

FUNAI ELECTRIC CO., LTD.

Presentation of Operating Results in 1st Quarter
(Ari.-Jun.) of FY2008

August 7, 2008

Outline of 1st Quarter (Apr.-Jun.) of FY2008 Operating Results (Consolidated)

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1 Summary of Operating Results (April-June)

(100 million yen)

	Previous 1Q	Current 1Q	Changes from Previous 1Q
Net Sales	773	594	23.2%
Operating Income	11	9	15.7%
Margin	(1.5%)	(1.7%)	+35 (1)
Ordinary Income	44	44	0.7%
Margin	(5.8%)	(7.5%)	
(Net Income After Tax Before income tax for prior periods)	13	30	+127.8%
Margin	(1.7%)	(5.1%)	181 (2)
Net Income After Tax	13	137	- %
Margin	(1.7%)	(23.2%)	
Average USD-JPY Exchange Rate	JPY121. ⁵⁸	JPY105. ⁴³	

(1) Interest receivables +9, Forex gain +25, Others +1

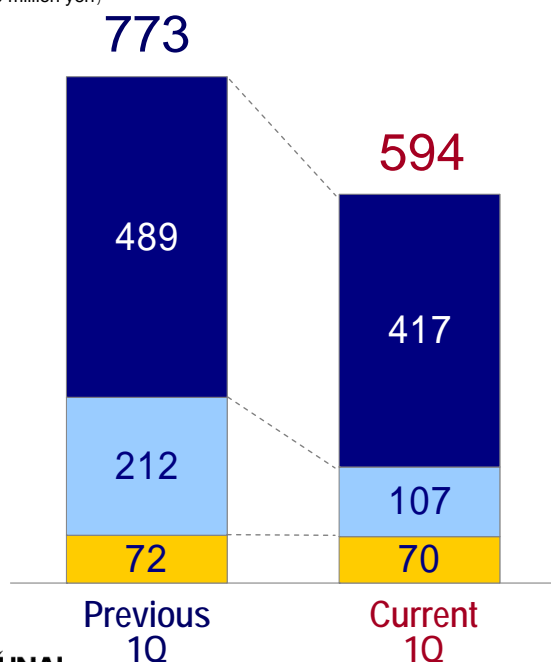
(2) Income taxes for prior periods 168, Others 13



2 Breakdown of Sales by Equipment

- AV Equipment
- Information Equipment
- Others

(100 million yen)



(100 million yen)

Comparison to Previous 1Q	
AV Equipment	: 72 (14.8%)
Information Equipment	: 105 (49.3%)
Others	: 2 (3.1%)
Total	: 179 (23.2%)

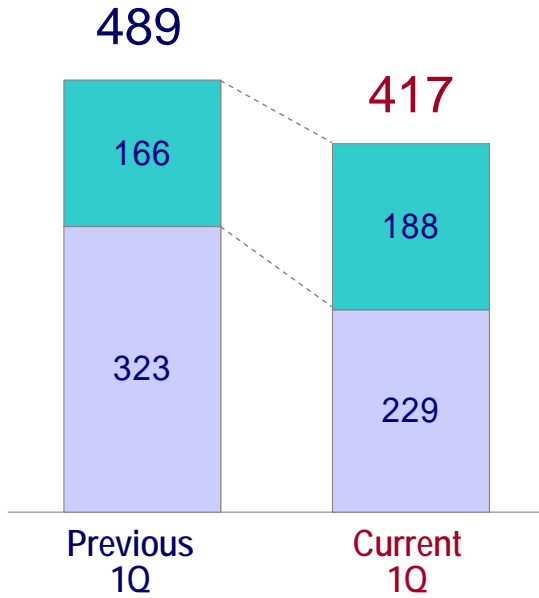


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Sales of Audio and Visual Equipment

- DVD related Equipment
- Television related Equipment

(100 million yen)



(100 million yen)

Comparison to Previous 1Q

DVD related Equipment : + 22 (+ 13.3%)

Television related Equipment : 94 (29.1%)

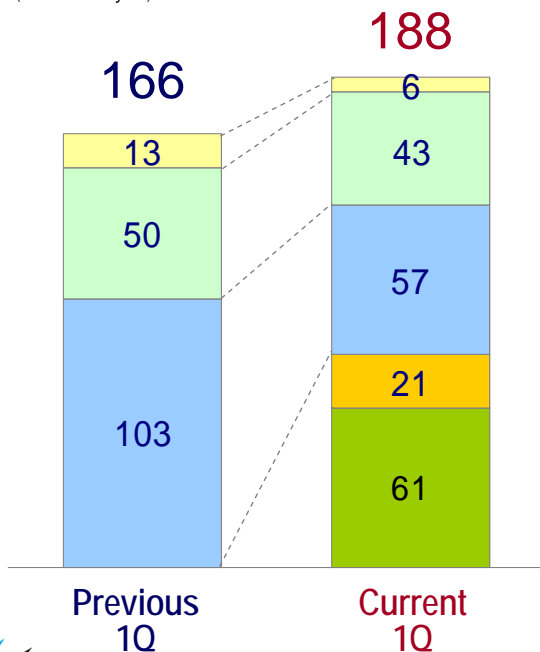
Total : 72 (14.8%)

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Sales of DVD related Equipment

- Video
- DVD Recorder related Equipment
- DVD Player related Equipment
- BD Player
- Digital STB

(100 million yen)



DVD Players

DVD Recorders

• Due to stopping the growth of US market, players largely dropped, recorders were also down.

BD Player

• Started in good condition from April.

Digital STB

• Stronger demanded than projected

(100 million yen)

Comparison to Previous 1Q

Video : 7 (53.8%)

DVD Recorder related Equipment : 7 (14.0%)

DVD Player related Equipment : 46 (44.7%)

BD Player : + 21 (-)

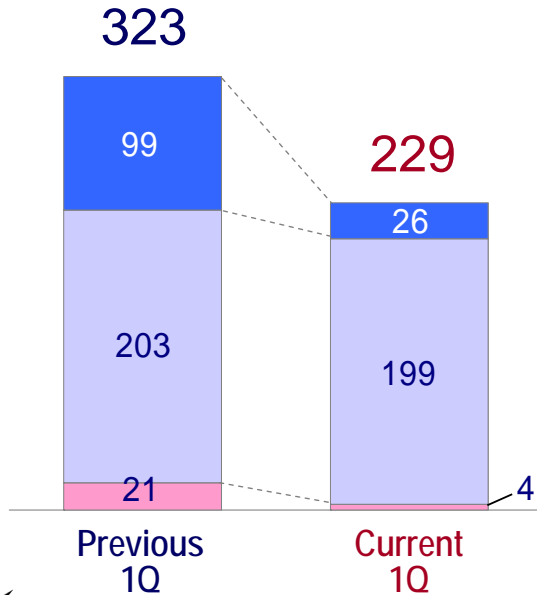
Digital STB : + 61 (-)

Total : + 22 (+ 13.3%)

5 Sales of Television related Equipment

- CRT TV
- LCD TV
- Projector & Others

(100 million yen)



CRT TV

· Largely dropped due to the replacement by rapid penetration of LCD TV in the market.

LCD TV

· Slight decline in the midst of fierce competition from top tier to lower tier,

Projector & Others

· Withdraw of projector.

(100 million yen)

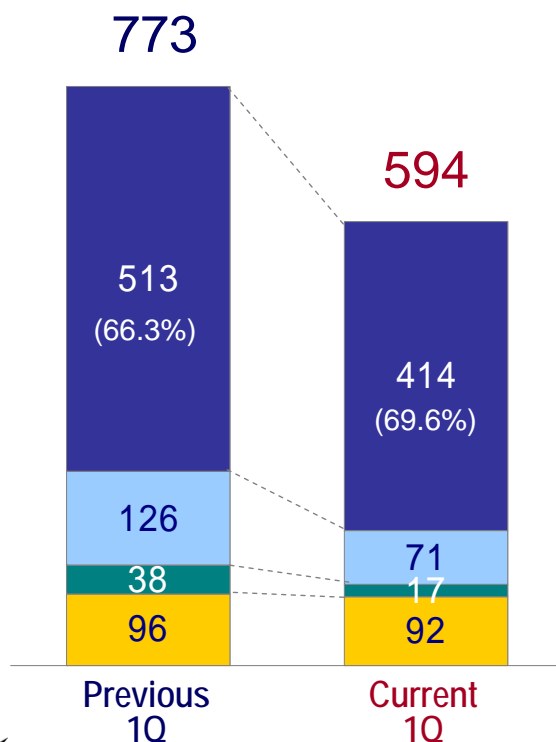
Comparison to Previous 1Q

CRT TV	:	73 (73.7%)
LCD TV	:	4 (2.0%)
Projector & Others	:	17 (81.0%)
Total	:	94 (29.1%)

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6 Geographic Breakdown of Sales

(100 million yen)



North America

Europe

- Demand for consumer electronics products adversely affected by cooling down housing market and gas price hike
- Consumer's demand, however, for LCDTV keeping on a firm track with fierce price competition, Funai's performance well done in N.A. and hard in Europe
- BD Player and Digital STB successfully marketed in aggressive stance in N.A.
- Information equipment were down both in N.A. and Europe due to strategic change of an OEM client

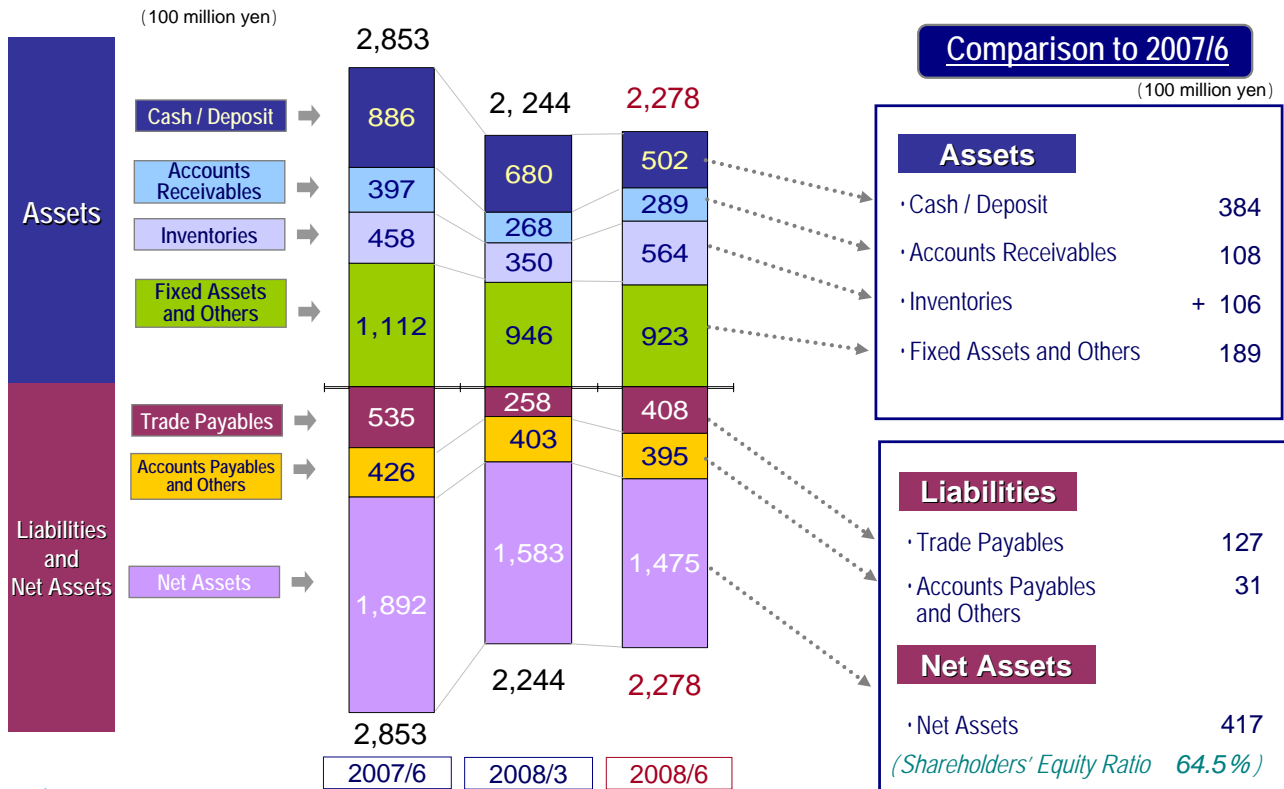
(100 million yen)

Comparison to Previous 1Q

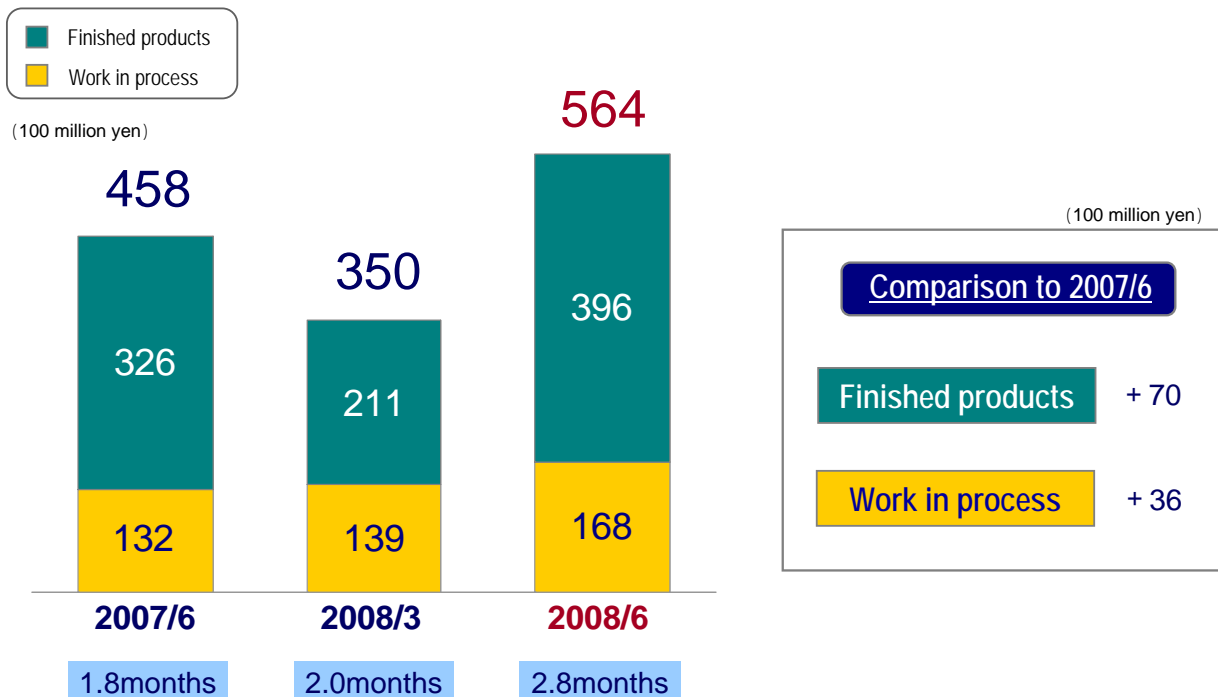
North America	:	99 (19.4%)
Europe	:	55 (43.4%)
Asia & Others	:	21 (55.3%)
Japan	:	4 (3.9%)
Total	:	179 (23.2%)

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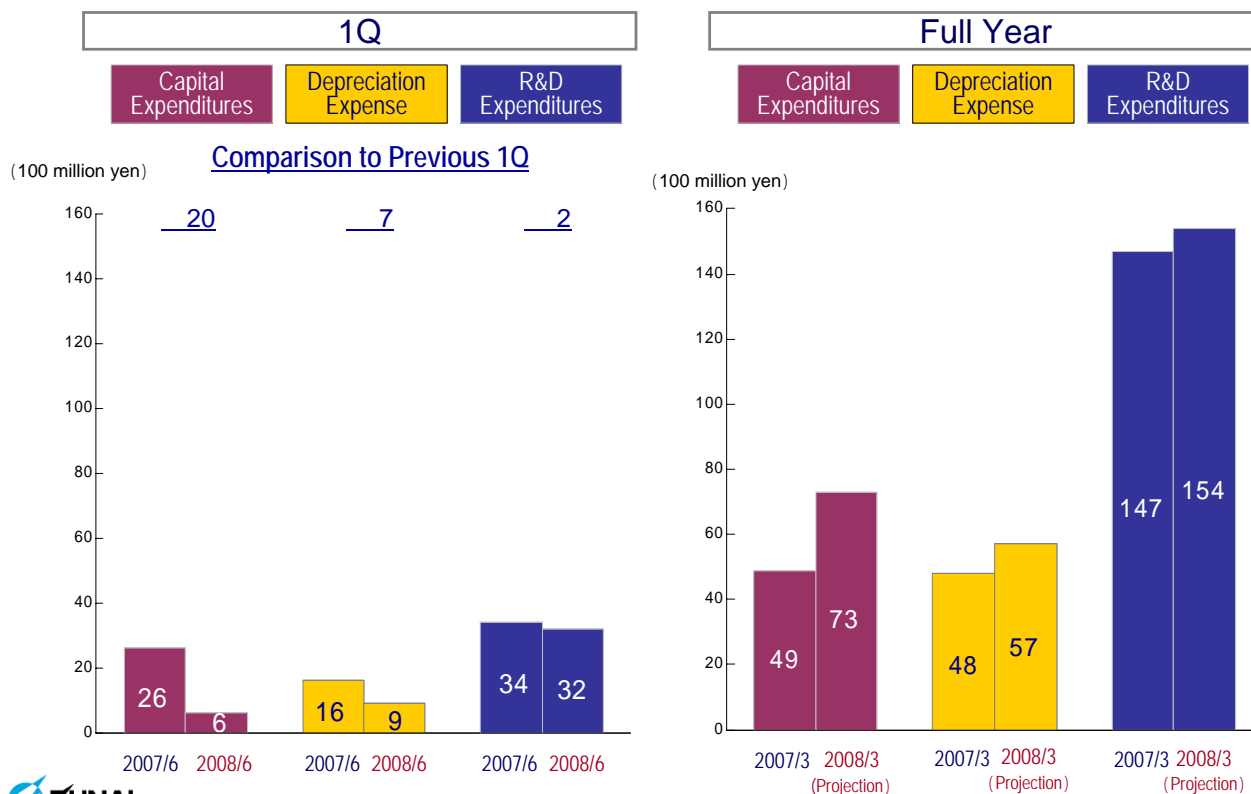
7 Financial Conditions



8 Changes of Inventories



Inventories Turnover



(100 million yen)

	Forecast 1H	Forecast FY2008
Net Sales	1,440	3,400
Operating Income (Margin)	33 (2.3%)	60 (1.8%)
Ordinary Income (Margin)	43 (3.0%)	80 (2.4%)
Net Income After Tax [Before income tax for prior periods] (Margin)	33 (2.3%)	58 (1.7%)
Net Income After Tax (Margin)	139 (9.7%)	114 (3.4%)

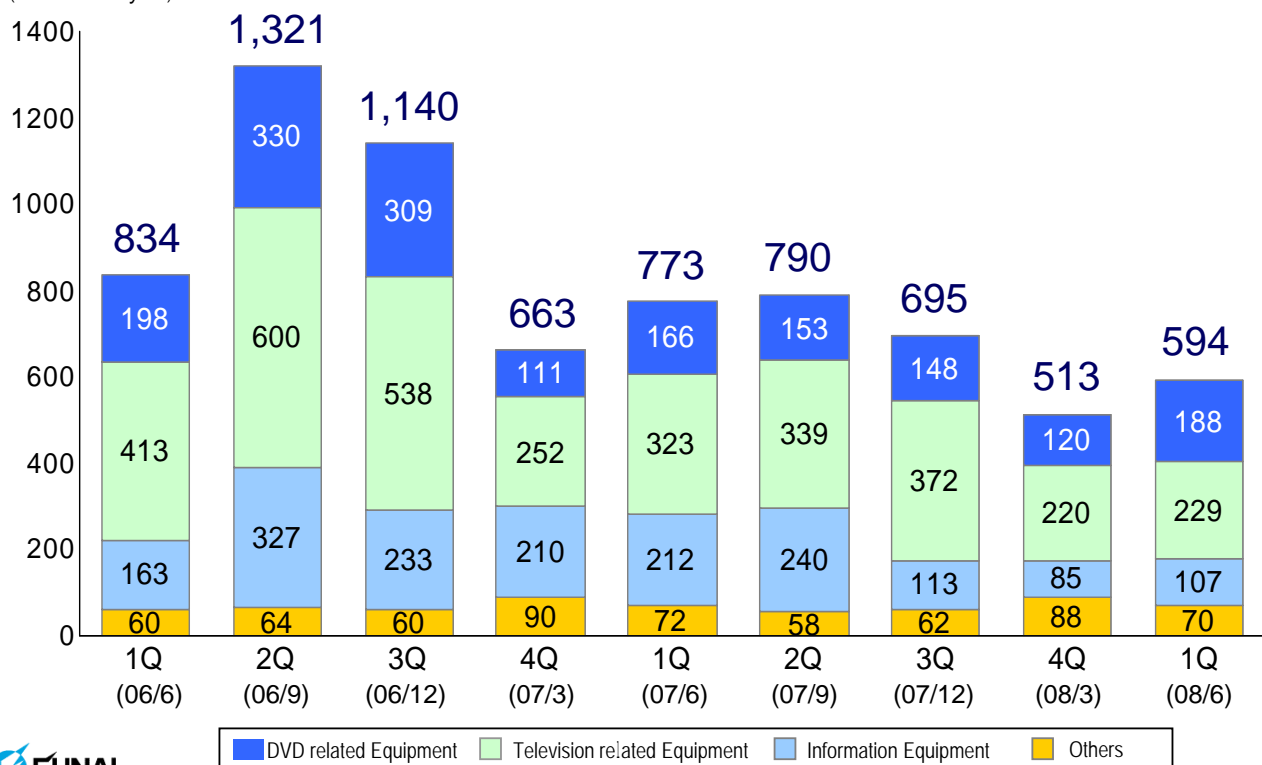
Revised down on June 16, 2008: Supplementary tax assessment based on rectification notice to Funai Electric Co., Ltd. for anti-tax haven system in HK for 16.8 bil. yen from the March 2005 to March 2007 period was posted as a cost of income taxes for prior periods on the 1Q consolidated income statement of FY2008.

Supplemental Data

1 Changes of Sales Amount by Equipment (after unification)

1 Changes of Sales Amount by Equipment (after unification)

(100 million yen)



- This document contains forward-looking statements and projections regarding business performance which are not historical facts. Please note that these statements are based on information relating to factors that may impact future business performance that was available for analysis at the time this document was printed. These factors include industry trends relating to the business areas of Funai Electric Co., Ltd. or the Funai Group, such as audio-visual devices and information communication equipment, the economic conditions of both domestic and international markets, and fluctuations in currency exchange rates. Actual performance may greatly differ from projections included in this document because of the impacts of uncertainty in such areas as the competitive conditions of the electronics industry, market trends, currency exchange rate, introduction and success of new products, and various other global conditions that may affect the tax system and other systems.

