

FOR IMMEDIATE RELEASE



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Notice of Recording of Extraordinary Income

MegaChips Corporation (the “Company”) hereby announces that it is forecast to record extraordinary income for the first half of the fiscal year ending March 31, 2018 (from April 1, 2017 to September 30, 2017) as follows.

1. Details of extraordinary income

Shun Yin Investment Ltd., (Headquarters: Taipei, TAIWAN R.O.C.; hereinafter, “Shun Yin”), a consolidated subsidiary of the Company, from May to June 2017, has sold 21 million shares of Macronix International Co., Ltd. (listed on the Taiwan Stock Exchange; Stock code: 2337; “Macronix”) from its investment securities (those categorized as “available-for-sale securities”). Accordingly, the Company is forecast to record a 251 million Taiwan dollar (approximately 926 million Japanese yen) gain on sales of investment securities as extraordinary income.

Please note that Shun Yin is a foreign subsidiary whose financial year ends in December. The relevant gain on sales of investment securities at this subsidiary will first be booked by Shun Yin in its half-year financial results (for the period from January 1, 2017 through June 30, 2017), which will subsequently be recognized by the Company in its consolidated financial results for the first half (April 1, 2017 to September 30, 2017) of the current fiscal year.

2. Reasons for the selling of Macronix shares

The sale of Macronix shares will improve the financial structure and enhance the efficiency of assets, and results in 45 million Macronix shares being held. The Company will maintain its capital relationship with Macronix in line with the strategic partnership between the two companies, and seek to ensure the stable supply of cutting-edge and high quality products to major customers. Macronix’s representative will continue to be served by the Company’s director.

3. Future outlook

The potential impact of this matter on the consolidated earnings forecast for the full fiscal year ending March 31, 2018 is currently being examined. In the event an adjustment must be made to the consolidated earnings forecast, the Company will disclose the related information, taking into account business circumstances and other factors.