

October 1, 2007

To Whom It May Concern:

Funai Electric Co., Ltd.

Representative: Tetsuro Funai, President and CEO

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

Notice Concerning Establishment of New Service Company for North America

FUNAI ELECTRIC CO., LTD. (the "Company") split off the service division of FUNAI CORPORATION, INC., the Company's U.S. sales subsidiary (Head Office: New Jersey), to establish FUNAI SERVICE CORPORATION, a service company under the direct control of the Company's head office, on October 1.

After-sales service in the North American market, which accounts for approximately 70% of the Company's consolidated revenues, has been performed by the service division of FUNAI CORPORATION, INC. the Company's U.S. sales subsidiary. This activity has been transferred to FUNAI SERVICE CORPORATION, the newly established service company. By placing the service company under direct head office control, the Company will seek to provide more active support and strengthen its call center and after-service divisions from a service company operations perspective, while creating an organization that enables customers to use the Company's products with greater confidence and further increases customer satisfaction by reflecting customers' comments in product development.

Overview of the new company

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| 1. Company name | FUNAI SERVICE CORPORATION |
| 2. Address | 5653 Creekside Parkway, Suite 1, Lockbourne, OH 43137
(Columbus, Ohio) |
| 3. Capital | USD500,000 (JPY60 million) |
| 4. Ownership | 100% wholly-owned |
| 5. President | Takashi Miyamoto |
| 6. Date established | October 1, 2007 (will begin operations on the same date) |

INQUIRIES ABOUT THIS PRESS RELEASE

Naoyuki Takanaka

Investor/ Public Relations Department

TEL:+81-72-870-4395