

3<sup>rd</sup> Quarter of Fiscal Year 2022 (Ending February 28, 2023)

## Financial Results Briefing Materials

January 16, 2023

### **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.

\*\*\* "3Q" in this material represents the nine-month period beginning on March 1 and ending on November 30.

## ◆ Net Sales: Increase

- Increase in overseas sales, especially Europe, for Marine Business helped by a weak yen, despite sales opportunities loss with production delays

## ◆ Gross Profit: Increase

- Increase in gross profit with increase in sales for Marine Business, despite soaring components prices

## ◆ Operating Profit: Decrease

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

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

(Unit: Millions of yen)

|   | FY 2021<br>3 <sup>rd</sup> Quarter | FY 2022<br>3 <sup>rd</sup> Quarter | Year-over-Year<br>(amount) | Year-over-Year<br>(ratio) | Impact Amount* |
|---|------------------------------------|------------------------------------|----------------------------|---------------------------|----------------|
| <b>Net sales</b>  | 62,613                             | <b>64,979</b>                      | +2,366                     | +3.8%                     | <b>+500</b>    |
| <b>Gross profit</b><br>(Sales ratio)                            | 24,057<br>(38.4%)                  | <b>25,252</b><br>(38.9%)           | +1,194                     | +5.0%                     | <b>+84</b>     |
| <b>Operating profit</b><br>(Sales ratio)                        | 2,835<br>(4.5%)                    | <b>1,324</b><br>(2.0%)             | -1,510                     | -53.3%                    | <b>+84</b>     |
| <b>Ordinary profit</b><br>(Sales ratio)                         | 3,343<br>(5.3%)                    | <b>2,306</b><br>(3.6%)             | -1,036                     | -31.0%                    |                |
| <b>Profit attributable to owners of parent</b><br>(Sales ratio) | 2,270<br>(3.6%)                    | <b>1,276</b><br>(2.0%)             | -993                       | -43.8%                    |                |

\*Change in accounting standard

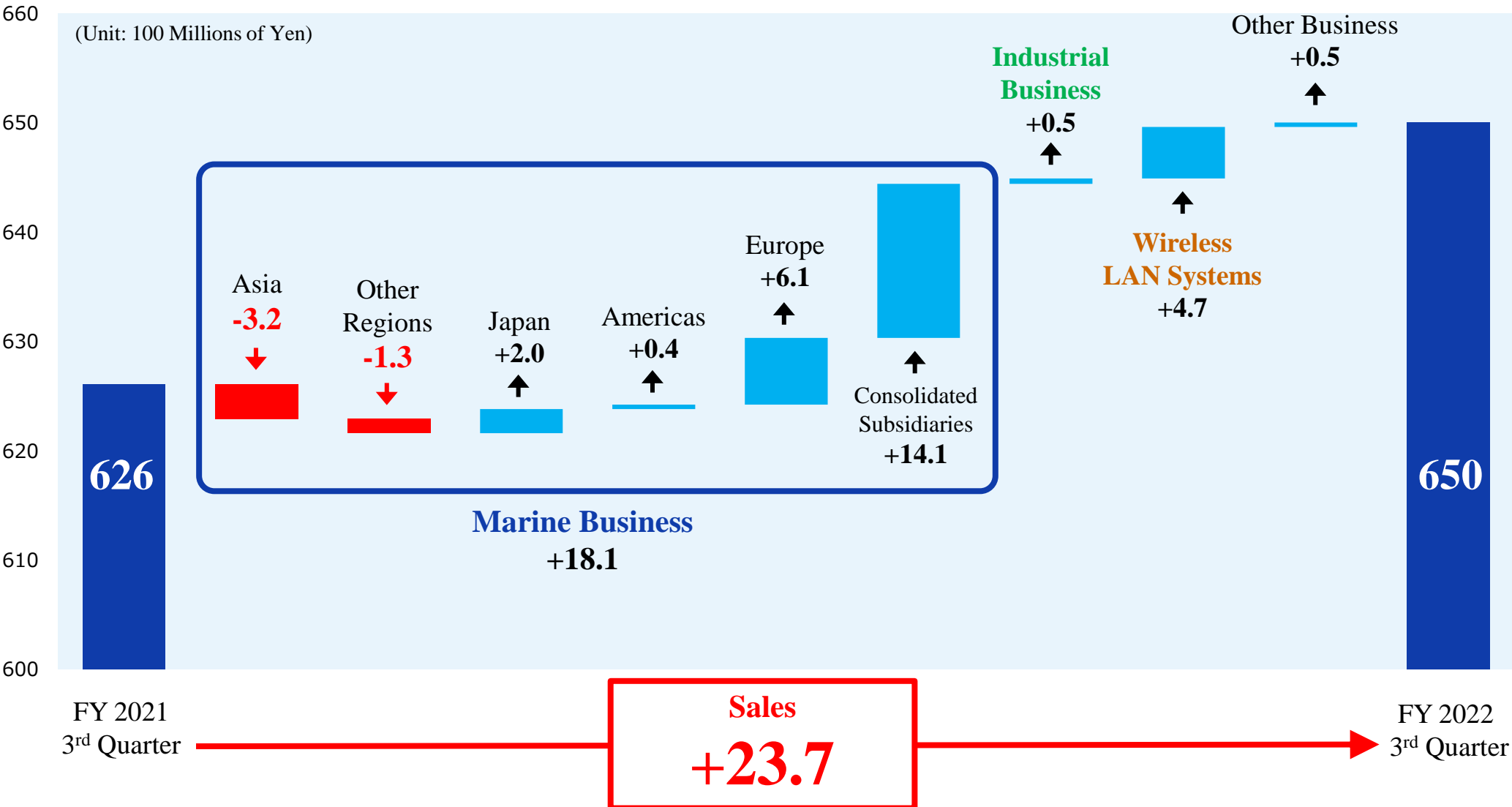
|   |                 |                        |      |        |
|---|-----------------|------------------------|------|--------|
| <b>R&amp;D expenses</b><br>(Sales ratio)      | 3,896<br>(6.2%) | <b>4,119</b><br>(6.3%) | +222 | +5.7%  |
| <b>Capital investment</b><br>(Sales ratio)    | 2,549<br>(4.1%) | <b>1,962</b><br>(3.0%) | -586 | -23.0% |
| <b>Depreciation expenses</b><br>(Sales ratio) | 2,318<br>(3.7%) | <b>2,260</b><br>(3.5%) | -58  | -2.5%  |

(Unit: Yen, annual average exchange rate)

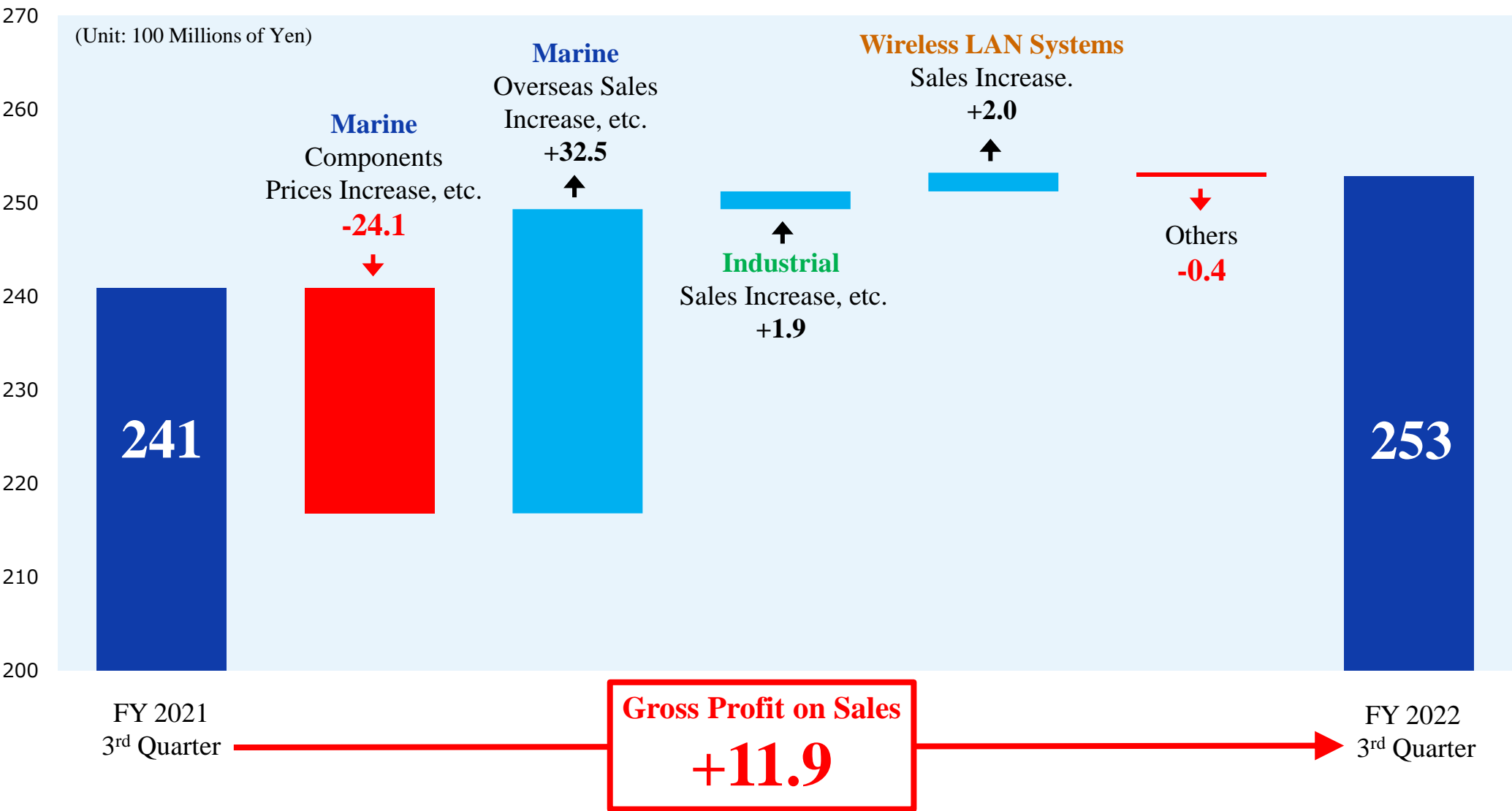
|              |     |            |     |        |
|--------------|-----|------------|-----|--------|
| <b>1 USD</b> | 108 | <b>125</b> | +17 | +15.9% |
| <b>1 EUR</b> | 130 | <b>136</b> | +6  | +4.7%  |

# Analysis of Increase/Decrease in Net Sales

## Addition of consolidated subsidiaries and overseas sales increase in Marine Business



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



## Continue to accelerate investments for future growth

(Unit: 100 Millions of Yen)

|  |              |
|--|--------------|
| Increase in personnel to strengthen service and R&D, etc.        | +8.4         |
| Consolidated addition of subsidiaries for overseas R&D           | +6.6         |
| Increase in promotion expenses (exhibitions in new fields, etc.) | +3.3         |
| Increase in strategic investments in new businesses, etc.        | +0.3         |
| Foreign exchange impact on SG&A expenses                         | +7.8         |
| Increase in business-related expenses                            | +2.2         |
| Others   | -1.5         |
| <b>Increase in consolidated SG&amp;A expenses</b>                | <b>+27.1</b> |

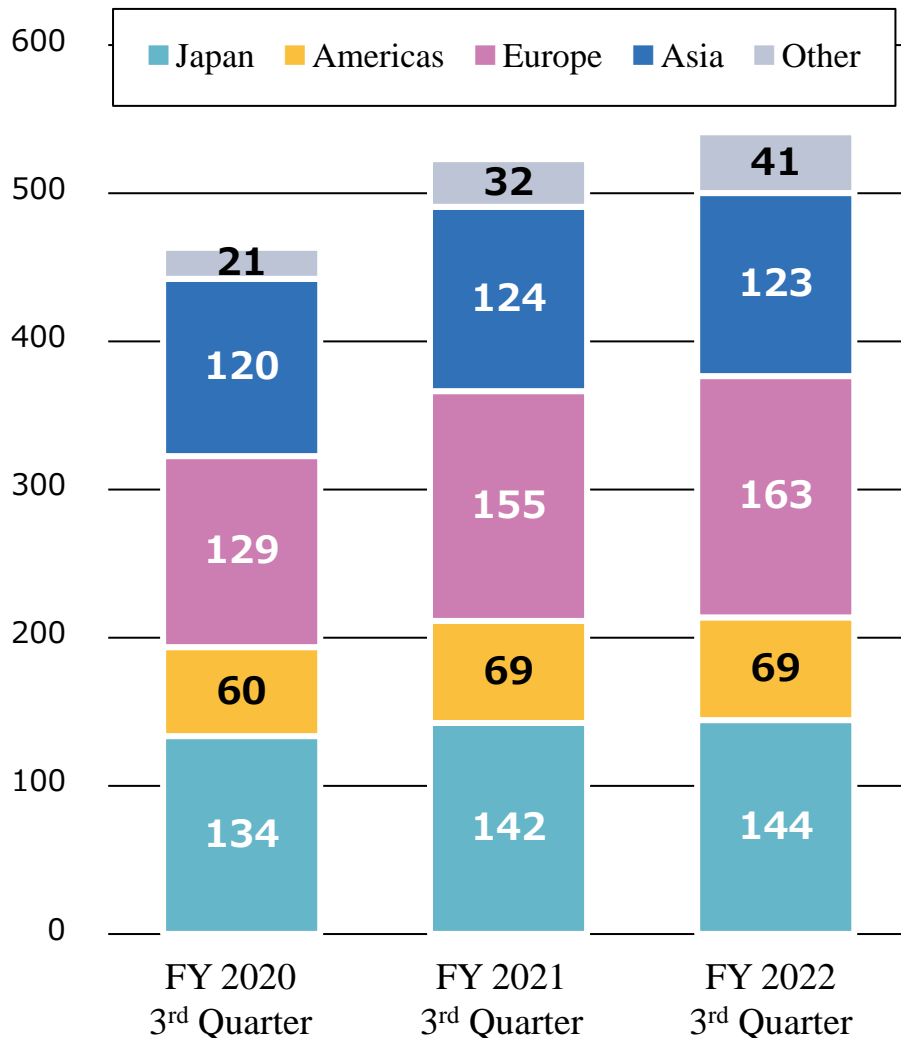


Investments for future growth

“100M” stands for 100 Million

## Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



## Marine Business:

Change in accounting standard  
Sales: +1.0, Profit: +1.3 (100M yen)

Net Sales **541** 100M yen (+**3.5%** year-over-year)

Segment Profit **14.5** 100M yen (**-15.3** 100M yen)

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

◆ **Japan:** Net sales **144** 100M yen (+**1.4%**)

- Steady sales

◆ **Americas:** Net sales **69** 100M yen (+**0.6%**)

- High demand for equipment for pleasure boats

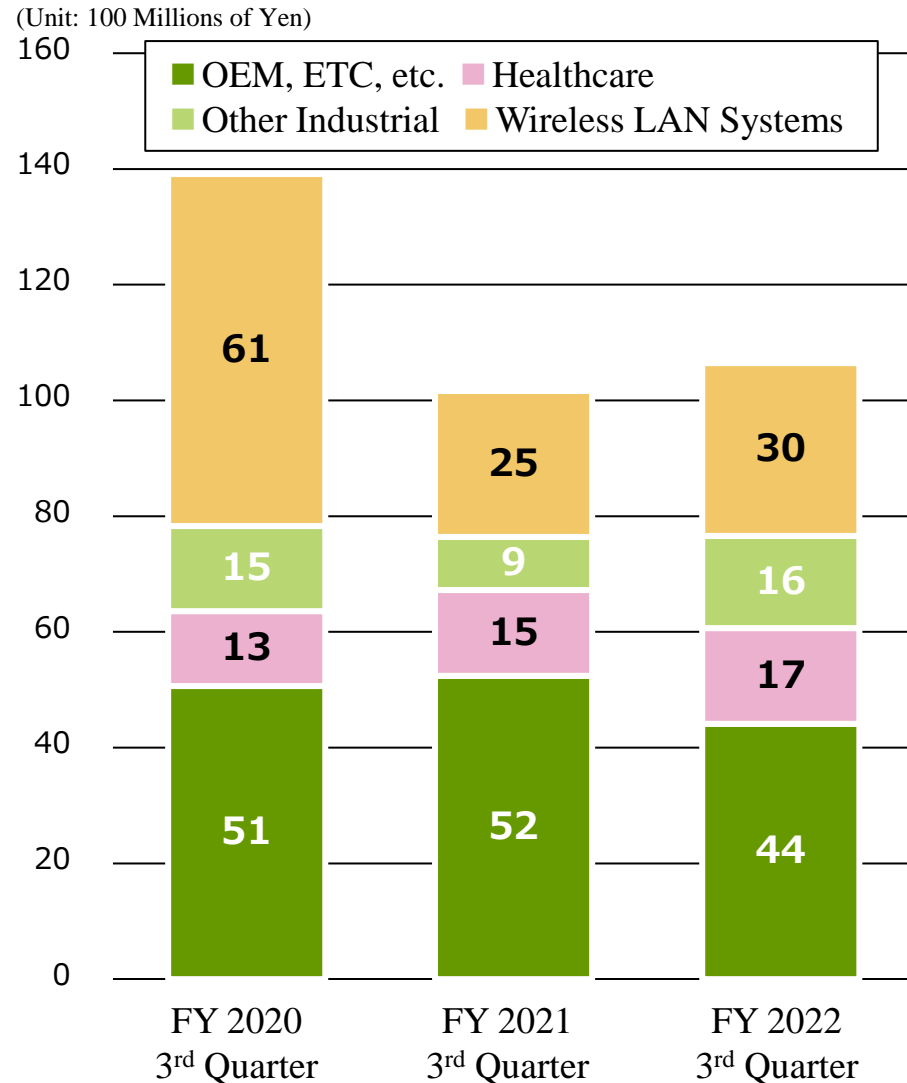
◆ **Europe:** Net sales **163** 100M yen (+**5.0%**)

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

◆ **Asia:** Net sales **123** 100M yen (**-0.8%**)

- Merchant newbuild projects recovering

## Industrial Business Consolidated Sales (by Product)



“100M” stands for 100 Million

### Industrial Business:

Change in accounting standard  
Sales: +4.0, Profit: -0.5 (100M yen)

Net Sales **76** 100M yen (+**0.7%** year-over-year)

Segment Loss **0.2** 100M yen (+**1.5** 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**

◆ **OEM, ETC, etc.:** Net sales **44** 100M yen (-**15.8%**)

◆ **Healthcare:** Net sales **17** 100M yen (+**11.4%**)

### Wireless LAN Systems:

Change in accounting standard  
Sales: +0.0, Profit: -0.0 (100M yen)

Net Sales **30** 100M yen (+**18.4%** year-over-year)

Segment Profit **3.3** 100M yen (+**0.2** 100M yen)

- **Wireless LAN Access Point: Strong sales for replacement projects in the education market**



# Consolidated Balance Sheet

**FURUNO**

| (Unit: Millions of yen)                 | FY 2021 FY    | FY 2022 3Q     |
|---|---------------|----------------|
| Current assets                          | 62,010        | 79,104         |
| (Cash and deposits)                     | (14,350)      | (15,815)       |
| (Inventories)                           | (27,693)      | (38,884)       |
| Fixed assets                            | 23,963        | 24,211         |
| (Tangible fixed assets)                 | (13,400)      | (13,773)       |
| (Intangible fixed assets)               | (4,276)       | (4,061)        |
| (Investments and other assets)          | (6,286)       | (6,376)        |
| <b>Total assets</b>                     | <b>85,973</b> | <b>103,316</b> |
| Current liabilities                     | 25,023        | 36,512         |
| Long-term liabilities                   | 13,068        | 13,668         |
| <b>Total liabilities</b>                | <b>38,092</b> | <b>50,180</b>  |
| Shareholders' equity                    | 48,795        | 49,953         |
| Others                                  | -914          | 2,817          |
| Non-controlling interests               | 0             | 364            |
| <b>Total net assets</b>                 | <b>47,880</b> | <b>53,135</b>  |
| <b>Total liabilities and net assets</b> | <b>85,973</b> | <b>103,316</b> |
| Equity ratio                            | 55.7%         | 51.1%          |

# **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

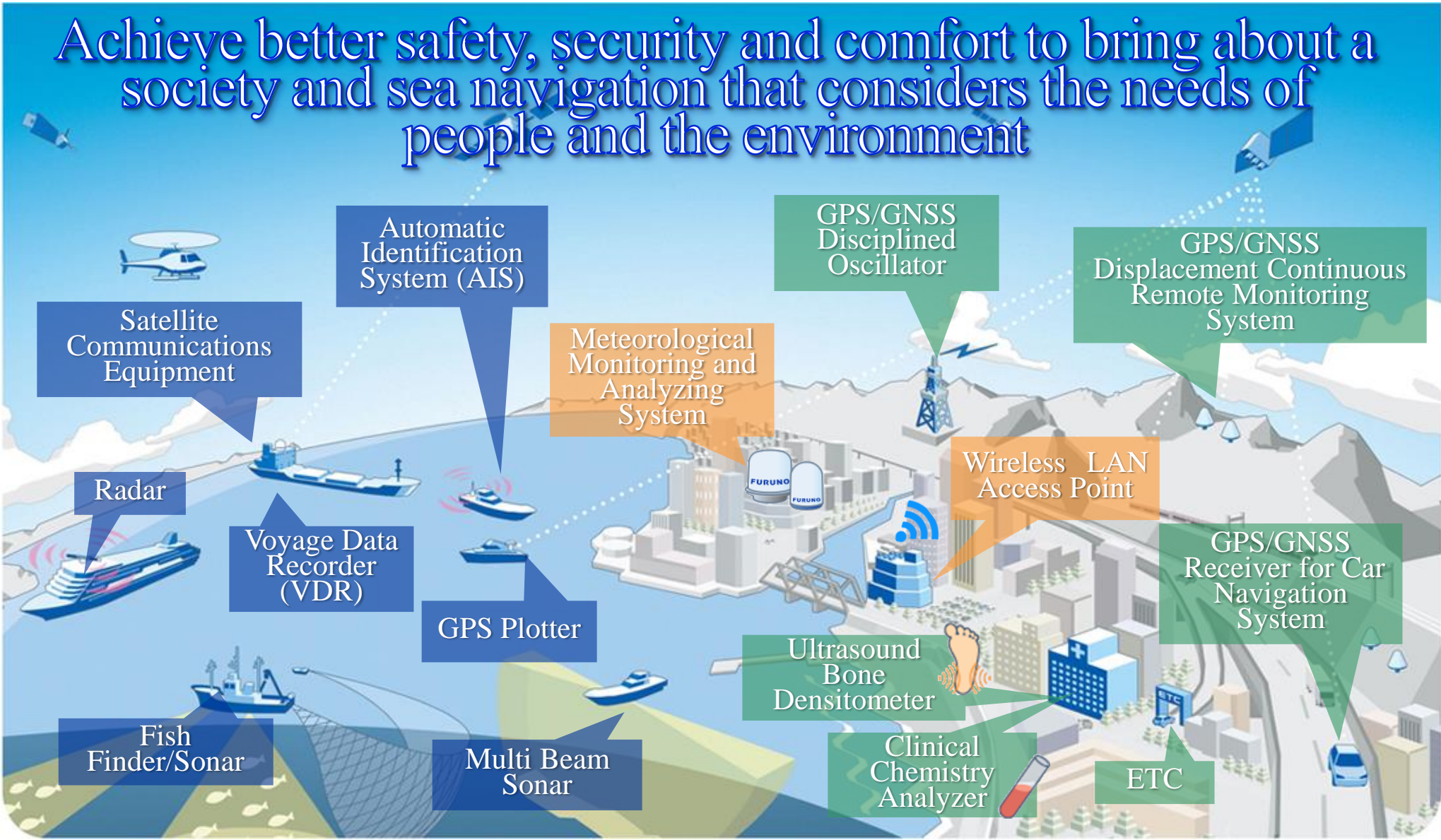
|                            |   |
|----------------------------|---|
| <b>Company Name</b>        | FURUNO ELECTRIC CO., LTD.   |
| <b>Headquarters</b>        | Nishinomiya City, Hyogo, Japan  |
| <b>Incorporated</b>        | May 23, 1951  |
| <b>Business</b>            | Manufacturing and sale of maritime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

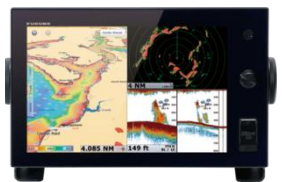


Radiotelephone

## 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\*

