

FOR IMMEDIATE RELEASE



March 28, 2014

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 of Consolidated Subsidiary

MegaChips Corporation (the “Company”) announces that, at a meeting of its Board of Directors held today, it has decided that MegaChips Taiwan Corporation (Headquarters: Taipei, the Republic of China; hereinafter “MegaChips Taiwan”), a consolidated subsidiary of the Company, will increase its capital and that Shun Yin Investment Ltd. (Headquarters: Taipei, the Republic of China), another consolidated subsidiary of the Company, will underwrite all of the capital increase.

1. Profile of the Subsidiary

(1) Name	MegaChips Taiwan Corporation
(2) Location	RM. B 2F, Worldwide House, No.129, Min Sheng E.Rd., Sec.3, Taipei 105 Taiwan
(3) Title and name of representative	Chairman:Shigeki Matsuoka (Executive Vice President of the Company and Officer of the Corporate Business Management Office)
(4) Business details	Operating mainly in Taiwan as business headquarters in East Asia (excluding Japan) and engaging in sales, production management, development and technical support, etc.
(5) Established	September 2013
(6) Capital (investment ratio)	NT\$360 million (by the Company 100%)
(7) Shares outstanding	36,000,000 shares
(8) Fiscal year end	March

2. Details of the capital increase

(1) Capital increase	NT\$250 million
(2) Shares outstanding	25,000,000 shares (common stock)
(3) Payment date	March 28, 2014
(4) Underwriter of capital increase	Shun Yin Investment Ltd.(an investment business and a wholly-owned company of the Group)
(5) Capital after capital increase (investment ratio)	NT\$610 million (The Company 59%, Shun Yin Investment Ltd. 41%)
(6) Shares outstanding after capital increase	61,000,000 shares

3. Reason for the capital increase

As the MegaChips Group promotes the development of operational bases to expand business overseas, the Group will strengthen the financial ground of MegaChips Taiwan by increasing its capital in preparation for financial strategies for future business expansion as the regional headquarters in Asia.

4. Future outlook

The impact of this capital increase on the consolidated business performance of the Company for the fiscal year ending March 31, 2014 will be minor. MegaChips Taiwan falls under a specified subsidiary of the Company.