

(Translation)

October 29, 2004

Name of the Company: MegaChips Corporation

Representative: Shigeki Matsuoka
President and Representative
Director

(Code No. 6875, the First Section of the Tokyo Stock Exchange)

Person to contact: Masayuki Fujii
Director and Executive Officer
(TEL 06-6399-2884)

**Notice of Determination of the Sale Price of
the Shares of Cameo Interactive, Ltd.**

In the news release dated September 28, 2004, notice was given that MegaChips Corporation (the "Company") would sell all the issued shares of its wholly-owned subsidiary Cameo Interactive, Ltd. (Head office: Yodogawa-ku, Osaka, President and Representative Director: Takahiro Sonoda, the "Cameo") to the group of e frontier, Inc. (Head office: Shinjuku-ku, Tokyo, President and Representative Director: Kenichi Ando, the "E Frontier"). Notice is hereby given that at the meeting of the Board of Directors of the Company held on October 29, 2004, the sale price of the shares was determined, as described below:

Description	
1.	Sale price of the shares
	Sale price per share: ¥42,200
	Total amount (5,000 shares): ¥211,000,000
2.	Schedule:
	October 29, 2004 Determination of the sale price of the shares by the Board of Director of the Company
	November 1, 2004 Convocation of an extraordinary general meeting of shareholders and a meeting of the board of directors of Cameo
	Transfer of the location of the head office of Cameo to Shinjuku-ku, Tokyo

January 11, 2005 (expected) Transfer of the location of the East Japan business office of Cameo to Shinjuku-ku, Tokyo;
 Transfer of the location of the West Japan business office of Cameo to Chuo-ku, Osaka

(Note) The same schedule as listed above will apply to Steinberg Japan Inc., Cameo's wholly-owned subsidiary.

3. Shareholding ratios before and after the transfer:

Shareholding ratio before the transfer	The Company:	100%	E Frontier group:	0%
Shareholding ratio after the transfer	The Company:	0%	E Frontier group:	100%

(Note) With regard to the outline of the E Frontier group, please refer to the "Notice of Transfer of Shares of Cameo Interactive, Ltd." disclosed on September 28, 2004.

4. Change of Officers:

According to this transaction, there will be a change of officers of Cameo and its subsidiary Steinberg Japan Inc. Representative Director Takahiro Sonoda (Director of the Company), Director Shigeki Matsuoka (Representative Director of the Company), Director Masayuki Fujii (Director of the Company), Full-time Statutory Auditor Chuji Ito, Statutory Auditor Nozomu Ohara (Statutory Auditor of the Company) and Statutory Auditor Keiichi Kitano (Statutory Auditor of the Company) will respectively resign as directors and statutory auditors of Cameo and will be replaced by management of the E Frontier group upon the close of its extraordinary general meeting of shareholders expected to be held on November 1 (Monday), 2004. We feel sincerely grateful to you for your cordialities toward them while in office.

[New officers expected to assume office]

Cameo Interactive, Ltd. (Head office: 22-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo)

President and Representative Director	Tatsuya Mizoguchi	(Currently, Director and General Manager of the Administrative Division of Holon Inc.)
Director	Katsuyuki Shimizu	(Currently, Senior Managing Director of e frontier, Inc.)
Director	Ryuji Wakisaka	(Currently, President and Representative Director of Holon Inc.)
Statutory Auditor	Takahiro Sonoda	(Currently, President and Representative Director of Cameo Interactive, Ltd.; Director of MegaChips Corporation)

Steinberg Japan Inc. (Head office: 22-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo)

President and

Representative Director Tsuyoshi Yasukawa (Incumbent)

Director Hiroshi Yamazaki (Incumbent)

Director Tatsuya Mizoguchi (Currently, Director and General Manager of the Administrative Division of Holon Inc.)

Director Katsuyuki Shimizu (Currently, Senior Managing Director of e frontier, Inc.)

Statutory Auditor Takahiro Sonoda (Currently, President and Representative Director of Cameo Interactive, Ltd.; Director of MegaChips Corporation)

(Note) The above-listed officers are expected to be elected at the respective extraordinary general meetings of shareholders of Cameo Interactive, Ltd. and Steinberg Japan Inc. to be held on November 1, 2004.

5. Future prospect:

The share transfer will result in a special loss. The details thereof are disclosed separately in the "Notice on Adjustments to the Forecasts of Business Results for the Year Ending March 31, 2005" dated October 29, 2004.

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Attention:

Of the current plans, estimates, prospects, strategies, beliefs, etc. of the Company disclosed herein, those which are not historical facts are forward-looking statements. Forecasts of operating results in the future are not limited to any statements using "beliefs," "expectations," "plans," "strategies," "prospects," "estimates," "projections," "possibilities" or their synonyms in the explanations of operating activities and results in the future.

Such statements are based on management's judgments of the Company formed by using the information available as of the date hereof. Hence, actual operating results may substantially differ from these forecasts of operating results due to various material factors in the future. You should not rely solely on these forecasts comprehensively and excessively. Additionally, the Company may not always revise the future forecasts in spite of new information, future events and other results.

Risks and uncertainties include material and unforeseeable influences arising from future events. This document is not prepared to solicit investment. In making investment, you should act on your own judgment.