Thank you all for taking time today.

This is Yutaka Yoneyama, Director and Corporate Executive Vice President of Socionext.

I would like to provide an overview of our financial results for the first Quarter of the fiscal year March 2024.
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Cautionary Note Regarding “Design Win Amount” and “Design Win Balance”

The calculation of “Design Win Amount” and “Design Win Balance” involves a considerable degree of future estimation and subjective judgment, including assumptions regarding development plans, development costs, NRE revenues, per-unit prices and estimated future product sales volumes as well as the estimated lifespan and likelihood of cancellation of particular products. Product sales volumes are estimated based on preliminary customer indications of volume as well as our own projections made using historical customer transaction data, third-party market data and other factors while restrictions on the available manufacturing capacity for our products are not fully taken into account. In connection with analyzing our net sales and determining our design win balance, we take into account whether any customer demand constitutes “special demand,” a term we use to refer to short-term customer demand resulting from stockpiling and other activities that do not reflect current underlying demand. We determine whether any given demand is special demand on a case-by-case basis at our own discretion based on our assessment of a variety of factors related to the demand in question. As a result, amounts that we identify as special demand may not be objectively accurate in light of such definition of “special demand.” We believe that it is appropriate to exclude such short-term “special demand” amounts from our design win balance because the design win balance is intended to serve as an index to evaluate and analyze our long-term revenue trends. In terms of our net sales, net sales that are attributable to “special demand” should be viewed as short-term inflated demand that may be front-loading longer-term demand, and thus such sales should be appropriately deemphasized when analyzing historical and future trends in our results of operations. We may change our calculation method for “Design Win Amount” and “Design Win Balance” and have done so in the past, and thus a direct period-to-period comparison may not be meaningful beyond describing general trends over an extended period. Design win information is calculated on a management accounting basis and is formulated and used internally for management’s assessment of business performance and strategic initiative planning. Due to our relatively short operating history under our new business model and the extended period of time before a design win contributes to our product revenue, we have limited financial data that can be used to evaluate our business and future prospects, and our management believes that our operating results in recent fiscal years may not be indicative of our future performance. We present design win information for reference purposes only. You should not place undue reliance on design win information presented herein. Please refer to page 2 of this presentation regarding certain risks associated with forward-looking statements.
Consolidated Financial Results
for the 3 Months Ended June 30, 2023

- Actual Consolidated Financial Results 1Q FY24/3 Results
- Forecast Consolidated Earnings
- Mid-term Financial Targets

Socionext is in 40 days of quiet period (July 14 to August 22) due to the international offering announced on July 5, 2023. Please note that the presentation is about 1Q FY24/3 result only and limited forward looking statements.
Net sales were 61.4 billion yen, an increase of 53.9% from the same quarter of the previous fiscal year (the 3 months ended June 30, 2022).

Operating income was 10.1 billion yen, an increase of 80.7% from the same quarter of the previous fiscal year (the 3 months ended June 30, 2022).

The factors for the increases of both net sales and operating income will be explained on following pages.
This slide shows our historical net sales and operating income from the first quarter in FY22/3 to the first quarter in FY24/3.

Net sales increased because of the start of mass productions of large-scale design wins from FY20/3.

NRE revenue is a deliverable from design and development and fluctuates from quarter to quarter, but the YoY trend of NRE revenue remains upward due to large-scale design wins in the advanced technology area.

Operating income of the first quarter in FY24/3 increased significantly. Main factors of this improvement are (1) increase in product revenue including special demand, (2) change of product mix, and (3) depreciation of Japanese yen, etc.
This slide shows the analysis of net sales and operating income for the first quarter in FY24/3 compared with the same quarter in the previous fiscal year.

Net sales were 61.4 billion yen, an increase of 21.5 billion from the first quarter in the previous fiscal year.

Operating income was 10.1 billion yen, an increase of 4.5 billion yen from the first quarter in the previous fiscal year.

The main reason for the increase in net sales was the expansion of product revenue for Data Center & Networking (7nm) due to the start of full-scale mass production of large-scale design wins that we acquired in and after FY20/3.

NRE revenue slightly decreased by 0.8 billion yen, and R&D/SG&A expenses increased by 2.1 billion yen.
This slide shows the analysis of net sales and operating income for the first quarter in FY24/3 compared with the fourth quarter in the FY23/3.

Net sales increased by 7.5 billion yen and operating income increased by 5.1 billion yen.

Product revenue increased by 6.4 billion yen, and NRE revenue increased 1.1 billion yen. The depreciation of Japanese yen led to an increase of 1.9 billion yen.

Operating income increased by 5.1 billion yen. Factors include 1.6 billion yen increase in product gross profit and 2.1 billion yen decrease in R&D/SG&A expenses.

1. NRE expense roughly equivalent to NRE revenue is eventually recorded within R&D costs and fully deducted from Operating Income. Accordingly, NRE may not directly contribute to an increase in Operating Income for a particular period.
2. Total impact from change in USD/JPY exchange rate across periods. Figures for the other factors presented show the impact excluding such FX impact.
This slide shows the balance sheet.

Total assets were 184.0 billion yen, a decrease of 9.9 billion yen, total liabilities were 68.6 billion yen, a decrease of 15.5 billion yen, and total net assets were 115.5 billion yen, an increase of 5.6 billion yen, from the end of the previous fiscal year, respectively.

The decrease in total assets is due mainly to a decrease in cash and cash equivalents and a decrease in inventories of wafers that were procured and distributed in advance by customer request.

Cash on hand and in banks decreased because of tax and dividend payments in the quarter.

Inventories from the upfront procurement of wafers were peaked out between 3Q and 4Q of FY 23/3 and started to return to our regular inventory levels.
This slide explains about Capital expenditures and Cash flow.

In the first quarter in FY24/3, capex for reticles has increased because of new business opportunities for advanced technology products. The level of depreciation & amortization would increase as capex increases with the business growth. However, the amount of depreciation & amortization decreased compared to third and fourth quarter in FY23/3, which accelerated depreciation & amortization of IP and reticle as a one-time expense occurred.

Free cash flow in the first quarter in FY24/3 was negative due to tax payment in addition to capex. We had a same trend in the previous fiscal year.
This slide shows the breakdown of historical net sales and NRE revenue from FY18/3.

In the first quarter of FY24/3, the proportion of Data Center & Networking increased while net sales for Automotive and Smart Devices increased with the start of mass production for large-scale design wins from FY 20/3.

NRE revenue for Automotive performed well and expanded its proportion in NRE revenue.
Both net sales and NRE revenue have shifted from Japan to overseas regions such as the United States and China.
Both net sales and NRE revenue are significantly shifting to advanced technology nodes, 5nm and 7nm.
No changes have been made to the forecast.

The situation is within our initial assumptions except for the impact of foreign exchange.
We are aiming for total net sales growth of high teen % CAGR, and operating income margins of low-to-mid teen %, as our mid-term targets. Based on the results for the FY23/3 and our forecast for the FY24/3, we believe we are currently on track to meet these targets. We will continue to work on to achieve the targets.
Appendix:

Overview
- Breakdown of Net Sales (Quarterly)
- Design Win Illustrative Description
- Follow-on Transaction Summary
Breakdown by Application Market (Quarterly Ratios)

1. The quarterly ratios are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.
Breakdown by Geographic Region (Quarterly Ratios)

1. The quarterly ratios are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.
Breakdown by Process Node (Quarterly Ratios)

1. The quarterly ratios are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.
"Design Win Balance" (LTR; Life Time Revenue) represents our estimates of remaining accumulated "design win amount" that is associated with projects that are active as of a particular date. Design win balance thus reflects certain subsequent developments after the end of the period in which such design win was acquired. Design Win Balance is regularly managed in accordance with prudent procedures to account for future risks.

"Design Win Amount" calculated from "Design Win Balance" 1

Image of Change in "Design Win Balance" 2

"Design Win Amount" (As of March 31, 2023)

Approx. JPY1 trillion

Ratio of Primary Areas

1. "Design win balance" represents our estimates of remaining accumulated "design win amount" that is associated with projects that are active as of a particular date. "Design win balance" thus reflects certain subsequent developments after the end of the period in which such design win was acquired up until the relevant balance date, including (1) recognition of revenue relating to such projects or any other subsequent changes in the development process, estimated sales volumes, and unit price; (2) available manufacturing capacity or other factors that occur, which could either increase or decrease "design win balance" and (3) any subsequent cancellation of projects. For example, certain projects in our primary areas reflected in the "design win amount" for FY21/3 and FY22/3 suffered from subsequent cancellations that accounted for more than 15% and 20%, respectively, of the relevant "design win amount" shown in the graph above. However, the "design win amount" corresponding to such subsequent cancellations was more than offset by the effects of increases in actual or newly estimated unit prices or volumes with respect to some of the projects compared to our original expectations, and thus the retrospective "design win" amounts for those years after taking these subsequent effects into consideration would show a modest increase compared to the amounts depicted above. There have been no significant subsequent cancellations regarding the design win amount for the fiscal year ended March 31, 2023, although there can be no assurance that cancellations will not occur in the future with respect to design win amounts for such fiscal year or any prior fiscal year. A foreign exchange assumption of $1=¥100 has been used.

2. For illustrative purposes only.
## Follow-on Transaction Summary

<table>
<thead>
<tr>
<th><strong>Offering Structure</strong></th>
<th>International Offering (Regulation S / Rule 144A)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong># of Shares Offered</strong></td>
<td>12,624,800 shares (37.5% of total shares outstanding as of March 31, 2023)</td>
</tr>
<tr>
<td><strong>Selling Shareholders</strong></td>
<td>Development Bank of Japan, Inc., Fujitsu Limited, Panasonic Holdings Corporation</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td>JPY 14,668 per share</td>
</tr>
<tr>
<td><strong>Settlement Date</strong></td>
<td>July 13, 2023 (Thursday)</td>
</tr>
</tbody>
</table>

- Expanding our global shareholding structure that supports our long-term growth journey