



Presentation of Financial Results for the 3rd Quarter (Apr.-Dec.) of FY2015

February 8, 2016

FUNAI ELECTRIC CO., LTD.

TSE 6839

Outline of Financial Results

1. Summary of 3rd Quarter(Oct.-Dec.)
2. Summary of 3rd Quarter (Apr.-Dec.)
3. Summary of 3rd Quarter (Apr.-Dec.) (Ordinary Income, Net Income)
4. Sales breakdown by Equipment
5. Sales of DVD related Equipment
6. Sales of LCD Television
7. Sales of Information Equipment
8. Sales of Breakdown by Region
9. Operating Income Analysis
10. Financial Conditions
11. Transition of Inventories
12. Capital Expenditures, Depreciation Expense and R&D Expenditures

1. Summary of 3rd Quarter (Oct.-Dec.)



(100 million yen)

	FY 2014 (Oct-Dec.)	FY 2015 (Oct.-Dec.)	YoY Change (%)
Net Sales	577	462	-115 (-19.9%)
Operating Income (Margin)	0 (0.1%)	-25 (-5.4%)	-25
Ordinary Income (Margin)	15 (2.6%)	-24 (-5.4%)	-39
Net Income Attributable to owners of parent (Margin)	13 (2.3%)	-21 (-4.7%)	-34

Average USD-JPY Foreign Exchange Rate	116. ⁰⁴	121. ⁴⁴
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Foreign Exchange Rate	Sep/14	Dec/14	Sep/15	Dec/15
(USD/JPY)	109. ⁴⁵	120. ⁵⁵	119. ⁹⁶	120. ⁶¹

2. Summary of 3rd Quarter (Apr.-Dec.)



(100 million yen)

	3Q FY2014 (Apr.-Dec.)	3Q FY2015 (Apr.-Dec.)	YoY Change (%)
Net Sales	1,735	1,330	-405 (-23.3%)
Operating Income (Margin)	13 (0.8%)	-79 (-6.0%)	-92
Ordinary Income (Margin)	42 (2.5%)	-92 (-6.9%)	-134
Net Income Attributable to owners of parent (Margin)	39 (2.3%)	-97 (-7.4%)	-136

Average USD-JPY Foreign Exchange Rate	107. ⁷⁵	121. ⁶³
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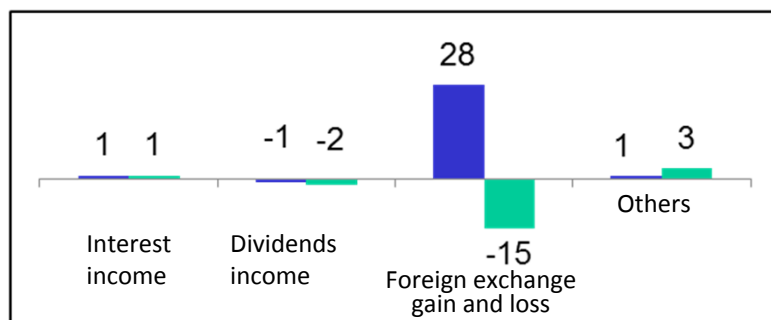
Foreign Exchange Rate	Mar/14	Dec/14	Mar/15	Dec/15
(USD/JPY)	102. ⁹²	120. ⁵⁵	120. ¹⁷	120. ⁶¹

3. Summary of 3rd Quarter (Apr.-Dec.) (Ordinary Income, Net Income)

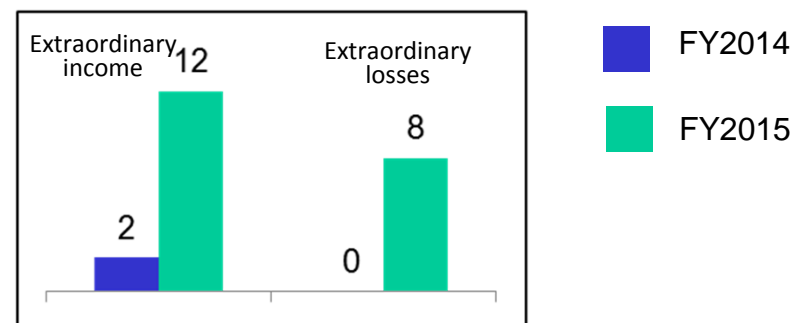
(100 million yen)

	3Q FY2014 (Apr.-Dec.)	3Q FY2015 (Apr.-Dec.)	YoY Change (%)
Non-operating income	34	(note:1) { 6	-28
Non-operating expenses	5	{ 19	+14
Ordinary Income	42	-92	-134
Extraordinary income	2	(note:2) { 12	+10
Extraordinary losses	0	{ 8	+8
Income before Income Taxes	44	-88	-132
Income taxes	5	9	+4
Net Income Attributable to owners of parent	39	-97	-136

(note:1 Non-operating income and expenses)



(note:2 Extraordinary income and losses)

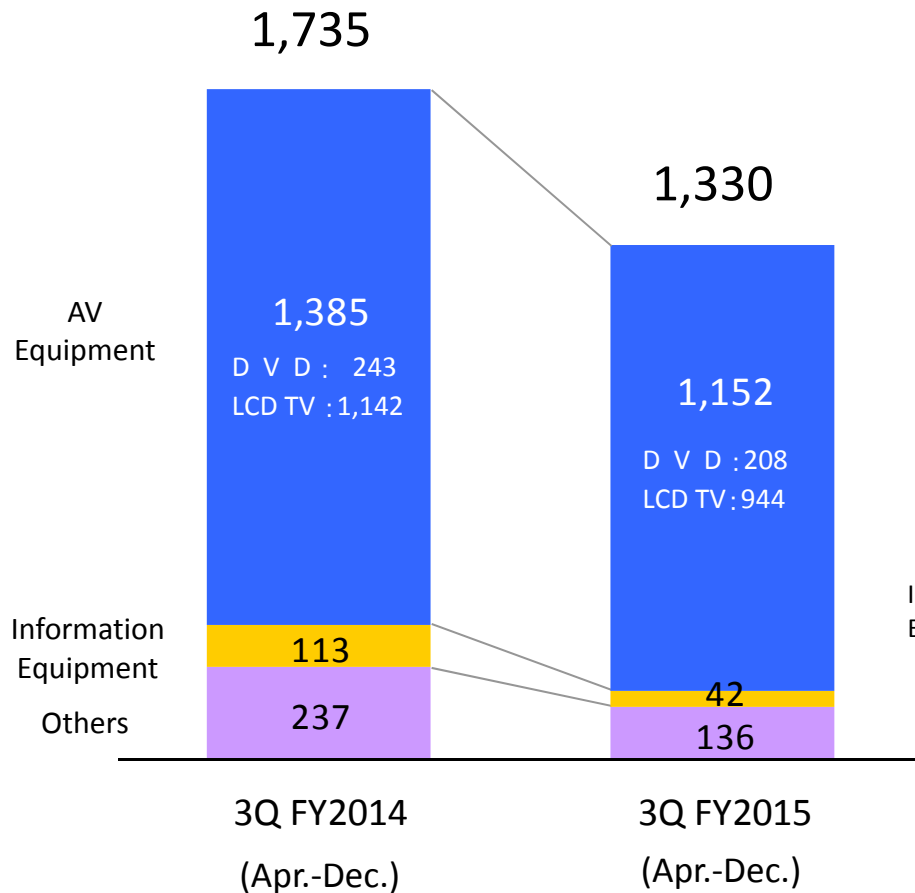


4. Sales Breakdown by Equipment



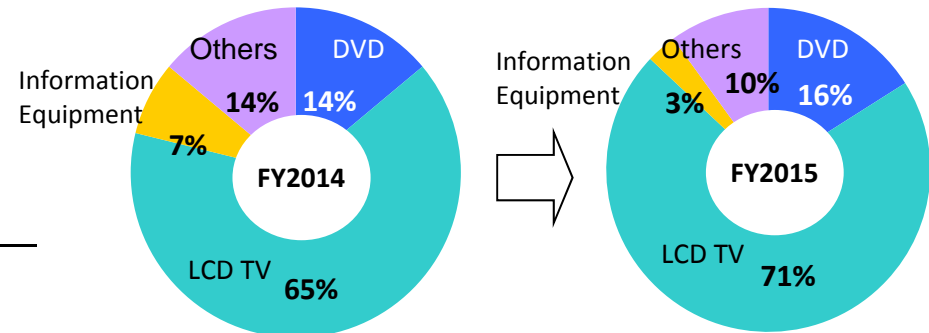
- AV Equipment: Decreased due to the decrease of LCD-TVs on holiday sales in the U.S. and the intensification of competition in Mexico.
- Info Equipment: Decreased, We launched the in-house ink-jet Printers, but we could not make up for a decline of LBP business.
- Others: Declined, Antennas and Audio Accessories.

(100 million yen)



YoY Change (%)	
AV Equipment	: -233 (-16.8%)
DVD Equip.	: -35 (-14.4%)
LCD TV	: -198 (-17.3%)
Information Equipment	: -71 (-63.1%)
Others	: -101 (-42.3%)
Total	: -405 (-23.3%)

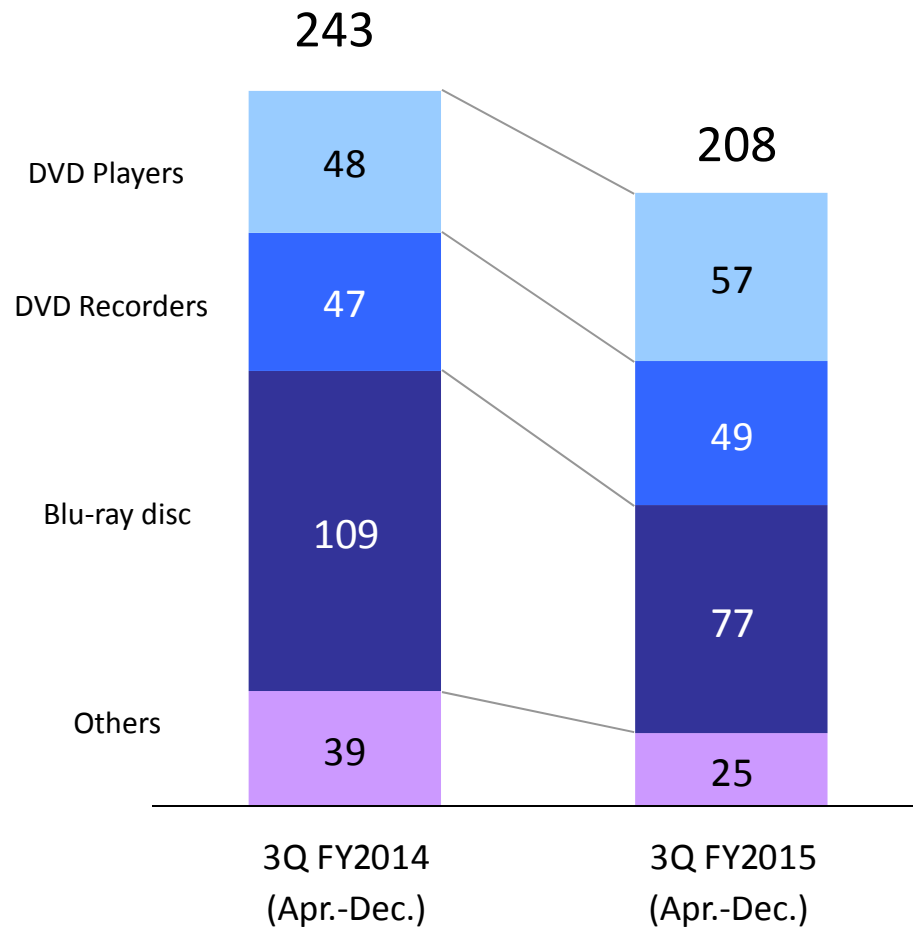
Sales Composition



5. Sales of DVD related Equipment

- DVD players increased due to the favorable sales of DVD-VHS players
- Blu-ray disc decreased, because the market has been shrinking.

(100 million yen)



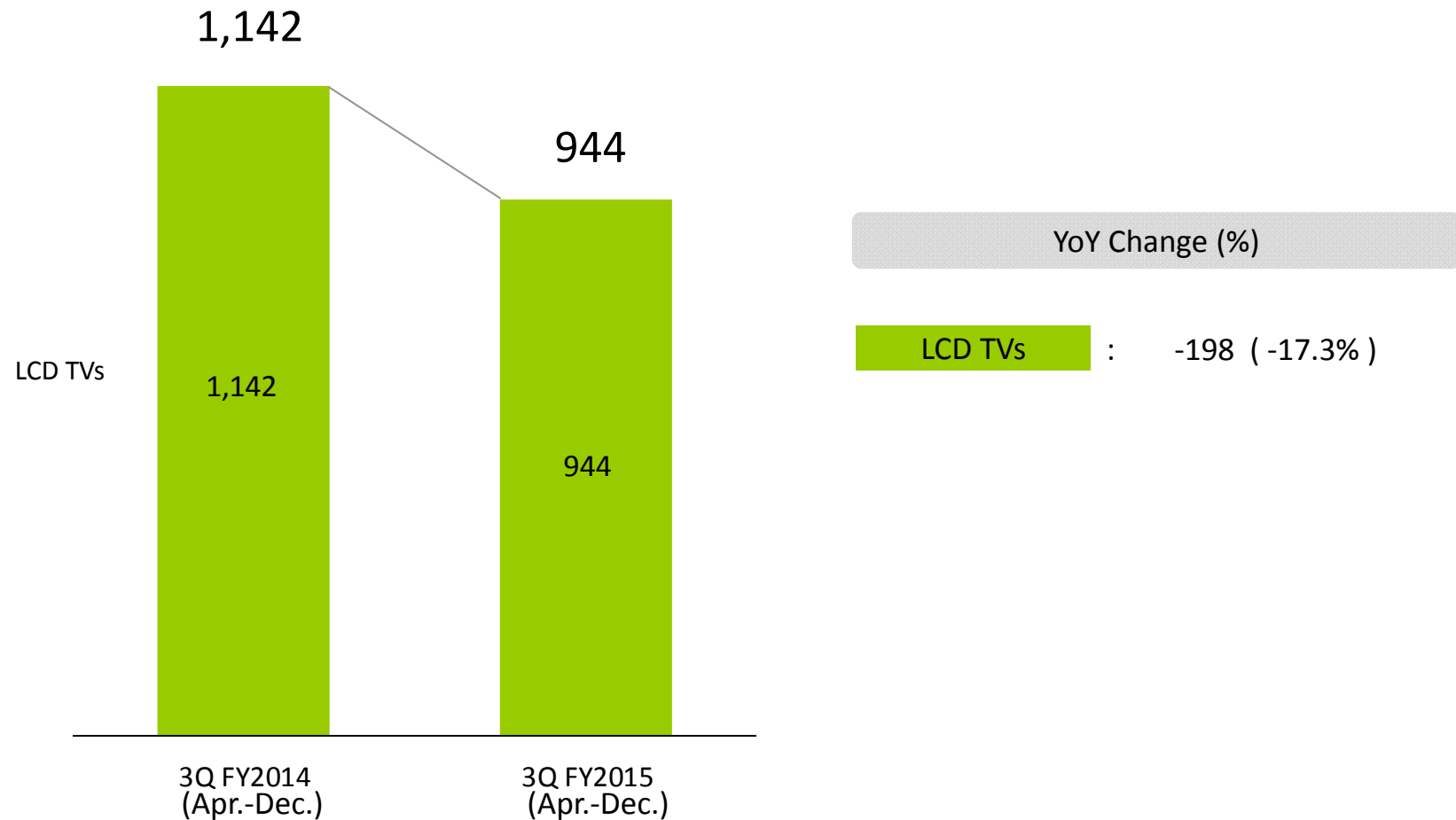
(100 million yen)

YoY Change (%)	
DVD Players	: + 9 (+18.8%)
DVD Recorders	: + 2 (+ 4.3%)
Blu-ray disc	: - 32 (- 29.2%)
Others	: - 14 (- 35.9%)
Total	: -35 (- 14.4%)

6. Sales of LCD Televisions

➤ Decreased, due to the decrease of LCD-TVs on holiday sales in the U.S., the intensification of competition in Mexico and the delay of inventory reduction.

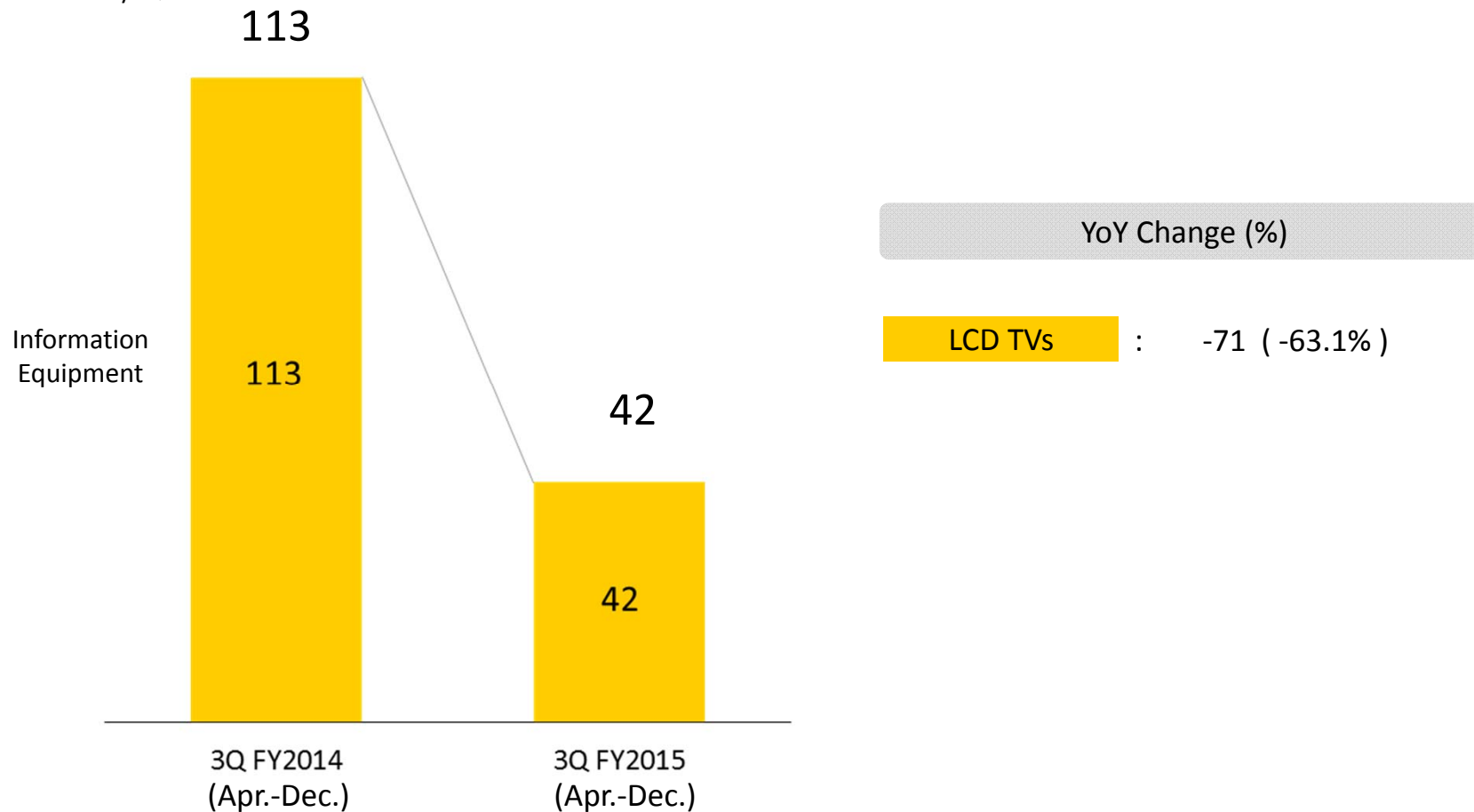
(100 million yen)



7. Sales of Information Equipment

➤ Decreased, We launched the in-house ink-jet Printers, but we could not make up for a decline of LBP business.

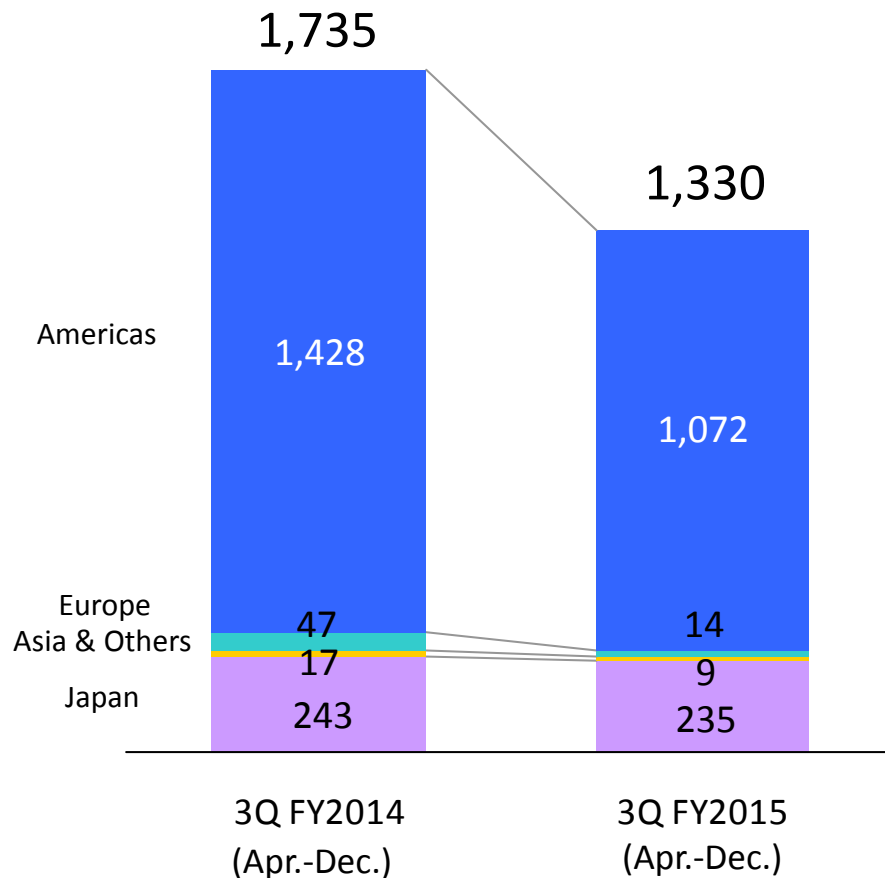
(100 million yen)



8. Sales Breakdown by Region

- Americas: Increased DVD-related products, Decreased LCD TVs and Audio Accessories
- Japan: Increased LCD TVs, but Decreased Printers and DVD,BD-related products

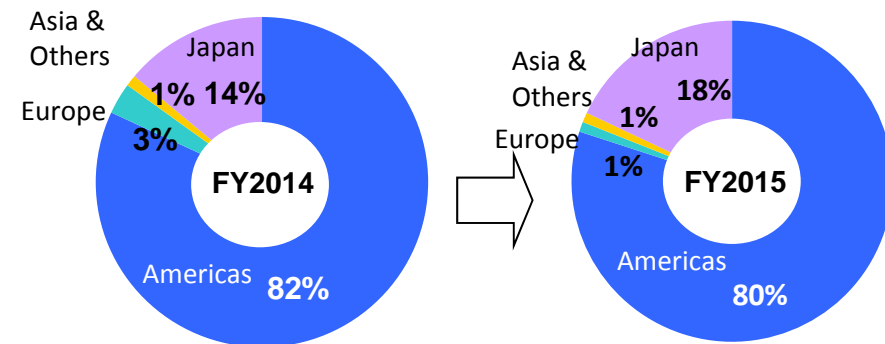
(100 million yen)



YoY Change (%)

Americas	: - 356	(- 24.9%)
Europe	: - 33	(- 70.8%)
Asia & Others	: - 8	(- 46.2%)
Japan	: - 8	(- 3.3%)
Total	: - 405	(- 23.3%)

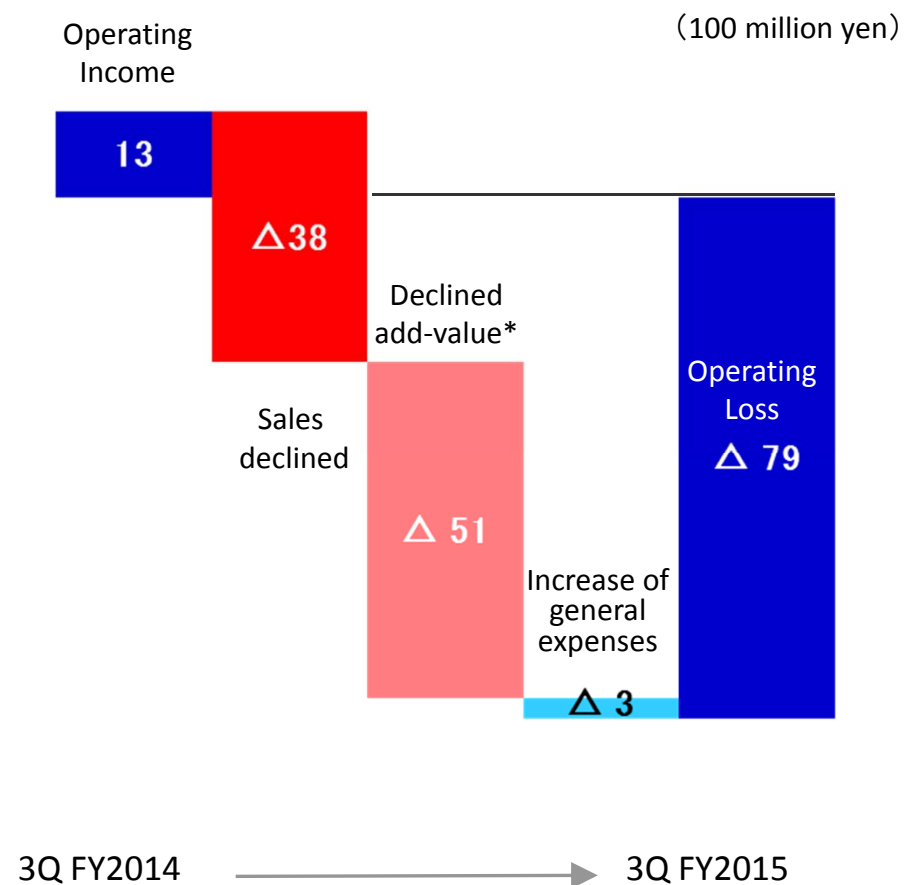
Sales Composition



9. Operating Income Analysis

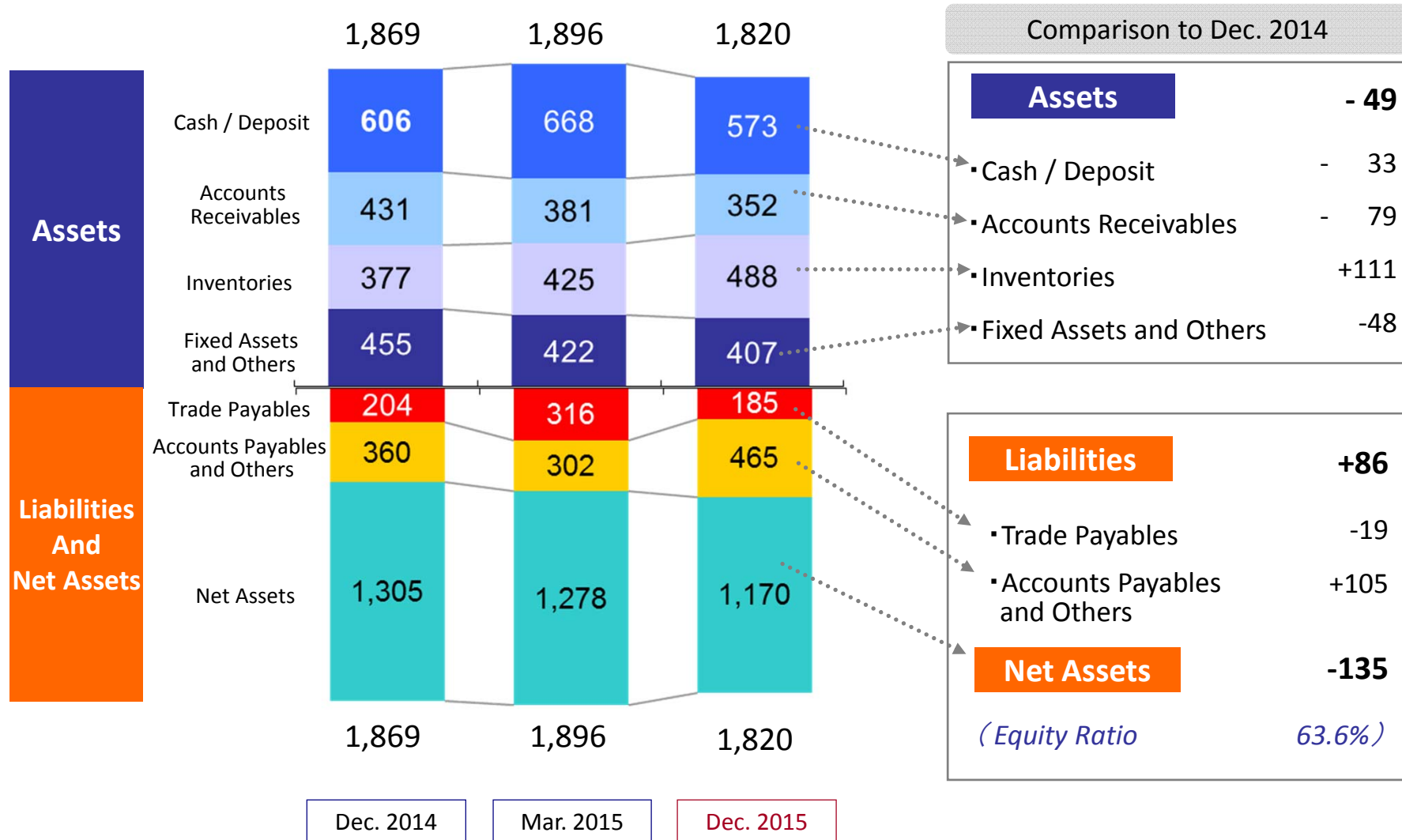
* Add-value=Sales – (Cost of sales + selling expenses)

FY2014 vs FY2015



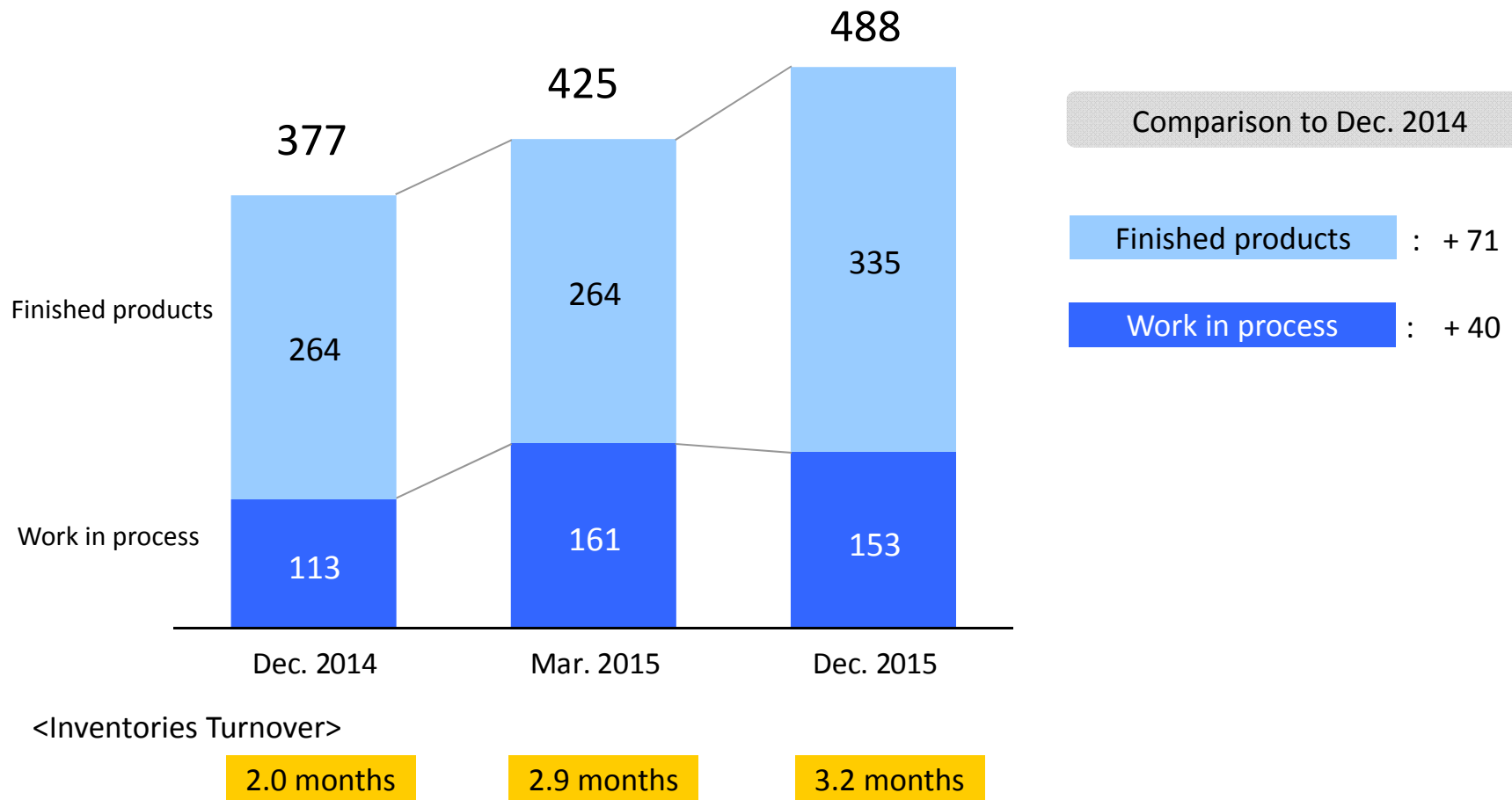
10. Financial Conditions

(100 million yen)



11. Transition of Inventories

(100 million yen)



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

3Q (Apr.-Dec.)

Full Year

Capital Expenditures

Depreciation Expense

R&D Expenditures

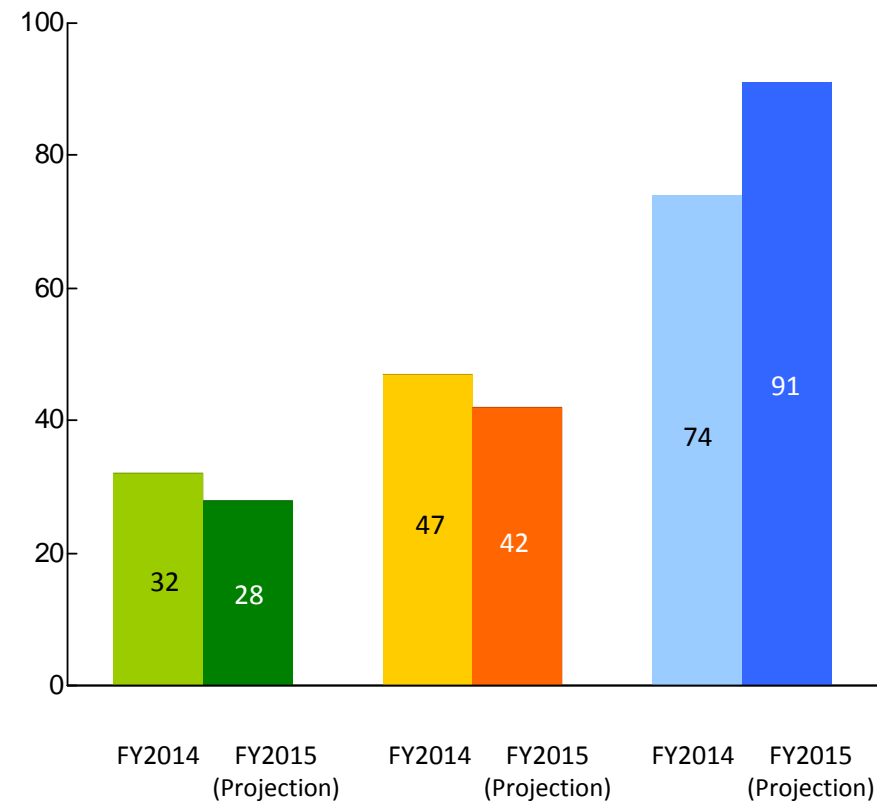
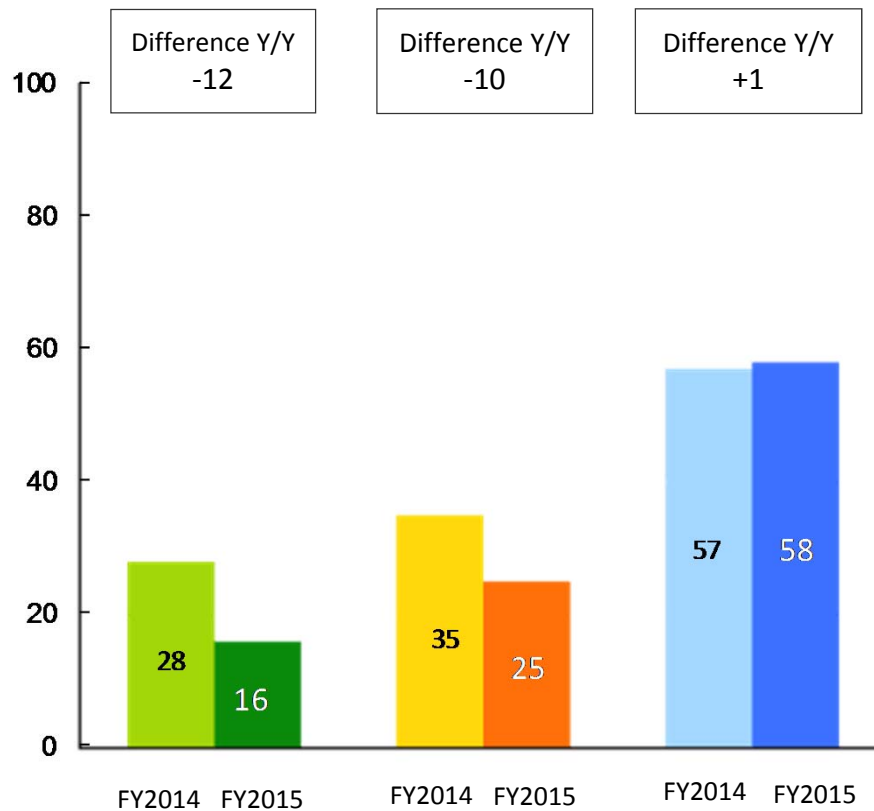
Capital Expenditures

Depreciation Expense

R&D Expenditures

(100 million yen)

(100 million yen)



Appendix

1. Quarterly Operating Summary of FY 2014 / 2015
2. Quarterly Changes of Sales Amount by Equipment
3. Quarterly Changes of Sales Amount by Region

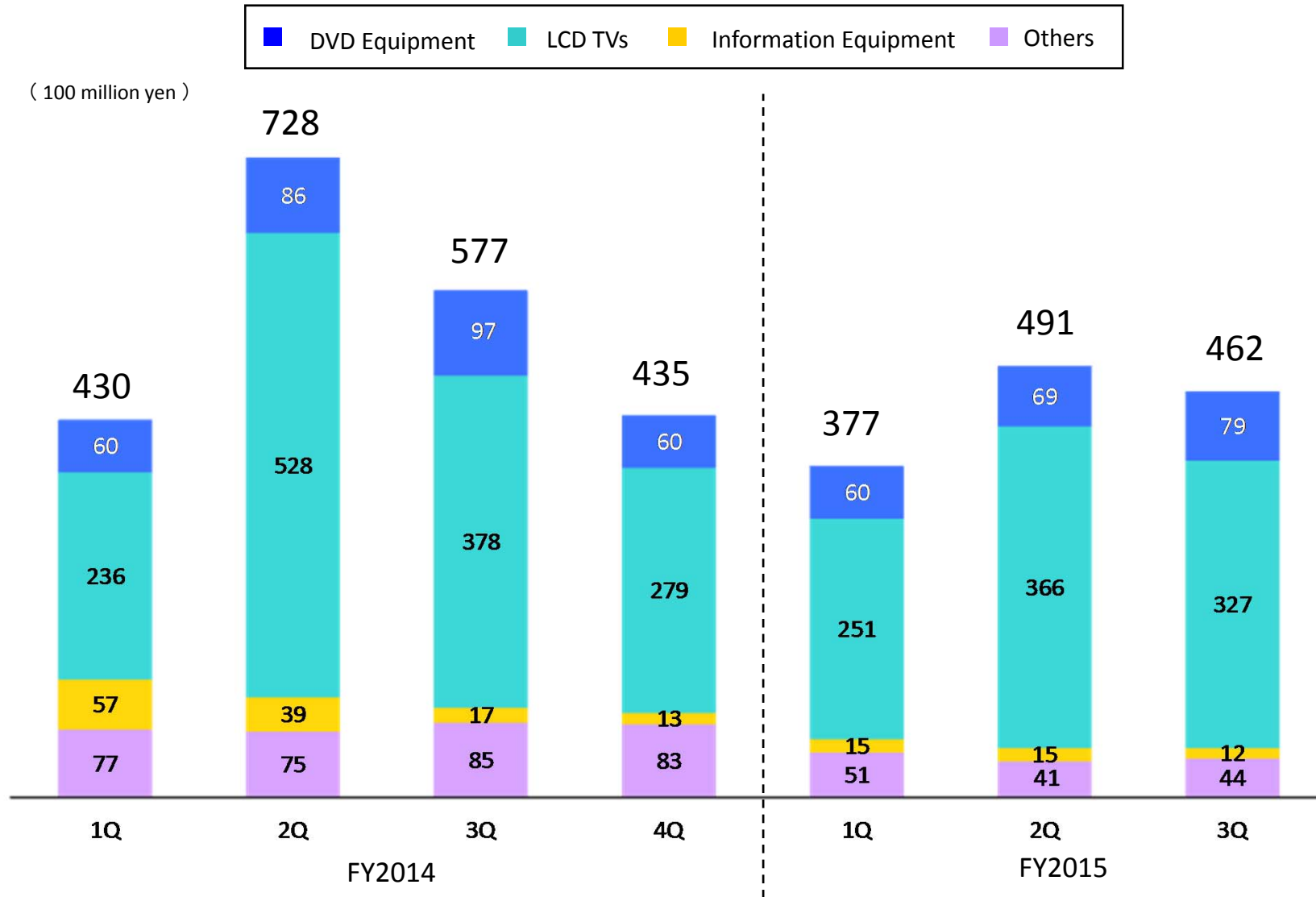
1. Quarterly Operating Summary of FY2014 / 2015



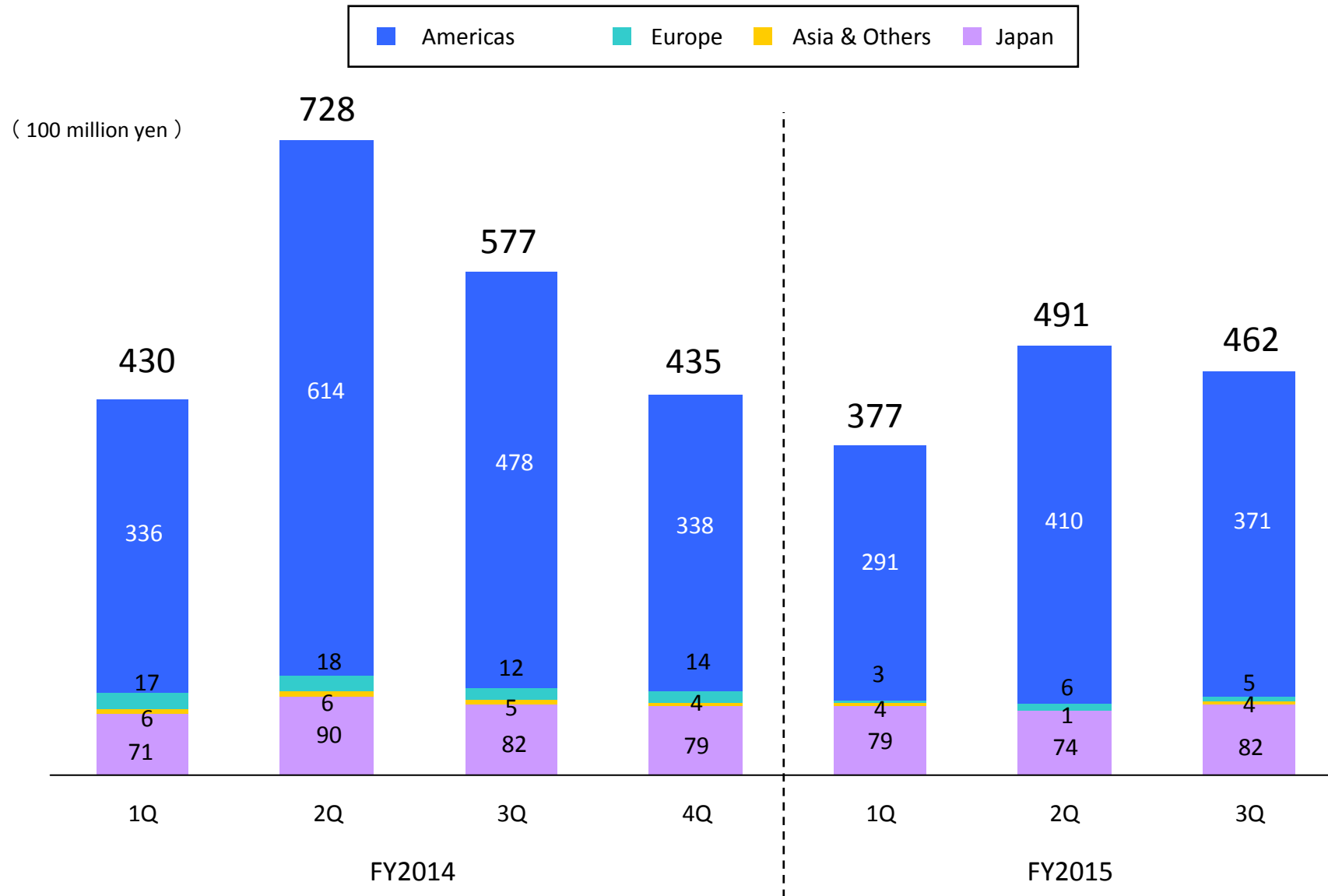
(100 million yen)

	FY2014				FY2015		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	430	728	577	435	377	491	462
Operating Income (margin)	- 21 (- 4.9%)	34 (4.7%)	0 (0.1%)	- 8 (- 1.9%)	- 43 (- 11.4%)	- 11 (-2.3%)	-25 (-5.4%)
Ordinary Income (margin)	- 24 (-5.7%)	52 (7.1%)	15 (2.6%)	- 23 (- 5.5%)	- 37 (- 9.9%)	- 30 (-6.1%)	-24 (-5.4%)
Net Income Attributable to owners of parent (margin)	- 23 (- 5.4%)	49 (6.7%)	13 (2.3%)	- 25 (- 5.9%)	- 40 (- 10.7%)	- 36 (-7.5%)	-21 (-4.7%)
Average USD-JPY Exchange Rate	101. ⁸⁷	105. ³⁴	116. ⁰⁴	119. ²³	121. ⁷²	121. ⁷²	121. ⁴⁴

2. Quarterly Changes of Sales Amount by Equipment



3. Quarterly Changes of Sales Amount by Region



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. These factors include industry trends relating to the business areas of Funai Electric Co., Ltd. or the Funai Group, such as audio-visual devices and information communication equipment, the economic conditions of both domestic and international markets, and fluctuations in currency exchange rates. Actual performance may greatly differ from projections included in this document because of the impacts of uncertainty in such areas as the competitive conditions of the electronics industry, market trends, currency exchange rate, introduction and success of new products, and various other global conditions that may affect the tax system and other systems.



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