MegaChips NEWS RELEASE

FASF MEMBERSHIP

June 26, 2026

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Notice Regarding the Disposal of Treasury Shares under the Restricted Stock Grant Plan through the MegaChips Employee Stock Ownership Association

MegaChips Corporation (the "Company") hereby announces that, at the meeting of its Board of Directors held today, it resolved to dispose of treasury shares as restricted stock under a plan pursuant to which restricted stock is granted to the Company's employees through the MegaChips Employee Stock Ownership Association (the "Association"). Under the Plan, the restricted stock will be allotted only to members of the Association who have agreed to receive such restricted stock through the Association (the "Participating Employees").

1. Overview of Disposal

(1)	Date of disposal	August 25, 2026
(2)	Type and number of shares	Common stock of the Company 29,900 shares
(3)	Disposal price	¥10,520 per share
(4)	Total Disposal value	¥314,548,000
(5)	Allocation method (party to receive shares)	Third-party allotment method MegaChips Employee Stock Association 29,900 shares

(Note) The "number of shares'' and "total disposal value" is the maxim value as of today and the number of shares to be disposed of and the amount will be determined based on the eligible number of employees after the promotional campaign for non-members of the stock ownership association and the confirmation of consent to this system from the members.

2. Purpose and reasons for the disposal

At the meeting of its Board of Directors held today, the Company resolved to dispose of treasury shares of its common stock as restricted stock through the MegaChips Employee Stock Ownership Association (the "Association") under the Plan. The purpose of the Plan is to further align the interests of employees with those of shareholders by providing incentives for the sustainable enhancement of the Company's corporate value and to support employees' asset formation through the grant of restricted stock.

Under the Plan, the Company will provide monetary claims to Participating Employees as a special incentive for the grant of restricted stock. The Participating Employees will contribute such monetary claims to the Association, and the Association will make an in-kind contribution of the monetary claims received from the Participating Employees to the Company in a lump sum. As a result, the Association will receive an allotment of the Company's common shares as restricted stock.

Participating Employees will acquire interests in the restricted stock allotted to the Association in accordance with the Association's rules and regulations. However, they may not withdraw the shares corresponding to such interests during the restricted period.

In addition, upon the allotment of the Company's common shares, the Company plans to enter into a restricted stock allotment agreement (the "Allotment Agreement") with the Association, which will include the principal terms described below.

The number of shares to be disposed of in the Treasury Share Disposal is expected to be determined at a later date as described in Note 1 above; however, the maximum number of shares to be disposed of will be 29,900 shares.

Assuming the maximum number of shares is disposed of, the resulting dilution will represent approximately 0.16% of the total number of issued shares (19,046,900 shares) and approximately 0.20% of the total voting rights (149,480 voting rights), each as of March 31, 2026.

<Outline of the Allotment Agreement>

(1) Restricted Period

The Association shall not transfer, create any security interest in, or otherwise dispose of the Company's common shares allotted under the Allotment Agreement (the "Allotted Shares"), including any withdrawal by Participating Employees, during the period from the disposal date to July 1, 2030 (the "Restricted Period").

(2) Conditions for Lifting the Transfer Restrictions

The transfer restrictions on all of the Allotted Shares corresponding to the interests held by each Participating Employee shall be lifted upon expiration of the Restricted Period, provided that such Participating Employee has continuously remained a member of the Association throughout the Restricted Period.

(3) Acquisition by the Company without Consideration

The Company shall automatically acquire, without consideration, any Allotted Shares for which the transfer restrictions have not been lifted as of the expiration of the Restricted Period or immediately following the time.

(4) Management of Shares

The Allotted Shares shall be managed during the Restricted Period in a dedicated account for restricted stock opened by the Association with Daiwa Securities Co. Ltd., so that the shares may not be transferred, pledged as collateral, or otherwise disposed of during the Restricted Period.

In addition, the Association shall separately record and manage the interests in the Allotted Shares and ordinary interests in accordance with its rules and regulations.

3. Basis for Determining the Payment Amount and Specific Details Thereof

This disposal of treasury shares will be implemented through an in-kind contribution by the Association of monetary claims that are granted by the Company to the Participating Employees as a special incentive for the grant of restricted stock and subsequently contributed by the Participating Employees to the Association.

In order to eliminate any arbitrariness in the determination of the disposal price, the disposal price has been set at ¥10,520 per share, which is the closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market on June 25, 2026, the business day immediately preceding the date of the resolution of the Board of Directors.

The Company has determined that such disposal price is reasonable, as it reflects the market price of the Company's common shares, and does not constitute a particularly favorable price to the Association, the proposed allottee.

The rates of deviation (rounded to the nearest one-thousandth and expressed as percentages) of the disposal price from the simple average of the closing prices of the Company's common shares on the Tokyo Stock Exchange Prime Market are as follows:

Period	Simple average of the closing prices	Rates of deviation
1 month（May 26, 2026～June 25, 2026）	¥11,434	-7.99％
3 months（March 26, 2026～June 25, 2026）	¥10,473	0.45％
6 months（December 26, 2025～June 25, 2026）	¥9,593	9.66％

In light of the foregoing, the Company has determined that the disposal price is reasonable as it reflects the market price of the Company's common shares and does not constitute a particularly favorable price to the proposed allottee. In addition, all four Corporate Auditors who participated in the Board of Directors meeting held today (including two Outside Corporate Auditors) expressed the opinion that the Company's determination is reasonable and appropriate, stating that, since the disposal price is based on the closing price of the Company's common shares on the Tokyo Stock Exchange Prime Market on the business day immediately preceding the date of the resolution, the disposal price does not constitute a particularly favorable price to the Association, which is the proposed allottee.

4. Matters Relating to Procedures under the Code of Corporate Conduct

This disposal of treasury shares does not require either (i) the obtaining of an opinion from an independent third party or (ii) procedures to confirm the intent of shareholders, as prescribed under Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (a) the dilution ratio is less than 25% and (b) the disposal does not involve a change in the controlling shareholder.

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