

Fiscal Year 2023 (Ended February 29, 2024)

Financial Results Briefing Materials

April 15, 2024

FURUNO ELECTRIC CO., LTD.

Cautions:

This document is a translation of the Japanese original, which is authoritative.

The information listed in these materials regarding the Company's forecasts are determined by management, based on the information available at the time of announcement, and potential risks and uncertainties. It should be noted that the actual results may differ substantially from these forecasts, due to these various elements.

The numerical values shown in these materials are the monetary amounts listed in the consolidated balance sheet, consolidated profit-and-loss statement, consolidated statement of changes in shareholders' equity, and notes to consolidated financial statements. Shown values of less than one unit are truncated, and ratios and other values are rounded off.

* "E" in this material represents that the figure is an estimation or a projection for operation.

** "FY" in this material indicates the fiscal year ending February 28 (29) of the succeeding year.

◆ Net Sales: Increase

- Increase in sales in all regions for Marine business with continued increase in production to catch-up high backlog and normalize delivery dates

◆ Operating Profit: Increase

- Gross profit increased with efforts to increase sales, improve production efficiency and price management, etc.
- Continued investment for growth to strengthen sales and service structure

* Foreign Exchange Sensitivity (actual results for FY 2023)
[USD] Net sales: 120M yen, Operating income: 40M yen
[EUR] Net sales: 180M yen, Operation income: 60M yen

Consolidated Income Statement

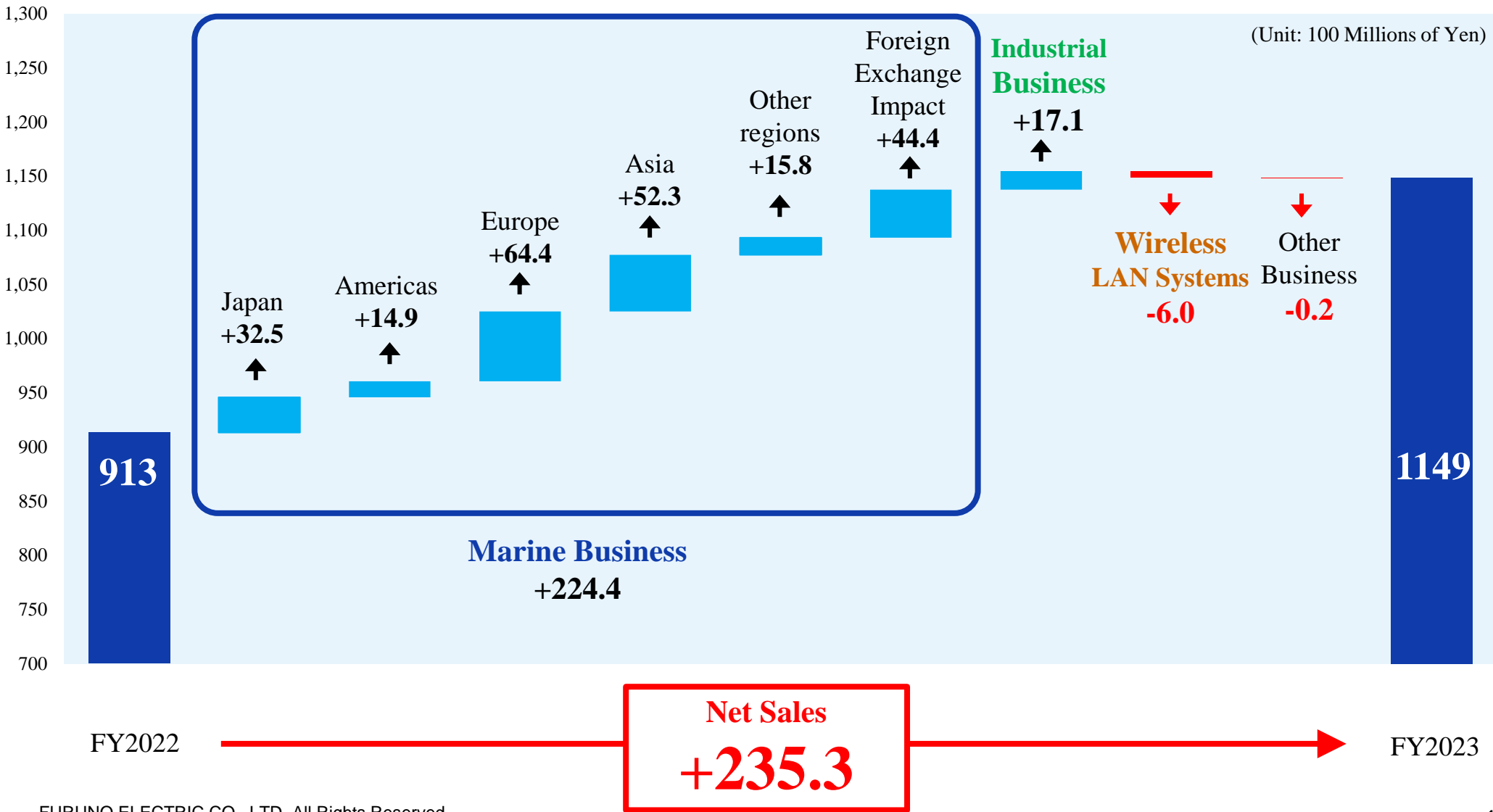
FURUNO

**Increase in sales in all regions for Marine business
Net sales and net profit have reached the highest-ever level**

(Unit: 100 Millions of Yen)	Fiscal Year 2022	Fiscal Year 2023	Year-over-Year (amount)	Year-over-Year (ratio)
Net sales	91,325	114,850	+23,525	+25.8%
Gross profit (Sales ratio)	34,377 (37.6%)	42,594 (37.1%)	+8,217	+23.9%
SG&A expenses (Sales ratio)	32,853 (36.0%)	36,075 (31.4%)	+3,221	+9.8%
Operating profit (Sales ratio)	1,523 (1.7%)	6,519 (5.7%)	+4,995	+327.8%
Ordinary profit (Sales ratio)	2,593 (2.8%)	8,169 (7.1%)	+5,576	+215.0%
Profit attributable to owners of parent (Sales ratio)	1,348 (1.5%)	6,238 (5.4%)	+4,890	+362.8%
R&D expenses (Sales ratio)	5,694 (6.2%)	5,987 (5.2%)	+293	+5.2%
Capital investment (Sales ratio)	2,207 (2.4%)	3,350 (2.9%)	+1,143	+51.8%
Depreciation expenses (Sales ratio)	3,061 (3.4%)	3,413 (3.0%)	+351	+11.5%
(Unit: Yen, annual average exchange rate)				
1 USD	129	140	+11	+8.5%
1 EUR	138	152	+14	+10.4%

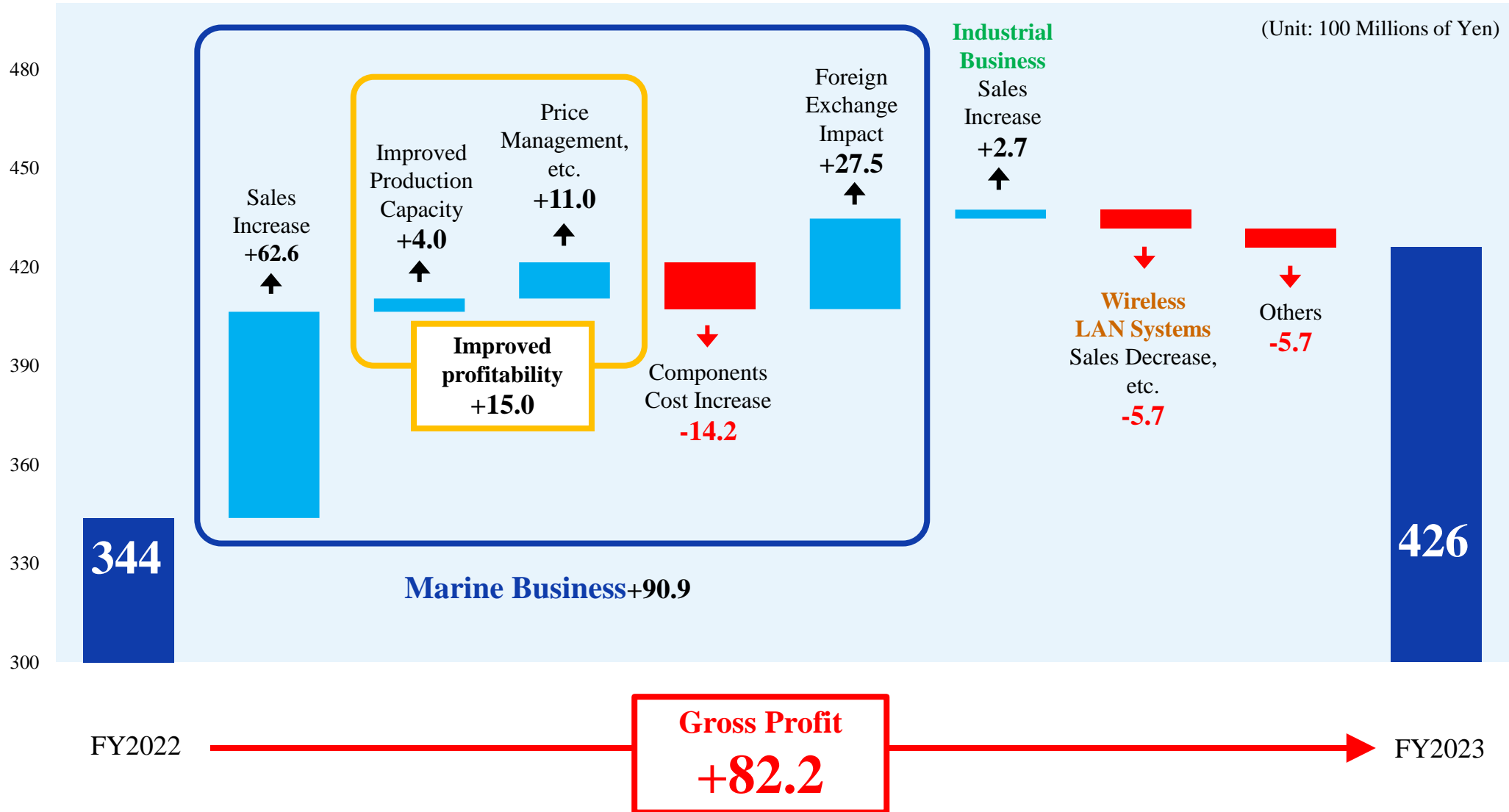
Analysis of Increase/Decrease in Net Sales

Increase in sales in all regions for Marine business mainly in merchant vessels
Increase in sales for Industrial Business in Defense Equipment



Analysis of Increase/Decrease in Gross Profit **FURUNO**

Increase in gross profit with increase in sales for Marine business and components cost increase compensated by improved profitability



Analysis of Increase/Decrease in Operating Profit

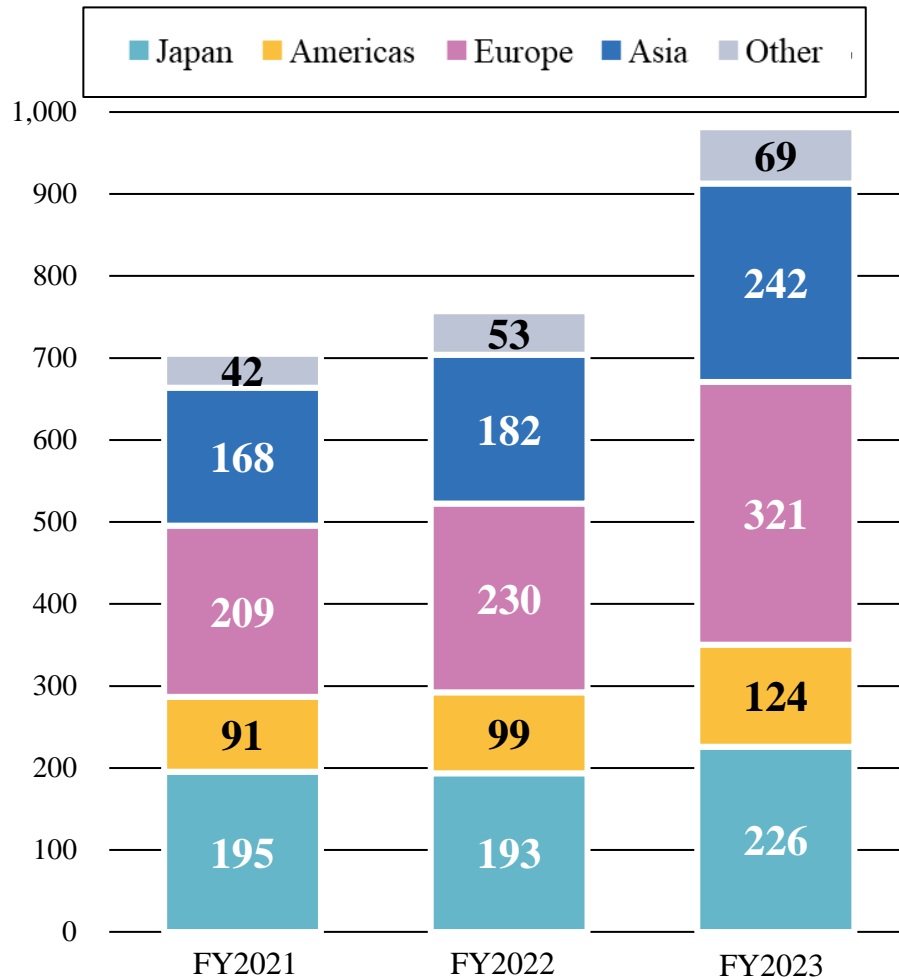
Significant Increase in profit with higher gross profit in Marine business, despite increase in SG&A expenses with strengthening of sales and service structure

(Unit: 100 Millions of Yen)



Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business

“100M” stands for 100 Million

Net Sales **982** 100M yen (+**29.6%** year-over-year)

Segment Profit **71.0** 100M yen (+**58.5** 100M yen)

- **Increase in production to catch-up high backlog and normalize delivery dates**
- **Price management, etc., and yen depreciation**
- **Continued selection of projects based on profitability**

◆ **Japan:** Net sales **226** 100M yen (+**16.8%**)

- Steady sales for Merchant newbuild projects
- Improvement in sales for Fishery market

◆ **Americas:** Net sales **124** 100M yen (+**25.7%**)

- Increase in sales for Pleasure boats and Fishery market

◆ **Europe:** Net sales **321** 100M yen (+**39.3%**)

- Expansion in sales for Merchant, Fishery and Pleasure boats
- High demand for retrofit and steady increase in sales of maintenance services

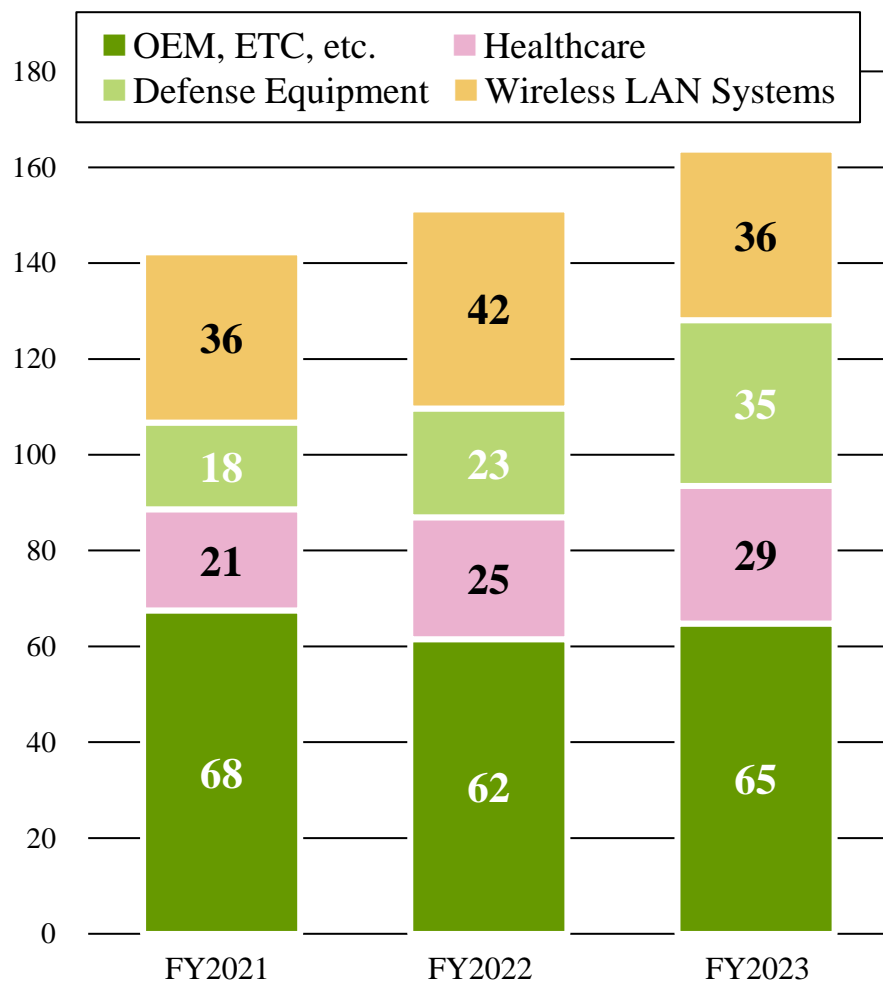
◆ **Asia:** Net sales **242** 100M yen (+**33.1%**)

- Steady sales for Merchant newbuild projects

“100M” stands for 100 Million

Industrial Business Consolidated Sales (by Product)

(Unit: 100 Millions of Yen)



Industrial Business

Net Sales **128** 100M yen (+**15.4%** year-over-year)

Segment Profit **+2.4** 100M yen (+**1.2** 100M yen)

- **Increase in sales and profit for each sector of Industrial business**

◆ **OEM, ETC, etc.:** Net sales **65** 100M yen (+**6.5%**)

- Increase in sales for OEM products
- Increase in sales for ETC and GNSS products

◆ **Healthcare:** Net sales **29** 100M yen (+**12.9%**)

- Increase in sales for clinical chemistry analyzers

◆ **Defense Equipment:** Net sales **35** 100M yen (+**52.2%**)

- Increase in sales and development project with increase in defense budget of Japan

Wireless LAN Systems

Net Sales **36** 100M yen (-**14.4%** year-over-year)

Segment Profit **1.3** 100M yen (-**3.8** 100M yen)

- **Decrease in sales for wireless LAN access point in the education market**

Appendix: Consolidated Balance Sheet

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(Unit: Millions of yen)	Fiscal year 2022	Fiscal year 2023
Current assets	82,280	86,285
(Cash and deposits)	(15,376)	(11,786)
(Inventories)	(40,694)	(46,088)
Fixed assets	24,116	28,085
(Tangible fixed assets)	(13,914)	(14,751)
(Intangible fixed assets)	(4,034)	(4,902)
(Investments and other assets)	(6,167)	(8,432)
Total assets	106,396	114,370
Current liabilities	37,525	39,385
Long-term liabilities	16,368	13,550
Total liabilities	53,893	52,935
Shareholders' equity	50,023	55,184
Others	2,089	5,856
Non-controlling interests	389	393
Total net assets	52,503	61,434
Total liabilities and net assets	106,396	114,370
Equity ratio	49.0%	53.4%

Forecast for Fiscal Year 2024

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Continued high demand/ Sales maintained at 110B yen
Increase in SG&A expenses with increase in personal expenses

Significant increase in corporate income tax adjustment with tax effect accounting (first half, 1.5-2.0B yen)

(Unit: Millions of yen)	Fiscal Year 2023	Fiscal Year 2024	Year-over-Year (amount)	Year-over-Year (ratio)
Net sales	114,850	110,000	-4,850	-4.2%
Operating profit (Sales ratio)	6,519 (5.7%)	5,500 (5.0%)	-1,019	-15.6%
Ordinary profit (Sales ratio)	8,169 (7.1%)	6,500 (5.9%)	-1,669	-20.4%
Profit attributable to owners of parent (Sales ratio)	6,238 (5.4%)	3,500 (3.2%)	-2,738	-43.9%
R&D expenses (Sales ratio)	5,987 (5.2%)	6,600 (6.0%)	+612	+10.2%
Capital investment (Sales ratio)	3,350 (2.9%)	4,500 (4.1%)	+1,150	+34.3%
Depreciation expenses (Sales ratio)	3,413 (3.0%)	3,500 (3.2%)	+87	+2.5%
(Unit: Yen, annual average exchange rate)				
1 USD	140	135	-5	-3.8%
1 EUR	152	145	-7	-4.8%

Dividend Forecast based on 30% Payout Ratio policy

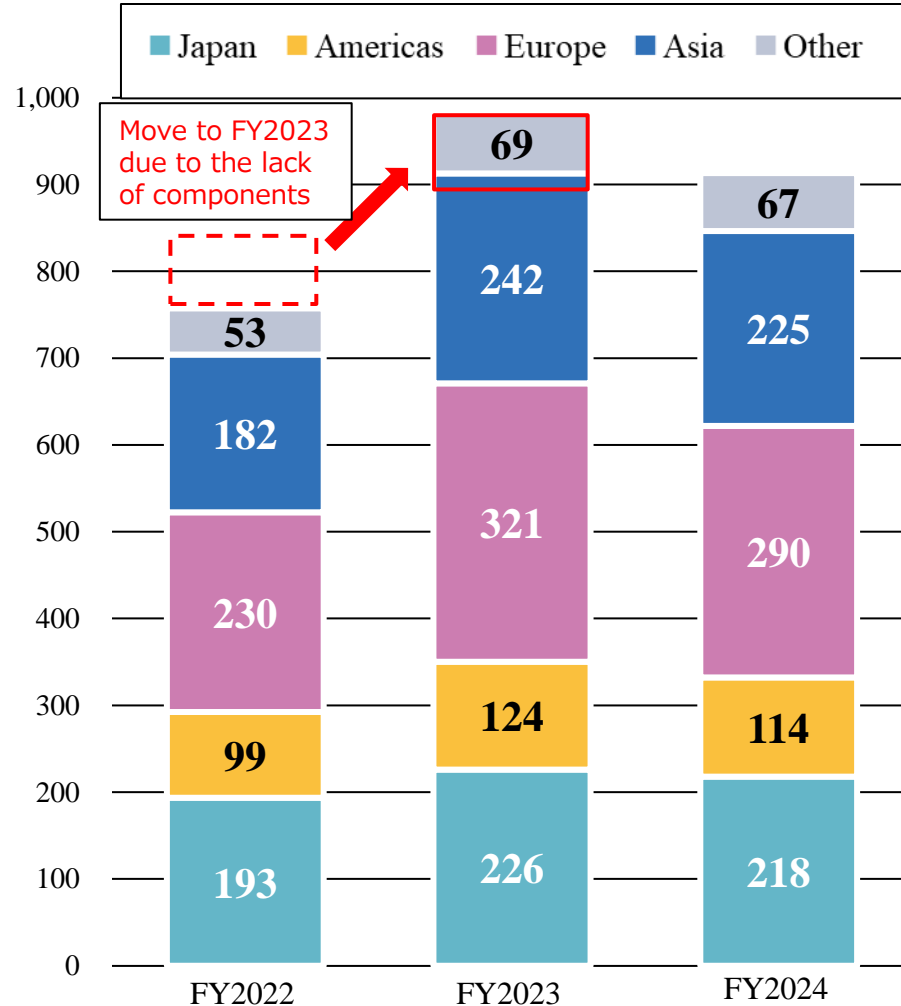
(Unit: Yen)

	2nd Quarter	End of Term	Full Year	Payout ratio
FY 2022	10	15	25	58.5%
FY 2023	20	40	60	30.4%
FY 2024 Forecast	10	25	35	31.6%

“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business

Net Sales **913** 100M

Segment Profit **50.0** 100M yen

- Increase in sales in FY2023 due to the improvement in lack of components from FY2022
- Continued high demand for FY2024
- Less impact of components cost Increase

◆ **Japan:** Net sales **218** 100M

- Steady sales for Merchant newbuild projects

◆ **Americas:** Net sales **114** 100M yen

- Steady sales for large Pleasure boats

◆ **Europe:** Net sales **290** 100M yen

- Steady sales for Merchant retrofit demands

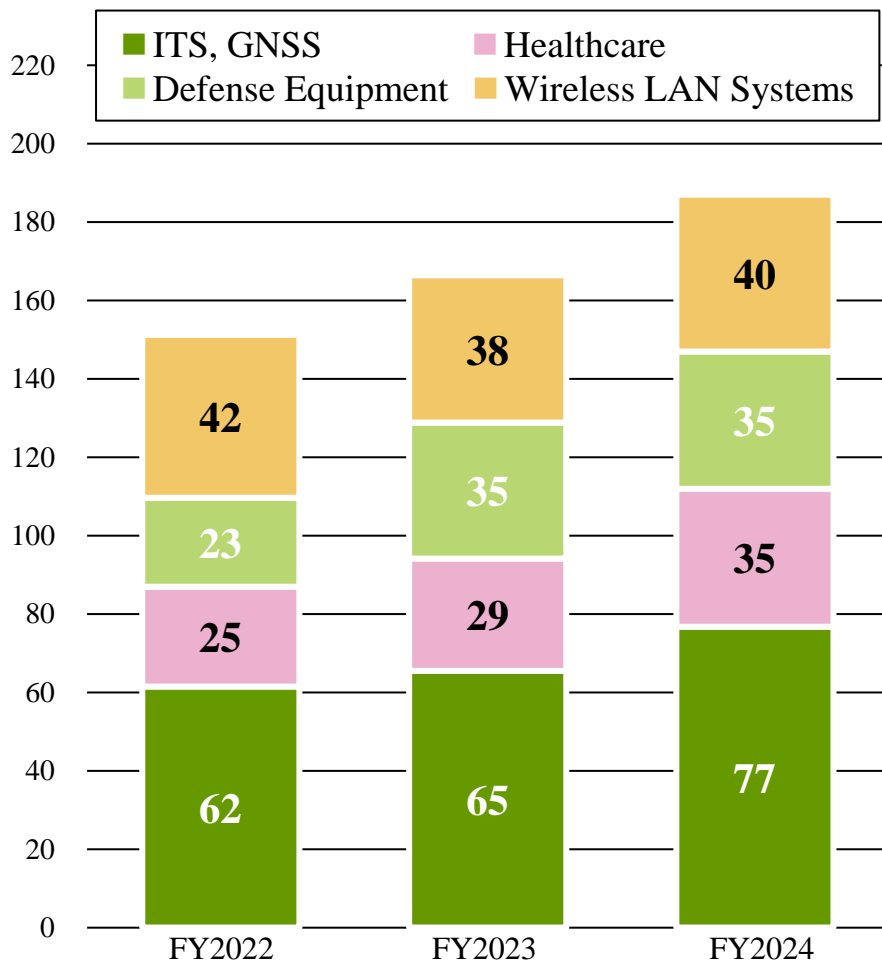
◆ **Asia:** Net sales **225** 100M yen

- Steady sales for Merchant newbuild projects in China and Korea

“100M” stands for 100 Million

Industrial Business Consolidated Sales (by Product)

(Unit: 100 Millions of Yen)



Industrial Business

Net Sales **147** 100M yen

Segment Profit **3.0** 100M yen

◆ **ITS, GNSS:** Net sales **77** 100M yen

➤ Increase in sales for GNSS products

◆ **Healthcare:** Net sales **35** 100M yen

➤ Increase in sales for clinical chemistry analyzers

◆ **Defense Equipment:** Net sales **35** 100M

➤ Steady sales and development projects

Wireless LAN Systems

Net Sales **40** 100M yen

Segment Profit **2.0** 100M yen

● **Improvement in sales for wireless LAN access point in the education market**

Topics

FURUNO has received approval from LiMA to use HermAce as a tool for remote VDR APT

HermAce which was developed by FURUNO uses a Digital Twin (a virtual replica) of bridge equipment based on data streamed directly from the vessel that offers live identification and diagnosis of problems.

Each year a Voyage Data Recorder (VDR) requires an Annual Performance Test (APT) by a qualified engineer, who must visit the vessel to check the operation and record of voyage information. However, for vessels equipped with HermAce, VDR data can be extracted remotely. Herewith, cost saving is expected to be achieved by reducing the time for prearrangement and that engineers have to spend for ship visits.

We have received approval from the Liberia Maritime Authority (LiMA) to use its remote monitoring and troubleshooting platform HermAce as an alternative for the onboard APT of the VDR. HermAce previously obtained certifications for Marshall Islands and Panama-flagged vessels under ClassNK. Now, the APT of the VDR can be conducted remotely for Liberia-flagged vessels.

Also, by using HermAce, it is possible to obtain in real-time all the detailed information remotely. Potential failures can be detected and notified immediately, pursuing the idea of preventive and proactive maintenance for the safety and peace of mind of the navigation.

For more details about HermAce:

<https://www.furuno.com/en/merchant/hermace/>



New application for AI fish weight estimation system

We have developed new application “Aqua Scope” which integrates and displays necessary data to support fish farming operations.

AI fish weight estimation system can grasp the growth of fish by data from AI fish weight estimation camera “UC-300/600” inside a cage. Until now, fish farming has been done mainly based on experience and feeling. However, utilizing data is required to do fish farming efficiently due to rise in the price of fish meal, etc. now.

The customers who use AI fish weight estimation system can use “Aqua Scope” for free and watch fish weight/length, etc. from the application by user friendly and simple operation.



* Internet access is provided via Wi-Fi or LTE (4G) line at the customer's office. 4G requires a SIM card to be arranged by the customer.

FURUNO				日本語	2023/12/26 17:31
フルノ1生賃	フルノ2生賃	フルノ3生賃	フルノ4生賃		
2023/12/08	2023/12/06	2023/12/06	2023/11/08		
W : 5.769 Kg	W : 5.6377 Kg	W : 4.0001 Kg	W : 5.8638 Kg		
FL : 0.6605 m	FL : 0.6582 m	FL : 0.605 m	FL : 0.6561 m		
CF : 19.98	CF : 19.707	CF : 18.001	CF : 20.678		
計測尾数 : 112	計測尾数 : 99	計測尾数 : 124	計測尾数 : 93		
フルノ5生賃	フルノ6生賃	フルノ7生賃	フルノ8生賃		
2023/10/17	2023/10/03	2023/10/03	2023/06/26		
W : 4.2361 Kg	W : 3.8016 Kg	W : 3.7562 Kg	W : 4.303 Kg		
FL : 0.6079 m	FL : 0.5893 m	FL : 0.5875 m	FL : 0.595 m		
CF : 18.794	CF : 18.527	CF : 18.461	CF : 20.271		
計測尾数 : 110	計測尾数 : 121	計測尾数 : 46	計測尾数 : 132		

”Sea to the future” project

海に育てられた企業として

海を未来につなげていく。



FURUNO communicates attractive and problem of sea with children as the company which has been growing in marine market for a long time.



Talk show and workshop

We communicates attractive of sea and fish with children in talk show and workshop in Nishinomiya city with Kawachan, Fish Aficionado.



SupoGOMI world cup in Hyogo

Our two teams joined this cleanup event. We will try to solve the problem of sea with regional people/children aggressively.



Job experience program

Job experience program “Sea and Japan project” is provided by The Nippon Foundation. We cooperate this project to communicate importance of sea with children.

Certified for 6 consecutive years as a “Health and Productivity Management Organization (White 500)”

The "Excellent Corporation for Health Management System" is a system to recognize large corporations, small and medium-sized companies, and other corporations that practice particularly excellent health management based on initiatives that address local health issues and promote health as promoted by the Japan Health Council. Among the corporations certified as "Excellent Corporations for Health Management (Large Corporation Category), only the top 500 corporations in the results of the health management survey are recognized as "White 500".

Based on our management philosophy, we have been promoting efforts to raise employees' health awareness and create a workplace environment where they can continue to work with peace of mind, so that each one of our employees can work with a cheerful and active mind and body. In recognition of these health management efforts, **FURUNO has been recognized as a “Health and Productivity Management Organization (White 500)” for six consecutive years since the fiscal year 2019** in the large corporation category.



Advertisement on trains and stations in Hanshin Railway

Our corporate advertisement series “We Want You to Know FURUNO” to promote our attractiveness and familiarity

The advertisements including new version are displayed on media in the Hanshin Railway facilities which connect Hyogo and Osaka.

It has been started from January 2024 and can be found at Hanshin Nishinomiya station (the nearest station from our head office) and other stations between Osaka Umeda and Sanyo Himeji.



Sticker above train doors



Kobe Sannomiya station*



Hanshin Umeda station*

*for illustration purposes only

Appendix: FURUNO's Business Outline

Since commercializing the **world's first Fish Finder** in 1948, FURUNO has supplied many types of products for the marine electronics market. By using its exclusive knowledge of ultrasonic and electronics technologies, FURUNO has developed a wide array of products that have been world firsts and Japan firsts.

As of February 29, 2024



Nishinomiya Headquarter



New R&D Building SOUTH WING

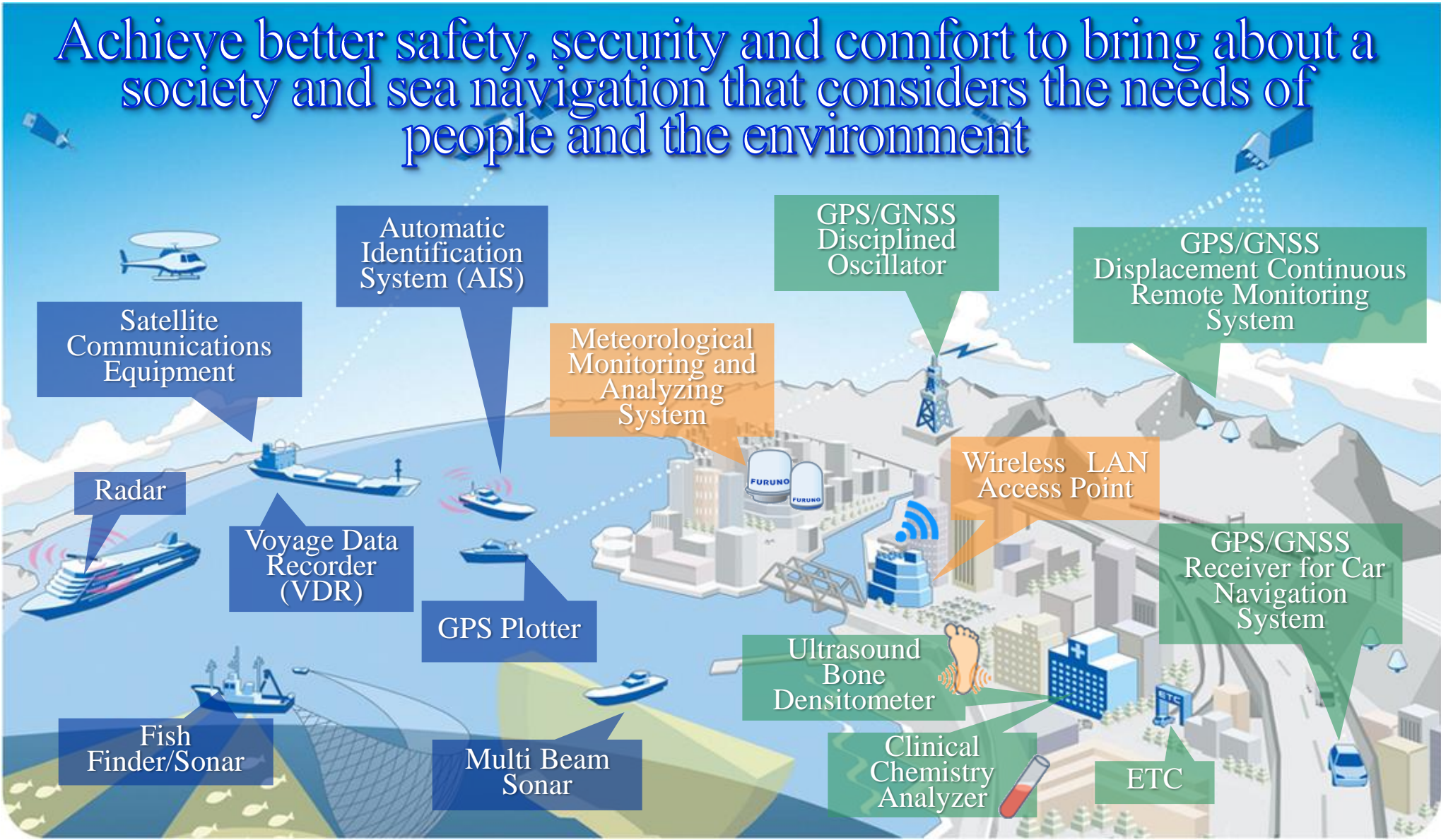
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	3,356 (consolidated)
Consolidated Sales	¥114,850 million
President	Yukio Furuno
Stock Exchange Listing	Tokyo Stock Exchange, Prime Section

Investor Relations: <http://www.furuno.co.jp/en/ir/>

Products Site: <http://www.furuno.com/en/>

Corporate Movie: <http://www.furuno.com/special/en/corporatemovie/>

Achieve better safety, security and comfort to bring about a society and sea navigation that considers the needs of people and the environment



Appendix: FURUNO's Marine Business



For Merchant Vessels



Radar



ECDIS
(Electronic Chart Display and Information System)



Satellite Communications Equipment

For Fishing Vessels



Sonar



Fish Finder



Current Indicator

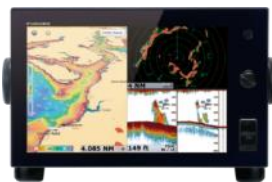


Radiotelephone

For Pleasure Boats



Radar



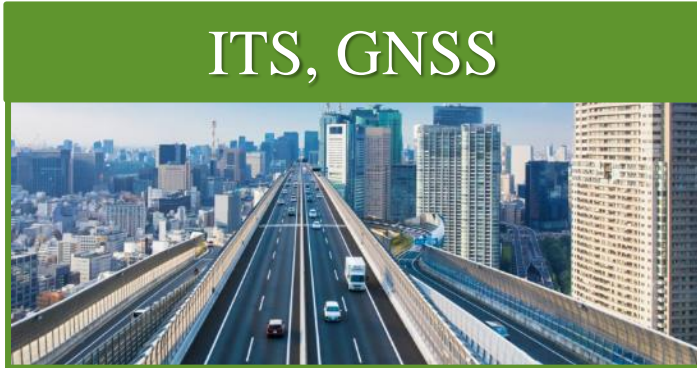
Multi-Function Display



GPS/WAAS
Chart Plotter



Autopilot



ETC2.0 / ETC *



ETC, Vehicle Management Solution*



GPS / GNSS Chips & Modules



Clinical Chemistry Analyzer & Reagent



Ultrasound Bone Densitometer



Wireless LAN Access Point*



Wireless Handheld Terminal*

