

1st Quarter of FY 2/2021

Financial Results Briefing Materials

July 14, 2020

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.

** "1Q" or "1st Quarter" in this material represents the three-month period beginning on March 1 and ending on May 31.

◆ Net Sales: Decrease

- Revenue decreased due to the impact of factors such as impediments to economic activities in order to combat the spread of the novel coronavirus infection.

◆ Profit: Decrease

- Profit decreased despite a reduction in selling, general and administrative expenses.

◆ Cash and deposit: Increase

- We are examining the situation under the unstable economic circumstances and have secured extra cash.

FY 2/2020 1st Quarterly Results Highlights

FURUNO

Unit: Millions of Yen	FY 2/2020 1st Quarter	FY 2/2021 1st Quarter	Year-over-year (amount)	Year-over-year (ratio)
Net sales	20,652	18,143	-2,509	-12.1%
Gross profit (Sales ratio)	7,611 (36.9%)	6,418 (35.4%)	-1,193 (-1.5)	-15.7%
Operating income (Sales ratio)	779 (3.8%)	2 (0.0%)	-777 (-3.8)	-99.7%
Ordinary income (Sales ratio)	874 (4.2%)	2 (0.0%)	-872 (-4.2)	-99.8%
Profit attributable to owners of parent (Sales ratio)	897 (4.4%)	62 (0.3%)	-835 (-4.1)	-93.1%
R&D expenses (Sales ratio)	1,230 (6.0%)	1,103 (6.1%)	-127 (+0.1)	-10.3%
Capital investment expenses (Sales ratio)	468 (2.3%)	877 (4.8%)	+ 409 (+ 2.5)	+ 87.4%
Depreciation expenses (Sales ratio)	779 (3.8%)	766 (4.2%)	-13 (+0.4)	-1.7%

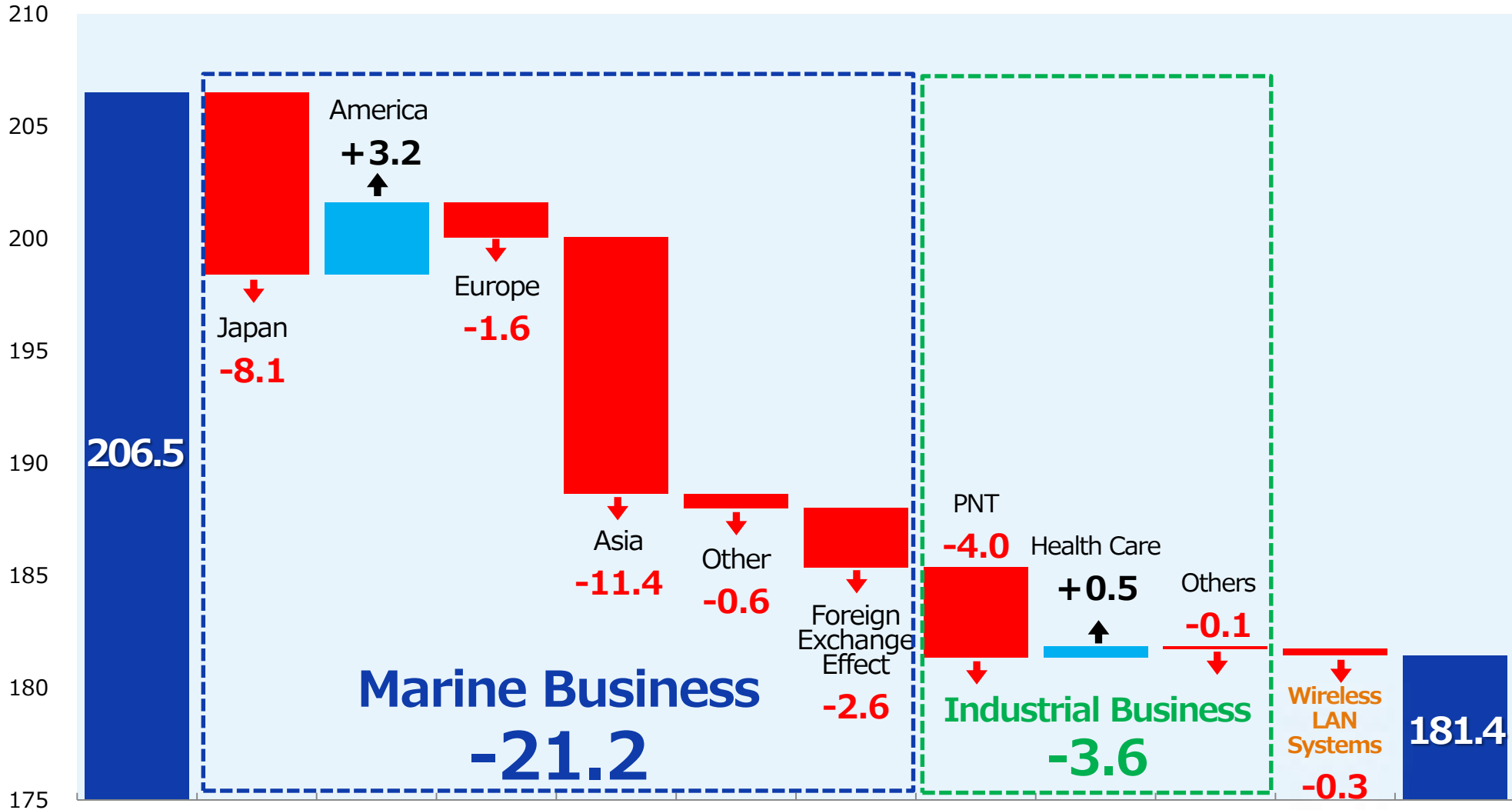
Unit: Yen, annual average exchange rate

1USD	111	109	-2	-1.5%
1EUR	126	121	-5	-4.0%

Analysis of Increase/Decrease in Net Sales

(Unit: 100 Millions of Yen)

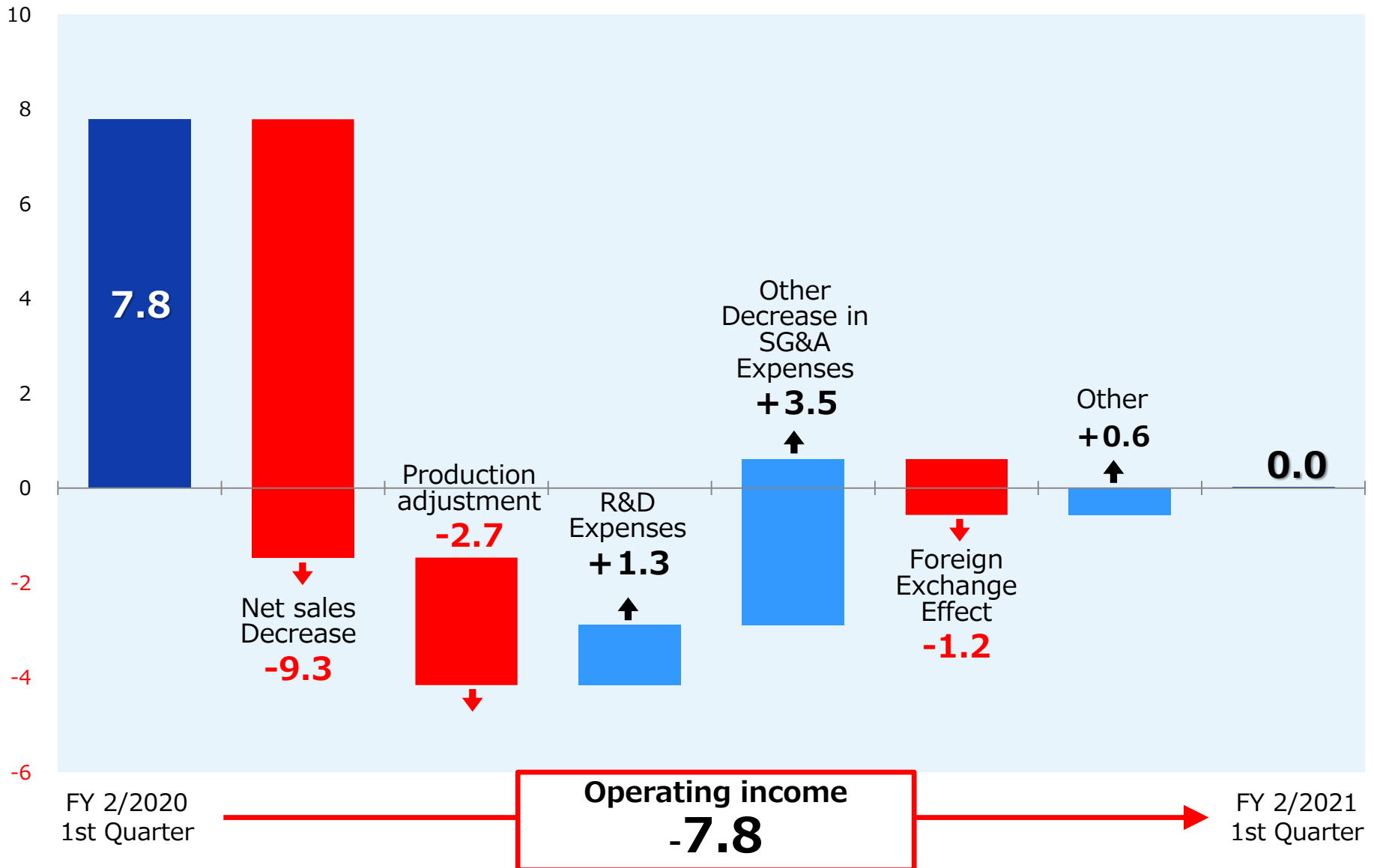
"100M" in this material indicates 100 Million



*Foreign exchange 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

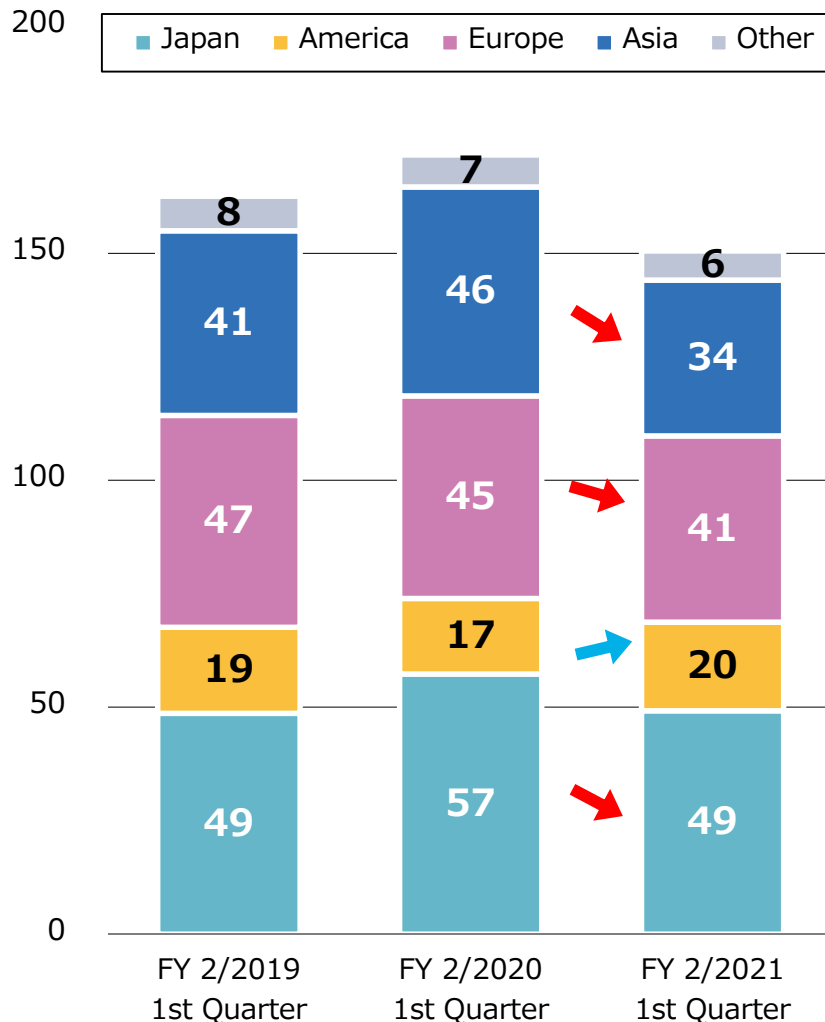
Analysis of Increase/Decrease in Operating income

(Unit: 100 millions of 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 150 100M yen (-12.3% year on year)

Segment profit 0.5 100M yen (-5.8 100M yen)

⇒ Revenue decreased due to the impact of factors such as impediments to economic activities in order to combat the spread of the novel coronavirus infection.

⇒ Profit decreased despite a reduction in selling, general and administrative expenses.

◆ **Japan: Net sales 49** 100M yen (-14.1%)

➤ The decrease in large orders resulted in a decrease in revenue to 2018 levels.

◆ **America: Net sales 20** 100M yen (+17.1%)

➤ Revenue increased due to the effect of sale of new products.

* The consolidated balance sheet period for our Americas subsidiaries is December 2019 to February 2020.

◆ **Europe: Net sales 41** 100M yen (-8.0%)

➤ Revenue decreased due to foreign exchange effects and novel coronavirus effects.

* The consolidated balance sheet period for our European subsidiaries is f January. 2020 to March 2020.

◆ **Asia: Net sales 34** 100M yen (-25.5%)

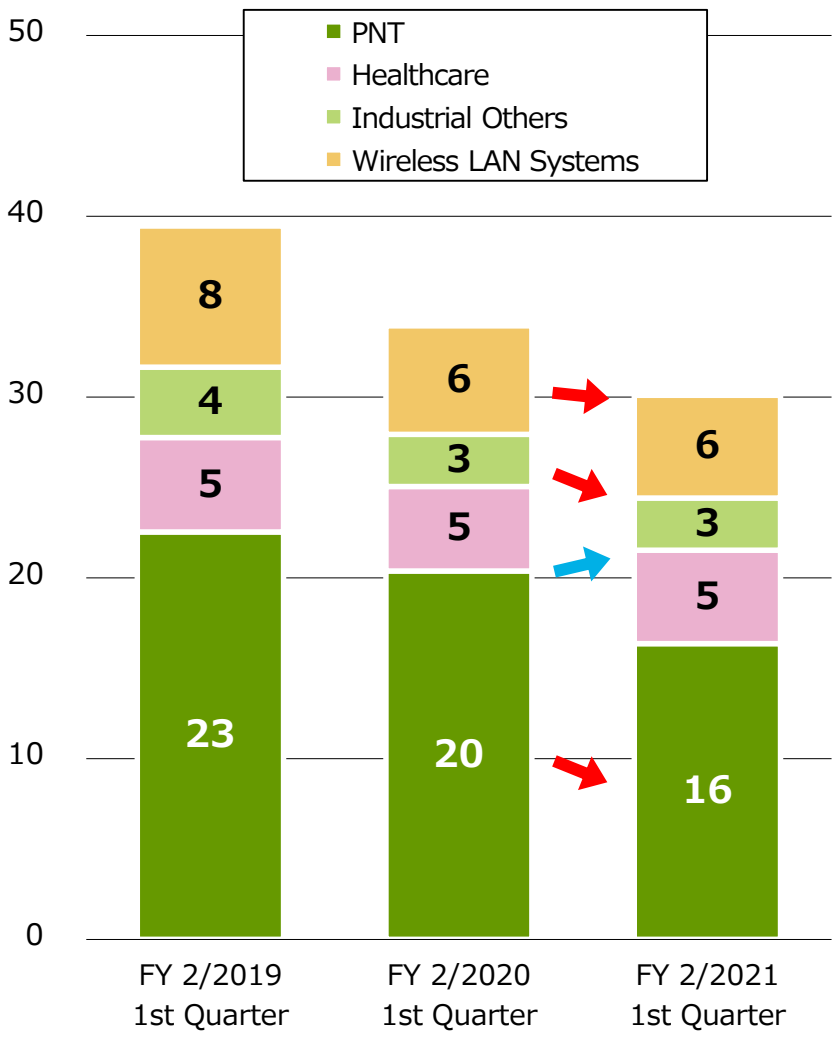
➤ Revenue decreased due to novel coronavirus effects.

* The consolidated a balance sheet period for our Asian subsidiaries is January 2020 to March 2020.

"100M" in this material indicates 100 Million

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

Unit: 100 Millions of Yen



Industrial Business :

Net sales 24 100M yen (-13.0% year by year)

Segment profit 0.6 100M yen (-0.9 100M yen)

- ⇒ PNT Business recorded a decrease in sales of ETC on-board devices due to such factors as the effects of refraining from long-distance travel during the coronavirus pandemic.
- ⇒ Healthcare recorded strong sales of clinical chemistry analyzers.

◆ PNT business: Net sales **16.4** 100M yen (-19.7%)

◆ Healthcare: Net sales **5.2** 100M yen (+10.8%)

Wireless LAN System :

Net sales 5.9 100M yen (-2.0% year by year)

Segment loss 1.0 100M yen (-0.9 100M yen)

- ⇒ Revenue slightly increased from Wireless Handheld Terminal due to our meeting the replacement demand.
- ⇒ Wireless LAN Access Point saw a slight revenue decline due to an increased focus on sales activities related to the full-fledged rolling out of the GIGA School Concept expected beginning in the 2nd quarter.
- ⇒ Profit decreased due to changes in the sales composition.

Notices and instructions to employees	<ul style="list-style-type: none">◆ Self-restraint in movement between domestic basis and domestic business trips◆ Prohibition on overseas business trips
Measures regarding work patterns	<ul style="list-style-type: none">◆ Based on the announcement of a state of emergency, we laid the groundwork for working from home before moving ahead with promoting this initiative, with the target of reducing commuting rate by at least 70%
Measures in the manufacturing sector	<ul style="list-style-type: none">◆ Strict temperature-taking on entry, and restrictions on movement once inside◆ Separating out working hours and lunch breaks Within each workgroup
Supporting our Group companies	<ul style="list-style-type: none">◆ Sending of masks to overseas Group companies
Contributing to society	<ul style="list-style-type: none">◆ Donating raincoats, which can be used as a substitute for medical protective clothing, to the city of Nishinomiya* <p>* Our head office is located.</p>

The consolidated business forecast for the fiscal year ending February 2021 is undecided because it is difficult at this stage to reasonably calculate the impact of the novel coronavirus.

Dividends for the next fiscal year are also undecided.

We will promptly disclose them together with the full-year earnings forecast when earnings can be more accurately predicted.