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FOR IMMEDIATE RELEASE

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## Notice on Revisions of Financial Forecasts and Reversal of Deferred Tax Liabilities Arising from the Reduction of the U.S. Corporate Tax Rate

In consideration of the recent business trends, MegaChips Corporation (the “Company”) hereby announces revisions to the consolidated financial forecasts published on October 27, 2017 for the full-year of FY2017 (the fiscal year ending March 31, 2018) as follows.

Furthermore, the Company also announces the reversal of deferred tax liabilities, arising from the reduction of the U.S. corporate tax rate, for the consolidated fiscal year ending March 31, 2018.

### ●Revisions to Financial Forecasts for the Full-Year

Revision to the consolidated financial forecasts for the full-year of FY2017 (April 1, 2017 to March 31, 2018)

	Net sales	Operating income (loss)	Ordinary income (loss)	Profit (loss) attributable to owners of parent	Basic earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Forecast announced previously (A)	85,000	1,700	1,500	1,000	46.19
Revised forecast (B)	87,000	2,100	1,700	1,600	73.78
Increase / Decrease (B-A)	2,000	400	200	600	
Increase / Decrease (%)	2.4	23.5	13.3	60.0	
Reference: Actual results for the full-year of FY2016	67,438	1,926	994	(947)	(44.14)

### Reasons for the revisions

The Company revised up the previously announced sales, income, profit, and earnings forecasts for the full-year of FY2017 due mainly to the increase in demand of LSIs for storing game software (custom memories).

Furthermore, the Company has carried out a revaluation of deferred tax assets and liabilities due to the reduction of the U.S. corporate tax rate from 35% to 21%, from 2018, following the signing into law of the Tax Cuts and Jobs Act on December 22, 2017.

Mainly, as a result of a reversal of deferred tax liabilities due to consolidation adjustments with subsidiaries that end their fiscal year on December 31, the Company plans to book profit of 537 million yen in income tax adjustments in the consolidated financial results for the full-year of FY2017. Accordingly, the Company also revised profit (loss) attributable to owners of parent, as shown in the table above.

### \* 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.