

3rd Quarter of FY 2/2021

## Financial Results Briefing Materials

January 14, 2021

### **FURUNO ELECTRIC CO., LTD.**

#### **Points to Note:**

This document is a translation of the Japanese original. The Japanese original is authoritative.

The information listed in these materials the Company's future prospects as 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.

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

\*\* "3Q" or "3rd Quarter" in this material represents the three-month period beginning on September 1 and ending on November 30.

## ◆ **Performance: Decrease in sales, increase in profit**

The Marine Business and the Industrial Business, still on their way to recovery from the impact of COVID-19, saw a decline in sales and profit, while the Wireless LAN Systems saw a significant rise in both sales and profit.

As a result, the overall sales decreased, while the overall profit increased.

## ◆ **Full-year earnings forecast: Upward revision**

Based on actual results in the 3rd quarter, we have revised upwards the profit figures announced on October 14, 2020. We have left the annual dividend forecast as is.

# FY 2/2021 3rd Quarterly Results Highlights

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Unit: Millions of Yen	FY 2/2020 3rd Quarter	FY 2/2021 3rd Quarter	Year-over-year ( amount )	Year-over-year ( ratio )
<b>Net sales</b>	<b>62,582</b>	<b>60,418</b>	-2,164	-3.5%
<b>Gross profit</b> ( Sales ratio )	<b>22,434</b> ( 35.8% )	<b>23,043</b> ( 38.1% )	+609 ( +2.3 )	+2.7%
<b>Operating income</b> ( Sales ratio )	<b>2,928</b> ( 4.7% )	<b>3,347</b> ( 5.5% )	+419 ( +0.8 )	+14.3%
<b>Ordinary income</b> ( Sales ratio )	<b>3,062</b> ( 4.9% )	<b>3,625</b> ( 6.0% )	+563 ( +1.1 )	+18.4%
<b>Profit attributable to owners of parent</b> ( Sales ratio )	<b>2,576</b> ( 4.1% )	<b>2,738</b> ( 4.5% )	+162 ( +0.4 )	+6.3%
<b>R&amp;D expenses</b> ( Sales ratio )	<b>3,176</b> ( 5.1% )	<b>3,686</b> ( 6.1% )	+510 ( +1.0 )	+16.1%
<b>Capital investment expenses</b> ( Sales ratio )	<b>2,241</b> ( 3.6% )	<b>2,368</b> ( 3.9% )	+127 ( +0.3 )	+5.7%
<b>Depreciation expenses</b> ( Sales ratio )	<b>2,358</b> ( 3.8% )	<b>2,329</b> ( 3.9% )	-28 ( +0.1 )	-1.2%

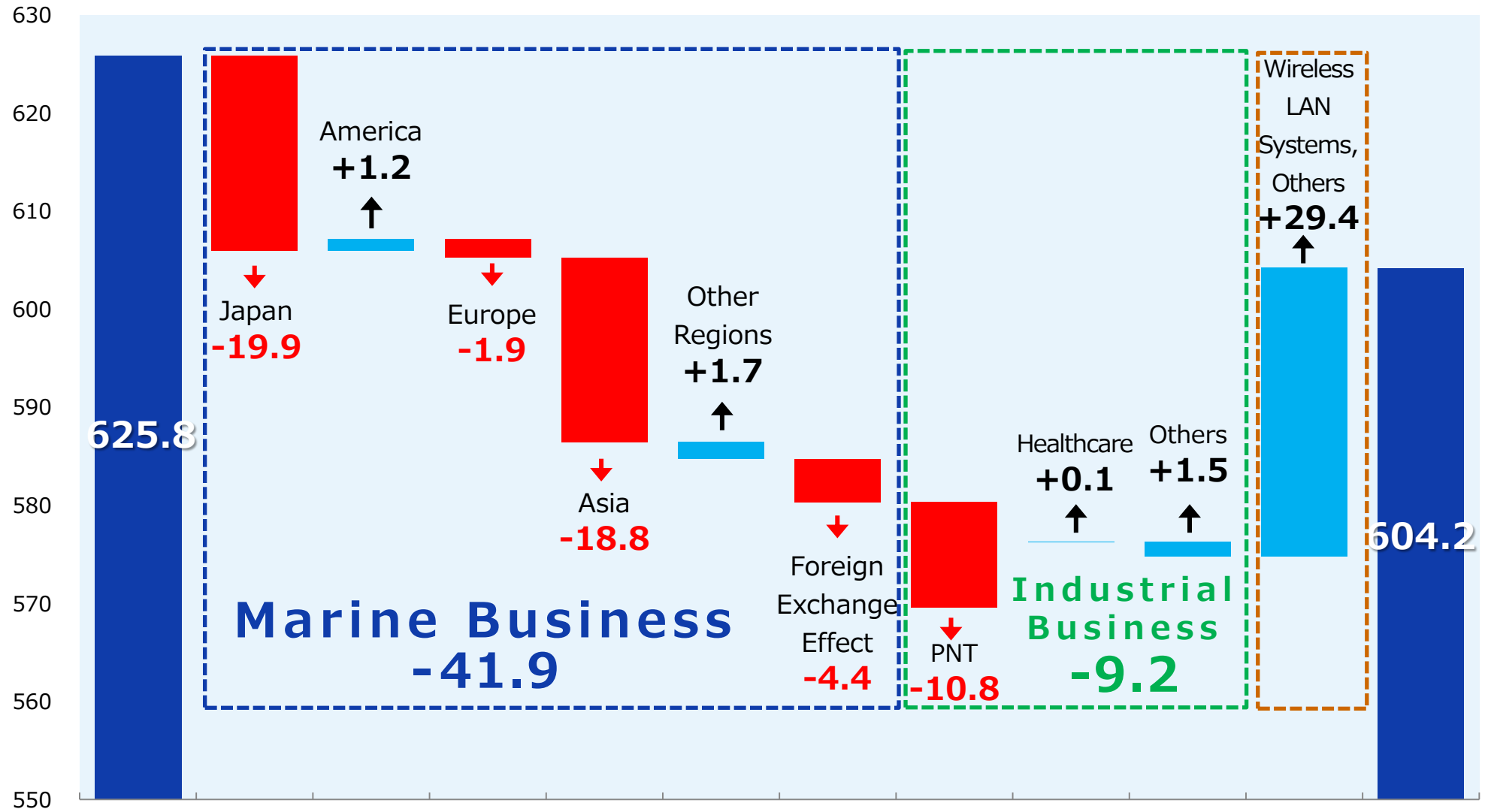
Unit: Yen, annual average exchange rate

<b>1USD</b>	110	108	-2	-1.9%
<b>1EUR</b>	123	121	-2	-1.3%

# Analysis of Increase/Decrease in Net Sales



(Unit: 100 Millions of Yen)



FY 2/2020  
3rd Quarter

FY 2/2021  
3rd Quarter

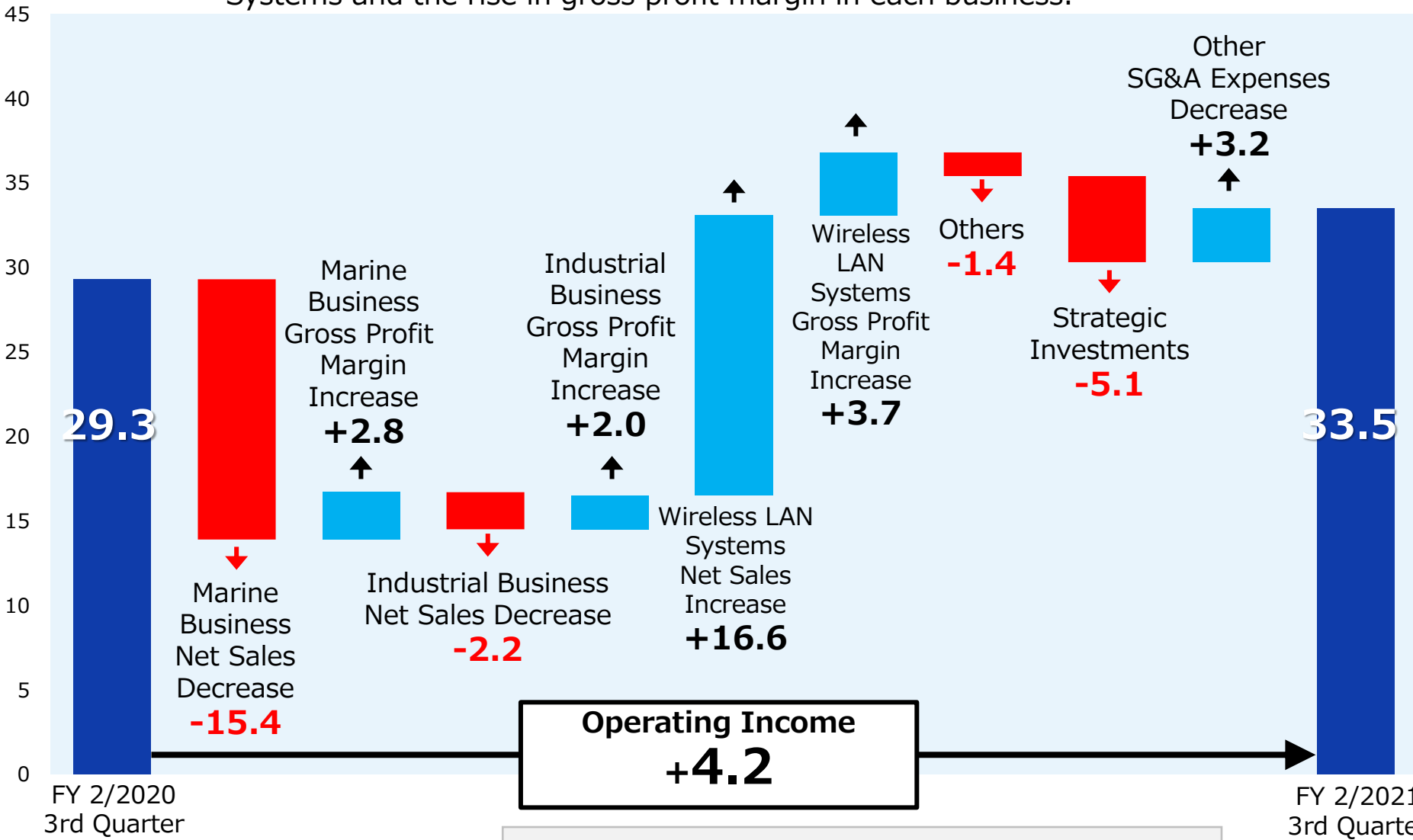
\*Exchange Rate Sensitivity (actual results as of February 29, 2020)  
 [USD] Net sales 1.1 100M yen , Operating income 0.5 100M yen  
 [Euro] Net sales 1.6 100M yen , Operating income 0.7 100M yen

# Analysis of Increase/Decrease in Operating income



The fall in sales in the Marine Business and the decline in profits associated with strategic investments and other factors were covered by the rise in revenue in Wireless LAN Systems and the rise in gross profit margin in each business.

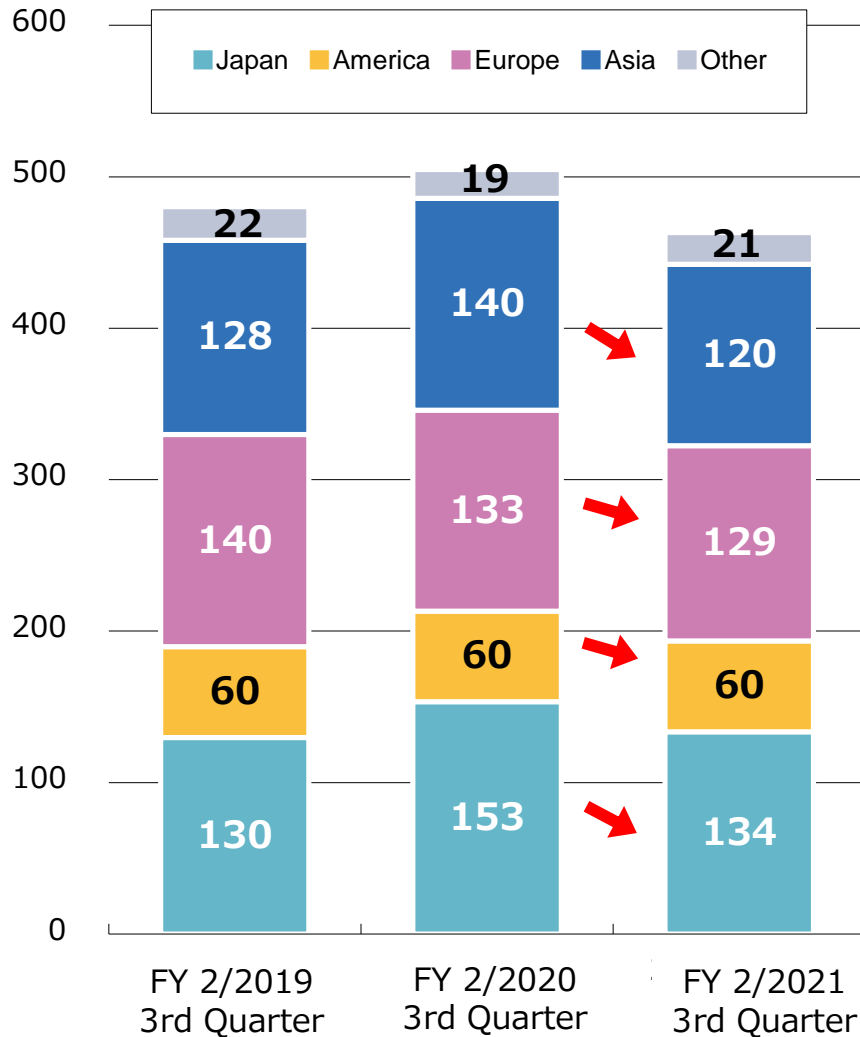
(Unit: 100 millions of Yen)



※ Foreign exchange impact on operating income: -2.0 100M yen

## Net sales by Marine Business / Sales by Region

(Unit: 100 Millions of Yen)



"100M" in this material indicates 100 Million

## Marine Business :

Net Sales **462** 100M yen (-8.3% year on year)

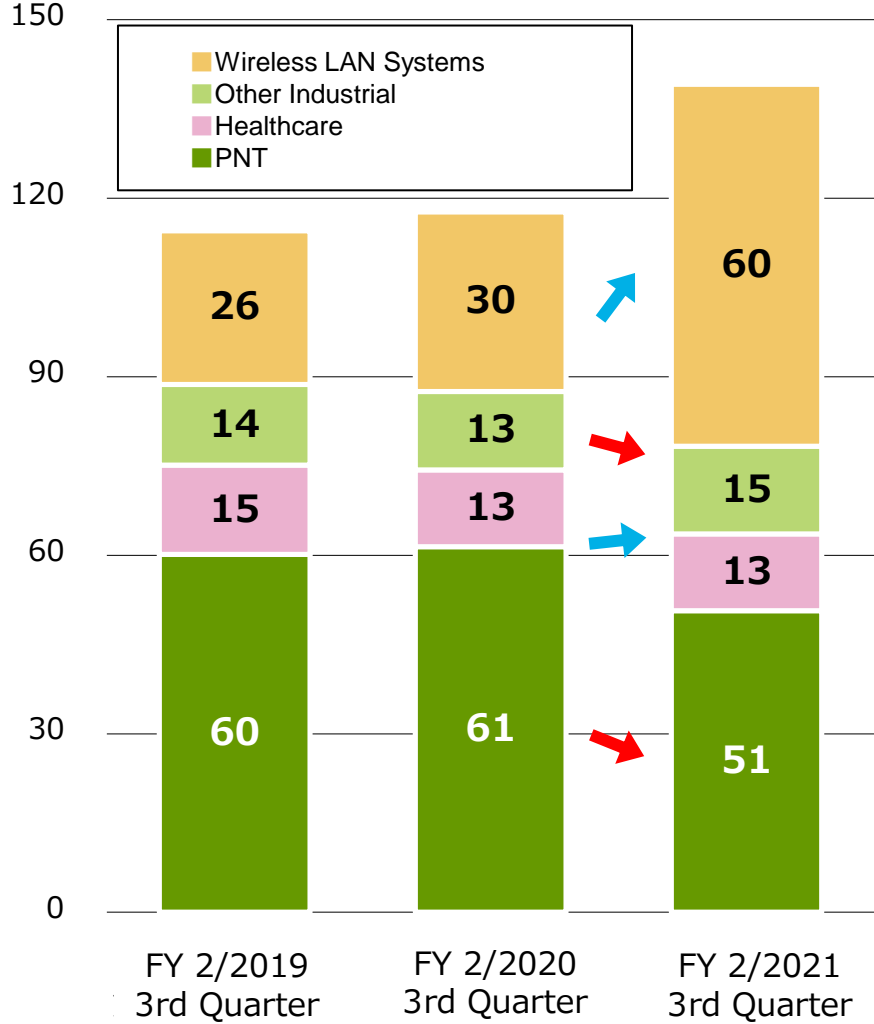
Segment Profit **7.7** 100M yen (-11.1 100M yen)

⇒ The fall in profit due to the fall in sales in Japan and Asia continues to slowly recover

- ◆ Japan: Net sales **134** 100M yen (-13.0%)
  - The fall in sales due to COVID-19 continues to recover
- ◆ America: Net sales **60** 100M yen (+0.4%)
  - The impact of COVID-19 was limited, and performance remains at previous quarter's levels
- ◆ Europe: Net sales **129** 100M yen (-2.8%)
  - The fall in sales due to COVID-19 and the impact of the foreign exchange continues to recover
- ◆ Asia: net sales **120** 100M yen (-14.5%)
  - The fall in sales due to COVID-19 continues to recover

## Net sales by Industrial Business & Wireless LAN Access Point/ Sales by Products

(Unit: 100 Millions of Yen)



### Industrial Business:

Net Sales **78** 100M yen (-10.5% year on year)

Segment Profit **2.7** 100M yen (-0.7 100M yen)

- ⇒ PNT Business recorded to a smaller fall in sales for ETC on-board devices, due to factors such as the easing of long-distance travel restrictions
- ⇒ Healthcare recorded strong sales for clinical chemistry analyzers

◆ PNT Business: Net Sales **51** 100M yen (-17.5%)

◆ Healthcare: Net Sales **13** 100M yen (+0.3%)

### Wireless LAN Systems:

Net Sales **60** 100M yen (+101.6% year on year)

Segment Profit **22.4** 100M yen (+16.4 100M yen)

- ⇒ Wireless LAN Access Point sales grew substantially in the educational market, where the Global and Innovation Gateway for All (GIGA) school project is being promoted
- ⇒ Substantial rise in both revenue and profit

# Full year earnings forecast and dividend forecast of FY 2/2021

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Based on the cumulative actual results for the 3rd quarter, we have revised upwards our previous forecasts (announced on October 14, 2020)

(Unit: 100 Millions of Yen)	FY 2/2021 Last forecast	FY 2/2021 Forecast this time	Increase/ Decrease ( amount)	Increase/ Decrease ( ratio)
<b>Net sales</b>	<b>82,000</b>	<b>82,000</b>	±0	-
<b>Operating income</b> ( Sales ratio )	<b>3,000</b> ( 3.6% )	<b>3,500</b> ( 4.3% )	+500 ( +0.7 )	+16.7%
<b>Ordinary income</b> ( Sales ratio )	<b>3,500</b> ( 4.2% )	<b>4,000</b> ( 4.9% )	+500 ( 0.7 )	+14.3%
<b>Profit attributable to owners of parent</b> ( Sales ratio )	<b>3,000</b> ( 3.6% )	<b>3,500</b> ( 4.3% )	+500 ( +0.7 )	+16.7%

The dividend forecast is left unchanged

(Unit: Yen)	End of 2nd Quarter	Year end	Year round	Consolidated payout ratio
<b>FY 2/2020</b>	<b>10</b>	<b>10</b>	<b>20</b>	<b>30.9%</b>
<b>FY 2/2021 forecast</b>	<b>10</b>	<b>10</b>	<b>20</b>	<b>18.0%</b>



# Corporate Profile

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, 2020

<b>Company Name</b>	FURUNO ELECTRIC CO., LTD.
<b>Headquarters</b>	Nishinomiya City, Hyogo, Japan
<b>Incorporated</b>	May 23, 1951
<b>Business</b>	Manufacturing and sale of maritime and industrial electronic products
<b>Paid-in Capital</b>	¥7,534 million
<b>President</b>	Yukio Furuno

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

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