

2nd Quarter of Fiscal Year 2021 (Ending February 28, 2022)

Financial Results Briefing Materials

October 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.

*** "2Q" in this material represents the three-month period beginning on March 1 and ending on August 31.

◆ Net Sales: Increase

- Sales recovery for Marine Business mainly in Europe and the Americas

◆ Profit: Increase

- Increase in Profit with improvement of profitability in Marine Business

◆ Forecast for FY2021: Upward Revision

- Increase in Profit, with improvement of profitability in Marine Business outweighing loss of special demand for GIGA School

Consolidated Income Statement

FURUNO

**Increase in Profit with improvement of profitability in Marine Business.
Continuous investments for future growth.**

(Unit: Millions of yen)	FY 2019 2nd Quarter	FY 2020 2nd Quarter	FY 2021 2nd Quarter	Year-over-Year (amount)	Year-over-Year (ratio)
Net sales	43,040	39,274	43,139	+3,864	+9.8%
Gross profit (Sales ratio)	15,557 (36.1%)	14,553 (37.1%)	16,923 (39.2%)	+2,370	+16.3%
Operating profit (Sales ratio)	2,297 (5.3%)	1,667 (4.2%)	2,900 (6.7%)	+1,233	+74.0%
Ordinary profit (Sales ratio)	2,430 (5.6%)	1,956 (5.0%)	3,283 (7.6%)	+1,327	+67.8%
Profit attributable to owners of parent (Sales ratio)	2,188 (5.1%)	1,546 (3.9%)	2,844 (6.6%)	+1,298	+84.0%
R&D expenses (Sales ratio)	2,234 (5.2%)	2,353 (6.0%)	2,611 (6.1%)	+257	+10.9%
Capital investment (Sales ratio)	1,028 (2.4%)	1,467 (3.7%)	2,256 (5.2%)	+789	+53.8%
Depreciation expenses (Sales ratio)	1,562 (3.6%)	1,540 (3.9%)	1,534 (3.6%)	-6	-0.4%

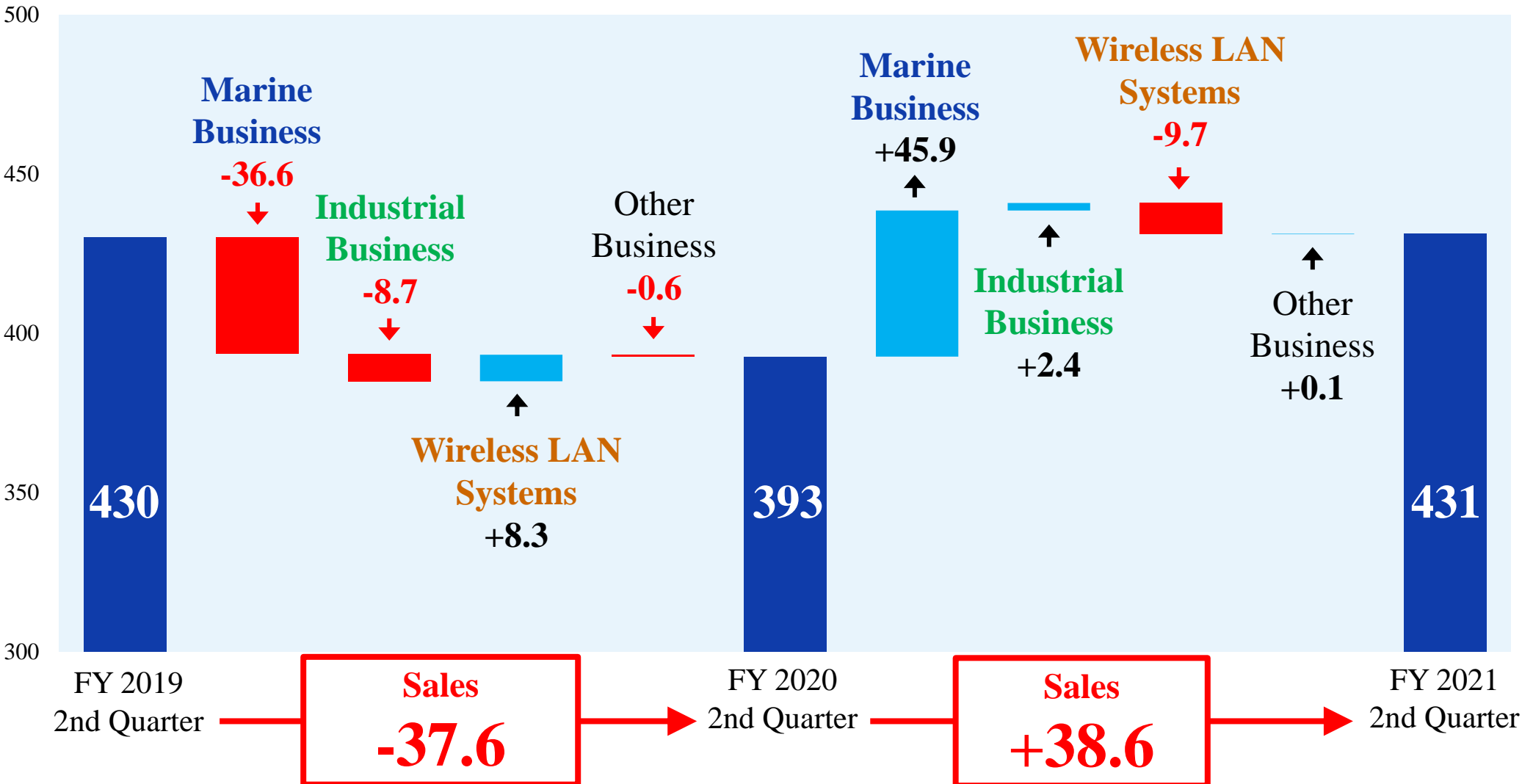
(Unit: Yen, annual average exchange rate)

1USD	111	109	107	-2	-1.7%
1EUR	124	120	130	+10	+8.4%

Analysis of Increase/Decrease in Net Sales

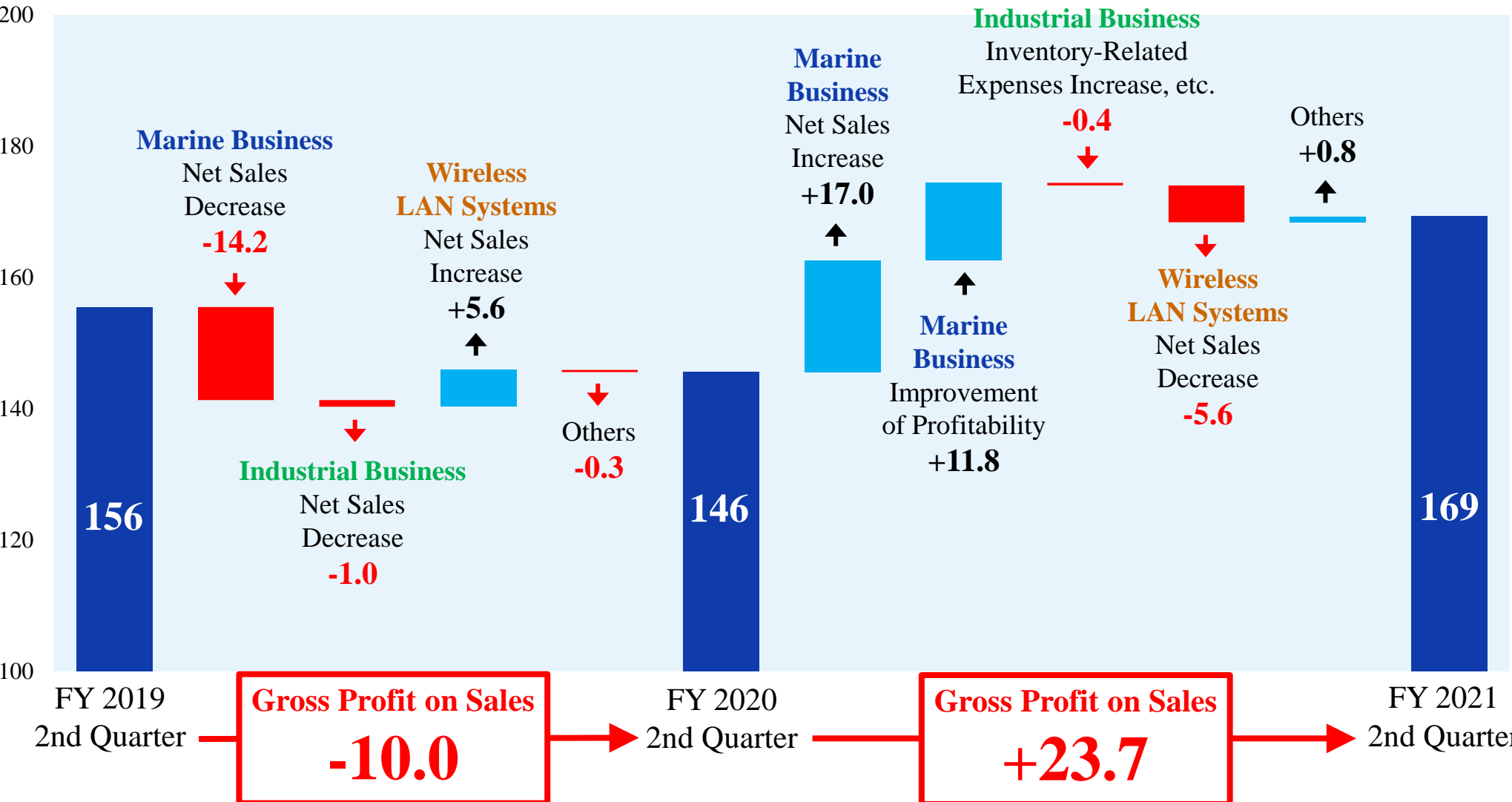
Sales recovery for Marine Business mainly in Europe and the Americas

(Unit: 100 Millions of Yen)



Increase in Gross Profit on Sales with improvement of profitability for Marine Business

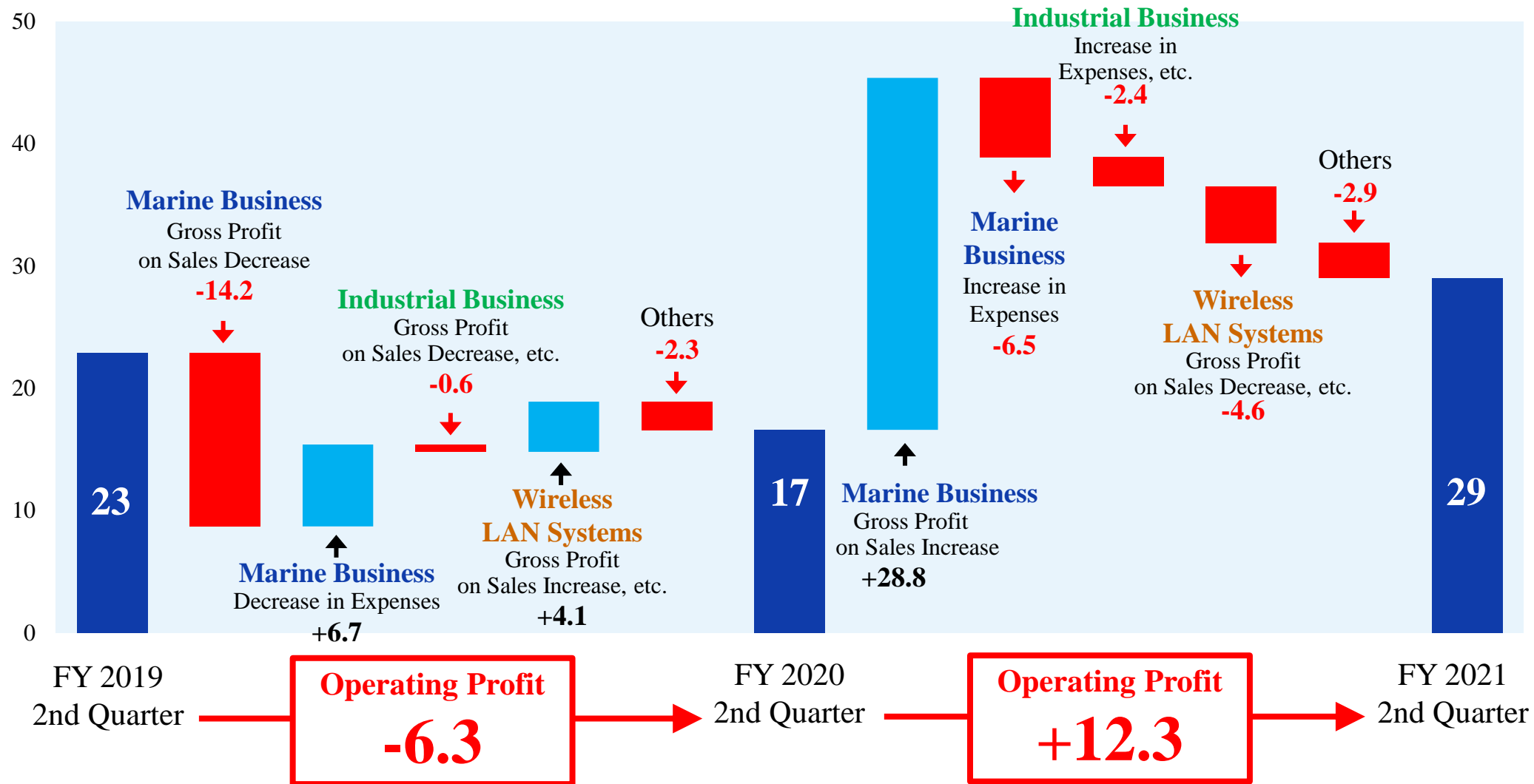
(Unit: 100 Millions of Yen)



Analysis of Increase/Decrease in Operating Profit

Increase in Operating Income with Increase in Gross Profit on Sales for Marine Business

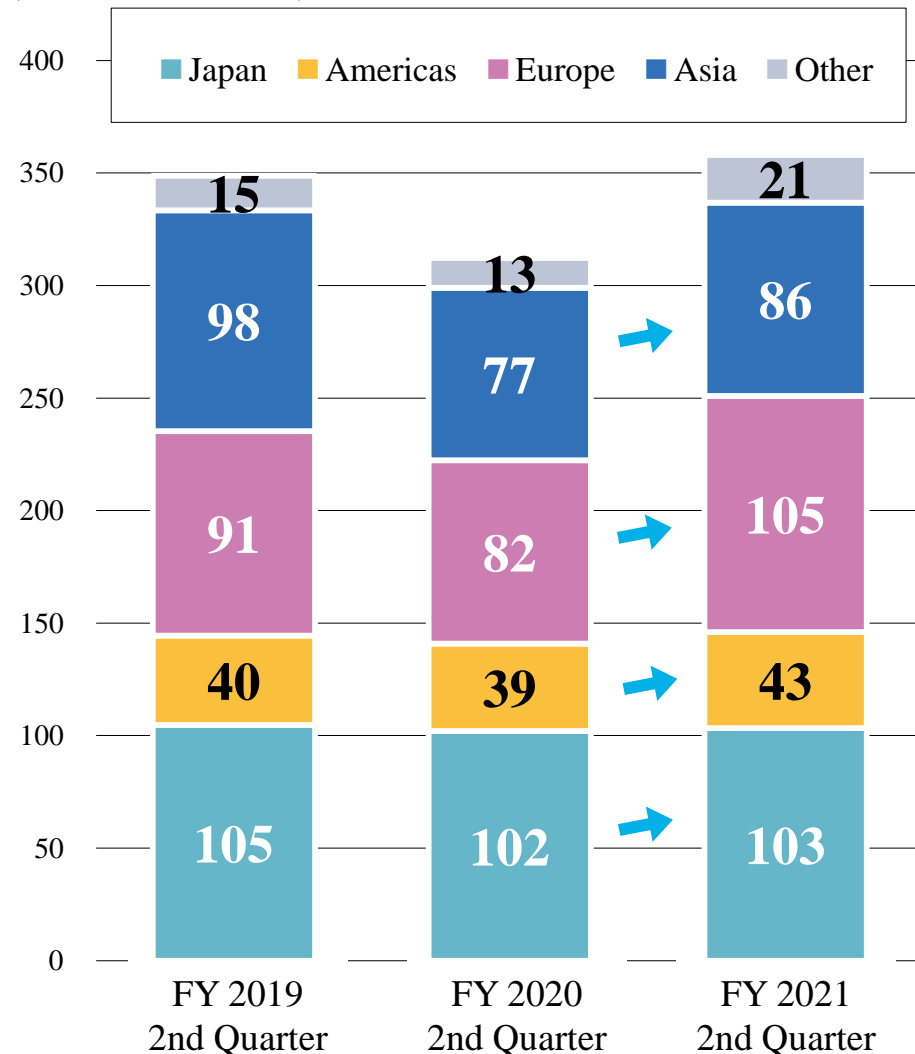
(Unit: 100 Millions of Yen)



“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business:

Net Sales **358** 100M yen (+**14.7%** year-over-year)

Segment Profit **27.0** 100M yen (+**21.3** 100M yen)

- **Strong Retrofit demand, stability in demand in Fishery market, and strong sales for Pleasure Boats**
- **Increase in Profit with improvement of profitability**

◆ **Japan:** Net sales **103** 100M yen (+**1.3%**)

- Sales helped by projects eligible for business subsidy from Ministry of Agriculture, Forestry and Fisheries

◆ **Americas:** Net sales **43** 100M yen (+**10.0%**)

- Continuous strong sales for Pleasure Boats since last fiscal year

◆ **Europe:** Net sales **105** 100M yen (+**28.7%**)

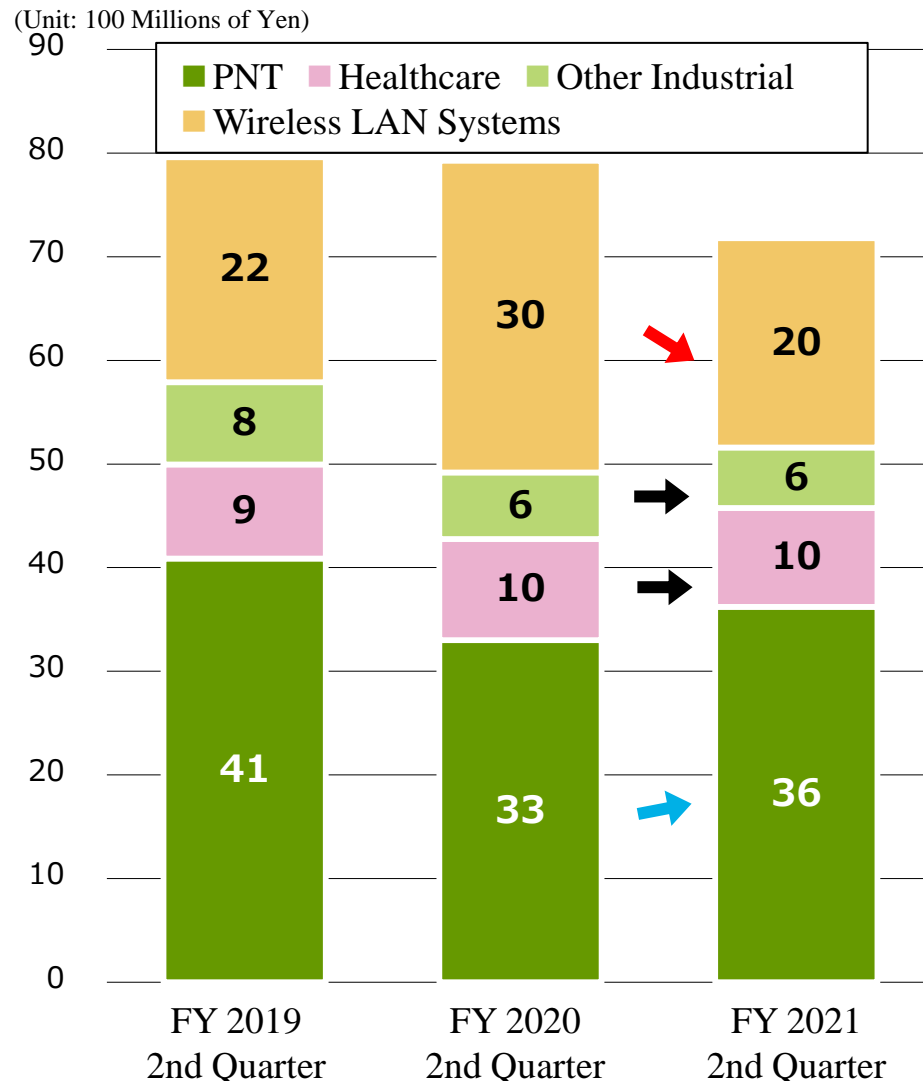
- Sales for Merchant Vessels and Pleasure Boats higher than before COVID-19

◆ **Asia:** Net sales **86** 100M yen (+**12.2%**)

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

“100M” stands for 100 Million

Industrial Business Consolidated Sales (by Product)



Industrial Business:

Net Sales **52** 100M yen (+**4.9%** year-over-year)

Segment Profit **-1.4** 100M yen (**-2.4** 100M yen)

- **PNT Business: Sales increase for on-board ETC and GNSS Oscillator, implementation started for Vehicle Access Control Service**
- **Healthcare: Sales decrease for Chemistry Analyzer, but sales increase for Reagent and Bone Densitometer**

◆ **PNT Business: Net sales 36** 100M yen (+**9.8%**)

◆ **Healthcare: Net sales 10** 100M yen (**-2.6%**)

Wireless LAN Systems:

Net Sales **20** 100M yen (**-32.8%** year-over-year)

Segment Profit **4.8** 100M yen (**-4.7** 100M yen)

- **Wireless LAN Access Point: end of special demand for GIGA School**

Upward revision of forecast, with improvement of profitability in Marine Business outweighing loss of special demand for GIGA School

(Unit: Millions of yen)

	FY 2019 Results	FY 2020 Results	FY 2021 Previous Forecast	FY 2021 Revised Forecast
Net sales	83,066	82,255	84,000	85,000
Operating profit (Sales ratio)	2,411 (2.9%)	3,740 (4.5%)	2,500 (3.0%)	4,000 (4.7%)
Ordinary profit (Sales ratio)	2,702 (3.3%)	4,779 (5.8%)	3,000 (3.6%)	4,500 (5.3%)
Profit attributable to owners of parent (Sales ratio)	2,041 (2.5%)	3,946 (4.8%)	2,500 (3.0%)	4,000 (4.7%)

Revision of dividend with revision of forecast

(Unit: Millions of yen)

	2 nd Quarter	End of Term	Full Year	Payout Ratio
FY 2021	10	30	40	31.9%
FY 2022 Previous Forecast	10	15	25	31.5%
FY 2022 Revised Forecast	20	20	40	31.5%

Appendix: FURUNO's Business Outline

Appendix: Consolidated Balance Sheet

FURUNO

Increase of “Cash and deposits”. Increase of “Tangible fixed assets” with construction of new R&D Building

(Unit: Millions of yen)

	FY 2020	FY 2021	YoY (amount)	YoY (ratio)
Current assets	60,770	63,537	+2,767	+4.6%
(Cash and deposits)	(15,301)	(18,701)	(+3,399)	(+22.2%)
(Inventories)	(24,028)	(23,656)	(-372)	(-1.6%)
Fixed assets	21,478	22,647	+1,169	+5.4%
(Tangible fixed assets)	(11,184)	(12,109)	(+925)	(+8.3%)
(Intangible fixed assets)	(4,645)	(4,505)	(-139)	(-3.0%)
(Investments and other assets)	(5,648)	(6,031)	(+383)	(+6.8%)
Total assets	82,248	86,185	+3,936	+4.8%
Current liabilities	22,930	23,123	+193	+0.8%
Long-term liabilities	13,626	13,922	+296	+2.2%
Total liabilities	36,556	37,045	+489	+1.3%
Shareholders' equity	48,333	50,250	+1,917	+4.0%
Others	-2,973	-1,452	+1,521	+51.1%
Non-controlling interests	332	341	+8	+2.5%
Total net assets	45,692	49,139	+3,446	+7.5%
Total liabilities and net assets	82,248	86,185	+3,936	+4.8%
Equity ratio	55.1%	56.6%	+1.5P	

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



Nishinomiya Headquarter



New R&D Building
(finished on September, 2021)

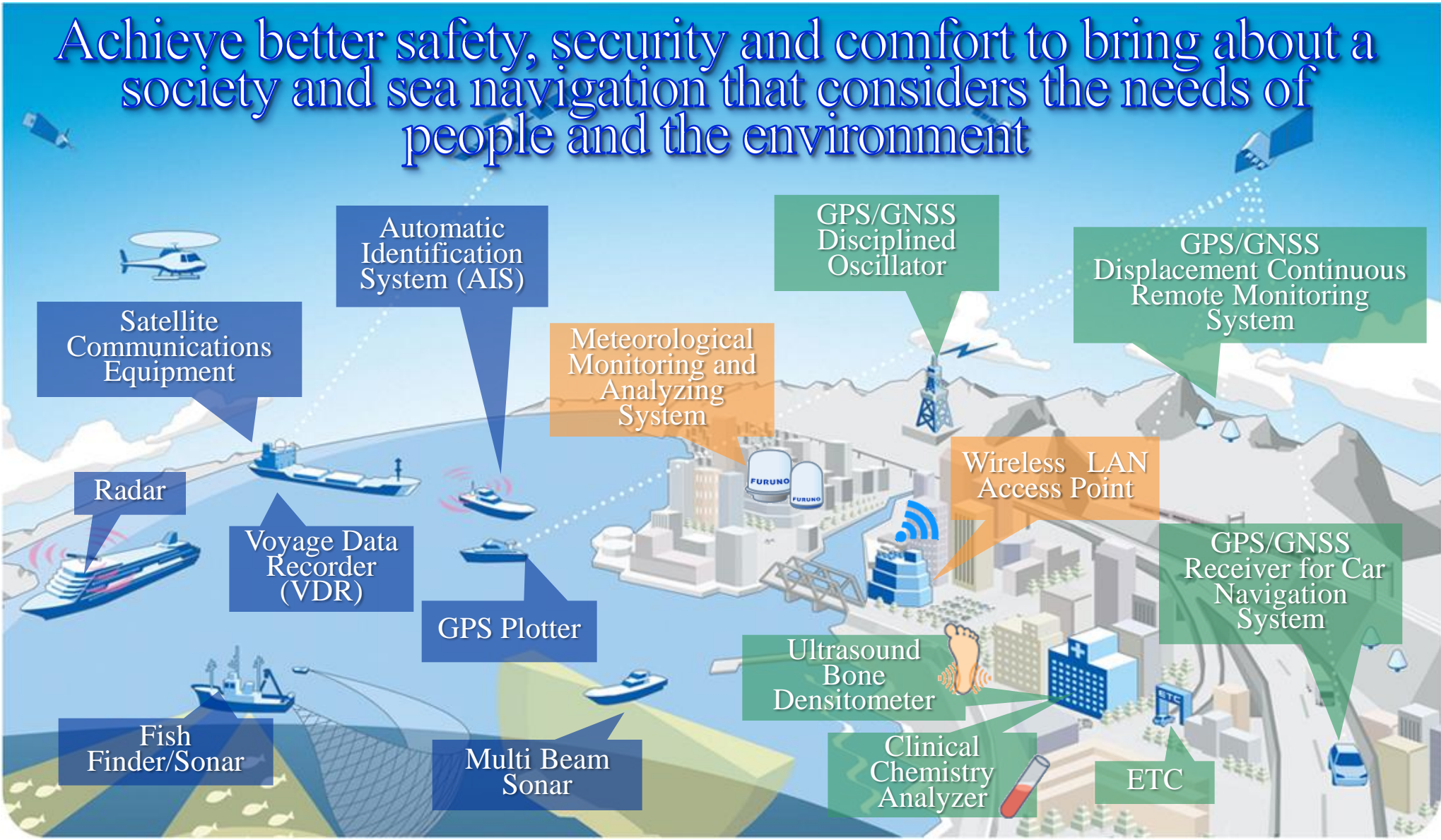
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	2,978 (consolidated)
Consolidated Sales	¥82,255 million
President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

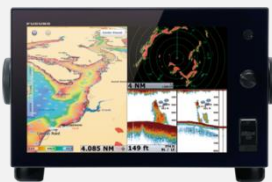


Radiotelephone

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*

