

FY 2009 FINANCIAL REPORT

(From April 1, 2009
To June 30, 2009)



FUNAI ELECTRIC CO., LTD.

First Quarter (April-June) Consolidated Financial Summary
for the Period Ending March 2010

	Previous Year First Quarter 〔 From April 1, 2008 To June 30, 2008 〕		Current Year First Quarter 〔 From April 1, 2009 To June 30, 2009 〕		% increase or decrease from the same period of the previous consolidated fiscal year
	Amount	Percent	Amount	Percent	
	Million yen	%	Million yen	%	%
Net Sales	59,449	100.0	77,668	100.0	30.6
Operating Income	988	1.7	3,706	4.8	275.0
Ordinary Income	4,448	7.5	4,081	5.3	8.2
Net Income before Taxes and Other Adjustments	3,967	6.7	4,106	5.3	3.5
Net Income /Loss after Tax	13,779	23.2	3,171	4.1	
Net Income/Loss per Share	404.16		93.01		

Notes:

Includes 13 consolidated subsidiaries and 2 affiliated companies accounted for by the equity method.

Financial Report for the 3-Month Period ended June 30, 2009

August 10, 2009

Listed company name: Funai Electric Co., Ltd.

Securities Code: 6839 Tokyo Stock Exchange
and Osaka Securities Exchange, First Sections(URL <http://www.funai.jp/>)Inquiries: Representative's position and name
President and CEO

Tomonori Hayashi

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Scheduled date of Securities Report to be filed to the Kinki Finance Bureau; August 12, 2009

1. First Quarter Consolidated Results for the Period Ending March 2010 (April 1, 2009 – June 30, 2009)(1) Consolidated Operating Results

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1 st Quarter FY2009	77,668	30.6	3,706	275.0	4,081	8.2	3,171	-
1 st Quarter FY2008	59,449	-	988	-	4,448	-	13,779	-

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
1 st Quarter FY2009	93.01	92.42
1 st Quarter FY2008	404.16	-

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
1 st Quarter FY2009	210,089	136,253	64.6	3,981.10
Fiscal Year End 2008	199,882	135,596	67.6	3,963.72

(Reference) Shareholders' Equity

1st Quarter FY2009 ended June 30, 2009 135,726 million yen

Fiscal Year 2008 ended March 31, 2009 135,134 million yen

2. Dividends

Corresponding Period	Dividend per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year end	Annual
	yen	yen	yen	yen	yen
Fiscal Year 2008	-	0.00	-	40.00	40.00
Fiscal Year 2009	-				
Fiscal Year 2009 (Projection)		0.00	-	40.00	40.00

3. Forecast of Consolidated Results for the Full Year (April 1, 2009 - March 31, 2010)

(% 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
Six months ending Sep.30.2009	174,500	20.6	5,500	27.3	5,300	11.6	3,900	-	114.39
Full Year 2009	340,000	12.3	6,000	325.7	5,300	332.2	3,900	-	114.39

Note:

Revision of Forecast of Consolidated Results for the Six month period or the Full Year in this 1st Quarter;

Yes.

(Please refer to the announcement of the revised forecasts for the sixth month publicly released on August 10, 2009.)

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 for fiscal 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: No
Note: Please refer to “Qualitative Information and Financial Statements”.
- (4) Number of Shares Outstanding (Ordinary Shares)
(1) Number of shares outstanding (including treasury stock) as of June 30, 2009; 36,104,196 shares
as of March 31, 2009; 36,104,196 shares
(2) Number of shares of treasury stock as of June 30, 2009; 2,011,416 shares
as of March 31, 2009; 2,011,321 shares
(3) The Average number in the quarter of outstanding shares on June 30, 2009; 34,092,823 shares
on June 30, 2008; 34,093,150 shares

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.

Qualitative Information and Financial Statements

1. Qualitative Information Relating to Consolidated Business Performance

After the “Lehman Shock” of last fall, the global economy fell temporarily into dangerous territory. Since then, however, the positive effects of the financial and fiscal policies introduced by developed countries and other major economies have resulted in an escape from a potentially disastrous first quarter, although the state of the global economy remains unclear.

In the household electric appliances industry, demand for LCD televisions (an industry indicator) continued to rise on a global scale while prices showed a slight decline. On the other hand, the pressure to increase prices on LCD panels, the main component of LCD televisions, intensified.

As a result, first quarter group consolidated sales finished at JPY77,668 million (an increase of 30.6% from the same period last year).

When broken down by product type, significant growth was seen in the LCD television business mainly due to the enhancement of the product line-up after the addition of the Philips brand in August 2008. In addition, DVD-related products, in particular Blu-ray Disc players, which are anticipated to be a growth area in the future, also contributed to improved sales. As a result, sales for the Group’s visual products sector finished at JPY60,629 million for the quarter (an increase of 45.5% from the same period last year).

In the information equipment sector, sales trends were mixed. On one hand printer sales grew as orders from OEM customers increased, while on the other hand, sales of digital still cameras were non-existent as OEM customers did not make any new orders in the first quarter. As a result, sales for the sector finished at JPY10,971 million for the quarter (an increase of 1.9% from the same period last year).

Further, sales of electronic devices for signal reception finished at JPY6,067 million for the quarter (a decrease of 13.4% from the same period last year).

In terms of profits, operating income increased by 275.0% from the same period last year to finish at JPY3,706 million, mainly due to the increased revenue stream arising from the introduction of Philips-branded products. Unfortunately, ordinary income was not able to keep up with the level of operating income growth and finished at JPY4,081 million (a decrease of 8.2% from the same period last year) as currency gains fell in comparison to the same period last year.

Group quarterly net income finished at JPY3,171 million (for the same period last year, the Company generated a quarterly net loss of JPY13,779 million as it had to account for “retroactive corporate taxes” among other items).

2. Qualitative Information Relating to Consolidated Financial Position

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

Assets increased by JPY10,206 million as compared to the figure at the end of the previous consolidated fiscal year. Specifically, trade notes and accounts receivable, goods and products, and raw materials and inventories increased by JPY10,103 million, JPY3,171 million, and JPY2,140 million, respectively, while cash and cash equivalents fell by JPY5,659 million.

Liabilities also increased by JPY9,549 million as compared to the figure at the end of the previous consolidated fiscal year. Specifically, trade notes and accounts payable increased by JPY13,132 million, while short-term borrowing decreased by JPY6,628 million.

Net assets increased by JPY657 million as compared to the figure at the end of the previous consolidated fiscal year. Specifically, retained earnings and gains from other marketable securities increased by JPY1,807 million and JPY392 million, respectively, while the foreign currency translation adjustment account decreased by JPY1,607 million.

3. Qualitative Information Relating to Consolidated Performance Forecasts:

Changes have been made to the consolidated performance forecasts for the first half ending September 30, 2009 that were previously announced on May 13, 2009.

Please refer to the announcement of the revised forecasts publicly released on August 10, 2009.

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.

4. Other

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

a. 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).

b. 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 first fiscal quarter.

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

(3) Changes to general rules and procedures, as well as denotation methods for accounting relating to the preparation of consolidated financial statements for the fiscal quarter

• Changes relating to items concerning accounting procedure standards

In the past, the Construction Completion Method was exclusively used to account for revenues associated with contract works. Starting from the current first quarter consolidated accounting period, the “Accounting Standard for Construction Contracts” (Accounting Standard No. 15 of the Financial Accounting Standards Foundation dated December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (Guidance No. 18 of the Financial Accounting Standards Foundation dated December 27, 2007) have been applied to certain contract works. As such, any contract works that commenced during the current first quarter consolidated accounting period and had a degree of progress which can be calculated with a certain level of accuracy at the end of such quarter was accounted for using the Percentage of Completion Method (the cost ratio method was used to calculate contract work completion rate). For other contract works, the Construction Completion Method continued to be used.

The effect on net sales or profit/loss is minimal as a result of this accounting standards change.

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

a. 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.

b. 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 JPY700 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.

5. Consolidated Financial Statements

(1).Consolidated quarterly balance sheets

(Mil. Yen)

	1st Quarter FY2009 (As of June 30, 2009)	Fiscal year 2008 (As of March 31, 2009)
ASSETS;		
Current Assets		
Cash and deposits	90,843	96,503
Notes and accounts receivable-trade	38,947	28,844
Merchandise and finished goods	24,097	20,925
Work in process	1,965	1,635
Raw materials and supplies	10,257	8,116
Others	7,544	7,957
Allowance for doubtful accounts	197	273
Total current assets	173,458	163,709
Noncurrent assets		
Property, plant and equipment	16,344	16,025
Intangible assets	5,410	5,647
Investments and other assets		
Others	15,746	16,061
Allowance for doubtful accounts	870	1,561
Total investments and other assets	14,876	14,499
Total noncurrent assets	36,631	36,173
TOTAL ASSETS	210,089	199,882
LIABILITIES;		
Current Liabilities		
Notes and accounts Payable-trade	41,289	28,157
Short-term loans payable	6,310	12,938
Income taxes payable	930	1,623
Reserve for products guarantee	2,578	2,191
Provision	458	302
Others	18,032	15,168
Total current liabilities	69,600	60,382
Noncurrent liabilities		
Long-term loans receivable	966	666
Provision	2,349	2,343
Others	919	894
Total noncurrent liabilities	4,235	3,904
TOTAL LIABILITIES	73,835	64,286

(Mil. Yen)

	1st Quarter FY2009 (As of June 30, 2009)	Fiscal year 2008 (As of March 31, 2009)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,280	31,280
Capital surplus	33,245	33,245
Retained earnings	111,855	110,047
Treasury stock	24,340	24,340
Total shareholders' equity	152,040	150,233
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	293	98
Foreign currency translation adjustment	16,607	14,999
Total valuation and translation adjustments	16,313	15,098
Subscription rights to shares	29	17
Minority interests	497	443
TOTAL NET ASSET	136,253	135,596
TOTAL LIABILITIES AND NET ASSETS	210,089	199,882

(2).Concolidated quartely statements of income

(Mil. Yen)

	1st Quarter FY2008 (from April 1, 2008 to June 30, 2008)	1st Quarter FY2009 (from April 1, 2009 to June 30, 2009)
Net sales	59,449	77,668
Cost of sales	47,112	62,429
Gross profit	12,336	15,239
Selling, general and administrative expenses	11,348	11,532
Operating income	988	3,706
Non-operating income		
Interest income	904	262
Dividends income	26	20
Foreign exchange gains	2,542	98
Other	150	76
Total non-operating income	3,623	458
Non-operating expenses		
Interest expenses	74	30
Equity in losses of affiliates	70	25
Other	19	26
Total non-operating expenses	164	83
Ordinary income	4,448	4,081
Extraordinary income		
Gain on prior period adjustment	357	-
Gain on sales of noncurrent assets	1	-
Profit on Sales of Investment Securities	-	34
Other	28	7
Total extraordinary income	387	41
Extraordinary loss		
Loss on disposal of noncurrent assets	1	0
Special sales promotion	850	-
Loss on valuation of Investment Securities	-	4
Liquidation loss on affiliated company	-	11
Other	16	0
Total extraordinary losses	868	16
Income before income taxes and minority interests	3,967	4,106
Income taxes	851	881
Income taxes for prior periods	16,838	-
Total income taxes	17,689	881
Minority interests in income	56	54
Net income/ loss	13,779	3,171

(3).Concolidated quartely statements of cash flows

(Mil. Yen)

	1st Quarter FY2008 (from April 1, 2008 to June 30, 2008)	1st Quarter FY2009 (from April 1, 2009 to June 30, 2009)
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	3,967	4,106
Depreciation and amortization	1,228	1,365
Increase(decrease) in allowance for doubtful accounts	185	765
Increase(decrease)in provision for retirement benefits	36	20
Interest and dividends income	930	283
Interest expenses	74	30
Equity in (earnings) losses of affiliates	70	25
Loss (gain) on sales of property, plant and equipment	0	-
Loss (gain) on sales of investment securities	26	34
Loss (gain) on valuation of investment securities	12	4
Decrease (increase) in notes and accounts receivable-trade	292	10,141
Decrease (increase) in inventories	19,118	6,033
Increase (decrease) in notes and accounts payable-trade	11,779	13,639
Other, net	3,711	3,638
Subtotal	838	5,574
Interest and dividends income received	320	453
Interest expenses paid	71	30
Income taxes paid	4,508	1,721
Prior year's taxes paid	11,297	-
Net cash provided by (used in) operating activities	14,719	4,276
Net cash provided by (used in) investment activities:		
Payments into time deposits	1,209	39,873
Repayments from time deposits	-	45,217
Purchase of property, plant and equipment	693	1,123
Proceeds from sales of property, plant and equipment	64	38
Purchase of intangible assets	59	144
Purchase of investment securities	242	25
Proceeds from sales of investment securities	1,111	184
Other, net	18	92
Net cash provided by (used in) investment activities	1,048	4,180
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	2,819	6,493
Increase of long-term loans payable	-	600
Repayment of long-term loans payable	1,086	299
Cash dividends paid	1,704	1,363
Other, net	5	12
Net cash provided by (used in) financing activities	5,615	7,570
Effect of exchange rate change on cash and cash equivalents	1,643	4
Net increase (decrease) in cash and cash equivalents	19,739	890
Cash and cash equivalents at beginning of period	57,100	40,180
Cash and cash equivalents at end of period:	37,361	41,070

(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 First Quarter (April 1, 2008 - June 30, 2008)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
Sales to outside customers	28,113	28,220	252	2,862	59,449	-	59,449
Inter-segment sales	36,163	10	50,036	13	86,223	(86,223)	-
Total	64,276	28,230	50,288	2,876	145,672	(86,223)	59,449
Operating Income and Losses()	338	703	1,509	661	1,890	(901)	988

Current First Quarter (April 1, 2009 - June 30, 2009)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
Sales to outside customers	23,736	52,492	119	1,321	77,668	-	77,668
Inter-segment sales	41,846	8	44,076	1	85,932	(85,932)	-
Total	65,582	52,500	44,195	1,322	163,601	(85,932)	77,668
Operating Income and Losses()	1,716	2,908	1,579	571	5,632	(1,925)	3,706

c; Overseas sales

Previous First Quarter (April 1, 2008 - June 30, 2008)

(Units: Million Yen)

	N. America	Asia	Europe	Other	Total
Overseas sales	41,380	1,297	7,148	401	50,228
Consolidated sales					59,449
Ratio of overseas sales to consolidated sales (%)	69.6	2.2	12.0	0.7	84.5

Current First Quarter (April 1, 2009 - June 30, 2009)

(Units: Million Yen)

	N. America	Asia	Europe	Other	Total
Overseas sales	58,847	1,814	6,102	1,336	68,100
Consolidated sales					77,668
Ratio of overseas sales to consolidated sales (%)	75.8	2.3	7.9	1.7	87.7

(6) Notes of remarkable changes in Shareholders Equity:

Not Applicable

6. Other Information

Detailed Statement of Net Sales by Equipment Type and Region

(Units: Million Yen)

Classification		Previous Year First Quarter		Current Year First Quarter		% increase or decrease from the same period of the previous consolidated fiscal year	
		From April 1, 2008 To June 30, 2008		From April 1, 2009 To June 30, 2009			
		Amount	Percent	Amount	Percent	Percent	
By Equipment Type	Audiovisual Equipment	41,670	70.1	60,629	78.1	45.5	
	Information Equipment	10,768	18.1	10,971	14.1	1.9	
	Other Equipment	7,010	11.8	6,067	7.8	13.4	
	Total	59,449	100.0	77,668	100.0	30.6	
By Region	Japan	9,221	15.5	9,568	12.3	3.8	
	Export	N. America	41,380	69.6	58,847	75.8	42.2
		Europe	7,148	12.0	6,102	7.9	14.6
		Asia	1,297	2.2	1,814	2.3	39.9
		Other Areas	401	0.7	1,336	1.7	232.4
	Subtotal	50,228	84.5	68,100	87.7	35.6	
Total	59,449	100.0	77,668	100.0	30.6		

(Note) Main Products by Type of Equipment

Equipment	Main Products
Audiovisual Equipment	LCD Televisions, DVD Players, DVD Recorders, Blu-ray Disc Players
Information Equipment	Printers, Digital Still Cameras
Other Equipment	Receiver-Related Electronic Equipment

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

Fiscal Period Ending 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	-	-	-
Gross Profit	15,239	-	-	-
Operating Income	3,706	-	-	-
Ordinary Income	4,081	-	-	-
Quarterly Net Income Before Taxes and Other Adjustments	4,106	-	-	-
Quarterly Net Income/Loss	3,171	-	-	-
	Yen	Yen	Yen	Yen
Quarterly Net Income per Share	93.01	- -	- -	- -
Fully Diluted Quarterly Net Income per Share	92.42	- -	- -	- -
	Million Yen	Million Yen	Million Yen	Million Yen
Total Assets	210,089	-	-	-
Net Assets	136,253	-	-	-
	Yen	Yen	Yen	Yen
Net Assets per Share	3,981.10	-	-	-

Fiscal Period Ended March 2009 (Consolidated)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	April - June 2008	July - Sept 2008	Oct - Dec 2008	Jan - March 2009
	Million Yen	Million Yen	Million Yen	Million Yen
Net Sales	59,449	85,209	95,436	62,681
Gross Profit	12,336	15,278	10,220	6,637
Operating Income	988	3,332	1,047	1,863
Ordinary Income	4,448	1,544	3,599	1,166
Quarterly Net Income Before Taxes and Other Adjustments	3,967	579	6,222	1,586
Quarterly Net Income/Loss	13,779	1,676	3,943	1,318
	Yen	Yen	Yen	Yen
Quarterly Net Income per Share	404.16	49.18	115.68	38.67
Fully Diluted Quarterly Net Income per Share	- -	- -	- -	- -
	Million Yen	Million Yen	Million Yen	Million Yen
Total Assets	227,888	244,460	210,728	199,882
Net Assets	147,591	146,345	130,470	135,596
	Yen	Yen	Yen	Yen
Net Assets per Share	4,312.60	4,275.73	3,810.66	3,963.72

FIRST QUARTER FINANCIAL RESULTS SUPPLEMENTATION 2009

(from 2009.4.1
to 2009.6.30)

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FUNAI ELECTRIC CO.,LTD.

1. Summary of First Quarter Operating Results (Consolidated)

(1) Operating Results, Financial Conditions

(Units: 100million yen, %)

	FY2008						FY2009					
	1Q			Full-Year			1Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	594	100.0	23.2	3,027	100.0	9.2	776	100.0	30.6	3,400	100.0	12.3
Operating Income	9	1.7	15.7	14	0.5	-	37	4.8	275.0	60	1.8	325.7
Ordinary Income	44	7.5	0.7	12	0.4	-	40	5.3	8.2	53	1.6	332.2
Net Income/Los afterTax	137	23.2	-	173	5.7	-	31	4.1	-	39	1.1	-
Total Assets	2,278	-	-	1,998	-	-	2,100	-	-	-	-	-
Net Assets	1,475	-	-	1,355	-	-	1,362	-	-	-	-	-

() Yen - Dollars / exchange rate

(Units: Yen / Dollars)

	FY2008		FY2009	
	1Q	Full-Year	1Q	Full-Year (Projections)
Average Rate in each Period	105.43	100.66	96.75	95.00

(2) Profitability and Per Share Data etc.

	FY2008		FY2009	
	1Q	Full-Year	1Q	Full-Year (Projections)
Gross Profit Ratio (%)	20.8	14.7	19.6	17.4
Operating Income Ratio (%)	1.7	0.5	4.8	1.8
Ordinary Income Ratio (%)	7.5	0.4	5.3	1.6
Shareholders' Equity Ratio (%)	64.5	67.6	64.6	-
Net Assets Per Share (Yen)	4,312.60	3,963.72	3,981.10	-
Net Income Per Share (Yen)	404.16	509.33	93.01	114.39
Return On Asset (%)	5.4	8.2	1.4	-
Return On Shareholders' Equity (%)	8.2	11.9	2.2	-

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

(Units: 100million yen, %)

	FY2008				FY2009			
	1Q		Full-Year		1Q		Full-Year (Projections)	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	6	76.9	50	2.0	12	100.0	42	16.0

	FY2008						FY2009					
	1Q			Full-Year			1Q			Full-Year (Projections)		
	Amount	% to Sales	Change	Amount	% to Sales	Change	Amount	% to Sales	Change	Amount	% to Sales	Change
Depreciation Expenses	9	1.5	43.8	36	1.2	25.0	10	1.3	11.1	58	1.7	61.1
R&D	32	5.4	5.9	130	4.3	11.6	31	4.0	3.1	142	4.2	9.2

(4) Cash Flow

(Units: 100million yen, %)

	FY2008			FY2009		
	1Q	Full-Year		1Q	Full-Year (Projections)	
Cash flows provided by operating activities	147	7		42	-	
Income Before Income Taxes	39	32		41	-	
Depreciation Expenses	12	49		13	-	
Others	198	24		12	-	
Cash flows used in investing activities	10	107		41	-	
Free Cash flows	157	114		83	-	
Cash flows provided by financing activities	56	25		75	-	
Effect of exchange rate changes on cash and cash equivalents	16	28		0	-	
Net increase in cash and cash equivalents	197	169		8	-	

2. Operating Activities (Consolidated)

(1) Sales by Equipment

(Units: 100million yen, %)

	FY2008						FY2009					
	1Q			Full-Year			1Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	417	70.1	14.8	2,306	76.1	25.2	606	78.1	45.5	2,663	78.3	15.5
VCRs	6	1.0	53.8	20	0.7	55.6	3	0.4	50.0	7	0.2	65.0
DVD	100	16.8	34.6	402	13.3	23.3	122	15.7	22.0	320	9.4	20.4
BD Players	21	3.5	-	122	4.0	-	38	4.9	81.0	254	7.5	108.2
Televisions	26	4.4	73.7	82	2.7	68.0	3	0.4	88.5	6	0.2	92.7
LCD Televisions	199	33.5	2.0	1,342	44.3	49.6	343	44.2	72.4	1,898	55.8	41.4
Others	65	10.9	-	338	11.1	686.0	97	12.5	49.2	178	5.2	47.3
Information Equipment	107	18.1	49.3	450	14.9	30.7	109	14.1	1.9	470	13.8	4.4
Others	70	11.8	3.1	271	9.0	3.0	61	7.8	13.4	267	7.9	1.5
Total	594	100.0	23.2	3,027	100.0	9.2	776	100.0	30.6	3,400	100.0	12.3

(2) Sales by Areas in Equipment

(Units: 100million yen, %)

	FY2008						FY2009					
	1Q			Full-Year			1Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	417	70.1	14.8	2,306	76.1	25.2	606	78.1	45.5	2,663	78.3	15.5
North America	349	58.7	8.6	1,971	65.1	41.7	546	70.3	56.4	2,394	70.4	21.5
Europe	39	6.6	44.3	211	7.0	26.7	23	3.0	41.0	143	4.2	32.2
Asia and Others	0	0.0	-	1	0.0	66.7	0	0.0	-	0	0.0	-
Japan	29	4.8	19.4	123	4.0	22.6	37	4.8	27.6	126	3.7	2.4
Information Equipment	107	18.1	49.3	450	14.9	30.7	109	14.1	1.9	470	13.8	4.4
North America	62	10.4	48.8	174	5.8	56.8	40	5.2	35.5	229	6.7	31.6
Europe	31	5.3	43.6	149	4.9	9.1	38	4.9	22.6	167	4.9	12.1
Asia and Others	14	2.4	61.1	122	4.0	58.4	28	3.6	100.0	74	2.2	39.3
Japan	0	0.0	-	5	0.2	16.7	3	0.4	-	0	0.0	-
Others	70	11.8	3.1	271	9.0	3.0	61	7.8	13.4	267	7.9	1.5
Total	594	100.0	23.2	3,027	100.0	9.2	776	100.0	30.6	3,400	100.0	12.3

(3) Sales by Equipment in Areas

(Units: 100million yen, %)

	FY2008						FY2009					
	1Q			Full-Year			1Q			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	414	69.6	19.4	2,161	71.4	19.3	588	75.8	42.2	2,623	77.1	21.4
Audio Visual Equipment	349	58.7	8.6	1,971	65.1	41.7	546	70.3	56.4	2,394	70.4	21.5
Information Equipment	62	10.4	48.8	174	5.8	56.8	40	5.2	35.5	229	6.7	31.6
Others	3	0.5	70.0	16	0.5	5.9	2	0.3	33.3	0	0.0	-
Europe	71	12.0	43.4	364	12.0	20.2	61	7.9	14.6	310	9.1	14.8
Audio Visual Equipment	39	6.6	44.3	211	7.0	26.7	23	3.0	41.0	143	4.2	32.2
Information Equipment	31	5.3	43.6	149	4.9	9.1	38	4.9	22.6	167	4.9	12.1
Others	1	0.1	0.0	4	0.1	0.0	0	0.0	-	0	0.0	-
Asia and Others	17	2.9	55.3	132	4.4	45.1	31	4.0	82.4	74	2.2	43.9
Audio Visual Equipment	0	0.0	-	1	0.0	66.7	0	0.0	-	0	0.0	-
Information Equipment	14	2.4	61.1	122	4.0	58.4	28	3.6	100.0	74	2.2	39.3
Others	3	0.5	200.0	9	0.4	18.2	3	0.4	0.0	0	0.0	-
Japan	92	15.5	3.9	370	12.2	10.3	96	12.3	3.8	393	11.6	6.2
Audio Visual Equipment	29	4.8	19.4	123	4.0	22.6	37	4.8	27.6	126	3.7	2.4
Information Equipment	0	0.0	-	5	0.2	16.7	3	0.4	-	0	0.0	-
Others	63	10.7	5.0	242	8.0	2.4	56	7.1	11.1	267	7.9	10.3
Total	594	100.0	23.2	3,027	100.0	9.2	776	100.0	30.6	3,400	100.0	12.3



FUNAI ELECTRIC CO., LTD.

(Company)

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