

FOR IMMEDIATE RELEASE



July 26, 2013

Name of the Company MegaChips Corporation
Representative Akira Takata
 President and CEO
(Code No. 6875, First Section of the Tokyo Stock Exchange)

Notice of the Establishment of a Subsidiary in Taiwan

MegaChips Corporation (the “Company”) announces that at its meeting held today the Board of Directors decided to establish a wholly owned subsidiary in Taiwan and transfer the operations of the Company’s Taiwan Branch to this subsidiary. Details are as follows:

1. Reasons for establishing the subsidiary

The Company and its consolidated subsidiaries (the “Group”) have been engaged in business in Taiwan for many years. In addition, the Taiwan Branch, which the Company took over from Kawasaki Microelectronics, Inc. through an absorption-type merger on April 1, 2013, has been engaged in business in Taiwan focused on the manufacture of LSIs for LCD panels. The Company will now set up a local subsidiary called MegaChips Taiwan Corporation to expand its operations across Asia. The Company aims to bolster its sales and marketing, development, field applications engineering (FAE), and production management functions through this new subsidiary that it is positioning as its business headquarters in Asia.

With the establishment of this subsidiary in the same country, the Company plans to close the Taiwan Branch after completing the transfer of the Branch’s functions to the subsidiary.

2. Summary of the subsidiary to be established

(1) Name	MegaChips Taiwan Corporation (tentative)
(2) Address	Room B 2F, Worldwide House, No. 129, Min Sheng E. Rd., Sec. 3, Taipei 105 Taiwan
(3) Representatives	Chairman: Shigeki Matsuoka (Executive Vice President of the Company and Officer of the Corporate Business Management Office) President and CEO: Hitoshi Sugiyama (General Manager of the Division No.4 of the Company and the Taiwan Branch)
(4) Business activities	Sales, production management, support, and other functions for Group products as the Group headquarters for businesses in Asia
(5) Account settlement date	March 31 of each year
(6) Capital (investment ratio)	360 million Taiwan dollars (invested by the Company at a ratio of 100%)

3. Schedule for the establishment

Date of the Board of Directors
resolution in connection with the
establishment July 26, 2013

Date of establishment An unspecified date in October 2013 (projected)

Date of operational launch An unspecified date in January 2014 (projected)

4. Future outlook

The establishment of the subsidiary will have a minor effect on consolidated operating results for the year ending March 31, 2014.

MegaChips Taiwan Corporation will be a specified subsidiary of the Company, as it will be established with more than 1/10th of the Company's capital.