

1st Quarter of Fiscal Year 2022 (Ending February 28, 2023)

Financial Results Briefing Materials

July 14, 2022

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 forecasts 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

- Addition of consolidated overseas subsidiaries

◆ Profit: Decrease

- Profitability of Marine Business improved despite soaring material prices
- Continuous investment for future growth

◆ Whole Company

- Accounting Standard for Revenue Recognition (ASBJ Statement No. 29) is applied from first quarter of this fiscal year

Impact of change in accounting standard

■ Net Sales: -1.1 100 millions of yen

■ Operating Profit: -0.7 100 millions of yen

Consolidated Income Statement

FURUNO

Profitability of Marine Business improved despite soaring material prices

Investment for future growth

Old Revenue Recognition

New Revenue Recognition

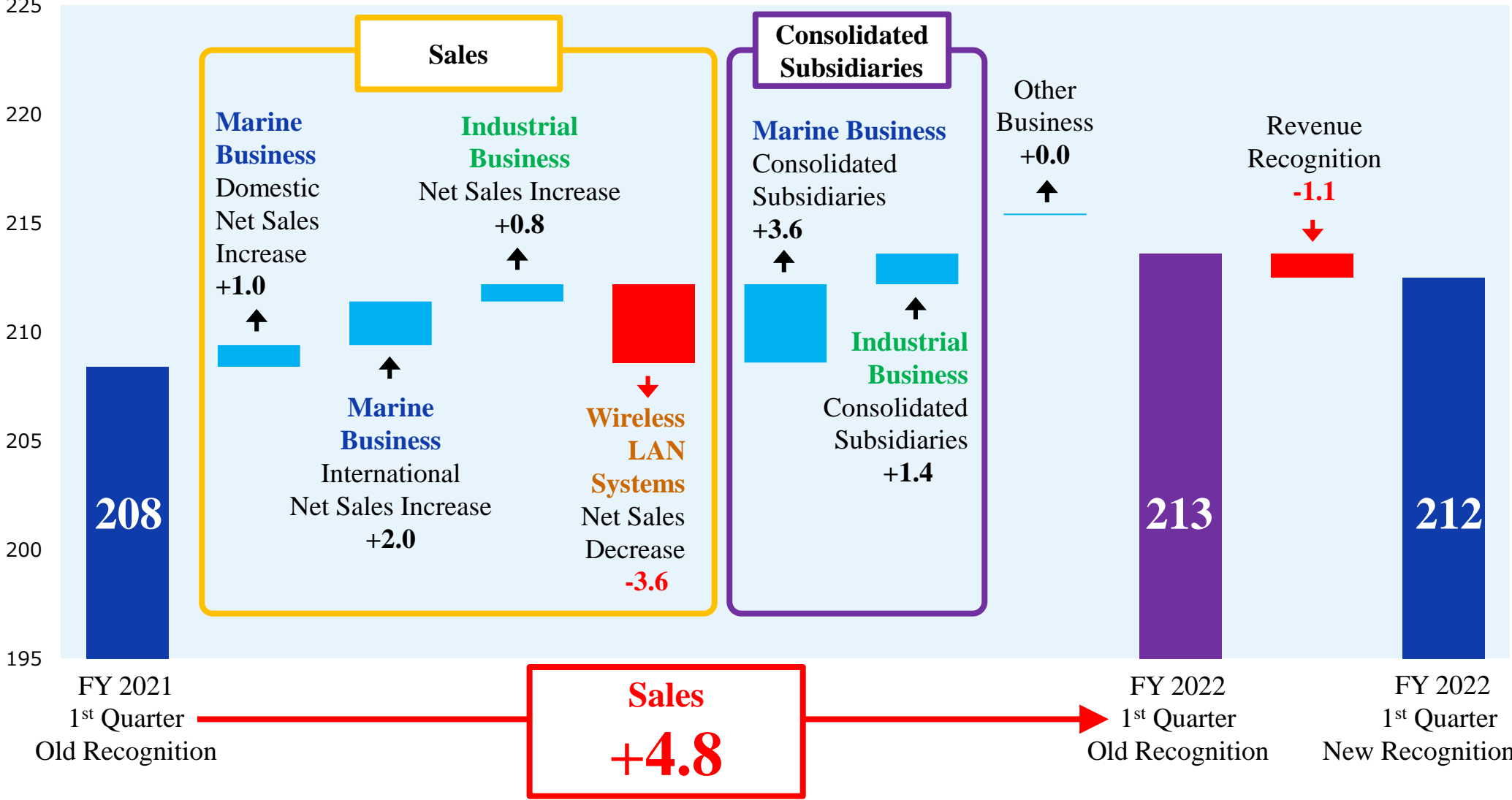
(Unit: Millions of yen)

	FY 2021 1st Quarter	FY 2022 1st Quarter	Year-over-Year (amount)	Year-over-Year (ratio)	FY 2022 1st Quarter
Net sales	20,837	21,319	+481	+2.3%	21,205
Gross profit (Sales ratio)	8,110 (38.9%)	8,209 (38.5%)	+98	+1.2%	8,140 (38.4%)
Operating profit (Sales ratio)	1,209 (5.8%)	283 (1.3%)	-926	-76.6%	214 (1.0%)
Ordinary profit (Sales ratio)	1,412 (6.8%)	683 (3.2%)	-728	-51.6%	615 (2.9%)
Profit attributable to owners of parent (Sales ratio)	1,038 (5.0%)	554 (2.6%)	-483	-46.6%	486 (2.3%)
R&D expenses (Sales ratio)	1,232 (5.9%)	1,271 (6.0%)	+38	+3.1%	1,271 (6.0%)
Capital investment (Sales ratio)	1,466 (7.0%)	866 (4.1%)	-599	-40.9%	866 (4.1%)
Depreciation expenses (Sales ratio)	763 (3.7%)	834 (3.9%)	+70	+9.3%	834 (3.9%)
(Unit: Yen, annual average exchange rate)					
1 USD	104	115	+10	+10.0%	115
1 EUR	128	131	+3	+2.5%	131

Analysis of Increase/Decrease in Net Sales

Addition of consolidated overseas subsidiaries in Marine and Industrial Businesses

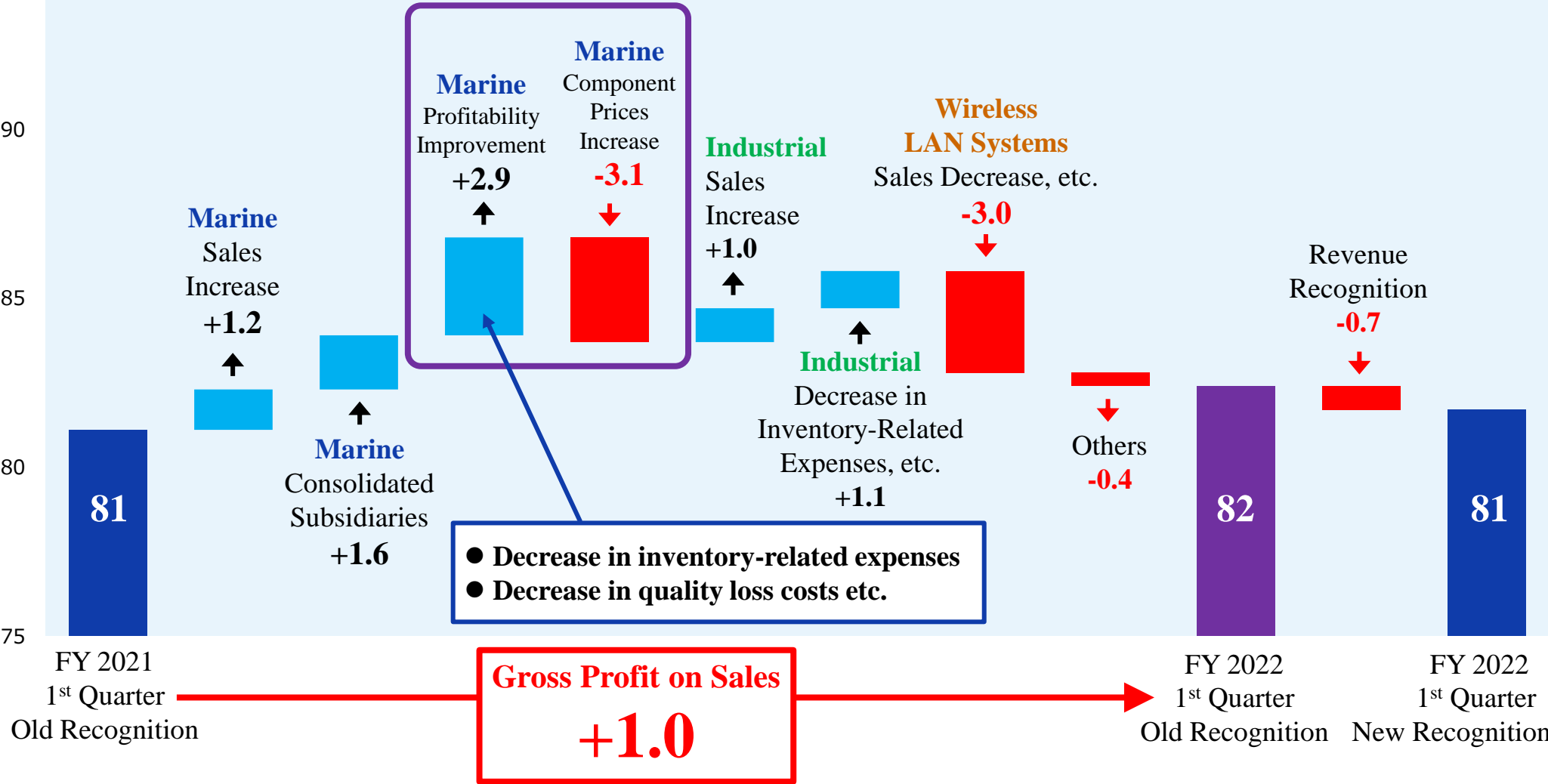
(Unit: 100 Millions of Yen)



Sales +4.8

Profitability in Marine Business improved despite soaring component prices

95
(Unit: 100 Millions of Yen)



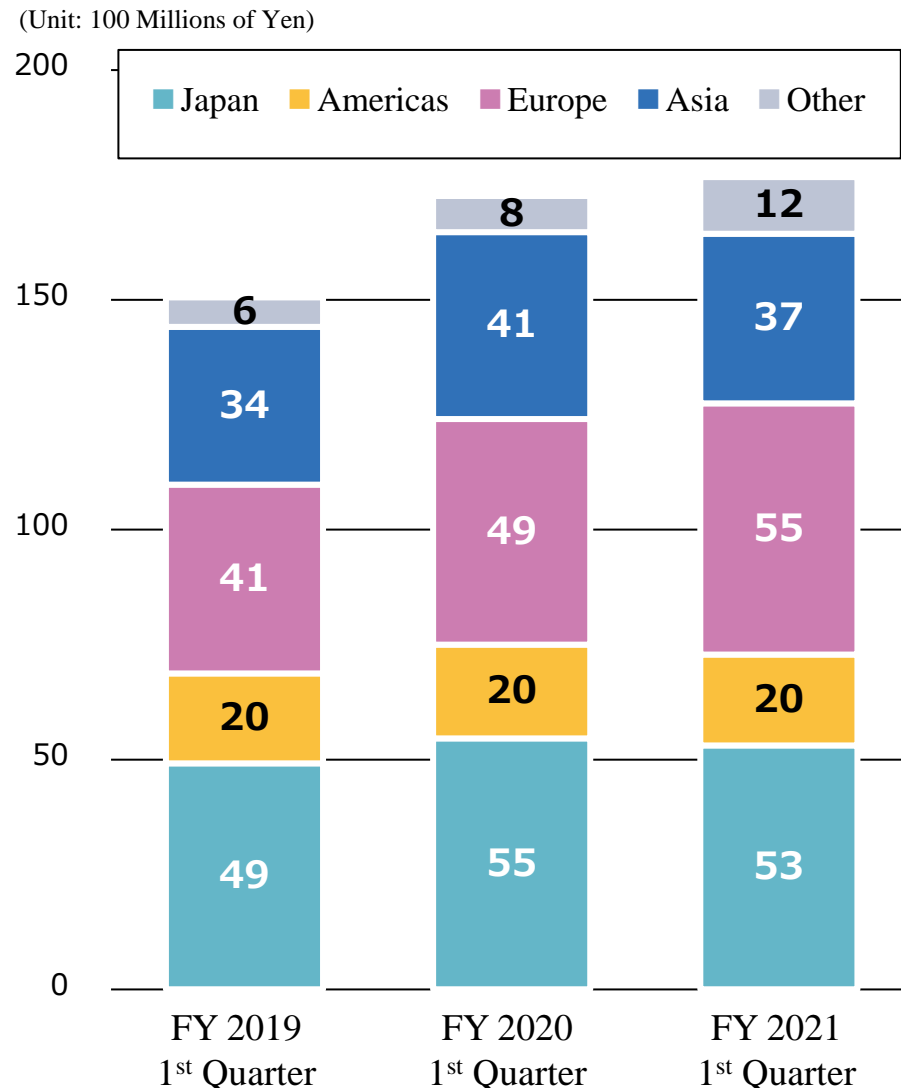
- Decrease in inventory-related expenses
- Decrease in quality loss costs etc.

Continue to accelerate investment for future growth

Addition of consolidated overseas subsidiaries	+2.0
Increase in R&D expenses, etc.	+1.2
Strategic investments, etc.	+1.0
Increase in promotion expenses (exhibitions in new fields), etc.	+2.5
Increase in business-related expenses	+2.5
Increase in logistics costs	+0.3
Others	+0.7
Increase in consolidated SG&A expenses	+10.3

“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)



Marine Business:

Change in accounting standard
Sales: -2.7, Profit: -0.8 (100M yen)

Net Sales **176** 100M yen (+2.0% year-over-year)

Segment Profit **5.5** 100M yen (-4.6 100M yen)

- Merchant newbuild orders on the recovery
- Steady demand for Merchant replace and Fishery
- Steady increase of demand for Pleasure Boats
- Decrease in Profit due to increase in promotion expenses and addition of consolidated subsidiaries

◆ **Japan:** Net sales **53** 100M yen (-2.8%)

- Decrease in sales of equipment for Fishery, increase in sales to Government

◆ **Americas:** Net sales **20** 100M yen (-3.0%)

- High demand for equipment for pleasure boats

◆ **Europe:** Net sales **55** 100M yen (+11.3%)

- Strong sales in all markets: Merchant, Fishery and Pleasure Boats

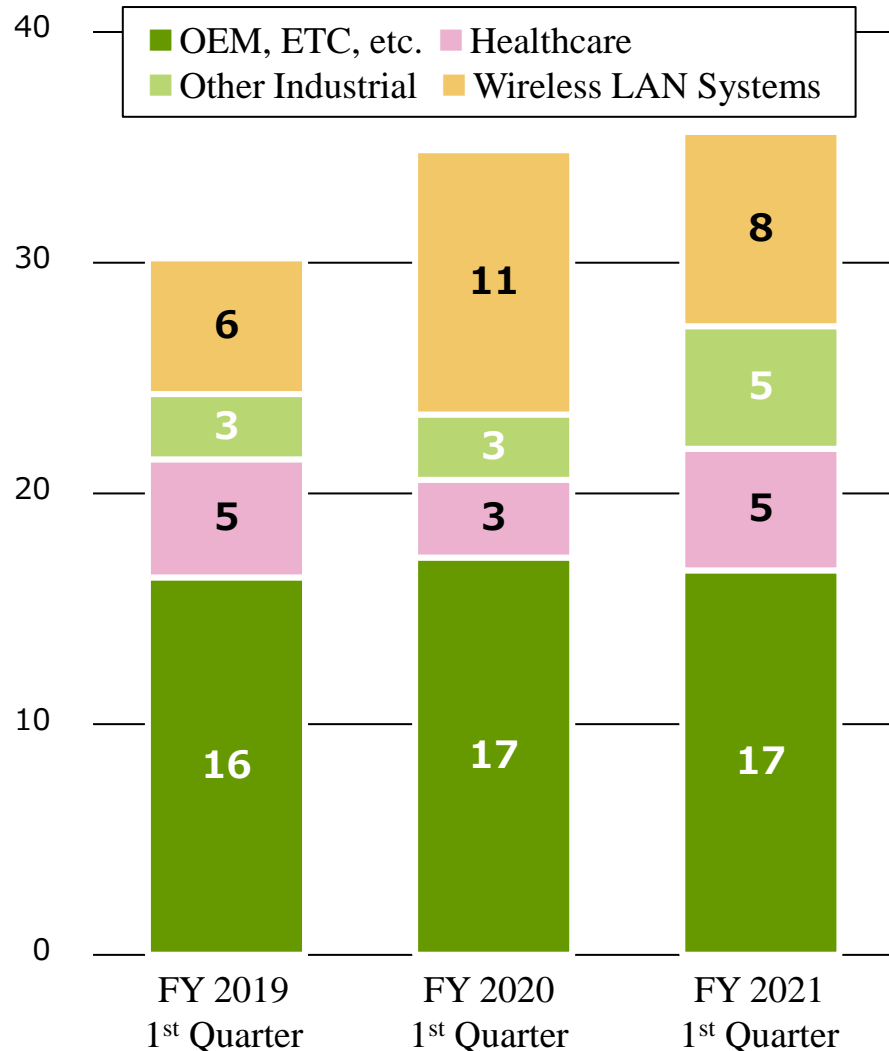
◆ **Asia:** Net sales **37** 100M yen (-9.3%)

- Decrease in sales of equipment for Fishery, Merchant newbuild projects still recovering

Industrial Business Consolidated Sales (by Product)

“100M” stands for 100 Million

(Unit: 100 Millions of Yen)



Industrial Business:

Change in accounting standard
Sales: +1.6, Profit: +0.1 (100M yen)

Net Sales **27** 100M yen (+**16.1%** year-over-year)

Segment Loss **0.3** 100M yen (+**1.5** 100M yen)

- **Decrease in sales of ETC on-board units due to decline in automobile sales**
- **Increase in sales of OEM contract products**
- **Health Care Business: Steady sales of analyzers and reagents in Southeast Asia; increased overseas sales of bone densitometers**

◆ **OEM, ETC, etc.:** Net sales **17** 100M yen (-**3.3%**)

◆ **Healthcare:** Net sales **5** 100M yen (+**56.4%**)

Wireless LAN Systems:

Change in accounting standard
Sales: -0.0, Profit: -0.0 (100M yen)

Net Sales **8** 100M yen (-**31.0%** year-over-year)

Segment Loss **0.0** 100M yen (-**3.5** 100M yen)

- **Wireless LAN Access Point: end of special demand for GIGA School, which continued until March of previous FY**

Consolidated Balance Sheet

FURUNO

(Unit: Millions of yen)	FY 2021 FY Old Revenue Recognition	FY 2022 1Q New Revenue Recognition
Current assets	62,010	67,155
(Cash and deposits)	(14,350)	(14,064)
(Inventories)	(27,693)	(30,398)
Fixed assets	23,963	23,772
(Tangible fixed assets)	(13,400)	(13,737)
(Intangible fixed assets)	(4,276)	(4,243)
(Investments and other assets)	(6,286)	(5,791)
Total assets	85,973	90,887
Current liabilities	25,023	27,817
Long-term liabilities	13,068	12,991
Total liabilities	38,092	40,808
Shareholders' equity	48,795	49,446
Others	-914	338
Non-controlling interests	0	294
Total net assets	47,880	50,079
Total liabilities and net assets	85,973	90,887
Equity ratio	55.7%	54.8%

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, 2022



Nishinomiya Headquarter



New R&D Building SOUTH WING

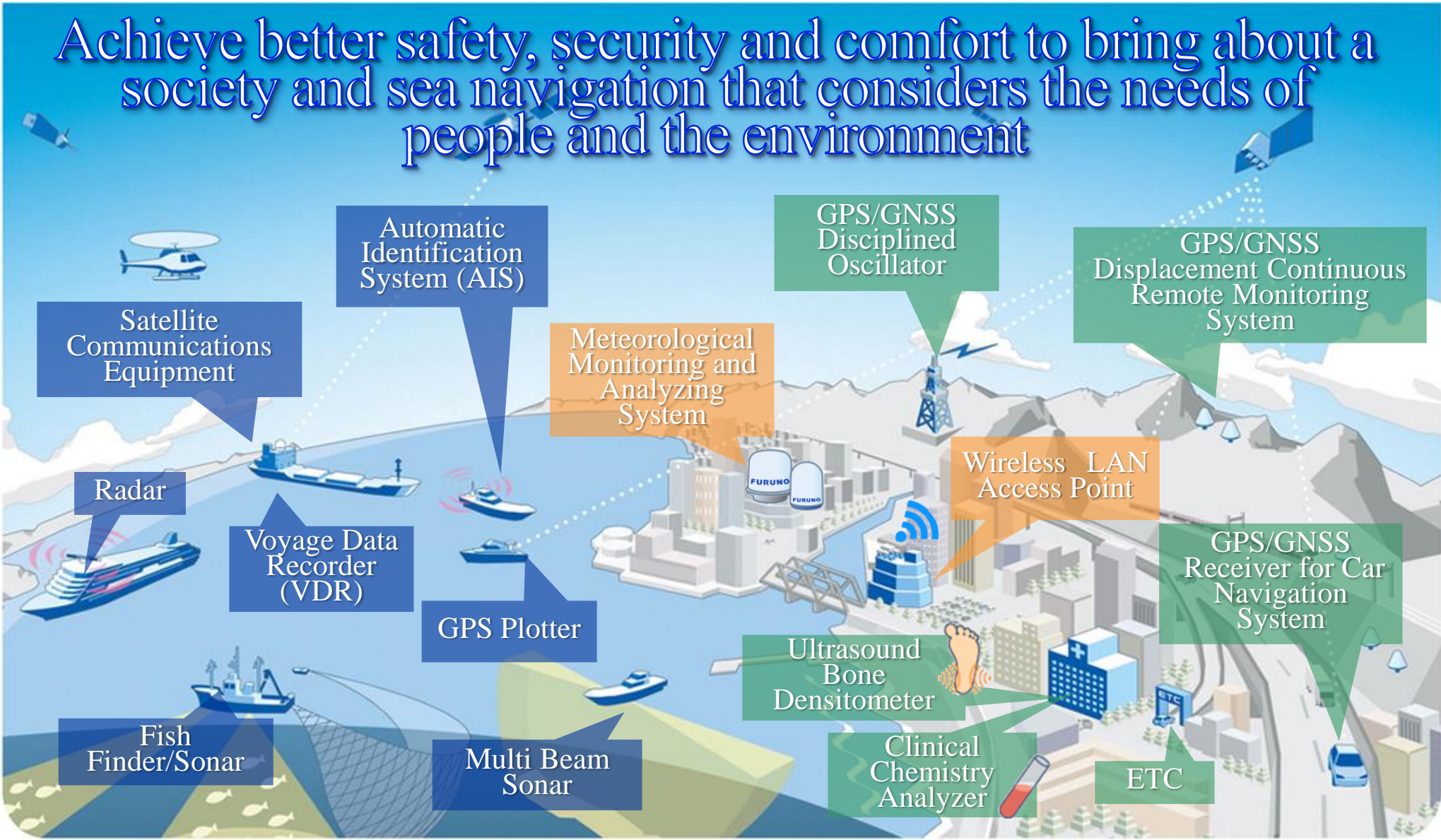
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	3,065 (consolidated)
Consolidated Sales	¥84,783 million
President	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

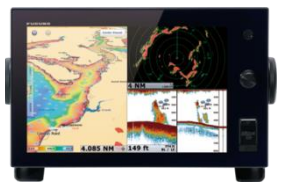


Radiotelephone

For Pleasure Boats



Radar



Multi-Function Display



GPS/WAAS
Chart Plotter



Autopilot

OEM, ETC, etc.



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*

