



Presentation of Operating Results for the 3rd Quarter (Apr.-Dec.) of FY2014

February 2, 2014

FUNAI ELECTRIC CO., LTD.

TSE 6839

Outline of Operating Results

1. Summary of 3rd Quarter(Oct.-Dec.)
2. Summary of 3rd Quarter (Apr.-Dec.)
3. Summary of 3rd Quarter (Apr.-Dec.) -Ordinary Income/Net Income (after tax)
4. Breakdown of Sales by Equipment
5. Sales of DVD related Equipment
6. Sales of LCD Television
7. Geographic Breakdown of Sales
8. Factor of Changes of Operating Income
9. Financial Conditions
10. Changes of Inventories
11. Capital Expenditures, Depreciation Expense and R&D Expenditures

1. Summary of 3rd Quarter (Oct.- Dec.)



(100 million yen)

	FY2013 3Q	FY2014 3Q	Y / Y
Net Sales	650	577	-73 (-11.2%)
Operating Income (margin)	-1 (-0.2%)	0 (0.1%)	+1
Ordinary Income (margin)	26 (4.1%)	15 (2.6%)	-11
Net Income after tax (margin)	11 (1.7%)	13 (2.3%)	+2

Average USD - JPY Exchange Rate	102. ¹⁰	116. ⁰⁴
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Month End Exchange Rate	13/9	13/12	14/9	14/12
USD - JPY	97. ⁷⁵	105. ³⁹	109. ⁴⁵	120. ⁵⁵

2. Summary of 3rd Quarter (Apr.- Dec.)



(100 million yen)

	FY2013 3Q	FY2014 3Q	Y / Y
Net Sales	1,855	1,735	-120 (-6.4%)
Operating Income (margin)	4 (0.2%)	13 (0.8%)	+9
Ordinary Income (margin)	48 (2.6%)	42 (2.5%)	-6
Net Income after tax (margin)	17 (0.9%)	39 (2.3%)	+22

Average USD - JPY Exchange Rate	99. ⁸⁰	107. ⁷⁵
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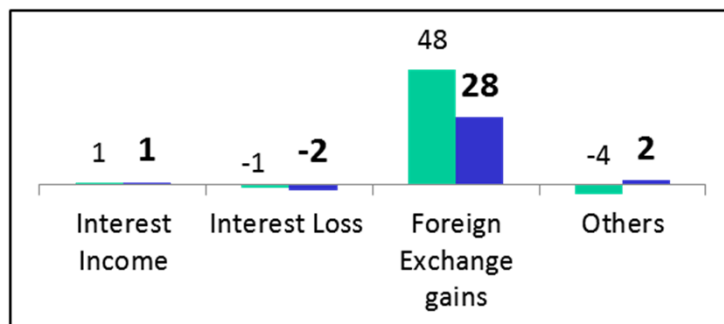
Month End Exchange Rate	13/3	13/12	14/3	14/12
USD - JPY	94. ⁰⁵	105. ³⁹	102. ⁹²	120. ⁵⁵

3. Summary of 3rd Quarter (Apr.- Dec.) Ordinary Income/Net Income

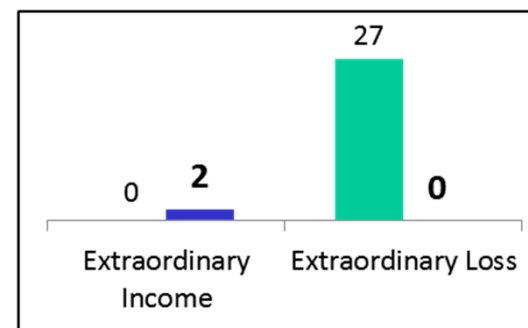
(100 million yen)



	FY2013 3Q	FY2014 3Q	Y/Y
Non-operating Income	50	(※1) { 34	-16
Non-operating Expenses	6	{ 5	-1
Ordinary Income	48	42	-6
Extraordinary Income	0	(※2) { 2	+2
Extraordinary Loss	27	{ 0	-27
Income before Income taxes	21	44	+23
Income taxes and others	4	5	+1
Net Income	17	39	+22

(※1 Non-operating Income and Expenses)



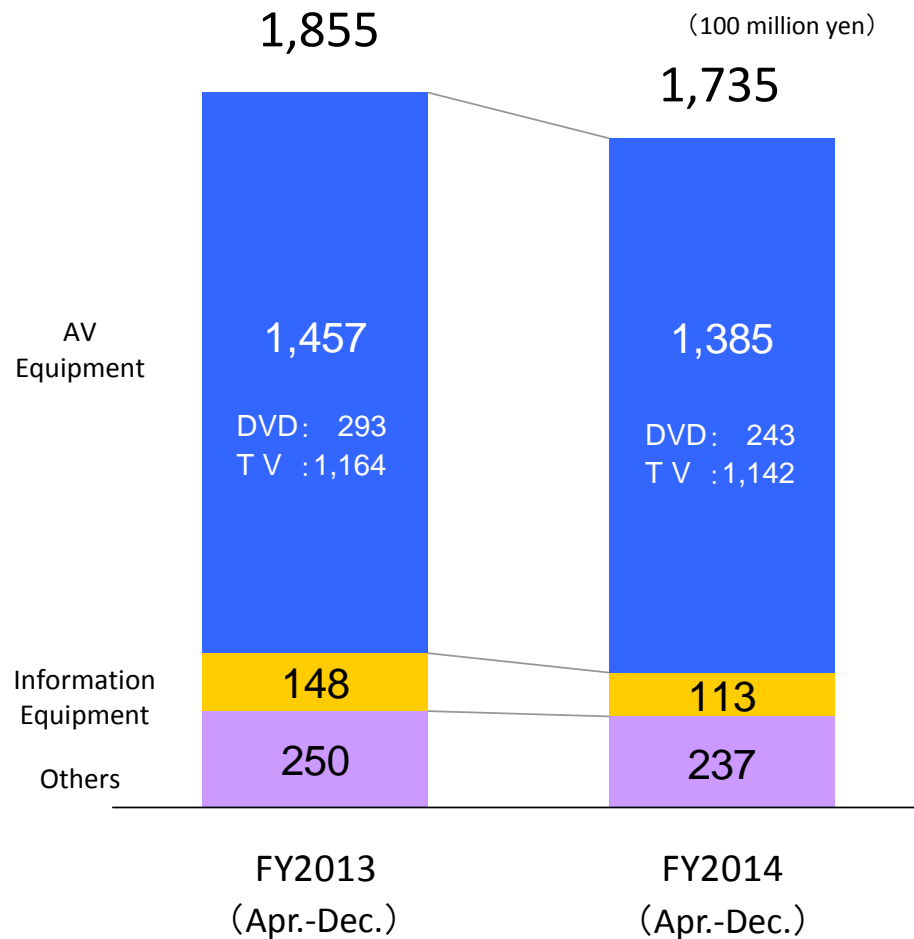
(※2 Extraordinary Income and Loss)



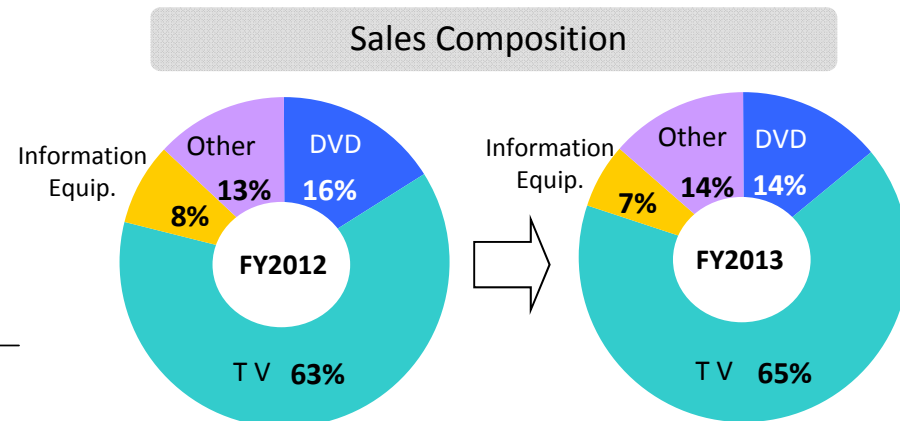
 FY2013
 FY2014

4. Breakdown of Sales by Equipment

- Audiovisual Equipment, revenues from LCDTVs decreased on year over year, and sales of DVD-related products also declined due to market contraction.
- Information Equipment, although revenues from Ink Cartridge increased, lower revenues from Printers.
- Other products also declined, mainly affected after the consumption tax increase for Antennas, and selective reduction of the range of Audio Accessories line-ups.

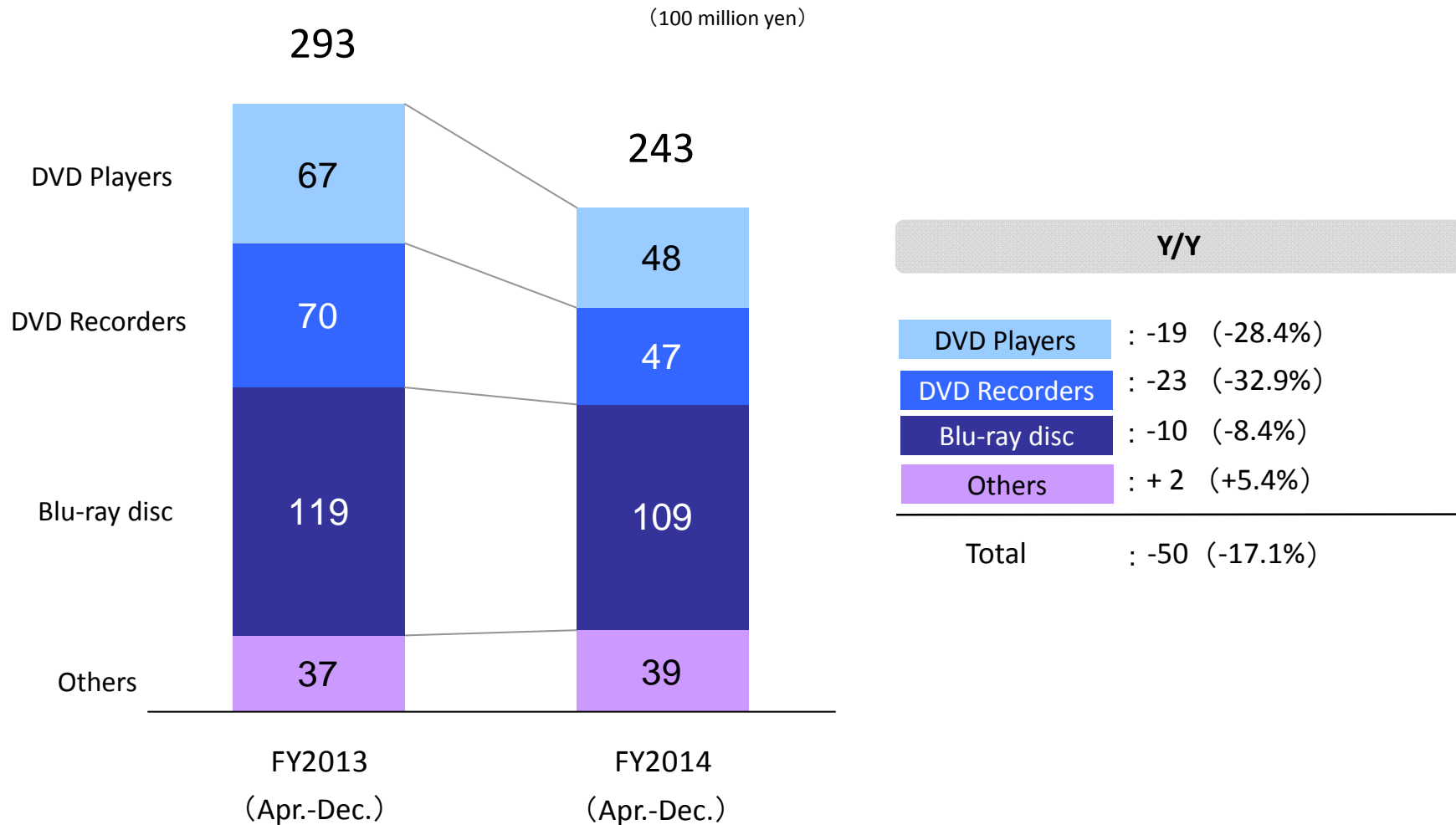


	Y/Y	(100 million yen)
AV Equipment	: -72	(-4.9%)
DVD equip.	: -50	(-17.1%)
T V equip.	: -22	(-1.9%)
Information Equipment	: -35	(-23.7%)
Others	: -13	(-5.1%)
Total	: -120	(-6.4%)



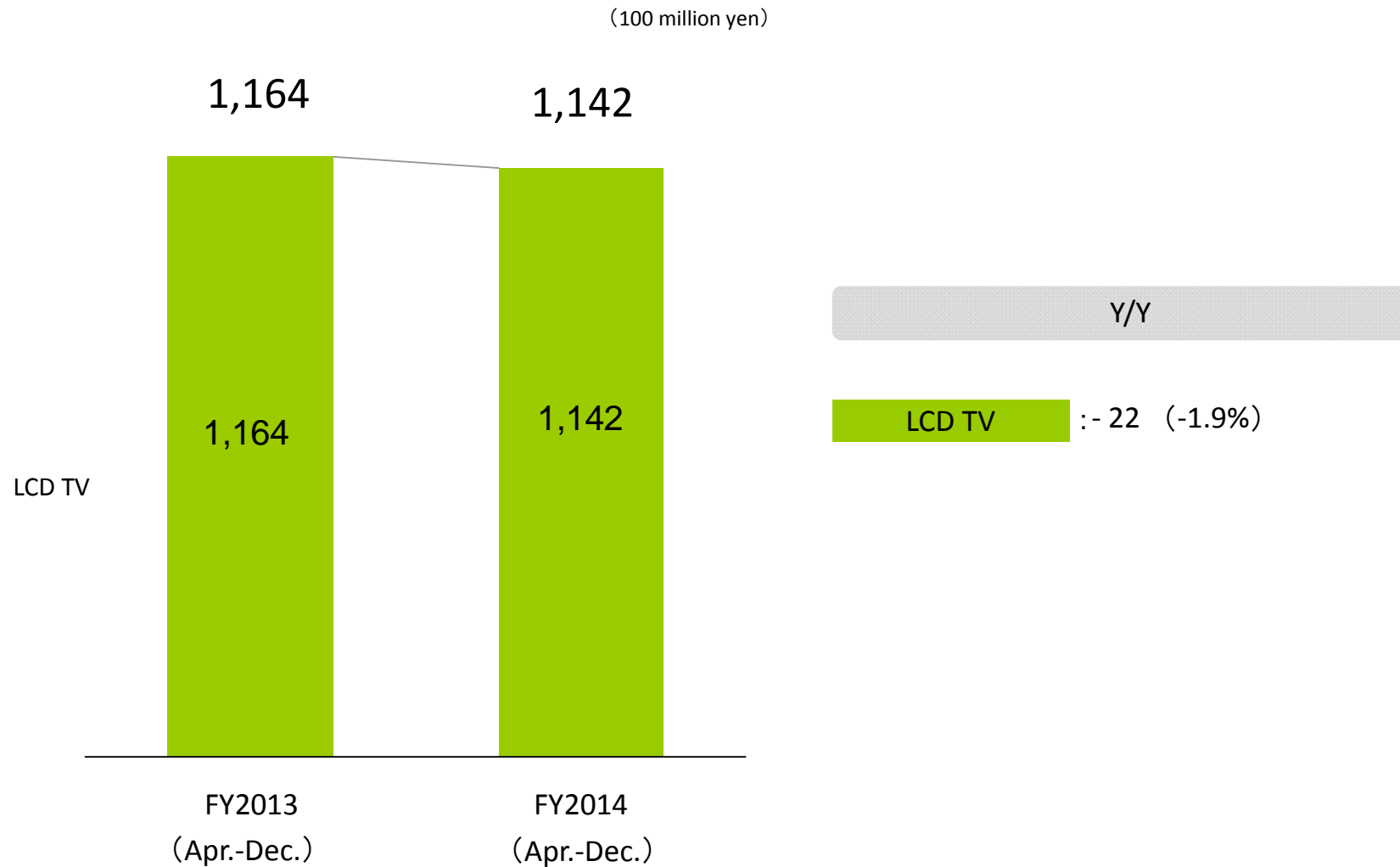
5. Sales of DVD related Equipment

➤ Due to market contraction, both of declined Y/Y for DVD and Blu-ray products.



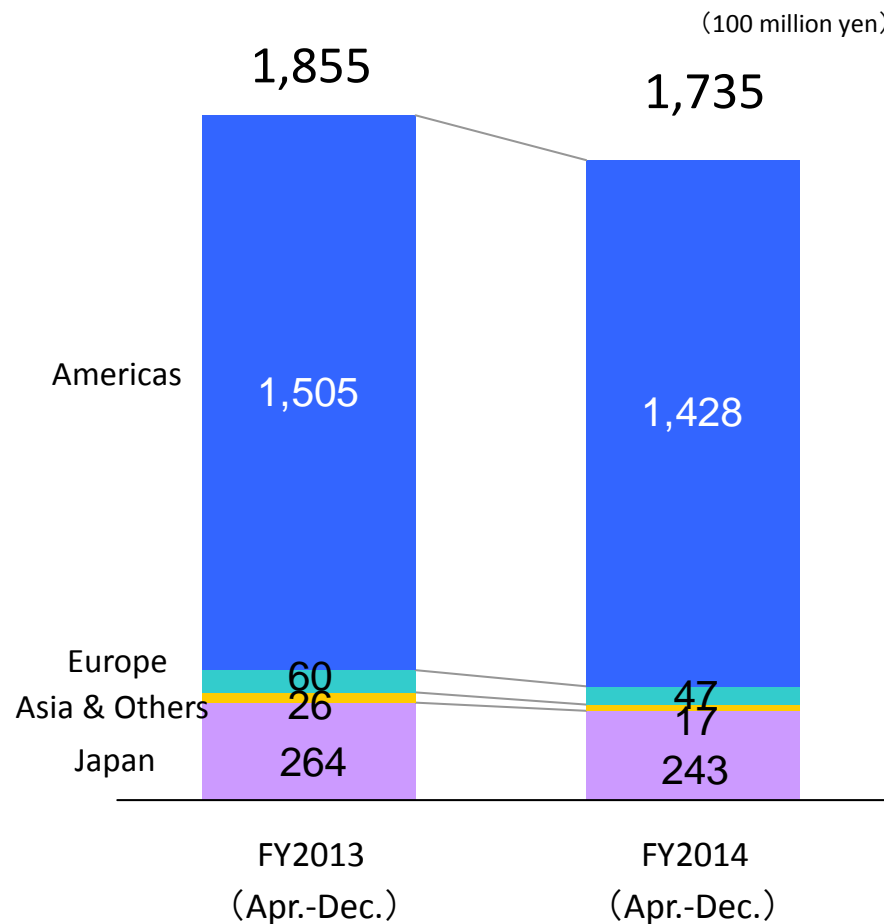
6. Sales of LCD Televisions

- Despite a strong year-end selling season, revenues declined Y/Y, due to lower sales for LCDTV/DVD combos.

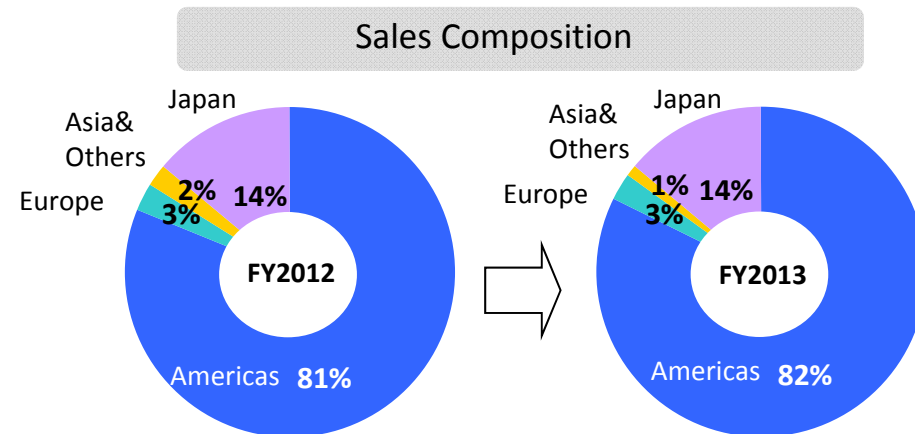


7. Geographic Breakdown of Sales

- For Americas, due to lower sales for LCDTV/DVD combos.
- For Japan, mainly DVD related equipment declined, due to market contraction.



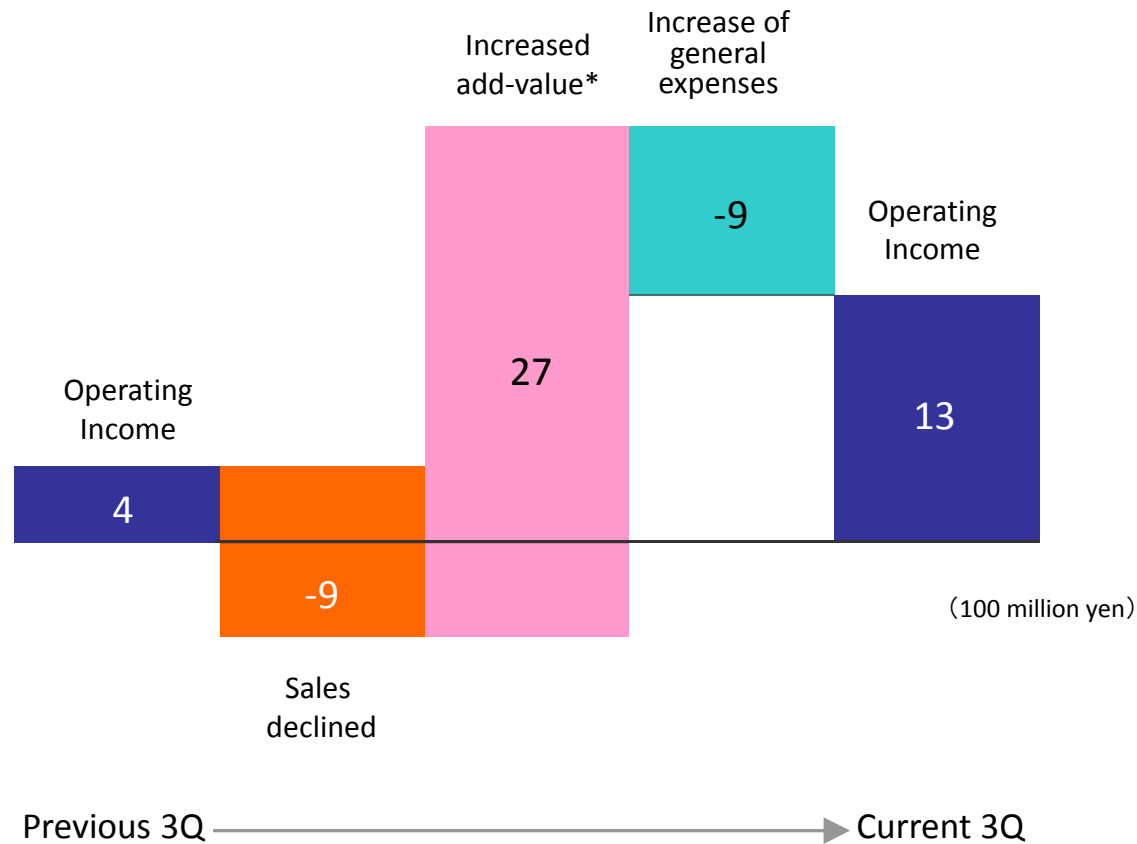
Y/Y	
Americas	: - 77 (-5.1%)
Europe	: - 13 (-21.2%)
Asia & Others	: - 9 (-33.3%)
Japan	: - 21 (-7.9%)
Total	: - 120 (-6.4%)



Note: Effective From FY2014, sales to Central and South America, which were previously included in the Asia and others, have been included in Americas. The segment name North America has been changed to Americas. Figures for FY2013 have been restated accordingly.

8. Factor of Changes of Operating Income

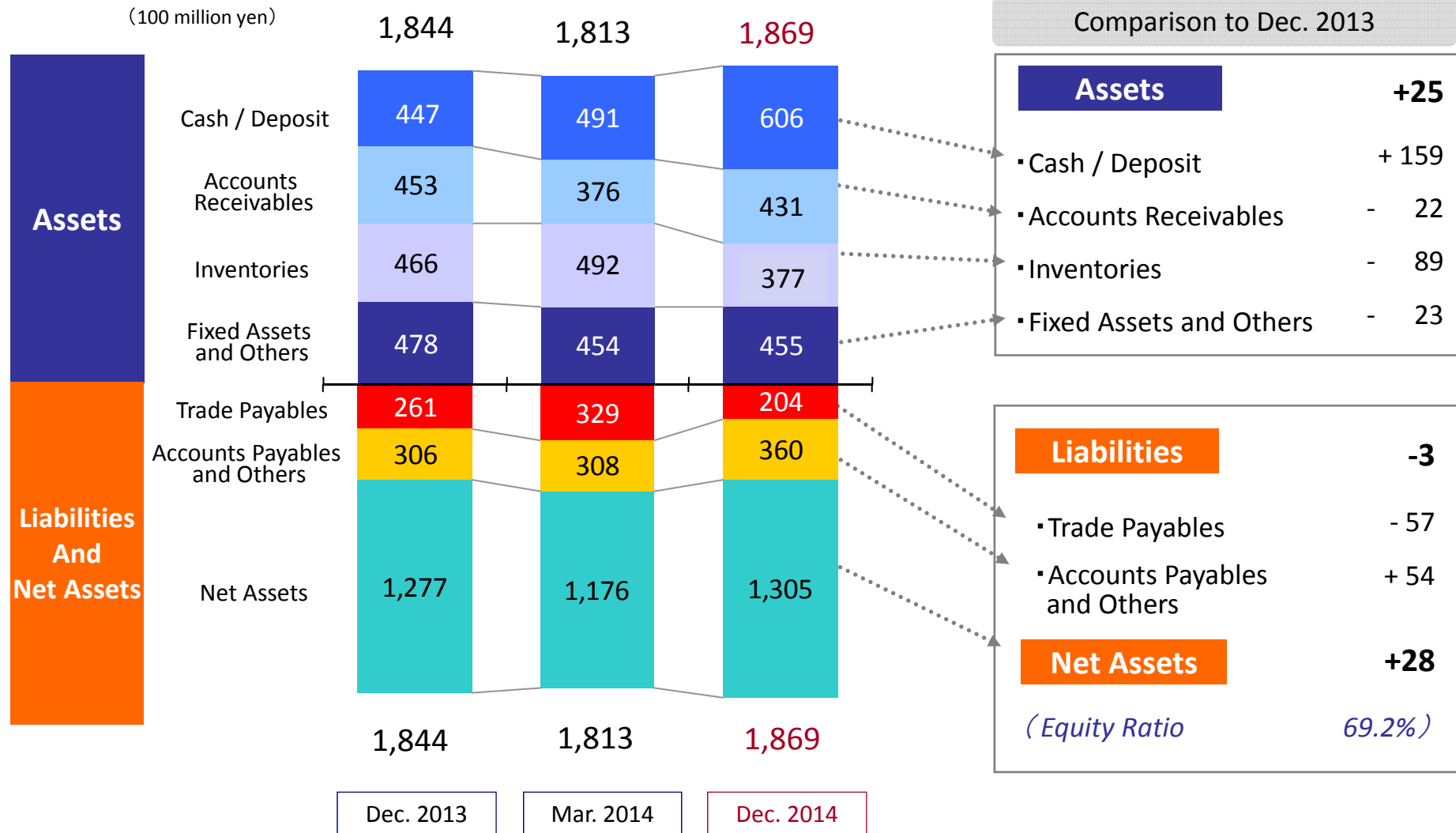
* Add-value=Sales – (Cost of sales + selling expenses)



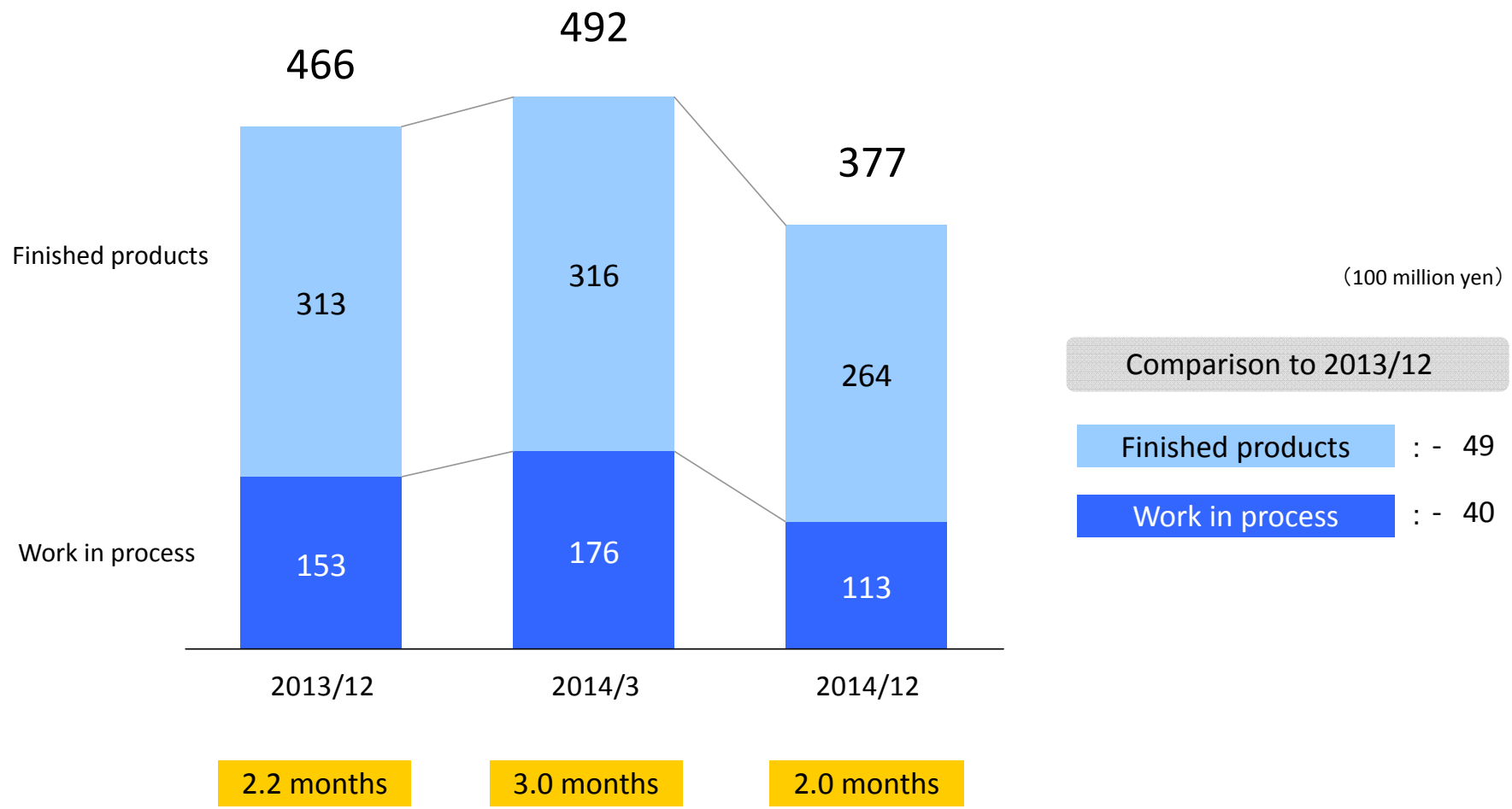
9. Financial Conditions



(100 million yen)



10. Changes of Inventories



<Inventories Turnover>

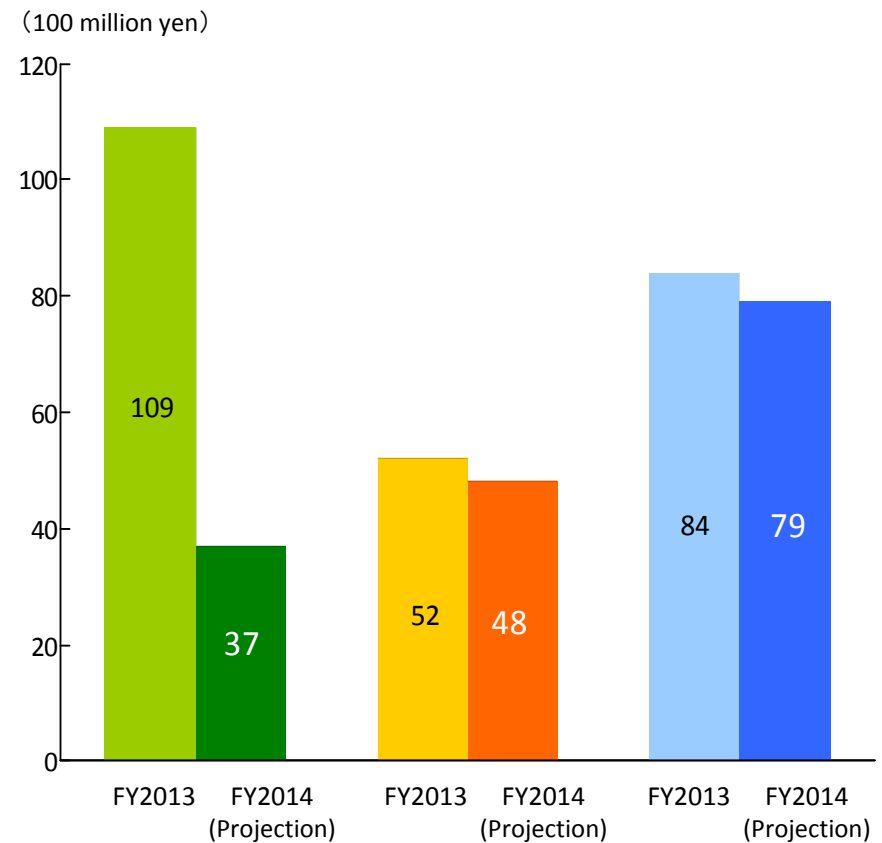
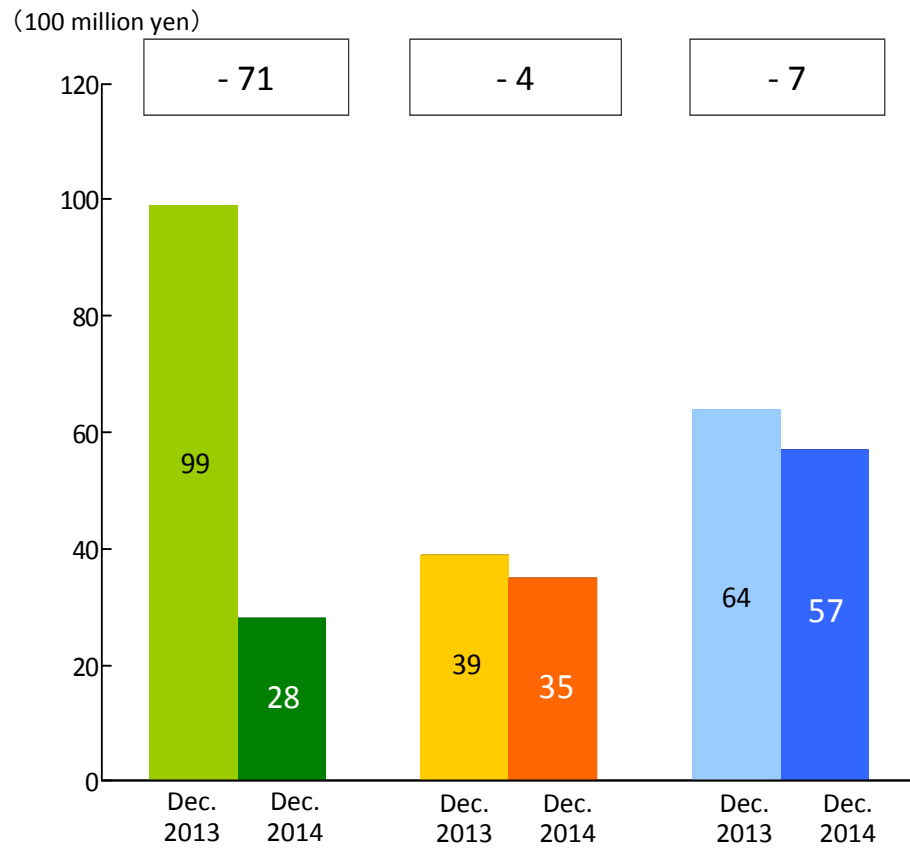
11. Capital Expenditures, Depreciation Expense and R&D Expenditures

3Q (Apr.-Dec.)

Full Year

Capital Expenditures Depreciation Expense R&D Expenditures

Capital Expenditures Depreciation Expense R&D Expenditures



Appendix

1. Quarterly Operating Summary of FY 2013 / 2014
2. Quarterly Changes of Sales Amount by Equipment
3. Quarterly Changes of Sales Amount by Geography

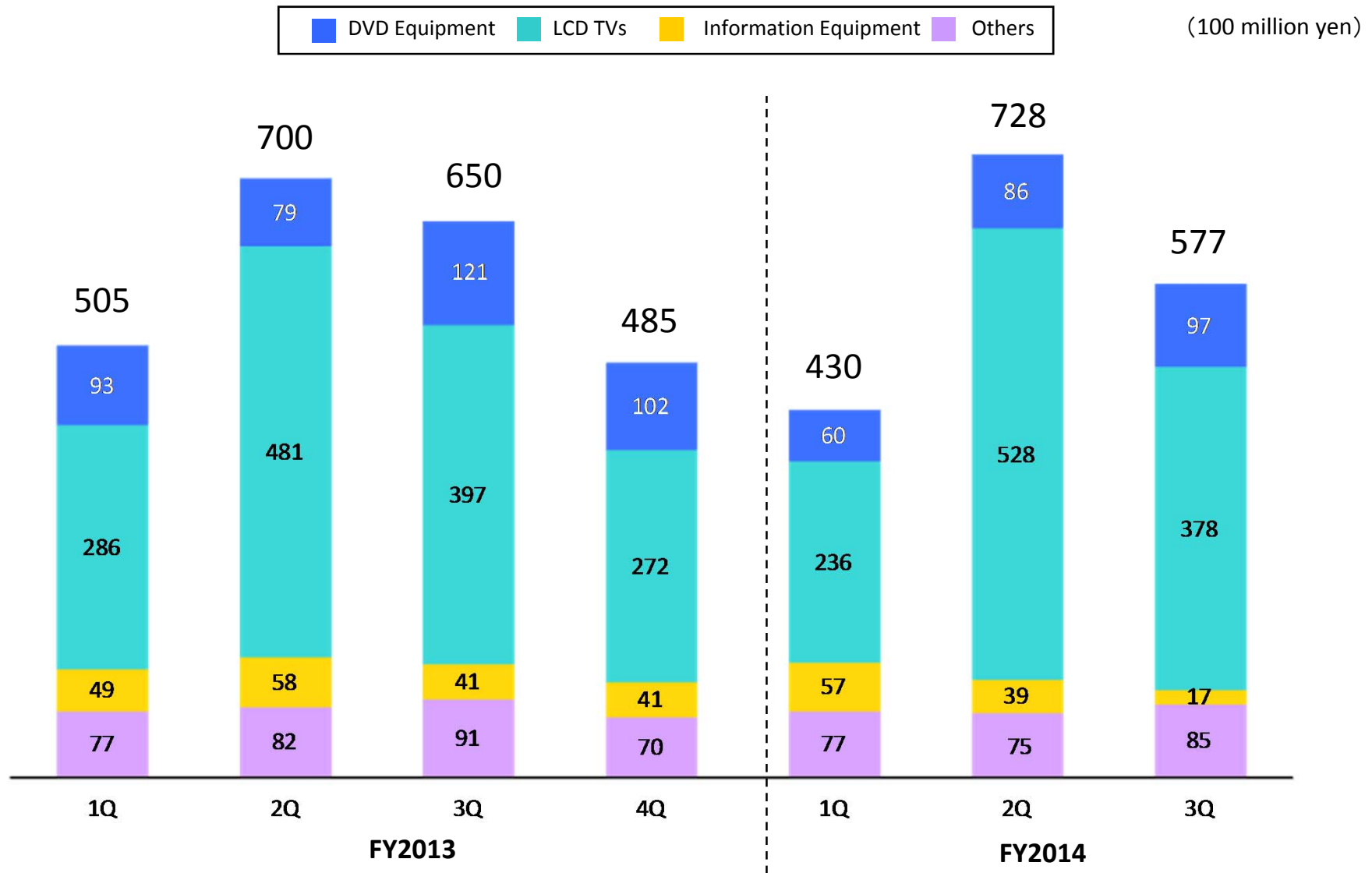
1. Quarterly Operating Summary of FY 2013 / 2014



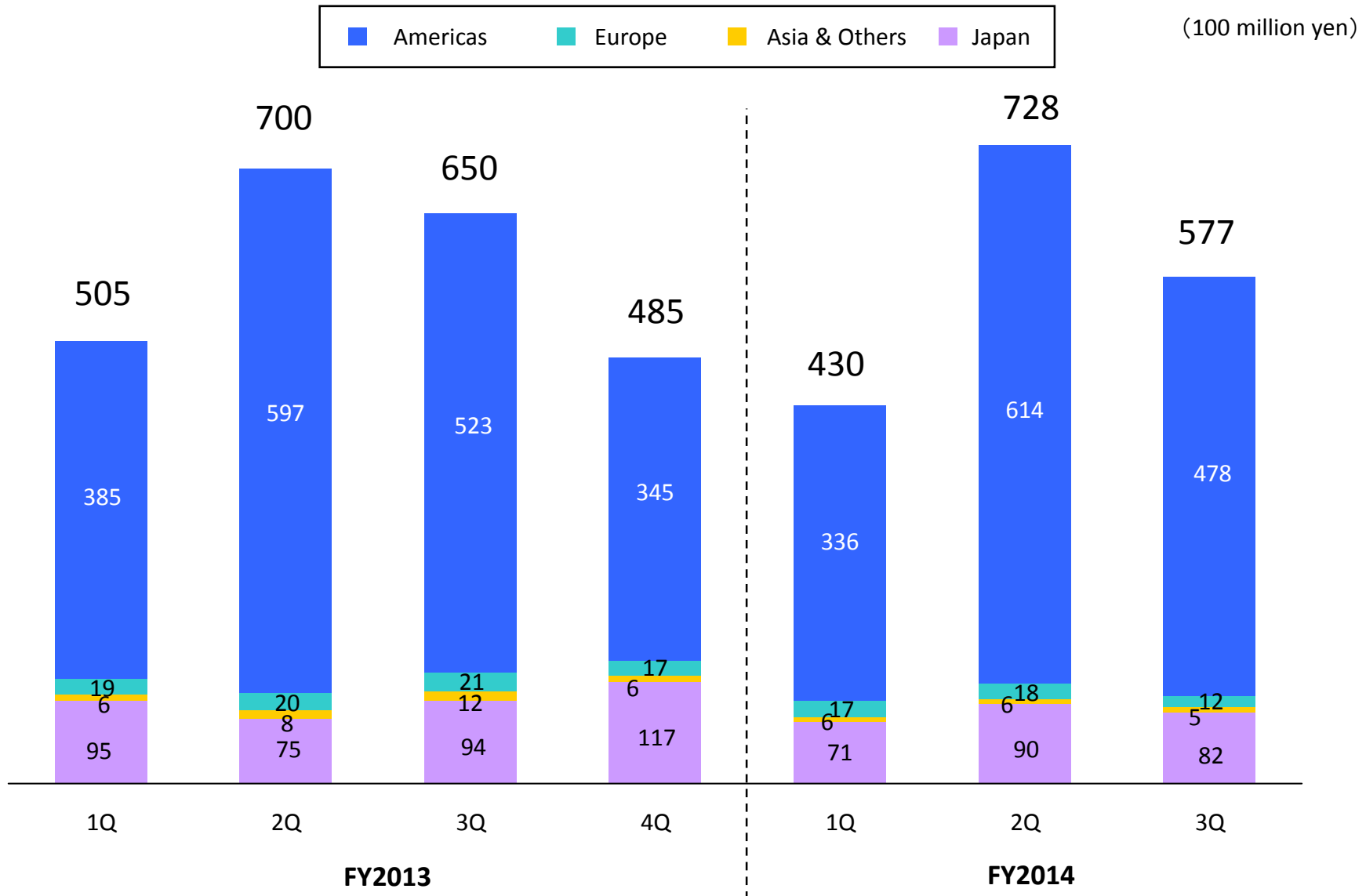
(100 million yen)

	FY2013				FY2014		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	505	700	650	485	430	728	577
Operating Income (margin)	-17 (-3.4%)	22 (3.3%)	-1 (-0.2%)	-59 (-12.2%)	-21 (-4.9%)	34 (4.7%)	0 (0.1%)
Ordinary Income (margin)	1 (0.2%)	20 (2.9%)	26 (4.1%)	-70 (-14.5%)	-24 (-5.7%)	52 (7.1%)	15 (2.6%)
Net Income after tax (margin)	-0 (-0.0%)	6 (0.9%)	11 (1.7%)	-84 (-17.5%)	-23 (-5.4%)	49 (6.7%)	13 (2.3%)
Average USD-JPY Exchange Rate	99. ²³	98. ⁰⁶	102. ¹⁰	102. ⁵⁷	101. ⁸⁷	105. ³⁴	116. ⁰⁴

2. Quarterly Changes of Sales Amount by Equipment



3. Quarterly Changes of Sales Amount by Geography



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