

July 7, 2011

To Whom It May Concern

**FUNAI ELECTRIC CO., LTD.**

Representative	Tomonori Hayashi President and CEO
(Code No. :	6839 First Section of TSE/OSE)
Contact Person for Inquiries about this Press Release	Toshihide Watanabe Investor/Public Relations Department
(TEL :	+81-72-870-4395)

**Notice of Appeal on Anti-Tax Haven Assessment**

Funai Electric Co., Ltd. (hereinafter referred to as the “Company”), had objected to a reassessment notice from the Regional Commissioner of the Osaka Regional Taxation Bureau based on the decision that the Company’s Hong Kong-based subsidiary did not meet the conditions that would allow it to be covered by the exceptions under the anti-tax haven taxation. The Company therefore filed an action with the Osaka District Court seeking the rescission of such tax assessment notice, pursuant to applicable laws and regulations. With respect to this action, the court dismissed the claims of the Company on June 24, 2011. After carefully reviewing the matter, the Company found the content of the judgment to be unacceptable, and accordingly, today filed an appeal with the Osaka High Court.

1. Development of the Case

November 16, 2006	Filing of an action by the Company (Taxable period: from FY 2001 through FY2003)
November 14, 2008	Filing of an additional action by the Company (Taxable period: from FY 2004 through FY 2006)
November 26, 2008	Consolidation of the action filed on November 16, 2006 and the action filed on November 14, 2008
June 24, 2011	Delivery of the judgment by the Osaka District Court dismissing the claims of the Company
July 7, 2011	The Company files an appeal

2. Future Outlook

The Company finds it difficult to accept that the Osaka District Court’s judgment did not acknowledge its contestation, and will therefore continue to contest the validity of its claim in the Osaka High Court.