

The progress of expanding capacity in IPS Alpha Technology

Raising annual output to approximately five million units (32-inch panel products) and starting production of IPS LCD modules for TVs in its new European manufacturing facility

TOKYO, Japan, July 3, 2007 --- IPS Alpha Technology, Ltd. (“IPS Alpha”), , today announced it has completed construction work on a facility capable of manufacturing approximately five million 32-inch IPS LCD panels (“IPS Alpha panels”) each year and has commenced installation of production line technologies. IPS Alpha is increasing production of large-size IPS LCD panels (“IPS Alpha panels”) for TVs in response to growing demand for flat-panel TVs worldwide.

IPS Alpha plans to increase the monthly production capacity from 0.2 to 0.42 million units in October 2007 and build a system to manufacture approximately five million units per year of its 32-inch products.

In July 2007, it will commence commercial production in its new plant manufacturing IPS LCD modules for TVs constructed in the Czech Republic. Construction on the facility was completed ahead of schedule and will enable IPS Alpha to meet the growing demand for flat-panel TVs in Europe by increasing its production capacity.

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 demand for flat-panel digital TVs. There is also higher demand for IPS Alpha’s high picture quality IPS Alpha Panels, which display vibrant images when viewed even from an angle.

In response to this demand in May 2006 IPS Alpha began mass producing IPS Alpha panels at a new, state-of-the-art manufacturing facility located at the site of Hitachi Displays, Ltd. This plant can manufacture approximately 1.6 million units/year of 32-inch equivalents. Furthermore, IPS Alpha built a system to manufacture approximately 2.5 million units/year in January 2007 to meet growing needs for IPS LCD TVs. It has also established a system to manufacture approximately five million units/year, double the current output from October 2007, to meet customers’ expectations for the IPS Alpha Panel with high image quality.

IPS Alpha has also constructed a new plant to manufacture LCD modules in the Czech Republic in the second half of 2007 to keep up with the rapid growth of the European flat-panel TV market. Production is set to commence on July, 2007 in order to meet the strong demand for the IPS Alpha Panel. IPS Alpha also plans to increase production to approximately 2 million units/year at the end of this year.

About IPS Alpha Panels

IPS LCD is an abbreviation of In-Plane-Switching (i.e. a horizontal electric field) TFT LCD and a horizontal electric field LCD with high image quality, which facilitates the display of “beautiful pictures from any angle.” The IPS method is based on the wide viewing angle feature, which optimizes the visibility of flat color tones and gray levels from any viewing positions, as well as allowing images to appear naturally from any angle. In particular, the company has achieved IPS-Pro technology (*), with a higher image quality developed for TVs, transmittance up 50% and a contrast ratio three times superior to that of the early IPS method. While the viewing angle is generally displayed at a contrast ratio of 10:1, this technology enables a contrast ratio of 100 or more in all directions. The IPS Alpha distributes panels produced using this advanced technology as “IPS Alpha Panels” worldwide.

For more details of the IPS technology, see the following URL:

<http://www.ips-alpha.co.jp/en/technology/index.html>

(*) In-Plane Switching Provectus: Provectus means “innovation” in Latin.

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 reserves): 100 billion yen (Sept. 30. 2007 (Planned))
5. Ownership: Hitachi Displays: 50 billion yen (50%); Matsushita Electric Industrial Co., Ltd.: 30 billion yen (30%); Toshiba Corporation: 15 billion yen (15%); Development Bank of Japan and others: 5 billion yen (5%)
6. Location: 3732, Hayano, Mobara-City, Chiba Prefecture, Japan
7. Business: Design, manufacture, sales and related maintenance & services for IPS LCD panels
8. Products: IPS LCD panels for TVs 23 inches and above
9. Start of Production: May 11, 2006
10. Production Capacity:
 - Approx. 1.6 million 32-inch units/year in May 2006
[Board inclusion capacity: 20,000 sheets/month]
 - Approx. 2.5 million 32-inch units/year in January 2007
[Board inclusion capacity: 30,000 sheets/month]
 - Approx. 5 million 32-inch units/year in October 2007
[Board inclusion capacity: 60,000 sheets/month]
 - [Substrate size: 1,500 mm x 1,850 mm, for 26 inches x 12, or 32 inches x 8, or 37 inches x 6]

Outline of European LCD Module Production Facility (Local Company)

1. Company Name: IPS Alpha Technology Europe, s.r.o.
2. Representative: Yukihiro Sato, Managing Director (Former board member of IPS Alpha)
3. Start of operations: June 15, 2006
4. Capital: 6.5 billion yen
5. Location: FPD City, Triangle, Usti State, Czech Republic
6. Business: manufacturer, sales and other activities involving IPS LCD modules for TVs
7. Start of Production: July 1st 2007 [Plant completed in May 2007]
8. Production Capacity: 2 million units/year (As of Dec. 31. 2007)