



Presentation of Financial Results for the 2nd Quarter (Apr.-Sep.) of FY2015

November 10, 2015

FUNAI ELECTRIC CO., LTD.

TSE 6839

Outline of Financial Results

1. Summary of 2nd Quarter(Jul.-Sep.)
2. Summary of 2nd Quarter (Apr.-Sep.)
3. Summary of 2nd Quarter (Apr.-Sep.) (Ordinary Income, Net Income)
4. Breakdown of Sales by Equipment
5. Sales of DVD related Equipment
6. Sales of LCD Television
7. Geographic Breakdown of Sales
8. Breakdown of Changes in Operating Income
9. Financial Conditions
10. Changes of Inventories
11. Capital Expenditures, Depreciation Expense and R&D Expenditures
12. Revised Financial Forecast for FY2015
13. Revised Forecast of Sales by Equipment for FY2015
14. Revised Forecast of Sales by Geography for FY2015

1. Summary of 2nd Quarter (Jul.-Sep.)



(100 million yen)

	FY 2014 Jul-Sep	FY 2015 Jul-Sep	Y/Y
Net Sales	728	491	-237 (-32.5%)
Operating Income (Margin)	34 (4.7%)	-11 (-2.3%)	-45
Ordinary Income (Margin)	52 (7.2%)	-30 (-6.1%)	-82
Net Income Attributable to owners of parent (Margin)	49 (6.8%)	-36 (-7.5%)	-85

Average USD-JPY Exchange Rate	105. ³⁴	121. ⁷²
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Month End Exchange Rate	Jun/14	Sep/14	Jun/15	Sep/15
(USD/JPY)	101. ³⁶	109. ⁴⁵	122. ⁴⁵	119. ⁹⁶

2. Summary of 2nd Quarter (Apr.-Sep.)



(100 million yen)

	2Q FY2014 Actual	2Q FY2015 Forecast	2Q FY2015 Actual	Difference (Y / Y)	Difference (Forecast)
Net Sales	1,158	911	868	-290 (-25.0%)	-43 (95.3%)
Operating Income (Margin)	13 (1.2%)	-14 (-1.5%)	-54 (-6.3%)	-67	-40
Ordinary Income (Margin)	27 (2.4%)	-18 (-2.0%)	-67 (-7.8%)	-94	-49
Net Income Attributable to owners of parent (Margin)	26 (2.3%)	-21 (-2.3%)	-76 (-8.8%)	-102	-55

Average USD-JPY Exchange Rate	103. ⁶¹	118. ⁰⁰	121. ⁷²
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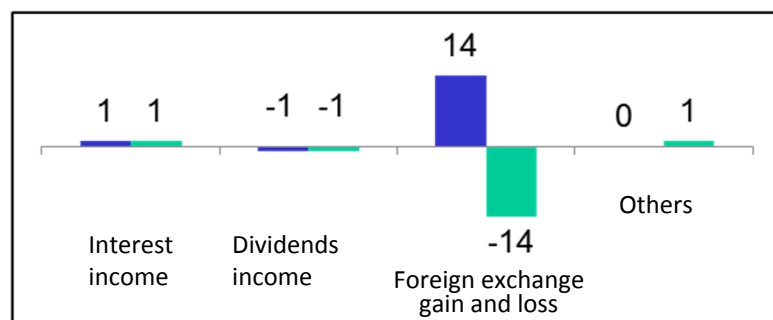
Month End Exchange Rate	Mar/14	Sep/14	Jun/15	Sep/15
(USD/JPY)	102. ⁹²	109. ⁴⁵	120. ¹⁷	119. ⁹⁶

3. Summary of 2st Quarter (Apr.-Jun.) (Ordinary Income, Net Income)

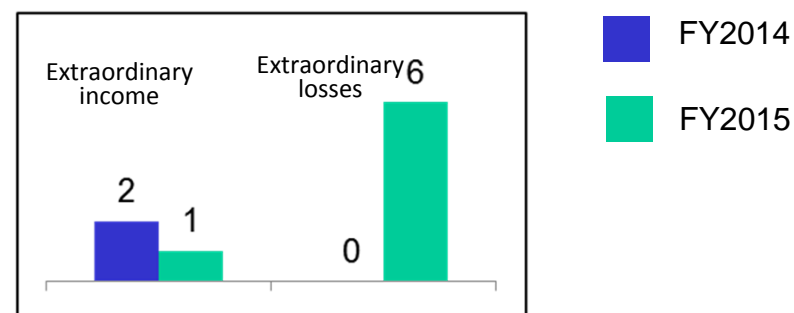
(100 million yen)

	2Q FY2014	2Q FY2015	Y / Y
Non-operating income	18	(note:1) { 3	-15
Non-operating expenses	4	{ 16	+12
Ordinary Income	27	-67	-94
Extraordinary income	2	(note:2) { 1	-1
Extraordinary losses	0	{ 6	+6
Income before Income Taxes	29	-72	-101
Income taxes	3	4	+1
Net Income Attributable to owners of parent	26	-76	-102

(note:1 Non-operating income and expenses)



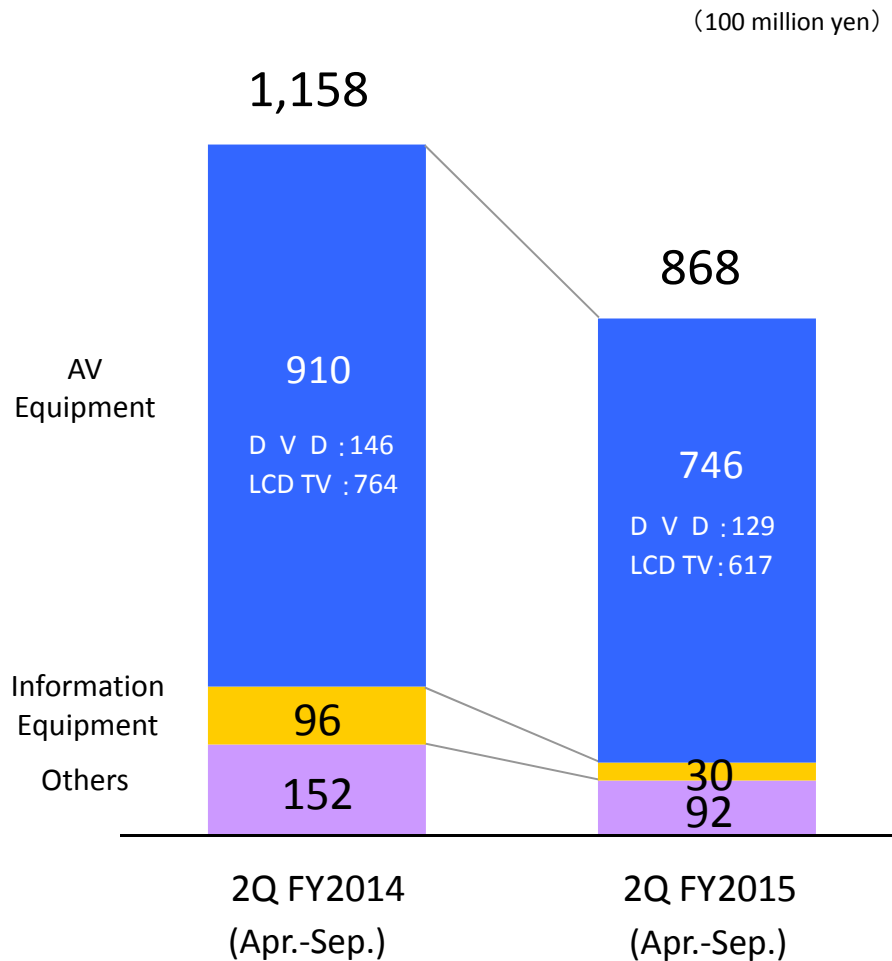
(note:2 Extraordinary income and losses)



4. Breakdown of Sales by Equipment

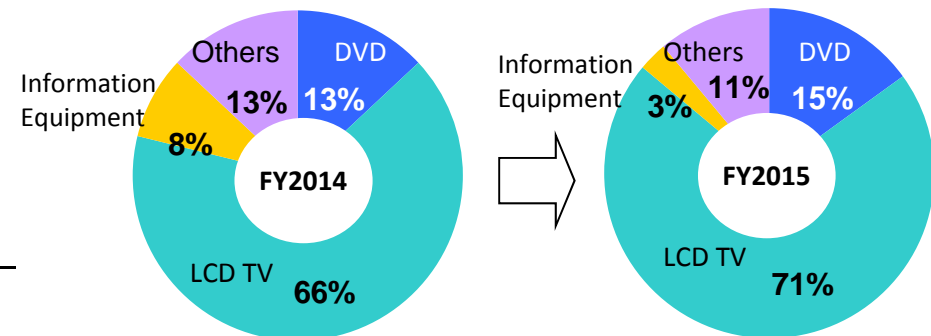
- AV Equipment: Decreased, because last year the shipment of LCD TVs for year-end sales season focused on the first half.
- Info Equipment: Decreased, LBP Printers
- Others: Declined, Antennas and Audio Accessories.

(100 million yen)



Y/Y		
AV Equipment	: -164	(-18.0%)
DVD Equip.	: -17	(-11.6%)
LCD TV	: -147	(-19.2%)
Information Equipment	: -66	(-68.7%)
Others	: -60	(-38.9%)
Total	: -290	(-25.0%)

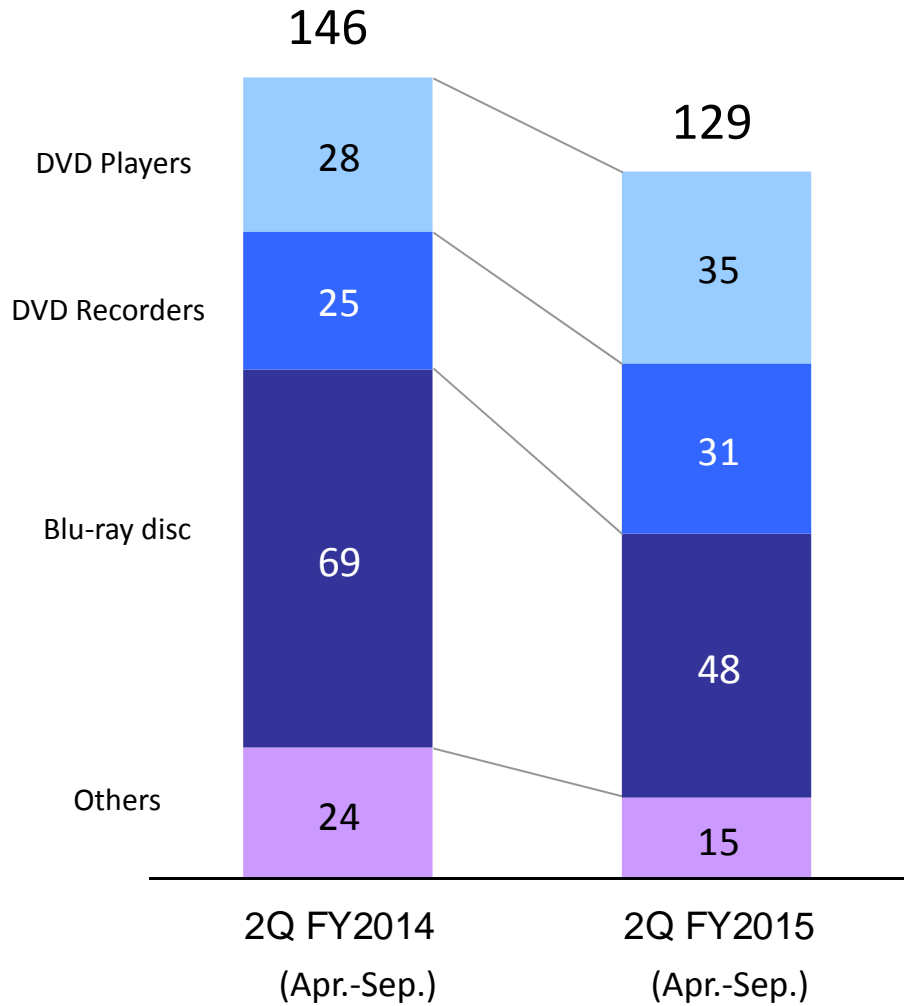
Sales Composition



5. Sales of DVD related Equipment

➤ DVD-VCR products increased, but Blu-ray Disc related products decreased, because the market has been shrinking.

(100 million yen)



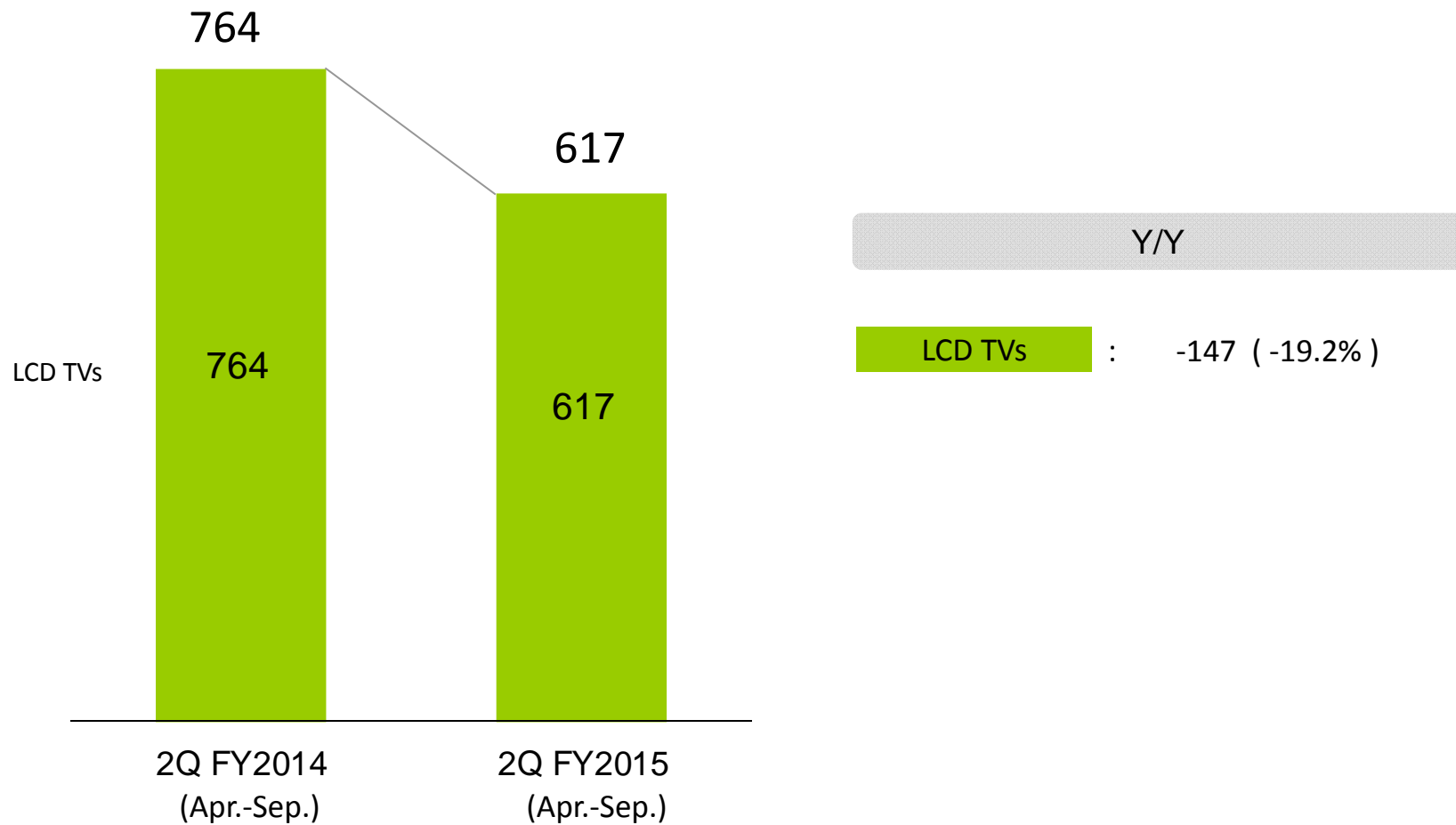
(100 million yen)

	Y/Y
DVD Players	+ 7 (+25.0%)
DVD Recorders	+ 6 (+24.0%)
Blu-ray disc	- 21 (- 30.4%)
Others	- 9 (- 37.5%)
Total	-17 (- 11.6%)

6. Sales of LCD Television

- The sales of SANYO products was strong, but overall sales decreased due to intensifying price competition in some LCD TVs markets.

(100 million yen)

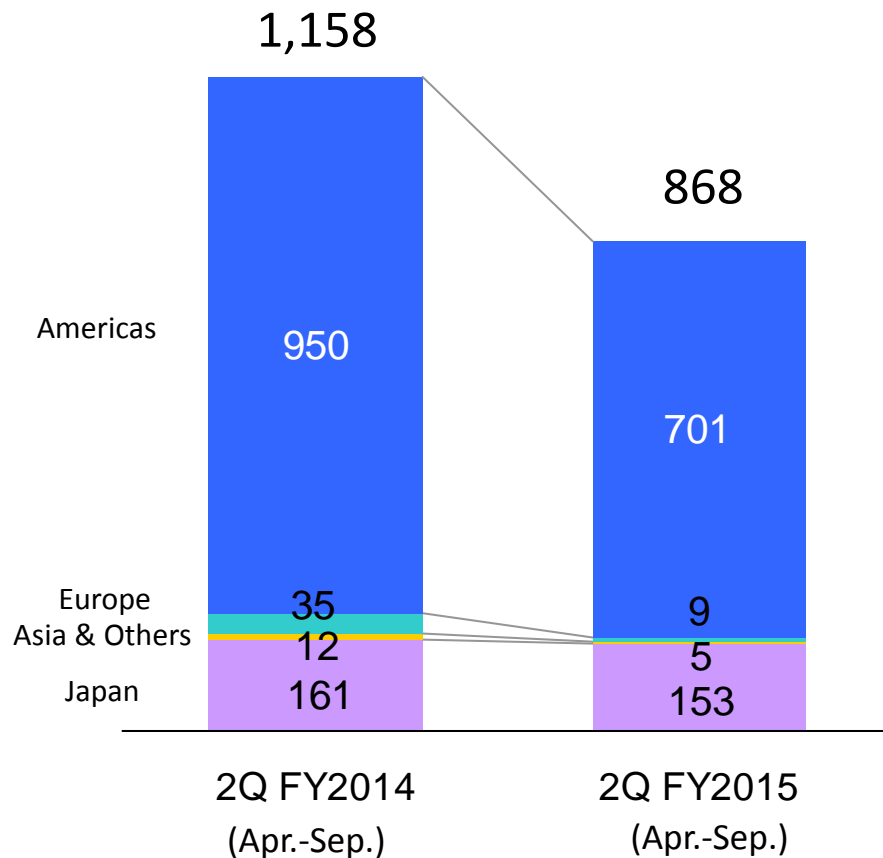


7. Geographic Breakdown of Sales



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

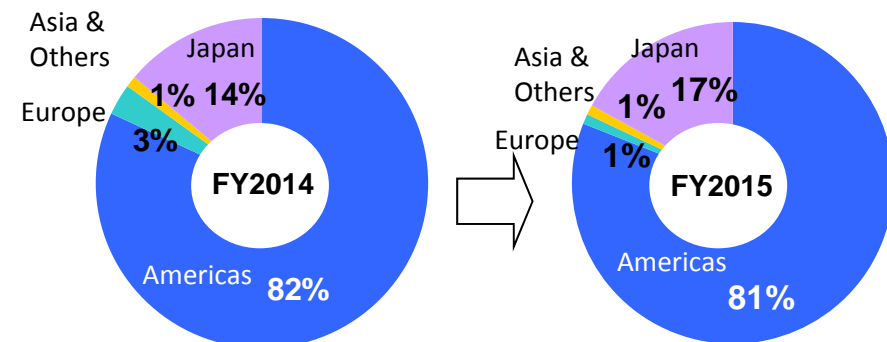
(100 million yen)



Y/Y

Americas	: - 249	(- 26.2%)
Europe	: - 26	(- 73.5%)
Asia & Others	: - 7	(- 55.2%)
Japan	: - 8	(- 4.6%)
Total	: - 290	(- 25.0%)

Sales Composition

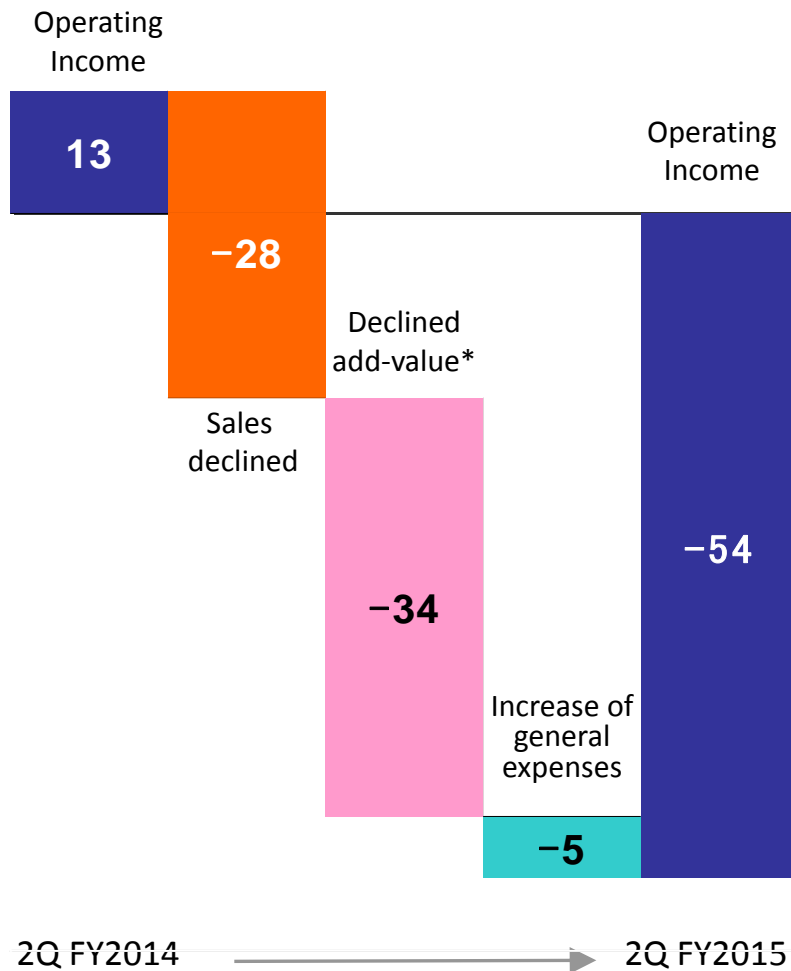


8. Breakdown of Changes in Operating Income



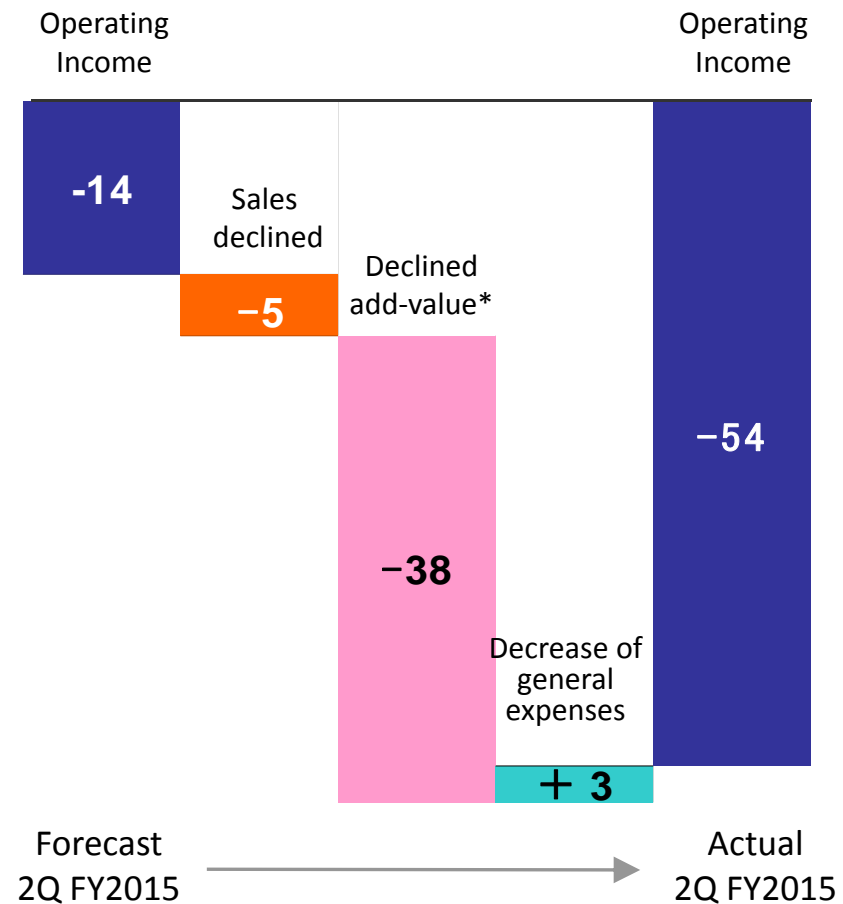
* Add-value=Sales – (Cost of sales + selling expenses)

FY2014 vs FY2015



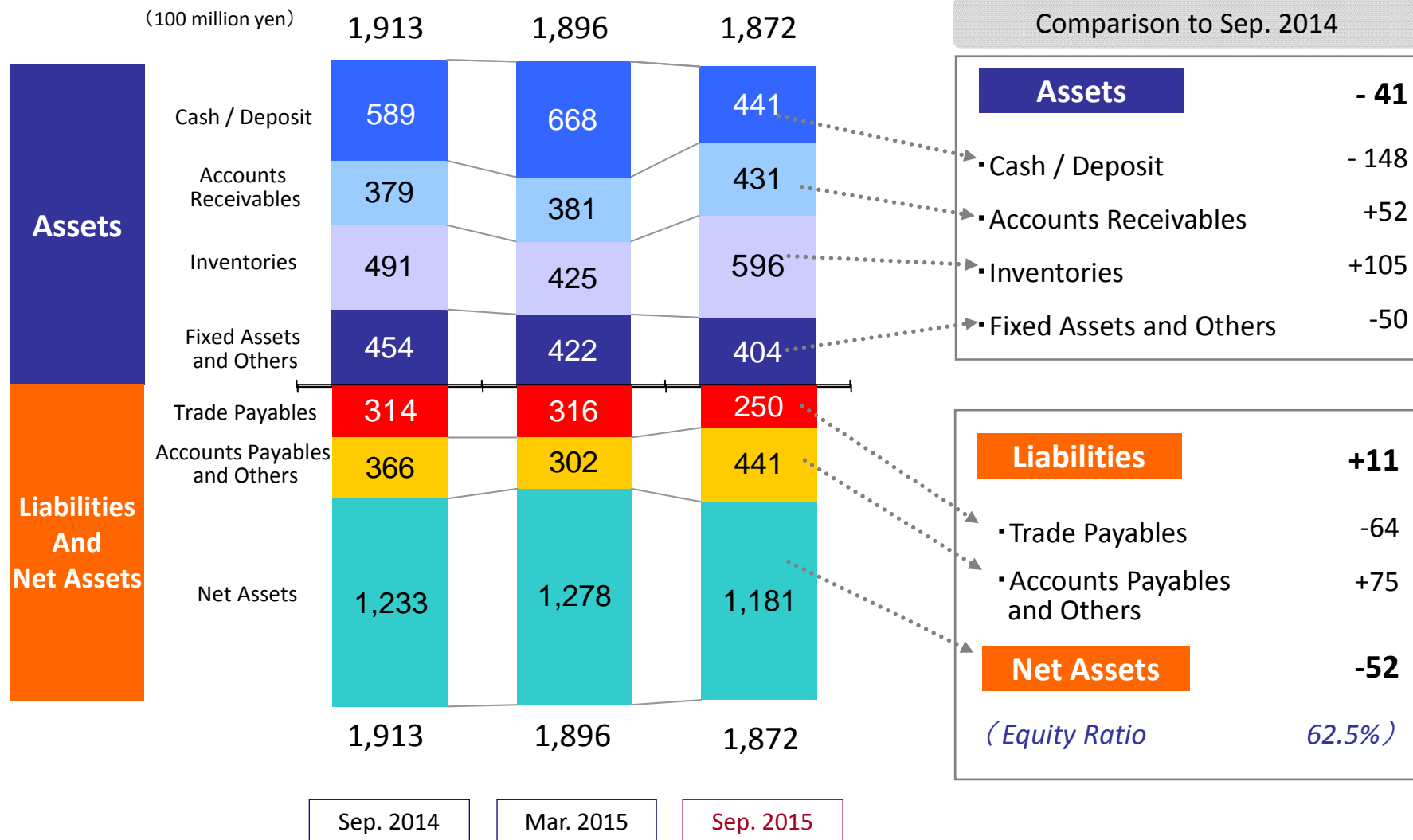
Forecast vs Actual

(100 million yen)



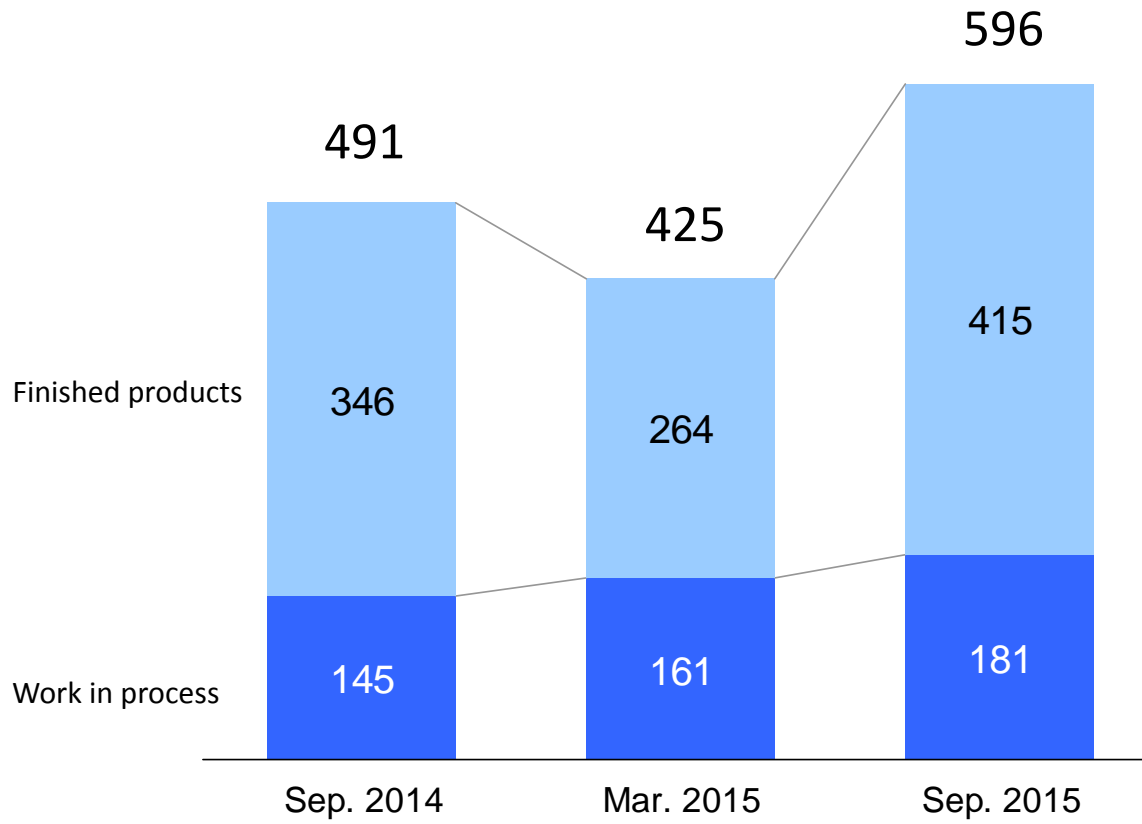
9. Financial Conditions

(100 million yen)

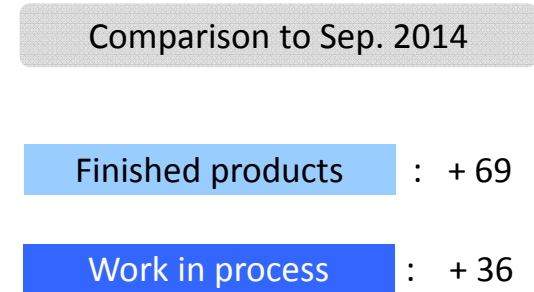


10. Changes of Inventories

(100 million yen)



(100 million yen)



<Inventories Turnover>



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

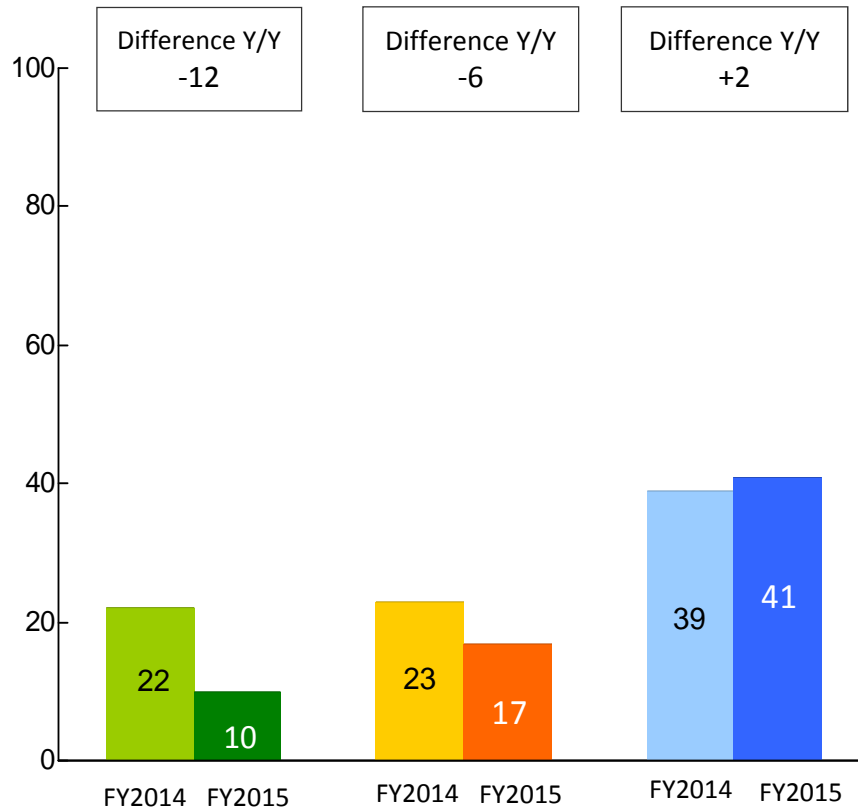
2Q (Apr.-Sep.)

Full Year

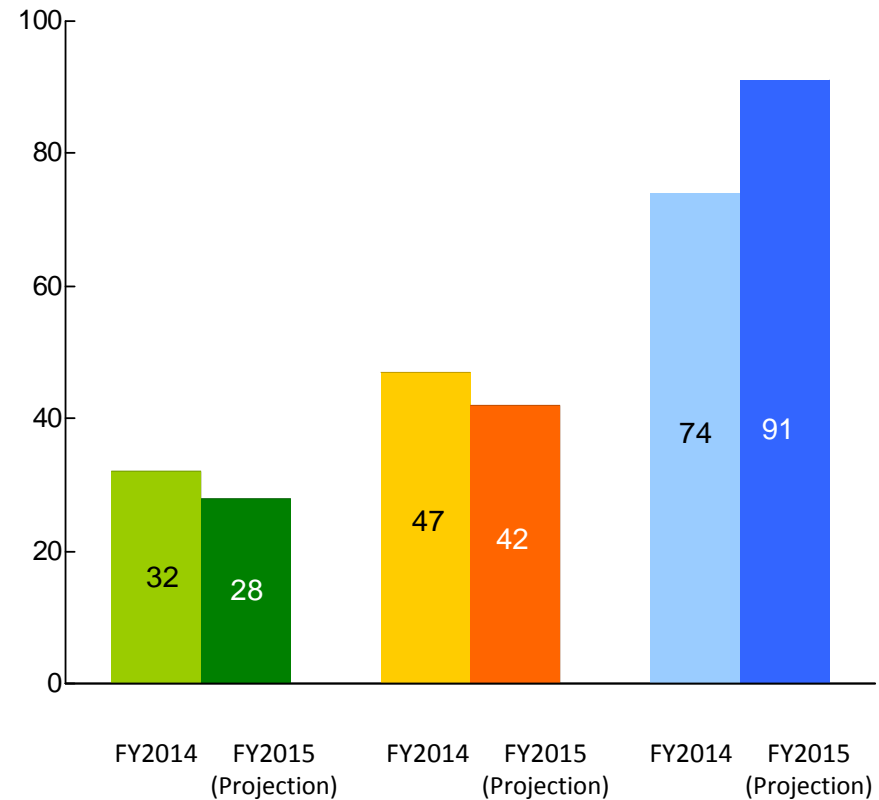
Capital Expenditures Depreciation Expense R&D Expenditures

Capital Expenditures Depreciation Expense R&D Expenditures

(100 million yen)



(100 million yen)



12. Revised Financial Forecast for FY2015(Full year)



(100 million yen)

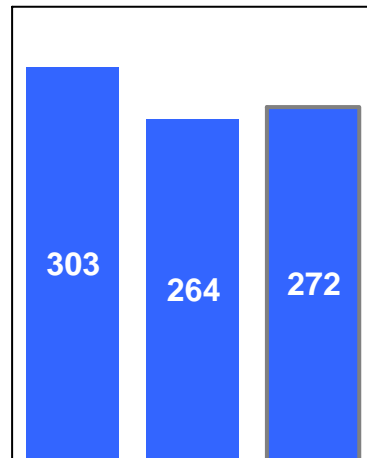
	FY2014 Actual	FY2015 Previous Forecast	FY2015 Revised Forecast	Difference (Y/Y)	Difference (Previous Forecast)
Net Sales	2,170	2,200	1,879	-291 (-13.4%)	-321 (85.4%)
Operating Income (Margin)	5 (0.3%)	16 (0.7%)	-60 (-3.2%)	-65	-76
Ordinary Income (Margin)	19 (0.9%)	12 (0.5%)	-75 (-4.0%)	-94	-87
Net Income Attributable to owners of parent (Margin)	13 (0.6%)	4 (0.2%)	-95 (-5.1%)	-108	-99
Average USD-JPY Exchange Rate	110. ⁶²	118. ⁰⁰	119. ⁸⁶		

13. Revised Forecast of Sales by Equipment for FY2015



(100 million yen)

DVD related Equipment

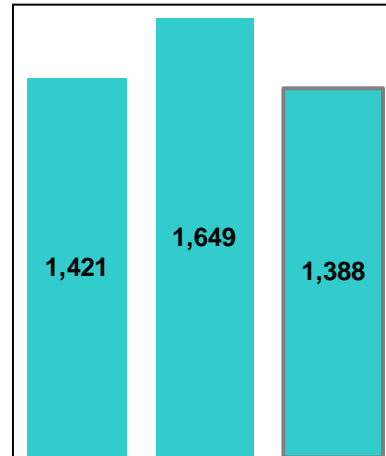


(Comparison to Previous Forecast)
+ 2.9%

【Plus Factor】
• The sales of DVD will be strong

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

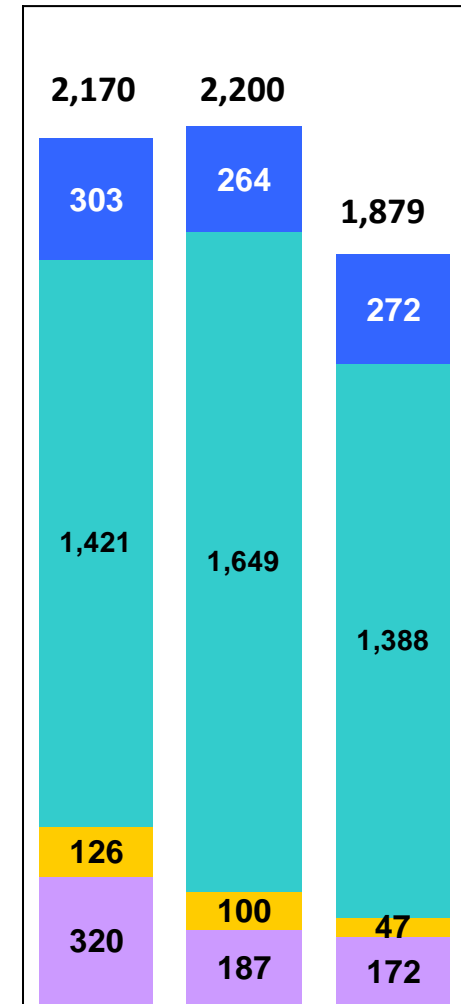
TV related Equipment



(Comparison to Previous Forecast)
- 15.8%

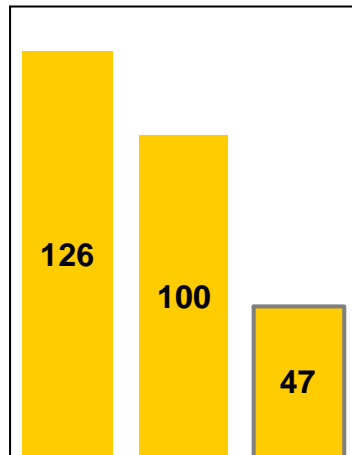
【Plus Factor】
• Severe price and share competition

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast



Mar. 2014 Mar. 2015 Previous Forecast Mar. 2015 Revised Forecast

Information Equipment

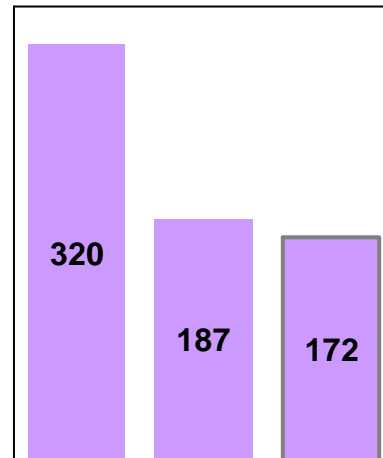


(Comparison to Previous Forecast)
- 53.0%

【Minus Factor】
• The sales of Printers will be weak

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

Others



(Comparison to Previous Forecast)
- 8.0%

【Minus Factor】
• Antenna

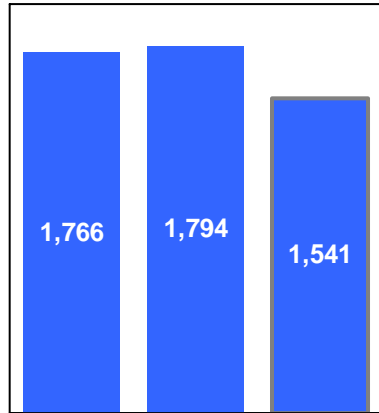
FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

14. Revised Forecast of Sales by Geography for FY2015



(100 million yen)

Americas

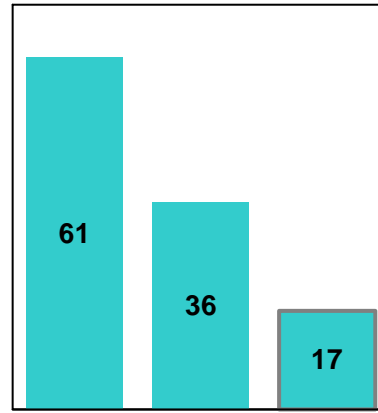


(Comparison to Previous Forecast)
-14.1%

【Minus Factor】
• Severe price and share competition in LCD TVs market

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

Europe

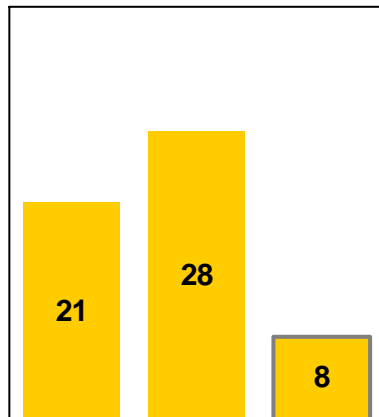


(Comparison to Previous Forecast)
- 52.4%

【Minus Factor】
• LCD TVs will be weak

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

Asia & Others

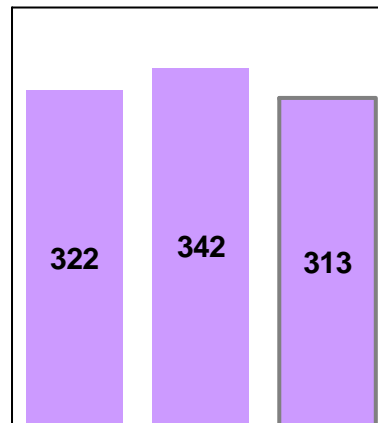


(Comparison to Previous Forecast)
-70.5%

【Minus Factor】
• LCD TVs and Printers will be weak

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

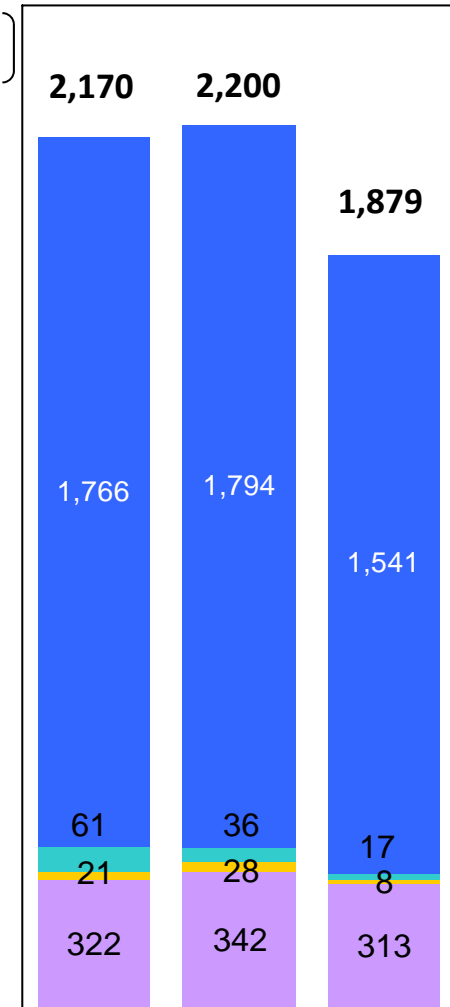
Japan



(Comparison to Previous Forecast)
- 8.5%

【Minus Factor】
• Antenna

FY2014 FY2015 Previous Forecast FY2015 Revised Forecast



FY2014 FY2015 Previous Forecast FY2015 Revised Forecast

Appendix

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

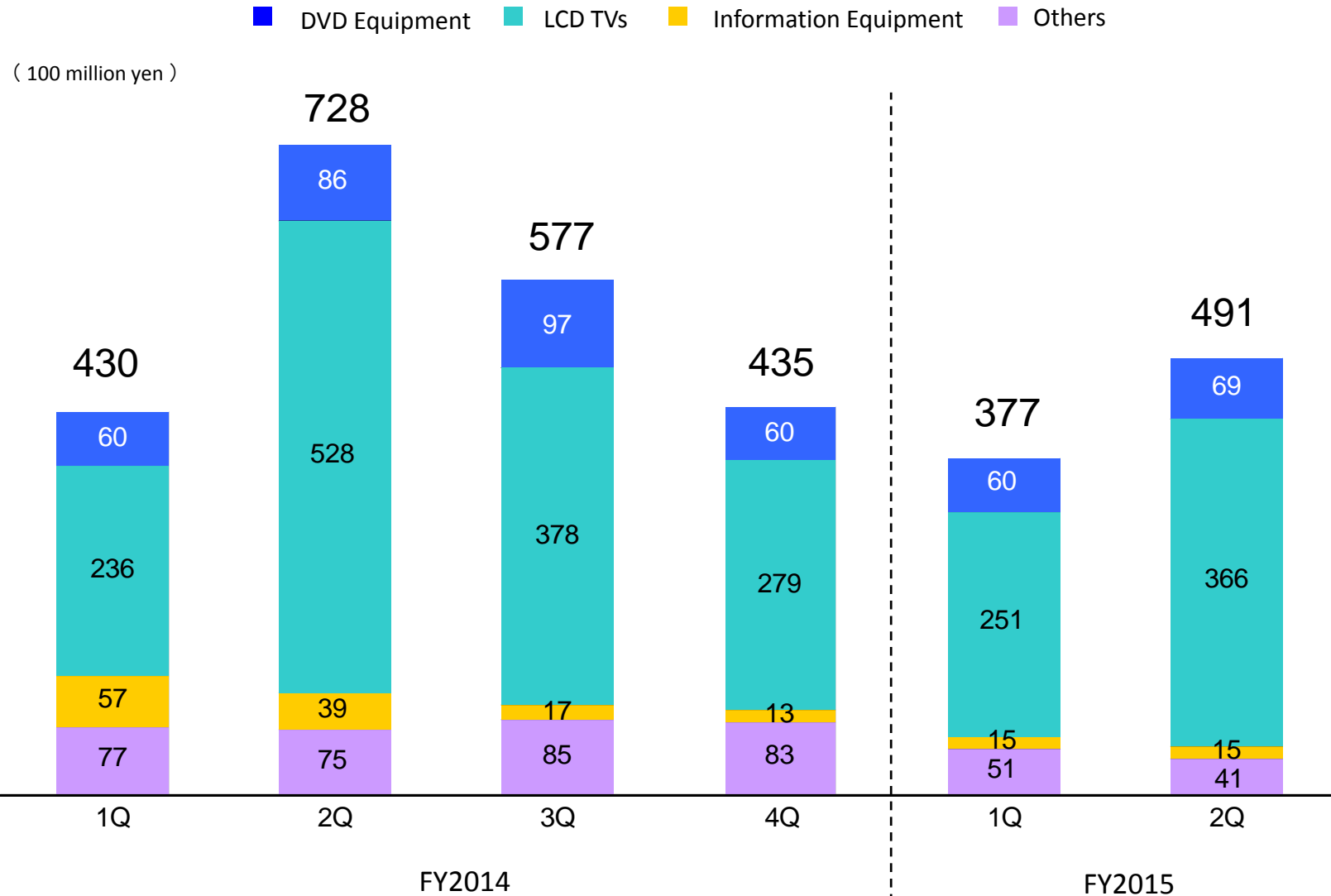
1. Quarterly Operating Summary of FY2014 / 2015



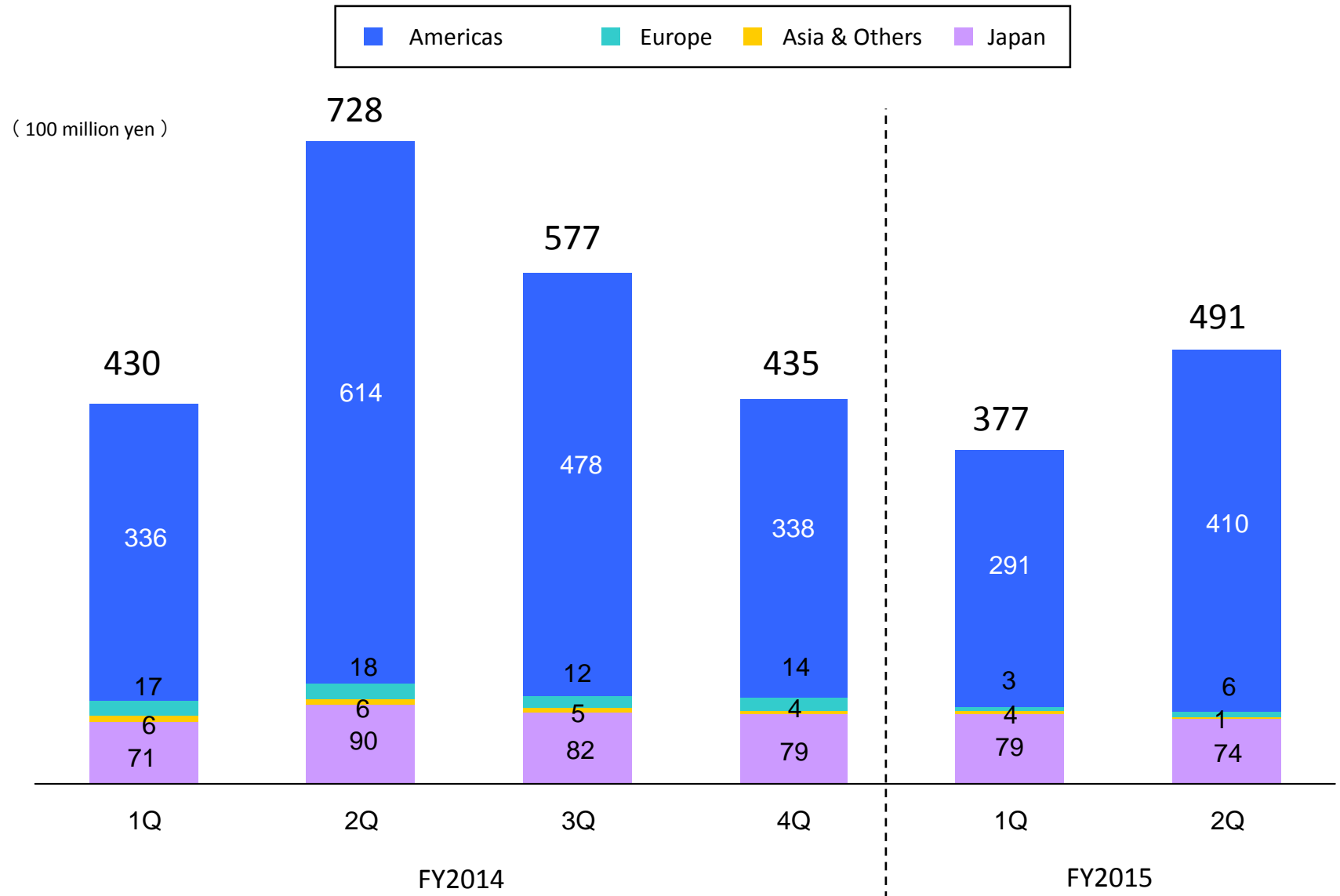
(100 million yen)

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

2. Quarterly Changes of Sales Amount by Equipment



3. Quarterly Changes of Sales Amount by Geography



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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