

(Translation)

April 26, 2005

Dear Sirs,

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 Purchase by the Company of its Own Shares on the Market**

Notice is hereby given that MegaChips Corporation (the "Company"), in order to acquire its own shares under Article 211-3, Paragraph 1, No. 2 of the Commercial Code of Japan, carried out a purchase of its own shares on the market as described below.

Notice is also given that the acquisition of its own shares by the Company authorized by the resolution adopted at the meeting of its Board of Directors held on March 31, 2005 was completed as a result of this purchase.

Description

- | | |
|--------------------------------|--|
| 1. Class of shares purchased: | Shares of common stock of the Company |
| 2. Purchase period: | From April 1, 2005 to April 26, 2005 |
| 3. Number of shares purchased: | 500,000 shares |
| 4. Aggregate purchase prices: | ¥613,969,700 |
| 5. Method of purchase: | Purchase on the market established by the Tokyo Stock Exchange |

(For reference)

The resolution adopted at the meeting of its Board of Directors held on March 31, 2005

- Class of shares to be purchased: Shares of common stock of the Company
- Number of shares to be purchased: (Not exceeding) 500,000 shares
- Total number of shares to be purchased: (Not exceeding) ¥700,000,000
- Purchase period: From April 1, 2005 to April 28, 2005
- Method of purchase: Purchase on the market established by the Tokyo Stock Exchange

Total number of its own shares acquired on and after the date of the resolution adopted at the meeting of the Board of Directors (March 31, 2005) to April 26, 2005.

- Total number of shares purchased: 500,000 shares
- Aggregate purchase prices: ¥613,969,700

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