

January 12, 2005

To Whom It May Concern:

Funai Electric Co., Ltd.

Representative: Tetsuro Funai, the President
(Code No.: 6839 1st section of TSE/OSE)
Inquires: Toshihiko Morita, Executive Director
Administrative Division
(Tel: 81-72-870-4304)

Notice of Dissolution of Subsidiary

FUNAI ELECTRIC CO., LTD. (the "Company") announces that at the meeting of the Board of Directors held on January 12, 2005, it was resolved that FUNAI ASIA PTE LTD. (the "Funai Asia"), the Company's consolidated subsidiary, will be dissolved as follows:

1. Reason of Dissolution

The Funai Asia based in Singapore has been engaged in sales of electric and electronic equipment in continued severe business conditions under the fierce competition in the market. Under this business conditions, the Company has scrutinized the future direction of the Funai Asia from various aspects and judged to continue its operation is difficult, which is the reason of dissolution of Funai Asia.

2. Outline of FUNAI ASIA PTE LTD

- (1) Address: 33 Jalan Afif, #04-01 Eng Yick Building Singapore
- (2) President: Masataka Goto
- (3) Established: June 29, 2000
- (4) Business Line: Sales of Electric and Electronic Equipment
- (5) Paid in Capital: S\$ 5 millions
- (6) The Main Shareholder: 100 % held by Funai Electric Co., Ltd.

3. Schedule

The dissolution of the subsidiary will be resolved at its extra general meeting of shareholders in January 2005.

Liquidation will be completed in January 2006.

4. Perspective for the future

The affect on the forecast of fiscal year 2004 operating results from the dissolution of the subsidiary is negligible.