

November 9, 2015

To Whom It May Concern:

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

Notice of differences between second quarter consolidated forecasts and actual results, The recording of non-operating expenses, and Revision to consolidated forecasts for the fiscal year ended March 31, 2016

Osaka, Japan – Funai Electric Co.,Ltd.(“Funai”) announced differences between second quarter consolidated forecasts and actual results, the recording of non-operating expenses (foreign exchange loss) and a revision to consolidated forecasts for the fiscal year ended March 31,2016, which were announced on May 11,2015.

1. Differences between second quarter consolidated forecasts and actual results
 (April 1, 2015 to September 30, 2015)

	Net Sales	Operating Income(loss)	Ordinary Income(loss)	Net Income(loss) attributable to owners of parent	Net Income (loss)Per Share
Previous Forecast announced on May 11, 2015 (A)	Million yen 91,100	Million yen (1,400)	Million yen (1,800)	Million yen (2,100)	yen (61.55)
Actual Results (B)	86,898	(5,442)	(6,744)	(7,646)	(224.13)
Net Change (B-A)	(4,202)	(4,042)	(4,944)	(5,546)	
Net Change (%)	(4.6%)	—	—	—	
(Reference) Actual for the Previous Term (Year ended September 30, 2014)	115,808	1,332	2,785	2,624	76.94

2. Revision to consolidated forecasts for this fiscal year (April 1, 2015 to March 31, 2016)

	Net Sales	Operating Income(loss)	Ordinary Income(loss)	Net Income(loss) attributable to owners of parent	Net Income (loss)Per Share
Previous Forecast announced on May 11, 2015 (A)	Million yen 220,000	Million yen 1,600	Million yen 1,200	Million yen 400	yen 11.72
Revised Forecast (B)	187,900	(6,000)	(7,500)	(9,500)	(278.44)
Net Change (B-A)	(32,100)	(7,600)	(8,700)	(9,900)	
Net Change (%)	(14.6%)	—	—	—	
(Reference) Actual for the Previous Term (Year ended March 31, 2015)	217,088	564	1,924	1,354	39.70

3. Reasons for differences between second quarter consolidated forecasts and actual results

Although the sale of SANYO products (LCD TVs and BD-related products) was strong, net sales was lower than previous forecast due to intensifying price competition in some LCD TVs markets. Operating income was lower than previous forecast due to a decline in net sales and deterioration of profitability in Mexican market because of the depreciation of Mexican peso. Ordinary income and net income attributable to owners of parent were lower than previous forecast because of foreign exchange losses in addition to the factors noted above.

4. Recording of non-operating expenses (Foreign exchange loss)

Funai recorded ¥1,381 million as foreign exchange loss in non-operating expenses because of the depreciation of Mexican peso. The above amounts might change depending on the situation of the future foreign exchange market.

5. Reasons for revision to consolidated forecasts for this fiscal year

From the third quarter, the economy of the United States is expected to remain strong, but business situation will be uncertain due to the slowdown in employment and consumption compared with expectations. Moreover, the demand for LCD TVs is estimated to go further downward. As the result reflects the financial results of the 6-month, the forecast for net sales, operating income, ordinary income, and net income attributable to owners of parent has been revised downward.

(Note)

The above forecasts are based on information currently available to the Group and contain risk and uncertainty. Actual results may differ from these forecasts due to various factors including changes in the economic conditions of overseas markets such as the United States, and significant fluctuations in product prices and foreign exchange.

For further information, please contact

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