

1st Quarter of Fiscal Year 2021 (Ending February 28, 2022)

Financial Results Briefing Materials

July 14, 2021

FURUNO ELECTRIC CO., LTD.

Cautions:

This document is a translation of the Japanese original, which is authoritative.

The information listed in these materials regarding the Company's future prospects are determined by management, based on the information available at the time of announcement, and 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 an estimation or a 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.

◆ Net Sales: Increase

- Demand in Marine Business recovered in all regions of the world. Demand for equipment for Pleasure Boats increased further from level before COVID-19.
- Sales for wireless LAN access points for education in the Wireless LAN Business continued until March.

◆ Profit: Increase

- Increase in Profit thanks to Increase in Net Sales for Marine Business and Wireless LAN Business.

Consolidated Income Statement

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Increase in Net Sales and Profit, recovering from COVID-19 impact. Continuous investments for future growth.

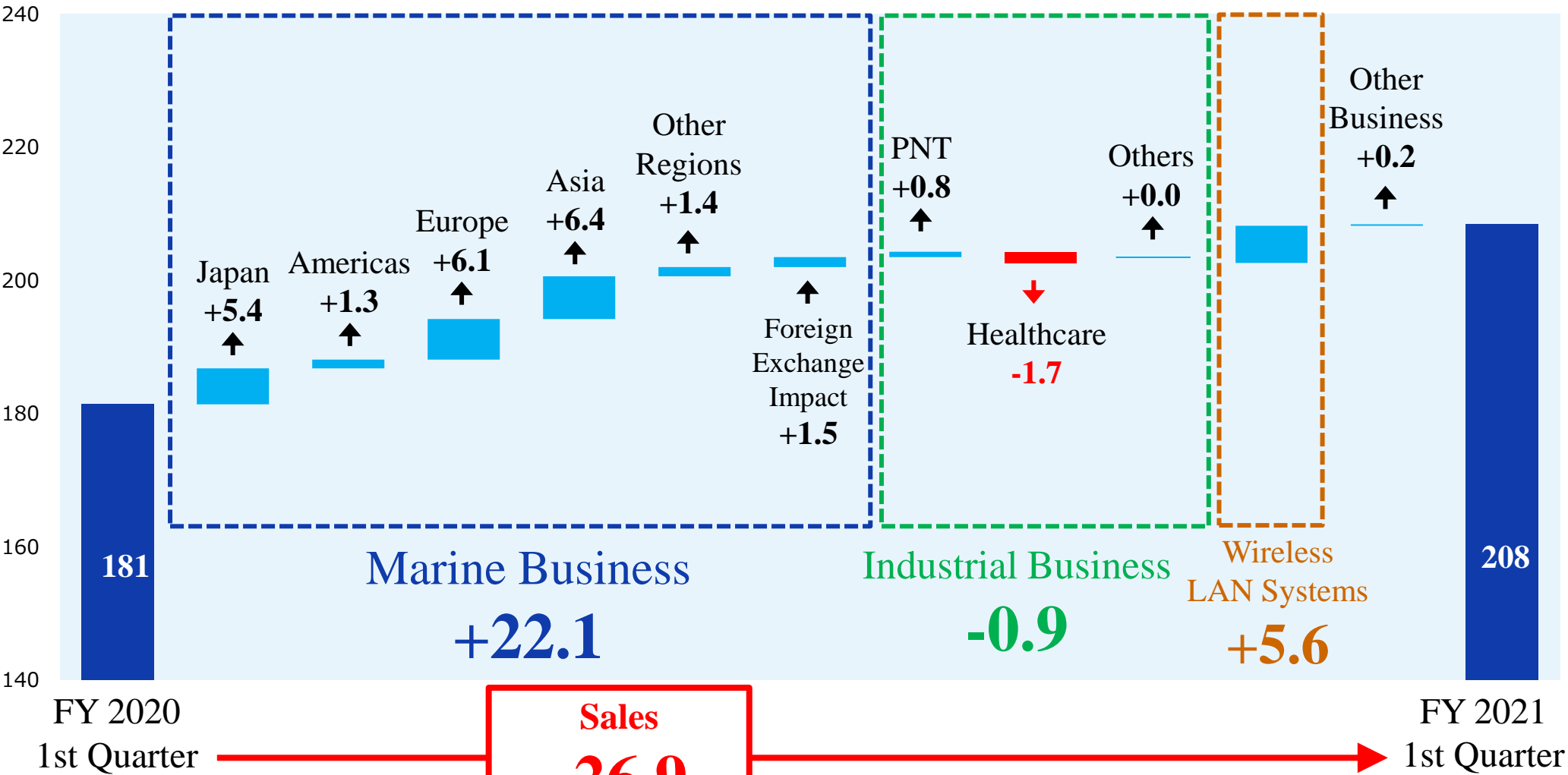
(Unit: Millions of yen)	FY 2019 1st Quarter	FY 2020 1st Quarter	FY 2021 1st Quarter	Year-over-Year (amount)	Year-over-Year (ratio)
Net sales	20,652	18,143	20,837	+2,694	+14.9%
Gross profit (Sales ratio)	7,611 (36.9%)	6,418 (35.4%)	8,110 (38.9%)	+1,691	+26.4%
Operating income (Sales ratio)	779 (3.8%)	2 (0.0%)	1,209 (5.8%)	+1,207	-
Ordinary income (Sales ratio)	874 (4.2%)	2 (0.0%)	1,412 (6.8%)	+1,410	-
Profit attributable to owners of parent (Sales ratio)	897 (4.3%)	62 (0.3%)	1,038 (5.0%)	+976	-
R&D expenses (Sales ratio)	1,230 (6.0%)	1,103 (6.1%)	1,232 (5.9%)	+129	+11.7%
Capital investment expenses (Sales ratio)	468 (2.3%)	877 (4.8%)	1,466 (7.0%)	+589	+67.2%
Depreciation expenses (Sales ratio)	779 (3.8%)	766 (4.2%)	763 (3.7%)	-2	-0.3%

(Unit: Yen, annual average exchange rate)

1USD	111	109	105	-4	-4.5%
1EUR	126	121	128	+7	+6.1%

Analysis of Increase/Decrease in Net Sales

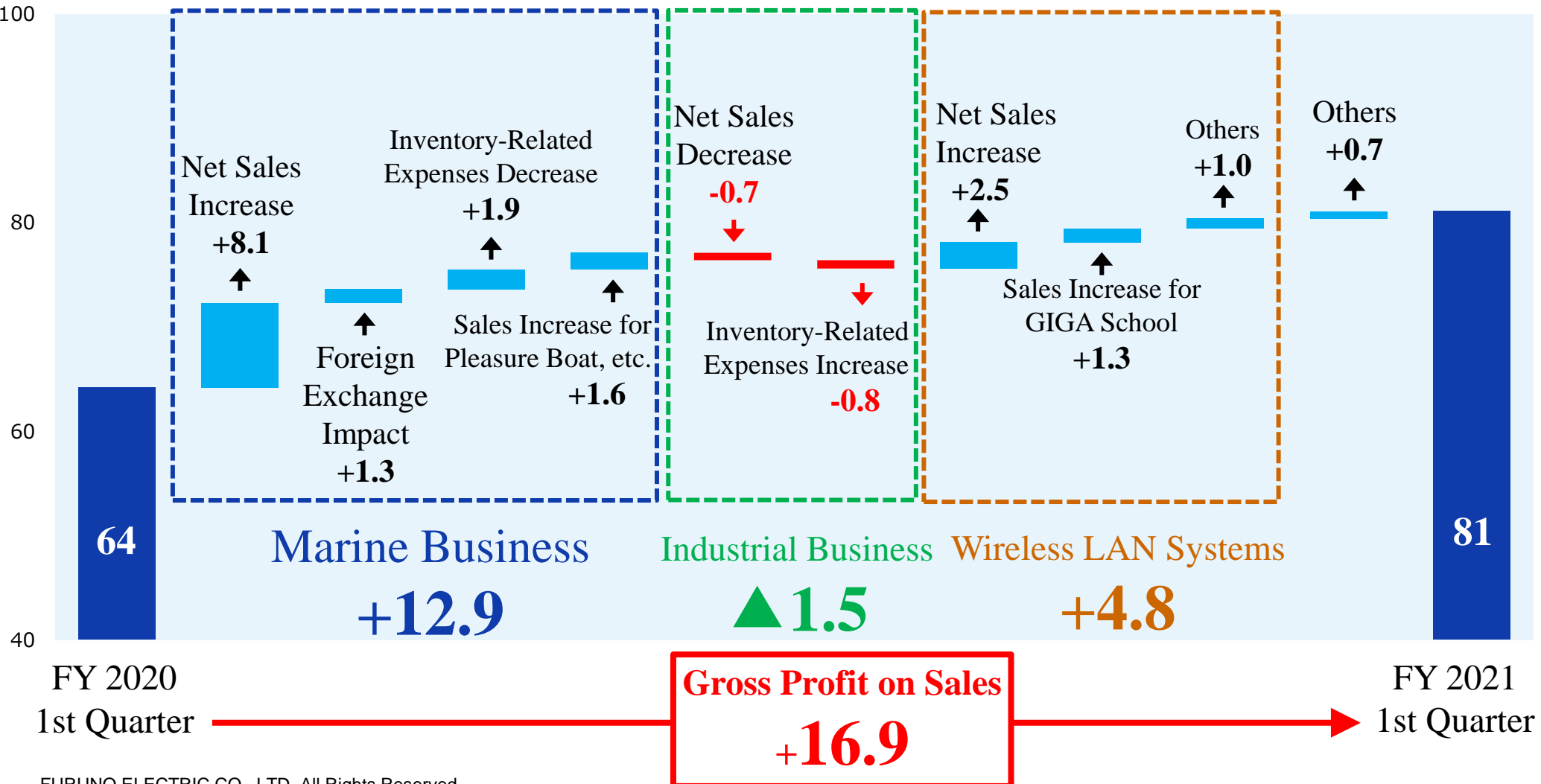
(Unit: 100 Millions of Yen)



*Foreign exchange sensitivity (actual results as of February 28, 2021)
 [USD] Net Sales 1.0 100M yen, Operating Income 0.3 100M yen
 [EUR] Net Sales 1.3 100M yen, Operating Income 0.6 100M yen

Significant increase in Gross Profit on Sales for Marine Business, recovering from COVID-19 impact.

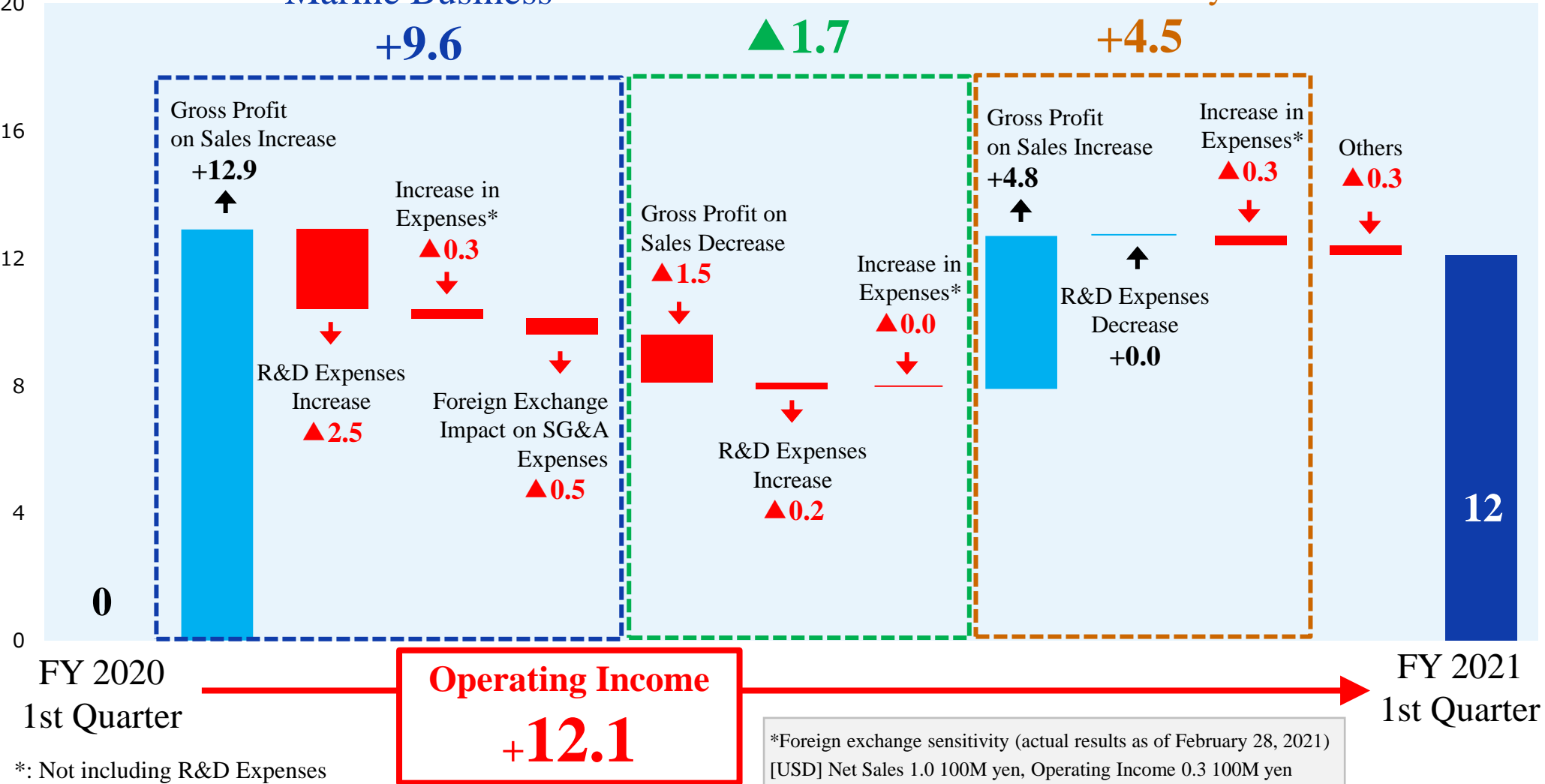
(Unit: 100 Millions of Yen)



Analysis of Increase/Decrease in Operating Income

Significant increase in Operating income thanks to increase in Gross profit on Sales for Marine Business.

(Unit: 100 Millions of Yen)



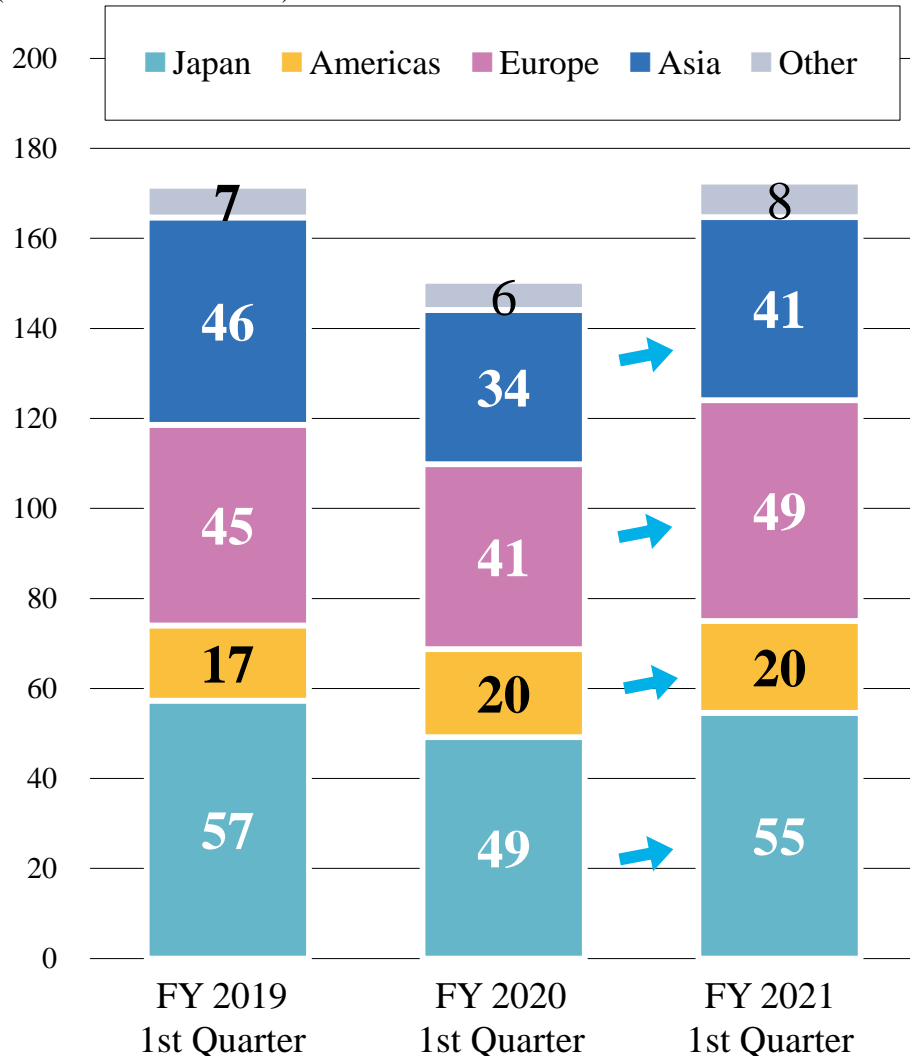
*: Not including R&D Expenses

*Foreign exchange sensitivity (actual results as of February 28, 2021)
 [USD] Net Sales 1.0 100M yen, Operating Income 0.3 100M yen
 [EUR] Net Sales 1.3 100M yen, Operating Income 0.6 100M yen

“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business:

Net Sales **173** 100M yen (+14.7% year-over-year)

Segment Profit **10.1** 100M yen (+9.6 100M yen)

- **Increase in both Sales and Profit with recovery in Retrofit demand, continuous stability in demand for Fishery market and strong sales for Pleasure Boats**

◆ **Japan:** Net sales **55** 100M yen (+11.0%)

- Mostly recovered to level before COVID-19 with projects eligible for business subsidy from Ministry of Agriculture, Forestry and Fisheries

◆ **Americas:** Net sales **20** 100M yen (+4.2%)

- Continuous strong sales for Pleasure Boats since last fiscal year

◆ **Europe:** Net sales **49** 100M yen (+19.6%)

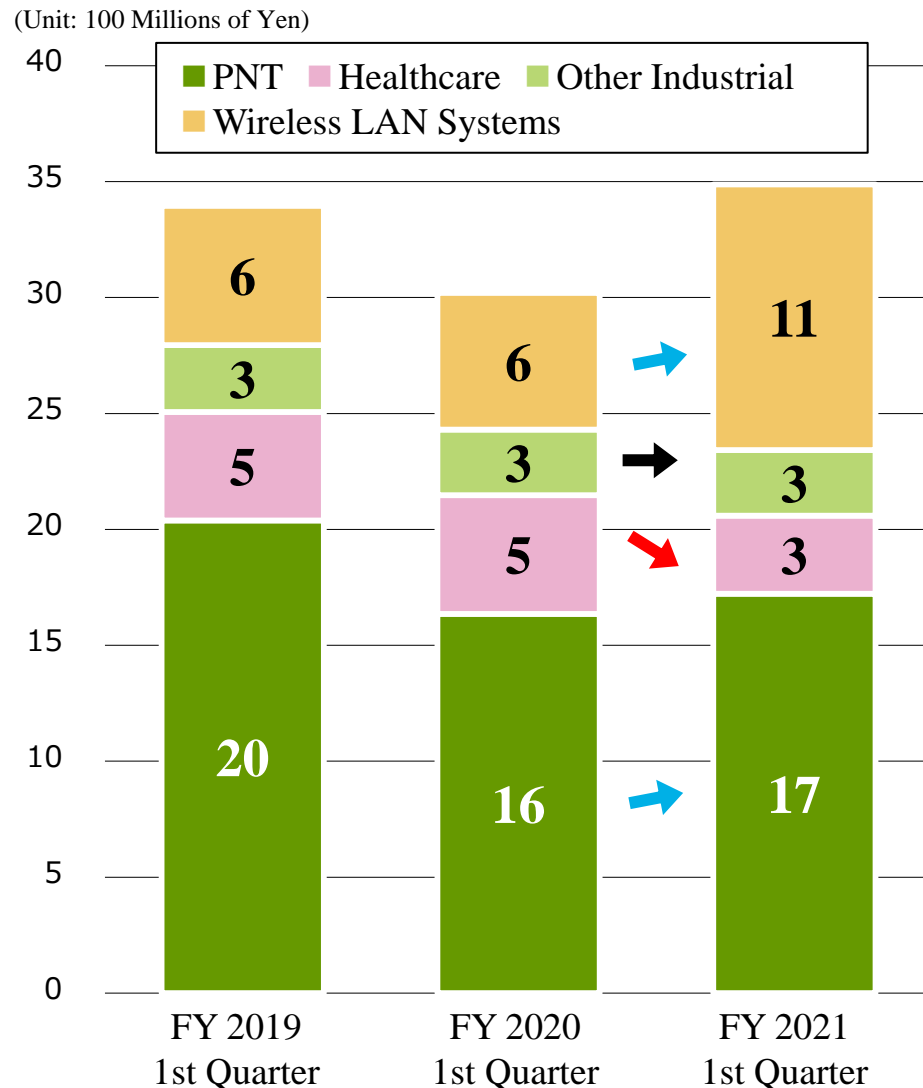
- Higher level of sales for Merchant Vessels and Pleasure Boats, compared to before COVID-19

◆ **Asia:** Net sales **41** 100M yen (+18.6%)

- Merchant Vessels market still in the recovery, but significant increase in sales for Fishery market

“100M” stands for 100 Million

Industrial Business Consolidated Sales (by Product)



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Industrial Business:

Net Sales **23** 100M yen (-3.6% year-over-year)

Segment Profit **-1.1** 100M yen (-1.6 100M yen)

- **PNT Business: Demand in on-board ETC recovering to level before COVID-19**
- **Healthcare: Decrease in sales in Europe**
- **Profit ratio decline due to change in sales composition, among others**

◆ **PNT Business: Net sales 17** 100M yen (+5.3%)

◆ **Healthcare: Net sales 3** 100M yen (-34.1%)

Wireless LAN Systems:

Net Sales **11** 100M yen (+94.4% year-over-year)

Segment Profit **3.5** 100M yen (+4.5 100M yen)

- **Solid sales for Handheld Terminal, sales for wireless LAN access points for education in the continued until March**
- **Significant increase in net sales and profit**

Consolidated Financial Results Forecast for FY 2021

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Sales decrease for Wireless LAN Systems, but recovery in Marine Business, sales increase for Industrial Business and effect of Major Measures, resulting in growth in sales forecast

(Unit: Millions of yen)	FY 2019 Results	FY 2020 Results	FY 2021 Forecast
Net sales	83,066	82,255	84,000
Operating income (Sales ratio)	2,411 (2.9%)	3,740 (4.5%)	2,500 (3.0%)
Ordinary income (Sales ratio)	2,702 (3.3%)	4,779 (5.8%)	3,000 (3.6%)
Profit attributable to owners of parent (Sales ratio)	2,041 (2.5%)	3,946 (4.8%)	2,500 (3.0%)

Dividend forecast unchanged, Payout Ratio over 30% expected

(Unit: Millions of yen)	2 nd Quarter	End of Term	Full Year	Payout Ratio
FY 2021	10	30	40	31.9%
FY 2022	10	15	25	31.5%

Appendix: Consolidated Balance Sheet

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Increase of “Cash or equivalents”. Increase of “Tangible fixed assets” with new R&D Work Space Construction.

(Unit: Millions of yen)	FY 2020	FY 2021	YoY (amount)	YoY (ratio)
Current assets	60,770	63,614	+2,844	+4.7%
(Cash or equivalents)	(15,301)	(19,398)	(+4,096)	(+26.8%)
(Inventories)	(24,028)	(24,145)	(+116)	(+0.5%)
Fixed assets	21,478	22,614	+1,135	+5.3%
(Tangible fixed assets)	(11,148)	(12,210)	(+1,026)	(+9.2%)
(Intangible fixed assets)	(4,645)	(4,589)	(-56)	(-1.2%)
(Investments and other assets)	(5,648)	(5,814)	(+165)	(+2.9%)
Total Assets	82,248	86,228	+3,980	+4.8%
Current liabilities	22,930	25,485	+2,555	+11.1%
Long-term liabilities	13,626	13,857	+231	+1.7%
Total Liabilities	36,556	39,343	+2,786	+7.6%
Shareholders' equity	48,333	48,425	+92	+0.2%
Others	-2,973	-1,869	+1,104	+37.1%
Non-controlling interests	332	329	-3	-1.0%
Total Equity	45,692	46,885	+1,193	+2.6%
Total Liabilities and Equity	82,248	86,228	+3,980	+4.8%
Equity Ratio	55.1%	54.0%	-1.1P	

Appendix: FURUNO's Business Outline

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 February 28, 2021



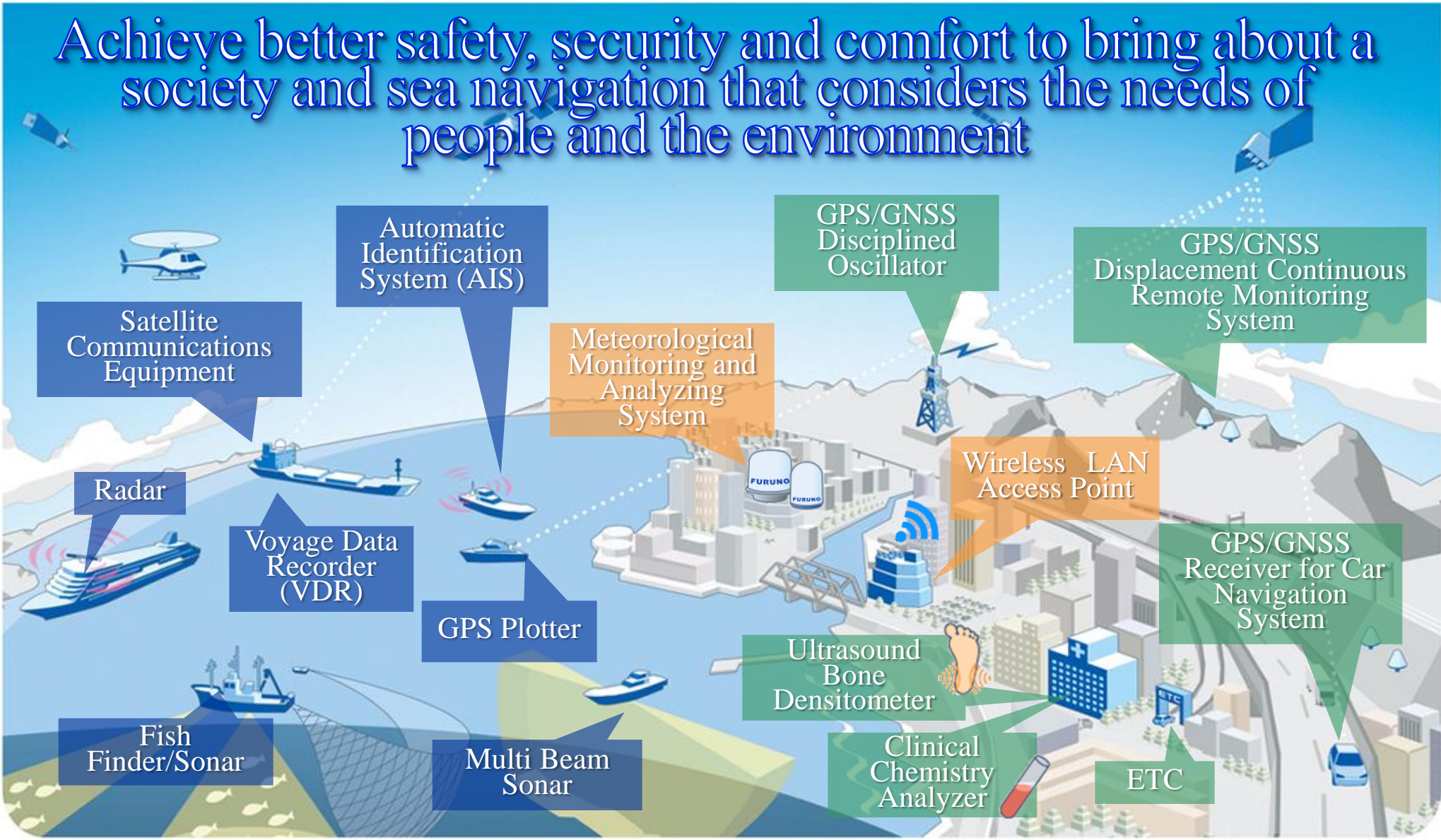
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	2,978 (consolidated)
Consolidated Sales	¥82,255 million
President	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



Appendix: FURUNO's Marine Business



For Merchant Vessels



Radar



ECDIS
(Electronic Chart Display and Information System)



Satellite Communications
Equipment

For Fishing Vessels



Sonar



Fish Finder



Current Indicator

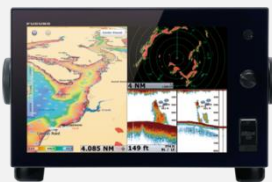


Radiotelephone

For Pleasure Boats



Radar



Multi-Function Display



GPS/WAAS
Chart Plotter



Autopilot

PNT



ETC2.0 / ETC *



ETC, Vehicle Management Solution*



GPS / GNSS Chips & Modules

Healthcare



Clinical Chemistry Analyzer & Reagent



Ultrasound Bone Densitometer

Wireless LAN Systems



Wireless LAN Access Point*



Wireless Handheld Terminal*

