

June 20, 2017

To Whom It May Concern:

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

Notice Concerning the Withdrawal of One (1) Candidate for Director, and a Motion for Amendment Submitted by a Shareholder of the Company

We have already announced today that Akitaka Inoue, one of the candidates for Directors who are Audit and Supervisory Committee Members listed in the Notice of the 65th Ordinary General Meeting of Shareholders sent earlier to our shareholders, informed us that he would like to withdraw from possible assumption of the post of the Director who is an Audit and Supervisory Committee Member, if elected.

Following the notice of the withdrawal of the candidate for Director who is an Audit and Supervisory Committee Member, we have received a notice from Funai Kosan Co., Ltd., one of the principal shareholders of the Company, to the effect that they will submit a motion for amendment at the Ordinary General Meeting of Shareholders, the details of which are stated below.

1. Details of the motion for amendment

(1) Change of the candidate for Director who is an Audit and Supervisory Committee Member

With respect to "Proposition No. 2: Election of three (3) Directors who are Audit and Supervisory Committee Members" under the Matters to be resolved which is stated in the Notice of the Ordinary General Meeting of Shareholders, Funai Kosan Co., Ltd. proposes that one (1) candidate for Director who is an Audit And Supervisory Committee Member be replaced, and the following three (3) candidates be proposed.

Name	Category
Fumiaki Kidera	New
Masahide Morimoto	To be re-elected
Masakazu Funaishi	New

Note: Fumiaki Kidera will be a new candidate for Director who is an Audit and Supervisory Committee Member proposed by the motion for amendment.

(2) Reasons for the motion

- (i) Following the Company's press release to the effect that Mr. Akitaka Inoue, one of the candidates for Directors who are Audit and Supervisory Committee Members listed in the Proposition No. 2 of the Matters to be resolved which is stated in the Notice of the Ordinary General Meeting of Shareholders, will withdraw from the assumption of the proposed post, if elected, Funai Kosan Co., Ltd., as a shareholder, believes that another appropriate person is necessary to replace the relevant candidate so as to realize the improvement of the Company's corporate value and reinforce the functions of the Audit and Supervisory Committee.
- (ii) As a shareholder of the Company, Funai Kosan Co., Ltd. agrees to elect Messrs. Masahide Morimoto and Masakazu Funaishi, who are proposed by the Company as candidates for Directors who are Audit and Supervisory Committee Members, considering their brief history and the reasons for selection of candidates stated in the Notice of the Ordinary Meeting of Shareholders.
- (iii) Given the current status of the Company, Funai Kosan Co., Ltd. believes that the reinforcement of auditing functions of the Audit and Supervisory Committee Members of the execution of business is essential for the improvement of the Company's business performance.
- (iv) For the reasons stated above, Funai Kosan Co., Ltd. proposes that Mr. Fumiaki Kidera who has broad experiences and high capabilities in the fields of product quality assurance and management be newly added to Directors who are Audit and Supervisory Committee Members.

2. Other

We agree to the content of the motion for amendment submitted by Funai Kosan Co., Ltd.

As to the above-mentioned motion for amendment, the Notice of the Ordinary General Meeting of Shareholders already sent to our shareholders will not be revised, and this press release in which the brief history of the candidate and other matters are stated will be distributed to the attendees at the reception desk of the Ordinary General Meeting of Shareholders on the same day, then we will ask for the pros and cons on the motion and the amended proposition.

The voting rights which were already executed in the voting forms sent by post will be automatically treated in the below-mentioned manner if the motion for amendment is proposed and the voting for the amended proposition takes place. Accordingly, the shareholders who prefer to execute their voting rights once again because such automatic handling of the votes is contrary to their intention are kindly requested to attend the Ordinary General Meeting of Shareholders and participate in the resolution.

[Proposition No. 2]

- (i) A voting form indicating "Approval" for the appointment of Akitaka Inoue: To be treated as "Disapproval" of the amended proposal.
- (ii) A voting form indicating "Disapproval" for the appointment of Akitaka Inoue: To be treated as "Abstention" of the amended proposal.

[Reference]

Brief history of the new candidate for Director who is an Audit and Supervisory Committee Member as proposed by the

motion for amendment is as follows:

Name (Date of birth)	Brief history, post in the Company and business in charge (and important concurrent office)		Number of shares of the Company held by Candidate
Fumiaki Kidera (January 31, 1951)	September 1969	Joined Sansui Electric Co., Ltd.	0 shares
	November 1982	Director of Osaka Service Center of Quality Assurance Dept., of Sansui Company	
	June 1988	General Manager of Service Dept., of FUNAI SALES CO., LTD.	
	July 1997	President and Representative Director of FUNAI SERVICE CO., LTD.	
	July 2003	Associate Officer of Products Reliability Div. of the Company	
	July 2006	Officer of Products Reliability Div. of the Company	
	June 2012	Resigned from the Company (To date)	

Notes: 1. Fumiaki Kidera has no special interest in the Company.

2. If Fumiaki Kidera is elected as Director who is an Audit and Supervisory Committee Member, the Company will enter into a limited liability agreement with him to limit his liability for any damage as provided for in Article 423, paragraph 1 of the Companies Act of Japan within the aggregate amount as provided for in the items of Article 425, paragraph 1 of the said Act, pursuant to Article 427, paragraph 1 of the said Act.

For further information, please contact:

Investors and Public Relations

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