

FOR IMMEDIATE RELEASE



May 8, 2013

Name of the Company MegaChips Corporation  
 Representative Akira Takata  
 President and Representative Director  
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### Notice of Decision on Distribution of Retained Earnings

MegaChips Corporation (the "Company") announces that a meeting of its Board of Directors held today adopted a resolution for the distribution of retained earnings with a record date on March 31, 2013. Details are as follows:

#### 1. Dividends

	Amount Determined (for the year ended March 31, 2013)	Most recent forecast of dividends (publicized on February 1, 2013)	Previous results (for the year ended March 31, 2012)
Record date	March 31, 2013	Same as on the left	March 31, 2012
Dividend per share	¥34.00	Undecided	¥27.00
Aggregated amount of dividends	¥793 million	-	¥646 million
Effective date	May 31, 2013	-	June 5, 2012
Source of dividends	Retained earnings	-	Retained earnings

#### 2. Reasons

With respect to the distribution of retained earnings for the fiscal year under review (year ended March 31, 2013), the Company decided, in accordance with its distribution policy, to pay an annual dividend of ¥34 per share as an ordinary dividend (¥27 for the previous period) to shareholders as of March 31, 2013.

In calculating the amount of dividends, as described in paragraph (2) of "1. Operating results - (3) Basic policy for profits distribution" on page 4 of the Accompanying Materials to the Brief Statement of Accounts (Japanese Accounting Standards) for the Year Ending March 31, 2013 (Consolidated), the aggregated amount of dividends is determined by subtracting the gain on negative goodwill (consolidated income) of ¥1,406 million associated with making Kawasaki Microelectronics, Inc. the Company's subsidiary, which is posted as special factors related to the accounting and settlement of accounts, from the consolidated net income and allocating 30% thereof.

(For reference) Breakdown of annual dividends:

Record Date	Dividend per Share				
	First Quarter-end	Interim	Third Quarter-end	Year-end	Annual
Results for year ended March 31, 2013	-	-	-	¥34.00 (Ordinary dividend: ¥34.00)	¥34.00 (Ordinary dividend: ¥34.00)
Results for year ended March 31, 2012	-	-	-	¥27.00 (Ordinary dividend: ¥27.00)	¥27.00 (Ordinary dividend: ¥27.00)

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### 3. Schedule

May 30, 2013: Documents for the dividends will be sent, together with a notice of the Ordinary General Meeting of Shareholders, attached documents, and reference documents.

May 31, 2013: The payment of dividends will commence.