

For immediate release

September 19, 2008

Name of the Company: MegaChips Corporation  
Representative: Yukihiro Ukai  
President and Representative  
Director  
(Code No. 6875, the First Section of the Tokyo Stock Exchange)  
Person to contact: Masayuki Fujii  
Director, Officer and General Manager  
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### Notice of Dissolution of Subsidiary

MegaChips Corporation (the “Company”) announces that a meeting of its Board of Directors held today has adopted a resolution to dissolve MegaChips (Hong Kong) Limited, a subsidiary of the Company. Details are as follows.

#### 1. Reason for Dissolution and Liquidation

MegaChips (Hong Kong) Limited was established in 2005 to facilitate the sale of the Company’s products in China. The Company subsequently reviewed its overseas bases, and determined that it would concentrate its operations in its Hong Kong branch, and that it would dissolve MegaChips (Hong Kong) Limited through shareholder voluntary liquidation procedures in accordance with the Company Law of Hong Kong.

#### 2. Profile of Subsidiary

- (1) Trade name: MegaChips (Hong Kong) Limited
- (2) Head office: Unit 05 of 12<sup>th</sup> Floor, The Metropolis Office Tower, 10 Metropolis Drive, Hung Hom, Kowloon, Hong Kong Administrative Region of the People’s Republic of China
- (3) Representative: Akira Takata
- (4) Incorporated: September 12, 2005
- (5) Main business: Import, export and sale of the Company’s products
- (6) Capital: HK\$24,900,000
- (7) Shareholder (shareholding): MegaChips Corporation (100%)

#### 3. Latest Operating Results of the Subsidiary

|                                 | Net sales     | Operating loss | Net loss      | Total assets   | Net assets    |
|---------------------------------|---------------|----------------|---------------|----------------|---------------|
| Fiscal year ended December 2007 | HK\$9,987,000 | HK\$7,952,000  | HK\$7,948,000 | HK\$15,411,000 | HK\$8,818,000 |

#### 4. Outlook

The dissolution of the subsidiary will have no significant effect on the Company’s consolidated operating results for the current fiscal year or for future fiscal years when the liquidation of the subsidiary is processed and completed.

#### 5. Schedule for Dissolution

- September 19, 2008: Decision to dissolve (Resolution by a meeting of the Company’s Board of Directors)  
December 2008 (planned): Commencement of dissolution procedures (Commencement of liquidation procedures by the subsidiary)  
Before the end of fiscal 2009 (planned): Completion of liquidation