socionext™
The Solution SoC Company

Fiscal Year Ended March 31, 2026

Consolidated Financial Results and Growth Strategy

April 28, 2026
Socionext Inc.

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

The calculation of “Design Win Amount” and “Design Win Balance” involves a significant degree of future estimation and subjective judgment. Such calculations are based on 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 individual products.

Product sales volumes are estimated based on preliminary customer volume indications and our own projections, which incorporate historical customer transaction data, third-party market data and other factors. These estimations do not fully consider potential constraints on the available manufacturing capacity for our products.

In analyzing our net sales and determining our design win balance, we assess whether customer demand constitutes “special demand,” which refers to short-term customer demand arising from stockpiling or other activities that do not reflect the underlying market demand.

We determine whether any given demand constitutes “special demand” on a case-by-case basis at our discretion based on our assessment of various factors relevant to the demand in question. As a result, amounts identified as “special demand” may not be objectively accurate under this definition.

We believe it is appropriate to exclude such short-term “special demand” from our design win balance, as the design win balance is intended to serve as an index for evaluating and analyzing long-term revenue trends. Net sales attributable to “special demand” should be viewed as short-term inflated demand that may reflect front-loading of longer-term demand and therefore 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 may fluctuate due to changes in forecast assumptions for demand other than “special demand.” We may revise our calculation methods for “Design Win Amount” and “Design Win Balance,” as we have done in the past. Thus, period-to-period comparisons may not be meaningful except for assessing general trends over longer periods.

Design win information is calculated on a management accounting basis and is formulated and used internally for management in assessing business performance and planning strategic initiatives. Design win information is presented for reference purposes only and should not be relied upon. Please refer to page 2 of this presentation regarding certain risks associated with forward-looking statements.

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

- **Consolidated Financial Results FY2026/3**
- **Consolidated Earnings Forecast FY2027/3**

Toward Further Growth

FY2026/3 Consolidated Statements of Income

(JPY in billions)

	FY2025/3	FY2026/3	YoY	YoY%	(Reference) FY2026/3 Forecast as of Oct. 2025	
Net Sales	**188.5**	**200.8**	**+12.3**	**+6.5%**	190.0	+10.8
Product revenue	146.6	161.8	+15.2	+10.4%	-	
NRE revenue	41.0	38.3	-2.7	-6.6%	-	
Other revenue	0.9	0.7	-0.2	-23.6%	-	
Cost of Sales	**84.6**	**111.1**	**+26.4**	**+31.2%**	-	
Product cost ratio	57.7%	68.6%	+10.9pt			
Selling, General and Administrative Expenses	**78.9**	**77.4**	**-1.5**	**-1.9%**		
R&D	59.8	58.5	-1.3	-2.2%		
SG&A (excluding R&D)	19.1	18.9	-0.2	-1.0%		
Operating Income	**25.0**	**12.4**	**-12.6**	**-50.6%**	10.0	+2.4
Margin	13.3%	6.2%	-7.1pt		5.3%	+0.9pt
Net Income	**19.6**	**8.7**	**-10.9**	**-55.4%**	6.7	+2.0
Margin	10.4%	4.3%	-6.0pt		3.5%	+0.8pt
FX Rate（USD/JPY）	**152.6**	**150.8**	**-1.8**		138.0	

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Here are the full-year financial results for the fiscal year ended March 31, 2026 (FY2026/3).

Net sales were 200.8 billion yen, an increase of 12.3 billion yen, or 6.5% year on year.
Operating income was 12.4 billion yen, a decrease of 12.6 billion yen, or 50.6%, year on year.
Net income was 8.7 billion yen.

Although some of the NRE and product revenues that were expected to be recorded in the second half were shifted into the next fiscal year, the results were generally in line with the full-year forecast revised in October 2025.

As will be detailed later, product revenue expanded due to factors such as the new Chinese automotive product which entered mass production in the second quarter (2Q) of FY2026/3 and increased sales of certain industrial equipment products. Meanwhile, operating income declined due to a decline in the product gross profit caused by a higher product cost ratio, as well as R&D expenses for advance development.

FY2026/3 Consolidated Statements of Income (by Quarter)

(JPY in billions)

	FY2025/3				FY2026/3				YoY		QoQ	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		YoY%		QoQ%
Net Sales	**52.8**	**46.4**	**46.1**	**43.3**	**34.6**	**52.7**	**54.9**	**58.7**	**+15.4**	**+35.6%**	**+3.8**	**+6.9%**
Product revenue	42.3	37.7	35.0	31.6	25.9	44.5	44.3	47.1	+15.5	+49.2%	+2.8	+6.3%
NRE revenue	10.3	8.4	10.8	11.4	8.5	8.0	10.4	11.5	+0.0	+0.3%	+1.0	+9.9%
Other revenue	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.1	-0.2	-59.9%	-0.1	-42.5%
Cost of Sales	**22.9**	**22.2**	**20.6**	**18.8**	**14.4**	**30.9**	**31.1**	**34.7**	**+15.9**	**+84.3%**	**+3.6**	**+11.5%**
Product cost ratio	54.3%	59.1%	58.8%	59.6%	55.6%	69.4%	70.2%	73.6%	+14.0pt		+3.4pt	
Selling, General and Administrative Expenses	**19.6**	**18.9**	**20.4**	**20.1**	**18.7**	**19.5**	**20.4**	**18.9**	**-1.2**	**-6.2%**	**-1.5**	**-7.5%**
R&D	15.0	13.8	15.6	15.4	14.2	14.7	15.3	14.3	-1.1	-7.3%	-1.0	-6.2%
SG&A (excluding R&D)	4.6	5.1	4.7	4.7	4.5	4.7	5.1	4.6	-0.1	-2.7%	-0.6	-11.1%
Operating Income	**10.3**	**5.3**	**5.1**	**4.3**	**1.4**	**2.3**	**3.4**	**5.2**	**+0.8**	**+18.7%**	**+1.7**	**+49.8%**
Margin	19.4%	11.4%	11.1%	10.0%	4.2%	4.4%	6.3%	8.8%	-1.3pt		+2.5pt	
Net Income	**7.6**	**4.0**	**4.9**	**3.1**	**0.5**	**1.6**	**2.7**	**4.0**	**+0.8**	**+26.4%**	**+1.2**	**+45.0%**
Margin	14.3%	8.6%	10.6%	7.2%	1.3%	3.0%	5.0%	6.7%	-0.5pt		+1.8pt	
FX Rate（USD/JPY）	**155.9**	**149.4**	**152.4**	**152.6**	**144.6**	**147.5**	**154.2**	**156.9**	**+4.3**		**+2.7**	

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Here are the results for the fourth quarter of the fiscal year ended March 31, 2026 (4Q FY2026/3).

Net sales were 58.7 billion yen, an increase of 15.4 billion yen, or 35.6%, year on year.

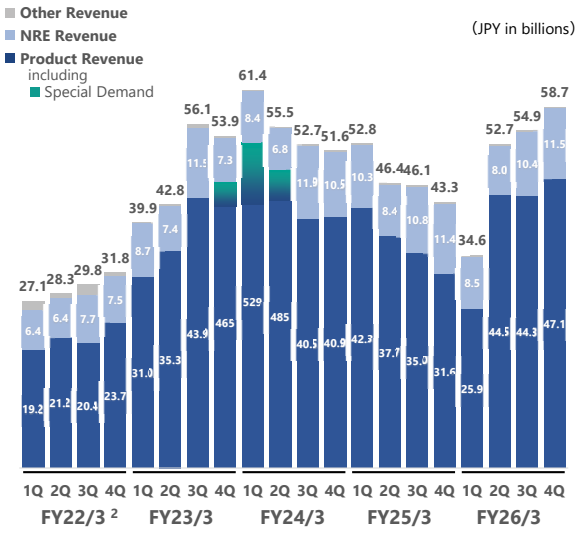
Product revenue expanded, driven by the mass production of the new Chinese automotive product, as well as increased sales of certain industrial equipment products, despite weaker demand for Chinese telecommunications equipment products and other negative factors.

Operating income was 5.2 billion yen, an increase of 800 million yen, or 18.7%, year on year.

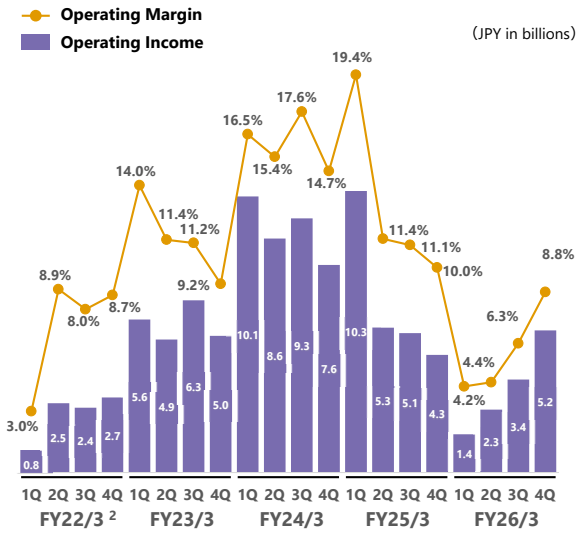
Net income was 4.0 billion yen.

Quarterly Net Sales and Operating Income

Net Sales[1]



Operating Income[1]



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.

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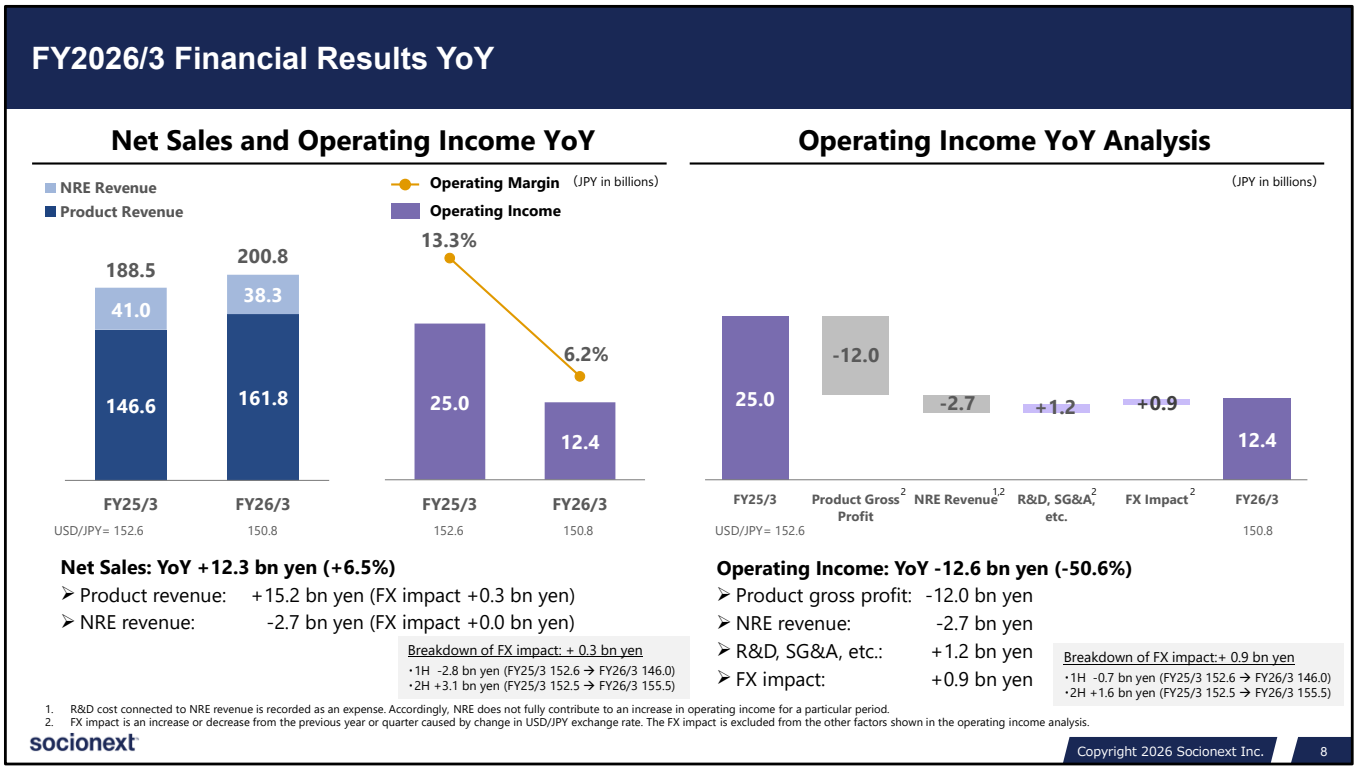
This slide shows the historical trends in net sales and operating income from 1Q FY2022/3 to 4Q FY2026/3.

Net sales have increased throughout FY2026/3, after bottoming out in the 1Q.
As explained earlier, this was due to the mass production of the new Chinese automotive product and increased sales of certain industrial equipment products.

Operating income improved in the second half of FY2026/3. However, the amount remained at a low level throughout the year, due to a higher product cost ratio (decline in the product gross margin) and R&D expenses for advance development.



This slide shows the year-on-year analysis of full-year results for FY2026/3.

Net sales for FY2026/3 were 200.8 billion yen, an increase of 12.3 billion yen, or 6.5%, year on year.

Product revenue increased by 15.2 billion yen. NRE revenue decreased by 2.7 billion yen. The foreign exchange (FX) impact was a plus of 300 million yen.
Product revenue expanded, driven by the mass production of the new Chinese automotive product, as well as increased sales of certain industrial equipment products, despite weaker demand for Chinese telecommunications equipment products and other negative factors.

NRE revenue decreased slightly compared to the previous year. Factors include temporary revenue from the medical business in the previous fiscal year, as well as the shift of some revenue originally expected in the second half into the next fiscal year.

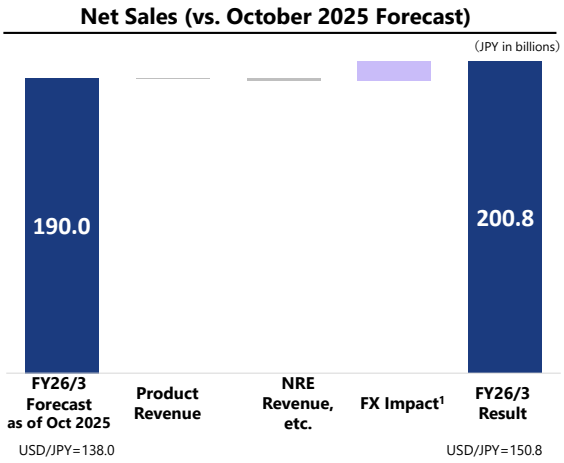
Operating income was 12.4 billion yen, a decrease of 12.6 billion yen, or 50.6%.
Operating income decreased significantly, mainly due to a higher product cost ratio (decline in the product gross margin) and R&D expenses for advance development, although product revenue increased due to new products that entered mass production.

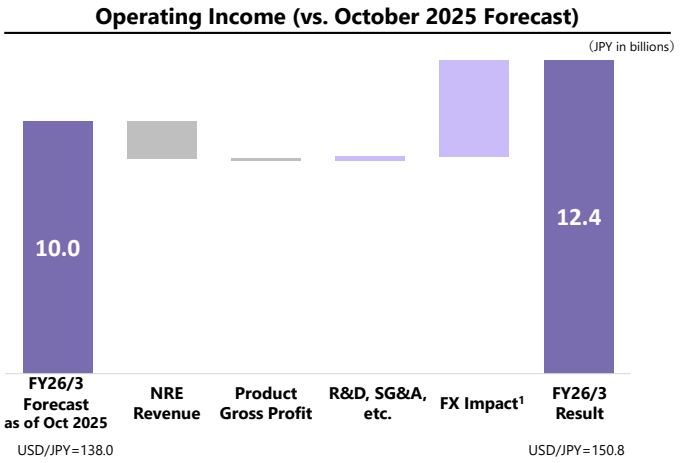
Both net sales and operating income were generally in line with the forecast as reported at the 2Q financial briefing.

It should be noted that, despite the yen appreciated on an annual average basis from 152.6 USD/JPY in FY2025/3 to 150.8 USD/JPY in FY2026/3, the FX impact was positive, with 300 million yen on net sales and 900 million yen on operating income. This is because the year-on-year yen appreciation in the first half had an impact of -2.8 billion yen on net sales and -700 million yen on operating income, while the year-on-year yen depreciation in the second half had an impact of +3.1 billion yen on net sales and +1.6 billion yen on operating income, resulting in a net positive impact for the full year.

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

- Net Sales: +10.8 billion yen vs. Oct. 2025 forecast, despite a shift in NRE and product revenues to FY2027/3
- Operating Income: +2.4 billion yen vs. Oct. 2025 forecast, as FX contributed to increase despite a shift in NRE revenue to FY2027/3





1. FX impact shown on this slide are approximate figures.

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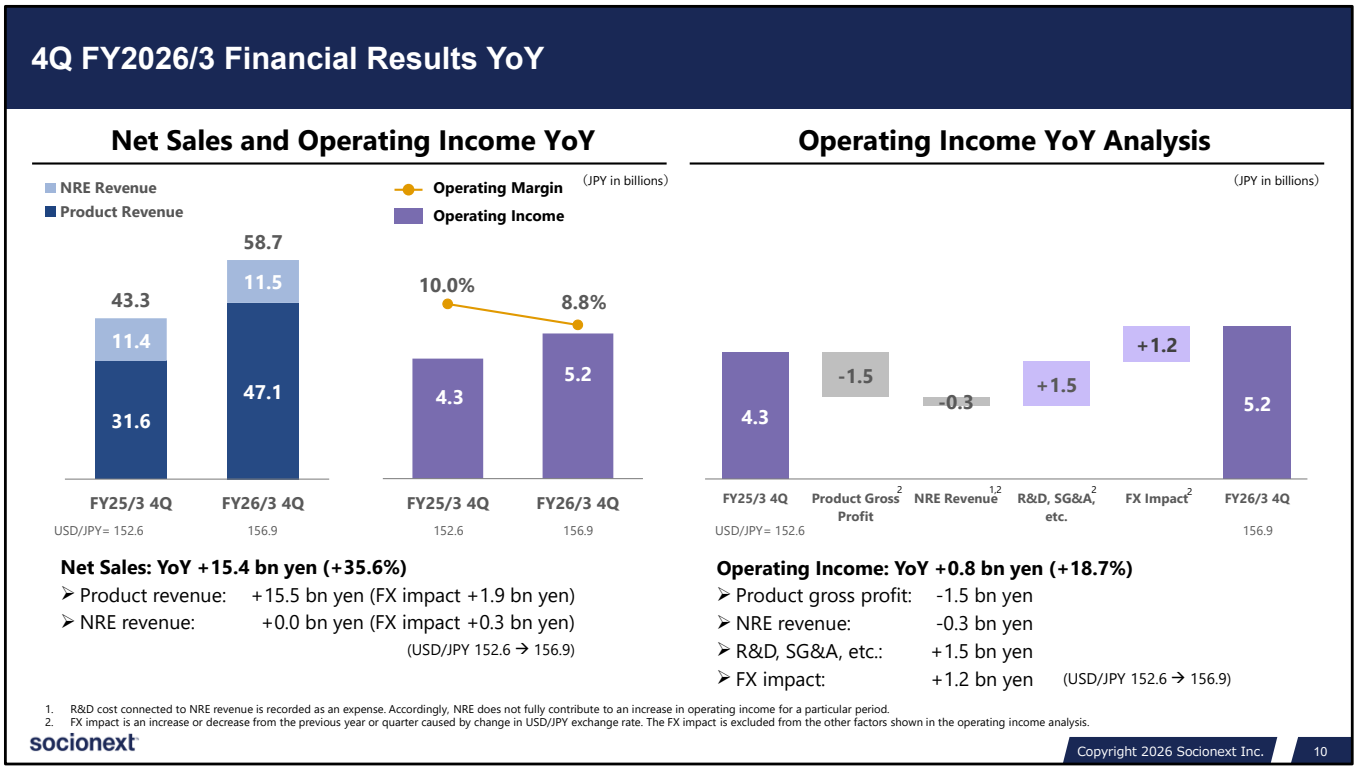
This slide shows a comparison between the forecast reported at the 2Q financial briefing in October 2025 and the actual results.

Net sales totaled 200.8 billion yen, an increase of 10.8 billion yen compared to the October 2025 forecast. Although some NRE and product revenues that were expected to be recorded in FY2026/3 shifted into the next fiscal year, the FX impact contributed positively, resulting in a net increase.

Operating income was 12.4 billion yen, an increase of 2.4 billion yen compared to the October 2025 forecast. While there was a negative impact from the shift of NRE revenue into the next fiscal year, it was more than offset by factors including the FX impact.

The product cost ratio generally remained in line with October forecast.



This slide shows a year-on-year analysis of 4Q FY2026/3, compared to 4Q FY2025/3.

Net sales were 58.7 billion yen, an increase of 15.4 billion yen, or 35.6%, year on year.

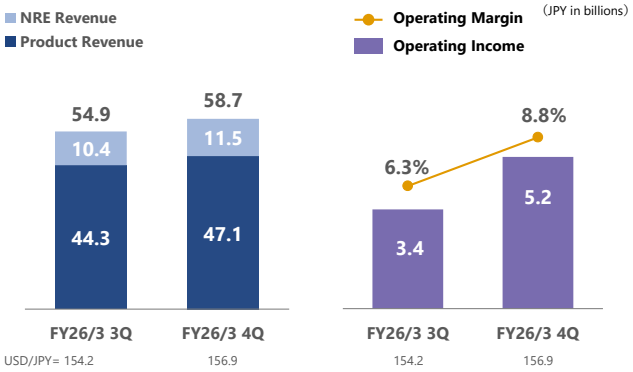
Product revenue increased by 15.5 billion yen. Product revenue expanded, driven by the mass production of the new Chinese automotive product, as well as increased sales of certain industrial equipment products, despite weaker demand for Chinese telecommunications equipment products and other negative factors.
NRE revenue was 11.5 billion yen.

The FX impact from the depreciated yen (USD/JPY 152.6 to 156.9) was a plus of 2.3 billion yen.

Operating income was 5.2 billion yen, an increase of 800 million yen, or 18.7%, year on year. Operating income increased due to lower R&D and SG&A expenses and the positive FX impact from the depreciated yen, although there were also negative factors such as a higher product cost ratio (decline in the product gross margin) and R&D expenses for advance development.

4Q FY2026/3 Financial Results QoQ

Net Sales and Operating Income QoQ

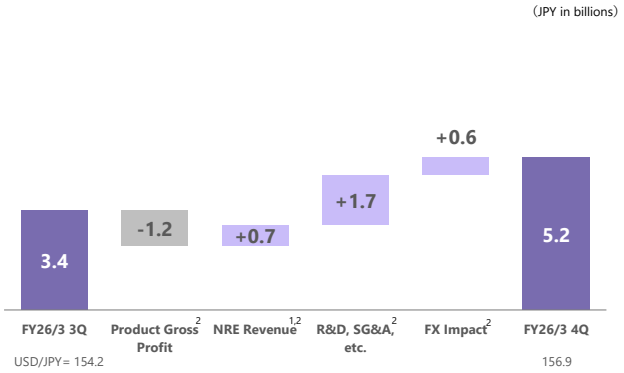


Net Sales: QoQ +3.8 bn yen (+6.9%)

- Product revenue: +2.8 bn yen (FX impact +1.0 bn yen)
- NRE revenue: +1.0 bn yen (FX impact +0.3 bn yen)

(USD/JPY 154.2 → 156.9)

Operating Income QoQ Analysis



Operating Income: QoQ +1.7 bn yen (+49.8%)

- Product gross profit: -1.2 bn yen
- NRE revenue: +0.7 bn yen
- R&D, SG&A, etc.: +1.7 bn yen
- FX impact: +0.6 bn yen (USD/JPY 154.2 → 156.9)

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.

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This slide shows a quarter-on-quarter analysis of 4Q FY2026/3, compared to 3Q FY2026/3.

Net sales were 58.7 billion yen, an increase of 3.8 billion yen, or 6.9%, quarter on quarter.
Product revenue increased by 2.8 billion yen, and NRE revenue increased by 1.0 billion yen.
The FX impact was a plus of 1.3 billion yen.

The increase in product revenue was driven by the new Chinese automotive product and increased sales for certain camera applications.
NRE revenue increased in line with the progress of the development.

Operating income was 5.2 billion yen, an increase of 1.7 billion yen, or 49.8%.
Operating income increased due to higher NRE revenue, lower R&D and SG&A expenses and the positive FX impact from the depreciated yen, although there were also negative factors such as a higher product cost ratio (decline in the product gross margin) and R&D expenses for advance development.

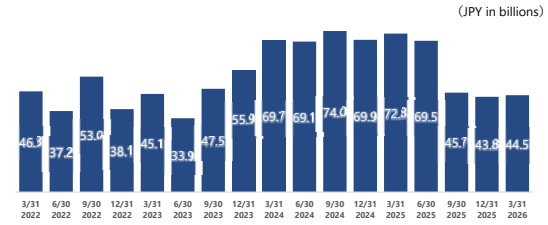
Consolidated Balance Sheet (As of March 31, 2026)

(JPY in billions)

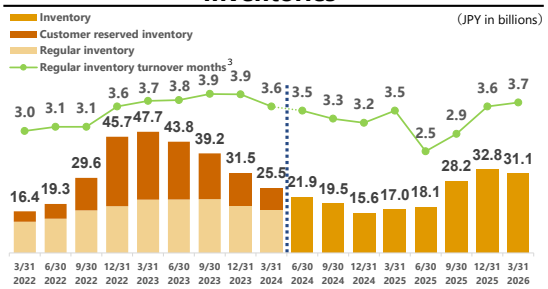
	As of Mar.31, 2025	As of Mar.31, 2026	Change
Total Assets	170.3	**167.6**	-2.7
Total Current Assets	126.3	**122.8**	-3.5
Cash on-hand and in banks[1]	72.8	**44.5**	-28.3
Accounts receivable-trade	31.6	**36.9**	+5.3
Inventories[2]	17.0	**31.1**	+14.0
Accounts receivable-other	0.9	**4.4**	+3.6
Total non-Current Assets	44.0	**44.8**	+0.8
Total Liabilities	33.3	**34.6**	+1.3
Total Current Liabilities	31.3	**32.5**	+1.2
Accounts payable-trade	11.9	**15.8**	+3.9
Accounts payable-other	4.6	**4.0**	-0.6
Total Net Assets	137.0	**133.1**	-4.0
Shareholders' Equity Ratio	80.5%	**79.4%**	

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"

Cash on-hand and in banks[1]



Inventories[2]



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

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This slide shows the balance sheet as of March 31, 2026.

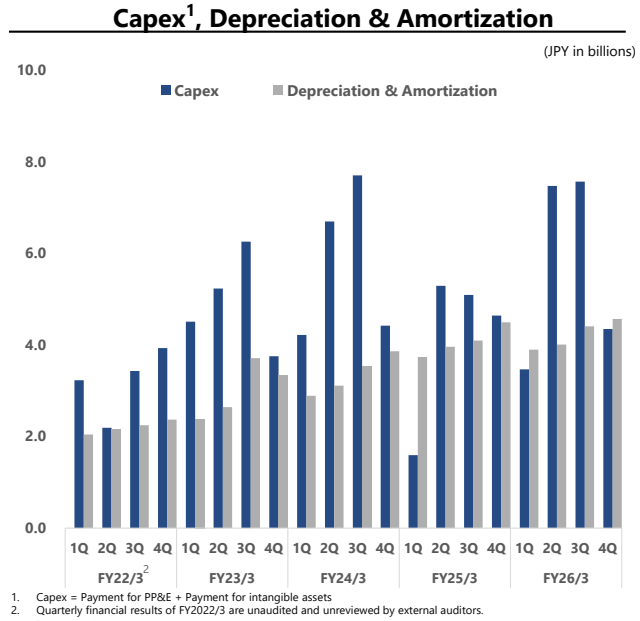
Total assets were 167.6 billion yen, a decrease of 2.7 billion yen compared to the end of the previous fiscal year.
Total liabilities were 34.6 billion yen, an increase of 1.3 billion yen, and net assets were 133.1 billion yen, a decrease of 4.0 billion yen compared to the end of the previous fiscal year.

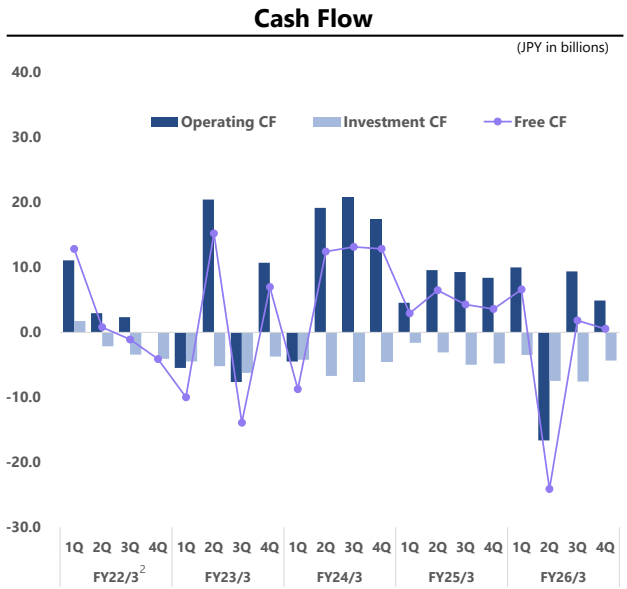
As for total assets, cash on-hand and in banks decreased, while accounts receivable (+5.3 billion yen) and inventories (+14.0 billion yen) increased, due to factors including higher sales of new products that entered mass production.

Cash on-hand and in banks was 44.5 billion yen, a decrease of 28.3 billion yen compared to the end of the previous fiscal year, mainly due to increases in accounts receivable and inventories.

Inventories were 31.1 billion yen, an increase of 14.0 billion yen from the end of the previous fiscal year, reflecting expectations for steady sales growth in the next fiscal year and beyond.

Capex, Depreciation & Amortization, Cash Flow





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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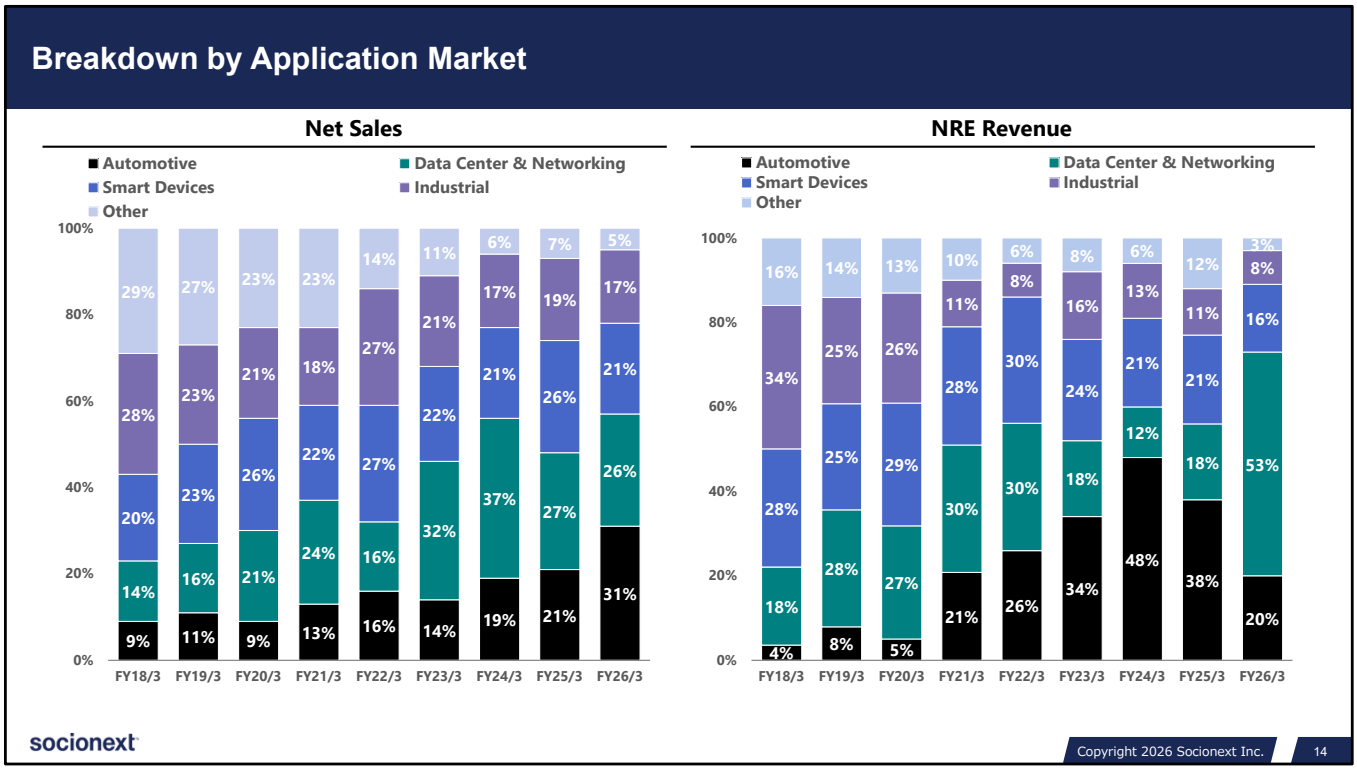
This slide shows capital expenditures (Capex) and cash flows.

Capex in FY2026/3 was 22.9 billion yen, an increase of 6.3 billion yen year on year. The increase was mainly due to investments in reticles and IPs in the leading-edge technology areas, and in IT to support large-scale and advanced design and development.
Depreciation & amortization also increased reflecting these higher investments, and it is expected to increase gradually going forward as leading-edge development projects continue to expand.

As for cash flow, operating cash flow was a positive 7.7 billion yen for FY2026/3. While there were increases in accounts receivable and inventories, this was offset by higher depreciation & amortization.
Investment cash flow was 22.9 billion yen, as we continue to invest in the development of leading-edge products and business growth.
As a result, free cash flow was negative.

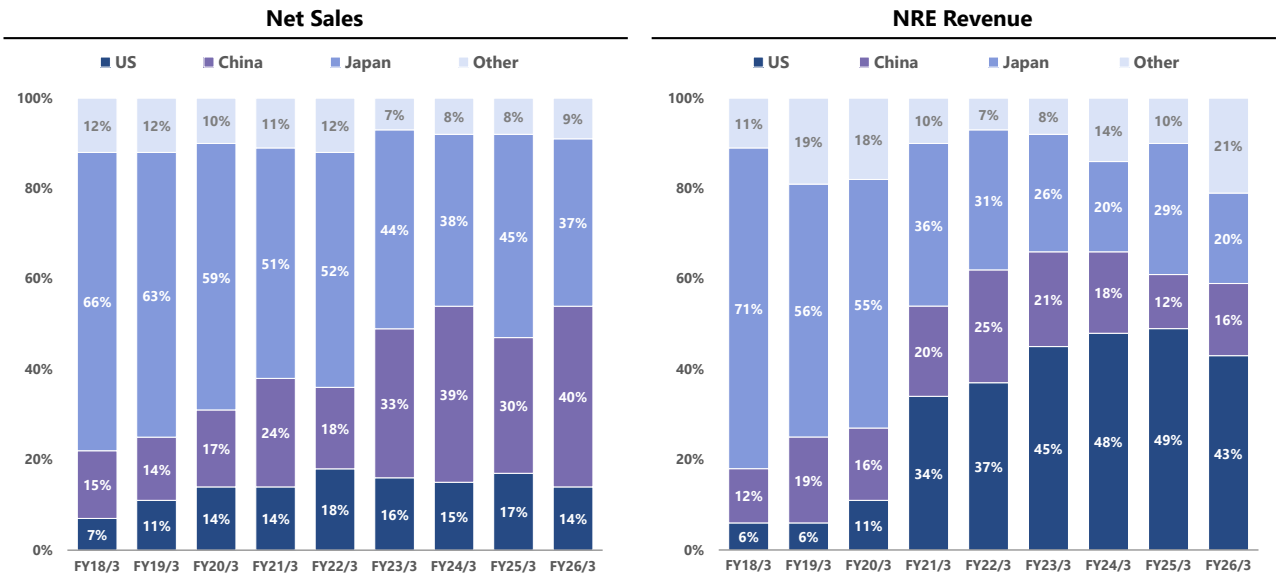


This slide shows the breakdown of net sales and NRE revenue by application market.

As for net sales, the percentage accounted for by Automotive has increased, due to the impact of the new Chinese automotive product.
The percentage accounted for by Data Center & Networking declined due to weaker demand for Chinese telecommunications equipment products.
The percentage accounted for by Smart Devices also declined due to weaker demand for certain products.

As for NRE revenue, the percentage accounted for by Data Center & Networking increased as development activities, including those in the US, expanded.

Breakdown by Geographic Region

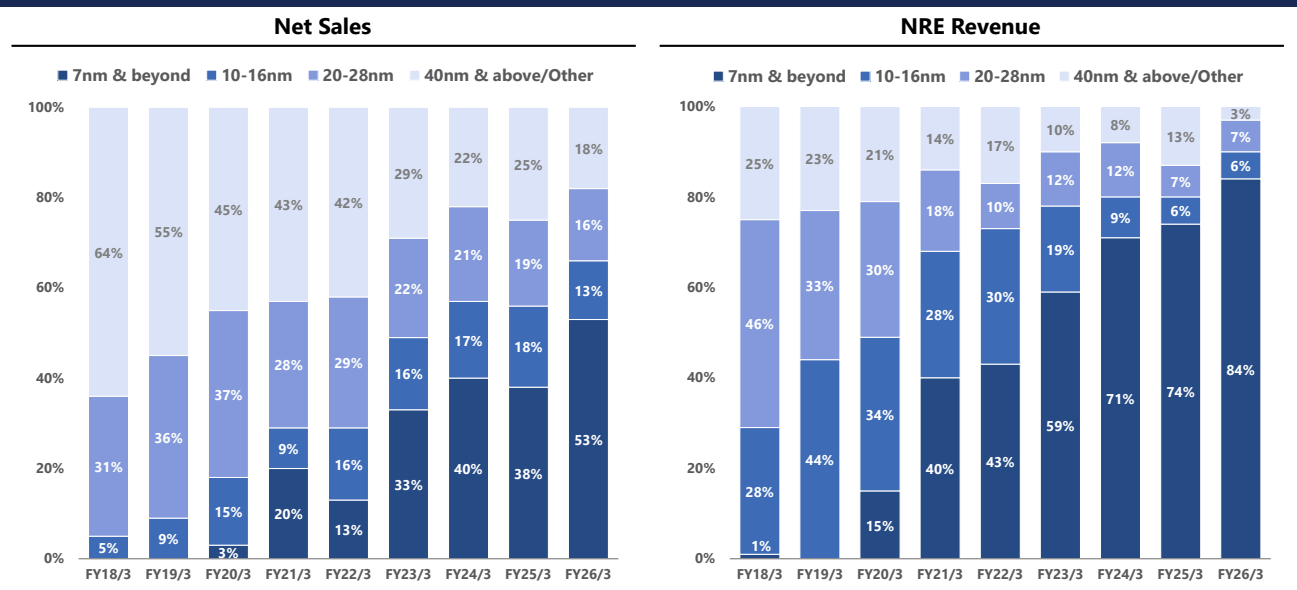


This slide shows the breakdown of net sales and NRE revenue by geographic region.

As for net sales, the percentage accounted for by China has increased due to the expansion of the new Chinese automotive product that entered mass production in 2Q FY2026/3.

As for NRE revenue, percentage accounted for by the US has remained high.
In any case, the company aims to secure a well-balanced regional mix and expansion of sales across the US, other regions including China, and Japan.

Breakdown by Process Node



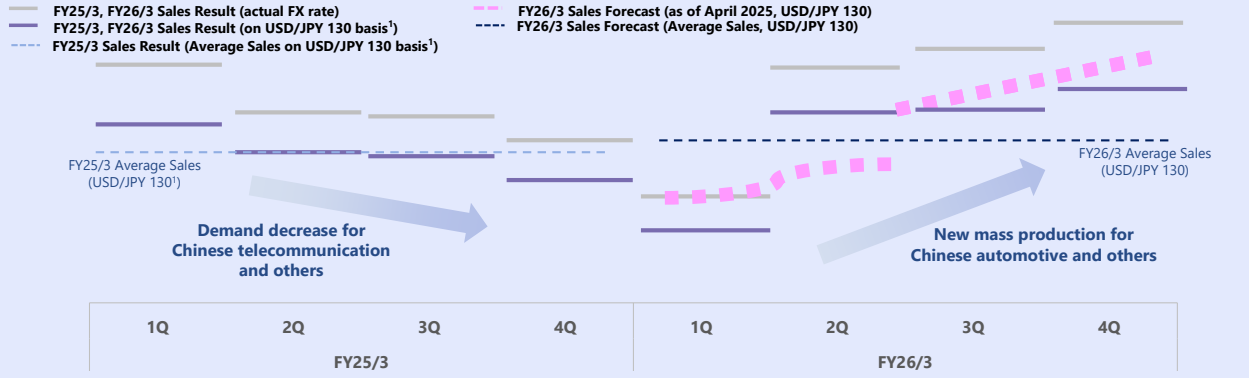
This slide shows the breakdown of net sales and NRE revenue by process node.

The percentage accounted for by advanced process nodes of 7nm and beyond has been increasing both for net sales and NRE revenue.

As for NRE revenue, the percentage accounted for by 7nm and beyond has increased to over 80%, with 5nm and beyond accounting for roughly two-thirds.

Quarterly Net Sales Trends

From October 2025 presentation (revised)



- FY2026/3 1st Half: Although demand for Chinese telecommunication equipment business decreased due to ongoing customer inventory adjustment, net sales exceeded forecast driven by stronger demand for new automotive product, among others
- FY2026/3 2nd Half: Demand for new Chinese automotive product, among other factors, exceeded forecast

1. FY2025/3 figures are based on USD/JPY=130 and are approximate figures provided for comparison across fiscal years.

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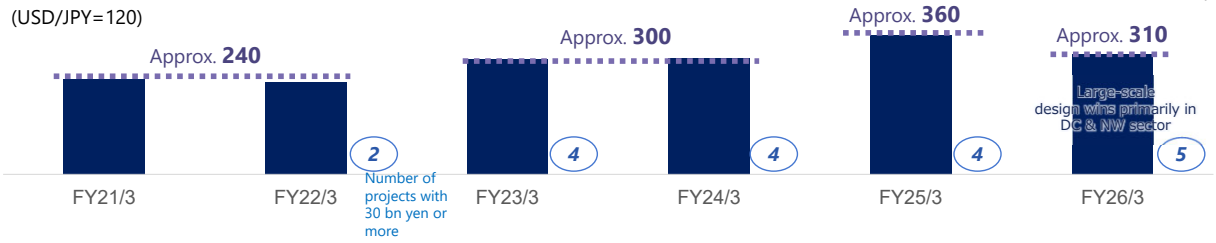
This slide shows the net sales trends for FY2025/3 and FY2026/3.
The FY2026/3 results have been added to the material presented in the 2Q financial briefing.

Although some NRE and product revenues that were originally expected to be recorded in the second half shifted into the next fiscal year, the results were generally in line with the forecast as reported at the 2Q financial briefing.

Design Wins Trends

- FY2026/3 Design Win Amount totaled 310 billion yen with large-scale projects secured primarily in the DC & NW sector, though the amount was lower than in FY2025/3, mainly due to the factors including: high level of design wins in 4Q FY2025/3, FY2026/3 being transitional period between major design wins, and closing of several design wins shifted to 1st half of FY2027/3.

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



The figures for "Design Win Amount" are not updated to reflect subsequent changes in circumstances after the acquisition of the relevant business opportunities. Such subsequent changes may include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of project after a design win has been obtained. Projects may be cancelled after design wins have been obtained. The impact of such subsequent changes after the design wins are obtained is reflected in the 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 changes, including those described in (1) and (2) above, is reflected in the "Design Win Balance."
Projects representing approximately 15% of the total Design Win Amount from FY20/3 to FY26/3 were canceled after such projects started.
To date, the impact of these project cancellations has been partially offset by factors such as increases in the higher unit price and increased production volumes for other ongoing projects. As a result, the net impact of these cancellations amounts to a reduction of a few percent relative to the total Design Win Amount.
Please refer to page 3 of this presentation.

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This slide shows the trends in Design Win Amount.

The Design Win Amount for FY2026/3 was approximately 310 billion yen.
It was lower than the previous year, mainly due to the factors including the high level of design wins in 4Q FY2025/3, FY2026/3 being a transitional period between major design wins, and closing of several design wins shifted to the first half of FY2027/3.
Five large-scale projects, each worth 30 billion yen or more, were secured primarily in the Data Center & Networking sector.

As will be detailed later, the Design Win Balance increased from approximately 1.34 trillion yen at the end of FY2025/3 to 1.51 trillion yen at the end of FY2026/3, driven by an increase in the balance of existing projects currently under development and in mass production.

The Design Win Amount shown on this slide is calculated based on USD/JPY = 120.

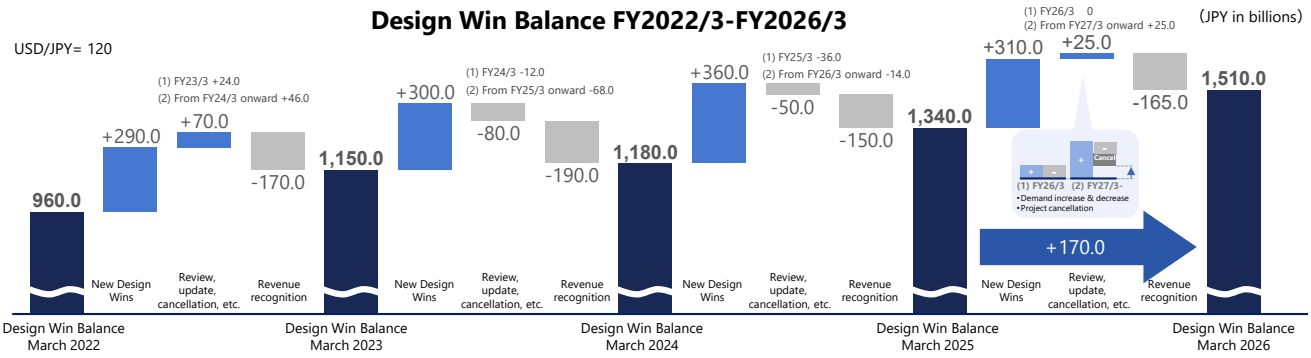
Design Win Balance: Breakdown of Changes

- Design Win Balance totaled 1.51 trillion yen in FY2026/3, up 170 billion yen from FY2025/3, due to an increase in the balance of existing projects, offsetting decrease in Design Win Amounts and cancellations
- Approx. 60% of Design Win Balance at the end of FY2026/3 is expected to be recognized as revenue over the next 4 years, contributing to net sales growth in the coming years

Design Win Balance FY2022/3-FY2026/3

(JPY in billions)

USD/JPY= 120



The figures for "Design Win Amount" are not updated to reflect subsequent changes in circumstances after the acquisition of the relevant business opportunities. Such subsequent changes may include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of project after a design win has been obtained. Projects may be cancelled after design wins have been obtained. The impact of such subsequent changes after the design wins are obtained is reflected in the Design Win Balance.
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Projects representing approximately 15% of the total Design Win Amount from FY20/3 to FY26/3 were canceled after such projects started.
To date, the impact of these project cancellations has been partially offset by factors such as increases in the higher unit price and increased production volumes for other ongoing projects. As a result, the net impact of these cancellations amounts to a reduction of a few percent relative to the total Design Win Amount.
Please refer to page 3 of this presentation.

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This slide shows the changes in Design Win Balance.

Design Win Balance is an important indicator for assessing medium- to long-term net sales, reflecting increases from new design wins, decreases from revenue recognition, and various upward and downward changes to existing projects.

As of the end of FY2026/3, Design Win Balance increased by approximately 170 billion yen from the end of FY2025/3 to approximately 1.51 trillion yen.
The key drivers of the changes from the end of the previous fiscal year were an increase of approximately 310 billion yen from new design wins, a decrease of approximately 165 billion yen due to revenue recognition, and an increase of approximately 25 billion yen from changes in existing projects. These changes resulted in a net increase of approximately 170 billion yen.

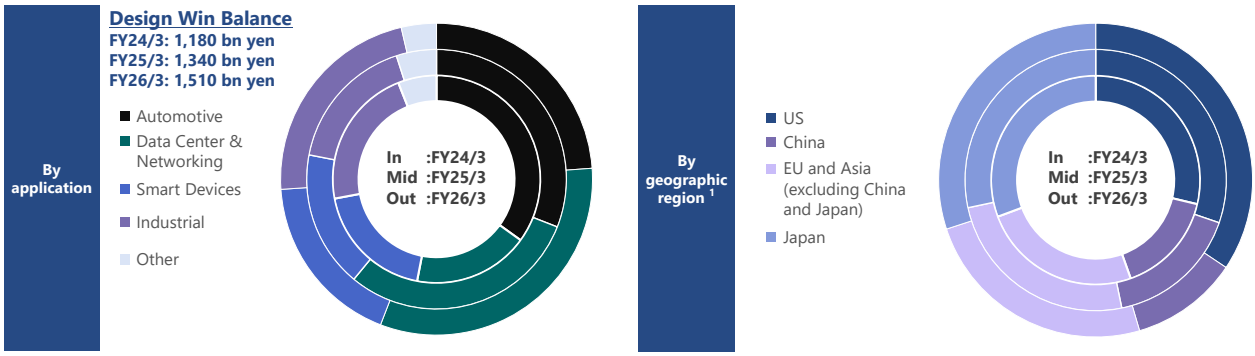
Design Win Balance increased from the end of the previous fiscal year due to an increase in the balance of existing projects currently under development and in mass production, although new design wins totaled approximately 310 billion yen, which was lower than in the previous year, and there were some project cancellations.

It is expected that approximately 60% of the Design Win Balance of 1.51 trillion yen at the end of FY2026/3 will be recognized as revenue over the next four years.

The Design Win Amount shown on this slide is calculated based on USD/JPY = 120.

Design Win Balance: by Application Market and Region

- By application market:
  - Share of Data Center & Networking and Industrial increased in FY2026/3, while Automotive and Other declined.
  - Aiming well-balanced portfolio over medium- to long-term, across Automotive, Data Center & Networking, and the rest including industrial.
- By geographic region:
  - Shares of the US and Japan increased slightly in FY2026/3, but maintained well-balanced regional mix across the US, Japan, and other regions including China.



1. "Geographic region" on this page is based on the location of Socionext's regional company in charge of the business.

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This slide shows the breakdown of Design Win Balance by application market and geographic region.

As for the application-market mix in FY2026/3, the percentage accounted for by Data Center & Networking and Industrial increased due to new design wins.
Over the medium- to long-term, the company aims to achieve a well-balanced portfolio across Automotive, Data Center & Networking, and other applications including Industrial.

As for the regional mix, the percentage accounted for by the US and Japan increased slightly. Over the medium- to long-term, the company aims to achieve a well-balanced regional mix across the US, other regions including China, and Japan.

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

- Consolidated Financial Results FY2026/3
- Consolidated Earnings Forecast FY2027/3

Toward Further Growth

Consolidated Earnings Forecast FY2027/3

(JPY in billions)	FY2026/3 Full Year Results	FY2027/3 Full Year Forecast as of April 2026	YoY	YoY %	(Reference) FY2027/3 forecast figures calculated using actual FX rate in FY2026/3 and FX sensitivity indicated in the footnote
Net Sales	**200.8**	**215.0**	+14.2	+7.1%	235.8
Operating Income	**12.4**	**14.0**	+1.6	13.3%	19.2
Margin	**6.2%**	**6.5%**	+0.4pt		8.1%
Net Income	**8.7**	**10.0**	+1.3	+14.5%	
Margin	**4.3%**	**4.7%**	+0.3pt		
Basic Earnings per Share[1]	**49.74 yen**	**57.05 yen**			
Dividend per Share	**50.00 yen**	**50.00 yen**			
FX Rate (USD/JPY)	**150.8 yen**	**130.0 yen**			150.8 yen

- The FX sensitivity for the forecast for FY2027/3 as of April 2026 is assumed to be approximately 1 billion yen for net sales, and approximately 250 million yen for operating income, for every 1-yen change against the US dollar. The impact of other currencies is assumed to be negligible. However, the sensitivity fluctuates quarterly due to volatility in the volume of US dollar-denominated net sales, purchases, inventory, and the timing of R&D expenses.

1. Actual net income per share for FY2026/3 was calculated based on 175,560,577 shares and the forecast of net income per share for FY2027/3 as of April 2026 was calculated based on 175,279,761 shares.

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This slide shows the full-year forecast for FY2027/3.

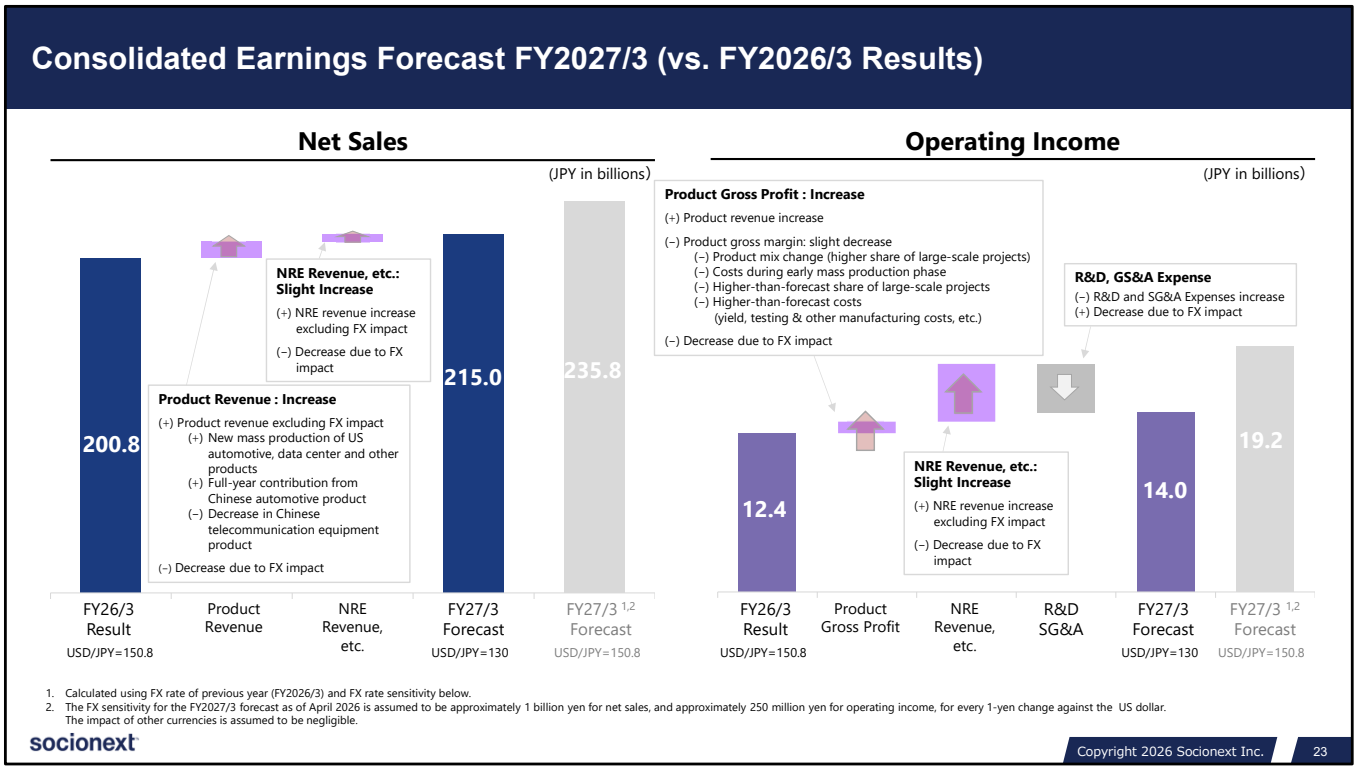
The FX rate assumption for the forecast is USD/JPY = 130.

Net sales are forecast to be 215 billion yen, an increase of 14.2 billion yen, or 7.1%, year on year.
Operating income is forecast to be 14 billion yen, an increase of 1.6 billion yen, or 13.3%, year on year.
Net income is forecast to be 10 billion yen, an increase of 1.3 billion yen, or 14.5%, year on year.

The FX sensitivity is assumed to be approximately 1 billion yen for net sales and approximately 250 million yen for operating income on an annual basis for every 1-yen change against the US dollar.

For reference, figures shown on the right-hand side of the table are calculated based on the FY2026/3 actual FX rate and in accordance with the FX sensitivity indicated in the footnote.

We plan for the dividend in FY2027/3 to be 50 yen per share, the same as in FY2026/3.



This slide compares the FY2026/3 results and the FY2027/3 forecast for net sales and operating income.

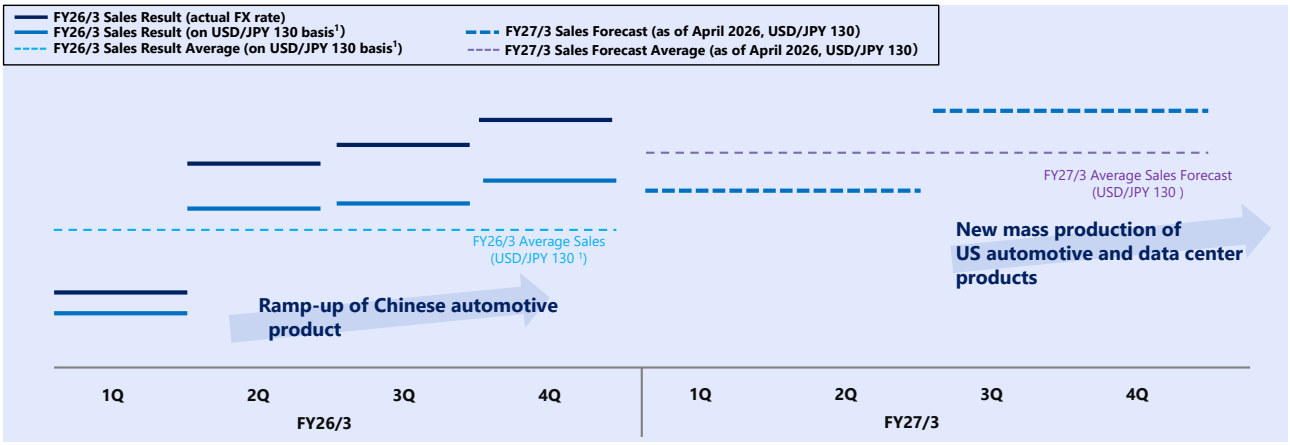
The FX rate assumption for the FY2027/3 forecast is USD/JPY = 130.

Net sales are forecast to be 215 billion yen, an increase of 14.2 billion yen, or 7.1%, year on year.
Both product revenue and NRE revenue are expected to increase.

Operating income is forecast to be 14 billion yen, an increase of 1.6 billion yen, or 13.3%, year on year. Although product gross margin is expected to slightly decrease, the increase in the product gross profit driven by growth in product revenue is expected to be a major factor contributing to higher operating income.

For reference, figures on the right-hand side of each graph show the FY2027/3 forecast calculated using the FX rate of the previous fiscal year, based on the FX sensitivity presented on the previous slide.

Net Sales Trends



- FY2027/3 1st Half: Strong demand for Chinese automotive products (mass production started in FY2026/3) to continue
- FY2027/3 2nd Half: Revenue growth expected driven by the start of new mass production for US automotive and data center products
- Operating margin: Expected to be low in the first half and start improving in the second half

1. FY2026/3 figures are based on USD/JPY=130 and are approximate figures provided for comparison across fiscal years.

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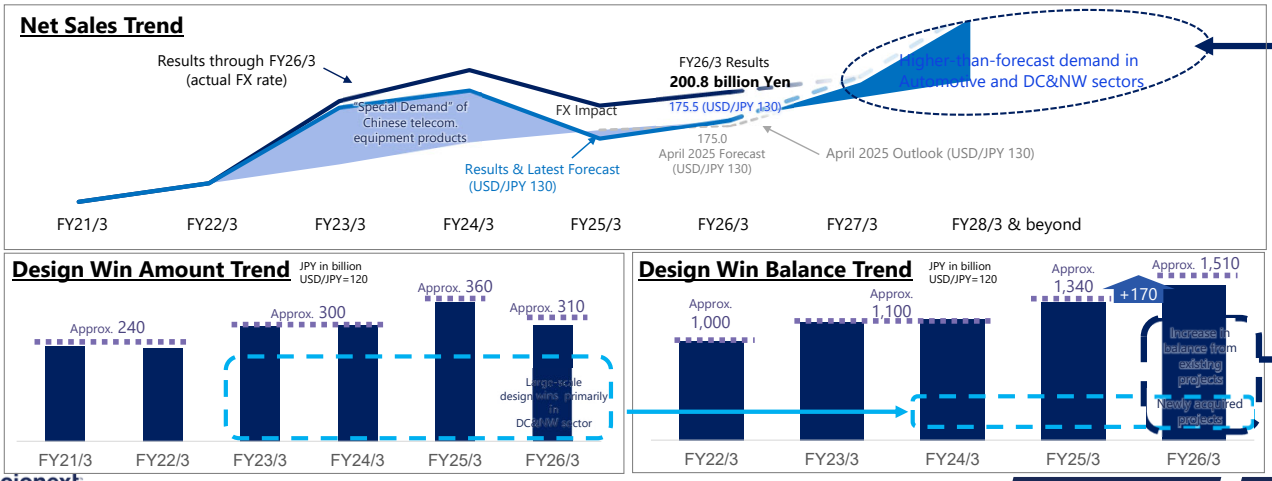
This slide shows the net sales trends for the FY2026/3 results and the FY2027/3 forecast.

In FY2027/3, sales of the new Chinese automotive product which entered mass production in FY2026/3 are expected to continue. In addition, from the second half of FY2027/3, new mass production for US automotive and US data center products is expected to start, leading to further expansion of net sales.

Operating margin is also expected to be lower in the first half of the fiscal year and increase during the second half.

Net Sales Trends: Past and Future

- Net sales are expected to return to growth track in 2nd half FY2026/3 and exceed the assumptions made when the Medium-Term Targets were set
- FY2027/3 net sales are also to slightly exceed the Medium-Term Targets assumptions (based on the same FX rate)
- Design Win Balance totaled 1.51 trillion yen in FY2026/3, up 170 billion yen from FY2025/3, due to an increase in the balance of existing projects, offsetting decrease in Design Win Amounts and cancellations



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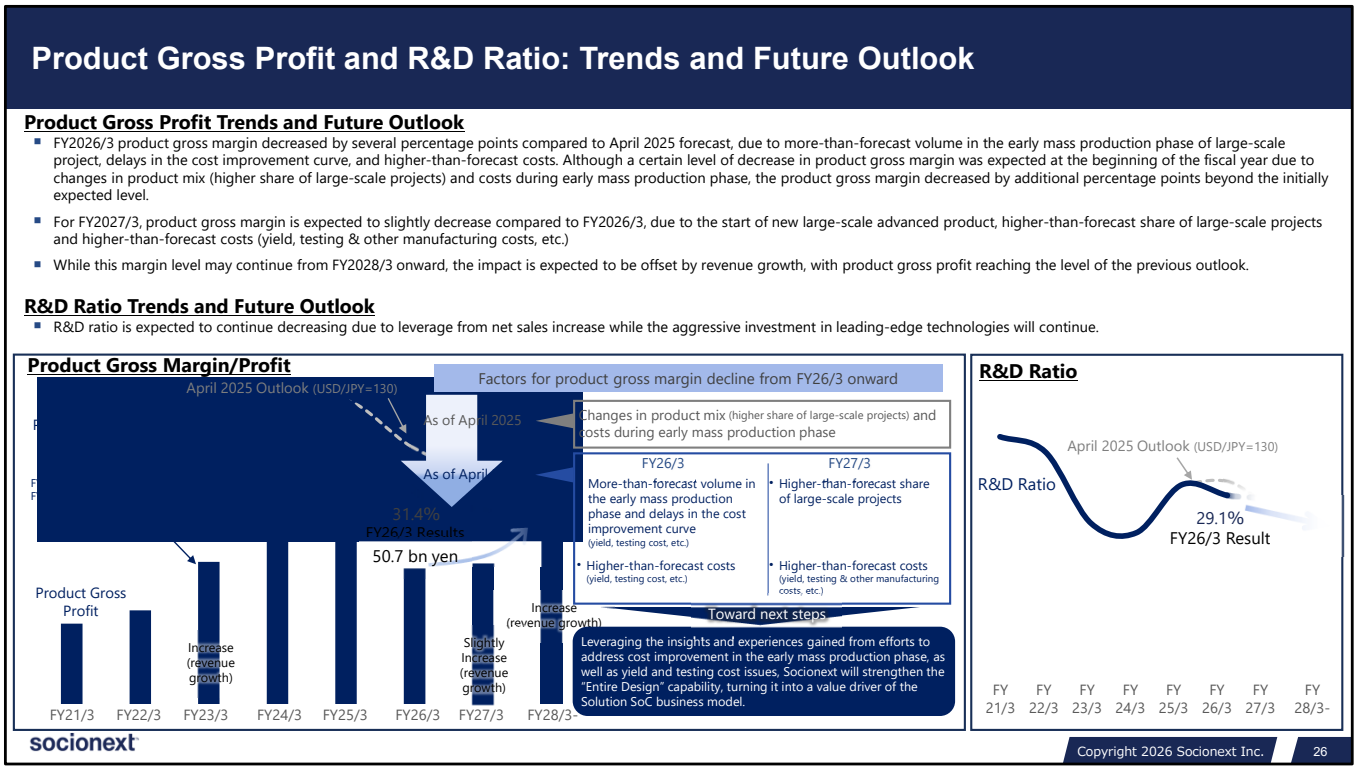
This slide shows the trends and outlook for net sales.

Net sales returned to a growth track in the second half of FY2026/3, and full-year FY2026/3 net sales slightly exceeded the initial forecast as of April 2025.
This trend is expected to continue into FY2027/3, with net sales projected to slightly exceed the assumptions of the Medium-Term Targets on a constant FX rate basis.
Beyond FY2027/3, net sales are also expected to continue exceeding the assumptions set when the Medium-Term Targets were formulated.

As explained on the previous slides, although Design Win Amount in FY2026/3 was lower than in the previous year, the Design Win Balance increased by approximately 170 billion yen from the end of FY2025/3, reflecting an increase in the balance of existing projects.
This increase in Design Win Balance is expected to contribute to future net sales growth.



This slide shows the trends and outlook for the product gross profit and R&D ratio.

As for product gross profit, in the April 2025 forecast, we had already incorporated a certain decline in the product gross margin from FY2026/3 onward, reflecting factors such as the increasing share of sales from large-scale projects and the impact of higher costs for products during the early phase of mass production.

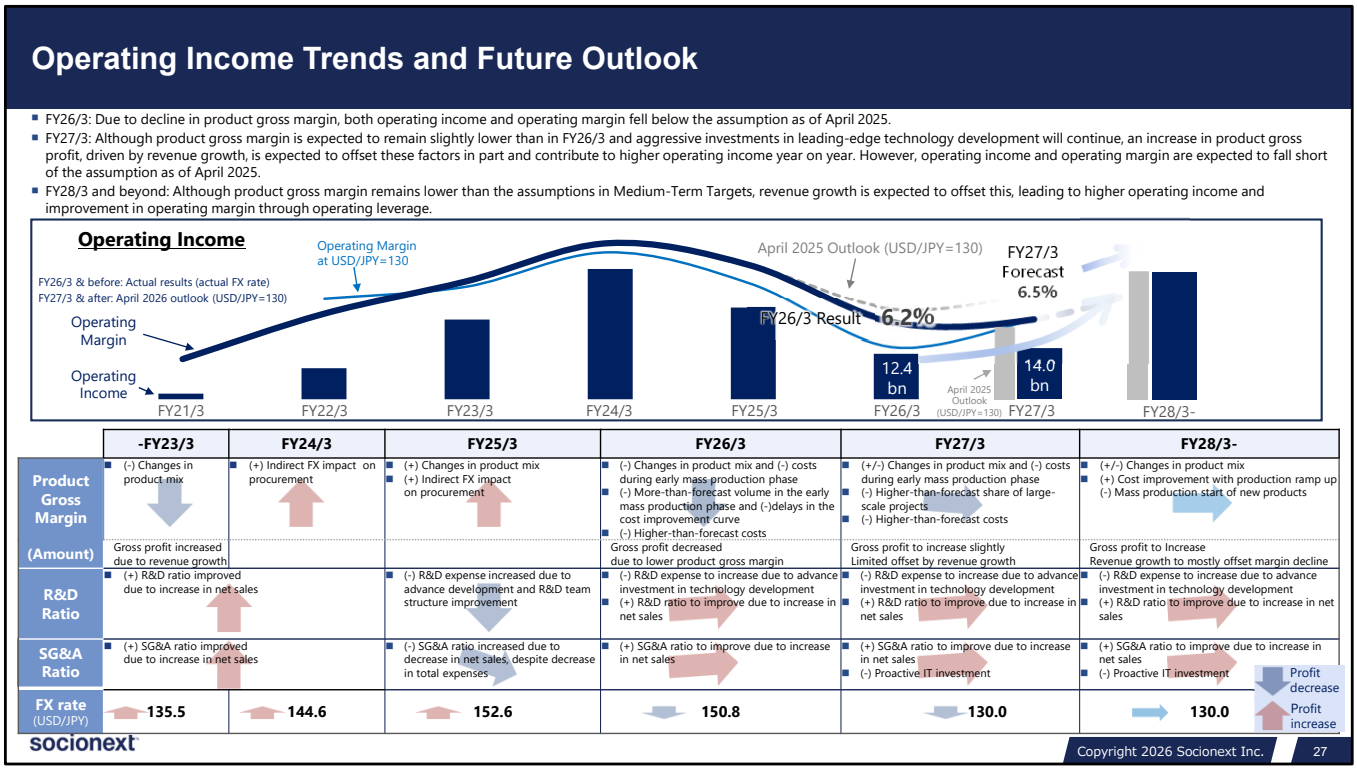
However, as was reported at the second-quarter financial briefing, product gross margin in FY2026/3 declined by several additional percentage points from the initial forecast. This was primarily due to: (i) higher-than-forecast production volume of the new product during the early mass production phase, when product cost ratio is high; (ii) delays in the cost improvement curve, including yield improvement and testing cost reductions; and (iii) the overall costs that exceeded the forecast due to yield, testing and other factors.

For FY2027/3, we will continue to promote cost improvement initiatives. However, product gross margin is expected to decline slightly compared to FY2026/3. This reflects factors such as ongoing ramp-up of production for new large-scale advanced products, higher-than-forecast share of large-scale projects, and conservative assumptions regarding yield, testing and other manufacturing costs.

From FY2028/3 onward, product gross margin may remain at the similar level. However, regarding the amount of product gross profit, it is expected to reach the level of the previous outlook, with revenue growth offsetting the decline of gross margin.

We intend to leverage the experience and insights gained from efforts to address the yield and cost issues in FY2026/3, including those in the early phase of mass production, to further strengthen our Entire Design capability and to turn it into the added value of the Solution SoC business model.

Regarding the R&D ratio, we will continue to make aggressive investments in leading-edge technology fields, but the ratio is expected to gradually decrease, supported by operating leverage from net sales growth.

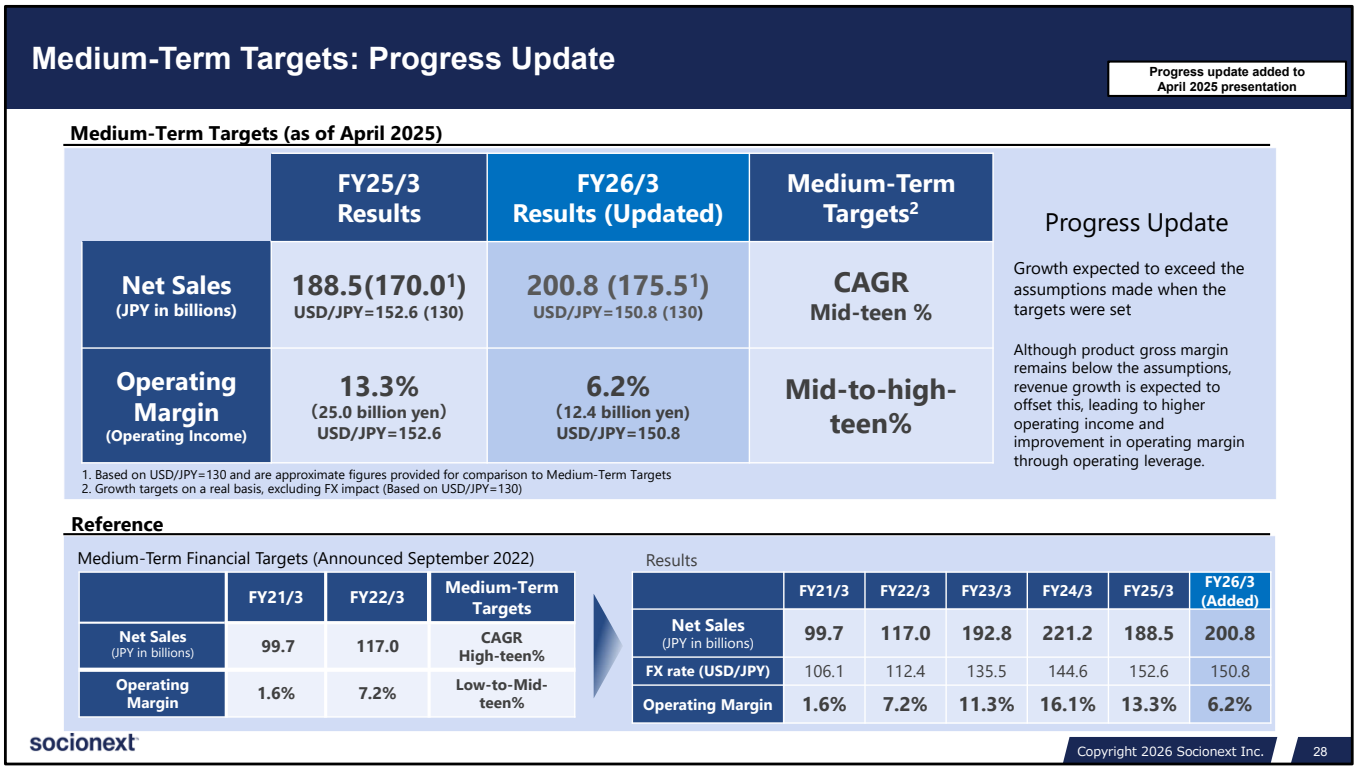


This slide shows the trends in operating income.

As was explained earlier, both operating income (amount) and operating margin (percentage) in FY2026/3 fell short of the assumption of the April 2025 forecast, due to the decline in the product gross margin.

For FY2027/3, product gross margin may be slightly lower than the level of FY2026/3. Furthermore, we will continue to make aggressive investments in leading-edge technology fields. However, product gross profit is expected to increase year on year, as revenue growth is expected to offset the decline in the product gross margin in part. As a result, operating income is forecast to be 14 billion yen, with an operating margin of 6.5%.

From FY2028/3 onward, product gross margin may remain at a similar level. However, it is expected that revenue growth will offset the lower gross margin, leading to an expansion in the product gross profit and operating income. In addition, operating leverage from revenue growth is expected to reduce the R&D ratio and the SG&A ratio, contributing to an improvement in operating margin.



Medium-Term Targets: Progress Update

Progress update added to April 2025 presentation

Medium-Term Targets (as of April 2025)

	FY25/3 Results	FY26/3 Results (Updated)	Medium-Term Targets[2]
Net Sales (JPY in billions)	188.5(170.0[1]) USD/JPY=152.6 (130)	200.8 (175.5[1]) USD/JPY=150.8 (130)	CAGR Mid-teen %
Operating Margin (Operating Income)	13.3% (25.0 billion yen) USD/JPY=152.6	6.2% (12.4 billion yen) USD/JPY=150.8	Mid-to-high-teen%

Progress Update

Growth expected to exceed the assumptions made when the targets were set

Although product gross margin remains below the assumptions, revenue growth is expected to offset this, leading to higher operating income and improvement in operating margin through operating leverage.

1. Based on USD/JPY=130 and are approximate figures provided for comparison to Medium-Term Targets
2. Growth targets on a real basis, excluding FX impact (Based on USD/JPY=130)

Reference

Medium-Term Financial Targets (Announced September 2022)

	FY21/3	FY22/3	Medium-Term Targets
Net Sales (JPY in billions)	99.7	117.0	CAGR High-teen%
Operating Margin	1.6%	7.2%	Low-to-Mid-teen%

Results

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3 (Added)
Net Sales (JPY in billions)	99.7	117.0	192.8	221.2	188.5	200.8
FX rate (USD/JPY)	106.1	112.4	135.5	144.6	152.6	150.8
Operating Margin	1.6%	7.2%	11.3%	16.1%	13.3%	6.2%

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This slide shows the Medium-Term Targets that were presented at the financial briefing for FY2025/3 in April 2025, as well as the progress update against those targets.

Net sales returned to a growth track in the second half of FY2026/3, and is expected to exceed the assumptions set when the Medium-Term Targets were formulated (in April 2025).

As for operating income and margin, both the FY2026/3 results and the FY2027/3 forecast fall short of the Medium-Term target assumptions in terms of both the amount and the percentage, since the product gross margin for those periods is also lower than the assumptions.

Product gross margin is expected to remain below the Medium-Term Target assumptions, but we expect that this will be offset by the revenue growth, leading to an increase in operating income. We also expect that the operating leverage effect from the revenue growth to improve operating margin.

The FX rate assumption for the Medium-Term Targets is USD/JPY = 130.

Market Trend, Background of FY27/3 Forecast, Outlook for FY28/3 and Beyond

Market Trend & Design Win Status

Automotive

- Innovation in AD/ADAS technologies and services is ongoing, with AI adoption driving structural transformation.
- Demand for Solution SoC business model is growing to optimize power consumption to achieve high functionality.
- Opportunities are expanding across service-oriented companies, new-school OEMs, and mainstream OEMs.

Data Center & Networking

- Demand for SoCs from Data Center & Networking sector continues to expand, driven by generative AI and the rising needs for agentic AI.
- There are increasing needs to integrate diverse IPs and processors (CPU/xPU) across domains.
- Demand for Solution SoC business model is growing to optimize power consumption to achieve high functionality.
- There are increasing needs for leading-edge technologies such as 2nm/1.4nm, chiplets, 3D/5.5D packaging, and co-packaged optics.

Industrial/Smart Devices (Physical AI)

- Expanding use of AI and networking is driving demand for Solution SoC business model and the use of leading-edge technologies in industrial applications.
- Physical AI requires integration of various IP and xPU and represents long-term growth opportunities.

Design Wins Trend:

Demand for custom SoCs is expanding with the emergence of new services and applications including AI, the increasing complexity of SoC designs, and the evolution of the SoC ecosystem.

- Socionext aims to secure large-scale projects in these focus areas and achieve a level of design wins that will support sustainable, medium- to long-term growth.

FY27/3 Forecast

Net sales are to be slightly higher than the assumptions in the Medium-Term Targets. Although product gross margin remains slightly lower than in FY26/3 and aggressive investments in leading-edge technology development will continue, an increase in product gross profit, driven by revenue growth, is expected to offset these factors in part and contribute to higher operating income year on year.

- **Product Revenue**
  - Chinese automotive product, for which mass production started in 2Q FY26/3, contributes to full-year revenue.
  - New mass production of US automotive, data center and other products is expected to start.
- **NRE Revenue**
  - NRE revenue is expected to increase due to revenue recognition aligned with the development progress of existing projects and efforts to secure new design wins in focus areas.
- **Operating Income**
  - Product gross margin expected to slightly decline compared with FY26/3 due to:
    - Changes in product mix (higher share of large-scale projects) and costs during early mass production phase
    - Higher-than-forecast share of large-scale projects
    - Higher than-forecast costs (yield, testing & other manufacturing costs, etc.)
  - R&D ratio is expected to decrease due to leverage from net sales increase while the aggressive investment will continue.
  - SG&A ratio expected to decrease due to leverage from net sales increase.
  - Operating margin expected to increase year on year, with product revenue growth offsetting impacts from lower product gross margin in part.
- **FX assumptions**
  - FX rate: USD/JPY=130.0
  - FX sensitivity: approximately 1 billion yen for net sales and approximately 250 million yen for operating income, for every 1-yen change against the US dollar

Outlook for FY28/3 and beyond

Net sales are expected to exceed the assumptions in the Medium-Term Targets.
Although product gross margin remains lower than the assumptions, revenue growth is expected to offset this, leading to higher operating income and improvement in operating margin through operating leverage.

- **Product Revenue**
  - Growth is expected to continue, supported by contributions from multiple large-scale projects, including those for automotive and data center.
- **NRE Revenue**
  - Gradual increase is expected to continue.
- **Operating Income**
  - Although product gross margin remains lower than the assumptions, revenue growth is expected to offset this, leading to higher operating income, and improvement in operating margin through operating leverage.

- **Continue aggressive investments in leading-edge technologies for further growth**
- **Accelerate growth-oriented management**

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This slide shows market trends, the background of FY2027/3 forecast, and the outlook beyond FY2028/3.

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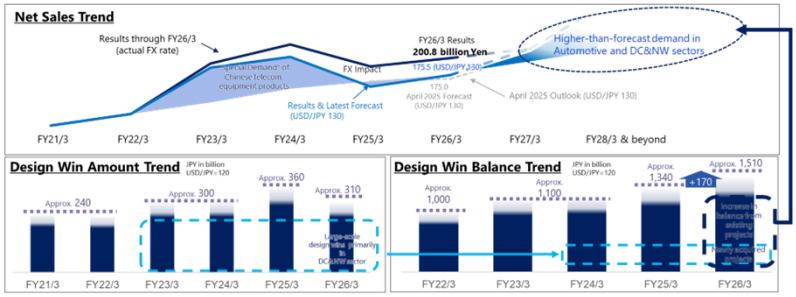
Consolidated Financial Results for the Fiscal Year Ended March 31, 2026

- Consolidated Financial Results FY2026/3
- Consolidated Earnings Forecast FY2027/3

Toward Further Growth

Growth Scenario to Date and Going Forward

- Building on Design Win Balance, acquired through the "First Transformation (shift in business model and focus areas)," we aim to achieve continued revenue growth (expecting to exceed the previous assumptions) and expansion of both product gross margin and operating margin.
- Through the track records in large-scale, leading-edge development projects, our development structure and technological capabilities continue to be further strengthened. Going forward, we will further promote the "Second Transformation" to reinforce the development structure, invest in advanced technologies, strengthen and globalize the management, expand design wins — all leading to the further growth and development of the company.



Strategy for further growth (Second Transformation)

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

Engage in "Second Transformation," following "First Transformation" (business model and focus area) that led to "First Growth"

Continued net sales growth

and

Expansion of gross profit and operating income
Improvement of operating margin

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This slide illustrates the path toward the company's future growth.

Based on the Design Win Balance achieved through the shift in our business model and focus areas under the First Transformation, we aim to achieve sales growth exceeding prior assumptions, as well as further expansion of product gross profit and operating income.

Through our track record of large-scale development projects in the leading-edge fields to date, we have strengthened our development structure and technological capabilities.

Looking ahead, under the Second Transformation, we will further reorganize and strengthen our development structure, invest in leading-edge technologies, and enhance and globalize our management structure.
Through these initiatives, we aim to expand design wins and achieve further growth and development.

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.

Evolution of SoC ecosystem

- While vertical integration advances, ecosystem openness is also progressing, with more functional IPs and chiplet options becoming available.
- Processor diversity (xPU) — not just CPU cores, but GPUs, NPUs, and specialized processors for AI processing.
- In addition, the availability of IP subsystems and open-source software (OSS) increases with processor diversity.

Into era of 3D/5.5D and chiplets

- Rapid progress from full-custom SoCs to "de-integration" toward chiplets (processor chiplet, memory chiplet, IO chiplet etc.), high-density packaging, and next-generation process nodes (2nm/1.4nm).
- As design complexity increases, new challenges emerge, not only in yield, verification, evaluation, analysis, and DFT, but also in physical limitations such as reticle size, power/thermal density, and electrical signal speed.

Design becoming more complex = Entire Design

- "Entire Design" approach—integrating architecture, thermal management, and testing—is essential to maximize system-wide PPA efficiency, for advanced sectors like data centers and automotive.
- The complexity of new technologies like chiplets and CPO (Co-packaged optics) makes the 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 to new technologies and increasingly complex custom silicon solutions.

New need for Solution SoC business model in various application markets (Expand from cloud to physical AI)

- Customers are adopting the optimized and advanced Solution SoC model to integrate the complex IPs and processors needed for advanced, next-generation features
- Demand for custom (bespoke) SoCs will grow as AI advances expand from the Cloud to new areas (Physical AI) such as automotive and robotics

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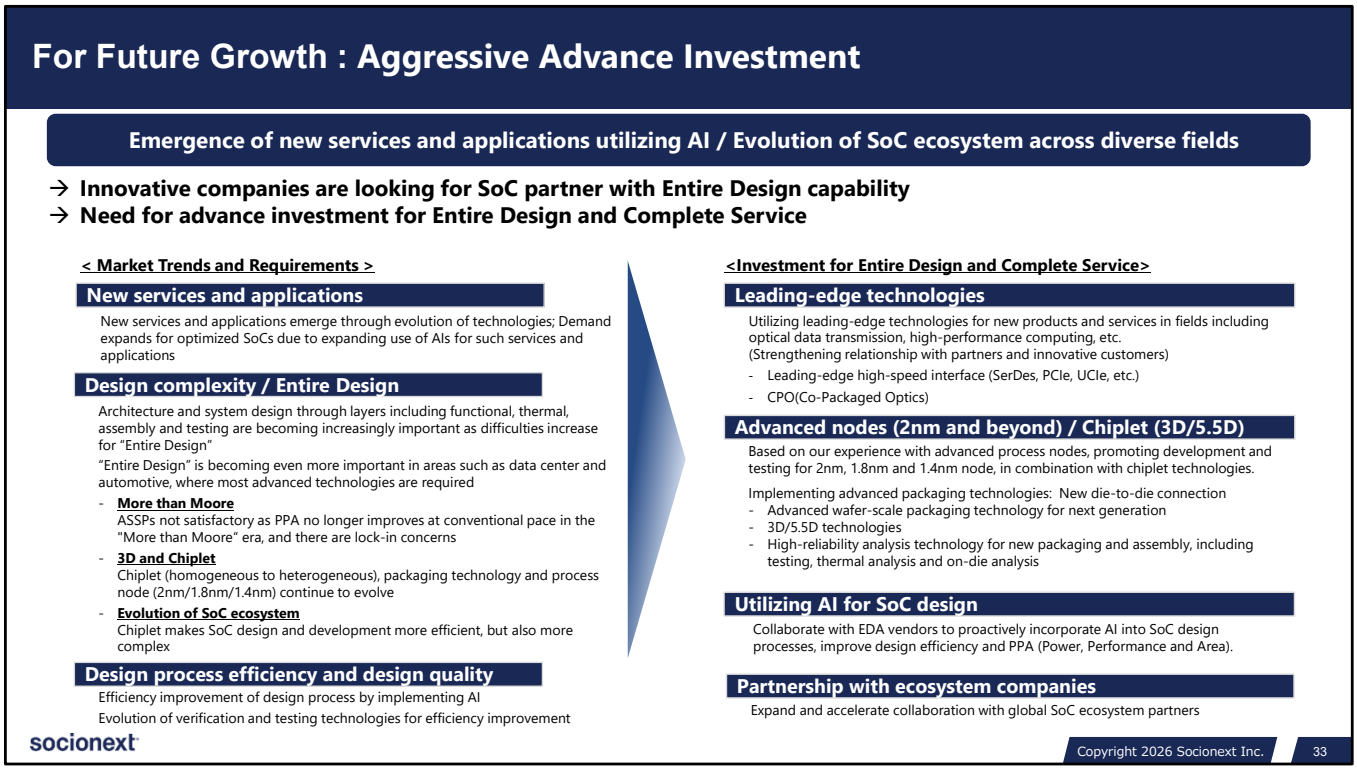
This slide shows the semiconductor market trends and the background behind the growing demand for the Solution SoC business model.

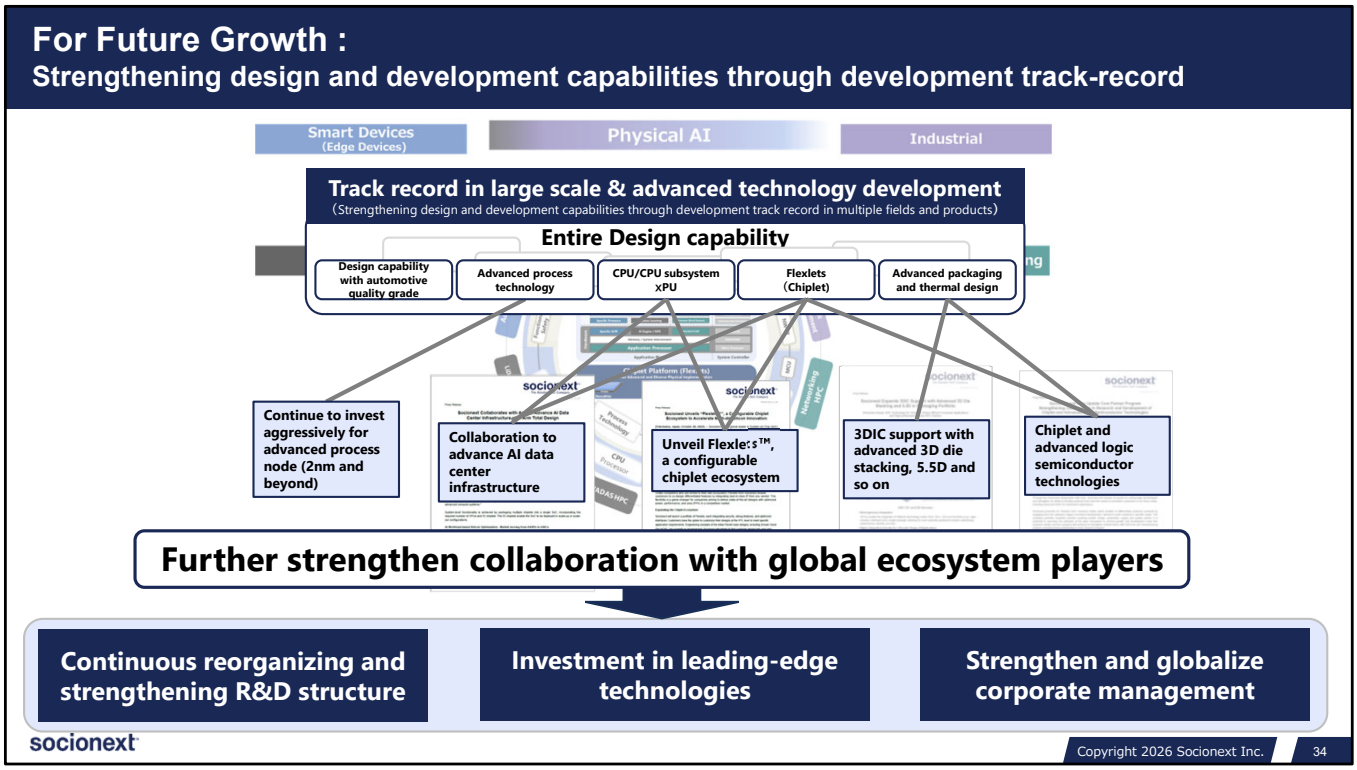
We believe that the spiral of evolution in AI and SoC technologies is accelerating market expansion, and the demand for the Solution SoC business model is increasing in the semiconductor market.



This slide highlights our investments and initiatives in leading-edge technologies to drive future growth.

To realize our Entire Design capability and Complete Service, we will invest in the development of leading-edge technologies such as high-speed interfaces and co-packaged optics, the combination of advanced process nodes including 1.8nm and 1.4nm with chiplet technologies, advanced packaging technologies such as next-generation wafer-level assembly, as well as 3D and 5.5D, and high-reliability analysis technologies.

In addition, we will introduce AI technologies into our SoC design process to achieve optimum PPA and improve the efficiency of SoC development.



This slide provides an overview of our initiatives toward growth.

Through our track record of large-scale development projects across multiple applications and products in the leading-edge technology fields, we have significantly strengthened our design and development capabilities over the past several years.

We have also been advancing various initiatives, including the launch of “Flexlets,” our chiplet initiative designed for the Solution SoC business model.

Looking ahead, we will continue to further strengthen our Entire Design capabilities.

In addition, we will further enhance our collaboration with players in the global ecosystem.

We will also continue to reorganize and strengthen our development structure, invest in leading-edge technologies, and enhance and globalize our management structure.

Expanding Business in Each Application Market with Computer Architecture Based Platform

Smart Devices (Edge Devices)

- Demand for new technologies in smart devices area continues to be strong due to expanding use of AI
  - We leverage Solution SoC business model and deliver bespoke SoCs required in most innovative markets including DSC
  - Business opportunities remain active with advanced customers, in applications including computer vision and AR, taking advantage of our expertise in ISP development and design quality

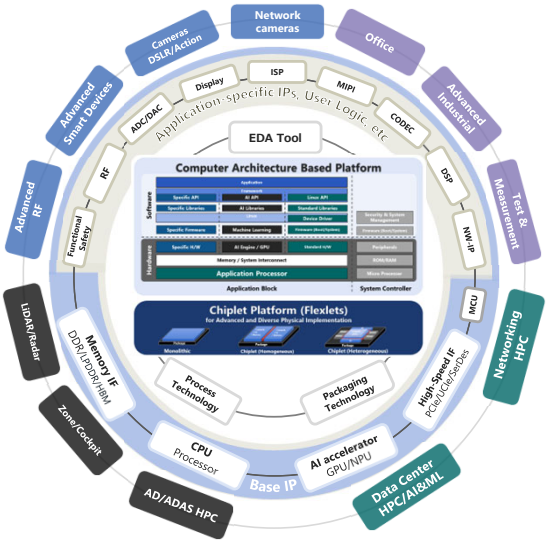
Automotive

- Innovation continues for ADAS and AD
- This industry is undergoing a profound transformation, with AI playing a pivotal role
- Demand is strong for HPC, as well as for zone computing and sensing
- More business opportunities for next-generation products are expected with service-oriented companies and new OEMs
- Integration of diverse IPs and processors (CPU/xPU) is required
  - Solution SoC business model enables low power, low latency, and compliance with stringent safety standards (ASIL-C/ASIL-D)
    = Socionext has established certain presence in the industry leveraging the business model
  - Business opportunities remain active with customers for next-generation products, leveraging capabilities such as proposal of architecture, experience in FuSa development, design with automotive grade quality and so on.
  - 7nm mass production is currently underway. 5nm mass production is scheduled to start in FY27/3. There are opportunities for new projects of 3nm and beyond
  - Investment in leading-edge technologies (chiplet, 3D/5.5D, high-speed SerDes, CPO, 2nm/1.8nm/1.4nm) will continue

Physical AI

Physical AI represents long-term growth opportunities

Aim to expand business by leveraging experience and track record in ADAS development in Automotive field



Industrial

- Demand is expanding for Solution SoC business model with advanced technologies, due to expanding use of AI and networking
- There are moves to strengthen AI and CPU, integrating with application IPs and customers' existing IPs to develop new SoCs
- Business opportunities for large-scale and leading-edge custom SoC are increasing, for applications including FA and measurement equipment
  - We deliver bespoke SoCs utilizing various process technologies, with Solution SoC business model, which allows us to take advantage of our Entire Design capabilities, including strong design quality and handling of various IPs (including customer-owned)

Data Center & Networking

- Demand is further expanding for Data Center & Networking and cloud service SoCs, as needs for agentic AI as well as generative AI are growing
- There are two distinct approaches: scale-up and scale-out
- Optical data transmission and reception using high-speed SerDes and CPO technology are required
- Growing number of customers are adopting Solution SoC business model
- Integration of diverse IPs and processors (CPU/xPU) is required
  - The sheer scale of data processing and the relentless pursuit of performance and efficiency make this segment a prime target for custom SoC solutions
  - As a rare custom SoC vendor with strong CPU/xPU development experience and expertise, we pursue business expansion leveraging Solution SoC business model
  - We strengthen our Entire Design capability based on the track record of developing with NAND interface and expertise on leading-edge technologies/process nodes, among others, and capitalize on our strengths in architecture proposal and performance analysis
  - Flexible chiplet platform Flexlets was launched; I/O Chiplet development capabilities are further enhanced
  - Hyperscaler CPU project is ongoing and we have also acquired design wins for several AI custom SoCs; To expand business in CPU and AI fields by leveraging these business opportunities, we will strengthen our R&D structure and development capabilities in U.S. and globally.
  - We are strengthening collaborations with IP providers in leading-edge fields
  - We will continue investing in leading-edge technologies (Chiplet, 3D/5.5D, High-speed SerDes, CPO, 2nm/1.8nm/1.4nm)

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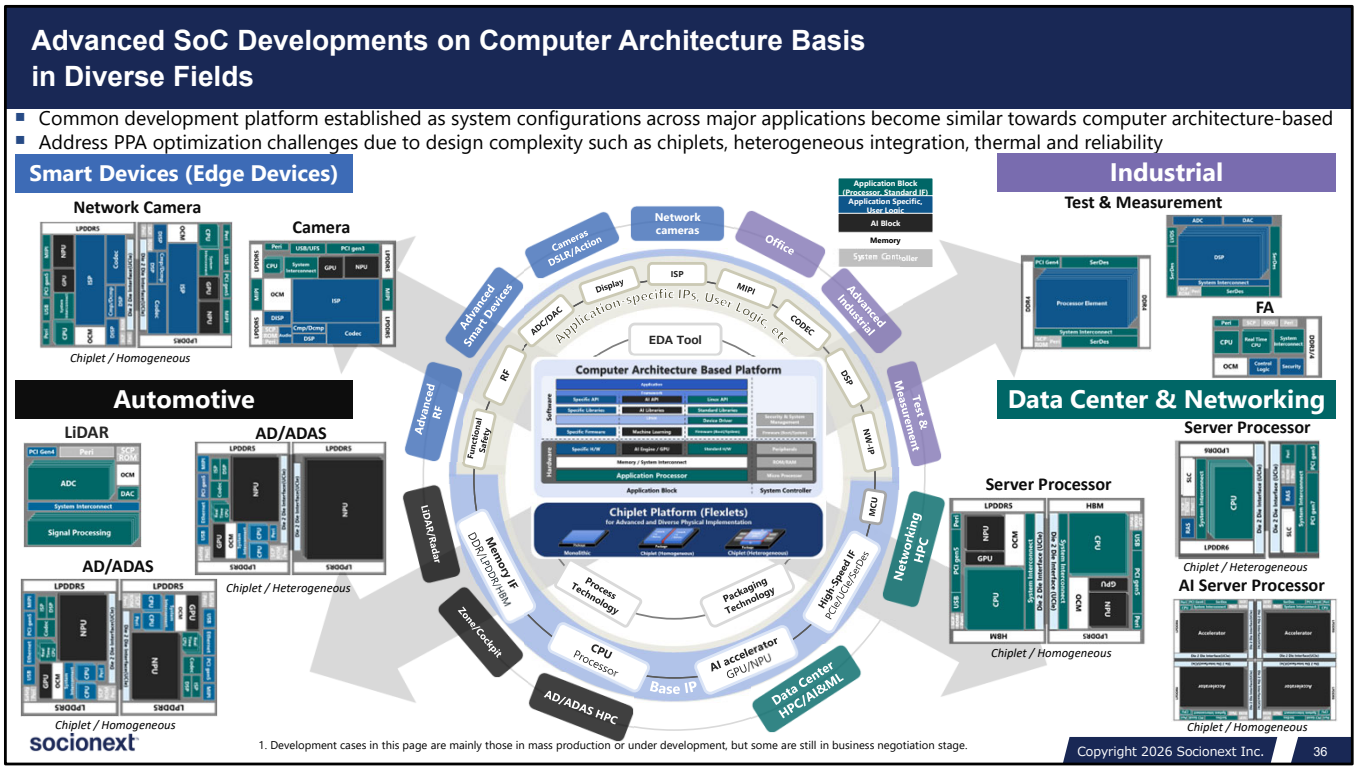
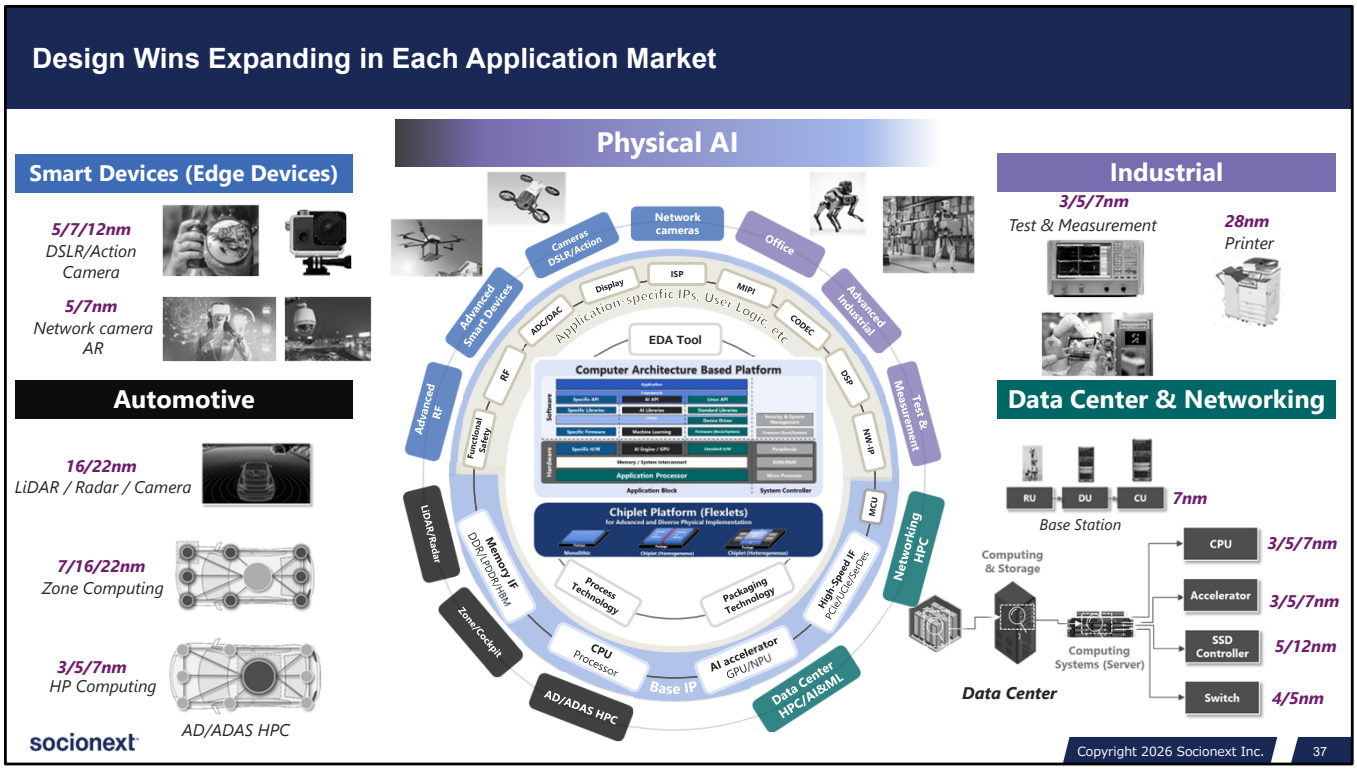
This slide shows our business expansion based on computer architecture, by application market.

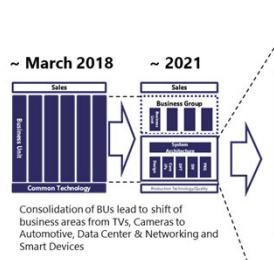


This slide shows our leading-edge SoC development cases based on computer architecture.



This slide highlights the major design wins in each of the application markets.

Strengthening Entire Design Capability / Fundamental Reform of Global Structure



- Transitioned from isolated development units to a unified "Leading Global R&D Team" structure (FY2022 onwards)
- Leveraging Japanese engineering excellence combined with global innovation (Silicon Valley, etc.) and architectural design capability

April 2025～
Continuously strengthen Global Leading Group at the core of Entire Design

Fundamental reform of global organizational structure

Establish global co-lead structure
- Make organization truly global co-lead structure for the development division

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, CPU architecture, chiplet, RF, mixed signal, software, verification, test, packaging, thermal management, 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

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This slide shows the reorganization and strengthening of our global development structure.

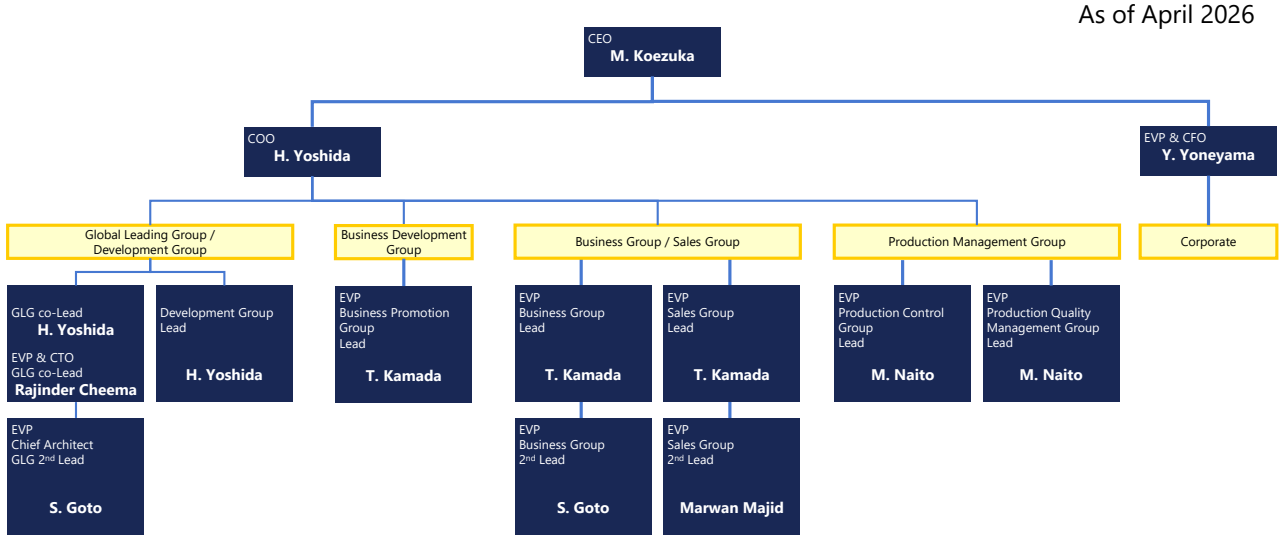
Since 2018, we have been undertaking a fundamental reform of our development structure.

We have further strengthened the Global Leading Group, which plays a central role in delivering our Entire Design capability.

As the spiral of evolution in AI and SoC technologies accelerates the market expansion, we will continue to build a globally competitive and efficient development structure. This will enable us to respond to changing markets and technologies and meet the needs of innovative customers.

Strengthen Executive Structure

As of April 2026



- EVPs not in this chart:
  Tadashi Saito: second lead of the Development Group, Shin-ichi Ando: Finance and Accounting Officer in the Corporate Group, Hiromasa Nakajima: Corporate Planning Officer in the Corporate Group, and Yutaka Hayashi: President of Socionext America
- CEO, COO, CTO and Chief Architect constitute the Global Technology Strategy Steering Members.

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This slide shows our current executive structure.

As we have explained, we aim to achieve further growth through various initiatives, including: strengthening Entire Design capability, enhancing collaboration with players in the global ecosystem, continuously reorganizing and strengthening our development structure, investing aggressively in leading-edge technologies, and promoting chiplet business through Flexlets, as well as globalizing our corporate management structure and strengthening the management team.

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The Solution SoC Company

Appendix:

Overview

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

Consolidated Statements of Income

(JPY in billions)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3
Net Sales	99.7	117.0	192.8	221.2	188.5	200.8
% YoY	*-3.7%*	*+17.3%*	*+64.7%*	*+14.8%*	*-14.8%*	*+6.5%*
Product revenue	*73.1*	84.6	156.8	182.9	146.6	161.8
NRE revenue	*23.0*	28.1	34.9	37.6	41.0	38.3
Other revenue	*3.6*	4.3	1.1	0.8	0.9	0.7
Cost of Sales	(43.2)	(49.8)	(103.9)	(111.2)	(84.6)	(111.1)
Gross Profit	56.5	67.3	88.8	110.0	103.9	89.8
% Margin	*56.7%*	*57.5%*	*46.1%*	*49.7%*	*55.1%*	*44.7%*
% Product gross margin	*40.9%*	*41.2%*	*33.7%*	*39.2%*	*42.3%*	*31.4%*
R&D	(39.2)	(43.2)	(49.3)	(53.3)	(59.8)	(58.5)
Selling, General and Administrative Expenses (excl. R&D)	(15.8)	(15.6)	(17.8)	(21.2)	(19.1)	(18.9)
Operating Income	1.6	8.5	21.7	35.5	25.0	12.4
% Margin	*1.6%*	*7.2%*	*11.3%*	*16.1%*	*13.3%*	*6.2%*
Non-Operating Income (Loss)	0.4	0.6	1.7	1.6	0.1	(0.6)
Ordinary Income	2.0	9.1	23.4	37.1	25.1	11.8
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	11.8
Income Taxes	(0.5)	(1.6)	(3.7)	(11.0)	(5.8)	(0.3)
Net Income	1.5	7.5	19.8	26.1	19.6	8.7
% Margin	*1.5%*	*6.4%*	*10.3%*	*11.8%*	*10.4%*	*4.3%*
FX Rate (USD/JPY)	106.1	112.4	135.5	144.6	152.6	150.8

Consolidated Balance Sheets

(JPY in billions)	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3
Assets						
Cash on-hand and in banks[1]	42.7	46.3	45.1	69.7	72.8	44.5
Accounts receivable-trade, net	28.6	25.1	40.8	35.3	31.6	36.9
Inventories[2]	6.7	16.4	47.7	25.5	17.0	31.1
Other	2.6	2.9	22.4	8.4	4.8	10.3
Total Current Assets	80.6	90.6	156.1	138.9	126.3	122.8
Property, plant and equipment	8.9	11.6	17.2	21.8	22.3	23.9
Reticle	3.7	4.7	5.6	8.1	9.7	10.9
Other 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	15.1
Deferred tax assets	2.3	3.1	6.9	6.7	6.1	4.6
Other	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	44.8
Total Assets	104.2	118.4	193.9	186.8	170.3	167.6

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3	FY26/3
Liabilities and Equity						
Accounts payable-trade	12.0	16.6	23.4	15.8	11.9	15.8
Accrued expenses	7.4	6.9	30.3	18.2	12.0	9.6
Other	1.9	3.9	28.6	19.1	7.3	7.1
Total Current Liabilities	21.3	27.4	82.3	53.1	31.3	32.5
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	34.6
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	74.1
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	2.7
Total Equity	81.7	89.6	109.9	131.0	137.0	133.1
Total Liabilities and Equity	104.2	118.4	193.9	186.8	170.3	167.6

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."

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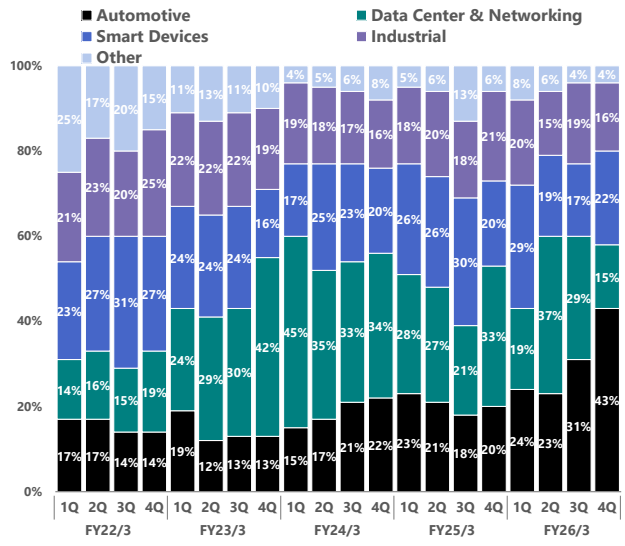
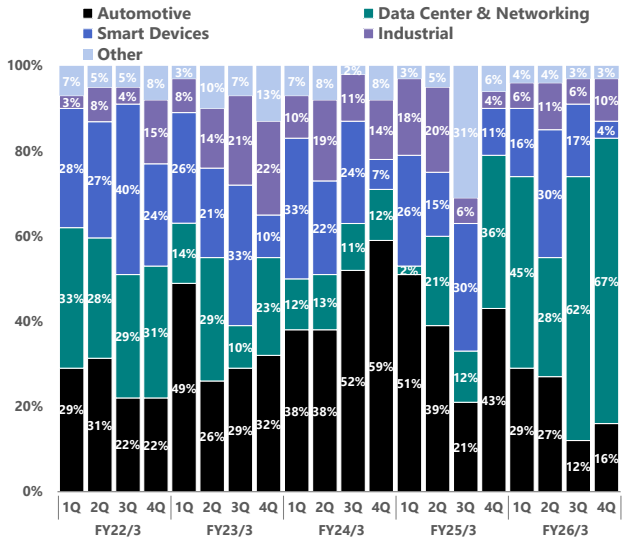
Breakdown by Application Market (Quarterly)

Net Sales[1]



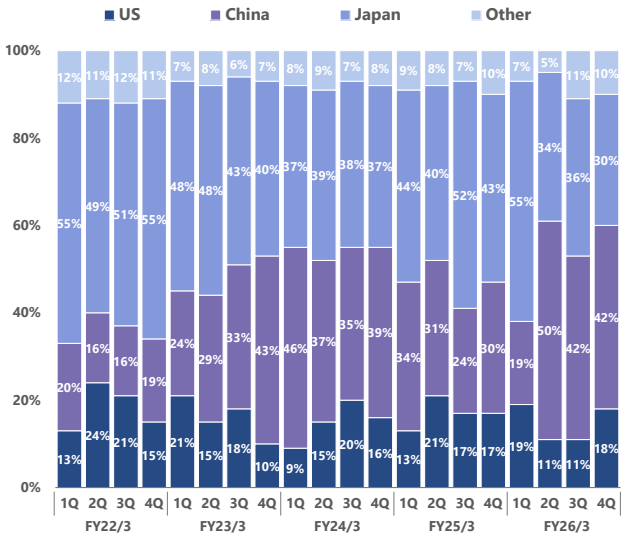
NRE Revenue[1]



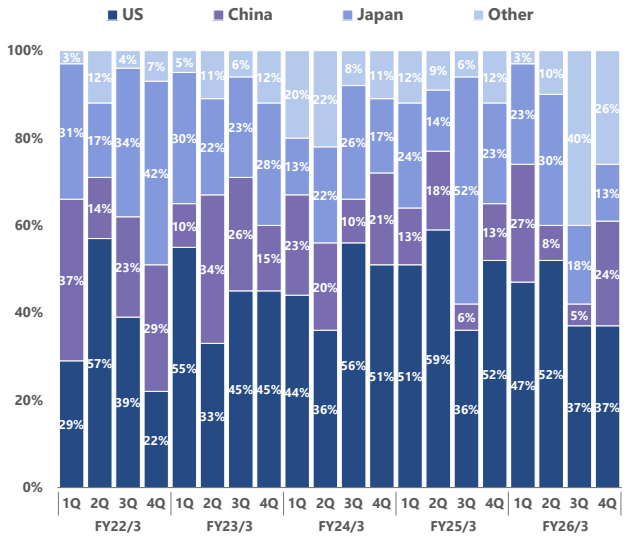
1. Quarterly percentage breakdowns are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.

Breakdown by Geographic Region (Quarterly)

Net Sales[1]



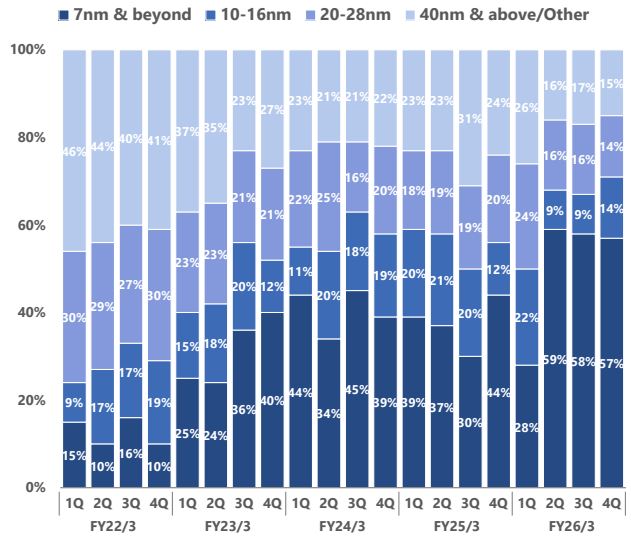
NRE Revenue[1]



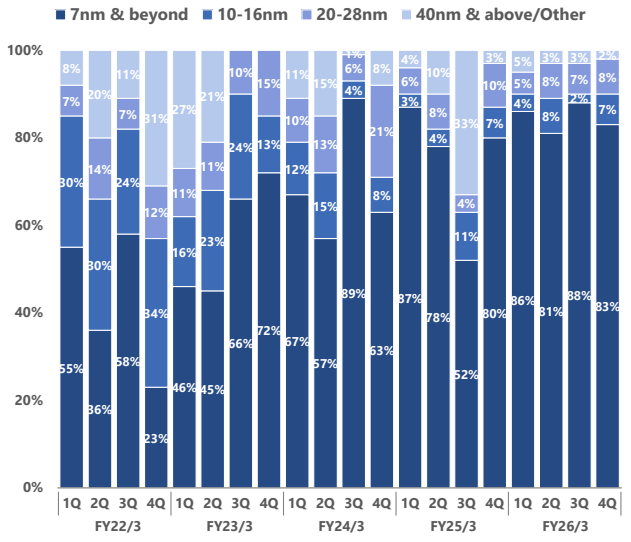
1. Quarterly percentage breakdowns are highly volatile and may fluctuate significantly from quarter to quarter as they are greatly affected by the development status of individual projects.

Breakdown by Process Node (Quarterly)

Net Sales[1]



NRE Revenue[1]



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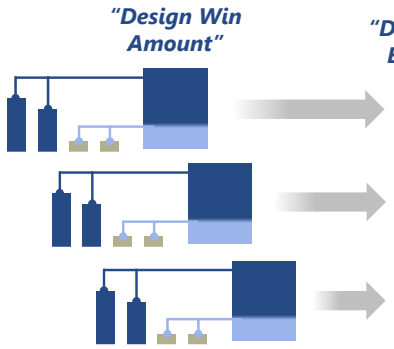
“Design Win Amount” to Revenue / Illustrative Description of “Design Win Balance”

From April 2025 presentation (revised)

“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 Balance” calculated from “Design Win Amount” [1]



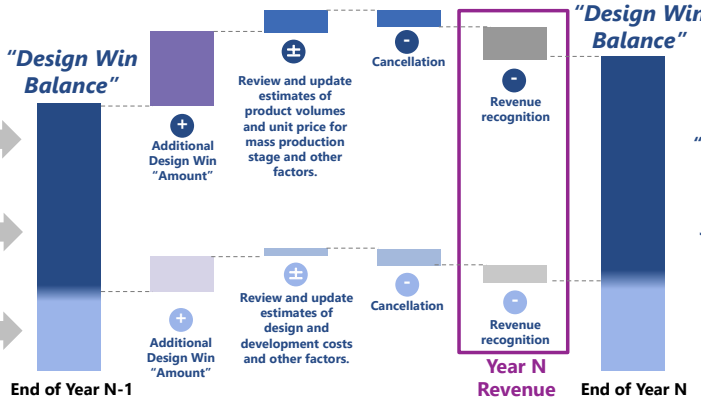


Image of Change in “Design Win Balance [2]”

Product Revenue

NRE Revenue

“Design Win Balance”
(As of March 31, 2026)

Approx.

JPY 1.51 trillion

1. The figures for “Design Win Amount” are not updated to reflect subsequent changes in circumstances after the acquisition of the relevant business opportunities. Such subsequent changes may include: (1) changes in factors such as actual sales, development plan, sales volume, unit price and production capacity, as well as (2) cancellation of project after a design win has been obtained. Projects may be cancelled after design wins have been obtained. The impact of such subsequent changes after the design wins are obtained is reflected in the 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 changes, including those described in (1) and (2) above, is reflected in the “Design Win Balance”.Projects representing approximately 15% of the total Design Win Amount from FY20/3 to FY26/3 were canceled after such projects started.
To date, the impact of these project cancellations has been partially offset by factors such as increases in the higher unit price and increased production volumes for other ongoing projects. As a result, the net impact of these cancellations amounts to a reduction of a few percent relative to the total Design Win Amount. Please refer to page 3 of this presentation.

2. For illustrative purpose only.

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

From April 2025 presentation

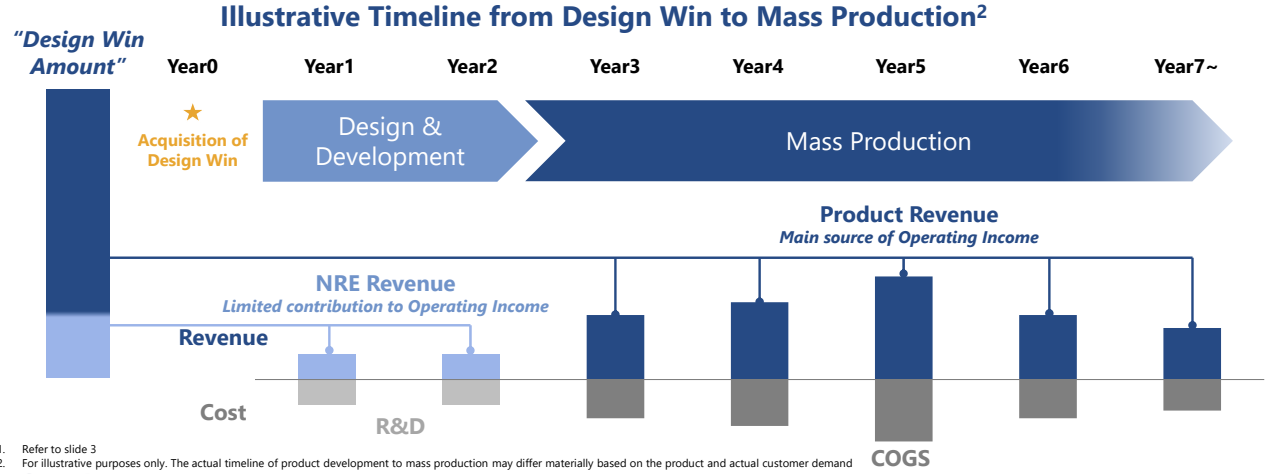
"Design Win Amount[1]" ・・・

"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]



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

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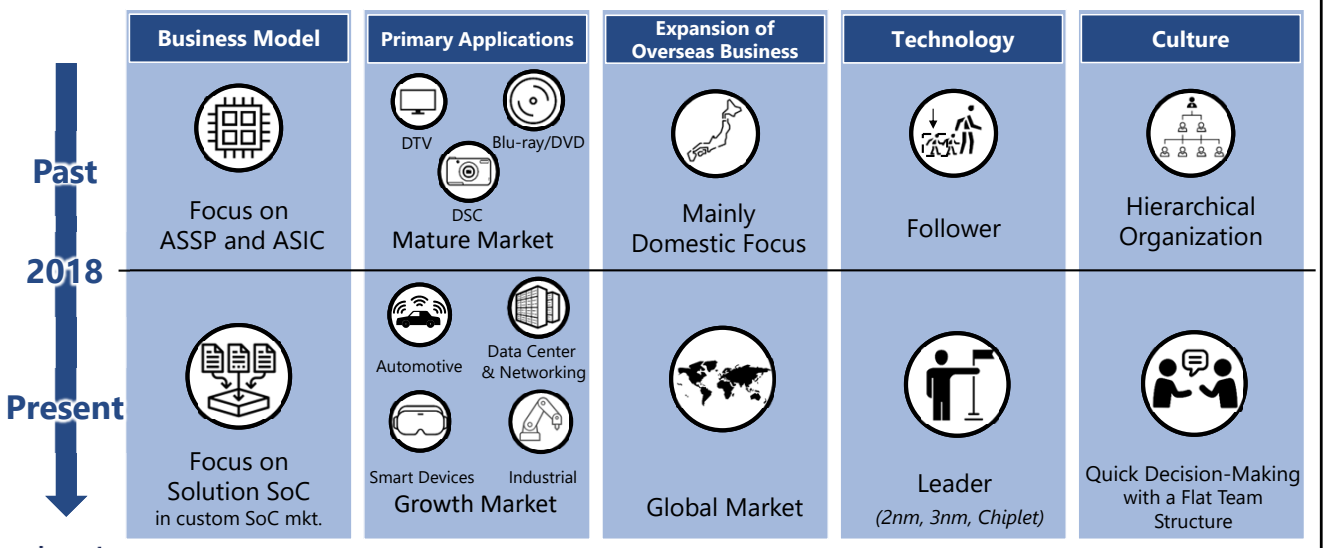
Transformation into Global Custom SoC Company in Advanced Technology Areas

From April 2025 presentation (revised)

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



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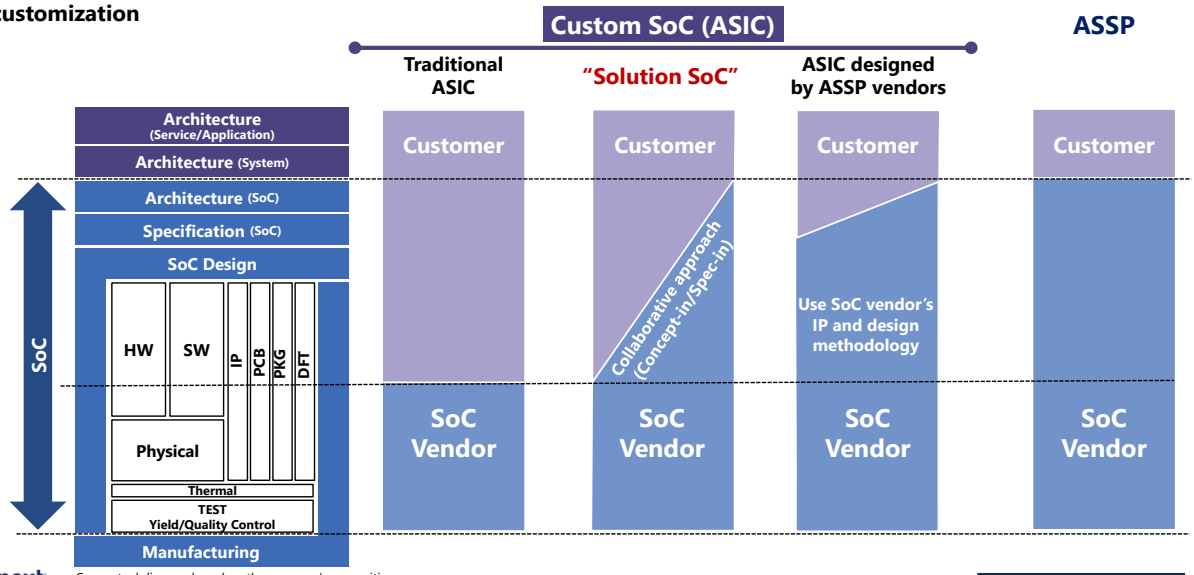
Features of Solution SoC Business Model

From April 2025 presentation

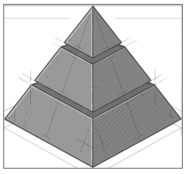
- The primary difference between “traditional ASIC” and “Solution SoC “ is how to interface with customers
- The primary difference between “Solution SoC” and “ASIC designed by ASSP vendors“ is the breadth of optional customization



Conceptual diagram based on the company’s recognition.

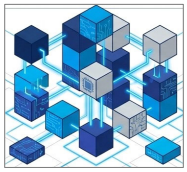
(Reference) Architecting the AI Silicon Era

The Collapse of the General-Purpose Pyramid



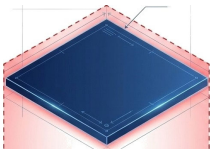
Standard ASSP (Legacy Approach)
- ✕ Vendor lock-in restricts innovation
- ✕ Bloated logic limits PPA* optimization
- ✕ Cannot meet specific AI enterprise workloads requirements

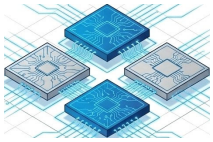
*power, performance, and area



Custom SoC (The AI Mandate)
- ✔ Domain specific arch optimized for TCO & PPW
- ✔ True arch flexibility combining advanced chiplets
- ✔ Essential for real-time edge inference and massive data center models

Surmounting the Reticle Limit





The Physical Wall:
Moore's Law–based scaling is over; data center AI chips exceed reticle size limits.

The Chiplet Imperative:
The industry must shift from monolithic dies to chiplets.

Economic Advantage:
Mixing process nodes boosts yields and cuts costs versus monolithic designs.

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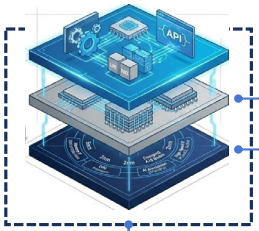
The "Entire Design" Moat

Beyond Silicon: The Hardware race is ultimately decided in software. AI custom accelerators fail without software compatibility.



Advanced Packaging:
3D and 5.5D thermal management and signal integrity

Hardware Architecture:
Spec-to-silicon custom ASIC design across 5/3/2nm and emerging 1.8nm node and beyond

Verification & Quality

Global ecosystem partnership flexible supply chain

(Reference)
For future growth : Recent activities in the advanced technology field - “Flexlets”

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

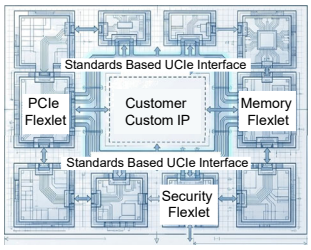
Flexlets: The Composable Silicon Platform

RTL-Configurable Base:
Socionext' s Flexlets are a highly flexible chiplet platform for custom SoC design.

Seamless Integration:
Best-in-class IP and custom AI accelerators integrate seamlessly via Socionext interfaces.

UCIe Standardization:
Utilizing Universal Chiplet Interconnect to create plug-and-play ecosystem

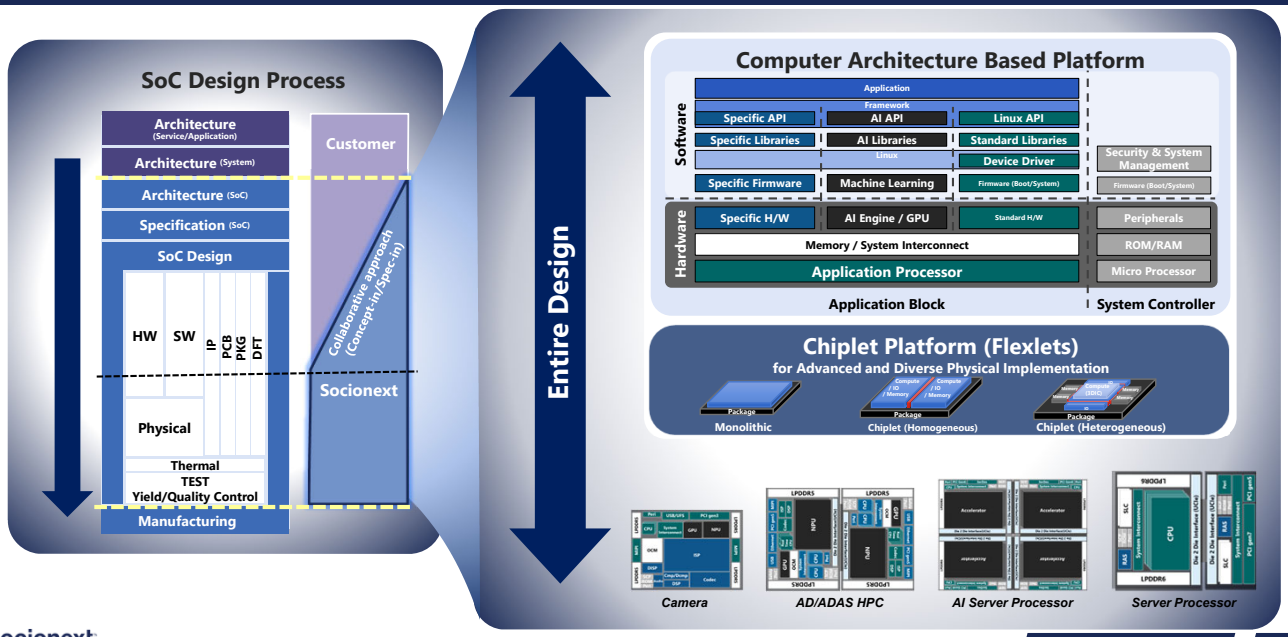
PPA Optimization:
Engineered to deliver state-of-the-art designs with optimized PPA from design inception



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

- Socionext have already acquired multiple design wins for Flexlets (IO Chiplet) and started development in some of business since its launch last October.

(Reference) Socionext's Solution SoC design & development platform



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The Solution SoC Company