

FOR IMMEDIATE RELEASE

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Notice of the Revision of Operating Results Forecasts and the Posting of Deferred Tax Assets

In consideration of the recent trend in consolidated operating results, MegaChips Corporation (the "Company") today announced a revision of its consolidated operating results forecasts for the first six months and the full period for the year ending March 31, 2014, which it had released on May 8, 2013. Details are as follows.

The Company also announced today the posting of deferred tax assets in connection with its merger with a consolidated subsidiary that took place in the first quarter of the year ending March 31, 2014 (from April 1, 2013 to June 30, 2013).

● Revision of Operating Results Forecasts for the First Six Months and the Full Year in Progress

Revision of consolidated operating results forecasts for the first six months of the year ending March 31, 2014 (from April 1, 2013 to September 30, 2013)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecasts previously announced (A)	30,000	1,100	1,100	2,900	124.20
Latest revised forecasts (B)	31,500	2,000	2,000	3,600	154.18
Change (B - A)	1,500	900	900	700	
Ratio of change (%)	5.0	81.8	81.8	24.1	
For reference: Results for the first six months of the year ended March 31, 2013	24,718	2,371	2,338	2,774	115.98

Revision of consolidated operating results forecasts for the full period of the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecasts previously announced (A)	63,000	4,000	4,000	4,800	205.58
Latest revised forecasts (B)	63,000	4,200	4,200	4,900	209.86
Change (B - A)	—	200	200	100	
Ratio of change (%)	—	5.0	5.0	2.1	
For reference: Results for the year ended March 31, 2013	53,623	3,962	4,120	4,044	170.23

Reasons for revising the operating results forecasts

The Company has forecast that demand for LSIs for storing game software, LSIs for LCD panels, and LSIs for office machines will surpass its initial demand forecasts for the first half of the year ending March 31, 2014.

In addition, the Company plans to strengthen its development resources in the second half of the year ending March 31, 2014, based on an expected delay in the period for launching new products, the absorption of demand for certain products that was observed in the first half of the year, and an upward trend in orders received for application-specific integrated circuits (ASICs).

For the reasons stated above, the Company revised its operating results forecasts for the first half and the full period of the year ending March 31, 2014, as presented above.

For your information, as stated below, the net income shown above includes a gain on the adjustment of tax amounts that resulted from the posting of deferred tax assets.

Reasons for posting deferred tax assets

The Company decided to post temporary differences it acknowledged as being recoverable, including a deficit carried forward that it had taken over from Kawasaki Microelectronics, Inc. as a result of its absorption-type merger on April 1, 2013, as deferred tax assets after examining their recoverability.

As a result of this event, adjustments for income taxes of ¥2,450 million are included in the income taxes posted in the consolidated statements of income and comprehensive income for the first quarter of the year ending March 31, 2014.

For your information, the effects of this posting on the operating results forecasts for the year ending March 31, 2014 have been reflected in the forecast of consolidated operating results for the year ending March 31, 2014, published in the Summary of Consolidated Financial Results (Japanese Accounting Standards) for the Fiscal Year Ended March 31, 2013, released on May 8, 2013.

* Note concerning future statements and the like

The future statements, including operating results forecasts, that appear in this document are based on the available information as of its release date and certain assumptions determined to be reasonable as of said date. Therefore, the Company does not guarantee their realization. Actual operating results and the like may vary significantly from the forecasts presented herein, depending on various factors that may arise after the release of this document.