board of Directors meetings goes beyond that. What kind of value will SIIX deliver in the future? What kind of growth opportunities will it create while anticipating changes in its customers and markets? I believe that we need to have these kinds of discussions with a long-term perspective.

—What kind of discussions do you think will be required at future Board of Directors meetings?

Ozaki I believe we need to discuss customers’ future visions more deeply. The environment surrounding SIIX’s customers, particularly those in the automotive industry, is changing dramatically. Unless we understand the directions that customers themselves intend to pursue, we will not be able to chart SIIX’s own future. In that respect, instead of simply approaching the future as an extension of existing businesses, it is critical to discuss what kind of growth opportunities lie beyond that. I want us to think about new markets and fresh business opportunities from a longer-term perspective.



Handa I believe that the perspective of growing alongside customers is crucial. SIIX has always advanced alongside the growth of its customers. It is for this very reason that we must continue to consider what kind of value it can provide while capturing customers’ changing needs. When considering future business opportunities, better understanding customers will serve as a starting point.

Futagoishi New businesses do not always grow as planned. In fact, a straight, linear growth path is a rarity. This is why it is important to keep multiple scenarios in mind when managing the company. As a prerequisite to that, a shared understanding of “what kind of company we aim to be” is needed. Once that future vision becomes clear, the options available to realize it will also come into view. Going forward, drawing up a future vision from a long-term perspective, rather than focusing solely on short-term metrics, will become increasingly important.

Mission to be fulfilled by outside directors

Toward governance that supports growth as a global enterprise

—How do you feel about the discussions and overall operation of the Board of Directors?

Handa My impression is that our Board of Directors provides a highly conducive environment for open discussion. We receive thorough briefings in advance, which allows us to have candid exchanges of opinions during the meetings. Something else that I appreciate is that President Hiraoka first explains his thoughts before the discussion proceeds. We have an environment where everyone can speak up freely on any matter, which I feel allows us to engage in lively discussions.

Futagoishi I agree. In particular, I find the framework for pre-briefings to be exceptional. Because we can approach the Board meetings with a solid understanding of the agenda and the background beforehand, it allows us to have more substantial discussions. Furthermore, the presenters have a deep understanding of the essence of the business, so their explanations are easy to understand. I think that we have an environment where outside directors can freely express our opinions.

Ozaki I also appreciate the openness of our current Board of Directors. President Hiraoka fully takes on board the opinions and issues raised during the meetings, and he explains his perspectives in his own words. I believe we have successfully established an environment where the President and the Board can deepen our discussions while sharing a common awareness of the issues at hand.

—Within that environment, what kind of role do you intend to play as outside directors?

Futagoishi I want to be someone who understands and supports President Hiraoka. The position of President bears a tremendous responsibility. While listening to various opinions, he must ultimately make the final decisions alone. Within that reality, I believe that we, as outside directors, should provide support at certain times and, at other times, offer our candid, if severe opinions. It is also important that we observe the frontlines. This means visiting factories in person, listening to the voices of employees, and seeing things with our own eyes. The accumulation of these kinds of efforts is what will allow us to offer responsible opinions to management.

Handa I believe that, as outside directors, it is important that we offer objective opinions without hesitation or deference. It is natural that diverse viewpoints exist within the management team, and I believe that delivering candid opinions from an external standpoint will lead to the enhancement of corporate value. I personally plan to visit the Sagamihara Factory in Japan and the Dongguan Factory in China in the near future. I look forward to fulfilling my role in my own unique way, while learning about frontline operations and gaining a better understanding of SIIX’s employees and the realities of its business.

Ozaki I believe that the role of outside directors is to ask questions. How will customers change in the future? How will the market change? Within those changes, what kind of value will SIIX provide? By continuously asking these kinds of questions, I hope to contribute to discussions from a longer-term perspective.

—As a company expanding its business globally, what do you believe is most important from a governance perspective?

Futagoishi At their core, the fundamentals of business are the same everywhere in the world. An attitude of responding sincerely to customers’ requirements and steadily building an accumulation of trust is, I believe, what will allow SIIX to become a company that is needed by local communities.



Handa I agree. SIIX’s strength lies in the fact that its customer-first philosophy is shared across all its bases worldwide. I believe that driving growth while continuing to cherish this value will lead to the enhancement of corporate value in the future.

Ozaki Going forward, I believe that global companies will be required to fulfill new roles. In the past, there was a tendency for companies to expand into countries with lower labor costs, and then move on to another country when those costs increased. However, this will no longer be the case. A more important perspective going forward will be the questions of how much these companies can contribute to the development of the countries and regions in which they operate, and what kind of value they can create through their customers and employees. When SIIX’s founder expanded the business into various locations overseas, including the Philippines, it was with the underlying desire to contribute to the prosperity of those locations. I believe that this is precisely what will be required of global companies in the future.

Environmental Conservation

The SIIX Group conducts business activities in 14 countries worldwide and works to reduce GHG emissions at each base. In addition to CO_2 emitted indirectly from energy use (Scope 2), we measure direct CO_2 emissions from fuel burning and other activities (Scope 1) and indirect supply chain CO_2 emissions from material procurement to manufacturing, logistics, and sales (Scope 3). We will continue to monitor GHG emissions throughout our supply chain. In FY2025, total CO_2 emissions decreased compared to the previous year as a result of our ongoing efforts to switch to electricity from renewable sources, utilize solar power, and purchase non-fossil certificates. Going forward, we will continue to gain greater visibility into emissions and enhance our reduction measures across all Scopes, thereby striving to reduce CO_2 emissions from our business activities.

Endorsement of TCFD

We recognize the importance of addressing climate issues and declared our 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.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

*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 Representative Director & President and Executive Officer. 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 14 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)

In May 2022, we set GHG reduction targets for FY2030. These targets are based on the science-based target (SBT) approach. 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.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

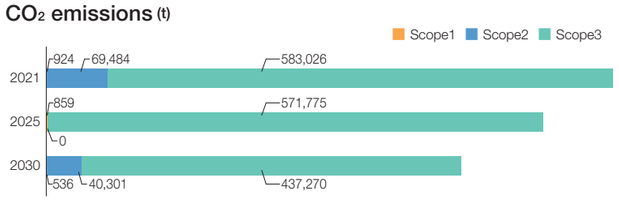
SIIX's GHG reduction targets

FY2030 (from FY2021 baseline)

Scope 1 & 2 **95.6%** reduction

Scope 3 **25%** reduction

CO_2 emissions (t)



Achievements

(t-CO_2)

Scope and method of calculation				FY2021 GHG emissions	FY2025 GHG emissions	Scope 3 breakdown (%)
Scope1				924	859	
Scope2				69,484	0	
Scope1+2				70,408	859	
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	501,817	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	13,055	2%
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	8,288	1%
Category	4	Upstream transportation and distribution	Calculated based on the ton-kilometer method.	10,563	6,123	1%
Category	5	Waste generated in operations	*	–	3,810	1%
Category	6	Business travel	Calculated by multiplying the number of employees by the coefficient set by the Ministry of the Environment.	1,606	1,136	0%
Category	7	Employee commuting	Calculated by multiplying the number of employees by the coefficient set by the Ministry of the Environment.	5,137	3,840	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	1,956	0%
Category	12	End-of-life treatment of sold products	*	–	29,013	5%
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	2,738	0%
Scope 3 total				583,026	571,775	

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

Initiatives to reduce GHG emissions

■ **Scope 1**:
CO_2 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.

■ **Scope 2**:

We are working on reducing CO_2 emissions mainly through the following activities.

Installation of solar panels

Solar panels are installed on the roofs of our large factory buildings to supply a part of the electricity used.
Installed in:China (Shanghai, Dongguan, and Hubei), Mexico, Indonesia (Jakarta and Batam), 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. Two bases in Europe (Germany and Slovakia), as well as our bases in Japan (Sagamihara Factory, Osaka headquarters, and Tokyo headquarters), the Taiwan office, and the Dongguan Factory (China) have already switched to 100% renewable energy. In addition, the transition to electricity from renewable sources is underway at the Philippines Factory (99% complete), the Shanghai Factory (64% complete), and the Mexico Factory (50% complete).

Offsetting CO_2 emissions through purchase of non-fossil certificates

We offset all 32,330 tons of Scope 2 CO_2 emissions generated from our business activities in FY2025 through the purchase of non-fossil certificates. We are committed to environmental protection and sustainability and are working actively to reduce CO_2 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.

■ **Scope 3**:

Approximately 90% of the Scope 3 CO_2 emissions are from suppliers. Currently, we collect information from approximately the top 130 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. We will continue to refine our carbon footprint measurement and promote engagement with suppliers to reduce emissions throughout the supply chain.

Achieved an A score in the CDP Climate Change section and selected as a CDP Supplier Engagement Leader

We have participated in the CDP survey annually since 2019. Conducted annually by an international nonprofit organization, the survey evaluates disclosures by companies and local governments regarding their environmental initiatives in areas such as climate change, water, and forests. We received an A score in the Climate Change section for the first time. This places us among the top 4% of more than 20,000 companies worldwide participating in the survey.

In addition, we were selected as a Supplier Engagement Leader, the highest rating in the CDP supplier engagement assessment, for the third consecutive year, following FY2023 and FY2024.

Climate CDP A List 2025

Supplier Engagement Leader CDP 2025

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.
- We will not engage in any discrimination based on nationality, race, ethnic origin, belief, religion, sex, age, disability, medical history, or any other legally protected status.
- We will not tolerate harassment, intimidation, coercive conduct that takes advantage of official or business position, nor will we engage in any such conduct.
- We will take no part in, nor sanction, child labor or forced labor.
- We will value open dialogue with employees and strive to create a workplace where all employees can work safely and with dignity.
- We will implement our basic approach to human rights and specific initiatives based on the separately established “SIIX Group Human Rights Policy.”

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.

To prevent harassment, we have established SIIX Group Harassment Prevention Policy and are committed to preventing sexual harassment, power harassment, harassment related to pregnancy, childbirth, childcare leave, and family care leave, as well as customer harassment.

In addition, we continuously conduct training and awareness-raising activities on respect for human rights and the prevention of harassment, striving to enhance the understanding and awareness of each employee.

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.

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

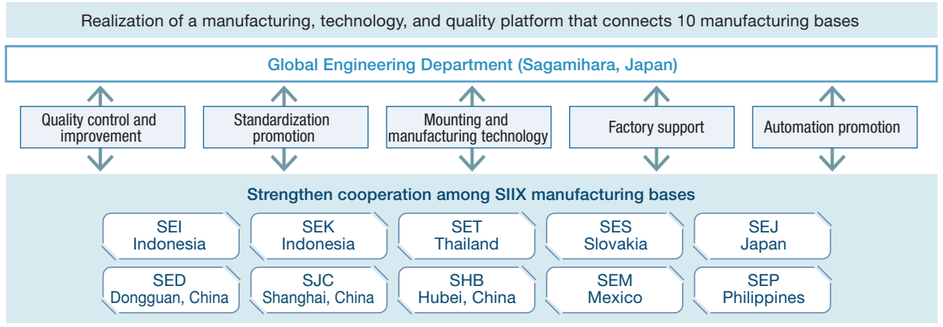
In order to ensure identical quality worldwide, we will develop more efficient and high-quality production systems by advancing information sharing, automation, and labor-saving. As a company engaged in manufacturing, we are committed to complying with environmental laws and regulations to conduct production 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



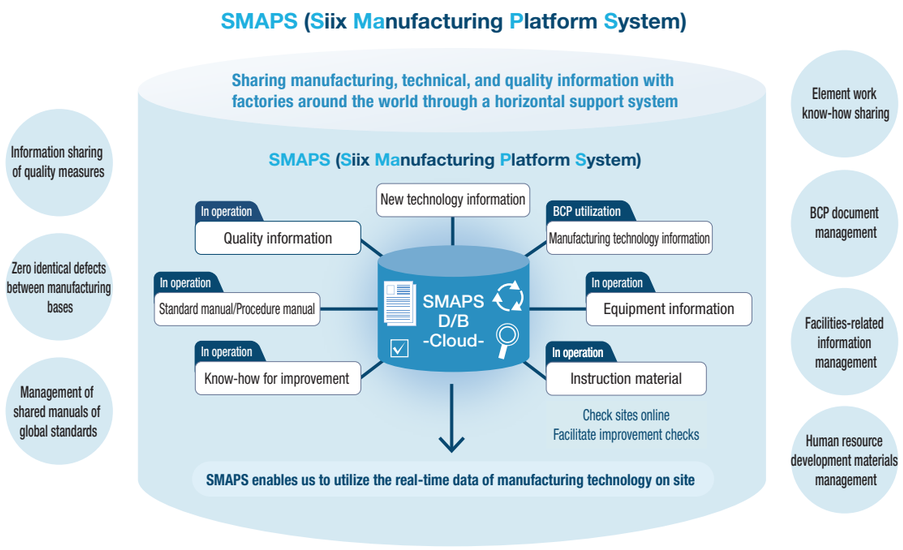
Society

(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)

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)

Health and Productivity Management

Health and Productivity Management Declaration

SIIX Group has embraced the corporate theme of "Provide the best merit for business through the best business organizing" and has consistently built its business on a foundation of trust with our customers. At the core of this foundation is people—each and every employee. We believe that employees being physically and mentally healthy is essential to embodying the spirit of "We Care," delivering the highest level of service to our customers, and driving the continued growth of our company. Therefore, we hereby declare our commitment to Health Management, recognizing employee health as one of our most critical management resources.

Specific initiatives

- Improve the participation rate in regular health checkups and secondary examinations
- Reduce working hours through work style reform
- Implement a complete indoor smoking ban
- Conduct stress checks
- Promote walking campaigns
- Enhance health literacy through training and education
- Establish and operate a health consultation desk

Targets and results for key indicators

	2024 results	2025 results	2026 targets
Secondary health checkup participation rate	—	—	60%
Utilization rate of annual paid leave*	79.4%	82.2%	90%
Participation rate in stress assessments	84.7%	84.9%	90%

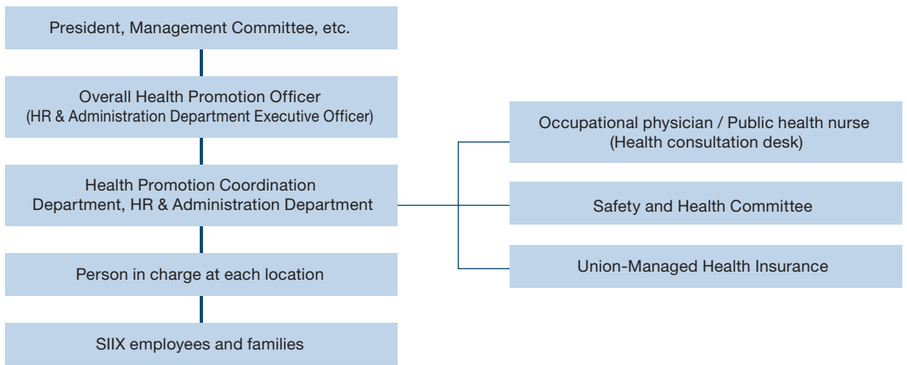
*Utilization rate of annual paid leave: The ratio of days taken off to the number of annual paid leave days granted to domestic employees during one year.

Health and Productivity Management promotion system

To promote Health Management, we have established a structure in which the President and Executive officer serves as the Chief Officer, and the Executive Officer in charge of Human capital serves as the Promotion Officer.

Specific policies and initiatives are deliberated and decided by the Executive Committee, which is composed of the management. Under the direction of the Promotion Officer, the Secretariat regularly monitors progress and provides reports as needed.

Furthermore, we will collaborate with external experts to ensure highly effective initiatives.



Society

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.

Ratio of local employees in management positions for FY2025

80.8%

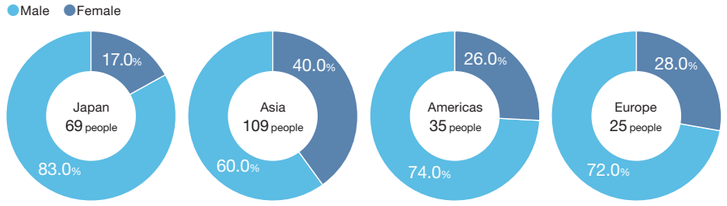
*Management position: a position at or above the manager level in each company

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.

Currently, 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



Ratio of women in management positions for FY2025

36.6%

*Management position: a position at or above the manager level in each company

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

We strive to reduce total working hours through the effective use of internal resources and ongoing work reforms.

Target: **30**% reduction (from FY2022)

FY2025 results: **4.1**% reduction

Annual leave utilization rate*2

We aim to increase the annual leave utilization rate by raising internal awareness.

Target: **100**% utilization

FY2025 results: **82.2**% taken

Overtime hours*1

We track monthly overtime and promote awareness about reducing it.

FY2025 results:

Average of **18.1** hours per person per month

Percentage of male employees taking paternity leave*1

We raise internal awareness to encourage the use of the system.

Target: **100**% utilization

FY2025 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.

We have been certified by Osaka City as a Women's Empowerment Leading Company(certification level ★★★: the highest level). This program evaluates not only initiatives that support women's advancement, but also efforts to create a comfortable and inclusive working environment for all employees, including work-life balance measures and the promotion of paternity leave and other childcare-related leave for men.

In addition, we received the Special Award (Large Enterprise Category) at the FY2024 Osaka City Women's Empowerment Leading Company Mayor's Awards.

We will continue to foster a workplace environment where all employees can thrive.

Receiving "Kurumin" certification from Japan's Ministry of Health, Labor and Welfare

On May 18, 2026, we received the "Kurumin" certification from Japan's Ministry of Health, Labor and Welfare, in recognition of our ongoing efforts to support employees in balancing work and family life under Japan's child-rearing support framework. We will further strengthen our initiatives to create an environment that supports diverse working styles and enables our employees to achieve both career development and family well-being.

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.

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

*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.

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 form 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

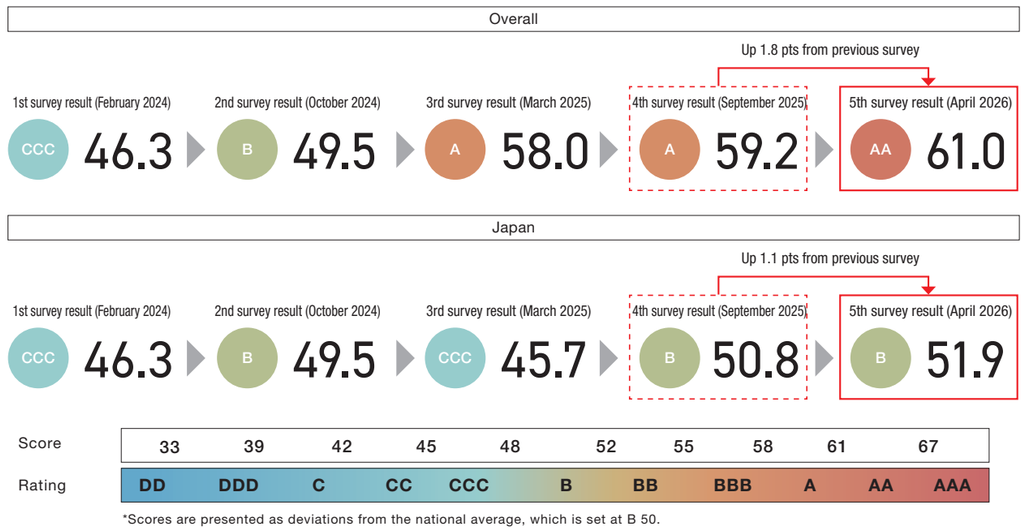
In promoting diversity management, it is becoming increasingly important to select and empower local employees in management positions, strengthen cooperation with the Japanese headquarters, and ensure a deep understanding of our corporate philosophy. Local executives from around the world attend our 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.



*Scores are presented as deviations from the national average, which is set at B 50.

*Engagement score: A metric that quantifies employees’ motivation toward their work and their sense of connection to and satisfaction with the organization based on survey responses.

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 grade-based training

We regard human resources as our most important management foundation and are committed to developing our people strategically.

Specifically, to develop employees according to their roles and levels from the time they join the Company, we provide an integrated training framework comprising new employee training, grade-based training, and executive training.

Our new employee training is designed to help new hires become productive at an early stage. In addition to acquiring knowledge, employees learn the mindset (approach to work) needed to act proactively. Through practical training programs, we aim to develop employees who can work autonomously after being assigned to their respective workplaces.

In our grade-based training, we first clarify the roles expected at each level and then focus on strengthening leadership and problem-solving skills. We also use 360-degree surveys to identify areas for improvement and develop action plans. By integrating these initiatives with employees’ day-to-day work, we have introduced a framework that helps turn learning into sustained action.

Through these initiatives, we will strengthen employees’ ability to fulfill the roles expected at each level, enhance engagement across the organization, and build a human capital foundation that supports sustainable growth.

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.

Beginning in FY2025, we have developed our own learning paths, which systematically provide recommended curricula tailored to job functions, roles, and career stages. This enables each employee to more clearly identify the skills they need and to plan and pursue their learning. Through this initiative, we aim to enhance capabilities across the organization and drive further growth of SIIX.

Consolidated Financial Summary

			2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12	2023/12	2024/12	2025/12
Financial Information													
Net sales		Million yen	235,035	212,768	233,153	242,804	223,037	181,598	226,833	277,031	309,768	302,314	289,491
Operating income		Million yen	8,913	9,134	9,705	8,625	5,506	4,452	4,954	8,929	12,254	8,559	8,853
Ordinary income		Million yen	9,002	9,146	10,513	8,717	5,634	4,444	5,934	8,337	11,849	8,288	9,232
Profit attributable to owners of parent		Million yen	6,717	6,698	7,093	6,414	3,695	1,724	4,561	4,733	8,185	3,754	2,488
Selling, general and administrative expenses		Million yen	10,802	11,067	12,922	12,010	12,155	11,697	15,165	16,862	18,595	20,047	19,356
Depreciation and amortization		Million yen	3,805	3,271	3,465	4,235	5,477	6,046	6,129	7,714	8,928	9,780	9,171
Total assets		Million yen	109,957	109,695	130,526	137,350	143,391	144,436	169,921	205,170	216,838	217,484	207,862
Net assets		Million yen	49,739	51,573	57,609	56,016	58,249	56,498	66,369	77,389	89,545	101,033	103,784
Equity capital		Million yen	49,585	51,332	57,252	55,655	57,846	56,084	65,879	76,891	89,041	100,436	103,233
Interest-bearing debt		Million yen	12,614	11,458	19,553	32,969	38,667	47,471	51,350	63,150	61,984	54,577	41,540
Net cash provided by (used in) operating activities		Million yen	7,996	6,333	4,536	966	8,945	13,280	(8,106)	5,567	19,796	23,097	26,539
Net cash provided by (used in) investment activities		Million yen	(5,113)	(5,450)	(9,211)	(6,515)	(9,602)	(6,034)	(7,765)	(8,892)	(10,392)	(9,088)	(2,257)
Net cash provided by (used in) financing activities		Million yen	3,352	(4,171)	6,410	7,991	2,923	1,291	869	6,676	(5,989)	(12,320)	(16,399)
Cash and cash equivalents at end of period		Million yen	12,473	8,776	10,574	12,813	15,035	22,968	9,315	13,652	18,059	21,769	29,793
Free cash flow		Million yen	2,883	882	(4,674)	(5,549)	(656)	7,246	(15,872)	(3,325)	9,404	14,009	24,282
Capital expenditure		Million yen	3,764	4,528	6,167	7,483	9,082	5,573	9,515	10,845	9,127	6,502	4,340
Per-share Data*													
Net income per share (EPS)		Yen	137.94	133.81	144.01	131.45	78.21	36.48	96.53	100.11	173.56	79.75	52.82
Net assets per share (BPS)		Yen	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	2,190.05
Dividends per share		Yen	21.0	25.0	26.0	27.0	28.0	29.0	30.0	31.0	44.0	48.0	49.0
Key Indicators													
EBITDA	(Operating income + depreciation and amortization)	Million yen	12,719	12,406	13,170	12,861	10,983	10,498	11,084	16,643	21,182	18,339	18,024
Capital-to-asset ratio	(Equity capital / Total assets (fiscal year-end))	%	45.1	46.8	43.9	40.5	40.3	38.8	38.8	37.5	41.1	46.2	49.7
D/E ratio	(Interest-bearing debt / Equity capital (fiscal year-end))	Times	0.3	0.2	0.3	0.6	0.7	0.8	0.8	0.8	0.7	0.5	0.4
Return on equity	(Profit attributable to owners of parent / Average equity capital for the last two periods)	%	14.8	13.3	13.1	11.4	6.5	3.0	7.5	6.6	9.9	4.0	2.4
Rate of ordinary income to total assets	(Ordinary income / Average total assets for the last two periods)	%	8.4	8.3	8.8	6.5	4.0	3.1	3.8	4.4	5.6	3.8	4.3
Payout ratio	((Interim dividends + Year-end dividends) / Profit attributable to owners of parent)	%	15.2	18.7	18.1	20.5	35.8	79.5	31.1	31.0	25.4	60.2	92.8
Employees													
		Number of employees	10,352	10,820	11,659	13,632	12,721	11,257	12,354	12,734	11,052	9,538	8,712

*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.

CSR Activities

We would like to introduce our social contribution activities.

Organizing the Slovak National Theatre's opera performance in Osaka

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. This performance aims to provide "high-quality opera at an affordable price" and promote "cultural exchange between Slovakia and Japan through opera." The Japan tour, which began in 1999, has developed through the continued cooperation between the opera house and its supporters in Japan. We will continue to promote mutual understanding between the two countries through activities such as these.



Photo during performance

Honorary Consulate of the Slovak Republic in Osaka page on our website:
https://www.siix.co.jp/en/corporate/slovakia/

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子どもの夢" 応援事業パートナー

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

● Educational support

Implementation of an internship program (Indonesia):In cooperation with a vocational school, we implemented an internship program for students.

● 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.

Support with supplies for the local fire department (China)

Donation of supplies to elderly care facilities and orphanages (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

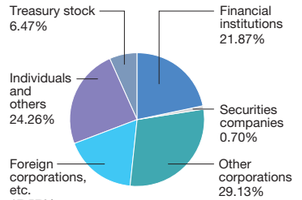
Company name	SIIX Corporation	
Established	July 1, 1992	
Paid-up capital	2,144 million yen (as of December 31, 2025)	
Location	Osaka Headquarters:	SIIX BLDG, 1-4-9, Bingo-machi, Chuo-ku, Osaka 541-0051 JAPAN
	Tokyo Headquarters:	SIIX BLDG, 2-3-25, Kudanminami, Chiyoda-ku, Tokyo 102-0074 JAPAN
	Nagoya Sales Department:	2F SIIX BLDG, 3-2-11, Meieki, Nakamura-ku, Nagoya, Aichi 450-0002 JAPAN
Net sales	289,491 million yen (FY2025: consolidated)	
Number of employees	Non-consolidated: 241, consolidated: 8,712 (as of December 31, 2025)	

Stock and Shareholder Information (as of December 31, 2025)

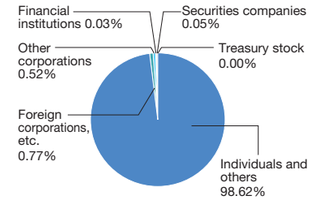
Stock information

Total number of authorized shares	160,000,000 shares
Total number of shares issued	50,400,000 shares
Number of shareholders at fiscal year-end	51,385 shareholders

Shareholding by type of shareholder



Number of shareholders by type of shareholder



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)	3,639	7.22
Forty Six Ltd.	2,400	4.76
Resona Bank, Limited	2,170	4.31
Sumitomo Mitsui Banking Corporation	2,160	4.29
STATE STREET BANK AND TRUST COMPANY 505223	1,180	2.34
The Murai SIIX Foundation	1,040	2.06
Custody Bank of Japan, Ltd. (trust account No. 4)	946	1.88
Custody Bank of Japan, Ltd. (trust account)	908	1.80
MUFG Bank, Ltd.	720	1.43

*Aside from the above, SIIX owns 3,262,347 shares (6.47%) of treasury stock.

Website of SIIX

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

SIIX Corporation Search

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