

Presentation of Financial Results First Quarter (Apr.-Jun) of FY2018

**August 6, 2018
FUNAI ELECTRIC CO.,LTD.**

TSE 6839

I . Financial Results

1. Summary of 1st Quarter (Apr.-Jun.)
2. Summary of 1st Quarter (Apr.-Jun.)
3. Breakdown of Sales by Equipment
4. Sales of DVD related Equipment
5. Sales of LCD related Equipment
6. Sales of Information Equipment
7. Geographic Break Down of Sales
8. Operating Income Analysis (Y/Y)
9. Balance Sheet Conditions
10. Inventories Trends
11. Capital Expenditures, Depreciation Expense and R&D Expenditures

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

〈100 million yen〉

	FY2017 1Q	FY2018 1Q	Difference (Y / Y)
Net Sales	320	216	-104 (-32.5%)
Operating Income (Margin)	-23 (-7.3%)	-12 (-5.7%)	+11
Ordinary Income (Margin)	-21 (-6.7%)	-9 (-4.2%)	+12
Net Income Attributable to owners of parent (Margin)	-15 (-4.7%)	-0 (-0.1%)	+15

Average USD-JPY Exchange Rate	111. ⁴¹	109. ⁵³
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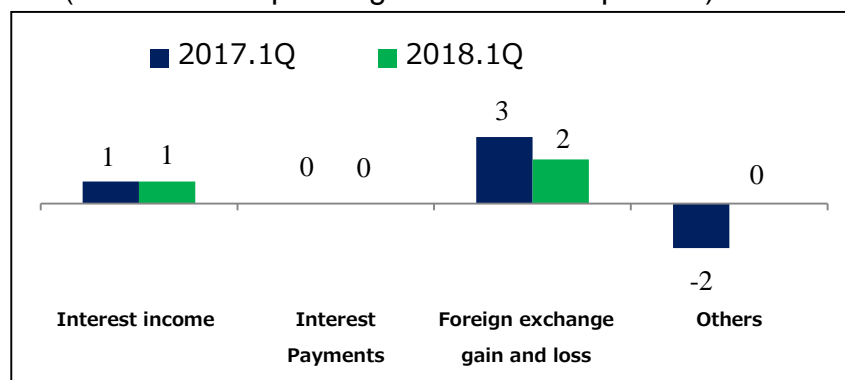
Month End USD-JPY Exchange Rate	Mar.2017	Jun.2017	Mar.2018	Jun.2018
	112. ¹⁹	112. ⁰⁰	106. ²⁴	110. ⁵⁴

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

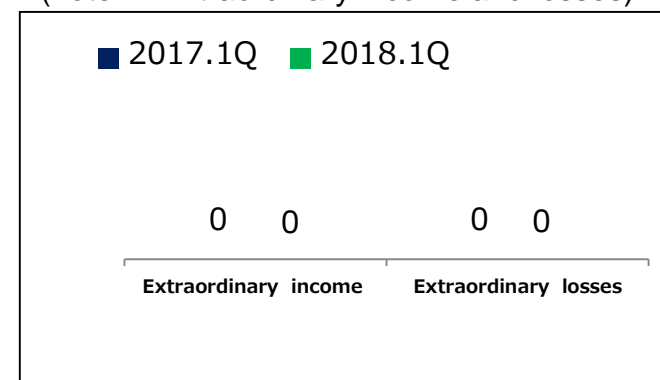
〈100 million yen〉

	FY2017 1Q	FY2018 1Q	Difference (Y / Y)
Operating income	-23	-12	+11
Non-operating income	(note:1) { 4	3	-1
Non-operating expenses	2	0	-2
Ordinary Income	-21	-9	+12
Extraordinary income	(note:2) { 0	0	0
Extraordinary losses	0	0	0
Income before Income Taxes	-21	-9	+12
Income taxes	6	9	+3
Net Income Attributable to owners of parent	-15	-0	+15

(note:1 Non-operating income and expenses)



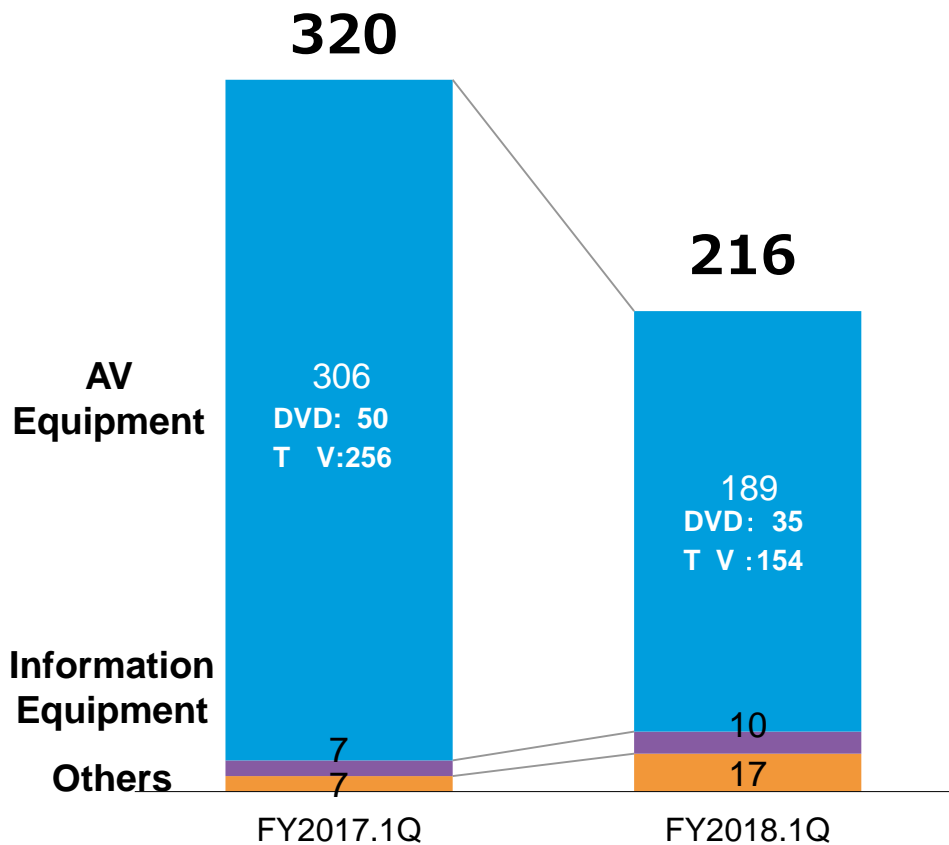
(note:2 Extraordinary income and losses)



3. Breakdown of Sales by Equipment

- AV Equipment : Decreased due to the effect of distribution inventory adjustment in North America.
- Info Equipment : Increased due to sales of coupon printers and commercial ink-cartridges.

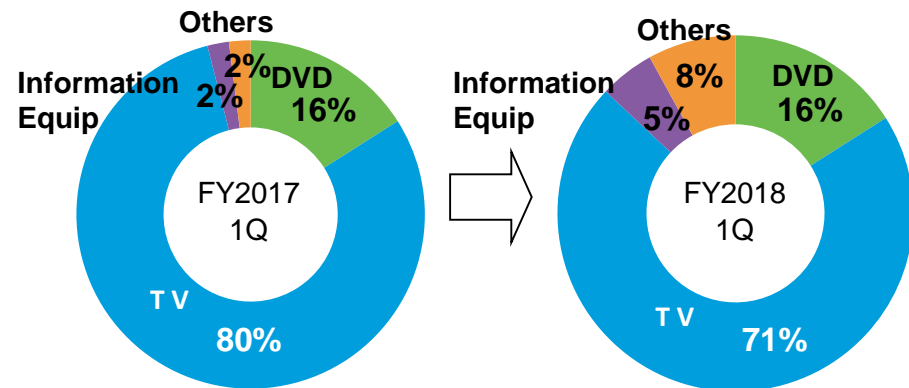
<100 million yen>



Y/Y (Change)

AV Equip	-117	(-38.3%)
DVD Equip	-15	(-29.3%)
TV Equip	-102	(-40.0%)
Information Equip	+3	(+37.4%)
Others	+10	(+128.4%)
Total	-104	(-32.5%)

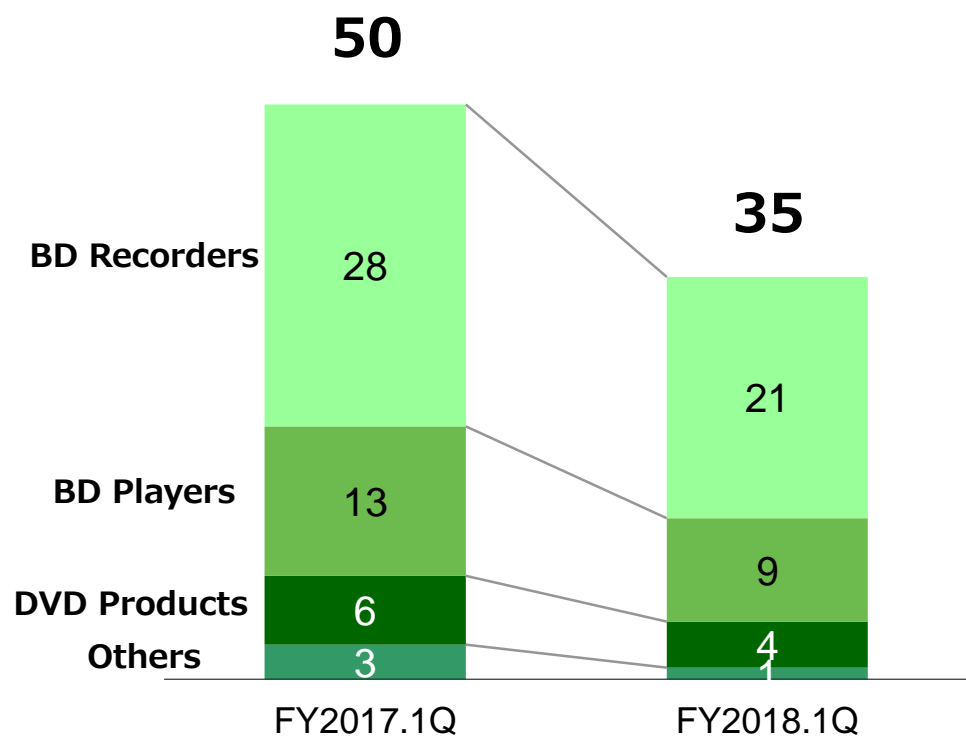
Sales Composition



4. Sales of DVD related Equipment

➤ Decreased, demand changed by rapid spread of Video streaming service such as the internet and sales of new products into the Japanese market were one month behind last year.

<100 million yen>

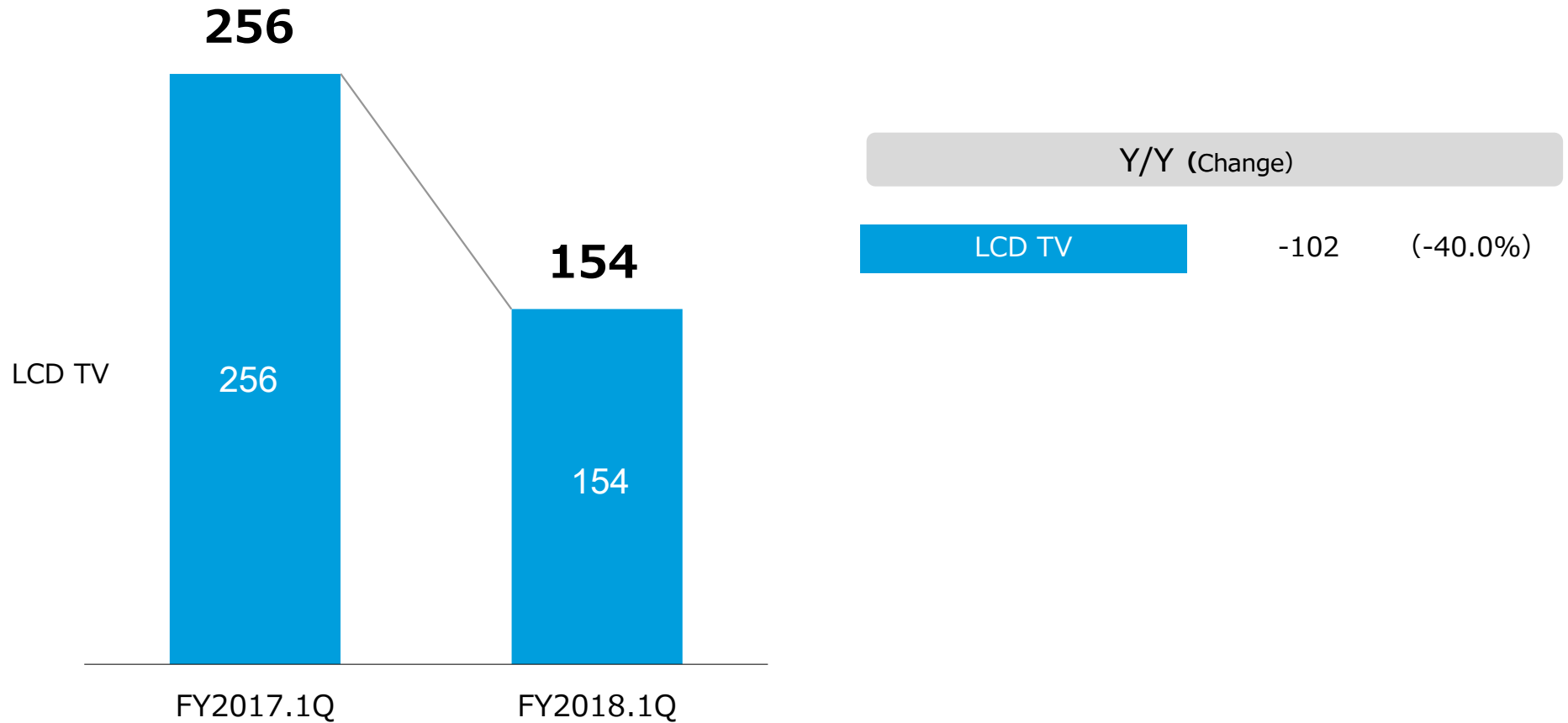


Y/Y (Change)		
BD Recorders	-7	(-26.6%)
BD Players	-4	(-32.9%)
DVD Products	-2	(-25.6%)
Others	-2	(-49.4%)
Total	-15	(-29.3%)

5. Sales of LCD Television

➤ Decreased due to the influence of the distribution inventory adjustment phase of the North American market.

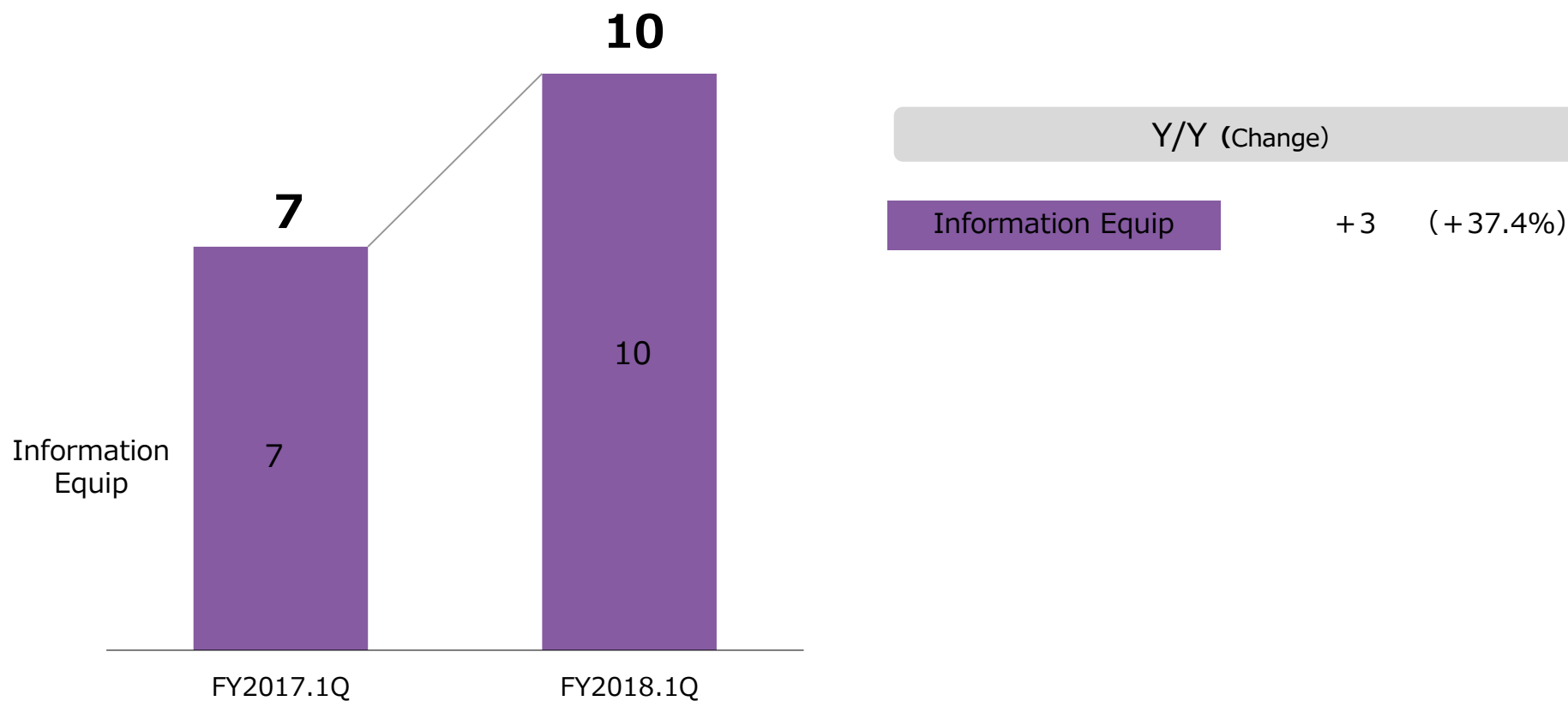
〈100 million yen〉



6. Sales of Information Equipment

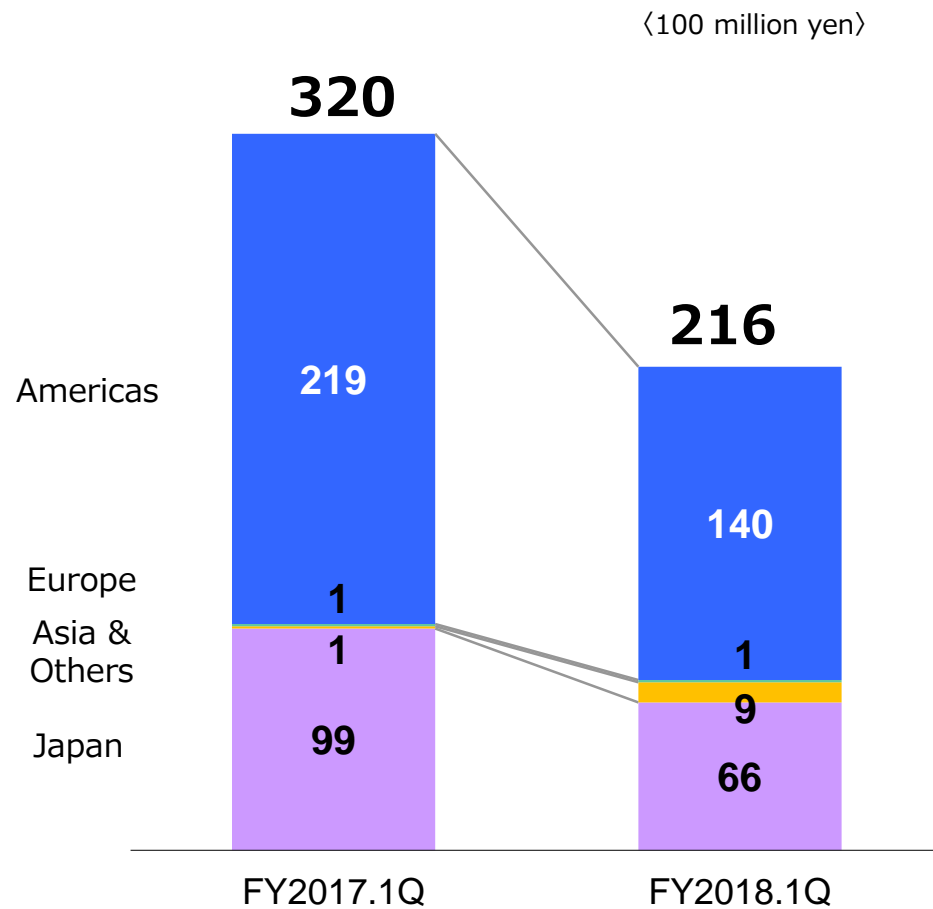
- Increased , Sales of inkjet printers of unprofitable products were narrowed down, but sales increased due to sales of coupon printers and increased sales of commercial ink cartridges

<100 million yen>



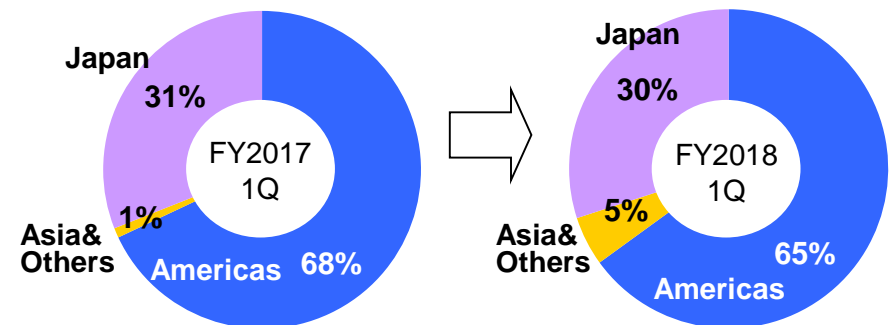
7. Geographic Breakdown of Sales

- Americas : Overall North American markets were in excess inventory. Therefore sales of LCD TVs declined due to sluggish growth in our new sales.
- Japan : Decreased, Sales of new products were one month behind last year.

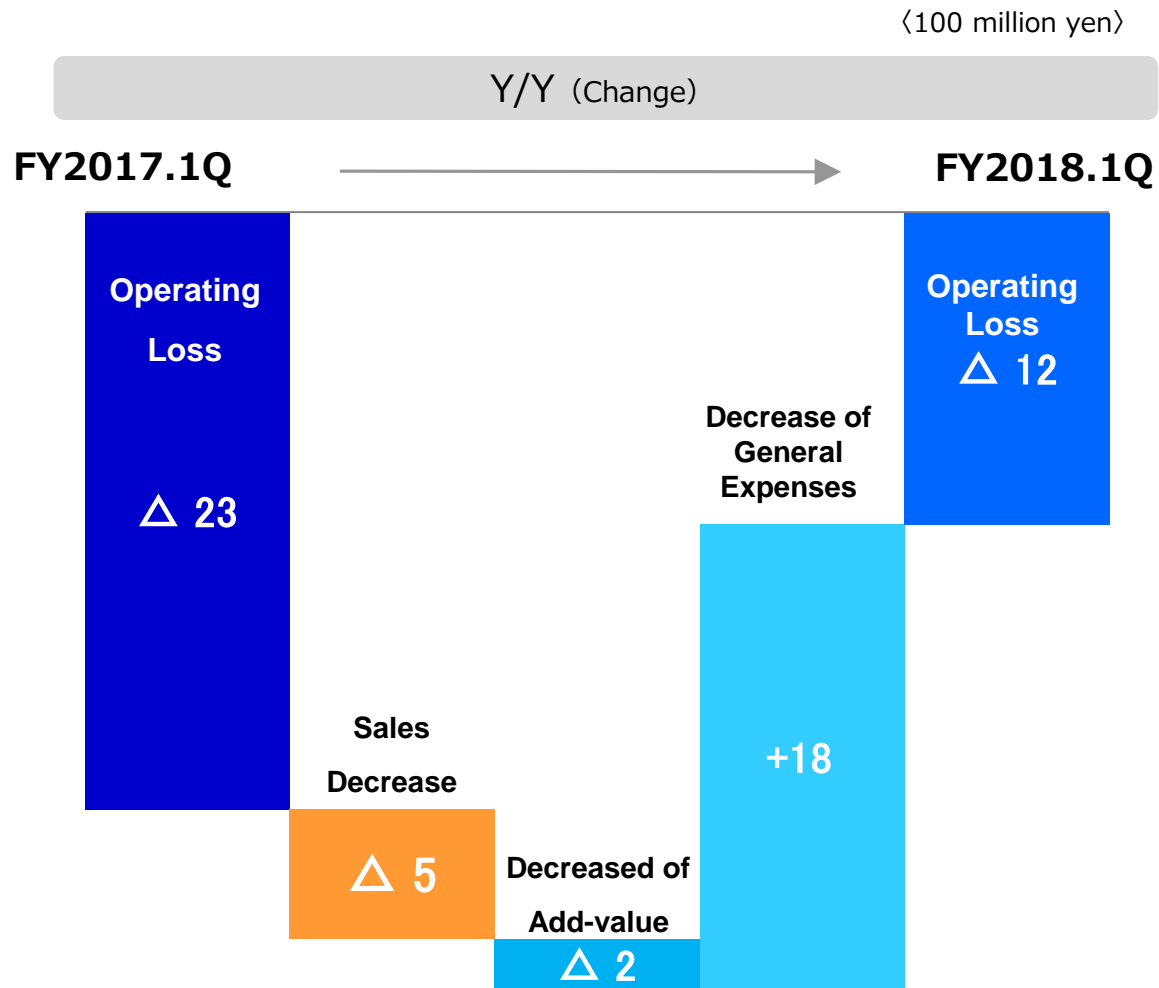


Y/Y (Change)		
Americas	-79	(-35.9%)
Europe	0	(-33.5%)
Asia & Others	+8	(+507.1%)
Japan	-33	(-33.6%)
Total	-104	(-32.5%)

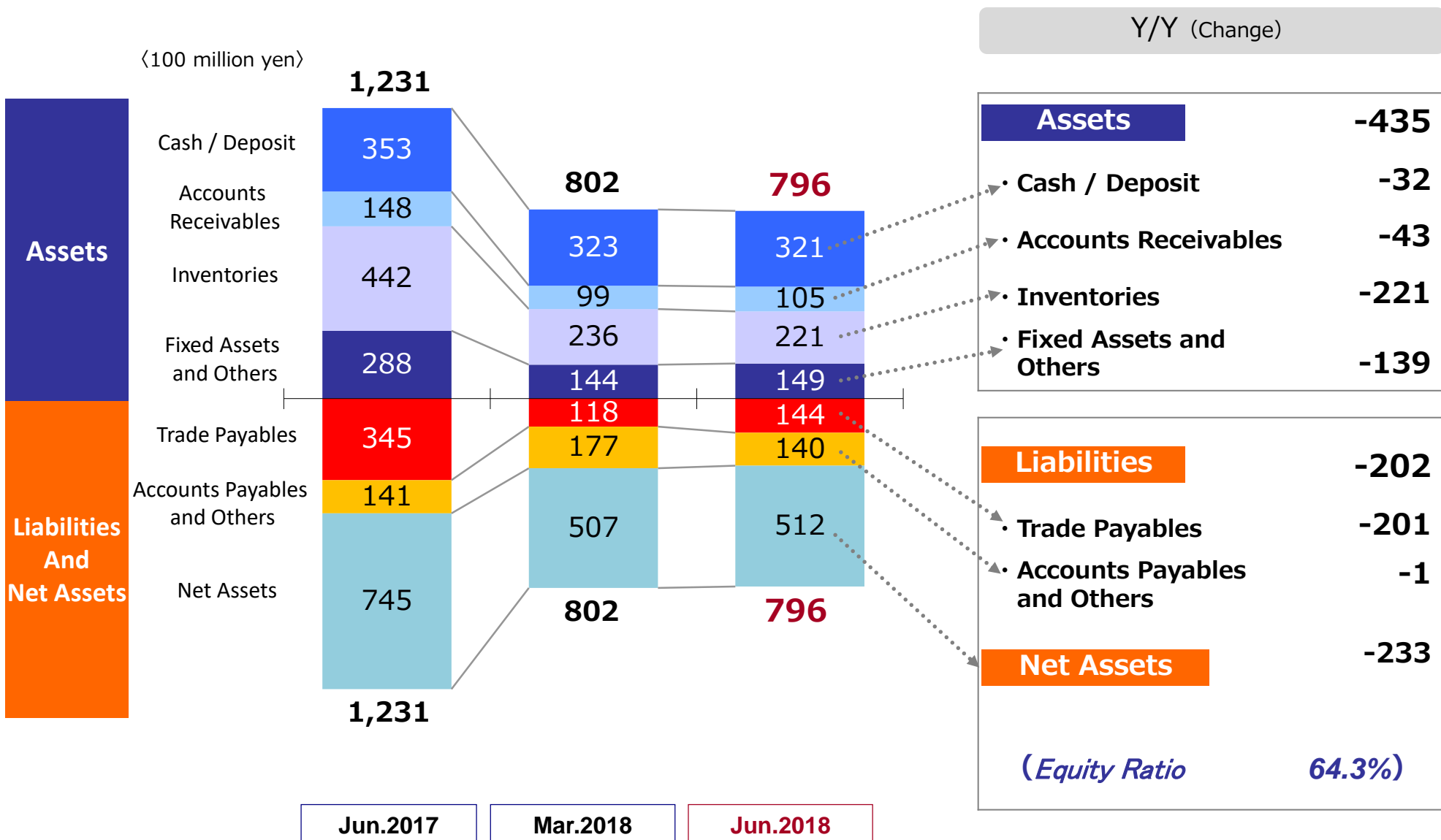
Sales Composition



8. Operating Income Analysis (Y/Y)



9. Balance Sheet Conditions



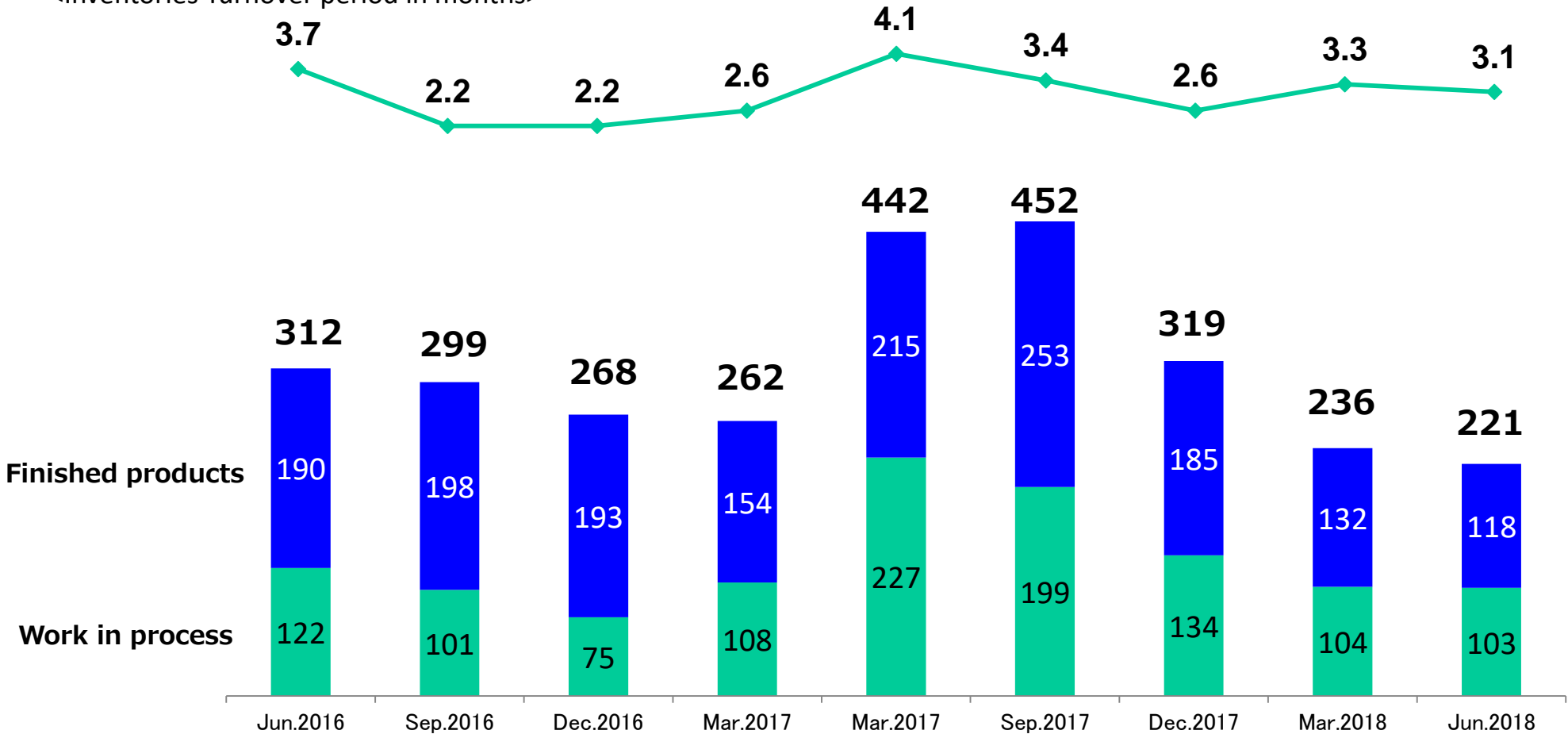
10. Inventories Trends

Y / Y (Change)

Finished products : - 97
 Work in process : - 124

<100 million yen>

<Inventories Turnover period in months>



11. Capital Investment, Depreciation and R&D

First Quarter

Capital Investment

Depreciation

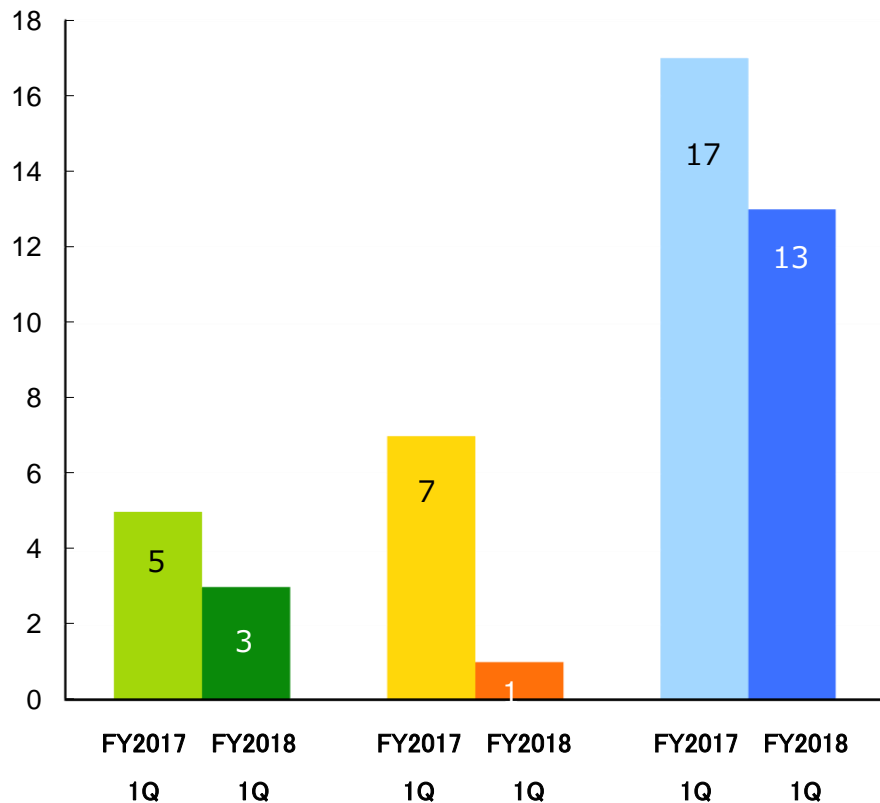
R&D

Y/Y
-2

Y/Y
-6

Y/Y
-4

<100 million yen>



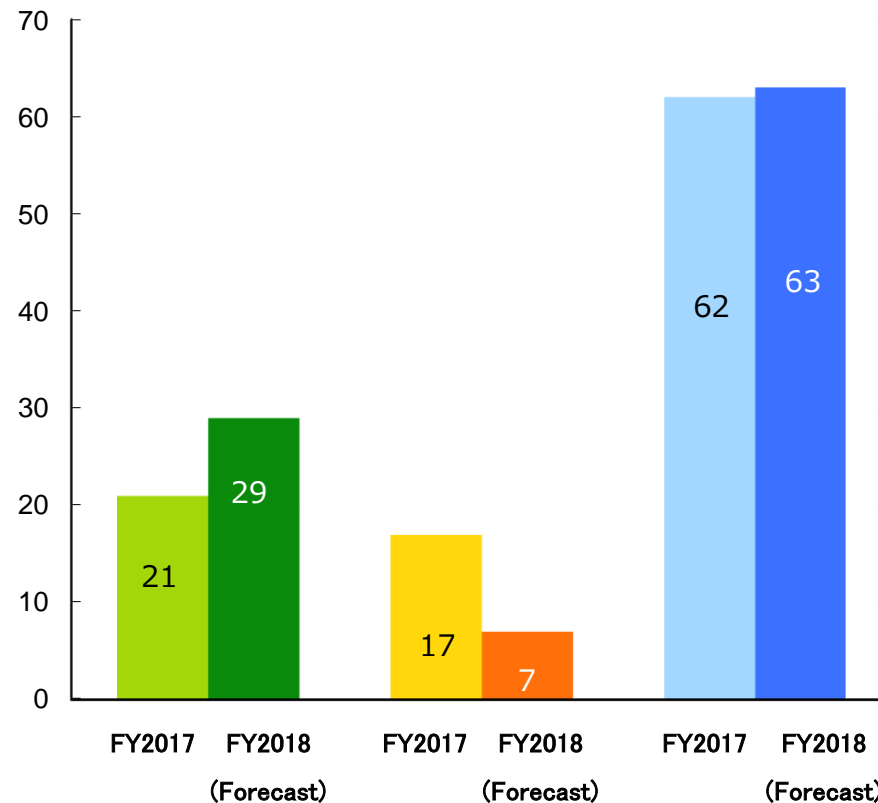
Full Year

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

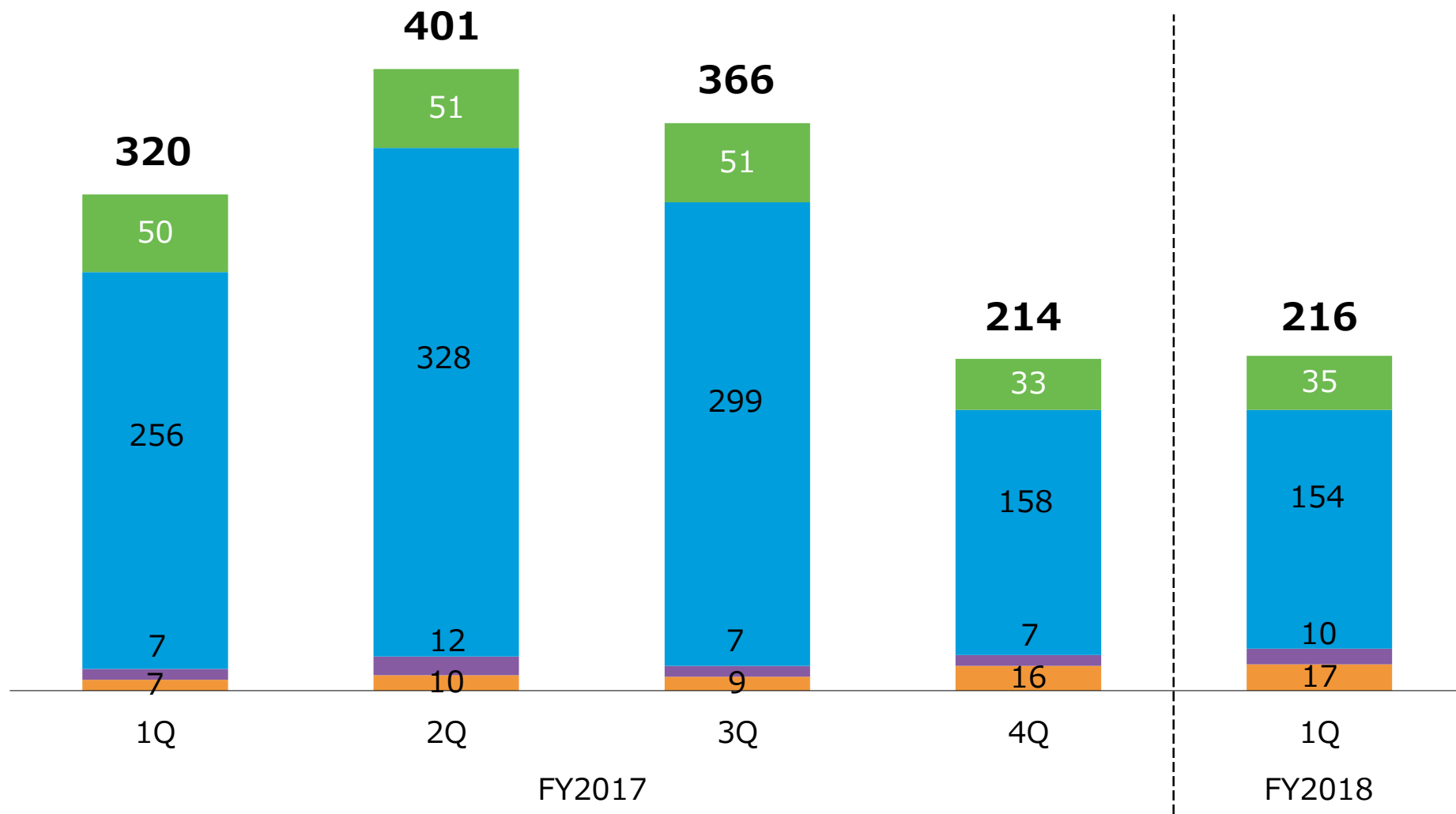
1. Quarterly Financial Summary of FY 2017 - 2018

〈100 million yen〉

	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Net Sales	320	401	366	214	216
Operating Income	-23	-17	-18	-50	-12
(Margin)	(-7.3%)	(-4.3%)	(-5.0%)	(-23.4%)	(-5.7%)
Ordinary Income	-21	-14	-22	-60	-9
(Margin)	(-6.7%)	(-3.7%)	(-6.1%)	(-28.3%)	(-4.2%)
Net Income Attributable to owners of parent	-15	-115	-24	-92	-0
(Margin)	(-4.7%)	(-28.9%)	(-6.6%)	(-43.1%)	(-0.1%)
Average USD-JPY Exchange Rate	111. ⁴¹	111. ¹⁶	112. ⁷³	107. ⁴⁶	109. ⁵³

2. Quarterly Sales Trends by Equipment

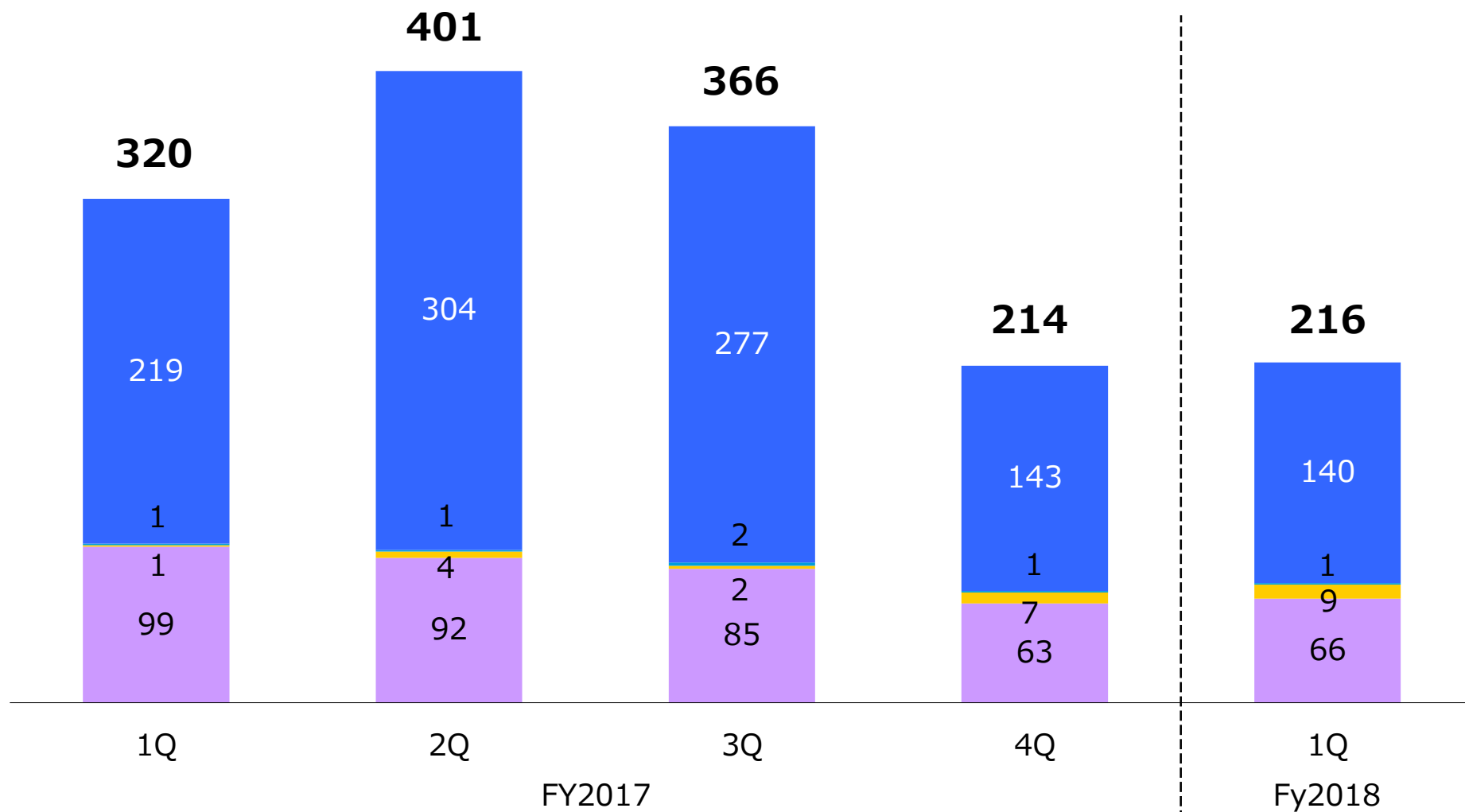
■ DVD Equipment ■ TV Equipment ■ Information Equipment ■ Others <100 million yen>



3. Quarterly Sales Trends by Geography



<100 million yen>



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