

As of and for the Year Ended February 28, 2019

Financial Results Briefing Materials

April 15, 2019

FURUNO ELECTRIC CO., LTD.

Points to Note:

This document is a translation of the Japanese original. The Japanese original is authoritative.

The information listed in these materials reflect the Company's future prospects as determined by management, based on the information available at the time of announcement, and include potential risks and uncertainties. It should be noted that the actual results may differ substantially from these forecasts, due to these various elements.

The numerical values shown in these materials are the monetary amounts listed in the consolidated balance sheet, consolidated profit-and-loss statement, consolidated statement of changes in shareholders' equity, and notes to consolidated financial statements. Shown values of less than one unit are truncated, and ratios and other values are rounded off.

* "E" in this material represents that the figure is a plan or projection for operation.

** "FY" in this material indicates the fiscal year ending February 28(29) of the succeeding year.

*** "1Q" in this material represents the three-month period beginning on March 1 and ending on May 31, "2Q" represents the six-month period beginning on March 1 and ending on August 31, "3Q" represents the nine-month period beginning on March 1 and ending on November 30, and "4Q" represents the twelve-month period beginning on March 1 and ending on February 28(29).

◆ Net Sales: Increase

In Japan, North America, Europe, and the Asia, net sales grew for the Marine Business, while revenue rose on the back of a robust Communications & GNSS Solutions.

◆ Profit: Increase

Improved production efficiency, changes in the product mix and other factors boosted the gross profit on sales rate.

Consolidated Financial Results Highlights

FURUNO

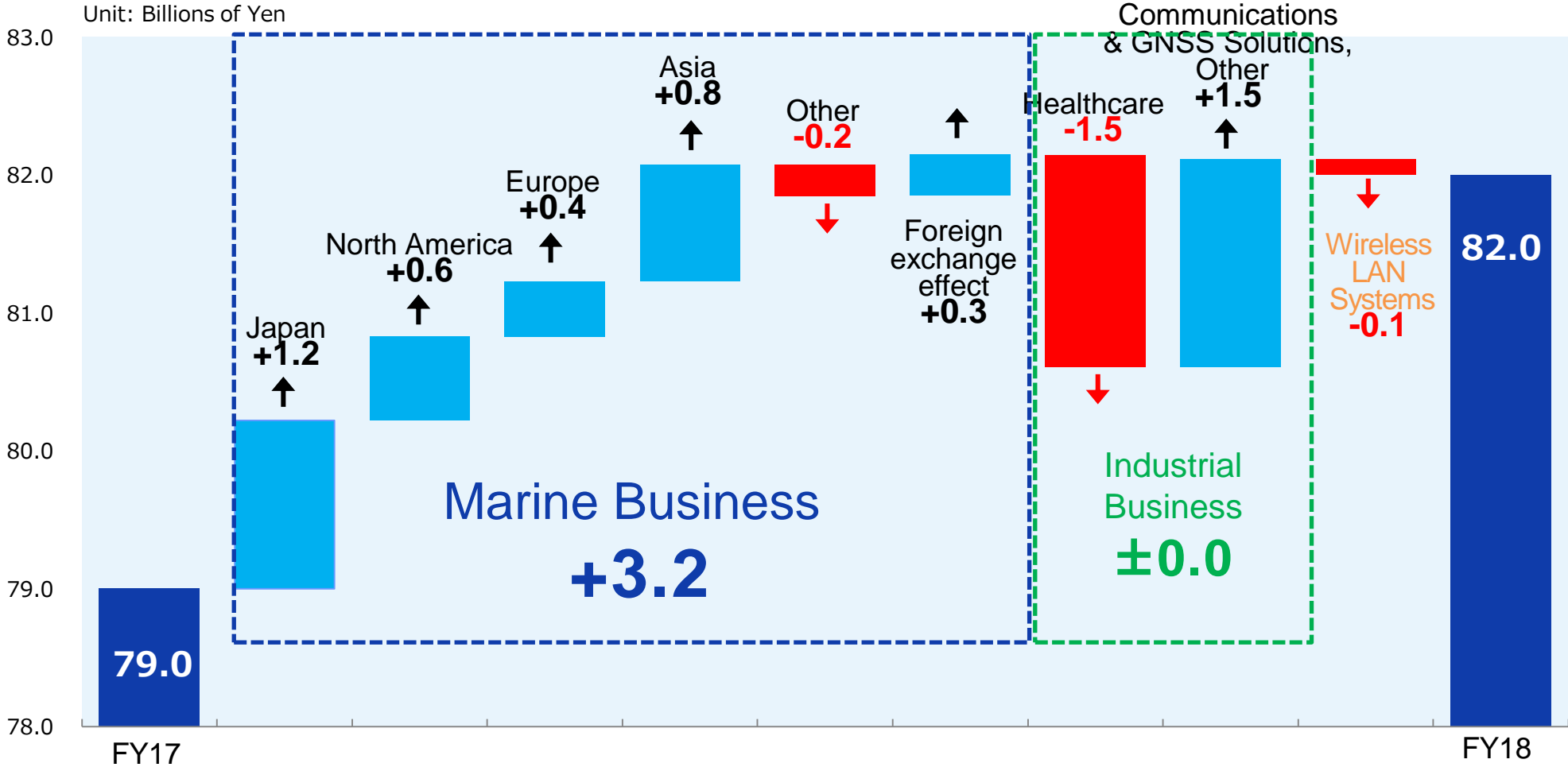
Unit: Millions of Yen	FY 2017	FY 2018	Year-over-year (amount)	Year-over-year (ratio)
Net sales	79,050	82,108	+3,058	+3.9%
Gross profit (Sales ratio)	28,233 (35.7%)	31,612 (38.5%)	+3,379 (+2.8)	+12.0%
Operating profit (Sales ratio)	1,992 (2.5%)	4,771 (5.8%)	+2,779 (+3.3)	+139.5%
Ordinary profit (Sales ratio)	1,857 (2.3%)	5,112 (6.2%)	+3,225 (+3.9)	+175.3%
Profit attributable to owners of parent (Sales ratio)	1,236 (1.6%)	4,026 (4.9%)	+2,790 (+3.3)	+ 225.5%

R&D expenses (Sales ratio)	4,470 (5.7%)	4,707 (5.7%)	+237 (+0.1)	+5.3%
capital investment Expenses (Sales ratio)	3,036 (3.8%)	2,595 (3.2%)	-441 (- 0.7)	-14.5%
Depreciation expenses (Sales ratio)	3,225 (4.1%)	3,093 (3.8%)	-131 (-0.3)	-4.1%

Unit: Yen, annual average exchange rate

1USD	112	111	-2	-1.4%
1EUR	127	130	+4	+2.8%

Analysis of Increase/Decrease in Net Sales

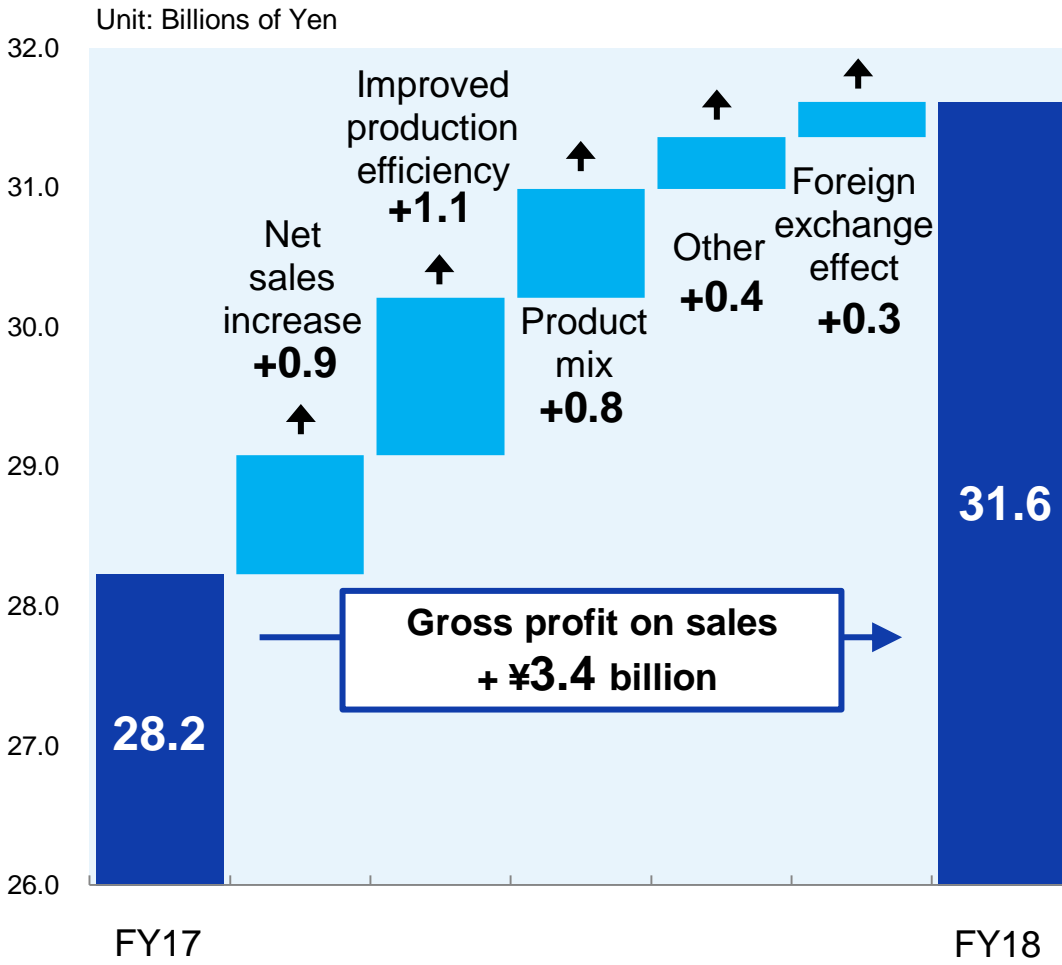


- Revenue rose for the Marine Business in Japan, North America, Europe, and Asia.
- Foreign exchange effect is positive
- Communications & GNSS Solutions is healthy

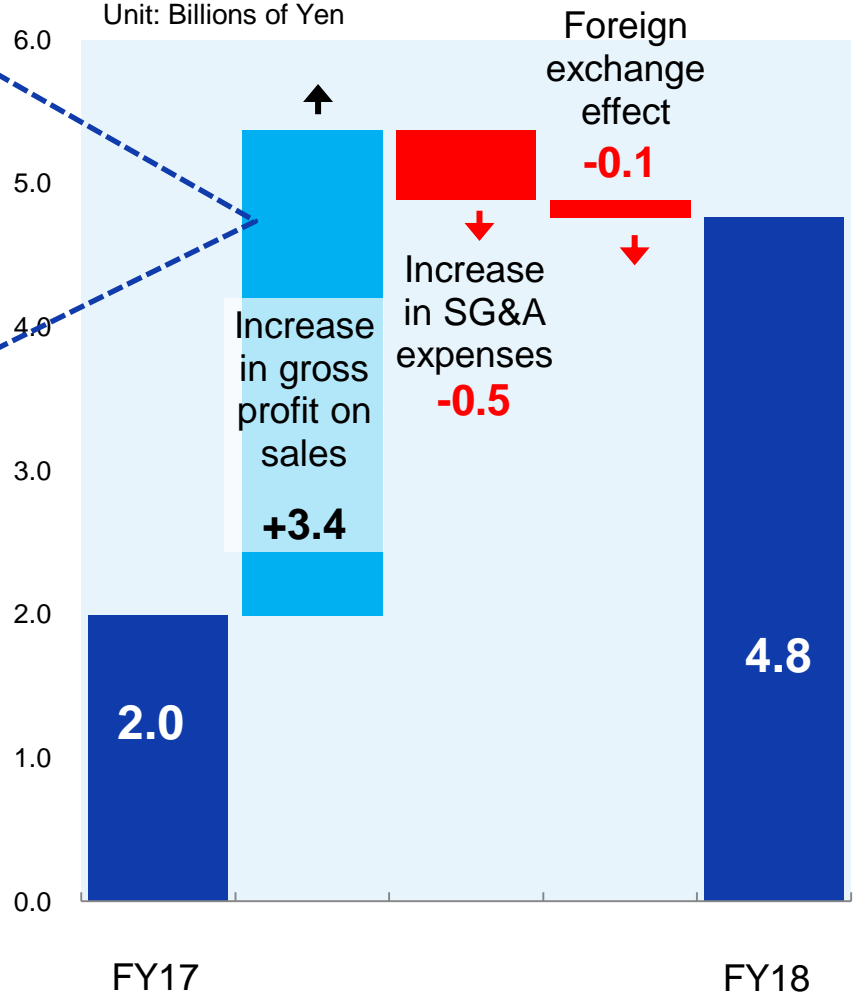
*Exchange Rate Sensitivity (actual results as of February 28, 2019)
 [USD] Net sales ¥0.12 billion, Operating income ¥0.05 billion
 [Euro] Net sales ¥0.14 billion, Operating income ¥0.06 billion

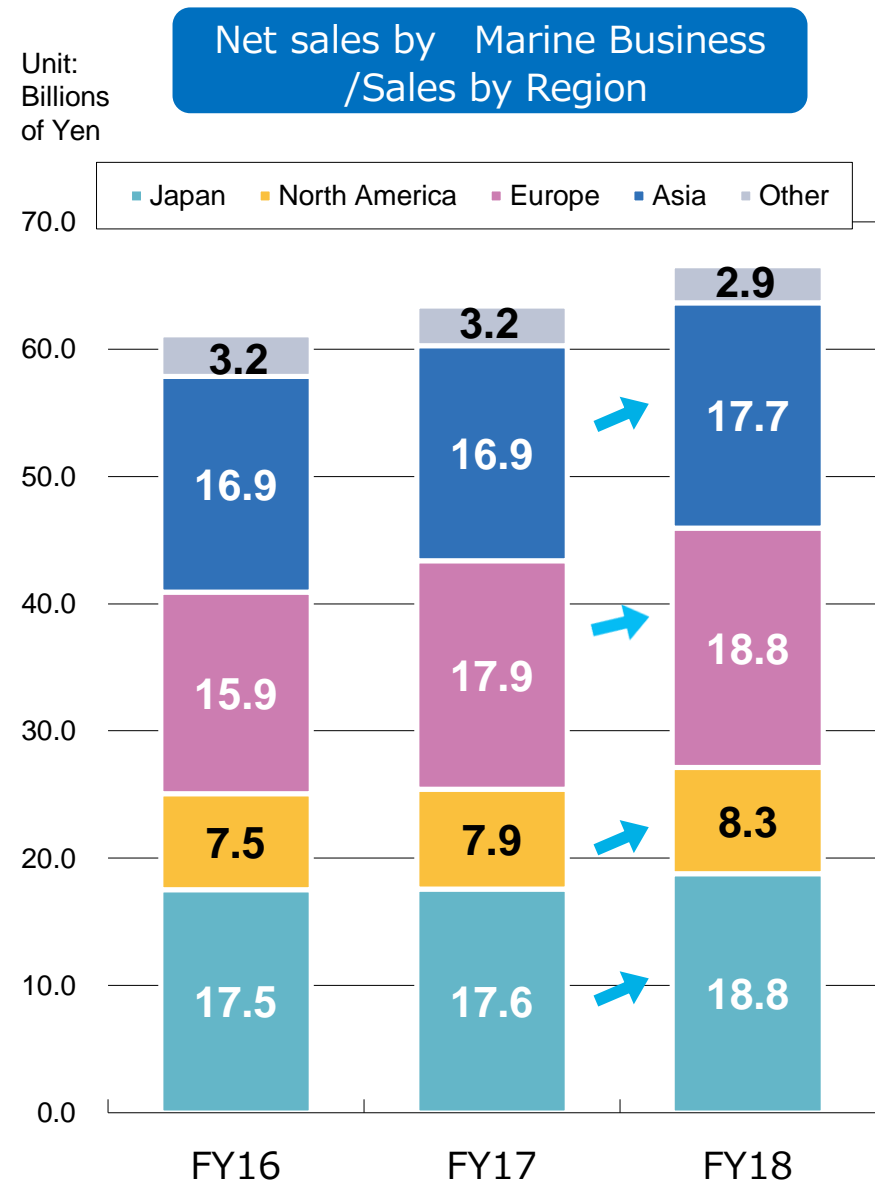
Analysis of Increase/Decrease in Profit

Analysis of Increase/Decrease in Gross Profit on Sales



Analysis of Increase/Decrease in Operating Income





Marine Business:

Net sales ¥66.6 billion (+5.0% year on year)

Segment Profit ¥3.9 billion (+¥3.2 billion)

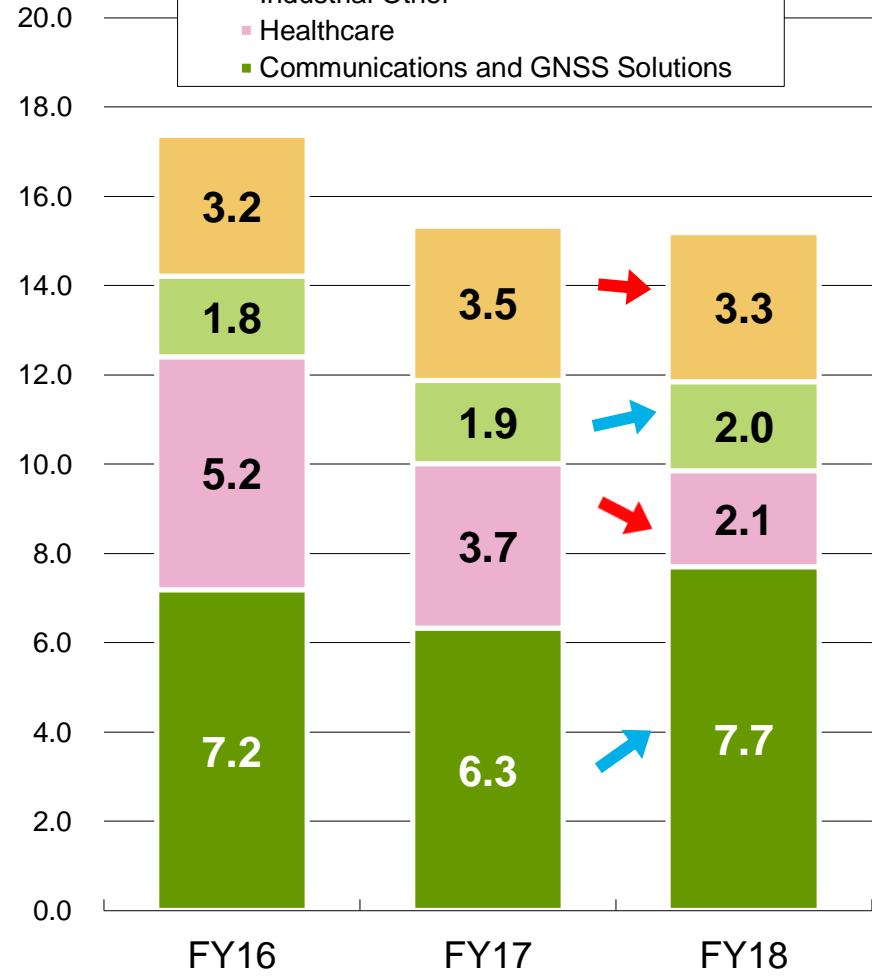
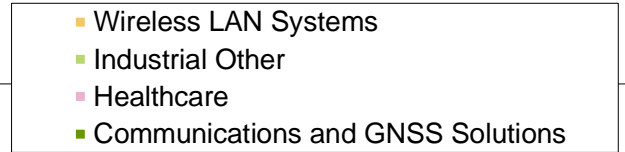
⇒ Revenue rose in Japan, North America, Europe, and Asia

⇒ Substantial increase in profits due to improved production efficiency, changes in the product mix, selling, general and administrative expenses, a reduced depreciation burden mainly in systems, and other factors.

- ◆ **Japan:** Net sales ¥18.8 billion (+7.0%)
 - Stable at the lower level for newly-built Merchant vessels
 - Generally strong for Fishing vessels, and revenue is rising for other businesses
- ◆ **North America:** Net sales ¥8.3 billion (+6.0%)
 - Remains strong, mainly for Fishing vessels
- ◆ **Europe:** Net sales ¥18.8 billion (+4.9%)
 - Notable continued growth in retrofitting for Merchant vessels
 - Remains strong for Fishing vessels
- ◆ **Asia:** Net sales ¥17.7 billion (+4.7%)
 - Bottomed out for newly-built Merchant vessels
 - Expanding in retrofitting for Merchant vessels

Net sales by Industrial Business & Wireless LAN Access Point /Sales by Products

Unit: Billions of Yen



Industrial Business:

Net sales ¥11.8 billion (-0.3% year on year)

Segment Profit ¥0.3 billion (-¥0.3 billion)

- ⇒ The contract business in the Communications & GNSS Solutions remains healthy
- ⇒ Healthcare has seen a fall in profit, as revenue has declined considerably

◆ Communications & GNSS Solutions:

Net sales ¥7.7 billion (+21.7%)

- Increase in sales for the contract business and frequency generators

◆ Healthcare: Net sales ¥2.1 billion (-41.7%)

Wireless LAN Systems:

Net sales ¥3.3 billion (-3.3% year on year)

Segment Profit ¥0.4 billion (-¥0.1 billion)

- ⇒ Wireless LAN Access Point is performing well
- ⇒ Handheld Terminal is sluggish, as it's in the trough of renewal demand
- ⇒ Profit has declined with prior investment for strengthening sales and technical capabilities

**For the Year Ended February 29, 2020
Results Forecast and Medium-to-Long
Term Business Development**

FURUNO GLOBAL VISION NAVINEXT 2030

Business Vision ; Achieve better safety, security and **comfort** to bring about a society and sea navigation that considers the needs of **people** and the environment

Human Resources and Corporate Culture Vision ; **VALUE** through **GLOBALIZATION** and **SPEED**

SUSTAINABLE DEVELOPMENT GOALS



Growth targets for FY2030 ; consolidated net sales of 120billion yen, operating margin of 10%, new business composition ratio of 30%

FURUNO GLOBAL VISION “NAVI NEXT 2030”

1. Marine Business

“As a general maritime company primarily dealing in marine equipment, we will contribute to the development of maritime culture and realizing safe and secure sea navigation for our maritime customers, through our abundantly creative and innovative business activities.”

➡ In order to remain a leading company in the marine equipment field, we will continue to steadily generate profits in stronghold markets, while stepping up prior investment for the future.

2. PNT Business * (Positioning, Navigation and Timing)

*Reviewing business fields, and changing the name from Communications & GNSS Solutions

“We will support infrastructure and cities around the world using products and services with added creative value, and with the positioning and timing of people, goods, and mobility”

➡ We will focus beyond the segment framework and create new groups of new products that will be our strengths, and shift to a service-based business.

FURUNO GLOBAL VISION “NAVI NEXT 2030”

3. Healthcare Business

“We will follow what is happening in the medical field and create early diagnosis solutions, as we work to improve the health and welfare of people.”

➡ We will define key areas and maintain close communication with our customers, so we can provide solutions that are aligned with regional features.

4. Wireless LAN Business

“Realizing a society that connects and expands through a ‘pleasant Wi-Fi environment’”

➡ We will maintain our top share in the educational ICT* infrastructure sector for Japan, while developing new products and sales channels.

*Information and Communication Technology

Consolidated Financial Results Forecast

FURUNO

Unit: Millions of Yen	FY 2018	FY 2019 Forecast	Year-over-year (amount)	Year-over-year (ratio)
Net sales	82,108	82,000	-108	-0.1%
Gross profit (Sales ratio)	31,612 (38.5%)	31,500 (38.4%)	-112 (-0.1)	-0.4%
Operating profit (Sales ratio)	4,771 (5.8%)	4,000 (4.9%)	-771 (-0.9)	-16.2%
Ordinary profit (Sales ratio)	5,112 (6.2%)	4,000 (4.9%)	-1,112 (-1.3)	-21.8%
Profit attributable to owners of parent (Sales ratio)	4,026 (4.9%)	3,000 (3.7%)	-1,026 (+1.2)	-25.5%

R&D expenses (Sales ratio)	4,707 (5.7%)	4,500 (5.5%)	-207 (-0.2)	-4.4%
capital investment expenses (Sales ratio)	2,595 (3.2%)	2,500 (3.1%)	-95 (-0.1)	-3.7%
Depreciation expenses (Sales ratio)	3,093 (3.8%)	3,000 (3.7%)	-94 (-0.1)	-3.0%

Yen, annual average exchange rate

1USD	111	110	-1	-0.6%
1EUR	130	125	-5	-4.1%

Unit: Yen	2nd Quarter	Term-End	Full-Year	Payout Ratio
FY 2017	4	6	10	25.5%
FY 2018	10 <small>*Includes a commemorative dividend</small>	15	25 <small>*Includes a commemorative dividend</small>	19.6%
FY 2019 Forecast	10	10	20	21.0%

*The interim dividend for the year ended February 28, 2019 includes a ¥5 commemorative dividend to mark the 70th anniversary of the Company's foundation.

Results Forecast by Segment

Unit:
Billions
of Yen

Net sales by Marine Business /Sales by Region

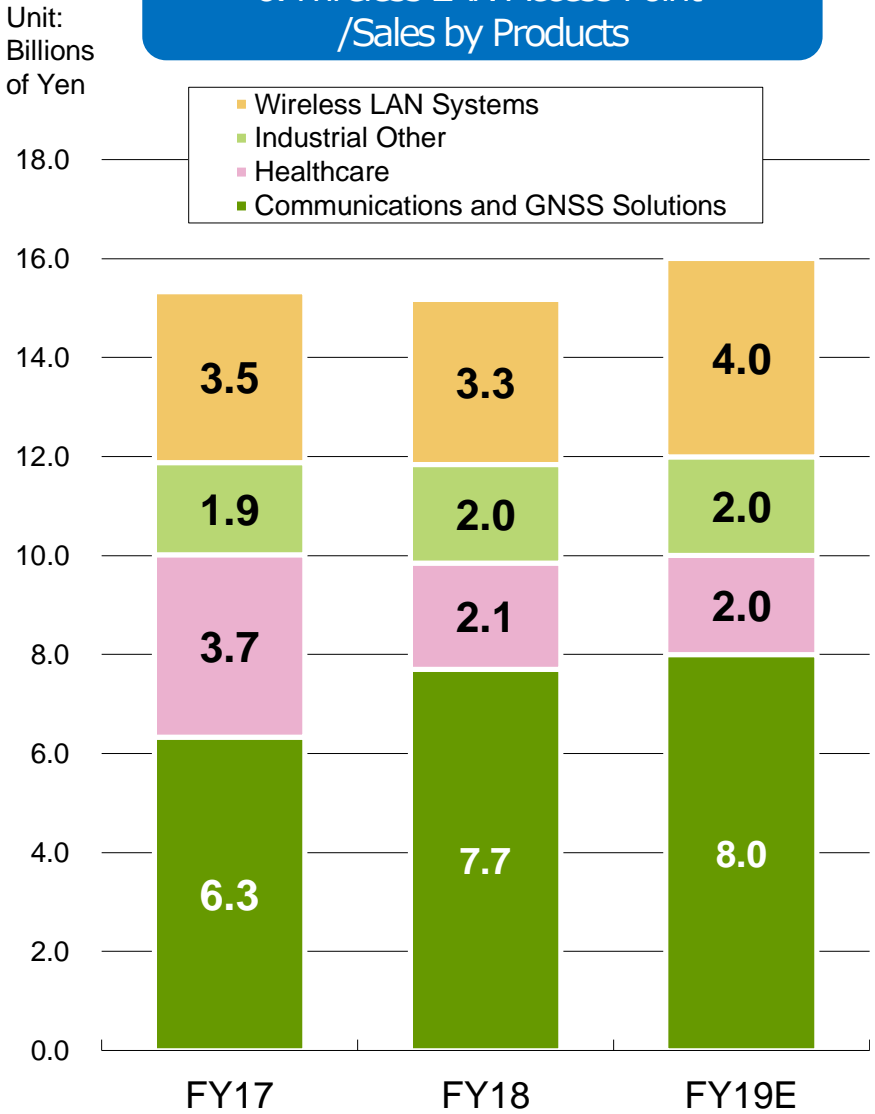


FY2019 Forecast

Marine Business:
 Net sales **¥66 billion**
 Segment Profit **¥32 billion**

- ◆ **Japan:** Net sales **¥18.0 billion**
 - Stable at the lower level for newly-built Merchant vessels
 - Strong for Fishing vessels
- ◆ **North America:** Net sales **¥8.0 billion**
 - Remains strong for Fishing vessels
- ◆ **Europe:** Net sales **¥19.0 billion**
 - Performing well in retrofitting for Merchant vessels
- ◆ **Asia:** Net sales **¥18.0 billion**
 - Expected to recover for newly-built Merchant vessels, and to have good results for retrofitting of Merchant vessels

Net sales by Industrial Business & Wireless LAN Access Point /Sales by Products



FY2019 Forecast

Industrial Business:
 Net sales **¥12 billion**
 Segment Profit **¥0.3 billion**

- ◆ **Communications & GNSS Solutions:**
 Net sales **¥8.0 billion**
 - Focus on expanding sales in the Solutions Business and Chip Modules
- ◆ **Healthcare:**
 Net sales **¥2.0 billion**
 - Shift to expanding sales of small-to-medium-sized clinical chemistry analyzer

Wireless LAN Systems:
 Net sales **¥4.0 billion**
 Segment Profit **¥0.5 billion**

- Forecast of expanding sales of Wireless LAN Access Point and a recovery in sales of Handheld Terminal

Corporate Profile

Since commercializing the world's first fish finder in 1948, FURUNO has supplied many types of products for the marine electronics market. By using its exclusive knowledge of ultrasonic and electronics technologies, FURUNO has developed a wide array of products that have been world firsts and Japan firsts.



As of Feb 28, 2019

Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
President	Yukio Furuno

Investor Relations⇒ <http://www.furuno.co.jp/en/ir/>

Products Site⇒ <http://www.furuno.com/en/>

Corporate Movie⇒ <http://www.furuno.com/special/en/corporatemovie/>

Achieve better safety, security and comfort to bring about a society and sea navigation that considers the needs of people and the environment

