

December 25, 2014

To Whom It May Concern:

F u n a i E l e c t r i c C o . , L t d .  
Representative Director  
President and CEO: Tomonori Hayashi  
(Code No.: 6839 First Section of TSE)

## Notice regarding arbitration with PHILIPS (Update on previously disclosed matter)

**Osaka, Japan**— Regarding the previously announced arbitration between Funai Electric Co., Ltd. (headquarters: Daito, Osaka; hereinafter, “Funai”) and Koninklijke Philips N.V. (hereinafter, “Philips”), Funai hereby announces that in Philips’s statement of reply, which Funai received on December 24, 2014, Philips has revised the amount of its claim for compensatory damages.

### Details

#### 1. Amount of Claim filed by Philips

EUR 189.6M (equivalent to JPY 27.7B when converted at EUR 1 to JPY 146, as revised from EUR 171.8M, announced by Philips on May 20, 2014), statutory interest and arbitration costs

#### 2. Future outlook

The amount of claim filed by Philips is based on the individual and biased views of Philips and is not an amount that has been judged as valid through the arbitration procedures. Funai rejects the entire claim as well as the amount of the claim. Funai will continue to assert its case against Philips’s claim in statements to be submitted by Funai in the arbitration proceedings.

As announced on October 2, 2014, Funai has filed a petition of the amount of compensatory damages claimed in its counterclaim against Philips, consisting of EUR 312.3M (equivalent to JPY 43.1B when converted at the exchange rate of October 2, 2014 of EUR 1 to JPY 138) , the amount of tax payable, contractual interest and arbitration costs.

Funai will promptly make further disclosures with respect to any new matters concerning this arbitration when required.

For further information, please contact

Tetsuhiro Maeda

Representative Director, Officer, and General Manager of Corporate Planning Division  
Investor and Public Relations Office

E-mail: [investor\\_relations@funai.co.jp](mailto:investor_relations@funai.co.jp)