



Presentation of Financial Results for the Fiscal Year 2015

May 17, 2016

FUNAI ELECTRIC CO., LTD.

TSE 6839

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1. Summary for the 4rd Quarter (Jan-Mar)



(100 million yen)

	FY 2014 (Jan-Mar)	FY 2015 (Jan-Mar)	YoY Change (%)
Net Sales	435	351	-84 (-19.5%)
Operating Income (Margin)	-8 (-1.9%)	-51 (-14.6%)	-43
Ordinary Income (Margin)	-23 (-5.5%)	-69 (-19.7%)	-46
Net Income Attributable to owners of parent (Margin)	-25 (-5.9%)	-264 (-75.4%)	-239

Average USD-JPY Foreign Exchange Rate	119. ²³	115. ⁰⁵
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Foreign Exchange Rate	Dec/14	Mar/15	Dec/15	Mar/16
(USD/JPY)	120. ⁵⁵	120. ¹⁷	120. ⁶¹	112. ⁶⁸

2. Summary for the Fiscal Year 2015



(100 million yen)

	FY2014 Actual	FY2015 Forecast	FY2015 Actual	YoY Change	Vs Forecast Change
Net Sales	2,170	1,879	1,681	-489 (-22.6%)	-198 (89.4%)
Operating Income (M a r g i n)	5 (0.3%)	-60 (-3.2%)	-130 (-7.8%)	-135	-70
Ordinary Income (M a r g i n)	19 (0.9%)	-75 (-4.0%)	-161 (-9.6%)	-180	-86
Net Income Attributable to owners of parent (M a r g i n)	13 (0.6%)	-95 (-5.1%)	-362 (-21.5%)	-375	-267

Average USD-JPY Foreign Exchange Rate	110. ⁶²	119. ⁸⁶	119. ⁹⁸
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	Mar FY2014	Mar FY2015
End of Month USD-JPY Foreign Exchange Rate	120. ¹⁷	112. ⁶⁸

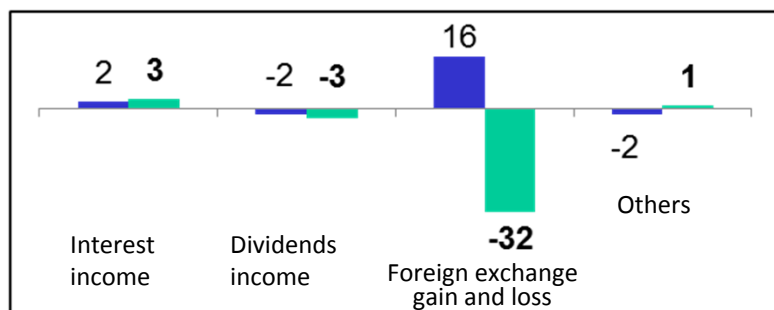
3. Summary for the Fiscal Year 2015 (Ordinary Income, Net Income)



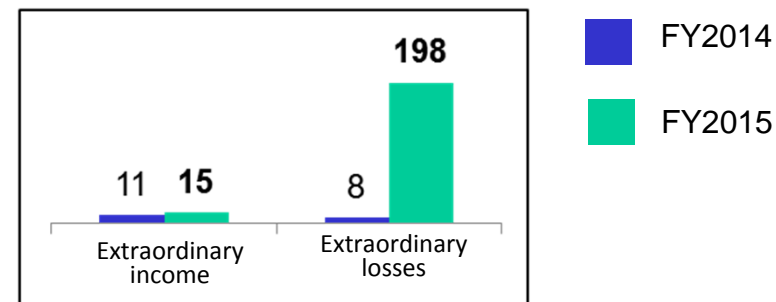
(100 million yen)

	FY2014 Actual	FY2015 Actual	YoY Change (%)
Non-operating income	24	(Note:1) { 8	-16
Non-operating expenses	10	{ 39	+29
Ordinary Income	19	-161	-180
Extraordinary income	11	(Note:2) { 15	+4
Extraordinary losses	8	{ 198	+190
Income before Income Taxes	22	-344	-366
Income taxes	9	18	+9
Net Income Attributable to owners of parent	13	-362	-375

(Note:1 Non-operating income and expenses)



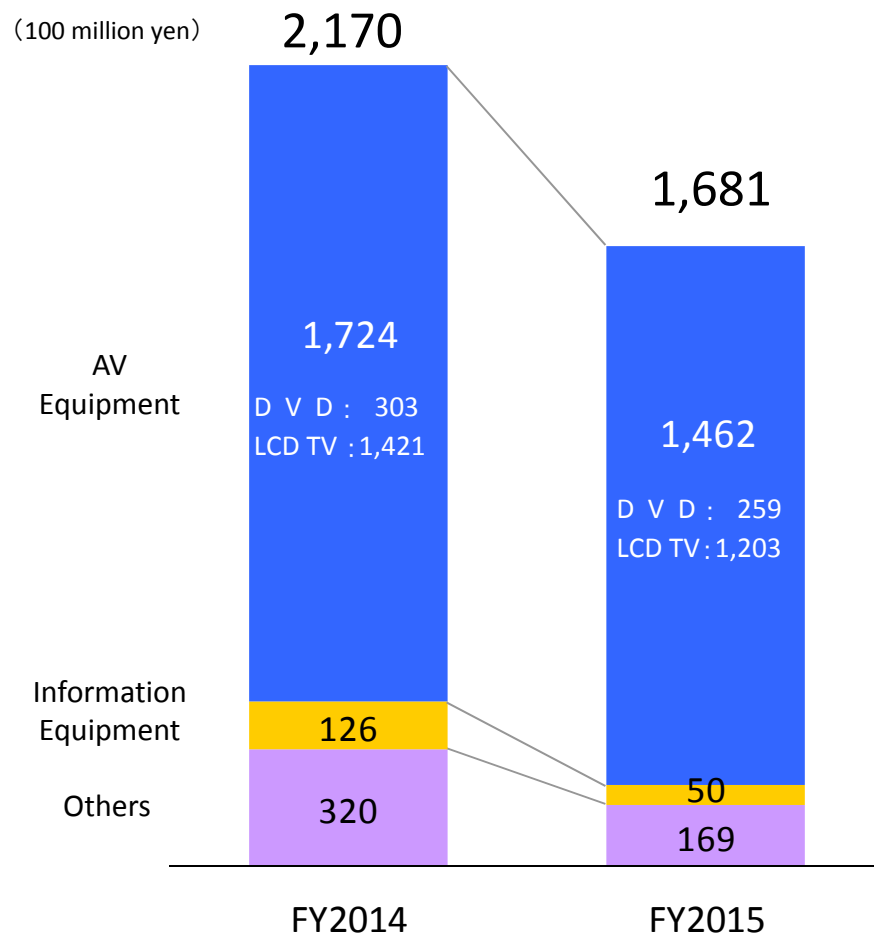
(Note:2 Extraordinary income and losses)



4. Sales Breakdown by Equipment



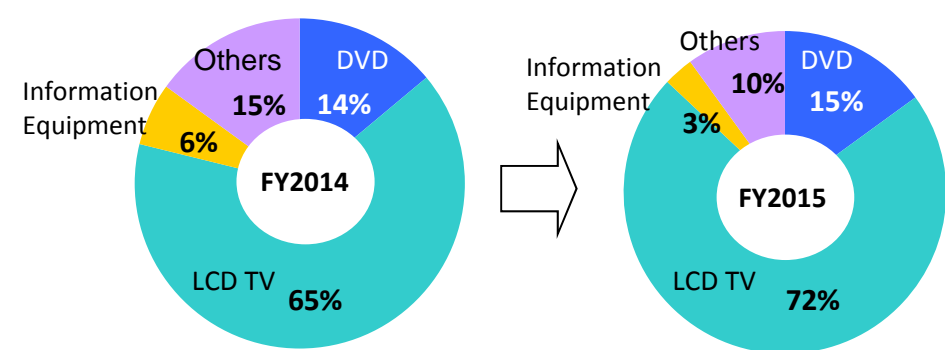
- AV Equipment: Decreased due to a decline of LCD-TV's order on the year-end sales season in the U.S. and the intensive competition in Mexico.
- Info Equipment: Decreased, We launched the in-house ink-jet Printers, but we could not make up for a decline of OEM business.
- Others: Antennas declined and Audio Accessories business ended.



YoY Change (%)

AV Equipment	: -262	(-15.2%)
DVD Equip.	: -44	(-14.5%)
LCD TV	: -218	(-15.3%)
Information Equipment	: -76	(-60.4%)
Others	: -151	(-47.2%)
Total	: -498	(-22.6%)

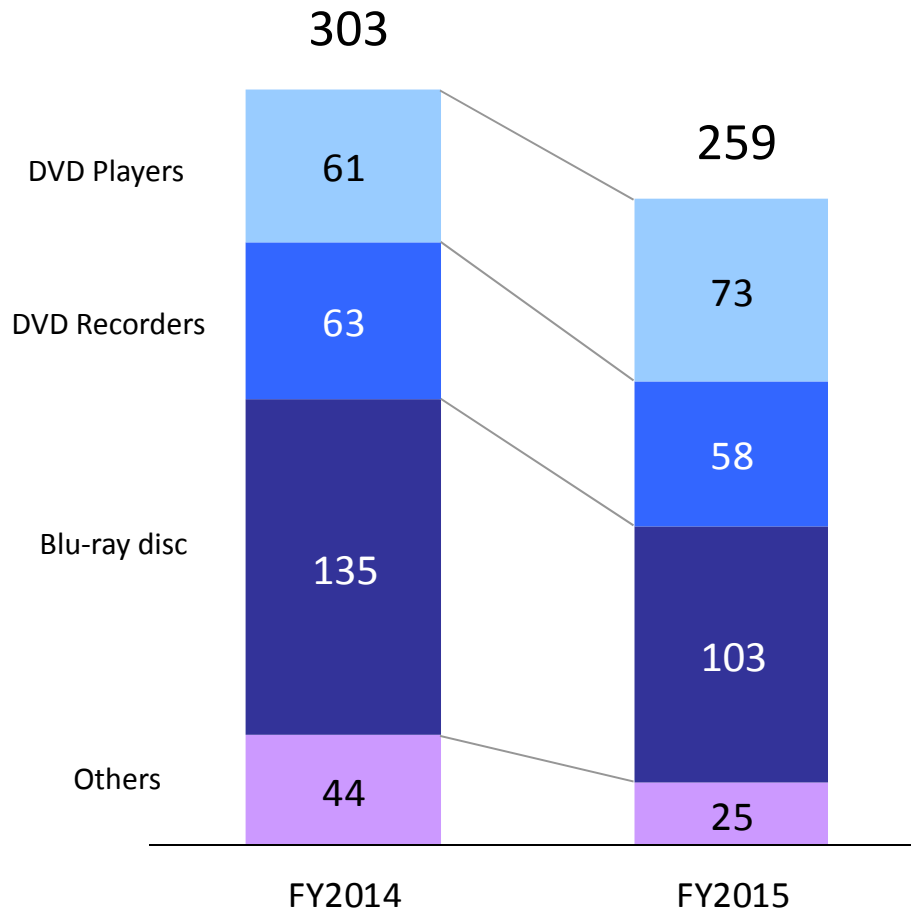
Sales Composition



5. Sales of DVD related Equipment

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

(100 million yen)



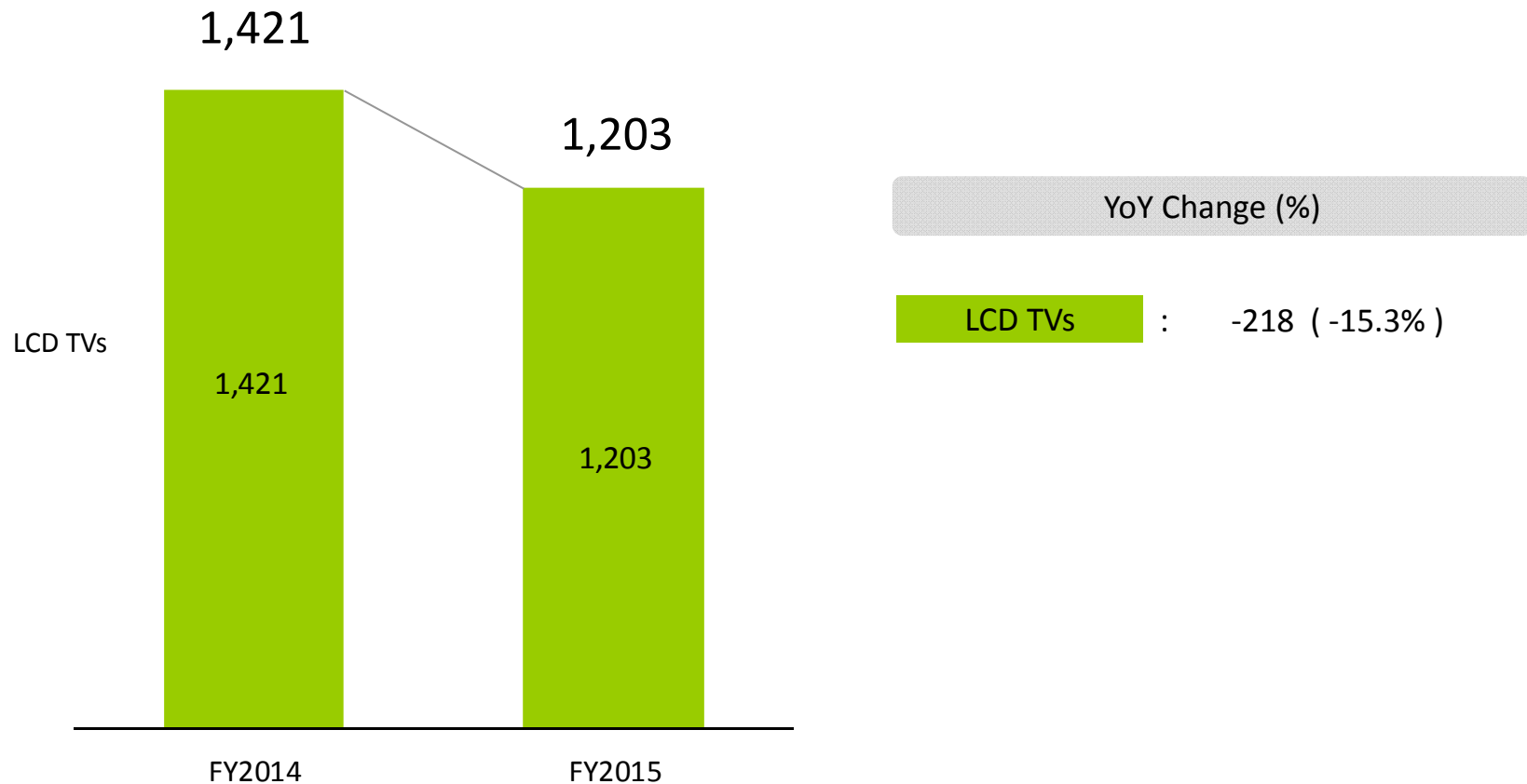
(100 million yen)

YoY Change (%)	
DVD Players	: + 12 (+18.4%)
DVD Recorders	: - 5 (- 7.9%)
Blu-ray disc	: - 32 (- 23.9%)
Others	: - 19 (- 41.3%)
Total	: -44 (- 14.5%)

6. Sales of LCD Televisions

- Decreased, due to the decline of LCD-TVs order on the year-end sales season in the U.S., the intensive competition in Mexico and downturn sales in regional mass merchandisers

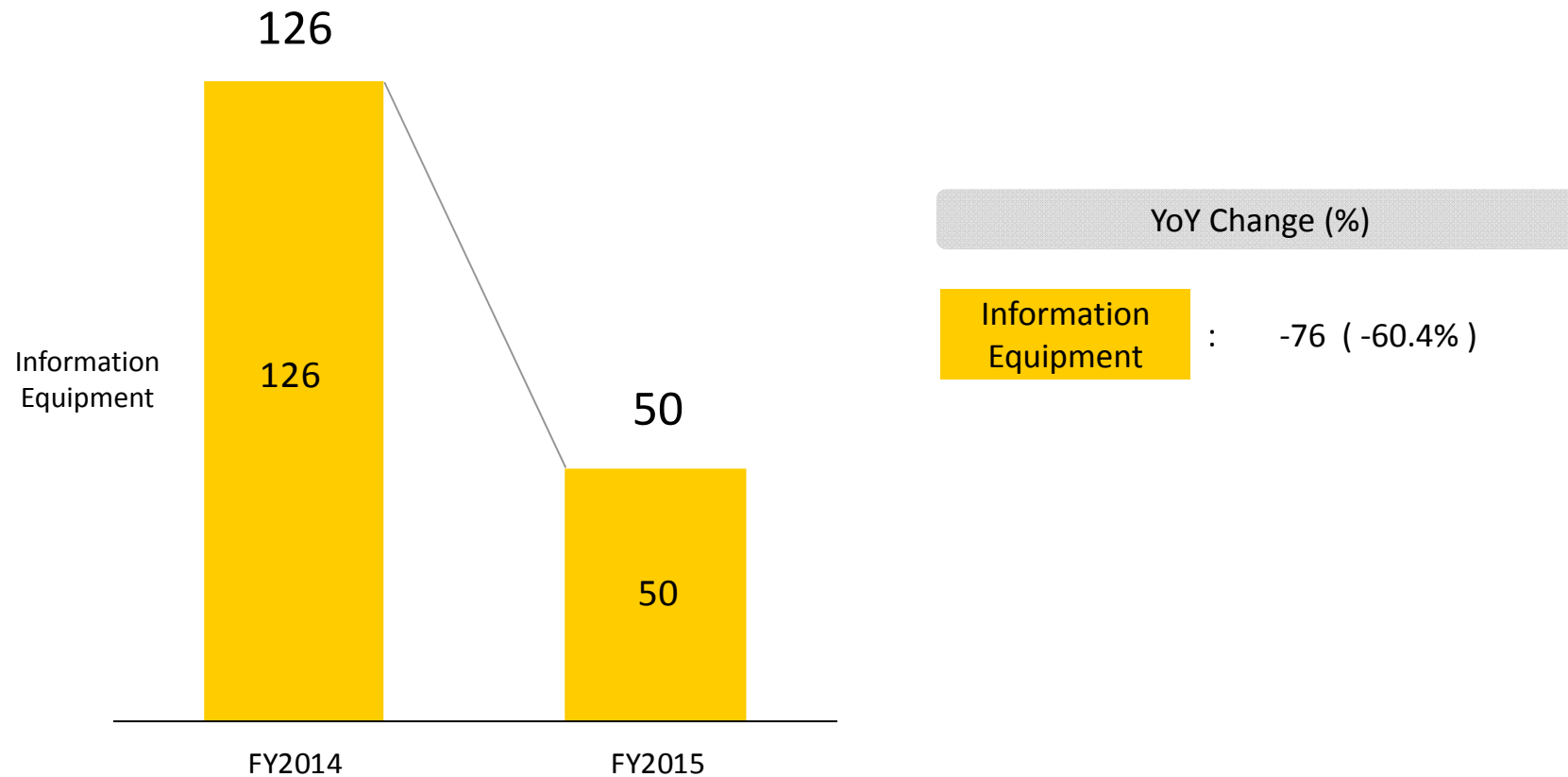
(100 million yen)



7. Sales of Information Equipment

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

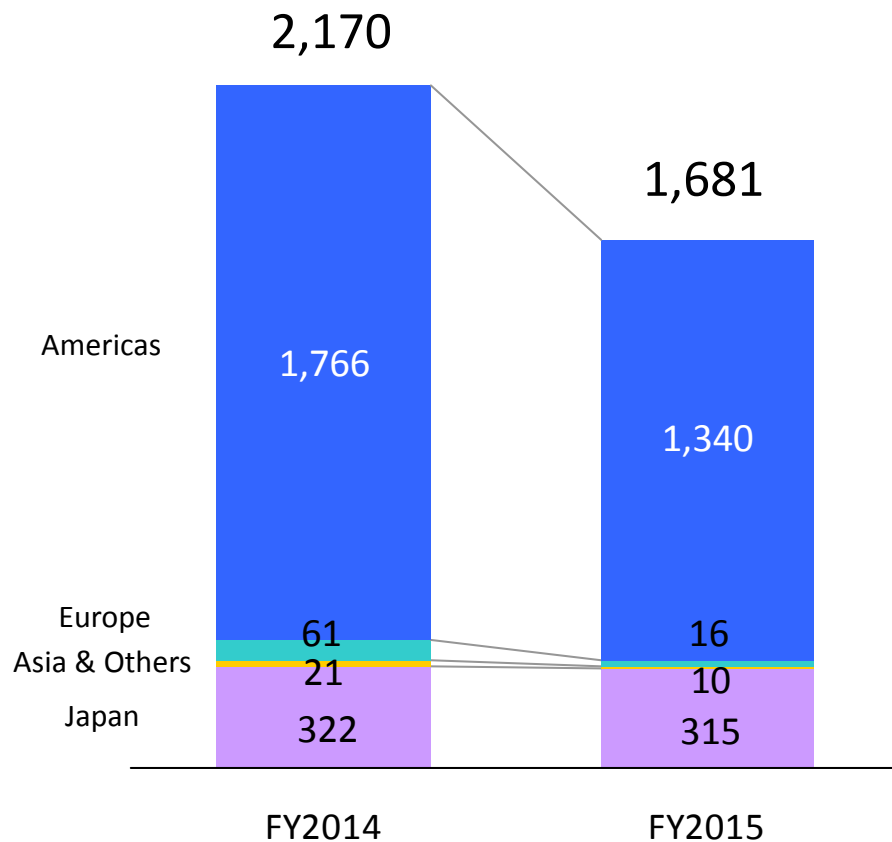
(100 million yen)



8. Sales Breakdown by Region

Americas: DVD-related products increased, LCD TVs and Audio Accessories decreased
 Japan: LCD TVs increased due to strong sale in large size models for OEM,
 but DVD,BD-related products decreased

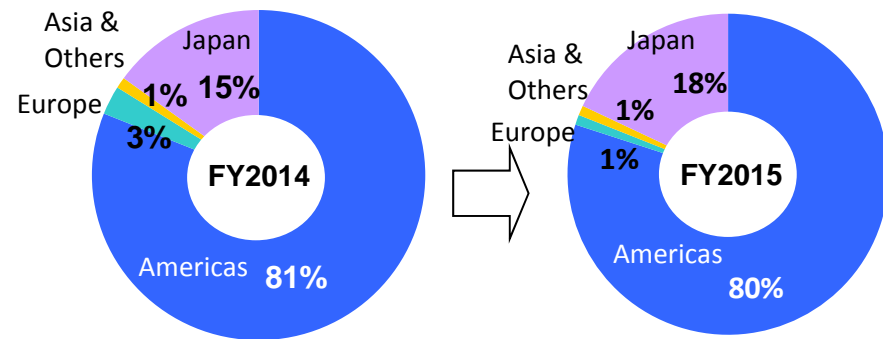
(100 million yen)



YoY Change (%)

Americas	: - 426	(- 24.2%)
Europe	: - 45	(- 72.9%)
Asia & Others	: - 11	(- 51.6%)
Japan	: - 7	(- 2.3%)
Total	: - 489	(- 22.6%)

Sales Composition

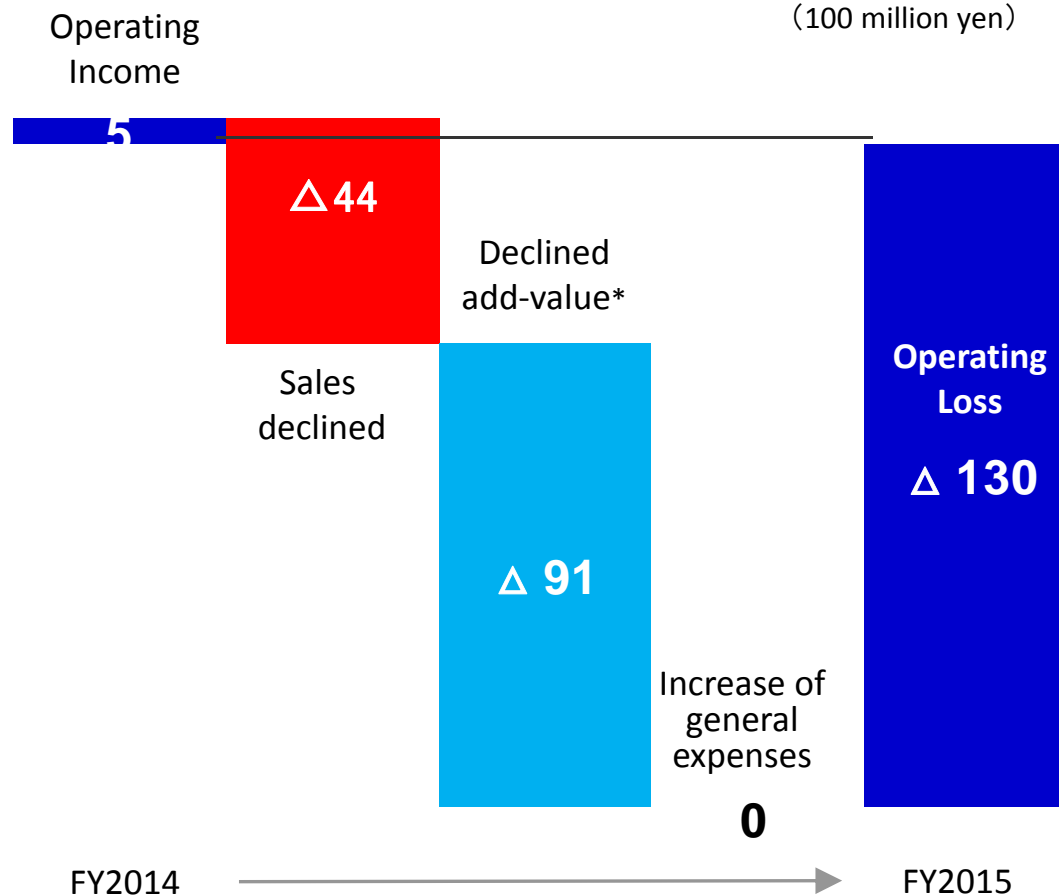


9. Operating Income Analysis

FY2014 vs FY2015

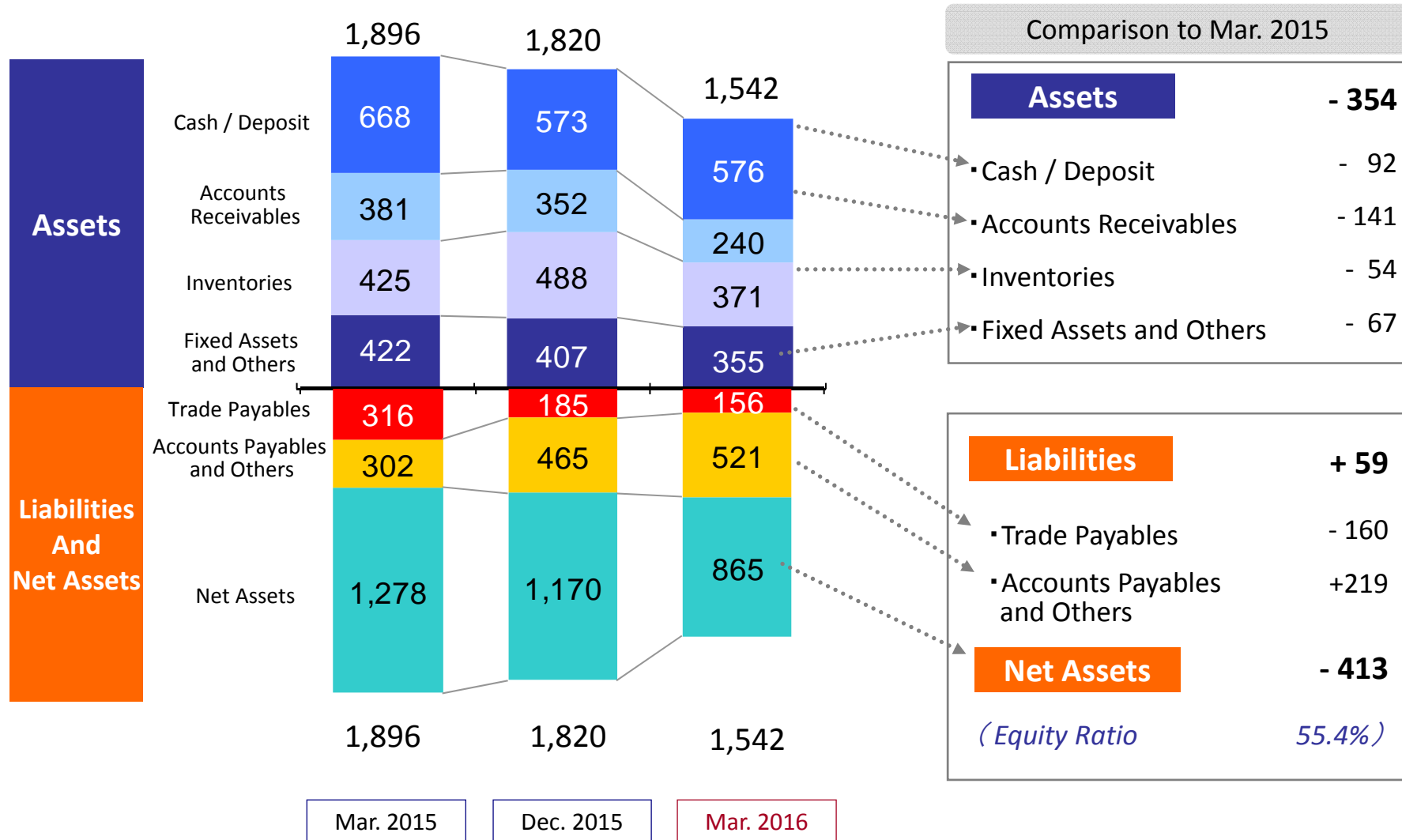
* Add-value=Sales – (Cost of sales + selling expenses)

(100 million yen)



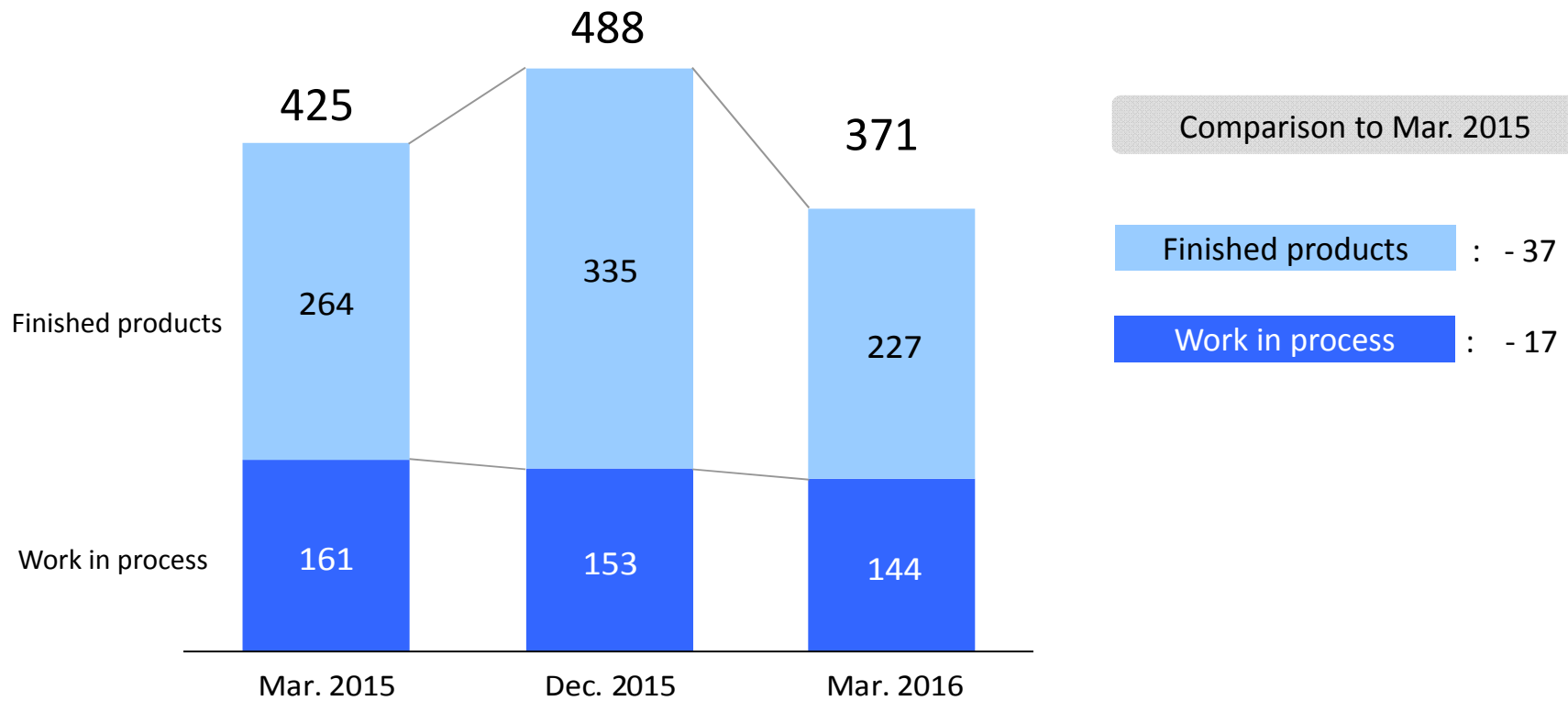
10. Financial Conditions

(100 million yen)



11. Transition of Inventories

(100 million yen)



<Inventories Turnover>

2.9 months	3.2 months	3.2 months
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12. Forecast for the Fiscal Year 2016



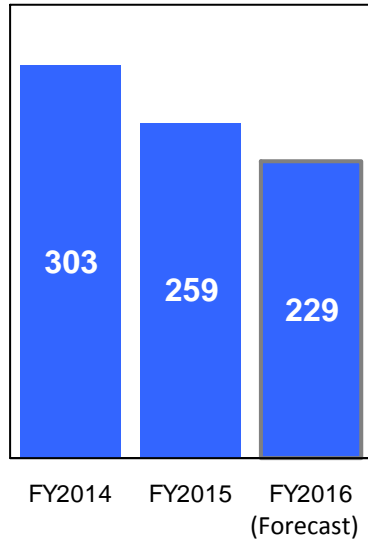
(100 million yen)

	FY 2015 (Actual)			FY 2016 (Forecast)			YoY Change(%)		
	1H	2H	Full Year	1H	2H	Full Year	1H	2H	Full Year
Net Sales	868	813	1,681	779	941	1,720	-89	+128	+39 (+2.3%)
Operating Income (margin)	-54 (-6.3%)	-76 (-9.3%)	-130 (-7.8%)	11 (1.4%)	32 (3.4%)	43 (2.5%)	+65	+108	+173
Ordinary Income (margin)	-67 (-7.8%)	-94 (-11.6%)	-161 (-9.6%)	4 (0.5%)	31 (3.3%)	35 (2.0%)	+71	+125	+196
Net Income (margin)	-76 (-8.8%)	-286 (-35.2%)	-362 (-21.5%)	2 (0.3%)	12 (1.3%)	14 (0.8%)	+78	+298	+376
Average USD-JPY Exchange Rate	121.72	118.25	119.98	112.00					

13. Forecast of Sales by Equipment for the Fiscal Year 2016



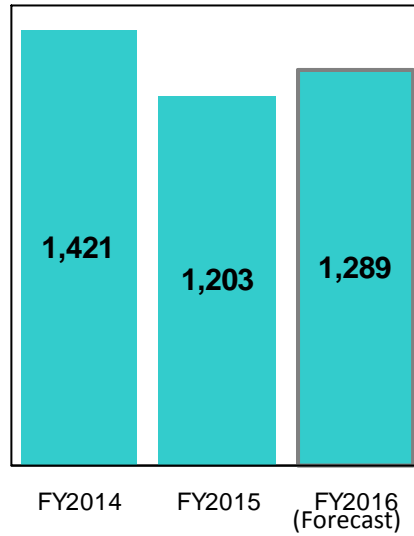
DVD related Equipment



【FY2015 vs FY2016】
- 11.6%

【Minus Factor】
• Market Shrunk

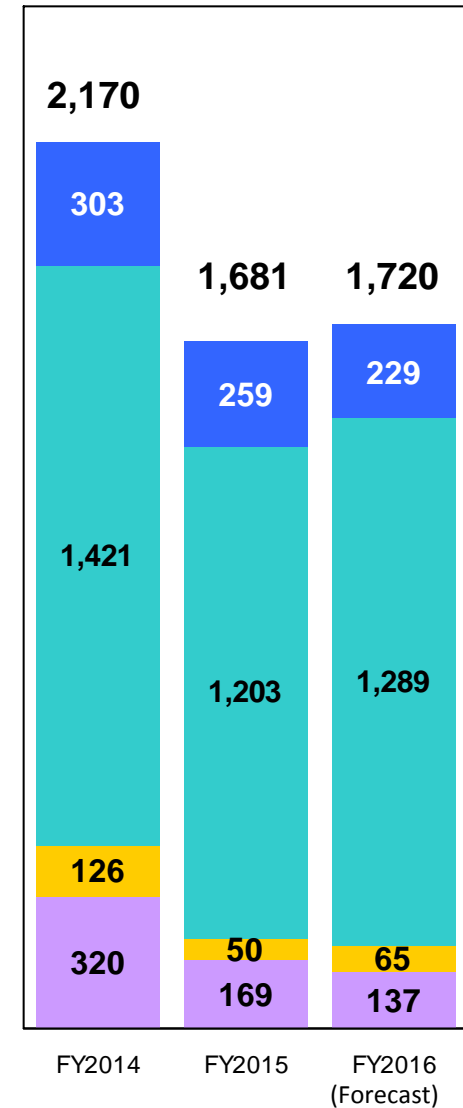
TV related Equipment



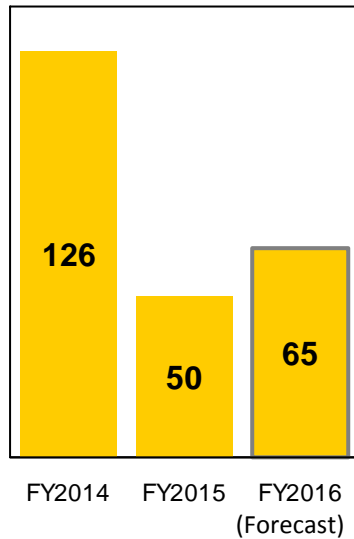
【FY2015 vs FY2016】
+7.1%

【Plus Factor】
• Increase LCD-TV

(100 million yen)



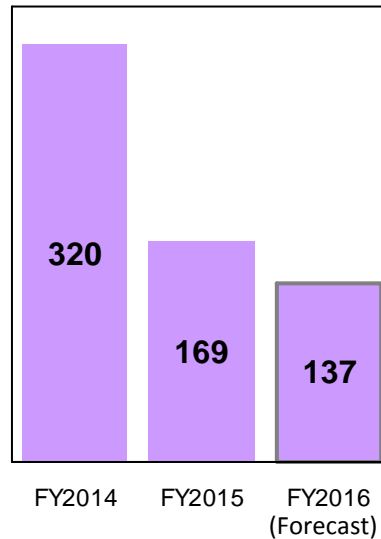
Information Equipment



【FY2015 vs FY2016】
+30.0%

【Plus Factor】
• Increase Inkjet Printers

Others



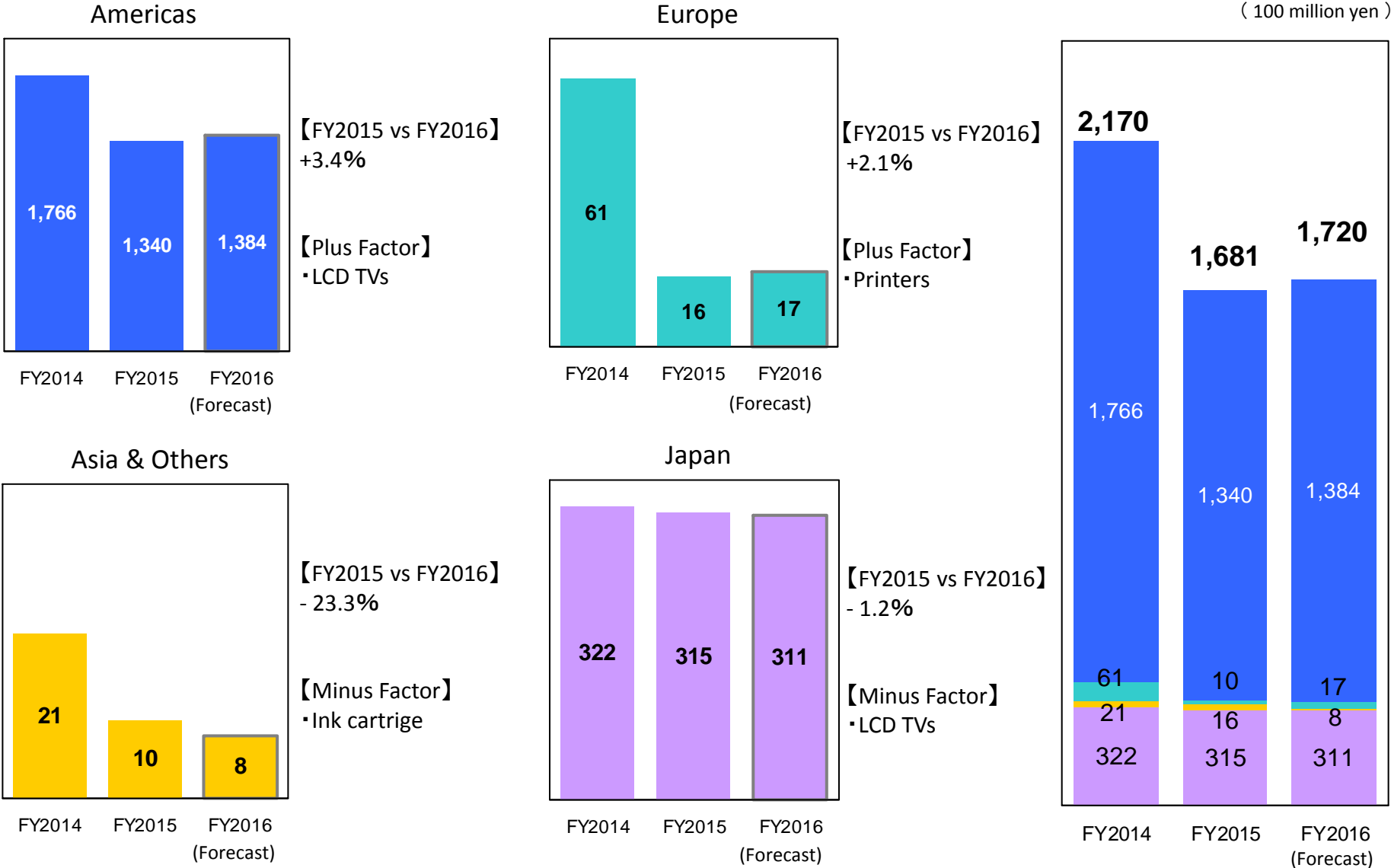
【FY2015 vs FY2016】
- 18.9%

【Minus Factor】
• Audio accessories

14. Forecast of Sales by Region for the Fiscal Year 2016



(100 million yen)

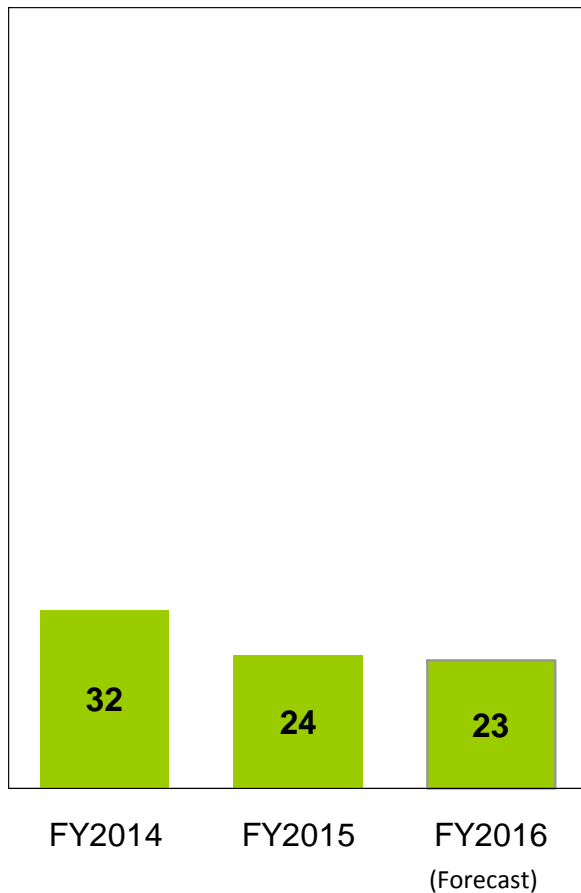


15. Capital Expenditures, Depreciation Expense and R&D Expenditures

(100 million yen)

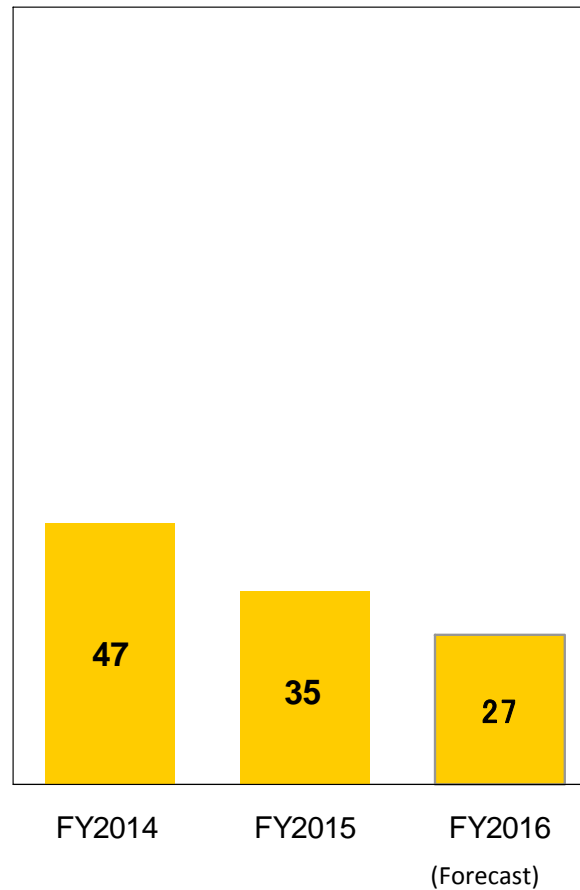
Capital Expenditures

【FY2015 vs FY2016】
-4.2%



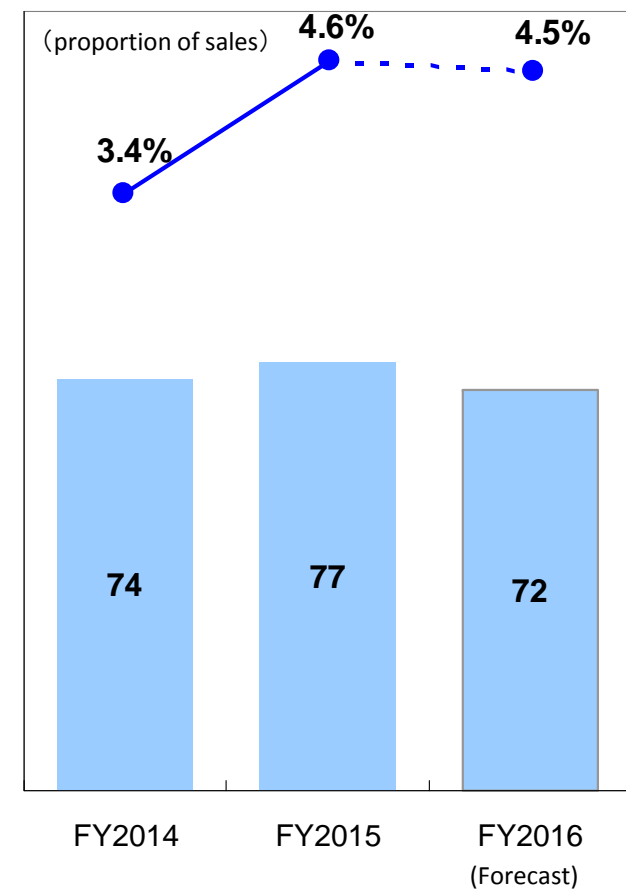
Depreciation Expense

【FY2015 vs FY2016】
-22.2%



R&D Expenditures

【FY2015 vs FY2016】
-6.5%



Appendix

1. Quarterly Summary for the FY 2014 and FY2015
2. Quarterly Sales by Equipment for the FY2014 and FY2015
3. Quarterly Sales by Region for the FY2014 and FY2015

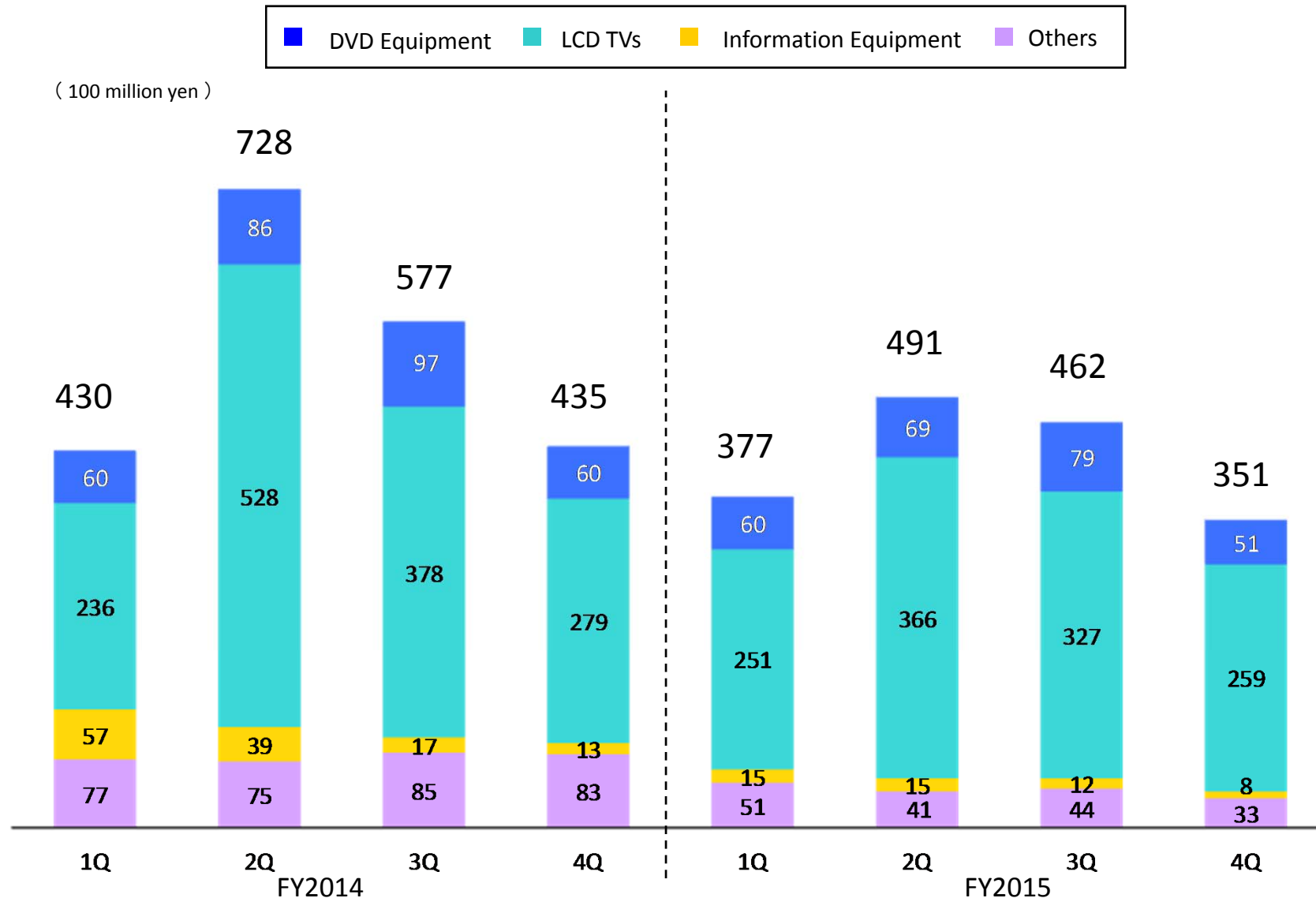
1. Quarterly Summary for the FY2014 and FY2015



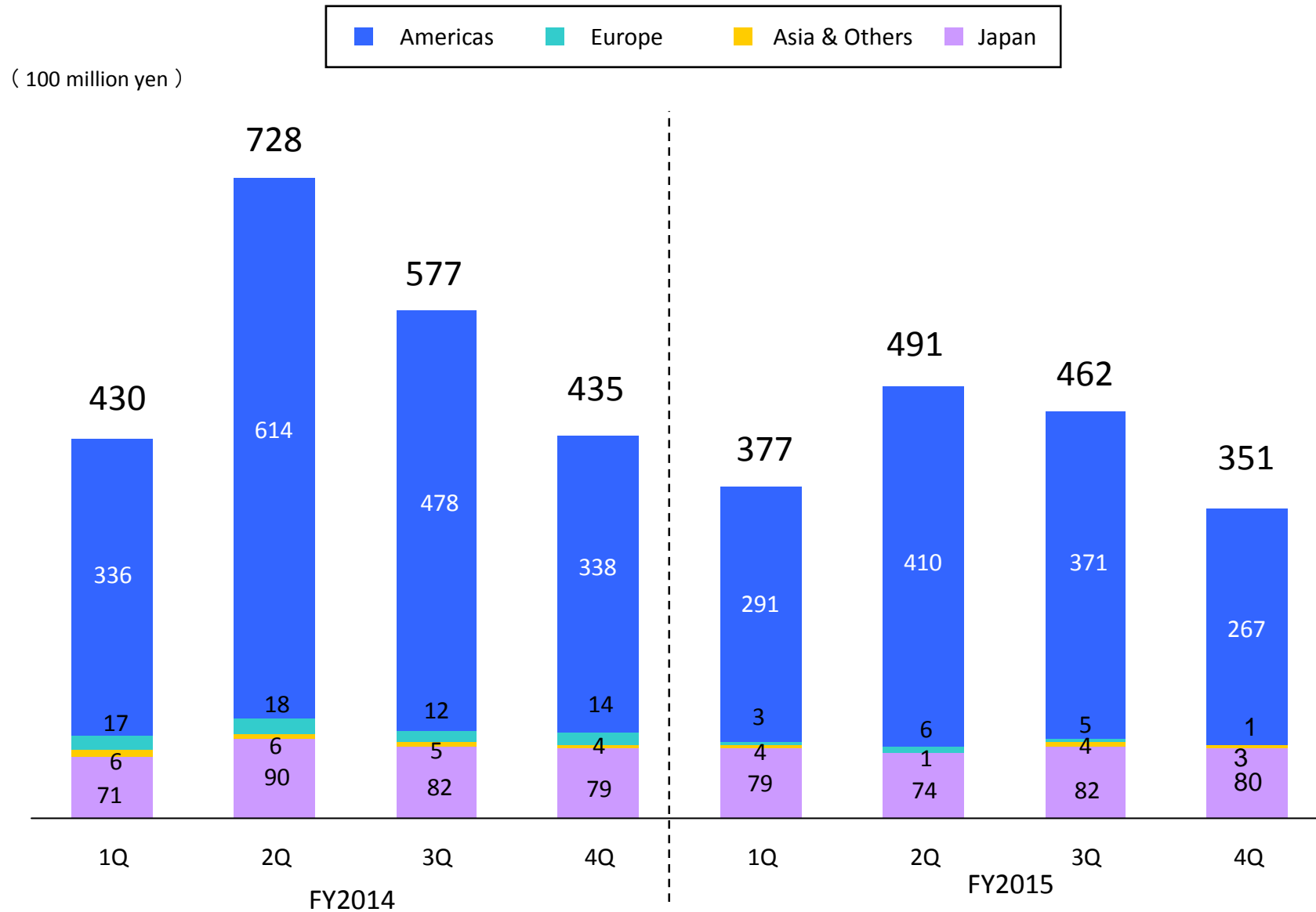
(100 million yen)

	FY2014				FY2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	430	728	577	435	377	491	462	351
Operating Income (margin)	- 21 (- 4.9%)	34 (4.7%)	0 (0.1%)	- 8 (- 1.9%)	- 43 (- 11.4%)	- 11 (- 2.3%)	- 25 (- 5.4%)	- 51 (- 14.6%)
Ordinary Income (margin)	- 24 (- 5.7%)	52 (7.1%)	15 (2.6%)	- 23 (- 5.5%)	- 37 (- 9.9%)	- 30 (- 6.1%)	- 24 (- 5.4%)	- 69 (- 19.7%)
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%)	- 264 (- 75.4%)
Average USD-JPY Foreign Exchange Rate	101. ⁸⁷	105. ³⁴	116. ⁰⁴	119. ²³	121. ⁷²	121. ⁷²	121. ⁴⁴	115. ⁰⁵

2. Quarterly Sales by Equipment for the FY2014 and FY2015



3. Quarterly Sales by Region for the FY2014 and FY2015



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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