



[Translation]
May 11, 2021

For Immediate Release

Company Name: FUNAI ELECTRIC CO., LTD.
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Notice Regarding Results of Tender Offer for Share Certificates Etc. of FUNAI ELECTRIC CO., LTD. by SHUWA SYSTEM HOLDINGS CO., LTD. and Change of an Other Affiliated Company and the Largest and Major Shareholder

The tender offer (the “Tender Offer”) for the common shares of FUNAI ELECTRIC CO., LTD. (the “Company”; and such shares, the “Company Shares”) and the Stock Acquisition Rights (Note 1) that has been conducted since March 24, 2021 by SHUWA SYSTEM HOLDINGS CO., LTD. (the “Tender Offeror”) was completed on May 10, 2021, and the Company hereby notifies the results of the Tender Offer as follows.

The Company also announces that it is expected that, as of May 14, 2021 (the commencement date of settlement for the Tender Offer), an other affiliated company and the largest and major shareholder of the Company will change as a result of the Tender Offer as described below.

(Note 1): “Stock Acquisition Rights” collectively means the following stock acquisition rights:

- (A) The first stock acquisition rights for the year ended March 2015 issued pursuant to the resolution approved at the ordinary general meeting of shareholders of the Company held on June 20, 2014 and at the meeting of the board of directors of the Company held on September 18, 2014 (the exercise period for which is from September 1, 2016 to August 31, 2023);
- (B) The first stock acquisition rights for the year ended March 2017 issued pursuant to the resolution approved at the ordinary general meeting of shareholders of the Company held on June 28, 2016 and at the meeting of the board of directors of the Company held on January 11, 2017 (the exercise period for which is from September 1, 2018 to August 31, 2023);
- (C) The first stock acquisition rights for the year ended March 2018 issued pursuant to the resolution approved at the ordinary general meeting of shareholders of the Company held on June 28, 2017 and at the meeting of the board of directors of the Company held on November 13, 2017 (the exercise period for which is from September 1, 2019 to August 31, 2024); and
- (D) The stock acquisition rights for the year ended March 2020 issued pursuant to the resolution approved at the ordinary general meeting of shareholders of the Company held on June 26, 2019 and at the meeting of the board of directors of the Company held on August 5, 2019 (the exercise period for which is from September



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1, 2021 to August 31, 2026).

1. Results of the Tender Offer, Etc.

The Company received a report from the Tender Offeror today on the results of the Tender Offer set out in the attached “Notice on the Results of Tender Offer for Share Certificates, Etc. of FUNAI ELECTRIC CO., LTD. (Securities Code: 6839)”(provided that it was omitted in the English version) to the effect that the Tender Offer was successfully completed and the Tender Offeror will purchase all of the tendered Company Shares and Stock Acquisition Rights.

2. Change of an Other Affiliated Company and the Largest and Major Shareholder

(1) Scheduled date of change

May 14, 2021 (the commencement date of settlement for the Tender Offer)

(2) Background to the change

The Company received a report from the Tender Offeror today on the results of the Tender Offer to the effect that 16,054,392 Company Shares were tendered in the Tender Offer and that the Tender Offeror will acquire all of those shares.

As a result, if the settlement for the Tender Offer is conducted on May 14, 2021 (the commencement date of settlement for the Tender Offer), the ratio of the total number of voting rights held by the Tender Offeror to the total number of voting rights held by all shareholders of the Company (341,189) will be 47.05%, and accordingly the Tender Offeror will newly become an other affiliated company and the largest and major shareholder of the Company as of the same day. On the other hand, Mr. Tetsuo Funai (“Tetsuo Funai”), who has been the largest and major shareholder of the Company, will cease to be the largest shareholder of the Company.

(3) Details of the shareholders whose status will change

(A) Details of the shareholder who will newly become an other affiliated company and the largest and major shareholder

(a) Name	SHUWA SYSTEM HOLDINGS CO., LTD.
(b) Location	4-2 Toyo 2-chome, Koto-ku, Tokyo
(c) Name and title of representative	Tomokazu Ueda, President and Representative Director
(d) Description of business	To acquire and hold the shares, etc. of the Company and to control and manage the business activities of the Company
(e) Capital	JPY 1,360 million (as of May 11, 2021)
(f) Date of incorporation	September 28, 2020
(g) Major shareholders and share holding ratios (as of May 11, 2021)	SHUWA SYSTEM CO., LTD 100%
(h) Relationship between the Company and the shareholder	



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Capital relationship	N/A
Personnel relationship	N/A
Business relationship	N/A
Status as related party	N/A

(B) Details of the shareholder who will cease to be the largest shareholder

(a) Name	Tetsuo Funai
(b) Address	Asahikawa-shi, Hokkaido
(c) Relationship between the Company and the shareholder	The shareholder is a major shareholder of the Company, so he is a related party of the Company.

(4) Number and holding ratio of voting rights (Note 2) held by the shareholders and number of shares held by them before and after the change

(A) SHUWA SYSTEM HOLDINGS CO., LTD. (the Tender Offeror)

	Status	Number of voting rights (holding ratio of voting rights; number of shares held)			Rank among large shareholders
		Voting rights directly held	Voting rights subject to aggregation	Total	
Before change	—	—	—	—	—
After change	Other affiliated company and the largest and major shareholder	160,543 (47.05 %; 16,054,392 shares)	—	160,543 (47.05 %; 16,054,392 shares)	1st

(B) Tetsuo Funai

	Status	Number of voting rights (number of shares held)	Holding ratio of voting rights	Rank among large shareholders
Before change	The largest and major shareholder	117,387 (11,738,780 shares)	34.41 %	1st
After change	A major shareholder	117,387 (11,738,780 shares)	34.41 %	2nd

(Note 2): “Holding ratio of voting rights” means the percentage (rounded to two decimal places; the same applies hereinafter) calculated by using as the denominator the number of voting rights (341,189) pertaining to the number of shares (34,118,966 shares) that is the remainder of (i) the number of issued shares as of December 31, 2020 (36,130,796 shares) as stated in the “Financial Report for the Third Quarter of the Fiscal Year Ending March 31, 2021” submitted by the Company on February 10, 2021 less (ii) the number of treasury shares held by the Company as of



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December 31, 2020 (2,011,830 shares) as stated in the “Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2021 (Japan Basis)” released by the Company on February 8, 2021.

(5) Changes in unlisted parent company, etc. subject to disclosure

As a result of the Tender Offer, the Tender Offeror will be subject to disclosure as an unlisted parent company, etc. of the Company.

3. Future Outlook

As stated above, although 16,054,392 Company Shares were tendered in the Tender Offer, the Tender Offeror was not able to acquire all of the Company Shares (excluding all of the Company Shares held by Tetsuo Funai and the treasury shares held by the Company) and the Stock Acquisition Rights through the Tender Offer, and therefore, the Tender Offeror intends to make the Tender Offeror and Tetsuo Funai the only shareholders of the Company in accordance with the series of procedures described in “(5) Policy for Organizational Restructuring, Etc. After the Tender Offer (Matters Relating to So-Called “Two-Step Acquisition”)” of “3. Details of and Grounds and Reasons for the Opinion on the Tender Offer” in the “Announcement of Opinion on the Tender Offer for Share Certificates, Etc. of FUNAI ELECTRIC CO., LTD. by SHUWA SYSTEM HOLDINGS CO., LTD.” released by the Company dated March 23, 2021.

As a result of the above procedures, the Company Shares will be delisted after taking the prescribed procedures pursuant to the delisting standards of Tokyo Stock Exchange, Inc. (the “TSE”). After the delisting, the Company Shares may no longer be traded on the TSE.

The specific procedures going forward and related information such as the schedule of implementation will be announced promptly by the Company as soon as the details are decided upon consultation with the Tender Offeror.

Attachment: “Notice on the Results of Tender Offer for Share Certificates, Etc. of FUNAI ELECTRIC CO., LTD. (Securities Code: 6839)” dated May 11, 2021 (provided that it was omitted in the English version)

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