

FOR IMMEDIATE RELEASE



December 20, 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 Capital Increase for U.S. Consolidated Subsidiary

MegaChips Corporation (the “Company”) announces that, at a meeting of its Board of Directors held today, it resolved to increase its capital in MegaChips Technology America Corporation, the Company’s consolidated subsidiary in the United States. The details are as follows.

1. Profile of the U.S. subsidiary

(1) Name	MegaChips Technology America Corporation
(2) Location	2033 Gateway Place, Suite 400, San Jose, CA 95110 U.S.A.
(3) Title and name of representative	CEO Koichi Akeyama (in charge of overseas businesses, the Business Management Office of the Company)
(4) Business details	The subsidiary has the research and development function of the MegaChips Group, engages in the sales and customer support of ASIC products in North America, and services markets in Europe and the Middle East.
(5) Capital (Investment ratio)	US\$4,570,000 (100% by the Company)
(6) Date established	December 1994
(7) Shares outstanding	11,980 shares
(8) Account settlement date	March

2. Details of the capital increase

(1) Capital increase	US\$11,500,000
(2) Payment date	January 2014 (planned)
(3) Method of capital increase	Capital contribution method
(4) Capital after capital increase (Investment ratio)	US\$16,070,000 (100% by the Company)
(5) Shares outstanding after capital increase	11,980 shares (No new shares will be issued.)

3. Reason for the capital increase

In implementing its business strategies as part of the Company’s initiatives to establish business bases to facilitate the overseas operations of the MegaChips Group, the Company carries out capital increases as necessary to reinforce the financial foundation of its subsidiary in the United States.

4. Future outlook

This capital increase will have a minor effect on the Company’s consolidated operating results for the fiscal year ending March 31, 2014.

MegaChips Technology America Corporation is expected to become the Company’s specified subsidiary as a result of this capital increase, as the subsidiary’s capital will exceed 10% of the Company’s capital.