



1Q FY2026/3

Consolidated Financial Results

July 31, 2025
Socionext Inc.

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Cautionary Note Regarding “Design Win Amount” and “Design Win Balance”

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. While “Design Win Balance” is not impacted by the occurrence or the amount of “special demand,” it can fluctuate by reflecting changes in assumptions for forecasts of demands except for “special demand.” 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.



1Q FY2026/3

Consolidated Financial Results

- *Consolidated Financial Results 1Q FY2026/3*
- *Consolidated Earnings Forecast FY2026/3*



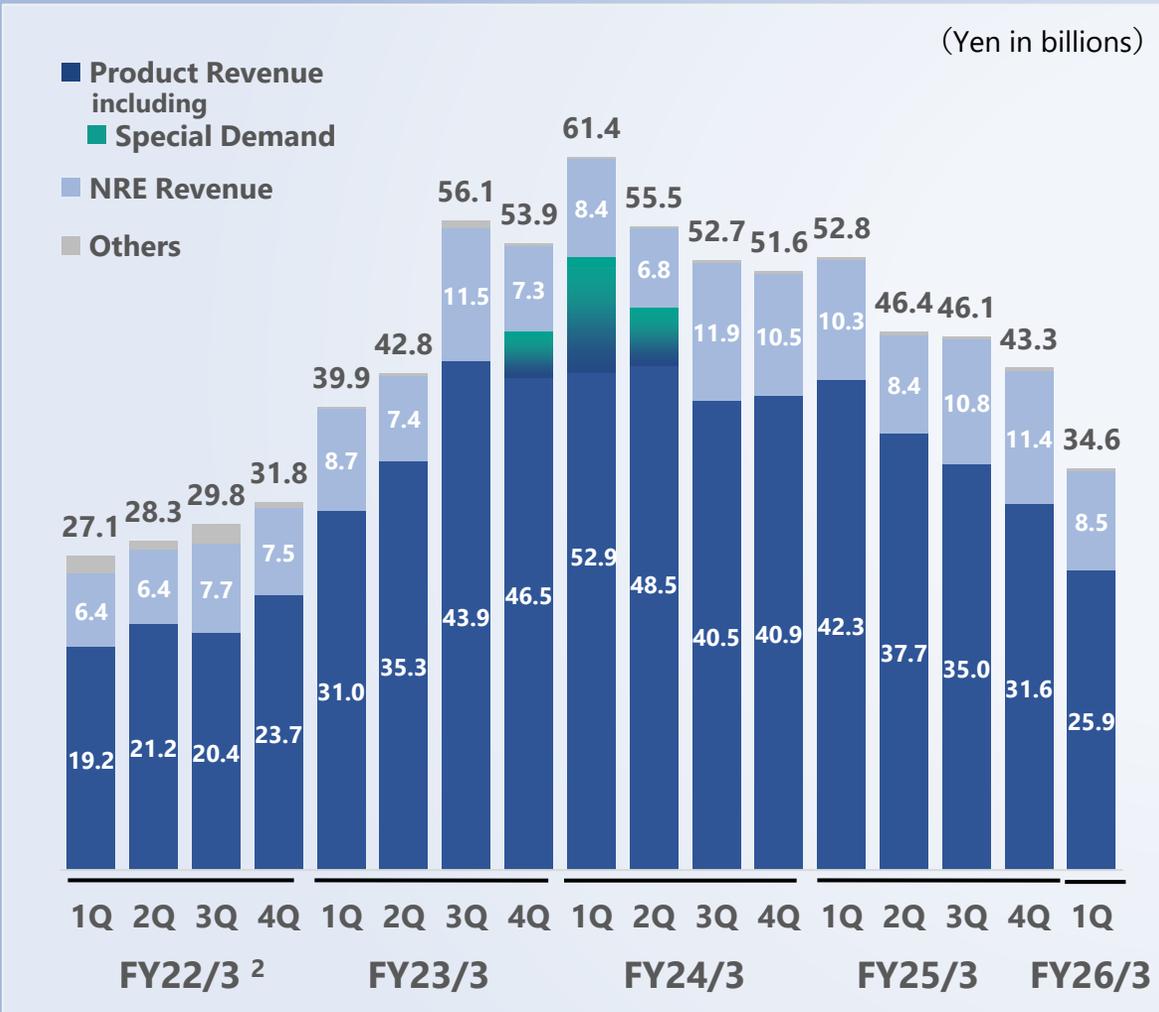
1Q FY26/3 Consolidated Statements of Income

(Yen in billions)

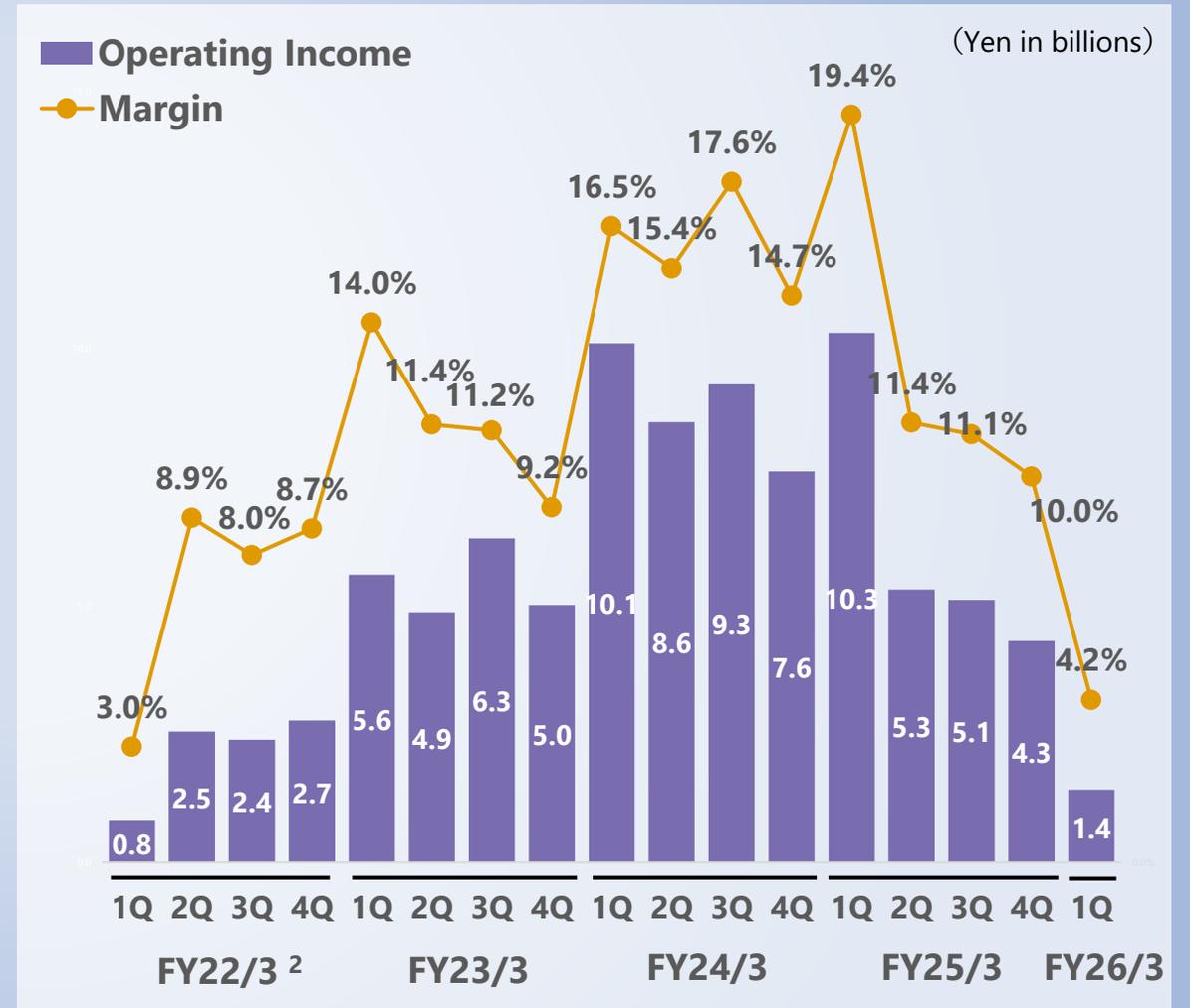
	FY25/3				FY26/3		
	1Q	2Q	3Q	4Q	1Q	YoY	YoY%
Net Sales	52.8	46.4	46.1	43.3	34.6	-18.2	-34.5%
Product Revenue	42.3	37.7	35.0	31.6	25.9	-16.4	-38.8%
NRE Revenue	10.3	8.4	10.8	11.4	8.5	-1.9	-18.0%
Others	0.2	0.3	0.2	0.3	0.2	0	+19.3%
Cost of Sales	22.9	22.2	20.6	18.8	14.4	-8.5	-37.2%
Product Cost Ratio	54.3%	59.1%	58.8%	59.6%	55.6%	+1.3pt	
Selling, General and Administrative Expenses	19.6	18.9	20.4	20.1	18.7	-0.9	-4.4%
R&D	15.0	13.8	15.6	15.4	14.2	-0.7	-4.8%
SG&A (excluding R&D)	4.6	5.1	4.7	4.7	4.5	-0.1	-3.0%
Operating Income	10.3	5.3	5.1	4.3	1.4	-8.8	-86.0%
Margin	19.4%	11.4%	11.1%	10.0%	4.2%	-15.2pt	
Net Income	7.6	4.0	4.9	3.1	0.5	-7.1	-93.9%
Margin	14.3%	8.6%	10.6%	7.2%	1.3%	-13.0pt	
FX Rate (USD/JPY)	155.9	149.4	152.4	152.6	144.6		

Quarterly Net Sales and Operating Income

Net Sales¹



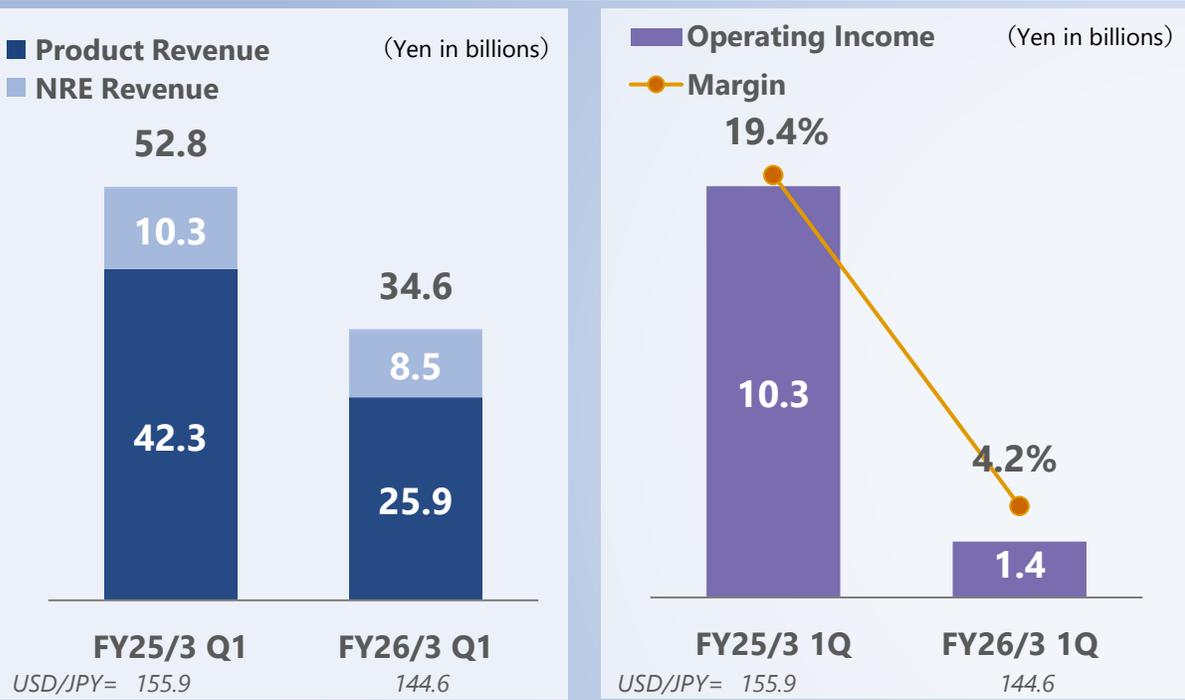
Operating Income¹



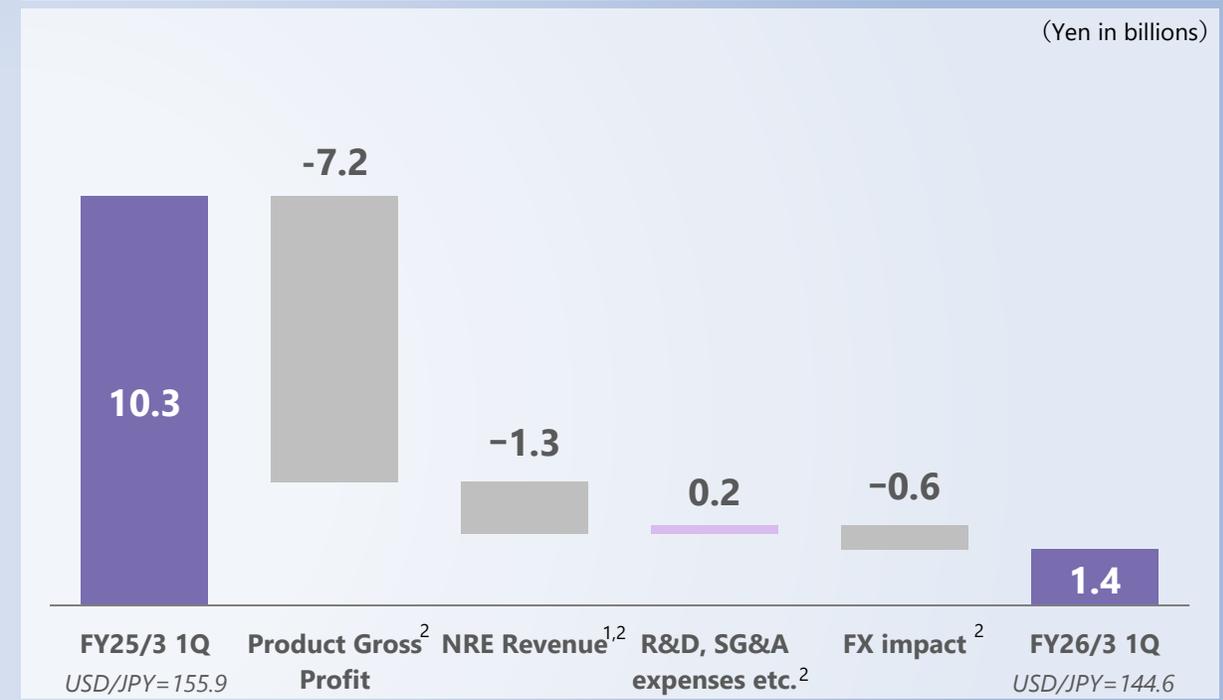
1. The quarterly figures are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.
 2. Quarterly financial results of FY 22/3 are unaudited and unreviewed by external auditors.

1Q FY26/3 Financial Results – YoY

Net Sales and Operating Income YoY



Operating Income YoY Analysis



Net sales: YoY -18.2 bn yen (-34.5%)

- Product revenue: - 16.4 bn yen (FX impact -1.6 bn yen)
- NRE revenue: - 1.9 bn yen (FX impact -0.5 bn yen)
- FX impact: - 2.1 bn yen
(USD/JPY 155.9→144.6)

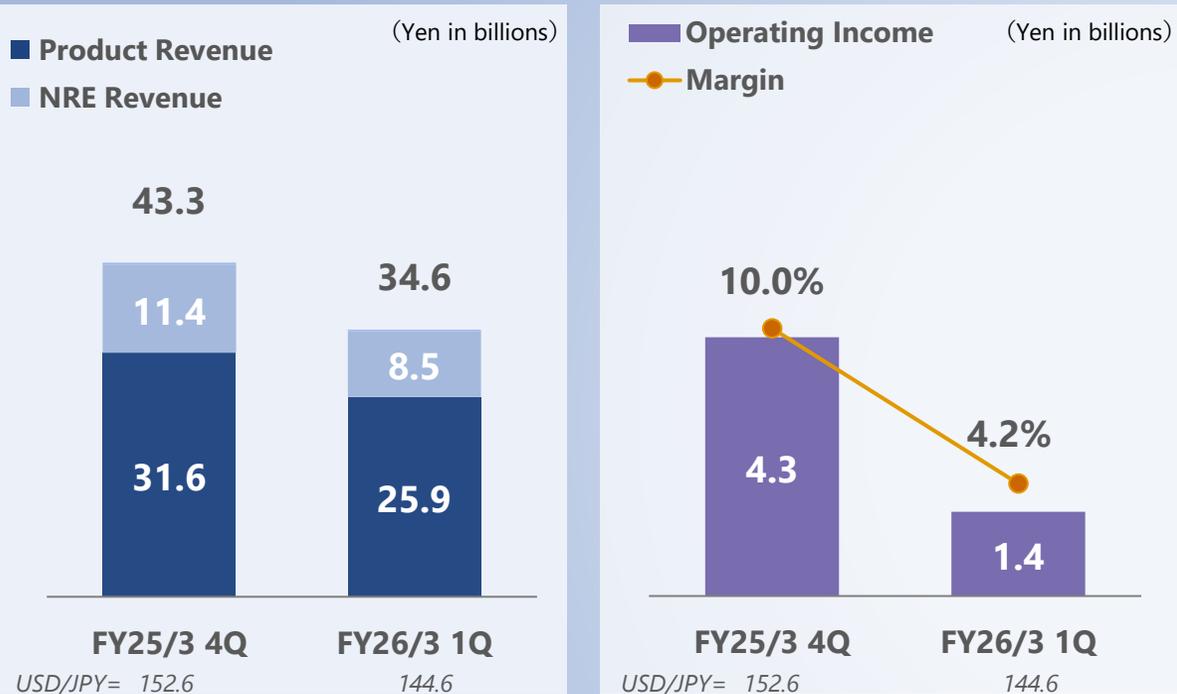
Operating income: YoY -8.8 bn yen (-86.0%)

- Gross profit from product revenue: - 7.2 bn yen
- NRE revenue: - 1.3 bn yen
- R&D, SG & A, etc.: + 0.2 bn yen
- FX impact: - 0.6 bn yen
(USD/JPY 155.9→144.6)

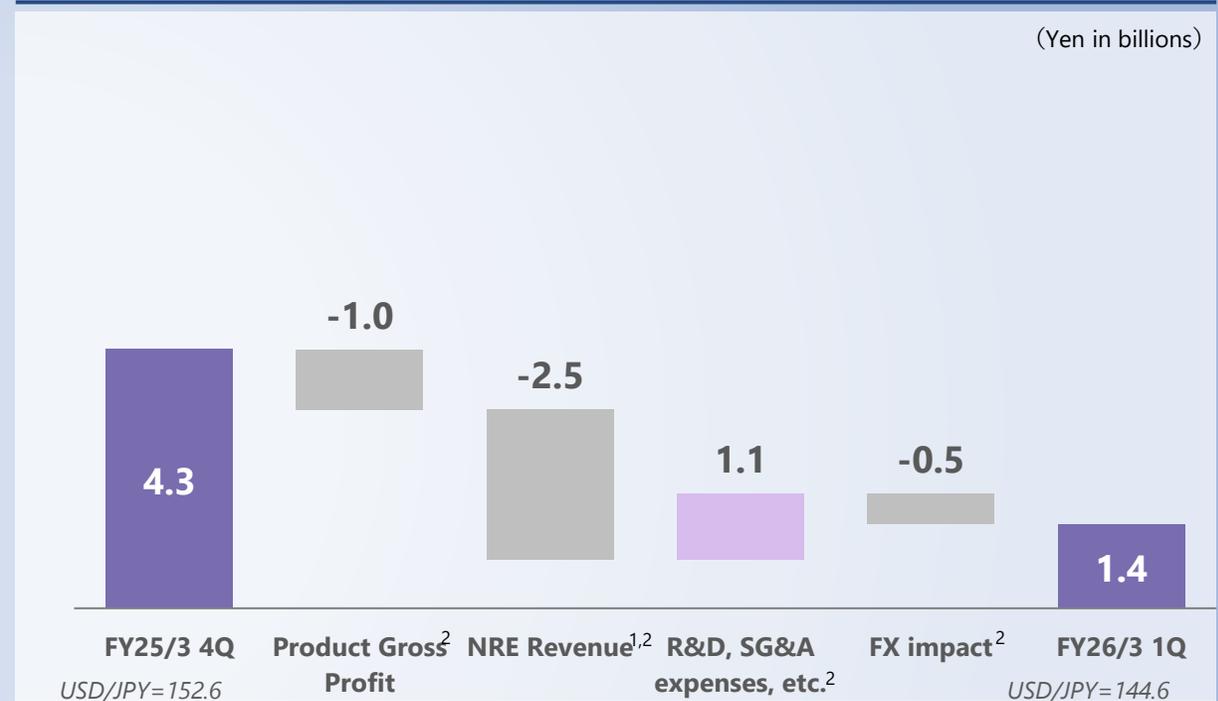
1. R&D cost connected to NRE revenue is recorded as an expense. Accordingly, NRE does not fully contribute to an increase in operating income for a particular period.
2. FX impact is an increase or decrease from the previous year or quarter caused by change in USD/JPY exchange rate. The FX impact is excluded from the other factors shown in the operating income analysis.

1Q FY26/3 Financial Results – QoQ

Net Sales and Operating Income QoQ



Operating Income QoQ Analysis



Net sales: QoQ -8.7 bn yen (-20.1%)

- Product revenue: - 5.7 bn yen (FX impact -1.0 bn yen)
 - NRE revenue: - 3.0 bn yen (FX impact -0.4 bn yen)
 - FX impact: - 1.4 bn yen
- (USD/JPY 152.6→144.6)

Operating income: QoQ -2.9 bn yen (-66.8%)

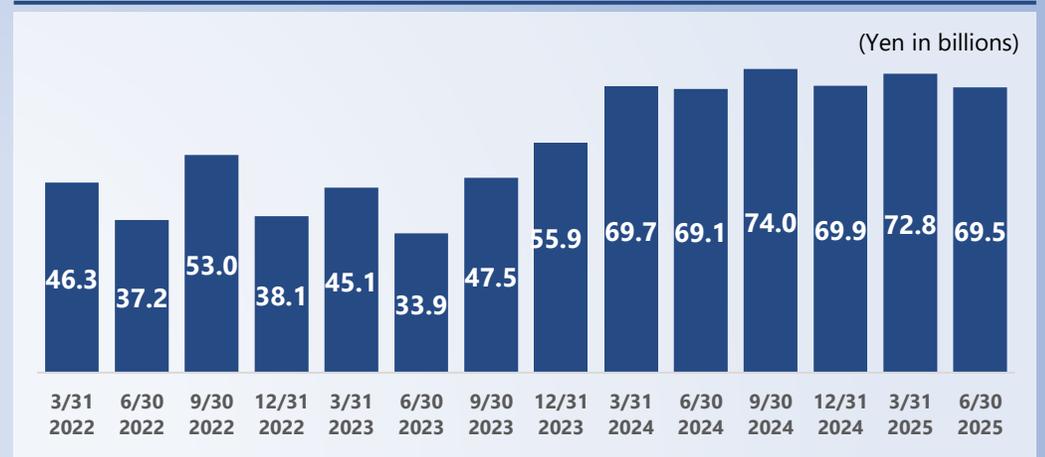
- Gross profit from product revenue: - 1.0 bn yen
 - NRE revenue: - 2.5 bn yen
 - R&D, SG & A, etc.: + 1.1 bn yen
 - FX impact: - 0.5 bn yen
- (USD/JPY 152.6→144.6)

1. R&D cost connected to NRE revenue is recorded as an expense. Accordingly, NRE does not fully contribute to an increase in operating income for a particular period.
2. FX impact is an increase or decrease from the previous year or quarter caused by change in USD/JPY exchange rate. The FX impact is excluded from the other factors shown in the operating income analysis.

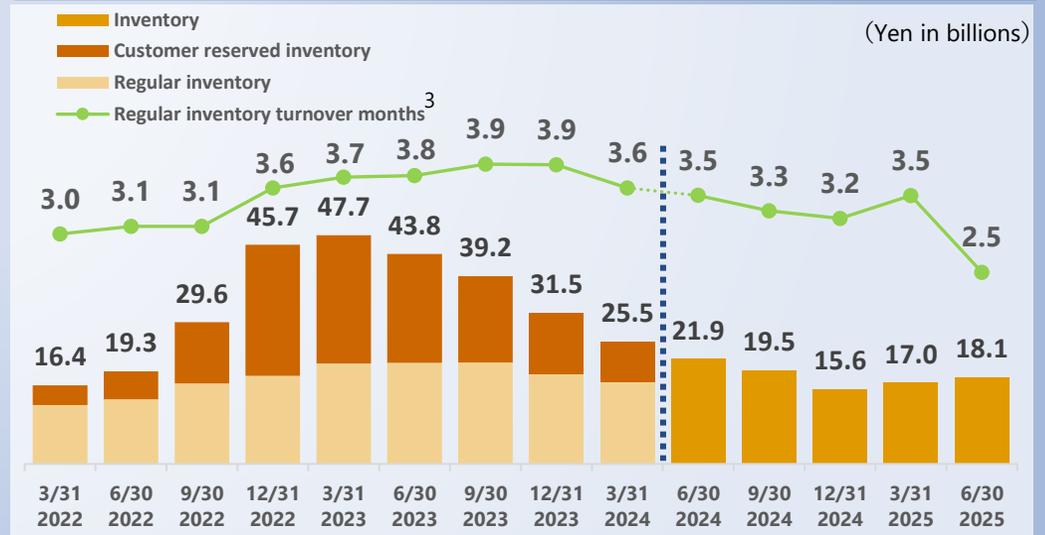
Consolidated Balance Sheet (As of June 30, 2025)

	As of March 31, 2025	As of June 30, 2025	Change
(Yen in billions)			
Total Assets	170.3	158.1	-12.2
Total Current Assets	126.3	115.7	-10.6
Cash on-hand and in banks ¹	72.8	69.5	-3.3
Accounts receivable-trade	31.6	22.2	-9.4
Inventories ²	17.0	18.1	+1.0
Accounts receivable-other	0.9	0.9	+0.0
Total non-Current Assets	44.0	42.4	-1.6
Total Liabilities	33.3	30.1	-3.2
Total Current Liabilities	31.3	28.2	-3.1
Accounts payable-trade	11.9	12.3	+0.4
Accounts payable-other	4.6	4.5	-0.1
Total Net Assets	137.0	128.1	-9.0
Shareholders' Equity Ratio	80.5%	80.9%	

Cash on Hand and in Banks¹



Inventories

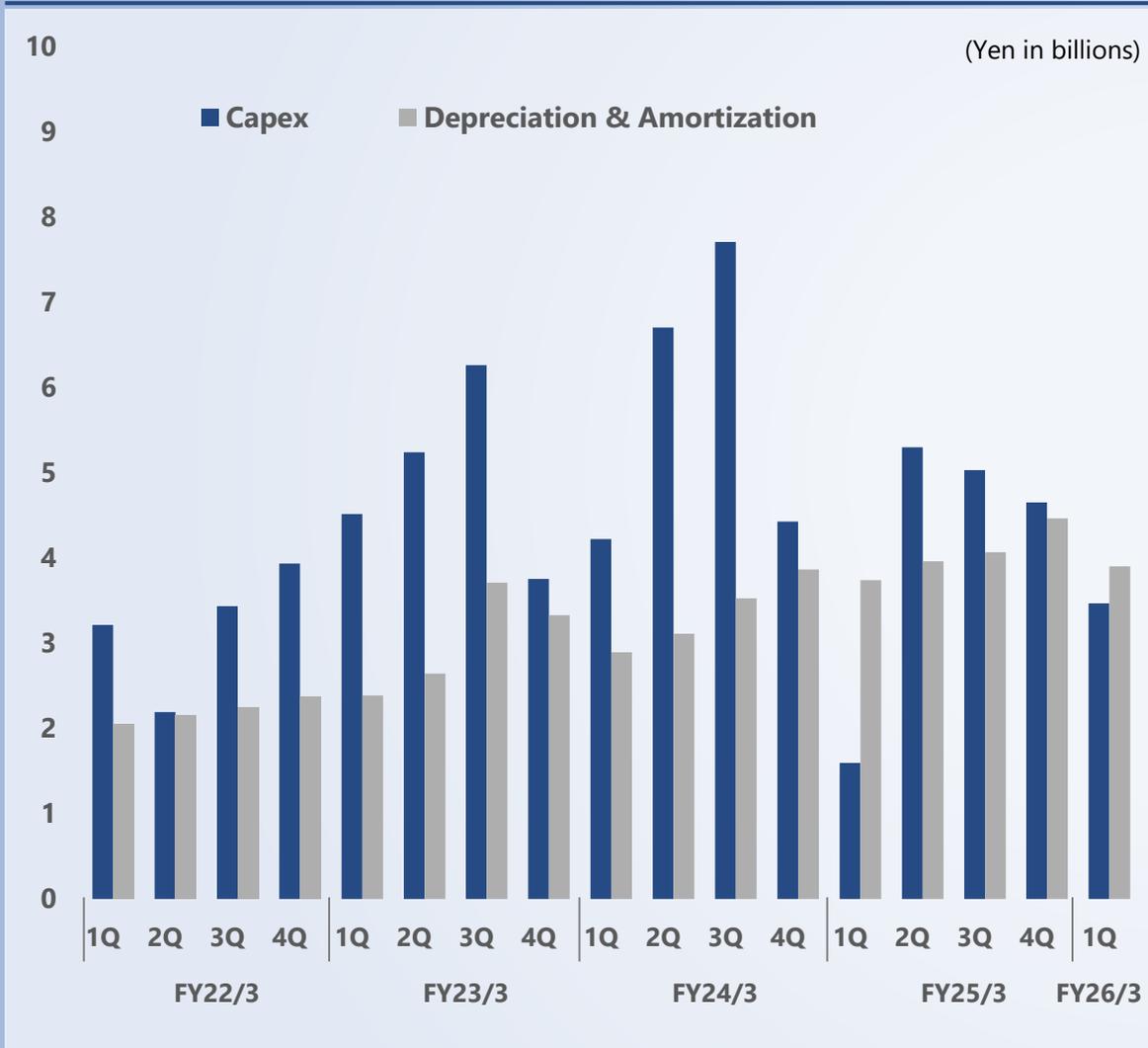


1. Cash on-hand and in banks include short term investment security.
 2. Inventories consist of finished goods and work in process.
 3. Regular inventory turnover months = Ratio of "ordinary inventories balance" and "Cost of Sales average of forecast for next 3 months"

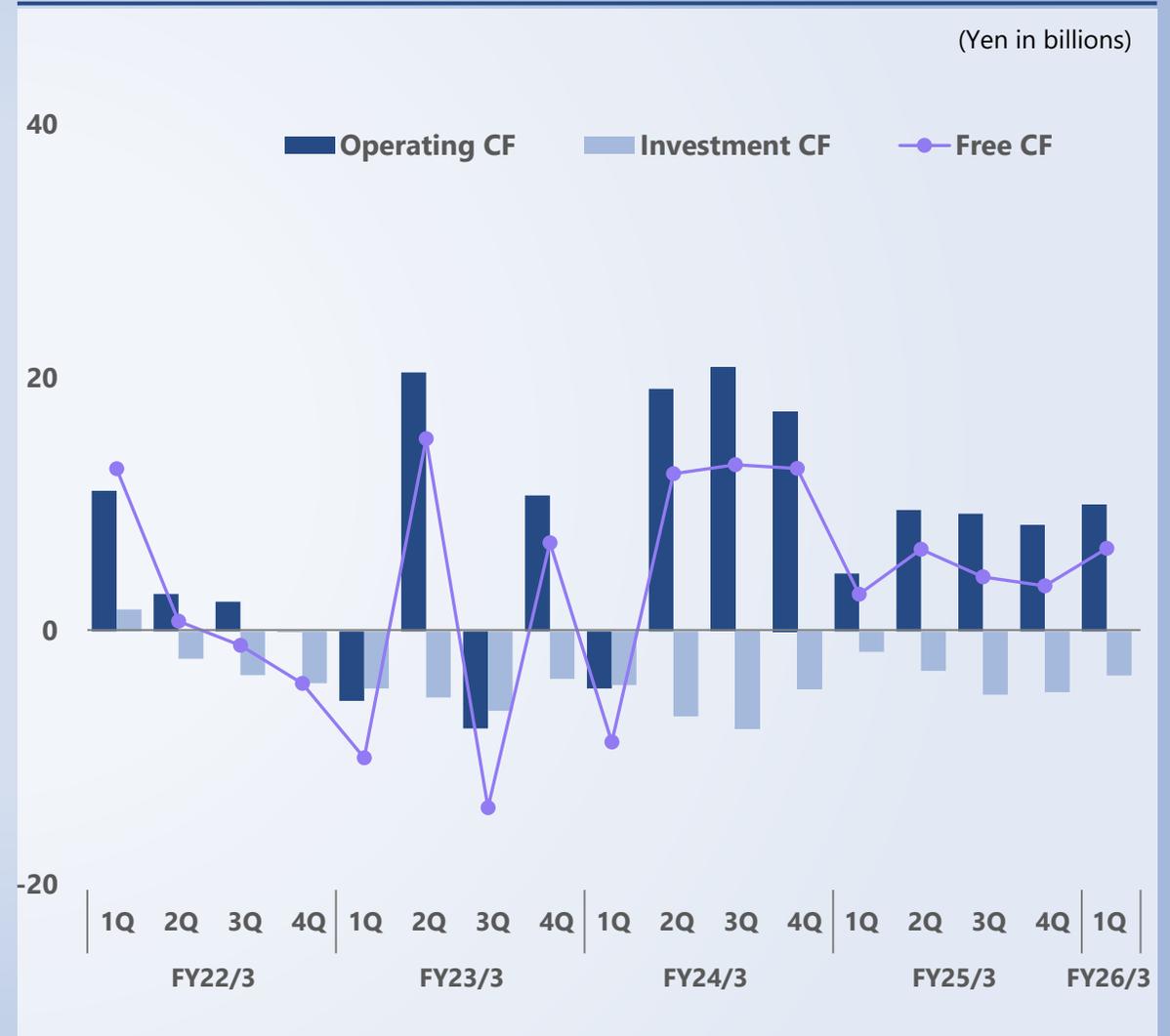
* From FY2025/3, sum of "Customer reserved inventory" and "Regular inventory" is disclosed as "Inventory".

Capex / Depreciation & Amortization Cash Flow

Capex¹ / Depreciation & Amortization²



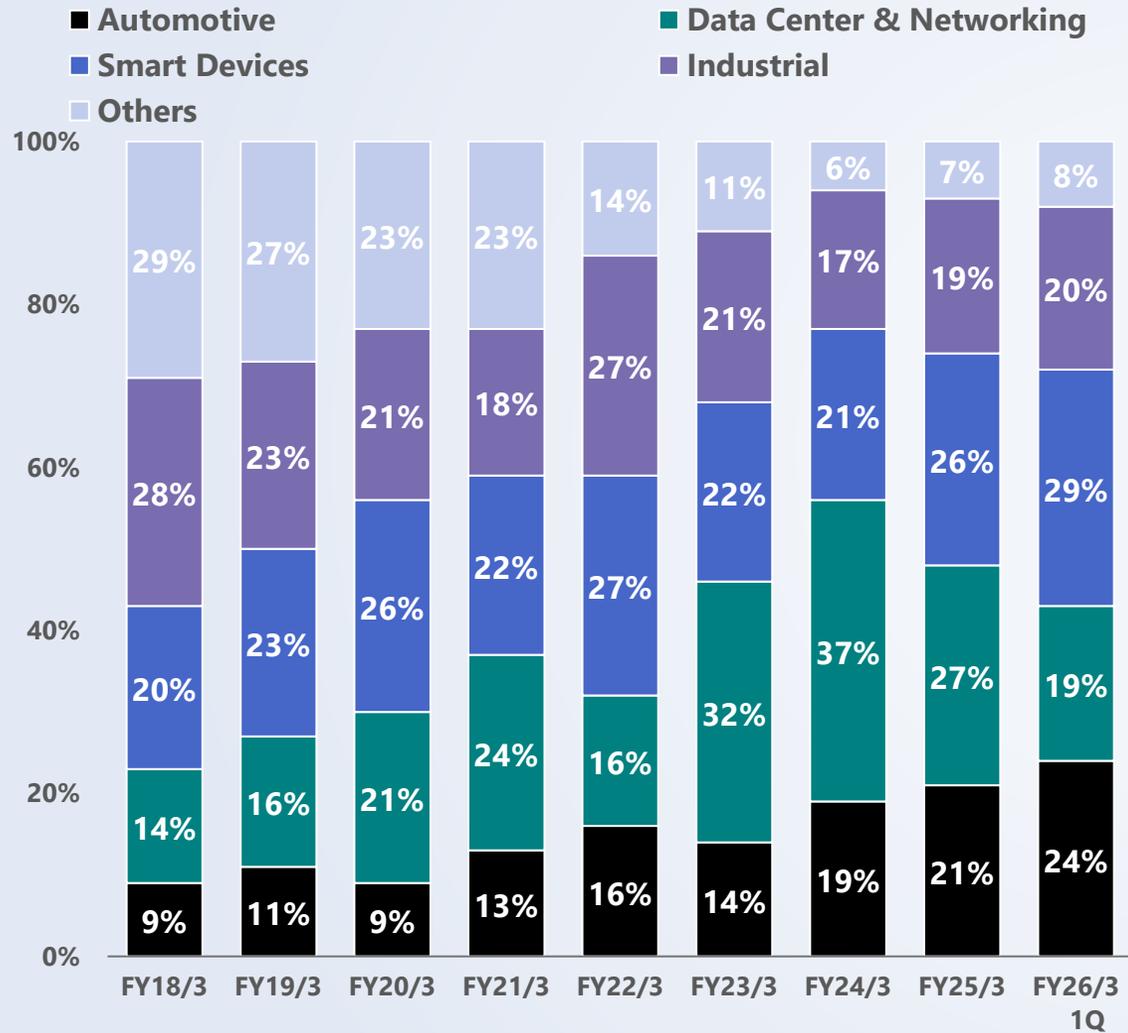
Cash Flow²



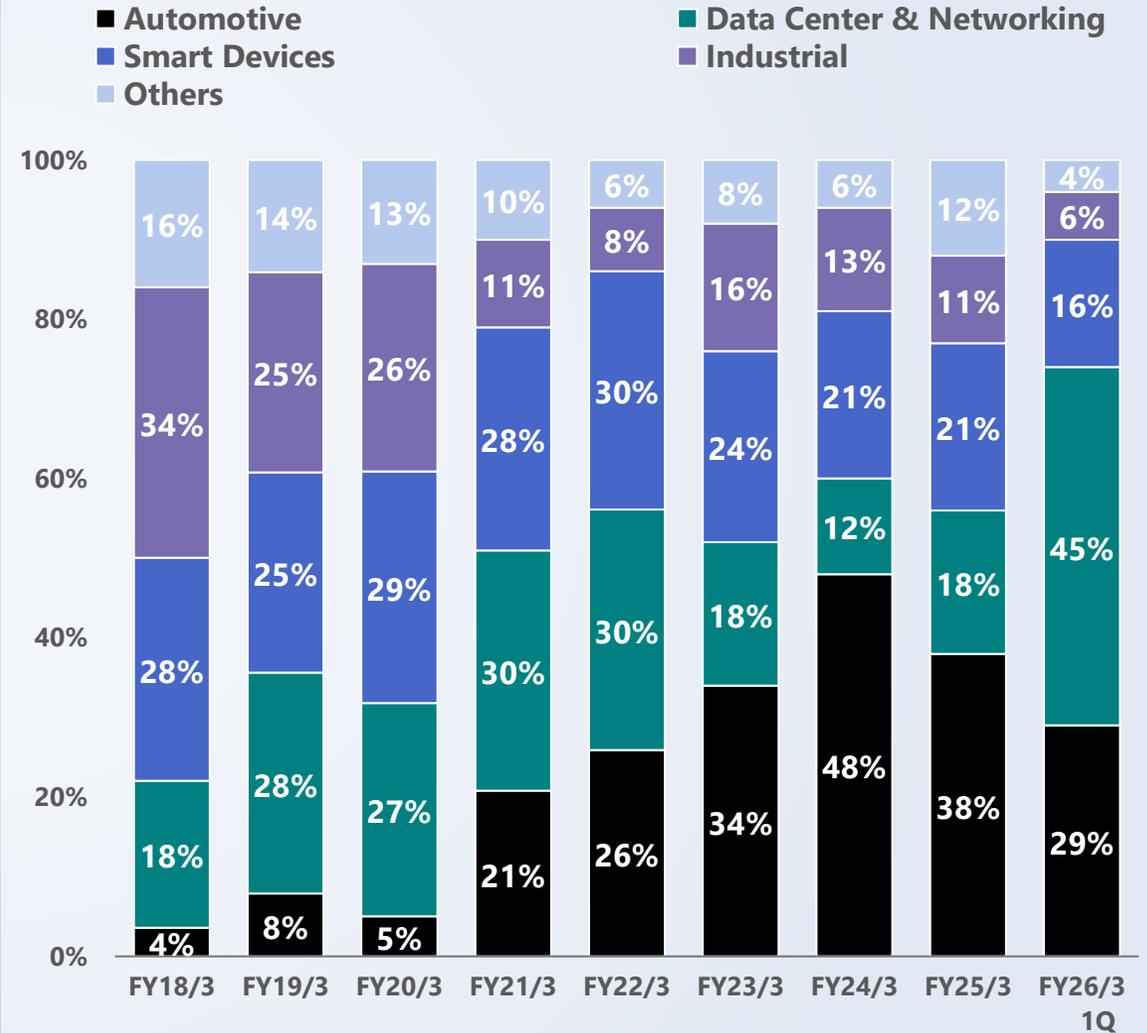
1. Capex: Payment of PP&E + payment of intangible assets
 2. Quarterly financial results of FY22/3 are unaudited and unreviewed by external auditors.

Breakdown by Application Market

Net Sales

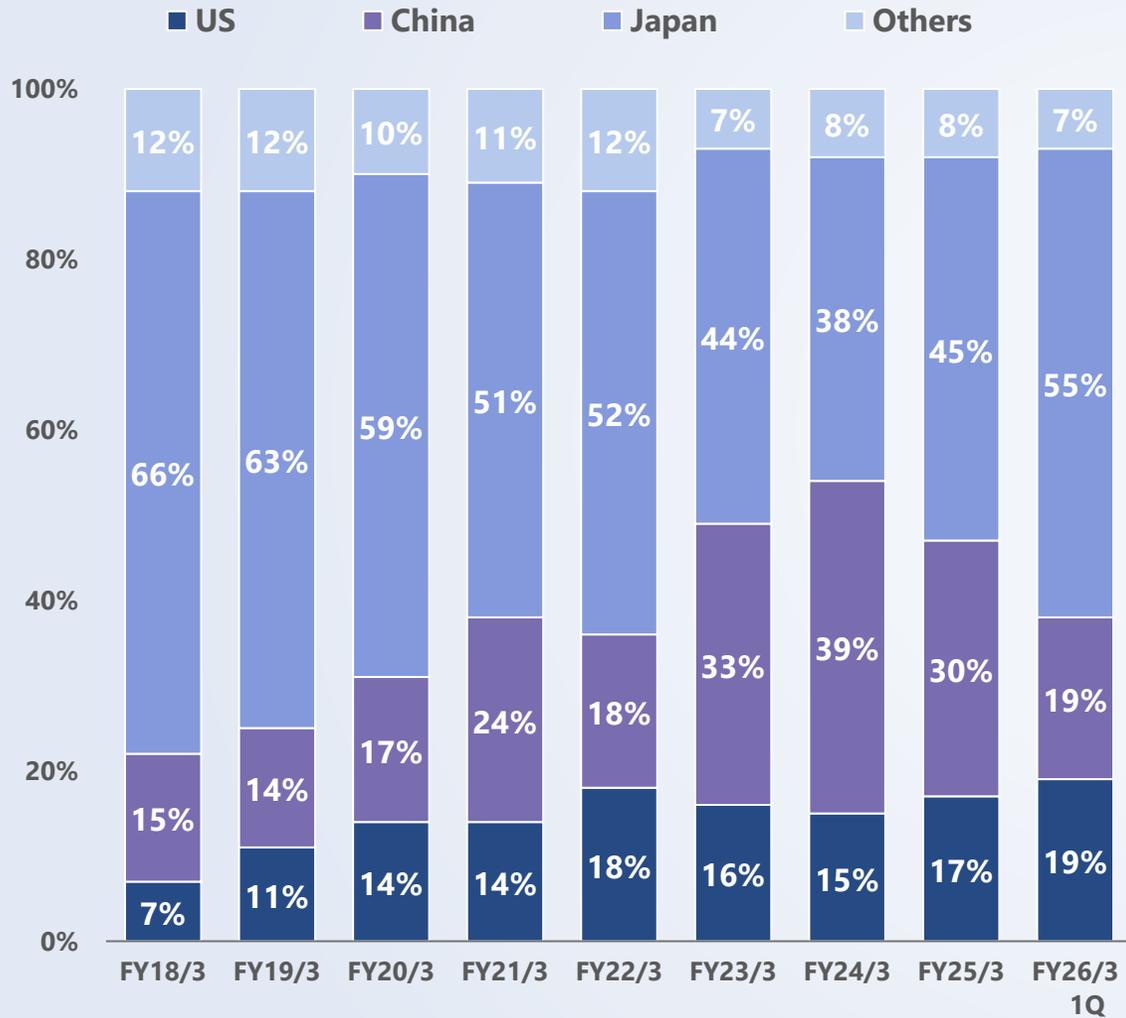


NRE Revenue

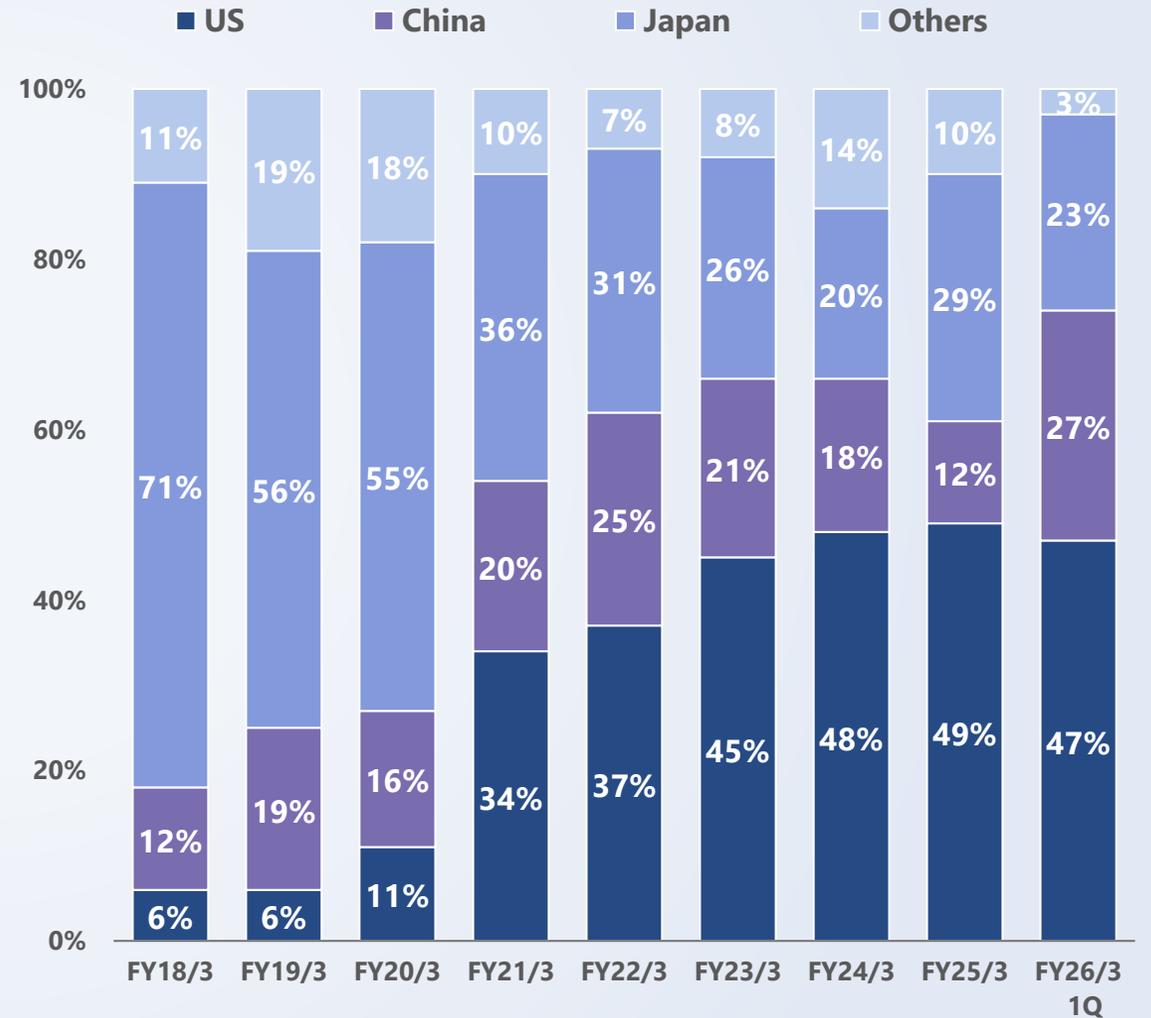


Breakdown by Geographic Region

Net Sales

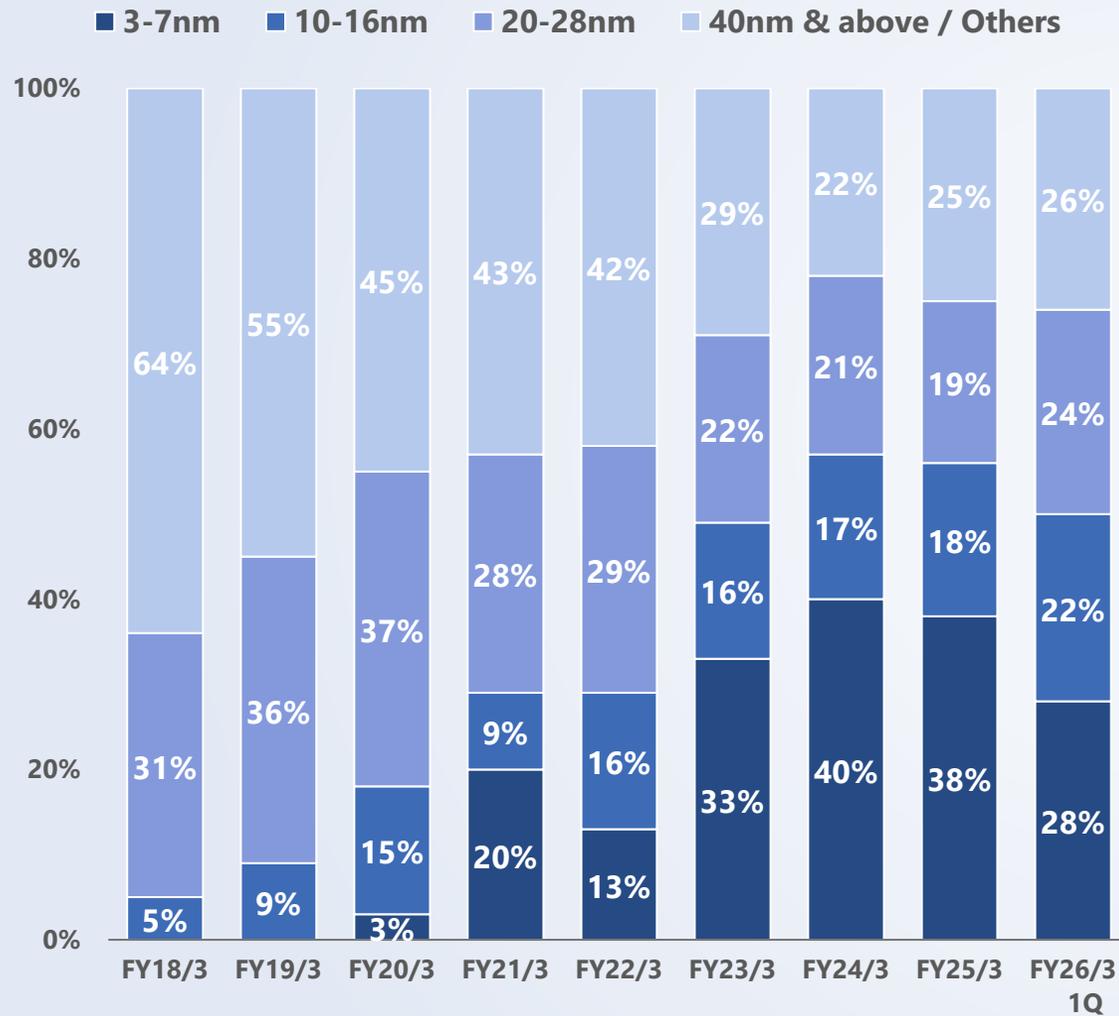


NRE Revenue

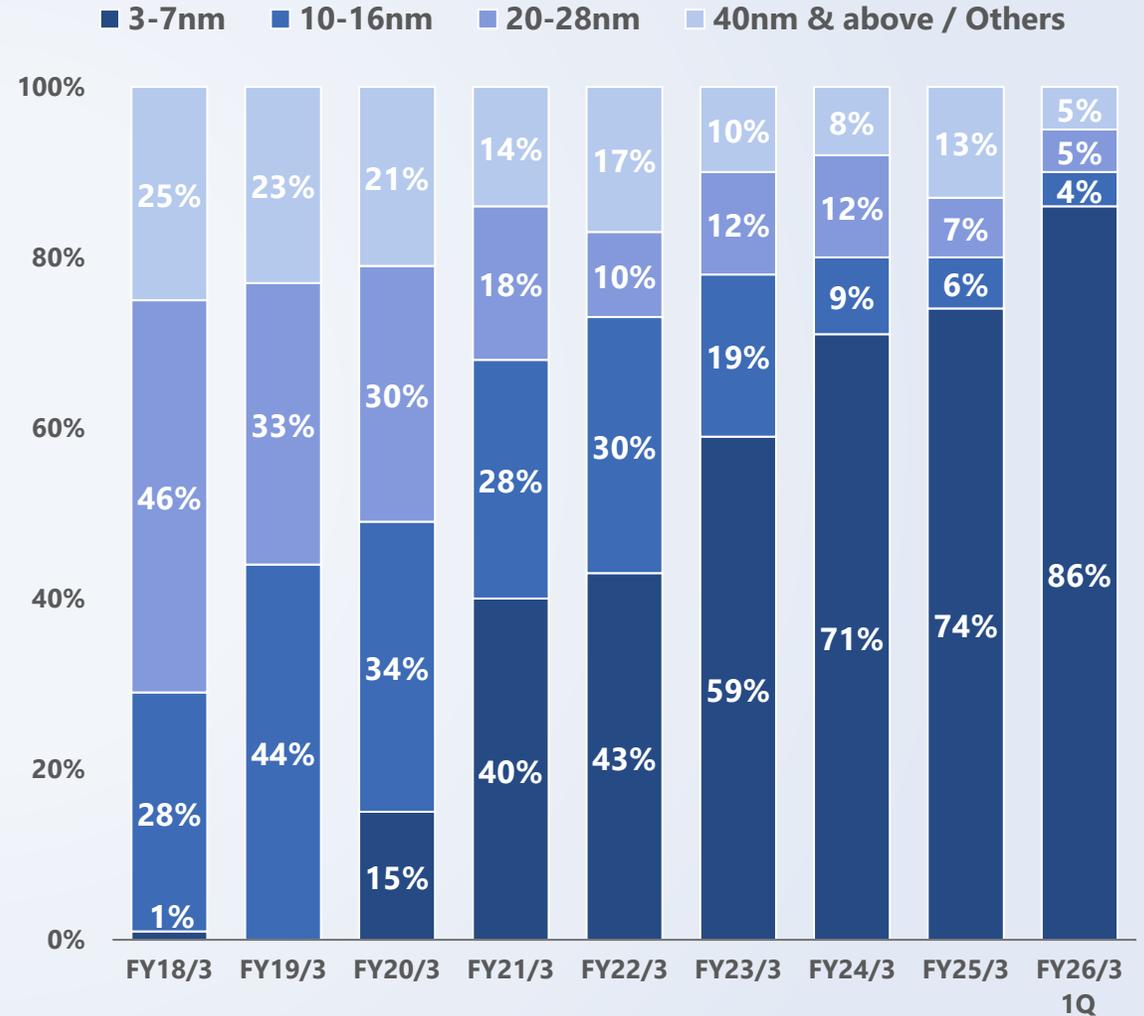


Breakdown by Process Node

Net Sales

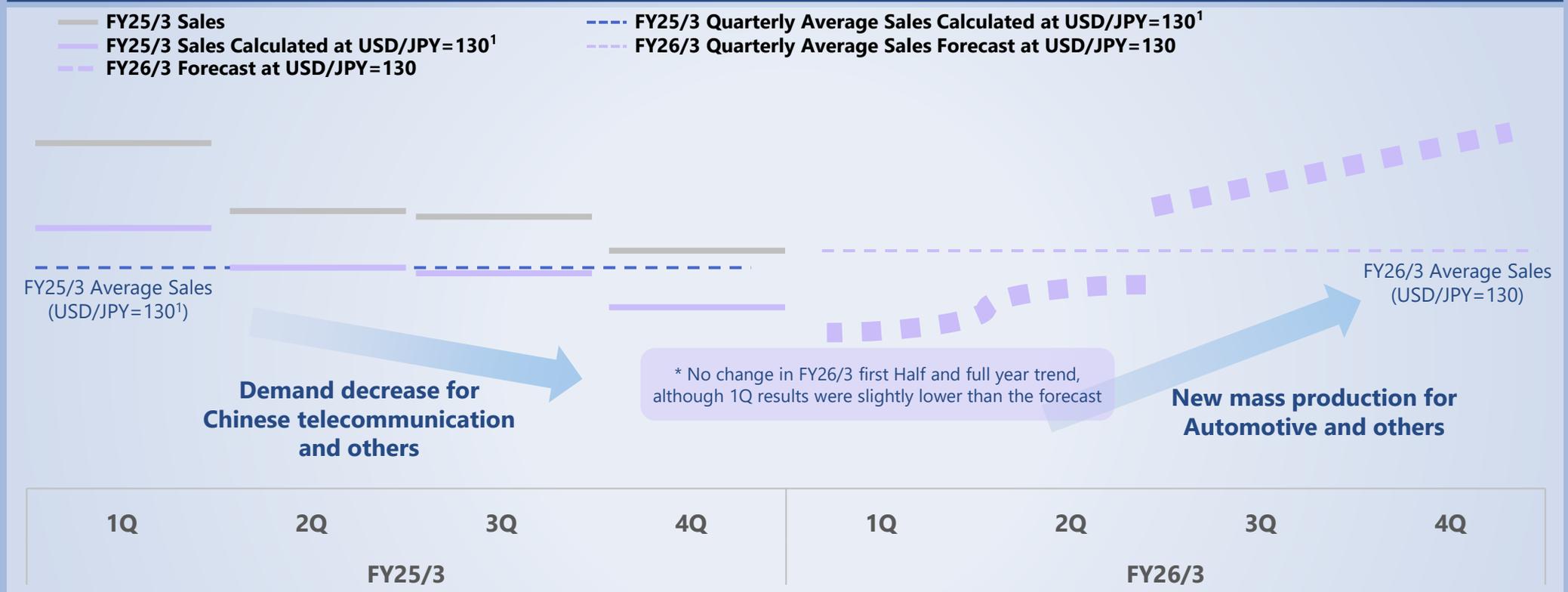


NRE Revenue



Quarterly Net Sales Trend

Quarterly Net Sales Trend



- ◆ FY26/3 1st Half : Impact expected to continue from decrease of demand in Chinese telecommunication business due to inventory adjustments
- ◆ FY26/3 2nd Half : Sales increase expected with start of new mass production for Automotive and other products
- ◆ Operating margin: FY26/3 full-year results expected to be lower than FY25/3, but improvement expected starting in 2nd half in line with sales expansion

1. FY25/3 figures are calculated using USD/JPY=130, in order to compare figures across fiscal years.

Refer to page 2 for handling of forecasts.

Consolidated Earnings Forecast

April 2025 presentation
figures updated²

	FY2025/3	FY2026/3	(Yen in billions)		For Reference: Figures calculated using FX rate of previous year (FY25/3) and FX rate sensitivity in note below with FY26/3 forecast
	Full Year Results	Full Year Forecast (as of April 2025)	YoY	YoY%	
Net Sales	188.5	175.0	-13.5	-7.2%	197.6
Operating Income	25.0	14.0	-11.0	-44.0%	20.8
Margin	13.3%	8.0%	-5.3pt		10.5%
Profit	19.6	10.5	-9.1	-46.4%	—
Margin	10.4%	6.0%	-4.4pt		—
Basic Earnings per Share¹	109.78 yen	59.83 yen²			—
Dividend per Share	50.00 yen	50.00 yen			—
FX Rate (USD/JPY)	152.6 yen	130.0 yen			152.6 yen (FY2025/3 average rate)

- FX rate sensitivity for FY26/3 forecast is assumed to be approx. 1.0 billion yen for net sales, and approx. 0.3 billion yen for operating income, for every 1-yen change against the US dollar. The impact of other currencies is assumed to be negligible.

- Actual basic earnings per share for FY2025/3 were calculated based on 178,543,635 shares and forecast of basic earnings per share for FY2026/3 were calculated based on 175,482,641 shares. The changes are due to exercise of stock options and purchase of treasury stock.
- Forecast in April 2025 was based on 177,738,978 shares. The latest forecast is based on 175,482,641 shares.
- Refer to page 2 for handling of forecasts.



Appendix:

Overview

- *Consolidated Financial Statements*
- *Breakdown of Net Sales (Quarterly)*



Consolidated Statements of Income

(Yen in billions)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 1Q
Net Sales	99.7	117.0	192.8	221.2	188.5	34.6
% YoY	-3.7%	+17.3%	+64.7%	+14.8%	-14.8%	-34.5%
<i>Product Revenue</i>	73.1	84.6	156.8	182.9	146.6	25.9
<i>NRE Revenue</i>	23.0	28.1	34.9	37.6	41.0	8.5
<i>Other Revenue</i>	3.6	4.3	1.1	0.8	0.9	0.2
Cost of Sales	43.2	49.8	103.9	111.2	84.6	14.4
Gross Profit	56.5	67.3	88.8	110.0	103.9	20.2
% Margin	56.7%	57.5%	46.1%	49.7%	55.1%	58.3%
% <i>Product Gross Margin</i>	40.1%	41.1%	33.7%	39.2%	42.3%	44.4%
R&D	39.2	43.2	49.3	53.3	59.8	14.2
Selling, General and Administrative Expenses (excl. R&D)	15.8	15.6	17.8	21.2	19.1	4.5
Operating Income	1.6	8.5	21.7	35.5	25.0	1.4
% Margin	1.6%	7.2%	11.3%	16.1%	13.3%	4.2%
Non-Operating Income (Loss)	0.4	0.6	1.8	1.6	0.1	-0.7
Ordinary Income	2.0	9.1	23.4	37.1	25.1	0.7
Extraordinary Income	0.0	0.0	0.0	0.0	1.8	0.0
Extraordinary Losses	0.0	0.0	0.0	0.0	1.5	0.0
Income before Income Taxes	2.0	9.1	23.4	37.1	25.4	0.7
Income Taxes	0.5	1.6	3.7	11.0	5.8	0.3
Net Income	1.5	7.5	19.8	26.1	19.6	0.5
% Margin	1.5%	6.4%	10.3%	11.8%	10.4%	1.3%
FX Rate (USD/JPY)	106.1	112.4	135.5	144.6	152.6	144.6

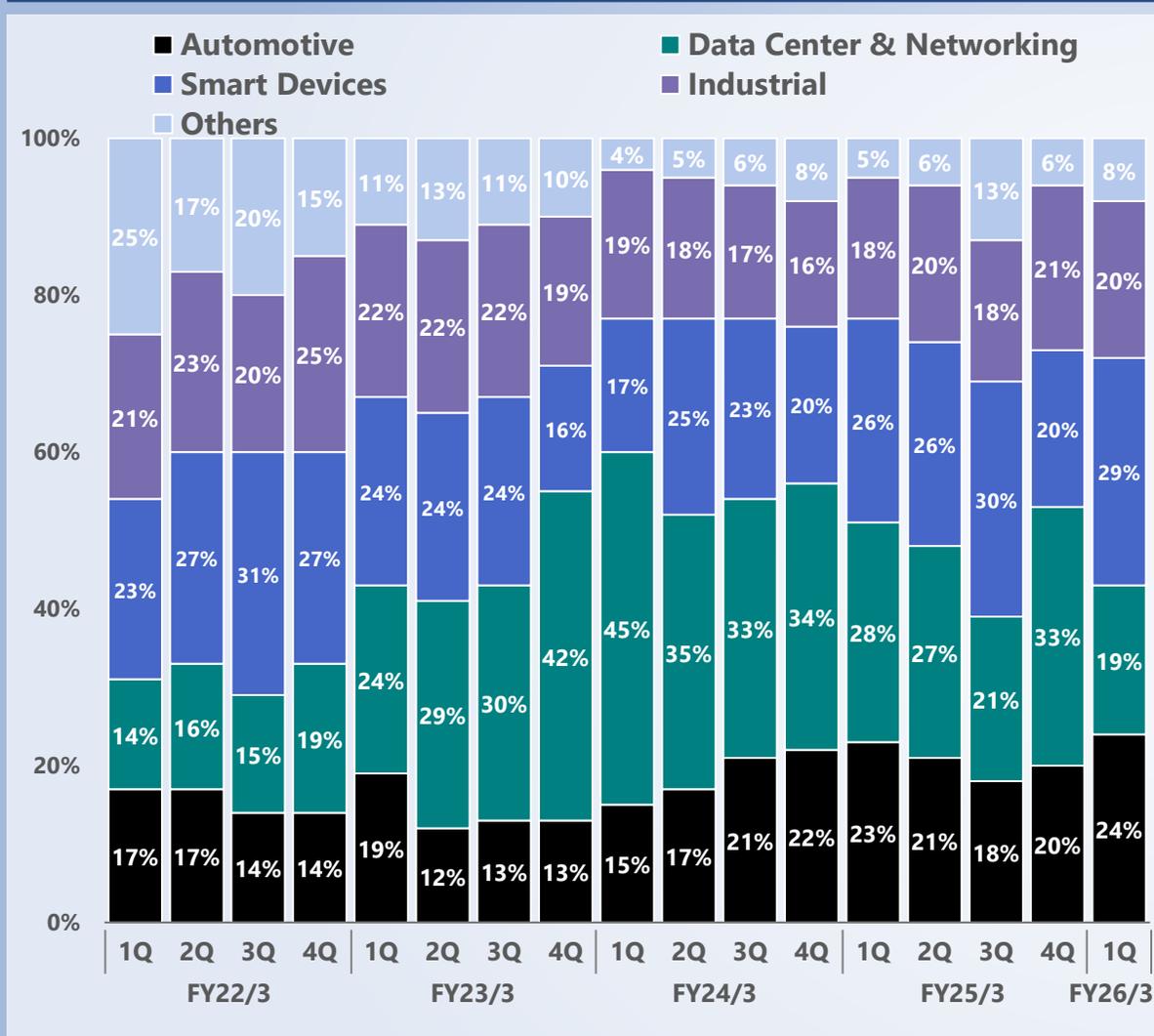
Consolidated Balance Sheets

(Yen in billion)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 1Q		FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 1Q
Assets							Liabilities and Equity						
Cash On-Hand and In Banks ¹	42.7	46.3	45.1	69.7	72.8	69.5	Accounts Payable-Trade	12.0	16.6	23.4	15.8	11.9	12.3
Accounts Receivable-Trade, Net	28.6	25.1	40.8	35.3	31.6	22.2	Accrued Expenses	7.4	6.9	30.3	18.2	12.0	9.0
Inventories ²	6.7	16.4	47.7	25.5	17.0	18.1	Others	1.9	3.9	28.6	19.1	7.3	6.8
Others	2.6	2.9	22.4	8.4	4.8	5.9							
Total Current Assets	80.6	90.6	156.1	138.9	126.3	115.7	Total Current Liabilities	21.3	27.4	82.3	53.1	31.3	28.2
Property, Plant and Equipment	8.9	11.6	17.2	21.8	22.3	22.8	Total Non-current Liabilities	1.3	1.4	1.7	2.7	2.0	1.9
Reticle	3.7	4.7	5.6	8.1	9.7	9.7	Total Liabilities	22.6	28.8	84.1	55.8	33.3	30.1
Other PP&E	5.2	6.9	11.6	13.7	12.6	13.1	Common Stock	30.2	30.2	30.2	32.7	33.0	33.0
Intangible Assets	11.6	12.2	13.0	18.5	14.4	12.5	Capital Surplus	30.2	30.2	30.2	32.7	33.0	33.0
Deferred Tax Assets	2.3	3.1	6.9	6.7	6.1	6.0	Retained Earnings	21.4	28.9	48.6	63.6	74.3	70.3
Others	0.9	0.8	0.8	0.9	1.2	1.2	Treasury Stock	0.0	0.0	0.0	0.0	-5.0	-10.0
							Others	-0.1	0.3	0.8	2.0	1.8	1.8
Total Non-current Assets	23.7	27.8	37.9	47.9	44.0	42.4	Total Equity	81.7	89.6	109.9	131.0	137.0	128.1
Total Assets	104.2	118.4	193.9	186.8	170.3	158.1	Total Liabilities and Equity	104.2	118.4	193.9	186.8	170.3	158.1

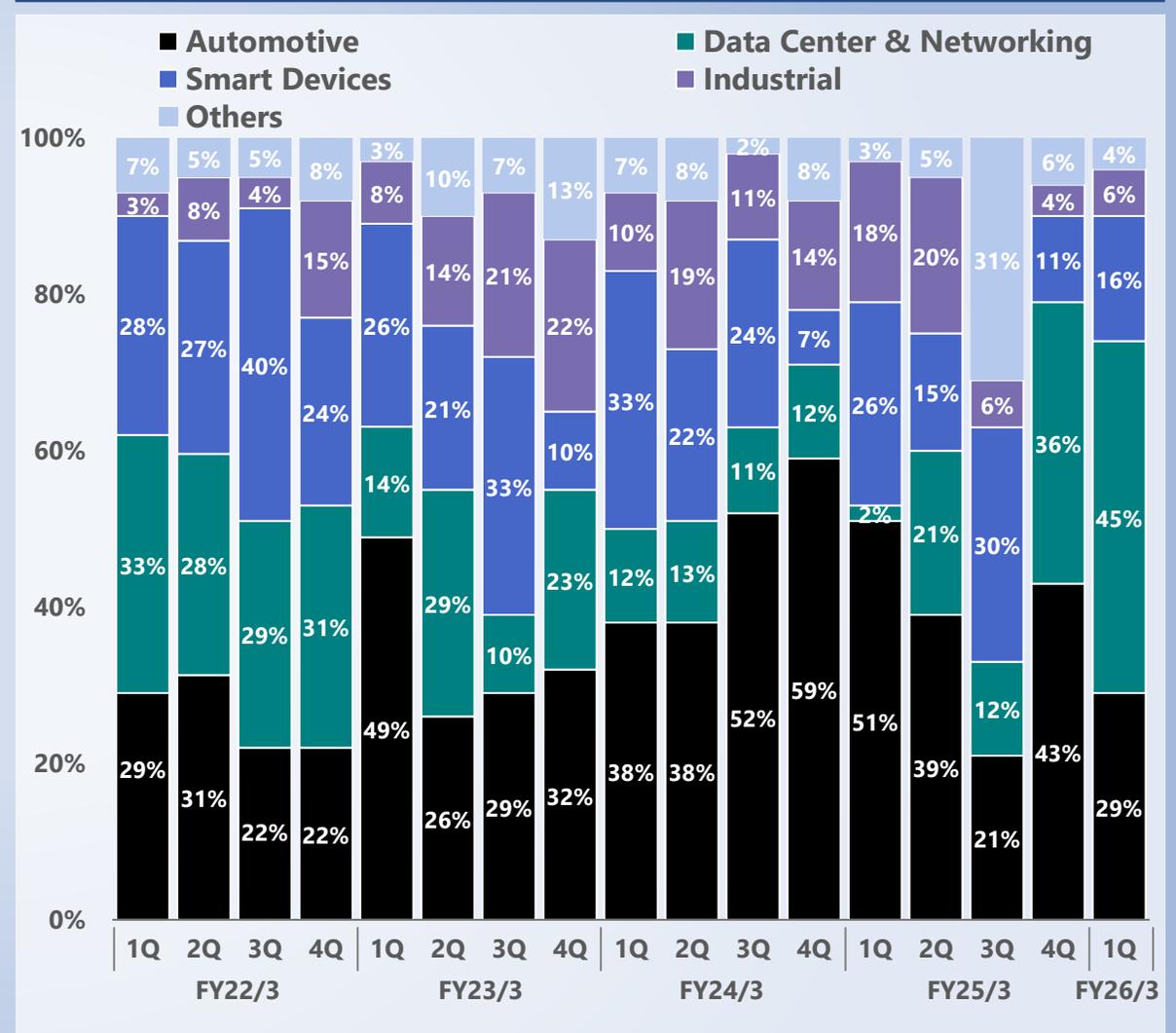
1. Cash on-hand and in banks include short-term investment securities.
2. Inventories are calculated as the sum of "finished goods" and "work in progress"

Breakdown by Application Market (Quarterly)

Net Sales¹



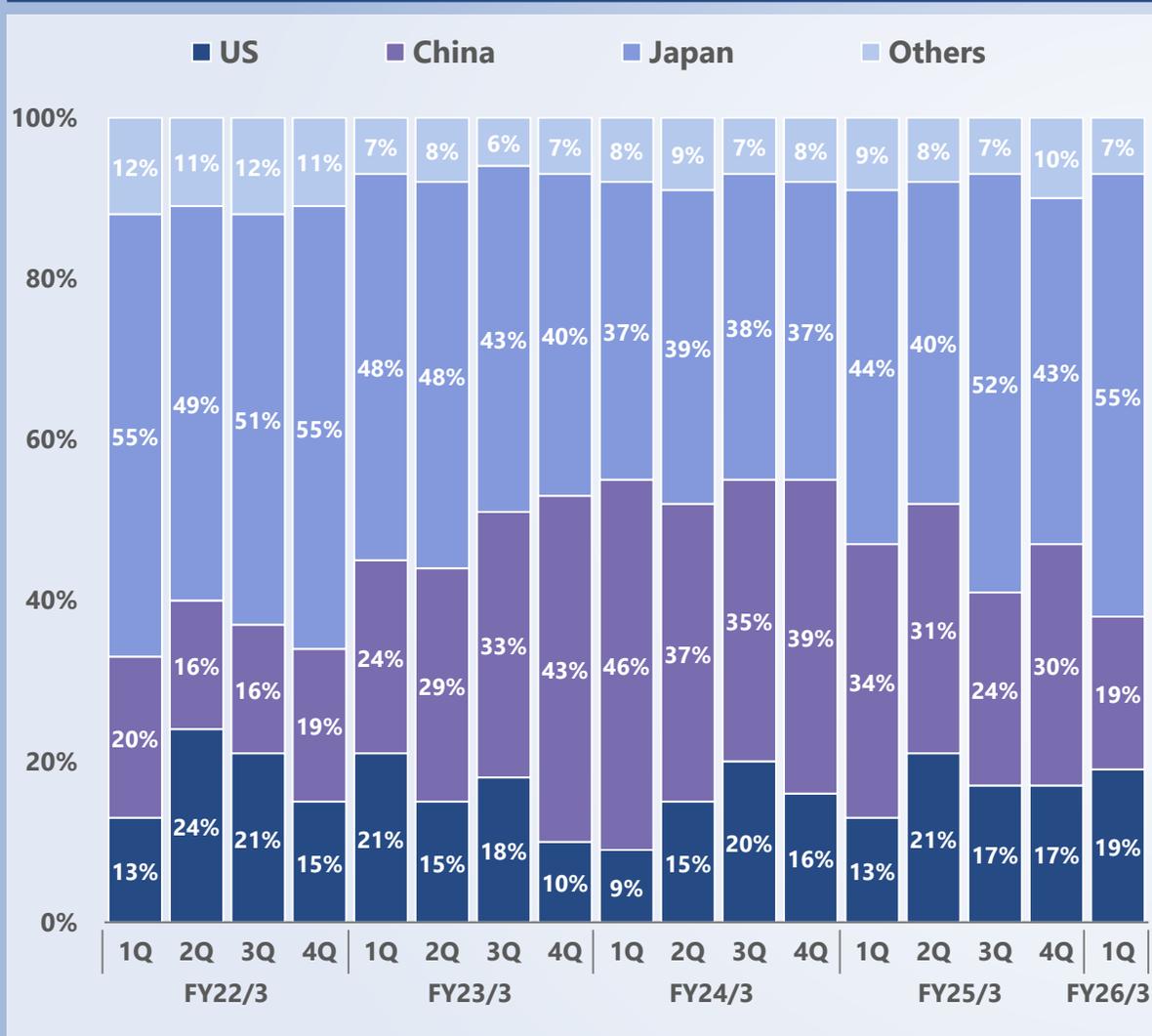
NRE Revenue¹



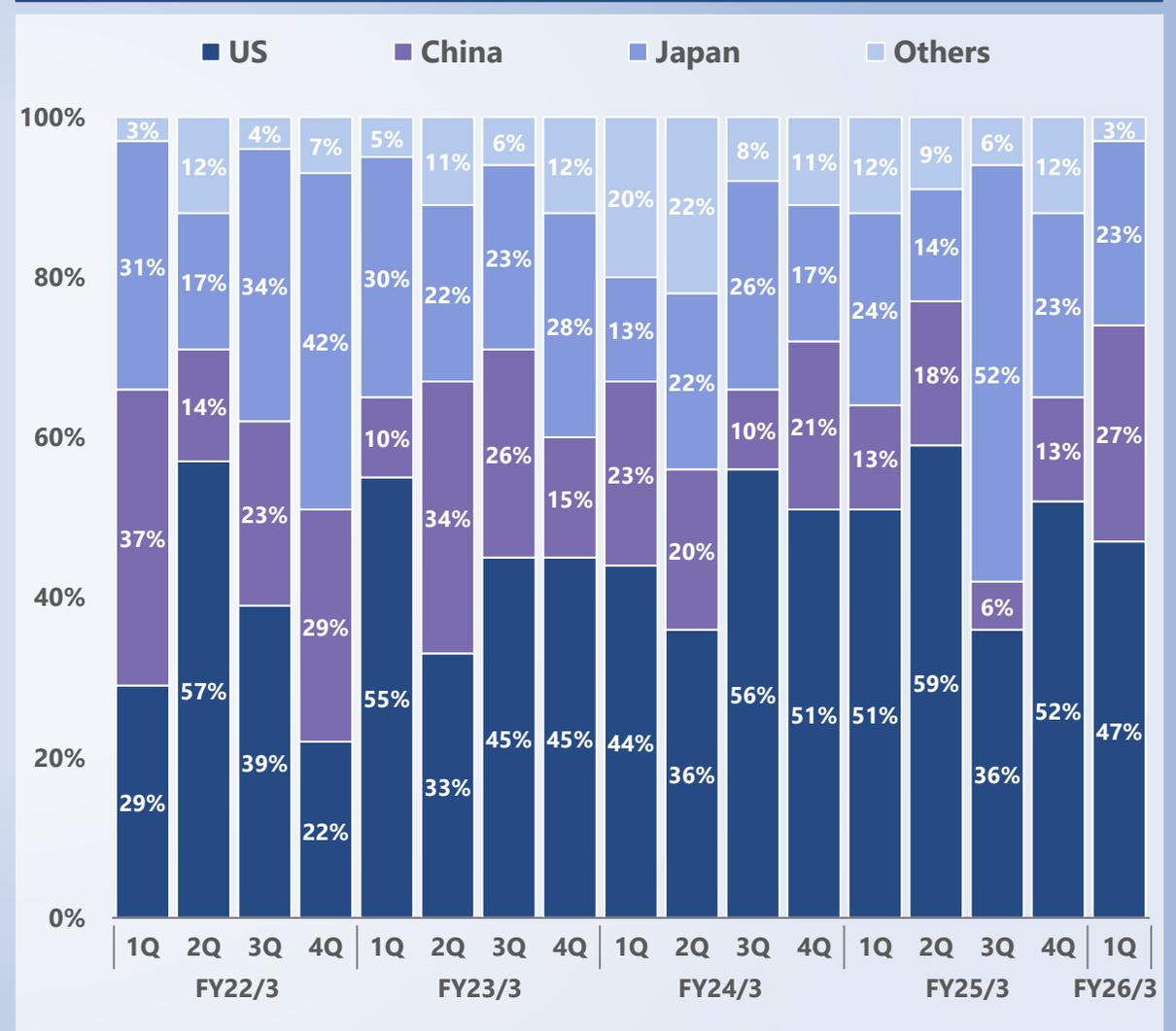
1. Quarterly percentage breakdowns are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.

Breakdown by Geographic Region (Quarterly)

Net Sales¹



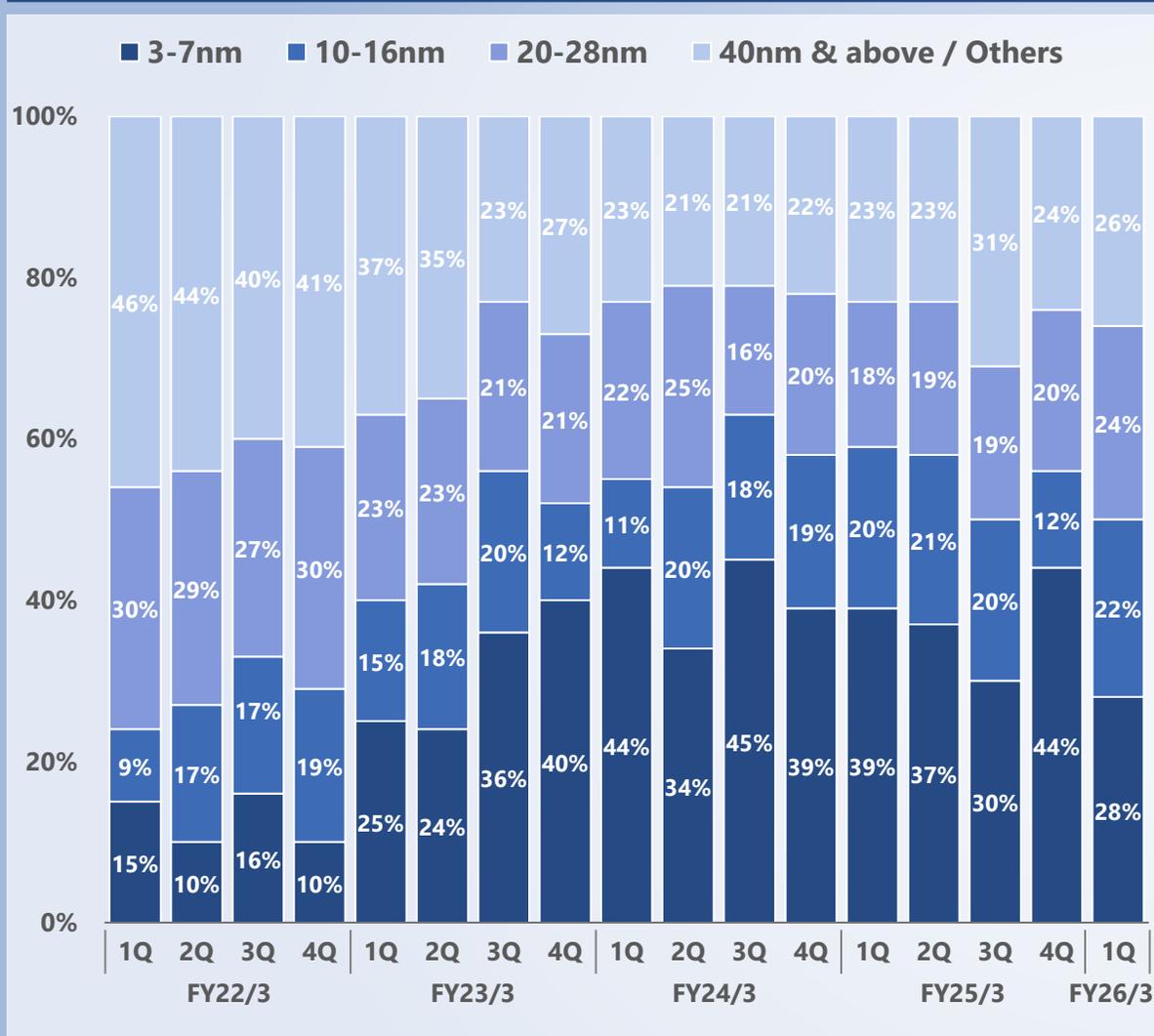
NRE Revenue¹



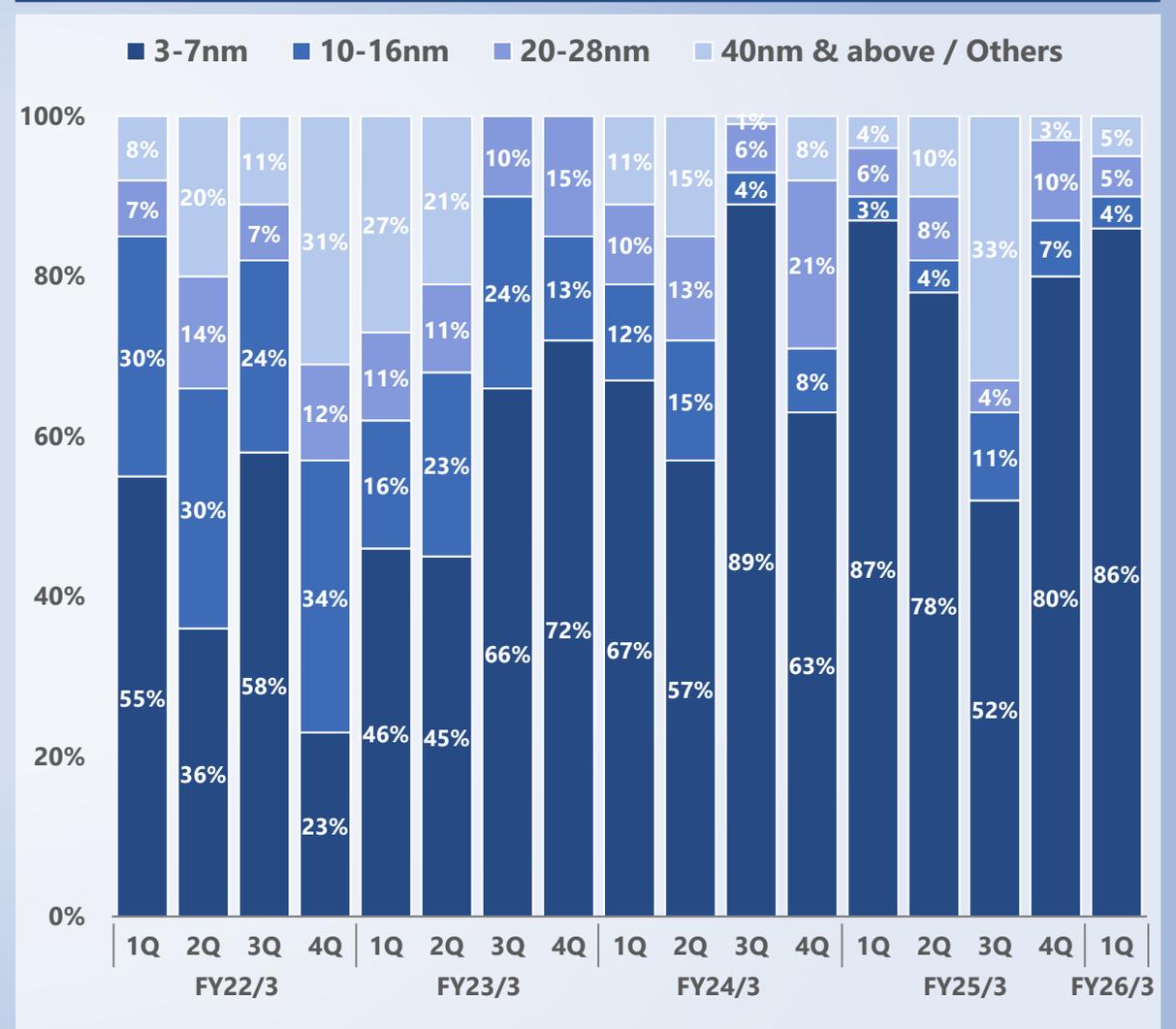
1. Quarterly percentage breakdowns are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.

Breakdown by Process Node (Quarterly)

Net Sales¹



NRE Revenue¹



1. Quarterly percentage breakdowns are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.



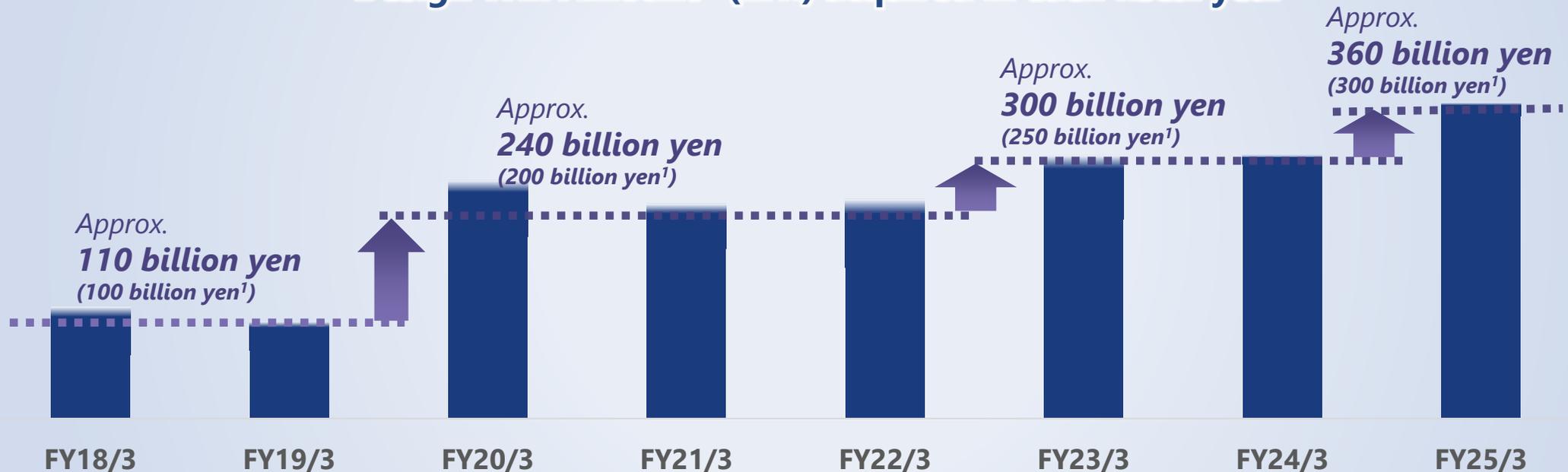
**Following slides are repeated materials
from FY2025/03 financial results presentation
(April 28, 2025)**



Strong Design Wins

- Design Win Amount has more than doubled through transformation since 2018
- Achieved level of 300 billion yen in FY23/3 and FY24/3
- FY25/3 amount expanded to approx. 360 billion yen

“Design Win Amount” (LTR) acquired in each fiscal year



The figures of "Design Win Amount" will not be updated based on subsequent changes in circumstances after the acquisition of such business opportunities. Such subsequent changes include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of a project after a design win. The possibility that projects that we have won may be cancelled cannot be ruled out. The impact of the subsequent changes after the design wins are acquired is reflected in Design Win Balance.

“Design Win Balance” represents the company’s estimates of the accumulated remaining “Design Win Amount” associated with projects that are active as of a particular date. The impact of subsequent events, including the abovementioned (1) and (2), is reflected to “Design Win Balance”. For example, projects corresponding to approximately 15% of the total of Design Win Amount from FY20/3 to FY25/3 were canceled after such projects started.

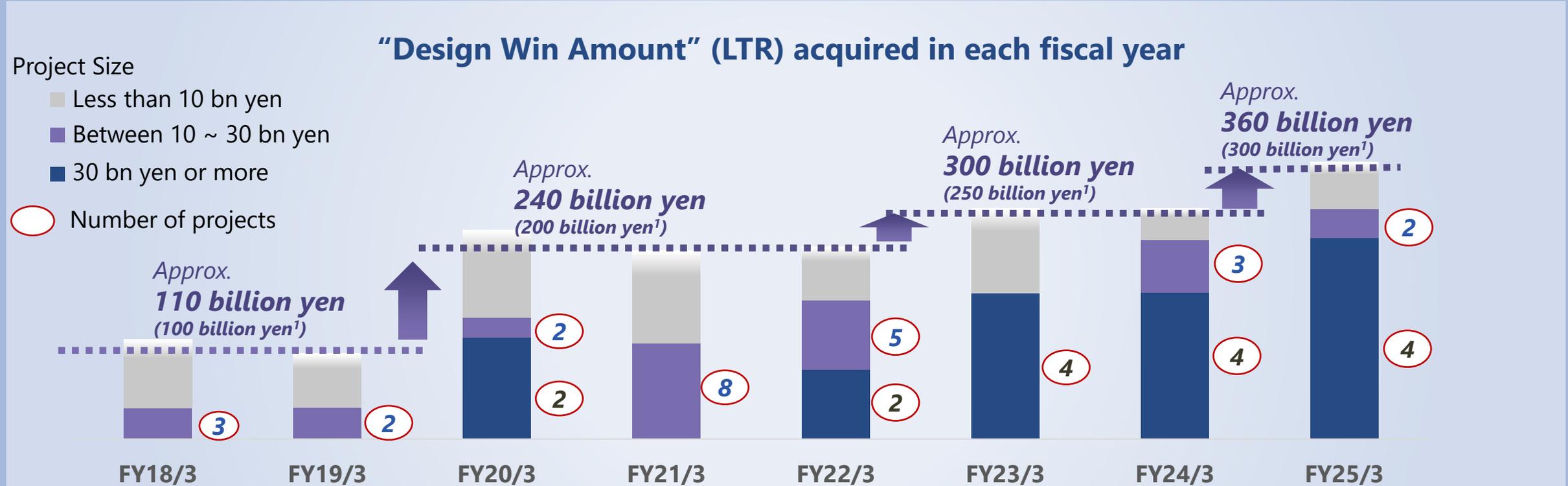
Up to recently, the impact of project cancellations has been offset by increases in the unit price and production volume of other active projects. However, as of the end of March 2025, **the sum of “Design Win Balance” and “revenues recorded from the projects that correspond to the current Design Win Balance” is becoming lower than the total of “Design Win Amount” of the relevant projects**, by several percent due in part of the cancellation of the automotive project in the US.

A foreign exchange rate of USD/JPY=120 is used in above graphs and drawings. Refer to page 3.

1. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

Large-Scale Design Wins Increasing

■ Proportion of large-scale Design Wins increasing



The figures of "Design Win Amount" will not be updated based on subsequent changes in circumstances after the acquisition of such business opportunities. Such subsequent changes include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of a project after a design win. The possibility that projects that we have won may be cancelled cannot be ruled out. The impact of the subsequent changes after the design wins are acquired is reflected in Design Win Balance.

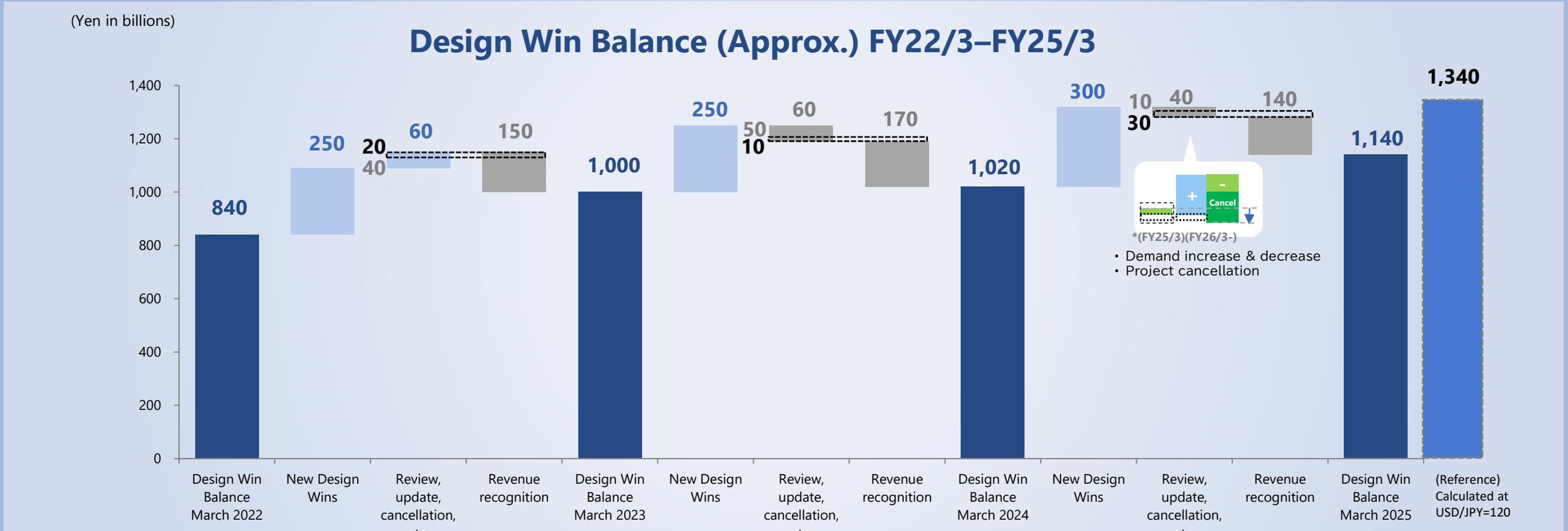
“Design Win Balance” represents the company’s estimates of the accumulated remaining “Design Win Amount” associated with projects that are active as of a particular date. The impact of subsequent events, including the abovementioned (1) and (2), is reflected to “Design Win Balance”. For example, projects corresponding to approximately 15% of the total of Design Win Amount from FY20/3 to FY25/3 were canceled after such projects started.

Up to recently, the impact of project cancellations has been offset by increases in the unit price and production volume of other active projects. However, as of the end of March 2025, **the sum of “Design Win Balance” and “revenues recorded from the projects that correspond to the current Design Win Balance” is becoming lower than the total of “Design Win Amount” of the relevant projects**, by several percent due in part of the cancellation of the automotive project in the US.

A foreign exchange rate of USD/JPY=120 is used in above graphs and drawings. Refer to page 3.
1. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

Design Win Balance: Breakdown of Changes

- Design Win Balance increased by approx. 10%, or 100 billion yen, with strong Design Wins, despite cancellations
- 60% of current Design Win Balance expected to be recognized as revenues in next four years



The figures of "Design Win Amount" will not be updated based on subsequent changes in circumstances after the acquisition of such business opportunities. Such subsequent changes include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of a project after a design win. The possibility that projects that we have won may be cancelled cannot be ruled out. The impact of the subsequent changes after the design wins are acquired is reflected in Design Win Balance.

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Up to recently, the impact of project cancellations has been offset by increases in the unit price and production volume of other active projects. However, as of the end of March 2025, the sum of "Design Win Balance" and "revenues recorded from the projects that correspond to the current Design Win Balance" is becoming lower than the total of "Design Win Amount" of the relevant projects, by several percent due in part of the cancellation of the automotive project in the US.

A foreign exchange rate of USD/JPY=100 is used in above graphs and drawings. Refer to page 3.

* [] indicates sales increase and decrease in FY25/3, corresponding to demand increase and decrease. Decrease includes shift to FY26/3-.

Design Win Balance: by Application Market and Region

■ By application market:

- Proportion of "Data Center & Networking" increasing, reflecting recent strong design wins
- Current breakdown of Design Win Balance by application market (approx.): 1/3 Automotive, 1/3 Data Center & Networking, and 1/3 the rest

■ By geographic region:

- "United States" increased slightly. Breakdown is well balanced, with "US", "Japan" and other regions including "China" each comprising approx. 1/3 of the total balance



1. "Geographic region" in this page is based on the location of Socionext's regional company that is in charge of the business.
 2. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

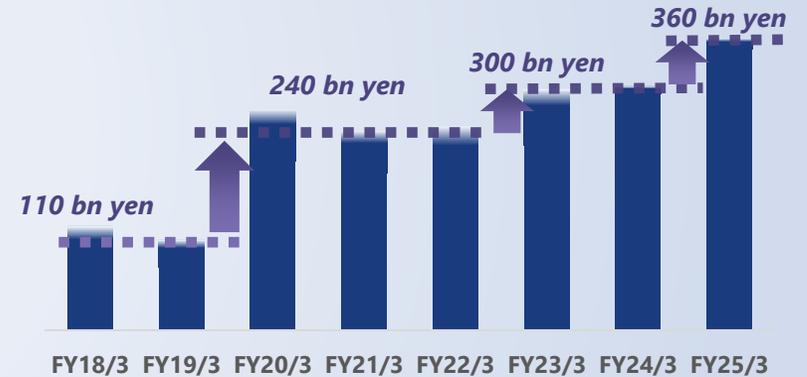
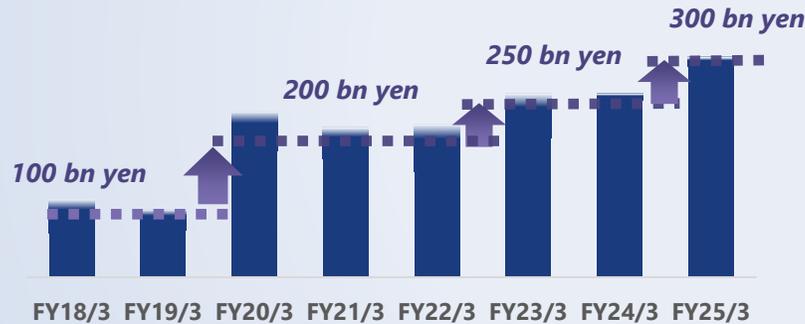
Revision of FX Rate Assumption for Design Win Amount and Design Win Balance Calculation

- Revised “internal management FX rate” from USD/JPY 100 to 120**
 - Internal management FX rate was introduced to manage net sales and profit of each project through its lifetime and company-wide net sales and profit across multiple fiscal years
 - The rate was defined conservatively at USD/JPY=100, based on company’s business structure in which profits increase when yen weakens
 - Decided to revise rate as deviation from actual FX rate has become significant
 - “Design Win Amount” and “Design Win Balance” figures will be disclosed based on the new rate (USD/JPY=120) from FY26/3 onward**
 - Impact of revision of “Internal management FX rate” on “Design Win Amount” and “Design Win Balance” as of March 31, 2025 is: +60 billion yen and +200 billion yen, respectively
- * Revision of “Internal management FX rate” will have no impact on Net Sales and Profit

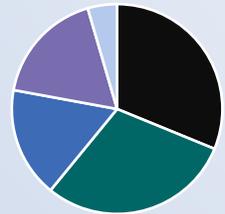
Previous (USD/JPY=100)

Revised (USD/JPY=120)

Design Win Amount



Design Win Balance (FY25/3)



by Application Market

Approx.
JPY **1.14 trillion**

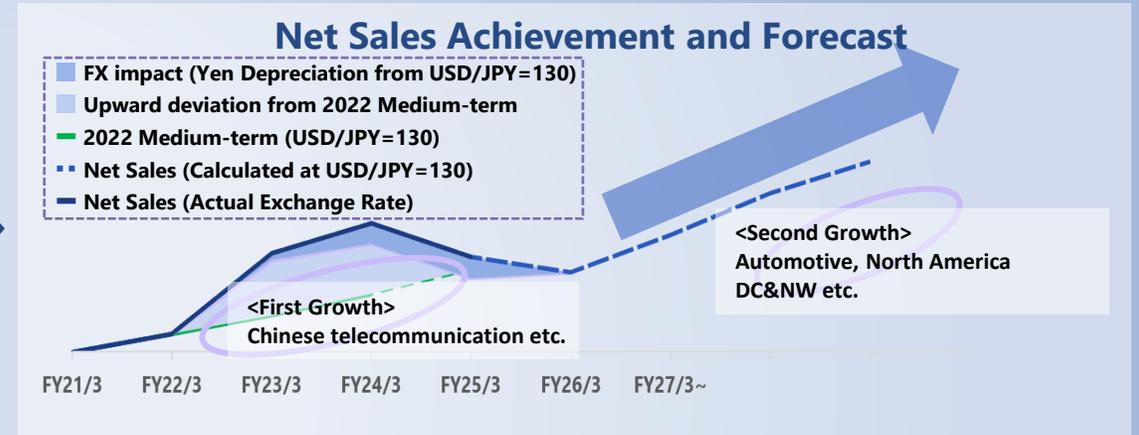
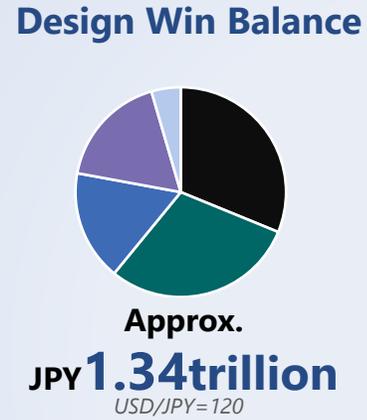
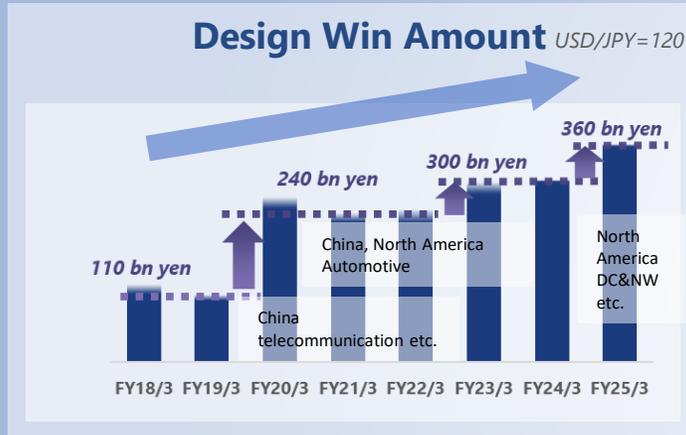


by Application Market

Approx.
JPY **1.34 trillion**

Growth Scenario to Date and Going Forward

- Growth and expansion based on Design Win Balance gained through First Transformation
- Strengthening R&D capabilities through Second Transformation



Strategy for Further Growth

- ✓ Reorganize and Strengthen R&D structure
- ✓ Investment in leading-edge technologies
- ✓ Strengthen and globalize corporate management

Engage in "Second Transformation" following "First Transformation" that led to "First growth"
(Business model and focus areas)

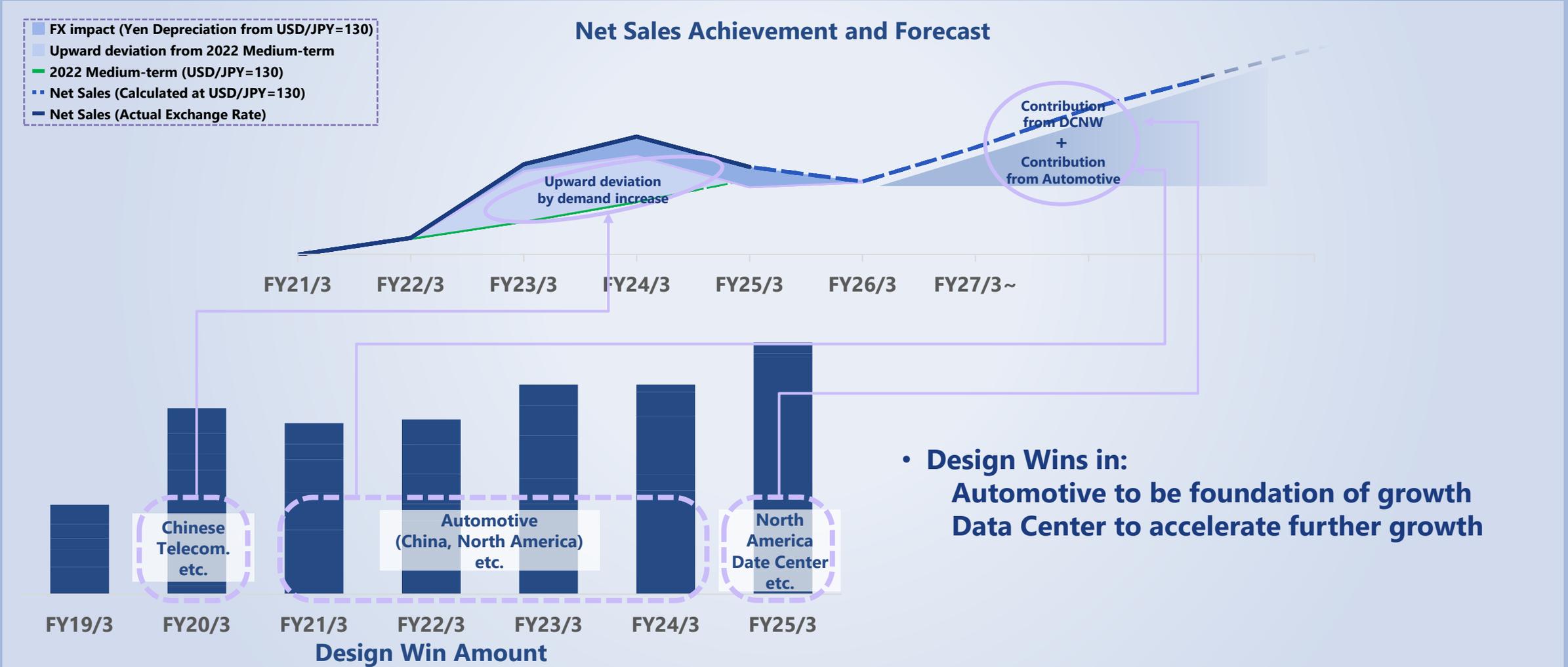
Drive Continuous Growth in Net Sales

and

Further Improve Operating Margin

Design Win and Net Sales

- Expansion of Design Wins to lead Net Sales growth as projects go through development phase and enter production
- Upward deviation in FY23/3-FY24/3 due to upfront demand from Chinese telecommunication business



Medium-Term Targets: Aiming for Future Growth

- **Net Sales:** Back onto growth track in FY27/3; Aiming for mid-teens% CAGR (excluding FX)
- **Operating Margin:** Aiming for mid-to-high-teens%, along with sales expansion and strengthening R&D competitiveness

Medium-Term Targets

	FY25/3 Result	FY26/3 Forecast	Medium-Term Targets	(Yen in billions)
Net Sales	188.5(170.0) USD/JPY=152.6 (130)	175.0 USD/JPY=130	CAGR Mid-teens %	
Operating Margin (Operating income)	13.3% (25.0 bn yen)	8.0% (14.0 bn yen)	Mid-to-High-teens %	

Medium-Term targets by real basis, excluding FX impact. USD/JPY=130 is used as FX assumption

Reference

Medium-Term Financial Targets (Announced September 2022)

	FY21/3	FY22/3	Medium-Term Target
Net Sales Growth	99.7 billion yen	117.0 billion yen	High-teens% CAGR
Operating Margin	1.6%	7.2%	Low-to-Mid-teens %

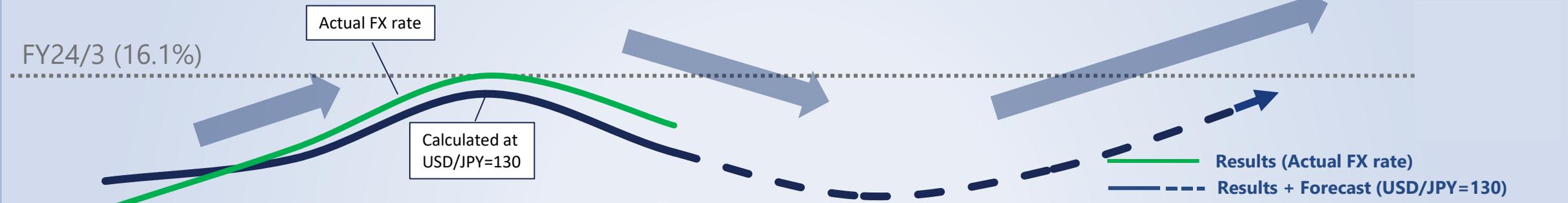
Financial Results

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3
Net Sales (billion yen)	99.7	117.0	192.8	221.2	188.5
FX Rate (USD/JPY)	106.1	112.4	135.5	144.6	152.6
Operating Margin	1.6%	7.2%	11.3%	16.1%	13.3%

Operating Margin Trend and Outlook for Future

- Operating margin expected to grow again in FY2027/3 and beyond, as product revenue increases

Operating margin trend after FY2022/3 (Calculated at USD/JPY=130)



	- FY23/3	FY24/3	FY25/3	FY26/3	FY27/3 -
Product Gross Margin	↓	↑	<ul style="list-style-type: none"> (+) Improvement due to indirect FX impact on procurement 	<ul style="list-style-type: none"> (-) Indirect FX impact on procurement becoming less (-) Changes in product mix/ mass production start of new products 	<ul style="list-style-type: none"> (+) Cost ratio improvement for products already in production (-) Mass production start of large-scale project / Production ramp-up of new products
R&D ratio	<ul style="list-style-type: none"> R&D ratio improved by increase in product revenue 	↑	<ul style="list-style-type: none"> (-) R&D expense increased by advance development and R&D team structure improvement 	<ul style="list-style-type: none"> (-) R&D expense to increase by advance investment for technology development 	<ul style="list-style-type: none"> (-) R&D expense to increase by advance investment for technology development (+) R&D and SG&A ratios to improve due to growth of product sales, while total R&D and SG&A expenses are on increasing trend
SG&A ratio	<ul style="list-style-type: none"> SG&A ratio improved by increase in net sales 	↑	<ul style="list-style-type: none"> (-) SG&A ratio increased by decrease in net sales, though total expenses decreased 	<ul style="list-style-type: none"> SG&A ratio to remain flat 	↑
FX rate (USD/JPY)	112.4	135.5	144.6	152.6	130.0

Arrows indicate direction of impact on OP margin

Expanding Business in Each Application Market

Smart Devices

- Demand for new technologies in smart devices area continues to be strong due to expanding use of AI
- Business opportunities active with advanced customers, in applications including computer vision, AR etc.
- Leverage Solution SoC business model and deliver bespoke SoCs required in most advanced applications

Automotive

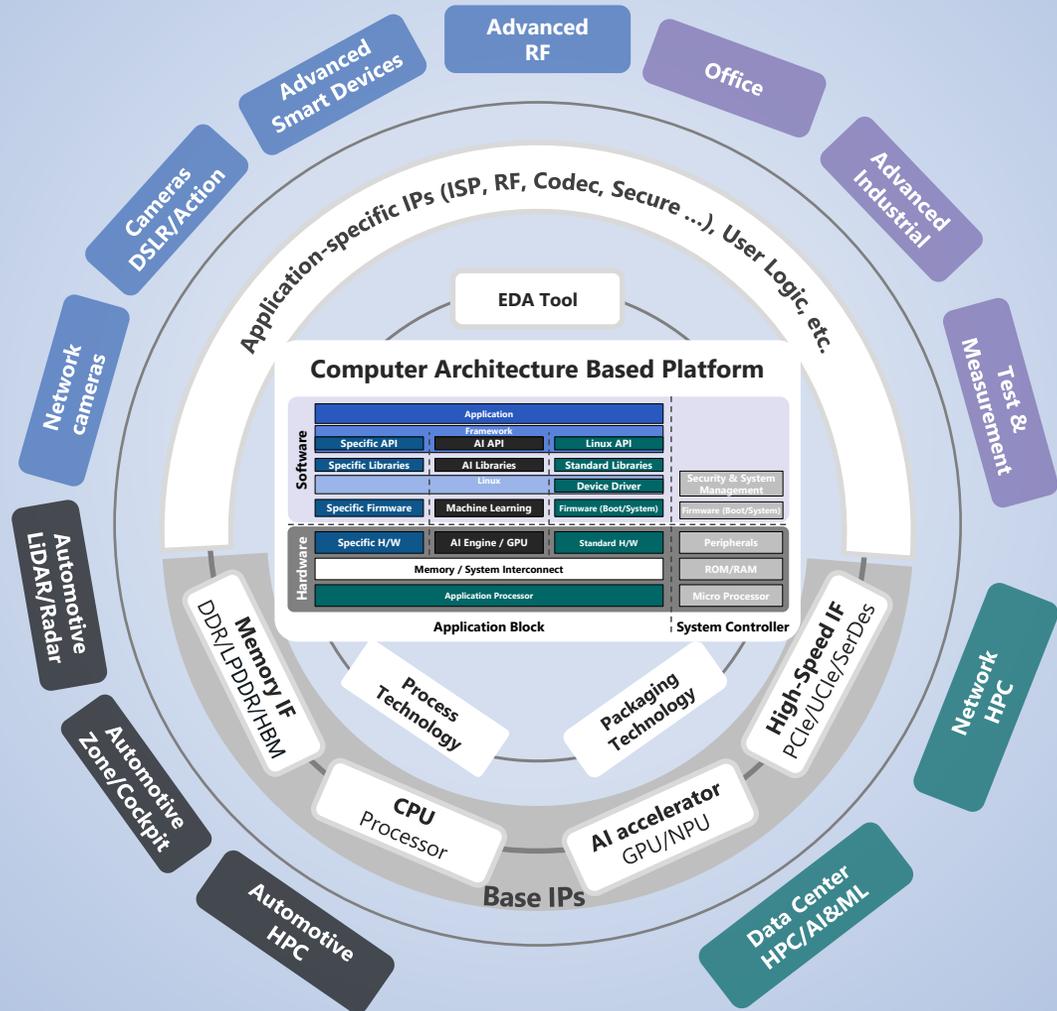
- Innovation continues for ADAS and AD
- Demand continue to be strong for HPC, as well as for zone computing and sensing
- Business opportunities remain active
- Involved in most advanced bespoke SoC projects in the world
- Mass production of 7nm and 5nm products will start in FY25/3 and FY26/3
- More opportunities for next-generation products expected in upcoming years from "Service-Oriented" and "New-School OEM" companies.
- New move by existing OEMs to seek bespoke SoCs
- Leverage Solution SoC business model and establish certain presence in the industry
- Pursue most advanced 3nm process nodes
- Continue investing in leading-edge technologies (Chiplet, 3D/5.5D packaging, 2nm...)

Industrial

- Demand expanding for Solution SoC business model with advanced technologies, due to expanding use of AI and networking
- Business opportunities increasing, for FA and measurement equipment, as well as for custom SoCs using RF-CMOS technologies
- There are moves to strengthen AI and CPU, integrating with application IPs and customers' existing IPs to develop new SoCs.
- Leverage Solution SoC business model and deliver bespoke SoCs with advanced process nodes, RF-CMOS technology, etc.

Data Center & Networking

- Demand expanding for Data Center & Networking, cloud service SoCs due to increasing demand for generative AI
- Hyperscalers CPU project ongoing; looking to use the project as a leverage to expand business in CPU, AI fields
- Acquired several design wins for AI SoCs in US and started development
- New design wins expected to expand in US
- Acquired design wins for switches and SSD-related products and network,
- Aim for business expansion with unique and distinctive "Solution SoC" business model with CPU development experience and expertise
- Continue pursuing leading-edge technologies and process nodes; strengthen and utilize "Entire Design" capability
- Strengthen partnership with IP vendors in the advanced area
- Strengthen R&D structure and capability in US and globally
- Continue investing in leading-edge technologies (Chiplet, 3D/5.5D packaging, 2nm,...)

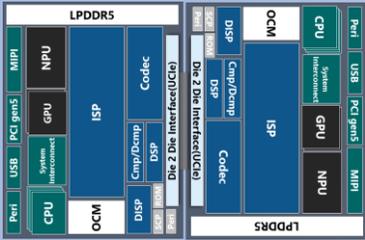


Advanced SOC Developments on Computer Architecture Basis in Diverse Fields

- Common development platform established as system configurations across major applications become similar towards computer architecture-based
- Address PPA optimization challenges due to design complexity such as chiplets, heterogeneous integration, thermal and reliability

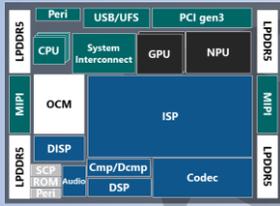
Smart Devices

Network Camera



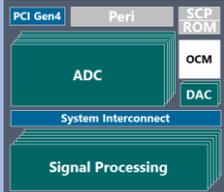
Chiplet / Homogeneous

Camera

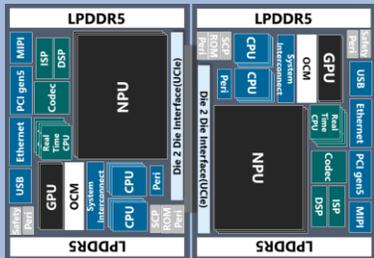


Automotive

LIDAR

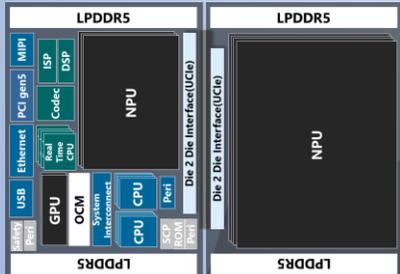


ADAS



Chiplet / Homogeneous

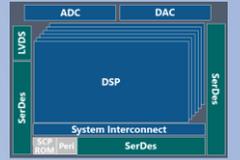
ADAS



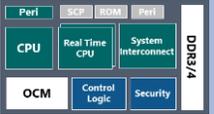
Chiplet / Heterogeneous

Industrial

Test & Measurement

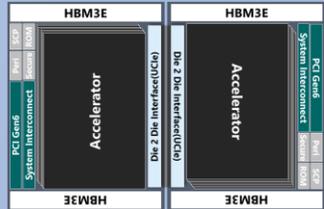


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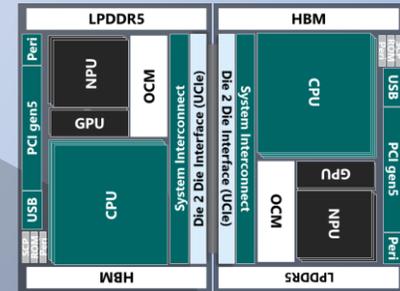
Data Center & Networking

AI Server Processor



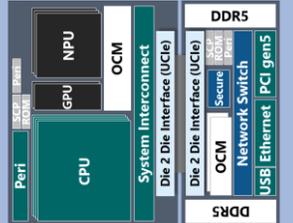
Chiplet / Homogeneous

Server Processor

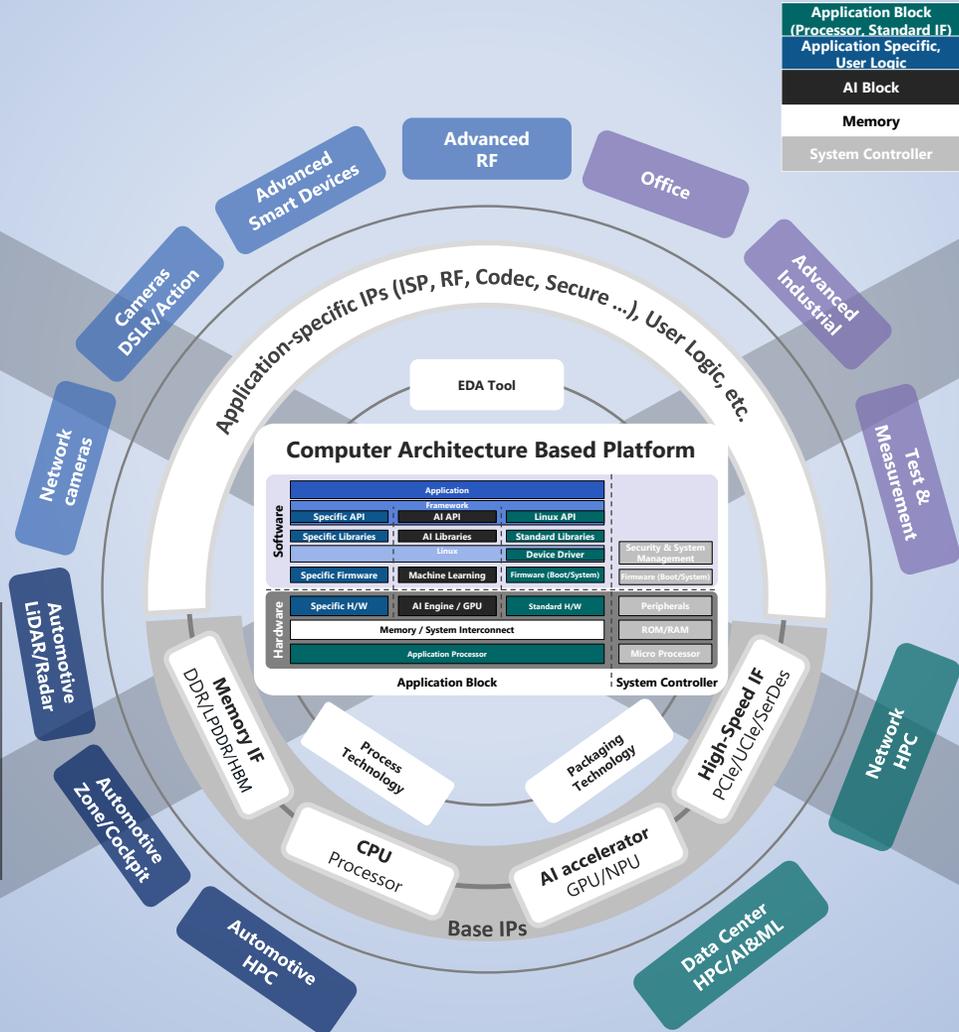


Chiplet / Homogeneous

Server Processor



Chiplet / Heterogeneous



1. Development cases in this page are mainly those in mass production or under development, but some are still in business negotiation stage.

Design Wins Expanding in Each Application Market

Smart Devices

5/7/12nm
DSLR/Action



5/7nm
Network cameras
AR

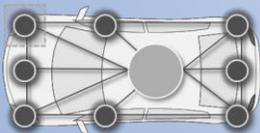


Automotive

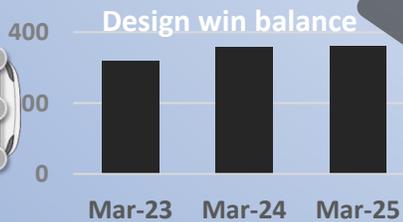
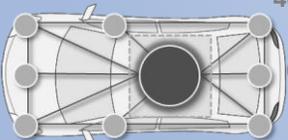
16/22nm
LiDAR / Radar / Camera



7/16/22nm
Zone Computing

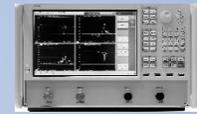


3/5nm
HP Computing



Industrial

5/7nm
Test & Measurement

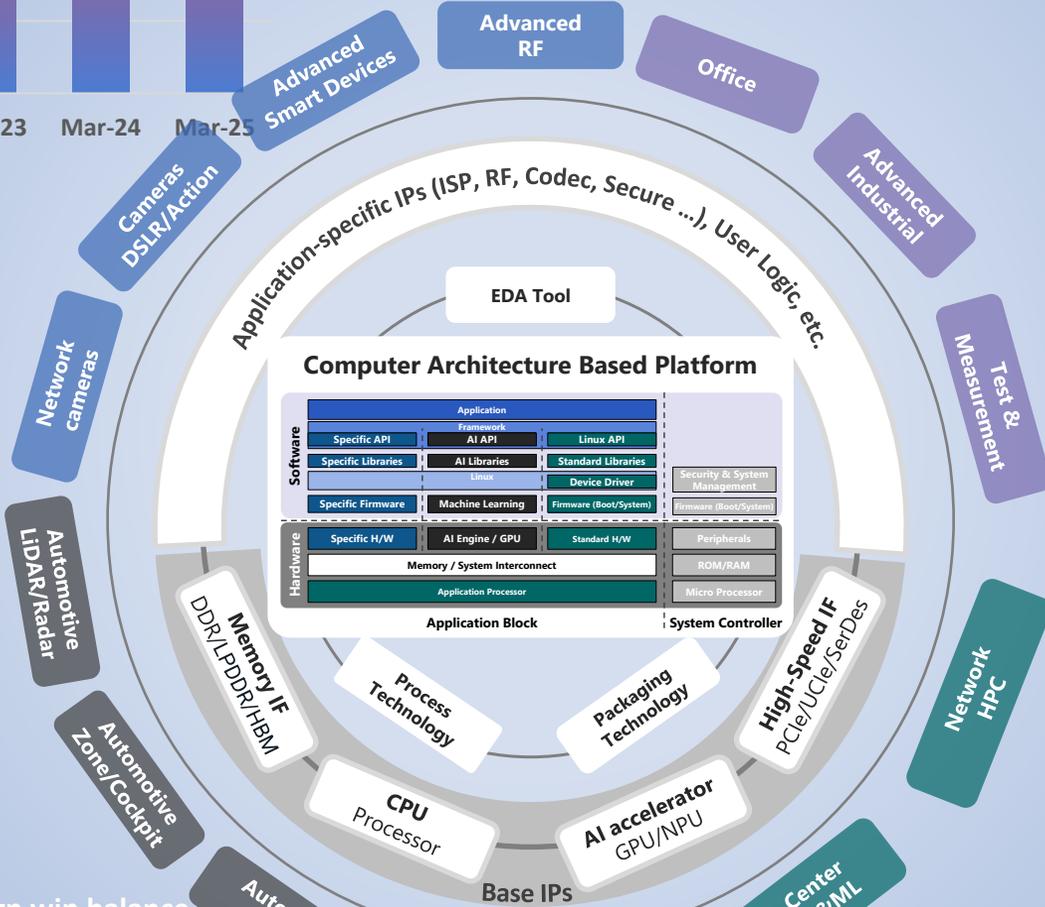
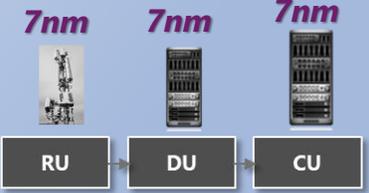
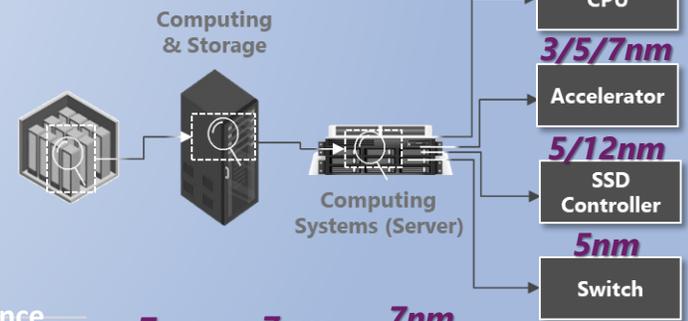


28nm
Printer



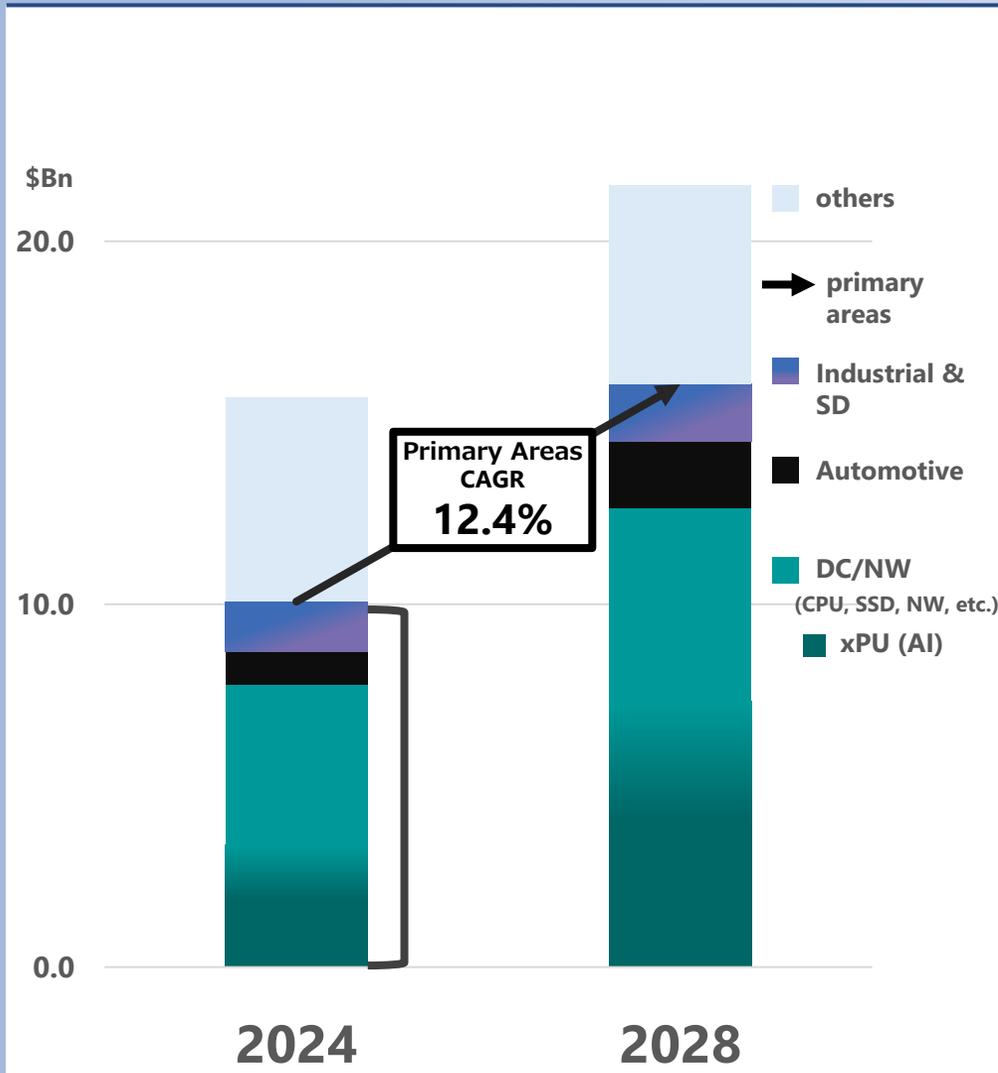
Data Center & Networking

Data Center



Growing Demand for Custom (Bespoke) SoCs

Socionext's SAM



Source: Omdia, and Socionext estimates

Background of increasing demand for custom SoCs and Solution SoC model

- Emergence of new services and applications**
 New services and applications emerge through evolution of technologies; Demand expands for optimized SoCs for such services and applications
- Bespoke vs ASSP**
 (1) In "More-than-Moore" era, demand is expanding from leading companies for unique SoCs with optimal design to achieve PPA requirement (2) Concerns on lock-in by ASSP vendors : More companies are not satisfied with ASSPs
- Evolution of SoC ecosystem**
 More competitive IPs and OSS are becoming market-available as SoC ecosystem evolves
- Design becoming more complex = Entire Design**
 More and more design challenges require "Entire Design" to cover architecture, system functions, thermal, assembly, testing, etc.
 "Entire Design" is becoming even more important in areas such as data center and automotive, where most advanced technologies are required
- Into era of 3D and chiplets**
 Chiplet (Homogeneous to Heterogeneous), packaging technology and process node (2nm / 1.x nm) continue to evolve
 Evolutions in various areas further intensify the complexity of design
- New needs in various application markets**
 Even in areas that have been served by traditional ASICs, more customers turn to Solution SoC type of development to achieve advanced functionalities, which require integration of various IPs and processors

Market Trend / Background of FY2026/3 Forecast / Outlook for FY2027/3 & Beyond

Market Trend & Design Win Status



Automotive

- Innovation continues for AD/ADAS technologies and services
- AI is accelerating the innovation, expanding use of advanced SoCs in automotive market
- Competitions becoming more intense among service-oriented companies, new-school OEMs as well as traditional OEMs, Structural change in the automotive industry



Data Center & Networking

- Significant expansion of data center processing capacity due to factors including the emergence of generative AI
- Business opportunities increasing for custom SoCs, as demand for differentiation grow further in CPU, xPU (AI) etc.
- Needs for larger-scale design, adoption of advanced technologies (such as 2.5D and 3D)



Smart Devices

- AI driving demand for new technologies
- Projects continuing with advanced customers in applications including computer vision
- Demand remaining high for value-added products for video analysis solutions etc.



Industrial

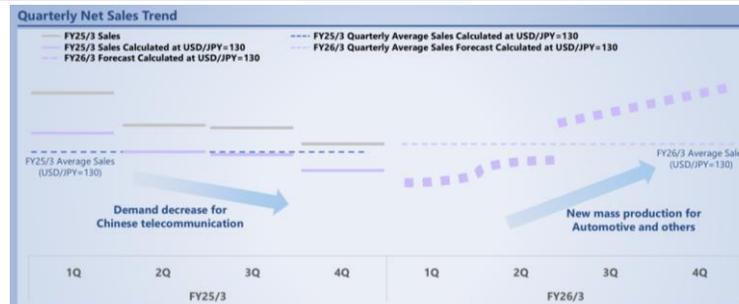
- Demand expanding for Solution SoC business with advanced technologies, in applications such as use of AI and networking
- Business opportunities increasing for large-scale SoCs for testers incorporating AI.
- Seeing steady demand for FA, RF-CMOS SoCs

Design Wins Trend:

Demand for Custom SoCs expanding as innovative products and services emerge, SoC design become more complex and SoC ecosystem evolves

- Aiming large-scale opportunities with main focus in DC&NW, Automotive, to achieve Design Win Amount at the same level as FY25/3.

FY2026/3 Forecast



Net Sales expected to increase slightly year-on-year, in real terms excluding FX impact

Product Revenue

- Decrease will continue in 1st half due to inventory adjustment at customers. 1Q results may be lower Q on Q, but that is expected to be the bottom
- Growth is expected in 2Q and after as new mass production will start for automotive and in other areas.

NRE Revenue

- NRE sales are expected to remain at the same level as FY25/3 or to slightly increase, although we see the upward trend due to new design wins in focus areas

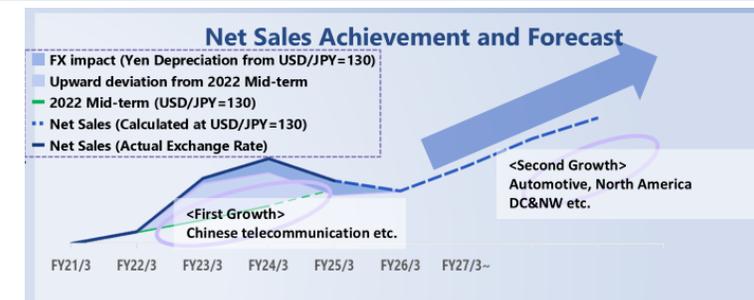
Operating Income

- Operating income in FY26/3 full year will be lower than in FY25/3. Factors include increase in R&D expenses due to aggressive advance investment, worsening in cost rate due to expansion of new mass production, and FX impact. Improvement expected from 2nd half of FY26/3 as net sales increase.

<FX assumptions>

- FX rate : USD/JPY=130
- FX sensitivity:
Net Sales = 1 bn yen / Operating Income = 0.3 bn yen

FY2027/3 & beyond Outlook



Product Revenue

- FY27/3 : Expansion expected to continue in AD/ADAS SoC projects. In addition to the project that will enter production in FY26/3, new mass production of multiple products expected to start
- FY27/3 2nd half: Expansion expected due to start of mass production for the US Data Center project
- FY28/3 and beyond: Expansion also expected due to start of mass production for projects acquired in FY23/3-FY25/3

NRE Revenue

- Sustained increase is expected

Operating Income

- Product cost ratio is expected to remain unchanged (or slightly improve or deuterate) overall. There will be mass production of new products (which will worsen cost ratio), but also improvement for products already in production.
- Operating margin is expected to improve due to operating leverage from increase of sales, although aggressive advance investment will continue.

Aggressive investment in leading-edge technologies for further growth

Accelerate "Growth-Oriented" management

Aggressive Advance Investment

Emergence of new services and applications utilizing AI / Evolution of SoC ecosystem across wide range

→ Innovative companies are looking for SoC partner with “Entire Design” capability

→ Need for advance investment for “Entire Design” and “Complete Service”

< Market Trends and Requirements >

New services and applications

New services and applications emerge through evolution of technologies;
Demand expands for optimized SoCs due to expanding use of AIs for such services and applications

Design complexity / Entire Design

Architecture and system design through layers including functional, thermal, assembly and testing are becoming increasingly important as difficulties increase for “Entire Design”

“Entire Design” is becoming even more important in areas such as data center and automotive, where most advanced technologies are required

- More than Moore
ASSPs not satisfactory as PPA no longer improves at conventional pace in the “More than Moore” era, and there are lock-in concerns
- 3D and Chiplet
Chiplet (Homogeneous to Heterogeneous), packaging technology and process node (2nm / 1.x nm) continue to evolve

Design Process Efficiency

Efficiency improvement of design process by implementing AI

Evolution of verification and testing technologies for efficiency improvement

<Investment to realize “Entire Design” & “Complete Service”>

Leading-edge technologies

Utilizing leading-edge technologies in new application areas (strengthening relationship with partners and innovative customers)

2nm & beyond / Chiplet (3D/5.5D)

Promoting development and testing for 2nm node and beyond, in combination with chiplet technologies

Implementing advanced packaging technologies: 3D and new die-to-die connection

- 3D/5.5D technologies
- High-reliability analysis technology for new package and assembly, including testing, thermal analysis and on-die analysis

Utilizing AI for SoC design

Collaborate with EDA vendors to incorporate AI into SoC design processes proactively

Partnership with ecosystem companies

Expand and accelerate collaboration with global SoC ecosystem partners

Strengthening “Entire Design” Capability / Fundamental Reform of Global Structure

April 2025~: Further expansion as “Global Leading Group”

Fundamental reform of global organizational structure

Establish global co-lead structure COO H.Yoshida (Japan) / CTO&EVP R.Cheema (US)

- Make organization truly global

Strengthen “entire design” capability

- Strengthen capability to handle large-scale, leading-edge development projects in parallel
- Invest aggressively in leading-edge technologies
- Fully utilize high-skill engineering teams that cover wide range of functions (SoC architecture, software, verification, test, package, thermal, etc.)

Building a global and competitive R&D structure

Build global R&D Structure

Make full leverage of high-skill engineers in wide areas

- Integrate engineer teams in Japan and other regions (mainly US)
- Acquire high-skill engineers globally
- Allocate more engineers to leading-edge projects >>> Further reinforce high-skill engineers in all regions

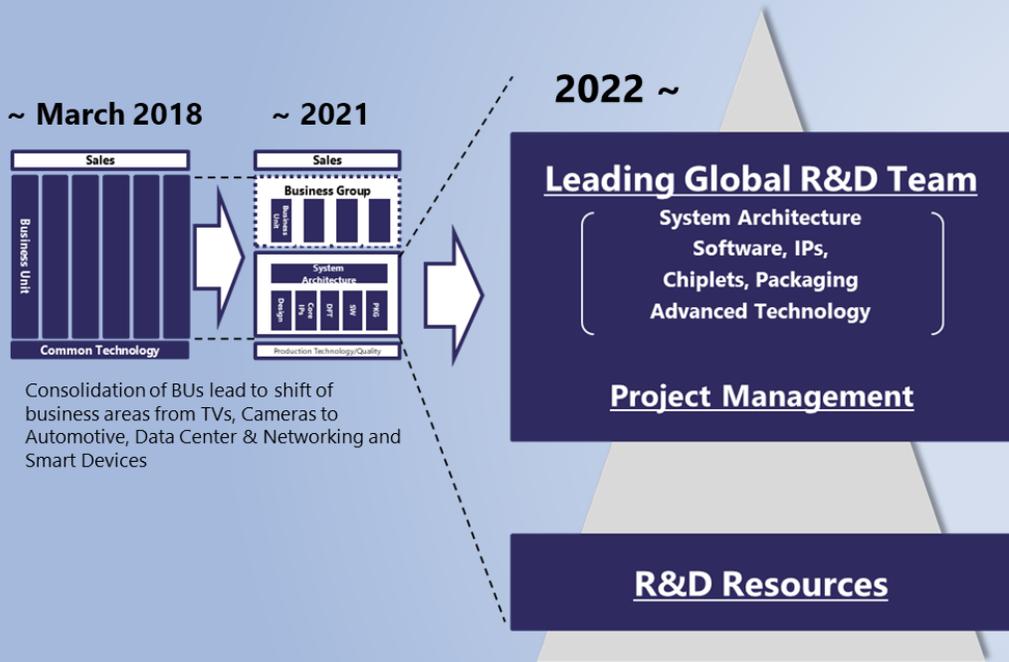
Strengthen global project management structure

- Strengthen collaboration of Japan and local PMs

Building a global resource management structure

Resource management (including outsourcing)

- Opened office in India, operating and strengthening internal and external resources under management of U.S. subsidiary



New stock-base compensation system

To attract and secure talented engineering and management personnel, The company will acquire treasury stock, considering the possibility of using the shares to be granted

Establish and strengthen structure to enable development of multiple products in multiple areas, aligned with Solution SoC business model

New Executive Structure

April 2025~: Started new executive structure for sustainable growth

Announced February 2025

M. Koezuka, CEO

H. Yoshida, COO

Y. Yoneyama, EVP&CFO



CEO, COO, CTO and Chief Architect constitute the Global Technology Strategy Steering Members

EVPs not in this chart:

- T. Saito: Vice Head of Development Group
- M. Nakajima: Vice Head of Automotive BU in Business Group
- S. Ando: In charge of finance and accounting in the Corporate Group
- Y. Hayashi: Continue as president of Socionext America

“Design Win Amount” to Revenue / Illustrative Description of “Design Win Balance”

“Design Win Balance¹” . . .

“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

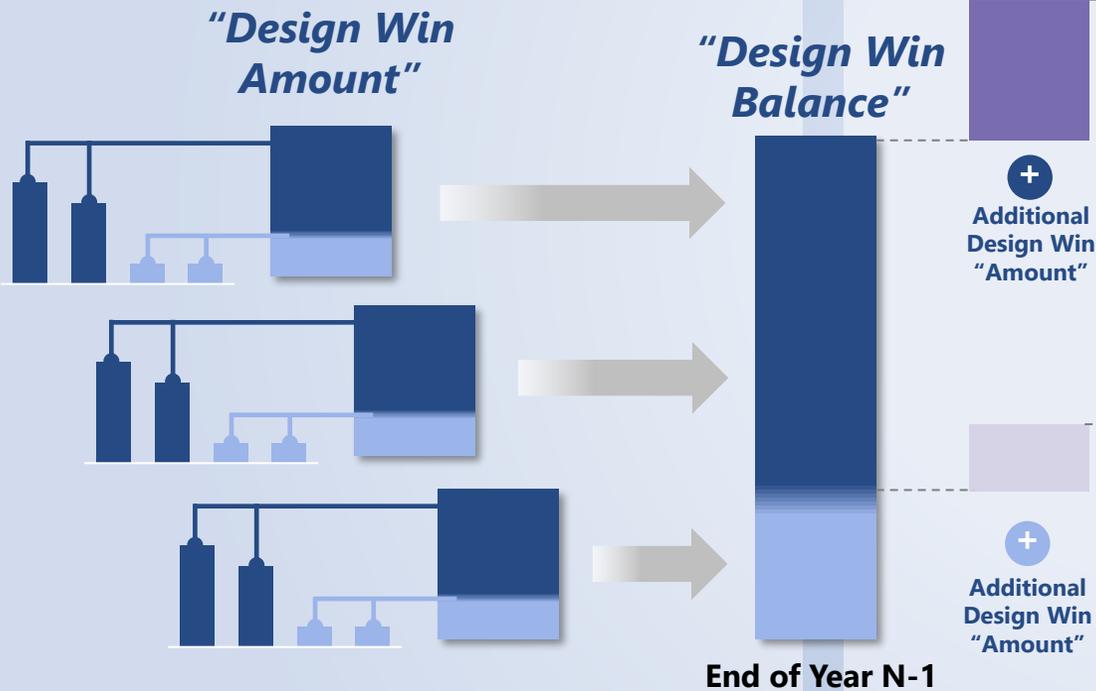
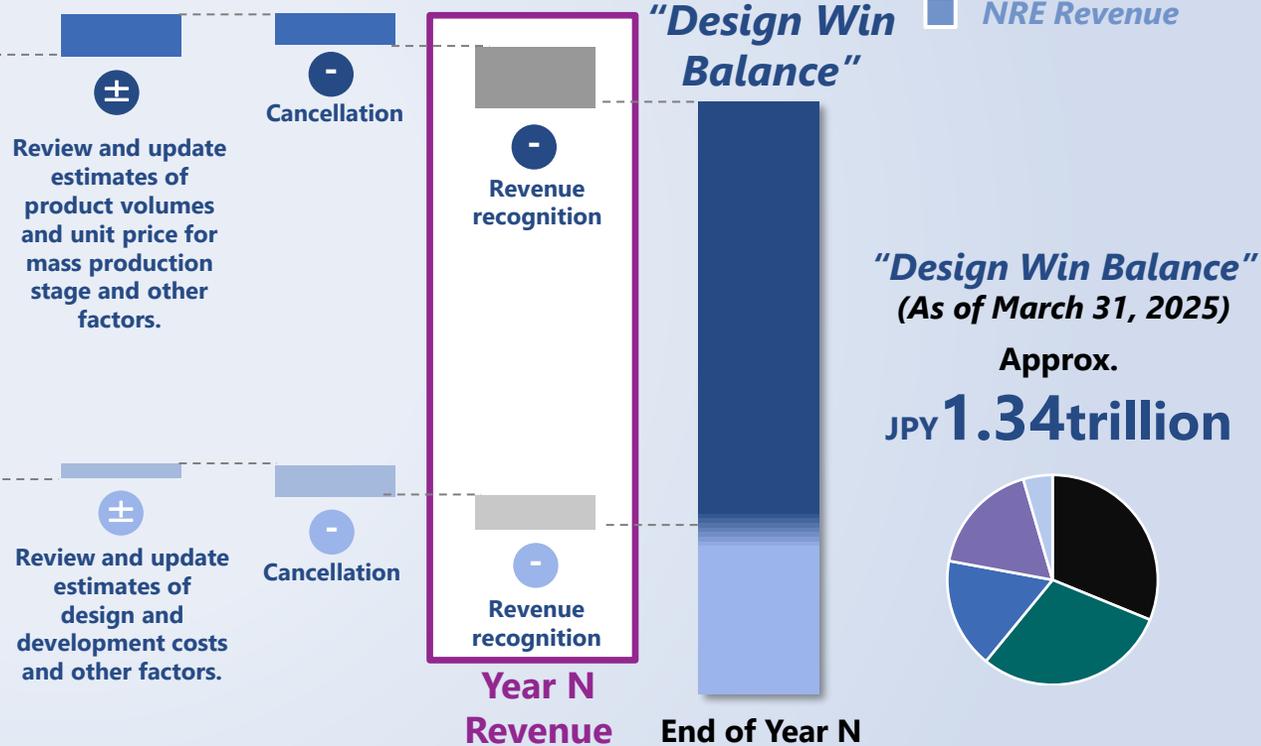


Image of Change in “Design Win Balance”²



The figures of “Design Win Amount” will not be updated based on subsequent changes in circumstances after the acquisition of such business opportunities. Such subsequent changes include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of a project after a design win. The possibility that projects that we have won may be cancelled cannot be ruled out. The impact of the subsequent changes after the design wins are acquired is reflected in Design Win Balance.

“Design Win Balance” represents the company’s estimates of the accumulated remaining “Design Win Amount” associated with projects that are active as of a particular date. The impact of subsequent events, including the abovementioned (1) and (2), is reflected to “Design Win Balance”. For example, projects corresponding to approximately 15% of the total of Design Win Amount from FY20/3 to FY25/3 were canceled after such projects started.

Up to recently, the impact of project cancellations has been offset by increases in the unit price and production volume of other active projects. However, as of the end of March 2025, the sum of “Design Win Balance” and “revenues recorded from the projects that correspond to the current Design Win Balance” is becoming lower than the total of “Design Win Amount” of the relevant projects, by several percent due in part of the cancellation of the automotive project in the US.

A foreign exchange rate of USD/JPY=120 is used in above graphs and drawings. Refer to page 3.

Timeline from Design Win to Mass Production / Illustrative Description of “Design Win Amount”

“Design Win Amount¹” . . .

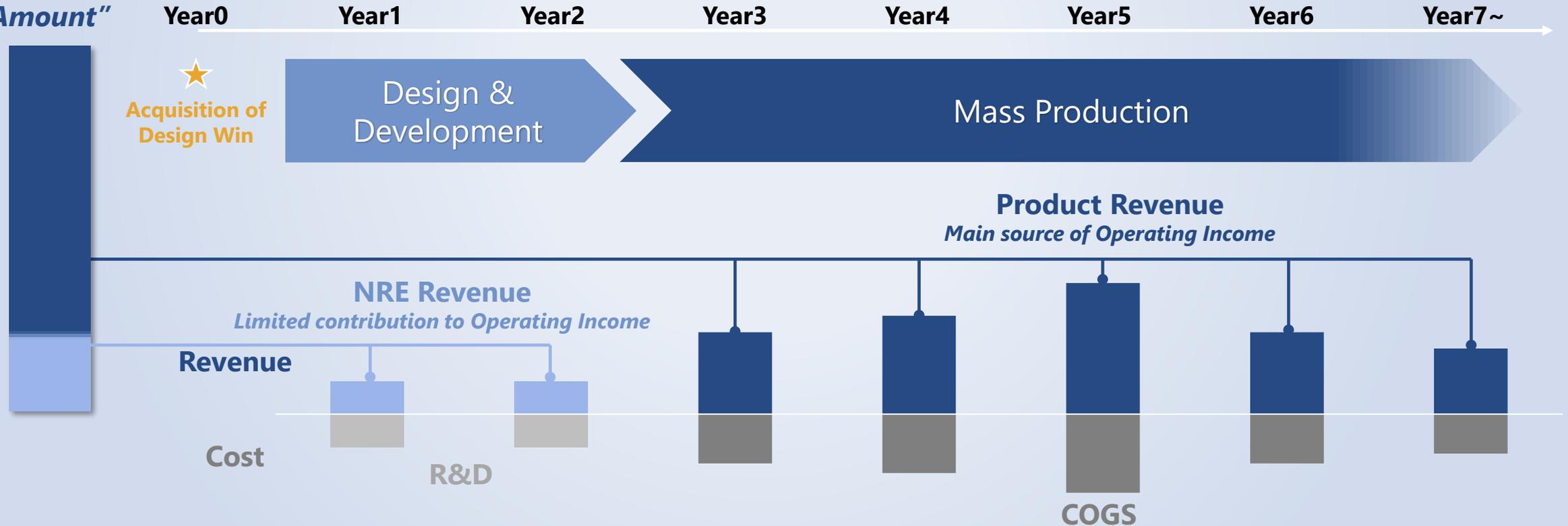
“Design Win Amount” represents estimate of the lifetime demand from design projects. “Design Win Amount” is divided into NRE-based and product-based amounts. “Design Win Amounts” are expected to contribute to product revenue once projects progress to the mass production stage of the project lifecycle.

“Design Win Amount” is calculated in accordance with prudent procedures as below

- Each “Design Win Amount” is estimated based on assumptions such as per-unit prices and estimated future product sales volumes, not on sales forecasts provided by customers¹
- A foreign exchange assumption of 1USD=120JPY has been used

Illustrative Timeline from Design Win to Mass Production²

“Design Win Amount”

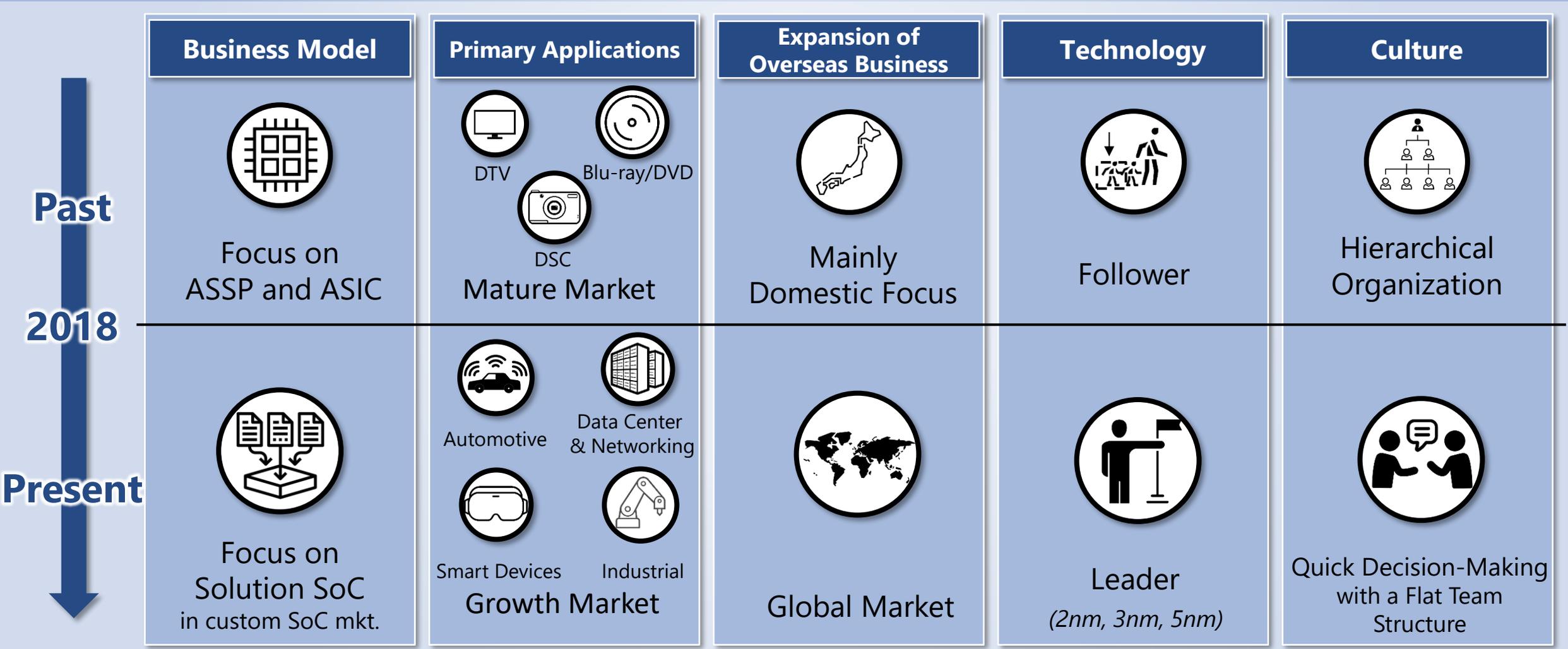


1. Refer to slide 3

2. For illustrative purposes only. The actual timeline of product development to mass production may differ materially based on the product and actual customer demand

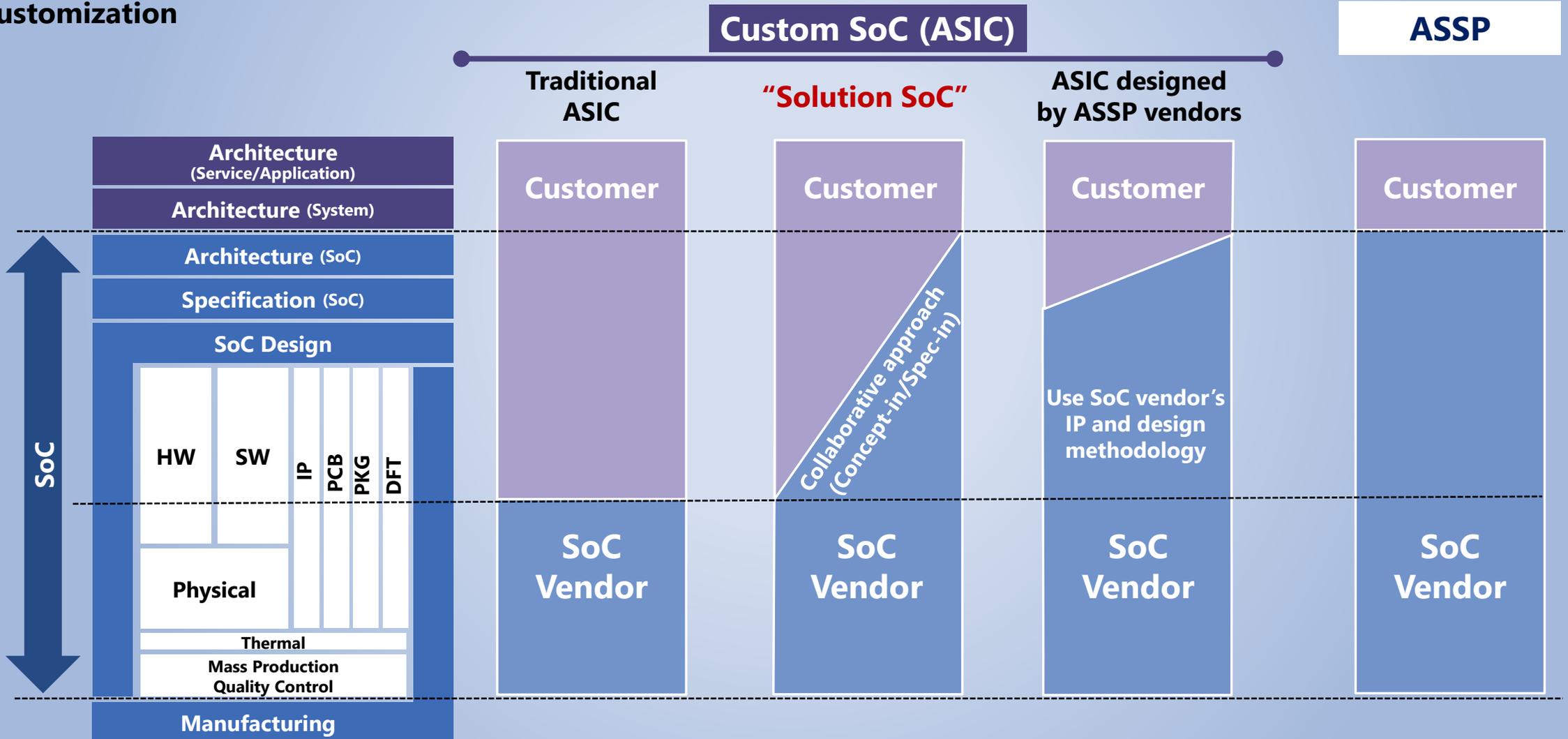
Transformation into Global Custom SoC Company in Advanced Technology Areas

- Through transformation of business and company culture, Socionext has turned into global leading custom SoC company with new and distinctive "Solution SoC" business model



Features of Solution SoC Business Model

- The primary difference between “traditional ASIC” and “Solution SoC¹” is how to interface with customers
- The primary difference between “Solution SoC” and “ASIC designed by ASSP vendors” is the breadth of optional customization



1. This slide is an image based on the company's recognition.

socionext™

The Solution SoC Company