

Presentation of Operating Results of FY2011

May 8, 2012

FUNAI ELECTRIC CO., LTD.

Security code 6839

. Summary & Remarks by the President & CEO, Hayashi

1. Summary of Fiscal 2011 (April 2011 to March 2012)
2. Forecast of Fiscal 2012 (April 2012 to March 2013)
3. Business Environment
4. Strategy of Growth
 - Boost sales and strengthen of existing businesses
 - Entry into new marketplaces
 - Launching new businesses

1 . Summary of Fiscal 2011 (April 2011 to March 2012)

(100 million yen)

	Original Forecast		Revised Projection (October 28, 2011)		Results
Net Sales	3,100	→	2,650	→	2,461
Operating Income (Margin)	80 (2.6%)	→	32 (1.2%)	→	4 (0.2%)
Average USD-JPY Exchange Rate	83.00		78.57		78.81

Summary

Minus Factor

Missing the opportunities of production/sales due to the big earth quake in East Japan and floods in Thailand

More than expected the high yen and the market slowdown in Japan and Europe

Plus Factor

Sound TV inventory

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2 . Forecast of Fiscal 2012 (April 2012 to March 2013)

(100 million yen)

	FY2010 Results		FY2011 Results		FY2012 Projection
Net Sales	2,959	→	2,461	→	2,290
Operating Income (Margin)	7 (0.3%)	→	4 (0.2%)	→	40 (1.7%)
Average USD-JPY Exchange Rate	85.21		78.81		80.00

Strategic issue of this year

Black figures of TV business

Strategic move for leap for the current year and the following year

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3. Business Environment

Economic Trend

US: Right on track for recovery, but concerned for impact on gas price hike
 Europe: Sovereign debt crisis still over hanging and uncertainty continues
 Emerging: Consumer demand has been growing, but some sign of slowdown

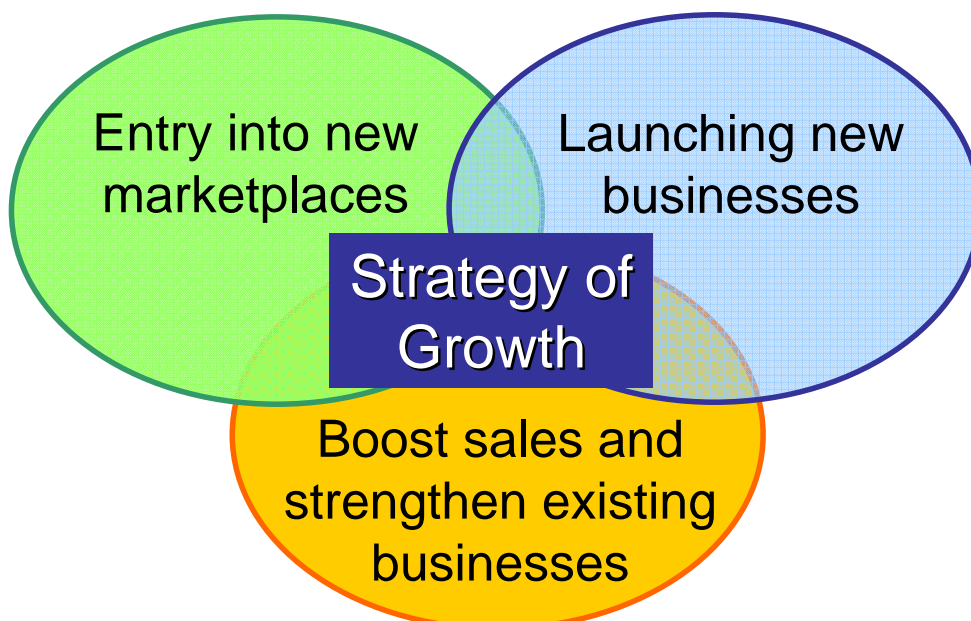
Industry Trend

Rapid growth of smart phone and tablet, acceleration of fusion of AV·PC and Internet
 Acceleration of commoditization of TV
 Serious slump of Japanese AV manufacturers – Full scale restructuring and alliance has started



Strengthening existing businesses + launching new growth area

4 . Strategy of Growth



4 . Strategy of growth

- boost sales and strengthen existing businesses (the whole group)

Display Division
(ex-TV division)

Digital Media Division
(ex-BD·DVD division)

Office Solution Division
(ex-Information equip. division)

Acceleration of shifting of R&D base into overseas

Restructuring of manufacturing base

Strengthen patent portfolio

Thorough curtail of fixed cost

Cultivate new marketplaces

Further strengthen of cost competitiveness

4 . Strategy of growth

- boost sales and strengthen existing businesses (division-wise)

Display Division
(ex-TV division)

Digital Media Division
(ex-BD·DVD division)

Office Solution Division
(ex-information equip. division)

Profit contribution due to optimized inventory level/add-up SKU at stores

Reinforcement of Philips business

Promotion of capex·in-house made mold or module

Strengthen of OEM business

Secure survivor's profit

Launch new items

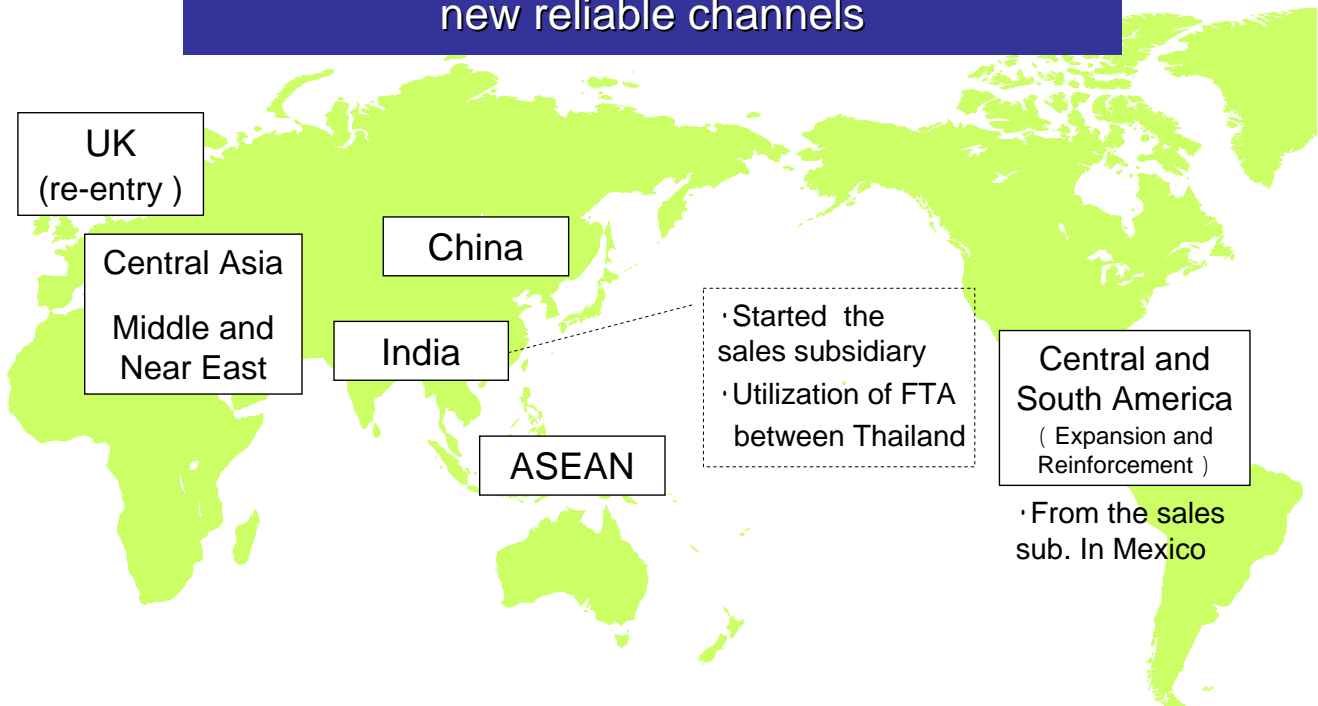
Launch Laser beam printer business

Commercialize in-house developed printer

Launch LED lighting business

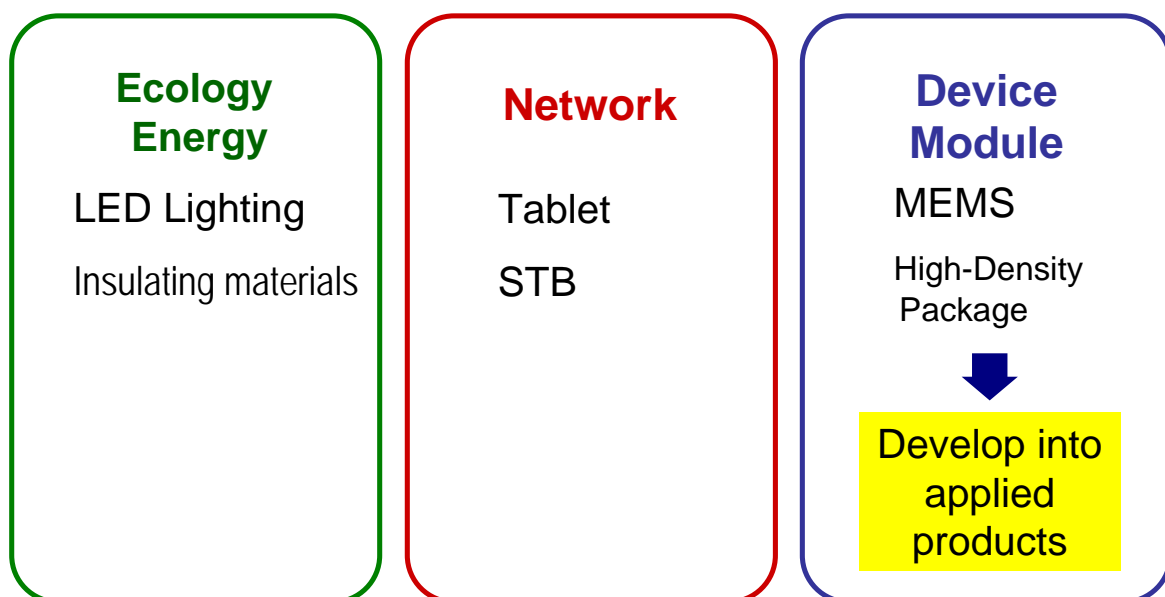
4 . Strategy of growth-launch new market places

Global market development with existing and new reliable channels



5 . Strategy of growth-launching into new businesses

Three business fields for mid/long term growth



Start of sales at full scale from June 2012



LED Bulb Light



LED Tube Light

Full line-up by in-house development · production

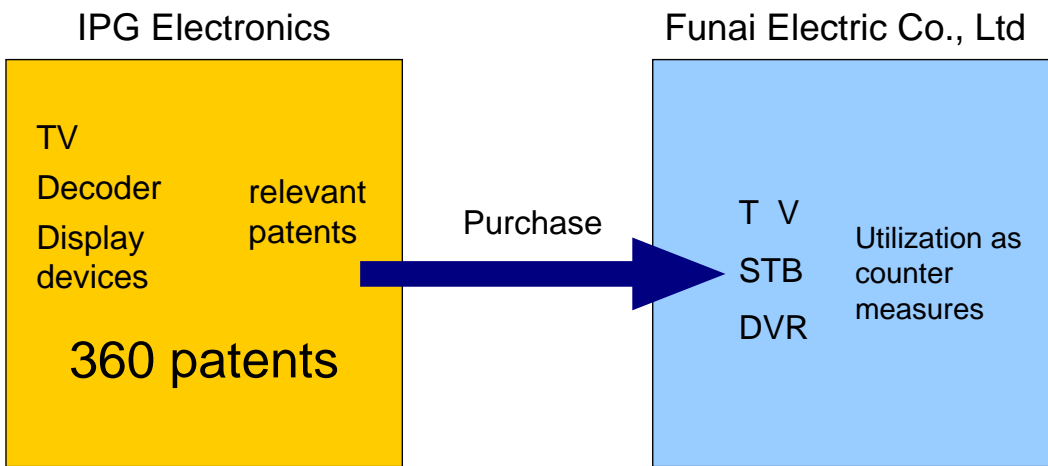


LED MR16 Spotlight



LED Tunnel Light

Reinforcement of patent portfolio



. Outline of Operating Results

1. Summary of 4th Quarter (Jan.-Mar.)
2. Summary of Fiscal 2011 ending March 2012
3. Breakdown of Sales by Equipment
4. Sales of DVD related Equipment
5. Sales of Television related Equipment
6. Geographic Breakdown of Sales
7. Factor of Changes of Operating Income
8. Financial Conditions
9. Changes of Inventories
10. Projection of Fiscal 2012 ending March 2013
11. Projection of Sales by Equipment in Fiscal 2012 ending March 2013
12. Capital Expenditures, Depreciation Expense and R&D Expenditures

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1. Summary of 4th Quarter (Jan.-Mar.)

(100 million yen)

	FY2010	FY2011	Y / Y
Net Sales	659	427	232 (35.2%)
Operating Income	32	24	+ 8
(M a r g i n)	(5.0%)	(5.8%)	+12 (1) +7 (3)
Ordinary Income	27	12	+ 15
(M a r g i n)	(4.2%)	(2.9%)	+2 (2) +8 (4)
Net Income after tax	33	10	+ 23
(M a r g i n)	(5.1%)	(2.4%)	
Average USD- JPY Exchange Rate	82. ³³	79. ⁷⁵	

(1) interest receivables + 1, forex gain + 12, (3) increase of forex gain + 7
Other 1

(2) extraordinary loss 3, income taxes + 5 (4) increase of extraordinary loss 3, decrease of income taxes + 11

Month End	10/12	11/3	11/12	12/3
Exchange Rate	81. ⁴⁹	83. ¹⁵	77. ⁷⁴	82. ¹⁹

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2 . Summary of Fiscal 2011 ending March 2012

(100 million yen)

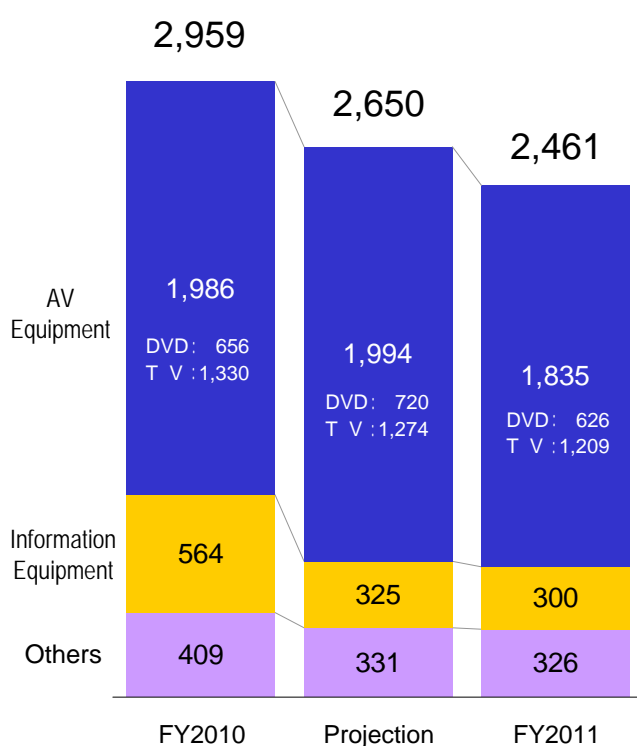
	FY2010	Projection	FY2011	Y/Y (Actual base)	Y/Y (Projection base)
Net Sales	2,959	2,650	2,461	498 (16.8%)	189 (7.1%)
Operating Income (M a r g i n)	7 (0.3%)	32 (1.2%)	4 (0.2%)	3 3 (1)	28 8 (3)
Ordinary Income (M a r g i n)	12 (0.4%)	15 (0.6%)	1 (0.1%)	11 47 (2)	14 24 (4)
Net Income after tax (M a r g i n)	11 (0.4%)	28 (1.1%)	46 (1.9%)	35	18
Average USD- JPY Exchange Rate	85. ²¹	78. ⁵⁷	78. ⁸¹		
<p>(1) interest receivables +2, interest expense 1, forex loss 4 (2) extraordinary loss 7, income taxes 31, income taxes for prior period 9 (3) decrease of interest received 2, forex loss 6, (4) extraordinary loss 9, increase of income taxes 6, increase of income taxes for prior period 9 (5) increase of forex gain + 13, other + 1 (6) increase of extraordinary loss 6, decrease of income taxes + 2</p>					
Month End	11/3	12/3			
Exchange Rate	83. ¹⁵	82. ¹⁹			

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3 . Breakdown of Sales by Equipment

(100 million yen)

(100 million yen)

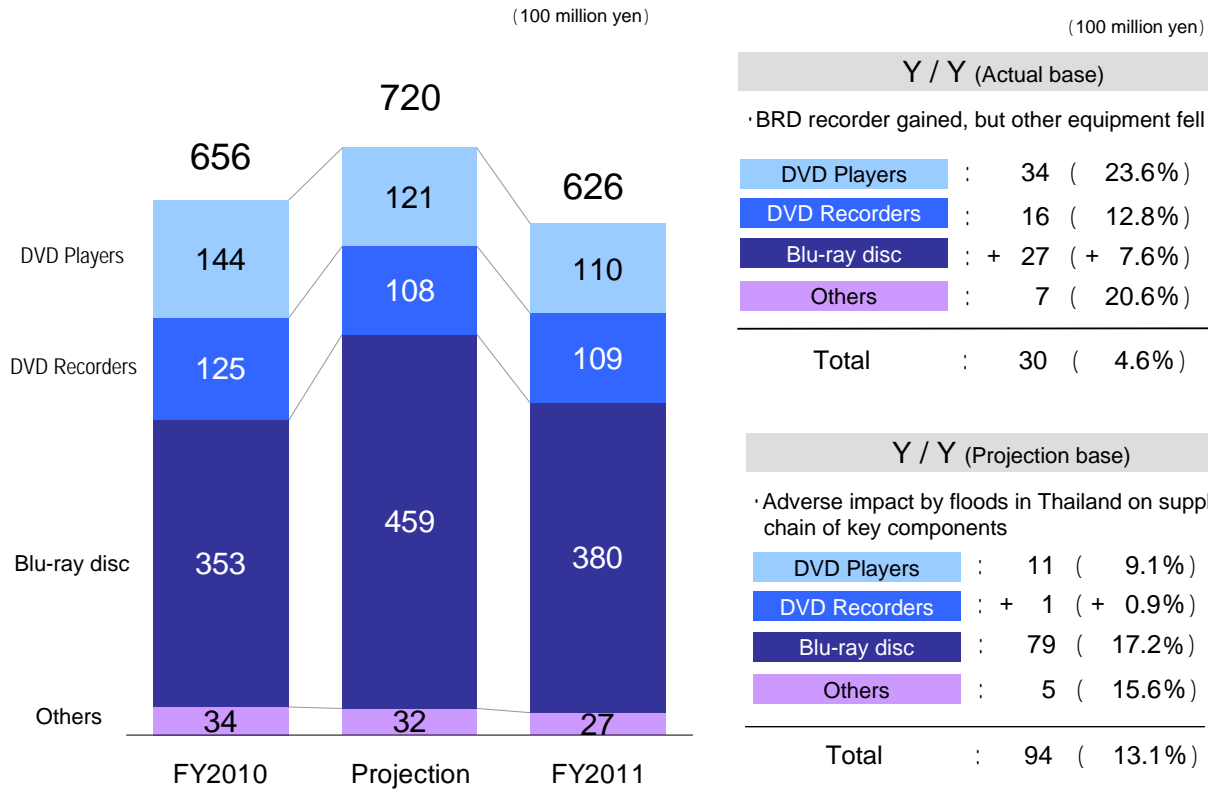


Y / Y (Actual base)	
AV Equipment	: 151 (7.6%)
DVD Equip.	: 30 (4.6%)
T V Equip.	: 121 (9.1%)
Information Equipment	: 264 (46.8%)
Others	: 83 (20.3%)
Total	: 498 (16.8%)

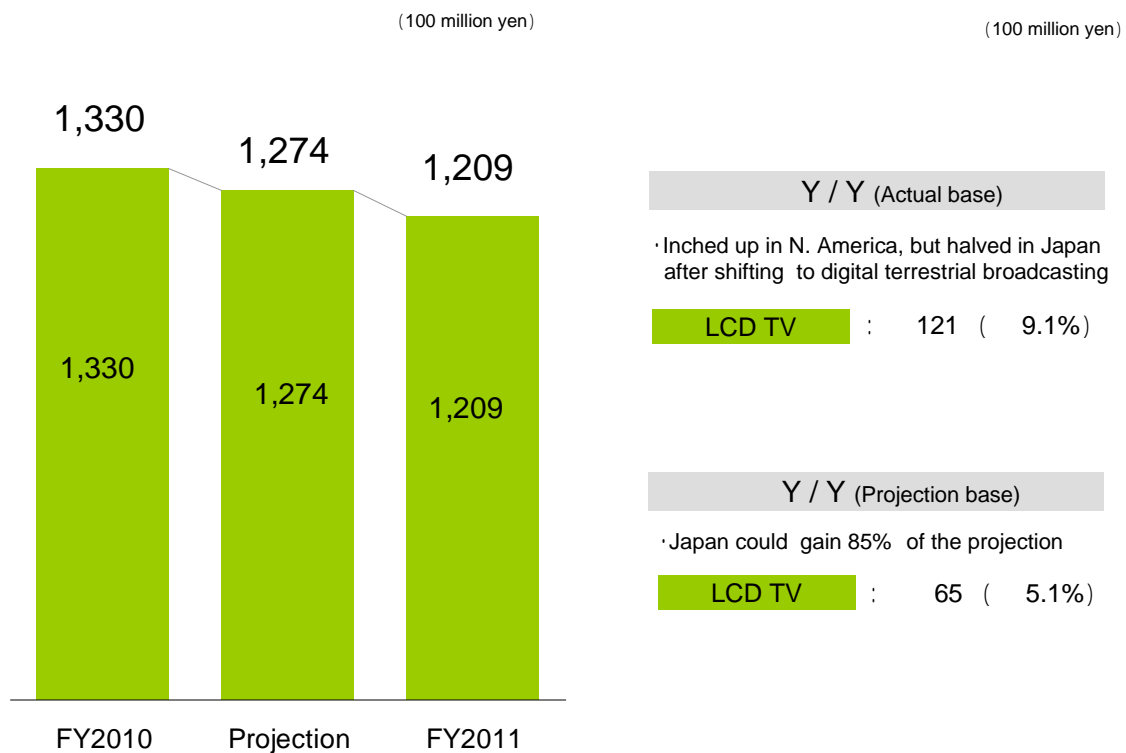
Y / Y (Projection base)	
AV Equipment	: 159 (8.0%)
DVD Equip.	: 94 (13.1%)
T V Equip.	: 65 (5.1%)
Information Equipment	: 25 (7.7%)
Others	: 5 (1.5%)
Total	: 189 (7.1%)

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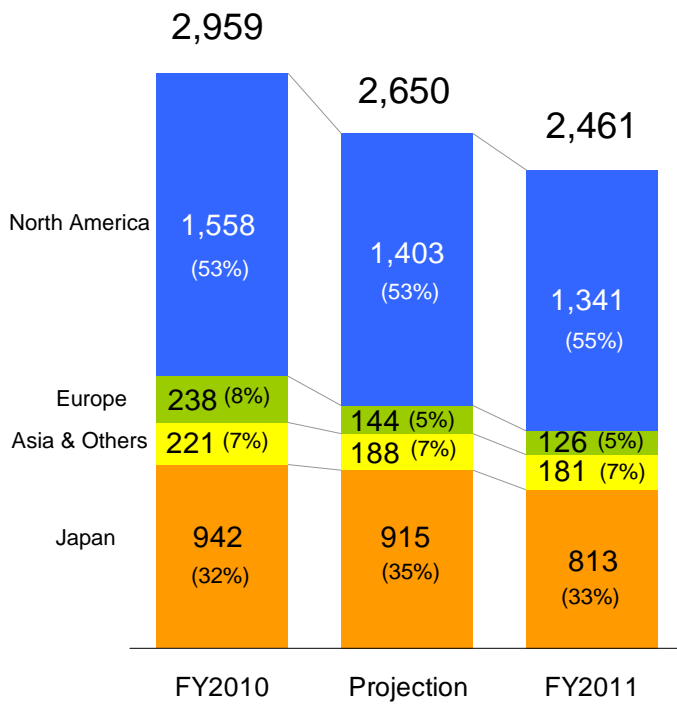
4 . Sales of DVD related Equipment



5 . Sales of Television related Equipment



6 . Geographic Breakdown of Sales



Y / Y (Actual base)

North America

· Both of Information and DVD related equip. fell

Japan

· BRD recorder increased, but LCD TV and antenna and related devices lost

North America	: 217 (13.9%)
Europe	: 112 (47.2%)
Asia & Others	: 40 (18.1%)
Japan	: 129 (13.7%)

Total : 498 (16.8%)

Y / Y (Projection base)

Japan

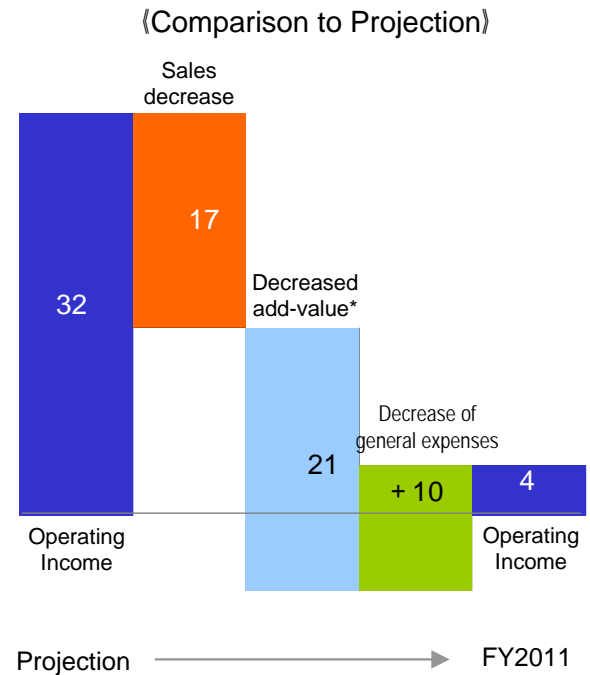
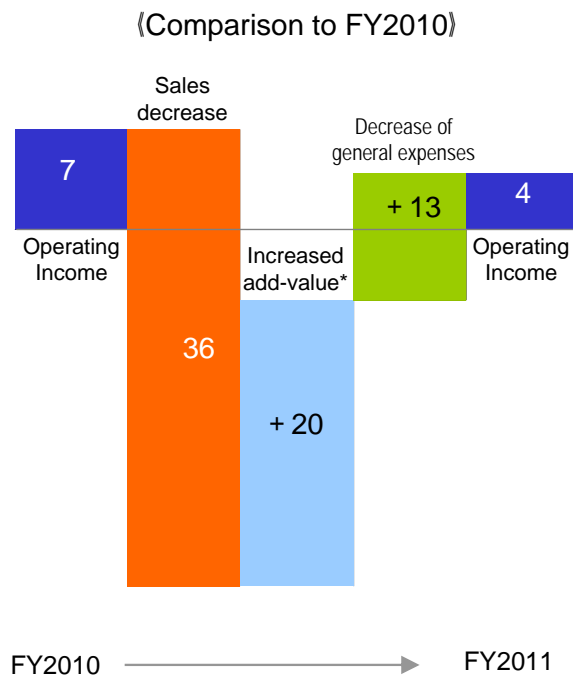
· Both of BRD recorder and LCD TV were short of the projection

North America	: 62 (4.4%)
Europe	: 18 (12.5%)
Asia & Others	: 7 (3.7%)
Japan	: 102 (11.1%)

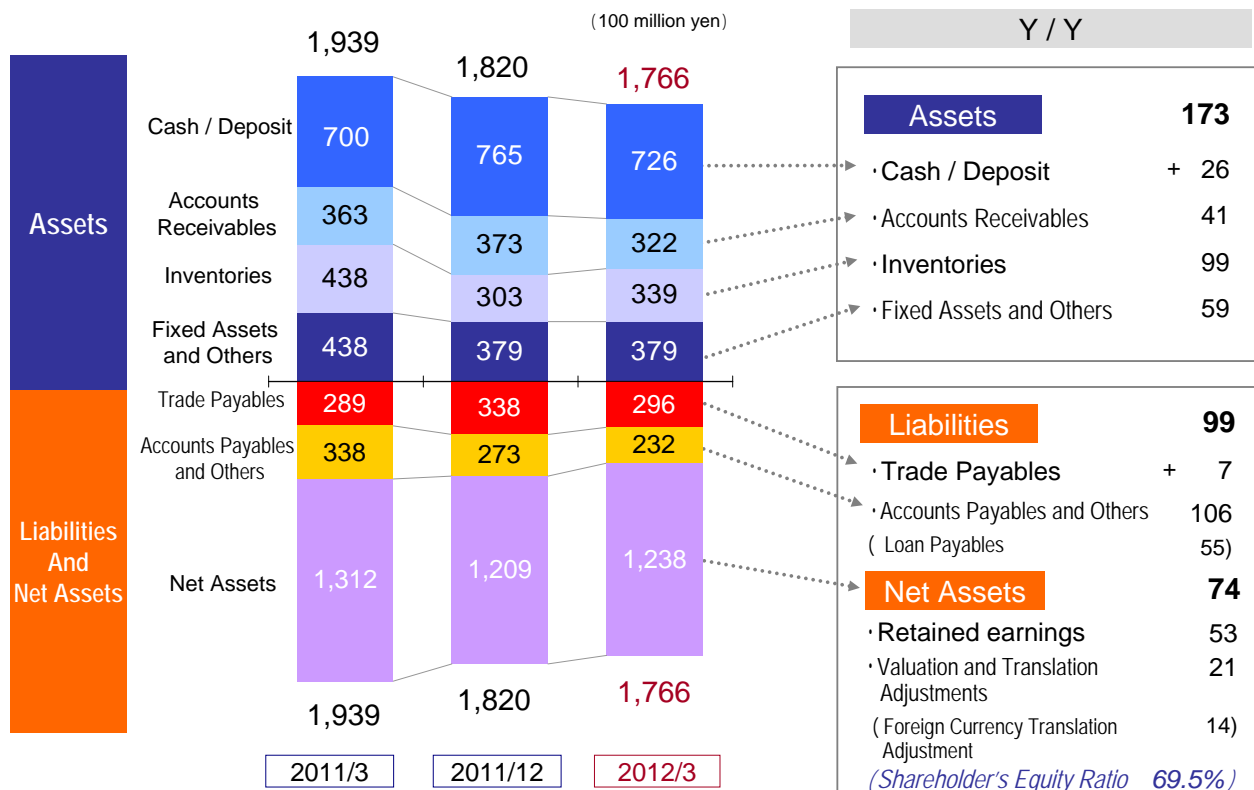
Total : 189 (7.1%)

7 . Factor of Changes of Operating Income

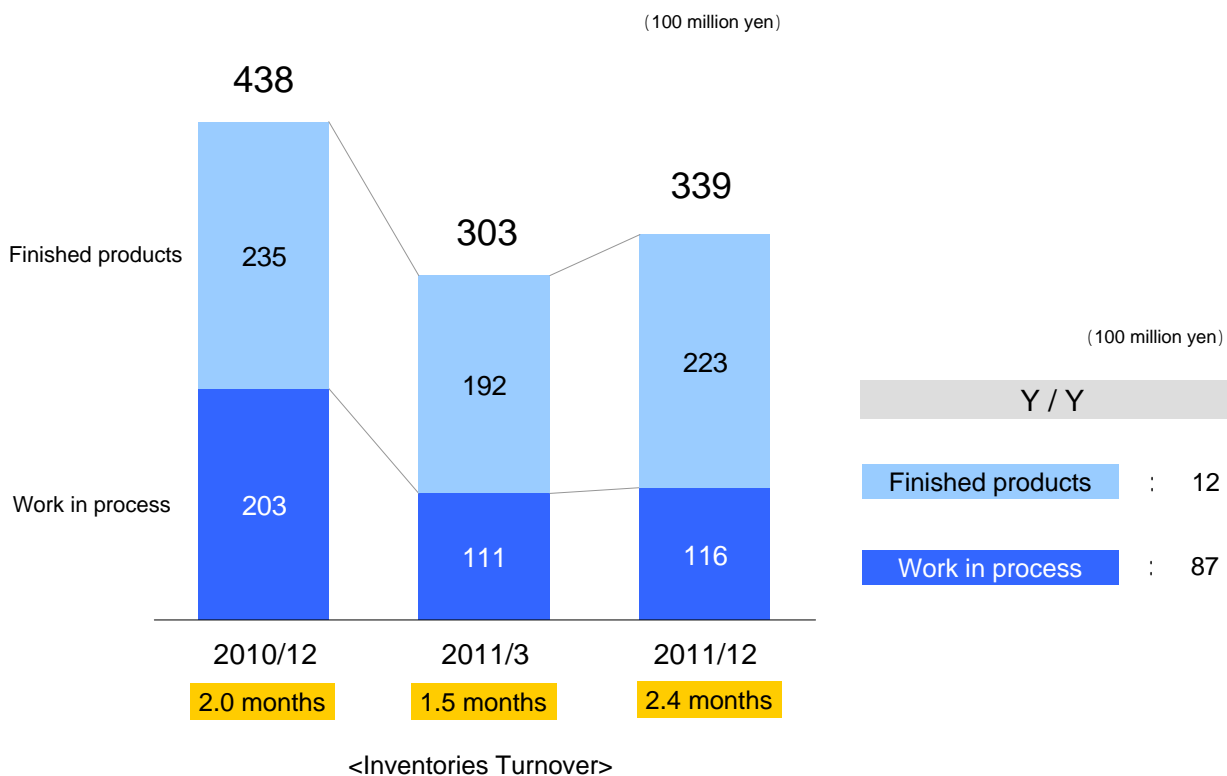
* Add-value=Sales – (Cost of sales + selling expenses)
(100 million yen)



8 . Financial Conditions



9 . Changes of Inventories



10 . Projection of Fiscal 2012 ending March 2013

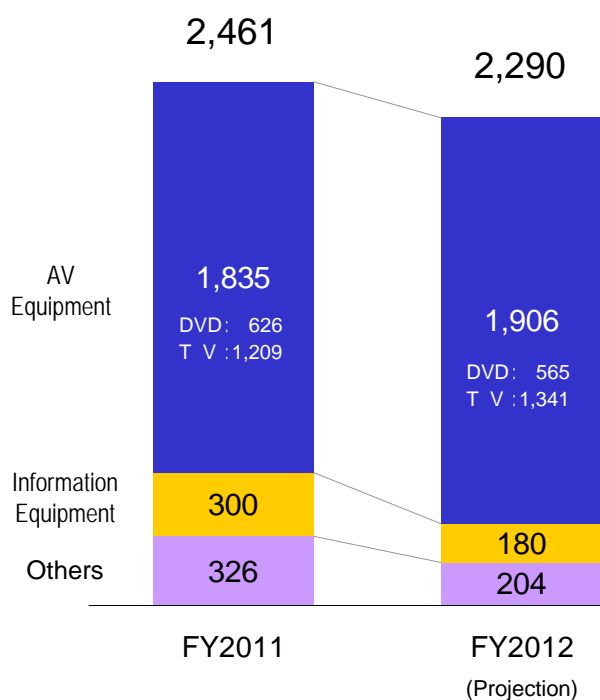
(100 million yen)

	FY 2011			FY 2012 (Projection)			Y / Y		
	1H	2H	12 months	1H	2H	12 months	1H	2H	12 months
Net Sales	1,406	1,055	2,461	1,020	1,270	2,290	386 (27.5%)	+ 215 (+20.4%)	171 (7.0%)
Operating Income	21	16	4	11	29	40	10	+45	+36
(margin)	(1.5%)	(1.6%)	(0.2%)	(1.1%)	(2.3%)	(1.7%)			
Ordinary Income	5	3	1	12	28	40	+ 7	+31	+39
(margin)	(0.4%)	(0.3%)	(0.1%)	(1.2%)	(2.2%)	(1.7%)			
Net Income after tax	29	16	46	2	23	25	+ 31	+39	+71
(margin)	(2.1%)	(1.5%)	(1.9%)	(0.2%)	(1.8%)	(1.1%)			
Average USD/JPY exchange rate	79.15	78.47	78.81	80.00					

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11 . Projection of Sales by Equipment in Fiscal 2012 ending March 2013

(100 million yen)



(100 million yen)

Y / Y	
AV Equipment	: + 71 (+ 3.9%)
DVD Equip.	: 61 (9.7%)
T V Equip.	: + 132 (+ 10.9%)
Information Equipment	: 120 (40.0%)
Others	: 122 (37.4%)
Total	: 171 (7.0%)

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12. Capital Expenditures, Depreciation Expense and R&D Expenditures

(100 million yen)

Capital Expenditures

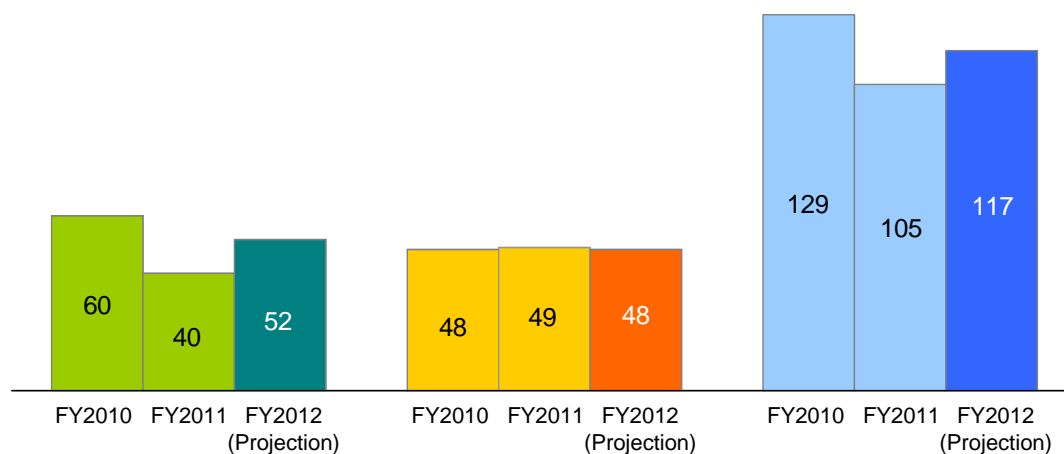
11/3 vs 12/3	20
12/3 vs 13/3	+ 12

Depreciation Expense

11/3 vs 12/3	+ 1
12/3 vs 13/3	1

R&D Expenditures

11/3 vs 12/3	24
12/3 vs 13/3	+ 12

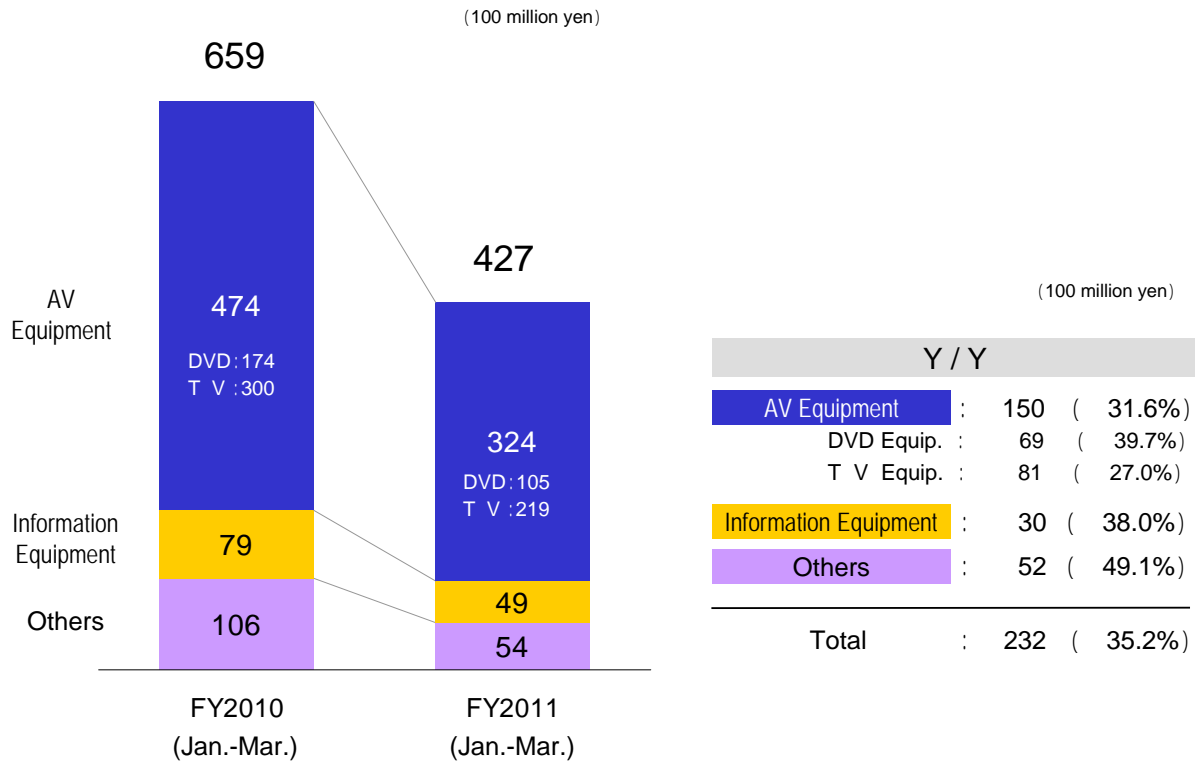


Supplemental Data

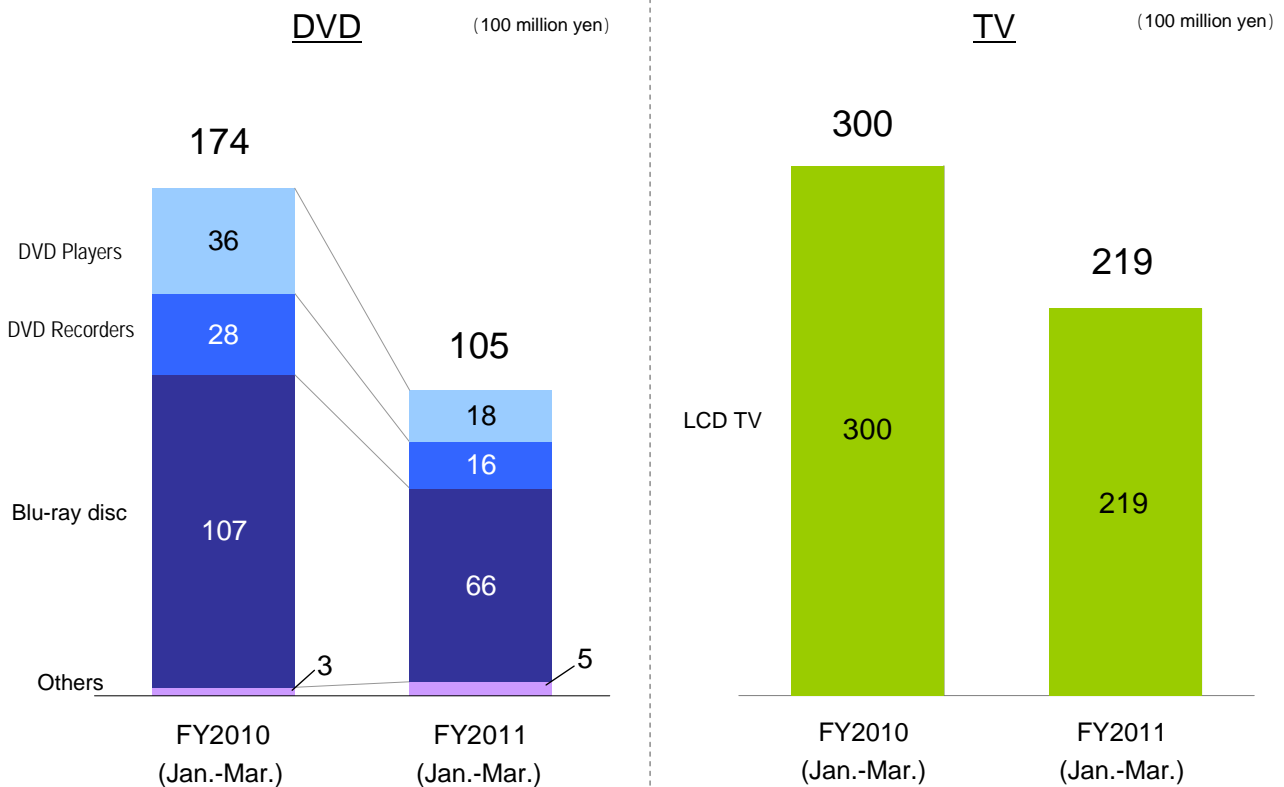
Summary of Operating Results (Jan. – Mar.)

1. Sales by Equipment
2. Sales of AV Equipment
3. Geographic Sales

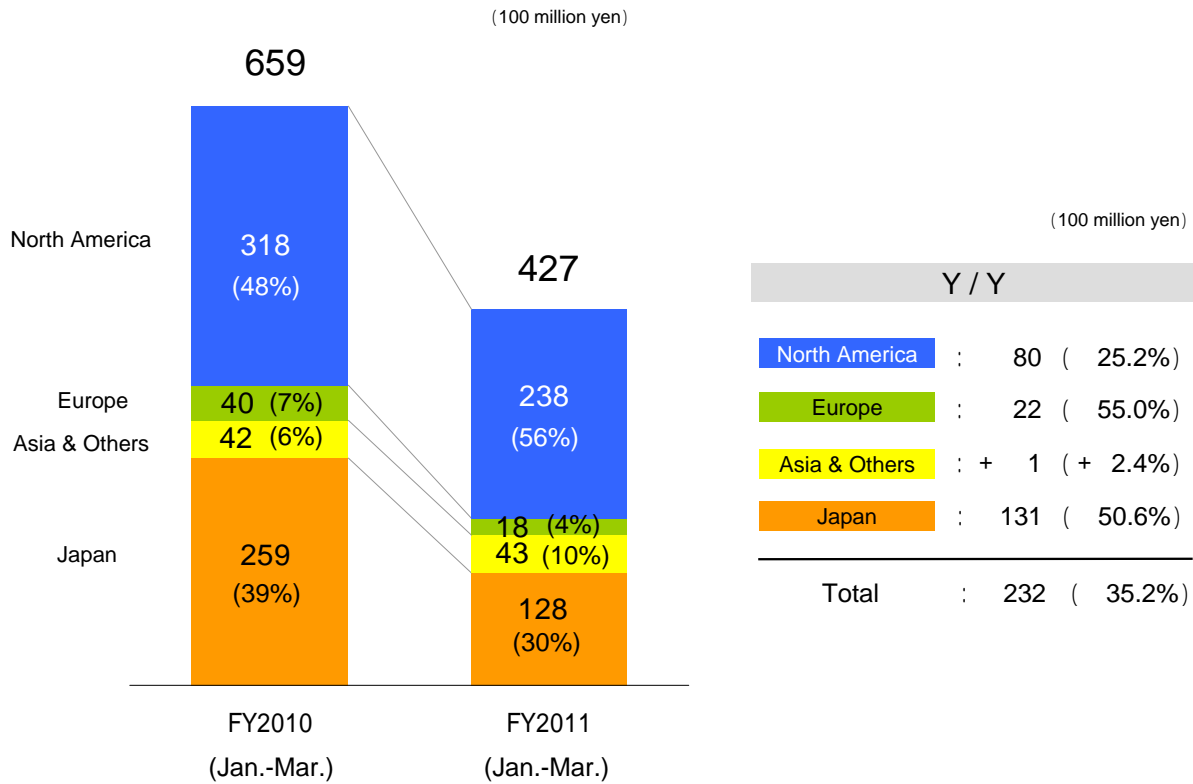
1. Sales by Equipment



2. Sales by AV Equipment



3 . Geographic Sales



. Supplemental Data

1. Quarterly Operating Summary of FY 2010 / 2011
2. Quarterly Changes of Sales Amount by Equipment

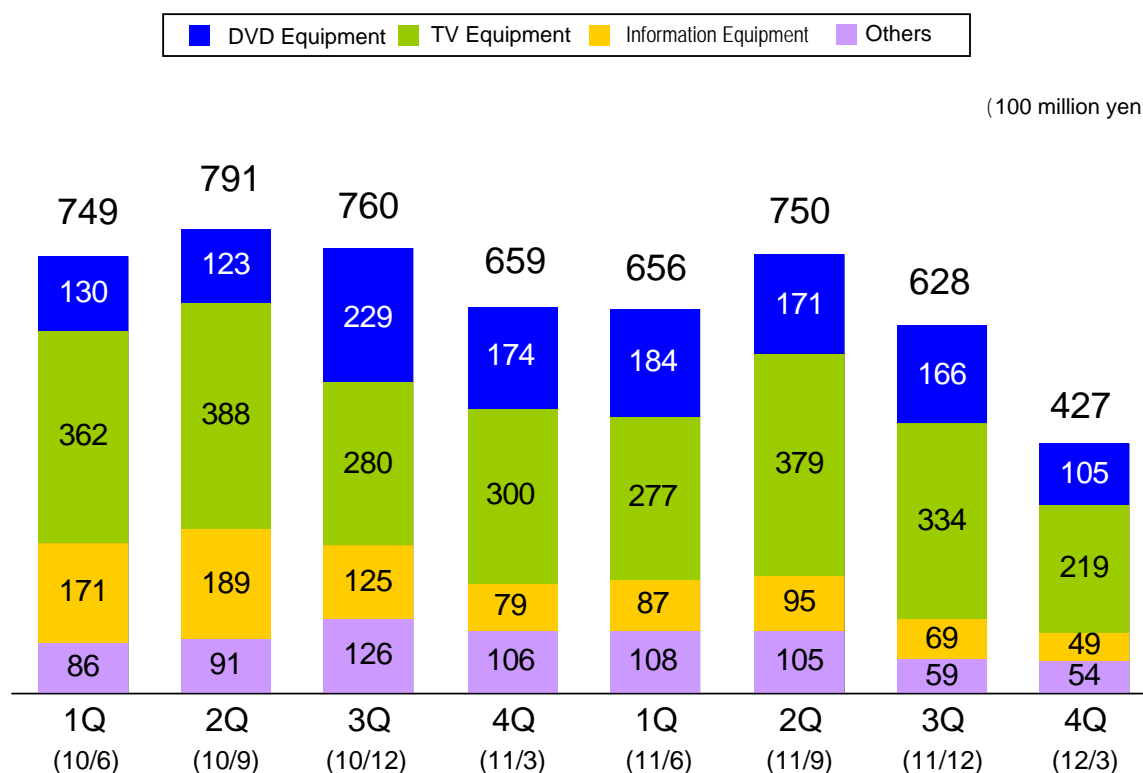
1 . Quarterly Operating Summary of FY 2010 / 2011

(100 million yen)

	FY2010				FY2011			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	749	791	760	659	656	750	628	427
Operating Income	25	20	5	32	3	17	8	24
(Margin)	(3.4%)	(2.6%)	(0.7%)	(5.0%)	(0.5%)	(2.4%)	(1.3%)	(5.8%)
Ordinary Income	12	34	7	27	0	4	8	12
(Margin)	(1.7%)	(4.4%)	(0.9%)	(4.2%)	(0.1%)	(0.6%)	(1.4%)	(2.9%)
Net Income after tax	4	34	16	33	23	6	5	10
(Margin)	(0.6%)	(4.4%)	(2.2%)	(5.1%)	(3.6%)	(0.9%)	(1.0%)	(2.4%)

2 . Quarterly Changes of Sales Amount by Equipment

(100 million yen)



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