
MegaChips Corporation Briefing FY2022 1Q (Ending March 2023)

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Contents

1. FY2022 1Q Results	• • • • • • •	3
2. FY2022 Forecast	• • • • • • •	9

FY2022 (ending March 2023) 1Q Results

FY2022 1Q Consolidated Statement of Income (P/L) Summary

The sales and operating income declined compared with the same period last year even with strong demand for the game software storage LSI (custom memory), while the sales of new contract development other than game device sector increased.

The ordinary income and the net profit belonging to shareholders of parent company increased compared with the same period last year due to equity in earnings of SiTime Corporation occurred for ¥56 million (¥276 million of equity in losses of an affiliated company in the same period last year) and the foreign exchange profit occurred for ¥348 million.

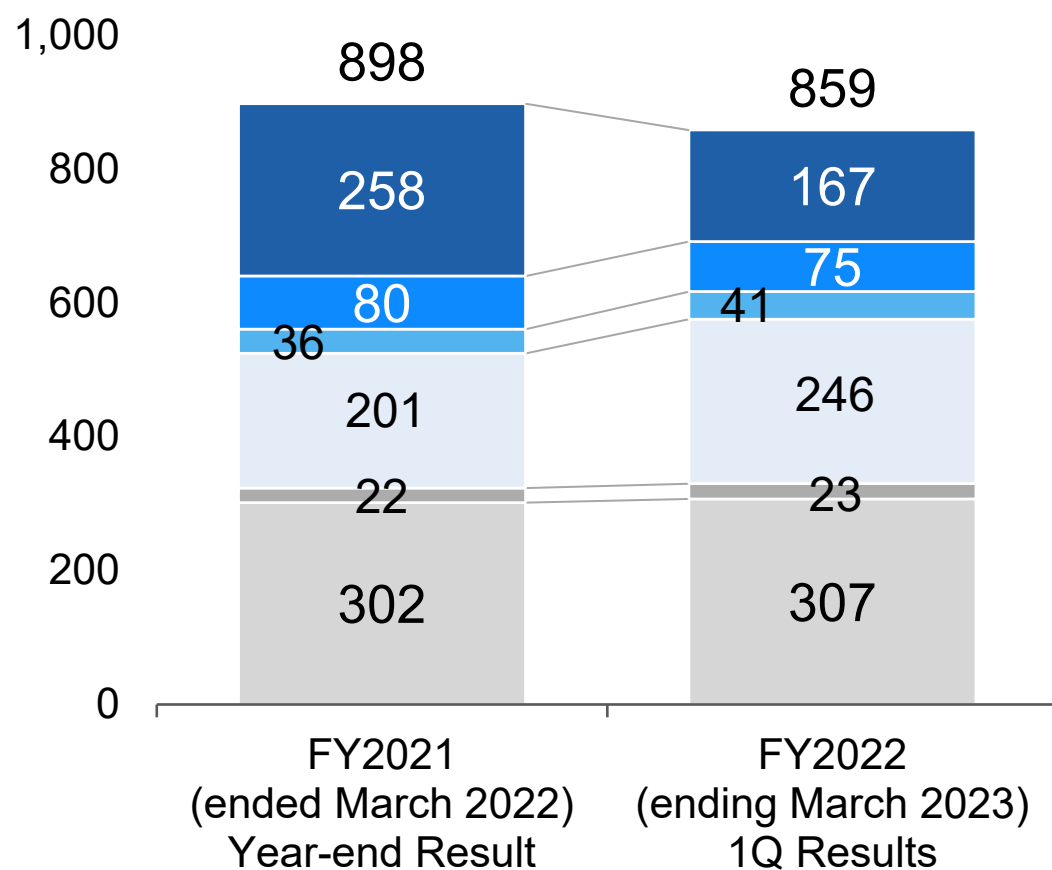
(Unit : ¥ Million)		FY2022 1Q (ending Mar 2023) Results	FY2021 1Q (ended Mar 2022) Results	YOY
Consoli dated	Net sales	14,925	17,335	▲13.9%
	Operating income	1,115	1,635	▲31.8%
	Ordinary income	1,530	1,270	+20.5%
	Net profit attributable to owners of the parents	1,180	745	+58.4%
	Net income per share (¥)	61.58	34.45	+78.8%

※ Exchange rate of FY2021 1Q : USD ¥ 110.58

※ Exchange rate of FY2022 1Q : USD ¥ 136.68

FY2022 1Q Financial Status (Assets)

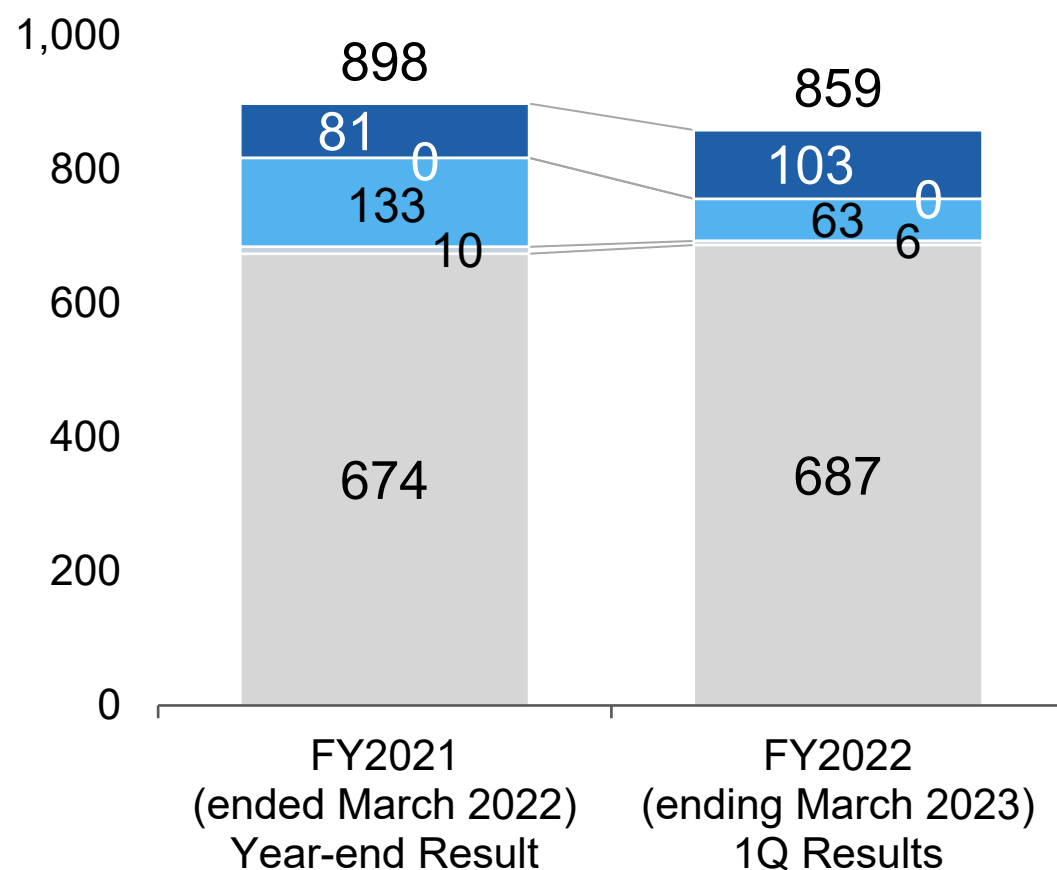
(Unit: ¥ Million)



(Unit: ¥ Million)	Increase/Decrease (FY21→FY22)	year-on-year rate (Increase/Decrease ÷ FY21)
Cash/cash equivalents	▲90.9	▲35%
Notes/accounts receivables	▲4.7	▲6%
Inventories	+5.1	+14%
Other current assets	+44.6	+22%
Tangible/intangible fixed assets	+1.0	+5%
Investment and other assets	+5.5	+2%

FY2022 1Q Financial Status (Liabilities/ Net assets)

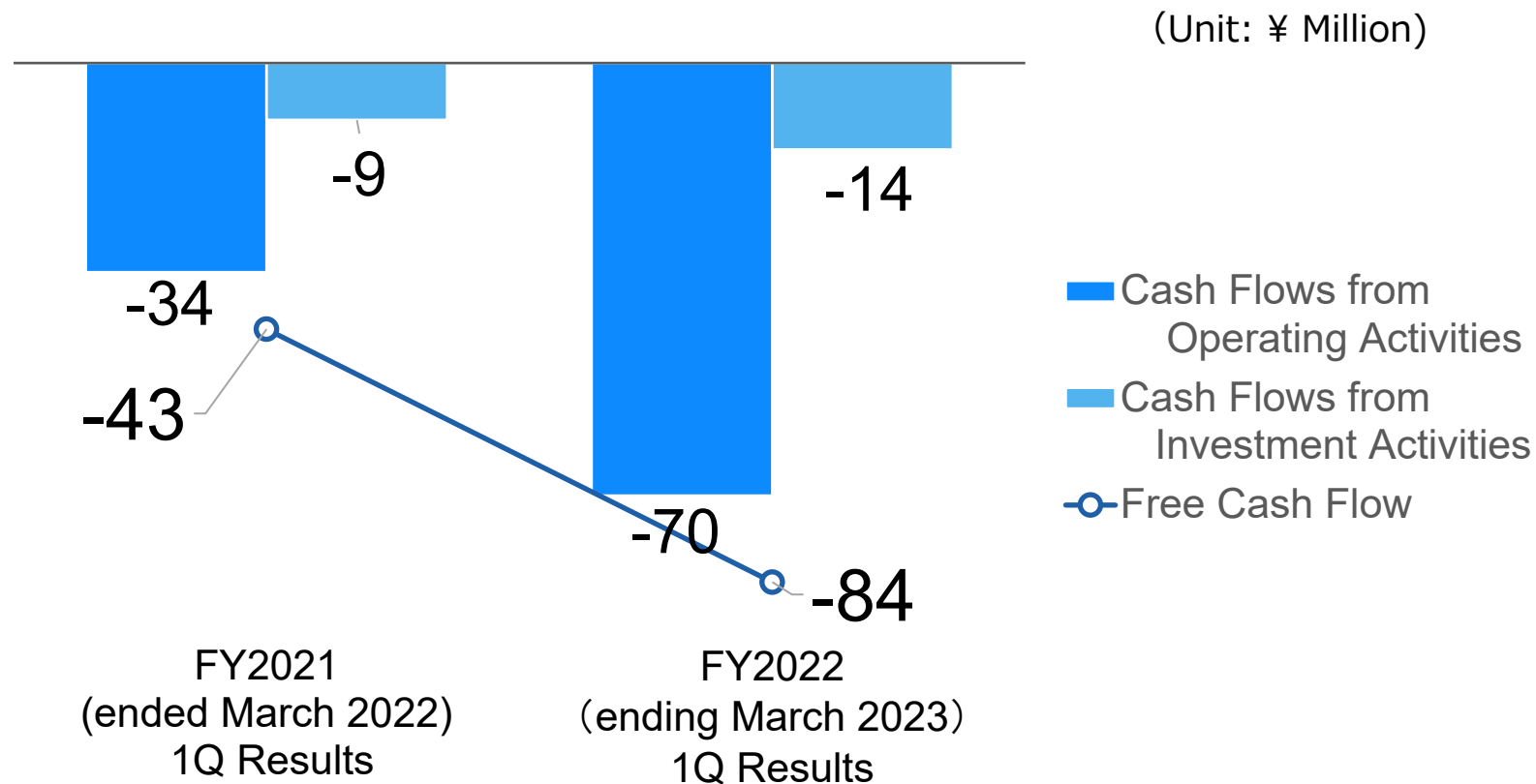
(Unit: ¥ Million)



(Unit: ¥ Million)

	Increase/Decrease (FY21→FY22)	year-on-year rate (Increase/Decrease ÷ FY21)
Notes/account payables	+21.8	+27%
Interest-bearing debt	—	—
Other current liabilities	▲69.9	▲53%
Other fixed liabilities	▲4.2	▲40%
Net assets	+13.0	+2%

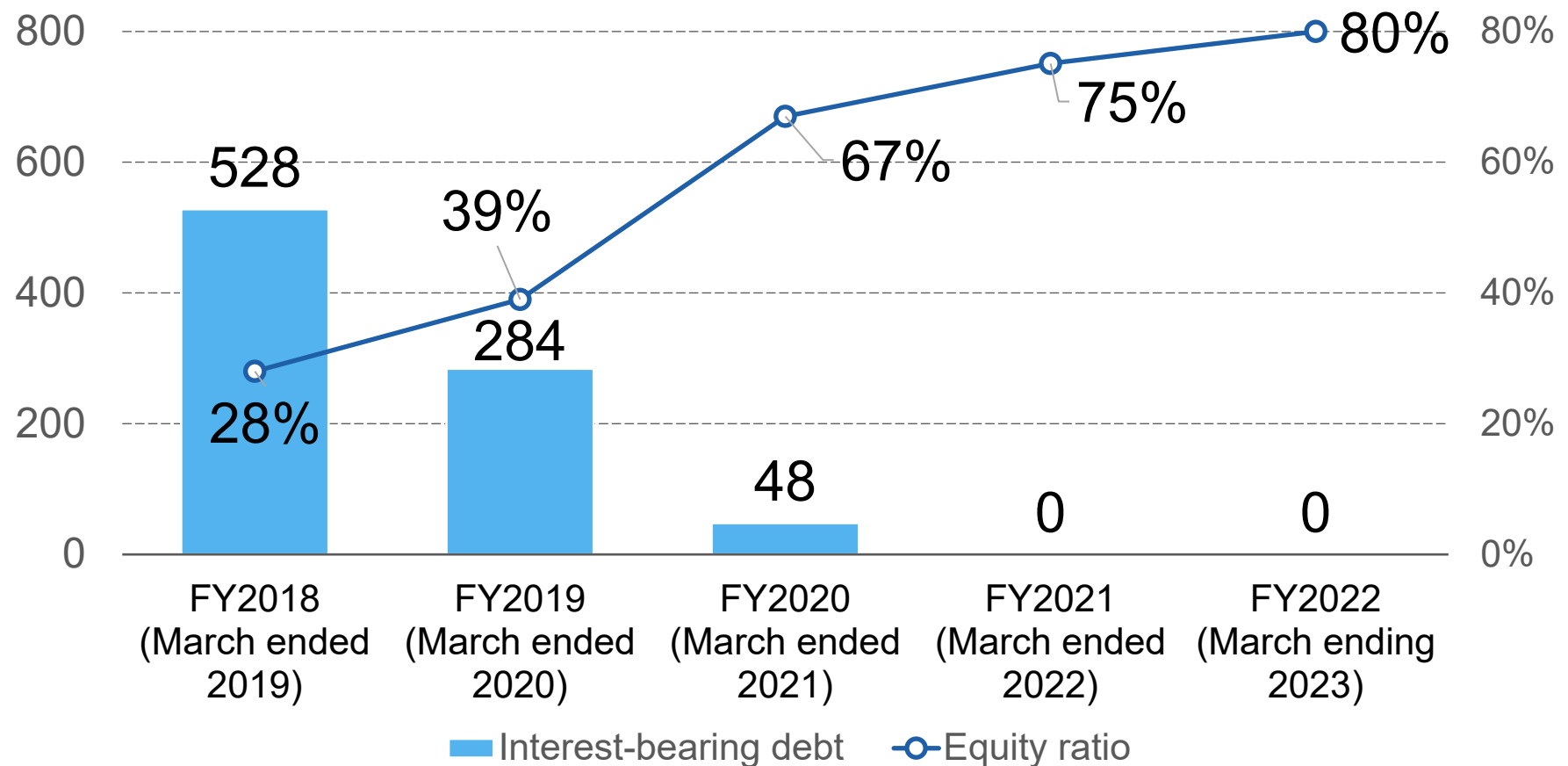
FY2022 1Q Cash Flow



FY2022 1Q Equity ratio

We strive to enhance financial foundation and equity ratio.

(Unit: ¥ Million)



FY2022 Forecast

FY2022 (ending March 2023) Forecast

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

(Unit: ¥Million)		FY2022 (ending Mar 2023) Full-year forecast	FY2021 (ended Mar 2022) Full-year results
Consol idated	Net sales	72,000	75,256
	Operating income	7,200	7,030
	Ordinary income	7,200	7,857
	Net profit attributable to owners of the parents	4,700	27,544
	Net income per share (¥)	245.17	1,349.01

※ In the fiscal year ended March 2022, the gain on sale of shares of subsidiaries and affiliates was posted for ¥29.2 billion as an extraordinary profit resulted from the sale of SiTime shares that we own as well as SiTime's secondary offering.

※ Exchange rate of FY2021 year-end: USD ¥122.39

※ Projected exchange rate of FY2022: USD ¥120

>> 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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