

August 24, 2005

To Whom It May Concern:

Funai Electric Co., Ltd.
Representative: Tetsuro Funai, President and CEO
(Code No.: 6839 1st Section of the TSE/OSE)
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Objection to Supplementary Tax Assessment Based on Application of the Tax System for Dealing with Tax Havens

On June 28, 2005, Funai Electric Co., Ltd. ("the Company") received notice from the Osaka Regional Taxation Bureau of a supplementary tax assessment based on application of the tax system for dealing with tax havens. After studying this supplementary tax assessment from various viewpoints, the Company today filed its objection with the tax authorities.

The period covered by the supplementary tax assessment in question is the three fiscal years from March 2002 through March, 2004. The supplementary income assessment amounts to ¥39.3 billion, and the additional tax payment amount including the corporation tax and local government taxes is estimated to total ¥16.5 billion (¥19.0 billion including incidental taxes).

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