

---

# MegaChips Corporation

**Financial results for the fiscal  
first-quarter ending March 2018  
(1Q FY2017)**

*<http://www.megachips.co.jp/english/index.html>*

# Contents

---

<b>1. 1Q FY2017 Results</b>	.....	<b>3</b>
<b>2. FY2017 Forecasts</b>	.....	<b>7</b>

# 1Q FY2017 Results

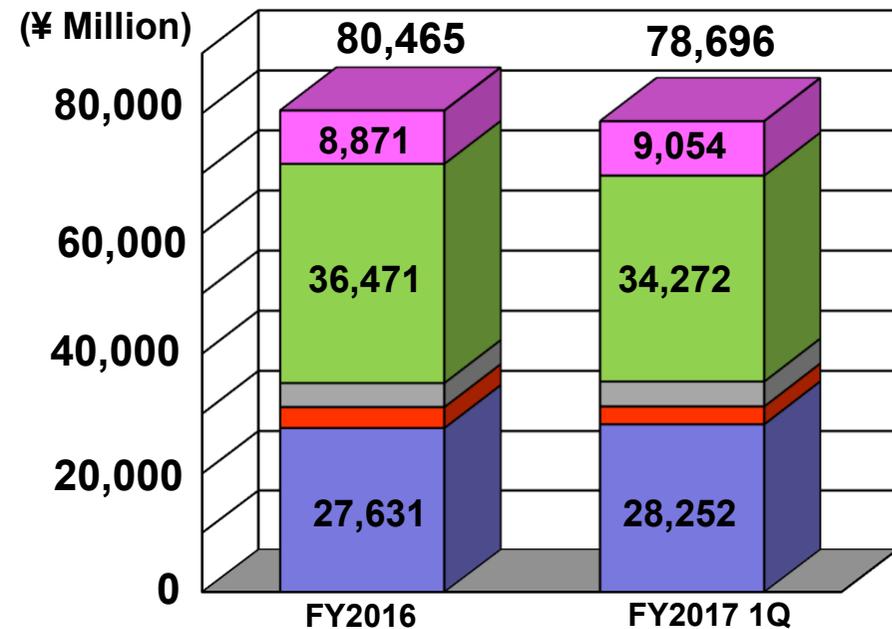
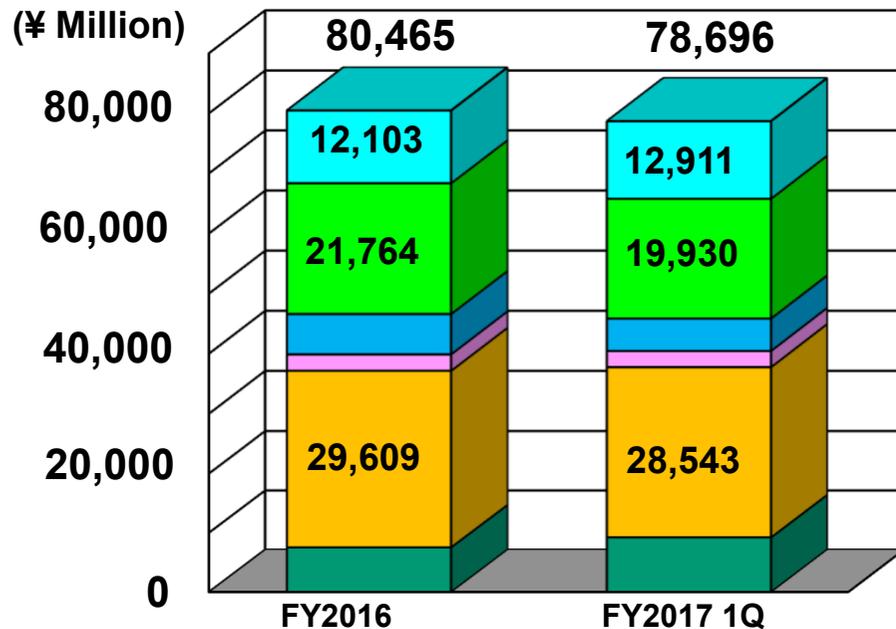
---

# FY2017 1Q Consolidated Statement of Income (Summary)

(¥ Millions)		FY2017 1Q results	FY2016 1Q results
<b>Consolidated</b>	Net sales	19,220	10,256
	Operating income prior to ①	934	1
	①Amortization of goodwill etc.	706	719
	Operating income After ①	227	- 718
	Ordinary income	205	- 712
	Profit belonging to shareholders of parent company	36	- 706
	Net income per share (¥)	1.68	- 32.96

As for the consolidated business results for the first quarter of FY2017, both sales and operation income were higher than the same quarter a year ago due to the increased demand for the game software storage LSI (custom memory), MEMS timing device and Smart Connectivity (DisplayPort).

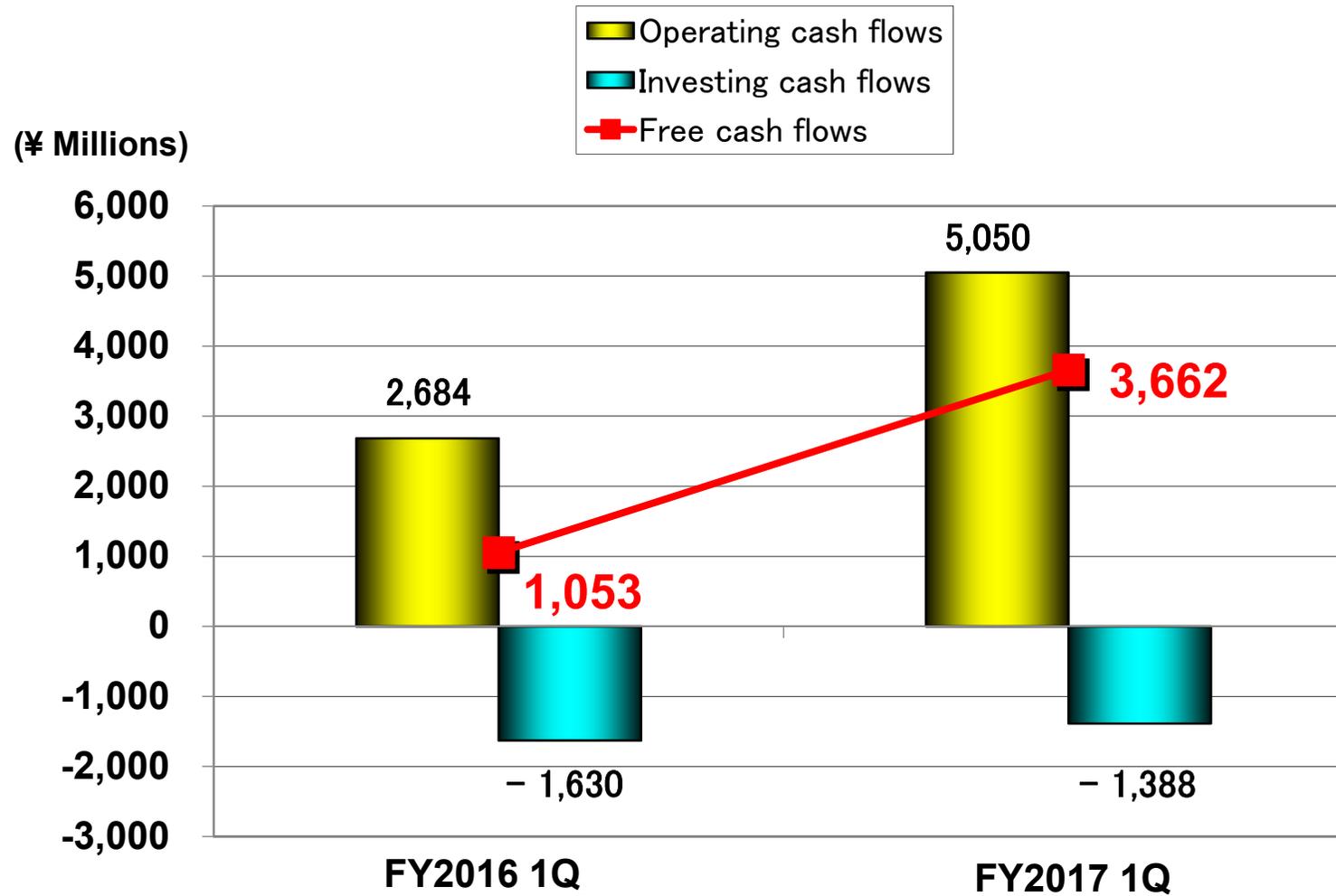
# FY2017 1Q Consolidated Financial Status



	FY2016	FY2017 1Q
 Cash and cash equivalents	12,103	12,911
 Accounts receivable	21,764	19,930
 Inventories	6,714	5,397
 Other current assets	2,736	2,693
 Tangible/intangible fixed assets	29,609	28,543
 Investments and other assets	7,539	9,222

	FY2016	FY2017 1Q
 Accounts payable	8,871	9,054
 Interest-bearing debt	36,471	34,272
 Other current liabilities	4,005	4,144
 Other fixed liabilities	3,487	2,974
 Net assets	27,631	28,252

# FY2017 1Q Consolidated Cash Flows



# FY2017 Forecasts

---

# Revised FY2017 Forecast (vs. Initial Forecast)

## FY2017 full-year Forecast

※FY2017 Assumed exchange rate: USD ¥110, TWD ¥3.5

(¥ Million)		FY2017 forecast (revised)	FY2017 forecast (initial)	vs. initial forecast	FY2016 results
Consolidated	Sales	73,000	70,000	+ 4.3%	67,438
	Operating income before ①	4,100	4,100	—	4,922
	①Amortization of goodwill etc.	2,800	2,800	—	2,996
	Operating income after ①	1,300	1,300	—	1,926
	Ordinary income	1,000	1,000	—	994
	Profit belonging to shareholders of parent company	600	200	+ 200.0%	- 947
	Net income per share (¥)	27.77	9.28	+ 199.2%	- 44.14

### <Sales>

- Demand for the game software storage LSI (custom memory) is expected to be higher than our previous forecast.
- Demand for the LCD panel LSI is expected to be lower than our previous forecast.

### <Operating income and ordinary income>

- The forecast remains the same as previous one due to the changes in the product mix, etc..

### <Profit belonging to owners of parent company>

- The gain on sale of investment securities that the outside subsidiary holds is anticipated to be posted as the extraordinary profit.

# IR Policy

## >> Purposes of investor relations and basic policy

MegaChips bases investor relations activities on the principles of fairness, timeliness, accuracy and continuity. We provide information about strategies, finances and other items in order to increase the transparency of our operations. To earn the trust of shareholders, investors and securities analysts and receive a proper evaluation, senior management frequently participates in investor relations activities.

## >> Disclosure rules

MegaChips discloses information in accordance with the Financial Instruments and Exchange Law, Company Law and other laws and regulations (“laws and regulations” hereafter) and the Rules for Timely Disclosure of Corporate Information by Issuers of Listed Securities of the Tokyo Stock Exchange, where MegaChips shares are listed. Furthermore, even when not required by laws and regulations or disclosure standards in timely disclosure rules, we aggressively provide information that we believe has an effect on investment decisions by shareholders, investors and securities analysts and other information that we believe is useful to gain a better understanding of MegaChips.

## >> Disclosure method

MegaChips distributes information using the Timely Disclosure network (TDnet) operated by the Tokyo Stock Exchange in accordance with timely disclosure rules. This includes information covered by the disclosure standards of the timely disclosure rules as well as information that we believe has an effect on investment decisions by shareholders, investors and securities analysts. In addition, we quickly post this information on the company Website.

We also provide other information that we believe is useful to gain a better understanding of MegaChips by issuing IR publications or news releases and posting this information on the company Website.

# IR Policy

## >> Forward-looking statements

The information MegaChips discloses may contain forward-looking statements. These statements are based on the judgments of management based on information available when the information was disclosed and thus embody uncertainties and risks (“risks” hereafter). Readers are cautioned to remember that actual results and other developments may differ from these forecasts for a number of reasons. Please refer to the “Cautionary Statement on Risks” section for more information.

## >> Investment decisions

MegaChips discloses information for the purpose of giving people a better understanding of the company and not for the purpose of soliciting investments in securities issued by the company. Investors are asked to reach investment decisions on their own.

## >> Provision of third-party information about MegaChips

Parties other than MegaChips, including securities analysts, the media and a variety of Internet information sites, announce information and forecasts about MegaChips. MegaChips is not in a position to comment on this information or express its support. However, if there is an obvious mistake in this third-party information that could cause a loss of trust in the company or prevent the company from receiving an appropriate evaluation, a correction will be announced and the proper information released.

## >> IR “Quiet Period”

To prevent leaks of information about earnings releases that could affect its stock price and to ensure fairness, MegaChips observes a quiet period during the five business days prior to the earnings announcement for each quarter. During this period, the Company will not make any comments involving financial performance. However, information covered by laws and regulations and timely disclosure rules will be disclosed even during this quiet period and management will respond to inquiries about this information.

**Inquiries to:**

**PUBLIC RELATIONS SEC.  
FINANCE HEADQUARTERS,  
MegaChips Corporation  
ir-team@megachips.co.jp**

**1-1-1, Miyahara, Yodogawa-ku, Osaka 532-0003  
TEL: 06-6399-2884 FAX: 06-6399-2886**