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FURUNO



Consolidated Financial Results for the Three Months Ended May 31, 2025 [Japanese GAAP]

July 9, 2025

Company name: FURUNO ELECTRIC CO., LTD.

Listing: Tokyo Stock Exchange

Securities code: 6814

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended May 31, 2025 (March 1, 2025 to May 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2025	31,296	11.0	3,438	30.8	3,918	24.9	3,531	175.7
May 31, 2024	28,196	18.2	2,629	80.7	3,136	76.0	1,280	12.2

(Note) Comprehensive income: Three months ended May 31, 2025: ¥ 2,712 million [(2.5)%]

Three months ended May 31, 2024: ¥ 2,782 million [97.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2025	111.75	-
May 31, 2024	40.54	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2025	124,034	72,980	58.5	2,295.56
February 28, 2025	123,519	72,619	58.4	2,284.52

(Reference) Equity: As of May 31, 2025: ¥ 72,535 million

As of February 28, 2025: ¥ 72,186 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2025	-	35.00	-	75.00	110.00
Fiscal year ending February 28, 2026	-				
Fiscal year ending February 28, 2026 (Forecast)		55.00	-	55.00	110.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025 to February 28, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending August 31, 2025	64,500	2.7	6,500	(10.9)	7,000	(6.8)	5,000	(1.3)	158.24
Full year	127,500	0.4	11,500	(12.8)	12,500	(11.7)	9,000	(21.4)	284.86

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

May 31, 2025: 31,894,554 shares

February 28, 2025: 31,894,554 shares

2) Number of treasury shares at the end of the period:

May 31, 2025: 296,621 shares

February 28, 2025: 296,571 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2025: 31,597,958 shares

Three months ended May 31, 2024: 31,589,324 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

- Cautionary note concerning forward-looking statements

The financial results forecast and other forward-looking statements contained herein are based on information available to the Company as of the date of publication of this document. Actual results may differ from these forecasts due to various factors going forward. For the assumptions, etc. used in the financial results forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the attached documents.

- Method of obtaining supplementary briefing materials

The supplementary briefing materials on financial results will be posted on the Company’s website on Wednesday, July 9, 2025.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended May 31, 2025, the global economy witnessed a rapid escalation of uncertainty over the future with the announcement of the new tariff policies of the U.S. The global economic environment continues to warrant close monitoring due to factors such as the fluctuation of prices and the financial and capital markets reflecting the monetary policies of each country. Growing geopolitical risks, including the prolonged conflict in Ukraine and the intensifying tension in the Middle East, are also contributing to the uncertainty. In the U.S., capital investments increased due to last-minute demand before the imposition of reciprocal tariffs. Meanwhile, imports of consumer goods and other items surged, partially suppressing domestic production and resulting in a generally sluggish economic performance. In Europe, despite the steady increase in exports and mining and industrial production triggered by last-minute demand, the outlook remained uncertain. In China, although internal demand grew thanks to consumer stimulus measures and exports remained firm due to last-minute demand, concerns have been raised over the economic effects of the continuing slump in the real estate market and the growing uncertainty stemming from trade frictions. In Japan, while capital investments grew on the back of solid corporate earnings, the economy slumped, as personal spending fell due to soaring food prices while exports fell sharply.

In the current economic climate, the FURUNO Group has established the management vision, “FURUNO GLOBAL VISION ‘NAVI NEXT 2030,’” to guide its direction through 2030. This vision promotes a business strategy focused on “Achieving better safety, security, and comfort to foster a society and sea navigation that considers the needs of people and the environment.” Additionally, it emphasizes a human resources and corporate culture vision of “VALUE through GLOBALIZATION and SPEED.” As part of that process, we entered the final year of Phase 2 (FY2023 to FY2025) of the Mid-term Management Plan, which upholds the basic measures of improvement in profitability, generating resources for investment in growth through the expansion of sales, and implementation of sustainable management.

In such an economic climate, in the markets in which the FURUNO Group operates, merchant vessels in the Marine Business, despite a slight drop, maintained high ship prices compared to past year levels. In addition, while the number of orders for new ships has declined from the past, reflecting the uncertainty surrounding ship demand, the demand for alternatively fueled vessels for the purpose of reducing GHG (greenhouse gas) emissions continued to be robust. Consequently, shipbuilders also maintained a high level of construction work already acquired. In the market for fishing vessels, demand was strong in Europe and Asia. In the pleasure boat market, demand mainly for small and medium-sized boats in North America was soft due to the effects of rising interest rates on loans for purchasing boats and the high prices of goods.

In the Industrial Business, the volume of domestic automobiles sold in the Intelligent Transportation System (ITS)/Global Navigation Satellite System (GNSS) market was on a recovery trend. A significant increase in the number of mobile phone base stations was maintained in conjunction with the expansion of the 5G areas. In the healthcare market, there was a strong demand for the installation of machines such as IVDs (in-vitro diagnostics equipment). In defense equipment business, the domestic defense-related market expanded due to an increase in the defense budget.

In the domestic educational ICT market for the Wireless LAN Systems/Handheld Terminal Business, the demand for upgrading communication infrastructure equipment related to ICT development remained sluggish.

As a result, in the three months ended May 31, 2025, the Company reported consolidated net sales of ¥31,296 million (up 11.0% year on year) and gross profit of ¥13,544 million (up 12.9% year on year). Operating profit was ¥3,438 million (up 30.8% year on year), ordinary profit ¥3,918 million (up 24.9% year on year), and profit attributable to owners of parent ¥3,531 million (up 175.7% year on year).

The average yen to U.S. dollar and yen to euro exchange rates applied in the three months ended May 31, 2025 were USD 1=JPY 153 and EUR 1=JPY 161, respectively, and compared to the same period of the previous fiscal year, the yen depreciated by approximately 4.4% against the U.S. dollar while appreciating by approximately 0.1% against the euro.

Business performance by segment is as follows. Segment profit is based on operating profit and adjusted based on operating profit reported in the Quarterly Consolidated Statements of Income.

(i) Marine Business

In the Marine Business, sales to new merchant vessel building projects increased, backed by the shipbuilders' high level of construction work already acquired, reflecting the demand for alternatively fueled vessels. Furthermore, equipment sales and sales from maintenance services increased thanks to the firm replacement demand and demand for maintenance services of existing vessels. In the Americas, while the market for pleasure boats was slow, sales increased mainly as a result of the launch of strategic products. In Europe, sales of equipment for existing merchant vessels primarily remained at a high level, and maintenance services were also strong. In Asia, sales of equipment for newly built merchant vessels and maintenance services primarily increased. In Japan, although sales of equipment for fishing vessels decreased, those for existing merchant vessels and maintenance services increased.

As a result, in the Marine Business, net sales were ¥27,600 million (up 14.1% year on year) and segment profit was ¥3,942 million (up 43.8% year on year).

(ii) Industrial Business

In the Industrial Business, although sales of biochemical analyzers decreased in the Healthcare segment because of heightened cost competition in the Chinese market, sales of automotive ETC systems and time synchronization products increased in the ITS/GNSS segment. In the defense equipment business, a new production management system was adopted to bolster production capacity, which resulted in a temporary operational adjustment leading to a decrease in production output, and sales decreased.

As a result, in the Industrial Business, net sales were ¥3,055 million (down 5.9% year on year) and a segment loss was ¥52 million (segment profit of ¥59 million was reported in the same period of the previous fiscal year).

(iii) Wireless LAN Systems/Handheld Terminal Business

In the Wireless LAN Systems/Handheld Terminal Business, the downturn in the demand environment mainly in the educational market continued, and sales of wireless LAN access points decreased.

As a result, in the Wireless LAN Systems/Handheld Terminal Business, net sales were ¥565 million (down 16.8% year on year) and a segment loss was ¥225 million (a segment loss of ¥112 million was reported in the same period of the previous fiscal year).

(iv) Others

Others sales amounted to ¥74 million (down 9.2% year on year) and a segment loss was ¥46 million (a segment loss of ¥35 million was reported in the same period of the previous fiscal year).

(2) Explanation of Financial Position

Total assets at the end of the three months ended May 31, 2025 increased by 0.4% from the end of the previous fiscal year to ¥124,034 million. This was mainly due to an increase of ¥1,411 million in cash and deposits.

Total liabilities at the end of the three months ended May 31, 2025 increased by 0.3% from the end of the previous fiscal year to ¥51,053 million. This was mainly due to an increase of ¥299 million in long-term borrowings.

Net assets at the end of the three months ended May 31, 2025 increased by 0.5% from the end of the previous fiscal year to ¥72,980 million. This was mainly due to an increase of ¥1,161 million in retained earnings.

As a result, the equity ratio rose from 58.4% at the end of the previous fiscal year to 58.5%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As for the consolidated financial results forecast, there have been no changes to the full-year consolidated financial results forecast and dividend forecast announced in the "Consolidated Financial Results for the Fiscal Year Ended February 28, 2025," released on April 9, 2025.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	16,113	17,525
Notes and accounts receivable - trade, and contract assets	28,333	25,050
Electronically recorded monetary claims - operating	1,027	1,174
Merchandise and finished goods	27,627	27,578
Work in process	3,226	3,530
Raw materials and supplies	12,719	13,313
Other	2,811	3,230
Allowance for doubtful accounts	(254)	(250)
Total current assets	91,605	91,152
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,386	7,317
Machinery, equipment and vehicles, net	1,005	1,068
Land	3,653	3,649
Construction in progress	539	792
Other, net	4,026	3,852
Total property, plant and equipment	16,611	16,681
Intangible assets		
Goodwill	839	790
Software	4,979	5,113
Other	268	256
Total intangible assets	6,087	6,160
Investments and other assets		
Investment securities	4,548	4,700
Retirement benefit asset	1,647	1,681
Deferred tax assets	1,638	2,421
Other	1,395	1,251
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	9,215	10,040
Total non-current assets	31,913	32,882
Total assets	123,519	124,034

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,689	5,870
Electronically recorded obligations - operating	4,924	4,984
Short-term borrowings	6,100	6,100
Current portion of long-term borrowings	3,006	2,705
Income taxes payable	1,853	1,580
Contract liabilities	2,312	3,217
Provision for bonuses	2,980	3,609
Provision for product warranties	779	705
Other	7,045	6,833
Total current liabilities	35,690	35,607
Non-current liabilities		
Long-term borrowings	8,702	9,001
Deferred tax liabilities	250	259
Retirement benefit liability	3,329	3,317
Lease liabilities	2,037	1,962
Other	889	905
Total non-current liabilities	15,209	15,446
Total liabilities	50,899	51,053
Net assets		
Shareholders' equity		
Share capital	7,534	7,534
Capital surplus	9,284	9,284
Retained earnings	47,598	48,759
Treasury shares	(158)	(158)
Total shareholders' equity	64,259	65,420
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,921	1,954
Foreign currency translation adjustment	6,367	5,483
Remeasurements of defined benefit plans	(361)	(323)
Total accumulated other comprehensive income	7,927	7,114
Non-controlling interests	433	445
Total net assets	72,619	72,980
Total liabilities and net assets	123,519	124,034

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statements of Income)

(Millions of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Net sales	28,196	31,296
Cost of sales	16,197	17,751
Gross profit	11,998	13,544
Selling, general and administrative expenses	9,369	10,106
Operating profit	2,629	3,438
Non-operating income		
Interest income	28	57
Dividend income	20	14
Share of profit of entities accounted for using equity method	33	93
Foreign exchange gains	381	58
Subsidy income	40	293
Other	90	59
Total non-operating income	593	577
Non-operating expenses		
Interest expenses	38	54
Contracted research expense	28	23
Other	19	19
Total non-operating expenses	86	97
Ordinary profit	3,136	3,918
Extraordinary income		
Gain on sale of non-current assets	5	4
Gain on step acquisitions	-	71
Gain on bargain purchase	-	30
Gain on sale of investment securities	61	-
Total extraordinary income	66	107
Extraordinary losses		
Loss on sale of non-current assets	1	-
Impairment losses	1	2
Total extraordinary losses	3	2
Profit before income taxes	3,200	4,022
Income taxes - current	1,228	1,303
Income taxes - deferred	677	(826)
Total income taxes	1,906	477
Profit	1,294	3,545
Profit attributable to non-controlling interests	13	14
Profit attributable to owners of parent	1,280	3,531

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the three months ended May 31, 2024	For the three months ended May 31, 2025
Profit	1,294	3,545
Other comprehensive income		
Valuation difference on available-for-sale securities	210	32
Foreign currency translation adjustment	1,269	(974)
Remeasurements of defined benefit plans, net of tax	20	38
Share of other comprehensive income of entities accounted for using equity method	(13)	70
Total other comprehensive income	1,488	(832)
Comprehensive income	2,782	2,712
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,762	2,718
Comprehensive income attributable to non-controlling interests	19	(6)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(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 three months ended May 31, 2025.

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 quarterly 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 three months ended May 31, 2025. This change in accounting policies was applied retrospectively, and the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year have accordingly been restated. This change in accounting policies has no impact on the quarterly consolidated financial statements and 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 three months ended May 31, 2025.

Due to the adoption of paragraph 7 of PITF No. 46, the quarterly consolidated financial statements for the three months ended May 31, 2025 do not include income taxes, arising from the global minimum tax rules.

(Segment information, etc.)

[Segment information]

I. For the three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Marine Business	Industrial Business	Wireless LAN /Handheld Terminal Business	Total				
Net sales								
Net sales to external customers	24,188	3,245	679	28,113	82	28,196	–	28,196
Inter-segment net sales or transfers	11	0	69	82	173	255	(255)	–
Total	24,200	3,246	748	28,195	255	28,451	(255)	28,196
Segment profit (loss)	2,741	59	(112)	2,688	(35)	2,652	(22)	2,629

Notes: 1. “Others” refer to business segments that are not attributable to any reportable segment, including the electromagnetic environment testing business.

2. The segment profit (loss) adjustment amount is the result of elimination of intersegment transactions.

3. Segment profit (loss) is adjusted based on operating profit reported in the Quarterly Consolidated Statements of Income.

II. For the three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Marine Business	Industrial Business	Wireless LAN /Handheld Terminal Business	Total				
Net sales								
Net sales to external customers	27,600	3,055	565	31,221	74	31,296	–	31,296
Inter-segment net sales or transfers	47	18	94	159	152	312	(312)	–
Total	27,647	3,074	659	31,381	227	31,608	(312)	31,296
Segment profit (loss)	3,942	(52)	(225)	3,664	(46)	3,617	(179)	3,438

Notes: 1. “Others” refer to business segments that are not attributable to any reportable segment, including the electromagnetic environment testing business.

2. The segment profit (loss) adjustment amount is the result of elimination of intersegment transactions.

3. Segment profit (loss) is adjusted based on operating profit reported in the Quarterly Consolidated Statements of Income.

(Notes on Consolidated Statements of Cash Flows)

The quarterly consolidated statements of cash flows are not prepared for the three months ended May 31, 2025. Depreciation (including amortization related to intangible assets apart from goodwill) and amortization of goodwill are as follows:

	(Millions of yen)	
	Three months ended May 31, 2024 (from March 1, 2024 to May 31, 2024)	Three months ended May 31, 2025 (from March 1, 2025 to May 31, 2025)
Depreciation	851	884
Amortization of goodwill	39	35