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FOR IMMEDIATE RELEASE

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Notice of Difference Between Results Forecasts and Actual Results for the First Half

MegaChips Corporation (the “Company”) announced today a difference between the consolidated results forecasts published on July 29, 2016 and the actual results for the first half of the fiscal year ending March 31, 2017. The difference is described below.

• Difference Between Results Forecasts and Actual Results for the First Half

Difference between Consolidated Results Forecasts and Actual Results for the First Half of the Fiscal Year ending March 31, 2017 (from April 1, 2016 to September 30, 2016)

	Net sales	Operating income	Ordinary income	Profit/loss attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecast announced previously (A)	27,000	-600	-700	-1,900	-88.67
Actual results (B)	29,481	-30	-146	-1,611	-75.21
Change (B-A)	2,481	569	553	288	
Percentage change (%)	9.2	—	—	—	
Reference: Actual results for the first half of the fiscal year ended March 31, 2016	28,781	100	347	-367	-16.42

Reasons for the Difference

In regards to the consolidated results for the first half of the fiscal year ending March 31, 2017, total sales were higher than the previously announced forecast with greater-than-expected demand for game software storage LSI (custom memory), bringing larger operating and ordinary incomes than previously forecast.

The Smart Connectivity (DisplayPort) and MEMS timing devices, which the Group is focusing on as products in a new growth field in the medium to long term, both made good progress, and we will continue working to put them on a growth track.

As reflected in the financial forecast stated in the “Notice on Revisions of Financial Forecasts”, released on July 29, 2016, the Company booked a 1,001 million yen extraordinary loss in relation to the valuation of the investment securities in its consolidated financial results for the first half of FY2016.

For consolidated actual results for the first half of the fiscal year ending March 31, 2017, please refer to the “Brief Statement of Accounts (Japanese Accounting Standards) for the First Half of the Year Ending March 31, 2017” announced today.