March 19, 2010

# Hitachi High-Tech and FocalTech Conclude Distributor Agreement for New Type of Touch Panel Controller IC

*New IC offering five- and ten-point multi-touch capability, optimal for cutting-edge devices*

Hitachi High-Technologies Corporation (TOKYO:8036, Hitachi High-Tech) today announced that it has entered into a sales agreement with FocalTech Systems Co., Ltd. (FocalTech) of Taiwan for the sale of touch panel controller ICs. The agreement will begin with authorized sales to distributors in Japan and South Korea, with subsequent marketing activities to expand the scope of sales to North America, Europe and other markets.

In recent years, a wide range of products have begun incorporating touch panel technology, including smartphones, mobile phones, portable videogame consoles, car navigation systems, and e-book readers. This trend is spurring rapid expansion in the touch panel market; according to DisplaySearch, the scale of this market is expected to grow from US$3.7 billion in 2009 to US$7 billion in 2013. Touch panels are proven to make device usage easier and more intuitive, and also lead to more compact device sizes by integrating the keyboard into the display. At the same time, many next-generation operating systems for electronic systems such as mobile phones and all-in-one PCs have started to support touch panel operation as a standard and important feature. The trend is expected to expand further to notebook PCs, smartphones, digital cameras and similar devices.

Growth in the touch panel usage, however, has revealed many issues such as panel response speed, power consumption, system noises, false touch detection, and multi-touch compatibility.

The touch panel controller IC's developed by FocalTech adopts a patented method using a "mutual capacitance" approach that separates the sensor electrode input and output, resulting in detection only on the coupling capacitance portion of the touch point (XY coordinates). This innovation enables simultaneous, high-speed and precise detection of the point position, as well as multi-touch capability for 10 touch points or more. A major advantage of this method is the elimination of false detection (so-called "ghost points"), a phenomenon frequently associated with devices adopting the more conventional "self-capacitance" method, where input and output are combined in the same signal line.

Because of its high noise immunity, FocalTech's product can accommodate applications that require IC to be affixed to the main board away from the touch sensor. This allows for dramatically more flexibility in system design than that competitors can offer.

The adoption of this IC delivers optimal compatibility with multi-touch capabilities, allowing it to support a wide range of anticipated applications going forward. Effective immediately, Hitachi High-Tech will begin selling this IC in Japan and South Korea for applications that require touch panels, including compact notebook PCs, smartphones, car navigation systems, mobile phone handsets, and digital cameras.

By fiscal 2013, Hitachi High-Tech is targeting ¥5 billion in sales for the touch panel controller ICs with expanding sales to finished OS manufacturers and end-users.

[Characteristics of FocalTech Touch Panel Controller ICs]

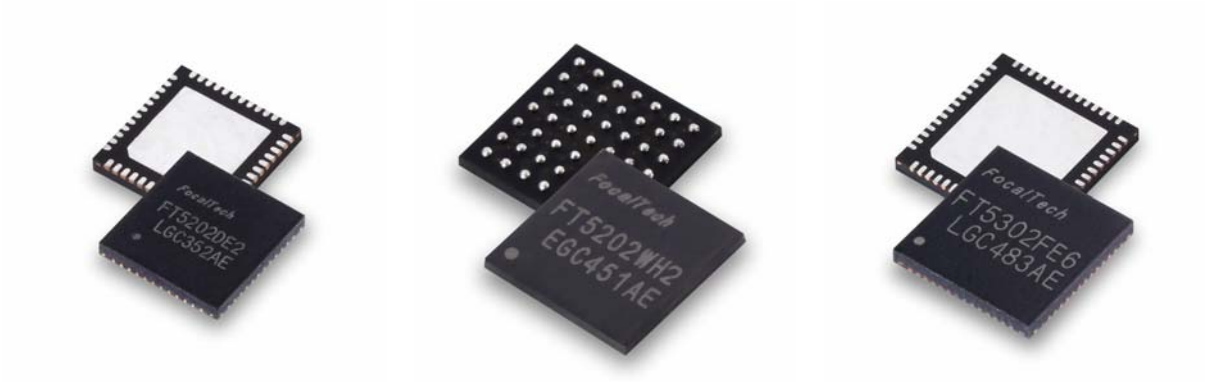
1. Five-point/ten-point True multi-touch

Simultaneous and precise detection of touch position from five or ten fingers (No false detection processing necessary)

2. High noise resistance

Controller IC can be affixed to the main board

3. High-speed sensing and high linearity
Minimal distance for detection of two points is 3 mm
4. SPI, I2C, USB interface compatibility




New Type of Touch Panel Controller IC

**[Overview of FocalTech]**
Name: FocalTech Systems Co., Ltd.
Established: 2005
Location: Hsinchu City, Taiwan
Representative: Dr. Genda Hu
Business lines: Design, manufacturing and sales of controller ICs for capacitive touch panels and single-chip driver ICs for small TFT LCD displays

**For Product Inquiries:**
Hitachi High-Technologies Corporation
Michinori Otake
Electronic Devices Department, Electronic Materials Division
Tel: +81-3-3504-5078

**For Media Inquiries:**
Hitachi High-Technologies Corporation
Aiko Matsumoto, Kaoru Maruyama
Public & Investor Relations Group, Secretary's Office
Tel: +81-3-3504-3258