



# Presentation of FY2014 Operating Results

May 12, 2015

**FUNAI ELECTRIC CO., LTD.**

TSE 6839

# I . Outline of Operating Results

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1. Summary of 4<sup>th</sup> Quarter (Jan.-Mar.)
2. Summary of Fiscal 2014 ending March 2015
3. Differences between Forecasts (Mar. 2015) and Actual Performance
4. Summary of Fiscal 2014 ending March 2015 (Ordinary Income, Net Income)
5. Breakdown of Sales by Equipment
6. Sales of DVD related Equipment
7. Sales of Television related Equipment
8. Geographic Breakdown of Sales
9. Factor of Changes of Operating Income
10. Financial Conditions
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12. Projection of Fiscal 2015 ending March 2016
13. Projection of Sales by Equipment in Fiscal 2015 ending March 2016
14. Projection of Sales by Geography in Fiscal 2015 ending March 2016
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# 1. Summary of 4<sup>th</sup> Quarter (Jan.-Mar.)



(100 million yen)

	FY2013 (Q4)	FY2014 (Q4)	Y/Y
Net Sales	485	435	-50 (-10.3%)
Operating Income ( M a r g i n )	-59 (-12.2%)	-8 (-1.9%)	+51
Ordinary Income ( M a r g i n )	-70 (-14.5%)	-23 (-5.5%)	+47
Net Income ( M a r g i n )	-84 (-17.5%)	-25 (-5.9%)	+59

Average USD-JPY Exchange Rate	102. <sup>57</sup>	119. <sup>23</sup>
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Month End Exchange Rate	13/12	14/3	14/12	15/3
(USD/JPY)	105. <sup>39</sup>	102. <sup>92</sup>	120. <sup>55</sup>	120. <sup>17</sup>

## 2. Summary of Fiscal 2014 ending March 2015



(100 million yen)

	FY2013	Projection (Nov.2015)	FY2014	Y/Y (Actual base)	Y/Y (Projection base)
Net Sales	2,340	2,030	2,170	-170 (-7.2%)	+140 (106.9%)
Operating Income ( M a r g i n )	-54 (-2.3%)	5 (0.2%)	5 (0.3%)	+59	+0
Ordinary Income ( M a r g i n )	-22 (-1.0%)	14 (0.7%)	19 (0.9%)	+41	+5
Net Income ( M a r g i n )	-67 (-2.9%)	9 (0.4%)	13 (0.6%)	+80	+4

Average USD-JPY Exchange Rate	100. <sup>49</sup>	102. <sup>80</sup>	110. <sup>62</sup>
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Month End Exchange Rate	14/3	15/3
(USD/JPY)	102. <sup>92</sup>	120. <sup>17</sup>

### 3. Differences between Forecasts (Mar. 2015) and Actual Performance



(100 million yen)

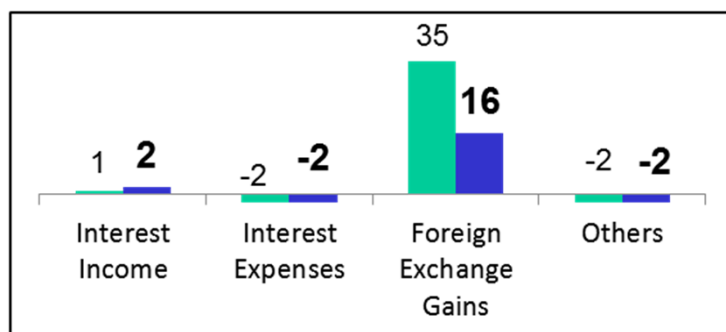
	Revised Projection ( Mar. 2015)	FY2014	Y/Y
Net Sales	2,030	2,170	+140 (106.9%)
Operating Income ( M a r g i n )	0 (0.0%)	5 (0.3%)	+5
Ordinary Income ( M a r g i n )	10 (0.5%)	19 (0.9%)	+9
Net Income ( M a r g i n )	8 (0.4%)	13 (0.6%)	+5

## 4. Summary of Fiscal 2014 ending March 2015 (Ordinary Income, Net Income)

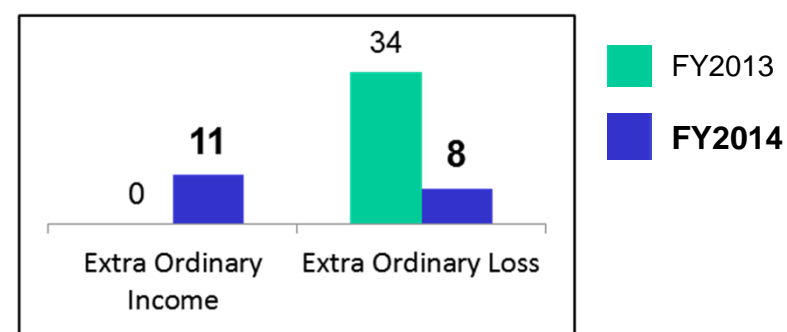


	FY2012	FY2013	Y/Y
Non-operating income	44	(※1) { 24	-20
Non-operating expenses	12	{ 10	-2
<b>Ordinary Income</b>	<b>-22</b>	<b>19</b>	+41
Extraordinary income	0	(※2) { 11	+11
Extraordinary loss	34	{ 8	-26
<b>Income before Income taxes</b>	<b>-56</b>	<b>22</b>	+78
Income taxes	5	7	+2
Income tax adjustments	6	2	-4
<b>Net Income</b>	<b>-67</b>	<b>13</b>	+80

(※1 Non-operating income and expenses)

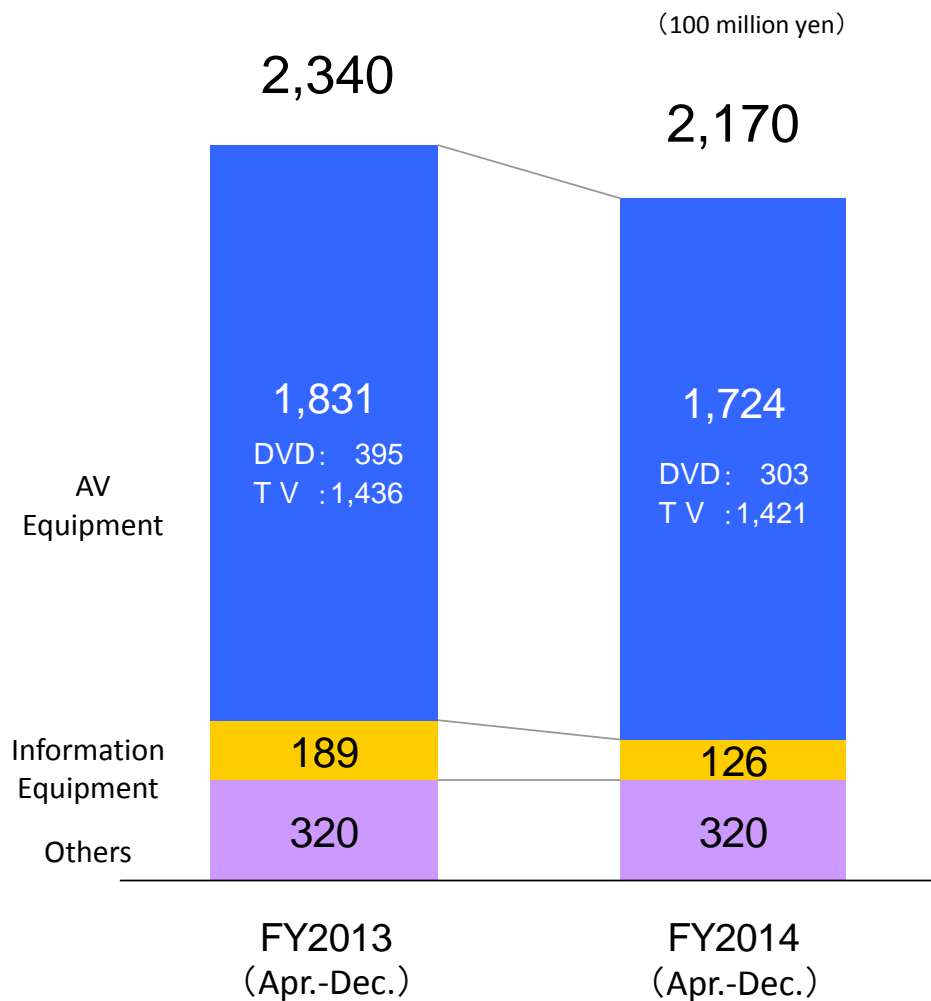


(※2 Extraordinary loss)



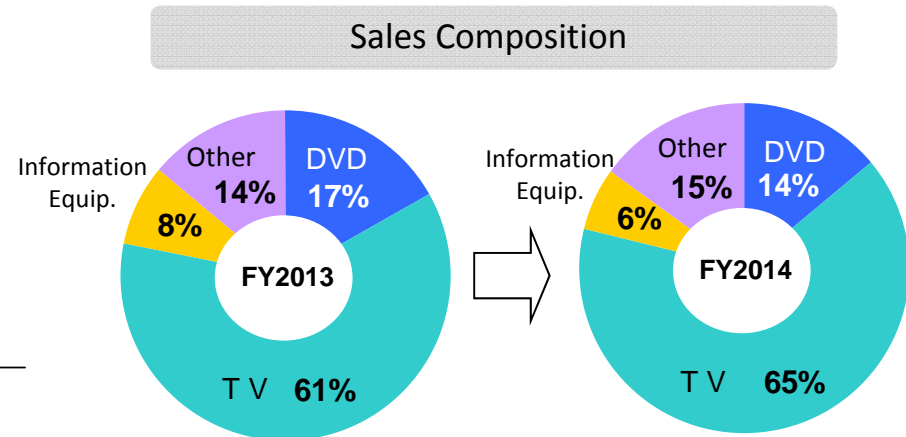
# 5. Breakdown of Sales by Equipment

- In the audiovisual equipment , LCD TVs remained static, declined DVD related products.
- Information equipment , higher sales of ink cartridges, but declined H/W sales.
- Other products , sales of electronic reception devices shrank, but a moderate increase in sales of audio accessories.



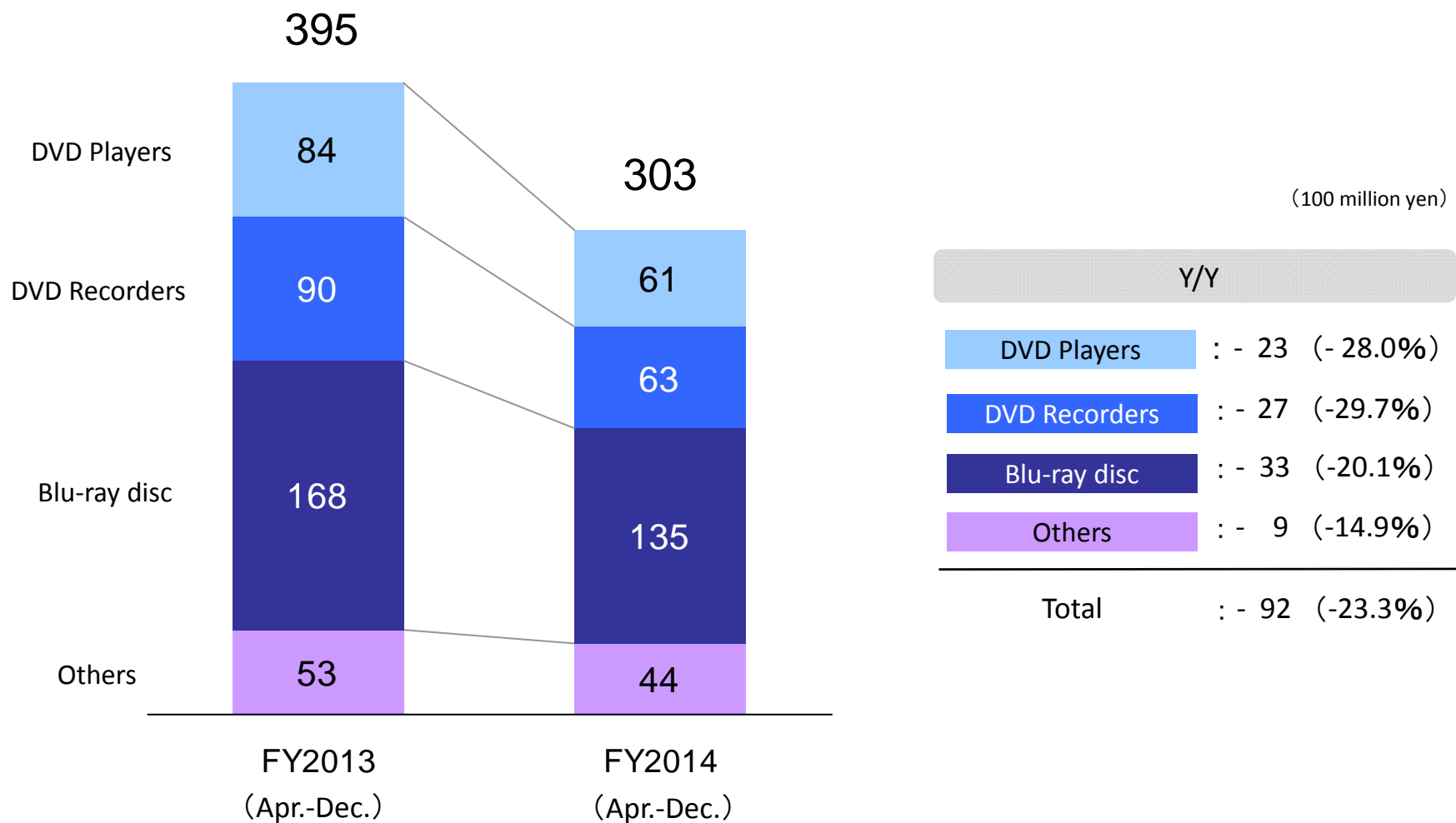
(100 million yen)

Y/Y	
AV Equipment	: -107 (-5.9%)
DVD Equip.	: - 92 (- 23.3%)
T V Equip.	: - 15 (- 1.1%)
Information Equipment	: - 63 (- 33.1%)
Others	: + 0 (+0.1%)
<b>Total</b>	<b>: -170 (-7.2%)</b>



## 6. Sales of DVD related Equipment

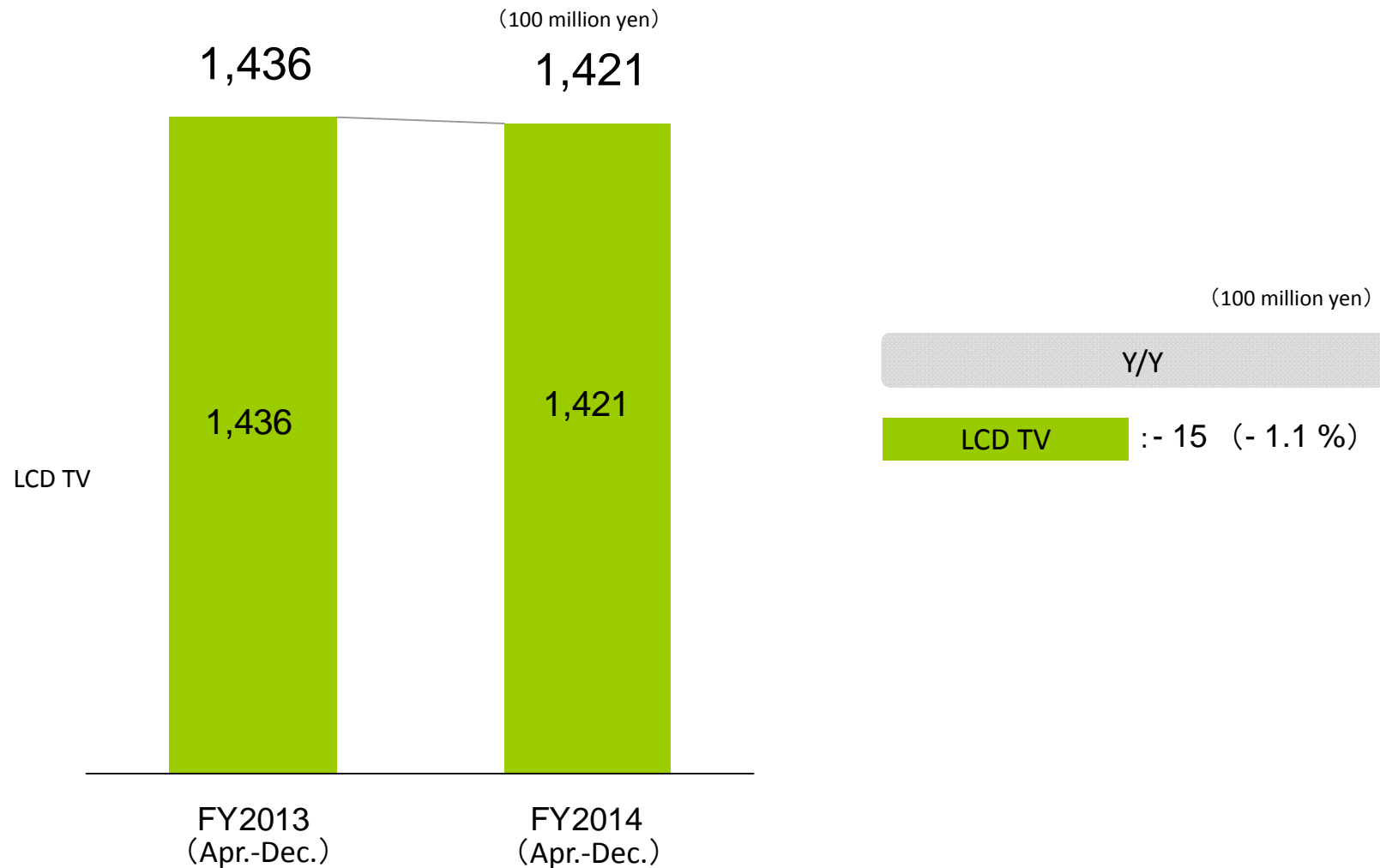
➤ A decline in sales of DVD/BD-related products because of market shrinkage.





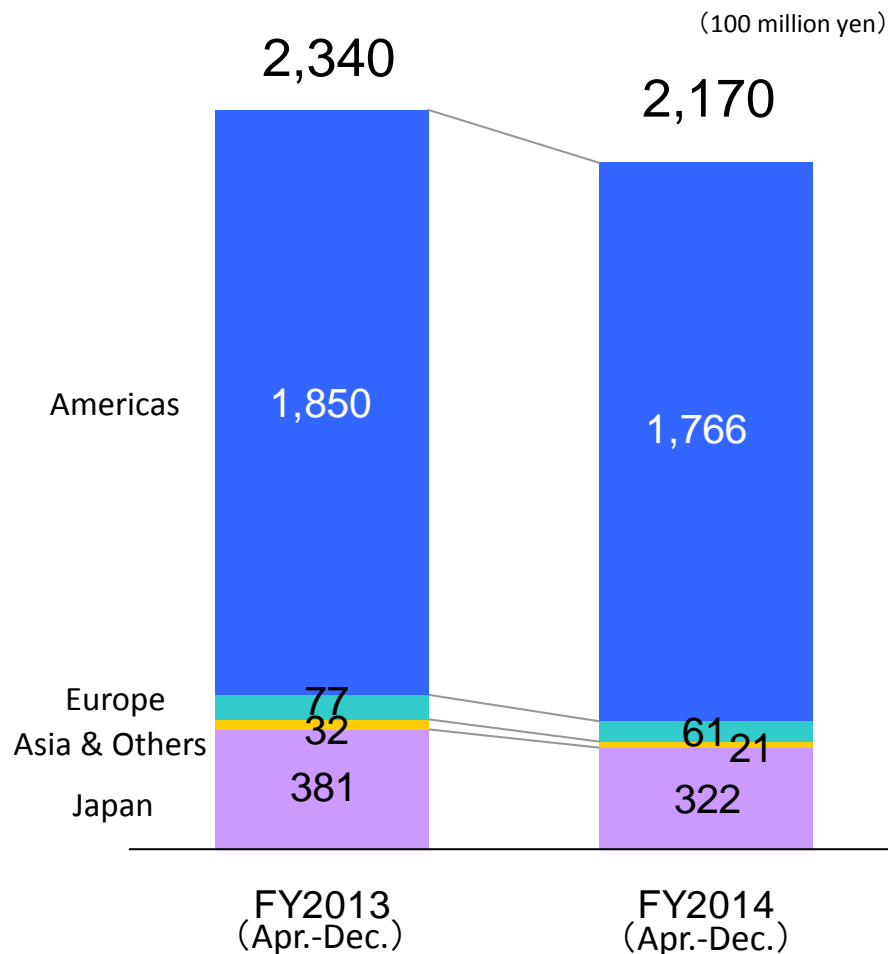
## 7. Sales of Television related Equipment

- Thanks to the shift to large-screen models and good sales during the year-end season , but on the other hands, lower sales of TVs with built-in DVD players.



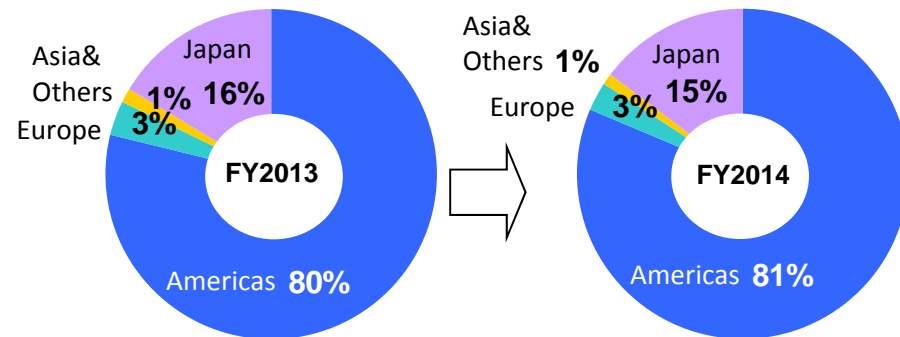
# 8. Geographic Breakdown of Sales

➤ All geographic declined, but only small decrease on Americas.



Y/Y	
Americas	: - 84 (-4.5%)
Europe	: - 16 (-20.9%)
Asia & Others	: - 11 (-34.6%)
Japan	: - 59 (-15.5%)
<b>Total</b>	<b>: - 170 (-7.2%)</b>

Sales Composition

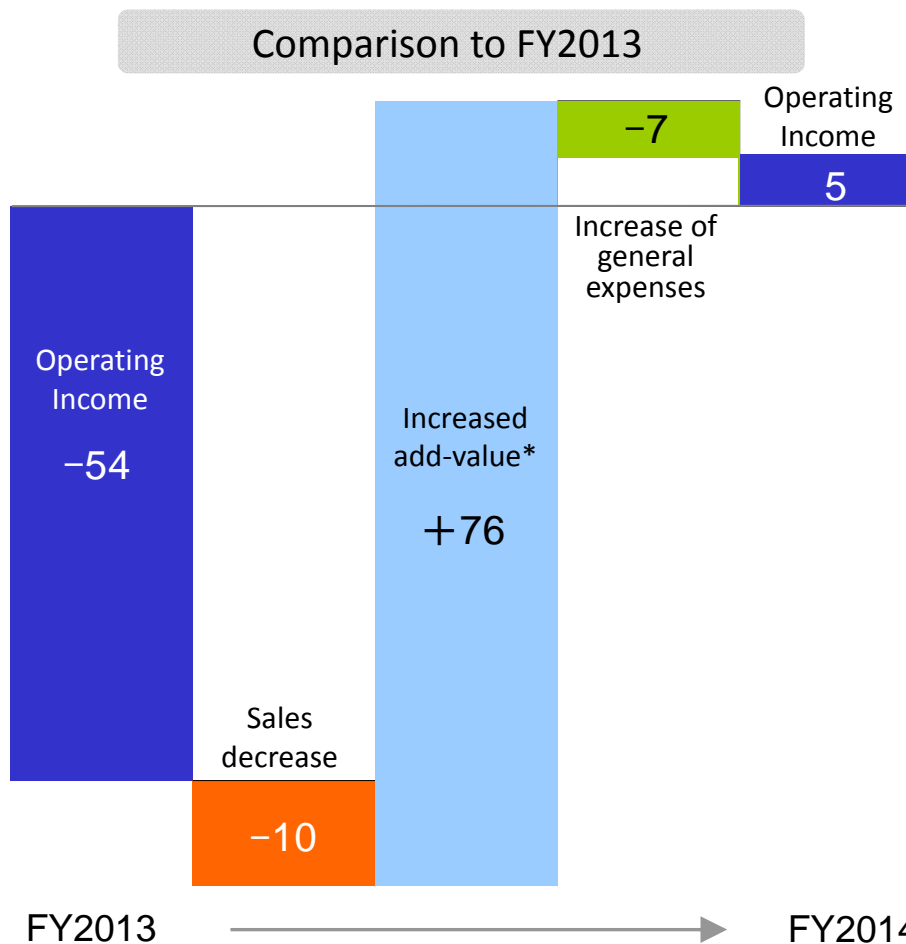


Note: Effective From FY2014, sales to Central and South America, which were previously included in the Asia and others, have been included in Americas. The segment name North America has been changed to Americas. Figures for FY2013 have been restated accordingly.

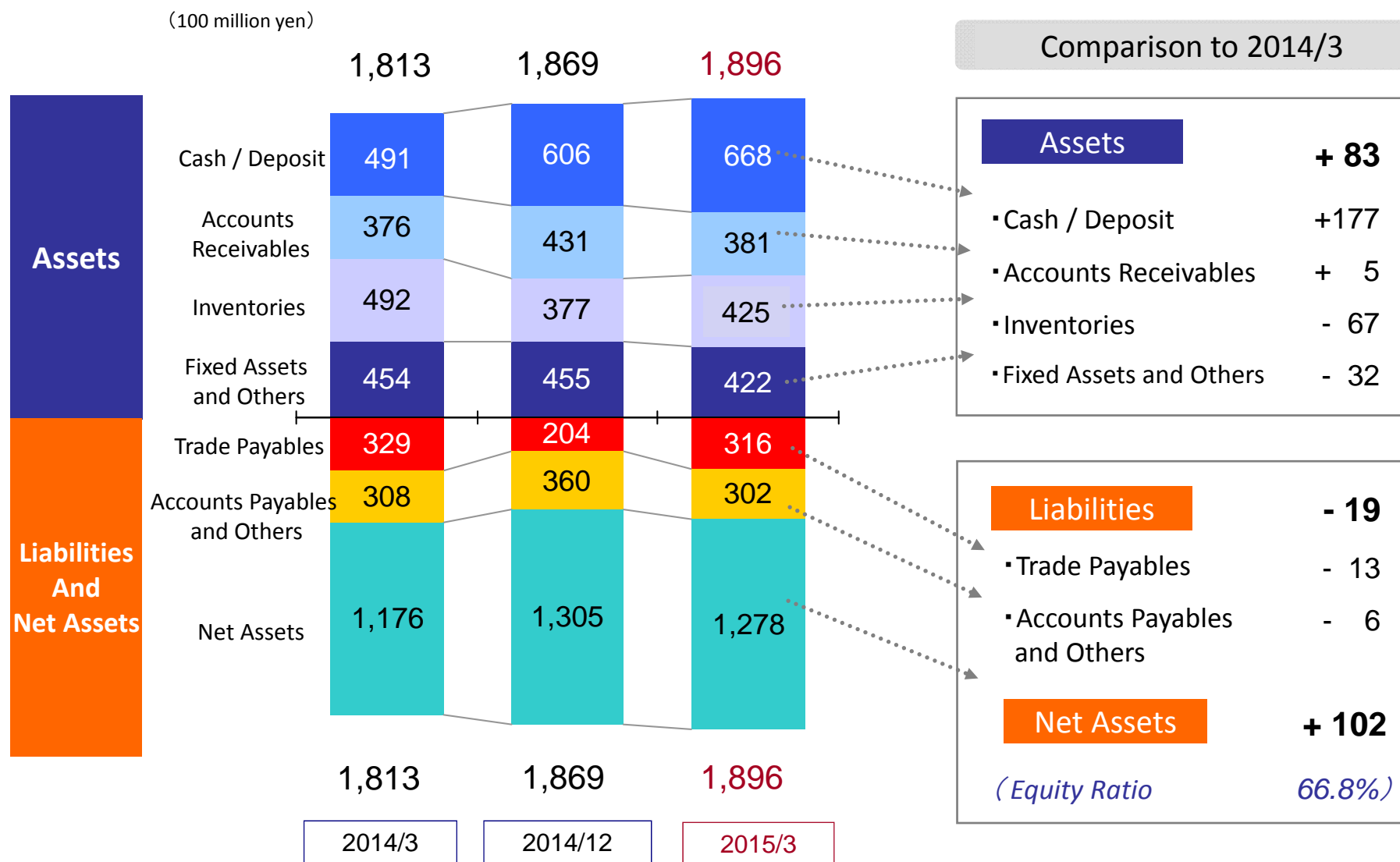
# 9. Factor of Changes of Operating Income

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

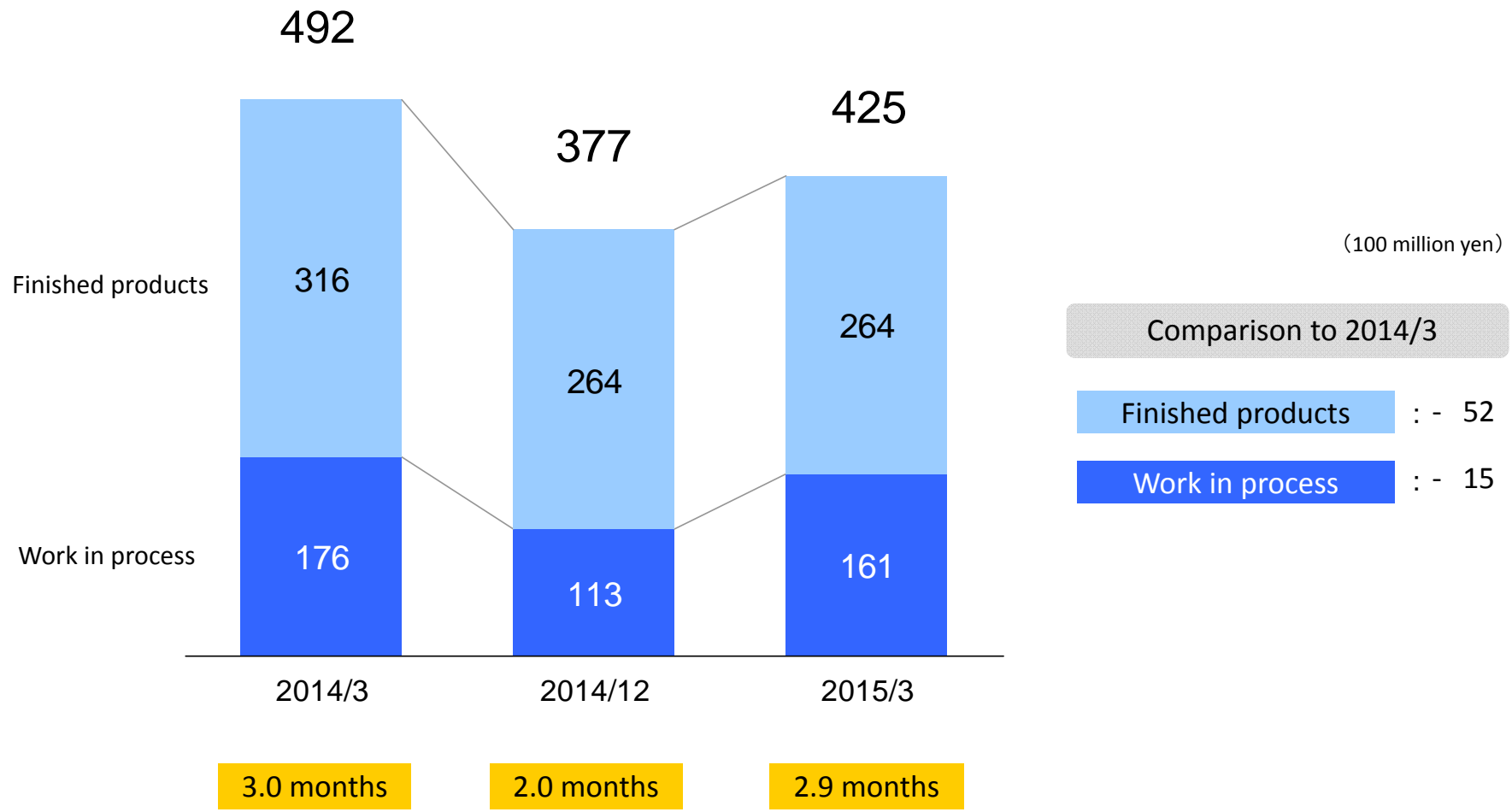
(100 million yen)



# 10. Financial Conditions



# 11. Changes of Inventories



<Inventories Turnover>

## 12. Projection of Fiscal 2014 ending March 2015

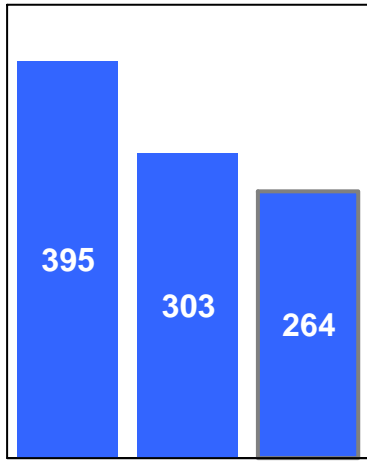


(100 million yen)

	FY 2014			FY 2015 (Projection)			Y / Y		
	1H	2H	12 months	1H	2H	12 months	1H	2H	12 months
Net Sales	1,158	1,012	2,170	911	1,289	2,200	-247	+277	+30 (+1.3%)
Operating Income (margin)	13 (1.2%)	-7 (-0.8%)	5 (0.3%)	-14 (-1.5%)	30 (2.3%)	16 (0.7%)	-27	+38	+11
Ordinary Income (margin)	27 (2.4%)	-8 (-0.9%)	19 (0.9%)	-18 (-2.0%)	30 (2.3%)	12 (0.5%)	-45	+38	-7
Net Income (margin)	26 (2.3%)	-12 (-1.3%)	13 (0.6%)	-21 (-2.3%)	25 (1.9%)	4 (0.2%)	-47	+38	-9
Average USD-JPY Exchange Rate	103. <sup>61</sup>	117. <sup>63</sup>	110. <sup>62</sup>	118. <sup>00</sup>					

# 13. Projection of Sales by Equipment in Fiscal 2015 ending March 2016

DVD related Equipment

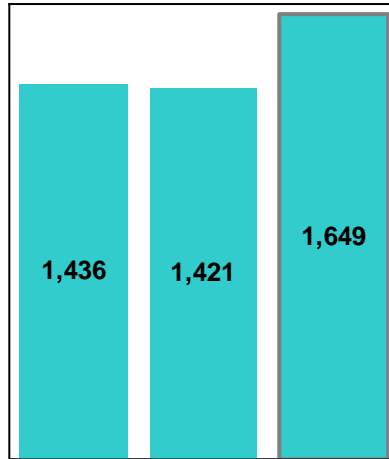


【FY2014 vs FY2015】  
- 12.8%

【Minus Factor】  
• Market Shrunk

FY2013 FY2014 FY2015  
(Projection)

TV related Equipment



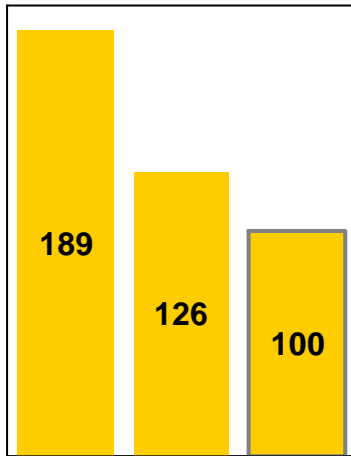
【FY2014 vs FY2015】  
+ 16.0%

【Plus Factor】  
• Changed strategy of the Retail Channels and Brands

FY2013 FY2014 FY2015  
(Projection)

(100 million yen)

Information Equipment

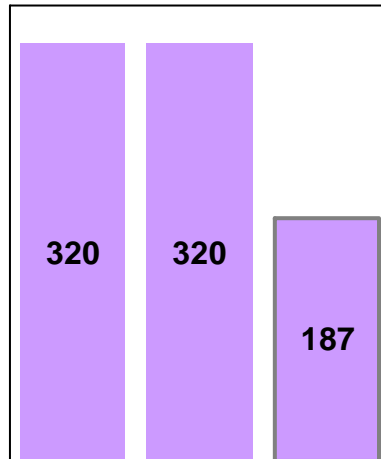


【FY2014 vs FY2015】  
- 21.0%

【Minus Factor】  
• Gradually Ramp-Up Inkjet Printers

FY2013 FY2014 FY2015  
(Projection)

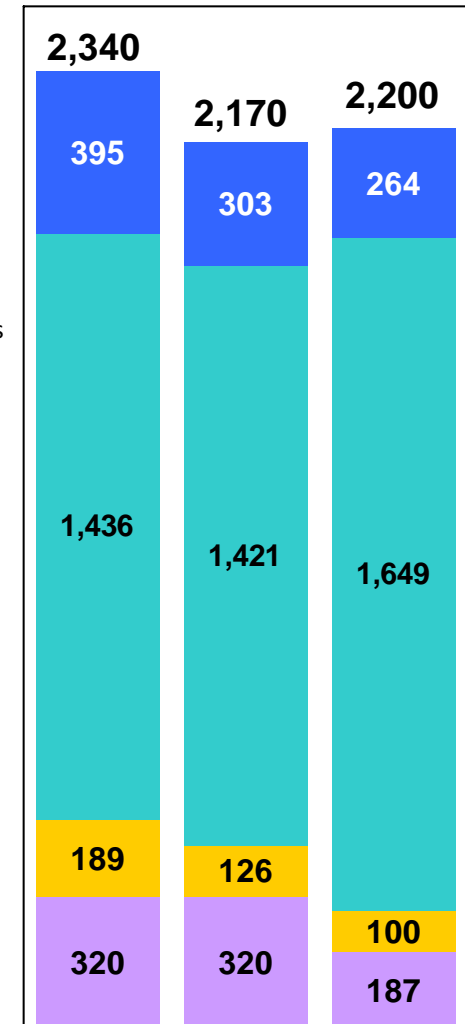
Others



【FY2014 vs FY2015】  
- 41.7%

【Minus Factor】  
• Audio accessories

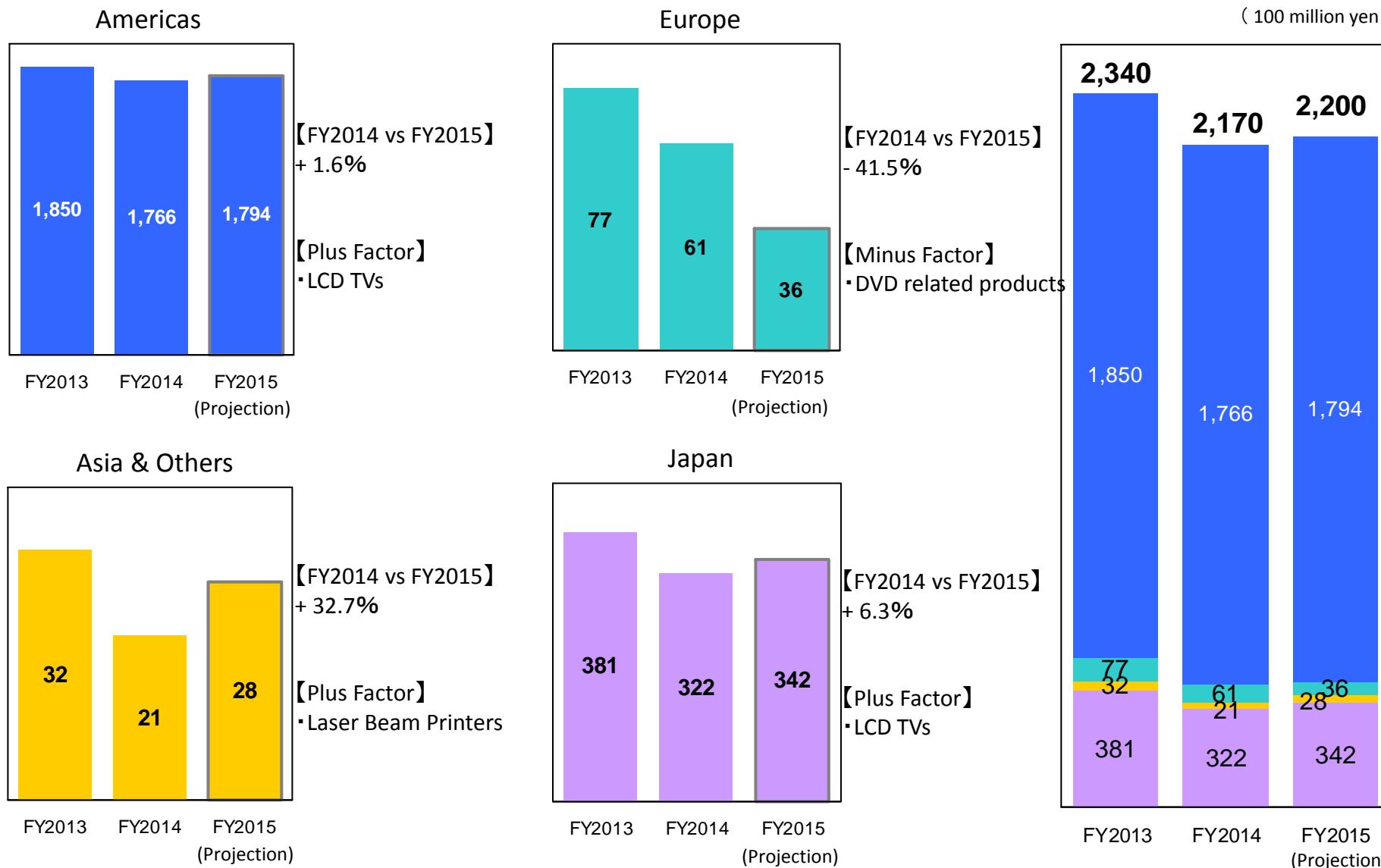
FY2013 FY2014 FY2015  
(Projection)



FY2013 FY2014 FY2015  
(Projection)

# 14. Projection of Sales by Geography in Fiscal 2015 ending March 2016

( 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.

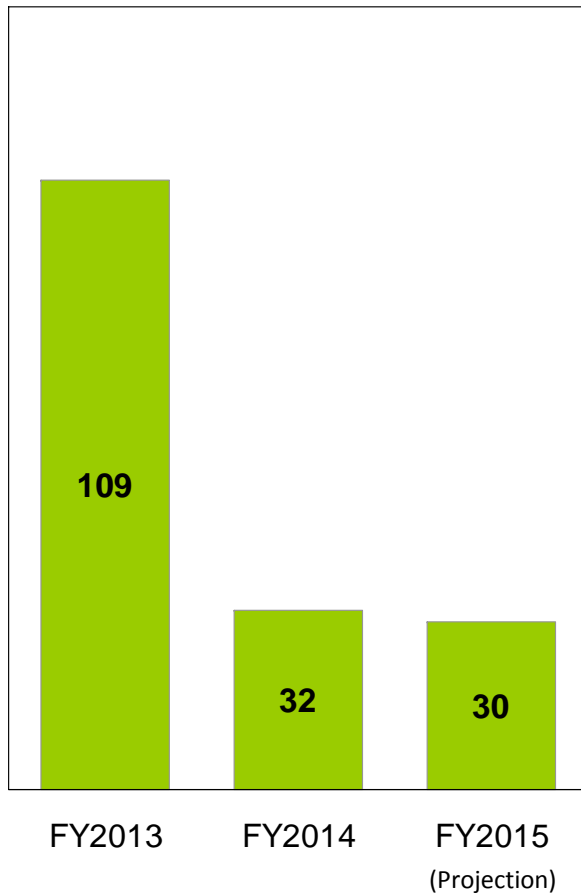


# 15. Capital Expenditures, Depreciation Expense and R&D Expenditures

( 100 million yen )

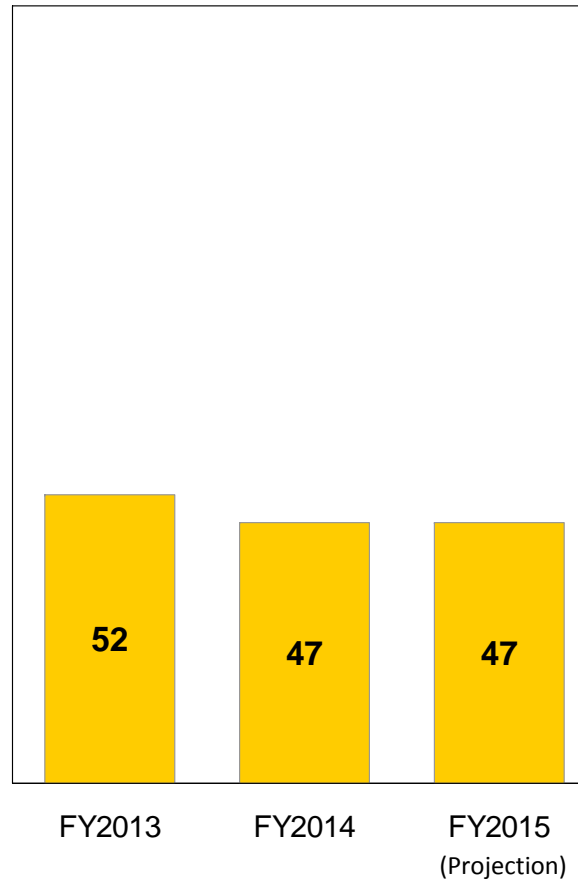
## Capital Expenditures

【FY2014 vs FY2015】  
-6.3%



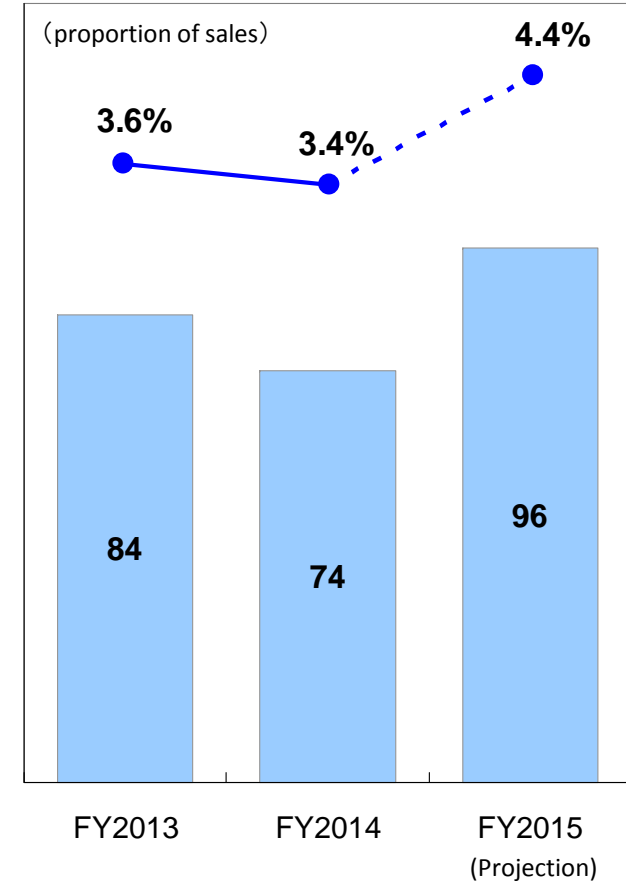
## Depreciation Expense

【FY2014 vs FY2015】  
-



## R&D Expenditures

【FY2014 vs FY2015】  
+29.7%



## II . Appendix

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1. Quarterly Operating Summary of FY 2012 - 2014
2. Quarterly Changes of Sales Amount by Equipment (FY2013 – 2014)
3. Quarterly Changes of Sales Amount by Geography (FY2013 – 2014)

# 1. Quarterly Operating Summary of FY 2012 - 2014

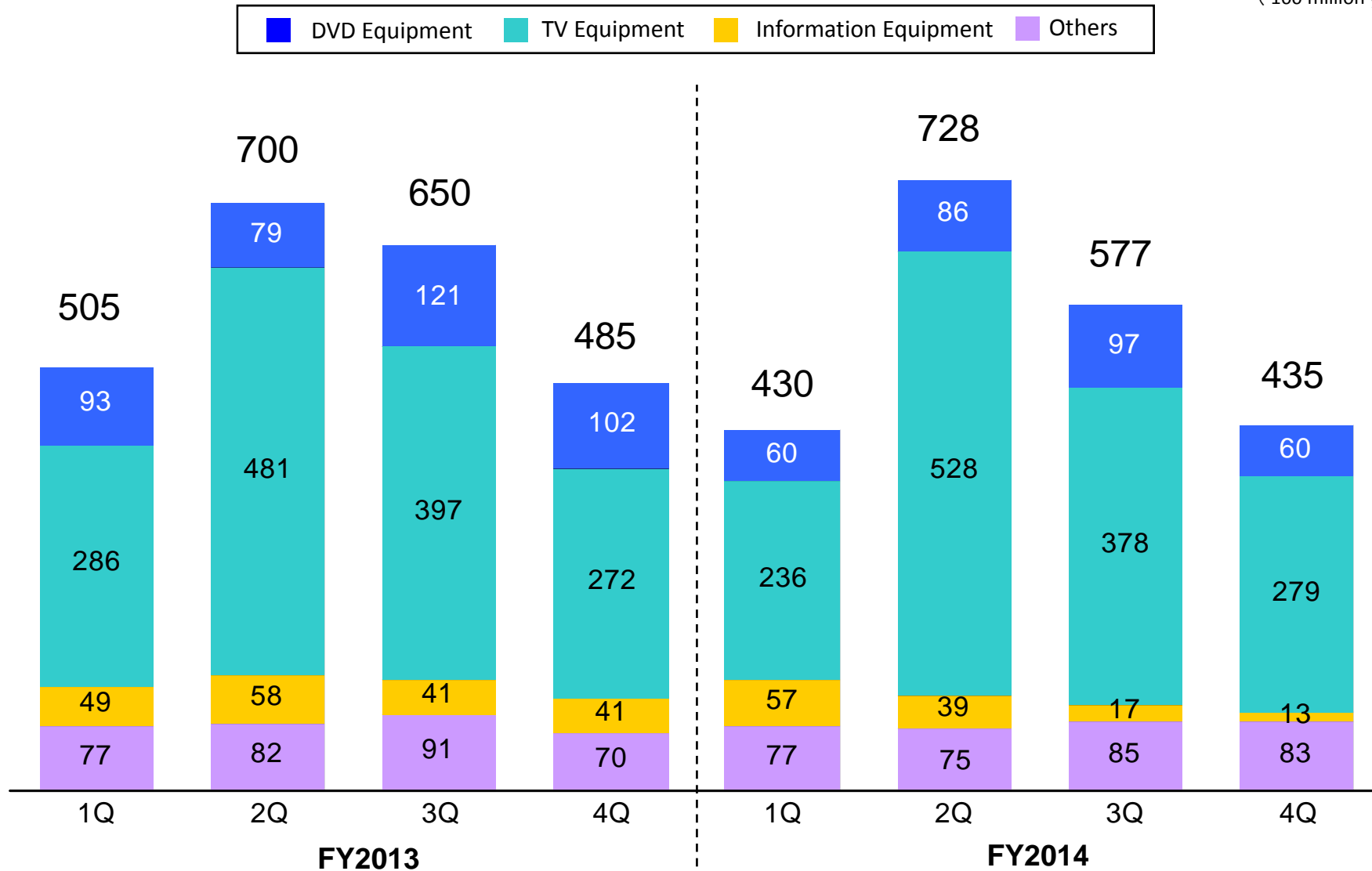


( 100 million yen )

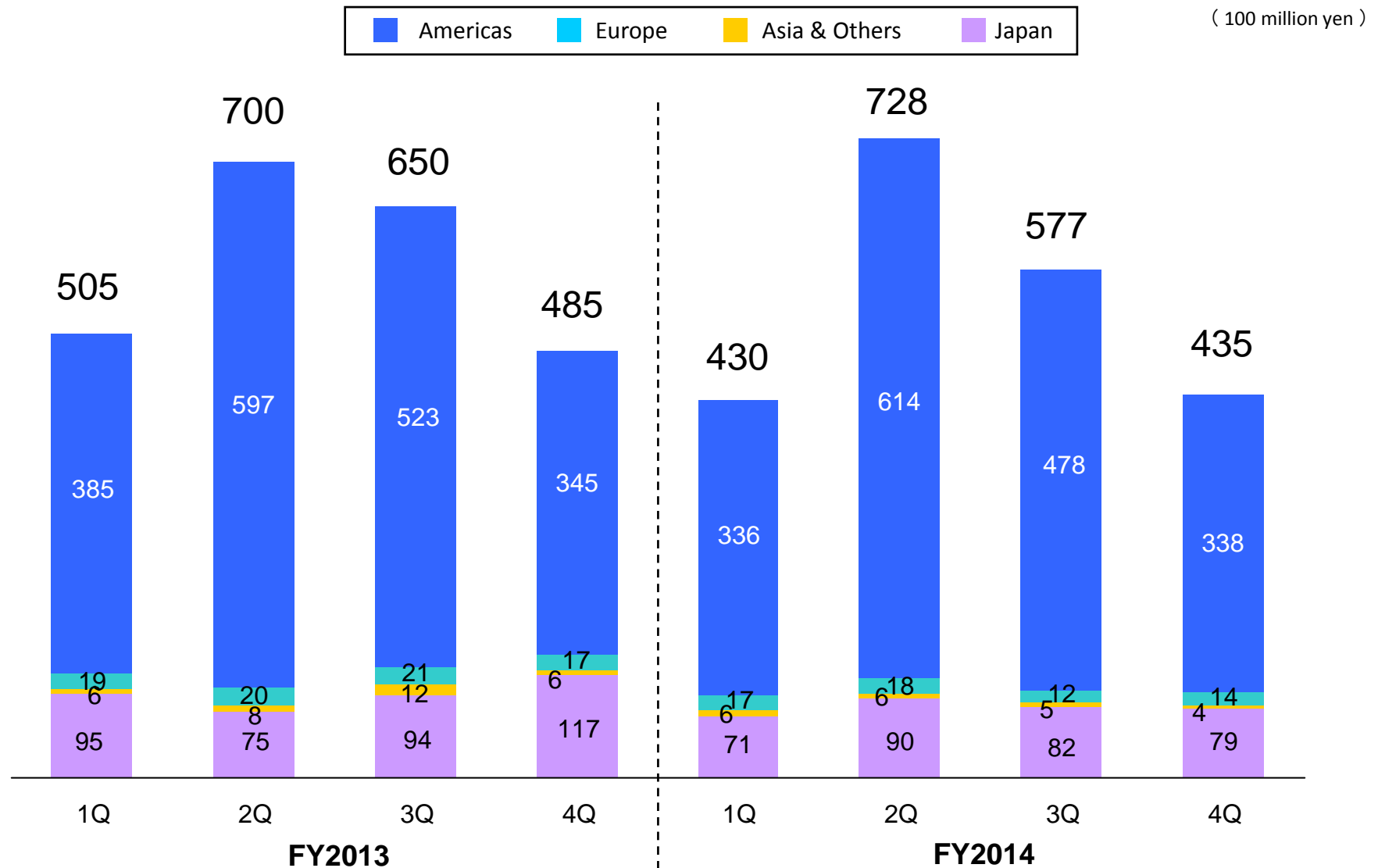
	FY2012				FY2013				FY2014			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net Sales	400	490	580	450	505	700	650	485	430	728	577	435
Operating Income	-9	-5	-3	-34	-17	22	-1	-59	-21	34	0	-8
( Margin )	(-2.4%)	(-1.0%)	(-0.7%)	(-7.6%)	(-3.4%)	(3.3%)	(-0.2%)	(-12.2%)	(-4.9%)	(4.7%)	(0.1%)	(-1.9%)
Ordinary Income	-20	-10	32	-4	1	20	26	-70	-24	52	15	-23
( Margin )	(-5.1%)	(-2.0%)	(5.5%)	(-1.1%)	(0.2%)	(2.9%)	(4.1%)	(-14.5%)	(-5.7%)	(7.1%)	(2.6%)	(-5.5%)
Net Income	-18	-11	6	-62	-0	6	11	-84	-23	49	13	-25
( Margin )	(-4.6%)	(-2.3%)	(1.2%)	(-13.9%)	(-0.0%)	(0.9%)	(1.7%)	(-17.5%)	(-5.4%)	(6.7%)	(2.3%)	(-5.9%)
Average USD-JPY Exchange Rate	79. <sup>80</sup>	78. <sup>12</sup>	82. <sup>78</sup>	92. <sup>56</sup>	99. <sup>23</sup>	98. <sup>06</sup>	102. <sup>10</sup>	102. <sup>57</sup>	101. <sup>87</sup>	105. <sup>34</sup>	116. <sup>04</sup>	119. <sup>23</sup>

## 2. Quarterly Changes of Sales Amount by Equipment

( 100 million yen )



### 3. Quarterly Changes of Sales Amount by Geography



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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