

August 6, 2007

To Whom It May Concern:

Funai Electric Co., Ltd.

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

Inquires: Naoyuki Takanaka
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Notice of Dissolution of Subsidiary

FUNAI ELECTRIC CO., LTD. (the “Company”) announces that at the meeting of the Board of Directors held on August 6, 2007, it was resolved that FUNAI ELECTRIC (MALAYSIA) SDN.BHD, the Company ‘s consolidated subsidiary, shall be dissolved as follows:

1. Reason of Dissolution

FUNAI ELECTRIC (MALAYSIA) SDN.BHD has been engaged in manufacturing CRT TVs as Funai Group’s main factory of CRT TVs. As the results of review of the group’s geographical allocation of production base in line with the market shrinkage, however, the Company has judged discontinue the production of CRT TVs in Malaysia and fully transfer it to FUNAI (THAILAND) Co., LTD., the Company’s consolidated subsidiary.

2. Outline of FUNAI ELECTRIC (MALAYSIA) SDN. BHD

- (1) Address: JOHOR DARUL TAKZIM, WEST MALAYSIA
- (2) President: Yoshiyuki Sumitomo
- (3) Established: April 6, 1989
- (4) Business Line: Manufacture CRT TVs and its related products
- (5) Paid in Capital: MYR30millions
- (6) The Main Shareholder: 100 % held by Funai Electric Co., Ltd.

3. Schedule

- December 2007 : Start of liquidation process
- December 2008 : Liquidation to be completed

4. Perspective for the future

The affect on the forecast of fiscal year 2007 operating results ending in March 2008 from the dissolution of the subsidiary is negligible.