



# 2021

Corporate Profile

## Corporate Philosophy Framework

The Fundamental Principle, Corporate Precepts, and Corporate Commitments are the foundation and supporting pillars of our corporate activities, and clearly express the founding spirit.

The Corporate Philosophy and Group Vision were established in 2018, based on these pillars. They convey the corporate image and guidelines for conduct, and evolve with the times and social conditions.

## Fundamental Principle

# Dream with Conviction, and Act on Information

## Management Philosophy

# Challenge the company to grow by becoming helpful in the community

## Group Vision

# Funai creates products that are the choice of people around the world

“Around the world,” as a global company

“The choice,” aiming for top share in the industry

“Creates products,” that people will love

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## Corporate Commitments

**To adopt continual product improvements**  
**To continually promote ever deeper trust**  
**To seek further harmony and mutual prosperity**

## Corporate Precepts

**Perseverance overcomes all difficulties.**  
**Innovation is achieved through effort.**  
**Humanity must eventually find its expression.**

### Corporate Precepts

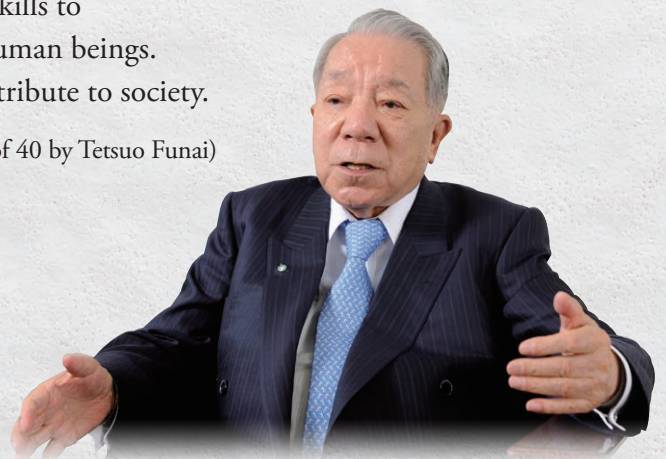
#### **Expand the triangle of knowledge, empathy, and intention**

The larger the triangle created from knowledge, empathy, and intention expands, the more we grow as human beings who are vessels for these qualities.

If this triangle does not grow larger, that means that we, as human beings, have not grown even though we have grown older. For example, when we pass the age of 30 or 40, we must increase our skills to a level appropriate to our age and improve ourselves as human beings.

The larger this triangle grows, the more a person can contribute to society.

(Source: Becoming President of Five Companies at the Age of 40 by Tetsuo Funai)



Tetsuo Funai, Founder



#### Corporate Logo

Our Corporate Logo, which shows a stylized “F” breaking out of its circular boundaries, expresses our focus on breaking away from stereotypes, while at the same time symbolizing our vigorous growth.

The shape of the “F” resembles a human hand, connoting production and manufacturing. This shape is meant to convey our high productivity and outstanding quality, with sharp angles to express simplicity.

# Message from Chairman and CEO

## Rebirth & Evolution



**Koji Bando**  
Chairman and CEO

Funai Electric will celebrate our 60th anniversary this year, in 2021.

Throughout our history, we have delivered reasonably priced, high-quality digital consumer electronics to the market, including transistor radios, VHS videotape recorders, combo television units, inkjet printers, home fax machines, DVD players, BD players, and OLED TVs with built-in HDD. We have also globalized our business from an early stage, developing markets in regions such as North America and providing products with competitive edges compared to other companies.

The rise of Chinese TV manufacturers has caused a fierce price war in the TV market, which is now facing increasingly intense competition. The rapid proliferation of information technologies and the Internet has also significantly transformed business practices, lifestyles, and social structures.

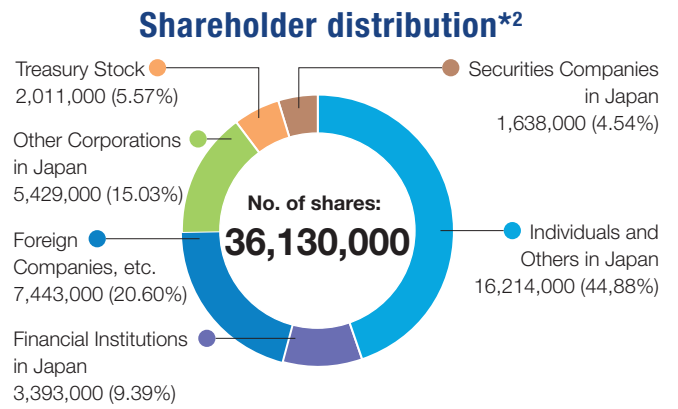
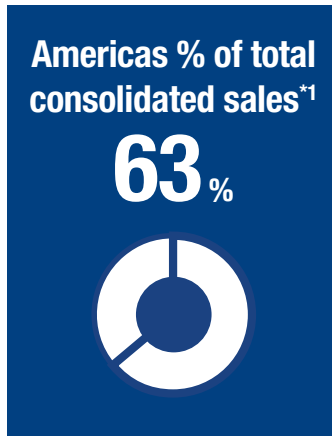
It is critical to keep pace with our customers' needs and demands and build marketing and development capabilities to enable prompt delivery of new products and services by adopting new technologies and business

models to survive in these challenging circumstances. Establishing alliances with companies that possess desirable technologies, funds, human resources, and planning capabilities will also be vital in developing new businesses and new markets.

Funai Electric and all our employees are committed to a process of “rebirth and evolution” into a company that can create new value. To accomplish this, we will leverage our core competence in manufacturing, which has sustained the company for over 60 years, and put our company motto of “better products, greater confidence, more meaningful coexistence and co-prosperity” into practice.



# At a Glance



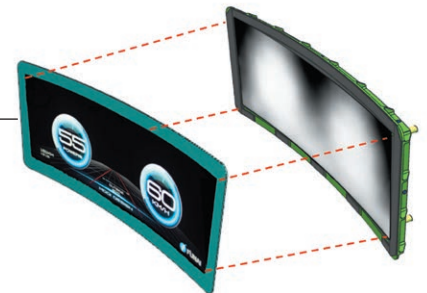
\*1 Consolidated results for fiscal year ended March 31, 2021

\*2 As of March 31, 2021

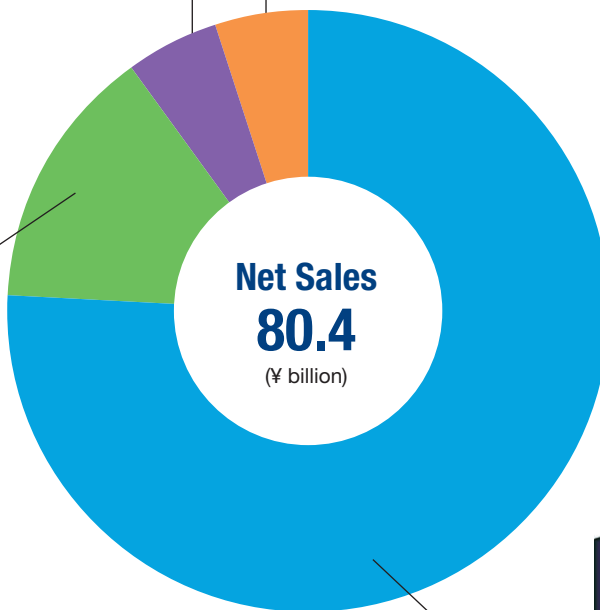
## Net Sales



Nail art printer



Backlight units for installation in vehicles



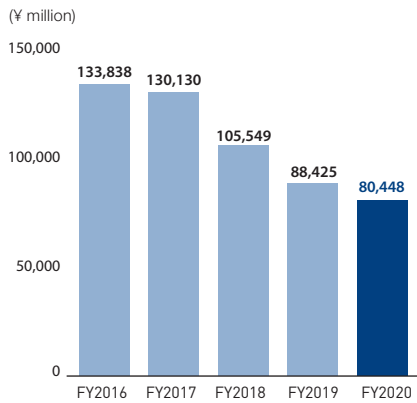
HD Blu-ray



65-inch Android TV™ for the U.S. market

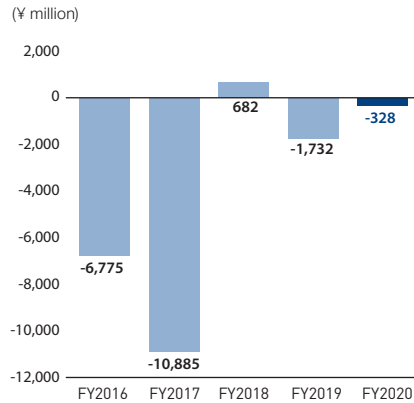
# Financial Highlights

## Net Sales



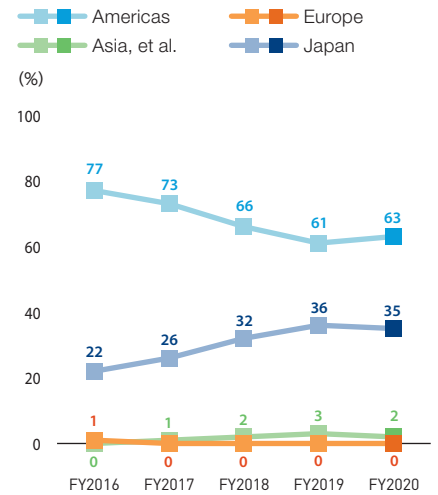
Net sales **declined 9.0% YoY to 80,448 million yen**. Although sales of LCD televisions in the U.S. market remained strong through the third quarter, the decline in net sales was mainly due to the lack of special sale products for the year-end sales campaign and the steep rise in price of LCD panels in the fourth quarter, which caused deterioration in the profit margin and adjustments to sales volume.

## Operating Income



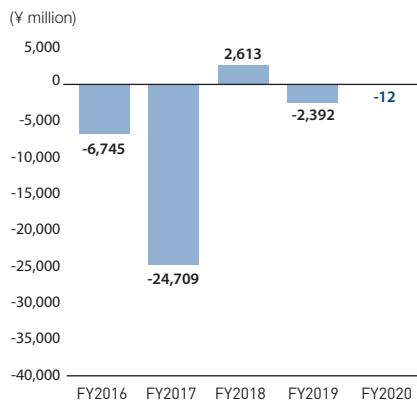
The steep rise in the price of LCD panels from the fourth quarter pushed the operating margin downward, despite improvement in the operating margin in the LCD television business in the U.S. This was the main factor behind the **operating loss of 328 million yen**.

## Sales by Region



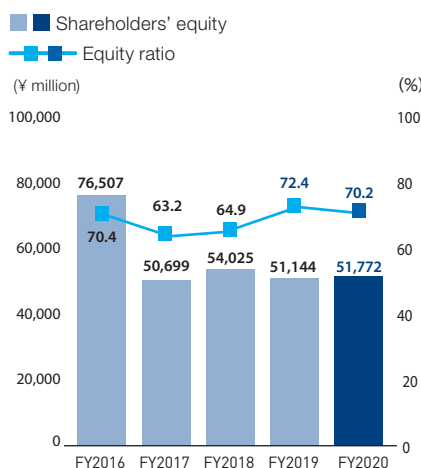
Sales in the Americas **increased by two percentage points to 63%** of total sales, while sales in Japan **decreased by one percentage point to 35%** of total sales.

## Net Income (Loss) Attributable to Owners of Parent



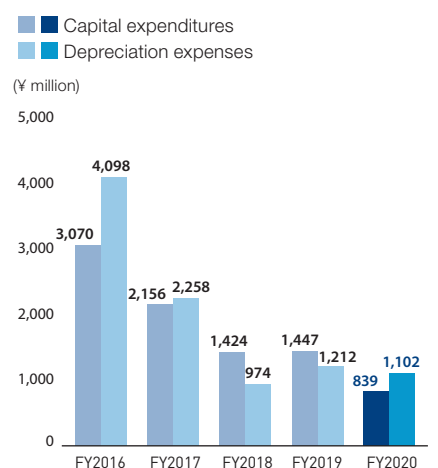
The **net loss attributable to owners of parent was 12 million yen**. This mainly resulted from the recognition of an extraordinary gain on the sale of patents and the lump-sum amortization of goodwill of a consolidated subsidiary.

## Shareholders' Equity/Equity Ratio



The equity ratio **decreased 2.2 percentage points to 70.2%**, compared to last fiscal year.

## Capital Expenditures and Depreciation Expenses



Capital expenditures **fell by 600 million yen** compared to last fiscal year, **to 800 million yen**. Depreciation expenses **decreased by 100 million yen** compared to last fiscal year, **to 1.1 billion yen**.

# Supplying Simple, High-quality Products to the World



7030 Series  
OLED TV equipped with an internal hard disk drive

Since our company was established, Funai Electric has demonstrated the ability to develop and supply products of superior quality and cost-performance, and has built a reputation of solid reliability in the global digital consumer electronics market.

Today we are engaged in a broad range of businesses in four business segments: The Display business, which provides flat-screen televisions; the Digital Media business, which provides BD (Blu-ray Disc) related products; the Office Solutions business, which provides printer-related equipment; and Development and New Businesses, which develops and manufactures dental CT scanners, products for installation in vehicles, and other high-quality products.

In our main Display business, we supply four brands of flat-panel televisions in a variety of sizes from small to large. In our Digital Media business, we supply BD (Blu-ray Disc) related products. We supply these products to Japan and North America, respectively. We are recognized for our price competitiveness and capacity to supply these audiovisual products and are particularly proud of our top-ranked share

among Japanese manufacturers in flat-panel televisions in the North American market.

Funai utilizes the ink cartridges and printer products we developed ourselves in our Office Solutions business and the strong partnerships with our OEM (consignment manufacturing) customers in our Development and New Businesses segment to develop, manufacture, and sell high value-added products.

We are entering a severe shakeout period in the global digital consumer electronics industry as competition stiffens on function, design, and price with the rise of Chinese, Taiwanese, and Korean manufacturers.

However, it is precisely in this sort of severe environment that we are seizing the opportunity to manifest the true value of Funai Electric, with our advanced in-house development capacity and our formidable production system. We will work to increase our brand value and expand our market share by rapidly developing and manufacturing products that match the needs of consumers and supplying products of superior quality and cost-performance to the global market.

## Our Product Brands

» Brand sold in Japan

**FUNAI**

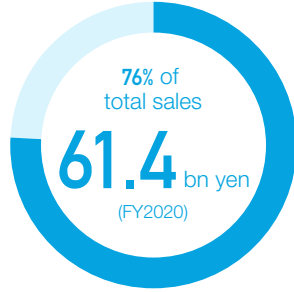
» Brands sold in North America

**Philips** **Magnavox** **SANYO**

Display Business



65-inch Android TV™ for the U.S. market



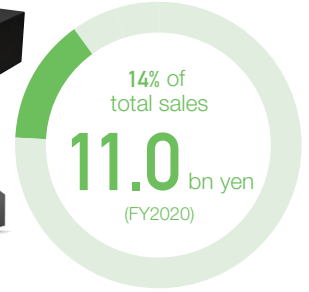
Globally recognized high-definition imaging, a new option in OLED TVs in Japan

Funai Electric maintains top-ranked share among Japanese manufacturers in the North American market where we sell three brands (Philips, Magnavox, and SANYO). We also began exclusive sales of FUNAI-brand products at Yamada Denki (now Yamada Holdings Group) stores in Japan from 2017 and are steadily expanding sales.

Digital Media Business



HD Blu-ray



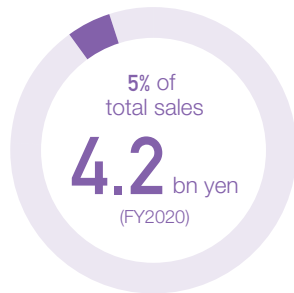
Enticing AV users with a high-definition recording function

In the North American market, we have provided 4K Ultra HD Blu-ray Disk players since 2016. We also launched exclusive sales of a FUNAI-brand 4K Ultra-HD Blu-ray Disc recorder at Yamada Denki (now Yamada Holdings Group) stores in July 2018, and are continuing to expand overall sales with flat-panel televisions.

Office Solutions Business



Nail art printer



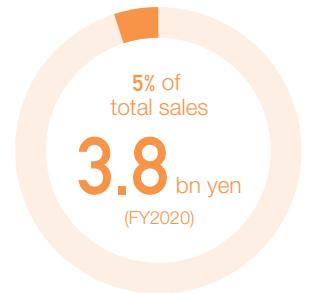
Capitalizing on the diverse range of business needs to achieve expansion of the printer business

Funai is utilizing the expertise it has cultivated in OEM for inkjet printer products since 1997 to expand the business substantially. We manufacture printer-related products for various purposes in the B2B and OEM segments, such as proprietary ink cartridges for industrial use that employ thermal inkjet technology and the Nail Art Printer. We have also entered an alliance with The Procter & Gamble Company, the world's largest manufacturer of consumer daily necessities, and will introduce products in the beauty segment.

Development and New Businesses



Dental CT scanner



Meeting a wide range of OEM needs with latest technology and optimal manufacturing

Funai Electric is meeting a wide range of needs in the medical and healthcare segments with superior technology. We manufacture dental CT scanning devices for the U.S. market and have jointly developed and created a prototype bed for nursing care and with the medical division of a university in an industry-academic partnership, among other products. In addition to the above initiatives, we are working on development of devices for installation in vehicles and will provide components and modules that are based on our optical technology, such as meter panels and power inverters.



# Topics

## TOPIC Premium LCD television with an improved color gamut 4K quantum dot panel sold exclusively nationwide through the Yamada Holdings Group

We expanded the line-up of FUNAI-brand televisions sold nationwide exclusively through Yamada Holdings Group, with the launch of the FUNAI Qdt TV (540 series), a 4K quantum dot television, in June 2021. This model has a rich color gamut that exceeds existing LCD televisions.

4K quantum dot televisions have a module with quantum dots (semiconductor particles having a diameter in the nanometer range) installed in the LCD panel. These quantum dots change the wavelength of light, making it possible to display a rich gamut of colors. The Q540 series utilizes the optical design technology developed by Funai Electric over many years to achieve a gamut that includes both highly pure blues, greens, and reds and intermediate colors such as skin tones. The rich colors in bright scenes on a 4K television meet the entertainment needs of customers.

The inclusion of the Dolby Atmos® stereophonic sound technology used in films and theaters worldwide also achieves the feeling of being immersed in another dimension, as if the viewer has entered the video world. Also installed as standard equipment, Android TV™ enables the installation of various kinds of apps such as streaming services and games. This provides a rich immersive entertainment experience to homes, suited to the age of the new normal.



FUNAI Qdt TV, a 4K quantum dot television in the Q540 series

## TOPIC Selling three FUNAI gaming monitor models with a 240Hz rapid refresh rate

In late June 2021, we added three models in two series of FUNAI gaming monitors to the FUNAI-brand products being exclusively sold by the Yamada Holdings Group. These monitors employ imaging technology we have developed as a TV manufacturer.

Both the 540 series and the 440 series of the FUNAI gaming monitor have a 240 Hz rapid refresh rate and achieve a 1 ms response time. The resulting smooth visuals with little sense of delay enables gamers to enjoy playing even fast-paced games and reliably capture targets. These monitors also use the proprietary “Panoramic wide color” resolution setting technology we have cultivated through many years of LCD TV development. It reproduces a wide color gamut of around 16.77 million colors, delivering vivid, dynamic visuals that provide a realistic sense of being in the game.

The 32-inch and 27-inch models in the 540 series use a curved surface display panel. This provides the panoramic effect of being enveloped in the imagery. The difference in depth from the side edges to the center of the screen also produces a 3D visual effect, creating an illusory space that makes it seem like you are in the game world. Moreover, all of the images on the screen are equidistant from the player’s perspective. There is no need to refocus so these monitors are optimal for games with rapid movement such as racing, shooting, and battle play. With FUNAI gaming monitors, you can enjoy a comfortable gaming experience that provides a completely new realistic sense of presence and immersion.



FUNAI gaming monitor line-up (Left: 32-inch curved panel, Center: 27-inch curved panel, Right: 27-inch flat panel)

## Design

### Targeting Even Stronger Competitiveness

**Adding higher value, reducing the number of parts, local design, and production in the optimal location: Funai is working to achieve both high value-added products and competitive cost performance to make Funai even more competitive and successful in global competition.**

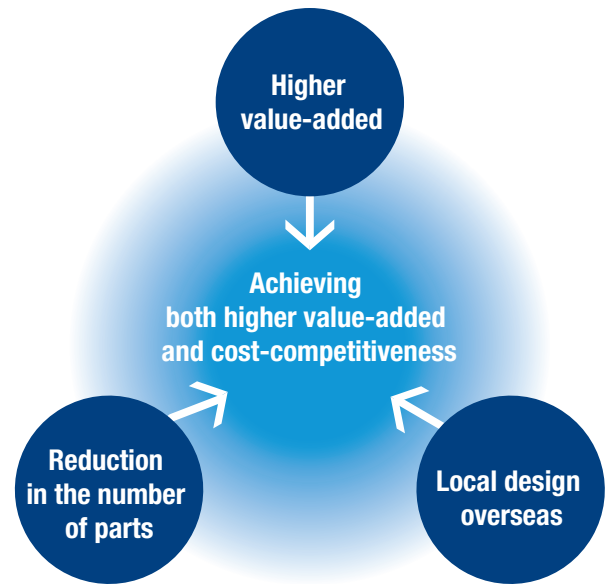
The business environment surrounding Funai is becoming increasingly severe due to the impact from trade friction and the emergence of global competitors.

To emerge the winner in such intense competition, Funai must succeed in two ways: Maintaining the world-class price competitiveness that is a strength of Funai, and developing appealing products that customers will choose.

To maintain cost competitiveness, we are pushing ahead on reducing the number of parts, using common parts, finding new local parts through overseas R&D, and reducing fixed development costs, among other efforts. We are performing some design work at development sites in Malaysia, China, and elsewhere, and are working to shorten development time, reduce labor hours, and improve the efficiency of local parts procurement.

To create high value-added products that customers will choose, we are targeting medium and long-term development themes and incorporating high value-added technology that will lead to building dominance, in addition to performing short-term development.

#### Our Approach to Design



## Production

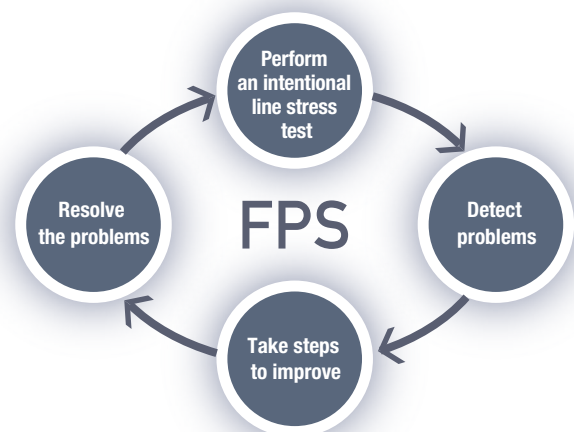
### Taking on the Challenge of Improvements in Productivity

**Funai Electric continuously pursues improvements in productivity through its unique Funai Production System (FPS). FPS enables Funai to provide high quality products with superior cost performance.**

FPS, Funai’s unique production system, detects problems in the production process through intentional stress testing of the production line (reducing the number of line workers, speeding up the belt conveyor), and taking steps to improve productivity that encourage voluntary efforts to improve.

Repeatedly working through this cycle detects problems with the current production system and fosters a mindset among team members to take the initiative on improvement. This enables continual improvements in productivity. Funai sees FPS as the driver for achieving sustainable growth and is working to achieve even greater improvements in production.

#### Continual improvement in productivity through FPS



# Sales

## Capturing the Needs of Markets around the World

Funai Electric deploys a sales strategy based on the unique characteristics of each market in many locations around the world. In the North American market, which is the largest market in the world, Funai has strengthened its relationship with leading mass retailers to develop an accurate assessment of market needs, and maintains top share in the market. We also began exclusive sales of the FUNAI brand through Yamada Denki, the largest mass retailer of consumer electronics in Japan, from 2017.

Funai's sales strategy is to use our close relationships with sales channels to accurately identify market needs and the latest trends, and provide high-quality products with superior cost-performance.

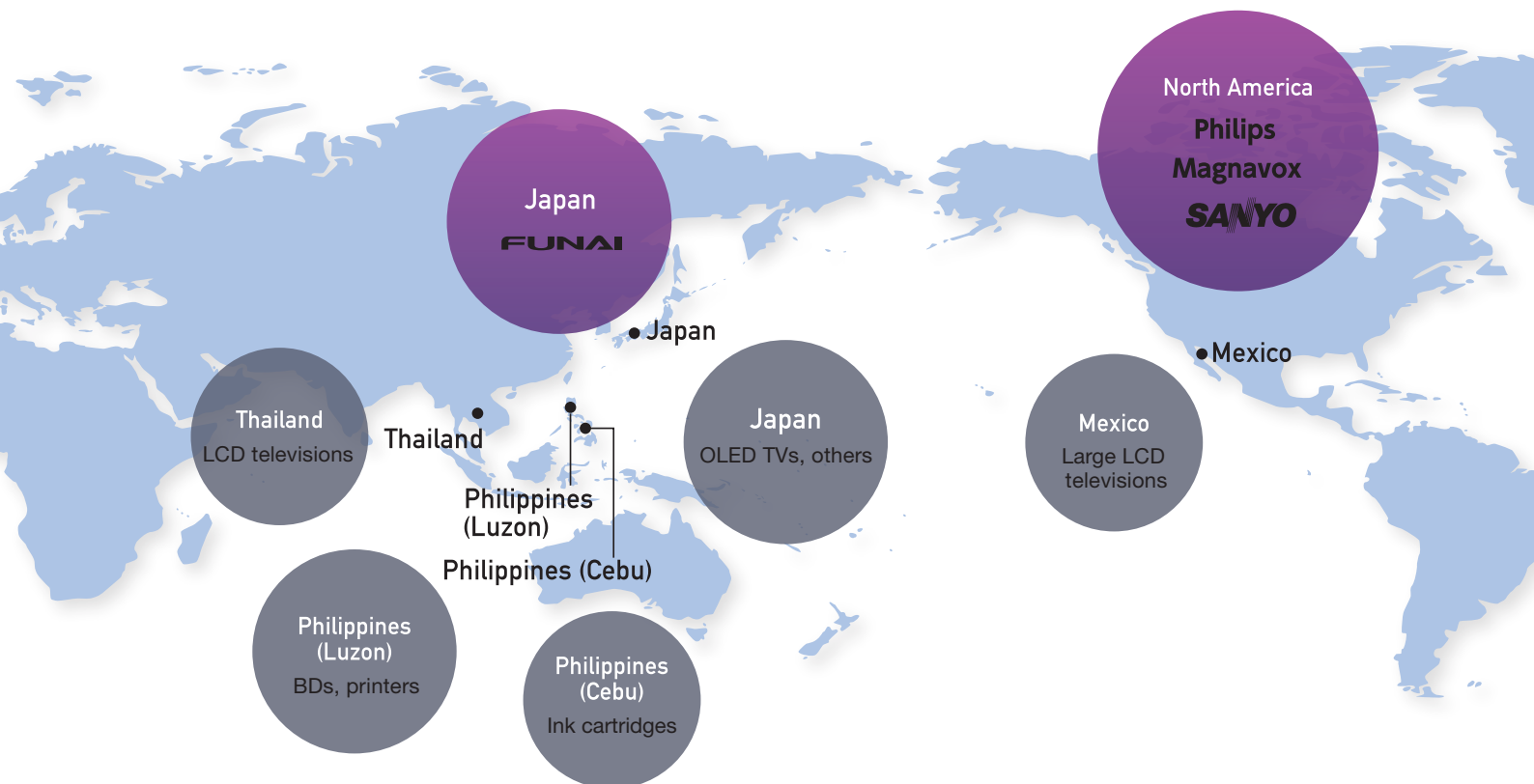
In LCD televisions, our core product, we hold top market\* share among Japanese manufacturers in the North American market in terms of unit shipments. We also began exclusive sales of FUNAI-brand products in Yamada Denki stores in the Japanese market from June 2017. In June 2020, we launched sales of ten television models in four series, including the 7030 OLED Android TV™ series equipped with an internal hard disk drive. This provides a new line-up of FUNAI-brand TVs sold exclusively through the Yamada Denki Group nationwide. Funai is steadily increasing market presence by pursuing a product development and sales strategy matched to the needs of the market.

In printer-related products, we launched the nail art printer, a product that applies Funai's thermal inkjet technology, and it has received good reviews. In new businesses, we are pursuing development and production of nursing care and medical equipment, and are also engaging in product development aimed at next-generation needs through our alliance strategy, under which we have entered alliances with FOMM Corporation, a venture firm that is developing compact electric vehicles; P&G, the world's largest manufacturer of consumer daily necessities; NTT Plala Inc., the provider of Hikari TV, the largest video platform in Japan; ROKI Co., Ltd., and other companies.

\*2014-2019: Funai's share of LCD television shipments in North America compared to other Japanese manufacturers, IHS Markit research.

### Global sales locations Global production locations

● Main markets ● Production locations





# Realizing Sustainable Communities

We are also actively pursuing environmental initiatives as one of the cornerstones of management.

Since the company was founded, Funai has built overwhelming trust in the imaging device segment using its superior supply capabilities and the cost performance of electronic products focused on functionality as sales points.

The proprietary Funai Production System (FPS), technical skills in mechatronics, and structure for producing

and selling in the optimal global locations, which we have developed in the course of our history, are our most important management assets. We regard these as our greatest weapons in surviving intense industry competition.

We also aspire to improving quality, delivery lead times, and costs even more, and delivering products that always meet

the needs of the times.

We are actively pursuing environmental initiatives as one of the cornerstones of management as we work to achieve these things.

We continually work to implement environmental initiatives in activities at business locations and in product-related activities.

## Product-related Activities and Results

Based on our Corporate Commitments to “adopt continual product improvements, continually promote ever deeper trust, and seek further harmony and mutual prosperity,” we design and manufacture high-quality products that are friendly to the global environment and satisfy customers.

Specifically, we endeavor to develop products that are lightweight and simple so they use fewer resources. By decreasing the amount of electricity products use, we contribute to reductions in global warming when our products are used by customers. Making products slimmer means that they can be transported more efficiently, and this reduces the environmental impact of the shipping process. By eliminating hazardous substances from our products, we are working to halt environmental pollution. To ensure that these goals are achieved on an ongoing basis, we have established the Product Environment Committee as a cross-company organization for environmentally considerate product design.

### ● Green Procurement Activities

Based on the principles contained in the Group Code of Conduct, we endeavor to protect the global environment and work to mitigate the risk to human health and the environment from the chemicals contained in our products as one part of

those efforts. Funai has formulated Green Procurement Standards. The purpose of these standards is to mitigate these risks, and environmentally friendly parts and materials are procured throughout the entire supply chain, by parts and materials manufacturers in addition to Funai itself.

More specifically, we have built and operate a system for managing chemicals contained in products to ensure that hazardous chemicals are not used in our products. To achieve this, we work together with our parts and materials suppliers to prohibit or limit hazardous chemicals regulated by individual countries throughout the world.

### ● Initiatives to Prevent Global Warming

Funai is participating in the Japan Business Federation’s Commitment to a Low Carbon Society through the Liaison Group of Japanese Electrical and Electronics Industries for Global Warming Prevention and is pursuing measures to combat global warming via the company’s business activities.

Reducing greenhouse gas emissions (CO<sub>2</sub>) is one indicator for product development, and we control new issues such as reducing electricity consumption, reducing product size, and improving transport efficiency in all aspects of product development while implementing company-wide initiatives that can



contribute to preventing global warming on an ongoing basis.

### ● Life Cycle Assessment (LCA)

To create products that reduce the burden on the environment, we perform a product assessment every year to evaluate products from the aspects of energy savings, reduction in use of natural resources, recycling, hazardous substances contained, and other aspects to assess the burden imposed on the environment, from production through disposal of a product. This is useful in designing and developing products that impose a lower burden on the environment.

## Environmentally-friendly Product Development



Based on the principles contained in the Funai Group Code of Conduct, we endeavor to protect the global environment and work to reduce the burden imposed on the environment from the chemicals contained in our products

as one part of those efforts.

To reduce this environmental burden, we have worked with our suppliers to build a system to manage chemical substances contained in our products and those of our suppliers, and have taken steps to prohibit use of chemicals in products that impose a large environmental burden.

J-Moss is the abbreviation of the JIS standard for labeling chemical substances contained in electrical and electronic devices in Japan.

Based on JIS C 0950: 2008, labeling of products that contain specified chemical substances\* is legally mandated

for specific product groups (televisions, personal computers, air conditioners, refrigerators, washing machines, microwaves, and clothes dryers). The J-Moss Green Mark can be displayed on products that contain a percentage of such substances that is lower than the standard value.

Funai televisions meet the criteria for the J-Moss Green Mark because we select environmentally friendly materials and parts from the design stage.

\* Covers six substances: Lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyl, and polybrominated diphenyl ether

## Human Resource Education/Initiatives in Employee Health Management



In the Funai Group, we regard the development of globally active human resources and professional resources as one of the most important management tasks embodying the founding spirit, and we put effort into educating and training people after they join the company.

New employee training is provided in April every year to equip new

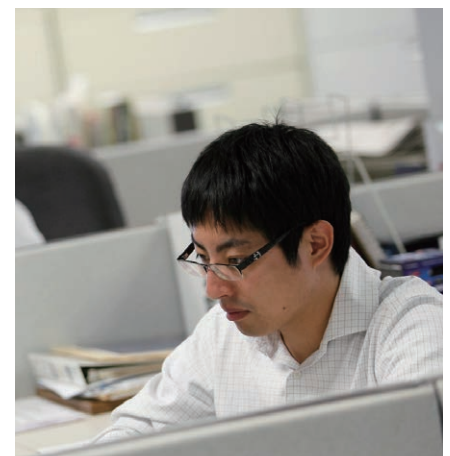
employees with basic knowledge as full-fledged members of society and teach them how to perform their work. Training in an overseas plant for three months is provided regardless of job classification and employees learn the thought process of the proprietary Funai Production System (FPS). Continuous skills improvement training by an instructor is offered internally to encourage ambitious employees to pursue self-education to improve business skills and technical skills. Training by grade level is also provided periodically to improve the management skills of people in managerial and specialist positions.

Various kinds of English courses are provided to equip employees with the language skills essential as global human resources, and we are working to maintain their motivation to improve their English skills by introducing the TOEIC score as a requirement for advancement and promotion.

We also actively engage in employee health management to ensure that all employees come to work in a healthy condition and demonstrate their personal

capabilities. All employees participate in company health drive efforts. We also provide them with information on health and nutrition, and have an industrial physician conduct health management courses.

Funai formulated a mental health promotion plan based on the Ministry of Health, Labour and Welfare's Guidelines for Promoting the Mental Health of Workers. We have put in place an internal structure and set up a consultation desk as part of our mental health promotion measures.



# Corporate Governance

## [Overview of Corporate Governance]

The Funai Electric Group has the following view of corporate governance. We aim to respond to changes in the management environment and continually strive to enhance corporate value by increasing the transparency of management for shareholders, consumers, business partners, local communities, employees, and all other internal and external stakeholders, and ensuring sound and efficient management and swift decision-making.

We have established an executive officer system to facilitate agile decision-making and prompt execution of business based on this philosophy.

Funai also established the Funai Group Code of Conduct and the Funai Group Procurement Policy, which is based on the Group Code of Conduct. Under this code of conduct and policy, we are promoting corporate social responsibility (CSR) activities.

## [Overview of the Corporate Governance Structure and Reasons for Adopting this Structure]

We have adopted the structure of a company with auditors, and have established a Board of Directors, Auditors and Accounting Auditors as our corporate governance structure.

We have established an executive officer system to facilitate prompt execution of business. In addition to the Auditors, we have also established the Nomination Committee, Compensation Committee, and Internal Investment and Loan Committee to serve as discretionary advisory bodies to the Board of Directors. These committees ensure objectivity and transparency in the process for making important decisions.

### [Board of Directors]

The Board of Directors consists of seven directors (one of whom is an outside director). It aims to make prompt decisions. The outside directors, who have no significant conflict of interests, ensure sound and transparent management by participating in decisions made by the Board of Directors.

### [Advisory Bodies]

- **Nomination Committee**

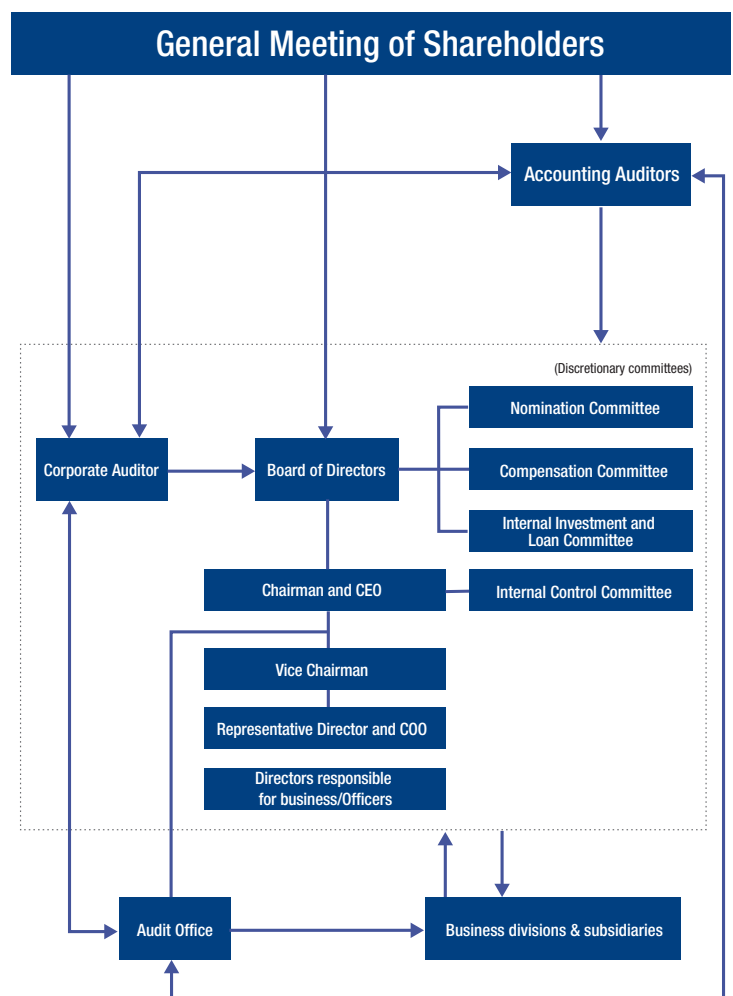
The Nomination Committee consists of directors who have been appointed as committee members by the Board of Directors. As an advisory body to the Board of Directors, this committee recommends candidates for director positions to the Board of Directors, thereby ensuring transparency and objectivity in the candidate selection process.

- **Compensation Committee**

The Compensation Committee consists of directors who have been appointed as committee members by the Board of Directors. This committee has been delegated the authority to determine the compensation for directors and executive officers, thereby ensuring transparency and objectivity in the compensation determination process.

- **Internal Investment and Loan Committee**

The Internal Investment and Loan Committee consists of directors and executive officers whom the president has appointed as committee members. This committee examines and discusses the contents of individual investment and lending projects of importance to the Company, thereby ensuring transparency and objectivity in the process for deciding whether or not to proceed with individual investment and lending projects.





# A Broad Range of Local and Community Activities

## Ongoing partnership with Los Angeles Angels to achieve penetration of the FUNAI brand

Funai concluded a partnership agreement with the Los Angeles Angels, a major league baseball team in the U.S., in February 2018.

Shohei Ohtani, who is both a pitcher and designated hitter for the Los Angeles Angels, has attracted much interest in the U.S., as well as in Japan.

The main provisions of the partnership agreement include installing a board inscribed with both the FUNAI logo and the Angels logo on the media banner in postgame “hero of the game” interviews in the press room after Angels home games, and conducting postgame interviews for games that Ohtani has played in, in front of this media banner.



## Sponsor agreement renewed with S.C. Sagami-hara of the soccer J League



S.C. Sagami-hara official uniform for the 2021 season with our corporate logo on the pants (Player Junichi Inamoto, the former representative of Japan who joined S.C. Sagami-hara from the 2020 season, is in the center of the photo)

In February 2021, Funai renewed the sponsor agreement with the professional soccer J League club, S.C. Sagami-hara. We are striving to achieve penetration of the FUNAI brand again during the 2021 season by displaying our corporate logo on the pants of the official S.C. Sagami-hara uniform, the interview board at official home games and events, the signboard installed behind the goal, and on the official website and official publications.

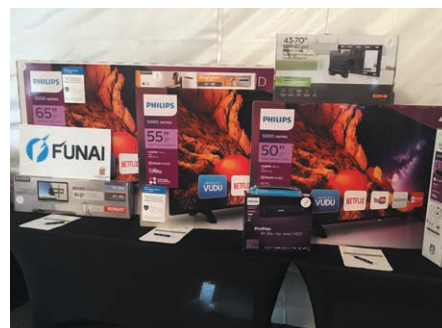
S.C. Sagami-hara, which calls Sagami-hara City, Zama City, Ayase City, and Aikawa Town home, signed on Junichi Inamoto, the former representative of Japan, from the 2020 season. S.C. Sagami-hara has been promoted to the J2 League from the 2021 season, and is expected to achieve further breakthroughs. We support the team through our sponsor agreement and will contribute to the promotion and greater vitality of sports through various kinds of collaborative planning and promotional activities.

## Activities that contribute to and support communities

In the U.S., the Funai Group participates in the Children's Miracle Network, which supports hospitals that treat pediatric illnesses, and participates in charity projects.

We have also supported Walmart and Sam's Club in participating in the Sharing & Caring support for children in need during the holiday season, and donated Funai TV and DVD products.

We hope that these activities will make children's dreams come true and give them the strength and courage to fight their illnesses, and that they will contribute to the community in general by supporting families, sponsors, and those who donate.



## Locally-rooted contribution activities

Funai products are used as thank you gifts when taxpayers contribute a portion of their taxes to the hometown revitalization fund for the city of Daito in Osaka, where our headquarters is located. We provided approx. 4,000 units in FY2019. We will continue to make substantial contributions to the Daito City hometown revival tax contribution fund and strive to improve Funai's name recognition.

# A Parallel Chronology of Product Development and the History of Funai Electric

## 1960s

- August 1961 ● FUNAI ELECTRIC CO., LTD. established in Ikuno Ward, Osaka City, capitalized at 20 million yen. (Transistor radio business of FUNAI LIGHT MACHINERY MFG. CO., LTD. spun off as an independent company)
- March 1964 ● CHUGOKU FUNAI ELECTRIC CO., LTD. (now a consolidated subsidiary) established as a production company in Fukuyasu-gun (now Fukuyama City), Hiroshima Prefecture
- May 1968 ● FUNAI ELECTRIC COMPANY OF TAIWAN established in Kaohsiung, Taiwan as the first large production plant overseas
- April 1969 ● Construction of new headquarters building completed in Daito City, Osaka Prefecture (current location of headquarters)

## 1970s

- September 1970 ● FUNAI AMERICA ELECTRIC SERVICE CORP. (later, FUNAI USA CORPORATION) established in the U.S. as a sales subsidiary
- September 1976 ● Headquarters relocated to Daito City, Osaka Prefecture

## 1980s

- June 1980 ● FUNAI ELECTRIC TRADING (EUROPE) GmbH established in Hamburg, Germany as a sales subsidiary
- July 1983 ● Tokyo Branch Office established in Chiyoda-ku, Tokyo
- March 1987 ● Full-scale entry into the domestic market

## 1990s

- March 1992 ● HIGHSONIC INDUSTRIAL LTD. (now FUNAI ELECTRIC (H.K.), LTD., a consolidated subsidiary) established in Hong Kong to oversee contract manufacturing in Guangdong, China
- January 1996 ● FUNAI SERVICE CO., LTD. (now a consolidated subsidiary) established as a domestic service subsidiary
- February 1999 ● Listed on the Second Section of the Osaka Securities Exchange

## 2000s

- March 2000 ● Listed on the First Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange
- November 2000 ● FUNAI LIGHT MACHINERY MFG. CO., LTD. acquired through an absorption-type merger
- March 2001 ● Fiscal year-end changed from June 15 to March 31

## Product History



The start of production of the transistor radio led to the establishment of our predecessor, FUNAI LIGHT MACHINERY MFG. CO., LTD. Explosive growth followed, as the company concentrated on OEM sales to leading U.S. and European manufacturers.

The application of mechatronics technology, centering on control technology for the rotating mechanism, led to the development of a host of product manufacturing technologies.

In these years, set world record for unit production of 8-track car stereos.

Proprietary compact video cassette recorder developed. The advanced technical capabilities drew interest for the success in recording a video on the peak of Mt. Everest for the first time in the world.



Supplied OEM products to leading U.S. printer manufacturer. Succeeded in mass production.

In the 2000s, acquired a leading share of the North American market.

Commenced production of monochrome laser beam printers following the launch of inkjet printers in 2000.

Provision of OEM products to specialized projector manufacturer in United States.

With a few years after commencing production, acquired top share of the North American market.

In addition to our own brand, received orders for OEM production from other major manufacturers, leading to a top share of the global market.

- July 2003 ● FUNAI (THAILAND) CO., LTD. (now a consolidated subsidiary) established in Nakhon Ratchasima, Thailand as a production subsidiary
- October 2006 ● FUNAI ELECTRIC (POLSKA) Sp. z o.o. established in Lubusz, Poland as a production subsidiary
- September 2007 ● BROADTEC TV R&D CENTER SDN. BHD. (now FUNAI MALAYSIA R&D SDN. BHD.) established in Malaysia as a research and development center
- October 2007 ● FUNAI SERVICE CORPORATION (now a consolidated subsidiary) established in Ohio, U.S.A. as a service subsidiary
- June 2008 ● P&F USA, Inc. (now FUNAI CORPORATION, INC., a consolidated subsidiary) established in Georgia, U.S.A. as a sales subsidiary
- April 2009 ● P&F MEXICANA, S.A. DE C.V. (now a consolidated subsidiary) established in the State of Mexico, Mexico as a sales subsidiary

## 2010s

- June 2011 ● FUNAI ELECTRIC R&D (SHENZHEN) CO., LTD. established in China as a research and development center
- April 2013 ● FUNAI ELECTRIC PHILIPPINES INC. (currently a consolidated subsidiary) established in Batangas Province, Philippines as a production subsidiary

- April 2013 ● Acquired 100% of the shares in a manufacturing subsidiary of Lexmark International (Philippines), Inc. that produces printer-related products (now FUNAI ELECTRIC CEBU, INC., a consolidated subsidiary)
- June 2015 ● Switched to the format of a company with an Audit & Supervisory Committee
- April 2016 ● FUNAI MANUFACTURING, S.A. DE C.V. (now a consolidated subsidiary) established in Tijuana, Mexico as a production subsidiary
- May 2017 ● Hideaki Funakoshi became President & CEO
- June 2017 ● Exclusive sale of FUNAI-brand televisions and Blu-ray Disc recorders at Yamada Denki began
- July 2017 ● Tetsuro Funai, the company founder passed away
- April 2018 ● Absorption-type merger of FUNAI CORPORATION, INC. and P&F USA INC., with P&F USA INC. (now a consolidated subsidiary) as the surviving company
- June 2019 ● Entered business alliance with NTT Plala, Inc.
- October 2019 ● Entered business alliance with ROKI Co., Ltd.

## 2020s

- May 2020 ● Acquired PreXion Corporation as a subsidiary
- July 2021 ● Koji Bando becomes the Chairman and CEO



**1983**  
VHS Videos

CVC technology applied to development of the VHS video format. The video deck mechanisms and key parts (motor, cylinders) were then produced in-house and product competitiveness improved dramatically.



**1983**  
Cordless Telephones

Developed cordless home telephones, entering the telecommunications equipment business. Developed the world's first antenna-less cordless telephone.



**1985**  
Microwave Ovens



**1985**  
TV/VCR Combos  
**1986**  
CRT TVs

One example of a CRT TV/video combination: the TV with internal video. Major sales growth in the late 1990s to early 2000s, acquiring a share of more than 60% in North America.



**1987**  
Auto Bakeries

The world's first automatic bread-making machine, sold as the Raku Raku Pan Da. The first such product to make a full-fledged entry into the Japanese market. Earned top-selling product award as the Nikkei Inc. "best-selling product of the year awards."



**1988**  
Faxes



**1989**  
Laser Disk Players

Noteworthy as the first products marketed by all stores of Japanese leading mass retailers under the FUNAI brand. Commercial versions sold later.



**2004**  
Digital Still Cameras

OEM supply to leading U.S. camera manufacturer.



**2008**  
Blu-ray Disc Players

Commenced production of players meeting the next-generation optical disc standard, with higher quality than DVDs.



**2009**  
Blu-ray Disc Recorders

Became a record-breaking hit in Japan ahead of the 2011 transition to digital terrestrial broadcasting.



**2012**  
LED Lighting



**2013**  
Stick-Type Smart TV Devices

Commenced development and sales to telecommunications carriers of this stick-type compact set-top-box, which converts a standard television to an Android™ 4.0-equipped smart TV.



**2018**  
OLED

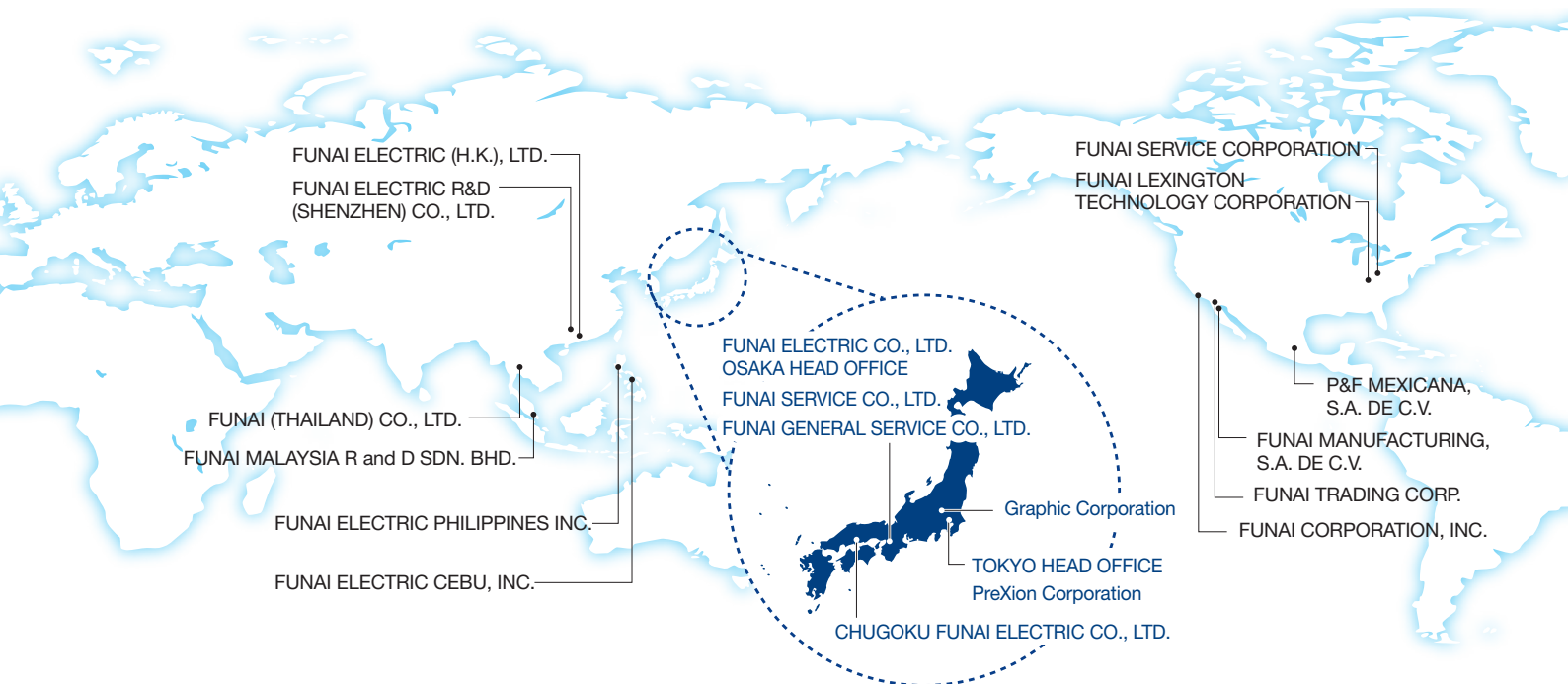
Launched OLED with built-in hard disk for the first time in history at Yamada Denki.



**2019**  
Nail Art Printer "CureNel"

We started selling completely new products that anyone can easily print on their nails in a short time.





<b>Name</b>	FUNAI ELECTRIC CO., LTD.								
<b>Established</b>	August 1961								
<b>Head office</b>	7-7-1 Nakagaito, Daito, Osaka 574-0013 TEL +81-72-870-4303 FAX +81-72-871-1112 URL <a href="https://www2.funai.co.jp/en/index.html">https://www2.funai.co.jp/en/index.html</a>								
<b>Capital</b>	31.307 bn yen (as of Mar. 31, 2021)								
<b>Net sales</b>	80.448 bn yen (fiscal year ended Mar. 31, 2021)								
<b>Employees</b>	2,243 (as of Mar. 31, 2021)								
<b>Business category</b>	Electrical equipment								
<b>Principal businesses</b>	<table border="0"> <tr> <td><b>Display Business</b></td> <td>LCD TVs/OLED TVs</td> </tr> <tr> <td><b>Digital Media Business</b></td> <td>Blu-ray Disc players/recorders</td> </tr> <tr> <td><b>Office Solutions Business</b></td> <td>Printers Ink cartridges</td> </tr> <tr> <td><b>Development and New Businesses</b></td> <td>Other devices</td> </tr> </table>	<b>Display Business</b>	LCD TVs/OLED TVs	<b>Digital Media Business</b>	Blu-ray Disc players/recorders	<b>Office Solutions Business</b>	Printers Ink cartridges	<b>Development and New Businesses</b>	Other devices
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<b>Development and New Businesses</b>	Other devices								

#### Offices and subsidiaries

<b>Offices</b>	OSAKA HEAD OFFICE TOKYO HEAD OFFICE
<b>Sales subsidiaries</b>	FUNAI CORPORATION, INC. FUNAI TRADING CORP. P&F MEXICANA, S.A. DE C.V.
<b>Production subsidiaries</b>	CHUGOKU FUNAI ELECTRIC CO., LTD. FUNAI MANUFACTURING, S.A. DE C.V. FUNAI ELECTRIC (H.K.), LTD. FUNAI (THAILAND) CO., LTD. FUNAI ELECTRIC CEBU, INC. FUNAI ELECTRIC PHILIPPINES INC.
<b>Development subsidiaries</b>	FUNAI ELECTRIC R&D (SHENZHEN) CO., LTD. FUNAI MALAYSIA R and D SDN. BHD. FUNAI LEXINGTON TECHNOLOGY CORPORATION
<b>Affiliated subsidiaries</b>	FUNAI SERVICE CO., LTD. FUNAI GENERAL SERVICE CO., LTD. Graphic Corporation PreXion Corporation FUNAI SERVICE CORPORATION

#### Executives (as of October 1, 2021)

##### Directors

Chairman and CEO	Koji Bando
Vice Chairman	Hideaki Funakoshi
Representative Director and COO	Tomokazu Ueda
Director Executive Officer	Motoyoshi Adachi
Director Officer	Takeshi Ito
Director	Fumiaki Kidera
Outside Director	Akihiro Sako

##### Corporate Auditor

Corporate Auditor Kazuo Uga

##### Officers

Officer	Hisaharu Oura
Officer	Masanori Sakakibara
Officer	Tadahiro Akahodani



## FUNAI ELECTRIC CO., LTD.

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