



Presentation of Financial Results Third Quarter (Apr.-Dec.) of FY2017

**February 13, 2018
FUNAI ELECTRIC CO.,LTD.**

TSE 6839

I . Financial Results

1. Summary of 3rd Quarter (Oct.-Dec.)
2. Summary of Nine-Month (Apr.-Dec.)
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12. Capital Expenditures, Depreciation Expense
and R&D Expenditures

1. Summary of 3rd Quarter (Oct.-Dec.)

(100 million yen)

	FY2016 3Q	FY2017 3Q	Y/Y (Changes)
Net Sales	373	366	-7 (-1.8%)
Operating Income (Margin)	-10 (-2.7%)	-18 (-5.0%)	-8 (-)
Ordinary Income (Margin)	26 (7.0%)	-22 (-6.1%)	-48 (-)
Net Income Attributable to owners of parent (Margin)	23 (6.2%)	-24 (-6.6%)	-47 (-)

Average USD-JPY Exchange Rate	111. ²⁵	112. ⁷³
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Month End Exchange Rate	Sep.2016	Dec.2016	Sep.2017	Dec.2017
(USD/JPY)	101. ¹²	116. ⁴⁹	112. ⁷³	113. ⁰⁰

2. Summary of Nine-Month (Apr.-Dec.)

(100 million yen)

	FY2016 Nine-Month	FY2017 Nine-Month	Y/Y (Changes)
Net Sales	1,034	1,087	+53 (+5.2%)
Operating Income (Margin)	-46 (-4.5%)	-58 (-5.4%)	-12
Ordinary Income (Margin)	-48 (-4.7%)	-58 (-5.4%)	-10
Net Income Attributable to owners of parent (Margin)	-53 (-5.1%)	-155 (-14.3%)	-102

Average USD-JPY Exchange Rate	107. ⁵⁶	111. ⁷⁷
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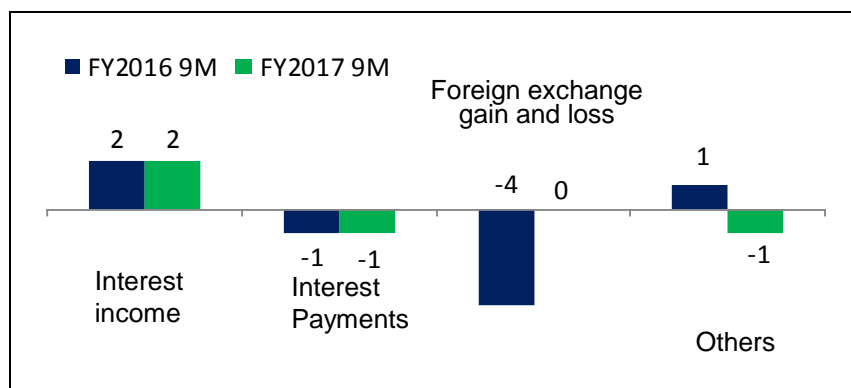
Month End Exchange Rate	Mar.2016	Dec.2016	Mar.2017	Dec.2017
(USD/JPY)	112. ⁶⁸	116. ⁴⁹	112. ¹⁹	113. ⁰⁰

3. Summary of Nine-Month (Apr.-Dec.)

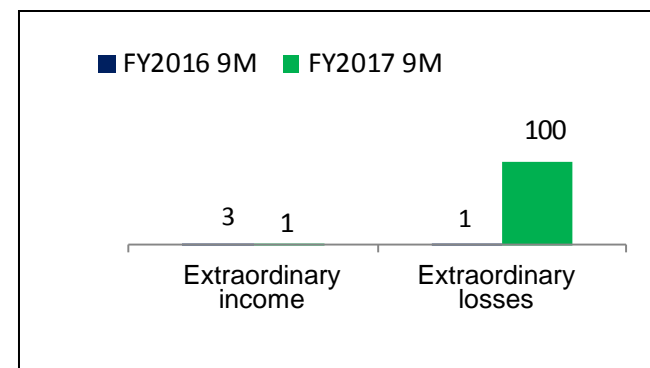
(100 million yen)

	FY2016 Nine-Month	FY2017 Nine-Month	Difference (Y/Y)
Non-operating income	(note:1) { 3	3	0
Non-operating expenses	{ 5	3	-2
Ordinary Income	-48	-58	-10
Extraordinary income	(note:2) { 3	1	-2
Extraordinary losses	{ 1	100	+99
Income before Income Taxes	-46	-157	-111
Income taxes	7	-2	-9
Net Income Attributable to owners of parent	-53	-155	-102

(note:1 Non-operating income and expenses)



(note:2 Extraordinary income and losses)



4. Break Down of Sales by Equipment

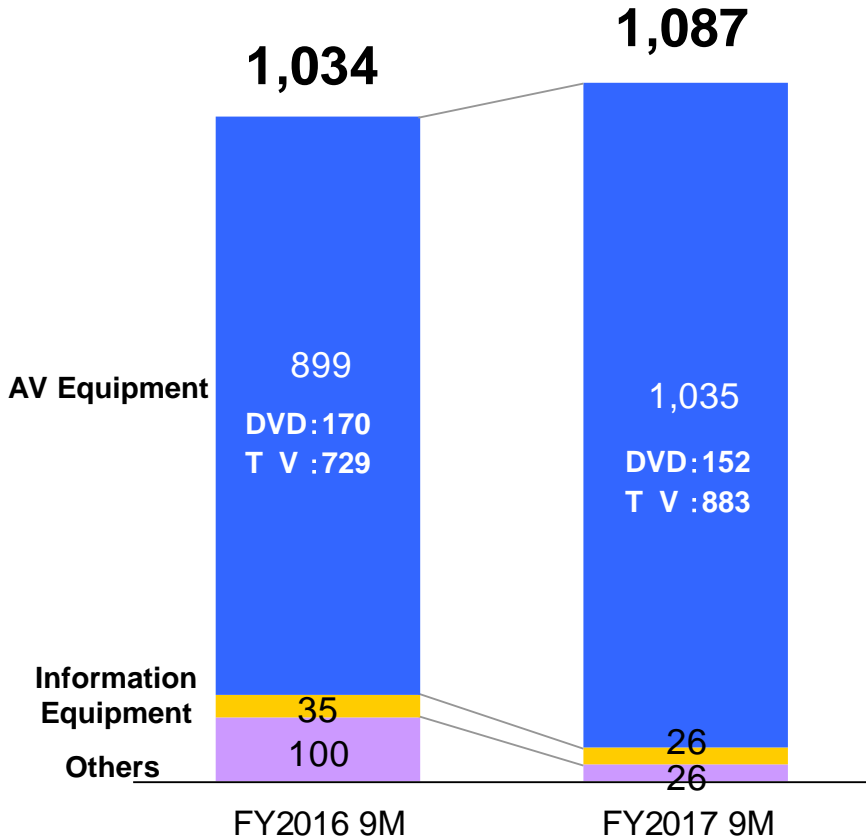
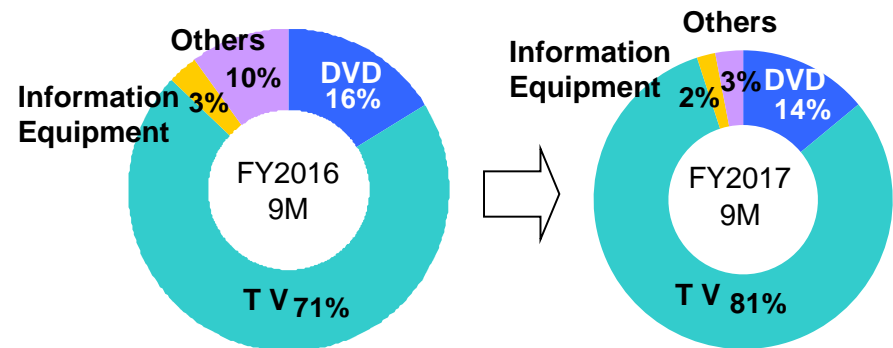
- AV Equipment: LCD TV Increased
- Info Equipment: Printers decreased due to slow sales of inkjet-printers and ink-cartridge
- Others: Sales of electronic reception devices ceased due to the transfer of the DX antenna.

(100million yen)

Y / Y (Change)

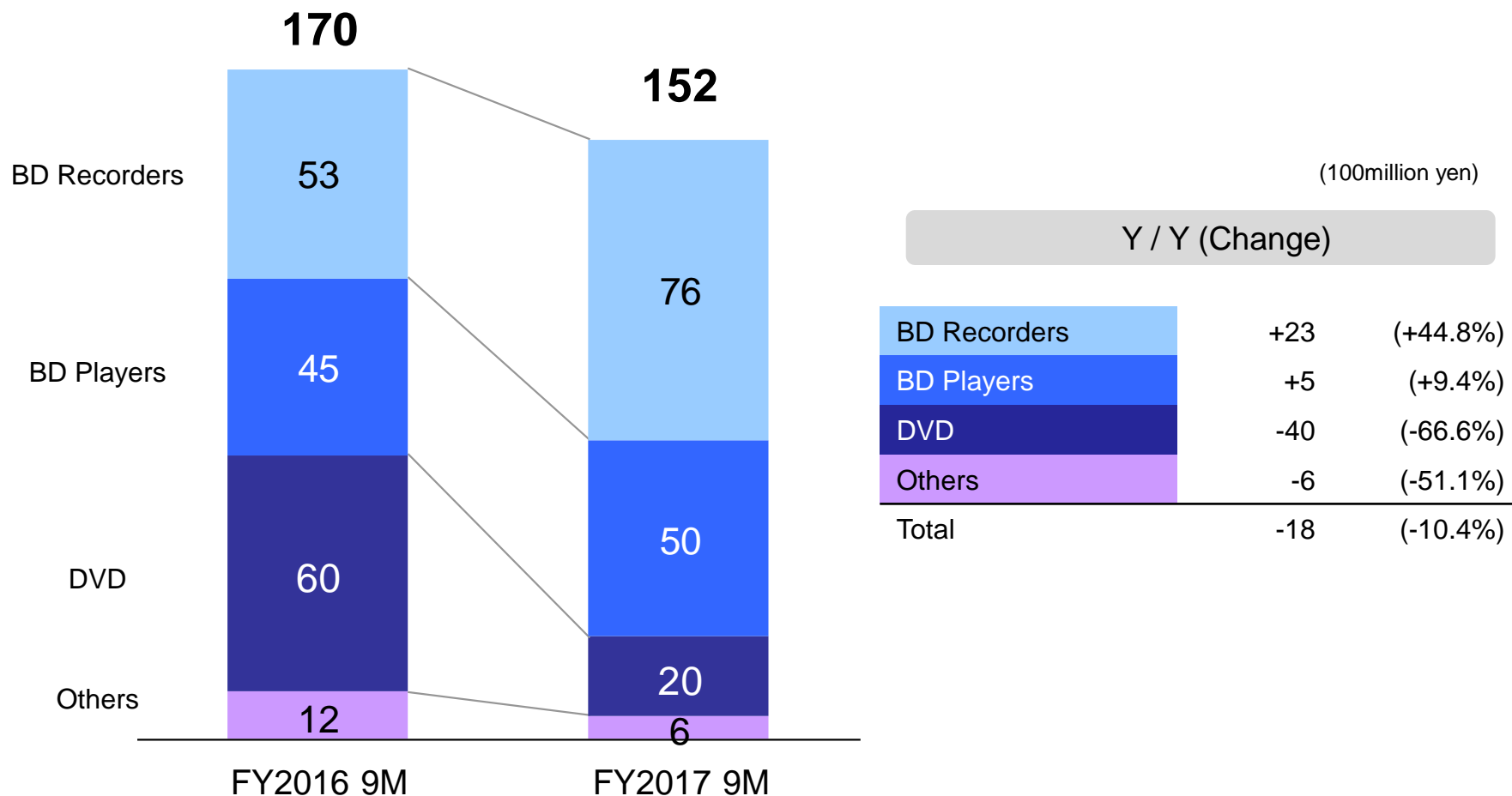
AV Equip	+136	(+15.1%)
DVD Equip	-18	(-10.4%)
TV Equip	+154	(+21.1%)
Information Equip	-9	(-26.3%)
Others	-74	(-73.6%)
Total	+53	(+5.2%)

Sales Composition



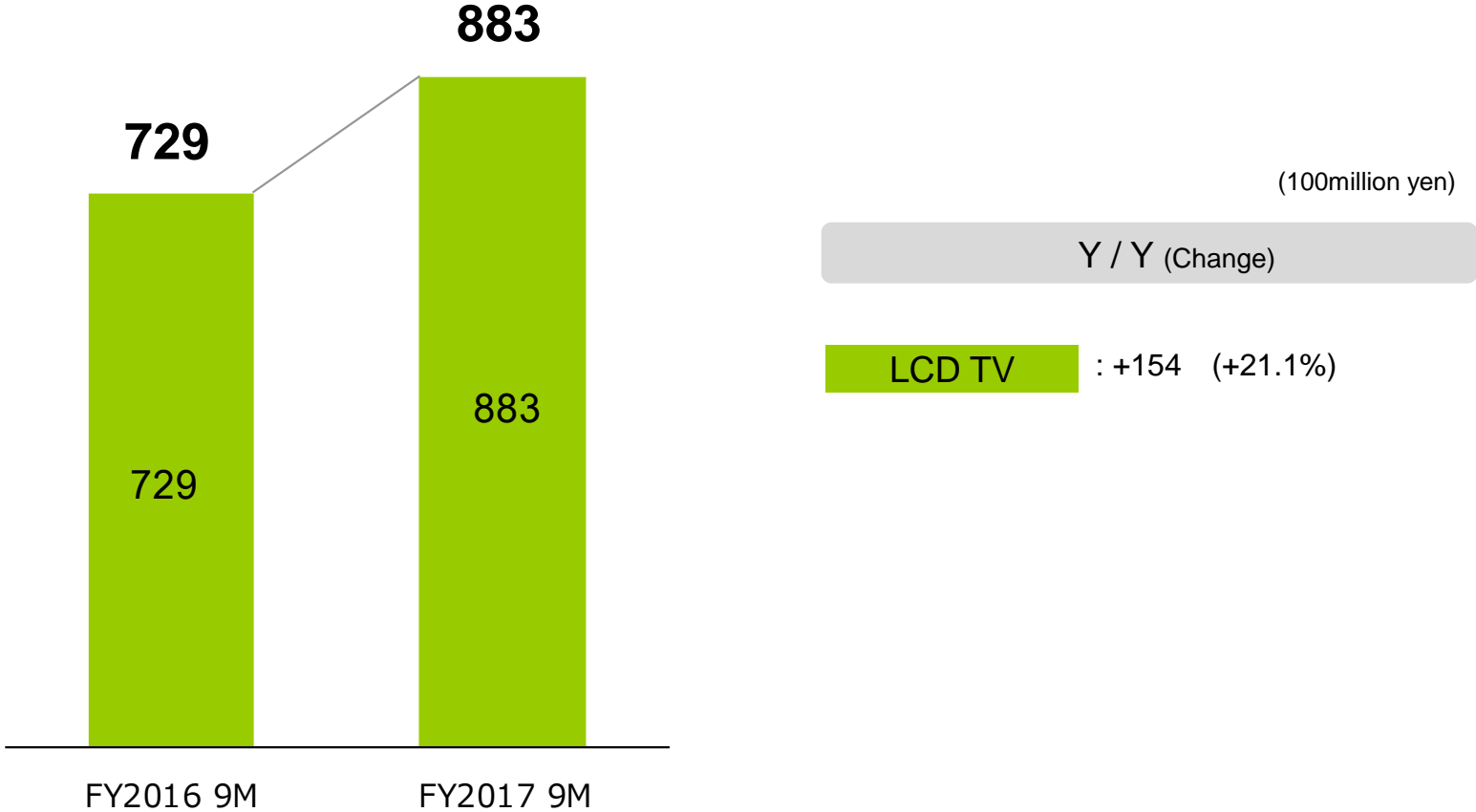
5. Sales of DVD related Equipment

➤ Decrease in DVD-related sales exceeded BD-related sales increase.



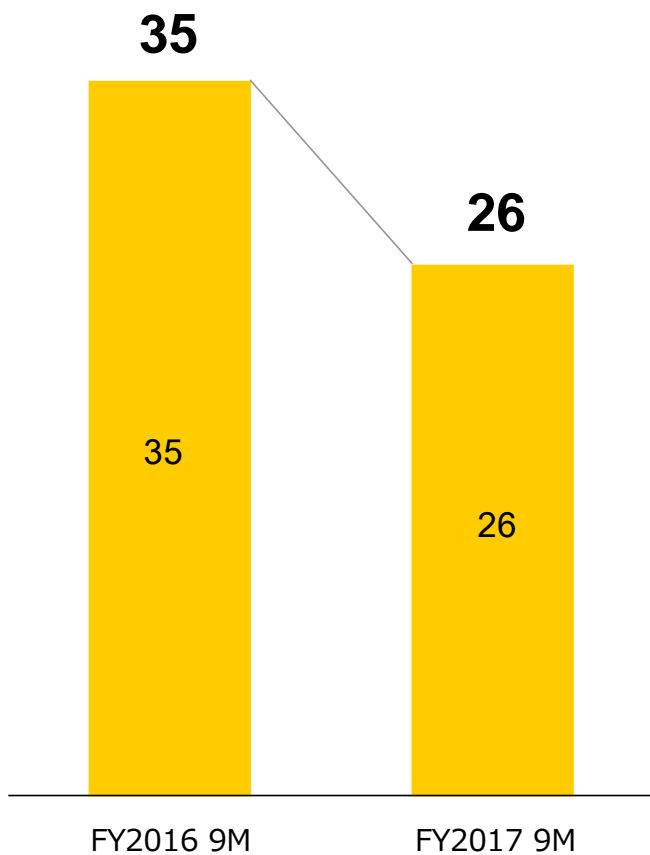
6. Sales of LCD related Equipment

➤ Sales increased due to increase in unit price by upsizing the mainstream size of LCD TV and exclusive sales of Yamada Denki in Japan.



7. Sales of Information Equipment

➤ Decreased due to decreased sales of ink-jet printers and ink-cartridges.



(100million yen)

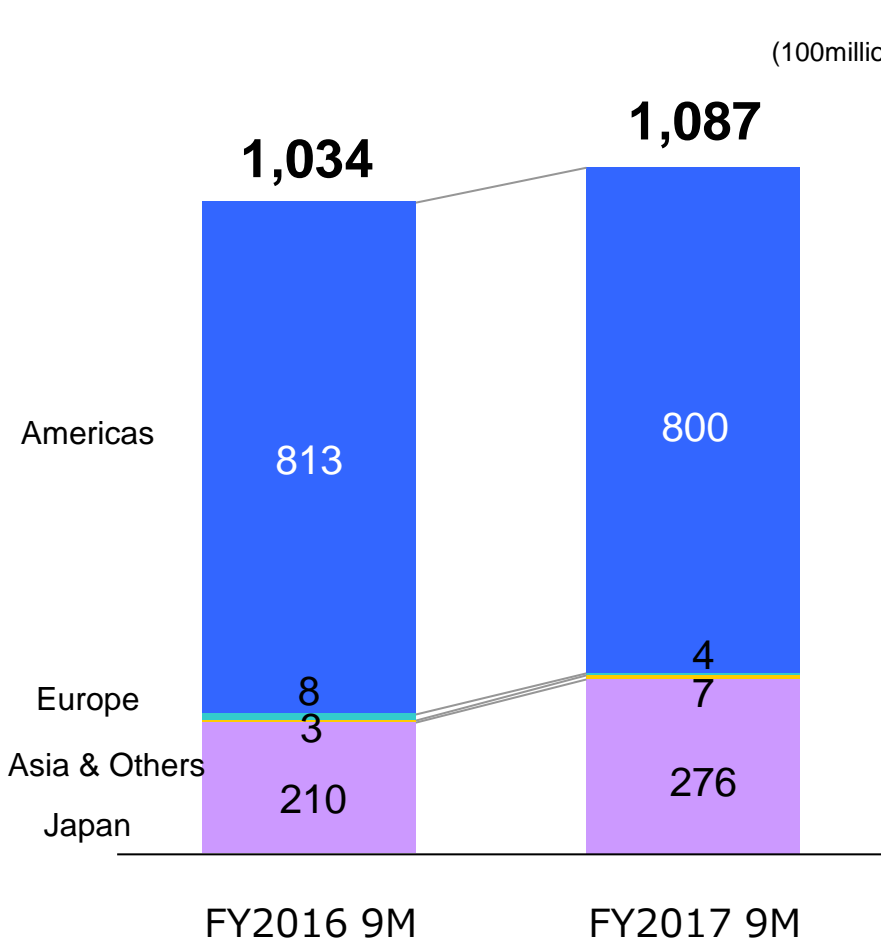
Y / Y (Change)

Information Equipment

: -9 (-26.3%)

8. Geographic Break Down of Sales

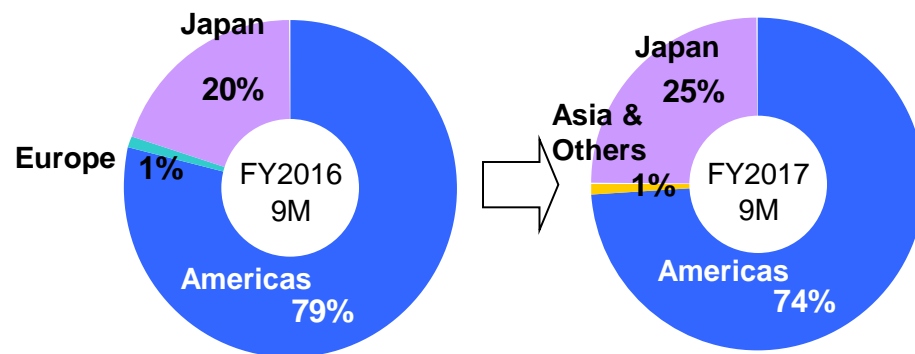
- Americas: Decrease in DVD-related sales and ink-cartridge sales exceeded LCD TV sales increase.
- Japan: LCD TVs and Blu-ray disc recorders increased.



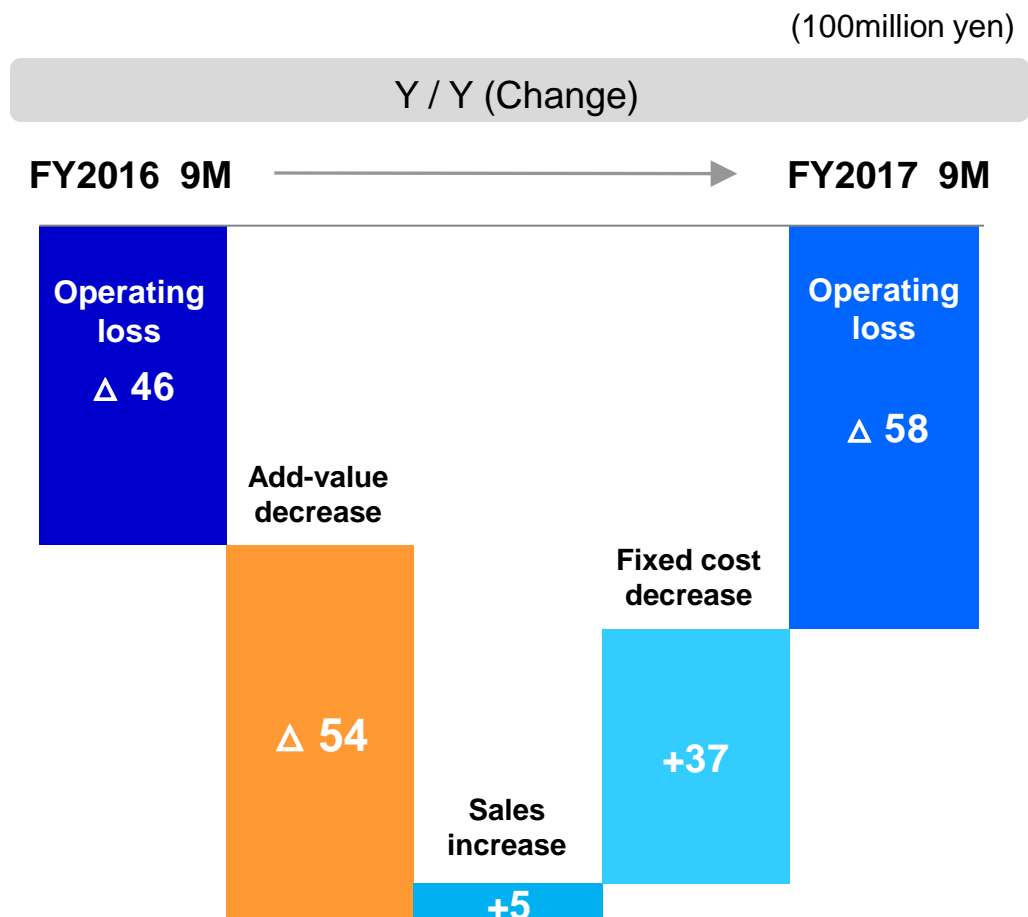
Y / Y (Change)

Americas	-13	(-1.6%)
Europe	-4	(-51.5%)
Asia & Others	+4	(+142.5%)
Japan	+66	(+31.5%)
Total	+53	(+5.2%)

Sales Composition

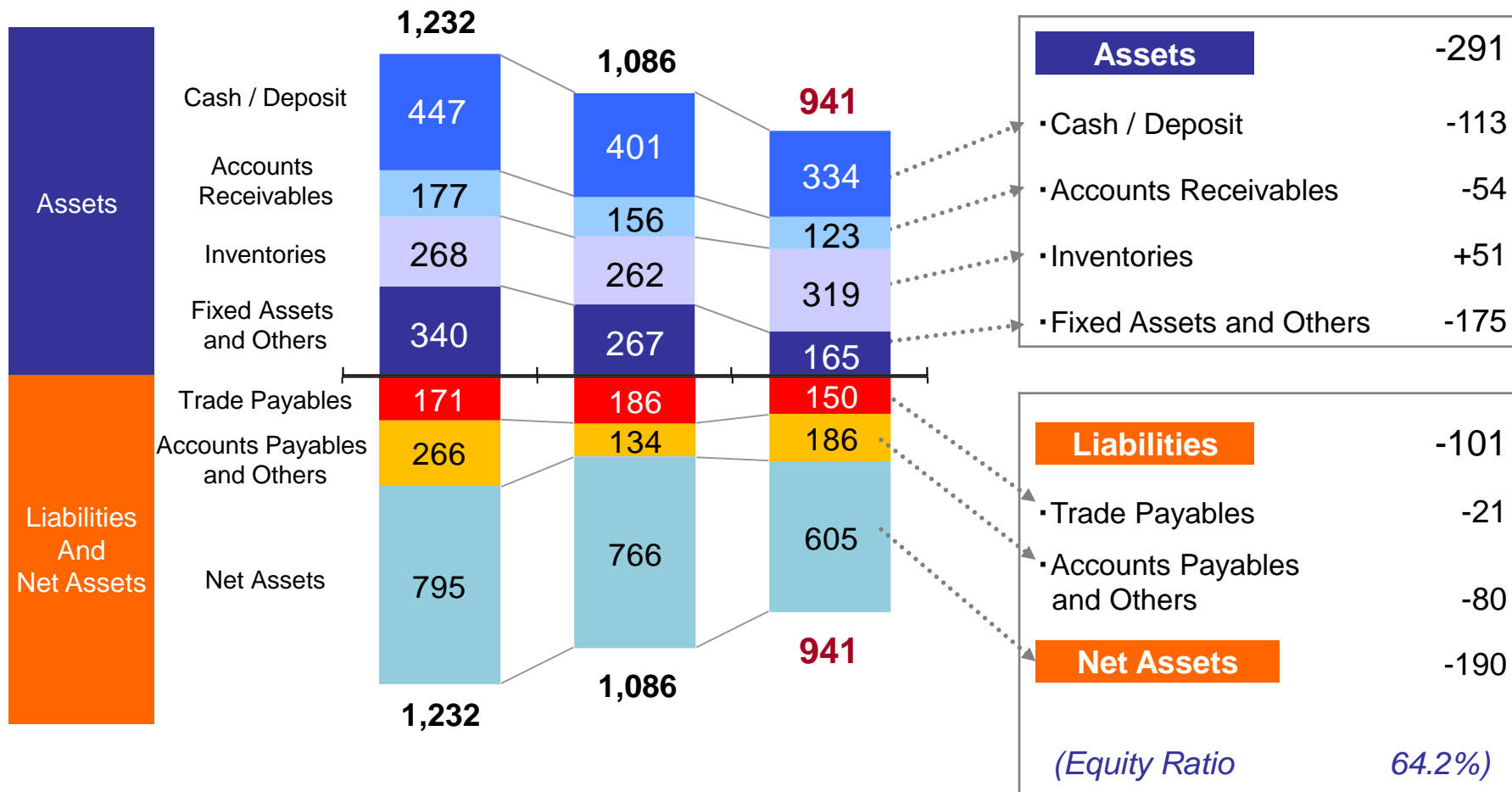


9. Operating Income Analysis (Y/Y)



10. Balance Sheet Conditions

(100 million yen)



Dec. 2016 Mar. 2017 Dec. 2017

11. Inventories Trends

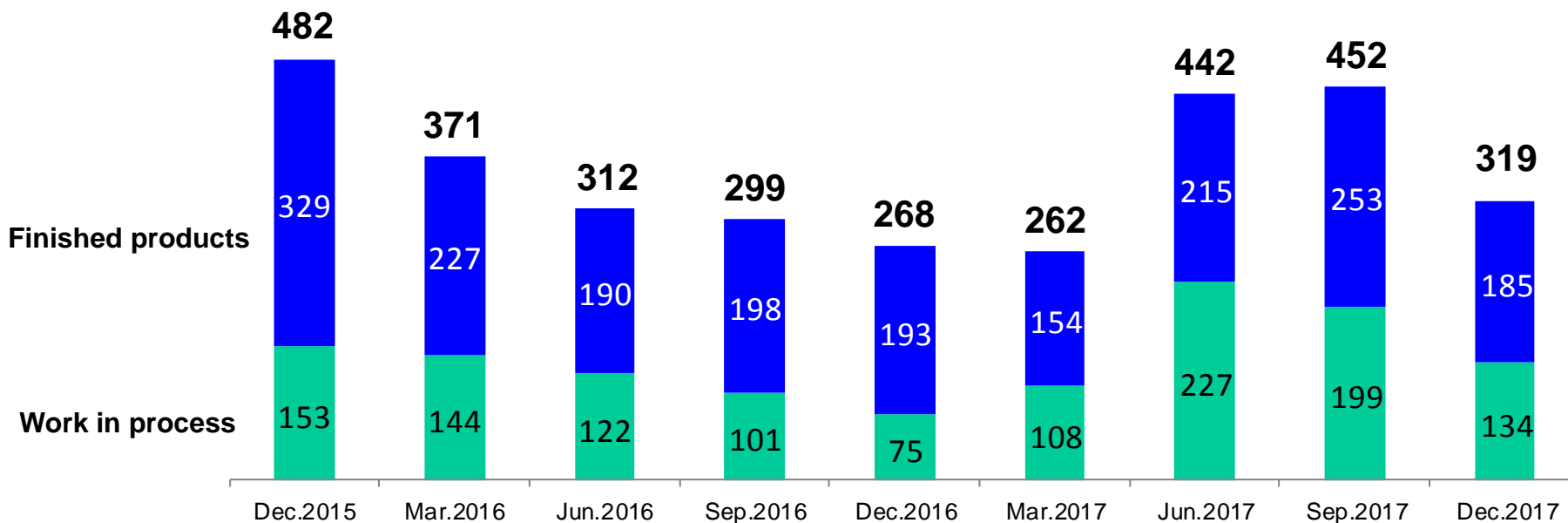
Y / Y (Change)

Finished products : - 8

Work in process : + 59

(100 million yen)

Inventories Turnover period in months



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

First Half

Full Year

Capital Expenditures **Depreciation Expense** **R&D Expenditures**

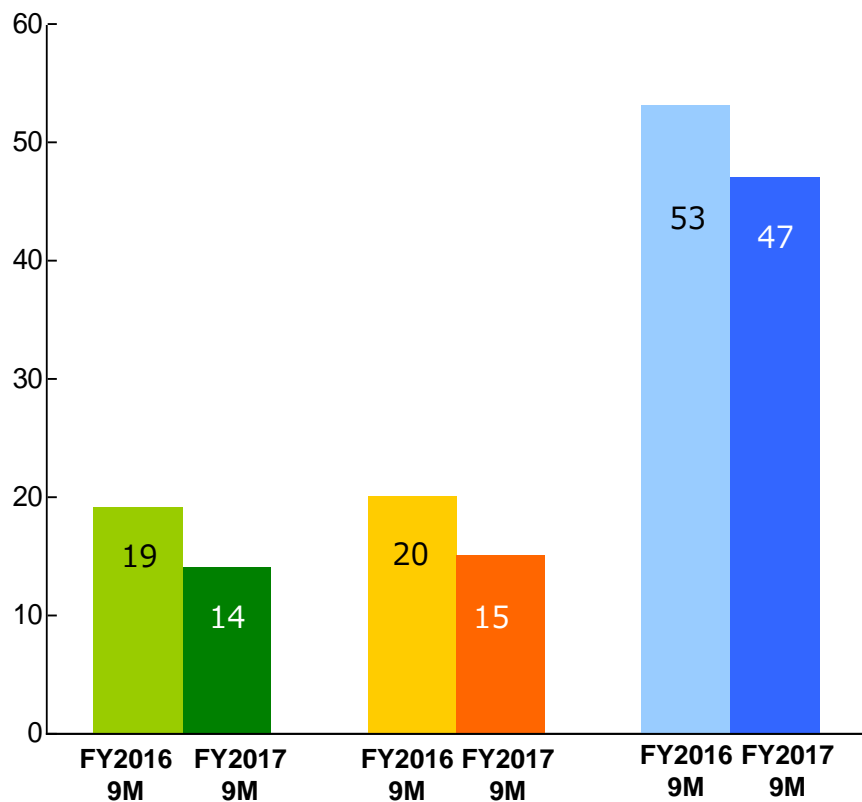
Capital Expenditures **Depreciation Expense** **R&D Expenditures**

Y/Y
-5

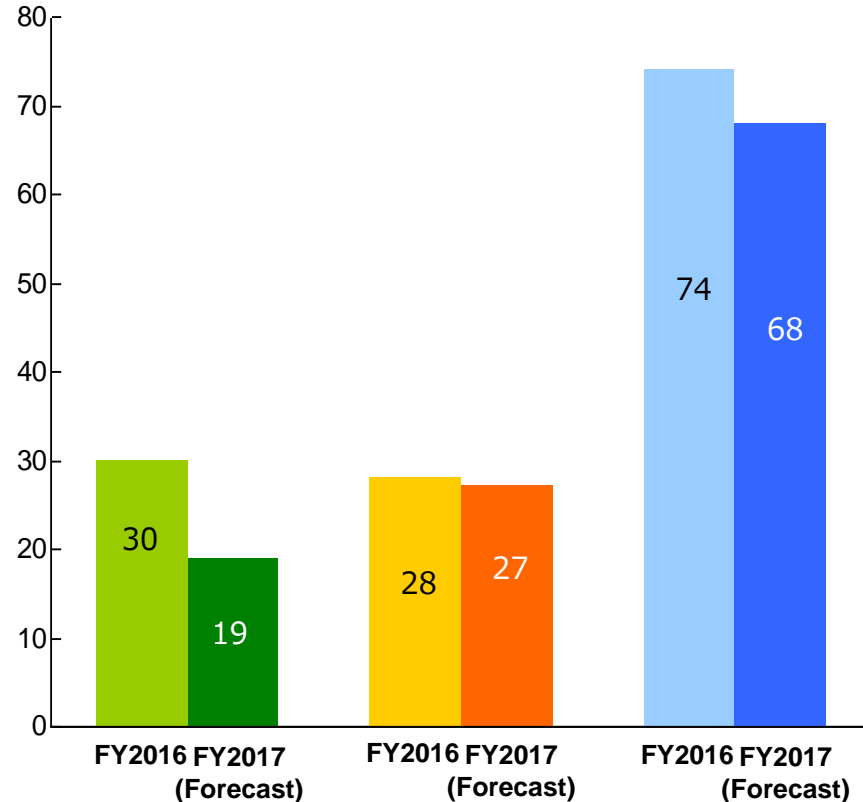
Y/Y
-5

Y/Y
-6

(100 million yen)



(100 million yen)



Appendix

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

1. Quarterly Financial Summary of FY 2016 - 2017

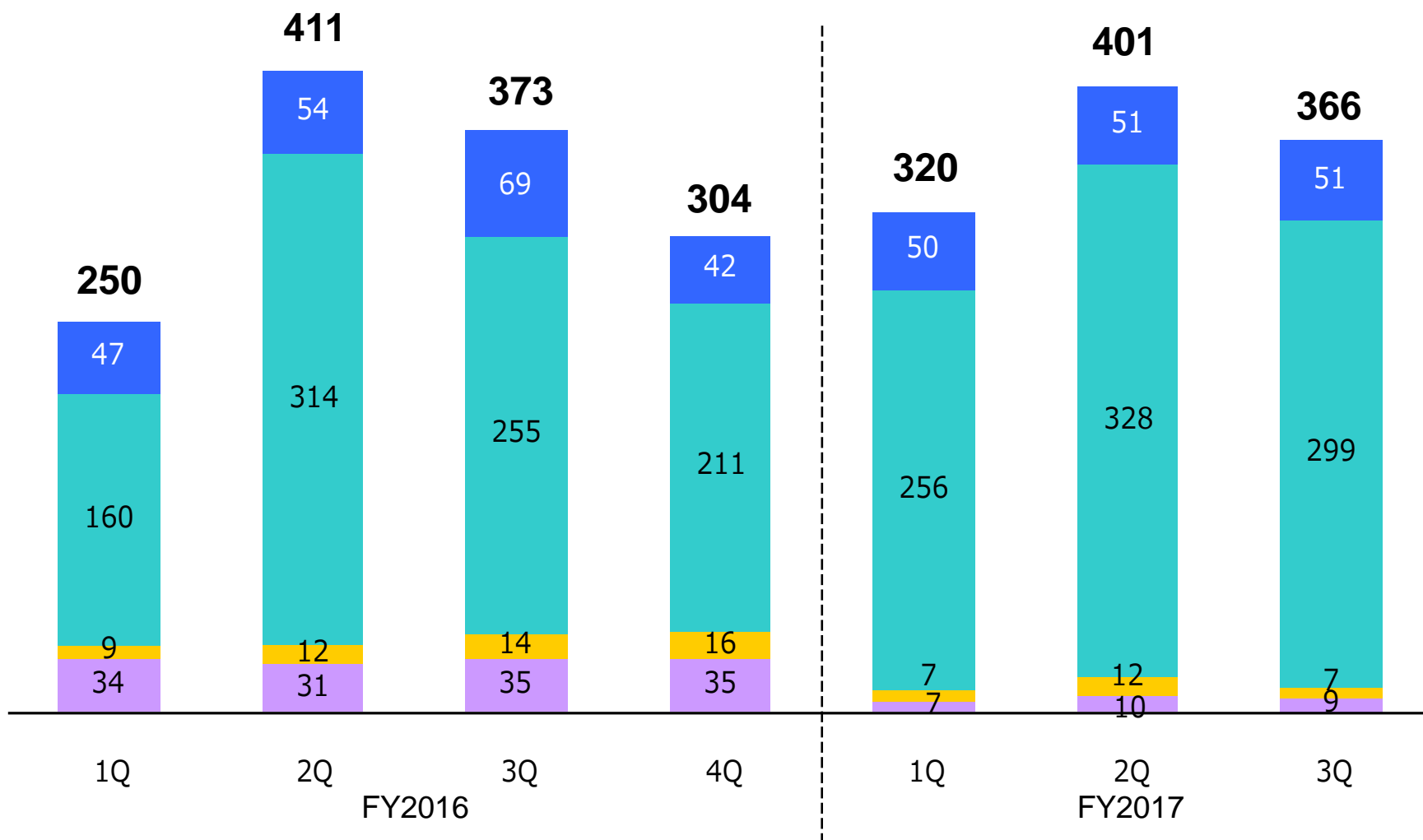
(100 million yen)

	FY2016				FY2017		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	250	411	373	304	320	401	366
Operating Income	-28	-7	-10	-21	-23	-17	-18
(Margin)	(-11.5%)	(-1.8%)	(-2.7%)	(-7.1%)	(-7.3%)	(-4.3%)	(-5.0%)
Ordinary Income	-58	-16	26	-28	-21	-14	-22
(Margin)	(-23.4%)	(-3.9%)	(7.0%)	(-9.4%)	(-6.7%)	(-3.7%)	(-6.1%)
Net Income Attributable to owners of parent	-57	-19	23	-14	-15	-115	-24
(Margin)	(-22.8%)	(-4.6%)	(6.2%)	(-4.7%)	(-4.7%)	(-28.9%)	(-6.6%)
Average USD-JPY Exchange Rate	108. ⁵³	102. ⁹⁰	111. ²⁵	112. ⁸⁵	111. ⁴¹	111. ¹⁶	112. ⁷³

2. Quarterly Sales Trends by Equipment



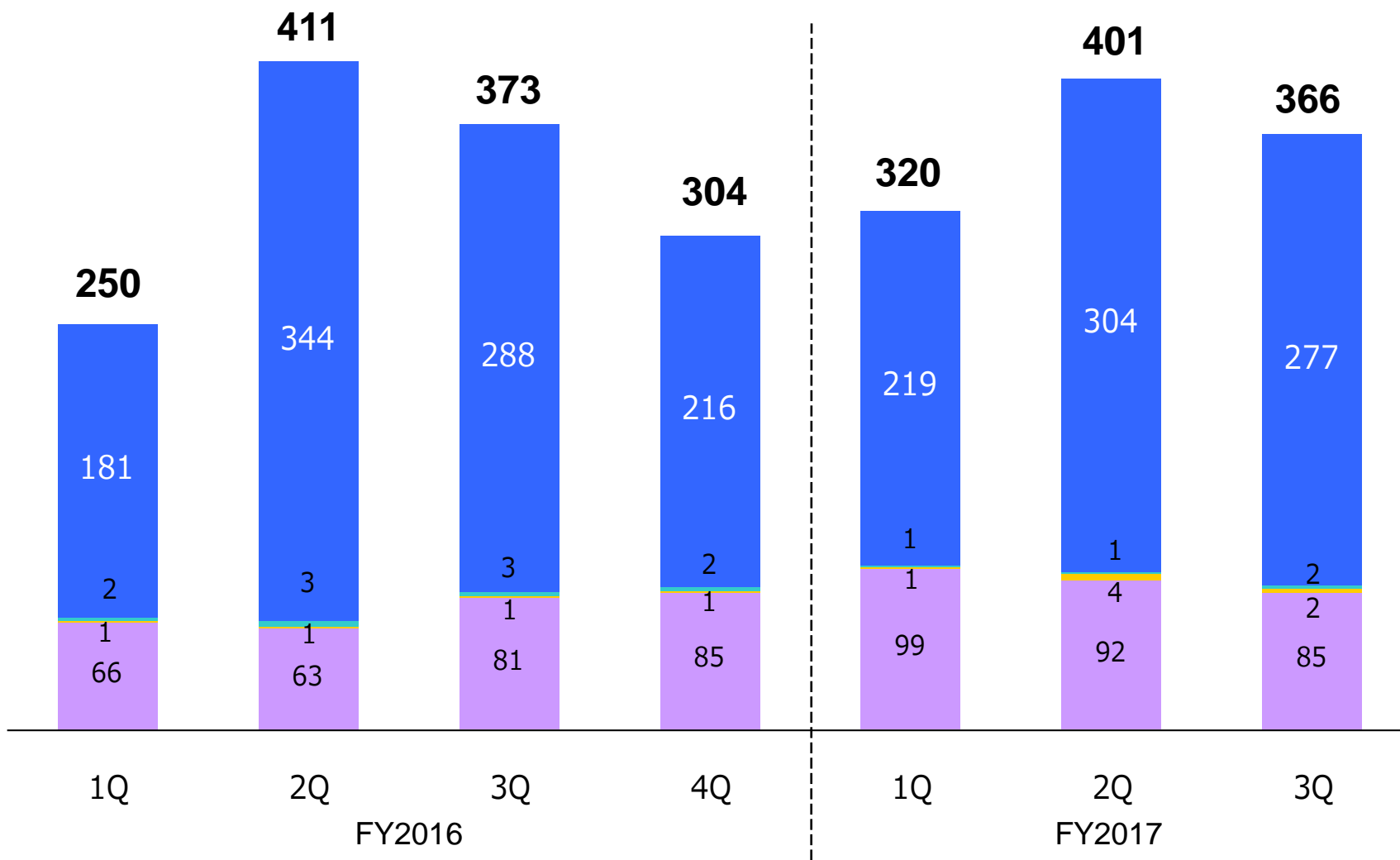
(100 million yen)



3. Quarterly Sales Trends by Geography



(100 million yen)



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