

Presentation of Operating Results in 3rd Quarter (Apr.- Dec.) of FY 2010

January 31 , 2011

FUNAI ELECTRIC.,LTD.

Security code 6839

. Outline of Operating Results

1. Summary of Operating Results (Oct.-Dec.)
2. Summary of Operating Results (Apr.-Dec.)
3. Breakdown of Sales by Equipment
4. Sales of DVD related Equipment
5. Sales of Television related Equipment
6. Geographic Breakdown of Sales
7. Factor of Changes of Operating Income
8. Financial Conditions
9. Changes of Inventories
10. Capital Expenditures, Depreciation Expense and R&D Expenditures
11. Forecast of Operating Results of FY2010 ending March 2011
12. Forecast of Sales by Equipment of FY2010 ending March 2011

1 . Summary of Operating Results (Oct.- Dec.)



(100 million yen)

	FY 2009	FY 2010	Changes From Previous 3Q	
Net Sales	810	760	50 (6.2%)	
Operating Income	14	5	19	
Margin	(1.8%)	(0.7%)	2 (1) 12 (3)	
Ordinary Income	24	7	31	
Margin	(3.0%)	(0.9%)	9(2) 3(4)	
Net Income after tax	18	16	34	
Margin	(2.3%)	(2.2%)		
Average USD- JPY Exchange Rate				
	90.11	82.21		
Month End Exchange Rate (USD/JPY)				
	09/9	09/12	10/9	10/12
	90.21	92.10	83.82	81.49

(1) Forex loss 2 (3) decrease of interest receivables 1, decrease of forex gain 11
 (2) Extraordinary gain +3, Income taxes 12 (4) increase of extraordinary gain +3, increase of income taxes 6

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2 . Summary of Operating Results (Apr.- Dec.)



(100 million yen)

	FY 2009	FY 2010	Changes From Previous 3Q	
Net Sales	2,480	2,300	180 (7.3%)	
Operating Income	115	40	75	
Margin	(4.7%)	(1.8%)	±0 (1) 5 (3)	
Ordinary Income	120	40	80	
Margin	(4.9%)	(1.8%)	19(2) +10(4)	
Net Income after tax	91	21	70	
Margin	(3.7%)	(1.0%)		
Average USD- JPY Exchange Rate				
	93.22	86.17		
Month End Exchange Rate (USD/JPY)				
	09/3	09/12	10/3	10/12
	98.23	92.10	93.04	81.49

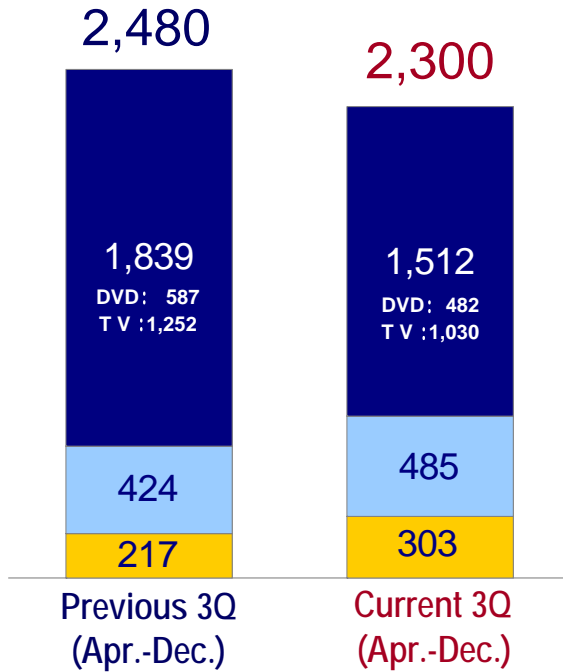
(1) Interest receivables+3, Forex loss 3 (3) decrease of interest receivables 3, increase of forex loss 2
 (2) Extraordinary gain+3, Extraordinary loss 1, Income taxes 21 (4) increase of extraordinary gain +3, increase of extraordinary loss 1, decrease of income taxes +8

3

3. Breakdown of Sales by Equipment



(100 million yen)

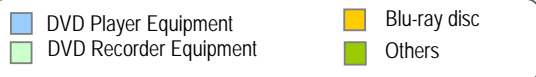


(100 million yen)

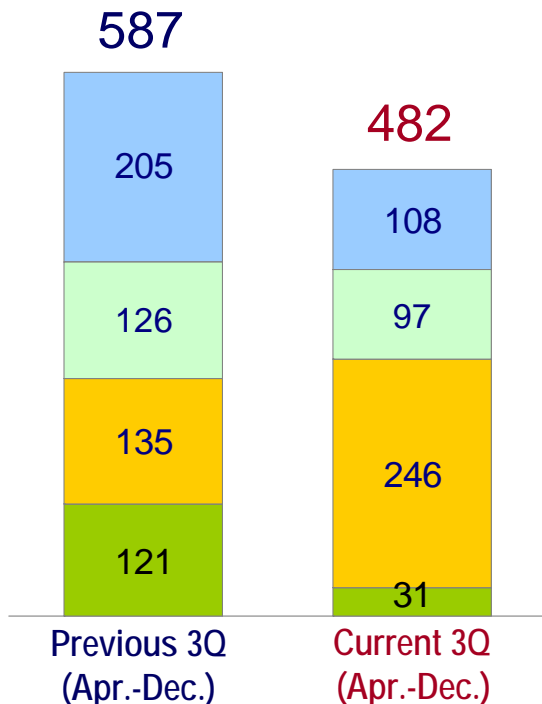
Comparison to Previous 3Q	
AV Equipment	: 327 (17.8%)
DVD Equip.	: 105 (17.9%)
T V Equip.	: 222 (17.7%)
Information Equipment	: + 61 (+ 14.6%)
Others	: + 86 (+ 39.6%)
Total	: 180 (7.3%)

From FY2010 antenna set for North America is classified in 'Others' from 'Others in TV related equipment on Audio Visual Equipment' which was classified in FY2009. The sales amount of antenna set for North America in the 3rd quarter in FY2009 was 2,800 mil. yen.

4. Sales of DVD related Equipment



(100 million yen)



DVD Players

DVD Recorders

• Demand in U.S. for DVD player and DVD recorder tracked the market contraction.

Blu-ray disc

• BRD recorder more gained than decline of BRD player.

Others

• Digital STB ended the life in the U.S market in June 2009.

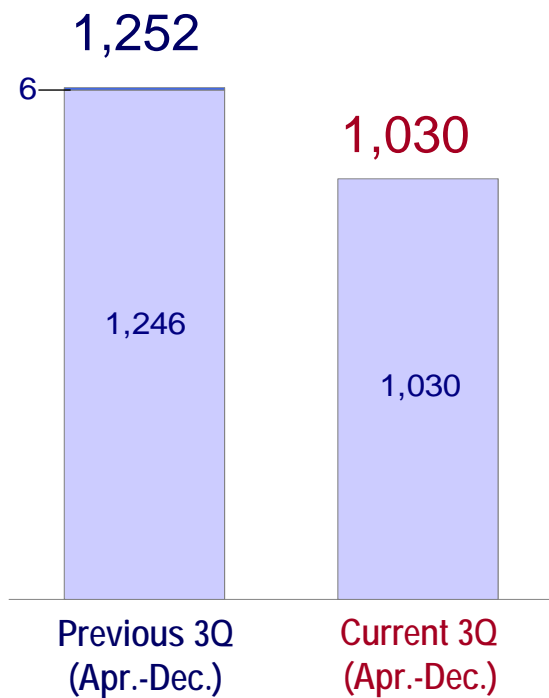
(100 million yen)

Comparison to Previous 3Q	
DVD Players	: 97 (47.3%)
DVD Recorders	: 29 (23.0%)
Blu-ray disc	: + 111 (+ 82.2%)
Others	: 90 (74.4%)
Total	: 105 (17.9%)

5. Sales of Television related Equipment



(100 million yen)



LCD TV

· The overall sales declined due to sluggish demand in North America, though Japan increased backed up by Government Eco-point program.

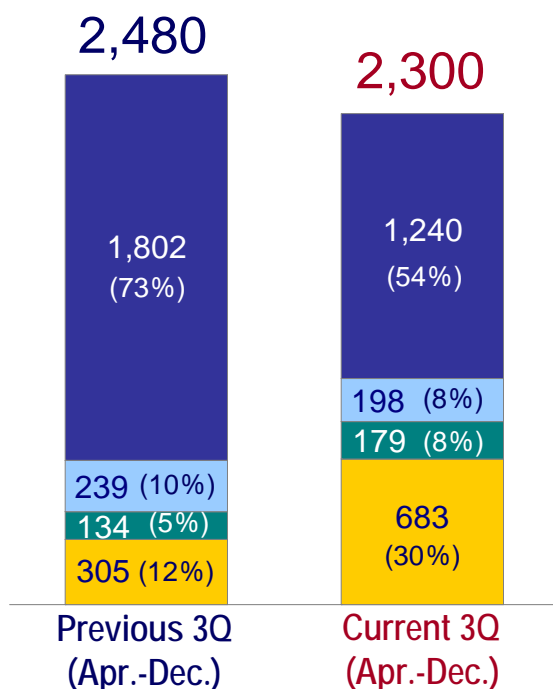
(100 million yen)

Comparison to Previous 3Q	
CRT TV	: 6 (-)
LCD TV	: 216 (17.3%)
Total	: 222 (17.7%)

6. Geographic Breakdown of Sales



(100 million yen)



North America

· LCD TV largely dropped and DVD related devices including digital STB also declined.

Europe

· LCD TV were almost flat, and DVD related devices declined.

Japan

· 'Eco-point' contributed to increase in LCD TV, antennas and related devices and BRD recorder.

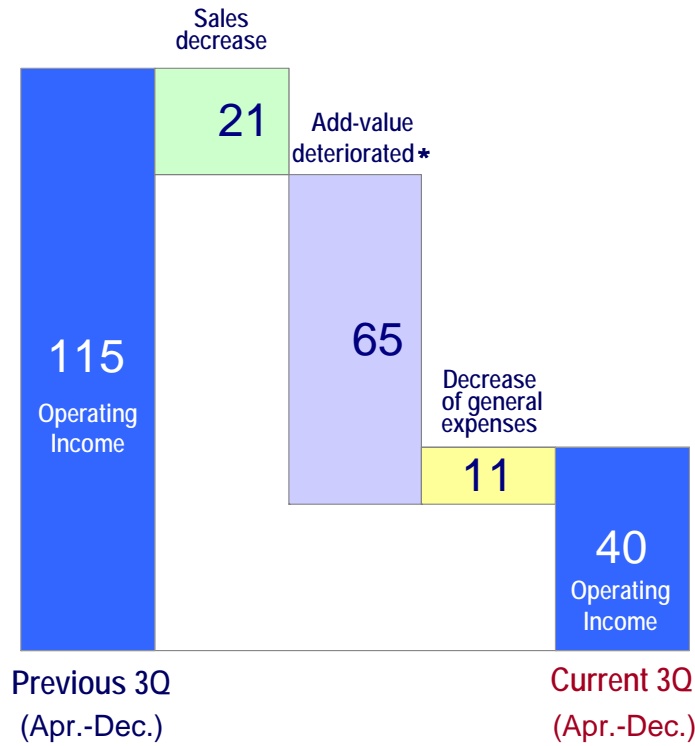
(100 million yen)

Comparison to Previous 3Q	
North America	: 562 (31.2%)
Europe	: 41 (17.0%)
Asia & Others	: + 45 (+ 33.6%)
Japan	: + 378 (+ 124.0%)
Total	: 180 (7.3%)

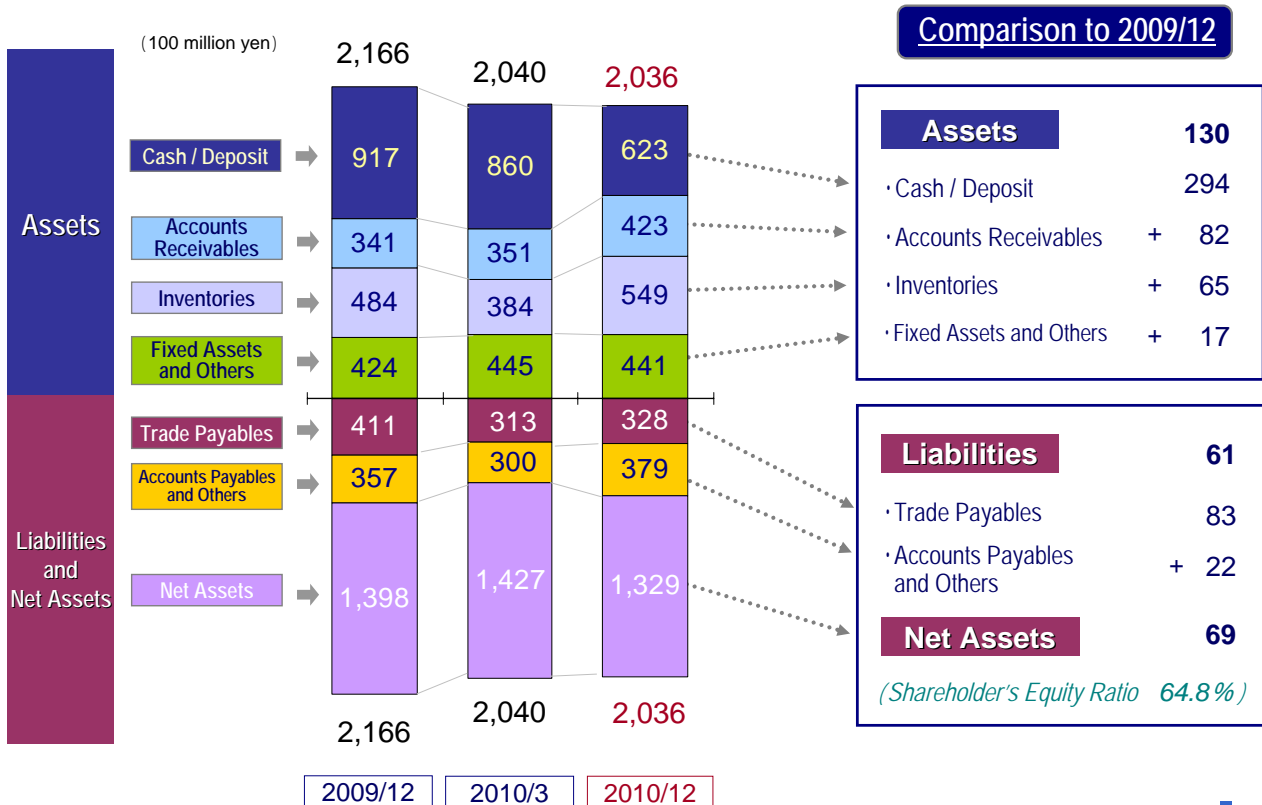
7. Factor of Changes of Operating Income

(Comparison to 2009/12)

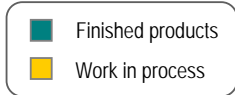
* Add-value=Sales - (Cost of sales + selling expenses)



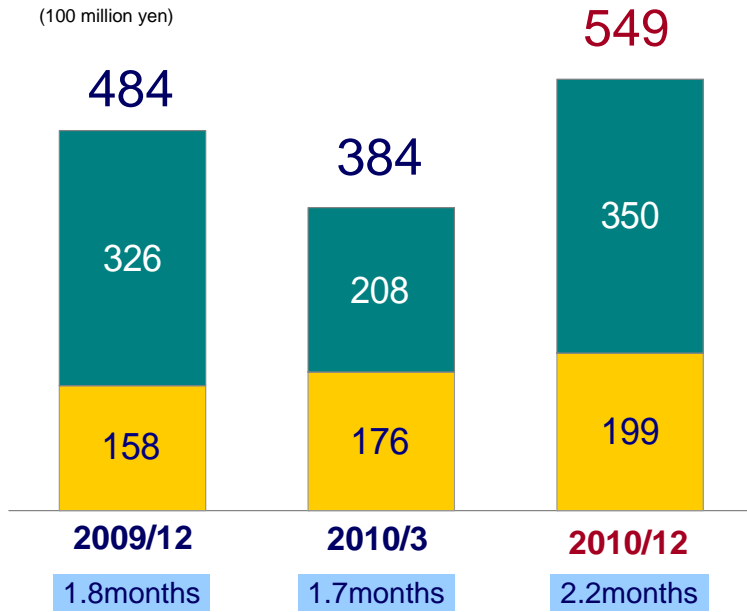
8. Financial Conditions



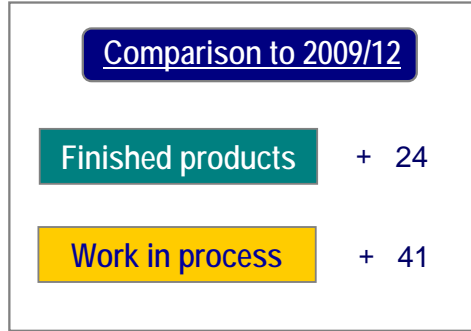
9. Changes of Inventories



(100 million yen)



(100 million yen)



Inventories Turnover

1.8months

1.7months

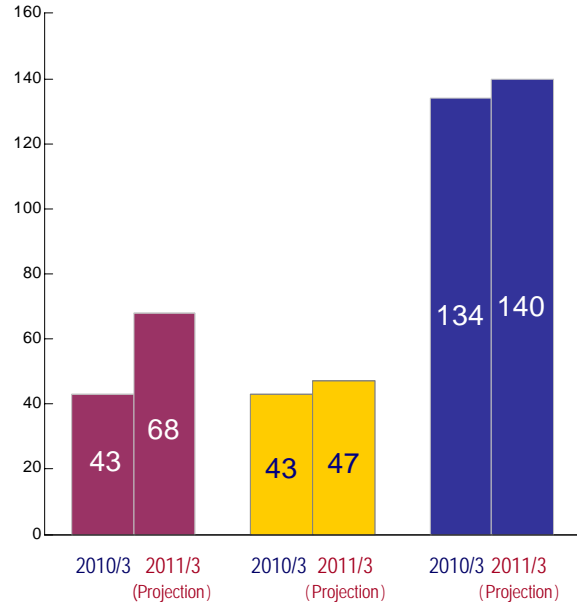
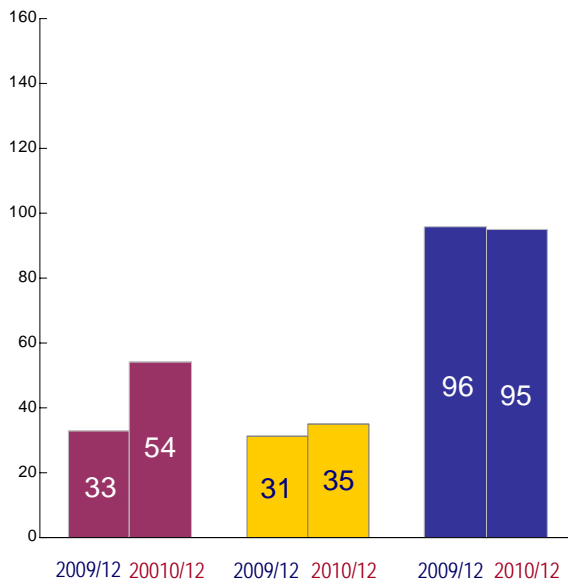
2.2months

10. Capital Expenditures, Depreciation Expense and R&D Expenditures



(100 million yen) + 21 + 4 1

(100 million yen)



11. Forecast of Operating Results of FY2010 ending March 2011



(100 million yen)

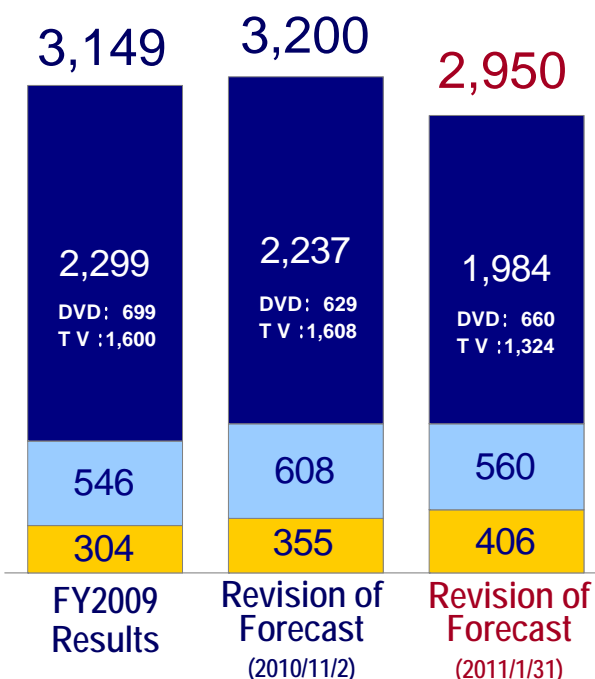
	FY 2009 Results	Revision of Forecast (2010/11/2)	Revision of Forecast (2011/1/31)	Changes from Previous year	Changes From Revision of Forecast
Net Sales	3,149	3,200	2,950	199 (6.3%)	250 (92.2%)
Operating Income	111	90	10	101	80
Margin	(3.5%)	(2.8%)	(0.3%)	±0 (1)	5(3) 2(5)
Ordinary Income	116	92	10	106	82
Margin	(3.7%)	(2.9%)	(0.3%)	28 (2)	15(4) 7(6)
Net Income after tax	103	71	18	121	89
Margin	(3.3%)	(2.2%)	(0.6%)		
Average USD- JPY Exchange Rate	92. ⁶⁰	85. ⁵⁷	85. ³⁸		

- | | | |
|--|--|---|
| (1) Interest receivables+4, Forex loss 3, Interest payable 1 | (3) decrease of interest receivables 3, increase of forex loss 2 | (5) increase of forex loss 2 |
| (2) Extraordinary gain +3, Extraordinary loss Income taxes 30 | (4) increase of extraordinary gain +2, decrease of extraordinary loss +8, increase of income taxes 25 | (6) increase of extraordinary gain +3, increase of income taxes 10 |

12. Forecast of Sales by Equipment of FY2010 ending March 2011



(100 million yen)



Comparison to Previous year

AV Equipment	: 315 (13.7%)
DVD Equip.	: 39 (5.6%)
T V Equip.	: 276 (17.3%)
Information Equipment	: + 14 (+ 2.6%)
Others	: + 102 (+ 33.6%)
Total	: 199 (6.3%)

Changes from Revision of Forecast

AV Equipment	: 253 (88.7%)
DVD Equip.	: + 31 (104.9%)
T V Equip.	: 284 (82.3%)
Information Equipment	: 48 (92.1%)
Others	: + 51 (114.4%)
Total	: 250 (92.2%)

The sales amount of antenna set for North America in FY2009 was 3,600 mil. yen.

Supplemental Data

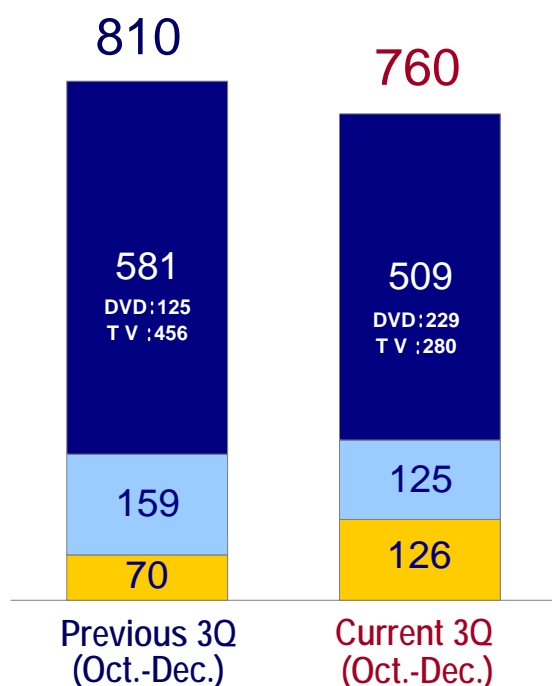
Summary of Operating Results (Oct.-Dec.)

1. Breakdown of Sales by Equipment
2. Sales of Audio and Visual Equipment
3. Geographic Breakdown of Sales

1. Breakdown of Sales by Equipment



(100 million yen)



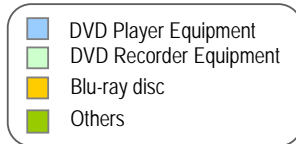
(100 million yen)

Comparison to Previous 3Q

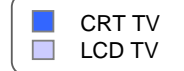
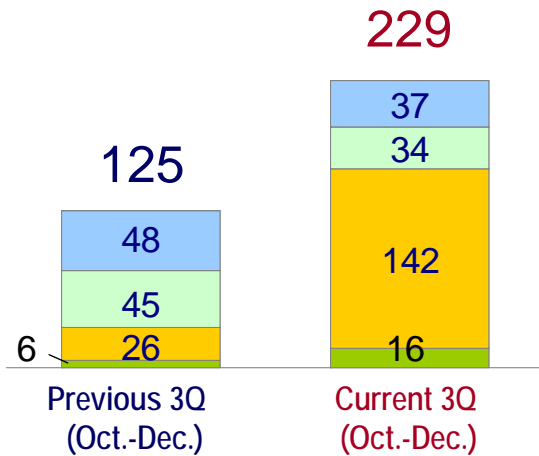
AV Equipment	: 72 (12.4%)
DVD Equip.	: +104 (+ 83.2%)
T V Equip.	: 176 (38.6%)
Information Equipment	: 34 (21.4%)
Others	: + 56 (+ 80.0%)
Total	: 50 (6.2%)

The sales amount of antenna set for North America in the 3rd quarter in FY2009 was 400 mil. yen.

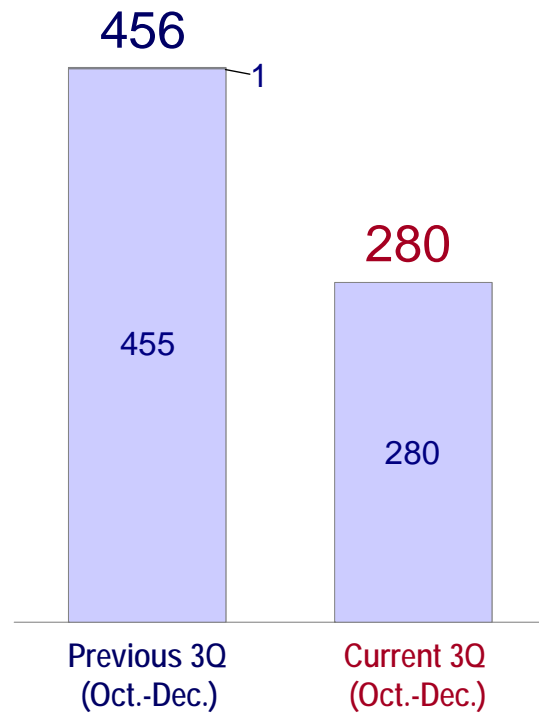
2. Sales of Audio and Visual Equipment



(100 million yen)



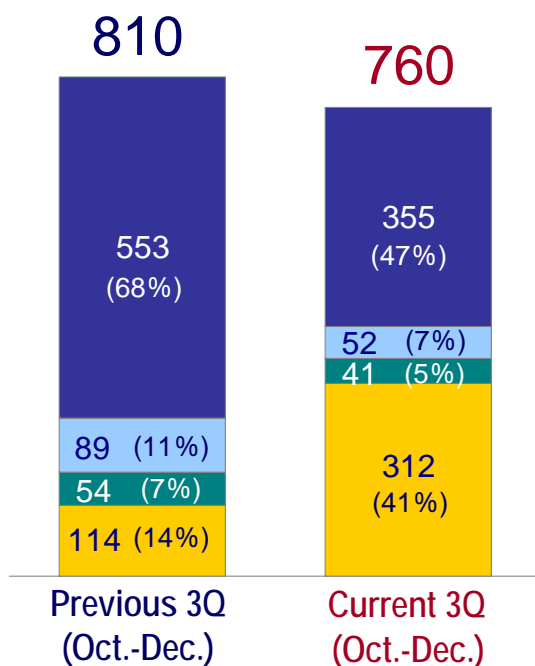
(100 million yen)



3. Geographic Breakdown of Sales



(100 million yen)



(100 million yen)

Comparison to Previous 3Q	
North America	: 198 (35.8%)
Europe	: 37 (41.6%)
Asia & Others	: 13 (24.1%)
Japan	: + 198 (+ 173.7%)
Total	: 50 (6.2%)

Supplemental Data

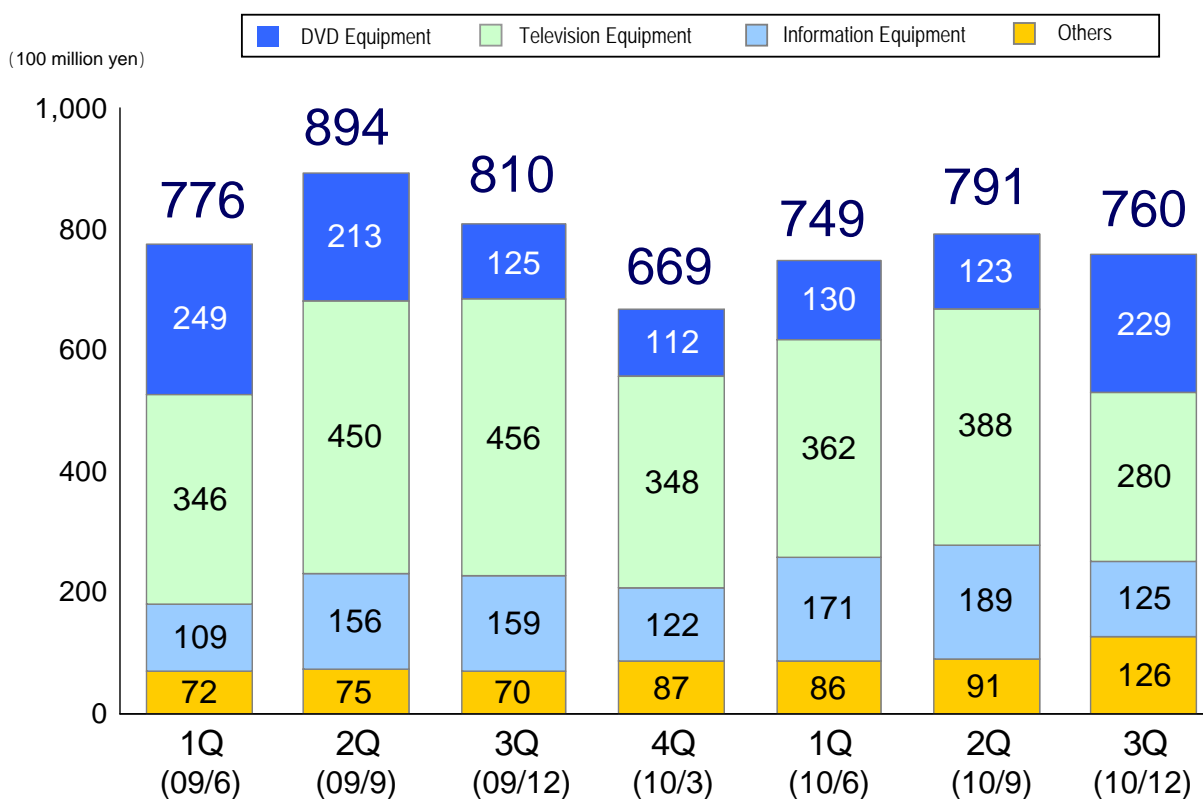
1. Quarterly Operating Summary of FY 2009, 2010
2. Quarterly Changes of Sales Amount by Equipment

1. Quarterly Operating Summary of FY 2009, 2010

(100million yen)

	FY 2009				FY 2010		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	776	894	810	669	749	791	760
Operating Income	37	63	14	3	25	20	5
Margin	(4.8%)	(7.1%)	(1.8%)	(0.6%)	(3.4%)	(2.6%)	(0.7%)
Ordinary Income	40	55	24	3	12	34	7
Margin	(5.3%)	(6.2%)	(3.0%)	(0.5%)	(1.7%)	(4.4%)	(0.9%)
Net Income After Tax	31	41	18	11	4	34	16
Margin	(4.1%)	(4.6%)	(2.3%)	(1.8%)	(0.6%)	(4.4%)	(2.2%)

2. Quarterly Changes of Sales Amount by Equipment



Disclaimer

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