



MegaChips Corporation Briefing FY2025 1Q (Ending March 2026)

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FY2025 (ending March 2026) 1Q Results

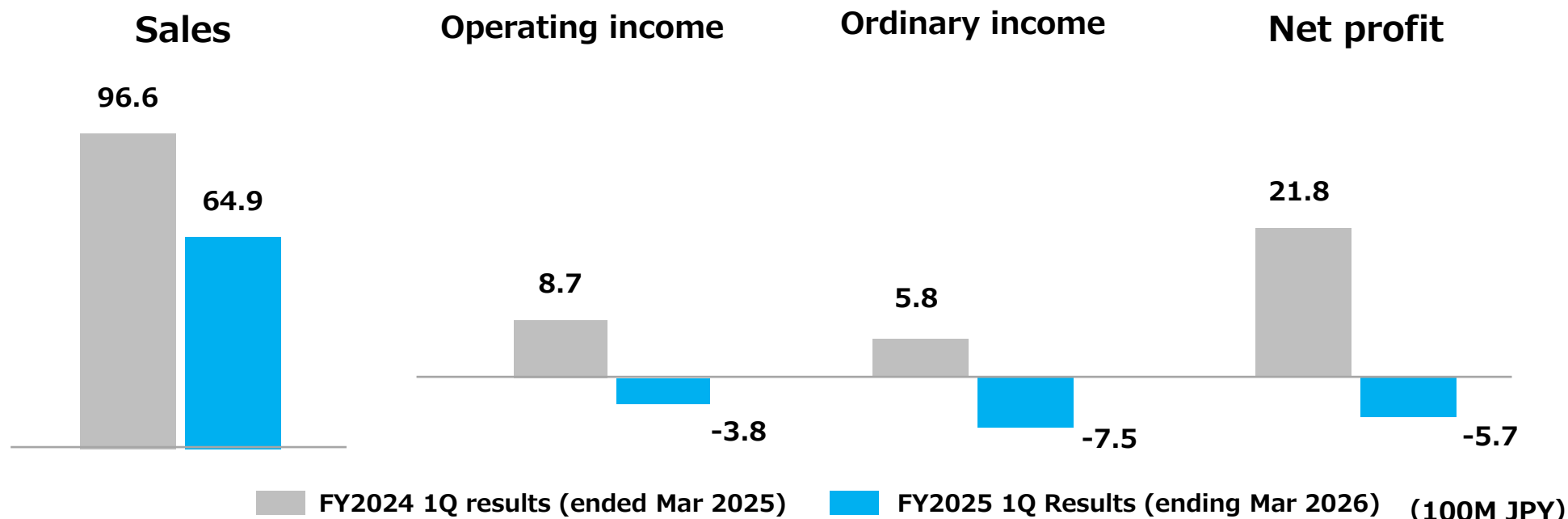
FY2025 (ending March 2026)

1Q Consolidated results (P/L) Summary

(Unit : ¥ Million)		FY2024 1Q Results (ended Mar 2025)	FY2025 1Q Results (ending Mar 2026)	YoY (%)	FY2025 Full-year Forecast (ending Mar 2026) published on May 14, 2025
Consoli dated	Sales	9,660	6,490	-32.8	42,000
	Cost of sales	7,261	5,500	-24.3	
	SG&A expenses	1,523	1,379	-9.5	
	Operating income	874	-389	—	3,000
	Operating profit ratio	9.1%	-6.0%	—	7.1%
	Ordinary income	584	-752	—	2,700
	Net profit belonging to shareholders of parent company	2,187	-575	—	4,000
	Earnings Per Share (¥)	121.85	-34.10	—	234.33
Exchange rate : US\$		161.07 JPY	144.59 JPY		130.00 JPY

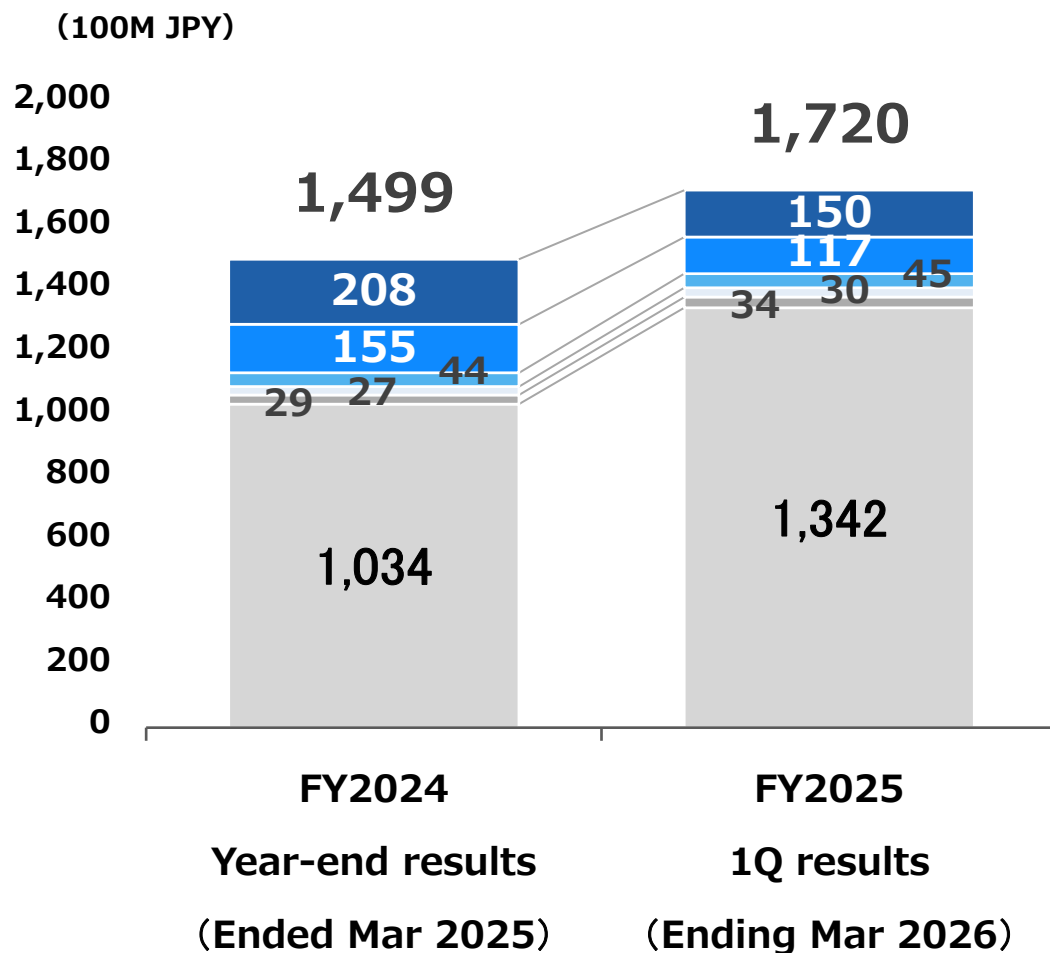
FY2025 (ending March 2026)

1Q Consolidated results (P/L) Breakdown



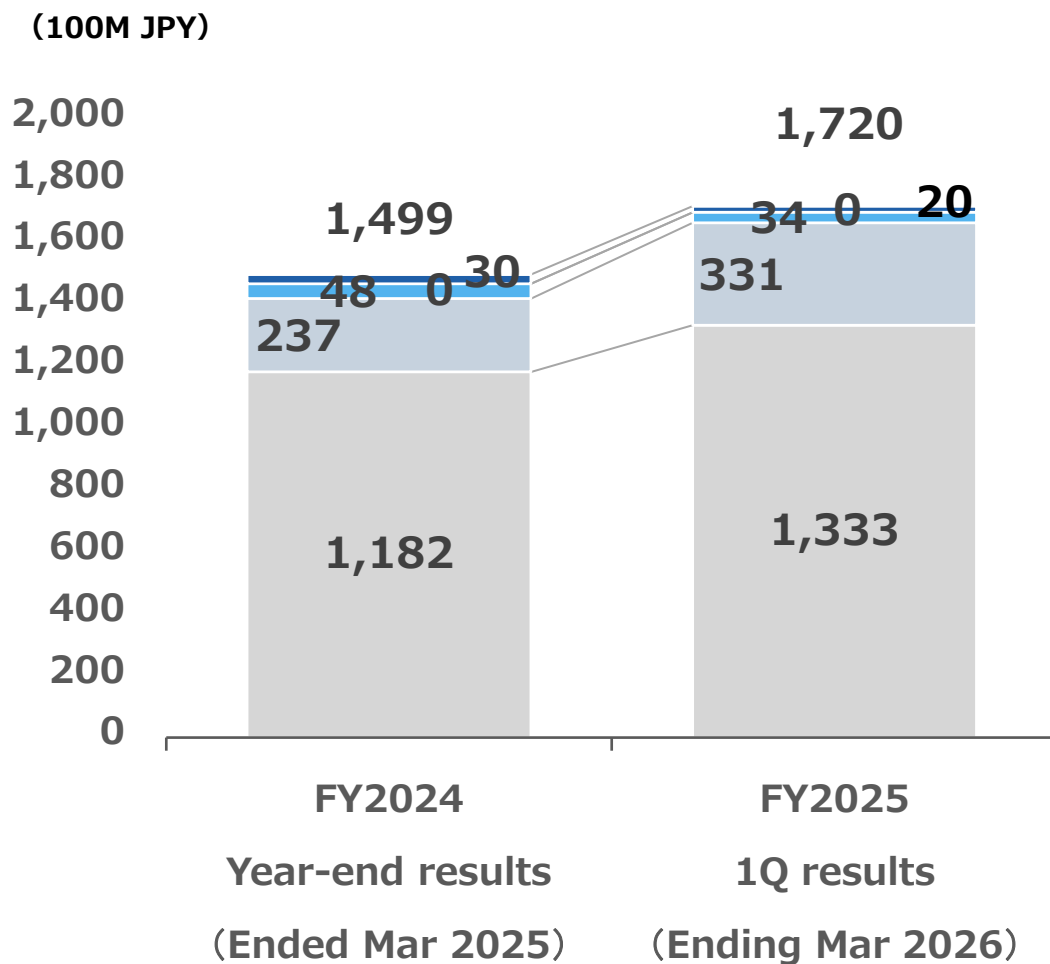
Sales 6,490M JPY [Reasons for YOY Change] <ul style="list-style-type: none">• Demand for Amusement business declined• Contract development (NRE Sales) of ASIC business shifted from 1Q to 2Q	Operating income -380M JPY [Reasons for YOY Change] <ul style="list-style-type: none">• Decline in gross profit due to sales decrease	Ordinary income -750M JPY [Reasons for YOY Change] <ul style="list-style-type: none">• Decline in operating income	Net profit -570M JPY [Reasons for YOY Change] <ul style="list-style-type: none">• Decline in ordinary income• An extraordinary profit from sale of SiTime's shares for 4,030M JPY was posed in the previous fiscal year.
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FY2025 (ending March 2026) Financial Status (Assets)



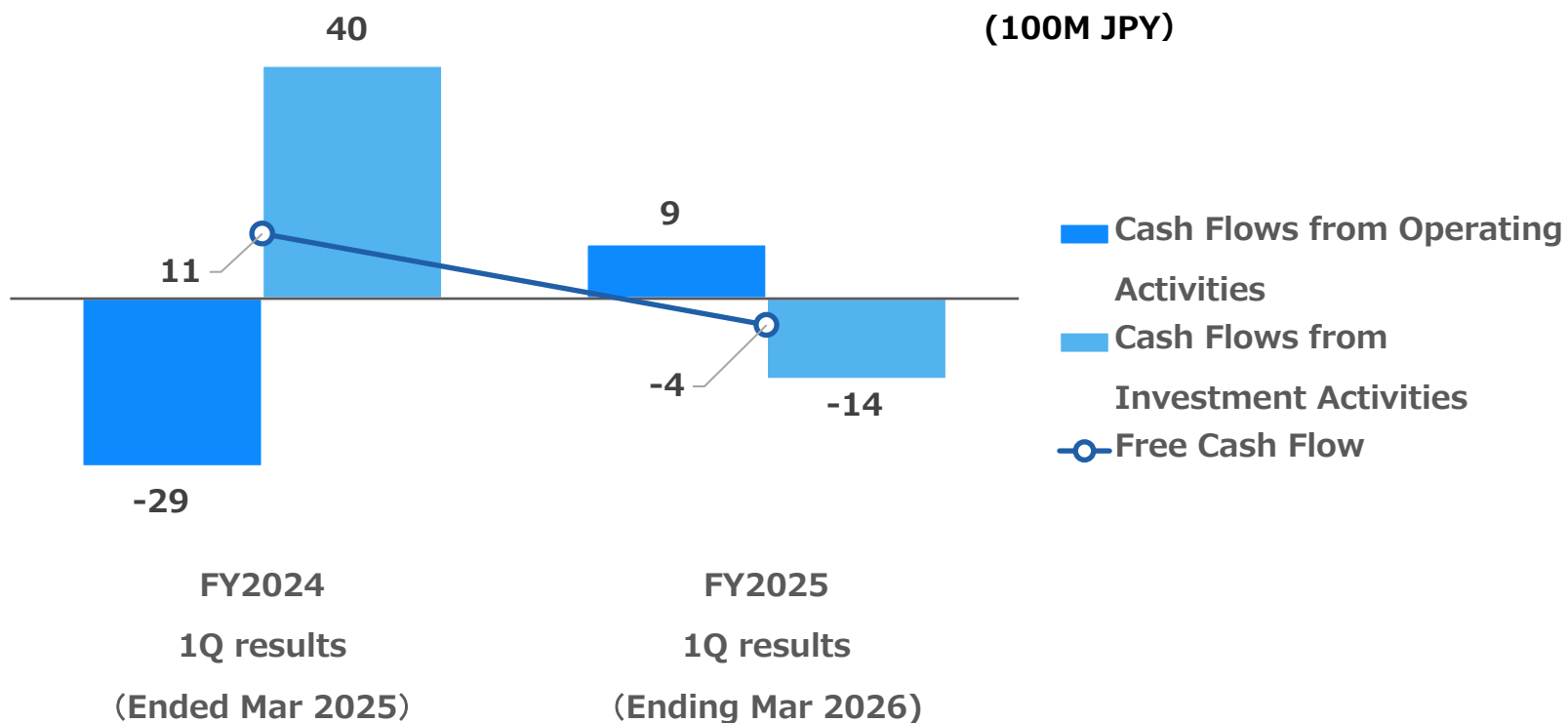
	(Unit: ¥100M)	Change (FY24→FY25)	Change rate (Change÷FY24)
Cash/cash equivalents		▲58.1	▲28%
Notes/accounts receivables		▲37.7	▲24%
Inventories		+1.7	+4%
Other current assets		+2.2	+8%
Intangible/Tangible fixed assets		+5.2	+18%
Investment and other assets		+307.8	+30%

FY2025 (ending March 2026) Financial Status (Liabilities/Net assets)



(Unit : ¥100M)		Change (FY24→FY25)	Change rate (Change÷FY24)
Notes/account payables		-10.0	-33%
Interest-bearing debt		—	—
Other current liabilities		-14.1	-29%
Other fixed liabilities		+94.4	+40%
Net assets		+151.0	+13%

FY2025 (ending March 2026) Cash Flows



FY2025 (ending March 2026) Forecast

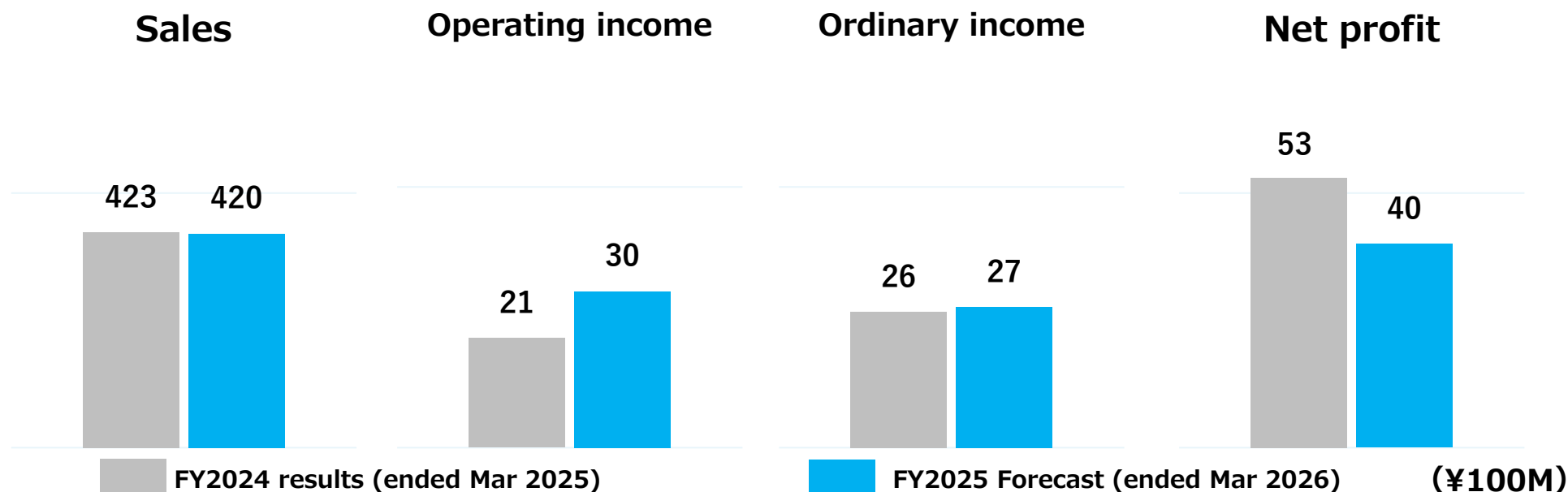
FY2025 (ending March 2026) Forecast

The profit margin is expected to improve due to increased product sales in ASIC outside the amusement field, as well as in the ASSP business. We will continue to focus on strengthening existing businesses and nurturing new ones, with the goal of achieving mid-to long-term growth.

(Unit : ¥ Million)		FY2024 Full-year results (ended Mar 2025)	FY2025 Full-year forecast (ending Mar 2026)
Consolidated	Sales	42,326	42,000
	Operating income	2,190	3,000
	Ordinary income	2,608	2,700
	Net profit belonging to shareholders of parent company	5,371	4,000
	Earnings Per Share (¥)	306.27	234.33
Operating profit ratio		5.2%	7.1%
Net profit ratio		12.7%	9.5%
Exchange rate: US\$		149.52 JPY	130.00 JPY

- ※ In the fiscal year ended March 2024, a gain on sales of shares in subsidiaries and associates of ¥7,700 million was posted as an extraordinary profit due to the sale of a portion of shares in SiTime Corporation.
- ※ In the fiscal year ending March 2026, an extraordinary profits of around ¥3,500 million of gain from securities are projected due to a partial sale of SiTime's shares.

FY2025 Forecast (P/L) Breakdown

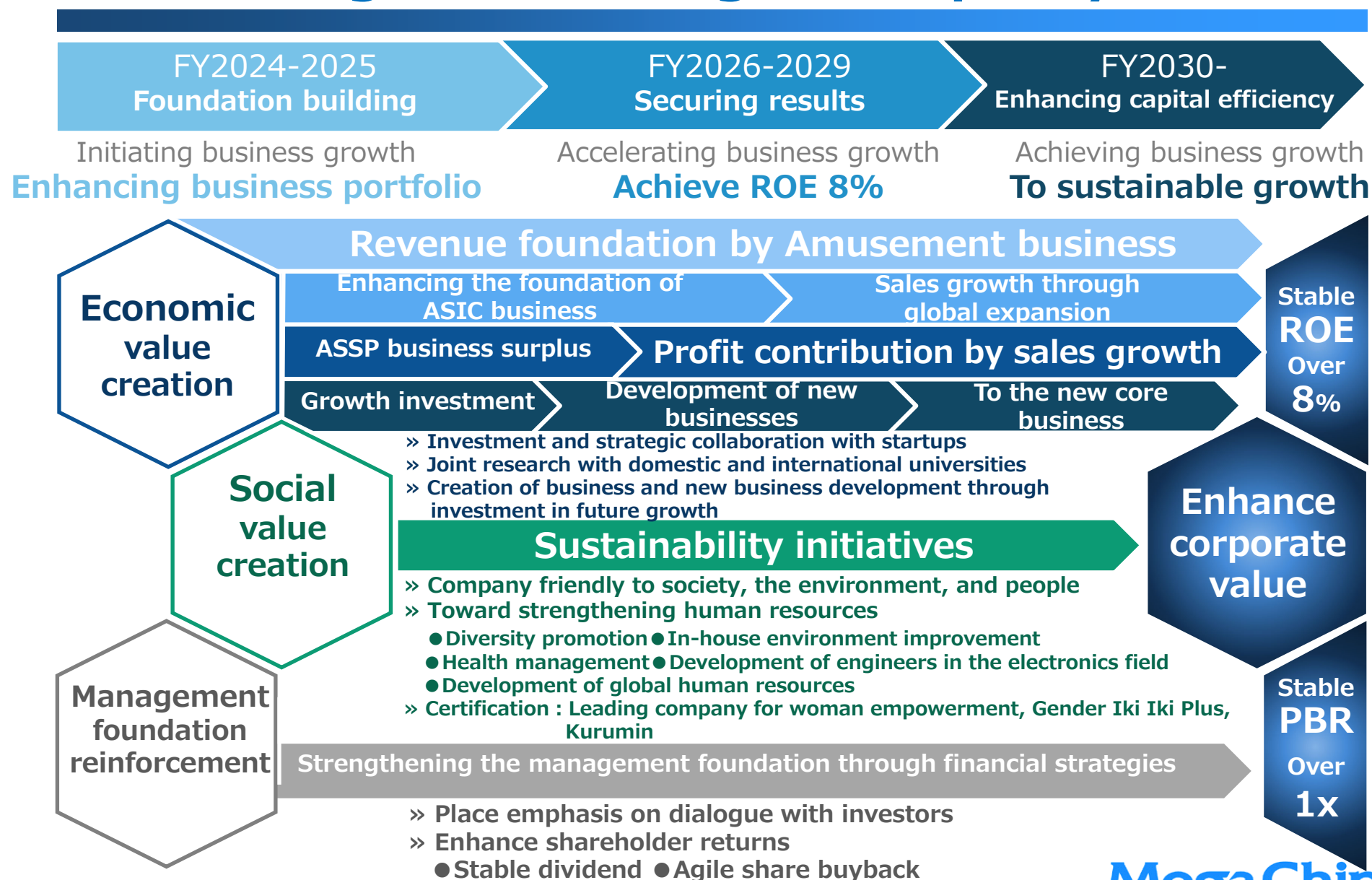


<p>Sales YoY -300M JPY (-0.8%)</p> <ul style="list-style-type: none"> • Product sales in the ASIC and ASSP business are expected to increase compared to the previous fiscal year. • Contract development of ASIC business is projected to stay strong (NRE sales) 	<p>Operating income YoY +900M JPY (+8.6%)</p> <ul style="list-style-type: none"> • Profits are expected to increase as product sales in the ASIC and ASSP businesses are projected to improve. 	<p>Ordinary income YoY +90M JPY (+3.5%)</p> <ul style="list-style-type: none"> • Non-operating income is expected to decrease while operating income is projected to increase. 	<p>Net profit YoY -1,300M JPY (-25.5%)</p> <ul style="list-style-type: none"> • Gain from investment securities for around ¥3,500M as an extraordinary profits is expected be posted due to the sale of portion of shares in SiTime. (In the last fiscal year, Gain from investment securities of SiTime for ¥7,700M was posted.)
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Appendix

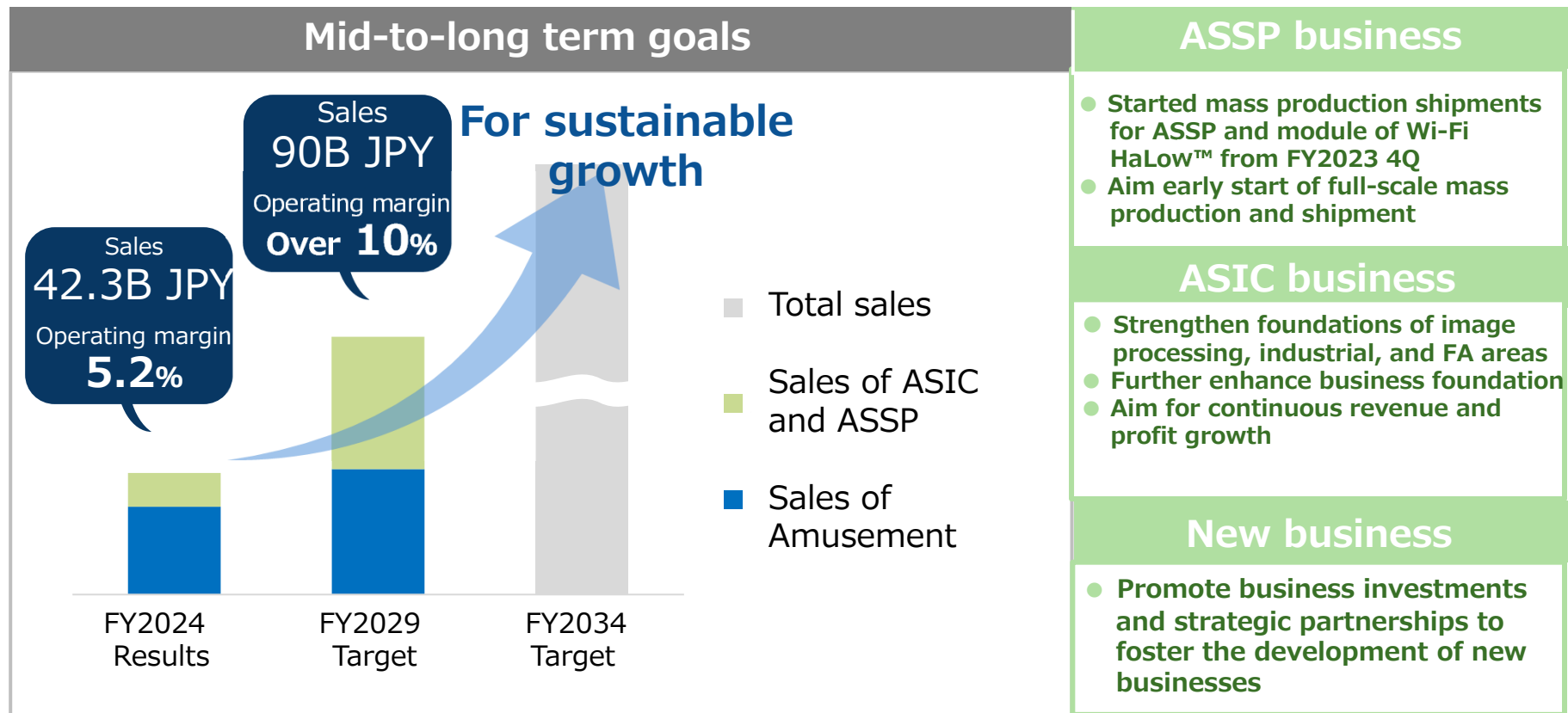
FY2025 Mid-to-long term Management Policy

Mid-to-long term management policy



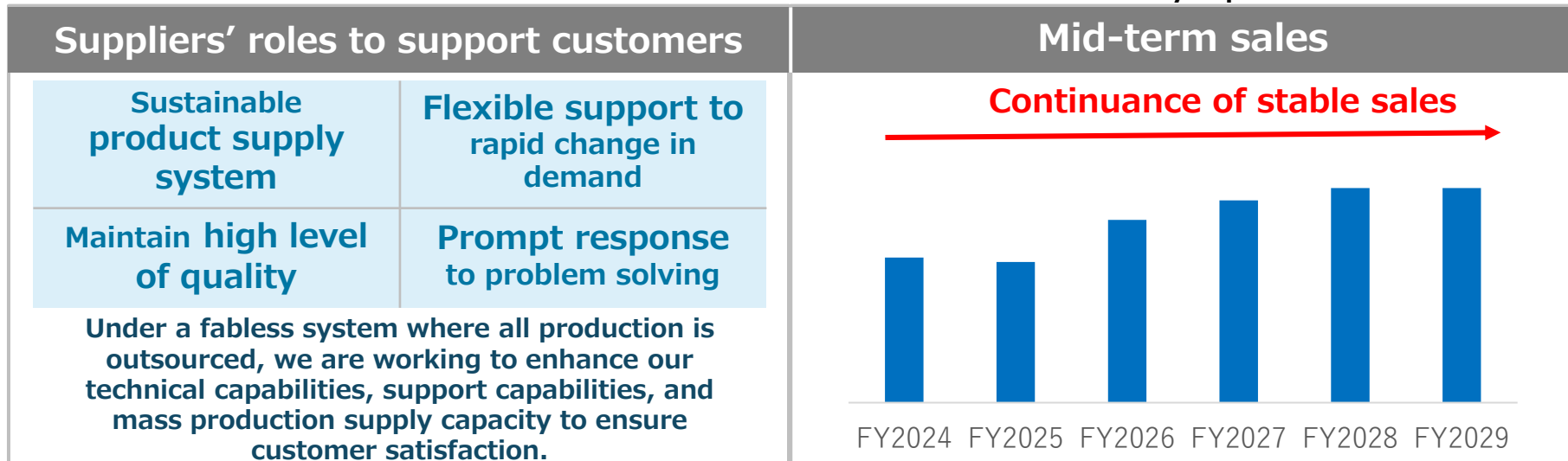
Mid-to-long term management policy

While strengthening the business foundations of our core existing businesses, Amusement and ASIC, we are allocating managerial resources to the ASSP business and accelerating its development into a profitable venture. Furthermore, we are actively exploring and nurturing a fourth new business, aiming to expand our business portfolio over the medium to long term.



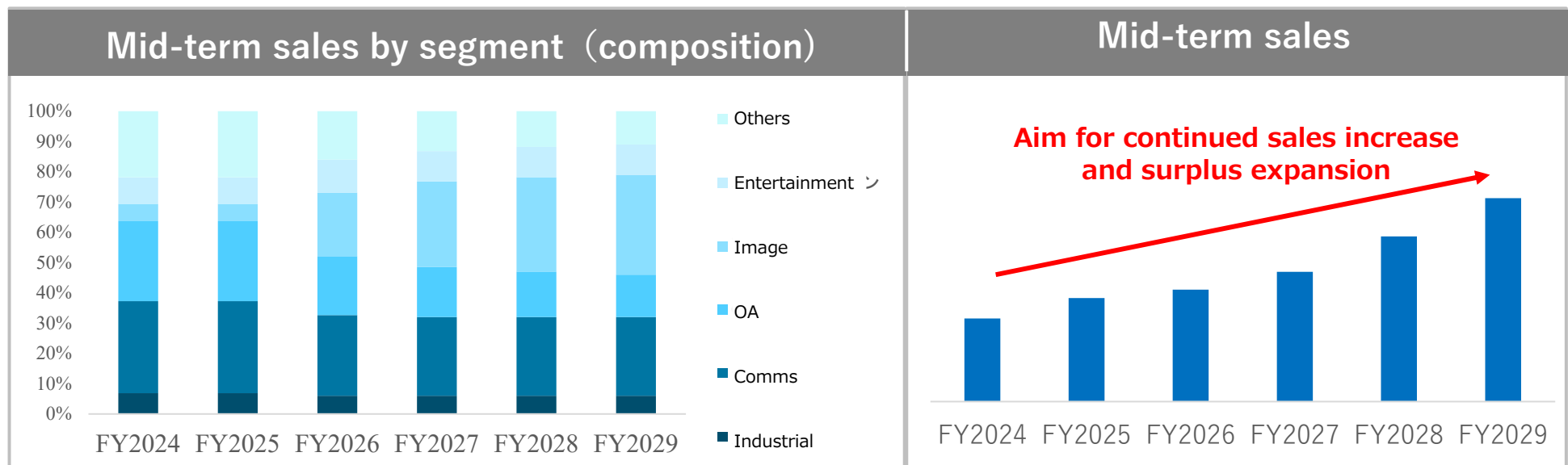
Mid-to-long term plan (Amusement business)

Strength	Market environment	Mid-to-long term plan
<ul style="list-style-type: none"> Continued customer-oriented sales activities and maintaining good and close relationships with major customer and related suppliers Secure procurement based on customer demand 	<ul style="list-style-type: none"> The market in which the customer demands change greatly in the short-term 	<ul style="list-style-type: none"> Solidify foundation as a major business Maintain good and close relationships with customers and related suppliers. Provide higher level quality by strengthening technological and analysis capabilities Product supply for a business of next generation game console Launch of mass production of products for customers Continuously capture market shares



Mid-to-long term plan (ASIC business)

Strength	Market environment	Mid-to-long term plan
<ul style="list-style-type: none"> ● Solution proposal and technological capabilities that solve customers' problems ● One-stop customer support 	<ul style="list-style-type: none"> ● Rapid advancement of AI and IoT technologies ● Increase in semiconductor demands in the industrial equipment sector driven by automation, smart technologies, and communication infrastructure equipment 	<ul style="list-style-type: none"> ● Offer flexible solutions according to customer needs ● Strengthen technological capabilities including high-speed analog circuit/encryption, image processing ● Cost reduction and shorten development period by design efficiency ● Enhance international customer development and grow business in the global markets



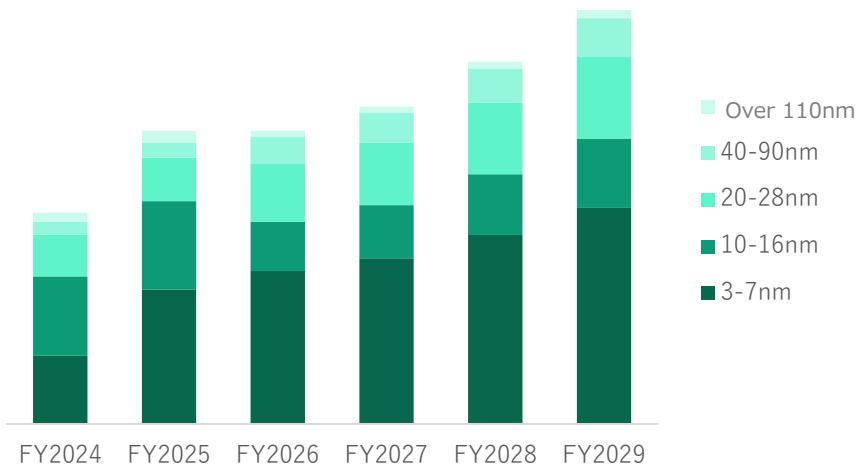
Mid-to-long term plan (ASIC business)

Overview of the process from securing contract development (NRE) orders to mass production

1st year 2nd year 3rd year 4th year 5th year 6th year 7th year onward



Transition of process node of contract development(NRE)



● The proportion of advanced processes is expected to increase in the medium to long term

Mid-to-long term goals

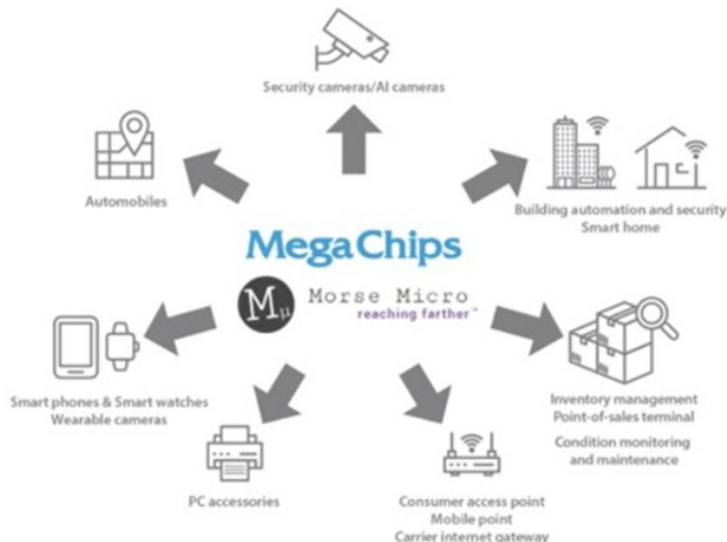
Aim to enhance profitability of mass production products by actively securing contract development (NRE) in growth sector

- Increase the ratio of overseas NRE
- Establish a leading position in the image processing sector
- Secure stable NRE from major domestic FA customers in the industrial equipment field
- Obtain NRE from new customers leveraging high-speed capabilities in the telecommunication sector

Mid-to-long term plan (ASSP business)

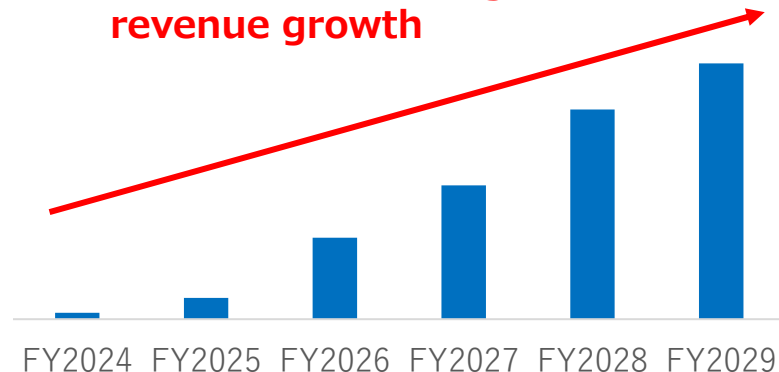
Strength	Target segment	Mid-to-long term plan
<ul style="list-style-type: none"> ● Provide ASSP/module products using long-range wireless comm technology through capital alliance and strategic partnership with Morse Micro 	<ul style="list-style-type: none"> ● Smart factory ● Home/Office network ● Logistics/Transport management ● Remote monitoring and others 	<ul style="list-style-type: none"> ● Early launch of business <ul style="list-style-type: none"> ● Customer design-in focus on increasing number of design-in ● Launch of business in overseas (North America, Asia) ● Enhance support system for mass production from FY2024

Use case of telecom solutions



Mid-term sales

Early profitability achievement through revenue growth



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Mid-to-long term plan (ASSP business)

Ultra-long distance Communication : Wi-Fi HaLow™ (IEEE802.11ah)

【Features】

- **Long distance Communication**
(Wider range and stronger against obstacles than traditional Wi-Fi)
- **Power-saving** (Extends IoT device battery life, reducing replacement effort)
- **Compatibility with existing Wi-Fi**
(Same mechanism as existing Wi-Fi, enabling easy system setup and expansion)
- **Connects numerous devices** (Supports thousands of IoT Devices)

【Major target applications】

Factory/Warehouse networks, EV Charging stations, Home security, Smart home networks, Smart buildings, Disaster prevention systems, Surveillance cameras, Drones, and other IoT Systems

【Topics】

- **Mass production of the IEEE 802.11ah-compatible wireless transceiver SoC "MML100A" for the Japanese market**

(June 19, 2025 - News Release)

<Features>

- Designed to comply with Japanese radio regulations
- Optimized product tailored for domestic use

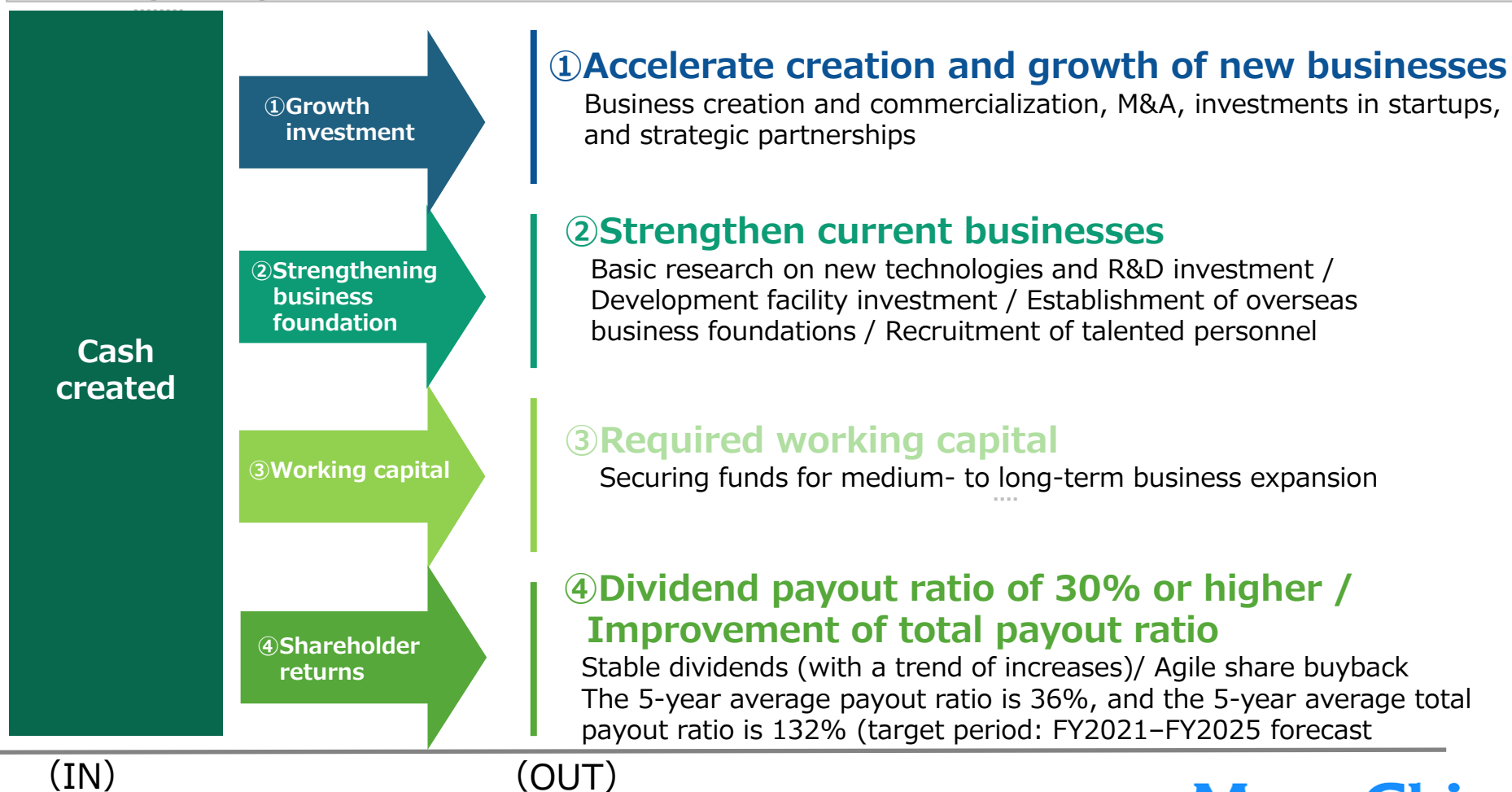


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Capital allocation

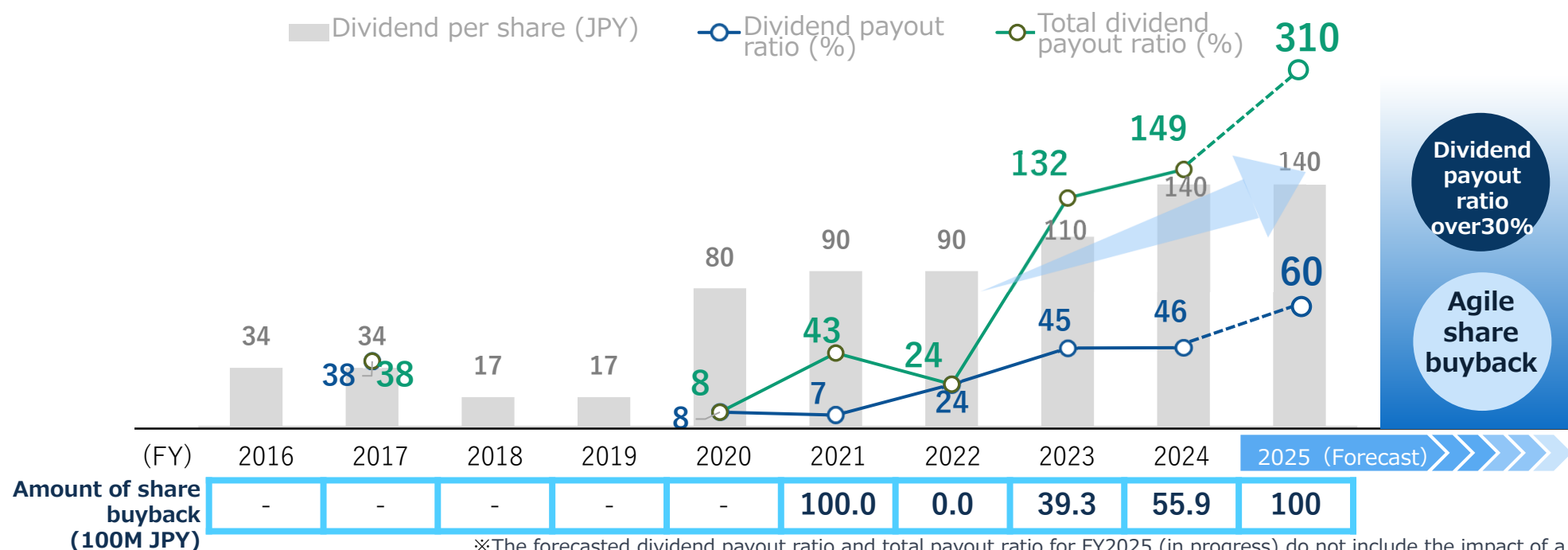
We aim to enhance **sustainable corporate value** through optimal capital allocation

- ◆ Actively promote strategic growth investments and shareholder returns by leveraging SiTime shares.
- ◆ Allocate operating cash flow to strengthen the business foundation and provide shareholder returns, ensuring stable growth.



Shareholder returns

FY2025 Shareholder returns	Forecast of dividends 140 JPY /Share (Reference : Last year 140 JPY/Share)	Share buyback 10B JPY in progress Acquisition Rate: 40.2% as of eng of July
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※The forecasted dividend payout ratio and total payout ratio for FY2025 (in progress) do not include the impact of a reduction in the number of outstanding shares due to the planned share buyback.

IR Policy

>> Purposes of investor relations and basic policy

MegaChips bases investor relations activities on the principles of fairness, timeliness, accuracy and continuity. We provide information about strategies, finances and other items in order to increase the transparency of our operations. To earn the trust of shareholders, investors and securities analysts and receive a proper evaluation, senior management frequently participates in investor relations activities.

>> Disclosure rules

MegaChips discloses information in accordance with the Financial Instruments and Exchange Law, Company Law and other laws and regulations (“laws and regulations” hereafter) and the Rules for Timely Disclosure of Corporate Information by Issuers of Listed Securities of the Tokyo Stock Exchange, where MegaChips shares are listed. Furthermore, even when not required by laws and regulations or disclosure standards in timely disclosure rules, we aggressively provide information that we believe has an effect on investment decisions by shareholders, investors and securities analysts and other information that we believe is useful to gain a better understanding of MegaChips.

>> Disclosure method

MegaChips distributes information using the Timely Disclosure network (TDnet) operated by the Tokyo Stock Exchange in accordance with timely disclosure rules. This includes information covered by the disclosure standards of the timely disclosure rules as well as information that we believe has an effect on investment decisions by shareholders, investors and securities analysts. In addition, we quickly post this information on the company Website.

We also provide other information that we believe is useful to gain a better understanding of MegaChips by issuing IR publications or news releases and posting this information on the company Website.

IR Policy

>> Forward-looking statements

The information MegaChips discloses may contain forward-looking statements. These statements are based on the judgments of management based on information available when the information was disclosed and thus embody uncertainties and risks (“risks” hereafter). Readers are cautioned to remember that actual results and other developments may differ from these forecasts for a number of reasons. Please refer to the “Cautionary Statement on Risks” section for more information.

>> Investment decisions

MegaChips discloses information for the purpose of giving people a better understanding of the company and not for the purpose of soliciting investments in securities issued by the company. Investors are asked to reach investment decisions on their own.

>> Provision of third-party information about MegaChips

Parties other than MegaChips, including securities analysts, the media and a variety of Internet information sites, announce information and forecasts about MegaChips. MegaChips is not in a position to comment on this information or express its support. However, if there is an obvious mistake in this third-party information that could cause a loss of trust in the company or prevent the company from receiving an appropriate evaluation, a correction will be announced and the proper information released.

>> IR “Quiet Period”

To prevent leaks of information about earnings releases that could affect its stock price and to ensure fairness, MegaChips observes a quiet period during the five business days prior to the earnings announcement for each quarter. During this period, the Company will not make any comments involving financial performance. However, information covered by laws and regulations and timely disclosure rules will be disclosed even during this quiet period and management will respond to inquiries about this information.

Inquiries regarding this document

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