

FOR IMMEDIATE RELEASE

November 8, 2010

Name of the Company: MegaChips Corporation
Representative: Yukihiro Ukai
President and Representative Director
(Code No. 6875, First Section of the Tokyo Stock Exchange)
Person to contact: Masayuki Fujii
Director, Officer and General Manager
of Finance & Accounting Office
(TEL 06-6399-2884)

**Notice of Acquisition of Treasury Stock and Purchase of Treasury Stock
Through Off-Auction Repurchase Trading (ToSTNeT-3)**
**(Acquisition of Treasury Stock under the provisions in the Articles of Incorporation pursuant to
Paragraph 1 of Article 459 of the Companies Act and Purchase of Treasury Stock through Off-Auction
Repurchase Trading (ToSTNeT-3))**

MegaChips Corporation (“the Company”) announces that a resolution dated November 8, 2010 pursuant to Article 370 of the Companies Act, which provides for a resolution by a written vote in place of a resolution by a meeting of the Board of Directors, has been made to acquire treasury stock in accordance with the provisions of the Company’s Articles of Incorporation and pursuant to Paragraph 1 of Article 459 of the Companies Act, as well as to determine a specific method for the acquisition. Details are as follows.

1. Purposes of Acquisition of Treasury Stock

To increase capital efficiency and to ensure the return of profits to the Company’s shareholders

2. Method of Acquisition

The Company will commission a purchase of its treasury stock through off-auction repurchase trading (ToSTNeT-3) at the Tokyo Stock Exchange at 8:45 a.m. on November 9, 2010 at the price of 1,519 yen, which is the closing price of the Company’s common stock today, November 8, 2010, on the First Section of the Tokyo Stock Exchange and which involves final special quotes. (No change will be made to other trading systems or to the time of trading.)

The purchase orders concerned will be effective only at the time of the intended trading.

3. Details of Acquisition

- (1) Class of shares to be acquired: Shares of common stock of the Company
- (2) Total number of shares to be acquired: Up to 300,000 shares
(1.23% of the total issued shares excluding treasury stock)
(Note 1) No change will be made to this number of shares. Depending on the market trends, the acquisition may not take place in whole or in part.
(Note 2) The purchase will be made with a sell order that matches the number of shares to be acquired.
- (3) Total price of stock acquisition: Up to 460,000,000 yen
- (4) Announcement of acquisition results: The acquisition results will be announced after the trading takes place at 8:45 a.m. on November 9, 2010.

(Reference) Ownership of treasury stock as of October 31, 2010

- (1) Total number of issued shares: 24,291,912 shares
(excluding treasury stock)
- (2) Number of shares of treasury stock: 61,988 shares