

# FUNAI ELECTRIC.,LTD.

Presentation of Operating Results (Consolidated)  
in 3<sup>rd</sup> Quarter (Apr.-Dec.) of FY 2008

February 13, 2009

## Outline of 3rd Quarter (Apr.-Dec.) of FY 2008 Operating Results (Consolidated)

- 1 Summary of Operating Results(Apr.-Dec.)
- 2 Breakdown of Sales by Equipment
- 3 Sales of Audio and Visual Equipment
- 4 Sales of DVD related Equipment
- 5 Sales of Television related Equipment
- 6 Geographic Breakdown of Sales
- 7 Financial Conditions
- 8 Changes of Inventories
- 9 Capital Expenditures, Depreciation Expense and R&D Expenditures

# 1 Summary of Operating Results (Apr.-Dec.)

(100 million yen)

	Previous 3Q	Current 3Q	Changes from Previous 3Q
Net Sales	2,258	2,400	+ 6.3%
Operating Income	12	32	+ 154.7%
<b>Margin</b>	(0.6%)	(1.4%)	9 ( 1)
Ordinary Income	57	23	58.6%
<b>Margin</b>	(2.6%)	(1.0%)	
[ Net Income after tax ]	30	7	-
<b>Margin</b>	( 1.3%)	(0.3%)	183 ( 2)
Net Income after tax	30	160	-
<b>Margin</b>	( 1.3%)	( 6.7%)	
Average USD- JPY Exchange Rate	117.14	102.48	

( 1) Interest receivables +30, Forex gain 35, Interest expenses 3, Others 1

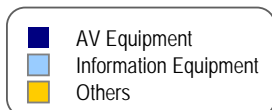
( 2) Income taxes for prior periods 168, Loss on valuation of investment securities 27, Others+12

( before deduction of income taxes for 16.8 bill.yen for prior periods )

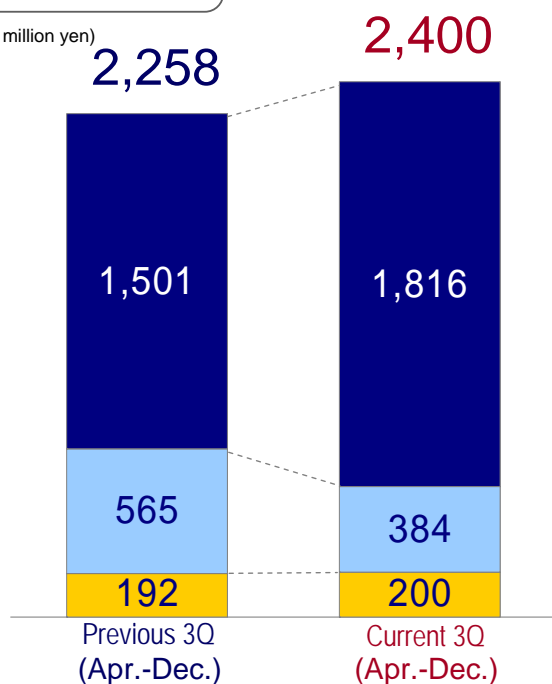


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# 2 Breakdown of Sales by Equipment



(100 million yen)



(100 million yen)

Comparison to Previous 3Q	
AV Equipment	: + 315 ( + 21.1%)
Information Equipment	: 181 ( 32.1%)
Others	: + 8 ( + 3.9%)
<b>total</b>	<b>: + 142 ( + 6.3%)</b>



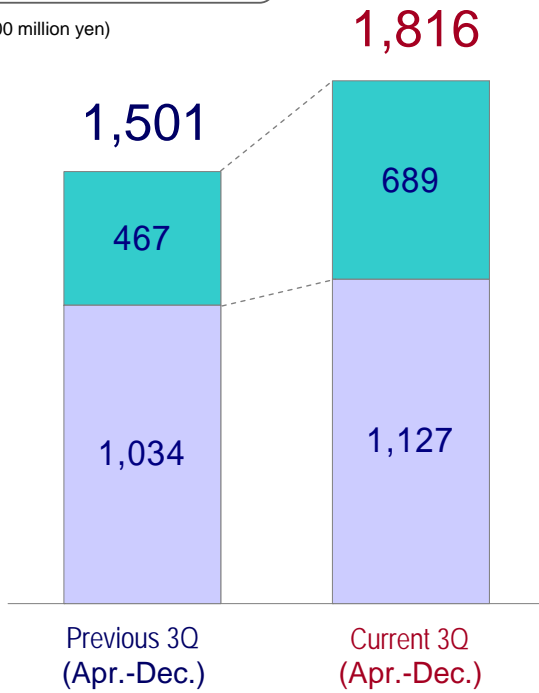
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### 3

## Sales of Audio and Visual Equipment

- DVD related Equipment
- Television related Equipment

(100 million yen)



(100 million yen)

#### Comparison to Previous 3Q

DVD related Equipment : + 222 ( + 47.5% )

Television related Equipment : + 93 ( + 9.0% )

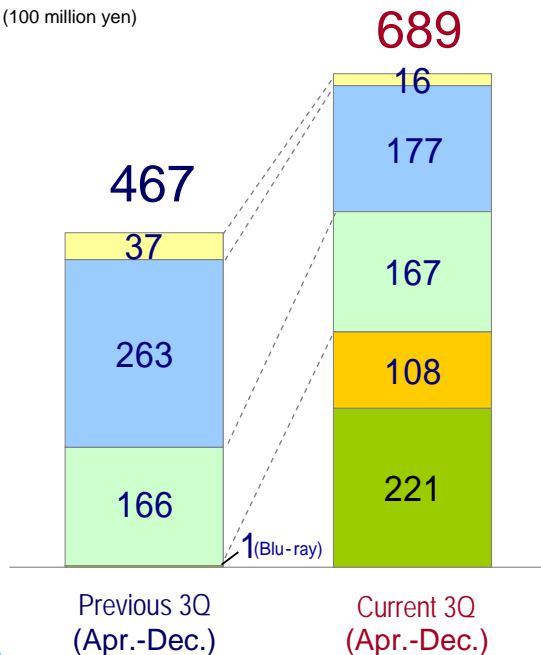
**total** : + 315 ( + 21.1% )

### 4

## Sales of DVD related Equipment

- Video
- DVD Player related Equipment
- DVD Recorder related Equipment
- Blu-ray disc Player
- Digital STB

(100 million yen)



#### DVD Players

#### DVD Recorders

• Following the track of market contraction after plateauing out.

#### Blu-ray disc Player

• Going well after launching in a full scale in April.

#### Digital STB

• Going well quarter by quarter.

(100 million yen)

#### Comparison to Previous 3Q

Video : 21 ( 56.8% )

DVD Player related Equipment : 86 ( 32.7% )

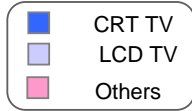
DVD Recorder related Equipment : + 1 ( + 0.6% )

BD Player : + 107 ( - )

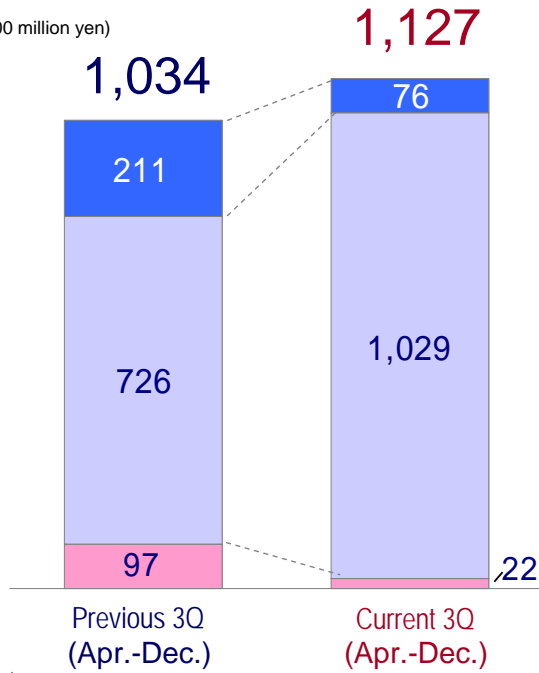
Digital STB : + 221 ( - )

**total** : + 222 ( + 47.5% )

## 5 Sales of Television related Equipment



(100 million yen)



### CRT TV

· Accelerating a downward-trend as LCD TV expands rapidly.

### LCD TV

· Gaining amount due to Philips brand contribution.

### Others

· Withdraw of projectors in 4Q.

(100 million yen)

### Comparison to Previous 3Q

CRT TV : 135 ( 64.0%)

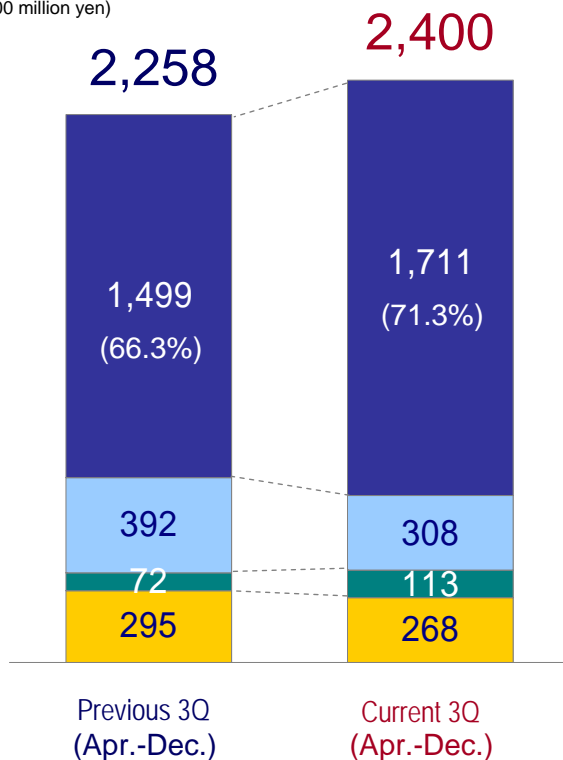
LCD TV : + 303 ( + 41.7%)

Others : 75 ( 77.3%)

**total** : + 93 ( + 9.0%)

## 6 Geographic Breakdown of Sales

(100 million yen)



### North America

· LCD TV, Digital set top box, BD player more covered than the decline of information equip.

### Europe

· Suffered from price-war of LCD TV against Korean or Turkish brand.

(100 million yen)

### Comparison to Previous 3Q

North America : + 212 ( + 14.2%)

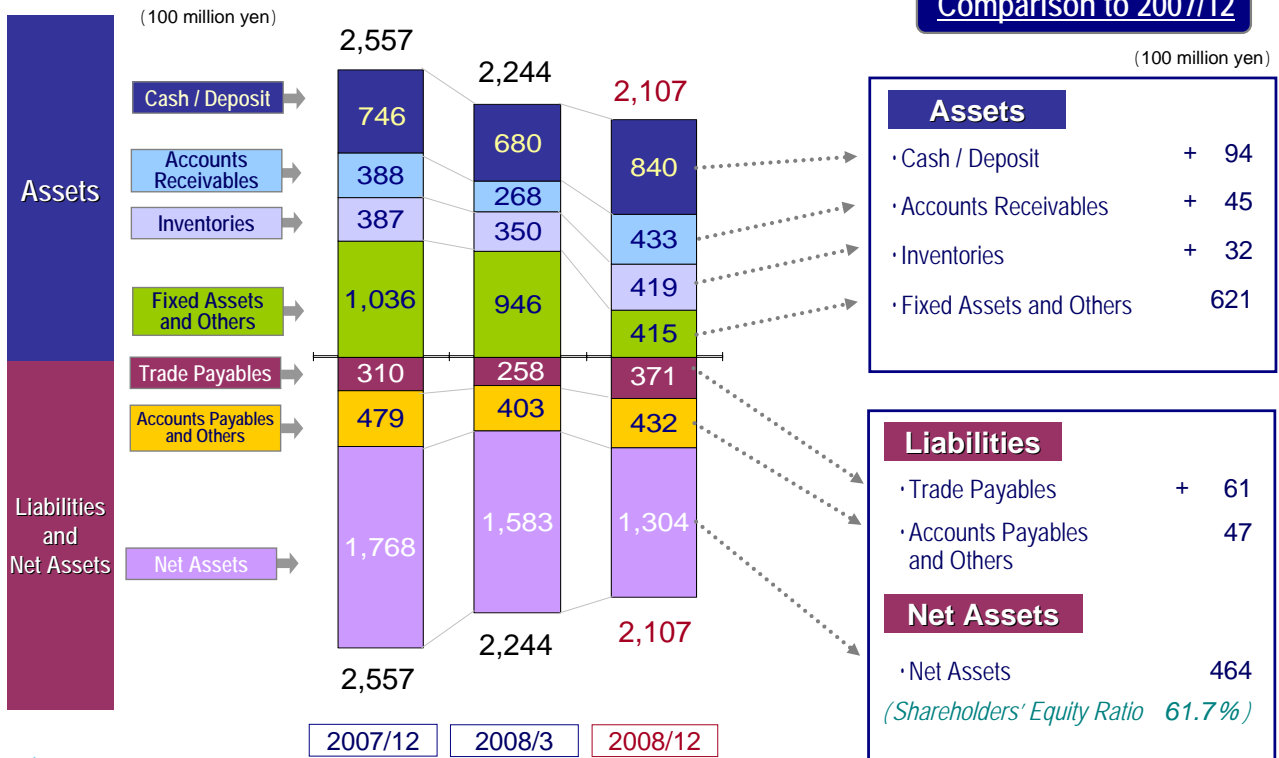
Europe : 84 ( 21.3%)

Asia & Others : + 41 ( + 56.9%)

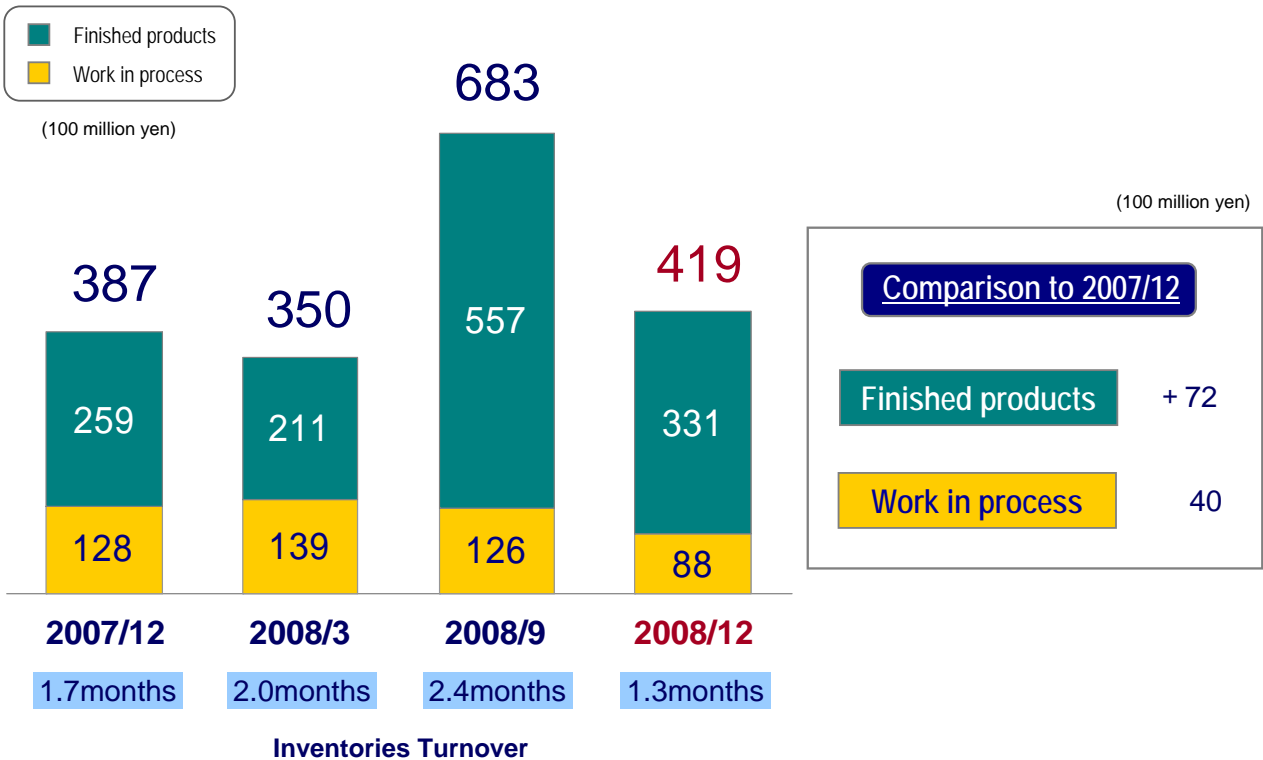
Japan : 27 ( 9.3%)

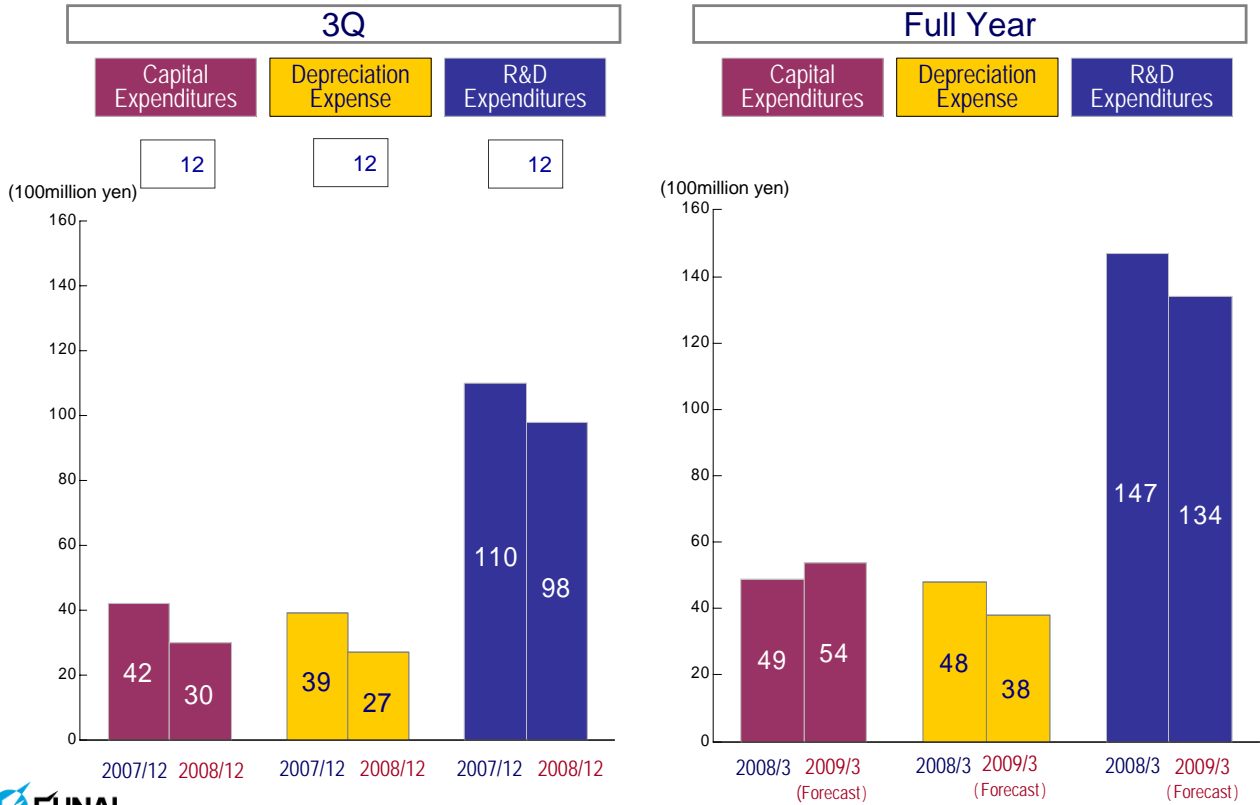
**total** : + 142 ( + 6.3%)

# 7 Financial Conditions



# 8 Changes of Inventories





## Full Year Forecast

- 1 Forecast of Operating Results in FY2008 ending March 2009
- 2 Breakdown of Sales by Equipment
- 3 Sales of Audio and Visual Equipment
- 4 Sales of DVD Related Equipment
- 5 Sales of Television Related Equipment

## 1

# Forecast of Operating Results in FY 2008 Ending March 2009

(100 million yen)

	Results of FY2007	Previous Forecast (Released in Jun.)	Revised Forecast of FY2007	Changes from FY2007	Changes from Previous Forecast
	Amount	Amount	Amount		
Net Sales	2,771	3,400	3,040	+9.7%	10.6%
Operating Income	24	60	5	-	91.7%
<b>Margin</b>	( 0.9%)	(1.8%)	(0.2%)		
Ordinary Income	0	80	15	-	-
<b>Margin</b>	( 0.0%)	(2.4%)	( 0.5%)		
( Net Income after tax )	53	58	22	-	-
<b>Margin</b>	( 1.9%)	(1.7%)	( 0.7%)		
Net Income after tax	53 <sup>a</sup>	114	190	-	-
<b>Margin</b>	( 1.9%)	( 3.4%)	( 6.3%)		
Average USD- JPY Exchange Rate	113. <sup>80</sup>	100. <sup>00</sup>	100. <sup>00</sup>		

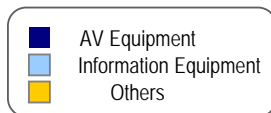


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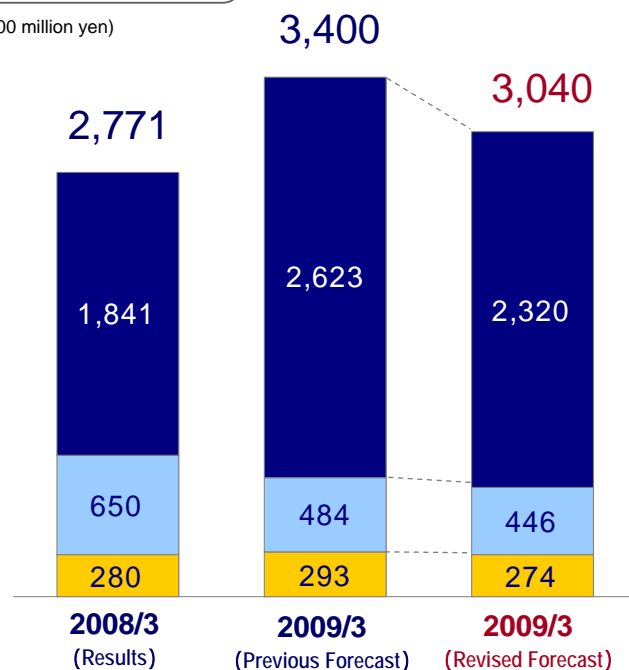
## 2

## Breakdown of Sales by Equipment

(100 million yen)



(100 million yen)



### Comparison to Previous Year

AV Equipment : + 479 ( + 26.0%)

Information Equipment : 204 ( 31.4%)

Others : 6 ( 2.1%)

**Total** : + 269 ( + 9.7%)

### Comparison to Previous Forecast

AV Equipment : 303 ( 11.6%)

Information Equipment : 38 ( 7.9%)

Others : 19 ( 6.5%)

**Total** : 360 ( 10.6%)



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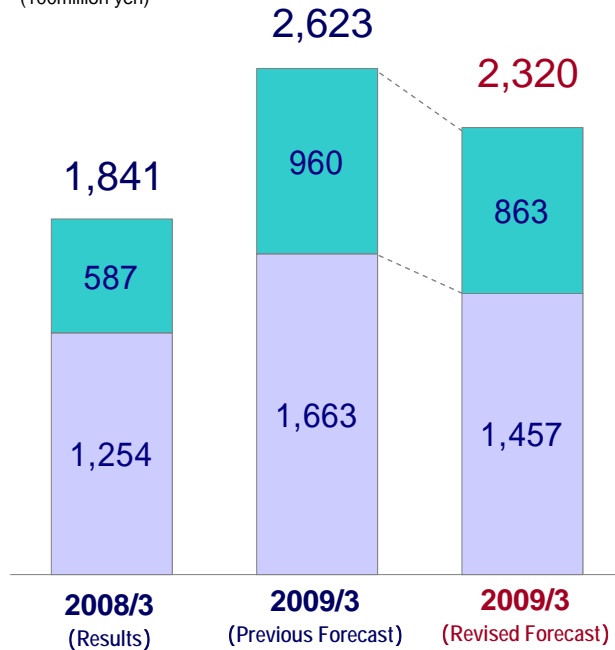
### 3

## Sales of Audio and Visual Equipment

(100 million yen)

- DVD related Equipment
- Television related Equipment

(100million yen)



#### Comparison to Previous Year

DVD related Equipment : + 276 ( + 47.0% )

Television related Equipment : + 203 ( + 16.2% )

**Total** : + 479 ( + 26.0% )

#### Comparison to Previous Forecast

DVD related Equipment : 97 ( 10.1% )

Television related Equipment : 206 ( 12.4% )

**Total** : 303 ( 11.6% )

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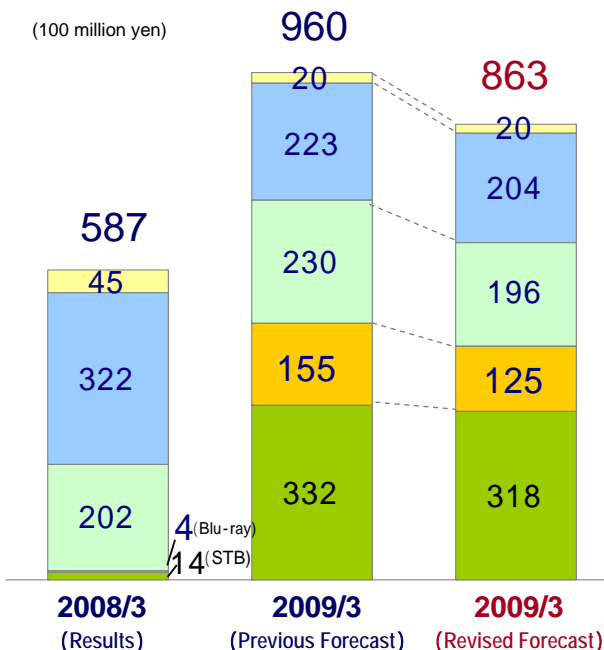
### 4

## Sales of DVD related Equipment

(100million yen)

- Video
- DVD Player related Equipment
- DVD Recorder related Equipment
- Blu-ray disc Player
- Digital STB

(100 million yen)



(Terrestrial analog broadcasting will be delayed for about four months till June 12,2009.)

#### Comparison to Previous Year

Video : 25 ( 55.6% )

DVD Player related Equipment : 118 ( 36.6% )

DVD Recorder related Equipment : 6 ( 3.0% )

BD Player : + 121 ( - )

Digital STB : + 304 ( - )

**Total** : + 276 ( + 47.0% )

#### Comparison to Previous Forecast

Video : - ( - )

DVD Player related Equipment : 19 ( 8.5% )

DVD Recorder related Equipment : 34 ( 14.8% )

BD Player : 30 ( 19.4% )

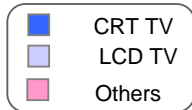
Digital STB : 14 ( 4.2% )

**Total** : 97 ( 10.1% )

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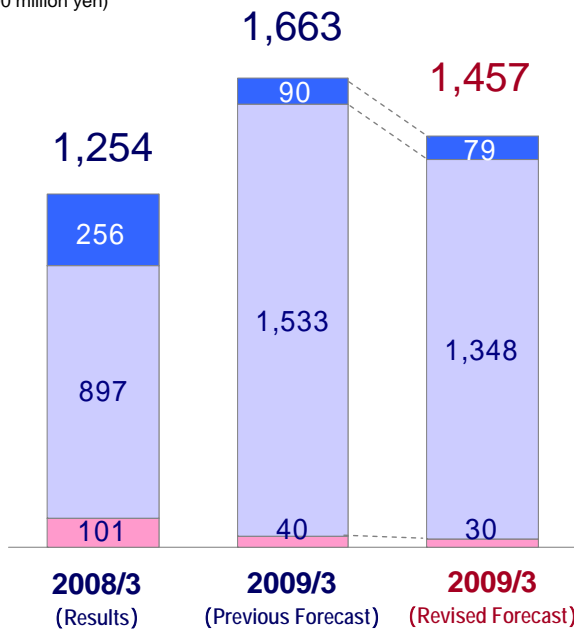


# 5 Sales of Television related Equipment



(100million yen)

(100 million yen)



## Comparison to Previous Year

CRT TV	:	177	( 69.1%)
LCD TV	:	+ 451	( + 50.3%)
Others	:	71	( 70.3%)
<b>Total</b>	:	<b>+ 203</b>	<b>( + 16.2%)</b>

## Comparison to Previous Forecast

CRT TV	:	11	( 12.2%)
LCD TV	:	185	( 12.1%)
Others	:	10	( 25.0%)
<b>Total</b>	:	<b>206</b>	<b>( 12.4%)</b>



## Supplemental Data Summary of Operating Results (Oct.-Dec.)

- 1 Summary of Operating Results(Jan.-Mar.)
- 2 Breakdown of Sales by Equipment
- 3 Sales of Audio and Visual Equipment
- 4 Sales of DVD related Equipment
- 5 Sales of Television related Equipment

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

(100 million yen)

	Previous 3Q	Current 3Q	Changes from Previous 3Q
Net Sales	695	954	37.2%
Operating Income	7	10	—
Margin	( 1.1%)	( 1.1%)	25 ( 1)
Ordinary Income	7	35	—
Margin	(1.1%)	( 3.8%)	
Net Income after tax	12	39	—
Margin	(1.8%)	( 4.1%)	
Average USD- JPY Exchange Rate	113. <sup>02</sup>	94. <sup>99</sup>	

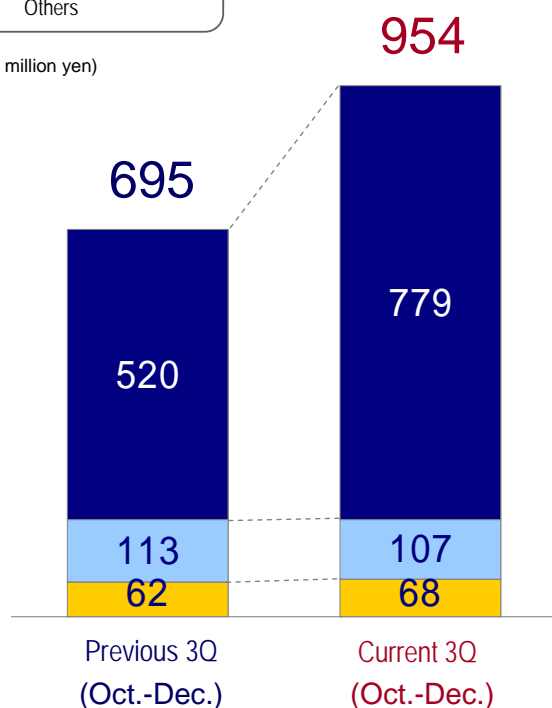
( 1) Interest receivables +13, Forex gain 36, Others 2



# 2 Breakdown of Sales by Equipment



(100 million yen)



(100million yen)

Comparison to Previous 3Q	
AV Equipment	: + 259 ( + 49.8%)
Information Equipment	: 6 ( 5.3%)
Others	: + 6 ( + 9.7%)
<b>Total</b>	<b>: + 259 ( + 37.2%)</b>

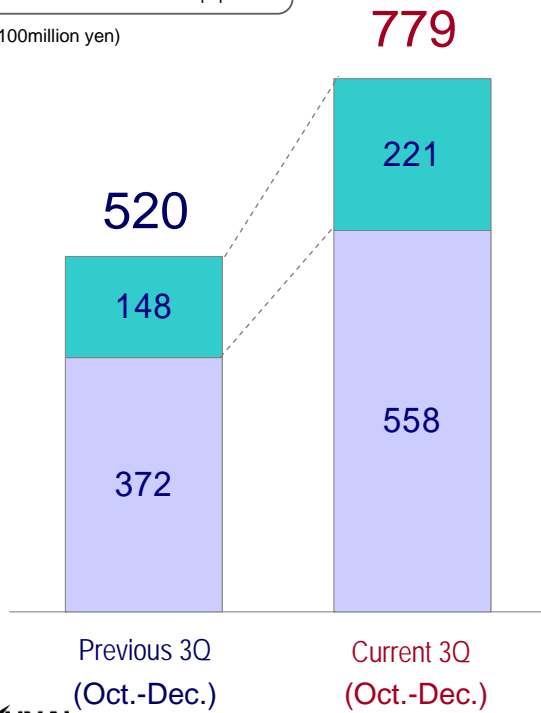


### 3

## Sales of Audio and Visual Equipment

- DVD related Equipment
- Television related Equipment

(100million yen)



#### Comparison to Previous 3Q

DVD related Equipment : + 73 ( + 49.3% )

Television related Equipment : + 186 ( + 50.0% )

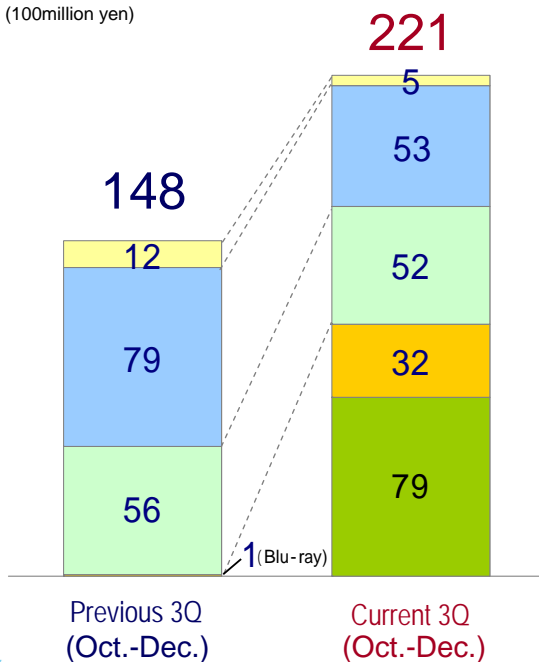
**Total** : + 259 ( + 49.8% )

### 4

## Sales of DVD related Equipment

- Video
- DVD Player related Equipment
- DVD Recorder related Equipment
- Blu-ray disc Player
- Digital STB

(100million yen)



(100million yen)

#### Comparison to Previous 3Q

Video : 7 ( 58.3% )

DVD Player related Equipment : 26 ( 32.9% )

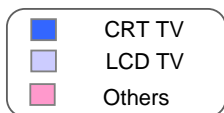
DVD Recorder related Equipment : 4 ( 7.1% )

BD Player : + 31 ( - )

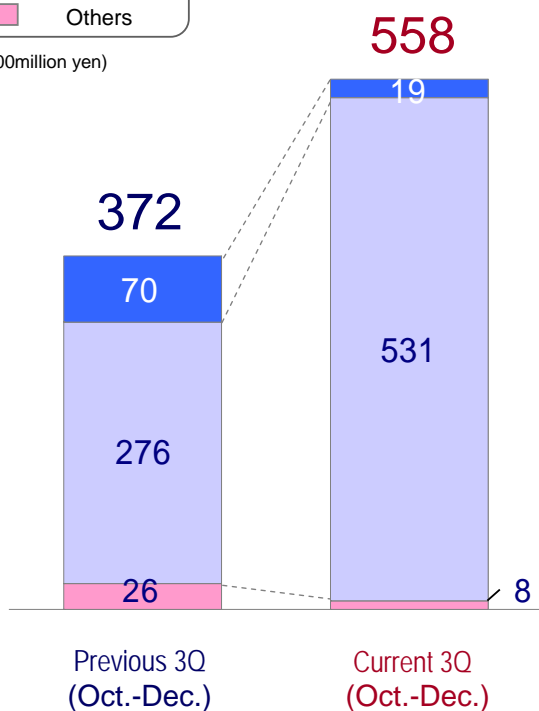
Digital STB : + 79 ( - )

**Total** : + 73 ( + 49.3% )

# 5 Sales of Television related Equipment



(100million yen)



(100million yen)

### Comparison to Previous 3Q

<b>CRT TV</b>	:	51 ( 72.9%)
<b>LCD TV</b>	:	+ 255 ( + 92.4%)
<b>Others</b>	:	18 ( 69.2%)
<b>Total</b>	:	+ 186 ( + 50.0%)



## Supplemental Data

- 1 Quarterly Operating Summary of FY2007,2008
- 2 Quarterly Changes of Sales Amount by Equipment

# 1 Quarterly Operating Summary of FY 2007, 2008

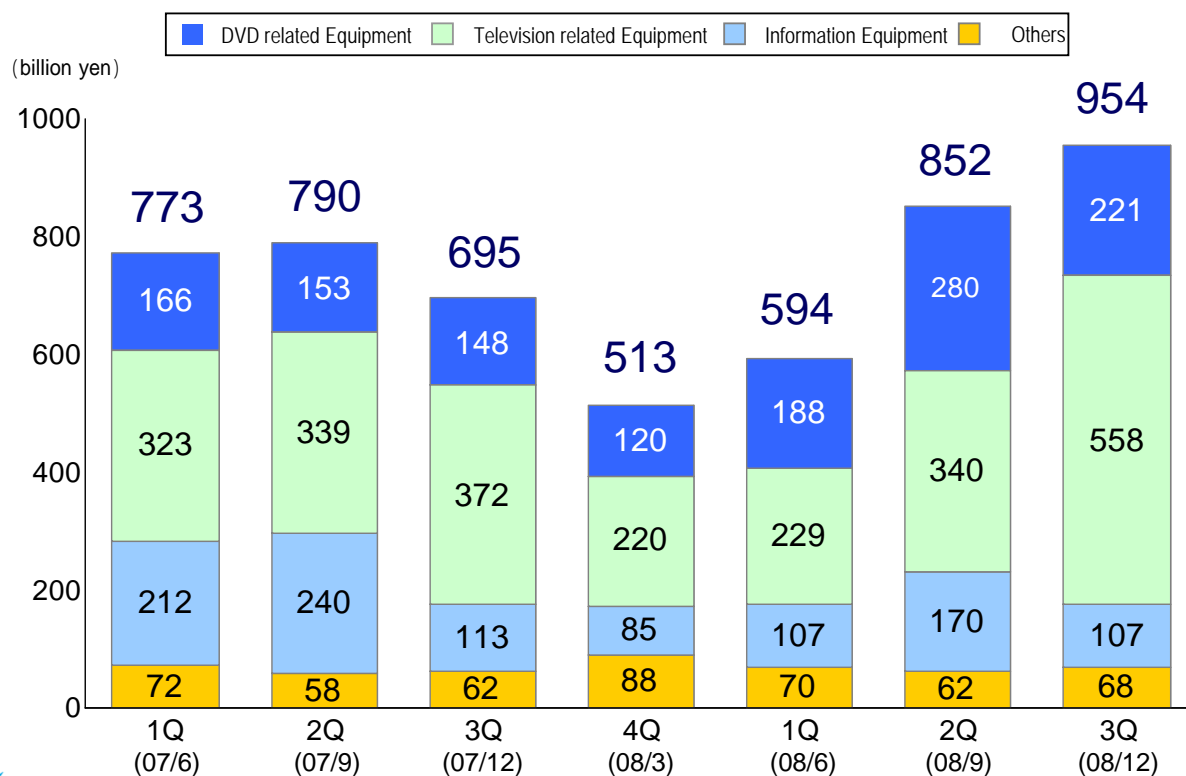
(100 million yen)

	FY 2007				Current 3Q		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	773	790	695	513	594	852	954
Operating Income	11	9	7	36	9	33	10
Margin	(1.5%)	(1.1%)	( 1.1%)	( 7.0%)	(1.7%)	(3.9%)	( 1.1%)
Ordinary Income	44	6	7	58	44	15	35
Margin	(5.8%)	(0.8%)	(1.1%)	( 11.3%)	(7.5%)	(1.8%)	( 3.8%)
Net Income After Tax	13	56	12	23	137	16	39
Margin	(1.7%)	( 7.1%)	(1.8%)	( 4.5%)	( 23.2%)	(2.0%)	( 4.1%)



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# 2 Quarterly Changes of Sales Amount by Equipment



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