

June 29, 2011

To Whom It May Concern:

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

Funai Receives Notice of Corrective Action Based on Application of Anti-Tax Haven Law

On June 29, 2011, the Osaka Regional Taxation Bureau determined that Funai's Hong Kong subsidiary did not satisfy the conditions for exclusion from the application of the Anti-Tax Haven Law. Accordingly, Funai received a notice of corrective action requiring the application of a unitary tax to the income of Funai's Hong Kong subsidiary as Funai's earnings during the three years from the fiscal year ended March 31, 2008, through the fiscal year ended March 31, 2010. A provisional estimate indicates that taxes on the revised income of ¥1.8 billion amount to ¥0.9 billion, including locally assessed penalty taxes. Funai plans to post this amount of ¥0.9 billion as retroactive corporate taxes in the first quarter of the current fiscal year. The Company will disclose additional information in the event that disclosure is necessary with regard to impact on operating performance.

On June 28, 2005, and June 16, 2008, Funai filed appeals to have corrective actions based on the application of the Anti-Tax Haven Law cancelled. Although these appeals were rejected on June 24, 2011, we intend to appeal to the Osaka High Court. We plan to continue asserting the propriety of our actions, as we object to this corrective action.

INQUIRIES ABOUT THIS PRESS RELEASE
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