



SANYO Selects Pixelworks' ImageProcessor Architecture to Power Full Range of Advanced Display Products

July 11, 2001

Tualatin, Ore., July 11, 2001 — Pixelworks, Inc., the leading provider of system-on-a-chip ICs for the advanced display market (Nasdaq:PXLW), announced today that SANYO, a world leader in multimedia technology, is using Pixelworks' powerful ImageProcessor ICs and software in a broad range of advanced display products for the consumer and commercial markets. The two companies have collaborated on more than a dozen shipping products to date ranging from next-generation video products such as plasma displays and LCD televisions to a complete line of LCD-based multimedia projectors.

The most recent collaboration, a 32-inch diagonal, high-definition plasma display measuring less than four inches deep, was introduced June 15 for home entertainment and presentation applications. The wide-screen PDP-32H1 plasma display with 852-by-1024 resolution is HDTV-ready and can display standard television or computer content with outstanding image quality. This plasma display follows the popular C-15LP2, a 15-inch XGA-resolution LCD television-monitor, which is currently available in Japan.

The companies originally began working together more than two years ago when SANYO selected Pixelworks to power its line of portable multimedia projectors. Pixelworks' ImageProcessor Architecture offered the image quality, ease of use and unique features such as digital keystone correction necessary for SANYO to maintain its leadership in the demanding multimedia projector market.

A series of new multimedia projectors from SANYO ranging from sub-five pound ultramobile projectors up to large-venue, digital cinema projectors all powered by Pixelworks ImageProcessor ICs and software will be on the market in the third quarter. The upcoming products use a common hardware and software design that enabled parallel development paths for faster time to market and a consistent graphical user interface reinforcing SANYO's brand identity.

"By standardizing on Pixelworks technology, SANYO has streamlined development while maintaining a consistent level of outstanding quality and performance," said Nobukazu Hosoya, Senior Manager, TV and Visual Display Products Division, LCD Engineering Department at SANYO. "The image quality from Pixelworks is without peer which is demonstrated by the fact that we are using the same chip in our sub-five pound projector as in our digital cinema projector."

"SANYO serves as an excellent case study of the power of our technology. SANYO has enjoyed rapid time to market by sharing development efforts across these various platforms based on the flexibility of our software suite," said Allen Alley, CEO, President and Chairman of Pixelworks, Inc. "Our longstanding relationship with SANYO has continued to grow stronger since late 1999 when SANYO shipped their first projector incorporating Pixelworks ImageProcessor ICs which led to them becoming an investor. Today we have introduced more than a dozen products together and we are looking forward to continuing our work with SANYO to introduce more exciting display products for the consumer and commercial markets."

More information on the products included in this news release is available at www.SANYO.com and www.SANYO.co.jp/AV/TV/index.html.

About SANYO Electric Co., Ltd.

SANYO Electric Co., Ltd. is one of the global consumer electronics giants while also leading the way in innovation that is expanding multimedia product technology. SANYO continues to advance business enterprise development, supplying world-class electronic products such as LCD Projectors, Digital Camera, Mobile Phones to satisfy rapidly evolving markets. SANYO's businesses cover a broad range of multimedia and information systems, home appliances, commercial equipment, electronic devices, batteries and other products. SANYO's net sales in fiscal 2000, ended in March 31, 2001, amounted to ¥2,157 billion (US\$19,259 billion). The SANYO group is truly an international organization, consisting of approximately 156 affiliates employing over 86,000 employees globally. For further information, please visit SANYO's Web site at URL <http://www.SANYO.co.jp>.

About Pixelworks, Inc.

Pixelworks, headquartered in Tualatin, Oregon, is the leading provider of system-on-a-chip ICs for the advanced display market. Pixelworks' solutions process and optimize video, computer graphics and Web information for display on a wide variety of devices used in business and consumer markets. Pixelworks ImageProcessor Architecture powers the world's most highly regarded flat panel display products, including monitors and projectors marketed by Compaq, Dell, NEC-Mitsubishi, Samsung, SANYO, Sony and ViewSonic. For more information, please visit the company's Web site at www.pixelworks.com.