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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

May 14, 2026

Company name: MegaChips Corporation
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6875
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 Scheduled date of Ordinary General Meeting of Shareholders: June 26, 2026
 Scheduled date of commencing dividend payments: June 5, 2026
 Scheduled date of filing annual securities report: June 24, 2026
 Availability of supplementary briefing material on annual financial results: Available
 Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	36,169	(14.5)	(174)	—	1	(99.9)	9,284	72.8
March 31, 2025	42,326	(27.0)	2,190	(60.1)	2,608	(24.5)	5,371	19.7

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥83,906 million [266.3%]
 Fiscal year ended March 31, 2025: ¥22,905 million [(45.1)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	578.31	—	6.1	0.0	(0.5)
March 31, 2025	306.27	—	4.9	1.9	5.2

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2026: ¥— million
 Fiscal year ended March 31, 2025: ¥— million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	255,158	185,667	72.4	12,349.96
As of March 31, 2025	149,940	118,241	78.6	6,901.20

(Reference) Equity: As of March 31, 2026: ¥184,767 million
 As of March 31, 2025: ¥117,805 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	5,297	10,067	(18,014)	15,321
March 31, 2025	(3,726)	3,590	(7,511)	17,547

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2025	—	—	—	140.00	140.00	2,389	45.7	2.2
March 31, 2026	—	—	—	250.00	250.00	3,740	43.2	2.6
Fiscal year ending March 31, 2027 (Forecast)	—	—	—	260.00	260.00		14.4	

We pay dividends once per year based on the basic policy for profit distribution, using the fiscal year-end date as the record date.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (From April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	42,000	16.1	2,500	—	2,000	—	27,000	190.8	1,804.70

* Notes

- (1) Significant changes in the scope of consolidation during the Fiscal year ended March 31, 2026: No
New: —
Exception: —
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Number of shares outstanding (common stock)
 - 1) Number of outstanding shares at the end of the period (including treasury stock)
March 31, 2026: 19,046,900 shares
March 31, 2025: 20,652,400 shares
 - 2) Number of shares of treasury stock at the end of the period
March 31, 2026: 4,085,937 shares
March 31, 2025: 3,582,120 shares
 - 3) Average number of shares outstanding during the period
Fiscal year ended March 31, 2026: 16,053,997 shares
Fiscal year ended March 31, 2025: 17,539,774 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (From April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2026	36,169	(14.5)	(189)	—	(419)	—	9,081	50.0
March 31, 2025	42,326	(27.0)	2,175	(61.0)	2,509	(58.3)	6,052	(19.1)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	565.68	—
March 31, 2025	345.09	—

(2) Non-consolidated Financial Position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2026	247,608	178,454	72.1	11,928.00
As of March 31, 2025	146,200	114,683	78.4	6,718.33

(Reference) Equity: As of March 31, 2026: ¥178,454 million

As of March 31, 2025: ¥114,683 million

* These financial results are outside the scope of audit by Certified Public Accountants or audit corporations.

* Explanation of the proper use of financial results forecast and other notes

(Note on the forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. The Company does not guarantee the forecast results. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Method to acquire supplementary documents for financial results)

Supplementary briefing material on annual financial results will be presented on the Company's website immediately after disclosure of the summary of consolidated financial results.

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1. Overview of Consolidated Operating Results

(1) Overview of consolidated operating results

Although inflation in the global economy has been slowing, it remains at a high level. In particular, supply chain disruptions and fluctuations in raw material prices caused by geopolitical risks, as well as rising labor costs worldwide, have put pressure on corporate earnings, raising concerns over the impact of these factors on corporate profits and consumer spending.

As for foreign exchange markets, while interest rates in Japan continued to trend upward following revisions to domestic monetary policy, the yen remained weak due to the persistent interest rate differential between Japan and the United States. In addition, mixed market sentiment regarding geopolitical developments contributed to continued volatility in exchange rates.

In the semiconductor market, demand for advanced semiconductors, particularly those used in generative AI servers, strongly drove the overall market. In the industrial equipment and telecommunication infrastructure sectors, although inventory normalization efforts continued in certain areas, demand for high-performance and high-efficiency semiconductors for data centers, as well as semiconductors compatible with next-generation communication standards, further increased.

Amid this business environment, our ASIC business promoted activities aimed at securing mid- to long-term projects, mainly in the industrial equipment and telecommunications infrastructure sectors, by leveraging our strengths in analog and digital technologies, communication interface technologies, security technologies, and image processing technologies. While the demand in the telecommunications and image processing fields remained firm, recovery in the OA equipment and industrial devices markets, which are our core business areas, was generally gradual due to prolonged inventory adjustments associated with the global slowdown in demand.

In the Amusement segment, although the market is currently in a transition period associated with the shift to new hardware, we have worked to secure stable earnings by maintaining a customer-focused development and support structure.

In the ASSP (Application Specific Standard Product) business, we are accelerating our shift toward growth markets driven by the advancement of AI, IoT, 5G, and next-generation communications. We are also strengthening our competitiveness in analog and digital circuit development and design technologies. In the communications field, we are promoting the development of LSIs utilizing long range, low-power wireless communication technologies and expanding the provision of a broad range of communication solutions. In addition, we are conducting research and development activities in the software field in parallel with a view to future commercialization.

The Group will continue to maintain a stable earnings foundation while striving to expand profitability through the strengthening of its business portfolio. Additionally, to foster new businesses that will drive the next generation, we are actively working on exploring new markets and developing new products, aiming to create and commercialize unique business opportunities. Through these initiatives, we are committed to achieving sustainable growth over the medium-to-long term.

Regarding the operating results for the current consolidated fiscal year, net sales amounted to ¥36,169 million (a decrease of 14.5% year-on-year), and operating loss was ¥174 million (compared with operating profit of ¥2,190 million in the previous fiscal year). This was mainly due to a decline in demand compared with the previous fiscal year and sluggish recovery in demand in the OA equipment and industrial devices segments, although the Amusement segment continued to show stable demand. In addition, taxes and public dues (enterprise tax under the external standard taxation system) of ¥190 million were incurred in connection with the gain on sale of investment securities. Excluding this impact, adjusted operating profit was ¥16 million.

Ordinary profit amounted to ¥1 million (a decrease of 99.9% year-on-year), mainly reflecting interest income of ¥232 million and valuation gains on investment securities of ¥480 million, partially offset by investment partnership management fees of ¥354 million and other expenses. Net profit attributable to owners of the parent amounted to ¥9,284 million (an increase of 72.8% year-on-year), driven by a gain of ¥15,150 million from the partial sale of SiTime Corporation shares. However, this was partially offset by the recognition of a loss on disposal of fixed assets amounting to ¥1,406 million.

Because the MegaChips Group operates as one business segment, no statement related to segment information has been presented.

(2) Overview of the financial position

<Assets>

Total assets at the end of the current consolidated fiscal year amounted to ¥ 255,158 million, representing an increase of ¥ 105,217 million compared to the end of the previous consolidated fiscal year. Key items compared to the previous fiscal year-end include a decrease of ¥5,536 million in cash and deposit and ¥4,333 million in notes and accounts receivable - trade and contract assets, as well as a ¥112,718 million increase in investment securities, primarily due to the mark-to-market valuation of SiTime Corporation shares.

<Liabilities>

Total liabilities at the end of the current consolidated fiscal year amounted to ¥69,491 million, an increase of ¥37,792 million compared with the end of the previous consolidated fiscal year. Compared with the end of the previous consolidated fiscal year, major changes included increases of ¥2,080 million in notes and accounts payable - trade, ¥3,360 million in income taxes payable, and ¥32,792 million in deferred tax liabilities.

<Net Assets>

Net assets at the end of the current consolidated fiscal year amounted to ¥185,667 million, an increase of ¥67,425 million compared with the end of the previous consolidated fiscal year. Key items compared to the previous fiscal year-end include a ¥73,961 million increase in valuation difference on available-for-sale securities, while treasury stock (deductible items) increased by ¥7,277 million due to the acquisition of treasury shares and other factors.

(Impact of the Mark-to-Market Valuation of Investment Securities: SiTime Corporation Shares)

Regarding the shares of SiTime Corporation (hereinafter referred to as "SiTime") held by the Company, the classification of these shares was changed from "investments in affiliates" to "investment securities" at the end of the consolidated fiscal year ended March 2024, following the exclusion of SiTime from equity-method affiliates. As a result, the shares are now subject to mark-to-market valuation at the end of each fiscal period. Due to this impact, investment securities continue to represent a high proportion of total assets. In the liabilities and net assets sections, deferred tax liabilities and valuation difference on available-for-sale securities, which correspond to such investment securities, also represent a high proportion.

Going forward, we will continue to reduce our holdings of SiTime shares, and the funds obtained through such sales will be utilized for growth investments, shareholder returns, and other purposes.

Through the optimal allocation of management resources, we will promote business structure reforms and aim to achieve sustainable growth over the medium to long term

(3) Overview of the cash flow

Cash and cash equivalents (hereinafter referred to as "Capital") at the end of the current consolidated fiscal year amounted to ¥ 15,321 million, representing a decrease of ¥ 2,226 million compared with the end of the previous consolidated fiscal year (which saw a decrease of ¥7,612 million).

Additionally, free cash flow, calculated as the sum of cash flows from operating activities and cash flows from investing activities, resulted in an inflow of ¥15,364 million, marking an increase of ¥ 15,500 million compared to the previous consolidated fiscal year-end.

The status of cash flows at the end of the current consolidated fiscal year was as follows.

<Cash flows from Operating Activities>

Cash flows from operating activities for the current consolidated fiscal year resulted in an inflow of ¥5,297 million, an increase of ¥9,024 million compared with the previous fiscal year.

This was mainly attributable to profit before income taxes of ¥13,574 million and a decrease in trade receivables of ¥4,333 million, despite a gain on sale of investment securities of ¥15,150 million

<Cash flows from Investing Activities>

Cash flows from investing activities for the current consolidated fiscal year resulted in an inflow of ¥ 10,067 million, representing an increase of ¥6,476 million compared with the previous consolidated fiscal year. This was primarily due to proceeds of ¥16,178 million from the sale of investment securities, partially offset by expenditures of ¥6,507 million for acquisition of investment securities associated with the additional investments in Morse Micro.

<Cash flows from Financing Activities>

Cash flows from financing activities for the current consolidated fiscal year resulted in an outflow of ¥ 18,014 million, representing a decrease of ¥10,503 million compared with the previous consolidated fiscal year. This was primarily due to expenditures of ¥14,700 million for the acquisition of treasury stock and ¥2,386 million for dividend payments.

(4) Outlook

[Mid-to long-term initiatives]

During the upcoming medium- to long-term management period (fiscal years 2026 through 2030), the MegaChips Group will promote both business and financial strategies as two key pillars in order to strengthen its earnings power, optimize capital structure, and enhance corporate value.

With respect to business strategies, we will strengthen our business portfolio with the Amusement business and ASIC business serving as core pillars. In addition, we will focus on improving the profitability of the ASSP business and fostering new businesses that will drive the next generation, thereby pursuing further growth and enhancing profitability. Beginning in fiscal year 2026, we aim to place business performance on a growth trajectory. As medium- to long-term targets, we aim to achieve net sales of ¥80 billion, operating profit of ¥10 billion, and an operating profit margin of 10% or higher.

(1) Amusement business

In the Amusement business, we will continue to strengthen customer-focused proposal activities and support systems.

To improve product supply capabilities, we will strengthen our production framework through collaboration with partner companies and contract manufacturers. In addition, we will work to expand market share by differentiating ourselves from competitors through technological development centered on our strengths in memory and security technologies.

(2) ASIC business

In the ASIC business, we will strengthen our business foundation and work toward rebuilding the business by targeting growth areas such as the communications and image equipment fields, where future growth is expected.

We will leverage the upstream design capabilities and analog technologies cultivated over the years, particularly our strengths in communication interface technology, security technology, and image processing technology. At the same time, we will enhance our competitiveness and focus on expanding the business by acquiring advanced circuit technologies in next-generation communications, image-related fields, and AI-related areas. In addition, by leveraging our strengths in optical access communication technologies, we will focus on developing markets and securing business opportunities in overseas markets, particularly in North America and Asia, with the aim of achieving medium- to long-term growth in both sales and profits.

(3) ASSP business and new business

We will actively promote business investments, strategic alliances, and M&A activities involving startup companies possessing cutting-edge technologies and innovative ideas, as well as collaborative research and development with universities in Japan and overseas.

Through these initiatives, we will work to develop new markets and new products in Japan and overseas, particularly in North America and Asia, and aim to create and commercialize new businesses at an early stage in the communications, software, and solutions fields.

As for our financial strategy, the company is actively promoting business investments and strategic partnerships with startup companies that possess cutting-edge technologies and innovative ideas. We will emphasize dialog with investors, achieve proactive shareholder returns, and aim to stabilize managerial foundation.

With both financial and business strategies, we will aim to enhance capital efficiency and earnings power, and achieve ROE 8% or more that exceeds capital cost by the fiscal year 2030.

(1) Reduction of strategic shareholdings

Through the planned sale of SiTime shares held as the investment securities, we intend to reduce our ownership ratio to approximately 5% by fiscal year 2030. In addition, proceeds from such sales will be utilized as a source of funding for growth investments and shareholder returns, and optimizing capital structure.

(2) Utilization of funds for growth investment and strengthening of business foundations

For the growth investment, we will utilize funds for investments aimed at creating new businesses and accelerating growth through investments in startup companies, strategic alliances, and M&A activities. We will also flexibly utilize funds for investments aimed at strengthening our business foundation, including research and development of new technologies, establishment of a global business foundation, and acquisition of talented human resources.

(3) Utilization of funds for proactive shareholder returns

As part of shareholder returns, we plan to utilize a total of ¥20 billion during the medium- to long-term management period for the acquisition of treasury shares. We will conduct such acquisitions flexibly while taking market conditions into consideration, with the aim of improving capital efficiency. In addition, while maintaining a financial base that supports corporate activities, we will provide stable and continuous dividends.

For the consolidated earnings forecast for the fiscal year ending March 2027, net sales are expected to be ¥42.0 billion (an increase of 16.1% year-on-year), operating profit is forecast to be ¥2.5 billion (compared with an operating loss of ¥174 million in the previous fiscal year), and ordinary profit is expected to be ¥2.0 billion (compared with ordinary profit of ¥1 million in the previous fiscal year). These forecasts are based mainly on the expectation of steady demand in the Amusement business and a recovery in demand resulting from improving market conditions in the ASIC business. In addition, net profit attributable to owners of the parent is expected to be ¥270 billion (an increase of 190.8% year-on-year), reflecting, among other factors, an expected gain on sale of investment securities of ¥37.0 billion associated with the partial sale of SiTime Corporation shares.

Regarding the dividend forecast for the fiscal year ending March 2027, based on the above consolidated earnings forecast and the med- to long-term outlook for the business environment, the company plans to maintain an annual dividend of ¥260 per share, ¥10 increase compared with the fiscal year ended March 2026.

2. Basic Approach to the Selection of Accounting Standards

The MegaChips Group prepares its consolidated financial statements and non-consolidated financial statements in accordance with Japanese accounting standards. With respect to the implementation of the International Financial Reporting Standards (IFRS), the Group constantly gathers information on the enactment and implementation of accounting standards, both inside and outside Japan. However, for the time being, it will continue preparing consolidated financial statements and non-consolidated financial statements in accordance with Japanese accounting standards.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: Thousand Yen)

	Previous consolidated fiscal year (ended March 31, 2025)	Consolidated fiscal year under review (ended March 31, 2026)
Assets		
Current assets		
Cash and deposits	20,830,306	15,293,474
Notes, accounts receivable-trade, and contract assets	15,554,626	11,221,281
Merchandise and finished goods	2,344,448	3,939,605
Work in progress	1,902,784	580,522
Raw materials and supplies	180,879	210,064
Accounts receivable	2,327,726	2,994,702
Other	550,300	1,939,311
Allowance for doubtful accounts	(88,651)	(176,951)
Total current assets	43,602,421	36,002,010
Non-current assets		
Property, plant and equipment		
Buildings	349,265	349,287
Accumulated depreciation	(226,133)	(233,744)
Buildings (net)	123,132	115,542
Tools, furniture and fixtures	5,483,345	5,719,522
Accumulated impairment	(4,150,936)	(4,472,352)
Tools, furniture and fixtures (net)	1,332,409	1,247,169
Construction in progress	715,534	1,337,306
Other	1,125,654	935,415
Accumulated depreciation	(1,047,319)	(803,036)
Other (net)	78,335	132,378
Total property, plant and equipment	2,249,411	2,872,396
Intangible assets		
Software	658,548	659,873
Other	548	—
Total intangible assets	659,096	659,873
Investment and other assets		
Investment securities	101,636,005	214,354,034
Long-term prepaid expenses	990,610	624,179
Deferred tax assets	28,625	27,686
Other	774,703	618,662
Total investment and other assets	103,429,945	215,624,563
Total non-current assets	106,338,453	219,156,833
Total assets	149,940,875	255,158,843

(Unit: Thousand Yen)

	Previous consolidated fiscal year (ended March 31, 2025)	Consolidated fiscal year under review (ended March 31, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,083,074	5,163,827
Accounts payable-other	1,957,173	1,038,520
Income taxes payable	1,067,742	4,428,033
Provision for bonuses	459,484	479,898
Provision for loss on construction contracts	478,160	419,492
Other	916,982	1,352,172
Total current liabilities	7,962,618	12,881,945
Non-current liabilities		
Deferred tax liabilities	23,626,597	56,418,845
Other	110,257	190,728
Total non-current liabilities	23,736,855	56,609,574
Total liabilities	31,699,473	69,491,519
Net equity		
Shareholders' equity		
Capital stock	4,840,313	4,840,313
Capital surplus	9,359,915	9,359,915
Earned surplus	59,052,286	58,708,967
Treasury stock	(13,467,420)	(20,744,876)
Total shareholders' equity	59,785,094	52,164,319
Other accumulated comprehensive equity		
Valuation difference on available-for-sale securities	54,970,705	128,932,558
Foreign currency translation adjustment	3,049,581	3,670,418
Total other accumulated comprehensive equity	58,020,286	132,602,977
Non-controlling interests	436,020	900,028
Total net assets	118,241,401	185,667,324
Total liabilities and net assets	149,940,875	255,158,843

(2) Consolidated statements of income and statements of comprehensive income

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	(Unit: Thousand Yen) Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Net sales	42,326,428	36,169,313
Cost of sales	34,500,117	30,656,874
Gross profits	7,826,311	5,512,439
Selling, general and administrative expenses	5,636,298	5,687,256
Operating profit (loss)	2,190,012	(174,817)
Non-operating income		
Interest income	275,238	232,038
Dividends earned	54,510	—
Gain on valuation of investment securities	206,589	480,586
Gain on investments in investment partnerships	—	33,608
Foreign exchange gains	111,819	—
Miscellaneous income	3,569	4,686
Total non-operating income	651,727	750,919
Non-operating expenses		
Interest expenses	10,627	23,451
Loss on investments in investment partnerships	22,544	—
Investment partnerships management fee	115,182	354,779
Commission for purchase of treasury shares	25,361	37,966
Donations	49,255	68,899
Foreign exchange losses	—	72,576
Miscellaneous losses	10,401	16,952
Total non-operating expenses	233,372	574,625
Ordinary profit	2,608,368	1,476
Extraordinary income		
Gain on sale of investment securities	7,705,261	15,150,486
Total extraordinary income	7,705,261	15,150,486
Extraordinary losses		
Loss on valuation of inventories	—	110,812
Loss on retirement of non-current assets	1,326,568	1,406,583
Loss on valuation of investment securities	919,651	60,000
Total extraordinary losses	2,246,219	1,577,396
Profit before income taxes	8,067,410	13,574,566
Income taxes - current	2,808,259	4,258,168
Income taxes deferred	(133,063)	3,418
Total income taxes	2,675,195	4,261,586
Profit	5,392,214	9,312,980
(Breakdown)		
Profit (loss) attributable to owners of parent	5,371,919	9,284,249
Profit (loss) attributable to non-controlling interests	20,295	28,730

	(Unit: Thousand Yen)	
	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Other comprehensive income		
Valuation difference on available-for-sale securities	17,416,902	73,961,852
Foreign currency translation adjustment	95,997	631,486
Total other comprehensive income	17,512,900	74,593,338
Comprehensive income	22,905,114	83,906,318
(Breakdown)		
Comprehensive income attributable to owners of parent	22,849,283	83,866,939
Comprehensive income attributable to non-controlling members	55,831	39,379

(3) Consolidated statements of changes in equity

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

(Unit: Thousand Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	4,840,313	9,359,915	57,210,333	(9,544,485)	61,866,076
Changes during period					
Dividends of surplus			(1,997,401)		(1,997,401)
Profit (loss) attributable to owners of parent			5,371,919		5,371,919
Purchase of treasury shares				(5,595,077)	(5,595,077)
Disposal of treasury shares		32,165		107,412	139,577
Cancellation of treasury shares		(1,564,729)		1,564,729	—
Transfer from retained earnings to capital surplus		1,532,564	(1,532,564)		—
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	1,841,953	(3,922,934)	(2,080,981)
Balance at the end of the period	4,840,313	9,359,915	59,052,286	(13,467,420)	59,785,094

	Other accumulated comprehensive income			Non-controlling interests	Total net assets
	Valuation differences on available-for-sale securities	Foreign currency translation adjustment	Total other comprehensive income		
Balance at the beginning of the period	37,553,803	2,989,119	40,542,922	264,737	102,673,736
Changes during period					
Dividends of surplus					(1,997,401)
Profit (loss) attributable to owners of parent					5,371,919
Purchase of treasury shares					(5,595,077)
Disposal of treasury shares					139,577
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net change in items other than shareholders' equity	17,416,902	60,461	17,477,363	171,283	17,648,646
Total changes in items during the period	17,416,902	60,461	17,477,363	171,283	15,567,665
Balance at the end of the period	54,970,705	3,049,581	58,020,286	436,020	118,241,401

Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)

(Unit: Thousand Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	4,840,313	9,359,915	59,052,286	(13,467,420)	59,785,094
Changes during period					
Dividends of surplus			(2,389,839)		(2,389,839)
Profit (loss) attributable to owners of parent			9,284,249		9,284,249
Purchase of treasury shares				(14,662,989)	(14,662,989)
Disposal of treasury shares		29,382		118,420	147,803
Cancellation of treasury shares		(7,267,112)		7,267,112	—
Transfer from retained earnings to capital surplus		7,237,729	(7,237,729)		—
Net changes in items other than shareholders' equity					
Total changes in items during the period	—	—	(343,319)	(7,277,456)	(7,620,775)
Balance at the end of the period	4,840,313	9,359,915	58,708,967	(20,744,876)	52,164,319

	Other accumulated comprehensive income			Non-controlling interests	Total net assets
	Valuation differences on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income		
Balance at the beginning of the period	54,970,705	3,049,581	58,020,286	436,020	118,241,401
Changes during period					
Dividends of surplus					(2,389,839)
Profit (loss) attributable to owners of parent					9,284,249
Purchase of treasury shares					(14,662,989)
Disposal of treasury shares					147,803
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity	73,961,852	620,837	74,582,690	464,008	75,046,698
Total changes in items during the period	73,961,852	620,837	74,582,690	464,008	67,425,922
Balance at the end of the period	128,932,558	3,670,418	132,602,977	900,028	185,667,324

(4) Consolidated statements of cash flows

	Unit (Thousand Yen)	
	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Cash flows from operating activities		
Profit (loss) before taxes	8,067,410	13,574,566
Depreciation	709,323	671,331
Amortization of long-term prepaid expenses	658,128	638,543
Increase (decrease) in allowance for doubtful accounts	17,079	88,300
Increase (decrease) in reserves for bonus payments	(259,653)	20,356
Increase (decrease) in reserves for loss on construction contracts	384,159	(58,668)
Interest and dividend income	(329,749)	(232,038)
Interest expenses	10,627	23,451
Loss (gains) on investments in partnerships	22,544	(33,608)
Foreign exchange gain (loss)	95,786	52,404
Loss on retirement of non-current assets	1,326,568	1,406,583
Loss (gain) on sale of investment securities	(7,705,261)	(15,150,486)
Loss (gain) on valuation of investment securities	713,062	(420,586)
Decrease (increase) in notes and accounts receivable-trade	(5,080,636)	4,333,344
Decrease (increase) in inventories valuation	(984,920)	(302,080)
Increase (decrease) in notes and accounts payable - trade	574,944	2,080,752
Decrease (increase) in other assets	1,644,322	(487,656)
Decrease (increase) in other liabilities	240,859	(138,819)
Other	25,217	34,998
Subtotal	129,811	6,100,689
Interest and dividend income received	323,920	239,631
Interest expenses paid	(10,627)	(23,451)
Corporate and other income tax refunds	41	-
Corporate and other income taxes (paid)	(4,169,761)	(1,019,397)
Cash flows from operating activities	(3,726,615)	5,297,471
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	-	3,301,748
Payments into time deposits	(418,828)	-
Proceeds from sale of property, plant and equipment	1,136	3,442
Purchase of property, plant and equipment	(2,299,225)	(1,907,265)
Purchase of intangible assets	(184,591)	(167,706)
Proceeds from sale of investment securities	8,708,470	16,178,020
Purchase of investment securities	(869,367)	(6,507,917)
Proceeds from distributions from investment partnerships	-	156,008
Purchase of long-term prepaid expenses	(706,215)	(817,301)
Other	(640,787)	(171,762)
Cash flows from investing activities	3,590,589	10,067,267

	Unit (Thousand Yen)	
	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Cash flows from financing activities		
Purchase of treasury shares	(5,621,227)	(14,700,955)
Increase (decrease) in deposits for purchase of treasury shares	–	(1,337,098)
Cash dividends paid	(1,994,651)	(2,386,476)
Proceeds from accepting investments from non-controlling interests in investment partnerships	115,451	424,629
Other	(11,398)	(15,058)
Cash flows from financing activities	(7,511,825)	(18,014,959)
Effect of exchange rate change on cash and cash equivalents	35,662	423,977
Net increase (decrease) in cash and cash equivalents	(7,612,189)	(2,226,243)
Balance at the beginning of the period of cash and cash equivalents	25,160,064	17,547,875
Balance at the end of the period of cash and cash equivalents	17,547,875	15,321,631

(5) Notes relating to consolidated financial statements

(Notes on going concern assumptions)

None

(Significant Accounting Estimates)

(Valuation of Unlisted Equity Securities, etc.)

(1) Amount recorded in the consolidated financial statements of the current consolidated fiscal year

MegaChips Co., Ltd. and its consolidated subsidiaries invest in several overseas startup companies possessing cutting-edge technologies and innovative ideas with the aim of achieving sustainable medium- to long-term growth. These investments include an investment in Morse Micro Pty. Ltd., an Australian startup company, which was acquired at a price reflecting expected excess earning power over its net assets. Such investment is recorded as investment securities of ¥14,841,885 thousand in the consolidated balance sheet for the current consolidated fiscal year.

(2) Other information that contributes to the understanding of users of consolidated financial statements

The Company's investment in Morse Micro Pty. Ltd. is classified as shares without a market price and is carried at acquisition cost in the consolidated balance sheet. When the substantive value of the investment declines significantly, the Company recognizes a valuation loss. In evaluating shares without a market price acquired at a price reflecting expected excess earning power, the Company assesses whether the substantive value has declined significantly due to impairment of the excess earning power expected at the time of acquisition. If it is determined that a significant decline in substantive value has occurred as a result of such impairment, the Company records an impairment loss by writing down the carrying amount to the substantive value.

During the current consolidated fiscal year, Morse Micro Pty. Ltd. conducted a third-party allotment of shares to support business expansion. The subscription price for the new shares exceeded the acquisition price paid by the Company in prior fiscal years. After evaluating the economic rationality of the subscription price and confirming that no significant changes in the business environment or other circumstances causing impairment of the company's excess earning power had occurred since the capital increase, the Company concluded that no significant decline in substantive value had occurred.

(Segment information)

【Segment information】

The MegaChips Group is mainly engaged in the design, development and production of LSI devices utilizing its proprietary analog/digital technology to provide of total solutions under one business segment. As a result, the presentation of segment information has been omitted.

(Per share information)

(Unit: Yen)

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Net assets per share	6,901.20	12,349.96
Profit (loss) per share	306.27	578.31

(Notes) 1. Diluted net income per share is not shown because there are no dilutive securities.

2. The basis for the calculation of current net profit per share is as follows.

	Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)	Consolidated fiscal year under review (From April 1, 2025 to March 31, 2026)
Profit (loss) attributable to owners of parent (thousand yen)	5,371,919	9,284,249
Amount that is not attributable to ordinary shareholders (thousand yen)	—	—
Profit (loss) attributable to shareholders of the parent company related to ordinary shares (thousand yen)	5,371,919	9,284,249
Average number of ordinary shares during the current period	17,539,774	16,053,997

(Material subsequent events)

(Sale of Investment Securities)

At the meeting of the Board of Directors held on May 14, 2026, the Company resolved to sell a portion of its shares in SiTime Corporation (headquartered in California, U.S., listed on the NASDAQ Global Market), which are held as investment securities.

(1) Reason for the share sale

The Company is working to enhance profitability and strengthen its business portfolio by reinforcing the business foundations of its Amusement and ASIC businesses, as well as promoting the development of its ASSP business and new businesses, with the aim of achieving sustainable mid- to long-term growth.

Through the partial sale of SiTime shares (400,000 shares), the Company aims to maintain financial soundness, focus on fostering new business areas, and further strengthen its business portfolio.

(2) Outlook

As a result of this transaction, the Company expects to record a gain on sale of investment securities of approximately ¥37.0 billion as extraordinary income in its consolidated and non-consolidated financial results for the fiscal year ending March 2027.