

November 1, 2005

Funai Electric Co., Ltd.

Representative: Tetsuro Funai, President
and CEO

Code: 6839 (TSE and OSE 1st
Section)

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To Whom It May Concern:

Return of the Entrusted Portion of the Employee Pension Fund

Funai Electric Co., Ltd hereby announces that the returned profit-and-loss (appropriated in the period ending March 2006) has been calculated based on the Defined Benefit Corporate Pension Law and resulting from the receipt of approval to transfer the previously entrusted portion of the employee pension fund to the corporate pension fund as announced on October 14, 2005.

Funai Electric Co., Ltd. will appropriate the returned entrusted profits as extraordinary gain, approximately 3 billion yen in consolidated closing accounts and approximately 2.9 billion yen in individual closing accounts, in the period ending March 2006. These appropriations will be made in accordance with methods established in Article 44-2 of the "Practical Guidelines Relating to the Accounting of Retirement Benefits (Intermediate Report)" released by the Japanese Institute of Certified Public Accountants (Accounting System Committee Report No.13).

The results for the period ending March 2006 are currently under examination and will be reported as soon as a forecast can be made.

End