

(Translation)

May 12, 2005

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 Tie-up with Macronix International Co., Ltd.

Notice is hereby given that MegaChips Corporation (the "Company"), at the meeting of its Board of Directors held on May 12, 2005, resolved that the Company would enter into a strategic business tie-up with Macronix International Co., Ltd. (Taiwan Stock Exchange: 2337, NASDAQ: MXICY; "Macronix"), as described below:

Description

1. Purpose of the business tie-up:

Macronix and the Company have entered into a strategic business tie-up to expand LSI business and system business in the Asia-Pacific region principally consisting of the Chinese market with growth potential in the future.

Simultaneously, the Company will through its investment subsidiary in Taiwan acquire the shares of Macronix and appoint a director of Macronix. This is intended to foster mutual development of both companies by building closer personnel and capital relationships, in addition to the trading relationship for the past fifteen years.

2. Contents of the business tie-up:

- MegaChips Group will provide Macronix with application-specific LSIs (ASSP) related with cellular phones, digital still cameras and terrestrial digital broadcasting based on its

sophisticated intellectual properties and know-how in the LSI business area developed in Japan and basic technologies and base products for network cameras and security-related products in the system business area and Macronix will provide technical and local-tailoring support necessary to expand the market.

- Macronix will promote marketing, planning and propositions to increase sales of products of MegaChips Group; MegaChips Group and Macronix will jointly develop new LSI products with their technologies and Macronix will market such new LSI products.
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- Engineers of LSI chip designs at Macronix' China Design Center and engineers of algorithm and architecture development of the Company will cooperate and supplement each other to improve both companies' development capabilities and expand their lines of products.

3. Outline of Macronix International Co., Ltd.:

(1) Trade name:	Macronix International Co., Ltd.	
(2) Listing stock exchange:	Taiwan Stock Exchange: 2337, NASDAQ: MXICY	
(3) Contents of business:	Development, manufacture and sale of mask ROMs, flash memories, EPROM and ASSP, etc.	
(4) Establishment:	December 1989	
(5) Location of head office:	16, Li-Hsin Road, Science Park, Hsin-chu, Taiwan	
(6) Representative:	Miin Wu, Chairman & CEO	
(7) Capital:	NT\$65.5 billion	
(8) Number of employees:	Approx. 3,600	
(9) Principle shareholder and shareholding ratio:	National Stabilization Fund	1.31%
	Credit Swiss First Boston International	
	-Standard Chartered Bank Trust Account-	1.11%
	Delta Electronics Ltd.	0.81%
	Kuo Hua Life Insurance Co., Ltd.	0.80%
	Treasury Stock, Macronix International Co., Ltd.	0.79%
	Mr. Miin Wu	0.61%

4. Relationship with the Company:

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| (1) Capital relationship: | The Company holds 120,050,000 shares (approx. 2.6% of the |
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issued shares) of Macronix International Co., Ltd., through its subsidiary in Taiwan, Shun Yin Investment Ltd. (Head office: Taipei, Taiwan)

(2) Personnel relationship: Executive Officer of the Company Akira Takata will assume the office of director of Macronix.

(3) Trading relationship: The Company consigns to Macronix the manufacturing of customer-specific LSIs and purchases such products from Macronix.

5. Schedule:

May 12, 2005: Resolution of the Board of Directors
To conclude a "GENERAL AGREEMENT ON BUSINESS ALLIANCE" and begin the joint ventures

6. Future prospect:

The Company forecasts annual sales of ¥10 billion to ¥15 billion in the LSI business and system business on the Chinese market, among others, for the year ending March 31, 2008.

7. Forecast of operating results:

The forecast of operating results in the future will be described in the brief statement of accounts for the year ended March 31, 2005 to be publicized at 16:00 on May 13, 2005.

8. Reference information:

Macronix and the Company will issue a joint release "Expand partnership, Macronix and MegaChips" attached herewith in Taipei, Taiwan tomorrow morning.

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