



FUNAI ELECTRIC CO., LTD.

Financial Statements Presentation
First Quarter of FY2006 (April-June 2006)

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**Outline of First Quarter (April-June) of
FY2006 Financial Results (Consolidated)**

- 1 Summary of Operating Results
- 2 Summary of Business Conditions for 1Q(April-June)FY2006
- 3 Breakdown of Sales by Equipment
- 4 Sales of Audio and Visual Equipment
- 5 Sales of DVD Related Equipment
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- 11 Changes of Inventories
- 12 Capital Expenditure, Depreciation Expenses and R&D Expenditures
- 13 Forecast of Operating Results in FY2006 Ending March 2007

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1 Summary of Operating Results (April-June 2006)

(100 million yen)

	Previous 1Q	Current 1Q	Changes from Previous 1Q
Net Sales	729	626	14.1%
Operating Income	48	24	49.7%
Margin	(6.6%)	(3.9%)	
Ordinary Income	59	27	52.8%
Margin	(8.1%)	(4.5%)	
Net Income after Tax	43	12	70.6%
Margin	(6.0%)	(2.0%)	
Average USD-JPY Exchange Rate	JPY108. ³⁶	JPY113. ⁹⁶	



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2 Summary of Business Conditions for 1Q (April-June) FY2006

Business Environments

- Led by non-branded products and excess supply of LCD panel, the fall in the marketplace of LCD TV has been prevailing.
- The soaring gasoline price in US adversely affected consumer demand for digital consumer electronics products.
- Special demand in Europe for digital consumer electronics products in advance of or during period of FIFA World Cup was less than expected.

Sales Conditions by Devices (Comparison to Previous 1Q)

Audio and Visual Equipment

- Sales of VCRs and CRT TVs fell owing to market contraction.
- In DVD-related products sales of DVD players fell owing to decline in prices and was replaced by demand on DVD recorders.
- Sales of both LCD TVs and plasma TVs substantially increased.

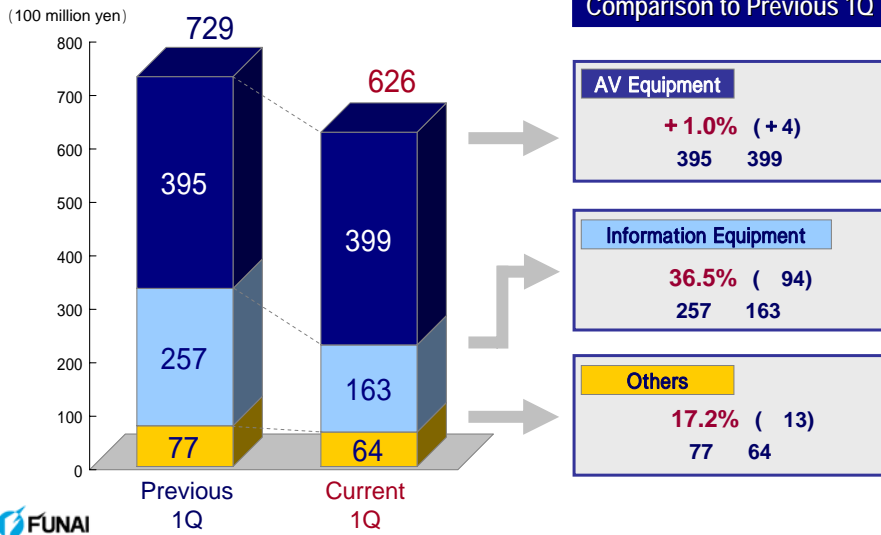
Information Equipment

- Sales of both printers and digital still cameras decreased owing to stepped-up competition.



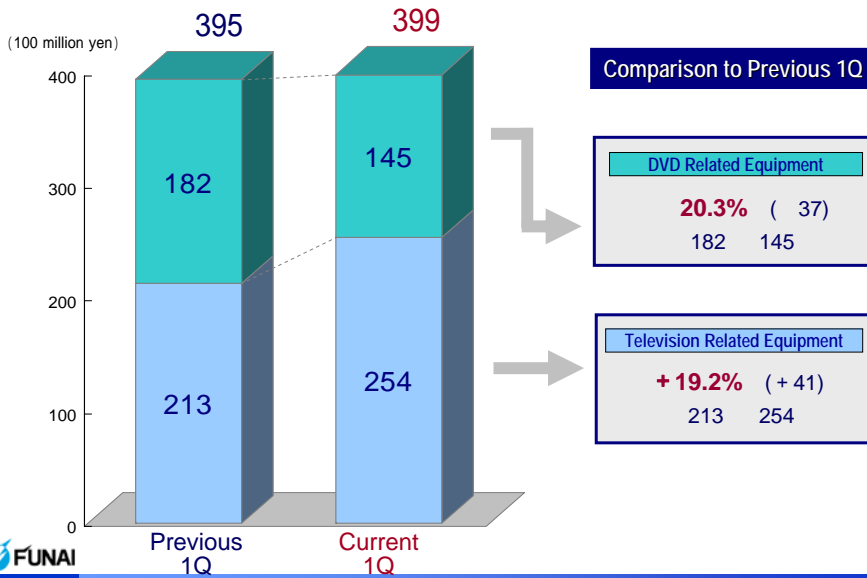
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3 Breakdown of Sales by Equipment



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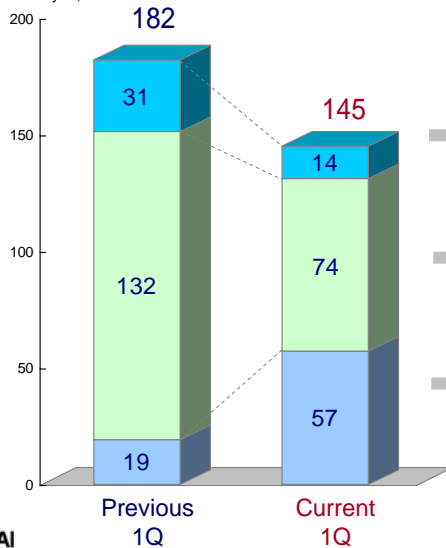
4 Sales of Audio and Visual Equipment



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5 Sales of DVD Related Equipment

(100 million yen)



Comparison to Previous 1Q

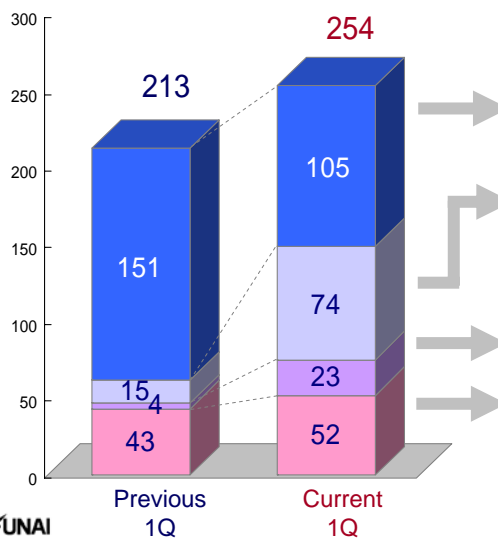
Category	Change (%)	Change (Units)
Video	54.8%	(17)
DVD Player Related Products	43.9%	(58)
DVD Recorder Related Products	+200.0%	(+38)

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6 Sales of Television Related Equipment

(100 million yen)



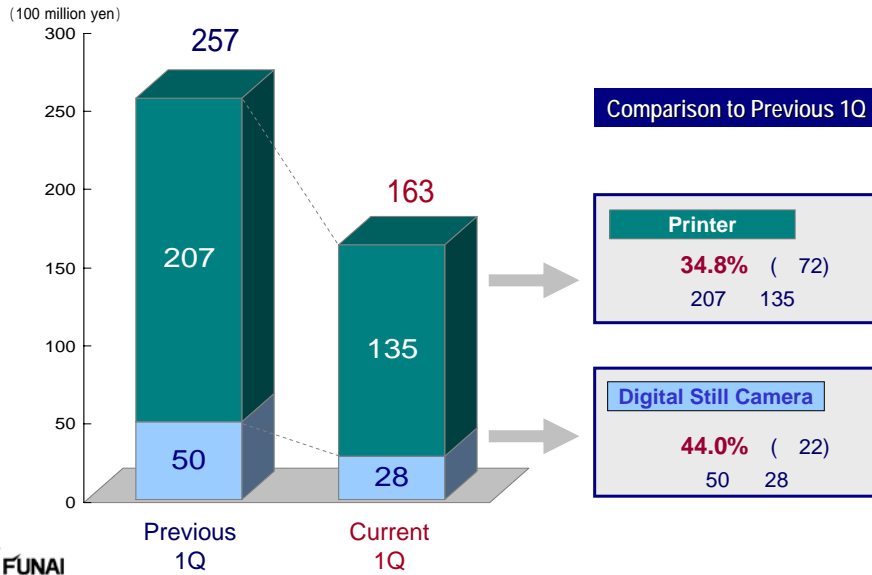
Comparison to Previous 1Q

Category	Change (%)	Change (Units)
TV	30.5%	(46)
LCD TV	+393.3%	(+59)
PDP TV	+475.0%	(+19)
Projectors & Others	+20.9%	(+9)

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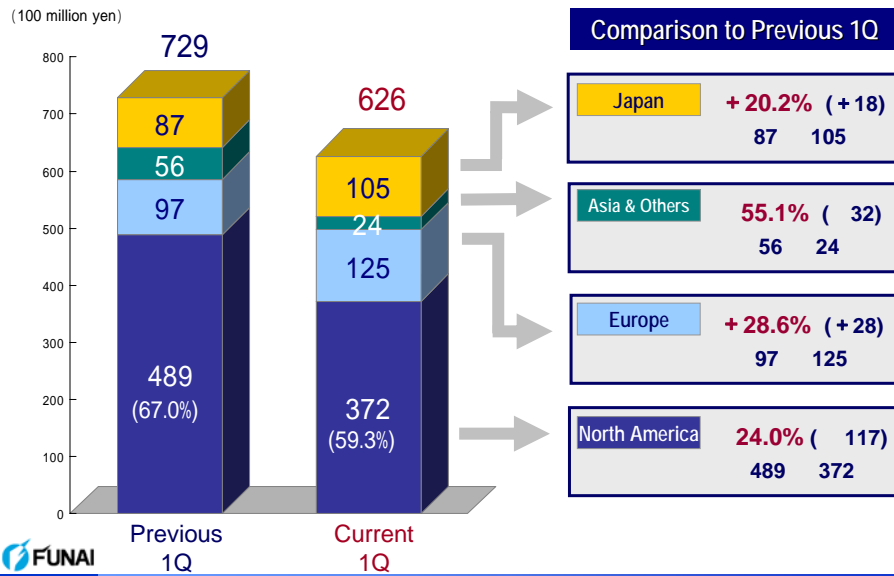
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7 Sales of Information Equipment



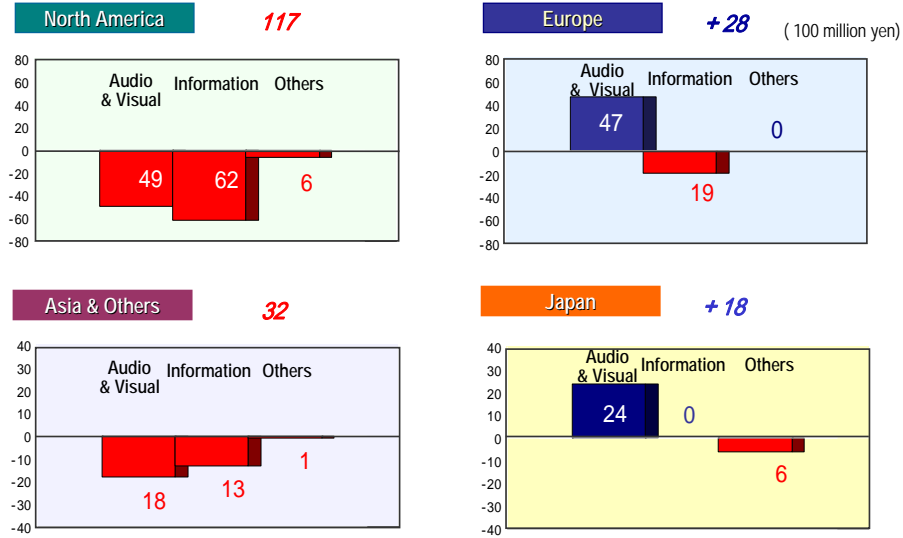
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8 Geographic Breakdown of Sales



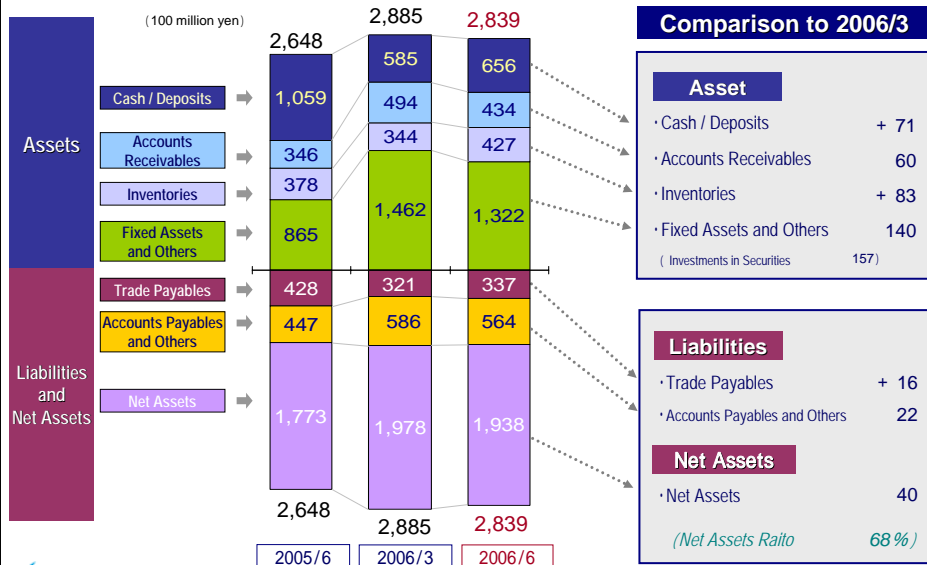
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9 Comparison of Sales by Area and Equipment to Previous 1Q



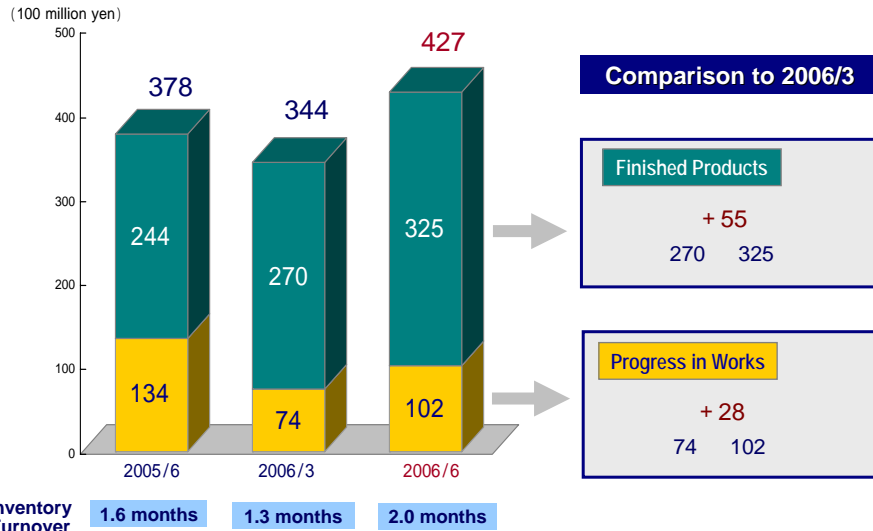
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10 Financial Conditions



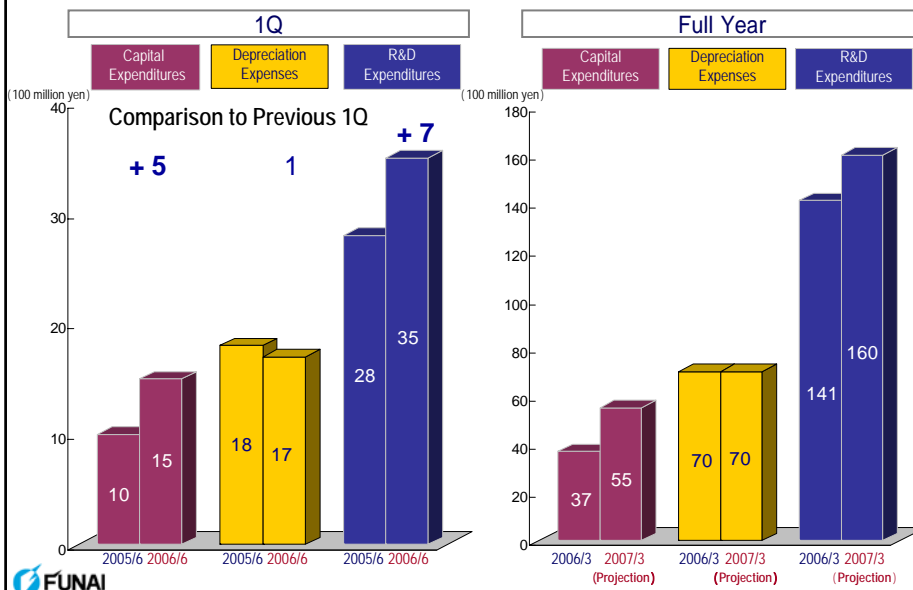
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11 Changes of Inventories



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12 Capital Expenditures, Depreciation Expenses and R&D Expenditures



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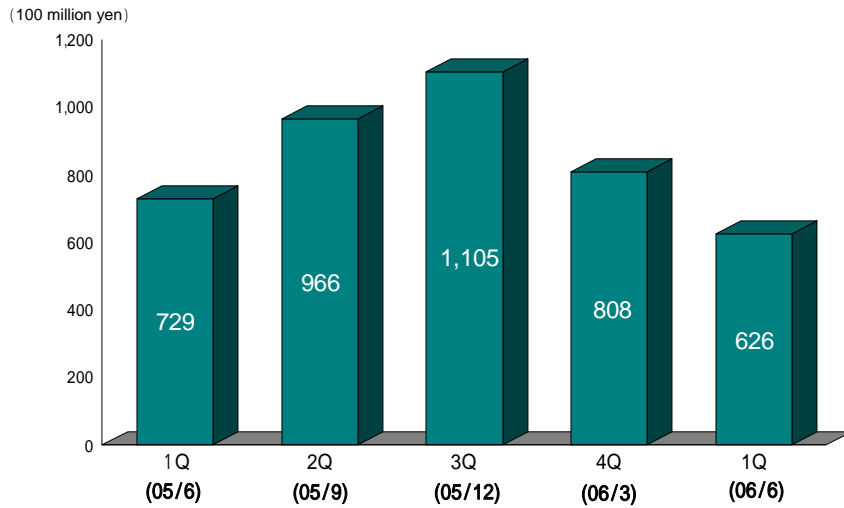
(100 million yen)

	Forecast 1H		Forecast FY2006	
		Change from Previous 1H		Change from Previous year
Net Sales	1,655	7.3%	4,000	+ 10.8%
Operating Income (Margin)	102 (6.2%)	35.8%	280 (7.0%)	+ 20.1%
Ordinary Income (Margin)	110 (6.6%)	34.9%	296 (7.4%)	+ 7.8%
Net Income after Tax (Margin)	79 (4.8%)	32.5%	224 (5.6%)	+ 3.7%

Supplementary Materials

- 1 Changes of Sales Amount
- 2 Changes of Operating Income
- 3 Changes of Sales Amount by Equipment
- 4 Changes of Geographic Sales Amount

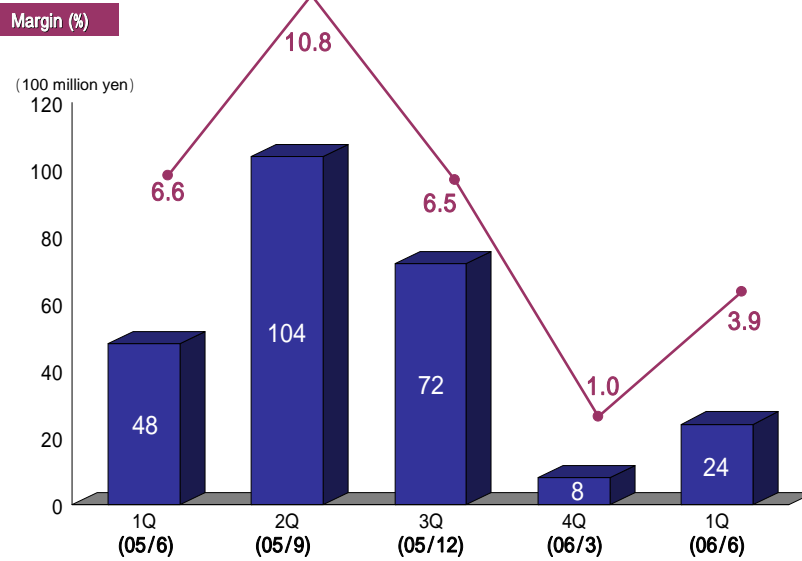
1 Changes of Sales Amount



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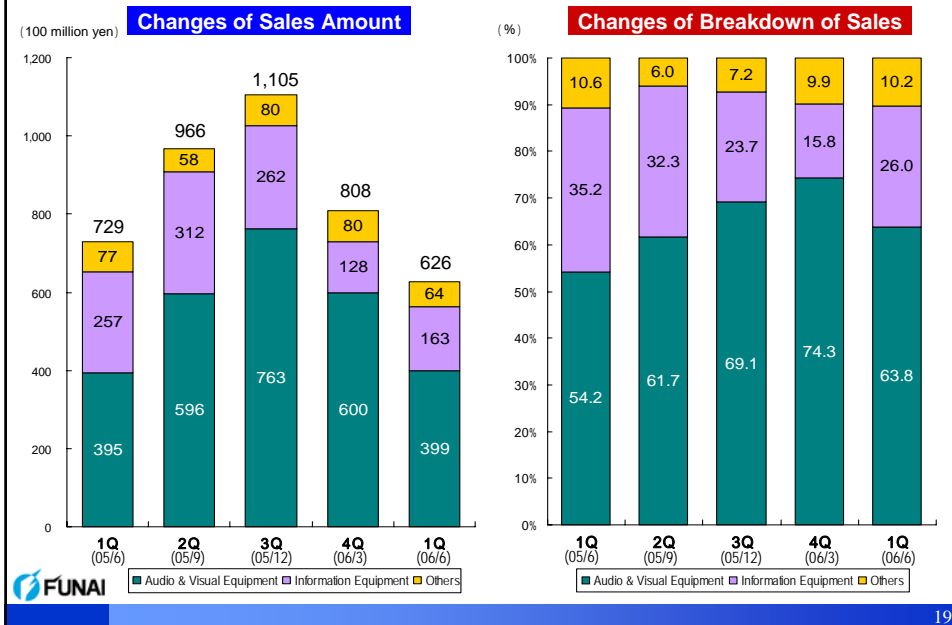
2 Changes of Operating Income



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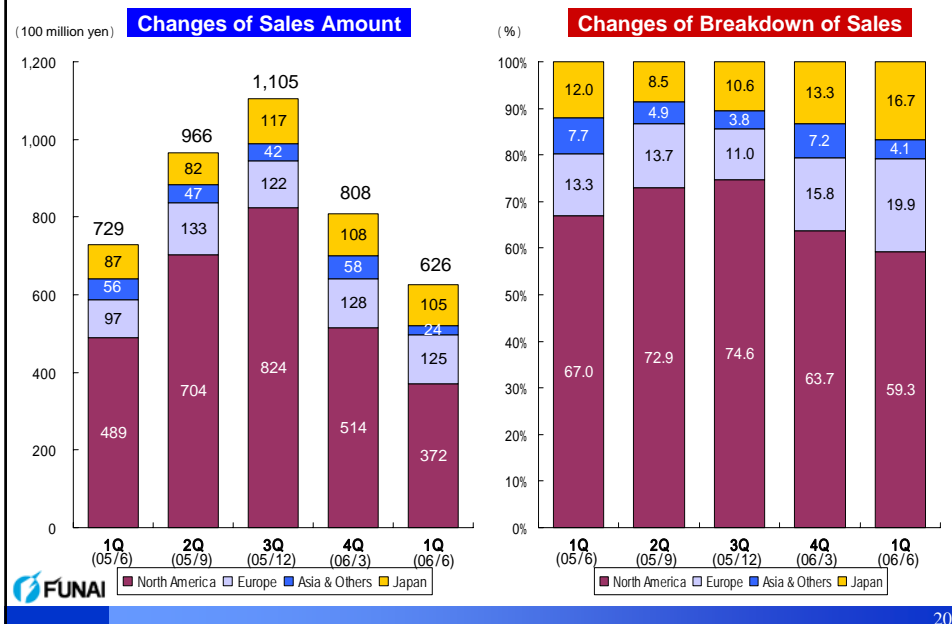
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3 Changes of Sales Amount by Equipment



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4 Changes of Geographic Sales Amount



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Disclaimer

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