

November 30, 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 merger and change of trade name between consolidated subsidiaries

Funai Electric Co., Ltd. (the "Company") hereby announces that at its Board of Directors' meeting held today, it has determined to merge FUNAI CORPORATION,INC. (the "FC") and P&F USA,INC. (the "PFU") and change the trade name of the surviving company on April 1, 2018.

As this merger is a merger targeting consolidated subsidiaries with which the consolidated subsidiary of the Company has a 100% stake, disclosure matters and contents are partially omitted.

### 1. Purpose of merger and trade name change

The Company submitted an "Improvement Status Report" to the Tokyo Stock Exchange on August 10, 2017.

"2. Improvement measures and their implementation and operation situation etc. (1) Improvement measures described in the improvement report and its implementation and operation status (2) Strengthening the management ability of overseas subsidiaries" of the Report describes the implementation and operation status regarding organization integration about the accounting department of FC and PFU.

This merger is aimed at improving customer convenience and efficiency of the administrative management system by integrating the two companies into one company, and aiming to further improve profitability in North America and strengthen the management capabilities.

Regarding the change of the trade name change, business scale and name recognition of FUNAI CORPORATION, INC. are large, so we will adopt it.

### 2. Summary of merger and trade name change

#### (1) Schedule of merger

Resolved by the Board of Directors	February 13, 2018
Merger date (Effective date)	April 1, 2018 (Planned)

#### (2) Merger method

PFU will be the surviving company and FC will be the absorbed merger company.

P&F USA,INC., the surviving company of the merger, will change the trade name to FUNAI CORPORATION,INC. on April 1, 2018.

#### (3) Content of allocation for merger

As this merger is a merger between the Company's fully consolidated subsidiaries, there will be no issue of new shares or delivery of money etc. through this merger.

- (4) Treatment of stock acquisition rights and bonds with stock acquisition rights accompanying the merger  
There is no such matter.

### 3. Outline of the companies involved in the merger

	Merger surviving company	Absorbed merger company
(1) Trade name	P&F USA,INC.	FUNAI CORPORATION,INC.
(2) Address	201 ROUTE 17 NORTH, Suite 903, RUTHERFORD, NJ, 07070, USA	201 ROUTE 17 NORTH, Suite 903, RUTHERFORD, NJ, 07070, USA
(3) Representatives	Hiroyuki MAKIURA	Hiroyuki MAKIURA
(4) Business description	Sales of electrical machinery and equipment	Sales of electrical machinery and equipment
(5) Capital	55 million USD	68.5 million USD
(6) Date of establishment	June 13, 2008	May 7, 1991
(7) Fiscal term	March	March
(8) Major shareholders and ownership ratio	FUNAI NORTH AMERICA,INC. 100%	FUNAI NORTH AMERICA,INC. 100%

### 4. The situation after merger

	Surviving company of absorption-type merger
(1) Trade name	FUNAI CORPORATION,INC.
(2) Address	201 ROUTE 17 NORTH, Suite 903, RUTHERFORD, NJ, 07070, USA
(3) Representatives	Hiroyuki MAKIURA
(4) Business description	Sales of electrical machinery and equipment
(5) Fiscal term	March

### 5. Future prospects

As this merger will be a merger between consolidated subsidiaries of the Company, there will be no impact on consolidated business results.

For further information, please contact  
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