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IPS Alpha Technology Holds Roof-raising Ceremony in the Czech Republic

Facility to Produce TFT LCD Modules for TVs in the Expanding European Market

Czech Republic, September 18, 2006 --- IPS Alpha Technology, Ltd. (“IPS Alpha”) today held a roof-raising ceremony for IPS Alpha Technology Europe, s. r. o., a TFT LCD module production facility located in the Czech Republic. IPS Alpha Technology Europe was established as a local subsidiary of IPS Alpha in the Triangle Industrial Zone, on the outskirts of the city of Zatec in the country’s Usti region, in June this year to meet growing demand for flat-panel TVs in Europe. The factory is scheduled for completion in February 2007. Production was originally scheduled to begin in October next year, but is now expected to start from July, as a result of an accelerated construction schedule.

In addition to the roll out of digital broadcasting, upcoming events of global interest such as the 2008 Beijing Summer Olympic Games are spurring a rapid increase in the worldwide demand for flat-panel digital TVs. In 2010, flat-panel TVs are expected to account for more than 60% of the world TV market on a unit sales basis. Unit LCD TV sales are forecast to exceed those of CRT TVs in 2009.

Requirements for flat-panel TVs differ from region to region. In Europe, demand is growing for LCD TVs in the 30-inch range, to fit housing specifications and modern lifestyles. Consumers are also increasingly demanding screens featuring higher picture quality and resolution.

IPS Alpha, a joint venture established by the Hitachi Group, Matsushita Electric Industrial Co., Ltd., Toshiba Corporation and other parties, has won worldwide acclaim as an LCD TV panel manufacturer for its “IPS α panels.” In addition to delivering high picture quality and a wide viewing angle, these panels achieve minimal gray-scale inversion and viewing-angle dependency. The screens produce lifelike images when

viewed from any angle.

As competition in the flat-panel TV market intensifies, finished product manufacturers are increasingly establishing operations in local markets, ensuring business operations are matched to regional characteristics. For these reasons, IPS Alpha decided to move into the Czech Republic with the aim of expanding sales further in the European market where demand for LCD TVs is high and where it believes it can leverage the outstanding picture quality and viewing angle characteristics of “IPS α panels.”

IPS Alpha Technology Europe is IPS Alpha’s first overseas base. IPS Alpha has earmarked approximately 12 billion yen for investments to launch production in July 2007 of “IPS α panel” modules for supply to the growing European market. By the end of 2007, IPS Alpha plans to expand production capacity of LCD modules to 2.5 million units/year to respond to local demand.

Outline of European LCD Module Production Facility (Local Company)

1. Company name: IPS Alpha Technology Europe, s. r. o.
2. Location: Triangle FPD City (provisional), Triangle Industrial Zone, suburbs of Zatec, Usti region, Czech Republic
3. Established: June 15, 2006
4. Capital: 6.5 billion yen
5. Business: Manufacture, sales and other activities involving TFT LCD modules (26-, 32- and 37-inch) for TVs
6. Products: TFT LCD modules for TVs
7. Start of production: July 2007 (planned)
8. Production capacity: 2.5 million units/year (end of 2007)
9. Recruitment site: <http://www.ips-alpha-eu.cz/>

<Reference>

Outline of IPS Alpha Technology

1. Company name: IPS Alpha Technology, Ltd.
2. President: Fumiaki Yonai
3. Start of operations: January 1, 2005
4. Capital (including capital reserve): 69.0 billion yen (end of 2006);
<Post capital increase> 99.0 billion yen (Sept. 30, 2007)

5. Ownership: Hitachi Displays: 34.5 billion yen (50%); Matsushita Electric Industrial Co., Ltd.: 15.0 billion yen (22%); Toshiba Corporation: 15.0 billion yen (22%); Development Bank of Japan and others: 4.5 billion yen (6%)
<Post Capital Increase>
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%)
6. Location: 3732 Hayano, Mobara-city, Chiba Prefecture, Japan
7. Business: Manufacture, design, sales and related maintenance and services for amorphous TFT LCD panels for TVs
8. Products: Amorphous TFT LCD panels for TVs 23 inches and above
9. Start of production: May 2006
10. 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

About IPS α 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 when viewed at any angle. 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 “IPS α panel” brand worldwide.

For more information on IPS technology, visit the following URL:
<http://www.ips-alpha.co.jp/en/>

(*) In-Plane Switching Projectus. Provector is Latin for innovation.