



# Financial Results of FY2018

**May 14, 2019**  
**FUNAI ELECTRIC CO.,LTD.**

TSE 6839

# **I . Financial Results**

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

〈100 million yen〉

	FY2017 4Q	FY2018 4Q	Difference (Y / Y)
<b>Net Sales</b>	<b>214</b>	<b>245</b>	<b>+31</b> <b>(+14.8%)</b>
<b>Operating Income</b> (Margin)	<b>-50</b> <b>(-23.4%)</b>	<b>11</b> <b>(4.8%)</b>	<b>+61</b>
<b>Ordinary Income</b> (Margin)	<b>-60</b> <b>(-28.3%)</b>	<b>14</b> <b>(6.1%)</b>	<b>+74</b>
<b>Net Income Attributable to owners of parent</b> (Margin)	<b>-92</b> <b>(-43.1%)</b>	<b>19</b> <b>(7.8%)</b>	<b>+111</b>

Average USD-JPY Exchange Rate	<b>107.<sup>46</sup></b>	<b>110.<sup>27</sup></b>
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Month End USD-JPY Exchange Rate	Dec.2017	Mar.2018	Dec.2018	Mar.2019
	<b>113.<sup>00</sup></b>	<b>106.<sup>24</sup></b>	<b>111.<sup>00</sup></b>	<b>110.<sup>99</sup></b>

## 2. Summary of FY2018 (Apr.-Mar.) 1

〈100 million yen〉

	FY2017 Actual	FY2018 Forecast	FY2018 Actual	Difference (Y/Y)	VS Forecast
<b>Net Sales</b>	<b>1,301</b>	<b>1,050</b>	<b>1,055</b>	<b>-246</b> (-18.9%)	<b>+5</b> (100.5%)
<b>Operating Income</b> (Margin)	<b>-108</b> (-8.4%)	<b>4</b> (0.4%)	<b>6</b> (0.6%)	<b>+114</b>	<b>+2</b>
<b>Ordinary Income</b> (Margin)	<b>-119</b> (-9.2%)	<b>4</b> (0.4%)	<b>13</b> (1.3%)	<b>+132</b>	<b>+9</b>
<b>Net Income Attributable to owners of parent</b> (Margin)	<b>-247</b> (-19.0%)	<b>12</b> (1.1%)	<b>26</b> (2.5%)	<b>+273</b>	<b>+14</b>

<b>Average End USD-JPY Exchange Rate</b>	<b>110.<sup>69</sup></b>	<b>107.<sup>85</sup></b>	<b>111.<sup>06</sup></b>
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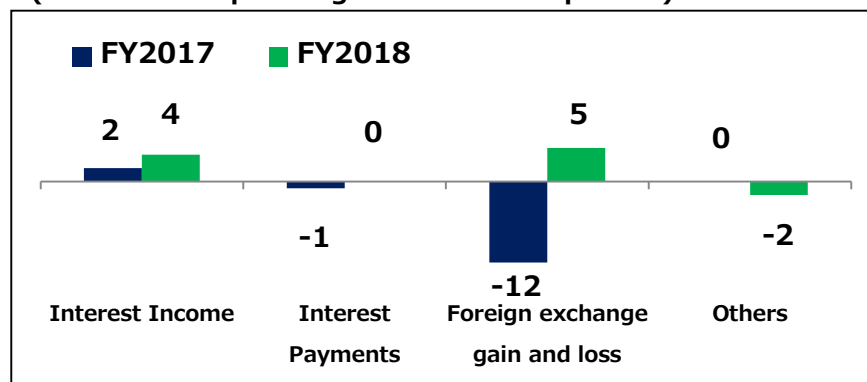
<b>Month End USD-JPY Exchange Rate</b>	<b>Mar.2018</b>	<b>Mar.2019</b>
	<b>106.<sup>24</sup></b>	<b>110.<sup>99</sup></b>

### 3. Summary of FY2018 (Apr.-Mar.) 2

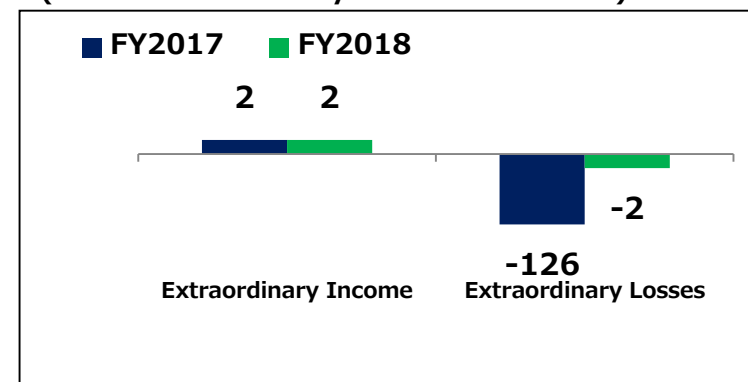
〈100 million yen〉

	FY2017	FY2018	Difference (Y / Y)
<b>Operating income</b>	<b>-108</b>	<b>6</b>	<b>+ 114</b>
Non-operating income	(※1) { 5	11	+6
Non-operating expenses	{ 16	4	-12
<b>Ordinary Income</b>	<b>-119</b>	<b>13</b>	<b>+ 132</b>
Extraordinary income	(※2) { 2	2	0
Extraordinary losses	{ 126	2	-124
<b>Income before Income Taxes</b>	<b>-243</b>	<b>13</b>	<b>+ 256</b>
Income taxes	4	-13	-17
<b>Net Income Attributable to owners of parent</b>	<b>-247</b>	<b>26</b>	<b>+ 273</b>

(note:1 Non-operating income and expenses)



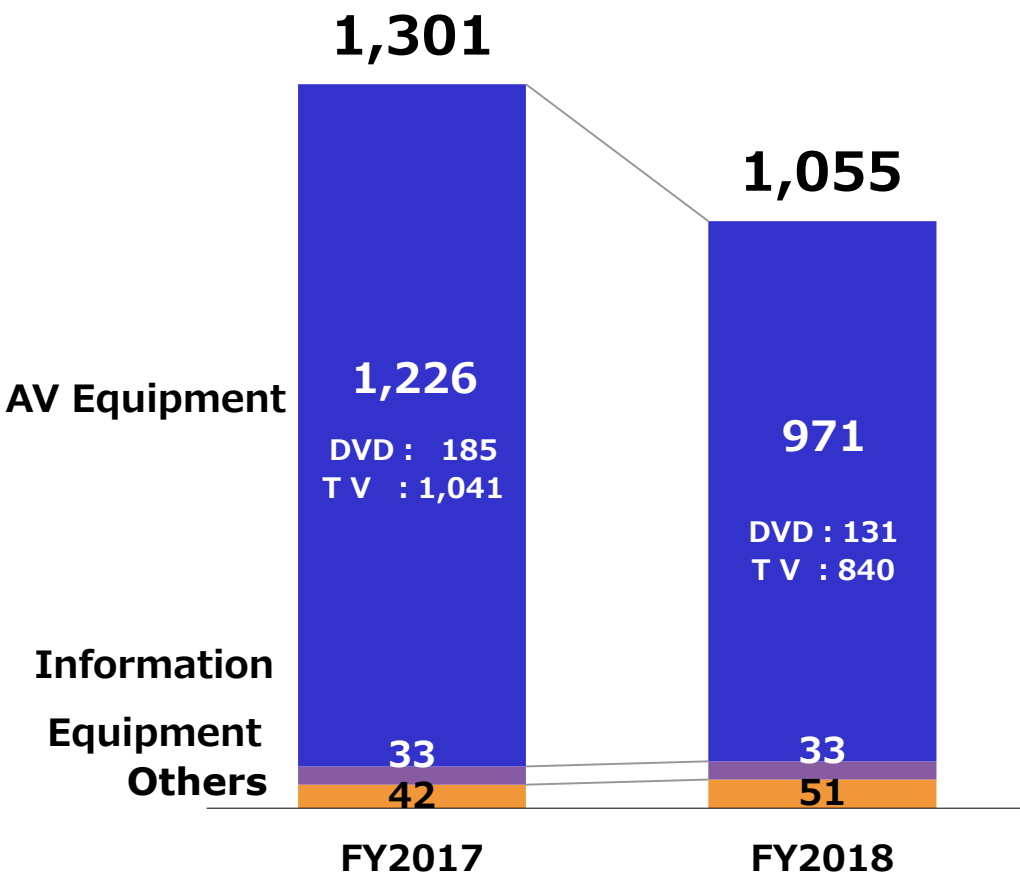
(note:2 Extraordinary income and losses)



# 4. Breakdown of Sales by Equipment

- AV Equipment: Decreased due to the effect of distribution inventory adjustment in North America.
- Info Equipment: Almost flat due to decreased inkjet printers and increased commercial ink-cartridges.

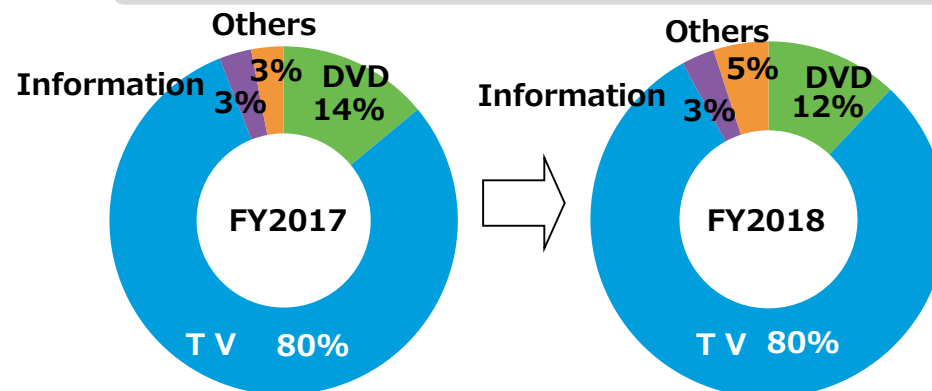
<100 million yen>



Y/Y (Change)

AV Equip	-255	( -20.8%)
DVD Equip	-54	( -29.0%)
TV Equip	-201	( -19.4%)
Information Equip	-0	( -0.8%)
Others	+9	(+22.7%)
<b>Total</b>	<b>-246</b>	<b>( -18.9%)</b>

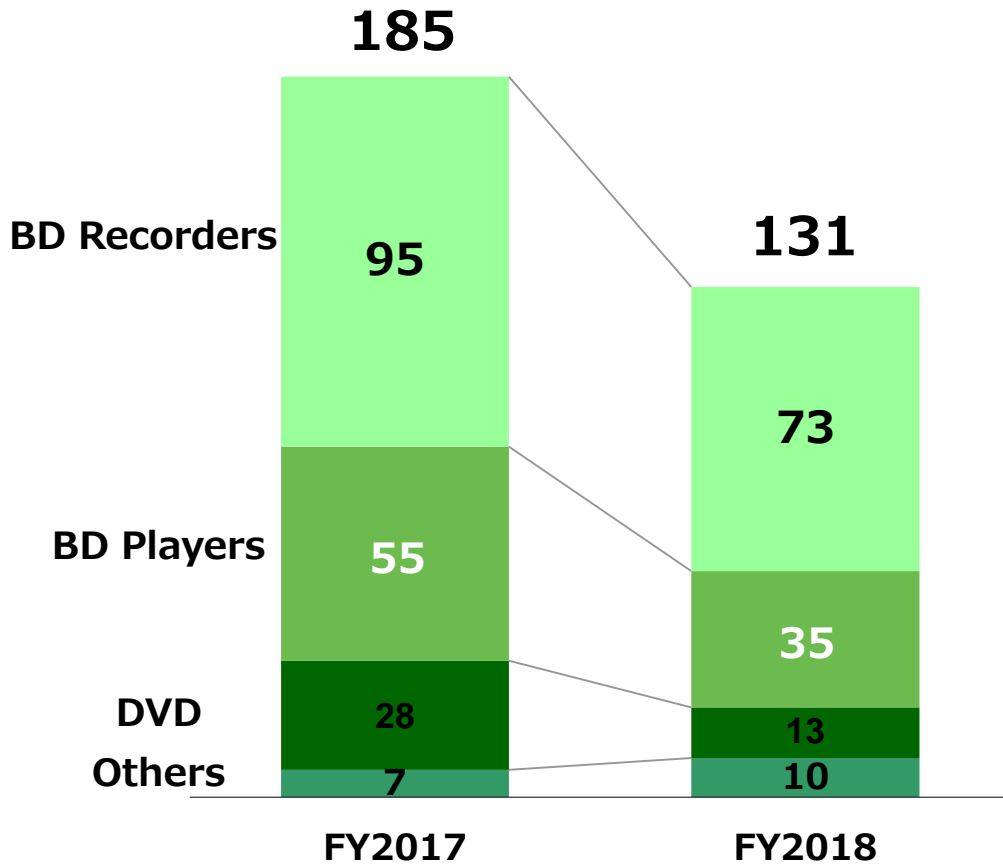
Sales Composition



# 5. 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.

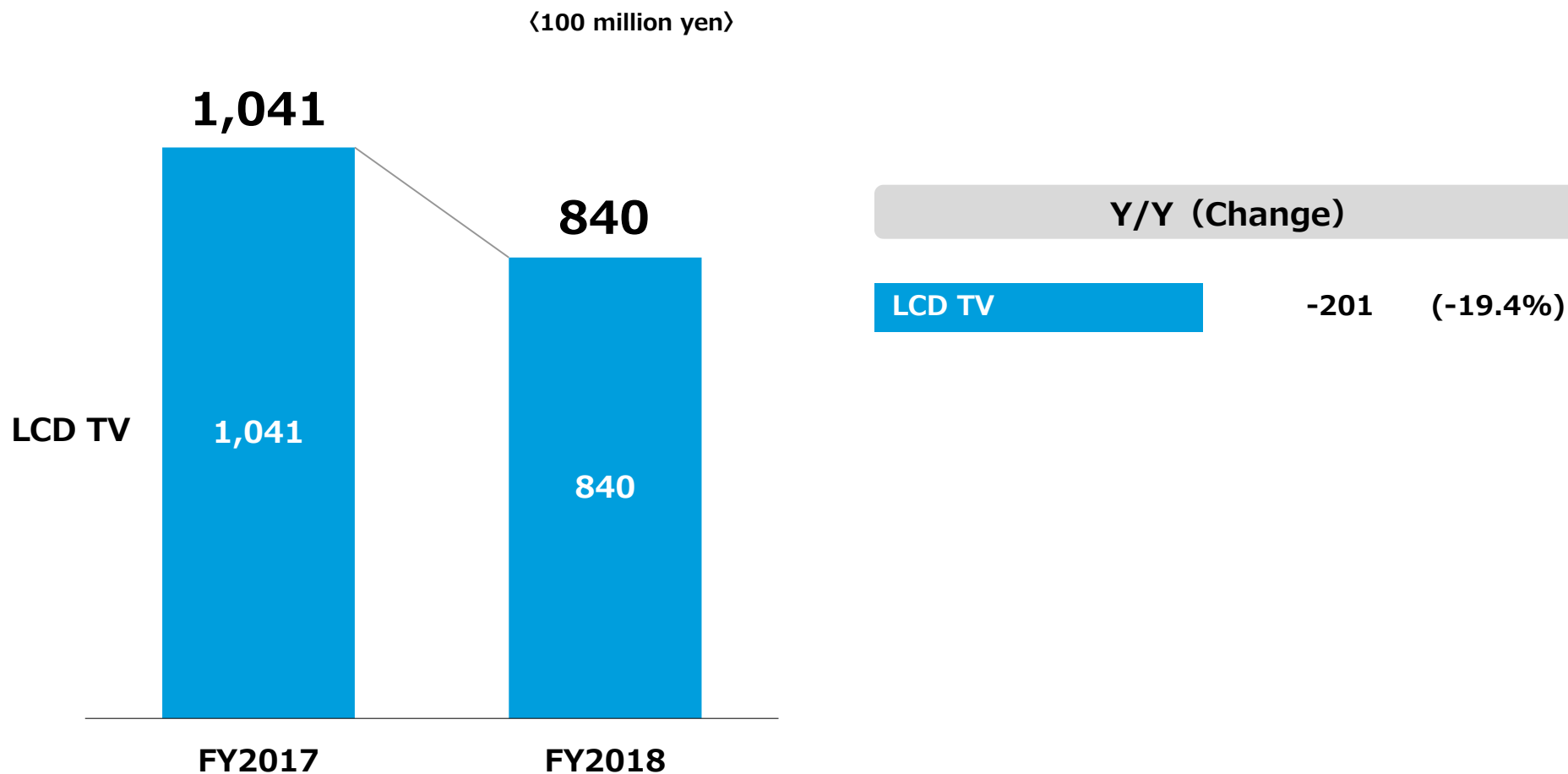
<100 million yen>



Y/Y (Change)		
BD Recorders	-22	( -22.6%)
BD Players	-20	( -36.3%)
DVD	-15	( -54.3%)
Others	+3	(+43.0%)
<b>Total</b>	<b>-54</b>	<b>( -29.0%)</b>

# 6. Sales of LCD related Equipment

- Decreased new sales of TV due to the continuance of the distribution inventory adjustment phase of the North American market.

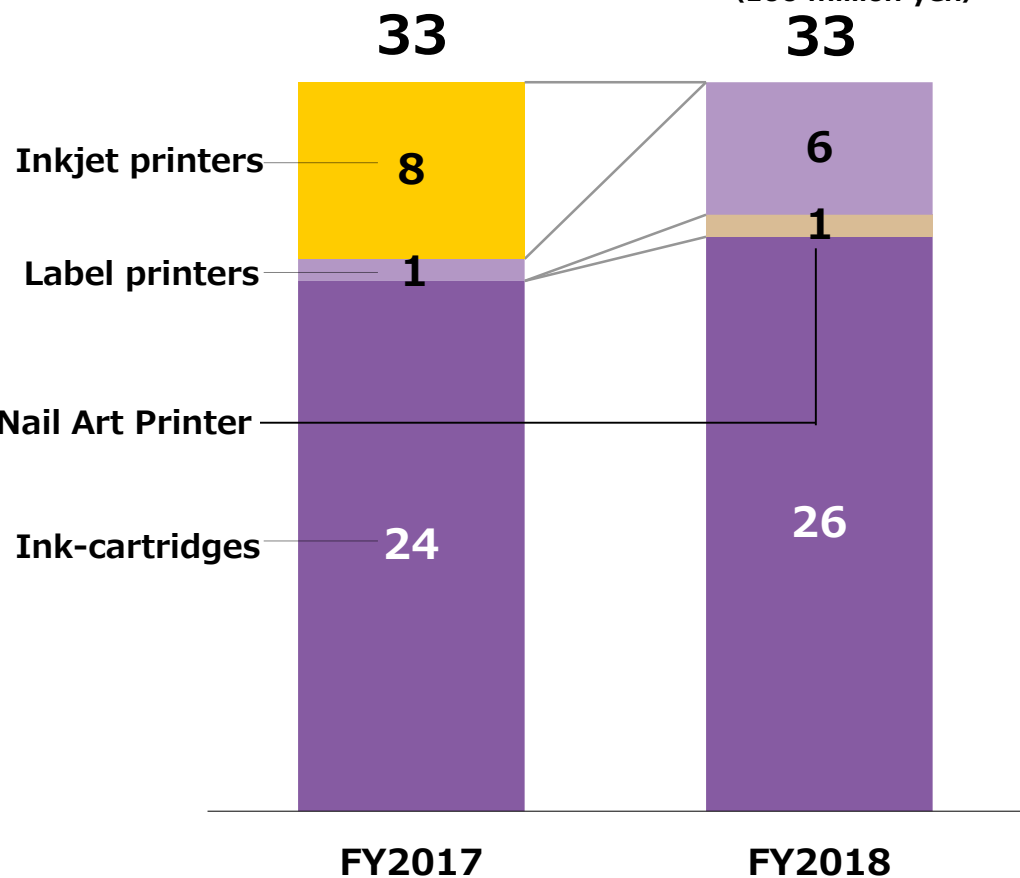




# 7. Sales of Information Equipment

➤ Almost flat , Sales of inkjet printers of unprofitable products were narrowed down, but sales increased due to sales of label printers, nail art printers and increased sales of commercial ink cartridges.

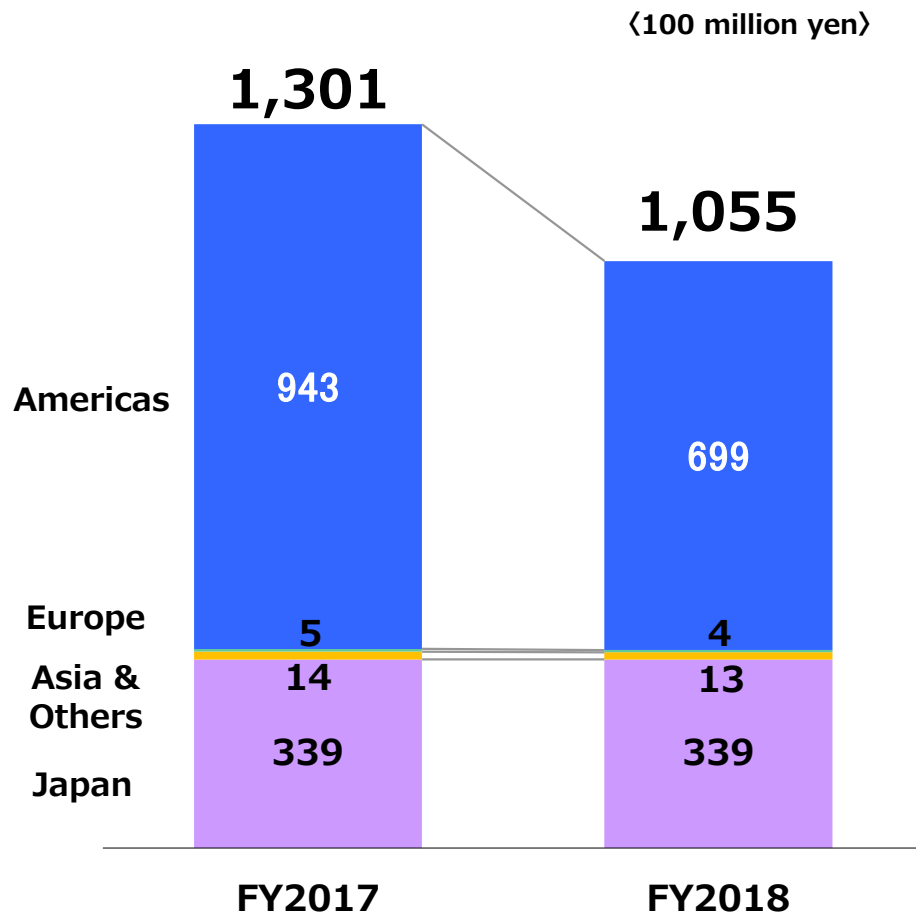
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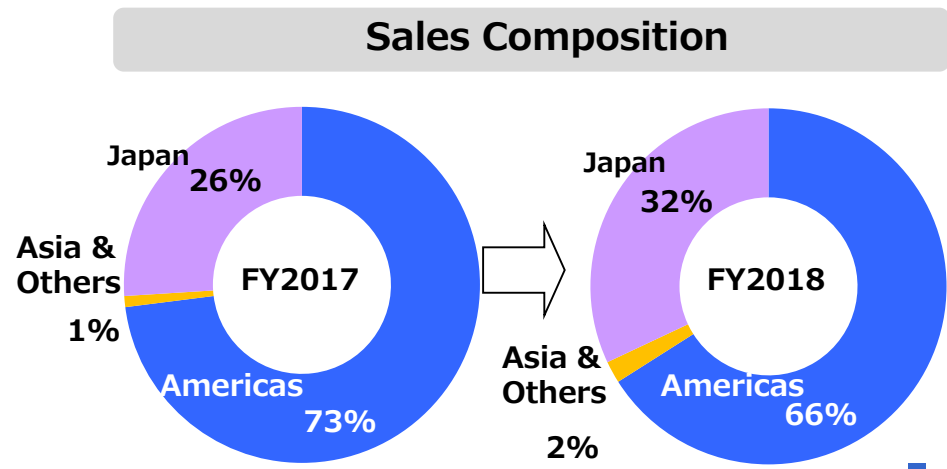
Y/Y (Change)		
Inkjet printers	-8	( -94.3%)
Label printers	+5	( +556.1%)
Nail Art Printer	+1	( - )
Ink-cartridges	+2	( +5.7%)
合計	-0	( -0.8%)

# 8. Geographic Breakdown of Sales

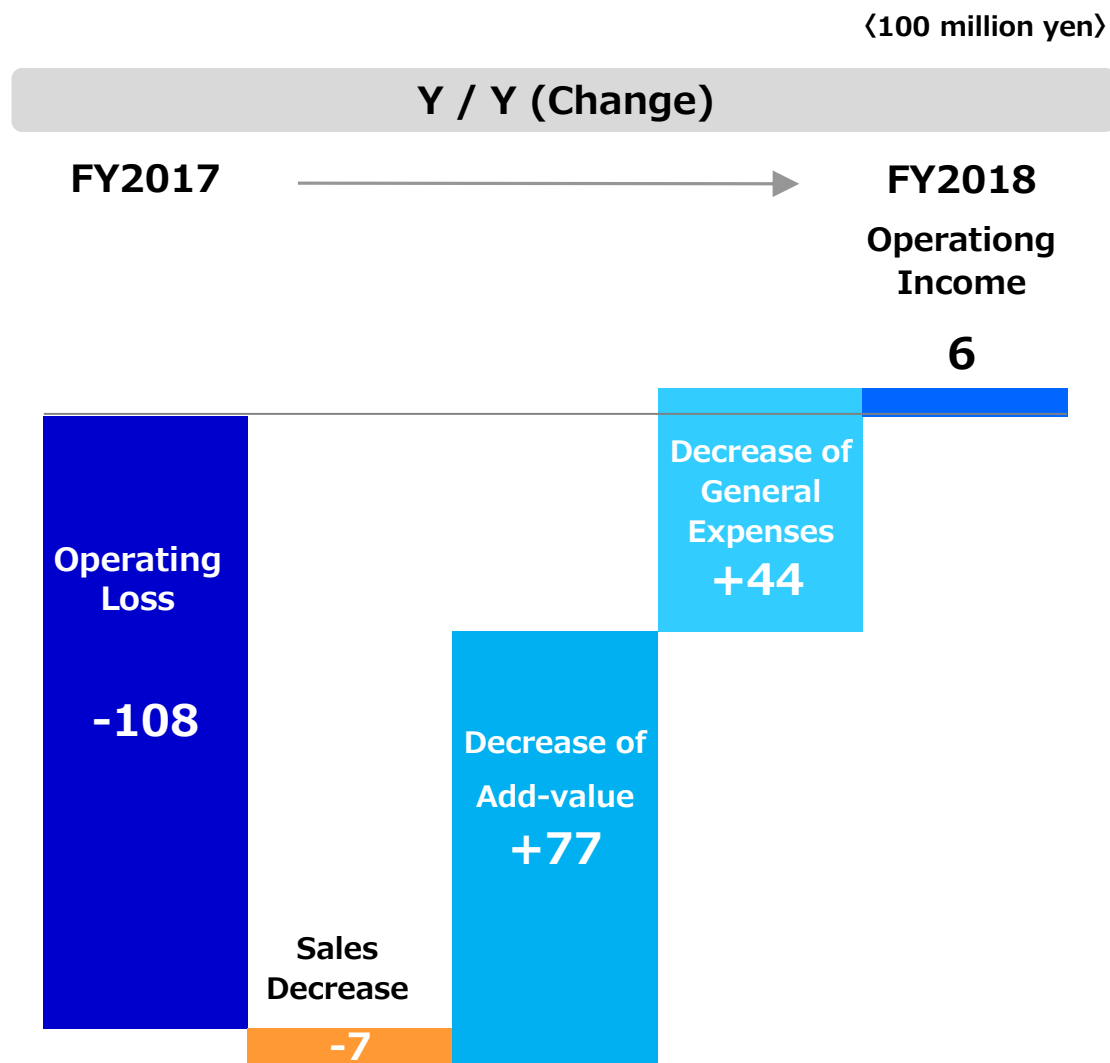
➤ Americas: Overall North American markets were in excess inventory. Therefore sales of LCD TVs declined due to sluggish growth in our new sales.



Y/Y (Change)		
Americas	-244	( -25.9%)
Europe	-1	( -27.0%)
Asia & Others	-1	( -5.0%)
Japan	+0	( +0.1%)
<b>Total</b>	<b>-246</b>	<b>( -18.9%)</b>



# 9. Operating Income Analysis (Y/Y)



# 10. Balance Sheet Conditions

<100 million yen>

Y/Y (Change)

Assets

Liabilities  
And  
Net Assets

	802	825	832
Cash / Deposit	323	334	354
Accounts Receivables	99	102	77
Inventories	236	238	252
Fixed Assets and Others	144	151	149
Trade Payables	118	157	156
Accounts Payables and Others	177	149	136
Net Assets	507	519	540
	802	825	832

Assets	Y/Y (Change)
• Cash / Deposit	+31
• Accounts Receivables	-22
• Inventories	+16
• Fixed Assets and Others	+5

Liabilities	Y/Y (Change)
• Trade Payables	+38
• Accounts Payables and Others	-41
<b>Net Assets</b>	<b>+33</b>
<i>(Equity Ratio)</i>	<b>64.9%</b>

Mar. 2018

Dec. 2018

Dec. 2019

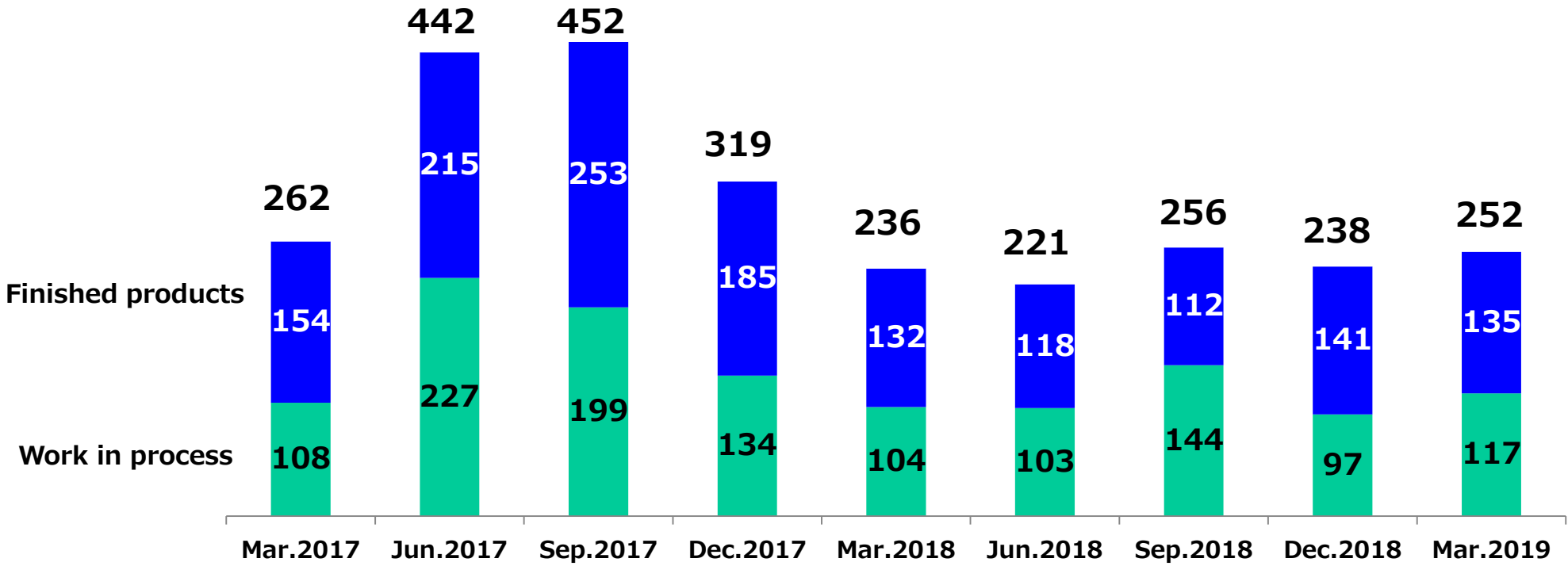
# 11. Inventories Trends

Y / Y (Change)

Finished products : + 3  
 Work in process : + 13

<100 million yen>

<Inventories Turnover period in months>



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

(100 million yen)

## Capital

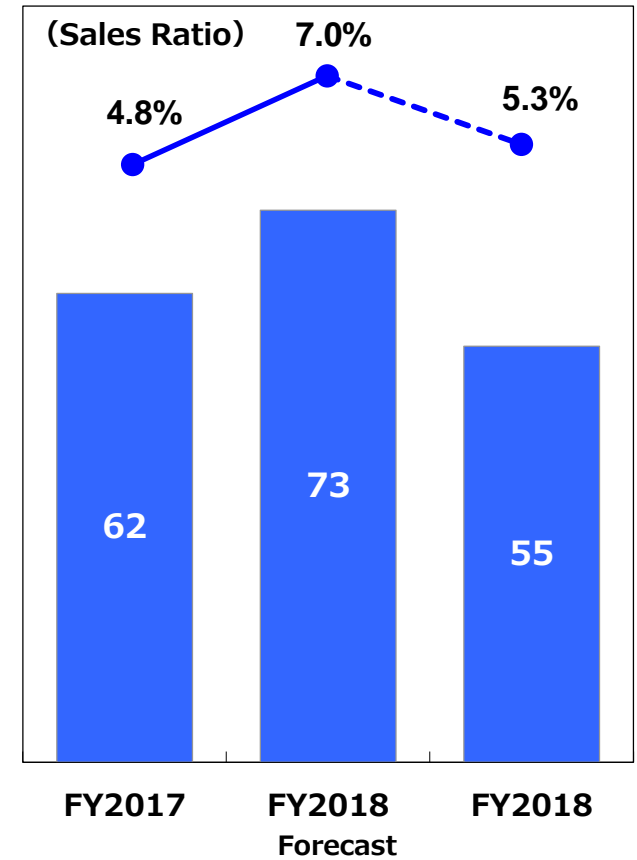
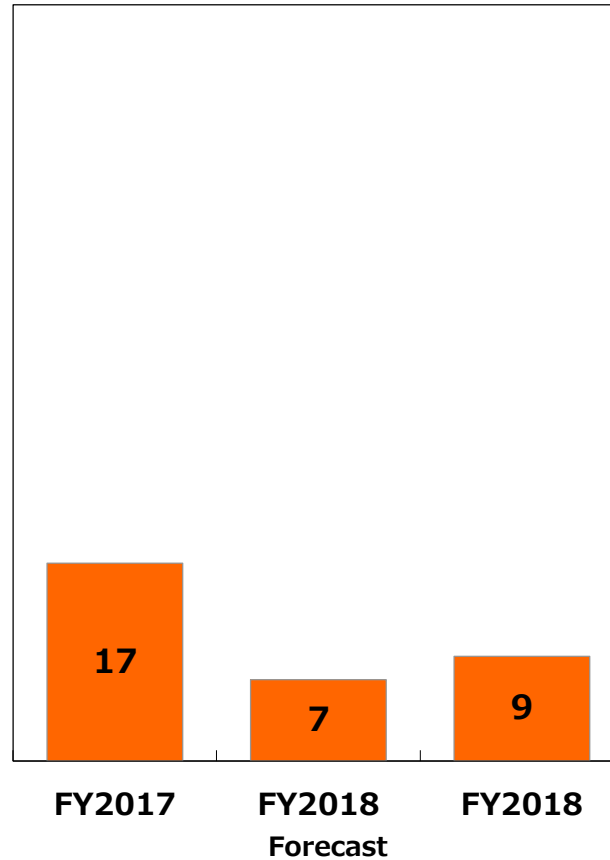
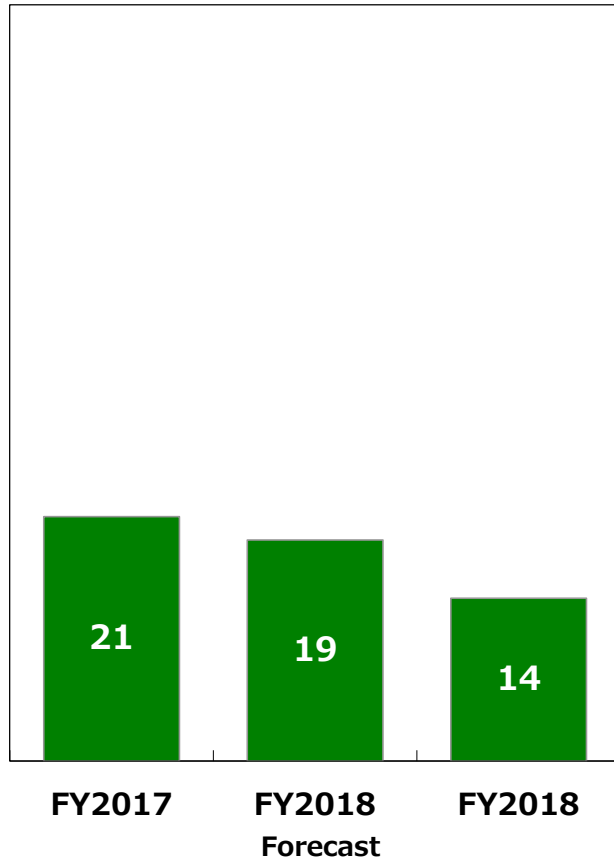
## Depreciation

## R&D

[FY2017 vs FY2018] - 7

[FY2017 vs FY2018] - 8

[FY2017 vs FY2018] - 7



# 13. Forecast FY2019

〈100 million yen〉

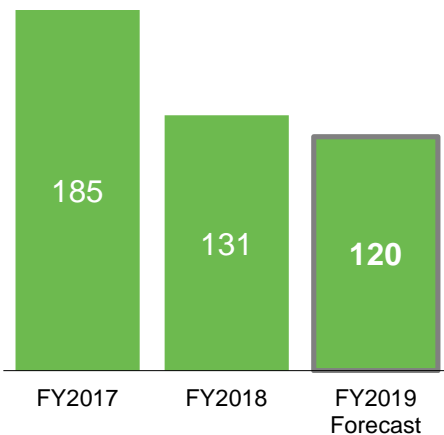
	FY2018 Actual			FY2019 Forecast			Change (Y/Y)		
	1 half	2 half	Full year	1 half	2 half	Full year	1 half	2 half	Full year
<b>Net Sales</b>	<b>467</b>	<b>588</b>	<b>1,055</b>	<b>520</b>	<b>560</b>	<b>1,080</b>	<b>+53</b>	<b>-28</b>	<b>+25</b> (+2.4%)
<b>Operating Income</b> (Margin)	<b>-16</b> (-3.5%)	<b>22</b> (4.0%)	<b>6</b> (0.6%)	<b>-12</b> (-2.3%)	<b>16</b> (2.9%)	<b>4</b> (0.4%)	<b>+4</b>	<b>-6</b>	<b>-2</b>
<b>Ordinary Income</b> (Margin)	<b>-2</b> (-0.4%)	<b>15</b> (2.7%)	<b>13</b> (1.3%)	<b>-12</b> (-2.3%)	<b>14</b> (2.5%)	<b>2</b> (0.2%)	<b>-10</b>	<b>-1</b>	<b>-11</b>
<b>Net Income Attributable to owners of parent</b> (Margin)	<b>6</b> (1.4%)	<b>20</b> (3.3%)	<b>26</b> (2.5%)	<b>-12</b> (-2.3%)	<b>13</b> (2.3%)	<b>1</b> (0.1%)	<b>-18</b>	<b>-7</b>	<b>-25</b>

<b>Average USD-JPY Exchange Rate )</b>	<b>110.70</b>	<b>111.42</b>	<b>111.06</b>	<b>110.00</b>	<b>108.00</b>	<b>109.00</b>
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# 14. Forecast of Sales by Business

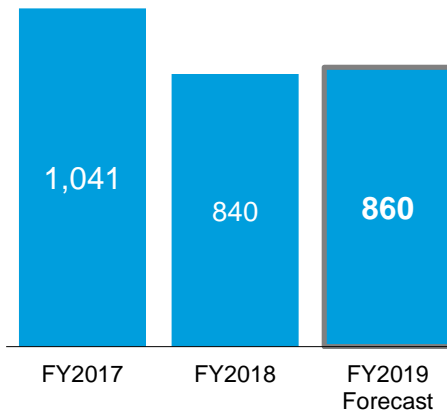
## DVD/BD

【FY2017 vs FY2018】 -8.4%



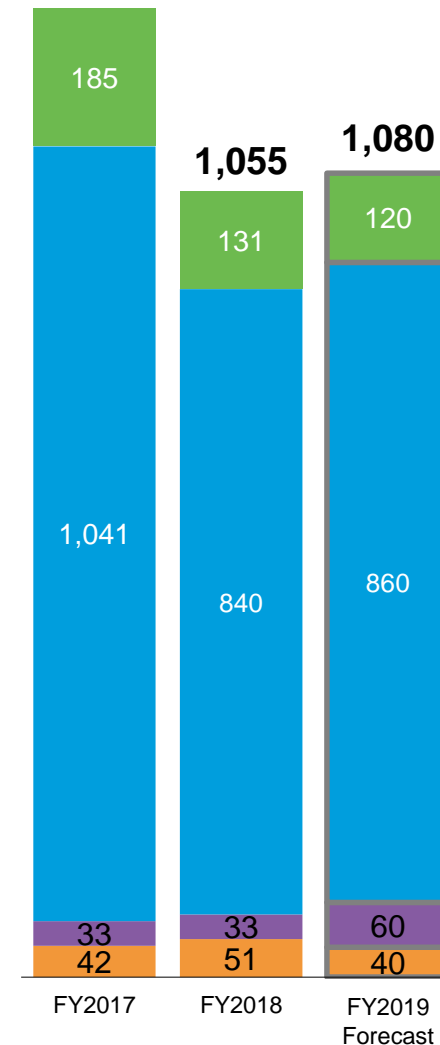
## LCD TVs

【FY2017 vs FY2018】 +2.4%



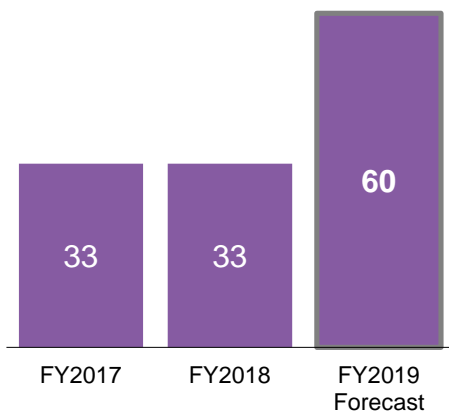
〈100 million yen〉

1,301



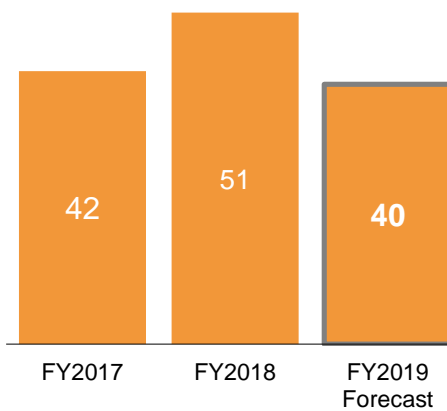
## Information

【FY2017 vs FY2018】 +81.8%



## Others

【FY2017 vs FY2018】 -21.6%





## **II. Appendix**

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

# 1. Quarterly Financial Summary of FY 2017 - 2018

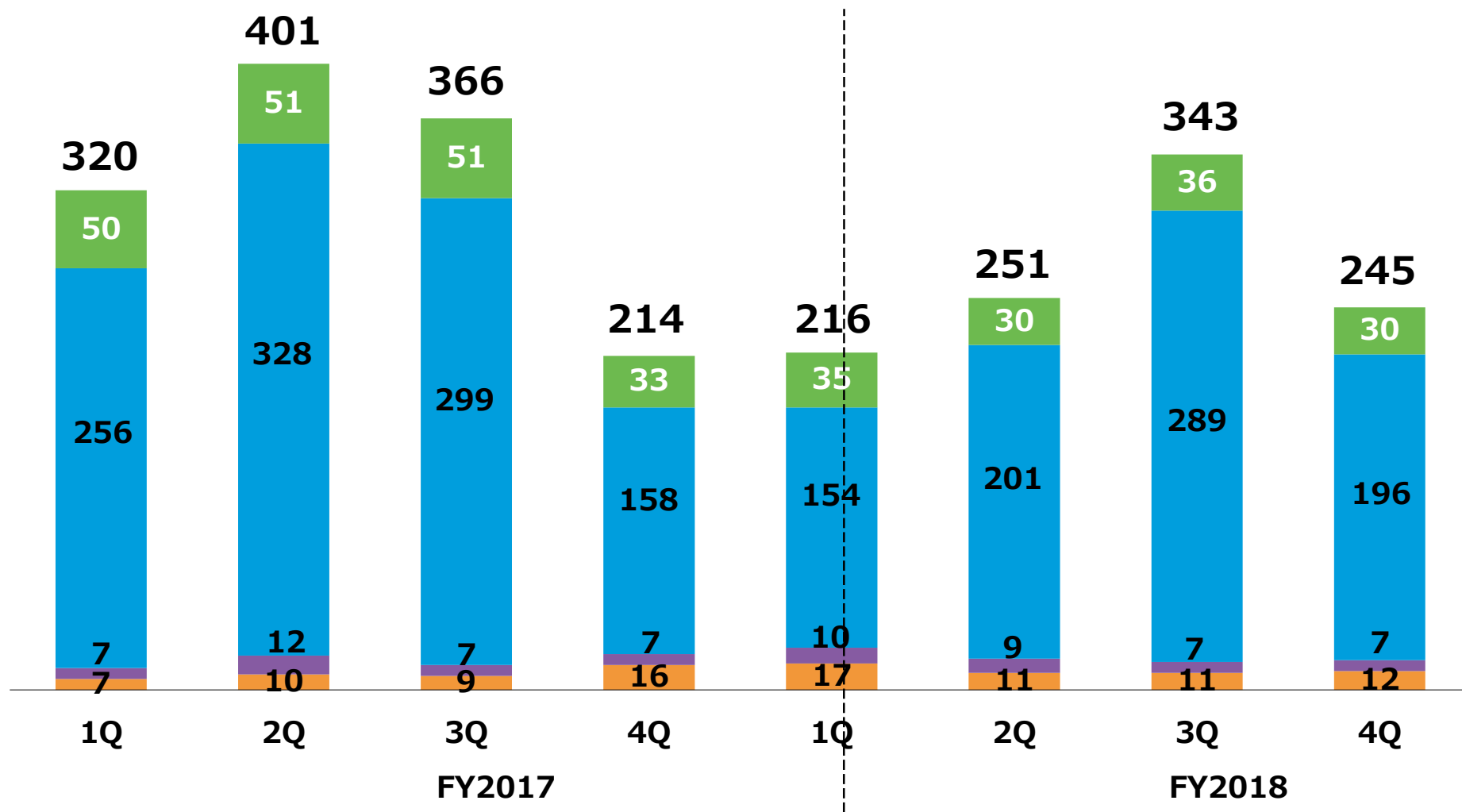
〈100 million yen〉

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net Sales</b>	<b>320</b>	<b>401</b>	<b>366</b>	<b>214</b>	<b>216</b>	<b>251</b>	<b>343</b>	<b>245</b>
<b>Operating Income</b>	<b>- 23</b>	<b>- 17</b>	<b>- 18</b>	<b>- 50</b>	<b>- 12</b>	<b>- 4</b>	<b>11</b>	<b>11</b>
( Margin )	(-7.3%)	(-4.3%)	(-5.0%)	(-23.4%)	(-5.7%)	(-1.6%)	(3.4%)	(4.8%)
<b>Ordinary Income</b>	<b>- 21</b>	<b>- 14</b>	<b>- 22</b>	<b>- 60</b>	<b>- 9</b>	<b>7</b>	<b>+0</b>	<b>14</b>
( Margin )	(-6.7%)	(-3.7%)	(-6.1%)	(- 28.3%)	(-4.2%)	(2.9%)	(0.2%)	(6.1%)
<b>Net Income Attributable to owners of parent</b>	<b>- 15</b>	<b>115</b>	<b>- 24</b>	<b>- 92</b>	<b>- 0</b>	<b>6</b>	<b>+0</b>	<b>19</b>
( Margin )	(-4.7%)	(-28.9%)	(-6.6%)	(-43.1%)	(-0.1%)	(2.7%)	(0.2%)	(7.8%)
<b>Average USD-JPY Exchange Rate</b>	<b>111.<sup>41</sup></b>	<b>111.<sup>16</sup></b>	<b>112.<sup>73</sup></b>	<b>107.<sup>46</sup></b>	<b>109.<sup>53</sup></b>	<b>111.<sup>88</sup></b>	<b>112.<sup>57</sup></b>	<b>110.<sup>27</sup></b>

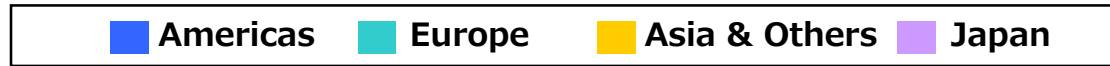
# 2. Quarterly Sales Trends by Equipment



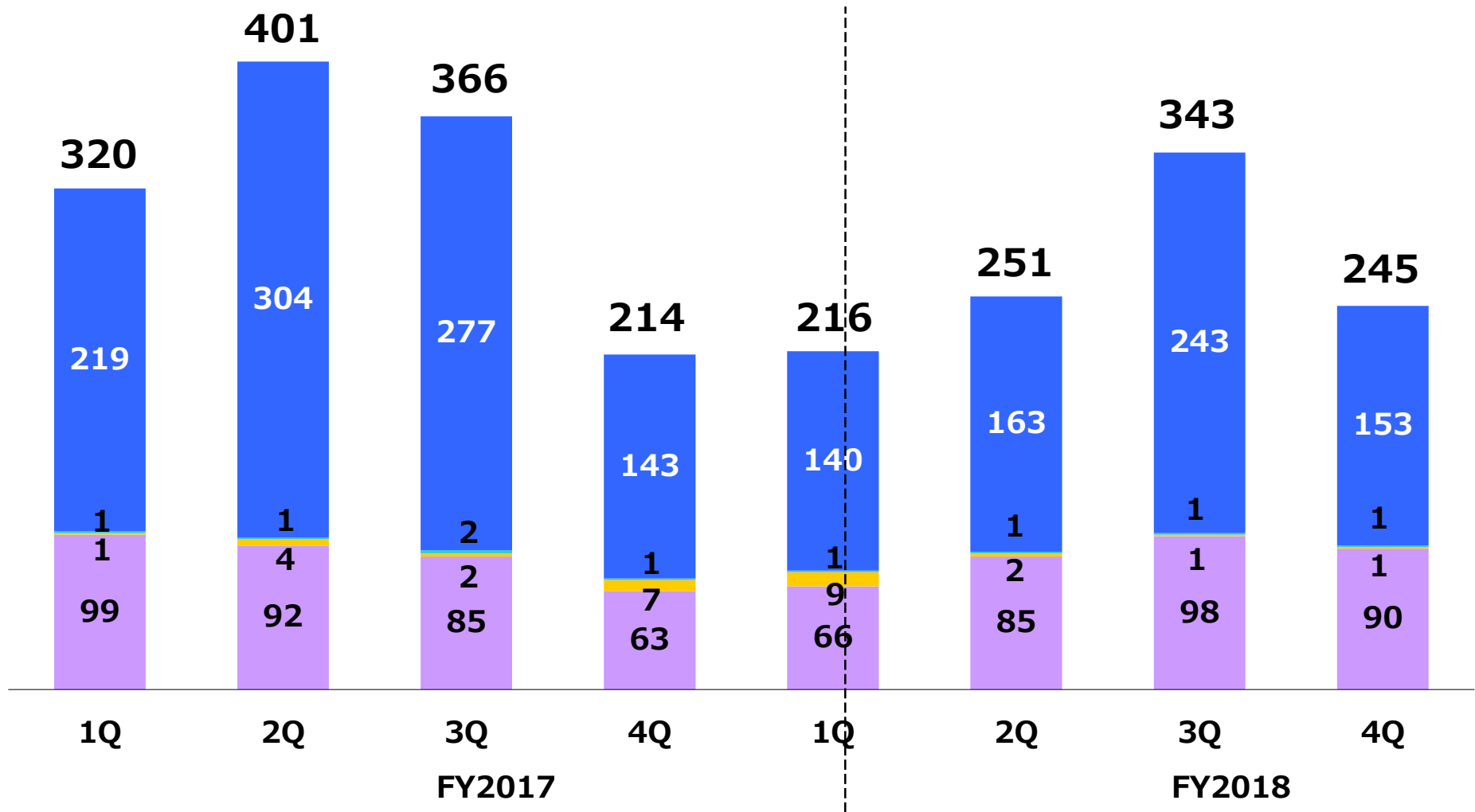
〈100 million yen〉



# 3. Quarterly Sales Trends by Geography



〈100 million yen〉



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