
MegaChips Corporation

Briefing

FY2019 2Q (Ending March 2020)

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

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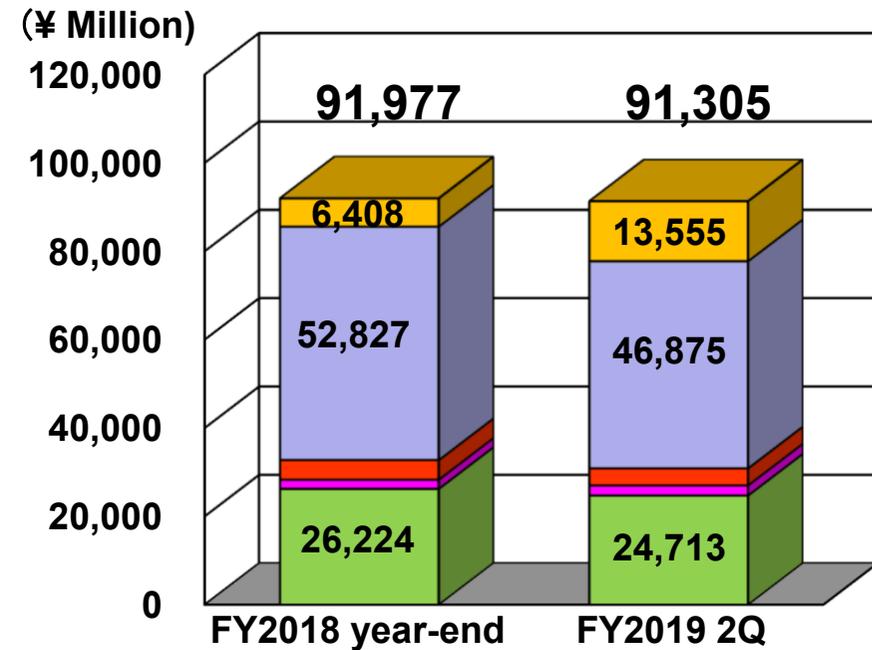
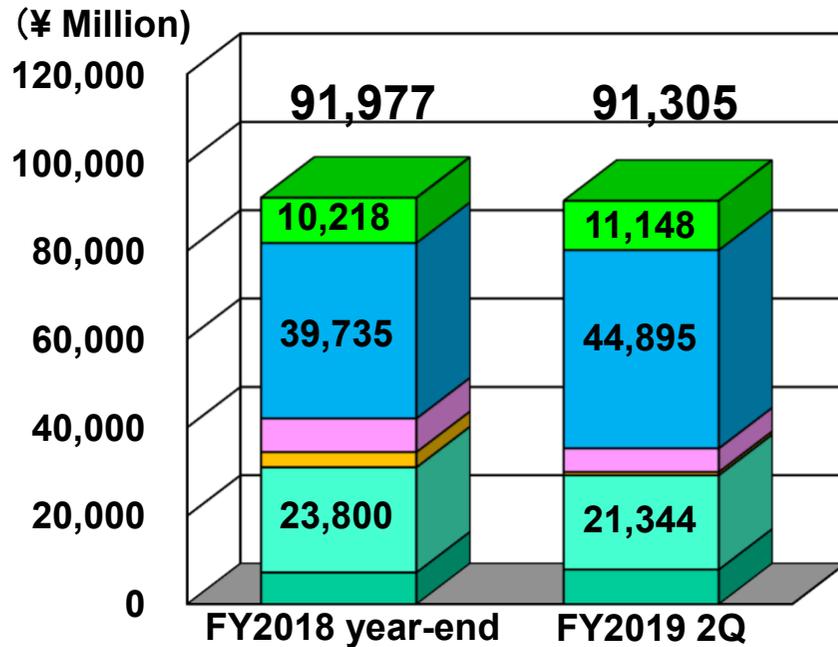
(¥ Million)		FY2019 2Q Results	FY2018 2Q Results
Consolidated	Net sales	34,282	57,122
	Operating income prior to ①	1,281	1,870
	①Amortization of goodwill etc.	1,250	1,286
	Operating income After ①	30	583
	Ordinary income	- 268	615
	Profit belonging to shareholders of parent company	- 859	- 283
	Net income per share (¥)	- 39.49	- 13.01

As for the consolidated financial results of 2nd quarter for the fiscal year ending March 2020, the sales amount and profit decreased year-on-year basis due to the sales decline from the transfer of System business in the 4th Quarter of previous fiscal year and the decline in demand of the customer-specific LSIs and Smart Connectivity LSI

FY2019 2Q Consolidated Statement of Income (P/L) Summary

(¥ Million)		FY2019 1Q(Apr~Jun) Results	FY2019 2Q(Jul~Sep) Results
Consolidated	Net sales	15,038	19,244
	Operating income prior to ①	- 88	1,370
	①Amortization of goodwill etc.	643	607
	Operating income After ①	- 731	762
	Ordinary income	- 894	626
	Profit belonging to shareholders of parent company	- 984	125
	Net income per share (¥)	- 45.25	5.77

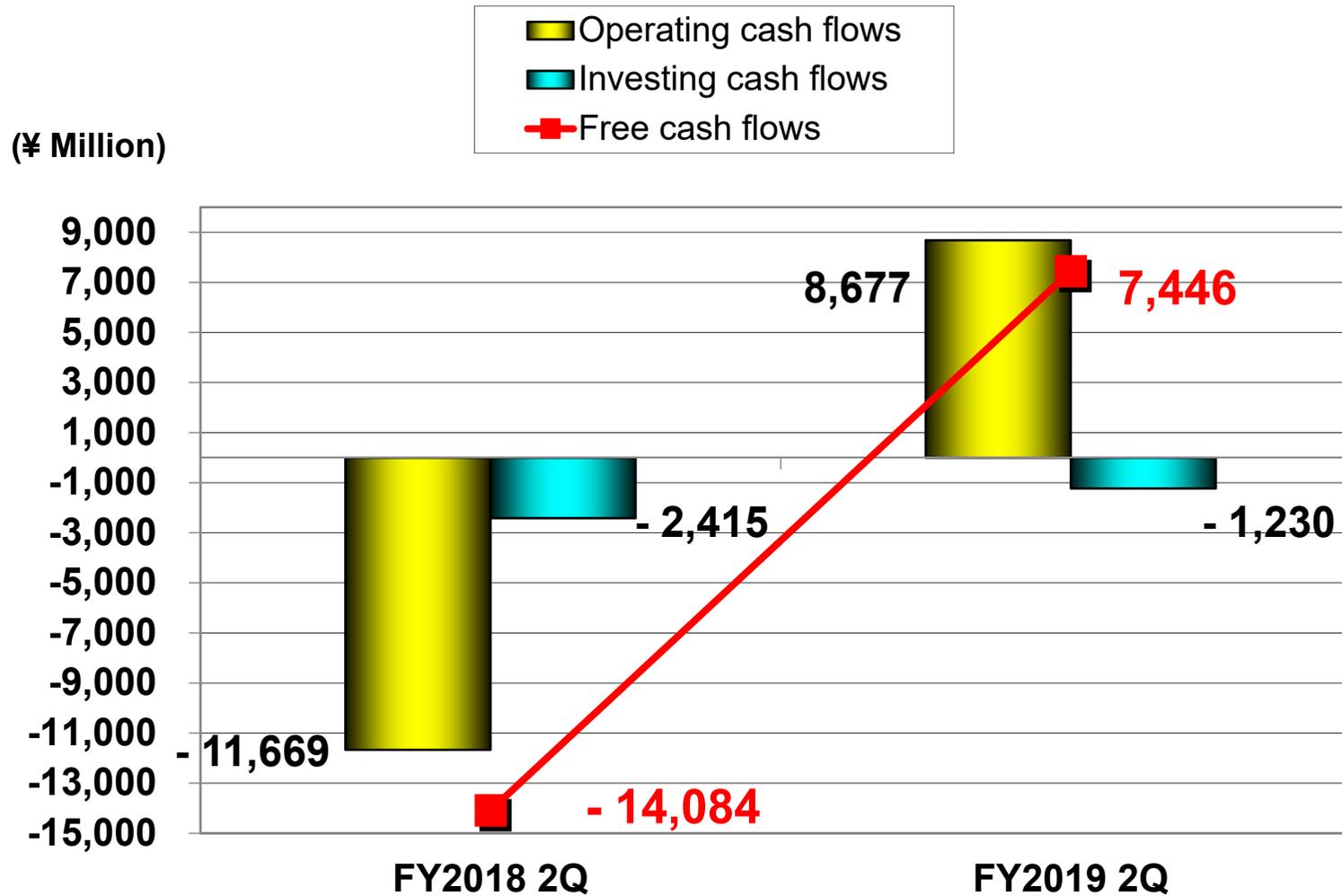
FY2019 2Q Financial Status



	FY2018 year-end	FY2019 2Q
Cash/cash equivalents	10,218	11,148
Notes/accounts receivables	39,735	44,895
Inventories	7,608	5,338
Other current assets	3,443	744
Tangible/intangible assets	23,800	21,344
Investment and other assets	7,173	7,834

	FY2018 year-end	FY2019 2Q
Notes/account payables	6,408	13,555
Interest-bearing debt	52,827	46,875
Other current liabilities	4,447	3,887
Other fixed liabilities	2,071	2,273
Net assets	26,224	24,713

FY2019 2Q Consolidated Cash Flows



FY2019 Forecasts

FY2019 Forecasts

(¥ Million)		FY2019 Full-year Forecast	FY2018 Full-year Results	YOY
Consolidated	Net sales	65,000	95,145	- 31.7%
	Operating income prior to ①	3,800	3,152	+ 20.5%
	①Amortization of goodwill etc.	2,600	2,579	—
	Operating income After ①	1,200	573	+ 109.2%
	Ordinary income	800	502	+ 59.2%
	Profit belonging to shareholders of parent company	200	-1,727	—
	Net income per share (¥)	9.19	- 79.40	—

※There is no revision from a forecast published on May 10, 2019.

※Exchange rate at the end of FY2018 : USD ¥ 110.99 ,TWD ¥ 3.5984

※Forecasted exchange rate at the end of FY2019: USD ¥ 110, TWD ¥3.5

>> 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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