socionext™
The Solution SoC Company

## 2Q FY2027/3

# Consolidated Financial Results

October 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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2Q FY2027/3

# Consolidated Financial Results

- Consolidated Financial Results 2Q FY2027/3
- Consolidated Earnings Forecast FY2027/3

## Toward Further Growth

# 2Q FY2027/3 Consolidated Statements of Income

(JPY in billions)

| | FY2026/3 | | | | FY2027/3 | | YoY | | QoQ | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | YoY% | | QoQ% |
| **Net Sales** | **34.6** | **52.7** | **54.9** | **58.7** | **39.0** | **60.4** | **+7.7** | **+14.7%** | **+21.3** | **+54.7%** |
| Product revenue | 25.9 | 44.5 | 44.3 | 47.1 | 27.4 | 50.2 | +5.7 | +12.8% | +22.8 | +83.0% |
| NRE revenue | 8.5 | 8.0 | 10.4 | 11.5 | 11.6 | 10.2 | +2.3 | +28.4% | -1.4 | -11.7% |
| Other revenue | 0.2 | 0.2 | 0.2 | 0.1 | 0.0 | 0.0 | -0.2 | | -0.0 | |
| **Cost of Sales** | **14.4** | **30.9** | **31.1** | **34.7** | **17.7** | **36.5** | **+5.6** | **+18.3%** | **+18.8** | **+106.1%** |
| Product cost ratio | 55.6% | 69.4% | 70.2% | 73.6% | 64.7% | 72.8% | +3.4pt | | +8.1pt | |
| **Selling, General and Administrative Expenses** | **18.7** | **19.5** | **20.4** | **18.9** | **22.0** | **21.5** | **+2.1** | **+10.7%** | **-0.4** | **-2.0%** |
| R&D | 14.2 | 14.7 | 15.3 | 14.3 | 17.0 | 16.8 | +2.1 | +14.5% | -0.1 | -0.8% |
| SG&A (excluding R&D) | 4.5 | 4.7 | 5.1 | 4.6 | 5.0 | 4.7 | -0.0 | -1.0% | -0.3 | -6.3% |
| **Operating Income** | **1.4** | **2.3** | **3.4** | **5.2** | **-0.7** | **2.3** | **+0.0** | | **+3.0** | |
| Margin | 4.2% | 4.4% | 6.3% | 8.8% | -1.7% | 3.9% | -0.5pt | | +5.6pt | |
| **Net Income** | **0.5** | **1.6** | **2.7** | **4.0** | **-0.6** | **2.1** | **+0.5** | | **+2.7** | |
| Margin | 1.3% | 3.0% | 5.0% | 6.7% | -1.5% | 3.5% | +0.5pt | | +5.0pt | |
| **FX Rate（USD/JPY）** | **144.6** | **147.5** | **154.2** | **156.9** | **159.5** | **159.3** | **+11.8** | | **-0.2** | |


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# 1H FY2027/3 Consolidated Statements of Income

(JPY in billions)

| | FY2026/3 1H | FY2027/3 1H | YoY | YoY% |
|---|---|---|---|---|
| **Net Sales** | **87.2** | **99.4** | **+12.2** | **+14.0%** |
| Product revenue | 70.4 | 77.6 | +7.2 | +10.2% |
| NRE revenue | 16.4 | 21.8 | +5.4 | +32.9% |
| Other revenue | 0.4 | 0.0 | -0.4 | |
| **Cost of Sales** | **45.3** | **54.2** | **+9.0** | **+19.8%** |
| Product cost ratio | 64.3% | 69.9% | +5.6pt | |
| **Selling, General and Administrative Expenses** | **38.2** | **43.5** | **+5.4** | **+14.0%** |
| R&D | 29.0 | 33.8 | +4.9 | +16.8% |
| SG&A (excluding R&D) | 9.2 | 9.7 | +0.5 | +5.3% |
| **Operating Income** | **3.8** | **1.7** | **-2.1** | |
| Margin | 4.3% | 1.7% | -2.6pt | |
| **Net Income** | **2.1** | **1.5** | **-0.5** | |
| Margin | 2.4% | 1.5% | -0.8pt | |
| **FX Rate（USD/JPY）** | **144.6** | **159.4** | **+13.4** | |


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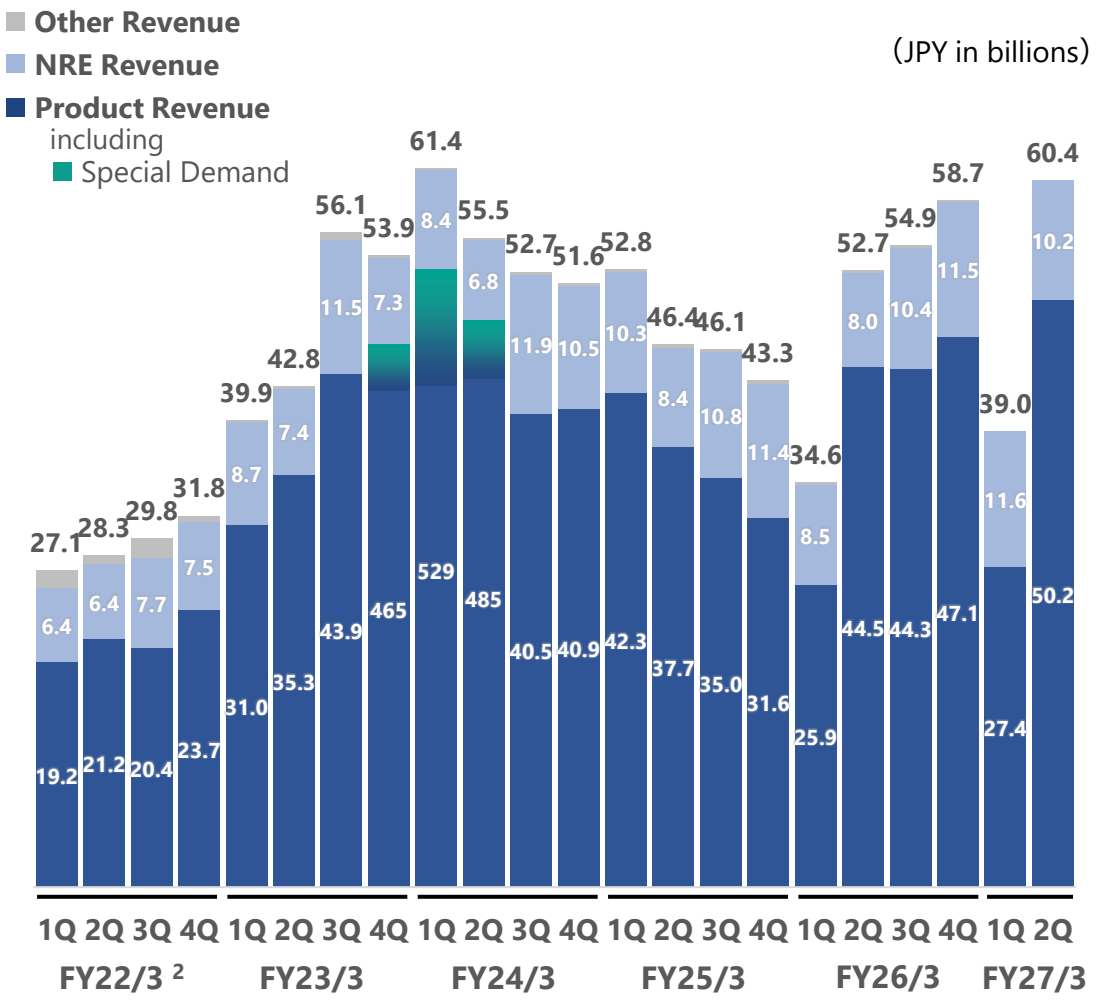
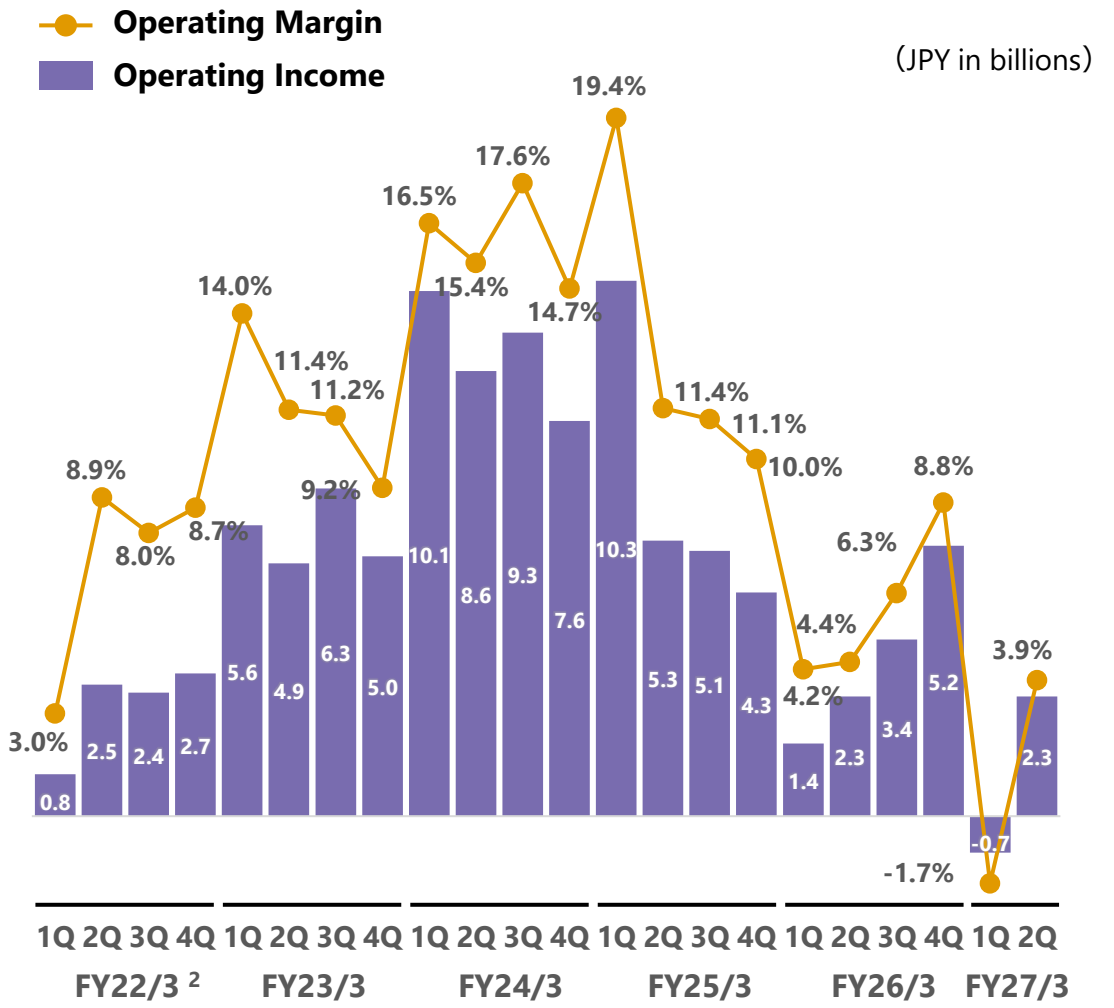
# Quarterly Net Sales and Operating Income

## 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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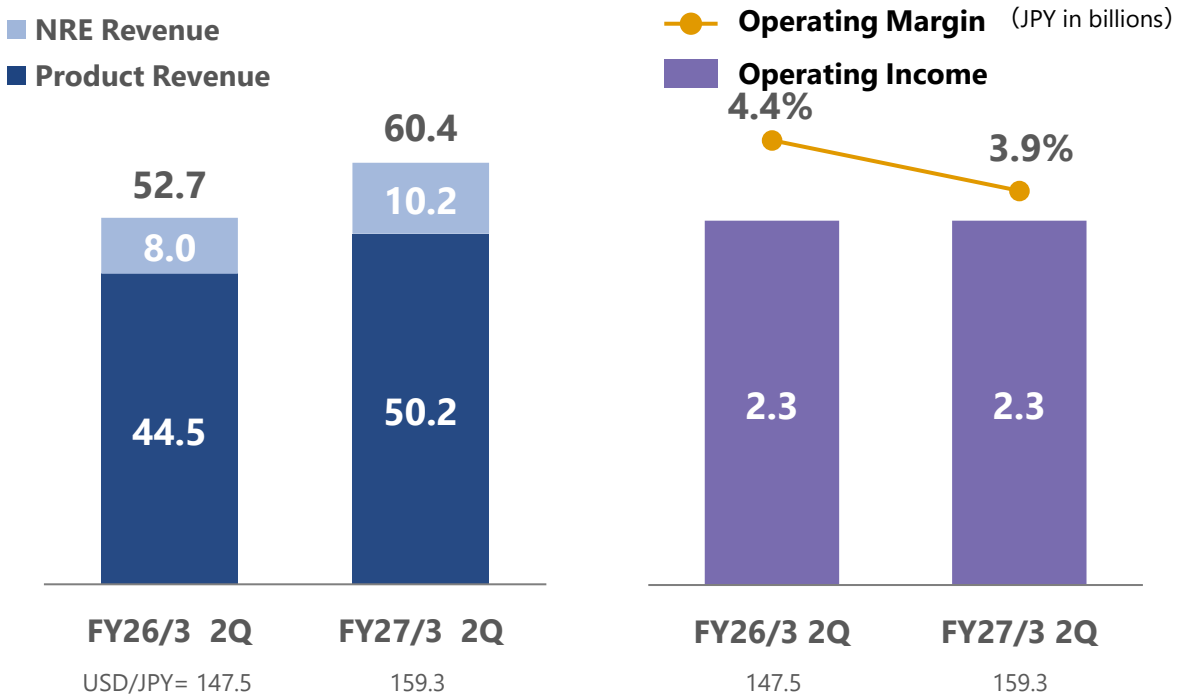
# 2Q FY2027/3 Financial Results YoY

## Net Sales and Operating Income YoY

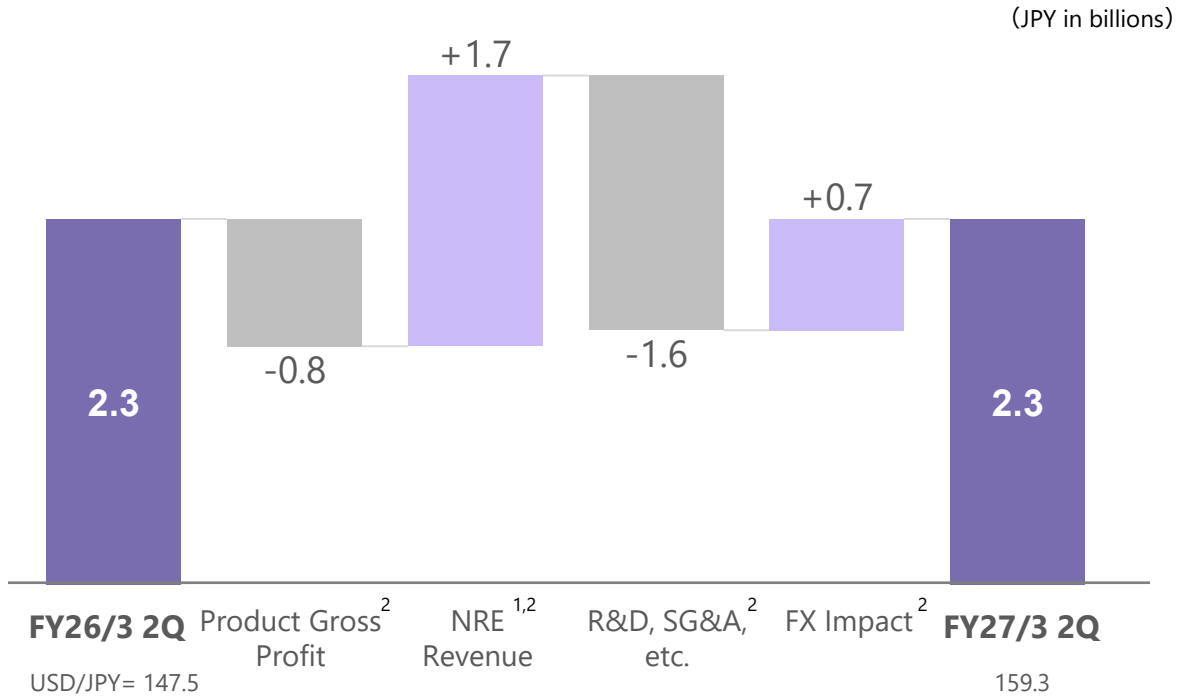



**Net Sales: YoY +7.7 bn yen (+14.7%)**

- Product revenue: +5.7 bn yen (FX impact +3.3 bn yen)
- NRE revenue: +2.3 bn yen (FX impact +0.6 bn yen)

(USD/JPY = 147.5 → 159.3)

## Operating Income YoY Analysis




**Operating Income: YoY 0.0 bn yen**

- Product gross profit: -0.8 bn yen
- NRE revenue: +1.7 bn yen
- R&D, SG&A, etc.: -1.6 bn yen
- FX impact: +0.7 bn yen (USD/JPY = 147.5 → 159.3)

1. R&D cost associated with 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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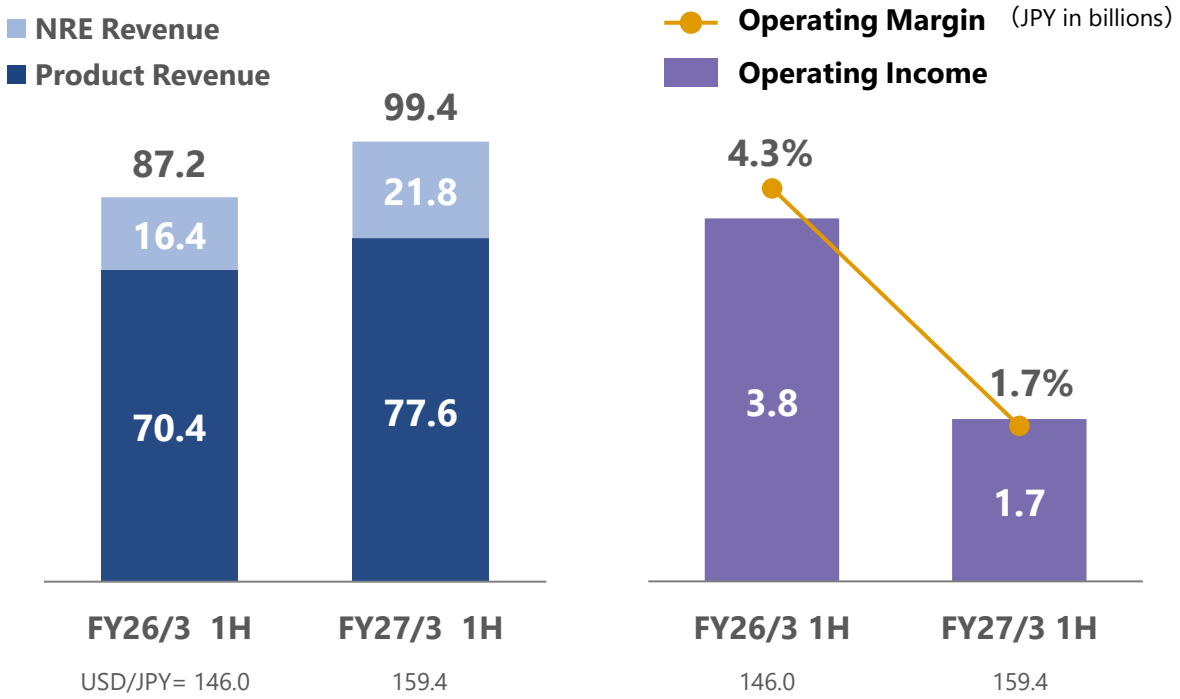
# 1H FY2027/3 Financial Results YoY

## Net Sales and Operating Income YoY





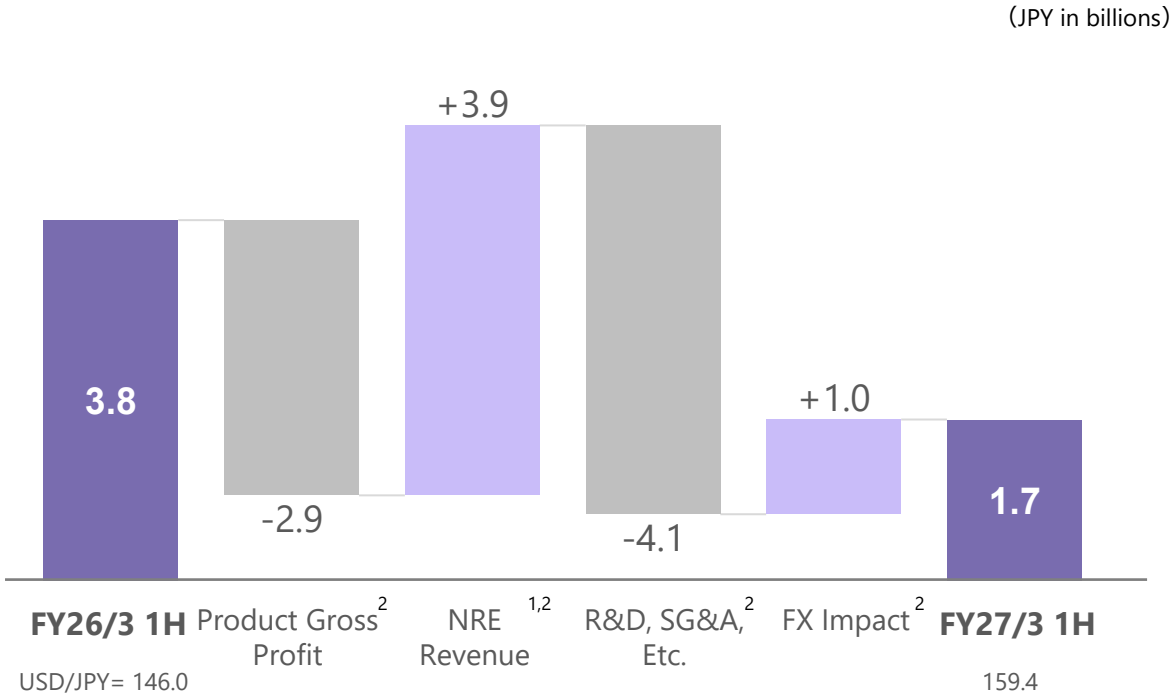


**Net Sales: YoY +12.2 bn yen (+14.0%)**

- Product revenue: +7.2 bn yen (FX impact +5.5 bn yen)
- NRE revenue: +5.4 bn yen (FX impact +1.5 bn yen)

(USD/JPY = 146.0 → 159.4)

## Operating Income YoY Analysis




**Operating Income: YoY -2.1 bn yen**

- Product gross profit: -2.9 bn yen
- NRE revenue: +3.9 bn yen
- R&D, SG&A, etc.: -4.1 bn yen
- FX impact: +1.0 bn yen (USD/JPY = 146.0 → 159.4)

1. R&D cost associated with 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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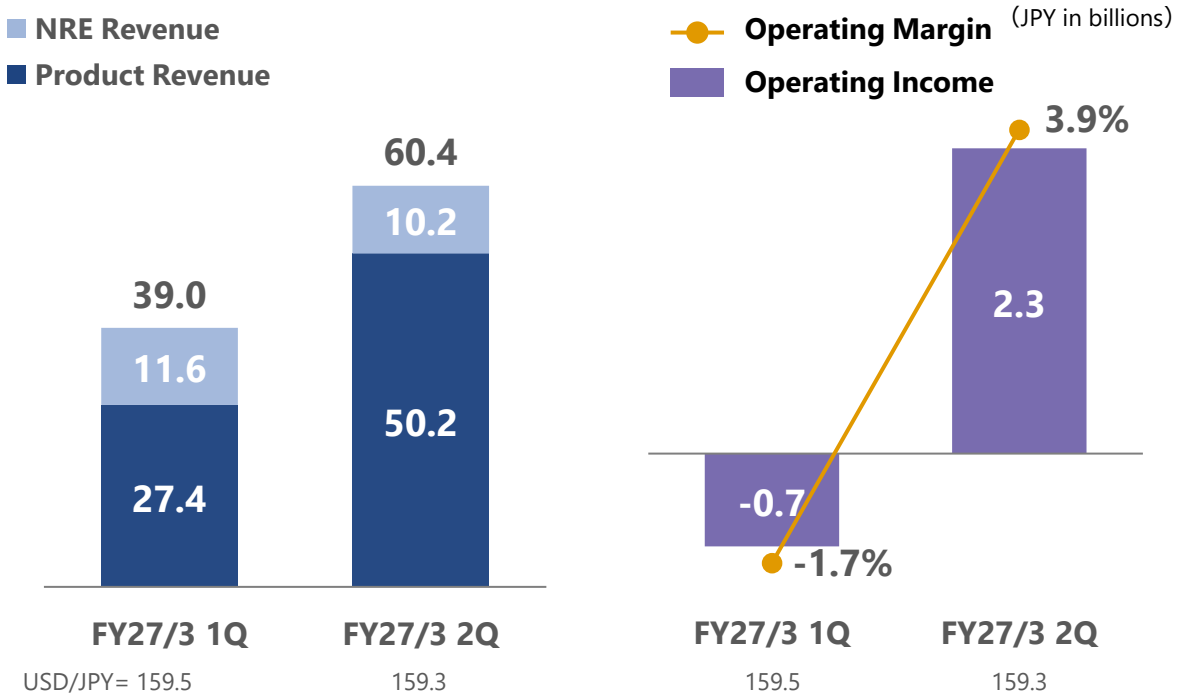
# 2Q FY2027/3 Financial Results QoQ

## Net Sales and Operating Income QoQ





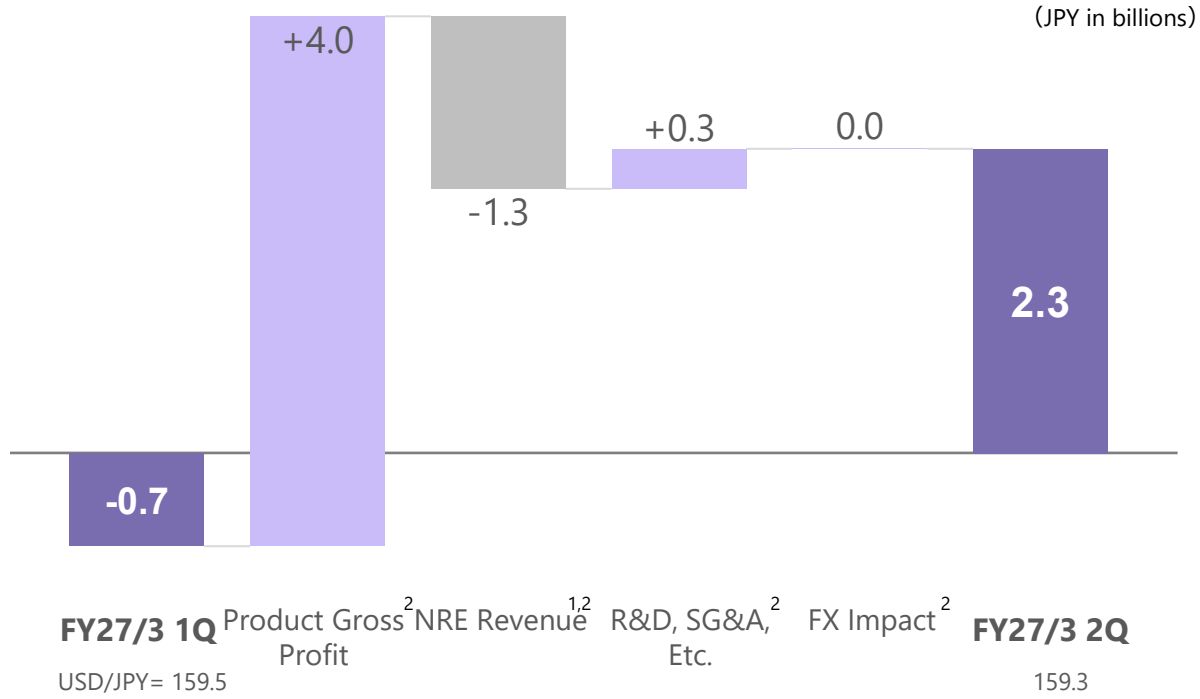


**Net Sales: QoQ +21.3 bn yen (+54.7%)**

- Product revenue: +22.8 bn yen (FX impact -0.1 bn yen)
- NRE revenue: -1.4 bn yen (FX impact 0.0 bn yen)

(USD/JPY = 159.5 → 159.3)

## Operating Income QoQ Analysis




**Operating Income: QoQ +3.0 bn yen**

- Product gross profit: +4.0 bn yen
- NRE revenue: -1.3 bn yen
- R&D, SG&A, etc.: +0.3 bn yen
- FX impact: 0.0 bn yen (USD/JPY = 159.5 → 159.3)

1. R&D cost associated with 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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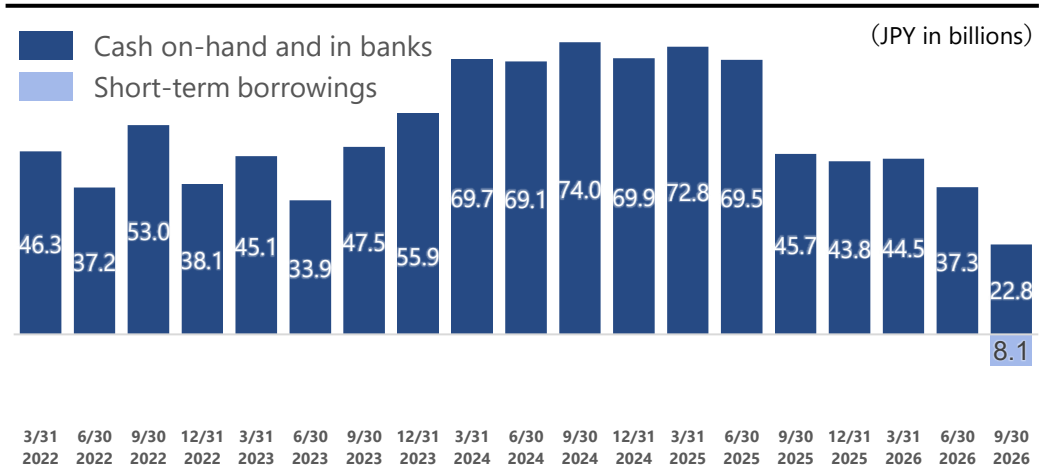
# Consolidated Balance Sheet (As of September 30, 2026)

(JPY in billions)

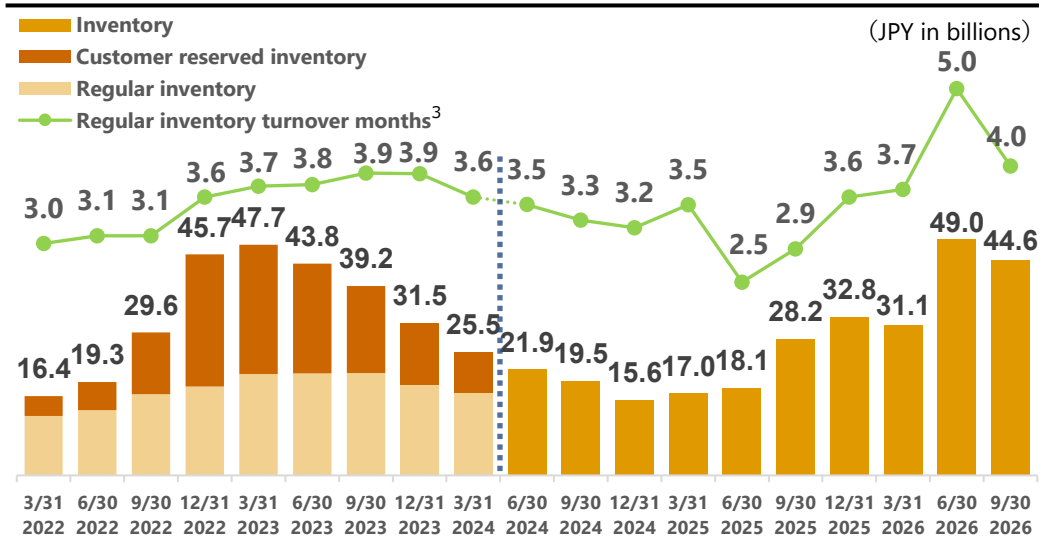
| | As of Mar.31, 2026 | As of Sep. 30, 2026 | Change |
|---|---|---|---|
| **Total Assets** | 167.6 | **179.1** | +11.5 |
| **Total Current Assets** | 122.8 | **123.9** | +1.1 |
| **Cash on-hand and in banks[1]** | 44.5 | **22.8** | -21.8 |
| **Accounts receivable-trade** | 36.9 | **45.7** | +8.8 |
| **Inventories[2]** | 31.1 | **44.6** | +13.5 |
| **Accounts receivable-other** | 4.4 | **2.2** | -2.2 |
| **Total non-Current Assets** | 44.8 | **55.2** | +10.4 |
| **Total Liabilities** | 34.6 | **48.8** | +14.2 |
| **Total Current Liabilities** | 32.5 | **46.5** | +14.0 |
| **Accounts payable-trade** | 15.8 | **18.9** | +3.1 |
| **Short-term borrowings** | 0.0 | **8.1** | +8.1 |
| **Accounts payable-other** | 4.0 | **3.0** | -1.0 |
| **Total Net Assets** | 133.1 | **130.3** | -2.7 |
| **Shareholders' Equity Ratio** | 79.4% | **72.8%** | |

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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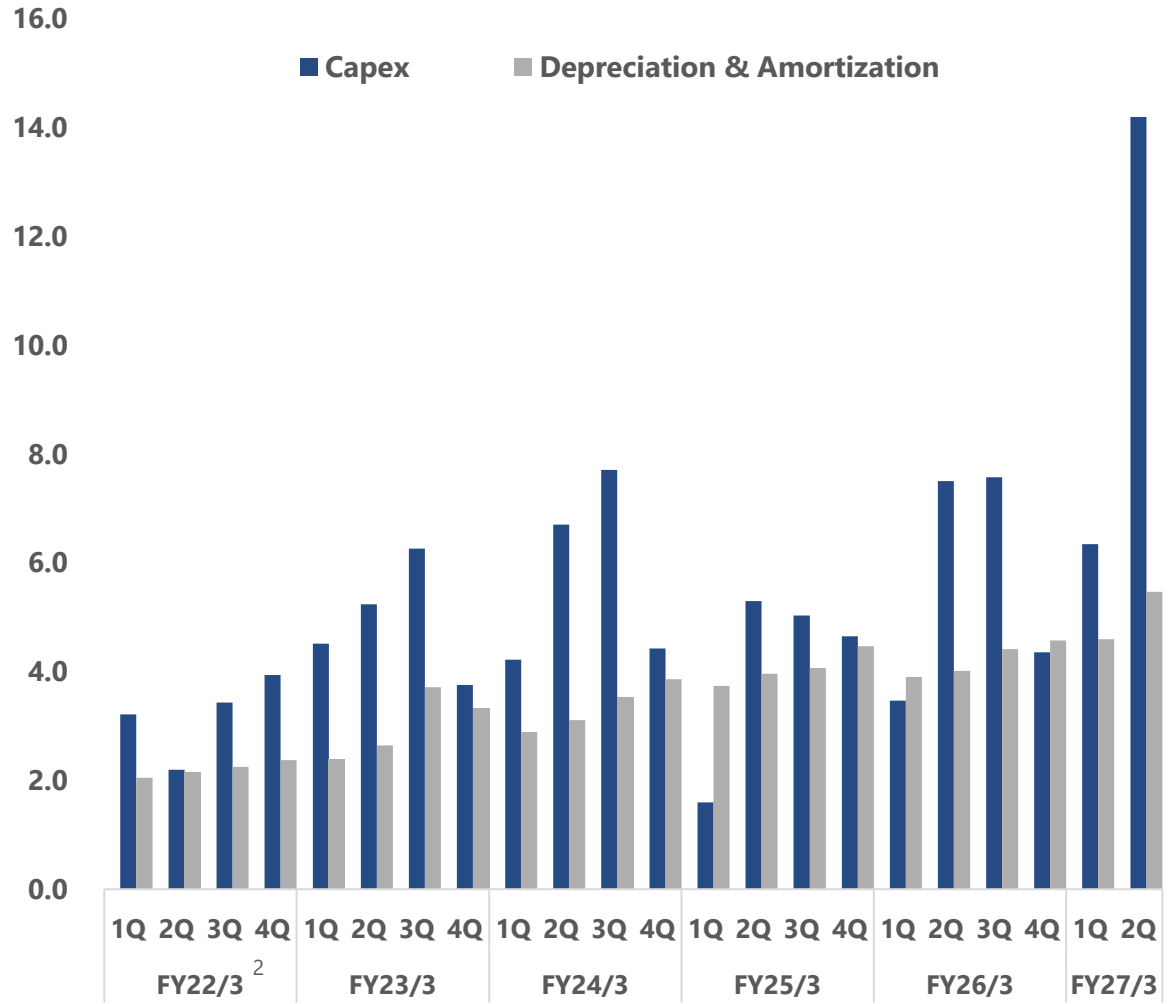
# Capex, Depreciation & Amortization, Cash Flow

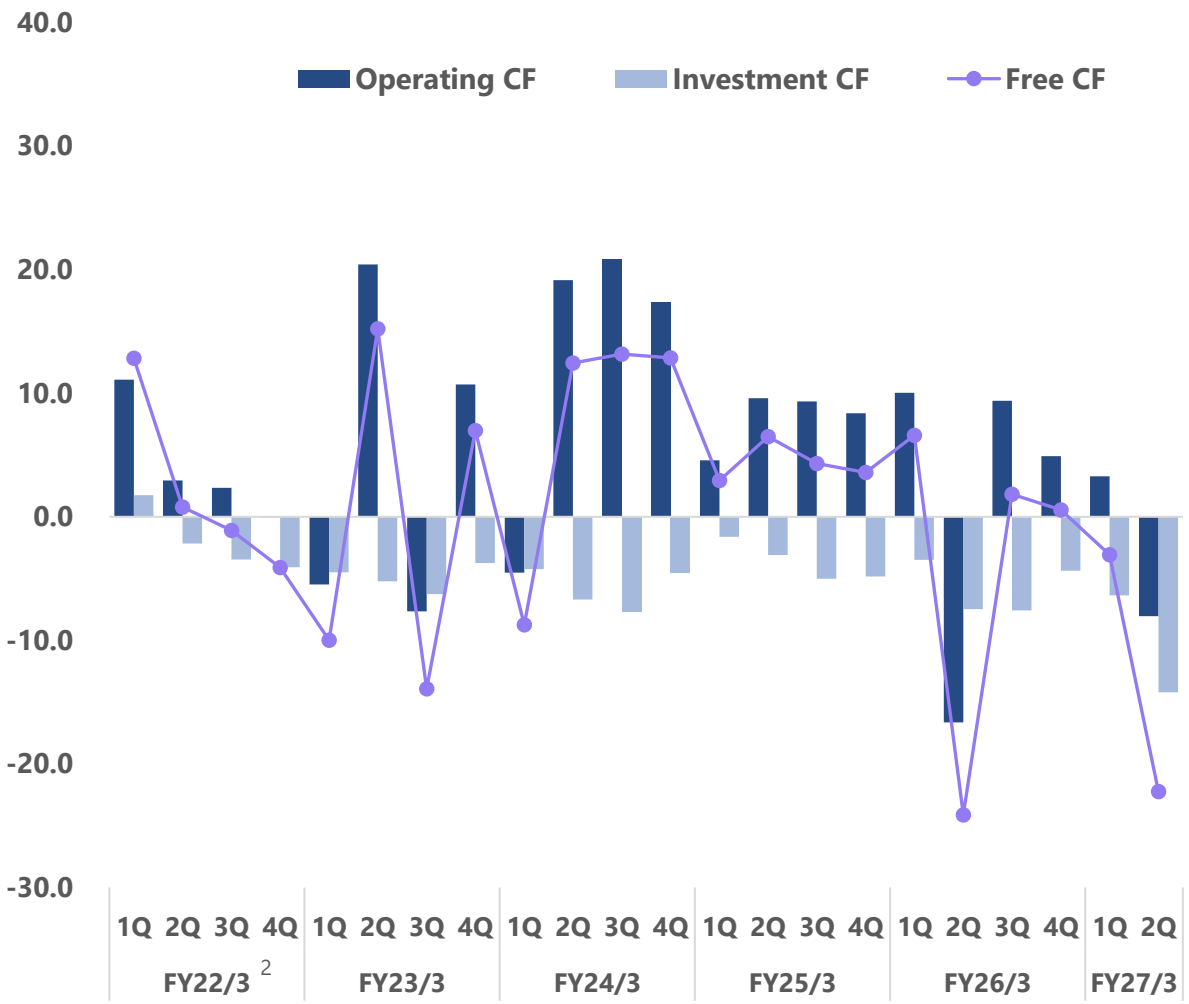
## Capex[1], Depreciation & Amortization

(JPY in billions)




## Cash Flow

(JPY in billions)




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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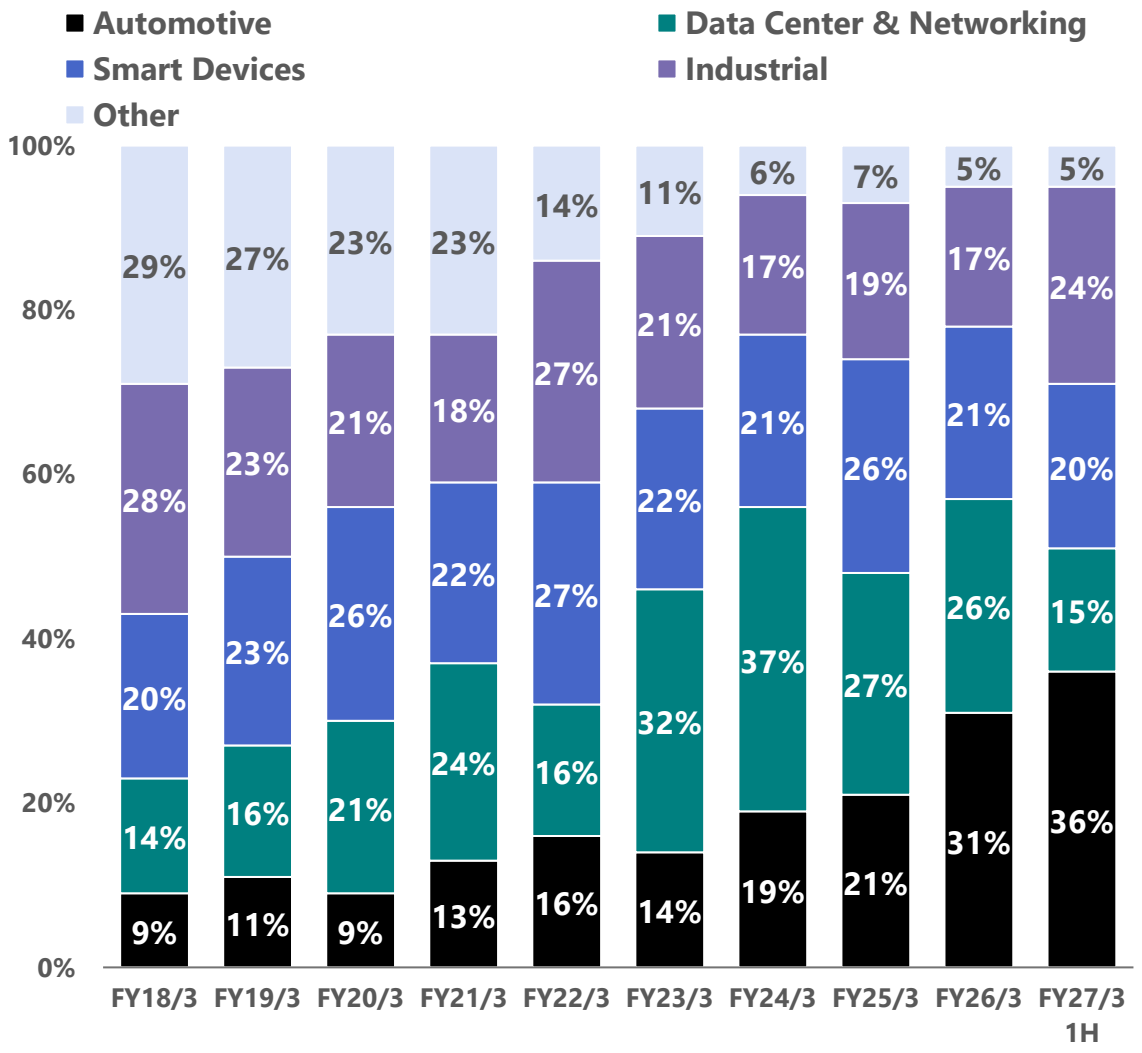
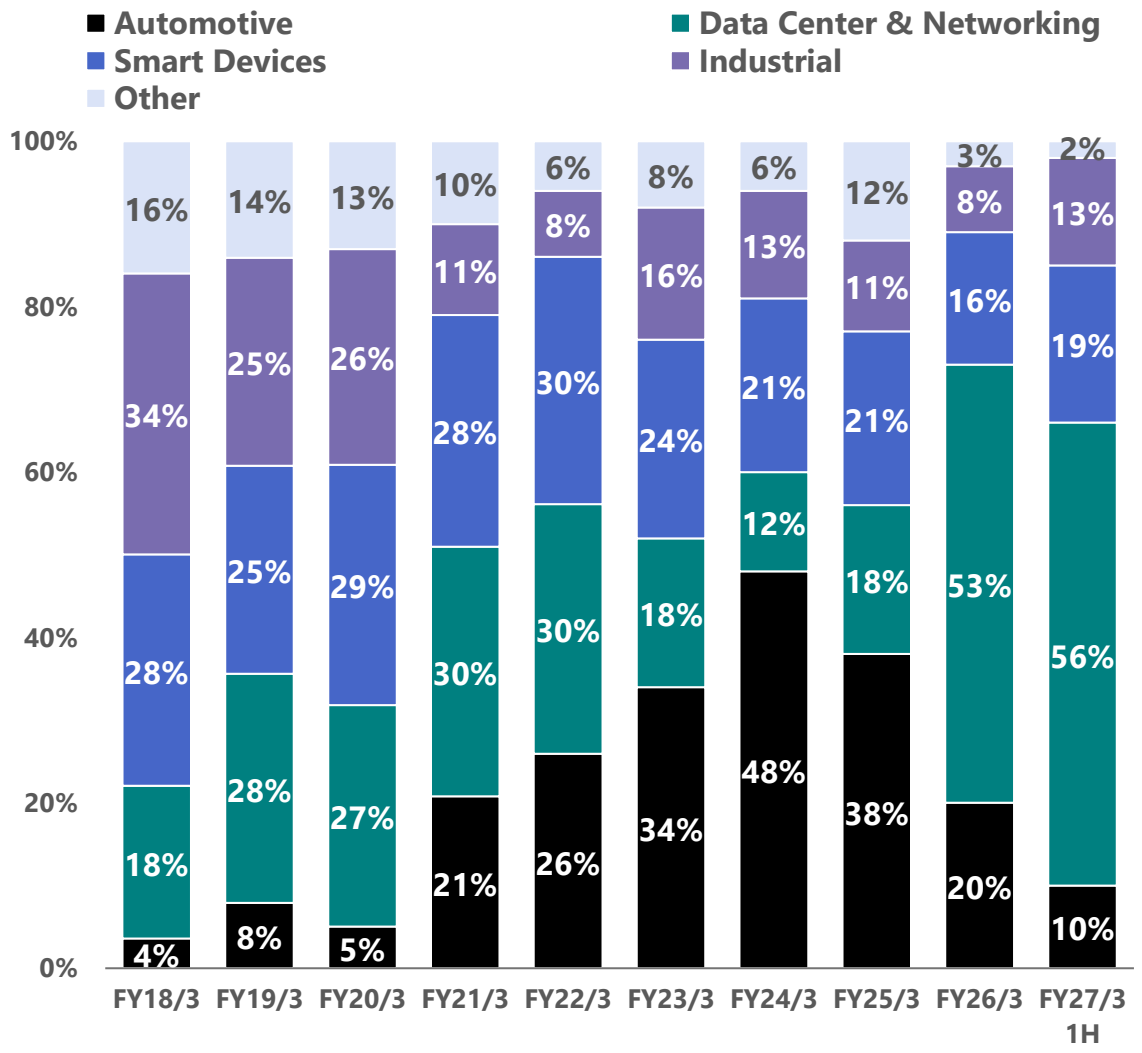
# Breakdown by Application Market

## Net Sales




## NRE Revenue



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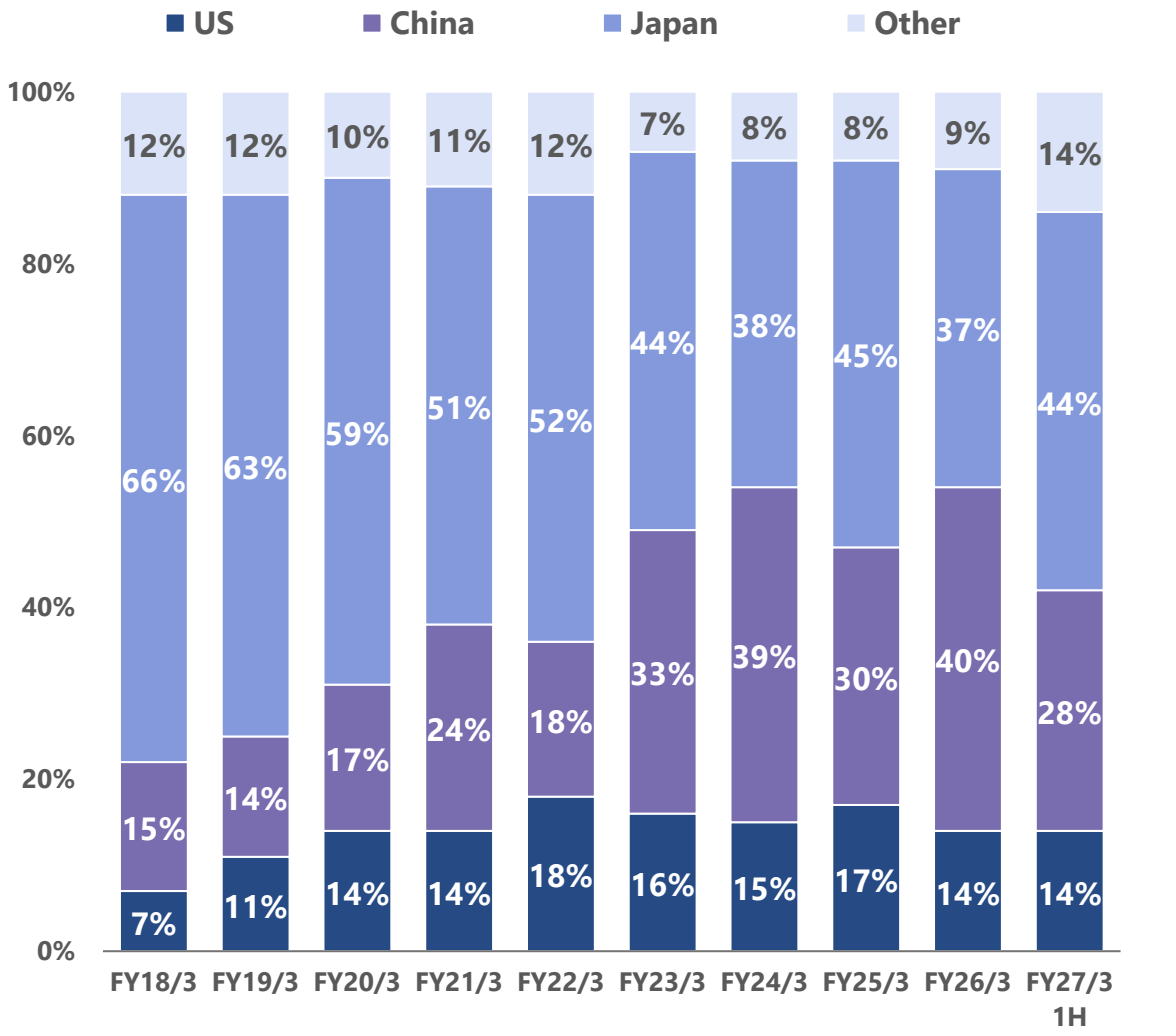
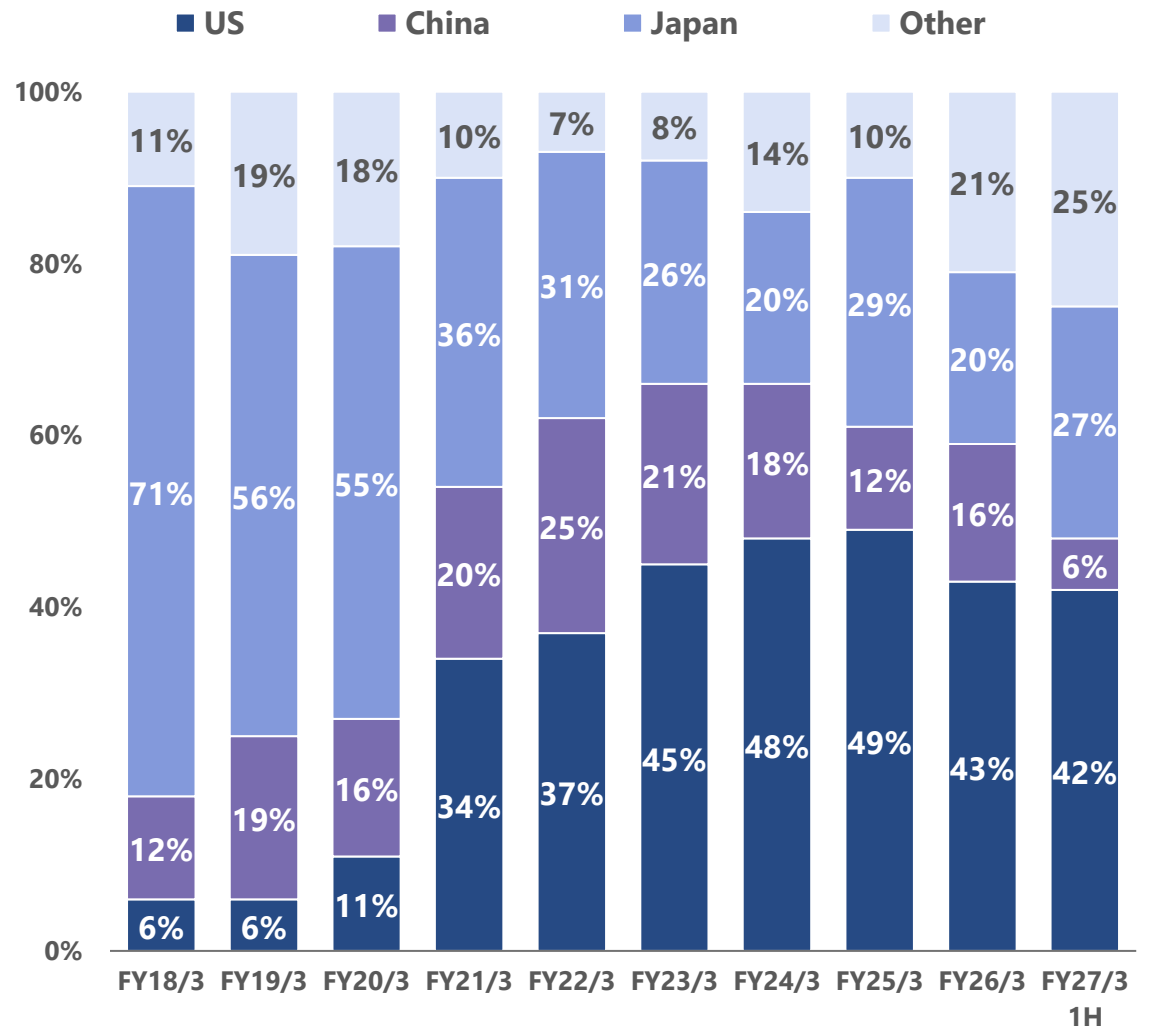
# Breakdown by Geographic Region

## Net Sales




## NRE Revenue




Both product revenue and NRE revenue are classified by country or region based on delivery destinations specified by customers.
However, for NRE revenue, if the delivery destination differs from the country or region where the development results are used, and classification by delivery destination is considered not to accurately reflect our business activities, revenue may instead be classified based on the country or region where the development results are used.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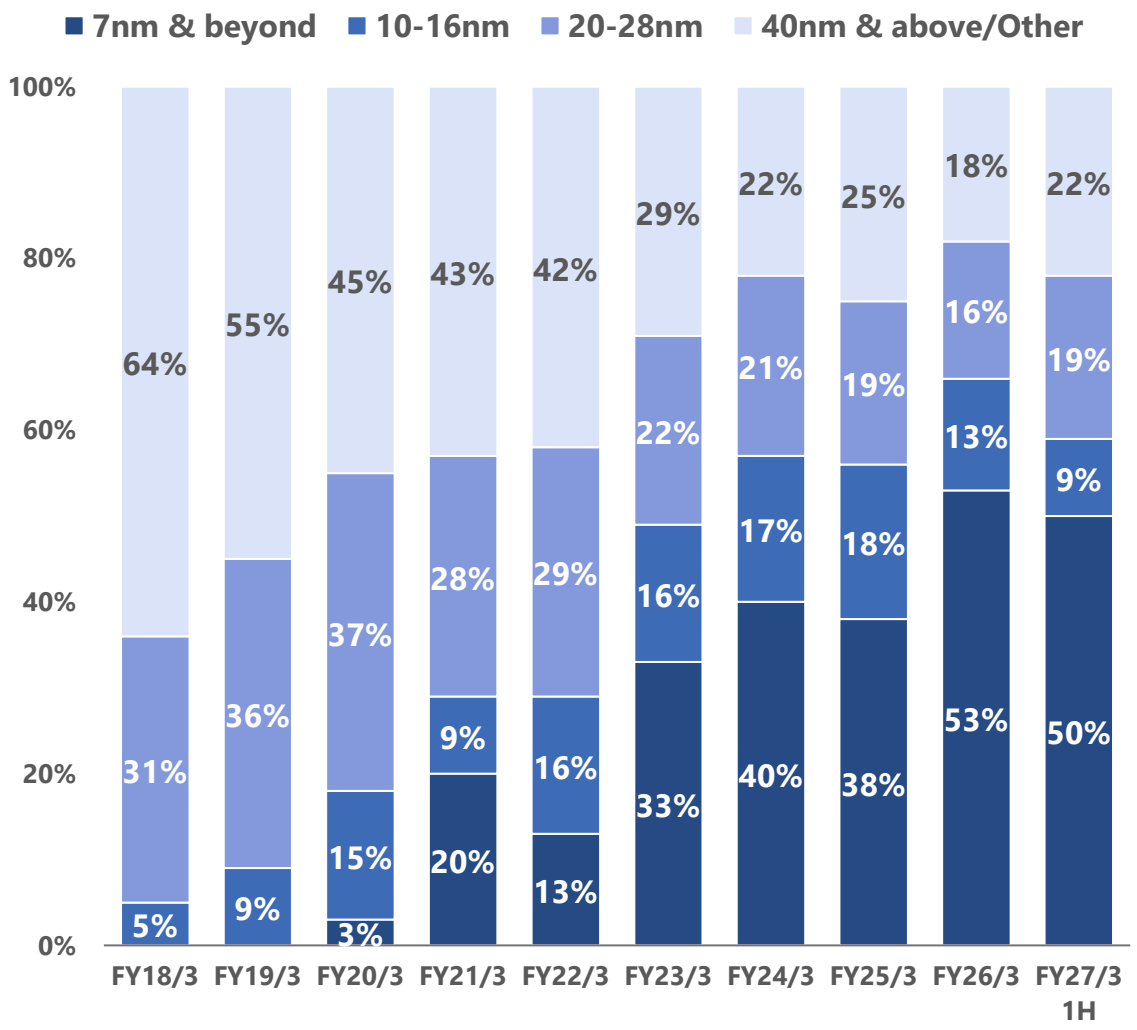
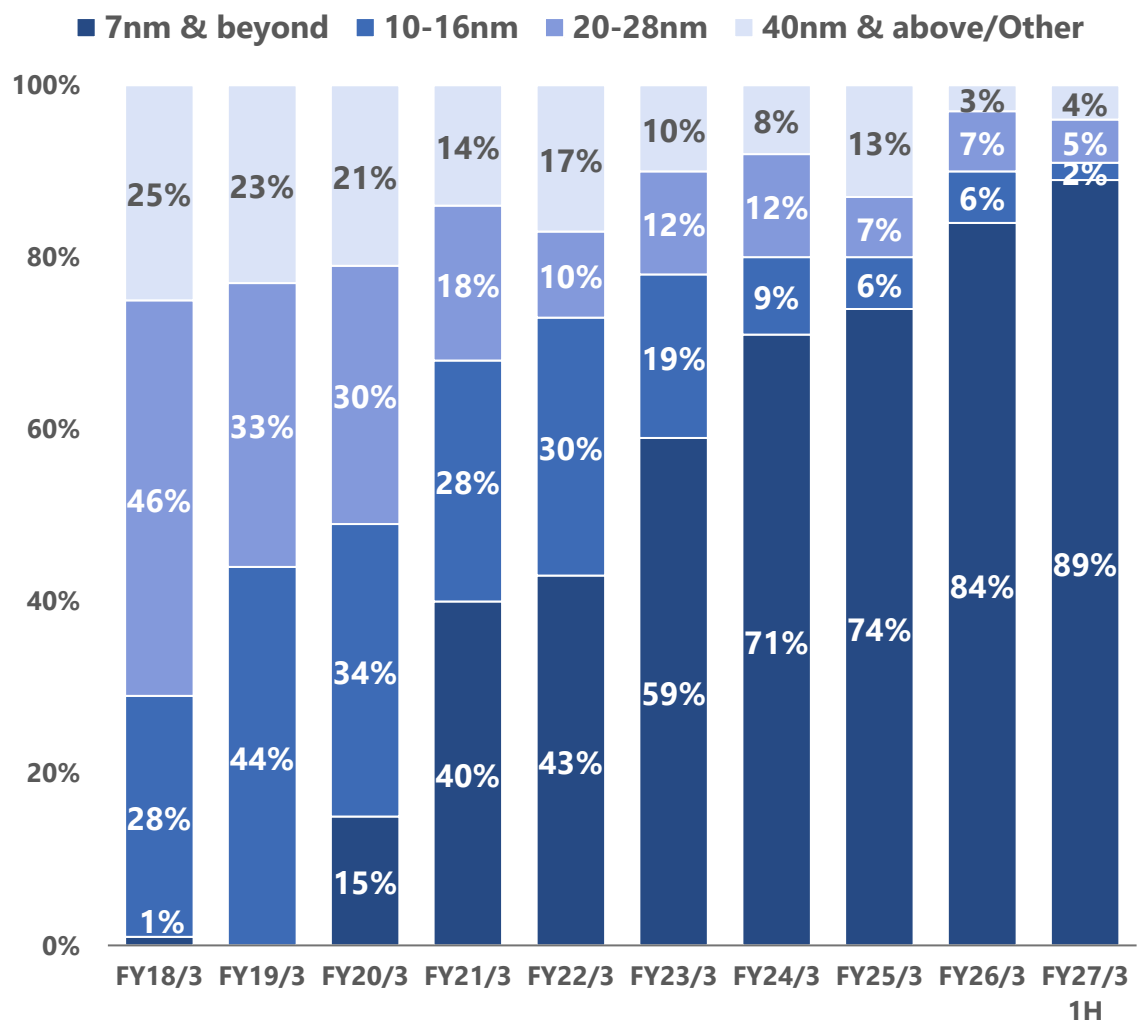
# Breakdown by Process Node

## Net Sales




## NRE Revenue





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2Q FY2027/3

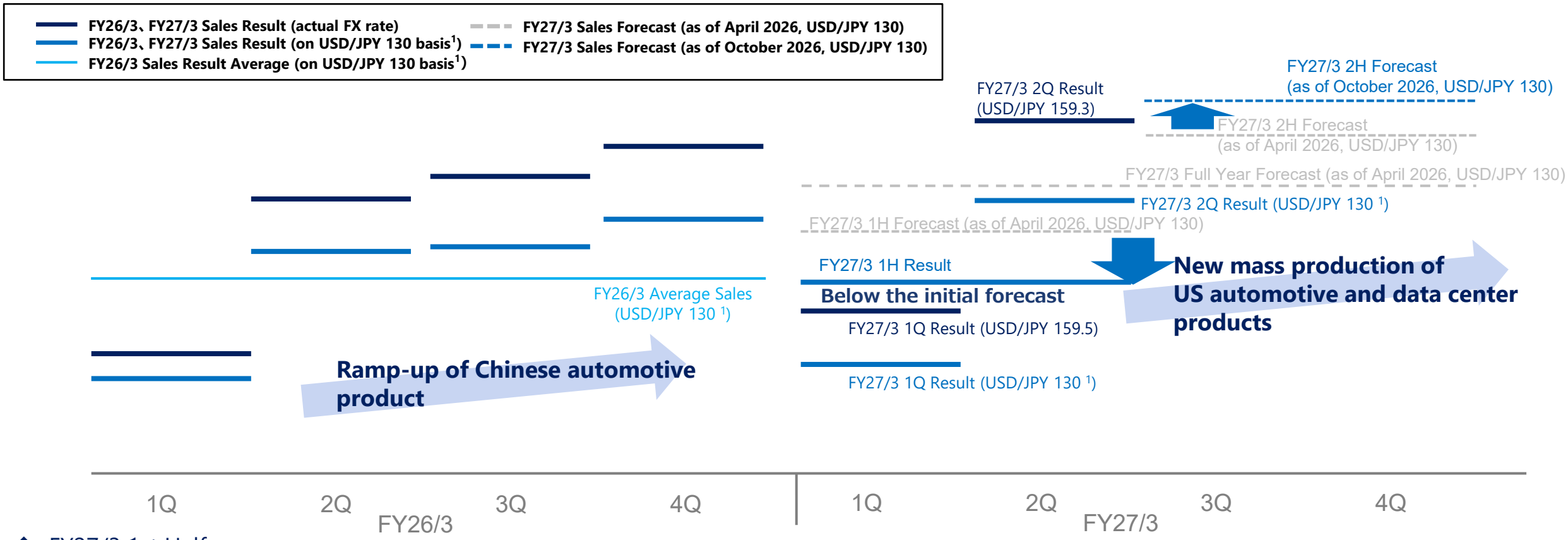
# Consolidated Financial Results

– Consolidated Financial Results 2Q FY2027/3
– Consolidated Earnings Forecast FY2027/3

## Toward Further Growth

From April 2026 presentation (revised)

# Net Sales Trends




- FY27/3 1st Half: Revenue was below the initial forecast (as of April), on an FX neutral basis, due to Chinese automotive products and other factors.
- FY27/3 2nd Half: Revenue may exceed the initial forecast, driven by new mass production of US automotive and US data center products. While full-year revenue is expected to be slightly below the initial forecast on an FX neutral basis, it is expected to exceed the forecast after reflecting first-half FX impacts.
- Operating margin: Full-year operating margin is expected to be broadly in line with the initial forecast. First-half operating margin was below the initial forecast due to lower revenue, while second-half operating margin is expected to exceed the initial forecast, driven by higher NRE revenue and other factors.

1. Figures are based on USD/JPY=130 and are approximate figures provided for comparison across fiscal years.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# Consolidated Earnings Forecast FY2027/3

| (JPY in billions) | FY2026/3 Full Year Results | FY2027/3 Full Year Forecast as of April 2026 | FY2027/3 Full Year Forecast as of October 2026 | Changes from April 2026 Forecast | | YoY | YoY % |
|---|---|---|---|---|---|---|---|
| **Net Sales** | **200.8** | **215.0** | **225.0** | +10.0 | 4.7% | +24.2 | +12.0% |
| **Operating Income** | **12.4** | **14.0** | **15.5** | +1.5 | 10.7% | +3.1 | +25.5% |
| Margin | **6.2%** | **6.5%** | **6.9%** | +0.4pt | | +0.7pt | |
| **Net Income** | **8.7** | **10.0** | **10.5** | +0.5 | 5.0% | +1.8 | +20.2% |
| Margin | **4.3%** | **4.7%** | **4.7%** | 0.0pt | | +0.4pt | |
| **Basic Earnings per Share**[1] | **49.74 yen** | **57.02 yen** | **59.86 yen** | | | | |
| **Dividend per Share** | **50.00 yen** | **50.00 yen** | **50.00 yen** | | | | |
| **FX Rate (USD/JPY)** | **150.8 yen** | **130.0 yen** | **144.7 yen** (1H 159.4 / 2H 130) | | | | |

- The FX sensitivity for the forecast for FY2027/3 as of April 2026 was 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 was 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.
- As net sales in FY2027/3 were lower in the first half and are expected to be higher in the second half, FX sensitivity was lower than assumed in April for the first half and is expected to be higher for the second half.

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 175,376,573 shares.
   The forecast of net income per share for 2027/3 as of October 2026 is calculated based on 175,405,586 shares.


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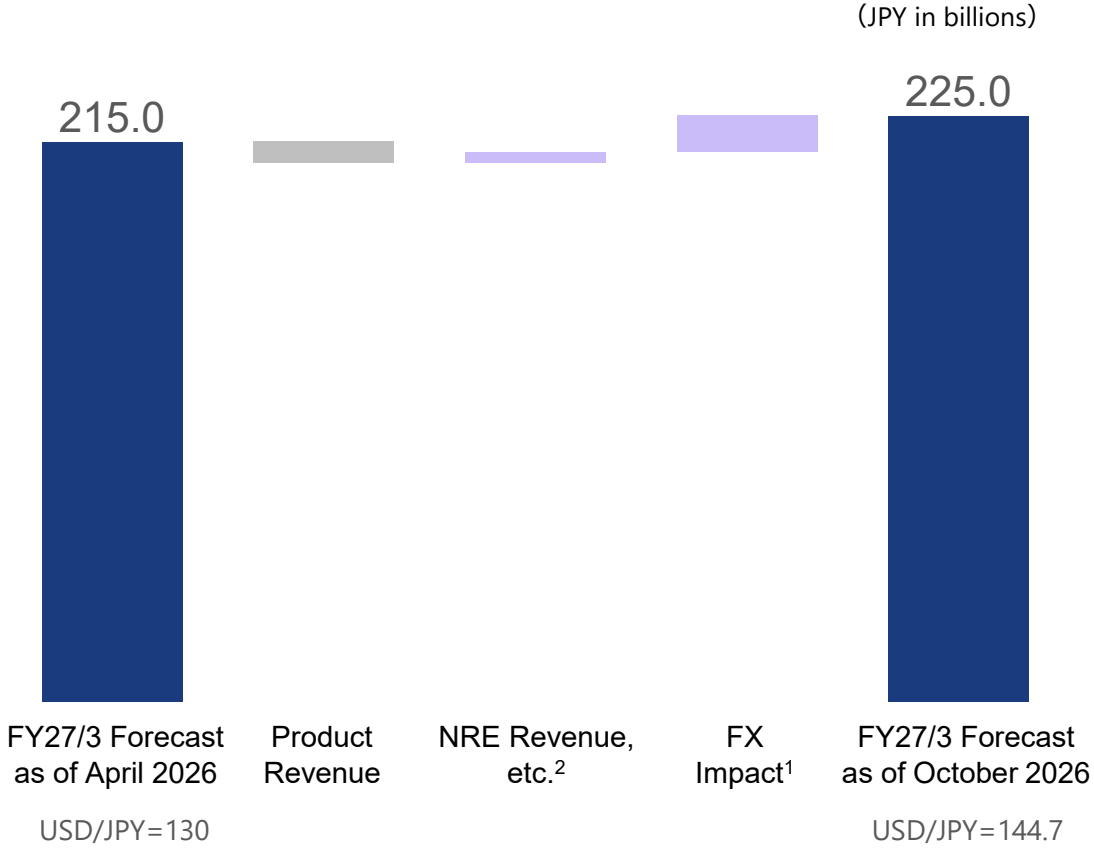
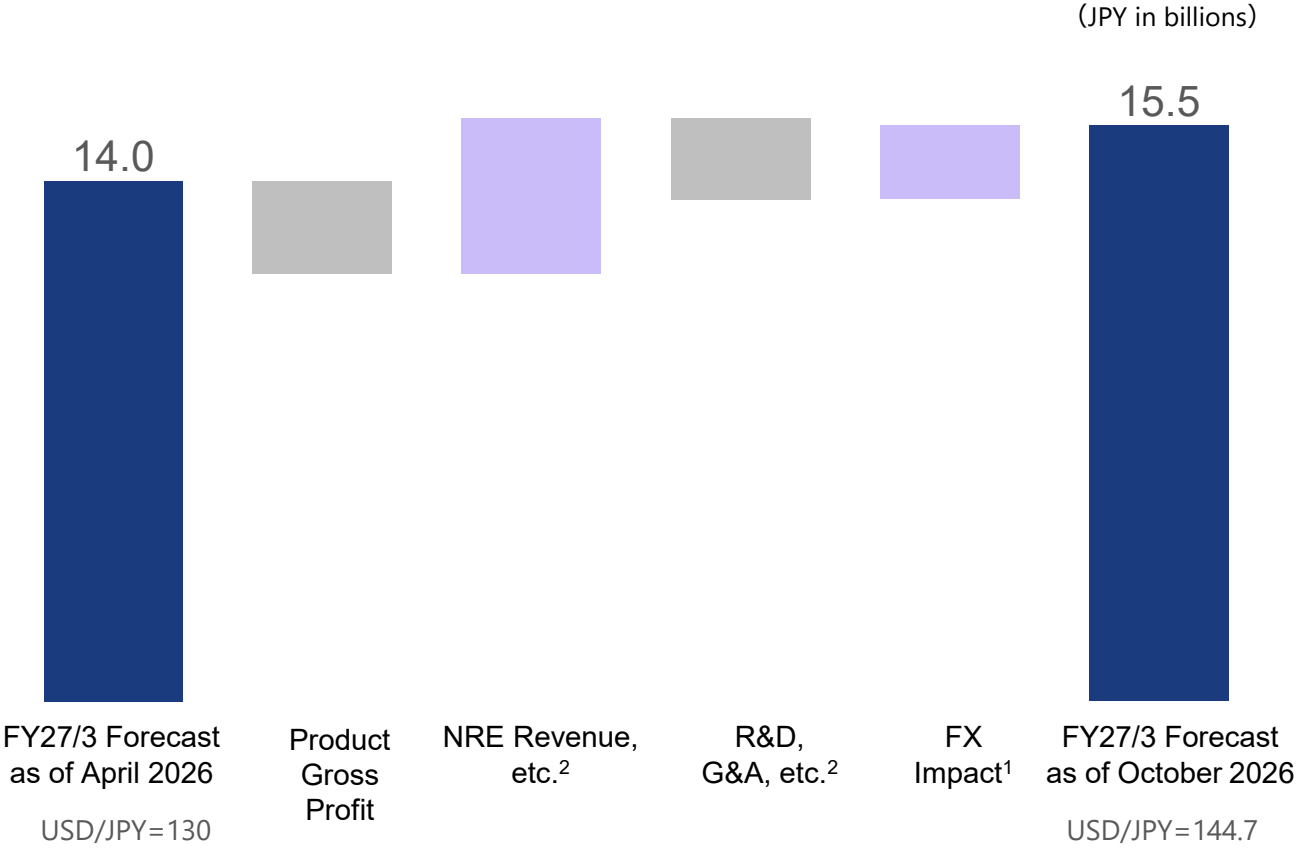
# Consolidated Earnings Forecast FY2027/3 as of October 2026 (vs. April 2026 Forecast)

- Net Sales: Up 10.0 billion yen from the April forecast due to higher NRE revenue and FX impact, despite some product revenue shifted to the next fiscal year.
- Operating income: Up 1.5 billion yen from the April forecast due to higher NRE revenue and FX impact, despite increased R&D expenses in advanced areas and lower gross profit from product revenue.

## Net Sales (vs. April 2026 Forecast)




## Operating Income (vs. April 2026 Forecast)




1.The FX impact figures on this page are approximate.
2. To appropriately reflect underlying business performance, figures for NRE revenue and R&D expenses versus the April forecast are shown net of amounts related to projects for which customers are responsible for SoC design and own the reticles and other related assets.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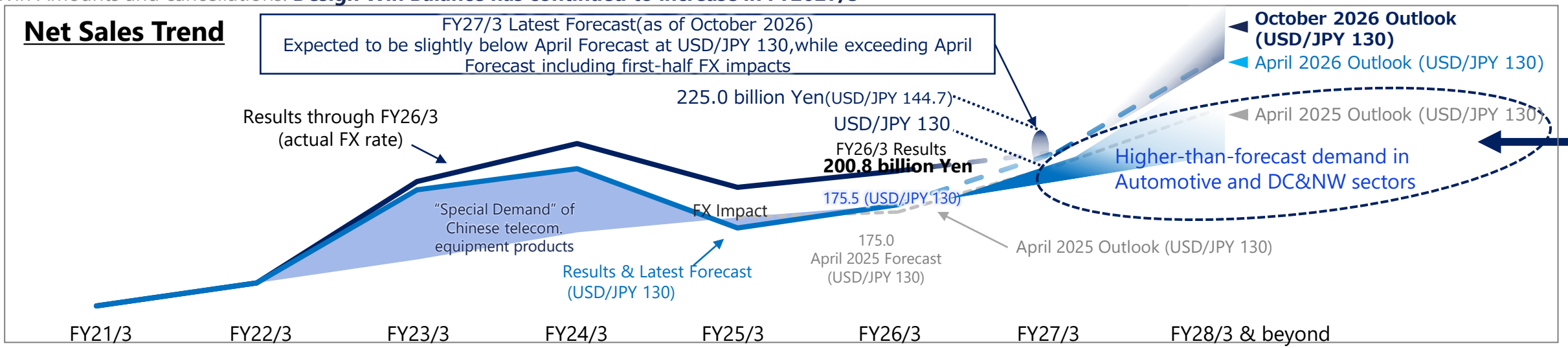
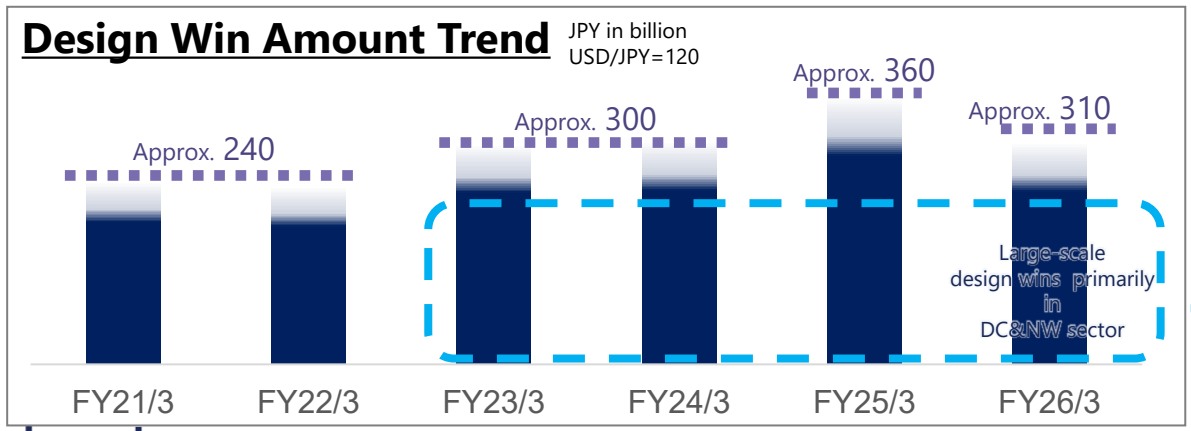
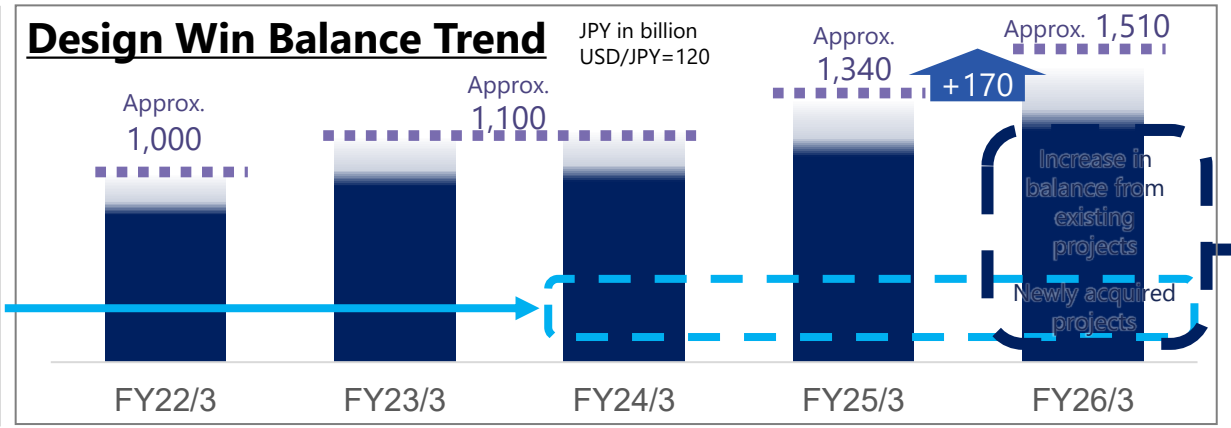
# Net Sales Trends: Past and Future

- 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). **FY27/3 Net sales are expected to be slightly below April 2026 forecast at USD/JPY 130, while they are expected to exceed the forecast after reflecting first-half FX impacts. Net sales in FY28/3 are expected to exceed the outlook in April 2026.**
- 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. **Design Win Balance has continued to increase in FY2027/3**





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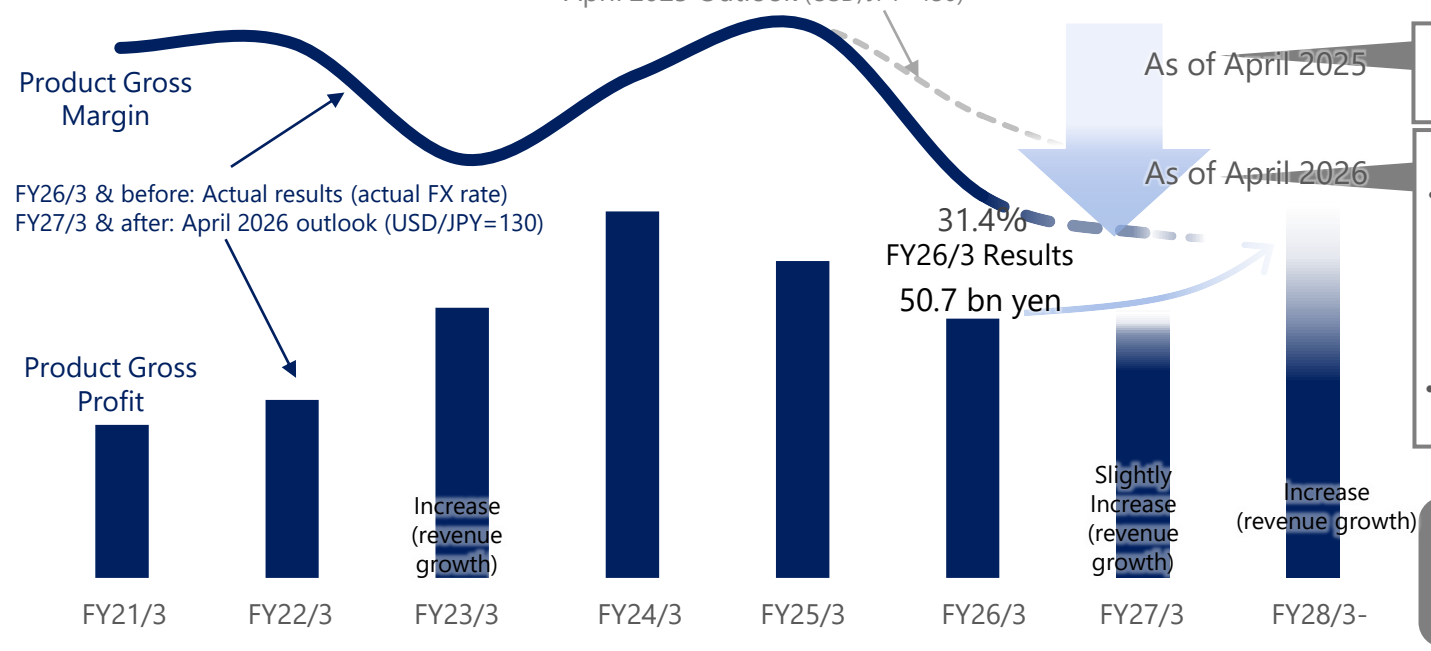
# Product Gross Profit: Trends and Future Outlook

## Product Gross Profit Trends and Future Outlook

- FY2026/3 product gross margin decreased by several percentage points compared to April 2025 forecast, due to more-than-forecast volume in the early mass production phase of large-scale project, delays in the cost improvement curve, and higher-than-forecast costs. Although a certain level of decrease in product gross margin was expected at the beginning of the fiscal year due to changes in product mix (higher share of large-scale projects) and costs during early mass production phase, the product gross margin decreased by additional percentage points beyond the initially expected level.
- For FY2027/3, product gross margin is expected to slightly decrease compared to FY2026/3, due to the start of new large-scale advanced product, higher-than-forecast share of large-scale projects and higher-than-forecast costs (yield, testing & other manufacturing costs, etc.) . **It may broadly be in line with the April 2026 forecast.**
- While this margin level may continue from FY2028/3 onward, the impact is expected to be offset by revenue growth, with product gross profit reaching the level of the previous outlook. **Product gross margin is expected to remain at around the FY2027/3 level or decrease slightly, in line with the April 2026 outlook. However, higher-than-forecast revenue growth may drive product gross profit above the level of the outlook in April 2026.**

### Product Gross Margin/Profit




### Factors for product gross margin decline from FY26/3 onward

As of April 2025: Changes in product mix (higher share of large-scale projects) and costs during early mass production phase

As of April 2026:

| FY26/3 | FY27/3 |
|---|---|
| • More-than-forecast volume in the early mass production phase and delays in the cost improvement curve (yield, testing cost, etc.) | • Higher-than-forecast share of large-scale projects |
| • Higher-than-forecast costs (yield, testing cost, etc.) | • Higher-than-forecast costs (yield, testing & other manufacturing costs, etc.) |

**FY28/3** (As of October 2026)
・Product gross margin may remain at around the FY27/3 level or decrease slightly, due to a higher share of large-scale projects than outlook in April 2026

**Toward next steps**

Leveraging the insights and experiences gained from efforts to address cost improvement in the early mass production phase, as well as yield and testing cost issues, Socionext will strengthen the "Entire Design" capability, turning it into a value driver of the Solution SoC business model.

socionext™ The indirect FX impacts related to procurement from FY28/3 onward are expected to be lower than previous levels, partly due to changes in internal exchange rates. However, we will continue to closely monitor the impact of future inventory increases.

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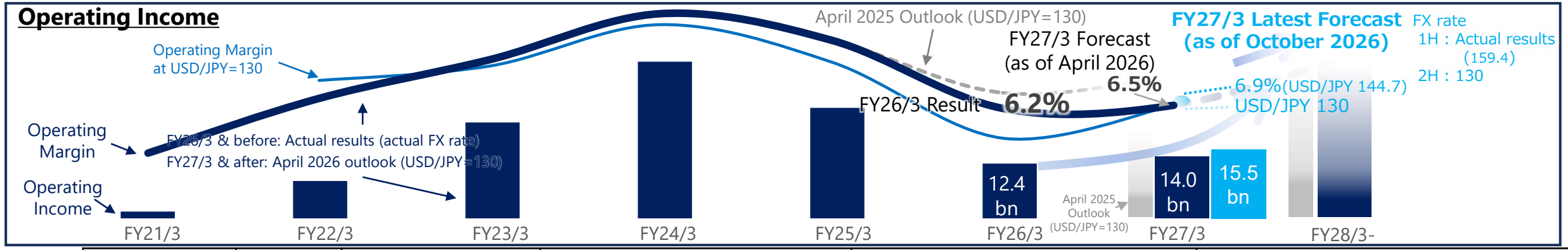
# Operating Income Trends and Future Outlook

- FY26/3: Due to decline in product gross margin, both operating income and operating margin fell below the assumption as of April 2025.
- FY27/3: Although product gross margin is expected to remain slightly lower than that 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. However, operating income and operating margin are expected to fall short of the assumption as of April 2025. **Operating income is expected to be broadly in line with the April 2026 forecast.**
- FY28/3 and beyond: Although product gross margin remains lower than the assumptions in Medium-Term Targets, revenue growth is expected to offset this, leading to higher operating income and improvement in operating margin through operating leverage. **Higher-than-assumed revenue growth may increase product gross profit, potentially resulting in operating income and operating margin exceeding the levels of outlook in April 2026.**




| | -FY23/3 | FY24/3 | FY25/3 | FY26/3 | FY27/3 | FY28/3- |
|---|---|---|---|---|---|---|
| **Product Gross Margin** | ■ (-) Changes in product mix | ■ (+) Indirect FX impact on procurement | ■ (+) Changes in product mix<br>■ (+) Indirect FX impact on procurement | ■ (-) Changes in product mix and (-) costs during early mass production phase<br>■ (-) More-than-forecast volume in the early mass production phase and (-)delays in the cost improvement curve<br>■ (-) Higher-than-forecast costs | ■ (+/-) Changes in product mix and (-) costs during early mass production phase<br>■ (-) Higher-than-forecast share of large-scale projects<br>■ (-) Higher-than-forecast costs | ■ (+/-) Changes in product mix (higher share of large-scale projects)<br>■ (+) Cost improvement with production ramp up (-) Mass production start of new products |
| **(Amount)** | (Gross profit increased due to revenue growth) | | | (Amount decrease) (Gross profit decreased due to lower product gross margin) | (Amount increase) (Gross profit to increase slightly limited offset by revenue growth) | (Amount increase) (Gross profit to Increase, Revenue growth to mostly offset margin decline) |
| **R&D Ratio** | ■ (+) R&D ratio improved due to increase in net sales | | ■ (-) R&D expense increased due to advance development and R&D team structure improvement | ■ (-) R&D expense increased due to advance investment in technology development<br>■ (+) R&D ratio to improved due to increase in net sales | ■ (-) R&D expense to increase due to advance investment in technology development<br>■ (+) R&D ratio to improve due to increase in net sales | ■ (-) R&D expense to increase due to advance investment in technology development<br>■ (+) R&D ratio to improve due to increase in net sales |
| **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 improved due to increase in net sales | ■ (+) SG&A ratio to improve due to increase in net sales<br>■ (-) Proactive IT investment | ■ (+) SG&A ratio to improve due to increase in net sales<br>■ (-) Proactive IT investment |
| **FX**(USD/JPY) | 135.5 | 144.6 | 152.6 | 150.8 | 144.7 | 130.0 |

Profit decrease
Profit increase

Arrows and +/− signs in the table indicate the impact on operating margin.

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

## Market Trend & Design Win Status

### Automotive

The shift to AD/ADAS and zonal architectures is driving demand for high-performance computing using AI.

- As vehicle electrification advances and vehicles become more intelligent, demand is growing for Solution SoCs that deliver both safety and power efficiency.
- Aiming to secure next-generation AD/ADAS and zonal computing projects by leveraging strengths in automotive design quality, functional safety (FuSa), and architecture proposal capabilities.
- Opportunities are expected to expand across mainstream OEMs as well as new-school OEMs.

### Data Center & Networking

- Generative AI and growth in agentic AI and inference markets are driving continued AI infrastructure investment.
- As AI infrastructure grows in scale and performance, demand is increasing for custom SoCs, including CPUs/xPUs and network switches, that optimize system performance and power efficiency.
- Demand for Solution SoC business model is growing, using chiplets, HBM, high-speed SerDes, Die-to-Die Interface, optical I/O, and advanced packaging.
- Aiming to secure further design wins by leveraging hyperscaler CPU development and AI infrastructure wins in North America.

### Industrial/Smart Devices (Physical AI)

- In addition to its strong DSC business, Socionext is pursuing Solution SoC opportunities in industrial applications requiring diverse IP integration and advanced design capabilities.
- Advances in agentic AI and Physical AI are expected to expand SoC demand for increasingly autonomous and intelligent industrial equipment and edge devices.
- The Solution SoC business model offers advantages in growth markets requiring diverse IP and CPU integration, low power consumption, and high reliability.

## FY27/3 Forecast

**Net sales are expected to be slightly below the April 2026 forecast (initial forecast), excluding FX impacts. Including first-half FX impact, it is expected to exceed the initial forecast.**

**Operating income is expected to be broadly in line with the initial forecast.**

### Product Revenue

- Chinese automotive product, for which mass production started in 2Q FY26/3, contributes to full-year revenue, though below the initial forecast.
- Revenue from US automotive, data center products and other products entering mass production in the second half exceeds the initial forecast.
- Full-year revenue is expected to be below the initial forecast.

### 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. It is also expected to exceed the initial forecast.

### Operating Income

- Product gross margin is expected to slightly decline year on year due to changes in product mix (higher share of large-scale projects) and other factors, in line with the initial forecast.
- R&D ratio is expected to slightly increase year on year as aggressive upfront investment continues.
- SG&A ratio is expected to decrease year on year 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. It is expected to be broadly in line with the initial forecast.

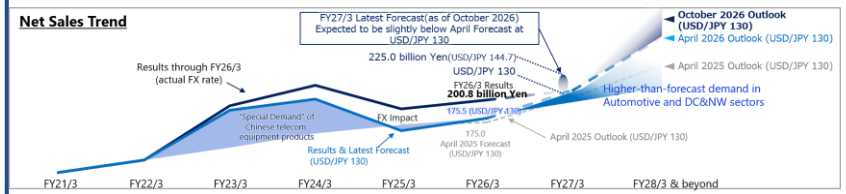
### FX assumptions

- FX rate: First-half average USD/JPY = 159.4
  Second-half assumption USD/JPY = 130.0
- FX sensitivity: The April forecast assumed annual sensitivity of approximately 1 billion yen for net sales and 250 million yen for operating income for every 1-yen change against the US dollar. With lower first-half and higher second-half sales, sensitivity is expected to be below the April assumption in the first half and above it in the second half.

## Outlook for FY28/3 and beyond

**Net sales are expected to exceed the assumptions in the Medium-Term Targets and the April 2026 outlook.**

**Although product gross margin remains lower than the assumptions, higher-than-forecast revenue growth is expected to offset this, leading to higher operating income and an improvement in operating margin through operating leverage.**




### Product Revenue

- Growth is expected to continue, supported by sales growth of multiple large-scale products, including those for automotive and data center applications, exceeding assumptions when the Medium-Term Targets were set. (Revenue from products that have entered or are expected to enter mass production may exceed expectations)

### NRE Revenue

- Gradual increase is expected to continue.

### Operating Income

- Although product gross margin remains below the level assumed when the Medium-Term Targets were set, higher-than-forecast revenue growth is expected to offset this, leading to higher operating income and an 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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The Solution SoC Company

2Q FY2027/3

# Consolidated Financial Results

- Consolidated Financial Results 2Q FY2027/3
- Consolidated Earnings Forecast FY2027/3

## Toward Further Growth

From April 2026 presentation (revised)

# Medium-Term Targets: Progress Update

## Medium-Term Targets (as of April 2025)

Medium-Term Targets are formulated based on the assumption of USD/JPY= 130

| | 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 (Updated in Oct.2026)

Growth expected to exceed the assumptions made when the targets were set
**(Revenue from products that have entered or are expected to enter mass production may exceed expectations)**

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 |
|---|---|---|---|---|---|---|
| **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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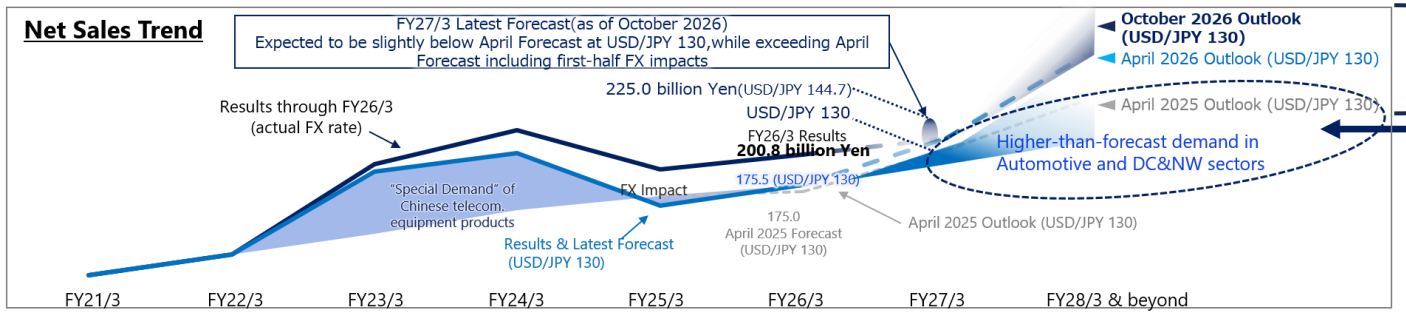
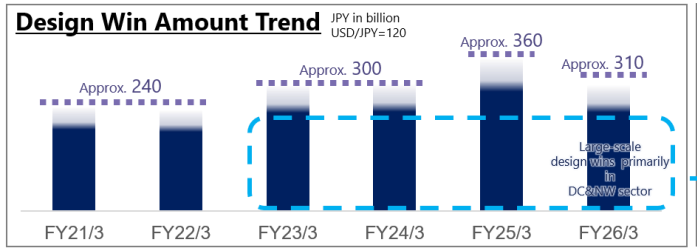
From April 2026 presentation (revised)

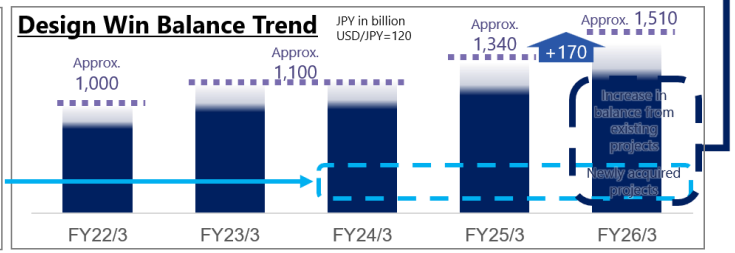
# Growth Scenario to Date and Going Forward

- 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, and expand design wins — all leading to the further growth and development of the company.




Growth expected to exceed the assumptions when the targets were set




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

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

### Emergence of new services and applications

The emergence of AI-driven services and applications is increasing demand for optimized, differentiated SoCs tailored to hyperscale cloud, automotive, and Physical AI markets.

### Evolution of SoC ecosystem

The SoC ecosystem is becoming more open, enabling reuse of IP, IP subsystems, open-source software, chiplets, and other proven technology assets.

As systems integrate a broader mix of compute engines—CPUs, GPUs, NPUs, DSPs, domain-specific accelerators, and custom logic - Silicon-to-System Co-design with customers becomes increasingly critical. Optimization must span system architecture, software, packaging, and silicon.

Reusable IP and chiplet assets, together with broader partner collaboration, accelerate development of differentiated, optimized solutions.

Frontier AI models continue to increase memory-bandwidth requirements, driving demand for high-bandwidth memory access and vertically integrated DRAM technologies such as 3D-stacked HBM.

### Into the era of 3D/5.5D and chiplets

The industry is shifting from monolithic, full-custom SoCs toward disaggregated, chiplet-based systems - combining CPU, memory, and I/O chiplets. This transition increases the importance of advanced packaging and leading-edge process nodes, including 2 nm and 1.4 nm.

Chiplet architectures elevate the importance of enabling technologies such as HBM, high-speed SerDes, Die-to-Die Interface, optical I/O, 3D-stacking and advanced packaging.

Design challenges now span the full system: power delivery, thermal management, mechanical stress, signal and power integrity, yield, verification, and test.

Advanced packaging - particularly 2.5D and 3D integration - is becoming central to next-generation xPU designs. Hyperscalers developing custom accelerators are increasingly leveraging memory stacking, and Socionext plans to demonstrate its capability through a proof of concept.

### Design becoming more complex = Entire Design

An “entire design” approach - integrating architecture, silicon, packaging, power delivery, thermal management, and test - is becoming essential to optimize increasingly complex system designs

### Bespoke vs ASSP

In the More-than-Moore era, customers are increasingly choosing custom SoCs over ASSPs to meet application-specific power, performance, and area (PPA) targets and strengthen differentiation.

The question is no longer whether to develop custom silicon, but which partner can best support it with the right IP, advanced packaging, and system-design capabilities.

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

Socionext delivers optimized SoCs for its three key markets through its Solution SoC business model and Silicon-to-System Co-design approach, leveraging reusable technology assets, end-to-end design capabilities, and a global partner ecosystem.


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# For Future Growth : Aggressive Advance Investment

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

→ Innovative customers seek a partner that can lead Silicon-to-System Co-design, rather than simply provide design services.

→ Socionext continues to invest in differentiated technologies, design platforms, and execution capabilities to strengthen its Entire Design capability and Silicon-to-System Architecture Platform.

**<Market Trends and Requirements>**

### New services and applications / Three key markets

- Advances in technology and the expanding use of AI are increasing demand for SoCs optimized for automotive, AI data-center, and physical-AI applications.
- Socionext aims to grow design wins in these key markets by selectively pursuing high-value custom SoC opportunities.

### Design complexity / Entire Design

- As system complexity grows, integrated design across silicon, packaging, power, thermal management, optical interconnects, mechanical design, test, and reliability analysis is becoming increasingly important.
- Socionext is strengthening its Entire Design capabilities to optimize these elements holistically and more effectively meet customer specifications.

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

### Partnerships with ecosystem players and innovative customers

- Socionext promotes Silicon-to-System Co-design with customers by leveraging reusable technology assets and its global partner ecosystem.
- The company is expanding that ecosystem beyond foundries and OSATs to include optical interconnect, power, software, and ODM/EMS partners—supporting multi-generation co-development programs across its three key markets.

### Leading-edge technologies and reusable technology assets

**Advanced process nodes (2nm & beyond), Chiplets (3D/5.5D), Advanced packaging**

- Establish a Silicon-to-System Architecture Platform and strengthen the shared technology foundation needed to meet customer requirements at the system level.
- Advance early development and evaluation of leading-edge technologies, including 2 nm and beyond, chiplets, 3D hybrid bonding, CPO/NPO, optical I/O, and IVR.
- Build a reusable chiplet platform through Flexlets.
- Continue strengthening capabilities in advanced technologies such as HBM and die-to-die interfaces.

**Utilization of AI for SoC Design / Next-generation design platform**

- Apply AI to specification interpretation, design review, and RTL/verification code generation to improve productivity.
- Use AI agents to automate physical-design execution, analysis, and optimization—accelerating convergence, improving PPA and quality, and extending expert know-how across teams.
- Integrate multiphysics analysis into standard design flows to improve PPA and development efficiency.


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# For Future Growth :
# Strengthening design and development capabilities through development track record

Physical AI

Smart Devices (Edge Devices)

Industrial

## Track record in large scale & advanced technology development

(Strengthening design and development capabilities through development track record in multiple fields and products)

### Entire Design capability

- Design capability with automotive quality grade
- Advanced process technology
- CPU/CPU subsystem xPU
- Flexlets (Chiplet)
- Advanced packaging and thermal design

AI-Accelerated Design for Faster Customer Time-to-Market

| 2026/8/3 | 2026/8/18 | 2026/7/1 | 2026/10/20 | 2026/3/27 | 2025/10/28 | 2025/8/28 | 2025/9/11 |
|---|---|---|---|---|---|---|---|
| Imec's Autonomous Edge Chiplet Program | Continue to invest aggressively for advanced process node (TSMC A14/ Intel 18A-P) | Socionext Expands Agentic AI to Advanced, Large-Scale SoC Physical Design | Collaboration to Advance AI Data Center Infrastructure | Unveil "Flexlets™", a Configurable Chiplet Ecosystem | 3DIC Support with Advanced 3D Die Stacking, 5.5D and so on | Chiplet and Advanced Logic Semiconductor Technologies | |

Further strengthen collaboration with global ecosystem players

**Continuous reorganizing and strengthening R&D structure**

**Investment in leading-edge technologies**

**Strengthen and globalize corporate management**



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# Recent Activities in Leading-Edge Technologies

## Publicly announced development activities for leading-edge technologies including advanced processes, Chiplet, etc.

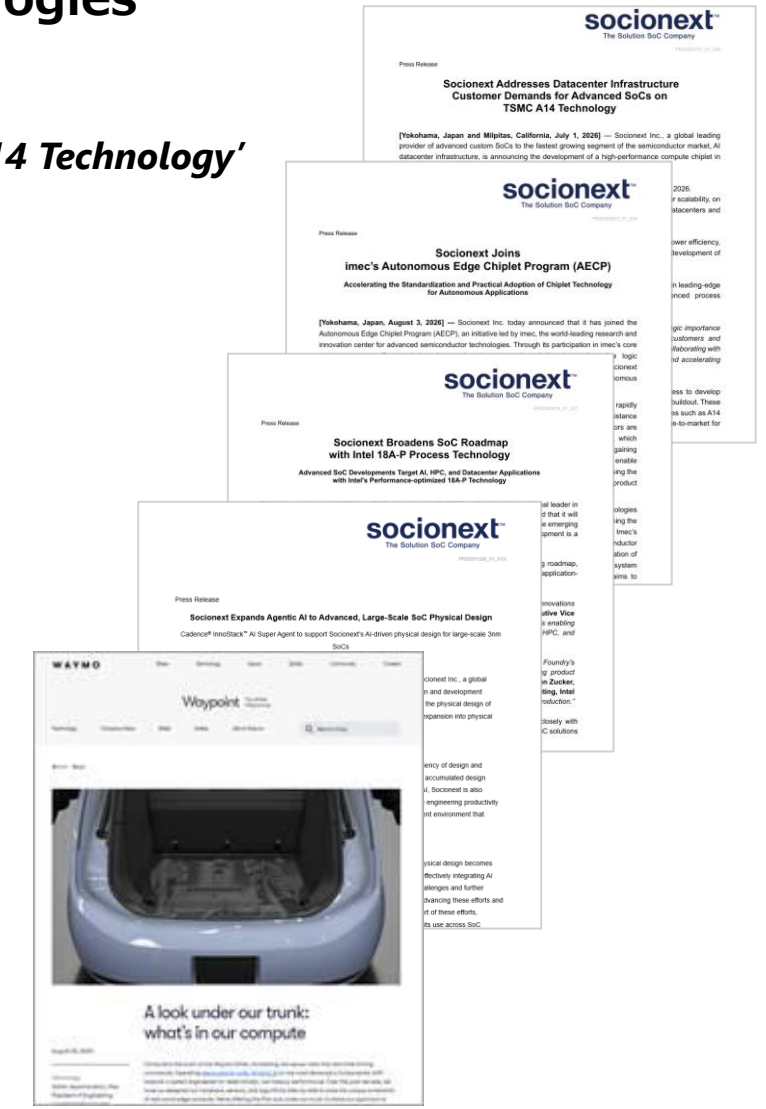
***'Socionext Addresses Datacenter Infrastructure Customer Demands for Advanced SoCs on TSMC A14 Technology'***
(July 1, 2026)

***'Socionext Joins imec's Autonomous Edge Chiplet Program (AECP)'***
(August 3, 2026)

***'Socionext Broadens SoC Roadmap with Intel 18A-P Process Technology'***
(August 18, 2026)

***'Socionext Expands Agentic AI to Advanced, Large-Scale SoC Physical Design'***
Joint press release with Cadence
(October 20, 2026)

***'A look under our trunk: what's in our compute'***
*Blog post by Waymo highlighting the Socionext partnership to enable physical AI with custom silicon.*
(August 20, 2026)





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# Expanding Business Across Application Markets with a Computer Architecture-Based Platform

## Smart Devices (Edge Devices)

- Demand for new technologies in the smart devices market remains strong, driven by the expanding use of AI.
- Demand is growing for smart-device SoCs that deliver higher performance, low power, and low latency.

➢ We continue to see active business opportunities with advanced customers, leveraging our expertise in SoC development, low-power design, and low-latency technologies.

## Automotive

- Advances in autonomous driving and ADAS, together with the shift toward software-defined vehicles, are driving demand for automotive computing.
- The integration of AI, sensing, and control functions is driving increasingly stringent requirements for high performance, low power, low latency, and functional safety.

➢ Expanding our presence in next-generation mobility through a proven track record with emerging mobility companies and next-generation OEMs.

➢ Leveraging technology assets developed through ADAS and HPC projects to drive business expansion in the next-generation mobility sector.

➢ Socionext has established a strong industry position through its Solution SoC business model, which enables low power, low latency, and compliance with stringent safety standards, including ASIL-C and ASIL-D.

➢ Business opportunities for next-generation customer products remain active, leveraging architecture proposal capabilities, FuSa development experience, and automotive-grade design quality.

➢ Mass production of 7nm and 5nm products is currently underway. There are opportunities for new projects of 3nm and beyond.

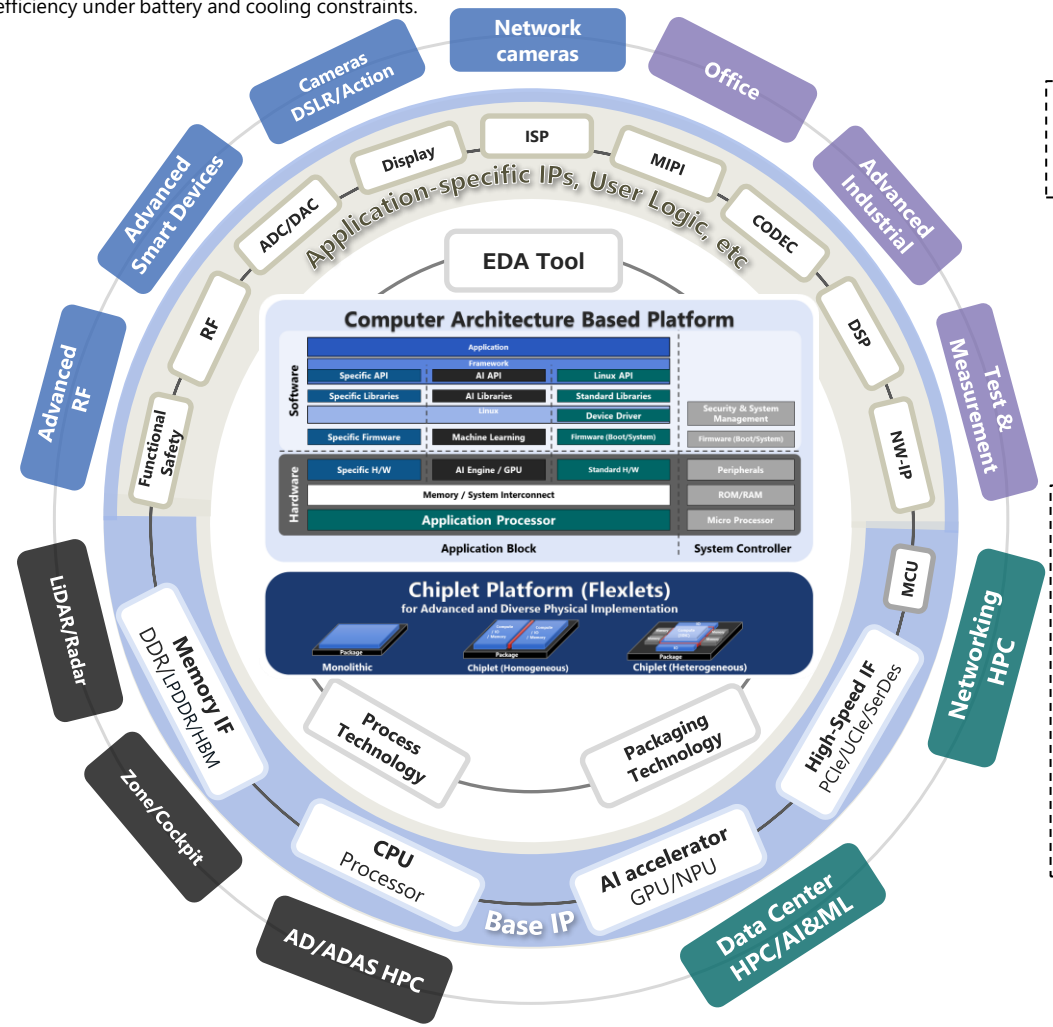
➢ Investment in leading-edge technologies (chiplet, 3D/5.5D, high-speed SerDes, CPO, 2nm/1.8nm/1.4nm) will continue.

➢ Strengthening the system design foundation, including functional safety and quality assurance, to enable the practical application of automotive chiplets.

## Physical AI

- Advances in agentic AI and Physical AI are expected to drive demand for SoCs for autonomous systems integrating AI and real-time control.
- In addition to advanced AI processing, these SoCs require high memory bandwidth, low latency, and high power and thermal efficiency under battery and cooling constraints.

➢ Socionext leverages its AD/ADAS HPC technology assets and Entire Design capabilities to optimize system-level performance, power, and thermals.




## Industrial

- The expanding use of AI and networking is driving demand for large-scale, leading-edge custom SoCs in industrial applications such as factory automation and test and measurement.
- Requirements are increasing for diverse IP integration and advanced design capabilities.

➢ Leveraging its design quality and Entire Design capabilities to integrate diverse IP, including customer-owned IP, Socionext provides advanced customers with custom SoCs supporting a wide range of process technologies.

## Data Center & Networking

- Growth in generative AI, agentic AI, and inference markets is driving more powerful, larger-scale AI infrastructure and increasing demand for system-level optimization of performance and power efficiency.
- Technology collaboration through ecosystems is advancing in areas such as chiplets and advanced packaging.

➢ A key target market for custom SoCs focused on performance and efficiency.

➢ We will expand our Solution SoC business by leveraging our expertise in high-performance custom SoCs, including CPUs/xPUs and network switches, together with our Entire Design capability and strengths in system architecture and performance optimization.

➢ Flexlets have been launched; we will further enhance our I/O chiplet development capabilities.

➢ Following the hyperscaler CPU project, we have secured multiple AI custom SoC design wins. To leverage these opportunities and expand our CPU and AI businesses, we will strengthen our R&D structure and capabilities in the U.S. and globally.

➢ We will continue investing in leading-edge technologies, including advanced process nodes, chiplet, 3D/5.5D, high-speed SerDes, CPO, and IVR, to further enhance SoC performance and power efficiency.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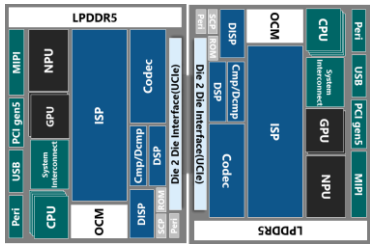
# Advanced SoC Developments on Computer Architecture Basis in Diverse Fields

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

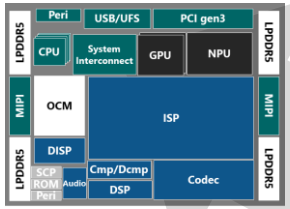
## Smart Devices (Edge Devices)

### Network Camera



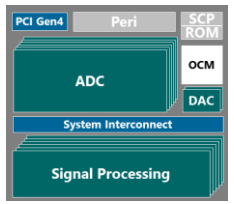

*Chiplet / Homogeneous*

### Camera

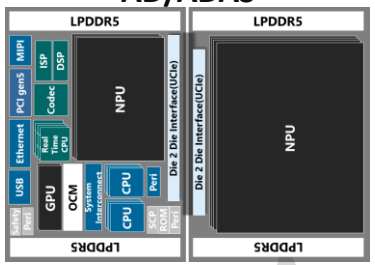



## Automotive

### LiDAR

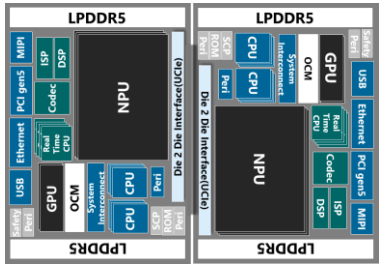



### AD/ADAS

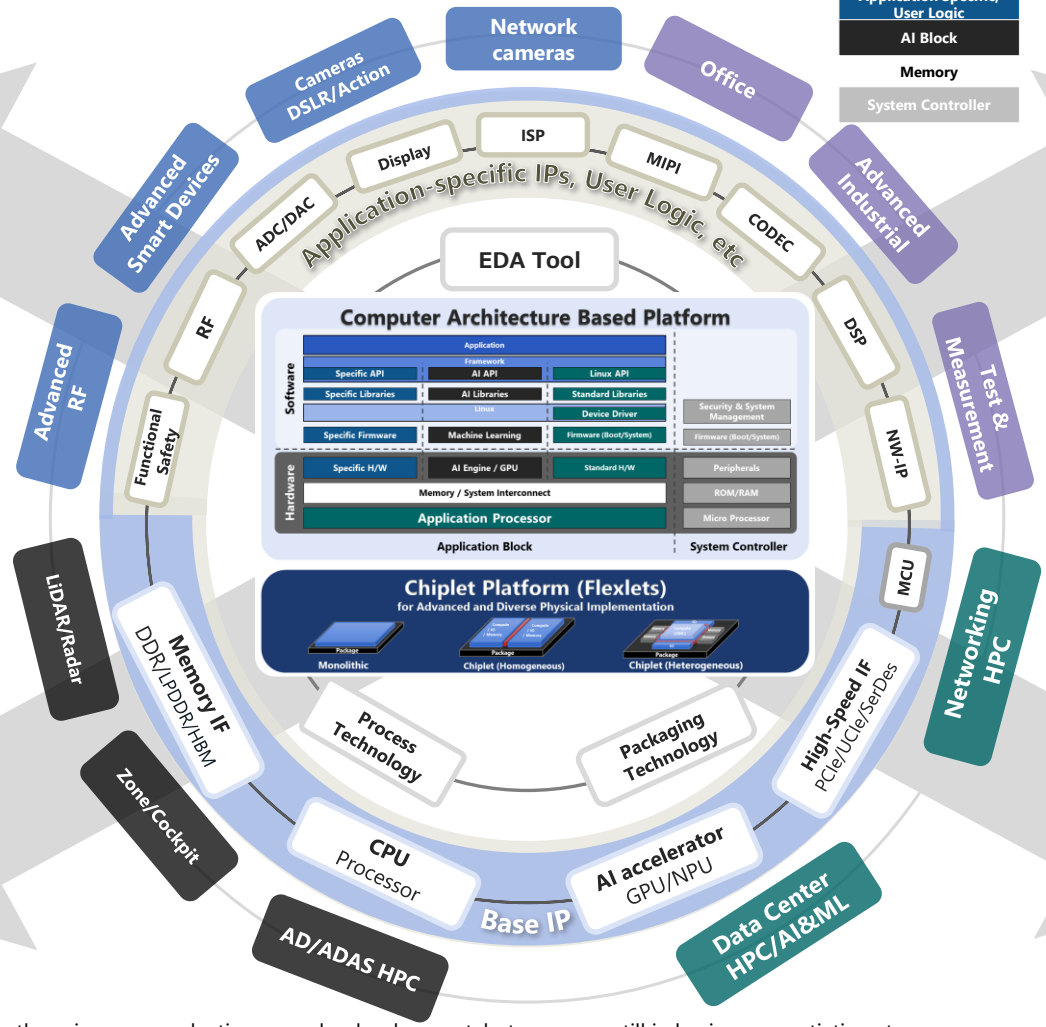



*Chiplet / Heterogeneous*

### AD/ADAS

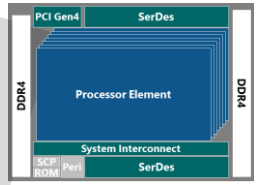


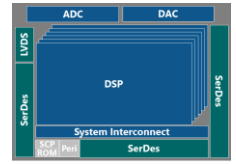

*Chiplet / Homogeneous*



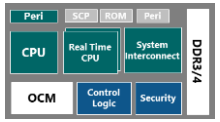

## Industrial

### Test & Measurement



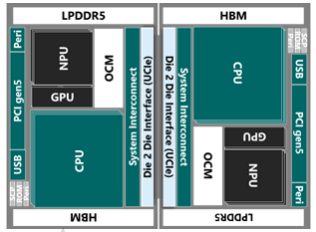




### FA



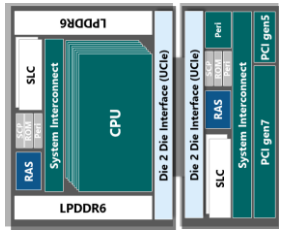

## Data Center & Networking

### Server Processor



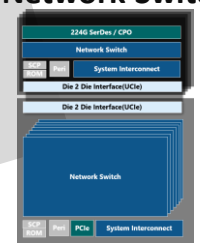

*Chiplet / Homogeneous*

### Server Processor




*Chiplet / Heterogeneous*

### Network Switch




*Chiplet / Heterogeneous*

### AI Server Processor

*Chiplet / Homogeneous*

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

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# Design Wins Expanding in Each Application Market

## Smart Devices (Edge Devices)

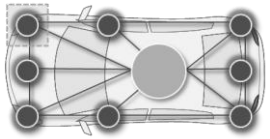
**5/6/7/12nm**
*DSLR/Action Camera*

**5/7nm**
*Network camera*

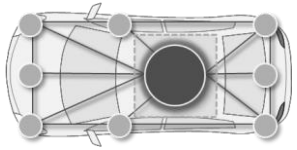
## Automotive

**16/22nm**
*LiDAR / Radar / Camera*

**7/16/22nm**
*Zone Computing*



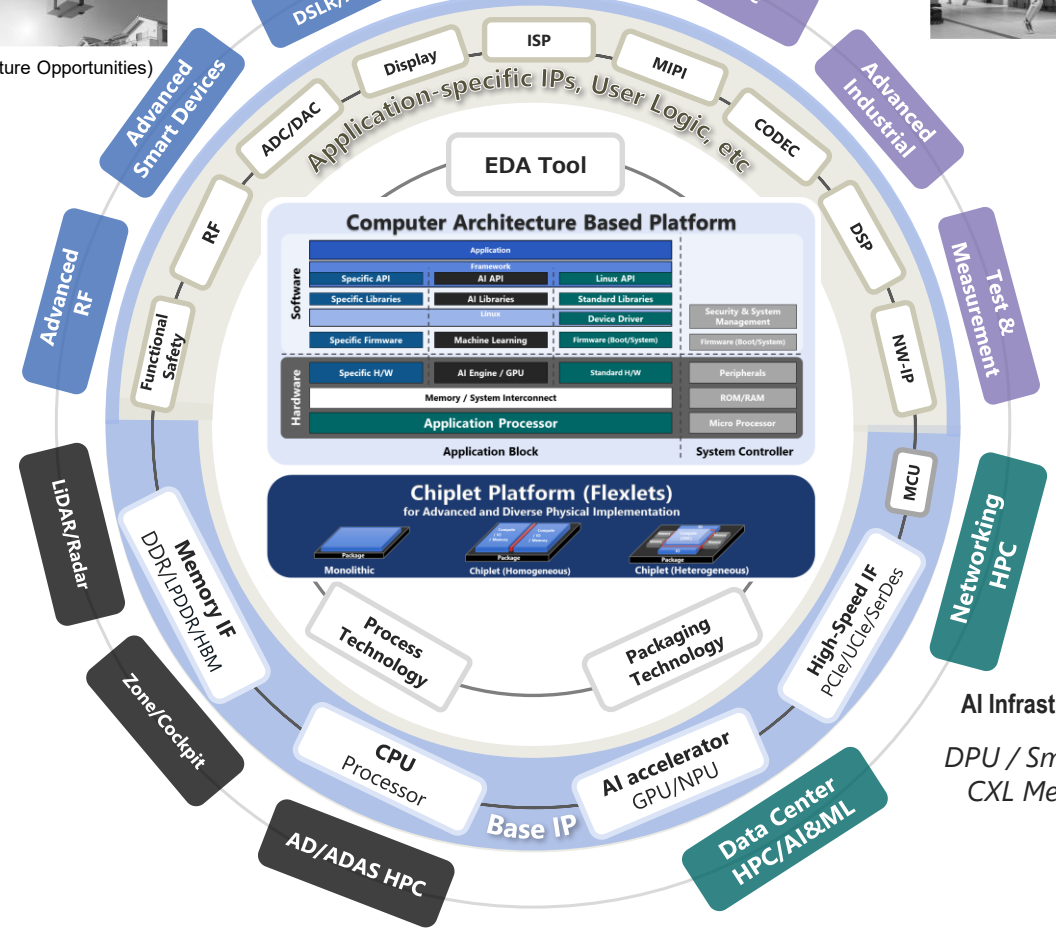
**3/5/7nm**
*HP Computing*



*AD/ADAS HPC*

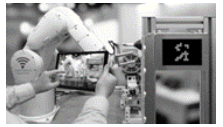
## Physical AI

(Future Opportunities)




## Industrial

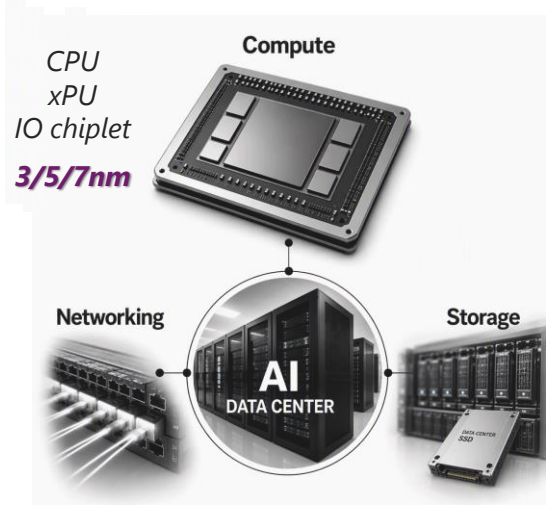
**3/5/7nm**
*Test & Measurement*



**28nm**
*Printer*

## Data Center & Networking

*CPU*
*xPU*
*IO chiplet*
**3/5/7nm**




**AI Infrastructure**
*DPU / SmartNIC*
*CXL Memory*

*NIC & Network Switch*
**4/5/12nm**

*SSD Controller*
**5/12nm**

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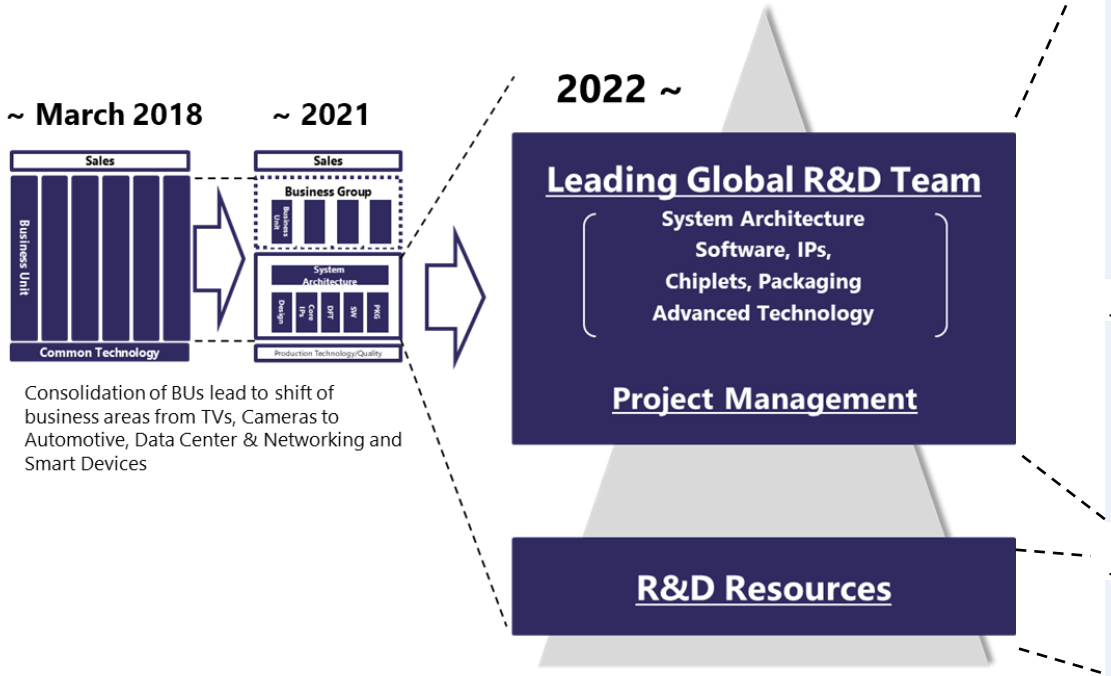
# Strengthening Entire Design Capability / Fundamental Reform of Global Structure

From April 2026 presentation (revised)




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

- 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.)
- Establish teams to address heterogeneous integration and increasingly complex yield and quality challenges

## 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)

- In addition to the U.S., China, and Europe, manage and strengthen internal and external resources in other regions

**Establish and strengthen structure to enable development of multiple products in multiple areas, aligned with Solution SoC business model**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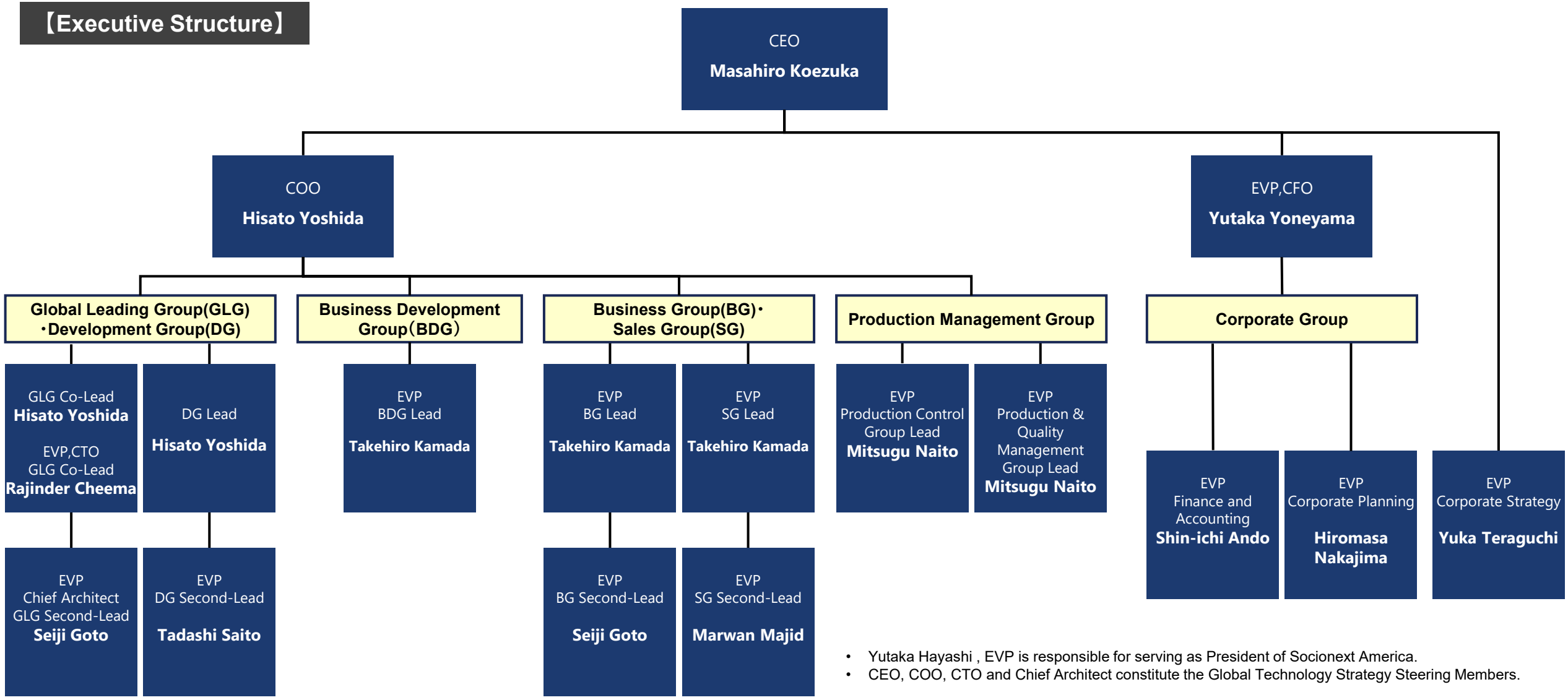
# Strengthen Executive Structure

## 【Executive Structure】




- Yutaka Hayashi , EVP is responsible for serving as President of Socionext America.
- CEO, COO, CTO and Chief Architect constitute the Global Technology Strategy Steering Members.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The Solution SoC Company

# Appendix:

## Overview

- Consolidated Financial Statements
- Breakdown of Net Sales (Quarterly)
- Socionext's Business Model

# Consolidated Statements of Income

| (JPY in billions) | FY21/3 | FY22/3 | FY23/3 | FY24/3 | FY25/3 | FY26/3 | FY27/3 1H |
|---|---|---|---|---|---|---|---|
| Net Sales | 99.7 | 117.0 | 192.8 | 221.2 | 188.5 | 200.8 | 99.4 |
| *% YoY* | *-3.7%* | *+17.3%* | *+64.7%* | *+14.8%* | *-14.8%* | *+6.5%* | *+14.0%* |
| *Product revenue* | *73.1* | 84.6 | 156.8 | 182.9 | 146.6 | 161.8 | 77.6 |
| *NRE revenue* | *23.0* | 28.1 | 34.9 | 37.6 | 41.0 | 38.3 | 21.8 |
| *Other revenue* | *3.6* | 4.3 | 1.1 | 0.8 | 0.9 | 0.7 | 0.0 |
| Cost of Sales | (43.2) | (49.8) | (103.9) | (111.2) | (84.6) | (111.1) | (54.2) |
| Gross Profit | 56.5 | 67.3 | 88.8 | 110.0 | 103.9 | 89.8 | 45.2 |
| *% Margin* | *56.7%* | *57.5%* | *46.1%* | *49.7%* | *55.1%* | *44.7%* | *45.5%* |
| *% Product gross margin* | *40.9%* | *41.2%* | *33.7%* | *39.2%* | *42.3%* | *31.4%* | *30.1%* |
| R&D | (39.2) | (43.2) | (49.3) | (53.3) | (59.8) | (58.5) | (33.8) |
| Selling, General and Administrative Expenses (excl. R&D) | (15.8) | (15.6) | (17.8) | (21.2) | (19.1) | (18.9) | (9.7) |
| Operating Income (Loss) | 1.6 | 8.5 | 21.7 | 35.5 | 25.0 | 12.4 | 1.7 |
| *% Margin* | *1.6%* | *7.2%* | *11.3%* | *16.1%* | *13.3%* | *6.2%* | *1.7%* |
| Non-Operating Income (Loss) | 0.4 | 0.6 | 1.7 | 1.6 | 0.1 | (0.6) | 0.6 |
| Ordinary Income (Loss) | 2.0 | 9.1 | 23.4 | 37.1 | 25.1 | 11.8 | 2.2 |
| Extraordinary Income | 0.0 | 0.0 | 0.0 | 0.0 | 1.8 | 0.0 | 0.0 |
| Extraordinary Losses | (0.0) | (0.0) | (0.0) | (0.0) | (1.5) | (0.0) | (0.0) |
| Income before Income Taxes (Loss) | 2.0 | 9.1 | 23.4 | 37.1 | 25.4 | 11.8 | 2.2 |
| Income Taxes | (0.5) | (1.6) | (3.7) | (11.0) | (5.8) | (0.3) | (0.7) |
| Net Income (Loss) | 1.5 | 7.5 | 19.8 | 26.1 | 19.6 | 8.7 | 1.5 |
| *% Margin* | *1.5%* | *6.4%* | *10.3%* | *11.8%* | *10.4%* | *4.3%* | *1.5%* |
| FX Rate (USD/JPY) | 106.1 | 112.4 | 135.5 | 144.6 | 152.6 | 150.8 | 159.4 |


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# Consolidated Balance Sheets

| (JPY in billions) | FY21/3 | FY22/3 | FY23/3 | FY24/3 | FY25/3 | FY26/3 | FY27/3 1H |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash on-hand and in banks[1] | 42.7 | 46.3 | 45.1 | 69.7 | 72.8 | 44.5 | 22.8 |
| Accounts receivable-trade, net | 28.6 | 25.1 | 40.8 | 35.3 | 31.6 | 36.9 | 45.7 |
| Inventories[2] | 6.7 | 16.4 | 47.7 | 25.5 | 17.0 | 31.1 | 44.6 |
| Other | 2.6 | 2.9 | 22.4 | 8.4 | 4.8 | 10.3 | 10.9 |
| **Total Current Assets** | 80.6 | 90.6 | 156.1 | 138.9 | 126.3 | 122.8 | 123.9 |
| Property, plant and equipment | 8.9 | 11.6 | 17.2 | 21.8 | 22.3 | 23.9 | 32.5 |
| Reticle | 3.7 | 4.7 | 5.6 | 8.1 | 9.7 | 10.9 | 17.1 |
| Other PP&E | 5.2 | 6.9 | 11.6 | 13.7 | 12.6 | 13.0 | 15.4 |
| Intangible assets | 11.6 | 12.2 | 13.0 | 18.5 | 14.4 | 15.1 | 17.3 |
| Deferred tax assets | 2.3 | 3.1 | 6.9 | 6.7 | 6.1 | 4.6 | 4.2 |
| Other | 0.9 | 0.8 | 0.8 | 0.9 | 1.2 | 1.2 | 1.2 |
| **Total Non-current Assets** | 23.7 | 27.8 | 37.9 | 47.9 | 44.0 | 44.8 | 55.2 |
| **Total Assets** | 104.2 | 118.4 | 193.9 | 186.8 | 170.3 | 167.6 | 179.1 |

| | FY21/3 | FY22/3 | FY23/3 | FY24/3 | FY25/3 | FY26/3 | FY27/3 1H |
|---|---|---|---|---|---|---|---|
| **Liabilities and Equity** | | | | | | | |
| Accounts payable-trade | 12.0 | 16.6 | 23.4 | 15.8 | 11.9 | 15.8 | 18.9 |
| Short-term borrowings | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 8.1 |
| Accrued expenses | 7.4 | 6.9 | 30.3 | 18.2 | 12.0 | 9.6 | 8.6 |
| Other | 1.9 | 3.9 | 28.6 | 19.1 | 7.3 | 7.1 | 10.9 |
| **Total Current Liabilities** | 21.3 | 27.4 | 82.3 | 53.1 | 31.3 | 32.5 | 46.5 |
| **Total Non-current Liabilities** | 1.3 | 1.4 | 1.7 | 2.7 | 2.0 | 2.0 | 2.2 |
| **Total Liabilities** | 22.6 | 28.8 | 84.1 | 55.8 | 33.3 | 34.6 | 48.8 |
| Common stock | 30.2 | 30.2 | 30.2 | 32.7 | 33.0 | 33.0 | 33.0 |
| Capital surplus | 30.2 | 30.2 | 30.2 | 32.7 | 33.0 | 33.9 | 34.0 |
| Retained earnings | 21.4 | 28.9 | 48.6 | 63.6 | 74.3 | 74.1 | 71.2 |
| Treasury stock | 0.0 | 0.0 | 0.0 | 0.0 | (5.0) | (10.8) | (10.5) |
| Other | (0.1) | 0.3 | 0.8 | 2.0 | 1.8 | 2.7 | 2.6 |
| **Total Equity** | 81.7 | 89.6 | 109.9 | 131.0 | 137.0 | 133.1 | 130.3 |
| **Total Liabilities and Equity** | 104.2 | 118.4 | 193.9 | 186.8 | 170.3 | 167.6 | 179.1 |

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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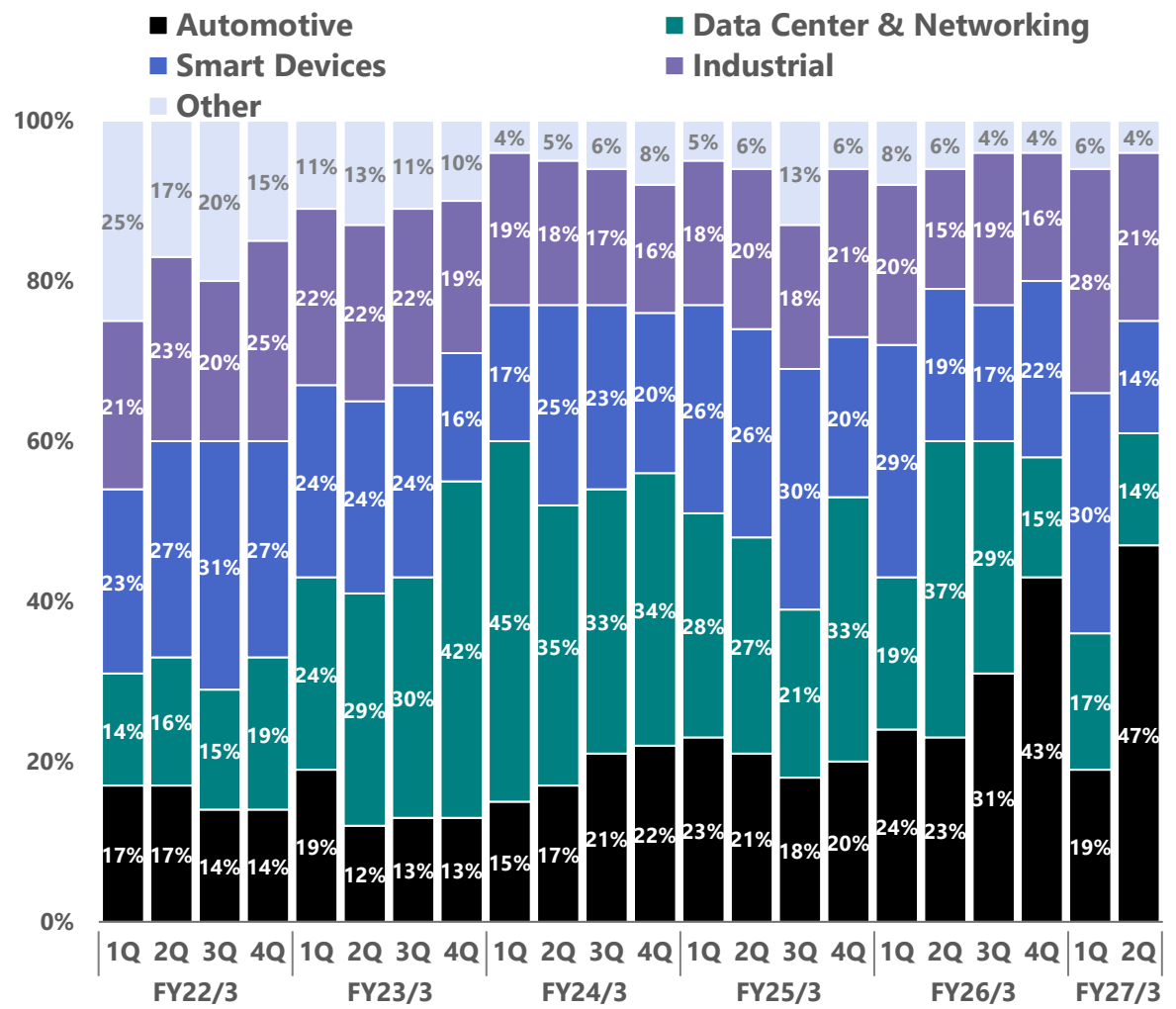
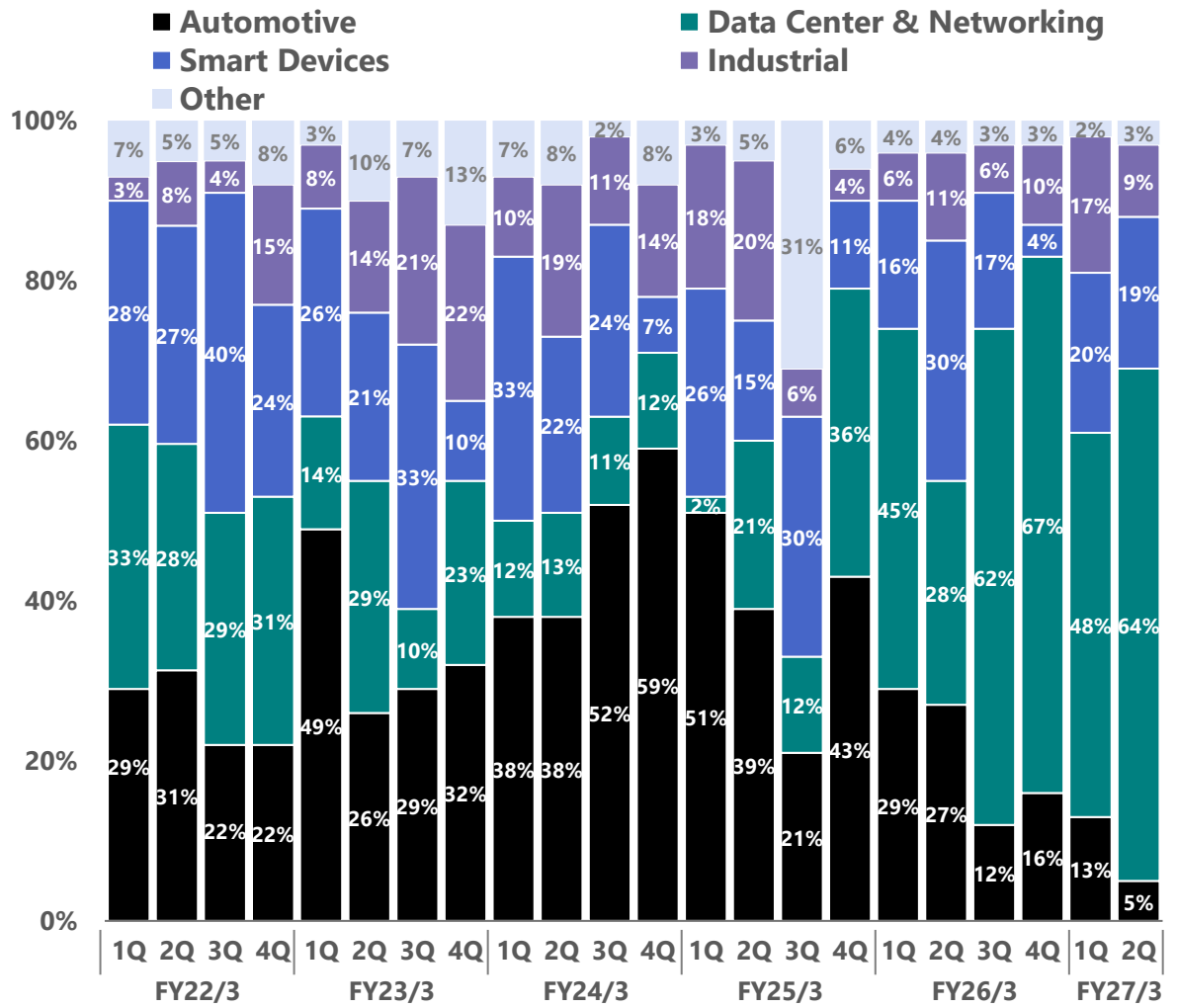
# Breakdown by Application Market (Quarterly)

## 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.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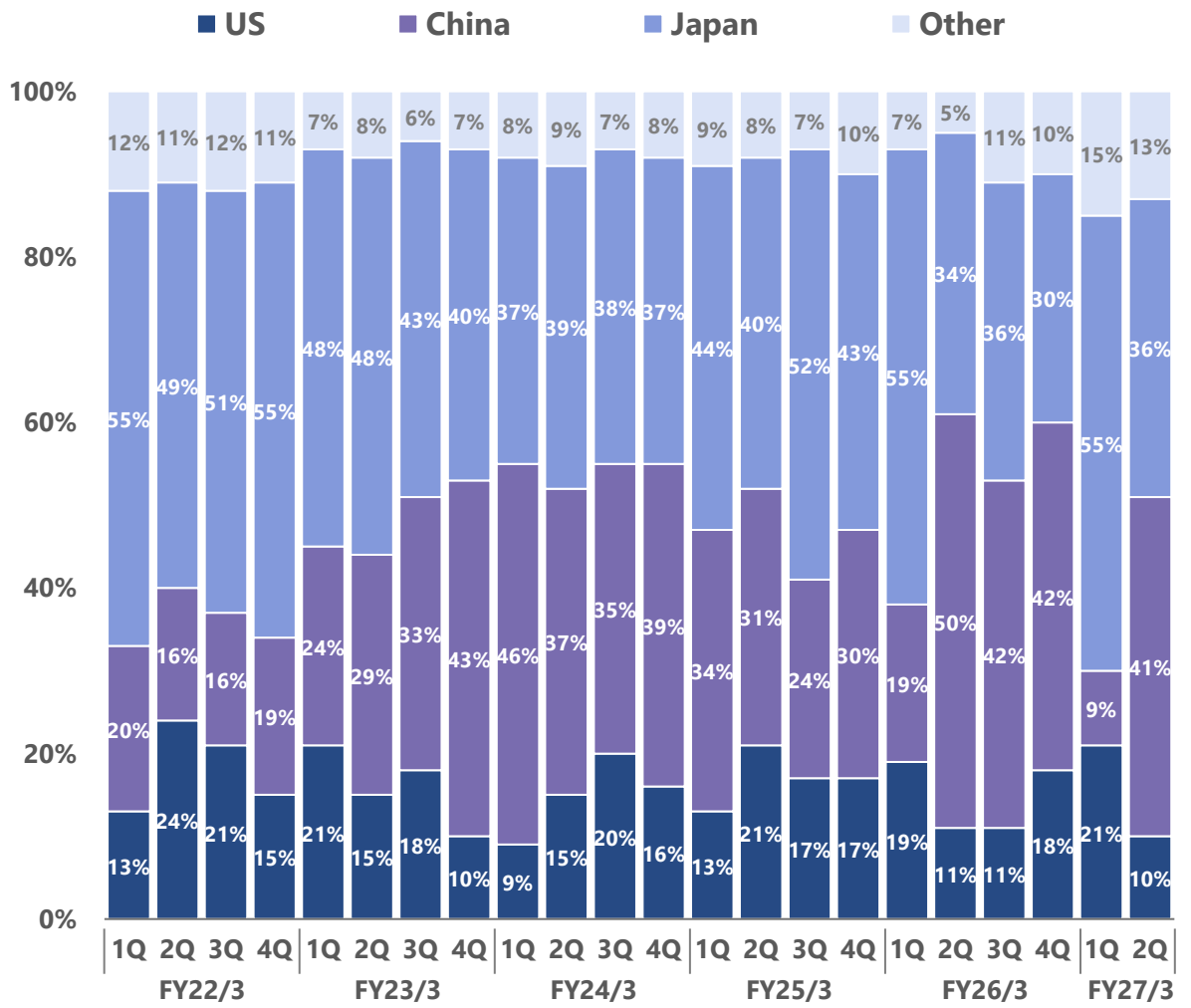
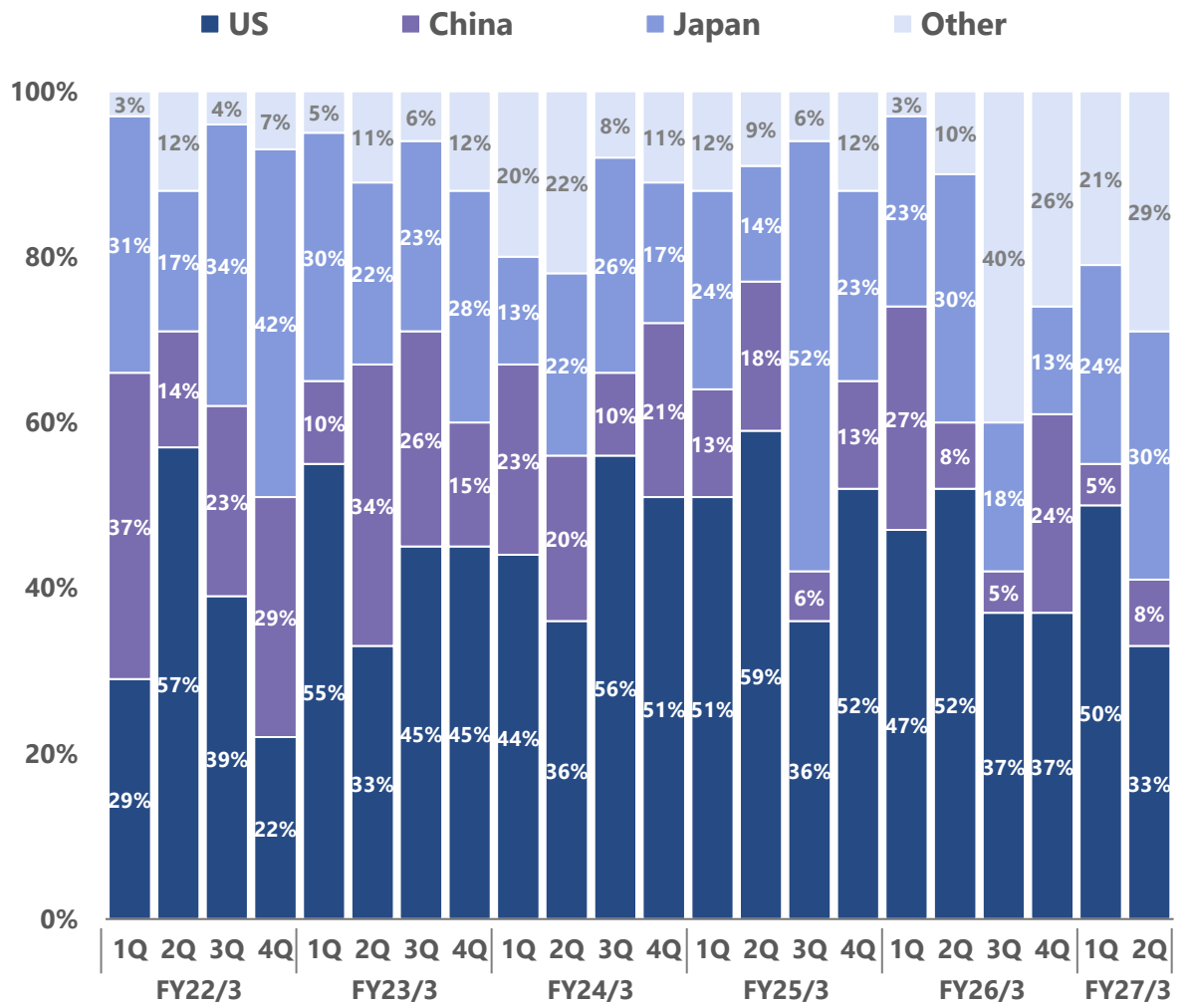
# Breakdown by Geographic Region (Quarterly)

## 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.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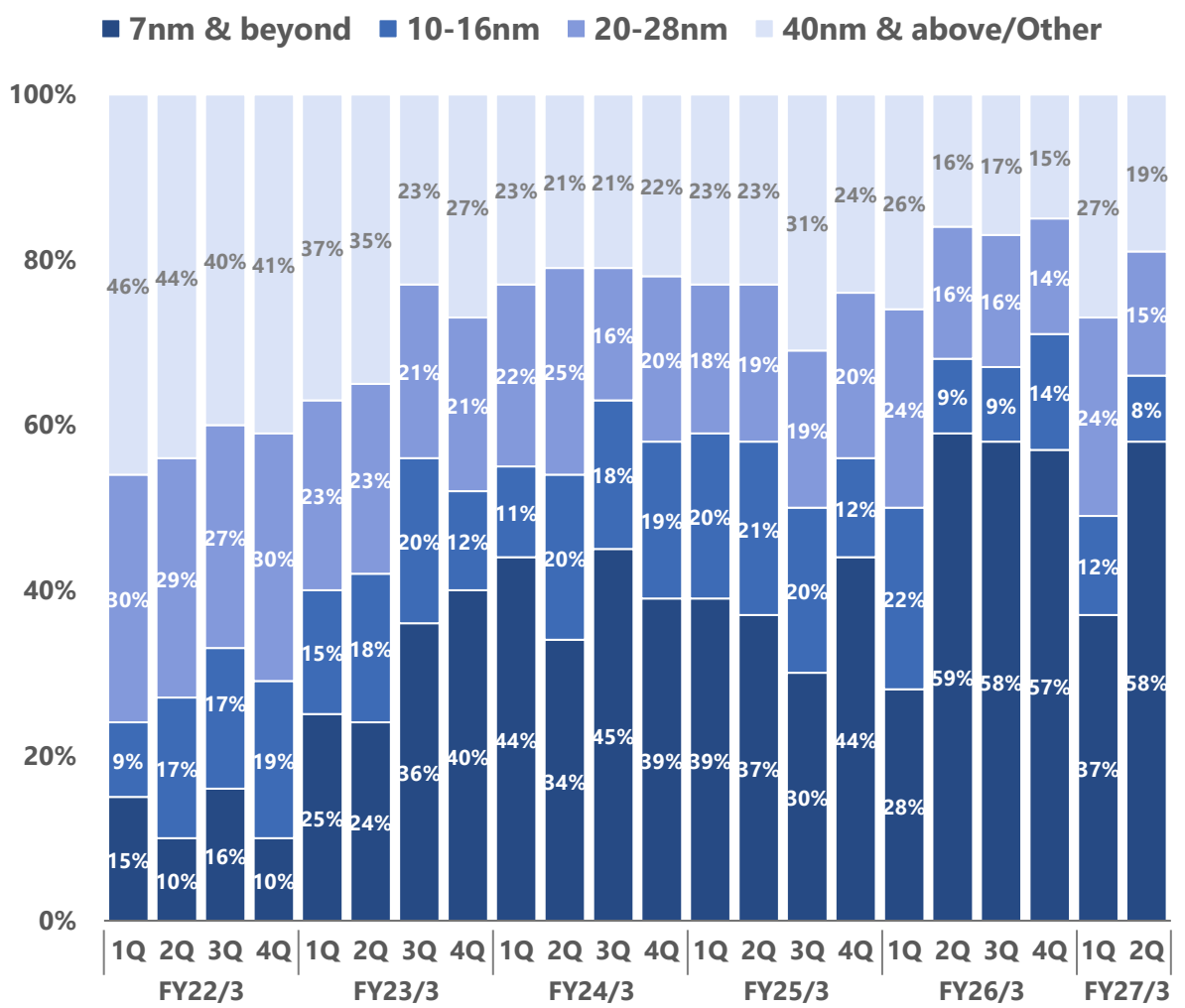
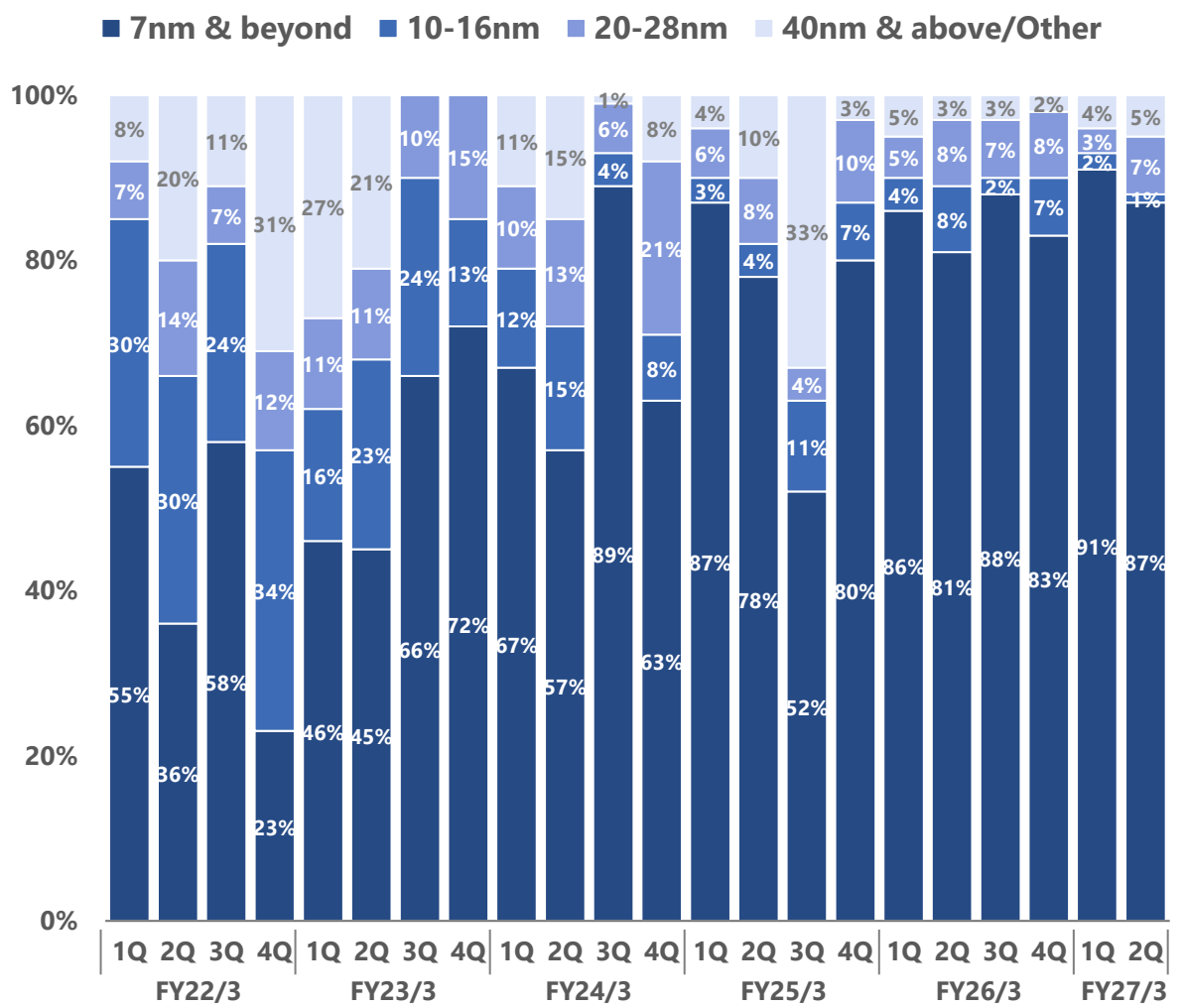
# Breakdown by Process Node (Quarterly)

## 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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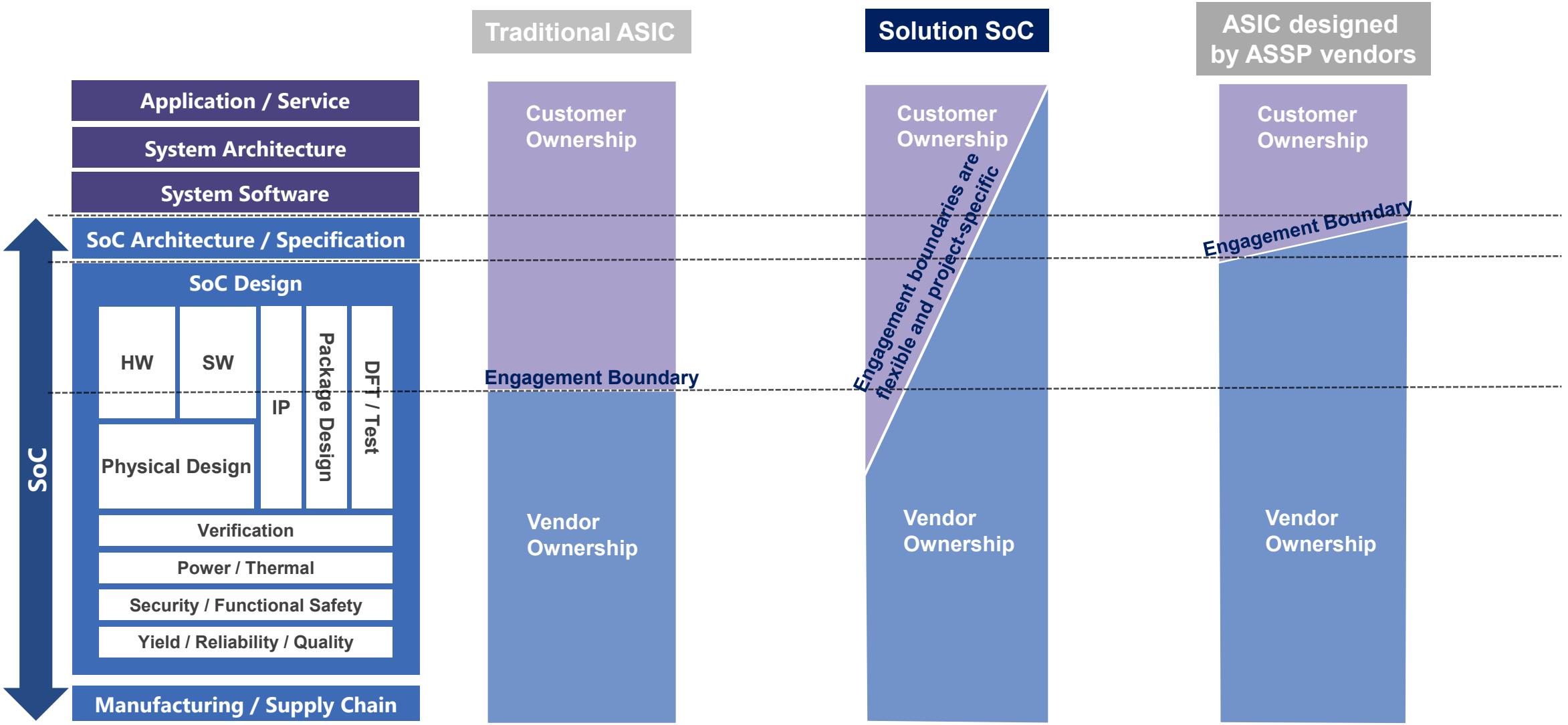
# Evolution of System Ownership in Industry

System value creation is shifting upstream -- from implementation to architecture and system realization

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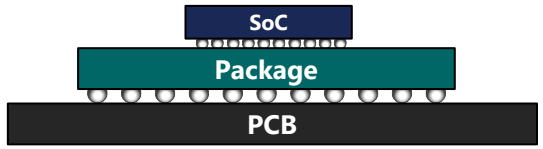
# Technology Evolution: From Chip Design to System Realization

Optimization scope is expanding from silicon to the entire system

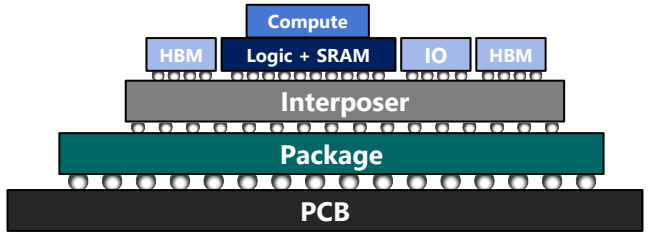
**Traditional ASIC**
Optimize Silicon
RTL • Physical • Package • Test

**Solution SoC**
Optimize the Entire Design
Optics • IVR • Power • Thermal • Test • Yield

## Chip-Level Optimization

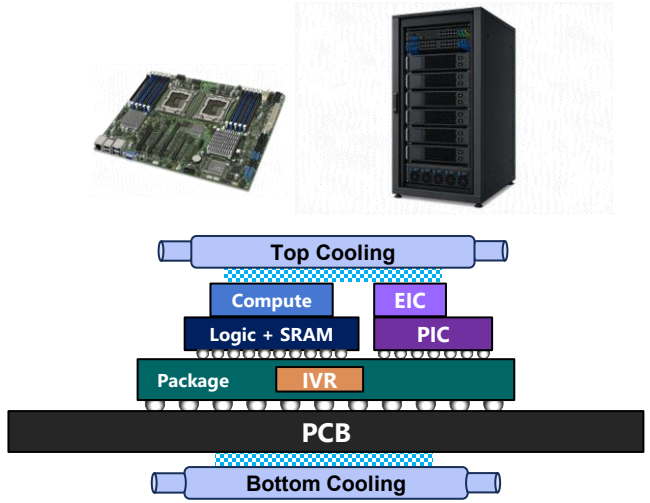



## Package-Level Optimization




## System-Level Optimization

Architecture / Power / Thermal / Test / Yield




**Design Scope: Chip + Package**
**Optimization: PPA + Bandwidth + Package**

**Design Scope: System-to-Silicon**
**Optimization: Performance + Power + Thermal + Test + Yield + Cost**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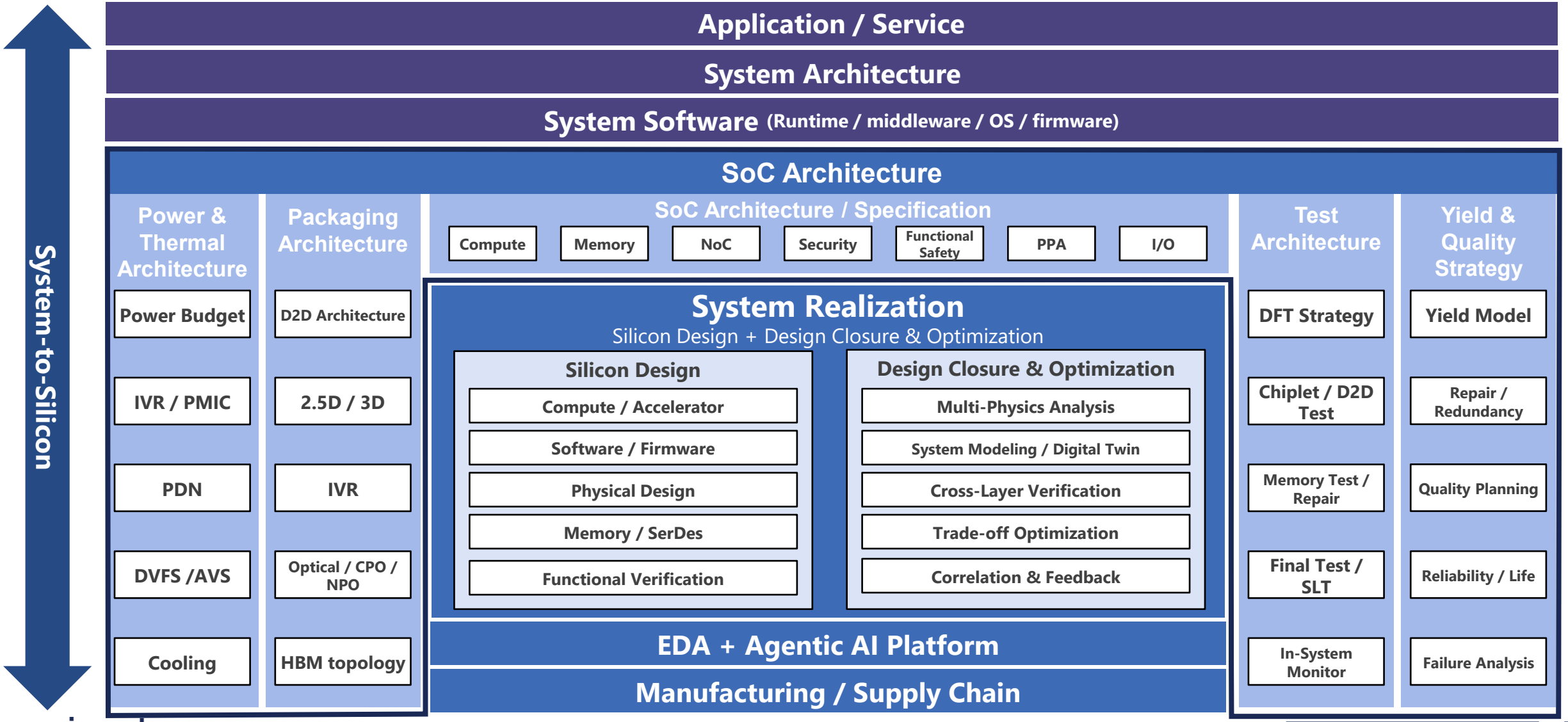
# Architecture-Driven System Realization

Power, package, test, yield and AI must be architected from the beginning

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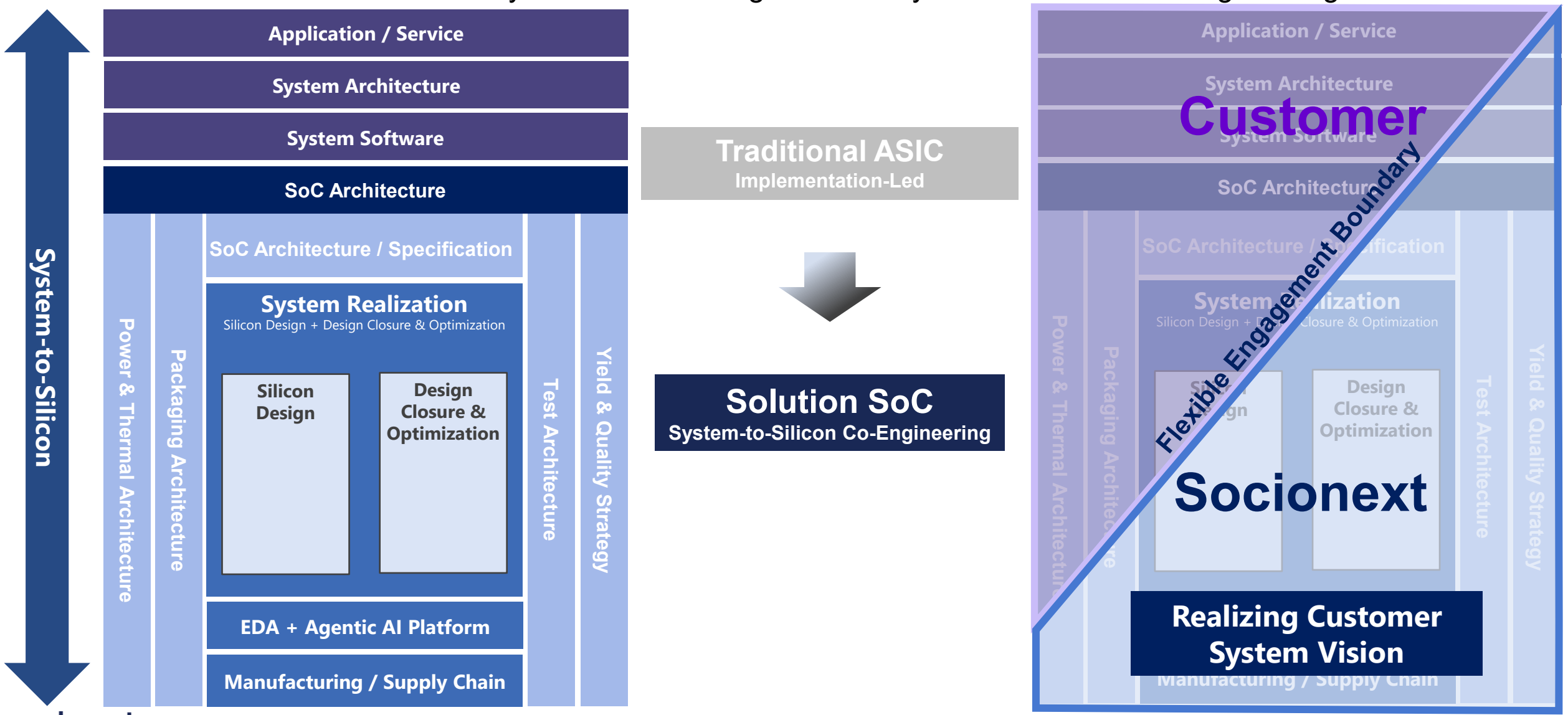
# Flexible System Realization Partner

Socionext realizes each customer's system vision through flexible System-to-Silicon Co-Engineering

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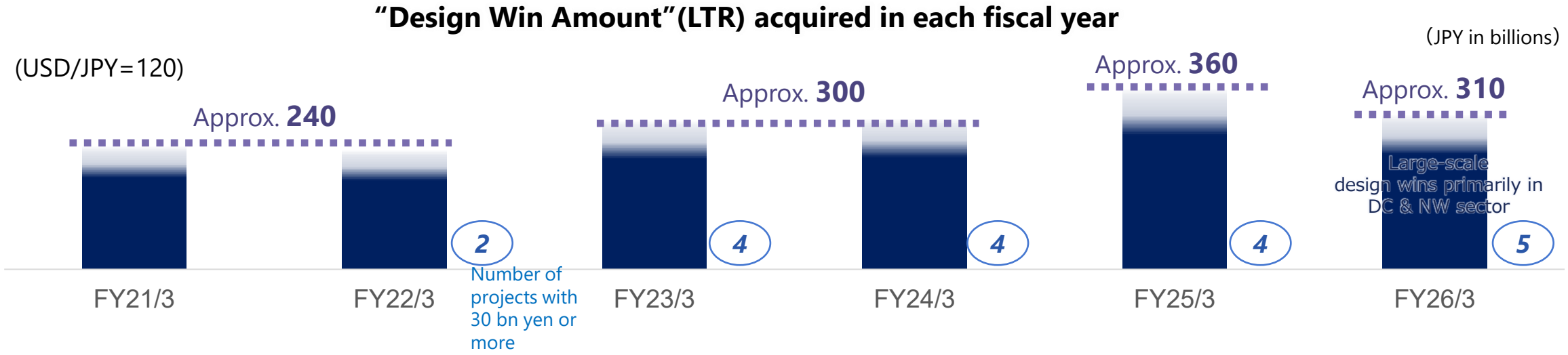
The Solution SoC Company

# The following slides are excerpts from the FY2026/3 financial results presentation (April 2026)

# 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.




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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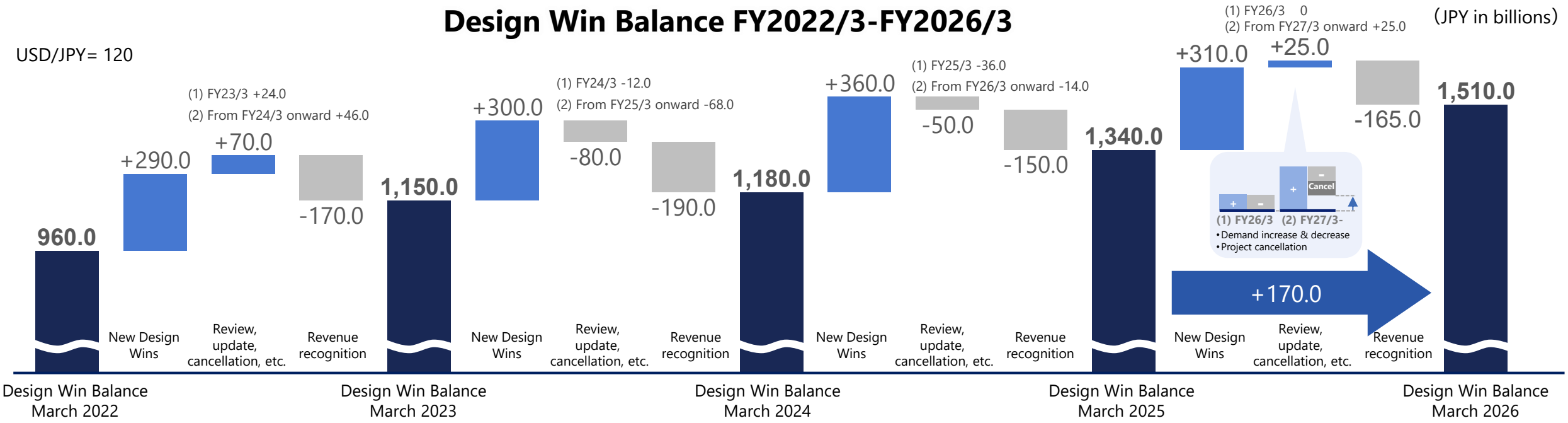
# Design Win Balance: Breakdown of Changes

- 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

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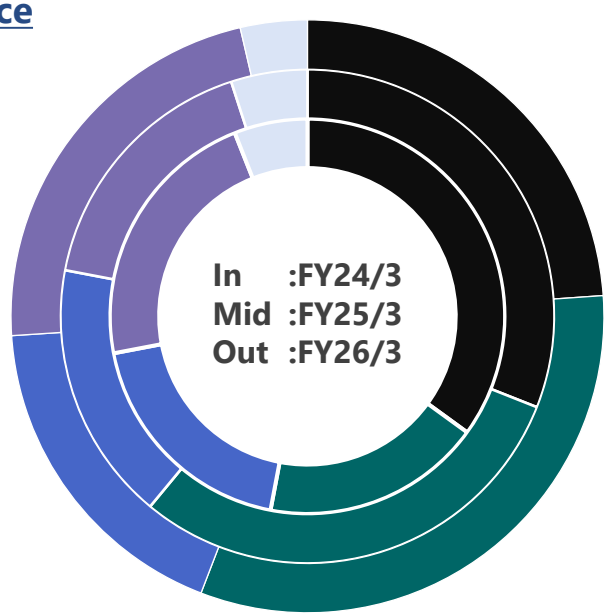
# Design Win Balance: by Application Market and Region

- By application market:
  - Share of Data Center & Networking and Industrial increased in FY2026/3, while Automotive and Other declined.
  - Aiming to achieve a well-balanced portfolio over medium- to long-term across Automotive, Data Center & Networking, and other markets, 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.

**By application**

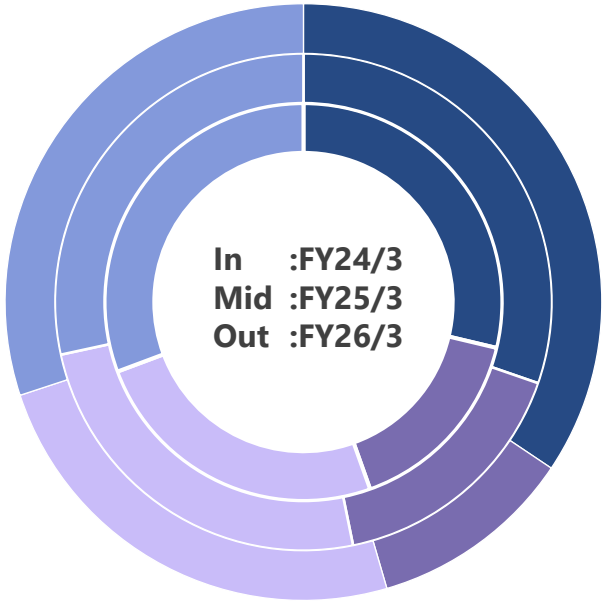
**Design Win Balance**
**FY24/3: 1,180 bn yen**
**FY25/3: 1,340 bn yen**
**FY26/3: 1,510 bn yen**

- Automotive
- Data Center & Networking
- Smart Devices
- Industrial
- Other




**By geographic region [1]**

- US
- China
- EU and Asia (excluding China and Japan)
- Japan




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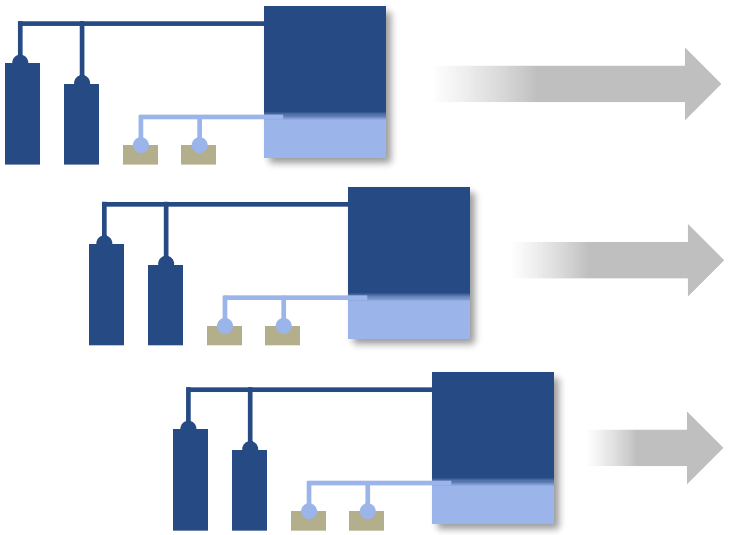
# "Design Win Amount" to Revenue / Illustrative Description of "Design Win Balance"

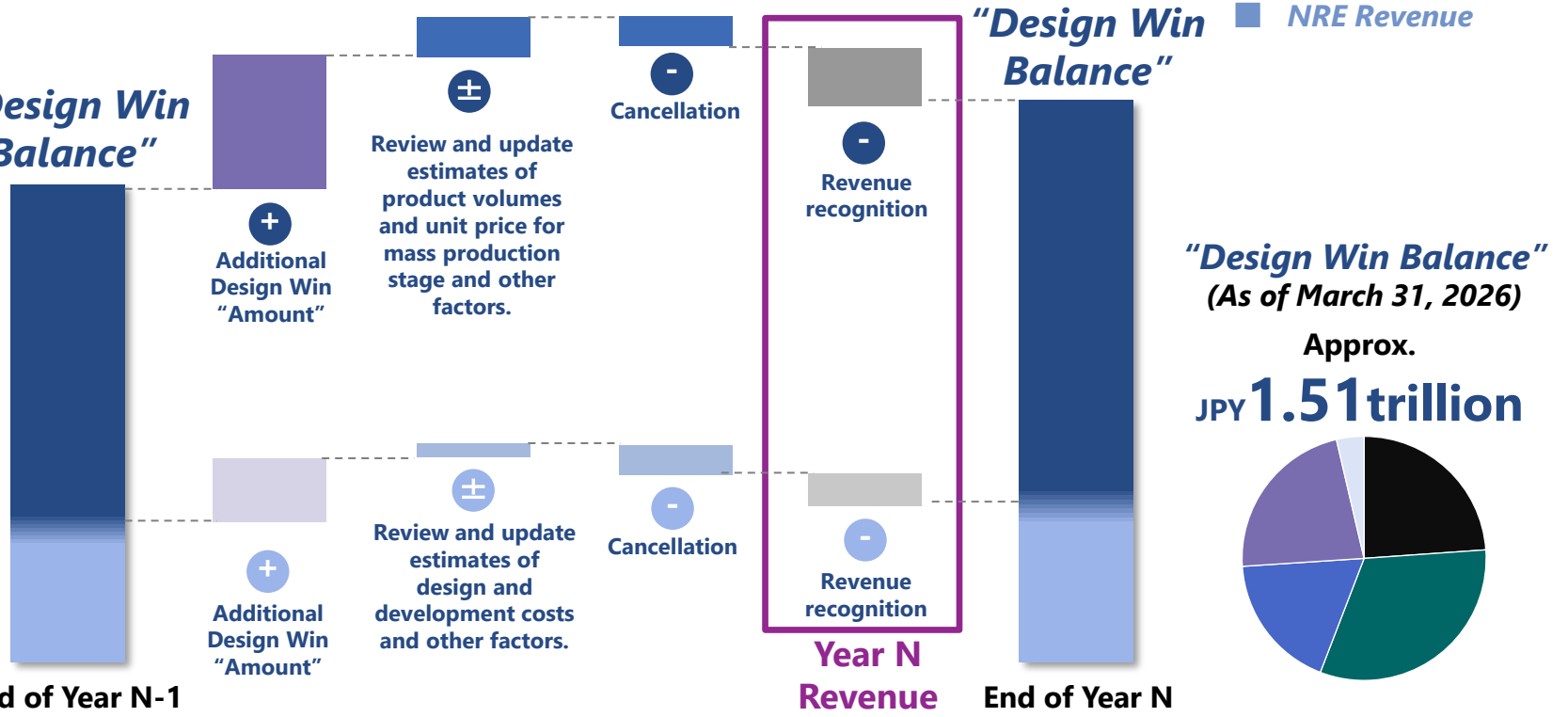
**"Design Win Balance[1]" ・・・**

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




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




## "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"

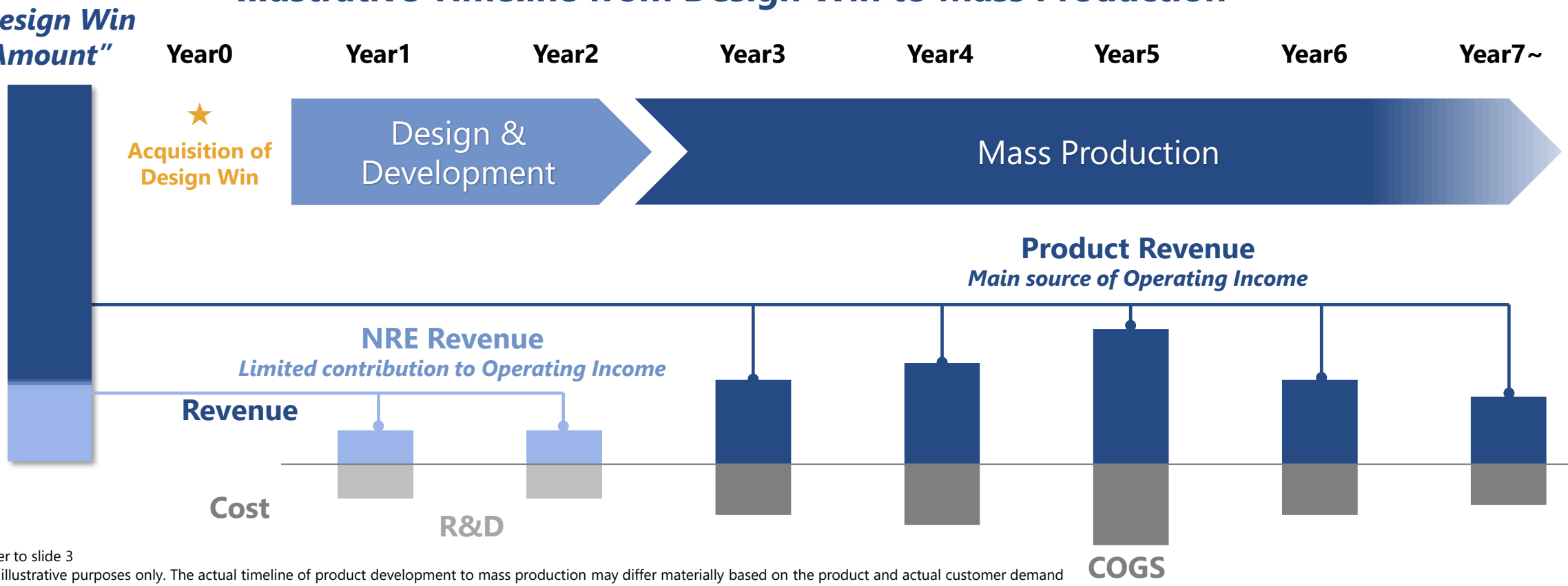
**"Design Win Amount[1]" ・・・**

***"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 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

- **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<br>Mature Market | Mainly Domestic Focus | Follower | Hierarchical Organization |
| 2018 | | | | | |
| Present | Focus on Solution SoC<br>in custom SoC mkt. | Automotive, Data Center & Networking, Smart Devices, Industrial<br>Growth Market | Global Market | Leader<br>*(2nm, 3nm, Chiplet)* | Quick Decision-Making with a Flat Team Structure |

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The Solution SoC Company