

November 8, 2013

To Whom It May Concern:

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

Notice regarding filing of petition for arbitration against Funai Electric Co., Ltd.

Osaka Japan – As announced on October 26, 2013 in the “Notice regarding global licensing agreement for PHILIPS Audio, Video, Multimedia and Accessories business”, a petition for arbitration has been filed against Funai Electric Co., Ltd. (headquarters: Daito, Osaka; hereinafter, “Funai”) by Koninklijke PHILIPS N.V. (hereinafter, “PHILIPS”) as described below, and Funai hereby announces that the petition has been served on it as of today by the International Chamber of Commerce.

Funai has complied with the contract it executed with PHILIPS and has used its best efforts to enable the completion of the Transaction (defined below). Given its compliance and efforts, Funai is extremely disappointed that the petition for arbitration has been filed against it by PHILIPS. As Funai believes that it has not breached the contract with PHILIPS, Funai intends to carefully review the details of the petition and defend itself vigorously in the pending arbitration proceedings.

Details

1. Seat of arbitration, etc.

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| (1) | Seat of arbitration: | Amsterdam (the Netherlands) |
| (2) | Arbitration rules: | Arbitration rules of International Chamber of Commerce |
| (3) | Governing law: | The law of the Netherlands |
| (4) | Date of petition: | October 25, 2013 (Netherlands time) |

2. Petitioner of arbitration

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|-----|---------------------------------|--|
| (1) | Name: | Koninklijke PHILIPS N.V. |
| (2) | Location: | Eindhoven, The Netherlands |
| (3) | Title & name of representative: | Chief Executive Officer Frans van Houten |

3. Background and details of filing for arbitration

As announced by Funai on January 29, 2013 in the “Notice of Acquisition of Lifestyle Entertainment Businesses of PHILIPS”, Funai reached an agreement with PHILIPS to acquire from PHILIPS all shares in a company that will hold the operations of the PHILIPS’ Lifestyle Entertainment Business (the “Transaction”), but as further announced on October 26, 2013 in the “Notice regarding global licensing agreement for PHILIPS Audio, Video, Multimedia and Accessories business”, PHILIPS subsequently alleged that there was a breach of contract by Funai and filed against Funai a petition for legal action to recover damages caused by that breach of contract.

4. Claimed amount

A specific claimed amount has not been stipulated.

5. Future outlook

Funai will make further disclosures with respect to the filing of this arbitration when required.

Toru Fujii

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