socionext™
The Solution SoC Company

2Q FY2026/3

Consolidated Financial Results

October 31, 2025
Socionext Inc.

Disclaimer

This presentation has been prepared solely for the purpose of presenting relevant information regarding Socionext Inc. ("Socionext"). This presentation and the information contained herein does not constitute or form part of any offer for sale or subscription of or solicitation or invitation of any offer to buy or subscribe for shares of our common stock (the "securities") in any jurisdiction in which such offer, solicitation or invitation would be unlawful. This presentation and the information contained herein is being furnished to you solely for your information and may not be reproduced, disclosed to or redistributed to any other person, in whole or in part without our prior written consent.

This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof, and neither Socionext nor its advisors or representatives guarantees that the information contained in this presentation is true, accurate or complete. It should be understood that subsequent developments may affect the information contained in this presentation, which neither Socionext nor its advisors or representatives are under an obligation to update, revise or affirm. The information in this presentation is subject to change without prior notice and such information may change materially. Neither this presentation nor any of its contents may be disclosed to or used by any other person for any purpose without the prior written consent of Socionext.

This presentation contains statements that constitute forward-looking statements, including estimations, forecasts, targets and plans. Such forward-looking statements do not represent any guarantee by management of future performance. Any forward-looking statements in this presentation are based on the current assumptions and beliefs of Socionext in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause Socionext's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking information.

Except as otherwise indicated, the views, statements and outlook indicated herein are those of Socionext. The information related to or prepared by companies or third parties other than Socionext is based on publicly available and other information as cited, and Socionext has not independently verified the accuracy and appropriateness of, nor makes any warranties regarding, such information.

Cautionary Note
Regarding "Design Win Amount" and "Design Win Balance"

socionext
The Solution SoC Company

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.

socionext™
The Solution SoC Company

2Q FY2026/3

Consolidated Financial Results

- *Consolidated Financial Results 2Q FY2026/3*
- *Consolidated Earnings Forecast FY2026/3*

2Q FY26/3 Consolidated Statements of Income

socionext The Solution SoC Company

(Yen in billions)

	FY25/3 1Q	FY25/3 2Q	FY25/3 3Q	FY25/3 4Q	FY26/3 1Q	FY26/3 2Q	YoY	YoY%
Net Sales	**52.8**	**46.4**	**46.1**	**43.3**	**34.6**	**52.7**	**+6.3**	**+13.5%**
Product Revenue	42.3	37.7	35.0	31.6	25.9	44.5	+6.8	+18.1%
NRE Revenue	10.3	8.4	10.8	11.4	8.5	8.0	-0.5	-5.6%
Others	0.2	0.3	0.2	0.3	0.2	0.2	-0.1	-28.8%
Cost of Sales	**22.9**	**22.2**	**20.6**	**18.8**	**14.4**	**30.9**	**+8.6**	**+38.8%**
Product Cost Ratio	54.3%	59.1%	58.8%	59.6%	55.6%	69.4%	+10.3pt	
Selling, General and Administrative Expenses	**19.6**	**18.9**	**20.4**	**20.1**	**18.7**	**19.5**	**+0.6**	**+3.1%**
R&D	15.0	13.8	15.6	15.4	14.2	14.7	+0.9	+6.6%
SG&A (excluding R&D)	4.6	5.1	4.7	4.7	4.5	4.7	-0.3	-6.3%
Operating Income	**10.3**	**5.3**	**5.1**	**4.3**	**1.4**	**2.3**	**-3.0**	**-56.0%**
Margin	19.4%	11.4%	11.1%	10.0%	4.2%	4.4%	-7.0pt	
Net Income	**7.6**	**4.0**	**4.9**	**3.1**	**0.5**	**1.6**	**-2.4**	**-60.2%**
Margin	14.3%	8.6%	10.6%	7.2%	1.3%	3.0%	-5.6pt	
FX Rate (USD/JPY)	**155.9**	**149.4**	**152.4**	**152.6**	**144.6**	**147.5**		

5

Here are the financial results of the second quarter of the fiscal year ending in March 2026.

Net sales were 52.7 billion yen, an increase of 6.3 billion yen, or 13.5%, from the same quarter of previous fiscal year (2Q FY25/3).
Operating income was 2.3 billion yen, a decrease of 3.0 billion yen, or 56.0%.
Net income was 1.6 billion yen.

As reported during the first-quarter earnings briefing in July, net sales increased due to the postponement of shipments for certain products from the first quarter to the second quarter, as well as the production ramp-up for a new product.

Operating income was limited to 2.3 billion yen, primarily due to:
#1 increase in product cost ratio (deterioration in product gross margin), and
#2 increase in R&D expense for advance development.

The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.

The details of product cost ratio are described in later pages.

1H FY2026/3 Consolidated Statements of Income

socionext
The Solution SoC Company

(Yen in billions)

	FY2025/3 1H	FY2026/3 1H	YoY	YoY%
Net Sales	**99.2**	**87.2**	**-12.0**	**-12.1%**
Product Revenue	80.0	70.4	-9.6	-12.0%
NRE Revenue	18.8	16.4	-2.3	-12.4%
Others	0.5	0.4	-	-10.4%
Cost of sales	**45.2**	**45.3**	**+0.1**	**+0.2%**
Product Cost Ratio	56.5%	64.3%	+7.8pt	
Selling, General and Administrative Expenses	**38.4**	**38.2**	**-0.3**	**-0.7%**
R&D	28.8	29.0	+0.2	+0.7%
SG&A (excluding R&D)	9.7	9.2	-0.5	-4.7%
Operating Income	**15.6**	**3.8**	**-11.8**	**-75.8%**
Margin	15.7%	4.3%	-11.4pt	
Net Income	**11.6**	**2.1**	**-9.5**	**-82.2%**
Margin	11.7%	2.4%	-9.3pt	
FX Rate (USD/JPY)	**152.6**	**146.0**		

6

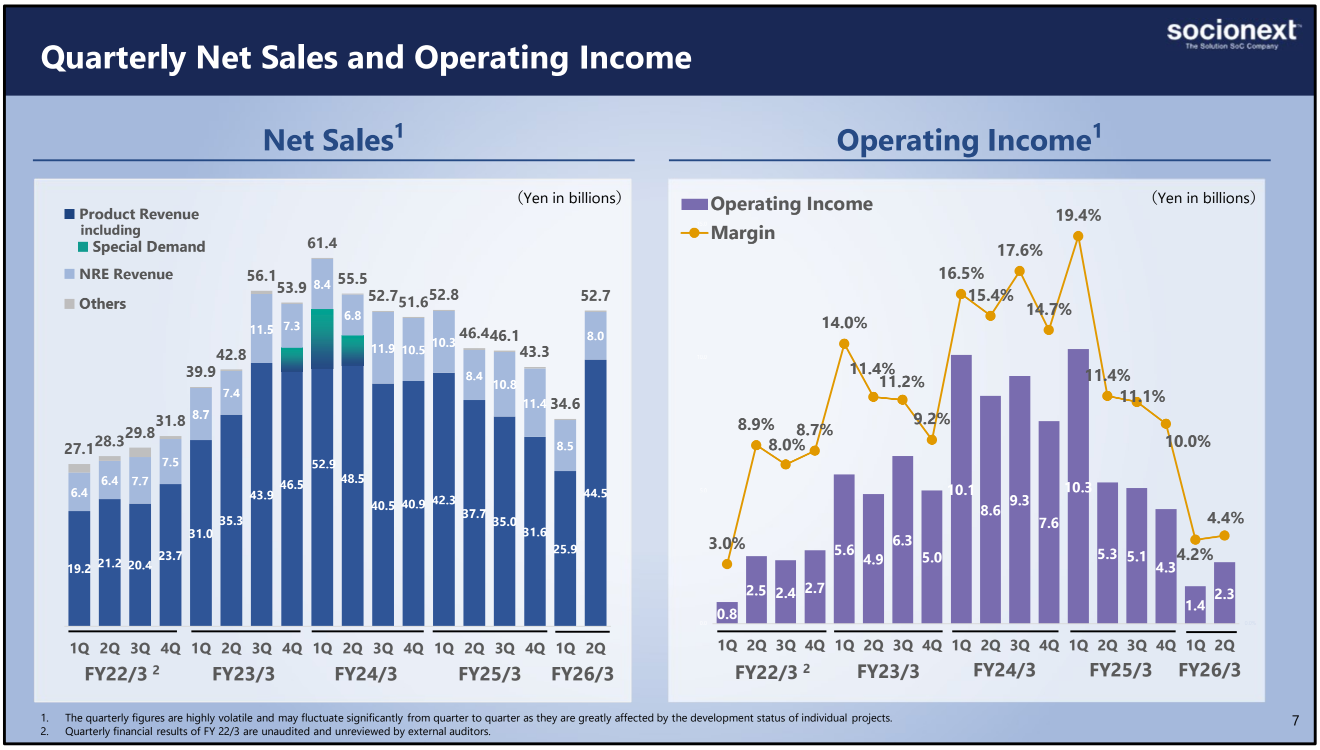
Here are the financial results of the first half of the fiscal year ending in March 2026.

Net sales were 87.2 billion yen, a decrease of 12.0 billion yen, or 12.1%, from the same half of previous fiscal year (1H FY25/3).
Operating income was 3.8 billion yen, a decrease of 11.8 billion yen, or 75.8%.
Net income was 2.1 billion yen, including losses from foreign exchange impact in the first quarter.

Although net sales increased significantly in the second quarter, for the first half, on a year-on-year basis, net sales decreased due to factors such as a decrease in products for Chinese telecommunications equipment, despite the production ramp-up for a new product. However, net sales for the first half exceeded the initial forecast.

Operating income decreased due to lower sales.
It was also due to:
#1 increase in product cost ratio (deterioration in product gross margin), and
#2 increase in R&D expense for advance development,
as explained in the previous page.

The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.

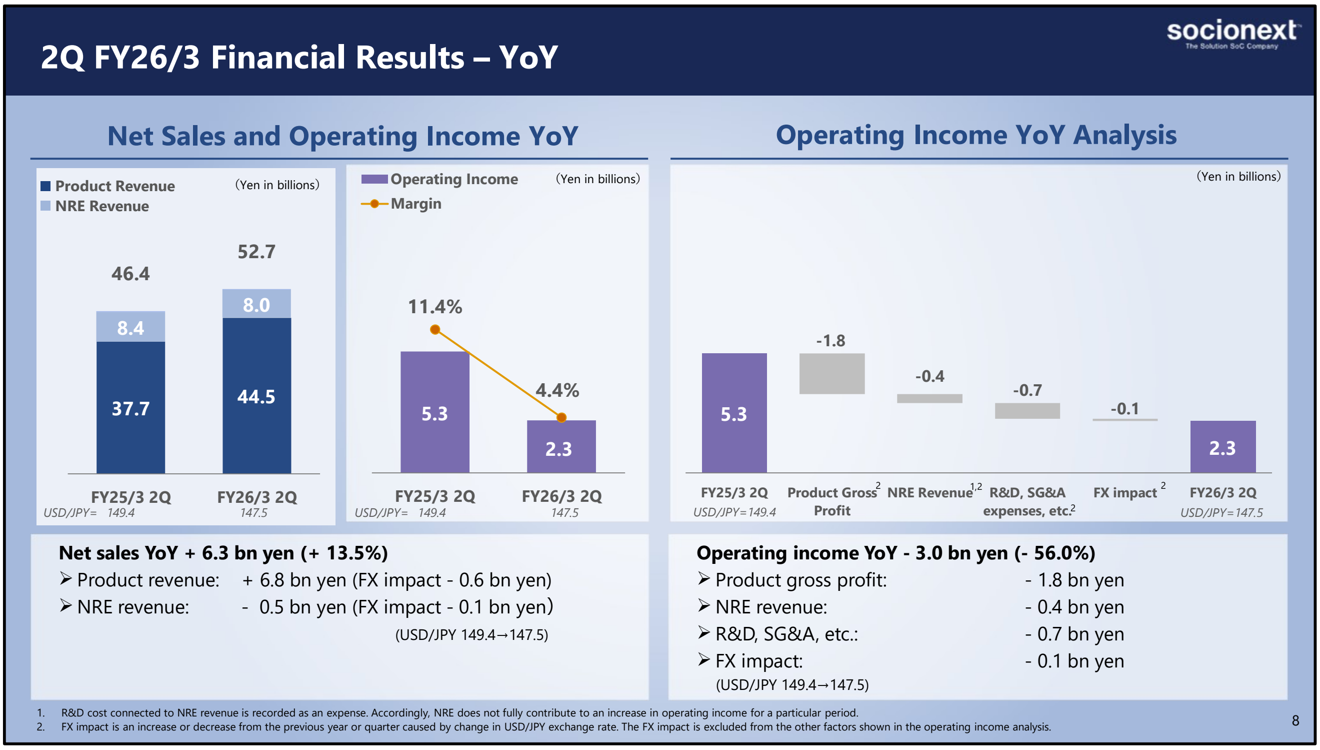


This slide shows the historical trends in net sales and operating income from 1Q FY22/3 to 2Q FY26/3.

Product revenue in the second quarter increased due to the postponement of shipments for certain products from the first quarter to the second quarter, as well as the production ramp-up for a new product.

NRE revenue decreased both year-on-year and quarter-on-quarter, however, since NRE is paid in exchange for development deliverables, it fluctuates from quarter to quarter. But NRE revenue remains on a gradual upward trend.

Operating income was limited to 2.3 billion yen (4.4% margin), primarily due to:
#1 increase in product cost ratio (deterioration in product gross margin) and
#2 increase in R&D expense for advance development.



This slide shows a year-on-year analysis of 2Q FY26/3 results, compared to 2Q FY25/3.

Net sales were 52.7 billion yen, an increase of 6.3 billion yen, or 13.5%, from the same quarter of previous fiscal year (2Q FY25/3).
Product revenue increased by 6.8 billion yen. NRE revenue decreased by 500 million yen.
There was a negative impact of 600 million yen from foreign exchange.

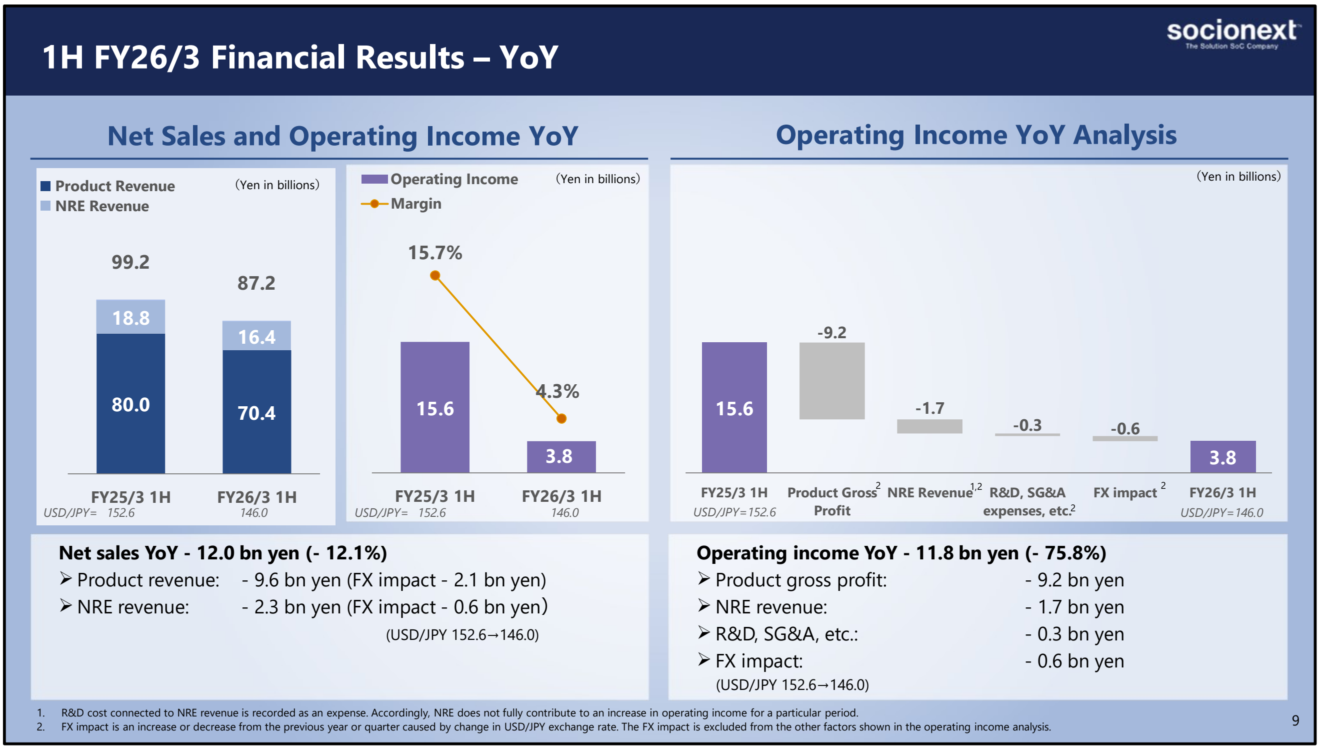
Product revenue increased due to the postponement of shipments for certain products from the first quarter to the second quarter, as well as the production ramp-up for a new product.

Operating income was 2.3 billion yen, a decrease of 3.0 billion yen, or 56.0%.
It was due to:
#1 increase in product cost ratio (deterioration in product gross margin), and
#2 increase in R&D expense for advance development.

The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.

These caused product gross profit to decrease by 1.8 billion yen.

Additionally, there were an increase in advance R&D expense (#2) (700 million yen), decrease in NRE revenue (400 million yen), and negative impact of foreign exchange (100 million yen).



This slide shows a year-on-year analysis of 1H FY26/3 results, compared to 1H FY25/3.

Net sales were 87.2 billion yen, a decrease of 12.0 billion yen, or 12.1%, from the same half of previous fiscal year (1H FY25/3).
Product revenue decreased by 9.6 billion yen. NRE revenue decreased by 2.3 billion yen. The impact of foreign exchange was a negative 2.7 billion yen.

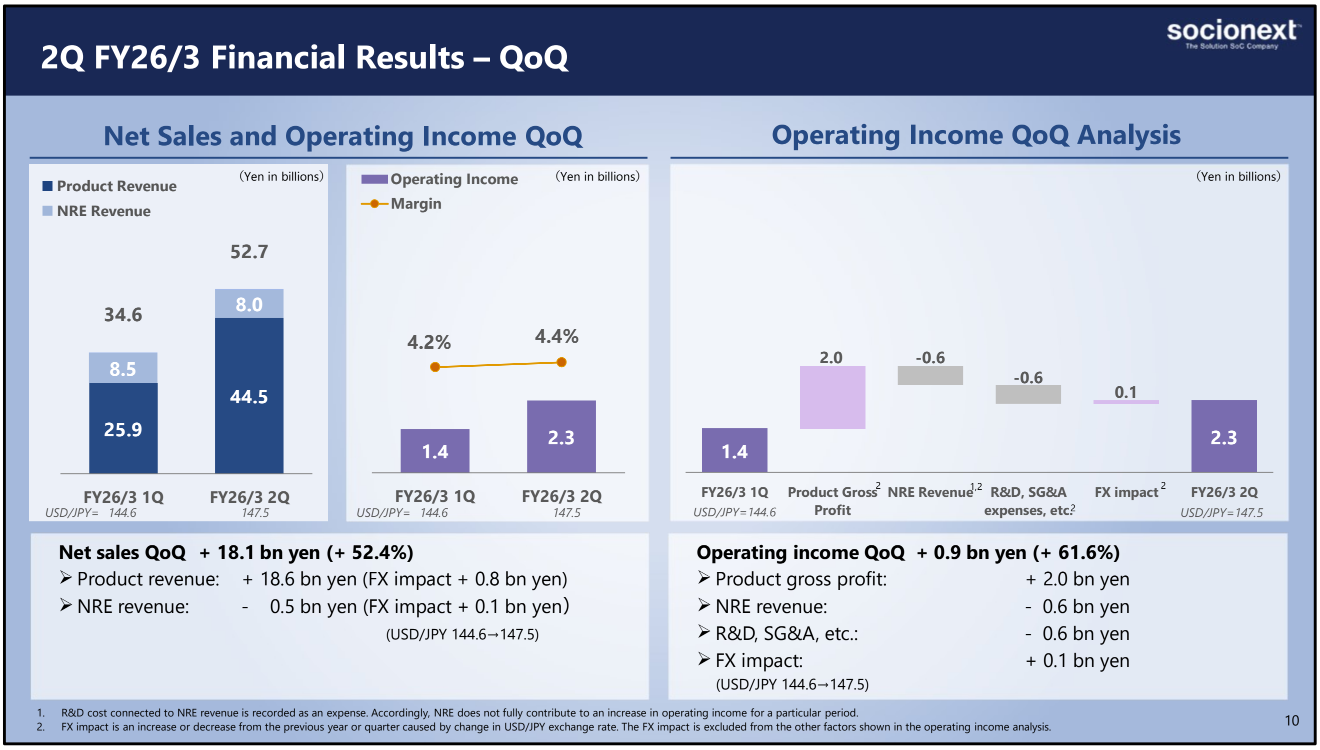
Product revenue bottomed out in the first quarter of this fiscal year and started to increase in the second quarter. However, it was a decrease of 9.6 billion year-on-year.

Operating income was 3.8 billion yen, a decrease of 11.8 billion yen, or 75.8%.

Compared to the high level of product revenue and product gross profit in the first quarter of previous fiscal year, this fiscal year saw a decrease in product gross profit (9.2 billion yen).

The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.

Additionally, there were a decrease in NRE revenue (1.7 billion yen), increase in advance R&D expense (#2) (300 million yen), and negative impact of foreign exchange (600 million yen).



This slide shows a quarter-on-quarter analysis of 2Q FY26/3 results, compared to 1Q FY26/3.

Net sales were 52.7 billion yen, an increase of 18.1 billion yen, or 52.4%.
Product revenue increased by 18.6 billion yen, NRE revenue decreased by 500 million yen, and foreign exchange impact was 0.9 billion yen.

Product revenue increased due to the postponement of shipments for certain products from the first quarter to the second quarter, as well as the production ramp-up for a new product.

Operating income was 2.3 billion yen, an increase of 900 million yen, or 61.6%.

Although net sales increased significantly, the operating income showed only a modest increase. The factors include the following:

The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.

Additionally, there were a decrease in NRE revenue (600 million yen), increase in advance R&D expense (#2) (600 million yen).

Consolidated Balance Sheet（As of September 30, 2025）

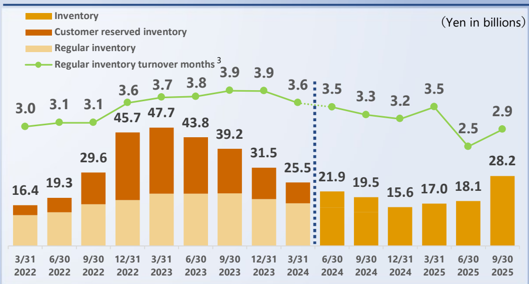
socionext
The Solution SoC Company

(Yen in billions)

	As of Mar. 31, 2025	As of Sep. 30, 2025	Change
Total Assets	170.3	**168.1**	-2.2
Total Current Assets	126.3	**121.3**	-5.0
Cash on-hand and in banks[1]	72.8	**45.7**	-27.2
Accounts receivable-trade	31.6	**40.4**	+8.8
Inventories[2]	17.0	**28.2**	+11.2
Accounts receivable-other	0.9	**2.0**	+1.2
Total non-Current Assets	44.0	**46.8**	+2.8
Total Liabilities	33.3	**38.2**	+4.9
Total Current Liabilities	31.3	**36.2**	+4.9
Accounts payable-trade	11.9	**17.6**	+5.6
Accounts payable-other	4.6	**7.2**	+2.6
Total Net Assets	137.0	**130.0**	-7.1
Shareholders' Equity Ratio	80.5%	**77.3%**	

Cash on Hand and in Banks[1]

Inventories[2]



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

1. Cash on-hand and in banks include short term investment security.
2. Inventories is calculated as the sum 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"

11

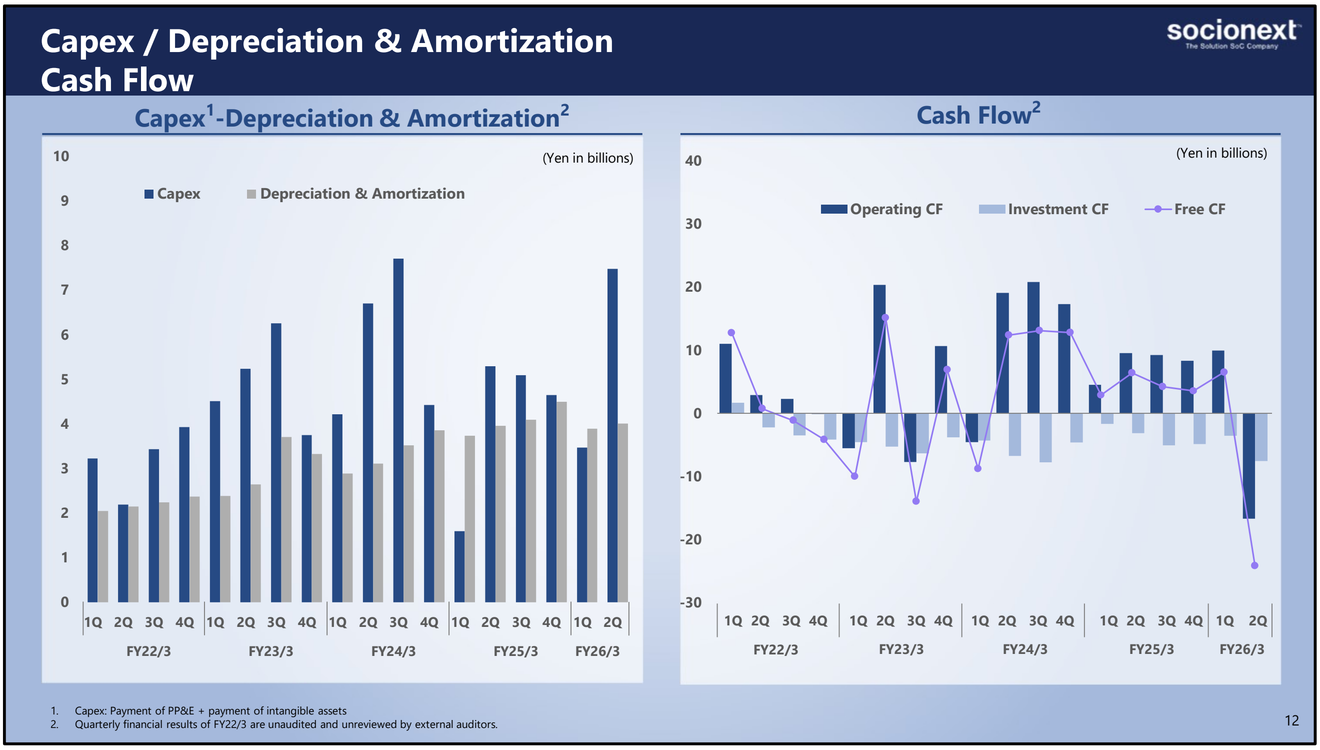
This slide shows the balance sheet as of September 30, 2025.

Total assets were 168.1 billion yen, a decrease of 2.2 billion yen from the end of previous fiscal year (FY25/3).

Total liabilities were 38.2 billion yen, an increase of 4.9 billion yen, and total net assets were 130.0 billion yen, a decrease of 7.1 billion yen.

Cash on-hands and in banks decreased by 27.2 billion yen, mainly due to increase in inventories for a new mass-produced product (11.2 billion yen), increase in account payables (8.8 billion yen), as well as dividend payments (4.4 billion yen) and purchase of treasury stocks (5.0 billion yen) in the first quarter.

Net sales are expected to expand, driven by mass-production of new products, so inventories are also expected to increase further. In addition, as we continue advance investment in R&D, we anticipate a slight decrease in cash on-hands and in banks.



This slide shows capital expenditures and cash flows.

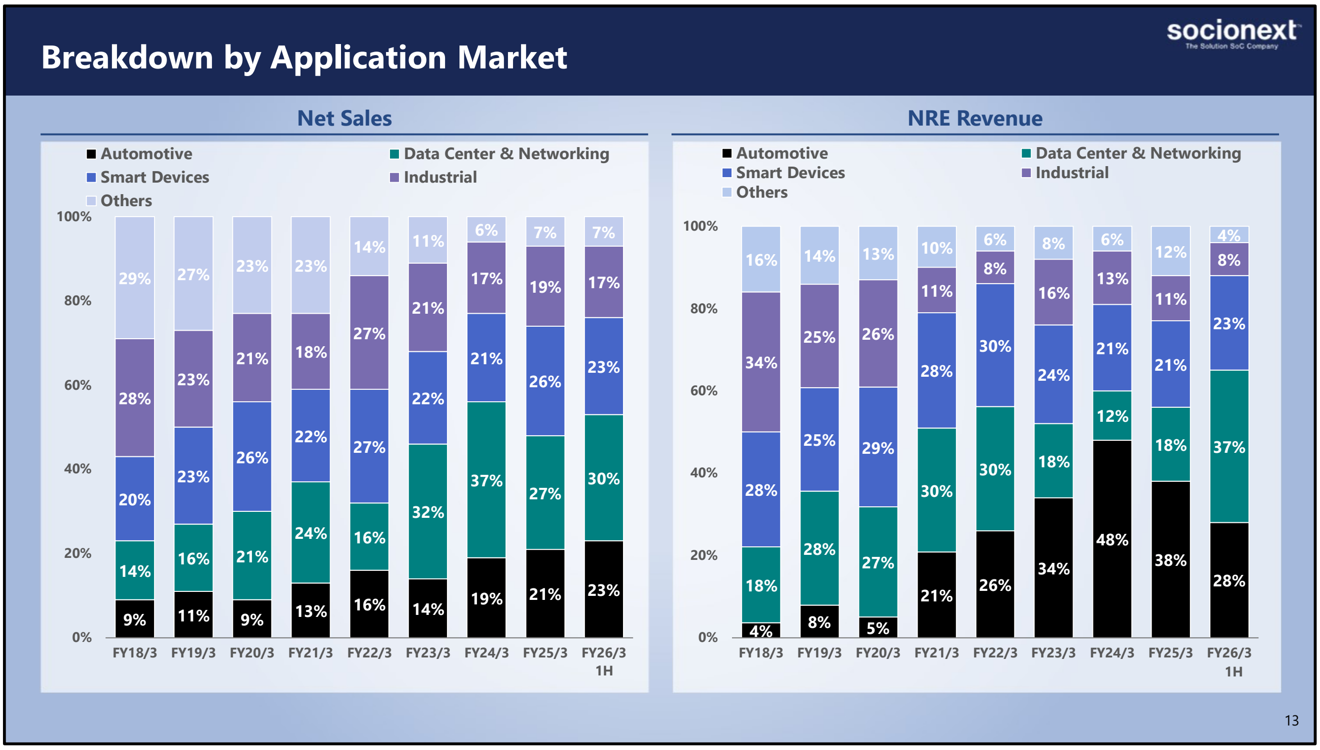
Capex in 2Q FY26/3 was mainly for reticles and IPs, due to an increase in new leading-edge technology projects.

Depreciation and Amortization are expected to increase as we expand our investment in reticles and IPs.

Operating cash flow was negative mainly due to an increase in account payable and inventories for a new product.

As for investment cash flow, we continue advance investment in R&D.

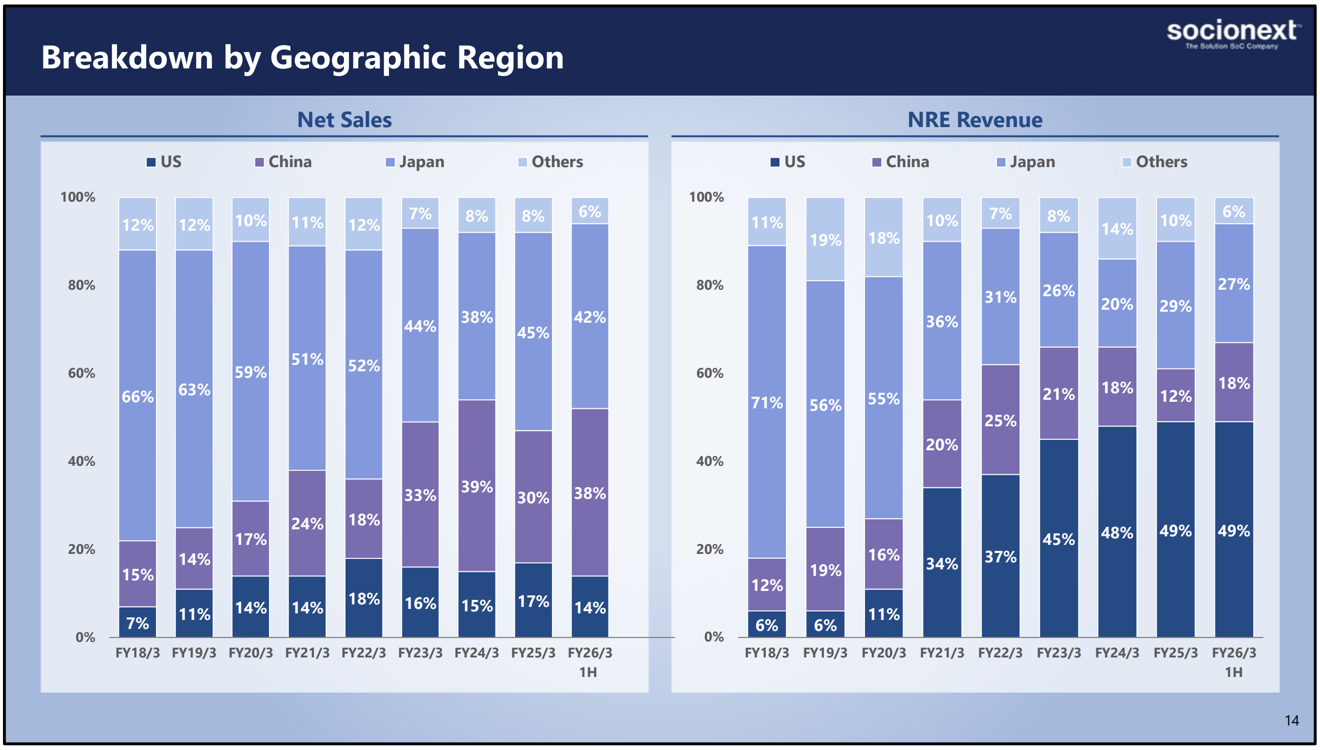
As a result, free cash flow was negative.



This slide shows the breakdown of net sales and NRE revenue by application market.

As for net sales, the percentage of Automotive has increased, due to the production ramp-up for a new product.

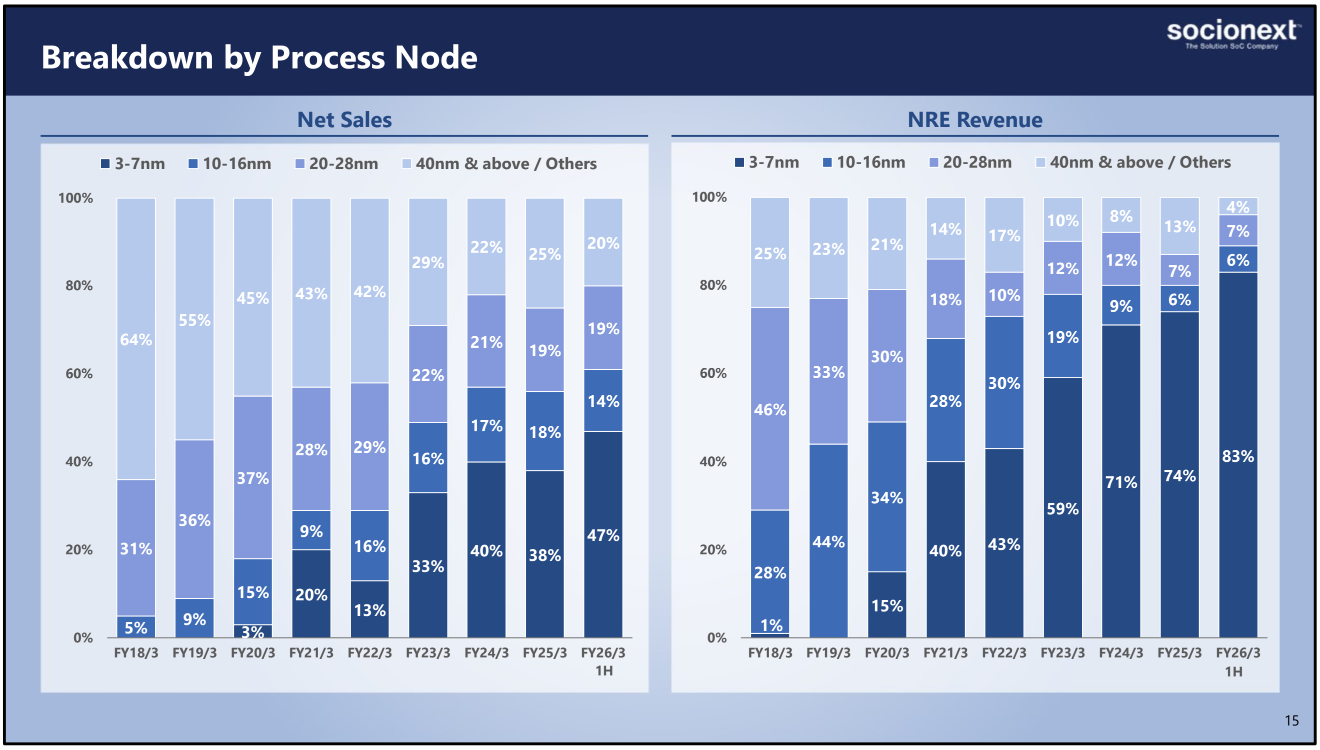
As for NRE revenue, the percentage of Data Center & Networking is increasing.



This slide shows the breakdown of net sales and NRE revenue by geographic region.

As for net sales, the percentage of China has increased due to due to the production ramp-up for a new product, which is for a Chinese customer.

As for NRE revenue, the percentage of US continues to be high, due to the progress in projects for Data Center & Networking and Automotive, acquired in the previous fiscal year.



This slide shows the breakdown by process node.

As for net sales, the percentage of technologies beyond 7nm is increasing due to the production ramp-up for a new product.

As for NRE revenue, the percentage of technologies beyond 7nm exceeded 80% of the total. The percentage of 5nm and beyond exceeded 50%.

Consolidated Earnings Forecast

socionext
The Solution SoC Company

(Yen in billions)	FY2025/3 Full Year Results	FY2026/3 Full Year Forecast as of April 2025	FY2026/3 Full Year Forecast as of October 2025	Change from previous forecast	
Net Sales	**188.5**	**175.0**	**190.0**	+15.0	+8.6%
Operating Income	**25.0**	**14.0**	**10.0**	-4.0	-28.6%
Margin	**13.3%**	**8.0%**	**5.3%**	-2.7pt	
Net Income	**19.6**	**10.5**	**6.7**	-3.8	-36.2%
Margin	**10.4%**	**6.0%**	**3.5%**	-2.5pt	
Basic Earnings per Share[1]	**109.78 yen**	**59.83 yen**	**38.17 yen**		
Dividends per Share	**50.00 yen**	**50.00 yen**	**50.00 yen**		
FX Rate (USD/JPY)	**152.6 yen**	**130.0 yen**	**138.0 yen**		

- FX 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.
- FX sensitivity for FY26/3 full year remains unchanged from the April Forecast. However, it fluctuates quarterly due to volatility in the volume of US dollar-denominated net sales, purchases, inventory, and timing of R&D costs. We expect the amount of FX impact to be low in 2Q and 3Q, while it is expected to be the largest in 4Q.

1. 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 as of April 2025 were calculated based on 175,482,641 shares, forecast of basic earnings per share for FY2026/3 as of October 2025 were calculated based on 175,548,560 shares. The changes are due to exercise of stock options and purchase of treasury stock.
2. Refer to page 2 for handling of forecast.

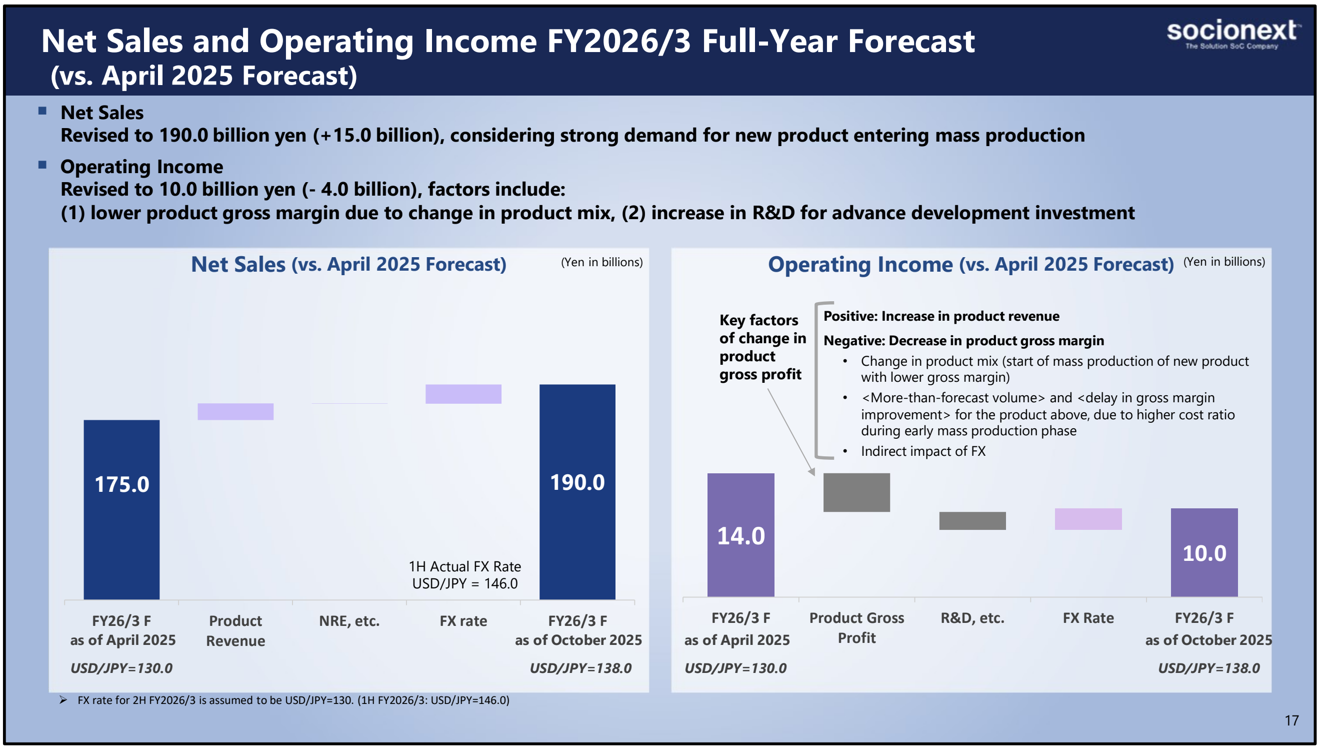
16

This slide shows the full-year forecast for this fiscal year, FY26/3.

Net sales forecast is now 190.0 billion yen.
Operating income forecast is 10.0 billion yen.

For the foreign exchange, the actual rate is used for the figures of the first half. For the second half, the assumption has not been changed from the initial forecast, at USD/JPY=130. Thus, the foreign exchange rate for the full-year forecast is USD/JPY=138.

FX sensitivity for FY26/3 forecast is shown in the slide.



We have revised the full year forecast for net sales from 175.0 billion yen announced in April to 190.0 billion yen, and for operating income from 14.0 billion yen to 10.0 billion yen.

The assumed foreign exchange rate for the second half is USD/JPY=130.
(Actual rate in the first half was USD/JPY=146.0.)

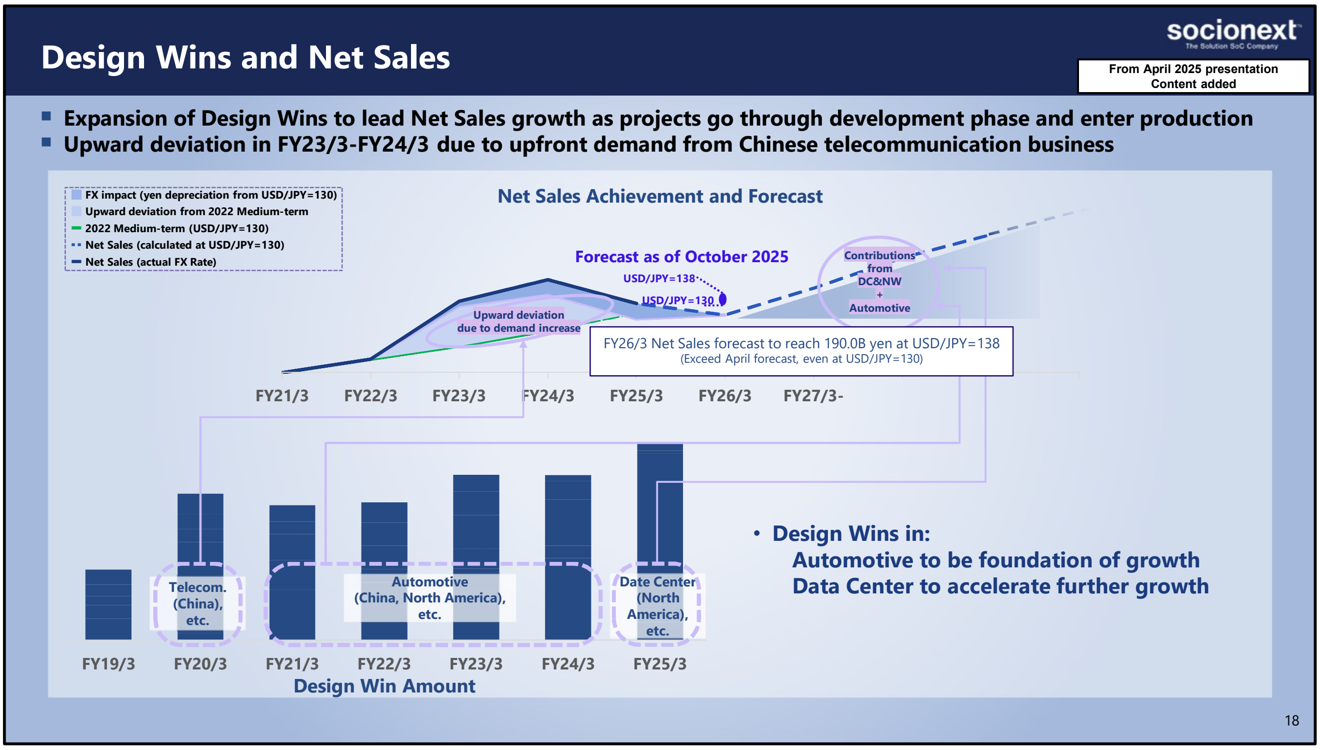
Regarding net sales, the mass-production of the new product for Chinese automotive customer is expected to ramp earlier and at a larger scale than initially forecast.
For other products, while there will be changes in the product mix, product revenue level is expected to remain in line with the original forecast.
NRE revenue is also expected to be in line with initial forecast.

As a result, net sales are expected to exceed the original forecast, reaching approximately 190.0 billion yen (an increase of about 15.0 billion yen from the initial forecast, of which foreign exchange impact is around 8.0 billion yen in the first half).

On the other hand, operating income is expected to be 10.0 billion yen, which is 4.0 billion yen lower than the initial forecast.
This is due to:

#1 increase in product cost ratio (deterioration in product gross margin) and
#2 increase in R&D expense for advance development.

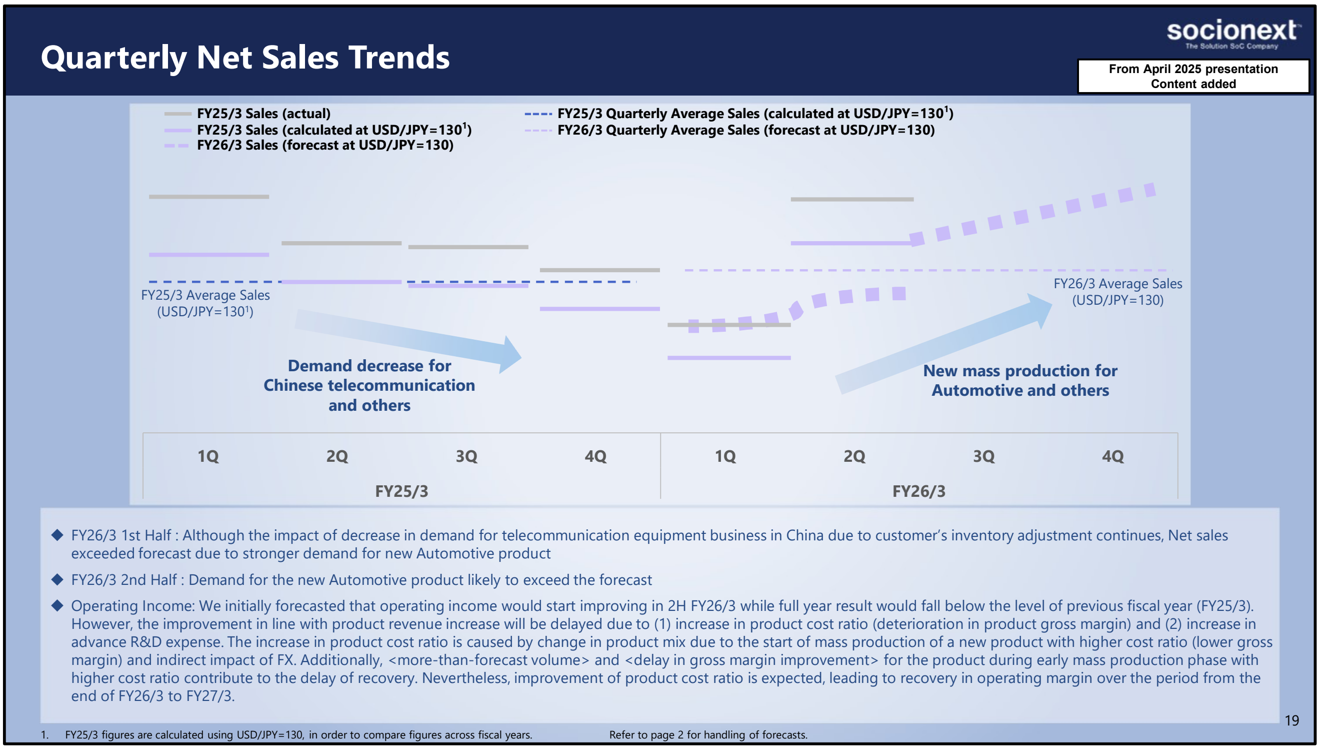
The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.



This slide shows the correlation between Design Wins and net sales.

Net sales are expected to reach 190.0 billion yen, assuming foreign exchange rate for the full year is USD/JPY=138.0 (for 2H is USD/JPY=130).

Even if we use USD/JPY=130 for full year, It is expected to exceed the April forecast of 175.0 billion yen.



This slide shows the quarterly trend of net sales from FY25/3 to FY26/3.

The net sales for the first quarter of this fiscal year, FY26/3, was slightly below initial forecast, but the second quarter results exceeded the forecast, due to the postponement of shipments for certain products from the first quarter to the second quarter, as well as the production ramp-up for a new product.

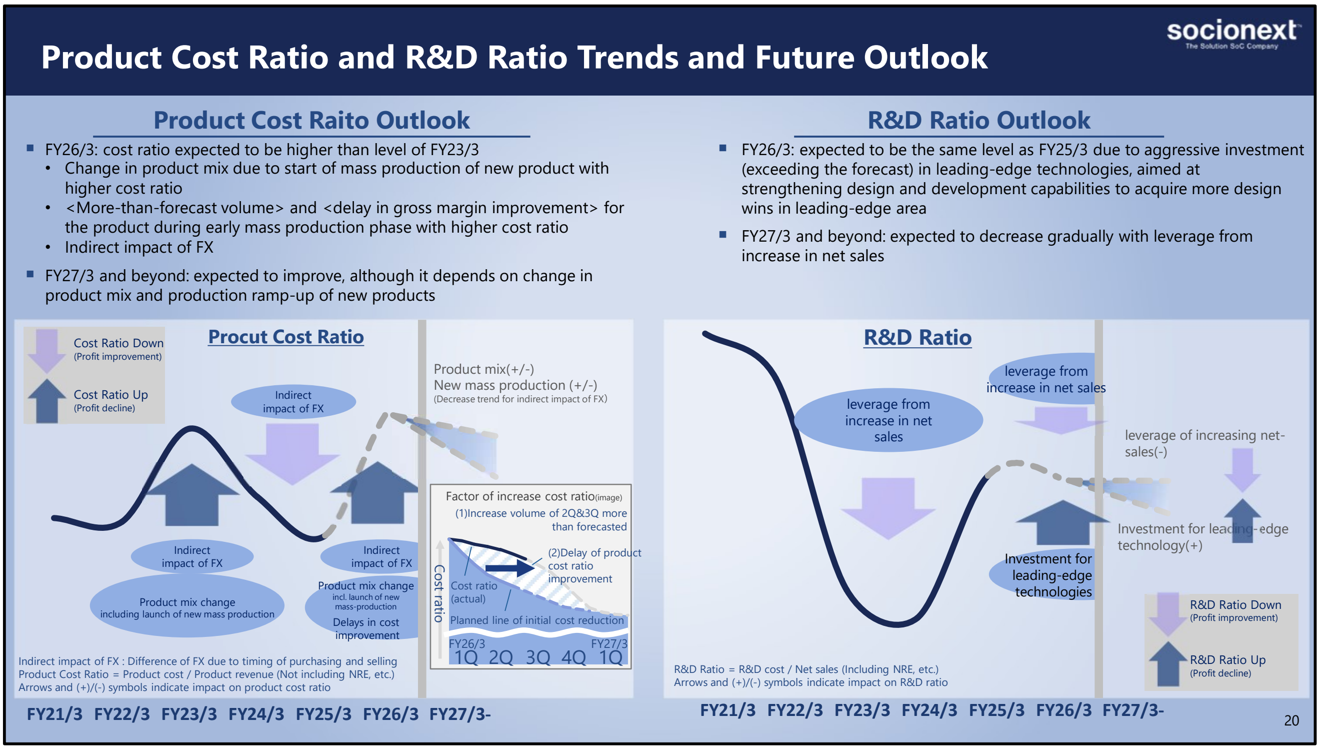
Net sales have been recovering steadily, as forecast in April, after bottomed out in the first quarter and showing subsequent improvement from the second quarter onward. However, operating income has lagged behind the initial forecast and is expected to bottom out in the third quarter, followed by a recovery starting in the fourth quarter.

We initially forecast that operating income would start improving in second half of this fiscal year while full-year result would fall below the level of previous fiscal year (FY25/3).

However, the improvement of operating income, in line with the product revenue increase will be delayed due to:
#1 increase in product cost ratio (deterioration in product gross margin) and
#2 increase in R&D expense for advance development.

The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, "more-than-forecast volume" and "delay in gross margin improvement" for the product during early mass production phase, in which the cost ratio is higher, also contributed.

Nevertheless, improvement of product cost ratio is expected, leading to recovery in operating margin over the period from the end of this fiscal year, FY26/3 to the next fiscal year, FY27/3.



This slide shows product cost ratio and R&D ratio trends and future outlook.

The left side chart is for the product cost ratio.

Product cost ratio of this fiscal year is expected to be slightly higher level than the level of FY23/3.
The increase in product cost ratio (#1) was caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin) and indirect impact of foreign exchange. Additionally, “more-than-forecast volume” and “delay in gross margin improvement” for the product during early mass production phase, in which the cost ratio is higher, also contributed.

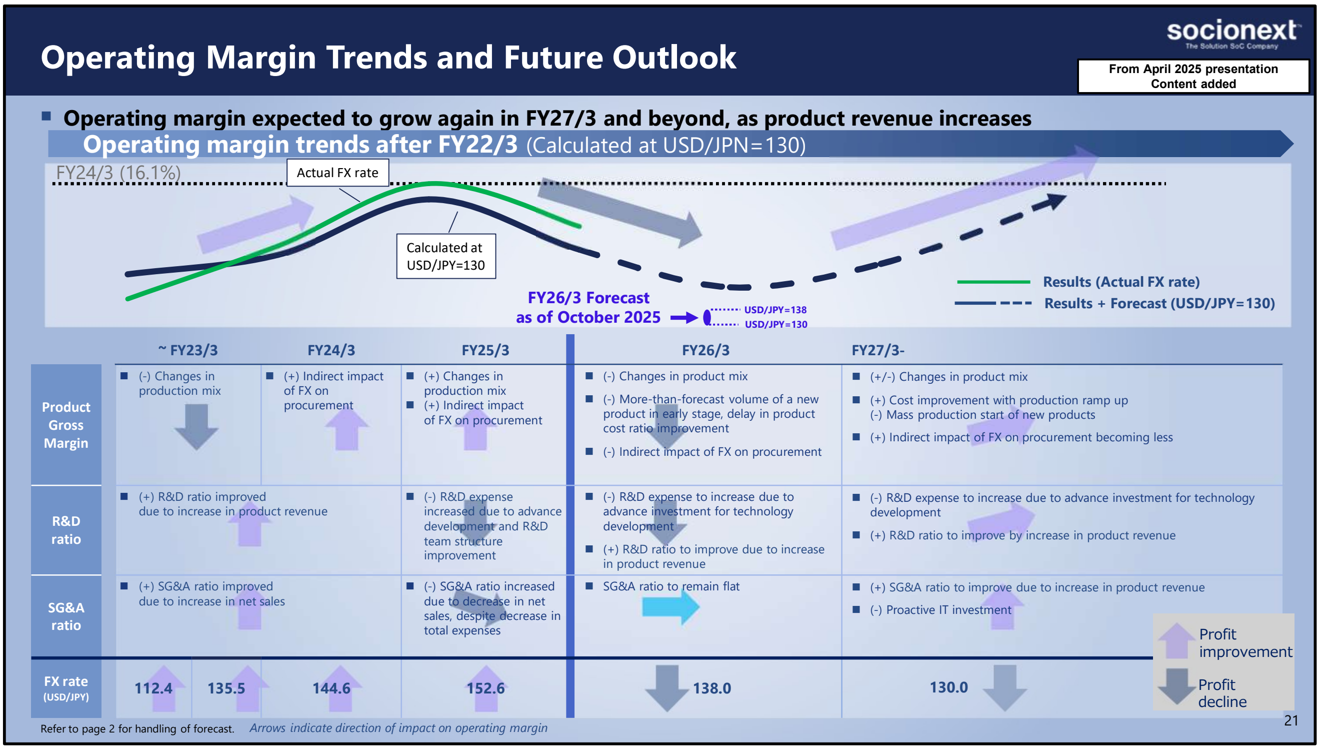
In a typical new mass-production launch, the cost ratio is initially higher when production volumes are low but it gradually improves over time through improvement of manufacturing yield and shortening of test times.
However, as for the current new product, cost ratio improvements have stalled, partly because the production volume expanded beyond initial expectations, resulting in a persistently high cost ratio, which has affected the company' s overall cost structure. However, we expect the cost ratio to return to the initially expected level, from the end of this fiscal year though the next fiscal year, FY27/3.

From the next fiscal year onward, while it will depend on factors such as product mix and the status of new products entering mass-production, we expect improvements compared to FY26/3.

The right side chart is for R&D ratio.

This fiscal year, we decided to invest in advance R&D more aggressively than initially planned. While we expect some operating leverage from increased net sales, higher R&D expense in leading-edge technology areas will result in the R&D ratio for FY26/3 remaining at the same level as the previous fiscal year, FY25/3.

From FY27/3 onward, we plan to maintain or even increase investments in leading-edge technologies. however, we expect the R&D-to-sales ratio to decrease, due to the leverage from increased sales.



This slide explains the operating income trend. It is updated from the material presented at the April earnings briefing to reflect the current situation.

It illustrates our medium- to long-term operating margin trend and its drivers, broken down into factors such as product gross margin and R&D ratio.

As previously explained, the operating margin for FY26/3 is expected to fall below the initial forecast due to:
#1 increase in product cost ratio (deterioration in product gross margin) and
#2 increase in R&D expense for advance development.

As for the product gross margin from the next fiscal year onward, while it will depend on factors such as product mix and the status of new products entering mass-production, we expect improvements compared to FY26/3.

Meanwhile, regarding the R&D ratio, we will need to continue investing aggressively in leading-edge technologies at a similar level to this fiscal year and some time into next fiscal year and beyond. While this will involve both the increase in R&D and operating leverage from increased net sales, we expect the R&D ratio to improve slightly.

Although operating margin for FY26/3 will fall short of the initial forecast, we expect operating margin trends over the next several years to be in line with the outlook presented in April, supported by operating leverage from increased net sales.

Market Trend, Background of FY26/3 Forecast, Outlook for FY27/3 & Beyond

socionext
The Solution SoC Company

Market Trend & Design Win Status

Automotive

- Innovation continues for AD/ADAS technologies and services
- AI is accelerating innovation, expanding use of advanced SoCs in automotive market
- Competitions becoming more intense among service-oriented companies, new-school OEMs as well as mainstream OEMs, structural changes in automotive industry ongoing
- Mainstream OEMs showing signs of new moves

Data Center & Networking

- Significant expansion of data center processing capacity due to factors including emergence of generative AI
- Business opportunities increasing for custom SoCs, as demand for differentiation grow further in CPU, xPU (AI), switches, etc.
- Needs for larger-scale design, adoption of leading-edge technologies (2nm/14Å, 3D/ 5.5D, Co-Packaged Optics...)

Industrial / Smart Devices (Physical AI)

- Projects continuing with advanced customers; Demand remaining high for value-added products
- Demand expanding for Solution SoC business model that utilizes advanced technologies, due to expanded use of AI and networks in the industrial market
- Signs of adopting Physical AI

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 in above business sectors to achieve Design Win Amount at the same level as previous fiscal year

FY26/3 Forecast (updated as of October 2025)

Operating Income expected to decrease while Net Sales expected to increase

■ **Product Revenue**

- After bottoming out in 1Q, product revenue returns to growth trend in 2Q, due to launch of new mass production for automotive, etc.
- FY26/3 full year revenue will be higher than the April forecast.

■ **NRE Revenue**

- NRE sales to remain at the same level as FY25/3 or to slightly increase.

■ **Operating Income**

- Operating income in FY26/3 full year to be lower than the April forecast due to: (1) Increase in product cost ratio (deterioration in product gross margin) and (2) increase in advance R&D expense.
  - Factors of higher product cost ratio include change in product mix due to start of mass production of new product with higher cost ratio (lower gross margin) and indirect impact of FX. Additionally, <more-than-forecast volume> and <delay in gross margin improvement> for the product during early mass production phase with higher cost ratio contribute to higher product cost ratio.

<FX assumptions>

- FX rate : USD/JPY=130.0 in 2H FY26/3 (unchanged)

  (USD/JPY=138.0 in FY26/3 full year)
- FX sensitivity 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.
- FX sensitivity for FY26/3 full year remains unchanged from the April Forecast. However, it fluctuates quarterly due to volatility in the volume of US dollar-denominated net sales, purchases, inventory, and timing of R&D costs. We expect the amount of FX impact to be low in 2Q and 3Q, while it is expected to be the largest in 4Q.

FY27/3 & beyond Outlook

No change of outlook from April forecast trend

■ **Product Revenue**

- FY27/3 : Continued growth expected in AD/ADAS SoC projects; In addition to the project that enters production in FY26/3, new mass production of multiple products is expected to start, including US automotive and data center projects.
- FY28/3 and beyond: Further growth also expected driven by the start of mass production for projects acquired in FY23/3-FY25/3.

■ **NRE Revenue**

- Gradual increase expected to continue.

■ **Operating Income**

- Product gross margin expected to improve although it depends on change in product mix and production ramp-up of new products.
- R&D ratio expected to remain at similar level as FY26/3 or gradually decline, due to the leverage from net sales increase, while aggressive advance investment continues.
- SG&A ratio expected to gradually become lower due to the leverage from net sales increase.
- We expect to maintain the medium-term trend in operating income over the next few years as forecasted in April, despite a temporary drop in FY26/3, considering the leverage from net sales increase.

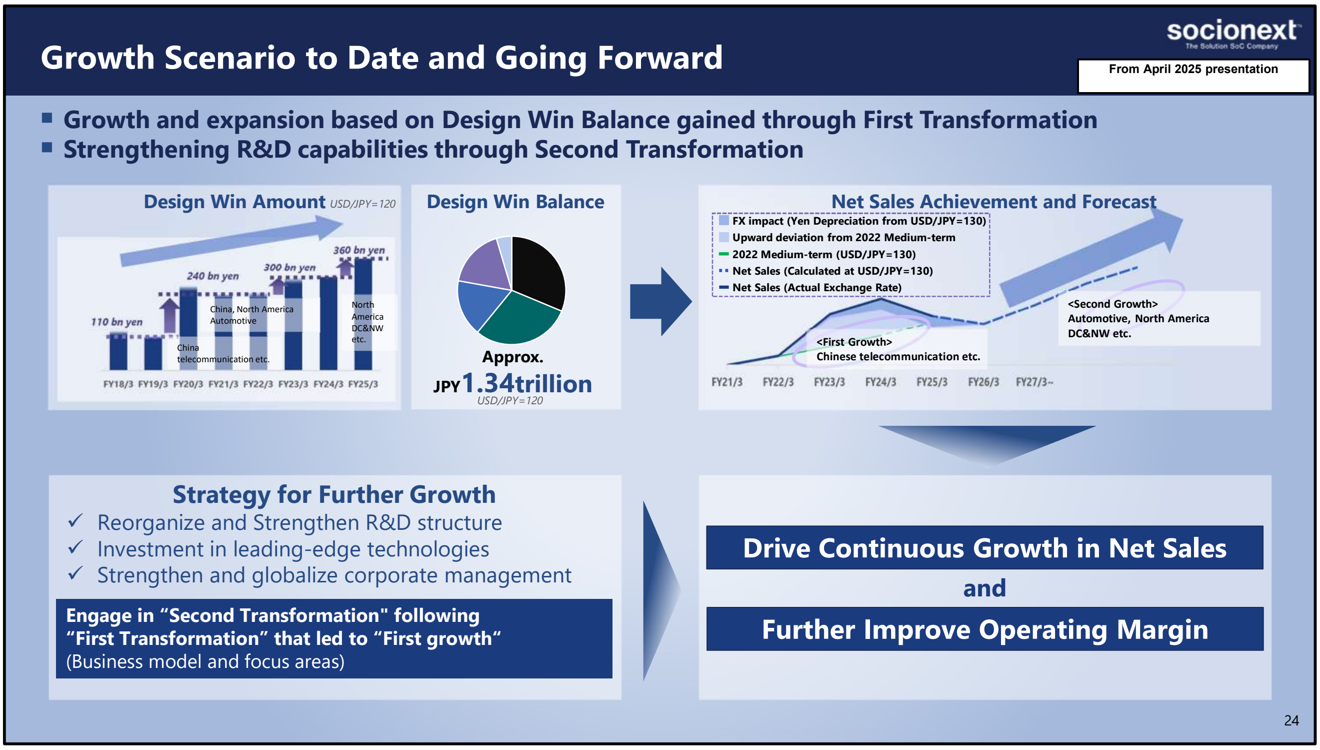
■ **Aggressive investment in leading-edge technologies for further growth**

■ **Accelerate "Growth-Oriented" management**

22

This slide shows market trends, the background of our forecast, and the outlook beyond FY27/3.

The following slides show Socionext' s growth strategy.



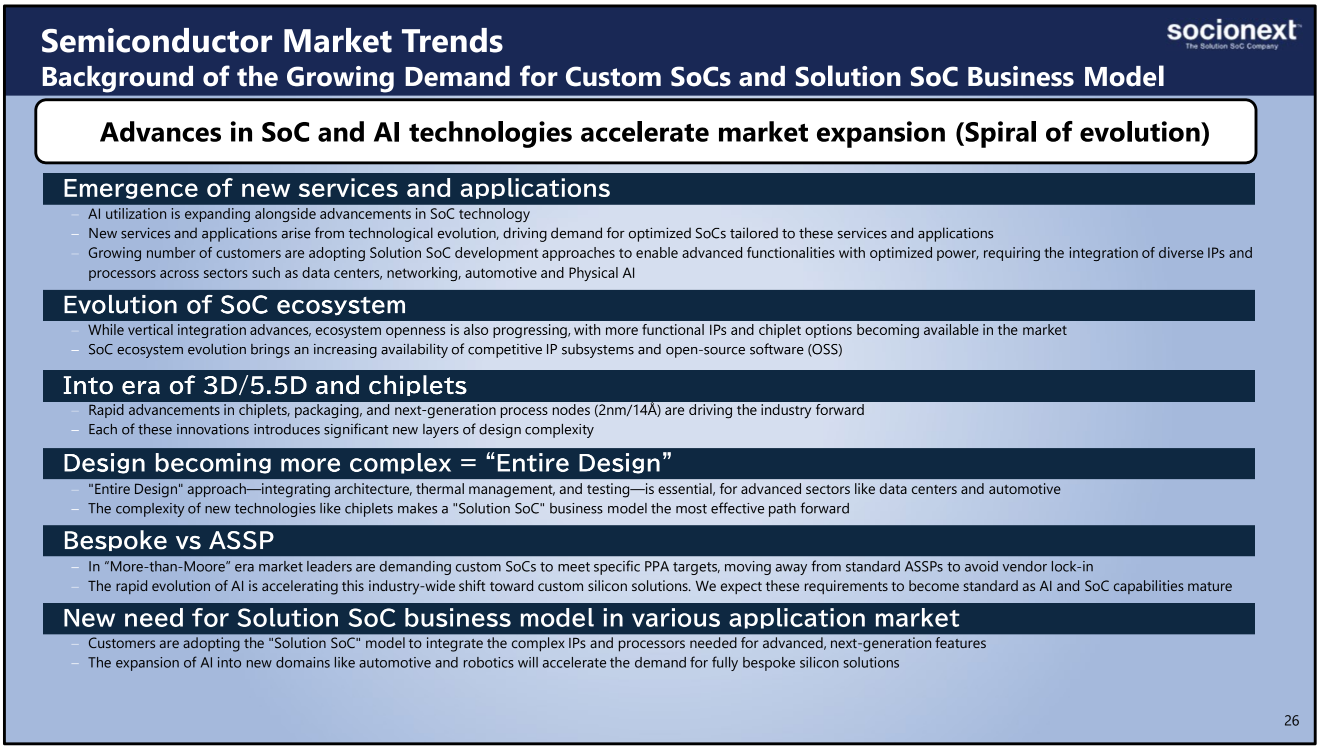
This slide shows our growth scenario to date and going forward, explained in April briefing.

This slide is to summarize the semiconductor market trends and Socionext' s initiatives.

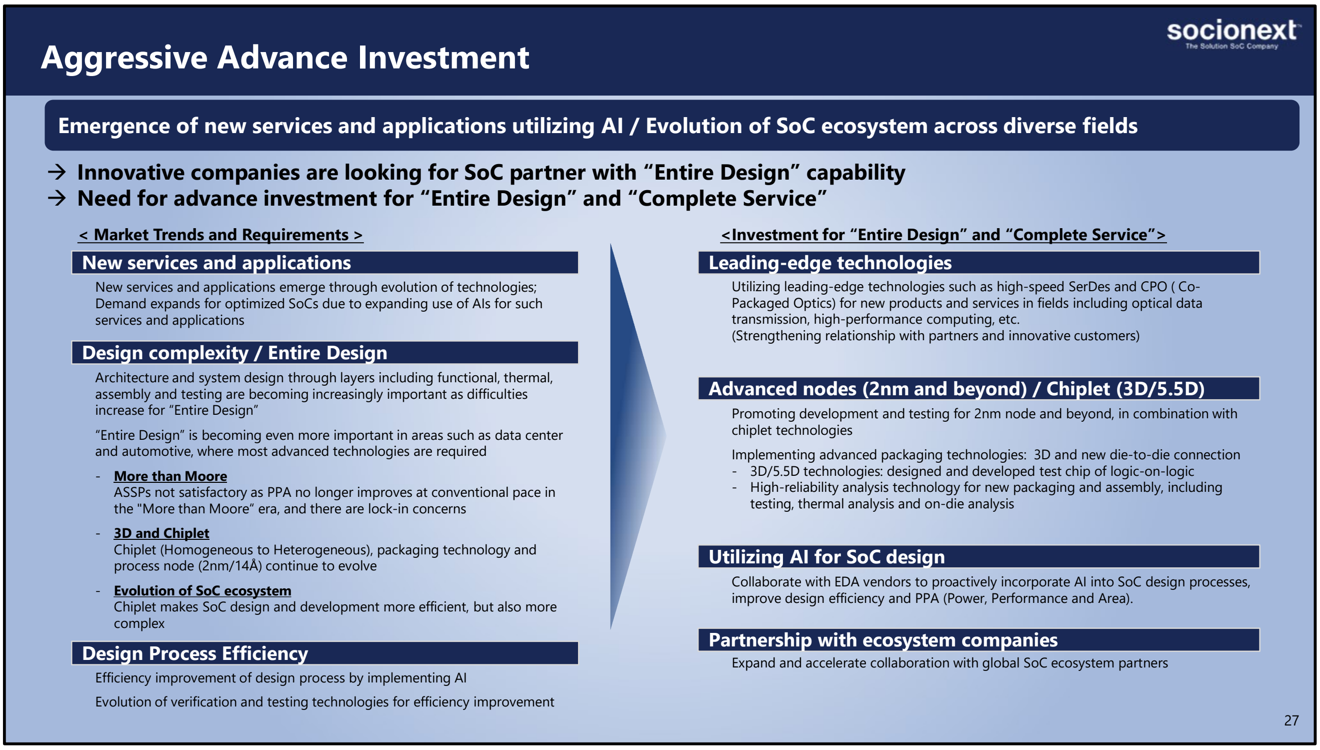
The importance of "Entire Design" is growing in the market, driven by leading-edge technologies including 3D/5.5D, chiplets and the complexity of designs, as new services emerge and SoC ecosystem evolves.

New needs are expanding for the Solution SoC business model across various application markets.

In response to those changes, Socionext is going to expand business in each application market and make an aggressive advance investment in R&D.



This slide provides more detail explanation of semiconductor market trends and the background of the growing demand for custom SoCs and the Solution SoC business model.



This slide is to explain our aggressive advance investment.

As new services and applications utilizing AI emerge, SoC ecosystem across diverse fields is further evolving.

Under such circumstances, innovative companies are looking for a SoC partner who can offer "Entire Design" capability for leading-edge SoC development, and advance investment to realize "Entire Design" and "Complete Service" is required to meet such demand.

Various types of leading-edge technologies are required to realize new services and applications, to address design complexity and to achieve "Entire Design" and design process efficiency.

Investment in R&D for leading-edge technologies including advanced nodes(2nm and beyond) and chiplet (3D/5.5D), utilization of AI for SoC design, and building close partnerships with semiconductor ecosystem players to make all of these possible are crucially important.

Recent Activities in Leading-Edge Technologies

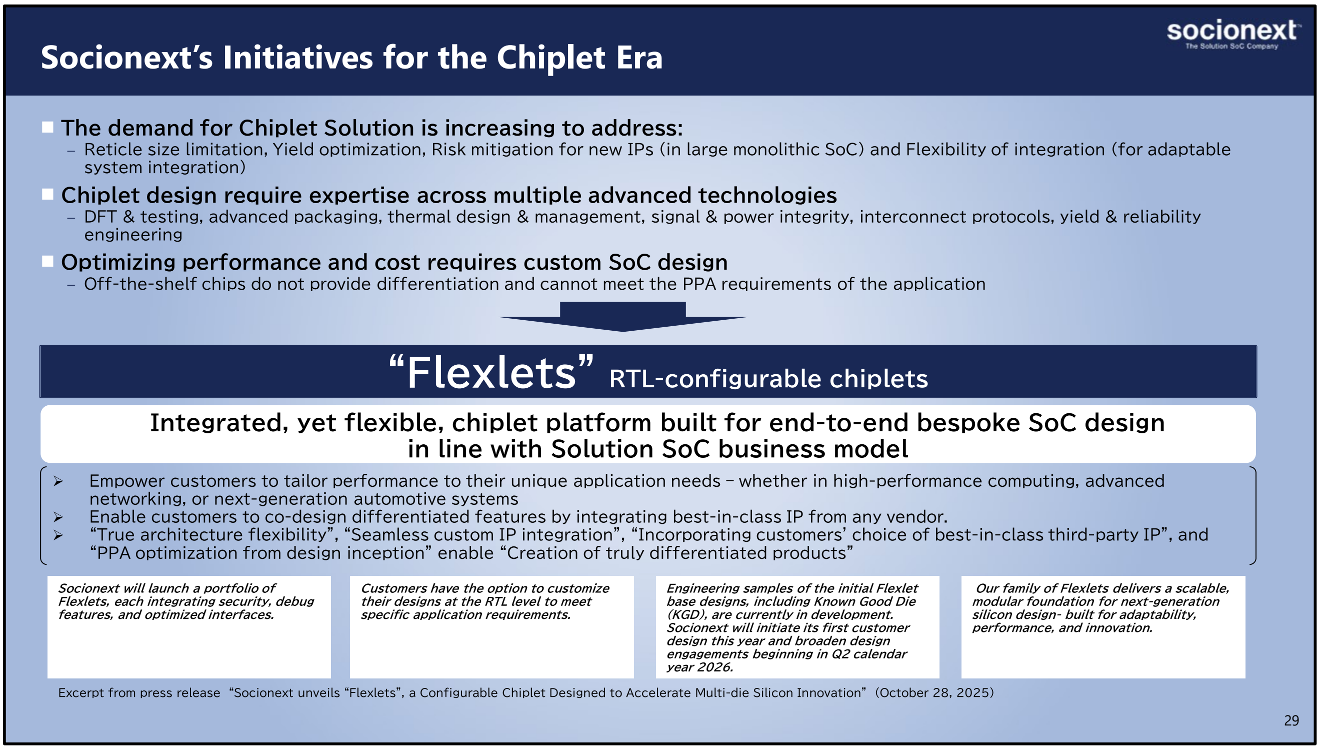
Publicly announced development activities with ecosystem partners for leading-edge technologies including 3D/5.5D, Chiplet, etc.

- **Socionext Expands 3DIC Support with Advanced 3D Die Stacking and 5.5D in Packaging Portfolio**
  (August 28, 2025)
- **Socionext and imec Update Core Partner Program Strengthening Collaboration in Research and Development of Chiplet and Advanced Logic Semiconductor Technologies**
  (September 11, 2025)
- **Socionext Unveils "Flexlets", a Configurable Chiplet Ecosystem to Accelerate Multi-die Silicon Innovation**
  (October 28, 2025)

28

Here are the announcements of the company's recent activities in the leading-edge technology fields.

Those include activities with ecosystem partners for 3D/5.5D, as well as the chiplet platform aligned with the Solution SoC business model.



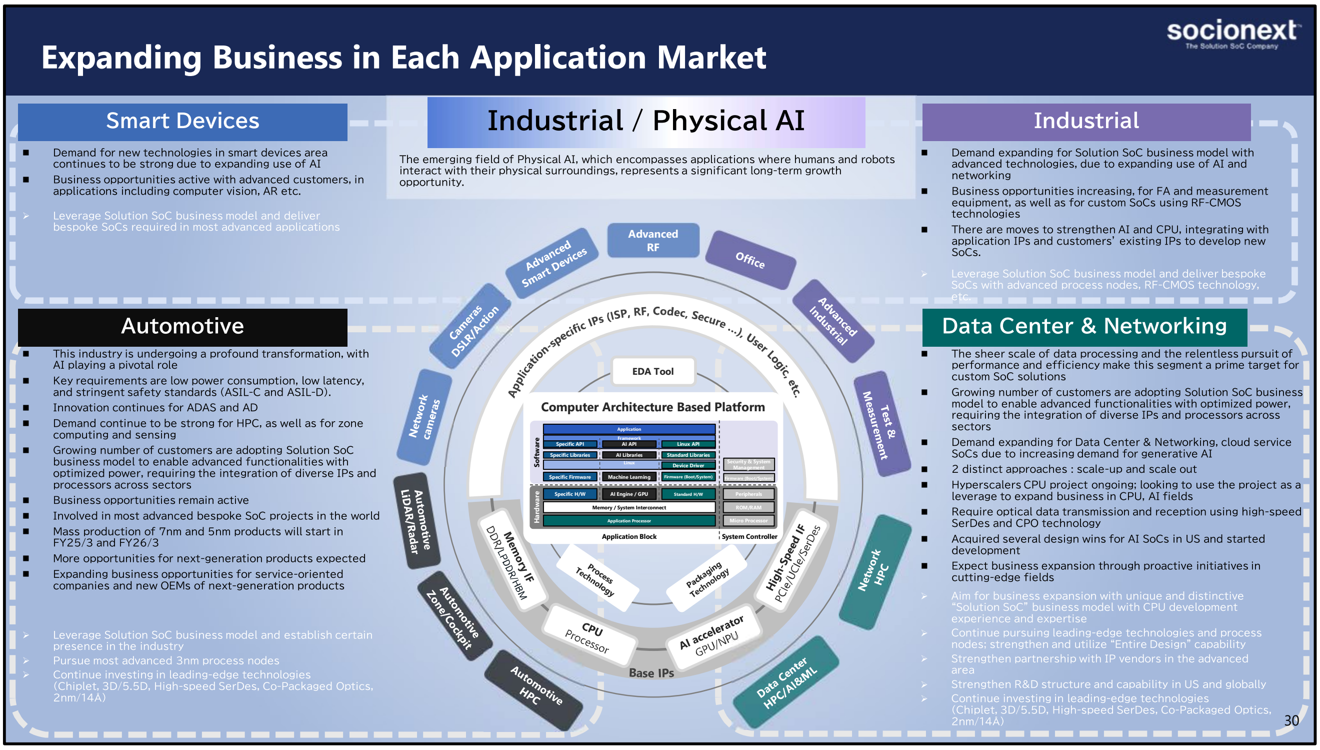
This slide explains our initiatives for the chiplet era.

We have announced "Flexlets", integrated, yet flexible chiplet platform built for end-to-end custom (bespoke) SoC design aligned with our Solution SoC business model.

Socionext will launch a portfolio of Flexlets, each integrating security, debug features, and optimized interfaces. Customers have the option to customize their designs at the RTL level to meet specific application requirements.

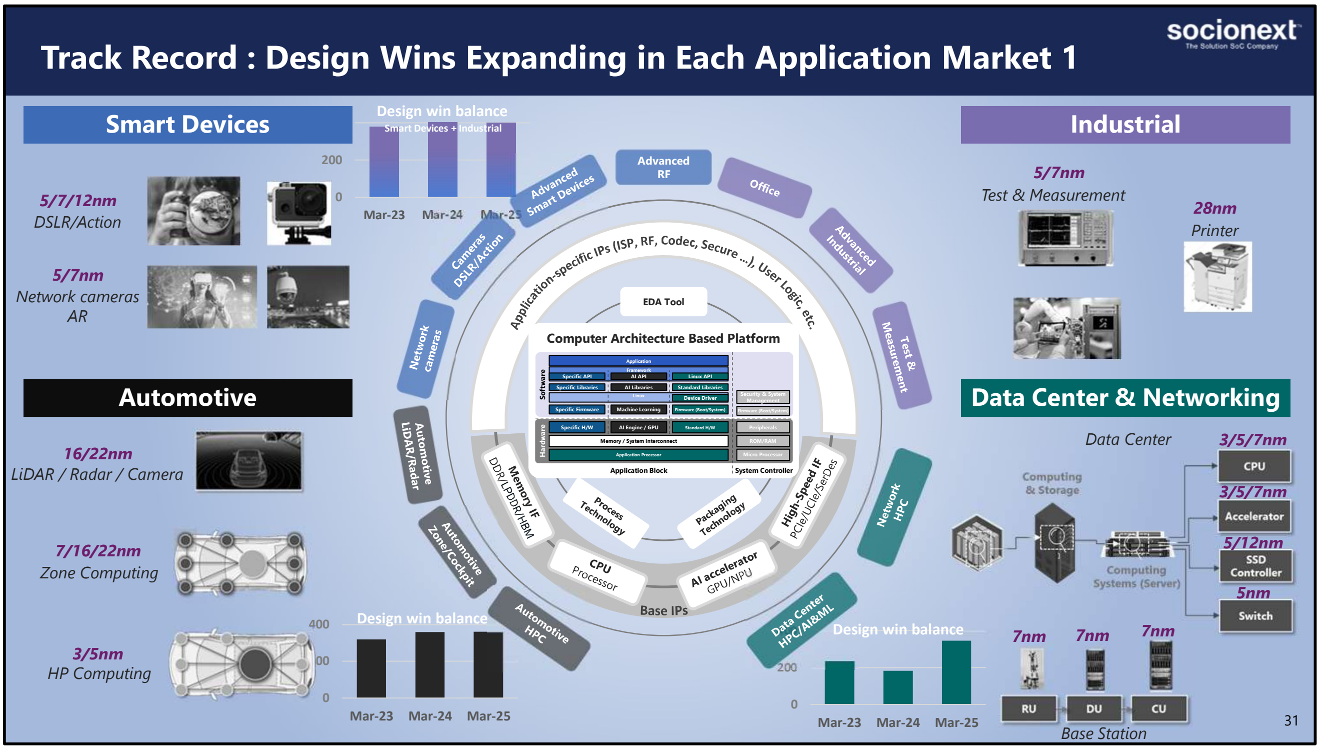
Engineering samples of the initial Flexlet base designs, including Known Good Die (KGD), are currently in development. Socionext will initiate its first customer design this year and broaden design engagements beginning in Q2 calendar year 2026.

Our family of Flexlets delivers a scalable, modular foundation for next-generation silicon design- built for adaptability, performance, and innovation.

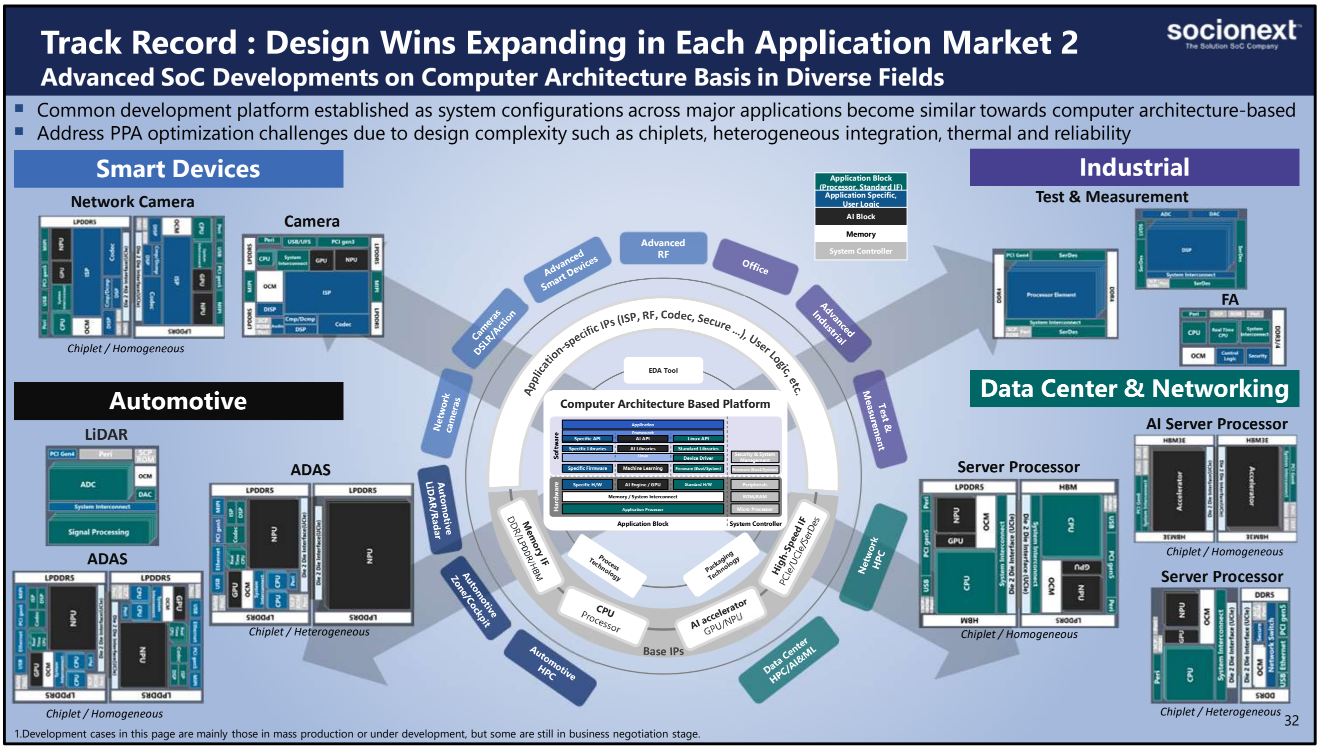


This slide shows business expansion in each application market.

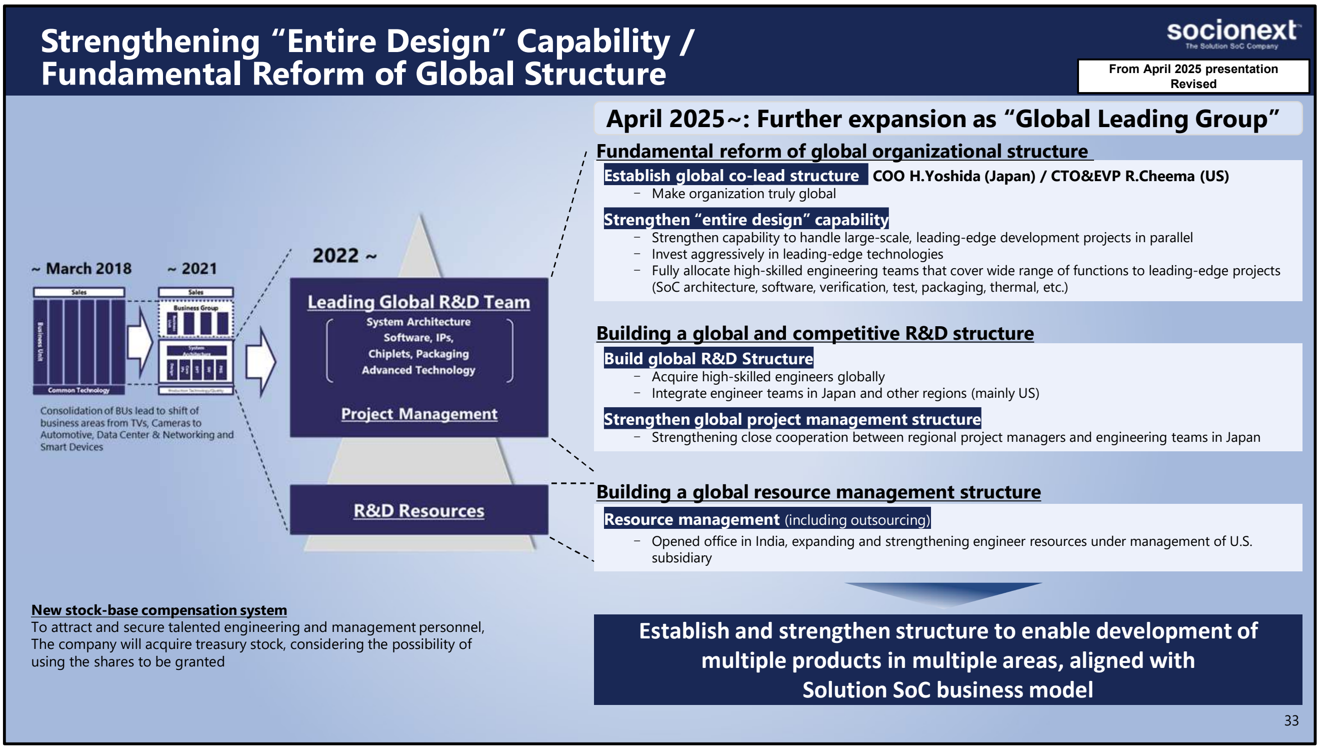
In addition to sectors such as Smart Devices, Industrial, Automotive and Data Center & Networking, we are now paying close attention to emerging technology area such as Physical AI, which enables robots and other systems to recognize the physical world and perform complex actions.



This slide shows the expansion of our design wins in each application market.



This slide shows our advanced SoC developments on computer architecture basis in diverse fields.



To achieve the growth strategies outlined here, it is essential to strengthen our Entire Design capabilities and reform our global development structure. We will continue pursuing these initiatives.

socionext
The Solution SoC Company

From April 2025 presentation
Content added

Medium-Term Targets : Aiming for Future Growth

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

Medium-Term Targets

(Yen in billions)

	FY25/3 Result	FY26/3 Forecast (as of Oct.2025)	Medium-Term Targets
Net Sales	188.5(170.0) USD/JPY=152.6 (130)	190.0 USD/JPY=138	CAGR Mid-teen %
OP Margin (Operating income)	13.3% (25.0 bn yen)	5.3% (10.0 bn yen)	Mid-to-High-teen %

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 Targets
Net Sales Growth	99.7 billion yen	117.0 billion yen	High-teen% CAGR
OP Margin	1.6%	7.2%	Low-to-Mid-teen %

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
OP Margin	1.6%	7.2%	11.3%	16.1%	13.3%

Refer to page 2 for handling of forecast.

34

This slide is an update to the one presented in the April briefing, however, the targets themselves are not changed.

socionext™
The Solution SoC Company

Appendix:

Overview

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

Consolidated Statements of Income

socionext
The Solution SoC Company

(Yen in billions)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 1H
Net Sales	99.7	117.0	192.8	221.2	188.5	87.2
% YoY	*-3.7%*	*+17.3%*	*+64.7%*	*+14.8%*	*-14.8%*	*-12.1%*
Product Revenue	*73.1*	84.6	156.8	182.9	146.6	70.4
NRE Revenue	*23.0*	28.1	34.9	37.6	41.0	16.4
Other Revenue	*3.6*	4.3	1.1	0.8	0.9	0.4
Cost of Sales	(43.2)	(49.8)	(103.9)	(111.2)	(84.6)	(45.3)
Gross Profit	56.5	67.3	88.8	110.0	103.9	41.9
% Margin	*56.7%*	*57.5%*	*46.1%*	*49.7%*	*55.1%*	*48.1%*
% Product Gross Margin	*40.9%*	*41.2%*	*33.7%*	*39.2%*	*42.3%*	*35.7%*
R&D	(39.2)	(43.2)	(49.3)	(53.3)	(59.8)	(29.0)
Selling, General and Administrative Expenses (excl. R&D)	(15.8)	(15.6)	(17.8)	(21.2)	(19.1)	(9.2)
Operating Income	1.6	8.5	21.7	35.5	25.0	3.8
% Margin	*1.6%*	*7.2%*	*11.3%*	*16.1%*	*13.3%*	*4.3%*
Non-Operating Income (Loss)	0.4	0.6	1.8	1.6	0.1	(1.0)
Ordinary Profit	2.0	9.1	23.4	37.1	25.1	2.8
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	2.8
Income Taxes	(0.5)	(1.6)	(3.7)	(11.0)	(5.8)	(0.7)
Net Income	1.5	7.5	19.8	26.1	19.6	2.1
% Margin	*1.5%*	*6.4%*	*10.3%*	*11.8%*	*10.4%*	*2.4%*
FX Rate (USD/JPY)	106.1	112.4	135.5	144.6	152.6	146.0

Consolidated Balance Sheets

socionext
The Solution SoC Company

(Yen in billion)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 1H
Assets						
Cash on-hand and in banks[1]	42.7	46.3	45.1	69.7	72.8	45.7
Accounts receivable-trade, net	28.6	25.1	40.8	35.3	31.6	40.4
Inventories[2]	6.7	16.4	47.7	25.5	17.0	28.2
Others	2.6	2.9	22.4	8.4	4.8	6.9
Total Current Assets	80.6	90.6	156.1	138.9	126.3	121.3
Property, Plant and Equipment	8.9	11.6	17.2	21.8	22.3	25.2
Reticle	3.7	4.7	5.6	8.1	9.7	12.2
Others PP&E	5.2	6.9	11.6	13.7	12.6	13.0
Intangible Assets	11.6	12.2	13.0	18.5	14.4	14.7
Deferred Tax Assets	2.3	3.1	6.9	6.7	6.1	5.8
Others	0.9	0.8	0.8	0.9	1.2	1.2
Total Non-current Assets	23.7	27.8	37.9	47.9	44.0	46.8
Total Assets	104.2	118.4	193.9	186.8	170.3	168.1

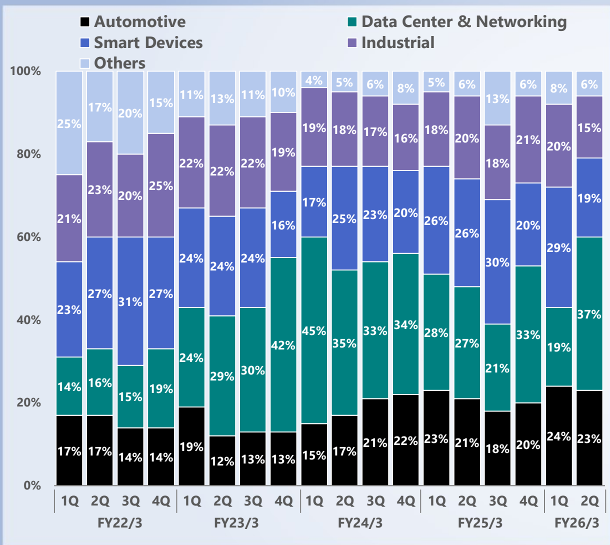
	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 1H
Liabilities and Equity						
Accounts Payable-trade	12.0	16.6	23.4	15.8	11.9	17.6
Accrued Expenses	7.4	6.9	30.3	18.2	12.0	13.5
Others	1.9	3.9	28.6	19.1	7.3	5.1
Total Current Liabilities	21.3	27.4	82.3	53.1	31.3	36.2
Total Non-current Liabilities	1.3	1.4	1.7	2.7	2.0	2.0
Total Liabilities	22.6	28.8	84.1	55.8	33.3	38.2
Common Stock	30.2	30.2	30.2	32.7	33.0	33.0
Capital Surplus	30.2	30.2	30.2	32.7	33.0	33.9
Retained Earnings	21.4	28.9	48.6	63.6	74.3	71.9
Treasury Stock	0.0	0.0	0.0	0.0	(5.0)	(10.8)
Others	(0.1)	0.3	0.8	2.0	1.8	1.9
Total Equity	81.7	89.6	109.9	131.0	137.0	130.0
Total Liabilities and Equity	104.2	118.4	193.9	186.8	170.3	168.1

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

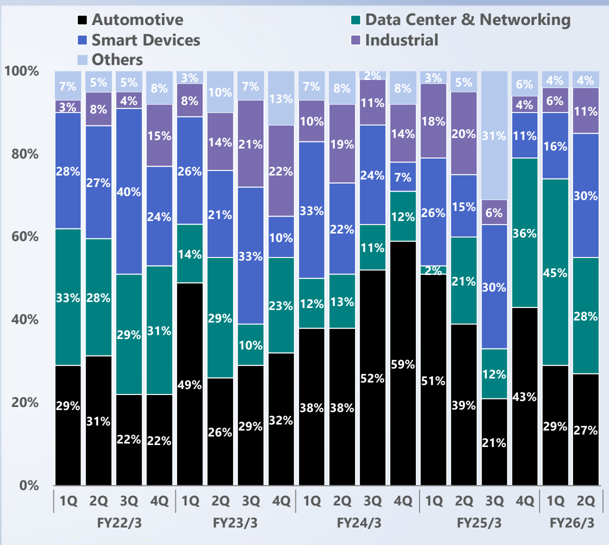
Breakdown by Application Market (Quarterly)

socionext
The Solution SoC Company

Net Sales[1]



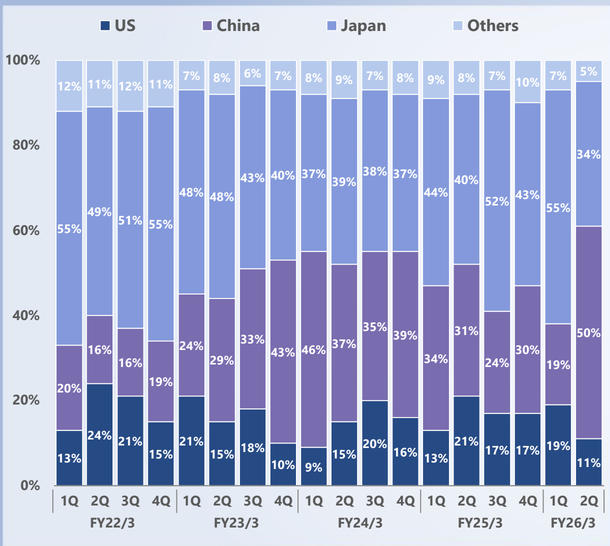
NRE Revenue[1]



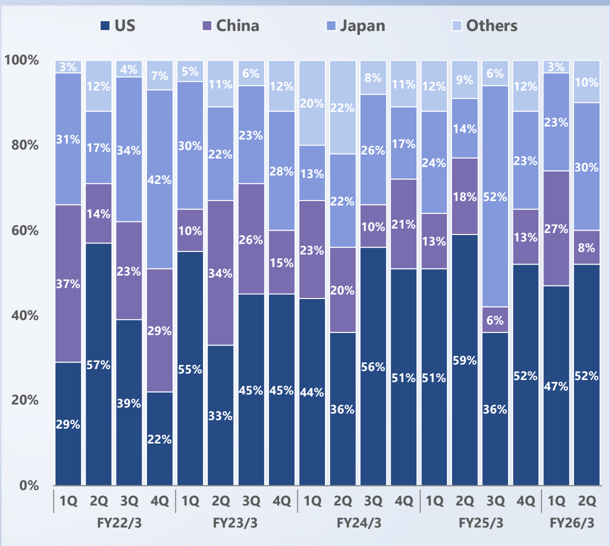
1. Quarterly compositions are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.

Breakdown by Geographic Region (Quarterly)

Net Sales[1]



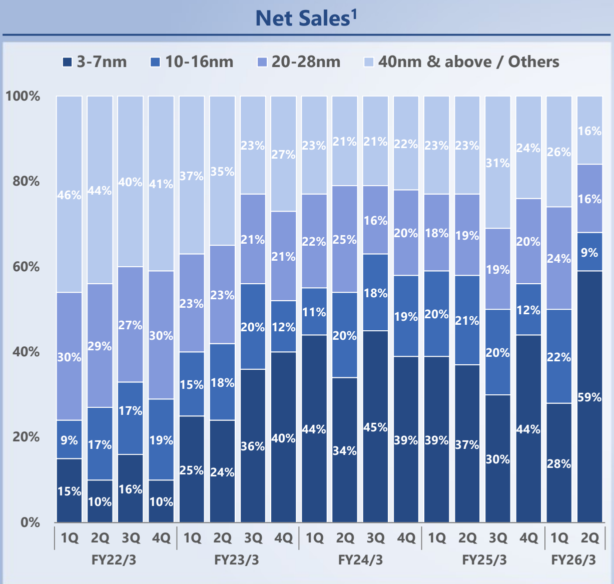
NRE Revenue[1]

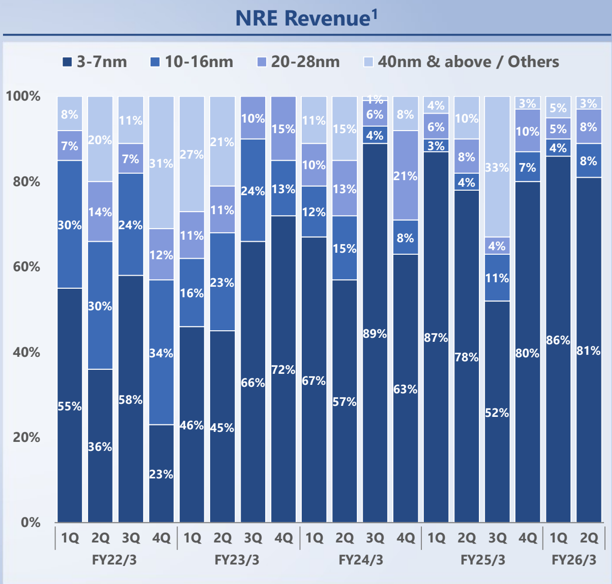


1. Quarterly compositions are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.

Breakdown by Process Node (Quarterly)

socionext
The Solution SoC Company





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

socionext™
The Solution SoC Company

Following slides are repeated materials from FY25/3 financial results presentation

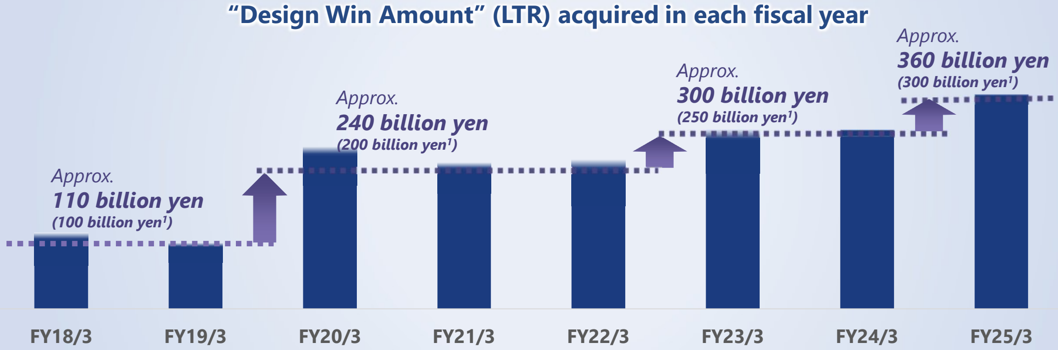
(April 2025)

Strong Design Wins

From April 2025 presentation Revised

- **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.

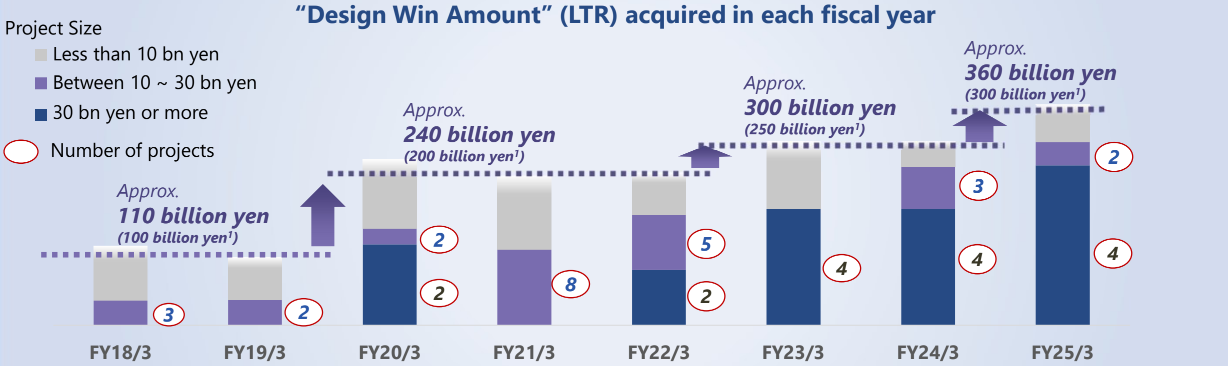
A foreign exchange rate of **USD/JPY=120** is used in above graphs and drawings. Refer to page 3.
1. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

Large-Scale Design Wins Increasing

socionext
The Solution SoC Company

From April 2025 presentation Revised

■ 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.

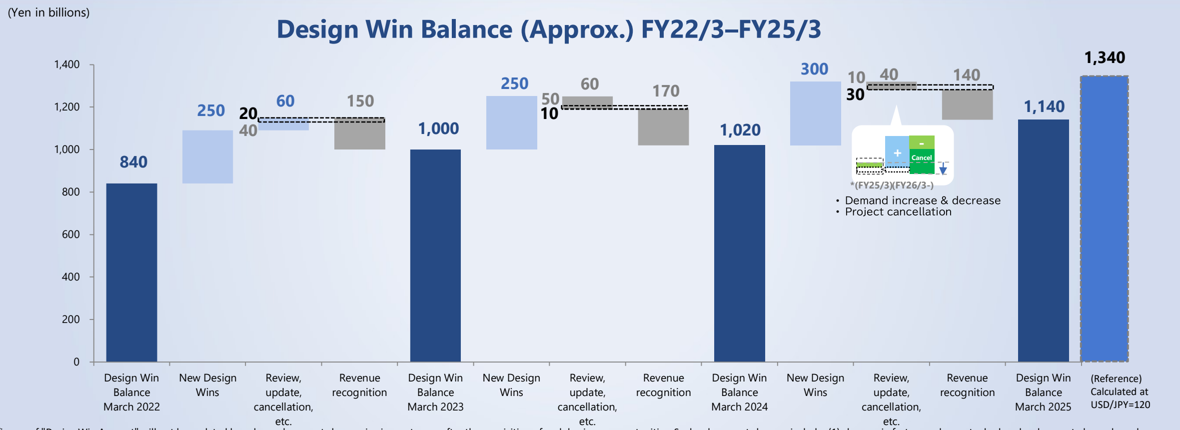
A foreign exchange rate of **USD/JPY=120** is used in above graphs and drawings. Refer to page 3.
1. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

Design Win Balance: Breakdown of Changes

socionext
The Solution SoC Company

From April 2025 presentation
Revised

- **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.

"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=100** is used in above graphs and drawings. Refer to page 3.

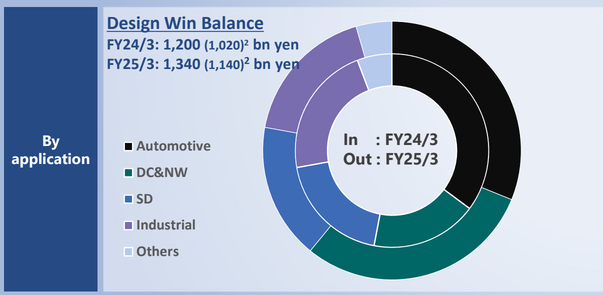
* [ ] indicates sales increase and decrease in FY25/3, corresponding to demand increase and decrease. Decrease includes shift to FY26/3–.

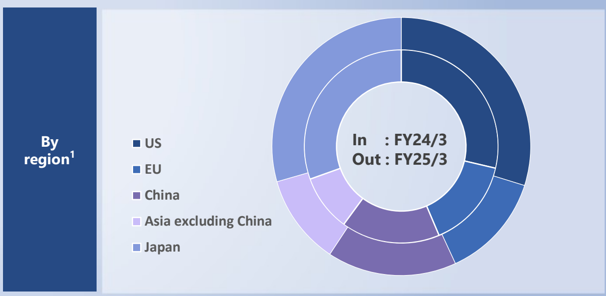
Design Win Balance: by Application Market and Region

socionext
The Solution SoC Company

From April 2025 presentation
Revised

- **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

New Executive Structure

socionext The Solution SoC Company

From April 2025 presentation

Announced February 2025

April 2025~: Started new executive structure for sustainable growth

M. Koezuka, CEO

H. Yoshida, COO

Y. Yoneyama, EVP&CFO

Global Leading Group (GLG) Development Group (DG)

H. Yoshida
GLG Co-Lead

H. Yoshida
DG Lead

R. Cheema
EVP & CTO
GLG Co-Lead

S. Goto
EVP & Chief Architect
GLG Second Lead

Business Group (BG) / Sales Group (SG)

T. Kamada
EVP
BG Lead

T. Kamada
EVP
SG Lead

S. Goto
EVP & Chief Architect
BG Second Lead

M. Majid
EVP
SG Second Lead

Production Management Group

M. Naito
EVP
Production Control Group Lead
Production & Quality Management Group Lead

Corporate

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

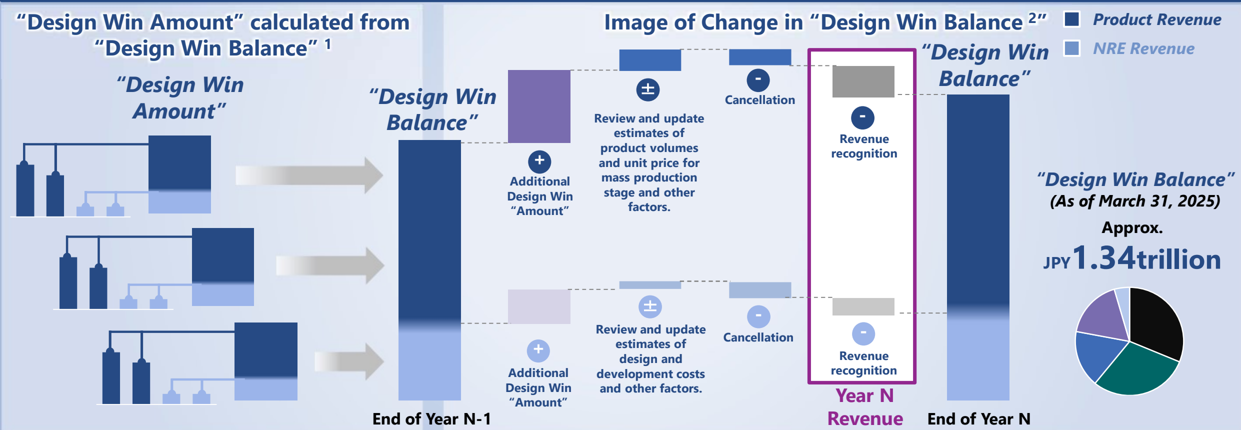
“Design Win Amount” to Revenue / Illustrative Description of “Design Win Balance”

socionext
The Solution SoC Company

From April 2025 presentation

“Design Win Balance[1]” ・・・

“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.



1. 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”

socionext
The Solution SoC Company

From April 2025 presentation

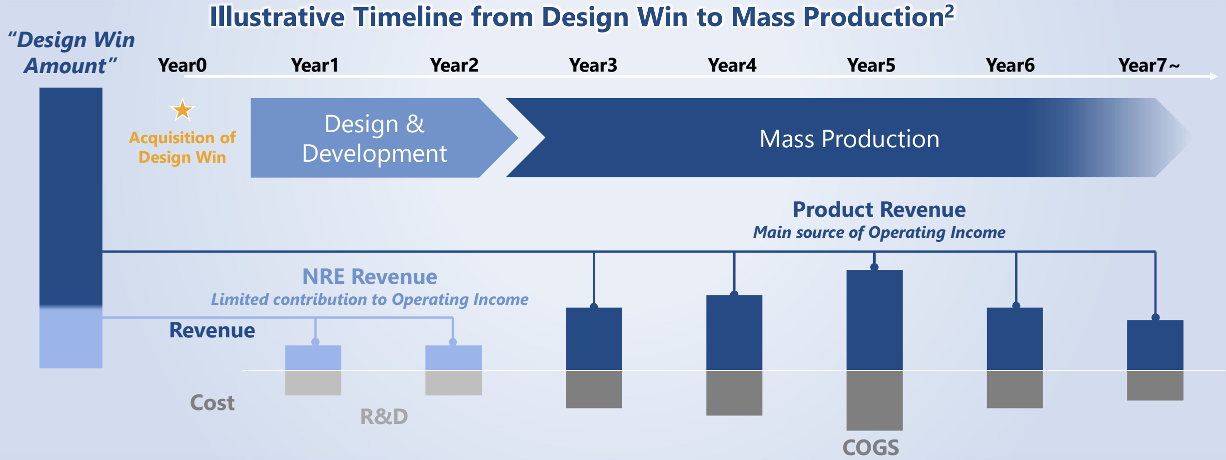
“Design Win Amount[1]” ・・・

“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 customers[1]*
- *A foreign exchange assumption of 1USD=120JPY has been used*

Illustrative Timeline from Design Win to Mass Production[2]



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

socionext
The Solution SoC Company

From April 2025 presentation

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

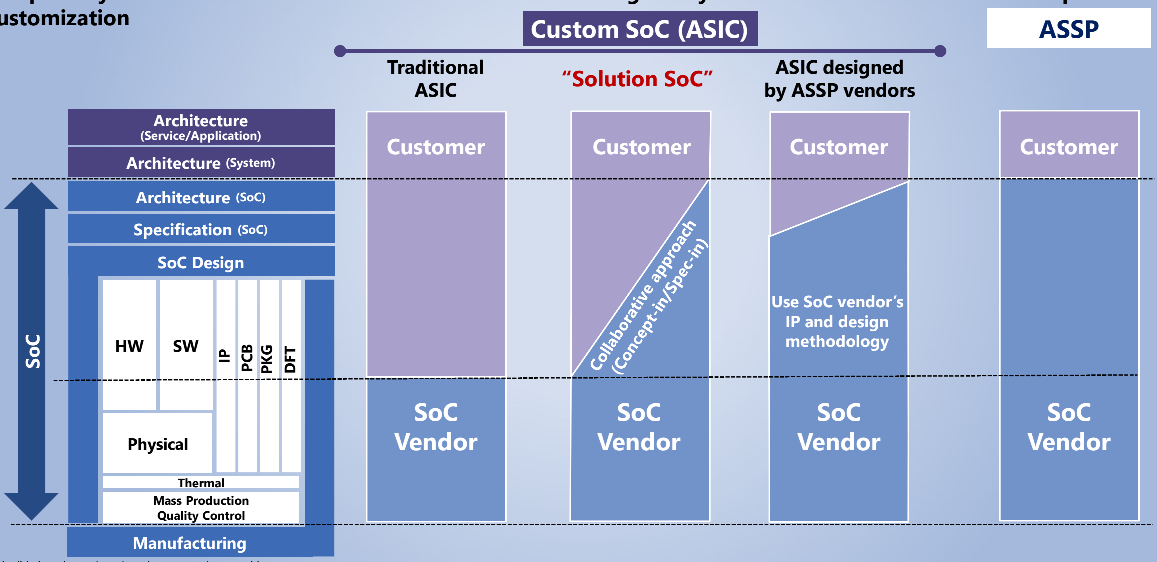
	Business Model	Primary Applications	Expansion of Overseas Business	Technology	Culture
Past	Focus on ASSP and ASIC	DTV, Blu-ray/DVD, DSC Mature Market	Mainly Domestic Focus	Follower	Hierarchical Organization
2018					
Present	Focus on Solution SoC in custom SoC mkt.	Automotive, Data Center & Networking, Smart Devices, Industrial Growth Market	Global Market	Leader *(2nm, 3nm, 5nm)*	Quick Decision-Making with a Flat Team Structure

49

Features of Solution SoC Business Model

socionext
The Solution SoC Company
From April 2025 presentation

- The primary difference between "traditional ASIC" and "Solution SoC" 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