



Presentation of FY2013 Operating Results

May 13, 2014

FUNAI ELECTRIC CO., LTD.

TSE 6839

I . Outline of Operating Results

1. Summary of 4th Quarter (Jan.-Mar.)
2. Summary of Fiscal 2013 ending March 2014
3. Summary of Fiscal 2013 ending March 2014 (Ordinary Income, Net Income)
4. Breakdown of Sales by Equipment
5. Sales of DVD related Equipment
6. Sales of Television related Equipment
7. Geographic Breakdown of Sales
8. Factor of Changes of Operating Income
9. Financial Conditions
10. Changes of Inventories
11. Projection of Fiscal 2014 ending March 2015
12. Projection of Sales by Equipment in Fiscal 2014 ending March 2015
13. Projection of Sales by Geography in Fiscal 2014 ending March 2015
14. Capital Expenditures, Depreciation Expense and R&D Expenditures

1. Summary of 4th Quarter (Jan.-Mar.)



(100 million yen)

	FY2012	FY2013	Y/Y
Net Sales	450	485	+35 (+7.9%)
Operating Income (M a r g i n)	-34 (-7.6%)	-59 (-12.2%)	-25
Ordinary Income (M a r g i n)	-4 (-1.1%)	-70 (-14.5%)	-66
Net Income (M a r g i n)	-62 (-13.9%)	-84 (-17.5%)	-22

Average USD-JPY Exchange Rate	92. ⁵⁶	102. ⁵⁷
----------------------------------	-------------------	--------------------

Month End Exchange Rate	12/12	13/3	13/12	14/3
(USD/JPY)	86. ⁵⁸	94. ⁰⁵	105. ³⁹	102. ⁹²

2. Summary of Fiscal 2013 ending March 2014



(100 million yen)

	FY2012	Projection	FY2013	Y/Y (Actual base)	Y/Y (Projection base)
Net Sales	1,920	2,300	2,340	+420 (+21.9%)	+40 (101.7%)
Operating Income (M a r g i n)	-52 (-2.7%)	-51 (-2.2%)	-54 (-2.3%)	-2	-3
Ordinary Income (M a r g i n)	-3 (-0.2%)	-25 (-1.1%)	-22 (-1.0%)	-19	+3
Net Income (M a r g i n)	-85 (-4.4%)	-65 (-2.8%)	-67 (-2.9%)	+18	-2

Average USD-JPY Exchange Rate	83. ³²	100. ²⁷	100. ⁴⁹
----------------------------------	-------------------	--------------------	--------------------

Month End Exchange Rate	13/3	14/3
(USD/JPY)	94. ⁰⁵	102. ⁹²

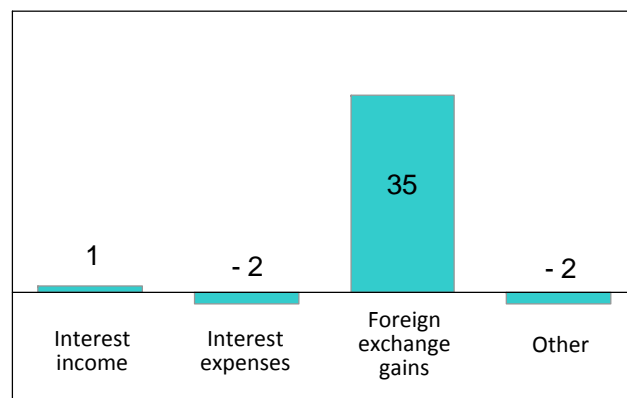
3. Summary of Fiscal 2013 ending March 2014 (Ordinary Income, Net Income)



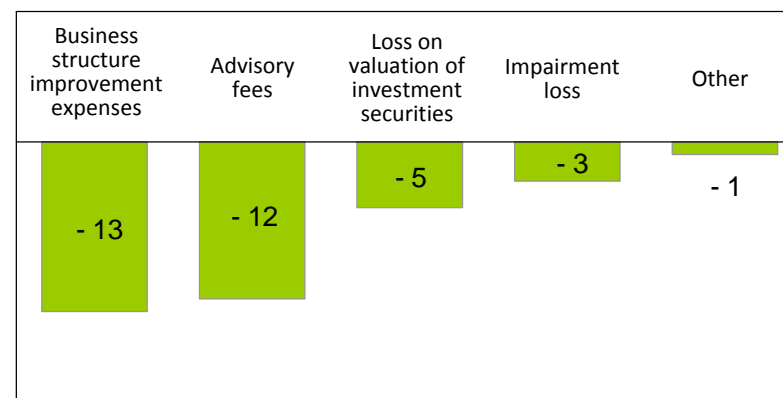
(100 million yen)

	FY2012	FY2013	Y/Y
Non-operating income	53	(※1) { 44	-9
Non-operating expenses	4	{ 12	+8
Ordinary Income	-3	-22	-19
Extraordinary income	4	(※2) { 0	-4
Extraordinary loss	26	{ 34	+8
Income before Income taxes	-25	-56	-31
Income taxes	8	5	-3
Income taxes for prior periods	9	0	-9
Income tax adjustments	43	6	-37
Net Income	-85	-67	+18

(※1 Non-operating profit and loss)



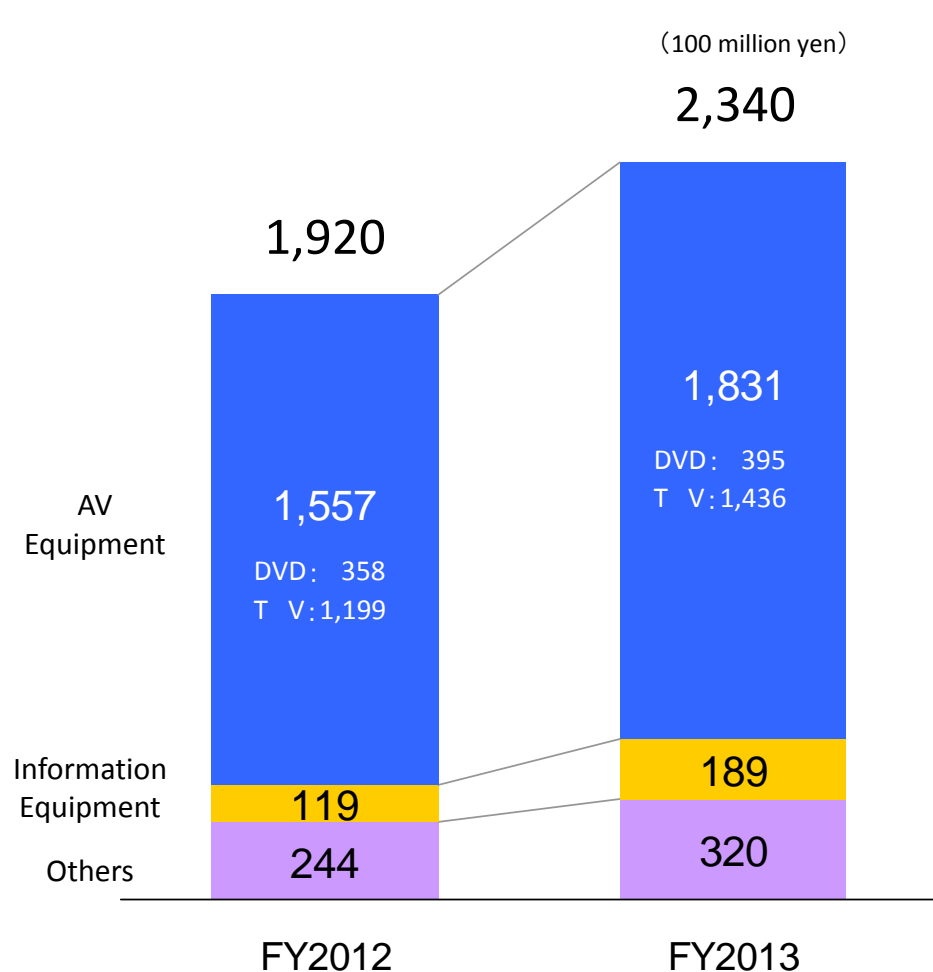
(※2 Extraordinary loss)



4. Breakdown of Sales by Equipment

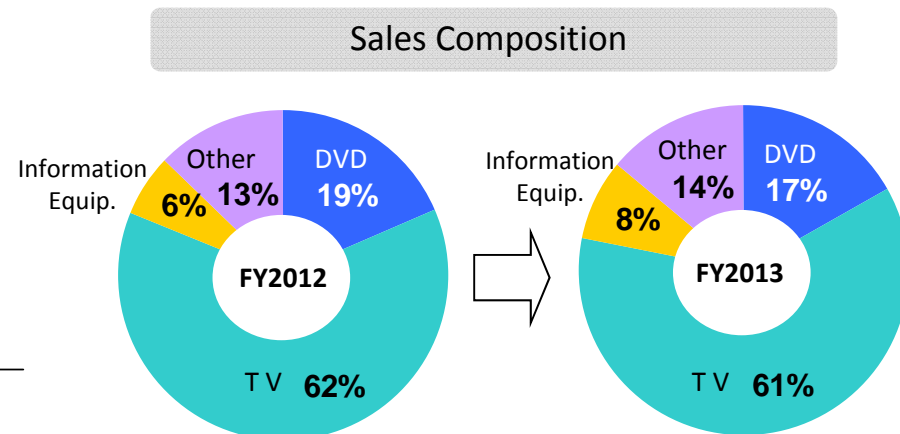


- LCD TVs Increased Revenue because of Strong Sales in North America and Mexican Market.
- In the Information Equipment Sector, Sales of Printers Increased and Ink Cartridges Contributed to the Sales.
- Revenues of Other Sector Increased by the Sales Growth of Audio Accessories Products.



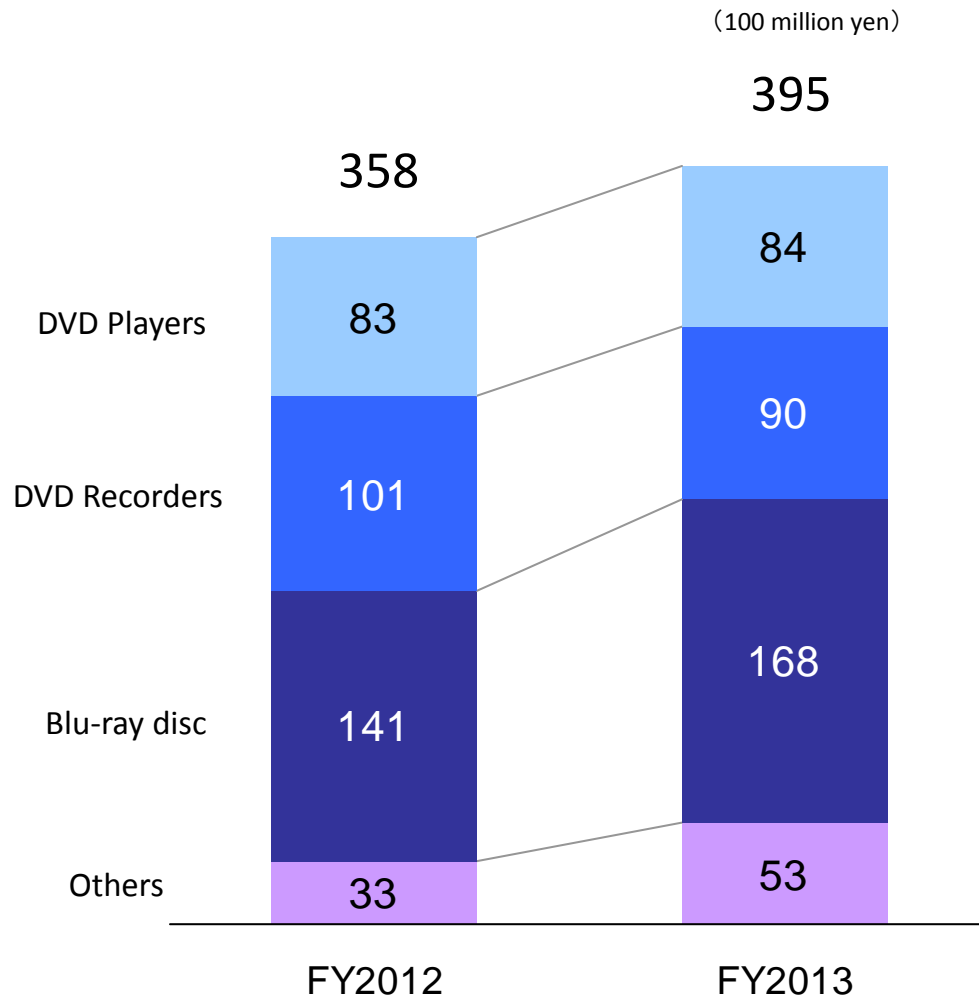
(100 million yen)

Y/Y	
AV Equipment	: +274 (+17.6%)
DVD Equip.	: + 37 (+ 10.3%)
T V Equip.	: +237 (+ 19.8%)
Information Equipment	: + 70 (+57.8%)
Others	: + 76 (+31.6%)
Total	: +420 (+21.9%)



5. Sales of DVD related Equipment

➤ BD Players Sales Increased in North America and BD Recorders Sales Increased in Japan.

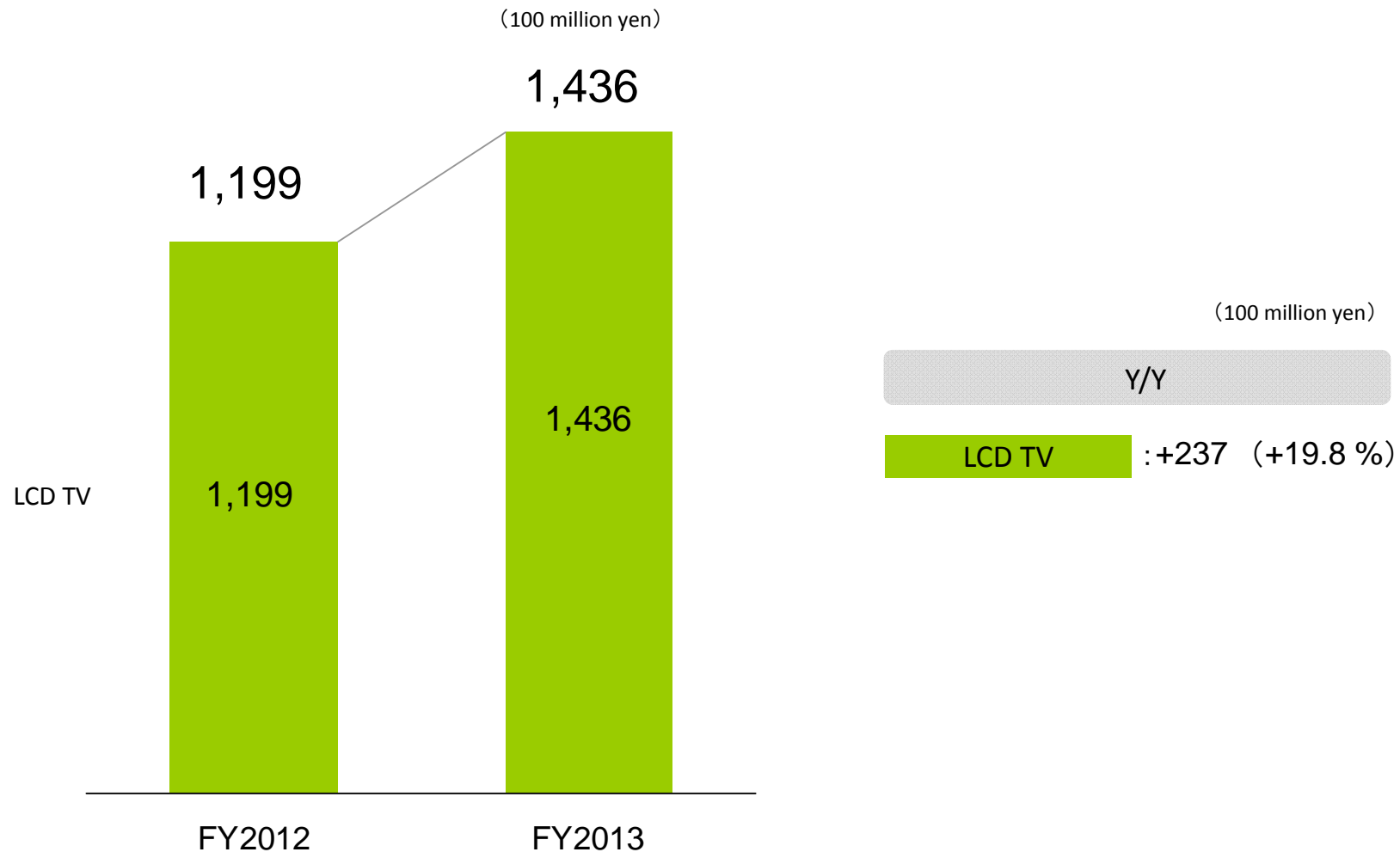


(100 million yen)

	Y/Y
DVD Players	: + 1 (+ 1.2%)
DVD Recorders	: - 11 (-10.9%)
Blu-ray disc	: + 27 (+19.1%)
Others	: + 20 (+60.6%)
Total	: + 37 (+10.3%)

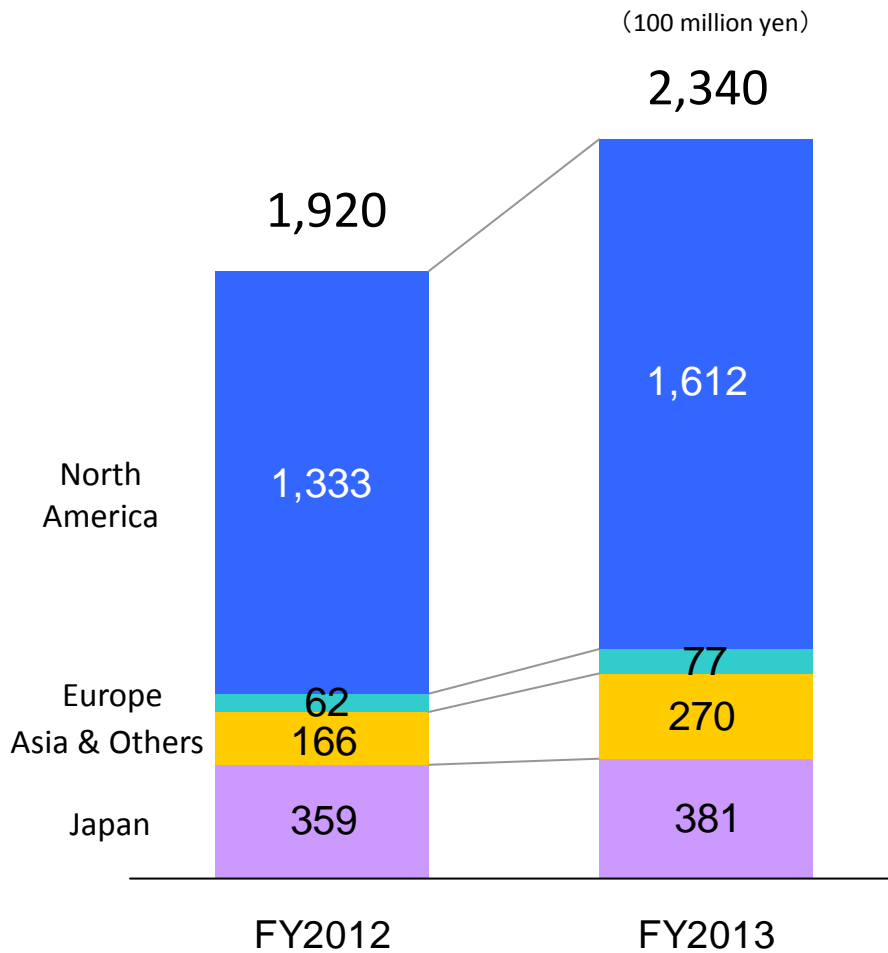
6. Sales of Television related Equipment

- Sales for the European Market Slightly Reduced, but Increased in North America, Japan and Mexico.



7. Geographic Breakdown of Sales

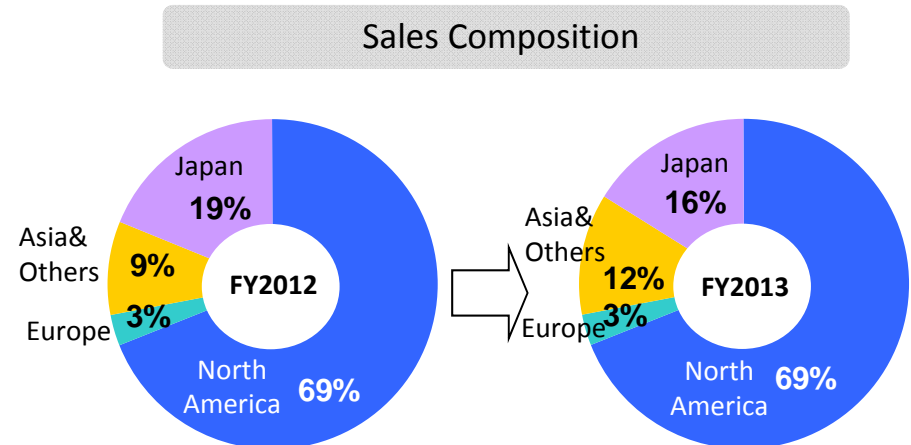
- Sales of LCD TVs, Audio Accessories Products, DVD-related Products and Information Equipment Increased in North America.
- Sales of LCD TVs for the Mexican Market Showed Steady Increases in Other Region.



(100 million yen)

Y/Y

North America	: +279 (+21.0%)
Europe	: + 15 (+24.8%)
Asia & Others	: +104 (+62.7%)
Japan	: + 22 (+ 6.3%)
Total	: +420 (+21.9%)

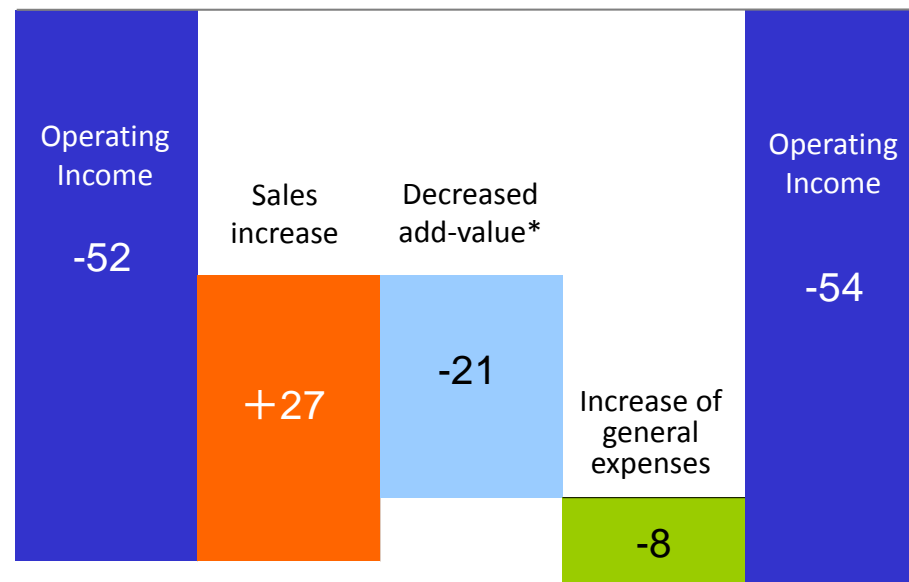


8. Factor of Changes of Operating Income

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

(100 million yen)

Comparison to FY2012

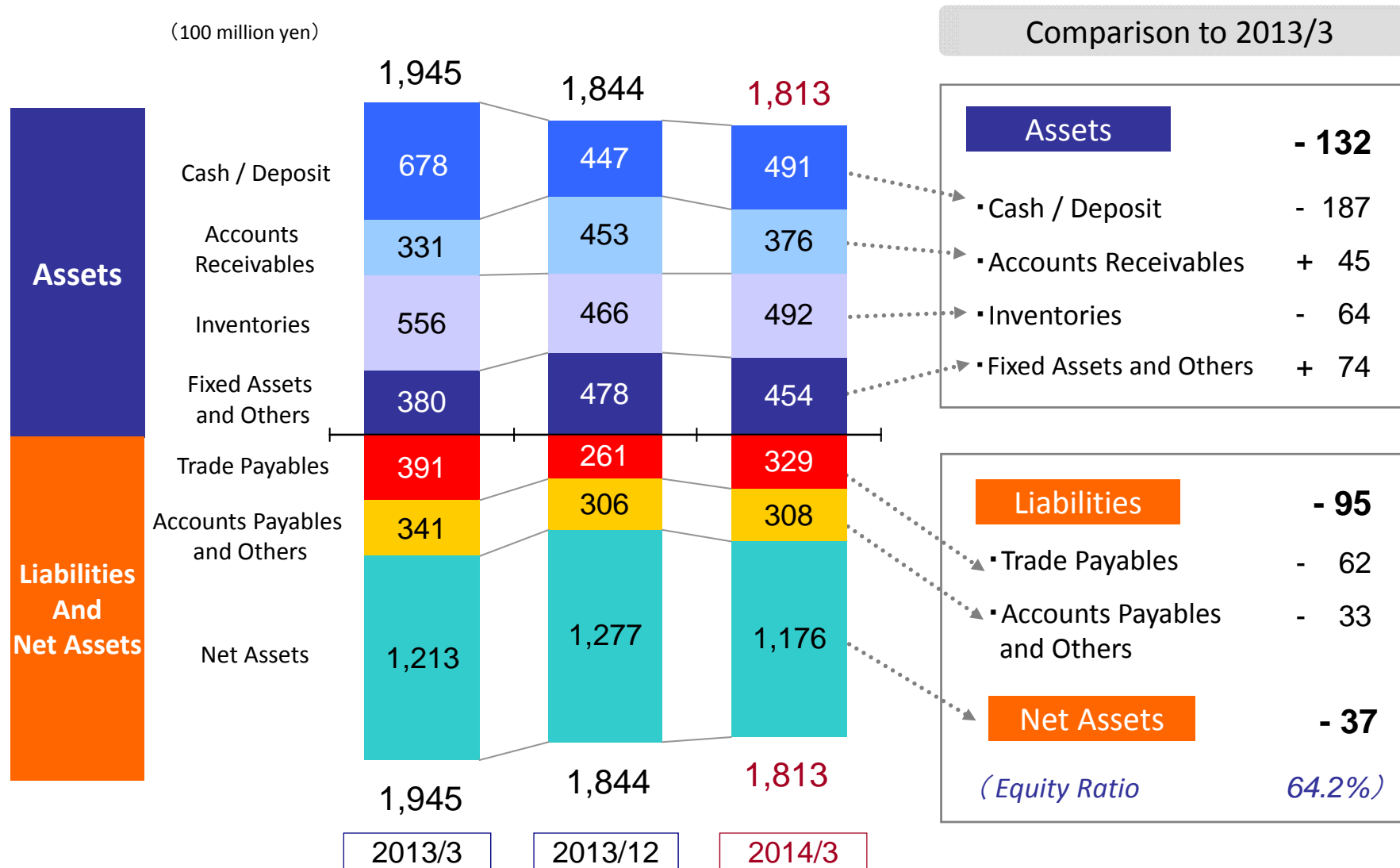


FY2012

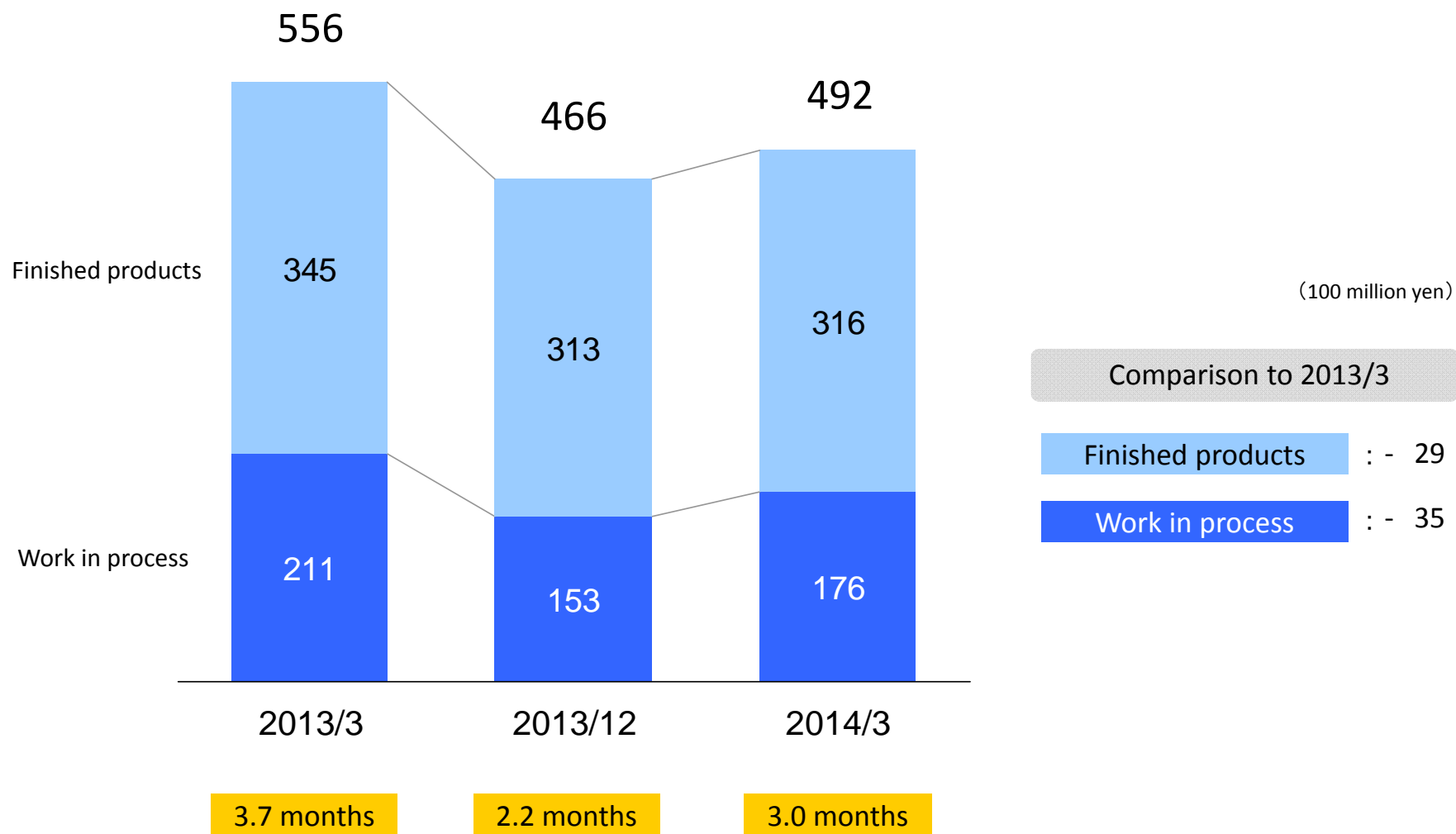


FY2013

9. Financial Conditions



10. Changes of Inventories



<Inventories Turnover>

11. Projection of Fiscal 2014 ending March 2015

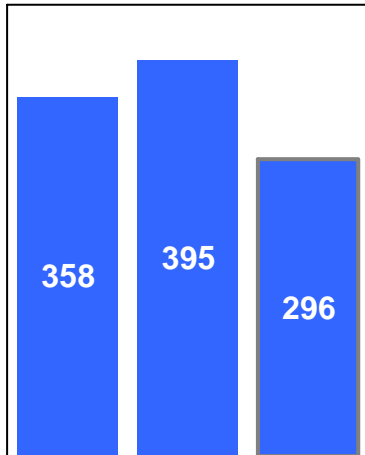


(100 million yen)

	FY 2013			FY 2014 (Projection)			Y / Y		
	1H	2H	12 months	1H	2H	12 months	1H	2H	12 months
Net Sales	1,205	1,135	2,340	937	1,063	2,000	-268	-72	-340 (-14.5%)
Operating Income (margin)	5 (0.5%)	-60 (-5.3%)	-54 (-2.3%)	5 (0.5%)	0 (0.0%)	5 (0.3%)	—	+60	+59
Ordinary Income (margin)	21 (1.8%)	-44 (-3.9%)	-22 (-1.0%)	4 (0.4%)	0 (0.0%)	4 (0.2%)	-17	+44	+26
Net Income (margin)	6 (0.5%)	-73 (-6.5%)	-67 (-2.9%)	2 (0.2%)	-2 (-0.2%)	0 (0.0%)	-4	+71	+67
Average USD-JPY Exchange Rate	98. ⁶⁴	102. ³⁴	100. ⁴⁹	100. ⁰⁰					

12. Projection of Sales by Equipment in Fiscal 2014 ending March 2015

DVD related Equipment

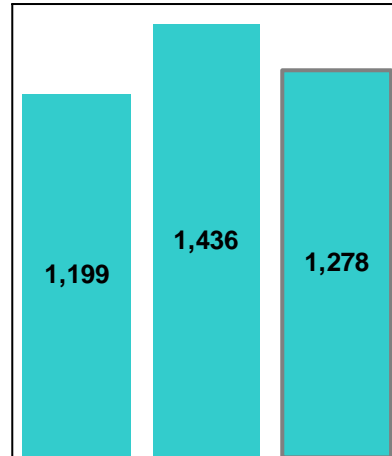


【FY2013 vs FY2014】
- 25.1%

【Minus Factor】
• DVD players, and recorders
• Blu-ray disc players

FY2012 FY2013 FY2014
(Projection)

TV related Equipment



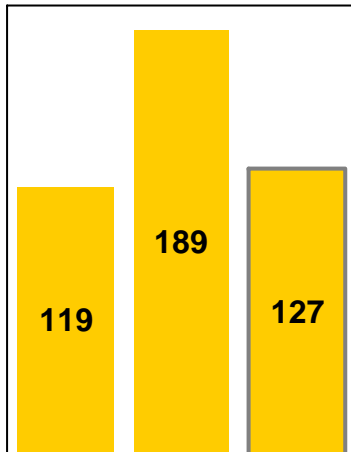
【FY2013 vs FY2014】
- 11.0%

【Minus Factor】
• Especially, sales for Mexico and North America

FY2012 FY2013 FY2014
(Projection)

(100 million yen)

Information Equipment

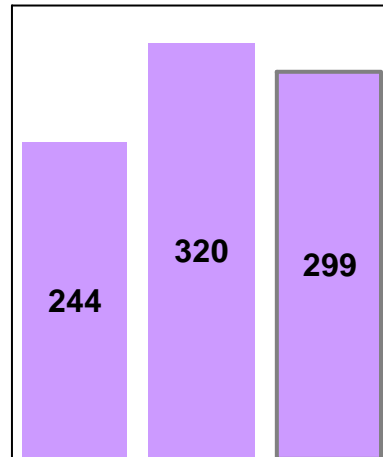


【FY2013 vs FY2014】
- 32.8%

【Minus Factor】
• Printers

FY2012 FY2013 FY2014
(Projection)

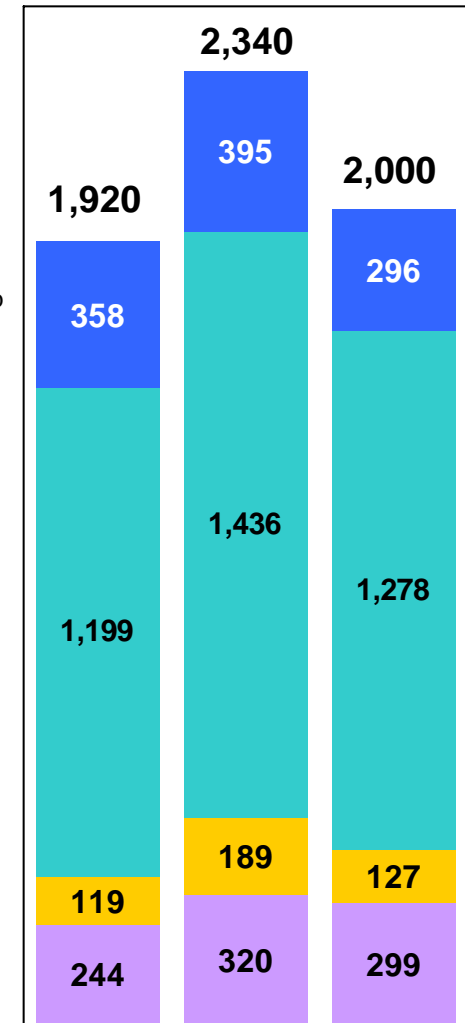
Others



【FY2013 vs FY2014】
- 6.6%

【Minus Factor】
• Audio accessories

FY2012 FY2013 FY2014
(Projection)

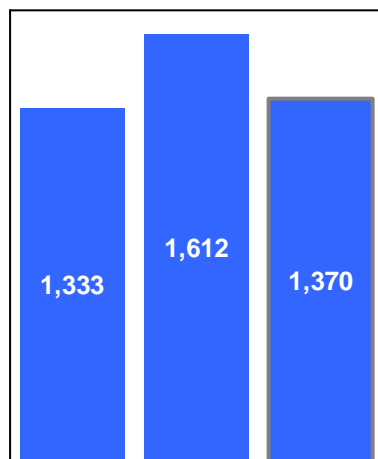


FY2012 FY2013 FY2014
(Projection)

13. Projection of Sales by Geography in Fiscal 2014 ending March 2015

(100 million yen)

North America

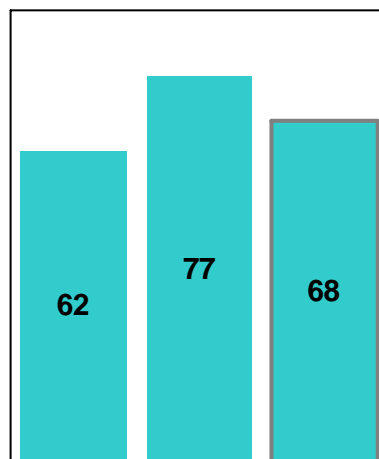


【FY2013 vs FY2014】
- 15.0%

- 【Minus Factor】
- LCD TVs
 - DVD-related products
 - Audio accessories

FY2012 FY2013 FY2014
(Projection)

Europe

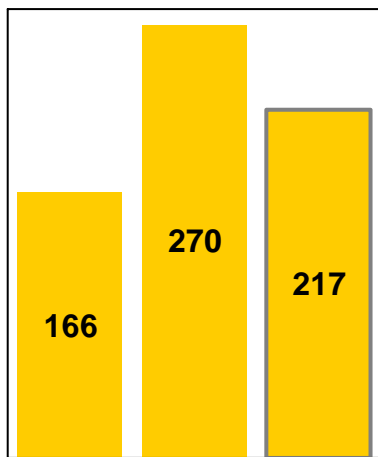


【FY2013 vs FY2014】
- 11.7%

- 【Minus Factor】
- Printers

FY2012 FY2013 FY2014
(Projection)

Asia & Others

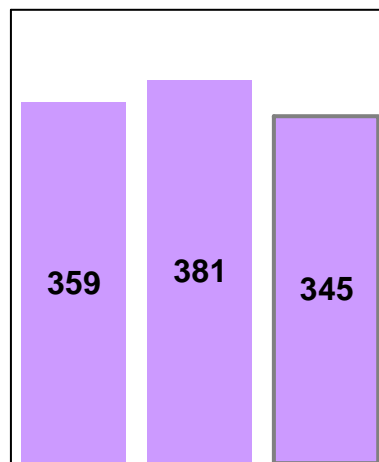


【FY2013 vs FY2014】
- 19.6%

- 【Minus Factor】
- LCD TVs for Mexican market

FY2012 FY2013 FY2014
(Projection)

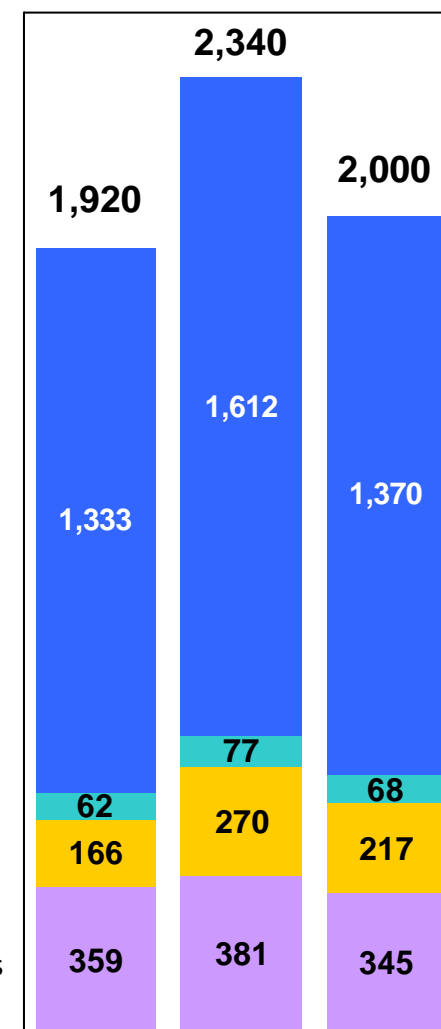
Japan



【FY2013 vs FY2014】
- 9.4%

- 【Minus Factor】
- DVD-related products

FY2012 FY2013 FY2014
(Projection)



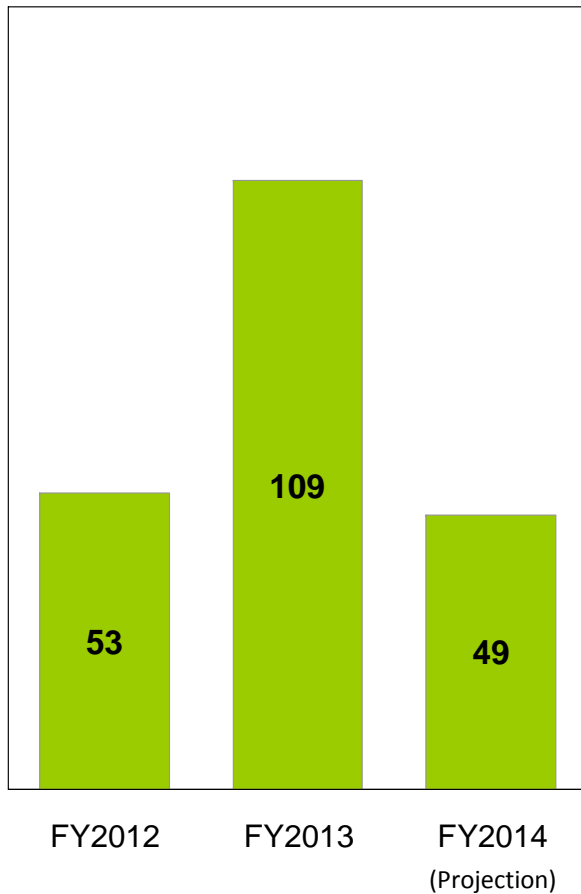
FY2012 FY2013 FY2014
(Projection)

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

(100 million yen)

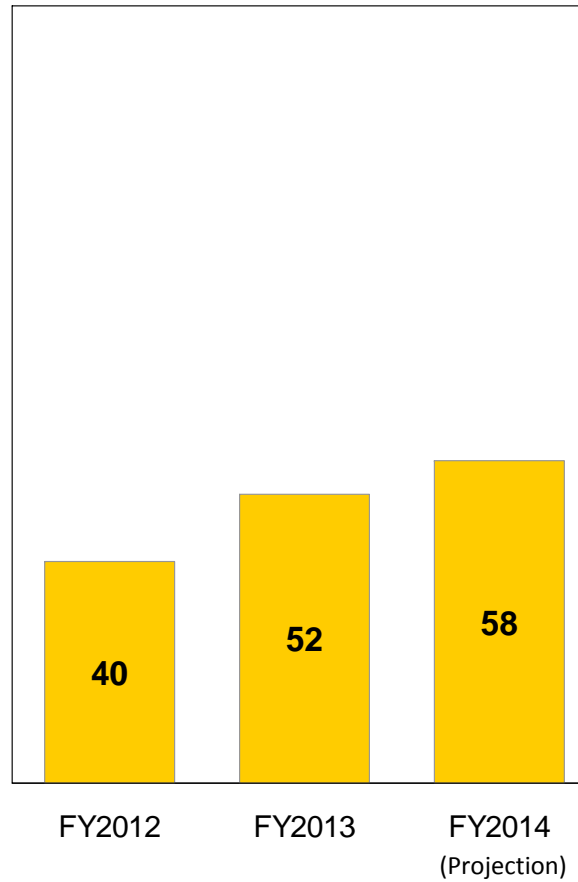
Capital Expenditures

【FY2013 vs FY2014】
-55.0%



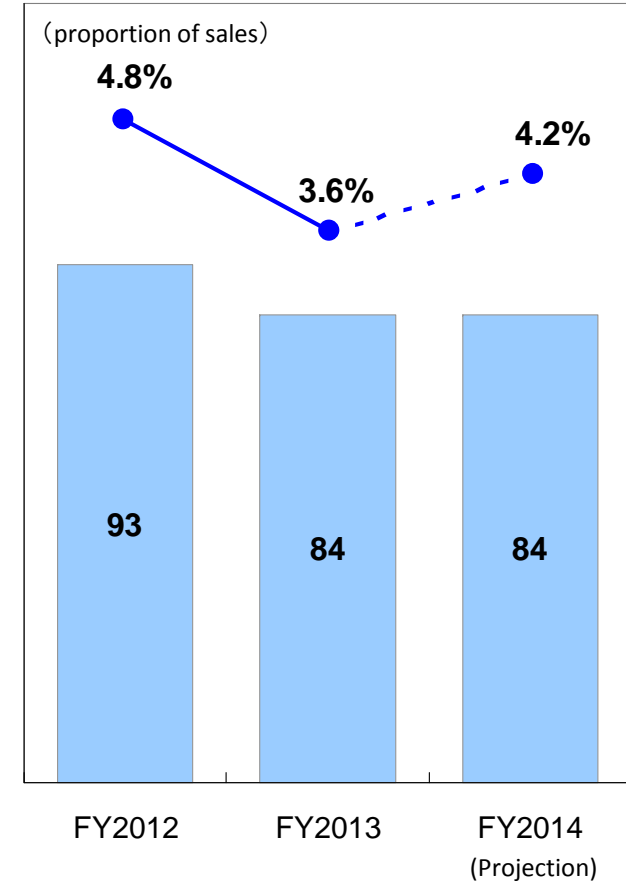
Depreciation Expense

【FY2013 vs FY2014】
+11.5%



R&D Expenditures

【FY2013 vs FY2014】
—



II . Appendix

1. Quarterly Operating Summary of FY 2011 - 2013
2. Quarterly Changes of Sales Amount by Equipment
3. Quarterly Changes of Sales Amount by Geography

1. Quarterly Operating Summary of FY 2011 - 2013

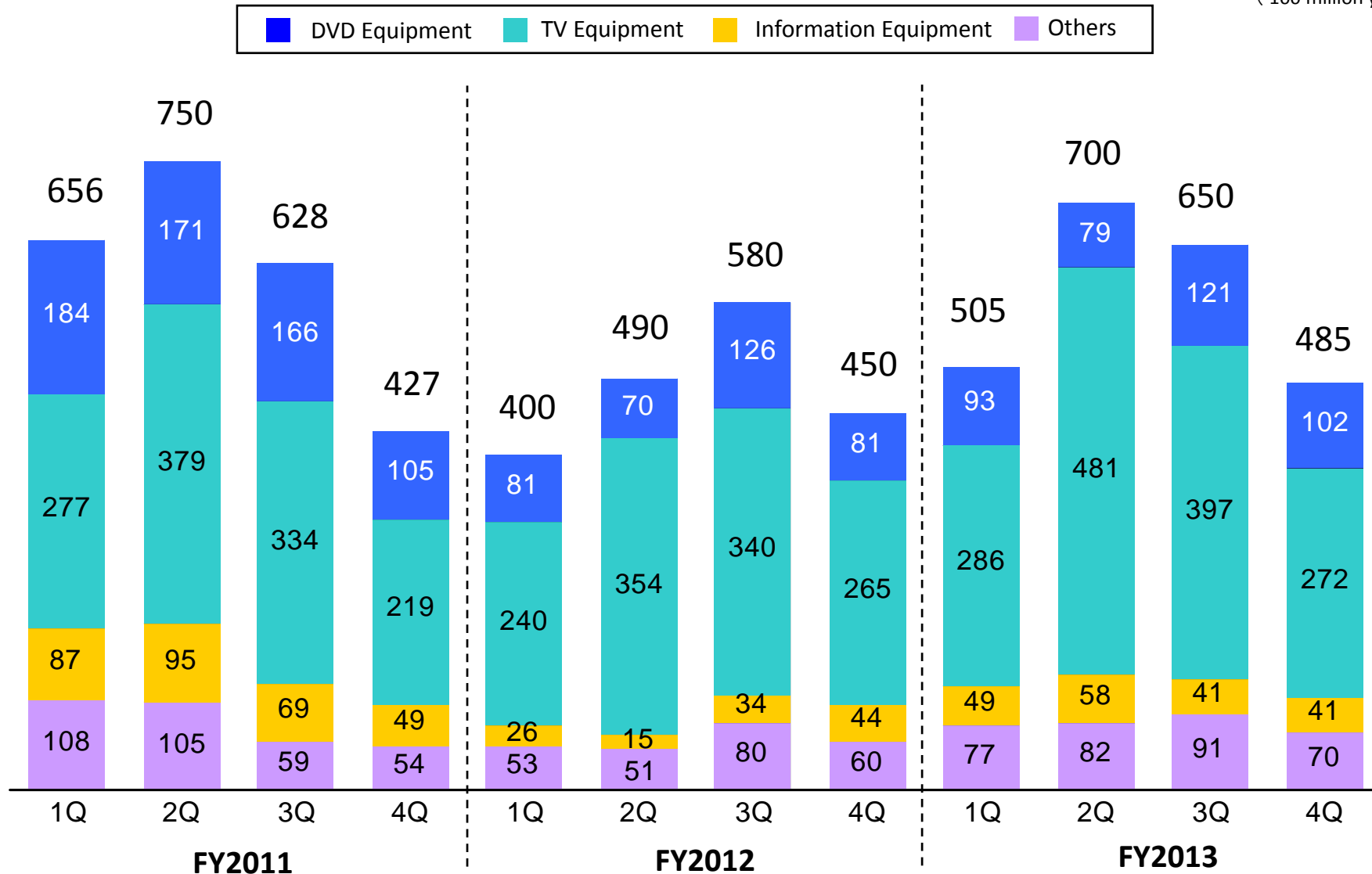


(100 million yen)

	FY2011				FY2012				FY2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	656	750	628	427	400	490	580	450	505	700	650	485
Operating Income (Margin)	3 (0.5%)	17 (2.4%)	8 (1.3%)	-24 (-5.8%)	-9 (-2.4%)	-5 (-1.0%)	-3 (-0.7%)	-34 (-7.6%)	-17 (-3.4%)	22 (3.3%)	-1 (-0.2%)	-59 (-12.2%)
Ordinary Income (Margin)	0 (0.1%)	4 (0.6%)	8 (1.4%)	-12 (-2.9%)	-20 (-5.1%)	-10 (-2.0%)	32 (5.5%)	-4 (-1.1%)	1 (0.2%)	20 (2.9%)	26 (4.1%)	-70 (-14.5%)
Net Income (Margin)	-23 (-3.6%)	-6 (-0.9%)	-5 (-1.0%)	-10 (-2.4%)	-18 (-4.6%)	-11 (-2.3%)	6 (1.2%)	-62 (-13.9%)	-0 (-0.0%)	6 (0.9%)	11 (1.7%)	-84 (-17.5%)
Average USD-JPY Exchange Rate	81. ²³	77. ⁰⁸	77. ²⁰	79. ⁷⁵	79. ⁸⁰	78. ¹²	82. ⁷⁸	92. ⁵⁶	99. ²³	98. ⁰⁶	102. ¹⁰	102. ⁵⁷

2. Quarterly Changes of Sales Amount by Equipment

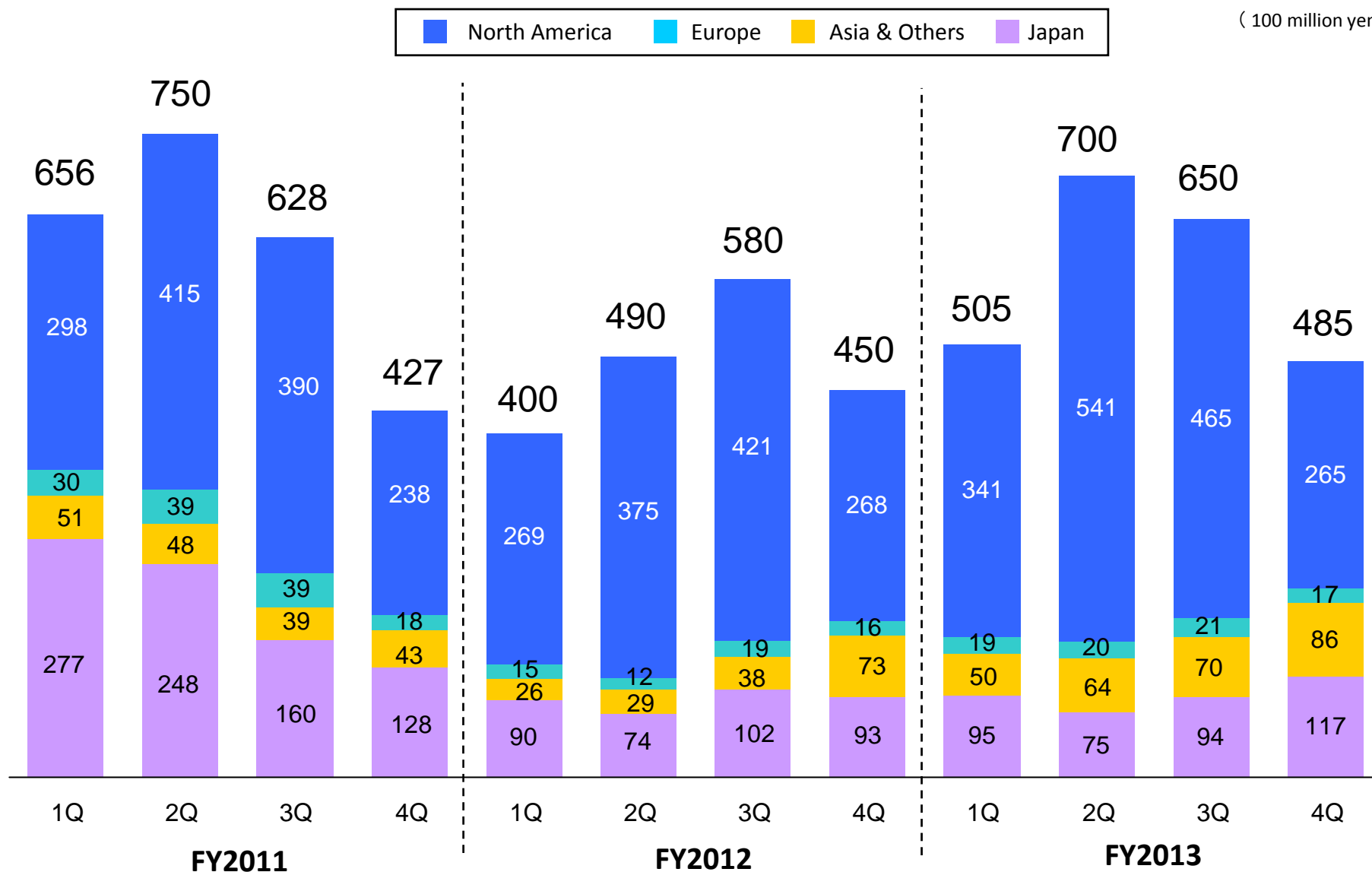
(100 million yen)



3. Quarterly Changes of Sales Amount by Geography



(100 million yen)



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.



FUNAI