
MegaChips Corporation

**Financial results for the fiscal
third-quarter ending March 2015
(3Q FY3/15)**

<http://www.megachips.co.jp/english/index.html>

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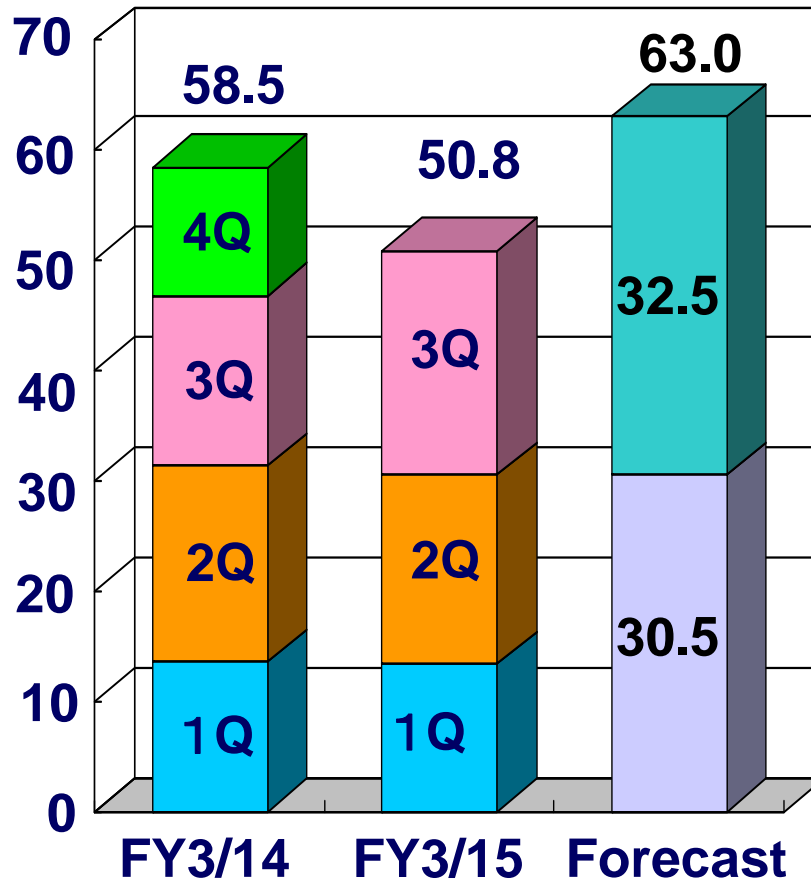
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3Q FY3/15 Results

3Q FY3/15 Consolidated Performance

Net Sales

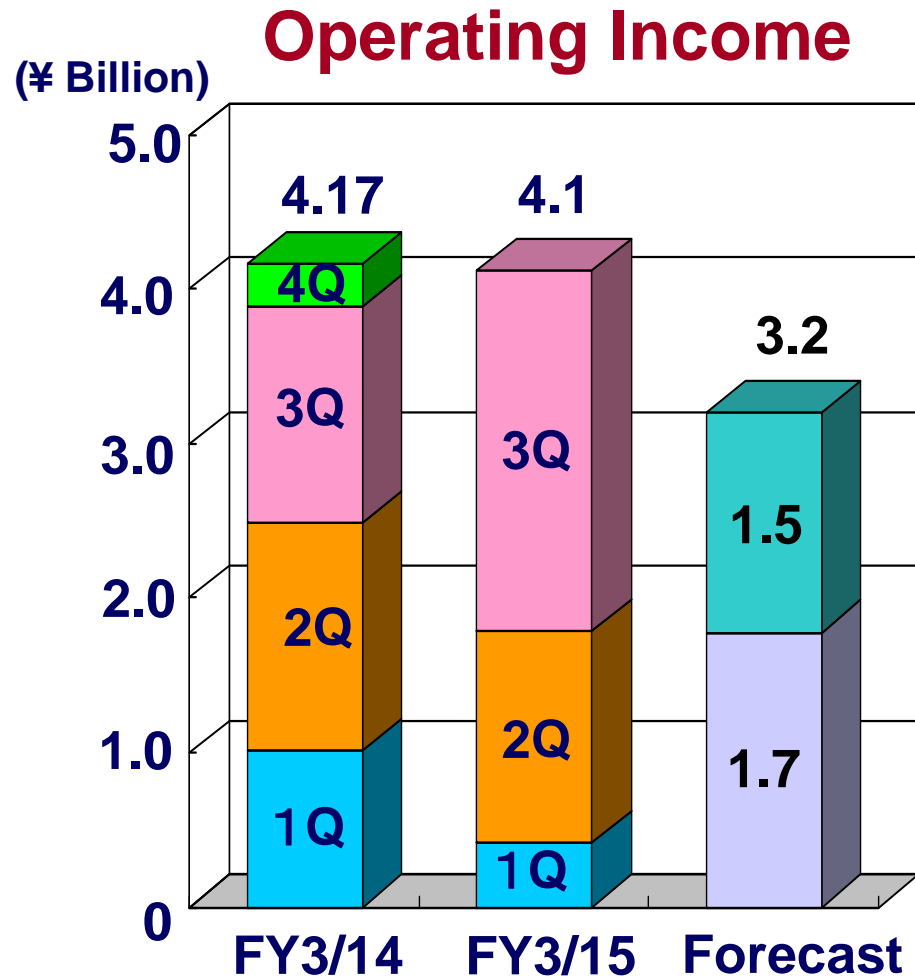
(¥ Billion)



Net Sales: ¥50.8 billion
YoY basis: + 8.7%

The demand of LSIs for digital cameras rose due to the increase of the number of mounting models. The demand of LSIs for office equipment, communication and liquid crystal panel stayed steady. Also the demand of Display Port business was added.

3Q FY3/15 Consolidated Performance



Operating income: ¥4.1 billion
YoY basis: + 6.1 %

The profits were increased because the LSIs for digital cameras, office equipment, communication and liquid crystal panel stayed steady. Also, the exchanges have experienced depreciation of the Yen against the US and Taiwan dollars.

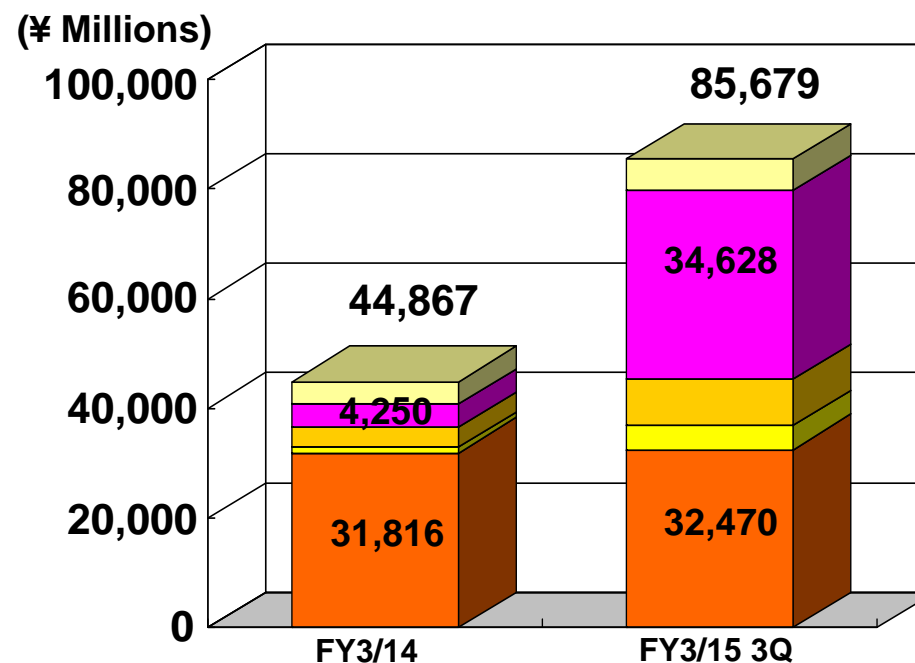
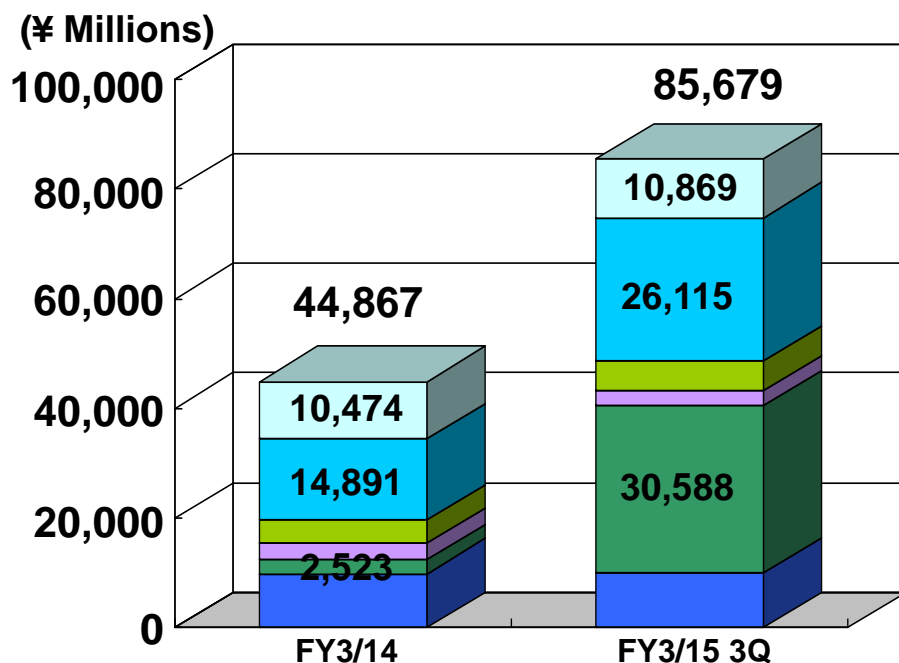
3Q FY3/15 Summary of Consolidated Performance

(¥ Millions)		FY3/15 3Q results	FY3/14 3Q results	YoY change
Consolidated	Net sales	50,807	46,721	+ 8.7%
	Operating income	4,122	3,885	+ 6.1%
	Ordinary income	※1 3,125	3,940	- 20.7%
	Net income	1,552	※2 4,902	- 68.3%
	Net income per share (¥)	68.87	209.96	- 67.2%

※1 The operating income include the exchange gain through the consolidated financial settlement with overseas subsidiaries, the gain offset by the exchange gap is being reversed as the non-operating exchange losses.

※2 On the merger of Kawasaki Microelectronics, Inc. (“KME”) as of April 1, 2013, the net operating loss carried forward in KME was assumed by our company. The part of such net operating loss, which is likely to be realized, was recorded as deferred tax assets. Accordingly, income taxes adjustment in the amount of Δ 2,374 million Yen (“ Δ ” means profit) was recorded.

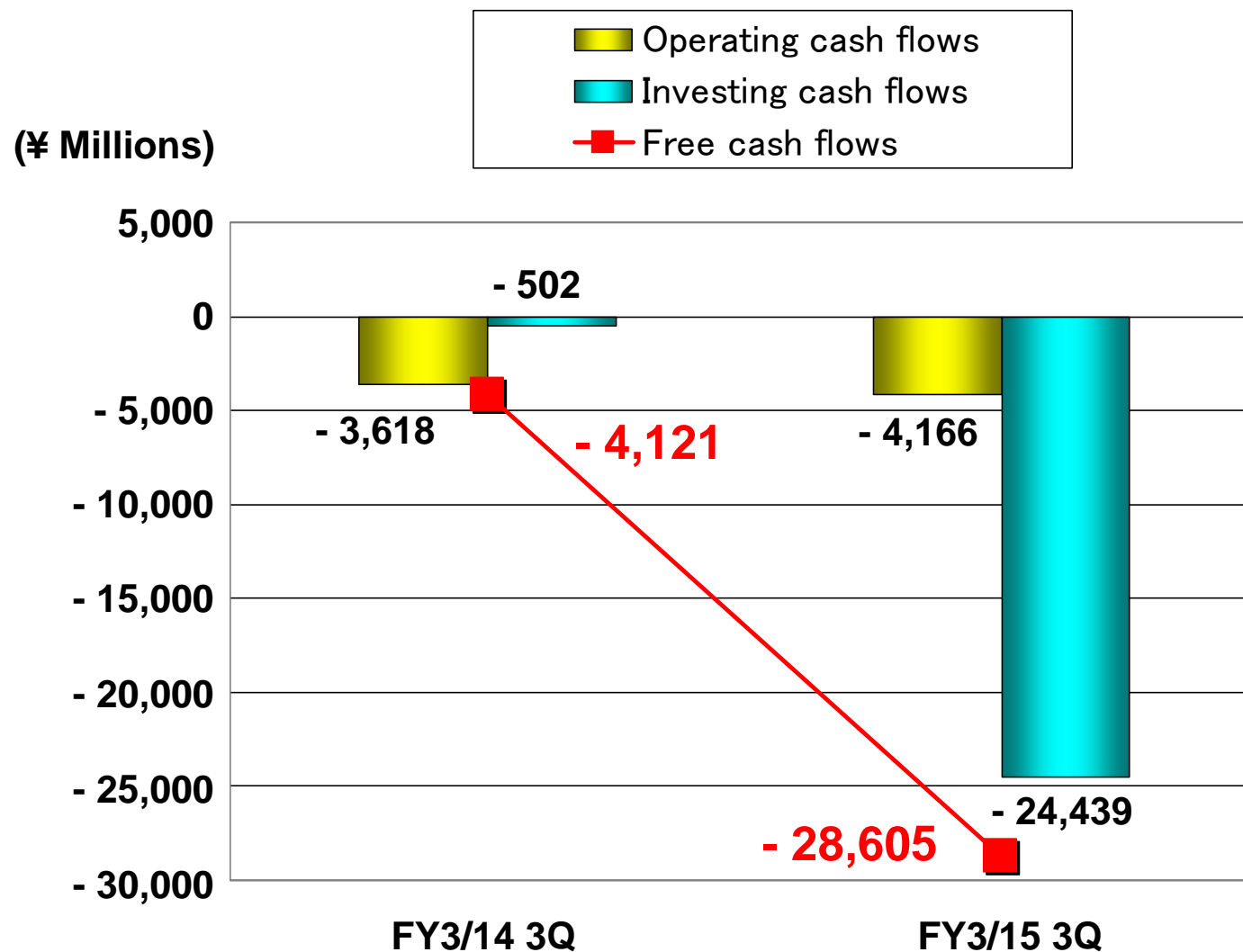
3Q FY3/15 Consolidated Balance Sheets



	FY3/14	FY3/15 3Q
Cash and cash equivalents	10,474	10,869
Accounts receivable	14,891	26,115
Inventories	4,209	5,432
Other current assets	3,014	2,794
Tangible/intangible fixed assets	2,523	30,588
Investments and other assets	9,756	9,881

	FY3/14	FY3/15 3Q
Accounts payable	4,154	5,816
Interest-bearing debt	4,250	34,628
Other current liabilities	3,644	8,446
Other fixed liabilities	1,003	4,319
Net assets	31,816	32,470

3Q FY3/15 Consolidated Cash Flows



FY3/15 Forecast

Business Plan for FY3/15

(¥ Million)		FY3/15 full-year forecast (1)	FY3/14 full-year results (2)	YoY change (2)/(1)	FY3/15 3Q results (3)	Vs. forecast (3)/(1)
Consolidated	Net sales	63,000	58,469	+ 7.7%	50,807	80.6%
	Operating income	3,200	4,173	- 23.3%	4,122	128.8%
	Ordinary income	3,100	4,277	- 27.5%	※ ₁ 3,125	100.8%
	Net income	1,700	※ ₂ 4,725	- 64.0%	1,552	91.3%
	Net income per share (¥)	72.81	202.40	- 64.0%	68.87	94.6%

※₁ The operating income include the exchange gain through the consolidated financial settlement with overseas subsidiaries, the gain offset by the exchange gap is being reversed as the non-operating exchange losses.

※₂ In the fiscal year ending in March 2014, the loss carried forward, etc. which was assumed from Kawasaki Microelectronics, Inc. (“KME”) in relation to the merger of KME as of April 1, 2013 and which may be realized, was recorded as deferred tax assets. The adjustment for corporate tax, etc. (profit) equal to Δ¥2,374million due to such event was included in “corporate tax, etc.”

IR Policy

>> 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.

IR Policy

>> 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 SEC.
CORPORATE CONTROL DEPARTMENT,
MegaChips Corporation
ir-team@megachips.co.jp**

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