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IPS Alpha Technology, Ltd.

IPS Alpha Technology to Expand Capacity

Additional Investments to Raise Annual Output to Approx. 5 Million Units

(32-inch panel basis);Also Plans to Construct Plant in Europe for LCD Modules for TVs

IPS Alpha Technology, Ltd. ("IPS Alpha") today announced that it has decided to further expand its production capacity for large IPS LCD panels for TVs ("IPSα panels") with an additional investment of approximately 80 billion yen, which includes investments at a state-of-the-art facility in Mobara, Chiba Prefecture, Japan. This move is in response to the growing demand for flat-panel TVs worldwide.

Specifically, plans call for IPS Alpha's production capacity to be increased to approximately 5 million units/year (in terms of 32-inch products) by the second half of fiscal 2007, the year ending March 31, 2008; existing plans had called for an output of 2.5 million units/year (same basis).

As part of steps to rack up capacity, discussions with the government are under way in the Czech Republic concerning the construction of a plant to manufacture TFT LCD modules for TVs due to the expanding flat-panel TV market in Europe. The new facility is scheduled to commence production in the second half of fiscal 2007.

Presently, in addition to the rolling out of digital broadcasting, upcoming events of global interest such as the 2006 FIFA World Cup in June this year and the 2008 Beijing Summer Olympic Games are spurring a rapid increase in the demand for flat-panel digital TVs. There is also higher demand for IPS Alpha's high picture quality IPSα panels, which display vibrant images regardless of the angle at which they are viewed.

In response, IPS Alpha began mass producing IPSα panels in May this year at a new, state-of-the-art manufacturing facility located at Hitachi Displays, Ltd. This plant can manufacture about 1.6 million units/year in terms of 32-inch equivalents. Furthermore, IPS Alpha has been implementing a business plan designed to build an approximate 2.5 million units/year framework by April 2007 to

meet the growing need for IPS LCD TVs. However, IPS Alpha decided to make the additional investment announced today after concluding that there was a need to rack up output further to cater to market expansion from fiscal 2008 onward.

This additional investment will establish at IPS Alpha a system capable of producing approximately 5.0 million units/year, double the output targeted in existing plans, by the second half of fiscal 2007, thus allowing the company to meet customer expectations for high picture quality IPSα panels.

IPS Alpha will also bring forward the increase in production capacity originally scheduled for April 2007. The company now plans to expand production capacity to approximately 2.5 million units/year (in terms of 32-inch products) by January 2007.

IPS Alpha is also planning to construct an LCD module manufacturing facility in the Czech Republic, scheduled to begin production in the latter half of fiscal 2007, to keep up with the rapid growth of the European flat-panel TV market. Approximately 12 billion yen of the additional 80 billion yen investment announced today is earmarked for this facility.

About IPSα Panels]

IPS stands for In-Plane-Switching (lateral electric field) mode LCD, a type of TFT LCD display technology that has a higher picture quality regardless of the angle at which it is viewed. IPS is distinguished by a wide viewing angle, along with minimal gray-scale inversion and viewing-angle dependency, producing lifelike images. In particular, IPS-Pro*, which was developed for use in TVs, achieves an even higher picture quality with an approximate 50% increase in transmissivity and a contrast ratio at least 3 times that of initial IPS technology. In terms of viewing angle, IPS-Pro technology delivers a contrast ratio of at least 100:1 at any angle, compared with the contrast ratio of 10:1 normally used for measuring LCD viewing angles. IPS Alpha will sell panels manufactured using this leading-edge technology under the “IPSα panel” brand worldwide.

For more information on IPS technology, visit the following URL:

http://www.hitachi-displays.com/en/technology/2012173_18543.html

(* In-Plane Switching Provectus. Provectus is Latin for innovation..

Outline of the JV

Company name: IPS Alpha Technology, Ltd.

President: Fumiaki Yonai

Start of operations: January 1, 2005

Capital (including capital reserve): 99.0 billion yen (Sept. 30. 2007 (planned))

Ownership: Hitachi Displays 49.5 billion yen (50%); Matsushita Electric Industrial Co., Ltd.

30.0 billion yen (30%); Toshiba Corporation 15.0 billion yen (15%);

Development Bank of Japan and others: 4.5 billion yen (5%)

Location: 3732 Hayano, Mobara-city, Chiba Prefecture, Japan

Business: Manufacture, design, sales and related maintenance and services for amorphous TFT LCD panels for TVs

Products: Amorphous TFT LCD panels for TVs 23 inches and above

Start of production: May 2006

Production capacity: Approx. 1.6 million 32-inch units/year in May 2006 (start of production)

Approx. 2.5 million 32-inch units/year in January 2007

Approx. 5.0 million 32-inch units/year in the second half of fiscal 2007

[Substrate size: 1500mm x 1850mm, for 26 inches x 12, or 32 inches x 8, or 37 inches x 6]

Outline of European LCD Module Production Facility (Local Company)

Company name: IPS Alpha Technology Europe, s. r. o. (provisional)

Location: Czech Republic

Start date: June 2006 (establishment of preparatory company)

Business: Manufacturer, sales and other activities involving LCD modules for TVs

Start of operations: The second half of fiscal 2007 (planned)

The future outlook in this news release is drawn from a certain basis that we deem reasonable at this time. Therefore, please note that it may be widely divergent from the actual results or may differ from the information initially released without notice.