
MegaChips Corporation

Briefing

FY2020 2Q (Ending March 2021)

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

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FY2020 2Q Results

FY2020 2Q Consolidated Statement of Income (P/L) Summary

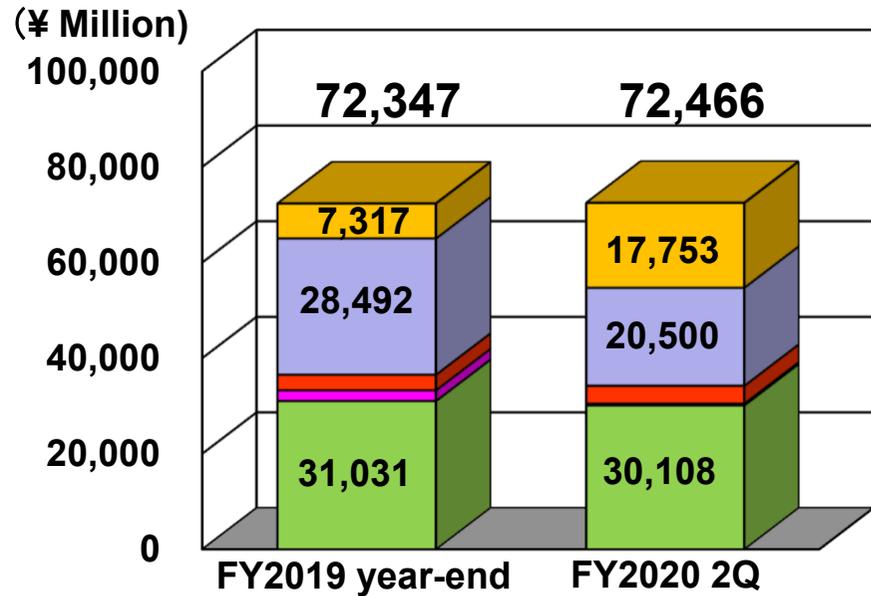
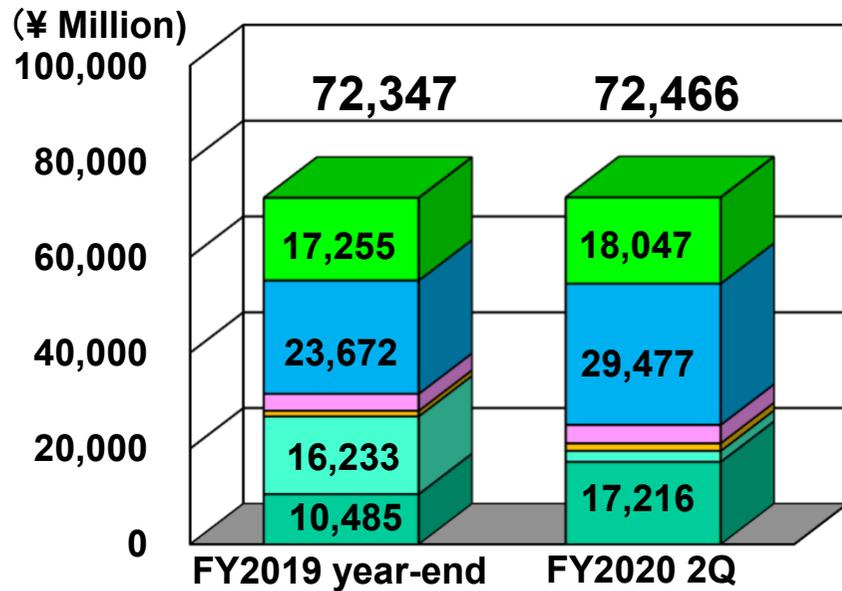
(¥ Million)		FY2020 2Q Results	FY2019 Results
Consolidated	Net sales	45,912	34,282
	Operating income prior to ①	2,982	1,281
	①Amortization of goodwill etc.	583	1,250
	Operating income After ①	2,398	30
	Ordinary income	1,400	- 268
	Profit belonging to shareholders of parent company	2,199	- 859
	Net income per share (¥)	101.06	- 39.49

As to the consolidated financial results of 2nd quarter for the fiscal year ending March 2021, the sales amount and profits increased year-on-year basis mainly due to the strong demand of the game software storage LSI (custom memory).
The initiatives of structural reform since March 2019 such as review of business structure, improvement of operational efficiency and financial status contributed to the rise in sales and profits.

※ Exchange rate at 2Q of FY2019 : USD ¥ 107.92 ,TWD ¥ 3.4783

※ Exchange rate at 2Q of FY2020 : USD ¥ 105.80 ,TWD ¥ 3.6510

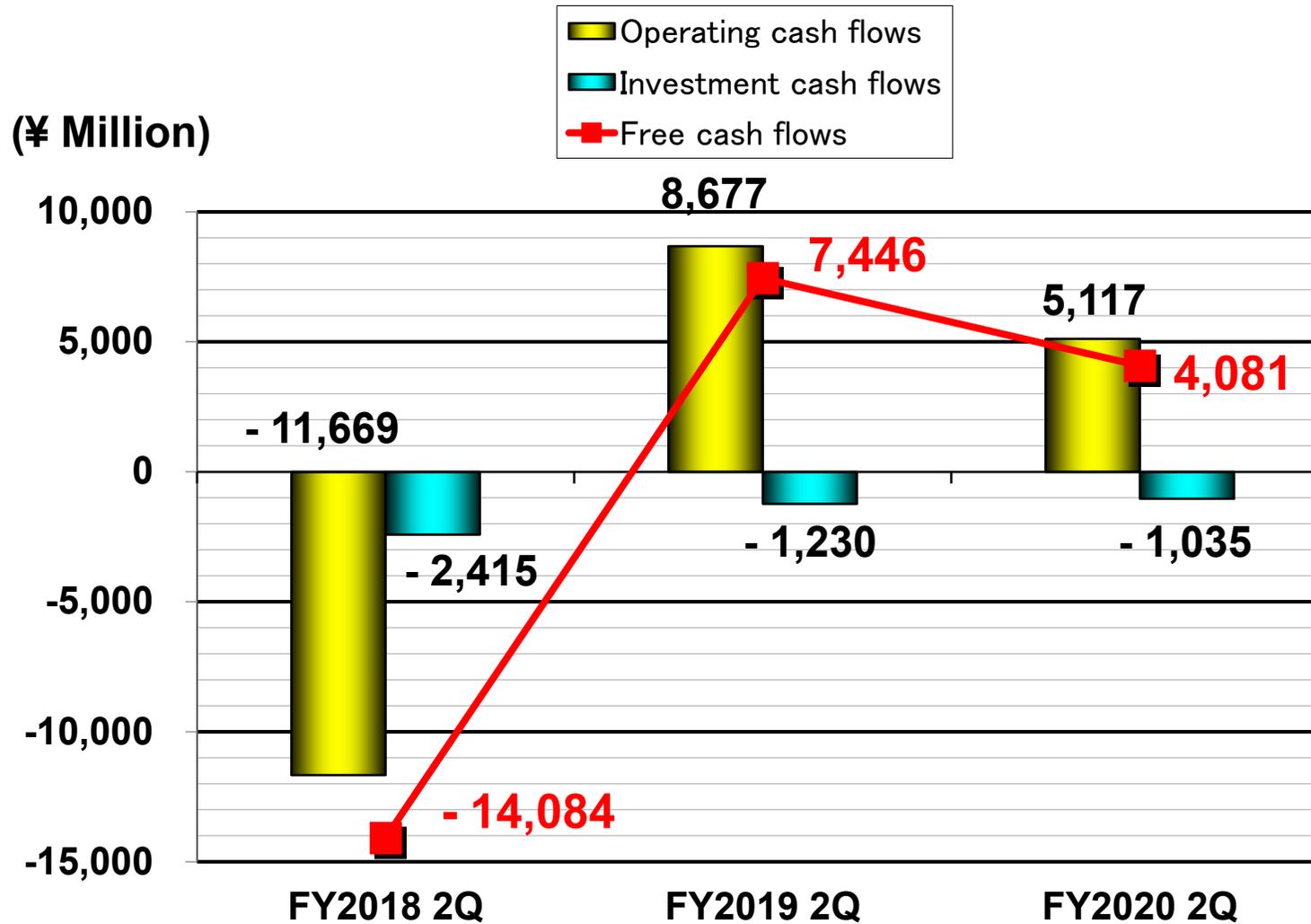
FY2020 2Q Financial Status



	FY2019 year-end	FY2020 2Q
Cash/Cash equivalents	17,255	18,047
Notes/accounts receivables	23,672	29,477
Inventories	3,533	3,848
Other current assets	1,168	1,596
Tangible/intangible assets	16,233	2,283
Investment and other assets	10,485	17,216

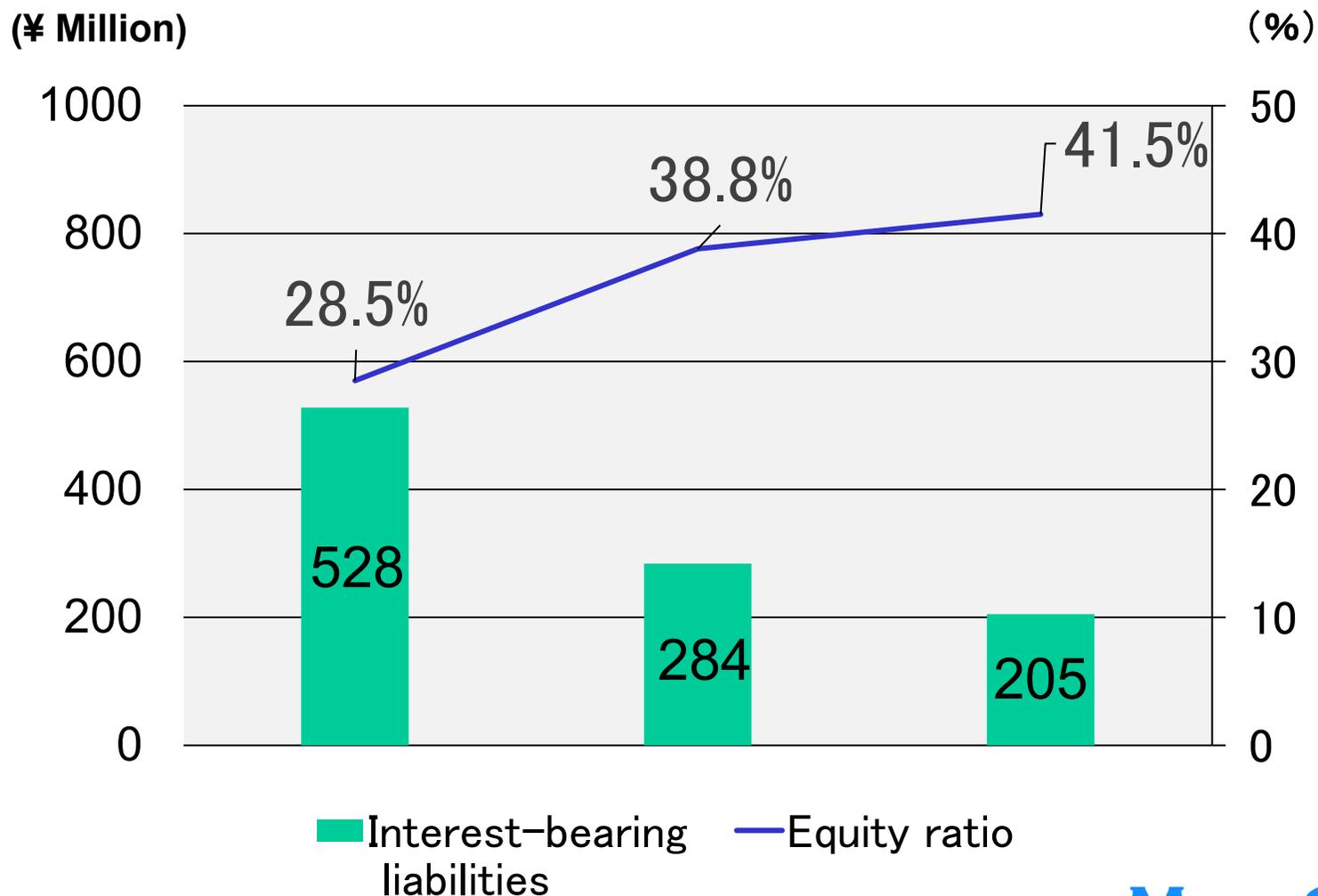
	FY2019 year-end	FY2020 2Q
Notes/account payables	7,317	17,753
Interest bearing debt	28,492	20,500
Other current liabilities	3,264	3,729
Other fixed liabilities	2,243	376
Net assets	31,031	30,108

FY2020 2Q Cash Flows



Interest-bearing liabilities and Equity ratio

We are continuously implementing measures to strengthen financial status and improve equity ratio



Revision of forecast for the fiscal year ending March 2021

FY2020 Full-year Forecast

FY2020 Full-year Forecast

(Unit: ¥ Million)		FY2020 Full-year Forecast (Latest)	FY2020 Full-year Forecast (Previous)	Percentage change	FY2019 Results
Consolidated	Net sales	75,000	55,000	136.4%	65,764
	Operating income prior to ①	4,800	3,800	126.3%	3,449
	①Amortization of goodwill etc.	600	600	—	2,477
	Operating income After ①	4,200	3,200	131.3%	972
	Ordinary income	2,700	2,100	128.6%	639
	Profit belonging to shareholders of parent company	2,700	1,800	150.0%	-1,792
	Net income per share (¥)	124.06	82.71	150.0%	- 82.35

<Reasons of revision>

- The demand of game software storage LSI (custom memory) remained firm compared to the previous forecast.
- Various measure of structural reform (review of business structure, improvement of operational efficiency and financial status) achieved some results in the current fiscal year and contributed to the rise in sales and profits.

※From 2Q of FY2020, SiTime has reclassified from a consolidated subsidiary to the equity-method affiliate.

※Exchange rate at the end of FY2019: USD ¥ 108.83、TWD ¥ 3.6010

※Forecasted exchange rate at the end of FY2020 : USD ¥ 105、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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