

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 [Japanese GAAP]

May 10, 2018

Company name: MegaChips Corporation  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6875  
 URL: <http://www.megachips.co.jp/>  
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 Scheduled date of Ordinary General Meeting of Shareholders: June 22, 2018  
 Scheduled date of commencing dividend payments: June 1, 2018.  
 Scheduled date of filing annual securities report: June 22, 2018  
 Availability of supplementary briefing material on annual financial results: Available  
 Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2018	89,029	32.0	2,709	40.6	2,207	121.9	1,948	—
March 31, 2017	67,438	21.2	1,926	—	994	217.8	(947)	—

(Note) Comprehensive income: Fiscal year ended March 31, 2018: ¥4,073 million [-%]  
 Fiscal year ended March 31, 2017: ¥(658) million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2018	90.05	89.57	6.6	2.5	3.0
March 31, 2017	(44.14)	—	(3.4)	1.3	2.9

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2018: ¥- million  
 Fiscal year ended March 31, 2017: ¥- million

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	94,633	31,184	33.0	1,435.37
As of March 31, 2017	80,465	27,631	34.3	1,280.71

(Reference) Equity: As of March 31, 2018: ¥31,184 million  
 As of March 31, 2017: ¥27,617 million

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2018	4,715	(5,007)	7,954	19,449
March 31, 2017	340	(6,540)	7,439	11,954

### 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2017	—	—	—	34.00	34.00	733	—	2.6
March 31, 2018	—	—	—	34.00	34.00	738	37.8	2.5
Fiscal year ending March 31, 2019 (Forecast)	—	—	—	—	—		—	

We pay dividends once per year based on the basic policy for profit distribution, using the year-end date as the record date. Amount of dividends paid is determined as equivalent to more than 30% of profit attributable to owners of parent for the year, taking into consideration the medium-term business outlook. Since the concrete dividend forecast is yet to be decided, “—” is shown for the year-end dividend.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (From April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	95,000	6.7	2,300	(15.1)	1,800	(18.5)	1,000	(48.7)	46.03

#### \* Notes

(1) Changes in significant subsidiaries during the Fiscal year ended March 31, 2018 (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New: —

Exception: 1 company (Modiotek Co., Ltd.)

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Number of shares outstanding (common stock)

1) Number of outstanding shares at the end of the period (including treasury stock)

March 31, 2018: 23,038,400 shares

March 31, 2017: 23,038,400 shares

2) Number of shares of treasury stock at the end of the period

March 31, 2018: 1,312,871 shares

March 31, 2017: 1,474,051 shares

3) Average number of shares outstanding during the period

Fiscal year ended March 31, 2018: 21,634,170 shares

Fiscal year ended March 31, 2017: 21,468,765 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (From April 1, 2017 to March 31, 2018)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2018	74,665	34.1	3,612	9.0	3,391	7.0	1,511	(20.1)
March 31, 2017	55,665	16.4	3,314	(26.6)	3,170	(25.6)	1,890	(21.0)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2018	69.86	69.49
March 31, 2017	88.06	87.58

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2018	87,070	33,290	38.2	1,532.33
As of March 31, 2017	77,510	32,311	41.7	1,498.36

(Reference) Equity: As of March 31, 2018: ¥33,290 million

As of March 31, 2017: ¥32,311 million

\* These financial results are outside the scope of audit by Certified Public Accountants or audit corporations.

\* Explanation of the proper use of financial results forecast and other notes

(Note on the forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. The Company does not guarantee the forecast results. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Method to acquire supplementary documents for financial results)

Supplementary briefing material on annual financial results will be presented on the Company's website immediately after disclosure of the summary of consolidated financial results.

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## 1. Overview of the Consolidated Operating Results, etc.

### (1) Overview of the consolidated operating results

During the consolidated fiscal year under review, LSIs for game software storage (custom memories), Smart Connectivity LSIs and the MEMS timing devices saw improved demand. As a result, consolidated net sales stood at ¥89,029 million (up 32.0% year-on-year). Meanwhile, expenses of ¥2,811 million arose from the amortization of goodwill and intangible assets associated with corporate acquisitions, resulting in an operating income before depreciation and amortization of ¥5,520 million, an operating income after depreciation and amortization of ¥2,709 million (up 40.6% year-on-year), an ordinary income of ¥2,207 million (up 121.9% year-on-year), an extraordinary income of ¥955 million in relation to the gain on sales of investment securities, and an extraordinary loss of ¥646 million in relation to the loss on retirement of non-current assets. As a result, consolidated profit attributable to the owners of the parent stood at ¥1,948 million (a loss of ¥947 million a year ago). Because the MegaChips Group operates as one business segment, no statement related to segment information has been presented.

### (2) Overview of the financial position

Total assets as of the end of the consolidated fiscal year under review amounted to ¥94,633 million (up ¥14,167 million from the end of the previous consolidated fiscal year). Comparing major asset items with the previous consolidated fiscal year, cash and deposits increased by ¥7,549 million, notes and accounts receivable-trade rose by ¥5,012 million, and valuation of investment securities increased by ¥2,606 million, while goodwill decreased by ¥2,293 million.

Total liabilities were ¥63,449 million (up ¥10,614 million). Comparing major items with the previous consolidated fiscal year, notes and accounts payable-trade increased by ¥2,686 million and long-term loans payable rose by ¥16,000 million, while short-term loans payable declined by ¥6,410 million and the current portion of long-term loans payable fell by ¥1,000 million. Total net assets stood at ¥31,184 million (up ¥3,552 million). As a result, the shareholders' equity ratio declined 1.3 percentage points from the previous fiscal year to 33.0%.

### (3) Overview of the cash flow

Cash and cash equivalents ("net cash") at the end of the consolidated fiscal year under review reached ¥19,449 million, increasing ¥7,494 million from the end of the previous consolidated fiscal year (compared with an increase of ¥1,221 million in the same period of the previous consolidated fiscal year). The status of cash flows at the end of the consolidated fiscal year under review was as follows.

Net cash provided by operating activities was ¥4,715 million (compared with net cash of ¥340 million provided by such activities in the same period of the previous consolidated fiscal year). This was chiefly attributable to net income before taxes of ¥2,377 million (net loss before taxes of ¥294 million in the previous fiscal year), depreciation expenses of ¥2,838 million and an increase in notes and accounts payable-trade of ¥2,866 million, together with an increase in notes and accounts receivable-trade of ¥5,140 million.

Net cash used in investing activities was ¥5,007 million (compared with net cash of ¥6,540 million used in such activities in the same period of the previous fiscal year). This was chiefly attributable to the purchase of property, plant, and equipment of ¥2,113 million, the purchase of intangible non-current assets of ¥2,838 million, and proceeds from the sale of investment securities of ¥1,181 million. As a result, free cash flow, which is the sum of net cash provided by or used in operating activities and net cash provided by or used in investing activities, resulted in net cash used of ¥292 million (compared to net cash used of ¥6,200 million in the same period of the previous fiscal year).

Net cash provided by financing activities was ¥7,954 million (compared with net cash of ¥7,439 million used in such activities in the same period of the previous consolidated fiscal year). This was chiefly attributable to a net decrease in short-term loans payable of ¥6,312 million, as a result of proceeds from long-term loans payable of ¥17,000 million, despite repayments of long-term loans payable of ¥2,000 million.

#### (4) Outlook

In the electronic machinery and equipment industry, the industrial structure is expected to remain dependent on telecommunications equipment. Also, as high-performance needs and applications become more widespread, demand is expected to grow centered on electronic components that contribute to compact, lightweight, and energy-saving designs. Looking at social trends, networks are developing at a rapid pace, which indicates a move toward an even more advanced information society. In addition, efforts are likely to continue toward realizing a low carbon and recycling society that is in symbiosis with nature for the preservation of the global environment.

In this environment, the Group will focus on expanding its businesses by resetting its stable business foundation of the ASIC business on a path to growth, and aligning it with the highly competitive ASSP business that operates in a growing market. In the ASIC business, the Group's basic policy is to focus on core technologies in the field of high-speed wired communications and expand their applications to the in-vehicle device and industrial equipment fields to acquire new major customers both in Japan and overseas.

In the ASSP business, we will set MEMS timing devices as a core element in expanding business with major global customers, and actively develop business primarily in the fields of communication infrastructure and high-speed wired communications. In the fiscal year ending March 31, 2019, the Company forecasts consolidated net sales of ¥95,000 million (up 6.7% from the fiscal year under review), a consolidated operating income before depreciation and amortization of ¥5,000 million, excluding expenses of ¥2,700 million from the amortization of goodwill and intangible assets associated with corporate acquisitions, and a consolidated operating income after depreciation and amortization of ¥2,300 million (down 15.1%), a consolidated ordinary income of ¥1,800 million (down 18.5%), and a consolidated profit attributable to the owners of the parent of ¥1,000 million (down 48.7%).

#### 2. Basic Approach to the Selection of Accounting Standards

The Company prepares consolidated financial statements and non-consolidated financial statements according to Japanese accounting standards. With respect to the implementation of International Financial Reporting Standards (IFRS), the Company constantly gathers information on the enactment and implementation of accounting standards, both inside and outside Japan. However, for the time being, it will continue preparing consolidated financial statements and non-consolidated financial statements in accordance with Japanese accounting standards.

### 3. Consolidated Financial Statements, and Main Notes

#### (1) Consolidated balance sheet

(Thousand yen)

	Previous consolidated fiscal year (ended March 31, 2017)	Consolidated fiscal year under review (ended March 31, 2018)
<b>Assets</b>		
Current assets		
Cash and deposits	12,103,207	19,653,114
Notes and accounts receivable-trade	21,763,961	26,776,181
Merchandise and finished goods	3,704,345	4,470,576
Work in process	1,972,771	2,135,266
Raw materials and supplies	1,037,447	739,059
Deferred tax assets	884,818	869,305
Other	1,866,501	3,119,929
Allowance for doubtful accounts	(15,502)	(20,655)
<b>Total current assets</b>	<b>43,317,549</b>	<b>57,742,777</b>
Non-current assets		
Property, plant and equipment		
Buildings	4,379,050	4,749,430
Accumulated depreciation	(3,084,331)	(3,140,560)
Buildings (net)	1,294,719	1,608,869
Land	289,638	289,638
Construction in progress	942,483	1,083,264
Other	9,194,791	9,341,136
Accumulated depreciation	(7,106,622)	(7,131,048)
Other (net)	2,088,169	2,210,087
<b>Total property, plant and equipment</b>	<b>4,615,010</b>	<b>5,191,860</b>
Intangible assets		
Goodwill	14,910,416	12,616,640
Technical assets	5,089,205	4,158,266
Software	4,714,700	6,571,497
Other	279,530	20,655
<b>Total intangible assets</b>	<b>24,993,852</b>	<b>23,367,060</b>
Investments and other assets		
Investment securities	1,140,253	3,747,120
Long-term prepaid expenses	2,903,799	2,391,097
Deferred tax assets	1,205,034	759,994
Other	2,301,604	1,433,441
Allowance for doubtful accounts	(11,508)	–
<b>Total investment and other assets</b>	<b>7,539,183</b>	<b>8,331,653</b>
<b>Total non-current assets</b>	<b>37,148,046</b>	<b>36,890,575</b>
<b>Total assets</b>	<b>80,465,595</b>	<b>94,633,352</b>

(Thousand yen)

	Previous consolidated fiscal year (ended March 31, 2017)	Consolidated fiscal year under review (ended March 31, 2018)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	8,871,279	11,557,394
Short-term loans payable	23,471,120	17,060,480
Current portion of long-term loans payable	5,000,000	4,000,000
Accounts payable-other	1,750,923	1,976,829
Income taxes payable	409,665	545,353
Provision for bonuses	640,856	667,536
Provision for loss on construction contracts	14,533	–
Other	1,188,655	1,280,827
Total current liabilities	41,347,033	37,088,422
Non-current liabilities		
Long-term loans payable	8,000,000	24,000,000
Deferred tax liabilities	2,078,745	1,192,469
Other	1,408,518	1,168,269
Total non-current liabilities	11,487,264	26,360,739
Total liabilities	52,834,298	63,449,161
Net assets		
Shareholders' equity		
Capital stock	4,840,313	4,840,313
Capital surplus	6,182,338	6,183,562
Retained earnings	17,274,367	18,524,246
Treasury shares	(1,859,404)	(1,656,229)
Total shareholders' equity	26,437,615	27,891,893
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	434,952	3,241,184
Foreign currency translation adjustment	745,021	51,112
Total other accumulated comprehensive income	1,179,974	3,292,297
Non-controlling interests	13,707	–
Total net assets	27,631,297	31,184,191
Total liabilities and net assets	80,465,595	94,633,352



## (2) Consolidated statements of income and statements of comprehensive income

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)
Net sales	67,438,389	89,029,101
Cost of sales	48,667,485	67,603,129
Gross profit	18,770,904	21,425,972
Selling, general and administrative expenses	16,844,157	18,716,917
Operating income	1,926,747	2,709,055
Non-operating income		
Interest income	6,573	7,226
Gain on investments in partnership	8,497	9,287
Refund of consumption taxes, etc.	–	26,565
Miscellaneous income	25,837	34,347
Total non-operating income	40,908	77,427
Non-operating expenses		
Interest expenses	170,065	244,450
Commission loan-payable	500	29,868
Loss on sales of accounts receivable	2,516	39,238
Foreign exchange losses	776,719	250,793
Miscellaneous loss	22,855	14,277
Total non-operating expenses	972,656	578,629
Ordinary income	994,998	2,207,852
Extraordinary income		
Gain on sales of investment securities	139,553	955,059
Total extraordinary income	139,553	955,059
Extraordinary loss		
Impairment loss	102,094	–
Loss on retirement of non-current assets	114,143	646,331
Loss on valuation of investment securities	1,158,251	–
Special retirement expenses	54,798	139,463
Total extraordinary loss	1,429,288	785,795
Net income (loss) before taxes	(294,736)	2,377,116
Income taxes-current	550,601	773,926
Income taxes-deferred	179,513	(365,578)
Total income taxes	730,114	408,348
Profit (Loss)	(1,024,850)	1,968,768
(Profit attributable to)		
Profit (Loss) attributable to owners of the parent	(947,554)	1,948,156
Profit (Loss) attributable to non-controlling interests	(77,296)	20,612
Other comprehensive income		
Valuation difference on available-for-sale securities	1,034,920	2,806,232
Foreign currency translation adjustment	(668,903)	(701,281)
Total other comprehensive income	366,016	2,104,950
Comprehensive income	(658,834)	4,073,719
(Profit attributable to)		
Comprehensive income attributable to owners of the parent	(580,233)	4,053,521
Comprehensive income attributable to non-controlling interests	(78,600)	20,197

## (3) Consolidated statements of changes in equity

Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	4,840,313	6,181,300	18,950,506	(2,030,200)	27,941,919
Changes of items during the period					
Dividends of surplus			(728,584)		(728,584)
Profit (Loss) attributable to owners of the parent			(947,554)		(947,554)
Changes in scope of consolidation					-
Purchase of treasury shares					-
Disposal of treasury shares		1,038		170,795	171,834
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	1,038	(1,676,138)	170,795	(1,504,304)
Balance at the end of the period	4,840,313	6,182,338	17,274,367	(1,859,404)	26,437,615

	Other accumulated comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income		
Balance at the beginning of the period	(599,967)	1,412,620	812,653	92,308	28,846,881
Changes of items during the period					
Dividends of surplus					(728,584)
Profit (Loss) attributable to owners of the parent					(947,554)
Changes in scope of consolidation					-
Purchase of treasury shares					-
Disposal of treasury shares					171,834
Net changes of items other than shareholders' equity	1,034,920	(667,599)	367,320	(78,600)	288,720
Total changes of items during the period	1,034,920	(667,599)	367,320	(78,600)	(1,215,584)
Balance at the end of the period	434,952	745,021	1,179,974	13,707	27,631,297

## Consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)

(Thousand yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	4,840,313	6,182,338	17,274,367	(1,859,404)	26,437,615
Changes of items during the period					
Dividends of surplus			(733,187)		(733,187)
Profit (Loss) attributable to owners of the parent			1,948,156		1,948,156
Changes in scope of consolidation			34,910		34,910
Purchase of treasury shares				(253)	(253)
Disposal of treasury shares		1,224		203,428	204,652
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	1,224	1,249,879	203,174	1,454,278
Balance at the end of the period	4,840,313	6,183,562	18,524,246	(1,656,229)	27,891,893

	Other accumulated comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total other accumulated comprehensive income		
Balance at the beginning of the period	434,952	745,021	1,179,974	13,707	27,631,297
Changes of items during the period					
Dividends of surplus					(733,187)
Profit (Loss) attributable to owners of the parent					1,948,156
Changes in scope of consolidation					34,910
Purchase of treasury shares					(253)
Disposal of treasury shares					204,652
Net changes of items other than shareholders' equity	2,806,232	(693,908)	2,112,323	(13,707)	2,098,615
Total changes of items during the period	2,806,232	(693,908)	2,112,323	(13,707)	3,552,894
Balance at the end of the period	3,241,184	51,112	3,292,297	–	31,184,191

## (4) Consolidated statements of cash flows

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)
<b>Cash flows from operating activities</b>		
Net income (loss) before taxes	(294,736)	2,377,116
Depreciation	2,319,218	2,838,987
Amortization of goodwill	1,916,451	1,816,479
Amortization of long-term prepaid expenses	714,485	705,151
Increase (decrease) in allowance for doubtful accounts	11,357	6,612
Increase (decrease) in provision for bonuses	84,875	26,865
Increase (decrease) in provision for loss on construction contracts	9,844	(14,533)
Interest and dividend income	(6,573)	(7,226)
Interest expenses	170,065	244,450
Loss (gain) on investments in partnership	(8,497)	(9,287)
Foreign exchange loss (gain)	(2,822)	103,358
Impairment loss	102,094	–
Loss on retirement of non-current assets	114,143	646,331
Loss (gain) on sales of investment securities	(139,553)	(955,059)
Loss (gain) on valuation of investment securities	1,158,251	–
Decrease (increase) in notes and accounts receivable - trade	(8,356,504)	(5,140,447)
Decrease (increase) in inventories	(1,625,639)	(705,769)
Increase (decrease) in notes and accounts payable - trade	4,484,898	2,866,978
Decrease (increase) in other assets	211,576	(239,550)
Increase (decrease) in other liabilities	4,217	840,064
Other	173,701	223,028
Subtotal	1,040,854	5,623,550
Interest and dividends income received	6,699	7,471
Interest expenses paid	(146,447)	(237,190)
Income taxes refund	2,484	12,192
Income taxes paid	(563,277)	(691,004)
Cash flows from operating activities	340,313	4,715,018
<b>Cash flows from investing activities</b>		
Proceeds from withdrawal of time deposits	462,307	405,613
Payments into time deposits	(386,272)	(469,113)
Purchase of property, plant and equipment	(2,308,165)	(2,113,044)
Purchase of intangible assets	(2,839,939)	(2,838,999)
Proceeds from sales of investment securities	246,469	1,181,113
Purchase of investment securities	(250,708)	–
Purchase of long-term prepaid expenses	(856,371)	(370,263)
Collection of loans receivable	10,051	61,316
Payments of loans receivable	(19,434)	(389)
Proceeds from collection of guarantee deposits	4,439	18,259
Payments for guarantee deposits	(33,722)	(15,188)
Other	(569,091)	(867,171)
Cash flows from investing activities	(6,540,439)	(5,007,867)

(Thousand yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short term loans payable	10,165,730	(6,312,220)
Proceeds from long-term loans payable	–	17,000,000
Repayments of long-term loans payable	(2,000,000)	(2,000,000)
Cash dividends paid	(726,383)	(732,995)
Other	148	(76)
<b>Cash flows from financing activities</b>	<b>7,439,494</b>	<b>7,954,708</b>
Effect of exchange rate change on cash and cash equivalents	(17,561)	(96,156)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,221,806</b>	<b>7,565,702</b>
Cash and cash equivalents at the beginning of the period	10,732,361	11,954,167
<b>Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation-CCE</b>	<b>–</b>	<b>(70,734)</b>
Cash and cash equivalents at end of the period	11,954,167	19,449,135

(5) Notes relating to consolidated financial statements

(Notes on going concern assumptions)

None

(Changes in accounting policies)

None

(Segment information, etc.)

Segment information

The MegaChips Group is mainly engaged in the design, development and production of LSI and MEMS timing devices utilizing its original analog/digital/MEMS technology, as a provider of total solutions under one business segment. As a result, the presentation of segment information has been omitted.

(Per share information)

(In yen)

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)
Net assets per share	1,280.71	1,435.37
Basic earnings per share	(44.14)	90.05
Diluted basic earnings per share	—	89.57

(Notes) 1. Diluted basic earnings per share for the previous fiscal year are not shown because the Company posted a basic net loss per share.

2. The following shows the basis for the calculation of basic earnings per share and diluted basic earnings per share.

	Previous consolidated fiscal year (From April 1, 2016 to March 31, 2017)	Consolidated fiscal year under review (From April 1, 2017 to March 31, 2018)
Basic earnings per share		
Profit (Loss) attributable to owners of the parent (thousand yen)	(947,554)	1,948,156
Amount that does not belong to ordinary shareholders (thousand yen)	—	—
Profit (Loss) attributable to owners of the parent related to common stock (thousand yen)	(947,554)	1,948,156
Average number of common shares during the period	21,468,765	21,634,170
Diluted basic earnings per share		
Adjusted profit attributable to owners of the parent (thousand yen)	—	—
Increase in the number of common shares Included treasury shares	—	116,047
Description of potentially dilutive shares that were not included in the calculation of diluted basic earnings per share due to their anti-dilutive effect.	—	—

(Material subsequent events)

None

#### 4. Other

##### Management reshuffle

(1) Directors scheduled for retirement

Shigeki Matsuoka (Currently: Executive Vice President, General Manager of Intellectual Property & Legal Division, in charge of Strategic Accounts)

Chisato Tominaga (Currently: Outside Director)

(2) Scheduled date

June 22, 2018