

March 6, 2007

To stakeholders

Name of company: Nihon Inter Electronics Corporation

Name of representative: Representative President

Takeshi Yasuda

(Code number: 6974: Tokyo Stock Exchange Section 1)

Person for inquiry: Director and Senior Executive officer

Takaaki Shinozaki

(TEL:0463-84-8013)

Establishing the Business and Capital Collaboration with Taiwan Semiconductor

We, Nihon Inter Electronics Corporation(hereinafter referred “ Nihon Inter “ incorporated in Hadano, Japan) inform that we establish business collaboration with Taiwan Semiconductor Co., LTD. (hereinafter referred “ TSC” incorporated in Taipei, Taiwan) in order that, in the semiconductor market where globalization progresses and production activities in Asian area become more and more active, Nihon Inter and TSC, reinforce the cost-competitiveness of production and achieve win-win business performance by providing each other with each strengths. In addition to the business collaboration, we both join the capital collaboration to solidify the both relationship The contents of the business and Capital Collaboration are as follows.

1. Date of joining the Business and Capital collaboration : March 6, 2007
2. Valid period : 5 years. (Automatically extendable clause attached)
3. Contents of the business collaboration

Nihon Inter and TSC do the manufacturing and sales of power management semiconductor devices as a core business field. We both develop the following Business Collaboration in the business common to both by utilizing both parties' strengths and reinforcing our market competitiveness.

- (1) Foundry of wafer-chip for our core products(in the front process)
- (2) EMS of our core products in assemble(back) process.
- (3) Transplanting the production technology and Supporting in starting production.for implementing the above (1) and (2) collaboration activities.
- (4) We hold periodical meetings to discuss managerial strategy for production

and sales and exchange opinions and information each other to achieve the aim of this collaboration.

4. Contents of the capital collaboration

We both establish capital collaboration relationship by crossly holding each issued common shares We targets to crossly purchase each issued shares through the stock markets at which we both are listed respectively in following way within one year after the date of joining this collaboration.

Summary of purchased shares to be targeted.

(1) The number of TSC issued shares which Nihon Inter purchases:

Around 2.5 million shares

(which is around 1.4% of total TSC issued common shares)

(2) The number of Nihon Inter issued shares which TSC purchases :

Around 400 thousand shares.

(which is around 1.3 % of total Nihon Inter issued common shares)

Summary of both companies

Nihon Inter

1.Name of the company: Nihon Inter Electronics Corporation

2.Contents of core business: Manufacturing and sales of semiconductor rectifier discrete devices and modules, sales and agent of electronics devices

3 Date of incorporation: August 21, 1957

4.Address of head-office: 1204 Soya, Hadano, Kanagawa, Japan

5.The name of representative: Representative President, Takeshi Yasuda

6 Amount of paid-in-capital: 4,036 million Japanese yen (as of September 2006)

7 Number of employees: 916 people

8 Business performance: (Fiscal year ended March 2006)

Revenue 33,183 million Japanese yen

Ordinary profit 1,935 million Japanese yen

Net income 1,130million Japanese yen

10 Major shareholders	Kyosan Electric Mfg.,Co.,Ltd.	20.0%
& share-holding	Japan Trust Bank (Trust a/c)	11.0%
percentage	International Rectifier corporation	9.0%
	Japan Mater Trust Bank (Trust a/c)	7.5%
	Bank of Yokohama Ltd.	4.7%
	Nihon Life Insurance	2.4%

(To be continued)

Summary of TSC

1. Name of the company: Taiwan Semiconductor Co.,Ltd.
 2. Contents of core business: Manufacturing and sales of power discrete devices and bar-code printers
 3. Date of incorporation: January 1979
 4. Address of head-office: F11, No. 205, Sec. 3, Beishin Rd. Shindian City, Taipei, Taiwan 231, ROC
 5. The name of representative: Chairman and CEO Arthur Wang
 6. Amount of paid in capital: 1,879 million NT\$ (As of September 2006)
 7. Number of employees: 2,850
 8. Business performance: (Fiscal year ended December 2005)

Revenues	2,868 million NT\$
Operating profit	178 million NT\$、
Net income	62 million NT\$
- 8Major shareholders: 王 秀亭 (Arthur Wang) 6.2%
- & share-holding 亞瑟投資股份有限公司 4.4%
- percentage 三商美邦人壽保險股份有限公司 2.8%
- 李 方強 2.8%
- 王 修鵬 1.5%
- 李 文雄 1.4%

end