

May 10, 2004

To Whom It May Concern:

Funai Electric Co., Ltd.

Representative: Tetsuro Funai, the President
(Code No. : 6839 1st section of TSE/OSE)

Inquires: Mutsuo Takei, General Manager
Investor/Public Relations Department

(Tel: 81-72-870-4395)

**Notification of Relinquishment of the Substitutional
Portion of the Employees' Pension Fund**

Funai Electric Co., Ltd has announced today that the Funai Electric employees' pension fund was authorized dated April 26, 2004 from the Minister of Health, Labour and Welfare to be exempt from future payments for the substitutional portion of Funai Electric employees' pension fund pursuant to the Law Concerning Defined-Benefit Corporate Pension Plans.

Funai Electric plans on recognizing the termination of the obligation and the profit or loss thereby for the retirement allowance related to the substitutional portion at the date of its return to the authority based on measures as provided for in Clause 44-2 of the "Practical Guidelines concerning the Accounting of Retirement Benefits (interim report)" (Report No.13 of the Accounting System Committee of the Japanese Institute of Certified Public Accountants).

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