

January 31, 2011

To Whom It May Concern:

Funai Electric Co., Ltd.
Representative Director
President and CEO: Tomonori Hayashi
(Code No.: 6839 First Section of TSE/OSE)

Funai Reports Revised Forecast of Consolidated Operating Results

This is to notify that the following changes have been made to the earnings forecast that was previously announced on November 2, 2010.

1. Revisions to the Full-Year Consolidated Earnings Forecast

(April 1, 2010 to March 31, 2011)

(Units: Millions of Japanese Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income
Previous Forecast announced on November 2, 2010 (A)	320,000	9,000	9,200	7,100
Current Forecast (B)	295,000	1,000	1,000	1,800
Net Change (B-A)	25,000	8,000	8,200	8,900
Net Change (%)	7.8	88.9	89.1	—
(Reference) Actuals from the Previous Fiscal Year ended March 2010	314,911	11,148	11,684	10,328

2. Factors Behind the Revisions to the Full-Year Consolidated Earnings Forecast

(April 1, 2010 to March 31, 2011)

The economy in the United States, which is one of the Group's key markets, has been adversely affected by the serious situation in the job market as like seen the unemployment rate remaining high has been prolonged and resulted in private consumption has been sluggish. Amid this environment, most consumers have become even more cautious when it comes to spending and shunning purchase, in particular, high priced products and unit prices remain on a downward path.

Sales of LCD televisions (one of Funai Electric's main product lines), in particular, large sized or LED backlight equipped LCD televisions have been slump. As a result, the Group's net sales have been far short of forecast and the overall profits have been seriously affected. This situation is expected to continue throughout the fourth quarter (January to March 2011).

Due to the above factors, the Group has decided to revise the full year consolidated fiscal earnings forecast that were previously announced on November 2, 2010 as per the above.

(Note)

The earnings forecast is based on information available to the Group at the time such forecast is made, and contains risk and uncertainty. Actual results may differ from the forecast due to a variety of factors including changes in the economic conditions of overseas markets such as the United States (a key market for the Group), and significant fluctuations in product prices.

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