

November 21, 2011

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 Establishment of Joint Venture Companies in China

Today, Funai Electric Co., Ltd., announced an agreement with CMET Corporation, Ltd. of China's CIMIC Holdings Ltd. (CIMIC Group: T. H. Lee, Chairman and Chief Executive Officer) to establish joint venture companies to manufacture and sell LED lamps.

1. Objective in Establishing Joint Venture Companies

Against the background of global environmental problems, Funai Electric has decided to enter the market for LED lamps, which are expected to enjoy future demand growth owing to such superior characteristics as long life and power efficiency. Accordingly, the Funai Electric will establish a joint venture with CMET, a member of China's prominent CIMIC Group, to establish a production base in China and promote sales of industrial lighting within the country.

2. Overview of Joint Venture Company

i. Manufacturing Company

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|-------------------------|---|
| (1) N a m e | FUNAI CMET Optical Electronics Co., Ltd. (tentative) |
| (2) Establishment | January 31, 2012 (tentative) |
| (3) Start of Operations | April 1, 2012 (tentative) |
| (4) L o c a t i o n | Zhongshan, Guangdong Province, People's Republic of China |
| (5) C a p i t a l | 82.50 million yuan (Funai Electric 61%, CMET 39%) |

ii. Sales Company

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| (1) N a m e | CMET FUNAI Optical Electronics Co., Ltd. (tentative) |
| (2) Establishment | January 31, 2012 (tentative) |
| (3) L o c a t i o n | Shanghai, People's Republic of China |
| (4) C a p i t a l | 50.00 million yuan (Funai Electric 39%, CMET 61%) |

3. Overview of Joint Venture Partner

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|-----------------------|--|
| (1) N a m e | CMET Corporation, Ltd. |
| (2) Establishment | November 3, 2010 |
| (3) C a p i t a l | US\$40.00 million (approximately 255.2 million yuan) |
| (4) L o c a t i o n | Suzhou, Jiangsu Province, People's Republic of China |
| (5) S a l e s | 330,000 yuan (January–September 2011) |
| (6) Other Information | The company was established by the CIMIC Group as part of its electrical power saving business to manufacture and sell LED lighting equipment.
The CIMIC Group is a corporate group based in Shanghai, China, with operations spanning construction materials, paper and electric power supply. In sales, the group ranks 450th among |

Chinese manufacturers, 62nd among all companies in Shanghai, and 28th among Shanghai-based manufacturers. For fiscal 2011, the group forecasts sales of 8.5 billion yuan (approximately ¥102.0 billion). Shanghai CIMIC Tile Co., Ltd. (Code No. : 002162SZ), which manufactures and sells construction tiles, is listed on the Shenzhen Stock Exchange.

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