

Presentation of Operating Results in 2nd Quarter (Apr.- Sep.) of FY 2009

November 10, 2009

FUNAI ELECTRIC.,LTD.

Security code 6839

**. Brief Outline of Operating Performance of 1H (April to
September), Projection of 2H (October to March),
and Target of Mid-Term**

- 1. Outline of 1H (April to September)**
- 2. Outlook for 2H (October to March)**
- 3. Projection of 2H (October to March) and Full Year**
- 4. Mid-Term Target and Measures**

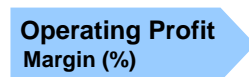
1 . Outline of 1H (April to September)

(100 million yen)

	2008 Results	→	2009 Projection	→	2009 Results
Sales	1,446	→	1,745	→	1,670
Operating Profit (Margin)	43 (3.0%)	→	55 (3.2%)	→	100 (6.0%)



Below projection (4.3%)



Above projection (approx. double)

1 . Performance of 1H (April to September)

TV Segment



Successfully achieved turning into black from red which was the company's most priority issue.

DVD Segment



More than projection
(In the most advantageous and competitive position)

Information Equip. Segment



More than projection
(With strategic review)

2 . Outlook for 2H (October to March)

Full-fledged economic recovery in US to come after bottoming out and remained weak is still unforeseeable

US High Job Losses

Unemployment rate has been changing at historical high rate (October 10.2%, since April 1983)
 (After Lehman bankruptcy 08/Oct. 6.6% , Dec. 7.2% , 09/Mar. 8.5% , June 9.5% , Sep. 9.8%)
 → Anxiety about job opportunity is heavily hanging over consumer spending for a time.
Conditions of consumer electronics market to come is to be tough and unpredictable based on concern about further fall of private consumption.

Forex (\$/¥)

Concern about the risk of further yen appreciation which depends on the monetary and economic policy by the Japan and US government



Final conclusion to be judged after making sure of the year-end sales trend

3 . Projection of 2H(October to March) and Full Year

(100 million yen)

	Revised		
	1H Results	2H Projection	FY Projection
Sales	1,670	1,630	3,300
Operating Profit (Margin)	100 (6.0%)	20 (1.2%)	120 (3.6%)

- ▶ Revised the projection of FY sales from 3,400 to 3,300 due to the change of assumed \$/¥ exchange rate from 95 to 90 for 2H.
- ▶ Operating Profit of 2H remained unchanged from the original projection in May before the review of year-end sales results in US.

Targets for Consolidated Sales and Operating Profit for FY2012

Sales 5,000

Operating Profit 250 (5% margin)

(100 million yen)

Measures to Achieve the Target

- 1 | Fostering of human resources and appointments to responsible positions
- 2 | Sales of 10 million units LCD TV units
- 3 | Expansion of Blu-ray and related products line-up
 - Player
 - Recorder
 - Home Theater System
 - Portable Player
- 4 | Enlargement of mechatronics-related business (e.g., printers)
- 5 | Successful cultivation of new clients and entrance into emerging markets

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Outline of 2nd Quarter (Apr.-Sep.) of FY2009 Operating Results (Consolidated)

- 1 Summary of Operating Results
- 2 Breakdown of Sales by Equipment
- 3 Sales of Audio and Visual 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 Capital Expenditures, Depreciation Expense and R&D Expenditures
- 11 Revised Forecast of Operating Results of FY2009 Ending March 2010

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1 . Summary of Operating Results

(100 million yen)

	FY 2008 Results	Previous Forecast (Released in May 13)	Revision of Forecast (Released in Aug 10)	FY 2009 Results	Changes From Previous FY2008	Changes From Previous Forecast	Changes From Projection
Net Sales	1,446	1,745	1,745	1,670	+224 (+15.5%)	75 (4.3%)	75 (4.3%)
Operating Income	43	41	55	100	+57	+59	+45
Margin	(3.0%)	(2.3%)	(3.2%)	(6.0%)	5 (1)		
Ordinary Income	59	38	53	95	+36	+57	+42
Margin	(4.1%)	(2.2%)	(3.0%)	(5.7%)	22 (2)		
Net Income after tax	121	30	39	73	+194	+43	+34
Margin	(8.4%)	(1.7%)	(2.2%)	(4.4%)			
Average USD- JPY Exchange Rate	106.22	95.00	95.00	94.78			

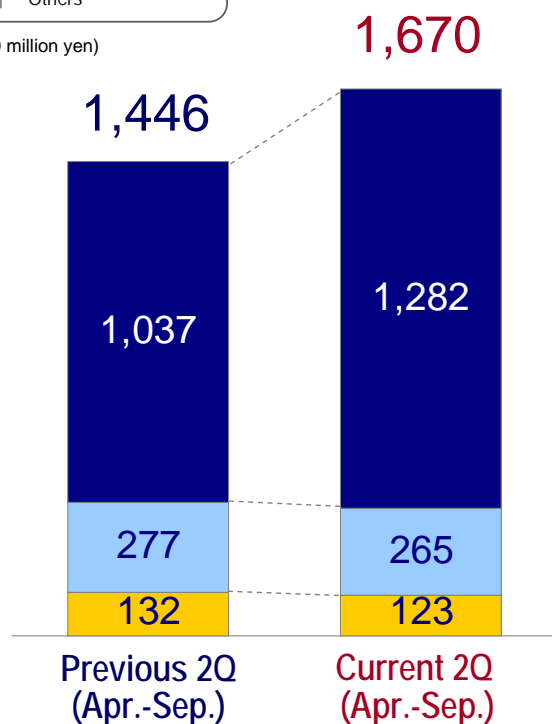
(1) Interest receivables +5, Forex loss 10

(2) Income taxes 22

2 . Breakdown of Sales by Equipment



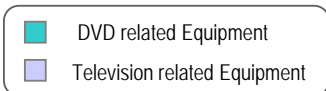
(100 million yen)



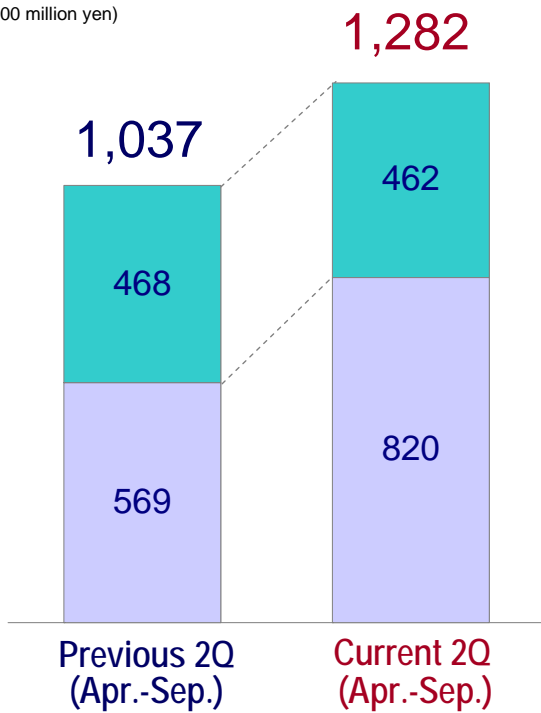
(100 million yen)

Comparison to Previous 2Q	
AV Equipment	: + 245 (+ 23.6%)
Information Equipment	: 12 (4.5%)
Others	: 9 (6.3%)
Total	: + 224 (+ 15.5%)

3 . Sales of Audio and Visual Equipment



(100 million yen)



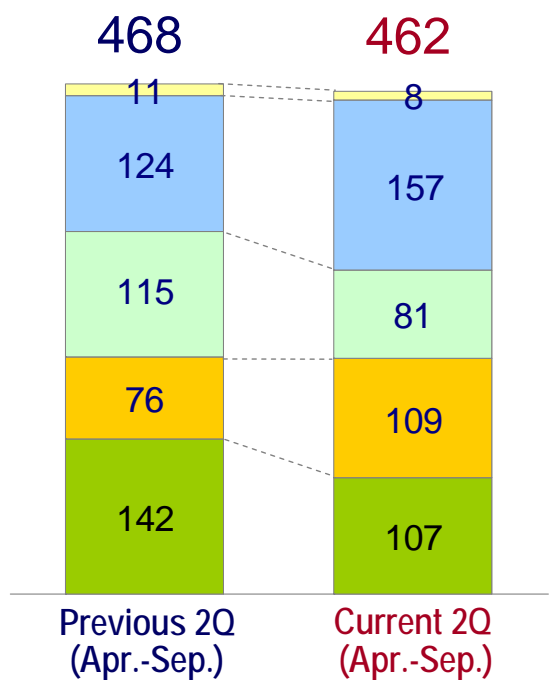
(100 million yen)

Comparison to Previous 2Q	
DVD related Equipment	: 6 (1.3%)
Television related Equipment	: + 251 (+ 44.1%)
Total	: + 245 (+ 23.6%)

4 . Sales of DVD related Equipment



(100 million yen)



DVD Player

DVD Recorder

· In line with contraction of market, recorder shrank, however, player increased more than projection.

Blu-ray disc Player

· Growth stage still ahead.

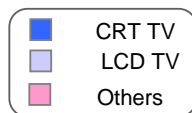
Digital STB&Others

· Production and sales of Digital STB completely terminated in June.

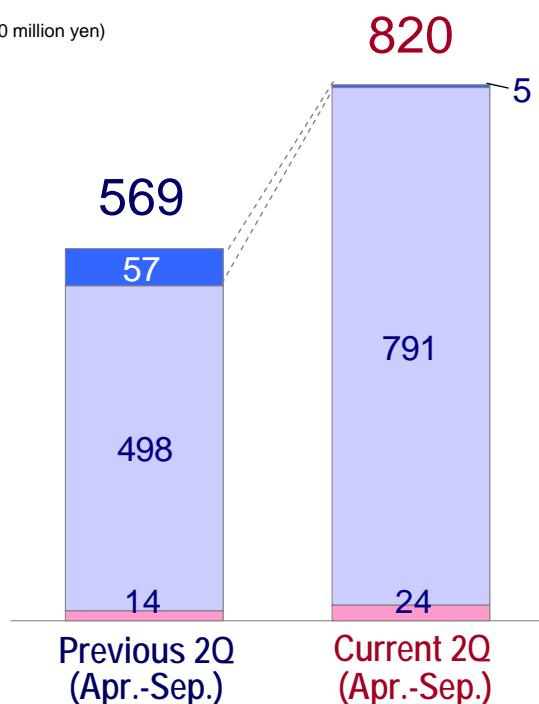
(100 million yen)

Comparison to Previous 2Q	
Video	: 3 (27.3%)
DVD Player related Equipment	: + 33 (+ 26.6%)
DVD Recorder related Equipment	: 34 (29.6%)
BD Player	: + 33 (+ 43.4%)
Digital STB	: 35 (24.6%)
Total	: 6 (1.3%)

5 . Sales of Television related Equipment



(100 million yen)



CRT TV

· Contraction was accelerated due to sharp growth of FPD TV.

LCD TV

· Philips brand in US started to contribute for growth.

(100 million yen)

Comparison to Previous 2Q

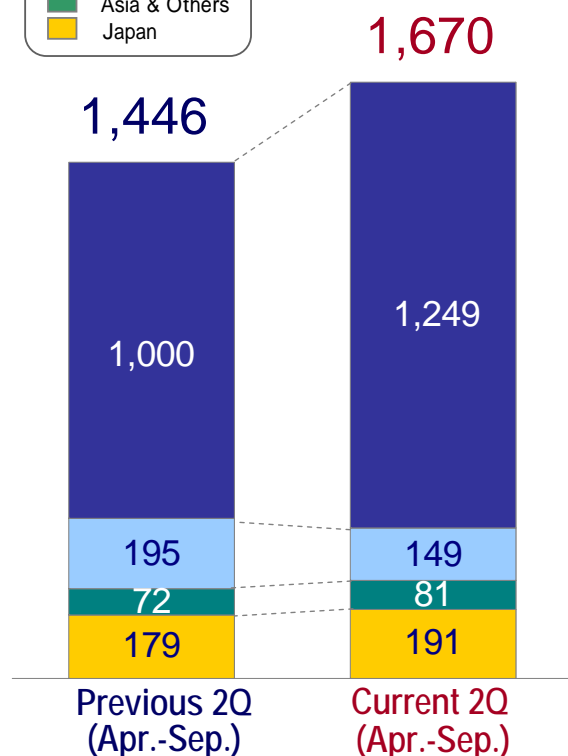
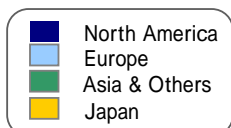
CRT TV : 52 (- 91.2%)

LCD TV : + 293 (+ 58.8%)

Others : + 10 (+ 71.4%)

Total : + 251 (+ 44.1%)

6 . Geographic Breakdown of Sales



North America

- CRT TV: Shrank in line with the market trend.
- LCD TV: Big gained by adding Philips brand.
- D V D : DVD player in addition to Blu-ray disc player expanded and more than offset decline of Digital STB.

Europe

- Under on-going restructuring both of DVD related equip. and LCD TV lost sales.

(100 million yen)

Comparison to Previous 2Q

North America : + 249 (+ 24.9%)

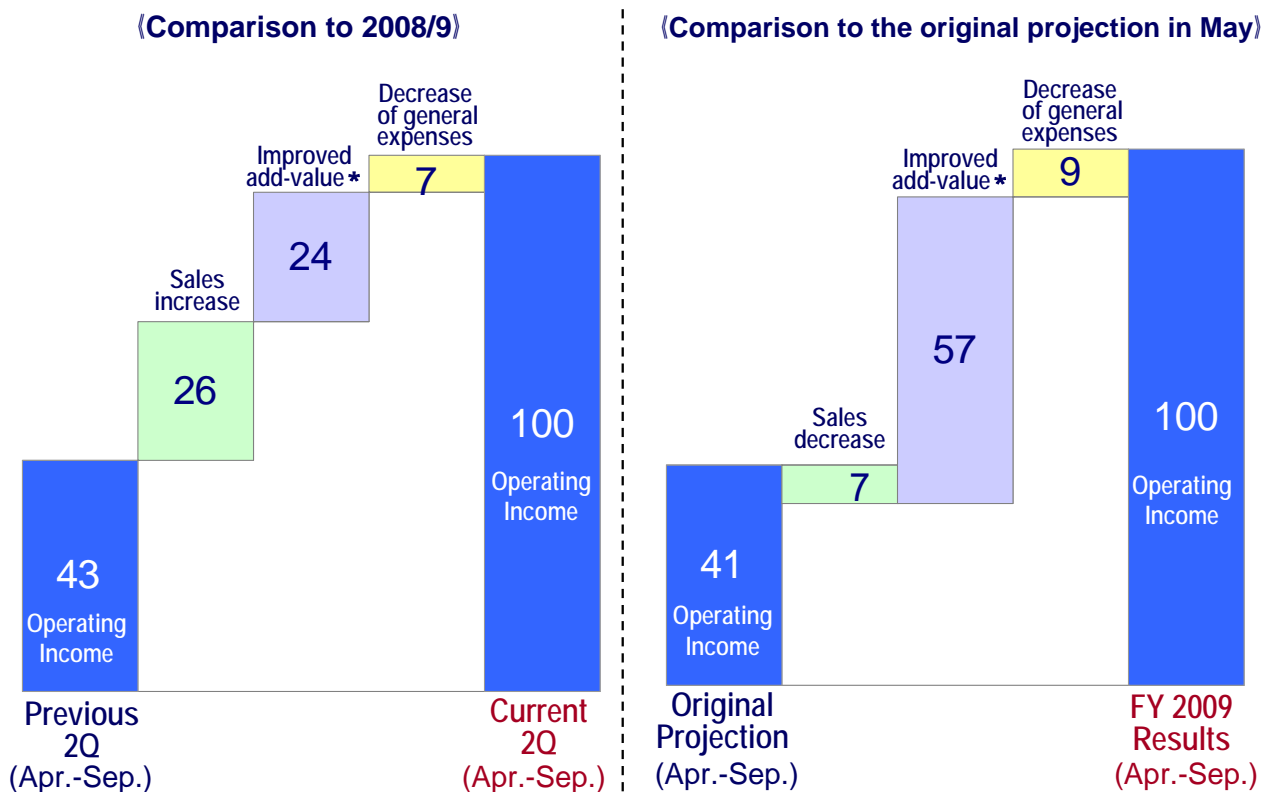
Europe : 46 (- 23.3%)

Asia & Others : + 9 (+ 12.5%)

Japan : + 12 (+ 6.5%)

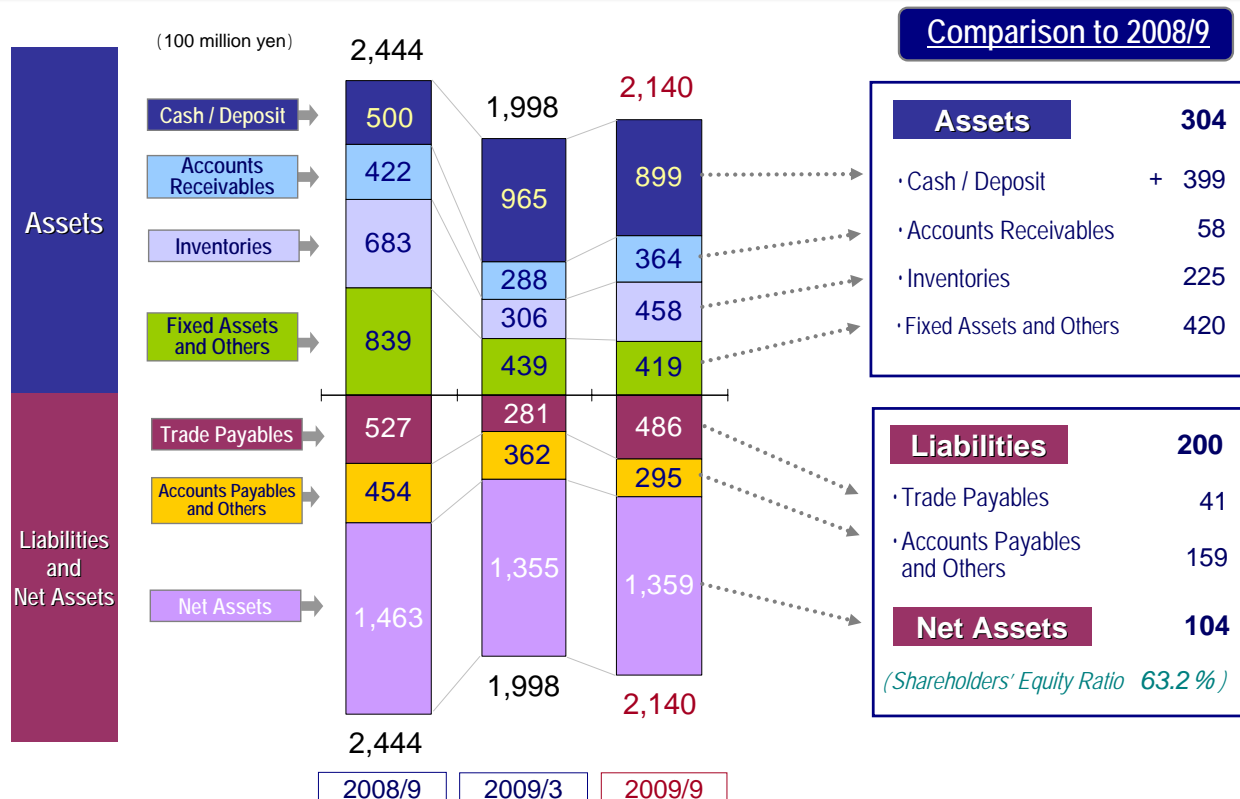
Total : + 224 (+ 15.5%)

7 . Factor of Changes of Operating Income

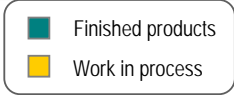


* Add-value=Sales - (Cost of sales + selling expenses)

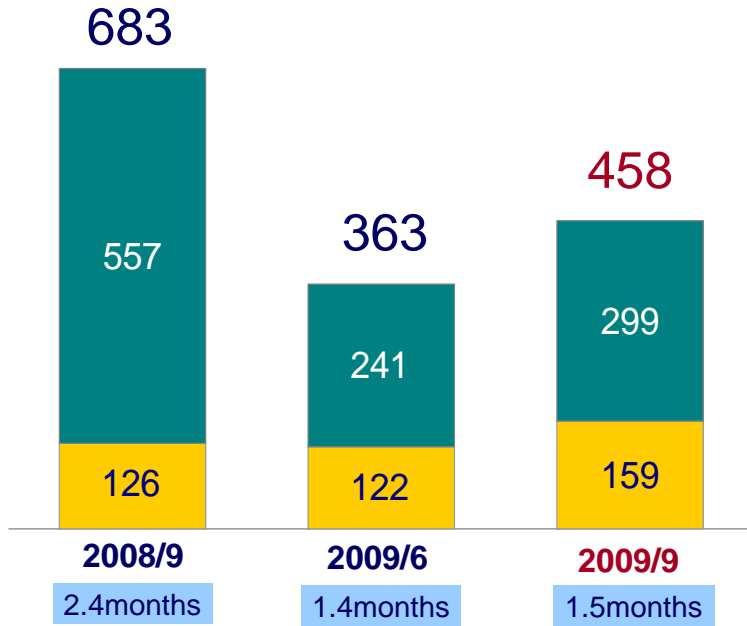
8 . Financial Conditions



9 . Changes of Inventories

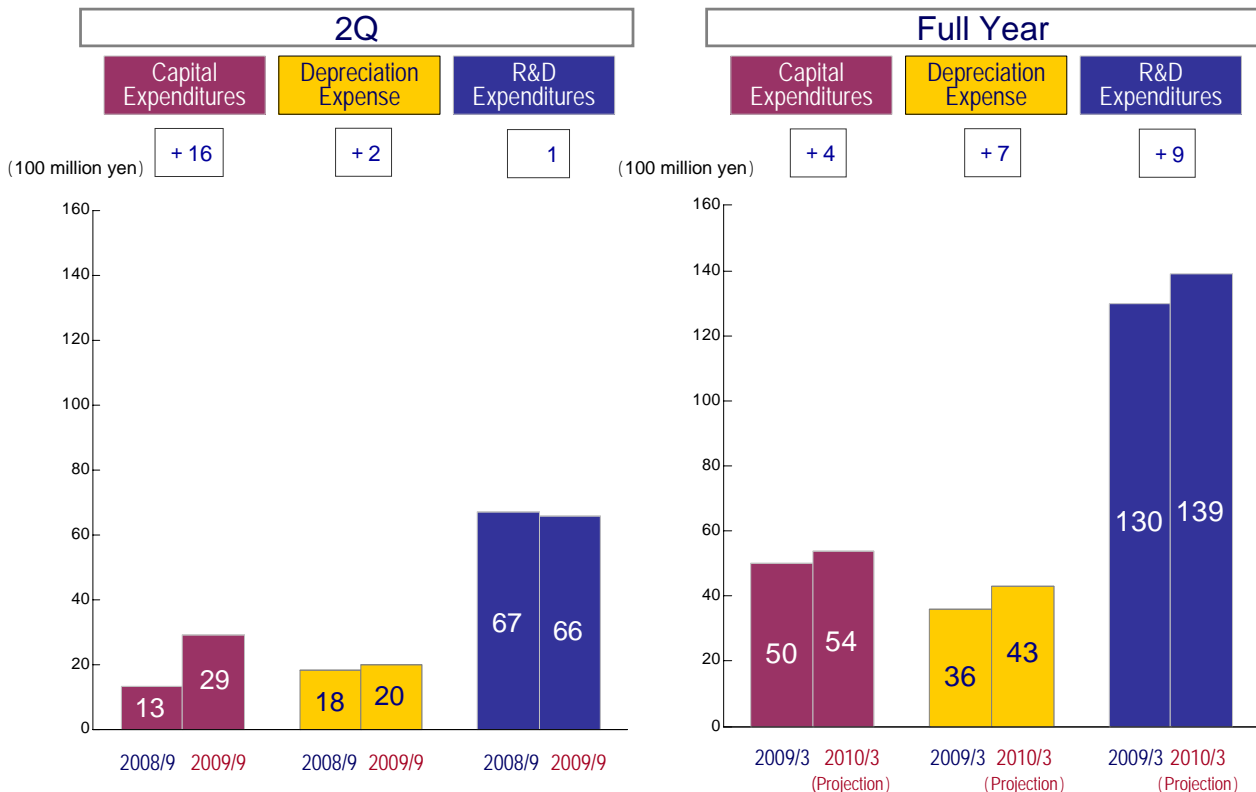


(100 million yen)



Inventories Turnover

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



11. Revised Forecast of Operating Results of FY2009 Ending March 2010



(100 million yen)

	FY2008 Results	Previous Forecast	Revision of Forecast	Changes from Previous 2Q	Changes From Projection
Net Sales	3,027	3,400	3,300	+273 (+9.0%)	100 (2.9%)
Operating Income	14	60	120	+ 106	+ 60
Margin	(0.5%)	(1.8%)	(3.6%)		
Ordinary Income	12	53	114	+ 102	+ 61
Margin	(0.4%)	(1.6%)	(3.5%)		
Net Income after tax	173	39	87	+ 260	+ 48
Margin	(5.7%)	(1.1%)	(2.6%)		
Average USD- JPY Exchange Rate	100. ⁶⁶	95. ⁰⁰	90. ⁰⁰		

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Supplemental Data Summary of Operating Results (Jul.-Sep.)

1. Summary of Operating Results
2. Breakdown of Sales by Equipment
3. Sales of Audio and Visual Equipment
4. Sales of DVD related Equipment
5. Sales of Television related Equipment

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1 . Summary of Operating Results

	FY 2008 2Q	FY 2009 2Q	Changes from Previous 2Q
Net Sales	852	894	+ 42 (+ 4.9%)
Operating Income	33	63	+ 30
Margin	(3.9%)	(7.1%)	8 (1)
Ordinary Income	15	55	+ 40
Margin	(1.8%)	(6.2%)	14 (2)
Net Income after tax	16	41	+ 25
Margin	(2.0%)	(4.6%)	
Average USD- JPY Exchange Rate	107. ⁰¹	92. ⁸⁰	

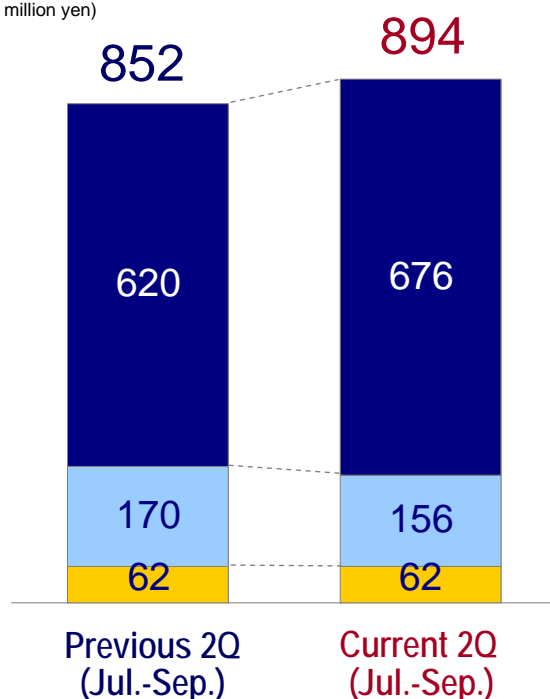
(1) Interest receivables +2, Forex loss 11, Others +1

(2) Income taxes 13, Others 1

2 . Breakdown of Sales by Equipment

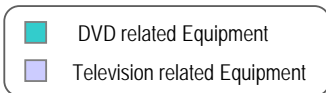


(100 million yen)

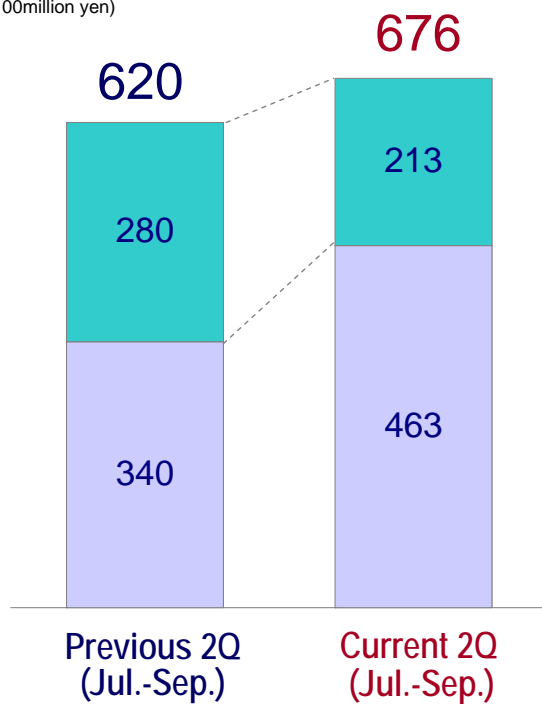


Comparison to Previous 2Q	
AV Equipment	: + 56 (+ 9.0%)
Information Equipment	: 14 (- 8.2%)
Others	: - (-)
Total	: + 42 (+ 4.9%)

3 . Sales of Audio and Visual Equipment



(100million yen)

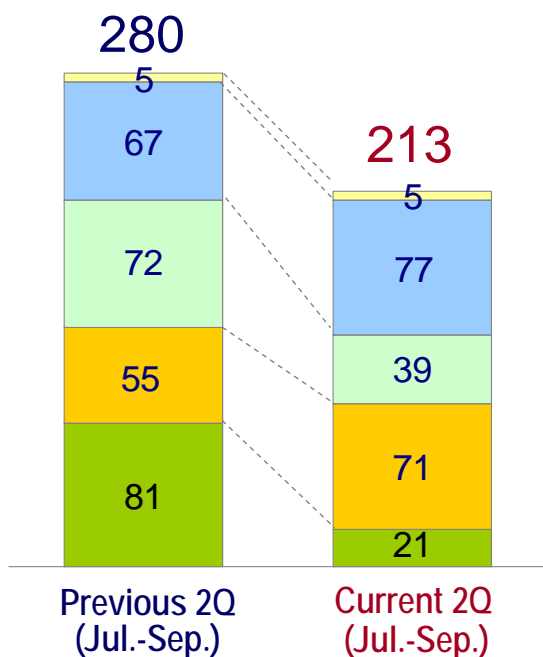


Comparison to Previous 2Q	
DVD related Equipment	: 67 (23.9%)
Television related Equipment	: + 123 (+ 36.2%)
Total	: + 56 (+ 9.0%)

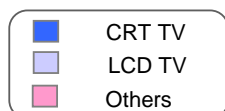
4 . Sales of DVD related Equipment



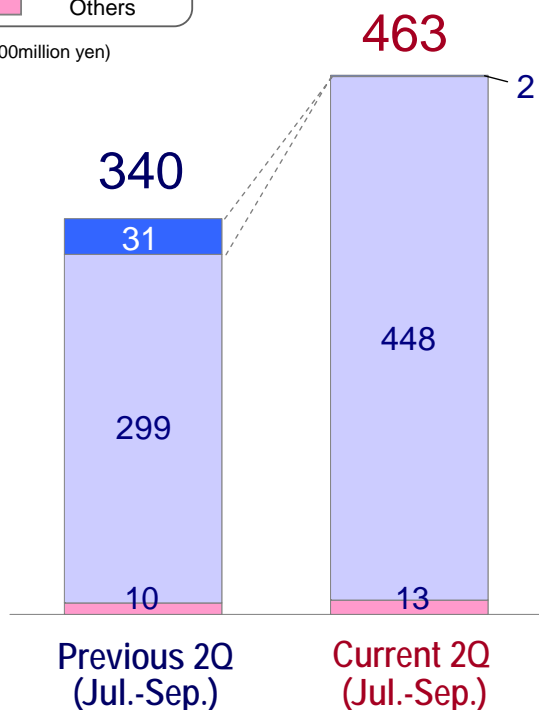
(100 million yen)



Comparison to Previous 2Q	
Video	: - (-)
DVD Player related Equipment	: + 10 (+ 14.9%)
DVD Recorder related Equipment	: 33 (45.8%)
BD Player	: + 16 (+ 29.1%)
Digital STB	: 60 (74.1%)
Total	: 67 (23.9%)



(100million yen)



Comparison to Previous 2Q

CRT TV	:	29 (93.5%)
LCD TV	:	+ 149 (+ 49.8%)
Others	:	+ 3 (+ 30.0%)
Total	:	+ 123 (+ 36.2%)



Supplemental Data

Quarterly Comparison of FY 2008 and FY 2009

1. Operating Summary
2. Sales Amount by Equipment

1 . Quarterly Operating Summary of FY 2008, 2009



(100 million yen)

	FY 2008				FY 2009	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	594	852	954	627	776	894
Operating Income	9	33	10	18	37	63
Margin	(1.7%)	(3.9%)	(1.1%)	(3.0%)	(4.8%)	(7.1%)
Ordinary Income	44	15	35	11	40	55
Margin	(7.5%)	(1.8%)	(3.8%)	(1.9%)	(5.3%)	(6.2%)
Net Income After Tax	137	16	39	13	31	41
Margin	(23.2%)	(2.0%)	(4.1%)	(2.1%)	(4.1%)	(4.6%)

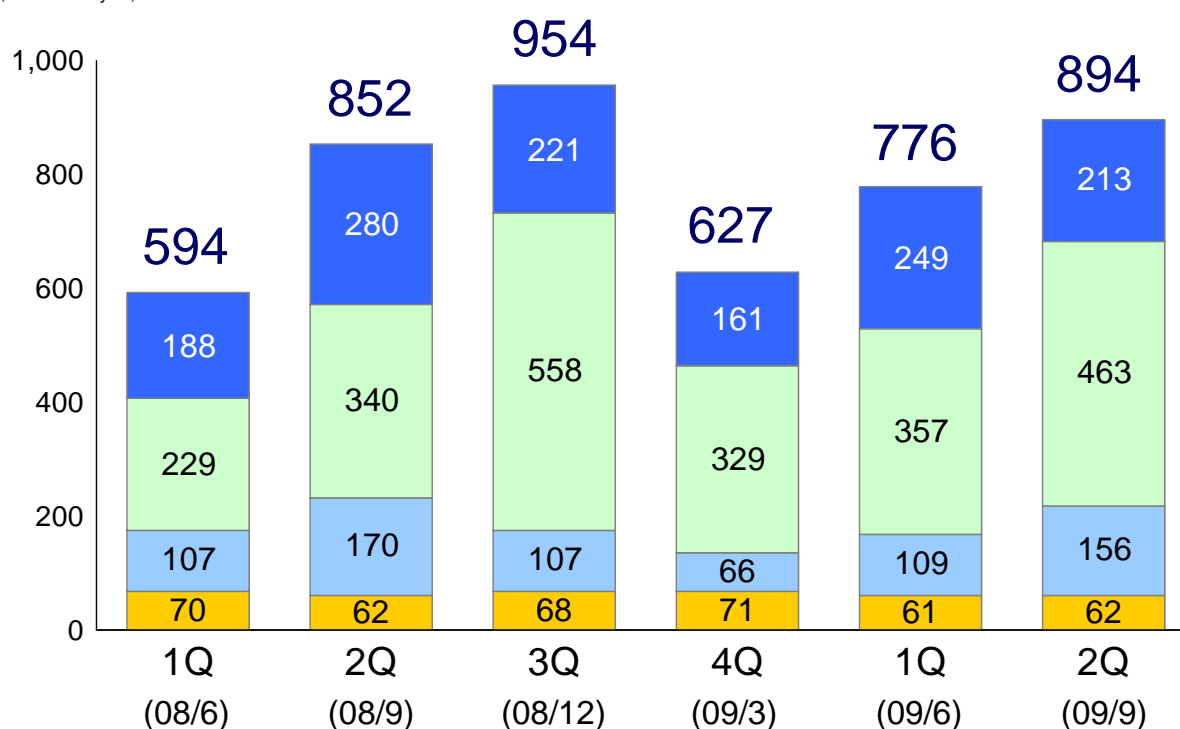
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2 . Quarterly Changes of Sales Amount by Equipment



■ DVD related Equipment
 ■ Television related Equipment
 ■ Information Equipment
 ■ Others

(100 million yen)



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