

February 3, 2005

To Whom It May Concern:

Funai Electric Co.,Ltd.

Representative:Tetsuro Funai,President
(Code No.:6839 1st section of TSE/OSE)

Inquires:Toshihiko Morita, Executive Director
Administrative Division
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Announcement of New Policy for Providing Return to Shareholders and Revision of Fiscal Year ending March 2005 Dividend Forecast

Osaka, Japan, February 3, 2005

Funai Electric Co., Ltd. (Headquarters: Daito-city, Osaka, President : Tetsuro Funai) announced that its Board of Directors held on February 3, 2005 decided to adopt a new policy for providing return to its shareholders in order to further implement shareholder - oriented management and revise upward Fiscal Year ending March 2005 dividend forecast.

Note

1. New Policy for Providing Return to Shareholders

Funai Electronic acknowledges that providing return to shareholders in connection with the distribution of profit is one of the most important management issues and historically places its basic policy on the distribution of dividend at a stable level to shareholders. We aim for providing return to shareholders based on the basic measure of 1 per cent level of dividend ratio on consolidated shareholders' equity*, taking into consideration the results of operations and its environments, in order to further implement shareholder - oriented management.

Based upon the new policy described above, Funai Electric revised the fiscal year ending March 2005 dividend forecast upward, payable to shareholders of record on March 31, 2005, subject to approval at the company's ordinary general shareholders meeting to be held in June 2005.

Regarding retained earnings, we further strengthen the constitution of management by appropriating its financial resources in order to maintain future stable shareholders profits and develop its mid - to long term business strategies.

* Dividend ratio on consolidated shareholders equity=
 Annual dividend amount in total ÷ (the average of shareholders' equity at the fiscal year start and end) × 100

2. Revised Dividends for the Fiscal Year ending March 2005

	Interim Dividend Per share	Year-end Dividend Per Share	Total Amount of Dividends Per share for the Fiscal Year
Previous forecast (November 10,2004)	-	25.00 yen	25.00 yen
Revised amount	-	50.00 yen	50.00 yen
(Reference) Dividends for the previous fiscal year	-	20.00 yen	20.00 yen