



This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 9, 2026

Company Name: FURUNO ELECTRIC CO., LTD.

Representative: Yukio Furuno, President and CEO

(Code: 6814 Tokyo Stock Exchange Prime Market)

Contact: Yutaka Wada, Director, Managing Executive Officer, and CFO

(Telephone: +81-7-9863-1017)

Action to Implement Management that is Conscious of Cost of Capital and Stock Price (Updates)

FURUNO ELECTRIC CO., LTD. (hereinafter “the Company”) hereby announces that it has analyzed and evaluated the current status of the “Action to Implement Management that is Conscious of Cost of Capital and Stock Price,” and decided on its future actions at the board meeting on April 9, 2026.

1. Current Status Analysis

In comparison to the Company’s recognized shareholder capital cost of approximately 10% (*1), its Return on Equity (ROE) (*2) has significantly exceeded this level as a result of measures to improve profitability, thereby contributing to an improvement in the Price to Book Ratio (PBR). In addition, while there remains further room for improvement in the Price to Earnings Ratio (PER), it has recovered substantially from the previous fiscal year. Going forward, the Company will continue to promote initiatives based on the policy described in the following section, aiming not only for further enhancement of ROE but also for further improvement in PER.

		Fiscal year 2021	Fiscal year 2022	Fiscal year 2023	Fiscal year 2024	Fiscal year 2025
PBR	X	0.7	0.6	1.2	1.0	2.8
ROE	%	6.0	2.7	11.0	17.2	20.7
PER	X	11.6	22.7	11.5	6.2	15.0
Stock Price (End of Period)	¥	1,032	971	2,268	2,234	7,930
Net Asset Value Per Share	¥	1,518.0	1,651.0	1,932.3	2,284.5	2826.6
Earnings Per Share (EPS)	¥	89.2	42.7	197.6	362.6	529.5
Dividend Per Share (DPS)	¥	40	25	60	110	160
Dividend Payout Ratio	%	44.8	58.5	30.4	30.3	30.2
Revenue	¥ 1M	84,783	91,325	114,850	126,953	140,616
Operating Profit	¥ 1M	2,532	1,523	6,519	13,181	16,246
Operating Profit Margin	%	3.0	1.7	5.7	10.4	11.6
Net Income	¥ 1M	2,814	1,348	6,238	11,457	16,735
Net Profit Margin	%	3.3	1.5	5.4	9.0	11.9
Shareholders' Equity	¥ 1M	47,880	52,113	61,041	72,186	89,345
Equity Ratio	%	55.7	49.0	53.4	58.4	63.2
ROIC	%	3.3	1.3	6.9	12.7	15.5

*1: CAPM (Risk-Free Rate + $\beta \times$ Market Risk Premium) Reference Value

*2: ROE = Net Income / Shareholders' Equity (Average of Current and Previous Period End)

*3 ROIC = Operating Profit \times (1 – Effective Tax Rate) / Invested Capital (Average of Current and Previous Period End). The effective tax rates used in the calculation of *2 and *3 reflect actual tax rates after taking into account the effects of tax accounting.

2. Initiatives and Policy

1) Execution of the Medium-Term Management Plan (the “Medium-Term Plan”)

In February 2026, the Company formulated a new Medium-Term Plan covering the three fiscal years from the year ending February 2027 to the year ending February 2029. This plan is positioned as a “three-year period to invest the strength gained from record-high performance into future growth and to build a growth foundation through proactive investment,” with the aim of transforming the business structure into one that is less susceptible to market fluctuations. In addition, to achieve sustainable growth, the Company will actively invest in management resources, particularly in human capital. In the final year of the plan, the fiscal year ending February 2029, the Company aims to achieve consolidated net sales of ¥150.0 billion, an operating profit margin of 10% or higher, ROE and ROIC of 10% or higher, and to establish a management foundation capable of stably realizing a total shareholder return ratio equivalent to 40%. Through the execution of these initiatives, the Company seeks to enhance its “earnings growth potential for the future,” and to realize sustainable growth in net income, which is the primary source of ROE, over the period of the Medium-Term Plan and beyond over the long term.

Main Initiatives:

■ Securing Profitability

The Company will further enhance productivity and strengthen its earnings base that supports proactive investment by improving gross profit margins, optimizing the effective use of selling, general and administrative expenses, and rebuilding business processes. In addition, the Company will promote business portfolio management with an emphasis on ROIC, aiming to improve capital efficiency.

■ Further Expansion of Sales Scale

In the Marine business, the Company aims to increase its market share in replacement demand in the commercial vessel market and further expand its maintenance and service business on a global basis. The Company will also promote the launch of strategic products for the pleasure boat market and strengthen investment in the workboat market. In the Industrial business, the Company aims to further expand the global deployment of its time synchronization business and strengthen production systems and expand sales in the defense equipment business. In addition, the Company will pursue further growth by expanding its data services business, accelerating technological innovation through the establishment of a new AI Promotion Division, and creating new businesses by aggregating knowledge through initiatives that go beyond the boundaries of existing businesses.

■ Strengthening Sustainable Management

The Company will promote human capital management based on its new human resources vision, strengthen recruitment of DX and global talent, and actively invest in human resources. In addition, the Company will advance capital expenditure initiatives such as strengthening production systems in line with sales growth and promoting smart factory projects. Alongside infrastructure investments, including the renewal of aging facilities to improve the working environment, the Company will strengthen its management foundation through more advanced management based on ROIC-oriented management and enhanced risk management, including business continuity planning (BCP), thereby achieving sustainable growth.

2) Enhancement of Capital Efficiency

The Company places importance on securing capital efficiency that exceeds its cost of shareholder capital and has set ROE and ROIC of 10% or higher as quantitative targets in its Medium-Term Plan. To achieve these targets, the Company has clarified growth investment areas within the cash allocation framework presented in the plan and aims to enhance capital profitability through strategic investments in priority areas such as autonomous navigation technologies, DX, and service businesses. In addition, the Company will continue management practices that contribute to improving ROIC through the optimization of working capital. In particular, with regard to inventories, which remain at a high level, the Company will strive to maintain appropriate levels in line with demand trends. Furthermore, from the perspective of optimizing the balance between shareholder returns and growth investments, the Company has clearly stated its stance of flexibly considering share repurchases, taking into account its financial condition and market environment.

3) Further Enhancement of Investor Relations (IR) Activities

The Company is strengthening its IR activities to deepen shareholders' and investors' understanding of its business and growth strategy, thereby contributing to a reduction in the cost of shareholder capital and appropriate market valuation. In the previous fiscal year, the number of opportunities for dialogue with investors increased significantly, and through proactive overseas IR activities and factory tours for shareholders and investors, the Company believes that understanding of its business has deepened, contributing to an improvement in its PER. In addition, coverage by new sell-side analysts has expanded. Going forward, the Company will further deepen investor understanding of the new Medium-Term Plan, while continuing proactive information disclosure and constructive dialogue to enhance communication with investors. Feedback obtained through these dialogues will be shared with management and utilized to support sustainable growth and corporate value enhancement. Furthermore, the Company will continue efforts to expand sell-side analyst coverage, thereby fostering an environment in which a broader range of objective evaluations of the Company is available.