

# FY ending in March 2017

## Mid-term management policy

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**Aim for the continued growth as a global company who keeps creating new application and providing system solutions**

- ① Build the stronger relations with leading global companies by enhancing application and marketing capabilities, and enriching the service to the customers
- ② Expand the lineup of products to construct platforms centering around ASSP products for IoT field including mobile and wearable devices
- ③ Enhance application fields and customer base in the ASIC area where we provide consistent support for solving customers problems, from development and manufacturing to quality assurance
- ④ Promote globalization of human resources
- ⑤ Strengthen financial base pursuing to shift to high growth and high profit constitution

# Mid-term management policy

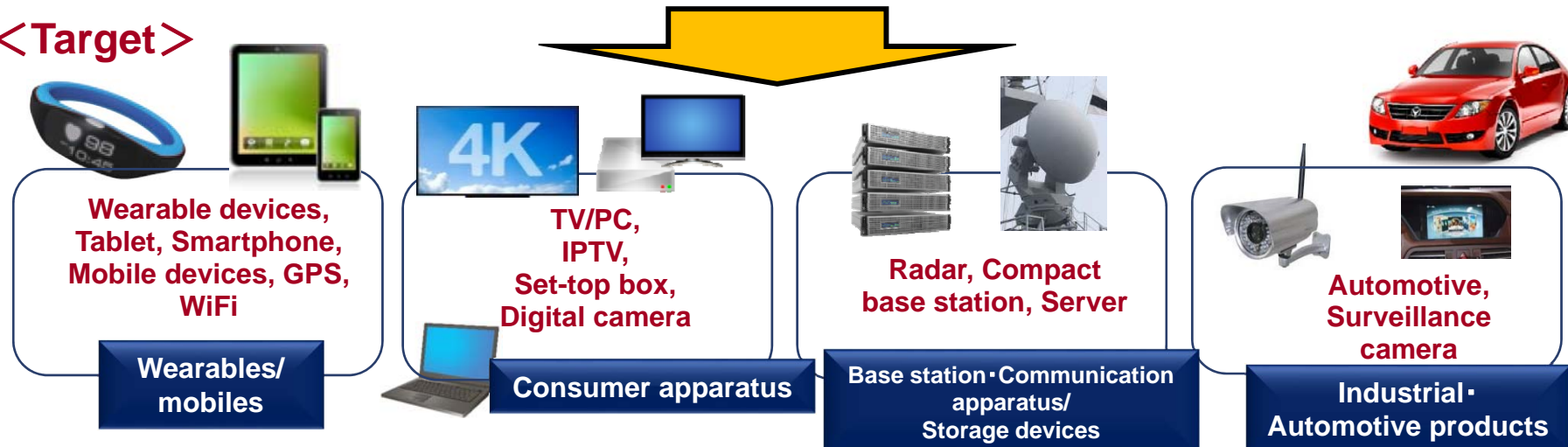
Build the stronger relations with leading global companies by enhancing application and marketing capabilities, and enriching the service to the customers

## Major Products

MEMS Timing Device  
 Smart Connectivity LSI (DisplayPort)  
 LSI for Display (Timing Controller)  
 Sensor Hub LSI  
 LSI for Communication (power line/wireless/optical)

Provide "Platform" for devices of rapid growth

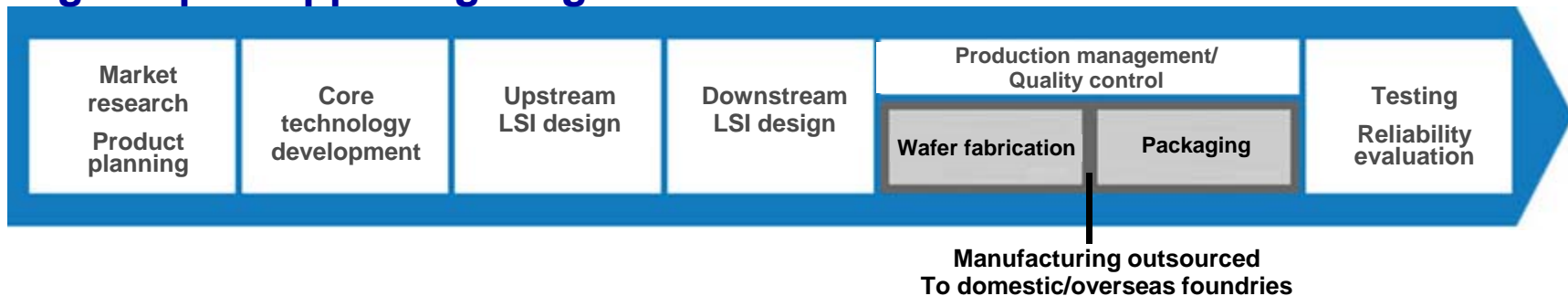
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# Mid-term management policy

Enhance application fields and customer base in the ASIC area where we provide consistent support for solving customers problems, from development and manufacturing to quality assurance

## MegaChips' supporting range



## Providing solutions across a wide range of markets



# Mid-term management policy

Build the stronger relations with leading global companies by enhancing application and marketing capabilities, and enriching the service to the customers.

We aim to strengthen proposal and support system for global leading customers through enhancement of development and sales structure, raise our corporate value and pursue continued growth.

**India Branch (Bangalore)**  
 Mainly develops IP and Technique by analog Technology as R&d hub

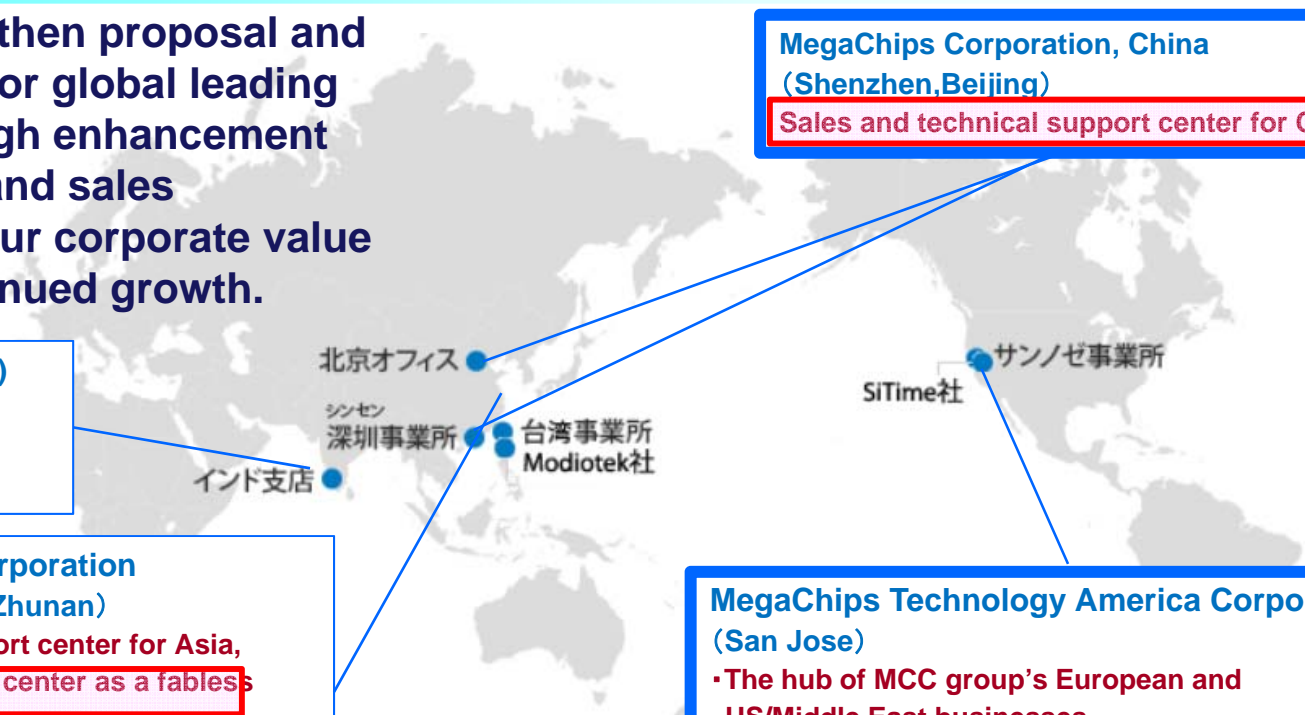
**MegaChips Taiwan Corporation**  
 (Taipei,Tainan,Hsinchu,Zhunan)  
 Sales and technical support center for Asia,  
 And supply-chain control center as a fables manufacture in Taiwan  
 Subsidiary: Modiotek Co., Ltd.  
 Supports Asia customers with product planning and development

**MegaChips Corporation, China**  
 (Shenzhen,Beijing)  
 Sales and technical support center for China

**MegaChips Technology America Corporation**  
 (San Jose)  
 •The hub of MCC group's European and US/Middle East businesses  
 •DisplayPort business base  
**SiTime Corporation**  
 Development and sales of MEMS Timing Devices

Enhanced customer support system

Regions to expand businesses

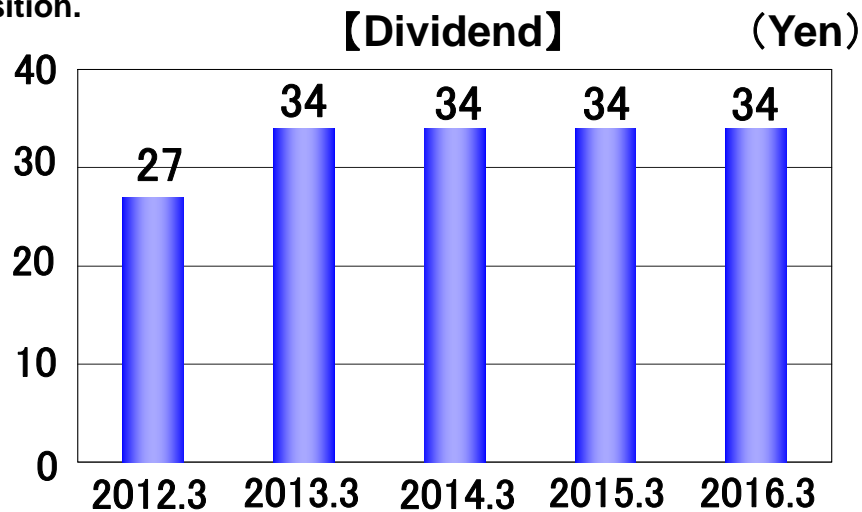


# Mid-term management policy

## Basic policy in profit distribution

### **【Policy】**

- ①The Company shall determine the amount of retained earnings for distribution by adopting an amount equivalent to 30% or more of consolidated net income (The amount may be increased or decreased when there is special accounting, settlements or tax factors.) as the aggregate amount of dividends and dividing this aggregate amount by the number of outstanding shares at the end of the period, which is obtained by deducting the number of shares held by the Company at the end of the period, taking into consideration medium-term business forecasts.
- ②In order to continuously improve its value as a company, the Company shall give consideration to the securing of appropriate funds for activities towards achieving medium- to long-term growth, such as basic research for creating innovative new technologies, the development of original products, the actualization of a reasonable business portfolio and the recruitment of capable individuals, as well as the maintenance of a sound financial position which enables the company to withstand changes in business conditions.
- ③For improving capital efficiency, the Company shall work to acquire its own shares expeditiously and return profits to its shareholders, taking into consideration factors, such as market conditions, share price trends and its financial position.



**FY ending in March 2016**

### **【Acquisition of Own Shares】**

Acquisition period: 2016.2.1~2016.2.15

The number of shares acquired: 920,000 shares

The total amount acquired: 972,662,300 yen

### **【Cancellation of Own Shares】**

Cancel date: 2016.2.29

The number of shares cancelled: 1,000,000 shares