

FY 2009 FINANCIAL REPORT

〔 From April 1, 2009
To March 31, 2010 〕



FUNAI ELECTRIC CO., LTD.

BRIEF SETTLEMENT OF ACCOUNTS FOR THE FISCAL YEAR ENDED MARCH 31, 2010

May 10, 2010
Corporate Resolution

1. Summary of Operating Results (Consolidated)

(Million yen)

	Fiscal Year 2008 〔 From April 1, 2008 to March 31, 2009 〕		Fiscal Year 2009 〔 From April 1, 2009 to March 31, 2010 〕		Rate of increase or decrease
	Amount	%	Amount	%	
Net Sales	302,777	100.0	314,911	100.0	4.0
Operating Income	1,409	0.5	11,148	3.5	690.9
Ordinary Income	1,226	0.4	11,684	3.7	852.9
Net Income/Loss after Tax	17,364	5.7	10,328	3.3	-
Net Income/Loss per Share	509.33		302.97		

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.

2. Summary of Operating Results (Non-Consolidated)

(Million yen)

	Fiscal Year 2008 〔 From April 1, 2008 to March 31, 2009 〕		Fiscal Year 2009 〔 From April 1, 2009 to March 31, 2010 〕		Rate of increase or decrease
	Amount	%	Amount	%	
Net Sales	203,890	100.0	253,511	100.0	24.3
Operating Income/Loss	1,625	0.8	339	0.1	-
Ordinary Income/Loss	10,997	5.4	445	0.2	-
Net Income/Loss after Tax	8,693	4.3	1,106	0.4	-
Net Income/Loss per Share	254.98		32.45		



Financial Report for the 12-Month Period ended March 31, 2010

May 10, 2010

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 Annual General Shareholders Meeting; June 22, 2010

Scheduled date of Securities Report to be filed to the Kinki Finance Bureau; June 22, 2010

Scheduled date of Commencement of Annual Dividend Payment; June 11, 2010

1. Summary of Consolidated Results for the Fiscal Year ended March 2010 (April 1, 2009 – March 31, 2010)

(1) Operating Results (Consolidated)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year 2009	314,911	4.0	11,148	690.9	11,684	852.9	10,328	-
Fiscal Year 2008	302,777	9.2	1,409	-	1,226	-	17,364	-

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis	Net Income to Shareholders' Equity	Ordinary Income to Total Assets	Operating Income to Net Sales
	Yen	Yen	%	%	%
Fiscal Year 2009	302.97	300.77	7.5	5.8	3.5
Fiscal Year 2008	509.33	-	11.9	0.6	0.5

(Reference) Investment profit or loss recognized on equity basis

Fiscal Year ended March 31, 2010 33 million yen

Fiscal Year ended March 31, 2009 171 million yen

(2) Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
Fiscal Year 2009	204,057	142,779	69.6	4,164.86
Fiscal Year 2008	199,882	135,596	67.6	3,963.72

(Reference) Shareholders' Equity

Fiscal Year ended March 31, 2010 141,991 million yen

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

(3) Consolidated Cash Flows

	Cash Flows Provided by Operating Activities	Cash Flows Used in Investing Activities	Cash Flows Provided by Financing Activities	Outstanding Amount of Cash and Cash Equivalents at the End of Period
	Million yen	Million yen	Million yen	Million yen
Fiscal Year 2009	3,640	2,713	7,870	34,063
Fiscal Year 2008	728	10,795	2,563	40,180

2. Dividends

Corresponding Date	Dividend per Share					Total Dividend Payment	Pay-out Ratio (Consolidated)	Dividend to Net Assets (Consolidated)
	1Q End	2Q End	3Q End	Year-End	Annual			
	yen	yen	yen	yen	yen	Million yen	%	%
Fiscal Year 2008	-	0.00	-	40.00	40.00	1,363	-	0.9
Fiscal Year 2009	-	0.00	-	40.00	40.00	1,363	13.2	1.0
Fiscal Year 2010 (Projection)	-	0.00	-	40.00	40.00		13.6	

3 Forecast of Consolidated Results for the Fiscal Year ending March 2011 (April 1, 2010 - March 31, 2011)

(% 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
Six months ending Sep.30.2010	170,000	1.7	7,200	28.5	7,000	27.0	5,600	23.4	164.26
Full Year	350,000	11.1	13,000	16.6	12,900	10.4	10,000	3.2	293.32

4 Other Information

(1) Changes in Consolidated Subsidiaries (Changes in Scope of Consolidation): No

(2) Changes in Accounting Practices, Procedures and Presentation Methods for Consolidated Financial Results

1 Changes arising from revision of accounting standards: Yes,

a P&F Mexicana, S.A.D.E.C.V (a sales subsidiary) is added to consolidated subsidiaries.

b B.W. Highsonic Industrial Ltd.(a joint venture for plastic molding) took majority stake, as a result, is deleted from affiliated companies accounted for by the equity method and added to a non-consolidated subsidiary accounted for by the equity method.

2 Changes arising from other factors: No

(3) Number of Shares Outstanding (Ordinary Shares)

1 Number of shares outstanding (including treasury stock) as of March 31, 2010; 36,104,196shares
as of March 31, 2009; 36,104,196shares

2 Number of shares of treasury stock as of March 31, 2010; 2,011,531shares
as of March 31, 2009; 2,011,321shares

(Reference)

1. Summary of Non-consolidated Results for the Fiscal Year ended March 2010 (April 1, 2009– March 31, 2010)

(1) Operating Results (Non-consolidated)

(% denotes year on year)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal Year 2009	253,511	24.3	339	-	445	-	1,106	-
Fiscal Year 2008	203,890	8.6	1,625	-	10,997	43.5	8,693	-

	Net Income Per Share	Net Income Per Share on a Fully Diluted Basis
	Yen	Yen
Fiscal Year 2009	32.45	-
Fiscal Year 2008	254.98	-

(2) Financial Position(Non-consolidated)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets Per Share
	Million yen	Million yen	%	Yen
Fiscal Year 2009	107,399	71,759	66.8	2,103.00
Fiscal Year 2008	108,545	73,645	67.8	2,159.63

(Reference) Shareholders' Equity

Fiscal Year ended March 31, 2010	71,696 million yen
Fiscal Year ended March 31, 2009	73,628million yen

Note:

This document contains forward-looking statements and projections regarding business performance which are not historical facts. Please note that these statements are based on the current expectations, assumptions, estimates and projections of the Funai Group in light of the information currently available to it. Actual performance may materially differ from projections included in this document because of the impacts of uncertainty in various factors. For the assumptions and other related matters concerning consolidated results forecast, please refer to “ (1)Analysis of Business Performance ” of “ 1 Business Performance. ”

1. Business Performance

(1) Analysis of Business Performance

Summary of the consolidated fiscal year under review

(Market environment)

During the current period the economy of the United States, the prime market for the Funai Group, remained clouded by uncertainty originating in factors such as the job market and the residential housing market. Nevertheless, as a result of large-scale policy support signs of improvement were evident after the start of the year 2010 in certain economic indicators, including capital investment and personal consumption, and concerns the economy would deteriorate further were nearly dispelled and in general the first buds of a business recovery are likely to be emerging.

For the consumer electronics appliances industry, demand expanded briskly not only in Japan, the U.S. and Europe, which are already existing key markets for LCD televisions, one of the Funai Group's leading products, but in the China market as well, where economic growth is remarkable. On the other hand, there were no changes in the conditions that have resulted in declining sales prices and high prices for LCD panels, a primary component. LCD televisions that utilize LED backlight panels and support 3D (three dimensional images) are expected to be introduced to the market and spread rapidly in the future.

(Net sales)

Under these conditions, net sales for the Funai Group for the consolidated fiscal year increased 4.0% from the previous consolidated fiscal year to JPY314,911 million.

Each of the businesses of the Funai Group is centered on the manufacture and sale of electronic equipment and devices. The Company does not classify its products into business segments, but a breakdown of net sales by type of device is provided below.

(a) Audio-visual equipment

In the audio-visual equipment category, the Company expanded sales of LCD televisions mainly in the North American market, despite the ongoing decline in market prices because of increasingly severe competition and the freeze in consumer spending. In DVD-related products, sales of Blu-ray disc-related products rose because of the anticipated future growth of Blu-ray disc players, but total sales fell year-on-year because the Company sold fewer television set-top boxes* for the U.S. market after ending production in June 2009. As a result, net sales of these products rose 1.3% compared with the previous consolidated fiscal year to JPY233,528 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.

(b) Information equipment

Net sales of information equipment increased 21.4% year-on-year to JPY54,629 million. Sales of digital still cameras were not posted as orders from OEM partners stopped, but net sales of printers were higher because of an increase in orders from OEM partners.

(c) Other

Net sales of other electronic devices slipped 1.5% compared with the previous consolidated fiscal year to JPY26,754 million.

(Earnings)

Operating income increased 690.9% compared with the previous consolidated fiscal year to JPY11,148 million, reflecting factors such as higher sales of LCD televisions in the North American market, and ordinary income rose 852.9% year-on-year to JPY11,684 million as a result of improvements in non-operating income and expenses. Net income for the consolidated fiscal year under review was JPY10,328 million, compared with a net loss of JPY17,364 million in the previous consolidated fiscal year that resulted from reporting "income taxes for prior periods" and other items.

Outlook for the next consolidated fiscal year

During the next consolidated fiscal year, the Funai Group will continue working to improve operating results by concentrating on increasing sales of growth products such as LCD televisions and Blu-ray Disc-related products. The Company will also pursue greater efficiency and profitability improvements through measures that include further promotion of the FPS (Funai Production System), thorough cost reductions based on a review of fixed and variable costs, applications of IT to various processes and operating improvements.

The outlook for the next consolidated fiscal year is provided below.

< Consolidated operating results >

Net sales	JPY 350,000 million	(11.1% increase year-on-year)
Operating income	13,000 million	(16.6% increase year-on-year)
Ordinary income	12,900 million	(10.4% increase year-on-year)
Net income	10,000 million	(3.2% decrease year-on-year)

For its earnings estimates, the Company has assumed an exchange rate of JPY90 = US\$1.00. The operating results outlook is a forward-looking statement about the future performance of the Company and is based on management's assumptions and beliefs in light of information currently available, and involves known and unknown risks and uncertainties. Various factors such as changes in economic conditions overseas, especially in the main U.S. market, and severe price fluctuations may cause actual events and results to differ materially from those anticipated in these statements.

(2) Analysis of Financial Position

With regard to consolidated cash flow for the consolidated fiscal year under review, net cash earned in operating activities was JPY3,640 million. Net cash used in investing activities was JPY2,713 million. Net cash used in financing activities was JPY7,870 million. The balance of cash and cash equivalents at end of the consolidated fiscal year under review was JPY34,063million.

The cash flow indicator trends for the Funai Group are provided below.

	FY ended March 2006	FY ended March 2007	FY ended March 2008	FY ended March 2009	FY ended March 2010
Shareholders' equity ratio	68.6	68.5	70.3	67.6	69.6
Shareholders' equity ratio on a market capitalization basis	138.8	140.6	52.1	49.1	65.8
Ratio of cash flow to interest-bearing debt	—	0.3	—	—	1.9
Interest coverage ratio	—	38.7	—	—	43.7

Shareholders' equity ratio: Equity capital/total assets

Shareholders' equity ratio on a market capitalization basis: Total market capitalization/Total assets

Ratio of cash flow to interest-bearing debt: Interest-bearing debt/Operating cash flow

Interest coverage ratio: Operating cash flow/Interest payments

- * All indicators are calculated using financial values on a consolidated basis.
- * Total market capitalization is calculated by multiplying the closing share price at the end of the consolidated fiscal year by the number of shares outstanding (after deducting treasury stock) at the end of the consolidated fiscal year.
- * Cash flow from operating activities shown on the Consolidated Statements of Cash Flows is used as operating cash flow. Interest-bearing liabilities include all liabilities on which the Company pays interest that are accounted for on the Consolidated Balance Sheets. The amounts shown as interest expense on the Consolidated Statements of Cash Flows are used as interest payments.
- * The ratio of cash flow to interest-bearing debt and the interest coverage ratio for the fiscal years ended March 2006, March 2008 and March 2009 have been omitted because cash flow from operating activities was negative.

(3) Basic Policy Concerning Distribution of Earnings and Dividends for the Consolidated Fiscal Year under Review and Next Fiscal Year

With regard to the distribution of earnings, the Company recognizes the return of earnings to shareholders is an important management issue, and considers the maintenance of stable dividends while taking steps to strengthen the Company's management base to be a fundamental policy. The Company implements a positive dividend policy, which takes into consideration factors such as the operating environment, based on a dividend ratio of 1.0% of consolidated net assets as a specific standard.

Based on the policy indicated above, for the fiscal year under review the Company plans to pay a year-end dividend of JPY40 per share. The Company also projects a dividend of JPY40 per share in the next consolidated fiscal year.

The Company plans to implement dividend payments as a year-end dividend (once a year).

(4) Business and Other Risks

The Company has omitted disclosure of business and other risks because there are no material changes from the information described in the most recent financial statements (submitted on June 19, 2009).

2. Current Conditions of the Company's Group

The Company has omitted disclosure of this item because there are no material changes from the information reported in "Diagram of Operating Business Relationships (Business Contents)" and "Affiliated Companies" in the most recent financial statements (submitted on June 19, 2009).

3. Management Policies

(1) Basic Management Policy of the Company

As its basic management policy, Funai Electric Co., Ltd. will pursue its business activities by building strong trust and seeking the mutual prosperity of all parties related to the Company as its basic policy, by creating the most efficient development, manufacturing and sales organization possible and stably supplying high quality and fairly priced products to global markets, based on a corporate creed of continual product improvements, promotion of deeper trust and further harmony and mutual prosperity.

(2) Management Indicators Established as Objectives

As a management indicator for the Funai Group, the Company places the greatest emphasis on operating income

margin, and will seek to achieve an operating income margin of at least 5% at all companies over the medium term.

(3) Medium to Long-term Management Strategy and Issues to be addressed

In the consumer electronics appliances industry, the development of products to stimulate new consumer needs through the collaboration of IT and the contents industry and combinations of hardware and software is advancing rapidly. Funai Electric Co., Ltd. must respond to this new competitive era as well, through the development of new products and the addition of speed to the “affordable prices,” “lean business structure” and “FPS (Funai Production System)” that are the Company’s unique strong points.

Given this environment, the issues for increasing the corporate value of the Funai Group, and the Company’s responses during the consolidated accounting fiscal year under review, are described below.

Expansion of net sales and improvement of earnings

The Funai Group has positioned the increase of net sales and improvement of earnings as its highest priority issue.

(Product strategy)

In the audio-visual equipment category, during the consolidated fiscal year under review LCD televisions benefitted from the effect of higher sales centered on the North America market and generated positive operating income after incurring losses in the previous period. Nevertheless, the Funai Group must proceed without delay to develop and introduce to the market LCD television products that utilize LED backlight panels and that are capable of supporting 3D, and use of the Internet, which are expected to spread rapidly in the future. In addition, in Blu-ray Disc-related products, during the fiscal year under review the Company launched players and recorders that are capable of supporting the Internet, and will seek to expand sales by further broadening this product lineup with products such as players that support 3D and portable players.

In information equipment as well, the Company will strive to increase sales by supplying OEM partners with higher added value products that take maximum advantage of the mechatronics base that is the Company’s area of expertise, in addition to its existing products.

(Market strategy)

Together with achieving sales growth by expanding sales in the Europe and Japan markets and entry into newly developing country markets such as BRICs, the Company also considers measures to mitigate the effects from overemphasis on the Company’s largest market in the U.S., soften the impact of the January and February slow season and smooth out production and sales over the course of the year to be key issues.

In June 2010 the Company will establish a manufacturing subsidiary in Guangdong Province, and plans to introduce LCD televisions to the China market.

(Sales channel strategy)

The Funai Group must respond sufficiently to customer satisfaction levels by achieving closer communications than it has in the past and swiftly and accurately taking into consideration market trends, not only with major existing customers but with new customers as well. The Company also is preparing to launch new marketing in North America using the Internet, where it plans to broaden its customer coverage.

(Branding strategy)

In the audio-visual equipment category, the Company must direct closer attention to the positioning of the Sylvania, Emerson, Philips and Magnavox brands, its four brands in the North America market, and the Funai brand in Europe, based on existing, comparatively superior products as well as new product development. Brand positioning in the Japanese market, where the Company plans to increase sales, and in the China market, which the Company will newly enter, will also become critical issues in the future.

Timely supply of products based on accurate responses to market needs

To achieve both “viable products” and “affordable prices,” the Funai Group must pursue further reductions to the speed and cost at which it completes the cycle from product planning to development, materials and parts purchasing, manufacturing and sales, by maintaining closer interaction with customers and minimizing time lags in each operating division through more effective applications of IT. Based on this approach, the Company will supply on a timely basis products that accurately meet market needs.

Training and appointment of human resources

The Company recognizes that improving each employee’s capabilities and being able to link this to bolstering the strength of the Funai Group will be critical for ensuring the Funai Group stays in the lead in the new era of global competition and implementing the Group’s medium to long-term business strategy. Therefore the Company’s policy is to actively train and assign employees, without regard to whether they are younger employees or mid-career staff, by strengthening and expanding its internal or external training systems.

4. Consolidated Financial Statements

(1).Consolidated Balance Sheets

(Mil. Yen)

	Fiscal year 2008 (As of March 31, 2009)	Fiscal year 2009 (As of March 31, 2010)
ASSETS;		
Current Assets		
Cash and deposits	96,503	86,045
Notes and accounts receivable-trade	28,844	35,154
Merchandise and finished goods	20,925	20,850
Work in process	1,635	1,510
Raw materials and supplies	8,116	16,057
Deferred tax assets	2,763	4,131
Accrued refunded Income taxes	1,350	-
Other	3,843	3,586
Allowance for doubtful accounts	273	179
Total current assets	163,709	167,155
Noncurrent assets		
Tangible fixed assets		
Buildings and structures	13,370	13,910
Depreciation and amortization	7,505	7,781
Buildings and structures (net)	5,864	6,129
Machinery,equipment and motor vehicles	21,192	20,490
Depreciation and amortization	19,301	19,127
Machinery,equipment and motor vehicles (net)	1,891	1,363
Tools,furniture and fixtures	34,056	35,027
Depreciation and amortization	31,731	32,483
Tools,furniture and fixtures (net)	2,324	2,543
Lands	5,193	5,180
Lease assets	294	537
Depreciation and amortization	27	125
Lease assets (net)	266	411
Other	483	24
Total tangible fixed assets	16,025	15,654
Intangible assets		
Patent right	4,328	3,665
Other	1,319	1,208
Total intangible fixed assets	5,647	4,874

(Mil. Yen)

	Fiscal year 2008 (As of March 31, 2009)	Fiscal year 2009 (As of March 31, 2010)
Investment and other assets		
Investment securities	5,820	6,134
Long-term loans receivable	431	-
Deferred tax assets	4,329	4,803
Other	5,480	6,210
Allowance for doubtful accounts	1,561	775
Total investments and other assets	14,499	16,373
Total noncurrent assets	36,173	36,902
TOTAL ASSETS	199,882	204,057
LIABILITIES;		
Current Liabilities		
Notes and accounts payable-trade	28,157	31,305
Short-term loans payable	12,938	6,338
Accounts payables	12,130	11,035
lease liabilities	92	162
Income taxes payable	1,623	1,799
Deferred tax liabilities	1	1
Allowance for bonus	302	400
Reserve for products guarantee	2,191	1,899
Other	2,943	3,266
Total current liabilities	60,382	56,208
Noncurrent liabilities		
Long-term loans payables	666	566
lease liabilities	278	387
Deferred tax liabilities	26	21
Revalued deferred tax liabilities	291	285
Reserve for retirement benefits	1,316	1,386
Allowance for officers' retirement gratuities	1,026	1,042
Other	298	1,379
Total noncurrent liabilities	3,904	5,069
TOTAL LIABILITIES	64,286	61,277

(Mil. Yen)

	Fiscal year 2008 (As of March 31, 2009)	Fiscal year 2009 (As of March 31, 2010)
NET ASSETS;		
Shareholders' equity		
Capital stock	31,280	31,280
Capital surplus	33,245	33,245
Retained earnings	110,047	119,272
Treasury stock	24,340	24,340
Total shareholders' equity	150,233	159,457
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	98	470
Foreign currency translation adjustment	14,999	17,936
Total valuation and translation adjustments	15,098	17,465
Subscription right to shares	17	62
Minority interests	443	726
Total net asset	135,596	142,779
TOTAL LIABILITIES AND NET ASSETS	199,882	204,057

(2).Consolidated Statements of Income

(Mil. Yen)

	Fiscal year 2008 (from April 1, 2008 to March 31, 2009)	Fiscal year 2009 (from April 1, 2009 to March 31, 2010)
Net sales	302,777	314,911
Cost of sales	258,303	257,442
Gross profit	44,473	57,469
Selling, general and administrative expenses	43,064	46,321
Operating income/loss()	1,409	11,148
Non-operating income		
Interest income	3,380	655
Dividends income	58	34
Other	454	401
Total non-operating income	3,892	1,091
Non-operating expenses		
Interest expenses	351	83
Equity in losses of affiliates	171	33
Foreign exchange loss	2,892	103
Loss on investments in partnership	419	204
Commitment fee for syndicated loan	-	71
Other	241	58
Total non-operating expenses	4,076	555
Ordinary income/loss()	1,226	11,684
Extraordinary income		
Gain on prior period adjustment	357	-
Gain on sales of noncurrent assets	6	1
Profit on Sales of Investment Securities	26	97
Allowance for Liquidation Loss on Affiliated Company Transfer	91	-
Other	11	6
Total extraordinary income	494	105
Extraordinary loss		
Loss on disposal of noncurrent assets	94	95
Special sales promotion	850	-
Estimated loss in value of securities	3,087	-
Liquidation loss on affiliated company	644	-
Loss incurred though bad debt	-	105
Loss on impairment	-	64
Import customs duties in previous years	-	575
Other	306	71
Total extraordinary loss	4,983	911
Income before income taxes	3,263	10,877
Income taxes	1,948	2,520
Refund of income taxes	1,335	-
Income taxes for prior periods	16,838	-
Income Tax Adjustments	3,560	2,205
Total income taxes	13,891	314
Minority interests in income	210	234
Net income	17,364	10,328

(3).Consolidated Statements of Changes in Shareholders' Equity

(Mil. Yen)

	Fiscal year 2008 (from April 1, 2008 to March 31, 2009)	Fiscal year 2009 (from April 1, 2009 to March 31, 2010)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	31,280	31,280
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	31,280	31,280
Capital surplus		
Balance at the end of previous period	33,245	33,245
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	33,245	33,245
Retained earnings		
Balance at the end of previous period	129,812	110,047
Effect of change in accounting policies applied to foreign subsidiaries	695	-
Changes of items during the period		
Dividends from surplus	1,704	1,363
Net profit or net loss ()	17,364	10,328
Increase due to merger of a non-consolidated subsidiary by a consolidated subsidiary	-	259
Total changes of items during the period	19,069	9,224
Balance at the end of current period	110,047	119,272
Treasury stock		
Balance at the end of previous period	24,339	24,340
Changes of items during the period		
Purchase of treasury stock	0	0
Total changes of items during the period	0	0
Balance at the end of current period	24,340	24,340
Total shareholders' equity		
Balance at the end of previous period	169,998	150,233
Effect of change in accounting policies applied to foreign subsidiaries	695	-
Changes of items during the period		
Dividends from surplus	1,704	1,363
Net loss	17,364	10,328
Purchase of treasury stock	0	0
Increase due to merger of a non-consolidated subsidiary by a consolidated subsidiary	-	259
Total changes of items during the period	19,069	9,223
Balance at the end of current period	150,233	159,457

(Mil. Yen)

	Fiscal year 2008 (from April 1, 2008 to March 31, 2009)	Fiscal year 2009 (from April 1, 2009 to March 31, 2010)
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	63	98
Changes of items during the period		
Net changes of items other than shareholders' equity	35	569
Total changes of items during the period	35	569
Balance at the end of current period	98	470
Foreign currency translation adjustment		
Balance at the end of previous period	12,063	14,999
Effect of change in accounting policies applied to foreign subsidiaries	122	-
Changes of items during the period		
Net changes of items other than shareholders' equity	3,058	2,937
Total changes of items during the period	3,058	2,937
Balance at the end of current period	14,999	17,936
Total valuation and translation adjustments		
Balance at the end of previous period	12,127	15,098
Effect of change in accounting policies applied to foreign subsidiaries	122	-
Changes of items during the period		
Net changes of items other than shareholders' equity	3,093	2,367
Total changes of items during the period	3,093	2,367
Balance at the end of current period	15,098	17,465
Subscription rights to shares		
Balance at the end of previous period	-	17
Changes of items during the period		
Net changes of items other than shareholders' equity	17	44
Total changes of items during the period	17	44
Balance at the end of current period	17	62
Minority interests		
Balance at the end of previous period	485	443
Changes of items during the period		
Net changes of items other than shareholders' equity	41	282
Total changes of items during the period	41	282
Balance at the end of current period	443	726
Total net assets		
Balance at the end of previous period	158,356	135,596
Effect of change in accounting policies applied to foreign subsidiaries	573	-
Changes of items during the period		
Dividends from surplus	1,704	1,363
Net loss	17,364	10,328
Purchase of treasury stock	0	0
Increase due to merger of a non-consolidated subsidiary by a consolidated subsidiary	-	259
Net changes of items other than shareholders' equity	3,117	2,040
Total changes of items during the period	22,187	7,183
Balance at the end of current period	135,596	142,779

(4).Consolidated quartely statements of cash flows

(Mil. Yen)

	Fiscal year 2008 (from April 1, 2008 to March 31, 2009)	Fiscal year 2009 (from April 1, 2009 to March 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,263	10,877
Depreciation and amortization	4,929	5,756
Loss on impairment	-	64
Increase(decrease) in allowance for doubtful accounts	632	877
Increase(decrease)in provision for retirement benefits	147	42
Interest and dividends income	3,438	689
Interest expenses	351	83
Equity in (earnings) losses of affiliates	171	33
Loss (gain) on sales of property, plant and equipment	5	0
Loss (gain) on sales of investment securities	26	87
Loss (gain) on valuation of investment securities	3,087	10
Loss on liquidation of subsidiaries and affiliates	644	14
Decrease (increase) in notes and accounts receivable-trade	3,892	7,102
Decrease (increase) in inventories	2,819	8,587
Increase (decrease) in notes and accounts payable-trade	6,181	5,307
Other, net	10,975	1,529
Subtotal	19,019	3,318
Interest and dividends income received	2,489	1,167
Interest expenses paid	346	83
Income taxes paid	5,053	2,265
Income taxes refund	-	1,504
Prior year's taxes paid	16,838	-
Net cash provided by (used in) operating activities	728	3,640
Net cash provided by (used in) investment activities		
Payments into time deposits	80,480	98,887
Repayments from time deposits	33,991	100,157
Purchase of property, plant and equipment	4,751	3,546
Proceeds from sales of property, plant and equipment	721	8
Purchase of intangible assets	758	790
Purchase of investment securities	750	438
Proceeds from sales of investment securities	1,147	540
Payment of partial purchase of shares of consolidated subsidiaries	71	18
Payments for loan receivables	105	16
Collection of loan receivables	40,151	92
Other, net	111	186
Net cash provided by (used in) investment activities	10,795	2,713

(Mil. Yen)

	Fiscal year 2008 (from April 1, 2008 to March 31, 2009)	Fiscal year 2009 (from April 1, 2009 to March 31, 2010)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	170	6,279
Repayment of long-term loans payable	1,419	699
Purchase of fractional shares	0	0
Cash dividends paid	1,704	1,363
Other, net	731	473
Net cash provided by (used in) financing activities	2,563	7,870
Effect of exchange rate change on cash and cash equivalents	2,832	459
Net increase (decrease) in cash and cash equivalents	16,919	6,484
Cash and cash equivalents at beginning of period	57,100	40,180
Net increase in cash and cash equivalents due to merger	-	367
Cash and cash equivalents at end of period	40,180	34,063

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

Fiscal year 2008 (April 1, 2008 - March 31, 2009)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Sales&operating profit/loss							
Net Sales							
(1) Sales to outside customers	103,933	182,990	768	15,084	302,777	-	302,777
(2) Inter-segment sales	120,412	39	166,481	12	286,946	(286,946)	-
Total	224,346	183,029	167,250	15,097	589,723	(286,946)	302,777
Operating Expenses	223,295	180,845	165,800	17,630	587,572	(286,204)	301,367
Operating Income and Losses()	1,050	2,184	1,449	2,532	2,151	(741)	1,409
Assets	108,739	40,495	92,998	11,163	253,396	(53,513)	199,882

Fiscal year 2009 (April 1, 2009 - March 31, 2010)

(Units: Million Yen)

	Japan	N. America	Asia	Europe	Total	Elimination	Consolidated
Sales&operating profit/loss							
Net Sales							
(1) Sales to outside customers	114,179	191,855	1,048	7,828	314,911	-	314,911
(2) Inter-segment sales sales	163,001	29	183,812	3	346,847	(346,847)	-
Total	277,181	191,885	184,861	7,831	661,759	(346,847)	314,911
Operating Expenses	272,770	188,238	178,873	9,035	648,918	(345,154)	303,763
Operating Income and Losses()	4,411	3,646	5,988	1,204	12,840	(1,692)	11,148
Assets	120,424	35,735	102,813	9,966	268,939	(64,882)	204,057

(Note) 1. Country and area classifications are determined by geographical proximity.

2. Primary countries and areas falling under classifications other than Japan are as follow:

- (1) North America United States of America, Mexico
- (2) Asia Hong Kong, Malaysia, Thailand
- (3) Europe Germany, Poland

c; Overseas sales

Fiscal year 2008 (April 1, 2008 - March 31, 2009)

(Units:Million Yen)

	N. America	Asia	Europe	Other	Total
Overseas sales	216,150	6,879	36,372	6,312	265,714
Consolidated sales					302,777
Ratio of overseas sales to consolidated sales (%)	71.4	2.3	12.0	2.1	87.8

Fiscal year 2009 (April 1, 2009 - March 31, 2010)

(Units:Million Yen)

	N. America	Asia	Europe	Other	Total
Overseas sales	216,454	8,822	30,490	10,765	266,531
Consolidated sales					314,911
Ratio of overseas sales to consolidated sales (%)	68.7	2.8	9.7	3.4	84.6

(Note) 1. Country and area classifications are determined by geographical proximity.

2. Primary countries and areas falling under classifications other than Japan are as follow:

(1) North America United States of America, Canada

(2) Asia Hong Kong, Singapore

(3) Europe Germany, England, France

(4)Other Mexico, Brazil

3. Overseas sales stand for aggregate sales amount of outside Japan by the parent and the consolidated subsidiaries.

6. Other Information

Detailed Statement of Net Sales by Equipment Type and Region

(Units: Million Yen)

Classification		Fiscal year 2008		Fiscal year 2009		% increase or decrease from the same period of the previous consolidated fiscal year	
		〔 From April 1, 2008 To March 31, 2009 〕		〔 From April 1, 2009 To March 31, 2010 〕			
		Amount	Percent	Amount	Percent	Percent	
By Equipment Type			%		%	%	
	Audiovisual Equipment	230,600	76.1	233,528	74.2	1.3	
	Information Equipment	45,005	14.9	54,629	17.3	21.4	
	Other Equipment	27,171	9.0	26,754	8.5	1.5	
Total		302,777	100.0	314,911	100.0	4.0	
By Region			%		%	%	
	Japan	37,063	12.2	48,380	15.4	30.5	
	Export	N. America	216,150	71.4	216,454	68.7	0.1
		Europe	36,372	12.0	30,490	9.7	16.2
		Asia	6,879	2.3	8,822	2.8	28.2
		Other Areas	6,312	2.1	10,765	3.4	70.5
Subtotal		265,714	87.8	266,531	84.6	0.3	
Total		302,777	100.0	314,911	100.0	4.0	

(Note) Main Products by Equipment Type

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

FINANCIAL RESULTS SUPPLEMENTATION

FY2009

(from 2009.4.1
to 2010.3.31)

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FUNAI ELECTRIC CO.,LTD

1. Summary of Full Year Financial Statements (Consolidated)

(1) Operating Results, Financial Conditions

(Units:100million yen,%)

	FY2008			FY2009			FY2010 (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change
Net Sales	3,027	100.0	9.2	3,149	100.0	4.0	3,500	100.0	11.1
Operating Income	14	0.5	-	111	3.5	690.9	130	3.7	16.6
Ordinary Income	12	0.4	-	116	3.7	852.9	129	3.7	10.4
Net Income/Loss after Tax	173	5.7	-	103	3.3	-	100	2.9	3.2
Total Assets	1,998	-	-	2,040	-	-	-	-	-
Net Assets	1,355	-	-	1,427	-	-	-	-	-

() Yen - Dollars / exchange rate

(Units:Yen / Dollars)

	FY2008	FY2009	FY2010 (Projections)
Average Rate in each Period	100.66	92.60	90.00

(2) Profitability and Per Share Data etc.

	FY2008	FY2009	FY2010 (Projections)
Gross Profit Ratio (%)	14.7	18.2	17.7
Operating Income Ratio (%)	0.5	3.5	3.7
Ordinary Income Ratio (%)	0.4	3.7	3.7
Shareholders' Equity Ratio (%)	67.6	69.6	-
Net Assets Per share (yen)	3,963.72	4,164.86	-
Net Income Per Share (yen)	509.33	302.97	293.32
Return On Assets (%)	8.2	5.1	-
Return On Shareholders' Equity (%)	11.9	7.5	-
Number of Total Employees (人)	2,590	2,553	-

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

(Units:100million yen,%)

	FY2008		FY2009		FY2010 (Projections)	
	Amount	Change	Amount	Change	Amount	Change
Capital Expenditures	50	2.0	43	14.0	76	76.7

(Units:100million yen,%)

	FY2008			FY2009			FY2010 (Projections)		
	Amount	% to Sale	Change	Amount	% to Sale	Change	Amount	% to Sale	Change
Depreciation Expenses	36	1.2	25.0	43	1.4	19.4	54	1.5	25.6
R&D	130	4.3	11.6	134	4.3	3.1	161	4.6	20.1

(4) CashFlow

(Units:100million yen)

	FY2008	FY2009	FY2010 (Projections)
Cash flows provided by operating activities	7	36	-
Income Before Income Taxes	32	108	-
Depreciation Expenses	49	57	-
Others	24	129	-
Cash flows used in investing activities	107	27	-
Free cash flows	114	9	-
Cash flows provided by financing activities	25	78	-
Effect of exchange rate changes on cash and cash equivalents	28	4	-
Net increase in cash and cash equivalents	169	64	-

2. Operating Activities (Consolidated)

(1) Sales by Equipment

(Units:100million yen,%)

	FY2008			FY2009			FY2010 (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	2,306	76.1	25.2	2,335	74.2	1.3	2,565	73.3	-
VCRs	20	0.7	55.6	10	0.3	50.0	3	0.1	70.0
DVD	402	13.3	23.3	386	12.3	4.0	293	8.4	24.1
BD	122	4.0	-	189	6.0	54.9	296	8.5	56.6
Televisions	82	2.7	68.0	6	0.2	92.7	0	0.0	-
LCD Televisions	1,342	44.3	49.6	1,594	50.6	18.8	1,929	55.1	21.0
Others	338	11.1	193.9	150	4.8	55.6	44	1.2	-
Information Equipment	450	14.9	30.7	546	17.3	21.4	618	17.6	13.2
Others	271	9.0	3.0	268	8.5	1.5	317	9.1	-
Total	3,027	100.0	9.2	3,149	100.0	4.0	3,500	100.0	11.1

Note: From FY2010 antenna set for the North America is classified in 'Others' from 'Others in Audio Visual Equipment' which was classified in FY2008 and FY2009.

(2) Sales by Areas in Equipment

(Units:100million yen,%)

	FY2008			FY2009			FY2010 (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	2,306	76.1	25.2	2,335	74.2	1.3	2,565	73.3	-
North America	1,971	65.1	41.7	1,970	62.5	0.1	1,879	53.7	-
Europe	211	7.0	26.7	125	4.0	40.8	167	4.8	33.6
Asia and Others	1	0.0	66.7	18	0.6	-	67	1.9	272.2
Japan	123	4.0	22.6	222	7.1	80.5	452	12.9	103.6
Information Equipment	450	14.9	30.7	546	17.3	21.4	618	17.6	13.2
North America	174	5.8	56.8	185	5.9	6.3	275	7.8	48.6
Europe	149	4.9	9.1	177	5.6	18.8	220	6.3	24.3
Asia and Others	122	4.0	58.4	168	5.3	37.7	123	3.5	26.8
Japan	5	0.2	16.7	16	0.5	220.0	0	0.0	-
Others	271	9.0	3.0	268	8.5	1.5	317	9.1	-
Total	3,027	100.0	9.2	3,149	100.0	4.0	3,500	100.0	11.1

(3) Sales by Equipment in Areas

(Units:100million yen,%)

	FY2008			FY2009			FY2010 (Projections)		
	Amount	%	Change	Amount	%	Change	Amount	%	Change
North America	2,161	71.4	19.3	2,164	68.7	0.1	2,195	62.7	1.4
Audio Visual Equipment	1,971	65.1	41.7	1,970	62.5	0.1	1,879	53.7	-
Information Equipment	174	5.8	56.8	185	5.9	6.3	275	7.8	48.6
Others	16	0.5	5.9	9	0.3	43.8	41	1.2	-
Europe	364	12.0	20.2	305	9.7	16.2	387	11.1	26.9
Audio Visual Equipment	211	7.0	26.7	125	4.0	40.8	167	4.8	33.6
Information Equipment	149	4.9	9.1	177	5.6	18.8	220	6.3	24.3
Others	4	0.1	0.0	3	0.1	25.0	0	0.0	-
Asia and Others	132	4.4	45.1	196	6.2	48.5	190	5.4	3.1
Audio Visual Equipment	1	0.0	66.7	18	0.6	-	67	1.9	272.2
Information Equipment	122	4.0	58.4	168	5.3	37.7	123	3.5	26.8
Others	9	0.4	18.2	10	0.3	11.1	0	0.0	-
Japan	370	12.2	10.3	484	15.4	30.5	728	20.8	50.4
Audio Visual Equipment	123	4.0	22.6	222	7.1	80.5	452	12.9	103.6
Information Equipment	5	0.2	16.7	16	0.5	220.0	0	0.0	-
Others	242	8.0	2.4	246	7.8	1.7	276	7.9	12.2
Total	3,027	100.0	9.2	3,149	100.0	4.0	3,500	100.0	11.1

3. Summary of Fourth Quarter (Jan.-Mar.) Financial Statements (Consolidated)

(1) Operating Results

(Units:100million yen,%)

	FY2008			FY2009		
	4Q			4Q		
	Amount	%	Change	Amount	%	Change
Net Sales	627	100.0	22.2	669	100.0	6.6
Operating Income/Loss	18	3.0	-	3	0.6	-
Net Income/Loss	11	1.9	-	3	0.5	-
Net Income/Loss after Tax	13	2.1	-	11	1.8	-

() Yen - Dollars / exchange rate

(Units:Yen / Dollars)

	FY2008		FY2009	
	4Q		4Q	
Average Rate in each Period	95.19		90.74	

(2) Sales by Equipment

(Units:100million yen,%)

	FY2008			FY2009		
	4Q			4Q		
	Amount	%	Change	Amount	%	Change
Audio Visual Equipment	490	78.2	44.1	468	70.0	4.5
VCRs	4	0.6	50.0	0	0.0	-
DVD	58	9.3	38.9	55	8.2	5.2
BD	14	2.2	366.7	54	8.1	285.7
Televisions	6	1.0	86.7	0	0.0	-
LCD Televisions	313	49.9	83.0	348	52.0	11.2
Others	95	15.2	427.8	11	1.7	88.4
Information Equipment	66	10.5	22.4	122	18.2	84.8
Others	71	11.3	19.3	79	11.8	11.3
Total	627	100.0	22.2	669	100.0	6.6



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