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FURUNO

July 10, 2026

Consolidated Financial Results for the Three Months Ended May 31, 2026 (Under Japanese GAAP)

Company name: FURUNO ELECTRIC CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 6814
URL: https://www.furuno.co.jp/
Representative: Yukio Furuno President and CEO
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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, 2026 (from March 1, 2026 to May 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2026	38,115	21.8	5,681	65.3	6,334	61.7	4,881	38.2
May 31, 2025	31,296	11.0	3,438	30.8	3,918	24.9	3,531	175.7

Note: Comprehensive income
For the three months ended May 31, 2026: ¥ 5,245 million [93.4%]
For the three months ended May 31, 2025: ¥ 2,712 million [(2.5)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2026	154.44	-
May 31, 2025	111.75	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2026	142,956	92,309	64.2	2,905.66
February 28, 2026	141,364	89,772	63.2	2,826.61

Reference: Equity
As of May 31, 2026: ¥ 91,844 million
As of February 28, 2026: ¥ 89,345 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2026	-	75.00	-	85.00	160.00
Fiscal year ending February 28, 2027	-				
Fiscal year ending February 28, 2027 (Forecast)		80.00	-	80.00	160.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

Note: Revisions to the financial result forecast most recently announced: 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
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

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

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

As of May 31, 2026	285,780 shares
As of February 28, 2026	285,730 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended May 31, 2026	31,608,786 shares
Three months ended May 31, 2025	31,597,958 shares

* Review of the Japanese-language originals of the attached consolidated quarterly 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 Friday, July 10, 2026.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended May 31, 2026, the global economy remained uncertain; economic growth came under increasing pressure due to energy supply constraints, surging energy prices, and supply chain disruptions caused by heightened instability in the Middle East, while weakening consumer and business sentiment added to the pressure. The U.S. economy remained resilient, driven by capital investment and external demand supported by AI-related demand, although personal consumption slowed as rising energy prices reduced purchasing power. The European economy maintained positive growth despite a gradual slowdown, as domestic demand remained weak amid rising inflation and heightened uncertainty. The Chinese economy saw a temporary recovery, supported by public investment; however, the outlook remained uncertain, reflecting weak domestic demand due to the downturn in the real estate market and the fading effects of government subsidies coming to an end, as well as slowing investment and rising resource prices. The Japanese economy recovered gradually despite downward pressure on corporate earnings and production activity caused by soaring resource prices and supply constraints stemming from escalating tensions in the Middle East. Although the economy showed signs of weakness in some sectors, the recovery was supported by improving exports and resilient private consumption underpinned by wage growth. 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 vision, “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. FY2026 marks 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 are promoting a transformation toward a business structure less susceptible to 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 vessels market in the Marine Business, ship prices, which had remained high, declined slightly, but still remain at a high level compared to past standards. At the same time, the number of orders for new ships has returned to the peak level recorded in FY2024, and shipbuilders’ order backlog continued to increase. In the market for fishing vessels, demand remained strong, particularly in Asia and Europe. In the pleasure boat market, demand was sluggish, particularly for small and medium-sized boats in North America, due to higher loan interest rates when purchasing boats and rising prices. However, the market is showing signs of bottoming out.

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, and this trend has continued. 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, projects to upgrade communication infrastructure equipment related to ICT development have increased.

As a result, in the three months ended May 31, 2026, the Company reported consolidated net sales of ¥38,115 million (up 21.8% year on year) and gross profit of ¥16,768 million (up 23.8% year on year). Operating profit was ¥5,681 million (up 65.3% year on year), ordinary profit ¥6,334 million (up 61.7% year on year), and profit attributable to owners of parent ¥4,881 million (up 38.2% year on year).

The average yen to U.S. dollar and yen to euro exchange rates applied in the three months ended May 31, 2026 were USD 1=JPY 156 and EUR 1=JPY 184, respectively, and compared to the same period of the previous fiscal year, the yen depreciated by approximately 1.6% against the U.S. dollar and approximately 14.3% against the euro.

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

(i) Marine Business

In the Marine Business, sales to new merchant vessel building projects continued to increase especially in China, 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 sales for pleasure boats declined from the same period of the previous fiscal year, sales of strategic products contributed to solid overall performance. In Europe, sales of equipment for existing merchant vessels primarily remained at a high level, while maintenance services and sales for pleasure boats also remained strong. In Asia, sales of equipment for newly built merchant vessels continued to increase, primarily in China, and maintenance services were also solid. In Japan, sales of equipment for merchant vessels remained at a high level, and maintenance services were also strong.

As a result, in the Marine Business, net sales were ¥32,564 million (up 18.0% year on year) and segment profit was ¥5,736 million (up 45.5% year on year).

(ii) Industrial Business

In the Industrial Business, sales of biochemical analyzers decreased in the Healthcare segment due to intensified price competition primarily in the Chinese market. In the ITS/GNSS segment, sales of time synchronization products to overseas customers were solid, while sales of automotive ETC systems remained strong. In the defense equipment business, production output increased, underpinned by a high level of order backlog.

As a result, in the Industrial Business, net sales were ¥4,637 million (up 51.8% year on year) and segment profit was ¥264 million (a segment loss of ¥52 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, sales of wireless LAN access points increased, primarily due to an increase in projects in the educational market.

As a result, in the Wireless LAN Systems/Handheld Terminal Business, net sales were ¥839 million (up 48.5% year on year) and segment loss was ¥88 million (a segment loss of ¥225 million was reported in the same period of the previous fiscal year).

(iv) Others

Others sales amounted to ¥73 million (down 2.4% year on year) and segment loss was ¥20 million (a segment loss of ¥46 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, 2026 increased by 1.1% from the end of the previous fiscal year to ¥142,956 million. This was mainly due to an increase of ¥2,720 million in notes and accounts receivable - trade, and contract assets.

Total liabilities at the end of the three months ended May 31, 2026 decreased by 1.8% from the end of the previous fiscal year to ¥50,646 million. This was mainly due to a decrease of ¥1,000 million in long-term borrowings.

Net assets at the end of the three months ended May 31, 2026 increased by 2.8% from the end of the previous fiscal year to ¥92,309 million. This was mainly due to an increase of ¥2,194 million in retained earnings.

As a result, the equity-to-asset ratio rose from 63.2% at the end of the previous fiscal year to 64.2%.

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

During the three months ended May 31, 2026, the Company's financial performance exceeded its initial expectations. Based on the current business environment and recent performance trends, full-year performance is tracking ahead of the initial forecast.

However, uncertainty remains over the situation in the Middle East and developments surrounding export restrictions in China. Furthermore, the tight supply and demand for components, particularly semiconductor memory, continues to raise concerns about its potential impact on the supply chain.

These external factors remain highly uncertain, making it difficult to reasonably estimate their impact on the Company's future business activities and financial performance. Accordingly, after taking into account certain uncertainties related to component procurement, the Company has maintained its full-year consolidated earnings forecast unchanged.

Going forward, the Company will continue to closely monitor developments in the component procurement environment, the extent of their impact, and the progress of its business operations. The earnings forecast will be revised as appropriate when greater visibility and forecasting accuracy become available.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Assets		
Current assets		
Cash and deposits	24,283	20,399
Notes and accounts receivable - trade, and contract assets	28,258	30,978
Electronically recorded monetary claims - operating	1,582	1,592
Merchandise and finished goods	28,601	29,848
Work in process	3,693	3,662
Raw materials and supplies	12,761	13,489
Other	3,595	3,959
Allowance for doubtful accounts	(279)	(278)
Total current assets	102,496	103,652
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,177	8,161
Machinery, equipment and vehicles, net	1,207	1,178
Land	3,682	3,681
Construction in progress	476	691
Other, net	4,414	4,373
Total property, plant and equipment	17,957	18,086
Intangible assets		
Goodwill	695	632
Software	5,690	5,677
Other	258	252
Total intangible assets	6,644	6,562
Investments and other assets		
Investment securities	7,066	7,161
Retirement benefit asset	2,436	2,462
Deferred tax assets	3,474	3,747
Other	1,304	1,301
Allowance for doubtful accounts	(16)	(16)
Total investments and other assets	14,266	14,655
Total non-current assets	38,868	39,304
Total assets	141,364	142,956

(Millions of yen)

	As of February 28, 2026	As of May 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	7,575	6,732
Electronically recorded obligations - operating	6,032	6,250
Short-term borrowings	200	200
Current portion of long-term borrowings	1,403	2,201
Income taxes payable	3,536	1,972
Contract liabilities	3,863	4,882
Provision for bonuses	3,174	3,719
Provision for product warranties	897	749
Other	7,636	7,624
Total current liabilities	34,320	34,333
Non-current liabilities		
Long-term borrowings	10,300	9,300
Deferred tax liabilities	334	299
Retirement benefit liability	3,364	3,365
Lease liabilities	2,332	2,390
Other	940	956
Total non-current liabilities	17,272	16,312
Total liabilities	51,592	50,646
Net assets		
Shareholders' equity		
Share capital	7,534	7,534
Capital surplus	9,338	9,338
Retained earnings	59,593	61,788
Treasury shares	(155)	(155)
Total shareholders' equity	76,310	78,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,414	3,452
Foreign currency translation adjustment	9,397	9,663
Remeasurements of defined benefit plans	222	222
Total accumulated other comprehensive income	13,035	13,339
Non-controlling interests	426	465
Total net assets	89,772	92,309
Total liabilities and net assets	141,364	142,956

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Millions of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Net sales	31,296	38,115
Cost of sales	17,751	21,346
Gross profit	13,544	16,768
Selling, general and administrative expenses	10,106	11,086
Operating profit	3,438	5,681
Non-operating income		
Interest income	57	64
Dividend income	14	26
Share of profit of entities accounted for using equity method	93	116
Foreign exchange gains	58	145
Subsidy income	293	94
Other	59	293
Total non-operating income	577	740
Non-operating expenses		
Interest expenses	54	56
Other	42	30
Total non-operating expenses	97	87
Ordinary profit	3,918	6,334
Extraordinary income		
Gain on sale of non-current assets	4	9
Gain on step acquisitions	71	-
Gain on bargain purchase	30	-
Total extraordinary income	107	9
Extraordinary losses		
Impairment losses	2	20
Total extraordinary losses	2	20
Profit before income taxes	4,022	6,323
Income taxes - current	1,303	1,725
Income taxes - deferred	(826)	(328)
Total income taxes	477	1,397
Profit	3,545	4,926
Profit attributable to non-controlling interests	14	44
Profit attributable to owners of parent	3,531	4,881

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the three months ended May 31, 2025	For the three months ended May 31, 2026
Profit	3,545	4,926
Other comprehensive income		
Valuation difference on available-for-sale securities	32	37
Foreign currency translation adjustment	(974)	217
Remeasurements of defined benefit plans, net of tax	38	0
Share of other comprehensive income of entities accounted for using equity method	70	63
Total other comprehensive income	(832)	318
Comprehensive income	2,712	5,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,718	5,185
Comprehensive income attributable to non-controlling interests	(6)	59

(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.

(Segment information, etc.)

[Segment information]

I 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 Statement 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 Statement of Income.

II For the three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)

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 Statement of Income (Note 3)
	Marine Business	Industrial Business	Wireless LAN /Handheld Terminal Business	Total				
Net sales								
Net sales to external customers	32,564	4,637	839	38,042	73	38,115	–	38,115
Inter-segment net sales or transfers	34	22	116	172	168	341	(341)	–
Total	32,599	4,660	955	38,215	241	38,456	(341)	38,115
Segment profit (loss)	5,736	264	(88)	5,912	(20)	5,892	(210)	5,681

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 Statement 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, 2026. 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, 2025 (from March 1, 2025 to May 31, 2025)	Three months ended May 31, 2026 (from March 1, 2026 to May 31, 2026)
Depreciation	884	1,018
Amortization of goodwill	35	60