



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MARCH 10, 2009
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HITACHI DISPLAYS AGREES TO PLEAD GUILTY AND PAY \$31 MILLION FINE FOR PARTICIPATING IN LCD PRICE-FIXING CONSPIRACY

Hitachi to Plead Guilty to Fixing Prices for LCD Panels Sold to Dell Inc.

WASHINGTON – Japanese electronics manufacturer Hitachi Displays Ltd., agreed to plead guilty and pay a \$31 million fine for its role in a conspiracy to fix prices in the sale of Thin Film Transistor-Liquid Crystal Display panels (TFT-LCD) sold to Dell Inc., the U.S. Department of Justice announced today.

A one-count felony charge filed today in U.S. District Court in San Francisco charges Hitachi Displays Ltd., a subsidiary of Hitachi Ltd., with participating in a conspiracy to fix the prices of TFT-LCD sold to Dell for use in desktop monitors and notebook computers from April 1, 2001, through March 31, 2004. According to the plea agreement, which is subject to court approval, Hitachi Displays has agreed to cooperate with the Department's ongoing antitrust investigation.

"Hitachi joins three other multinational companies who have admitted to their involvement in fixing prices for LCD panels sold to U.S. companies and that have already paid criminal fines totaling more than \$585 million," said Scott D. Hammond, Acting Assistant Attorney General in charge of the Department's Antitrust Division. "This case should send a strong message to multinational companies operating in the United States that when it comes to enforcing the U.S. antitrust laws we mean business."

Including today's filing, four companies and seven individuals have been charged in the Department's ongoing antitrust investigation into the TFT-LCD industry. To date, more than \$585 million in criminal fines have been imposed as a result of this investigation, and four individuals have pleaded guilty and have been sentenced to serve jail time.

TFT-LCD panels are used in computer monitors and notebooks, televisions, mobile phones and other electronic devices. In 2006, the worldwide market for TFT-LCD panels was approximately \$70 billion. Hitachi Displays Ltd., based in Tokyo, Japan, reported \$1.75 billion in total revenue for the fiscal year ending March 2008.

Hitachi Displays is charged with carrying out the conspiracy by:

- Participating in bilateral meetings, conversations and communications in Japan, Korea and the United States to discuss the prices of TFT-LCD to be sold to Dell;

- Agreeing, during those bilateral meetings, conversations and communications, to charge prices of TFT-LCD to be sold to Dell at certain predetermined levels;
- Issuing price quotations in accordance with the agreements reached; and
- Exchanging information on sales of TFT-LCD sold to Dell, for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

This is the fourth plea agreement by a company charged with participating in conspiracies to fix the prices for TFT-LCD. On Dec. 15, 2008, LG Display Co. (LG) pleaded guilty to participating in a worldwide conspiracy to fix the price for TFT-LCD and was sentenced to pay a \$400 million criminal fine - the second-largest fine in Antitrust Division history. On Dec. 16, 2008, Sharp Corp. pleaded guilty to participating in three separate conspiracies to fix the prices of TFT-LCD sold to Dell, Apple Computer Inc. and Motorola Inc. and was sentenced to pay a \$120 million criminal fine. On Jan. 14, 2009, Chunghwa Picture Tubes Ltd. (Chunghwa) pleaded guilty to participating in the same worldwide conspiracy as LG, and was sentenced to pay a \$65 million criminal fine

In February 2009, former Chunghwa CEO Chieng-Hon "Frank" Lin and two Chunghwa executives, Chih-Chun "C.C." Liu and Hsueh-Lung "Brian" Lee, pleaded guilty to and were sentenced for participating in the same conspiracy as LG and Chunghwa. Lin was sentenced to serve nine months in prison and pay a \$50,000 criminal fine. Liu was sentenced to serve seven months in prison and pay a \$30,000 criminal fine. Lee was sentenced to serve six months in prison and pay a \$20,000 criminal fine. Also in February 2009, LG executive Chang Suk "C.S." Chung pleaded guilty for his role in the same conspiracy as LG and Chunghwa. Chung was sentenced to serve seven months in prison and pay a \$25,000 criminal fine.

On Feb. 3, 2009, a federal grand jury in San Francisco returned an indictment charging two former Chunghwa executives, Cheng Yuan Lin, aka C.Y. Lin and Wen Jun Cheng, aka Tony Cheng, and one former executive from LG, Duk Mo Koo, for their participation in the same conspiracy as LG and Chunghwa. Warrants have been issued for the arrest of all three individuals.

Today's charge is the result of a joint investigation by the Department of Justice Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco.

Anyone with information concerning illegal conduct in the TFT-LCD industry is urged to call the San Francisco Field Office of the Antitrust Division at 415-436-6660.

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