

FOR IMMEDIATE RELEASE

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

TOKYO, Japan, May 31, 2006 --- 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 ("IPS α 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 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 output of 2.5 million units/year (same basis).

As part of steps to ramp 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 roll 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 demand for flat-panel digital TVs. There is also higher demand for IPS Alpha's high picture quality IPS α panels, which display vibrant images when viewed even from an angle.

In response, IPS Alpha began mass producing in May this year IPS α panels 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 unit/year framework by April 2007 to meet growing needs for IPS LCD TVs. However, IPS Alpha decided to make the additional investment announced today after concluding that there was a need to ramp 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 IPS α 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 come on line 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 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.hitachi-displays.com/en/technology/2012173_18543.html

(*) In-Plane Switching Pro fectus. Profectus is Latin for innovation.

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): 99.0 billion yen (Sept. 30. 2007 (planned))
5. 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%)
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
 - [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)

1. Company name: IPS Alpha Technology Europe, s. r. o. (provisional)
2. Location: Czech Republic
3. Start date: June 2006 (establishment of preparatory company)
4. Business: Manufacturer, sales and other activities involving LCD modules for TVs
5. Start of operations: The second half of fiscal 2007 (planned)

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
