

February 21, 2017

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 Conclusion of Transfer Agreement of Subsidiary's Shares  
 (Progress Report on Previously Disclosed Matter)**

In the "Notice of Conclusion of Basic Agreement on Transfer of Subsidiary Shares" dated November 7, 2016, Funai Electric Co., Ltd. ("the Company") announced that the Company and ELECOM CO., LTD. (President: Junji Harada; 4-1-1 Fushimi-machi, Chuo-ku, Osaka City, Osaka Prefecture; hereinafter, "ELECOM") would start specific discussions towards the transfer of shares in DX ANTENNA CO., LTD. (Representative Director and President: Minoru Yoneyama; 2-15, Hamasaki-dori, Hyogo-ku, Kobe City, Hyogo Prefecture: hereinafter, "DX ANTENNA"), the Company's consolidated subsidiary. The Company hereby announces that, at the Board of Directors' meeting held today, it resolved to enter into a share transfer agreement with ELECOM as outlined below.

1. Number of shares to be transferred, transfer value and shareholding status before and after transfer

(1) Number of shares held before transfer	11,244,320 (Number of voting rights: 112,443) (Percentage of voting rights held: 96.0%)
(2) Number of shares to be transferred	11,244,320
(3) Transfer value	10,367 million yen
(4) Number of shares held after transfer	Nil (Percentage of voting rights held: 0%)

\* For details other than the matters listed above concerning this share transfer, please refer to the "Notice of Conclusion of Basic Agreement on Transfer of Subsidiary Shares" dated November 7, 2016.

2. Schedule

(1) Conclusion of basic agreement	November 7, 2016
(2) Conclusion of share transfer agreement	February 21, 2017
(3) Share transfer date	Late March 2017 (planned)

3. Future outlook

By this share transfer, it is expected that several hundreds of million yen will be posted as an extraordinary loss. The amount is, however, being examined closely, and will be disclosed as soon as it is fixed. In the event that this transfer will have some impacts on the Company's consolidated business results for the next consolidated fiscal year and thereafter, the forecasts for the business results for the next consolidated fiscal year will be disclosed including such impacts.

For further information, please contact

Investors and Public Relations

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