

October 28, 2011

To Whom It May Concern:

Funai Electric Co., Ltd.
Representative Director
President and CEO: Tomonori Hayashi
(Code No.: 6839 First Section of TSE/OSE)

Funai Reports Revised Forecast of Consolidated Operating Results

This is to notify that the following changes have been made to the earnings forecast that was previously announced on August 1, 2011.

1. Revisions to the Second Quarter (2Q) Year-to-Date (YTD) Consolidated Earnings Forecast (April 1, 2011 to September 30, 2011)

(Units: Millions of Japanese Yen)

	Net Sales	Operating Income	Ordinary Income	Quarterly Net Income
Previous Forecast announced on August 1, 2011 (A)	156,800	3,400	3,400	200
Current Forecast (B)	140,600	2,100	500	2,900
Net Change (B-A)	16,200	1,300	2,900	3,100
Net Change (%)	10.3	38.2	85.3	-
(Reference) 2Q YTD Actuals from the Previous Fiscal Year ended March 2011	154,084	4,586	4,776	3,885

2. Revisions to the Full-Year Consolidated Earnings Forecast (April 1, 2011 to March 31, 2012)

(Units: Millions of Japanese Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast announced on August 1, 2011 (A)	310,000	8,000	8,000	4,200
Current Forecast (B)	265,000	3,200	1,500	2,800
Net Change (B-A)	45,000	4,800	6,500	7,000
Net Change (%)	14.5	60.0	81.3	-
(Reference) Actuals from the Previous Fiscal Year ended March 2011	295,923	772	1,290	1,169

3. Factors Behind the Revisions to the Second Quarter Year-to-Date and Full-Year Consolidated Earnings Forecast

The economy in the United States, our mainstay market, has been beset by sluggish personal consumption, stemming from continued high unemployment and a sluggish housing market. Furthermore, global economic uncertainty continues to mount, led by the European debt crisis, and concerns abound regarding the potential impact of this situation. Against this backdrop, demand continues to level off for one of the Group's main products, LCD televisions, as a certain degree of market saturation has been reached, and increasingly stringent competition is putting downward pressure on prices. As a result, we have revised downward our sales and operating income forecasts. In the information equipment category, as well, printer orders are down, leading us to forecast a decline in revenues and income for the full fiscal year. In addition, we have recorded exchange losses of ¥1,700 million, as yen appreciation has been more significant and extended for a longer period of time than expected. These losses have pulled down ordinary income and net income.

As the Company has disclosed, as our June 24, 2011, appeal to the Osaka District Court related to the Anti-Tax Haven Law was dismissed, we have recorded as an expense the impact of applying this taxation in the consolidated fiscal year following the conclusion of the tax assessment, which corresponds to the fiscal year ended March 31, 2011. Furthermore, we posted retroactive corporate taxes of ¥900 million following the third corrective action on June 29, 2011. The total impact of these actions during the first half is ¥2,400 million, and ¥2,700 for the full fiscal year. We have filed an appeal with the Osaka High Court to have this action cancelled. We continue to contest the validity of this action in court, and this taxation remains under consideration.

Due to the above factors, the Group has decided to revise the net sales, operating income, ordinary income and quarterly net income figures from the 2Q YTD consolidated earnings forecast and full-year consolidated earnings forecast that was announced on August 1, 2011.

(Note)

The earnings forecast is based on information available to the Group at the time such forecast is made, and contains risk and uncertainty. Actual results may differ from the forecast due to a variety of factors including changes in the economic conditions of overseas markets such as the United States (a key market for the Group), and significant fluctuations in product prices.

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