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**FUNAI Electric Co.,Ltd.**

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**Funai Demonstrates High Definition Advanced Video Compression  
Consumer Video Solutions**

**Consumer Demand for High Definition Programming Driving Demand for Improved Video  
Compression**

January 5, 2006, Funai Electric Co., Ltd. (Headquarters: Daito-city, Osaka; Director & President: Tetsuro Funai), a global leader of consumer appliances, today announced that it is demonstrating a set top box using High Definition Advanced Video Compression technology, the latest generation in video compression technology, that it expects to use in a wide variety of consumer electronic products. This demonstration is occurring at the International Consumer Electronics Show (CES) in Las Vegas, January 5 - 8, 2006.

Funai's demonstration utilizes Broadcom Corporation's BCM7401 single-chip solution which supports the H.264 (also known as MPEG-4 part 10/advanced video coding) and VC-1 video compression standards. Advanced video compression solutions can reduce the required bandwidth for delivering digital video content over service operator networks by a factor of 2 to 3 when compared to the previous MPEG-2 standard providing consumers with a wider variety of programming over existing networks.

"Consumers are seeking an ever expanding variety of programming including HD content from their network providers," said Daniel A. Marotta, Senior Vice President and General Manager, of Broadcom's Broadband Communications Group. "Funai's leadership in consumer electronics will accelerate the introduction of AVC/VC-1 technology leading to an enhanced viewing experience for consumers."

"We want to respond to the need for a variety of consumer appliances with the latest technology at affordable prices" said Hideo Nakai, Executive Officer, R & D Engineering Department for Funai. "Working with Broadcom allows us to develop products based on a broad range of advanced single chip solutions including advanced video compression technology."

Funai expects to see demand for this technology in a diverse set of products including cable, satellite and IP set top boxes. Home Media Centers, Digital Televisions and Digital Video Recorder (DVR) products will also benefit greatly by the increased video compression offered by this technology.