

**Presentation of Consolidated Operating Results
in FY 2009 (Apr.-March) and Future Business Strategy**

May 11, 2010

FUNAI ELECTRIC.,LTD.

Future Business Strategy

- Management Policy
- Medium-term Target and Measures

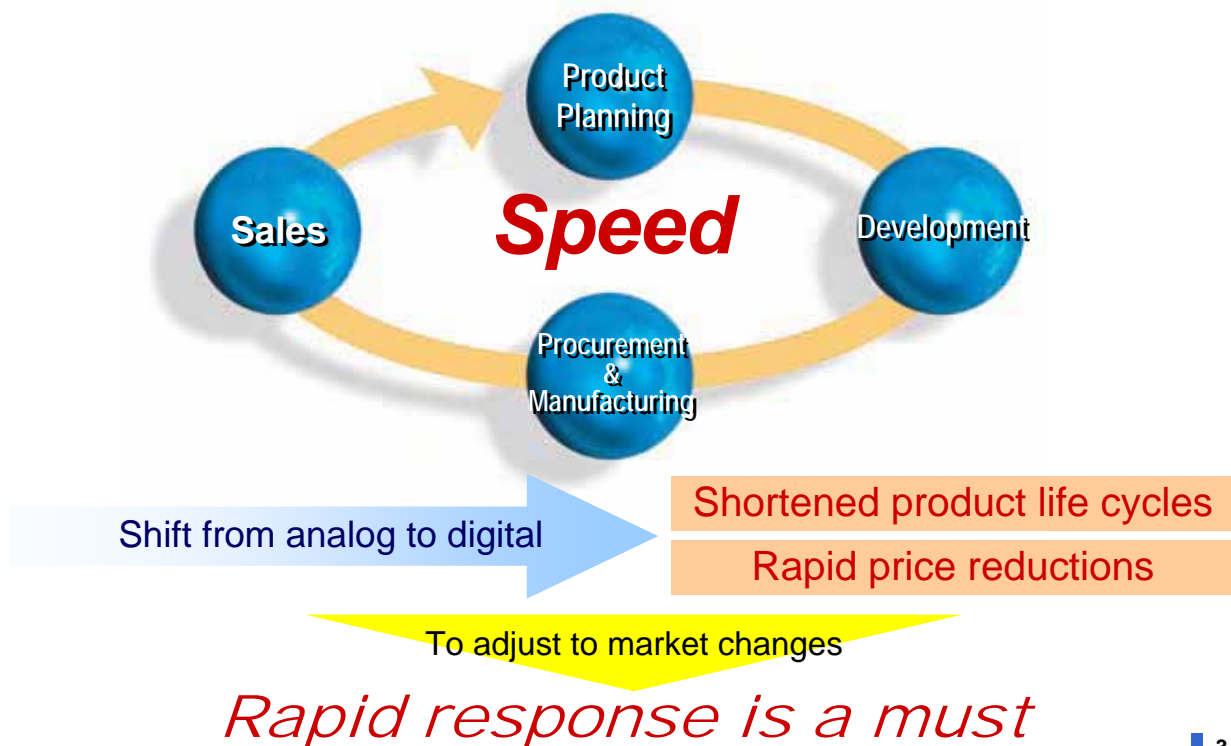
FUNAI ELECTRIC.,LTD.

FY2010 Projection (Sales/Operation Profit)

(100 million yen)

	FY2009 Projection	FY2009 Results	FY2010 Projection
Sales	3,568	3,400	3,900
Operating Profit (Margin)	130 (3.6%)	120 (3.5%)	145 (3.7%)
Average USD- JPY Exchange Rate	92.50	92.60	90.00

Focus on promotion of viable products bolstered by speedy management



3 . Medium-term Target and Measures

Targets for Consolidated Sales and Operating Profit for FY2011

Sales **5,000**

Operating Profit **250** (5% margin)

(100 million yen)

Measures to Achieve the Target

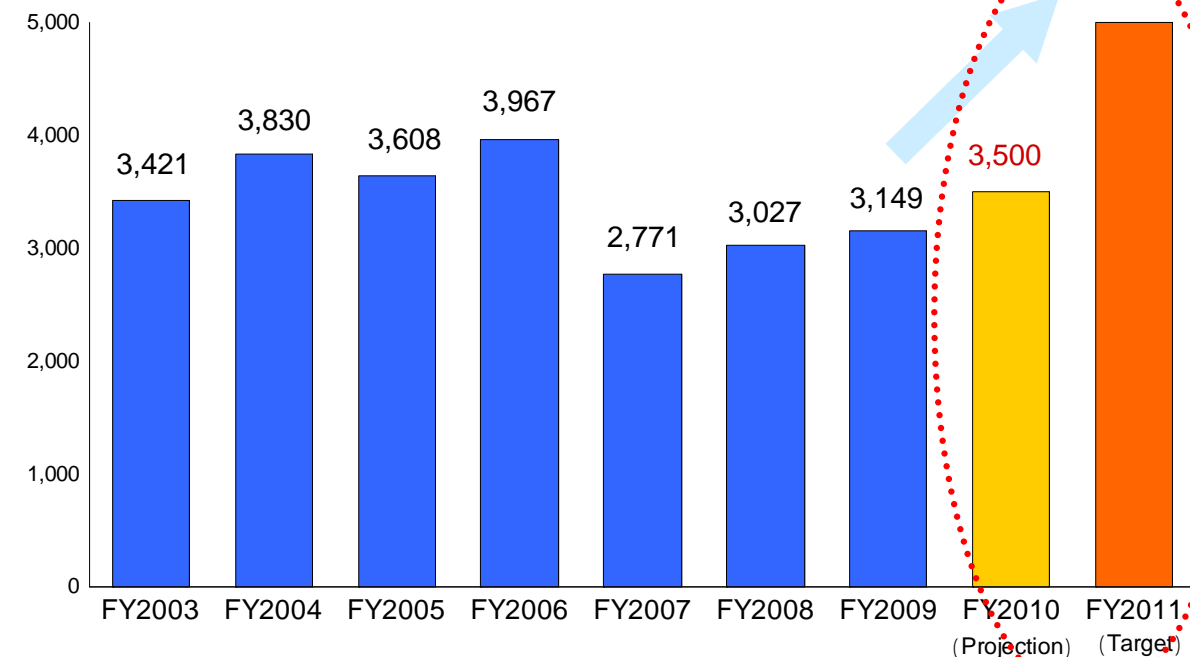
- 1 | Fostering of human resources and appointments to responsible positions
- 2 | Target for Sales of 10 million units LCD TV units
(The minimum requirement for survival)
- 3 | Expansion of Blu-ray and related products line-up

Player	Recorder	Home Theater System	Portable Player
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- 4 | Enlargement of mechatronics-related business (e.g., printers)
- 5 | Entrance into emerging markets (BRICs) and successful cultivation of new clients

4 . Medium-term Target and Measures

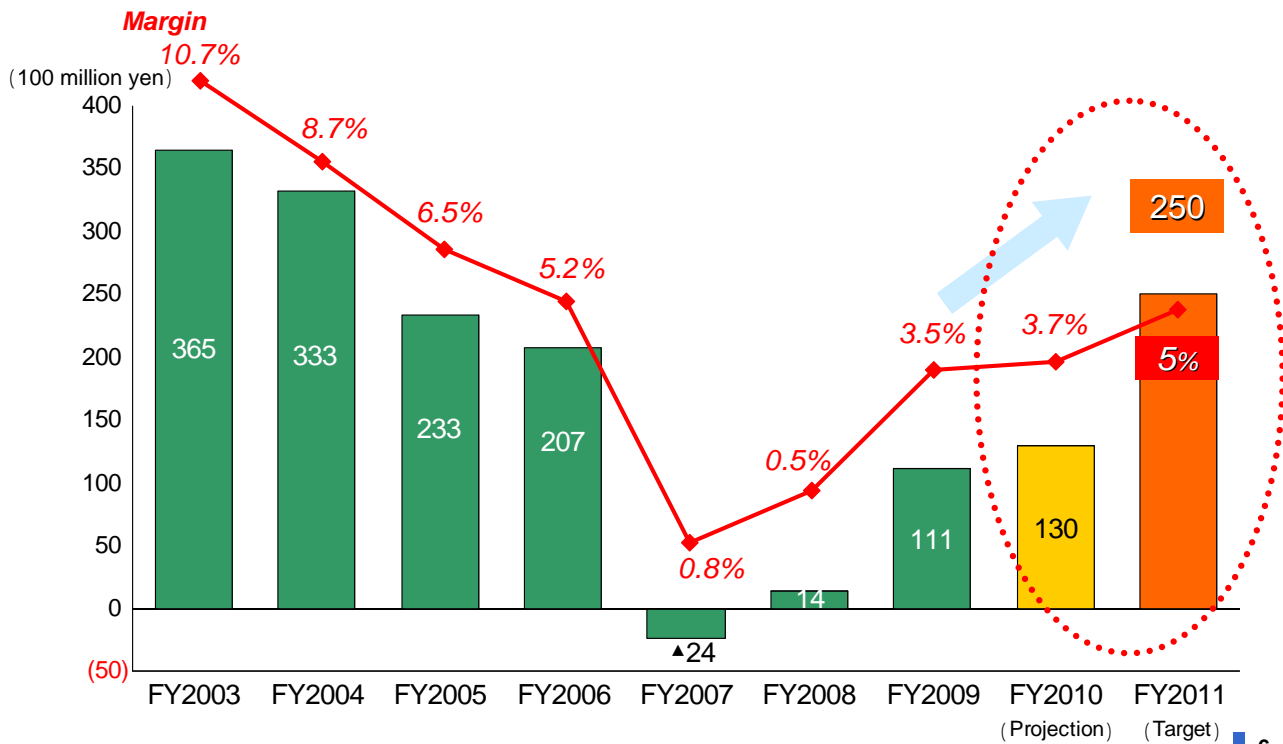
Medium Term Sales Target

(100 million yen)



5 . Medium-term Target and Measures

Medium Term Operating Profit Target



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Outline of FY 2009 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. Sales of Information Equipment
7. Geographic Breakdown of Sale
8. Financial Condition
9. Changes of Inventories
10. Capital Expenditures, Depreciation Expense and R&D Expenditures
11. Projection of FY2010 Operating Results

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1 Summary of Operating Results

(100 million yen)

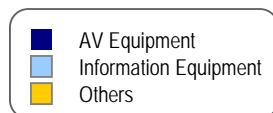
	FY2008 Results	Revision of Forecast (Released in Oct 29)	FY2009 Results	Changes From Previous FY2008	Changes From Projection
Net Sales	3,027	3,300	3,149	+122 (+4.0%)	151 (4.6%)
Operating Income	14	120	111	+97	9
Margin	(0.5%)	(3.6%)	(3.5%)	+5 (1)	+7 (3)
Ordinary Income	12	114	116	+104	+2
Margin	(0.4%)	(3.5%)	(3.7%)	13 (2)	+172 (4)
Net Income after tax	173	87	103	+276	+16
Margin	(5.7%)	(2.6%)	(3.3%)		
Average Exchange Rate (USD/JPY)	100. ⁶⁶	92. ⁵⁰	92. ⁶⁰		

- (1) Interest receivables +7, Interest expenses 1, Forex loss 1
 (2) Extraordinary income +1, Extraordinary loss 9, Income taxes 5
 (3) Interest receivables 27, Forex gain +28, Interest expenses +3, Others +3
 (4) Extraordinary income 4, Extraordinary loss +41, Decrease of income taxes for prior periods +168, Income taxes 33

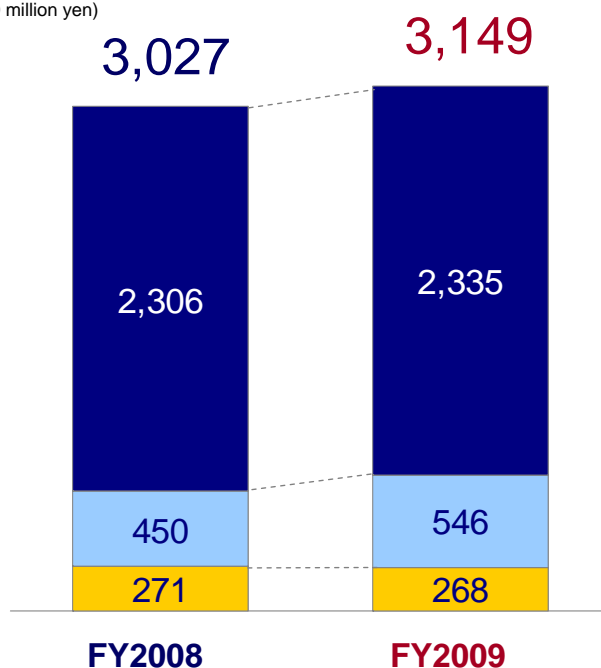
Month End Exchange Rate (USD/JPY)	09/3	09/9	10/3
	98. ²³	90. ²¹	93. ⁰⁴

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2 Breakdown of Sales by Equipment



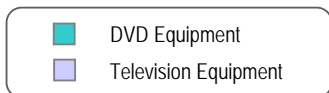
(100 million yen)



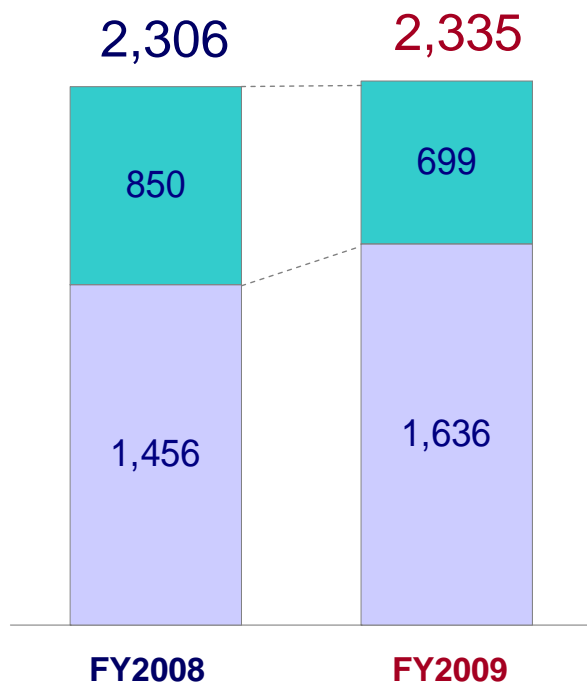
Comparison to Previous FY	
AV Equipment	: + 29 (+ 1.3%)
Information Equipment	: + 96 (+ 21.4%)
Others	: 3 (1.5%)
Total	: + 122 (+ 4.0%)

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3 . Sales of Audio and Visual Equipment



(100 million yen)

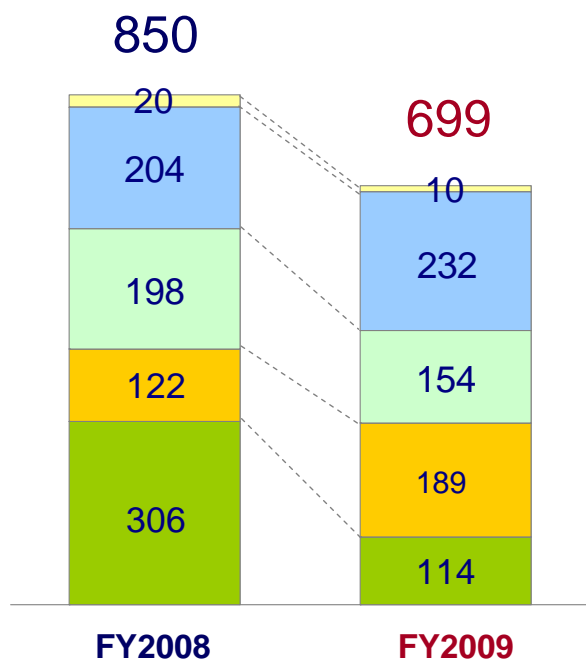


Comparison to Previous FY	
DVD Equipment	: 151 (17.8%)
Television Equipment	: + 180 (+ 12.4%)
Total	: + 29 (+ 1.3%)

4 . Sales of DVD Equipment



(100 million yen)



DVD Player **DVD Recorder**

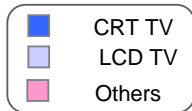
· Despite of the market contraction, demand in U.S. for DVD player was stronger than expected. DVD recorder tracked the market trend.

Blu-ray disc · In addition to BRD player commercially marketed BRD recorder. BRD player was less than expected.

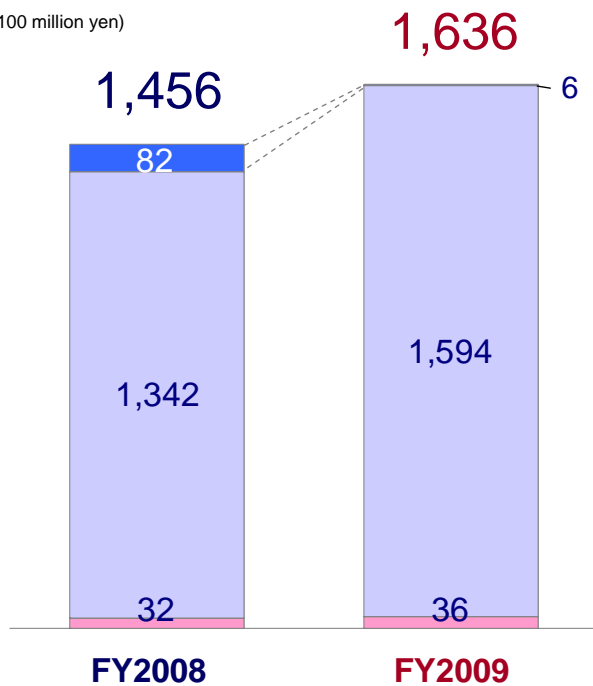
Digital STB&Others · Digital STB ended the life in the U.S market.

Comparison to Previous FY	
Video	: 10 (50.0%)
DVD Player Equipment	: + 28 (+ 13.7%)
DVD Recorder Equipment	: 44 (22.2%)
Blu-ray disc	: + 67 (+ 54.9%)
Digital STB	: 192 (62.7%)
Total	: 151 (17.8%)

5 . Sales of Television Equipment



(100 million yen)



CRT TV

· The production ended due to the rapid growth and replacement with FPD TV.

LCD TV

· Expanded centering on the U.S. market.

Comparison to Previous FY

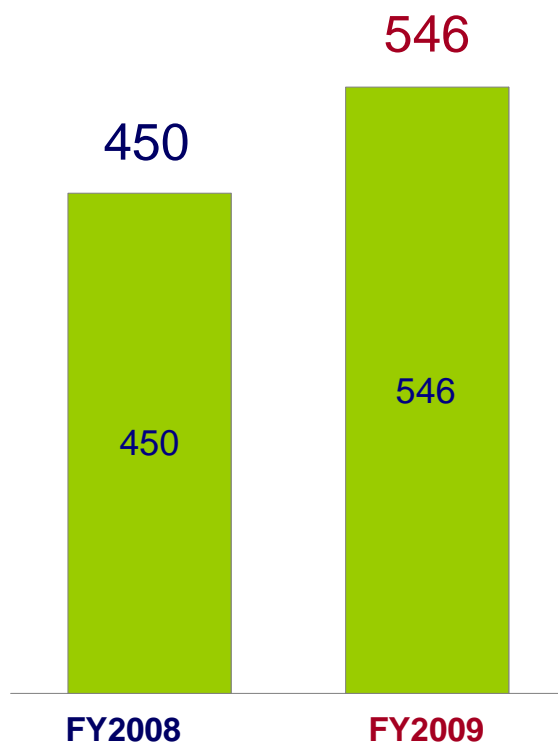
CRT TV : 76 (92.7%)

LCD TV : + 252 (+ 18.8%)

Others : + 4 (+ 12.5%)

Total : + 180 (+ 12.4%)

6 . Sales of Information Equipment



Information Equipment

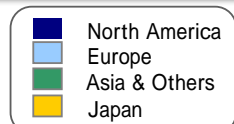
· Sales of digital still camera were not posted as orders from OEM partners stopped.

· Incoming orders of ink-jet printers increased.

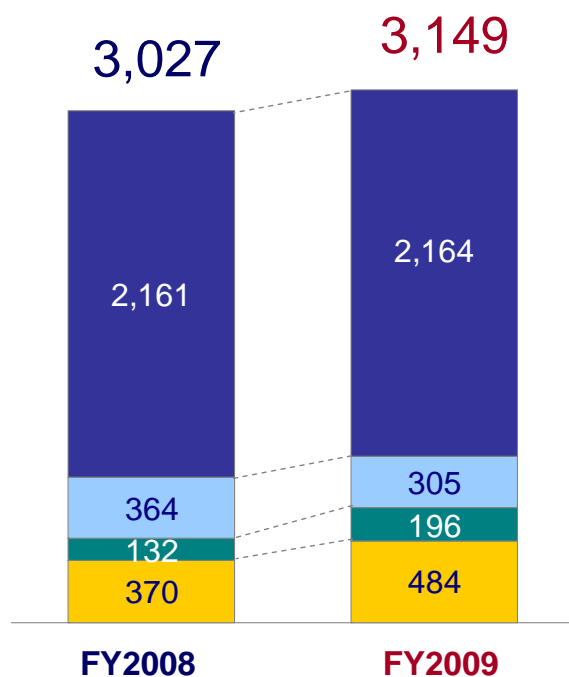
Comparison to Previous FY

Information Equipment : + 96 (+ 21.4%)

7 . Geographic Breakdown of Sales



(100million yen)



North America

• LCD TV under fierce competition increased, but digital STB decreased due to the end of life in the market.

Europe

• Under on-going restructuring both of DVD and LCD TV decreased

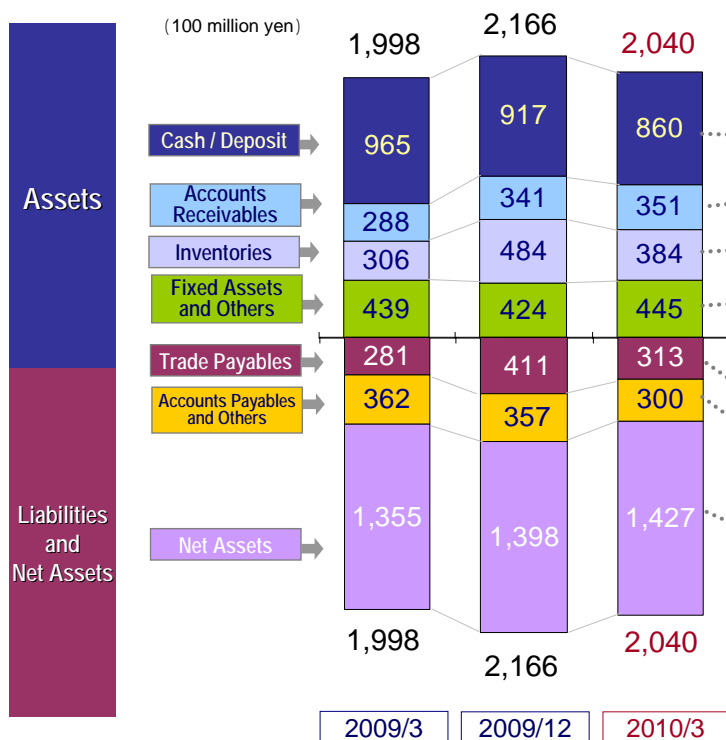
Japan

• LCD TV and Blu-ray disc recorder increased.

Comparison to Previous FY

North America	: + 3 (+ 0.1%)
Europe	: 59 (- 16.2%)
Asia & Others	: + 64 (+ 48.5%)
Japan	: + 114 (+ 30.5%)
Total	: + 122 (+ 4.0%)

8 . Financial Conditions

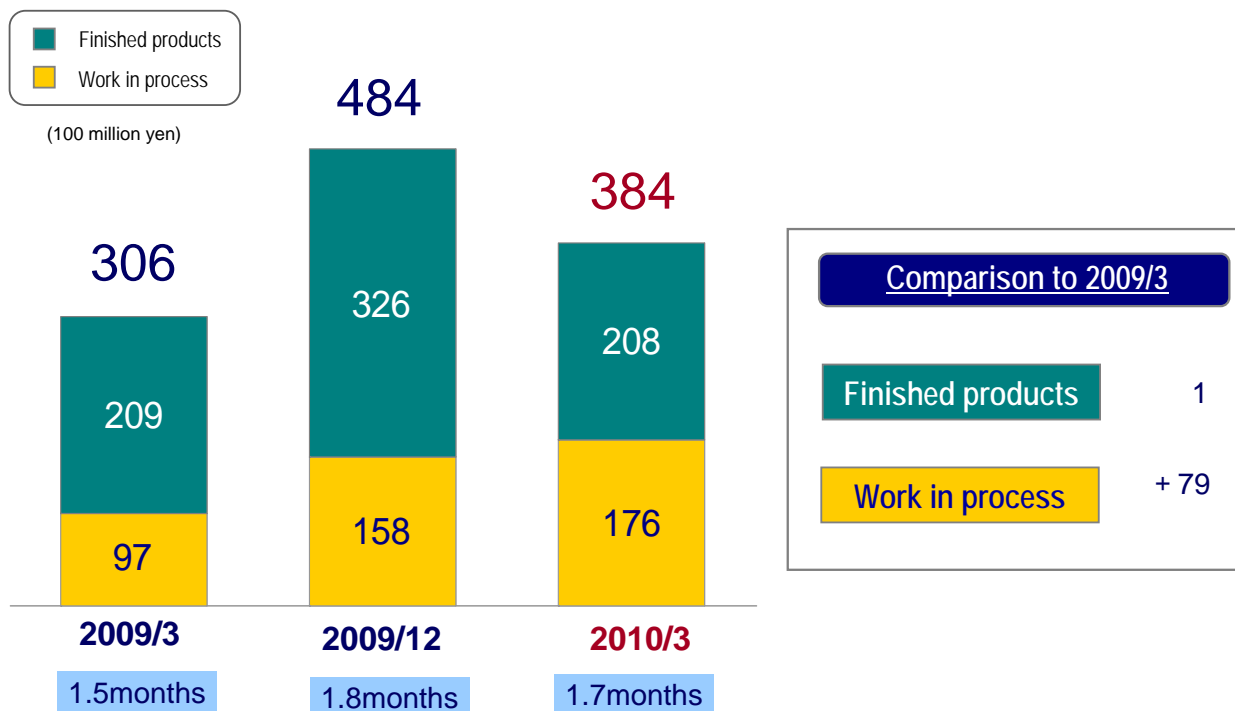


Comparison to 2009/3

Assets	+ 42
• Cash / Deposit	105
• Accounts Receivables	+ 63
• Inventories	+ 78
• Fixed Assets and Others	+ 6
Liabilities	30
• Trade Payables	+ 32
• Accounts Payables and Others	62
Net Assets	+ 72

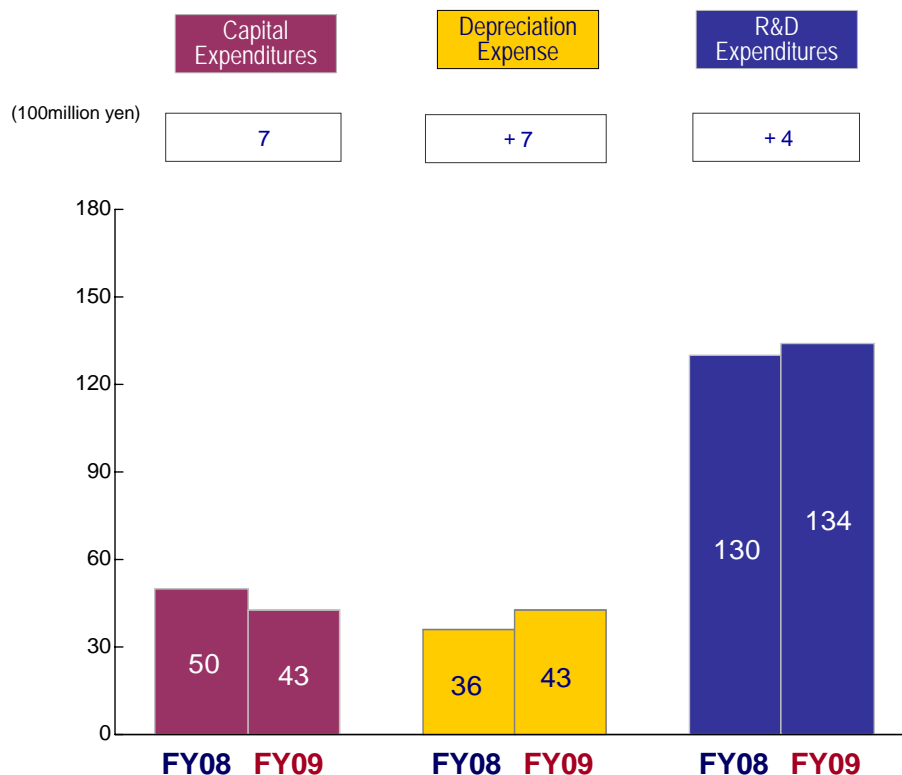
(Shareholders' Equity Ratio 69.6%)

9. Changes of Inventories



Inventories Turnover

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



11 . Projection of FY2010 Operating Results



(100 million yen)

	Result of FY 2009			Forecast of FY 2010			Changes from Previous Year
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	
Net Sales	1,670	1,479	3,149	1,700	1,800	3,500	+351 (+11.1%)
Operating Income	100	11	111	72	58	130	+19
Margin	(6.0%)	(0.7%)	(3.5%)	(4.2%)	(3.2%)	(3.7%)	
Ordinary Income	95	21	116	70	59	129	+13
Margin	(5.7%)	(1.4%)	(3.7%)	(4.1%)	(3.3%)	(3.7%)	
Net Income after tax	73	30	103	56	44	100	3
Margin	(4.4%)	(2.0%)	(3.3%)	(3.3%)	(2.4%)	(2.9%)	
Average Exchange Rate (USD-JPY)	94.78	90.43	92.60	90.00			

(Reference) Sales Breakdown by Equipment (100 million yen)

	Results of FY2009	Forecast of FY2010	Changes
Audio & Visual	2,335	2,565	+ 230
Information	546	618	+ 72
Others	268	317	+ 49
Total	3,149	3,500	+ 351

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Supplemental Data

Summary of Operating Results (Jan.-Mar.)

1. Summary of Operating Results
2. Breakdown of Sales by Equipment
3. Sales of Audio and Visual Equipment
4. Sales of DVD Equipment
5. Sales of Television Equipment
6. Sales of Information Equipment
7. Geographic Breakdown of Sales

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1 . Summary of Operating Results (Jan.-Mar.)



(100 million yen)

	FY 2008 4Q	FY 2009 4Q	Changes from Previous 4Q
Net Sales	627	669	+42 (+6.6%)
Operating Income	18	3	+15
Margin	(3.0%)	(0.6%)	+0 (1) 7 (3)
Ordinary Income	11	3	+8
Margin	(1.9%)	(0.5%)	+14(2) +16(4)
Net Income after tax	13	11	+24
Margin	(2.1%)	(1.8%)	
Average Exchange Rate (USD- JPY)	95.19	90.74	

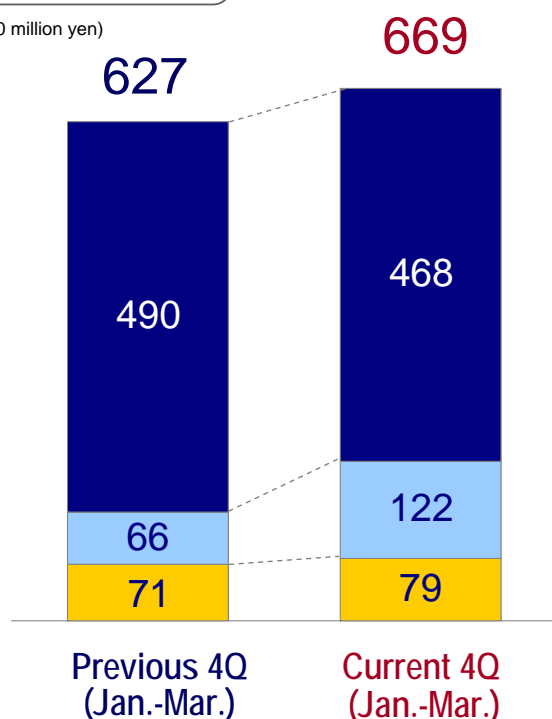
- (1) Interest receivables +0, Interest expenses 0, Others 0 (3) Interest receivables 3, Forex gain 6, Interest expenses +1, Others +1
 (2) Extraordinary loss 8, Income taxes +22 (4) Extraordinary loss 4, Income taxes +20

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2 . Breakdown of Sales by Equipment



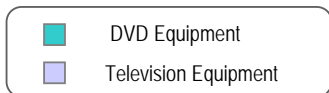
(100 million yen)



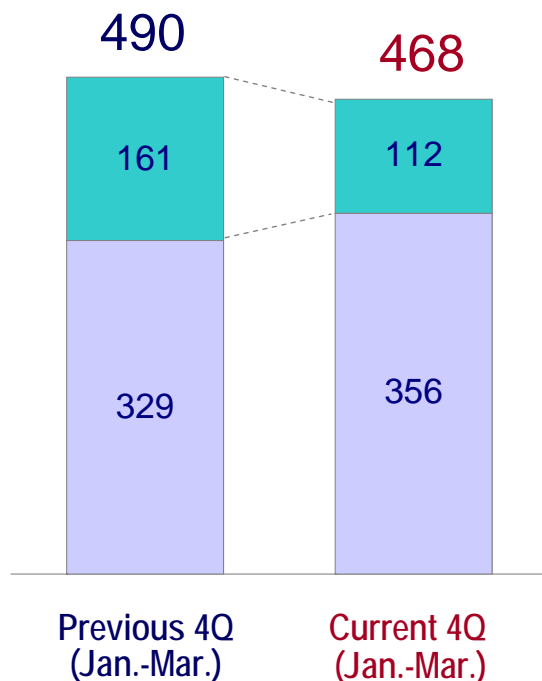
Comparison to Previous 4Q	
AV Equipment	: 22 (-4.5%)
Information Equipment	: +56 (+84.8%)
Others	: +8 (+11.3%)
Total	: +42 (+6.6%)

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3 . Sales of Audio and Visual Equipment



(100million yen)

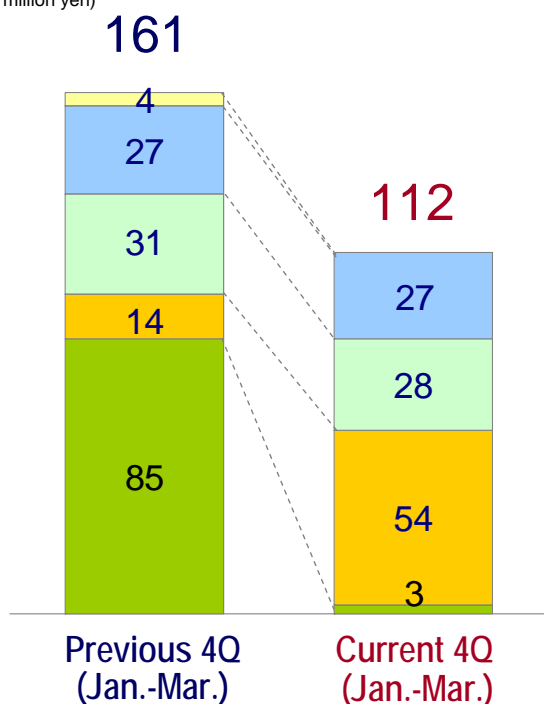


Comparison to Previous 4Q	
DVD Equipment	: 49 (30.4%)
Television Equipment	: + 27 (+ 8.2%)
Total	: 22 (4.5%)

4 . Sales of DVD Equipment

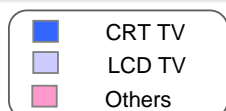


(100 million yen)

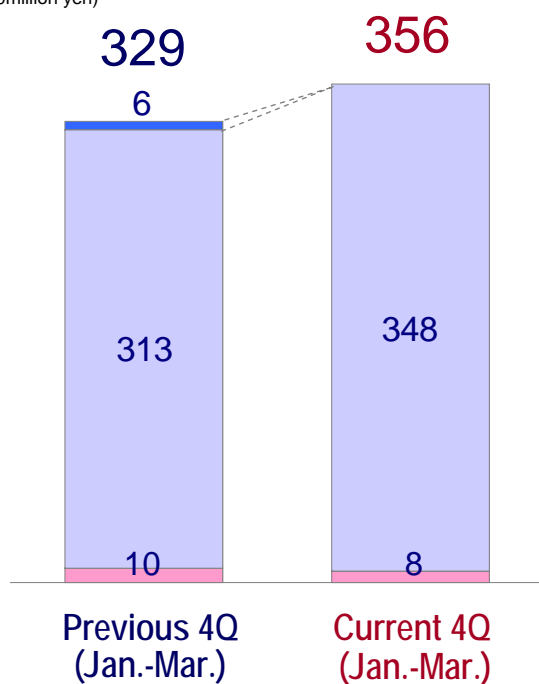


Comparison to Previous 4Q	
Video	: 4 (-)
DVD Player Equipment	: - (-)
DVD Recorder Equipment	: 3 (9.7%)
Blu-ray disc	: + 40 (+ 285.7%)
Digital STB	: 82 (96.5%)
Total	: 49 (30.4%)

5 . Sales of Television Equipment



(100million yen)

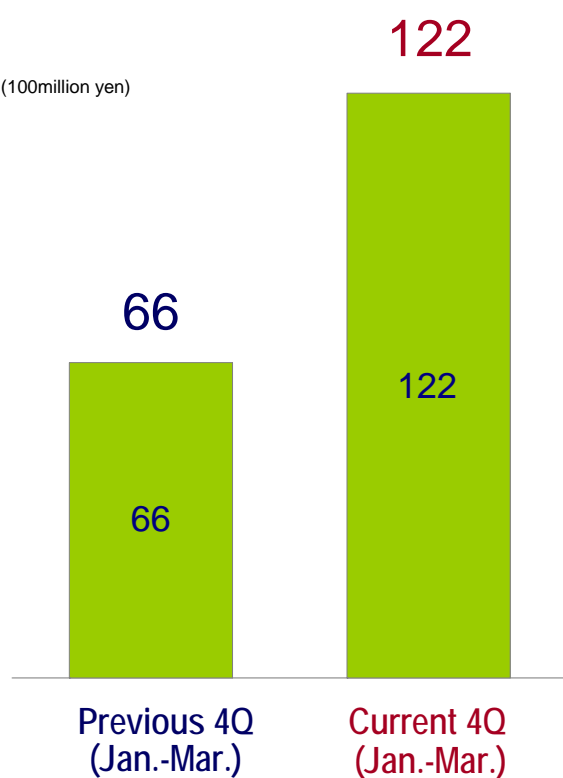


Comparison to Previous 4Q

CRT TV	:	6	(-)
LCD TV	:	+ 35	(+ 11.2%)
Others	:	2	(20.0%)
Total	:	+ 27	(+ 8.2%)

6 . Sales of Information Equipment

(100million yen)



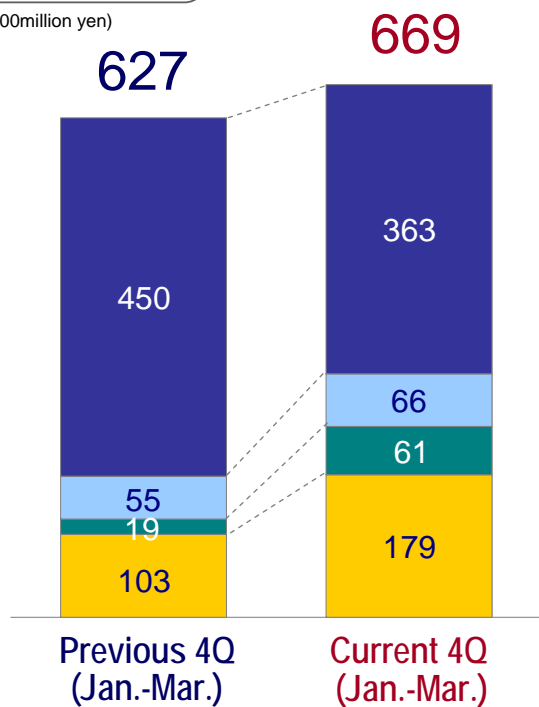
Comparison to Previous 4Q

Information Equipment	:	+ 56	(+ 84.8%)
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7 . Geographic Breakdown of Sales



(100million yen)



Comparison to Previous 4Q	
North America	: 87 (- 19.3%)
Europe	: + 11 (+ 20.0%)
Asia & Others	: + 42 (+ 221.1%)
Japan	: + 76 (+ 73.8%)
Total	: + 42 (+ 6.6%)



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

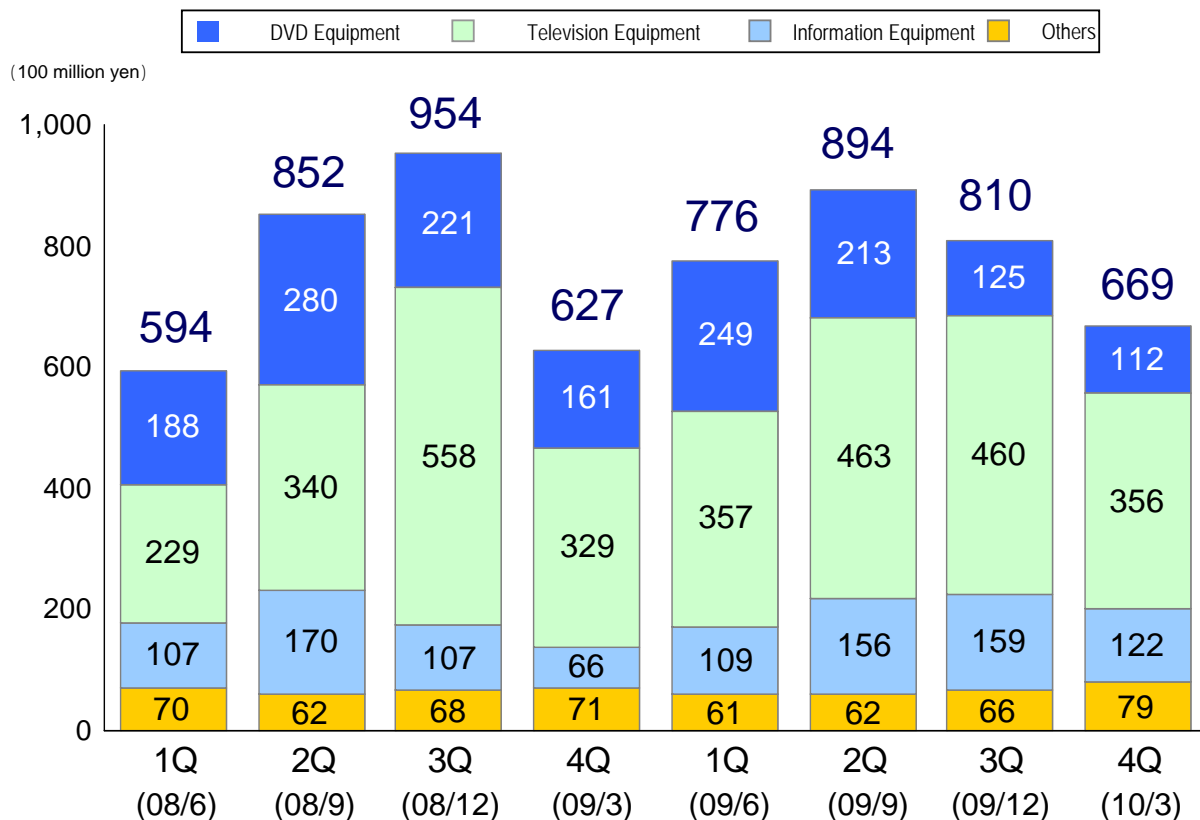


(100million yen)

	FY 2008				FY 2009			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	594	852	954	627	776	894	810	669
Operating Income	9	33	10	18	37	63	14	3
Margin	(1.7%)	(3.9%)	(1.1%)	(3.0%)	(4.8%)	(7.1%)	(1.8%)	(0.6%)
Ordinary Income	44	15	35	11	40	55	24	3
Margin	(7.5%)	(1.8%)	(3.8%)	(1.9%)	(5.3%)	(6.2%)	(3.0%)	(0.5%)
Net Income AfterTax	137	16	39	13	31	41	18	11
Margin	(23.2%)	(2.0%)	(4.1%)	(2.1%)	(4.1%)	(4.6%)	(2.3%)	(1.8%)

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2 Quarterly Changes of Sales Amount by Equipment



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