

SMK Electronics Licenses Hillcrest Labs' Freespace Technology to Bring Motion Control to Internet-Connected CE Devices

– Hillcrest Labs and SMK to Showcase New Designs at CES 2011 –

LAS VEGAS, NV; ROCKVILLE, MD; and TOKYO, JAPAN – January 5, 2011 – Hillcrest Labs, a leader in motion control technology and interactive television applications, and SMK Electronics, a leading global manufacturer of remote controls and CE accessories, today announced that the companies have signed a licensing agreement for Hillcrest's Freespace® technology. The agreement provides SMK with access to Hillcrest's patented in-air pointing, motion control technology for use in its current and future products.

SMK has incorporated Hillcrest Labs' Freespace motion technology into innovative remote control designs, including SMK's unique Egg Shaped RF remote control, currently being used in Japan to demonstrate Freespace motion technology to a variety of consumer electronics customers. SMK provides manufacturers of TV, set-top box, PC, Blu-ray, and digital media player with the ability to quickly and cost-effectively add Freespace motion technology to new products. The new SMK remotes will be showcased at the International CES show, January 6-10, 2011, in Las Vegas, NV, in booth #20662 in South Hall #1 and in Hillcrest suite #539 at the Renaissance Hotel. In addition, SMK will demonstrate PC-connected TVs using Hillcrest Labs' Kylo™ browser – a free Internet browser designed for use in the living room.

"SMK is a market-leading remote control solutions provider and a trusted partner for many consumer electronics companies worldwide," said Chad Lucien, senior vice president of sales and marketing, Hillcrest Labs. "We are very proud that SMK has licensed our Freespace technology and look forward to working with them to distribute innovative new remote controls using our Freespace motion technology."

"Hillcrest Labs developed an incredibly advanced motion control technology that can be embedded easily and cost-effectively into next-generation CE products," said Paul Evans, president, SMK Electronics Corporation. "We are excited to offer Freespace technology to our customers and incorporate it into innovative new remote controls."

Freespace technology was developed by Hillcrest Labs for use in a wide range of consumer devices including TV remote controls, computer peripherals, and game controllers. Freespace-enabled pointing devices utilize patented digital signal processing algorithms that rely on gravity and other inertial inputs to determine their position in the air. The algorithms translate motion instantaneously, automatically adjust for natural hand tremors, and work regardless of directional orientation. Unlike alternative touch pointing solutions, Freespace users can quickly and easily navigate through large content libraries and play either point-and-click casual games or motion-based games. Freespace is the same award-winning technology used in LG Electronics' Magic Motion remote control and Hillcrest's iconic Loop™ pointer – an in-air mouse designed for consumers who connect their computers to a television.

For the past two consecutive years, Hillcrest Labs was named an International CES Innovations Design and Engineering Awards Honoree. For 2011, Hillcrest was selected for Kylo, its free Web browser for television, and in 2010, the company was selected for its Loop pointer. In addition to SMK, other companies that have licensed Freespace for use in their products include: Eastman Kodak, LG Electronics, Logitech, Sony Computer Entertainment, Inc., Universal Electronics (UEI), and others. Hillcrest Labs' solutions are backed by a broad set of intellectual property including more than 40 issued patents, out of more than 200 filed by the company.

Terms of the Freespace licensing agreement were not disclosed. Additional details about Freespace or Hillcrest Labs are available at www.hillcrestlabs.com. Additional information about SMK Electronics is available at www.smk.co.jp.

About Hillcrest Labs:

Hillcrest Laboratories (a.k.a. Hillcrest Labs) sells products to consumer electronics manufacturers, service providers,

and consumers that enable unique, interactive digital media experiences for TVs and other digital media devices. Hillcrest Labs licenses its motion control technology, called Freespace®, for use in a wide range of consumer devices including remote controls, computer peripherals, and game controllers. Companies that have licensed Hillcrest Labs' technology for use in their products include: LG Electronics, Eastman Kodak, Logitech, Sony Computer Entertainment Inc., and Universal Electronics (UEI). For consumers, Hillcrest Labs sells the Loop™ pointer, an in-air mouse for TV that lets users control an onscreen cursor with a flick of the wrist and navigate the Web or their home media content on TV. Hillcrest Labs also offers the Kylo™ browser, a free desktop Web browser for TV.

Hillcrest Labs has received numerous awards and recognitions including the CES Innovations Award, PC World's 100 Best Products and Greatest Tech Designs, Popular Mechanics' Editors Choice, ECN's Reader's Choice Tech, and many others. Based in Rockville, Maryland, Hillcrest Labs was founded in 2001 by Dan Simpkins. The company is funded by NEA, AllianceBernstein, Columbia Capital, and Grotech Ventures. For additional information, visit www.hillcrestlabs.com.

About SMK Electronics:

SMK Corporation is headquartered in Tokyo, Japan and is listed on the Tokyo Stock Exchange. SMK was first established in 1925, manufactures, develops and markets electronic components used by major OEM's in the field of Communications, Information, Audio-Visual, Car Electronics and Home Electronics. With North America operations and R&D in the proximity of San Diego, and with local manufacturing facilities in Tijuana, Mexico, in addition to SMK's global 12 factories, SMK is strategically positioned to supply electronics solutions to OEM's and market leaders engaged in Personal Computing, Consumer Electronics manufacturers and the Subscription Television industry. SMK maintains the dominant worldwide position in the supply of remote controls, producing greater than 70 million units annually, and has strongly invested in the market of devices supporting rich media, interactive and advanced TV features. Further information can be found at www.smk.co.jp.

Headquartered in Chula Vista, California (in the vicinity of San Diego) SMK America Group (SMK-AG) provides real solutions ranging from standard products to fully customized products with local manufacturing facilities in their NAFTA certified facilities in Tijuana, Mexico. SMK-AG includes an Engineering/ R & D team that support three ISO9000-2000 and ISO14001 certified factories in Tijuana, Mexico. Sales offices are located in California (Chula Vista, San Jose, Los Angeles), New York (White Plains), Washington (Seattle), Illinois (Chicago), Mexico (Mexico City), and now introduces its new Detroit location.

SMK supplies electronics solutions to OEM partners for the North America region.

All product and service names listed in this release remain property of their parent companies and do not indicate official support or endorsement for the Kylo browser, Loop pointer or Hillcrest Labs. All other trademarks and copyrights are the property of their respective owners. Hillcrest Labs, Freespace, the Loop pointer, and the Kylo browser are trademarks of Hillcrest Laboratories, Inc.

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