

FY 2010 THIRD QUARTER IN CUMULATIVE FINANCIAL REPORT

〔 From April 1, 2010
To December 31, 2010 〕



FUNAI ELECTRIC CO., LTD.

Third Quarter (April-December) Consolidated Financial Summary
for the Period Ending March 2011

	Previous Year Third Quarter 〔 From April 1, 2009 To December 31, 2009 〕		Current Year Third Quarter 〔 From April 1, 2010 To December 31, 2010 〕		% increase or decrease from the same period of the previous consolidated fiscal year
	Amount	Percent	Amount	Percent	
	Million yen	%	Million yen	%	%
Net Sales	248,073	100.0	230,024	100.0	7.3
Operating Income	11,546	4.7	4,043	1.8	65.0
Ordinary Income	12,042	4.9	4,066	1.8	66.2
Net Income before Taxes and Other Adjustments	12,009	4.8	4,221	1.8	64.8
Net Income after Tax	9,156	3.7	2,189	1.0	76.1
Net Income per Share	268.57		64.21		

Notes:

Includes 13 consolidated subsidiaries and 1 non-consolidated subsidiary accounted for by the equity method.

Financial Report for the 9-Month Period ended December 31, 2010

January 31, 2011

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

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

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Scheduled date of Securities Report to be filed to the Kinki Finance Bureau; February 4, 2011

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 2011 (April 1, 2010 – December 31, 2010)(1) Consolidated Operating Results

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3 rd Quarter FY2010	230,024	7.3	4,043	65.0	4,066	66.2	2,189	76.1
3 rd Quarter FY2009	248,073	3.3	11,546	252.8	12,042	403.2	9,156	-

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
3 rd Quarter FY2010	64.21	63.87
3 rd Quarter FY2009	268.57	266.64

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
3 rd Quarter FY2010	203,629	132,962	64.8	3,867.74
Fiscal Year End 2009	204,057	142,779	69.6	4,164.86

(Reference) Shareholders' Equity

3rd Quarter FY2010 ended December 31, 2010 131,928 million yen

Fiscal Year 2009 ended March 31, 2010 141,991 million yen

2. Dividends

Corresponding Period	Annual Dividend per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year end	Annual
	yen	yen	yen	yen	yen
Fiscal Year 2009	-	0.00	-	40.00	40.00
Fiscal Year 2010	-	0.00			
Fiscal Year 2010 (Projection)			-	40.00	40.00

(Note) Revision of Annual Dividends Forecast in this 3rd Quarter : No3. Forecast of Consolidated Results for the Full Year (April 1, 2010 - March 31, 2011)

(% 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	295,000	6.3	1,000	91.0	1,000	91.4	1,800	-	52.77

Note:

Revision of Forecast of Consolidated Results for the Six month period or the Full Year in this 3rd Quarter : Yes

4. Other Information

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): No

Note: Refers to movements of specified subsidiaries that have resulted from any changes to the range of consolidated entities during the current quarterly accounting period.

(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

Note: Please refer to “Qualitative Information and Financial Statements”.

(3) Changes in Accounting Practices, Procedures and Presentation Methods for Consolidated Financial Results

(1) Changes arising from revision of accounting standards: Yes

(2) Changes arising from other factors: Yes

Note: Refers to changes to general rules and procedures as well as denotation methods for accounting treatment in relation to the development of current quarter consolidated financial statements as referenced in the section entitled, “Changes to Important Items that Form the Basis of the Development of the Quarterly Consolidated Financial Statements”.

(4) Number of Shares Outstanding (Ordinary Shares)

(1) Number of shares outstanding (including treasury stock) as of December 31, 2010; 36,121,696 shares
as of March 31, 2010; 36,104,196 shares

(2) Number of shares of treasury stock as of December 31, 2010; 2,011,607 shares
as of March 31, 2010; 2,011,531 shares

(3) The Average number in the quarter of outstanding shares on December 31, 2010; 34,096,525 shares
on December 31, 2009; 34,092,763 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:

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.

1. Qualitative Information Regarding Quarterly Financial Results

(1) Qualitative Information Relating to Consolidated Business Performance

During the third quarter (April to December) of the consolidated fiscal year, the U.S. market, which is one of Funai Electric's key markets, continued to moderately grow supported by a series of policy effect. In the October to December period, in particular, private consumption has been firm due mainly to asset effect in the stock market thanks to FRB's quantitative easing. However, opacity continued to remain unable to wipe away as like seen in the continuing sluggish housing market and high unemployment rate.

In the consumer electronics market, the growth rate of LCD televisions (one of Funai Electric's main product line) was high in Japan and China supported by the Government subsidy to consumers and other emerging countries of which economic growth has been high. On the other hand, consumers in U.S. or Western Europe of which penetration ratio is already high in existing products have been cautious when it comes to spending and shunning purchase of high end products like LED or 3D televisions.

As a result of the above factors, the Group posted net sales of JPY230,024 million (a fall of 7.3% from the same period last year) for the third quarter of the consolidated fiscal year.

On the profit side, the Group posted operating income of JPY4,043 million (a fall of 65.0% from the same period last year), ordinary income of JPY4,066 million (a fall of 66.2% from the same period last year), and a quarterly net income of JPY2,189 million (a fall of 76.1% from the same period last year).

Segment conditions by location were as follows:

i) Japan

In addition to the growth in sales of LCD televisions as a result of the positive effect of the "Eco-Point" program, sales of antennas and related devices increased as a result of the transition to digital terrestrial broadcasting. Moreover, robust sales of Blu-Ray disc recorders introduced by the Group in the third quarter of the previous fiscal year, and the growth in sales of information equipment contributed to the Group posting third quarter net sales of JPY120,271 million (a 44.8% increase from the same period last year) and third quarter operating income of JPY6,952 million (a 22.2% increase from the same period last year) for the Japan market.

ii) North America

No sales relating to TV set-top boxes¹ (STBs) targeted for the U.S. market was generated during the quarter as production for such devices were halted in June 2009. In addition to this, sales of DVD-related devices fell as compared to same period last year as demand for DVD players and Blu-Ray Disc players remained weak. Also, the decline in consumer demand for LCD televisions (the Group's core product in the market), and the resultant fall in the unit price for such products resulted in the Group posting third quarter net sales of JPY103,286 (a fall of 35.1% from the same period last year) and third quarter operating loss of JPY4,103 (as compared to a JPY4,567 million operating profit in the same period last year) in the North American market.

¹ This product converted digital signals to analog signals, allowing users to view digital terrestrial broadcasts on an existing analog television. In the United States, analog terrestrial broadcasting ended in June 2009.

iii) Asia

As a result of components and other sales, the Group posted third quarter net sales of JPY1,540 million (a 248.2% increase from the same period last year) and third quarter operating income of JPY2,408 million (a fall of 55.5% from the same period last year) in the Asia (excluding Japan) market.

iv) Europe

Sales of LCD televisions were almost flat, and DVD related devices declined due mainly from grim economic situation. As a result, the Group posted third quarter net sales of JPY4,925 million (a fall of 10.4% from the same period last year) and third quarter operating loss of JPY907 million (as compared to a JPY902 million operating loss in the same period last year) in the European market.

Sales by Product Segment were as follows:

i) Audio-Visual Equipment

In the audio-visual equipment segment, the Group was able to increase the volume of LCD televisions unit sold but due to intense price competition in the market, sales fell. In the field of DVD related products, despite the top-line contribution of Blu-Ray disc recorders that were launched onto the market during the third quarter of the previous fiscal year, sales fell significantly from the same period last year. This was mainly because of the lack of sales generated by TV STBs in the US market after the Group's decisions to halt production for such devices in June 2009 and the marked decline in sales of DVD players and Blu-Ray disc players. Consequently, third quarter net sales for this product segment fell to JPY151,170 million (a fall of 19.1% from the same period last year).

ii) Information Equipment

In the information equipment sector, an increase in orders for printers and other factors resulted in the Group posting third quarter net sales of JPY48,558 million (a 14.6% increase from the same period last year).

iii) Others Products

Sales of other products that are not included in the above categories increased as strong demand for antennas and related devices as a result of the transition to digital terrestrial broadcasting took hold. Consequently, the Group posted sales of JPY30,294 million (a 59.9% increase from the same period last year) in this product segment.

Note: As of the first quarter of the consolidated fiscal year, sales of antennas that were previously categorized under the "Audio-Visual Equipment" segment has been transferred to the "Other Products" segment. Further, prior year sales figures for "Audio-Visual Equipment" include the sale of antennas. For reference purposes, sales of antennas during the third quarter of the previous fiscal year totaled JPY2,791 million.

(2) Qualitative Information Relating to Consolidated Financial Position

The financial condition of the Group at the end of the third quarter of consolidated fiscal year is as follows:

Total assets decreased by JPY427 million as compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of JPY7,221 million and JPY14,213 million for notes and accounts receivable-trade and goods and products, respectively, and a decrease of JPY23,729 million in cash and cash equivalents.

Total liabilities increased by JPY9,389 million as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY7,094 million increases in short-term loans payable.

Net assets fell by JPY9,817 million as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY11,154 million decreases in the foreign currency translation adjustment account.

(3) Qualitative Information Relating to Consolidated Performance Forecasts:

Please refer to the "Funai Reports Revised Forecast of Consolidated Operating Results" published on January 31, 2011 for information regarding earnings forecasts.

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. Other Information

(1) Summary of Changes to Major Subsidiaries

None to report with the exception of the fact that FUNAI ELECTRIC (POLSKA) Sp. z o.o., a consolidated subsidiary, changed its name to FUNAI ELECTRIC EUROPE Sp. z o.o. as of July 1, 2010.

(2) Application of simplified accounting procedure and use of unique accounting procedure for preparation of financial statements covering consolidated accounting for fiscal quarter

1. Simplified accounting procedure

The amount of allowance for depreciation and amortization is calculated by distributing the applicable amount for the consolidated fiscal year over fiscal terms. This is because our company, as well as our consolidated domestic subsidiaries, adopt the diminishing balance or fixed percentage depreciation method (except for buildings acquired on or after April 1, 1998 that do not include incidental facilities, which are calculated using the fixed amount or straight line depreciation method).

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 fiscal quarter.

The corporate tax adjustment is included in the indicated corporate taxes.

(3) Summary of Changes to General Rules and Procedures as well as Denotation Methods for Accounting Treatment Changes Relating to Items Concerning Accounting Procedure Standards

1. Adoption of the "Accounting Standard for Equity Method Accounting of Investments" and the "Practical Solution for the Unification of Accounting Policies Applied to Associated Companies Accounted for Using the Equity Method"

As of the current first quarter consolidated financial statements, the Group has adopted the Accounting Standard for Equity Method Accounting of Investments (Statement No. 16 of the Accounting Standard Board of Japan dated March 10, 2008) and the Practical Solution for the Unification of Accounting Policies Applied to Associated Companies Accounted for Using the Equity Method (Practical Issues Task Force No. 24 of the

Accounting Standard Board of Japan dated March 10, 2008). There is no impact to ordinary income or net income before taxes and other adjustments for the current quarter as a result of this change.

2. Adoption of Accounting Standards for Asset Retirement Obligations

As of the current first quarter consolidated financial statements, the Group has adopted the Accounting Standard for Asset Retirement Obligations (Statement No. 18 of the Accounting Standard Board of Japan dated March 31, 2008) and the Implementation Guidance on the Accounting Standard for Asset Retirement Obligations (Implementation Guidance No. 21 of the Accounting Standard Board of Japan dated March 31, 2008). There is no impact to operating income, ordinary income, or net income before taxes and other adjustments for the current quarter as a result of this change.

3. Change in the Rate Applied for Currency Exchange Conversions

In the past, the Group applied TTS^{*1} or TTB^{*2} rates when carrying out foreign currency exchange conversions. However, as of the second quarter of the consolidated fiscal year, the Group has decided to use TTM^{*3} rates instead. This change to utilize TTM rates across all exchange conversions was made in order to ensure clarity in every income category.

Due to this change, net sales, operating income and ordinary income figures for the third quarter year-to-date consolidated period has increased by JPY663 million, JPY830 million and JPY336 million, respectively, as compared to the results if the rates utilized in the past were applied for exchange conversions. Further, the third quarter consolidated net income before taxes and other adjustments increased by JPY336 million as compared to the results if the rates utilized in the past were applied for exchange conversions.

Please note that the new rates were not applied for the first quarter year-to-date consolidated period as the Group's systems were not updated until the second quarter.

*1 TTS : telegraphic transfer selling rate

*2 TTB : telegraphic transfer buying rate

*3 TTM : telegraphic transfer middle rate

(4) Other

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

1. On June 28, 2005 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, for taxation purposes. We applied for an assessment by the Administrative Review Office of the Osaka Regional Taxation Bureau on July 25, 2006, and filed an appeal to have the action cancelled with the Osaka District Court on November 16, 2006, as we object to this corrective action.

Thereafter, on July 3, 2008, we received a written verdict on this case from the Administrative Review Office of the Osaka Regional Taxation Bureau, which indicated that our assertion had been dismissed. This arbitration is truly unfortunate and unacceptable. Currently, we are making every effort to assert the validity of our position to the court.

The additional tax amounts to JPY16,651 million (JPY19,184 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 16, 2008 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, 2004, to March 31, 2007, for taxation purposes. In response, we applied for an assessment by the Administrative Review Office of the Osaka Regional Taxation Bureau on August 6, 2008 and filed an appeal to have the action cancelled with the Osaka District Court on November 14, 2008. Thereafter, on July 23, 2009, we received a written verdict on this case from the Administrative Review Office of the Osaka Regional Taxation Bureau, which indicated that our assertion had been dismissed. The Company deems this decision to be truly unfortunate and unacceptable, and we intend to continue asserting the validity of our position to the court in the future. At present, the Osaka District Court is reviewing the action in conjunction with the previous action (dated June 28, 2005).

A provisional estimate for the additional tax, including corporate, residential, and business taxes, amounts to JPY15,038 million (JPY16,838 million including incidental taxes). This amount has been processed as

expenses under the category of “retroactive corporate taxes” in this first fiscal quarter of the consolidated fiscal term.

Since decisions regarding the tax system under action will be made according to the condition of the applicable overseas subsidiaries at the time such subsidiaries’ fiscal years are completed, we can only offer reference figures at this time. As such, in regard to the consolidated fiscal years following the year of the investigation (i.e., the fiscal years ending March 2008 and those thereafter), a calculation to assess the impact of the applicable tax system on the income of the Hong Kong subsidiary was carried out. The calculated impact at the parent company level after deducting the dividend income received from the Hong Kong subsidiary for the fiscal years ended March 2008 and 2009 was estimated to be JPY3,000 million including corporate, residential, and business taxes. Due to the aforementioned reason, however, the accounting procedure for the figure relating to this effect has not yet been conducted.

3. Consolidated Financial Statements

(1).Consolidated quarterly balance sheets

(Mil. Yen)

	3rd Quarter FY2010 (As of December 31, 2010)	Fiscal year 2009 (As of March 31, 2010)
ASSETS;		
Current Assets		
Cash and deposits	62,315	86,045
Notes and accounts receivable-trade	42,375	35,154
Merchandise and finished goods	35,063	20,850
Work in process	1,812	1,510
Raw materials and supplies	18,114	16,057
Others	8,360	7,717
Allowance for doubtful accounts	133	179
Total current assets	167,908	167,155
Noncurrent assets		
Property, plant and equipment	16,737	15,654
Intangible assets	3,793	4,874
Investments and other assets		
Others	15,495	17,148
Allowance for doubtful accounts	304	775
Total investments and other assets	15,190	16,373
Total noncurrent assets	35,720	36,902
TOTAL ASSETS	203,629	204,057
LIABILITIES;		
Current Liabilities		
Notes and accounts Payable-trade	32,811	31,305
Short-term loans payable	13,433	6,338
Income taxes payable	1,670	1,799
Provision	1,408	2,306
Others	17,445	14,457
Total current liabilities	66,768	56,208
Noncurrent liabilities		
Long-term loans receivable	166	566
Provision	2,402	2,428
Others	1,329	2,073
Total noncurrent liabilities	3,898	5,069
TOTAL LIABILITIES	70,667	61,277

(Mil. Yen)

	3rd Quarter FY2010 (As of December 31, 2010)	Fiscal year 2009 (As of March 31, 2010)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,298	31,280
Capital surplus	33,263	33,245
Retained earnings	120,098	119,272
Treasury stock	24,341	24,340
Total shareholders' equity	160,318	159,457
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	701	470
Foreign currency translation adjustment	29,090	17,936
Total valuation and translation adjustments	28,389	17,465
Subscription rights to shares	80	62
Minority interests	953	726
TOTAL NET ASSET	132,962	142,779
TOTAL LIABILITIES AND NET ASSETS	203,629	204,057

(2).Concolidated quartely statements of income

(Mil. Yen)

	3rd Quarter FY2009 (from April 1, 2009 to December 31, 2009)	3rd Quarter FY2010 (from April 1, 2010 to December 31, 2010)
Net sales	248,073	230,024
Cost of sales	200,334	195,619
Gross profit	47,738	34,405
Selling, general and administrative expenses	36,192	30,361
Operating income	11,546	4,043
Non-operating income		
Interest income	584	315
Dividends income	33	26
Equity in earnings of affiliates	-	13
Other	287	183
Total non-operating income	904	539
Non-operating expenses		
Interest expenses	56	82
Equity in losses of affiliates	31	-
Foreign exchange loss	113	347
Other	207	87
Total non-operating expenses	408	516
Ordinary income	12,042	4,066
Extraordinary income		
Gain on sales of noncurrent assets	0	1
Profit on Sales of Investment Securities	34	282
Other	7	25
Total extraordinary income	41	310
Extraordinary loss		
Loss on disposal of noncurrent assets	59	20
Liquidation loss on affiliated company	-	88
Other	15	45
Total extraordinary losses	75	155
Income before income taxes and minority interests	12,009	4,221
Income taxes	2,637	1,778
Loss before minority interests	-	2,443
Minority interests in income	215	253
Net income/ loss	9,156	2,189

(3).Concolidated quartely statements of cash flows

(Mil. Yen)

	3rd Quarter FY2009 (from April 1, 2009 to December 31, 2009)	3rd Quarter FY2010 (from April 1, 2010 to December 31, 2010)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	12,009	4,221
Depreciation and amortization	4,271	4,670
Increase (decrease) in allowance for doubtful accounts	830	38
Increase (decrease)in provision for retirement benefits	48	13
Interest and dividends income	617	342
Interest expenses	56	82
Equity in (earnings) losses of affiliates	31	13
Loss on sales of property, plant and equipment	1	6
Gain on sales of investment securities	34	282
Loss on valuation of investment securities	4	-
Increase in notes and accounts receivable-trade	6,523	12,586
Increase in inventories	19,103	21,608
Increase in notes and accounts payable-trade	15,310	7,622
Other, net	5,515	3,704
Subtotal	10,138	14,577
Interest and dividends income received	1,109	377
Interest expenses paid	56	82
Income taxes paid	2,518	2,213
Income taxes refund	1,693	45
Net cash provided by (used in) operating activities	10,366	16,450
Net cash provided by (used in) investment activities:		
Payments into time deposits	80,957	63,536
Repayments from time deposits	91,312	70,120
Purchase of property, plant and equipment	2,868	5,480
Proceeds from sales of property, plant and equipment	8	34
Purchase of intangible assets	661	57
Purchase of investment securities	408	56
Proceeds from sales of investment securities	510	-
Collection of loan receivables	69	22
Other, net	205	150
Net cash provided by (used in) investment activities	7,211	895
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	8,208	8,263
Increase of long-term loans payable	600	-
Repayment of long-term loans payable	566	399
Proceeds from issue of stock option	-	28
Cash dividends paid	1,363	1,363
Other, net	88	174
Net cash provided by (used in) financing activities	9,627	6,353
Effect of exchange rate change on cash and cash equivalents	681	1,805
Net increase (decrease) in cash and cash equivalents	8,632	11,006
Cash and cash equivalents at beginning of period	40,180	34,063
Decrease in cash and cash equivalents due to exclusion from consolidation	-	59
Increase due to merger of non-consolidated subsidiary	367	-
Cash and cash equivalents at end of period	49,180	22,996

(4) Notes for Continuing Enterprises

Not Applicable

(5) Information by Segment

a; Operating Segment Information

The Funai Group concentrates on the single business segment of manufacture and sales of electric products. Therefore, we make no distinction between operating segments.

b; Geographic Segment Information

Previous Third Quarter (April 1, 2009 - December 31, 2009)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
Sales to outside customers	83,049	159,082	442	5,498	248,073	-	248,073
Inter-segment sales	144,873	27	153,899	2	298,802	(298,802)	-
Total	227,923	159,109	154,341	5,500	546,876	(298,802)	248,073
Operating Income and Losses()	5,688	4,567	5,417	902	14,770	(3,224)	11,546

c; Overseas sales

Previous Third Quarter (April 1, 2009 - December 31, 2009)

(Units: Million Yen)

	N. America	Asia	Europe	Other	Total
Overseas sales	180,227	6,365	23,872	7,122	217,588
Consolidated sales					248,073
Ratio of overseas sales to consolidated sales (%)	72.6	2.6	9.6	2.9	87.7

[Segment Information]

1. Summary of Reporting Segments

The Group's reporting segments are based on those units within the Group where separate financial information is available and where the Chief Executive Officer (Representative Director, President and Executive Officer) of the Group periodically deliberates over matters such as the distribution of management resources and financial performance of such segments.

The Group's main business is to manufacture and sell electrical equipment and devices. Within Japan, such functions are the responsibility of DX Antenna Co., Ltd. Overseas, the areas of the United States, Asia and Europe are managed by Funai Corporation, Inc. (North America), P&F USA, Inc. (North America), Funai Electric (H.K.) Ltd. (Asia), Funai Electric (Polska) Sp.z o.o (Europe), and other locally domiciled entities. Each locally domiciled entity is an independently managed unit that engages in business activities after formulating comprehensive strategies on the products to carry in the region.

Consequently, the Group is comprised of location-specific segments that are based on its manufacturing and sales structure and have established "Japan", "North America", "Asia" and "Europe" as its four reporting segments.

2. Information Regarding Net Sales and Profit/Loss Conditions by Reporting Segment

Current Third Quarter (April 1, 2010 - December 31, 2010)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
Sales to outside customers	120,271	103,286	1,540	4,925	230,024	-	230,024
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
Operating Income and Losses()	6,952	4,103	2,408	907	4,349	(305)	4,043

Note:

1. The negative JPY305 million adjustment amount under segment income includes items such as the JPY11 million relating to the cancellation of inter-segment transactions, JPY745 million of overall Group expenses that are not apportioned to each reporting segment, and the JPY428 million 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.

3. (Change in the Rate Applied for Currency Exchange Conversions)

In the past, the Group applied TTS*¹ or TTB*² rates when carrying out foreign currency exchange conversions. However, as of the second quarter of the consolidated fiscal year, the Group has decided to use TTM*³ rates instead. This change to utilize TTM rates across all exchange conversions was made in order to ensure clarity in every income category.

As compared to the results if the rates utilized in the past were applied for exchange conversions, the sales and segment income for "Japan" has increased by JPY663 million and JPY830 million for the third quarter year-to-date consolidated fiscal period.

Please note that the new rates were not applied for the first quarter year-to-date consolidated period as the Group's systems were not updated until the second quarter.

(Additional Information)

As of the current first quarter consolidated fiscal period, the Group has adopted the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Statement No. 17 of the Accounting Standard Board of Japan dated March 27, 2009) and the Implementation Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Implementation Guidance No. 20 of the Accounting Standard Board of Japan dated March 21, 2008).

(6) Notes of remarkable changes in Shareholders Equity:

Not Applicable

4. Other Information

Detailed Statement of Net Sales by Equipment Type and Region

(Units: Million Yen)

Classification		Previous Year Third Quarter		Current Year Third Quarter		% increase or decrease from the same period of the previous consolidated fiscal year	
		(From April 1, 2009 To December 31, 2009)		(From April 1, 2010 To December 31, 2010)			
		Amount	Percent	Amount	Percent	Percent	
By Equipment Type	Audiovisual Equipment	186,772	75.3	151,170	65.7	19.1	
	Information Equipment	42,361	17.1	48,558	21.1	14.6	
	Other Equipment	18,939	7.6	30,294	13.2	59.9	
	Total	248,073	100.0	230,024	100.0	7.3	
By Region	Japan	30,485	12.3	68,288	29.7	124.0	
	Export	N. America	180,227	72.6	124,011	53.9	31.2
		Europe	23,872	9.6	19,819	8.6	17.0
		Asia	6,365	2.6	7,106	3.1	11.7
		Other Areas	7,122	2.9	10,797	4.7	51.6
	Subtotal	217,588	87.7	161,735	70.3	25.7	
Total	248,073	100.0	230,024	100.0	7.3		

(Note) Main Products by Equipment Type

Equipment	Main Products
Audiovisual Equipment	LCD Television, DVD Player, DVD Recorder, Blu-ray Disc Player, Blu-ray Disc Recorder
Information Equipment	Printer
Other Equipment	Receiver-Related Electronic Equipment

From FY2010 antenna set for North America is classified in 'Others' from 'Others in Audio Visual Equipment' which was classified in FY2009. The sales amount of antenna set for North America in the 3rd quarter in FY2009 was 2,791mil.yen.

(Reference) Change in Operating Results for the Most Recent Quarters

Fiscal Period Ending March 2011 (Consolidated)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	April - June 2010	July - Sept 2010	Oct - Dec 2010	Jan - March 2011
	Million Yen	Million Yen	Million Yen	Million Yen
Net Sales	74,958	79,125	75,939	-
Gross Profit	13,020	12,068	9,316	-
Operating Income	2,518	2,068	542	-
Ordinary Income	1,284	3,491	710	-
Quarterly Net Income Before Taxes and Other Adjustments	1,196	3,462	437	-
Quarterly Net Income/Loss	433	3,452	1,696	-
	Yen	Yen	Yen	Yen
Quarterly Net Income per Share	12.71	101.26	49.75	- -
Fully Diluted Quarterly Net Income per Share	12.62	100.76	- -	- -
	Million Yen	Million Yen	Million Yen	Million Yen
Total Assets	217,597	213,473	203,629	-
Net Assets	136,964	136,608	132,962	-
	Yen	Yen	Yen	Yen
Net Assets per Share	3,991.75	3,978.83	3,867.74	-

Fiscal Period Ended March 2010 (Consolidated)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	April - June 2009	July - Sept 2009	Oct - Dec 2009	Jan - March 2010
	Million Yen	Million Yen	Million Yen	Million Yen
Net Sales	77,668	89,426	80,977	66,838
Gross Profit	15,239	18,772	13,726	9,731
Operating Income	3,706	6,362	1,477	398
Ordinary Income	4,081	5,506	2,453	358
Quarterly Net Income Before Taxes and Other Adjustments	4,106	5,453	2,449	1,131
Quarterly Net Income/Loss	3,171	4,138	1,846	1,172
	Yen	Yen	Yen	Yen
Quarterly Net Income per Share	93.01	121.40	54.16	34.39
Fully Diluted Quarterly Net Income per Share	92.42	120.53	53.73	34.14
	Million Yen	Million Yen	Million Yen	Million Yen
Total Assets	210,089	214,067	216,613	204,057
Net Assets	136,253	135,948	139,813	142,779
	Yen	Yen	Yen	Yen
Net Assets per Share	3,981.10	3,970.00	4,080.52	4,164.86

THIRD QUARTER IN CUMULATIVE FINANCIAL RESULTS SUPPLEMENTATION FY 2010

(from 2010.4.1
to 2010.12.31)

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FUNAI ELECTRIC CO.,LTD

1. Summary of Third Quarter Operating Results (Consolidated)

(1) Operating Results, Financial Conditions

(Units: 100million yen, %)

	FY2009						FY2010					
	3Q			Full-Year			3Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	2,480	100.0	3.3	3,149	100.0	4.0	2,300	100.0	7.3	2,950	100.0	6.3
Operating Income	115	4.7	252.8	111	3.5	690.9	40	1.8	65.0	10	0.3	91.0
Ordinary Income	120	4.9	403.2	116	3.7	852.9	40	1.8	66.2	10	0.3	91.4
Net Income after Tax	91	3.7	-	103	3.3	-	21	1.0	76.1	18	0.6	-
Total Assets	2,166	-	-	2,040	-	-	2,036	-	-	-	-	-
Net Assets	1,398	-	-	1,427	-	-	1,329	-	-	-	-	-

() Yen - Dollars / exchange rate

(Units: Yen / Dollars)

	FY2009		FY2010	
	3Q	Full-Year	3Q	Full-Year (Projections)
Average Rate in each Period	93.22	92.60	86.17	85.38

(2) Profitability and Per Share Data etc.

	FY2009		FY2010	
	3Q	Full-Year	3Q	Full-Year (Projections)
Gross Profit Ratio (%)	19.2	18.2	15.0	13.7
Operating Income Ratio (%)	4.7	3.5	1.8	0.3
Ordinary Income Ratio (%)	4.9	3.7	1.8	0.3
Shareholders' Equity Ratio (%)	64.2	69.6	64.8	-
Net Assets Per Share (Yen)	4,080.52	4,164.86	3,867.74	-
Net Income Per Share (Yen)	268.57	302.97	64.21	52.77
Return On Asset (%)	4.3	5.1	1.0	-
Return On Shareholders' Equity (%)	6.8	7.5	1.6	-

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

(Units: 100million yen, %)

	FY2009				FY2010			
	3Q		Full-Year		3Q		Full-Year (Projections)	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	33	10.0	43	14.0	54	63.6	68	58.1

	FY2009						FY2010					
	3Q			Full-Year			3Q			Full-Year (Projections)		
	Amount	% to Sales	Change	Amount	% to Sales	Change	Amount	% to Sales	Change	Amount	% to Sales	Change
Depreciation Expenses	31	1.3	14.8	43	1.4	19.4	35	1.5	12.9	47	1.6	9.3
R&D	96	3.9	2.0	134	4.3	3.1	95	4.1	1.0	140	4.7	4.5

(4) Cash Flow

(Units: 100million yen)

	FY2009		FY2010	
	3Q	Full-Year (Projections)	3Q	Full-Year (Projections)
Cash flows provided by operating activities	103	36	164	-
Income Before Income Taxes	120	108	42	-
Depreciation Expenses	42	57	46	-
Others	59	129	252	-
Cash flows used in investing activities	72	27	8	-
Free Cash flows	175	9	156	-
Cash flows provided by financing activities	96	78	63	-
Effect of exchange rate changes on cash and cash equivalents	6	4	18	-
Net increase in cash and cash equivalents	86	64	110	-

2. Operating Activities (Consolidated)

(1) Sales by Equipment

(Units: 100million yen, %)

	FY2009						FY2010					
	3Q			Full-Year			3Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,867	75.3	2.8	2,335	74.2	1.3	1,512	65.7	19.1	1,984	67.3	15.0
DVD	331	13.4	3.8	386	12.3	4.0	205	8.9	38.1	267	9.1	30.8
Blu-ray Disc	135	5.5	25.0	189	6.0	54.9	246	10.7	82.2	354	12.0	87.3
LCD Televisions	1,246	50.2	21.1	1,594	50.6	18.8	1,030	44.8	17.3	1,324	44.9	16.9
Others	155	6.2	53.7	166	5.3	62.3	31	1.3	80.0	39	1.3	76.5
Information Equipment	424	17.1	10.3	546	17.3	21.4	485	21.1	14.6	560	19.0	2.6
Others	189	7.6	5.3	268	8.5	1.5	303	13.2	59.9	406	13.7	51.5
Total	2,480	100.0	3.3	3,149	100.0	4.0	2,300	100.0	7.3	2,950	100.0	6.3

Note: From FY2010 antenna set for the North America is classified in 'Others' from 'Others in Audio Visual Equipment' which was classified in FY2009.

(2) Sales by Areas in Equipment

(Units: 100million yen, %)

	FY2009						FY2010					
	3Q			Full-Year			3Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,867	75.3	2.8	2,335	74.2	1.3	1,512	65.7	19.1	1,984	67.3	15.0
North America	1,649	66.5	6.7	1,970	62.5	0.1	1,004	43.6	39.1	1,289	43.7	34.6
Europe	95	3.8	48.4	125	4.0	40.8	66	2.9	30.5	88	3.0	29.6
Asia and Others	6	0.3	500.0	18	0.6	-	24	1.0	300.0	37	1.3	105.6
Japan	117	4.7	36.0	222	7.1	80.5	418	18.2	257.3	570	19.3	156.8
Information Equipment	424	17.1	10.3	546	17.3	21.4	485	21.1	14.6	560	19.0	2.6
North America	145	5.8	5.8	185	5.9	6.3	188	8.2	29.7	226	7.7	22.2
Europe	143	5.8	18.2	177	5.6	18.8	132	5.7	7.7	154	5.2	13.0
Asia and Others	125	5.1	16.8	168	5.3	37.7	151	6.6	20.8	166	5.6	1.2
Japan	11	0.4	450.0	16	0.5	220.0	14	0.6	27.3	14	0.5	12.5
Others	189	7.6	5.3	268	8.5	1.5	303	13.2	59.9	406	13.7	51.5
Total	2,480	100.0	3.3	3,149	100.0	4.0	2,300	100.0	7.3	2,950	100.0	6.3

(3) Sales by Equipment in Areas

(Units: 100million yen, %)

	FY2009						FY2010					
	3Q			Full-Year			3Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	1,802	72.6	5.3	2,164	68.7	0.1	1,240	53.9	31.2	1,574	53.4	27.3
Audio Visual Equipment	1,649	66.5	6.7	1,970	62.5	0.1	1,004	43.6	39.1	1,289	43.7	34.6
Information Equipment	145	5.8	5.8	185	5.9	6.3	188	8.2	29.7	226	7.7	22.2
Others	8	0.3	33.3	9	0.3	43.8	48	2.1	500.0	59	2.0	555.6
Europe	239	9.6	22.7	305	9.7	16.2	198	8.6	17.0	243	8.2	20.3
Audio Visual Equipment	95	3.8	48.4	125	4.0	40.8	66	2.9	30.5	88	3.0	29.6
Information Equipment	143	5.8	18.2	177	5.6	18.8	132	5.7	7.7	154	5.2	13.0
Others	1	0.0	66.7	3	0.1	25.0	0	0.0	-	1	0.0	66.7
Asia and Others	134	5.5	18.6	196	6.2	48.5	179	7.8	33.6	206	7.0	5.1
Audio Visual Equipment	6	0.3	500.0	18	0.6	-	24	1.0	300.0	37	1.3	105.6
Information Equipment	125	5.1	16.8	168	5.3	37.7	151	6.6	20.8	166	5.6	1.2
Others	3	0.1	40.0	10	0.3	11.1	4	0.2	33.3	3	0.1	70.0
Japan	305	12.3	13.8	484	15.4	30.5	683	29.7	124.0	927	31.4	91.5
Audio Visual Equipment	117	4.7	36.0	222	7.1	80.5	418	18.2	257.3	570	19.3	156.8
Information Equipment	11	0.4	450.0	16	0.5	220.0	14	0.6	27.3	14	0.5	12.5
Others	177	7.2	1.7	246	7.8	1.7	251	10.9	41.8	343	11.6	39.4
Total	2,480	100.0	3.3	3,149	100.0	4.0	2,300	100.0	7.3	2,950	100.0	6.3

3. 3Q (October to December) Operating Activities (Consolidated)

(1) Operating Results

(Units: 100million yen, %)

	FY2009			FY2010		
	3Q (Oct. - Dec.)			3Q (Oct. - Dec.)		
	Amount	%	Change	Amount	%	Change
Net Sales	810	100.0	15.2	760	100.0	6.2
Operating Income	14	1.8	-	5	0.7	-
Ordinary Income	24	3.0	-	7	0.9	-
Net Income afterTax	18	2.3	-	16	2.2	-

() Yen - Dollars / exchange rate

(Units: Yen / Dollars)

	FY2009		FY2010	
	3Q (Oct. - Dec.)		3Q (Oct. - Dec.)	
Average Rate in each Period		90.11		82.21

(2) Sales by Equipment

(Units: 100million yen, %)

	FY2009			FY2010		
	3Q (Oct. - Dec.)			3Q (Oct. - Dec.)		
	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	585	72.2	24.9	509	67.0	13.0
DVD	93	11.5	11.4	71	9.3	23.7
Blu-ray Disc	26	3.2	18.8	142	18.7	446.2
LCD Televisions	455	56.2	14.3	280	36.9	38.5
Others	11	1.3	90.1	16	2.1	45.5
Information Equipment	159	19.6	48.6	125	16.4	21.4
Others	66	8.2	2.9	126	16.6	90.9
Total	810	100.0	15.2	760	100.0	6.2



FUNAI ELECTRIC CO., LTD.

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