socionext™

The Solution SoC Company

3Q FY2026/3

Consolidated Financial Results

January 30, 2026

Socionext Inc.

Disclaimer

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.

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3Q FY2026/3

Consolidated Financial Results

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

3Q FY2026/3 Consolidated Statements of Income

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(JPY in billions)

		FY2025/3				FY2026/3			YoY		QoQ	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q		YoY%		QoQ%
Net Sales		**52.8**	**46.4**	**46.1**	**43.3**	**34.6**	**52.7**	**54.9**	**+8.8**	**+19.2%**	**+2.3**	**+4.3%**
	Product revenue	42.3	37.7	35.0	31.6	25.9	44.5	44.3	+9.3	+26.4%	-0.2	-0.4%
	NRE revenue	10.3	8.4	10.8	11.4	8.5	8.0	10.4	-0.4	-3.7%	+2.5	+30.9%
	Other	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0	-6.1%	0	-10.6%
Cost of Sales		**22.9**	**22.2**	**20.6**	**18.8**	**14.4**	**30.9**	**31.1**	**+10.5**	**+50.9%**	**+0.2**	**+0.8%**
	Product cost ratio	54.3%	59.1%	58.8%	59.6%	55.6%	69.4%	70.2%	+11.4pt		+0.8pt	
Selling, General and Administrative Expenses		**19.6**	**18.9**	**20.4**	**20.1**	**18.7**	**19.5**	**20.4**	**0**	**+0.1%**	**+0.9**	**+4.8%**
	R&D	15.0	13.8	15.6	15.4	14.2	14.7	15.3	-0.4	-2.4%	+0.5	+3.6%
	SG&A (excluding R&D)	4.6	5.1	4.7	4.7	4.5	4.7	5.1	+0.4	+8.4%	+0.4	+8.4%
Operating Income		**10.3**	**5.3**	**5.1**	**4.3**	**1.4**	**2.3**	**3.4**	**-1.7**	**-32.7%**	**+1.1**	**+47.7%**
	Margin	19.4%	11.4%	11.1%	10.0%	4.2%	4.4%	6.3%	-4.8pt		+1.9pt	
Net Income		**7.6**	**4.0**	**4.9**	**3.1**	**0.5**	**1.6**	**2.7**	**-2.2**	**-44.3%**	**+1.1**	**+70.6%**
	Margin	14.3%	8.6%	10.6%	7.2%	1.3%	3.0%	5.0%	-5.6pt		+2.0pt	
FX Rate (USD/JPY)		**155.9**	**149.4**	**152.4**	**152.6**	**144.6**	**147.5**	**154.2**	**+1.8**		**+6.7**	

1-3Q FY2026/3 Consolidated Statements of Income

(JPY in billions)

	FY2025/3 1-3Q	FY2026/3 1-3Q	YoY	YoY%
Net Sales	**145.3**	**142.1**	**-3.1**	**-2.2%**
Product revenue	115.0	114.7	-0.3	-0.3%
NRE revenue	29.6	26.9	-2.7	-9.2%
Other	0.7	0.6	-0.1	-9.1%
Cost of Sales	**65.8**	**76.4**	**+10.6**	**+16.1%**
Product cost ratio	57.2%	66.6%	+9.4pt	
Selling, General and Administrative Expenses	**58.8**	**58.6**	**-0.2**	**-0.4%**
R&D	44.4	44.2	-0.2	-0.4%
SG&A (excluding R&D)	14.4	14.3	-0.1	-0.4%
Operating Income	**20.7**	**7.2**	**-13.5**	**-65.1%**
Margin	14.2%	5.1%	-9.1pt	
Net Income	**16.5**	**4.8**	**-11.7**	**-71.0%**
Margin	11.3%	3.4%	-7.9pt	
FX Rate (USD/JPY)	**152.6**	**148.7**	**-3.9**	

Quarterly Net Sales and Operating Income

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Net Sales[1]

(JPY in billions)

- Product Revenue including
- Special Demand
- NRE Revenue
- Other

	FY22/3 [2]				FY23/3				FY24/3				FY25/3				FY26/3		
Total	27.1	28.3	29.8	31.8	39.9	42.8	56.1	53.9	61.4	55.5	52.7	51.6	52.8	46.4	46.1	43.3	34.6	52.7	54.9
Other	6.4	6.4	7.7																
NRE				7.5	8.7	7.4	11.5	7.3	8.4	6.8	11.9	10.5	10.3	8.4	10.8	11.4	8.5	8.0	10.4
Product	19.2	21.2	20.4	23.7	31.0	35.3	43.9	46.5	52.9	48.5	40.5	40.9	42.3	37.7	35.0	31.6	25.9	44.5	44.3

1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q

Operating Income[1]

(JPY in billions)

- Operating Income
- Margin

	FY22/3 [2]				FY23/3				FY24/3				FY25/3				FY26/3		
Margin	3.0%	8.9%	8.0%	8.7%	14.0%	11.4%	11.2%	9.2%	16.5%	15.4%	17.6%	14.7%	19.4%	11.4%	11.1%	10.0%	4.2%	4.4%	6.3%
Income	0.8	2.5	2.4	2.7	5.6	4.9	6.3	5.0	10.1	8.6	9.3	7.6	10.3	5.3	5.1	4.3	1.4	2.3	3.4

1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q 1Q 2Q 3Q

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 FY2022/3 are unaudited and unreviewed by external auditors.

3Q FY2026/3 Financial Results YoY

Net Sales and Operating Income YoY

Product Revenue
NRE Revenue
（JPY in billions）

FY25/3 3Q: 46.1 (NRE 10.8, Product 35.0)
FY26/3 3Q: 54.9 (NRE 10.4, Product 44.3)

FY25/3 3Q: USD/JPY= 152.4
FY26/3 3Q: 154.2

Operating Income
Margin
（JPY in billions）

FY25/3 3Q: 5.1 (11.1%)
FY26/3 3Q: 3.4 (6.3%)

FY25/3 3Q: USD/JPY= 152.4
FY26/3 3Q: 154.2
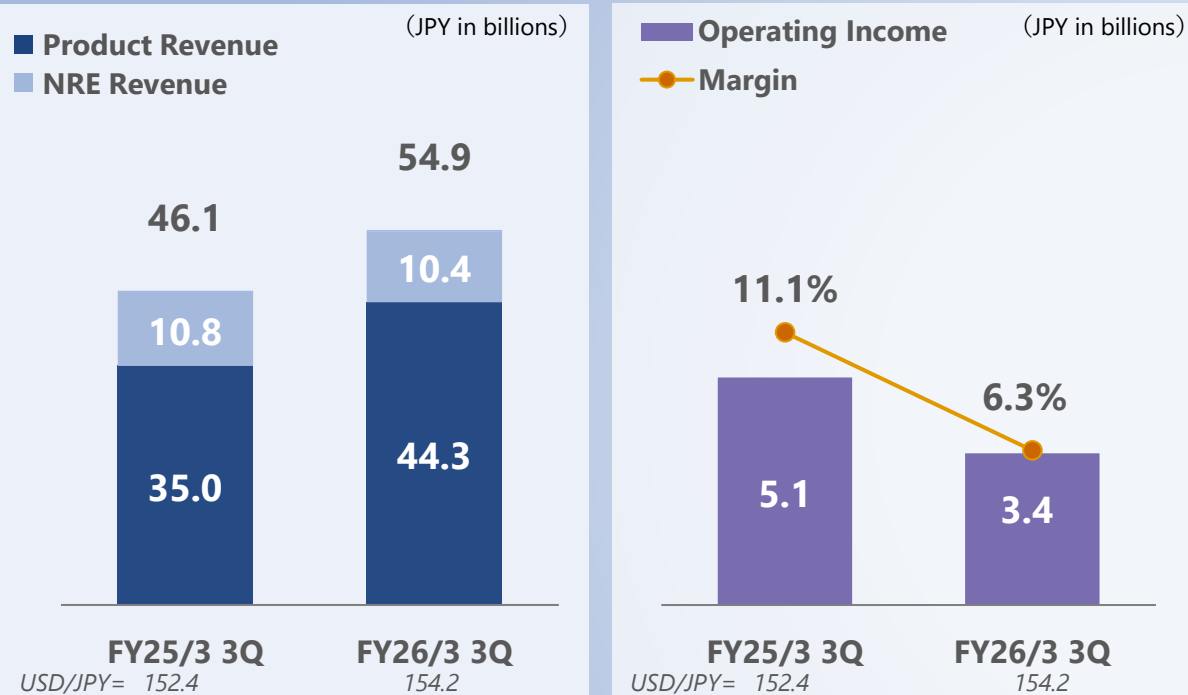
Net Sales: YoY +8.8 bn yen (+19.2%)

➤ Product revenue: +9.3 bn yen (FX impact +0.5 bn yen)
➤ NRE revenue: -0.4 bn yen (FX impact +0.2 bn yen)
                     (USD/JPY 152.4→154.2)

Operating Income YoY Analysis

（JPY in billions）

FY25/3 3Q: 5.1
Product Gross Profit[2]: -1.4
NRE Revenue[1,2]: -0.6
R&D, SG&A, etc.[2]: 0.0
FX impact[2]: +0.3
FY26/3 3Q: 3.4

FY25/3 3Q: USD/JPY=152.4
FY26/3 3Q: USD/JPY=154.2
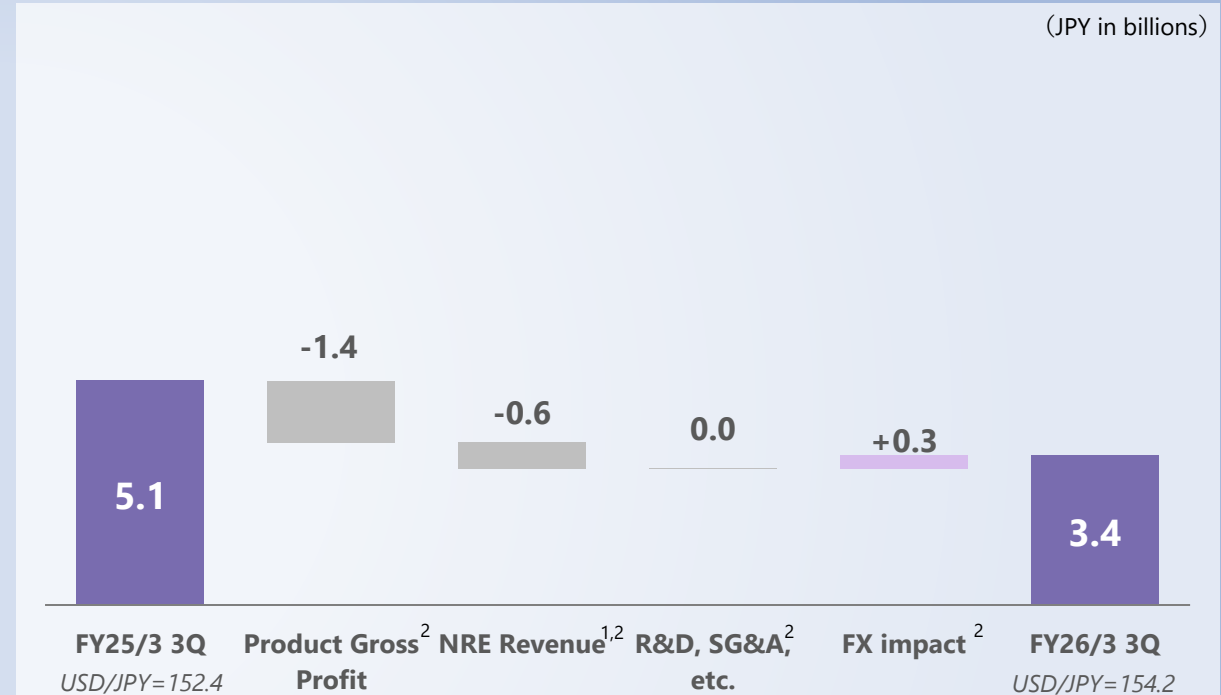
Operating Income: YoY -1.7 bn yen (-32.7%)

➤ Product gross profit: -1.4 bn yen
➤ NRE revenue: -0.6 bn yen
➤ R&D, SG&A, etc.:   0.0 bn yen
➤ FX impact: +0.3 bn yen (USD/JPY 152.4→154.2)

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.

3Q FY2026/3 Financial Results QoQ

Net Sales and Operating Income QoQ

(JPY in billions)

■ Product Revenue
■ NRE Revenue

	FY26/3 2Q	FY26/3 3Q
Total	52.7	54.9
NRE Revenue	8.0	10.4
Product Revenue	44.5	44.3

USD/JPY= 147.5 (FY26/3 2Q) / 154.2 (FY26/3 3Q)

■ Operating Income
━●━ Margin

(JPY in billions)

	FY26/3 2Q	FY26/3 3Q
Margin	4.4%	6.3%
Operating Income	2.3	3.4

USD/JPY= 147.5 (FY26/3 2Q) / 154.2 (FY26/3 3Q)

Net Sales: QoQ +2.3 bn yen (+4.3%)

➢ Product revenue: -0.2 bn yen (FX impact +1.6 bn yen)
➢ NRE revenue: +2.5 bn yen (FX impact +0.5 bn yen)
(USD/JPY 147.5→154.2)

Operating Income QoQ Analysis

(JPY in billions)

FY26/3 2Q	Product Gross Profit[2]	NRE Revenue[1,2]	R&D, SG&A, etc.[2]	FX impact[2]	FY26/3 3Q
2.3	-0.8	+2.0	-0.6	+0.6	3.4

USD/JPY=147.5 (FY26/3 2Q)   USD/JPY=154.2 (FY26/3 3Q)

Operating Income: QoQ +1.1 bn yen (+47.7%)

➢ Product gross profit: -0.8 bn yen
➢ NRE revenue: +2.0 bn yen
➢ R&D, SG&A, etc.: -0.6 bn yen
➢ FX impact: +0.6 bn yen (USD/JPY 147.5→154.2)

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 December 31, 2025)

(JPY in billions)

	As of Mar. 31, 2025	As of Dec. 31, 2025	Change
Total Assets	170.3	**163.3**	-7.0
Total Current Assets	126.3	**117.6**	-8.7
Cash on-hand and in banks[1]	72.8	**43.8**	-29.0
Accounts receivable-trade	31.6	**32.6**	+1.0
Inventories[2]	17.0	**32.8**	+15.7
Accounts receivable-other	0.9	**3.0**	+2.1
Total non-Current Assets	44.0	**45.7**	+1.7
Total Liabilities	33.3	**34.4**	+1.1
Total Current Liabilities	31.3	**32.3**	+1.0
Accounts payable-trade	11.9	**15.8**	+3.8
Accounts payable-other	4.6	**3.5**	-1.1
Total Net Assets	137.0	**128.9**	-8.1
Shareholders' Equity Ratio	80.5%	**78.9%**	

Cash on Hand and in Banks[1]

(JPY in billions)

3/31 2022	6/30 2022	9/30 2022	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	12/31 2024	3/31 2025	6/30 2025	9/30 2025	12/31 2025
46.3	37.2	53.0	38.1	45.1	33.9	47.5	55.9	69.7	69.1	74.0	69.9	72.8	69.5	45.7	43.8

Inventories[2]

- Inventory
- Customer reserved inventory
- Regular inventory
- Regular inventory turnover months [3]

(JPY in billions)

3/31 2022	6/30 2022	9/30 2022	12/31 2022	3/31 2023	6/30 2023	9/30 2023	12/31 2023	3/31 2024	6/30 2024	9/30 2024	12/31 2024	3/31 2025	6/30 2025	9/30 2025	12/31 2025
16.4	19.3	29.6	45.7	47.7	43.8	39.2	31.5	25.5	21.9	19.5	15.6	17.0	18.1	28.2	32.8
3.0	3.1	3.1	3.6	3.7	3.8	3.9	3.9	3.6	3.5	3.3	3.2	3.5	2.5	2.9	3.6

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

1. Cash on-hand and in banks includes short term investment security.
2. Inventories are 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"

Capex, Depreciation & Amortization, Cash Flow

Capex[1] Depreciation & Amortization[2]

(JPY in billions)

■ Capex ■ Depreciation & Amortization

Cash Flow[2]

(JPY in billions)

■ Operating CF ■ Investment CF —●— Free CF
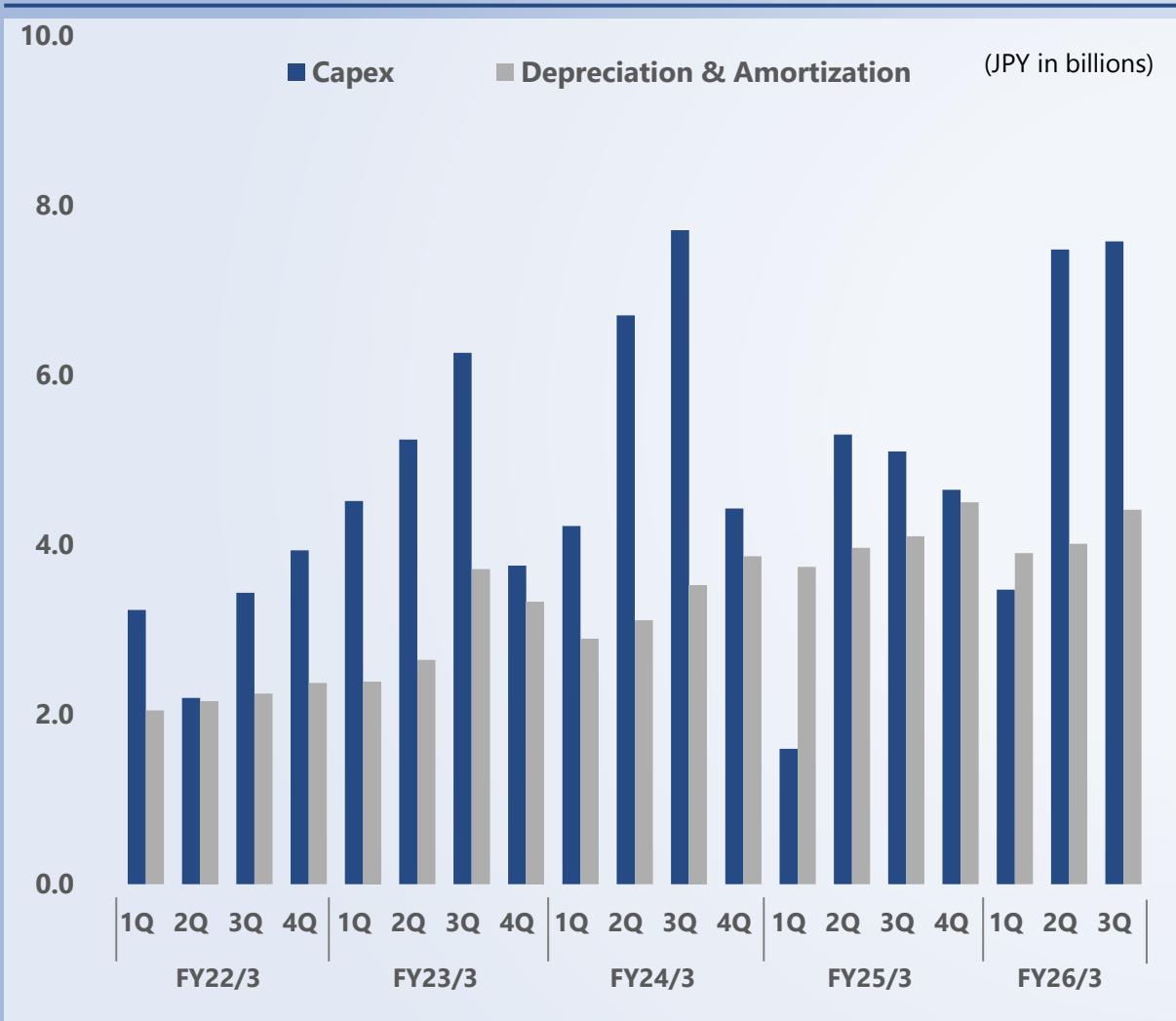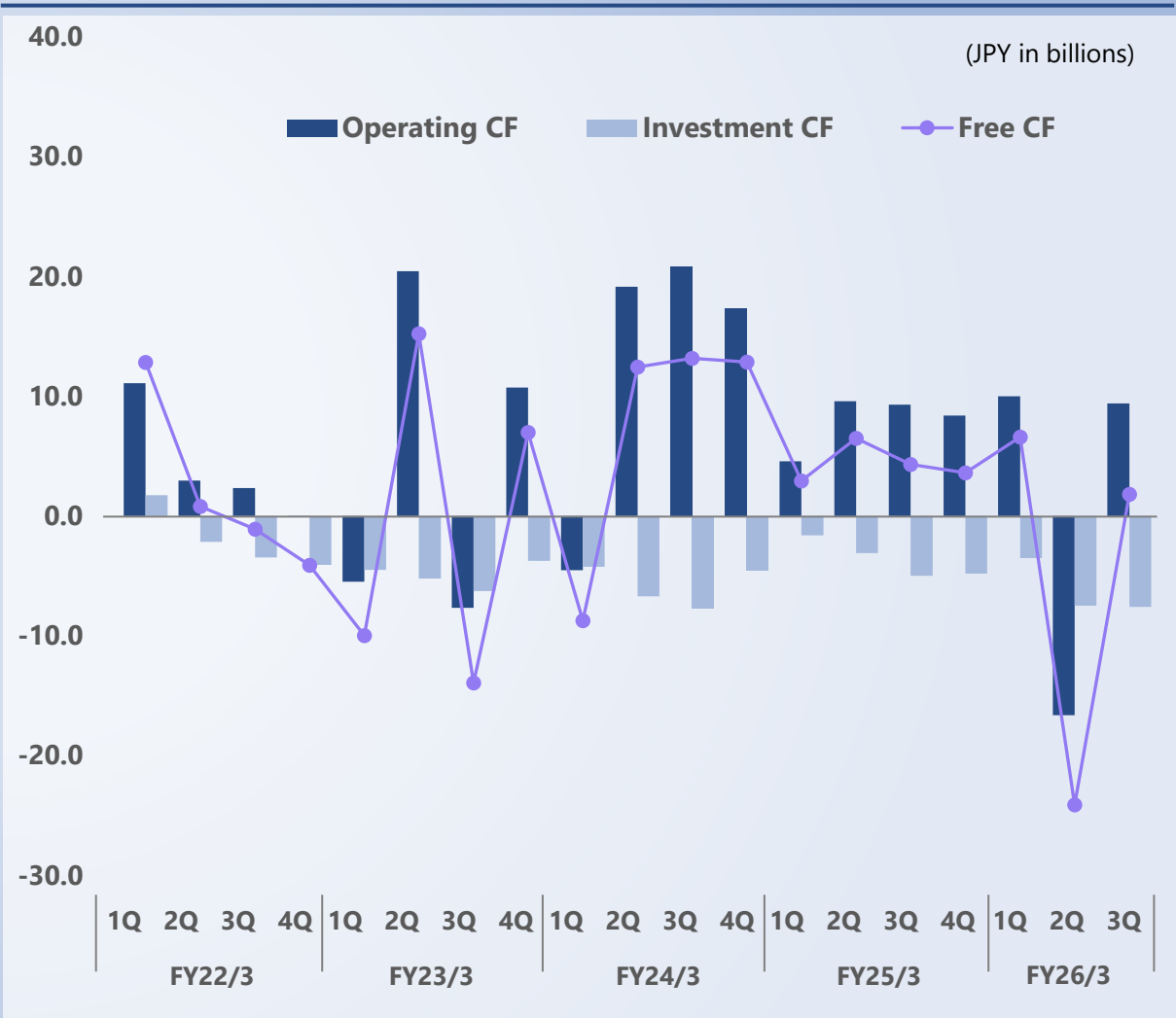
1. Capex: Payment for PP&E + Payment for intangible assets
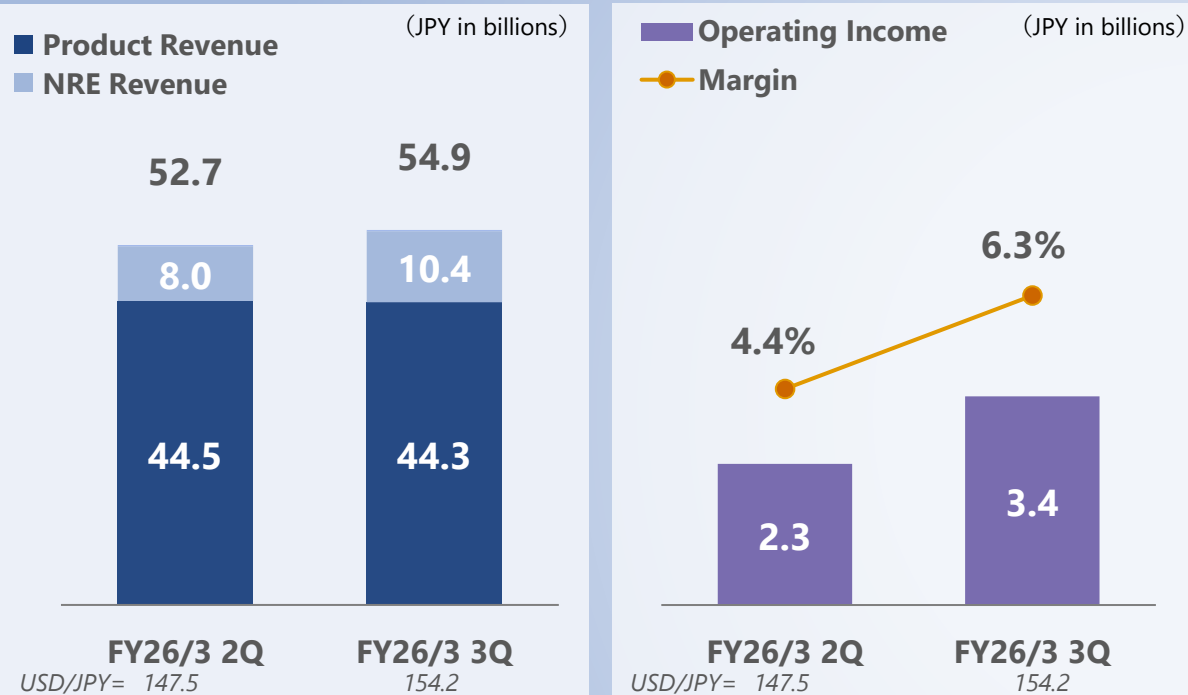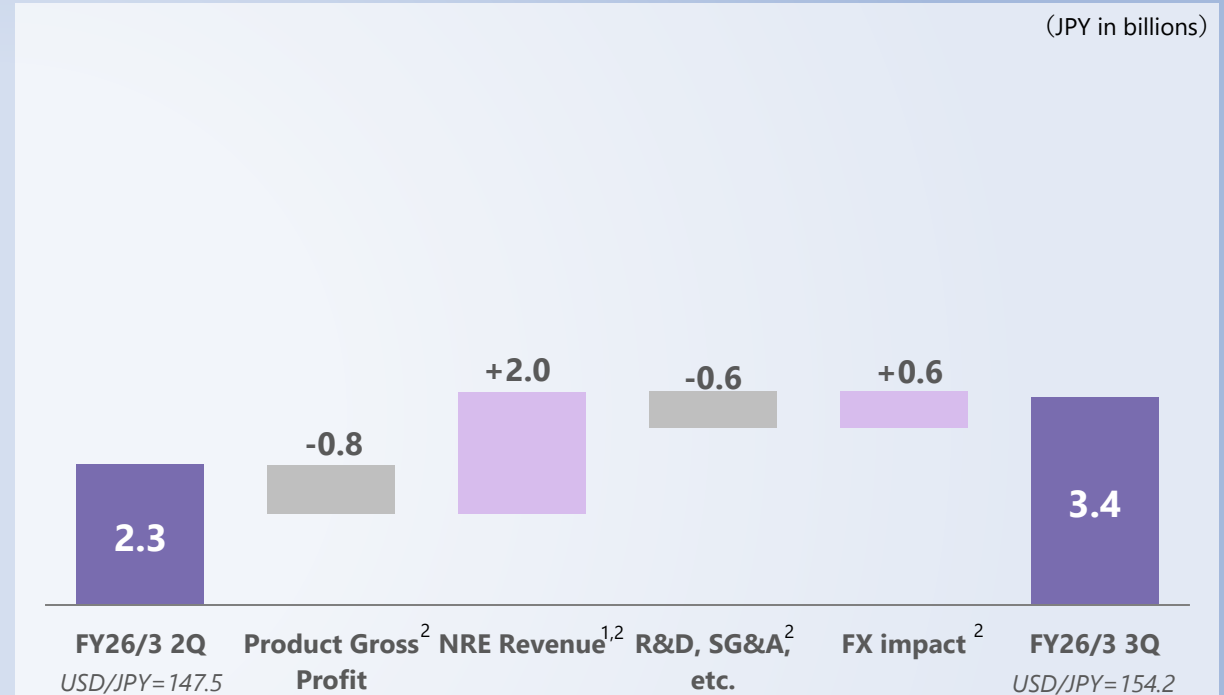2. Quarterly financial results of FY2022/3 are unaudited and unreviewed by external auditors.

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Breakdown by Application Market

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Net Sales

Legend: ■ Automotive ■ Data Center & Networking ■ Smart Devices ■ Industrial ■ Other

	FY18/3	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 YTD3Q
Other	29%	27%	23%	23%	14%	11%	6%	7%	6%
Industrial	28%	23%	21%	18%	27%	21%	17%	19%	17%
Smart Devices	20%	23%	26%	22%	27%	22%	21%	26%	21%
Data Center & Networking	14%	16%	21%	24%	16%	32%	37%	27%	30%
Automotive	9%	11%	9%	13%	16%	14%	19%	21%	26%

NRE Revenue

Legend: ■ Automotive ■ Data Center & Networking ■ Smart Devices ■ Industrial ■ Other

	FY18/3	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 YTD3Q
Other	16%	14%	13%	10%	6%	8%	6%	12%	3%
Industrial	34%	25%	26%	11%	8%	16%	13%	11%	7%
Smart Devices	28%	25%	29%	28%	30%	24%	21%	21%	21%
Data Center & Networking	18%	28%	27%	30%	30%	18%	12%	18%	47%
Automotive	4%	8%	5%	21%	26%	34%	48%	38%	22%

Breakdown by Geographic Region

Breakdown by Process Node

Net Sales
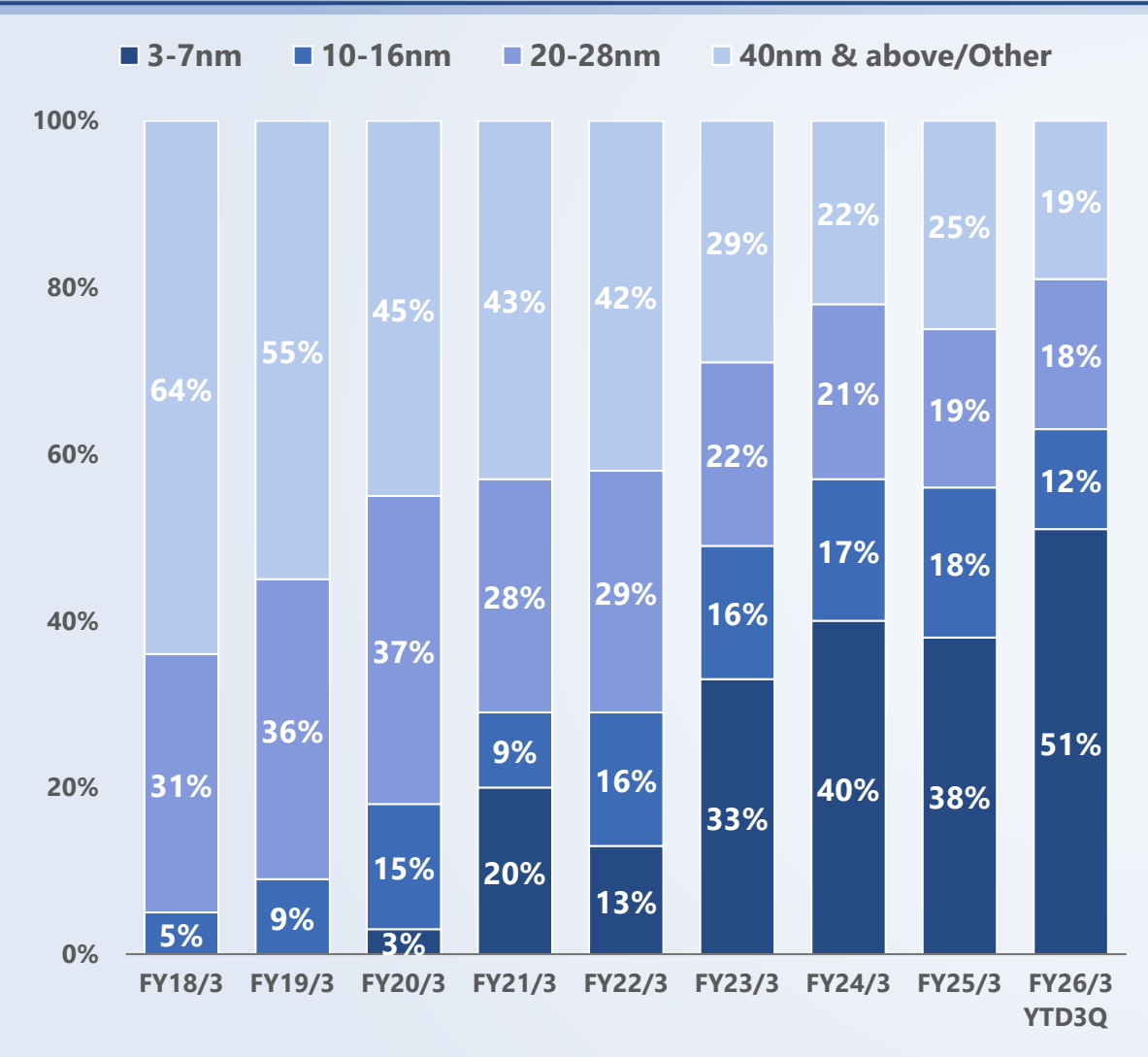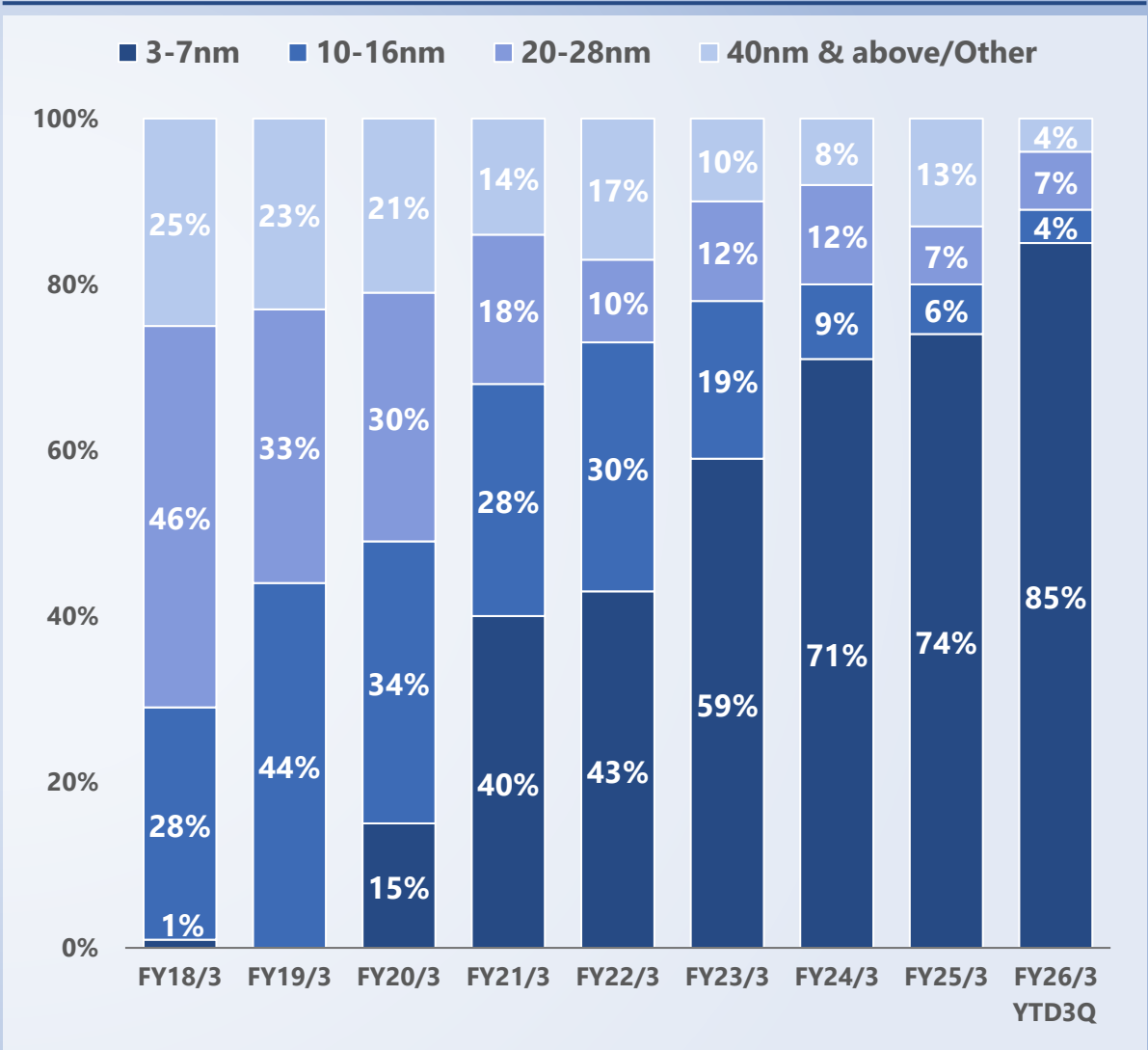
Legend: ■ 3-7nm ■ 10-16nm ■ 20-28nm ■ 40nm & above/Other

FY	3-7nm	10-16nm	20-28nm	40nm & above/Other
FY18/3	5%	—	31%	64%
FY19/3	9%	—	36%	55%
FY20/3	3%	15%	37%	45%
FY21/3	20%	9%	28%	43%
FY22/3	13%	16%	29%	42%
FY23/3	33%	16%	22%	29%
FY24/3	40%	17%	21%	22%
FY25/3	38%	18%	19%	25%
FY26/3 YTD3Q	51%	12%	18%	19%

NRE Revenue

Legend: ■ 3-7nm ■ 10-16nm ■ 20-28nm ■ 40nm & above/Other

FY	3-7nm	10-16nm	20-28nm	40nm & above/Other
FY18/3	1%	28%	46%	25%
FY19/3	—	44%	33%	23%
FY20/3	15%	34%	30%	21%
FY21/3	40%	28%	18%	14%
FY22/3	43%	30%	10%	17%
FY23/3	59%	19%	12%	10%
FY24/3	71%	9%	12%	8%
FY25/3	74%	6%	7%	13%
FY26/3 YTD3Q	85%	4%	7%	4%

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Consolidated Earnings Forecast

(JPY 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	38.16 yen		
Dividend per Share	50.00 yen	50.00 yen	50.00 yen		
FX Rate (USD/JPY)	152.6 yen	130.0 yen	138.0 yen		

➤ The FX sensitivity for the FY2026/3 forecast as of April 2025 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.

➤ The FX sensitivity for the FY2026/3 full year forecast as of October 2025 remains unchanged from the forecast as of April 2025. However, it fluctuates quarterly due to volatility in the volume of US dollar-denominated net sales, purchases, inventory, and the timing of R&D costs.

1. Actual basic earnings per share for FY2025/3 were calculated based on 178,543,635 shares and the forecast of basic earnings per share for FY2026/3 as of April 2025 was calculated based on 175,482,641 shares. The forecast of basic earnings per share for FY2026/3 as of October 2025 was calculated based on 175,558,918 shares. The changes are due to exercise of stock options and purchase of treasury stock.
2. Refer to page 2 for the handling of forecasts.

Quarterly Net Sales Trends

From October 2025 presentation (revised)

Sales (actual)
Sales (calculated at USD/JPY=130[1])
FY26/3 Sales (forecast at USD/JPY=130)

FY25/3 Quarterly Average Sales (calculated at USD/JPY=130[1])
FY26/3 Quarterly Average Sales (forecast at USD/JPY=130)

FY25/3 Average Sales (USD/JPY=130[1])

FY26/3 Average Sales (USD/JPY=130)

Demand decrease for Chinese telecommunication and others

New mass production for Automotive and others

1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	FY25/3				**FY26/3**		

◆ FY26/3 1st Half : Although the impact of decrease in demand for telecommunication equipment business in China due to ongoing customer inventory adjustment, net sales exceeded forecast due to stronger demand for new automotive product.

◆ FY26/3 2nd Half : Demand for the new Automotive product likely to exceed the forecast.

◆ Operating Income: We initially forecasted that operating income would start improving in 2H FY26/3 while full year results would fall below the level of the previous fiscal year (FY25/3). However, the improvement in line with product revenue increase will be delayed due to (1) an increase in product cost ratio (decrease in the product gross margin) and (2) an increase in advance R&D expenses. The increase in the product cost ratio is caused by change in product mix due to the start of mass production of a new product with higher cost ratio (lower gross margin), as well as 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 the delay of recovery. Nevertheless, improvement of product cost ratio is expected, leading to recovery in operating margin over the period from the end of FY26/3 to FY27/3.

1. FY2025/3 figures are calculated using USD/JPY=130, in order to compare figures across fiscal years.   2. Refer to page 2 for the handling of forecasts.

Product Cost Ratio and R&D Ratio: Trends and Future Outlook

Product Cost Ratio Outlook

- FY26/3: cost ratio expected to be higher than the level of FY23/3
  - Change in product mix due to start of mass production of new product with higher cost ratio
  - "More-than-forecast volume" and "delay in gross margin improvement" for the product during early mass production phase with higher cost ratio
  - Indirect impact of FX

- FY27/3 and beyond: expected to improve, although this depends on change in product mix and production ramp-up of new products
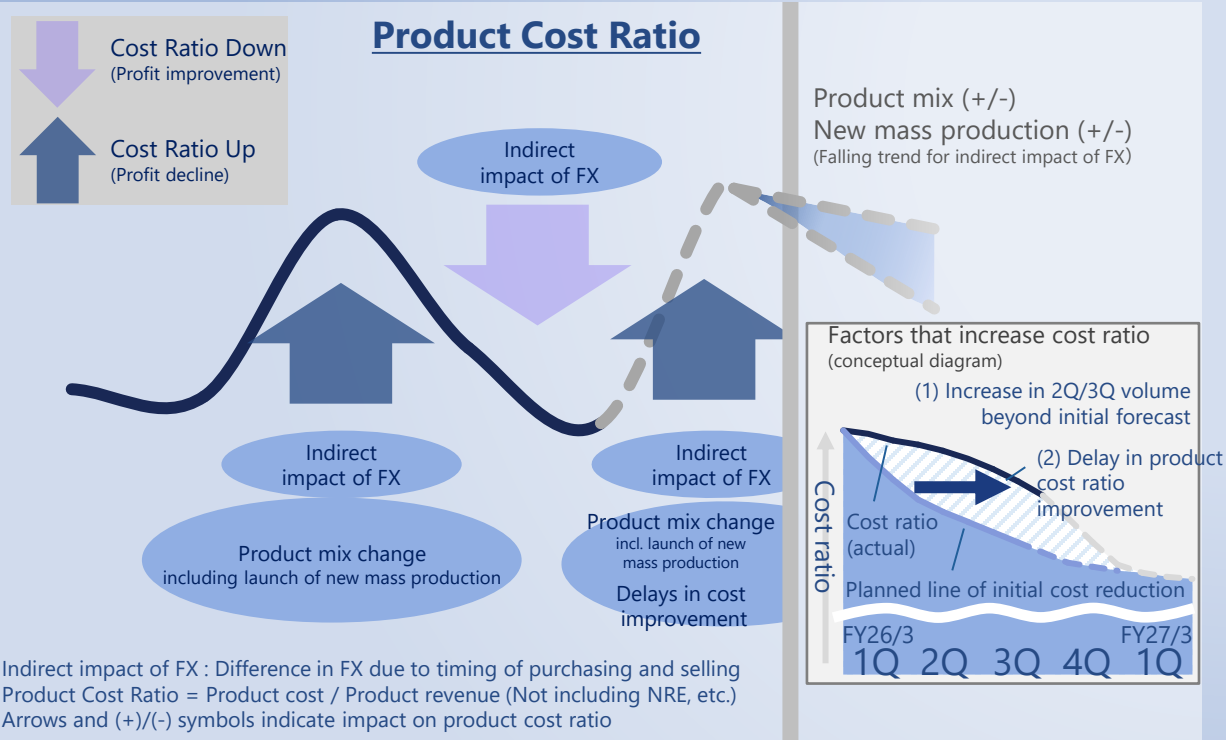
R&D Ratio Outlook

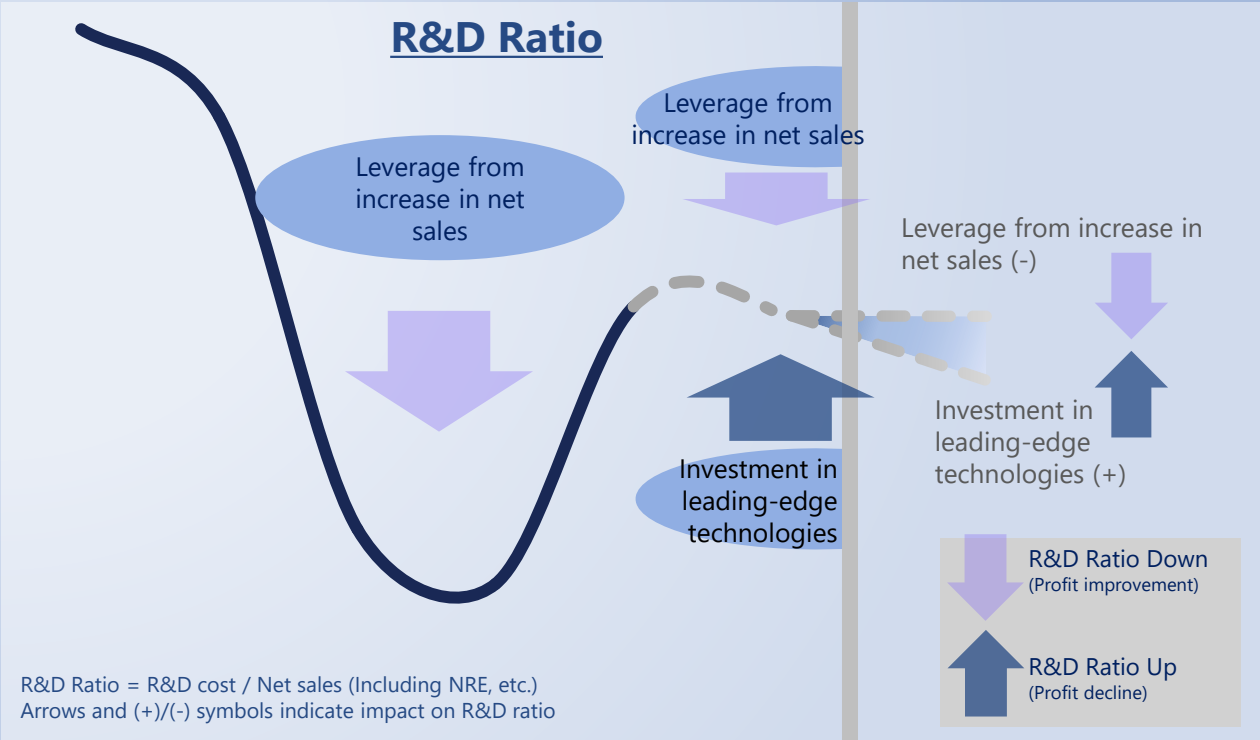- FY26/3: expected to be the same level as FY25/3 due to aggressive investment (exceeding the forecast) in leading-edge technologies, aimed at strengthening design and development capabilities to acquire more design wins in leading-edge areas

- FY27/3 and beyond: expected to decrease gradually with leverage from increase in net sales

Product Cost Ratio

Cost Ratio Down (Profit improvement)

Cost Ratio Up (Profit decline)

Indirect impact of FX

Product mix (+/-)
New mass production (+/-)
(Falling trend for indirect impact of FX)

Indirect impact of FX

Indirect impact of FX

Product mix change including launch of new mass production

Product mix change incl. launch of new mass production

Delays in cost improvement

Factors that increase cost ratio (conceptual diagram)

(1) Increase in 2Q/3Q volume beyond initial forecast

(2) Delay in product cost ratio improvement

Cost ratio (actual)

Planned line of initial cost reduction

Cost ratio

FY26/3 1Q 2Q 3Q 4Q FY27/3 1Q

Indirect impact of FX : Difference in FX due to timing of purchasing and selling
Product Cost Ratio = Product cost / Product revenue (Not including NRE, etc.)
Arrows and (+)/(-) symbols indicate impact on product cost ratio

R&D Ratio

Leverage from increase in net sales

Leverage from increase in net sales

Leverage from increase in net sales (-)

Leverage from increase in net sales

Investment in leading-edge technologies

Investment in leading-edge technologies (+)

Investment in leading-edge technologies

R&D Ratio Down (Profit improvement)

R&D Ratio Up (Profit decline)

R&D Ratio = R&D cost / Net sales (Including NRE, etc.)
Arrows and (+)/(-) symbols indicate impact on R&D ratio

FY21/3 FY22/3 FY23/3 FY24/3 FY25/3 FY26/3 FY27/3-

FY21/3 FY22/3 FY23/3 FY24/3 FY25/3 FY26/3 FY27/3-

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From October 2025 presentation (revised)

Market Trend & Design Win Status

Automotive

- Innovation continues for AD/ADAS technologies and services
- AI accelerating innovation, expanding use of advanced SoCs in automotive market
- Competition becoming more intense among service-oriented companies and 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.
- Growing needs for larger-scale design and 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 the 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 becomes more complex and the SoC ecosystem evolves

- Aiming for large-scale opportunities in above business sectors to achieve Design Win Amount at the same level as the 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 a growth trend in 2Q, due to the launch of new mass production for automotive, etc.
- FY26/3 full year revenue will be higher than the April forecast.

■ **NRE Revenue**
- NRE revenue expected to remain at the same level as FY25/3 or to slightly increase.

■ **Operating Income**
- Operating income in FY26/3 full year expected to be lower than the April forecast due to: (1) increase in product cost ratio (decrease in the product gross margin) and (2) increase in advance R&D expenses.

  • Factors for the 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 the full year FY26/3 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.

Outlook for FY27/3 and beyond

**No change of outlook from April forecast trend**

■ **Product Revenue**
- FY27/3: Continued growth expected in AD/ADAS SoC projects. In addition to the AI project that enters production in FY26/3, new mass production of multiple products 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 this 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 leverage from net sales increase, while aggressive advance investment continues.
- SG&A ratio expected to gradually become lower due to 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 leverage from net sales increase.
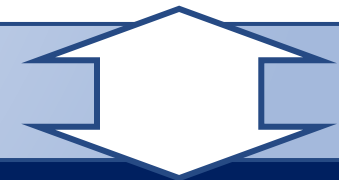
■ **Aggressive investment in leading-edge technologies for further growth**
■ **Accelerate "Growth-Oriented" management**

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Appendix

Overview

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

Consolidated Statements of Income

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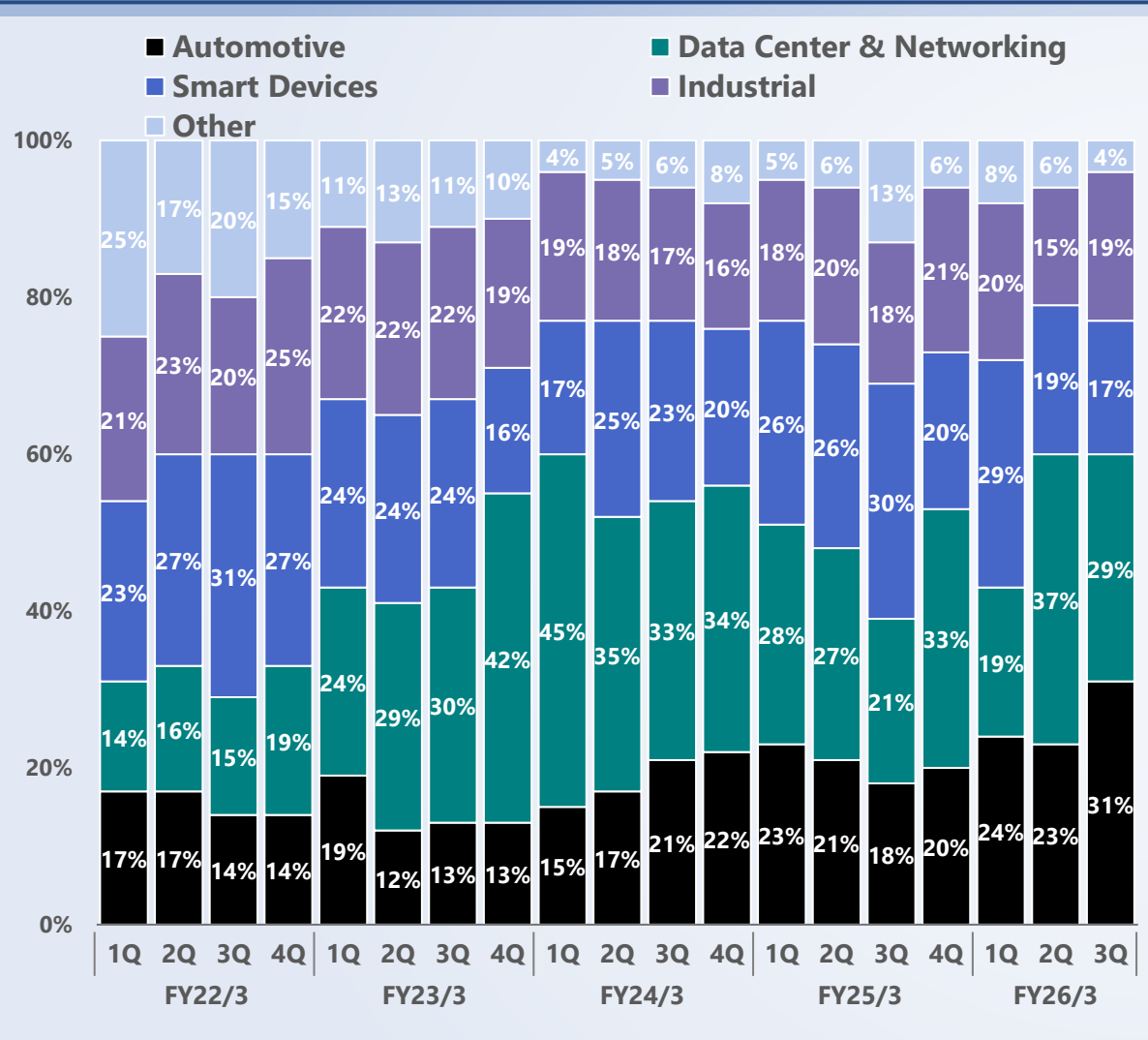| (JPY in billions)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 YTD3Q
Net Sales	99.7	117.0	192.8	221.2	188.5	142.1
% YoY	*-3.7%*	*+17.3%*	*+64.7%*	*+14.8%*	*-14.8%*	*-2.2%*
Product revenue	*73.1*	*84.6*	*156.8*	*182.9*	*146.6*	*114.7*
NRE revenue	*23.0*	*28.1*	*34.9*	*37.6*	*41.0*	*26.9*
Other revenue	*3.6*	*4.3*	*1.1*	*0.8*	*0.9*	*0.6*
Cost of Sales	(43.2)	(49.8)	(103.9)	(111.2)	(84.6)	(76.4)
Gross Profit	56.5	67.3	88.8	110.0	103.9	65.8
% Margin	*56.7%*	*57.5%*	*46.1%*	*49.7%*	*55.1%*	*46.3%*
% Product gross margin	*40.9%*	*41.2%*	*33.7%*	*39.2%*	*42.3%*	*33.4%*
R&D	(39.2)	(43.2)	(49.3)	(53.3)	(59.8)	(44.2)
Selling, General and Administrative Expenses (excl. R&D)	(15.8)	(15.6)	(17.8)	(21.2)	(19.1)	(14.3)
Operating Income	1.6	8.5	21.7	35.5	25.0	7.2
% Margin	*1.6%*	*7.2%*	*11.3%*	*16.1%*	*13.3%*	*5.1%*
Non-Operating Income (Loss)	0.4	0.6	1.8	1.6	0.1	(0.6)
Ordinary Income	2.0	9.1	23.4	37.1	25.1	6.6
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	6.6
Income Taxes	(0.5)	(1.6)	(3.7)	(11.0)	(5.8)	(1.9)
Net Income	1.5	7.5	19.8	26.1	19.6	4.8
% Margin	*1.5%*	*6.4%*	*10.3%*	*11.8%*	*10.4%*	*3.4%*
FX Rate (USD/JPY)	106.1	112.4	135.5	144.6	152.6	148.7

Consolidated Balance Sheets

(JPY in billions)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 3Q		FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 3Q
Assets							**Liabilities and Equity**						
Cash on-hand and in banks[1]	42.7	46.3	45.1	69.7	72.8	43.8	Accounts payable-trade	12.0	16.6	23.4	15.8	11.9	15.8
Accounts receivable-trade, net	28.6	25.1	40.8	35.3	31.6	32.6	Accrued expenses	7.4	6.9	30.3	18.2	12.0	9.4
Inventories[2]	6.7	16.4	47.7	25.5	17.0	32.8	Other	1.9	3.9	28.6	19.1	7.3	7.1
Other	2.6	2.9	22.4	8.4	4.8	8.4							
Total Current Assets	80.6	90.6	156.1	138.9	126.3	117.6	**Total Current Liabilities**	21.3	27.4	82.3	53.1	31.3	32.3
Property, plant and equipment	8.9	11.6	17.2	21.8	22.3	23.6	**Total Non-current Liabilities**	1.3	1.4	1.7	2.7	2.0	2.2
Reticle	3.7	4.7	5.6	8.1	9.7	11.0	**Total Liabilities**	22.6	28.8	84.1	55.8	33.3	34.4
Other PP&E	5.2	6.9	11.6	13.7	12.6	12.6	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	16.3	Capital surplus	30.2	30.2	30.2	32.7	33.0	33.9
Deferred tax assets	2.3	3.1	6.9	6.7	6.1	4.7	Retained earnings	21.4	28.9	48.6	63.6	74.3	70.2
Other	0.9	0.8	0.8	0.9	1.2	1.1	Treasury stock	0.0	0.0	0.0	0.0	(5.0)	(10.8)
							Other	(0.1)	0.3	0.8	2.0	1.8	2.6
Total Non-current Assets	23.7	27.8	37.9	47.9	44.0	45.7	**Total Equity**	81.7	89.6	109.9	131.0	137.0	128.9
Total Assets	104.2	118.4	193.9	186.8	170.3	163.3	**Total Liabilities and Equity**	104.2	118.4	193.9	186.8	170.3	163.3

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

Breakdown by Application Market (Quarterly)
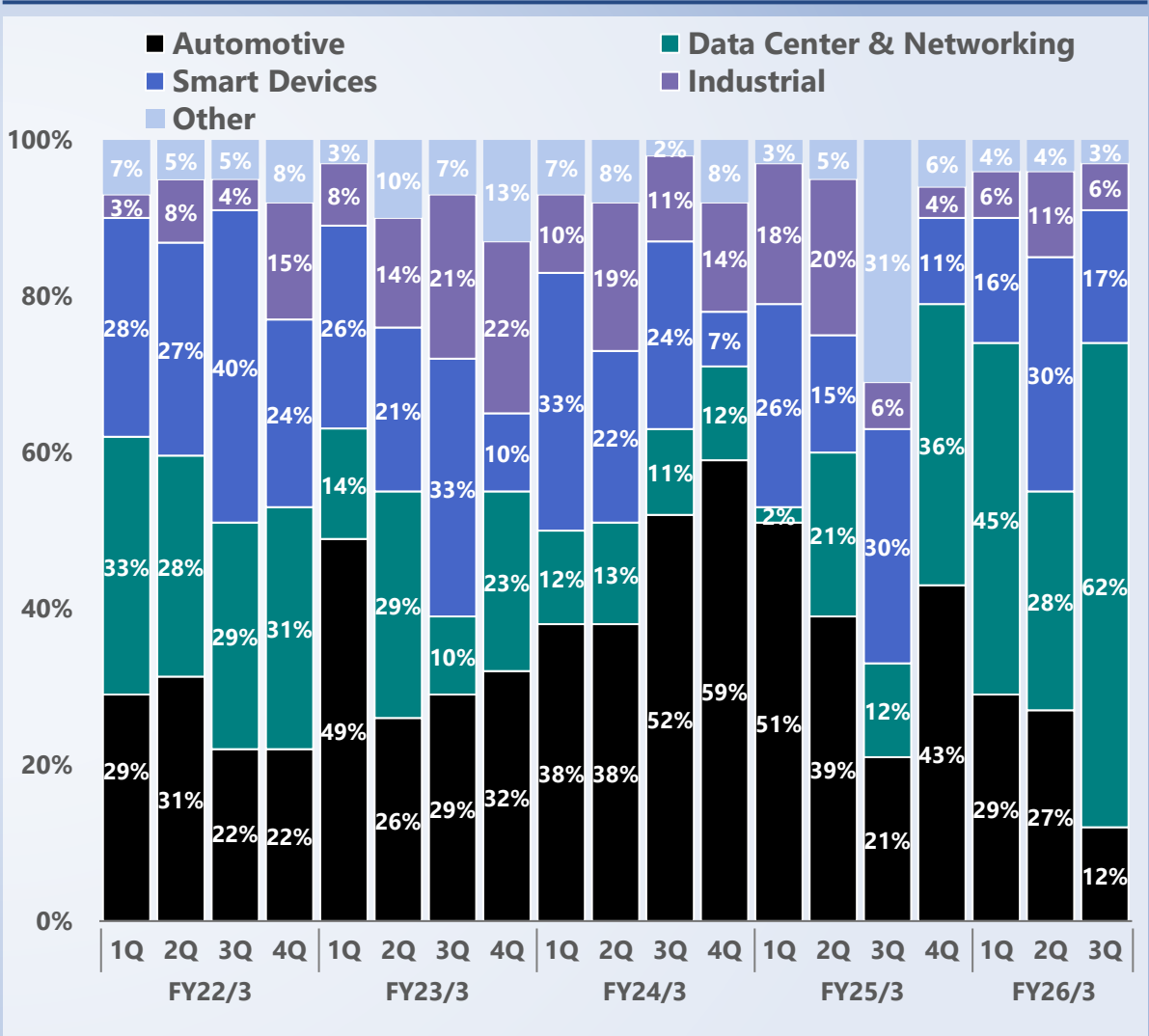
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Net Sales[1]

Legend: ■ Automotive ■ Data Center & Networking ■ Smart Devices ■ Industrial ■ Other

NRE Revenue[1]

Legend: ■ Automotive ■ Data Center & Networking ■ Smart Devices ■ Industrial ■ Other

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)

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Net Sales[1]

■ US ■ China ■ Japan ■ Other

NRE Revenue[1]

■ US ■ China ■ Japan ■ Other

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.

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Breakdown by Process Node (Quarterly)

Net Sales[1]

Legend: 3-7nm | 10-16nm | 20-28nm | 40nm & above/Other

FY	Quarter	3-7nm	10-16nm	20-28nm	40nm & above/Other
FY22/3	1Q	15%	9%	30%	46%
FY22/3	2Q	10%	17%	29%	44%
FY22/3	3Q	16%	17%	27%	40%
FY22/3	4Q	10%	19%	30%	41%
FY23/3	1Q	25%	15%	23%	37%
FY23/3	2Q	24%	18%	23%	35%
FY23/3	3Q	36%	20%	21%	23%
FY23/3	4Q	40%	12%	21%	27%
FY24/3	1Q	44%	11%	22%	23%
FY24/3	2Q	34%	20%	25%	21%
FY24/3	3Q	45%	18%	16%	21%
FY24/3	4Q	39%	19%	20%	22%
FY25/3	1Q	39%	20%	18%	23%
FY25/3	2Q	37%	21%	19%	23%
FY25/3	3Q	30%	20%	19%	31%
FY25/3	4Q	44%	12%	20%	24%
FY26/3	1Q	28%	22%	24%	26%
FY26/3	2Q	59%	9%	16%	16%
FY26/3	3Q	58%	9%	16%	17%

NRE Revenue[1]

Legend: 3-7nm | 10-16nm | 20-28nm | 40nm & above/Other

FY	Quarter	3-7nm	10-16nm	20-28nm	40nm & above/Other
FY22/3	1Q	55%	30%	7%	8%
FY22/3	2Q	36%	30%	14%	20%
FY22/3	3Q	58%	24%	7%	11%
FY22/3	4Q	23%	34%	12%	31%
FY23/3	1Q	46%	16%	11%	27%
FY23/3	2Q	45%	23%	11%	21%
FY23/3	3Q	66%	24%	10%	
FY23/3	4Q	72%	13%	15%	
FY24/3	1Q	67%	12%	10%	11%
FY24/3	2Q	57%	15%	13%	15%
FY24/3	3Q	89%	4%	6%	1%
FY24/3	4Q	63%	8%	21%	8%
FY25/3	1Q	87%	3%	6%	4%
FY25/3	2Q	78%	4%	8%	10%
FY25/3	3Q	52%	11%	4%	33%
FY25/3	4Q	80%	7%	10%	3%
FY26/3	1Q	86%	4%	5%	5%
FY26/3	2Q	81%	8%	8%	3%
FY26/3	3Q	88%	2%	7%	3%

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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.

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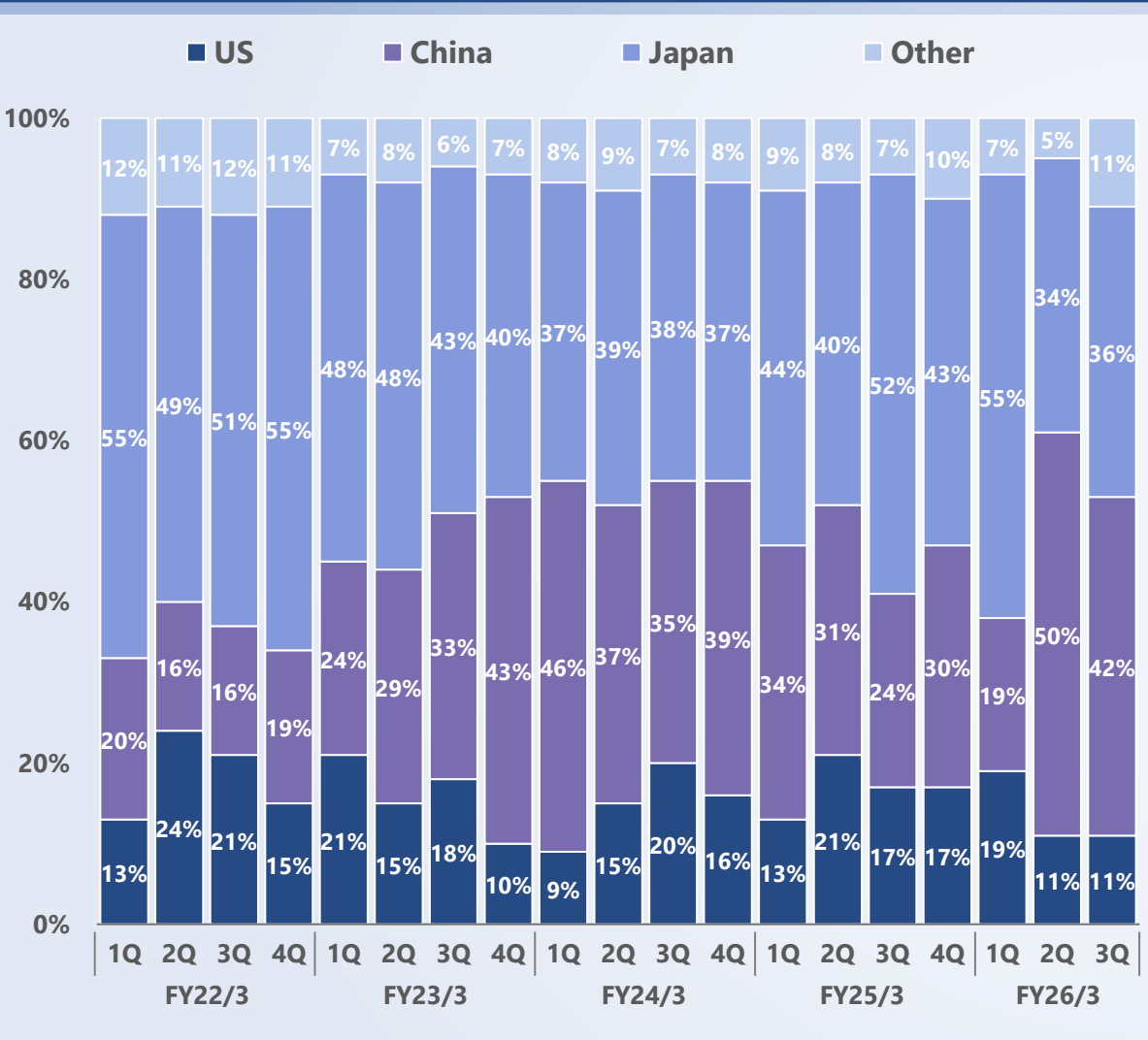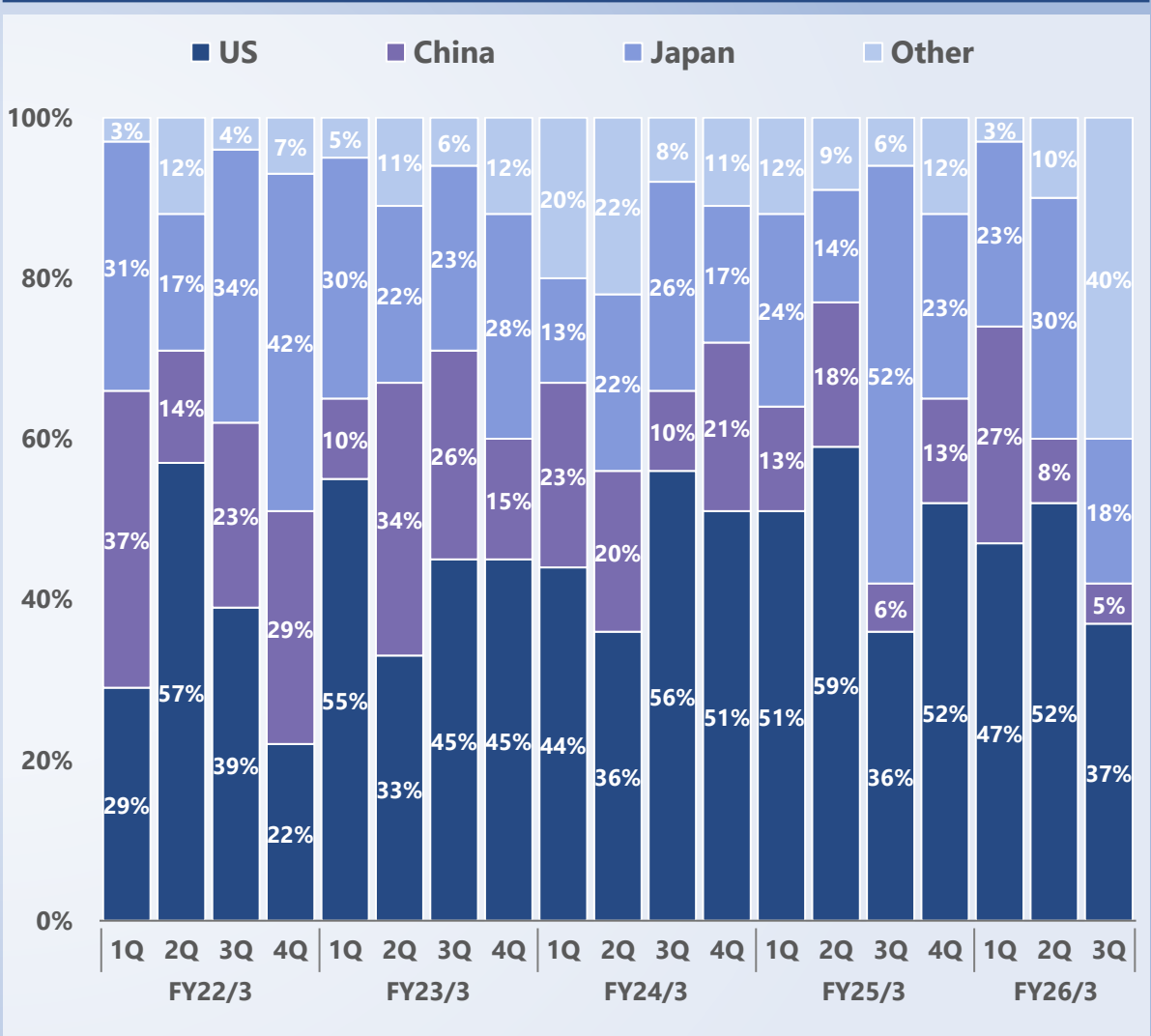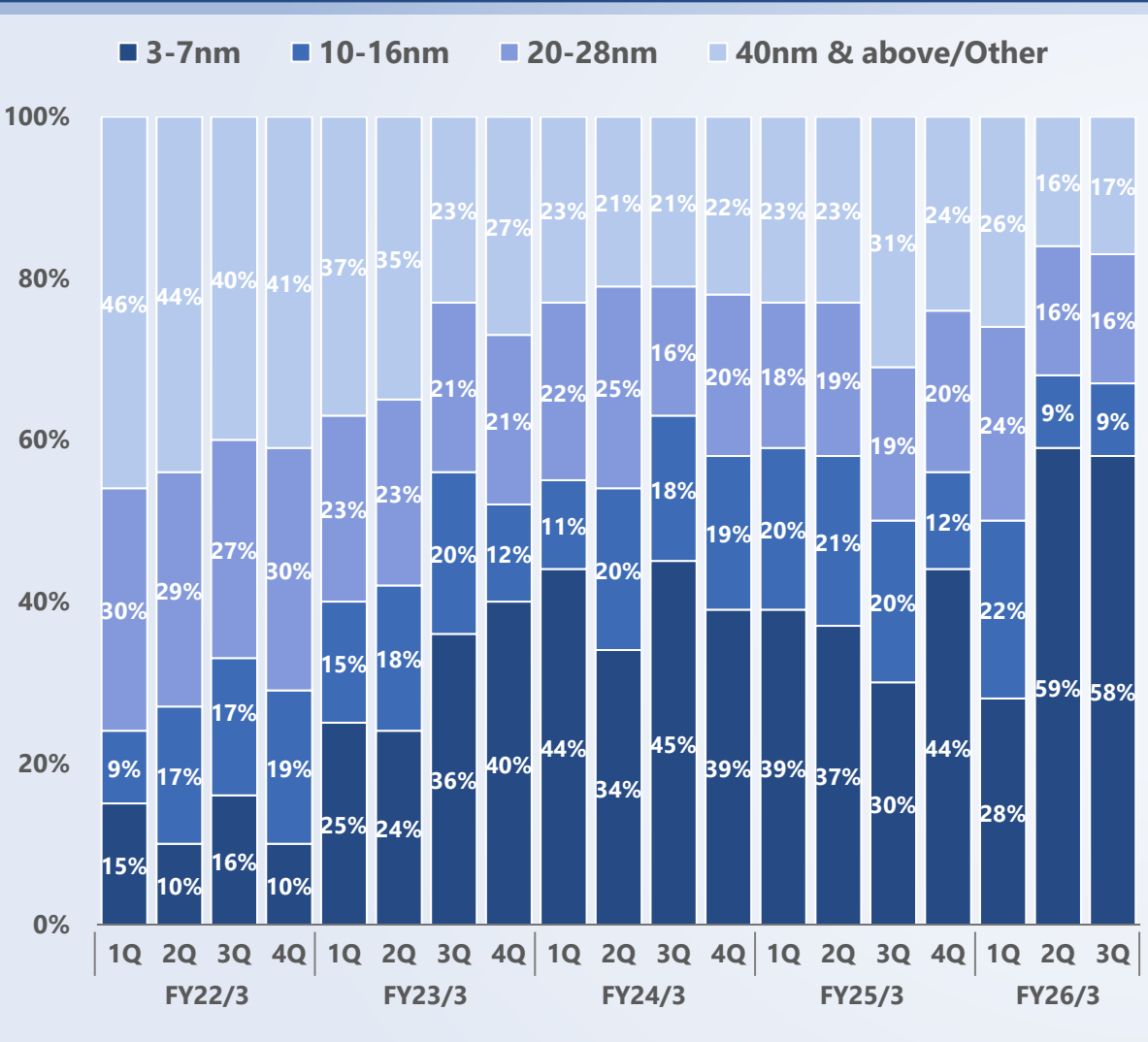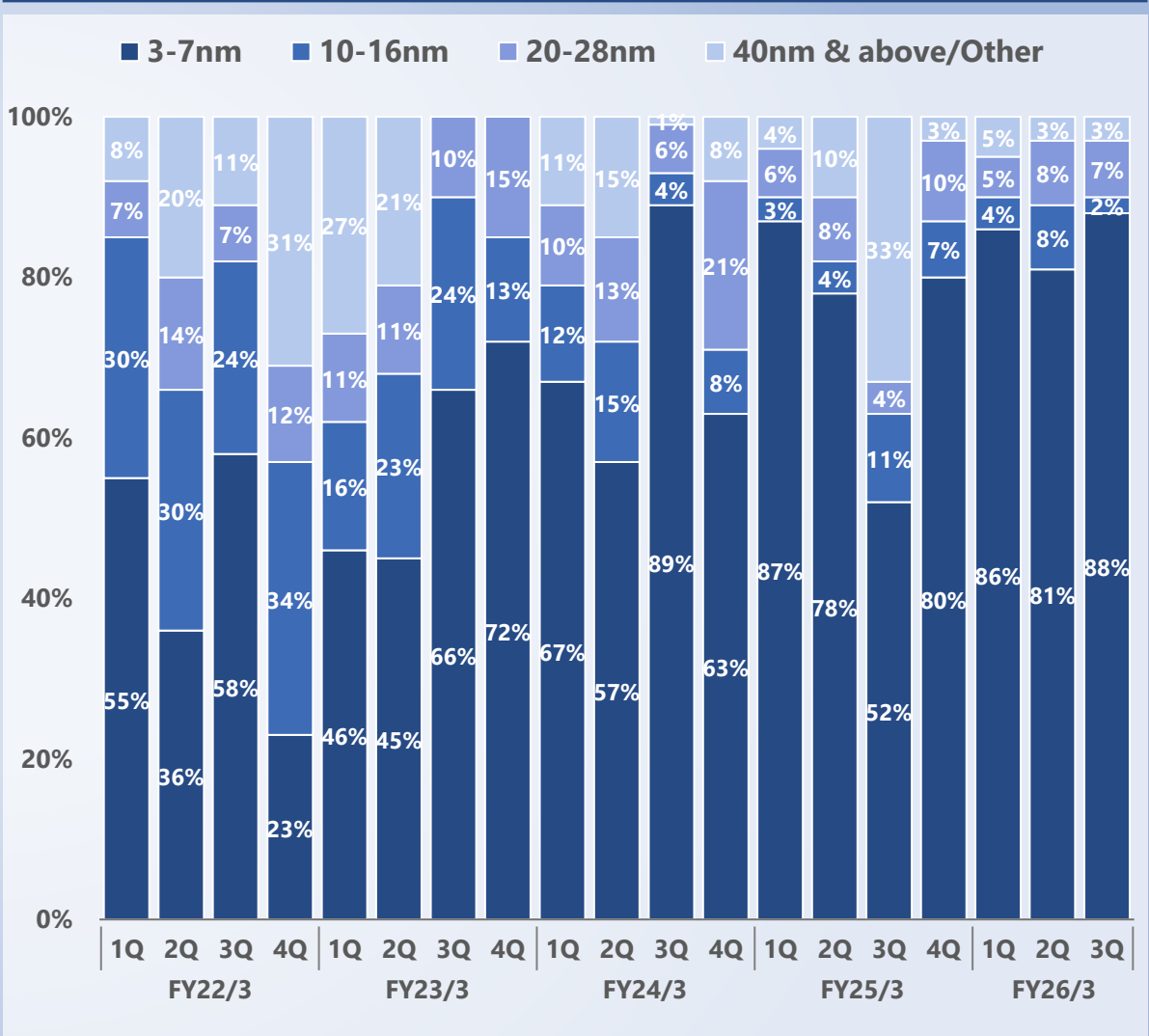
The following slides are excerpts from the materials used in the 2Q FY2026/3 financial results presentation

(October 2025)

Net Sales and Operating Income FY2026/3 Full-Year Forecast
(vs. April 2025 Forecast)

From October 2025 presentation

- **Net Sales**
  Revised to 190.0 billion yen (+15.0 billion), considering strong demand for new product entering mass production

- **Operating Income**
  Revised to 10.0 billion yen (- 4.0 billion), factors include:
  (1) lower product gross margin due to change in product mix, (2) increase in R&D for advance development investment

Net Sales (vs. April 2025 Forecast) (Yen in billions)

FY26/3 F as of April 2025	Product Revenue	NRE, etc.	FX rate	FY26/3 F as of October 2025
175.0				190.0
USD/JPY=130.0				USD/JPY=138.0

1H Actual FX Rate USD/JPY = 146.0

Operating Income (vs. April 2025 Forecast) (Yen in billions)

Key factors of change in product gross profit

Positive: Increase in product revenue

Negative: Decrease in product gross margin
- Change in product mix (start of mass production of new product with lower gross margin)
- <More-than-forecast volume> and <delay in gross margin improvement> for the product above, due to higher cost ratio during early mass production phase
- Indirect impact of FX

FY26/3 F as of April 2025	Product Gross Profit	R&D, etc.	FX Rate	FY26/3 F as of October 2025
14.0				10.0
USD/JPY=130.0				USD/JPY=138.0

➢ FX rate for 2H FY2026/3 is assumed to be USD/JPY=130. (1H FY2026/3: USD/JPY=146.0)

Design Wins 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
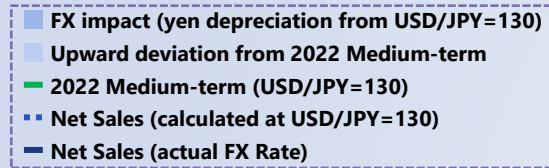

Net Sales Achievement and Forecast

Legend:
- FX impact (yen depreciation from USD/JPY=130)
- Upward deviation from 2022 Medium-term
- 2022 Medium-term (USD/JPY=130)
- Net Sales (calculated at USD/JPY=130)
- Net Sales (actual FX Rate)

Forecast as of October 2025

USD/JPY=138
USD/JPY=130

Upward deviation due to demand increase

Contributions from DC&NW + Automotive

FY26/3 Net Sales forecast to reach 190.0B yen at USD/JPY=138
(Exceed April forecast, even at USD/JPY=130)

FY21/3   FY22/3   FY23/3   FY24/3   FY25/3   FY26/3   FY27/3-

Telecom. (China), etc.

Automotive (China, North America), etc.

Data Center (North America), etc.
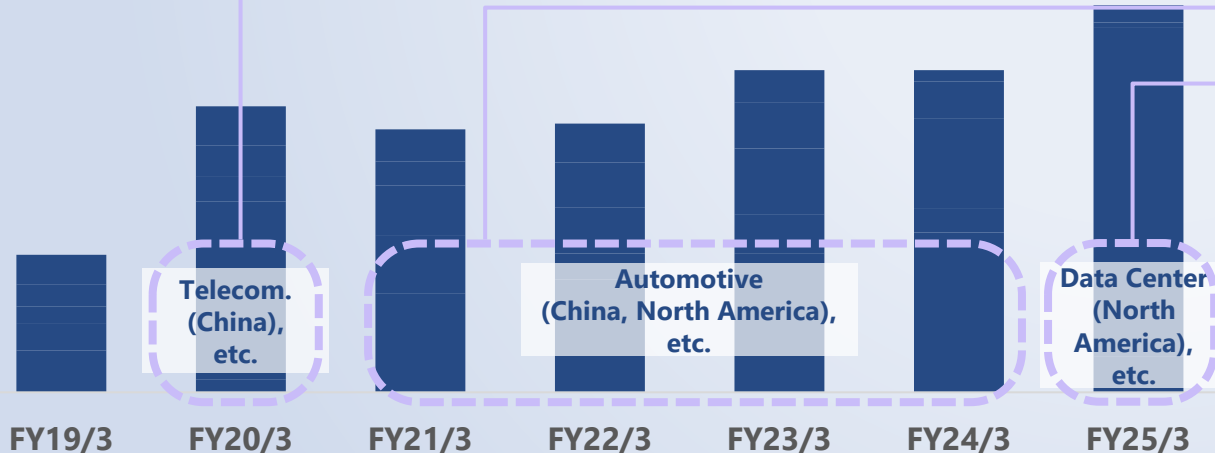
- Design Wins in:
  Automotive to be foundation of growth
  Data Center to accelerate further growth

FY19/3   FY20/3   FY21/3   FY22/3   FY23/3   FY24/3   FY25/3

Design Win Amount

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Operating Margin Trends and Future Outlook

■ **Operating margin expected to grow again in FY27/3 and beyond, as product revenue increases**

Operating margin trends after FY22/3 (Calculated at USD/JPN=130)

FY24/3 (16.1%)

Actual FX rate

Calculated at USD/JPY=130

FY26/3 Forecast as of October 2025 → USD/JPY=138 / USD/JPY=130

Results (Actual FX rate)
Results + Forecast (USD/JPY=130)

	~ FY23/3	FY24/3	FY25/3	FY26/3	FY27/3-
Product Gross Margin	■ (-) Changes in production mix	■ (+) Indirect impact of FX on procurement	■ (+) Changes in production mix ■ (+) Indirect impact of FX on procurement	■ (-) Changes in product mix ■ (-) More-than-forecast volume of a new product in early stage, delay in product cost ratio improvement ■ (-) Indirect impact of FX on procurement	■ (+/-) Changes in product mix ■ (+) Cost improvement with production ramp up (-) Mass production start of new products ■ (+) Indirect impact of FX on procurement becoming less
R&D ratio	■ (+) R&D ratio improved due to increase in product revenue		■ (-) R&D expense increased due to advance development and R&D team structure improvement	■ (-) R&D expense to increase due to advance investment for technology development ■ (+) R&D ratio to improve due to increase in product revenue	■ (-) R&D expense to increase due to advance investment for technology development ■ (+) R&D ratio to improve by increase in product revenue
SG&A ratio	■ (+) SG&A ratio improved due to increase in net sales		■ (-) SG&A ratio increased due to decrease in net sales, despite decrease in total expenses	■ SG&A ratio to remain flat	■ (+) SG&A ratio to improve due to increase in product revenue ■ (-) Proactive IT investment
FX rate (USD/JPY)	112.4	135.5	144.6	152.6	138.0	130.0

Profit improvement

Profit decline

Refer to page 2 for handling of forecast. *Arrows indicate direction of impact on operating margin*

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Socionext's Initiatives (summary)

From October 2025 presentation

Background of the Growing Demand for Custom SoCs and Solution SoC Model

- Emergence of new services and applications
- Evolution of SoC ecosystem
- Into era of 3D/5.5D and chiplets
- Design becoming more complex = "Entire Design"
- Bespoke vs ASSP
- New need for Solution SoC business model in various application market

Socionext's initiatives

Aggressive Advance Investment in R&D

Recent Activities in Leading-Edge Technologies

Socionext's Initiatives for the Chiplet Era

Expanding Business in Each Application Market

Strengthening "Entire Design" Capability / Fundamental Reform of Global Structure

Semiconductor Market Trends
Background of the Growing Demand for Custom SoCs and Solution SoC Business Model

Advances in SoC and AI technologies accelerate market expansion (Spiral of evolution)

Emergence of new services and applications
- AI utilization is expanding alongside advancements in SoC technology
- New services and applications arise from technological evolution, driving demand for optimized SoCs tailored to these services and applications
- Growing number of customers are adopting Solution SoC development approaches to enable advanced functionalities with optimized power, requiring the integration of diverse IPs and processors across sectors such as data centers, networking, automotive and Physical AI

Evolution of SoC ecosystem
- While vertical integration advances, ecosystem openness is also progressing, with more functional IPs and chiplet options becoming available in the market
- SoC ecosystem evolution brings an increasing availability of competitive IP subsystems and open-source software (OSS)

Into era of 3D/5.5D and chiplets
- Rapid advancements in chiplets, packaging, and next-generation process nodes (2nm/14Å) are driving the industry forward
- Each of these innovations introduces significant new layers of design complexity

Design becoming more complex = "Entire Design"
- "Entire Design" approach—integrating architecture, thermal management, and testing—is essential, for advanced sectors like data centers and automotive
- The complexity of new technologies like chiplets makes a "Solution SoC" business model the most effective path forward

Bespoke vs ASSP
- In "More-than-Moore" era market leaders are demanding custom SoCs to meet specific PPA targets, moving away from standard ASSPs to avoid vendor lock-in
- The rapid evolution of AI is accelerating this industry-wide shift toward custom silicon solutions. We expect these requirements to become standard as AI and SoC capabilities mature

New need for Solution SoC business model in various application market
- Customers are adopting the "Solution SoC" model to integrate the complex IPs and processors needed for advanced, next-generation features
- The expansion of AI into new domains like automotive and robotics will accelerate the demand for fully bespoke silicon solutions

Aggressive Advance Investment

From October 2025 presentation

Emergence of new services and applications utilizing AI / Evolution of SoC ecosystem across diverse fields

→ **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/14Å) continue to evolve

- **Evolution of SoC ecosystem**
  Chiplet makes SoC design and development more efficient, but also more complex

Design Process Efficiency

Efficiency improvement of design process by implementing AI

Evolution of verification and testing technologies for efficiency improvement

<Investment for "Entire Design" and "Complete Service">

Leading-edge technologies

Utilizing leading-edge technologies such as high-speed SerDes and CPO (Co-Packaged Optics) for new products and services in fields including optical data transmission, high-performance computing, etc.
(Strengthening relationship with partners and innovative customers)

Advanced nodes (2nm and 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: designed and developed test chip of logic-on-logic
- High-reliability analysis technology for new packaging and assembly, including testing, thermal analysis and on-die analysis

Utilizing AI for SoC design

Collaborate with EDA vendors to proactively incorporate AI into SoC design processes, improve design efficiency and PPA (Power, Performance and Area).

Partnership with ecosystem companies

Expand and accelerate collaboration with global SoC ecosystem partners

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)
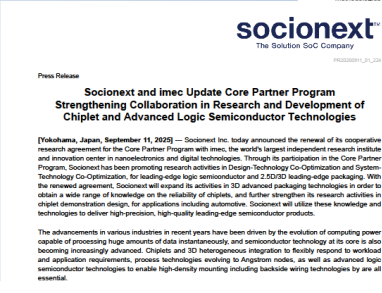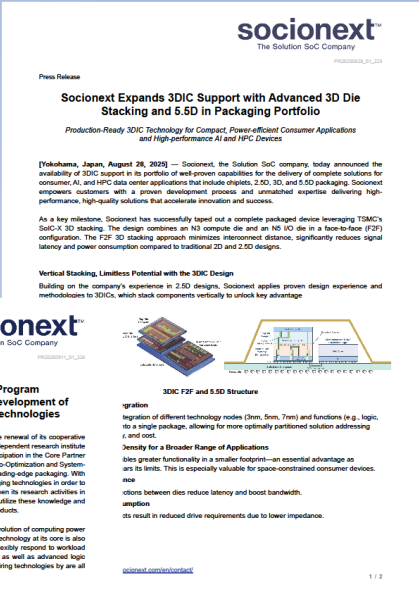
Socionext's Initiatives for the Chiplet Era

- **The demand for Chiplet Solution is increasing to address:**
  - Reticle size limitation, Yield optimization, Risk mitigation for new IPs (in large monolithic SoC) and Flexibility of integration (for adaptable system integration)
- **Chiplet design require expertise across multiple advanced technologies**
  - DFT & testing, advanced packaging, thermal design & management, signal & power integrity, interconnect protocols, yield & reliability engineering
- **Optimizing performance and cost requires custom SoC design**
  - Off-the-shelf chips do not provide differentiation and cannot meet the PPA requirements of the application

"Flexlets" RTL-configurable chiplets

Integrated, yet flexible, chiplet platform built for end-to-end bespoke SoC design in line with Solution SoC business model

- ➤ Empower customers to tailor performance to their unique application needs – whether in high-performance computing, advanced networking, or next-generation automotive systems
- ➤ Enable customers to co-design differentiated features by integrating best-in-class IP from any vendor.
- ➤ "True architecture flexibility", "Seamless custom IP integration", "Incorporating customers' choice of best-in-class third-party IP", and "PPA optimization from design inception" enable "Creation of truly differentiated products"

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.*

Excerpt from press release "Socionext unveils "Flexlets", a Configurable Chiplet Designed to Accelerate Multi-die Silicon Innovation" (October 28, 2025)

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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

Industrial / Physical AI

The emerging field of Physical AI, which encompasses applications where humans and robots interact with their physical surroundings, represents a significant long-term growth opportunity.

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.

Automotive

- This industry is undergoing a profound transformation, with AI playing a pivotal role
- Key requirements are low power consumption, low latency, and stringent safety standards (ASIL-C and ASIL-D).
- Innovation continues for ADAS and AD
- Demand continue to be strong for HPC, as well as for zone computing and sensing
- Growing number of customers are adopting Solution SoC business model to enable advanced functionalities with optimized power, requiring the integration of diverse IPs and processors across sectors
- 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
- Expanding business opportunities for service-oriented companies and new OEMs of next-generation products
- 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, High-speed SerDes, Co-Packaged Optics, 2nm/14Å)
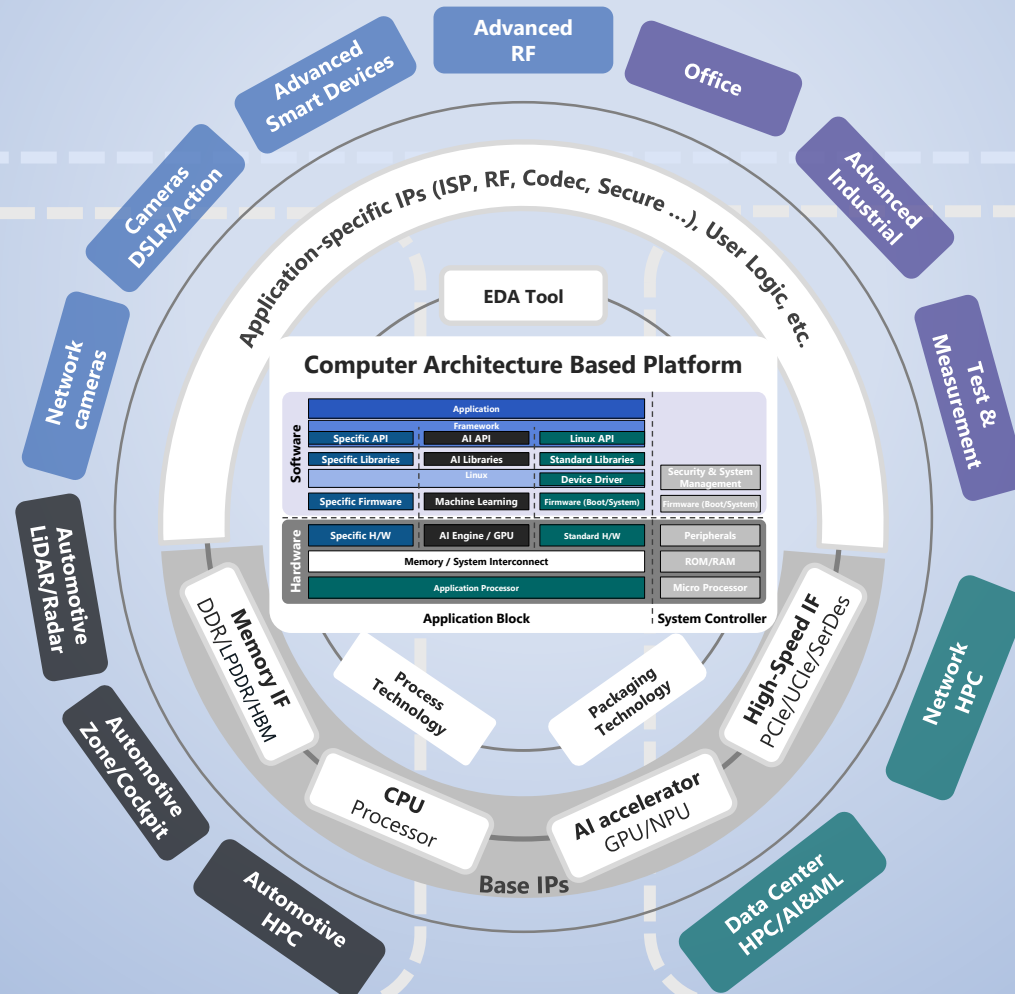
Data Center & Networking

- The sheer scale of data processing and the relentless pursuit of performance and efficiency make this segment a prime target for custom SoC solutions
- Growing number of customers are adopting Solution SoC business model to enable advanced functionalities with optimized power, requiring the integration of diverse IPs and processors across sectors
- Demand expanding for Data Center & Networking, cloud service SoCs due to increasing demand for generative AI
- 2 distinct approaches : scale-up and scale out
- Hyperscalers CPU project ongoing; looking to use the project as a leverage to expand business in CPU, AI fields
- Require optical data transmission and reception using high-speed SerDes and CPO technology
- Acquired several design wins for AI SoCs in US and started development
- Expect business expansion through proactive initiatives in cutting-edge fields
- 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, High-speed SerDes, Co-Packaged Optics, 2nm/14Å)

Advanced RF · Advanced Smart Devices · Office · Cameras DSLR/Action · Advanced Industrial · Network cameras · Test & Measurement · Automotive LiDAR/Radar · Memory IF DDR/LPDDR/HBM · Automotive Zone/Cockpit · Process Technology · Packaging Technology · High-Speed IF PCIe/UCIe/SerDes · Network HPC · CPU Processor · AI accelerator GPU/NPU · Automotive HPC · Base IPs · Data Center HPC/AI&ML

Application-specific IPs (ISP, RF, Codec, Secure ...), User Logic, etc.

EDA Tool

Computer Architecture Based Platform

Software: Application · Framework · Specific API · AI API · Linux API · Specific Libraries · AI Libraries · Standard Libraries · Linux · Device Driver · Specific Firmware · Machine Learning · Firmware (Boot/System) · Security & System Management · Firmware (Boot/System)

Hardware: Specific H/W · AI Engine / GPU · Standard H/W · Peripherals · Memory / System Interconnect · ROM/RAM · Application Processor · Micro Processor

Application Block | System Controller

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From October 2025 presentation

Smart Devices

5/7/12nm
DSLR/Action
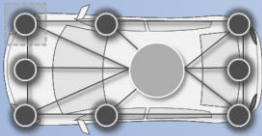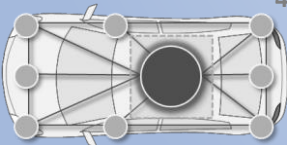
5/7nm
Network cameras AR

Automotive

16/22nm
LiDAR / Radar / Camera

7/16/22nm
Zone Computing
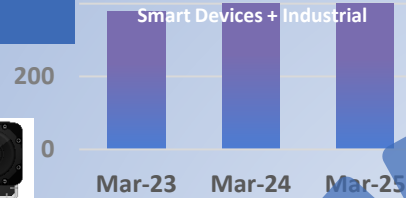
3/5nm
HP Computing

Industrial

5/7nm
Test & Measurement

28nm
Printer
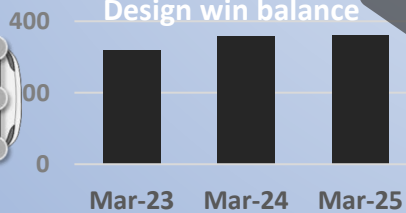
Data Center & Networking

Data Center

3/5/7nm — CPU
3/5/7nm — Accelerator
5/12nm — SSD Controller
5nm — Switch

Computing & Storage
Computing Systems (Server)
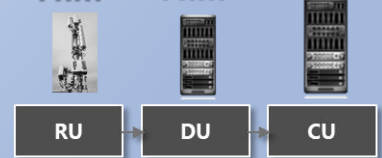
7nm — RU
7nm — DU
7nm — CU
Base Station

Design win balance
Smart Devices + Industrial

200 / 0

Mar-23 Mar-24 Mar-25

Design win balance

400 / 200 / 0

Mar-23 Mar-24 Mar-25

Design win balance

200 / 0

Mar-23 Mar-24 Mar-25

Central diagram

Advanced RF
Office
Advanced Smart Devices
Advanced Industrial
Cameras DSLR/Action
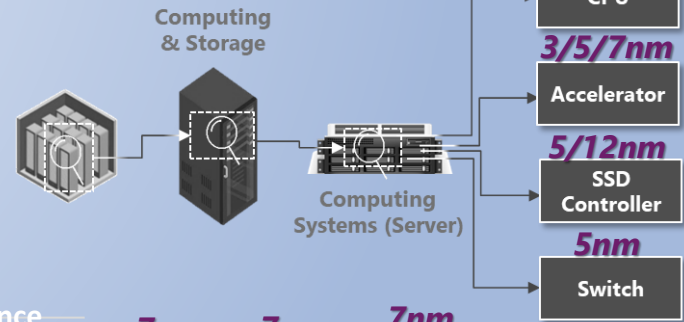**Test & Measurement**
Network cameras
Network HPC
Automotive LiDAR/Radar
Automotive Zone/Cockpit
Automotive HPC
Data Center HPC/AI&ML

Application-specific IPs (ISP, RF, Codec, Secure ...), User Logic, etc.

EDA Tool

Computer Architecture Based Platform

Software:
- Application
- Framework
- Specific API / AI API / Linux API
- Specific Libraries / AI Libraries / Standard Libraries
- Linux / Device Driver
- Specific Firmware / Machine Learning / Firmware (Boot/System) / Firmware (Boot/System)
- Security & System Management

Hardware:
- Specific H/W / AI Engine / GPU / Standard H/W / Peripherals
- Memory / System Interconnect / ROM/RAM
- Application Processor / Micro Processor

Application Block | **System Controller**

Memory IF DDR/LPDDR/HBM
Process Technology
Packaging Technology
High-Speed IF PCIe/UCIe/SerDes
CPU Processor
AI accelerator GPU/NPU

Base IPs

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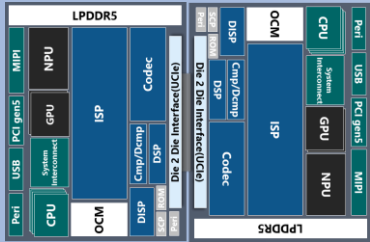# Track Record : Design Wins Expanding in Each Application Market 2
Advanced SoC Developments on Computer Architecture Basis in Diverse Fields

From October 2025 presentation

- 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
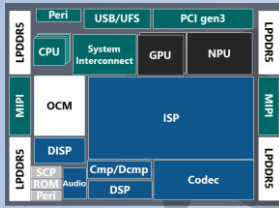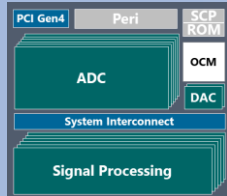

1. Development cases in this page are mainly those in mass production or under development, but some are still in business negotiation stage.
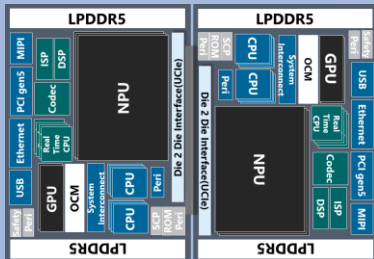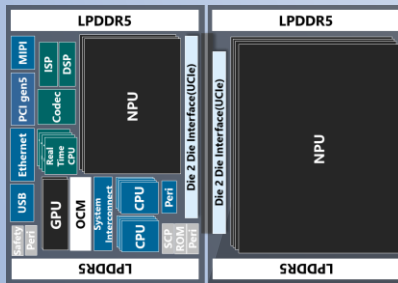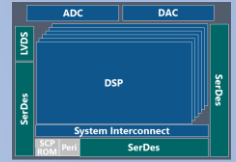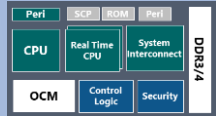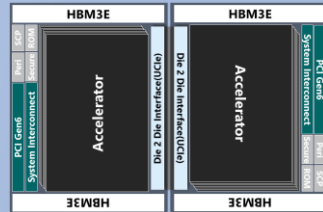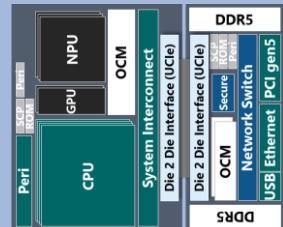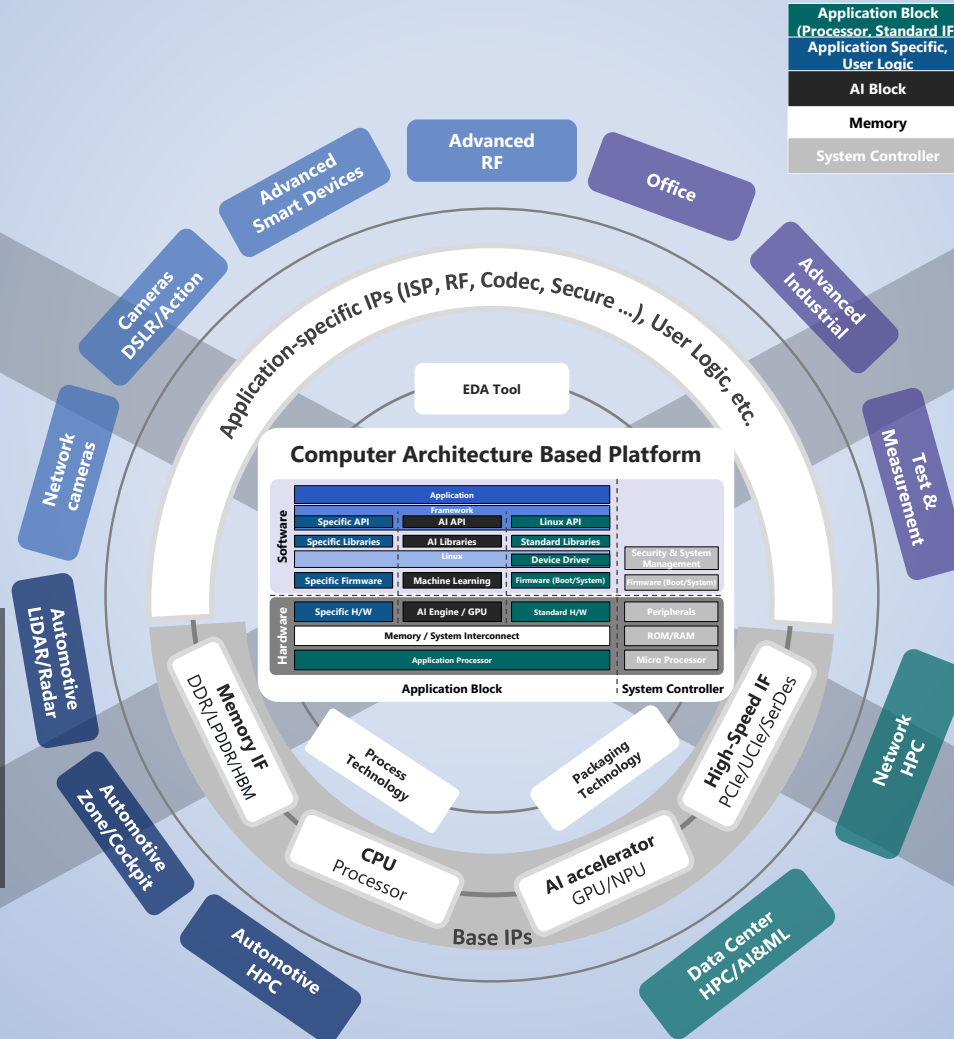
Strengthening "Entire Design" Capability / Fundamental Reform of Global Structure

From October 2025 presentation
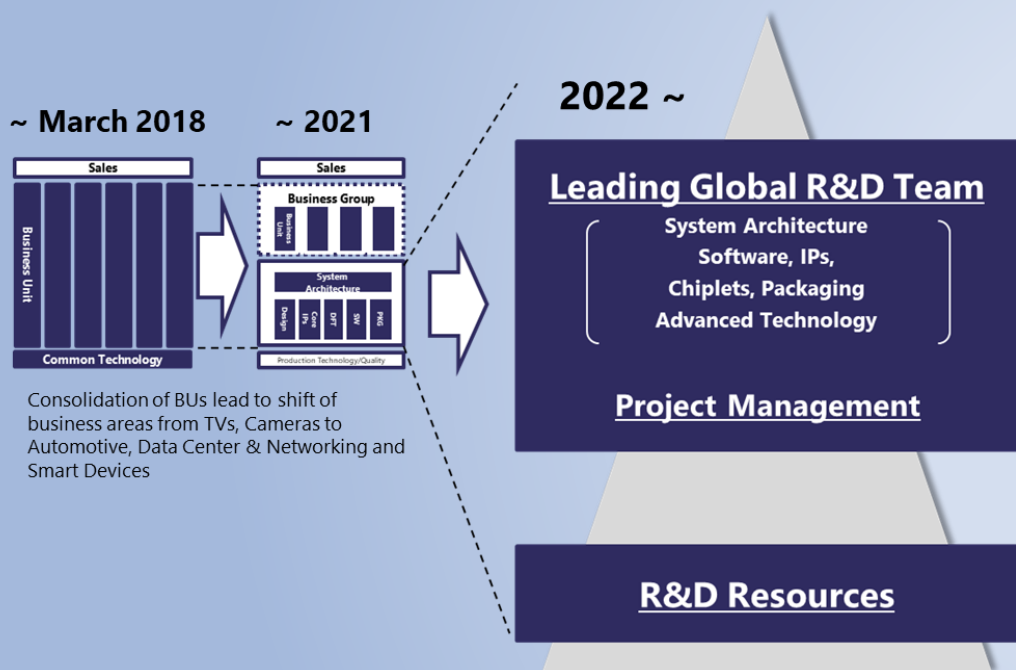
April 2025~: Further expansion as "Global Leading Group"

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 allocate high-skilled engineering teams that cover wide range of functions to leading-edge projects (SoC architecture, software, verification, test, packaging, thermal, etc.)

Building a global and competitive R&D structure

Build global R&D Structure
- Acquire high-skilled engineers globally
- Integrate engineer teams in Japan and other regions (mainly US)

Strengthen global project management structure
- Strengthening close cooperation between regional project managers and engineering teams in Japan

Building a global resource management structure

Resource management (including outsourcing)
- Opened office in India, expanding and strengthening engineer resources under management of U.S. subsidiary

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

~ March 2018   ~ 2021   2022 ~

Sales

Business Group

Business Unit

System Architecture

Common Technology

Production Technology/Quality

Leading Global R&D Team

System Architecture
Software, IPs,
Chiplets, Packaging
Advanced Technology

Project Management

R&D Resources

Consolidation of BUs lead to shift of business areas from TVs, Cameras to Automotive, Data Center & Networking and Smart Devices

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

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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%**

socionext™
The Solution SoC Company

The following slides are excerpts from the materials used in the 4Q FY2025/3 financial results presentation
(April 2025)

Strong Design Wins
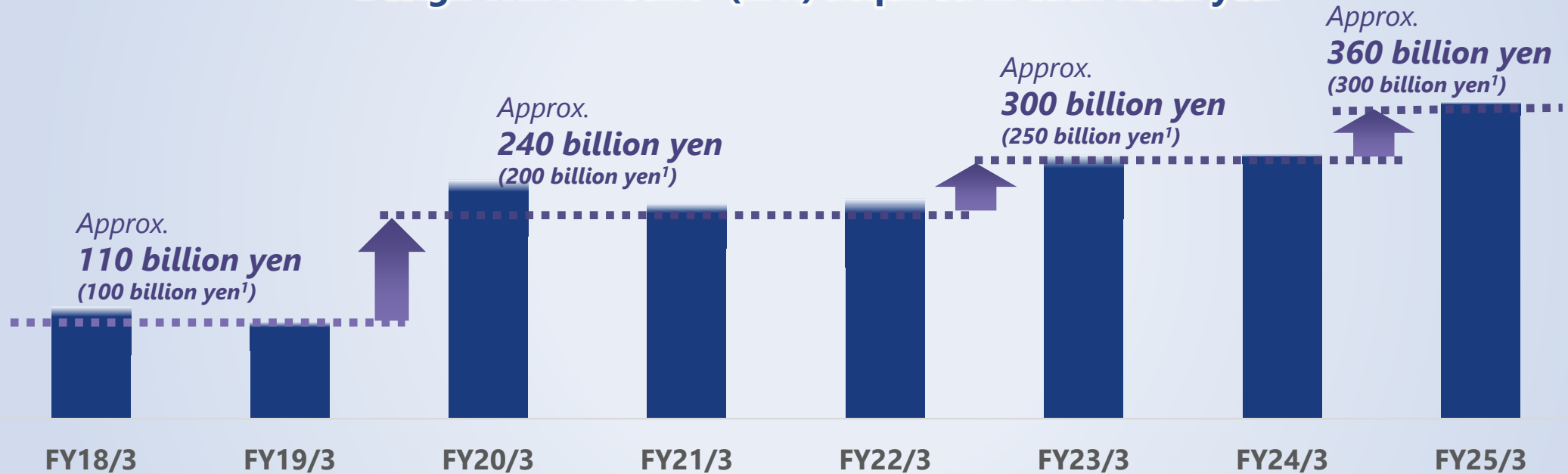
socionext™
The Solution SoC Company

- **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

Approx.
110 billion yen
(100 billion yen[1])

Approx.
240 billion yen
(200 billion yen[1])

Approx.
300 billion yen
(250 billion yen[1])

Approx.
360 billion yen
(300 billion yen[1])

| FY18/3 | FY19/3 | FY20/3 | FY21/3 | FY22/3 | FY23/3 | FY24/3 | FY25/3 |

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

"Design Win Amount" (LTR) acquired in each fiscal year

Project Size
- Less than 10 bn yen
- Between 10 ~ 30 bn yen
- 30 bn yen or more

○ Number of projects

Approx. **110 billion yen** (100 billion yen[1])

Approx. **240 billion yen** (200 billion yen[1])

Approx. **300 billion yen** (250 billion yen[1])

Approx. **360 billion yen** (300 billion yen[1])

FY18/3 — 3
FY19/3 — 2
FY20/3 — 2, 2
FY21/3 — 8
FY22/3 — 5, 2
FY23/3 — 4
FY24/3 — 3, 4
FY25/3 — 2, 4

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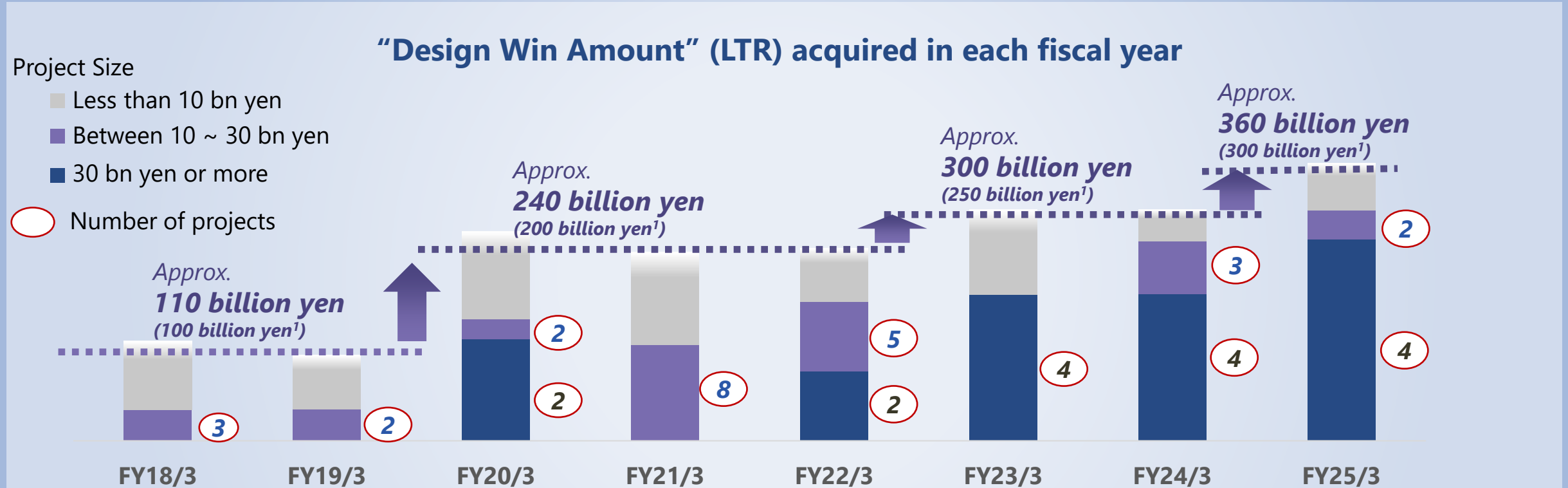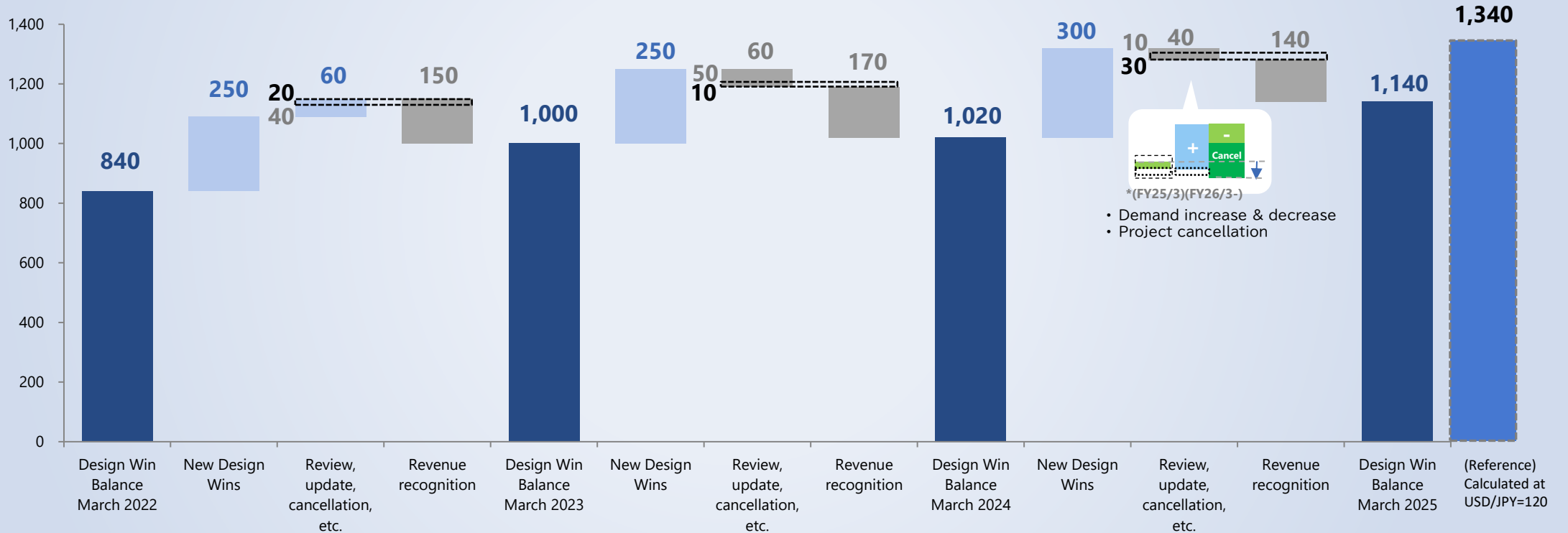1. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

- **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**

(Yen in billions)

Design Win Balance (Approx.) FY22/3–FY25/3

*(FY25/3)(FY26/3-)
- Demand increase & decrease
- Project cancellation

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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

By application

Design Win Balance
FY24/3: 1,200 (1,020)[2] bn yen
FY25/3: 1,340 (1,140)[2] bn yen

- Automotive
- DC&NW
- SD
- Industrial
- Others

In : FY24/3
Out : FY25/3

By region[1]

- US
- EU
- China
- Asia excluding China
- Japan

In : FY24/3
Out : FY25/3
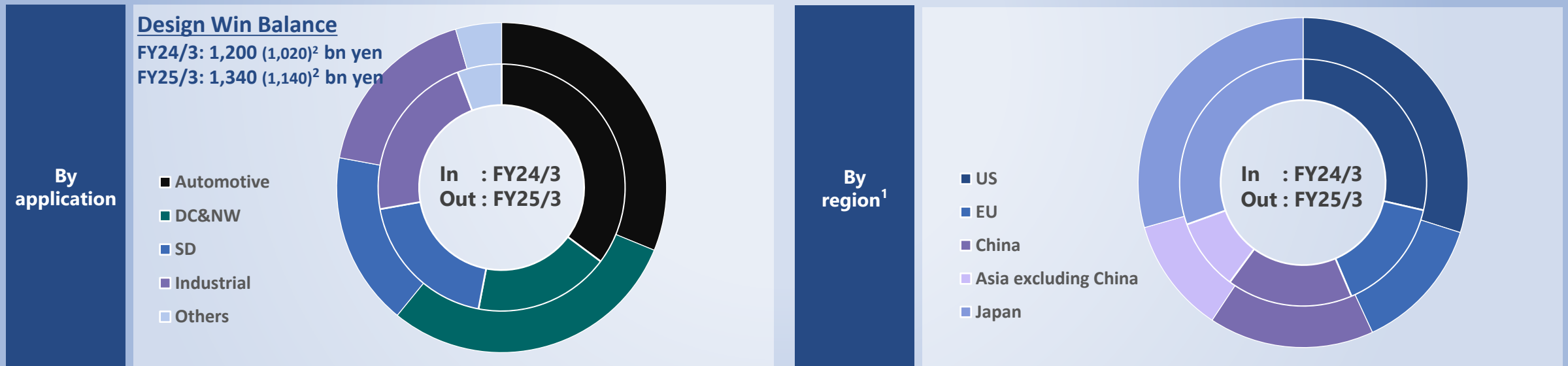
1. "Geographic region" in this page is based on the location of Socionext's regional company that is in charge of the business.
2. The figures in parentheses are amounts calculated using an exchange rate of USD/JPY= 100

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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

Global Leading Group (GLG) Development Group (DG)

Business Group (BG) / Sales Group (SG)

Production Management Group

Corporate

H. Yoshida
GLG Co-Lead
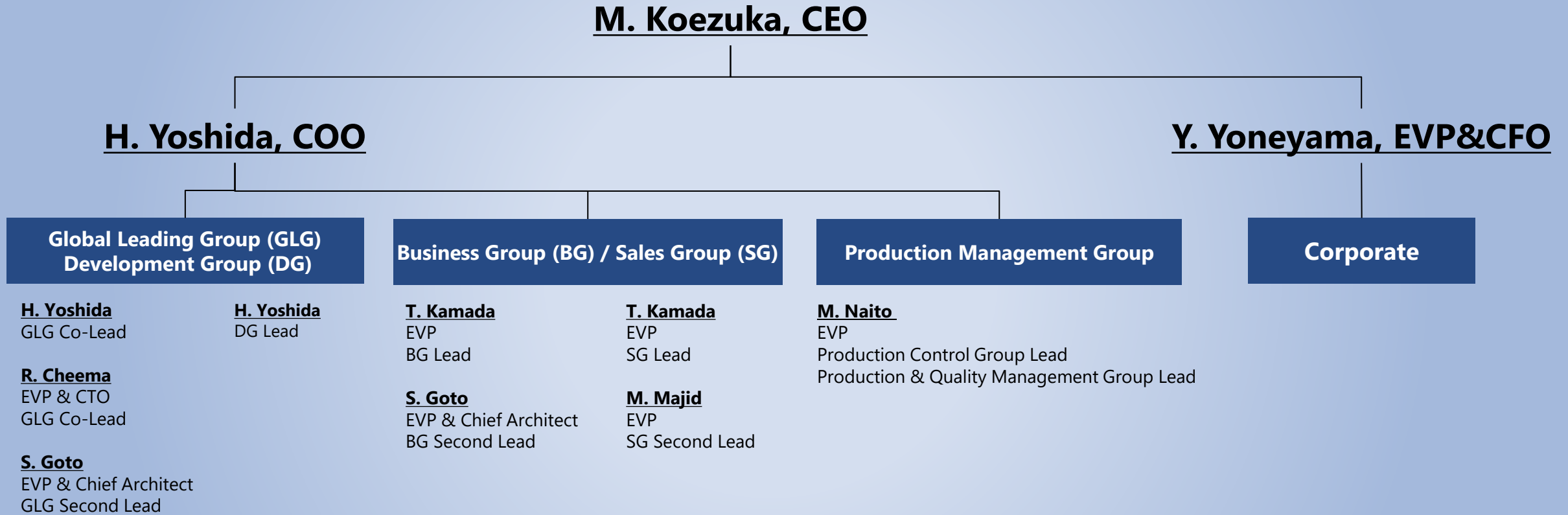
H. Yoshida
DG Lead

R. Cheema
EVP & CTO
GLG Co-Lead

S. Goto
EVP & Chief Architect
GLG Second Lead

T. Kamada
EVP
BG Lead

S. Goto
EVP & Chief Architect
BG Second Lead

T. Kamada
EVP
SG Lead

M. Majid
EVP
SG Second Lead

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

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
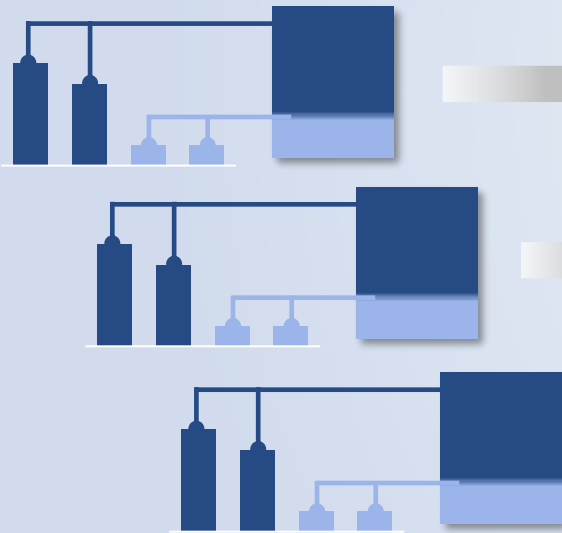 Y. Hayashi: Continue as president of Socionext America

"Design Win Amount" to Revenue / Illustrative Description of "Design Win Balance"

"Design Win 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.
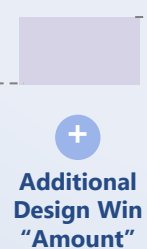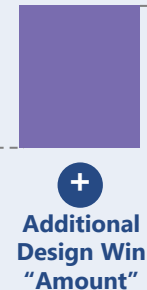
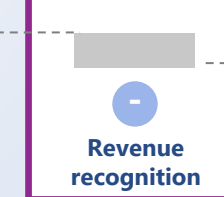**"Design Win Amount" calculated from "Design Win Balance" [1]**

Image of Change in "Design Win Balance [2]"

■ Product Revenue
■ NRE Revenue

"Design Win Amount"

"Design Win Balance"

"Design Win Balance"

+ Additional Design Win "Amount"

± Review and update estimates of product volumes and unit price for mass production stage and other factors.

− Cancellation

− Revenue recognition

+ Additional Design Win "Amount"

± Review and update estimates of design and development costs and other factors.

− Cancellation

− Revenue recognition
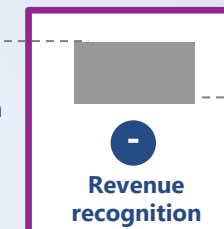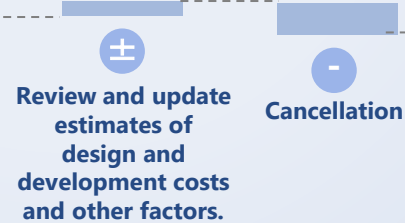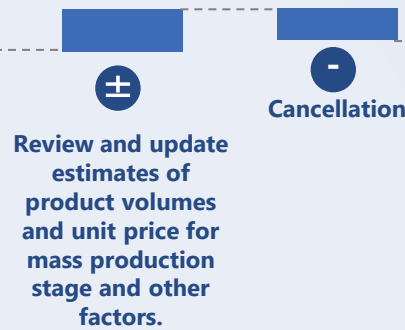
End of Year N-1

Year N Revenue

End of Year N

"Design Win Balance" *(As of March 31, 2025)*

Approx.

JPY 1.34 trillion

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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"

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]

"Design Win Amount"

Year0 Year1 Year2 Year3 Year4 Year5 Year6 Year7~

★ **Acquisition of Design Win**

Design & Development

Mass Production

Product Revenue
Main source of Operating Income

NRE Revenue
Limited contribution to Operating Income

Revenue

Cost

R&D

COGS

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

	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

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Features of Solution SoC Business Model

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

Custom SoC (ASIC)　　　　**ASSP**

	Traditional ASIC	"Solution SoC"	ASIC designed by ASSP vendors	Customer (ASSP)

Layer stack (left column):
- Architecture (Service/Application)
- Architecture (System)
- Architecture (SoC)
- Specification (SoC)
- SoC Design
  - HW | SW | IP | PCB | PKG | DFT
  - Physical
  - Thermal
  - Mass Production Quality Control
- Manufacturing

SoC

Traditional ASIC	"Solution SoC"	ASIC designed by ASSP vendors	ASSP
Customer	Customer	Customer	Customer
	Collaborative approach (Concept-in/Spec-in)	Use SoC vendor's IP and design methodology	
SoC Vendor	SoC Vendor	SoC Vendor	SoC Vendor

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

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The Solution SoC Company