



FUNAI ELCTRIC CO., LTD.

Financial Statements Presentation
1st to 3rd Quarter of FY2005 (April-December)

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**Outline of 1st to 3rd Quarter (Apr-Dec) of FY2005
Financial Results (Consolidated)**

- 1 Summary of Operating Results
- 2 Summary of Business Conditions (April-December,2005)
- 3 Breakdown of Sales by Equipment
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- 10 Capital Expenditures, Depreciation Expenses and R&D Expenditures
- 11 Forecast of Operating Results in FY2005 Ending March 2006

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1 Summary of Operating Results

(100 million yen)

	Previous 3Qs (9months)	Current 3Qs (9months)	Changes from Previous 3Qs
Net Sales	2,882	2,800	2.8%
Operating Income	268	224	16.4%
Margin	(9.3%)	(8.0%)	
Ordinary Income	281	267	5.1%
Margin	(9.8%)	(9.5%)	
Net Income after Tax	198	203	+ 2.8%
Margin	(6.9%)	(7.3%)	
Average USD – JPY Exchange Rate	JPY108. ³⁸	JPY112. ⁸⁴	



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2 Summary of Business Conditions

Market Environments

- Despite temporary setback of economy caused by sharp hike of energy price is concerned, world wide economy has been expanding and US private consumption and capex has been in a good shape.
- While demand for digital products centering on FPD TVs (LCD and PDP TVs) has been growing, pressure from raw material costs and inevitable fall of sales price caused by fierce competition have been going on simultaneously.

Sales Conditions by Devices (Comparison to Previous 3Qs)

Audio and Visual Equipment

- DVD related products have been off due to sharp price drop and slump in demand for DVD recorders in North America.
- In line with the market expansion, LCD and PDP TVs have been growing.
- In line with the market shrink VCR and TVCR have been falling.

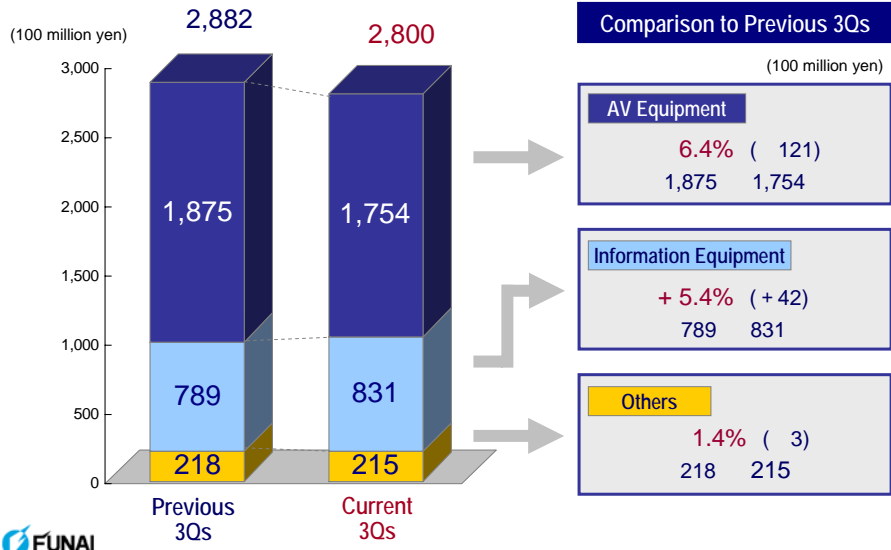
Information Equipment

- Slight decrease in printers adversely affected by tough competition.
- Drastic expansion (nearly double) of digital still cameras.



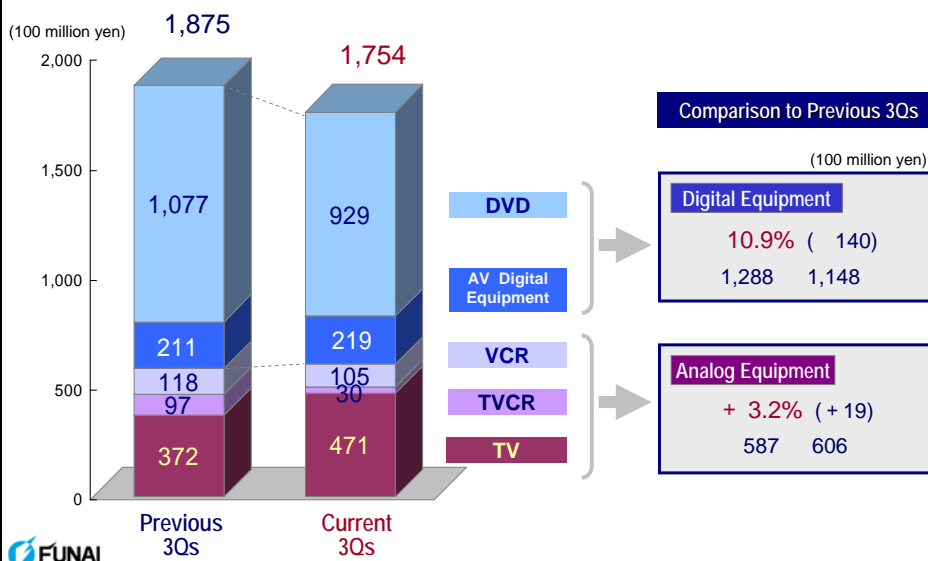
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3 Breakdown of Sale by Equipment



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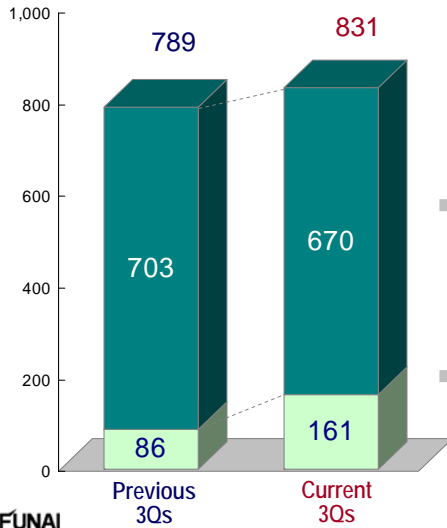
4 Sales of Audio and Visual Equipment



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5 Sales of Information Equipment

(100 million yen)



Comparison to Previous 3Qs

(100 million yen)

Printer	Change (%)	Change (Yen)	Previous 3Qs	Current 3Qs
	4.7%	(33)	703	670

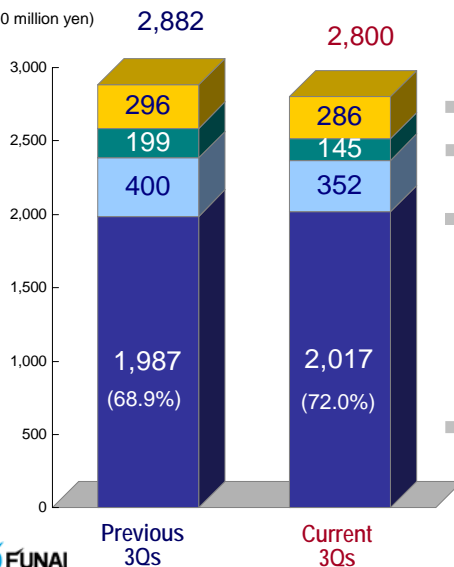
Digital Still Camera	Change (%)	Change (Yen)	Previous 3Qs	Current 3Qs
	+88.4%	(+75)	86	161



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6 Geographic Breakdown of Sales

(100 million yen)



Comparison to Previous 3Qs

(100 million yen)

Japan	Change (%)	Change (Yen)	Previous 3Qs	Current 3Qs
	3.4%	(10)	296	286

Asia & Others	Change (%)	Change (Yen)	Previous 3Qs	Current 3Qs
	27.1%	(54)	199	145

Europe	Change (%)	Change (Yen)	Previous 3Qs	Current 3Qs
	11.9%	(48)	400	352

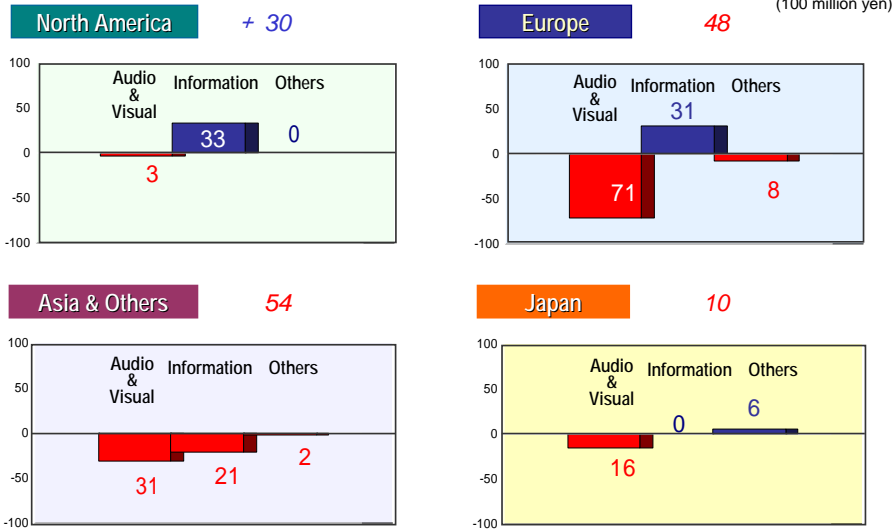
North America	Change (%)	Change (Yen)	Previous 3Qs	Current 3Qs
	+1.5%	(+30)	1,987	2,017



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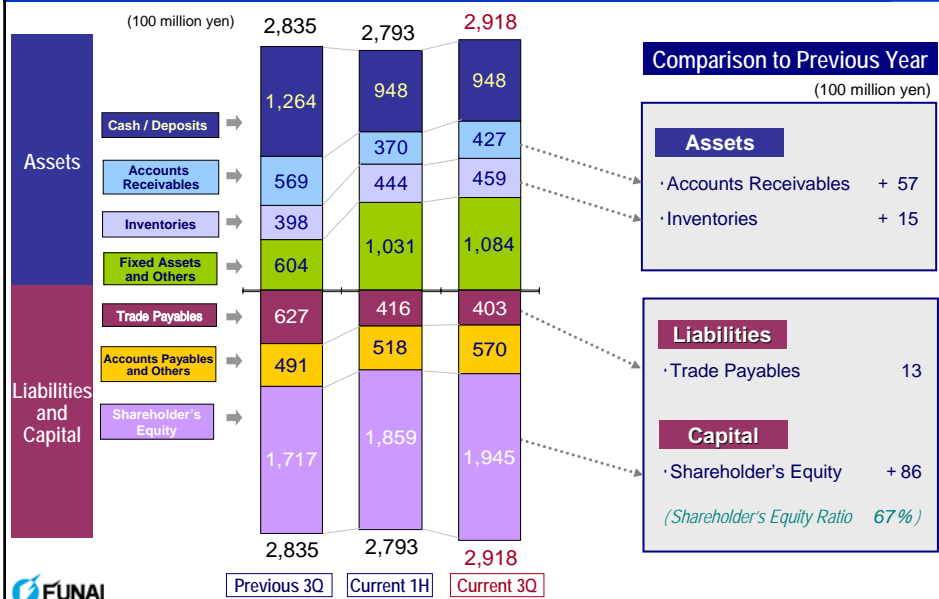
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Comparison of Sales by Area and Equipment to Previous 9 months

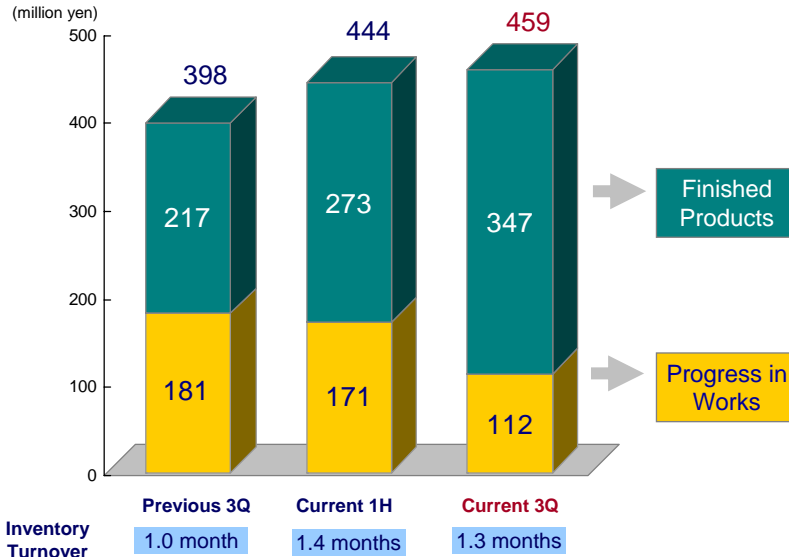


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Financial Conditions



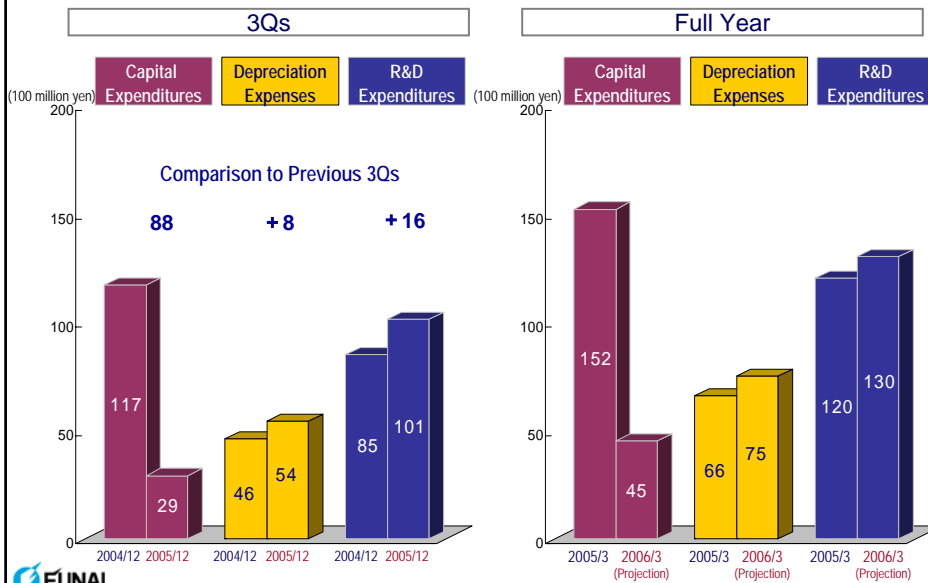
9 Changes of Inventories



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10 Capital Expenditures, Depreciation Expenses and R&D Expenditures



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Forecast of Operating Results in FY2005 Ending March 2006

(100 million yen)

	Previous Year	Forecast of FY2005	Changes from FY2004
Net Sales	3,830	3,640	4.9%
Operating Income	333	230	31.0%
Margin	(8.7%)	(6.3%)	
Ordinary Income	366	274	25.2 %
Margin	(9.6%)	(7.5%)	
Net Income after Tax	257	213	17.2%
Margin	(6.7%)	(5.9%)	
Average USD - JPY Exchange Rate	JPY107. ⁶⁰	JPY112. ⁸⁸	



Supplemental Data (October-December)

- 1 Summary of Operating Results
- 2 Changes of Sales Amount
- 3 Changes of Operating Income

1 Summary of Operating Results (October-December)

(100 million yen)

	Previous 3Q (3months)	Current 3Q (3months)	Changes from Previous 3Q
Net Sales	1,193	1,105	7.3%
Operating Income	93	72	22.6%
Margin	(7.8%)	(6.5%)	
Ordinary Income	78	90	+ 15.3%
Margin	(6.6%)	(8.2%)	
Net Income after Tax	65	88	+ 35.9%
Margin	(5.5%)	(8.0%)	
Average USD - JPY Exchange Rate	JPY104. ⁵²	JPY117. ⁸³	

(Reference)
Sales Breakdown
by Equipment

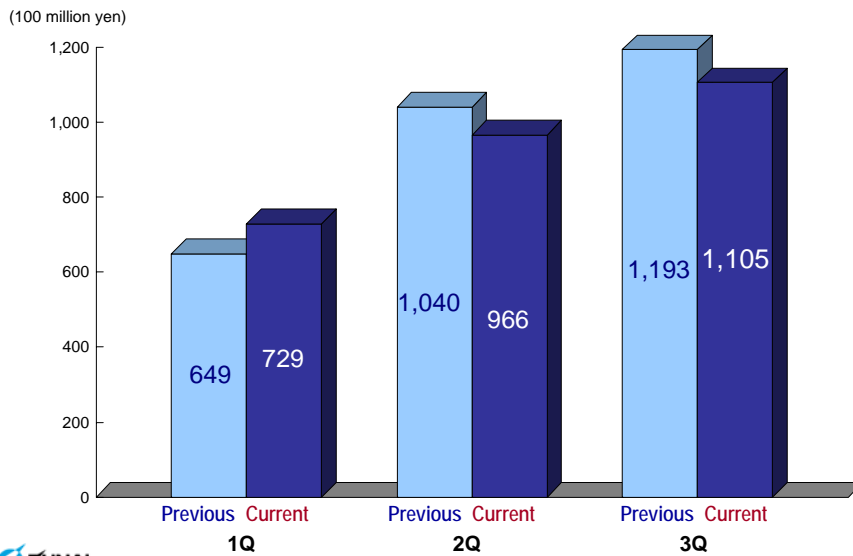
(100 million yen)

		Previous 3Q	Current 3Q	Changes from Previous 3Q
AV	Analog	243	253	+ 10
	Digital	602	510	- 92
Equipment	Sub Total	845	763	- 82
Information Equipment		280	262	- 18
Others		68	80	+ 12
Total		1,193	1,105	- 88



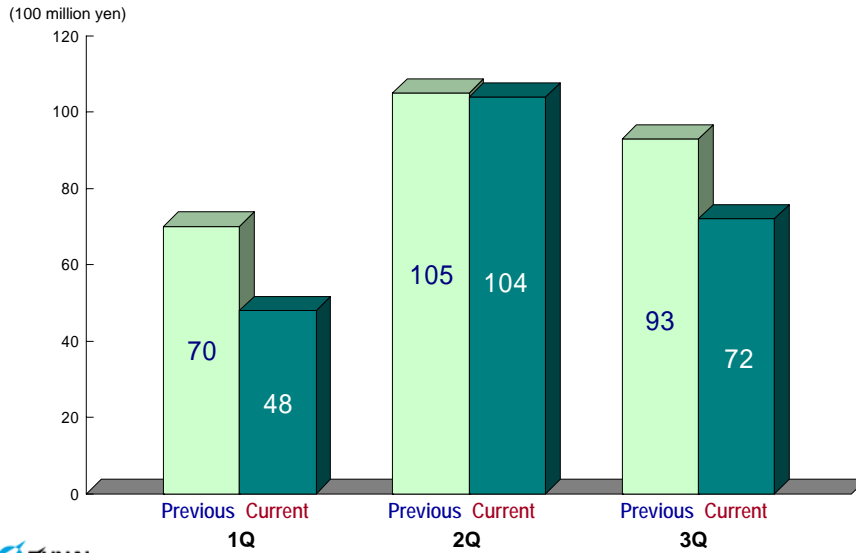
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2 Changes of Sales Amount (October-December)



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3 Changes of Operating Income (October-December)



Disclaimer

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