



# **Financial Results**

## **Third Quarter (Apr.-Dec.)**

### **of FY2016**

**February 13, 2017**

**FUNAI ELECTRIC CO.,LTD.**

**TSE 6839**

# **I . Financial Results**

# 1. Summary of 3<sup>rd</sup> Quarter (Oct.-Dec.)

(100 million yen)

	FY2015 3Q	FY2016 3Q	Difference (Y / Y)
Net Sales	468	373	-95 (-20.2%)
Operating Income (Margin)	-14 (-3.0%)	-10 (-2.7%)	4 (-)
Ordinary Income (Margin)	-13 (-2.9%)	26 (7.0%)	39 (-)
Net Income Attributable to owners of parent (Margin)	-10 (-2.2%)	23 (6.2%)	33 (-)

Average USD-JPY Exchange Rate	121. <sup>44</sup>	111. <sup>25</sup>
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Month End USD-JPY Exchange Rate	Sep.2015	Dec.2015	Sep.2016	Dec.2016
	119. <sup>96</sup>	120. <sup>61</sup>	101. <sup>12</sup>	116. <sup>49</sup>

## 2. Summary of Nine-Month (Apr.-Dec.) 1

(100 million yen)

	FY2015 Nine-Month	FY2016 Nine-Month	Difference (Y / Y)
Net Sales	1,333	1,034	-299 (-22.4%)
Operating Income (Margin)	-72 (-5.4%)	-46 (-4.5%)	26
Ordinary Income (Margin)	-85 (-6.4%)	-48 (-4.7%)	37
Net Income Attributable to owners of parent (Margin)	-90 (-6.8%)	-53 (-5.1%)	37

Average USD-JPY Exchange Rate	121. <sup>63</sup>	107. <sup>56</sup>
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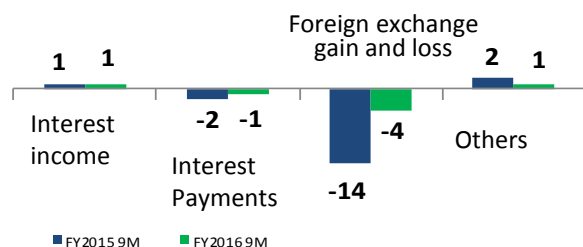
Month End USD-JPY Exchange Rate	Mar..2015	Dec.2015	Mar.2016	Dec.2016
	120. <sup>17</sup>	120. <sup>61</sup>	112. <sup>68</sup>	116. <sup>49</sup>

### 3. Summary of Nine-Month (Apr.-Dec.) 2

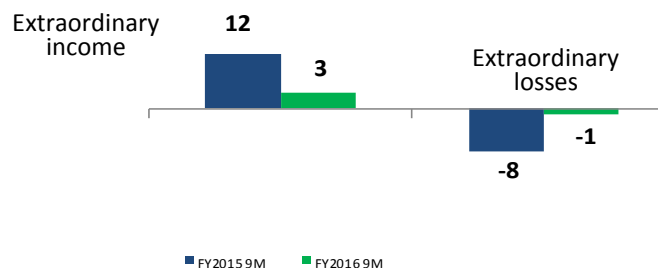
(100 million yen)

	FY2015 Nine-Month	FY2016 Nine-Month	Difference (Y / Y)
Non-operating income	(note:1) { 6	3	-3
Non-operating expenses	{ 19	5	-14
<b>Ordinary Income</b>	<b>-85</b>	<b>-48</b>	37
Extraordinary income	(note:2) { 12	3	-9
Extraordinary losses	{ 8	1	-7
<b>Income before Income Taxes</b>	<b>-81</b>	<b>-46</b>	35
Income taxes	9	7	-2
<b>Net Income Attributable to owners of parent</b>	<b>-90</b>	<b>-53</b>	37

(note:1 Non-operating income and expenses)

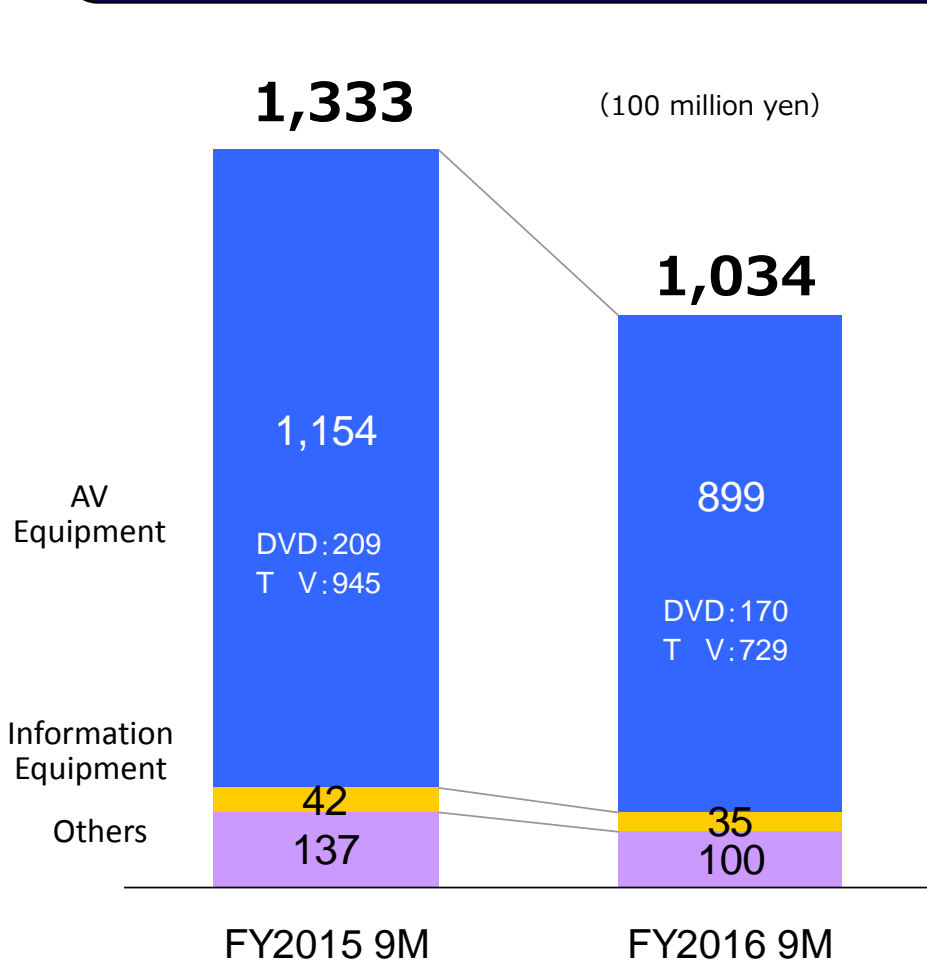


(note:2 Extraordinary income and losses)



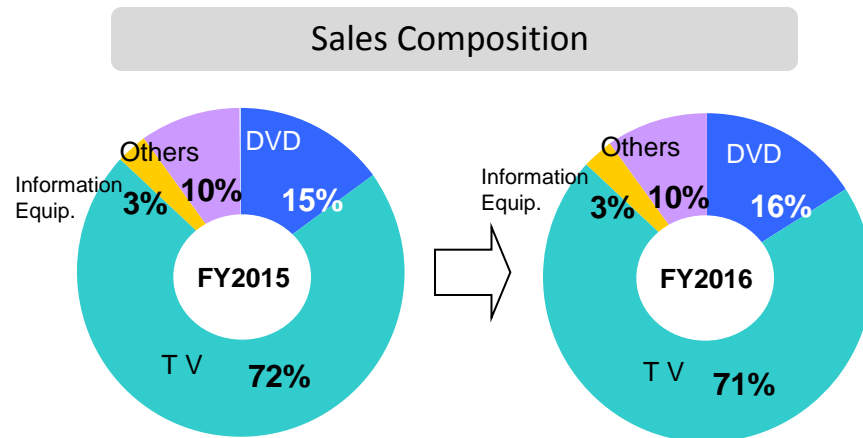
# 4. Breakdown of Sales by Equipment

- AV Equipment: LCD TVs and DVD related products decreased.
- Info Equipment: Printers decreased due to slow sales of ink-cartridge for OEM.
- Others: Audio Accessories decreased.



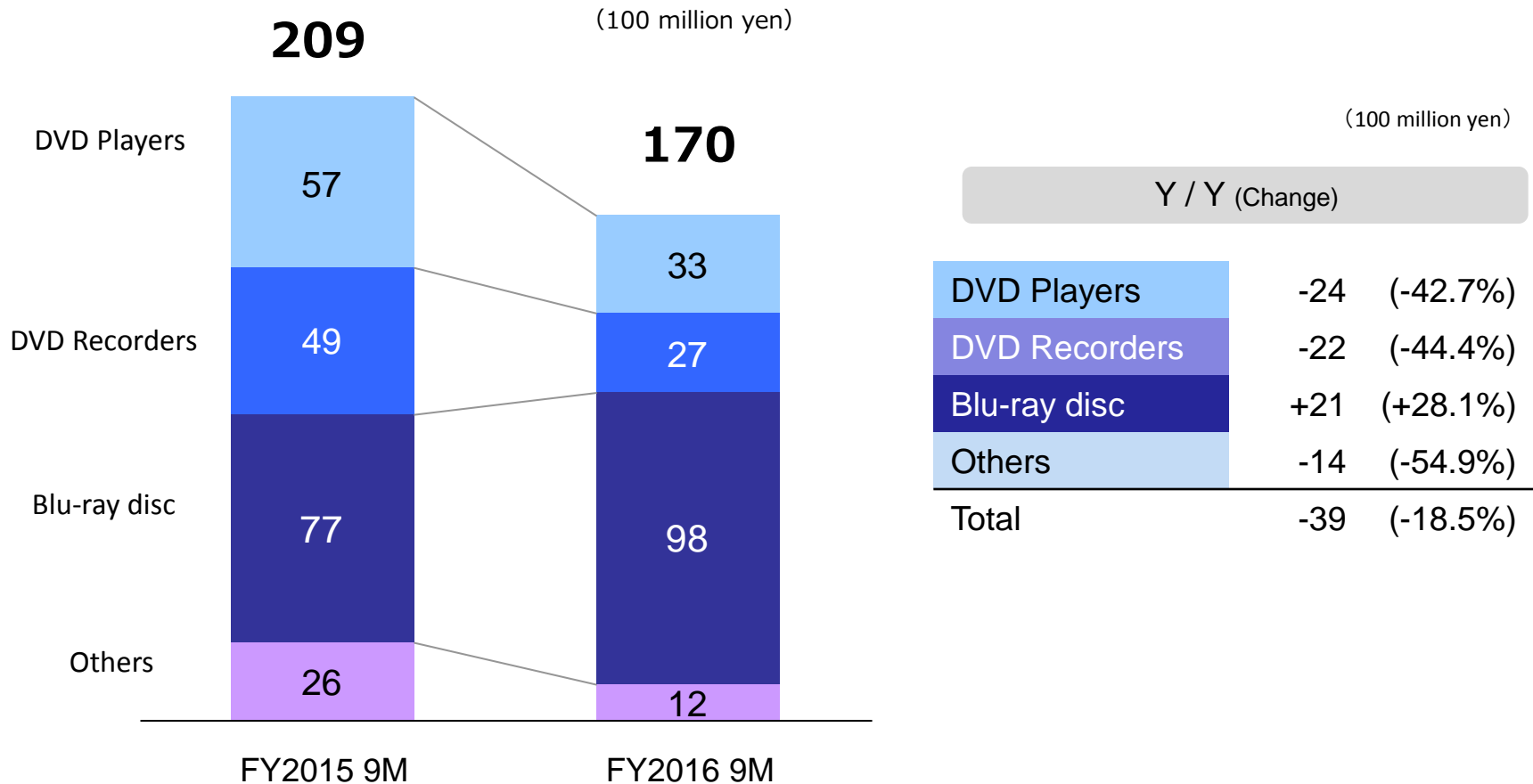
(100 million yen)

Y / Y (Change)		
AV Equip	-255	(-22.1%)
DVD Equip	-39	(-18.5%)
TV Equip	-216	(-22.9%)
Information Equip	-7	(-15.4%)
Others	-37	(-27.6%)
<b>Total</b>	<b>-299</b>	<b>(-22.4%)</b>



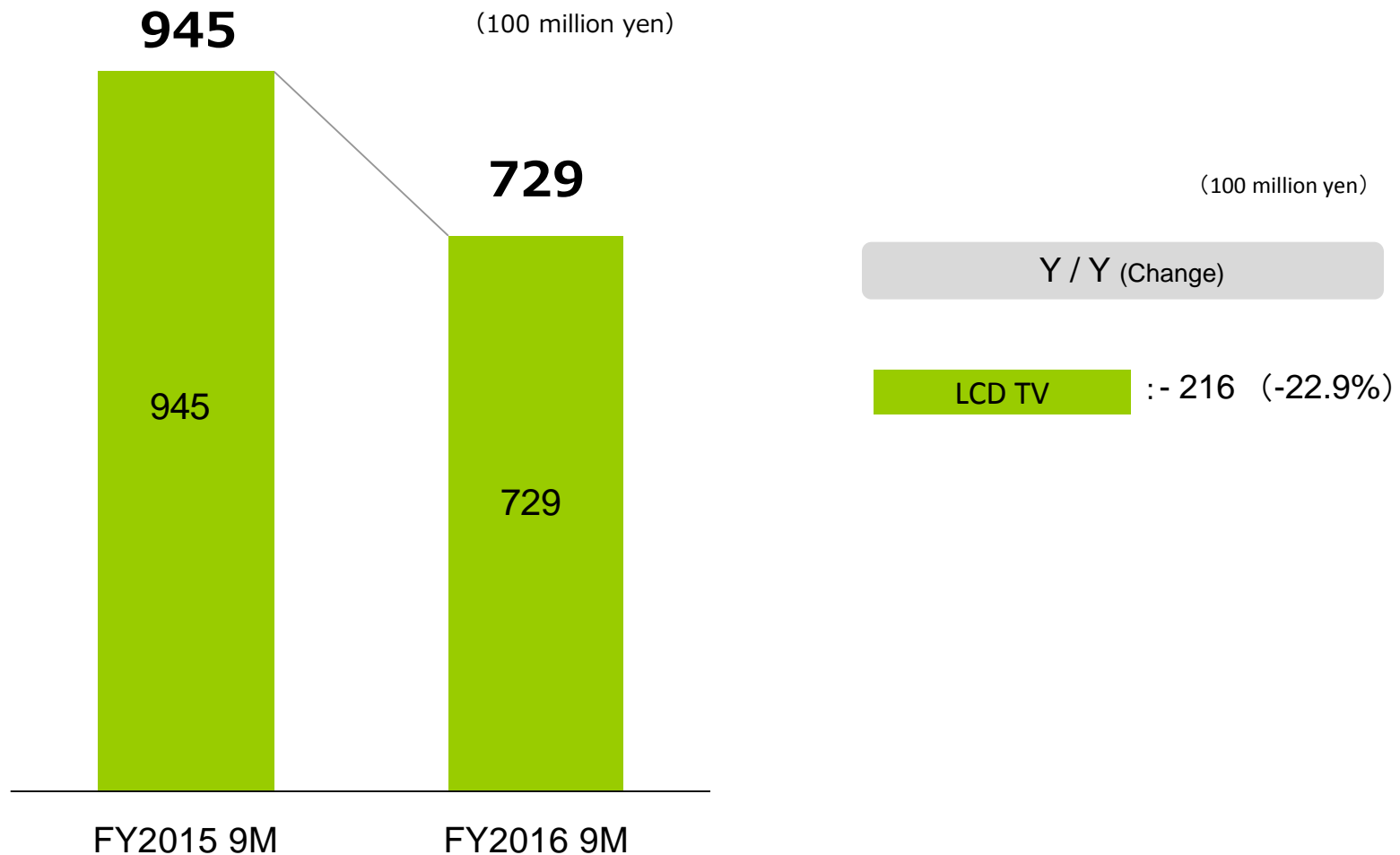
# 5. Sales of DVD related Equipment

➤ Blu-ray player increased due to good sales.



# 6. Sales of LCD Television

➤ Decreased due to the delay of New model and weak sales caused by price competition.

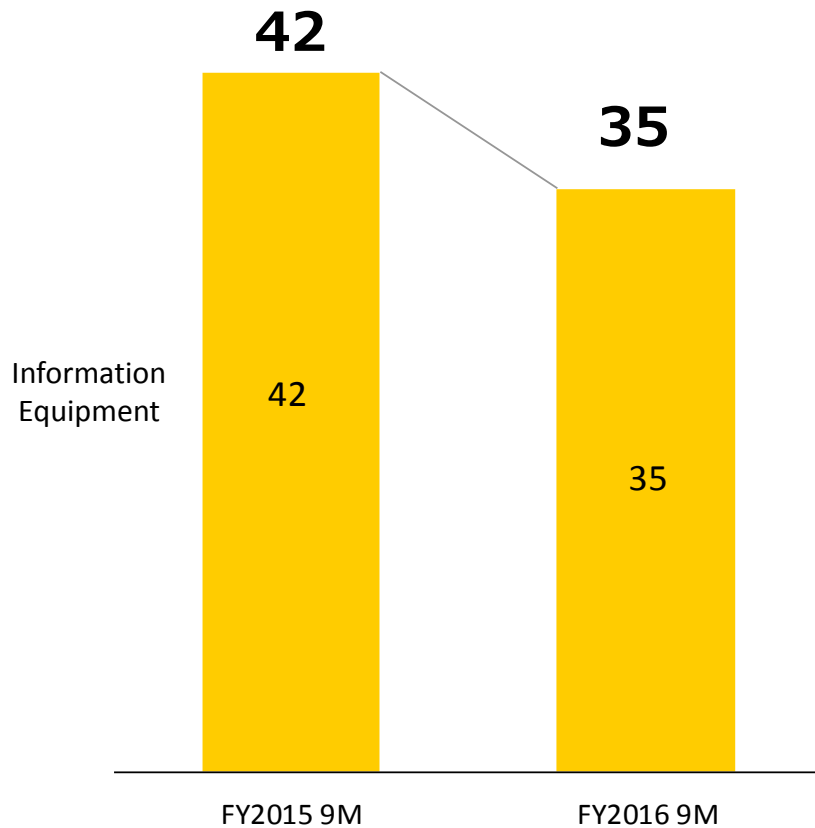




# 7. Sales of Information Equipment

➤ **Decreased, because of lower sales of ink-cartridges for OEM business.**

(100 million yen)

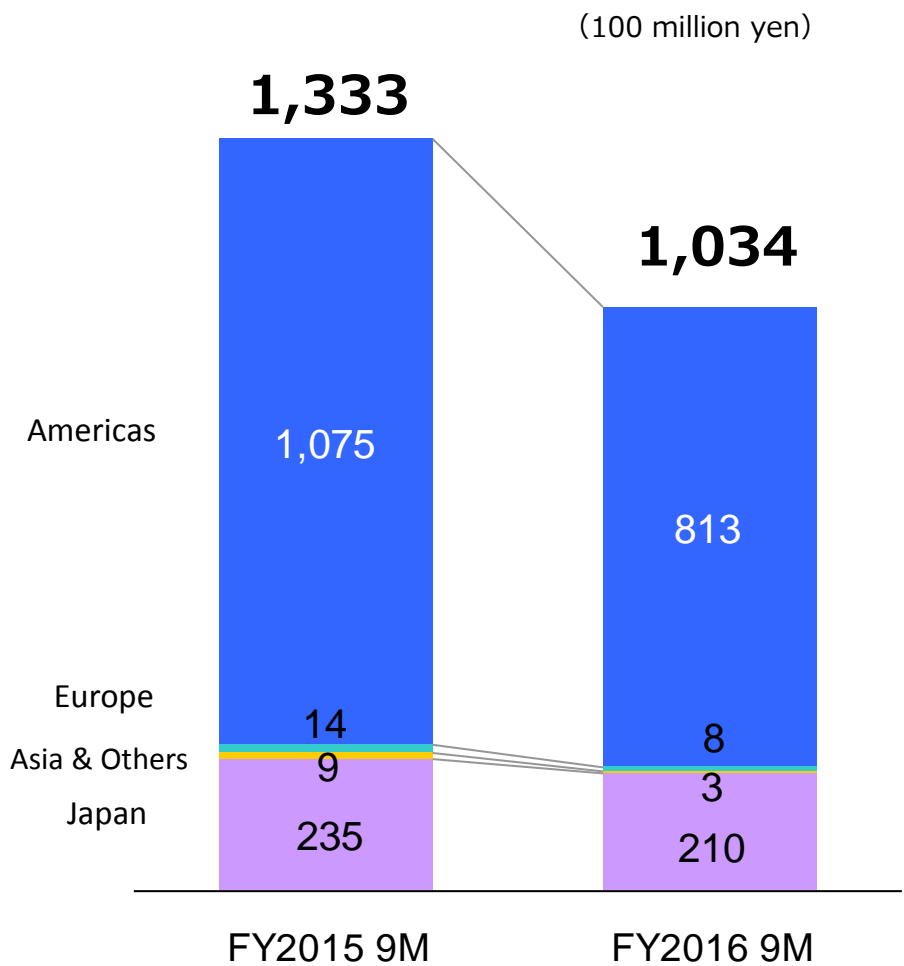


YoY Change (%)

Information Equipment : -7 (-15.4%)

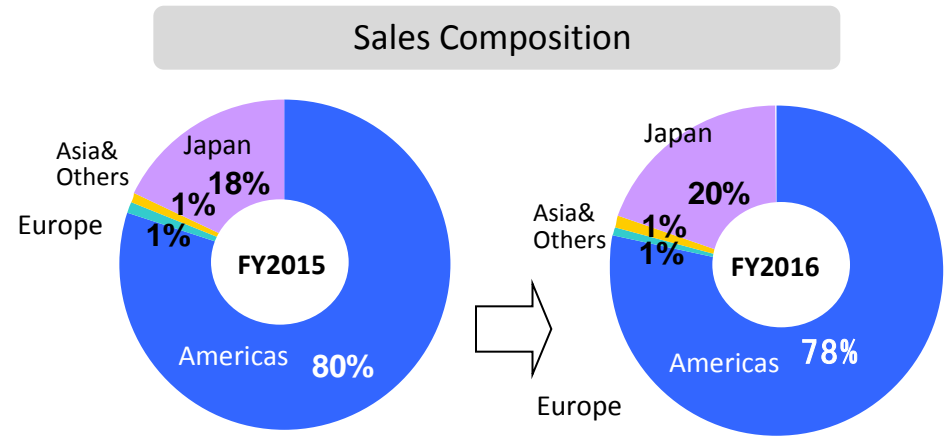
# 8. Geographic Breakdown of Sales

- Americas: LCD TVs and Audio Accessories decreased.
- Japan: Blu-ray disc players for OEM had good sales.



(100 million yen)

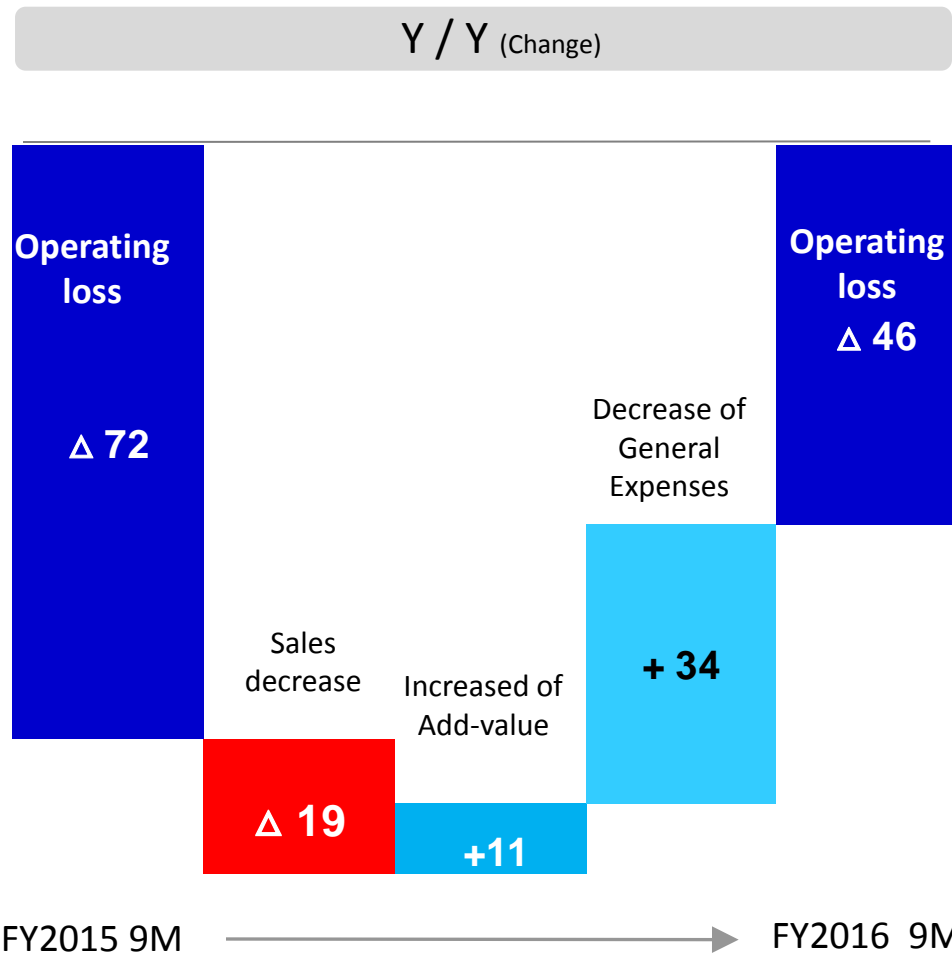
Y / Y (Change)		
Americas	-262	(-24.3%)
Europe	-6	(-43.0%)
Asia & Others	-6	(-69.7%)
Japan	-25	(-10.8%)
<b>Total</b>	<b>-299</b>	<b>(-22.4%)</b>



# 9. Operating Income Analysis (Y/Y)

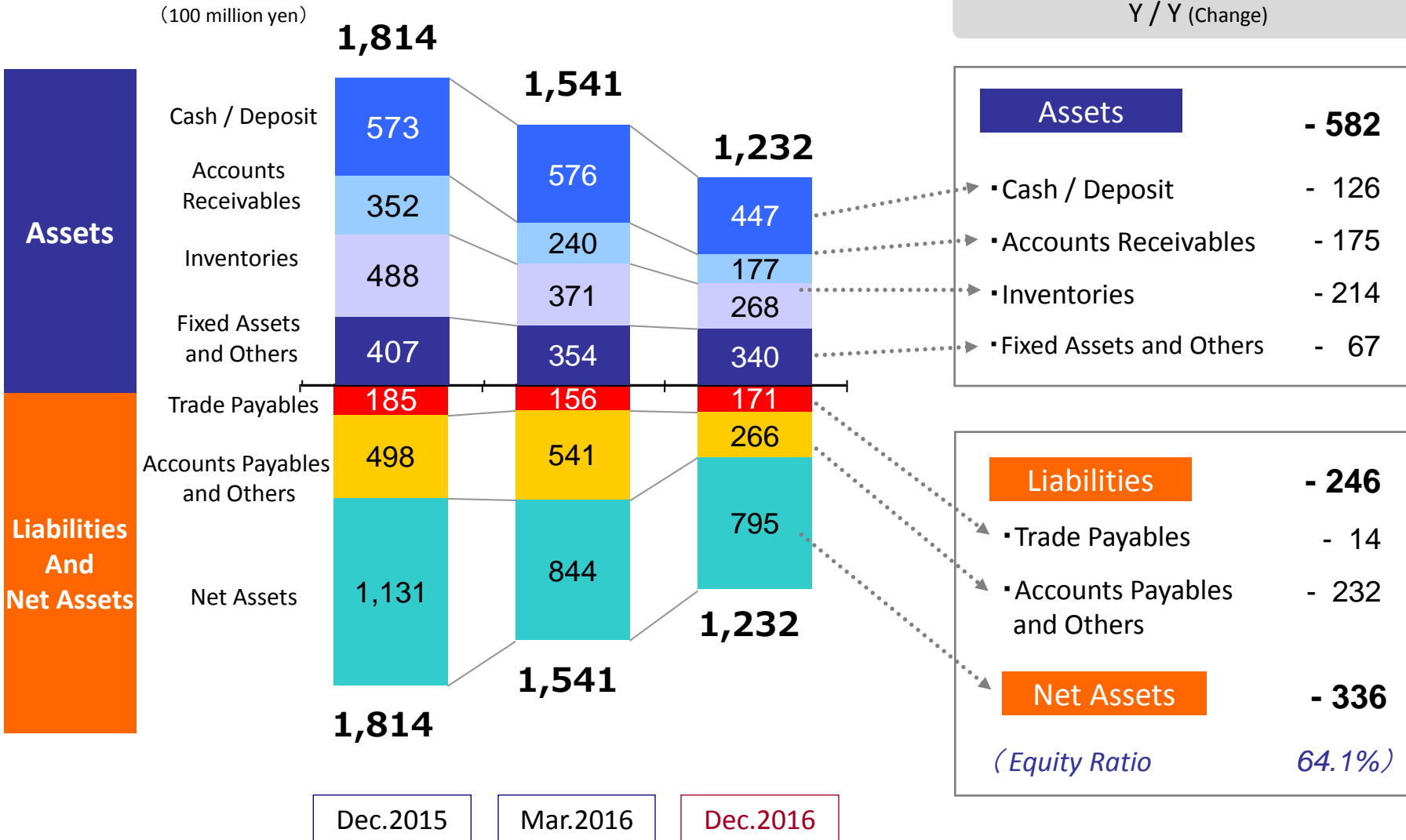
\* Add-value=Sales – (Cost of sales + selling expenses)

(100 million yen)

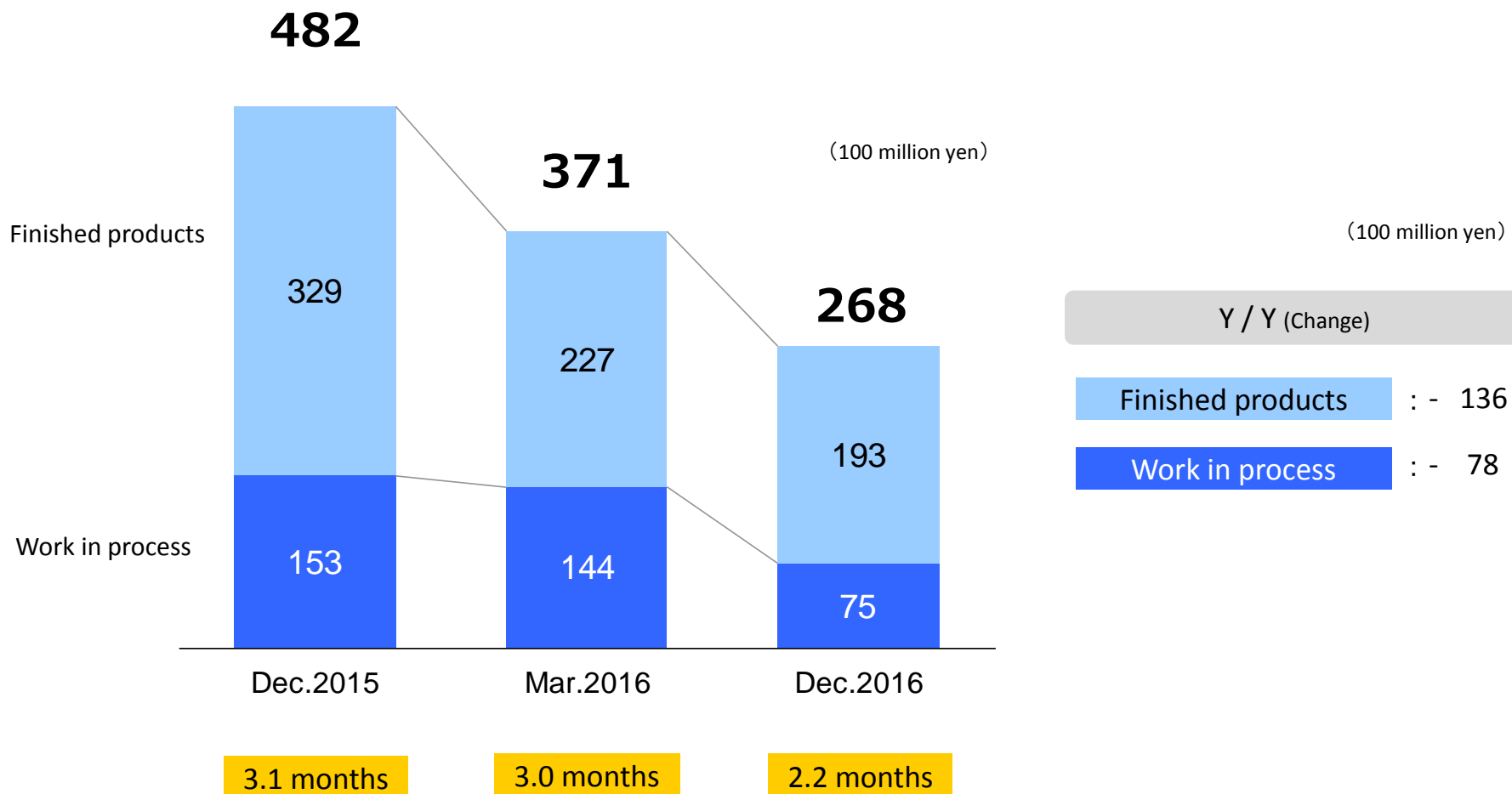


# 10. Financial Conditions

(100 million yen)



# 11. Inventories Trends



<Inventories Turnover>

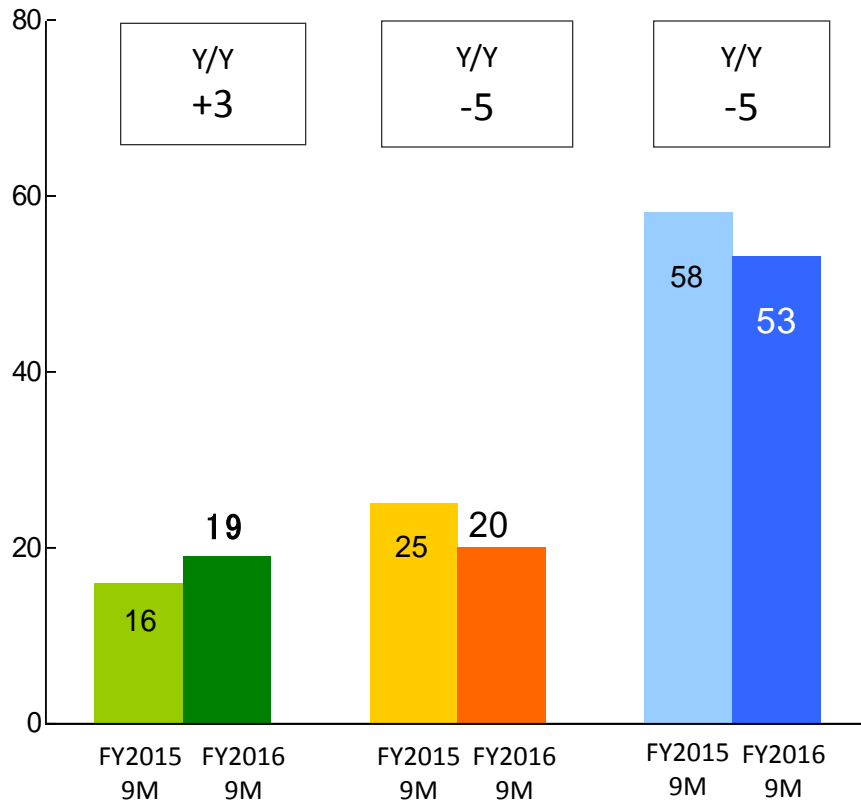
# 12. Capital Investment, Depreciation and R&D

First Half

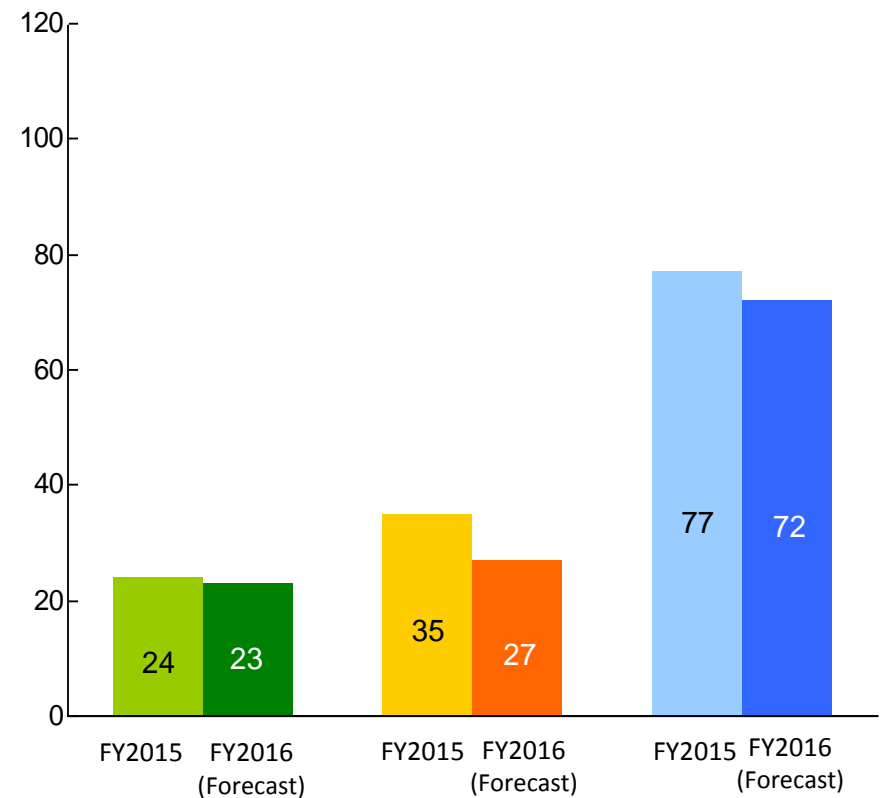
Full Year



( 100 million yen )



( 100 million yen )



# 13. Revise FY2016 Forecast

(単位：億円)

	FY2015 Actual	FY2016 Previous Forecast	FY2016 Revised Forecast	Difference Previous/Revised
Net Sales	1,700	1,345	1,345	0 (0%)
Operating Income (Margin)	-105 (-6.2%)	-40 (-3.0%)	-69 (-5.1%)	-29
Ordinary Income (Margin)	-136 (-8.0%)	-80 (-5.9%)	-78 (-5.8%)	2
Net Income Attributable to owners of parent (Margin)	-338 (-19.9%)	-82 (-6.1%)	-69 (-5.1%)	13
Average USD-JPY Exchange Rate	119. <sup>98</sup>	104. <sup>36</sup>	108. <sup>17</sup>	

## **II. Appendix**

1. Quarterly Financial Summary
2. Quarterly Sales Trends by Equipment
3. Quarterly Sales Trends by Geography



# 1. Quarterly Financial Summary of FY 2015 - 2016

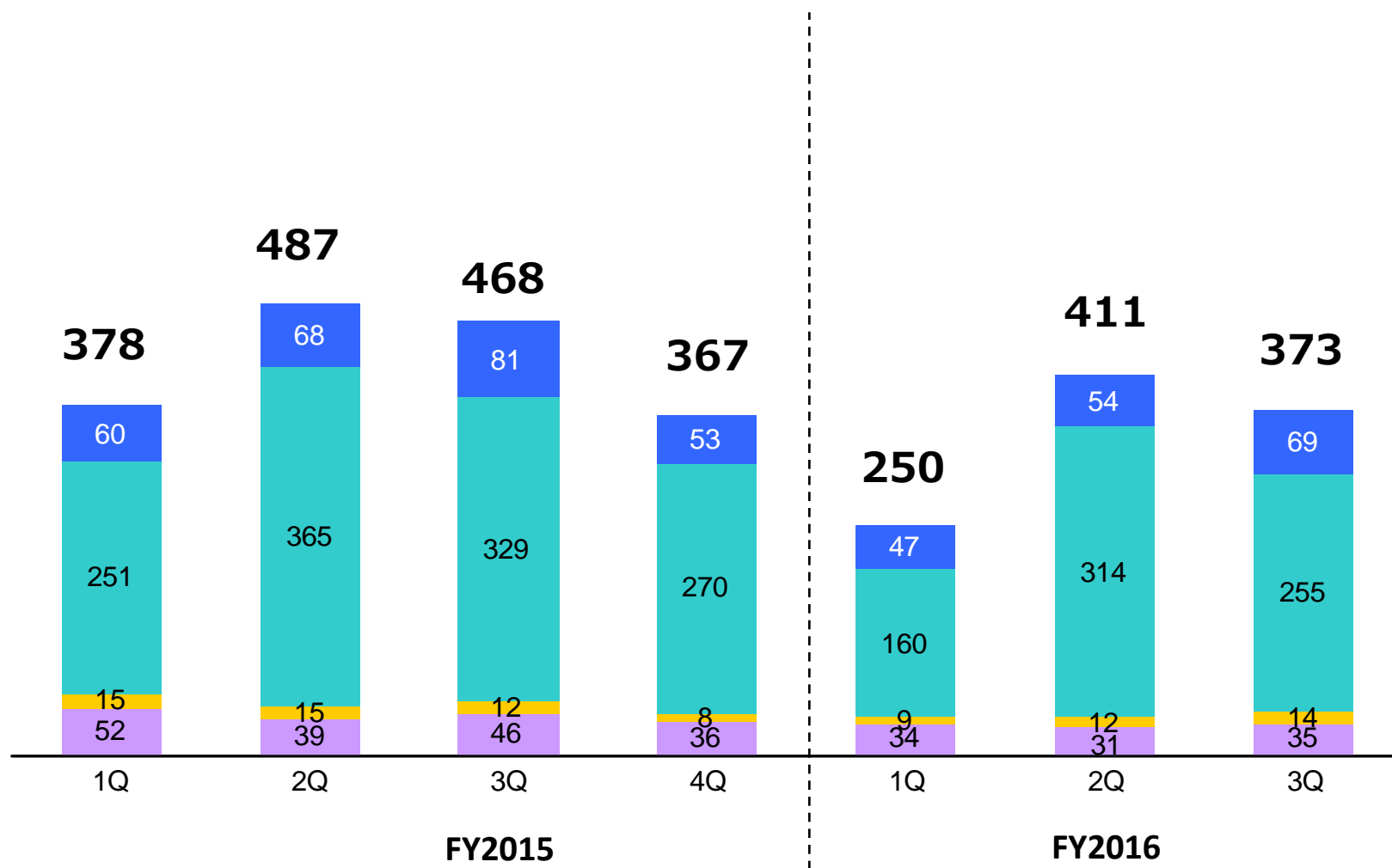
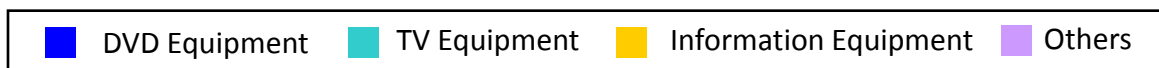


( 100 million yen )

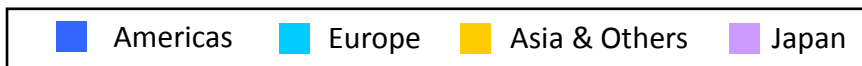
	FY2015				FY2016		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	378	487	468	367	250	411	373
Operating Income	-42	-16	-14	-33	-28	-7	-10
( Margin )	(-11.2%)	(-3.3%)	(-3.0%)	(-9.1%)	(-11.5%)	(-1.8%)	(-2.7%)
Ordinary Income	-37	-33	-14	-52	-58	-16	26
( Margin )	(-9.8%)	(-6.9%)	(-2.9%)	(-14.1%)	(-23.4%)	(-3.9%)	(7.0%)
Net Income Attributable to owners of parent	-40	-39	-11	-248	-57	-19	23
( Margin )	(-10.7%)	(-8.1%)	(-2.2%)	(-67.6%)	(-22.8%)	(-4.6%)	(6.2%)
Average USD-JPY Exchange Rate	121. <sup>72</sup>	121. <sup>72</sup>	121. <sup>44</sup>	115. <sup>05</sup>	108. <sup>53</sup>	102. <sup>90</sup>	111. <sup>25</sup>

## 2. Quarterly Sales Trends by Equipment

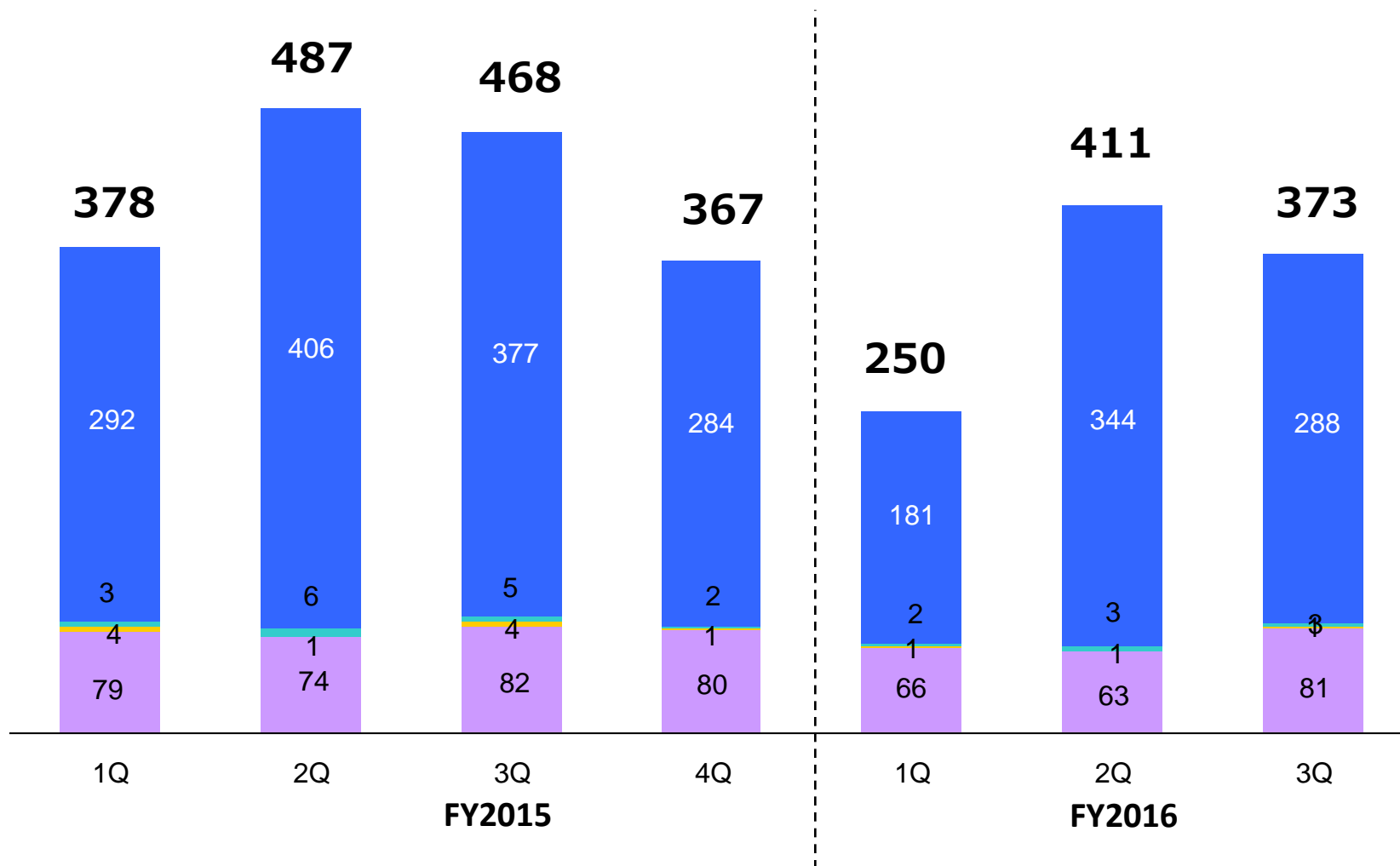
( 100 million yen )



# 3 . Quarterly Sales Trends by Geography



( 100 million yen )



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