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# MegaChips Corporation Briefing FY2021 2Q (Ending March 2022)

*<https://www.megachips.co.jp/>*

# Contents

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<b>1. FY2021 2Q Results</b>	<b>• • • • • • • •</b>	<b>3</b>
<b>2. FY2021 Forecast</b>	<b>• • • • • • • •</b>	<b>9</b>
<b>3. Business Status</b>	<b>• • • • • • • •</b>	<b>11</b>

# **FY2021 (ending March 2022) 2Q Results**

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# FY2021 2Q Consolidated Statement of Income (P/L) Summary

The net sales, operating income, and ordinary income were strong due to high demand of LSI for game storage software (custom memory) has mainly remained strong.

SiTime Corporation, which was a consolidated subsidiary until the first quarter of the previous fiscal year, became an equity method affiliate from the second quarter of the previous fiscal year due to the partial sale of its shares by MegaChips and the capital increase through the secondary offering in June 2020.

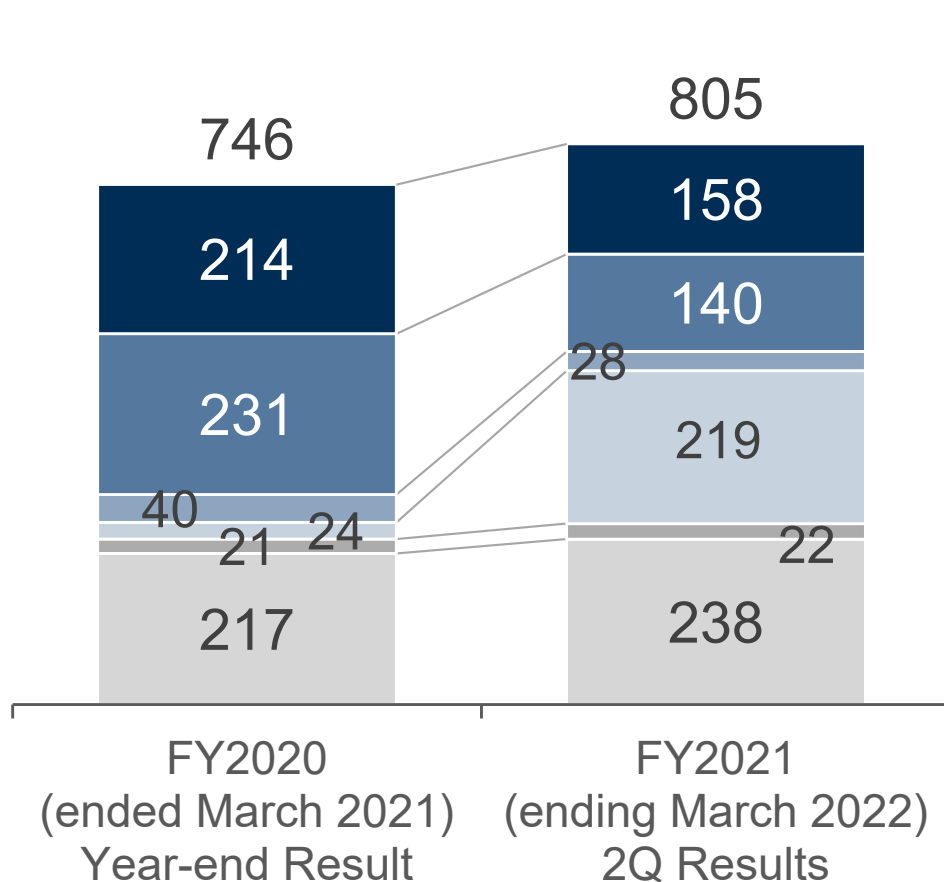
Sales amount of SiTime that was included in the first quarter of the pervious year have been removed and in the same quarter last year, a gain on sale of shares of subsidiaries and affiliates was recorded pertaining to the partial sale of SiTime Corporation's shares and a capital increase through the secondary offering.

(Unit : ¥ Million)		FY2021 2Q (ending Mar 2022) Results	FY2020 2Q (ended Mar 2021) Results	YOY
Consolidated	Net sales	38,903	45,912	- 15.3%
	Operating income before amortization of goodwill	4,112	2,982	+ 37.9%
	Amortization of goodwill	—	583	—
	Operating income after amortization of goodwill	4,112	2,398	+ 71.4%
	Ordinary income	3,665	1,400	+ 161.7%
	Net profit attributable to owners of the parents	2,286	2,199	+ 3.9%
	Net income per share (¥)	108.18	101.06	+ 7.0%

※Exchange rate of FY2020 2Q: USD ¥105.80

※Exchange rate of FY2021 2Q: USD ¥111.92

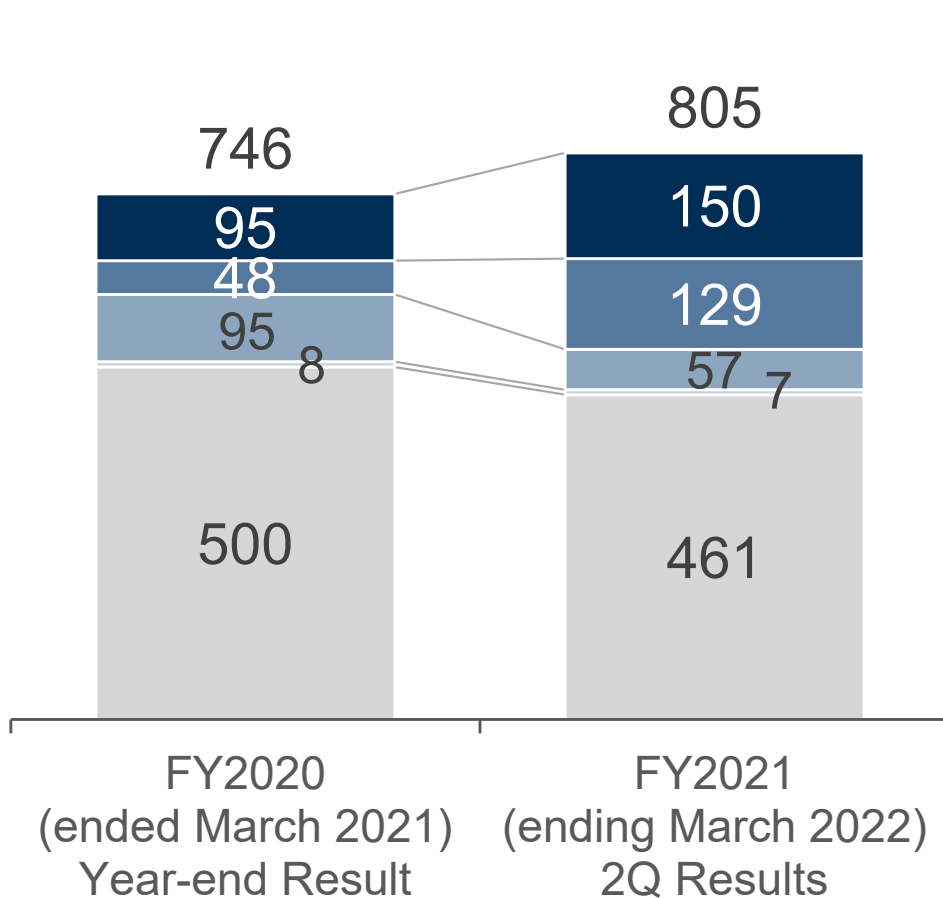
# FY2021 (ending March 2022) 2Q Financial Status (Assets)



(Unit : ¥100M)

	Increase/Decrease (FY20 year-end→ FY21 2Q)	year-on-year (Increase/Decrease÷ FY20 year-end)
Cash/cash equivalents	▲56.0	▲26%
Notes/accounts receivables	▲91.1	▲39%
Inventories	▲12.3	▲31%
Other current assets	195.4	+817%
Tangible/intangible fixed assets	1.8	+9%
Investment and other assets	20.5	+9%

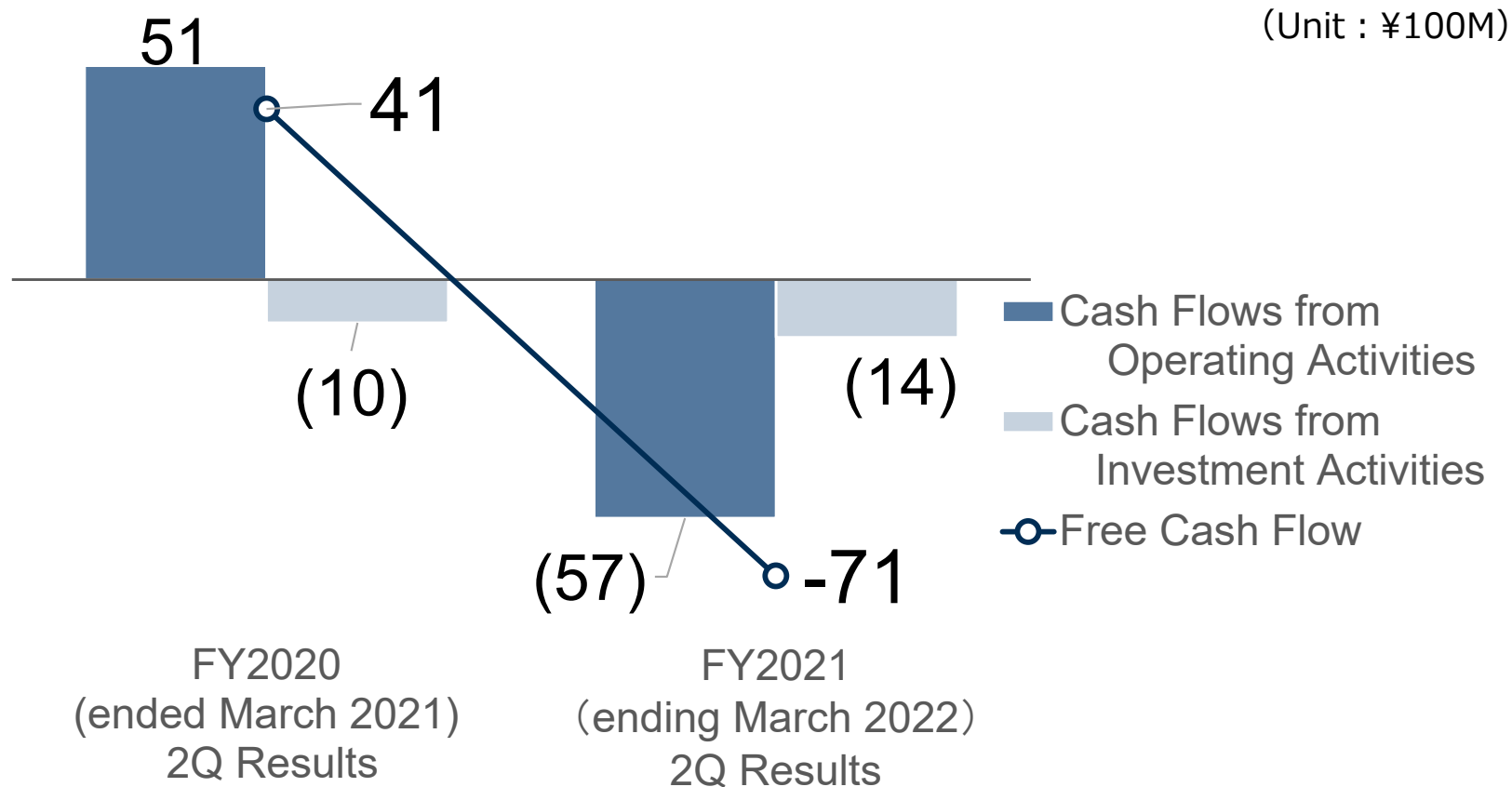
# FY2021 (ending March 2022) 2Q Financial Status (Liabilities/Net assets)



(Unit : ¥100M)

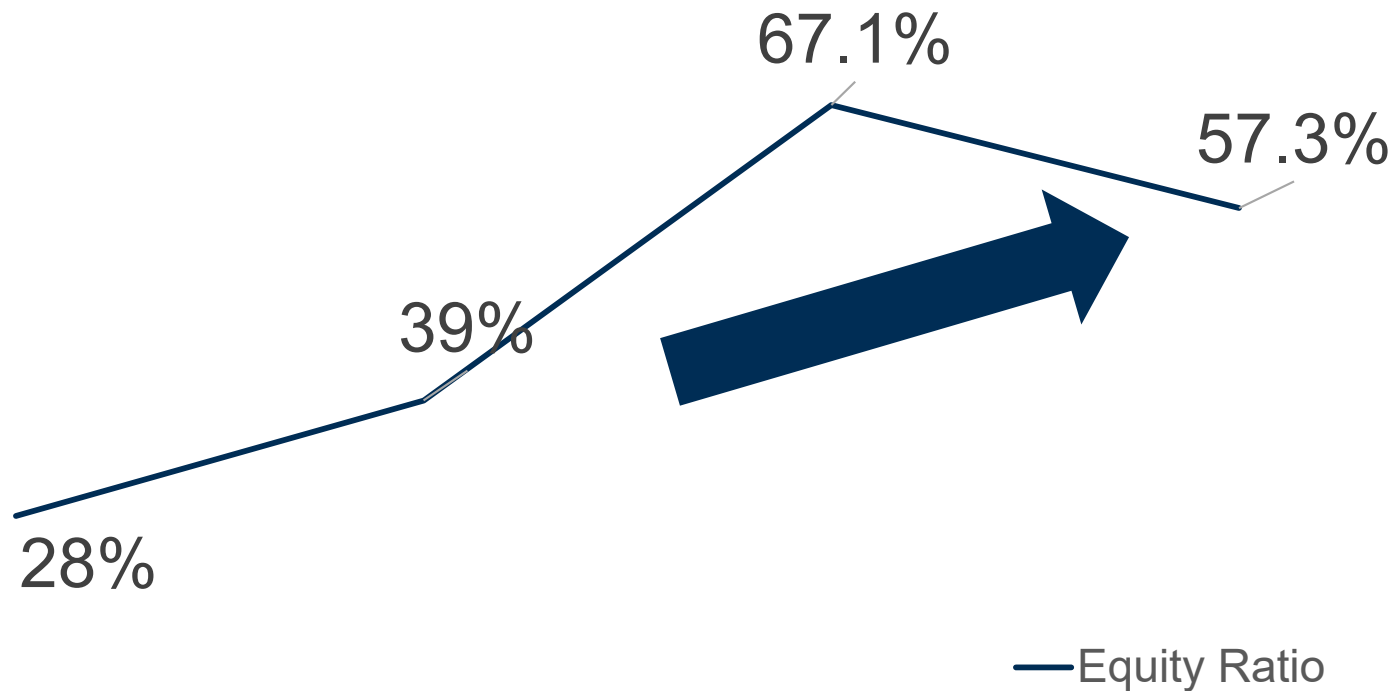
	Increase/Decrease (FY20 year-end→ FY21 2Q)	year-on-year (Increase/Decrease÷ FY20 year-end)
Notes/account payables	55.3	+58%
Interest-bearing debt	81.1	+169%
Other current liabilities	▲38.2	▲40%
Other fixed liabilities	▲0.6	▲8%
Net assets	▲39.3	▲8%

# FY2021 (ending March 2022) 2Q Cash Flow



# FY2021 (ending March 2022) 2Q Equity Ratio

We strive to enhance financial foundation and equity ratio.



FY2018  
(ended March 2019)  
Results

FY2019  
(ended March 2020)  
Results

FY2020  
(ended March 2021)  
Results

FY2021  
(ending March 2022)  
2Q Results



# **FY2021 (ending March 2022) Forecast**

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# FY2021 (ending March 2022) Forecast

**We aim to invest in mid-term growth areas and secure stable profits.**

(Unit: ¥Million)		FY2021 (ending March 2022) Latest Full-year Forecast	FY2021 (ending March 2022) Previous Full-year Forecast	FY2020 (ending March 2021) Full-year Results
Consolidated	Net sales	76,000	65,500	83,814
	Operating income	6,000	4,300	5,025
	Ordinary income	6,000	3,700	3,912
	Net profit attributable to owners of the parents	4,000	2,400	20,920
	Net income per share (¥)	197.60	110.28	961.28

※ From Q2 of FY ended Mar 2021, SiTime reclassified to MegaChips' equity method affiliate.

※ FY2021 ended Mar 2021 : USD ¥110.71

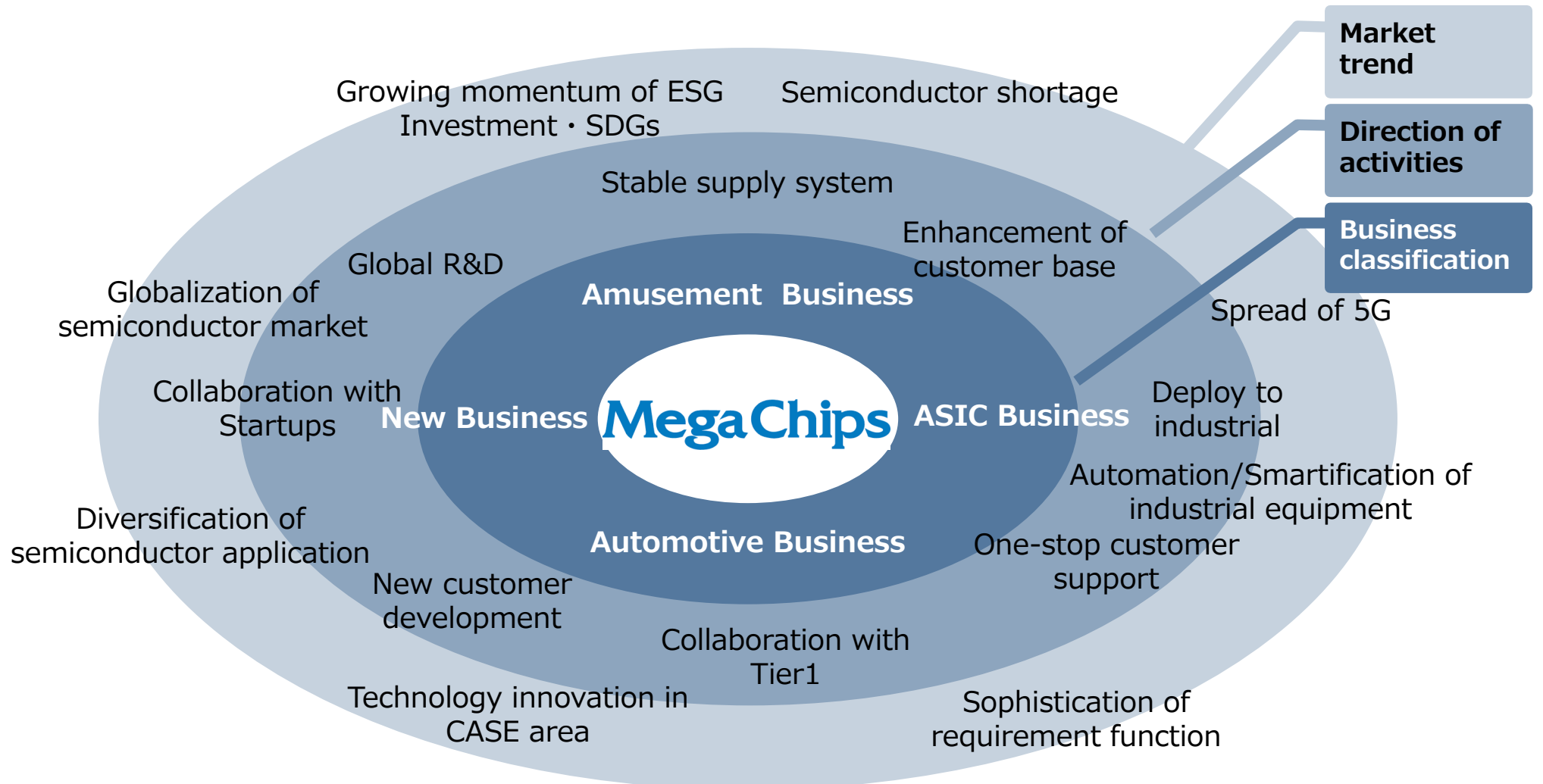
※ Projected exchange rate of FY2021 ending Mar 2022 : USD ¥105

# Business Status

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# Business environment surrounding MegaChips

**With 4-pillar business of Amusement · ASIC · Automotive · New Business, we aim to expand our business capturing dynamic trend**



# Technology development in ASIC·Automotive business



**We currently develop technology and application of ASIC and automotive business with a view to market trend change**

## In-vehicle wired network

- Technology innovation in CASE field
  - High speed communication
  - Noise resistance
  - Low cost
- Co-development with Tier-1

High speed wired Communication for automotive

## 5G/post-5G telecom infrastructure

- Ultra high-speed communication
  - High speed analog communication
  - Low power consumption
  - Low cost
- Co-development with domestic and international communication IP·vendors

## FA Robot

- Device automation and Smartification
  - High speed communication
  - High reliability
  - Robust security

Semiconductor for industrial equipment

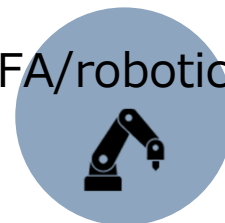
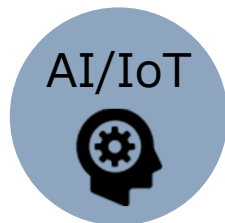
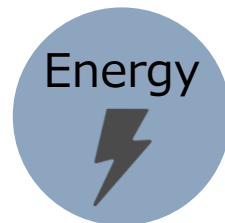
Semiconductor for telecom infrastructure

# Global and industry-academia collaboration in new business development



**We meet diversified semiconductor needs through strategic collaboration and business investments in startups with cutting-edge technology and ideas centering on US region.**

Meet diversified semiconductor needs as a global supplier



## Collaborations

Strategic partnership with SiliconBrite

- Collaborative development complementing mutual strengths in analog semiconductor

Industry-academia collaboration with Santa Clara University

- Create new business through R&D and personnel development centering on robotics field

## >> 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.

## >> 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.



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