

29/11/2001

**GLOBAL MARKET OVERSUPPLY AND SEVERE FALLING PRICE  
FORCES HITACHI TO REDUCE DRAM PRODUCTION IN SINGAPORE**

SINGAPORE, 29 November, 2001-- Hitachi Nippon Steel Semiconductor Singapore Pte. Ltd., a joint venture company which manufactures 8" 64 megabit and 256 megabit DRAM (Dynamic Random Access Memory) has been affected like other DRAM makers by global oversupply and severe falling price of DRAM chips as well as the global semiconductor industry downturn. The Company has been operating at about 60% capacity and DRAM production will be reduced further to match the demand. The future plan for the company is to focus on production know-how, product process and quality improvements of new products. In addition to providing DRAMs to Elpida Memory, Inc., a joint venture of Hitachi and NEC, the company will start trial production of non-commodity products such as SRAM, flash memories, F-ZTAT\* microcontrollers, SuperH\* microprocessors. Volume production is scheduled to start in 1<sup>st</sup> half of fiscal 2002.

As a result of the reduction in production quantity, the Company has retrenched 430 employees, comprising engineering, production and administrative staff. This retrenchment exercise reduces the Company's total headcount from 980 to 550 employees.

The Company is also working very closely with relevant government agencies to find alternative jobs for affected employees.

**About Hitachi Nippon Steel Semiconductor Singapore Pte. Ltd.**

Location	: 1 Tampines Industrial Avenue 5, Singapore 528830
President	: Kimihiro Ogawa
Paid Up Capital	: S\$440 Million
Equity Participation	: Hitachi Group 35% Nippon Steel Corporation 35% EDB Investments Pte. Ltd. 30%
Date of Establishment	: 1 <sup>st</sup> July 1996
No. of Employees	: 550 (As of 30 November, 2001)

\* F-ZTAT and SuperH are registered trade mark of Hitachi, Ltd.

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