

FUNAI ELECTRIC.,LTD.

Presentation of Operating Results (Consolidated)
in 2nd Quarter (Apr.-Sep.) of FY 2008

November 13, 2008

Outline of 2nd Quarter (Apr.-Sep.) of FY 2008 Operating Results (Consolidated)

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1 Summary of Operating Results (Apr.-Sep.)

(100 million yen)

	Previous 2Q	Projection	Current 2Q	Changes from Previous 2Q	Changes from Projection
Net Sales	1,563	1,440	1,446	7.5%	+0.5%
Operating Income	20	33	43	+108.8%	+30.9%
Margin	(1.3%)	(2.3%)	(3.0%)	+16 (1)	
Ordinary Income	50	43	59	+18.6%	+39.3%
Margin	(3.2%)	(3.0%)	(4.1%)		
Net Income after tax	42	33	47	-	+43.5%
Margin	(2.7%)	(2.3%)	(3.3%)	180 (2)	
Net Income after tax	42	139	121	-	-
Margin	(2.7%)	(9.7%)	(8.4%)		
Average USD - JPY Exchange Rate	JPY119. ¹⁹	JPY100. ⁰⁰	JPY106. ²²		

(1) Interest receivables +17, Forex gain +1, Others 2

(2) Income taxes for prior periods 168, Others 12

(before deduction of income taxes for 16.8 bill.yen for prior periods)

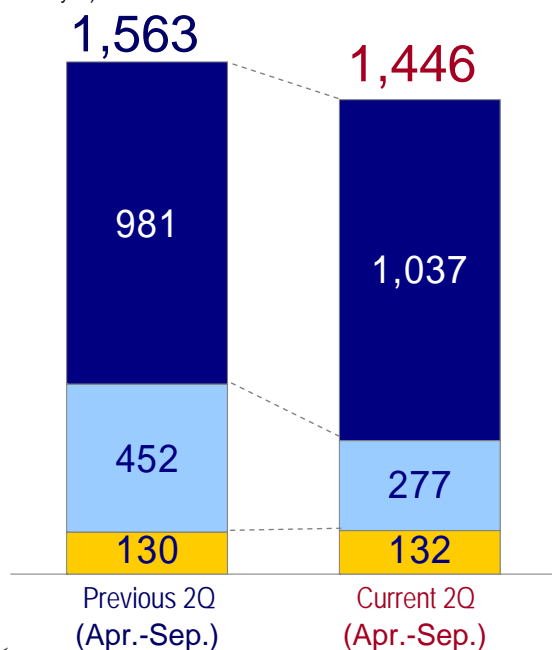


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2 Breakdown of Sales by Equipment

- AV Equipment
- Information Equipment
- Others

(100 million yen)



(100 million yen)

Comparison to Previous 2Q	
AV Equipment	: +56 (+ 5.8%)
Information Equipment	: 175 (- 38.7%)
Others	: +2 (+ 1.4%)
total	: 117 (7.5%)



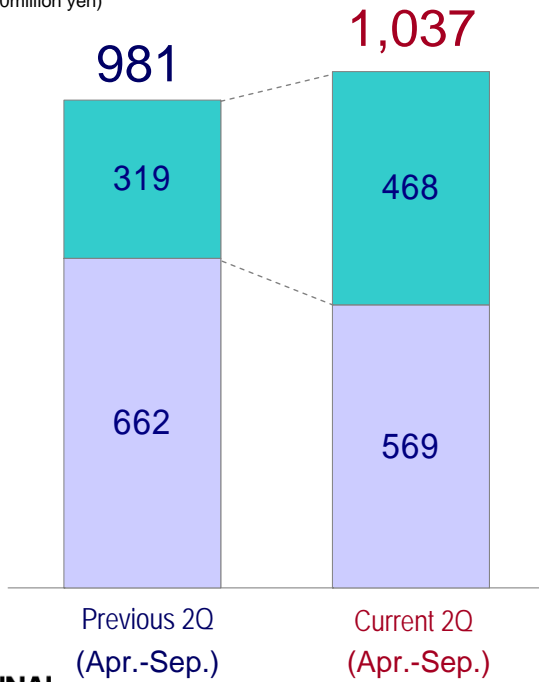
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Sales of Audio and Visual Equipment

- DVD related Equipment
- Television related Equipment

(100million yen)



(100million yen)

Comparison to Previous 2Q

DVD related Equipment : + 149 (+ 46.7%)

Television related Equipment : 93 (14.0%)

Total : + 56 (+ 5.8%)

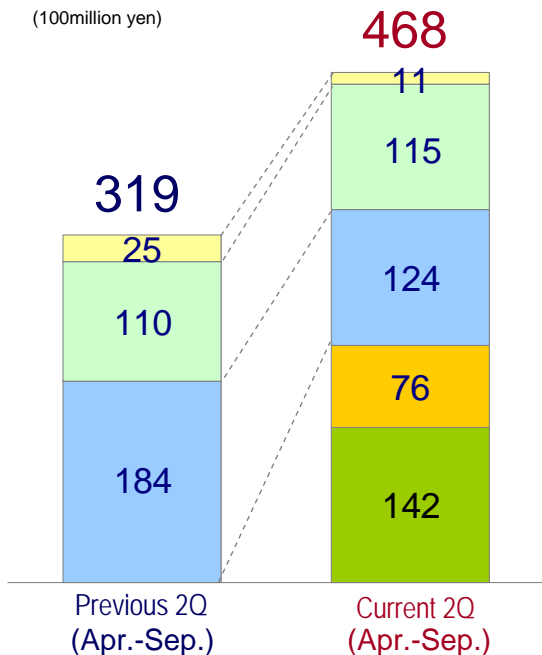


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Sales of DVD related Equipment

- Video
- DVD Recorder related Equipment
- DVD Player related Equipment
- Blu-ray disc Player
- Digital STB

(100million yen)



DVD Players

- Player related equip.tracking on the shrinkage of market.
- Recorder related equip.plateauing out.

DVD Recorders

Blu-ray disc Player

- Commercially launching in a full-scale manner from April.

Digital STB

- Better than expected sales

(100million yen)

Comparison to Previous 2Q

Video : 14 (56.0%)

DVD Recorder related Equipment : + 5 (+ 4.5%)

DVD Player related Equipment : 60 (32.6%)

Blu-ray disc Player : + 76 (-)

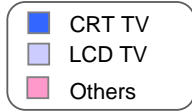
Digital STB : + 142 (-)

Total : + 149 (46.7%)

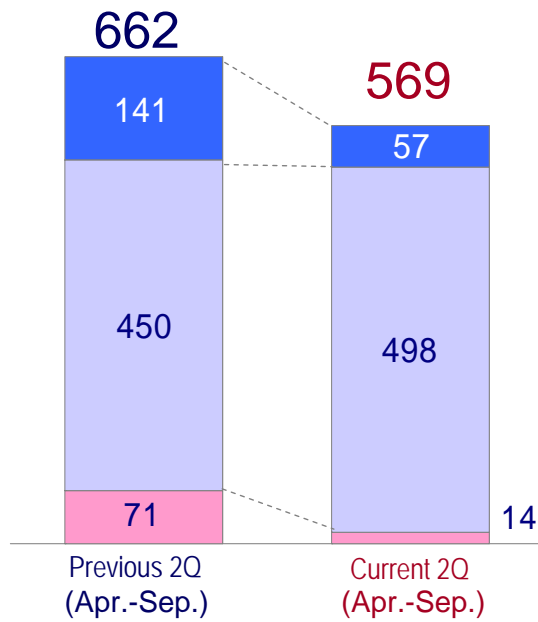


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Sales of Television related Equipment



(100million yen)



CRT TV

· Largely dropped due to the ongoing replacement with LCD TV in the market.

LCD TV

· More weight on larger size contributed to sales gain.

Others

· Withdraw of projector.

(100million yen)

Comparison to Previous 2Q

CRT TV : 84 (- 59.6%)

LCD TV : + 48 (+ 10.7%)

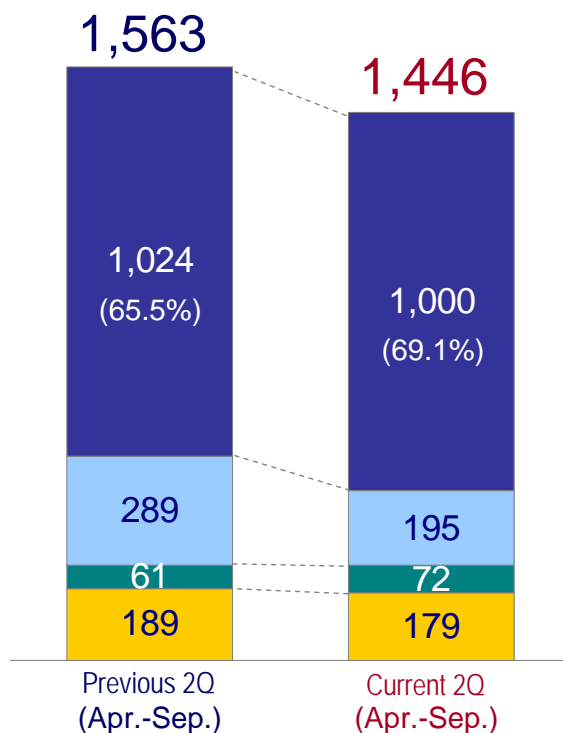
Others : 57 (80.3%)

Total : 93 (14.0%)

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Geographic Breakdown of Sales

(100million yen)



North America

Europe

· US subprime loan issues triggered off private consumption decline.

· Aggressively marketing Blu-ray disc player and digital setbox in US.

· Information equip. falling off due to strategic change of product in OEM clients.

(100million yen)

Comparison to Previous 2Q

North America : 24 (2.3%)

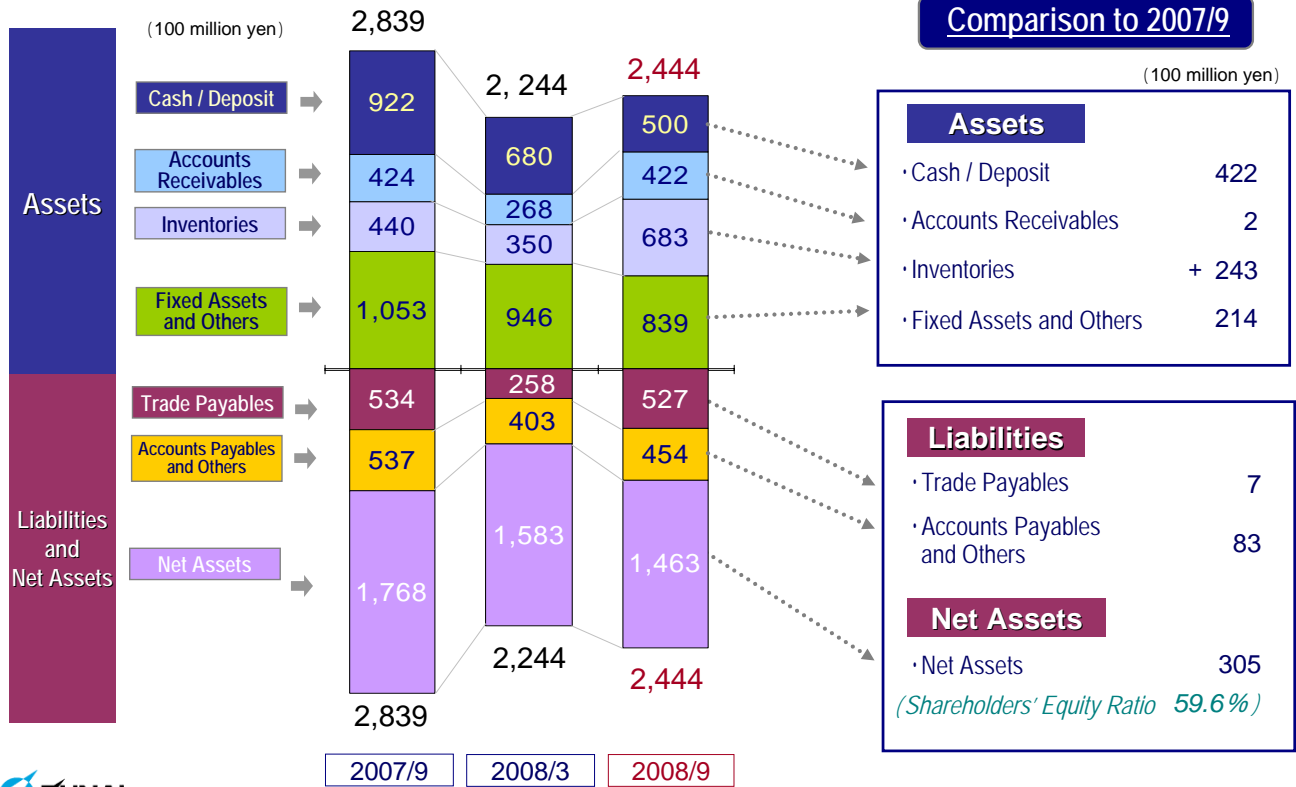
Europe : 94 (32.6%)

Asia & Others : + 11 (+ 18.0%)

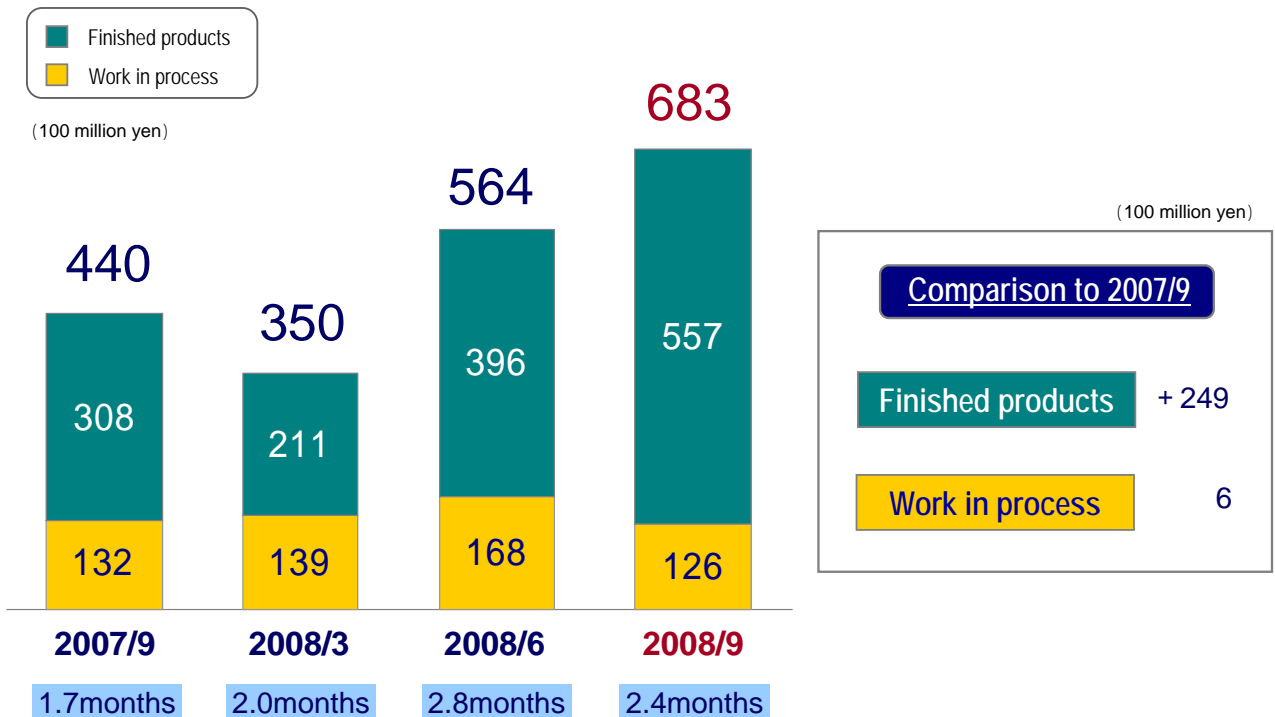
Japan : 10 (5.0%)

Total : 117 (7.5%)

7 Financial Conditions



8 Changes of Inventories



2Q

Capital Expenditures

Depreciation Expense

R&D Expenditures

Full Year

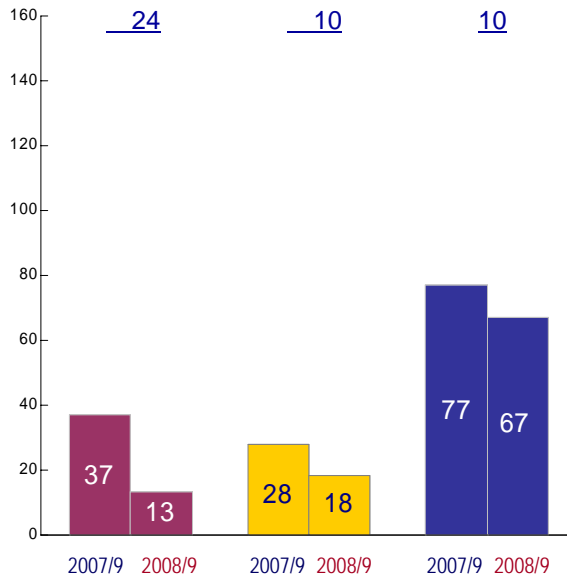
Capital Expenditures

Depreciation Expense

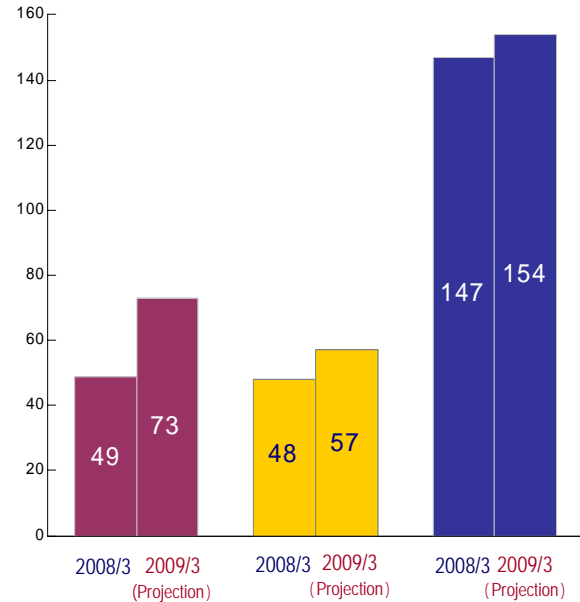
R&D Expenditures

Comparison to Previous 2Q

(100 million yen)



(100 million yen)



(100 million yen)

	Results of FY2007	Forecast of FY2008	Changes from Previous Year
Net Sales	2,771	3,400	+ 22.7%
Operating Income	24	60	-
Margin	(0.9%)	(1.8%)	
Ordinary Income	0	80	-
Margin	(0.0%)	(2.4%)	
Net Income after tax	53	58	-
Margin	(1.9%)	(1.7%)	
Net Income after tax	53	114	-
Margin	(1.9%)	(3.4%)	
Average USD - JPY Exchange Rate	JPY113. ⁸⁰	JPY100. ⁰⁰	

(Unit: million yen)

(before deduction of income taxes for 16.8 bill.yen for prior periods)

	Results of FY2007	Forecast of FY2008	Change
Audio & Visual	1,841	2,623	+ 782
Information	650	484	166
Others	280	293	+ 13
Total	2,771	3,400	+ 629



Supplemental Data

- 1 Quarterly Operating Summary of FY2007,2008
- 2 Quarterly Changes of Sales Amount by Equipment

1 Quarterly Operating Summary of FY 2007, 2008

(100 million yen)

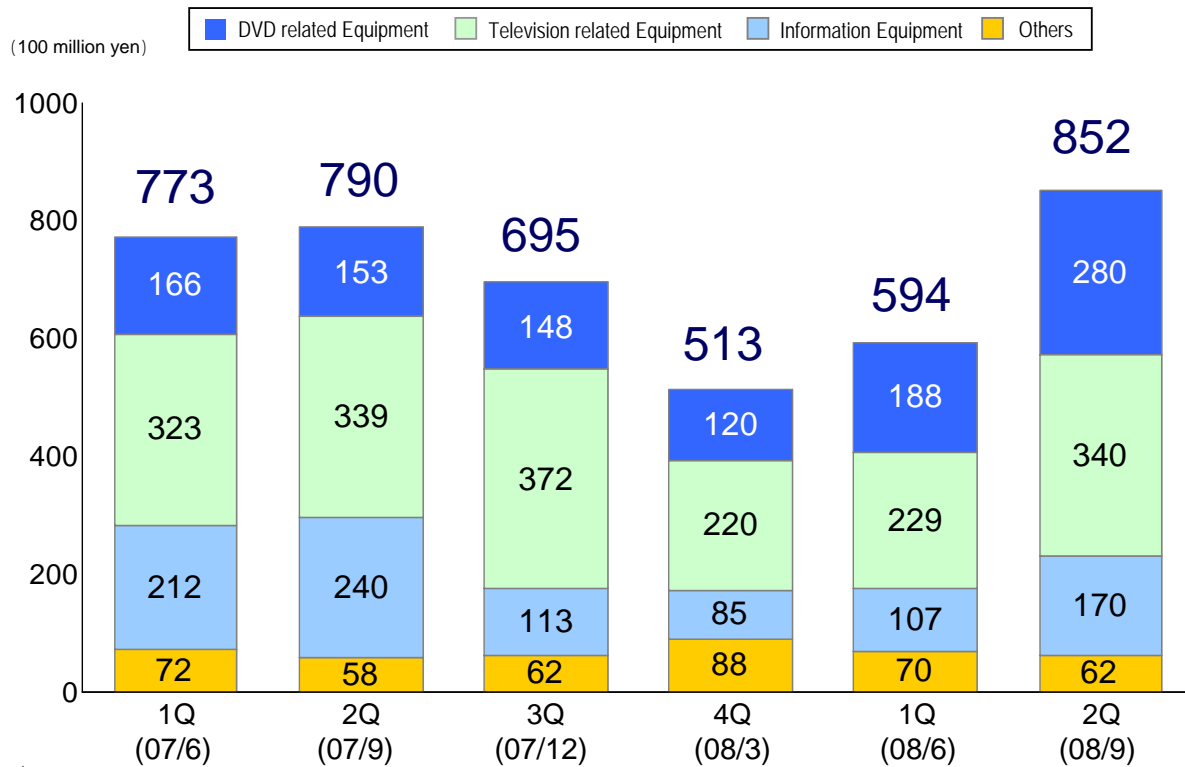
	FY 2007				Current 2Q	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	773	790	695	513	594	852
Operating Income	11	9	7	36	9	33
Margin	(1.5%)	(1.1%)	(1.1%)	(7.0%)	(1.7%)	(3.9%)
Ordinary Income	44	6	7	58	44	15
Margin	(5.8%)	(0.8%)	(1.1%)	(11.3%)	(7.5%)	(1.8%)
Net Income After Tax	13	56	12	23	137	16
Margin	(1.7%)	(7.1%)	(1.8%)	(4.5%)	(23.2%)	(2.0%)

18 (1)

(1) Interest receivables + 8, Forex gain 23, Others 3

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Quarterly Changes of Sales Amount by Equipment



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.

