

FOR IMMEDIATE RELEASE



January 29, 2016

Name of the Company: MegaChips Corporation
Representative: Akira Takata, President and CEO
(Code No. 6875, First Section of the Tokyo Stock Exchange)
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Notice of Determination of Matters Concerning Acquisition of Treasury Stock and Retirement of Treasury Stock

(Acquisition of Treasury Shares in Accordance with the Provisions of the Articles of Incorporation Prescribed in Paragraph 1, Article 459 of the Japanese Companies Act)

MegaChips Corporation (the “Company”) hereby announces that, at the Meeting of the Board of Directors held today, the Company determined matters concerning the acquisition of treasury stock, in accordance with the provisions of its Articles of Incorporation pursuant to Paragraph 1 of Article 459 of the Companies Act. Details are as follows. The Company also resolved to retire treasury stock pursuant to Article 178 of the Companies Act.

1. Reasons for Acquisition and Retirement of Treasury Stock

The Company regards the appropriate distribution of profits to its shareholders as an important management issue and endeavors to actively return profits to shareholders based on consideration of the Company’s business outlook. The Company’s basic policy concerning the distribution of profits is as stated in “(3) Basic principles concerning the distribution of profits and the dividends for the fiscal year under review and the next fiscal year” on page 4 of the Accompanying Materials of the Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015, released on May 13, 2015.

For the purpose of implementing flexible capital policies in response to changes in the management environment while enhancing the return of profits to shareholders, the Company now plans to acquire treasury stock and to retire 1,000,000 shares of its treasury stock (4.16% of the total number of outstanding shares) in a bid to increase capital efficiency.

2. Details of Items Relating to the Acquisition of Treasury Shares

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| (1) Type of target shares for acquisition | Common shares of MegaChips Corporation |
| (2) Total number of shares available for acquisition | 920,000 shares (maximum number)
(Their ratio to shares outstanding (excluding treasury stock) 4.11%) |
| (3) Total share acquisition cost | 1,000,000,000 yen (maximum cost) |
| (4) Acquisition period | From Monday, February 1, 2016 to Monday, February 29, 2016 |

3. Details of Retirement of Treasury Shares

- (1) Class of shares to be retired Common shares of MegaChips Corporation
- (2) Number of shares to be retired 1,000,000 shares
- (3) Scheduled retirement date February 29, 2016

4. Total number of shares outstanding after retirement 23,038,400 shares

(Reference) State of Treasury Shares Held as of December 31, 2015

- (1) Total number of shares outstanding 22,348,950 shares
 (excluding treasury shares)
- (2) Treasury shares 1,689,450 shares