

FOR IMMEDIATE RELEASE



March 18, 2019

Name of the Company: MegaChips Corporation
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(Code No. 6875, First Section of the Tokyo Stock Exchange)
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Notice Concerning Early retirement program

MegaChips Corporation (the Company) announces that the Company has decided to implement early retirement program in its Board of Director meeting today.

1. Reason for implementing early retirement program

In response to environmental changes in the semiconductor industry, the Company will implement measures necessary to achieve mid-to-long term growth of its business. The Company will implement restructuring by reforming earnings structure including reduction of fixed expenses, improving financial position, optimizing operations and streamlining operations, and investing in business areas where growth is expected in the future. For those who decide to leave the Company and pursue opportunity to demonstrate their ability, the Company will provide reemployment support services.

2. Overview of Implementation for Early Retirement Program

- (1) Eligible persons: Employees with over 35 years old or older as of March 31, 2019
Employees belonging to the designated department as of the announcement
- (2) Target number of applicants: Approximately 40
- (3) Application period: March 25, 2019 to May 31, 2019
It may change depending on the situation of the application.
- (4) Date of retirement: June 30, 2019
- (5) Preferential treatment: A special retirement benefit and re-employment support services

3. Future Outlook

The Company will post special retirement benefit as an extraordinary loss in the consolidation results of fiscal year ending March 31, 2019, and has included ¥300 million as an estimated amount as noted in [Notice Concerning Posting of Extraordinary Loss associated with Structural Reform Action and Revisions in Business Forecast] released today. MegaChips will announce immediately the results of the program and the amount of extraordinary loss closing the application period.