

2nd Quarter of Fiscal Year 2022 (Ending February 28, 2023)

Financial Results Briefing Materials

October 14, 2022

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.

*** "2Q" in this material represents the six-month period beginning on March 1 and ending on August 31.

◆ Net Sales: Slight Increase

- Decrease due to sales opportunities loss with production delays, but increase in overseas sales for Marine Business helped by a weak yen

◆ Gross Profit: Slight Decrease

- Slight decrease in gross profit due to soaring material prices, but minimized by increase in sales for Marine Business

◆ Operating Profit: Decrease

- Increase in SG&A expenses with investments for future growth

◆ Financial Results Forecast: Upward Revision

- Gradual improvement in availability of parts and materials and recovery trend in production activities
- Full-year operating profit unchanged due to offset between component prices increase and weak yen

Consolidated Income Statement

FURUNO

Increase in SG&A expenses with continuous investments for future growth

Old Revenue Recognition

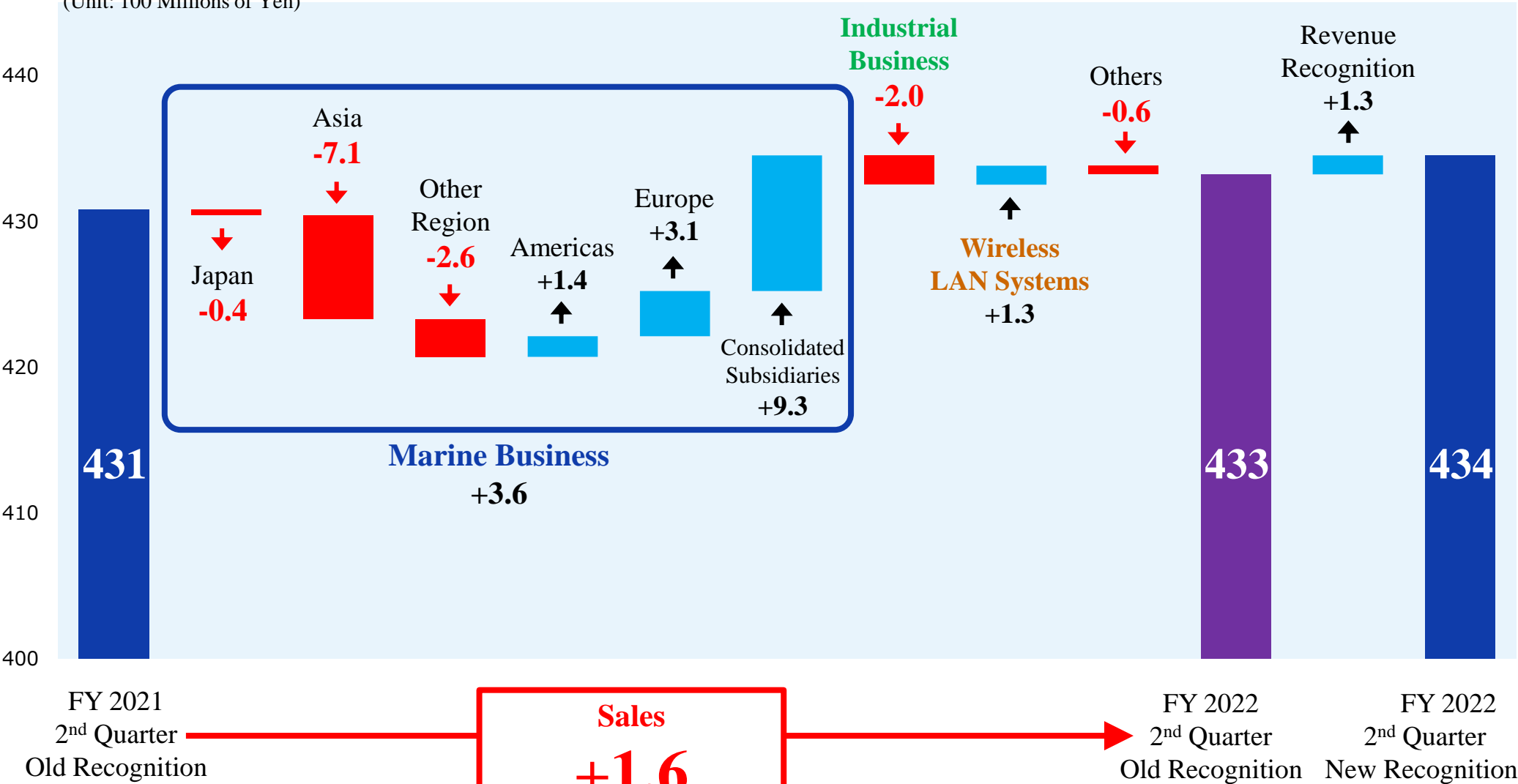
New Revenue Recognition

(Unit: Millions of yen)

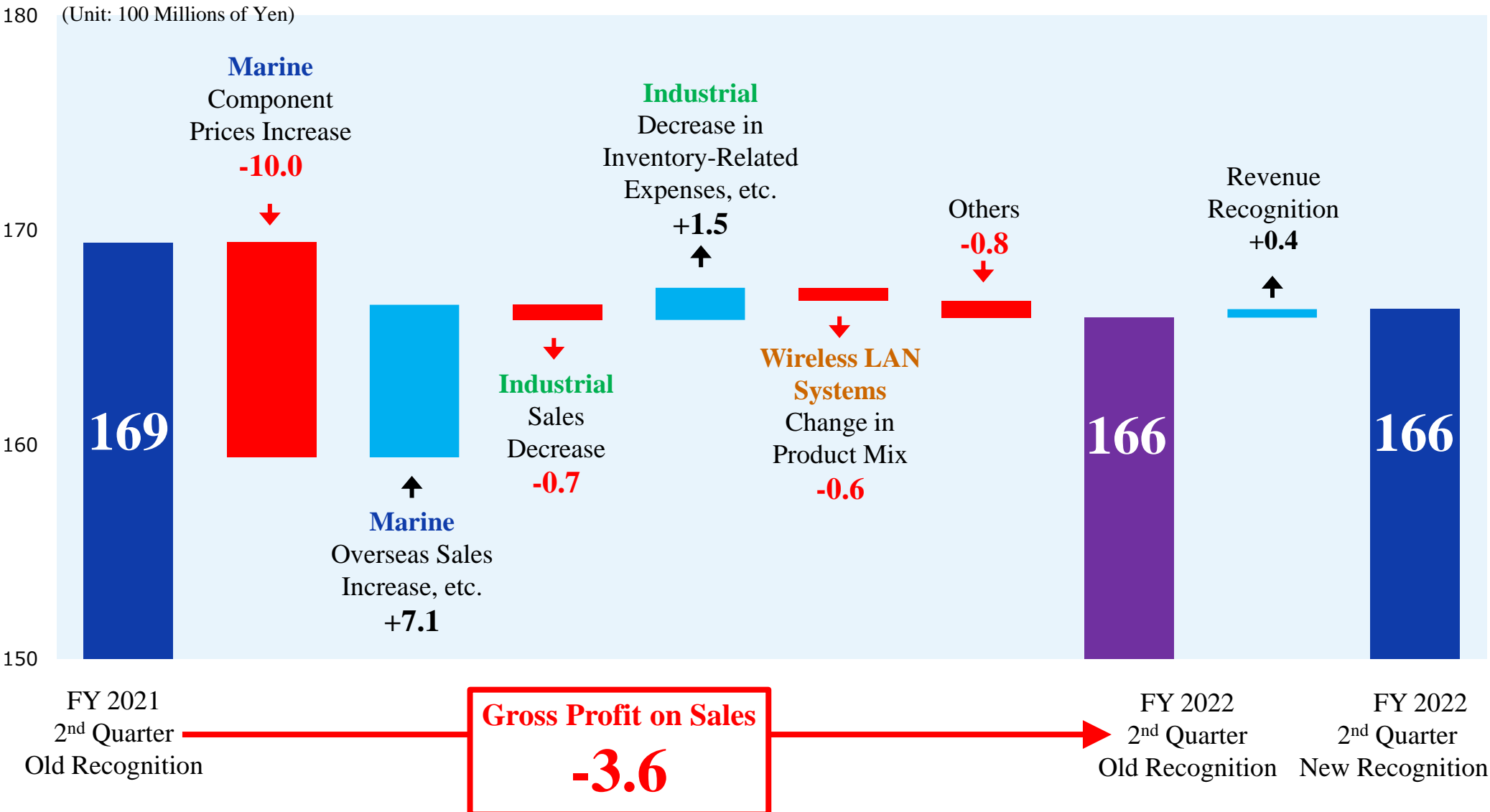
	FY 2021 2 nd Quarter	FY 2022 2 nd Quarter	Year-over-Year (amount)	Year-over-Year (ratio)	FY 2022 2 nd Quarter
Net sales	43,139	43,297	+157	+0.4%	43,425
Gross profit (Sales ratio)	16,923 (39.2%)	16,565 (38.3%)	-357	-2.1%	16,606 (38.2%)
Operating profit (Sales ratio)	2,900 (6.7%)	755 (1.7%)	-2,144	-73.9%	796 (1.8%)
Ordinary profit (Sales ratio)	3,283 (7.6%)	1,681 (3.9%)	-1,601	-48.8%	1,722 (4.0%)
Profit attributable to owners of parent (Sales ratio)	2,844 (6.6%)	1,496 (3.5%)	-1,347	-47.4%	1,537 (3.5%)
R&D expenses (Sales ratio)	2,611 (6.1%)	2,604 (6.0%)	-7	-0.3%	2,604 (6.0%)
Capital investment (Sales ratio)	2,256 (5.2%)	1,348 (3.1%)	-907	-40.2%	1,348 (3.1%)
Depreciation expenses (Sales ratio)	1,534 (3.6%)	1,514 (3.5%)	-19	-1.3%	1,514 (3.5%)
(Unit: Yen, annual average exchange rate)					
1 USD	107	120	+13	+13.1%	120
1 EUR	130	135	+5	+3.5%	135

Addition of consolidated subsidiaries and overseas sales increase in Marine Business

(Unit: 100 Millions of Yen)



Increase in component prices but increase in overseas sales, etc. in Marine Business



Continue to accelerate investments for future growth

Consolidated addition of subsidiaries for overseas R&D	+4.2
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Increase in personnel to strengthen service and R&D, etc.	+2.8
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Increase in promotion expenses (exhibitions in new fields, etc.)	+2.1
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Increase in strategic investments in new businesses, etc.	+1.4
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Foreign exchange impact on SG&A expenses	+3.4
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Increase in business-related expenses	+2.3
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Others	+1.8
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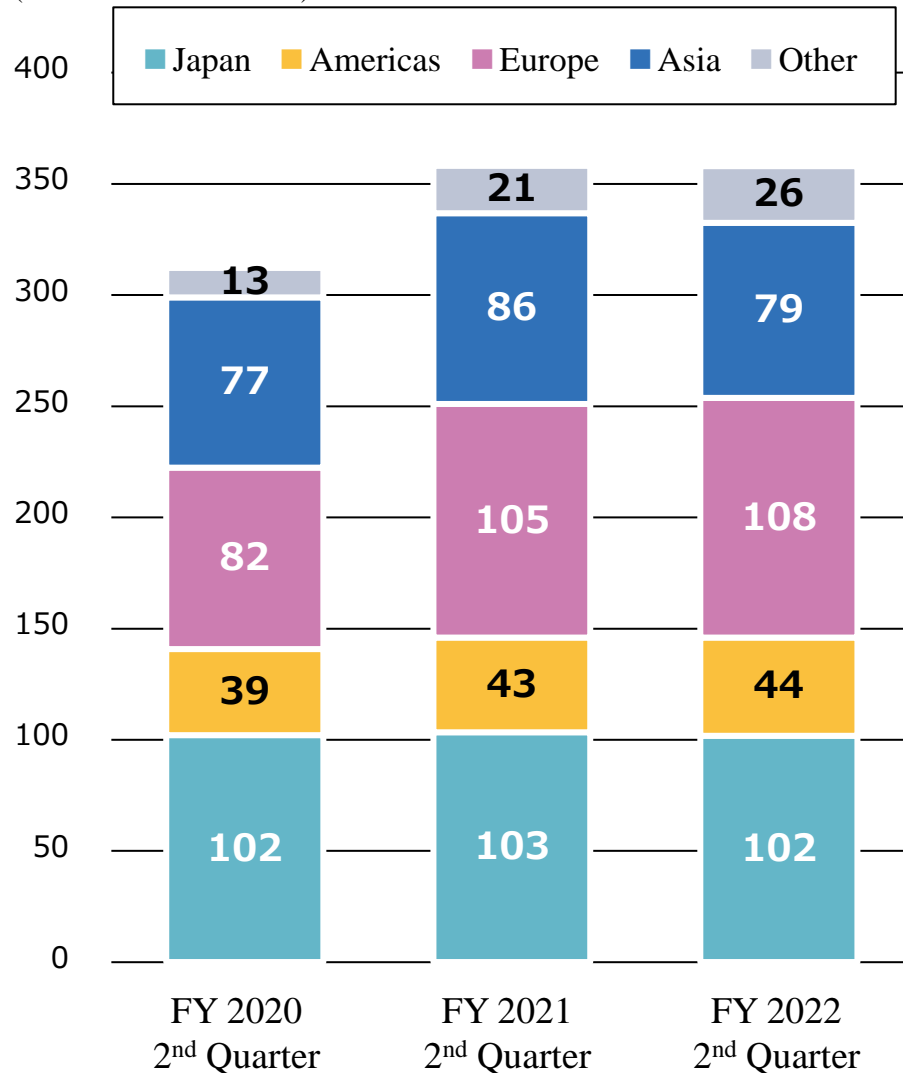
Increase in consolidated SG&A expenses

+17.9

“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business:

Change in accounting standard
Sales: -1.6, Profit: +0.8 (100M yen)

Net Sales **359** 100M yen (+**0.4%** year-over-year)

Segment Profit **9.8** 100M yen (**-17.4** 100M yen)

- Sales opportunities loss with production delays due to difficulties in obtaining parts and materials
- Increase in Europe and Americas sales with weak yen
- Decrease in profit due to increase in SG&A expenses for future growth (service, R&D, etc.)

◆ **Japan:** Net sales **102** 100M yen (**-1.5%**)

- Decrease in sales of equipment for Fishery, increase in sales to Government

◆ **Americas:** Net sales **44** 100M yen (+**3.7%**)

- High demand for equipment for pleasure boats

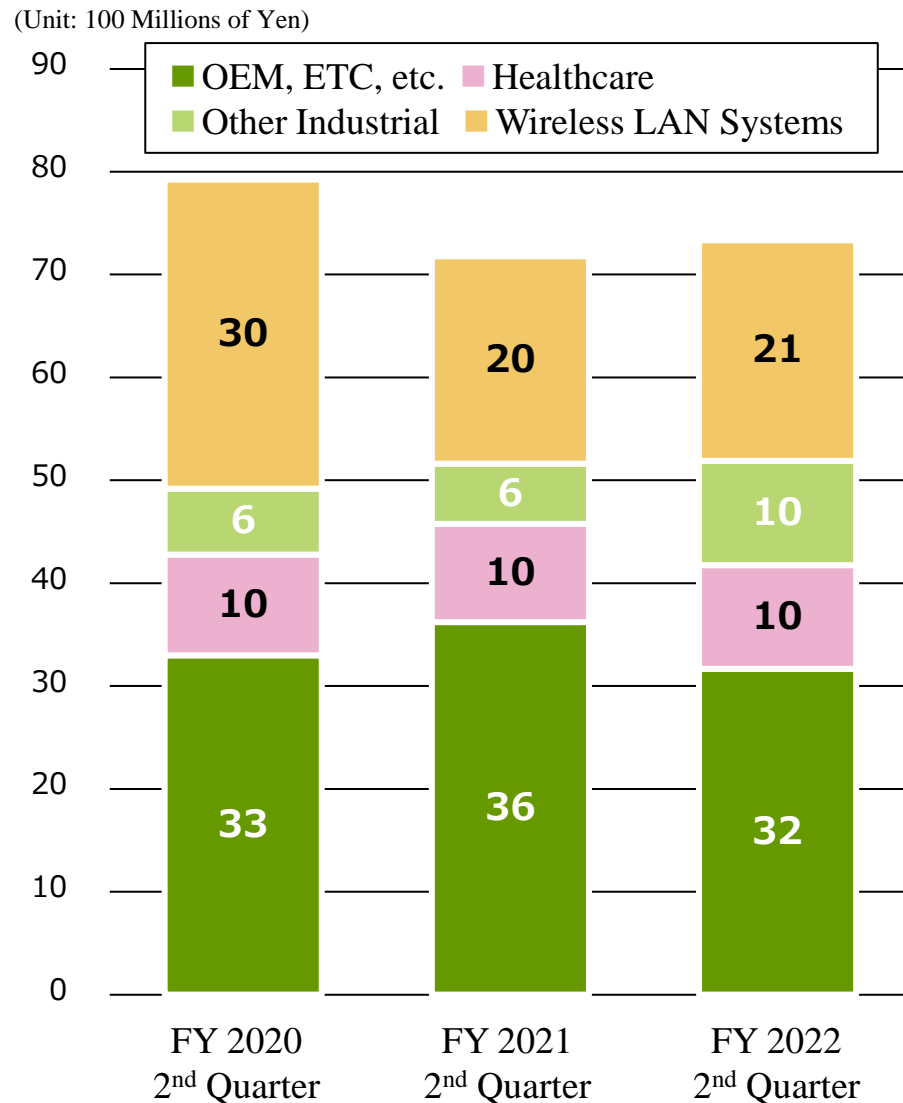
◆ **Europe:** Net sales **108** 100M yen (+**2.6%**)

- Increase in service sales, strong demand for Merchant, Fishery and Pleasure Boats

◆ **Asia:** Net sales **79** 100M yen (**-8.2%**)

- Decrease in sales of equipment for Fishery, Merchant newbuild projects recovering

Industrial Business Consolidated Sales (by Product)



“100M” stands for 100 Million

Industrial Business:

Change in accounting standard
Sales: +2.7, Profit: -0.5 (100M yen)

Net Sales **52** 100M yen (-**0.1%** year-over-year)

Segment Loss **0.4** 100M yen (+**1.0** 100M yen)

- **Decrease in sales of ETC on-board units due to decline in automobile sales**
- **Increase in sales of OEM contract products**
- **Health Care Business: Steady sales of Clinical Chemistry Analyzers and reagents**

◆ **OEM, ETC, etc.:** Net sales **32** 100M yen (-**12.6%**)

◆ **Healthcare:** Net sales **10** 100M yen (+**5.8%**)

Wireless LAN Systems:

Change in accounting standard
Sales: +0.3, Profit: +0.2 (100M yen)

Net Sales **21** 100M yen (+**6.3%** year-over-year)

Segment Profit **2.9** 100M yen (-**1.9** 100M yen)

- **Wireless LAN Access Point: Sales for replacement projects in the education market recovering**

Consolidated Financial Results Forecast for FY 2022

FURUNO

Upward revision with gradual improvement in parts availability and recovery trend in production
Operating profit unchanged with offset between prices increase and weak yen

(Unit: Millions of yen)

	FY 2021 Results	FY 2022 Previous Forecast	FY 2022 Revised Forecast
Net sales	84,783	82,000	90,000
Operating profit (Sales ratio)	2,532 (3.0%)	2,000 (2.4%)	2,000 (2.2%)
Ordinary profit (Sales ratio)	3,717 (4.4%)	2,500 (3.0%)	3,000 (3.3%)
Profit attributable to owners of parent (Sales ratio)	2,814 (3.3%)	2,000 (2.4%)	2,500 (2.8%)

Revision of dividend with revision of financial results forecast

(Unit: Millions of yen)

	2 nd Quarter	End of Term	Full Year	Payout Ratio
FY 2021	20	20	40	44.8%
FY 2022 Previous Forecast	10	10	20	31.5%
FY 2022 Revised Forecast	10	15	25	31.6%

Consolidated Balance Sheet

FURUNO

(Unit: Millions of yen)	FY 2021 FY Old Revenue Recognition	FY 2022 2Q New Revenue Recognition
Current assets	62,010	71,018
(Cash and deposits)	(14,350)	(13,175)
(Inventories)	(27,693)	(33,797)
Fixed assets	23,963	24,030
(Tangible fixed assets)	(13,400)	(13,581)
(Intangible fixed assets)	(4,276)	(4,140)
(Investments and other assets)	(6,286)	(6,307)
Total assets	85,973	95,049
Current liabilities	25,023	29,177
Long-term liabilities	13,068	13,010
Total liabilities	38,092	42,188
Shareholders' equity	48,795	50,530
Others	-914	1,989
Non-controlling interests	0	341
Total net assets	47,880	52,861
Total liabilities and net assets	85,973	95,049
Equity ratio	55.7%	55.3%

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 28, 2022



Nishinomiya Headquarter



New R&D Building SOUTH WING

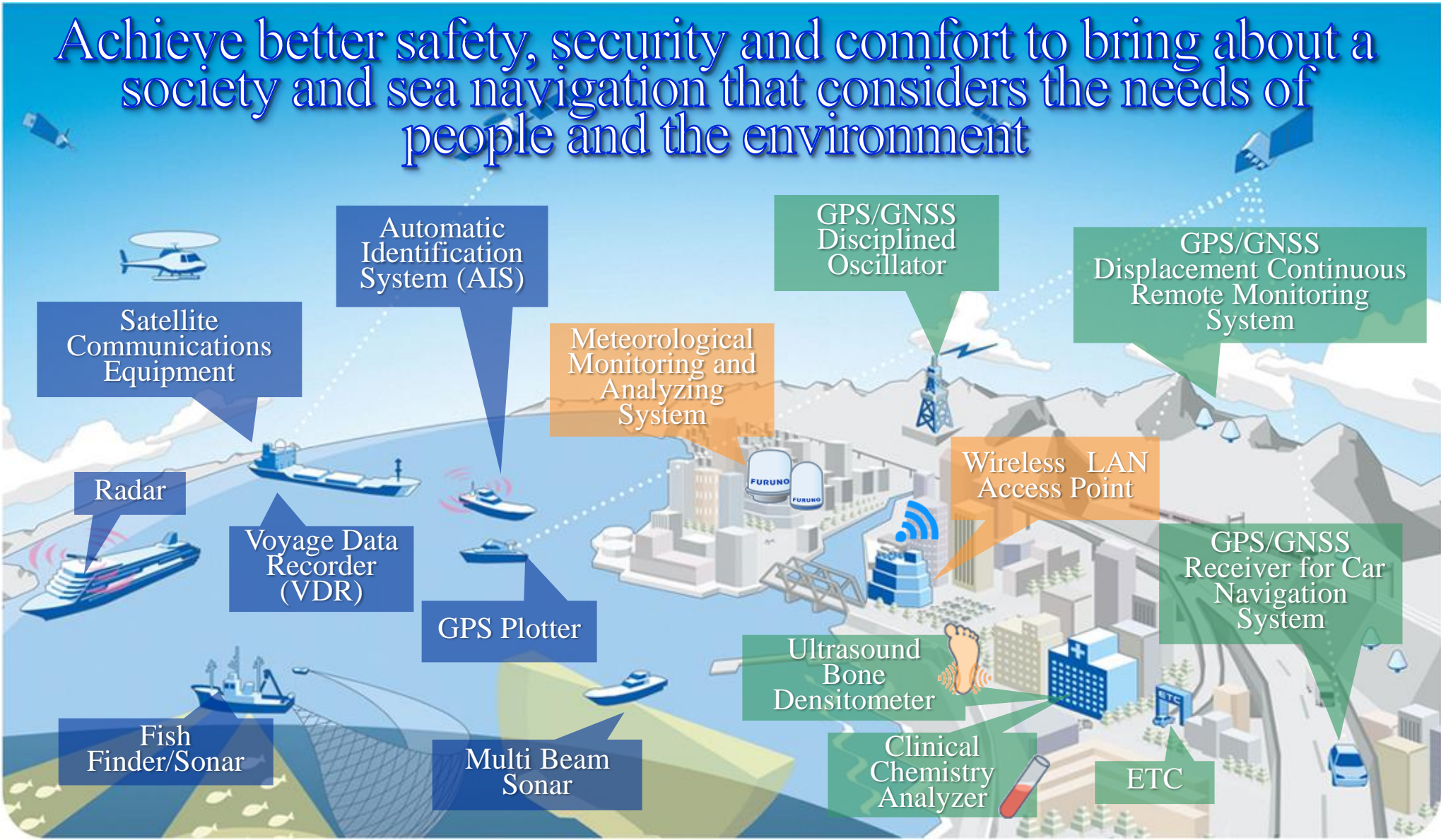
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	3,065 (consolidated)
Consolidated Sales	¥84,783 million
President	Yukio Furuno

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

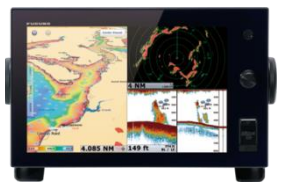


Radiotelephone

For Pleasure Boats



Radar



Multi-Function Display



GPS/WAAS
Chart Plotter



Autopilot

OEM, ETC, etc.



ETC2.0 / ETC *



ETC, Vehicle Management Solution*



GPS / GNSS Chips & Modules

Healthcare



Clinical Chemistry Analyzer & Reagent



Ultrasound Bone Densitometer

Wireless LAN Systems



Wireless LAN Access Point*



Wireless Handheld Terminal*

