
MegaChips Corporation

Briefing

FY2020 1Q (Ending March 2021)

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

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FY2020 1Q Results

FY2020 1Q Consolidated Statement of Income (P/L) Summary

(¥ Million)		FY2020 1Q Results	FY2020 1Q Results
Consolidated	Net sales	21,107	15,038
	Operating income prior to ①	836	- 88
	①Amortization of goodwill etc.	583	643
	Operating income After ①	253	- 731
	Ordinary income	67	- 894
	Net profit belonging to shareholders of parent company	1,497	- 984
	Net income per share (¥)	68.81	- 45.25

As to the consolidated financial results of 1st quarter for the fiscal year ending March 2021, both sales and profit increased year-on-year basis mainly due to the strong demand of the game storage software LSI (custom memory).

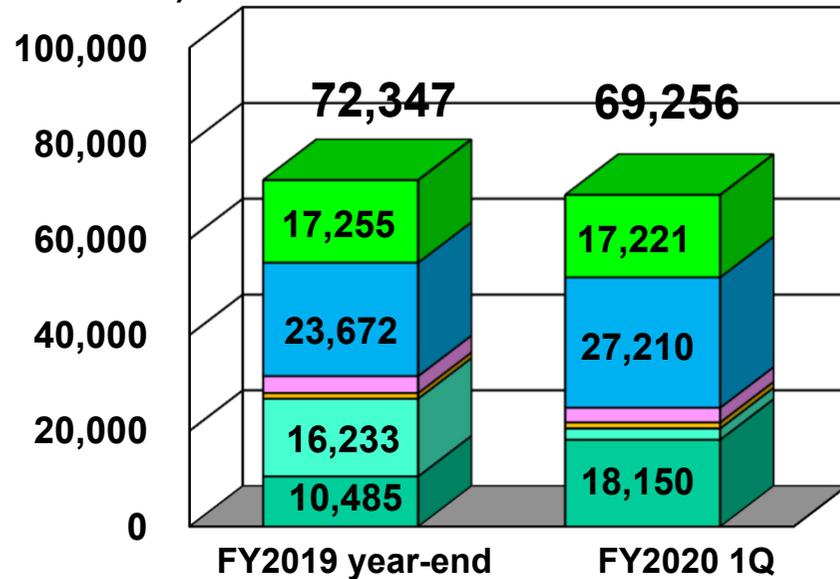
Also the net profit belonging to shareholders of parent company amounted to ¥1.4B although we have posted an extraordinary loss from the impairment of efficiency of the office lease contract and building of business bases including overseas subsidiary as well as disposal of software assets, we have recorded a surplus due to an extraordinary profit from the sale of SiTime's shares.

※Exchange rate of FY2019 1Q: USD ¥107.79, TWD ¥3.4734

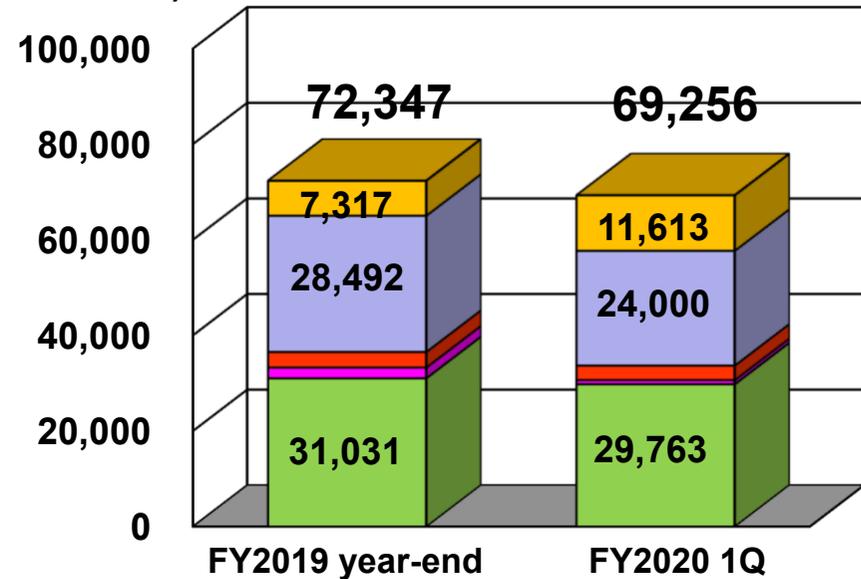
※Exchange rate of FY2020 1Q: USD ¥107.74, TWD ¥3.6617

FY2020 1Q Financial Status

(¥ Million)



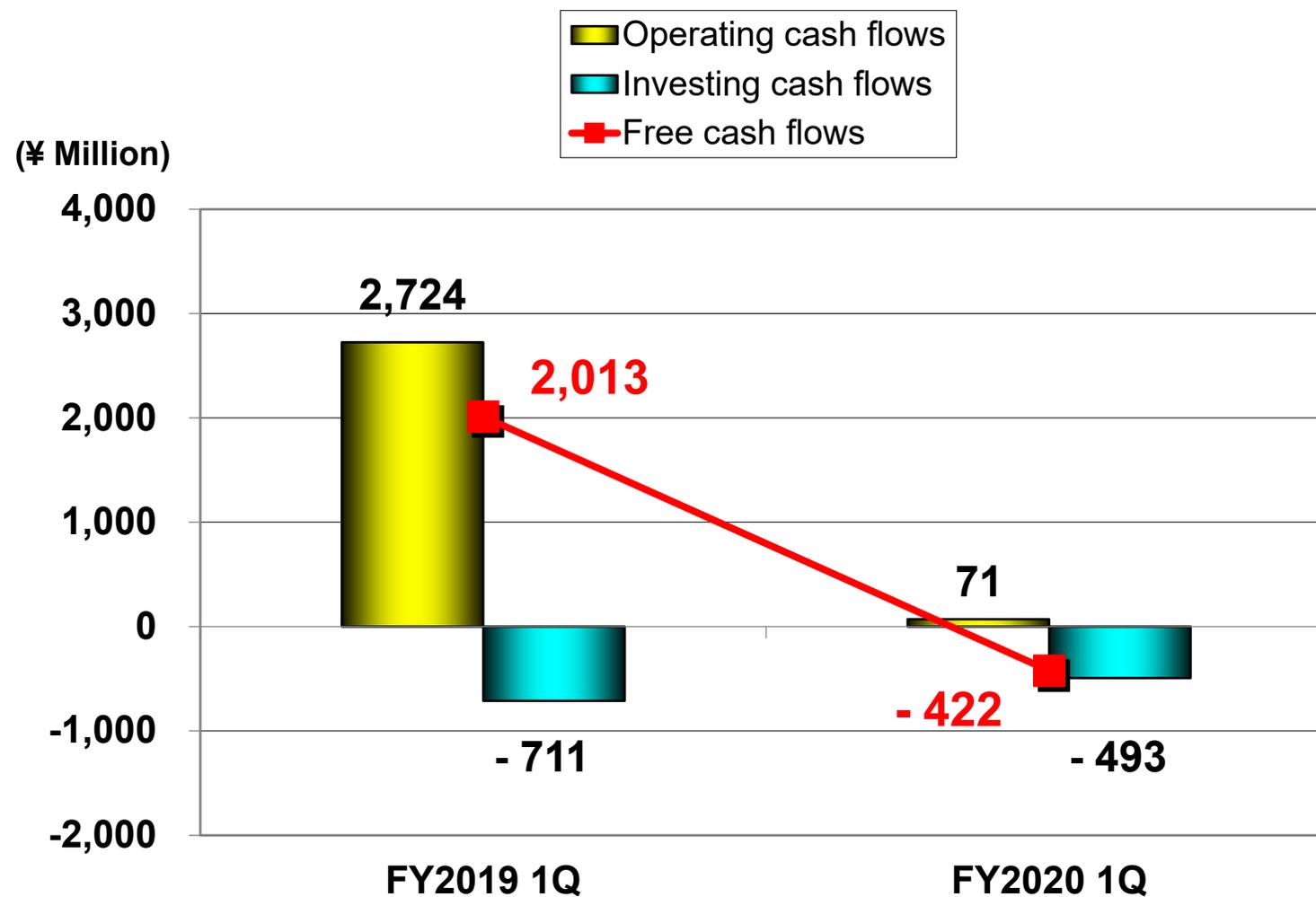
(¥ Million)



	FY2019 year-end	FY2020 1Q
 Cash/cash equivalents	17,255	17,221
 Notes/accounts receivables	23,672	27,210
 Inventories	3,533	3,063
 Other current assets	1,168	1,268
 Tangible/intangible assets	16,233	2,344
 Investment and other assets	10,485	18,150

	FY2019 year-end	FY2020 1Q
 Notes/account payables	7,317	11,613
 Interest-bearing debt	28,492	24,000
 Other current liabilities	3,264	3,005
 Other fixed liabilities	2,243	875
 Net assets	31,031	29,763

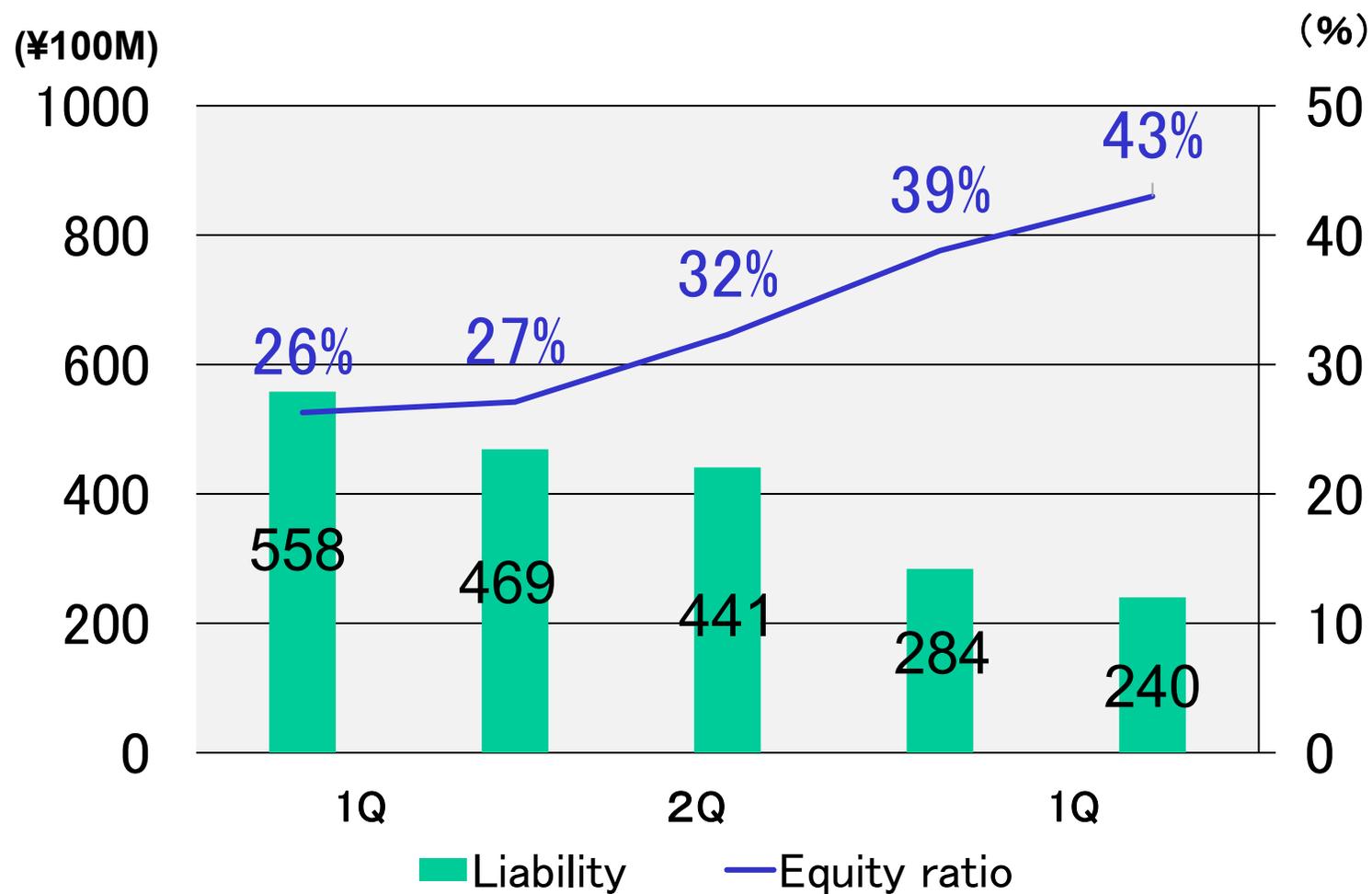
FY2020 1Q Consolidated Cash Flows



FY2020

Liability with interest and Equity ratio

We tackle the enhancement of financial strength and equity ratio.



FY2020 Forecasts

FY2020 Forecasts

(¥ Million)		FY2020 Full-year Forecast	FY2019 Full-year Results	YOY
Consolidated	Net sales	55,000	65,764	- 16.4%
	Operating income prior to ①	3,800	3,449	+ 10.1%
	①Amortization of goodwill etc.	600	2,477	—
	Operating income After ①	3,200	972	+ 229.2%
	Ordinary income	2,100	639	+ 228.6%
	Profit belonging to shareholders of parent company	1,800	-1,792	—
	Net income per share (¥)	82.71	- 82.35	—

※SiTime will shift from a consolidated subsidiary to the equity method affiliate from 2nd Quarter of FY2020.

※Exchange rate at the end of FY2019: USD ¥108.83, TWD ¥ 3.601

※Forecasted exchange rate at the end of FY2020: USD ¥ 110, TWD ¥ 3.6

>> 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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