

October 26, 2017

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
P r e s i d e n t a n d C E O :
Hideaki Funakoshi
(Code No.: 6839 First Section of TSE)

Notice on Ruling of the Appeal Court on the Tax Haven Litigation

Funai Electric Co., Ltd. (hereinafter referred to as the “Company”) had objected to the corrective action (subject period: from the fiscal year ended March 31, 2008, through the fiscal year ended March 31, 2010) from the Commissioner of the Osaka Regional Taxation Bureau, based on the decision that the Company’s Hong Kong subsidiary did not satisfy the conditions for exclusion from application of the anti-tax haven rules, and filed a complaint with the Tokyo District Court to rescind the reassessment order. With respect to this action, the court of first instance dismissed the claims of the Company on September 28, 2016.

The Company filed an appeal with the Tokyo High Court against this judgment. The Company hereby announces that the Tokyo High Court today dismissed the claims of the Company.

1. Development of the Case

January 17, 2013	Filing of action by the Company with the Tokyo District Court (first instance)
September 28, 2016	Verdict of the first instance
October 12, 2016	Filing of an appeal by the Company with the Tokyo High Court
October 26, 2017	Verdict of the appeal trial

2. Details of Decision

- (1) All claims of the plaintiff were dismissed.
- (2) The plaintiff shall bear the costs of litigation.

3. Future prospects

It is indeed regrettable that the Company’s claims were not accepted in this verdict. The Company believes that this verdict was influenced by previous appeals (final decisions have already been made by the Supreme Court), and intends to consider future actions upon close examination of the details of the verdict.

The additional tax (approximately ¥0.9 billion, inclusive of corporate, business, and other incidental taxes) has already been recorded as “prior year’s taxes” in the fiscal year ended March 31, 2012. Therefore, there is no impact on the performance of the current term (fiscal year ending March 31, 2018).

For further information, please contact
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