

Expanding capacity In IPS Alpha Technology
Additional investment to build a system for annual output
of 6 million units in 32-inch panel equivalent

IPS Alpha Technology, Ltd. (President: Fumiaki Yonai, “IPS Alpha”) has committed an additional investment of approximately 9 billion yen in its new, state-of-the-art plant for the manufacture of IPS LCD modules (IPS Alpha panels) for TVs in Mobara City, Chiba Prefecture.

This will raise the production capacity of IPS Alpha to approximately 6 million units annually, an increase of 1 million units from the present level of 5 million units of 32-inch panel equivalents, by the second quarter (July to September) of the 2008 fiscal year.

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 digital flat-panel TVs. Experts in Japan and overseas commend liquid crystal TVs using IPS Alpha panels for their high picture quality and good field of vision characteristics. The demand for IPS Alpha panels, including main product 32-inch panels, and full high-definition 37-inch panels, is increasing significantly.

In order to improve productivity to meet the present demand, IPS Alpha decided to implement additional investment of approximately 9 billion yen to raise the annual production capacity from the present 5 million units to 6 million units by the second quarter of the 2008 fiscal year, in order to satisfy customers’ demand for high-definition IPS Alpha panels.

■ **The progress of expanding capacity in IPS Alpha**

IPS Alpha constructed a state-of-the-art plant manufacturing IPS LCD panels for TVs within the premises of Hitachi Displays, Ltd. (President: Yoshiyuki Imoto), and commenced mass production in May 2006 (1.6 million units/year for 32-inch panels). The installation was expanded to produce 2.5 million units/year in January, 2007 in response to the increased demand for IPS LCD TVs. To further enhance its capability to supply LCD panels, IPS Alpha doubled production by October 2007, achieving the targeted annual production level of approximately 5 million units.

The plant manufacturing LCD modules, constructed in the Czech Republic in response to a rapid increase in demand for flat-panel TVs in European markets, started commercial production in July 2007. Its production capacity will increase to about 2 million units a year by the end of the 2007 fiscal 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 provides “beautiful pictures from any angle.” The IPS system incorporates a wide viewing angle feature, which minimises colour tone variation of all colours, from white to black, allowing images to appear naturally from any angle. In particular, IPS-Pro technology*, developed for use in TVs, offers further enhancements in image quality with transmittance improved by about 50%, and a contrast ratio three times that of early IPS systems. While the viewing angle is generally set at a contrast ratio of 10:1, IPS-Pro technology provides a contrast ratio of 100 or more in all directions. IPS Alpha distributes the LCD panels produced using this advanced technology as “IPS Alpha Panels” worldwide.

For more details of IPS technology, visit our website:

<http://www.ips-alpha.co.jp/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. Date of establishment: January 1, 2005
4. Capital: 1,000 million yen (including capital reserve) as of September 2007
5. Ownership: 50 billion yen (50%) Hitachi Displays, 30 billion yen (30%) Matsushita Electric Industrial, 15 billion yen (15%) Toshiba, and 5 billion yen (5%) DBJ and others
6. Location: 3732, Hayano, Mobara City, Chiba Prefecture
7. Business: Design, manufacture, sales and related maintenance and services for IPS LCD panels
8. Products: IPS LCD panels for TVs of size 23 inches and above
9. Start of production: May 11, 2006
10. Production capacity (in terms of 32-inch panels):
 - 1.6 million units/year in May 2006
 - 2.5 million units/year in January 2007
 - 5 million units/year in September 2007
 - (Projected) 6 million units/year by 2nd quarter of FY2008[Substrate size: 1,500mm × 1,850mm for 26-inch × 12, 32-inch × 8, or 37-inch × 6]