

November 2, 2006

To Whom It May Concern:

Funai Electric Co., Ltd.

Representative: Tetsuro Funai, President and CEO

(Code No.: 6839 1st section of TSE/OSE)

Inquires: Mutsuo Takei, General Manager

Investor/Public Relations Department

(Tel: 81-3-3254-5612)

Notice of Establishment of Subsidiary and Construction of LCD TV Plant in Poland

Funai Electric Co., Ltd.(H.Q. in Daito City, Osaka Pref. in Japan)is pleased to announce the establishment of subsidiary and the commencement of LCD TV production in its plant in the Republic of Poland;

Note

1. Purpose: To achieve a competitive and advantageous position in the world largest market of Europe for LCD TV through shortening lead time and marketing cost competitive products from the local plant having module and assemble processing.

2. Outline of Subsidiary:

Company Name: Funai Electric (Polska) Sp. z o.o.

Established: October, 2006

Location: Kostrzynsko-Slubicka Special Economic Zone in
Nowa Sol Subzone, City of Nowa Sol, the Republic
of Poland

Represented by: Mr. Shigeki Saji

Paid in Capital: 600 million Japanese Yen

Shareholder: 100% owned by Funai Electric Co., Ltd.

Purpose: Manufacture of LCD TV, etc.

Outline of Plant:

Start of Construction: November, 2006

Completion of Plant: Summer, 2007 (1st phase)

2nd phase to be scheduled in 2008

Plottage: Approx. 85,000 square meters

Building Site: 11,000 square meters (1st phase)

10,000 square meters (2nd phase)

Production Line: LCD TV, etc.

Start of Production: Summer, 2007

Production Capacity: 200k sets per month(by 2nd phase)

Number of Employees: Approx. 1,000 (by 2nd phase)

Total Investment Amount: Approx. 7 billion Japanese yen