



MegaChips Corporation Briefing FY2025 (Ended March 2026)

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FY2025 (ended March 2026) Results

FY2025 (ended March 2026)

Consolidated results (P/L) Summary

(Unit : ¥ Million)		FY2024 Full-year results (ended Mar 2025)	FY2025 Full-year results (ended Mar 2026)	YoY	FY2025 Full-year forecast published on Feb 6, 2026 (ended Mar 2025)
Consolidated	Sales	42,326	36,169	-14.5	38,000
	Cost of sales	34,500	30,656	-11.1	
	SG&A expenses	5,636	5,687	+0.9	
	Operating income	2,190	-174	-	1,000
	Ordinary income	2,608	1	-99.9	500
	Net profit belonging to shareholders of parent company	5,371	9,284	+72.8	10,500
	Earnings Per Share (¥)	306.27	578.31	+88.8	677.68
	Operating income after adjustment	2,289	16		-
	Exchange rate : US\$	149.52 JPY	159.88 JPY		130.00 JPY

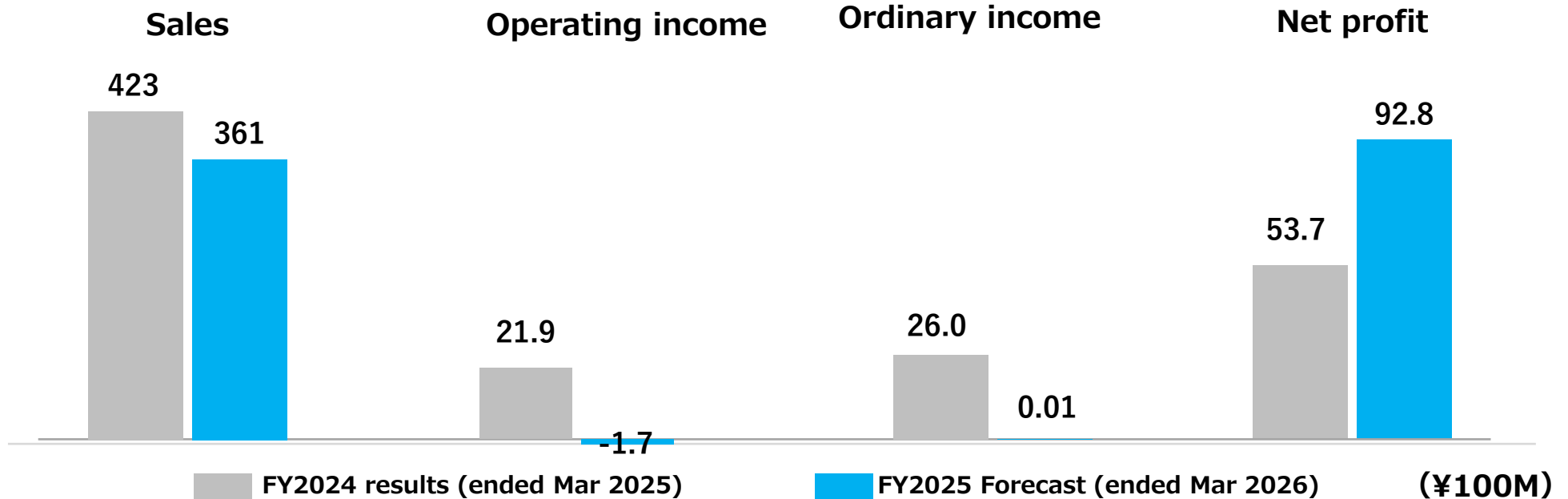
Operating income after adjustment excludes taxes and public dues associated with external standard taxation of gain and loss on sale of investment securities.

※ In the fiscal year ended March 2025, a gain of 7,700 million JPY from the sale of investment securities was recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.

※ In the fiscal year ending March 2026, a gain of 15,100 million JPY from the sale of investment securities was recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.

FY2025 (ended March 2026)

Consolidated results (P/L) Breakdown

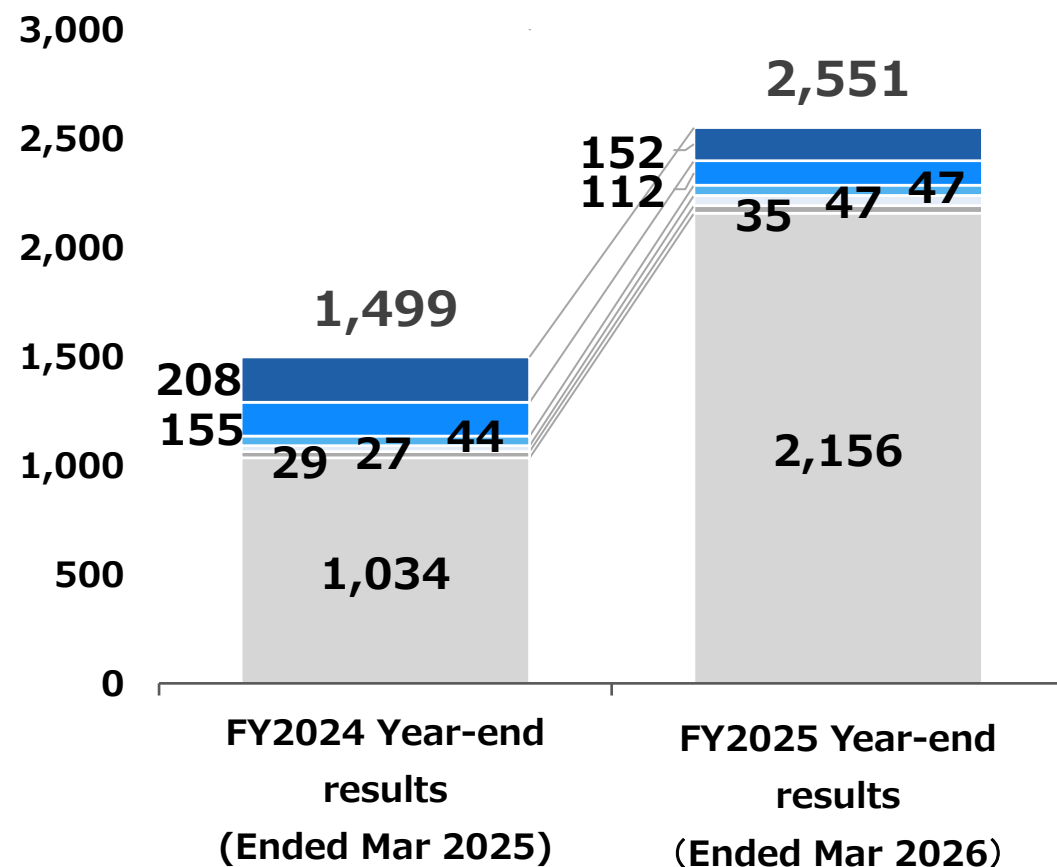


<p>Sales -6,150M JPY</p> <p>[Reasons for YoY Changes]</p> <ul style="list-style-type: none"> • Demand in the Amusement business was strong in the first half of the year but declined in the second half. • Sales in the ASIC business decreased due to a sluggish recovery in demand from customers in key business segments. 	<p>Operating income -2,360M JPY</p> <p>[Reasons for YoY Changes]</p> <ul style="list-style-type: none"> • Decline in gross profit due to sales decrease in Amusement and ASIC businesses. • Development costs increased in ASIC business. 	<p>Ordinary income -2,600M JPY</p> <p>[Reasons for YoY Changes]</p> <ul style="list-style-type: none"> • Decline in operating income • Increase in non-operating expenses, such as investment partnership management fees. 	<p>Net profit +3,910M JPY</p> <p>[Reasons for YoY Changes]</p> <ul style="list-style-type: none"> • Decline in ordinary income, while posting a gain of 15,100 million JPY from the sale of investment securities. In the previous fiscal year, 7,700 million JPY from the sale of investment securities was recorded.
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FY2025 (ended March 2026)

Financial Status (Assets)

(¥100M)

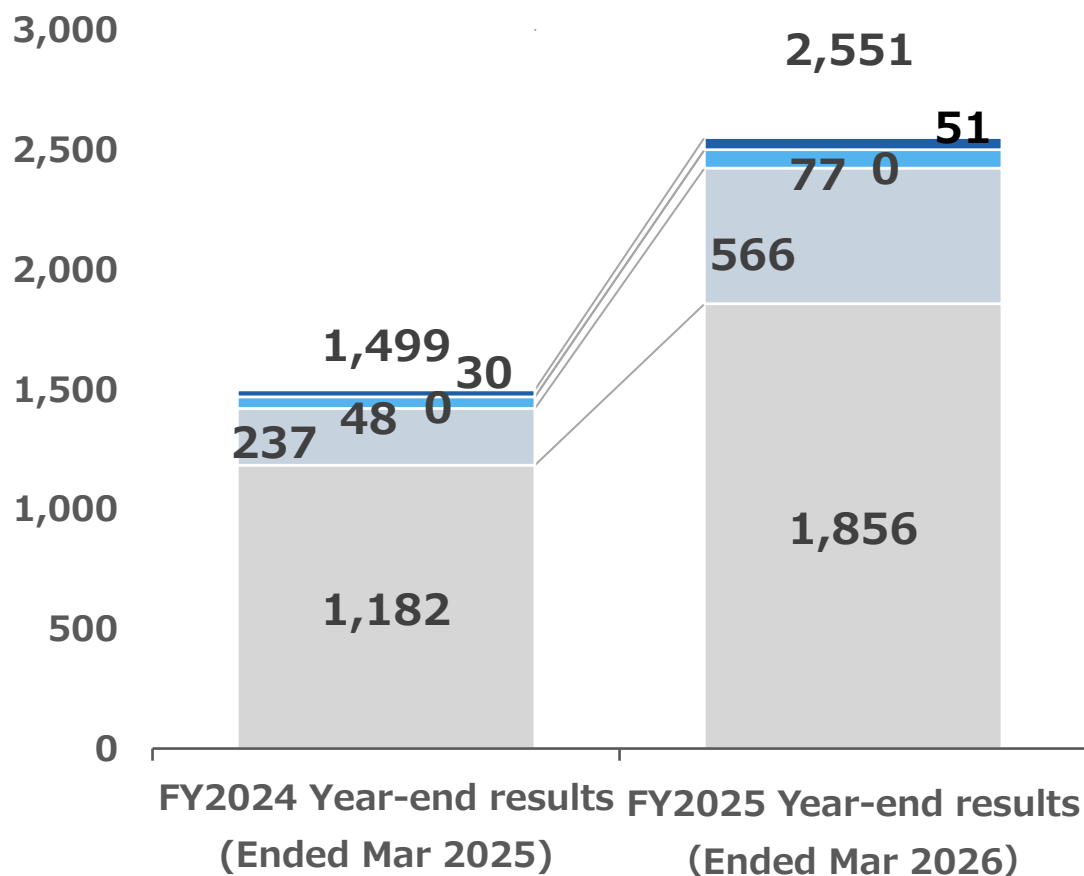


(Unit: ¥100M)	Change (FY24→FY25)	Change rate (Change÷FY24)
Cash/cash equivalents	-55.3	-27%
Notes/accounts receivables	-43.3	-28%
Inventories	+3.0	+7%
Other current assets	+19.6	+71%
Intangible/Tangible fixed assets	+6.2	+21%
Investment and other assets	+1,121.9	+108%

FY2025 (ended March 2026)

Financial Status (Liabilities/Net assets)

(¥100M)

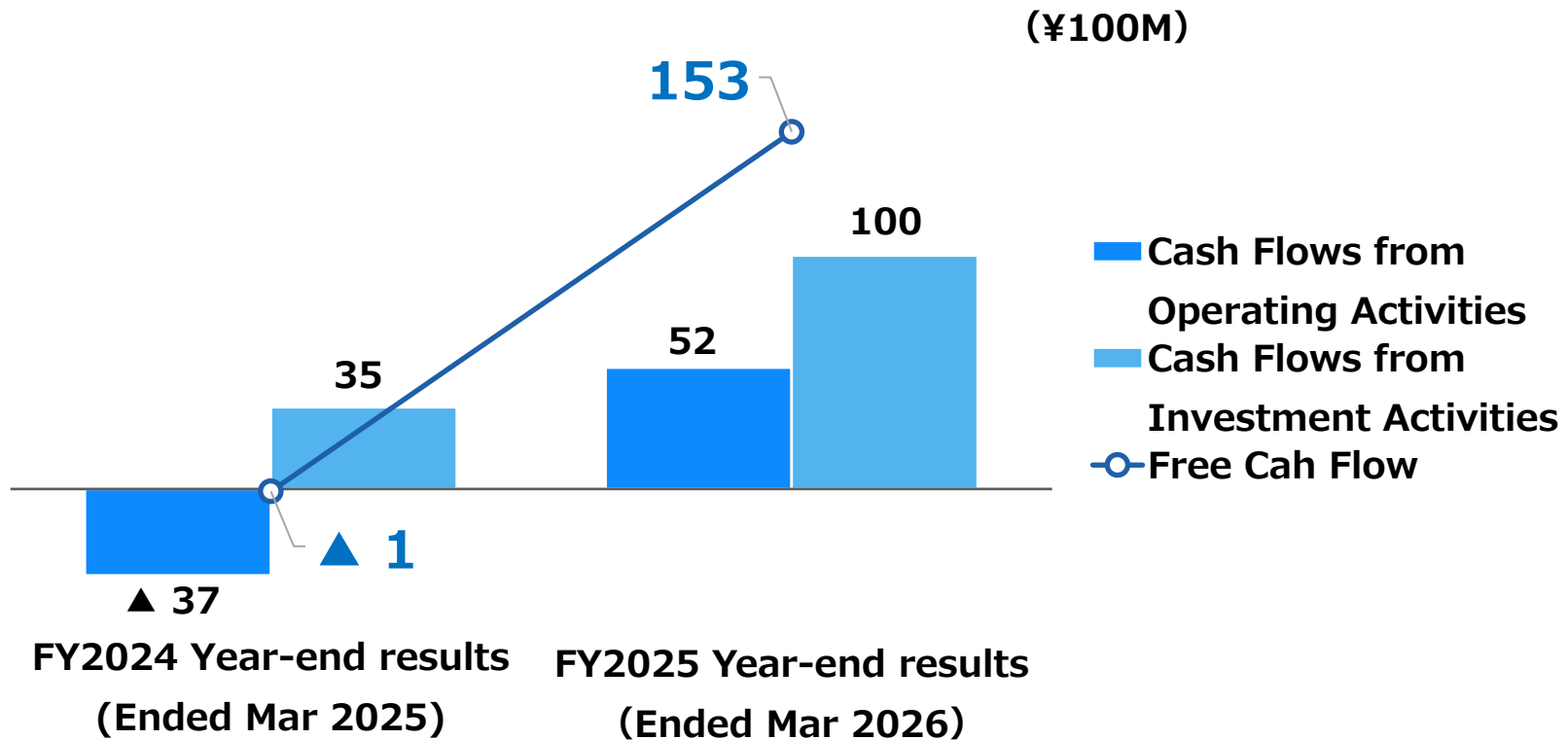


(Unit: ¥100M)

		Change (FY24→FY25)	Change rate (Change ÷ FY24)
Notes/account payables	■	+20.8	+67%
Interest-bearing debt	■	—	—
Other current liabilities	■	+28.3	+58%
Other fixed liabilities	■	+328.7	+138%
Net assets	■	+674.2	+57%

FY2025 (ended March 2026)

Cash Flows



FY2026 (ending March 2027) Forecast

FY2026 (ending March 2027) Forecast

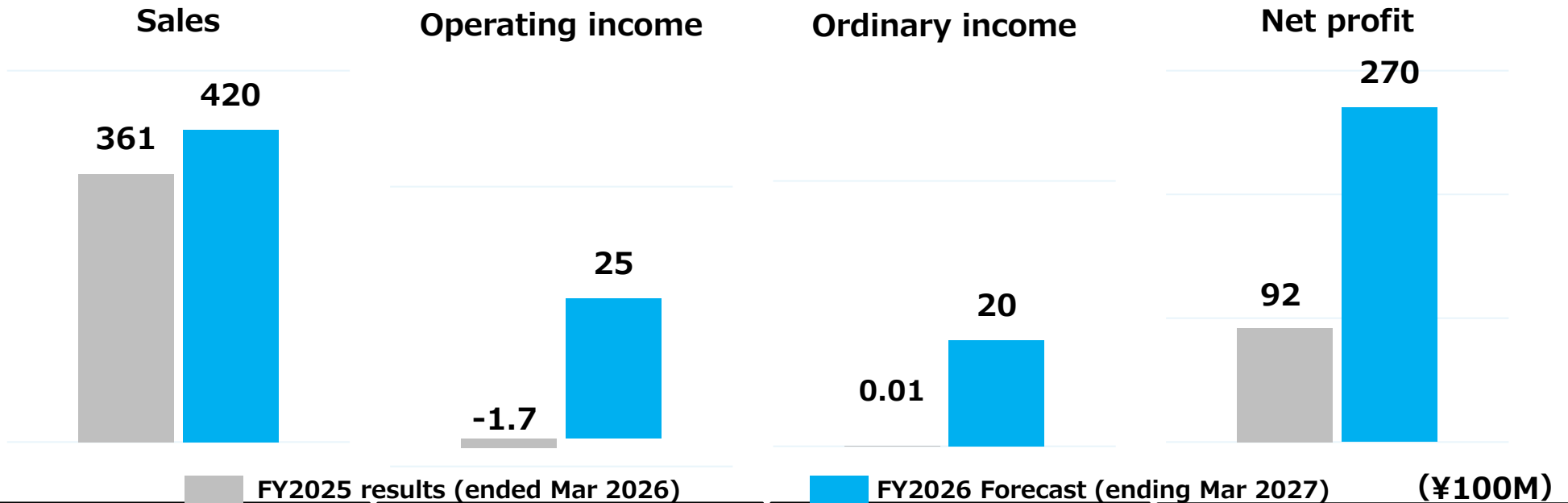
Shift to a sustainable growth phase.

Through rigorous cost management and concentrated investment in high-value-added services, we will steadily achieve profitability.

(Unit : ¥ Million)	FY2025 Full-year results (ended Mar 2026)	FY2026 Full-year forecast (ending Mar 2027)
Sales	36,169	42,000
Operating income	-174	2,500
Ordinary income	1	2,000
Net profit belonging to shareholders of parent company	9,284	27,000
Earnings Per Share (JPY)	578.31	1,804.70
Exchange rate: US\$	159.88 JPY	140.00 JPY

- ※ In the fiscal year ended March 2026, a gain of 15,100 million JPY from the sale of investment securities was recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.
- ※ In the fiscal year ending March 2027, a gain of 37,000 million JPY from the sale of investment securities is expected to be recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation.

FY2026 Forecast (P/L) Breakdown



Sales YoY
+5,800M JPY (+16.1%)

[Reasons for YoY Changes]

- Customer demand is expected to increase in the Amusement business.
- Recovery in product sales due to the bottoming out of customer demand and growth in contract development (NRE sales) in the ASIC business are projected both in Japan and overseas.

Operating income YoY
+2,600M JPY (-)

- Targeting a V-shaped profit recovery through profit growth in Amusement business driven by sales expansion and in ASIC business driven by sales expansion and margin improvement.

Ordinary income YoY
+2,000M JPY (-)

- Significant YoY profit growth is expected due to increased operating profit.
- Non-operating income/expenses are expected to remain negative, resulting in ordinary profit below operating profit.

Net profit YoY
+17,700M JPY (+190.8%)

- 37,000 million JPY gain from the sale of investment securities is expected to be recorded as an extraordinary profit due to the partial sale of shares in SiTime Corporation. (a gain of 15,100 million JPY in the last fiscal year.)

FY2026 Mid-to long-term Management Policy

Mid-to long-term management policy

We promote both business and financial strategies to strengthen our earnings power, optimize capital structure, and enhance corporate value.

Business strategy

Achieve growth in sales, operating profit, and net profit

- Investments to strengthen existing business foundations (Human resources, R&D, and global expansion)
⇒ Expand earnings power of ASIC business, and achieve profitability of ASSP business
- Launch of new businesses and development into profitable businesses
⇒ Efforts to expand the software and solutions businesses

Strengthen earnings power by transforming the business portfolio through proactive growth investments over the medium to long term.

Financial strategy

Maintain financial stability while improving capital efficiency

- Optimization of shareholders' equity through planned sale of SiTime's shares
⇒ Proceeds from the sale of shares will be used to fund growth investments, strengthen business foundations, and enhance shareholder returns.
- During the current medium- to long-term management period, we will allocate a portion of the proceeds from the sale of SiTime shares to dividends to maintain stable and continuous shareholder returns
- Acquire treasury shares to improve capital efficiency and enhance shareholder returns.

Our Target for FY 2030

Target of business growth

Sales 80B JPY
Operating income 10B JPY

Capital optimization

Plan to reduce ownership in SiTime shares by FY2030

Stable and continuous dividends through utilization of proceeds from the sale of SiTime shares through FY2030.

Target treasury share acquisitions of approximately 20B JPY over the medium to long term.

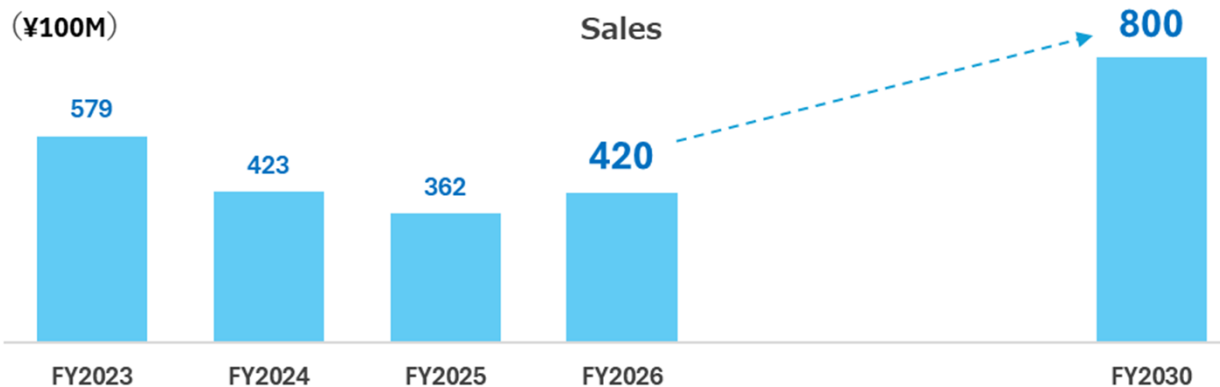
Implement of capital optimization

(Aim to achieve ROE 8% or more in FY2030)

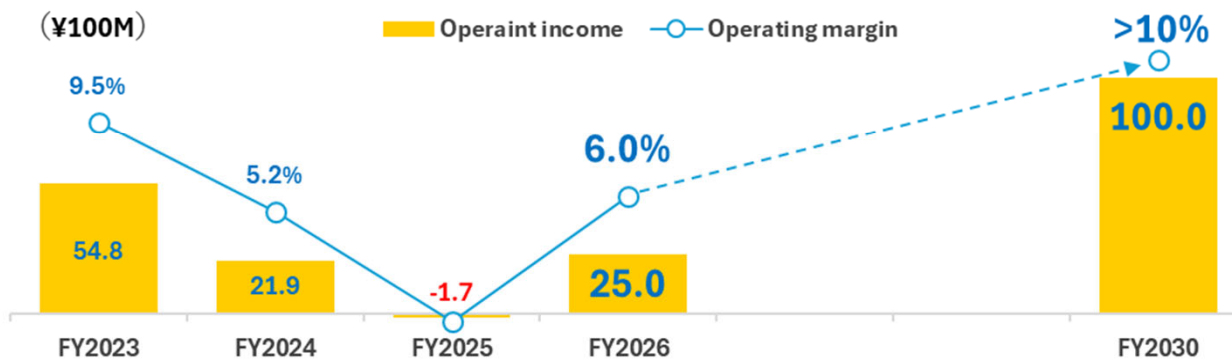
Mid-to long-term performance target

Restore earnings growth from FY2025 onward.
 Aim net sales of 80B JPY, operating income of 10B JPY, and operating margin of 10% or more in FY2030.

Sales



Operating income



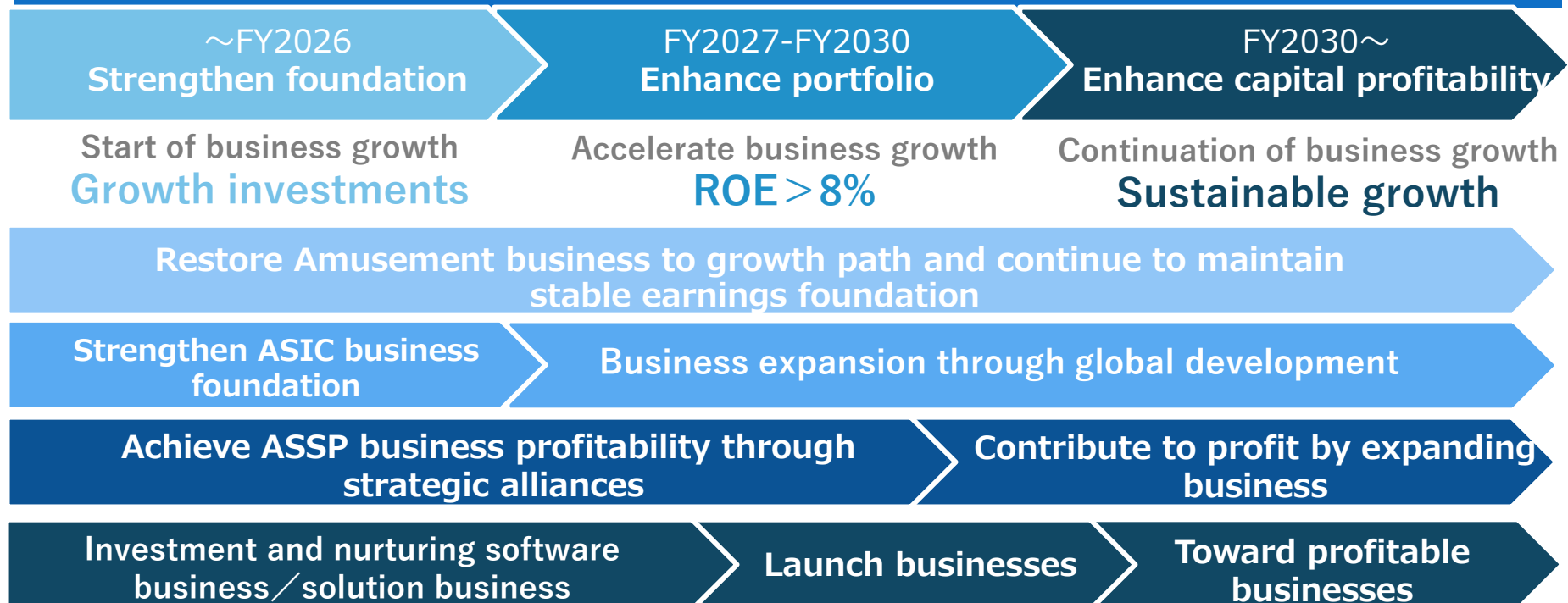
Mid-to long-term performance target

- **Amusement business:** Restore growth path and continue to maintain stable earnings foundation.
- **ASIC business:** Expand the business through increased orders for contracted development projects and global expansion.
- **ASSP business:** Aim to achieve profitability at an early stage through strategic alliances.
- **New business:** Launch new businesses in the software and solution sectors.

Establish four core profitable businesses through strategic alliances, investments, and M&A to achieve targeted sales and profits.

Business strategy: Strengthening business portfolio

Transform the business portfolio through strengthening business foundations and proactive investment in new businesses (establish four core businesses).



- » Investment and strategic collaboration with startup companies.
- » Promotion of joint research with universities in Japan and overseas.
- » Create new businesses and commercialization through growth investments.

Financial strategy :

Mid-to long-term Key Initiatives

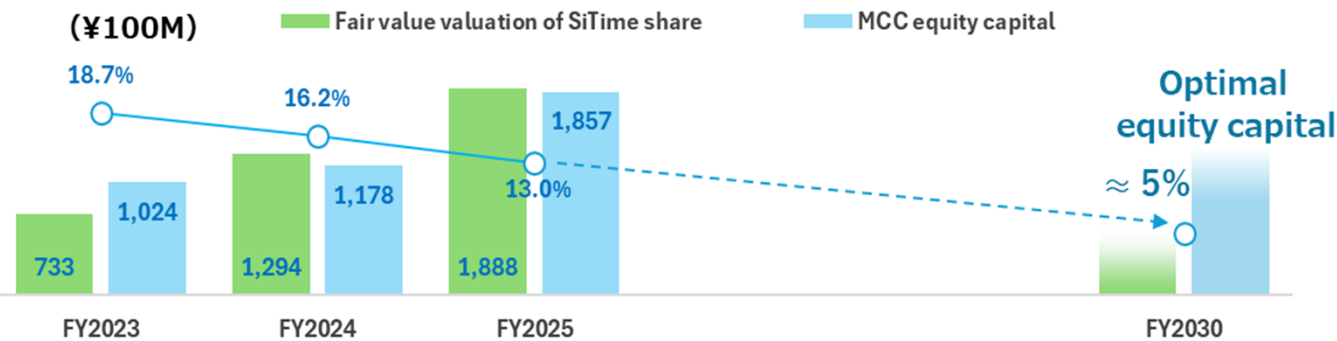
Optimize capital structure and aim to enhance capital efficiency.

Creation of cash flows from operating activities	Build four businesses into core profit drivers and increase operating cash flow.	 <ul style="list-style-type: none"> •Growth investments • strengthening the business foundation •shareholder returns
Reduction of strategic shareholdings	Create cash through planned sale of SiTime's shares.	
Growth investments	Utilize operating cash flow and proceeds from the sale of strategic shareholdings for growth investments, including strategic investments, alliances, and M&A, as well as for strengthening the business foundation.	
Optimization of equity capital and proactive shareholder returns	Plan to repurchase treasury shares mainly using proceeds from the sale of SiTime shares.	
Maintaining financial soundness and proactive shareholder returns	Maintain the financial stability supporting corporate activities while providing proactive shareholder dividends.	

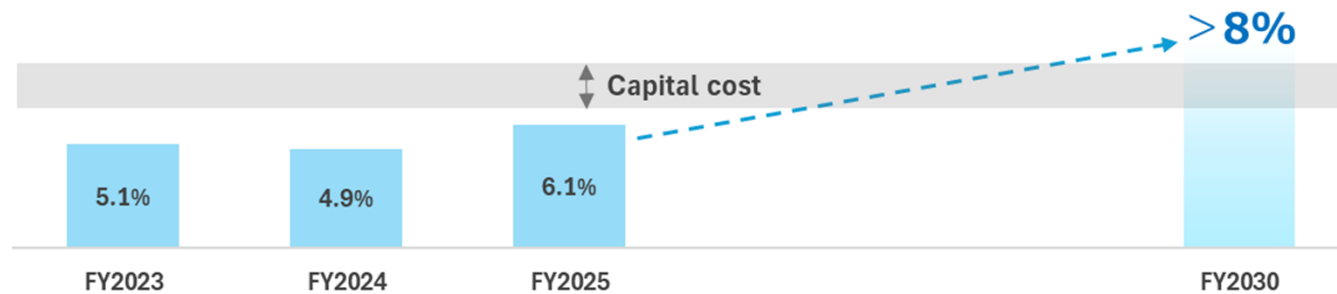
Mid-to long-term Financial Target

Seek to optimize shareholders' equity by conducting planned sales of SiTime shares and utilizing the proceeds for growth investments and shareholder returns.

Optimization of shareholders' equity



ROE



Mid-term Financial Target

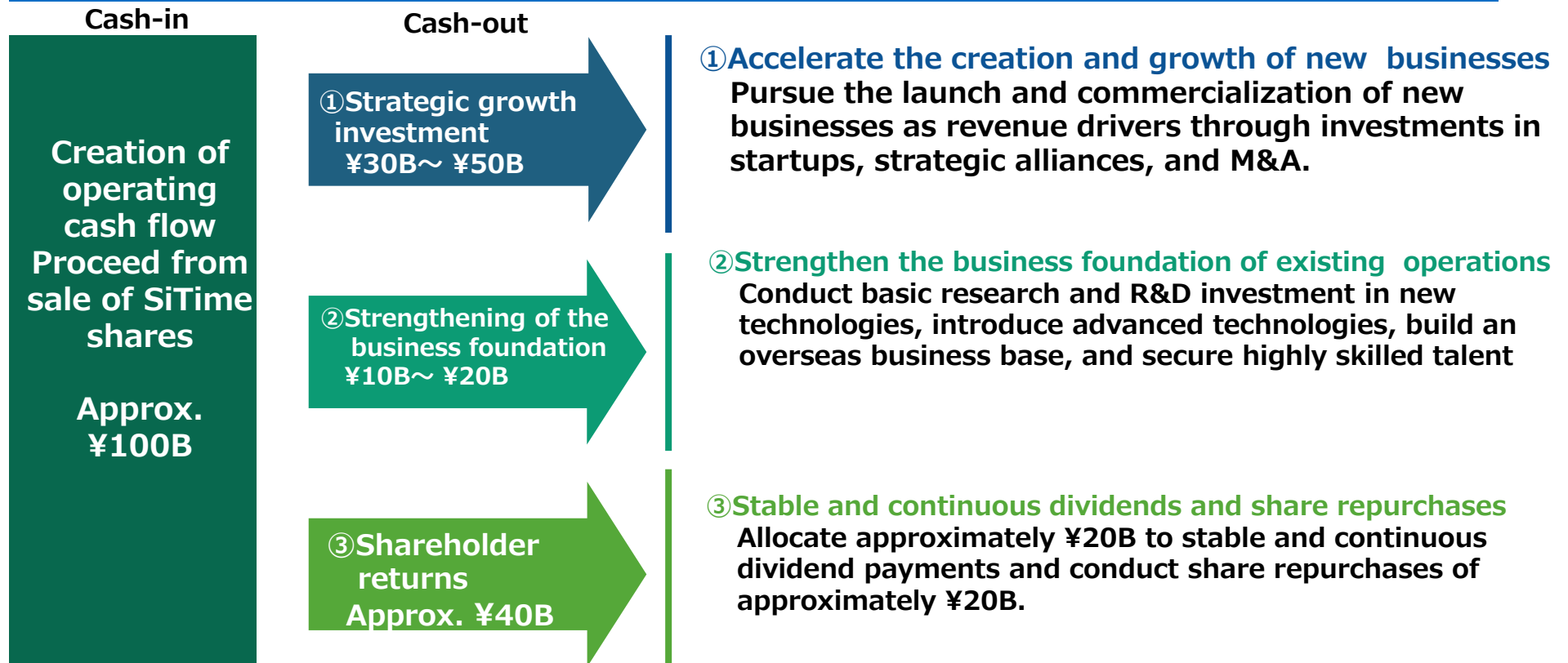
- Reduce the shareholding ratio in SiTime to approximately 5% by FY2030 through the planned sale of SiTime shares.
- Use the sale proceeds for growth investments and shareholder returns, while controlling shareholders' equity at an appropriate level by FY2030

Strengthen business profitability to achieve an ROE of 8% or higher by FY2030, exceeding the assumed cost of capital

Financial strategy : Capital allocation(FY2026~FY2030)

Achieve sustainable enhancement of corporate value through optimal capital allocation

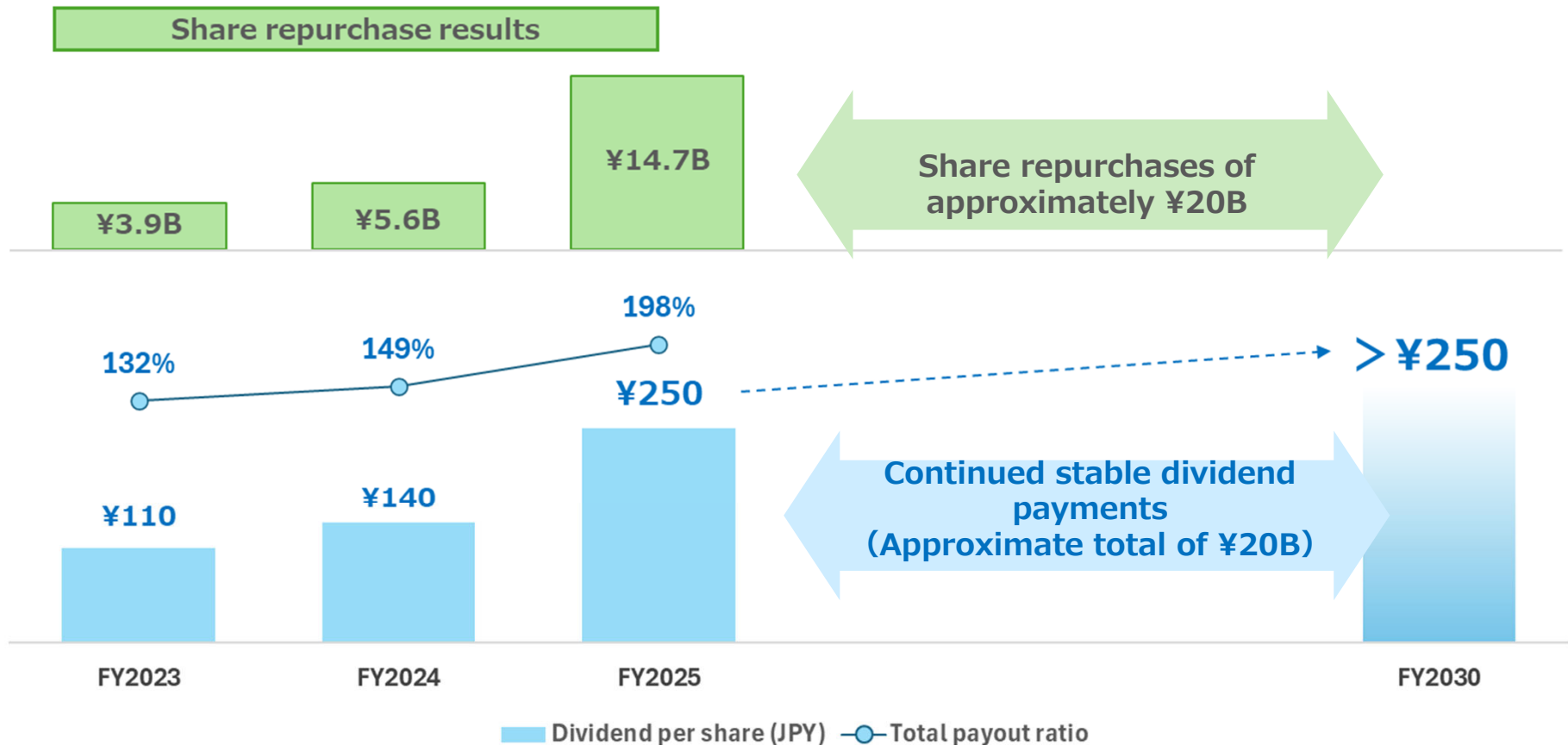
◆ Actively promote strategic growth investments, strengthening of the business foundation, and shareholder returns by utilizing operating cash flow and proceeds from the sale of SiTime shares.



Financial strategy : Shareholder returns

During the mid- to long-term period through FY2030, proactively enhance shareholder returns utilizing proceeds from the sale of SiTime shares.

- Dividends: Maintain a steady upward trend in dividends and aim for stable dividend payments.
- Share repurchases: Conduct flexible share buybacks, taking into account capital efficiency and market conditions.



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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