

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	-	35.00	-	75.00	110.00	3,475	30.3	5.2
Fiscal year ended February 28, 2026	-	75.00	-	85.00	160.00	5,057	30.2	6.3
Fiscal year ending February 28, 2027 (Forecast)	-	80.00	-	80.00	160.00		38.9	

Note: Breakdown of the year-end dividend for the fiscal year ended February 28, 2026 :

3. Consolidated financial result forecasts for the fiscal year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

(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, 2026	76,000	10.7	10,000	7.5	10,000	(1.7)	8,000	(21.5)	253.09
Full year	148,500	5.6	17,000	4.6	17,000	(7.1)	13,000	(22.3)	411.28

* Notes

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

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

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of February 28, 2026	31,894,554 shares
As of February 28, 2025	31,894,554 shares

(ii) Number of treasury shares at the end of the period

As of February 28, 2026	285,730 shares
As of February 28, 2025	296,571 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended February 28, 2026	31,604,751 shares
Fiscal Year ended February 28, 2025	31,594,768 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2026	93,461	13.9	10,509	89.1	15,051	66.1	13,101	68.3
February 28, 2025	82,084	0.8	5,557	(10.4)	9,064	(5.1)	7,785	(18.3)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
February 28, 2026	414.55	-
February 28, 2025	246.42	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 28, 2026	95,223	56,284	59.1	1,780.67
February 28, 2025	86,708	46,516	53.6	1,472.13

Reference: Equity

As of February 28, 2026: ¥ 56,284 million

As of February 28, 2025: ¥ 46,516 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* 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. Overview of Operating Results and Financial Position, (1) Overview of Operating Results, 3) Future outlook” on page 4 of the attached documents.

- Method of obtaining briefing materials

The Company plans to hold a financial results briefing for institutional investors on Thursday, April 16, 2026.

The supplementary briefing materials on financial results will be posted on the Company’s website on Thursday, April 9, 2026.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results

1) General overview

During the fiscal year ended February 28, 2026, the global economy remained uncertain, due to the impact of U.S. tariff policies, price trends and fluctuations in financial and capital markets associated with monetary policies in each country, as well as the prolonged crisis in Ukraine and escalating tensions in the Middle East region. In the U.S., the economy remained strong overall, as the wealth effect from rising stock prices boosted consumption among high-income segments and corporate capital investment increased, despite downward pressure on personal consumption stemming from the pass-through of tariff costs to product prices, etc. In Europe, personal consumption remained solid, particularly in the robust services sector, and the economy overall maintained positive growth, despite stagnant exports due in part to U.S. tariffs. In China, the government's economic stimulus measures bolstered consumption, thereby boosting personal consumption, but growth momentum slowed due to factors such as the waning impact of these policy measures and prolonged stagnation in real estate investment. In Japan, domestic demand maintained its resilience, supported by increased personal consumption underpinned by favorable income conditions, despite downward pressure from factors such as reduced exports due to U.S. tariffs.

Amid the current economic climate, the FURUNO Group is promoting the management initiatives aimed at sustainable growth under its long-term management vision for FY2030, "FURUNO GLOBAL VISION 'NAVI NEXT 2030.'" Guided by our business strategy, "Achieving better safety, security, and comfort to foster a society and sea navigation that considers the needs of people and the environment" and our human resources and corporate culture vision of "VALUE through GLOBALIZATION and SPEED," we are advancing strategies to achieve these goals. We have concluded 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. FY2026 will mark the first year of Phase 3 of the Mid-term Management Plan. We position Phase 3 as a three-year period during which we will leverage the capabilities gained through the achievement of record performance and invest proactively to build a foundation for future growth, while accelerating strategic initiatives, and will promote a transformation toward a business structure unaffected by market fluctuations. We will also make active investments in management resources, including human resources, in order to achieve sustainable growth.

Regarding the markets in which the FURUNO Group operates, in the merchant vessel market in the Marine Business, ship prices, which had remained high, declined slightly, but still remain at a high level compared to past standards. On the other hand, while the number of orders for new ships has decreased from previous levels due to uncertainty in ship demand, demand for alternative fuel vessels designated for reducing GHG (greenhouse gas) emissions has remained high, and shipbuilders' construction work already acquired continued to increase and remains at high levels. In the market for fishing vessels, demand remained strong, particularly in Asia. In the pleasure boat market, demand was sluggish, particularly for small and medium-sized boats in North America, due to the impact of loan interest rates when purchasing boats and rising prices.

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 the 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 fiscal year ended February 28, 2026, the Company reported consolidated net sales of ¥140,616 million (up 10.8% year on year) and gross profit of ¥58,338 million (up 10.1% year on year). Operating profit was ¥16,246 million (up 23.3% year on year), ordinary profit ¥18,291 million (up 29.2% year on year),

and profit attributable to owners of parent ¥16,735 million (up 46.1% year on year).

FURUNO achieved a significant year-over-year increase in net sales and profits at all stages. For the third consecutive year, FURUNO achieved record-high sales and profits, while at the same time achieving, for the second consecutive year, the net sales and operating profit margin targets set in its management vision “FURUNO GLOBAL VISION ‘NAVI NEXT 2030,’” formulated in December 2018, of its growth targets of ¥120 billion in consolidated net sales and 10% in operating profit margin for FY2030.

In addition, ROE (return on equity) improved significantly to 20.7% with the significant growth in net income.

The average yen to U.S. dollar and yen to euro exchange rates applied in the fiscal year ended February 28, 2026 were USD 1=JPY 150 and EUR 1=JPY 169, respectively, and compared to the same period of the previous fiscal year, the yen depreciated by approximately 0.4% against the U.S. dollar and by approximately 3.3% against the euro.

2) Business performance by segment

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

(i) Marine Business

In the Marine Business, sales to new merchant vessel building projects continued to increase, backed by the shipbuilders’ high level of construction work already acquired, reflecting the demand for alternatively fueled vessels, as well as capacity expansion at some shipyards. 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 has been sluggish, sales increased mainly for strategic products launched in the period. In Europe, sales of equipment for existing merchant vessels and maintenance services primarily remained at a high level. In Asia, sales of equipment for newly built merchant vessels primarily continued to increase, and maintenance services were solid. In Japan, sales of equipment for fishing vessels declined, but sales of equipment for existing merchant vessels and maintenance services increased.

As a result, in the Marine Business, net sales were ¥121,147 million (up 11.5% year on year) and segment profit was ¥16,763 million (up 25.7% year on year).

(ii) Industrial Business

In the Industrial Business, although sales of biochemical analyzers decreased in the Healthcare segment due to the impact of the intensifying cost competition primarily in the Chinese market, sales of time synchronization products primarily to overseas customers were strong in the ITS/GNSS segment. In the defense equipment business, the impact of the transition to the new production management system subsided, and production output continued to increase.

As a result, in the Industrial Business, net sales were ¥15,821 million (up 11.3% year on year) and segment profit was ¥782 million (up 57.8% year on 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 ¥3,305 million (down 10.5% year on year) and segment profit was ¥132 million (down 33.2% year on year).

(iv) Others

Others sales amounted to ¥341 million (down 6.4% year on year) and a segment loss was ¥114 million (a segment loss of ¥125 million was reported in the same period of the previous fiscal year).

3) Future outlook

As for the global economy going forward, the outlook has become increasingly uncertain due to the review of U.S. tariff policies, developments in trade measures in various countries, and heightened geopolitical risks and their impact on financial markets. Meanwhile, in the Marine Business, the FURUNO Group's mainstay market, a high level of order backlog remains, and we expect the demand environment surrounding the Company to remain solid overall. In the merchant vessel market, continued demand for alternatively fueled vessels for the purpose of reducing GHG emissions has prompted many shipbuilders to continuously secure several years' worth of construction work already acquired and consequently, the new shipbuilding market is expected to remain robust. In maintenance services, performance has also been solid mainly in Europe, and we plan to promote high-quality services through remote management by leveraging digital technology, thereby capturing the demand for retrofitting, and even greater demand. For fishing vessels, we will promote the introduction of high-value-added systems that support commercial fishing based on sustainable resource management mainly in the industrialized countries, while also upgrading our product lineup to cultivate the fishery markets of developing countries and further increase sales. As for pleasure boats, primarily in North America, the largest market, we will work to attract cruising and casual boat users while maintaining our core strength in sport fishing boats.

In the Industrial Business, we will proactively sell and install biochemical analyzers in Southeast Asia to increase sales of reagents for these devices. We will also strive to further increase overseas sales of time synchronization products for mobile phone base stations. In the defense equipment business, we will upgrade our development and production system to meet increasing demand and improve profitability.

In the Wireless LAN Systems/Handheld Terminal Business, we will steadily capture the replacement demand for wireless LAN access points in the education market and develop new markets.

For the fiscal year ending February 28, 2027, we forecast consolidated net sales of ¥148,500 million (up 5.6% year on year), consolidated operating profit of ¥17,000 million (down 4.6% year on year), consolidated ordinary profit of ¥17,000 million (down 7.1% year on year), and profit attributable to owners of parent of ¥13,000 million (down 22.3% year on year). The consolidated financial results forecast assumes exchange rates of USD 1=JPY 153 and EUR 1=JPY 183.

The earnings forecast for the current fiscal year presented in this document has been prepared based on information available as of the date hereof and on assumptions considered reasonable by the Company. However, the forecast does not incorporate the impact of certain uncertainties for which it is difficult to reasonably estimate the effects at this time, including the recent escalation of geopolitical risks in the Middle East, the resulting increase in crude oil prices, rises in the cost of petroleum-based raw materials, and difficulties in procuring components due to supply chain disruptions.

If these factors are expected to have a significant impact on the Company's business performance and are deemed likely to materially affect the earnings forecast, the Company will promptly disclose such information.

(2) Overview of Financial Position

1) Assets, liabilities and net assets

(i) Assets

Current assets increased by ¥10,891 million from the end of the previous fiscal year to ¥102,496 million. This was mainly due to an increase of ¥8,169 million in cash and deposits.

Non-current assets increased by ¥6,954 million from the end of the previous fiscal year to ¥38,868 million. This was mainly due to increases of ¥2,517 million in investment securities and ¥1,836 million in deferred tax assets.

As a result, total assets at the end of the fiscal year ended February 28, 2026 increased by ¥17,845 million from the end of the previous fiscal year to ¥141,364 million.

(ii) Liabilities

Current liabilities decreased by ¥1,370 million from the end of the previous fiscal year to ¥34,320 million. This was mainly due to a decrease of ¥5,900 million in short-term borrowings, despite an increase of ¥1,683 million in income taxes payable.

Non-current liabilities increased by ¥2,063 million from the end of the previous fiscal year to ¥17,272 million. This was mainly due to an increase of ¥1,597 million in long-term borrowings.

As a result, total liabilities at the end of the fiscal year ended February 28, 2026 increased by ¥692 million from the end of the previous fiscal year to ¥51,592 million.

(iii) Net assets

Net assets increased by ¥17,152 million from the end of the previous fiscal year to ¥89,772 million. This was mainly due to increases of ¥11,995 million in retained earnings and ¥3,030 million in foreign currency translation adjustment. As a result, the equity-to-asset ratio rose 4.8 percentage points from 58.4% in the previous fiscal year to 63.2%. Furthermore, the ROE based on ordinary profit set as a KPI in the Mid-term Management Plan (FY2023 to FY2025) rose 1.4 percentage points from 21.3% in the previous fiscal year to 22.6%.

(ROE based on ordinary profit of the FURUNO Group)

	FY2021	FY2022	FY2023	FY2024	FY2025
ROE based on ordinary profit (%)	8.0	5.2	14.4	21.3	22.6

(Note) ROE based on ordinary profit (%) = Ordinary profit / Equity

2) Overview of cash flows

Cash and cash equivalents (“cash”) at the end of the fiscal year ended February 28, 2026 increased by ¥8,130 million from the end of the previous fiscal year to ¥23,544 million. This was due to an increase of ¥21,373 million in cash flows from operating activities, while cash flows from investing activities and cash flows from financing activities decreased by ¥3,278 million and ¥11,439 million, respectively.

The status of each cash flow and the factors contributing thereto are as follows.

(i) Cash flows from operating activities

Net cash provided by operating activities in the fiscal year ended February 28, 2026 came to ¥21,373 million (net cash provided by operating activities in the fiscal year ended February 28, 2025 was ¥10,820 million). This was primarily due to an increase in profit before income taxes.

(ii) Cash flows from investing activities

Net cash used in investing activities in the fiscal year ended February 28, 2026 came to ¥3,278 million (net cash used in investing activities in the fiscal year ended February 28, 2025 was ¥4,588 million). This was primarily due to the purchase of property, plant and equipment and the purchase of intangible assets.

(iii) Cash flows from financing activities

Net cash used in financing activities in the fiscal year ended February 28, 2026 came to ¥11,439 million (net cash used in financing activities in the fiscal year ended February 28, 2025 was ¥2,696 million). This was primarily due to repayments of short-term borrowings and dividends paid.

(Main cash flow indicators of the FURUNO Group)

	FY2021	FY2022	FY2023	FY2024	FY2025
Equity-to-asset ratio (%)	55.7	49.0	53.4	58.4	63.2
Equity-to-asset ratio based on market value (%)	37.9	28.8	62.6	57.1	177.3
Cash flow to interest-bearing debt (Year)	1.6	(3.0)	6.4	1.6	0.6
Interest coverage ratio (Times)	67.4	(75.1)	41.7	41.7	92.3

(Notes) 1. The indicators are calculated in the following manner.

Equity-to-asset ratio (%): $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio based on market value (%): $\text{Market capitalization} / \text{Total assets}$

Cash flow to interest-bearing debt (year): $\text{Interest-bearing debt} / \text{Operating cash flow}$

Interest coverage ratio (times): $\text{Operating cash flow} / \text{Interest payments}$

2. The indicators are calculated on a consolidated basis.

3. Market capitalization is calculated by multiplying the closing share price at the end of the year by the total number of shares issued (excluding treasury shares).

4. Operating cash flow equals net cash provided by (used in) operating activities in the Consolidated Statement of Cash Flows.

5. Interest-bearing debt refers to short-term borrowings, current portion of long-term borrowings, and long-term borrowings recorded in the Consolidated Balance Sheet.

6. Interest payments refer to the amount of interest paid in the Consolidated Statement of Cash Flows.

3) Capital resources and liquidity

The FURUNO Group, while basically sourcing its working capital for ensuring stable profits and the funds required for investments into future growth from its cash flows from operating activities, also procures funds, as necessary, through borrowings from financial institutions, upon comprehensively taking into account capital costs, the equity-to-asset ratio, and other factors.

As of February 28, 2026, the balance of cash and cash equivalents was ¥23,544 million and the balance of interest-bearing debt was ¥11,903 million.

Additionally, to prepare for disruptions in the financial and capital markets and emergency funding requirements, the FURUNO Group has entered into agreements for commitment lines and overdraft facilities with multiple financial institutions to ensure the liquidity of funds.

(3) Basic Policy for Distribution of Profit and Dividends for Fiscal 2025 and 2026

The Company considers its dividend policy to be one of its most critical management policies.

The current Mid-term Management Plan (FY2023 to FY2025) aims to build a management foundation capable of sustaining a payout ratio of 30% or higher.

As the year-end dividend for the fiscal year ended February 28, 2026, the Company, based on the above policy, will pay a dividend of ¥85 per share. As a result, the annual dividend, for the fiscal year ended February 28, 2026, will be ¥160 including the interim dividend (¥75 per share) already paid.

Furthermore, in the new Mid-term Management Plan (FY2026 to FY2028) announced in February 2026, the Company has set a target of a total return ratio equivalent to 40% to further enhance shareholder returns.

Regarding dividends for the next fiscal year, taking this target into account while prioritizing its dividend policy of “continuous and stable dividends,” the Company plans to pay an annual dividend of 160 yen per share.

2. Management Policies

(1) Basic Management Policy

The FURUNO Group upholds the Management Principles of “A company exists to serve society,” “Its management must be creative,” and “The happiness of its employees comes with the growth of a company.” The FURUNO Group’s Action Guidelines also exhort its employees to “Face the future,” “Strive to be the best,” “Be persistently original” and “Be sincere.” While respecting these Management Principles and Action Guidelines as universal values, in December 2018, the Company, in commemorating its 70th anniversary, formulated a new management vision, “FURUNO GLOBAL VISION ‘NAVI NEXT 2030,’” to carry the Company through to FY2030. The vision consists of a “business strategy” and a “human resources and corporate culture vision,” and the Company will continuously and progressively increase both its value proposition to customers and corporate value by developing various activities to realize these visions.

The following is a summary of “FURUNO GLOBAL VISION ‘NAVI NEXT 2030.’”

- (i) Business strategy: Achieving better safety, security, and comfort to foster a society and sea navigation that considers the needs of people and the environment

This business strategy expresses the highest priority of the FURUNO Group, which is working to bring about safety, security, and comfort on the sea and land, as the basis for achieving a society and sea navigation that considers the needs of people and the environment. We have expanded the focus of the FURUNO Group’s business activities from offering the values of safety, security, and environmental consciousness to also include comfort and humanity. This is a new marker for us as we move forward in providing a greater value proposition to our customers in our existing businesses and cultivating new businesses in associated fields.

Since its inception, the FURUNO Group has been fulfilling its mission of solving social issues through its businesses. In recent years, companies have been widely expected by the international society to take action toward realizing a sustainable, safe, and secure society, and it has become increasingly important for them to contribute to environmental conservation and the creation of social value through their business activities. The FURUNO Group will remain committed to incorporating a perspective that contributes to the creation of a sustainable society into its corporate management and business activities, while respecting the values it has cultivated since its foundation, thereby contributing to society through its business.

- (ii) Human resources and corporate culture vision: VALUE through GLOBALIZATION and SPEED

VALUE through GLOBALIZATION and SPEED is our key proposal for the focused strengthening and assessment of human resources, a valuable resource in corporate management, and corporate culture to achieve our business strategy, while respecting the Management Principles and Action Guidelines as universal values. It comprises the following three points.

(VALUE) Creating greater value together

We will cultivate a deep understanding of our vision and adopt a highly autonomous approach to achieving it. We will work together with every FURUNO Group stakeholder to create even greater value in society.

(GLOBALIZATION) Comprehensive globalization

We will foster a global mindset* in our organization, and ensure the optimal and maximum use of our internal and external resources to achieve our vision, irrespective of their affiliated division, region, country, etc.

* Global mindset: A way of thinking that allows for the influence of people and groups with different cultures, customs, and values.

(SPEED) Quick and agile decisions and action

We will not falter in the face of change, as we strive to continue creating a new era.

In 1955, only years after its foundation, the FURUNO Group declared its goal of achieving global recognition and has since been accelerating its global development. Currently, overseas sales account for more than 70 percent of consolidated net sales, and the Group has established a network of development, production, sales, and service centers in over 100 countries around the world. Going forward, the FURUNO Group will move beyond globalization based on its overseas expansion to pursue a broader approach to globalization that incorporates diverse cultures, customs, and values. Under this approach, it will organically integrate and optimally leverage its diverse human resources and organizational functions to align with each business and market, while also proactively promoting cooperation with customers and business partners to create value from diverse perspectives. Through these initiatives, the Group aims to maximize both its value proposition to customers and corporate value, thereby achieving global recognition both in name and substance.

We will progressively and promptly work toward realizing the “FURUNO GLOBAL VISION ‘NAVI NEXT 2030’” through the following three phases.

- Phase 1: Advance
Procure resources and strengthen our capabilities by improving the structure of our businesses
(FY2020-FY2022)
- Phase 2: Connect
Take action toward building a profitable structure and the pillars of our technologies and businesses
(FY2023-FY2025)
- Phase 3: Transform
Realize an appropriate corporate scale, profitability, and business structure
(FY2026-FY2030)

(2) Mid-term Management Plan and Key Performance Indicators

In February 2026, the FURUNO Group formulated a new mid-term management plan covering the three-year period from the fiscal year 2026 to the fiscal year 2028. FURUNO positions this plan as a three-year period during which it will leverage the capabilities gained through the achievement of record performance and invest proactively to build a foundation for future growth, while accelerating strategic initiatives, and will promote a transformation toward a business structure unaffected by market fluctuations. FURUNO will also make active investments in management resources, including human resources, in order to achieve sustainable growth. By fiscal year 2028, the final year of the plan, FURUNO aims to achieve net sales of ¥150 billion, an operating profit margin of 10% or higher, and ROE and ROIC of 10% or higher, while building a management foundation capable of sustaining a total payout ratio of approximately 40%.

*In fiscal year 2025, FURUNO recorded net sales of ¥140.6 billion, with an operating profit margin of 11.6%, ROE of 20.7%, ROIC of 15.5%, and a payout ratio of 30.2%. The effective tax rate used in these calculations is the actual tax rate, which reflects the impact of tax effect accounting.

Main Measures

(i) Ensure profitability

Further improve productivity and strengthen the revenue base to support active investment by improving gross margins, using SG&A expenses more efficiently, and reengineering business processes. Promote business portfolio management with a focus on ROIC to enhance capital efficiency.

(ii) Further expansion of sales

In the Marine Business, expand market share in merchant vessel retrofits and drive further global growth in maintenance services. Introduce strategic products in the pleasure boat market and increase investment in the workboat market. In the Industrial Business, expand time synchronization services globally, while strengthening production systems and expanding sales in the defense equipment business. Pursue further growth by expanding the data service business, accelerating technological innovation through the establishment of an AI promotion division, and pooling expertise and creating new business opportunities through initiatives that transcend existing business frameworks.

(iii) Strengthen sustainable management

Advance human capital investment, including implementing human capital management based on our new human resources vision and strengthening recruitment of DX and global talent. Execute capital expenditure, including strengthening production systems to accommodate increased sales and promoting smart factory projects. Pursue infrastructure investment, including improving the workplace environment through renovations of buildings reaching their renewal period. Strengthen the management foundation by enhancing management control through ROIC-based management and reinforcing risk management, including BCP, to achieve sustainable growth.

Individual Business Strategies

- Marine Business

(i) In the merchant vessel market, we aim to maintain our market share in newbuilds while leveraging our established customer base for retrofits to expand sales and profit. In the services business, we will expand areas covered by in-house services and promote the establishment of an efficient service structure by utilizing remote monitoring.

(ii) In the fishing vessel market, we will promote the visualization of instinct and experience as a solution that supports fishermen through both hardware and software, and provide products and services that enhance operational efficiency and safety.

(iii) In the pleasure boat market, we will continue product planning aligned with customer needs, while seeking to expand sales channels for cruising and casual boat users.

(iv) In the workboat market, we will promote the development and planned launch of equipment for government vessels both domestically and internationally, while seeking to secure a steady stream of orders for other workboat projects.

- Industrial Business

We will advance GNSS technology and strengthen sales promotion in overseas markets, while enhancing ITS technology and promoting its social implementation. In the defense equipment business, we will continue to enhance development and production systems to meet growing demand. At the same time, we will ensure profitability by improving cost management accuracy and stabilize profits by maintaining an appropriate cost structure.

- Wireless LAN Systems/Handheld Terminal Business

We will steadily capture replacement demand for wireless LAN access points in the education market. Furthermore, we will develop new markets by strengthening our software service infrastructure and expanding our product lineup.

Phase 2: Results of Implementing the Main Measures

(i) Improvement in profitability

We steadily implemented the main measures across production, sales, quality, and inventory. In production, we reduced lead times and enhanced capacity by promoting smart factories. In sales, we focused on improving core product profitability by optimizing SG&A expenses and reviewing pricing. In quality, we advanced preventive measures and ensured quality stability through the implementation of quality and design management methodologies, thereby enhancing product reliability. Regarding inventories, while taking into account valuation losses from long-lead-time components, we continue our efforts to maintain appropriate inventory levels.

(ii) Expansion of sales

In the Marine Business, we increased sales by creating opportunities to expand maintenance services and equipment sales. In the pleasure boat market, we launched strategic new products and increased sales, mainly in the Americas. In the Industrial Business, overseas sales of time synchronization products, a business slated for future growth, grew steadily. In the defense equipment business, we strengthened our production system and expanded sales backed by robust orders received, contributing to overall sales growth.

(iii) Implementation of sustainable management

We advanced initiatives across various areas, from identifying “Materialities” to establishing management systems. First, to contribute to a sustainable society and enhance corporate value, we identified “Materialities” to be prioritized. To address climate change, we advanced initiatives to reduce GHG emissions and disclosed climate-related information based on the TCFD recommendations. Going forward, we will also progressively disclose information in line with the TNFD recommendations. As part of our human resources strategies, we formulated a new human resources vision and implemented initiatives based on its principles, such as work-style reforms and D&I initiatives, to foster growth by leveraging diversity. To strengthen governance, we established and began operating a Sustainability Committee. We also enhanced our cybersecurity response and product safety systems to improve corporate credibility.

3. Basic Approach to the Selection of Accounting Standards

The Group intends to prepare consolidated financial statements based on Japanese accounting standards for the time being to facilitate comparability between periods and with other companies. Regarding the application of the International Financial Reporting Standards (IFRS), the Company will consider their application depending on various circumstances inside and outside Japan.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	16,113	24,283
Notes and accounts receivable - trade, and contract assets	28,333	28,258
Electronically recorded monetary claims - operating	1,027	1,582
Merchandise and finished goods	27,627	28,601
Work in process	3,226	3,693
Raw materials and supplies	12,719	12,761
Other	2,811	3,595
Allowance for doubtful accounts	(254)	(279)
Total current assets	91,605	102,496
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,386	8,177
Machinery, equipment and vehicles, net	1,005	1,207
Land	3,653	3,682
Construction in progress	539	476
Other, net	4,026	4,414
Total property, plant and equipment	16,611	17,957
Intangible assets		
Goodwill	839	695
Software	4,979	5,690
Other	268	258
Total intangible assets	6,087	6,644
Investments and other assets		
Investment securities	4,548	7,066
Retirement benefit asset	1,647	2,436
Deferred tax assets	1,638	3,474
Other	1,395	1,304
Allowance for doubtful accounts	(14)	(16)
Total investments and other assets	9,215	14,266
Total non-current assets	31,913	38,868
Total assets	123,519	141,364

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,689	7,575
Electronically recorded obligations - operating	4,924	6,032
Short-term borrowings	6,100	200
Current portion of long-term borrowings	3,006	1,403
Income taxes payable	1,853	3,536
Contract liabilities	2,312	3,863
Provision for bonuses	2,980	3,174
Provision for product warranties	779	897
Other	7,045	7,636
Total current liabilities	35,690	34,320
Non-current liabilities		
Long-term borrowings	8,702	10,300
Deferred tax liabilities	250	334
Retirement benefit liability	3,329	3,364
Lease liabilities	2,037	2,332
Other	889	940
Total non-current liabilities	15,209	17,272
Total liabilities	50,899	51,592
Net assets		
Shareholders' equity		
Share capital	7,534	7,534
Capital surplus	9,284	9,338
Retained earnings	47,598	59,593
Treasury shares	(158)	(155)
Total shareholders' equity	64,259	76,310
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,921	3,414
Foreign currency translation adjustment	6,367	9,397
Remeasurements of defined benefit plans	(361)	222
Total accumulated other comprehensive income	7,927	13,035
Non-controlling interests	433	426
Total net assets	72,619	89,772
Total liabilities and net assets	123,519	141,364

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statement of Income)

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net sales	126,953	140,616
Cost of sales	73,983	82,278
Gross profit	52,969	58,338
Selling, general and administrative expenses	39,787	42,091
Operating profit	13,181	16,246
Non-operating income		
Interest income	216	288
Dividend income	193	170
Share of profit of entities accounted for using equity method	189	272
Foreign exchange gains	-	621
Subsidy income	594	666
Other	378	397
Total non-operating income	1,572	2,415
Non-operating expenses		
Interest expenses	173	235
Foreign exchange losses	239	-
Loss on disposal of inventories	71	-
Other	111	135
Total non-operating expenses	595	371
Ordinary profit	14,158	18,291
Extraordinary income		
Gain on sale of investment securities	61	1
Gain on sale of non-current assets	161	34
Gain on step acquisitions	-	71
Gain on bargain purchase	-	30
Total extraordinary income	222	138
Extraordinary losses		
Loss on sale of non-current assets	2	-
Loss on valuation of investment securities	22	-
Impairment losses	43	65
Other	-	0
Total extraordinary losses	68	65
Profit before income taxes	14,313	18,363
Income taxes - current	3,231	4,289
Income taxes - deferred	(493)	(2,703)
Total income taxes	2,737	1,586
Profit	11,575	16,777
Profit attributable to non-controlling interests	118	41
Profit attributable to owners of parent	11,457	16,735

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Profit	11,575	16,777
Other comprehensive income		
Valuation difference on available-for-sale securities	283	1,492
Foreign currency translation adjustment	1,833	2,973
Remeasurements of defined benefit plans, net of tax	(33)	584
Share of other comprehensive income of entities accounted for using equity method	(11)	62
Total other comprehensive income	2,072	5,113
Comprehensive income	13,648	21,890
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,528	21,843
Comprehensive income attributable to non-controlling interests	119	47

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,534	9,304	38,510	(162)	55,186
Changes during period					
Dividends of surplus			(2,369)		(2,369)
Profit attributable to owners of parent			11,457		11,457
Purchase of treasury shares				(1)	(1)
Restricted stock payment		13		4	18
Change in ownership interest of parent due to transactions with non-controlling interests		(11)			(11)
Capital increase of consolidated subsidiaries		(20)			(20)
Net changes in items other than shareholders' equity					
Total changes during period	-	(19)	9,088	3	9,072
Balance at end of period	7,534	9,284	47,598	(158)	64,259

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,638	4,546	(328)	5,856	393	61,436
Changes during period						
Dividends of surplus						(2,369)
Profit attributable to owners of parent						11,457
Purchase of treasury shares						(1)
Restricted stock payment						18
Change in ownership interest of parent due to transactions with non-controlling interests						(11)
Capital increase of consolidated subsidiaries						(20)
Net changes in items other than shareholders' equity	283	1,821	(33)	2,071	39	2,110
Total changes during period	283	1,821	(33)	2,071	39	11,183
Balance at end of period	1,921	6,367	(361)	7,927	433	72,619

For the fiscal year ended February 28, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,534	9,284	47,598	(158)	64,259
Changes during period					
Dividends of surplus			(4,740)		(4,740)
Profit attributable to owners of parent			16,735		16,735
Purchase of treasury shares				(2)	(2)
Restricted stock payment		29		6	36
Change in ownership interest of parent due to transactions with non-controlling interests		23			23
Capital increase of consolidated subsidiaries					-
Net changes in items other than shareholders' equity					
Total changes during period	-	53	11,995	3	12,051
Balance at end of period	7,534	9,338	59,593	(155)	76,310

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,921	6,367	(361)	7,927	433	72,619
Changes during period						
Dividends of surplus						(4,740)
Profit attributable to owners of parent						16,735
Purchase of treasury shares						(2)
Restricted stock payment						36
Change in ownership interest of parent due to transactions with non-controlling interests						23
Capital increase of consolidated subsidiaries						-
Net changes in items other than shareholders' equity	1,492	3,030	584	5,108	(6)	5,101
Total changes during period	1,492	3,030	584	5,108	(6)	17,152
Balance at end of period	3,414	9,397	222	13,035	426	89,772

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	14,313	18,363
Depreciation	3,592	3,920
Impairment losses	43	65
Amortization of goodwill	146	222
Share of loss (profit) of entities accounted for using equity method	(189)	(272)
Loss (gain) on sale of property, plant and equipment	(159)	(34)
Interest and dividend income	(410)	(458)
Interest expenses	173	235
Loss (gain) on sale of investment securities	(61)	(1)
Loss (gain) on valuation of investment securities	22	-
Loss (gain) on step acquisitions	-	(71)
Gain on bargain purchase	-	(30)
Subsidy income	(594)	(666)
Decrease (increase) in accounts receivable - trade, and contract assets	(3,040)	794
Decrease (increase) in inventories	3,706	319
Increase (decrease) in trade payables	(3,684)	(357)
Increase (decrease) in contract liabilities	(260)	872
Other, net	333	484
Subtotal	13,932	23,386
Interest and dividends received	514	543
Interest paid	(259)	(231)
Income taxes refund (paid)	(3,772)	(2,789)
Subsidies received	406	464
Net cash provided by (used in) operating activities	10,820	21,373
Cash flows from investing activities		
Payments into time deposits	(92)	(1,184)
Proceeds from withdrawal of time deposits	46	1,159
Purchase of property, plant and equipment	(2,520)	(2,377)
Purchase of intangible assets	(2,323)	(2,483)
Proceeds from purchase of investments in capital of subsidiaries resulting in change in scope of consolidation	-	1,759
Other, net	300	(152)
Net cash provided by (used in) investing activities	(4,588)	(3,278)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	98	(5,900)
Proceeds from long-term borrowings	3,500	3,000
Repayments of long-term borrowings	(3,208)	(3,005)
Dividends paid	(2,369)	(4,740)
Repayments of lease liabilities	(594)	(710)
Other, net	(122)	(82)
Net cash provided by (used in) financing activities	(2,696)	(11,439)
Effect of exchange rate change on cash and cash equivalents	720	1,474
Net increase (decrease) in cash and cash equivalents	4,255	8,130
Cash and cash equivalents at beginning of period	11,158	15,413
Cash and cash equivalents at end of period	15,413	23,544

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

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 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 policy has no material impact on the consolidated financial statements.

(Segment information, etc.)

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

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Millions of yen)

	Reportable segment				Others	Total	Adjustment	Amount recorded in Consolidated Statement of Income
	Marine Business	Industrial Business	Wireless LAN /Handheld Terminal Business	Total				
Net sales								
Net sales to external customers	108,678	14,214	3,694	126,587	365	126,953	—	126,953
Inter-segment net 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

For the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Millions of yen)

	Reportable segment				Others	Total	Adjustment	Amount recorded in Consolidated Statement of Income
	Marine Business	Industrial Business	Wireless LAN /Handheld Terminal Business	Total				
Net sales								
Net sales to external customers	121,147	15,821	3,305	140,274	341	140,616	—	140,616
Inter-segment net 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

2. Information on net sales by region

For the fiscal year ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(Millions of yen)

Japan	Americas	Europe	Asia	Other regions	Total
37,699	12,062	36,943	32,598	7,648	126,953

For the fiscal year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(Millions of yen)

Japan	Americas	Europe	Asia	Other regions	Total
40,553	15,543	40,094	37,086	7,339	140,616

(Per share information)

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Net assets per share	¥2,284.52	¥2,826.61
Basic earnings per share	¥362.64	¥529.53

- (Notes) 1. Diluted earnings per share is not stated as there are no shares with dilutive effects.
2. The basis for the calculation of basic earnings per share is as follows.

	For the fiscal year ended February 28, 2025	For the fiscal year ended February 28, 2026
Profit attributable to owners of parent (Millions of yen)	11,457	16,735
Amount not attributable to common shareholders (Millions of yen)	—	—
Profit attributable to owners of parent relating to common shares (Millions of yen)	11,457	16,735
Average number of common shares outstanding during the period (Shares)	31,594,768	31,604,751

3. The basis for the calculation of net assets per share is as follows.

	As of February 28, 2025	As of February 28, 2026
Total net assets (Millions of yen)	72,619	89,772
Amount deducted from net assets (Millions of yen)	433	426
(of which non-controlling interest) (Millions of yen)	(433)	(426)
Net assets applicable to common shares at the end of the period (Millions of yen)	72,186	89,345
Number of common shares at the end of the period used for calculation of net assets per share (Shares)	31,597,983	31,608,824

(Significant subsequent events)

Not applicable.

5. Others

Changes in Officers

(i) Changes in representative
Not applicable.

(ii) Changes in other officers

Please refer to the “Notice Regarding Changes in Officers” released on February 17, 2026.