

February 2, 2006

## Funai Electric Co., Ltd.

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## **Revised Forecast of Full-Year Results**

Based on recent trends, Funai Electric Co., Ltd. will revise the forecasted results, made public along with the Interim Statement of Accounts on November 9, 2005, as follows.

- 1. Revised Forecasted Results Figures (April 1, 2005 March 31, 2006)
  - [Consolidated]

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Consolidated	(unit: millions of yen)			
	Net Sales	Operating Income	Ordinary Income	Current Period Net Income
Previously Announced Forecast (A)	387,300	33,500	36,500	27,200
Revised Forecast (B)	364,000	23,000	27,400	21,300
Increased/Decreased Amount (B-A)	-23,300	-10,500	-9,100	-5,900
Rate of Increase/Decrease (%)	-6.0	-31.3	-24.9	-21.7
(Reference) Results From Previous Period (Ending March 2005)	383,034	33,348	36,616	25,722

Non-Consolidated		(unit: millions of yen)		
	Net Sales	Operating Income	Ordinary Income	Current Period Net Income
Previously Announced Forecast (A)	359,700	21,300	22,700	14,600
Revised Forecast (B)	309,000	13,400	16,200	10,300
Increased/Decreased Amount (B-A)	-50,700	- 7,900	- 6,500	- 4,300
Rate of Increase/Decrease (%)	-14.1	-37.1	-28.6	-29.5
(Reference) Results From Previous Period (Ending March 2005)	353,592	18,989	20,847	12,004

## 2 . Reasons for the Revision of Results Forecast

Sales of LCD televisions are expected to grow favorably. However, in addition to a shrinking market for analog products, the steep drop in prices for DVD-related products has exceeded expectations, and demand for DVD recorders in the North American market is expected to stagnate.

Digital still cameras have transitioned well, but the environment for printers is anticipated to be severe as competition grows fierce.

As the result of a comprehensive investigation of these factors, net sales, operating income, ordinary income and net income for the current period are expected to fall below previous estimates.

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

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

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