



# **Financial Results of FY2016**

**May 17, 2017**

**FUNAI ELECTRIC CO.,LTD.**

**TSE 6839**

# 1. Summary of 4<sup>th</sup> Quarter (Jan.-Mar.)

(100 million yen)

	FY2015 4Q	FY2016 4Q	Difference (Y / Y)
Net Sales	367	304	-63 (-17.1%)
Operating Income (Margin)	-33 (-9.1%)	-21 (-7.1%)	12 (-)
Ordinary Income (Margin)	-51 (-14.1%)	-28 (-9.4%)	23 (-)
Net Income Attributable to owners of parent (Margin)	-248 (-67.6%)	-14 (-4.7%)	234 (-)

Average USD-JPY Exchange Rate	115. <sup>05</sup>	112. <sup>85</sup>
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Month End USD-JPY Exchange Rate	Dec.2015	Mar.2016	Dec.2016	Mar.2017
	120. <sup>61</sup>	112 <sup>68</sup>	116. <sup>49</sup>	112. <sup>19</sup>

## 2. Summary of FY2016 (Apr.-Mar.) 1

(100 million yen)

	FY2015 Actual	FY2016 Forecast	FY2016 Actual	Difference (Y/Y)	VS Forecast
Net Sales	1,700	1,345	1,338	-362 (-21.3%)	△7 (99.4%)
Operating Income (Margin)	-105 (-6.2%)	-69 (-5.1%)	-67 (-5.1%)	+38	+2
Ordinary Income (Margin)	-136 (-8.0%)	-78 (-5.8%)	-77 (-5.8%)	+59	+1
Net Income Attributable to owners of parent (Margin)	-338 (-19.9%)	-69 (-5.1%)	-67 (-5.0%)	+271	+2

Average USD-JPY Exchange Rate	119. <sup>98</sup>	108. <sup>17</sup>	108. <sup>88</sup>
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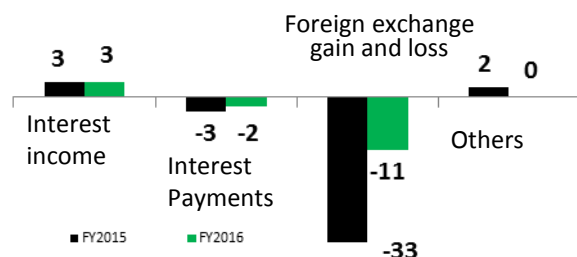
Month End USD-JPY Exchange Rate	Mar..2016	Mar.2017
	112. <sup>68</sup>	112. <sup>19</sup>

### 3. Summary of FY2016 (Apr.-Mar.) 2

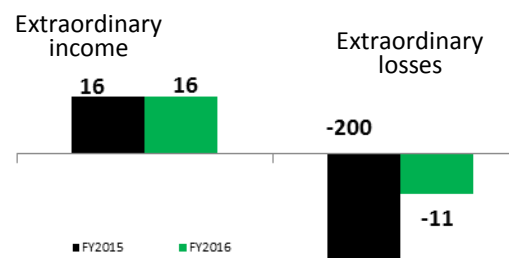
(100 million yen)

	FY2015	FY2016	Difference (Y / Y)
Non-operating income	(note:1) 8	5	-3
Non-operating expenses	{ 39	15	-24
<b>Ordinary Income</b>	<b>-136</b>	<b>-77</b>	59
Extraordinary income	(note:2) 16	16	0
Extraordinary losses	{ 200	11	-189
<b>Income before Income Taxes</b>	<b>-320</b>	<b>-72</b>	248
Income taxes	18	-5	-23
<b>Net Income Attributable to owners of parent</b>	<b>-338</b>	<b>-67</b>	271

(note:1 Non-operating income and expenses)

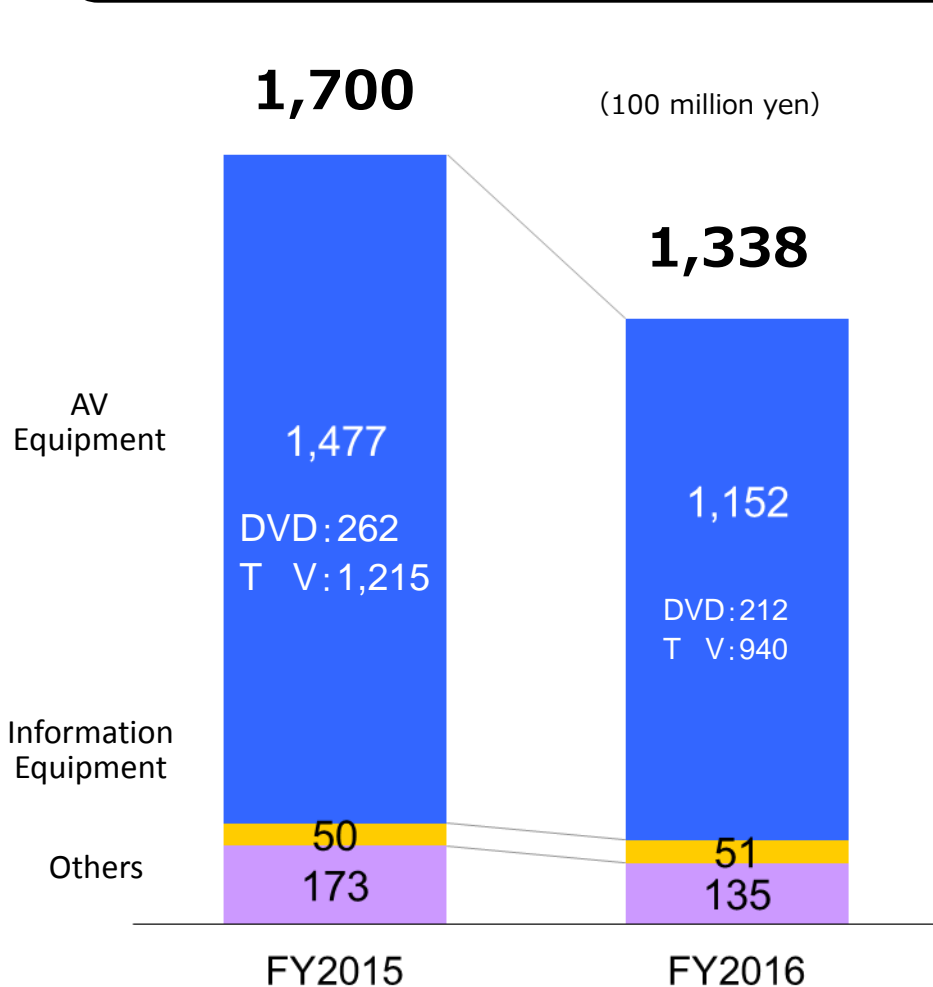


(note:2 Extraordinary income and losses)



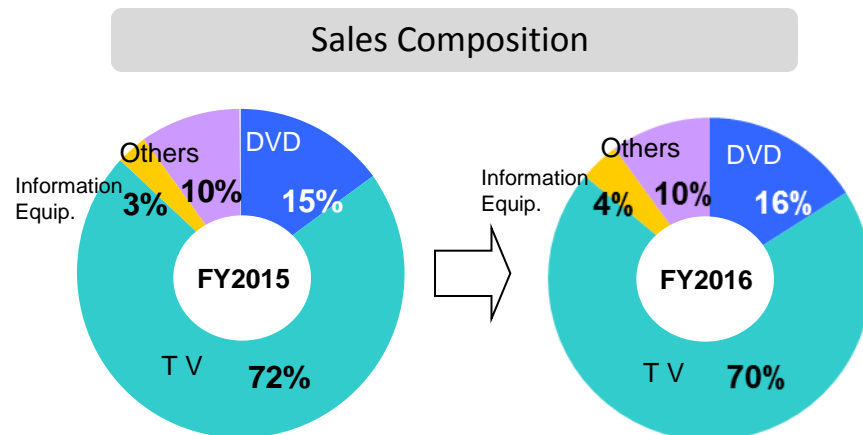
# 4. Breakdown of Sales by Equipment

- AV Equipment: LCD TVs and DVD related products decreased.
- Info Equipment: Increased due to good sales of own development ink-cartridge
- Others: Audio Accessories decreased.



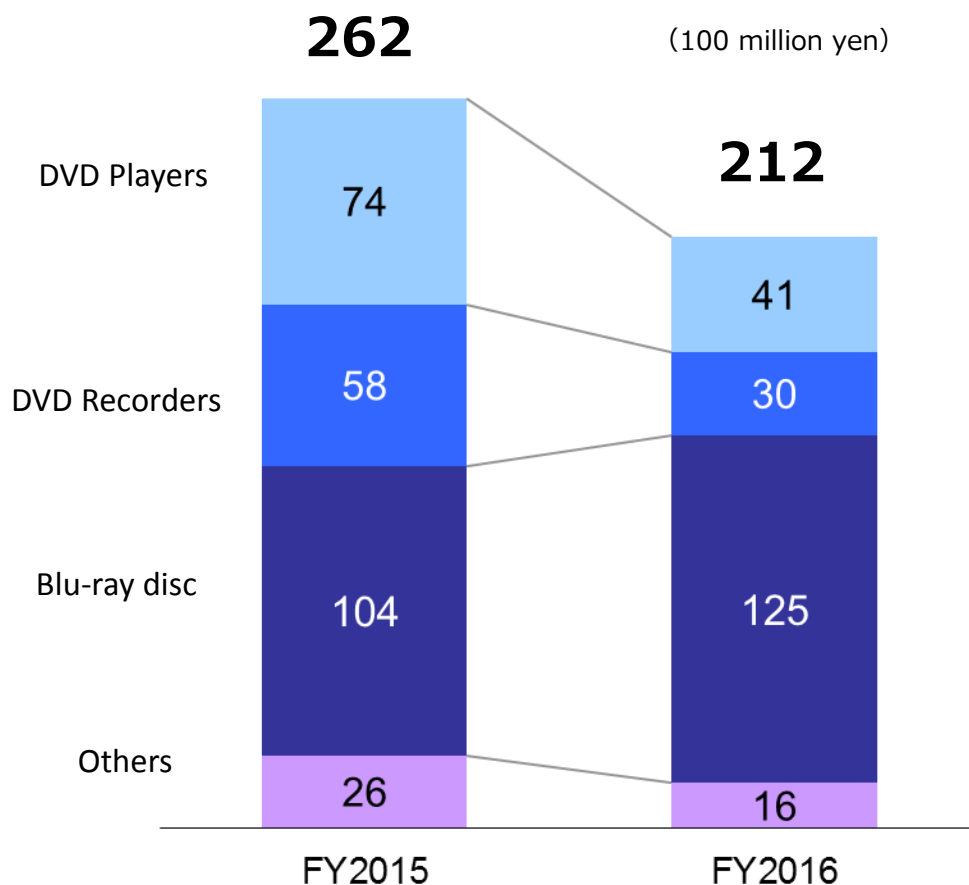
(100 million yen)

Y / Y (Change)		
AV Equip	-325	(-22.0%)
DVD Equip	-50	(-18.8%)
TV Equip	-275	(-22.7%)
Information Equip	1	(1.5%)
Others	-38	(-22.0%)
<b>Total</b>	<b>-362</b>	<b>(-21.3%)</b>



# 5. Sales of DVD related Equipment

➤ Blu-ray player and recorder increased due to good sales.

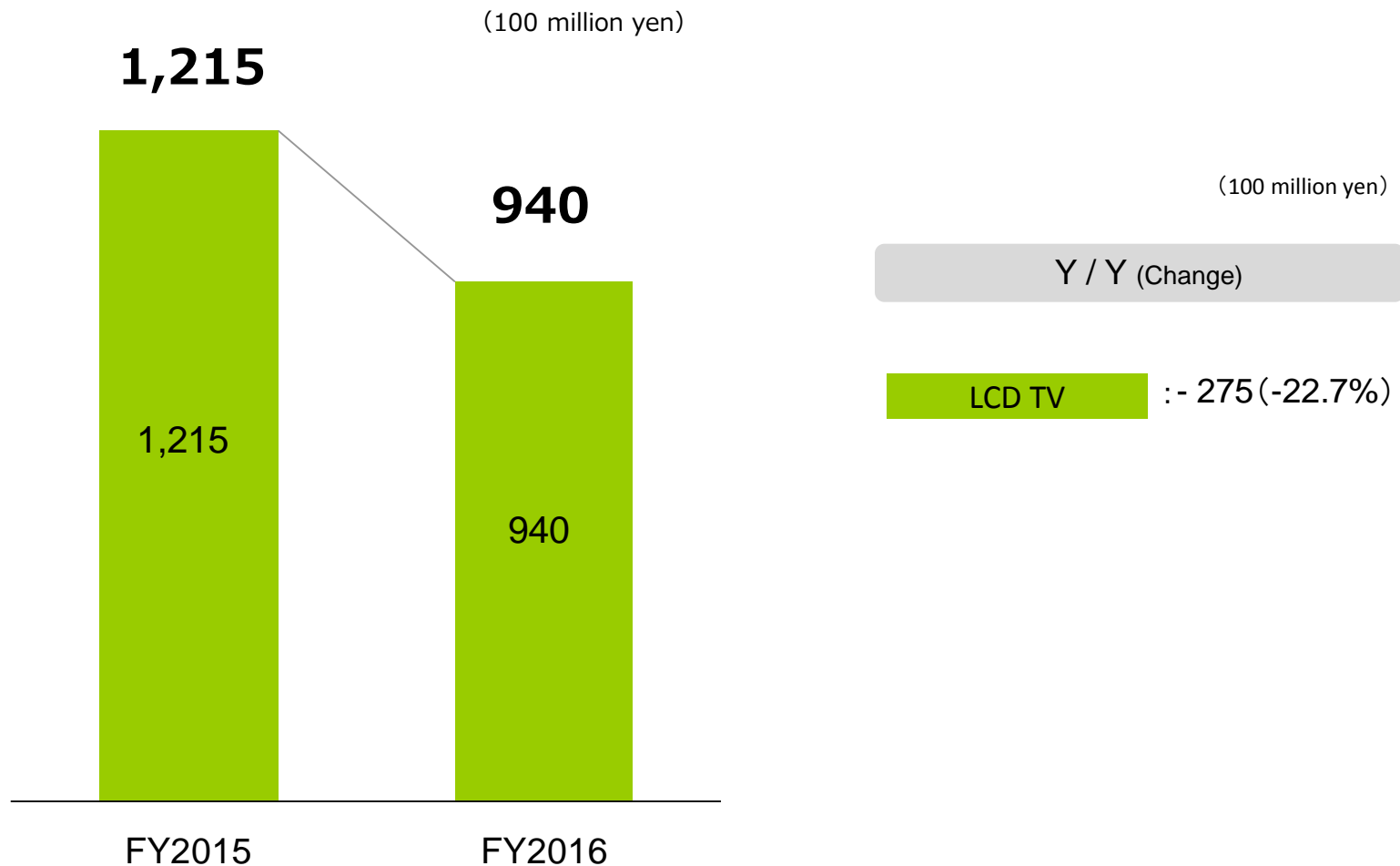


(100 million yen)

Y / Y (Change)		
DVD Players	-33	(-43.7%)
DVD Recorders	-28	(-48.8%)
Blu-ray disc	+21	(+21.3%)
Others	-10	(-40.5%)
<b>Total</b>	<b>-50</b>	<b>(-18.8%)</b>

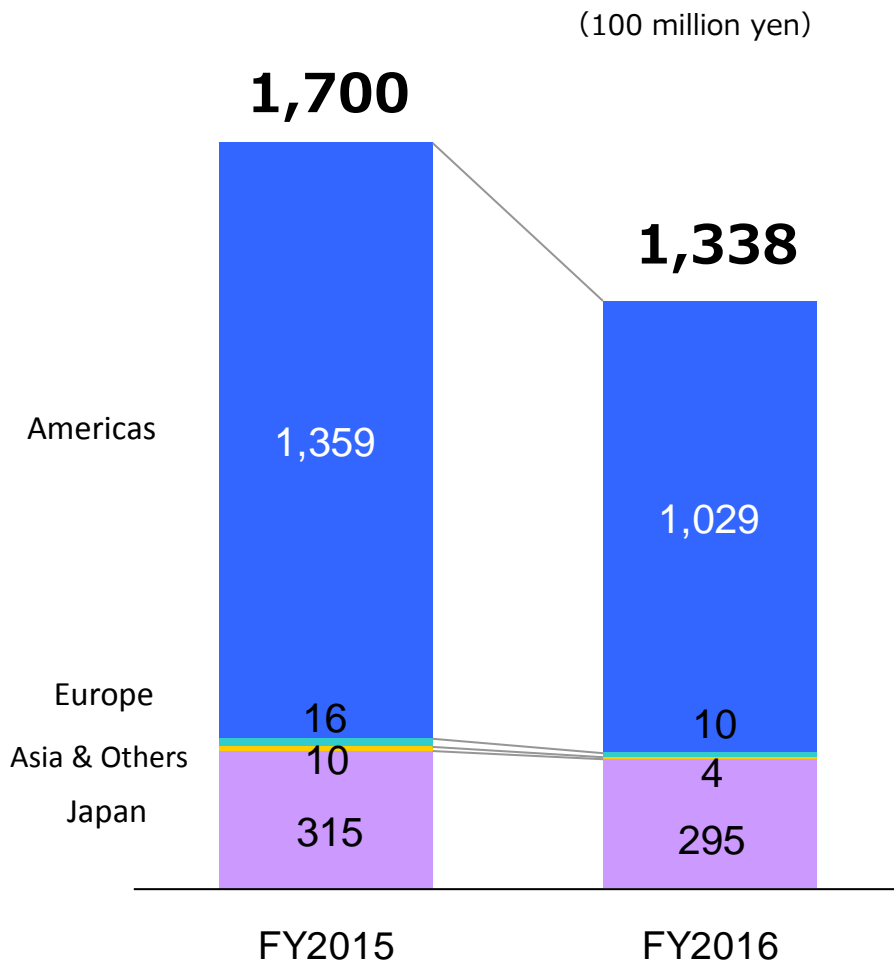
# 6. Sales of LCD Television

➤ Decreased due to slow order from new client and weak sales caused by price competition.



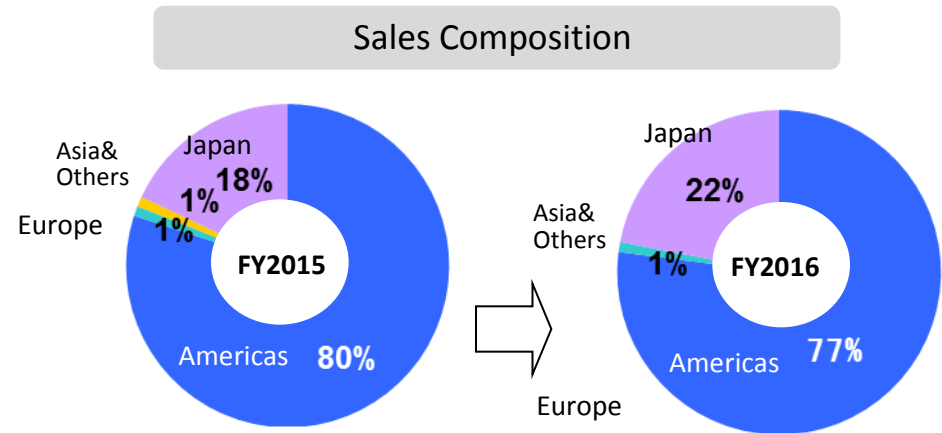
# 7. Geographic Breakdown of Sales

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



(100 million yen)

Y / Y (Change)		
Americas	-330	(-24.3%)
Europe	-6	(-38.3%)
Asia & Others	-6	(-58.4%)
Japan	-20	(-6.2%)
<b>Total</b>	<b>-362</b>	<b>(-21.3%)</b>

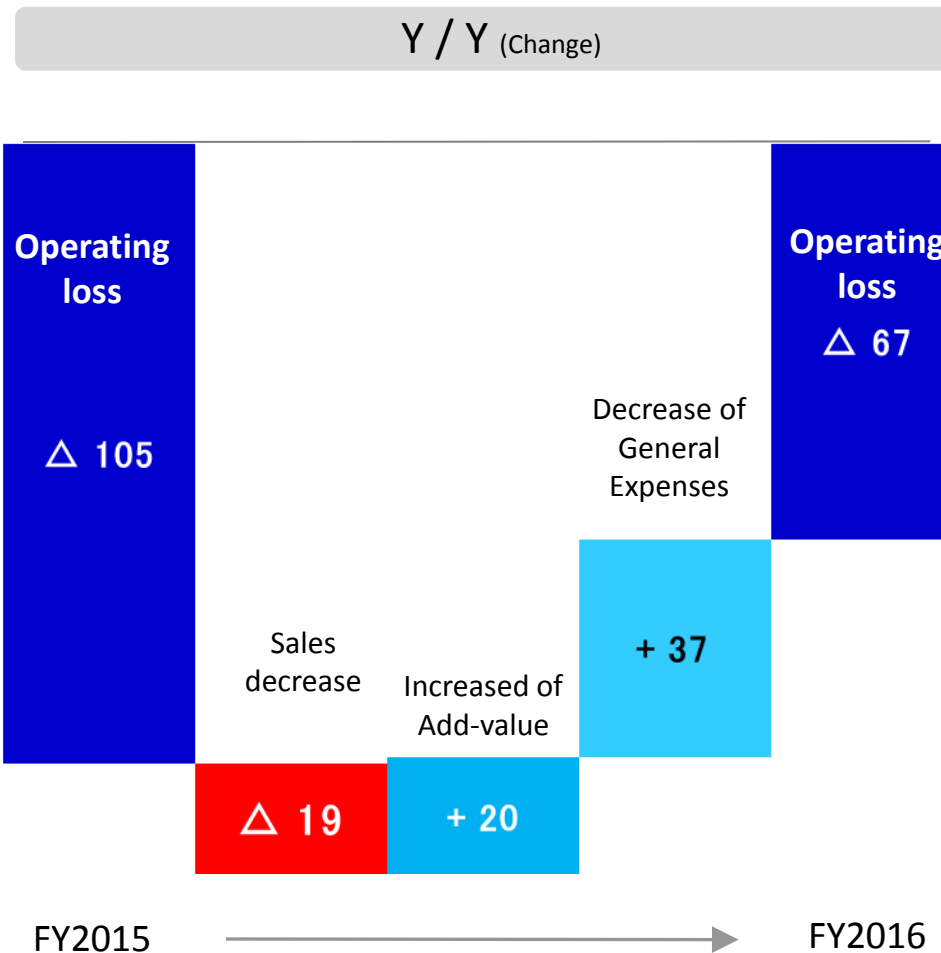




# 8. Operating Income Analysis (Y/Y)

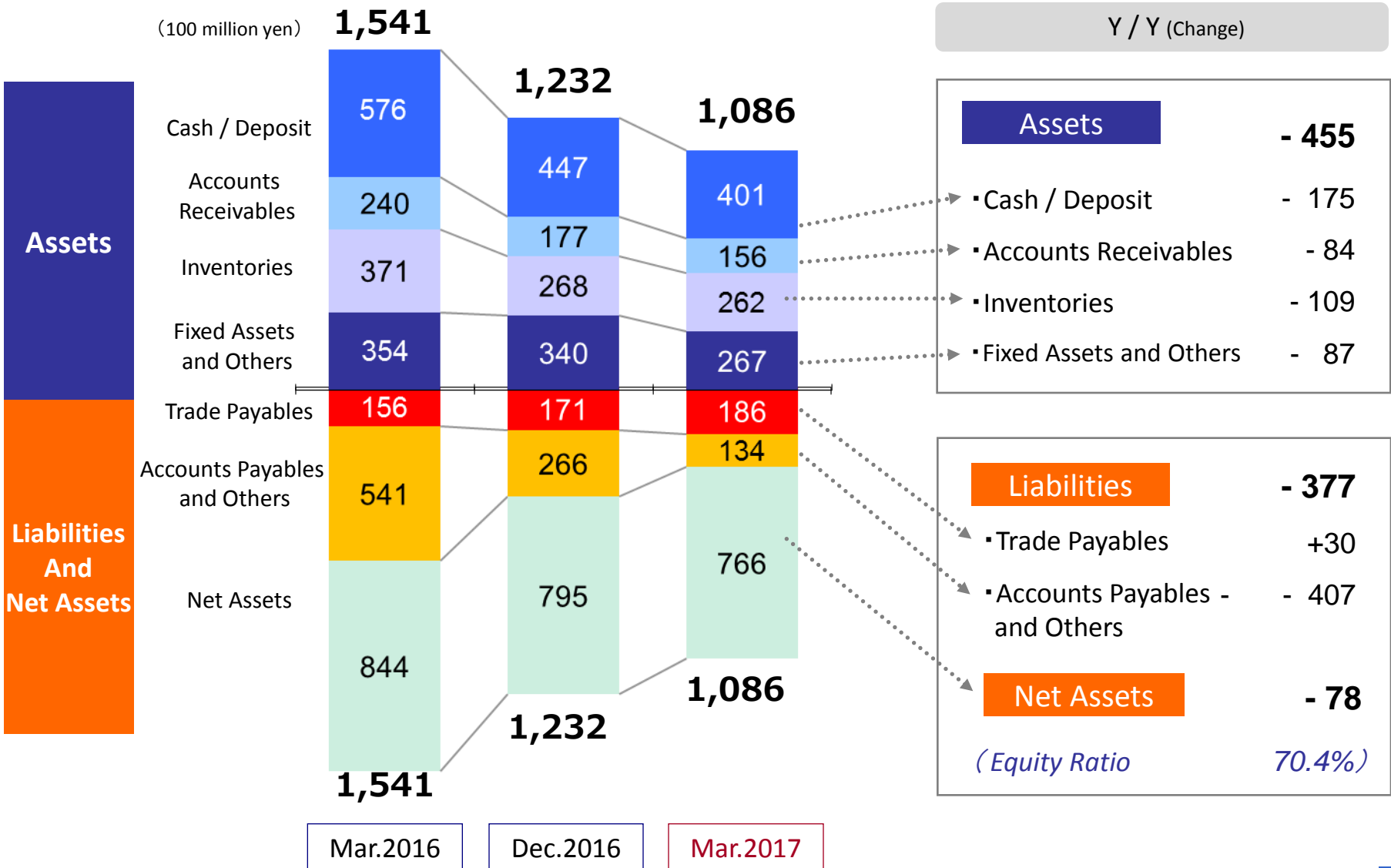
\* Add-value=Sales – (Cost of sales + selling expenses)

(100 million yen)



# 9. Financial Conditions

(100 million yen)



# 10. Inventories Trends

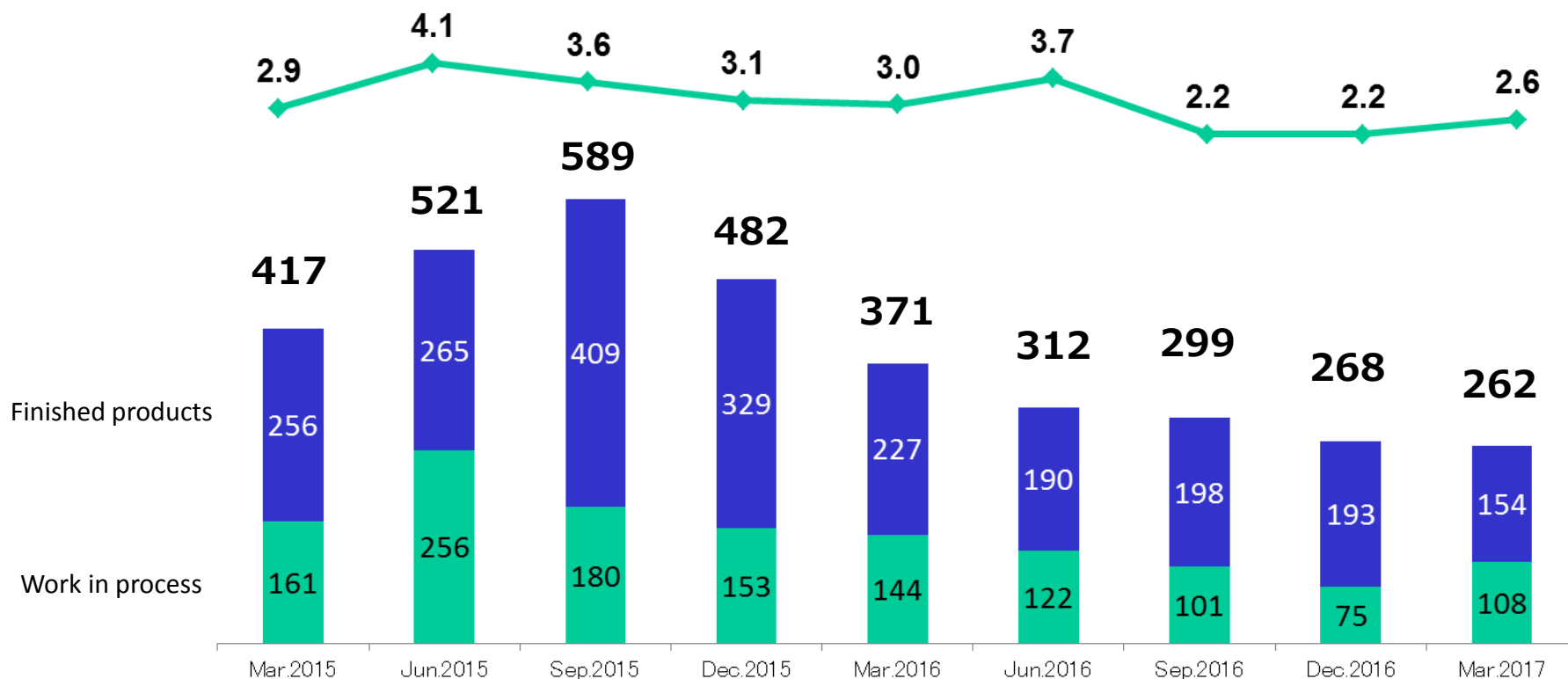
Y / Y (Change)

Finished products : - 73

Work in process : - 36

(100 million yen)

<Inventories Turnover period in months>



# 11. Forecast FY2017

	FY2016 Actual			FY2016 Forecast			Change(Y/Y)		
	1 half	2 half	Full year	1 half	2 half	Full year	1 half	2 half	Full year
Net Sales	661	677	1,338	814	786	1,600	+153	+109	+262 (+19.5%)
Operating Income (Margin)	△36 (△5.5%)	△31 (△4.7%)	△67 (△5.1%)	6 (0.8%)	0 (0.0%)	6 (0.4%)	+42	+31	+73
Ordinary Income (Margin)	△74 (△11.3%)	△3 (△0.3%)	△77 (△5.8%)	7 (0.9%)	0 (0.0%)	7 (0.4%)	+81	+3	+84
Net Income Attributable to owners of parent (Margin)	△76 (△11.5%)	9 (1.3%)	△67 (△5.0%)	4 (0.4%)	△2 (△0.3%)	2 (0.1%)	+80	△11	+69

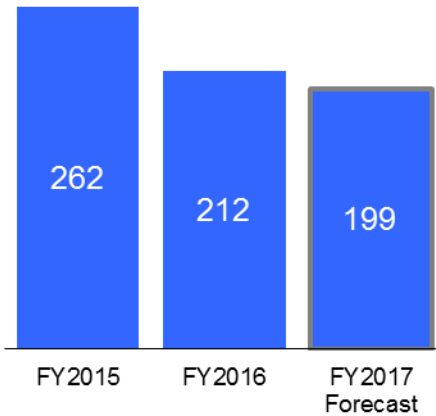
Average USD-JPY Exchange Rate	105. <sup>72</sup>	112. <sup>05</sup>	108. <sup>88</sup>	110. <sup>00</sup> 円
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# 12. Forecast of Sales by Business

( 100 million yen )

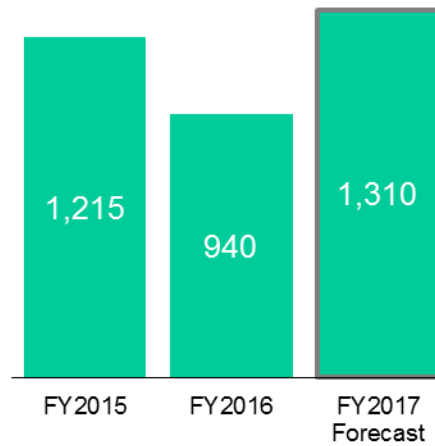
## DVD/BD

【FY2016 vs FY2017】 $\Delta$ 6.3%



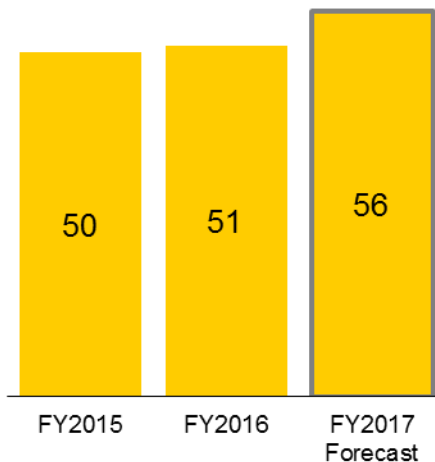
## LCD TVs

【FY2016 vs FY2017】+39.4%



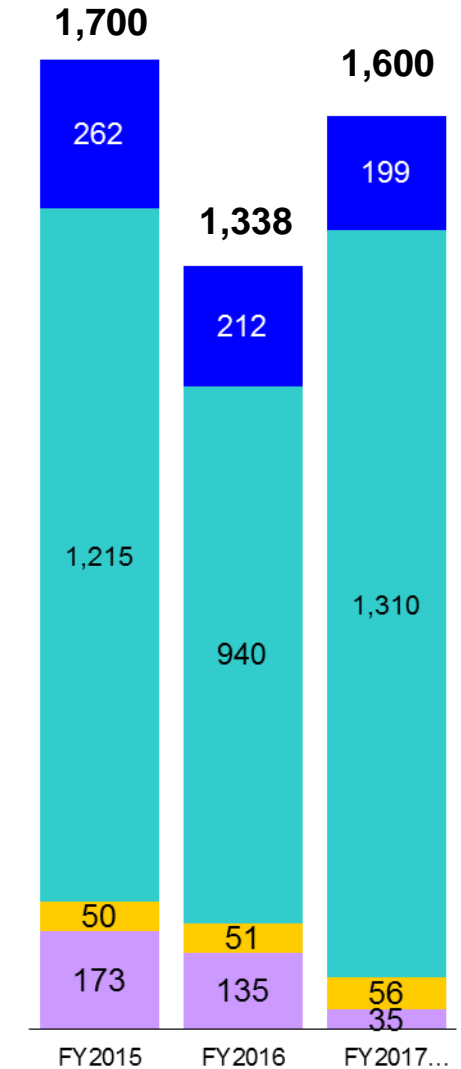
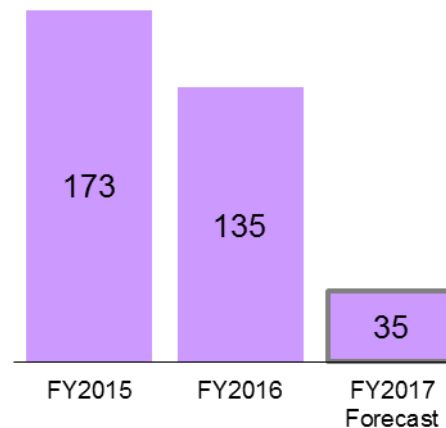
## Office Solution

【FY2016 vs FY2017】+10.9%



## Others

【FY2016 vs FY2017】 $\Delta$ 74.4%

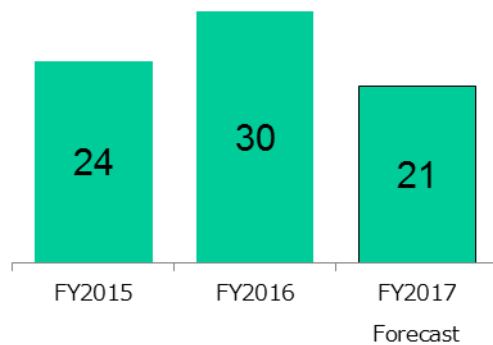


# 13. Capital, Depreciation, R&D

( 100 million yen )

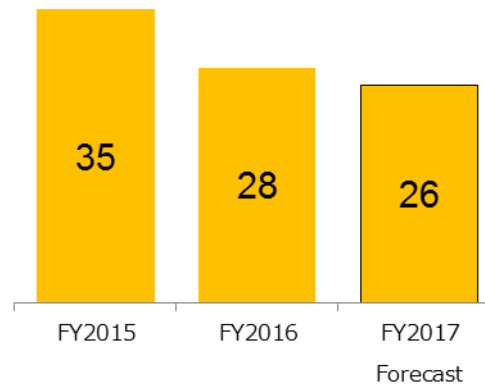
## Capital

【FY2016 vs FY2017】  
△30.0%



## Depreciation

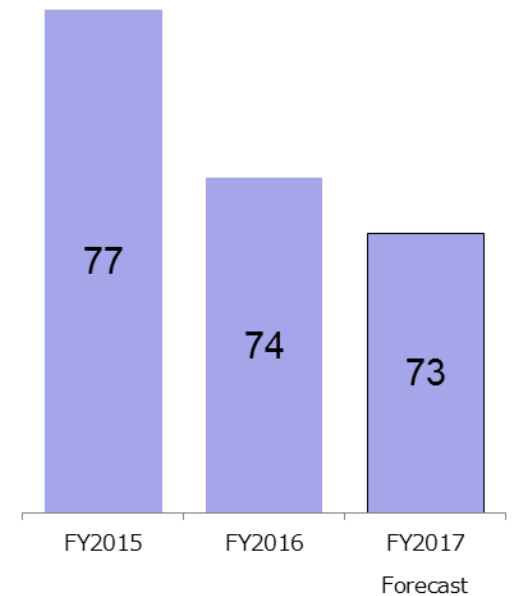
【FY2016 vs FY2017】  
△7.1%



## R&D

【FY2016 vs FY2017】  
△6.5%

(Sales ratio)



## **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 )

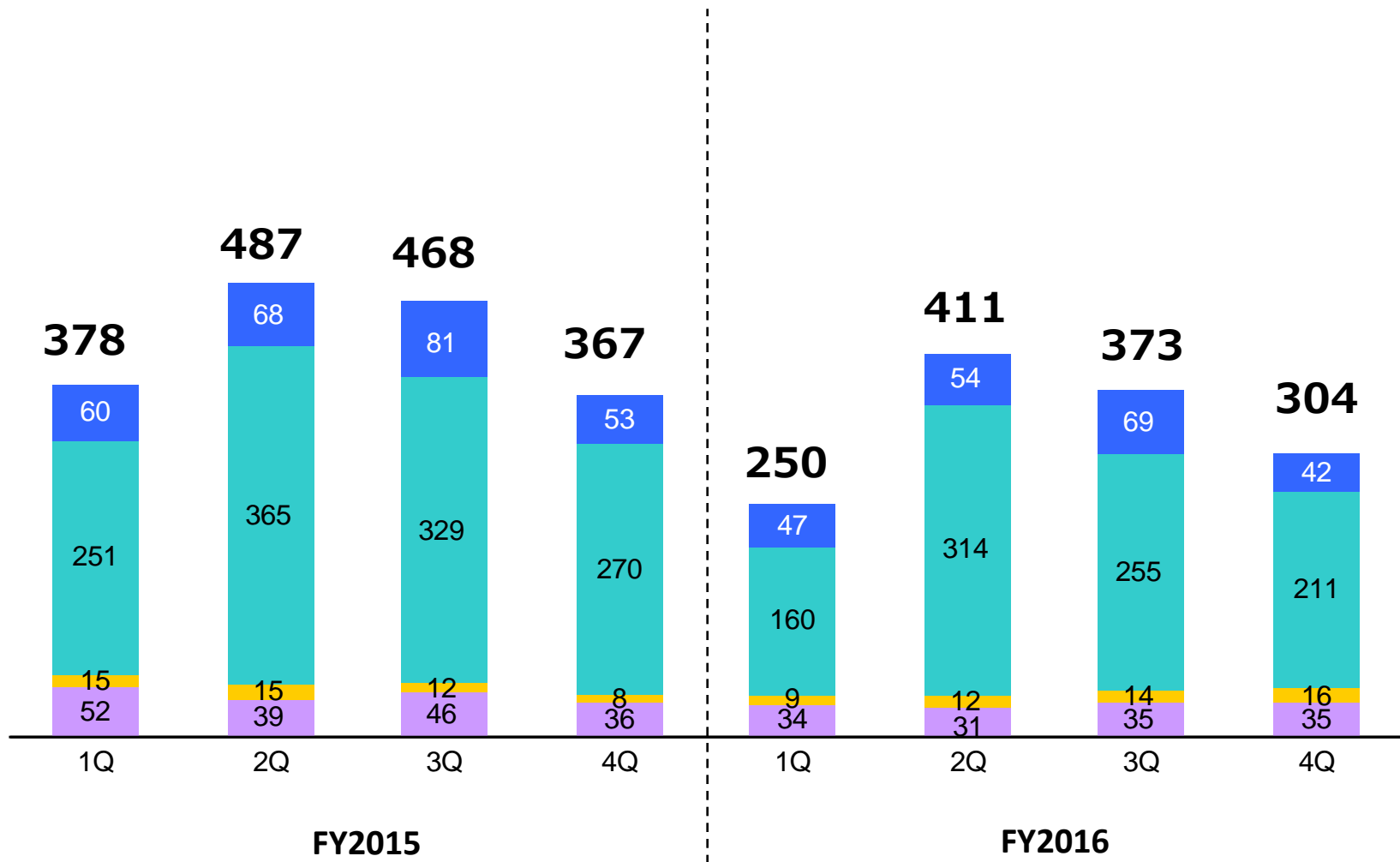
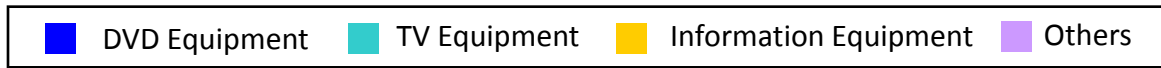
	FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	378	487	468	367	250	411	373	304
Operating Income	-42	-16	-14	-33	-28	-7	-10	-21
( Margin )	(-11.2%)	(-3.3%)	(-3.0%)	(-9.1%)	(-11.5%)	(-1.8%)	(-2.7%)	(-7.1%)
Ordinary Income	-37	-33	-14	-52	-58	-16	26	-28
( Margin )	(-9.8%)	(-6.9%)	(-2.9%)	(-14.1%)	(-23.4%)	(-3.9%)	(7.0%)	(-9.4%)
Net Income Attributable to owners of parent	-40	-39	-11	-248	-57	-19	23	-14
( Margin )	(-10.7%)	(-8.1%)	(-2.2%)	(-67.6%)	(-22.8%)	(-4.6%)	(6.2%)	(-4.7%)

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>	112. <sup>85</sup>
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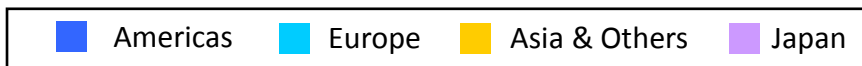


## 2. Quarterly Sales Trends by Equipment

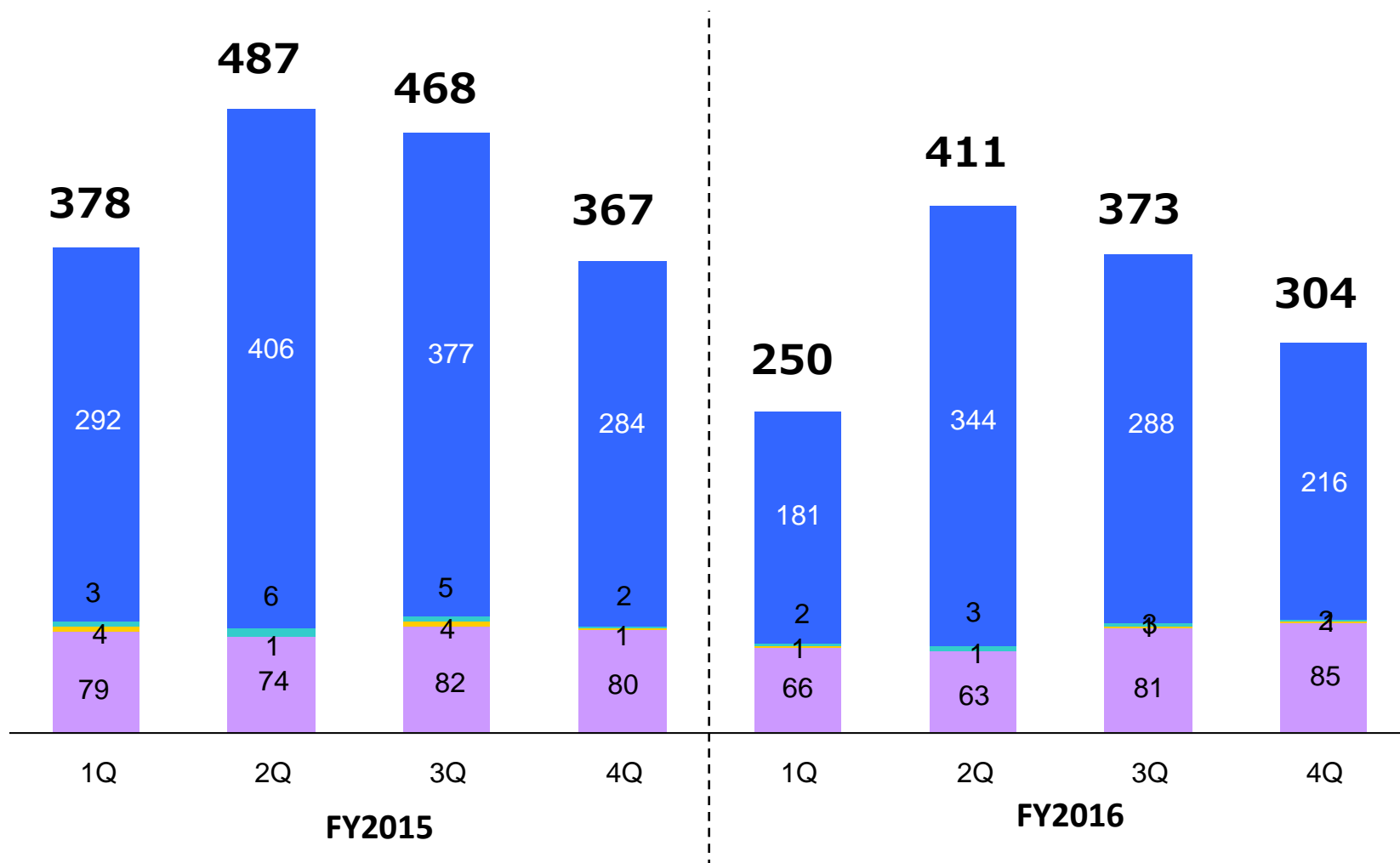
( 100 million yen )



# 3 . Quarterly Sales Trends by Geography



( 100 million yen )



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