



## News Release

FOR IMMEDIATE RELEASE

### **NEC Electronics and Elpida Agree to Establish Joint Venture in Display Driver ICs**

**KAWASAKI and TOKYO, Japan, June 20, 2008** – NEC Electronics Corporation (TSE6723 “NEC Electronics”) and Elpida Memory, Inc. (TSE6665 “Elpida”) have agreed in principle to form a joint venture company in the field of display driver ICs.

NEC Electronics and Elpida have signed a Memorandum of Understanding to enter into a joint-venture agreement by the end of September 2008, and incorporate a new company by the end of 2008. NEC Electronics will hold approximately 80% and Elpida will hold approximately 20% of the new company stakes. The new company will engage in the development, design, and sale of display driver ICs. NEC Electronics and Elpida have also agreed in principle that, in addition to manufacturing at NEC Electronics, the new joint venture will outsource its production to Elpida’s Hiroshima Plant. The two firms will work out the details of the plan as they move forward.

Display driver ICs are utilized to drive LCD or plasma displays for televisions, computer monitors, and other products. They are embedded in the periphery of the display panel, driving the panel to display the picture on the screen based on input display data.

NEC Electronics has been active in this business since 1989, when it commercialized a driver IC for large LCD panels used in personal computers and the likes. Since then, its product offerings in this field have included a PDP driver IC, which was commercialized in 1996, and a driver IC for small LCD panels commonly used in mobile phones, which was commercialized in 1997. These efforts have made the company one of the world’s top manufacturers of the field. In the fiscal year ended March 2008, NEC Electronics recorded annual sales of approximately ¥80 billion in its display driver IC business with a 12% to 13% share of the worldwide market.

Meanwhile, Elpida has expanded its global presence since its establishment in December 1999 as Japan’s only dedicated DRAM manufacturer. It has since grown to become the world’s third-largest DRAM manufacturer, with sales of ¥405.5 billion for the fiscal year ended March 2008. Elpida’s Hiroshima Plant has one of the largest 300mm fabs in the world with a monthly capacity of approximately 120,000 wafers and boasts the industry’s leading manufacturing technology.

The basic agreement is the result of an alignment of views between NEC Electronics, which aims to grow its display driver IC business by boosting production efficiency, and Elpida, which aims to efficiently utilize its 300 mm production line.

The new joint venture company will develop process technology to accelerate die size shrinkage by applying Elpida's DRAM process technology to NEC Electronics' advanced driver IC development technology. In addition, the new company will pursue cost competitiveness through high-volume production of driver ICs utilizing a 300mm manufacturing line. NEC Electronics and Elpida aim to reinforce and expand the business by taking advantages of each company's strength.

#### **About NEC Electronics**

NEC Electronics Corporation (TSE: 6723) specializes in semiconductor products encompassing advanced technology solutions for the high-end computing and broadband networking markets; system solutions for the mobile handset, PC peripheral, automotive and digital consumer markets; and multi-market solutions for a wide range of customer applications. NEC Electronics Corporation has subsidiaries worldwide including NEC Electronics America, Inc. ([www.am.necel.com](http://www.am.necel.com)) and NEC Electronics (Europe) GmbH ([www.eu.necel.com](http://www.eu.necel.com)). More information about NEC Electronics worldwide can be found at [www.necel.com](http://www.necel.com).

#### **About Elpida**

Elpida Memory, Inc. (TSE 6665) is a leading manufacturer of Dynamic Random Access Memory (DRAM) integrated circuits. The company's design, manufacturing and sales operations are backed by world class technological expertise. Its 300mm manufacturing facilities, Hiroshima Plant and a Taiwan-based joint venture Rexchip Electronics, utilize the most advanced manufacturing technologies available. Elpida's advanced portfolio features such characteristics as high-density, high-speed, low power and small packaging profiles. The company provides DRAM solutions across a wide range of applications, including high-end servers, mobile phones and digital consumer electronics. More information can be found at <http://www.elpida.com>.

*Information in this news release is current as of the timing of the release, but may be revised later without notice.*

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