

April 2, 2013

To Whom It May Concern:

Funai Electric Co., Ltd.
Representative Director
President and CEO: Tomonori Hayashi
(Code No.: 6839 First Section of TSE/OSE)

Notice of Acquisition of Inkjet-Related Technology and Assets of Lexmark International, Inc.

Funai Electric Co., Ltd. (Headquarters: Daito, Osaka; hereinafter, "Funai" or the "Company") announces today that it has executed an agreement to acquire the inkjet-related (IJ) technology and assets of Lexmark International, Inc. (Lexington, Kentucky; hereinafter, "Lexmark").

1. Strategic Rationale for the Acquisition

As a contract manufacturer, Funai has supplied inkjet hardware to Lexmark since July of 1997. Funai has worked closely with Lexmark for around 16 years in developing printer hardware and has established a strong relationship with Lexmark.

The acquisition of the IJ technology and assets enables Funai to start and grow our own inkjet business, not as a contract manufacturer of printer products (excluding lucrative supplies) any longer, with the inkjet patents, manufacturing facilities and comprehensive R&D capabilities for the products (including supplies) related to inkjet printers, the strong inkjet business platform which Lexmark has established for years. As a result, Funai believes it will be able to expand its business going forward sustainably.

2. The Assets to be Transferred

(1) The Details of Assets

Inkjet Patents

IJ R&D Resources in the U.S.

All of Outstanding Shares of IJ Manufacturing Affiliate of Lexmark in Philippines (Including Land, Building, Equipment and Staff)

Other IJ Technologies and Assets

(2) Assets to be Transferred in Amount

Acquisition price is JPY 9,500 million (assuming an exchange rate of JPY 95 to the U.S. Dollar), and costs for this acquisition are all to be funded through resources on hand. The details of assets and liabilities to be transferred and their amount are under review.

3. Profile of Lexmark

(1) Name	Lexmark International, INC.
(2) Location	One Lexmark Centre Drive, 740 West New Circle Road, Lexington, Kentucky USA
(3) Name and Position of Representative	Paul Rooke, Chairman and CEO
(4) Businesses	Involvement in manufacturing of printer and imaging products, and providing related software, solution and service
(5) Capital	US\$ 901.6 million (As of December31, 2012)
(6) Establishment	May 25, 1990
(7) Net Assets	US\$ 1,281.2 million (As of December31, 2012)
(8) Total Assets	US\$ 3,523.4 million (As of December31, 2012)

(9) Principal Shareholders and Ownership Ratios	Artisan Partners Holdings LP	12.17%
	FMR LLC	6.87%
	Indian Asset Management LLC	6.72%
	Fairpointe Capital LLC	6.59%
	LSV Asset Management	5.98% (As of December 31, 2012)
(10) Relationships between the Listed Company and Said Company	Capital Relationships	No capital relationships requiring mention exist between the Company and said company. Furthermore, no particularly notable capital relationships exist between affiliated persons or affiliated companies of the Company and said company.
	Personal Relationships	No personal relationships requiring mention exist between the Company and said company. Furthermore, no particularly notable personal relationships exist between affiliated persons or affiliated companies of the Company and said company.
	Transactional Relationships	Funai Electric Group is the manufacturer and supplier of a printer product for Lexmark International to sell.
	People with Relevant Relationships	Said company has no people with relevant relationships to the Company. Furthermore, no affiliated persons or affiliated companies of said company have people with relevant relationships to the Company.

4. Schedule

(1) Conclusion of Agreements	April 2, 2013
(2) Expected Date of Asset Transfer	Within the first half of 2013

5. Overview of Accounting Treatment

Stock and fixed assets are to be acquired with certain amount of goodwill expected.

6. Future Outlook

At present, the likely impact of the Transaction in current fiscal years going forward is under review. A notification will be provided shortly after such information has been confirmed.

(Reference) Forecast of Consolidated Operating Performance for the last Fiscal Year (As Announced November 2, 2012) and Consolidated Operating Performance for the Preceding Fiscal Year

(Million yen)

	Consolidated Net Sales	Consolidated Operating Income (Loss)	Consolidated Ordinary Income (Loss)	Consolidated Net Income (Loss)
Forecast of Consolidated Operating Performance for the Last Fiscal Year (Year Ending March 31, 2013)	205,000	(2,500)	(4,100)	(5,800)
Consolidated Operating Performance for the Preceding Fiscal Year (Year Ended March 31, 2012)	246,147	461	174	(4,629)