

FOR IMMEDIATE RELEASE

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## Notice of Difference Between Results Forecasts and Actual Results for the First Half and a Revision to the Full-Year Forecasts

MegaChips Corporation (the “Company”) announced today a difference between the consolidated results forecasts published on May 13, 2015 and the actual results for the first half of the fiscal year ending March 31, 2016. The difference is described below.

Considering the recent business trends, it also announced a revision to the full-year result forecasts for the fiscal year ending March 31, 2016, published on May 13, 2015.

### • Difference Between Results Forecasts and Actual Results for the First Half and a Revision to the Full-Year Forecasts

Difference between Consolidated Results Forecasts and Actual Results for the First Half of the Fiscal Year ending March 31, 2016 (from April 1, 2015 to September 30, 2015)

	Net sales	Operating income	Ordinary income	Profit/loss attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecast announced previously (A)	32,000	100	0	-600	-26.85
Actual results (B)	28,781	100	347	-367	-16.42
Change (B-A)	-3,218	0	347	232	
Percentage change (%)	-10.1	0	—	—	
Reference: Actual results for the first half of the fiscal year ended March 31, 2015	30,492	1,786	1,406	674	29.80

Revision of Consolidated Full-Year Results Forecasts for the Fiscal Year Ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecast announced previously (A)	70,000	3,200	3,000	1,000	44.74
Revised forecast (B)	62,000	2,000	1,800	200	8.95
Change (B-A)	-8,000	-1,200	-1,200	-800	
Percentage change (%)	-11.4	-37.5	-40.0	-80.0	
Reference: Actual results for the fiscal year ended March 31, 2015	64,237	4,895	3,400	1,251	55.64



## Reasons for the Difference

In regards to the consolidated results for the first half of the fiscal year ending March 31, 2016, although demand was better than expected for ASSP products including the Smart Connectivity (DisplayPort) and MEMS timing devices, which the Group is focusing on as products in a new growth field in the medium to long terms, total sales were lower than the previously announced forecast because demand was lower than expected for game software storage LSI (custom memories) and LSIs for liquid crystal display panels in the pre-existing field.

The operating income remained at the same level as the previously announced forecast, reflecting the decreased research and development expenses due to fact that development was streamlined or shifted to the second half, although losses from exchange rate gaps occurred through consolidated financial settlement with overseas subsidiaries amid a greater-than-expected appreciation of the Yen against Taiwan dollars.

Losses from exchange rate gaps due to consolidated financial settlement with overseas subsidiaries are reversed as non-operating foreign exchange gains. As a result, the ordinary income surpassed the previously announced forecast, and loss attributable to owners of parent was lower than the previously announced forecast.

In regards to the consolidated full-year results forecasts for the fiscal year ending March 31, 2016, the Company has revised forecasts on sales and profits because it expects that demand will be lower than the previous forecast for game software storage LSI (custom memories) and LSIs for liquid crystal display panels.

For consolidated actual results for the first half of the fiscal year ending March 31, 2016, please refer to the "Brief Statement of Accounts (Japanese Accounting Standards) for the First Half of the Year Ending March 31, 2016" announced today.

\* Note on the description of the future and other matters

Forward-looking statements, such as the operating results forecast included in this document, are based on information available to the Company and certain assumptions that are considered reasonable as of the date of the publication of this release. The Company does not guarantee the projected results. Actual results could differ materially depending on various factors that may arise in the future.