

November 2, 2012

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 May 7, 2012.

### 1. Revisions to the Second Quarter (2Q) Year-to-Date (YTD) Consolidated Earnings Forecast (April 1, 2012 to September 30, 2012)

(Units: Millions of Japanese Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast announced on May 7, 2012 (A)	102,000	1,100	1,200	200	5.86
Current Forecast (B)	89,000	(1,450)	(3,070)	(2,990)	(87.63)
Net Change (B-A)	(13,000)	(2,550)	(4,270)	(3,190)	
Net Change (%)	(12.7)	-	-	-	
(Reference) 2Q YTD Actuals from the Previous Fiscal Year ended March 2012	140,641	2,120	519	(2,997)	(87.86)

### 2. Revisions to the Full-Year Consolidated Earnings Forecast (April 1, 2012 to March 31, 2013)

(Units: Millions of Japanese Yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast announced on May 7, 2012 (A)	229,000	4,000	4,000	2,500	73.27
Current Forecast (B)	205,000	(2,500)	(4,100)	(5,800)	(169.99)
Net Change (B-A)	(24,000)	(6,500)	(8,100)	(8,300)	
Net Change (%)	(10.5)	-	-	-	
(Reference) Actuals from the Previous Fiscal Year ended March 2012	246,147	461	174	(4,629)	(135.69)

### **3. Factors behind the Revisions to the Second Quarter Year-to-Date and Full-Year Consolidated Earnings Forecast**

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 has 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.

Furthermore, shrinking LCD TV and Blu-ray Disc recorder markets in Japan have contributed to lower-than-expected net sales and operating income. We have also recorded exchange losses of ¥1,730 million as the Japanese yen strengthened more than expected. These losses have pulled down ordinary income and net income.

### **4. Factors behind the Revisions to the Full-Year Consolidated Earnings Forecast**

In the third and fourth quarters net sales of LCD TVs are expected to remain strong, while net sales of DVD-related products, particularly Blu-ray Disc recorders, are expected to weaken significantly.

Profit will be lower than expected due to declining profitability in LCD TVs and lower sales of DVD-related products. Furthermore, the strength of the Japanese yen is expected to continue to weigh on, and concerning impairment losses of fixed assets. These losses will pull down ordinary income and net income.

#### **(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 and foreign exchange.

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