(Translation)

Securities Code: 6839
June 4, 2010

NOTICE OF THE 58TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Please take notice that the 58th Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially invited to attend the meeting.

Since voting rights can be exercised in writing even if you are not present at the meeting, please go over the Reference Document for the General Meeting of Shareholders set forth below and send us by return mail the enclosed voting form indicating your approval or disapproval of the propositions no later than 5:00 p.m. on June 21 (Monday), 2010.

Yours very truly,

Tomonori Hayashi
Director, President and CEO

Funai Electric Co., Ltd.
7-1, Nakagaito 7-chome,
Daito City, Osaka

Description

1. Date and hour:

   June 22 (Tuesday), 2010, 10:00 a.m.

2. Place:

   5F, Multipurpose Hall, Technology Bldg. of the Company
   7-1, Nakagaito 7-chome, Daito City, Osaka

3. Matters forming the objects of the meeting:

   Matters to be reported:

   1. Report on the business report, the consolidated financial statements and the results of audit of the consolidated financial statements by the account auditors and the Audit Committee for the 58th fiscal year (from April 1, 2009 to March 31, 2010)

   2. Report on the non-consolidated financial statements for the 58th fiscal year (from April 1, 2009 to March 31, 2010)

   Matters to be resolved:

Proposition No. 1:	Amendment to the Articles of Incorporation
Proposition No. 2:	Election of 12 Directors
Proposition No. 3:	Election of three (3) Corporate Auditors
Proposition No. 4:	Election of one (1) Alternate Corporate Auditor
Proposition No. 5:	Granting of retirement gratuities to the retiring Directors
Proposition No. 6:	Revision of remuneration of Directors and Corporate Auditors

- END -

In attending the meeting, please present the enclosed voting form to a receptionist at the place of the meeting.

In the event of the revision of any matter in the Reference Document for the General Meeting of Shareholders, the business report, the consolidated financial statements and the non-consolidated financial statements, it will be posted on our Internet website (http://www.funai.jp/).

(Attached documents)

BUSINESS REPORT

(April 1, 2009 to March 31, 2010)

1. Current state of the Funai Group (the "Group")

(1) Development and results of business activities:

During the fiscal year under review, the economy of the United States, the prime market for the Funai Group, remained clouded by uncertainty originating in factors such as the job market, in spite of the number of part-time and temporary employees demonstrating an upward trend, and the residential housing market. Nevertheless, as a result of large-scale policy support, signs of improvement were evident after the start of the year 2010 in certain economic indicators, including capital investment and personal consumption, and concerns that the economy would deteriorate further were nearly dispelled and in general, the first buds of a business recovery are likely to be emerging.

For the consumer electronics appliances industry, demand for LCD televisions, one of the Funai Group's leading products, expanded briskly not only in Japan, the U.S. and Europe, which are already existing key markets, but also in the China market as well, where economic growth is remarkable. On the other hand, there were no changes in the conditions that had resulted in declining sales prices and hovering at high prices for LCD panels, a primary component. LCD televisions that utilize LED backlight panels and support 3D (three dimensional images) are expected to be introduced to the market and spread rapidly in the future.

Under these conditions, the Funai Group exerted its efforts to reduce cost and further increase sales. As a result, net sales for the fiscal year under review increased 4.0% compared with the previous fiscal year to ¥314,911 million.

Operating income increased 690.9% compared with the previous fiscal year to ¥11,148 million, reflecting factors such as higher sales of LCD televisions in the North American market. Ordinary income increased 852.9% compared with the previous fiscal year to ¥11,684 million as a result of improvements in non-operating income and expenses. Net income was ¥10,328 million, compared with a net loss of ¥17,364 million in the previous fiscal year.

The following are consolidated sales by product:

Audiovisual equipment:

In the audio-visual equipment category, the Company expanded sales of LCD televisions mainly in the North American market, despite the ongoing decline in market prices because of increasingly severe competition and the freeze in consumer spending. In DVD-related products, sales of Blu-ray disc-related products rose because of the anticipated future growth of Blu-ray disc players, but total sales of DVD-related products fell year-on-year because the Company sold fewer television set-top boxes* for the U.S. market after ending production in June 2009. As a result, net sales of audiovisual equipment increase 1.3% compared with the previous fiscal year to ¥233,528 million.

(Note) Television set-top boxes are devices to convert digital signals into analog signals, enabling viewers to watch terrestrial digital broadcasting on existing analog televisions. Terrestrial analog broadcasting in the United States was ended in June 2009.

Information equipment:

Net sales of printers were higher because of an increase in orders from OEM partners. As a result, net sales of information equipment increased 21.4% year-on-year to ¥54,629 million.

Others:

Net sales of other electronic devices slipped 1.5% compared with the previous fiscal year to ¥26,754 million.

<Consolidated net sales by product>

Division	Net sales (million yen)	Component rate (%)
Audiovisual equipment	233,528	74.2
Information equipment	54,629	17.3
Others	26,754	8.5
Total	314,911	100.0

(2) Investment in plant and equipment by the Group:

Investment in plant and equipment by the Group during the fiscal year under review totaled ¥4,309 million, comprised of ¥2,908 million by its manufacturing companies and ¥1,400 million by its sales companies. The amount was spent principally to improve manufacturing facilities.

(3) Fund-raising by the Group:

Nothing to be reported.

(4) Issued to be tackled:

In the home electronic appliances industry, the prevalence of digital products has made product-life cycles shorter and prices fall rapidly. On the other hand, new products that stimulate new consumer needs through the combination of hardware and network content have begun to be launched into the market.

Under these circumstances, the foremost issue for the Group is to increase sales and profitability. For that purpose, the Group will pursue the following business strategies:

<Product strategy>

In the audio-visual equipment category, during the fiscal year under review, LCD televisions benefited from the effect of higher sales centered in the North American market which generated positive operating income after incurring losses in the previous fiscal year. Nevertheless, the Funai Group must proceed without delay to develop and introduce to the market LCD television products that utilize LED backlight panels and that are capable of supporting 3D and use of the Internet, demand for which is expected to expand rapidly in the future. In addition, in Blu-ray disc-related products, during the fiscal year under review, the Company launched players and recorders that are capable of supporting the Internet, and will seek to expand sales by further broadening this product line with products such as players capable of supporting 3D and portable players.

In information equipment as well, the Company will strive to increase sales by supplying OEM partners with higher value-added products that take maximum advantages of the mechatronics base that is the Company's area of expertise, in addition to its existing products.

<Market strategy>

The Company will achieve sales growth by expanding sales in the European and Japanese markets and by entry into emerging markets such as BRICs while the Company also considers measures that would mitigate the effects from overemphasis on the Company's largest market in the U.S., to minimize the impact of the January and February slow season and smooth out production and sales over the course of the year. To be specific, the Company is planning to introduce LCD televisions, its major products, to the Chinese market.

<Sales channel strategy>

The Funai Group must respond proactively to customer satisfaction levels by achieving closer communications than it has in the past and by swiftly and accurately taking into consideration market trends, not only with major existing customers but with new customers as well. The Company also is preparing to launch new marketing in North America using the Internet, where it plans to broaden its customer coverage.

<Branding strategy>

In the audio-visual equipment category, the Company must direct closer attention to the positioning of the four brands (Philips, Magnavox, Sylvania and Emerson brands) in the North America market, and the Funai brand in Europe, based on existing, comparatively advantageous products as well as new product development. Brand positioning in the Japanese market, where the Company plans to increase sales, and in the China market, which the Company will newly enter, will also become a critical issue in the future.

To pursue the above business strategies more effectively, the Funai Group will push forward cost reduction more aggressively by utilizing its "FPS (Funai Production System)" to the fullest extent and also by further implementing its IT application to speed up cycles of product planning to development, materials and parts purchasing, manufacturing and sales, all in an effort to enhance competitiveness.

(5) Property and income/loss:

Item \ Fiscal year	55th (April 1, 2006 to March 31, 2007)	56th (April 1, 2007 to March 31, 2008)	57th (April 1, 2008 to March 31, 2009)	58th (April 1, 2009 to March 31, 2010)
Net sales (million yen)	396,712	277,167	302,777	314,911
Ordinary income (loss) (million yen)	26,591	(39)	1,226	11,684
Net income (loss) (million yen)	(3,665)	(5,376)	(17,364)	10,328
Net income (loss) per share (yen)	(107.01)	(157.71)	(509.33)	302.97
Total assets (million yen)	272,811	224,415	199,882	204,057
Net assets (million yen)	187,361	158,356	135,596	142,779
Net assets per share (yen)	5,484.38	4,630.58	3,963.72	4,164.86

(Note) Net income (loss) per share is calculated based on the average of the total number of shares issued and outstanding during the fiscal year. Net assets per share are calculated based on the total number of shares issued and outstanding as of the end of the fiscal year. Each such number of shares does not include the shares of treasury stock.

(6) Major subsidiaries:

Trade name	Capital stock	Ratio of equity participation of the Company (%)	Main business
DX ANTENNA Co., Ltd.	¥363 million	91.40	Manufacture and sale of electronic equipment related with receivers
FUNAI CORPORTION, INC.	US$68.5 million	100.0	Sale of the Company's products
P&F USA, INC.	US$30 million	100.0	Sale of the Company's products

Trade name	Capital stock	Ratio of equity participation of the Company (%)	Main business
Funai Electric (HK) Ltd.	HK$115 million	100.0	Manufacture of the Company's products

(Note) Each ratio of equity participation of the Company is obtained by calculating down to the third decimal place and thereafter rounding upward or downward to the nearest second decimal place, as the case may be.

(7) Major businesses of the Group:

Division	Principal products
Audiovisual equipment	LCD TVs, DVD players, DVD recorders, Blu-ray disc players, Blu-ray disc recorders
Information equipment	Printers, digital still cameras
Others	Electronic equipment related to receivers

(8) Major business sites of the Group:

Category		Name	Location
Funai Electric Co., Ltd.		Head Office	Daito City, Osaka
		Tokyo Branch	Chiyoda-ku, Tokyo
Japan	Production and sales subsidiary	DX ANTENNA Co., Ltd.	Hyogo-ku, Kobe City
Overseas	Sales subsidiary	FUNAI CORPORTION, INC.	U.S.A.
		P&F USA, INC.	U.S.A.
		FUNAI EUROPE GmbH	Germany
	Production subsidiary	Funai Electric (HK) Ltd.	Hong Kong

(9) Employees of the Group:

Number of employees	As compared with the end of the previous fiscal year (+ or -) (persons)
2,553	- 37

(Notes) 1. The above number of employees represents those actually at work.
2. The number of employees of the consignment manufacturing factories for the fiscal year under review was 15,385, which is not included in the above number of employees.

(10) Major lenders

Nothing to be reported.

(11) Other important matters concerning the current state of the Group:

Nothing to be reported.

2. Matters concerning the shares of the Company

(1) Total number of issuable shares: 80,000,000 shares

(2) Total number of issued shares: 36,104,196 shares (including 2,011,531 shares of treasury stock)

(3) Number of shareholders: 10,153 persons

(4) Principal shareholders (top ten):

Name	Number of shares held (thousand shares)	Shareholding ratio (%)
Tetsuro Funai	12,709	37.28
Tetsuo Funai	1,739	5.10
Funai Information Science Promotion Foundation	1,540	4.52
Japan Trustee Services Bank, Ltd. (Trust account)	1,536	4.51
The Master Trust Bank of Japan, Ltd. (Trust account)	1,081	3.17
THE BANK OF NEW YORK. TREATY JASDEC ACCOUNT	678	1.99
Japan Trustee Services Bank, Ltd. (Trust account 9)	418	1.23
F2 Limited Liability Company	355	1.04
T&N Limited Liability Company	355	1.04
Trust & Custody Services Bank, Ltd. (Securities investment trust account)	318	0.93

(Notes) 1. The Company, which holds 2,011 thousand shares of treasury stock, is not included in the above-listed principal shareholders.

2. Each shareholding ratio is obtained by deducting 2,011 thousand shares of treasury stock of the Company and calculating down to the third decimal place and thereafter rounding upward or downward to the nearest second decimal place, as the case may be.

(5) Other important matters concerning shares:

Nothing to be reported.

3. Matters concerning stock acquisition rights:

(1) Stock acquisition rights issued and outstanding at the end of the fiscal year under review:

- Number of stock acquisition rights: 14,838 rights

  (Note) The number of stock acquisition rights is shown by reducing from the number of stock acquisition rights granted, the number of stock acquisition rights exercised and the number of stock acquisition rights that the persons entitled thereto ceased to have due to retirement or other terms of exercise of the rights.

- Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights: 1,483,800 shares of common stock (100 shares per stock acquisition right)

- Stock acquisition rights held by Directors and Corporate Officers by category:

Issue	Category	Number of rights	Holder	Exercise price	Exercise period
The first stock acquisition rights for the year ended March 31, 2003	Director	30	1	¥15,150	August 1, 2004 to July 31, 2011
	Outside Director	28	1		
The first stock acquisition rights for the year ended March 31, 2004	Director	28	1	¥13,646	August 1, 2005 to July 31, 2012
	Outside Director	28	1		
The first stock acquisition rights for the year ended March 31, 2005	Director	42	1	¥16,167	August 1, 2006 to July 31, 2013
The first stock acquisition rights for the year ended March 31, 2006	Director	40	1	¥12,369	August 1, 2007 to July 31, 2014
The first stock acquisition rights for the year ended March 31, 2009	Director	50	1	¥1,609	August 1, 2010 to July 31, 2017

(Note) The category of Directors excludes outside Directors but includes Corporate Officers.

(2) Stock acquisition rights delivered during the fiscal year under review:

Nothing to be reported.

(3) Other important matters concerning stock acquisition rights, etc.:

New share subscription rights granted as stock options during the year ended March 31, 2002 (new share subscription rights pursuant to Article 280-19 of the former Commercial Code of Japan (the Commercial Code prior to amendment thereto in 2001)):

- Class and number of shares to be issued upon exercise of new share subscription rights: 311,600 shares of common stock

- Amount to be paid in upon exercise of new share subscription rights: ¥9,549 per share
- Period for exercising new share subscription rights: From January 1, 2004 to December 31, 2010

4. Matters concerning officers of the Company:

(1) Directors and Corporate Officers

(i) Directors:

Title	Name	Business in charge and important concurrent office
Director	Tetsuro Funai	Member (Chairman) of the Nomination Committee; Member of the Compensation Committee; Chairman of Funai Information Science Promotion Foundation; Chairman of Funai Scholarship Foundation
Director	Tomonori Hayashi	Chairman of the Board of Directors; Member of the Nomination Committee, Member (Chairman) of the Compensation Committee
Outside Director	Mitsuo Yonemoto	Member of the Nomination Committee; Member of the Compensation Committee; Vice President and Director of T.P.S. Laboratory Co., Ltd. Outside Director of THE SAILOR PEN CO., LTD.
Outside Director	Akira Miyazaki	Member of the Nomination Committee; Member of the Audit Committee; Member of the Compensation Committee; President and Representative Director of Dynamic Solutions Co., Ltd.
Outside Director	Shigemichi Asakura	Member (Chairman) of the Audit Committee
Outside Director	Yasuhisa Katsuta	Member of the Nomination Committee; Member of the Audit Committee; Member of the Compensation Committee; Outside Corporate Auditor of Otsuka Pharmaceutical Co., Ltd.; Chairman of Osaka University of Economics
Outside Director	Hidetoshi Nishimura	Member of the Audit Committee; Member of the Audit Committee; Member of the Compensation Committee; Chairman of Sojitz Foundation

(Note) Directors Tetsuro Funai and Tomonori Hayashi are concurrently serving as Corporate Officers.

(ii) Corporate Officers:

Title	Name	Business in charge and representation of other companies
Corporate Officer and Chairman	Tetsuro Funai	Chairman of Funai Information Science Promotion Foundation; Chairman of Funai Scholarship Foundation
Representative Corporate Officer, President and CEO	Tomonori Hayashi	

(For reference)

The Company has adopted a system of corporate officers and the Officers as of March 31, 2010 are as follows:

Senior Executive Officer	Takashi Kiyomoto
Senior Executive Officer	Hideo Nakai
Executive Officer	Shinji Seki
Executive Officer	Toshio Ohya
Officer	Masahiko Naito
Officer	Fumiaki Kidera
Officer	Nobuhisa Uchikawa
Officer	Kenji Sakata
Officer	Susumu Nojii
Officer	Kazuo Uga
Officer	Takeshi Ito
Officer	Yoshikazu Uemura
Officer	Joji Okada

(2) Total amount of remuneration, etc. of Directors and Corporate Officers:

Category	Number of recipients	Amount of payments (thousand yen)
Director (Outside Director)	7 (6)	37,650 (33,225)
Corporate Officer	2	108,029
Total	9	145,679

(Notes) 1. No remuneration of Directors was paid to two Directors concurrently serving as Corporate Officers. Hence, they are not included in the number of Directors receiving remuneration of Directors.

2. The above-listed amount of payments includes the following amount as an allowance for retirement accounts for officers deducted as expenses for the fiscal year under review:
   - ¥3,000 thousand for seven Directors (including ¥2,625 thousand for six outside Directors)
   - ¥16,000 thousand for two Corporate Officers

3. The above-listed amount of payments includes the following amount of remuneration in stock options deducted as expenses for the fiscal year under review:
   - ¥829 thousand for one Corporate Officer

4. The above-listed recipients include two Directors (including one outside Director) who retired from office at the close of the 57th Ordinary General Meeting of Shareholders held on June 19, 2009.

5. In addition, retirement gratuities were paid to the officers who retired from office at the close of the 57th Ordinary General Meeting of Shareholders held on June 19, 2009 as follows:
   - ¥6,000 thousand for one Director
   - ¥3,900 thousand for one outside Director

(3) Other important matters concerning officers:

Nothing to be reported.

(4) Matters concerning Outside Directors:

(i) Concurrent holding of important offices of executive officers of other corporations and their relationships with the Company:

- Director Mitsuo Yonemoto is Vice President and Director of T.P.S. Laboratory Co., Ltd. The Company has no special relationship with T.P.S. Laboratory Co., Ltd.

- Director Akira Miyazaki is Chairman and Director of Dynamic Solutions Co., Ltd. The Company has no special relationship with Dynamic Solutions Co., Ltd.

- Director Yasuhisa Katsuta is Chairman of Osaka University of Economics. The Company has no special relationship with Osaka University of Economics.

- Director Hidetoshi Nishimura is Chairman of Sojitz Foundation. The Company has no special relationship with Sojitz Foundation.

(ii) Concurrent holding of important offices of outside officers of other corporations and their relationships with the Company:

- Director Mitsuo Yonemoto is outside Director of The Sailor Pen Co., Ltd. The Company has no special relationship with The Sailor Pen Co., Ltd.

- Director Yasuhisa Katsuta is outside Corporate Auditor of Otsuka Pharmaceutical Co., Ltd. The Company has no special relationship with Otsuka Pharmaceutical Co., Ltd.

(iii) Kinship among executive officers of the Company and its specified related enterprises:

Nothing to be reported.

(iv) Major activities during the fiscal year under review:

- Attendance at the meetings of the Board of Directors and the Audit Committee:

Name	Board of Directors		Audit Committee	
	Number of meetings	Number attended	Number of meetings	Number attended
Mitsuo Yonemoto	10	10	-	-
Akira Miyazaki	10	10	6	6
Shigemichi Asakura	10	10	10	9
Yasuhisa Katsuta	10	10	10	6
Hidetoshi Nishimura	10	9	10	9

(Note) As to Akira Miyazaki, the above represents the state of his attendance at the meetings of the Audit Committee since he assumed the office of a Member of the Audit Committee as of June 19, 2009.

- Speeches at meetings of the Board of Directors and the Audit Committee:

Mitsuo Yonemoto attended meetings of the Board of Directors and expressed opinions principally from the standpoint of a management consultant.

Akira Miyazaki attended meetings of the Board of Directors and the Audit Committee and expressed opinions principally from the standpoint of a veteran top executive.

Shigemichi Asakura attended meetings of the Board of Directors and the Audit Committee and expressed opinions principally from the standpoint of a veteran top executive.

Yasuhisa Katsuta attended meetings of the Board of Directors and the Audit Committee and expressed opinions principally from the standpoint of a veteran top executive, as well as the standpoint of finance and treasury.

Hidetoshi Nishimura attended meetings of the Board of Directors and the Audit Committee and expressed opinions principally from the standpoint of a veteran top executive.

(v) Outline of liability limitation agreements:

In accordance with Article 427, paragraph 1 of the Corporation Law of Japan, the Company has entered into an agreement with each of the five outside Directors to limit the liability for any damage as provided for in Article 423, paragraph 1 of said law within the aggregate of the amounts listed in the items of Article 425, paragraph 1 of said law.

5. Matters concerning account auditors:

(1) Names of the account auditors:

Deloitte Touche Tohmatsu LLC

(Note) Deloitte Touche Tohmatsu changed its category of audit corporations as of July 1, 2009 to be called Deloitte Touche Tohmatsu LLC.

(2) Amount of remuneration, etc. of the account auditors for the fiscal year under review:

(i)	Remuneration, etc. of the account auditors for the fiscal year under review:	¥50 million
(ii)	Total amount of cash and other proprietary benefits payable to the account auditors by the Company and its subsidiaries:	¥78 million

(Notes) 1. The amount of remuneration, etc. for audits under the Corporation Law of Japan and the amount of remuneration, etc. for audits under the Financial Instruments and Exchange Law of Japan are not separated in the audit agreement between the Company and the account auditors and cannot actually be separated. Hence, the amount in item (i) above includes both amounts.

2. Among the major subsidiaries of the Company, FUNAI CORPORATION, INC. and two other companies are subject to audits by audit firms (including persons having qualifications in foreign countries equivalent to those of the account auditors of the Company) other than the account auditors of the Company.

(3) Content of non-auditing services:

Nothing to be reported.

(4) Policy on the determination of dismissal and non-reappointment of the account auditors:

In the event that the account auditors are found to fall under any event of dismissal under the items of Article 340, paragraph 1 of the Corporation Law, the Audit Committee upon unanimous consent shall dismiss the account auditors. In addition, in the event that there arises any problem with the performance by the account auditors of their duties or the Audit Committee considers it otherwise necessary, the Audit Committee shall determine the details of a proposition for the dismissal or non-reappointment of the account auditors to be submitted to the General Meeting of Shareholders.

(5) Outline of liability limitation agreements:

Nothing to be reported.

6. Systems and policies of the Company

(1) Systems to secure the properness of business activities:

(i) Matters provided as necessary in the ordinances of the Ministry of Justice for the Audit Committee to execute its duties

- Matters concerning the Directors and employees to assist the Audit Committee to execute its duties

  The Audit Office shall have employees to assist the Audit Committee to execute its duties. The Directors who are not concurrently serving as Corporate Officers shall cooperate with the Audit Committee in audits when they are requested to do so.

- Matters concerning the independence of the above-mentioned Directors and employees from the Corporate Officers

  In accordance with the "regulations concerning the employees to assist the Audit Committee to execute its duties", the Company shall respect the opinions of the Audit Committee with regard to personnel changes in the Audit Office and evaluations and disciplinary punishments thereof and ensure their independence from the Corporate Officers.

- System for reports by the Corporate Officers and employees to the Audit Committee and other systems for reporting to the Audit Committee

  The Company shall specify in the "regulations concerning reporting to the Audit Committee" all matters to be reported to the Audit Committee and timing, methods, etc. thereof, including facts that may inflict material damage on the Company and facts in violation of laws or ordinances or the Articles of Incorporation.

- Other systems to ensure effective audits by the Audit Committee

  The Company shall allow the members of the Audit Committee to regularly meet the executives, including President and CEO, and cooperate and exchange information with the account auditors or otherwise to ensure the effective audits by the Audit Committee.

(ii) Establishment of systems to secure the execution by the Corporate Officers of their duties to comply with laws or ordinances and the Articles of Incorporation and other systems provided as necessary in the ordinances of the Ministry of Justice to secure the properness of business activities of corporations

- Systems concerning storage and management of information on the execution by the Corporate Officers of their duties

  Important information shall be stored and managed in accordance with the "document management regulations" and shall be made available for inspection by any member of the Audit Committee designated thereby at all times.

- Regulations concerning management of exposure to the risk of loss and other systems

  The Company shall institute "risk management regulations" with regard to the management of exposure to the risk of loss. Each division or department shall manage risks to its operations and also take measures to manage risks systematically.

- Systems to secure efficient execution by the Corporate Officers of their duties

  The Company shall have Officers under the auspices of the Corporate Officers and ensure that the operations determined by the Corporate Officers are performed swiftly.

- Systems to secure the execution by the Corporate Officers and employees of their duties to comply with laws or ordinances and the Articles of Incorporation

  In the "corporate charter of conduct" and "compliance regulations", the Company shall clearly demonstrate how the Corporate Officers and employees should act to comply with law to secure the execution by the Corporate Officers and employees of their duties to comply with laws or ordinances and the Articles of Incorporation.

- Systems to secure the appropriateness of business activities of the corporate group comprising a relevant corporation and its parent company and subsidiaries

  In accordance with the "related company control regulations", the Audit Office and the Operations Control Department of the Company shall audit and give guidance to its group companies to secure the properness of business activities of its corporate group.

(2) Policies on the determination of remuneration, etc. of individual Corporate Officers, etc.

To make the determination of remuneration of Corporate Officers, etc. of the Company appear objective and transparent to its shareholders and employees, such remuneration is categorized into monthly remuneration payable in a fixed amount each month, performance-linked remuneration (bonuses) payable based on performance, year-end allowances, stock options and retirement gratuities payable upon retirement.

(i) Remuneration, etc. of Directors

The principal duty of Directors, who are not involved directly in execution of individual business, is supervision. Hence, their remuneration, etc. is comprised of monthly remuneration, year-end allowances, stock options and retirement gratuities.

- Monthly remuneration is determined in consideration of full-time/part-time distinctions, standards of other companies, etc.
- The amount of year-end allowances is determined within the upper limit on 25% of annual remuneration based on monthly remuneration, for the Directors (internal Directors) who are not outside Directors.
- Stock options are determined by the Compensation Committee to afford incentives to contributing to higher stock prices and much improved results.
- Retirement gratuities are paid in an amount calculated in accordance with the "regulations of officers' retirement gratuities" established by the Compensation Committee.

Remuneration of Directors is not payable to any Director concurrently serving as a Corporate Officer.

(ii) Remuneration, etc. of Corporate Officers

Remuneration, etc. of Corporate Officers is comprised of monthly remuneration, performance-linked remuneration (bonuses), stock options and retirement gratuities.

- Monthly remuneration is determined by taking into account the position and responsibility of each Corporate Officer, the business conditions and operating results of the Company, standards of other companies, etc.
- Performance-linked remuneration (bonuses) is determined according to the operating results of the Group, the results of the operations each Corporate Officer is responsible for, etc.
- Stock options are determined by the Compensation Committee to afford incentives to contributing to higher stock prices and much improved results.
- Retirement gratuities are paid in an amount calculated in accordance with the "regulations of officers' retirement gratuities" established by the Compensation Committee.

(3) Policy on the determination of distribution of retained earnings, etc. by the Board of

Directors:

The Company recognizes the paying out of earnings to its shareholders as one of the most important missions of management and attaches basic importance to strengthening its operating base and maintaining a constant payment of dividends. In concrete terms, the Company will implement its dividend policy, based on the dividend rate of 1.0% for net assets on a consolidated basis, while taking into consideration business conditions and other factors.

==

(Note) In this business report, amounts and the number of shares are indicated by discarding any fraction of the indicated unit, and rates are indicated by rounding fractions of a half or more of the indicated unit upward and the rest downward unless otherwise indicated. Net income per share, net loss per share and net assets per share are indicated by rounding upward five-thousandths of one yen or more to the nearest one-hundredth of one yen.

CONSOLIDATED BALANCE SHEET

(As of March 31, 2010)

(million yen)

ASSETS:

Current assets:	**167,155**
Cash and deposits	86,045
Notes and accounts receivable-trade	35,154
Merchandise and finished goods	20,850
Work in process	1,510
Raw materials and supplies	16,057
Deferred tax assets	4,131
Other	3,586
Allowance for doubtful receivables	(179)
Fixed assets:	**36,902**
Tangible fixed assets:	**15,654**
Buildings and structures	6,129
Machinery, equipment and motor vehicles	1,363
Tools, furniture and fixtures	2,543
Land	5,180
Lease assets	411
Other	24
Intangible assets	**4,874**
Patents	3,665
Other	1,208
Investment and other assets:	**16,373**
Investment securities	6,134
Deferred tax assets	4,803
Other	6,210
Allowance for doubtful receivables	(775)
TOTAL ASSETS	**204,057**

(million yen)

LIABILITIES:	
Current liabilities:	**56,208**
Notes and accounts payable-trade	31,305
Short-term loans payable	6,338
Lease liabilities	162
Accounts payable-other	11,035
Income taxes payable.	1,799
Deferred tax liabilities	1
Accrued bonuses	400
Reserve for product warranty	1,899
Other	3,266
Long-term liabilities:	**5,069**
Long-term loans payable	566
Lease liabilities	387
Deferred tax liabilities	21
Deferred tax liabilities on revaluation of land	285
Liabilities for retirement benefits	1,386
Liabilities for directors' retirement benefits	1,042
Other	1,379
TOTAL LIABILITIES	**61,277**
NET ASSETS:	
Shareholders' equity:	**159,457**
Common stock	31,280
Capital surplus	33,245
Retained earnings	119,272
Treasury stock	(24,340)
Valuation and translation adjustments:	**(17,465)**
Unrealized gain on available-for-sale securities	470
Foreign currency translation adjustments	(17,936)
Stock options :	**62**
Minority interests:	**726**
TOTAL NET ASSETS	**142,779**
TOTAL LIABILITIES AND NET ASSETS	**204,057**

CONSOLIDATED STATEMENT OF INCOME

(April 1, 2009 through March 31, 2010)

(million yen)

Net sales		314,911
Cost of sales		257,442
Gross profit		57,469
Selling, general and administrative expenses		46,321
Operating income		**11,148**
Non-operating income:		
Interest and dividend income	689	
Other	401	1,091
Non-operating expenses:		
Interest expense	83	
Exchange losses	103	
Loss on investments in partnership	204	
Other	164	555
Ordinary income		**11,684**
Extraordinary gain:		
Gain on sales of investment securities	97	
Other	7	105
Extraordinary loss:		
Loss on disposal of fixed assets	95	
Loss on bad debt	105	
Loss on impairment of fixed assets	64	
Import customs duties in past years	575	
Other	71	911
Income before income taxes and minority interests		**10,877**
Income taxes – current	2,520	
Income taxes – deferred	(2,205)	314
Minority interests in net income		234
Net income		**10,328**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(April 1, 2009 through March 31, 2010)

(million yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2009	31,280	33,245	110,047	(24,340)	150,233
Changes of items during the fiscal year					
Cash dividends			(1,363)		(1,363)
Net income			10,328		10,328
Purchase of treasury stock				(0)	(0)
Increase due to merger of a non-consolidated subsidiary by a consolidated subsidiary			259		259
Net changes of items other than shareholders' equity					
Total changes of items during the fiscal year	-	-	9,224	(0)	9,223
Balance as of March 31, 2010	31,280	33,245	119,272	(24,340)	159,457

	Valuation and translation adjustments			Stock option	Minority interests	Total net assets
	Unrealized loss on available-for-sale securities	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2009	(98)	(14,999)	(15,098)	17	443	135,596
Changes of items during the fiscal year						
Cash dividends						(1,363)
Net income						10,328
Purchase of treasury stock						(0)
Increase due to merger of a non-consolidated subsidiary by a consolidated subsidiary						259
Net changes of items other than shareholders' equity	569	(2,937)	(2,367)	44	282	(2,040)
Total changes of items during the fiscal year	569	(2,937)	(2,367)	44	282	7,183
Balance as of March 31, 2010	470	(17,936)	(17,465)	62	726	142,779

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Notes on Matters Forming the Basis of Presentation of Consolidated Financial Statements

1. Matters concerning the scope of consolidation

(1) Number of consolidated subsidiaries: 14

(2) Names of major consolidated subsidiaries:

DX ANTENNA Co., Ltd., FUNAI CORPORATION, INC. and Funai Electric (HK) Ltd.

P&F MEXICANA, S.A.DE C.V., a subsidiary incorporated during the fiscal year under review, is newly included in consolidation.

(3) Names of major non-consolidated subsidiary:

FGS Co., Ltd.

(Reason for exclusion from consolidation)
The non-consolidated subsidiary is a small company and its aggregate amount of total assets, net sales, net income (based on the Company's equity interest) and retained earnings (based on the Company's equity interest) are not material to the consolidated financial statements.

2. Matters concerning the application of equity method

(1) Number of non-consolidated subsidiaries to which the equity method is applicable: 1

(2) Names of non-consolidated subsidiaries to which the equity method is applicable: Highsonic Industrial Ltd.

As from the fiscal year under review, Highsonic Industrial Ltd., an affiliate to which the equity method was applicable, has become a non-consolidated subsidiary to which the equity method is applicable as the Company's shareholding ratio therein has increased.

(3) Number of affiliates to which the equity method is applicable: 1

(4) Names of affiliates to which the equity method is applicable: PT. DISPLAY DEVICES INDONESIA

As Highsonic Industrial Ltd. has become a non-consolidated subsidiary as from the fiscal year under review, it is excluded from the category of affiliates to which the equity method is applicable.

(5) Names of major non-consolidated subsidiaries and affiliates to which the equity method is not applicable:

Non-consolidated subsidiary:	FGS Co., Ltd.
Affiliate:	Digitec Industrial Ltd.

(Reason for exclusion from the equity method)
The non-consolidated subsidiary and affiliate have no material impact on net income (based on the Company's equity interest) and retained earnings (based on the Company's equity interest) and generally, they are not material.

(6) The equity-method subsidiary and affiliate whose fiscal year-ends differ from the end of the consolidated fiscal year-end, the financial statements for their fiscal years are used.

(7) Fiscal years of consolidated subsidiaries

The consolidated subsidiaries whose fiscal year-ends differ from the end of the consolidated fiscal year-end are as follows:

Name	Fiscal year-end
DX ANTENNA Co., Ltd.	February 28
FUNAI ELECTRIC (MALAYSIA) SDN. BHD.	December 31
FUNAI ASIA PTE LTD.	December 31
P&F MEXICANA, S.A.DE C.V.	December 31

For the above-listed consolidated subsidiaries, financial statements compiled as of their respective fiscal year-ends are used to tabulate consolidated results. However, significant transactions that occur between that time and the fiscal year-end are reflected in the consolidated financial statements as so required.

3. Matters concerning accounting policies

(1) Valuation basis and methods for major assets

(i) Securities:

Available-for- sale securities:

- Marketable securities:

Stated at fair value on the balance sheet date of the fiscal year (Unrealized gain or loss and net of applicable taxes reported in a seperate component of equity. Costs of securities sold are determined by the moving average method.)

- Non-marketable securities:

  Stated at cost determined by the moving average method

(ii) Inventories:

As to the Company and its consolidated subsidiaries in Japan, merchandise and finished goods and work in process are stated principally at cost under the average method (however, inventories are written down in case the profitability becomes lower significantly). Raw materials are stated principally at cost by the first-in, first-out method (however, inventories are written down in case the profitability becomes lower significantly).
As to the overseas consolidated subsidiaries, merchandise and finished goods, work in process and raw materials are stated principally at the lower of cost or market determined by the first-in, first-out method.

(2) Method of depreciation of major fixed assets:

(i) Tangible fixed assets (excluding lease assets):

The declining-balance method is adopted by the Company and its Japanese consolidated subsidiaries (however, with regard to the buildings (excluding appurtenances thereto) acquired on or after April 1, 1998, the straight-line method has been adopted). The straight-line method is adopted by the overseas consolidated subsidiaries.

The main useful lives are as follows:

Buildings and structures:	3–50 years
Machinery, equipment and motor vehicles:	3–7 years
Tools, furniture and fixtures:	1–20 years

(ii) Intangible assets (excluding lease assets):

Stated by the straight-line method by the Company and its consolidated subsidiaries in Japan. However, depreciation of goodwill is made equally for five years; depreciation of patent rights is made by the straight-line method based on the estimated economically usable period; and depreciation of software for internal use is made by the straight-line method based on the internal usable years (five years).

(iii) Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership are depreciated by the straight-line method, based on the assumption that the useful life equals to the lease term and the residual value equals to zero.

Any finance lease transaction that does not transfer ownership, which became effective prior to the fiscal year during which the "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan ("ASBJ") Statement No. 13) first became applicable, is treated similarly to the manner in which ordinary lease transactions are treated.

(3) Standards for providing important allowances

(i) Allowance for doubtful receivables:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of possible non-performing credits and other specific claims.

(ii) Accrued bonuses:

To meet the payment of bonuses to employees, some consolidated subsidiaries set aside the portion for each fiscal year of an estimated amount of bonuses to be paid in the future.

(iii) Reserve for product warranty :

To meet expenses of after-sales services with regard to the products sold, the Company sets aside an estimated amount based on the past sales record.

(iv) Liabilities for retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount, based on estimated retirement benefit obligations and plan assets as of the close of the fiscal year.

The total transitional obligation, determined as of April 1, 2000, was charged to income when adopted, except that of certain domestic subsidiaries which is amortized over 15 years.

Prior service cost is amortized by the straight line method over a period within the average remaining years of service of the employee (10 years).

Actuarial gains or losses are amortized by the straight line method over a period within the average remaining years of service of the employee (10 years) starting from the following period.

(Change in accounting policies)
Effective from the year ended March 31, 2010, the Company and its Japanese

consolidated subsidiaries applied the "Partial Amendment to 'Accounting Standard for Retirement Benefits' (Part 3)" (ASBJ Statement No. 19 (July 31, 2008)).
There was no effect of change on operating income, ordinary income and income before income taxes and minority interests.

(v) Liabilities for directors' retirement benefits:

To provide for the payment of retirement gratuities to officers, an amount payable at the end of the fiscal year under the Company's internal rules is reserved.

(4) Standard for recognizing important revenue and costs

Standard for recognition of revenue and costs total contract revenue and total contract costs:

(i) Construction work the outcome of which is deemed certain during the course of activity by the end of the fiscal year:

By the percentage-of-completion method (The percentage of completion at the end of the fiscal year shall be estimated by the method of comparison of incurred costs to date with estimated total contract costs.)

(ii) Other construction work:

By the completed-contract method

(Change in accounting policies)
For recognizing revenue from construction contracts, the completed-contract method has been applied. Effective from the year ended March 31, 2010, the Company has applied the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15 (December 27, 2007)) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18 (December 27, 2007)). Consequently, the percentage-of-completion method should be applied to the construction contracts that have started during this fiscal year, when the outcome of a construction contract at the balance sheet date can be measured reliably(the percentage of completion at the end of the fiscal year shall be estimated by the method of comparison with total contract costs); and otherwise the completed-contract method has been applied.
The change has no significant effect on net sales and income/loss.

(5) Other significant accounting policies forming the basis of preparation of consolidated financial statements

Accounting for consumption taxes, etc.: By the tax-exclusive method

4. Matters concerning valuation of assets and liabilities of consolidated subsidiaries

Assets and liabilities of consolidated subsidiaries are valued by fully fair value fully market.

Notes to Consolidated Balance Sheet:

1. Accumulated depreciation of assets

Accumulated depreciation of tangible fixed assets: ¥59,517 million

2. Accumulated loss on impairment of assets

Accumulated depreciation of assets includes accumulated loss on impairment of assets.

3. In accordance with the Law of Land Revaluation (Law No. 34, promulgated on March 31, 1998) of Japan, one of the consolidated subsidiaries revaluated its land used for business. The applicable taxes of the revaluation difference was ¥285 million as revalued deferred tax liabilities. Also the revaluation difference is eliminated in consolidation, and so it is not presented in net assets.

4. Disposition of supplementary tax assessment based on the application of tax system for dealing with tax havens

On June 28, 2005 and June 16, 2008, the Company received notices of supplementary tax assessment from the Osaka Regional Taxation Bureau of aggregate taxation on the profits of its subsidiary in Hong Kong for the three fiscal years ended from March 31, 2002 to March 31, 2004 and the three fiscal years ended from March 31, 2005 to March 31, 2007, respectively, as the subsidiary in Hong Kong did not satisfy the conditions for exclusion from the application of the tax system for dealing with tax havens. The Company disagreed with the assessment and considered it to be unacceptable. The Company has contested the validity in court.

The additional tax payment amounts were ¥16,651 million (¥19,184 million including incidental taxes) and ¥15,038 million (¥16,838 million including incidental taxes), respectively, including corporate income taxes, inhabitant taxes and enterprise taxes. They were respectively recognized as "income taxes for prior periods" for the fiscal year ended March 31, 2007 and the fiscal year ended March 31, 2009 in accordance with the "Treatment of Accounting and Presentation of Taxes for the Purpose of Audits" (JICPA Audit and Assurance Practice Committee Report No. 63).

The taxation is judged based on the status of any relevant foreign company at the end of each fiscal year thereof. Hence, for your reference, the effects of the taxation on the income of the subsidiary in Hong Kong for the fiscal year ended March 31, 2008, which was immediately after the fiscal year during which the investigation by the Bureau was last made, and thereafter are estimated at approximately ¥700 million in total in corporate, inhabitant and enterprise taxes for the fiscal year ended March 31, 2008 and the fiscal year ended March 31, 2009. The Company has not accounted for the effects due to the aforementioned reasons.

Notes to Consolidated Statement of Changes in Shareholders' Equity

1. Matters concerning the classes and total number of issued shares and the classes and number of shares of treasury stocks

(thousand shares)

	Number of shares as of March 31, 2009	Increase in the number of shares during the year	Decrease in the number of shares during the year	Number of shares as of March 31, 2010
Issued shares				
Shares of common stock	36,104	-	-	36,104
Total	36,104	-	-	36,104
Shares of treasury stock				
Shares of common stock (Note)	2,011	0	-	2,011
Total	2,011	0	-	2,011

(Note) The number (0 thousand) of shares of common stock held by the Company increased as a result of the purchase of less-than-one-unit shares.

2. Matters concerning dividends from surplus

(1) Amount of dividends paid:

Resolution	Class of shares	Total amount of dividends (million yen)	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on June 1, 2009	Shares of common stock	1,363	40	March 31, 2009	June 4, 2009

(2) Dividends for which the record date falls during the fiscal year under review but the effective date falls during the next fiscal year:

Resolution	Class of shares	Total amount of dividends (million yen)	Source of dividends	Amount of dividend per share (yen)	Record date	Effective date
Meeting of the Board of Directors held on May 31, 2010	Shares of common stock	1,363	Retained earnings	40	March 31, 2010	June 11, 2010

3. Matters concerning stock acquisition rights

Description of stock options,	Class of shares to be issued or transferred upon exercise of stock options	Number of shares for stock options (share)
		As of March 31, 2010
The first stock options for the year ended March 31, 2002	Shares of common stock	311,600
The first stock options for the year ended March 31, 2003	Shares of common stock	399,600
The first stock options for the year ended March 31, 2004	Shares of common stock	378,500
The first stock options for the year ended March 31, 2005	Shares of common stock	359,900
The second stock options for the year ended March 31, 2005	Shares of common stock	25,600
The first stock options for the year ended March 31, 2006	Shares of common stock	346,400
Total	-	1,821,600

(Notes) 1. The first stock options for the year ended March 31, 2002 are new share subscription rights under Article 280-19 of the former Commercial Code of Japan (the Commercial Code prior to the amendment thereto in 2001).

2. Any options for which the period of exercise thereof has not yet arrived is not included in the above table.

Notes to financial instruments

As from the fiscal year under review, the Company has applied the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 (March 10, 2008)) and "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19 (March 10, 2008)).

1. Matters relating to the status of financial instruments

The Group raises funds by bank loans and invests funds by short-term deposits. In principle, the Group has a policy of not using derivatives.

With regard to clients' credit risks relating to notes and accounts receivable-trade, the Group has stipulated its sales management rules to manage trading terms and credit lines by client.

Investment securities are exposed to market risks. With regard to such risks, the market values and the financial positions of the issuers are reviewed periodically and reported to the Investment and Loan Committee, an internal organ.

Notes and accounts payable-trade shall all become due and payable within one year.

Both short-term loans payable and long-term loans payable are funds procured in relation to business transactions. The Group has a policy of not using derivatives. However, as floating-rate loans are exposed to interest rate risk, the Group may utilize derivatives (interest rate swap agreements) as hedging instruments according to individual loan contracts. To trade in derivatives, such derivatives are executed and managed in accordance with the internal rules. To avert credit risk, the Group enters into transactions solely with financial institutions receiving high ratings.

2. Matters concerning fair values, etc. of financial instruments

The following chart shows amounts for items recorded in the consolidated balance sheet as of March 31, 2010, along with their fair values and the variances:

(million yen)

		Balance sheet amount*	Fair value*	Variance
(1)	Cash and deposits	86,045	86,045	-
(2)	Notes and accounts receivable-trade	35,154	35,154	-
(3)	Investment securities:			
	Available-for- sale securities	2,909	2,909	-
(4)	Notes and accounts payable-trade	(31,305)	(31,305)	-
(5)	Short-term loans payable	(6,338)	(6,338)	-
(6)	Long-term loans payable	(566)	(566)	-
(7)	Derivatives	-	-	-

* The items recognized as liabilities are shown in the parentheses.

(Notes) 1. Matters concerning the calculation method of the fair values of financial instruments, as well as marketable securities and derivatives:

(1) Cash and deposits and (2) Notes and accounts receivable-trade:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(3) Investment securities:

The fair value of stocks is determined by the prices of the stocks traded on an exchange.

(4) Notes and accounts payable-trade and (5) Short-term loans payable:

The book value is used for these items, as the fair value is nearly equal to the book value as a result of their short settlement periods.

(6) Long-term loans payable:

The fair value of these items is calculated from the present value of the total principal and interest discounted at a rate supposing newly conducted similar borrowing.

(7) Derivatives:

The Group does not utilize any derivatives. Hence, this item is not applicable.

2. Unlisted shares (¥3,225 million on the balance sheet):

These items have no market price and it is impossible to estimate their future cash flow. As determining the market value is recognized as being extremely difficult, they are not included in "(3) Investment in securities – Available-for- sale securities".

Notes on the information per share

Net assets per share:	¥4,164.86
Net income per share:	302.97

==

(Note) All figures in the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and notes to consolidated financial statements are shown by disregarding any fractions of the relevant units, respectively. Net assets per share and net income per share are shown by rounding upward the five-thousandths of one yen or more to the nearest one-hundredth of one yen.

Copy of Account Auditors' Audit Report on Consolidated Financial Statements
(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 20, 2010

To the Board of Directors of
Funai Electric Co., Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Fumihiko Kimura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hiroshi Shirai

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masaki Mizoguchi

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements, namely, the consolidated balance sheet as of March 31, 2010 of Funai Electric Co., Ltd. (the "Company"), and the related consolidated statements of income and changes in net assets, and the related notes for the 58th fiscal year from April 1, 2009 to March 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company and consolidated subsidiaries as of March 31, 2010, and the results of their operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Additional Information

As described in the notes to consolidated balance sheet, disposition of a supplementary tax assessment based upon the application of the tax system for dealing with tax havens is disclosed.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

- END –

Copy of the Audit Committee's Audit Report on Consolidated Financial Statements

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We, members of the Audit Committee of the Company, audited the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity and the notes to consolidated financial statements) for the 58th fiscal year from April 1, 2009 to March 31, 2010. We hereby report the method and results thereof as follows:

1. Method of Audit and the Content thereof:

The Audit Committee, in accordance with the audit policy, assignment of duties, etc., as determined by the Audit Committee, received from the Corporate Officers, etc. reports on the consolidated financial statements and demanded their explanations whenever necessary.

We also monitored and verified whether the account auditors had maintained an independent position and conducted adequate audits, and received from the account auditor's reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the account auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 131 of the Regulations on Corporate Accounts) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Accounting Standards Board of Japan, October 28, 2005) and demanded their explanations whenever necessary.

In accordance with such methods, we investigated the consolidated financial statements for the fiscal year under review.

2. Results of Audit:

We are of the opinion that the method and results of the audit made by the Company's account auditors, Deloitte Touche Tohmatsu LLC, are proper.

May 26, 2010

Audit Committee
Funai Electric Co., Ltd.

Shigemichi Asakura (seal)
Chairman of the Audit Committee

Yasuhisa Katsuta (seal)
Member of the Audit Committee

Hidetoshi Nishimura (seal)
Member of the Audit Committee

Akira Miyazaki (seal)
Member of the Audit Committee

(Note) All members of the Audit Committee are outside directors as provided for in Article 2, item 15 and Article 400, paragraph 3 of the Corporation Law of Japan.

NON-CONSOLIDATED BALANCE SHEET
(As of March 31, 2010)

ASSETS	(million yen)
Current assets:	**49,514**
Cash and deposits	8,872
Notes receivable-trade	787
Accounts receivable-trade	32,985
Merchandise and finished goods	256
Raw materials and supplies	2,764
Prepaid expenses	1,242
Deferred tax assets	1,343
Other	1,293
Allowance for doubtful receivables	(32)
Fixed assets:	**57,885**
Tangible fixed assets:	**8,952**
Buildings	3,456
Structures	80
Machinery and equipment	20
Motor vehicles	0
Tools, furniture and fixtures	1,009
Land	4,086
Lease assets	298
Intangible assets:	**4,539**
Patent	3,665
Software	820
Lease assets	39
Other	14
Investments and other assets:	**44,393**
Investment securities	3,716
Investment in subsidiaries and associated companies	28,466
Long-term loans receivable	14,690
Deferred tax assets	4,368
Other	4,916
Allowance for doubtful receivables	(11,765)
TOTAL ASSETS	**107,399**

LIABILITIES (million yen)

Current liabilities:	**32,057**
Accounts payable-trade	21,244
Lease liabilities	110
Accounts payable-other	8,404
Accrued expenses	1,466
Income taxes payable	50
Deposit received	454
Reserve for product warranty	326
Other	0
Long-term liabilities:	**3,583**
Lease liabilities	245
Liabilities for retirement benefits	330
Liabilities for directors' retirement benefits	1,042
Allowance for liquidation loss on affiliated company	784
Other	1,181
TOTAL LIABILITIES	**35,640**

NET ASSETS

Shareholders' Equity	**71,253**
Common stock	**31,280**
Capital surplus:	**33,245**
Capital reserve	32,806
Other capital surplus	438
Retained earnings:	**31,069**
Legal reserve	209
Other retained earnings	30,860
Reserve reduction of fixed assets	502
General reserve	23,400
Retained earnings carried forward	6,958
Treasury stock	**(24,340)**
Valuation and translation adjustments:	**442**
Unrealized gain on available-for-sale securities	**442**
Stock options	**62**
TOTAL NET ASSETS	**71,759**
TOTAL LIABILITIES AND NET ASSETS	**107,399**

NON-CONSOLIDATED STATEMENT OF INCOME

(April 1, 2009 through March 31, 2010)

(million yen)

Net sales		**253,511**
Cost of sales		**226,239**
Gross profit		**27,272**
Selling, general and administrative expenses		**27,611**
Operating loss		**339**
Non-operating income:		
Interest and dividend income	131	
Other	148	280
Non-operating expenses:		
Interest expenses	6	
Exchange losses	85	
Loss of investments in partnership	204	
Other	91	386
Ordinary loss		**445**
Extraordinary gain:		
Gain on sales of investment securities	40	
Reversal of allowance for doubtful receivable	52	
Other	6	99
Extraordinary loss:		
Loss on disposal of fixed assets	60	
Provision for allowance for doubtful accounts of associated companies	920	
Other	24	1,005
Loss before income taxes		**1,350**
Income taxes - current	43	
Income tax – deferred	(287)	(244)
Net loss		**1,106**

NON-CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(April 1, 2009 through March 31, 2010)

(million yen)

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained surplus					
	Common stock	Capital reserve	Other capital surplus	Total capital surplus	Legal reserve	Reserve for reduction of fixed assets	General reserve	Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2009	31,280	32,806	438	33,245	209	514	23,400	9,415	33,539	(24,340)	73,724
Changes of items during the fiscal year											
Reversal of reserve for deferred income tax on fixed assets						(12)		12	-		-
Cash dividends								(1,363)	(1,363)		(1,363)
Net loss								(1,106)	(1,106)		(1,106)
Purchase of treasury stock										(0)	(0)
Net changes of items other than shareholders' equity											
Total changes of items during the fiscal year	-	-	-	-	-	(12)	-	(2,457)	(2,470)	(0)	(2,470)
Balance as of March 31, 2010	31,280	32,806	438	33,245	209	502	23,400	6,958	31,069	(24,340)	71,253

(million yen)

	Valuation and translation adjustments		Stock options	Total net assets
	Unrealized gain on available-for-sale securities	Total valuation and translation adjustments		
Balance as of March 31, 2009	(96)	(96)	17	73,645
Changes of items during the fiscal year				
Reversal of reserve for deferred income tax on fixed assets				-
Cash dividends				(1,363)
Net loss				(1,106)
Purchase of treasury stock				(0)
Net changes of items other than shareholders' equity	539	539	44	583
Total changes of items during the fiscal year	539	539	44	(1,886)
Balance as of March 31, 2010	442	442	62	71,759

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

Matters Concerning Significant Accounting Policies:

1. Basis and method of valuation of assets

    (1) Basis and method of valuation of securities:

    Investment in subsidiaries and associated companies:

    Stated at cost determined by the moving average method.

    Available-for-sale securities:

    Marketable securities

    Stated at fair value on the balance sheet date of the fiscal year (Unrealized gain or loss and net of applicable taxes reported in a seperate component of equity. Selling costs are determined by the moving average method).

    Non-marketable securities:

    Stated at cost determined by the moving average method.

(2) Basis and method of valuation of inventories:

Finished goods:	Stated at cost, determined by the average method (however, inventories are written down in case the profitability becomes lower significantly).
Raw materials:	Stated at cost, determined by the first-in, first-out method (however, inventories are written down in case the profitability becomes lower significantly) .

2. Method of depreciation of major fixed assets:

    (1) Tangible fixed assets (excluding lease assets):

    Stated by the declining-balance method.

    However, with regard to the buildings (excluding appurtenances thereto) acquired on or after April 1, 1998, the straight-line method has been adopted.

    (2) Intangible assets (excluding lease assets):

    Straight-line method.

However, depreciation of goodwill is made equally for five years; depreciation of patent rights is made by the straight-line method based on the estimated economically usable period; and depreciation of software for internal use is made by the straight-line method based on the internal usable years (five years).

(3) Lease assets:

Lease assets related to finance lease transactions that do not transfer ownership are depreciated by the straight-line method, based on the assumption that the useful life equals to the lease term and the residual value equals to zero.

Any finance lease transaction that does not transfer ownership, which became effective prior to the fiscal year during which the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13) first became applicable, is treated similarly to the manner in which ordinary lease transactions are treated.

3. Accounting for important allowances:

(1) Allowance for doubtful receivables:

To meet losses from loan default, the Company sets aside an estimated uncollectible amount, by taking into consideration the actual loss rate in respect of general credits and the individual possibilities of collection in respect of possible non-performing credits and other specific claims.

(2) Reserve for product warranty :

To meet expenses of after-sales services with regard to the products sold, the Company sets aside an estimated amount based on the past sales record.

(3) Liabilities for retirement benefits:

To meet the payment of retirement benefits to employees, the Company provides an amount, based on estimated retirement benefit obligations and plan assets as of the balance sheet date.

Prior service cost is amortized by the straight line method over a period within the average remaining years of service of the employee (10 years).

Actuarial gains or losses are amortized by the straight line method over a period within the average remaining years of service of the employee (10 years) starting from the following period.

(Change in accounting policies)
Effective from the year ended March 31,2010, the Company applied the "Partial Amendment to 'Accounting Standard for Retirement Benefits' (Part 3)" (ASBJ

Statement No. 19 (July 31, 2008)).

There was no effect of change on operating income, ordinary income and income before income taxes and minority interests.

(4) Liabilities for directors' retirement benefits:

To provide for the payment of retirement gratuities to officers, an amount payable at the end of the fiscal year under the Company's internal rules is reserved.

(5) Allowance for liquidation loss on affiliated company:

To provide for a loss on liquidation of any affiliated company, the Company sets aside the estimated amount of such loss.

4. Other significant accounting policies for preparation of financial statements

Accounting treatment of consumption taxes, etc.: By the tax-exclusive method

Notes to Non-Consolidated Balance Sheet:

1. Accumulated depreciation of assets:

Accumulated depreciation of tangible fixed assets: ¥9,895 million

2. Money debts due from and to associated companies:

Short-term monetary debts due from associated companies: ¥18,971 million
Long-term monetary debts due from associated companies: ¥14,474 million
Short-term monetary liabilities due to associated companies: ¥23,398 million

3. New share subscription rights granted as stock options:

New share subscription rights pursuant to Article 280-19 of the former Commercial Code of Japan (prior to the amendment thereto in 2001):

Date of special resolution of the General Meeting of Shareholders:	June 27, 2001
Number of new share subscription rights:	-
Class and number of shares to be issued or transferred upon exercise of new share subscription rights:	311,600 shares of common stock
Amount to be paid in upon exercise of new share subscription rights:	¥9,549 per share

Period of exercise of new share subscription rights:	From January 1, 2004 to December 31, 2010

4. Disposition of supplementary tax assessment based on the application of tax system for dealing with tax havens

On June 28, 2005 and June 16, 2008, the Company received notices of supplementary tax assessment from the Osaka Regional Taxation Bureau of aggregate taxation on the profits of its subsidiary in Hong Kong for the three fiscal years ended from March 31, 2002 to March 31, 2004 and the three fiscal years ended from March 31, 2005 to March 31, 2007, respectively, as the subsidiary in Hong Kong did not satisfy the conditions for exclusion from the application of the tax system for dealing with tax havens. The Company disagreed with the assessment and considered it to be unacceptable. The Company has contested for the validity in court.

The additional tax payment amounts were ¥16,651 million (¥19,184 million including incidental taxes) and ¥15,038 million (¥16,838 million including incidental taxes), including corporate income taxes, inhabitant taxes and enterprise taxes. They were respectively recognized as "income taxes for prior periods" for the fiscal year ended March 31, 2007 and the fiscal year ended March 31, 2009 in accordance with the "Treatment of Accounting and Presentation of Taxes for the Purpose of Audits" (JICPA Audit and Assurance Practice Committee Report No. 63).

The taxation is judged based on the status of any relevant foreign company at the end of each fiscal year thereof. Hence, for your reference, the effects of the taxation on the income of the subsidiary in Hong Kong for the fiscal year ended March 31, 2008, which was immediately after the fiscal year during which the investigation by the Bureau was made, and thereafter are estimated at approximately ¥700 million in total in corporate, inhabitant and enterprise taxes for the fiscal year ended March 31, 2008 and the fiscal year ended March 31, 2009. The Company has not accounted for the effects due to the aforementioned reasons.

Notes to Non-Consolidated Statement of Income:

Amount of transactions with associated companies

Trading:

Sales amount:	¥175,377 million
Purchase amount:	¥191,612 million
Other operating expenses:	¥2,272 million
Amount of transactions other than trading:	¥106 million

Notes to Non-Consolidated Statement of Changes in Shareholders' Equity

Matters concerning the number of shares of treasury stock:

(thousand shares)

	Number of shares at March 31, 2009	Increase in shares during the year	Decrease in shares during the year	Number of shares at March 31, 2010
Common stock (Note)	2,011	0	-	2,011

(Note) The number (0 thousand) of shares of common stock held by the Company increased as a result of the purchase of less-than-one-unit shares.

Notes on Accounting for Deferred Tax

Principal components of deferred tax assets and deferred tax liabilities

	(million yen)
Deferred tax assets	
Liabilities for retirement benefits	134
Liabilities for directors' retirement benefits	424
Accounts payable-other	1,127
Allowance for doubtful receivables	3,768
Accrued expenses (bonuses)	420
Impairment loss on investment securities	264
Impairment loss on investment in subsidiaries and associated companies	1,135
Tax loss carryforwards	5,509
Other	753
Subtotal	13,538
Valuation allowance	(6,656)
Total	6,882
Deferred tax liabilities	
Unrealized loss on available-for-sale securities	(298)
Prepaid pension expense	(527)
Reserve for reduction of fixed assets	(344)
Subtotal	(1,170)
Deferred tax assets, net	5,711

Notes on the Fixed Assets Used by Lease

Finance lease agreements that do not transfer ownership, which became effective on or before March 31, 2008, are treated similarly to the manner in which ordinary lease transactions are treated.

1. Amounts equivalent to the acquisition prices, accumulated depreciation and balance at the

end of the year:

(million yen)

	Amount equivalent to the acquisition prices	Amount equivalent to accumulated depreciation	Amount equivalent to balance at the end of the year
Tools, furniture and fixtures	675	560	115
Other	7	6	1
Total:	682	566	116

2. Future lease payable at the end of the year

Balance of future lease payable at the end of the year

Lease payable within one year:	¥76 million
Lease payable over one year:	¥44 million
Total:	¥120 million

Transactions with Related Parties

Subsidiaries, etc.

(million yen)

Type	Name	Voting Rights Held by Company (or held by others)	Relationship	Transaction	Amount of transaction	Account item	Balance as of March 31, 2010
Subsidiary	DX ANTENNA Co., Ltd.	Direct, 91.40%	Sale of products of the Company	Sale of electronic products	12,314	Trade accounts receivable	5,871
Subsidiary	Funai Electric (HK) Ltd.	Direct, 100%	Production of products of the Company	Purchase of electronic products	172,955	Trade accounts payable	19,434
Subsidiary	FUNAI CORPORATION INC.	Direct, 100%	Sale of products of the Company; interlocking directorate	Sale of electronic products	95,812	Trade accounts receivable	4,964
				Payment for discounts, etc.	10,847	Other accounts payable	1,646
Subsidiary	P&F USA, INC.	Direct, 100%	Sale of products of the Company	Sale of electronic products	59,442	Trade accounts receivable	4,621
Subsidiary	FUNAI ELECTRIC (POLSKA) Sp.z o.o.	Direct, 100%	Production of products of the Company	Sale of electronic products	5,503	Trade accounts receivable	1,854
Subsidiary	FUNAI EUROPE GmbH	Direct, 100%	Sale of products of the Company; interlocking directorate	Loan of funds	-	Long-term loans receivable	11,846
Subsidiary	FUNAI ASIA PTE LTD.	Direct, 100%	Sale of products of the Company	Loan of funds	-	Long-term loans receivable	2,325

(Note) Transaction terms and policies on the determination of transaction terms, etc.:

Like the terms of ordinary transactions, transaction terms are determined in consideration of market prices and other factors.

Note on the Information per Share

Net assets per share:	¥2,103.00
Net loss per share:	¥32.45

==

- All figures in the non-consolidated balance sheet, non-consolidate statement of income, non-consolidated statement of changes in shareholders' equity and notes to non-consolidated financial statements are shown by disregarding any fractions of the relevant units, respectively. Net assets per share and net loss per share are shown by rounding upward the five-thousandths of one yen or more to the nearest one-hundredth of one yen.

Copy of Account Auditors' Audit Report

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

May 20, 2010

To the Board of Directors of
Funai Electric Co., Ltd.:

Deloitte Touche Tohmatsu LLC

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Fumihiko Kimura

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Hiroshi Shirai

Designated Unlimited Liability Partner,
Engagement Partner,
Certified Public Accountant:

Masaki Mizoguchi

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the financial statements, namely, the balance sheet as of March 31, 2010 of Funai Electric Co., Ltd. (the "Company"), and the related statements of income and changes in net assets, and the related notes for the 58th fiscal year from April 1, 2009 to March 31, 2010, and the accompanying supplemental schedules. These financial statements and the accompanying supplemental schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the accompanying supplemental schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the accompanying supplemental schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the accompanying supplemental schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and the accompanying supplemental schedules presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the accompanying supplemental schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Additional Information

As described in the notes to non-consolidated balance sheet, disposition of a supplementary tax assessment based upon the application of the tax system for dealing with tax havens is disclosed.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language and "the accompanying supplemental schedules" referred to in this report are not included in the attached financial documents.

- END -

Copy of the Audit Committee' Audit Report

AUDIT REPORT

We, members of the Auditor Committee of the Company, audited the performance by Directors and Corporate Officers of their duties during the 58th fiscal year from April 1, 2009 to March 31, 2010. We hereby report the method and results thereof as follows:

1. Method of Audit and the Content thereof:

We monitored and examined the contents of the resolutions of the Board of Directors concerning the matters as listed in Article 416, paragraph 1, item 1, b. and e. of the Corporation Law of Japan and the state of the internal control system established thereunder, and in accordance with the audit policy, assignment of duties, etc., as determined by the Audit Committee and in collaboration with the internal audit sections and other sections in charge of the internal control of the Company, attended important meetings, received from the Directors, Corporate Officers, etc. reports on matters concerning the performance of their duties, demanded their explanations whenever necessary, inspected important decision documents, etc., and made investigation into the state of activities and property at the head office and principal business offices of the Company. With regard to its subsidiaries, we maintained constant communication and exchanged information with the directors, corporate auditors, etc. thereof and received from the subsidiaries reports on their business operations whenever necessary.

We also monitored and verified whether the account auditors had maintained an independent position and conducted adequate audits, and received from the account auditors reports on the state of performance of their duties and demanded their explanations whenever necessary. In addition, we received from the account auditors a notice that the "systems to secure adequate performance of duties" (as listed in the items of Article 131 of the Regulations on Corporate Accounts) had been established in accordance with the "Standard for Quality Control Concerning Audits" (the Accounting Standards Board of Japan, October 28, 2005) and demanded their explanations whenever necessary.

In accordance with such methods, we investigated the business report, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity and the notes to non-consolidated financial statements) and their accompanying detailed statements for the fiscal year under review.

2. Results of Audit:

(1) Results of audit of the business report, etc.:

We are of the opinion:

(i) That the business report and its accompanying detailed statements present fairly the state of the Company in accordance with laws or ordinances and the Articles of

Incorporation;

(ii) That in connection with the performance by the Directors and Corporate Officers of their duties, no dishonest act or material fact of violation of laws or ordinances or the Articles of Incorporation exists; and

(iii) That the details of the resolutions of the Board of Directors on internal control systems are proper and that the performance by the Directors and Corporate Officers of their duties concerning such internal control systems contains nothing to be pointed out.

(2) Results of audit of the non-consolidated financial statements and their accompanying detailed statements:

We are of the opinion that the method and results of the audit made by the account auditors, Deloitte Touche Tohmatsu LLC, are proper.

May 26, 2010

Audit Committee
Funai Electric Co., Ltd.

Shigemichi Asakura (seal)
Chairman of the Audit Committee

Yasuhisa Katsuta (seal)
Member of the Audit Committee

Hidetoshi Nishimura (seal)
Member of the Audit Committee

Akira Miyazaki (seal)
Member of the Audit Committee

(Note) All members of the Audit Committee are outside directors as provided for in Article 2, item 15 and Article 400, paragraph 3 of the Corporation Law of Japan.

- END -

Reference Document for the General Meeting of Shareholders

Propositions and reference information

Proposition No. 1: Amendment to the Articles of Incorporation

1. Reasons for the amendment:

(1) To enhance efficiencies of management and improve the execution of business, the Company has determined to shift its management structure from a "company having committees" to a "company having a board of corporate auditors". Accordingly, the Company intends to establish new provisions for Corporate Auditors and a Board of Corporate Auditors and make other required amendments.

(2) To prepare in advance in case the number of Corporate Auditors falls below the number stipulated by law and save the trouble of electing an Alternate Corporate Auditor annually, the Company intends to establish a new provision to make the election of an Alternate Corporate Auditor continue to remain effective for four years.

(3) To allow such Corporate Auditors to fully play their expected roles, the Company intends to establish new provisions based on a system of indemnification of corporate officers as provided for in Article 426 and Article 427 of the Corporation Law of Japan.

(4) With regard to the indemnification of Corporate Officers provided for in the existing Articles of Incorporation, the Company intends to establish a transitional measure as a supplementary provision to keep the effectiveness of the indemnification thereof after the Company shifts to a "company having a board of corporate auditors".

(5) In accordance with the establishment and deletion of the provisions set forth above, the Company intends to alter the numbers of the existing provisions.

2. Particulars of the amendment:

The particulars of the proposed amendment are set forth below:

(Underlines show amendment)

Existing Articles of Incorporation	Proposed amendment
(Organs) Article 4. The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors: (1) The Board of Directors; (2) Committees; and	(Organs) Article 4. The Company shall have the following organs in addition to the General Meeting of Shareholders, Directors and Corporate Auditors: (1) The Board of Directors; (To be deleted)

Existing Articles of Incorporation	Proposed amendment
(To be newly established) (3) Account Auditors.	(2) Board of Corporate Auditors; and (3) Account Auditors.
(Share registrar) Article 9. The Company shall have a share registrar. 2. The share registrar and its place of business shall be designated by resolution of the Board of Directors or a decision of the Corporate Officers as authorized by resolution of the Board of Directors and public notice shall be given thereof. 3. (Description omitted)	(Share registrar) Article 9. The Company shall have a share registrar. 2. The share registrar and its place of business shall be designated by resolution of the Board of Directors and public notice shall be given thereof. 3. (Same as existing)
(Share Handling Regulations) Article 10. The procedures for the exercise of shareholders' rights and other handling of the shares of the Company shall be governed by the Share Handling Regulations to be established by the Board of Directors or the Corporate Officers as authorized by resolution of the Board of Directors, in addition to laws or ordinances or these Articles of Incorporation.	(Share Handling Regulations) Article 10. The procedures for the exercise of shareholders' rights and other handling of the shares of the Company shall be governed by the Share Handling Regulations to be established by the Board of Directors, in addition to laws or ordinances or these Articles of Incorporation.
(Convener and chairman) Article 13. A General Meeting of Shareholders shall be convened, in accordance with a resolution of the Board of Directors, and presided over, by the President and CEO, who shall be Director. 2. If the office of the President and CEO, who shall be Director, is vacant or he is unable to act, one of the other Directors shall act in his place in the order previously determined by the Board of Directors.	(Convener and chairman) Article 13. A General Meeting of Shareholders shall be convened, in accordance with a resolution of the Board of Directors, and presided over, by the Representative Director specified by the Board of Directors. 2. If the Representative Director set forth in the preceding paragraph is unable to act, one of the other Representative Directors or Directors shall act in his place in the order previously determined by the Board of Directors.
(To be newly established)	(Representative Directors) Article 20. By resolution of the Board of Directors, the Company shall appoint one (1) or more Representative Directors.

Existing Articles of Incorporation	Proposed amendment
Article <u>20</u>. (Description omitted)	Article <u>21</u>. (Same as existing)
(Notice of meeting of the Board of Directors) Article <u>21</u>. Notice for convening a meeting of the Board of Directors shall be dispatched to each Director not later than three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity. 2. If consented to by all the Directors, a meeting of the Board of Directors may be held without following the convocation procedure.	(Notice of meeting of the Board of Directors) Article <u>22</u>. Notice for convening a meeting of the Board of Directors shall be dispatched to each Director <u>and each Corporate Auditor</u> not later than three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity. 2. If consented to by all the Directors <u>and Corporate Auditors</u>, a meeting of the Board of Directors may be held without following the convocation procedure.
Article <u>22</u> ～ Article <u>23</u> (Descriptions omitted)	Article <u>23</u> ～ Article <u>24</u> (Same as existing)
(Remuneration, etc.) Article <u>24</u>. Remuneration, bonuses and other proprietary benefits ("remuneration, etc.") Directors may receive from the Company in consideration of the execution of their duties shall be determined by resolution of <u>the Compensation Committee</u>.	(Remuneration, etc.) Article <u>25</u>. Remuneration, bonuses and other proprietary benefits ("remuneration, etc.") Directors may receive from the Company in consideration of the execution of their duties shall be determined by resolution of <u>a General Meeting of Shareholders</u>.
Article <u>25</u>. (Descriptions omitted)	Article <u>26</u>. (Same as existing)
<u>Chapter V. Corporate Officers</u> <u>(Number)</u> <u>Article 26. The Company shall have no more than three (3) Corporate Officers.</u>	(To be deleted) (To be deleted)
<u>(Method of election)</u> <u>Article 27. Corporate Officers shall be elected by resolution of the Board of Directors.</u>	(To be deleted)

Existing Articles of Incorporation	Proposed amendment
(Term of office) Article 28. The term of office of Corporate Officers shall expire at the close of the first meeting of the Board of Directors held after the close of the Ordinary General Meeting of Shareholders relating to the closing of accounts last to occur within one (1) year after their assumption of office.	(To be deleted)
(Representative Corporate Officers and Corporate Officers with specific titles) Article 29. By resolution of the Board of Directors, there shall be appointed one (1) or more Representative Corporate Officers.	(To be deleted)
2. By resolution of the Board of Directors, the Company may appoint one (1) Chairman and Executive Officer, one (1) President and CEO, one (1) or more Executive Vice Presidents, Executive Managing Officers and Managing Officers.	(To be deleted)
(Regulations of Corporate Officers) Article 30. All matters concerning Corporate Officers shall be governed by the Regulations of Corporate Officers to be established by the Board of Directors, in addition as provided for in laws or ordinances, these Articles of Incorporation or the Regulations of the Board of Directors.	(To be deleted)
(Remuneration) Article 31. Remuneration, etc. of Corporate Officers shall be determined by resolution of the Compensation Committee.	(To be deleted)

Existing Articles of Incorporation	Proposed amendment
(Indemnification of Corporate Officers) Article 32. The Company may, by resolution of the Board of Directors, exempt any Corporate Officer (including any former Corporate Officer) from liabilities for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan, to the extent allowable by law, pursuant to the provision of Article 426, paragraph 1 of the said Law.	(To be deleted)
(To be newly established)	Chapter V. Corporate Auditors and Board of Corporate Auditors
(To be newly established)	(Number) Article 27. The Company shall have no more than three (3) Corporate Auditors.
(To be newly established)	(Method of election) Article 28. Corporate Auditors shall be elected at General Meetings of Shareholders. 2. Resolutions for the election of Corporate Auditors shall be adopted at a General Meeting of Shareholders at which shareholders holding one-third (1/3) or more of voting rights of the shareholders entitled to vote shall be present, by a majority of the voting rights of the shareholders so present. 3. In preparation for a vacancy in such number of Corporate Auditors as provided for in laws or ordinances, the Company may elect an Alternate Corporate Auditor or Auditors at a General Meeting of Shareholders pursuant to the provision of Article 329, paragraph 2 of the Corporation Law of Japan. 4. The resolution for the election of an Alternate Corporate Auditor or Auditors under the preceding paragraph shall remain

Existing Articles of Incorporation	Proposed amendment
	effective until the commencement of the Ordinary General Meeting of Shareholders relating to the last fiscal year to end within four (4) years after his/her/their election.
(To be newly established)	(Term of office) Article 29. The term of office of Corporate Auditors shall expire at the close of the Ordinary General Meeting of Shareholders relating to the last fiscal year to end within four (4) years after their election. 2. The term of office of a Corporate Auditor elected to fill a vacancy created by the retirement of a Corporate Auditor prior to the expiration of the term of office shall expire at such time as the term of office of the retired Corporate Auditor would expire.
(To be newly established)	(Full-time Corporate Auditors) Article 30. The Board of Corporate Auditors shall, by its resolution, appoint one (1) or more full-time Corporate Auditors.
(To be newly established)	(Notice of meeting of the Board of Corporate Auditors) Article 31. Notice for convening a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor not later than three (3) days prior to the date of the meeting; provided, however, that such period of notice may be shortened in the case of urgent necessity. 2. If consented to by all the Corporate Auditors, a meeting of the Board of Corporate Auditors may be held without following the convocation procedure.
(To be newly established)	(Method of adopting resolutions of the Board of Corporate Auditors) Article 32. Resolutions of the Board of Corporate Auditors shall be adopted by a majority of the Corporate Auditors.

Existing Articles of Incorporation	Proposed amendment
(To be newly established)	(Regulations of the Board of Corporate Auditors) Article 33. All matters concerning the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors to be established by the Board of Corporate Auditors, in addition as provided for in laws or ordinances or in these Articles of Incorporation.
(To be newly established)	(Remuneration, etc.) Article 34. Remuneration, etc. of Corporate Auditors shall be determined by resolution of a General Meeting of Shareholders.
(To be newly established)	(Indemnification of Corporate Auditors) Article 35. The Company may, by resolution of the Board of Directors, exempt any Corporate Auditor (including any former Corporate Auditor) from liabilities for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan, to the extent allowable by law, pursuant to the provision of Article 426, paragraph 1 of the said Law. 2. The Company may enter into an agreement with any outside Corporate Auditor to limit liabilities for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan to the aggregate amount as provided for in the items of paragraph 1 of Article 425 of the said Law, pursuant to the provision of Article 427, paragraph 1 of the said Law.
Article 33 ～ (Descriptions omitted) Article 36	Article 36 ～ (Same as existing) Article 39
(To be newly established)	Supplementary Provisions
(To be newly established)	Article 1. The Company may, by resolution of the Board of Directors, exempt any Corporate Officer (including any former

Existing Articles of Incorporation	Proposed amendment
	Corporate Officer) from liabilities for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan which may be caused prior to the commencement of the 58th Ordinary General Meeting of Shareholders, to the extent allowable by law, pursuant to the provision of Article 426, paragraph 1 of the said Law.

Proposition No. 2: Election of 12 Directors

The term of office of all the (7) Directors currently in office will expire at the close of this Ordinary General Meeting of Shareholders. Subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders, the Company will shift from a "company having committees" to a "company having a board of corporate auditors". Hence, to strengthen the management structure of the Company, it is hereby proposed that 12 Directors, including two (2) outside Directors, be elected, subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders.

The candidates for Directors are as follows:

Candi-date No.	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
1.	Tetsuro Funai (January 24, 1927)	April 1951	Established Funai Sewing Machine Company	12,709,488 shares
		December 1952	Representative Director of Funai Sewing Machine Co., Ltd.	
		August 1961	Founding President and Representative Director of Funai Electric Co., Ltd. (the "Company")	
		June 2005	Director of the Company; President and CEO of the Company	
		June 2008	Director of the Company (To date); Chairman and Corporate Officer of the Company (To date)	
		(Chairman of Funai Information Science Promotion Foundation) (Chairman of Funai Scholarship Foundation)		
2.	Tomonori Hayashi (March 13, 1947)	April 1969	Joined the Company	10,400 shares
		October 2002	Officer of the Company	
		June 2005	Executive Officer of the Company	
		March 2006	CEO of FUNAI CORPORATION INC.	
		June 2007	Senior Executive Officer of the Company	
		March 2008	General Manager of AV Headquarters of the Company	
		June 2008	Director of the Company (To date); President and CEO of the Company (To date)	

Cand i-date No.	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
3.	Mitsuo Yonemoto (March 18, 1939)	July 1995	Vice President and Director of T.P.S. Laboratory Co., Ltd. (To date)	100 shares
		September 1998	Outside Director of the Company (To date)	
		March 2009	Outside Director of The Sailor Pen Co., Ltd. (To date)	
		(Vice President and Director of T.P.S. Laboratory Co., Ltd.) (Outside Director of The Sailor Pen Co., Ltd.)		
4.	Yasuhisa Katsuta (February 20, 1942)	April 1965	Joined The Daiwa Bank, Limited (now Resona Bank, Limited)	-
		June 2001	President of The Daiwa Bank, Limited	
		December 2001	President and Representative Director of Daiwa Gin Holdings, Inc. (Now Resona Holdings, Inc.); Director of Daiwa Gin Trust Bank Co., Ltd. (Now, Resona Bank, Limited)	
		July 2004	Advisor of the Company	
		June 2005	Outside Director of the Company (To date)	
		June 2006	Outside Corporate Auditor of Otsuka Pharmaceutical Co., Ltd. (To date)	
		July 2008	Chairman of Osaka University of Economics (To date)	
		(Outside Corporate Auditor of Otsuka Pharmaceutical Co., Ltd.) (Chairman of Osaka University of Economics)		
5.	Takashi Kiyomoto	April 1968	Joined Nakagawa Electronics Co.,	4,400 shares

Candi-date No.	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
			Ltd. (now Funai Electric Co., Ltd.)	
		October 2002	President of Funai Electric (HK) Ltd. (To date); Officer of the Company	
		June 2005	Executive Officer and General Manager of Production Headquarters of the Company	
		June 2007	Senior Executive Officer and General Manager of Production Headquarters of the Company (To date)	
6.	Hideo Nakai (November 1, 1947)	April 1970	Joined the Company	4,000 shares
		October 2002	Officer and General Manager of Development & Technology Headquarters of the Company	
		June 2005	Executive Officer and General Manager of Development & Technology Headquarters of the Company	
		June 2007	Senior Executive Officer and General Manager of Development & Technology Headquarters of the Company (To date)	
7.	Shinji Seki (December 5, 1947)	April 1968	Joined the Company	4,000 shares
		December 2006	Officer and General Manager of DVD Business Div. of the Company (To date)	
		June 2008	Executive Officer and General Manager of AV Headquarters of the Company (To date); President and Representative Director of P&F USA, INC. (To date)	
8.	Toshio Otaku (July 11, 1948)	April 1967	Joined the Company	700 shares
		June 2007	Officer and General Manager of New Business Div. of the Company	
		June 2008	Executive Officer and General Manager of New Business Div. of the Company (To date)	
9.	Yoshikazu Uemura	January 1992	Joined the Company	700 shares

Cand i-date No.	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
		July 2004	General Manager of DVD Marketing Dept. of the Company	
		April 2007	COO of FUNAI CORPORATION, INC. (To date)	
		October 2009	Officer of the Company (To date)	
10.	Joji Okada (August 27, 1954)	April 1977	Joined Hitachi, Ltd.	500 shares
		April 1990	Chief Engineer, Hitachi, Ltd.	
		April 1999	General Manager of Development Office, System LSI Business Dept., Semiconductor Group of Hitachi, Ltd.	
		April 2003	General Manager of Global Marketing Dept. of Renesas Technology Corp.	
		February 2004	Representative Director of Applause Technologies Co., Ltd.	
		December 2005	Joined the Company	
		April 2007	Executive Manager of Development & Technology Headquarters of the Company	
		October 2009	Officer and Deputy General Manager of Development & Technology Headquarters of the Company (To date)	
11.	Hideaki Funakoshi (September 30, 1965)	April 1984	Joined Mitsubishi Electric Engineering Company Limited	800 shares
		January 1993	Joined the Company	
		July 2003	Chief Engineer, AV Project of the Company	
		April 2006	General Manager, DVD Project of the Company	
		February 2008	Executive General Manager of DVD Business Div. of the Company (To date)	
12.	Shigeki Saji (April 13, 1972)	April 1995	Joined the Company	1,000 shares
		July 2003	Manager, Funai Electric (HK) Ltd.	
		May 2006	Assistant General Manager of AV Headquarters of the Company	
		October 2009	President and Representative Director of FUNAI ELECTRIC (POLSKA) Sp.z.o.o. (To date)	

(Notes) 1. None of the candidates for Directors has any special interests with the Company.

2. Candidates for Directors Messrs. Mitsuo Yonemoto and Yasuhisa Katsuta are candidates for outside Directors.
3. Reasons for the selection of the candidate for outside Directors:
   Management has judged that Mr. Mitsuo Yonemoto will be able to offer advice based on his broad experience as a management consultant.

   Management has judged that Mr. Yasuhisa Katsuta will be able to use his experience in and capabilities in corporate management and banking and financing in the management of the Company.
4. Years of service of outside Directors of the Company:

   Mr. Mitsuo Yonemoto will have served as outside Director for 12 years at the close of this Ordinary General Meeting of Shareholders.

   Mr. Yasuhisa Katsuta will have served as outside Director for five years at the close of this Ordinary General Meeting of Shareholders.
5. Conclusion of liability limitation agreements:

   The Company has entered into an agreement with each of the outside Directors Mitsuo Yonemoto and Yasuhisa Katsuta to limit his liability for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan within the aggregate amount as provided for in the items of Article 425, paragraph 1 of the said law, pursuant to Article 427, paragraph 1 of the said law. If each of them is reelected, such agreement will be renewed.
6. Posts in the Company and business in charge of the candidates for Directors proposed to be reelected:

   As stated on page 10 of the business report.

Proposition No. 3: Election of three (3) Corporate Auditors

Subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders, the Company will shift from a "company having committees" to a "company having a board of corporate auditors". Accordingly, the Company is required to newly elect Corporate Auditors. Hence, it is hereby proposed that three (3) Corporate Auditors be elected, subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders.

The candidates for Corporate Auditors are as follows:

Candi-date No.	Name (Date of birth)	Brief history and post in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
1.	Akitaka Inoue (September 25, 1944)	January 1973	Joined Mizuho Audit Corporation	3,000 shares
		September 1976	Registered as Certified Public Accountant	
		July 1991	Partner, Mizuho Audit Corporation	
		July 1999	Joined the Company;	
		September 1999	Director of the Company	
		June 2003	Officer and General Manager of Corporate Planning Headquarters of the Company; Outside Corporate Auditor of ITX Corporation	
		June 2004	Corporate Auditor of the Company	
		June 2005	Director and Chairman of Audit Committee of the Company	
		June 2009	Special Advisor of the Company (To date)	

Candi-date No.	Name (Date of birth)	Brief history and post in the Company (and important concurrent office)		Number of shares of the Company held by Candidate
2.	Shinichi Koneda (May 15, 1937)	April 1962	Joined Nichimen Corporation (now Sojitz Corporation)	- share
		July 1987	General Manager of Dept. I of Electronic Information Headquarters, Osaka Head Office of Nichimen Corporation	
		September 1990	Vice President and General Manager of Chicago Branch of Nichimen U.S.A.	
		May 1991	Outside Director of Navigation Technologies Corp. (now NAVTEQ Corp.)	
		March 1995	President and Representative Director of Nichimen Electric Parts Co., Ltd.	
		March 2001	President and Representative Director of TOKYO DEN-ON Co., Ltd.	
		February 2006	Representative Director of NAVTEQ Corp.	
		May 2010	Director of NAVTEQ Corp. (To date) (Director of NAVTEQ Corp.)	
3.	Masahide Morimoto (August 27, 1944)	April 1967	Joined Daiwa Securities Co. Ltd.	1,000 shares
		June 1991	Director, General Manager of Higashi-Tokyo Headquarters and General Manager of Tokyo Metropolitan-West Sales Headquarters of Daiwa Securities Co. Ltd.	
		September 1995	Managing Director and General Manager of Osaka-Kinki-Shikoku Sales Headquarters of Daiwa Securities Co. Ltd.	
		April 1999	Representative Director and General Manager of Osaka Branch of Daiwa Securities SMBC Co. Ltd. (now Daiwa Securities Capital Markets Co., Ltd.)	
		June 2001	President and Representative Director of Daiwa Tochi Tatemono Co., Ltd. (now Daiwa Property Co., Ltd.)	
		April 2007	Special Advisor of Daiwa Property Co., Ltd.	

(Notes) 1. None of the candidates for Corporate Auditors has any special interests with the Company.

2. Candidates for Corporate Auditors Messrs. Shinichi Yoneda and Masahide Morimoto are candidates for outside Corporate Auditors.

3. Reasons for the selection of the candidate for outside Corporate Auditors:

   Management has judged that Messrs. Shinichi Yoneda and Masahide Morimoto, who have long engaged in corporate management, will be able to use their capabilities and knowledge for the audit systems of the Company.

4. Conclusion of liability limitation agreements:

   When Messrs. Shinichi Yoneda and Masahide Morimoto are elected, the Company will enter into an agreement with each of them to limit his liability for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan within the aggregate amount as provided for in the items of Article 425, paragraph 1 of the said law, pursuant to Article 427, paragraph 1 of the said law.

Proposition No. 4: Election of one (1) Alternate Corporate Auditor

Subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders, the Company will shift from a "company having committees" to a "company having a board of corporate auditors". Accordingly, the Company is required to newly elect Corporate Auditors. Hence, it is hereby proposed that one (1) Alternate Corporate Auditor be elected in accordance with the provision of Article 329, paragraph 2 of the Corporation Law of Japan, to prepare in advance in case the number of Corporate Auditors falls below the number stipulated by law, subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders.

With regard to the effectiveness of the election, it may be repealed by resolution of the Board of Directors upon consent thereto by the Board of Corporate Auditors only before he assumes office.

The candidate for Alternate Corporate Auditor is as follows:

Name (Date of birth)	Brief history (and important concurrent office)		Number of shares of the Company held by Candidate
Naganori Tanaka (November 13, 1938)	April 1961	Joined Nichimen Corporation (now Sojitz Corporation)	100 shares
	March 1989	General Manager of Osaka Electric Appliance Dept. II of Nichimen Corporation	
	March 1992	General Manager of Tokyo Telecommunications Dept. I of Nichimen Corporation	
	November 1993	President and Representative Director of Nichimen Telecom Service, Inc.	
	October 2000	President and Representative Director of IT Telecom, Inc. (now ITX Corporation)	
	March 2002	Chairman and Director of ITX Corporation	

(Notes) 1. Candidate for Alternate Corporate Auditor has no special interests with the Company.

2. Candidate for Alternate Corporate Auditor Mr. Naganori Tanaka is a candidate for alternate outside Corporate Auditor.

3. Reasons for the selection of the candidate for alternate outside Corporate Auditor:

Management has judged that Mr. Naganori Tanaka, who has long engaged in corporate management, will be able to use his capabilities and knowledge for the audit systems of the Company.

4. Conclusion of liability limitation agreements:

When Mr. Naganori Tanaka assume the office of Corporate Auditor, the Company will enter into an agreement with him to limit his liability for any damage as provided for in Article 423, paragraph 1 of the Corporation Law of Japan within the aggregate amount as provided for in the items of Article 425, paragraph 1 of the said law, pursuant to Article 427, paragraph 1 of the said law.

Proposition No. 5: Granting of retirement gratuities to the retiring Directors

It is hereby proposed that retirement gratuities be granted to Messrs. Akira Miyazaki, Shigemichi Asakura and Hidetoshi Nishimura, who will retire upon expiration of the term of office as Directors at the close of this Ordinary General Meeting of Shareholders, in appreciation of services rendered by them while in office, within the extent of a reasonable amount in accordance with the established standards of the Company and that determination of the actual amount, the time and method of presentation, etc. be left to the Board of Directors subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders.

The brief histories of the retiring Directors are as follows:

Name	Brief history
Akira Miyazaki	June 2004 Outside Director of the Company (To date)
Shigemichi Asakura	June 2005 Outside Director of the Company (To date)
Hidetoshi Nishimura	June 2006 Outside Director of the Company (To date)

Proposition No. 6: Revision of remuneration of Directors and Statutory Auditors

Subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders, the Company will shift from a "company having committees" to a "company having a board of corporate auditors". Accordingly, management desires to newly fix the amounts of remuneration for Directors and Corporate Auditors to allow itself to follow an agile remuneration policy. Hence, in consideration of the current economic conditions and various other factors, it is hereby proposed that the amount of remuneration for Directors be no more than ¥550 million per year (including the amount of ¥30 million of remuneration for outside Directors per year) and the amount of remuneration for Corporate Auditors be no more than ¥40 million per year, subject to the approval of Proposition No. 1 "Amendment to the Articles of Incorporation" by the shareholders.

The amount of remuneration for Directors shall not include wages of employees payable to employees concurrently serving as Directors.

Upon the approval and adoption of Proposition No. 2 and Proposition No. 3, there will be 12 Directors (including two outside Directors) and three Corporate Auditors.

- END -