



Presentation of Financial Results First Half (Apr.-Sep) of FY2016

November 15, 2016

FUNAI ELECTRIC CO., LTD.

TSE 6839

I . Financial Results

1. Summary of 2st Quarter (Apr.-Jun.)

(100 million yen)

	FY2015 2Q	FY2016 2Q	Y / Y (Changes)
Net Sales	487	411	-76 (-15.6%)
Operating Income (Margin)	-16 (-3.3%)	-7 (-1.8%)	9 (—)
Ordinary Income (Margin)	-33 (-6.8%)	-16 (-3.9%)	17 (—)
Net Income Attributable to owners of parent (Margin)	-39 (-8.0%)	-19 (-4.6%)	20 (—)
Average USD-JPY Exchange Rate	121. ⁷²	102. ⁹⁰	

Month End Exchange Rate	Jun.2015	Sep.2015	Jun.2016	Sep.2016
(USD/JPY)	122. ⁴⁵	119. ⁹⁶	102. ⁹¹	101. ¹²

2. Summary of First Half (Apr.-Sep.)

(100 million yen)

	FY2015 FH Actual	FY2016 FH Revised Forecast	FY2016 FH Actual	Difference (Y / Y)	Difference (Forecast)
Net Sales	865	706	661	-204 (-23.6%)	-45 (93.6%)
Operating Income (Margin)	-58 (6.7%)	-30 (-4.2%)	-36 (-5.5%)	22	-6
Ordinary Income (Margin)	-70 (-8.1%)	-69 (-9.8%)	-74 (-11.3%)	-4	-5
Net Income Attributable to owners of parent (Margin)	-79 (-9.1%)	-67 (-9.5%)	-76 (-11.6%)	3	-9

Average USD-JPY Exchange Rate	121. ⁷²	105. ⁷²	105. ⁷²
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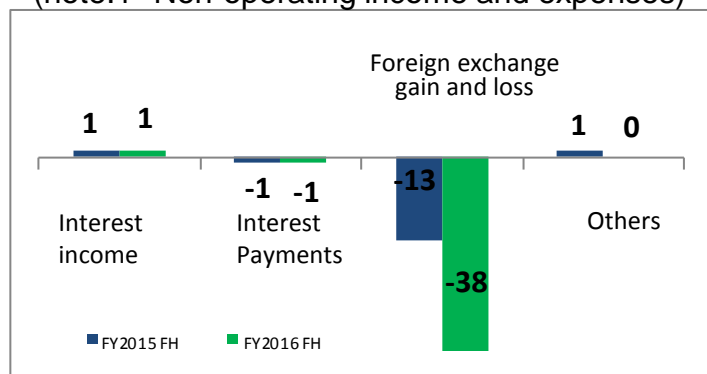
Month End Exchange Rate	Mar.2015	Sep.2015	Mar.2016	Sep.2016
(USD/JPY)	120. ¹⁷	119. ⁹⁶	112. ⁶⁸	101. ¹²

3. Summary of First Half (Apr.-Sep.)

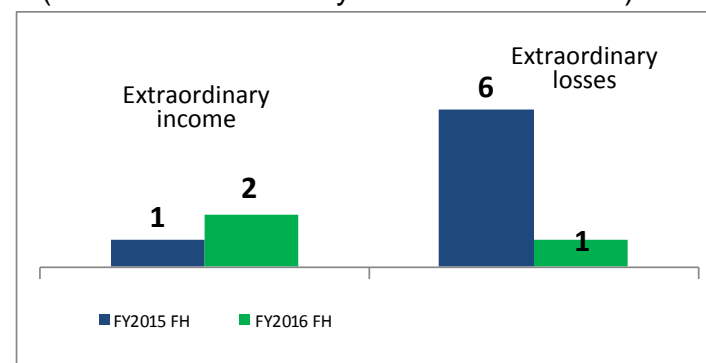
(100 million yen)

	FY2015 FH Actual	FY2016 FH Actual	Difference (Y / Y)
Non-operating income	(note:1) { 3	2	-1
Non-operating expenses	{ 15	40	25
Ordinary Income	-70	-74	-4
Extraordinary income	(note:2) { 1	2	1
Extraordinary losses	{ 6	1	-5
Income before Income Taxes	-75	-73	2
Income taxes	4	3	-1
Net Income Attributable to owners of parent	-79	-76	3

(note:1 Non-operating income and expenses)

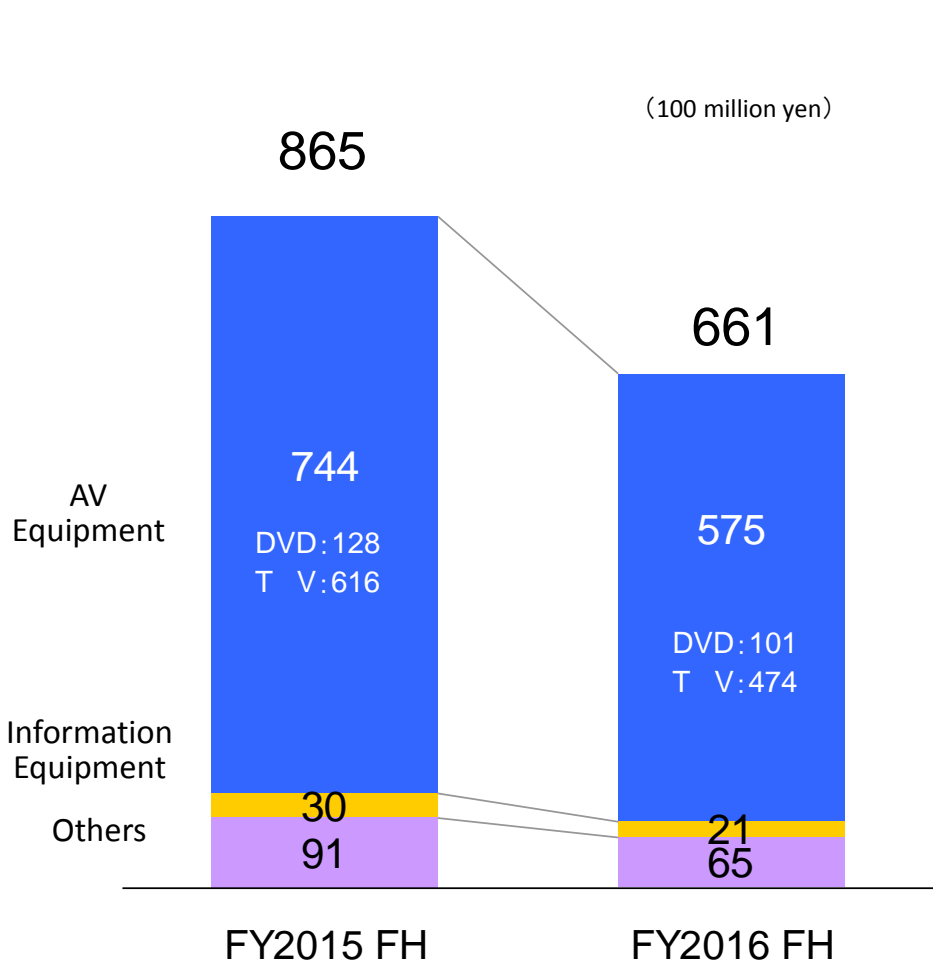


(note:2 Extraordinary income and losses)



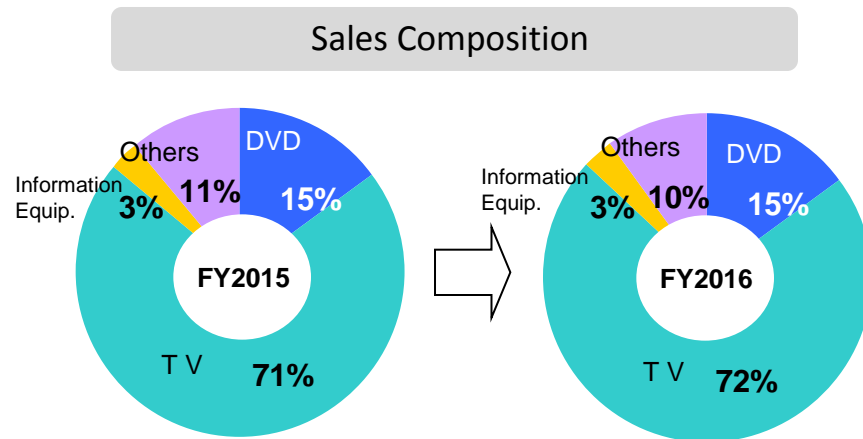
4. Breakdown of Sales by Equipment

- 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.



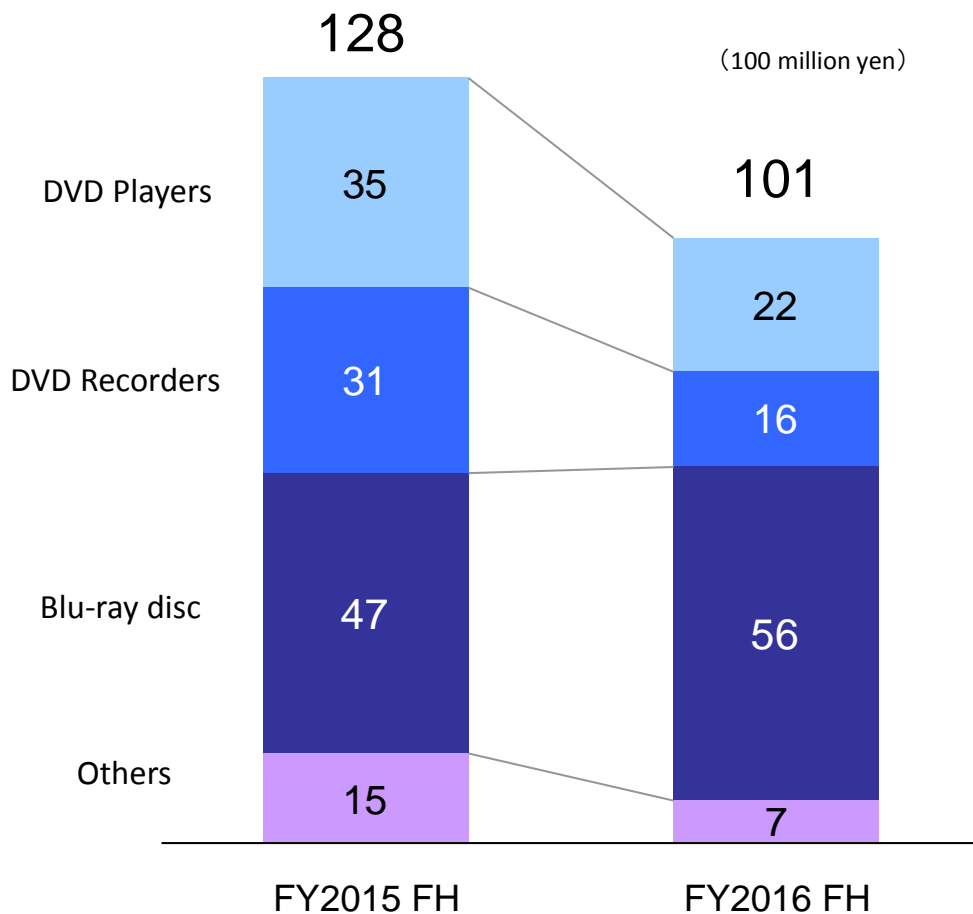
(100 million yen)

Y / Y (Change)		
AV Equip	-169	(-22.7%)
DVD Equip	-27	(-21.1%)
TV Equip	-142	(-23.1%)
Information Equip	-9	(-30.0%)
Others	-26	(-28.6%)
Total	-204	(-23.6%)



5. Sales of DVD related Equipment

➤ Blu-ray player increased due to good sales.

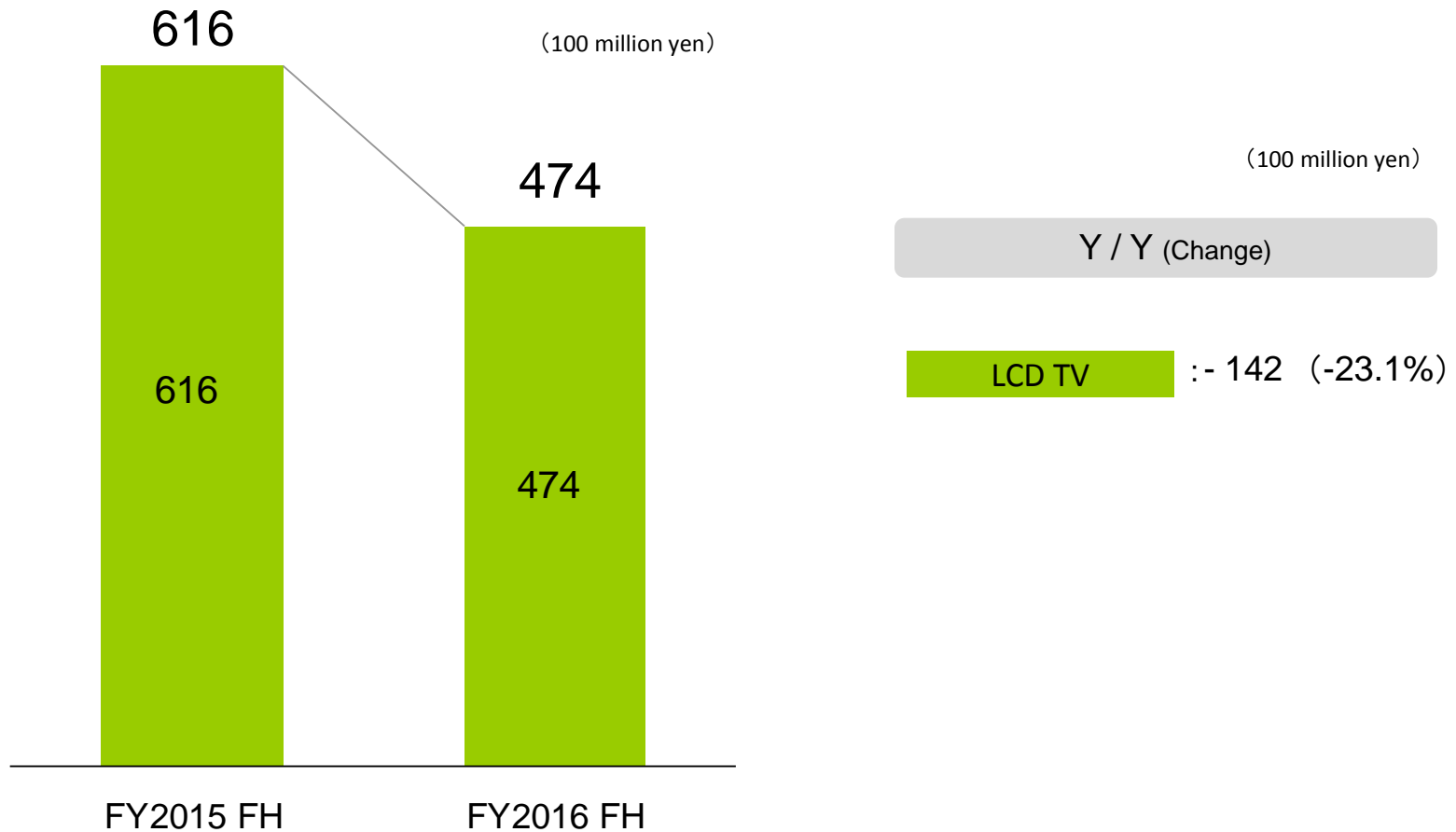


(100 million yen)

Y / Y (Change)		
DVD Players	-13	(-37.1%)
DVD Recorders	-15	(-48.4%)
Blu-ray disc	+9	(+19.1%)
Others	-8	(-53.3%)
Total	-27	(-21.1%)

6. Sales of LCD Television

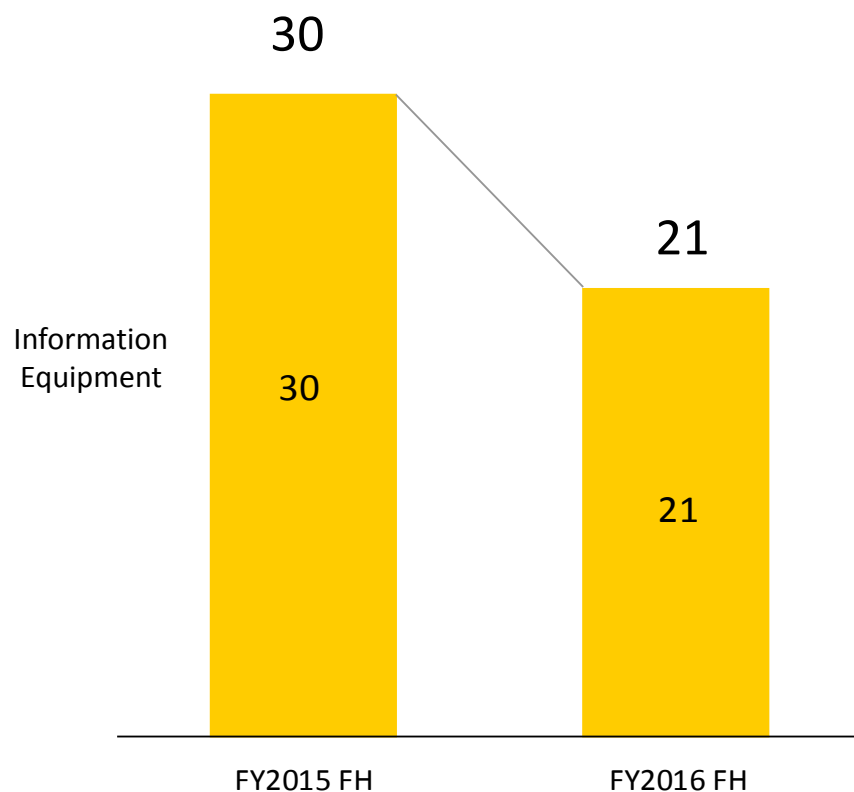
- Decreased due to the delay of New model and weak sales caused by price competition.



7. Sales of Information Equipment

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

(100 million yen)

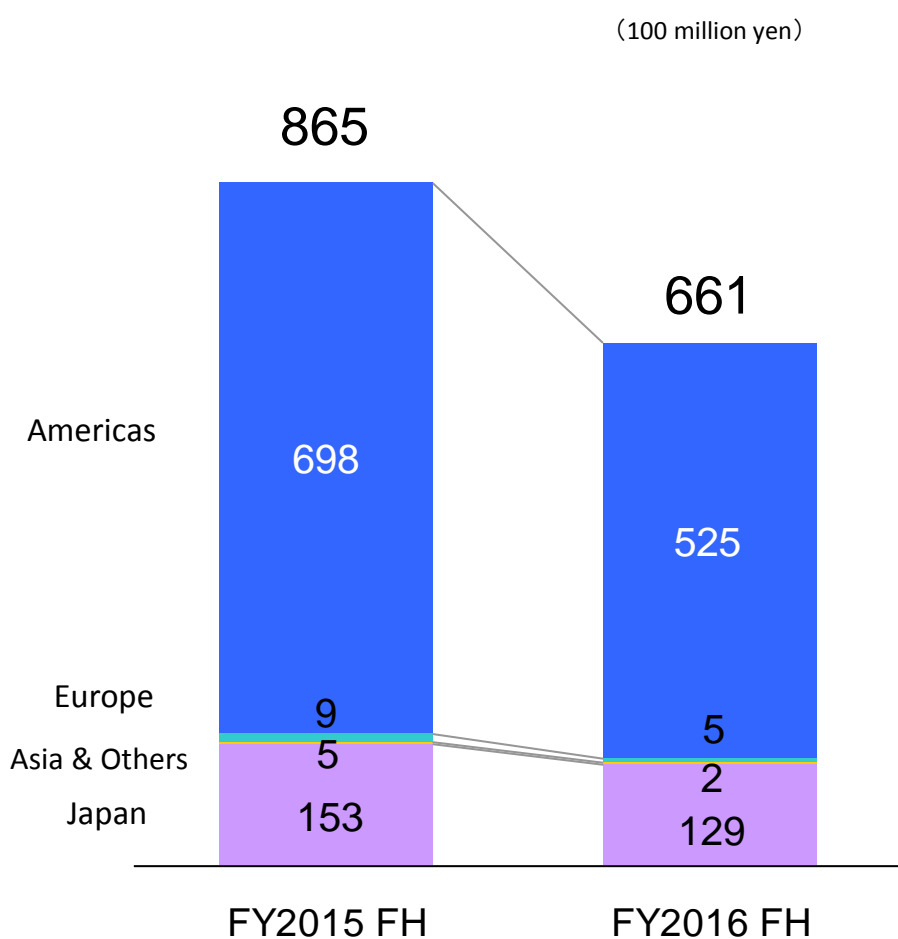


YoY Change (%)

Information Equipment : -9 (-30.0%)

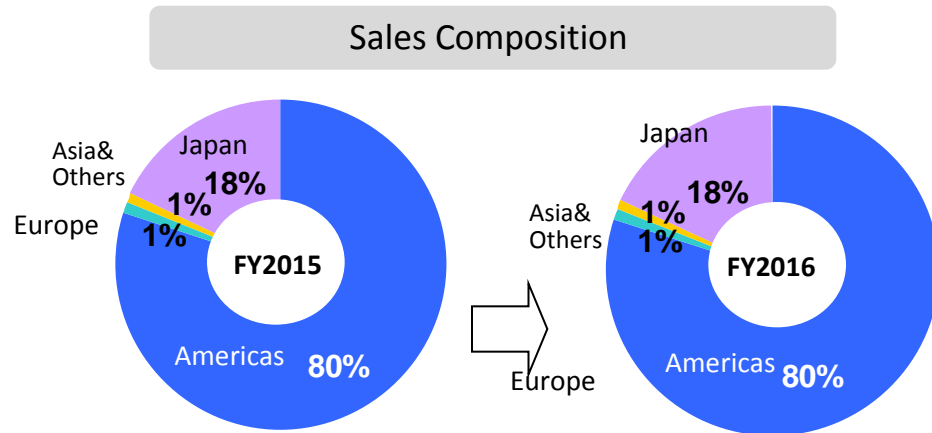
8. Geographic Breakdown of Sales

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



(100 million yen)

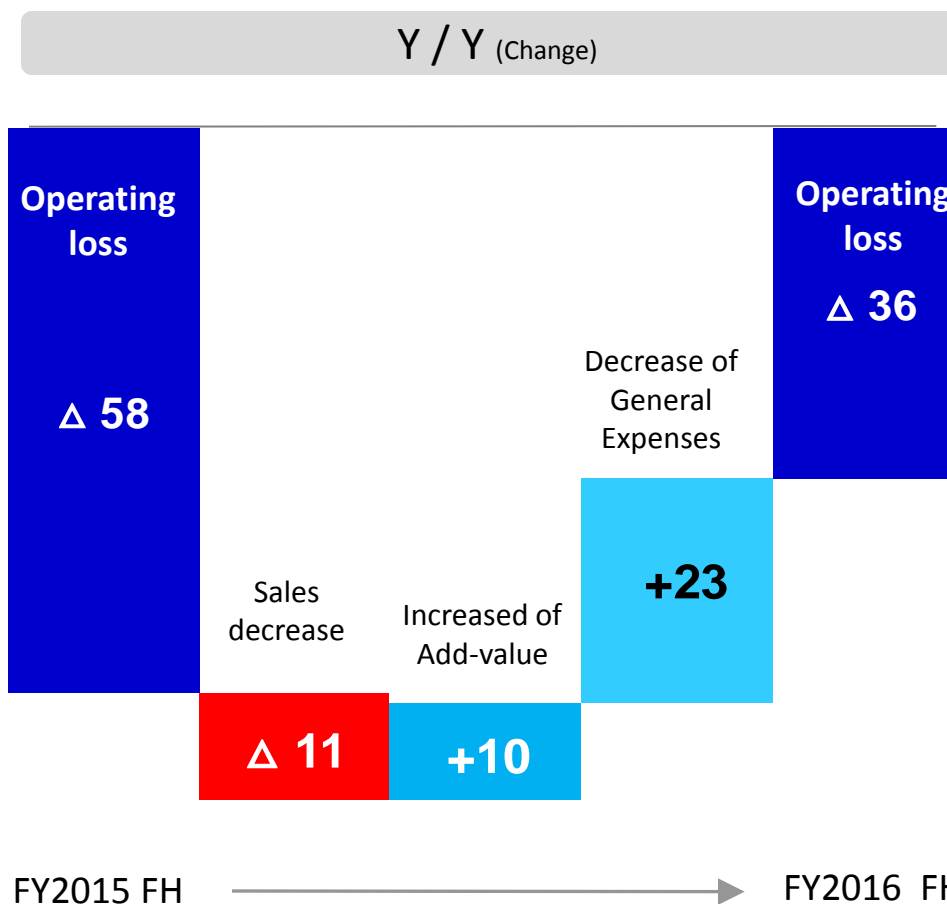
Y / Y (Change)		
Americas	-173	(-24.6%)
Europe	-4	(-44.6%)
Asia & Others	-3	(-69.0%)
Japan	-24	(-16.2%)
Total	-204	(-23.6%)



9. Operating Income Analysis (Y/Y)

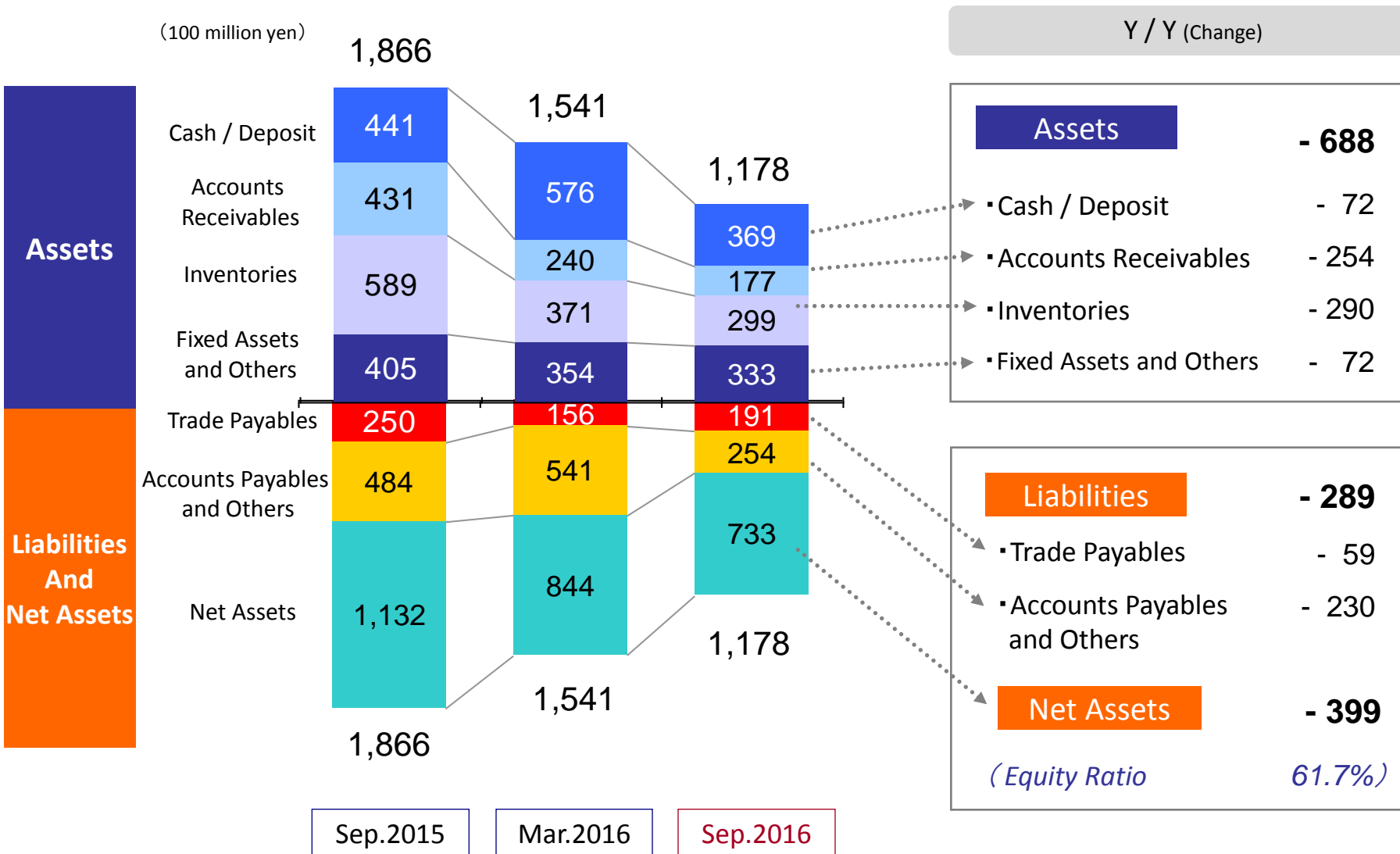
* Add-value=Sales – (Cost of sales + selling expenses)

(100 million yen)

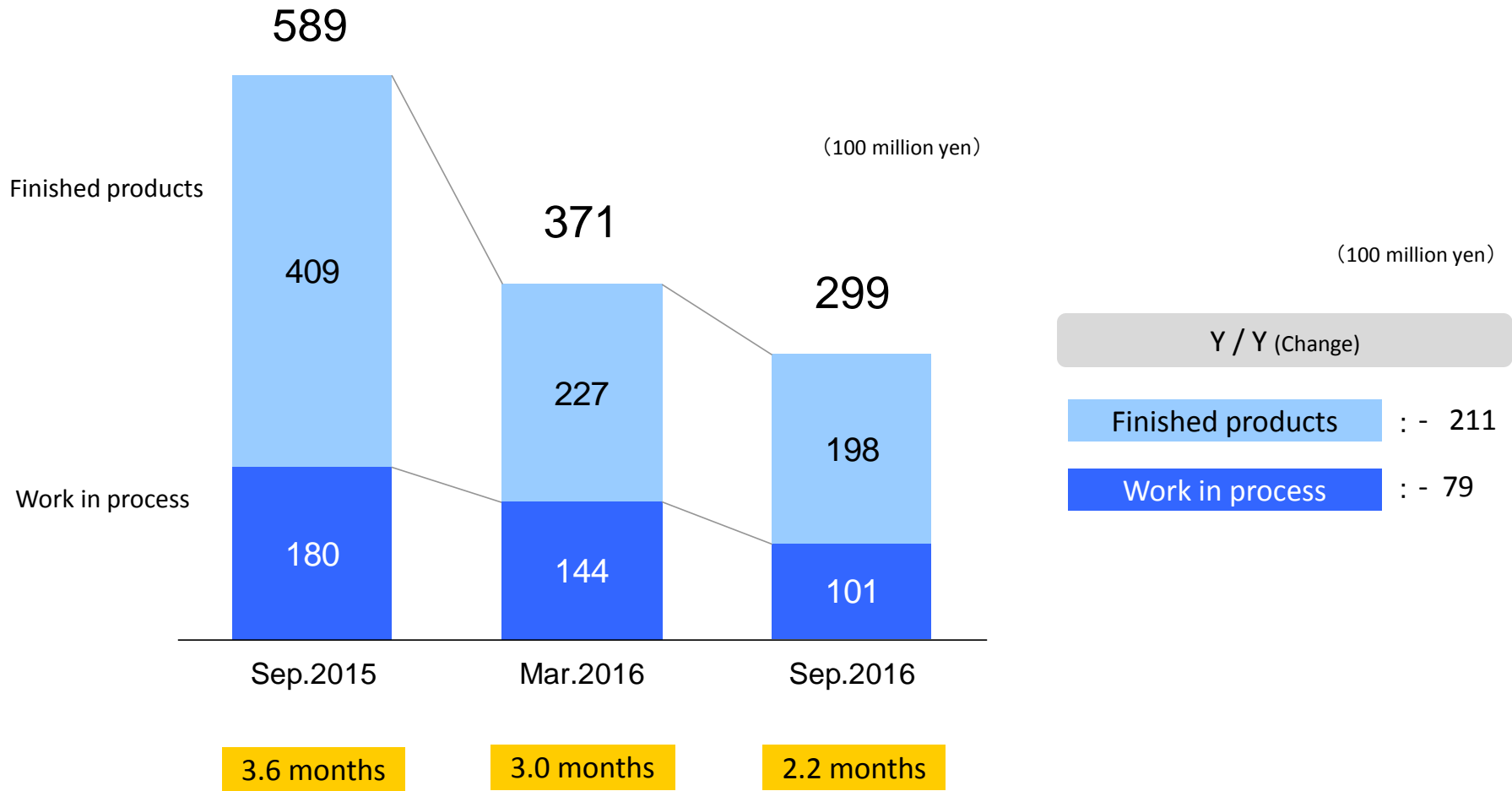


10. Financial Conditions

(100 million yen)



11. Inventories Trends



<Inventories Turnover>

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

First Half

Full Year

Capital Expenditures

Depreciation Expense

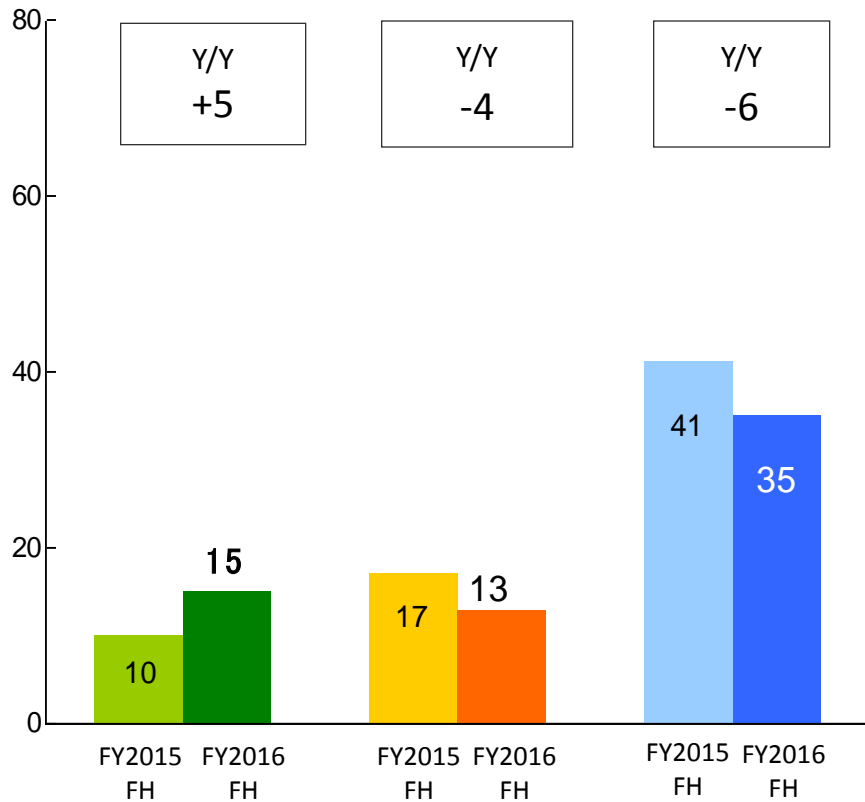
R&D Expenditures

Capital Expenditures

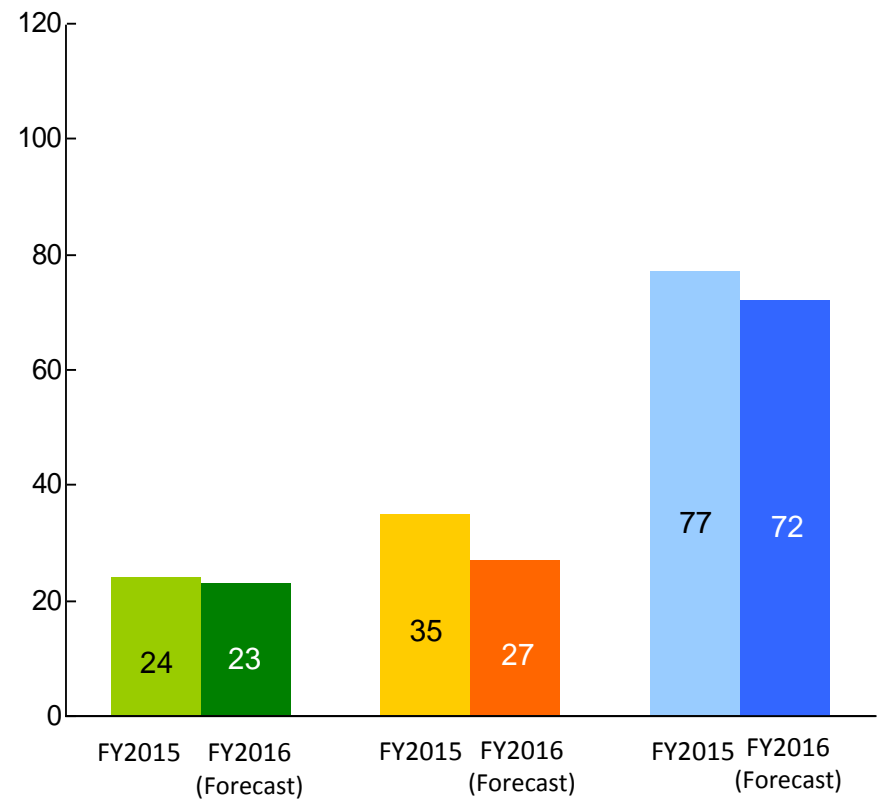
Depreciation Expense

R&D Expenditures

(100 million yen)



(100 million yen)



II . Appendix

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

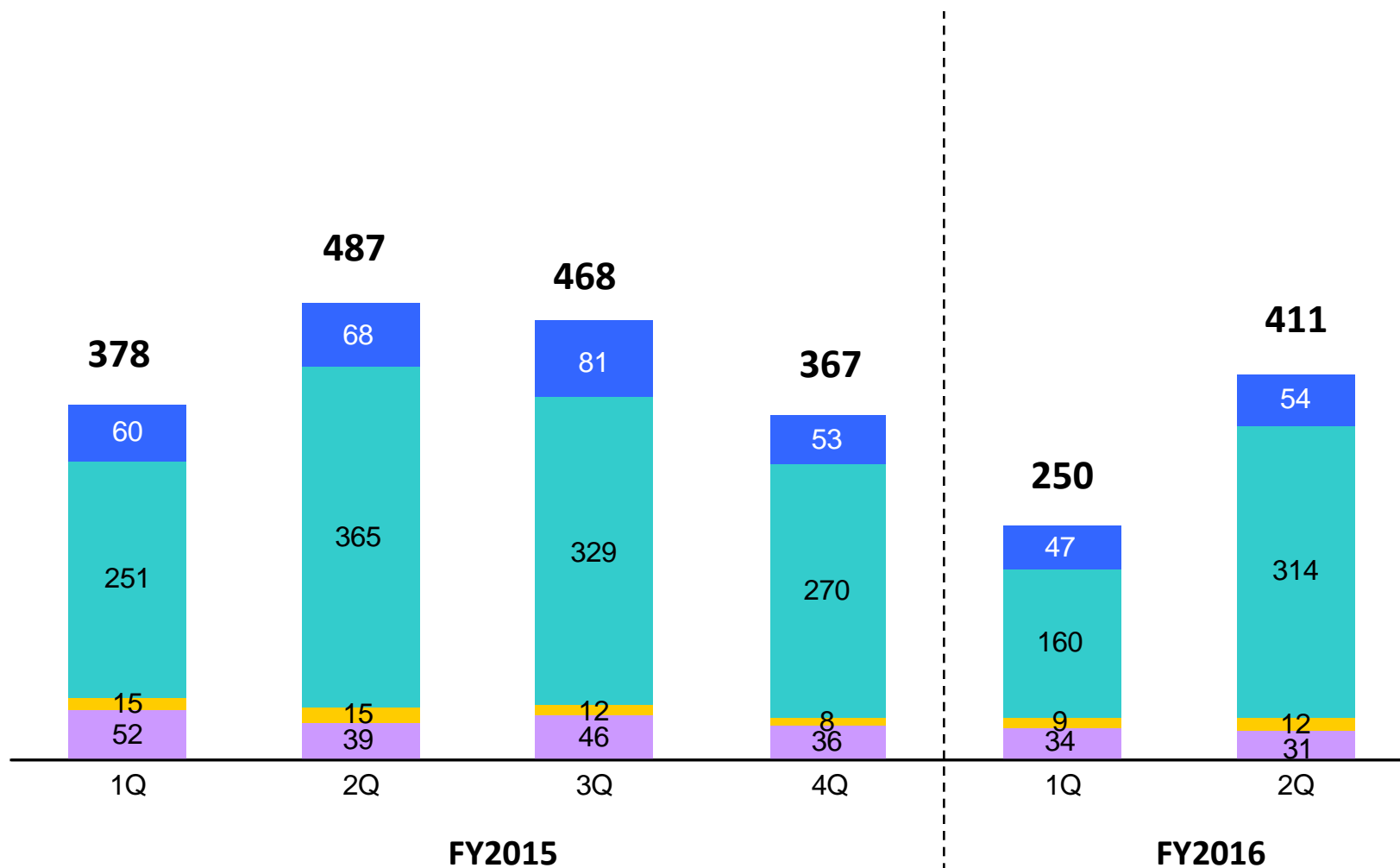
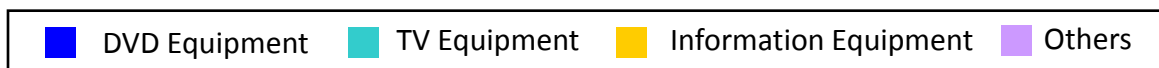
1. Quarterly Financial Summary of FY 2015 - 2016

(100 million yen)

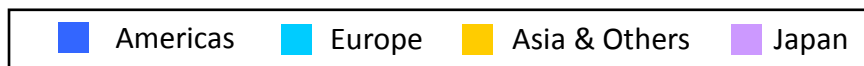
	FY2015				FY2016	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	378	487	468	367	250	411
Operating Income	-42	-16	-14	-33	-28	-7
(Margin)	(-11.2%)	(-3.3%)	(-3.0%)	(-9.1%)	(-11.5%)	(-1.8%)
Ordinary Income	-37	-33	-14	-52	-58	-16
(Margin)	(-9.8%)	(-6.9%)	(-2.9%)	(-14.1%)	(-23.4%)	(-3.9%)
Net Income Attributable to owners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

2. Quarterly Sales Trends by Equipment

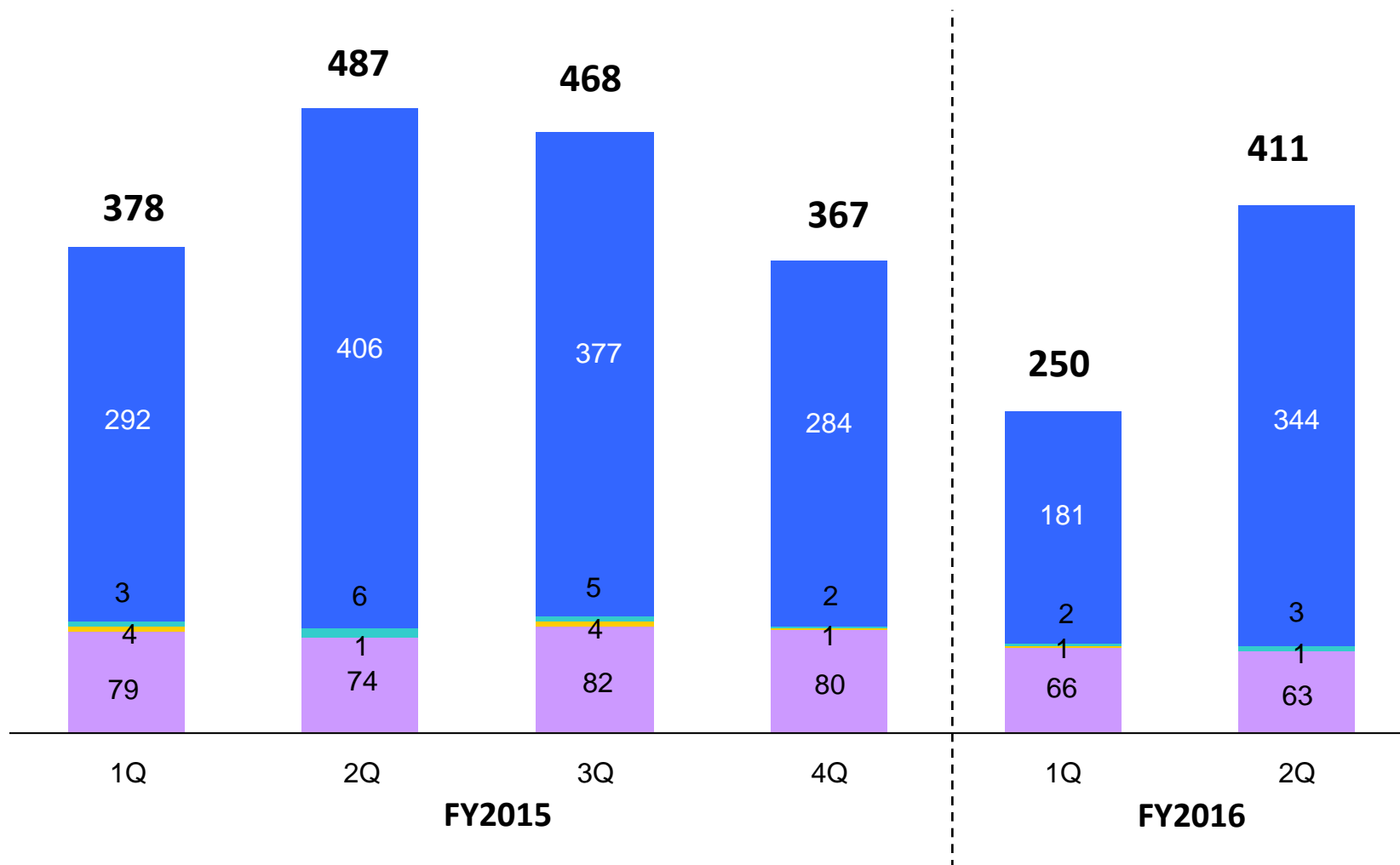
(100 million yen)



3 . Quarterly Sales Trends by Geography



(100 million yen)



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