

Presentation of Financial Results First Quarter (Apr.-Jun) of FY2019

**August 5, 2019
FUNAI ELECTRIC CO.,LTD.**

TSE 6839

I . Financial Results

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

<100 million yen>

	FY2018 1Q	FY2019 1Q	Difference (Y / Y)
Net Sales	216	156	-60 (-27.8%)
Operating Income (Margin)	-12 (-5.7%)	-9 (-5.8%)	+3
Ordinary Income (Margin)	-9 (-4.2%)	-12 (-7.3%)	-3
Net Income Attributable to owners of parent (Margin)	-0 (-0.1%)	-12 (-7.6%)	-12

Average USD-JPY Exchange Rate	109.⁵³	109.⁶⁶
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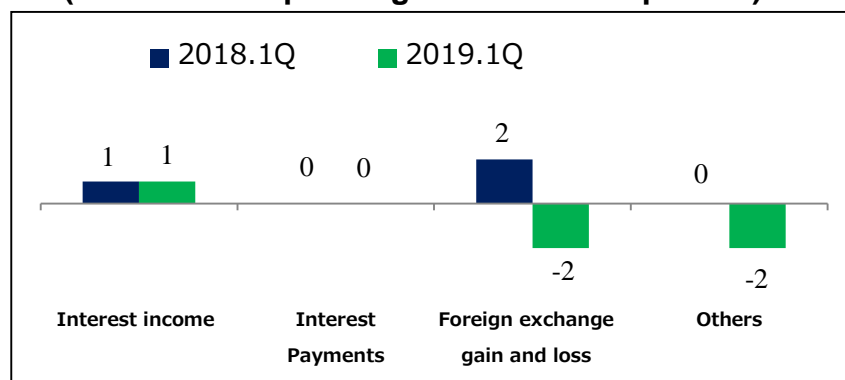
Month End USD-JPY Exchange Rate	Mar.2018	Jun.2018	Mar.2019	Jun.2019
	106. ²⁴	110. ⁵⁴	110. ⁹⁹	107. ⁷⁹

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

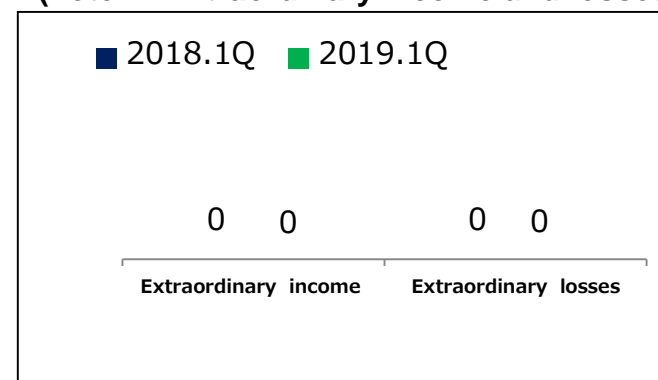
<100 million yen>

	FY2018 1Q	FY2019 1Q	Difference (Y / Y)
Operating income	-12	-9	+3
Non-operating income	(note:1) { 3	2	-1
Non-operating expenses	0	5	+5
Ordinary Income	-9	-12	-3
Extraordinary income	(note:2) { 0	0	0
Extraordinary losses	0	0	0
Income before Income Taxes	-9	-12	-3
Income taxes	-9	-0	+9
Net Income Attributable to owners of parent	-0	-12	-12

(note:1 Non-operating income and expenses)

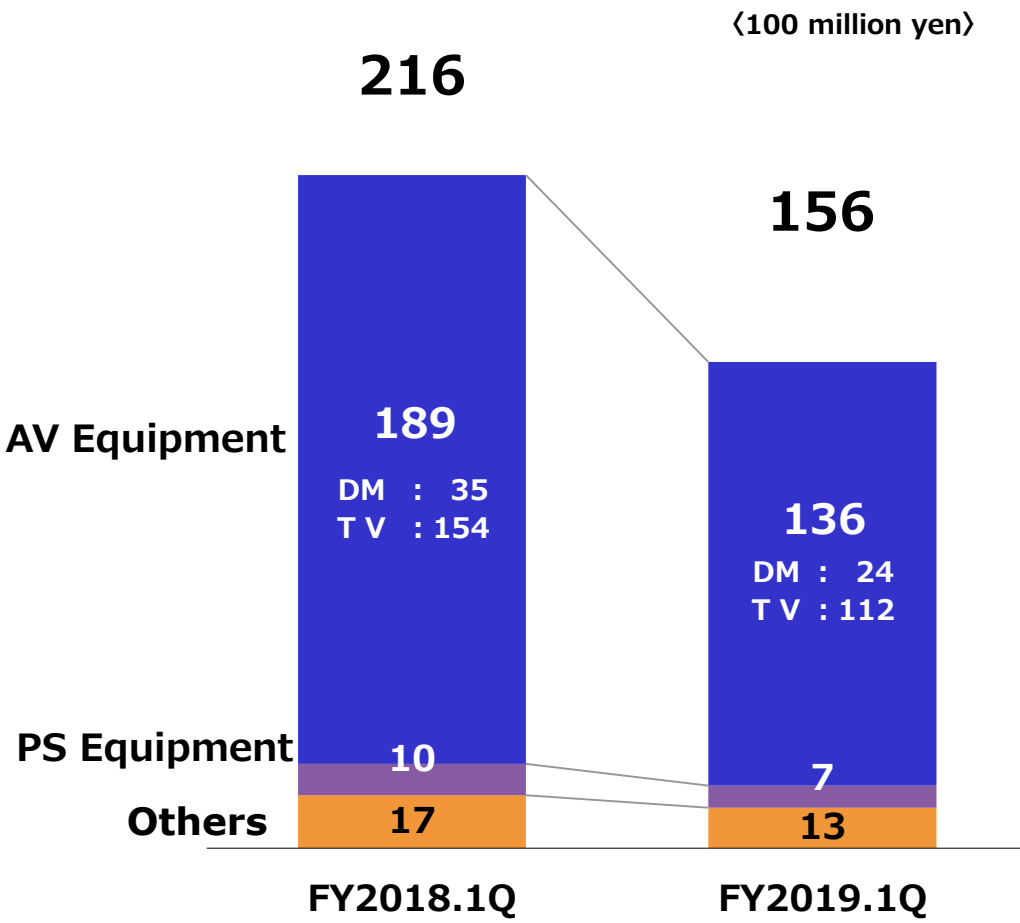


(note:2 Extraordinary income and losses)

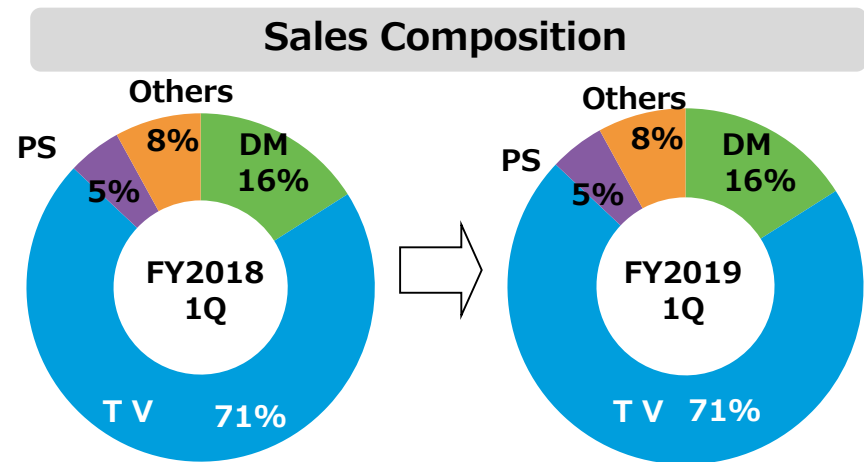


3. Breakdown of Sales by Equipment

- AV Equipment : Decreased due to decline in DM and TV related sales due to US-China trade friction
- PS Equipment : Sales of a new product, nail art printers, also declined due to lower sales of label printers



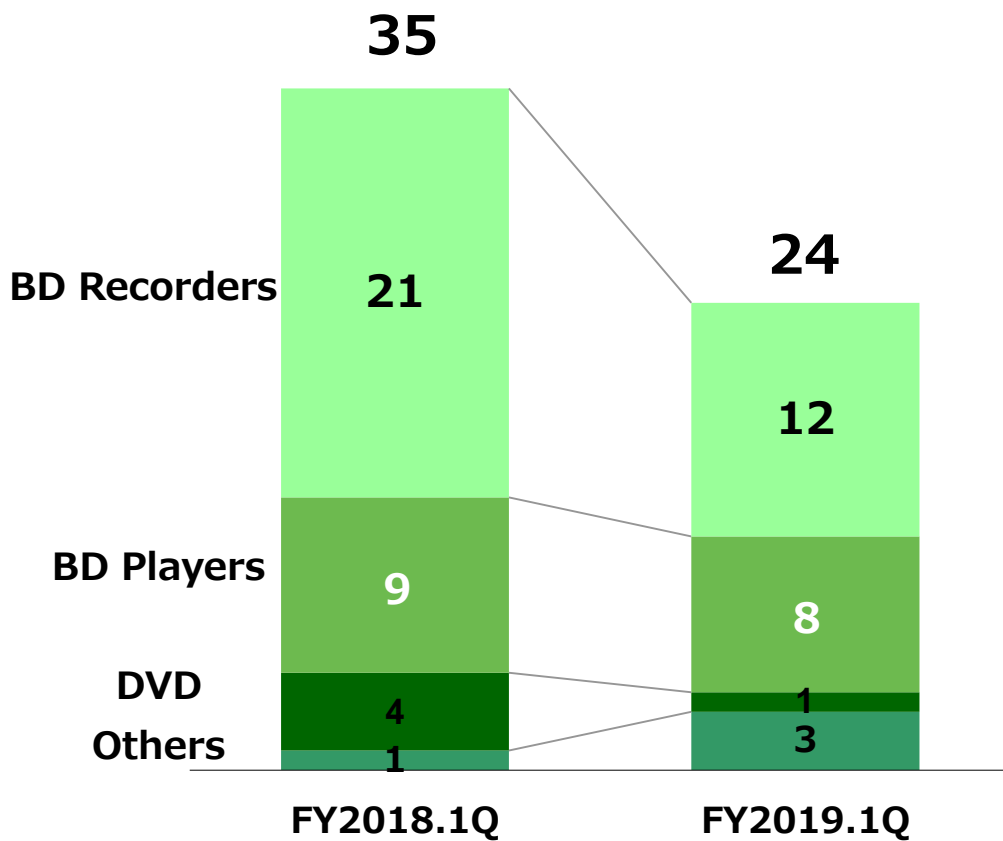
Y/Y (Change)		
AV Equip	-53	(-28.0%)
DM Equip	-11	(-30.2%)
TV Equip	-42	(-27.5%)
PS Equip	-3	(-25.2%)
Others	-4	(-25.3%)
Total	-60	(-27.8%)



4. Sales of DM related Equipment

➤ Decrease in sales due to the decline in demand for DVD / BD-related products due to the widespread use of video streaming services and growing demand for smart TVs.

<100 million yen>

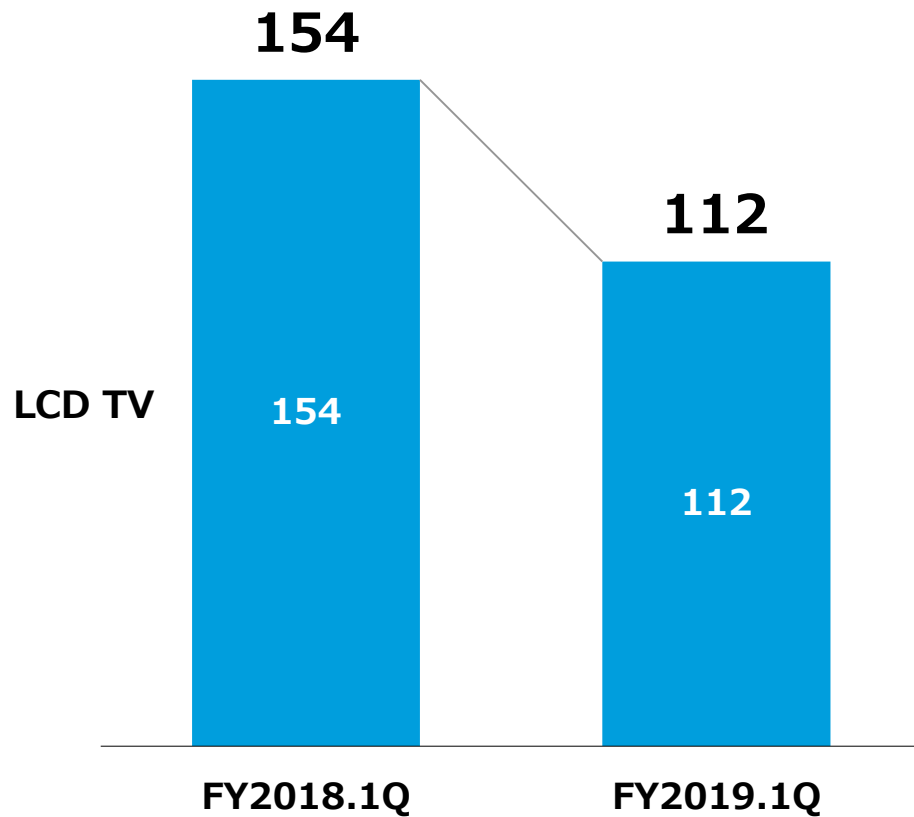


Y/Y (Change)		
BD Recorders	-9	(-40.0%)
BD Players	-1	(-12.1%)
DVD	-3	(-88.7%)
Others	+2	(+197.7%)
Total	-11	(-30.2%)

5. Sales of LCD Television

- Revenue declined due to steep decline in unit price due to intensifying price competition while new sales due to excess inventory stagnated due to US-China trade friction.

<100 million yen>

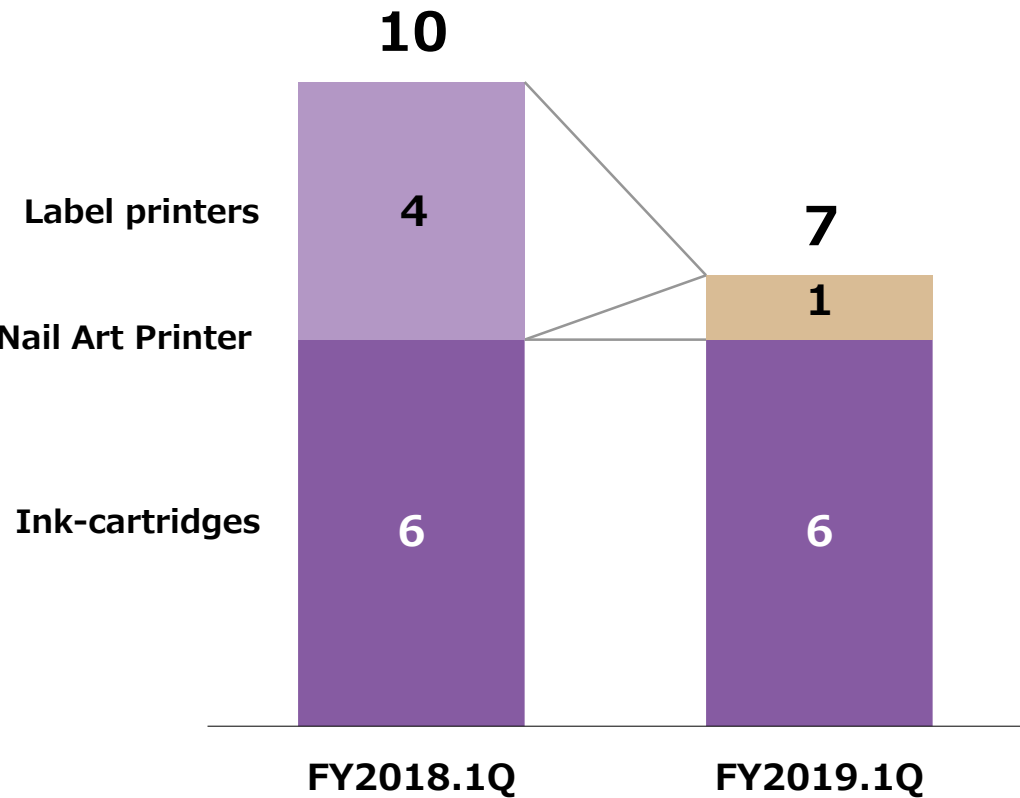


Y/Y (Change)		
LCD TV	-42	(-27.5%)

6. Sales of PS Equipment

➤ Sales of new nail art printers started, but sales declined due to sluggish sales of ink cartridges for inkjet printers and sluggish sales of label printers.

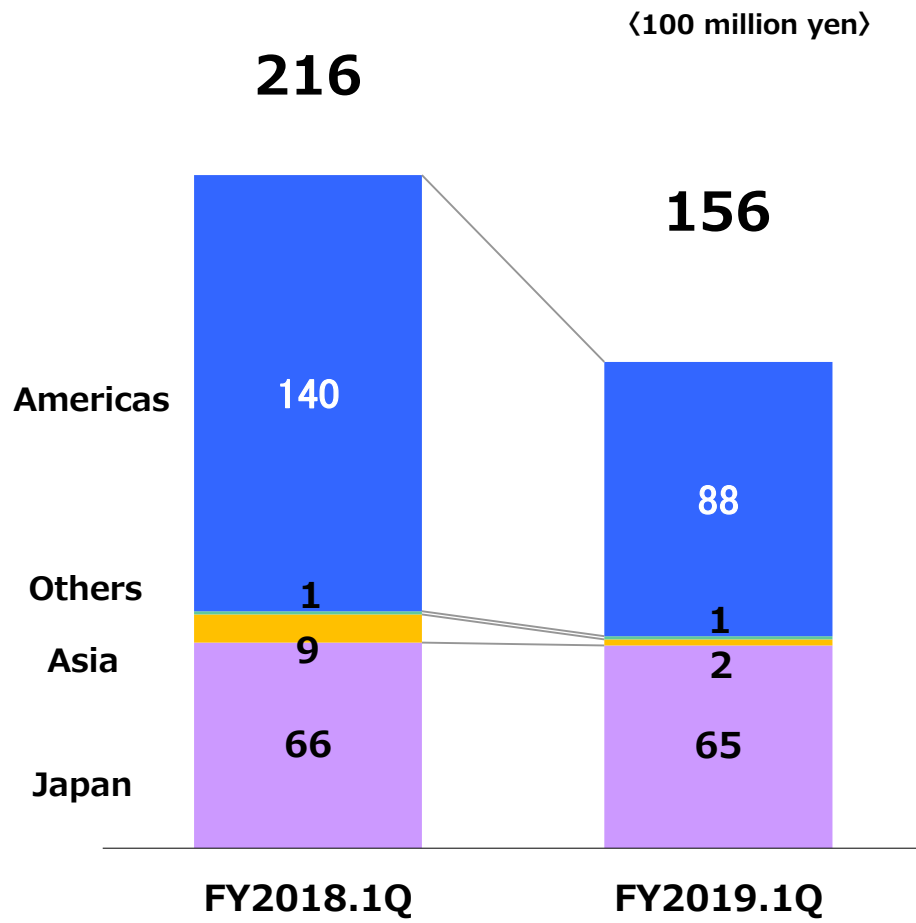
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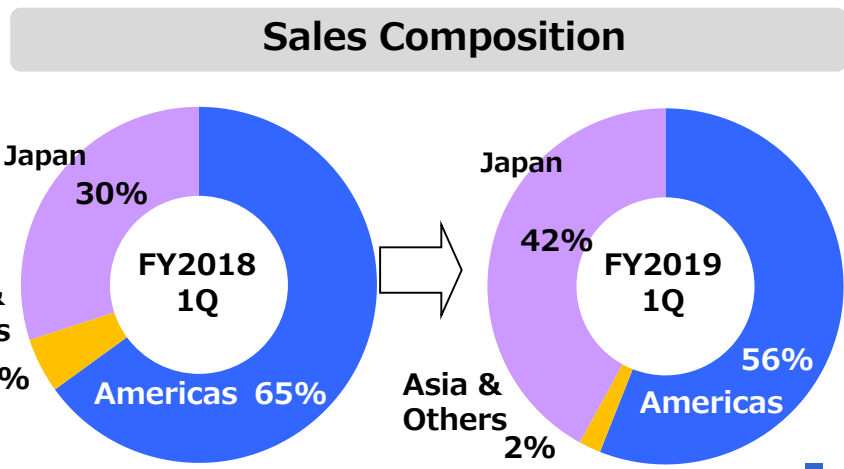
Y/Y (Change)		
Label printers	-4	(-)
Nail Art Printer	+1	(-)
Ink-cartridges	0	(+1.8%)
合計	-3	(-25.2%)

7. Geographic Breakdown of Sales

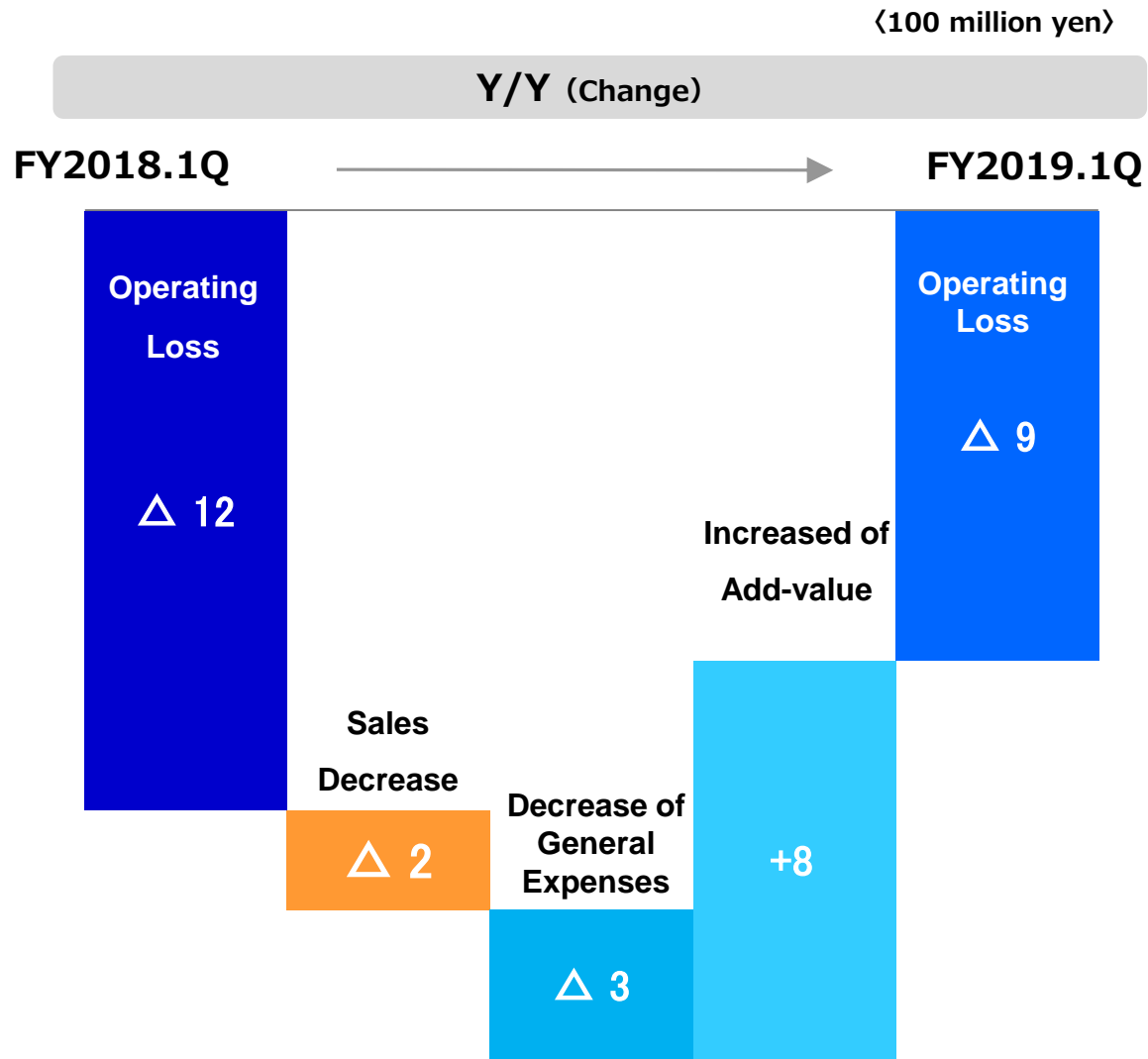
➤ Americas : Due to the impact of US-China trade friction, the entire North American market became overstocked, and new sales of TV and DVD / BD related products declined due to sluggish growth.



Y/Y (Change)		
Americas	-52	(-37.4%)
Europe	0	(+18.7%)
Asia & Others	-7	(-78.1%)
Japan	-1	(-0.2%)
Total	-60	(-27.8%)



8. Operating Income Analysis (Y/Y)



9. Balance Sheet Conditions

<100 million yen>

Y/Y (Change)

Assets

**Liabilities
And
Net Assets**

Cash / Deposit			
Accounts Receivables	796	832	794
Inventories	321	354	291
Fixed Assets and Others	105	77	55
	221	252	292
Trade Payables	149	149	156
	144	156	137
Accounts Payables and Others	140	136	135
	512	540	522
Net Assets	796	832	794

Assets	-38
• Cash / Deposit	-63
• Accounts Receivables	-22
• Inventories	+40
• Fixed Assets and Others	+7

Liabilities	-20
• Trade Payables	-19
• Accounts Payables and Others	-1
Net Assets	-18
<i>(Equity Ratio</i>	65.6%)

Jun.2018 Mar.2019 Jun.2019

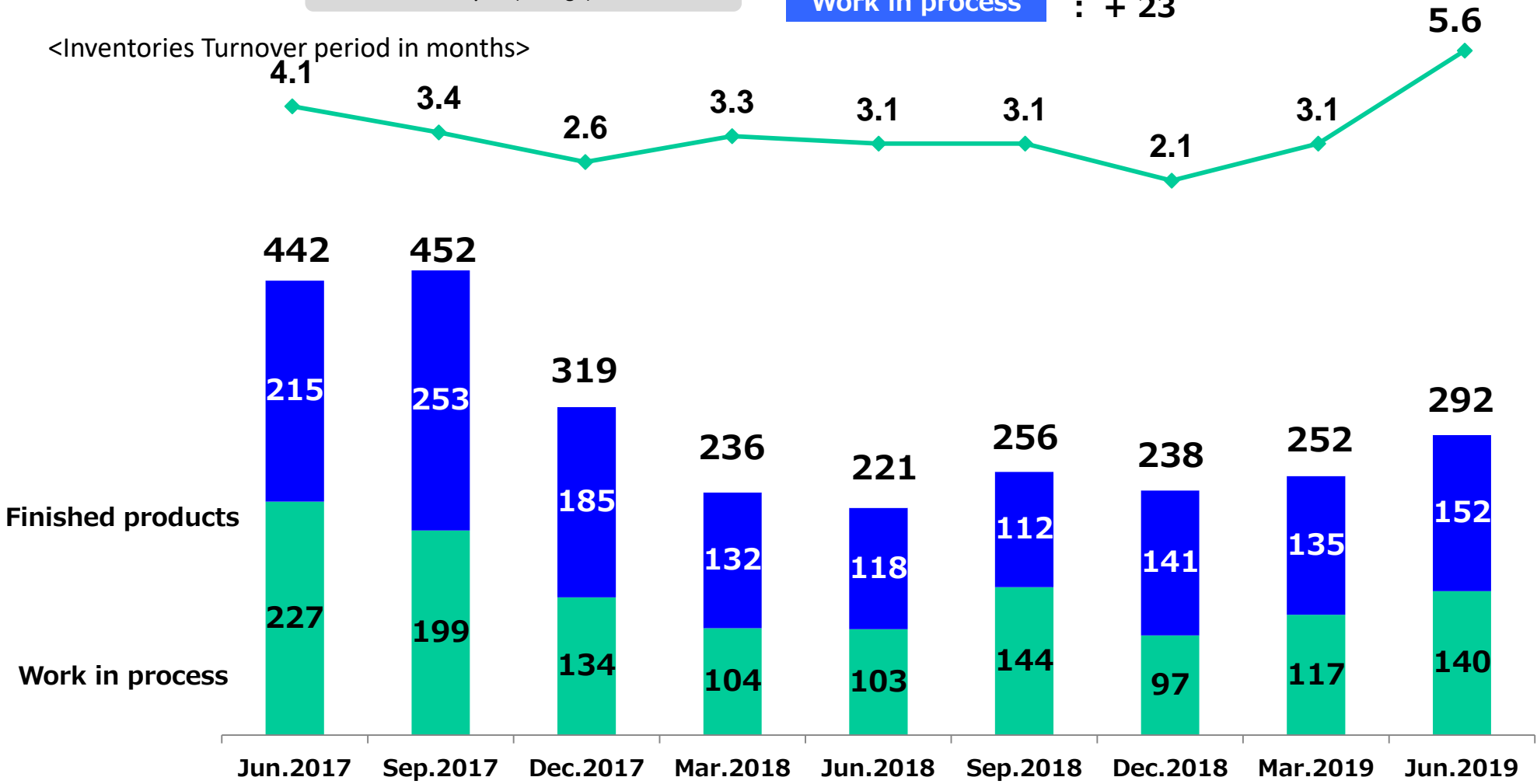
10. Inventories Trends

Y / Y (Change)

Finished products : + 17
Work in process : + 23

<100 million yen>

<Inventories Turnover period in months>



11. Capital Investment, Depreciation and R&D

First Quarter

Capital Investment

Depreciation

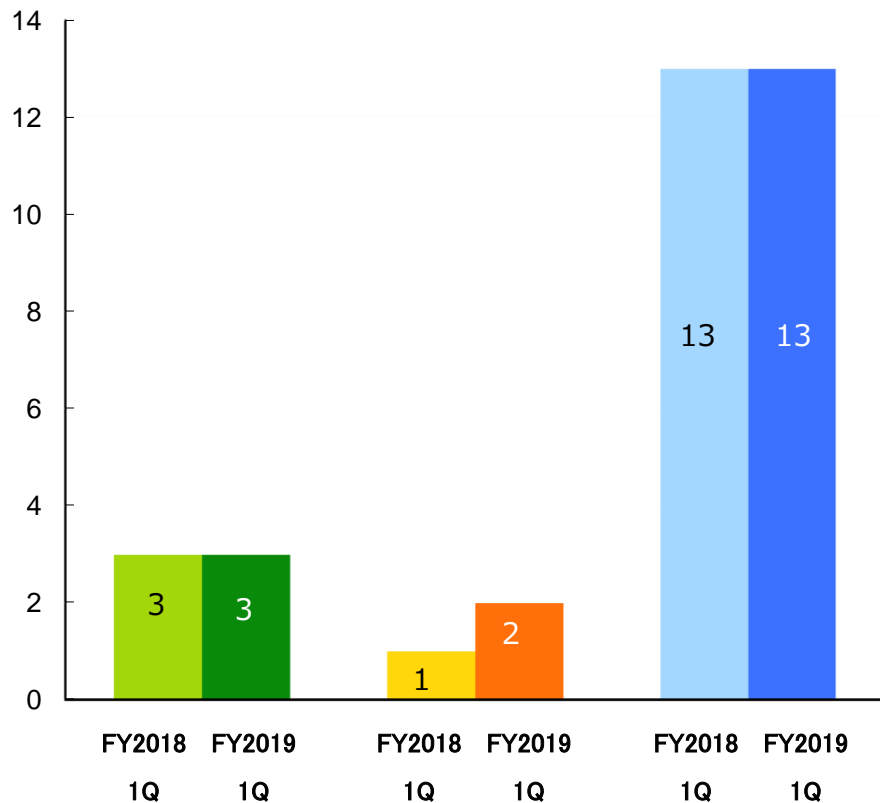
R&D

Y/Y
0

Y/Y
+1

Y/Y
0

<100 million yen>



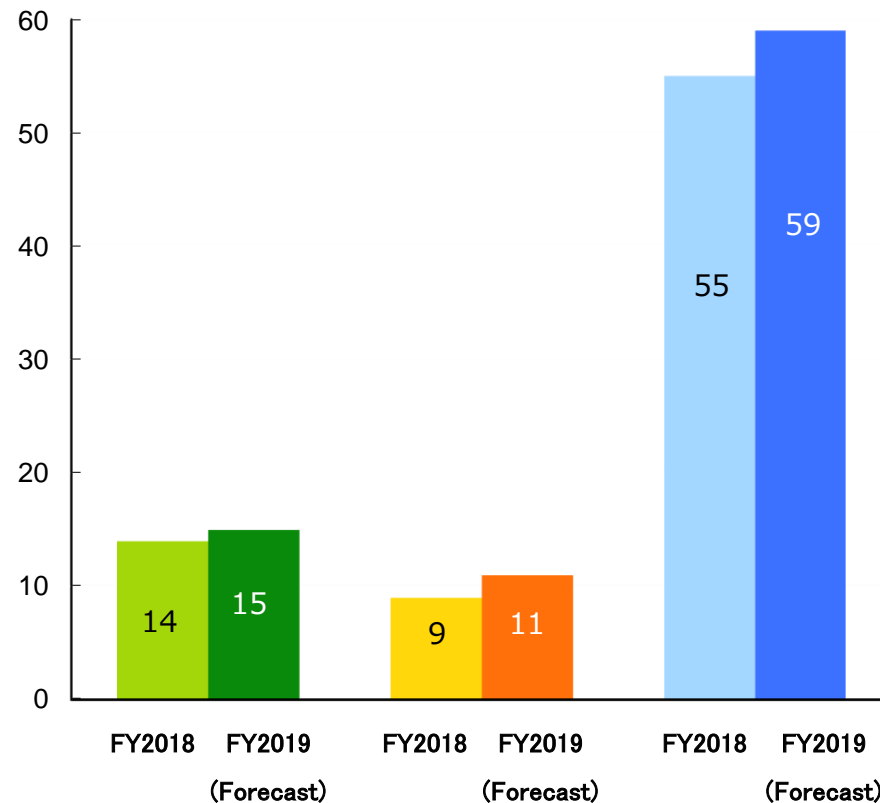
Full Year

Capital Investment

Depreciation

R&D

<100 million yen>



II . Appendix

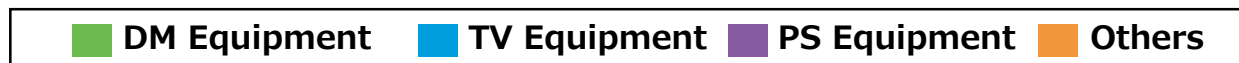
- 1. Quarterly Financial Summary**
- 2. Quarterly Sales Trends by Equipment**
- 3. Quarterly Sales Trends by Geography**

1. Quarterly Financial Summary of FY 2018 - 2019

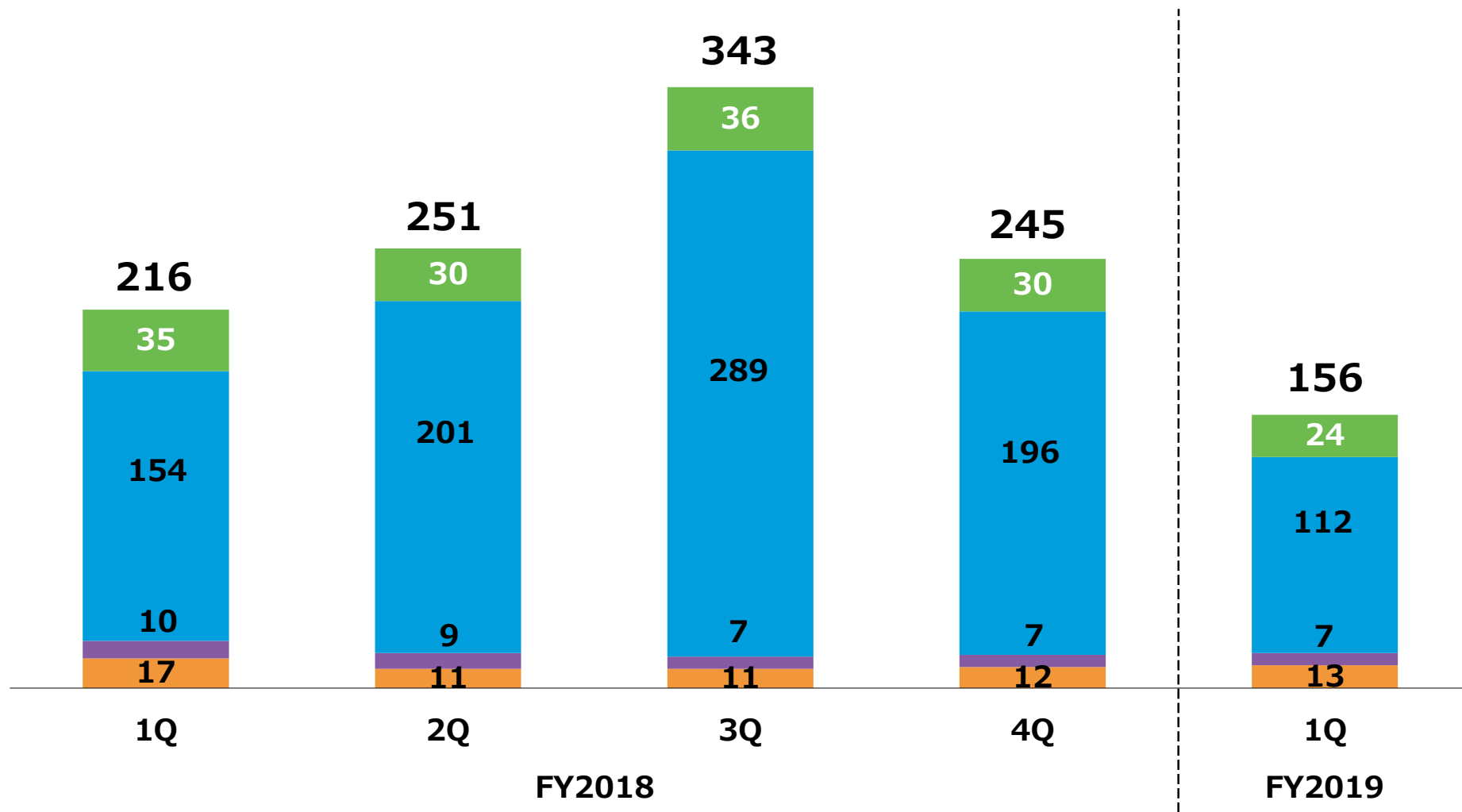
〈100 million yen〉

	FY2018				FY2019
	1Q	2Q	3Q	4Q	1Q
Net Sales	216	251	343	245	156
Operating Income	-12	-4	11	11	-9
(Margin)	(-5.7%)	(-1.6%)	(3.4%)	(4.8%)	(-5.8%)
Ordinary Income	-9	7	+0	14	-12
(Margin)	(-4.2%)	(2.9%)	(0.2%)	(6.1%)	(-7.3%)
Net Income Attributable to owners of parent	-0	6	+0	19	-12
(Margin)	(-0.1%)	(2.7%)	(0.2%)	(7.8%)	(-7.6%)
Average USD-JPY Exchange Rate	109.⁵³	111.⁸⁸	112.⁵⁷	110.²⁷	109.⁶⁶

2. Quarterly Sales Trends by Equipment



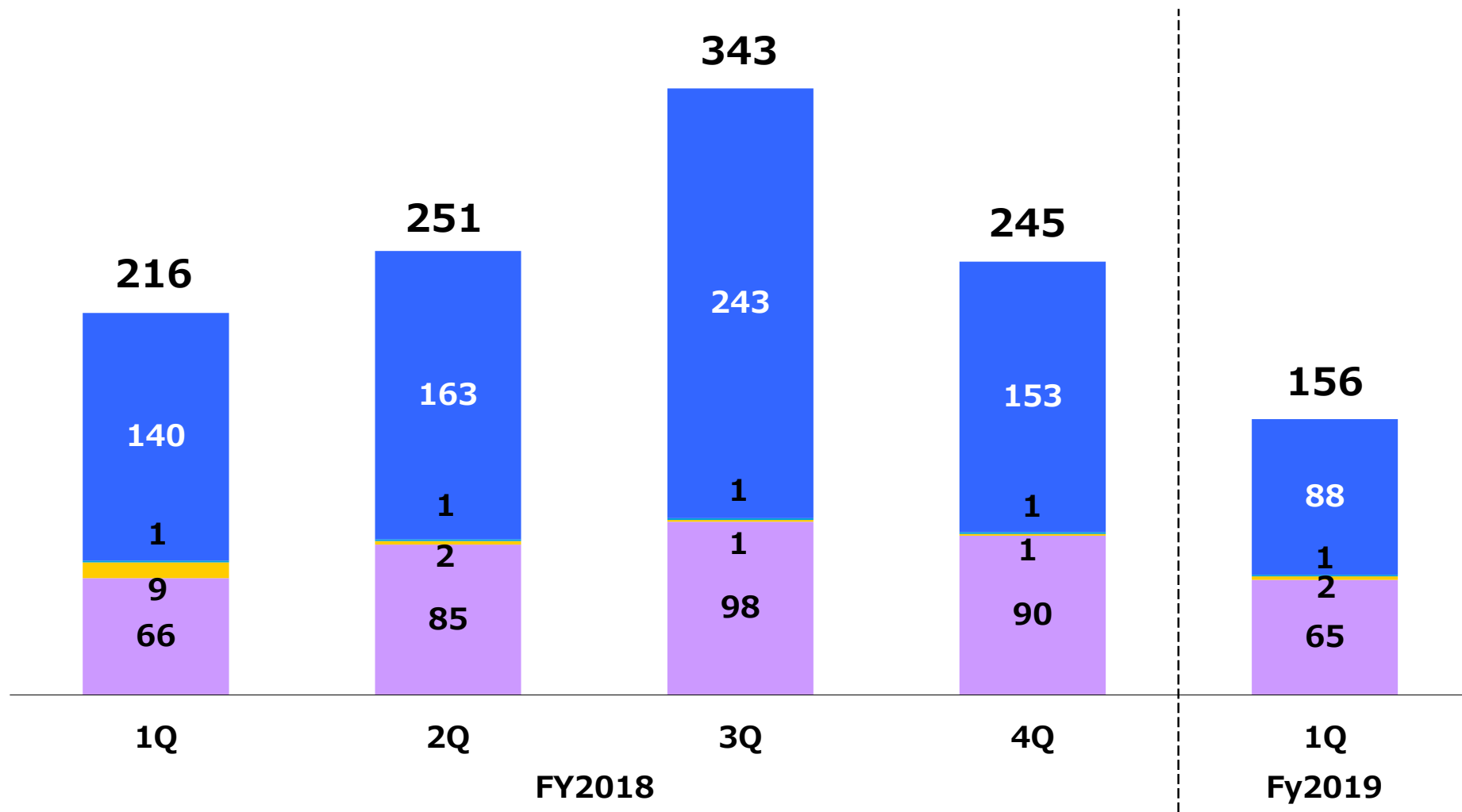
〈100 million yen〉



3. Quarterly Sales Trends by Geography



〈100 million yen〉



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