

SiPix Imaging Announces Strategic Alliance with Toppan Forms

**TOPPAN FORMS**

Fremont, California – October 13, 2005 –

SiPix Imaging, Inc. today announced that it has formed a strategic alliance with Toppan Forms Co., Ltd., a company headquartered in Minato-ku, Tokyo, Japan (CEO: Masanori Akiyama). In this partnership, SiPix will license technology to Toppan Forms to produce electronic paper modules using SiPix film and will grant exclusive production rights of e-paper modules in Japan. The companies will make a joint presentation at “FPD International 2005”, a flat panel display exhibition scheduled from Oct. 19-21, 2005 at Booth #561.

Toppan Forms has already developed and is producing a variety of information media including printed business forms, RFID tags, and other multimedia products. Within the next few months, the company will introduce to the Japanese marketplace a variety of new e-paper products including ePOP displays and electronic posters.

“We are very pleased to have Toppan Forms as our partner,” said C.S. Ho, the CEO of SiPix Imaging. “They are the leading company in Japan for Print on Demand services and RFID manufacturing. Coupled with their excellent application development expertise along with their superb sales and service infrastructure, Toppan Forms will generate in Japan a strong market presence in new e-paper applications and innovations using SiPix e-paper.”

“Unique products will be generated which will grow existing markets and open up new business as we combine the electronic paper developed by SiPix and the printing expertise accumulated by Toppan Forms,” said Masanori Akiyama of Toppan Forms. “As well as other solutions, I believe this partnership will achieve new product applications combining IC and RF techniques already possessed by TF.

SiPix has established production techniques for electronic paper based upon the world-leading Microcup®. SiPix film has the following benefits:

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| <i>Low Power Consumption</i> | SiPix e-paper displays have image memory, that is, they do not lose their displayed content when the power is removed. Power is only consumed when writing the next image. These displays are completely reflective and thus do not require backlighting. Compared with alternatives, the attributes of SiPix e-paper enable applications with a longer battery life and smaller battery size, reducing weight and cost. |
| <i>Thin and Highly-durable</i> | SiPix film is less than 200µm thin which enables flexible, highly durable displays given its Microcup® honeycomb-like supporting architecture. |
| <i>Large Format Availability</i> | SiPix film realizes mass production with roll to roll production processes and enables large size displays. |

About SiPix

SiPix Imaging, Inc. is a world leader in electronic paper display innovation and manufacturing. In its Fremont, California roll-to-roll production facility, the firm creates low-power Electrophoretic Display material, cuttable to custom sizes. Based on the patented Microcup® structure, the flexible material is impact and moisture resistant as well as available in multiple colors.

In Chung-Li, Taiwan, a SiPix production facility provides display module development services and volume manufacturing. A separate 100,000 square foot facility further expands e-paper module production.

Technology transfer is also available for a variety of roll-to-roll solutions. Since SiPix was established in 1999 in Silicon Valley, California, it has filed over 100 original patents. More information on SiPix may be found on the web at www.sipix.com.

About Toppan Forms

Toppan Forms Co., Ltd (FY2005 Revenue: ¥199B) is a leader in printing technology and operations. Its core lines of business include Business Forms, Multimedia- and IC-Related Products, and Data Print Services. Toppan Forms designs, develops and manufactures RFID products including IC tags and IC cards with an integrated mass production system. By combining their IC surface mounting technology with their thin substrate production capabilities, the company developed Audio Paper, the world's first paper-like product that can record and play back sound. More information on Toppan Forms may be found on the web at www.toppan-f.co.jp.