

FY 2011 SECOND QUARTER IN CUMULATIVE FINANCIAL REPORT

〔 From April 1, 2011
To September 30, 2011 〕



FUNAI ELECTRIC CO., LTD.

Second Quarter (April-September) Consolidated Financial Summary
for the Period Ending March 2012

(Million yen)

	Previous Year Second Quarter		Current Year Second Quarter		Rate of increase or decrease
	〔 From April 1, 2010 to September 30, 2010 〕		〔 From April 1, 2011 to September 30, 2011 〕		
	Amount	%	Amount	%	
Net Sales	154,084	100.0	140,641	100.0	8.7
Operating Income	4,586	3.0	2,120	1.5	53.8
Ordinary Income	4,776	3.1	519	0.4	89.1
Net Income before Taxes and Other Adjustments	4,658	3.0	426	0.3	90.9
Net Income/Loss after Tax *	3,885	2.5	2,060	1.5	-
Net Income/Loss after Tax **	3,885	2.5	2,997	2.1	-
Net Income/Loss per Share	113.97		87.86		

Notes: Includes 13 consolidated subsidiaries, 1 non-consolidated subsidiary accounted for by the equity method.

*For the purpose of comparison the Net Income / Loss after Tax before the deduction of Income taxes for 936 million yen for prior periods is recorded.

**Supplementary tax assessment based on rectification notice to Funai Electric Co., Ltd. for anti-tax haven system in HK for 936 million yen for the period of March 2008 to March 2010 was posted as a cost of income taxes for prior periods in First Quarter consolidated income statement of FY2011.



Financial Report for the 6-Month Period ended September 30, 2011

November 7, 2011

Listed company name: Funai Electric Co., Ltd. Securities Code: 6839 Tokyo Stock Exchange
and Osaka Securities Exchange, First Section

(URL <http://www.funai.jp/>)

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Scheduled date of Securities Report to be filed to the Kinki Finance Bureau; November 10, 2011

Scheduled date of Commencement of Annual Dividend Payment; -

Quarterly Financial Results Supplementation: Yes

Quarterly Financial Results Seminar: Yes

1. Second Quarter Consolidated Results for the Period Ending March 2012 (April 1, 2011 – September 30, 2011)

(1) Operating Results (Consolidated)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2 nd Quarter FY2011	140,641	8.7	2,120	53.8	519	89.1	2,997	-
2 nd Quarter FY2010	154,084	7.8	4,586	54.4	4,776	50.2	3,885	46.8

(Reference) Comprehensive Income 2nd Quarter FY 2011 ended September 30, 2011 9,041 million yen (- %)
2nd Quarter FY 2010 ended September 30, 2010 4,838 million yen (- %)

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
2 nd Quarter FY2011	87.86	-
2 nd Quarter FY2010	113.97	113.32

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio
	Million yen	Million yen	%
2 nd Quarter FY2011	181,338	121,270	66.3
Fiscal Year 2010	193,910	131,228	67.1

(Reference) Shareholders' Equity 2nd Quarter FY 2011 ended September 30, 2011 120,187 million yen
Fiscal Year 2010 ended March 31, 2011 130,088 million yen

2. Dividends

	Dividend per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Year-End	Annual
	yen	yen	yen	yen	yen
Fiscal Year 2010	-	0.00	-	40.00	40.00
Fiscal Year 2011	-	0.00			
Fiscal Year 2011 (Projection)			-	40.00	40.00

(Note) Revision of Annual Dividends Forecast in this 2nd Quarter: No

3 Forecast of Consolidated Results for the Fiscal Year ending March 2012 (April 1, 2011 - March 31, 2012)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	265,000	10.4	3,200	314.4	1,500	16.2	2,800	-	82.08

(Note) Revision of Forecast of Consolidated Results in this 2nd Quarter: No

4 Other Information

- (1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): No
- (2) Application of simplified accounting procedure and use of unique accounting procedure for preparation of financial statements covering consolidated accounting in this 2nd quarter: Yes
- (3) Changes in Accounting Practices, Procedures and Presentation Methods for Consolidated Financial Results
Changes arising from revision of accounting standards: No
Changes arising from other factors: No
Changes in accounting estimates: No
Restatement: No
- (4) Number of Shares Outstanding (Ordinary Shares)
Number of shares outstanding (including treasury stock) as of September 30, 2011; 36,126,596 shares
as of March 31, 2011; 36,123,596 shares
Number of shares of treasury stock as of September 30, 2011; 2,011,607 shares
as of March 31, 2011; 2,011,607 shares
The Average number of outstanding shares on September 30, 2011; 34,113,794 shares
on September 30, 2010; 34,093,790 shares

※ The Recording of Implementation Conditions Regarding Quarterly Review Procedures

This quarterly financial summary does not fall within the scope of the Quarterly Review Procedures referenced in the Financial Instruments and Exchange Act. At the time of disclosure of the quarterly financial summary, the Group was in the process of implementing the quarterly review procedures for its quarterly financial statements.

Disclaimer:

Please refer to the “Funai Reports Revised Forecast of Consolidated Operating Results” published on October 28, 2011 for information regarding earnings forecasts.

This document contains forward-looking statements and projections regarding business performance which are not historical facts. Please note that these statements are based on information relating to factors that may impact future business performance that was available for analysis at the time this document was printed.

1. Qualitative Information Regarding Quarterly Financial Results

(1) Qualitative Information Relating to Consolidated Business Performance

During the second half ended September 30, 2011, personal consumption in the economy of the United States, our mainstay market has been sluggish, adversely affected by a continued high unemployment and lackluster housing market. Furthermore, global economic uncertainty continues to mount, led by the sovereign debt crisis in Europe, and concerns abound regarding the potential impact of this situation.

In the consumer electronics appliances industry, demand for LCD televisions, one of the Funai Group's leading products, continued to expand in emerging markets. Japan also saw year-on-year demand increases ahead of the July 2011 shift to digital terrestrial broadcasting. In Europe and the United States, however, demand continued to level off. In addition to a certain degree of market saturation, the popularity of tablet computers is sapping demand for small and medium-sized LCD televisions as customers tend toward the purchase of tablets rather than additional televisions.

As a result of the above factors, the Group posted net sales of JPY 140,641 million, a 8.7% decrease compared with the same period last year.

On the profit front, operating income was JPY 2,120 million, down 53.8% year on year; ordinary income was JPY 519 million, down 89.1% year on year; and a quarterly net loss of JPY 2,997 million (the quarterly net income for the same period last year was JPY 3,885 million).

Segment conditions by location were as follows:

i) Japan

In addition to that for Blu-ray Disc recorders, revenues from sales of antennas and related devices increased as a result of the transition to digital terrestrial broadcasting. Nonetheless, due to the decrease in LCD TVs sales and information equipment sales due to reduced orders for printers, net sales were JPY 70,418 million, a 7.6% decrease compared with the same period last year. Our operating profit (segment profit) was JPY 5,119 million, down 3.7% year on year.

ii) North America

In addition to slack markets for our mainstay LCD televisions, revenues were substantially affected by falling prices. Owing to this factor and the growing prevalence of Internet-based content distribution through video on demand (VOD), which caused demand for DVD and Blu-ray Disc players to decline, net sales declined 13.6% year on year, to JPY 64,012 million. Our operating loss (segment loss) was JPY 1,121 million (the operating loss for this segment for the same period last year was JPY 1,253 million).

iii) Asia

Net sales were JPY 3,812 million, an increase of 826.0% year on year. Our operating profit (segment profit) was JPY 504 million, down 79.7% year on year.

iv) Europe

Sales of DVD-related equipment increased, but revenues decreased sharply due to the effects of the weak market for LCD TVs, with net sales down 29.7% year on year, to JPY 2,397 million, and an operating loss (segment loss) of JPY 903 million (operating loss for the same period last year was JPY 504 million).

Sales by Product Segment were as follows:

i) Audio-Visual Equipment

In audiovisual equipment, sluggish U.S. and European markets for LCD televisions combined with price reductions caused sales of these products to fall. However, sales of DVD-related products and Blu-ray Disc recorders contributed to an increase in sales. As a result, net sales of this equipment were JPY 101,155 million, an increase of 0.9% year on year.

ii) Information Equipment

In the information equipment sector, decreases in orders for printers resulted in net sales of this equipment were JPY 18,187 million, a decrease of 49.5% year on year.

iii) Others Products

Sales of other products that are not included in the above categories increased as strong demand for antennas and related devices as a result of the transition to digital terrestrial broadcasting took hold. As a result, net sales of this equipment were JPY 21,297 million, an increase of 19.9% year on year.

(2) Qualitative Information Relating to Consolidated Financial Position

Our financial position at the end of first quarter is described below.

Total assets decreased by JPY 12,572 million as compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of JPY 5,478 million and JPY 7,718 million for cash and deposits, raw materials and inventories, respectively.

Total liabilities decreased by JPY 2,614 million as compared to the end of the previous consolidated

fiscal year. This was mainly due to an increase of JPY 6,773 million in notes and accounts payables, and a decrease of JPY 8,263 million and JPY 628 million for short-term loans payable and income taxes payable.

Net assets fell by JPY 9,957 million as compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of JPY 3,722 million and JPY 6,155 million in the retained earnings and foreign currency translation adjustment account.

(3) Qualitative Information Relating to Consolidated Performance Forecasts:

Please refer to the “Funai Reports Revised Forecast of Consolidated Operating Results” published on October 28, 2011 for information regarding earnings forecasts.

Note: Our performance forecasts include figures based on decisions according to the information available at the time and include items that are subject to risks and uncertainties. Actual performance may vary from these forecasts due to rapid changes in economic conditions in the United States, our primary market, and other regions overseas, as well as rapid fluctuations in product prices.

2. Summary Information

(1) Important changes relating to subsidiaries and affiliates during the fiscal term (changes involving specific subsidiaries that resulted in changes to the scope of consolidated accounting)

There are no relevant changes.

(2) Unique accounting procedure for preparation of consolidated financial statements for fiscal quarter

Expenses relating to taxes are calculated by applying the estimated effective tax rates on the before-tax net profit for the fiscal quarter, through a practical estimation of the effective tax rates that will take effect after the application of the tax effect accounting for before-tax net profits of the consolidated fiscal year, including this first fiscal quarter.

(3) Changes arising from revision of accounting standards, Changes in accounting estimates, Restatement

There are no relevant changes.

(4) Additional information

(Adoption of accounting standards related to accounting changes or correction of errors)

As of the accounting changes or correction of errors made since the beginning of the first quarter of the consolidated fiscal year under review, the Group has adopted the Accounting Standard for Accounting Changes and Error Corrections (Statement No. 24 of the Accounting Standard Board of Japan dated December 4, 2009) and the corresponding Implementation Guidance (Implementation Guidance No. 24 dated December 4, 2009).

(5) Other

Corrective action implemented based on the application of the Anti-Tax Haven Law

1. On June 28, 2005 and June 16, 2008 we received a notice from the Osaka Regional Taxation Bureau regarding the implementation of corrective action. This notice indicated a decision regarding our subsidiary in Hong Kong, suggesting that it did not satisfy the conditions for exclusion from application of the Anti-Tax Haven Law.

The notification furthermore indicated that the Osaka Regional Taxation Bureau decided to incorporate the income generated by our subsidiary in Hong Kong into the income of our company for the duration of three years, from April 1, 2001, to March 31, 2004, from April 1, 2004, to March 31, 2007, or taxation purposes.

Because the Company objected to this corrective action, we applied for assessments by the Administrative Review Office of the Osaka Regional Taxation Bureau on July 25, 2006 and again on August 6, 2008. Thereafter, we received written verdicts on this case on July 3, 2008, and again on July 23, 2009, indicating that our assertions had been dismissed. We filed an appeal to have the action cancelled with the Osaka District Court on November 16, 2006 and again on November 14, 2008, and a hearing for consolidation of those actions was filed on November 26, 2008. The court dismissed the claims of our Company on June 24, 2011. Thereafter, as the Company is unable to accept the Osaka District Court’s judgment, we filed a notice of appeal at the Osaka Superior Court on July 7, 2011.

The additional tax amounts to JPY 16,651 million (JPY 19,184 million including incidental taxes) and JPY 15,038 million (JPY 16,838 million including incidental taxes), including corporate, residential, and business taxes. We processed these amounts in the fiscal term ending March 2007 as “retroactive corporate taxes,” since the accounting procedures relating to additional tax amounts have been clarified through the amendment of the “Handling of Audits Relating to Accounting Procedures and Disclosures for Taxes” (Report No. 63 of the Auditing and Guaranteeing Work Committee of the Japanese Institute of Certified Public Accountants) on March 8, 2007.

2. On June 29, 2011 we received a notice from the Osaka Regional Taxation Bureau indicating their decision to incorporate the income generated by our subsidiary in Hong Kong into the income of our company for the duration of three years, from April 1, 2007, to March 31, 2010, for taxation purposes.

Because the Company objected to this corrective action, we applied for assessments by the Administrative Review Office of the Osaka Regional Taxation Bureau on August 25, 2011.

A provisional estimate for the additional tax, including corporate, residential, and business taxes, amounts to JPY 826 million (JPY 936 million including incidental taxes). This amount has been processed as expenses under the category of “income taxes for prior periods” in this first fiscal quarter of the consolidated fiscal term.

3. Consolidated Financial Statements

(1).Consolidated Quarterly Balance Sheets

(Mil. Yen)

	Fiscal year 2010 (As of March 31, 2011)	2nd Quarter FY2011 (As of September 30, 2011)
ASSETS;		
Current Assets		
Cash and deposits	70,076	64,597
Notes and accounts receivable-trade	36,367	36,522
Merchandise and finished goods	23,565	27,251
Work in process	1,795	1,710
Raw materials and supplies	18,477	10,759
Other	8,678	6,974
Allowance for doubtful accounts	139	153
Total current assets	158,820	147,663
Noncurrent assets		
Tangible fixed assets	16,290	15,418
Intangible assets	3,720	3,227
Investment and other assets		
Other	15,432	15,391
Allowance for doubtful accounts	352	363
Total investments and other assets	15,079	15,028
Total noncurrent assets	35,089	33,675
TOTAL ASSETS	193,910	181,338
LIABILITIES;		
Current Liabilities		
Notes and accounts payable-trade	28,938	35,711
Short-term loans payable	10,096	1,833
Income taxes payable	2,071	1,442
Provision	1,727	1,463
Other	16,090	15,532
Total current liabilities	58,926	55,984
Noncurrent liabilities		
Long-term loans payables	33	-
Provision	2,392	2,963
Other	1,329	1,118
Total noncurrent liabilities	3,755	4,082
TOTAL LIABILITIES	62,681	60,067

(Mil. Yen)

	Fiscal year 2010 (As of March 31, 2011)	2nd Quarter FY2011 (As of September 30, 2011)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,300	31,303
Capital surplus	33,265	33,268
Retained earnings	116,738	113,016
Treasury stock	24,341	24,341
Total shareholders' equity	156,962	153,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	612	582
Foreign currency translation adjustment	27,486	33,641
Total accumulated other comprehensive income	26,874	33,059
Subscription right to shares	87	97
Minority interests	1,052	985
Total net asset	131,228	121,270
TOTAL LIABILITIES AND NET ASSETS	193,910	181,338

(2). Consolidated Quartely Statements of Income and Consolidated Quartely Statement of Comprehensive Income

(Mil. Yen)

	2nd Quarter FY2010 (from April 1, 2010 to September 30, 2010)	2nd Quarter FY2011 (from April 1, 2011 to September 30, 2011)
Net sales	154,084	140,641
Cost of sales	128,995	119,091
Gross profit	25,088	21,549
Selling, general and administrative expenses	20,501	19,429
Operating income	4,586	2,120
Non-operating income		
Interest income	260	95
Dividends income	16	30
Rent income	48	52
Other	66	57
Total non-operating income	391	235
Non-operating expenses		
Interest expenses	35	59
Equity in losses of affiliates	12	33
Foreign exchange losses	122	1,685
Other	30	57
Total non-operating expenses	201	1,835
Ordinary income	4,776	519
Extraordinary income		
Gain on sales of noncurrent assets	1	1
Other	25	-
Total extraordinary income	27	1
Extraordinary loss		
Loss on disposal of noncurrent assets	10	13
Loss on valuation of investment securities	0	65
Liquidation loss on affiliated company	88	-
Other	45	15
Total extraordinary loss	144	95
Income before income taxes	4,658	426
Income taxes	627	2,346
Income taxes for prior periods	-	936
Total income taxes	627	3,282
Income / loss before minority interests	4,031	2,856
Minority interests in income	145	140
Net income / loss	3,885	2,997

(Consolidated Quarterly Statement of Comprehensive Income)

(Mil. Yen)

	2nd Quarter FY2010 (from April 1, 2010 to September 30, 2010)	2nd Quarter FY2011 (from April 1, 2011 to September 30, 2011)
Income / loss before minority interest adjustment	4,031	2,856
Other comprehensive Income		
Valuation difference on available-for-sale securities	57	29
Foreign currency translation adjustment	8,929	6,152
Share of other comprehensive income of associates accounted for using equity method	117	2
Total other comprehensive Income	8,869	6,185
Comprehensive income	4,838	9,041
(Breakdown)		
Comprehensive income attributable to owners of	4,962	9,182
Comprehensive income attributable to minority interest	124	140

(3).Consolidated quartely statements of cash flows

(Mil. Yen)

	2nd Quarter FY2010 (from April 1, 2010 to September 30, 2010)	2nd Quarter FY2011 (from April 1, 2011 to September 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	4,658	426
Depreciation and amortization	3,032	3,191
Increase(decrease) in allowance for doubtful accounts	27	33
Increase(decrease)in provision for retirement benefits	13	262
Interest and dividends income	276	125
Interest expenses	35	59
Equity in (earnings) losses of affiliates	12	33
Loss (gain) on sales of property, plant and equipment	1	0
Loss (gain) on valuation of investment securities	0	65
Decrease (increase) in notes and accounts receivable-trade	5,349	3,727
Decrease (increase) in inventories	33,409	1,119
Increase (decrease) in notes and accounts payable-trade	23,766	11,268
Other, net	565	588
Subtotal	7,005	12,669
Interest and dividends income received	201	118
Interest expenses paid	35	62
Income taxes paid	1,500	2,016
Income taxes refund	41	1,233
Income taxes for prior periods paid	-	936
Net cash provided by (used in) operating activities	8,299	11,005
Net cash provided by (used in) investment activities		
Payments into time deposits	24,544	45,392
Repayments from time deposits	51,055	46,224
Purchase of property, plant and equipment	4,543	1,990
Proceeds from sales of property, plant and equipment	27	36
Purchase of intangible assets	39	265
Purchase of investment securities	54	205
Proceeds from sales of investment securities	0	36
Payment of partial purchase of shares of consolidated subsidiaries	-	196
Other, net	15	77
Net cash provided by (used in) investment activities	21,916	1,675
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	1,397	7,809
Repayment of long-term loans payable	266	33
Proceeds from issue of stock option	13	4
Cash dividends paid	1,363	1,364
Other, net	110	127
Net cash provided by (used in) financing activities	3,124	9,330
Effect of exchange rate change on cash and cash equivalents	1,581	1,213
Net increase (decrease) in cash and cash equivalents	8,911	1,213
Cash and cash equivalents at beginning of period	34,063	33,745
Decrease in cash and cash equivalents due to exclusion from consolidation	59	669
Cash and cash equivalents at end of period	42,914	31,863

(4) Notes for Continuing Enterprises
Not Applicable

(5) Information by Segment

[Segment Information]

. Second Quarter Consolidated Fiscal Period – Year to Date (April 1, 2010 to September 30, 2010)
Information Regarding Net Sales and Profit/Loss Conditions by Reporting Segment

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
(1) Outside customers	76,203	74,060	411	3,409	154,084	-	154,084
(2) Inter-segment sales	86,394	1	119,936	3	206,335	(206,335)	-
Total	162,597	74,062	120,348	3,412	360,420	(206,335)	154,084
Segment Income and Loss()	5,315	1,253	2,489	504	6,047	(1,460)	4,586

Note:

1. The negative JPY1,460 million adjustment amount under segment income includes items such as the JPY20 million relating to the cancellation of inter-segment transactions, JPY506 million of overall Group expenses that are not apportioned to each reporting segment, and the JPY975 million negative adjustment relating to inventory assets. Overall Group expenses are comprised of general administrative expenses that do not belong to a specific reporting segment.
2. Segment income has been adjusted to operating income noted on the first quarter consolidated income statement.

. Second Quarter Consolidated Fiscal Period – Year to Date (April 1, 2011 to September 30, 2011)
Information Regarding Net Sales and Profit/Loss Conditions by Reporting Segment

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Net Sales							
(1) Outside customers	70,418	64,012	3,812	2,397	140,641	-	140,641
(2) Inter-segment sales	60,710	0	90,732	1	151,444	(151,444)	-
Total	131,128	64,012	94,545	2,398	292,085	(151,444)	140,641
Segment Income and Loss()	5,119	1,121	504	903	3,598	(1,478)	2,120

Note:

1. The negative JPY1,478 million adjustment amount under segment income includes items such as the JPY13 million relating to the cancellation of inter-segment transactions, JPY471 million of overall Group expenses that are not apportioned to each reporting segment, and the JPY1,020 million negative adjustment relating to inventory assets. Overall Group expenses are comprised of general administrative expenses that do not belong to a specific reporting segment.
2. Segment income has been adjusted to operating income noted on the first quarter consolidated income statement.

(6) Notes of remarkable changes in Shareholders Equity:
Not Applicable

(7) Important Subsequent Event
Not Applicable

SECOND QUARTER IN CUMULATIVE FINANCIAL RESULTS SUPPLEMENTATION

FY 2011

(from 2011.4.1
to 2011.9.30)

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FUNAI ELECTRIC CO., LTD.

1. Summary of 2Q (April to September) Financial Statements (Consolidated)

(1) Operating Results, Financial Conditions

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	2Q			Full-Year			2Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	1,540	100.0	7.8	2,959	100.0	6.0	1,406	100.0	8.7	2,650	100.0	10.4
Operating Income	45	3.0	54.4	7	0.3	93.1	21	1.5	53.8	32	1.2	314.4
Ordinary Income	47	3.1	50.2	12	0.4	89.0	5	0.4	89.1	15	0.6	16.2
Net Income / Loss after Tax (Before income tax for prior periods)	38	2.5	46.8	11	0.4	-	20	1.5	-	19	0.7	-
Net Income / Loss after Tax	38	2.5	46.8	11	0.4	-	29	2.1	-	28	1.1	-
Total Assets	2,134	-	-	1,939	-	-	1,813	-	-	-	-	-
Net Assets	1,366	-	-	1,312	-	-	1,212	-	-	-	-	-

() Yen-Dollars / Exchange rate

(Units : Yen / Dollars)

	FY 2010		FY 2011	
	2Q	Full-Year	2Q	Full-Year (Projection)
Average Rate in each Period	88.15	85.21	79.15	78.57

(2) Profitability and Per Share Data etc.

	FY 2010		FY 2011	
	2Q	Full-Year	2Q	Full-Year (Projection)
Gross Profit Ratio (%)	16.3	13.6	15.3	15.4
Operating Income Ratio (%)	3.0	0.3	1.5	1.2
Ordinary Income Ratio (%)	3.1	0.4	0.4	0.6
Shareholders' Equity Ratio (%)	63.6	67.1	66.3	-
Net Assets Per Share (yen)	3,978.83	3,813.57	3,523.01	-
Net Income Per Share (yen)	113.97	34.31	87.86	82.08
Return on Assets (%)	1.8	0.6	1.5	-
Return on Shareholders' Equity (%)	2.9	0.9	2.3	-
Number of Total Employees	3,126	2,861	4,628	-

(3) Capital Expenditures, Depreciation, R&D Expenses

(Units : 100 million yen, %)

	FY 2010				FY 2011			
	2Q		Full-Year		2Q		Full-Year (Projection)	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	45	55.2	60	39.5	23	48.9	48	20.0

	FY 2010						FY 2011					
	2Q			Full-Year			2Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Depreciation Expenses	22	1.4	10.0	48	1.6	11.6	24	1.7	9.1	53	2.0	10.4
R&D	63	4.1	4.5	129	4.4	3.7	54	3.8	14.3	118	4.5	8.5

(4) CashFlow

(Units : 100 million yen)

	FY 2010		FY 2011	
	2Q	Full-Year	2Q	Full-Year (Projection)
Cash flows provided by operating activities	82	51	110	-
Income Before Income Taxes	46	14	4	-
Depreciation Expenses	30	63	31	-
Others	158	128	75	-
Cash flows used in investing activities	219	40	16	-
Free cash flows	137	11	94	-
Cash flows provided by financing activities	31	24	93	-
Effect of exchange rate changes on cash and cash equivalents	15	16	12	-
Net increase in cash and cash equivalents	89	2	18	-

2. Operating Activities (Consolidated)

(1) Sales by Equipment

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	2Q			Full-Year			2Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,003	65.1	21.8	1,986	67.1	15.0	1,011	71.9	0.9	1,994	75.2	0.4
DVD	134	8.7	43.7	269	9.1	30.3	124	8.8	7.5	229	8.6	14.9
BD	104	6.7	4.6	353	11.9	86.8	220	15.6	111.5	459	17.3	30.0
LCD TV	750	48.7	5.2	1,330	44.9	16.6	656	46.7	12.5	1,274	48.1	4.2
Others	15	1.0	89.6	34	1.2	79.5	11	0.8	26.7	32	1.2	5.9
Information Equipment	360	23.4	35.9	564	19.1	3.3	182	12.9	49.5	325	12.3	42.4
Others	177	11.5	44.0	409	13.8	52.9	213	15.2	19.9	331	12.5	19.1
Total	1,540	100.0	7.8	2,959	100.0	6.0	1,406	100.0	8.7	2,650	100.0	10.4

(2) Sales by Areas in Equipment

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	2Q			Full-Year			2Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,003	65.1	21.8	1,986	67.1	15.0	1,011	71.9	0.9	1,994	75.2	0.4
North America	714	46.3	38.0	1,289	43.6	34.6	641	45.6	10.2	1,271	47.9	1.4
Europe	49	3.2	12.5	83	2.8	33.6	31	2.2	36.7	68	2.6	18.1
Asia and Others	21	1.4	600.0	38	1.3	111.1	15	1.1	28.6	58	2.2	52.6
Japan	219	14.2	204.2	576	19.4	159.5	324	23.0	47.9	597	22.5	3.6
Information Equipment	360	23.4	35.9	564	19.1	3.3	182	12.9	49.5	325	12.3	42.4
North America	140	9.1	52.2	214	7.2	15.7	60	4.2	57.1	118	4.5	44.9
Europe	97	6.3	5.4	154	5.2	13.0	38	2.7	60.8	76	2.9	50.6
Asia and Others	115	7.5	51.3	179	6.1	6.5	79	5.6	31.3	125	4.7	30.2
Japan	8	0.5	60.0	17	0.6	6.3	5	0.4	37.5	6	0.2	64.7
Others	177	11.5	44.0	409	13.8	52.9	213	15.2	19.9	331	12.5	19.1
Total	1,540	100.0	7.8	2,959	100.0	6.0	1,406	100.0	8.7	2,650	100.0	10.4

(3) Sales by Equipment in Areas

(Units : 100 million yen, %)

	FY 2010						FY 2011					
	2Q			Full-Year			2Q			Full-Year (Projection)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	885	57.4	29.1	1,558	52.6	28.0	713	50.7	19.5	1,403	52.9	9.9
Audio Visual Equipment	714	46.3	38.0	1,289	43.6	34.6	641	45.6	10.2	1,271	47.9	1.4
Information Equipment	140	9.1	52.2	214	7.2	15.7	60	4.2	57.1	118	4.5	44.9
Others	31	2.0	416.7	55	1.8	511.1	12	0.9	61.3	14	0.5	74.5
Europe	146	9.5	2.3	238	8.1	21.8	69	4.9	52.6	144	5.5	39.5
Audio Visual Equipment	49	3.2	12.5	83	2.8	33.6	31	2.2	36.7	68	2.6	18.1
Information Equipment	97	6.3	5.4	154	5.2	13.0	38	2.7	60.8	76	2.9	50.6
Others	0	0.0	-	1	0.1	66.7	0	0.0	-	0	0.0	-
Asia and Others	138	9.0	70.4	221	7.5	12.8	99	7.1	28.3	188	7.1	14.9
Audio Visual Equipment	21	1.4	600.0	38	1.3	111.1	15	1.1	28.6	58	2.2	52.6
Information Equipment	115	7.5	51.3	179	6.1	6.5	79	5.6	31.3	125	4.7	30.2
Others	2	0.1	0.0	4	0.1	60.0	5	0.4	150.0	5	0.2	25.0
Japan	371	24.1	94.4	942	31.8	94.7	525	37.3	41.4	915	34.5	2.9
Audio Visual Equipment	219	14.2	204.2	576	19.4	159.5	324	23.0	47.9	597	22.5	3.6
Information Equipment	8	0.5	60.0	17	0.6	6.3	5	0.4	37.5	6	0.2	64.7
Others	144	9.4	26.3	349	11.8	41.9	196	13.9	36.1	312	11.8	10.6
Total	1,540	100.0	7.8	2,959	100.0	6.0	1,406	100.0	8.7	2,650	100.0	10.4

3. Summary of 2Q (July to September) Financial Statements (Consolidated)

(1) Operating Results

(Units : 100 million yen, %)

	FY 2010			FY 2011		
	2Q (Jul. - Sep.)			2Q (Jul. - Sep.)		
	Amount	%	Change	Amount	%	Change
Net Sales	791	100.0	11.5	750	100.0	5.2
Operating Income	20	2.6	67.5	17	2.4	13.1
Ordinary Income	34	4.4	36.6	4	0.6	87.3
Net Income / Loss after Tax	34	4.4	16.6	6	0.9	-

() Yen-Dollars / Exchange rate

(Units : Yen / Dollars)

	FY 2010		FY 2011	
	2Q (Jul. - Sep.)		2Q (Jul. - Sep.)	
Average Rate in each Period		85.02		77.08

(2) Sales by Equipment

(Units : 100 million yen, %)

	FY 2010			FY 2011		
	2Q (Jul. - Sep.)			2Q (Jul. - Sep.)		
	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	511	64.6	24.4	550	73.3	7.6
DVD	64	8.1	44.8	64	8.5	-
BD	53	6.7	25.4	101	13.5	90.6
LCD TV	388	49.0	13.4	379	50.5	2.3
Others	6	0.8	85.4	6	0.8	-
Information Equipment	189	23.9	21.2	95	12.7	49.7
Others	91	11.5	46.8	105	14.0	15.4
Total	791	100.0	11.5	750	100.0	5.2



FUNAI ELECTRIC CO., LTD.

(Company)

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