

May 10, 2010

To Whom It May Concern:

Funai Electric Co., Ltd.
President and CEO: Tomonori Hayashi
(Code No.: 6839 First Section of TSE/OSE)

Notice Concerning Change of Management Structure and New Director System

1. Change of Management Organization

At its Board of Directors meeting held today, Funai Electric Co., Ltd. (hereinafter “the Company”) resolved to transfer the Company’s management structure from the existing Company with Committees structure to a Company with an Audit Committee structure, and informally designated new officers in conjunction with this change. Details of the change are provided below.

In June 2005, the Company moved to a Company with Committees structure and separated its management oversight and business execution functions. To increase management efficiency at this time, however, the Company will seek approval at the Ordinary General Meeting of Shareholders scheduled to be held on June 22, 2010 to reorganize its corporate governance structure as a Company with an Audit Committee.

Following the conclusion of the Ordinary General Meeting of Shareholders, the Board of Directors will be comprised of ten inside directors and two outside directors, and the Company will seek to cultivate inside officers. As its auditing system, the Company will monitor management based on an Audit Committee consisting of one standing corporate auditor and two outside auditors.

2. New Director Organization

The candidates for Director and candidates for Corporate Auditor who will be discussed at the Ordinary General Meeting of Shareholders to be held on June 22, 2010 (tentative) are indicated below.

(1) Candidates for director

Director	Tetsuro Funai*
Director	Tomonori Hayashi*
Outside Director	Mitsuo Yonemoto*
Outside Director	Yasuhisa Katsuta*
Director	Takashi Kiyomoto
Director	Hideo Nakai
Director	Shinji Seki
Director	Toshio Otaku
Director	Yoshikazu Uemura
Director	Joji Okada
Director	Hideaki Funakoshi
Director	Shigeki Saji

(Note 1) Directors to be reappointed are indicated with an asterisk (*).

(Note 2) Candidates for Director Mitsuo Yonemoto and Yasuhisa Katsuta fulfill the requirements for candidates for outside director as provided in Article 2 paragraph (3) item (vii) of the Companies Act Enforcement Ordinance.

(Note 3) At the Board of Directors meeting following the conclusion of the Ordinary General Meeting of Shareholders, the Company plans to appoint director candidate Tetsuro Funai as Representative Director serving concurrently as Corporate Executive Officer and Chairman, appoint Tomonori Hayashi as Representative Director serving concurrently as Corporate Executive Officer and President and CEO, appoint Hideo Nakai and Takashi Kiyomoto as Director serving concurrently as Senior Corporate Executive Officer, appoint Shinji Seki and Toshio Otaku as Director serving concurrently as Managing Corporate Executive Officer and appoint Yoshikazu Uemura, Joji Okada, Hideaki Funakoshi and Shigeki Saji as Director serving concurrently as Corporate Executive Officer.

(2) Candidates for Corporate Auditor

Corporate Auditor	Akitaka Inoue
Outside Auditor	Shinichi Komeda
Outside Auditor	Masahide Morimoto

(Note) Candidates for Corporate Auditor Shinichi Komeda and Masahide Morimoto fulfill the requirements for candidates for outside auditor as provided in Article 2 paragraph (3) item (viii) of the Companies Act Enforcement Ordinance.

(3) Candidate for Alternate Corporate Auditor

Alternate Corporate Auditor Naganori Tanaka

(Note) Candidate for Alternate Corporate Auditor Naganori Tanaka fulfills the requirements for candidates for outside auditor as provided in Article 2 paragraph (3) item (viii) of the Companies Act Enforcement Ordinance.

3. Directors Planning to Retire

Outside Director Akira Miyazaki

Outside Director Shigemichi Asakura

Outside Director Hidetoshi Nishimura

4. Planned Retirement and Appointment Date

Tuesday, June 22, 2010

INQUIRIES ABOUT THIS PRESS RELEASE

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