



Presentation of Operating Results for the 1st Quarter (Apr.-Jun.) of FY2014

August 4, 2014

FUNAI ELECTRIC CO., LTD.

TSE 6839

I . Outline of Operating Results

1. Summary of 1st Quarter (Apr.-Jun.)
2. Summary of 1st Quarter (Apr.-Jun.) (Ordinary Income, Net Income)
3. Breakdown of Sales by Equipment
4. Sales of DVD related Equipment
5. Sales of LCD Television
6. Geographic Breakdown of Sales
7. Factor of Changes of Operating Income
8. Financial Conditions
9. Changes of Inventories
10. Capital Expenditures, Depreciation Expense and R&D Expenditures

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



(100 million yen)

	FY2013 1Q	FY2014 1Q	Y/Y
Net Sales	505	430	-75 (-14.8%)
Operating Income (Margin)	-17 (-3.4%)	-21 (-4.9%)	-4
Ordinary Income (Margin)	1 (0.2%)	-24 (-5.7%)	-25
Net Income (Margin)	-0 (-0.0%)	-23 (-5.4%)	-23

Average USD-JPY Exchange Rate	99. ²³	101. ⁸⁷
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Month End Exchange Rate	13/3	13/6	14/3	14/6
(USD/JPY)	94. ⁰⁵	98. ⁵⁹	102. ⁹²	101. ³⁶

2. Summary of 1st Quarter (Apr.-Jun.) (Ordinary Income, Net Income)



(100 million yen)

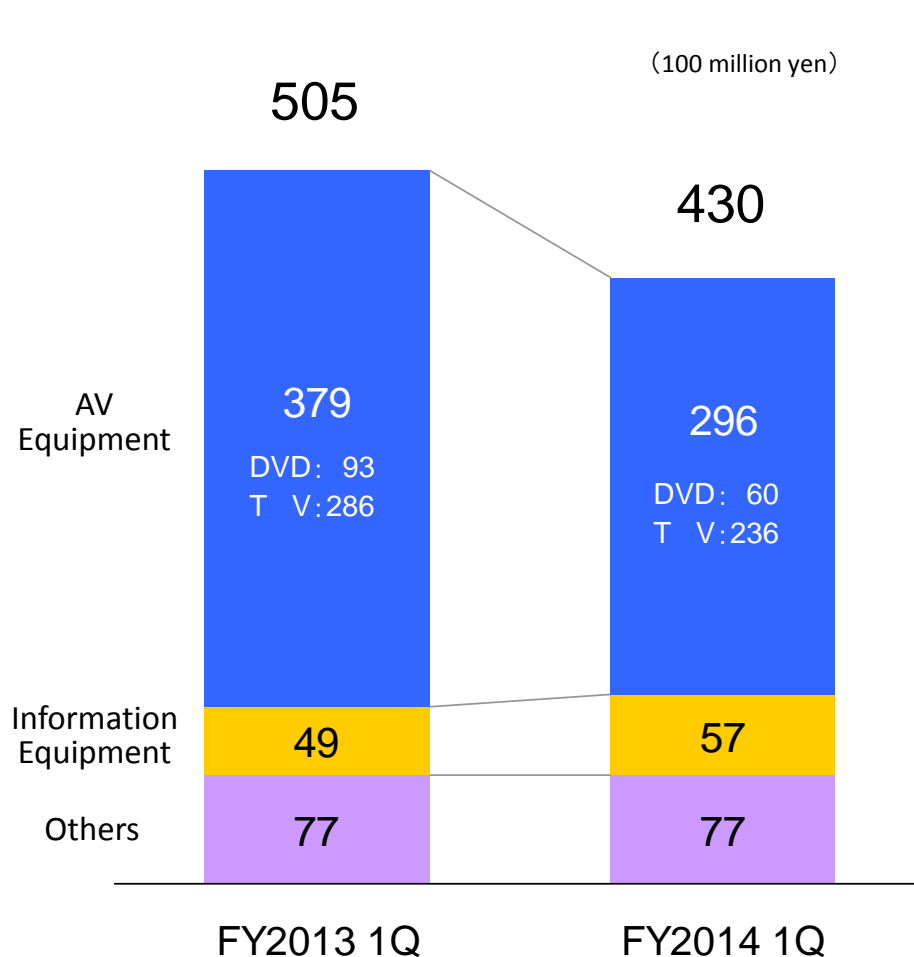
	FY2013 1Q	FY2014 1Q	Y / Y
Non-operating income	19	(note:1) { 3	-16
Non-operating expenses	1		6
Ordinary Income	1	-24	-25
Extraordinary income	0	2	+ 2
Extraordinary loss	1	0	- 1
Income before Income Taxes	0	-22	-22
Income taxes	0	1	+ 1
Net Income	-0	-23	-23

(note:1 Non-operating income and expenses)

Interest expenses	Foreign exchange loss	2
- 1	- 4	Other

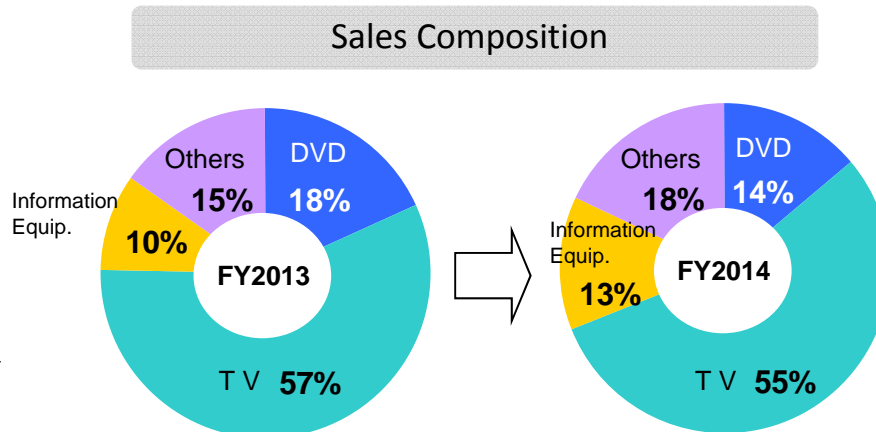
3. Breakdown of Sales by Equipment

- Declined for AV equipment, both of LCD TVs and DVD related products.
- Increased for Info. equipment due to the contribution of Printers and Ink Cartridges.
- Flat for Others, for Antennas and Audio Accessories.



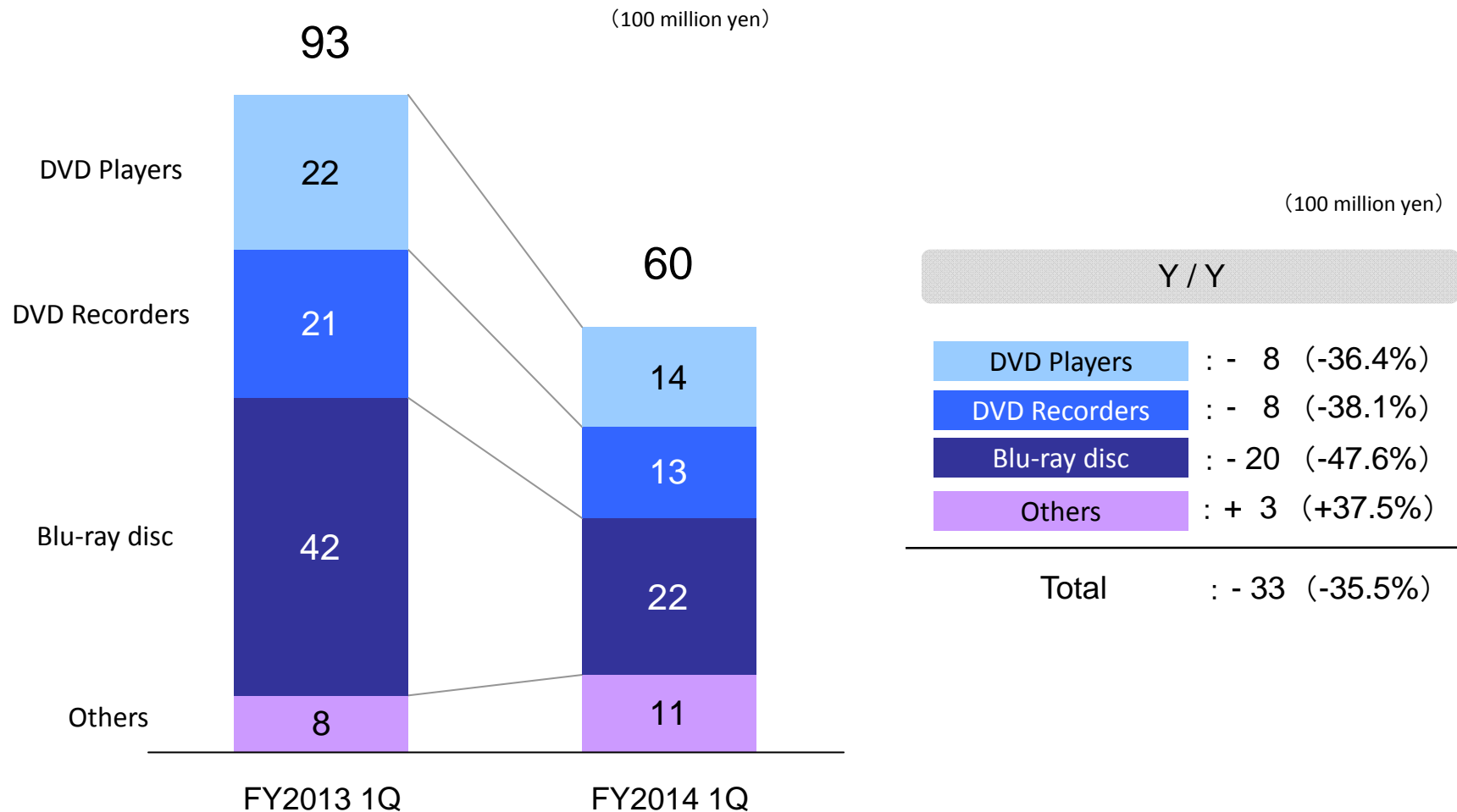
(100 million yen)

Y / Y	
AV Equipment	: - 83 (-22.1%)
DVD Equip.	: - 33 (- 35.5%)
TV Equip.	: - 50 (- 17.5%)
Information Equipment	: + 8 (+17.8%)
Others	: - (+ 0.8%)
Total	: - 75 (-14.8%)



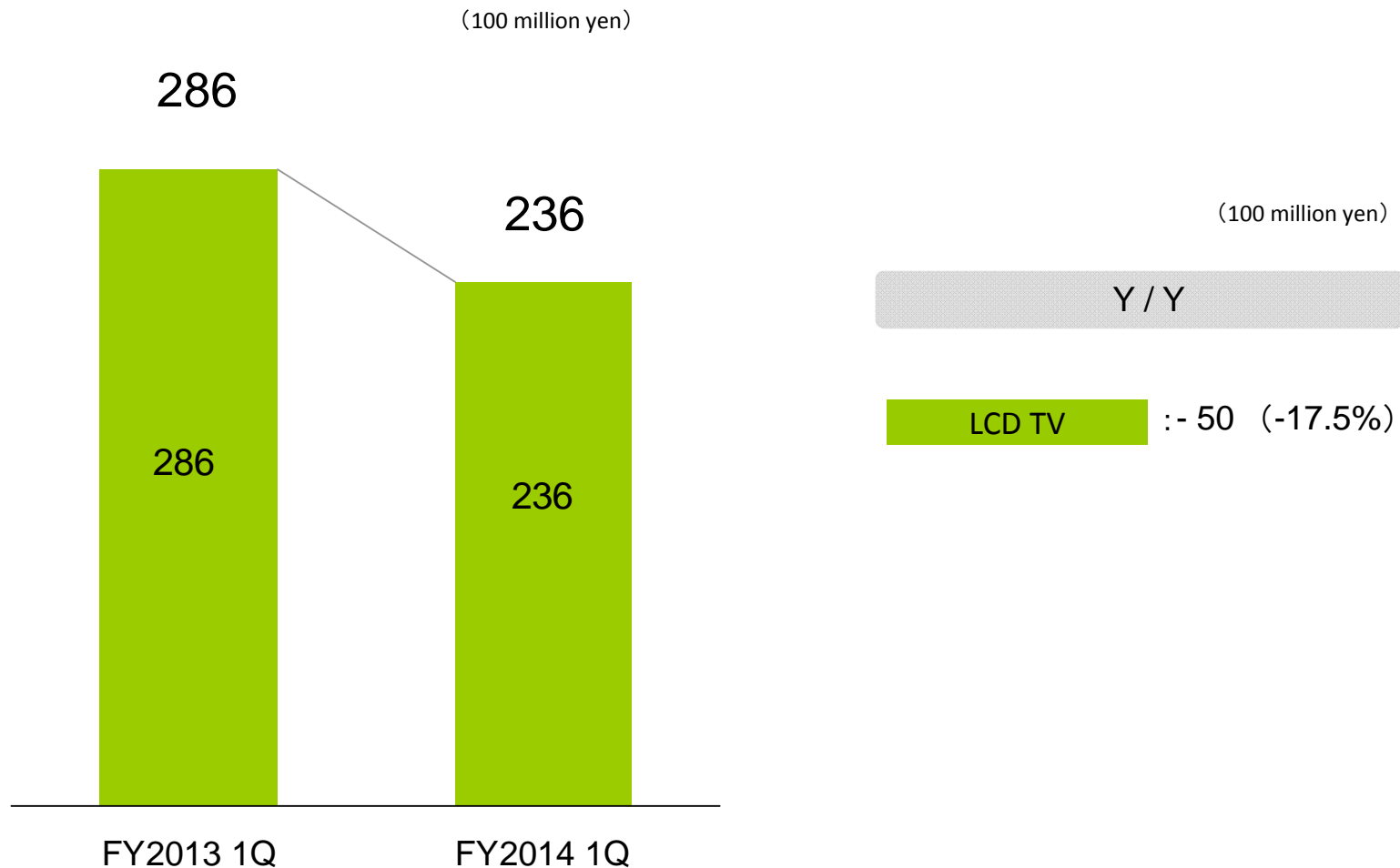
4. Sales of DVD related Equipment

➤ Declined for DVD and Blu-ray Disc related products, due to the market shrunk.



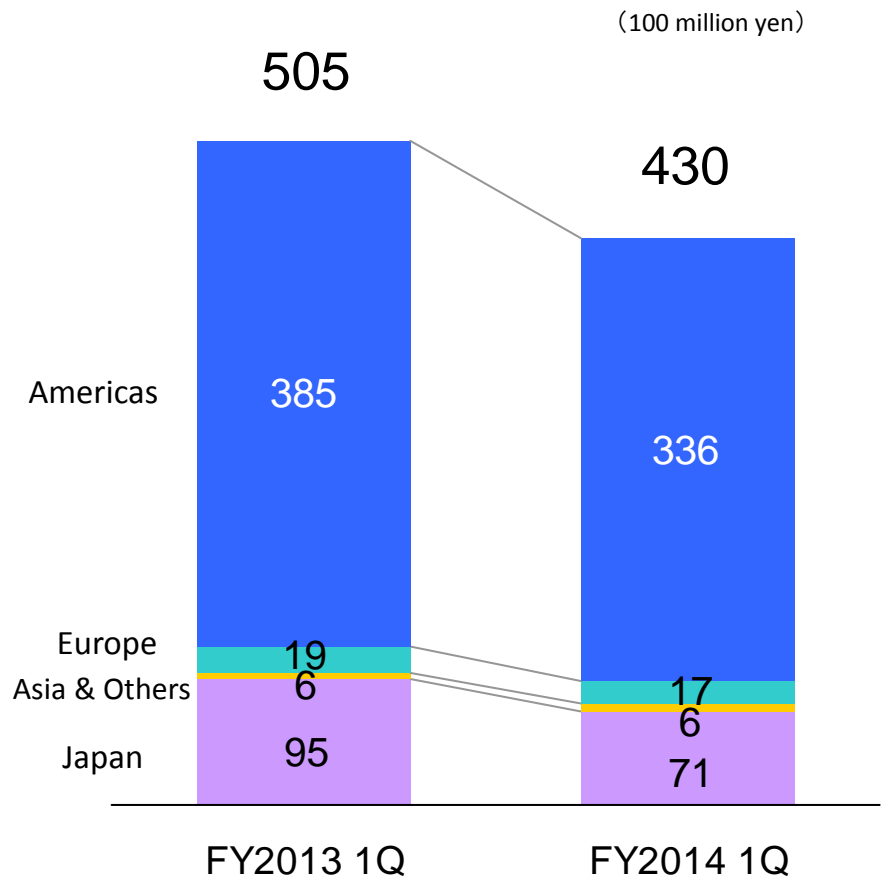
5. Sales of LCD Television

- Declined mainly U.S. sales, due to strong sales at a major mass Retailer last year.



6. Geographic Breakdown of Sales

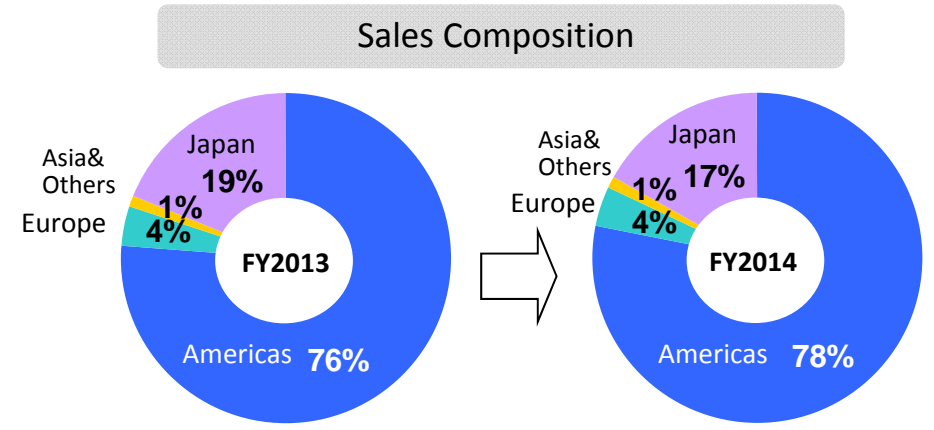
- Declined Americas, due to a drop in sales of LCD TVs in U.S.
- Declined Japan, due to a drop in sales of Blu-ray Disc Recorders and Others.



(100 million yen)

Y / Y

Americas	: - 49 (-12.7%)
Europe	: - 2 (-10.5%)
Asia & Others	: - (-)
Japan	: - 24 (-25.3%)
Total	: - 75 (-14.8%)



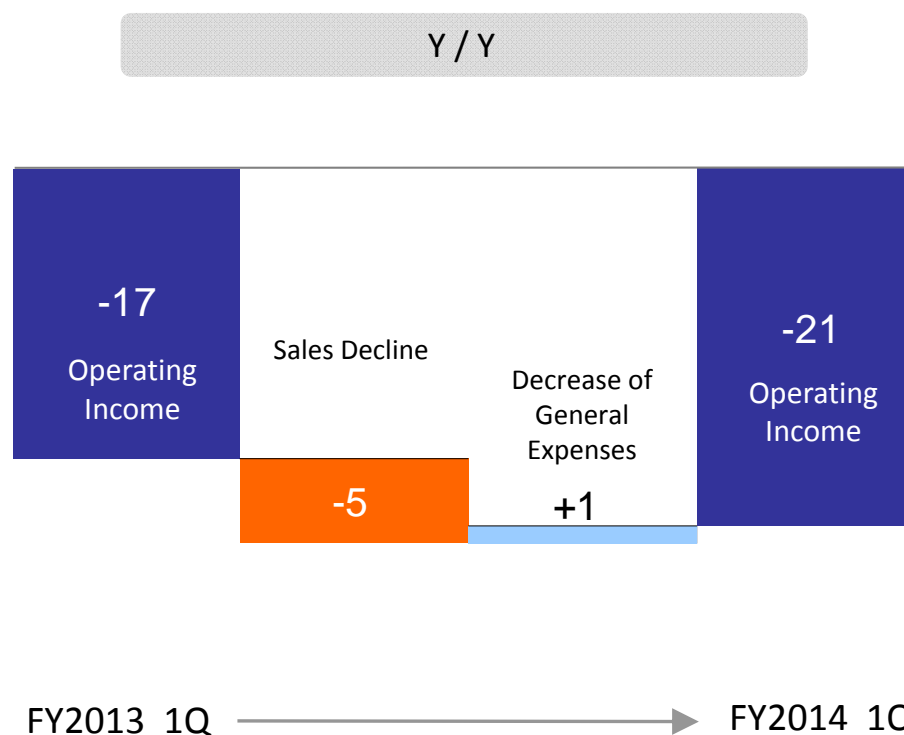
Note : Effective from FY2014, sales to Central and South America, which were previously included in the Asia and others , have been included in Americas. The segment name North America has been changed to Americas. Figures for FY2013 have been restated accordingly.

7. Factor of Changes of Operating Income



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

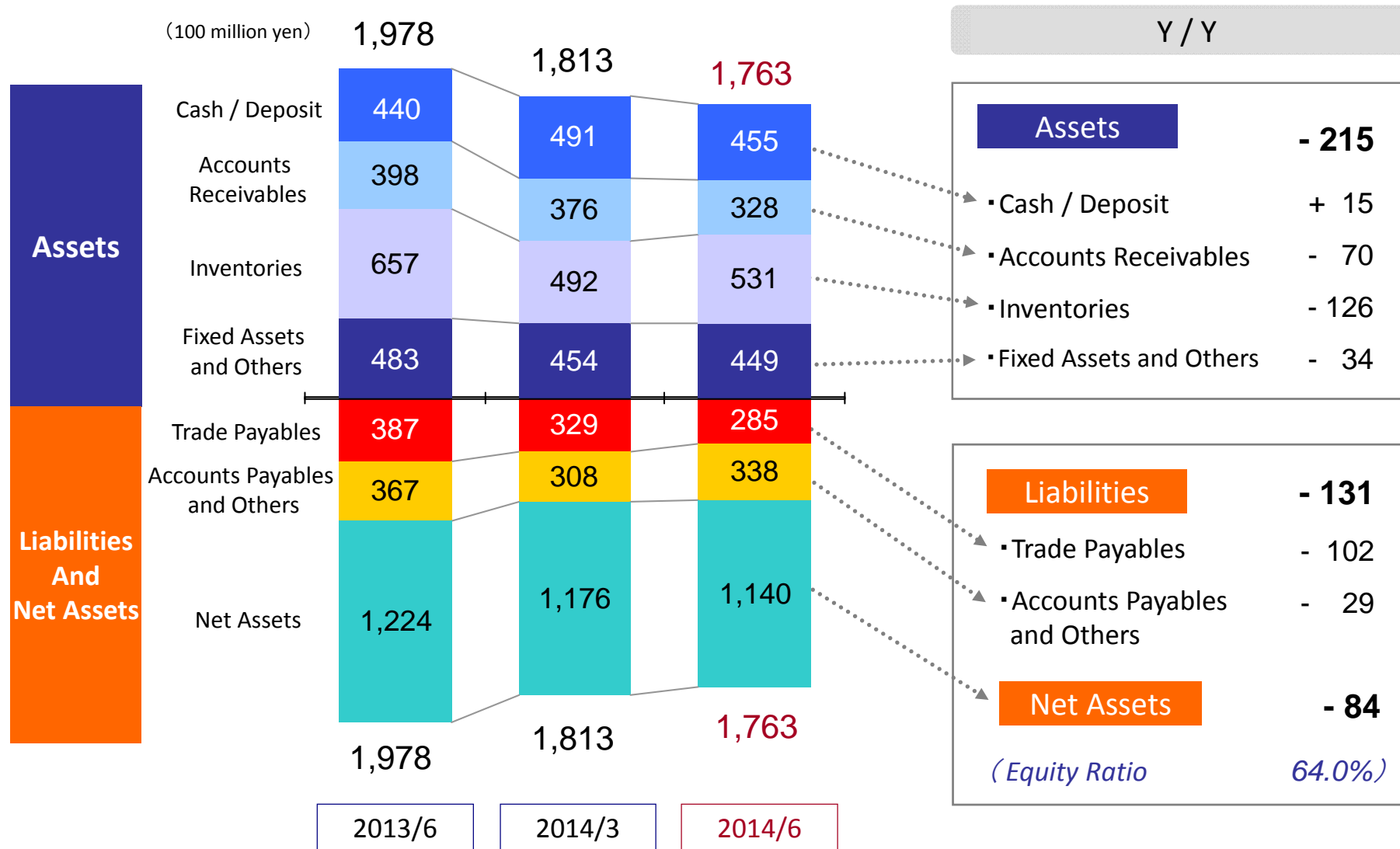
(100 million yen)



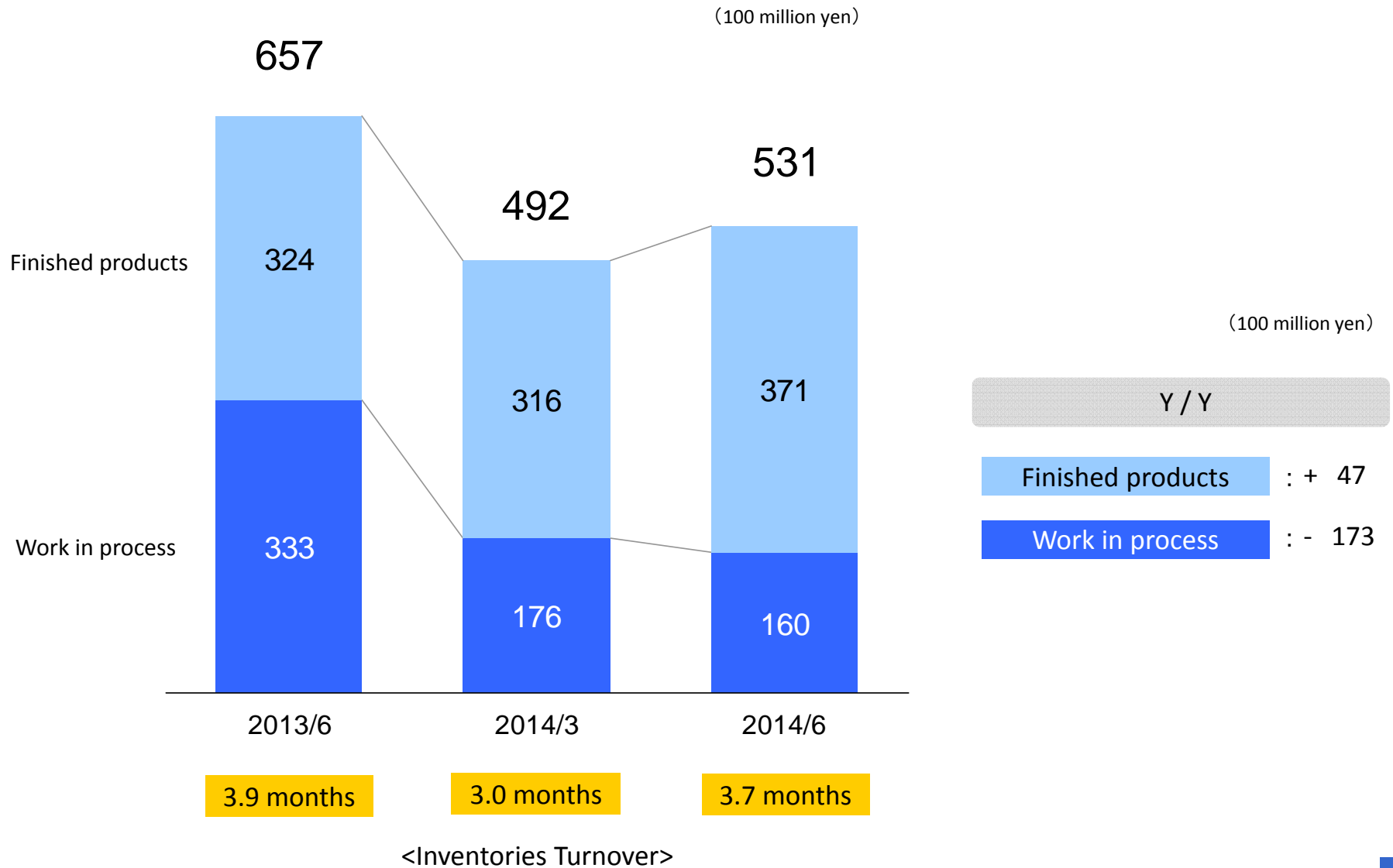
8. Financial Conditions



(100 million yen)



9. Changes of Inventories



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

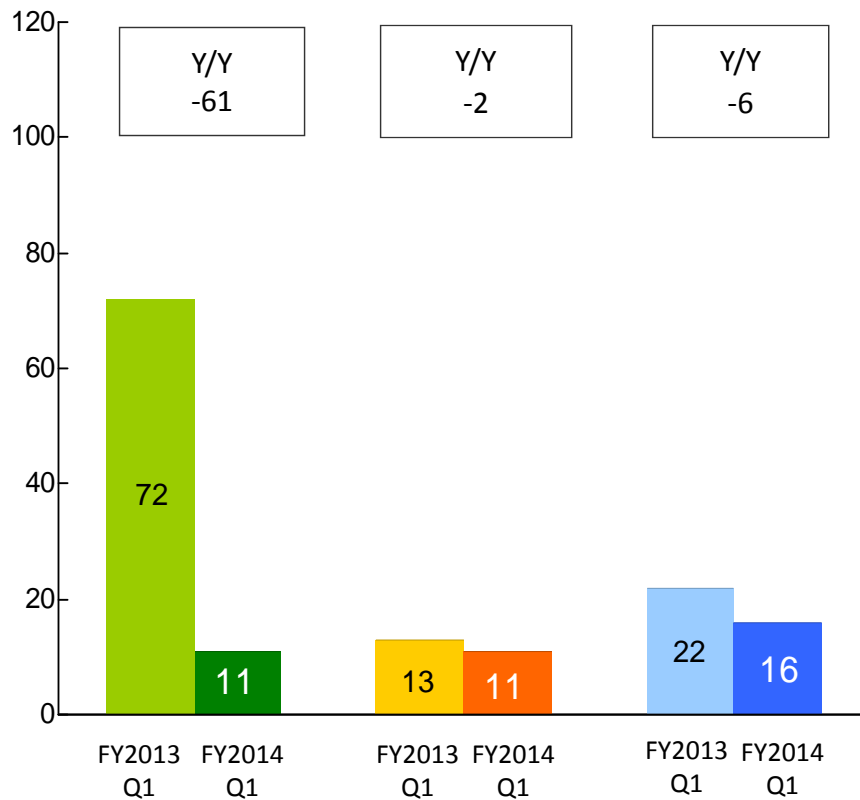
1Q

Full Year

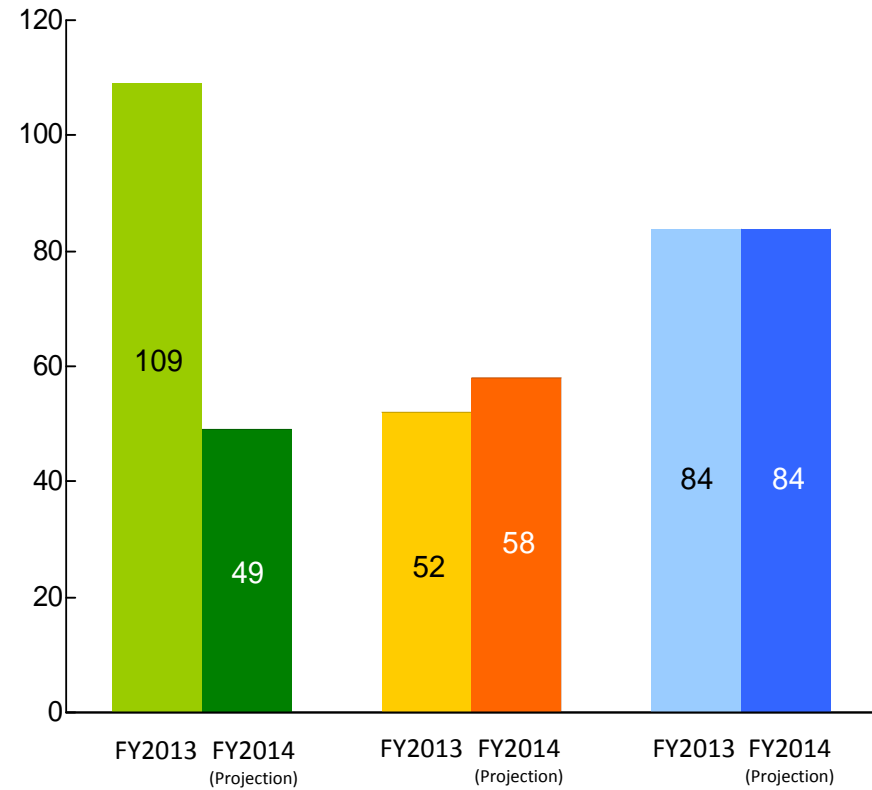
Capital Expenditures Depreciation Expense R&D Expenditures

Capital Expenditures Depreciation Expense R&D Expenditures

(100 million yen)



(100 million yen)



II . Appendix

1. Quarterly Operating Summary of FY 2013 - 2014
2. Quarterly Changes of Sales Amount by Equipment
3. Quarterly Changes of Sales Amount by Geography
4. Projection of FY 2014 (Full Year)
5. Projection of Sales by Equipment in FY 2014 (Full Year)
6. Projection of Sales by Geography in FY 2014 (Full Year)

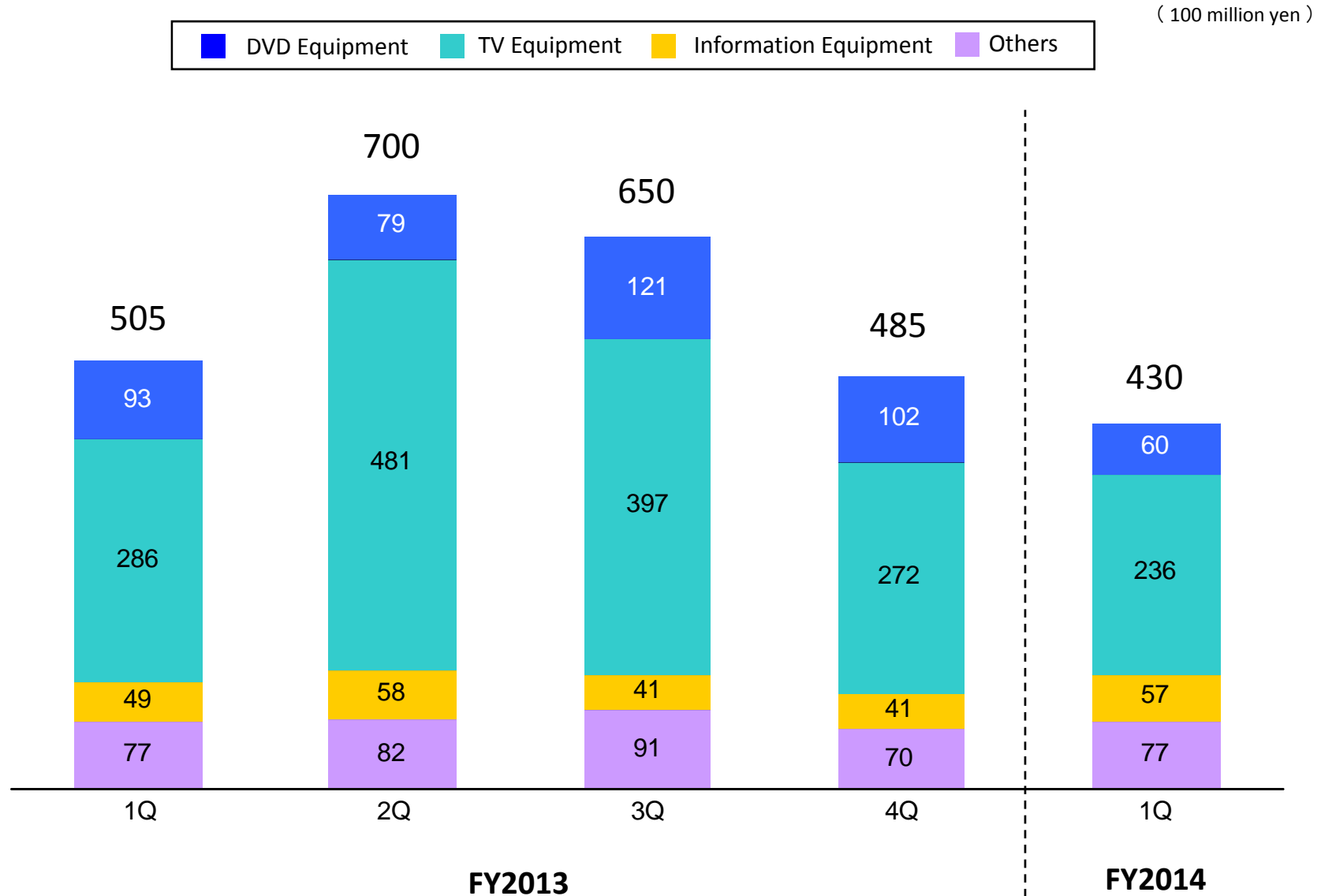
1. Quarterly Operating Summary of FY 2013 - 2014



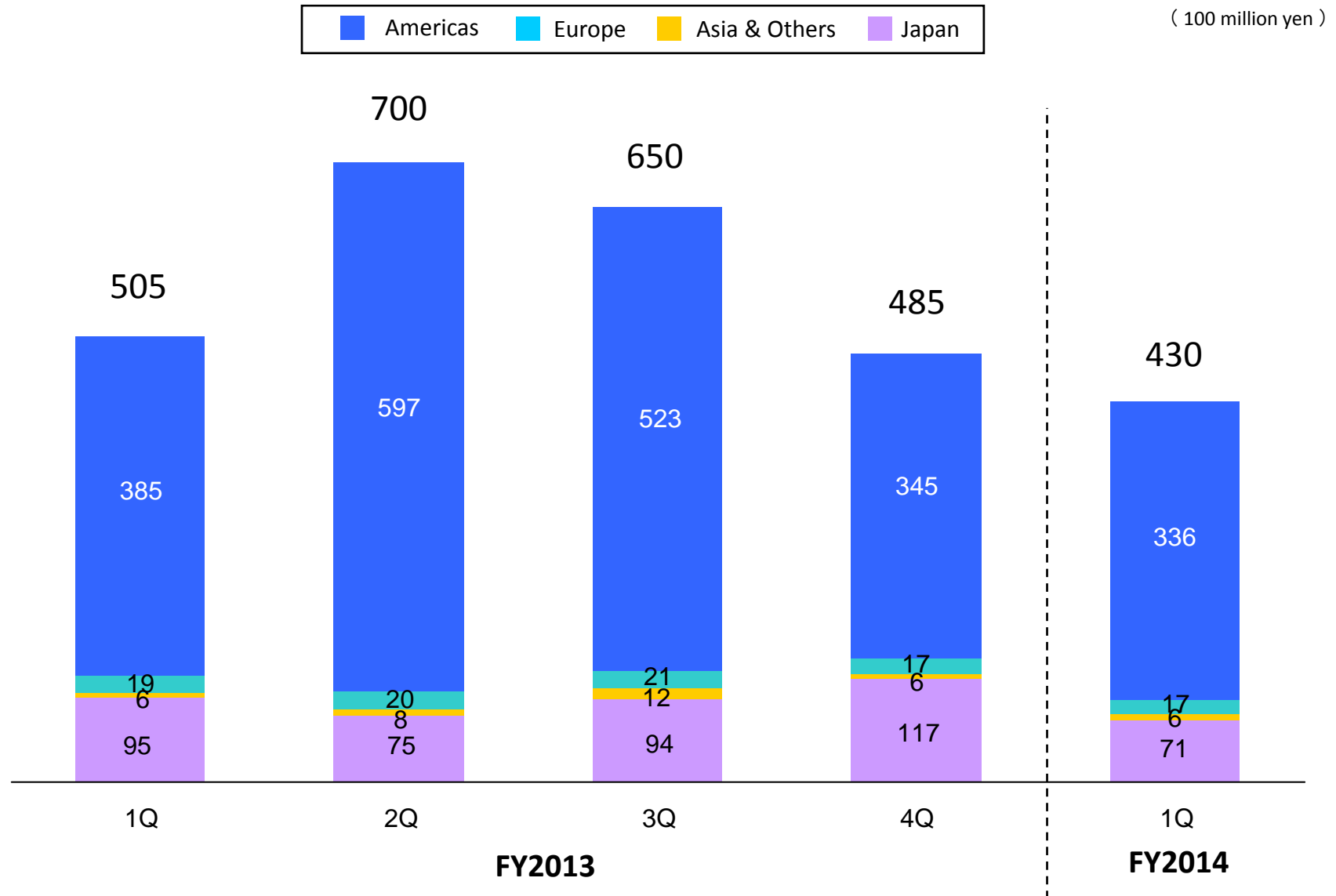
(100 million yen)

	FY2013				FY2014
	1Q	2Q	3Q	4Q	1Q
Net Sales	505	700	650	485	430
Operating Income (Margin)	-17 (-3.4%)	22 (3.3%)	-1 (-0.2%)	-59 (-12.2%)	-21 (-4.9%)
Ordinary Income (Margin)	1 (0.2%)	20 (2.9%)	26 (4.1%)	-70 (-14.5%)	-24 (-5.7%)
Net Income (Margin)	-0 (-0.0%)	6 (0.9%)	11 (1.7%)	-84 (-17.5%)	-23 (-5.4%)
Average USD-JPY Exchange Rate	99. ²³	98. ⁰⁶	102. ¹⁰	102. ⁵⁷	101. ⁸⁷

2. Quarterly Changes of Sales Amount by Equipment



3 . Quarterly Changes of Sales Amount by Geography



4 . Projection of FY 2014 (Full Year)



(100 million yen)

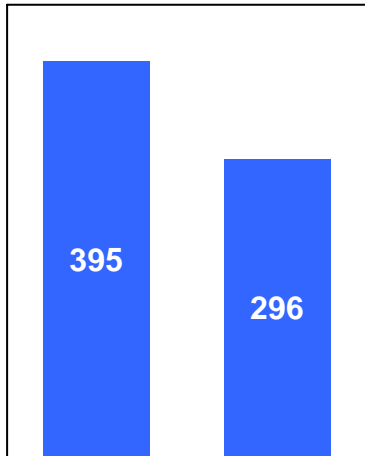
	FY 2013			FY 2014 (Projection)			Y / Y		
	1H	2H	12 months	1H	2H	12 months	1H	2H	12 months
Net Sales	1,205	1,135	2,340	937	1,063	2,000	-268	-72	-340 (-14.5%)
Operating Income (margin)	5 (0.5%)	-60 (-5.3%)	-54 (-2.3%)	5 (0.5%)	0 (0.0%)	5 (0.3%)	—	+60	+59
Ordinary Income (margin)	21 (1.8%)	-44 (-3.9%)	-22 (-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					

5 . Projection of Sales by Equipment in FY 2014 (Full Year)



(100 million yen)

DVD related Equipment

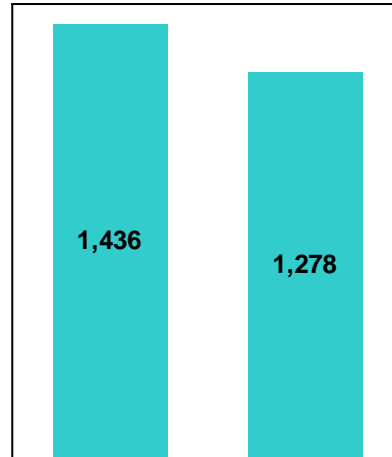


【FY2013 vs FY2014】
- 25.1%

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

FY2013 FY2014
(Projection)

TV related Equipment

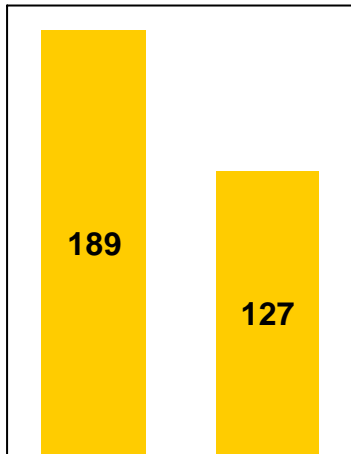


【FY2013 vs FY2014】
- 11.0%

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

FY2013 FY2014
(Projection)

Information Equipment

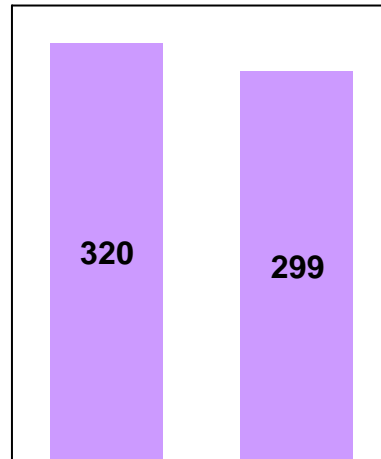


【FY2013 vs FY2014】
- 32.8%

【Minus Factor】
 • Printers

FY2013 FY2014
(Projection)

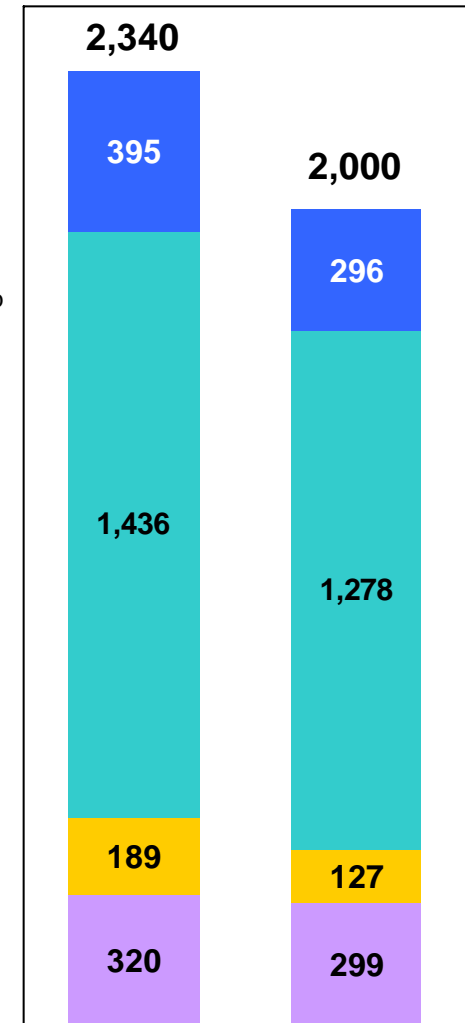
Others



【FY2013 vs FY2014】
- 6.6%

【Minus Factor】
 • Audio accessories

FY2013 FY2014
(Projection)

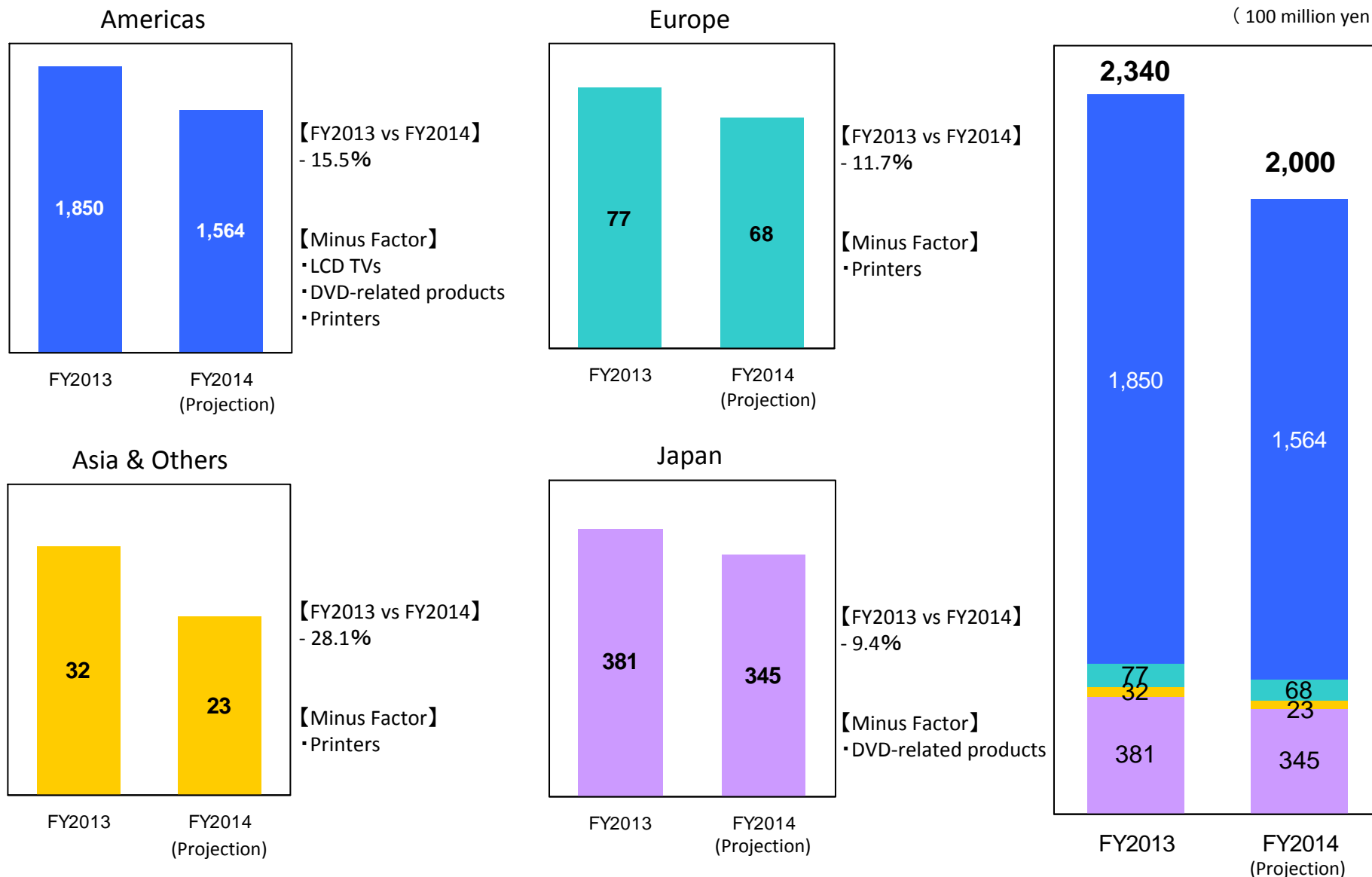


FY2013 FY2014
(Projection)

6 . Projection of Sales by Geography in FY 2014 (Full Year)



(100 million yen)



Note : Effective from FY2014, sales to Central and South America, which were previously included in the Asia and others , have been included in Americas. The segment name North America has been changed to Americas. Figures for FY2013 have been restated accordingly.

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