



Pixelworks Selects TX79 Microprocessor Core from New Toshiba Subsidiary ArTile Microsystems

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ArTile's TX79 microprocessor is the core in the EmotionEngine™, a processor jointly developed by Toshiba and Sony Computer Entertainment for the PlayStation®2 computer entertainment system

Tualatin, Ore. and San Jose, Calif., April 17, 2001 – Pixelworks, Inc. (NASDAQ:PXLW) and ArTile Microsystems, Inc.™, a subsidiary of Toshiba America Electronic Components, Inc. (TAEC), announced today that the two companies have entered into an agreement making Pixelworks ArTile's first customer for its new, state-of-the-art TX79™ RISC processor core. The TX79 microprocessor core has proven its high performance and capabilities through its usage as the core in the EmotionEngine™, a processor jointly developed by Toshiba and Sony Computer Entertainment Inc. for the PlayStation®2 computer entertainment system.

The high-performance MIPS™ based TX79 will drive Pixelworks' next-generation chip code-named Jolt™, an upcoming system-on-a-chip (SOC) semiconductor with embedded software that couples industry-leading ImageProcessor technology with an embedded browser to power a new class of Internet-enabled media appliances. Rated at 400 MIPS, the TX79 ranks as one of the highest performance embedded cores. Terms of the agreement were not disclosed.

"The new TX79 processor core is a powerful processor engine designed for new digital consumer electronics and networking applications. Our work with Pixelworks is an ideal showcase for this state-of-the-art technology," said Tomohisa Shigematsu, ArTile chief executive officer.

"The excellent Pixelworks engineering team has extensive experience with Toshiba in developing new technology and processes, so we see them as the logical choice for introducing this powerful technology to the new Internet media appliance market," said Toshinori Moriyasu, general manager of the Microprocessor Division for Toshiba Semiconductor Company.

"Working with Toshiba on this groundbreaking Jolt project is another example of the history of partnership between our two companies," said Allen Alley, president, CEO and chairman of Pixelworks. "As an early technology partner and investor, Toshiba has been instrumental in Pixelworks' success. We are proud to be collaborating with ArTile and Toshiba on this program to create a new category of Web-enabled consumer electronics called media appliances."

The new Pixelworks Jolt SOC integrated circuit (IC) will be manufactured by Toshiba in Japan using a leading-edge 0.18-micron complementary metal-oxide semiconductor (CMOS) process. The single-chip design will integrate the TX79 microprocessor core, a PCI bus, and enhanced Pixelworks ImageProcessor circuitry resulting in higher performance and lower power consumption. Sampling will begin in the second half of 2001.

The agreement to sign Pixelworks as ArTile's first customer for the TX79 is the most recent example of a partnership that started in 1998 when Pixelworks was also the first customer for Toshiba's 0.25-micron eDRAM™ process with embedded DRAM. In addition, TAEC participated in Pixelworks' Series D financing in February 2000.

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, Sony and ViewSonic. For more information, please visit the company's Web site at www.pixelworks.com.

About ArTile Microsystems, Inc.

ArTile Microsystems, a subsidiary of TAEC, accelerates the development of very dense system-on-a-chip (SOC) designs using its TX79 microprocessor core and a proprietary design methodology. The TX79 is a powerful 64-bit MIPS-based microprocessor. The SOC designs can be used in diverse applications including networking, digital set-top boxes, digital TV and multimedia appliances. The company has its headquarters in San Jose, Calif.

About TAEC

TAEC, recognized as one of the largest suppliers of semiconductor, electronic component, and storage solutions, is the North American engineering, manufacturing, marketing, and sales arm of Japan's Toshiba Semiconductor Company and Toshiba Display Devices and Components Company. The Toshiba Semiconductor Company is one of the world's leading manufacturers and suppliers of semiconductor products including LSIs, microprocessors and controllers, and advanced memory products, in addition to discrete and analog peripheral components. TAEC is also responsible for sales and marketing of other major electronic components including liquid crystal displays, color display and picture tubes, lithium-ion and other secondary batteries. For additional information, please visit TAEC's web site at www.toshiba.com/taec.

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This press release contains statements that are forward-looking statements within the meaning of the Securities Litigation Reform Act of 1995. Such statements are based on current expectations, estimates and projections about the company's business. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual results could vary materially from the description contained herein due to many factors including the risks detailed from time to time in the company's Securities and Exchange Commission

filings. The forward-looking statements contained in this press release speak only as of the date on which they are made, and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this news release. If the company does update one or more forward-looking statements, investors and others should not conclude that the company will make additional updates with respect thereto or with respect to other forward-looking statements.