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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]

November 7, 2025

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 6875
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 Scheduled date of filing semi-annual securities report: November 14, 2025
 Scheduled date of commencing dividend payments: —
 Availability of supplementary briefing material on financial results: Available
 Schedule of 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 Six Months Ended September 30, 2025 (From April 1, 2025 to September 30, 2025)

(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	%
Six months ended September 30, 2025	21,328	(14.2)	1,028	(42.2)	710	(63.4)	398	(87.0)
Six months ended September 30, 2024	24,853	(31.9)	1,779	(52.2)	1,943	(24.2)	3,066	81.5

(Note) Comprehensive income: Six months ended September 30, 2025: ¥58,432 million [99.0%]

Six months ended September 30, 2024: ¥29,356 million [473.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	24.04	—
Six months ended September 30, 2024	171.48	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2025	236,768	169,641	71.4	10,490.28
As of March 31, 2025	149,940	118,241	78.6	6,901.20

(Reference) Equity: As of September 30, 2025: ¥168,939 million

As of March 31, 2025: ¥117,805 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	140.00	140.00
Fiscal year ending March 31, 2026	—	—			
Fiscal year ending March 31, 2026 (Forecast)			—	210.00	210.00

(Note) Revision to the forecast for dividends announced most recently: Yes

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, 2026 (From April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	42,000	(0.8)	3,000	37.0	2,700	3.5	9,000	67.5
								558.85

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2025: No

New: –

Exception: –

(2) Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements: Yes

(3) 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

(4) Number of shares outstanding (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock)

September 30, 2025: 20,652,400 shares

March 31, 2025: 20,652,400 shares

2) Number of shares of treasury stock at the end of the period

September 30, 2025: 4,548,040 shares

March 31, 2025: 3,582,120 shares

3) Average number of shares outstanding during the period

Six months ended September 30, 2025: 16,578,211 shares

Six months ended September 30, 2024: 17,882,121 shares

* Semi-annual financial results reports are outside the scope of review 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 semi-annual financial results)

Supplementary briefing material on semi-annual financial results will be presented on the Company's website immediately after disclosure of the summary of consolidated financial results for the six months ended September 30, 2025.

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1. Qualitative Information Related to the Quarterly Operating Results

(1) Overview of Consolidated Operating Results

The global economy has recently been experiencing continuous uncertainty due to geopolitical risks stemming from Russia's prolonged invasion of Ukraine, heightened tensions in the Middle East, and increasing global inflationary pressures. Furthermore, concerns over the impact of U.S. financial policies and the delayed recovery of the Chinese economy have further clouded the outlook for the global economy, raising additional concerns about a potential slowdown in global economic growth.

Additionally, in the foreign exchange market, differences in monetary policies among major countries have had a significant impact, leading to considerable fluctuations. During the first half of the fiscal year, this resulted in a temporary trend of yen appreciation, followed by a sustained trend of yen depreciation.

Our core ASIC business (Application-Specific Integrated Circuit) is currently undergoing an inventory adjustment. However, the advancement of AI and IoT technologies is driving the expansion of semiconductor demand in the industrial equipment and communication sectors. Under these circumstances, we are focusing on customer-oriented proposals and support activities in the amusement sector. At the same time, we are leveraging the upstream design expertise and analog technologies we have cultivated over the years, as well as our strengths in communication interface technology, security technology, and image processing technology. By developing products for image-related equipment, the growing industrial equipment market, and the communication infrastructure sector, we aim to strengthen our business foundation and expand profitability.

In the ASSP segment, we are concentrating our management resources on launching new LSI businesses targeting the communication and industrial equipment sectors, which are expected to experience growth amid the ongoing advancements in information and communication technologies driven by AI, IoT, and 5G. We are working to enhance our competitive edge in analog and digital circuit development and design technologies. In the communication sector, we are advancing commercialization efforts through a capital alliance and strategic partnership with Morse Micro PTY. LTD. (hereinafter referred to as "Morse Micro"). By leveraging long-range wireless communication technologies, we aim to provide LSIs and modules that meet diverse customer needs and expand our business through a wide range of communication solutions.

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 exploring new markets and developing new products, aiming to create and commercialize unique business opportunities.

Regarding the consolidated operating results for the current interim consolidated accounting period, demand in the Amusement business during the second quarter exceeded that of the same period last year and remained stable. The ASIC business experienced a decrease in sales compared to the same period of previous fiscal year but is expected to see an increase in sales from contracted development in the second half of the current fiscal year.

As a result, the MegaChips Group recorded net sales of ¥21,328 million (a decrease of 14.2% compared to the same interim period of the previous year) and the operating income of ¥1,028 million (a decrease of 42.2% compared to the same interim period of the previous year). Ordinary income amounted to ¥710 million (a decrease of 63.4% compared to the same interim period of the previous year), primarily due to foreign exchange losses of ¥216 million. Profit attributable to owners of parent reached ¥398 million (a decrease of 87.0% compared to the same interim period of the previous year) impacted by corporate tax expenses of ¥333 million.

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

(2) Overview of Financial Position

<Assets>

Total assets as of the end of the current interim consolidated accounting period amounted to ¥236,768 million (an increase of ¥86,827 million from the end of the previous consolidated fiscal year). Comparing major assets with the end of the previous consolidated fiscal year, notes, accounts receivable-trade, and contract decreased by ¥4,837, the mark-to-market valuation of SiTime Corporation shares increased by ¥89,065 million, while cash and deposits decreased by ¥8,275 million.

<Liabilities>

Total liabilities as of the end of the current interim consolidated accounting period amounted to ¥67,126 million (an increase of ¥35,427 million from the end of the previous consolidated fiscal year). Key items compared to the end of the previous consolidated fiscal year include a ¥8,500 million increase in short-term borrowings and ¥26,512 million increase in deferred tax liabilities.

<Net Assets>

Net assets as of the end of the current interim consolidated accounting period amounted to ¥169,641 million (an increase of ¥51,400 million compared to the end of the previous consolidated fiscal year). Key items compared to the end of the previous consolidated fiscal year include a ¥58,213 million increase in valuation difference on available-for-sale securities, while earned surplus decreased by ¥1,991 million and treasury stock increased by ¥5,010 million due to the acquisition of treasury shares and other factors (deductible items).

(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 fiscal year ended in March 2024, following the exclusion of SiTime from equity-method affiliates. Consequently, these shares are now subject to mark-to-market valuation at the end of each fiscal period. This change has resulted in a higher proportion of investment securities relative to total assets. Similarly, in the liabilities and net assets sections, the proportions of deferred tax liabilities and valuation difference on available-for-sale securities, which are the corresponding accounts, have also increased.

Looking forward, the Company intends to allocate the funds obtained from the sale of SiTime shares to growth investments and shareholder returns. By optimizing allocation of management resources, the Company aims to drive business structure reforms and achieve sustainable growth over the medium to long term.

(3) Overview of Cash Flows

Cash and cash equivalents ("Capital") as of the end of the current interim consolidated accounting period amounted to ¥9,769 million, representing a decrease of ¥7,778 million compared to the end of the previous consolidated fiscal year (a decrease of ¥7,355 million compared to the same period of previous fiscal year).

Additionally, free cash flow, calculated as the sum of cash flows from operating activities and cash flows from investing activities, resulted in an expenditure of ¥9,051 million, marking a negative change of ¥6,140 million compared to the same interim period of previous fiscal year.

<Cash flows from Operating Activities>

Cash flows from operating activities during the current interim consolidated accounting period resulted in an expenditure of ¥2,965 million (an increase of ¥2,411 million compared to the same interim period of previous fiscal year).

This was primarily due to an increase in accounts payable of ¥1,783 million and accounts receivable of ¥4,837 million, respectively.

<Cash flows from Investing Activities>

Cash flow from investing activities during the current interim consolidated accounting period amounted to an outflow of ¥6,085 million (a decrease of ¥8,552 million compared to the same interim period of previous fiscal year).

This was primarily due to expenditures of ¥1,788 million for the acquisition of tangible fixed assets and ¥4,541 million for the acquisition of investment securities, including additional investment in Morse Micro.

<Cash flows from Financing Activities>

Cash flow from financing activities during the current interim consolidated accounting period amounted to an inflow of ¥1,316 million (an increase of ¥5,609 million compared to the same interim period of previous fiscal year).

This was primarily due to income from short-term borrowings of ¥8,500 million, expenditures of ¥5,129 for the acquisition of treasury stock, and ¥2,385 million for dividend payments.

(4) Overview of Forward-Looking Statements such as Consolidated Earnings Forecast

As stated in the news release published today, titled "Sale of Investment Securities and Posting of Extraordinary Profit," the extraordinary profit is expected to exceed the initial projection. Accordingly, the Company has revised its consolidated earnings forecast for the fiscal year ending March 31, 2026, based on the current performance trend. This revision is based on the forecast announced in the "Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (Japanese GAAP)," which was officially released on May 14, 2025. For further details, please refer to the "Revision to the Dividend Forecast" released today.

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheets

(Unit: Thousand Yen)

	Previous consolidated fiscal year (ended March 31, 2025)	Current interim consolidated period (ended September 30, 2025)
Assets		
Current assets		
Cash and deposits	20,830,306	12,554,432
Notes, accounts receivable-trade, and contract assets	15,554,626	20,391,853
Merchandise and finished goods	2,344,448	2,452,418
Work in progress	1,902,784	1,884,107
Raw materials and supplies	180,879	71,539
Accounts receivable	2,327,726	1,657,256
Other	550,300	1,183,485
Allowance for doubtful accounts	(88,651)	△85,103
Total current assets	43,602,421	40,109,989
Non-current assets		
Property, plant and equipment		
Buildings	349,265	349,263
Accumulated depreciation	(226,133)	(237,083)
Buildings (net)	123,132	112,180
Tools, furniture and fixtures	5,483,345	5,863,616
Accumulated impairment	(4,150,936)	(4,414,949)
Tools, furniture and fixtures (net)	1,332,409	1,448,667
Construction in progress	715,534	2,121,682
Other	1,125,654	1,057,358
Accumulated depreciation	(1,047,319)	(925,301)
Other (net)	78,335	132,057
Total property, plant and equipment	2,249,411	3,814,587
Intangible assets		
Software	658,548	688,325
Other	548	248
Total intangible assets	659,096	688,573
Investment and other assets		
Investment securities	101,636,005	190,701,130
Long-term prepaid expenses	990,610	787,752
Deferred tax assets	28,625	28,502
Other	774,703	637,837
Total investment and other assets	103,429,945	192,155,223
Total non-current assets	106,338,453	196,658,384
Total assets	149,940,875	236,768,374

(Unit: Thousand Yen)

	Previous consolidated fiscal year (ended March 31, 2025)	Current interim consolidated period (ended September 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	3,083,074	4,866,928
Short-term borrowings	—	8,500,000
Accounts payable-other	1,957,173	1,227,464
Income taxes payable	1,067,742	360,976
Provision for bonuses	459,484	410,789
Provision for loss on construction contracts	478,160	502,434
Other provisions	—	81,000
Other	916,982	939,713
Total current liabilities	7,962,618	16,889,307
Non-current liabilities		
Deferred tax liabilities	23,626,597	50,139,367
Other	110,257	98,229
Total non-current liabilities	23,736,855	50,237,596
Total liabilities	31,699,473	67,126,904
Net equity		
Shareholders' equity		
Capital stock	4,840,313	4,840,313
Capital surplus	9,359,915	9,389,298
Earned surplus	59,052,286	57,061,056
Treasury stock	(13,467,420)	(18,477,528)
Total shareholders' equity	59,785,094	52,813,139
Other accumulated comprehensive equity		
Valuation difference on available-for-sale securities	54,970,705	113,184,128
Foreign currency translation adjustment	3,049,581	2,941,982
Total other accumulated comprehensive equity	58,020,286	116,126,110
Non-controlling interests	436,020	702,219
Total net assets	118,241,401	169,641,469
Total liabilities and net assets	149,940,875	236,768,374

(2) Interim Consolidated Statements of Income and Statements of Comprehensive Income

(Unit: Thousand Yen)

	Previous interim consolidated period (From April 1, 2024 to September 30, 2024)	Current interim consolidated period (From April 1, 2025 to September 30, 2025)
Net sales	24,853,067	21,328,423
Cost of sales	20,024,515	17,486,490
Gross profits	4,828,551	3,841,933
Selling, general and administrative expenses	3,048,942	2,813,012
Operating Profit (loss)	1,779,609	1,028,921
Non-operating income		
Interest income	143,782	120,762
Gain on valuation of investment securities	92,807	23,293
Unclaimed Dividend Exclusion Profit	2,552	2,158
Miscellaneous income	456	738
Total non-operating income	239,597	146,952
Non-operating expenses		
Interest expenses	643	5,759
Loss on investments in investment partnerships	9,334	6,967
Investment partnerships management fee	—	173,085
Donations	43,255	56,299
Foreign exchange losses	9,368	216,496
Miscellaneous losses	13,322	6,583
Total non-operating expenses	75,923	465,191
Ordinary Profit	1,943,283	710,682
Extraordinary income		
Gain on sale of investment securities	4,035,377	—
Total extraordinary income	4,035,377	—
Extraordinary losses		
Loss on Disposal of Fixed Assets	14,329	—
Loss on valuation of investment securities	885,022	—
Total extraordinary losses	899,352	—
Interim net income before income taxes	5,079,308	710,682
Income taxes	2,004,857	333,634
Interim net income	3,074,451	377,047
(Breakdown)		
Profit attributable to owners of parent	3,066,450	398,609
Profit (loss) attributable to non-controlling interests	8,000	(21,561)
Other comprehensive income		
Valuation difference on available-for-sale securities	26,346,103	58,213,422
Foreign currency translation adjustment	(64,426)	(158,389)
Total other comprehensive income	26,281,677	58,055,033
Interim comprehensive income	29,356,128	58,432,081
(Breakdown)		
Interim comprehensive income attributable to owners of parent	29,307,437	58,504,433
Interim comprehensive income attributable to non-controlling members	48,690	(72,351)

(3) Interim Consolidated Statements of Cash Flows

(Unit: Thousand Yen)

	Previous interim consolidated period (From April 1, 2024 to September 30, 2024)	Current interim consolidated period (From April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Profit (loss) before taxes	5,079,308	710,682
Depreciation	318,772	336,752
Amortization of long-term prepaid expenses	345,479	313,616
Increase (decrease) in allowance for doubtful accounts	8,258	(3,547)
Increase (decrease) in provision for bonuses	(183,494)	(48,734)
Increase (decrease) in provision for loss on construction contracts	(32,035)	24,274
Interest and dividend income	(143,782)	(120,762)
Interest expenses	643	5,759
Investment partnership operating loss (profit)	9,334	6,967
Foreign exchange gain (loss)	151,777	122,154
Loss on disposal of fixed assets	14,329	—
Loss (gain) on valuation of investment securities	792,215	(23,293)
Loss (gain) on sale of investment securities	(4,035,377)	—
Decrease (increase) in trade receivables	(10,591,987)	(4,837,227)
Decrease (increase) in inventories	143,759	20,047
Increase (decrease) in trade payables	3,897,313	1,783,853
Decrease (increase) in other assets	1,127,945	247,766
Increase (decrease) in other liabilities	(150,923)	(704,428)
Other	97,897	80,419
Subtotal	(3,150,564)	(2,085,699)
Interest and dividends received	136,632	119,276
Interest paid	(643)	(4,423)
Corporate and other income taxes (paid)	(2,362,766)	(994,750)
Cash flows from operating activities	(5,377,342)	(2,965,596)
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	442,373	452,662
Payments for acquisition of property, plant, and equipment	(1,466,898)	(1,788,767)
Payments for acquisition of intangible assets	(76,324)	(74,021)
Proceeds from sale of investment securities	4,618,638	—
Payments for acquisition of investment securities	(506,943)	(4,541,176)
Payments for acquisition of long-term prepaid expenses	(68,902)	(135,744)
Other	(475,081)	1,312
Cash flows from investing activities	2,466,860	(6,085,735)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	8,500,000
Purchase of treasury stock	(2,372,139)	(5,129,041)
Contributions from non-controlling interests in consolidated investments funds	77,081	338,551
Cash dividends paid	(1,993,748)	(2,385,300)
Other	(4,222)	(7,346)
Cash flows from financing activities	(4,293,028)	1,316,863
Effect of exchange rate change on cash and cash equivalents	(152,225)	(44,004)
Net increase (decrease) in cash and cash equivalents	(7,355,736)	(7,778,473)
Cash and cash equivalents at beginning of period	25,160,064	17,547,875
Cash and cash equivalents at end of interim period	17,804,328	9,769,401

(4) Notes Relating to Interim Consolidated Financial Statements

(Notes on Going Concern Assumptions)

None

(Notes Relating to Significant Changes in the Amount of Shareholders' Equity)

The previous interim consolidated period (from April 1, 2024, to September 30, 2024)

Based on the resolution of the Board of Directors meeting on February 9, 2024, and the resolutions made in accordance with Article 370 of the Companies Act (written resolutions in lieu of Board of Directors' resolutions) on May 23, 2024, and August 20, 2024, the Company acquired 254,100 shares, 35,000 shares, and 260,700 shares of treasury stock, respectively, resulting in an increase of ¥2,363,861 thousand in treasury stock. On the other hand, due to the cancellation of 480,000 shares of treasury stock on June 28, 2024, and other factors, treasury stock decreased by ¥1,675,401 thousand. As a result, the balance of treasury stock at the end of current interim consolidated accounting period stands at ¥10,232,945 thousand.

During the current interim consolidated period (from April 1, 2025, to September 30, 2025)

Based on the resolution of the Board of Directors meeting held on May 14, 2025, the company acquired 995,600 shares of treasury stock. Consequently, including increases from the purchases of fractional shares, treasury stock increased by ¥5,128,528 thousand. On the other hand, due to the cancellation of 29,950 shares of treasury stock, it decreased by ¥118,420 thousand. As a result, the balance of treasury stock at the end of current interim consolidated accounting period stood at ¥18,477,528 thousand.

(Notes on Entry under Account Methods Specific to the Preparation of Interim Consolidated Financial Statements)

(Calculation of tax expenses)

The tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year including the current quarterly consolidated period and multiplying quarterly profit before income taxes by such estimated tax rate.

(Notes on Segment Information, etc.)

【Segment Information】

Because the MegaChips Group operates as one business segment, the statements have been omitted.