

FY 2011 THIRD QUARTER IN CUMULATIVE FINANCIAL REPORT

〔 From April 1, 2011
To December 31, 2011 〕



FUNAI ELECTRIC CO., LTD.

Third Quarter (April-December) Consolidated Financial Summary
for the Period Ending March 2012

(Million yen)

	Previous Year Third Quarter		Current Year Third Quarter		Rate of increase or decrease
	〔 From April 1, 2010 to December 31, 2010 〕		〔 From April 1, 2011 to December 31, 2011 〕		
	Amount	%	Amount	%	
Net Sales	230,024	100.0	203,482	100.0	11.5
Operating Income	4,043	1.8	2,929	1.4	27.6
Ordinary Income	4,066	1.8	1,407	0.7	65.4
Net Income before Taxes and Other Adjustments	4,221	1.8	991	0.5	76.5
Net Income/Loss after Tax *	2,189	1.0	2,657	1.3	-
Net Income/Loss after Tax **	2,189	1.0	3,592	1.8	-
Net Income/Loss per Share	64.21		105.32		

Notes: Includes 13 consolidated subsidiaries, 1 non-consolidated subsidiary accounted for by the equity method.

*For the purpose of comparison the Net Income / Loss after Tax before the deduction of Income taxes for 935 million yen for prior periods is recorded.

**Supplementary tax assessment based on rectification notice to Funai Electric Co., Ltd. for anti-tax haven system in HK for 935 million yen for the period of March 2008 to March 2010 was posted as a cost of income taxes for prior periods in First Quarter consolidated income statement of FY2011.



Financial Report for the 9-Month Period ended December 31, 2011

January 30, 2012

Listed company name: Funai Electric Co., Ltd. Securities Code: 6839 Tokyo Stock Exchange and Osaka Securities Exchange, First Section

(URL <http://www.funai.jp/>)

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Scheduled date of Securities Report to be filed to the Kinki Finance Bureau; February 3, 2012

Scheduled date of Commencement of Annual Dividend Payment; -

Quarterly Financial Results Supplementation: Yes

Quarterly Financial Results Seminar: Yes

1. Third Quarter Consolidated Results for the Period Ending March 2012 (April 1, 2011 – December 31, 2011)

(1) Operating Results (Consolidated)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3 rd Quarter FY2011	203,482	11.5	2,929	27.6	1,407	65.4	3,592	-
3 rd Quarter FY2010	230,024	7.3	4,043	65.0	4,066	66.2	2,189	76.1

(Reference) Comprehensive Income 3rd Quarter FY 2011 ended December 31, 2011 9,347 million yen (- %)
3rd Quarter FY 2010 ended December 31, 2010 8,506 million yen (- %)

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
3 rd Quarter FY2011	105.32	-
3 rd Quarter FY2010	64.21	63.87

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
3 rd Quarter FY2011	182,058	120,970	65.8
Fiscal Year 2010	193,910	131,228	67.1

(Reference) Shareholders' Equity 3rd Quarter FY 2011 ended December 31, 2011 119,870 million yen
Fiscal Year 2010 ended March 31, 2011 130,088 million yen

2. Dividends

	Dividend per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual
	yen	yen	yen	yen	yen
Fiscal Year 2010	-	0.00	-	40.00	40.00
Fiscal Year 2011	-	0.00			
Fiscal Year 2011 (Projection)			-	40.00	40.00

(Note) Revision of Annual Dividends Forecast in this 3rd Quarter: No

3 Forecast of Consolidated Results for the Fiscal Year ending March 2012 (April 1, 2011 - March 31, 2012)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	265,000	10.4	3,200	314.4	1,500	16.2	2,800	-	82.08

(Note) Revision of Forecast of Consolidated Results in this 3rd Quarter: No

4 Other Information

- (1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): No
- (2) Application of simplified accounting procedure and use of unique accounting procedure for preparation of financial statements covering consolidated accounting in this 3rd quarter: Yes
- (3) Changes in Accounting Practices, Procedures and Presentation Methods for Consolidated Financial Results
Changes arising from revision of accounting standards: No
Changes arising from other factors: No
Changes in accounting estimates: No
Restatement: No
- (4) Number of Shares Outstanding (Ordinary Shares)
Number of shares outstanding (including treasury stock) as of December 31, 2011; 36,126,596 shares
as of March 31, 2011; 36,123,596 shares
Number of shares of treasury stock as of December 31, 2011; 2,011,607 shares
as of March 31, 2011; 2,011,607 shares
The Average number of outstanding shares on December 31, 2011; 34,114,194 shares
on December 31, 2010; 34,096,525 shares

※ The Recording of Implementation Conditions Regarding Quarterly Review Procedures

This quarterly financial summary does not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial summary, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

Disclaimer:

Please refer to the “Funai Reports Revised Forecast of Consolidated Operating Results” published on October 28, 2011 for information regarding earnings forecasts.

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.

1. Qualitative Information Regarding Quarterly Financial Results

(1) Qualitative Information Relating to Consolidated Business Performance

During the first nine months (April to December) of the consolidated fiscal year, the United States market—one of Funai Electric's key markets—was severely affected by sluggish housing markets and continued high rates of unemployment. In the latter half of the term, however, the job situation showed signs of improving slightly, centered on the private sector. Year-end sales were also favorable, chiefly for low-priced products. The outlook for both the United States and the world economy remains uncertain, however, owing to confusion surrounding the debt crisis in Europe.

In the consumer electronics industry, demand for LCD televisions (one of Funai Electric's main product lines) continues to grow substantially in emerging markets. In Japan, however, demand fell year on year, reflecting the results of the home electronics eco-point system in the preceding year. Furthermore, demand continued to level off in Europe and the United States, and commoditization had an increasingly notable effect on price movements.

As a result of the above factors, the Group posted net sales of JPY 203,482 million, a 11.5% decrease compared with the same period last year.

On the profit front, operating income was JPY 2,929 million, down 27.6% year on year; ordinary income was JPY 1,407 million, down 65.4% year on year; and a quarterly net loss of JPY 3,592 million (the quarterly net income for the same period last year was JPY 2,189 million).

Segment conditions by location were as follows:

i) Japan

Sales of Blu-ray Disc recorders increased, but reduced orders for printers prompted a major falloff in revenue from sales of information equipment. Also, sales of LCD televisions and antennas and related devices declined, owing to the falloff in the wake of the home electronics eco-point system and completion of the transition to digital terrestrial broadcasting. As a result, net sales were JPY 94,143 million, a 21.7% decrease compared with the same period last year. Our operating profit (segment profit) was JPY 5,532 million, down 20.4% year on year.

ii) North America

Revenues from sales of our mainstay LCD televisions increased, owing to favorable results from key customers during year-end sales. Meanwhile, owing to this factor and the growing prevalence of Internet-based content distribution through video on demand (VOD), which caused demand for DVD and Blu-ray Disc players to decline, net sales declined 2.7% year on year, to JPY 100,503 million. Our operating loss (segment loss) was JPY 870 million (the operating loss for this segment for the same period last year was JPY 4,103 million).

iii) Asia

Net sales were JPY 4,276 million, an increase of 177.6% year on year. Our operating profit (segment profit) was JPY 590 million, down 75.5% year on year.

iv) Europe

Sales of DVD-related equipment increased, but revenues decreased due to the effects of the weak market for LCD TVs, with net sales down 7.4% year on year, to JPY 4,558 million, and an operating loss (segment loss) of JPY 953 million (operating loss for the same period last year was JPY 907 million).

Sales by Product Segment were as follows:

i) Audio-Visual Equipment

In audiovisual equipment, although product prices on LCD televisions fell, sales of unit products were favorable. Nevertheless, revenues dropped as a result of declines in sales of units incorporating DVD players. In the category of DVD-related products, sales of Blu-ray Disc recorders contributed to higher revenues, although sales of DVD players and Blu-ray Disc players decreased. As a result, net sales of this equipment were JPY 151,090 million, a decrease of 0.1% year on year.

ii) Information Equipment

In the information equipment sector, decreases in orders for printers resulted in net sales of this equipment were JPY 25,184 million, a decrease of 48.1% year on year.

iii) Others Products

Sales of other products that are not included in the above categories amounted to JPY 27,207 million, a decrease of 10.2% year on year, as sales of antennas and related devices fell, reflecting the conclusion of the transition to digital terrestrial broadcasting.

(2) Qualitative Information Relating to Consolidated Financial Position

Our financial position at the end of first quarter is described below.

Total assets decreased by JPY 11,852 million as compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of JPY 4,332 million and JPY 8,985 million for merchandise and finished goods, raw

materials and inventories, respectively.

Total liabilities decreased by JPY 1,594 million as compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of JPY 4,895 million in notes and accounts payables, and a decrease of JPY 4,867 million and JPY 1,670 million for short-term loans payable and income taxes payable.

Net assets fell by JPY 10,257 million as compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of JPY 4,318 million and JPY 5,278 million in the retained earnings and foreign currency translation adjustment account.

(3) Qualitative Information Relating to Consolidated Performance Forecasts:

Funai Electric Co., Ltd. has not revised its consolidated operating results forecast released on October 28, 2011.

Note: Our performance forecasts include figures based on decisions according to the information available at the time and include items that are subject to risks and uncertainties. Actual performance may vary from these forecasts due to rapid changes in economic conditions in the United States, our primary market, and other regions overseas, as well as rapid fluctuations in product prices.

2. Summary Information

(1) Important changes relating to subsidiaries and affiliates during the fiscal term (changes involving specific subsidiaries that resulted in changes to the scope of consolidated accounting)

There are no relevant changes.

(2) Unique accounting procedure for preparation of consolidated financial statements for fiscal quarter

Expenses relating to taxes are calculated by applying the estimated effective tax rates on the before-tax net profit for the fiscal quarter, through a practical estimation of the effective tax rates that will take effect after the application of the tax effect accounting for before-tax net profits of the consolidated fiscal year, including this third quarter.

(3) Changes arising from revision of accounting standards, Changes in accounting estimates, Restatement

There are no relevant changes.

(4) Additional information

(Adoption of accounting standards related to accounting changes or correction of errors)

As of the accounting changes or correction of errors made since the beginning of the first quarter of the consolidated fiscal year under review, the Group has adopted the Accounting Standard for Accounting Changes and Error Corrections (Statement No. 24 of the Accounting Standard Board of Japan dated December 4, 2009) and the corresponding Implementation Guidance (Implementation Guidance No. 24 dated December 4, 2009).

(Impact of Such Factors as Changes in the Corporate Tax Rate)

The Law to Revise Income Tax, etc., in Order to Construct a Tax System Addressing Changes in the Socio-Economic Structure (Law No. 114 of 2011) and the Special Measures Law Related to Securing Funding Necessary to Implement Measures for Recovery from the Great East Japan Earthquake (Law No. 117 of 2011) were promulgated on December 2, 2011, going into effect for consolidated fiscal years beginning on or after April 1, 2012, and having the effect of reducing the corporate tax rate and imposing a recovery special corporation tax. As a result, the statutory effective tax rate used to calculate deferred tax assets and deferred tax liabilities was temporarily reduced from the previous 40.70% to 38.01% from the consolidated fiscal year beginning April 1, 2012, to the consolidated fiscal year beginning April 1, 2014. Furthermore, owing to additional eliminations beginning with the consolidated fiscal year commencing on April 1, 2015, a temporary reduction to 35.64% is anticipated. As a result of this change in the tax rate, the amount of deferred tax assets (the amount remaining after deducting deferred tax liabilities) decreased JPY463 million, while deferred income taxes rose JPY458 million.

Furthermore, the system of carrying forward losses has changed, owing to a limit corresponding to an amount equivalent to 80 out of 100 on the amount of earnings before carry-forwards for consolidated fiscal years beginning on or after April 1, 2012. Accordingly, deferred tax assets decreased by JPY344 million and deferred income taxes increased by JPY344 million.

(5) Other

Corrective action implemented based on the application of the Anti-Tax Haven Law

1. On June 28, 2005 and June 16, 2008 we received a notice from the Osaka Regional Taxation Bureau regarding the implementation of corrective action. This notice indicated a decision regarding our subsidiary in Hong Kong, suggesting that it did not satisfy the conditions for exclusion from application of the Anti-Tax Haven Law. The notification furthermore indicated that the Osaka Regional Taxation Bureau decided to incorporate the income generated by our subsidiary in Hong Kong into the income of our company for the duration of three years, from April 1, 2001, to March 31, 2004, from April 1, 2004, to March 31, 2007, or taxation purposes. Because the Company objected to this corrective action, we applied for assessments by the Administrative Review Office of the Osaka Regional Taxation Bureau on July 25, 2006 and again on August 6, 2008. Thereafter, we received written verdicts on this case on July 3, 2008, and again on July 23, 2009, indicating that our assertions had been dismissed. We filed an appeal to have the action cancelled with the Osaka District Court on November 16, 2006 and again on November 14, 2008, and a hearing for consolidation of those actions was filed on November 26, 2008. The

court dismissed the claims of our Company on June 24, 2011. Thereafter, as the Company is unable to accept the Osaka District Court's judgment, we filed a notice of appeal at the Osaka Superior Court on July 7, 2011.

The additional tax amounts to JPY 16,651 million (JPY 19,184 million including incidental taxes) and JPY 15,038 million (JPY 16,838 million including incidental taxes), including corporate, residential, and business taxes. We processed these amounts in the fiscal term ending March 2007 as "retroactive corporate taxes," since the accounting procedures relating to additional tax amounts have been clarified through the amendment of the "Handling of Audits Relating to Accounting Procedures and Disclosures for Taxes" (Report No. 63 of the Auditing and Guaranteeing Work Committee of the Japanese Institute of Certified Public Accountants) on March 8, 2007.

2. On June 29, 2011 we received a notice from the Osaka Regional Taxation Bureau indicating their decision to incorporate the income generated by our subsidiary in Hong Kong into the income of our company for the duration of three years, from April 1, 2007, to March 31, 2010, for taxation purposes.

Because the Company objected to this corrective action, we applied for assessments by the Administrative Review Office of the Osaka Regional Taxation Bureau on August 25, 2011.

The additional tax, including corporate, residential, and business taxes, amounts to JPY 825 million (JPY 935 million including incidental taxes). This amount has been processed as expenses under the category of "income taxes for prior periods" in this first fiscal quarter of the consolidated fiscal term.

3. Consolidated Financial Statements

(1).Consolidated Quarterly Balance Sheets

(Mil. Yen)

	Fiscal year 2010 (As of March 31, 2011)	3rd Quarter FY2011 (As of December 31, 2011)
ASSETS;		
Current Assets		
Cash and deposits	70,076	76,585
Notes and accounts receivable-trade	36,367	37,396
Merchandise and finished goods	23,565	19,232
Work in process	1,795	1,661
Raw materials and supplies	18,477	9,492
Other	8,678	6,089
Allowance for doubtful accounts	139	206
Total current assets	158,820	150,251
Noncurrent assets		
Tangible fixed assets	16,290	14,715
Intangible fixed assets	3,720	5,167
Investment and other assets		
Other	15,432	12,214
Allowance for doubtful accounts	352	291
Total investments and other assets	15,079	11,923
Total noncurrent assets	35,089	31,806
TOTAL ASSETS	193,910	182,058
LIABILITIES;		
Current Liabilities		
Notes and accounts payable-trade	28,938	33,834
Short-term loans payable	10,096	5,229
Income taxes payable	2,071	401
Provision	1,727	1,092
Other	16,090	17,622
Total current liabilities	58,926	58,180
Noncurrent liabilities		
Long-term loans payable	33	-
Provision	2,392	2,142
Other	1,329	763
Total noncurrent liabilities	3,755	2,906
TOTAL LIABILITIES	62,681	61,087

(Mil. Yen)

	Fiscal year 2010 (As of March 31, 2011)	3rd Quarter FY2011 (As of December 31, 2011)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,300	31,303
Capital surplus	33,265	33,268
Retained earnings	116,738	112,420
Treasury stock	24,341	24,341
Total shareholders' equity	156,962	152,650
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	612	15
Foreign currency translation adjustment	27,486	32,764
Total accumulated other comprehensive income	26,874	32,780
Stock acquisition rights	87	103
Minority interests	1,052	996
Total net asset	131,228	120,970
TOTAL LIABILITIES AND NET ASSETS	193,910	182,058

(2). Consolidated Quartely Statements of Income and Consolidated Quartely Statement of Comprehensive Income

(Mil. Yen)

	3rd Quarter FY2010 (from April 1, 2010 to December 31, 2010)	3rd Quarter FY2011 (from April 1, 2011 to December 31, 2011)
Net sales	230,024	203,482
Cost of sales	195,619	172,078
Gross profit	34,405	31,404
Selling, general and administrative expenses	30,361	28,474
Operating income	4,043	2,929
Non-operating income		
Interest income	315	159
Dividends income	26	91
Equity in earnings of affiliates	13	-
Other	183	176
Total non-operating income	539	427
Non-operating expenses		
Interest expenses	82	106
Equity in losses of affiliates	-	32
Foreign exchange losses	347	1,601
Other	87	208
Total non-operating expenses	516	1,949
Ordinary income	4,066	1,407
Extraordinary income		
Gain on sales of noncurrent assets	1	6
Gain on sales of investment securities	282	0
Other	25	-
Total extraordinary income	310	6
Extraordinary loss		
Loss on disposal of noncurrent assets	20	28
Loss on sales of investment securities	-	313
Liquidation loss on affiliated company	88	-
Other	45	79
Total extraordinary loss	155	422
Income before income taxes	4,221	991
Income taxes	1,778	3,496
Income taxes for prior periods	-	935
Total income taxes	1,778	4,432
Income / loss before minority interests	2,443	3,440
Minority interests in income	253	152
Net income / loss	2,189	3,592

(Consolidated Quarterly Statement of Comprehensive Income)

(Mil. Yen)

	3rd Quarter FY2010 (from April 1, 2010 to December 31, 2010)	3rd Quarter FY2011 (from April 1, 2011 to December 31, 2011)
Income / loss before minority interest adjustment	2,443	3,440
Other comprehensive income		
Valuation difference on available-for-sale securities	230	628
Foreign currency translation adjustment	11,280	5,261
Share of other comprehensive income of associates accounted for using equity method	100	17
Total other comprehensive income	10,949	5,907
Comprehensive income	8,506	9,347
(Breakdown)		
Comprehensive income attributable to owners of par	8,734	9,498
Comprehensive income attributable to minority inter	227	151

(3) Notes for Continuing Enterprises
Not Applicable

(4) Information by Segment

[Segment Information]

. Third Quarter Consolidated Fiscal Period – Year to Date (April 1, 2010 to December 31, 2010)
Information Regarding Net Sales and Profit/Loss Conditions by Reporting Segment

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
(1) Outside customers	120,271	103,286	1,540	4,925	230,024	-	230,024
(2) Inter-segment sales	110,584	3	164,299	4	274,891	(274,891)	-
Total	230,855	103,289	165,839	4,929	504,915	(274,891)	230,024
Segment Income and Loss()	6,952	4,103	2,408	907	4,349	(305)	4,043

Note: 1. The negative JPY 305 million adjustment amount under segment income includes items such as the JPY11 million relating to the cancellation of inter-segment transactions, JPY 745 million of overall Group expenses that are not apportioned to each reporting segment, and the JPY428 million negative adjustment relating to inventory assets. Overall Group expenses are comprised of general administrative expenses that do not belong to a specific reporting segment.

2. Segment income has been adjusted to operating income noted on the first quarter consolidated income statement.

. Third Quarter Consolidated Fiscal Period – Year to Date (April 1, 2011 to December 31, 2011)
Information Regarding Net Sales and Profit/Loss Conditions by Reporting Segment

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
(1) Outside customers	94,143	100,503	4,276	4,558	203,482	-	203,482
(2) Inter-segment sales	89,474	0	130,848	3	220,327	(220,327)	-
Total	183,618	100,503	135,125	4,562	423,810	(220,327)	203,482
Segment Income and Loss()	5,532	870	590	953	4,299	(1,369)	2,929

Note: 1. The negative JPY 1,369 million adjustment amount under segment income includes items such as the JPY5 million relating to the cancellation of inter-segment transactions, JPY 693 million of overall Group expenses that are not apportioned to each reporting segment, and the JPY 681 million negative adjustment relating to inventory assets. Overall Group expenses are comprised of general administrative expenses that do not belong to a specific reporting segment.

2. Segment income has been adjusted to operating income noted on the first quarter consolidated income statement.

(5) Notes of remarkable changes in Shareholders Equity:
Not Applicable

(6) Important Subsequent Event
Not Applicable

THIRD QUARTER IN CUMULATIVE FINANCIAL RESULTS SUPPLEMENTATION

FY 2011

(from 2011.4.1
to 2011.12.31)

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FUNAI ELECTRIC CO., LTD.

1. Summary of 3Q (April to December) Financial Statements (Consolidated)

(1) Operating Results, Financial Conditions

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	3Q			Full-Year			3Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	2,300	100.0	7.3	2,959	100.0	6.0	2,034	100.0	11.5	2,650	100.0	10.4
Operating Income	40	1.8	65.0	7	0.3	93.1	29	1.4	27.6	32	1.2	314.4
Ordinary Income	40	1.8	66.2	12	0.4	89.0	14	0.7	65.4	15	0.6	16.2
Net Income / Loss after Tax (Before income tax for prior periods)	21	1.0	76.1	11	0.4	-	26	1.3	-	19	0.7	-
Net Income / Loss after Tax	21	1.0	76.1	11	0.4	-	35	1.8	-	28	1.1	-
Total Assets	2,036	-	-	1,939	-	-	1,820	-	-	-	-	-
Net Assets	1,329	-	-	1,312	-	-	1,209	-	-	-	-	-

() Yen-Dollars / Exchange rate

(Units : Yen / Dollars)

	FY 2010		FY 2011	
	3Q	Full-Year	3Q	Full-Year (Projection)
Average Rate in each Period	86.17	85.21	78.50	78.57

(2) Profitability and Per Share Data etc.

	FY 2010		FY 2011	
	3Q	Full-Year	3Q	Full-Year (Projection)
Gross Profit Ratio (%)	15.0	13.6	15.4	15.4
Operating Income Ratio (%)	1.8	0.3	1.4	1.2
Ordinary Income Ratio (%)	1.8	0.4	0.7	0.6
Shareholders' Equity Ratio (%)	64.8	67.1	65.8	-
Net Assets Per Share (yen)	3,867.74	3,813.57	3,513.73	-
Net Income Per Share (yen)	64.21	34.31	105.32	82.08
Return on Assets (%)	1.0	0.6	1.9	-
Return on Shareholders' Equity (%)	1.6	0.9	2.9	-

(3) Capital Expenditures, Depreciation, R&D Expenses

(Units : 100 million yen, %)

	FY 2010				FY 2011			
	3Q		Full-Year		3Q		Full-Year (Projection)	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	54	63.6	60	39.5	28	48.1	48	20.0

	FY 2010						FY 2011					
	3Q			Full-Year			3Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Depreciation Expenses	35	1.5	12.9	48	1.6	11.6	36	1.8	2.9	53	2.0	10.4
R&D	95	4.1	1.0	129	4.4	3.7	79	3.9	16.8	118	4.5	8.5

(4) CashFlow

(Units : 100 million yen)

	FY 2010		FY 2011	
	3Q	Full-Year	3Q	Full-Year (Projection)
Cash flows provided by operating activities	164	51	214	-
Income Before Income Taxes	42	14	9	-
Depreciation Expenses	46	63	47	-
Others	252	128	158	-
Cash flows used in investing activities	8	40	144	-
Free cash flows	156	11	70	-
Cash flows provided by financing activities	63	24	58	-
Effect of exchange rate changes on cash and cash equivalents	18	16	11	-
Net increase in cash and cash equivalents	110	2	6	-

2. Operating Activities (Consolidated)

(1) Sales by Equipment

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	3Q			Full-Year			3Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,512	65.7	19.1	1,986	67.1	15.0	1,511	74.2	0.1	1,994	75.2	0.4
DVD	205	8.9	38.1	269	9.1	30.3	185	9.1	9.8	229	8.6	14.9
BD	246	10.7	82.2	353	11.9	86.8	314	15.4	27.6	459	17.3	30.0
LCD TV	1,030	44.8	17.3	1,330	44.9	16.6	990	48.6	3.9	1,274	48.1	4.2
Others	31	1.3	80.0	34	1.2	79.5	22	1.1	29.0	32	1.2	5.9
Information Equipment	485	21.1	14.6	564	19.1	3.3	251	12.4	48.1	325	12.3	42.4
Others	303	13.2	59.9	409	13.8	52.9	272	13.4	10.2	331	12.5	19.1
Total	2,300	100.0	7.3	2,959	100.0	6.0	2,034	100.0	11.5	2,650	100.0	10.4

(2) Sales by Areas in Equipment

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	3Q			Full-Year			3Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,512	65.7	19.1	1,986	67.1	15.0	1,511	74.2	0.1	1,994	75.2	0.4
North America	1,004	43.6	39.1	1,289	43.6	34.6	1,003	49.3	0.1	1,271	47.9	1.4
Europe	66	2.9	30.5	83	2.8	33.6	57	2.8	13.6	68	2.6	18.1
Asia and Others	24	1.0	300.0	38	1.3	111.1	23	1.1	4.2	58	2.2	52.6
Japan	418	18.2	257.3	576	19.4	159.5	428	21.0	2.4	597	22.5	3.6
Information Equipment	485	21.1	14.6	564	19.1	3.3	251	12.4	48.1	325	12.3	42.4
North America	188	8.2	29.7	214	7.2	15.7	85	4.2	54.8	118	4.5	44.9
Europe	132	5.7	7.7	154	5.2	13.0	51	2.5	61.4	76	2.9	50.6
Asia and Others	151	6.6	20.8	179	6.1	6.5	109	5.4	27.8	125	4.7	30.2
Japan	14	0.6	27.3	17	0.6	6.3	6	0.3	57.1	6	0.2	64.7
Others	303	13.2	59.9	409	13.8	52.9	272	13.4	10.2	331	12.5	19.1
Total	2,300	100.0	7.3	2,959	100.0	6.0	2,034	100.0	11.5	2,650	100.0	10.4

(3) Sales by Equipment in Areas

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	3Q			Full-Year			3Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	1,240	53.9	31.2	1,558	52.6	28.0	1,103	54.2	11.0	1,403	52.9	9.9
Audio Visual Equipment	1,004	43.6	39.1	1,289	43.6	34.6	1,003	49.3	0.1	1,271	47.9	1.4
Information Equipment	188	8.2	29.7	214	7.2	15.7	85	4.2	54.8	118	4.5	44.9
Others	48	2.1	500.0	55	1.8	511.1	15	0.7	68.8	14	0.5	74.5
Europe	198	8.6	17.0	238	8.1	21.8	108	5.3	45.5	144	5.5	39.5
Audio Visual Equipment	66	2.9	30.5	83	2.8	33.6	57	2.8	13.6	68	2.6	18.1
Information Equipment	132	5.7	7.7	154	5.2	13.0	51	2.5	61.4	76	2.9	50.6
Others	0	0.0	-	1	0.1	66.7	0	0.0	-	0	0.0	-
Asia and Others	179	7.8	33.6	221	7.5	12.8	138	6.8	22.9	188	7.1	14.9
Audio Visual Equipment	24	1.0	300.0	38	1.3	111.1	23	1.1	4.2	58	2.2	52.6
Information Equipment	151	6.6	20.8	179	6.1	6.5	109	5.4	27.8	125	4.7	30.2
Others	4	0.2	33.3	4	0.1	60.0	6	0.3	50.0	5	0.2	25.0
Japan	683	29.7	124.0	942	31.8	94.7	685	33.7	0.4	915	34.5	2.9
Audio Visual Equipment	418	18.2	257.3	576	19.4	159.5	428	21.0	2.4	597	22.5	3.6
Information Equipment	14	0.6	27.3	17	0.6	6.3	6	0.3	57.1	6	0.2	64.7
Others	251	10.9	41.8	349	11.8	41.9	251	12.4	0.0	312	11.8	10.6
Total	2,300	100.0	7.3	2,959	100.0	6.0	2,034	100.0	11.5	2,650	100.0	10.4

3. Summary of 3Q (October to December) Financial Statements (Consolidated)

(1) Operating Results

(Units : 100 million yen, %)

	FY 2010			FY 2011		
	3Q (Oct.-Dec.)			3Q (Oct.-Dec.)		
	Amount	%	Change	Amount	%	Change
Net Sales	760	100.0	6.2	628	100.0	17.2
Operating Income	5	0.7	-	8	1.3	-
Ordinary Income	7	0.9	-	8	1.4	-
Net Income / Loss after Tax	16	2.2	-	5	1.0	-

() Yen-Dollars / Exchange rate

(Units : Yen / Dollars)

	FY 2010		FY 2011	
	3Q (Oct.-Dec.)		3Q (Oct.-Dec.)	
Average Rate in each Period		82.21		77.20

(2) Sales by Equipment

(Units : 100 million yen, %)

	FY 2010			FY 2011		
	3Q (Oct.-Dec.)			3Q (Oct.-Dec.)		
	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	509	67.0	13.0	500	79.6	1.8
DVD	71	9.3	23.7	61	9.7	14.1
BD	142	18.7	446.2	94	15.0	33.8
LCD TV	280	36.9	38.5	334	53.2	19.3
Others	16	2.1	45.5	11	1.7	31.3
Information Equipment	125	16.4	21.4	69	11.0	44.8
Others	126	16.6	90.9	59	9.4	53.2
Total	760	100.0	6.2	628	100.0	17.2



FUNAI ELECTRIC CO., LTD.

(Company)

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