UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-42569



MICROCHIP TECHNOLOGY INCORPORATED
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**86-0629024**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)

2355 W. Chandler Blvd., Chandler, AZ 85224-6199
(Address of Registrant's Principal Executive Offices)

(480) 792-7200
(Registrant's Telephone Number, Including Area Code)

ir@microchip.com
(Registrant's Email Address)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered**
Common Stock, $0.001 par value per share	MCHP	NASDAQ Stock Market LLC (Nasdaq Global Select Market)
Depositary Shares, each representing a 1/20th interest in a share of 7.50% Series A Mandatory Convertible Preferred Stock, $0.001 par value per share	MCHPP	NASDAQ Stock Market LLC (Nasdaq Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to the filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

The number of shares outstanding of the registrant's Common Stock, $0.001 par value per share, as of October 28, 2026 was 544,223,627.

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES

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MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES

Defined Terms[1]

Term	Definition
4.900% 2028 Notes	2028 Senior Unsecured Notes, maturing on March 15, 2028
5.050% 2029 Notes	2029 Senior Unsecured Notes, maturing on March 15, 2029
5.050% 2030 Notes	2030 Senior Unsecured Notes, maturing on February 15, 2030
2017 Senior Convertible Debt	2017 Senior Subordinated Convertible Debt, maturing on February 15, 2027
2020 Senior Convertible Debt	2020 Senior Subordinated Convertible Debt, matured on November 15, 2024
2024 Senior Convertible Debt	2024 Senior Convertible Debt, maturing on June 1, 2030
2026 Senior Convertible Debt	2026 Senior Convertible Debt, maturing on February 15, 2030
AI/ML	Artificial Intelligence and Machine Learning
ASU	Accounting Standards Update
CEMs	Client engagement managers
Commercial Paper	Short-term unsecured promissory notes, of up to $2.75 billion outstanding at any one time, further updated to $2.25 billion outstanding at any one time pursuant to the Credit Agreement, as amended in March 2025
Convertible Debt	2017 Senior Convertible Debt, 2020 Senior Convertible Debt, 2024 Senior Convertible Debt and 2026 Senior Convertible Debt
Credit Agreement	Amended and Restated Credit Agreement, dated as of December 16, 2021, among the Company, as borrower, the lenders from time to time party thereto, and J.P. Morgan Chase Bank, N.A., as administrative agent, as amended by the Second Amended and Restated Credit Agreement, dated as of March 25, 2025
Depositary Shares	Depositary Shares, each representing a 1/20th interest in a share of Series A Preferred Stock
ESG	Environmental, social and governance
Exchange Act	Securities Exchange Act of 1934, as amended
FAEs	Field applications engineers
FASB	Financial Accounting Standards Board
FPGA	Field-programmable gate array
IoT	Internet of Things
LTSAs	Long-term supply agreements
OEMs	Original equipment manufacturers
R&D	Research and development
Revolving Credit Facility	$2.75 billion revolving credit facility created pursuant to the Credit Agreement, reduced to $2.25 billion pursuant to the Second Amended and Restated Credit Agreement, dated as of March 25, 2025
RSUs	Restricted stock units
SEC	U.S. Securities and Exchange Commission
Senior Indebtedness	Revolving Credit Facility, Commercial Paper, 4.900% 2028 Notes, 5.050% 2029 Notes, and 5.050% 2030 Notes
Senior Notes	4.900% 2028 Notes, 5.050% 2029 Notes, and 5.050% 2030 Notes
Series A Preferred Stock	7.50% Series A Mandatory Convertible Preferred Stock, issued on March 25, 2025, $0.001 par value per share
TSS	Total System Solution
U.S. GAAP	U.S. Generally Accepted Accounting Principles

[1] Certain terms used within this Form 10-Q are defined in the above table.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in millions, except share and per share amounts; unaudited)

	September 30, 2026	March 31, 2026
ASSETS		
Cash and cash equivalents	$ 457.0	$ 240.3
Accounts receivable, net	963.1	894.7
Inventories	1,117.3	1,035.4
Other current assets	208.9	207.2
Total current assets	2,746.3	2,377.6
Property, plant and equipment, net	1,074.3	1,106.7
Goodwill	6,702.7	6,695.5
Intangible assets, net	1,920.9	2,033.4
Long-term deferred tax assets	1,821.1	1,792.5
Other assets	395.1	364.4
Total assets	$ 14,660.4	$ 14,370.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 262.3	$ 205.6
Accrued liabilities	962.4	930.7
Total current liabilities	1,224.7	1,136.3
Long-term debt	5,517.2	5,496.4
Long-term income tax payable	592.8	570.9
Long-term deferred tax liability	24.1	25.1
Other long-term liabilities	660.8	709.0
Stockholders' equity:		
Preferred stock, $0.001 par value per share; authorized 5,000,000 shares; 7.50% Series A mandatory convertible preferred stock, 1,485,000 shares issued and outstanding at September 30, 2026 and March 31, 2026, with a liquidation preference of $1,000 per share, or $1,485.0 million in the aggregate	—	—
Common stock, $0.001 par value per share; authorized 900,000,000 shares; 578,471,966 shares issued and 544,223,440 shares outstanding at September 30, 2026; 578,423,967 shares issued and 542,079,011 shares outstanding at March 31, 2026	0.6	0.6
Additional paid-in capital	4,154.8	4,071.5
Common stock held in treasury: 34,248,526 shares at September 30, 2026; 36,344,956 shares at March 31, 2026	(2,508.7)	(2,551.4)
Accumulated other comprehensive loss	(2.9)	(4.2)
Retained earnings	4,997.0	4,915.9
Total stockholders' equity	6,640.8	6,432.4
Total liabilities and stockholders' equity	$ 14,660.4	$ 14,370.1

See accompanying notes to condensed consolidated financial statements

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share amounts; unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net sales	$ 1,621.5	$ 1,140.4	$ 3,106.2	$ 2,215.9
Cost of sales	553.5	502.5	1,099.3	1,001.3
Gross profit	1,068.0	637.9	2,006.9	1,214.6
Research and development	318.5	262.3	627.4	517.8
Selling, general and administrative	186.9	172.3	371.2	331.6
Amortization of acquired intangible assets	90.2	108.1	180.2	215.7
Special charges and other, net	7.9	6.3	26.8	28.5
Operating expenses	603.5	549.0	1,205.6	1,093.6
Operating income	464.5	88.9	801.3	121.0
Interest income	1.7	3.6	3.1	8.5
Interest expense	(47.3)	(56.3)	(96.1)	(113.7)
Other (loss) income, net	(1.4)	(4.4)	(0.9)	0.2
Income before income taxes	417.5	31.8	707.4	16.0
Income tax provision (benefit)	16.1	(9.9)	76.2	(7.1)
Net income	401.4	41.7	631.2	23.1
Dividends on Series A Preferred Stock	(27.8)	(27.8)	(55.6)	(55.6)
Net income (loss) attributable to common stockholders	$ 373.6	$ 13.9	$ 575.6	$ (32.5)
Basic net income (loss) per common share	$ 0.69	$ 0.03	$ 1.06	$ (0.06)
Diluted net income (loss) per common share	$ 0.68	$ 0.03	$ 1.05	$ (0.06)
Dividends declared per common share	$ 0.455	$ 0.455	$ 0.910	$ 0.910
Basic common shares outstanding	543.6	540.0	543.1	539.6
Diluted common shares outstanding	550.6	545.0	550.6	539.6

See accompanying notes to condensed consolidated financial statements

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions; unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 401.4	$ 41.7	$ 631.2	$ 23.1
Components of other comprehensive income (loss):				
Actuarial gains (losses) related to defined benefit pension plans, net of tax effect	0.8	0.2	1.3	(4.5)
Other comprehensive income (loss), net of tax effect	0.8	0.2	1.3	(4.5)
Comprehensive income	$ 402.2	$ 41.9	$ 632.5	$ 18.6

See accompanying notes to condensed consolidated financial statements

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions; unaudited)

	Six Months Ended September 30,	
	2026	2025
Cash flows from operating activities:		
Net income	$ 631.2	$ 23.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	312.4	343.8
Deferred income taxes	(29.0)	2.3
Share-based compensation expense related to equity incentive plans	147.0	114.5
Amortization of debt discount	6.3	6.7
Amortization of debt issuance costs	4.6	2.7
Impairment of intangible assets	0.1	2.5
Other	(5.3)	4.2
Changes in operating assets and liabilities, excluding impact of acquisitions:		
Increase in accounts receivable	(66.1)	(55.9)
(Increase) decrease in inventories	(74.8)	201.0
Increase (decrease) in accounts payable and accrued liabilities	49.8	(26.0)
Change in other assets and liabilities	(81.6)	(75.8)
Change in income tax payable	36.1	(179.4)
Net cash provided by operating activities	930.7	363.7
Cash flows from investing activities:		
Other investing	0.1	1.3
Proceeds from capital-related government incentives	0.1	5.1
Investments in other assets	(114.7)	(50.9)
Capital expenditures	(37.0)	(54.4)
Net cash used in investing activities	(151.5)	(98.9)
Cash flows from financing activities:		
Proceeds from issuance of Commercial Paper	2,823.1	1,588.4
Repayments of Commercial Paper	(2,807.6)	(650.1)
Repayment of senior notes	—	(1,200.0)
Proceeds from sale of common stock	33.6	30.3
Tax payments related to shares withheld for vested RSUs	(56.4)	(20.0)
Payment of cash dividends on Series A Preferred Stock	(55.6)	(52.9)
Payment of cash dividends on common stock	(494.5)	(491.3)
Capital lease payments	(0.8)	(0.8)
Other financing	(4.3)	(3.3)
Net cash used in financing activities	(562.5)	(799.7)
Net increase (decrease) in cash and cash equivalents	216.7	(534.9)
Cash and cash equivalents, at beginning of period	240.3	771.7
Cash and cash equivalents, at end of period	$ 457.0	$ 236.8

See accompanying notes to condensed consolidated financial statements

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in millions; unaudited)

	Preferred Stock Par Value	Common Stock Par Value	Additional Paid-in-Capital	Common Stock Held in Treasury	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Balance at March 31, 2025	$ —	$ 0.6	$ 3,909.9	$ (2,611.6)	$ (1.7)	$ 5,781.1	$ 7,078.3
Net loss	—	—	—	—	—	(18.6)	(18.6)
Other comprehensive loss	—	—	—	—	(4.7)	—	(4.7)
Common stock issued for acquisition	—	—	19.1	—	—	—	19.1
Proceeds from sales of common stock through employee equity incentive plans	—	—	12.4	—	—	—	12.4
RSU withholdings	—	—	(8.4)	—	—	—	(8.4)
Treasury stock used for new issuances	—	—	(11.3)	11.3	—	—	—
Share-based compensation	—	—	52.3	—	—	—	52.3
Dividends on Series A Preferred Stock	—	—	—	—	—	(27.8)	(27.8)
Dividends on common stock	—	—	—	—	—	(245.5)	(245.5)
Balance at June 30, 2025	—	0.6	3,974.0	(2,600.3)	(6.4)	5,489.2	6,857.1
Net income	—	—	—	—	—	41.7	41.7
Other comprehensive income	—	—	—	—	0.2	—	0.2
Proceeds from sales of common stock through employee equity incentive plans	—	—	17.9	—	—	—	17.9
RSU withholdings	—	—	(11.6)	—	—	—	(11.6)
Treasury stock used for new issuances	—	—	(15.6)	15.6	—	—	—
Share-based compensation	—	—	63.8	—	—	—	63.8
Dividends on Series A Preferred Stock	—	—	—	—	—	(27.8)	(27.8)
Dividends on common stock	—	—	—	—	—	(245.8)	(245.8)
Balance at September 30, 2025	$ —	$ 0.6	$ 4,028.5	$ (2,584.7)	$ (6.2)	$ 5,257.3	$ 6,695.5
Balance at March 31, 2026	$ —	$ 0.6	$ 4,071.5	$ (2,551.4)	$ (4.2)	$ 4,915.9	$ 6,432.4
Net income	—	—	—	—	—	229.8	229.8
Other comprehensive income	—	—	—	—	0.5	—	0.5
Proceeds from sales of common stock through employee equity incentive plans	—	—	13.0	—	—	—	13.0
RSU withholdings	—	—	(27.7)	—	—	—	(27.7)
Treasury stock used for new issuances	—	—	(18.8)	18.8	—	—	—
Share-based compensation	—	—	77.7	—	—	—	77.7
Dividends on Series A Preferred Stock	—	—	—	—	—	(27.8)	(27.8)
Dividends on common stock	—	—	—	—	—	(246.9)	(246.9)
Balance at June 30, 2026	—	0.6	4,115.7	(2,532.6)	(3.7)	4,871.0	6,451.0
Net income	—	—	—	—	—	401.4	401.4
Other comprehensive income	—	—	—	—	0.8	—	0.8
Proceeds from sales of common stock through employee equity incentive plans	—	—	20.6	—	—	—	20.6
RSU withholdings	—	—	(28.7)	—	—	—	(28.7)

	Preferred Stock Par Value	Common Stock Par Value	Additional Paid-in-Capital	Common Stock Held in Treasury	Accumulated Other Comprehensive Loss	Retained Earnings	Total Equity
Treasury stock used for new issuances	—	—	(23.9)	23.9	—	—	—
Share-based compensation	—	—	71.1	—	—	—	71.1
Dividends on Series A Preferred Stock	—	—	—	—	—	(27.8)	(27.8)
Dividends on common stock	—	—	—	—	—	(247.6)	(247.6)
Balance at September 30, 2026	$ —	$ 0.6	$ 4,154.8	$ (2,508.7)	$ (2.9)	$ 4,997.0	$ 6,640.8

See accompanying notes to condensed consolidated financial statements

MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements include the accounts of Microchip Technology Incorporated and its majority-owned and controlled subsidiaries (the Company). All significant intercompany accounts and transactions have been eliminated in consolidation. All dollar amounts in the financial statements and tables in these notes, except per share amounts, are stated in millions of U.S. dollars unless otherwise noted.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. GAAP, pursuant to the rules and regulations of the SEC. The information furnished herein reflects all adjustments which are, in the opinion of management, of a normal recurring nature and necessary for a fair statement of the results for the interim periods reported. Certain information and footnote disclosures normally included in audited consolidated financial statements have been condensed or omitted pursuant to such SEC rules and regulations. It is suggested that these condensed consolidated financial statements be read in conjunction with the audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2026. The results of operations for the three and six months ended September 30, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending March 31, 2027 or for any other period.

Note 2. Recently Issued Accounting Pronouncements and Other Developments

Accounting Pronouncements Pending Adoption

In November 2024, the FASB issued ASU 2024-03-*Income Statement (Subtopic 220-40)*: *Disaggregation of Income Statement Expenses* requiring disaggregated disclosures of certain expense captions into specified categories in the notes to the financial statements. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted with updates to be applied prospectively with the option for retrospective application. The Company is currently evaluating the applicable disclosures.

In December 2025, the FASB issued ASU 2025-10-*Government Grants (Topic 832)*: *Accounting for Government Grants Received by Business Entities*, which establishes authoritative guidance on the recognition, measurement and presentation of government grants received by a business entity. ASU 2025-10 is effective for annual reporting periods beginning after December 15, 2028, and interim periods within those annual reporting periods. Early adoption is permitted with updates to be applied using a modified prospective, modified retrospective, or retrospective transition approach. The Company is currently evaluating the impact the adoption of this standard will have on its consolidated financial statements.

Note 3. Segment Information

The Company's business is made up of two operating segments, semiconductor products and technology licensing. These segments represent management's view of the business for which separate financial information is available and evaluated regularly by the Chief Operating Decision Maker (CODM), which is the Company’s Chief Executive Officer.

In the semiconductor products segment, the Company designs, develops, manufactures and markets mixed-signal microcontrollers, development tools and analog, interface, mixed-signal, timing, wired and wireless connectivity devices, and memory products. Under the leadership of the CODM, the Company is structured and organized around standardized roles and responsibilities based on product groups and functional activities. The Company's product groups are responsible for product research, design and development. The Company's functional activities include sales, marketing, manufacturing, information technology, human resources, legal and finance. The Company's product groups have similar products, production processes, types of customers and methods for distribution. In addition, the tools and technologies used in the design and manufacture of the Company's products are shared among the various product groups. The Company's product group leaders, under the direction of the CODM, define the product roadmaps and team with sales personnel to achieve design wins, revenue and other performance targets. Product group leaders also interact with manufacturing and operational personnel who are responsible for the production, prioritization and planning of the Company's manufacturing capabilities to help ensure the efficiency of the Company's operations and fulfillment of customer requirements.

The technology licensing segment includes sales and licensing of the Company's intellectual property.

The CODM uses segment gross profit for evaluating each segment's performance and allocating resources. The Company does not allocate operating expenses, interest income, interest expense, other income or expense, or provision for or benefit from income taxes to these segments for internal reporting purposes, as the Company does not believe that allocating these expenses is beneficial in evaluating segment performance. Additionally, the Company does not allocate assets to segments for internal reporting purposes as it does not manage its segments by such metrics.

The information that is regularly provided to the Company's CODM includes net sales, cost of sales and gross profit for each segment. The following tables include net sales, cost of sales and gross profit for each segment (in millions):

	Three Months Ended September 30, 2026			Six Months Ended September 30, 2026		
	Semiconductor products	Technology licensing	Total	Semiconductor products	Technology licensing	Total
Net sales	$ 1,550.4	$ 71.1	$ 1,621.5	$ 2,992.5	$ 113.7	$ 3,106.2
Cost of sales	553.5	—	553.5	1,099.3	—	1,099.3
Gross profit	$ 996.9	$ 71.1	$ 1,068.0	$ 1,893.2	$ 113.7	$ 2,006.9

	Three Months Ended September 30, 2025			Six Months Ended September 30, 2025		
	Semiconductor products	Technology licensing	Total	Semiconductor products	Technology licensing	Total
Net sales	$ 1,108.0	$ 32.4	$ 1,140.4	$ 2,150.5	$ 65.4	$ 2,215.9
Cost of sales	502.5	—	502.5	1,001.3	—	1,001.3
Gross profit	$ 605.5	$ 32.4	$ 637.9	$ 1,149.2	$ 65.4	$ 1,214.6

Note 4. Net Sales

The following table represents the Company's net sales by product line (in millions):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Mixed-signal Microcontrollers	$ 774.4	$ 584.5	$ 1,513.5	$ 1,117.1
Analog	459.0	321.5	869.9	637.7
Other	388.1	234.4	722.8	461.1
Total net sales	$ 1,621.5	$ 1,140.4	$ 3,106.2	$ 2,215.9

The product lines listed above are included entirely in the Company's semiconductor product segment with the exception of the other product line, which includes products from both the semiconductor product and technology licensing segments.

The following table represents the Company's net sales by customer type (in millions):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Distributors	$ 813.6	$ 515.9	$ 1,586.4	$ 1,022.9
Direct customers	736.8	592.1	1,406.1	1,127.6
Licensees	71.1	32.4	113.7	65.4
Total net sales	$ 1,621.5	$ 1,140.4	$ 3,106.2	$ 2,215.9

Distributors are customers that buy products with the intention of reselling them. Distributors generally have a distributor agreement with the Company to govern the terms of the relationship. Direct customers are non-distributor customers, which generally do not have a master sales agreement with the Company. The Company's direct customers primarily consist of OEMs and, to a lesser extent, contract manufacturers. Licensees are customers of the Company's technology licensing segment, which include purchasers of intellectual property and customers that have licensing agreements to use the Company's SuperFlash® embedded flash technology. All of the customer types listed in the table above are included in the Company's semiconductor product segment with the exception of licensees, which is included in the technology licensing segment. All of the Company's net sales are recognized from contracts with customers.

The consideration received from customers is fixed, with the exception of consideration from certain distributors and customers under LTSAs. Certain of the Company's distributors are granted price concessions and return rights, which result in variable consideration. The amount of revenue recognized for sales to these certain distributors is adjusted for estimates of the price concessions and return rights that are expected to be claimed. These estimates are based on the recent history of price concessions and stock rotations, which are recorded as sales related reserves and refund liabilities within accrued liabilities on the Company's condensed consolidated balance sheets.

The Company collects amounts in advance for certain of its contracts with customers. These amounts are deferred until control of the product or service is transferred to the customer at which time it is recognized as revenue. As of September 30, 2026, the Company had approximately $408.8 million of deferred revenue, of which $187.4 million is included within accrued liabilities and the remaining $221.4 million is included within other long-term liabilities on the Company's condensed consolidated balance sheet. As of March 31, 2026, the Company had approximately $461.2 million of deferred revenue, of which $179.2 million is included within accrued liabilities and the remaining $282.0 million is included within other long-term liabilities on the Company's consolidated balance sheets. Deferred revenue represents amounts that have been invoiced in advance which are expected to be recognized as revenue in future periods. Approximately $122.6 million of deferred revenue recorded on the Company's consolidated balance sheets as of March 31, 2026 was recognized as revenue during the six months ended September 30, 2026. Approximately $98.6 million of deferred revenue recorded on the Company's consolidated balance sheets as of March 31, 2025 was recognized as revenue during the six months ended September 30, 2025.

Of the $408.8 million of deferred revenue as of September 30, 2026, $300.6 million is cash collected from customers under LTSAs, of which $110.1 million is included within accrued liabilities and $190.5 million is included within other long-term liabilities. Under these LTSAs, the Company receives an upfront deposit from the customer in exchange for assured supply over the contract period, which typically ranges from three years to five years at inception. If the customer does not meet the minimum purchase commitments defined in the contract, the Company may retain all, or portions of, the deposit as revenue. The recognition of these amounts as net sales is uncertain because it depends on the satisfaction of commitments made in the LTSAs, which may be affected by the timing and amount of orders placed by customers, contract modifications, variable consideration, sales channels, and manufacturing and supply chain conditions. If the Company fails to assure supply as defined in the contract, the deposit, or portions of it, will be returned to the customer. The remaining $108.2 million of deferred revenue as of September 30, 2026 is related to other cash payments received from customers in advance of the Company’s performance obligations being satisfied. Most of the $108.2 million will be recognized as net sales within the next 12 months. The amount of other firmly committed orders with performance obligations in excess of 12 months at the time of order is immaterial.

Note 5. Net Income (Loss) Per Common Share

The following table sets forth the computation of basic and diluted net income (loss) per common share (in millions, except per share amounts):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 401.4	$ 41.7	$ 631.2	$ 23.1
Dividends on Series A Preferred Stock	(27.8)	(27.8)	(55.6)	(55.6)
Net income (loss) attributable to common stockholders	373.6	13.9	575.6	(32.5)
Basic weighted average common shares outstanding	543.6	540.0	543.1	539.6
Dilutive effect of RSUs	6.4	4.5	6.8	—
Dilutive effect of 2017 Senior Convertible Debt	0.6	0.5	0.7	—
Dilutive effect of Series A Preferred Stock	—	—	—	—
Diluted weighted average common shares outstanding	550.6	545.0	550.6	539.6
Basic net income (loss) per common share	$ 0.69	$ 0.03	$ 1.06	$ (0.06)
Diluted net income (loss) per common share	$ 0.68	$ 0.03	$ 1.05	$ (0.06)

The Company computed net income (loss) attributable to common stockholders by reducing net income (loss) by the dividends on Series A Preferred Stock accumulated during the period. The Company computed basic net income (loss) per common share based on the net income (loss) attributable to common stockholders divided by the basic weighted average

number of common shares outstanding during the period. The Company computed diluted net income (loss) per common share based on the net income (loss) attributable to common stockholders divided by the basic weighted average number of common shares outstanding plus potentially dilutive common shares outstanding during the period.

Potentially dilutive common shares from employee equity incentive plans are determined by applying the treasury stock method to the assumed vesting of outstanding RSUs. Potentially dilutive common shares from the Series A Preferred Stock are determined by applying the if-converted method on the outstanding Series A Preferred Stock. Prior to conversion of its Convertible Debt, the Company will include, in the diluted net income per common share calculation, the effect of the additional shares that may be issued when the Company's common stock price exceeds the conversion price using the if-converted method. The Company's Convertible Debt has no impact on diluted net income per common share unless the average price of the Company's common stock exceeds the conversion price because the Company is required to settle the principal amount of the Convertible Debt in cash upon conversion. For the three and six months ended September 30, 2026, and the three months ended September 30, 2025, the calculation of diluted net income per common share excluded 23.8 million common shares issuable upon the exchange of the Company's Series A Preferred Stock as the related impact would have been anti-dilutive. For the six months ended September 30, 2025, the calculation of diluted net loss per common share excluded 3.8 million common shares from equity incentive plans, 0.4 million common shares issuable upon the exchange of the Company's 2017 Senior Convertible Debt, and 25.4 million common shares issuable upon the exchange of the Company's Series A Preferred Stock as the related impact would have been anti-dilutive as the Company generated a net loss.

The following is the weighted average conversion price per share used in calculating the dilutive effect (see Note 6 for details on the Convertible Debt):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
2017 Senior Convertible Debt	$ 42.07	$ 43.17	$ 42.20	$ 43.32
2024 Senior Convertible Debt	$ 121.79	$ 121.81	$ 121.80	$ 121.82
2026 Senior Convertible Debt	$ 104.17	$ —	$ 104.17	$ —

Note 6. Debt

Debt obligations included in the condensed consolidated balance sheets consisted of the following (in millions)[1]:

	Coupon Interest Rate	Effective Interest Rate	September 30, 2026	March 31, 2026
Commercial Paper			$ 364.0	$ 349.0
4.900% 2028 Notes	4.900%	5.1%	1,000.0	1,000.0
5.050% 2029 Notes	5.050%	5.2%	1,000.0	1,000.0
5.050% 2030 Notes	5.050%	5.2%	1,000.0	1,000.0
Total Senior Indebtedness[2]			3,364.0	3,349.0
2017 Senior Convertible Debt	1.625%	1.8%	37.9	37.9
2024 Senior Convertible Debt	0.750%	1.0%	1,250.0	1,250.0
2026 Senior Convertible Debt	0.000%	0.5%	900.0	900.0
Total Convertible Debt			2,187.9	2,187.9
Gross long-term debt including current maturities			5,551.9	5,536.9
Less: Debt discount[3]			(7.6)	(9.3)
Less: Debt issuance costs[4]			(27.1)	(31.2)
Net long-term debt including current maturities			5,517.2	5,496.4
Less: Current maturities[5]			—	—
Net long-term debt			$ 5,517.2	$ 5,496.4

[1] The Company had no outstanding borrowings under the Revolving Credit Facility at September 30, 2026 and at March 31, 2026.

[2] All outstanding Senior Notes and the Revolving Credit Facility are senior unsecured debt.

[3] The unamortized discount consists of the following (in millions):

	September 30, 2026	March 31, 2026
Commercial Paper	$ (0.3)	$ (0.5)
4.900% 2028 Notes	(1.7)	(2.2)
5.050% 2029 Notes	(2.7)	(3.3)
5.050% 2030 Notes	(2.9)	(3.3)
Total unamortized discount	$ (7.6)	$ (9.3)

[4] Debt issuance costs consist of the following (in millions):

	September 30, 2026	March 31, 2026
4.900% 2028 Notes	(0.8)	(1.1)
5.050% 2029 Notes	(1.1)	(1.2)
5.050% 2030 Notes	(1.2)	(1.4)
2024 Senior Convertible Debt	(10.0)	(11.4)
2026 Senior Convertible Debt	(14.0)	(16.1)
Total debt issuance costs	$ (27.1)	$ (31.2)

[5] As of September 30, 2026, the outstanding Commercial Paper which matures within the three months ending December 31, 2026, and the 2017 Senior Convertible Debt which is convertible and which matures on February 15, 2027, were excluded from current maturities as the Company has the intent and ability to utilize proceeds from its Revolving Credit Facility to refinance such notes and settle the principal portion of its Convertible Debt upon conversion on a long-term basis. As of March 31, 2026, the outstanding Commercial Paper which matured within the three months ending June 30, 2026, and the 2017 Senior Convertible Debt which was convertible and which matures on February 15, 2027,

were excluded from current maturities as the Company had the intent and ability to utilize proceeds from its Revolving Credit Facility to refinance such notes and settle the principal portion of its Convertible Debt upon conversion on a long-term basis.

Expected maturities relating to the Company's debt obligations based on the contractual maturity dates as of September 30, 2026, are as follows (in millions):

Fiscal year ending March 31,	Amount
2027	$ 401.9
2028	1,000.0
2029	1,000.0
2030	1,900.0
2031	1,250.0
Thereafter	—
Total	$ 5,551.9

Ranking of Convertible Debt - Each series of Convertible Debt is an unsecured obligation. The 2017 Senior Convertible Debt is subordinated in right of payment to the amounts outstanding under the Company's Senior Indebtedness, the 2024 Senior Convertible Debt and the 2026 Senior Convertible Debt. The 2024 Senior Convertible Debt and the 2026 Senior Convertible Debt ranks senior to the Company's indebtedness that is expressly subordinated in right of payment to it; ranks equal in right of payment to any of the Company's unsubordinated indebtedness that does not provide that it is senior to the 2024 Senior Convertible Debt and the 2026 Senior Convertible Debt; and the Convertible Debt ranks junior in right of payment to any of the Company's secured and unsubordinated indebtedness to the extent of the value of the assets securing such indebtedness; and is structurally subordinated to all indebtedness and other liabilities of the Company's subsidiaries.

Summary of Conversion Features - Upon conversion, we are required to satisfy our conversion obligation with respect to such converted Convertible Debt by delivering cash equal to the principal amount of such converted Convertible Debt and cash and shares of common stock or any combination, at our option, with respect to any conversion value in excess thereof. Each series of Convertible Debt is convertible at specified conversion rates (see table below), adjusted for certain events including the declaration of cash dividends. Except during the three-month period immediately preceding the maturity date of the applicable series of Convertible Debt, each series of Convertible Debt is convertible only upon the occurrence of (i) such time as the closing price of the Company's common stock exceeds the applicable conversion price (see table below) by 130% for 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter, (ii) during the 5 business day period after any 10 consecutive trading day period, or the measurement period, in which the trading price per $1,000 principal amount of notes of a given series for each trading day of the measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the applicable conversion rate on each such trading day, or (iii) upon the occurrence of certain corporate events specified in the indenture of such series of Convertible Debt. In addition, if at the time of conversion our 2017 Senior Convertible Notes, the price of the Company's common stock exceeds the conversion price for such notes, the conversion rate will be increased by up to an additional maximum incremental shares rate, as determined pursuant to a formula specified in the indenture for the 2017 Senior Convertible Notes, and as adjusted for cash dividends paid since the issuance of such series. However, in no event will the conversion rate for the 2017 Senior Convertible Notes exceed the maximum conversion rate specified in the indenture (see table below).

The following table sets forth the applicable conversion rates adjusted for dividends declared since issuance of such series of Convertible Debt and the applicable incremental share factors and maximum conversion rates as adjusted for dividends paid since the applicable issuance date:

	Dividend adjusted rates as of September 30, 2026			
	Conversion Rate	Approximate Conversion Price	Incremental Share Factor	Maximum Conversion Rate
2017 Senior Convertible Debt[(1)]	23.7682	$ 42.07	11.8851	33.8698
2024 Senior Convertible Debt[(1)]	8.2108	$ 121.79	—	10.4686
2026 Senior Convertible Debt[(1)]	9.5993	$ 104.17	—	13.4390

[(1)] As of September 30, 2026, the 2024 Senior Convertible Debt and the 2026 Senior Convertible Debt were not convertible. As of September 30, 2026, the holders of the 2017 Senior Convertible Debt have the right to convert their notes between October 1, 2026 and December 31, 2026 because the Company's common stock price has exceeded the applicable conversion price for such series by 130% for the specified period of time during the quarter ended September 30, 2026.

With the exception of the 2024 Senior Convertible Debt, which may be redeemed by the Company on or after June 5, 2027, and the 2026 Senior Convertible Debt, which may be redeemed by the Company on or after February 20, 2029, the Company may not redeem any series of Convertible Debt prior to the relevant maturity date and no sinking fund is provided for any series of Convertible Debt. The Company may repurchase any series of Convertible Debt in the open market or through privately negotiated exchange offers. Upon the occurrence of a fundamental change, as defined in the applicable indenture of such series of Convertible Debt, holders of such series may require the Company to purchase all or a portion of their Convertible Debt for cash at a price equal to 100% of the principal amount plus any accrued and unpaid interest.

Additionally, holders of the 2024 Senior Convertible Debt may require the Company to purchase all or a portion of their 2024 Senior Convertible Debt for cash at a price equal to 100% of the principal amount plus any accrued and unpaid interest if, prior to the close of business on the immediately preceding business day immediately preceding June 1, 2027, the last reported sale price of our common stock is less than the applicable conversion price of the 2024 Senior Convertible Debt. The holders of the 2026 Senior Convertible Debt may require the Company to purchase all or a portion of their 2026 Senior Convertible Debt for cash at a price equal to 100% of the principal amount plus any accrued and unpaid interest if, prior to the close of business on the immediately preceding business day immediately preceding February 15, 2029, the last reported sale price of our common stock is less than the applicable conversion price of the 2026 Senior Convertible Debt.

Interest expense consists of the following (in millions):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Debt issuance cost amortization	$ 0.6	$ 0.6	$ 1.2	$ 1.3
Debt discount amortization	2.4	5.3	6.3	6.7
Interest expense	38.2	46.7	76.4	97.7
Total interest expense on Senior Indebtedness	41.2	52.6	83.9	105.7
Debt issuance cost amortization	1.7	0.7	3.4	1.4
Coupon interest expense	2.5	2.5	5.0	5.0
Total interest expense on Convertible Debt	4.2	3.2	8.4	6.4
Other interest expense	1.9	0.5	3.8	1.6
Total interest expense	$ 47.3	$ 56.3	$ 96.1	$ 113.7

Commercial Paper

In September 2023, the Company established a Commercial Paper program under which the Company may issue short-term unsecured promissory notes with a maturity of up to 397 days from the date of issue. The Company's obligations with respect to the payment of the Commercial Paper are guaranteed by certain of its subsidiaries. The Commercial Paper will be sold at a discount from par or alternatively, will be sold at par and bear interest rates that will vary based on market conditions and the time of issuance. Pursuant to the Credit Agreement, the maximum principal amount outstanding at any time under the Commercial Paper program is $2.25 billion. The Company's intention is to reduce the amounts that would otherwise be available to borrow under the Company's Revolving Credit Facility by the outstanding amount of Commercial

Paper. As of September 30, 2026, the Company had $364.0 million of Commercial Paper outstanding with a weighted-average interest rate of 4.11%.

Note 7. Fair Value of Financial Instruments

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Company utilizes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1- Observable inputs such as quoted prices in active markets;
Level 2- Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
Level 3- Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying amount of cash equivalents, which include money market funds, approximates fair value because their maturity is less than three months. The amount of cash and cash equivalents held by the Company in the form of money-market funds as of September 30, 2026 was $221.6 million. There were no cash and cash equivalents held by the Company in the form of money-market funds as of March 31, 2026. The carrying amount of accounts receivable, accounts payable and accrued liabilities approximates fair value due to the short-term maturity of the amounts and are considered Level 2 in the fair value hierarchy.

The fair value of the Company's Commercial Paper is estimated using discounted cash flow analysis, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements. The fair value of the Company's Commercial Paper approximates the carrying value excluding debt discounts and debt issuance costs and are considered Level 2 in the fair value hierarchy. The Company measures the fair value of its Convertible Debt and Senior Notes for disclosure purposes. These fair values are based on observable market prices for this debt, which is traded in less active markets and are therefore classified as a Level 2 fair value measurement.

The following table shows the carrying amounts and fair values of the Company's debt obligations (in millions):

	September 30, 2026		March 31, 2026	
	Carrying Amount[1]	Fair Value	Carrying Amount[1]	Fair Value
Commercial Paper	$ 363.7	$ 364.0	$ 348.5	$ 349.0
4.900% 2028 Notes	997.5	993.8	996.7	1,006.0
5.050% 2029 Notes	996.2	987.9	995.5	1,013.6
5.050% 2030 Notes	995.9	977.3	995.3	1,009.0
2017 Senior Convertible Debt	37.9	85.8	37.9	62.6
2024 Senior Convertible Debt	1,240.0	1,278.1	1,238.6	1,243.8
2026 Senior Convertible Debt	886.0	941.5	883.9	875.0
Total	$ 5,517.2	$ 5,628.4	$ 5,496.4	$ 5,559.0

[1] The carrying amounts presented are net of debt discounts and debt issuance costs (see Note 6 for further information).

Note 8. Intangible Assets and Goodwill

Net amounts excluding fully amortized intangible assets, consist of the following (in millions):

	September 30, 2026		
	Gross Amount	Accumulated Amortization	Net Amount
Core and developed technology	$ 7,083.3	$ (5,387.4)	$ 1,695.9
Customer-related	203.8	(171.6)	32.2
In-process research and development	7.0	—	7.0
Software licenses	310.7	(124.9)	185.8
Total	$ 7,604.8	$ (5,683.9)	$ 1,920.9

	March 31, 2026		
	Gross Amount	Accumulated Amortization	Net Amount
Core and developed technology	$ 7,039.6	$ (5,212.9)	$ 1,826.7
Customer-related	202.5	(165.3)	37.2
In-process research and development	7.0	—	7.0
Software licenses	285.9	(123.4)	162.5
Total	$ 7,535.0	$ (5,501.6)	$ 2,033.4

The following is an expected amortization schedule for the intangible assets for the remainder of fiscal 2027 through fiscal 2031, absent any future acquisitions or impairment charges (in millions):

Fiscal Year Ending March 31,	Amortization Expense
2027	$ 239.6
2028	$ 367.9
2029	$ 295.0
2030	$ 266.5
2031	$ 239.5

The Company amortizes intangible assets over their expected useful lives, which range between 1 and 15 years. Amortization expense attributed to intangible assets are assigned to cost of sales and operating expenses as follows (in millions):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Amortization expense charged to cost of sales	$ 5.3	$ 5.0	$ 10.4	$ 10.2
Amortization expense charged to operating expense	114.4	128.7	228.2	255.1
Total amortization expense	$ 119.7	$ 133.7	$ 238.6	$ 265.3

Goodwill activity by segment was as follows (in millions):

	Semiconductor Products Reporting Unit	Technology Licensing Reporting Unit
Balance at March 31, 2026	$ 6,676.3	$ 19.2
Additions	7.2	—
Balance at September 30, 2026	$ 6,683.5	$ 19.2

At March 31, 2026, the Company applied a qualitative goodwill impairment test to its two reporting units, and concluded that goodwill was not impaired. Through September 30, 2026, the Company has never recorded a goodwill impairment charge.

Note 9. Other Financial Statement Details

Accounts Receivable

Accounts receivable consists of the following (in millions):

	September 30, 2026	March 31, 2026
Trade accounts receivable	$ 909.5	$ 889.7
Other	58.5	10.3
Total accounts receivable, gross	968.0	900.0
Less: allowance for expected credit losses	4.9	5.3
Total accounts receivable, net	$ 963.1	$ 894.7

Inventories

The components of inventories consist of the following (in millions):

	September 30, 2026	March 31, 2026
Raw materials	$ 149.7	$ 135.1
Work in process	728.5	731.4
Finished goods	239.1	168.9
Total inventories	$ 1,117.3	$ 1,035.4

Property, Plant and Equipment

Property, plant and equipment consists of the following (in millions):

	September 30, 2026	March 31, 2026
Land	$ 99.7	$ 99.7
Building and building improvements	713.5	711.0
Machinery and equipment	2,502.7	2,470.3
Projects in process	426.7	429.5
Total property, plant and equipment, gross	3,742.6	3,710.5
Less: accumulated depreciation and amortization	2,668.3	2,603.8
Total property, plant and equipment, net	$ 1,074.3	$ 1,106.7

Depreciation expense attributed to property, plant and equipment was $36.0 million and $73.8 million for the three and six months ended September 30, 2026, respectively, compared to $39.0 million and $78.5 million for the three and six months ended September 30, 2025, respectively.

The Company reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amount of such assets may not be recoverable. For each of the three and six months ended September 30, 2026 and 2025, the Company's evaluation of its property, plant and equipment did not result in any material impairments.

Accrued Liabilities

Accrued liabilities consists of the following (in millions):

	September 30, 2026	March 31, 2026
Accrued compensation and benefits	$ 157.4	$ 132.1
Income taxes payable	35.8	24.3
Deferred revenue	187.4	179.2
Sales related reserves and refund liabilities	321.5	338.5
Current portion of lease liabilities	37.6	38.8
Accrued expenses and other liabilities	222.7	217.8
Total accrued liabilities	$ 962.4	$ 930.7

Note 10. Commitments and Contingencies

Purchase Commitments

The Company's purchase commitments primarily consist of agreements for the purchase of goods and services including wafer purchase obligations with the Company's wafer foundries, and manufacturing supply capacity reservation commitments.

Total purchase commitments as of September 30, 2026, are as follows (in millions):

Fiscal Year Ending March 31,	Purchase Commitments
2027	$ 434.9
2028	86.4
2029	14.9
2030	9.6
2031	6.2
Thereafter	29.8
Total	$ 581.8

Indemnification Contingencies

The Company's technology license agreements generally include an indemnification clause that indemnifies the licensee against liability and damages (including legal defense costs) arising from any claims of patent, copyright, trademark or trade secret infringement by the Company's proprietary technology. The terms of these indemnification provisions approximate the terms of the outgoing technology license agreements, which are typically perpetual unless terminated by either party for breach. The possible amount of future payments the Company could be required to make based on agreements that specify indemnification limits, if such indemnifications were required on all of these agreements, is approximately $208.0 million. There are some licensing agreements in place that do not specify indemnification limits. As of September 30, 2026, the Company had not recorded any liabilities related to these indemnification obligations and the Company believes that any amounts that it may be required to pay under these agreements in the future will not have a material adverse effect on its financial position, cash flows or results of operations.

Warranty Costs and Product Liabilities

The Company accrues for known product-related claims if a loss is probable and can be reasonably estimated. During the periods presented, there have been no material accruals or payments regarding product warranty or product liability. Historically, the Company has experienced a low rate of payments on product claims. Although the Company cannot predict the likelihood or amount of any future claims, the Company does not believe these claims will have a material adverse effect on its financial condition, results of operations or liquidity.

Legal Matters

In the ordinary course of the Company's business, it is exposed to various legal actions as a result of contracts, product liability, customer claims, pricing or royalty disputes with customers and licensees, governmental investigations and other matters. The Company is involved in a limited number of these legal actions, both as plaintiff and defendant, with respect to the foregoing types of matters. Consequently, the Company could incur uninsured liability in any of these legal actions. The Company also periodically receives notifications from various third parties alleging infringement of patents or other intellectual property rights, or from customers requesting reimbursement for various costs. With respect to pending legal actions to which the Company is a party and other claims, although the outcomes are generally not determinable, the Company believes that the ultimate resolution of these matters (other than certain tax matters in Malaysia as described in Note 11 below) will not have a material adverse effect on its financial position, cash flows or results of operations. Litigation, governmental investigations and disputes relating to the semiconductor industry are not uncommon, and the Company is, from time to time, subject to such litigation, governmental investigations and disputes. As a result, no assurances can be given with respect to the extent or outcome of any such litigation, governmental investigations or disputes in the future.

The Company accrues for claims and contingencies when losses become probable and reasonably estimable. As of the end of each applicable reporting period, the Company reviews each of its matters and, where it is probable that a liability has been or will be incurred, the Company accrues for all probable and reasonably estimable losses. Where the Company can reasonably estimate a range of losses it may incur regarding such a matter, the Company records an accrual for the amount within the range that constitutes its best estimate. If the Company can reasonably estimate a range but no amount within the range appears to be a better estimate than any other, the Company uses the amount that is the low end of such range. As of September 30, 2026, the Company's estimate of the aggregate potential liability for legal matters that is possible but not probable is approximately $15.0 million in excess of amounts accrued.

Note 11. Income Taxes

The Company accounts for income taxes in accordance with ASC 740. The provision for income taxes is attributable to U.S. federal, state, and foreign income taxes. The Company's tax expense for the six months ended September 30, 2026 resulted in an effective tax rate of 10.8% compared to negative 44.4% for the six months ended September 30, 2025. The increase in the effective tax rate is primarily driven by global minimum corporate taxes and valuation allowance changes recognized in the period ending September 30, 2026 and a remeasurement of unrecognized tax positions recognized in the period ending September 30, 2025.

The Company's effective tax rate is different than the statutory rates in the U.S. due to foreign income taxed at different rates than the U.S., changes in uncertain tax benefit positions, changes to valuation allowances, generation of tax credits, and the impact of Net Controlled Foreign Corporation Tested Income in the U.S. In addition, the Company has numerous tax holidays it receives related to its Thailand manufacturing operations based on its investment in property, plant and equipment in Thailand. The Company's tax holiday periods in Thailand expire at various times in the future, however, the Company actively seeks to obtain new tax holidays. The material components of foreign income taxed at different rates than the U.S. are earnings accrued in Thailand, Malta, and Ireland.

During the quarter ended September 30, 2026, as a result of legal entity restructuring, the Company determined that certain deferred tax assets are now more likely than not realizable. The effect of this change in judgment was to record an income tax benefit of $71.8 million through continuing operations, which increased basic and diluted net income per common share by $0.13 for both the three and six months ended September 30, 2026.

The Company files U.S. federal, U.S. state, and foreign income tax returns. For U.S. federal, and in general for U.S. state tax returns, the fiscal 2007 and later tax years remain open for examination by tax authorities. For foreign tax returns, the Company is generally no longer subject to income tax examinations for years prior to fiscal 2007.

In September 2021, the Company received a Statutory Notice of Deficiency (2007 to 2012 Notice) from the United States Internal Revenue Service (IRS) for fiscal 2007 through fiscal 2012. The disputed amounts largely relate to transfer pricing matters. In December 2021, the Company filed a petition in the U.S. Tax Court challenging the 2007 to 2012 Notice. In September 2023, the Company received a Revenue Agent Report (RAR) from the IRS for fiscal 2013 and fiscal 2016. In October 2023, the Company received a Statutory Notice of Deficiency (2014 to 2015 Notice) from the IRS for fiscal 2014 and fiscal 2015. The disputed amounts for fiscal 2013 to fiscal 2016 largely relate to transfer pricing matters. In December 2023, the Company filed a petition in the U.S. Tax Court challenging the 2014 to 2015 Notice. In September 2025, the Company

reached a settlement with the IRS for fiscal years 2007 through 2015. The timing of the agreed final stipulations is uncertain but could be completed in the next 12 months.

In May 2023, the Company received a proposed income adjustment from the Malaysian Inland Revenue Board (IRB) for fiscal 2020. In December 2023, the Company received a Notice of Assessment from the IRB asserting the same proposed income adjustment. In March 2025, the Company entered into a Consent Judgment before the High Court, agreeing that the dispute will be heard before the Special Commissioners of Income Tax (SCIT). It was also agreed that the payment on the taxes assessed is stayed and the IRB will pause all enforcement and proceedings against the collection of the taxes assessed until the appeal before the SCIT is concluded. If the adjustment is upheld by the highest court that has jurisdiction over this matter in Malaysia, it could result in income taxes and penalties up to MYR 1.9 billion ($473.2 million based on the exchange rate as of September 30, 2026). The disputed amounts largely relate to the characterization of certain assets. The timing of adjudicating this matter is uncertain but could commence in the next 12 months.

The Company firmly believes that the IRB assessment is without merit and plans to pursue all available administrative and judicial remedies necessary to resolve the matter. The Company intends to vigorously defend its position and the Company is confident in its ability to prevail on the merits. The Company regularly assesses the likelihood of adverse outcomes resulting from examinations such as these to determine the adequacy of the Company's tax reserves. The ultimate outcome of disputes of this nature is uncertain, and if the IRB were to prevail on its assertions, the assessed tax, penalties, and deficiency interest could have a material adverse impact on the Company's financial position, results of operations or cash flows.

Note 12. Share-Based Compensation

The following table presents the details of the Company's share-based compensation expense (in millions):

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Cost of sales[(1)]	$ 9.8	$ 8.3	$ 18.5	$ 16.0
Research and development	39.5	33.2	80.6	62.3
Selling, general and administrative	22.7	20.1	47.9	36.2
Pre-tax effect of share-based compensation	72.0	61.6	147.0	114.5
Income tax benefit	15.0	12.8	30.5	23.7
Net income effect of share-based compensation	$ 57.0	$ 48.8	$ 116.5	$ 90.8

[(1)] During the three and six months ended September 30, 2026, $4.4 million and $10.9 million, respectively, of share-based compensation expense was capitalized to inventory and $9.8 million and $18.5 million, respectively, of previously capitalized share-based compensation expense in inventory was sold. During the three and six months ended September 30, 2025, $5.9 million and $9.5 million, respectively, of share-based compensation expense was capitalized to inventory and $8.3 million and $16.0 million, respectively, of previously capitalized share-based compensation expense in inventory was sold.

Note 13. Stockholders' Equity

Changes in Share Balances

The following table shows the changes in each class of shares (in millions):

	Series A Preferred Stock	Common Stock	Treasury Stock
Balance at March 31, 2025	1.5	578.0	39.3
Common stock issued for acquisition	—	0.4	—
Common stock issued under employee equity incentive plans	—	0.7	—
Common stock withheld for tax withholdings on employee equity awards	—	(0.1)	—
Treasury stock used for new issuances	—	(0.6)	(0.6)
Balance at June 30, 2025	1.5	578.4	38.7
Common stock issued under employee equity incentive plans	—	0.9	—
Common stock withheld for tax withholdings on employee equity awards	—	(0.2)	—

	Series A Preferred Stock	Common Stock	Treasury Stock
Treasury stock used for new issuances	—	(0.7)	(0.7)
Balance at September 30, 2025	1.5	578.4	38.0
Balance at March 31, 2026	1.5	578.4	36.3
Common stock issued under employee equity incentive plans	—	1.2	—
Common stock withheld for tax withholdings on employee equity awards	—	(0.3)	—
Treasury stock used for new issuances	—	(0.9)	(0.9)
Balance at June 30, 2026	1.5	578.4	35.4
Common stock issued for acquisition	—	0.1	—
Common stock issued under employee equity incentive plans	—	1.5	—
Common stock withheld for tax withholdings on employee equity awards	—	(0.3)	—
Treasury stock used for new issuances	—	(1.2)	(1.2)
Balance at September 30, 2026	1.5	578.5	34.2

Treasury Stock

In November 2021, the Company's Board of Directors approved a stock repurchase program to repurchase up to $4.00 billion of the Company's common stock in the open market or in privately negotiated transactions. There is no expiration date associated with the repurchase program. There were no repurchases of common stock in the three and six months ended September 30, 2026. As of September 30, 2026, approximately $1.56 billion remained available for repurchases under the program. Shares repurchased are recorded as treasury shares and are used to fund share issuance requirements under the Company's equity incentive plans. As of September 30, 2026, the Company had approximately 34.2 million treasury shares.

Series A Mandatory Convertible Preferred Stock

In March 2025, the Company issued 29.7 million Depositary Shares, representing approximately 1.5 million shares of its Series A Preferred Stock. The Series A Preferred Stock has a $1,000.00 per share liquidation preference and a $0.001 per share par value. As a result of the transaction, the Company received cash proceeds of $1.45 billion, net of underwriting fees and other issuance costs.

Dividends are cumulative at an annual rate of 7.50% on the liquidation preference of $1,000.00 per share of Series A Preferred Stock and may be paid in cash, shares of the Company's common stock or a combination of cash and shares of common stock. Dividends that are declared will be payable on the 15th of March, June, September and December to holders of record on the 1st of each month of the relevant dividend payment date. Dividends are recorded as a reduction to retained earnings and are reflected in accrued liabilities within the condensed consolidated balance sheets until paid. Dividends paid on Series A Preferred Stock in the six months ended September 30, 2026 were an aggregate of $55.6 million. A quarterly cash dividend of $18.750 per share of Series A Preferred Stock was declared on November 5, 2026 and will be paid on December 15, 2026 to the holders of Series A Preferred Stock of record as of December 1, 2026.

The following table provides the conversion rate per share of our Series A Preferred Stock, subject to certain anti-dilution adjustments:

Applicable Market Value of Common Stock	Conversion Rate per share of Series A Preferred Stock
Greater than $62.4766	16.0060 shares of common stock
Equal to or less than $62.4766 but greater than or equal to $50.9996	Between 16.0060 and 19.6080 shares of common stock, determined by dividing $1,000 by the applicable market value
Less than $50.9996	19.6080 shares of common stock

Unless earlier converted, each share of Series A Preferred Stock will automatically convert on March 15, 2028, into between 16.0060 shares and 19.6080 shares of the Company's common stock, depending on the applicable market value of the common stock and subject to certain anti-dilution adjustments described in the certificate of designations governing the Series A Preferred Stock (Certificate of Designations). The applicable market value of the Company's common stock will be determined based on the average volume-weighted average price per share of the common stock over the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately prior to March 15, 2028.

If a fundamental change, as defined in the Certificate of Designations, occurs on or prior to March 15, 2028, then holders of the Series A Preferred Stock will be entitled to convert all or any portion of their shares into shares of the Company's common stock at the fundamental change conversion rate, as defined in the Certificate of Designations, for a specified period of time and also to receive an amount to compensate such holders for unpaid accumulated dividends and any remaining future scheduled dividend payments. Other than during a fundamental change conversion period, at any time prior to March 15, 2028, holders of Series A Preferred Stock may elect to convert all or any portion of their shares at a conversion rate of 16.0060 shares of common stock per share of Series A Preferred Stock, subject to certain anti-dilution and other adjustments as described in the Certificate of Designations.

In connection with the issuance of the 29.7 million Depositary Shares, representing approximately 1.5 million shares of its Series A Preferred Stock, the Company entered into capped call option transactions with several financial institutions at a cost of $55.1 million. Upon conversion of the Series A Preferred Stock, the Company may exercise the capped call options subject to a cap price of $71.40 per share, subject to certain adjustments under the terms of the capped call options, which are generally expected to reduce the potential dilution to the Company's common stock upon conversion of the Series A Preferred Stock and/or offset any cash payments the Company is required to make. As these transactions meet certain accounting criteria, the capped call options were recorded as a reduction of stockholders' equity when they were issued and are not accounted for as derivatives.

Common Stock Dividends

A quarterly cash dividend of $0.455 per share of common stock was paid on September 9, 2026 in the aggregate amount of $247.6 million. A quarterly cash dividend of $0.455 per share of common stock was declared on November 5, 2026 and will be paid on December 8, 2026 to stockholders of record as of November 23, 2026. The Company expects the December 2026 payment of its quarterly cash dividend on its common stock to be approximately $248.0 million.

Note 14. Subsequent Events

On October 8, 2026, the Company completed its acquisition of Vorago Technologies, Inc., a privately held U.S.-based provider of radiation-hardened and radiation-tolerant microcontrollers and microprocessors, for cash consideration of approximately $93.1 million at closing.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Note Regarding Forward-looking Statements

This report, including "Part I – Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Part II - Item 1A. Risk Factors" contains certain forward-looking statements that involve risks and uncertainties, including statements regarding our strategy, financial performance and revenue sources. We use words such as "anticipate," "believe," "can," "continue," "could," "expect," "future," "intend," "plan," and similar expressions to identify forward-looking statements. Our actual results could differ materially from the results anticipated in these forward-looking statements as a result of certain factors including those set forth under "Risk Factors," beginning at page 39 and elsewhere in this Form 10-Q. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements. We disclaim any obligation to update information contained in any forward-looking statement. These forward-looking statements include, without limitation, statements regarding the following:

- Our expectation that we will experience period-to-period fluctuations in operating results, gross margins, and product mix;
- The effects that uncertain global economic conditions and fluctuations in the global credit and equity markets may have on our financial condition and results of operations;
- The effects and amount of competitive pricing pressure on our product lines and modest pricing declines in certain of our more mature proprietary product lines;
- Our ability to moderate future average selling price declines;
- Our expectations regarding our inventory levels and revenue growth;
- The amount of, and changes in, demand for our products and those of our customers;
- The impact of national security protections, trade restrictions and changes in tariffs, including those impacting China;
- Our intent to vigorously defend our legal positions and our expectations of the impact of litigation on our operations;
- The future impact on our business in response to public health concerns;
- Our goal to continue to be more efficient with our selling, general and administrative expenses;
- Our belief that customers recognize our products and brand name and our use of distributors as an effective supply channel;
- The ability of our partners to provide services, supplies, and materials and continued performance under financial challenges;
- Our belief that familiarity with and adoption of development tools from us and from our third-party development tool partners will be an important factor in the future selection of our embedded control products;
- The accuracy of our estimates of the useful life and values of our property, assets and other liabilities;
- The possibility of future pricing fluctuations in our analog product line;
- The impact of any supply disruption we may experience;
- Our ability to effectively utilize our facilities at appropriate capacity levels or obtain sufficient capacity from our manufacturing, assembly and test sub-contractors;
- Our ability to maintain manufacturing yields;
- The maintenance of our competitive position based on our investments in new and enhanced products;
- The cost effectiveness of using our own assembly and test operations;
- Our plans to continue to transition certain outsourced assembly and test capacity to our internal facilities;
- Our expectations regarding investments in equipment and facilities and the timeline of expansions of our manufacturing capacity;
- The continued development of the embedded control market based on our strong technical service presence;
- Our anticipated level of capital expenditures;
- The possibility that loss of, or disruption in the operations of, one or more of our distributors could reduce our future net sales and/or increase our inventory returns;
- Our intent, including length, timing, planned closure days, to reduce production levels at global fabrication facilities, or closure of facilities completely and its impact on inventory levels and estimated cash savings;
- Our expectations regarding LTSAs and the realization of deferred revenue;
- The continuation and amount of quarterly cash dividends;
- The sufficiency of our existing sources of liquidity to finance anticipated capital expenditures and otherwise meet our anticipated cash requirements, and the effects that our contractual obligations are expected to have on them;

- Our belief that the capital expenditures to be incurred over the next 12 months will provide sufficient manufacturing capacity to support the growth of our production capabilities for our new products and technologies and to bring in-house more of the production requirements that are currently outsourced;
- Our belief that our IT system compromise will not have a material adverse effect on our business or result in any material damage to us;
- Our expectation that we will continue to be the target of cyber-attacks, computer viruses, unauthorized access and other attempts to breach or otherwise compromise the security of our IT systems and data;
- Our plans to modify and enhance our cybersecurity risk management processes and strategy;
- Our assessment of the impacts of cybersecurity incidents and our ability to implement containment measures;
- The benefits and risks of the use of artificial intelligence by us, our partners and customers, or malicious third parties and its impact on our products, our labor and technological needs, and regulatory or intellectual property compliance;
- The impact of the resolution of legal actions on our business, and the accuracy of our assessment of the probability of loss and range of potential loss;
- The amounts and timing, and our plans and expectations relating to the proposed income adjustment from the Malaysian Inland Revenue Board;
- Our belief that the expiration of any tax holidays will not have a material impact on our effective tax rate;
- Our expectations regarding our tax expense, unrecognized tax benefits, cash taxes and effective tax rate;
- The impact on our business from the global minimum tax (GMT) and the Side-by-Side system introduced by the Organisation for Economic Co-operation and Development;
- Our belief that the estimates used in preparing our condensed consolidated financial statements are reasonable;
- Our actions to vigorously and aggressively defend and protect our intellectual property on a worldwide basis;
- Our ability to obtain and maintain patents and intellectual property licenses and minimize the effects of litigation or other disputes or the loss of patent protection;
- The level of risk we are exposed to for product liability claims or indemnification claims;
- The effect of fluctuations in market interest rates on our income and/or cash flows;
- The effect of fluctuations in currency rates;
- The impact of inflation on our business;
- Our ability to increase our borrowings or seek additional equity or debt financing to maintain or expand our facilities, or to fund cash dividends, share repurchases, acquisitions or other corporate activities, and that the timing and amount of such financing requirements will depend on a number of factors;
- Our expected debt obligation maturities, including the conversion of debt, Depositary Shares, and Series A Preferred Stock, and plans to refinance or repay our existing debt;
- Our expectations regarding the amounts and timing of repurchases under our stock repurchase program;
- Our expectation that our reliance on third-party contractors may increase over time as our business grows;
- Our ability to collect accounts receivable;
- The impact of the legislative and policy changes implemented or which may be implemented by the current administration on our business and the trading price of our stock;
- Our belief that our culture, values, and organizational development and training programs will continue to provide a work environment where our employees are empowered and engaged to deliver the best embedded control solutions;
- Our belief that our continued success is driven by the skills, knowledge, and innovative capabilities of our personnel, a strong technical service presence, and our ability to rapidly commercialize new and enhanced products;
- The potential impact of changes in regulations or in their enforcement, including with respect to the capital expenditures or other costs or expenses;
- The impact of any failure by us to adequately control the storage, use, discharge and disposal of regulated substances;
- Estimates and plans regarding pension liability and payments expected to be made for benefits earned;
- Our expectations regarding past or potential future acquisitions, joint development agreements or other strategic relationships and any related benefits; and
- The impact on our business stemming from Russia’s invasion of Ukraine and military conflict in the Middle East.

Our actual results could differ materially from the results anticipated in these forward-looking statements as a result of certain factors including those set forth in "Item 1A. Risk Factors," and elsewhere in this Form 10-Q. Although we believe that the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. You should not place undue reliance on these forward-looking statements. We disclaim any obligation to update the information contained in any forward-looking statement.

Introduction

The following discussion should be read in conjunction with the condensed consolidated financial statements and the related notes that appear elsewhere in this document.

We begin our Management's Discussion and Analysis of Financial Condition and Results of Operations with a summary of business and macroeconomic developments followed by a summary of our overall business strategy to provide an overview of the goals and overall direction of our business. This is followed by a discussion of the Critical Accounting Policies and Estimates that we believe are important to understanding the assumptions and judgments incorporated in our reported financial results. We then discuss our Results of Operations for the three and six months ended September 30, 2026 compared to the three and six months ended September 30, 2025, followed by an analysis of changes in our balance sheet and cash flows, and discuss our financial commitments in the section titled "Liquidity and Capital Resources."

Business and Macroeconomic Environment

In March 2025, we implemented a business recovery plan which included restructuring actions to reduce our costs, resize our manufacturing operations and reduce our headcount. In fiscal 2026, we saw an improvement in our overall business due to increased demand after our customers reduced excess inventory levels. Consistent with our recovery plan, we have made significant progress in reducing inventory after multiple quarters of revenue growth. We have now adjusted our inventory holdings to support our growth while navigating various levels of constraints in our supply chain. Net sales in each of our product lines and each of our geographies increased sequentially in the September 2026 quarter compared to the June 2026 quarter. While current market trends are positive, there continues to be uncertainty regarding overall macroeconomic conditions, including increased geopolitical tensions, risk of a recession, and the effects of potential trade policies, including tariffs.

Strategy

We develop, manufacture and sell smart, connected and secure embedded control solutions used by our customers for a wide variety of applications. With over 35 years of technology leadership, our broad product portfolio offers a Total System Solution for our customers that can provide a large portion of the silicon requirements in their applications. TSS is a combination of hardware, software and services which help our customers increase their revenue, reduce their costs and manage their risks compared to other solutions. Our strategic focus includes general purpose and specialized mixed-signal microcontrollers, microprocessors, analog, FPGA, data centers, networking and memory products. In July 2024, we entered the 64-bit mixed-signal microprocessor market, furthering our expansion beyond our 32-bit architecture. Our synergistic product portfolio empowers disruptive growth trends, including AI/ML, data center, edge computing and IoT, E-mobility, networking and connectivity, and sustainability, in key end markets such as automotive, aerospace and defense, communications, consumer appliances, data centers and computing, and industrial.

Our manufacturing operations include wafer fabrication, wafer probe, assembly and test and systems builds. In December 2024, we announced our decision to close the manufacturing operations of our Fab 2 wafer fabrication facility in Tempe, Arizona and the closure was completed in May 2025. The decision to close Fab 2 was driven by high inventory levels and ample manufacturing capacity at our other wafer fabrication facilities. All of the process technologies that were running in Fab 2 will be transferred to Fab 4 and Fab 5 and many such technologies are already running in Fab 4 and Fab 5, both of which have ample clean room space for expansion. The ownership of a substantial portion of our manufacturing resources is an important component of our business strategy, enabling us to maintain a high level of manufacturing control, resulting in us being one of the lowest cost producers in the embedded control industry. By owning wafer fabrication facilities and our assembly and test operations, and by employing statistical techniques (such as statistical process control, designed experiments and wafer level monitoring), we have been able to achieve and maintain high production yields. Direct control over manufacturing resources allows us to shorten our design and production cycles. This control also allows us to capture a portion of the wafer manufacturing, assembly and testing profit margin.

We employ proprietary design and manufacturing processes in developing our embedded control products. We believe our processes afford us both cost-effective designs in existing and derivative products and greater functionality in new product designs. While many of our competitors develop and optimize separate processes for their logic and memory product lines, we use a common process technology for both mixed-signal microcontroller and non-volatile memory products. This allows us to more fully leverage our process research and development costs and to deliver new products to market more rapidly. Our engineers utilize advanced computer-aided design tools and software to perform circuit design,

simulation and layout, and our in-house photomask and wafer fabrication facilities enable us to rapidly verify design techniques by processing test wafers quickly and efficiently.

We are committed to continuing our investment in new and enhanced products, including development systems, and in our design and manufacturing process technologies. We believe these investments are significant factors in maintaining our competitive position. Our current research and development activities focus on the design of new mixed-signal microcontrollers, digital signal controllers, memory, analog and mixed-signal products, FPGAs, timing systems, Flash-IP, development systems, software and application-specific software libraries. We are also developing new design and process technologies to achieve further cost reductions and performance improvements in our products.

We market and sell our products worldwide primarily through a network of direct sales personnel and distributors. Our direct sales force focuses on a wide variety of strategic accounts in three geographical markets: the Americas, Europe and Asia. We currently maintain sales and technical support centers in major metropolitan areas in all three geographic markets. We believe that a strong technical service presence is essential to the continued development of the embedded control market. Many of our CEMs, FAEs, and sales managers have technical degrees or backgrounds and have been previously employed in high technology environments. We believe that the technical and business knowledge of our sales force is a key competitive advantage in the sale of our products. The primary mission of our FAEs team is to provide technical assistance to customers and to conduct periodic training sessions for our sales team. FAEs also frequently conduct technical seminars and workshops in major cities around the world or through online webcasts. Our licensing division has dedicated sales, technology, design, product, test and reliability personnel that support the requirements of our licensees.

See the risk factor captioned "*Our operating results are impacted by seasonality and wide fluctuations of supply and demand in the industry*" on page 47 for discussion of the impact of seasonality on our business.

Critical Accounting Policies and Estimates

There were no changes to our critical accounting policies and estimates during the first six months of the fiscal year ending March 31, 2027 compared to our "Critical Accounting Policies and Estimates" as previously described in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended March 31, 2026.

Results of Operations

The following table sets forth certain operational data as a percentage of net sales for the periods covered by this report:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2026	2025	2026	2025
Net sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	34.1	44.1	35.4	45.2
Gross profit	65.9	55.9	64.6	54.8
Research and development	19.6	23.0	20.2	23.4
Selling, general and administrative	11.5	15.1	12.0	15.0
Amortization of acquired intangible assets	5.7	9.4	5.7	9.6
Special charges and other, net	0.5	0.6	0.9	1.3
Operating income	28.6 %	7.8 %	25.8 %	5.5 %

Net Sales

We operate in two industry segments and engage primarily in the design, development, manufacture and sale of semiconductor products as well as the licensing of our SuperFlash and other technologies. We sell our products to distributors and OEMs in a broad range of markets, perform ongoing credit evaluations of our customers and generally require no collateral. In certain circumstances, a customer's financial condition may require collateral, and, in such cases, the collateral would be typically provided in the form of letters of credit.

The following table summarizes our net sales for the periods covered by this report (dollars in millions):

	Three Months Ended September 30,			Six Months Ended September 30,		
	2026	2025	Change	2026	2025	Change
Net sales	$ 1,621.5	$ 1,140.4	42.2 %	$ 3,106.2	$ 2,215.9	40.2 %

The increases in net sales in the three and six months ended September 30, 2026 compared to the three and six months ended September 30, 2025 were primarily due to increased demand after customers reduced excess inventory levels as well as new customer design win activity entering production. Economic conditions have resulted in increased costs throughout our supply chain, which we have been generally passing on to our customers in the form of price increases. Our most recent price increase was implemented in the three months ended September 30, 2026 with respect to our very broad range of customers and products. Due to the complexity of the implementation of the price increases and the changes in product, geographic and customer mix, we are not able to quantify the impact of the price increases on our net sales. Additionally, the increase in net sales was positively impacted by licensing fees related to certain of our intellectual property rights. Due to the size, complexity and diversity of our customer base, we are not able to quantify any material factor contributing to the changes in net sales. See our "Business and Macroeconomic Environment" discussion above for further information on our business outlook.

Other factors that we believe contributed to the changes in our reported net sales for the three and six months ended September 30, 2026 compared to the three and six months ended September 30, 2025 and which are drivers of long-term trends in our net sales but which factors we are not able to quantify include:

- economic and competitive conditions in the semiconductor industry;
- our various new product offerings that have increased our served available market;
- intense competition in our key markets;
- customers' needs for the flexibility offered by our programmable solutions;
- increasing semiconductor content in our customers' products; and
- geopolitical conditions, tariffs and other trade restrictions.

We sell a large number of products to a large and diverse customer base and there was not any single product or customer that accounted for a material portion of the changes in our net sales in the three and six months ended September 30, 2026 or the three and six months ended September 30, 2025.

Net sales by product line for the periods covered by this report were as follows (dollars in millions):

	Three Months Ended September 30,				Six Months Ended September 30,			
	2026	%	2025	%	2026	%	2025	%
Mixed-signal Microcontrollers	$ 774.4	47.8	$ 584.5	51.3	$ 1,513.5	48.7	$ 1,117.1	50.4
Analog	459.0	28.3	321.5	28.2	869.9	28.0	637.7	28.8
Other	388.1	23.9	234.4	20.5	722.8	23.3	461.1	20.8
Total net sales	$ 1,621.5	100.0	$ 1,140.4	100.0	$ 3,106.2	100.0	$ 2,215.9	100.0

Mixed-signal Microcontrollers

Our mixed-signal microcontroller product line represents the largest component of our total net sales. Mixed-signal microcontrollers and associated application development systems accounted for approximately 47.8% and 48.7% of our net sales in the three and six months ended September 30, 2026, respectively, compared to approximately 51.3% and 50.4% of our net sales in the three and six months ended September 30, 2025, respectively.

Net sales of our mixed-signal microcontroller products increased 32.5% and 35.5% in the three and six months ended September 30, 2026, respectively, compared to the three and six months ended September 30, 2025 primarily due to increased demand after customers reduced excess inventory levels as well as new customer design win activity entering production.

Historically, average selling prices in the semiconductor industry decrease over the life of any particular product. However, the overall average selling prices of our mixed-signal microcontroller products have increased recently due to the price increase we implemented in the three months ended September 30, 2026. The overall average selling prices of this product line have remained relatively stable over time due to the proprietary nature of these products. We have in the past

been able to, and expect in the future to be able to, moderate average selling price declines in our mixed-signal microcontroller product lines by introducing new products with more features and higher prices.

Analog

Our analog product line includes analog, interface, mixed-signal and timing products. Our analog product line accounted for approximately 28.3% and 28.0% of our net sales in the three and six months ended September 30, 2026, respectively, compared to approximately 28.2% and 28.8% of our net sales in the three and six months ended September 30, 2025, respectively.

Net sales from our analog product line increased 42.8% and 36.4% in the three and six months ended September 30, 2026, respectively, compared to the three and six months ended September 30, 2025, primarily due to a portion of our customer base having worked through their previous high inventory balances and needing to purchase products at a higher level to support demand as well as new customer design win activity entering production.

We consider a majority of the products in our analog product line to be proprietary in nature, where prices are relatively stable. The non-proprietary portion of our analog product line will experience price fluctuations, driven primarily by the current supply and demand for those products. Similar to our mixed-signal microcontroller products, the overall average selling prices of our analog product line have increased recently due to the price increase implemented in the three months ended September 30, 2026.

Other

Our other product line includes FPGA products, royalties associated with licenses for the use of our SuperFlash and other technologies, sales of our intellectual property, fees for engineering services, memory products, timing systems, manufacturing services (wafer foundry and assembly and test subcontracting), legacy application specific integrated circuits, and certain products for aerospace applications. Revenue from these services and products accounted for approximately 23.9% and 23.3% of our net sales in the three and six months ended September 30, 2026, respectively, compared to approximately 20.5% and 20.8% of our net sales in the three and six months ended September 30, 2025, respectively.

Net sales related to these services and products increased 65.6% and 56.8% in the three and six months ended September 30, 2026, respectively, compared to the three and six months ended September 30, 2025 primarily due to a portion of our customer base having reduced excess inventory levels and needing to purchase products at a higher level to support demand and also due to licensing fees related to certain of our intellectual property rights. Net sales of our other product line can fluctuate over time based on general economic and semiconductor industry conditions as well as changes in demand for our FPGA products, licenses, engineering services, memory products, timing systems, and manufacturing services (wafer foundry and assembly and test subcontracting).

Distribution

Distributors accounted for approximately 50% and 51% of our net sales in the three and six months ended September 30, 2026, respectively, and approximately 45% and 46% of our net sales in the three and six months ended September 30, 2025, respectively. With the exception of Arrow Electronics, our largest distributor, which accounted for 11% of our net sales in each of the six months ended September 30, 2026 and September 30, 2025, no other distributor or direct customer accounted for more than 10% of our net sales during these periods. Our distributors focus primarily on servicing the product requirements of a broad base of diverse customers. We believe that distributors provide an effective means of reaching this broad and diverse customer base and that customers recognize Microchip for its products and brand name and use distributors as an effective supply channel.

Generally, we do not have long-term agreements with our distributors and we, or our distributors, may terminate our relationships with each other with little or no advance notice. The loss of, or the disruption in the operations of, one or more of our distributors could reduce our future net sales in a given quarter and could result in an increase in inventory returns.

At September 30, 2026, our distributors maintained 25 days of inventory of our products compared to 26 days at March 31, 2026. Over the past ten fiscal years, the days of inventory maintained by our distributors have fluctuated between approximately 17 days and 43 days. Inventory holding patterns at our distributors may have a material impact on our net sales.

Sales by Geography

Sales by geography for the periods covered by this report were as follows (dollars in millions):

	Three Months Ended September 30,				Six Months Ended September 30,			
	2026	%	2025	%	2026	%	2025	%
Americas	$ 460.2	28.4	$ 338.8	29.7	$ 891.0	28.7	$ 646.4	29.2
Europe	380.0	23.4	224.9	19.7	664.4	21.4	450.3	20.3
Asia	781.3	48.2	576.7	50.6	1,550.8	49.9	1,119.2	50.5
Total net sales	$ 1,621.5	100.0	$ 1,140.4	100.0	$ 3,106.2	100.0	$ 2,215.9	100.0

Americas sales include sales to customers in the U.S., Canada, Central America and South America. Sales to foreign customers accounted for approximately 77% and 76% of our total net sales in the three and six months ended September 30, 2026, respectively, compared to approximately 75% and 76% of our total net sales in the three and six months ended September 30, 2025, respectively. Net sales increased in all geographies in the three and six months ended September 30, 2026, compared to the three and six months ended September 30, 2025, primarily due to increased customer purchases as they worked through excess inventory levels as well as new customer design win activity entering production. Additionally, economic conditions have resulted in increased costs throughout our supply chain, which we have been generally passing on to our customers in the form of price increases. Our most recent price increase was implemented in the three months ended September 30, 2026 and positively impacted sales in all geographies. Substantially all of our foreign sales are U.S. dollar denominated. Our sales force in the Americas and Europe supports a significant portion of the design activity for products which are ultimately shipped to Asia.

Gross Profit

Our gross profit in the three months ended September 30, 2026 was $1.07 billion, or 65.9% of net sales, compared to $637.9 million, or 55.9% of net sales, in the three months ended September 30, 2025. Our gross profit in the six months ended September 30, 2026 was $2.01 billion, or 64.6% of net sales, compared to $1.21 billion, or 54.8% of net sales, in the six months ended September 30, 2025.

The primary reasons for the increases in gross profit of $430.1 million and $792.3 million in the three and six months ended September 30, 2026, respectively, compared to the three and six months ended September 30, 2025, respectively, were due to our recent price increase, changes in product mix, lower unabsorbed capacity charges, lower inventory reserves and higher licensing revenue. The net impact of product mix may fluctuate over time due to the mix of sales volumes of lower or higher margin products, changes in selling prices, and fluctuations in product costs. We are not able to separately quantify these impacts on our gross profit. The impact of unabsorbed capacity charges was a favorable impact of $24.4 million and $37.4 million in the three and six months ended September 30, 2026, respectively, compared to the three and six months ended September 30, 2025, respectively. Unabsorbed capacity charges are expensed as incurred when we operate our manufacturing facilities below normal levels. The net impact to our gross profit from inventory reserve charges was a favorable impact of $97.4 million and $166.0 million in the three and six months ended September 30, 2026, respectively, compared to the three and six months ended September 30, 2025, respectively. The gross margin impact of changes in licensing revenue, which has no associated cost of sales, was a favorable impact of $38.7 million and $48.3 million in the three and six months ended September 30, 2026 compared to the three and six months ended September 30, 2025, respectively.

Our overall inventory levels were $1.12 billion at September 30, 2026, compared to $1.04 billion at March 31, 2026. We maintained 184 days of inventory on our balance sheet at September 30, 2026 compared to 185 days of inventory at March 31, 2026. Our overall inventory level in dollars and days remained relatively flat as a result of our continued efforts to balance manufacturing production, customer demand, inventory levels and supply constraints. Our inventory amounts are impacted by timing of shipment activity in the quarter, the timing of receipt of raw materials, foundry wafers, and strategic last time buy materials and completion of finished goods.

We operate assembly and test facilities in Thailand and the Philippines. Approximately 70% and 69% of our assembly requirements were performed in our internal assembly facilities during the three and six months ended September 30, 2026, respectively, compared to approximately 66% and 68% during the three and six months ended September 30, 2025, respectively. Approximately 75% and 73% of our test requirements were performed in our internal facilities during the three and six months ended September 30, 2026, respectively, compared to approximately 70% and 69% during the three and six months ended September 30, 2025, respectively. The percentage of our assembly and test operations that are performed internally fluctuates over time based on supply and demand conditions in the semiconductor industry, our internal capacity

capabilities and our acquisition activities. We believe that the assembly and test operations performed at our internal facilities provide us with significant cost savings compared to third-party contractor assembly and test costs, as well as increased control over these portions of the manufacturing process. In addition, we have specialized assembly and test facilities dedicated to our aerospace and defense products in Germany, France, Ireland, the United Kingdom, the Philippines, Thailand, and the United States. These facilities are designed to support the unique requirements of these sectors, helping to accelerate time to market and ensure consistent, high-quality products. We plan to continue to selectively invest in assembly and test equipment to increase our internal capacity capabilities and transition certain outsourced assembly and test capacity to our internal facilities.

We rely on outside wafer foundries for a significant portion of our wafer fabrication requirements. Approximately 65% and 66% of our net sales came from products that were produced at outside wafer foundries during the three and six months ended September 30, 2026, respectively, compared to approximately 66% and 65% during the three and six months ended September 30, 2025, respectively. This percentage may vary based on supply and demand conditions in the market.

We anticipate that our gross margins will fluctuate over time, driven primarily by capacity utilization levels, the overall mix of products sold during the period, as well as manufacturing yields, unabsorbed capacity charges, and competitive and economic conditions in the markets we serve. We continue to transition products to more advanced process technologies to reduce future manufacturing costs.

Research and Development

R&D expenses for the three months ended September 30, 2026 were $318.5 million, or 19.6% of net sales, compared to $262.3 million, or 23.0% of net sales, for the three months ended September 30, 2025. R&D expenses for the six months ended September 30, 2026 were $627.4 million, or 20.2% of net sales, compared to $517.8 million, or 23.4% of net sales, for the six months ended September 30, 2025. We are committed to investing in new and enhanced products, including development systems software, and in our design and manufacturing process technologies. We believe these investments are significant factors in maintaining our competitive position. R&D costs are expensed as incurred. Assets purchased to support our ongoing research and development activities are capitalized when related to products which have achieved technological feasibility or that have alternative future uses and are amortized over their expected useful lives. R&D expenses include labor, depreciation, masks, prototype wafers, and expenses for the development of process technologies, new packages, and software to support new products and design environments.

R&D expenses increased $56.2 million, or 21.4%, for the three months ended September 30, 2026 over the same period last year. R&D expenses increased $109.6 million, or 21.2%, for the six months ended September 30, 2026 over the same period last year. The primary reasons for the increases in R&D expenses were higher employee compensation costs, including higher share-based compensation.

R&D expenses fluctuate over time, primarily due to revenue and operating expense investment levels.

Selling, General and Administrative

Selling, general and administrative expenses for the three months ended September 30, 2026 were $186.9 million, or 11.5% of net sales, compared to $172.3 million, or 15.1% of net sales, for the three months ended September 30, 2025. Selling, general and administrative expenses for the six months ended September 30, 2026 were $371.2 million, or 12.0% of net sales, compared to $331.6 million, or 15.0% of net sales, for the six months ended September 30, 2025. Our goal is to continue to be more efficient with our selling, general and administrative expenses. Selling, general and administrative expenses include salary expenses related to field sales, marketing and administrative personnel, advertising and promotional expenditures and legal expenses as well as costs related to our direct sales force, CEMs and FAEs who work to stimulate demand from sales offices worldwide by assisting customers in the selection and use of our products.

Selling, general and administrative expenses increased $14.6 million, or 8.5%, for the three months ended September 30, 2026 over the same period last year. Selling, general and administrative expenses increased $39.6 million, or 11.9%, for the six months ended September 30, 2026 over the same period last year. The primary reasons for the increases in selling, general and administrative expenses were higher employee compensation costs, including higher share-based compensation partially offset by lower costs for professional services associated with certain legal matters.

Selling, general and administrative expenses fluctuate over time, primarily due to revenue and operating expense investment levels.

Amortization of Acquired Intangible Assets

Amortization of acquired intangible assets for the three and six months ended September 30, 2026 was $90.2 million and $180.2 million, respectively, compared to $108.1 million and $215.7 million for the three and six months ended September 30, 2025, respectively. The primary reason for the decreases in acquired intangible asset amortization was due to the use of accelerated amortization methods for assets placed in service in previous fiscal years.

Special Charges and Other, Net

During the three and six months ended September 30, 2026, we incurred special charges and other, net of $7.9 million and $26.8 million, respectively, primarily related to legal contingencies and restructuring expenses related to the closure of our Fab 2 wafer fabrication facility in Tempe, Arizona. During the three and six months ended September 30, 2025, we incurred special charges and other, net of $6.3 million and $28.5 million, respectively, primarily related to restructuring expenses, including contract exit costs, closure of our Fab 2 wafer fabrication facility in Tempe, Arizona and employee separation costs.

Other Income (Expense)

Interest income in the three and six months ended September 30, 2026 was $1.7 million and $3.1 million, respectively, compared to $3.6 million and $8.5 million, respectively, for the three and six months ended September 30, 2025.

Interest expense in the three and six months ended September 30, 2026 was $47.3 million and $96.1 million, respectively, compared to $56.3 million and $113.7 million, respectively, for the three and six months ended September 30, 2025. The primary reasons for the decreases in interest expense were lower debt balances and lower interest rates.

Other loss, net in the three months ended September 30, 2026 was $1.4 million compared to $4.4 million for the three months ended September 30, 2025. Other loss, net in the six months ended September 30, 2026 was $0.9 million compared to other income, net of $0.2 million for the six months ended September 30, 2025.

Provision for Income Taxes

Our provision for income taxes is attributable to U.S. federal, state, and foreign income taxes. Our tax expense for the six months ended September 30, 2026 resulted in an effective tax rate of 10.8% compared to a negative 44.4% for the six months ended September 30, 2025. The increase in the effective tax rate is primarily driven by global minimum corporate taxes and valuation allowance changes recognized in the period ending September 30, 2026, and a remeasurement of unrecognized tax positions recognized in the period ending September 30, 2025.

We are subject to taxation in many jurisdictions in which we have operations. The effective tax rates that we pay in these jurisdictions vary widely, but they are generally lower than our combined U.S. federal and state effective tax rate. Our domestic blended statutory tax rate in each of the six months ended September 30, 2026 and September 30, 2025 was approximately 22.0%. The difference in rates applicable in foreign jurisdictions results from a number of factors, including lower statutory rates, tax holidays, financing arrangements and other factors. Our effective tax rate has been and will continue to be impacted by the geographical dispersion of our earnings and losses.

Our foreign tax rate differential primarily relates to our operations in Malta, taxed at a 35.0% statutory tax rate, and in Ireland, taxed at a 12.5% statutory tax rate. The foreign tax rate differential impact from Malta is offset with the effect of the notional interest deduction. Additionally, our Thailand manufacturing operations are currently subject to numerous tax holidays granted to us based on our investment in property, plant, and equipment in Thailand. Our tax holiday periods in Thailand expire at various times in the future; however, we actively seek to obtain new tax holidays, otherwise we will be subject to tax at the statutory tax rate of 20.0%. We do not expect the future expiration of any of our tax holiday periods in Thailand to have a material impact on our effective tax rate.

In September 2021, we received a Statutory Notice of Deficiency (2007 to 2012 Notice) from the United States Internal Revenue Service (IRS) for fiscal 2007 through fiscal 2012. The disputed amounts largely relate to transfer pricing matters. In December 2021, we filed a petition in the U.S. Tax Court challenging the 2007 to 2012 Notice. In September 2023, we received a Revenue Agent Report (RAR) from the IRS for fiscal 2013 and fiscal 2016. In October 2023, we received a Statutory Notice of Deficiency (2014 to 2015 Notice) from the IRS for fiscal 2014 and fiscal 2015. The disputed amounts for fiscal 2013 to fiscal 2016 largely relate to transfer pricing matters. In December 2023, we filed a petition in the U.S. Tax Court challenging

the 2014 to 2015 Notice. In September 2025, we reached a settlement with the IRS for fiscal 2007 through fiscal 2015. The timing of the agreed final stipulations is uncertain but could be completed in the next 12 months.

In May 2023, we received a proposed income adjustment from the Malaysian Inland Revenue Board (IRB) for fiscal 2020. In December 2023, we received a Notice of Assessment from the IRB asserting the same proposed income adjustment. In March 2025, we entered into a Consent Judgment before the High Court, agreeing that the dispute will be heard before the Special Commissioners of Income Tax (SCIT). It was also agreed that the payment on the taxes assessed is stayed and the IRB will pause all enforcement and proceedings against the collection of the taxes assessed until the appeal before the SCIT is concluded. If the adjustment is upheld by the highest court that has jurisdiction over this matter in Malaysia, it could result in income taxes and penalties up to MYR 1.9 billion (approximately $473.2 million based on the exchange rate as of September 30, 2026). The disputed amounts largely relate to the characterization of certain assets. The timing of adjudicating this matter is uncertain but could occur in the next 12 months.

We firmly believe that the IRB assessment is without merit and we plan to pursue all available administrative and judicial remedies necessary to resolve the matter. We intend to vigorously defend our position, and we are confident in our ability to prevail on the merits. We regularly assess the likelihood of adverse outcomes resulting from examinations such as these to determine the adequacy of our tax reserves. The ultimate outcome of disputes of this nature is uncertain, and if the IRB were to prevail on its assertions, the assessed tax, penalties, and deficiency interest could have a material adverse impact on our financial position, results of operations or cash flows.

Various taxing authorities in the U.S. and other countries in which we do business are increasing their scrutiny of the tax structures employed by businesses. Companies of our size and complexity are regularly audited by the taxing authorities in the jurisdictions in which they conduct significant operations. For U.S. federal, and in general for U.S. state tax returns, our fiscal 2007 and later tax returns remain effectively open for examination by the taxing authorities. We are currently being audited by the tax authorities in the U.S. and in various foreign jurisdictions. At this time, we do not know what the outcome of these audits will be. We record benefits for uncertain tax positions based on an assessment of whether it is more likely than not that the tax positions will be sustained based on their technical merits under currently enacted law. If this threshold is not met, no tax benefit of the uncertain tax position is recognized. If the threshold is met, we recognize the largest amount of the tax benefit that is more than 50% likely to be realized upon ultimate settlement.

The Organisation for Economic Co-operation and Development has introduced a global minimum corporate tax framework (GMT), with phased implementation starting January 1, 2024. Several countries where we operate have enacted related legislation. In January 2026, the Organisation for Economic Co-operation and Development published a side-by-side system, which excludes U.S. multi-national entities from certain aspects of the GMT. The side-by-side system must be transposed into local tax laws for it to become effective, which has yet to occur in most countries where we operate. We will continue to monitor developments around this guidance, including the transposition of the side-by-side system into local laws. The impact of the GMT for the six months ended September 30, 2026 has been reflected in our financial results.

In July 2025, the U.S. government enacted the One Big Beautiful Bill Act (OBBBA), which includes permanent extensions of certain Tax Cuts and Jobs Act provisions and changes to the international tax framework. The effects of these changes have been recognized in the period ending September 30, 2026. The impact of OBBBA for the six months ended September 30, 2026 was not material to our financial results. We will continue to evaluate the broader implications of OBBBA, including the effects of future regulatory guidance and interpretations.

Liquidity and Capital Resources

We had $457.0 million in cash and cash equivalents at September 30, 2026, an increase of $216.7 million from the March 31, 2026 balance.

Operating Activities

Net cash provided by operating activities was $930.7 million in the six months ended September 30, 2026 primarily due to net income of $631.2 million, adjusted for non-cash and non-operating charges of $436.1 million and net cash outflows of $136.6 million from changes in our operating assets and liabilities. The primary drivers of the changes in operating assets and liabilities in the six months ended September 30, 2026 include an increase in inventories related to increased production levels to support growth, an increase in trade accounts receivable driven primarily by higher revenue and timing of shipments and collections, as well as decreases in accrued liabilities and other long-term liabilities due to cash refunded to our customers under certain LTSAs, partially offset by an increase in accounts payable related to higher spending to support increased production levels and an increase in income tax payable. Net cash provided by operating activities was $363.7 million in the

six months ended September 30, 2025 primarily due to net income of $23.1 million, adjusted for non-cash and non-operating charges of $476.7 million and net cash outflows of $136.1 million from changes in our operating assets and liabilities.

Investing Activities

Net cash used in investing activities was $151.5 million in the six months ended September 30, 2026 compared to $98.9 million in the six months ended September 30, 2025. During the six months ended September 30, 2026, and the six months ended September 30, 2025, net investing activities primarily related to capital purchases and investments in other assets.

Our level of capital expenditures varies from time to time as a result of actual and anticipated business conditions. Capital expenditures in the six months ended September 30, 2026 were $37.0 million compared to $54.4 million in the six months ended September 30, 2025. Capital expenditures were primarily for the selective expansion of production capacity and the addition of research and development equipment. We have paused most of our factory expansion actions and reduced our planned capital investments through fiscal 2027. Our investments in equipment and facilities during the next 12 months are expected to be at or below $100.0 million. We believe that the capital expenditures anticipated to be incurred over the next 12 months will provide sufficient manufacturing capacity to support the growth of our production capabilities for our new products and technologies and to bring in-house more of the assembly and test operations that are currently outsourced. We expect to finance our capital expenditures through our existing cash balances and cash flows from operations.

Financing Activities

Net cash used in financing activities was $562.5 million in the six months ended September 30, 2026 compared to $799.7 million in the six months ended September 30, 2025. Significant transactions affecting our net financing cash flows included:

- in the first six months of fiscal 2027, $15.5 million of net proceeds from our Commercial Paper program, and
- in the first six months of fiscal 2026, $1.20 billion of net cash used to pay down our 4.25% 2025 Notes and $938.3 million of net proceeds from our Commercial Paper program, and
- in the first six months of fiscal 2027 and fiscal 2026, we paid cash dividends to our common stockholders of $494.5 million and $491.3 million, respectively, and
- in the first six months of fiscal 2027 and fiscal 2026, we paid cash dividends to our preferred stockholders of $55.6 million and $52.9 million, respectively.

In March 2025, we entered into a Second Amended and Restated Credit Agreement (the Second Amended and Restated Credit Agreement) pursuant to which the Credit Agreement, was amended and restated in its entirety. The Second Amended and Restated Credit Agreement provides for an unsecured revolving loan facility in an aggregate principal amount of up to $2.25 billion, with a $250.0 million foreign currency sublimit, a $25.0 million letter of credit sublimit and a $20.0 million swingline loan sublimit. The Second Amended and Restated Credit Agreement amended the maximum total leverage ratio financial covenant to the following: 5.50 to 1.00 for period ending March 31, 2025, 5.50 to 1.00 for period ending June 30, 2025, 6.25 to 1.00 for period ending September 30, 2025, 5.75 to 1.00 for period ending December 31, 2025, 4.75 to 1.00 for period ending March 31, 2026, 4.00 to 1.00 for period ending June 30, 2026, 3.75 to 1.00 for period ending September 30, 2026, and 3.50 to 1.00 for any such period ended after the Restatement Effective Date that is not a period ending during the Covenant Relief Period. The Covenant Relief Period means the period following the Restatement Effective Date to (but excluding) the earlier of (a) December 31, 2026 and (b) the date in which the Total Leverage Ratio for the most recently ended fiscal quarter shall not exceed 3.50 to 1.00 and certain other conditions are satisfied.

In September 2023, we established a Commercial Paper program under which we may issue short-term unsecured promissory notes. Pursuant to the Credit Agreement, the maximum principal amount outstanding at any time under the Commercial Paper program is $2.25 billion with a maturity of up to 397 days from the date of issue. The Commercial Paper is sold from time to time at a discount from par or alternatively, sold at par and bears interest rates that will vary based on market conditions and the time of issuance. Our intent is to reduce the amounts that would otherwise be available to borrow under our Revolving Credit Facility by the outstanding amount of Commercial Paper. As of September 30, 2026, the principal amount of our outstanding indebtedness was $5.55 billion. We had no outstanding borrowings under the Revolving Credit Facility at September 30, 2026 and at March 31, 2026. At September 30, 2026, we had $364.0 million outstanding principal amount of Commercial Paper compared to $349.0 million at March 31, 2026.

In March 2025, we issued 29.7 million Depositary Shares, representing approximately 1.5 million shares of our Series A Preferred Stock. The Series A Preferred Stock has a $1,000.00 per share liquidation preference and $0.001 per share par

value. As a result of the transaction, we received cash proceeds of $1.45 billion, net of underwriting fees and other issuance costs.

Dividends and Share Repurchases

In November 2021, our Board of Directors authorized the repurchase of up to $4.00 billion of our common stock in the open market or in privately negotiated transactions. No shares were repurchased under this authorization in the first six months of fiscal 2027 or in the first six months of fiscal 2026. As of September 30, 2026, approximately $1.56 billion remained available for repurchases under the program. As of September 30, 2026, we held approximately 34.2 million shares as treasury shares. Any future repurchases of shares of our common stock will be evaluated based on our cash generation, leverage metrics, and market conditions.

In October 2002, we announced that our Board of Directors had approved and instituted a quarterly cash dividend on our common stock. To date, our cumulative dividend payments on our common stock have totaled approximately $9.11 billion. A quarterly dividend of $0.455 per share of common stock was declared on November 5, 2026 and will be paid on December 8, 2026 to stockholders of record as of November 23, 2026. We expect the aggregate cash dividend on our common stock for the December 2026 quarter to be approximately $248.0 million. Our Board is free to change our dividend practices at any time and to increase or decrease the dividend paid, or not to pay a dividend on our common stock on the basis of our results of operations, financial condition, cash requirements and future prospects, and other factors deemed relevant by our Board. Our current intent is to maintain our level of quarterly cash dividends depending upon market conditions, our results of operations, and potential changes in tax laws.

With respect to shares of our Series A Preferred Stock, dividends are cumulative at an annual rate of 7.50% on the liquidation preference of $1,000.00 per share of Series A Preferred Stock. To date, our cumulative dividend payments on our Series A Preferred Stock have totaled approximately $164.1 million. A quarterly cash dividend of $18.750 per share of Series A Preferred Stock was declared on November 5, 2026 and will be paid on December 15, 2026 to the holders of Series A Preferred Stock of record as of December 1, 2026.

We believe that our existing sources of liquidity combined with cash generated from operations, borrowings under our Revolving Credit Facility and proceeds from issuance of our Commercial Paper will be sufficient to meet our currently anticipated cash requirements for at least the next 12 months. Our long-term liquidity requirements primarily arise from working capital requirements, interest and principal repayments related to our outstanding indebtedness, capital expenditures, cash dividends, share repurchases, and income tax payments. For additional information regarding our cash requirements see "Note 10. Commitments and Contingencies", "Note 6. Debt" and "Note 11. Income Taxes" to our condensed consolidated financial statements. The semiconductor industry is capital intensive and in order to remain competitive, we must constantly evaluate the need to make significant investments in capital equipment for both production and research and development and to expand our existing facilities or potentially construct new facilities. We may increase our borrowings under our Revolving Credit Facility or our Commercial Paper program or seek additional equity or debt financing from time to time to refinance our existing debt, maintain or expand our wafer fabrication and product assembly and test facilities, for cash dividends, for share repurchases or for acquisitions or other purposes. In addition, the holders of our 2024 Senior Convertible Debt can require us to repurchase such debt on June 1, 2027 if the price per share of our common stock is less than the conversion price of such debt on the applicable measurement date. Our intention is to finance any required repurchase of the 2024 Senior Convertible Debt by using availability under our Revolving Credit Facility, our Commercial Paper program or other debt or equity financing. The timing and amount of any such financing requirements will depend on a number of factors, including the maturity dates of our existing debt, our level of dividend payments on our common stock and Series A Preferred Stock, changes in tax laws and regulations regarding the repatriation of offshore cash, demand for our products, changes in industry conditions, product mix, competitive factors and our ability to identify suitable acquisition candidates. We plan to refinance our existing notes as they mature and we may from time to time seek to refinance certain of our other outstanding debt or Convertible Debt through issuances of new notes or convertible debt, term loans, Commercial Paper, tender offers, exchange transactions or open market repurchases. Such issuances, tender offers or exchanges or purchases, if any, will depend on prevailing market conditions, our ability to negotiate acceptable terms, our liquidity position and other factors. There can be no assurance that any financing will be available on acceptable terms due to uncertainties resulting from economic uncertainty, geopolitical conditions or military conflicts, tariffs, high interest rates, high inflation, instability in the banking sector, public health concerns, or other factors, and any additional equity financing or convertible debt financing would result in incremental ownership dilution to our existing stockholders.

Summarized Financial Information

The tables below present the summarized financial information on a combined basis for Microchip Technology Incorporated and the following subsidiaries of Microchip Technology Incorporated that provide guarantees of our Senior Notes: Atmel Corporation, Microchip Holding Corporation, Microchip Technology LLC, Silicon Storage Technology, Inc., Microsemi Corporation, and Microchip Storage Solutions LLC (such subsidiaries collectively, the Subsidiary Obligors). The debt securities are fully and unconditionally guaranteed by the aforementioned subsidiaries and rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations. The summarized financial information is provided in accordance with the reporting requirements of Rule 13-01 under Regulation S-X and is not intended to present our financial position or results of operations in accordance with generally accepted accounting principles as such principles are in effect in the U.S.

We have presented summarized financial information below for Microchip Technology Incorporated and the Subsidiary Obligors after the elimination of intercompany transactions and balances among Microchip Technology Incorporated and the Subsidiary Obligors and investments in any subsidiaries (in millions). The Subsidiary Obligors regularly sell goods and services to non-guarantor subsidiaries (Non-Guarantors) and the Subsidiary Obligors regularly purchase goods and services from Non-Guarantor through intercompany arrangements. The summarized financial information does not eliminate the effects of these intercompany arrangements and separately presents the net effect of all of the Subsidiary Obligors' transactions with Non-Guarantor for the financial measures presented below.

	As of September 30, 2026	As of March 31, 2026
Current assets, excluding intercompany	$ 685.1	$ 288.8
Intercompany receivables from Non-Guarantors	3,955.9	3,579.0
Goodwill and intangible assets	4,606.0	4,595.3
Non-current assets, excluding intercompany	1,114.4	1,127.6
Non-current intercompany receivables from Non-Guarantors	179.8	179.8
Total assets	$ 10,541.2	$ 9,770.5
Current liabilities, excluding intercompany	$ 261.6	$ 240.9
Intercompany payables due to Non-Guarantors	7,194.6	6,583.8
Long-term debt	5,517.2	5,496.4
Non-current liabilities, excluding intercompany	928.3	919.6
Non-current intercompany payables due to Non-Guarantors	2,072.2	2,113.0
Total liabilities	$ 15,973.9	$ 15,353.7

	Six Months Ended September 30, 2026	For the Year Ended March 31, 2026
Revenue, excluding intercompany	$ 919.0	$ 1,431.0
Revenue from Non-Guarantors	446.5	682.8
Total revenue	$ 1,365.5	$ 2,113.8
Gross profit, excluding intercompany	796.8	1,070.8
Gross loss from Non-Guarantors	(385.6)	(369.8)
Total gross profit	$ 411.2	$ 701.0
Operating income, excluding intercompany	518.3	582.4
Operating loss from Non-Guarantors	(385.6)	(369.8)
Total operating income	$ 132.7	$ 212.6
Net income, excluding intercompany	413.9	348.9
Net loss from Non-Guarantors	(398.2)	(383.7)
Total net income (loss)	$ 15.7	$ (34.8)

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

As of September 30, 2026, our current and long-term debt totaled $5.55 billion, all of which was fixed rate and not subject to interest rate exposure. We intend to finance the repayment of our fixed rate debt maturing within the next 12 months by issuing new fixed rate debt, new notes or convertible debt or by using available borrowings under our Revolving Credit Facility, our Commercial Paper program or other instruments. If we refinance our fixed rate debt with variable rate debt, changes in interest rates will have a more significant impact on our interest expense. For additional information, refer to "Note 6. Debt" for a summary of our debt obligations by maturity date.

Inflation Risk

Inflation has not had a material adverse impact on our operating results, as we have been able to mitigate increased costs through price increases in recent periods. However, if our costs were to continue to become subject to significant inflationary pressures, we may not be able to offset such higher costs through price increases which could adversely impact our operating results.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, as required by paragraph (b) of Rule 13a-15 or Rule 15d-15 under the Exchange Act, we evaluated under the supervision of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Exchange Act). Based on this evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act (i) is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide reasonable assurance that such information is accumulated and communicated to our management. Our disclosure controls and procedures include components of our internal control over financial reporting. Management's assessment of the effectiveness of our internal control over financial reporting is expressed at the level of reasonable assurance because a control system, no matter how well designed and operated, can provide only reasonable, but not absolute, assurance that the control system's objectives will be met.

Changes in Internal Control over Financial Reporting

During the three months ended September 30, 2026, there was no change in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or Rule 15d-15 of the Exchange Act that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Refer to "Note 10. Commitments and Contingencies" to our condensed consolidated financial statements for information regarding legal proceedings.

Item 1A. Risk Factors

When evaluating Microchip and its business, you should give careful consideration to the factors below, as well as the information provided elsewhere in this Form 10-Q and in other filings we make with the SEC.

Risk Factor Summary

Risks Related to Our Business, Operations, and Industry

- impact of global economic conditions on our operating results, net sales and profitability;
- impact of economic conditions on the financial viability and performance of our licensees, customers, distributors, or suppliers;
- impact of supplier disruptions affecting the availability and cost of raw materials, components, or equipment;
- impact of restrictions, export controls, or other limitations on critical materials sourced from concentrated suppliers reducing sales;
- dependence on wafer foundries and other contractors by our licensees and ourselves;
- dependence on foreign sales, suppliers, and operations, which exposes us to foreign political and economic risks;
- impact of geopolitical instability in the Middle East on the availability of critical semiconductor materials, fuel costs, and our ability to meet customer demand;
- dependence on orders received and shipped in the same quarter, limited visibility to product shipments other than those shipped through our certain LTSAs;
- intense competition in the markets we serve, leading to pricing pressures, reduced sales or market share;
- ability to introduce new products on a timely basis, including in response to market changes driven by AI and other factors, or by changing our product design and manufacturing to more advanced technology nodes;
- ineffective utilization of our manufacturing capacity or failure to maintain manufacturing yields;
- impact of seasonality and wide fluctuations of supply and demand in the industry;
- dependence on distributors;
- business interruptions affecting our operations or that of key vendors, licensees or customers;
- technology licensing business exposes us to various risks;
- the impact of the effects of sustained adverse climate change on our operations;
- reliance on sales into governmental projects, and compliance with associated regulations;
- risks related to grants from, or tax arrangements with, governments, agencies and research organizations;
- ability to realize anticipated benefits from completed or future acquisitions or divestitures;
- future impairments to goodwill or intangible assets;
- our failure to maintain proper and effective internal control and remediate future control deficiencies;
- customer demands to implement business practices that are more stringent than legal requirements;
- ability to attract and retain qualified personnel; and
- the occurrence of events for which we are self-insured, or which exceed our insurance limits.

Risks Related to Cybersecurity, Products, Privacy, Intellectual Property, and Litigation

- interruptions in and unauthorized access to our IT systems and security breaches or incidents impacting our systems, or data that we or our service providers maintain or otherwise process including, but not limited to, data belonging to us or our customers, suppliers, contractors or employees;
- impact of evolving risks related to artificial intelligence (AI), cybersecurity and data privacy across our products, operations, regulatory compliance, intellectual property, talent, and transactions;
- exposure of our customers' business and proprietary confidential information due to security vulnerabilities of our products;
- risks related to internal use of AI;
- risks related to compliance with laws and regulations regarding privacy, data protection, AI, cybersecurity (including U.S. Department of War requirements), and handling of government-regulated data (e.g., controlled unclassified information, classified data, export-controlled data);
- risks related to legal proceedings, investigations or claims;

- risks related to contractual relationships with our customers and suppliers; and
- protecting and enforcing our intellectual property rights.

Risks Related to Taxation, Laws and Regulations

- impact on our reported financial results by new accounting pronouncements or changes in existing accounting standards and practices;
- the issuance of new export controls or trade sanctions, tariffs or other trade barriers, fines, restrictions or delays in our ability to export or import products, or increase costs associated with the manufacture or transfer of products;
- outcome of future examinations of our income tax returns;
- exposure to greater than anticipated income tax liabilities, changes in or the interpretation of tax rules and regulations or unfavorable assessments from tax audits;
- impact of the legislative and policy changes implemented globally by the current or future administrations;
- impact of stringent environmental, climate change, conflict-free minerals and other regulations or customer demands;
- failure to meet ESG expectations, standards or disclosure requirements;
- impact regarding the responsible use of our technologies; and
- requirement to fund our foreign pension plans.

Risks Related to Capitalization and Financial Markets

- impact of various factors on our future trading price of our common stock;
- fluctuations in the amount and timing of our common stock repurchases;
- our ability to effectively manage current or future debt;
- our ability to generate sufficient cash flows or obtain access to external financing;
- impact of conversion of our convertible debt, Depositary Shares, and Series A Preferred Stock on the ownership interest of our existing stockholders and market price of our common stock; and
- fluctuations in foreign currency exchange rates.

Risks Related to Our Business, Operations, and Industry

Our operating results are impacted by global economic conditions and may fluctuate in the future due to a number of factors that could reduce our net sales and profitability.

Our operating results are affected by a wide variety of factors that could reduce our net sales and profitability, many of which are beyond our control. Some of the factors that may affect our operating results include:

- general economic, industry, public health or political conditions in the U.S. or internationally, including uncertain economic conditions in U.S., China and Europe, changes in geopolitical conditions, interest rates, persistent inflation, tariffs or instability in the banking sector;
- trade restrictions and increase in tariffs, including those on business in China, or focused on specific companies or types of products;
- levels of inventories held by our customers and the customers of our distributors;
- the mix of inventory we hold and our ability to satisfy orders from our inventory;
- our ability to introduce new products that will achieve broad market acceptance at favorable prices and margins;
- the level of orders that are received and can be shipped in a quarter, including the impact of product lead times;
- disruptions in our business, our supply chain or our customers' businesses due to cybersecurity incidents, terrorist activity, armed conflict, war (including military conflict in the Middle East and Russia's invasion of Ukraine), worldwide oil prices and supply, transportation interruption, public health concerns (including viral outbreaks and pandemics), fires, natural disasters or disruptions in the transportation system;
- changes in demand or market acceptance of our products and products of our customers, and market fluctuations in the industries into which such products are sold;
- availability of raw materials including rare earth minerals, supplies and equipment due to supply chain constraints, disruptions in transportation systems, trade restrictions, or other factors;
- constrained availability from other suppliers or disruptions in transit systems impacting our customers' ability to ship their products, which in turn may adversely impact our sales to those customers;
- the level of order cancellations or push-outs due to uncertain economic conditions or other factors;
- our ability to increase or decrease our factory capacity as needed to respond to changes in customer demand;
- our ability to secure sufficient wafer foundry, assembly and testing capacity;
- increased costs and availability of raw materials, supplies, equipment, utilities, labor, and/or subcontracted services for wafers, assembly and test;

- changes in utilization of our manufacturing capacity and fluctuations in manufacturing yields;
- changes or fluctuations in customer order patterns and seasonality;
- fluctuations in our mix of product sales;
- changes in tax regulations in countries in which we do business;
- new accounting pronouncements or changes in existing accounting standards and practices;
- risk of excess and obsolete inventories;
- competitive developments including pricing pressures;
- unauthorized counterfeiting of our products resulting in pricing pressure and loss of sales;
- our ability to successfully transition to more advanced process technologies to reduce manufacturing costs or introduce more advanced products, and the ability to produce these products at desired volumes;
- the level of sell-through of our products through distribution or resale;
- our ability to realize the expected benefits of our past or future acquisitions;
- announcements of other significant acquisitions by us or our competitors;
- costs and outcomes of any current or future tax audits or any litigation, investigation or claims involving intellectual property, our acquisitions, customers or other issues; and
- property damage or other losses, whether or not covered by insurance.

Period-to-period comparisons of our operating results are not necessarily meaningful and you should not rely upon any such comparisons as indications of our future performance. In future periods, our operating results may fall below our public guidance or the expectations of public market analysts and investors, which would likely have a negative effect on the price of our common stock. Uncertain global economic and public health conditions have caused and may in the future cause our operating results to fluctuate significantly and make comparisons between periods less meaningful.

Our operating results may be adversely impacted by the inability of our key suppliers to provide us with necessary raw materials, components, or equipment.

Our manufacturing operations require a continuous supply of raw and processed materials, components, and production equipment that must meet stringent performance and quality standards. Although we generally maintain multiple sources for these items, only a limited number of suppliers may be capable of meeting our technical requirements. From time to time, we have experienced supply shortages, extended lead times, supplier announcements that certain orders could not be fulfilled, or the discontinuation of updates or parts for certain equipment. For example, currently in fiscal 2027, we are experiencing extended lead times and have been notified by certain suppliers of their plans to discontinue legacy manufacturing processes as industry capacity and resources are increasingly directed toward meeting growing demand from data centers. In fiscal 2023 and fiscal 2022, we experienced cost increases from certain suppliers for materials used in our production processes; although conditions stabilized in fiscal 2024 and fiscal 2025, similar cost pressures may recur.

Any interruption in the supply of raw materials, components, or equipment - or reduced supplier support for key manufacturing tools - could adversely affect our ability to produce products in the required volumes or on expected timelines. Supply availability may be further limited as global semiconductor demand increases, suppliers shift production toward higher cost or more complex products, or as a result of supply chain disruptions, transit delays, or political instability. For example, as memory manufacturers transition to more advanced products, availability of the memory components we use may become constrained, have longer lead times, or become more expensive. Consolidation among suppliers may reduce supply alternatives or alter our commercial relationships. In addition, reduced labor availability or public health concerns may further impact the supply chain.

Any of these factors could increase our manufacturing costs, impair our sourcing flexibility, delay our production schedules, and adversely affect our operating results. Additionally, our sales may be adversely impacted if tariffs or government trade actions restrict access to needed supplies.

Tariffs, trade restrictions, and evolving global trade policies pose risks to our supply chain, cost structure, and customer demand. Beginning in 2018 and continuing through 2026, the U.S. imposed additional tariffs on various imports, and several countries have imposed retaliatory tariffs on goods originating from the U.S. Although semiconductors currently remain exempt from certain U.S. tariffs under the ongoing Section 232 investigation, many inputs used in semiconductor manufacturing - including chemicals, metals, and equipment - remain subject to country specific tariffs or may become subject to new duties. The tariff landscape remains uncertain and may change with limited notice.

New or increased tariffs imposed on raw materials, components, equipment, or other inputs used in our production processes could increase our manufacturing costs. For example, new Section 232 tariffs and related import restrictions on polysilicon and certain derivative products which are scheduled to take effect on December 4, 2026 could increase the cost or

reduce the availability of semiconductor inputs, including wafers and wafer-derived materials. We may also incur incremental costs associated with supply chain adjustments undertaken to mitigate the effects of trade restrictions or tariffs. While we attempt to reduce cost burdens and secure alternative supply arrangements, we may experience higher operating costs, reduced sourcing flexibility, or lower demand for our products if customers face higher input costs or trade related disruptions.

Tariffs and trade restrictions also affect our customers. If customers face reduced availability of labor, materials, or components, whether due to trade restrictions, supplier disruptions, escalating shipping constraints, or public health issues, they may reduce or suspend production of their own products, leading to decreased demand for our products. For example, in 2025, government actions involving Nexperia (including export control measures and interventions affecting its operations and cross-border shipments) resulted in restricted availability of certain mature-node semiconductors (such as discrete devices and standard logic) that are widely used by automotive and consumer electronics manufacturers. As a result, some of our customers may experience shortages of these components which may reduce their production volumes and, in turn, reduce demand for our products. Any such customer side disruptions may negatively affect our revenue and operating results.

On February 20, 2026, the U.S. Supreme Court ruled that certain tariffs collected pursuant to the International Emergency Economic Powers Act (IEEPA) were unconstitutional. On April 20, 2026, the U.S. Customs and Border Protection (CBP) began processing refunds through its Consolidated Administration and Processing of Entries (CAPE) portal. Although Microchip has submitted claims for refunds of certain previously paid tariffs under IEEPA and has been receiving some of the requested refunds to date, the timing and amount of any additional recoveries remain uncertain. Accordingly, we cannot predict the timing, likelihood, or amount of any future refunds or other recoveries that may ultimately be realized.

We may lose sales if critical materials from concentrated sources become restricted or subject to export controls.

Certain materials used in semiconductor manufacturing, including rare earth and chemical elements, minerals, and metals, are available from a limited number of countries. Geopolitical tensions, trade disputes, economic conditions, transit disruptions, public health concerns, or regulatory actions may affect the availability or cost of these materials. Although we do not purchase significant amounts of materials, components or equipment from Russia, Belarus, or Ukraine, the broader semiconductor industry relies on raw materials sourced from these regions - such as neon, palladium, cesium, rubidium, and nickel. Current U.S. restrictions on imports of certain metals of Russian origin highlight the risk that geopolitical events or sanctions may limit access to critical materials. If we or our suppliers cannot obtain necessary inputs at commercially reasonable prices or in adequate quantities, our ability to manufacture products - or customer demand for such products - may be adversely affected.

China is a predominant producer of many rare earth and chemical materials essential to the global electronics industry. In 2025, China imposed and later expanded export restrictions and licensing requirements on certain rare earth elements and related magnets. Although some restrictions were subsequently suspended for certain U.S. end-users, future restrictions or renewed implementation could constrain global supply. If China further restricts exports or pressures other countries to do so, our suppliers may face shortages, longer lead times, or increased costs. Limited access to these materials could impair our ability to manufacture certain products, increase our production costs, or reduce our competitiveness relative to manufacturers with alternative supply sources. These constraints may also affect downstream customers; for example, export controls on rare earth magnets have previously led certain automotive manufacturers to temporarily suspend operations.

Any such impacts on our customers' production levels may reduce demand for our products and adversely affect our operating results.

We are dependent on wafer foundries and other contractors, as are our SuperFlash and other licensees.

We rely on outside wafer foundries for a significant portion of our wafer fabrication needs. Specifically, during the first six months of fiscal 2027, approximately 66% of our net sales came from products that were produced at outside wafer foundries compared to 65% of our net sales in fiscal 2026. We also use several contractors for a portion of the assembly and testing of our products. Specifically, during the first six months of fiscal 2027, approximately 31% of our assembly requirements and 27% of our test requirements were performed by third-party contractors, compared to approximately 33% and 31%, respectively, during fiscal 2026. We have long-term commitment contracts with certain of our third-party suppliers to help ensure that we receive capacity from them to manufacture wafers and assemble and test our products. We may decide to still purchase products or services under these contracts even though we currently may not need all of them in order to take advantage of contract credits. This could result in excess inventory and inventory reserve charges that may

negatively affect our gross margin and results of operations. Additionally, if we have a need for greater manufacturing, assembly or test capacity in the future, or greater capacity for certain types of products, there can be no assurance that we will be able to secure the necessary allocation of capacity from our wafer foundries and other contractors with the process technologies that we need, or that such capacity will be available on acceptable terms. As our manufacturing subcontractors move to more advanced process technologies over time, we may find that they do not invest in some of the trailing edge process technologies on which a large portion of our products are manufactured. As more companies focus on building leading edge products, our manufacturing subcontractors are becoming capacity constrained in their ability to manufacture such products. These events may limit the amounts of net sales that we can achieve or require us to make significant investments to be able to manufacture these products in our own facilities or at other foundries and assembly and testing contractors, but we believe that we will be able to obtain sufficient capacity from our manufacturing subcontractors.

We expect that our reliance on third party contractors may increase over time as our business grows, and any inability to secure necessary external capacity could adversely affect our operating results. Transitioning production of products to new manufacturers may result in delayed product launches, reduced yields, or decreased product performance. If we encounter issues with product quality, insufficient capacity from a third-party manufacturer, or if we discontinue using a particular manufacturer or contractor, we may face challenges in securing an alternative supply for specific products in a timely manner. This could lead to significant delays in product shipments, potentially having an adverse impact on our results of operations. If our reliance on third-party contractors increases over time, our inability to secure necessary external capacity could adversely affect our operating results.

Our use of third parties reduces our control over the subcontracted portions of our business. Our future operating results could suffer if a significant contractor were to experience production difficulties, insufficient capacity, decreased manufacturing, reduced availability of labor, assembly and test yields, or increased costs due to disruptions such as political upheaval, transit disruptions, infrastructure disruption or pandemics. Additionally, our future operating results could suffer if our wafer foundries and other contractors increase the prices of the products and services that they provide to us. If third parties do not timely deliver products or services in accordance with our quality standards, we may be unable to qualify alternate manufacturing sources in a timely manner or on favorable terms, or at all. Additionally, these subcontractors could abandon processes that we need, or fail to adopt technologies that we desire to control costs. In such event, we could experience an interruption in production, an increase in manufacturing costs or a decline in product reliability, and our business and operating results could be adversely affected. Further, use of subcontractors increases the risks of misappropriation of our intellectual property.

Certain of our SuperFlash and other technology licensees rely on wafer foundries. If our licensees experienced disruption in supply at such foundries, this would reduce the revenue from our technology licensing business and would harm our operating results.

Our operating results may be adversely impacted by the financial viability and performance of our licensees, customers, distributors, resellers or suppliers.

We regularly review the financial viability and performance of our licensees, customers, distributors, resellers and suppliers. Any downturn in global or regional economic conditions as a result of geopolitical conditions, broad sanctions or tariffs by the U.S. or other countries, high interest rates, high inflation, instability in the banking sector, public health concerns, industry work stoppages, transit stoppages or other factors, may adversely impact their financial viability. The financial decline of a large licensee, customer, reseller or distributor, an important supplier, or a group thereof, could have an adverse impact on our operating results and could result in our inability to collect our accounts receivable balances, higher allowances for credit losses, and higher operating costs as a percentage of net sales. Also, these parties may not comply with their contractual commitments, or may interpret them differently than we do, which could lead to termination of their performance with little or no notice to us, which could limit our ability to mitigate our exposure. If one of our counterparties becomes insolvent, files for bankruptcy, has business leverage, or favorable contractual terms, then our ability to recover any losses suffered as a result of that counterparty's cessation of performance may be limited by their liquidity, the applicable laws, or their willingness to negotiate a resolution. In the event of such default or cessation of performance, we could incur significant losses, which could have a material adverse effect on our business, results of operations, or financial condition.

We have various arrangements with financial institutions for our cash deposits, and other banking activities, that subject us to risk if such institutions were to experience financial or regulatory difficulties. As a result, we may experience losses on our holdings of cash and cash equivalents due to failures of financial institutions or other related parties.

We are highly dependent on foreign sales, suppliers, and operations, which exposes us to foreign political and economic risks.

Sales to foreign customers account for a substantial portion of our net sales. During the first six months of fiscal 2027, approximately 76% of our net sales were made to foreign customers, including 17% in China and 14% in Taiwan. During fiscal 2026, approximately 75% of our net sales were made to foreign customers, including 18% in China and 15% in Taiwan.

Having a strong position in the Chinese market is a key component of our global growth strategy. Although our sales in the Chinese market have been strong in the past, competition in China is intense. Throughout fiscal 2026 and fiscal 2027, changes in the Chinese market adversely impacted our sales volumes in China. As discussed above, the trade relationship between the U.S. and China remains challenging and could worsen, economic conditions in China remain uncertain, and we are unable to predict whether such uncertainty will continue or worsen in future periods. Any increase in tariffs on semiconductors and raw materials that have the U.S. as their country of origin could lower demand for our products in China and other countries. For example, on September 13, 2025, China's Ministry of Commerce initiated an antidumping investigation of imports into China of analog semiconductors originating in the United States. While we were not a subject of this investigation and the Chinese government agreed to suspend these investigations as part of a trade agreement announced on November 1, 2025, the Chinese government may resume this investigation at its election. If this takes place, additional tariffs may be imposed and could have an adverse impact on our revenue. Also, on April 13, 2026, China's State Council released a regulation intended to be a retaliatory measure to combat the extraterritorial application of foreign laws pertaining to trade controls, sanctions, and similar measures. This regulation may expose us to potential civil liability, administrative measures, and other remedial actions if the Chinese government determines that we caused harm by complying with certain foreign laws. This could have a material adverse effect on our business, results of operations or financial conditions.

Further, increasing investment in the semiconductor industry by the Chinese government and various state-owned or affiliated entities are intended to advance China's stated national policy objectives. The Chinese government may restrict us from participating in the China market, or may prevent us from competing effectively with Chinese companies. Weakening of foreign markets, especially in China, has resulted in lower demand for our products, which has adversely impacted our revenue in the past and, if such conditions continue, it too could have a material adverse effect on our business, results of operations or financial conditions.

We purchase a substantial portion of our raw materials and equipment from foreign suppliers. Please see the risks related to access to raw materials, components, or equipment on page 41. In addition, we own product assembly and testing facilities, and finished goods warehouses in Thailand, the Philippines, Germany, France, Ireland, the United Kingdom, and the United States. We use foundries and other foreign contractors for a significant portion of our assembly and testing and wafer fabrication requirements.

Our reliance on foreign operations, foreign suppliers, maintenance of substantially all of our finished goods inventory at foreign locations and significant foreign sales exposes us to foreign political and economic risks, including, but not limited to:

- economic uncertainty in the worldwide markets we serve;
- trade restrictions and changes in tariffs;
- political instability, including changes in relations between China and Taiwan which could disrupt the operations of our Taiwan-based third-party wafer foundries, and subcontractors;
- social and economic instability due to public health concerns, wars, or other factors;
- supply chain disruptions or delays;
- potentially adverse tax consequences;
- import and export license requirements and restrictions;
- changes in laws related to taxes, trade, environment, health and safety, technical standards, climate change, and consumer protection;
- restrictions on the transfer of funds, including currency controls in China, which could negatively affect the amount and timing of certain customer payments, and as a results our cash flows;
- currency fluctuations and foreign exchange regulations;
- difficulties in staffing and managing international operations;
- employment regulations;
- disruptions due to cybersecurity incidents;
- disruptions in international transport or delivery;
- public health conditions (including viral outbreaks such as COVID-19);
- severe weather or natural disasters; and

- difficulties in collecting receivables and longer payment cycles.

If any of these risks occur or are worse than we anticipate, our sales could decrease and our operating results could suffer, we could face an increase in the cost of components, production delays, business interruptions, delays in obtaining export licenses, or denials of such licenses, tariffs and trade restrictions, longer payment cycles, increased taxes, restrictions on the repatriation of funds and the burdens of complying with a variety of foreign laws, any of which could ultimately have a material adverse effect on our business. Further changes in trade policy, tariffs, additional taxes, or restrictions on supplies, equipment, and raw materials including rare earth minerals, may limit our ability to produce products, increase our selling and/or manufacturing costs, decrease margins, reduce the competitiveness of our products, or inhibit our ability to sell products or purchase necessary equipment and supplies, which could have a material adverse effect on our business, results of operations, or financial conditions.

Geopolitical instability in the Middle East may disrupt critical semiconductor materials, increase fuel costs, and adversely affect our ability to meet customer demand.

Geopolitical instability and conflicts in the Middle East, including military activity and hostilities involving Iran, create significant uncertainty for global markets, including energy and materials markets, and could adversely impact our operations and financial results. The region is a major source of global oil production and a critical transit point for maritime shipping routes. Hostilities, infrastructure damage, sanctions, or blockages of key shipping lanes could disrupt oil production and distribution, reducing the availability of fuel or increasing fuel prices. Ongoing armed conflicts have already forced key state sponsored fuel production facilities in the region offline, contributing to global fuel price volatility.

In addition to fuel-related risks, current conflict in the Middle East is disrupting supplies of critical semiconductor materials - including helium and bromine, both essential for wafer fabrication processes. For example, Qatar accounts for more than one-third of the world's helium production, and recent Iranian drone strikes halted operations at major helium facilities. Additionally, bromine supplies are also at risk, as approximately two-thirds of the global production originates from Israel and Jordan, and disruptions in the region could affect semiconductor etching, detection, and circuit-formation processes.

Our operations rely heavily on global logistics networks - including ocean freight, air freight, and long-haul trucking - that depend on stable and cost-effective fuel supplies. Significant increases in fuel costs, reductions in carrier capacity, or extended transit times could materially increase our transportation and distribution expenses. Shipping carriers may impose fuel surcharges, reroute vessels, reduce service frequency, or experience delays, each of which could impair our ability to obtain raw materials or deliver finished products to customers on expected timelines.

Because many of our semiconductor products support time-critical applications in the automotive, industrial, communications, aerospace and defense, and consumer sectors, delays in obtaining critical materials or increases in logistics costs could negatively impact customer relationships and customers' production schedules or purchasing decisions, reduce demand, and result in penalties under certain customer agreements. Prolonged or severe disruption - whether due to fuel shortages, materials constraints, logistics delays, or increased energy costs, or reduced customer demand - could adversely affect our ability to meet customer commitments and could materially harm our business, financial condition, and results of operations.

We depend on orders that are received and shipped in the same quarter and have limited visibility to product shipments other than orders placed under certain LTSAs.

Our net sales in any given quarter depend upon a combination of shipments from backlog, and orders that are both received and shipped in the same quarter, which we call turns orders. We measure turns orders at the beginning of a quarter based on the orders needed to meet the shipment targets that we set entering the quarter. Historically, our ability to respond quickly to customer orders has been part of our competitive strategy, resulting in customers placing orders with relatively short delivery schedules. Shorter lead times generally mean that turns orders as a percentage of our business are relatively high in any particular quarter and reduce our visibility on future shipments. Turns orders correlate to overall semiconductor industry conditions and product lead times, and in light of current industry conditions, turns orders are once again key to our ability to meet our business objectives. Because turns orders can be difficult to predict, especially in times of economic volatility and changes in tariffs, as experienced in current and recent quarters, where customers may change order levels within the quarter, varying levels of turns orders make it more difficult to forecast net sales. The level of turns orders has in the past and may in the future decrease in periods where customers are holding excess inventory of our products. As a significant portion of our products are manufactured at foundries, foundry lead times may affect our ability to satisfy certain turns orders. If we do not achieve a sufficient level of turns orders in a particular quarter relative to our revenue targets or

effectively manage our production based on changes in order forecasts, our revenue and operating results will likely suffer.

Starting in the first quarter of calendar 2022, we began entering into LTSAs, which offer our customers the ability to receive prioritized capacity. LTSAs are not a guarantee of supply; however, they were designed to provide the highest priority for those orders which were under this program, and the capacity priority was on a first-come, first-served basis until the available capacity was booked. This program and increases in customer order levels outside of this program resulted in some customers holding excess inventory of our products and thus decreased their need to place new orders, including turns orders, in fiscal 2023 and fiscal 2024. Because we built inventories in response to customer demand, the cancellation or deferral of product orders resulted in excess inventory, which then resulted in write-downs of inventory and an adverse effect on our gross margins in fiscal 2025 and fiscal 2026.

Intense competition in the markets we serve may lead to pricing pressures, reduced sales or reduced market share.

The semiconductor industry is intensely competitive and faces price erosion and rapid technological change. We compete with major domestic and international semiconductor companies, many of which have greater market recognition and substantially greater financial, technical, marketing, distribution and other resources than we do. In addition, some governments, such as China, may provide, or have provided and may continue to provide, significant assistance financial or otherwise, to some of our competitors, or to new entrants, and may intervene in support of national industries and/or competitors, including trying to disrupt the U.S. semiconductor industry. The semiconductor industry has experienced significant consolidation which has resulted in several of our competitors becoming much larger in terms of revenue, product offerings and scale. We may be unable to compete successfully in the future, which could harm our business. Our ability to compete successfully depends on a number of factors, including, but not limited to:

- changes in demand in the markets that we serve and the overall rate of growth or contraction of such markets, including but not limited to the automotive, personal computing and consumer electronics markets;
- our success in designing and manufacturing new products including those implementing new technologies, including AI, or complying with new governmental restrictions regarding implementation of new technologies;
- the rate at which customers incorporate our products into their applications and the success of such applications;
- product introductions by our competitors or by us in response to actions taken by our competitors;
- our ability to obtain adequate foundry and assembly and test capacity and supplies at acceptable prices;
- our ability to ramp production and increase capacity as needed, at our wafer fabrication and assembly and test facilities;
- the quality, performance, reliability, features, ease of use, pricing and diversity of our products;
- the rate at which the markets that we serve redesign and change their own products, including in response to market changes caused by developing technologies such as AI and other market forces;
- the number, nature and success of our competitors in a given market;
- our ability to protect our products and processes by effective utilization of intellectual property rights;
- our ability to address the needs of our customers;
- our ability to attract and retain talent, including talent with expertise in developing areas such as AI; and
- general market and economic conditions.

Historically, average selling prices in the semiconductor industry decrease over the life of a product. The average selling prices of our mixed-signal microcontroller, FPGA products, and proprietary products in our analog product line have remained relatively constant over time, while average selling prices of our memory and non-proprietary products in our analog product line have declined over time. The overall average selling price of our products is affected by these trends; however, variations in our product and geographic mix of sales can cause wider fluctuations in our overall average selling price in any given period.

We have experienced, and may experience in the future, pricing declines in certain of our proprietary product lines, primarily due to competitive conditions. In the past, we have moderated average selling price declines in many of our proprietary product lines by introducing new products with more features and higher prices and we were able to pass cost increases on to our customers in the form of higher price for our products. However, we may not be able to do so in the future. We have experienced in the past, and may experience in the future, competitive pricing pressures on our products. However, in the future, we may be unable to maintain average selling prices due to an oversupply of product in the market or increased pricing pressure, including as a result of tariffs being applied to the products we sell or purchase, or actions taken by foreign governments such as China to favor companies located in their own country through tariffs or other actions, which could adversely impact our operating results.

We, and our competitors, seek to improve yields, and reduce die size, which could result in significant increases in worldwide supply and downward pressure on prices. Increases in worldwide supply of semiconductor products, if not

accompanied by commensurate increases in demand, could lead to declines in average selling prices for our products, and could materially adversely affect our business, results of operations, or financial condition.

Our success depends on our ability to introduce new products on a timely basis.

Our future operating results depend on our ability to develop and timely introduce new products that compete effectively on the basis of price and performance and which address customer requirements. The success of our new product introductions depends on various factors, including, but not limited to:

- understanding and predicting changes in the market segments that we serve, including changes driven by AI;
- effective new product selection;
- timely completion and introduction of new product designs, and the ability to produce these products at desired volumes, including those developed on more advanced technology nodes such as our first 3nm PCIe Gen 6 Switch;
- availability of skilled employees;
- procurement of licenses for intellectual property rights from third parties under commercially reasonable terms, including those that may be needed to offer interoperability between our products and third-party products;
- implementation of appropriate technical standards developed by standard setting organizations;
- timely filing and protection of intellectual property rights for new product designs;
- the level of competition for our new products and how the features and prices of our new products compare with competing products;
- availability of development and support tools and collateral literature that make complex new products easy for engineers to understand and use; and
- market acceptance of our customers' end products.

Because our products are complex, we have experienced delays from time to time in completing new product development. New products may not receive or maintain substantial market acceptance. We may be unable to timely design, develop and introduce competitive products, or produce them at desired volumes, which could adversely impact our future operating results.

Our success also depends upon our ability to develop and implement new design and process technologies. Semiconductor design and process technologies are subject to rapid technological change and require significant R&D expenditures. We and others in the industry have, from time to time, experienced difficulties in transitioning to advanced process technologies and have suffered reduced manufacturing yields or delays in product deliveries. Our future operating results could be adversely affected if any transition to future process technologies is substantially delayed or inefficiently implemented.

Our operating results will suffer if we ineffectively utilize our manufacturing capacity or fail to maintain manufacturing yields.

Integrated circuit manufacturing processes are complex and sensitive to many factors, including contaminants in the manufacturing environment or materials used, the performance of our personnel and equipment, and other quality issues. As is typical in the industry, we have from time to time experienced lower than anticipated manufacturing yields. Our operating results will suffer if we are unable to maintain yields at or above approximately the current levels. This could include delays in the recognition of revenue, loss of revenue, and penalties for failure to meet shipment deadlines. Our operating results are adversely affected when we operate below normal capacity. In the first six months of fiscal 2027 and in fiscal 2026, we operated at below normal capacity levels resulting in unabsorbed capacity charges of $65.1 million and $200.8 million, respectively.

Our operating results are impacted by seasonality and wide fluctuations of supply and demand in the industry.

The semiconductor industry is characterized by seasonality and wide fluctuations of supply and demand. Historically, since a significant portion of our revenue is from international sales and consumer markets, our business generates stronger revenues in the first half of our fiscal year and comparatively weaker revenues in the second half of our fiscal year. However, broad fluctuations in our business, changes in semiconductor industry and global economic conditions have had and can have a more significant impact on our results than seasonality. In periods when broad fluctuations, changes in business conditions or acquisitions occur, it is difficult to assess the impact of seasonality on our business. The semiconductor industry has had significant economic downturns (including in fiscal 2024 and fiscal 2025), characterized by diminished product demand, production over-capacity and high inventory levels. We have sought to reduce our exposure to this industry cyclicality by selling proprietary products, that cannot be quickly replaced, to a geographically diverse customer base across a broad range

of market segments. However, we have experienced substantial period-to-period fluctuations in operating results and expect, in the future, to experience period-to-period fluctuations in operating results due to general industry or economic conditions. In this regard, many of our customers felt the effects of slowing economic activity and increasing business uncertainty, and customer requests to push-out or cancel backlog increased in the fourth quarter of fiscal 2023, in fiscal 2024 and in most of fiscal 2025, which adversely impacted our revenue. Consistent with the slowing macroeconomic environment during such periods, and the related inventory growth, we paused our factory expansion actions at Fab 4 and Fab 5 and reduced our planned capital investments through fiscal 2027. We are unable to predict the timing or impact of any future slowdown on our business.

Our business is dependent on distributors to service our end customers.

Sales to distributors accounted for approximately 51% of our net sales in the first six months of fiscal 2027 and approximately 47% of our net sales in fiscal 2026. With the exception of certain orders placed under our LTSAs, we do not have long-term purchase agreements with our distributors, and we and our distributors may each terminate our relationship with little or no advance notice.

Future adverse conditions in the U.S. or global economies, labor markets, or credit markets, whether resulting from tariffs or other factors, could materially impact distributor operations. Any deterioration in the financial condition, disruption in the operations of our distributors, or disruption of our ability to conduct business with our distributors would likely adversely impact the flow of our products to our end customers and adversely impact our results of operation. For example, on October 8, 2025, certain subsidiaries of Arrow Electronics (Arrow) were placed on the U.S. Department of Commerce Entity List. As a result, we could not ship or transfer products or other items that are governed by the U.S. Export Administration Regulations (EAR) to those entities until they were removed from the Entity List. Nine days later, the U.S. Department of Commerce authorized Arrow and its subsidiaries to continue with certain transactions and indicated that Arrow and its subsidiaries would be removed from the Entity List. We worked to minimize disruptions in our supply chain during this period. There was no material impact to Microchip or its customers as a result of this interruption in shipments to certain subsidiaries of Arrow. In addition, during an industry or economic downturn (including in recent periods), there may be an oversupply and decrease in demand for our products, which could reduce our net sales in a given period, increase order push-outs, increase inventory returns, and cause us to carry elevated levels of inventory. For example, in the fourth quarter of fiscal 2023, in fiscal 2024 and in fiscal 2025, we accommodated requests by end customers to push-out certain distributor orders to help them manage inventory levels and, in some cases, to help other end customers that are experiencing supply shortages. As a result of the foregoing, we incurred charges in connection with obsolete or excess inventory, or we may not fully recover our costs, which would reduce our gross margins. Violations of the Foreign Corrupt Practices Act, export controls and sanction laws, or similar laws, by our distributors could have a material adverse impact on our business.

Business interruptions to our operations or those of our key vendors, licensees or customers could harm our business.

Operations at any of our facilities, at the facilities of any of our wafer fabrication or assembly and test subcontractors, or at any of our significant vendors, licensees or customers may be disrupted due to public health concerns (including outbreaks such as COVID-19), work stoppages or reduction in available labor, power loss, insufficient water, cyber-attacks, computer network compromises, incidents of terrorism or security risk, tariffs, political instability, governmental actions, telecommunications, transportation or other infrastructure failure, radioactive contamination, adverse changes in climate, or fires, earthquakes, floods, droughts, volcanic eruptions or other natural disasters. We have taken steps to mitigate the impact of some of these events should they occur; however, we cannot be certain that we will avoid a significant impact on our business in the event of a business interruption. For example, in August 2024, a cyber incident temporarily disrupted certain manufacturing and business operations. We successfully restored affected systems and resumed normal operations without a material impact to our business or other adverse consequences. Additionally, in September 2026, we detected unauthorized activity which temporarily disrupted our use of certain information technology systems. The incidents have not affected our ability to operate, produce or ship products to our customers, however we continue to analyze the full scope of the incidents. Based on the information currently available to us, we do not believe the incidents have had a material adverse effect on our business or resulted in any material damage to us. We routinely evaluate the effectiveness of the containment mechanisms that we have implemented and continue to implement additional measures. Separately, in the first three months of fiscal 2023 and in fiscal 2022, COVID-19 related restrictions adversely impacted our manufacturing operations in the U.S., the Philippines and Thailand along with our subcontractors' manufacturing operations in Malaysia, Taiwan and China. Similar challenges arose for our logistics service providers, which adversely impacted their ability to ship product to our customers. Any future pandemic could adversely impact our business in future periods if public health issues again becomes severe in one or more of our key markets such as China or in areas where our suppliers or manufacturing operations are located. In the future, local governments could require us to reduce production or cease operations at any of our facilities, and we could experience constraints in fulfilling customer orders. Likewise, if our licensees are unable to manufacture and

ship products incorporating our technology, or if there is a decrease in product demand due to a business disruption, our royalty revenue may decline.

Also, Thailand has experienced periods of severe flooding in recent years. While our facilities in Thailand have continued to operate normally, there can be no assurance that future flooding in Thailand would not have a material adverse impact on our operations. If operations at any of our facilities, or our subcontractors' facilities are interrupted, we may not be able to timely shift production to other facilities, and we may need to spend significant amounts to repair or replace our facilities and equipment. Business interruptions would likely cause delays in shipments of products to our customers, and alternate sources for production may be unavailable on acceptable terms. This could result in reduced revenues, cancellation of orders, or loss of customers. Although we maintain business interruption insurance, such insurance will likely not compensate us for any losses or damages, and business interruptions could significantly harm our business. For more information on adverse climate change see our risk "*Sustained adverse climate change poses risks that could harm our results of operations*" on page 63.

Our technology licensing business exposes us to various risks.

Our technology licensing business is based on our SuperFlash and other technologies. The success of our licensing business depends on the continued market acceptance of these technologies and on our ability to further develop such technologies, to introduce new technologies, and to enforce our license terms. To be successful, any such technology must be able to be repeatably implemented by licensees, provide satisfactory yield rates, address licensee and customer requirements, and perform competitively. The success of our technology licensing business depends on various other factors, including, but not limited to:

- proper identification of licensee requirements;
- timely development and introduction of new or enhanced technology;
- our ability to protect and enforce our intellectual property rights for our licensed technology, and enforce the terms of our licenses;
- our ability to limit our liability and indemnification obligations to licensees;
- availability of development and support services to assist licensees in their design and manufacture of products;
- availability of foundry licensees with sufficient capacity to support OEM production; and
- market acceptance of our customers' end products.

Because our licensed technologies are complex, there may be delays from time to time in developing and enhancing such technologies. There can be no assurance that our existing or any enhanced or new technology will achieve or maintain substantial market acceptance. Our licensees may experience disruptions in production or reduced production levels which would adversely affect the revenue that we receive. Our technology license agreements generally include a clause that indemnifies the licensee against liability and damages (including legal defense costs) arising from certain intellectual property matters. We could be exposed to substantial liability for claims or damages related to intellectual property matters or indemnification claims. We have a program to audit the royalty payments made by our licensees to help ensure that the payments are in accordance with the terms of the applicable license agreements. From time to time, we or our licensees have contested the amount of royalty payments and related claims have resulted and could result in significant legal fees and require significant attention from our management. These issues may adversely impact the success of our licensing business and adversely affect our future operating results.

Sales into governmental projects, and compliance with associated regulations, could have a material adverse effect on our results of operations.

A significant portion of our sales are from or are derived from government agencies or customers who sell to U.S. or foreign government agencies. Such sales are subject to federal contracting regulations as well as uncertainties regarding governmental spending levels, spending priorities, regulatory and policy changes. Future sales into U.S. or foreign government projects are subject to uncertain government appropriations and national defense policies and priorities, including the budgetary process, changes in the timing and spending priorities, the impact of any past or future government shutdowns, contract terminations or renegotiations, future sequestrations, changes in regulations that we must comply with to be eligible to accept new contracts, such as the U.S. Department of War's Cybersecurity Maturity Model Certification (CMMC) program requirements, or the impact of pandemics. Additionally, a section in the U.S. National Defense Authorization Act for Fiscal Year 2023 (the FY2023 NDAA), signed into law on December 23, 2022, with provisions that go into effect in December 2027, prohibits U.S. government agencies from buying semiconductor products or services manufactured by SMIC, YMTC, CXMT and any other entity that the Secretary of Defense or the Secretary of Commerce determine is owned, controlled, or connected to the government of a foreign country of concern (Prohibited Companies). Some of our products are manufactured at SMIC, and some of our suppliers buy products manufactured at YMTC. If we are unable to alternately

source or manufacture certain of our products, or discontinue use of products from Prohibited Companies, if any, when Section 5949 of the FY2023 NDAA goes into effect in December 2027, this could adversely impact our sales to U.S. government agencies and their suppliers. Although such actions have not yet had a material adverse impact on our business, there can be no assurance as to the future costs or implications of such actions. Sales into government projects are also subject to uncertainties related to monetary, regulatory, and tax and trade policies implemented by current or future administrations.

Delays, reductions in or terminations of government contracts or subcontracts, including those caused by any past, current, or future shutdown of the U.S. federal or foreign governments, could materially and adversely affect our operating results. During any future government shutdown, we may experience delays, reductions in or terminations of government purchases, contracts or subcontracts, which could materially and adversely affect our operating results. While we generally function as a subcontractor in government transactions, further changes in U.S. or foreign government procurement regulations and practices, particularly surrounding initiatives to reduce costs or increase compliance obligations (such as the CMMC in the U.S.), may adversely impact the contracting environment, our ability to enter into or renew contracts, our ability to hire and retain employees, and our operating results.

The U.S. government and its contractors may terminate their contracts with us at any time. Uncertainty in government spending and termination of contracts for government related projects could have a material adverse impact on the revenue from our government-related business. Our contracts with U.S. governmental agencies or prime customers require us to comply with the contract terms, and governmental regulations, particularly for our facilities, systems and personnel that service such customers and related to handling of government-regulated data. To be awarded new contracts after November 10, 2025 for the U.S. government, we may be required to meet a CMMC level that we may not meet, or may choose not to meet. Over time, more government contracts may require higher Cybersecurity Maturity Model requirements and if we do not meet them, we will become ineligible for certain contracts. We are also required to have facility security clearances to perform classified contracts and to build and sell classified products for U.S. governmental agencies. If personnel critical to our performance of these contracts are unable to obtain or maintain their security clearances, we may be unable to perform these contracts or compete for other projects of this nature, which could adversely affect our results of operations. We must also comply with regulations regarding the handling of controlled unclassified information and export-controlled data, as well as U.S. Department of War cybersecurity requirements (such as those under the Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Regulations Supplement (DFARS)). Complying with these regulations, including audit requirements, requires that we devote significant resources to such matters in terms of training, personnel, information technology and facilities. The increased cost of compliance may adversely affect our operating results. In certain circumstances, failure to comply with these requirements, the terms of government contracts, or with other applicable regulations may result in fines and penalties, or loss of current or future business including our ability to continue as a supplier to U.S. governmental agencies and its contractors for a period of time. Any such suspension or debarment or other sanction may materially and adversely affect our operating results or reputation.

From time to time we receive grants from governments, agencies and research organizations, or enter into tax arrangements. If we are unable to comply with the terms of those grants or arrangements, we may not be able to receive or recognize benefits or we may be required to repay benefits, recognize related charges, or could be required to implement certain limitations on our business, which would adversely affect our operating results and financial position.

From time to time, we have received, and may in the future receive, economic incentive grants, tax benefits, and allowances from national, state and local governments, agencies and research organizations targeted at increasing employment, production or investment at specific locations. Tax arrangements and subsidy grant agreements typically contain economic incentive, headcount, capital and research and development expenditures and other covenants that must be met to receive and retain benefits, and these programs can be subjected to periodic review by the relevant governments. Regulations associated with government grants may contain certain restrictions on grant recipient technology licensing activities and the expansion of certain facilities. Compliance with these restrictions could add complexity to our operations and increase our costs. In addition, noncompliance with the conditions of the grants or arrangements could result in our forfeiture of all or a portion of any future amounts to be received, as well as the repayment of all or a portion of amounts received to date. We may be unable to obtain future incentives to continue to fund a portion of our capital expenditures and operating costs, without which our cost structure would be adversely impacted. Further, any decrease in amounts received could have a material adverse effect on our business, results of operations, or financial condition.

We may not fully realize the anticipated benefits of our completed or future acquisitions or divestitures.

We have acquired, and expect in the future to acquire, additional businesses that we believe will complement or augment our existing businesses. Integration of our acquisitions is complex and may be costly and time consuming and

include unanticipated issues, expenses and liabilities. We may not successfully or profitably integrate, operate, maintain and manage any newly acquired operations or employees. We may not be able to maintain uniform standards, procedures and policies. We may not realize the expected synergies and cost savings from the integration. There may be increased risk due to integrating financial reporting and internal control systems. It may be difficult to develop, manufacture and market the products of a newly acquired company, or grow the business at the rate we anticipate. There may be increased risk associated with the activities of the acquired company such as regulatory violations related to their use of AI in their operations, technology development or product offerings or cybersecurity or data governance risks. Following an acquisition, we may not achieve the revenue or net income levels that justify the acquisition or achieve the earnout targets contemplated in the acquisition agreement. We may suffer loss of key employees, customers and strategic partners of acquired companies and it may be difficult to implement our corporate culture at acquired companies. We have been and may in the future be subject to claims from terminated employees, stockholders of Microchip or the acquired companies and other third parties related to the transaction. In particular, in connection with certain of our prior acquisitions, we became involved with third-party claims, litigation, governmental investigations and disputes related to such businesses and transactions. Acquisitions may also result in charges (such as acquisition-related expenses, write-offs, restructuring charges, or future impairment of goodwill), contingent liabilities, adverse tax consequences, additional share-based compensation expense and other charges that adversely affect our operating results. We may fund future acquisitions of new businesses or strategic alliances by utilizing cash, borrowings under our Revolving Credit Facility, issuing Commercial Paper, raising debt, issuing shares of our common stock, or other mechanisms.

Further, when we divest assets or a business, it may be difficult to find or complete divestiture opportunities or alternative exit strategies, which may include site closures, timely or on acceptable terms. These circumstances could delay the achievement of our strategic objectives or cause us to incur additional expenses with respect to the desired divestiture, or the price or terms of the divestiture may be less favorable than we had anticipated. Even following a divestiture or other exit strategy, we may have certain continuing obligations to former employees, customers, vendors, landlords or other third parties. We may also have continuing liabilities related to former employees, assets or businesses. Such obligations and liabilities may have a material adverse impact on our results of operations and financial condition.

In addition to acquisitions, we have in the past, and expect in the future, to enter into joint development agreements or other strategic relationships with other companies. These transactions are subject to a number of risks similar to those we face with our acquisitions including our ability to realize the expected benefits of any such transaction, to successfully market and sell products resulting from such transactions or to successfully integrate any technology developed through such transactions.

As a result of our acquisition activity our goodwill and intangible assets increased significantly and we may in the future incur impairments to goodwill or intangible assets.

When we acquire a business, a substantial portion of the purchase price of the acquisition is allocated to goodwill and other identifiable intangible assets. The amount of the purchase price which is allocated to goodwill is determined by the excess of the purchase price over the net identifiable assets acquired. As of September 30, 2026, we had goodwill of $6.70 billion and net intangible assets of $1.92 billion. We review our indefinite-lived intangible assets, including goodwill, for impairment annually in the fourth fiscal quarter or whenever events or changes in circumstances indicate that the carrying amount of those assets is more likely than not impaired. Factors that may be considered in assessing whether goodwill or intangible assets may be impaired include a decline in our stock price or market capitalization, reduced estimates of future cash flows and slower growth rates in our industry. Our valuation methodology for assessing impairment requires management to make judgments and assumptions based on experience and to rely heavily on projections of future operating performance. Because we operate in highly competitive environments, projections of our future operating results and cash flows may vary significantly from our actual results. Through September 30, 2026, we have never recorded a goodwill impairment charge. There were no material intangible asset impairment charges in the first six months of fiscal 2027. If in future periods, we determine that our goodwill or intangible assets are impaired, we will be required to write down these assets which would have a negative effect on our condensed consolidated financial statements.

If we fail to maintain proper and effective internal control and remediate any future control deficiencies, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, our ability to operate our business and our reputation with investors.

We have in the past identified a material weakness in our internal controls related to accounting for income taxes and we also identified a material weakness in our internal controls related to IT system access. Although such material weaknesses were remediated in fiscal 2020, there can be no assurance that similar control issues will not be identified in the future. If we cannot remediate future material weaknesses or significant deficiencies in a timely manner, or if we identify additional

control deficiencies that individually or together constitute significant deficiencies or material weaknesses, our ability to accurately record, process, and report financial information and our ability to prepare financial statements within required time periods, could be adversely affected. Failure to maintain effective internal controls could result in violations of applicable securities laws, stock exchange listing requirements, and the covenants under our debt agreements, subject us to litigation and investigations, negatively affect investor confidence in our financial statements, and adversely impact our stock price and our ability to access capital markets.

Ensuring that we have adequate internal financial and accounting controls and procedures so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP. We are required to comply with Section 404 of the Sarbanes-Oxley Act of 2002 which requires an annual management assessment of the effectiveness of our internal control over financial reporting and a report by our independent auditors. In addition to the identified material weaknesses related to accounting for income taxes and to IT system access, which were remediated as of March 31, 2020, we have from time to time identified other significant deficiencies. If we fail to remediate any future material weaknesses or significant deficiencies or to maintain proper and effective internal control over financial reporting in the future, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, harm our ability to operate our business and reduce the trading price of our stock.

Customer demands for us to implement business practices that are more stringent than legal requirements may reduce our revenue opportunities or cause us to incur higher costs.

Some of our customers require that we implement practices that are more stringent than those required by applicable laws with respect to labor requirements, the materials contained in our products, energy efficiency, environmental impact or other items. To comply with such requirements, we may require our suppliers to adopt such practices. Our suppliers may in the future refuse to implement these practices, or may charge us more for complying with them. If certain of our suppliers refuse to implement the practices, we may be forced to source from alternate suppliers. The cost to implement such practices may cause us to incur higher costs and reduce our profitability, and if we do not implement such practices, such customers may disqualify us as a supplier, resulting in decreased revenue opportunities. Developing, enforcing, and auditing customer-requested practices at our own sites and in our supply chain will increase our costs and may require more personnel.

We must attract and retain qualified personnel to be successful, and competition for qualified personnel has intensified.

Our business relies on our ability to attract and retain qualified employees across various functions, including management, technical, marketing, sales, research and development, manufacturing, and operations. Competition for qualified personnel has intensified for a variety of reasons, including the high demand for employees in rapidly developing fields such as AI and datacenters, the increase in work-from-home arrangements and increases in minimum wages and wage inflation in our industry. Our failure to attract and retain hardware and software engineers, as well as sales and marketing personnel, could delay product development and introduction, thereby adversely affecting our net sales. We depend on a direct labor force at our manufacturing facilities, and any inability to maintain this workforce could adversely affect our operations. This could lead to delays in production and shipments, hinder our ability to meet customer demand, and ultimately adversely impact our business, financial condition, and operational results. As the use and integration of AI becomes more prevalent, there is an anticipated shift in the skills required within the workforce, making AI literacy increasingly important for our employees. These competitive pressures and the resulting wage inflation may increase our labor costs and adversely impact our operational results.

In the fourth quarter of fiscal 2025, we implemented a global reduction of our work force, which we completed in the first quarter of fiscal 2026. That reduction in force may have negatively affected employee morale and could diminish our attractiveness as an employer. If we lose existing qualified personnel or are unable to hire new qualified personnel, as needed, it could impair our ability to compete effectively.

Furthermore, changes in immigration laws and regulations, or more robust enforcement of new or existing laws, may hinder our ability to attract and retain qualified engineering personnel. In the U.S., where a portion of our research and development teams are based, stricter immigration controls could adversely affect the employment status of non-U.S. engineers and other key technical employees, as well as our ability to hire new non-U.S. employees. U.S. immigration policies may also make it more challenging to recruit and retain highly skilled foreign national graduates from U.S. universities.

Our success depends on the contributions of our senior management team. We have experienced transitions with

respect to certain members of our senior management due to retirements or other reasons in the past and may do so in the future. Effective succession planning is important for our long-term success and we have a program designed to address this risk. Because we have no employment agreements with our U.S. senior management team, they could leave with little or no notice, which could make it more difficult for us to execute our planned business strategy. The inability to find suitable replacements for senior management could harm our ability to implement our business strategy and respond to the rapidly changing market conditions in which we operate.

The occurrence of events for which we are self-insured, or which exceed our insurance limits, may adversely affect our profitability and liquidity.

We have insurance coverage related to many different types of risk; however, we self-insure for some potentially significant risks and obligations, because we believe that it is more cost effective for us to self-insure than to pay the high premium costs. The risks and exposures that we self-insure include, but are not limited to, employee health matters, certain property matters, product defects, cybersecurity matters, employment risks, environmental matters, political risks, and intellectual property matters. Should there be a loss or adverse judgment in an area for which we are self-insured, then our financial condition, results of operations and liquidity may be materially adversely affected.

Risks Related to Cybersecurity, Products, Privacy, Intellectual Property, and Litigation

We continue to be the target of attacks on our IT systems. Interruptions in and unauthorized access to our IT systems, security breaches or incidents impacting our systems or data that we or our service providers maintain or otherwise process including data belonging to us, or our customers, suppliers, contractors or employees, could adversely affect our business.

We rely on the uninterrupted operation of complex IT systems and networks to operate our business. Any improper handling of confidential data, or significant disruption to our systems or networks, including, but not limited to, any that may relate to new system implementations, computer viruses, security breaches or incidents, cyber-attacks, ransom-style attacks, theft or tampering, inadvertent error, facility issues, natural disasters, terrorism, war, telecommunication failures or energy blackouts, security breaches or incidents in our customers' or third-party providers' networks, in third-party products we use, or in cloud-based services provided to, by, or enabled by us, or any data we or our service providers maintain or otherwise process, including but not limited to, data belonging to us or our customers, suppliers, contractors or employees, or any perception any of the foregoing has occurred, could have a material adverse impact on our business, operations, supply chain, sales and operating results, result in regulatory inquiries, investigations or other proceedings against us, result in claims, demands and litigation against us, or damage our reputation. Such improper handling of confidential data, or system or network disruption, or any cyber-attack or other means of effectuating a security breach or incident, could result in loss, unavailability or compromise of all or a portion of our systems and business operations, and a loss, unavailability, an unauthorized release of, or other unauthorized use or processing of, personal data, or our suppliers' or our customers' intellectual property or confidential, proprietary or sensitive information. Any such matter, or any perception that it has occurred, could harm our business or competitive position, result in a loss of customer confidence, and cause us to incur significant costs to remedy the damages, and may result in lower revenue, lower margins, regulatory investigations, inquiries or other proceedings, enforcement actions, remediation obligations, claims for damages, litigation, and fines, penalties, damages, other liabilities, and other sanctions.

We have experienced and continue to experience verifiable attacks on our IT systems and data, including network compromises, attempts to breach our security measures and attempts to introduce malicious software into our IT systems. For example, in August 2024, a cyber incident temporarily disrupted certain manufacturing and business operations. We successfully restored affected systems and resumed normal operations without a material impact to our business or other adverse consequences. Additionally, in September 2026, we detected multiple instances of unauthorized activity which temporarily disrupted our use of certain information technology systems. The incidents have not affected our ability to operate, produce, or ship products to our customers, however we continue to analyze the full scope of the incidents. Based on the information currently available to us, we do not believe the incidents have had a material adverse effect on our business or resulted in any material damage to us. We routinely evaluate the effectiveness of the containment mechanisms that have been implemented and continue to implement additional measures. New information can develop that may impact our assessment of cyber events, including information learned as we develop and deploy mitigations.

Due to the types of products we sell and the significant amount of sales we make to government agencies or customers whose principal sales are to U.S. government agencies, we have experienced and expect to continue to experience in the future, attacks on our IT systems and data, including attempts to breach our security, network compromises and attempts to introduce malicious software into our IT systems. Geopolitical events and tensions may increase these risks.

In recent years, we have regularly implemented improvements to our protective measures that have included, but have not been limited to, implementation of the following: firewalls, endpoint intrusion detection and response software, regular vulnerability scanning and risk-based remediation, automated patching, log monitors, AI-assisted event correlation tools, network segmentation, routine backups with offsite retention of storage media, system audits, dual factor identification, data partitioning and encryption, privileged account segregation and monitoring, routine password modifications, and an enhanced information security program including training classes and phishing exercises for employees and contractors with system access, along with tabletop exercises conducted by information security personnel. However, our system improvements have not been fully effective in preventing attacks on our IT systems and data, including breaches of our security measures, and there can be no assurance that any future system improvements will be effective in preventing cyber-attacks or disruptions, a ransom-style attack, or limiting the damage from any cyber-attacks or disruptions. Our ability to recover from ransomware and other ransom-style attacks may be limited if our backups have been affected by the attack, or if restoring data from backups is delayed or not feasible. Our system improvements have resulted in increased costs to us and we may be required to dedicate additional expenditures and resources to making system improvements and otherwise addressing cybersecurity matters in the future, whether in response to any disruption, interruption, breach, incident or otherwise. Further, any future improvements, attacks or disruptions could result in additional costs related to rebuilding our internal systems, defending litigation, complaints or other claims, providing notices to regulatory agencies or other third parties, responding to regulatory inquiries, actions or other proceedings, or paying damages, fines or penalties. Such attacks or disruptions could have a material adverse impact on our business, operations and financial results. Furthermore, our efforts to comply with evolving laws and regulations related to cybersecurity, such as SEC rules requiring disclosure of a material cybersecurity incident, may be costly and any actual or alleged failure to comply could result in investigations, proceedings, investor lawsuits and reputational damage.

In addition, employees and former employees, in particular former employees who become employees of our competitors, customers, licensees, or other third parties, including state actors, have in the past and may in the future misappropriate, wrongfully use, publish, access, process or provide to our competitors, customers, licensees or other third parties, including state actors, our technology, intellectual property, or other proprietary or confidential information. This risk would be exacerbated to the extent our competitors for talent, particularly engineering talent, hire our employees. Similarly, we provide access to certain of our technology, intellectual property, and other proprietary or confidential information to our direct and indirect customers and licensees and certain of our consultants, who may wrongfully use such technology, intellectual property or information, or wrongfully disclose such technology, intellectual property or information to third parties, including our competitors or state actors.

Third-party service providers, such as wafer foundries, assembly and test contractors, distributors, credit card processors, SaaS platforms, and other vendors have access to portions of our and our customers' data or software. These service providers also face significant cybersecurity threats, and they may be subject to cyber-attacks, disruptions, and interruptions to their networks and systems, and otherwise may suffer from security breaches and incidents. Any such breach or incident, including any involving misappropriation, loss or other unauthorized processing of data or software maintained or otherwise processed by our third-party service providers, or any perception any of these has occurred, could negatively impact our business, operations and financial results, as well as our relationship with our customers.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our cybersecurity practices or measures. We do not have insurance coverage specifically for cybersecurity matters. Other types of insurance coverage that we do have may not be adequate or sufficient to protect us from or to mitigate liabilities arising out of our cybersecurity practices or measures or otherwise relating to any cybersecurity breach or incident, and we cannot be sure that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

We face significant and evolving risks related to AI across our products, operations, cybersecurity, regulatory compliance, intellectual property, confidential information, privacy, workforce, customer transactions, and customer demand, any of which could adversely affect our business, results of operations, financial condition and reputation.

Market dynamics and our product strategy are increasingly influenced by AI. Our ability to design, develop and timely introduce competitive products and processes - including those implementing new technologies such as AI, or complying with new governmental restrictions regarding implementation of new technologies - may be affected by how quickly we and our customers adapt to market changes driven by AI, and by the rate at which the markets we serve redesign and change their own products in response to AI and other market forces. Failure to respond timely could impair our competitive position, reduce design wins and sales, and negatively affect our margins.

Demand for AI-related products is subject to concentration and investment-cycle risk, and any slowdown or shift in AI

spending could reduce demand for our products, pressure margins, and adversely affect our operating results.

AI also amplifies cybersecurity threats. As AI and machine learning evolve, they are expected to lead to the development of dramatically more effective security tools, and cyber-attackers may leverage these tools to enhance attack methods, identify novel security vulnerabilities, develop malicious code, sophisticated phishing attempts, and convincing deep fakes that manipulate our content or the voices or images of our leaders. Threats may also be introduced by our employees', our customers', or our partners' use of AI tools, including tools or models that interact with systems, data, code or third-party services, or by AI-generated source code incorporated into products or systems that introduces malicious code or security vulnerabilities. We may be unaware of an incident, its magnitude or its effects until significant harm is done.

Our internal and partner use of AI tools presents further risks. Employees, consultants or partners may use AI tools in a manner posing risks to the unauthorized disclosure, use or processing of proprietary, confidential or regulated information and to intellectual property rights. The use of AI tools may result in allegations or claims relating to violation of third-party IP rights, unauthorized access to or use or processing of proprietary, confidential or personal information, failure to comply with open-source software requirements, or other legal or contractual obligations. AI tools may also generate unreliable, inaccurate, inferential, unexplainable or biased outputs that could lead to errors in decision-making, product development or other business activities.

Our products and intellectual property may face heightened security, safety and reliability risks when used in AI-enabled applications, including in the cloud, IoT, automotive and other emerging use cases. Security vulnerabilities in our products, industry-standard specifications, or licensed intellectual property may be exploited, and we or our customers may not promptly detect or fully assess the impact of such vulnerabilities. These risks could result in reduced demand, adverse publicity, remediation costs, customer claims, litigation or regulatory scrutiny.

AI-related laws, regulations and national and regional governmental policies are rapidly evolving and inconsistent across jurisdictions. New and existing frameworks in the United States, the European Union and China - including the EU AI Act's risk-based approach - may impose additional compliance, transparency, conformity assessment, monitoring or usage-restriction obligations on AI-enabled products. Conflicting regulatory requirements across jurisdictions increase compliance complexity and costs, and failure or perceived failure to comply could result in fines, penalties, investigations, restrictions on product offerings, reputational harm, or lost sales or talent.

We also face AI-related risks in acquisitions and strategic relationships, including regulatory violations or cybersecurity risks arising from an acquired company's or partner's use of AI. In addition, competition for talent with AI expertise has intensified, and our ability to attract, retain and train personnel with appropriate AI skills and literacy is critical to our innovation and product roadmap.

Uncertainty in intellectual property law relating to works created using AI technology may result in changing or inconsistent IP protections, which could adversely affect our ability to protect or commercialize innovations developed with AI. Collectively, these AI-related risks could lead to operational disruption, increased costs, reputational harm, loss of market share, reduced revenue and margins, and adverse impacts on our financial condition and stock price.

We face risks related to security vulnerabilities in our products.

Our products, or IP that we purchase or license from third parties for use in our products, as well as industry-standard specifications that we implement in our products, may be subject to security vulnerabilities. While some of our products contain encryption or security algorithms to protect third-party content or user-generated data stored on our products, and we receive and process alerts regarding potential security vulnerabilities in our products through our public facing Product Security Incident Response Team, these products could still be hacked or the encryption schemes could be compromised, breached, or circumvented by motivated and sophisticated attackers, including attackers using powerful new AI-driven technologies. Our products are being used in application areas that create new or increased cybersecurity, privacy or safety risks including applications that gather and process data, such as the cloud or IoT, automotive applications, and applications that use AI. We, our customers, and the users of our products may not promptly learn of or have the ability to fully assess the magnitude or effects of a vulnerability, including the extent, if any, to which a vulnerability has been exploited. Additionally, new information can develop that may impact our assessment of a security vulnerability, including information learned as we develop and deploy mitigations, or become aware of additional variants or evaluate the competitiveness of products. The increasing use of our products in interconnected, autonomous, safety-critical, defense-related, and AI-enabled systems may expose security vulnerabilities beyond traditional software exploits, including firmware, embedded functionality, or interactions with third-party systems, which may only become apparent after large-scale deployment. Although we maintain a Product Security Incident Response Team and follow coordinated vulnerability disclosure, investigation, remediation and

communication processes, such processes cannot eliminate all vulnerabilities, guarantee that vulnerabilities will be identified before they are publicly disclosed or exploited, or ensure that mitigation efforts will be timely or effective.

Security vulnerabilities and any limitations of, or adverse effects resulting from, mitigation techniques can adversely affect our results of operations, financial condition, sales, customer relationships, share price, prospects, and reputation in a number of ways, any of which may be material. Adverse publicity about security vulnerabilities or mitigations could damage our reputation with customers or users and reduce demand for our products and services. These effects may be greater to the extent that competing products are not susceptible to the same vulnerabilities or if vulnerabilities can be more effectively mitigated in competing products. Moreover, third parties can release information regarding potential vulnerabilities of our products before mitigations are available. This, in turn, could lead to attempted or successful exploits of vulnerabilities, adversely affect our ability to introduce mitigations, or otherwise harm our business and reputation. In addition, verified or suspected vulnerabilities may require us to devote significant resources to investigation, triage, remediation, testing, customer support, and notifications, security advisories and other communications. Certain vulnerabilities or cybersecurity incidents may also trigger reporting, disclosure or other compliance obligations under applicable laws and regulations, including emerging cybersecurity requirements in various jurisdictions, and any failure or perceived failure to comply with such obligations could give rise to regulatory scrutiny, liability, increased costs, reputational harm, or other adverse consequences.

We face risks to our business and proprietary confidential information due to use of AI.

We limit our employees' use of AI tools and related technologies in accordance with our internal guidelines and procedures. However, the internal governance of the use of these technologies can be challenging, and our employees and consultants may use these tools on an unauthorized basis and our partners may use these tools, which poses additional risks relating to the protection of data, including the potential exposure of our proprietary confidential or other controlled information to unauthorized recipients and the misuse of our or third-party intellectual property. Use of AI tools may result in claims related to violation of privacy or third-party intellectual property rights, unauthorized access to or use of proprietary information, or government regulated data (e.g., controlled unclassified information, ITAR, export-controlled data), and noncompliance with actual or asserted legal, contractual, or other obligations (including open source requirements). AI tools may also produce unreliable, inaccurate, inferential, unexplainable or biased outputs that could lead to errors in our decision-making, product development or other business activities, which could have a negative impact on our business, operating results and financial condition. Our ability to mitigate these risks will depend on our continued effective governance, training, monitoring and enforcement of appropriate guidelines and procedures governing the use of AI tools, and the results of any such use, by us or our partners.

Issues relating to the use of our technologies, including AI, may result in reputational or financial harm and liability.

Differing opinions and regulations regarding what constitutes the responsible use of technologies, including evolving technologies such as AI, in our internal operations, products and services may result in reputational or financial harm and liability and may cause us to incur costs to resolve such issues. If we enable or offer solutions that draw controversy due to their perceived or actual societal impact, such as solutions with unintended consequences, or those that raise concerns related to human rights, privacy, employment or other social or political issues, or if we are unable to maintain effective internal mechanisms for the responsible development, deployment, and use of technologies, including AI enabling products, we may experience brand or reputational harm, competitive harm or legal liability. AI introduces new legal, social and ethical issues, risks and challenges that may slow adoption of AI-enabled products and services, reduce market acceptance, delay commercialization, alter customer purchasing behavior, or adversely affect our business model, competitive position and operating results.

Our failure to comply with federal, state, or international laws and regulations regarding privacy, data protection and handling, and cybersecurity may materially adversely affect our business, results of operations and financial condition.

We are subject to numerous laws and regulations in the U.S. and internationally regarding privacy, data protection and handling, and cybersecurity, such as the European Union's (EU) General Data Protection Regulation (GDPR), the U.K. equivalent to the GDPR, and the California Consumer Privacy Act (CCPA), the EU Cyber Resilience Act and Cybersecurity Act, and the CMMC program. The scope of such laws and regulations is rapidly evolving, subject to differing interpretations, and may be inconsistent among jurisdictions. Some of these laws create a broad definition of regulated, protected or personal information, establish data privacy rights, impose risk assessment, certification and/or data breach notification requirements, and potentially limit contractual opportunities or create severe statutory damages or other remedial frameworks and private rights of action for certain data breaches. Some of the laws and regulations also place restrictions on our ability to collect, store, use, transmit and process personal information and other data across our business. For example, the GDPR restricts

the ability of companies to transfer personal data from the European Economic Area (EEA) to the U.S. and other countries. Some of these laws mandate data-handling and cybersecurity requirements, conformity assessments and incident reporting such as the CMMC program and the DFARS. Over time, failure to comply with CMMC and cyber requirements required by the U.S. Department of War and its prime customers may make us ineligible for government contracts. Such laws and regulations have resulted and will continue to result in significantly greater compliance burdens and costs for companies such as us that have employees, customers, and operations in the EEA or make sales into government-related projects.

We have relied mainly on the European Commission's Standard Contractual Clauses (SCCs), for transfers of personal information from the EEA to the U.S. or other countries. While the EU Commission and the U.S. have developed the EU-U.S. Data Privacy Framework (EU-U.S. DPF), it already has faced a legal challenge and may face additional legal challenges. If we are unable to implement sufficient safeguards to ensure that our transfers of personal information from the EEA are lawful, we may face increased exposure to regulatory actions and substantial fines and injunctions against processing personal information from the EEA. The loss of our ability to lawfully transfer personal data out of the EEA may cause reluctance or refusal by European customers to communicate with us as they are currently, and we may be required to increase our data processing capabilities in the EEA at significant expense.

Furthermore, the GDPR and the U.K. equivalent of the GDPR expose us to two parallel data protection regimes in Europe, each of which potentially authorizes fines and enforcement actions for certain violations. Substantial fines may be imposed for breaches of data protection requirements, which, under the GDPR, can be up to 4% of a company's worldwide annual turnover or 20 million Euros, whichever is greater, and classes of individuals or consumer protection organizations may initiate litigation related to our processing of their personal data. Although the U.K. data protection regime currently permits data transfers from the U.K. to the EEA and other third countries covered by a European Commission 'adequacy decision,' by the U.K.'s own adequacy regulations, or through the continued use of SCCs and binding corporate rules, these laws and regulations are subject to change, and any such changes could have adverse implications for our transfer of personal data from the U.K. to the EEA and other third countries. Additionally, new and updated AI regulations could impose onerous obligations that may disadvantage us and require us to change our business practices.

If other jurisdictions enact similar cross-border personal data transfer or local personal data residency laws, compliance could increase our costs, limit our ability to collaborate with parties that are subject to European and other data privacy and security laws, require additional personal data processing capabilities in Europe, and/or elsewhere, or expose us to fines or other sanctions.

In the U.S., federal, state, and local governments have enacted numerous laws and regulations relating to privacy, data protection and handling, and cybersecurity. For example, the CCPA and its corresponding regulations place increased privacy and security obligations on entities handling personal data of consumers or households. Additionally, numerous other states have proposed or enacted laws addressing privacy and security. The U.S. federal government also has rules, regulations and laws regarding handling of government-regulated data (e.g., controlled unclassified information, classified data, and export-controlled data) and continues to contemplate federal privacy legislation. The CCPA, and other evolving legislation relating to privacy, data protection, and information security may impact our business activities and require us to modify our policies and practices.

While we continue to undertake efforts to conform to current legal and regulatory obligations and to account for relevant best practices, such efforts may be unsuccessful or result in significant costs. We may also experience reluctance, or refusal by European or multi-national customers to continue to provide us with personal data due to the potential risk exposure of personal data transfers and the current data protection obligations imposed on them by applicable data protection laws or by certain data protection authorities. These and any other laws relating to privacy or data protection and handling and their interpretations continue to develop and their uncertainty and inconsistency may increase the cost of compliance, cause compliance challenges, restrict our ability to offer products in certain locations in the same way that we have been, and potentially adversely affect certain third-party service providers. Further, any actual or alleged failure by us or our service providers to comply with laws, regulations, or other actual or asserted obligations relating to privacy, data protection and handling, or cybersecurity may subject us to claims, demands, and litigation, sanctions or fines by regulators, and other damages and liabilities. Any of the foregoing may harm our reputation and market position and otherwise could adversely affect our business, financial condition and results of operations.

We are exposed to various risks related to legal proceedings, investigations or claims.

We are currently, and in the future may be, involved in legal proceedings, investigations or claims regarding intellectual property rights, product defects, breach of contracts, tax matters, export controls and sanctions, and other matters. As is typical in the semiconductor industry, we receive notifications from third parties from time to time who believe that we owe

them indemnification or other obligations related to claims made against us, our direct or indirect customers, or our licensees. These legal proceedings and claims, even if meritless, have in the past and could in the future result in unexpected and substantial costs to us. If we are unable to resolve or settle a matter, obtain necessary licenses on reasonable terms, reengineer products or processes to avoid infringement, provide a cost-effective remedy, or successfully prosecute or defend our position, we could incur uninsured liability in any of them, be required to take a charge to operations, be enjoined from selling a material portion of our products or using certain processes, suffer a reduction or elimination in the value of our inventories, incur reputational damage, and our business, financial condition or results of operations could be harmed.

It is also possible that from time to time we may be subject to claims related to the manufacture, performance, or use of our products. These claims may be due to injuries, economic damage, lost intellectual property, or environmental exposures related to manufacturing, a product's nonconformance to our or our customer's specifications, changes in our manufacturing processes, security vulnerabilities, or unexpected customer system issues due to the integration of our products or insufficient design or testing by our customers. We could incur significant expenses related to such matters, including, but not limited to:

- costs related to writing off the value of our inventory of nonconforming products;
- recalling nonconforming products;
- providing support services, product replacements, or modifications to products and the defense of such claims;
- diversion of resources from other projects;
- lost revenue or a delay in the recognition of revenue due to cancellation of orders, unpaid receivables, or reimbursement of costs or damages;
- customer imposed fines or penalties for failure to meet contractual requirements; and
- a requirement to pay damages, penalties or recall costs.

Because the systems into which our products are integrated have a higher cost of goods than the products we sell, the expenses and damages we are asked to pay may be significantly higher than the revenue and profits we received. While we exclude consequential damages in our standard terms and conditions, certain of our contracts do not exclude such liabilities. Further, our ability to avoid such liabilities may be limited by law. We have liability insurance which covers certain damages arising out of product defects, but we do not expect that insurance will fully protect against such claims. Payments we may make in connection with these customer claims may adversely affect the results of our operations.

Further, we sell to customers in industries such as automotive, aerospace, defense, safety, security, and medical, where failure of the application could cause damage to property or persons. We may be subject to claims if our products, or the integration of our products, cause system failures. We will face increased exposure to claims if there are substantial increases in either the volume of our sales into these applications or the frequency of system failures integrating our products.

Our contractual relationships with our customers expose us to risks and liabilities.

We do not typically enter into long-term contracts with our non-distributor customers, and therefore we cannot be certain about future order levels from our customers. Further, except for a few LTSAs that are still in place, the customer contracts that we enter into generally do not require any specified level of purchases and allow customers to cancel orders or terminate the contract with limited restrictions. Under certain LTSAs, customers may cancel orders in the event of price increases. While we had approximately 102,000 customers, and our ten largest direct customers accounted for approximately 11% of our total revenue in the first six months of fiscal 2027, and several of our top direct customers are contract manufacturers that perform manufacturing services for many customers, cancellation of customer contracts could have an adverse impact on our revenue and profits. For example, due to uncertainty related to the COVID-19 pandemic, we experienced an increase in order cancellations and requests to reschedule deliveries to future dates in the first quarter of fiscal 2021. Also, many of our customers felt the effects of slowing economic activity and increasing business uncertainty, and customer requests to push-out or cancel backlog and our accommodation of their requests increased in the fourth quarter of fiscal 2023 and continued throughout fiscal 2024 and fiscal 2025.

Certain customer contracts differ from our standard terms of sale due to the negotiating leverage held by the customer. For example, under certain contracts we have committed to supply products on scheduled delivery dates, or extended our obligations for liabilities such as warranties or indemnification for quality issues or intellectual property infringement. If we are unable to supply the customer as contractually required, the customer may incur additional production costs, lost revenues due to delays in their manufacturing schedule, or quality-related issues. We may be liable for costs and damages associated with customer claims, and we may be obligated to defend the customer against claims of intellectual property infringement and pay associated legal fees. While we try to minimize the number of contracts which contain such provisions, manage the risks of such liabilities, and set caps on our liability exposure, sometimes we are unable to do so. In order to win important designs, avoid losing business to competitors, maintain existing business, or be permitted to bid on new business, we have, and may in the future, have to agree to uncapped liability for such items as intellectual property infringement or

product failure, or have to agree to liquidated damage provisions. This exposes us to risk of liability far exceeding the purchase price of the products sold under such contracts, the lifetime revenues we receive under such contracts, or potential consequential damages. Further, where we do not have negotiated customer contracts, our customer's order terms may govern the transaction and contain terms unfavorable to us. These risks could result in a material adverse impact on our results of operations and financial condition.

Failure to adequately protect our intellectual property could result in competitive harm, lost revenue or market opportunities.

Our ability to obtain patents, licenses and other intellectual property rights covering our products and manufacturing processes is important for our success. To that end, we have acquired certain patents and licenses and intend to continue to seek patents on our technology and manufacturing processes. The process of seeking patent protection can be expensive, and patents may not be issued from currently pending or future applications. In addition, our existing and new patents, trademarks and copyrights that are issued may not have sufficient scope or strength to provide meaningful protection or commercial advantage to us. We may be subject to, or may initiate, interference proceedings in the U.S. Patent and Trademark Office, patent offices of a foreign country or U.S. or foreign courts, which can require significant financial resources. In addition, the laws of certain foreign countries do not protect our intellectual property rights to the same extent as the laws of the U.S. Infringement of our intellectual property rights by a third-party could result in harm to our competitive position, uncompensated lost market and revenue opportunities for us. Although we continue to aggressively defend and protect our intellectual property on a worldwide basis, there can be no assurance that we will be successful.

Certain of our software is derived from "open source" software that is generally made available to the public by its authors. Certain of the software of our suppliers and customers may also be derived from open source software. Open source software licenses impose certain obligations on us in the event we were to distribute derivative works of the open source software. These obligations may require us to make source code for the derivative works available to the public and/or license such derivative works under a particular type of license, rather than the forms of license we customarily use to protect our intellectual property. While we believe we have complied with our obligations under the various applicable licenses for open source software, in the event that the copyright holder of any open source software were to legally establish that we had not complied with the terms of a license for a particular work, we could be required to release the source code of that work to the public and/or stop distribution of that work if the license is terminated which could adversely impact our business and results of operations.

Risks Related to Taxation, Laws and Regulations

Our reported financial results may be adversely affected by new accounting pronouncements or changes in existing accounting standards and practices.

We prepare our financial statements in conformity with U.S. GAAP. These accounting principles are subject to interpretation or changes by the FASB and the SEC. New accounting pronouncements and interpretations of accounting standards and practices have occurred in the past and are expected to occur in the future. New accounting pronouncements or a change in the interpretation of accounting standards or practices may have a significant effect on our reported financial results and may affect our reporting of transactions completed before the change is effective.

Regulatory authorities in jurisdictions into or from which we ship our products or import supplies could issue new export controls or trade sanctions, levy fines, restrict or delay our ability to export products or import supplies, or increase costs associated with the manufacture or transfer of products.

A significant portion of our sales involve export and import activities. Our U.S.-manufactured products or products based on U.S. technology or U.S. software, or products incorporating U.S. content may be subject to laws and regulations administrated by various agencies including those under the U.S. Departments of State, Commerce, and Treasury, that govern international trade, including but not limited to the Foreign Corrupt Practices Act, Export Administration Regulations (EAR), International Traffic in Arms Regulations, economic embargoes and tariffs or other trade sanctions against certain countries and parties. Licenses or license exceptions are often required for the shipment of our products to certain countries as well as for releases of our technology and software to foreign nationals. Our inability to timely obtain a license for any reason, not limited to a delay in license processing due to a federal government shutdown, or changes in government policies of approval or denial of licenses, could cause a delay in scheduled shipments which could have a material adverse impact on our revenue within the quarter of a shutdown, and in following quarters depending on the extent that license processing is delayed. Further, determination by a government that we have failed to comply with trade regulations or anti-bribery regulations can result in penalties which may include denial of export privileges, fines, penalties, and seizure of products, or loss of

reputation, any of which could have a material adverse effect on our business, sales and earnings. A change in laws and regulations could restrict our ability to transfer products to previously permitted countries, customers, distributors or others. For example, in October 2022, the U.S. Department of Commerce published a regulation that imposed restrictions on activities in or involving China, Hong Kong, and Macau related to advanced computing integrated circuits (ICs), advanced-node ICs, computers and other commodities that contain such ICs, certain semiconductor manufacturing items, and supercomputers. The regulation also expanded controls on transactions involving semiconductor manufacturing and semiconductor equipment manufacturing end-uses. Further, this regulation and others expanded the scope of foreign-produced items subject to license requirements under U.S. law.

Export controls, sanctions, and trade restrictions are increasingly complex and subject to discretionary interpretation by regulatory authorities, with requirements that may change through guidance, enforcement, or licensing decisions. Even where we believe authorizations apply, differing or changing regulatory interpretations could disrupt shipments, delay revenue recognition, require product or customer changes, and adversely affect our operating results.

In November 2023, the U.S. Department of Commerce added restrictions and export license requirements to end uses and product categories previously described in the October 2022 regulation. To date, the U.S. Department of Commerce has issued a number of regulations and is considering implementing additional, new regulations that further restrict transactions involving semiconductors and related products. In addition, the U.S. Departments of Commerce, State, and Treasury have been adding parties to the restricted parties lists, and imposing prohibitions and export licensing requirements on transactions with them and entities that are 50% or more owned by them. Although the Bureau of Industry and Security has temporarily suspended its 50% Affiliates Rule, until November 10, 2026, it is not clear whether the 50% Affiliates Rule will remain suspended or be reimplemented on November 10, 2026. The result of these additional restrictions and the change in the U.S. administration in 2025 and increased attrition of U.S. government employees has resulted in a slow-down in the processing of export license applications by the U.S. Government and an increased burden on us to conduct additional due diligence imposed by the regulations, as well as by sanctions imposed on Russia for invading Ukraine. At this time, there has not been a material impact on our ability to obtain necessary licenses for exportation. A previous example occurred in fiscal 2020, when the U.S. Department of Commerce effectively banned U.S. companies from selling products or transferring technology to certain Chinese companies, including Huawei and their related companies worldwide. In fiscal 2020, the U.S. Federal Acquisition Regulation prohibited U.S. governmental agencies from buying equipment incorporating covered telecommunications equipment, as a substantial component or critical technology, where the technology came from certain Chinese companies. In July 2020, this was expanded to prohibit U.S. governmental agencies from entering into a contract with any company that uses covered telecommunications equipment whether or not the Chinese technology is related to the procurement. Since then, similar restrictions have been imposed under the various versions of the National Defense and Authorization Act when the supply chain includes certain Chinese entities. The EAR also effectively prohibits sales of items for a "military end use," to a "military end-user," or for a "military intelligence" end-user, or end-use to certain countries, such as Belarus, Burma, Cambodia, Cuba, China, Iran, North Korea, Russia, Syria and Venezuela. The U.S. Department of Commerce also currently imposes restrictions on importation and sale of certain Vehicle Connectivity System (VCS) hardware and covered software designed, developed, manufactured, or supplied by persons with a nexus to China, Hong Kong, Macau, or Russia. Any of the foregoing changes to the regulatory requirements could adversely impact our operational costs due to the administrative impacts of complying with these regulations and may limit those with whom we conduct business. Any one or more of these sanctions, future sanctions, a change in laws or regulations, or a prohibition on shipment of our products or transfer of our technology to significant customers could have a material adverse effect on our business, financial condition and results of operations.

The U.S. and other countries have levied tariffs and taxes on certain goods, implemented trade restrictions, and introduced national security protection policies. Trade tensions between the U.S. and China, have continued to escalate from 2018 to present, and include the U.S. increasing tariffs on Chinese origin goods and China increasing tariffs on U.S. origin goods. Additionally, the U.S. has imposed a baseline 10% tariff on almost all imported goods globally. We continue to take steps to mitigate the costs of these tariffs on our business by adjusting our operations and supply chain but may be unable to completely mitigate the costs of such tariffs, including those imposed in recent years or in the future.

On August 1, 2025, the U.S. administration implemented additional changes to its tariff policy, including the suspension of the de minimis exemption, expiration of the 10% baseline tariff, implementation of revised reciprocal tariffs tailored to each trading partner, and the imposition of tariffs on particular goods (e.g., copper). Although semiconductors remain exempt from most of the recent tariff actions, an increase in tariffs on semiconductors is expected to be imposed once the Section 232 investigation into the impact on U.S. national security by imports of semiconductors, semiconductor manufacturing equipment and their derivative products is concluded. In addition, recently announced Section 232 tariffs and related import restrictions on polysilicon and certain derivative products are scheduled to take effect on December 4, 2026, which could increase the cost or reduce the availability of wafers and other semiconductor inputs used in our manufacturing operations.

Semiconductors may also be subject to tariffs resulting from ongoing trade negotiations.

Increased tariffs on our customers' products could adversely impact their sales, and increased tariffs on our products in comparison to those of our competitors could each result in lower demand for our products. Further, governments may impose restrictions on the sale to certain customers of our products, or any applications containing our products. For example, in April 2025 the Chinese government announced restrictions relating to the sale of certain raw materials and products containing certain components made by Micron, and they may direct companies within China to purchase Chinese-made products. The Chinese government may also re-initiate the suspended antidumping investigation into imports of analog chips originating in the United States and aggressively enforce the new regulation intended to combat the extraterritorial application of foreign trade controls, sanctions and other measures, which would likely have an adverse impact on our revenue if additional tariffs are imposed by the Chinese government on products subject to the investigation. Similar restrictions on our products or the products of our customers or suppliers could negatively impact our business and financial results. It is also possible that evolving U.S. export controls may encourage our non-U.S. customers to purchase from companies not subject to U.S. export controls, thereby harming our business, market position, and financial results. Excessive export controls increase the risk of investing in U.S. advanced semiconductor products, because by the time a new product is ready for market, it may be subject to new unilateral export controls restricting its sale. At the same time, such controls may increase investment in foreign competitors, which would be less likely to be restricted by U.S. controls.

Further changes in trade or national security protection policy, tariffs, additional taxes, restrictions on exports or other trade barriers, including those taken against the U.S. in retaliation for U.S. policies, may limit our ability to obtain equipment, components or raw materials (including rare earth minerals), limit our ability to produce products, increase our selling and/or manufacturing costs, decrease margins, reduce the competitiveness of our products, reduce our ability to sell products, or reduce our ability to have mergers and acquisitions approved by governmental agencies, any of which could have a material adverse effect on our business, results of operations or financial conditions.

The outcome of future examinations of our income tax returns and existing tax disputes could have an adverse effect on our results of operations.

We are subject to examination of our U.S. and certain foreign income tax returns for fiscal 2007 and later. We regularly assess the likelihood of adverse outcomes of these examinations to determine the adequacy of our provision for income taxes and have reserved for potential adjustments that may result from current or future examinations. There can be no assurance that the final determination of any of these or any future examinations will not have a material adverse effect on our effective tax rates, financial position and results of operations.

In September 2021, we received a Statutory Notice of Deficiency (2007 to 2012 Notice) from the United States Internal Revenue Service (IRS) for fiscal 2007 through fiscal 2012. The disputed amounts largely relate to transfer pricing matters. In December 2021, we filed a petition in the U.S. Tax Court challenging the 2007 to 2012 Notice. In September 2023, we received a Revenue Agent Report (RAR) from the IRS for fiscal 2013 and fiscal 2016. In October 2023, we received a Statutory Notice of Deficiency (2014 to 2015 Notice) from the IRS for fiscal 2014 and fiscal 2015. The disputed amounts for fiscal 2013 to fiscal 2016 largely relate to transfer pricing matters. In December 2023, we filed a petition in the U.S. Tax Court challenging the 2014 to 2015 Notice. In September 2025, we reached a settlement with the IRS for fiscal 2007 to fiscal 2015. The timing of the agreed final stipulations is uncertain but could be completed in the next 12 months.

In May 2023, we received a proposed income adjustment from the Malaysian Inland Revenue Board (IRB) for fiscal 2020. In December 2023, we received a Notice of Assessment from the IRB asserting the same proposed income adjustment. In March 2025, we entered into a Consent Judgment before the High Court, agreeing that the dispute will be heard before the Special Commissioners of Income Tax (SCIT). It was also agreed that the payment on the taxes assessed is stayed and the IRB will pause all enforcement and proceedings against the collection of the taxes assessed until the appeal before the SCIT is concluded. If the adjustment is upheld by the highest court that has jurisdiction over this matter in Malaysia, it could result in income taxes and penalties up to MYR 1.9 billion (approximately $473.2 million based on the exchange rate as of September 30, 2026). The disputed amounts largely relate to the characterization of certain assets. The timing of adjudicating this matter is uncertain but could occur in the next 12 months. The ultimate outcome of disputes of this nature is uncertain, and if the IRB were to prevail on its assertions, the assessed tax, penalties, and deficiency interest could have a material adverse impact on our financial position, results of operations or cash flows.

Exposure to greater than anticipated income tax liabilities, changes in tax rates, laws and regulations, changes in the interpretation of tax laws and regulations, or unfavorable assessments from tax audits and examinations could affect our effective tax rates, financial condition and results of operations.

We are a U.S.-based multinational company subject to tax in many U.S. and foreign jurisdictions. Our income tax obligations could be affected by many factors, including changes to our operating structure, intercompany arrangements and tax planning strategies.

Our income tax expense is computed based on tax rates at the time of the respective financial period. Our future effective tax rates, financial condition and results from operations could be unfavorably affected by several factors. These include changes in tax rates, tax laws, and tax regulations and how those laws are interpreted in jurisdictions where our income is earned. This also applies to jurisdictions that align with the Organisation for Economic Co-operation and Development's Base Erosion Profit Shifting recommendations. Other risks include changes to the valuation of our deferred tax assets and changes in where we earn our income geographically. We may also face challenges from tax authorities to our tax positions and intercompany transfer pricing agreements. Additional risks include not meeting performance obligations with respect to tax incentive agreements, changes in foreign currency exchange rates, and adverse resolution of audits and examinations of previously filed tax returns.

Our business, financial condition and operating results may be adversely impacted by policies implemented globally by the current or future administrations.

The U.S. and certain other global jurisdictions in which we operate, have taken and have threatened to take significant legislative and policy changes in areas including but not limited to tariffs, taxes and trade, labor, and the environment. If implemented, these changes could increase our effective tax rate, decrease our revenue and increase our selling, general, administrative and/or manufacturing costs, which could have a material adverse effect on our business, results of operations or financial conditions. Changes in tariffs, tax policy, trade regulations or other matters, and any uncertainty surrounding the scope or timing of such changes, could negatively impact the stock market, and reduce the trading price of our stock or otherwise impact our business. For example, in February 2022, the U.S. began implementing wide scale sanctions against Russia due to Russia's invasion of Ukraine. Sanctions against Belarus and certain Ukrainian regions were later implemented. Because the actions by Russia against Ukraine are in conflict with our Guiding Values, we chose to cease shipments into Russia and Belarus, and we will continue to comply with applicable U.S. sanctions imposed on Russia, Belarus, and Russia-controlled areas of Ukraine. While sales of our products into these regions, and to customers that sell into these regions, have been negatively impacted, at this time, we have not experienced a material adverse impact on our revenue. Retaliatory acts by Russia in response to the sanctions could include cyber-attacks, sanctions, or other actions that could disrupt the U.S. economy. As a result of the foregoing risks or similar risks, the imposition of sanctions could have a material adverse effect on our business, results of operations or financial condition.

New technology trends, such as cyber resiliency and security requirements and the rapid adoption of AI, require us, and our customers and suppliers, to keep pace with evolving regulations and industry standards. In the U.S., the EU, and China, there are various current and proposed regulatory frameworks relating to cybersecurity, AI development, and the deployment of automation and AI in products, services and operations, including the EU Cyber Resilience Act, EU AI Act, China's generative AI regulations, and various current or proposed U.S. federal and state AI and/or cybersecurity legislative or governance frameworks, executive orders, rules, regulations and laws. We expect that the legal and regulatory environment relating to emerging technologies such as AI will continue to develop and impact us and our customers and supply chain.

We are subject to stringent environmental, climate change and other regulations, which may force us to incur significant expenses and impact our operations.

We must comply with federal, state, local and foreign governmental regulations related to the use, storage, emissions, discharge and disposal of hazardous substances used in our products and manufacturing processes, or that are the result of our manufacturing operations, such as greenhouse gases. We must also comply with rules and regulations regarding limiting greenhouse gas emissions, public reporting of environmental metrics such as greenhouse gas emissions and hazardous substances, and obtain third-party assurance of greenhouse gas reporting. Regulations could require us to change manufacturing processes, substitute materials which may cost more or be less available, obtain new permits and undertake other costly activities.

Our failure to comply, or the failure of entities that we have acquired over time to have complied, with regulations could result in significant fines, litigation or administrative actions by regulators or others, liability for clean-up, criminal and civil liabilities, import/export restrictions, reduction or suspension of production, cessation of operations or future liabilities.

Restrictions on emissions could result in significant costs such as the need for additional equipment, higher energy costs, carbon taxes, and emission cap and trade programs, and could also result in reduction or suspension of production, or even cessation of operations. Such regulations have required us in the past, and could require us in the future, to incur significant expenses to comply with such regulations. Our failure to control the use of, or adequately restrict the discharge of, hazardous substances could not only impact the health of our employees, customers and communities in which we operate, but could also impact our ability to operate. Such failure could also restrict our ability to ship certain products to certain countries, require us to modify our products, shipping materials or logistics, or require us to incur other significant costs and expenses. Environmental laws continue to expand with a focus on reducing or eliminating hazardous substances in electronic products and shipping materials. Future environmental regulations could require us to close or reduce production at certain facilities, reengineer certain of our existing products and may prevent us or make it more expensive for us to manufacture, sell and ship our products. Regulations restricting greenhouse gas emissions could cause us to incur significant additional costs of compliance due to the need for changes in manufacturing methods or installation of abatement equipment, expanded data collection, analysis, and certification. Because we have contractual obligations to certain customers to assess the impact that manufacturing process changes may have on the products that we provide to such customers, we have to take a measured approach when implementing changes to our facilities, manufacturing processes, and manufacturing inputs. If we are unable to implement the necessary abatement plan, we may be required to ramp down our existing operations significantly or risk noncompliance with regulations.

The number and complexity of laws and customer requirements focused on the energy efficiency of electronic products, the recycling of electronic products, the reduction of chemicals used in and to manufacture electronic products, and the reduction in the amount of packing materials and the increase in the required recycling of packing materials have expanded significantly. It may be difficult for us to timely comply with these laws and we may have insufficient quantities of compliant products to meet customers' needs, thereby adversely impacting our sales and profitability. We may have to write off inventory if we hold unsaleable inventory as a result of changes to regulations. We expect these risks to continue. These requirements may increase our own costs, as well as those passed on to us by our supply chain.

Sustained adverse climate change poses risks that could harm our results of operations.

Sustained adverse changes in climate could have a direct adverse economic impact on us due to the effects of extreme weather and climate events on our production facilities, our supply chain and customers. Utility shortages, higher costs of utilities, and reduced availability of water could disrupt our operations as well as those of our customers and suppliers. Certain of our operations are located in arid or tropical regions, which some experts believe may become vulnerable to more frequent fires, storms, severe floods and droughts. While our business recovery plans are intended to allow us to recover from natural disasters or other disruptive events, our plans may not protect us from all events.

Voluntary actions we may take or have taken as part of our ESG initiatives could require us to limit emissions, change manufacturing processes, substitute materials which may cost more or be less available, fund offset projects, or undertake other costly activities. Voluntary restrictions on emissions could result in significant costs such as the need for additional equipment, higher energy costs, carbon taxes, and emission cap and trade programs. The cost of compliance with such voluntary efforts could restrict our manufacturing operations, increase our costs, and have an adverse effect on our operating results.

Customer demands and regulations related to conflict-free minerals and other substances incorporated into or used to manufacture our products may force us to incur additional expenses.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, in August 2012, the SEC released investigation, and disclosure requirements regarding the use of "conflict" minerals mined from the Democratic Republic of Congo and adjoining countries. We have filed a Form SD with the SEC regarding such matters annually since June 2, 2014. Other countries are considering similar regulations. If we cannot certify that our supply chain is free from the risk of irresponsible sourcing, customers and others may demand that we change the sourcing of materials used in the manufacture of our products, even if the costs for compliant materials significantly increases or availability is limited. If we change materials or suppliers, there will likely be costs associated with qualifying new suppliers and production capacity, delivery times and quality could be negatively impacted. Our relationships with customers, suppliers and stockholders may be adversely affected if we are unable to certify that our products are free from the risk of irresponsible sourcing. We have incurred, and expect in the future to incur, additional costs associated with complying with these disclosure requirements, such as costs related to determining the source of any conflict minerals used in our products. We may be unable to satisfy those that require that all of the components of our products be certified as conflict free in a materially different manner than advocated by the Responsible Minerals Initiative or the Dodd-Frank Wall Street Reform and Consumer Protection Act. If we are unable to meet customer requirements, customers may disqualify us as a supplier, resulting in a permanent or temporary loss of sales to such

customer or a reduction in purchases from us, and we may have to write off inventory if it cannot be sold.

In addition to concerns over "conflict" minerals mined from the Democratic Republic of Congo, our customers may require that other minerals and substances used within our supply chain, manufacturing processes, or contained in our products be evaluated and reported on. An increase in reporting obligations will increase associated operating costs. This could have negative effects on our overall operating profits.

Failure to meet ESG expectations, standards or disclosure requirements or achieve our corporate responsibility goals, could adversely affect our business, results of operations, financial condition, or stock price.

In recent years, there has been an increased focus on corporate responsibility matters, including greenhouse gas emissions and climate-related risks, renewable energy, water stewardship, waste management, data privacy, cybersecurity, trade controls, responsible sourcing and supply chain, use of products for illegal or unethical purposes, human rights, and social responsibility, especially in Europe and North America. We are committed to corporate responsibility and actively manage these issues in accordance with applicable law and including through our guiding values and our internal policies. As an example, since we do not support the actions of Russia against Ukraine, in March 2022 we stopped selling products to customers and distributors located in Russia and Belarus. However, we have been made aware that there are entities in Russia that indirectly obtained our products after March 2022 despite the preventative measures we took and continue to take. Though we continue to improve our processes and procedures to prevent the unauthorized flow of our products, our actions have not been fully successful. We operate in an extensive, ever-changing global supply chain, an expectation of complete traceability of standard semiconductor products to every end use and prevention of product misuse and diversion is unachievable. Thus, despite our efforts, our products may be used for illegal or objectionable applications and third parties may engage in conduct that we do not support or condone.

We have publicly announced environmental goals including those related to greenhouse gas emissions reduction, achieving net zero carbon emissions and renewable energy usage, however, we may refine or modify such goals in the future. These goals reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. These goals could expose us to heightened scrutiny and financial, legal, reputational, operational, compliance, and other risks, including lost customer opportunities, which could negatively impact us. Further, any failure to set or achieve corporate responsibility initiatives that meet our stakeholders' evolving expectations could also negatively impact us.

In addition, we are or expect to become subject to various new or proposed climate-related and other sustainability laws and regulations, including, for example, the state of California's new climate change disclosure requirements and the EU's Corporate Sustainability Reporting Directive. Compliance with such laws and regulations, as well as the overall increased focus and scrutiny from certain regulators, investors, customers, vendors, employees, and other stakeholders concerning ESG and climate matters, could impose additional costs on us and expose us to new risks, including resulting in changes to our current ESG goals.

Evolving stakeholder expectations, voluntary and required reporting regimes that are not harmonized and continue to change, and our efforts to manage these issues, report on them, and accomplish our goals, present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which could have a material adverse impact, including on our reputation and stock price. It is also possible that government, customers, investors and other stakeholders might not be satisfied with our policies, programs, goals, performance and related disclosures, or the speed of their adoption, implementation and measurable success, or that we have adopted such policies, programs and commitments.

Such risks and uncertainties include:

- reputational harm, including damage to our relationship with customers, suppliers, investors, governments, or other stakeholders;
- some customers may choose not to do business with us, or we may choose to discontinue or restrict business with certain customers due to our policies;
- liabilities or penalties associated with inadequate processes to collect, audit, or disclose information;
- adverse impacts on our ability to sell and manufacture products;
- increased risk of litigation, investigations, or regulatory enforcement action;
- unfavorable ESG ratings or investor sentiment;
- diversion of resources and increased costs to control, assess, and report on ESG metrics;
- our ability to achieve our goals within announced timeframes;
- increased costs and resources to monitor, report and achieve our goals;
- unforeseen operational and technological difficulties;
- access to and increased cost of capital; and

- adverse impacts on our stock price.

Any failure, or perceived failure, to meet evolving stakeholder expectations or industry standards, or achieve our corporate responsibility goals could have an adverse effect on our business, results of operations, financial condition, reputation, or stock price.

Risks Related to Capitalization and Financial Markets

The future trading price of our common stock could be subject to wide fluctuations in response to a variety of factors.

The market price of our common stock has fluctuated significantly in the recent past and is likely to fluctuate in the future. The future trading price of our common stock could be subject to wide fluctuations in response to a variety of factors, many of which are beyond our control, including, but not limited to:

- global economic and financial uncertainty due to changes in geopolitical conditions or military conflicts, interest rates, persistent inflation, instability in the banking sector, tariffs, public health concerns or other factors;
- political events, trends, and unexpected developments occurring nationally, globally, or in any of our key sales regions;
- quarterly variations in our operating results, financial condition, including our liquidity, or the operating results of other technology companies;
- changes in our financial guidance or our failure to meet such guidance;
- changes in analysts' estimates of our financial performance or buy/sell recommendations;
- general conditions in the semiconductor industry;
- actual or anticipated announcements of technical innovations or new products by us or our competitors;
- the amount and timing of repurchases of shares of our common stock;
- our ability to realize the expected benefits of our completed or future acquisitions; and
- announcements of restructurings, reductions in force, departure of key employees, and/or consolidations of operations.

In addition, the stock market has recently and in the past experienced significant price and volume fluctuations that have affected the market prices for many companies and that often have been unrelated to their operating performance. These broad market fluctuations and other factors have harmed and may harm the market price of our common stock. The foregoing factors could also cause the market price of our Convertible Debt, Series A Preferred Stock or Depositary Shares to decline or fluctuate substantially. In the past, following volatile periods in the price of their stock, many companies became the target of securities class action litigation. If we are sued in a securities class action, we could incur substantial costs, and it could divert management's attention and resources and have an adverse impact on our financial performance and the price of our common stock or Series A Preferred Stock.

The amount and timing of our share repurchases may fluctuate in response to a variety of factors.

The amount, timing, and execution of repurchases of shares of our common stock may fluctuate based on the share price of our common stock, general business and market conditions, tax regulations impacting share repurchases and other factors including our operating results, level of cash flow, leverage ratios, capital expenditures and dividend payments on our common stock and preferred stock. Although our Board of Directors has authorized share repurchases of up to $4.00 billion, of which $1.56 billion is still available, the authorization does not obligate us to acquire any particular amount of shares. We cannot guarantee that our share repurchase authorization will be fully consummated or that it will enhance long-term stockholder value. The repurchase authorization may be suspended or discontinued at any time at our discretion and may affect the trading price of our common stock and increase volatility. We did not repurchase any shares in the September 2026 quarter.

Our financial condition and results of operations could be adversely impacted if we do not effectively manage or refinance our current or future debt.

As of September 30, 2026, the principal amount of our outstanding indebtedness was $5.55 billion. At September 30, 2026, we had no outstanding borrowings under our Revolving Credit Facility, which provides $2.25 billion of revolving loan commitments that terminate in 2030, and $364.0 million outstanding principal amount under our Commercial Paper program. As of September 30, 2026, we had $3.00 billion in aggregate principal amount of Senior Notes and $2.19 billion in aggregate principal of Convertible Debt outstanding. We intend to finance the repayment of our fixed rate debt maturing within the next 12 months using new fixed rate debt, new notes or convertible debt or by using available borrowings under our Revolving Credit Facility, our Commercial Paper program or other instruments. Changes in interest rates will have a more significant impact on our interest expense if we refinance our fixed rate debt with variable rate debt. There can be no assurance that we will be able to refinance our current or future debt on reasonable terms, if at all.

Servicing our debt requires a significant amount of cash, we may not have sufficient cash to fund payments and adverse changes in our credit ratings could increase our borrowing costs and adversely affect our ability to access the debt markets.

Our ability to make scheduled payments of principal, interest, or to refinance our indebtedness, including our outstanding Senior Notes, Convertible Debt, and Commercial Paper, depends on our future performance, which is subject to economic, competitive and other factors. Our business may not continue to generate sufficient cash flow to service our debt and to fund capital expenditures, dividend payments, share repurchases or acquisitions. If we are unable to generate such cash flow, due to financial, contractual, regulatory, or other reasons, we may be required to reduce or suspend dividends, share repurchases, or undertake alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on onerous or highly dilutive terms. In several recent quarters, we have used borrowings to finance a portion of our quarterly dividend payments and we may do so again in future periods. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. Our Senior Notes and Commercial Paper are rated by certain major credit rating agencies. These credit ratings impact our cost of borrowing and our ability to access the capital markets and are based on our financial performance and financial metrics including debt levels. While we have maintained our investment grade rating, in March 2025 we were downgraded by one rating agency and there is no assurance that we will maintain our current credit ratings. A downgrade of our credit rating by a major credit rating agency could result in increased borrowing costs and could adversely affect our ability to access the debt markets to refinance our existing debt or finance future debt. Our maintenance of substantial levels of debt could adversely affect our ability to take advantage of opportunities and could adversely affect our financial condition and results of operations.

Conversion of our Convertible Debt, Series A Preferred Stock or Depositary Shares, or the payment of dividends on Series A Preferred Stock in shares of common stock, will dilute the ownership interest of our existing stockholders.

The conversion of some or all of our shares of Series A Preferred Stock or Depositary Shares, the payment of dividends on our Series A Preferred Stock in the form of common stock or the conversion of our outstanding Convertible Debt will dilute the ownership interest of our existing stockholders to the extent we deliver common stock upon conversion of such debt. Following our irrevocable settlement election made on April 1, 2022 with respect to the 2017 Senior Convertible Debt, upon conversion, we are required to satisfy our conversion obligation with respect to such converted Convertible Debt by delivering cash equal to the principal amount of such converted Convertible Debt and cash and shares of common stock or any combination, at our option, with respect to any conversion value in excess thereof (i.e., the conversion spread). There would be no adjustment to the numerator in the net income per common share computation for the cash settled portion of the Convertible Debt as that portion of the debt instrument will always be settled in cash. The conversion spread will be included in the denominator for the computation of diluted net income per common share. Any sales in the public market of any common stock issuable upon conversion of our Convertible Debt, Series A Preferred Stock or Depositary Shares or the payment of dividends on our Series A Preferred Stock in the form of common stock could adversely affect prevailing market prices of our common stock. In addition, the existence of the Convertible Debt, Series A Preferred Stock or Depositary Shares may encourage short selling by market participants because the conversion of the Convertible Debt, Series A Preferred Stock or Depositary Shares, as applicable, could be used to satisfy short positions, or anticipated conversion of the Convertible Debt, Series A Preferred Stock or Depositary Shares into shares of our common stock could depress the price of our common stock.

The Convertible Debt, Series A Preferred Stock or Depositary Shares may adversely affect the market price of our common stock.

The market price of our common stock is likely to be influenced by our Convertible Debt, Series A Preferred Stock or Depositary Shares. The market price of our common stock could become more volatile and could be depressed by: (1) investors' anticipation of the potential resale in the market of a substantial number of additional shares of common stock received upon conversion of the Convertible Debt, Series A Preferred Stock or Depositary Shares; (2) possible sales of our common stock by investors who view the Series A Preferred Stock or Depositary Shares as a more attractive means of equity participation in us than owning shares of common stock; and (3) hedging or arbitrage trading activity that we expect to develop involving the Series A Preferred Stock or Depositary Shares and our common stock.

Our common stock ranks junior to our Series A Preferred Stock with respect to dividends and amounts payable in the event of our liquidation, winding-up or dissolution.

Our common stock ranks junior to our Series A Preferred Stock with respect to the payment of dividends and amounts payable in the event of our liquidation, winding-up or dissolution. This means that, unless accumulated dividends have been paid or set aside for payment on all our outstanding Series A Preferred Stock through the most recently completed dividend period, no dividends may be declared or paid on our common stock subject to limited exceptions. Likewise, in the event of our voluntary or involuntary liquidation, winding-up or dissolution, no distribution of our assets may be made to holders of our common stock until we have paid to holders of our Series A Preferred Stock a liquidation preference equal to $1,000 per share plus accumulated and unpaid dividends.

Fluctuations in foreign currency exchange rates could adversely impact our operating results.

We use forward currency exchange contracts in an attempt to reduce the adverse earnings impact from the effect of exchange rate fluctuations on our non-U.S. dollar net balance sheet exposures. Nevertheless, in periods when the U.S. dollar significantly fluctuates in relation to the non-U.S. currencies in which we transact business, the value of our non-U.S. dollar transactions can have an adverse effect on our results of operations and financial condition. In particular, in periods when the value of a non-U.S. currency significantly declines relative to the U.S. dollar, customers transacting in that currency may be unable to fulfill their contractual obligations or to undertake new obligations to make payments or purchase products. In periods when the U.S. dollar declines significantly relative to the British pound, Euro, Thai baht and Taiwan dollar, the operational costs in our European and Thailand subsidiaries are adversely affected. Although our business has not been materially adversely impacted by recent changes in the value of the U.S. dollar, there can be no assurance as to the future impact that any weakness or strength in the U.S. dollar will have on our business or results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Director Resignation

On November 3, 2026, Victor Peng informed our Board of Directors (the "Board") of his decision to step down from the Board, effective as of that date, due to his time commitments on other matters including serving as Chief Executive Officer of PsiQuantum. Mr. Peng’s decision was not the result of any disagreement with the Company, its management, or the Board. The Board thanks Mr. Peng for his service and contributions during his tenure on the Board.

Recent Events - Cybersecurity

On September 1, 2026 and September 19, 2026, we detected unauthorized activity involving certain of our information technology systems. In each instance, we promptly activated our incident response process and engaged cybersecurity advisors to assist with containment, remediation and investigation. The incidents have not affected our ability to produce and ship products to customers. We have isolated certain systems as part of the containment measures and are working to restore affected systems and mitigate the impact of these incidents. Based on information currently available to us, while certain follow-up activities are still in process, our investigation has determined that as of the date of this quarterly report and given the response measures taken, we do not believe the incidents have materially affected, or may be reasonably likely to materially affect, our business, operations, or financial condition. We will continue to evaluate the incidents and their impact as the investigations progress.

Securities Trading Plans of Directors and Executive Officers

No officers or directors, as defined in Rule 16a-1(f), adopted or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, during the last fiscal quarter.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	File Number	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Microchip Technology Incorporated	8-K	000-21184	3.1	August 26, 2021	
3.2	Amended and Restated Bylaws effective August 22, 2023	8-K	000-21184	3.1	August 23, 2023	
3.3	Certificate of Designations, filed with the Secretary of State of the State of Delaware and effective March 25, 2025	8-K	000-21184	3.1	March 25, 2025	
10.1*	2004 Equity Incentive Plan, as amended and restated on October 9, 2026					X
22.1	Subsidiary Guarantors and Issuers of Guaranteed Securities	10-Q	000-21184	22.1	February 6, 2025	
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended					X
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended					X
32**	Certifications Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive File because its XBRL tags are embedded within the Inline XBRL document					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document or included within the Exhibit 101 attachments					X

* Compensation plans or arrangements in which directors or executive officers are eligible to participate.

**This certification is being furnished solely to accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing of the registrant under the Securities Act of 1933, as amended, or Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MICROCHIP TECHNOLOGY INCORPORATED

Date: November 5, 2026

By: /s/ J. Eric Bjornholt
J. Eric Bjornholt
Senior Corporate Vice President and Chief Financial Officer
(Duly Authorized Officer and Principal Financial and Accounting Officer)

Exhibit 10.1

MICROCHIP TECHNOLOGY INCORPORATED

2004 EQUITY INCENTIVE PLAN

As Amended and Restated on October 9, 2026

1. Purposes of the Plan. The purposes of this 2004 Equity Incentive Plan are:

    - to attract and retain the best available personnel,
    - to provide additional incentives to Service Providers, and
    - to promote the success of the Company's business.

Awards granted under the Plan may be Nonstatutory Stock Options, Restricted Stock, Stock Appreciation Rights, Performance Shares, Performance Units or Deferred Stock Units, as determined by the Administrator at the time of grant.

2. Definitions. As used herein, the following definitions shall apply:

    (a) "Administrator" means the Board or any of its Committees as shall be administering the Plan, in accordance with Section 4 of the Plan.

    (b) "Applicable Laws" means the legal requirements relating to the administration of equity compensation plans under state and federal corporate and securities laws and the Code.

    (c) "Award" means, individually or collectively, a grant under the Plan of Options, Restricted Stock, Stock Appreciation Rights, Performance Shares, Performance Units or Deferred Stock Units.

    (d) "Award Agreement" means the written agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

    (e) "Awarded Stock" means the Common Stock subject to an Award.

    (f) "Board" means the Board of Directors of the Company.

    (g) "Change of Control" means the occurrence of any of the following events, in one or a series of related transactions:

    (1) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act, other than the Company, a subsidiary of the Company or a Company employee benefit plan, including any trustee of such plan acting as trustee, is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; or

    (2) a merger or consolidation of the Company or any direct or indirect subsidiary of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

    (3) the sale or disposition by the Company of all or substantially all of the Company's assets; or

    (4) a change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are Directors as of the date this Plan is approved by the Board, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors and whose election or nomination was not in connection with any transaction described in

(1) or (2) above or in connection with an actual or threatened proxy contest relating to the election of directors of the Company.

(h) "Code" means the Internal Revenue Code of 1986, as amended.

(i) "Committee" means a committee appointed by the Board in accordance with Section 4 of the Plan.

(j) "Common Stock" means the common stock of the Company.

(k) "Company" means Microchip Technology Incorporated.

(l) "Consultant" means any person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services and who is compensated for such services. The term Consultant shall not include Directors who are compensated by the Company only for their service as Directors.

(m) "Deferred Stock Unit" means a deferred stock unit Award granted to a Participant pursuant to Section 13.

(n) "Director" means a member of the Board.

(o) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(p) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(r) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(1) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq Global Select Market, the Nasdaq Global Market, or the Nasdaq Capital Market of The Nasdaq Stock Market, the Fair Market Value of a Share of Common Stock shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such system or exchange (or the exchange with the greatest volume of trading in Common Stock) on the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(2) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock on the last market trading day prior to the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(3) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

(s) "Fiscal Year" means a fiscal year of the Company.

(t) "Fiscal Quarter" means a fiscal quarter of the Company.

(u) "Non-Employee Director" means a member of the Board who is not an Employee.

(v) "Nonstatutory Stock Option" means an Option not intended to qualify as an incentive stock option under Section 422 of the Code and regulations promulgated thereunder.

(w) "Notice of Grant" means a written or electronic notice evidencing certain terms and conditions of an individual Award. The Notice of Grant is part of the Option Agreement.

(x) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(y) "Option" means a stock option granted pursuant to the Plan.

(z) "Option Agreement" means a written or electronic agreement between the Company and a Participant evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(aa) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(bb) "Participant" means the holder of an outstanding Award granted under the Plan.

(cc) "Performance-based Award" means Performance Share(s), Performance Unit(s), and/or other Award that vests in whole or in part based on the achievement of a performance metric.

(dd) "Performance Share" means a performance share Award granted to a Participant pursuant to Section 11.

(ee) "Performance Unit" means a performance unit Award granted to a Participant pursuant to Section 12.

(ff) "Plan" means this 2004 Equity Incentive Plan, as amended and restated.

(gg) "Restricted Stock" means Shares granted pursuant to Section 10 of the Plan.

(hh) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(ii) "Section 16(b)" means Section 16(b) of the Exchange Act, as amended.

(jj) "Service Provider" means an Employee, Consultant or Non-Employee Director.

(kk) "Share" means a share of the Common Stock, as adjusted in accordance with Section 19 of the Plan.

(ll) "Stock Appreciation Right" or "SAR" means an Award granted pursuant to Section 9 of the Plan.

(mm) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 19 of the Plan, the maximum aggregate number of Shares which may be issued under the Plan is 84,389,717.

The Shares may be authorized, but unissued, or reacquired Common Stock.

If an Award expires or becomes unexercisable without having been exercised in full, or with respect to Restricted Stock, Performance Shares, Performance Units or Deferred Stock Units, is forfeited to or repurchased by the Company, the unpurchased Shares (or for Awards other than Options and SARs, the forfeited or repurchased Shares) which were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to SARs, the gross Shares issued (i.e., Shares actually issued pursuant to a Stock Appreciation Right, as well as the Shares that represent payment of the exercise price and any applicable tax withholdings) pursuant to a SAR will cease to be available under the Plan. Shares that have actually been issued under the Plan under any Award shall not be returned to the Plan and shall not become available for future distribution under the Plan; provided, however, that if Shares of Restricted Stock, Performance Shares, Performance Units or Deferred Stock Units are repurchased by the Company at their original purchase price or are forfeited to the Company, such Shares shall become available for future grant under the Plan. Shares used to pay the exercise price or purchase price, if applicable, of an Award shall become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than stock, such cash payment shall not result in reducing the number of Shares available for issuance under the Plan.

4. Administration of the Plan.

(a) Procedure.

(1) Multiple Administrative Bodies. The Plan may be administered by different Committees with respect to different groups of Service Providers.

(2) Reserved.

(3) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(4) Other Administration. Other than as provided above, the Plan shall be administered by (A) the Board or (B) a Committee, which committee shall be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator shall have the authority, in its discretion:

(1) to determine the Fair Market Value of the Common Stock, in accordance with Section 2(r) of the Plan;

(2) to select the Service Providers to whom Awards may be granted hereunder (other than the automatic grants to Non-Employee Directors provided for in Section 17 of the Plan);

(3) to determine whether and to what extent Awards or any combination thereof, are granted under the Plan;

(4) to determine the number of shares of Common Stock or equivalent units to be covered by each Award granted under the Plan;

(5) to approve forms of agreement for use under the Plan;

(6) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any award granted under the Plan. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options or SARs may be exercised or other Awards vest (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the shares of Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(7) to construe and interpret the terms of the Plan and Awards;

(8) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of qualifying for preferred tax treatment under foreign tax laws;

(9) to modify or amend each Award (subject to Sections 8(c), 9(b) and 21(c) of the Plan), including the discretionary authority to extend the post-termination exercisability period of Options and SARs longer than is otherwise provided for in the Plan;

(10) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(11) to allow Participants to satisfy withholding tax obligations by electing to have the Company withhold from the Shares or cash to be issued upon exercise or vesting of an Award (or distribution of a Deferred Stock Unit) that number of Shares or cash having a Fair Market Value equal to the minimum amount required to be withheld, or such greater amount as the Administrator may determine if such amount would not have adverse accounting consequences, as the Administrator determines in its sole discretion, but not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to

be withheld is to be determined. The Fair Market Value of any Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by a Participant to have Shares or cash withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(12) to determine the terms and restrictions applicable to Awards; and

(13) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations shall be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Restricted Stock, Performance Shares, Performance Units, Stock Appreciation Rights, Deferred Stock Units and Nonstatutory Stock Options may be granted to Service Providers. Non-Employee Directors shall only receive Awards pursuant to Section 17 of the Plan.

6. Limitations.

(a) Nonstatutory Stock Option. Each Option shall be designated in the Notice of Grant as a Nonstatutory Stock Option.

(b) No Employment Rights. Neither the Plan nor any Award shall confer upon a Participant any right with respect to continuing the Participant's employment with the Company or its Subsidiaries, nor shall they interfere in any way with the Participant's right or the Company's or Subsidiary's right, as the case may be, to terminate such employment at any time, with or without cause or notice.

(c) Annual Limitations. The following limitations shall apply to grants of Options and Stock Appreciation Rights to Participants:

(1) No Participant shall be granted, in any Fiscal Year, Options and Stock Appreciation Rights to purchase more than 3,000,000 Shares; provided, however, that such limit shall be 8,000,000 Shares in the Participant's first Fiscal Year of Company service.

(2) The foregoing limitations shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 19(a).

(d) Minimum Vesting Requirements.

(1) General. Except as specified in Section 6(d)(2), Awards will vest no earlier than the one (1)-year anniversary of such Award's grant date (except if accelerated pursuant to a Change of Control or a termination of the Participant's status as a Service Provider due to a Participant's death, or a Participant's Disability) (each, an "Acceleration Event").

(2) Exception. Awards may be granted to any Service Provider without regard to the minimum vesting requirements set forth in Section 6(d)(1) if the Shares subject to such Awards would not result in more than five percent (5%) of the maximum aggregate number of Shares reserved for issuance pursuant to all outstanding Awards granted under the Plan (the "5% Limit"). Any Awards that have their vesting discretionarily accelerated (except if accelerated pursuant to an Acceleration Event) are subject to the 5% Limit. For purposes of clarification, the Administrator may accelerate the vesting of any Awards pursuant to an Acceleration Event without such vesting acceleration counting toward the 5% Limit. The 5% Limit applies in the aggregate to Awards that do not satisfy the minimum vesting requirements as set forth in Section 6(d)(1) and to the discretionary vesting acceleration of Awards specified in this Section 6(d)(2).

7. Term of Plan. The Plan is effective as of October 1, 2004 (the "Effective Date"). It shall continue in effect until August 24, 2031, unless sooner terminated under Section 21 of the Plan.

8. Stock Options.

(a) Term. The term of each Option shall be stated in the Notice of Grant; provided, however, that the term shall be ten (10) years from the date of grant or such shorter term as may be provided in the Notice of Grant.

(b) Option Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Administrator and shall be no less than 100% of the Fair Market Value per share on the date of grant.

(c) No Repricing. The exercise price for an Option may not be reduced. This shall include, without limitation, a repricing of the Option as well as an Option exchange program whereby the Participant agrees to cancel an existing Option in exchange for an Option, SAR, other Award or cash.

(d) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions which must be satisfied before the Option may be exercised. In so doing, the Administrator may specify that an Option may not be exercised until the completion of a service period.

(e) Form of Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. Subject to Applicable Laws, such consideration may consist entirely of:

(1) cash;

(2) check;

(3) other Shares which (A) in the case of Shares acquired upon exercise of an option have been owned by the Participant for more than six months on the date of surrender, and (B) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which said Option shall be exercised;

(4) delivery of a properly executed exercise notice together with such other documentation as the Administrator and the broker, if applicable, shall require to effect an exercise of the Option and delivery to the Company of the sale proceeds required to pay the exercise price;

(5) any combination of the foregoing methods of payment; or

(6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws.

(f) Exercise of Option.

Any Option granted hereunder shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement.

An Option may not be exercised for a fraction of a Share.

An Option shall be deemed exercised when the Company receives: (i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the optioned stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such stock certificate promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the stock certificate is issued, except as provided in Section 19 of the Plan.

Exercising an Option in any manner shall decrease the number of Shares thereafter available for sale under the Option, by the number of Shares as to which the Option is exercised.

(g) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's misconduct, death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Option Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for three (3) months following the Participant's termination. If, on the date of termination, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Participant does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(h) Disability. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Option Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for six (6) months following the Participant's termination. If, on the date of termination, the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Participant does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(i) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Option Agreement (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Option Agreement), by the personal representative of the Participant's estate, provided such representative has been designated prior to Participant's death in a form acceptable to the Administrator. If no such representative has been designated by the Participant, then such Option may be exercised by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Option Agreement, the Option shall remain exercisable for twelve (12) months following Participant's death. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

9. Stock Appreciation Rights.

a. Grant of SARs. Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine the number of SARs granted to any Participant.

b. Exercise Price and Other Terms. Subject to Section 4(c) of the Plan, the Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan; provided, however, that no SAR may have a term of more than ten (10) years from the date of grant. The per share exercise price for the Shares or cash to be issued pursuant to exercise of an SAR shall be determined by the Administrator and shall be no less than 100% of the Fair Market Value per share on the date of grant. The exercise price may not be reduced. This shall include, without limitation, a repricing of the SAR as well as an SAR exchange program whereby the Participant agrees to cancel an existing SAR in exchange for an Option, SAR, other Award or cash.

c. Payment of SAR Amount. Upon exercise of an SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(1) the difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(2) the number of Shares with respect to which the SAR is exercised.

With respect to SARs settled in Shares, until the stock certificate evidencing such Shares is issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the SAR, notwithstanding the exercise of the SAR.

d. Payment Upon Exercise of SAR. At the discretion of the Administrator, payment for an SAR may be in cash, Shares or a combination thereof.

e. SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the SAR, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, shall determine.

f. Expiration of SARs. An SAR granted under the Plan shall expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement.

g. Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's death or Disability termination, the Participant may exercise his or her SAR within such period of time as is specified in the SAR Agreement to the extent that the SAR is vested on the date of termination (but in no event later than the expiration of the term of such SAR as set forth in the SAR Agreement). In the absence of a specified time in the SAR Agreement, the SAR shall remain exercisable for three (3) months following the Participant's termination. If, on the date of termination, the Participant is not vested as to his or her entire SAR, the Shares covered by the unvested portion of the SAR shall revert to the Plan. If, after termination, the Participant does not exercise his or her SAR within the time specified by the Administrator, the SAR shall terminate, and the Shares covered by such SAR shall revert to the Plan.

h. Disability. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her SAR within such period of time as is specified in the SAR Agreement to the extent the SAR is vested on the date of termination (but in no event later than the expiration of the term of such SAR as set forth in the SAR Agreement). In the absence of a specified time in the SAR Agreement, the SAR shall remain exercisable for six (6) months following the Participant's termination. If, on the date of termination, the Participant is not vested as to his or her entire SAR, the Shares covered by the unvested portion of the SAR shall revert to the Plan. If, after termination, the Participant does not exercise his or her SAR within the time specified herein, the SAR shall terminate, and the Shares covered by such SAR shall revert to the Plan.

i. Death of Participant. If a Participant dies while a Service Provider, the SAR may be exercised following the Participant's death within such period of time as is specified in the SAR Agreement (but in no event may the SAR be exercised later than the expiration of the term of such SAR as set forth in the SAR Agreement), by the personal representative of the Participant's estate, provided such representative has been designated prior to Participant's death in a form acceptable to the Administrator. If no such representative has been designated by the Participant, then such SAR may be exercised by the person(s) to whom the SAR is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the SAR Agreement, the SAR shall remain exercisable for twelve (12) months following Participant's death. If the SAR is not so exercised within the time specified herein, the SAR shall terminate, and the Shares covered by such SAR shall revert to the Plan.

10. Restricted Stock.

a. Grant of Restricted Stock. Subject to the terms and conditions of the Plan, Restricted Stock may be granted to Participants at any time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine (i) the number of Shares subject to a Restricted Stock award granted to any Participant (provided that during any Fiscal Year, no Participant shall be granted more than 600,000 Shares of Restricted Stock); provided, however, that such limit shall be 1,500,000 Shares in the Participant's first Fiscal Year of Company service, and (ii) the conditions that must be satisfied, which typically will be based principally or solely on continued provision of services but may include a performance-based component, upon which is conditioned the grant or vesting of Restricted Stock.

b. Restricted Stock Units. Restricted Stock may be granted in the form of Restricted Stock or units to acquire Shares. Each such unit shall be the equivalent of one Share for purposes of determining the number of Shares subject to an Award. With respect to the units to acquire Shares, until the Shares are issued, no right to vote or receive dividends or any other rights as a stockholder shall exist.

c. Other Terms. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of Restricted Stock granted under the Plan. Restricted Stock grants shall be subject to the terms, conditions, and restrictions determined by the Administrator at the time the stock is awarded. The Administrator may require the recipient to sign a Restricted Stock Award agreement as a condition of the award. Any certificates representing the Shares of stock awarded shall bear such legends as shall be determined by the Administrator.

d. Restricted Stock Award Agreement. Each Restricted Stock grant shall be evidenced by an agreement that shall specify the purchase price (if any) and such other terms and conditions as the Administrator, in its sole discretion, shall determine; provided, however, that if the Restricted Stock grant has a purchase price, such purchase price must be paid no more than ten (10) years following the date of grant.

e. Dividends and Other Distributions. Until the restrictions set forth in the Restricted Stock Award agreement, including Award agreements for units to acquire Shares described in Section 10(b), have lapsed, Service Providers holding Shares of Restricted Stock will not be entitled to receive dividends and other distributions paid with respect to such Shares or units. However, to the extent the restrictions in the Restricted Stock Award have lapsed, Service Providers holding Shares of Restricted Stock will be entitled to receive dividends, even if there are other restrictions on the Shares of Restricted Stock (e.g., a lock up period due to a public offering or a restriction due to possession of material nonpublic information).

11. Performance Shares.

a. Grant of Performance Shares. Subject to the terms and conditions of the Plan, Performance Shares may be granted to Participants at any time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine (i) the number of Shares subject to a Performance Share award granted to any Participant (provided that during any Fiscal Year, no Participant shall be granted more than 600,000 units of Performance Shares); provided, however, that such limit shall be 1,500,000 Shares in the Participant's first Fiscal Year of Company service, and (ii) the conditions that must be satisfied, which typically will be based principally or solely on achievement of performance milestones but may include a service-based component, upon which is conditioned the grant or vesting of Performance Shares. Performance Shares shall be granted in the form of units to acquire Shares. Each such unit shall be the equivalent of one Share for purposes of determining the number of Shares subject to an Award. Until the Shares are issued, no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the units to acquire Shares.

b. Other Terms. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of Performance Shares granted under the Plan. Performance Share grants shall be subject to the terms, conditions, and restrictions determined by the Administrator at the time the stock is awarded, which may include such performance-based milestones as are determined appropriate by the Administrator. The Administrator may require the recipient to sign a Performance Shares agreement as a condition of the award. Any certificates representing the Shares of stock awarded shall bear such legends as shall be determined by the Administrator.

c. Performance Share Award Agreement. Each Performance Share grant shall be evidenced by an agreement that shall specify such other terms and conditions as the Administrator, in its sole discretion, shall determine.

12. Performance Units.

a. Grant of Performance Units. Performance Units are similar to Performance Shares, except that they shall be settled in a cash equivalent to the Fair Market Value of the underlying Shares, determined as of the vesting date. Subject to the terms and conditions of the Plan, Performance Units may be granted to Participants at any time and from time to time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to

determine the conditions that must be satisfied, which typically will be based principally or solely on achievement of performance milestones but may include a service-based component, upon which is conditioned the grant or vesting of Performance Units. Performance Units shall be granted in the form of units to acquire Shares. Each such unit shall be the cash equivalent of one Share of Common Stock. No right to vote or receive dividends or any other rights as a stockholder shall exist with respect to Performance Units or the cash payable thereunder.

b. Number of Performance Units. The Administrator will have complete discretion in determining the number of Performance Units granted to any Participant, provided that during any Fiscal Year, no Participant shall receive Performance Units having an initial value greater than $1,500,000, provided, however, that such limit shall be $4,000,000 in the Participant's first Fiscal Year of Company service.

c. Other Terms. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of Performance Units granted under the Plan. Performance Unit grants shall be subject to the terms, conditions, and restrictions determined by the Administrator at the time the stock is awarded, which may include such performance-based milestones as are determined appropriate by the Administrator. The Administrator may require the recipient to sign a Performance Unit agreement as a condition of the award. Any certificates representing the Shares awarded shall bear such legends as shall be determined by the Administrator.

d. Performance Unit Award Agreement. Each Performance Unit grant shall be evidenced by an agreement that shall specify such terms and conditions as the Administrator, in its sole discretion, shall determine.

13. Deferred Stock Units.

a. Description. Deferred Stock Units shall consist of a Restricted Stock, Performance Share or Performance Unit Award that the Administrator, in its sole discretion permits to be paid out in installments or on a deferred basis, in accordance with rules and procedures established by the Administrator. Deferred Stock Units shall remain subject to the claims of the Company's general creditors until distributed to the Participant.

b. Annual Limits. Deferred Stock Units shall be subject to the annual limits applicable to the underlying Restricted Stock, Performance Share or Performance Unit Award.

14. Death of Participant. In the event that a Participant dies while a Service Provider, then 100% of his or her Awards shall immediately vest; provided, however, that with respect to any Performance-based Award for which the performance metric has not been achieved as of the date of the Participant's death, unless otherwise set forth in the applicable Award Agreement, the number of Shares underlying such Performance-based Award that will vest under this paragraph will be based on the (i) the greater of actual achievement of the applicable performance metric as of the date of the Participant's death as determined by the Administrator and (ii) target level of achievement of the applicable performance metric for such Award.

15. Leaves of Absence. Unless the Administrator provides otherwise or as otherwise required by Applicable Laws, vesting of Awards granted hereunder shall cease commencing on the first day of any unpaid leave of absence and shall only recommence upon return to active service.

16. Misconduct. Should (i) the Participant's service be terminated for misconduct (including, but not limited to, any act of dishonesty, willful misconduct, fraud or embezzlement), or (ii) the Participant makes any unauthorized use or disclosure of confidential information or trade secrets of the Company or any Parent or Subsidiary, then in any such event all outstanding Awards held by the Participant under the Plan shall terminate immediately and cease to be outstanding, including as to both vested and unvested Awards.

17. Non-Employee Director Awards.

(a) Initial Grants. Each Non-Employee Director who first becomes a Non-Employee Director on or after August 1, 2021 (excluding any Non-Employee Director who previously served on the Board and excluding any Non-Employee Director appointed on the date of the Company's annual stockholders' meeting) shall be automatically granted as of the date that the individual first is appointed or elected as a Non-Employee Director that number of Restricted Stock Units equal to (i)(A) $200,000 *divided* by (B) the Fair Market Value, *multiplied by* (ii) a fraction (A) the numerator of which is (x) 12 *minus* (y) the

number of months between the date of the Company's last annual stockholders' meeting and the date the Non-Employee Director becomes a member of the Board and (B) the denominator of which is 12, rounded down to the nearest whole Share (the "Initial RSU Grant"). One hundred percent (100%) of the Initial RSU Grant will vest upon the earlier of the date that is one-year following the date of grant or one day prior to the date of the Company's next annual stockholders' meeting following the date of grant. Vesting of the Initial RSU Grant is contingent upon the Non-Employee Director maintaining continued status as a Non-Employee Director through the vesting date.

(b) Annual Grants. On the date of the Company's annual stockholders' meeting, each Non-Employee Director (including any Non-Employee Director appointed on the date of the Company's annual stockholders' meeting) shall be automatically granted that number of Restricted Stock Units equal to $200,000 divided by the Fair Market Value, rounded down to the nearest whole Share (the "Annual RSU Grant"), provided that such Non-Employee Director has been elected by the stockholders to serve as a member of the Board at that annual stockholders' meeting. One hundred percent (100%) of the Annual RSU Grant will vest upon the earlier of the date that is one year following the date of grant or one day prior to the date of the Company's next annual stockholders' meeting following the date of grant. Vesting of the Annual RSU Grant is contingent upon the Non-Employee Director maintaining continued status as a Non-Employee Director through the applicable vesting date.

18. Non-Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the recipient, only by the recipient. In no event may an Award be transferred in exchange for consideration. If the Administrator makes an Award transferable, such Award shall contain such additional terms and conditions as the Administrator deems appropriate.

19. Adjustments Upon Changes in Capitalization, Dissolution or Liquidation or Change of Control.

(a) Changes in Capitalization. Subject to any required action by the stockholders of the Company, the number of shares of Common Stock covered by each outstanding Award, the number of shares of Common Stock which have been authorized for issuance under the Plan but as to which no Awards have yet been granted or which have been returned to the Plan upon cancellation or expiration of an Award, as well as the price per share of Common Stock covered by each such outstanding Award and the Fiscal Year annual share issuance limits under Sections 6(c), 10(a) and 11(a) shall be proportionately adjusted for any increase or decrease in the number of issued shares of Common Stock resulting from a stock split, reverse stock split, stock dividend, combination or reclassification of the Common Stock, or any other increase or decrease in the number of issued shares of Common Stock effected without receipt of consideration by the Company; provided, however, that any such change in capitalization shall not affect the number of shares awarded under the automatic grants to Non-Employee Directors described in Sections 17(a) and (b), and provided that conversion of any convertible securities of the Company shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Committee, whose determination in that respect shall be final, binding and conclusive. Except as expressly provided herein, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or price of shares of Common Stock subject to an Award.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Administrator in its discretion may provide for a Participant to have the right to exercise his or her Option or SAR until ten (10) days prior to such transaction as to all of the Awarded Stock covered thereby, including Shares as to which the Award would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option or forfeiture rights applicable to any Award shall lapse 100%, and that any Award vesting shall accelerate 100%, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised (with respect to Options and SARs) or vested (with respect to other Awards), an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change of Control.

(1) Stock Options and SARs. In the event of a Change of Control, each outstanding Option and SAR shall be assumed or an equivalent option or SAR substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Option or SAR, the Participant shall fully vest in and have the right to exercise the Option or SAR as to all of the Awarded Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or SAR becomes fully vested and exercisable in lieu of assumption or substitution in the event of a Change of Control, the Administrator shall notify the Participant in writing or electronically that the Option or SAR shall be fully vested and exercisable for a period of thirty (30) days from the date of such notice, and the Option or SAR shall terminate upon the expiration of such period. For the purposes of this paragraph, the Option or SAR shall be considered assumed if, following the Change of Control, the option or stock appreciation right confers the right to purchase or receive, for each Share of Awarded Stock subject to the Option or SAR immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change of Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or SAR, for each Share of Awarded Stock subject to the Option or SAR, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change of Control.

(2) Restricted Stock, Performance Shares, Performance Units and Deferred Stock Units. In the event of a Change of Control, each outstanding Restricted Stock, Performance Share, Performance Unit and Deferred Stock Unit award shall be assumed or an equivalent Restricted Stock, Performance Share, Performance Unit and Deferred Stock Unit award substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the Restricted Stock, Performance Share, Performance Unit or Deferred Stock Unit award, the Participant shall fully vest in the Restricted Stock, Performance Share, Performance Unit or Deferred Stock Unit including as to Shares (or with respect to Performance Units, the cash equivalent thereof) which would not otherwise be vested. For the purposes of this paragraph, a Restricted Stock, Performance Share, Performance Unit and Deferred Stock Unit award shall be considered assumed if, following the Change of Control, the award confers the right to purchase or receive, for each Share (or with respect to Performance Units, the cash equivalent thereof) subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change of Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received, for each Share and each unit/right to acquire a Share subject to the Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change of Control.

20. Date of Grant. The date of grant of an Award shall be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination shall be provided to each Participant within a reasonable time after the date of such grant.

21. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company shall obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Section 422 of the Code (or any successor rule or statute or other applicable law, rule or regulation, including the requirements of any exchange or quotation system on which the Common Stock is listed

or quoted). Such stockholder approval, if required, shall be obtained in such a manner and to such a degree as is required by the applicable law, rule or regulation.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company.

22. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Award unless the exercise of the Award or the issuance and delivery of such Shares (or with respect to Performance Units, the cash equivalent thereof) shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise or receipt of an Award, the Company may require the person exercising or receiving such Award to represent and warrant at the time of any such exercise or receipt that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

23. Liability of Company.

(a) Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

(b) Grants Exceeding Allotted Shares. If the Awarded Stock covered by an Award exceeds, as of the date of grant, the number of Shares which may be issued under the Plan without additional stockholder approval, such Award shall be void with respect to such excess Awarded Stock, unless stockholder approval of an amendment sufficiently increasing the number of Shares subject to the Plan is timely obtained in accordance with Section 21(b) of the Plan.

24. Reservation of Shares. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

25. Forfeiture Events. Notwithstanding any provisions to the contrary under this Plan, each Award granted under the Plan will be subject to reduction, cancellation, forfeiture, recoupment, reimbursement, or reacquisition under the Company's clawback policy in effect as of the date such Award is granted or any other clawback policy of the Company as may be established and/or amended from time to time to comply with Applicable Laws (including, without limitation, pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Laws) (in each case, a "Clawback Policy"). The Administrator may require a Participant to forfeit, return to the Company, or reimburse the Company for all or a portion of the Award and any amounts paid thereunder pursuant to the terms of any applicable Clawback Policy or as necessary or appropriate to comply with Applicable Laws. Unless this Section 25 is specifically mentioned and waived in an Award Agreement or other document, no recovery of compensation under a Clawback Policy or otherwise will constitute an event that triggers or contributes to any right of a Participant to resign for "good reason" or "constructive termination" (or similar term) under any agreement with the Company or any Parent or Subsidiary of the Company.

Exhibit 31.1

CERTIFICATION

I, Steve Sanghi, certify that:

1. I have reviewed this Form 10-Q of Microchip Technology Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 5, 2026

/s/ Steve Sanghi
Steve Sanghi
Chief Executive Officer and President
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, J. Eric Bjornholt, certify that:

1. I have reviewed this Form 10-Q of Microchip Technology Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 5, 2026

/s/ J. Eric Bjornholt
J. Eric Bjornholt
Senior Corporate Vice President and Chief Financial Officer

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Steve Sanghi, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Microchip Technology Incorporated on Form 10-Q for the period ended September 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Microchip Technology Incorporated.

By:	/s/ Steve Sanghi
Name:	Steve Sanghi
Title:	Chief Executive Officer and President (Principal Executive Officer)
Date:	November 5, 2026

I, J. Eric Bjornholt, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Microchip Technology Incorporated on Form 10-Q for the period ended September 30, 2026 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Microchip Technology Incorporated.

By:	/s/ J. Eric Bjornholt
Name:	J. Eric Bjornholt
Title:	Senior Corporate Vice President and Chief Financial Officer
Date:	November 5, 2026