

September 28, 2016

To Whom It May Concern:

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

Notice of Ruling on the Tax Haven Litigation

On June 29, 2011, the Osaka Regional Taxation Bureau determined that Funai's Hong Kong subsidiary did not satisfy the conditions for exclusion from application of the Anti-Tax Haven Law during the three years from the fiscal year ended March 31, 2008, through the fiscal year ended March 31, 2010. Accordingly, Funai received a notice of corrective action requiring the application of a unitary tax on the earnings of Funai's Hong Kong subsidiary as Funai's earnings. Funai had filed a request for review of the supplementary tax assessment with the Osaka Regional Tax Tribunal, requiring a rescission of the assessment for an additional unreported income amount of approximately ¥1.9 billion (additional tax assessment of approximately ¥0.9 billion), but received a verdict of dismissal of the Company's request for review of the assessment on July 17, 2012.

The Company objected to the verdict and filed a complaint with the Tokyo District Court on January 17, 2013 to rescind the supplementary tax assessment order implemented through anti-tax haven rules. The Company hereby announces that the Tokyo District Court today dismissed the claims of the Company.

1. Summary of the verdict

- (1) All claims of the plaintiff were dismissed.
- (2) The plaintiff shall bear the costs of litigation.

2. Future action

It is indeed regrettable that the Company's claims were not accepted in this verdict. The Company believes that this verdict was influenced by previous appeals (final decisions have already been made by the Supreme Court), and intends to consider future actions upon close examination of the details of the verdict. The Company will advise if any matter occurs that should be disclosed. The additional tax (approximately ¥0.9 billion, inclusive of corporate, business, and other incidental taxes) has already recorded this additional tax as "prior year's taxes" in the fiscal year ended March 31, 2012.

For further information, please contact

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