

FOR IMMEDIATE RELEASE



October 26, 2012

Name of the Company MegaChips Corporation
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Notice of Recording of Extraordinary Income

MegaChips Corporation (the “Company”) announces that it has recorded extraordinary income in consolidated results for the second quarter of the fiscal year ending March 31, 2013 (from July 1, 2012 to September 30, 2012) as follows:

1. Details of Extraordinary Income

The Company acquired all the shares outstanding in Kawasaki Microelectronics, Inc. to make it a wholly owned subsidiary on July 1, 2012. As a result, four companies including Kawasaki Microelectronics, Inc. became the Company’s subsidiaries.

Associated with this acquisition, the Company recognized a difference (approximately 1,406 million yen) between the market value of net assets at the time of acquisition and the acquisition cost as negative goodwill and recorded it as a gain on negative goodwill under extraordinary income in the consolidated statement of income for the second quarter of the fiscal year ending March 31, 2013.

2. Future Outlook

For the impact of the extraordinary income on results for the fiscal year ending March 31, 2013, please refer to the Notice of Difference Between Results Forecasts and Actual Results for the First Half and Revision of Full-Year Results Forecasts disclosed today, as it is reflected on consolidated full-year results forecasts for the fiscal year ending March 31, 2013.