

FY 2012 SECOND QUARTER IN CUMULATIVE FINANCIAL REPORT

〔 From April 1, 2012
To September 30, 2012 〕



FUNAI ELECTRIC CO., LTD.

Second Quarter (April-September) Consolidated Financial Summary
for the Period Ending March 2013

(Million yen)

	Previous Year Second Quarter		Current Year Second Quarter		Rate of increase or decrease
	〔 From April 1, 2011 to September 30, 2011 〕		〔 From April 1, 2012 to September 30, 2012 〕		
	Amount	%	Amount	%	
Net Sales	140,641	100.0	89,050	100.0	(36.7)
Operating Income (Loss)	2,120	1.5	(1,451)	(1.6)	—
Ordinary Income (Loss)	519	0.4	(3,064)	(3.4)	—
Net Income (Loss) before Taxes and Other Adjustments	426	0.3	(3,234)	(3.6)	—
Net Income (Loss) after Tax	(2,997)	(2.1)	(2,991)	(3.4)	—
Net Income (Loss) per Share	(87.86)		(87.68)		

Notes: Includes 16 consolidated subsidiaries, 1 non-consolidated subsidiary accounted for by the equity method.



Financial Report for the 6-Month Period ended September 30, 2012

November 5, 2012

Listed company name: Funai Electric Co., Ltd.

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

Representative: President and CEO

Tomonori Hayashi

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Scheduled date of Quarterly Report; November 8, 2012

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 2013 (April 1, 2012 – September 30, 2012)

(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 FY2012	89,050	(36.7)	(1,451)	—	(3,064)	—	(2,991)	—
2 nd Quarter FY2011	140,641	(8.7)	2,120	(53.8)	519	(89.1)	(2,997)	—
(Reference) Comprehensive Income			2 nd Quarter FY 2012 ended September 30, 2012				(5,893) million yen (%)	
			2 nd Quarter FY 2011 ended September 30, 2011				(9,041) million yen (%)	

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
2 nd Quarter FY2012	(87.68)	—
2 nd Quarter FY2011	(87.86)	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	Million yen	Million yen	%
2 nd Quarter FY2012	176,214	116,323	65.3
Fiscal Year 2011	176,607	123,843	69.5
(Reference) Equity	2 nd Quarter FY 2012 ended September 30, 2012		115,155 million yen
	Fiscal Year 2011 ended March 31, 2012		122,762 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 2011	—	0.00	—	50.00	50.00
Fiscal Year 2012	—	0.00			
Fiscal Year 2012 (Projection)			—	—	—

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

The dividend for FY 2012 has been undecided. The company's dividend policy of DOE is unchanged.

Because of the high impact stemmed from the recent fluctuations in exchange rates give to the consolidated net assets, the dividend is to be disclosed at the time of disclosure has become possible to public.

3 Forecast of Consolidated Results for the Fiscal Year ending March 2013 (April 1, 2012 - March 31, 2013)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
Full Year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	205,000	(16.7)	(2,500)	—	(4,100)	—	(5,800)	—	(169.99)

(Note) Revision of Forecast of Consolidated Results for the six month period or the Full Year in this 2nd Quarter: No

*Note

(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

1. Changes arising from revision of accounting standards: Yes
2. Changes arising from other factors: No
3. Changes in accounting estimates: Yes
4. Restatement: No

(4) Number of Shares Outstanding (Ordinary Shares)

1. Number of shares outstanding (including treasury stock) as of September 30, 2012; 36,130,796 shares
as of March 31, 2012; 36,130,796 shares
2. Number of shares of treasury stock as of September 30, 2012; 2,011,607 shares
as of March 31, 2012; 2,011,607 shares
3. The Average number of outstanding shares on September 30, 2012; 34,119,189 shares
on September 30, 2011; 34,113,794 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:

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.

1. Qualitative Information Regarding Quarterly Financial Results

(1) Qualitative Information Relating to Consolidated Business Performance

During the second quarter of the current fiscal term, despite ongoing economic recovery in our mainstay United States market evidenced by increased consumer spending, lower-than-expected unemployment and bottoming housing prices, the continuing economic contraction in the euro zone affected emerging markets such as China and heightened concerns about a global economic slowdown. In Japan, economic stimulus measures have been drawn up as the country's post-quake recovery slows, and the deteriorating relationship with China, combined with the global economic slowdown described above, represents a downside risk to the economy.

In the consumer electronics industry, demand for LCD TVs, one of the Funai Group's leading products, continues to stagnate in Japan as consumer confidence declines, and in Western Europe where the economy is currently experiencing a slowdown. However, the United States continues to be comparatively stable, and Eastern Europe and other developing regions are trending towards growth.

As a result of the above factors, the Group posted net sales of JPY 89,050 million, a 36.7% decrease compared with the same period last year.

On the profit front, operating loss was JPY 1,451 million (operating income for the same period last year was JPY 2,120 million), ordinary loss was JPY 3,064 million (ordinary income for the same period last year was JPY 519 million); and a quarterly net loss of JPY 2,991 million (the quarterly net loss for the same period last year was JPY 2,997 million).

Segment conditions by location were as follows:

i) Japan

A reduction in printer orders prompted a major revenue falloff in information equipment. Moreover, sales of Blu-ray Disc recorders significantly declined year-over-year due to ongoing market contraction.

Sales of LCD TVs, antennas and related devices declined year-over-year due to reduced demand in the wake of Japan's transition to digital terrestrial broadcasting.

As a result, net sales were JPY 22,861 million, a decrease of 67.5% year on year. Our segment loss (operating loss) was JPY 501 million (the operating profit for this segment for the same period last year was JPY 5,119 million).

ii) North America

Sales of DVD-related equipment declined year-over-year due to market contraction. Meanwhile, sales of LCD TVs increased year-over-year due to strong sales of competitively priced products at a major mass retailer.

As a result, net sales amounting to JPY 64,271 million, an increase of 0.4% year on year. Our segment loss (operating loss) was JPY 387 million (the operating loss for this segment for the same period last year was JPY 1,121 million).

iii) Asia

Net sales came to JPY 424 million, a decrease of 88.9% year-on-year. Our segment profit (operating profit) was JPY 502 million, a decrease of 0.4% year on year.

iv) Europe

While sales of video products were comparatively strong, sales of LCD TVs and DVD-related products declined due to sluggish market conditions. Furthermore, an anticipated Olympic-related surge in demand failed to materialize.

As a result, net sales down 37.7% year on year, to JPY 1,494 million, and an segment loss (operating loss) of JPY 176 million (operating loss for the same period last year was JPY 903 million).

Sales by product segment were as follows:

i) Audio-Visual Equipment

In the audio-visual equipment sector, the DVD-related equipment field witnessed a decline in revenue due to weakness in the domestic Blu-ray Disc recorder market and low revenue from other DVD-related products. Despite stability in the North American market for LCD TVs, the LCD TV market experienced an overall decline in the wake of Japan's transition to digital terrestrial broadcasting. As a result, net sales of this equipment were JPY 74,529 million, a decrease of 26.3% year on year.

ii) Information Equipment

In the information equipment sector, a decrease in printer orders resulted in net sales of JPY 4,068 million, a decrease of 77.6% year on year.

iii) Other Products

Sales of other products not included in the above categories amounted to JPY 10,453 million, a decrease of 50.9% year-over-year, as sales of antennas and related devices fell in the wake of Japan's transition to digital terrestrial broadcasting.

(2) Qualitative Information Relating to Consolidated Financial Position

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

Total assets decreased by JPY 392 million as compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of JPY 4,400 million and JPY 6,160 million in notes and accounts receivable-trade, goods and products, and a decrease of JPY 6,585 million and JPY 4,500 million in cash and deposits, securities.

Total liabilities increased by JPY 7,127 million as compared to the end of the previous consolidated fiscal year. This was mainly due to the JPY 6,234 million increases in notes and accounts payable-trade.

Net assets fell by JPY 7,519 million as compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of JPY 4,697 million and JPY 2,925 million in the retained earnings and foreign currency translation adjustment account.

(3) Qualitative Information Relating to Consolidated Performance Forecasts:

We have not revised its consolidated operating results forecast released on November 2, 2012.

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 and currency exchange.

2. Summary Information

(1) Important changes relating to subsidiaries and affiliates during the fiscal term

Funai India Private Limited took on increased importance in the first quarter of the current fiscal term, so it has been included within the scope of consolidation. The newly-established Zhong Shan Funai Electron Co. has also been included within the scope of consolidation.

The newly-established FUNAI CMET Optical Electronics Co., Ltd. has also been included within the scope of consolidation in the second quarter.

(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 second fiscal quarter.

(3) Changes arising from revision of accounting standards, Changes in accounting estimates, Restatement (Switch to the method of depreciation)

In accordance with revisions to the corporate tax code, beginning in the first quarter of the current fiscal term the Company and its consolidated subsidiaries in Japan will switch to the method of depreciation called for in the revised tax code for tangible fixed assets acquired on or after April 1, 2012.

The resultant impact on operating loss, ordinary loss and net loss before taxes and other adjustments is minor.

(4) Other

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

1. We received a rectification notices from the Osaka Regional Taxation Bureau on June 28, 2005, and June 16, 2008. The Bureau determined that our 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 ended March 31, 2002 through 2004, and the three years from March 31, 2005 through 2007, will be considered, and taxed as, our income. We objected to this supplementary tax assessment, and filed petitions seeking a review of the decision with the Osaka Regional Tax Tribunal on July 25, 2006, and August 6, 2008. On July 3, 2008, and July 23, 2009, we received written verdicts on this case from the Administrative Review Office of the Osaka Regional Taxation Bureau, which indicated that our assertions had been dismissed. On November 16, 2006 and November 14, 2008, the Company filed suits in the Osaka District Court to overturn the supplementary tax assessment orders, 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. 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. With respect to this action, on July 20, 2012, the court dismissed the claims of the Company. In response to this judgment, the company will promptly examine the contents of the judgment. The Company intends to appeal this matter with the High Court.

The additional taxes of JPY 16,651 million (JPY 19,184 million including incidental taxes) and JPY 15,038 million (JPY 16,838 million including incidental taxes) include corporate, enterprise and residence taxes. In accordance with the "Accounting Practices, Disclosure and Audit Treatment for Various Taxes" (Japanese Institute of Certified Public Accountants, Auditing and Assurance Practice Committee, Audit Committee Report No. 63) we charged the tax assessments to income as "prior year's taxes" in the fiscal year ended March 31, 2007, and the fiscal year ended March 31, 2009.

2. We received a rectification notice from the Osaka Regional Taxation Bureau on June 29, 2011. The Bureau determined that our 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 ended March 31, 2008 through 2010, will be considered, and taxed as our income. We objected to these supplementary tax assessments, and filed a petition with the Osaka Regional Tax Tribunal on August 25, 2011, to overturn the supplementary tax assessment order. Thereafter, we received written verdicts on this case on July 24, 2012 indicating that our assertions had been dismissed. We will continue to assert the validity of its arguments in the future. The additional tax of JPY 825 million (JPY 935 million including incidental taxes) includes corporate, enterprise and residence taxes. We charged the tax assessments to income as "prior year's taxes" in the fiscal year ended March 31, 2012.
3. With regard to the actions the Company filed with the Osaka District Court on June 28, 2005, and June 16, 2008, seeking the rescission of supplementary tax assessments, on June 24, 2011, a decision was reached in which the court dismissed the claims of the Company. Accordingly, the Company treated this amount as an expense during the fiscal year under review, which is the fiscal year ended March 31, 2012 following the year to which the assessment was applied.

3. Consolidated Financial Statements

(1).Consolidated Quarterly Balance Sheets

(Units : Million Yen)

	Fiscal year 2011 (As of March 31, 2012)	2nd Quarter FY2012 (As of September 30, 2012)
ASSETS;		
Current Assets		
Cash and deposits	68,146	61,560
Notes and accounts receivable-trade	32,296	36,696
Securities	4,500	-
Merchandise and finished goods	22,387	28,547
Work in process	1,570	1,481
Raw materials and supplies	10,005	10,401
Other	6,905	7,154
Allowance for doubtful accounts	(120)	(120)
Total current assets	145,689	145,721
Noncurrent assets		
Tangible fixed assets	14,785	14,330
Intangible assets	4,795	4,040
Investment and other assets		
Other	11,634	12,314
Allowance for doubtful accounts	(297)	(192)
Total investments and other assets	11,336	12,121
Total noncurrent assets	30,917	30,492
TOTAL ASSETS	176,607	176,214
LIABILITIES;		
Current Liabilities		
Notes and accounts payable-trade	29,623	35,857
Short-term loans payable	4,583	5,000
Income taxes payable	325	254
Provision	1,072	1,052
Other	14,451	15,082
Total current liabilities	50,054	57,247
Noncurrent liabilities		
Provision	2,108	2,058
Other	600	584
Total noncurrent liabilities	2,708	2,643
TOTAL LIABILITIES	52,763	59,890

(Units : Million Yen)

	Fiscal year 2011 (As of March 31, 2012)	2nd Quarter FY2012 (As of September 30, 2012)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,307	31,307
Capital surplus	33,272	33,272
Retained earnings	111,384	106,687
Treasury stock	(24,341)	(24,341)
Total shareholders' equity	151,623	146,925
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	56	72
Foreign currency translation adjustment	(28,917)	(31,843)
Total accumulated other comprehensive income	(28,861)	(31,770)
Subscription right to shares	106	114
Minority interests	974	1,054
Total net asset	123,843	116,323
TOTAL LIABILITIES AND NET ASSETS	176,607	176,214

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

(Units : Million Yen)

	2nd Quarter FY2011 (from April 1, 2011 to September 30, 2011)	2nd Quarter FY2012 (from April 1, 2012 to September 30, 2012)
Net sales	140,641	89,050
Cost of sales	119,091	73,615
Gross profit	21,549	15,435
Selling, general and administrative expenses	19,429	16,887
Operating income (loss)	2,120	(1,451)
Non-operating income		
Interest income	95	140
Dividends income	30	22
Other	110	198
Total non-operating income	235	361
Non-operating expenses		
Interest expenses	59	51
Equity in losses of affiliates	33	35
Foreign exchange losses	1,685	1,730
Other	57	157
Total non-operating expenses	1,835	1,974
Ordinary income (loss)	519	(3,064)
Extraordinary income		
Gain on disposal of noncurrent assets	1	3
Total extraordinary income	1	3
Extraordinary loss		
Loss on valuation of investment securities	65	164
Other	29	9
Total extraordinary loss	95	173
Income (loss) before income taxes	426	(3,234)
Income taxes	2,346	(255)
Income taxes for prior periods	936	-
Total income taxes	3,282	(255)
Income (loss) before minority interests	(2,856)	(2,979)
Minority interests in income	140	11
Net income (loss)	(2,997)	(2,991)

(Consolidated Quartely Statement of Comprehensive Income)

(Units : Million Yen)

	2nd Quarter FY2011 (from April 1, 2011 to September 30, 2011)	2nd Quarter FY2012 (from April 1, 2012 to September 30, 2012)
Loss before minority interest adjustment	(2,856)	(2,979)
Other comprehensive Income		
Valuation difference on available-for-sale securities	(29)	15
Foreign currency translation adjustment	(6,152)	(2,935)
Share of other comprehensive income of associates accounted for using equity method	(2)	5
Total other comprehensive Income	(6,185)	(2,914)
Comprehensive income	(9,041)	(5,893)
(Breakdown)		
Comprehensive income attributable to owners of paren	(9,182)	(5,900)
Comprehensive income attributable to minority interest	140	6

(3).Consolidated quarterly statements of cash flows

(Units : Million Yen)

	2nd Quarter FY2011 (from April 1, 2011 to September 30, 2011)	2nd Quarter FY2012 (from April 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	426	(3,234)
Depreciation and amortization	3,191	2,885
Increase(decrease) in allowance for doubtful accounts	33	(100)
Increase(decrease)in provision for retirement benefits	(262)	(47)
Interest and dividends income	(125)	(163)
Interest expenses	59	51
Equity in (earnings) losses of affiliates	33	35
Loss (gain) on sales of property, plant and equipment	(0)	(2)
Loss (gain) on valuation of investment securities	65	164
Decrease (increase) in notes and accounts receivable-trade	(3,727)	(6,683)
Decrease (increase) in inventories	1,119	(8,117)
Increase (decrease) in notes and accounts payable-trade	11,268	9,378
Other, net	588	1,382
Subtotal	12,669	(4,451)
Interest and dividends income received	118	137
Interest expenses paid	(62)	(50)
Income taxes paid	(2,016)	(225)
Income taxes refund	1,233	338
Income taxes for prior periods paid	(936)	-
Net cash provided by (used in) operating activities	11,005	(4,251)
Net cash provided by (used in) investment activities		
Payments into time deposits	(45,392)	(21,550)
Repayments from time deposits	46,224	32,835
Purchase of property, plant and equipment	(1,990)	(2,128)
Proceeds from sales of property, plant and equipment	36	41
Purchase of intangible assets	(265)	(150)
Purchase of investment securities	(205)	(111)
Proceeds from sales of investment securities	36	308
Payment of partial purchase of shares of consolidated subsidiarie	(196)	-
Payments for loan receivables	(3)	(1,264)
Other, net	81	3
Net cash provided by (used in) investment activities	(1,675)	7,984
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(7,809)	587
Repayment of long-term loans payable	(33)	-
Proceeds from issue of stock option	4	-
Cash dividends paid	(1,364)	(1,705)
Other, net	(127)	(39)
Net cash provided by (used in) financing activities	(9,330)	(1,157)
Effect of exchange rate change on cash and cash equivalents	(1,213)	(950)
Net increase (decrease) in cash and cash equivalents	(1,213)	1,625
Cash and cash equivalents at beginning of period	33,745	36,567
Increase in cash and cash equivalents from newly consolidated subsidiaries	-	33
Decrease in cash and cash equivalents resulting from deconsolidation of subsidiaries	(669)	-
Cash and cash equivalents at end of period	31,863	38,226

SECOND QUARTER IN CUMULATIVE FINANCIAL RESULTS SUPPLEMENTATION

FY 2012

(from 2012.4.1
to 2012.9.30)

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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 2011						FY 2012					
	2Q (Apr. - Sep.)			Full-Year			2Q (Apr. - Sep.)			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	1,406	100.0	(8.7)	2,461	100.0	(16.8)	890	100.0	(36.7)	2,050	100.0	(16.7)
Operating Income (Loss)	21	1.5	(53.8)	4	0.2	(40.2)	(14)	(1.6)	—	(25)	(1.2)	—
Ordinary Income (Loss)	5	0.4	(89.1)	1	0.1	(86.5)	(30)	(3.4)	—	(41)	(2.0)	—
Net Loss after Tax	(29)	(2.1)	—	(46)	(1.9)	—	(29)	(3.4)	—	(58)	(2.8)	—
Total Assets	1,813	—	—	1,766	—	—	1,762	—	—	—	—	—
Net Assets	1,212	—	—	1,238	—	—	1,163	—	—	—	—	—

(※) Yen-Dollars / Exchange rate

(Units : Yen / Dollars)

	FY 2011		FY 2012	
	2Q (Apr. - Sep.)	Full-Year	2Q (Apr. - Sep.)	Full-Year (Projections)
Average Rate in each Period	79.15	78.81	78.96	78.48

(2) Profitability and Per Share Data etc.

	FY 2011		FY 2012	
	2Q (Apr. - Sep.)	Full-Year	2Q (Apr. - Sep.)	Full-Year (Projections)
Gross Profit Ratio (%)	15.3	15.2	17.3	16.3
Operating Income Ratio (%)	1.5	0.2	(1.6)	(1.2)
Ordinary Income Ratio (%)	0.4	0.1	(3.4)	(2.0)
Shareholders' Equity Ratio (%)	66.3	69.5	65.3	—
Net Assets Per Share (yen)	3,523.01	3,598.03	3,375.08	—
Net Income Per Share (yen)	(87.86)	(135.69)	(87.68)	(169.99)
Return on Assets (%)	(1.5)	(2.5)	(1.7)	—
Return on Shareholders' Equity (%)	(2.3)	(3.7)	(2.5)	—
Number of Total Employees	4,628	3,990	4,838	—

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

(Units : 100 million yen, %)

	FY 2011				FY 2012			
	2Q (Apr. - Sep.)		Full-Year		2Q (Apr. - Sep.)		Full-Year (Projections)	
	Amount	Change	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	23	(48.9)	40	(33.3)	19	(17.4)	40	—

	FY 2011						FY 2012					
	2Q (Apr. - Sep.)			Full-Year			2Q (Apr. - Sep.)			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Depreciation Expenses	24	1.7	9.1	49	2.0	2.1	20	2.2	(16.7)	40	2.0	(18.4)
R&D	54	3.8	(14.3)	105	4.3	(18.6)	47	5.3	(13.0)	103	5.0	(1.9)

(4) CashFlow

(Units : 100 million yen)

	FY 2011		FY 2012	
	2Q (Apr. - Sep.)	Full-Year	2Q (Apr. - Sep.)	Full-Year (Projections)
Cash flows provided by operating activities	110	164	(42)	—
Income Before Income Taxes	4	(5)	(32)	—
Depreciation Expenses	31	65	28	—
Others	75	104	(38)	—
Cash flows used in investing activities	(16)	(64)	79	—
Free cash flows	94	100	37	—
Cash flows provided by financing activities	(93)	(67)	(11)	—
Effect of exchange rate changes on cash and cash equivalents	(12)	2	(9)	—
Net increase in cash and cash equivalents	(18)	28	16	—

2. Operating Activities (Consolidated)

(1) Sales by Equipment

(Units : 100 million yen, %)

	FY 2011						FY 2012					
	2Q (Apr. - Sep.)			Full-Year			2Q (Apr. - Sep.)			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,011	71.9	0.9	1,835	74.5	(7.6)	745	83.7	(26.3)	1,647	80.3	(10.2)
DVD	124	8.8	(7.5)	219	8.9	(18.6)	83	9.3	(33.1)	140	6.8	(36.1)
BD	220	15.6	111.5	380	15.4	7.6	57	6.4	(74.1)	150	7.3	(60.5)
LCD TV	656	46.7	(12.5)	1,209	49.1	(9.1)	594	66.8	(9.5)	1,323	64.5	9.4
Others	11	0.8	(26.7)	27	1.1	(20.6)	11	1.2	—	34	1.7	25.9
Information Equipment	182	12.9	(49.5)	300	12.2	(46.8)	41	4.6	(77.6)	104	5.1	(65.3)
Others	213	15.2	19.9	326	13.3	(20.3)	104	11.7	(50.9)	299	14.6	(8.3)
Total	1,406	100.0	(8.7)	2,461	100.0	(16.8)	890	100.0	(36.7)	2,050	100.0	(16.7)

(2) Sales by Areas in Equipment

(Units : 100 million yen, %)

	FY 2011						FY 2012					
	2Q (Apr. - Sep.)			Full-Year			2Q (Apr. - Sep.)			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	1,011	71.9	0.9	1,835	74.5	(7.6)	745	83.7	(26.3)	1,647	80.3	(10.2)
North America	641	45.6	(10.2)	1,222	49.7	(5.2)	616	69.2	(3.9)	1,312	64.0	7.4
Europe	31	2.2	(36.7)	67	2.7	(19.3)	23	2.6	(25.8)	36	1.8	(46.3)
Asia and Others	15	1.1	(28.6)	43	1.7	13.2	31	3.4	106.7	128	6.2	197.7
Japan	324	23.0	47.9	503	20.4	(12.7)	75	8.5	(76.9)	171	8.3	(66.0)
Information Equipment	182	12.9	(49.5)	300	12.2	(46.8)	41	4.6	(77.6)	104	5.1	(65.3)
North America	60	4.2	(57.1)	103	4.2	(51.9)	15	1.7	(75.0)	55	2.7	(46.6)
Europe	38	2.7	(60.8)	59	2.4	(61.7)	4	0.4	(89.5)	8	0.4	(86.4)
Asia and Others	79	5.6	(31.3)	131	5.3	(26.8)	22	2.5	(72.2)	33	1.6	(74.8)
Japan	5	0.4	(37.5)	7	0.3	(58.8)	0	0.0	—	8	0.4	14.3
Others	213	15.2	19.9	326	13.3	(20.3)	104	11.7	(50.9)	299	14.6	(8.3)
Total	1,406	100.0	(8.7)	2,461	100.0	(16.8)	890	100.0	(36.7)	2,050	100.0	(16.7)

(3) Sales by Equipment in Areas

(Units : 100 million yen, %)

	FY 2011						FY 2012					
	2Q (Apr. - Sep.)			Full-Year			2Q (Apr. - Sep.)			Full-Year (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	713	50.7	(19.5)	1,341	54.5	(13.9)	644	72.4	(9.6)	1,463	71.4	9.1
Audio Visual Equipment	641	45.6	(10.2)	1,222	49.6	(5.2)	616	69.2	(3.9)	1,312	64.0	7.4
Information Equipment	60	4.2	(57.1)	103	4.2	(51.9)	15	1.7	(75.0)	55	2.7	(46.6)
Others	12	0.9	(61.3)	16	0.7	(70.9)	13	1.5	8.3	96	4.7	500.0
Europe	69	4.9	(52.6)	126	5.1	(47.2)	27	3.0	(61.1)	46	2.3	(63.5)
Audio Visual Equipment	31	2.2	(36.7)	67	2.7	(19.3)	23	2.6	(25.8)	36	1.8	(46.3)
Information Equipment	38	2.7	(60.8)	59	2.4	(61.7)	4	0.4	(89.5)	8	0.4	(86.4)
Others	0	0.0	—	0	0.0	—	0	0.0	—	2	0.1	—
Asia and Others	99	7.1	(28.3)	181	7.4	(18.1)	55	6.1	(44.4)	169	8.2	(6.6)
Audio Visual Equipment	15	1.1	(28.6)	43	1.8	13.2	31	3.4	106.7	128	6.2	197.7
Information Equipment	79	5.6	(31.3)	131	5.3	(26.8)	22	2.5	(72.2)	33	1.6	(74.8)
Others	5	0.4	150.0	7	0.3	75.0	2	0.2	(60.0)	8	0.4	14.3
Japan	525	37.3	41.4	813	33.0	(13.7)	164	18.5	(68.7)	372	18.1	(54.2)
Audio Visual Equipment	324	23.0	47.9	503	20.4	(12.7)	75	8.5	(76.9)	171	8.3	(66.0)
Information Equipment	5	0.4	(37.5)	7	0.3	(58.8)	0	0.0	—	8	0.4	14.3
Others	196	13.9	36.1	303	12.3	(13.2)	89	10.0	(54.6)	193	9.4	(36.3)
Total	1,406	100.0	(8.7)	2,461	100.0	(16.8)	890	100.0	(36.7)	2,050	100.0	(16.7)

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

(1) Operating Results

(Units : 100 million yen, %)

	FY 2011			FY 2012		
	2Q (Jul. - Sep.)			2Q (Jul. - Sep.)		
	Amount	%	Change	Amount	%	Change
Net Sales	750	100.0	(5.2)	490	100.0	(34.7)
Operating Income (Loss)	17	2.4	(13.1)	(5)	(1.0)	—
Ordinary Income (Loss)	4	0.6	(87.3)	(10)	(2.0)	—
Net Loss after Tax	(6)	(0.9)	—	(11)	(2.3)	—

(※) Yen-Dollars / Exchange rate

(Units : Yen / Dollars)

	FY 2011		FY 2012	
	2Q (Jul. - Sep.)		2Q (Jul. - Sep.)	
Average Rate in each Period		77.08		78.12

(2) Sales by Equipment

(Units : 100 million yen, %)

	FY 2011			FY 2012		
	2Q (Jul. - Sep.)			2Q (Jul. - Sep.)		
	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	550	73.3	7.6	424	86.5	(22.9)
DVD	64	8.5	—	45	9.2	(29.7)
BD	101	13.5	90.6	19	3.9	(81.2)
LCD TV	379	50.5	(2.3)	354	72.2	(6.6)
Others	6	0.8	—	6	1.2	—
Information Equipment	95	12.7	(49.7)	15	3.1	(84.2)
Others	105	14.0	15.4	51	10.4	(51.4)
Total	750	100.0	(5.2)	490	100.0	(34.7)

