

May 31, 2010

To Whom It May Concern:

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

Notice Concerning Partial Amendment of Articles of Incorporation (Revised)

As per the announcement made on May 10, 2010, the Board of Directors of Funai Electric Co. Ltd. (hereinafter referred to as “the Company”) passed a resolution to discuss various partial amendments to the Articles of Incorporation at the 58th annual Ordinary General Meeting of Shareholders scheduled to be held on June 22, 2010. This is to further notify that the Board of Directors at a meeting held today passed a resolution to revise portions of the previously announced proposed amendments that will be up for discussion.

Details of the Change

1. Reasons for the Amendments (Addition of (2), (4), and (5))
 - (1) New provisions along with the necessary changes pertaining to Corporate Auditors and the Board of Corporate Auditors will be made as parts of the Company’s decision to convert the current management structure from a “Company with Committees” to a “Company with a Board of Corporate Auditors”. The purpose of the change is to increase management efficiency and improve operations of the Company.
 - (2) In preparation of a situation where the Company has an insufficient number of auditors as required by law, new provisions will be made to allow alternative auditor appointees to be effective for a period of four years. Further, this change will eliminate the complications associated with appointing new alternative auditors on an annual basis.
 - (3) New provisions based on the Exemption from Liabilities of Directors and Other Executive Officers as prescribed in Articles 426 and 427 of the Companies Act will be established to enable Corporate Auditors to sufficiently fulfill their expected roles and responsibilities.
 - (4) In order to ensure that the aforementioned Exemption from Liabilities of Directors and Other Executive Officers remains valid after the Company converts its management structure to a “Company with a Board of Corporate Auditors”, a supplementary provision that outlines transitional measures to be taken during such conversion period will be added to the Articles of Incorporation.
 - (5) The numbers associated with each article in the Articles of Incorporation will be amended to reflect the additions and deletions as outlined above.
2. Details of the Proposed Amendment (Revised)

The details of the proposed amendment are described in the supplementary attachments.

3. Schedule (No Revisions Made)

Ordinary General Meeting of Shareholders to amend
the Articles of Incorporation

June 22, 2010

Effective date of amendment of the Articles of Incorporation

June 22, 2010

INQUIRIES ABOUT THIS PRESS RELEASE

Naoyuki Takanaka

Investor / Public Relations Department

TEL:+81-72-870-4395

Supplementary Documents

(The sections of text to be changed are underlined)

Current Articles of Incorporation	Proposed Changes
<p>(Organization) Article 4 In addition to the Ordinary General Meeting of Shareholders <u>and</u> Directors, the Company shall have the following organizations.</p> <ol style="list-style-type: none"> 1. Board of Directors <u>2. Committees</u> (Newly established) <u>3. Accounting Auditors</u> 	<p>(Organization) Article 4 In addition to the ordinary general meeting of shareholders and Directors, the Company shall have the following organizations.</p> <ol style="list-style-type: none"> 1. Board of Directors (Deleted) <u>2. Board of Corporate Auditors</u> 3. Accounting Auditors
<p>(Transfer Agent) Article 9 The Company shall have a transfer agent.</p> <p>2 The Company's transfer agent and its place of business shall be set by a resolution passed by the Board of Directors <u>or by a decision of an Executive Officer entrusted with this responsibility through a resolution passed by the Board of Directors</u>, and this information shall be released by public notice.</p> <p>3 (Text omitted)</p>	<p>(Transfer Agent) Article 9 The Company shall have a transfer agent.</p> <p>2 The Company's transfer agent and its place of business shall be set by a resolution passed by the Board of Directors, and this information shall be released by public notice.</p> <p>3 (Unchanged)</p>
<p>(Share Handling Regulations) Article 10 The procedures concerning the exercising of shareholder rights and the handling of other matters related to the Company's stock shall be governed by the relevant laws and regulations, the Articles of Incorporation, and the Rules Pertaining to the Handling of Shares as stipulated by the Board of Directors <u>or by an Executive Officer entrusted with this responsibility through a resolution passed by the Board of Directors</u>.</p>	<p>(Share Handling Regulations) Article 10 The procedures concerning the exercising of shareholder rights and the handling of other matters related to the Company's stock shall be governed by the relevant laws and regulations, the Articles of Incorporation, and the Rules Pertaining to the Handling of Shares <u>as</u> stipulated by the Board of Directors.</p>

Current Articles of Incorporation	Proposed Changes
<p>(Convener and Chairperson) Article 13 The <u>Director who holds the post of Executive Officer and President</u> shall convene the Ordinary General Meetings of Shareholders and shall preside as Chairperson thereof, based on a resolution passed by the Board of Directors. 2 When the <u>Director who holds the post of Executive Officer and President</u> is unable to preside over an Ordinary General Meeting of Shareholders, another Director shall convene such Meeting and serve as Chairperson thereof, in accordance with the sequence set forth previously by the Board of Directors.</p> <p style="text-align: center;">(Addition)</p>	<p>(Convener and Chairperson) Article 13 The Director who has been elected by the Board of Directors to be the <u>Representative Director</u> shall convene the Ordinary General Meetings of Shareholders and shall preside as Chairperson thereof, based on a resolution passed by the Board of Directors. 2 When the <u>forementioned Representative Director</u> is unable to preside over an Ordinary General Meeting of Shareholders, another <u>Representative Director or Director</u> shall convene such meeting and serve as Chairperson, in accordance with the sequence set forth previously by the Board of Directors.</p> <p><u>(Representative Directors)</u> Article 20 <u>The Company shall elect one (1) or more Representative Directors through a resolution passed by the Board of Directors.</u></p>
<p>Article 20 (Text omitted)</p>	<p>Article 21 (Unchanged)</p>
<p>(Notice of Convocation of Board of Directors) Article 21 A notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director at least three (3) days prior to the date of such meeting. Provided, however, this period may be shortened in the event of an emergency. 2 A Board of Directors Meeting may be convened without following the convocation procedures provided that all of the Directors agree.</p>	<p>(Notice of Convocation of Board of Directors) Article 22 A notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director <u>and each Auditor</u> at least three (3) days prior to the date of such meeting. Provided, however, this period may be shortened in the event of an emergency. 2 A meeting of the Board of Directors may be convened without following the convocation procedures provided that all of the <u>Directors and Auditors</u> agree.</p>
<p>Article 22 j (Text omitted) Article 23</p>	<p>Article 23 j (Unchanged) Article 24</p>
<p>(Compensation and Other Benefits) Article 24 The amount of compensation, bonuses, and other financial benefits Directors receive from the Company as value for execution of their duties (referred to collectively below as “compensation etc.”) shall be determined by a resolution of <u>the Compensation Committee</u>.</p>	<p>(Compensation and Other Benefits) Article 25 The amount of compensation, bonuses, and other financial benefits Directors receive from the Company as value for execution of their duties (referred to collectively below as “compensation etc.”) shall be determined by resolution at <u>an Ordinary General Meeting of Shareholders</u>.</p>
<p>Article 25 (Text omitted)</p>	<p>Article 26 (Unchanged)</p>

Current Articles of Incorporation	Proposed Changes
<p align="center"><u>Chapter 5 Executive Officers</u></p>	<p align="center">(Deleted)</p>
<p><u>(Number of Auditors)</u></p>	
<p><u>Article 26 The Company shall have no more than three (3) Corporate Officers.</u></p>	<p align="center">(Deleted)</p>
<p><u>(Method of Appointment)</u></p>	
<p><u>Article 27 Corporate Officers shall be appointed by a resolution of the Board of Directors.</u></p>	<p align="center">(Deleted)</p>
<p><u>(Term of Office)</u></p>	
<p><u>Article 28 The term of office of Corporate Officers shall extend until the close of the Board of Directors meeting subsequently convened after the close of the Ordinary General Meeting of Shareholders held for the last business year of the Company ending within one (1) year after their election.</u></p>	<p align="center">(Deleted)</p>
<p><u>(Representative Executive Officers and Executive Officers with Duties)</u></p>	
<p><u>Article 29 The Board of Directors shall elect one (1) or more Representative Executive Officer(s) by a resolution for such election.</u></p>	<p align="center">(Deleted)</p>
<p><u>2 The Board of Directors may appoint one (1) Executive Officer and Chairman of the Board and one (1) Executive Officer and President, and Executive Officers serving as Executive Vice Presidents, Senior Managing Directors, and Managing Directors, by resolution.</u></p>	
<p><u>(Executive Officer Provisions)</u></p>	
<p><u>Article 30 Matters concerning Executive Officers shall be governed by the relevant laws and regulations, the Articles of Incorporation, Rules Pertaining to the Board of Directors, and Executive Officer Rules set forth by the Board of Directors.</u></p>	<p align="center">(Deleted)</p>
<p><u>(Compensation and Other Benefits)</u></p>	
<p><u>Article 31 The amount of compensation etc. to be granted to Executive Officers shall be set by a resolution of the Compensation Committee.</u></p>	<p align="center">(Deleted)</p>
<p><u>(Exemption of Executive Officers from Liability)</u></p>	
<p><u>Article 32 Pursuant to the provisions stated in Article 426, Paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Executive Officers (including past Executive Officers) from liability for damages caused by a dereliction of his/her duties within the limits stipulated in Article 423, Paragraph (1) of the Companies Act.</u></p>	<p align="center">(Deleted)</p>

Current Articles of Incorporation	Proposed Changes
(Addition)	<u>Chapter 5 Corporate Auditors and the Board of Corporate Auditors</u>
(Addition)	<u>(Number of Corporate Auditors)</u> <u>Article 27 The Company shall have three (3) or more Corporate Auditors.</u>
(Addition)	<u>(Method of Election)</u> <u>Article 28 Corporate Auditors shall be elected by resolution at an Ordinary General Meeting of Shareholders.</u> <u>2 Resolutions for the election of Corporate Auditors shall only pass if one-third (1/3) or more of all exercisable shareholder voting rights are represented at an Ordinary General Meeting of Shareholders and such resolution is passed by majority.</u> <u>3 As per the provisions in Article 329, Paragraph (2) of the Companies Act, the Company shall be able to elect Alternate Corporate Auditors at the Ordinary General Meeting of Shareholders, to provide for situations where the number of Corporate Auditors required by law is insufficient.</u> <u>4 The resolution to elect Alternate Corporate Auditors as stated in Paragraph 3 above shall remain in effect until the beginning of the Ordinary General Meeting of Shareholders held for the last business year of the Company ending within four (4) years after such resolution is passed.</u>
(Addition)	<u>(Term of Office)</u> <u>Article 29 The term of office of Corporate Auditors shall expire at the closing of the Ordinary General Meeting of Shareholders held for the last business year of the Company ending within four (4) years after their election.</u> <u>2 The term of office of a Corporate Auditor elected to fill a vacancy created by a Corporate Auditor who resigned before the end of his/her term of office shall expire at the time the term of office of his/her predecessor would expire.</u>
(Addition)	<u>(Standing Corporate Auditors)</u> <u>Article 30 The Board of Corporate Auditors shall elect Standing Corporate Auditors by resolution.</u>

Current Articles of Incorporation	Proposed Changes
(Addition)	<p><u>(Notice of Convocation of the Board of Corporate Auditors)</u> <u>Article 31 A notice of convocation of meetings of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor at least three (3) days prior to the date of the meeting. Provided, however, this period may be shortened in the event of an emergency.</u> <u>2 A meeting of the Board of Corporate Auditors may be convened without following the convocation procedures provided that all of the Corporate Auditors agree.</u></p>
(Addition)	<p><u>(Method of Resolutions by the Board of Corporate Auditors)</u> <u>Article 32 Resolutions of the Board of Corporate Auditors shall be passed by majority of the Corporate Auditors.</u></p>
(Addition)	<p><u>(Rules Pertaining to the Board of Corporate Auditors)</u> <u>Article 33 Matters concerning the Board of Corporate Auditors shall be governed by the provisions established by the relevant laws and regulations, the Articles of Incorporation, and by the Rules for the Board of Corporate Auditors as established by the Board of Corporate Auditors.</u></p>
(Addition)	<p><u>(Compensation and Other Benefits)</u> <u>Article 34 The amount of compensation and other benefits to be granted to Corporate Auditors shall be determined by resolution at an Ordinary General Meeting of Shareholders.</u></p>
(Addition)	<p><u>(Exemption from Liabilities of Auditors)</u> <u>Article 35 Pursuant to the provision of Article 426, Paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including past Auditors) from liability for damages caused by a dereliction of his/her duties within the limits stipulated in Article 423, Paragraph (1) of the Companies Act.</u> <u>2 The Company may, based on the provision of Article 427, Paragraph (1) of the Companies Act, conclude agreements with Outside Auditors to limit the total amounts prescribed in each item of Article 425, Paragraph (1) of the Companies Act concerning their liability to pay the compensation for damages under Article 423, Paragraph (1) of the Companies Act.</u></p>
<p>Article <u>33</u> ↓ Article <u>36</u></p> <p>(Text omitted)</p>	<p>Article <u>36</u> ↓ Article <u>39</u></p> <p>(Unchanged)</p>

Current Articles of Incorporation	Proposed Changes
(Addition)	<p style="text-align: center;"><u>Supplemental Provisions</u></p> <p><u>Article 1 As per the provisions in Article 426, Paragraph 1 of the Companies Act, the Company, by resolution of the Board of Directors, shall exempt those Executive Officers (including past Executive Officers) who held such post prior to the closing of the 58th Ordinary General Meeting of Shareholders from liability for damages caused by a dereliction of his/her duties within the limits stipulated in Article 423, Paragraph (1) of the Companies Act.</u></p>