

FY 2009 THIRD QUARTER IN CUMULATIVE FINANCIAL REPORT

(From April 1, 2009
To December 31, 2009)



FUNAI ELECTRIC CO., LTD.

Third Quarter (April-December) Consolidated Financial Summary
for the Period Ending March 2010

| | Previous Year Third Quarter 〔 From April 1, 2008 To December 31, 2008 〕 | | Current Year Third Quarter 〔 From April 1, 2009 To December 31, 2009 〕 | | % increase or decrease from the same period of the previous consolidated fiscal year |
|--|---|---------|--|---------|---|
| | Amount | Percent | Amount | Percent | |
| | Million yen | % | Million yen | % | % |
| Net Sales | 240,096 | 100.0 | 248,073 | 100.0 | 3.3 |
| Operating Income | 3,273 | 1.4 | 11,546 | 4.7 | 252.8 |
| Ordinary Income | 2,393 | 1.0 | 12,042 | 4.9 | 403.2 |
| Net Income before Taxes and Other Adjustments | 1,676 | 0.7 | 12,009 | 4.8 | |
| Net Income /Loss after Tax | 16,046 | 6.7 | 9,156 | 3.7 | |
| Net Income/Loss per Share | 470.66 | | 268.57 | | |

Notes:

Includes 14 consolidated subsidiaries, 1 non-consolidated subsidiary accounted for by the equity method and 1 affiliated company accounted for by the equity method.

Financial Report for the 9-Month Period ended December 31, 2009

February 3, 2010

Listed company name: Funai Electric Co., Ltd.

Securities Code: 6839 Tokyo Stock Exchange
and Osaka Securities Exchange, First Sections(URL <http://www.funai.jp/>)

Representative: President and CEO

Tomonori Hayashi

Inquiries: General Manager Business Finance HQ

Hisao Fuke

TEL: (072) 870-4395

Scheduled date of Submission of Quarterly Report ; February 4, 2010

1. Third Quarter Consolidated Results for the Period Ending March 2010 (April 1, 2009 – December 31, 2009)(1) Consolidated Operating Results

(% denotes year on year)

| | Net Sales | | Operating Income | | Ordinary Income | | Net Income | |
|--------------------------------|-------------|-----|------------------|-------|-----------------|-------|-------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| 3 rd Quarter FY2009 | 248,073 | 3.3 | 11,546 | 252.8 | 12,042 | 403.2 | 9,156 | - |
| 3 rd Quarter FY2008 | 240,096 | - | 3,273 | - | 2,393 | - | 16,046 | - |

| | Net Income Per Share | Net Income Per Share on a Fully Diluted Basis |
|--------------------------------|----------------------|---|
| | Yen | Yen |
| 3 rd Quarter FY2009 | 268.57 | 266.64 |
| 3 rd Quarter FY2008 | 470.66 | - |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Shareholders' Equity Ratio | Net Assets Per Share |
|--------------------------------|--------------|-------------|----------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| 3 rd Quarter FY2009 | 216,613 | 139,813 | 64.2 | 4,080.52 |
| Fiscal Year 2008 | 199,882 | 135,596 | 67.6 | 3,963.72 |

(Reference) Shareholders' Equity

3rd Quarter FY2009 ended December 31, 2009 139,115million yen

Fiscal Year 2008 ended March 31, 2009 135,134 million yen

2. Dividends

| Corresponding Period | Dividend per Share | | | | |
|-------------------------------|-------------------------|-------------------------|-------------------------|----------|--------|
| | 1 st Quarter | 2 nd Quarter | 3 rd Quarter | Year end | Annual |
| | yen | yen | yen | yen | yen |
| Fiscal Year 2008 | - | 0.00 | - | 40.00 | 40.00 |
| Fiscal Year 2009 | - | 0.00 | - | | |
| Fiscal Year 2009 (Projection) | | | | 40.00 | 40.00 |

3. Forecast of Consolidated Results for the Full Year (April 1, 2009 - March 31, 2010)

(% 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 | 330,000 | 9.0 | 12,000 | 751.3 | 11,400 | 829.7 | 8,700 | - | 255.19 |

Note:

Revision of Forecast of Consolidated Results for the Nine month period and the Full Year in this 3rd 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 for fiscal quarter : Yes
Note: Please refer to “Qualitative Information and Financial Statements”.
- (3) Changes in Accounting Practices, Procedures and Presentation Methods for Consolidated Financial Results
(1) Changes arising from revision of accounting standards: Yes
(2) Changes arising from other factors: No
Note: Please refer to “Qualitative Information and Financial Statements”.
- (4) Number of Shares Outstanding (Ordinary Shares)
(1) Number of shares outstanding (including treasury stock) as of December 31, 2009; 36,104,196 shares
as of March 31, 2009; 36,104,196 shares
(2) Number of shares of treasury stock as of December 31, 2009; 2,011,531 shares
as of March 31, 2009; 2,011,321 shares
(3) The Average number in the quarter of outstanding shares on December 31, 2009; 34,092,763 shares
on December 31, 2008; 34,093,093 shares

Disclaimer:

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. These factors include industry trends relating to the business areas of Funai Electric Co., Ltd. or the Funai Group, such as audio-visual devices and information communication equipment, the economic conditions of both domestic and international markets, and fluctuations in currency exchange rates. Actual performance may greatly differ from projections included in this document because of the impacts of uncertainty in such areas as the competitive conditions of the electronics industry, market trends, currency exchange rate, introduction and success of new products, and various other global conditions that may affect the tax system and other systems.

Qualitative Information and Financial Statements

1. Qualitative information relating to consolidated business performance

During the third quarter of the consolidated fiscal year (April 1, 2009 to December 30, 2009), the economy in the United States, a key market for the Funai Group, experienced a gradual recovery supported by large-scale stimulus measures. The unemployment rate remained at a historically high level, however, and a self-sustaining economic recovery was not yet evident. Growth in personal consumption was weak, and consumers intensified their emphasis on low-prices.

Severe conditions continued in the consumer electronics appliances industry as well, as manifested in substantial price reductions on numerous products. Viewed by individual products, the demand for LCD TVs, one of the most leading products in the sector, expanded smartly in existing core markets in Japan, the U.S. and Europe as well as in the China market, which is demonstrating remarkable economic growth. In addition, LCD TVs that take advantage of new LED backlighting technology were commercially introduced, and are predicted to rapidly gain in popularity in the future as a result of attractive product characteristics including save consumption of electricity and high-resolution. On the other hand, tight supply and demand conditions continued for LCD panels, the most primary component, and the market price remains high.

Under these conditions, consolidated net sales for the Funai Group for the third quarter of the current consolidated fiscal year increased 3.3% compared with the same period of the previous consolidated fiscal year to JPY248,073 million.

By device type, in the audio-visual equipment category sales of LCD televisions were substantially higher, reflecting the contribution of Philips brand products. While sales of DVD players increased, as did sales of Blu-ray Disc players, which are expected to grow in the future, sales of DVD-related products as a whole fell compared with the same period of the previous consolidated fiscal year as sales of television set-top boxes* for the U.S. market declined, following the termination of production in June 2009. As a result, net sales of audio-visual equipment rose 2.8% year-on-year to JPY186,772 million.

* Devices to convert digital signals into analog signals, enabling viewers to watch terrestrial digital broadcasting on existing analog televisions. Terrestrial analog broadcasting in the United States was ended in June 2009.

In information equipment, placements of orders from OEM partners for digital still cameras ran their course and the Funai Group did not record any sales of these products. Sales of printers, however, expanded following the growth in orders from OEM partners. As a result, net sales of information equipment were JPY42,361 million, up 10.3% compared with the same period one year earlier.

Net sales of receivers and other related electronic devices slipped 5.3% year-on-year to JPY18,939 million.

Turning to earnings, operating income increased 252.8% compared with the same period of the previous consolidated fiscal year to JPY11,546 million, boosted by earnings from Philips-brand goods and other products. Ordinary income rose 403.2% year-on-year to JPY12,042 million, reflecting improvements in non-operating income and expenses compared with the third quarter of the previous consolidated fiscal year. Net income for the quarter was JPY9,156 million, compared with a net loss of JPY16,046 million in the third quarter of the previous consolidated fiscal year that reflected in part the recognition of “income taxes for prior periods.”

2. Qualitative information relating to consolidated financial position

The financial position of Funai Electric Co., Ltd. at the end of the third quarter is discussed below.

Assets increased by JPY16,731 million compared with the end of the previous consolidated fiscal year. This primarily reflected an increase in notes and accounts receivable-trade of JPY5,268 million, an increase in merchandise and finished goods of JPY11,674 million, an increase in raw materials and supplies of JPY6,277 million, and a decrease of JPY4,734 million in cash and deposits.

Liabilities increased by JPY12,514 million compared with the end of the previous consolidated fiscal year. The primary factors were an increase in notes and accounts payable-trade of JPY13,028 million.

Net assets rose by JPY4,216 million compared to the end of the previous consolidated fiscal year. This mainly reflected an increase of JPY8,076 million in retained earnings, and a decrease of JPY4,376 million in foreign currency translation adjustment.

3. Qualitative Information Relating to Consolidated Performance Forecasts:

Please refer to the “Funai Reports Revised Forecast of Consolidated Operating Results” published on October 29, 2009 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.

4. Other

(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) Application of simplified accounting procedure and use of unique accounting procedure for preparation of financial statements covering consolidated accounting for fiscal quarter

a. Simplified accounting procedure

The amount of allowance for depreciation and amortization is calculated by distributing the applicable amount for the consolidated fiscal year over fiscal terms. This is because our company, as well as our consolidated domestic subsidiaries, adopt the diminishing balance or fixed percentage depreciation method (except for buildings acquired on or after April 1, 1998 that do not include incidental facilities, which are calculated using the fixed amount or straight line depreciation method).

b. 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 third fiscal quarter. The corporate tax adjustment is included in the indicated corporate taxes.

(3) Changes to general rules and procedures, as well as denotation methods for accounting relating to the preparation of consolidated financial statements for the fiscal quarter

- Changes relating to items concerning accounting procedure standards

In the past, the Construction Completion Method was exclusively used to account for revenues associated with contract works. Starting from the current first quarter consolidated accounting period, the “Accounting Standard for Construction Contracts” (Accounting Standard No. 15 of the Financial Accounting Standards Foundation dated December 27, 2007) and the “Guidance on Accounting Standard for Construction Contracts” (Guidance No. 18 of the Financial Accounting Standards Foundation dated December 27, 2007) have been applied to certain contract works. As such, any contract works that commenced during the first quarter consolidated accounting period and from the first quarter to the current third quarter consolidated accounting period had a degree of progress which can be calculated with a certain level of accuracy at the end of such quarter was accounted for using the Percentage of Completion Method (the cost ratio method was used to calculate contract work completion rate). For other contract works, the Construction Completion Method continued to be used. The effect on net sales or profit/loss is minimal as a result of this accounting standards change.

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

a. On June 28, 2005 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, for taxation purposes. We applied for an assessment by the Administrative Review Office of the Osaka Regional Taxation Bureau on July 25, 2006, and filed an appeal to have the action cancelled with the Osaka District Court on November 16, 2006, as we object to this corrective action.

Thereafter, on July 3, 2008, we received a written verdict on this case from the Administrative Review Office of the Osaka Regional Taxation Bureau, which indicated that our assertion had been dismissed. This arbitration is truly unfortunate and unacceptable. Currently, we are making every effort to assert the validity of our position to the court.

The additional tax amounts to JPY16,651 million (JPY19,184 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.

b. On June 16, 2008 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, 2004, to March 31, 2007, for taxation purposes. In response, we applied for an assessment by the Administrative Review Office of the Osaka Regional Taxation Bureau on August 6, 2008 and filed an appeal to have the action cancelled with the Osaka District Court on November 14, 2008.

Thereafter, on July 23, 2009, we received a written verdict on this case from the Administrative Review Office of

the Osaka Regional Taxation Bureau, which indicated that our assertion had been dismissed. The Company deems this decision to be truly unfortunate and unacceptable, and we intend to continue asserting the validity of our position to the court in the future. At present, the Osaka District Court is reviewing the action in conjunction with the previous action (dated June 28, 2005).

A provisional estimate for the additional tax, including corporate, residential, and business taxes, amounts to JPY15,038 million (JPY16,838 million including incidental taxes). This amount has been processed as expenses under the category of “retroactive corporate taxes” in this first fiscal quarter of the consolidated fiscal term. Since decisions regarding the tax system under action will be made according to the condition of the applicable overseas subsidiaries at the time such subsidiaries’ fiscal years are completed, we can only offer reference figures at this time. As such, in regard to the consolidated fiscal years following the year of the investigation (i.e., the fiscal years ending March 2008 and those thereafter), a calculation to assess the impact of the applicable tax system on the income of the Hong Kong subsidiary was carried out. The calculated impact at the parent company level after deducting the dividend income received from the Hong Kong subsidiary for the fiscal years ended March 2008 and 2009 was estimated to be JPY700 million including corporate, residential, and business taxes. Due to the aforementioned reason, however, the accounting procedure for the figure relating to this effect has not yet been conducted.

5. Consolidated Financial Statements

(1).Consolidated quarterly balance sheets

(Mil. Yen)

| | 3rd Quarter FY2009 (As of December 31, 2009) | Fiscal year 2008 (As of March 31, 2009) |
|-------------------------------------|---|--|
| ASSETS; | | |
| Current Assets | | |
| Cash and deposits | 91,768 | 96,503 |
| Notes and accounts receivable-trade | 34,113 | 28,844 |
| Merchandise and finished goods | 32,599 | 20,925 |
| Work in process | 1,461 | 1,635 |
| Raw materials and supplies | 14,394 | 8,116 |
| Others | 6,241 | 7,957 |
| Allowance for doubtful accounts | 233 | 273 |
| Total current assets | 180,345 | 163,709 |
| Noncurrent assets | | |
| Property, plant and equipment | 15,868 | 16,025 |
| Intangible assets | 5,126 | 5,647 |
| Investments and other assets | | |
| Others | 16,028 | 16,061 |
| Allowance for doubtful accounts | 754 | 1,561 |
| Total investments and other assets | 15,273 | 14,499 |
| Total noncurrent assets | 36,268 | 36,173 |
| TOTAL ASSETS | 216,613 | 199,882 |
| LIABILITIES; | | |
| Current Liabilities | | |
| Notes and accounts Payable-trade | 41,185 | 28,157 |
| Short-term loans payable | 4,373 | 12,938 |
| Income taxes payable | 1,507 | 1,623 |
| Reserve for products guarantee | 2,289 | 2,191 |
| Provision | 504 | 302 |
| Others | 21,772 | 15,168 |
| Total current liabilities | 71,633 | 60,382 |
| Noncurrent liabilities | | |
| Long-term loans receivable | 700 | 666 |
| Provision | 2,423 | 2,343 |
| Others | 2,043 | 894 |
| Total noncurrent liabilities | 5,167 | 3,904 |
| TOTAL LIABILITIES | 76,800 | 64,286 |

(Mil. Yen)

| | 3rd Quarter FY2009 (As of December 31, 2009) | Fiscal year 2008 (As of March 31, 2009) |
|---|---|--|
| NET ASSETS; | | |
| Shareholders' equity | | |
| Capital stock | 31,280 | 31,280 |
| Capital surplus | 33,245 | 33,245 |
| Retained earnings | 118,124 | 110,047 |
| Treasury stock | 24,340 | 24,340 |
| Total shareholders' equity | 158,308 | 150,233 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 182 | 98 |
| Foreign currency translation adjustment | 19,376 | 14,999 |
| Total valuation and translation adjustments | 19,193 | 15,098 |
| Subscription rights to shares | 51 | 17 |
| Minority interests | 645 | 443 |
| TOTAL NET ASSET | 139,813 | 135,596 |
| TOTAL LIABILITIES AND NET ASSETS | 216,613 | 199,882 |

(2).Consolidated quarterly statements of income
(Cumulative 3rd quarter from April 1 to December 31, 2009)

(Mil. Yen)

| | 3rd Quarter FY2008 (from April 1, 2008 to December 31, 2008) | 3rd Quarter FY2009 (from April 1, 2009 to December 31, 2009) |
|---|--|--|
| Net sales | 240,096 | 248,073 |
| Cost of sales | 202,259 | 200,334 |
| Gross profit | 37,836 | 47,738 |
| Selling, general and administrative expenses | 34,563 | 36,192 |
| Operating income | 3,273 | 11,546 |
| Non-operating income | | |
| Interest income | 3,085 | 584 |
| Dividends income | 56 | 33 |
| Other | 370 | 287 |
| Total non-operating income | 3,512 | 904 |
| Non-operating expenses | | |
| Interest expenses | 282 | 56 |
| Equity in losses of affiliates | 157 | 31 |
| Foreign exchange loss | 3,514 | 113 |
| Other | 437 | 207 |
| Total non-operating expenses | 4,392 | 408 |
| Ordinary income | 2,393 | 12,042 |
| Extraordinary income | | |
| Gain on prior period adjustment | 357 | - |
| Gain on sales of noncurrent assets | 6 | 0 |
| Profit on Sales of Investment Securities | - | 34 |
| Other | 113 | 7 |
| Total extraordinary income | 478 | 41 |
| Extraordinary loss | | |
| Loss on disposal of noncurrent assets | 19 | 59 |
| Special sales promotion | 850 | - |
| Estimated loss in value of securities | 2,797 | - |
| Liquidation loss on affiliated company | 634 | - |
| Other | 244 | 15 |
| Total extraordinary loss | 4,547 | 75 |
| Net income before taxes and other adjustments | 1,676 | 12,009 |
| Income taxes | 2,579 | 2,637 |
| Income taxes for prior periods | 16,838 | - |
| Total income taxes | 14,258 | 2,637 |
| Minority interests in income | 111 | 215 |
| Net income | 16,046 | 9,156 |

(3).Consolidated quarterly statements of cash flows

(Mil. Yen)

| | 3rd Quarter FY2008 (from April 1, 2008 to December 31, 2008) | 3rd Quarter FY2009 (from April 1, 2009 to December 31, 2009) |
|---|--|--|
| Net cash provided by (used in) operating activities | | |
| Net income before taxes and other adjustments | 1,676 | 12,009 |
| Depreciation and amortization | 3,671 | 4,271 |
| Increase(decrease) in allowance for doubtful accounts | 493 | 830 |
| Increase(decrease)in provision for retirement benefits | 117 | 48 |
| Interest and dividends income | 3,142 | 617 |
| Interest expenses | 282 | 56 |
| Equity in (earnings) losses of affiliates | 157 | 31 |
| Loss (gain) on sales of property, plant and equipment | 30 | 1 |
| Loss (gain) on sales of investment securities | 26 | 34 |
| Loss (gain) on valuation of investment securities | 2,797 | 4 |
| Decrease (increase) in notes and accounts receivable-trade | 24,972 | 6,523 |
| Decrease (increase) in inventories | 11,405 | 19,103 |
| Increase (decrease) in notes and accounts payable-trade | 21,149 | 15,310 |
| Other, net | 14,386 | 5,515 |
| Subtotal | 1,628 | 10,138 |
| Interest and dividends income received | 2,247 | 1,109 |
| Interest expenses paid | 278 | 56 |
| Income taxes paid | 4,546 | 2,518 |
| Income taxes refund | - | 1,693 |
| Prior year's taxes paid | 16,838 | - |
| Net cash provided by (used in) operating activities | 17,788 | 10,366 |
| Net cash provided by (used in) investment activities | | |
| Payments into time deposits | 67,579 | 80,957 |
| Repayments from time deposits | 19,180 | 91,312 |
| Purchase of property, plant and equipment | 3,440 | 2,868 |
| Proceeds from sales of property, plant and equipment | 662 | 8 |
| Purchase of intangible assets | 161 | 661 |
| Purchase of investment securities | 247 | 408 |
| Proceeds from sales of investment securities | 1,137 | 510 |
| Collection of loan receivables | 40,828 | 69 |
| Other, net | 124 | 205 |
| Net cash provided by (used in) investment activities | 9,743 | 7,211 |
| Net cash provided by (used in) financing activities | | |
| Net increase (decrease) in short-term loans payable | 7,352 | 8,208 |
| Increase of long-term loans payable | - | 600 |
| Repayment of long-term loans payable | 1,086 | 566 |
| Cash dividends paid | 1,704 | 1,363 |
| Other, net | 15 | 88 |
| Net cash provided by (used in) financing activities | 4,546 | 9,627 |
| Effect of exchange rate change on cash and cash equivalents | 3,299 | 681 |
| Net increase (decrease) in cash and cash equivalents | 26,285 | 8,632 |
| Cash and cash equivalents at beginning of period | 57,100 | 40,180 |
| Increase due to merger of non-consolidated subsidiary | - | 367 |
| Cash and cash equivalents at end of period | 30,814 | 49,180 |

(4) Notes for Continuing Enterprises

Not Applicable

(5) Information by Segment

a; Operating Segment Information

The Funai Group concentrates on the single business segment of manufacture and sales of electric products. Therefore, we make no distinction between operating segments.

b; Geographic Segment Information

Previous Third Quarter (April 1, 2008 - December 31, 2008)

(Units: Million Yen)

| | Japan | N. America | Asia | Europe | Total | Elimination | Consolidated |
|--------------------------------|---------|------------|---------|--------|---------|-------------|--------------|
| Net Sales | | | | | | | |
| Sales to outside customers | 86,290 | 140,671 | 359 | 12,773 | 240,096 | - | 240,096 |
| Inter-segment sales | 102,869 | 26 | 144,494 | 13 | 247,404 | (247,404) | - |
| Total | 189,160 | 140,698 | 144,854 | 12,786 | 487,500 | (247,404) | 240,096 |
| Operating Income and Losses() | 2,340 | 1,638 | 2,397 | 2,318 | 4,057 | (784) | 3,273 |

Current Third Quarter (April 1, 2009 - December 31, 2009)

(Units: Million Yen)

| | Japan | N. America | Asia | Europe | Total | Elimination | Consolidated |
|--------------------------------|---------|------------|---------|--------|---------|-------------|--------------|
| Net Sales | | | | | | | |
| Sales to outside customers | 83,049 | 159,082 | 442 | 5,498 | 248,073 | - | 248,073 |
| Inter-segment sales | 144,873 | 27 | 153,899 | 2 | 298,802 | (298,802) | - |
| Total | 227,923 | 159,109 | 154,341 | 5,500 | 546,876 | (298,802) | 248,073 |
| Operating Income and Losses() | 5,688 | 4,567 | 5,417 | 902 | 14,770 | (3,224) | 11,546 |

c; Overseas Sales

Previous Third Quarter (April 1, 2008 - December 31, 2008)

(Units: Million Yen)

| | N. America | Asia | Europe | Other | Total |
|---|------------|-------|--------|-------|---------|
| Overseas sales | 171,124 | 5,897 | 30,865 | 5,418 | 213,306 |
| Consolidated sales | | | | | 240,096 |
| Ratio of overseas sales to consolidated sales (%) | 71.3 | 2.4 | 12.8 | 2.3 | 88.8 |

Current Third Quarter (April 1, 2009 - December 31, 2009)

(Units: Million Yen)

| | N. America | Asia | Europe | Other | Total |
|---|------------|-------|--------|-------|---------|
| Overseas sales | 180,227 | 6,365 | 23,872 | 7,122 | 217,588 |
| Consolidated sales | | | | | 248,073 |
| Ratio of overseas sales to consolidated sales (%) | 72.6 | 2.6 | 9.6 | 2.9 | 87.7 |

(6) Notes of remarkable changes in Shareholders Equity:

Not Applicable

6. Other Information

Detailed Statement of Net Sales by Equipment Type and Region

(Units: Million Yen)

| Classification | | Previous Year Third Quarter | | Current Year Third Quarter | | % increase or decrease from the same period of the previous consolidated fiscal year | |
|-------------------|-----------------------|--|---------|--|---------|--|------|
| | | From April 1, 2008 To December 31, 2008 | | From April 1, 2009 To December 31, 2009 | | | |
| | | Amount | Percent | Amount | Percent | Percent | |
| By Equipment Type | Audiovisual Equipment | 181,684 | 75.7 | 186,772 | 75.3 | 2.8 | |
| | Information Equipment | 38,417 | 16.0 | 42,361 | 17.1 | 10.3 | |
| | Other Equipment | 19,993 | 8.3 | 18,939 | 7.6 | 5.3 | |
| | Total | 240,096 | 100.0 | 248,073 | 100.0 | 3.3 | |
| By Region | Japan | 26,789 | 11.2 | 30,485 | 12.3 | 13.8 | |
| | Export | N. America | 171,124 | 71.3 | 180,227 | 72.6 | 5.3 |
| | | Europe | 30,865 | 12.8 | 23,872 | 9.6 | 22.7 |
| | | Asia | 5,897 | 2.4 | 6,365 | 2.6 | 7.9 |
| | | Other Areas | 5,418 | 2.3 | 7,122 | 2.9 | 31.4 |
| | Subtotal | 213,306 | 88.8 | 217,588 | 87.7 | 2.0 | |
| Total | 240,096 | 100.0 | 248,073 | 100.0 | 3.3 | | |

(Note) Main Products by Type of Equipment

| Equipment | Main Products |
|-----------------------|---|
| Audiovisual Equipment | LCD Television, DVD Player, DVD Recorder, Blu-ray Disc Player |
| Information Equipment | Printer, Digital Still Camera |
| Other Equipment | Receiver-Related Electronic Equipment |

(Reference) Change in Operating Results for the Most Recent Quarters

Fiscal Period Ending March 2010 (Consolidated)

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|-------------------|------------------|----------------|------------------|
| | April - June 2009 | July - Sept 2009 | Oct - Dec 2009 | Jan - March 2010 |
| | Million Yen | Million Yen | Million Yen | Million Yen |
| Net Sales | 77,668 | 89,426 | 80,977 | - |
| Gross Profit | 15,239 | 18,772 | 13,726 | - |
| Operating Income | 3,706 | 6,362 | 1,477 | - |
| Ordinary Income | 4,081 | 5,506 | 2,453 | - |
| Quarterly Net Income Before Taxes and Other Adjustments | 4,106 | 5,453 | 2,449 | - |
| Quarterly Net Income/Loss | 3,171 | 4,138 | 1,846 | - |
| | Yen | Yen | Yen | Yen |
| Quarterly Net Income per Share | 93.01 | 121.40 | 54.16 | - - |
| Fully Diluted Quarterly Net Income per Share | 92.42 | 120.53 | 53.73 | - - |
| | Million Yen | Million Yen | Million Yen | Million Yen |
| Total Assets | 210,089 | 214,067 | 216,613 | - |
| Net Assets | 136,253 | 135,948 | 139,813 | - |
| | Yen | Yen | Yen | Yen |
| Net Assets per Share | 3,981.10 | 3,970.00 | 4,080.52 | - |

Fiscal Period Ended March 2009 (Consolidated)

| | First Quarter | Second Quarter | Third Quarter | Fourth Quarter |
|---|-------------------|------------------|----------------|------------------|
| | April - June 2008 | July - Sept 2008 | Oct - Dec 2008 | Jan - March 2009 |
| | Million Yen | Million Yen | Million Yen | Million Yen |
| Net Sales | 59,449 | 85,209 | 95,436 | 62,681 |
| Gross Profit | 12,336 | 15,278 | 10,220 | 6,637 |
| Operating Income | 988 | 3,332 | 1,047 | 1,863 |
| Ordinary Income | 4,448 | 1,544 | 3,599 | 1,166 |
| Quarterly Net Income Before Taxes and Other Adjustments | 3,967 | 579 | 6,222 | 1,586 |
| Quarterly Net Income/Loss | 13,779 | 1,676 | 3,943 | 1,318 |
| | Yen | Yen | Yen | Yen |
| Quarterly Net Income per Share | 404.16 | 49.18 | 115.68 | 38.67 |
| Fully Diluted Quarterly Net Income per Share | - - | - - | - - | - - |
| | Million Yen | Million Yen | Million Yen | Million Yen |
| Total Assets | 227,888 | 244,460 | 210,728 | 199,882 |
| Net Assets | 147,591 | 146,345 | 130,470 | 135,596 |
| | Yen | Yen | Yen | Yen |
| Net Assets per Share | 4,312.60 | 4,275.73 | 3,810.66 | 3,963.72 |

SUPPLEMENTATION
THIRD QUARTER IN CUMULATIVE
CONSOLIDATED OPERATING RESULTS
FY 2009

(from 2009. 4.1
to 2009.12.31)

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FUNAI ELECTRIC CO.,LTD.

1. Summary of Third Quarter Consolidated Operating Results

(1) Operating Results, Financial Conditions

(Units: 100million yen, %)

| | FY2008 | | | | | | FY2009 | | | | | |
|--------------------------|--------|------------|---------|-----------|------------|---------|--------|------------|---------|------------------------|------------|---------|
| | 3Q | | | Full-Year | | | 3Q | | | Full-Year (Projection) | | |
| | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % |
| Net Sales | 2,400 | 100.0 | 6.3 | 3,027 | 100.0 | 9.2 | 2,480 | 100.0 | 3.3 | 3,300 | 100.0 | 9.0 |
| Operating Income | 32 | 1.4 | 154.7 | 14 | 0.5 | - | 115 | 4.7 | 252.8 | 120 | 3.6 | 751.3 |
| Ordinary Income | 23 | 1.0 | 58.6 | 12 | 0.4 | - | 120 | 4.9 | 403.2 | 114 | 3.5 | 829.7 |
| Net Income/Loss afterTax | 160 | 6.7 | - | 173 | 5.7 | - | 91 | 3.7 | - | 87 | 2.6 | - |
| Total Assets | 2,107 | - | - | 1,998 | - | - | 2,166 | - | - | - | - | - |
| Net Assets | 1,304 | - | - | 1,355 | - | - | 1,398 | - | - | - | - | - |

() Yen - Dollar / exchange rate

(Units: Yen / Dollar)

| | FY2008 | | FY2009 | |
|--------------|--------|-----------|--------|------------------------|
| | 3Q | Full-Year | 3Q | Full-Year (Projection) |
| Average Rate | 102.48 | 100.66 | 93.22 | 90.00 |

(2) Profitability and Per Share Data etc.

| | FY2008 | | FY2009 | |
|------------------------------------|----------|-----------|----------|------------------------|
| | 3Q | Full-Year | 3Q | Full-Year (Projection) |
| Gross Profit Ratio (%) | 15.8 | 14.7 | 19.2 | 18.6 |
| Operating Income Ratio (%) | 1.4 | 0.5 | 4.7 | 3.6 |
| Ordinary Income Ratio (%) | 1.0 | 0.4 | 4.9 | 3.5 |
| Shareholders' Equity Ratio (%) | 61.7 | 67.6 | 64.2 | - |
| Net Assets Per Share (yen) | 3,810.66 | 3,963.72 | 4,080.52 | - |
| Net Income Per Share (yen) | 470.66 | 509.33 | 268.57 | 255.19 |
| Return On Asset (%) | 6.9 | 8.2 | 4.3 | - |
| Return On Shareholders' Equity (%) | 10.5 | 11.9 | 6.8 | - |

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

(Units: 100million yen, %)

| | FY2008 | | | | FY2009 | | | |
|----------------------|--------|---------|-----------|---------|--------|---------|------------------------|---------|
| | 3Q | | Full-Year | | 3Q | | Full-Year (Projection) | |
| | Amount | Y / Y % | Amount | Y / Y % | Amount | Y / Y % | Amount | Y / Y % |
| Capital Expenditures | 30 | 28.6 | 50 | 2.0 | 33 | 10.0 | 59 | 18.0 |

| | FY2008 | | | | | | FY2009 | | | | | |
|-----------------------|--------|------------|---------|-----------|------------|---------|--------|------------|---------|------------------------|------------|---------|
| | 3Q | | | Full-Year | | | 3Q | | | Full-Year (Projection) | | |
| | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % |
| Depreciation Expenses | 27 | 1.1 | 30.8 | 36 | 1.2 | 25.0 | 31 | 1.3 | 14.8 | 44 | 1.3 | 22.2 |
| R&D | 98 | 4.1 | 10.9 | 130 | 4.3 | 11.6 | 96 | 3.9 | 2.0 | 139 | 4.2 | 6.9 |

(4) Cash Flow

(Units: 100million yen)

| | FY2008 | | FY2009 | |
|--|--------|-----------|--------|------------------------|
| | 3Q | Full-Year | 3Q | Full-Year (Projection) |
| Cash flows provided by operating activities | 177 | 7 | 103 | - |
| Income Before Income Taxes | 16 | 32 | 120 | - |
| Depreciation Expenses | 36 | 49 | 42 | - |
| Others | 197 | 24 | 59 | - |
| Cash flows used in investing activities | 97 | 107 | 72 | - |
| Free Cash flows | 274 | 114 | 175 | - |
| Cash flows provided by financing activities | 45 | 25 | 96 | - |
| Effect of exchange rate changes on cash and cash equivalents | 32 | 28 | 6 | - |
| Net increase in cash and cash equivalents | 262 | 169 | 86 | - |

2. Consolidated Operating Activities

(1) Sales by Equipment

(Units: 100million yen, %)

| | FY2008 | | | | | | FY2009 | | | | | |
|------------------------|--------|------------|---------|-----------|------------|---------|--------|------------|---------|------------------------|------------|---------|
| | 3Q | | | Full-Year | | | 3Q | | | Full-Year (Projection) | | |
| | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % |
| Audio Visual Equipment | 1,816 | 75.7 | 21.1 | 2,306 | 76.1 | 25.2 | 1,867 | 75.3 | 2.8 | 2,522 | 76.4 | 9.4 |
| VCR | 16 | 0.7 | 56.8 | 20 | 0.7 | 55.6 | 10 | 0.4 | 37.5 | 10 | 0.3 | 50.0 |
| DVD | 344 | 14.3 | 19.8 | 402 | 13.3 | 23.3 | 331 | 13.4 | 3.8 | 410 | 12.4 | 2.0 |
| Blu-ray Disc | 108 | 4.5 | - | 122 | 4.0 | - | 135 | 5.5 | 25.0 | 195 | 5.9 | 59.8 |
| Television | 76 | 3.2 | 64.0 | 82 | 2.7 | 68.0 | 6 | 0.2 | 92.1 | 6 | 0.2 | 92.7 |
| LCD Television | 1,029 | 42.9 | 41.7 | 1,342 | 44.3 | 49.6 | 1,246 | 50.2 | 21.1 | 1,710 | 51.8 | 27.4 |
| Others | 243 | 10.1 | 150.5 | 338 | 11.1 | 193.9 | 139 | 5.6 | 42.8 | 191 | 5.8 | 43.5 |
| Information Equipment | 384 | 16.0 | 32.1 | 450 | 14.9 | 30.7 | 424 | 17.1 | 10.3 | 519 | 15.7 | 15.3 |
| Others | 200 | 8.3 | 3.9 | 271 | 9.0 | 3.0 | 189 | 7.6 | 5.3 | 259 | 7.9 | 4.4 |
| Total | 2,400 | 100.0 | 6.3 | 3,027 | 100.0 | 9.2 | 2,480 | 100.0 | 3.3 | 3,300 | 100.0 | 9.0 |

(2) Sales by Areas in Equipment

(Units: 100million yen, %)

| | FY2008 | | | | | | FY2009 | | | | | |
|------------------------|--------|------------|---------|-----------|------------|---------|--------|------------|---------|------------------------|------------|---------|
| | 3Q | | | Full-Year | | | 3Q | | | Full-Year (Projection) | | |
| | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % |
| Audio Visual Equipment | 1,816 | 75.7 | 21.1 | 2,306 | 76.1 | 25.2 | 1,867 | 75.3 | 2.8 | 2,522 | 76.4 | 9.4 |
| North America | 1,545 | 64.4 | 36.4 | 1,971 | 65.1 | 41.7 | 1,649 | 66.5 | 6.7 | 2,204 | 66.8 | 11.8 |
| Europe | 184 | 7.7 | 25.5 | 211 | 7.0 | 26.7 | 95 | 3.8 | 48.4 | 114 | 3.4 | 46.0 |
| Asia and Others | 1 | 0.0 | 75.0 | 1 | 0.0 | 66.7 | 6 | 0.3 | 500.0 | 7 | 0.2 | 600.0 |
| Japan | 86 | 3.6 | 26.5 | 123 | 4.0 | 22.6 | 117 | 4.7 | 36.0 | 197 | 6.0 | 60.2 |
| Information Equipment | 384 | 16.0 | 32.1 | 450 | 14.9 | 30.7 | 424 | 17.1 | 10.3 | 519 | 15.7 | 15.3 |
| North America | 154 | 6.4 | 56.5 | 174 | 5.8 | 56.8 | 145 | 5.8 | 5.8 | 209 | 6.3 | 20.1 |
| Europe | 121 | 5.0 | 14.8 | 149 | 4.9 | 9.1 | 143 | 5.8 | 18.2 | 189 | 5.8 | 26.8 |
| Asia and Others | 107 | 4.5 | 64.6 | 122 | 4.0 | 58.4 | 125 | 5.1 | 16.8 | 114 | 3.4 | 6.6 |
| Japan | 2 | 0.1 | 50.0 | 5 | 0.2 | 16.7 | 11 | 0.4 | 450.0 | 7 | 0.2 | 40.0 |
| Others | 200 | 8.3 | 3.9 | 271 | 9.0 | 3.0 | 189 | 7.6 | 5.3 | 259 | 7.9 | 4.4 |
| Total | 2,400 | 100.0 | 6.3 | 3,027 | 100.0 | 9.2 | 2,480 | 100.0 | 3.3 | 3,300 | 100.0 | 9.0 |

(3) Sales by Equipment in Areas

(Units: 100million yen, %)

| | FY2008 | | | | | | FY2009 | | | | | |
|------------------------|--------|------------|---------|-----------|------------|---------|--------|------------|---------|------------------------|------------|---------|
| | 3Q | | | Full-Year | | | 3Q | | | Full-Year (Projection) | | |
| | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % |
| North America | 1,711 | 71.3 | 14.2 | 2,161 | 71.4 | 19.3 | 1,802 | 72.6 | 5.3 | 2,419 | 73.3 | 11.9 |
| Audio Visual Equipment | 1,545 | 64.4 | 36.4 | 1,971 | 65.1 | 41.7 | 1,649 | 66.5 | 6.7 | 2,204 | 66.8 | 11.8 |
| Information Equipment | 154 | 6.4 | 56.5 | 174 | 5.8 | 56.8 | 145 | 5.8 | 5.8 | 209 | 6.3 | 20.1 |
| Others | 12 | 0.5 | 0.0 | 16 | 0.5 | 5.9 | 8 | 0.3 | 33.3 | 6 | 0.2 | 62.5 |
| Europe | 308 | 12.8 | 21.3 | 364 | 12.0 | 20.2 | 239 | 9.6 | 22.7 | 304 | 9.2 | 16.5 |
| Audio Visual Equipment | 184 | 7.7 | 25.5 | 211 | 7.0 | 26.7 | 95 | 3.8 | 48.4 | 114 | 3.4 | 46.0 |
| Information Equipment | 121 | 5.0 | 14.8 | 149 | 4.9 | 9.1 | 143 | 5.8 | 18.2 | 189 | 5.8 | 26.8 |
| Others | 3 | 0.1 | 0.0 | 4 | 0.1 | 0.0 | 1 | 0.0 | 66.7 | 1 | 0.0 | 75.0 |
| Asia and Others | 113 | 4.7 | 56.9 | 132 | 4.4 | 45.1 | 134 | 5.5 | 18.6 | 123 | 3.7 | 6.8 |
| Audio Visual Equipment | 1 | 0.0 | 75.0 | 1 | 0.0 | 66.7 | 6 | 0.3 | 500.0 | 7 | 0.2 | 600.0 |
| Information Equipment | 107 | 4.5 | 64.6 | 122 | 4.0 | 58.4 | 125 | 5.1 | 16.8 | 114 | 3.4 | 6.6 |
| Others | 5 | 0.2 | 66.7 | 9 | 0.4 | 18.2 | 3 | 0.1 | 40.0 | 2 | 0.1 | 77.8 |
| Japan | 268 | 11.2 | 9.3 | 370 | 12.2 | 10.3 | 305 | 12.3 | 13.8 | 454 | 13.8 | 22.7 |
| Audio Visual Equipment | 86 | 3.6 | 26.5 | 123 | 4.0 | 22.6 | 117 | 4.7 | 36.0 | 197 | 6.0 | 60.2 |
| Information Equipment | 2 | 0.1 | 50.0 | 5 | 0.2 | 16.7 | 11 | 0.4 | 450.0 | 7 | 0.2 | 40.0 |
| Others | 180 | 7.5 | 3.4 | 242 | 8.0 | 2.4 | 177 | 7.2 | 1.7 | 250 | 7.6 | 3.3 |
| Total | 2,400 | 100.0 | 6.3 | 3,027 | 100.0 | 9.2 | 2,480 | 100.0 | 3.3 | 3,300 | 100.0 | 9.0 |

3. 3Q (October to December) Consolidated Operating Activities

(1) Operating Results

(Units: 100million yen, %)

| | FY2008 | | | FY2009 | | |
|---------------------------|------------------|------------|---------|------------------|------------|---------|
| | 3Q (Oct. - Dec.) | | | 3Q (Oct. - Dec.) | | |
| | Amount | % to Sales | Y / Y % | Amount | % to Sales | Y / Y % |
| Net Sales | 954 | 100.0 | 37.2 | 810 | 100.0 | 15.2 |
| Operating Income | 10 | 1.1 | - | 14 | 1.8 | - |
| Ordinary Income | 35 | 3.8 | - | 24 | 3.0 | - |
| Net Income/Loss after Tax | 39 | 4.1 | - | 18 | 2.3 | - |

() Yen - Dollar / exchange rate

(Units: Yen / Dollar)

| | FY2008 | | FY2009 | |
|--------------|------------------|-------|------------------|-------|
| | 3Q (Oct. - Dec.) | | 3Q (Oct. - Dec.) | |
| Average Rate | | 94.99 | | 90.11 |

(2) Sales by Equipment

(Units: 100million yen, %)

| | FY2008 | | | FY2009 | | |
|------------------------|------------------|------------|---------|------------------|------------|---------|
| | 3Q (Oct. - Dec.) | | | 3Q (Oct. - Dec.) | | |
| | Amount | % to Total | Y / Y % | Amount | % to Total | Y / Y % |
| Audio Visual Equipment | 779 | 81.7 | 49.8 | 585 | 72.2 | 24.9 |
| VCR | 5 | 0.5 | 58.3 | 2 | 0.2 | 60.0 |
| DVD | 105 | 11.0 | 22.2 | 93 | 11.5 | 11.4 |
| Blu-ray Disc | 32 | 3.4 | - | 26 | 3.2 | 18.8 |
| Television | 19 | 2.0 | 72.9 | 1 | 0.1 | 94.7 |
| LCD Television | 531 | 55.7 | 92.4 | 455 | 56.2 | 14.3 |
| Others | 87 | 9.1 | 234.6 | 8 | 1.0 | 90.8 |
| Information Equipment | 107 | 11.2 | 5.3 | 159 | 19.6 | 48.6 |
| Others | 68 | 7.1 | 9.7 | 66 | 8.2 | 2.9 |
| Total | 954 | 100.0 | 37.2 | 810 | 100.0 | 15.2 |



FUNAI ELECTRIC CO., LTD.

(Company)

FUNAI ELECTRIC CO., LTD.

INVESTOR / PUBLIC RELATIONS DEPARTMENT

7-7-1 Nakagaito Daito city, Osaka 574-0013, Japan

TEL 81-72-870-4395 • FAX 81-72-870-4613