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## Press Release

14 April 2006

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### **Notice of Judgment on U.S. Patent Litigation**

This is to notify that on April 12, 2006 (U.S. Eastern Time) Judgment and Permanent Injunction Order were entered upon a Taiwanese subsidiary of SUMIDA CORPORATION in the U.S. Patent infringement litigation upon certain U.S. patent, as follows:

1. Venue of and Dates on which the litigation was first filed and processed and Judgment was finally entered:  
U.S. Federal District Court, Eastern Division of Texas (the "Court"):  
Suit, filed Jan. 7, 2003  
Verdict, delivered Nov. 17, 2005  
Judgment and Permanent Injunction Order, entered Apr. 12, 2006
2. Plaintiff:  
O2 Micro International Limited, a Cayman Islands corporation ("O2 Micro")
3. Circumstances of Litigation:
  - (i) TAIWAN SUMIDA ELECTRONICS INCORPORATED ("TSE"), Defendant, started to trade with Monolithic Power Systems, Inc. ("MPS") as second supply source for inverter controllers to be used within its inverter modules in addition to first supplier O2 Micro. As O2 Micro and MPS had been in dispute over certain patents on inverter controller then, TSE was then worried about continuing trades with MPS, however, MPS gave TSE good explanation of non-infringement together with certain indemnity for all damages or losses TSE might suffer from purchasing and using MPS inverter controllers, and eventually TSE, acquiring from a U.S. patent attorney a legal opinion of non-infringement, continued to purchase from MPS its inverter controllers.

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(ii) O2 Micro filed a suit to seek damages and injunction, alleging that U.S. Patent No. 6,396,722 on inverter controllers owned by O2 Micro (the "Patent") was infringed by TSE.

4. Substance of Judgment and Injunction Order:

Based on facts found by the verdict delivered on Nov. 17, 2005, the Court enters judgment as follows:

- (i) Infringement upon Claims 1, 2, 9, 12 and 18 of the Patent is willful and TSE is ordered to compensate the damages in total US\$ 4 million. (It is not decided whether TSE is required to pay attorneys' fees as well.)
- (ii) There is no proof supporting that the Patent is invalid as TSE contends.
- (iii) Injunction order petitioned by O2 Micro is substantiated, and that TSE, including all natural persons and/or companies in active concert or participation with TSE, is prohibited to sell in, use in or import into the United States its inverter modules containing MP1010, MP1011, MP1015, MP1010B, MP1017, MP1018, MP1025 (\*) or belonging to those same families.
- (iv) TSE is further ordered to label prominently its inverter modules stipulated in (iii) above with such indication as "Not for Sale in, Use in, or Importation into the United States".

5. Prospects:

- (i) TSE is planning to file an appeal to the appellate court of CAFC against the judgment as well as taking necessary measures to observe the injunctive order.
- (ii) TSE is advancing its changeover in the course of manufacture using such inverter controllers as will be free from any infringement allegation and striving to continue such attempt.

6. Effect upon Settlement of Accounts:

Monetary obligations upon TSE would not be fixed until all remedies are exhausted once the case is brought to and examined at the appellate stage. Should any judgment be entered in disfavor of TSE, all damages or losses TSE might suffer should be compensated pursuant to the indemnity given by MPS, therefore no anticipated expenses for the lost judgment being declared at this moment.

(\*) indicate part numbers of inverter controllers manufactured by MPS.