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To Whom It May Concern:

Funai Electric Co., Ltd.

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Funai Group and Chi Mei Group Form Strategic Alliance for LCD TV Panel

Funai Group (Headquarters of Funai Electric Co., Ltd: Daito-city Osaka, President and CEO: Tetsuro Funai) today announces that it will form alliance with Chi Mei Group. to solidify the business relationship between the two groups as well as to strengthen both groups' effort in pursuing greater success in TFT LCD.

Chi Mei Group, founded by Mr. Wen-Long Shi in 1965 and headquartered in Tainan County, Taiwan, has been in recent years engaging in aggressive investment in TFT-LCD industries in addition to its already very successful business in ABS resin manufacturing. For example, Chi Mei Optoelectronics, which was established in 1998, is the world's leading TFT-LCD manufacturer and a major supplier of TFT LCD TV panels..

This alliance will combine Chi Mei Group's resources and expertise in world-leading TFT-LCD manufacturing and Funai's worldwide manufacturing and sales force with the aim of increasing both parties' market shares in LCD TV market.

With the alliance, Funai intends to secure a stable supply of LCD panels ,as it plans to launch a series of new products with the world's highest picture quality in spring this year, featuring Funai's production technology of LCD modules cultivated over the years and the new image processing technology developed.

Based on this alliance, Funai Group provides financing of US\$ 400 million (JPY 46 billion, JPY 115/US\$) to Chi Mei Group to solidify relations between Funai and Chi Mei groups.

Funai continues to put the energies into the expanding businesses toward the establishment of the framework for technical cooperation with companies and strategic technology and capital alliance.