

2006/01/23

IPS Alpha Technology, Ltd.

### **IPS Alpha Announces Accelerated Production**

IPS Alpha Technology Ltd. (President: Fumiaki Yonai) announces that in response to growing demand for IPS LCDs, it will start mass production of IPS LCDs from May, 2006 (1.6 million units/year, in terms of 32 inch units), thus accelerating by about two months prior plans to commence mass production in the second quarter (July - September) of 2006.

Additionally, in light of the growing popularity of flat panel TVs, IPS Alpha plans to advance by about one and half years an increase in production capacity originally planned for the second half of the 2008 fiscal year, boosting capacity in April 2007 to 2.5 million units/year, in terms of the 32 inch product.

At present, in addition to the spread of terrestrial digital broadcasting, upcoming world events such as the Winter Olympics in Turin and the FIFA World Cup in Germany are starting to increase the demand for IPS LCDs, which draw out the high image quality inherent in digital broadcasting.

In light of these circumstances, since its establishment on January 1, 2005 the company has been planning construction of an advanced manufacturing facility for IPS LCD TV panels on the premises of Hitachi Displays Ltd. (President: Kazuhiro Mori) in Mobarra-city, Chiba Prefecture, with the aim of commencing mass production from the second quarter of the 2006 fiscal year. To address increased market demand however, it has revised this plan to advance the start of mass production in the factory currently under construction, and increase its production capacity.

Utilizing our technology base, IPS Alpha will continue to supply LCD panel products that are even more competitive in performance and pricing.

**IPS LCDs**

IPS stands for In-Plane-Switching (lateral electric field) mode LCD, a type of TFT LCD display technology offering higher picture quality regardless of the angle at which it is viewed.

When voltage is applied, LCD molecules rotate parallel to the board, enabling wider viewing angles and fewer changes in tone and all color gradation from white to black from different viewing angles.

Thus IPS provides a wider, 170-degree viewing angle, both horizontally and vertically, displaying natural images. In particular, IPS-Pro, an improved version for TV broadcasting, allows the manufacture of LCDs with the highest picture quality, thanks to a 50% increase in transmissivity and a contrast ratio three times that of previous IPS technology.

### **How IPS Alpha Technology began**

Hitachi, Ltd. (President: Etsuhiko Shoyama), Toshiba Corporation (President: Atsutoshi Nishida), Matsushita Electric Industrial Co., Ltd. (President: Kunio Nakamura) and Hitachi Displays, Ltd., a wholly owned Hitachi subsidiary, established IPS Alpha Technology Ltd. on January 1, 2005 to specialize in the manufacture and sale of LCD panels for flat panel televisions.

IPS Alpha will manufacture LCD panels using IPS technology developed by Hitachi Displays. Hitachi, Toshiba, Matsushita and IPS Alpha Technology, as set and panel makers, will work closely together to achieve synergy in the supply of IPS LCD panels and televisions that are more competitive in terms of both performance and price.

## **Outline of the JV**

**Company name: To be announced**

**Management: To be announced**

**Projected capital: 60-70 billion yen**

**Ownership: Hitachi Displays 30-35 billion yen (50%);**

**Toshiba 15 billion yen (21-25%);**

**Matsushita 15 billion yen (21-25%);**

**Other companies 0-5 billion yen (0-8% projected)**

**Location: Mobara, Chiba Prefecture, Japan**

**Business: Manufacture, design, sales and related maintenance and services of amorphous TFT LCD**