Issued by: M31 Technology Corporation
Issued on: 2026/8/12

M31 Reports Q2 2026 EPS of NT$(0.06); Advanced-Process Momentum Remains Promising

HSINCHU, Taiwan, R.O.C., August 12, 2026 - M31 Technology Corporation (M31; TWSE: 6643) today held its Q2 2026 investor conference. Consolidated revenue was approximately NT$421.9 million, net loss after tax was approximately NT$2.74 million, and basic EPS was NT$(0.06).

Recognition of Key North American Project Drives Revenue Growth; Loss Narrows Significantly

Compared with the previous quarter, revenue increased 6.9% in the second quarter of 2026, primarily due to the recognition of a major advanced-process project for a leading North American customer that had been deferred from the previous quarter. Together with expense optimization, this contributed to a significant improvement in net income and earnings per share. Compared with the same period last year, revenue in the second quarter of 2026 declined 6.0%. All financial figures are derived from the Company's consolidated financial statements prepared in accordance with Taiwan-International Financial Reporting Standards (TIFRS).

In U.S. dollar terms, second-quarter 2026 revenue was approximately US$13.31 million, down 9.6% year-over-year and up 6.7% quarter-over-quarter.

In terms of profitability, net loss after tax for the quarter was approximately NT$2.74 million, with a basic loss per share of NT$0.06. The loss narrowed significantly compared with both the same period last year and the previous quarter. Net margin improved to -0.6%, compared with -9.1% in the second quarter of 2025 and -12.5% in the first quarter of 2026, primarily due to substantially lower foreign exchange losses compared with the same period last year. In addition, the Company recognized certain expected credit losses on accounts receivable based on credit risk assessments, which also had an impact on quarterly profitability.

Operating margin was -4.0% in the second quarter of 2026, improving by 12.8 percentage points from the previous quarter, mainly driven by revenue recovery and operating leverage. Operating expenses totaled NT$439 million, down 4.8% quarter-over-quarter, primarily due to lower cloud-computing resource-related expenses. Compared with the same period last year, operating expenses increased 7.1%, mainly reflecting the Company's continued investment in advanced-process R&D talent and technology development.

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Advanced-Processes Account for Nearly 70% of Licensing Revenue; Sub-16nm Royalties Increase Nearly Fourfold Year-over-Year

In terms of revenue composition for the second quarter of 2026, licensing revenue from 2nm-8nm process nodes accounted for 25.4% of total licensing revenue, while 12nm-16nm process nodes contributed 42.0%. Revenue from 22nm-28nm process nodes represented 24.6% of total licensing revenue. Overall, advanced-process nodes (16nm and below), were the primary contributors to licensing revenue, accounting for 67.4% of total licensing revenue for the quarter. The 22nm-28nm segment ranked second, reflecting continued strong demand for high-end IP.

From a revenue-mix perspective, licensing revenue accounted for 82.2% of total revenue in the second quarter, while royalty revenue accounted for 17.8%. Although the royalty contribution declined by 0.4 percentage points from the previous quarter, royalty revenue in absolute terms increased by 4.7%. Royalty revenue from sub-16nm process technologies grew nearly fourfold year-over-year and accounted for more than 30% of total royalty revenue. Royalty revenue generated during the first half of 2026 has already exceeded half of the full-year royalty revenue recorded in 2025, reflecting the gradual ramp-up of advanced-process production.

By geographic region, China accounted for 38.1% of second-quarter revenue, followed by Taiwan at 28.5%, North America at 23.7%, and other regions at 9.8%. By customer type, fabless customers accounted for 81.0% of second-quarter revenue, while foundry customers accounted for 19.0%.

ASPEED Joins as Strategic Investor to Deepen Industry Collaboration and Expand Customer Reach

Scott Chang, CEO of M31 Technology, commented, “ASPEED has long been one of M31’s key partners. Since our collaboration began in 2017, we have worked together across multiple applications, including BMC chips and 3D camera solutions, building a strong foundation for cooperation. ASPEED’s participation in M31’s private placement not only further strengthens our strategic partnership, but also creates additional opportunities for future collaboration in server-related chips and high-speed interface IP.

As demand for AI servers, data centers, and high-speed interconnects continues to grow, M31 is actively investing in the development of advanced IP solutions, including PCIe Gen6 and 112G SerDes. By leveraging the complementary strengths of both companies in technology, customer relationships, and market resources, we look forward to capturing the next wave of growth opportunities arising from AI, high-performance computing (HPC), and cloud infrastructure."

M31's 2026 second quarter consolidated results:

(Unit: NT$ thousands, except for EPS)

	2Q26 Amount[a]	2Q25 Amount	YoY Inc. (Dec.) %	1Q26 Amount	QoQ Inc. (Dec.) %
Net revenue	421,850	448,722	-6.0%	394,748	+6.9%
Gross margin	100%	100%		100%	
Operating expenses	(438,685)	(409,530)	+7.1%	(461,015)	-4.8%
Operating margin	-4.0%	8.7%	-12.7 ppt	-16.8%	+12.8 ppt
Net income	(2,738)	(40,775)	+38,037	(49,247)	+46,509
Net profit margin	-0.6%	-9.1%	+8.4 ppt	-12.5%	+11.8 ppt
EPS (NT$)	(0.06)[b]	(0.98)[c]	+0.92	(1.18)[d]	+1.12

a: 2Q2026 figures have been approved by Board of Directors

b: Based on 41,791 thousand weighted average outstanding shares

c: Based on 41,755 thousand weighted average outstanding shares

d: Based on 41,791 thousand weighted average outstanding shares