

Third Quarter (April-December) Consolidated Financial Summary
for the Period Ending March 2009

	Current Year Third Quarter 〔 From April 1, 2008 To December 31, 2008 〕		Previous Year Third Quarter 〔 From April 1, 2007 To December 31, 2007 〕		% increase or decrease from the same period of the previous consolidated fiscal year
	Amount	Percent	Amount	Percent	
	Million yen	%	Million yen	%	%
Net Sales	240,096	100.0	225,890	100.0	6.3
Operating Income	3,273	1.4	1,284	0.6	154.7
Ordinary Income	2,393	1.0	5,785	2.6	△58.6
Net Income before Taxes and Other Adjustments	△1,676	△0.7	4,747	2.1	—
Net Income after tax ※	792	0.3	△3,023	△1.3	—
Net Income /Loss after Tax ※※	△16,046	△6.7	△3,023	△1.3	—
Net Income/Loss per Share	△ 470.66		△88.69		

※ For the purpose of comparison the Net Income/Loss after Tax before the deduction of Income taxes for 16.8 billion 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 16.8 billion yen for the period of March 2005 to March 2007 was posted as a cost of income taxes for prior periods in 1Q consolidated income statement of FY2008.

Notes:

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

Financial Report for the 9-Month Period ended December 31, 2008

February 12, 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

Administrator's position and name General Manager, Accounting Department Hisao Fuke TEL: (072) 870-4395

Scheduled date of Submission of Quarterly Report ; February 13,2009

1.Third Quarter Consolidated Results for the Period Ending March 2009 (April 1, 2008 – December 31, 2008)(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 FY2008	240,096	—	3,273	—	2,393	—	△16,046	—
3 rd Quarter FY2007	225,890	△20.2	1,284	△ 93.3	5,785	△75.1	△3,023	—

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
3 rd Quarter FY2008	△ 470.66	—
3 rd Quarter FY2007	△ 88.69	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
3 rd Quarter FY2008	210,728	130,470	61.7	3,810.66
Fiscal Year 2007	224,415	158,356	70.3	4,630.58

(Reference) Shareholders' Equity

3rd Quarter FY2008 ended December 31, 2008 129,916million yen

Fiscal Year 2007 ended March 31, 2008 157,871 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 2007	—	0.00	—	50.00	50.00
Fiscal Year 2008	—	0.00			
Fiscal Year 2008 (Projection)			—	50.00	50.00

3. Forecast of Consolidated Results for the Full Year (April 1, 2008 - March 31, 2009)

(% 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	304,000	9.7	500	—	△1,500	—	△19,000	—	△557.30

Note:

Revision of Forecast of Consolidated Results for the Nine month period and the Full Year in this 3rdQuarter;

No.

4. Other Information

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): Yes

Add:P&F USA Inc.

(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: Yes

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 December 31, 2008;36,104,196shares
as of March 31, 2008; 36,104,196shares

(2)Number of shares of treasury stock as of December 31, 2008; 2,011,297shares
as of March 31, 2008; 2,011,003shares

(3)The Average number in the quarter of outstanding shares on December 31, 2008; 34,093,093shares
on December 31, 2007; 34,093,193shares

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/Financial Statements

1 . Qualitative Information Regarding Consolidated Operating Results

The world economy continued to worsen through the 3rd quarter. The financial crisis in the US spread beyond the stock market or the foreign exchange markets into the real economy, and the September 2008 “Lehman Shock” in particular accelerated the downturn in the economies of developing nations, in addition to those of advanced nations.

Revenue in the home appliance market was also affected. Notably, lower year-end sales, which were seasonally the high point of annual demand, and a downward trend in the prices of our major products, such as LCD TVs, were the result of flagging consumer spending brought on by the global economic downturn.

As a result, the Funai Group’s net sales through the 3rd quarter totaled 240,096 million yen (a 6.3% increase, year on year basis).

The market for audiovisual equipment continued to contract, and sales of CRT TVs, DVD players, and other related equipment fell. However, sales received a boost from Blu-ray Disc players (expected to become a growth product in the future), TV set-top boxes* that will be required in the US market once on-air analog broadcasting stops in June 2009 (planned), and LCD TVs, aided by the addition of the Philips brand through a North America brand licensing agreement (concluded April 2008). Net sales for audiovisual equipment totaled 181,684 million yen (a 21.1% increase, year on year basis).

*Set-top boxes transform digital signals to analog signals, allowing viewers to watch digital broadcast programs on on-air analog TVs.

OEM partner orders for digital still cameras increased. However, competition in the printer market continues to be fierce, leading to OEM partners reevaluating their product strategies and, consequently, to a reduction in printer sales.

As a result, net sales of information equipment totaled 38,417 million yen (a 32.1% decrease, year on year basis).

Net sales of receivers and other electronic equipment totaled 19,993 million yen (a 3.9% increase, year on year basis).

The rapid deceleration in the world economy that began in September 2008 has further worsened consumption. As a result, Funai’s major products have been affected by intense price competition, and operating income fell 1,047 million yen below the cumulative 2nd quarter value (4,320 million yen) to 3,273 million yen (a 154.7% increase, year on year basis). Ordinary income totaled 2,393 million yen (a 58.6% decrease, year on year basis) due to the appropriation of foreign exchange losses, etc. Net income for the quarter ended in a loss of 16,046 million yen (a quarterly net loss of 3,023 million yen , year on year basis) due to the accounting of 16,838 million yen as “retroactive corporate taxes” in accordance with the supplementary tax assessment arising from the application of the anti-tax haven system.

Note: Increases/decreases from the same period of the previous year (monetary values from the same period of the previous year) are provided for reference only.

2 . Qualitative Information Regarding Funai’s Consolidated Financial Position

Funai’s financial position at the end of the 3rd quarter was as follows.

Total assets decreased by 13,687 million yen compared to the end of the previous consolidated fiscal year. While cash and cash equivalents increased by 15,973 million yen and trade notes and accounts receivable increased by 16,510 million yen, the overall decrease was primarily due to a 40,395 million yen decrease in long-term loans receivable.

Total liabilities increased by 14,198 million yen compared to the end of the previous consolidated fiscal year. This increase was primarily due to an 11,386 million yen increase in trade notes and accounts payable.

Net assets decreased by 27,885 million yen compared to the end of the previous consolidated fiscal year. This decrease

was due to 18,446 million yen and 9,423 million yen decreases in retained earnings and foreign currency translation adjustments, respectively.

3 . Qualitative Information Regarding Consolidated Earnings Forecasts

Please refer to the “Funai Reports Revised Forecast of Consolidated Operating Results” published on February 2, 2009 for information regarding earnings forecasts.

Note: Results forecasts are based on management decisions in light of currently available information and include risk and uncertainties. Various factors such as a change in economic conditions overseas, in the US—Funai’s primary market—in particular, and sharp product price fluctuations may cause results to differ from predictions.

4 . Other

(1) Mid-period transfer of important subsidiaries (transfer of specific subsidiaries accompanying changes in consolidation range)

Due to its increasing importance, P&F USA, Inc. was included in consolidated reporting from the 2nd quarter.

(2) Application of simplified accounting and unique accounting in the creation of quarterly consolidated financial statements

a. Simplified accounting

Funai and its domestic consolidated subsidiaries use the diminishing balance method (however, the straight-line method is used for buildings acquired after April 1, 1998 [excluding incidental facilities]). Therefore, depreciation values for the consolidated fiscal year are calculated by distributing the applicable amount over fiscal terms.

b. Unique accounting in the creation of quarterly consolidated financial statements

Tax expenses are calculated by rationally estimating the effective tax rate on pre-tax net income from the consolidated fiscal year, including the consolidated quarter, after applying deferred tax accounting and then multiplying the pre-tax quarterly net income by the estimated effective tax rate.

Income tax adjustment values are included in corporate tax.

(3) Changes in accounting rules, procedures and reporting style regarding quarterly consolidated financial statements

• Changes to accounting standards

a.. The “Accounting Standard for Quarterly Financial Reporting”(Accounting Standards Board of Japan [ASBJ] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14) are being applied from the current consolidated fiscal year. Additionally, quarterly consolidated financial statements are created in accordance with the “Quarterly Consolidated Financial Reporting Regulations.”

b. Inventory

Inventory normally carried for sales was previously calculated using cost accounting based on the periodic average method. However, in accordance with the application of “Accounting Standards for Inventory Valuation (ASBJ Statement No. 9; July 5, 2006), inventory will be calculated using cost accounting based on the periodic average method (with regard to the values entered on the balance sheet, a method of depreciating book value based on lowered profitability) from the 1st quarter.

These changes have minimal effect on profit and loss.

c. Application of the “Interim Accounting Standards for Overseas Subsidiaries When Creating Consolidated Financial Statements”

The “Interim Accounting Standards for Overseas Subsidiaries when Creating Consolidated Financial Statements” (Practical Accounting Report No. 18; May 17, 2006) have been applied since the 1st quarter and the necessary revisions to consolidated accounting are being made.

These changes have minimal effect on profit and loss.

d. Application of accounting standards for lease transactions

Finance lease transactions in which ownership is not transferred were previously accounted for according to lease transaction-related methods. However, companies became able to apply the “Accounting Standards for Lease Transactions” (ASBJ Statement No. 13 [June 17, 1993 (Corporate Accounting Committee No. 1); revised March 30, 2007]) and the “Guidance on Applying Accounting Standards for Lease Transactions” (June 1, 2006 [The Japanese Institute of Certified Public Accountants (JICPA) Accounting Systems Committee]; revised March 30, 2007) to quarterly consolidated financial statements from the consolidated fiscal year beginning April 1, 2008. As such, Funai has employed these accounting standards from the 1st quarter when accounting for ordinary sales transactions (however, finance lease transactions in which ownership is not transferred and whose start date began before the first fiscal year in which the lease accounting standards were applied will continue to be accounted for using ordinary lease transaction-related methods). Additionally, the depreciation of leased assets in finance lease transactions in which ownership is not transferred is calculated using the straight-line method, with lease length set as the useful life of the assets and a residual value of zero at lease-end.

These changes have no affect on profit and loss.

(4) Supplementary tax assessment based on the application of the anti-tax haven system

- a. On June 28, 2005, Funai received notice of a supplementary tax assessment from the Osaka Regional Taxation Bureau (the “Bureau”) indicating that Funai’s Hong Kong subsidiaries did not meet the exclusion requirements under the anti-tax haven system, and that the subsidiary income for the three fiscal years from April 2001 to March 2004 was to be considered Funai income and that it would be taxed as such. Funai, dissatisfied with the supplementary tax assessment, filed a petition with the National Tax Tribunal’s Osaka Branch (the “Tribunal”) on July 25, 2006 and a complaint with the Osaka District Court requesting the cancellation of the supplementary tax assessment on November 16, 2006.

However, Funai received the decision of the Tribunal on July 3, 2008, rejecting our position. Funai feels that this decision is extremely regrettable and wholly unacceptable, and we will continue to assert the validity of our position in court.

The additional tax payments amount to 16,651 million yen (19,184 million yen including penalties), which includes corporate tax, residence tax, and business tax. These tax payments were reported as “retroactive corporate taxes” in the fiscal year ended March 2007 after the relevant accounting method was clarified in the March 8, 2007, revision of the “Auditing Procedures Related to the Accounting and Reporting of Taxes” (JICPA, Auditing and Assurance Committee Report No. 63).

b. On June 16, 2008, Funai received notice of a supplementary tax assessment from the Bureau indicating that Funai's Hong Kong subsidiaries did not meet the exclusion requirements under the anti-tax haven system, and that the subsidiary income for the three fiscal years from April 2004 to March 2007 was to be considered Funai income and that it would be taxed as such. As with the previous application of the anti-tax haven system (dated June 28, 2005) Funai believes that the issuance of this additional supplementary assessment, despite the ongoing deliberation of the previous assessment in the Osaka District Court, is extremely regrettable and wholly unacceptable. Funai therefore filed a petition with the Tribunal on August 6, 2008.

Although the petition continues to be reviewed, Funai became eligible to seek judicial remedy three months after submission of the petition. Accordingly, Funai filed a complaint with the Osaka District Court requesting the cancellation of the supplementary tax assessment order on November 14, 2008. This complaint will be merged with the previous complaint for deliberation.

The additional tax payments amounted to 15,038 million yen (16,838 million yen including penalties), which includes corporate tax, residence tax, and business tax. These tax payments were accounted for as "retroactive corporate taxes" in 1st quarter consolidated accounting.

The above system of taxation is determined at the end of each fiscal year for foreign corporations. For reference, if the effects of this taxation system on the income of Funai's Hong Kong subsidiaries from the fiscal year following the fiscal years currently under review are calculated, total corporate tax and residence tax are estimated at approximately 700 million yen, after deducting the value of dividends received from Funai's Hong Kong subsidiaries in the fiscal year ended March 2008. This amount has not been accounted for at the present time for the reasons given above.

5. Consolidated Financial Statements

(1).Consolidated quarterly balance sheets

(Mil. Yen)

	3rd Quarter FY2008 (As of December 31, 2008)	Fiscal year 2007 (As of March 31, 2008)
ASSETS;		
Current Assets		
Cash and deposits	84,047	68,074
Notes and accounts receivable-trade	43,351	26,841
Merchandise and finished goods	33,106	21,123
Work in process	1,460	1,292
Raw materials and supplies	7,386	12,668
Other	6,160	17,407
Allowance for doubtful accounts	△ 127	△ 286
Total current assets	175,387	147,122
Noncurrent assets		
Property, plant and equipment	15,618	16,772
Intangible assets	5,304	6,222
Investments and other assets		
Long-term loans receivable	423	40,819
Other	15,628	14,520
Allowance for doubtful accounts	△ 1,634	△ 1,041
Total investments and other assets	14,417	54,297
Total noncurrent assets	35,341	77,293
TOTAL ASSETS	210,728	224,415
LIABILITIES;		
Current Liabilities		
Notes and accounts payable-trade	37,197	25,811
Short-term loans payable	18,935	13,213
Income taxes payable	470	4,642
Provision	1,946	1,189
Other	18,555	15,642
Total current liabilities	77,106	60,499
Noncurrent liabilities		
Provision	2,364	2,484
Other	787	3,075
Total noncurrent liabilities	3,151	5,559
TOTAL LIABILITIES	80,257	66,058

(Mil. Yen)

	3rd Quarter FY2008 (As of December 31, 2008)	Fiscal year 2007 (As of March 31, 2008)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,280	31,280
Capital surplus	33,245	33,245
Retained earnings	111,366	129,812
Treasury stock	△ 24,340	△ 24,339
Total shareholders' equity	151,551	169,998
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	△ 148	△ 63
Foreign currency translation adjustment	△ 21,486	△ 12,063
Total valuation and translation adjustments	△ 21,635	△ 12,127
Subscription right to shares	7	—
Minority interests	546	485
Total net asset	130,470	158,356
TOTAL LIABILITIES AND NET ASSETS	210,728	224,415

(2).Consolidated quarterly statements of income
(Cumulative 3rd quarter from April 1 to December 31, 2008)

(Mil. Yen)

	3rd Quarter FY2008 (from April 1, 2008 to December 31, 2008)
Net sales	240,096
Cost of sales	202,259
Gross profit	37,836
Selling, general and administrative expenses	34,563
Operating income	3,273
Non-operating income	
Interest income	3,085
Dividends income	56
Other	370
Total non-operating income	3,512
Non-operating expenses	
Interest expenses	282
Equity in losses of affiliates	157
Foreign exchange loss	3,514
Other	437
Total non-operating expenses	4,392
Ordinary income	2,393
Extraordinary income	
Gain on prior period adjustment	357
Gain on sales of noncurrent assets	6
Other	113
Total extraordinary income	478
Extraordinary loss	
Loss on disposal of noncurrent assets	19
Special sales promotion	850
Estimated loss in value of securities	2,797
Liquidation loss on affiliated company	634
Other	244
Total extraordinary loss	4,547
Income before income taxes and minority interests	△ 1,676
Income taxes	△ 2,579
Income taxes for prior periods	16,838
Total income taxes	14,258
Minority interests in income	111
Net income	△ 16,046

(3).Consolidated quarterly statements of cash flows

(Mil. Yen)

	3rd Quarter FY2008 (from April 1, 2008 to December 31, 2008)
<hr/>	
Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	△ 1,676
Depreciation and amortization	3,671
Increase(decrease) in allowance for doubtful accounts	493
Increase(decrease)in provision for retirement benefits	△ 117
Interest and dividends income	△ 3,142
Interest expenses	282
Equity in (earnings) losses of affiliates	157
Loss (gain) on sales of property, plant and equipment	30
Loss (gain) on sales of investment securities	△ 26
Loss (gain) on valuation of investment securities	2,797
Decrease (increase) in notes and accounts receivable-trade	△ 24,972
Decrease (increase) in inventories	△ 11,405
Increase (decrease) in notes and accounts payable-trade	21,149
Other, net	14,386
Subtotal	<hr/> 1,628 <hr/>
Interest and dividends income received	2,247
Interest expenses paid	△ 278
Income taxes paid	△ 4,546
Prior year's taxes paid	△ 16,838
Net cash provided by (used in) operating activities	<hr/> △ 17,788 <hr/>
Net cash provided by (used in) investment activities	
Payments into time deposits	△ 67,579
Repayments from time deposits	19,180
Purchase of property, plant and equipment	△ 3,440
Proceeds from sales of property, plant and equipment	662
Purchase of intangible assets	△ 161
Purchase of investment securities	△ 247
Proceeds from sales of investment securities	1,137
Collection of loan receivables	40,828
Other, net	△ 124
Net cash provided by (used in) investment activities	<hr/> △ 9,743 <hr/>
Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	7,352
Repayment of long-term loans payable	△ 1,086
Cash dividends paid	△ 1,704
Other, net	△ 15
Net cash provided by (used in) financing activities	<hr/> 4,546 <hr/>
Effect of exchange rate change on cash and cash equivalents	△ 3,299
Net increase (decrease) in cash and cash equivalents	<hr/> △ 26,285 <hr/>
Cash and cash equivalents at beginning of period	57,100
Cash and cash equivalents at end of period	<hr/> 30,814 <hr/>

(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

Current Third Quarter (April 1, 2008 - December 31, 2008)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
Sales to outside customers	86,290	140,671	359	12,773	240,096	—	240,096
Inter-segment sales	102,869	26	144,494	13	247,404	(247,404)	—
Total	189,160	140,698	144,854	12,786	487,500	(247,404)	240,096
Operating Income and Losses(Δ)	2,340	1,638	2,397	Δ 2,318	4,057	(784)	3,273

c; Overseas sales

Current Third Quarter (April 1, 2008 - December 31, 2008)

(Units:Million Yen)

	N. America	Asia	Europe	Other	Total
Overseas sales	171,124	5,897	30,865	5,418	213,306
Consolidated sales					240,096
Ratio of overseas sales to consolidated sales (%)	71.3	2.4	12.8	2.3	88.8

Reference Previous 3Q Consolidated Financial Statements

(1) Previous third quarter consolidated statements of income (April 1,2007-December 31,2007)

(Mil.Yen)

	Previous 3Q (from April 1,2007 to December 31,2007)
	Amount
Net sales	225,890
Cost of sales	190,203
Selling, general and administrative expenses	34,402
Operating income	1,284
Non-operating income	5,283
Non-operating expenses	783
Ordinary income	5,785
Extraordinary income	364
Extraordinary losses	1,401
Income before income taxes	4,747
Corporate income taxes	7,751
Minority shareholder's interests	20
Net income/loss after tax	△ 3,023

(2).Previous third quarter consolidated statements of cash flows

(April 1,2007 -December 31,2007)

(Mil.Yen)

	Previous 3Q (from April 1, 2007 to December 31, 2007)
	Amount
1.Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	4,747
Depreciation and amortization	4,795
Interest and dividends income	△ 4,143
Interest expenses	472
Decrease in notes and accounts receivable-trade	△ 492
Increase in inventories	3,036
Increase in notes and accounts payable-trade	△ 15,746
Other, net	3,226
Subtotal	△ 4,104
Interest and dividends income received	3,790
Interest expenses paid	△ 467
Income taxes paid	△ 5,148
Net cash provided by (used in) operating activities	△ 5,930
2.Net cash provided by (used in) investment activities	
Payments into time deposits	△ 4,139
Purchase of intangible assets	△ 1,506
Proceeds from sales of investment securities	2,504
Payments for loan receivables	△ 280
Other, net	△ 455
Net cash provided by (used in) investment activities	△ 3,878
3.Net cash provided by (used in) financing activities	
Net increase (decrease) in short-term loans payable	△ 4,972
Purchase of fractional shares	△ 2
Cash dividends paid	△ 1,875
Other, net	0
Net cash provided by (used in) financing activities	△ 6,850
4.Effect of exchange rate change on cash and cash equivalents	655
5.Net increase (decrease) in cash and cash equivalents	△ 16,003
6.Cash and cashequivalents at beginning of period	83,320
7.Net increase in cash and cash equivalents due to the change of fiscal year end in consolidated subsidiaries	7,284
8.Cash and cash equivalents at end of period	74,601

(3) 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, 2007 –December 31, 2007)

(Units:MillionYen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales	196,648	94,942	162,620	19,114	473,326	(247,435)	225,890
Operating expenses	196,408	98,104	159,762	18,906	473,182	(248,577)	224,605
Operating Income and Losses(Δ)	239	Δ3,161	2,857	207	143	1,141	1,284

6. Other Information

Detailed Statement of Net Sales by Equipment Type and Region

(Units: Million Yen)

Classification		Current Year Third Quarter 〔 From April 1, 2008 To December 31, 2008 〕		Previous Year Third Quarter 〔 From April 1, 2007 To December 31, 2007 〕		% increase or decrease from the same period of the previous consolidated fiscal year	
		Amount	Percent	Amount	Percent		Percent
By Equipment Type	Audiovisual Equipment	181,684	75.7	150,079	66.5	21.1	
	Information Equipment	38,417	16.0	56,561	25.0	△32.1	
	Other Equipment	19,993	8.3	19,248	8.5	3.9	
	Total	240,096	100.0	225,890	100.0	6.3	
By Region	Japan	26,789	11.2	29,534	13.1	△ 9.3	
	Export	N. America	171,124	71.3	149,882	66.3	14.2
		Europe	30,865	12.8	39,234	17.4	△21.3
		Asia	5,897	2.4	4,547	2.0	29.7
		Other Areas	5,418	2.3	2,690	1.2	101.4
	Subtotal	213,306	88.8	196,356	86.9	8.6	
Total	240,096	100.0	225,890	100.0	6.3		

(Note) Main Products by Equipment Type

Equipment	Main Products
Audiovisual Equipment	VCRs, DVD Players, DVD Recorders, Televisions, LCD Televisions, 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 Quarter

Fiscal Period Ending 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	—
Gross Profit	12,336	15,278	10,220	—
Operating Income	988	3,332	△1,047	—
Ordinary Income	4,448	1,544	△3,599	—
Quarterly Net Income Before Taxes and Other Adjustments	3,967	579	△6,222	—
Quarterly Net Income/Loss	△13,779	1,676	△3,943	—
	Yen	Yen	Yen	Yen
Quarterly Net Income per Share	△404.16	49.18	△115.68	— —
Fully Diluted Quarterly Net Income per Share	— —	— —	— —	— —
	Million Yen	Million Yen	Million Yen	Million Yen
Total Assets	227,888	244,460	210,728	—
Net Assets	147,591	146,345	130,470	—
	Yen	Yen	Yen	Yen
Net Assets per Share	4,312.60	4,275.73	3,810.66	—

Fiscal Period Ended March 2008 (Consolidated)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	April - June 2007	July - Sept 2007	Oct - Dec 2007	Jan - March 2008
	Million Yen	Million Yen	Million Yen	Million Yen
Net Sales	77,361	78,955	69,572	51,277
Gross Profit	12,640	12,801	10,245	9,611
Operating Income	1,172	896	△ 784	△ 3,690
Ordinary Income	4,480	573	731	△ 5,824
Quarterly Net Income Before Taxes and Other Adjustments	4,463	△ 782	1,066	△ 2,237
Quarterly Net Income/Loss	1,342	△5,588	1,221	△ 2,353
	Yen	Yen	Yen	Yen
Quarterly Net Income per Share	39.38	△163.90	35.83	△ 69.02
Fully Diluted Quarterly Net Income per Share	— —	— —	— —	— —
	Million Yen	Million Yen	Million Yen	Million Yen
Total Assets	285,315	283,967	255,714	224,415
Net Assets	189,221	176,825	176,876	158,356
	Yen	Yen	Yen	Yen
Net Assets per Share	5,538.48	5,175.32	5,176.88	4,630.58

3Q FINANCIAL RESULTS IN CUMULATIVE SUPPLEMENTATION 2008

(from 2008.4.1
to 2008.12.31)

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FUNAI ELECTRIC CO.,LTD

1. Summary of Third Quarter Operating Results (Consolidated)

① Operating Results, Financial Conditions

(Units:100million yen,%)

	FY2007						FY2008					
	3Q			Full-Year			3Q			Full-Year(Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	2,258	100.0	△ 20.2	2,771	100.0	△ 30.1	2,400	100.0	6.3	3,040	100.0	9.7
Operating Income	12	0.6	△ 93.3	△ 24	△ 0.9	—	32	1.4	154.7	5	0.2	—
Ordinary Income	57	2.6	△ 75.1	△ 0	△ 0.0	—	23	1.0	△ 58.6	△ 15	△ 0.5	—
Net Income after Tax	△ 30	△ 1.3	—	△ 53	△ 1.9	—	7	0.3	—	△ 22	△ 0.7	—
Net Income/Loss after Tax	△ 30	△ 1.3	—	△ 53	△ 1.9	—	△ 160	△ 6.7	—	△ 190	△ 6.3	—
Total Assets	2,557	—	—	2,244	—	—	2,107	—	—	—	—	—
Net Assets	1,768	—	—	1,583	—	—	1,304	—	—	—	—	—

(※) Yen-Dollars /exchange rate

(Units:Yen / Dollars)

	FY2007		FY2008	
	3Q	Full-Year	3Q	Full-Year(Projections)
Average Rate in each Period	117.14	113.80	102.48	100.00

② Profitability and Per Share Data etc.

	FY2007		FY2008	
	3Q	Full-Year	3Q	Full-Year(Projections)
Gross Profit Ratio (%)	15.8	16.3	15.8	14.8
Operating Income Ratio (%)	0.6	△ 0.9	1.4	0.2
Ordinary Income Ratio (%)	2.6	△ 0.0	1.0	△ 0.5
Shareholder's Equity Ratio (%)	69.0	70.3	61.7	—
Net Assets Per share (yen)	5,176.88	4,630.58	3,810.66	—
Net Income Per Share (yen)	△ 88.69	△ 157.71	△ 470.66	△ 557.30
Return On Assets (%)	△ 1.1	△ 2.2	△ 6.9	—
Return On shareholder's Equity (%)	△ 1.7	△ 3.1	△ 10.5	—

③ Capital Expenditures, Depreciation, R&D Expenses

(Units:100million yen,%)

	FY2007				FY2008			
	3Q		Full-Year		3Q		Full-Year(Projections)	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	42	△ 4.5	49	△ 9.3	30	△ 28.6	54	10.2

	FY2007						FY2008					
	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	39	1.7	△ 26.4	48	1.7	△ 32.4	27	1.1	△ 30.8	38	1.3	△ 20.8
R&D	110	4.9	4.8	147	5.3	5.0	98	4.1	△ 10.9	134	4.4	△ 8.8

④CashFlow

(Units:100million yen,%)

	FY2007			FY2008		
	3Q		Full-Year	3Q		Full-Year(Projections)
Cash flows provided by operating activities	△ 59		△ 137	△ 177		—
Income before Income Taxes	47		25	△ 16		—
Depreciation Expenses	47		60	36		—
Others	△ 153		△ 222	△ 197		—
Cash flows used in investing activities	△ 38		△ 94	△ 97		—
Free cash flows	△ 97		△ 231	△ 274		—
Cash flows provided by financing activities	△ 68		△ 81	45		—
Effect of exchange rate changes on cash and cash equivalents	6		△ 21	△ 32		—
Net increase in cash and cash equivalents	△ 160		△ 335	△ 262		—

2. Operating Activities (Consolidated)

①Sales by Equipment

(Units:100million yen,%)

	FY2007						FY2008					
	3Q			Full-Year			3Q			Full-Year(Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,501	66.5	△ 21.5	1,841	66.5	△ 33.5	1,816	75.7	21.1	2,320	76.3	26.0
VCRs	37	1.6	△ 41.3	45	1.6	△ 45.1	16	0.7	△ 56.8	20	0.7	△ 55.6
DVD	429	19.0	△ 30.0	524	18.9	△ 40.7	344	14.3	△ 19.8	400	13.2	△ 23.7
BD Players	1	0.0	—	4	0.2	—	108	4.5	—	125	4.1	—
Televisions	211	9.4	△ 61.1	256	9.2	△ 67.4	76	3.2	△ 64.0	79	2.6	△ 69.1
LCD Televisions	726	32.2	37.2	897	32.4	15.6	1,029	42.9	41.7	1,348	44.3	50.3
PDP Televisions	3	0.1	△ 94.8	2	0.1	△ 97.8	0	0.0	—	0	0.0	—
Projectors	70	3.1	△ 20.5	70	2.5	△ 43.5	0	0.0	—	0	0.0	—
Others	24	1.1	41.2	43	1.6	65.4	243	10.1	912.5	348	11.4	709.3
Information Equipment	565	25.0	△ 21.8	650	23.4	△ 30.3	384	16.0	△ 32.1	446	14.7	△ 31.4
Others	192	8.5	△ 2.0	280	10.1	5.6	200	8.3	3.9	274	9.0	△ 2.1
Total	2,258	100.0	△ 20.2	2,771	100.0	△ 30.1	2,400	100.0	6.3	3,040	100.0	9.7

②Sales by Areas in Equipment

(Units:100million yen,%)

	FY2007						FY2008					
	3Q			Full-Year			3Q			Full-Year(Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,501	66.5	△ 21.5	1,841	66.5	△ 33.5	1,816	75.7	21.1	2,320	76.3	26.0
North America	1,133	50.1	△ 26.9	1,391	50.2	△ 38.5	1,545	64.4	36.4	1,979	65.1	42.3
Europe	247	11.0	1.2	288	10.4	△ 15.8	184	7.7	△ 25.5	226	7.4	△ 21.5
Asia and Others	4	0.2	△ 42.9	3	0.1	△ 72.7	1	0.0	△ 75.0	2	0.1	△ 33.3
Japan	117	5.2	6.4	159	5.8	3.9	86	3.6	△ 26.5	113	3.7	△ 28.9
Information Equipment	565	25.0	△ 21.8	650	23.4	△ 30.3	384	16.0	△ 32.1	446	14.7	△ 31.4
North America	354	15.6	△ 7.3	403	14.5	△ 16.9	154	6.4	△ 56.5	177	5.8	△ 56.1
Europe	142	6.3	△ 43.2	164	5.9	△ 49.5	121	5.0	△ 14.8	141	4.7	△ 14.0
Asia and Others	65	2.9	△ 28.6	77	2.8	△ 37.4	107	4.5	64.6	126	4.1	63.6
Japan	4	0.2	—	6	0.2	—	2	0.1	△ 50.0	2	0.1	△ 66.7
Others	192	8.5	△ 2.0	280	10.1	5.6	200	8.3	3.9	274	9.0	△ 2.1
Total	2,258	100.0	△ 20.2	2,771	100.0	△ 30.1	2,400	100.0	6.3	3,040	100.0	9.7

③Sales by Equipment in Areas

(Units:100million yen,%)

	FY2007						FY2008					
	3Q			Full-Year			3Q			Full-Year(Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	1,499	66.3	△ 23.1	1,811	65.3	△ 34.6	1,711	71.3	14.2	2,168	71.3	19.7
Audio Visual Equipment	1,133	50.1	△ 26.9	1,391	50.2	△ 38.5	1,545	64.4	36.4	1,979	65.1	42.3
Information Equipment	354	15.6	△ 7.3	403	14.5	△ 16.9	154	6.4	△ 56.5	177	5.8	△ 56.1
Others	12	0.6	△ 25.0	17	0.6	△ 26.1	12	0.5	0.0	12	0.4	△ 29.4
Europe	392	17.4	△ 22.4	456	16.5	△ 32.3	308	12.8	△ 21.3	370	12.2	△ 18.9
Audio Visual Equipment	247	11.0	1.2	288	10.4	△ 15.8	184	7.7	△ 25.5	226	7.4	△ 21.5
Information Equipment	142	6.3	△ 43.2	164	5.9	△ 49.5	121	5.0	△ 14.8	141	4.7	△ 14.0
Others	3	0.1	△ 75.0	4	0.2	△ 33.3	3	0.1	0.0	3	0.1	△ 25.0
Asia and Others	72	3.2	△ 29.4	91	3.3	△ 34.5	113	4.7	56.9	133	4.4	46.2
Audio Visual Equipment	4	0.2	△ 42.9	3	0.1	△ 72.7	1	0.0	△ 75.0	2	0.1	△ 33.3
Information Equipment	65	2.9	△ 28.6	77	2.8	△ 37.4	107	4.5	64.6	126	4.1	63.6
Others	3	0.1	△ 25.0	11	0.4	120.0	5	0.2	66.7	5	0.2	△ 54.5
Japan	295	13.1	7.7	413	14.9	7.7	268	11.2	△ 9.3	369	12.1	△ 10.7
Audio Visual Equipment	117	5.2	6.4	159	5.8	3.9	86	3.6	△ 26.5	113	3.7	△ 28.9
Information Equipment	4	0.2	—	6	0.2	—	2	0.1	△ 50.0	2	0.1	△ 66.7
Others	174	7.7	6.1	248	8.9	7.4	180	7.5	3.4	254	8.3	2.4
Total	2,258	100.0	△ 20.2	2,771	100.0	△ 30.1	2,400	100.0	6.3	3,040	100.0	9.7

3. Summary of Third Quarter(Oct.-Dec.)Financial Statements (Consolidated)

① Operating Results

(Units:100million yen,%)

	FY2007			FY2008		
	3Q			3Q		
	Amount	%	Change	Amount	%	Change
Net Sales	695	100.0	△ 42.0	954	100.0	37.2
Operating Income	△ 7	△ 1.1	—	△ 10	△ 1.1	—
Net Income	7	1.1	△ 93.3	△ 35	△ 3.8	—
Net Income/Loss after Tax	12	1.8	△ 86.2	△ 39	△ 4.1	—

(※) Yen-Dollars /exchange rate

(Units:Yen / Dollars)

	FY2007		FY2008	
	3Q		3Q	
Average Rate in each Period	113.02		94.99	

② Sales by Equipment

(Units:100million yen,%)

	FY2007			FY2008		
	3Q			3Q		
	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	520	74.8	△ 42.5	779	81.7	49.8
VCRs	12	1.7	△ 45.5	5	0.5	△ 58.3
DVD	135	19.4	△ 53.6	105	11.0	△ 22.2
BD Players	1	0.1	—	32	3.4	—
Televisions	70	10.1	△ 72.1	19	2.0	△ 72.9
LCD Televisions	276	39.7	△ 7.7	531	55.7	92.4
PDP Televisions	0	0.0	△ 100.0	0	0.0	—
Projectors	22	3.2	22.2	0	0.0	—
Others	4	0.6	△ 42.9	87	9.1	—
Information Equipment	113	16.3	△ 51.5	107	11.2	△ 5.3
Others	62	8.9	1.6	68	7.1	9.7
Total	695	100.0	△ 42.0	954	100.0	37.2



FUNAI ELECTRIC CO., LTD.

(Company)

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