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Funai Electric Co., Ltd.
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For Immediate Release:

Funai Reports Revised Forecast of Consolidated Operating Results

Funai Electric Co., Ltd. has revised its forecast of consolidated operating results released on June 16, 2008, as described below.

1. Revised consolidated forecast results for the first half (April 1, 2008 to September 30, 2008)

(Units: Million Yen)

	Net sales	Operating income	Ordinary income	Net income (before deduction of income tax for prior periods)*	Net income (after deduction of income tax for prior periods)
Previously Announced Forecast (A)	144,000	3,300	4,300	3,300	(13,900)
Revised Forecast (B)	144,600	4,300	5,900	4,700	(12,100)
Amount of Increase/Decrease (B-A)	600	1,000	1,600	1,400	1,800
Percentage Changed (%)	0.4	30.3	37.2	42.4	-
(Reference) Previous FY Results (Interim Period through September 2007)	156,317	2,069	5,053	(4,245)	(4,245)

*Note: Funai Electric Co., Ltd. received a rectification notice from the Osaka Regional Taxation Bureau on June 16, 2008. The Bureau determined that Funai Electric Co., Ltd.'s Hong Kong subsidiary does not meet the requirements for exclusion under the anti-tax haven system and the Hong Kong subsidiary's income for the three fiscal years from April 2004 through March 2007 will be considered, and taxed as, Funai Electric Co., Ltd.'s income. The revised income amount is ¥33.9 billion, and the Company has reported the total supplementary tax including local taxes of ¥16.8 billion as income taxes for prior periods. Because Funai Electric Co., Ltd. is asserting the validity of its claim through appeals, for information purposes net income is shown before deduction of the supplementary tax amount.

2. Reason for revision of consolidated forecast results for the first half

Net sales and operating income for DVD-related products were both higher than planned. Sales of Blu-ray Disc players and television set-top boxes (devices to convert digital signals into analog signals, enabling viewers to watch terrestrial digital broadcasting on traditional analog televisions) for the U.S. market, which will terminate terrestrial analog broadcasting in February 2009, were especially strong.

Net sales and operating income for information equipment also exceeded the Company's plan.

For television-related products, on the other hand, net sales and earnings fell below plan, but the Company did achieve improvement from an earnings perspective compared with the prior period.

Based on the above factors, Funai Electric Co., Ltd. projects both net sales and earnings will exceed its operating results forecast and has revised its consolidated net sales, operating income, ordinary income and net income for the first half announced on June 16, 2008.

3. Full-year consolidated operating results forecast (April 1, 2008 to March 31, 2009)

A future deceleration of the global economy originating from the financial crisis in the United States now appears certain, and a severe business environment is anticipated. Funai Electric Co., Ltd. will watch closely to ascertain sales conditions during the year-end sale season in the United States, and will release a revised consolidated fiscal year operating results forecast if it determines changes in its forecast results are necessary.

(Notes)

The aforementioned estimates are forward-looking statements about the future performance of Funai Electric Co., Ltd. and are based on management's assumptions and beliefs in light of information currently available, and involve known and unknown risks and uncertainties.

Various factors such as a change in economic conditions overseas (especially changes in the company's key U.S. market) and severe price fluctuations may cause actual events and results to differ materially from those anticipated in these statements.