

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

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| 1. Name and Address of Reporting Person* <u>CHAN TZOYAO</u> (Last) (First) (Middle) 224 AIRPORT PARKWAY SUITE 400 (Street) SAN JOSE CA 95110 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>PIXELWORKS, INC [PXLW]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Exec. VP of Engineering</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>07/26/2012</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------|------------|---|---------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | | |
| Common Stock | 07/26/2012 | | A | | 15,500 | A | (1) | 227,831 | D | | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|-----|-----|--|-----------------|---|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | |
| Non-Qualified Stock Option (right to buy) | \$0.72 | | | | | | | (2) | 01/01/2019 | Common Stock | 76,000 | 76,000 | D | |
| Non-Qualified Stock Option (right to buy) | \$2.36 | | | | | | | (3) | 02/09/2018 | Common Stock | 75,000 | 75,000 | D | |
| Non-Qualified Stock Option (right to buy) | \$3.13 | | | | | | | (3) | 02/10/2016 | Common Stock | 60,000 | 60,000 | D | |
| Non-Qualified Stock Option (right to buy) | \$3.48 | | | | | | | (3) | 02/10/2017 | Common Stock | 60,000 | 60,000 | D | |

Explanation of Responses:

- Each restricted stock unit represents a contingent right to receive one share of the registrant's common stock. The restricted stock units will vest 50% on the first anniversary of the grant date and 50% on the second anniversary of the grant date.
- 25% vest on the last day of the month of the first anniversary of the date of grant, with the remaining 75% vesting ratably on a monthly basis thereafter over three years.

3. Becomes exercisable on a monthly basis over 3 years, commencing the last day of the month of the date of grant.

By: Andrew P. Bates For:
Tzoyao Chan

07/30/2012

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.