



Presentation of Financial Results First Half (Apr.-Sep) of FY2017

**November 13, 2017
FUNAI ELECTRIC CO.,LTD.**

TSE 6839

I . Financial Results

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and R&D Expenditures

1. Summary of 2nd Quarter (Jul.-Sep.)

(100 million yen)

	FY2016 2Q	FY2017 2Q	Y/Y (Changes)
Net Sales	411	401	-10 (-2.3%)
Operating Income (Margin)	-7 (-1.8%)	-17 (-4.3%)	-10 (-)
Ordinary Income (Margin)	-16 (-3.9%)	-14 (-3.7%)	+2 (-)
Net Income Attributable to owners of parent (Margin)	-19 (-4.6%)	-115 (-28.9%)	-96 (-)

Average USD-JPY Exchange Rate	102. ⁹⁰	111. ¹⁶
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Month End Exchange Rate	Jun.2016	Sep.2016	Jun.2017	Sep.2017
(USD/JPY)	102. ⁹¹	101. ¹²	112. ⁰⁰	112. ⁷³

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

(100 million yen)

	FY2016 FH Actual	FY2017 FH Forecast	FY2017 FH Actual	Difference (Y/Y)	Difference (Forecast)
Net Sales	661	814	721	+60 (9.1%)	-93 (88.6%)
Operating Income (Margin)	-36 (-5.5%)	6 (0.8%)	-40 (-5.6%)	-4	-46
Ordinary Income (Margin)	-74 (-11.3%)	7 (0.9%)	-36 (-5.1%)	+38	-43
Net Income Attributable to owners of parent (Margin)	-76 (-11.5%)	4 (0.4%)	-130 (-18.1%)	-54	-134

Average USD-JPY Exchange Rate	105. ⁷²	110. ⁰⁰	111. ²⁹
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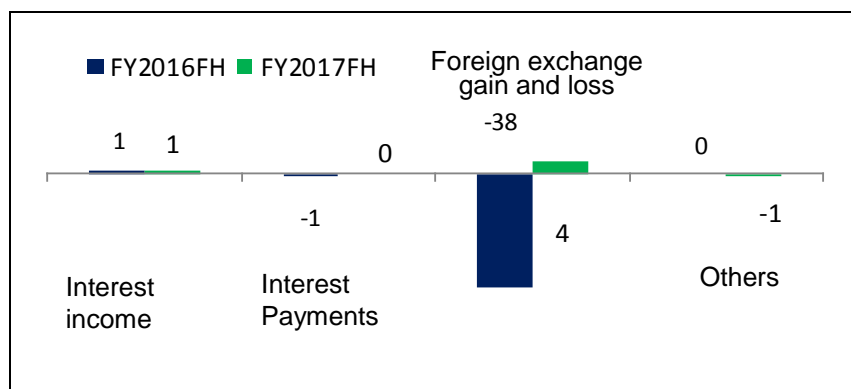
Month End Exchange Rate	Mar.2016	Sep.2016	Mar.2017	Sep.2017
(USD/JPY)	112. ⁶⁸	101. ¹²	112. ¹⁹	112. ⁷³

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

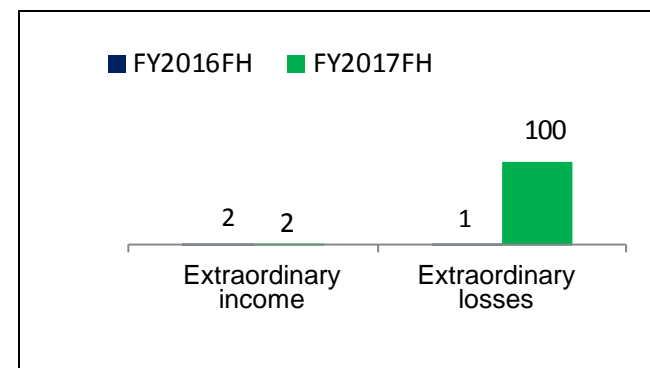
(100 million yen)

	FY2016 FH Actual	FY2017 FH Actual	Difference (Y/Y)
Non-operating income	(note:1) { 2	7	+5
Non-operating expenses	{ 40	3	-37
Ordinary Income	-74	-36	+38
Extraordinary income	(note:2) { 2	2	0
Extraordinary losses	{ 1	100	99
Income before Income Taxes	-73	-134	-61
Income taxes	3	-4	-7
Net Income Attributable to owners of parent	-76	-130	-54

(note:1 Non-operating income and expenses)



(note:2 Extraordinary income and losses)



4. Break Down of Sales by Equipment

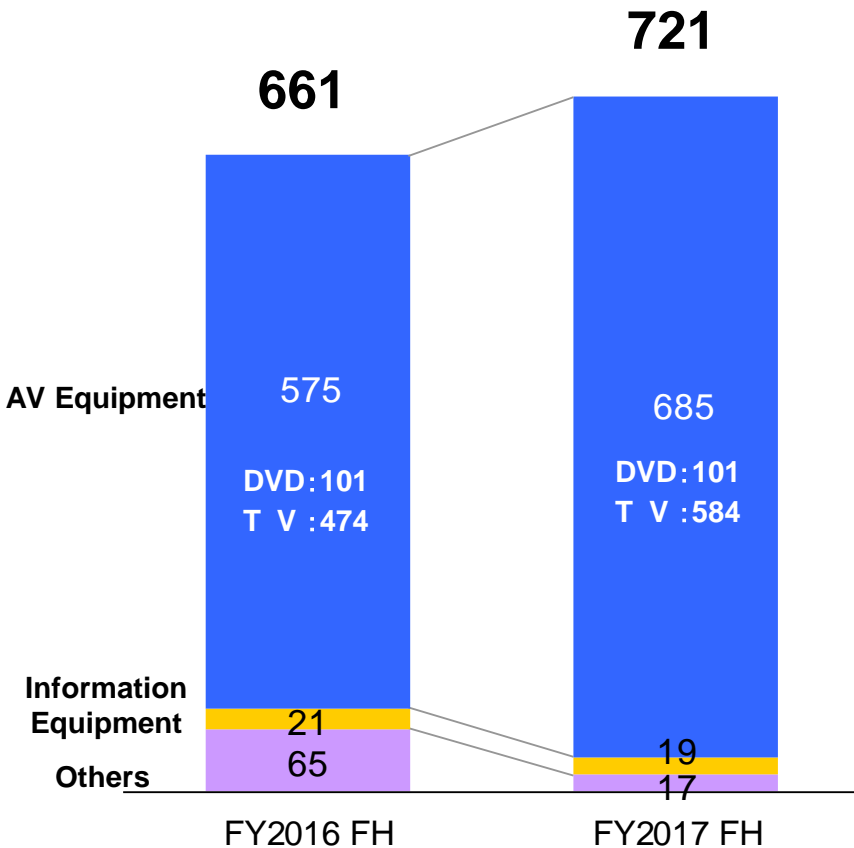
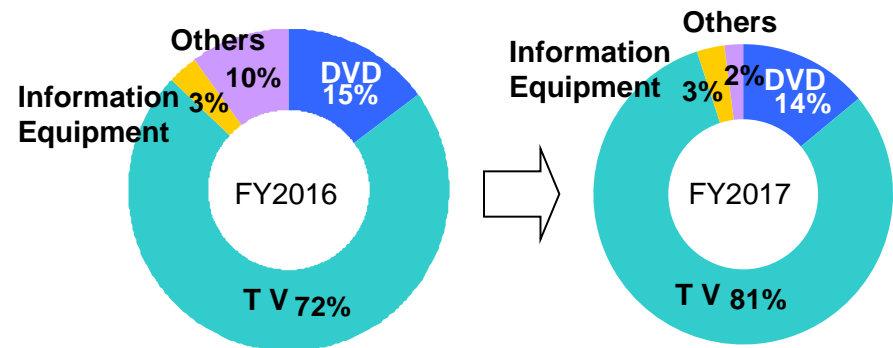
- AV Equipment: LCD TV Increased
- Info Equipment: Printers decreased due to slow sales of inkjet-printers and ink-cartridge
- Others: Sales of receiving related equipment ceased due to the transfer of the DX antenna.

(100million yen)

Y / Y (Change)

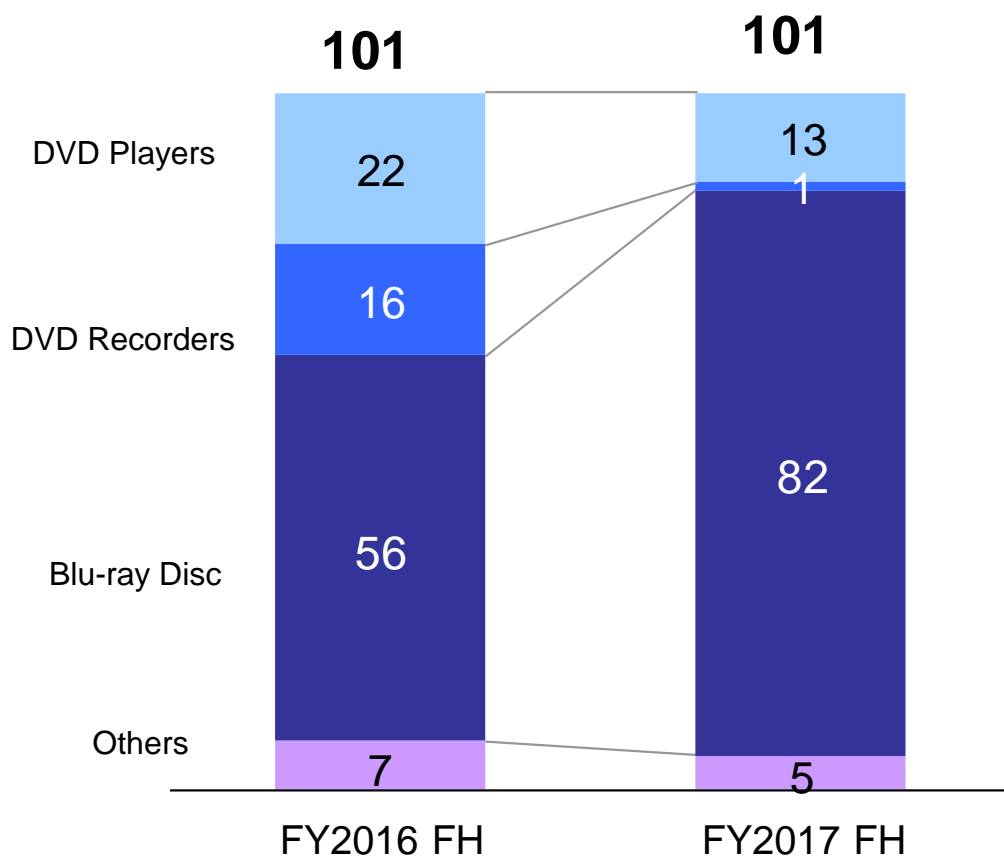
AV Equip	+110	(+19.2%)
DVD Equip	0	(+0.9%)
TV Equip	+110	(+23.1%)
Information Equip	-2	(-11.0%)
Others	-48	(-73.5%)
Total	+60	(+9.1%)

Sales Composition



5. Sales of DVD related Equipment

➤ DVD related sales decreased, but sales remained flat due to an increase in sales of BD players and BD recorders.



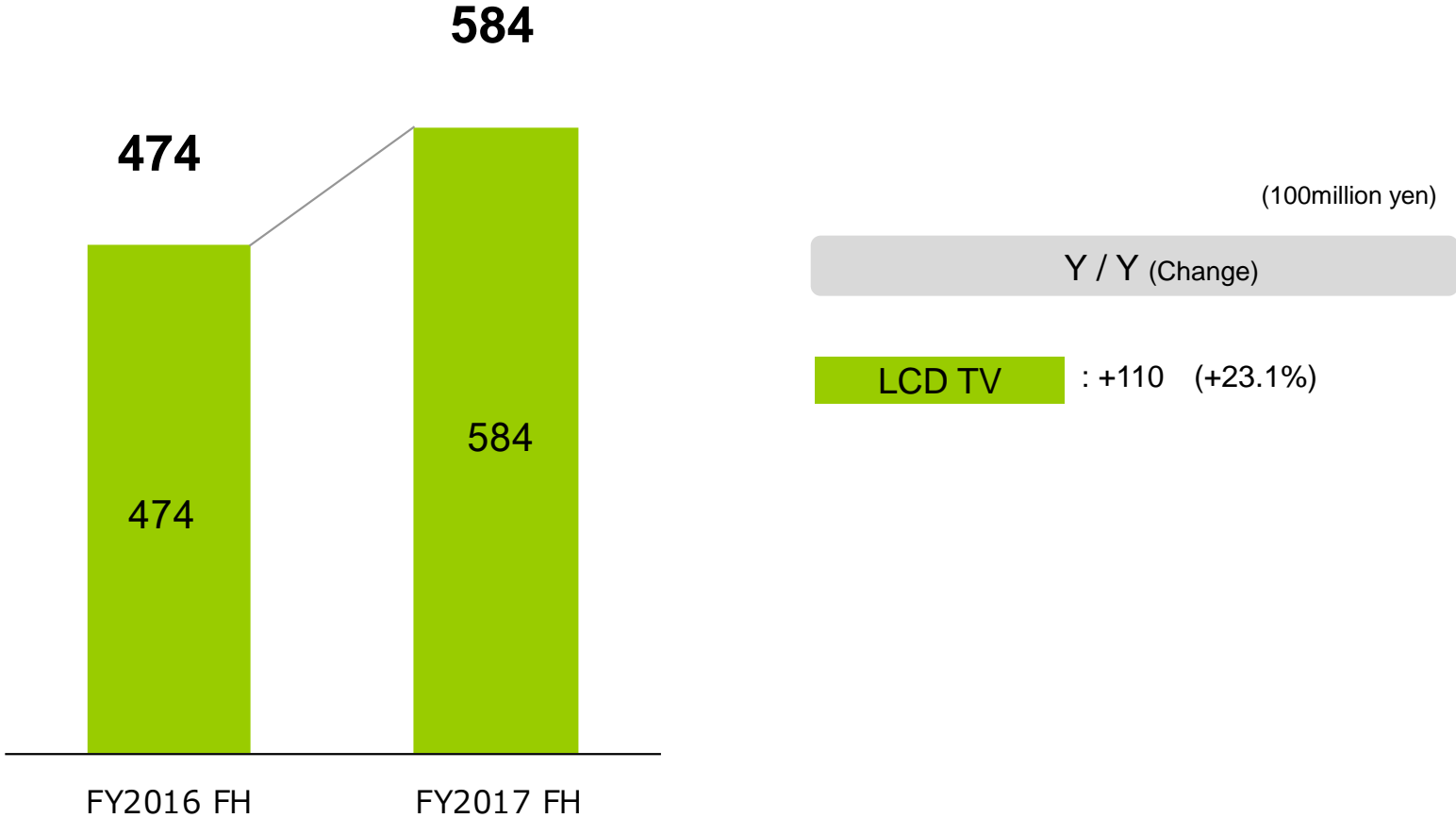
(100million yen)

Y / Y (Change)

DVD Players	-9	(-39.8%)
DVD Recorders	-15	(-91.2%)
Blu-Ray disc	+26	(+45.4%)
Others	-2	(-27.0%)
Total	0	(+0.9%)

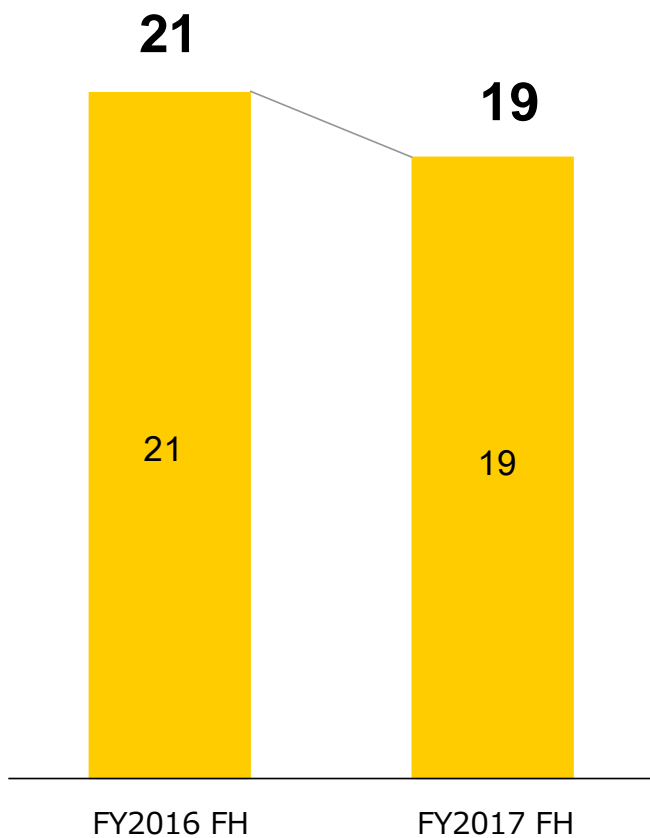
6. Sales of LCD related Equipment

➤ Sales increased due to increase in unit price by upsizing the mainstream size of LCD TV and exclusive sales of Yamada Denki in Japan.



7. Sales of Information Equipment

➤ Decreased due to decreased sales of ink-jet printers and ink-cartridges.



(100million yen)

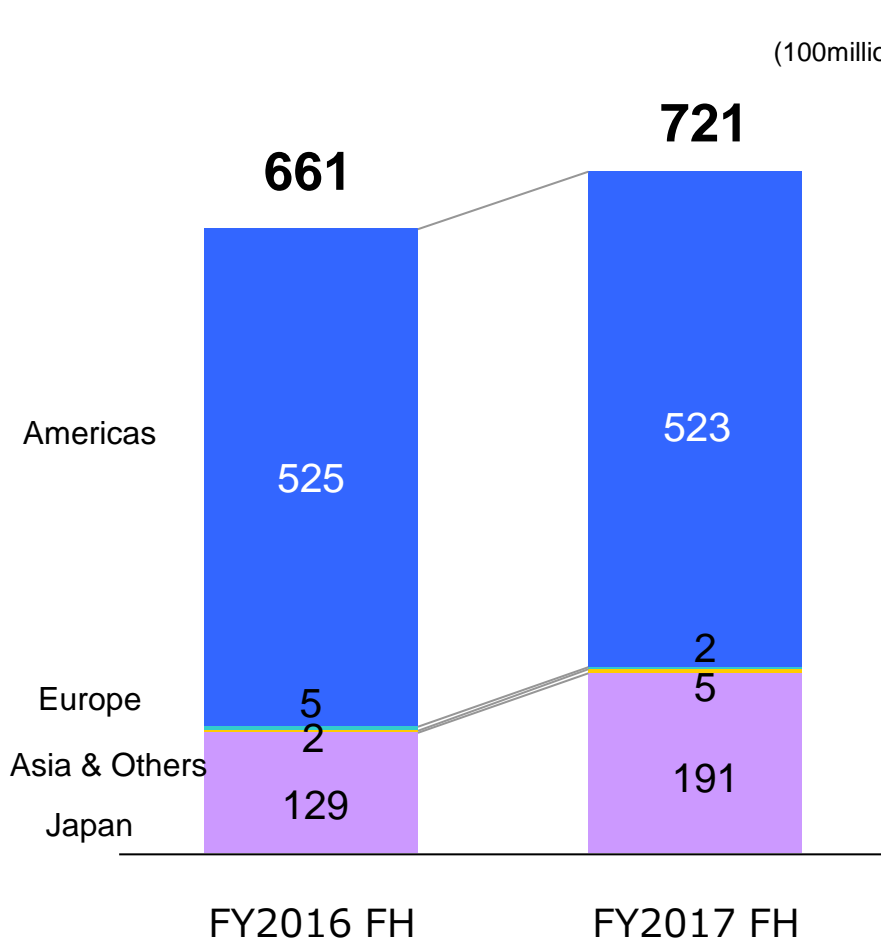
Y / Y (Change)

Information Equipment

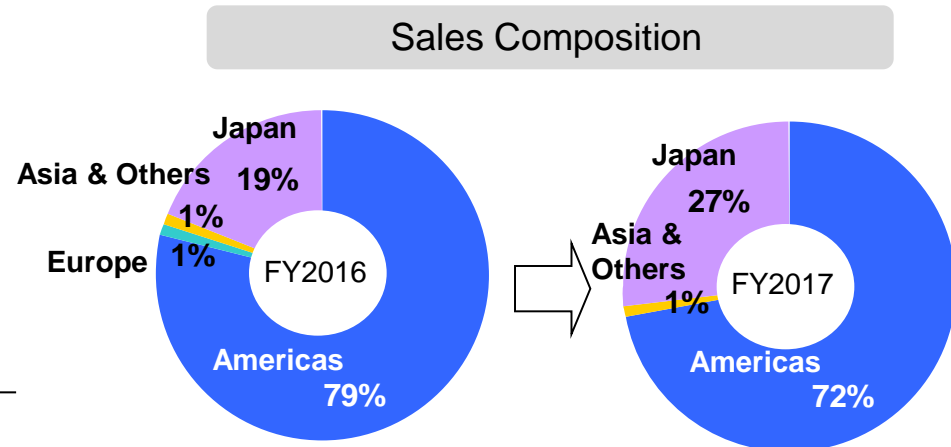
: -2 (-11.0%)

8. Geographic Break Down of Sales

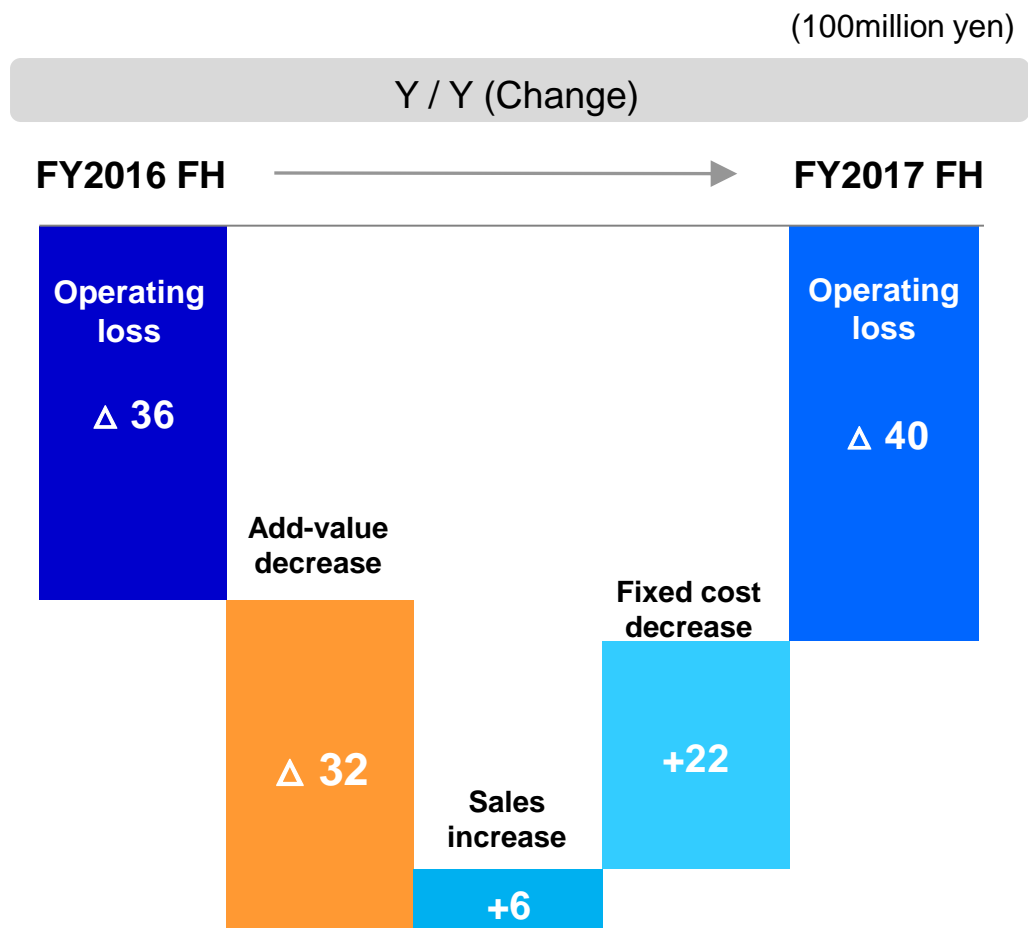
- Americas: LCD TVs and Blu-ray disc players increased.
- Japan: Sales of receiving related equipment ceased due to the transfer of the DX antenna, but LCD TVs and Blu-ray disc recorders increased.



Y / Y (Change)		
Americas	-2	(-0.5%)
Europe	-3	(-49.7%)
Asia & Others	+3	(214.9%)
Japan	+62	(48.1%)
Total	+60	(9.1%)



9. Operating Income Analysis (Y/Y)



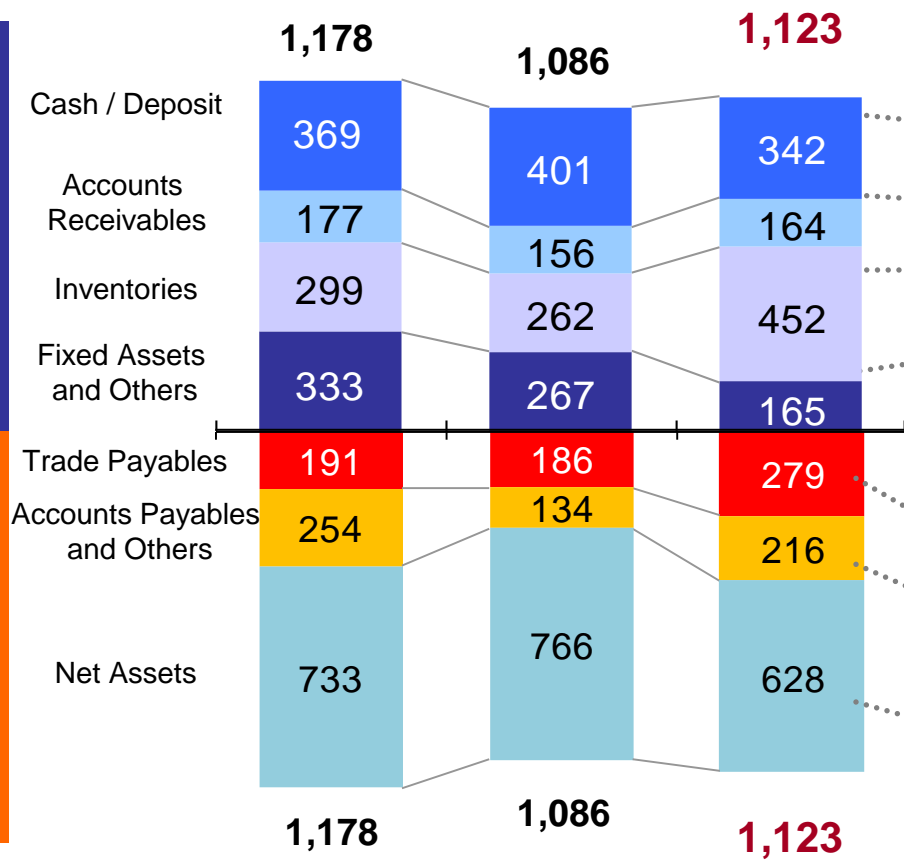
10. Balance Sheet Conditions

(100 million yen)

Y / Y (Change)

Assets

Liabilities And Net Assets



Assets	
• Cash / Deposit	- 27
• Accounts Receivables	- 13
• Inventories	+ 153
• Fixed Assets and Others.	- 168

Liabilities	
• Trade Payables	+ 88
• Accounts Payables and Others	-38
Net Assets	- 105
(Equity Ratio)	55.9%

Sep.2016 Mar.2017 Sep.2017

11. Inventories Trends

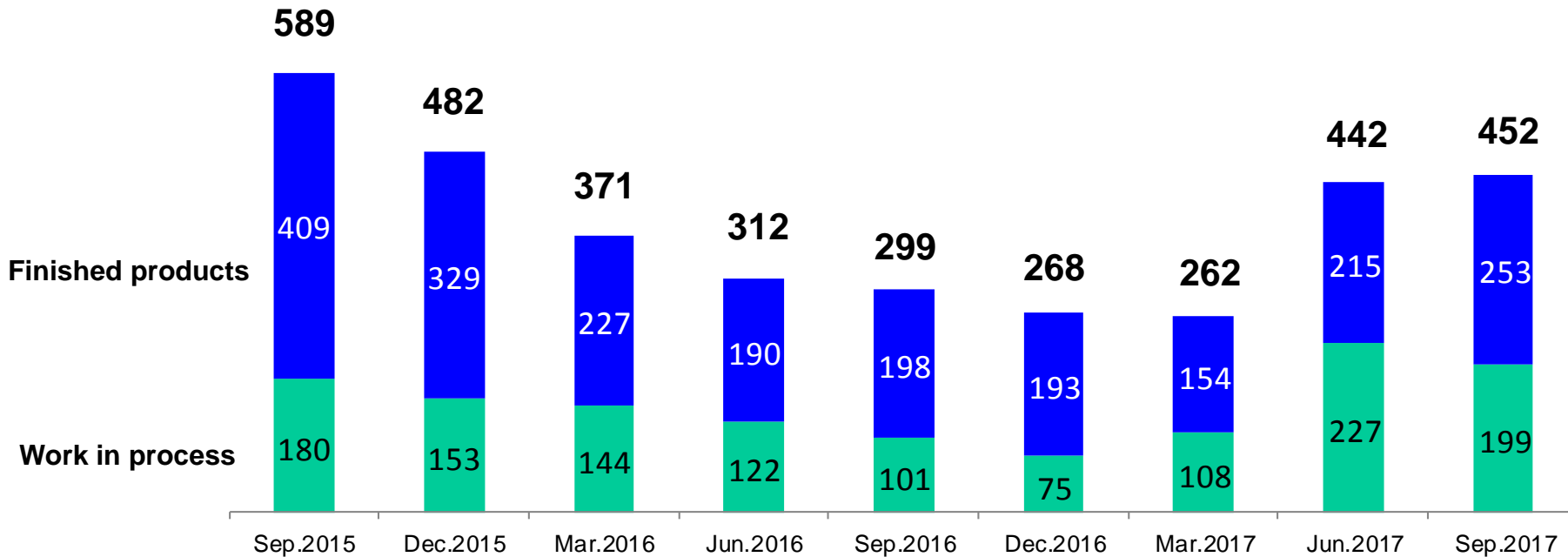
Y / Y (Change)

Finished products : + 55

Work in process : + 98

(100 million yen)

Inventories Turnover period in months



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

First Half

Capital Expenditures

Depreciation Expense

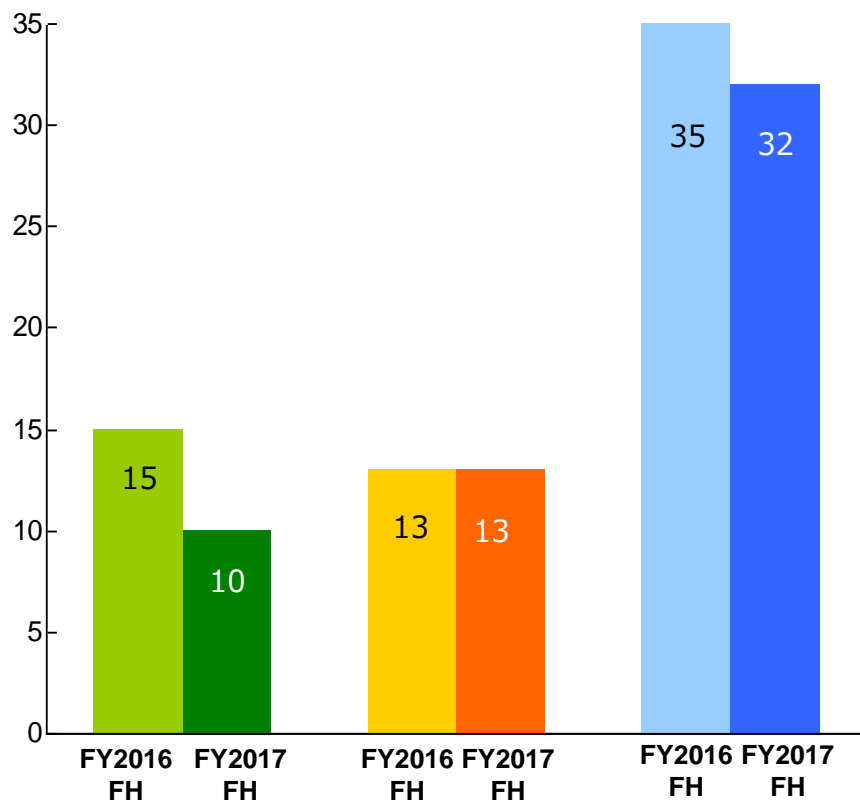
R&D Expenditures

Y/Y
-5

Y/Y
—

Y/Y
-3

(100 million yen)



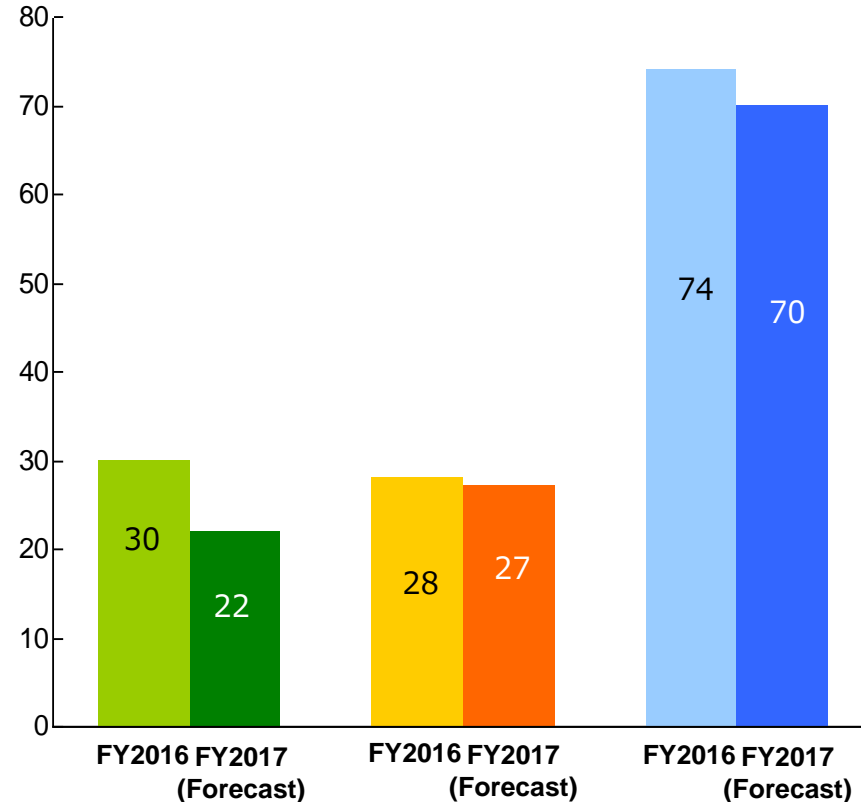
Full Year

Capital Expenditures

Depreciation Expense

R&D Expenditures

(100 million yen)



Appendix

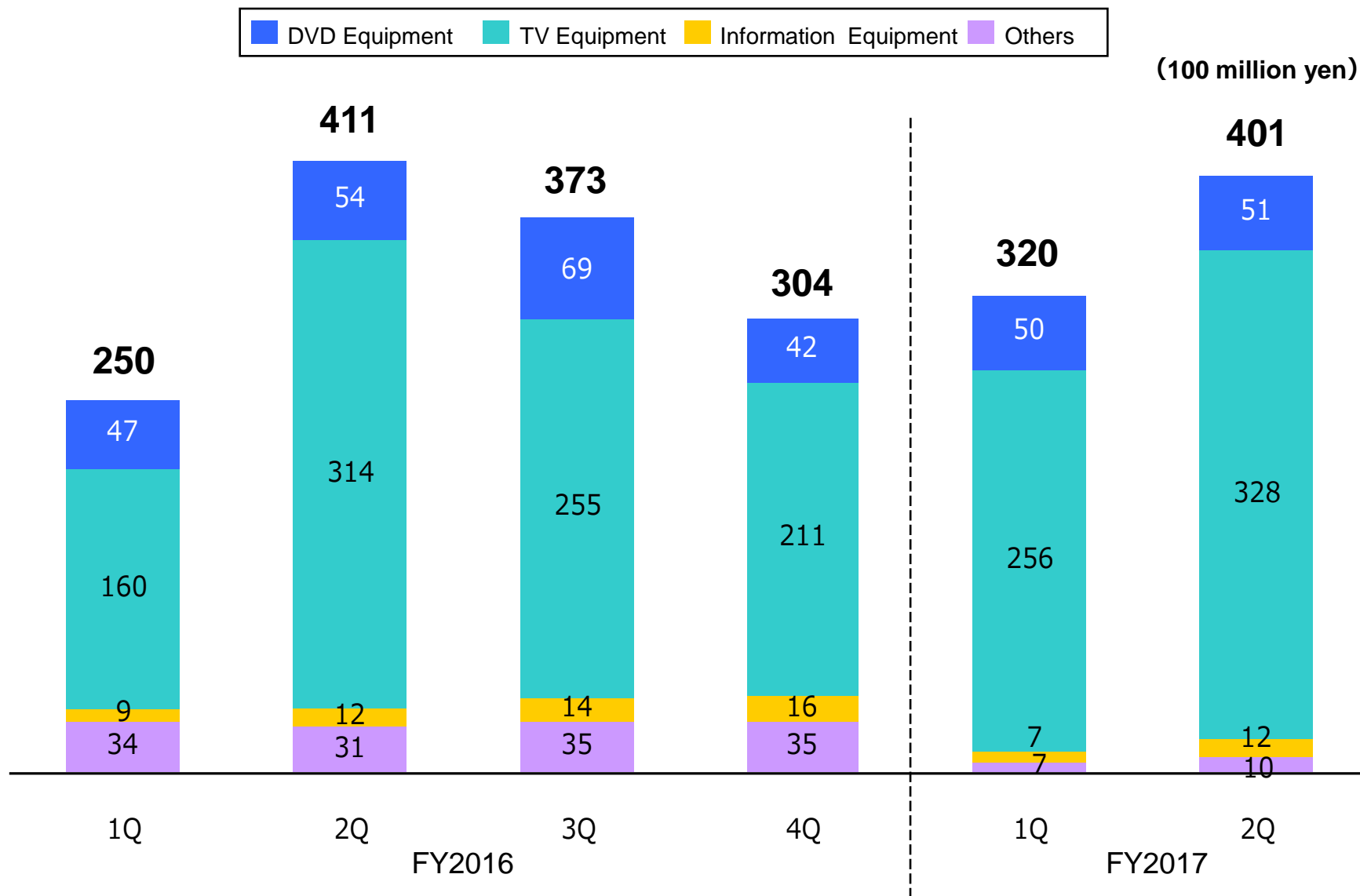
1. Quarterly Financial Summary
2. Quarterly Sales Trends by Equipment
3. Quarterly Sales Trends by Geography

1. Quarterly Financial Summary of FY 2016 - 2017

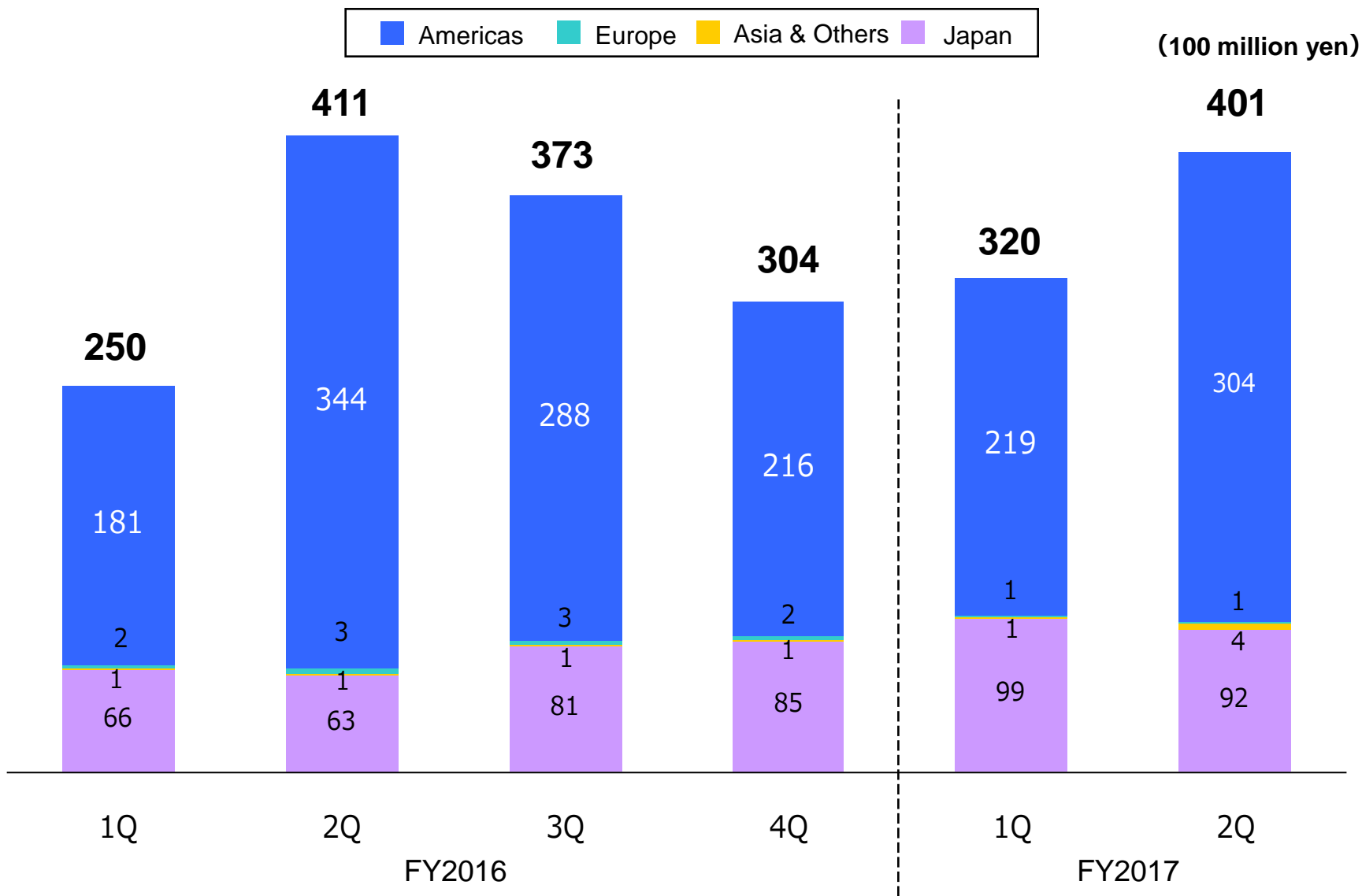
(100 million yen)

	FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	250	411	373	304	320	401
Operating Income	-28	-7	-10	-21	-23	-17
(Margin)	(-11.5%)	(-1.8%)	(-2.7%)	(-7.1%)	(-7.3%)	(-4.3%)
Ordinary Income	-58	-16	26	-28	-21	-14
(Margin)	(-23.4%)	(-3.9%)	(7.0%)	(-9.4%)	(-6.7%)	(-3.7%)
Net Income Attributable to owners of parent	-57	-19	23	-14	-15	-115
(Margin)	(-22.8%)	(-4.6%)	(6.2%)	(-4.7%)	(-4.7%)	(-28.9%)
Average USD-JPY Exchange Rate	108. ⁵³	102. ⁹⁰	111. ²⁵	112. ⁸⁵	111. ⁴¹	111. ¹⁶

2. Quarterly Sales Trends by Equipment



3. Quarterly Sales Trends by Geography



This document contains forward-looking statements and projections regarding business performance which are not historical facts. Please note that these statements are based on information relating to factors that may impact future business performance that was available for analysis at the time this document was printed.

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