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To Whom It May Concern

FUNAI ELECTRIC CO., LTD.

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**Application for Assessment on Disposition of Supplementary Tax Assessment
Based upon the Application of the Tax System for Dealing with Tax Havens**

On June 29, 2011, Funai Electric received a notice of supplementary tax assessment from the Osaka Regional Taxation Bureau of aggregate taxation on the profits of its subsidiary in Hong Kong, as a result of a ruling that the subsidiary did not satisfy the conditions for exclusion from the application of the tax system for dealing with tax havens. The Company hereby provides notice that it applied today for an assessment by the Administrative Review Office of the Osaka Regional Taxation Bureau.

The term of this corrective action covers three years, from the fiscal year ended March 31, 2008, through the fiscal year ended March 31, 2010. The amount to be levied as a result of this correction is ¥1.8 billion. As we have provisionally calculated the total additional tax amount, including local taxes, to be ¥0.9 billion, we have recorded the amount of ¥0.9 billion as “retroactive corporate taxes” for the first quarter of the fiscal year ending March 31, 2012.