

November 14, 2008

Funai Electric Co., Ltd.
President and CEO: Tomonori Hayashi
(Code No.: 6839 First Section of TSE/OSE)
Contact: Naoyuki Takanaka
Investor / Public Relations Department
Tel: 81-72-870-4395、 81-3-3254-5612

For Immediate Release:

Filing of The Complaint For The Rescission of The Osaka Regional Taxation Bureau's Supplementary Tax Assessment Order Based on The Application of The Anti-Tax Haven Taxation Rule

On June 16, 2008, Funai Electric Co., Ltd. (hereinafter referred to as the "Company") received a special tax assessment notice from the Osaka Regional Taxation Bureau claiming that the Company's Hong Kong-based subsidiary did not meet the conditions to allow for it to be treated as an exception under the tax haven system. In light of the previous notice received for a similar issue on June 28, 2005, and the continuing related legal proceedings in the Osaka District Court, the submission of another claim is highly regrettable and unacceptable. As such, the Company has taken the necessary steps to submit an appeals application on August 6, 2008 to the Osaka Regional Taxation Bureau's Board of Tax Appeals.

Presently, the review proceedings based on the Company's petition is pending in the National Tax Tribunal (the "Tribunal"). However, three months have passed since the Company filed its petition with the Tribunal for a review of the supplementary tax assessment order, and now, the circumstances have become ripe for the Company to seek a judicial remedy. Therefore, today, the Company filed a complaint with the Osaka District court for the rescission of the supplementary tax assessment order, pursuant to the applicable laws and regulations.

Under this new claim for the three fiscal years running from April 2004 through March 2007, the Osaka Regional Taxation Bureau has indicated a preliminary additional tax assessment of ¥15 billion (¥16.8 billion including other incidental taxes), inclusive of corporate, residential, and business taxes, based on an additional unreported income amount of ¥33.9 billion. In accordance with the “Handling of Audits Relating to Accounting Procedures and Disclosures for Taxes” (as per Report No. 63 of the Auditing and Guaranteeing Work Committee Report of the Japan Institute of Certified Public Accountants), the Company has decided to report this amount under the category of “retroactive corporate taxes” in the first quarter of the current fiscal year ending March 2009.