

Consolidated Financial Statements 2026

As of and for the Year Ended February 28, 2026,
and Independent Auditor's Report



Independent auditor's report

To the Board of Directors of Furuno Electric Co., Ltd.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Furuno Electric Co., Ltd. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), which comprise the consolidated balance sheet as at February 28, 2026, the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at February 28, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Appropriateness of the accounting period in which revenue in the Marine Business was recognized

The key audit matter	How the matter was addressed in our audit
As described in Note 21 “SEGMENT INFORMATION.” to the consolidated financial statements, revenue from external customers in	To assess the appropriateness of the accounting period in which revenue in the Marine Business was recognized, the primary procedures we performed



the Marine Business for the current fiscal year amounted to ¥121,147 million, representing 86% of total revenue in the consolidated financial statements. As described in Note 2, “SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 1. Significant Revenue and Expenses” to the consolidated financial statements, revenue from sales in the Marine Business is recognized when these products are delivered to customers or accepted by the customers (for domestic sales, upon shipment). For the delivery of products involving installation, performance obligations are identified for the installation and delivery of products separately; revenue from installation is recognized over time or at the point in time when the performance obligation is completely satisfied. Revenue in the Marine Business may involve transactions with significant amounts; therefore, any inappropriate determination of the accounting period in which revenue is recognized could have a material impact on the consolidated financial statements. In addition, where multiple performance obligations are included in a single contract and revenue should be recognized for each obligation separately, there is a higher risk that the accounting period in which revenue is recognized may be determined incorrectly. We, therefore, determined that our assessment of the appropriateness of the accounting period in which revenue in the Marine Business was recognized was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	with respect to Furuno Electric Co., Ltd., which accounts for a significant portion of total revenue in the consolidated financial statements, included the following: (1) Internal control testing We tested the design and operating effectiveness of internal controls relevant to the revenue recognition process. (2) Assessment of the appropriateness of the accounting period in which revenue was recognized We performed the procedures set forth below to assess the appropriateness of the accounting period in which revenue was recognized. - From revenue recorded in the final month of the fiscal year, we selected transactions meeting certain criteria and compared the recorded revenue recognition dates with the dates on supporting materials such as delivery notes and acceptance certificates. - For single contracts involving multiple performance obligations where revenue was recognized for only some of those obligations in the current fiscal year, we inspected quotations, purchase orders, delivery notes, and other relevant documents to evaluate the appropriateness of the identification of performance obligations and the timing of their satisfaction. - We checked whether there were any significant negative revenue adjustments recorded after the balance sheet date.
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Appropriateness of the Company’s judgment on the recoverability of deferred tax assets	
The key audit matter	How the matter was addressed in our audit
Furuno Electric Co., Ltd. (the “Company”) recorded deferred tax assets of ¥3,474 million in the consolidated balance sheet as of February 28, 2026. As described in Note 12 “INCOME	The primary procedures we performed to assess the appropriateness of the Company’s judgment on the

TAXES” to the consolidated financial statements, the amount of deferred tax assets before offsetting against deferred tax liabilities was ¥6,123 million. Of this amount, the Company recognized deferred tax assets (before offsetting against deferred tax liabilities) of ¥1,307 million. The deferred tax assets are recognized for deductible temporary differences and tax loss carryforwards to the extent that they are expected to reduce future tax burdens. As described in “Recoverability of deferred tax assets” under Note 3 “SIGNIFICANT ACCOUNTING ESTIMATES,” the recoverability of deferred tax assets is determined based on estimation of future taxable income and tax planning. Future taxable income is estimated based on business plans prepared by management. However, the forecasts of sales used in the business plans include assumptions such as demand forecasts. Accordingly, management’s judgments regarding these assumptions had an effect on the amount of deferred tax assets recognized. We, therefore, determined that our assessment of the appropriateness of the Company’s judgment on the recoverability of deferred tax assets was one of the most significant matters in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.	recoverability of deferred tax assets included the following: (1) Internal control testing We tested the design and operating effectiveness of internal controls related to the estimation of future taxable income. (2) Assessment of the reasonableness of estimation of future taxable income To assess the reasonableness of estimation of future taxable income, which was a key factor in management’s determination of the recoverability of deferred tax assets, we performed audit procedures that included the following: - We assessed the accuracy of the estimation of future taxable income by comparing past business plans with actual results and analyzing the causes of any variances. - We assessed the assumptions underlying demand forecasts used in the estimation of future business plans by comparing them with internal documents, including order information.
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Other Matter

The consolidated financial statements of the Company as at and for the year ended February 28, 2025 were audited by another auditor who expressed an unmodified opinion on those statements on July 26, 2025.

Other Information

The other information comprises the information included in the Annual Report but does not include the consolidated financial statements, the financial statements, and our auditor’s reports thereon. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the directors’ performance of their duties with regard to the design, implementation and maintenance of the

reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit & Supervisory Board members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries were ¥64 million and ¥39 million, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended February 28, 2026 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Tetsuo Yamada

Designated Engagement Partner

Certified Public Accountant

Tatsuya Furusawa

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Osaka Office, Japan

July 9, 2026



Consolidated Balance Sheet

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
February 28, 2026

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
CURRENT ASSETS:			
Cash and cash equivalents (Note 15)	¥ 23,544	¥ 15,413	\$151,107
Short-term investments (Notes 4 and 15)	738	700	4,736
Notes receivable—trade (Notes 5, 15 and 20)	446	487	2,862
Accounts receivable—trade (Notes 5, 15 and 20)	19,806	21,675	127,116
Contract assets (Notes 5 and 20)	8,005	6,171	51,376
Electronically recorded monetary claims-operating (Note 15)	1,582	1,027	10,153
Allowance for doubtful receivables	(279)	(254)	(1,790)
Inventories (Note 7)	45,056	43,573	289,172
Other current assets	3,595	2,811	23,072
Total current assets	102,496	91,605	657,826
PROPERTY, PLANT AND EQUIPMENT – NET (Notes 8 and 9):			
Land	3,682	3,653	23,631
Buildings and structures	20,501	19,140	131,576
Machinery and equipment	6,859	6,156	44,021
Furniture and fixtures	13,341	13,069	85,623
Right-of-use assets	4,881	4,289	31,326
Construction in progress	476	539	3,055
Total	49,743	46,849	319,254
Accumulated depreciation	(31,786)	(30,238)	(204,004)
Property, plant and equipment—net	17,957	16,611	115,249
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 6 and 15)	5,935	3,662	38,091
Investments in unconsolidated subsidiaries and associated companies	1,131	885	7,258
Goodwill	695	839	4,460
Asset for retirement benefits (Note 10)	2,436	1,647	15,634
Software (Note 8)	5,690	4,979	36,518
Deferred tax assets (Notes 3 and 12)	3,474	1,638	22,296
Allowance for doubtful accounts	(16)	(14)	(102)
Other assets	1,563	1,664	10,031
Total investments and other assets	20,910	15,302	134,201
TOTAL	¥141,364	¥123,519	\$907,284

See notes to consolidated financial statements.



LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
CURRENT LIABILITIES:			
Short-term bank loans (Note 9)	¥ 200	¥ 6,100	\$ 1,283
Current portion of long-term debt (Notes 9 and 15)	1,403	3,006	9,004
Accounts payable—trade (Note 15)	7,575	6,689	48,616
Electronically recorded obligations—operating (Note 15)	6,032	4,924	38,713
Income taxes payable	3,536	1,853	22,694
Contract liabilities (Note 20)	3,863	2,312	24,793
Accrued employees' bonuses	3,174	2,980	20,370
Accrued product warranty costs	897	779	5,757
Other current liabilities (Note 9)	7,636	7,045	49,008
Total current liabilities	34,320	35,690	220,268
LONG-TERM LIABILITIES:			
Long-term debt (Notes 9 and 15)	10,300	8,702	66,106
Liability for retirement benefits—employees (Note 10)	3,364	3,329	21,590
Deferred tax liabilities (Note 12)	334	250	2,143
Lease obligations	2,332	2,037	14,966
Other long-term liabilities (Note 9)	940	889	6,032
Total long-term liabilities	17,272	15,209	110,852
COMMITMENTS AND CONTINGENT LIABILITIES (Note 16)			
EQUITY (Note 11):			
Common stock—authorized, 120,000 thousand shares; issued, 31,894 thousand shares for both 2026 and 2025	7,534	7,534	48,353
Capital surplus	9,338	9,284	59,931
Retained earnings	59,593	47,598	382,472
Treasury stock—at cost, 285 thousand shares and 296 thousand shares in 2026 and 2025 respectively	(155)	(158)	(994)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	3,414	1,921	21,911
Foreign currency translation adjustments	9,397	6,367	60,310
Defined retirement benefit plans	222	(361)	1,424
Total	89,345	72,186	573,422
Non-controlling interests	426	433	2,734
Total equity	89,772	72,619	576,163
TOTAL	¥141,364	¥123,519	\$907,284



Consolidated Statement of Income

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
Year Ended February 28, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
NET SALES (Note 20)	¥140,616	¥126,953	\$902,483
COST OF SALES	82,278	73,983	528,066
Gross profit	58,338	52,969	374,417
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (Notes 13 and 14)	42,091	39,787	270,143
Operating income	16,246	13,181	104,268
OTHER INCOME (EXPENSES):			
Interest and dividend income	458	410	2,939
Interest expense	(235)	(173)	(1,508)
Equity in earnings of an associate accounted for by the equity method	272	189	1,745
Foreign exchange gain	621		3,985
Subsidy income	666	594	4,274
Gain on sales of investment securities	1	61	6
Gain on sales of property, plant and equipment	34	161	218
Foreign exchange losses		(239)	
Gain on step acquisitions	71		455
Gain on bargain purchase	30		192
Loss on sales of property, plant and equipment		(2)	
Loss on impairment of long-lived assets (Note 8)	(65)	(43)	(417)
Loss on valuation of investment securities		(22)	
Loss on disposal of inventories		(71)	
Other—net	261	266	1,675
Other income—net	2,117	1,131	13,587
INCOME BEFORE INCOME TAXES	18,363	14,313	117,855
INCOME TAXES (Note 12):			
Current	4,289	3,231	27,527
Deferred	(2,703)	(493)	(17,348)
Total income taxes	1,586	2,737	10,179
NET INCOME	16,777	11,575	107,676
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	41	118	263
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 16,735	¥ 11,457	\$107,406
PER SHARE OF COMMON STOCK (Note 18):			
	Yen		U.S. Dollars
	2026	2025	2026
Basic net income	¥ 529.53	¥ 362.64	\$ 3.39
Cash dividends applicable to the year	160.00	110.00	1.02

See notes to consolidated financial statements.



Consolidated Statement of Comprehensive Income

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
Year Ended February 28, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
NET INCOME	¥16,777	¥11,575	\$107,676
OTHER COMPREHENSIVE INCOME (Note 17):			
Unrealized gain on available-for-sale securities	1,492	283	9,575
Foreign currency translation adjustments	2,973	1,833	19,080
Defined retirement benefit plans	584	(33)	3,748
Share of other comprehensive income of an associate accounted for by the equity method	62	(11)	397
Total other comprehensive income	5,113	2,072	32,815
COMPREHENSIVE INCOME	¥21,890	¥13,648	\$140,491
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥21,843	¥13,528	\$140,189
Non-controlling interests	47	119	301

Please refer to notes on consolidated financial statements.

Consolidated Statement of Changes in Equity

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
Year Ended February 28, 2026

	Thousands					Millions of Yen					
	Number of Shares of Common Stock Outstanding	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Non-controlling Interests	Total Equity
						Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, FEBRUARY 29, 2024	31,589	¥7,534	¥9,304	¥38,510	¥(162)	¥1,638	¥4,546	¥(328)	¥61,042	¥393	¥61,436
Net income attributable to owners of the parent				11,457					11,457		11,457
Cash dividends, ¥75.0 per share				(2,369)					(2,369)		(2,369)
Purchase of treasury stock	(0)				(1)				(1)		(1)
Restricted-share-based compensation	9		13		4				18		18
Change in ownership interest of parent due to transactions with non-controlling interests			(11)						(11)		(11)
Capital increase of consolidated subsidiaries			(20)						(20)		(20)
Net change in the year						283	1,821	(33)	2,071	39	2,110
BALANCE, FEBRUARY 28, 2025	31,597	7,534	9,284	47,598	(158)	1,921	6,367	(361)	72,186	433	72,619
Net income attributable to owners of the parent				16,735					16,735		16,735
Cash dividends, ¥150.0 per share				(4,740)					(4,740)		(4,740)
Purchase of treasury stock	(0)				(2)				(2)		(2)
Restricted-share-based compensation	11		29		6				36		36
Change in ownership interest of parent due to transactions with non-controlling interests			23						23		23
Capital increase of consolidated subsidiaries											
Net change in the year						1,492	3,030	584	5,108	(6)	5,101
BALANCE, FEBRUARY 28, 2026	31,608	¥7,534	¥9,338	¥59,593	¥(155)	¥3,414	¥9,397	¥ 222	¥89,345	¥426	¥89,772

	Thousands of U.S. Dollars (Note 1)									
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income			Total	Noncontrolling Interests	Total Equity
					Unrealized Gain on Available-for-Sale Securities	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE, FEBRUARY 28, 2025	\$48,353	\$59,585	\$305,487	\$(1,014)	\$12,329	\$40,863	\$(2,316)	\$463,295	\$2,779	\$466,074
Net income attributable to owners of the parent			107,406					107,406		107,406
Cash dividends, \$0.96 per share			(30,421)					(30,421)		(30,421)
Purchase of treasury stock				(12)				(12)		(12)
Restricted-share-based compensation		186		38				231		231
Change in ownership interest of parent due to transactions with non-controlling interests		147						147		147
Capital increase of consolidated subsidiaries										
Net change in the year					9,575	19,446	3,748	32,783	(38)	32,738
BALANCE, FEBRUARY 28, 2026	\$48,353	\$59,931	\$382,472	\$(994)	\$21,911	\$60,310	\$ 1,424	\$573,422	\$2,734	\$576,163

Please refer to notes on consolidated financial statements.



Consolidated Statement of Cash Flows

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
Year Ended February 28, 2026

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2026	2025	2026
OPERATING ACTIVITIES:			
Income before income taxes	¥18,363	¥14,313	\$117,855
Adjustments for:			
Income taxes—paid	(2,789)	(3,772)	(17,900)
Interest and dividends—received	543	514	3,485
Interest—paid	(231)	(259)	(1,482)
Subsidies received	464	406	2,977
Depreciation and amortization	3,920	3,592	25,158
Loss on impairment of long-lived assets	65	43	417
Amortization of goodwill	222	146	1,424
Equity in earnings of an associate accounted for by the equity method	(272)	(189)	(1,745)
Gain on sales of property, plant and equipment, net	(34)	(159)	(218)
Interest and dividend income	(458)	(410)	(2,939)
Interest expense	235	173	1,508
Gain on sales of investment securities	(1)	(61)	(6)
Loss on valuation of investment securities		22	
Gain on step acquisitions	(71)		(455)
Gain on bargain purchase	(30)		(192)
Subsidy income	(666)	(594)	(4,274)
Changes in assets and liabilities:			
Decrease (increase) in trade receivables and contract assets	794	(3,040)	5,095
Decrease in inventories	319	3,706	2,047
Decrease in trade payables	(357)	(3,684)	(2,291)
Increase (decrease) in contract liabilities	872	(260)	5,596
Other—net	484	334	3,106
Total adjustments	3,009	(3,492)	19,311
Net cash provided by operating activities	21,373	10,820	137,173
INVESTING ACTIVITIES:			
Payments into time deposits	(1,184)	(92)	(7,598)
Proceeds from withdrawal of time deposits	1,159	46	7,438
Purchases of property, plant and equipment	(2,377)	(2,520)	(15,255)
Purchases of intangible assets	(2,483)	(2,323)	(15,936)
Proceeds from purchase of investments in capital of subsidiaries resulting in change in scope of consolidation (Note 22)	1,759		11,289
Other—net	(152)	300	(975)
Net cash used in investing activities	(3,278)	(4,588)	(21,038)
FINANCING ACTIVITIES:			
Increase (decrease) in short-term bank loans—net	(5,900)	98	(37,866)
Proceeds from long-term debt	3,000	3,500	19,254
Repayments of long-term debt	(3,005)	(3,208)	(19,286)
Dividends paid	(4,740)	(2,369)	(30,421)
Repayments of lease obligations	(710)	(594)	(4,556)
Other—net	(82)	(122)	(526)
Net cash used in financing activities	(11,439)	(2,696)	(73,416)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	1,474	720	9,460
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,130	4,255	52,178
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	15,413	11,158	98,921
CASH AND CASH EQUIVALENTS, END OF YEAR	¥23,544	¥15,413	\$151,107

Notes to Consolidated Financial Statements

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
Year Ended February 28, 2026

1. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with the accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to the application and disclosure requirements of IFRS Accounting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically to present them in a form that is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2025 consolidated financial statements to conform to the classifications used in 2026.

The consolidated financial statements are stated in Japanese yen, the country's currency in which Furuno Electric Co., Ltd. (the "Company") is incorporated and operates. The conversions of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥155.81 to \$1, the approximate rate of exchange as at February 28, 2026. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

As permitted under the Financial Instruments and Exchange Act of Japan, figures less than 1 million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Consolidation** — The consolidated financial statements as of February 28, 2026, include the accounts of the Company and its 36 significant (35 in 2025) subsidiaries (together, the "Group").

FURUNO NAVIGATION TECHNOLOGY (SHANGHAI) CO., LTD. has been included in the scope of consolidation for the fiscal year ended February 28, 2026, due to the acquisition of additional equity interests in the company.

Under the control and influence concepts, those companies in which the Company, directly or indirectly, exercises control over operations are fully consolidated, and those companies over which the Group can exercise significant influence are accounted for by the equity method.

Investments in an associated company are accounted for by the equity method.

Investment in one (one in 2025) unconsolidated subsidiary is stated at cost. For the fiscal year ended February 28, 2025, one other associated company was stated at cost. The application of consolidation or the equity method of accounting for these investments would not have a material impact on the accompanying consolidated financial statements.

Goodwill represents the excess of the cost of an acquisition over the fair value of the net assets of the acquired subsidiary company at the date of acquisition. Goodwill is reported in the balance sheet and is amortized using the straight-line method over reasonably estimated periods (5—18 years) in which economic benefits are expected to be realized.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profits, included in assets resulting from transactions within the Group, are also eliminated.

Of the overseas consolidated subsidiaries, the fiscal year-end date of three subsidiaries is November 30, while that of 29 subsidiaries is December 31.

In preparing the consolidated financial statements, financial statements of each company as of their fiscal closing dates are used. However, adjustments necessary for consolidation are made for significant transactions that occurred during the consolidation period.

- b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements** — Under the Accounting Standards Board of Japan ("ASBJ"), Practical Issues Task Force ("PITF") No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements," the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should, in principle, be unified for the preparation of the consolidated financial statements. However, financial statements prepared by foreign subsidiaries in accordance with either IFRS Accounting Standards or the U.S. GAAP (Financial Accounting Standards Board Accounting Standards Codification) tentatively

may be used for the consolidation process, except for the following items that should be adjusted in the consolidation process so that the net income is accounted for in accordance with Japanese GAAP, unless they are not material; (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign subsidiary elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

c. Unification of Accounting Policies Applied to Foreign Associated Companies for the Equity Method — ASBJ Statement No. 16, “Accounting Standard for Equity Method of Accounting for Investments,” requires adjustments to be made to conform the associate’s accounting policies for similar transactions and events under similar circumstances to those of the parent company when the associate’s financial statements are used in applying the equity method, unless it is impracticable to determine such adjustments. In addition, financial statements prepared by foreign associated companies in accordance with either IFRS Accounting Standards or U.S. GAAP tentatively may be used in applying the equity method if the following items are adjusted so that net income is accounted for in accordance with Japanese GAAP, unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been recorded in equity through other comprehensive income; (c) expensing capitalized development costs of R&D; (d) cancellation of the fair value model of accounting for property, plant and equipment and investment properties and incorporation of the cost model of accounting; and (e) recording a gain or loss through profit or loss on the sale of an investment in an equity instrument for the difference between the acquisition cost and selling price, and recording impairment loss through profit or loss for other-than-temporary declines in the fair value of an investment in an equity instrument, where a foreign associate elects to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument.

d. Business Combinations — Business combinations are accounted for using the purchase method. Acquisition-related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements’ provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. The acquirer recognizes any bargain purchase gain in profit or loss immediately on the acquisition date after reassessing and confirming that all the assets acquired and all the liabilities assumed have been identified after a review of the procedures used in the purchase price allocation. A parent company’s ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of non-controlling interest is adjusted to reflect the change in the parent company’s ownership interest in its subsidiary, while the former retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the non-controlling interest is adjusted is accounted for as capital surplus, as long as the parent company retains control over its subsidiary.

e. Cash Equivalents — Cash equivalents are short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value. Cash equivalents include time deposits, certificates of deposit, commercial paper and bond funds, all of which mature or become due within 3 months of the date of acquisition.

- f. Allowance for Doubtful Accounts** — The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Group's past credit loss experience and an evaluation of potential losses in the receivables outstanding.
- g. Inventories** — Inventories are stated at a lower cost, principally determined by the average method, or net selling value.
- h. Investment Securities** — The Company and its domestic consolidated subsidiaries categorize their existing securities as available-for-sale securities.
Securities other than those that do not have a market price are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. The cost of securities sold is mainly calculated using the moving-average method.
Those that do not have a market price are stated at cost, determined by the moving-average method.
- i. Property, Plant and Equipment** — Property, plant and equipment are carried at cost. Depreciation of property, plant and equipment is computed principally by the declining-balance method.
- j. Long-Lived Assets** — The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group that may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.
- k. Product Warranty Costs** — The Group establishes a liability for estimated product warranty costs at the time of sale. Estimates for accrued product warranty costs are primarily based on historical experience.
- l. Significant Revenue and Expenses** — The details of the main performance obligations in the major businesses related to revenue from contracts with the Company's customers and the timing at which the Company typically met these performance obligations (when it typically recognizes revenue) are as follows:
- (1) Marine business
In the Marine business, the Group mainly manufactures and sells navigation equipment, fishing equipment and radio communication equipment, etc.
 - (2) Industrial business
In the Industrial business, the Group mainly manufactures and sells medical equipment, ITS equipment, GPS equipment and avionics electronic equipment, etc.
 - (3) Wireless LAN / Handy Terminal business
In the Wireless LAN / Handy Terminal business, the Group mainly manufactures and sells handy terminals.
 - (4) Other business
In the Other business, the Group is mainly engaged in the electromagnetic environmental testing business.

In each business, revenue is generally recognized when these products are delivered to the customers or accepted by the customers, except domestic sales where revenue is recognized upon shipment, as the time period from the shipment until the transfer of control over the products to the customers is typically a short period.

For repairing services in the Marine business and jobbing production transactions in the Industrial business, performance obligations are deemed to be met over time and revenue is recognized based on the percentage of completion method. The outcome of construction contracts is measured based on the proportion of construction costs incurred by the end of the reporting period to the total expected construction costs. In some cases, the Group may

not be able to reasonably measure the outcome of the performance obligation; however, it expects to recover the costs incurred to meet the performance obligations. In those circumstances, the Company recognizes revenue only to the extent of the costs incurred. For a construction contract whose performance obligations are expected to be satisfied within a short period, the Company applies an alternative method and recognizes revenue when the performance obligations are completely met instead of recognizing revenue over time.

For any of the above businesses, if the delivery of products involves installation, performance obligations are identified for the installation and delivery of products separately and revenue is recognized as mentioned above.

- m. Retirement and Pension Plans** — The Company and certain consolidated subsidiaries have lump-sum severance indemnity plans, defined contribution pension plans and contributory funded defined benefit pension plans, which are pursuant to the Japanese Welfare Pension Insurance Law.

The Company accounts for liabilities for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses are amortized on a straight-line basis over 10 years within the average remaining service period of employees commencing from the following year after incurrence.

Certain consolidated subsidiaries adopt a simplified method under which the retirement benefit amount required to be paid if all the employees retired on the balance sheet date is considered as the projected benefit obligations in computing liabilities for retirement benefits and net periodic benefit costs.

- n. Asset Retirement Obligations** — An asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and normal operation of a tangible fixed asset and is associated with the retirement of such a tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made during the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the liability amount. The asset retirement cost is subsequently allocated to expense through depreciation over the remaining useful life of the asset. Over time, the liability is accreted to its present value each period. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

- o. Research and Development Costs** — Research and development costs are charged to income as incurred.

- p. Income Taxes** — The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

- q. Adoption of the Group Tax Sharing System** — The Company and its domestic consolidated subsidiaries have adopted the Group Tax Sharing System and account for national and local income taxes and the related tax effect in accordance with the “Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System” (PITF No. 42, August 12, 2021).

r. **Foreign Currency Transactions** — All short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates on the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

s. **Foreign Currency Financial Statements** — The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as “Foreign currency translation adjustments” and are allocated to “Non-controlling interests” in a separate component of equity. Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

t. **Derivatives and Hedging Activities** — The Group uses derivative financial instruments to manage exposures to fluctuations in interest rates and foreign currency exchange rates. Interest rate swaps are utilized to reduce the interest rate risks of long-term debts. Forward foreign currency contracts are utilized to reduce the foreign currency exchange rate risks of foreign currency trade receivables, etc. The Group does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income; and (b) for derivatives used for hedging purposes, if such derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred in principle, until the maturity of the hedged transactions.

The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value but the differential paid or received under the swap agreements is recognized and included in interest expense or income.

u. **Per Share Information** — Basic net income per share is computed by dividing net income attributable to common shareholders by the weighted-average number of common shares outstanding for the period.

Cash dividends per share presented in the accompanying consolidated statement of income are dividends applicable to the respective fiscal years, including dividends to be paid after the end of the year.

v. Changes in Accounting Policies

Application of the “Accounting Standard for Current Income Taxes,” etc.

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc., from the beginning of the fiscal year ended February 28, 2026.

With regard to the amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income), the Company follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gain or loss on sale of shares in subsidiaries resulting from transactions between consolidated companies is deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 from the beginning of the fiscal year ended February 28, 2026. This change in accounting policies was applied retrospectively, and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

Application of “Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules”

The Company has applied the “Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (PITF No. 46, March 22, 2024) from the beginning of the fiscal year ended February 28, 2026.

Accordingly, current income taxes related to the global minimum tax rules have been reasonably estimated based on information available at the time of preparing the consolidated financial statements and recognized in profit or loss.

This change in accounting policies has no material impact on the consolidated financial statements.

w. New Accounting Pronouncements

Accounting Standard for Leases and Implementation Guidance on Accounting Standard for Leases

On September 13, 2024, the ASBJ issued the following statements and guidance:

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

The ASBJ also issued other Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance, which were revised by the issuance of the Accounting Standard for Leases.

(1) Overview

These accounting standards define the same accounting treatments as international accounting standards, which require lessees to recognize assets and liabilities for all leases.

(2) Date of adoption

The Group expects to adopt these accounting standards from the beginning of the year ending February 28, 2029.

(3) Impact of the adoption of the accounting standards

The impact of the adoption of these accounting standards is under evaluation at the time of preparation of the accompanying consolidated financial statements.

Practical Guidelines on Accounting for Financial Instruments (Transferred Guidance No. 9, March 11, 2025)

(1) Overview

This guidance revises the accounting treatment of equity interests in venture capital funds held by listed companies and other entities, with the aim of providing useful information to investors by valuing at fair value shares without a market price that are included in venture capital funds, etc.

(2) Date of adoption

The Group expects to adopt these accounting standards from the beginning of the year ending February 29, 2028.

(3) Impact of the adoption of the accounting standards

The impact of the adoption of these accounting standards is under evaluation at the time of preparation of the accompanying consolidated financial statements.

x. Changes in Presentation

Consolidated Statement of Income

“Loss on disposal of property, plant and equipment,” which had been separately presented under “Other income (expenses)” in the previous fiscal year, is included in “Other—net” from the year ended February 28, 2026, due to the decreased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, ¥18 million included in “Loss on disposal of property, plant and equipment” and ¥93 million included in “Other—net” under “Other income (expenses)” in the consolidated statement of income for the previous fiscal year have been reclassified to ¥111 million of “Other—net.”

Consolidated Statement of Cash Flows

“Amortization of goodwill,” “Equity in earnings of an associate accounted for by the equity method,” “Gain on sales of property, plant and equipment, net,” “Gain on sales of investment securities,” “Loss on valuation of investment securities,” “Subsidy income,” and “Subsidies received,” which had been included in “Other—net” under “Operating activities” in the previous fiscal year, are separately presented from the year ended February 28, 2026, due to the increased materiality.

“(Decrease) increase in allowance for doubtful accounts,” “Increase in provision for bonuses,” “Increase in liability for retirement benefits,” “Decrease (increase) in asset for retirement benefits,” “Decrease in accrued product warranty costs,” “Decrease in accounts payable—other,” “Increase in accrued expenses,” “Decrease (increase) in consumption taxes receivable,” and “(Decrease) increase in liabilities on chargeable supply,” which had been separately presented in the previous fiscal year, are included in “Other—net” under “Operating activities” from the year ended February 28, 2026, due to the decreased materiality.

To reflect these changes in presentation, the consolidated financial statements for the previous fiscal year have been reclassified. As a result, ¥(123) million included in “Other—net” under “Operating activities” in the consolidated statement of cash flows for the previous fiscal year, has been reclassified to ¥146 million of “Amortization of goodwill,” ¥(189) million of “Equity in earnings of an associate accounted for by the equity method,” ¥(159) million of “Gain on sale of property, plant and equipment, net,” ¥(61) million of “Gain on sale of investment securities,” ¥22 million of “Loss on valuation of investment securities,” ¥(594) million of “Subsidy income,” and ¥406 million of “Subsidies received.”

In addition, ¥(132) million of “(Decrease) increase in allowance for doubtful accounts,” ¥227 million of “Increase in provision for bonuses,” ¥153 million of “Increase in liability for retirement benefits,” ¥(71) million of “Decrease (increase) in asset for retirement benefits,” ¥(57) million of “Decrease in accrued product warranty costs,” ¥183 million of “Decrease in accounts payable—other,” ¥46 million of “Increase in accrued expenses,” ¥(76) million of “Decrease (increase) in consumption taxes receivable,” and ¥(245) million of “(Decrease) increase in liabilities on chargeable supply,” which had been separately presented under “Operating activities” in the consolidated statement of cash flows for the previous fiscal year, are included in “Other—net.”

As a result, “Other—net” under “Operating activities” is presented as ¥334 million.

“Proceeds from sales of property, plant and equipment” under “Investing activities,” which had been separately presented in the previous fiscal year, are included in “Other” under “Investing activities” from the year ended February 28, 2026, due to the decreased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, ¥338 million of “Proceeds from sales of property, plant and equipment” and ¥(37) million of “Increase in other assets” under “Investing activities” in the consolidated statement of cash flows for the previous fiscal year have been reclassified to ¥300 million of “Other.”

3. SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are recorded at the reasonable amounts computed based on information available at the time of preparation of the consolidated financial statements.

The item whose amounts were recorded based on accounting estimates in the consolidated financial statements for the year ended February 28, 2026, that may have a significant impact on the consolidated financial statements for the following fiscal year is as follows:

Recoverability of Deferred Tax Assets

- (1) Amounts recorded in the consolidated financial statements for the years ended February 28, 2026 and 2025

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Deferred tax assets	¥3,474	¥1,638	\$22,296

The amount recorded as deferred tax assets refers to the amount after offsetting against deferred tax liabilities and deducting valuation allowance.

- (2) Information about the details of significant accounting estimates on the identified item
Deferred tax assets are recognized to the extent that deductible temporary differences and tax loss carryforwards are expected to reduce future tax burdens.

Recoverability of deferred tax assets is determined based on estimation of future taxable income and tax planning. Future taxable income is estimated based on the Group's business plans. Forecasts of sales used in the business plans include assumptions, such as demand projections, and judgments regarding these assumptions affect the amount of deferred tax assets recognized. Therefore, judgments regarding the recoverability of deferred tax assets might have an impact on the consolidated financial statements for the following fiscal year.

4. SHORT-TERM INVESTMENTS

Short-term investments as of February 28, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Time deposits other than cash equivalents	¥738	¥700	\$4,736

5. RECEIVABLES FROM CONTRACTS WITH CUSTOMERS

Receivables from contracts with customers included in "Notes receivable—trade," "Accounts receivable—trade" and "Contract assets" as of February 28, 2026 and 2025, are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Notes receivable – trade	¥ 446	¥ 487	\$ 2,862
Accounts receivable – trade	19,806	21,675	127,116
Contract assets	8,005	6,171	51,376

6. INVESTMENT SECURITIES

Investment securities as of February 28, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Non-current:			
Marketable equity securities	¥5,666	¥3,497	\$36,364
Other	268	165	1,720
Total	¥5,935	¥3,662	\$38,091

The costs and aggregate fair values of investment securities at February 28, 2026 and 2025, were as follows:

	Millions of Yen			Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
February 28, 2026				
Securities classified as:				
Available-for-sale:				
Equity securities	¥899	¥4,767		¥5,666
Others	25	99		125

February 28, 2025				
Securities classified as:				
Available-for-sale:				
Equity securities	¥901	¥2,596		¥3,497
Others	25	50		76

	Thousands of U.S. Dollars			Fair Value
	Cost	Unrealized Gains	Unrealized Losses	
February 28, 2026				
Securities classified as:				
Available-for-sale:				
Equity securities	\$5,769	\$30,594		\$36,364
Others	160	635		802

Available-for-sale securities whose fair value is not readily determinable as of February 28, 2026 and 2025, were as follows:

	Carrying Amount		Thousands of U.S. Dollars
	Millions of Yen		2026
	2026	2025	
Available-for-sale:			
Equity securities	¥143	¥88	\$917

Available-for-sale securities sold for the years ended February 28, 2026 and 2025, were as follows:

	Millions of Yen		
	Amount of Sales	Gain on Sales	Loss on Sales
Year Ended February 28, 2026			
Securities classified as:			
Available-for-sale:			
Equity securities	¥3	¥1	
Others			
Total	¥3	¥1	

Year Ended February 28, 2025			
Securities classified as:			
Available-for-sale:			
Equity securities	¥74	¥58	
Others	20	2	
Total	¥94	¥61	

	Thousands of U.S. Dollars		
	Amount of Sales	Gain on Sales	Loss on Sales
Year Ended February 28, 2026			
Securities classified as:			
Available-for-sale:			
Equity securities	\$19	\$6	
Others			
Total	\$19	\$6	

For the years ended February 28, 2025, the Company recognized loss on valuation of investment securities (equity securities classified as available-for-sale) in an amount of ¥22 million.

7. INVENTORIES

Inventories as at February 28, 2026 and 2025 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Merchandise and finished products	¥28,601	¥27,627	\$183,563
Work in process	3,693	3,226	23,701
Raw materials and supplies	12,761	12,719	81,901
Total	¥45,056	¥43,573	\$289,172

8. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of February 28, 2026 and 2025. As a result, the Group recognized impairment losses of ¥65 million (\$417 thousand) and ¥43 million, respectively, as other expenses. These impairment losses were primarily related to long-lived assets of the Industrial Business for the years ended February 28, 2026 and 2025, respectively, due to continuing operating losses in the divisions. Recoverable amounts of these assets were measured in terms of the value in use. However, since future cash flows are not expected, the value in use is calculated as zero.

9. SHORT-TERM BANK LOANS, LONG-TERM DEBTS AND LEASE OBLIGATIONS

Short-term bank loans as at February 28, 2026 and 2025 consisted of notes to banks and bank overdrafts. The weighted-average interest rates applicable to the short-term bank loans were 0.97% and 0.37% at February 28, 2026 and 2025, respectively.

Long-term debts at February 28, 2026 and 2025, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Loans from banks and insurance companies, maturing in series until 2030 with weighted-average interest rates ranging from 0.43% to 1.08% (2026) and ranging from 0.45% to 0.76% (2025)	¥11,703	¥11,708	\$ 75,110
Less current portion	(1,403)	(3,006)	(9,004)
Long-term debts, less current portion	¥10,300	¥ 8,702	\$ 66,106

Lease obligations with due dates leading up to March 2067 with an average interest rate of 2.81% and 2.46% at February 28, 2026 and 2025, respectively, are included in "Other long-term liabilities," excluding the current portion which is included in "Other current liabilities."

Annual maturities of long-term debts and lease obligations at February 28, 2026 were as follows:

Year Ending February 28 or 29	Millions of Yen		Thousands of U.S. Dollars	
	Long-term Debts	Lease Obligations	Long-term Debts	Lease Obligations
2027	¥ 1,403	¥ 698	\$ 9,004	\$ 4,479
2028	3,500	659	22,463	4,229
2029	300	473	1,925	3,035
2030	3,500	393	22,463	2,522
2031	3,000	345	19,254	2,214
2032 and thereafter		459		2,945
Total	¥11,703	¥ 3,031	\$75,110	\$19,453

The carrying amounts of assets pledged as collateral for bank loans at February 28, 2026 and 2025 were as follows, although there were no corresponding obligations:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Land and buildings, net of accumulated depreciation	¥107	¥103	\$686

As is customary in Japan, the Company maintains substantial deposit balances with banks with which it has borrowings. Such deposit balances are not legally or contractually restricted as to withdrawal.

According to the general agreements with respective banks, as is customary in Japan, additional collateral must be provided under certain circumstances if requested by such banks and that certain banks have the right to offset cash deposited with them against any long-term or short-term debts or obligations that becomes due and, in case of default and certain other specified events, against all other debts payable to the banks. The Company has never been requested to provide any additional collateral.

10. RETIREMENT AND PENSION PLANS

The Company and certain consolidated subsidiaries have severance payment plans for employees. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company or from certain consolidated subsidiaries and annuity payments from a trustee. Under certain situations, employees are entitled to receive additional payments if the termination is by voluntary retirement at earlier ages prior to the mandatory retirement age.

The Company and certain consolidated subsidiaries have contributory funded defined benefit pension plans and unfunded retirement benefit plans for employees. Certain overseas consolidated subsidiaries have defined retirement benefit plans or defined retirement contribution plans.

Certain consolidated subsidiaries adopt the simplified method in determining retirement benefit obligations.

a. Defined Benefit Plans (Including Plans to Which the Simplified Method Is Applied)

(1) The changes in defined benefit obligations for the years ended February 28, 2026 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥13,545	¥13,653	\$86,932
Service cost	587	569	3,767
Interest cost	132	133	847
Actuarial losses	191	184	1,225
Benefits paid	(1,406)	(1,097)	(9,023)
Others	116	101	744
Balance at end of year	¥13,165	¥13,545	\$84,493

(2) The changes in plan assets for the years ended February 28, 2026 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Balance at beginning of year	¥11,863	¥12,126	\$76,137
Expected return on plan assets	237	242	1,521
Actuarial gains	838	24	5,378
Contributions from the employer	319	311	2,047
Benefits paid	(1,020)	(841)	(6,546)
Balance at end of year	¥12,237	¥11,863	\$78,537

(3) Reconciliations between the liability recorded in the consolidated balance sheet and the balances of defined benefit obligations and plan assets were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Funded defined benefit obligation	¥ 9,801	¥10,215	\$ 62,903
Plan assets	(12,237)	(11,863)	(78,537)
Total	(2,436)	(1,647)	(15,634)
Unfunded defined benefit obligation	3,364	3,329	21,590
Net liability arising from defined benefit obligation	¥ 927	¥ 1,682	\$ 5,949

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Liability for retirement benefits	¥ 3,364	¥ 3,329	\$ 21,590
Asset for retirement benefits	(2,436)	(1,647)	(15,634)
Net liability arising from defined benefit obligation	¥ 927	¥ 1,682	\$ 5,949

(4) The components of net periodic benefit costs for the years ended February 28, 2026 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Service cost	¥ 587	¥ 569	\$ 3,767
Interest cost	132	133	847
Expected return on plan assets	(237)	(242)	(1,521)
Amortization of actuarial differences	169	92	1,084
Periodic benefit cost calculated by the simplified method	116	101	744
Others	55	41	352
Net periodic benefit costs	¥ 824	¥ 695	\$ 5,288

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended February 28, 2026 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Actuarial differences	¥816	¥(67)	\$5,237
Total	¥816	¥(67)	\$5,237

- (6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of February 28, 2026 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrecognized actuarial differences	¥(450)	¥366	\$ (2,888)
Total	¥(450)	¥366	\$ (2,888)

(7) Plan assets

(a) Components of plan assets

Plan assets as of February 28, 2026 and 2025 consisted of the following:

	2026	2025
Debt investments	37%	43%
Equity investments	31	26
Cash and cash equivalents	0	0
General account assets of life insurance	22	24
Others	10	7
Total	100%	100%

(b) Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined by considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

- (8) Assumptions used for the years ended February 28, 2026 and 2025 were set forth as follows:

	2026	2025
Discount rate	1.0%	1.0%
Expected rate of return on plan assets	2.0	2.0
Expected rate of salary increase	2.3	2.3

b. Defined Contribution Plans

The amount of required contribution to the defined contribution plans of the Company and certain consolidated subsidiaries for the years ended February 28, 2026 and 2025 was ¥580 million (\$3,722 thousand) and ¥529 million, respectively.

11. EQUITY

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders’ meeting. In addition, for companies that meet certain criteria such as (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two-year term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company does not meet all the above criteria.

Semi-annual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock.

12. INCOME TAXES

The Company and its domestic subsidiaries are subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 30.6% for the years ended February 28, 2026 and 2025.

The tax effects of significant temporary differences and tax loss carryforwards that resulted in deferred tax assets and liabilities as at February 28, 2026 and 2025 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Deferred tax assets:			
Unrealized profit	¥ 4,103	¥ 3,705	\$ 26,333
Liability for retirement benefits	1,012	987	6,495
Accrued bonuses	620	585	3,979
Accrued product warranty costs	254	203	1,630
Inventories	954	993	6,122
Investment securities	235	239	1,508
Loss on impairment of long-lived assets	382	175	2,451
Consolidation adjustments for transactions under common control	285	412	1,829
Other	1,036	965	6,649
Total of tax loss carryforwards and temporary differences	8,884	8,270	57,018
Less valuation allowance for temporary differences	(2,760)	(5,042)	(17,713)
Total valuation allowance (Note)	(2,760)	(5,042)	(17,713)
Deferred tax assets	6,123	3,227	39,297
Deferred tax liabilities:			
Accelerated depreciation in overseas subsidiaries	148	128	949
Unrealized gain on available-for-sale securities	1,439	723	9,235
Undistributed earnings of overseas subsidiaries	377	282	2,419
Asset for retirement benefits	764	501	4,903
Other	253	204	1,623
Deferred tax liabilities	2,983	1,840	19,145
Net deferred tax assets	¥ 3,140	¥ 1,387	\$ 20,152

Note: Valuation allowance decreased by ¥2,281 million (\$14,639 thousand) mainly because the valuation allowance related to elimination of unrealized profit decreased.

The reconciliation between the normal effective statutory tax rates and the actual effective tax rates reflected in the accompanying consolidated statement of income for the years ended February 28, 2026 and 2025 is as follows:

	2026	2025
Normal effective statutory tax rate	30.6%	30.6%
Lower income tax rates applicable to income in certain foreign countries	(3.1)	(4.6)
Expenses not deductible for income tax purposes	1.1	0.8
Per capita inhabitant tax	0.2	0.3
Non-taxable dividends and other income	(0.3)	(0.4)
Tax credit	(7.5)	(3.8)
Undistributed earnings of overseas subsidiaries	0.5	(0.5)
Valuation allowance for deferred tax assets	(11.2)	(2.4)
Other — net	(1.7)	(0.9)
Actual effective tax rate	8.6%	19.1%

Accounting for National and Local Income Taxes and the Related Tax Effect:

The Company and its domestic consolidated subsidiaries have adopted the Group Tax Sharing System.

Adjustment to the Amounts of Deferred Tax Assets and Deferred Tax Liabilities due to Changes in Corporate Income Tax Rates:

In accordance with the enactment of the “Act Partially Amending the Income Tax Act and Related Acts (Act No. 13 of 2025)” by the Diet on March 31, 2025, a Special Defense Corporation Tax has been established, effective for fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be resolved in fiscal years beginning on or after March 1, 2027, have been calculated using the normal effective statutory tax rate of 31.5%, changed from 30.6%.

The impact of this tax rate change is immaterial.

13. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses in the accompanying consolidated statement of income for the years ended February 28, 2026 and 2025 mainly consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Employees' salaries and wages	¥14,163	¥13,315	\$90,899
Employees' bonuses	1,974	1,777	12,669
Provision for allowance for doubtful receivables	13	33	83
Provision for employees' bonuses	1,524	1,649	9,781
Retirement benefit expenses	811	712	5,205
Travel and communication expenses	1,517	1,458	9,736
Depreciation and amortization	1,548	1,558	9,935

14. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in "SELLING, GENERAL AND ADMINISTRATIVE EXPENSES" were ¥6,014 million (\$38,598 thousand) and ¥6,303 million for the years ended February 28, 2026 and 2025, respectively.

15. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

a. Status of Financial Instruments

(1) Group policy for financial instruments

The Group raises necessary funds to support its principal business plans to produce and sell marine electronic equipment and industrial electronic equipment. Cash surpluses, if any, are invested in low-risk financial assets. Short-term bank loans are used to fund ongoing operations. Derivatives are not used for speculative purposes, but to manage exposure to financial risks as described below.

(2) Nature and extent of risks arising from financial instruments

Trade receivables, such as notes receivable and accounts receivable, are exposed to customer credit risk.

Foreign currency denominated trade receivables arising from global activities are exposed to the market risk of fluctuations in foreign currency exchange rates.

Investment securities, mainly equity instruments of customers and suppliers of the Group held for business or capital alliance purposes, are exposed to the risk of market price fluctuation.

Payment terms of trade payables, such as accounts payable, are less than one year. Certain trade payables arising from the import of raw materials, which are denominated in foreign currencies, are exposed to the market risk of fluctuations in foreign currency exchange rates.

Maturities of bank loans, mainly for the purpose of financing necessary working funds, are less than five years after the balance sheet date. Certain bank loans are exposed to the market risk of fluctuations in variable interest rates. Those risks are mitigated by using derivatives, such as interest rate swaps.

Derivatives mainly consist of interest rate swaps, which are used to avoid or mitigate the market risks from changes in interest rates. In addition, forward foreign currency contracts are used to avoid the fluctuation risks of future exchange rates related to foreign currency trade receivables, etc. For hedging instruments and hedged items concerning hedge accounting and hedging policies and hedge effectiveness, please see Note 2.t "Derivatives and Hedging Activities" under "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

(3) Risk management for financial instruments

Credit Risk Management

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms.

The Company manages its credit risk from trade receivables by monitoring payment terms and balances of major customers and identifying the default risk of counterparties at an early stage in accordance with the credit control policy. The consolidated subsidiaries have similar control policies pursuant to the Company's credit control policy. Derivatives are entered into with only high-credit rated financial institutions and, accordingly, credit risk arising from default of the counterparties is kept at a minimum. The maximum credit risk exposure of financial assets as of the consolidated balance sheet date is represented by their carrying values exposed to credit risk.

Market Risk Management

The Group hedges foreign currency trade receivables and payables against market risk from fluctuations in foreign currency exchange rates identified by currency and by month using principally forward foreign currency contracts. Depending on exchange market conditions, the Group makes forward foreign currency contracts for foreign currency trade receivables and payables that are certainly expected to occur. In addition, the Group utilizes interest rate swaps to mitigate the risk from changes in interest rates associated with bank loans.

Investment securities are managed by monitoring the market values and financial position of issuers on a regular basis and continuously reviewing the holding status by taking into consideration the relationship with the counterparties.

Derivative transactions are executed and controlled based on internal guidelines, which prescribe the transaction limits and procedures of the finance department of each company, and the positions are identified on a regular basis. In addition, the responsible division of the Company is informed of the status of transactions by each Group company on a regular basis to control and confirm the positions.

Liquidity Risk Management

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates.

The Group manages its liquidity risk by preparing and updating the financial plans of the Accounting Department based on the reports from each division.

(4) Supplementary explanation about fair values of financial instruments

In determining fair values of financial instruments, variable factors are incorporated, and therefore such values may change by adopting different presumptions.

b. Fair Value of Financial Instruments

Millions of Yen

February 28, 2026	Carrying Amount	Fair Value	Unrealized Gain
Investment securities:			
Available-for-sale securities	¥ 5,791	¥ 5,791	
Total assets	¥ 5,791	¥ 5,791	
Long-term debts, including current portion	¥11,703	¥11,469	¥ (233)
Total liabilities	¥11,703	¥11,469	¥ (233)
Derivatives (*3)	¥ (68)	¥ (68)	

February 28, 2025

Investment securities:			
Available-for-sale securities	¥ 3,574	¥ 3,574	
Total assets	¥ 3,574	¥ 3,574	
Long-term debts, including current portion	¥11,708	¥11,583	¥ (124)
Total liabilities	¥11,708	¥11,583	¥ (124)
Derivatives (*3)	¥ 58	¥ 58	

Thousands of U.S. Dollars

February 28, 2026	Carrying Amount	Fair Value	Unrealized Gain
Investment securities:			
Available-for-sale securities	\$37,167	\$37,167	
Total assets	\$37,167	\$37,167	
Long-term debts, including current portion	\$75,110	\$73,608	\$ (1,495)
Total liabilities	\$75,110	\$73,608	\$ (1,495)
Derivatives (*3)	\$ (436)	\$ (436)	

*1 "Cash and cash equivalents," "Notes receivable-trade," "Accounts receivable-trade," "Electronically recorded receivables-operating," "Accounts payable-trade," "Electronically recorded obligations-operating" and "Short-term bank loans" are omitted as they either comprise cash or are settled in a short period, and their carrying amount approximates their fair value.

*2 Shares that do not have a market price, etc., as of February 28, 2026 and 2025, which are not included in "Investment securities," are as follows:

February 28	Carrying Amount	
	Millions of Yen	Thousands of U.S. Dollars
	2026	2025
Unlisted equity securities	¥1,274	¥974
		2026
		\$8,176

*3 Net receivables or payables arising from derivative transactions to which hedge accounting is not applied and deferral hedge accounting is applied are presented in a net amount, and net payables are presented in parentheses.

Note: Maturity analysis for financial assets and securities with contractual maturities

	Millions of Yen			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
February 28, 2026				
Cash and cash equivalents	¥23,544			
Short-term investments	738			
Notes receivable—trade	446			
Accounts receivable—trade	19,806			
Electronically recorded receivables—operating	1,582			
Total	¥46,118			

February 28, 2025				
Cash and cash equivalents	¥15,413			
Short-term investments	700			
Notes receivable—trade	487			
Accounts receivable—trade	21,675			
Electronically recorded receivables—operating	1,027			
Total	¥39,303			

	Thousands of U.S. Dollars			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
February 28, 2026				
Cash and cash equivalents	\$151,107			
Short-term investments	4,736			
Notes receivable—trade	2,862			
Accounts receivable—trade	127,116			
Electronically recorded receivables—operating	10,153			
Total	\$295,988			

Please see Note 9 for annual maturities of long-term debts.

c. Fair Value Information by Level within the Fair Value Hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.

Level 1 fair value: Fair value measured using observable inputs, i.e. quoted prices in active markets for assets or liabilities that are the subject of the measurement

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs

Level 3 fair value: Fair value measured using unobservable inputs

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value

	Millions of Yen			
	Fair Value			Total
	Level 1	Level 2	Level 3	
February 28, 2026				
Investment securities:				
Available-for-sale securities:				
Equity securities	¥5,666			¥5,666
Other		¥125		125
Total assets	¥5,666	¥125		¥5,791
Derivatives:				
Currency related		¥ 68		¥ 68
Total liabilities		¥ 68		¥ 68

February 28, 2025				
Investment securities:				
Available-for-sale securities:				
Equity securities	¥3,497			¥3,497
Other		¥ 76		76
Derivatives:				
Currency related		62		62
Total assets	¥3,497	¥139		¥3,636
Derivatives:				
Currency related		¥ 4		¥ 4
Total liabilities		¥ 4		¥ 4

	Thousands of U.S. Dollars			
	Fair Value			Total
	Level 1	Level 2	Level 3	
February 28, 2026				
Investment securities:				
Available-for-sale securities:				
Equity securities	\$36,364			\$36,364
Other		\$802		802
Total assets	\$36,364	\$802		\$37,167
Derivatives:				
Currency related		\$436		\$ 436
Total liabilities		\$436		\$ 436

(2) Financial instruments other than those measured at fair value

Millions of Yen				
	Fair Value			Total
	Level 1	Level 2	Level 3	
February 28, 2026				
Long-term debts		¥11,469		¥11,469
Total liabilities		¥11,469		¥11,469

February 28, 2025				
Long-term debts		¥11,583		¥11,583
Total liabilities		¥11,583		¥11,583

Thousands of U.S. Dollars				
	Fair Value			Total
	Level 1	Level 2	Level 3	
February 28, 2026				
Long-term debts		\$73,608		\$73,608
Total liabilities		\$73,608		\$73,608

Note: A description of the valuation technique(s) and inputs used in the fair value measurements

Investment Securities

The fair value of listed shares and investment trust is measured using quoted prices. The fair value of listed shares is classified as Level 1 as they are traded in active markets. The fair value of investment trust is classified as Level 2 as they are measured using the standard price determined by the securities company, which is an observable input.

Derivatives

The fair value of forward foreign exchange contracts is calculated based on the discounted present value method using observable inputs, such as exchange rates, and is classified as Level 2 fair value.

Long-Term Debts

The fair value of long-term debts is measured by discounting the sum of the principal and interest using the remaining life of the debts and interest rate reflecting credit risk and is classified as Level 2. In addition, a long-term debt with variable interest rate is subject to specific treatment for interest rate swap, and the total amount of principal and interest treated as a single unit with the relevant interest rate swap is used for measurement.

16. DERIVATIVES

The Group enters into foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies. It also enters into interest rate swap contracts to manage its interest rate exposures on certain liabilities.

All derivative transactions are entered into to hedge interest and foreign currency exposures incorporated within the Group's business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major international financial institutions, the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount.

Derivative Transactions to Which Hedge Accounting Is Not Applied at February 28, 2026 and 2025

Currency-related derivatives

	Contract Amount	Millions of Yen		Unrealized Gain (Loss)
		Contract Amount Due after One Year	Fair Value	
February 28, 2026				
Foreign currency forward contracts:				
Selling USD	¥ 922		¥ (8)	¥ (8)
Selling EUR	3,786		(59)	(59)

February 28, 2025

Foreign currency forward contracts:				
Selling USD	¥1,216		¥ 4	¥ 4
Selling EUR	2,875		53	53

	Contract Amount	Thousands of U.S. Dollars		Unrealized Gain (Loss)
		Contract Amount Due after One Year	Fair Value	
February 28, 2026				
Foreign currency forward contracts:				
Selling USD	\$ 5,917		\$ (51)	\$ (51)
Selling EUR	24,298		(378)	(378)

Derivative Transactions to Which Hedge Accounting Is Applied at February 28, 2026 and 2025

Interest-related derivatives

	Hedged Item	Millions of Yen		
		Contract Amount	Contract Amount Due after One Year	Fair Value
February 28, 2026				
Interest rate swaps:	Long-term debt	¥1,000	¥1,000	Note
Receivable floating rate / payable fixed rate				

February 28, 2025

Interest rate swaps:	Long-term debt	¥1,000	¥1,000	Note
Receivable floating rate / payable fixed rate				

	Hedged Item	Thousands of U.S. Dollars		
		Contract Amount	Contract Amount Due after One Year	Fair Value
February 28, 2026				
Interest rate swaps:	Long-term debt	\$6,418	\$6,418	Note
Receivable floating rate / payable fixed rate				

Note: The fair values of interest rate swaps, which are accounted for together with the long-term debts as the hedged item, are included in the fair values of the relevant long-term debts, if they qualify for hedge accounting.

17. OTHER COMPREHENSIVE INCOME

The components of other comprehensive income for the years ended February 28, 2026 and 2025 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Unrealized gain on available-for-sale securities:			
Gains arising during the year	¥2,325	¥ 467	\$14,922
Reclassification adjustments to profit or loss	(1)	(61)	(6)
Amount before income tax and income tax effect	2,324	406	14,915
Income tax and income tax effect	(831)	(122)	(5,333)
Total	¥1,492	¥ 283	\$ 9,575
Foreign currency translation adjustments:			
Adjustments arising during the year	¥2,973	¥1,833	\$19,080
Reclassification adjustments to profit or loss			
Amount before income tax and income tax effect	2,973	1,833	19,080
Income tax and income tax effect			
Total	¥2,973	¥1,833	\$19,080
Defined retirement benefit plans:			
Adjustments arising during the year	¥ 647	¥ (159)	\$ 4,152
Reclassification adjustments to profit or loss	169	92	1,084
Amount before income tax and income tax effect	816	(67)	5,237
Income tax and income tax effect	(232)	33	(1,488)
Total	¥ 584	¥ (33)	\$ 3,748
Share of other comprehensive income of an associate accounted for by the equity method:			
Gains arising during the year	¥ 62	¥ (11)	\$ 397
Total	¥ 62	¥ (11)	\$ 397
Total other comprehensive income	¥5,113	¥2,072	\$32,815

18. NET INCOME PER SHARE

The financial data for the computation of basic net income per share ("EPS") for the years ended February 28, 2026 and 2025 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares		EPS
Year Ended February 28, 2026				
Basic EPS—Net income available to common shareholders	¥16,735	31,604	¥529.53	\$3.39
Year Ended February 28, 2025				
Basic EPS—Net income available to common shareholders	¥11,457	31,594	¥362.64	

Diluted EPS is not disclosed because the Company did not issue dilutive securities for the years ended February 28, 2026 and 2025.

19. SUBSEQUENT EVENTS

Appropriations of Retained Earnings

The following appropriation of retained earnings as at February 28, 2026 was approved at the Company's shareholders' meeting held on May 21, 2026:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥85 (\$0.54) per share	¥2,686	\$17,238

20. REVENUE RECOGNITION

a. Disaggregation of Revenue from Contracts with Customers

Millions of Yen

Year Ended February 28, 2026	Reportable Segment				Other (Note)	Total
	Marine	Industrial	Wireless LAN / Handy Terminal	Total		
Japan	¥ 24,328	¥12,578	¥3,305	¥ 40,211	¥341	¥ 40,553
Americas	15,367	175		15,543		15,543
Europe	38,319	1,334		39,653		39,653
Asia	35,384	1,701		37,086		37,086
Other regions	7,307	31		7,339		7,339
Revenue arising from contracts with customers	¥120,707	¥15,821	¥3,305	¥139,834	¥341	¥140,176
Other revenue	440			440		440
Sales to external customers	¥121,147	¥15,821	¥3,305	¥140,274	¥341	¥140,616

Year Ended February 28, 2025

Japan	¥ 22,840	¥10,799	¥3,694	¥ 37,334	¥365	¥ 37,699
Americas	11,893	169		12,062		12,062
Europe	35,171	1,348		36,519		36,519
Asia	30,706	1,892		32,598		32,598
Other regions	7,643	5		7,648		7,648
Revenue arising from contracts with customers	¥108,254	¥14,214	¥3,694	¥126,164	¥365	¥126,529
Other revenue	423			423		423
Sales to external customers	¥108,678	¥14,214	¥3,694	¥126,587	¥365	¥126,953

Thousands of U.S. Dollars

Year Ended February 28, 2026	Reportable Segment				Other (Note)	Total
	Marine	Industrial	Wireless LAN / Handy Terminal	Total		
Japan	\$156,138	\$ 80,726	\$21,211	\$258,077	\$2,188	\$260,272
Americas	98,626	1,123		99,756		99,756
Europe	245,934	8,561		254,495		254,495
Asia	227,097	10,917		238,020		238,020
Other regions	46,896	198		47,102		47,102
Revenue arising from contracts with customers	\$774,706	\$101,540	\$21,211	\$897,464	\$2,188	\$899,659
Other revenue	2,823			2,823		2,823
Sales to external customers	\$777,530	\$101,540	\$21,211	\$900,288	\$2,188	\$902,483

Note: Other includes the electromagnetic environmental testing business, etc., which do not belong to any reportable segment.

b. Basic Information for Understanding Revenue from Contracts with Customers

Basic information for understanding revenue from contracts with customers is as described in Note 2.1 "Significant Revenue and Expenses."

c. Reconciliation of Satisfaction of Performance Obligations within Contracts with Customers and Cash Flows Arising from Such Contracts, and the Amount and Timing of Revenue Arising from Customers Existing at the End of the Reporting Period That Are Expected to Be Recognized in or after the Following Reporting Period**(1) Balance of contract assets and contract liabilities**

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Receivables from contracts with customers (beginning balance)	¥23,189	¥21,361	\$148,828
Receivables from contracts with customers (ending balance)	21,835	23,189	140,138
Contract assets (beginning balance)	6,171	4,314	39,605
Contract assets (ending balance)	8,005	6,171	51,376
Contract liabilities (beginning balance)	2,312	2,483	14,838
Contract liabilities (ending balance)	3,863	2,312	24,793

Contract assets are primarily related to the unbilled rights of the Group concerning considerations for revenue recognized in accordance with the satisfaction of performance obligations and are reclassified to receivables from contracts with customers when the rights to considerations become billable.

Contract liabilities are primarily related to advances received from customers. Contract liabilities are reversed as revenue is recognized.

Revenue recognized in the fiscal year ended February 28, 2026 that was included in the contract liability balance at the beginning of the period was ¥1,696 million (\$10,885 thousand) (¥1,146 million in 2025). There was no significant change in the balances of contract assets and contract liabilities.

The amount of revenue recognized in the fiscal year ended February 28, 2026 from performance obligations that were met (or partially met) in previous periods is immaterial (primarily related to changes in transaction prices).

(2) Transaction prices allocated to the remaining performance obligations

The Group has applied the practical expedient on contracts with an original expected duration of one year or less for the purpose of this note "Transaction prices allocated to the remaining performance obligations," and has not included such contracts in this note. The total amount of transaction prices allocated to the remaining performance obligations by the Business is as follows: These contracts are expected to be recognized as revenue within approximately two years.

	Millions of Yen		Thousands of U.S. Dollars
	2026	2025	2026
Marine Business	¥14,508	¥11,485	\$ 93,113
Industrial Business	10,376	7,774	66,593
Wireless LAN / Handy Terminal Business			
Other			
Total	¥24,885	¥19,259	\$159,713

21. SEGMENT INFORMATION

Under ASBJ Statement No. 17, "Accounting Standard for Segment Information Disclosures," and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures," an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

a. Description of Reportable Segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group.

The principal business of the Group is manufacturing and sales of marine equipment, industrial electronics equipment, wireless LAN system and handy terminals. The Company consists of divisions separated by product and service, and each division designs comprehensive strategies for its products and services and develops relevant business activities. Each subsidiary develops business activities from a management perspective within the Group. Accordingly, the Group consists of business segments by product and service, which are the Marine business, the Industrial business, and the Wireless LAN / Handy Terminal business, as the reportable segments.

The major products in the Marine business are navigation equipment, fishing equipment and radio communication equipment, etc. The major products in the Industrial business are medical equipment, ITS equipment, GPS equipment, and avionics electronic equipment, etc. The major products in the Wireless LAN / Handy Terminal business are wireless LAN system and handy terminals, etc.

b. Methods of Measurement for the Amounts of Sales, Profit, Assets, Liabilities and Other Items for Each Reportable Segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 2 "SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES."

Segment profit corresponds to the figure based on "Operating income" in the consolidated statement of income.

Intersegment sales or transfers are based on the arm's-length price.

c. Information about Sales, Profit, Assets, Liabilities and Other Items

Millions of Yen 2026								
	Reportable Segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Marine	Industrial	Wireless LAN / Handy Terminal	Total				
Sales:								
Sales to external customers	¥121,147	¥15,821	¥3,305	¥140,274	¥ 341	¥140,616		¥140,616
Intersegment sales or transfers	176	82	517	776	642	1,419	¥ (1,419)	
Total	¥121,324	¥15,903	¥3,823	¥141,051	¥ 984	¥142,035	¥ (1,419)	¥140,616
Segment profit (loss)	¥ 16,763	¥ 782	¥ 132	¥ 17,678	¥ (114)	¥ 17,563	¥ (1,317)	¥ 16,246
Segment assets	111,551	16,043	2,145	129,741	1,040	130,781	10,583	141,364
Other:								
Depreciation	2,402	220	136	2,760	36	2,796	1,123	3,920
Equity in earnings of an associate accounted for by the equity method	272			272		272		272
Investment of an associate accounted for by the equity method	1,101			1,101		1,101		1,101
Increase in property, plant and equipment and intangible assets	3,120	321	164	3,606	19	3,625	1,082	4,708

Millions of Yen 2025								
	Reportable Segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Marine	Industrial	Wireless LAN / Handy Terminal	Total				
Sales:								
Sales to external customers	¥108,678	¥14,214	¥3,694	¥126,587	¥ 365	¥126,953		¥126,953
Intersegment sales or transfers	205	43	286	535	635	1,171	¥ (1,171)	
Total	¥108,884	¥14,258	¥3,980	¥127,123	¥1,001	¥128,125	¥ (1,171)	¥126,953
Segment profit (loss)	¥ 13,334	¥ 496	¥ 197	¥ 14,028	¥ (125)	¥ 13,902	¥ (720)	¥ 13,181
Segment assets	99,503	14,151	1,932	115,587	1,121	116,709	6,810	123,519
Other:								
Depreciation	2,617	187	151	2,956	36	2,992	600	3,592
Equity in earnings of an associate accounted for by the equity method	189			189		189		189
Investment of an associate accounted for by the equity method	855			855		855		855
Increase in property, plant and equipment and intangible assets	3,857	338	206	4,402	35	4,437	483	4,921

Thousands of U.S. Dollars								
2026								
	Reportable Segment				Other (Note 1)	Total	Reconciliations (Note 2)	Consolidated (Note 3)
	Marine	Industrial	Wireless LAN / Handy Terminal	Total				
Sales:								
Sales to external customers	\$777,530	\$101,540	\$21,211	\$900,288	\$2,188	\$902,483		\$902,483
Intersegment sales or transfers	1,129	526	3,318	4,980	4,120	9,107	\$ (9,107)	
Total	\$778,666	\$102,066	\$24,536	\$905,275	\$6,315	\$911,591	\$ (9,107)	\$902,483
Segment profit (loss)	\$107,586	\$ 5,018	\$ 847	\$113,458	\$ (731)	\$112,720	\$ (8,452)	\$104,268
Segment assets	715,942	102,965	13,766	832,687	6,674	839,362	67,922	907,284
Other:								
Depreciation	15,416	1,411	872	17,713	231	17,944	7,207	25,158
Equity in earnings of an associate accounted for by the equity method	1,745			1,745		1,745		1,745
Investment of an associate accounted for by the equity method	7,066			7,066		7,066		7,066
Increase in property, plant and equipment and intangible assets	20,024	2,060	1,052	23,143	121	23,265	6,944	30,216

Notes:

1. Other is a business segment which is not included in the reportable segments and includes the electromagnetic environmental testing business and other businesses.
2. The nature of "Reconciliations" is as follows:
 - (1) "Reconciliations" of "Segment profit (loss)" include general and administrative expenses of the head office administration departments, which do not belong to any reportable segment.
 - (2) "Reconciliations" of "Segment assets" include assets of the head office administration departments, which do not belong to any reportable segment, mainly consisting of common use assets, investments and other assets.
 - (3) "Reconciliations" of "Increase in property, plant and equipment and intangible assets" include capital investments, which do not belong to any reportable segment.
3. Segment profit (loss) is reconciled with operating income in the consolidated statement of income.

Other Related Information

a. Information by Product and Service

Information by product and service is omitted since similar information is disclosed in the segment information.

b. Information by Geographic Region

(1) Sales

Millions of Yen					
2026					
Japan	Americas	Europe	Asia	Other Regions	Total
¥40,553	¥15,543	¥40,094	¥37,086	¥7,339	¥140,616

Millions of Yen					
2025					
Japan	Americas	Europe	Asia	Other Regions	Total
¥37,699	¥12,062	¥36,943	¥32,598	¥7,648	¥126,953

Thousands of U.S. Dollars					
2026					
Japan	Americas	Europe	Asia	Other Regions	Total
\$260,272	\$99,756	\$257,326	\$238,020	\$47,102	\$902,483

Notes:

1. Sales are classified by country or region based on the location of customers.
2. Americas for the year ended February 28, 2026 includes sales of the United States in an amount of ¥14,255 million (\$91,489 thousand), which accounts for more than 10% of net sales recorded in the consolidated statement of income.

3. Asia for the years ended February 28, 2026 and 2025 includes sales of China in an amount of ¥19,133 million (\$122,796 thousand) and ¥15,467 million, respectively, which accounts for more than 10% of net sales recorded in the consolidated statement of income.

(2) Property, plant and equipment

Millions of Yen					
2026					
Japan	Americas	Europe	Asia	Other Regions	Total
¥11,858	¥568	¥3,573	¥1,799	¥158	¥17,957

Millions of Yen					
2025					
Japan	Americas	Europe	Asia	Other Regions	Total
¥11,132	¥539	¥3,295	¥1,484	¥159	¥16,611

Thousands of U.S. Dollars					
2026					
Japan	Americas	Europe	Asia	Other Regions	Total
\$76,105	\$3,645	\$22,931	\$11,546	\$1,014	\$115,249

c. Information by Major Customer

Information by customer is omitted, since there is no customer to whom net sales account for more than 10% of the total net sales recorded in the consolidated statement of income.

d. Information About Loss on Impairment of Long-Lived Assets

Millions of Yen								
2026								
Reportable Segment								
	Marine	Industrial	Wireless LAN / Handy Terminal	Total	Other	Total	Reconciliations	Total
Loss on impairment		¥65		¥65		¥65		¥65

Millions of Yen								
2025								
Reportable Segment								
	Marine	Industrial	Wireless LAN / Handy Terminal	Total	Other	Total	Reconciliations	Total
Loss on impairment		¥43		¥43		¥43		¥43

Thousands of U.S. Dollars								
2026								
Reportable Segment								
	Marine	Industrial	Wireless LAN / Handy Terminal	Total	Other	Total	Reconciliations	Total
Loss on impairment		\$417		\$417		\$417		\$417

e. Information About Amortization and Unamortized Balance of Goodwill

Millions of Yen								
2026								
Reportable Segment								
	Marine	Industrial	Wireless LAN / Handy Terminal	Total	Other	Total	Reconciliations	Total
Amortization	¥222			¥222		¥222		¥222
Unamortized balance	695			695		695		695

Millions of Yen								
2025								
Reportable Segment								
	Marine	Industrial	Wireless LAN / Handy Terminal	Total	Other	Total	Reconciliations	Total
Amortization	¥146			¥146		¥146		¥146
Unamortized balance	839			839		839		839

Thousands of U.S. Dollars								
2026								
Reportable Segment								
	Marine	Industrial	Wireless LAN / Handy Terminal	Total	Other	Total	Reconciliations	Total
Amortization	\$1,424			\$1,424		\$1,424		\$1,424
Unamortized balance	4,460			4,460		4,460		4,460

f. Information About Gain on Bargain Purchase for Each Reportable Segment

For the year ended February 28, 2026, in the Marine business, gain on bargain purchase of ¥30 million (\$192 thousand) was recognized due to the additional acquisition of investments in the capital of FURUNO NAVIGATION TECHNOLOGY (SHANGHAI) CO., LTD., which was previously an associated company, and making it a consolidated subsidiary. Additionally, gain on step acquisitions of ¥71 million (\$455 thousand) was recognized at the time of the additional acquisition of investments in capital.

The gains on bargain purchase and on step acquisition are not included in the segment profit figures above.

22. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major Components of Assets and Liabilities of Newly Consolidated Subsidiary by Acquisition of Investments in Capital

Year Ended February 28, 2026

The assets and liabilities of FURUNO NAVIGATION TECHNOLOGY (SHANGHAI) CO., LTD. at the time of consolidation and a reconciliation between the acquisition cost and net income for the acquisition of investments in capital are as follows.

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥ 2,360	\$ 15,146
Long-lived assets	3	19
Current liabilities	(1,903)	(12,213)
Negative goodwill	(30)	(192)
Non-controlling interests	(46)	(295)
Acquisition cost of investments in capital	383	2,458
Acquisition cost prior to obtaining control	(98)	(628)
Gain on step acquisitions	(71)	(455)
Advance payments included in the acquisition cost	(62)	(397)
Contingent consideration	104	667
Cash and cash equivalents	(2,014)	(12,925)
Net income for acquisition of investments in capital	¥ 1,759	\$ 11,289

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Subsidiaries

As of February 28, 2026

Consolidated Subsidiaries

Country	Company Name	Main Business	Equity Ownership (%)
Japan	MARISAT COMMUNICATION SERVICE INC.	Clearing of communication charges	100
	FURUNO SYSTEMS CO., LTD.	Sales of industrial electronic products	100
	FURUNO LIFEBEST CO., LTD.	Insurance agent and leasing of marine electronic equipment	100
	LABOTECH INTERNATIONAL CO., LTD.	EMC and environmental test laboratory	100
U.S.A.	FURUNO U.S.A., INC.	Sales and services of marine electronic equipment	100
U.K.	FURUNO (UK) LTD.	Sales and services of marine electronic equipment	100
	FURUNO LEASING LTD.	Leasing and sales of marine electronic equipment	100
Germany	FURUNO DEUTSCHLAND GmbH	Sales and services of marine electronic equipment	100
Holland	FURUNO EUROPE B. V.	Logistic services for Europe	100
Denmark	FURUNO DANMARK A/S	Sales and services of marine electronic equipment	100
	EMRI A/S	Sales and services of marine electronic equipment	100
Sweden	FURUNO SVERIGE AB	Sales and services of marine electronic equipment	100
	TELKO INTERNATIONAL AB	Sales and services of marine electronic equipment	51
Poland	FURUNO POLSKA Sp. zo. o.	Sales and services of marine electronic equipment	100
France	FURUNO FRANCE S.A.S.	Sales and services of marine electronic equipment	100
	ROBIN MARINE S.A.S	Sales and services of marine electronic equipment	100
Italy	FURUNO ITALIA S.R.L.	Sales and services of marine electronic equipment	100
Spain	FURUNO ESPAÑA, S.A.	Sales and services of marine electronic equipment	100
Norway	FURUNO NORGE A/S	Sales and services of marine electronic equipment	100
	TELKO AS	Manufacturing of marine electronic equipment	51
Greece	FURUNO HELLAS S.A.	Sales and services of marine electronic equipment	100
Cyprus	FURUNO (CYPRUS) LTD	Sales and services of marine electronic equipment	100
Finland	FURUNO FINLAND OY	Sales and services of marine electronic equipment	100
China	FURUNO HONG KONG CO., LTD.	Manufacturing of marine electronic equipment	100
	FURUNO CHINA CO., LIMITED	Sales and services of marine electronic equipment	100
	FURUNO SHANGHAI CO., LTD.	Sales and services of marine electronic equipment	100
	FURUNO (DALIAN) TECHNOLOGY CO., LTD.	Software development and service	80
	FUNOTEC (DALIAN) CO., LTD.	Sales and services of marine electronic equipment	80
	FURUNO DONGGUAN CO., LTD.	Manufacturing of marine electronic equipment	100
	FURUNO NAVIGATION TECHNOLOGY (SHANGHAI) CO., LTD.	Sales and services of marine electronic equipment	100
Singapore	FURUNO SINGAPORE PTE LTD	Sales and services of marine electronic equipment	100
Panama	FURUNO PANAMA, S.A.	Sales and services of marine electronic equipment	100
Indonesia	PT.FURUNO ELECTRIC INDONESIA	Sales and services of marine electronic equipment	100
Korea	FURUNO KOREA CO., LTD.	Sales and services of marine electronic equipment	100
Malaysia	FURUNO ELECTRIC (MALAYSIA) SDN. BHD.	Sales and services of marine electronic equipment	100
New Zealand	ELECTRONIC NAVIGATION LIMITED	Sales and services of marine electronic equipment	69

Unconsolidated Subsidiaries

Country	Company Name	Main Business	Equity Ownership (%)
Japan	FURUNO SOFTECH CO., LTD.	Software development and service	100

Equity method Subsidiaries

Country	Company Name	Main Business	Equity Ownership (%)
France	SIGNET S.A.S	Sales and software development	49.28

Five-Year Summary

FURUNO ELECTRIC CO., LTD. and Consolidated Subsidiaries
Years ended the last day of February

Thousands of
U.S. Dollars
(Note 1)

	Millions of Yen					
	2022	2023	2024	2025	2026	2026
For the year:						
Net sales:	¥84,783	¥91,325	¥114,850	¥126,953	¥140,616	\$902,483
Operating income	2,532	1,523	6,521	13,181	16,246	104,268
Income before income taxes and minority interests	3,735	2,443	8,171	14,313	18,363	117,855
Net income (loss)	2,814	1,348	6,240	11,457	16,735	107,406
Per share of common stock (Notes 2) (yen and U.S. dollars):						
Basic net income (loss)	89.24	42.72	197.61	362.64	529.53	3.39
Cash dividends applicable to the year	40.00	25.00	60.00	110.00	160.00	
Weighted average number of shares outstanding (thousands)	31,534	31,555	31,579	31,594	31,604	
Research and development cost	5,458	5,694	5,987	6,303	6,014	38,598
Capital expenditure	3,133	1,616	1,678	2,520	2,377	15,255
Depreciation and amortization	3,161	3,061	3,417	3,592	3,920	25,158
Net cash provided by operating activities	6,193	(6,492)	2,713	10,820	21,373	137,173
Net cash used in investing activities	(4,389)	(3,027)	(3,589)	(4,588)	(3,278)	(21,038)
Net cash provided by (used in) financing activities	(3,518)	8,263	(3,557)	(2,696)	(11,439)	(73,416)
At year-end:						
Total assets	¥85,973	¥106,396	¥114,409	¥123,519	¥141,364	\$907,284
Interest-bearing debt	9,602	19,317	17,417	17,808	11,903	76,394
Shareholders' equity	47,880	52,113	61,042	72,186	89,345	573,422
Number of employees	3,065	3,310	3,356	3,368	3,411	
Overseas sales:						
North America	¥ 9,184	¥ 9,913	¥12,467	¥12,062	¥ 15,543	\$ 99,756
Europe	21,808	24,338	33,259	36,943	40,094	257,326
Asia	17,725	19,192	25,649	32,598	37,086	238,020
Other	4,159	5,319	6,904	7,648	7,339	47,102
Total	52,878	58,764	78,281	89,253	100,062	642,205
Key ratio (%):						
Return on sales	3.32%	1.48%	5.43%	9.03%	11.90%	
Return on assets	4.40	2.70	7.40	11.90	13.80%	
Return on equity	6.04	2.70	11.03	17.20	20.72%	
Debt equity ratio	20.05	37.07	28.53	24.67	13.32%	
Equity ratio	55.70	49.00	53.40	58.40	63.20%	

Note: 1. U.S. dollar amounts have been converted from Japanese yen, for convenience only, at the rate of ¥155.81=U.S. \$1, the approximate rate of exchange prevailing at February 28, 2026.

2. See Note 2.s and Note 16 of the Notes to the Consolidated Financial Statements.

