

February 2, 2009

Funai Electric Co., Ltd.
President and CEO: Tomonori Hayashi
(Code No.: 6839 First Section of TSE/OSE)
Contact: Mutsuo Takei, General Manager
Investor / Public Relations Department
T e l : 8 1 - 3 - 3 2 5 4 - 5 6 1 2

For Immediate Release:

Funai Reports Revised Forecast of Consolidated Operating Results

Funai Electric Co., Ltd. has revised its forecast of consolidated operating results released on June 16, 2008, as described below.

1. Revised Consolidated Fiscal Year Results (April 1, 2008, to March 31, 2009)

(Units: Million Yen)

	Net sales	Operating income	Ordinary income	Net income (before deduction of income tax for prior periods)	Net income (after deduction of income tax for prior periods) *
Previously Announced Forecast (A)	340,000	6,000	8,000	5,800	(11,400)
Revised Forecast (B)	304,000	500	(1,500)	(2,200)	(19,000)
Amount of Increase/Decrease (B-A)	(36,000)	(5,500)	(9,500)	(8,000)	(7,600)
Percentage Changed (%)	(10.6)	(91.7)	-	-	-
(Reference) Previous FY results (FY Ended March 2008)	277,167	(2,405)	(39)	(5,376)	(5,376)
Projected 3rd quarter (April to December) consolidated operating results	240,000	3,200	2,300	700	(16,100)

The third quarter (April to December 2008) consolidated operating results are scheduled to be publicly due out on February 12 2009.

*Note: Funai Electric Co., Ltd. received a rectification notice from the Osaka Regional Taxation Bureau on June 16, 2008. The Bureau determined that Funai Electric Co., Ltd.'s Hong Kong subsidiary does not meet the requirements for exclusion under the anti-tax haven system and that the Hong Kong subsidiary's income for the three fiscal years from April 2004 through March 2007 will be considered, and taxed as, Funai Electric Co., Ltd.'s income. The revised income amount is ¥33.9 billion, and the Company has reported the total supplementary tax including local taxes of ¥16.8 billion as income taxes for prior periods. Because Funai Electric Co., Ltd. is asserting the validity of its claim through appeals, for information purposes net income is shown before deduction of the supplementary tax amount.

2. Reasons for revision of consolidated results forecast

In the third quarter (especially after October) consolidated operating period, there was a marked downward trend in prices for key products such as LCD televisions as sales stagnated in the United States, one of the major markets for the Funai Group. This trend continued during the year-end sales season, normally a period of peak demand, as a result of weakened consumer confidence against the backdrop of a rapid economic slowdown. As a result, Funai Electric Co., Ltd. projects consolidated operating income for the third quarter (April to December) will be about ¥3.2 billion, approximately ¥1.0 billion below its second quarter (April to June) consolidated operating results.

Furthermore, as a result of substantial fluctuations in the foreign exchange market and the decline in stock market values, the Company reported exchange losses of about ¥3.7 billion as a non-operating expense and a loss on valuation of investment securities of approximately ¥2.4 billion as an extraordinary loss in the third quarter.

The Company expects market circumstances to be even more severe during the fourth quarter.

In the audio-visual equipment category, sales of Blu-ray Disc players and television set-top boxes* for the U.S. market, which remained strong until the second quarter, as well as LCD televisions boosted by Philips brand products, will contribute to growth in revenues. Nevertheless, overall performance is expected to remain weak, and earnings are projected to decline.

In information equipment as well, net sales are expected to fall below projections as OEM partners review their merchandise strategy because of the severe competitive climate for printers.

Based on the above factors, Funai Electric Co., Ltd. projects that both net sales and earnings will fall below its operating results forecast, and has revised the consolidated net sales, operating income, ordinary income, and net income for the full year announced on June 16, 2008.

(Notes)

The aforementioned estimates are forward-looking statements about the future performance of Funai Electric Co., Ltd. and are based on management's assumptions and beliefs in light of information currently available, and involve known and unknown risks and uncertainties.

Various factors such as a change in economic conditions overseas (especially changes in the company's key U.S. market) and severe price fluctuations may cause actual events and results to differ materially from those anticipated in these statements.

*Devices to convert digital signals into analog signals, enabling viewers to watch terrestrial digital broadcasting on traditional analog televisions. Terrestrial analog broadcasting in the United States is scheduled to end in February 2009 (there is a possibility that this will be delayed for about four months).