
MegaChips Corporation

Briefing

FY2019 3Q (Ending March 2020)

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

Contents

1. FY2019 3Q Results	3
2. FY2019 Forecast	8

FY2019 3Q Results

FY2019 3Q Consolidated Statement of Income (P/L) Summary

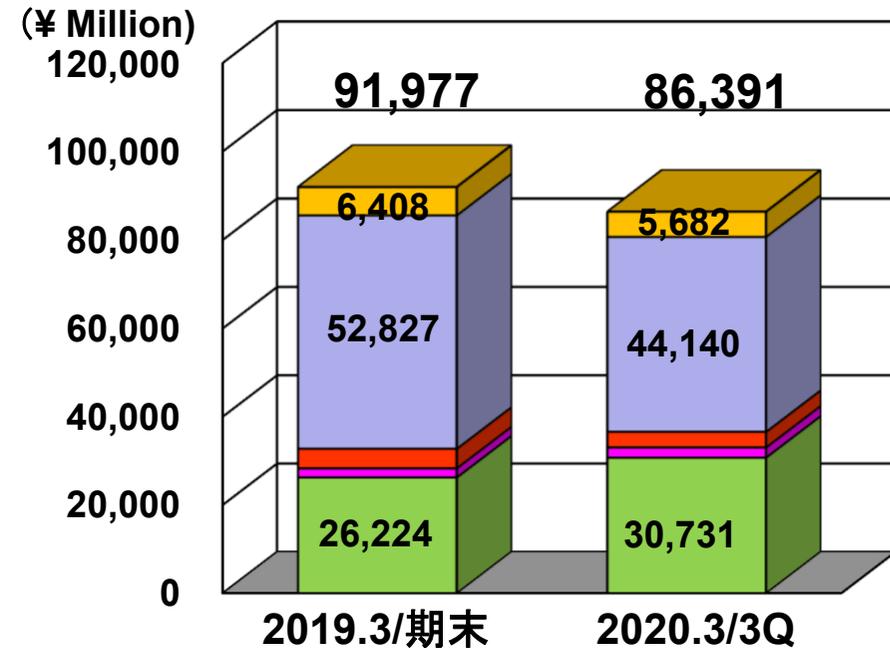
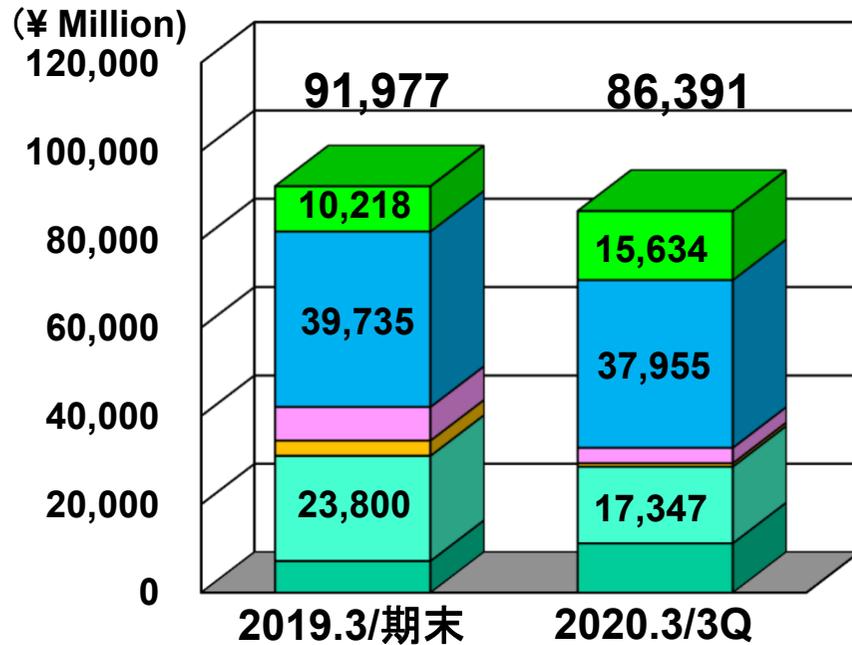
(¥ Million)		FY2019 3Q Results	FY2018 3Q Results
Consolidated	Net sales	51,200	81,233
	Operating income prior to ①	2,749	3,474
	①Amortization of goodwill etc.	1,862	1,975
	Operating income After ①	887	1,499
	Ordinary income	587	1,563
	Profit belonging to shareholders of parent company	-1,678	47
	Net income per share (¥)	- 77.12	2.20

As to the consolidated financial results of 3rd quarter for the fiscal year ending March 2020, both sales 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.

<Restructuring>

As a temporary factor, we posted loss on transfer of Smart Connectivity (DisplayPort) business for ¥1.959B and valuation of investment securities for ¥546M in the 3rd quarter of FY2019 as we have announced in our news release "Notice Concerning Revisions in Business Forecast and Posting of Loss on Valuation of Investment Securities" dated Dec 12, 2019.

FY2019 3Q Financial Status

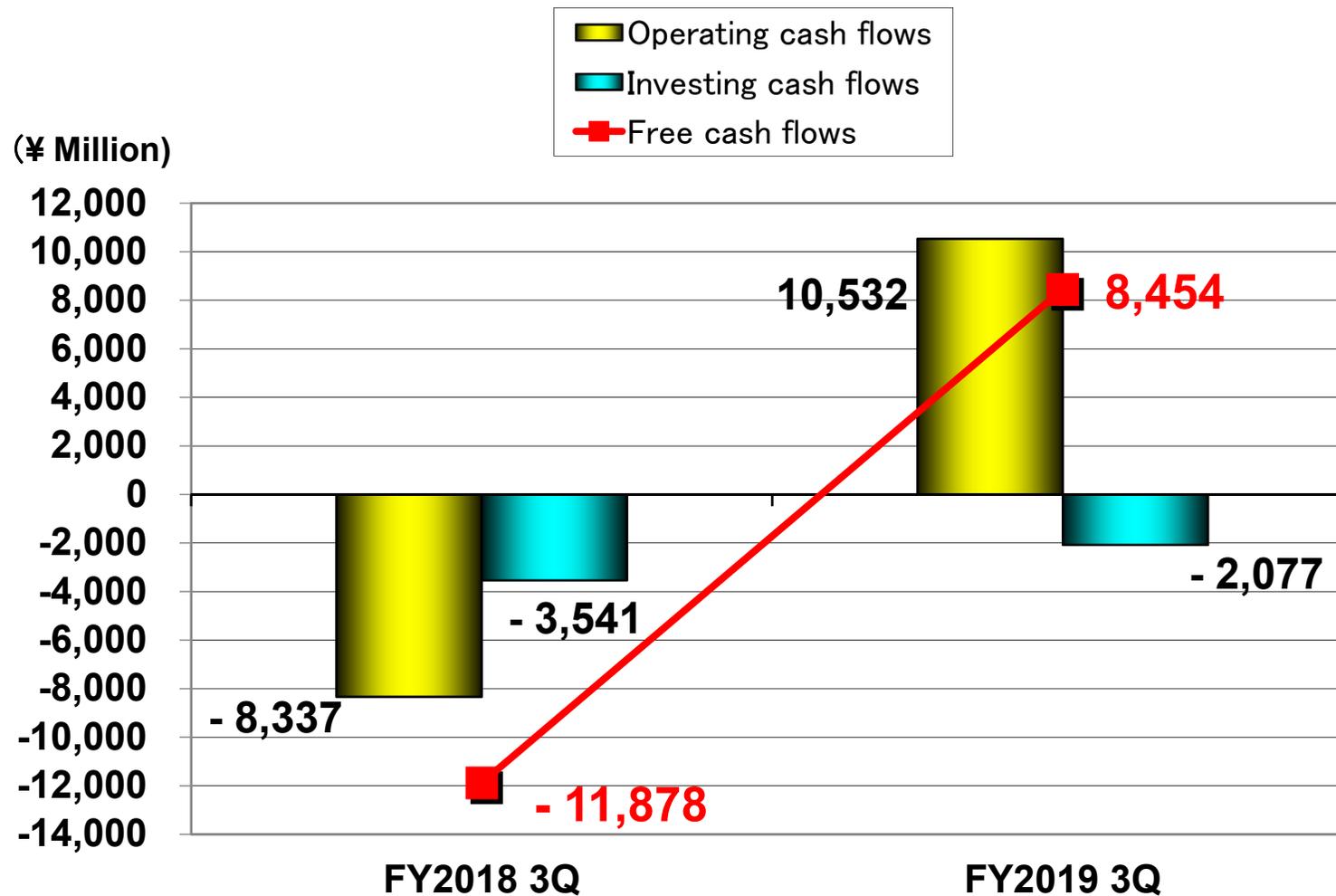


	FY2018 year-end	Fy2019/ 3Q
 Cash/cash equivalents	10,218	15,634
 Notes/accounts receivables	39,735	37,955
 Inventories	7,608	3,495
 Other current assets	3,443	780
 Tangible/intangible assets	23,800	17,347
 Investment and other assets	7,173	11,180

	FY2018 year-end	FY2019 3Q
 Notes/account payables	6,408	5,682
 Interest-bearing debt	52,827	44,140
 Other current liabilities	4,447	3,544
 Other fixed liabilities	2,071	2,294
 Net assets	26,224	30,731

FY2019 3Q Consolidated Cash Flows

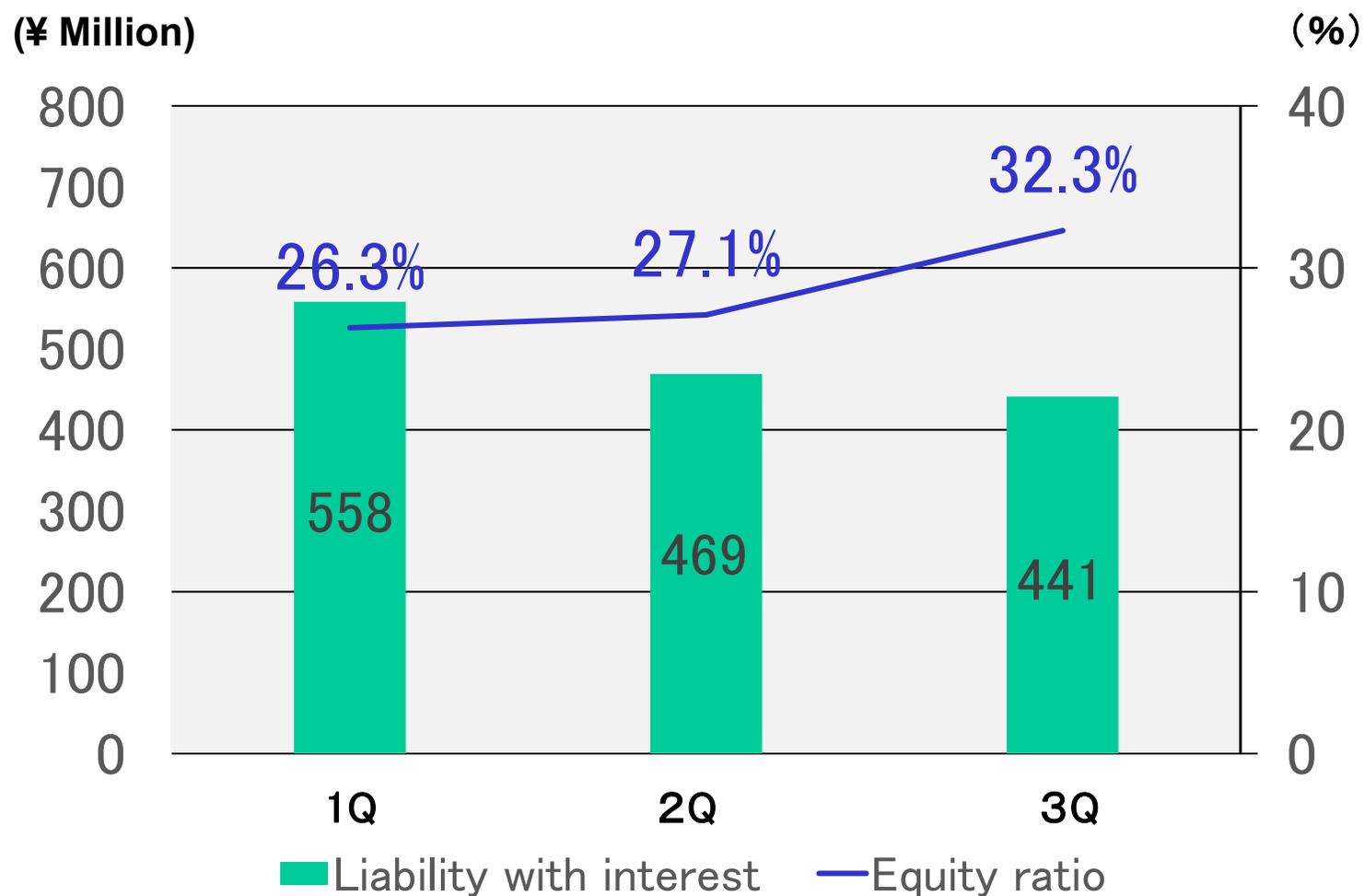
Improvement in operating cashflows



FY2019

Liability with interest and Equity ratio

We tackle the enhancement of financial strength and equity ratio.



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	3,250	3,152	+ 3.2%
	①Amortization of goodwill etc.	2,600	2,579	—
	Operating income After ①	650	573	+ 13.3%
	Ordinary income	250	502	- 50.3%
	Profit belonging to shareholders of parent company	-1,550	-1,727	—
	Net income per share (¥)	- 71.25	- 79.40	—

※As to performance forecast for FY2019, there is no change from a forecast published on Dec 12, 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.

Inquiries to:

**PUBLIC RELATIONS DEPT.
FINANCE DIVISION,
MegaChips Corporation
ir-team@megachips.co.jp**

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