

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Consolidated Financial Results for the 6 Months Ended September 30, 2025 (Based on Japanese GAAP)

October 31, 2025

Company name: Socionext Inc. Stock exchange listing: Tokyo
Code number: 6526 URL: <https://www.socionext.com/en/>
Representative: Masahiro Koezuka, Representative Director, Chairman and CEO
Contact person: Hiromasa Nakajima, General Manager, Public Relations & Investor Tel: +81-45-568-1000
Relations Office
Scheduled filing date of semi-annual securities report: November 14, 2025
Scheduled dividend payment date: November 26, 2025
Supplementary material: Yes
Financial results presentation: Yes (for institutional investors and analysts)

(Monetary amounts are rounded to the nearest millions of yen)

1. Consolidated financial results for the 6 months ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(1) Consolidated financial results (Percentage represents change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
6 months ended September 30, 2025	87,209	(12.1)	3,767	(75.8)	2,792	(80.9)	2,058	(82.2)
September 30, 2024	99,181	(15.2)	15,556	(16.7)	14,637	(28.4)	11,586	(24.2)

Note:

Comprehensive income: 6 months ended September 30, 2025: 2,190 million yen [(80.1) %]
6 months ended September 30, 2024: 10,986 million yen [(32.7) %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
6 months ended September 30, 2025	11.70	11.63
September 30, 2024	64.70	64.00

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	168,130	129,967	77.3
March 31, 2025	170,312	137,046	80.5

Reference: Shareholder's equity: As of September 30, 2025: 129,967 million yen As of March 31, 2025: 137,046 million yen

2. Dividends per share

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Year ended/ending	Yen	Yen	Yen	Yen	Yen
March 31, 2025	-	25.00	-	25.00	50.00
March 31, 2026	-	25.00			
March 31, 2026 (Forecast)			-	25.00	50.00

Note: Revision of the latest dividends forecast: No

3. Consolidated earnings forecast for the fiscal year ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

(Percentage represents change from the same period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2026	190,000	0.8	10,000	(60.0)	9,000	(64.2)	6,700	(65.8)	38.17

Note: Revision of the latest consolidated earnings forecast: Yes

For further details, please refer to “Notice Regarding the Revision of Financial Forecasts” announced today (October 31, 2025).

※ Notes

(1) Significant changes in the scope of consolidation during the current reporting period: No

(2) Application of special accounting methods for semi-annual consolidated financial statements: No

(3) Changes in accounting policies, accounting estimates and retrospective restatements for consolidated financial statements

- ① Changes in accounting policies due to revisions of the accounting standards and other regulations: No
- ② Changes arising from factors other than ①: No
- ③ Changes in accounting estimates: No
- ④ Retrospective restatements: No

(4) Number of issued shares (Common stock)

① Number of shares issued at the end of the period (including treasury stock)

② Number of treasury stock held at the end of the period

③ Average number of shares during the period

As of September 30, 2025	179,926,505	As of March 31, 2025	179,756,405
As of September 30, 2025	4,688,844	As of March 31, 2025	2,017,427
6 months ended September 30, 2025	175,857,770	6 months ended September 30, 2024	179,081,280

(Note) The Company has introduced the stock compensation plans, the officer compensation BIP Trust and the stock grant ESOP Trust during the 6 months ended September 30, 2025.

The number of treasury stock at the end of the period includes 506,300 shares held by the officer compensation BIP trust account and 705,700 shares held by the stock grant ESOP trust account. Treasury stock held by the officer compensation BIP Trust account and the stock grant ESOP Trust account are included in treasury stock deducted from the calculation of the average number of shares during the period (33,200 shares of the officer compensation BIP Trust account and 46,275 shares of the stock grant ESOP Trust account).

※ These semi-annual consolidated financial results reports are not subject to the review procedure of external auditors’ review.

※ Explanation of the proper use of earnings forecast and other special notes

These materials may contain forward-looking statements that are based on management’s current information, actual results may differ materially from these forward-looking statements for various reasons. For information regarding the assumptions used to prepare the forecast and cautionary note of the forecast, please refer to “1. Overview of operating results (3) Consolidated earnings forecast and other forward-looking information” on page 3 for more details.

Attachment contents

1. Overview of operating results.....	2
(1) Overview of operating results for the 6 months ended September 30, 2025.....	2
(2) Overview of financial position for the 6 months ended September 30, 2025	2
(3) Consolidated earnings forecast and other forward-looking information.....	3
2. Semi-annual consolidated financial statements and principal notes.....	5
(1) Semi-annual consolidated balance sheets	5
(2) Semi-annual consolidated statements of income and comprehensive income	7
Semi-annual consolidated statements of income.....	7
Semi-annual consolidated statements of comprehensive income	8
(3) Semi-annual consolidated statements of cash flows	9
(4) Notes to semi-annual consolidated financial statements.....	10
Segment information.....	10
Significant changes in shareholders' equity	10
Assumptions of a going concern.....	10
Subsequent Events.....	10

1. Overview of operating results

The Group (“the Group”, “the Company”, “we” and “our” refer to Socionext Inc., and its consolidated subsidiaries, or Socionext Inc. on a non-consolidated basis, as the context may require) has been acquiring more design wins in its focus areas including data center & networking, automotive and smart devices. This success is due to the transformation of the business model, shift of focus areas to high-growth and cutting-edge business areas where more global large-scale businesses are expected, as well as structural reform including bold transformation in business structure. The acquired design wins have been progressing smoothly, contributing to NRE revenue, and are gradually entering the mass production stage, steadily leading to product revenue.

To utilize the latest advanced technologies in the evolving semiconductor ecosystem, we closely collaborate with partners including Arm and TSMC and continue cooperative research with imec. Following these initiatives, we are actively investing in advanced technologies including 2nm and finer process nodes, advanced packaging technologies such as chiplet, application of latest EDA tools, as well as building of development platform.

The Group has a single segment primarily of SoC developed with the “Solution SoC” business model.

(1) Overview of operating results for the 6 months ended September 30, 2025

The global economy has continued to experience uncertainty during the 6 months ended September 30, 2025, due to geopolitical risks including the military conflicts in Ukraine and the Middle East, increasing unpredictability surrounding U.S. tariffs and economic policy, as well as stagnant domestic demand in China. Furthermore, foreign exchange market exhibited unstable movements over the 6 months ended September 30, 2025. Concerns over a potential economic slowdown and fiscal deterioration as well as expectations of interest rate cuts in the U.S., resulted in the appreciation of the Japanese yen during the 3 months ended June 30, 2025. However, the continued interest rate differential between Japan and the U.S. has resulted in a shift toward the depreciation of the Japanese yen during 3 months ended September 30, 2025.

The consolidated net sales for the 6 months ended September 30, 2025 were 87,209 million yen, decreased by 12.1% from the 6 months ended September 30, 2024. Our net sales consist of product revenue from the applicable products which entered the mass production stage and NRE revenue received from customers based on costs incurred in scheduled milestones during the design and development process. Product revenue bottomed out during the 3 months ended June 30, 2025, and turned upward during the 3 months ended September 30, 2025. However, for the 6 months ended September 30, 2025, product revenue was 70,357 million yen, decreased by 12.0% compared to the 6 months ended September 30, 2024. The decrease was mainly due to factors such as the decline in demand related to telecommunications in Chinese market of data center & networking area. NRE revenue was 16,428 million yen, decreased by 12.4% from the 6 months ended September 30, 2024.

[Net sales]	(Millions of yen)	
	6 months ended September 30, 2024	6 months ended September 30, 2025
Semiconductor products (product revenue)	79,952	70,357
Non-recurring engineering (NRE revenue)	18,756	16,428
Others	473	424
Total	99,181	87,209

Cost of sales was 45,274 million yen. Selling, general and administrative expenses were 38,168 million yen. Operating income was 3,767 million yen, decreased by 75.8% from the 6 months ended September 30, 2024. This is mainly due to the increase in the cost of sales resulting from the start of mass production of a new product with relatively low product gross margin, as well as continued investment in advance development. Including foreign exchange losses and other factors, ordinary income was 2,792 million yen, decreased by 80.9% from the 6 months ended September 30, 2024. Profit attributable to owners of parent was 2,058 million yen, decreased by 82.2% from the 6 months ended September 30, 2024.

The Japanese yen/U.S. dollar average exchange rate for the 6 months ended September 30, 2025 was 146.0 yen to the U.S. dollar, an appreciation of 6.6 yen compared to the 6 months ended September 30, 2024.

(2) Overview of financial position for the 6 months ended September 30, 2025

① Assets, liabilities and net assets

(Assets)

Current assets as of September 30, 2025 was 121,293 million yen, decreased by 4,997 million yen from the end of the previous fiscal

year ended March 31, 2025. This is mainly due to the increase in accounts receivable-trade driven by higher net sales toward the end of the 6-month period ended September 30, 2025, the increase in inventories due to the start of mass production of new products, as well as the decrease in cash and cash equivalents due to increased manufacturing procurement, the payment of dividends, and the purchases of treasury stock.

Non-current assets as of September 30, 2025 was 46,837 million yen, increased by 2,815 million yen from the end of the previous fiscal year. This is mainly due to the capital investment including the acquisition of reticles and test boards in connection with product development of acquired design wins, the improvement of design and development environment, and the acquisition of IP, etc. As a result, total assets as of September 30, 2025 was 168,130 million yen, decreased by 2,182 million yen from the end of the previous fiscal year.

(Liabilities)

Current liabilities as of September 30, 2025 was 36,159 million yen, increased by 4,888 million yen from the end of the previous fiscal year. This is mainly due to the increase of accounts payable-trade related with manufacturing procurement of applicable products. As a result, total liabilities as of September 30, 2025 was 38,163 million yen, increased by 4,897 million yen from the end of the previous fiscal year.

(Net assets)

Net assets as of September 30, 2025 was 129,967 million yen, decreased by 7,079 million yen from the end of the previous fiscal year. This is mainly due to 2,058 million yen in profit attributable to owners of parent for the 6 months ended September 30, 2025, the payment of dividends of 4,443 million yen and purchase of treasury stock of 5,000 million yen (sum of 2,722,400 shares). As a result, the shareholders' equity ratio has been 77.3%, decreased by 3.2 percent points from the end of the previous fiscal year.

② Cash flows

Cash and cash equivalents as of September 30, 2025 was 45,678 million yen, decreased by 27,159 million yen from the end of the previous fiscal year.

Net cash used in operating activities was 6,603 million yen for the 6 months ended September 30, 2025, compared to 14,143 million yen provided for the 6 months ended September 30, 2024. This is mainly due to profit before income taxes of 2,792 million yen, depreciation of 7,914 million yen, increase in account receivables of 8,881 million yen as well as increase in inventories of 11,186 million yen.

Net cash used in investing activities was 10,954 million yen for the 6 months ended September 30, 2025, compared to 4,722 million yen used for the 6 months ended September 30, 2024. This is mainly due to the purchases of 6,049 million yen of property, plant and equipment including reticles and test boards for product development for the acquired design wins, as well as those for improving the design and development environment, and the purchases of 4,924 million yen of intangible assets including IP.

Net cash used in financing activities was 9,629 million yen, compared to 4,320 million yen used for the 6 months ended September 30, 2024. This is due to purchases of treasury stock of 5,000 million yen and payment of the dividends of 4,443 million yen.

(3) Consolidated earnings forecast and other forward-looking information

Net sales are expected to increase due to factors such as strong demand for the newly mass-produced product and the weaker Japanese yen during the 6 months ended September 30, 2025, compared to the initial forecast.

Despite the increase in net sales, operating income is expected to decrease due to the decline in gross margins caused by changes in product mix, as well as the increase of advance development. The above decline in gross margins was caused by the faster ramp-up of sales of the new product than forecast during the early phase of mass production when product cost ratio remains high, as well as the delay of cost reduction.

The forecast of ordinary income is revised as well, reflecting adjustments to non-operating income and expenses caused by foreign exchange fluctuations. The exchange rate for fiscal year ending March 31, 2026 is assumed to be 130 yen to the U.S. dollar.

Meanwhile, the annual dividend remains at 50.00 yen per share, in line with the dividends forecast announced previously.

For further details, please refer to "Notice Regarding the Revision of Financial Forecasts" announced today (October 31, 2025).

Revision of consolidated financial forecasts for the fiscal year ending March 31, 2026 (From April 1, 2025 to March 31, 2026)

		Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Dividends per share
		Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Full Year	Previous forecast (A)	175,000	14,000	14,000	10,500	50.00
	Revised forecast (B)	190,000	10,000	9,000	6,700	50.00
	Difference (B-A)	15,000	(4,000)	(5,000)	(3,800)	0.00

2. Semi-annual consolidated financial statements and principal notes

(1) Semi-annual consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash on hand and in banks	72,837	40,678
Accounts receivable-trade, net	31,609	40,449
Securities	-	5,000
Finished goods	6,388	7,052
Work in process	10,650	21,172
Accounts receivable-other	866	2,036
Advance payments to suppliers	2,108	2,453
Prepaid expenses	1,800	2,275
Other current assets	32	178
Total current assets	126,290	121,293
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,462	2,302
Machinery, equipment and vehicles, net	65	107
Tools, furniture and fixtures, net	19,667	22,609
Construction in progress	144	167
Total property, plant and equipment	22,338	25,185
Intangible assets		
Technology assets	12,373	12,823
Other intangible assets	2,035	1,883
Total intangible assets	14,408	14,706
Investments and other assets		
Investment securities	0	0
Deferred tax assets	6,124	5,790
Other assets	1,152	1,156
Total investments and other assets	7,276	6,946
Total non-current assets	44,022	46,837
Total assets	170,312	168,130

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable-trade	11,936	17,561
Accounts payable-other	4,597	7,157
Accrued expenses	7,412	6,364
Income taxes payable	3,361	687
Other current liabilities	3,965	4,390
Total current liabilities	31,271	36,159
Long-term liabilities		
Asset retirement obligations	350	352
Lease liabilities	1,298	1,187
Other long-term liabilities	347	465
Total long-term liabilities	1,995	2,004
Total liabilities	33,266	38,163
Net assets		
Shareholders' equity		
Common stock	32,971	33,009
Deposits for subscriptions of shares	46	4
Capital surplus	32,971	33,919
Retained earnings	74,252	71,867
Treasury stock	(5,003)	(10,773)
Total shareholders' equity	135,237	128,026
Accumulated other comprehensive income		
Foreign currency translation adjustments	1,809	1,941
Total accumulated other comprehensive income	1,809	1,941
Total net assets	137,046	129,967
Total liabilities and net assets	170,312	168,130

(2) Semi-annual consolidated statements of income and comprehensive income

Semi-annual consolidated statements of income

(Millions of yen)

	6 months ended September 30, 2024	6 months ended September 30, 2025
Net sales	99,181	87,209
Cost of sales	45,190	45,274
Gross profit	53,991	41,935
Selling, general and administrative expenses	38,435	38,168
Operating income	15,556	3,767
Non-operating income		
Interest income	232	218
Other income	24	11
Total non-operating income	256	229
Non-operating expenses		
Foreign exchange losses	1,149	1,131
Other expenses	26	73
Total non-operating expenses	1,175	1,204
Ordinary income	14,637	2,792
Extraordinary income		
Gain on sale of non-current assets	1,790	-
Total extraordinary income	1,790	-
Profit before income taxes	16,427	2,792
Income taxes-current	2,429	397
Income taxes-deferred	2,412	337
Total income taxes	4,841	734
Profit	11,586	2,058
Profit attributable to owners of parent	11,586	2,058

Semi-annual consolidated statements of comprehensive income

(Millions of yen)

	6 months ended September 30, 2024	6 months ended September 30, 2025
Profit	11,586	2,058
Other comprehensive income		
Foreign currency translation adjustments	(600)	132
Total other comprehensive income	(600)	132
Comprehensive income	10,986	2,190
Comprehensive income attributable to:		
Owners of parent	10,986	2,190

(3) Semi-annual consolidated statements of cash flows

(Millions of yen)

	6 months ended September 30, 2024	6 months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	16,427	2,792
Depreciation and amortization	7,703	7,914
Interest and dividend income	(232)	(218)
Loss on retirement of non-current assets	192	138
Loss (gain) on sale of non-current assets	(1,790)	-
Decrease (increase) in accounts receivable	4,703	(8,881)
Decrease (increase) in inventories	5,961	(11,186)
Increase (decrease) in accounts payable	(3,481)	5,793
Decrease (increase) in other assets	(585)	(2,117)
Increase (decrease) in other liabilities	(9,523)	(297)
Other	198	2,240
Subtotal	19,573	(3,822)
Interest and dividends received	232	218
Income taxes paid	(5,662)	(2,999)
Net cash provided by (used in) operating activities	14,143	(6,603)
Cash flows from investing activities		
Purchases of property, plant and equipment	(4,617)	(6,049)
Purchases of intangible assets	(2,279)	(4,924)
Proceeds from sales of non-current assets	2,331	-
Other	(157)	19
Net cash used in investing activities	(4,722)	(10,954)
Cash flows from financing activities		
Repayments of lease obligations	(248)	(221)
Proceeds from exercise of stock options	313	31
Deposits for subscriptions of shares	(77)	4
Proceeds from exercise of share award rights	159	-
Purchases of treasury stock	-	(5,000)
Dividends paid	(4,467)	(4,443)
Net cash used in financing activities	(4,320)	(9,629)
Effect of exchange rate changes on cash and cash equivalents	(872)	27
Increase (decrease) in cash and cash equivalents	4,229	(27,159)
Cash and cash equivalents at the beginning of the fiscal year	69,738	72,837
Cash and cash equivalents at the end of the period	73,967	45,678

(4) Notes to semi-annual consolidated financial statements

Segment information

1. 6 months ended September 30, 2024

(From April 1, 2024 to September 30, 2024)

The Group has a single segment primarily of SoC developed with the “Solution SoC” business model.

2. 6 months ended September 30, 2025

(From April 1, 2025 to September 30, 2025)

The Group has a single segment primarily of SoC developed with the “Solution SoC” business model.

Significant changes in shareholders' equity

Based on the resolution of the Board of Directors held on April 28, 2025, the Company acquired 2,722,400 shares of treasury stock, based on the resolution of the Board of Directors held on August 28, 2025, the Company disposed of 1,212,000 shares of treasury stock related with the introduction of an officer compensation BIP Trust and a stock grant ESOP Trust, among other factors.

As a result, capital surplus increased by 948 million yen to 33,919 million yen, and treasury stock increased by 5,770 million yen to 10,773 million yen as of September 30, 2025.

Assumptions of a going concern

None.

Subsequent Events

None.