

1st Quarter of Fiscal Year 2024 (Ending February 28, 2025)

Financial Results Briefing Materials

July 16, 2024

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.

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

◆ Net Sales: Increase

- Increase in sales for Marine Business, Industrial Business and Wireless LAN Systems
- Increase in sales in Japan, Europe and Asia for Marine Business under the continued strong demand circumstance
- Impact of foreign exchange contributes to sales increase

◆ Operating Profit: Increase

- Increase in profit due to sales increase, despite increase in components price and personnel expenses

◆ Financial Results Forecast: Upward Revision

- Exchange rates higher than expected

* Foreign Exchange Sensitivity (actual results for FY 2023)

[USD] Net sales: 120M yen, Operating income: 40M yen

[EUR] Net sales: 180M yen, Operation income: 60M yen

Consolidated Income Statement

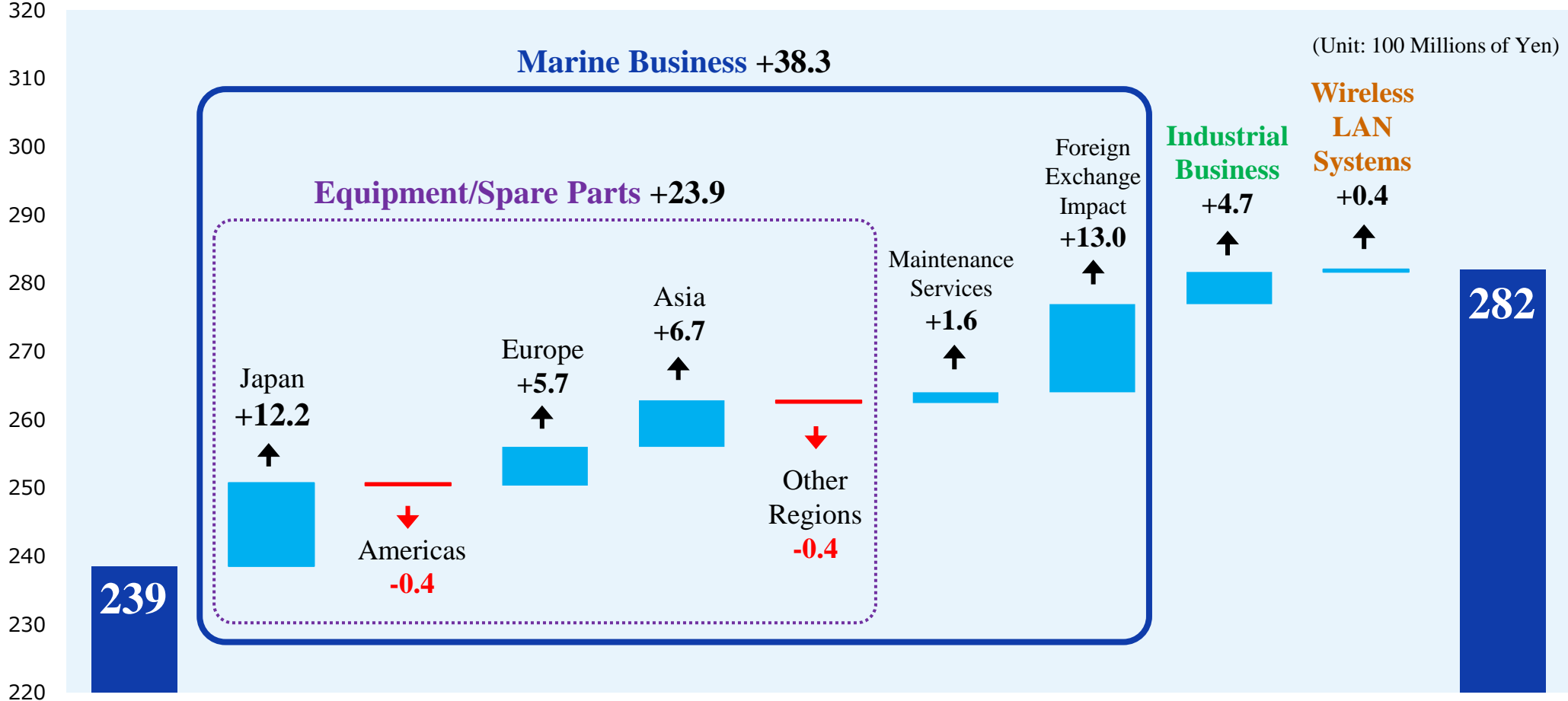
FURUNO

Increase in Sales and Profits. Especially, significant increase in Operating and Ordinary Profits

(Unit: Millions of yen)	FY 2023 1 st Quarter	FY 2024 1 st Quarter	Year-over-Year (amount)	Year-over-Year (ratio)
Net Sales	23,852	28,196	+4,343	+18.2%
Gross Profit (Sales ratio)	9,970 (41.8%)	11,998 (42.6%)	+2,027	+20.3%
SG&A Expenses (Sales ratio)	8,515 (35.7%)	9,369 (33.2%)	+854	+10.0%
Operating Profit (Sales ratio)	1,455 (6.1%)	2,629 (9.3%)	+1,173	+80.7%
Ordinary Profit (Sales ratio)	1,781 (7.5%)	3,136 (11.1%)	+1,354	+76.0%
Profit Attributable to Owners of Parent (Sales ratio)	1,141 (4.8%)	1,280 (4.5%)	+138	+12.2%
R&D Expenses (Sales ratio)	1,400 (5.9%)	1,426 (5.1%)	+26	+1.9%
Capital Investment (Sales ratio)	656 (2.8%)	1,018 (3.6%)	+361	55.0%
Depreciation Expenses (Sales ratio)	717 (3.0%)	851 (3.0%)	+134	18.8%
(Unit: Yen, annual average exchange rate)				
1 USD	135	147	+12	+9.1%
1 EUR	143	161	+18	+12.3%

Analysis of Increase/Decrease in Net Sales

Increase in Sales in Japan, Europe and Asia for Marine business, mainly in merchant vessels
Increase in sales for Industrial Business in Defense Equipment



FY 2023
1st Quarter

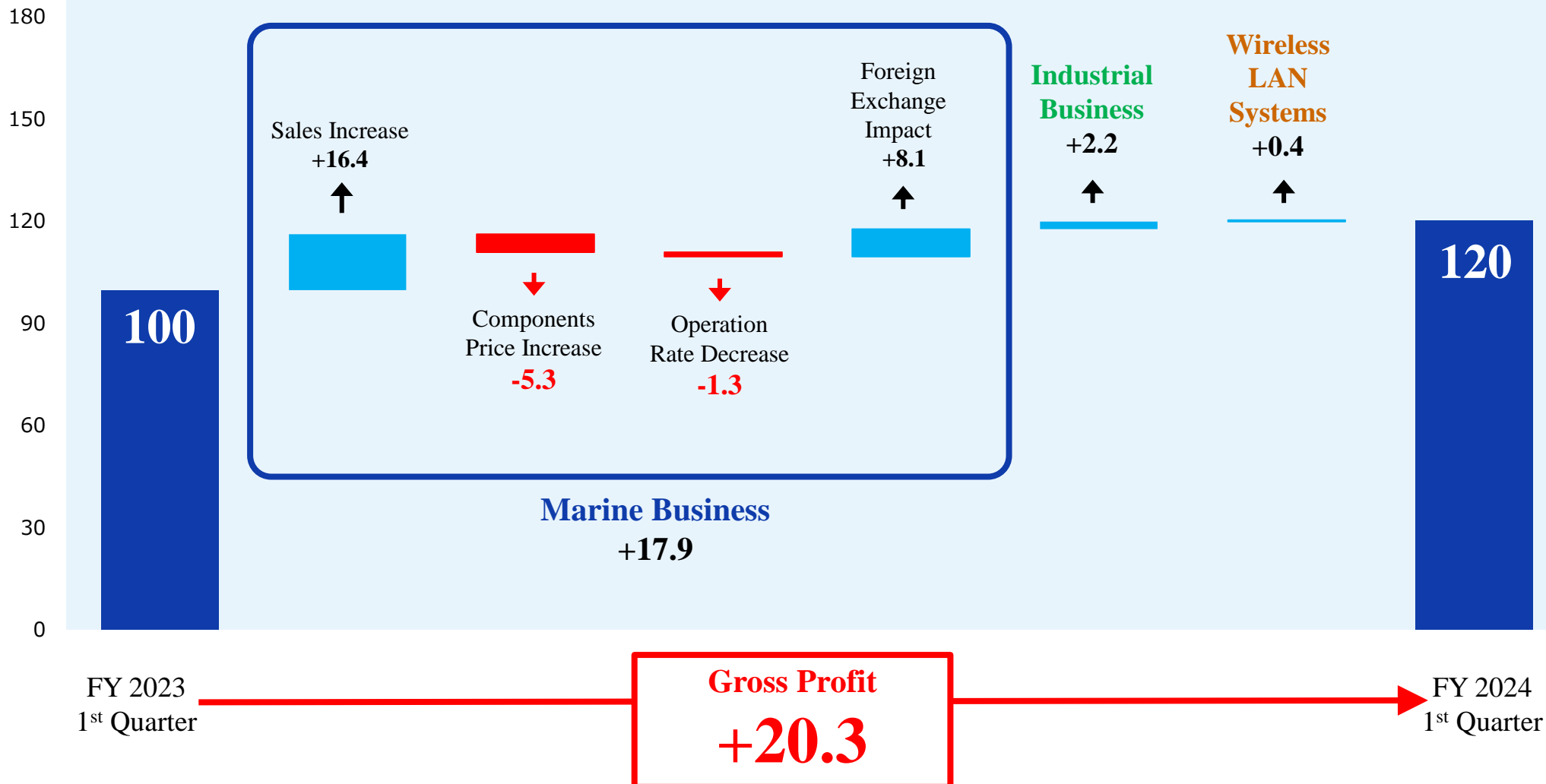
Net Sales
+43.4

FY 2024
1st Quarter

Analysis of Increase/Decrease in Gross Profit

Increase in Profit due to Sales increase, despite increase in components price and decrease in operation rate due to easing of increased production

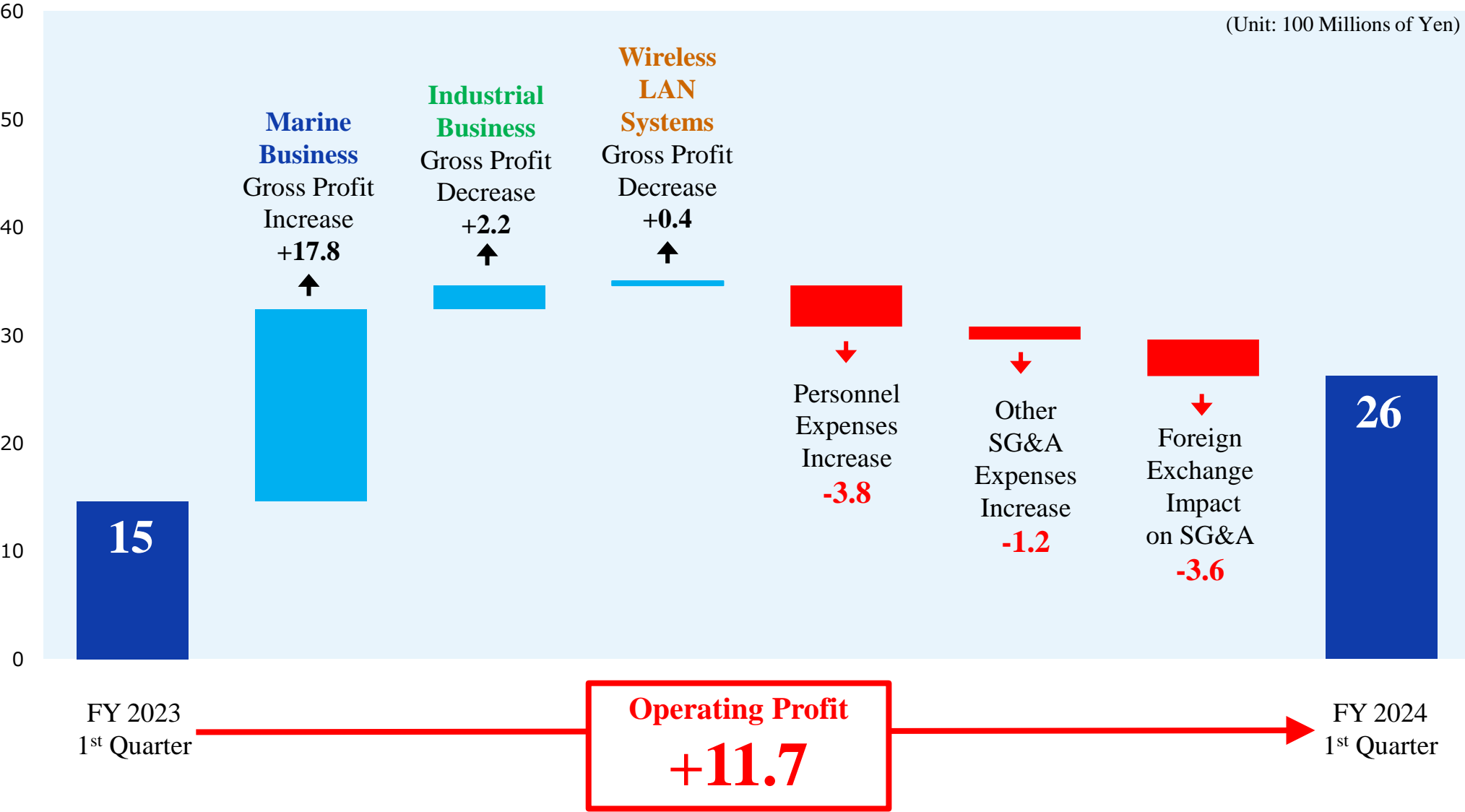
(Unit: 100 Millions of Yen)



Analysis of Increase/Decrease in Operating Profit

Increase in Profit due to Gross Profit increase, despite increase in personnel expenses with salary revision

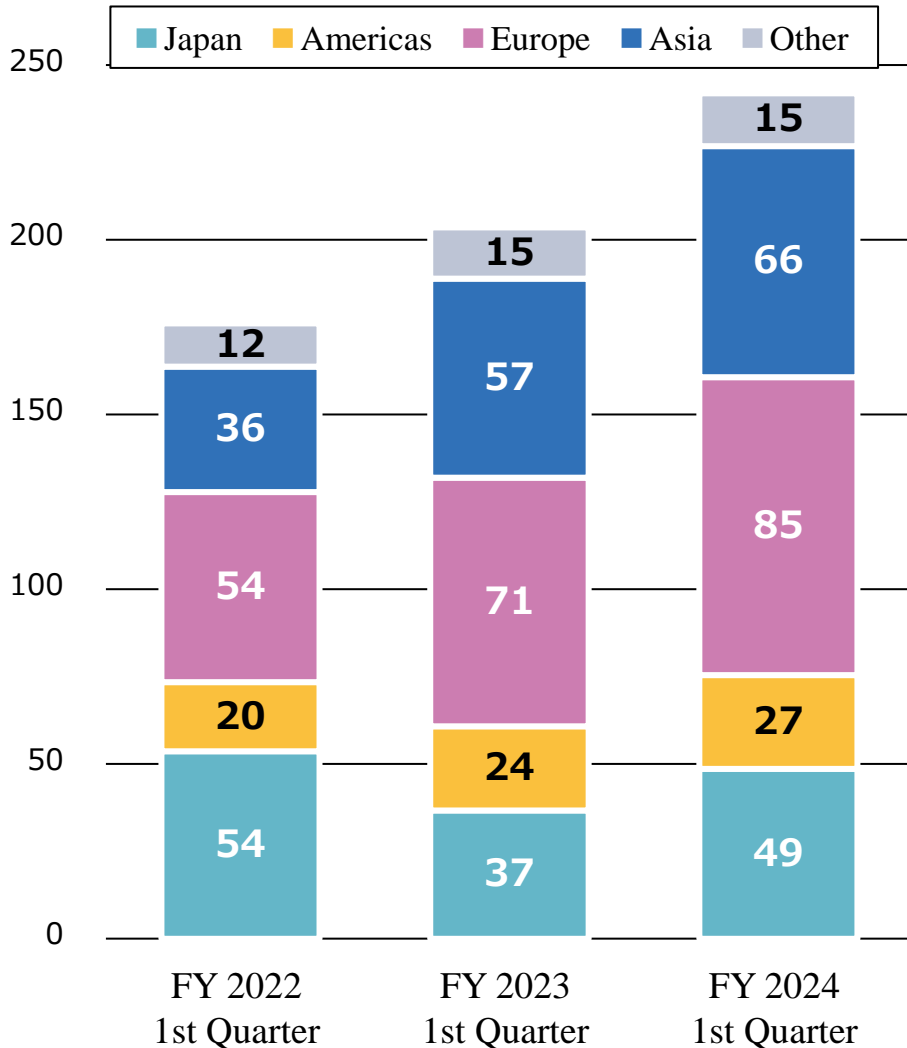
(Unit: 100 Millions of Yen)



“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business

Net Sales **242** 100M yen (+**18.8%** year-over-year)

Segment Profit **27.4** 100M yen (+**8.7** 100M yen)

- Continued strong demand mainly in merchant vessels
- Increase in maintenance service sales mainly in Europe
- Decrease in sales of small and medium-sized Pleasure boats, but continued strong demand in big-sized boats

◆ **Japan:** Net sales **49** 100M yen (+**32.4%**)

- Increase in sales for Merchant newbuild projects
- Sales recovering for Fishery market

◆ **Americas:** Net sales **27** 100M yen (+**11.3%**)

- Decrease in sales for Pleasure boats
- Increase in total sales due to impact of exchange rate

◆ **Europe:** Net sales **85** 100M yen (+**19.8%**)

- Increase in sales for Merchant equipment replacement and Pleasure boats
- Increase in sales for maintenance services

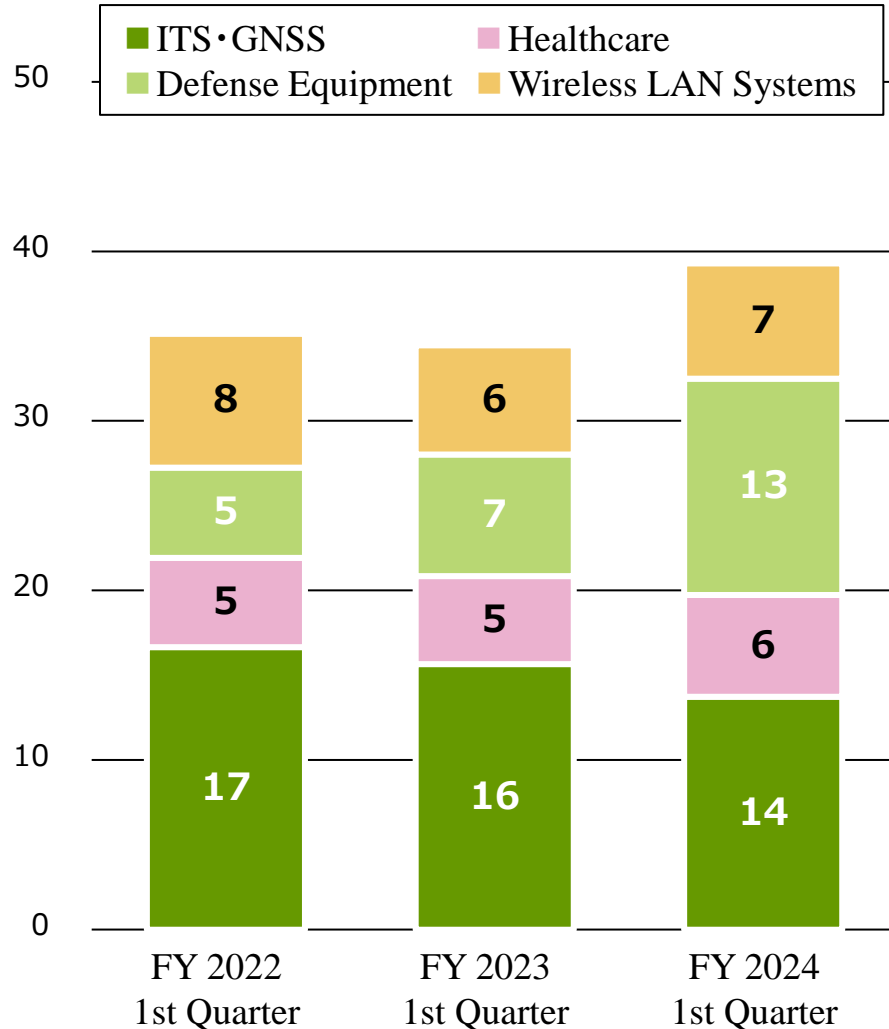
◆ **Asia:** Net sales **66** 100M yen (+**16.2%**)

- Increase in sales for Merchant newbuild projects
- Increase in sales for Workboats in Southeast Asia

“100M” stands for 100 Million

Industrial Business Consolidated Sales (by Product)

(Unit: 100 Millions of Yen)



Industrial Business

Net Sales **32** 100M yen (+17.1% year-over-year)

Segment Profit **0.6** 100M yen (+2.0 100M yen)

- **Increase in sales for Defense Equipment**

◆ **ITS·GNSS:** Net sales **14** 100M yen (-12.3%)

- Increase in sales for GNSS products and recovering of sales for OEM product
- Significant decrease in sales for ETC on-board units

◆ **Healthcare:** Net sales **6** 100M yen (+15.8%)

- Increase in sales for clinical chemistry analyzers

◆ **Defense Equipment:** Net sales **13** 100M yen (+77.7%)

- Increase in projects with increase in national defense budget

Wireless LAN Systems

Net Sales **7** 100M yen (+5.5% year-over-year)

Segment Profit **-1.1** 100M yen (+0.9 100M yen)

- **Same level of sales for wireless LAN access point in the education market**

Forecast for FY 2024: Upward Revision

FURUNO

Upward revision for Marine Business due to revision of assumed exchange rates

(Unit: Millions of yen)

	FY 2023 Results	FY 2024 Previous Forecast	FY 2024 Revised Forecast
Net Sales	114,850	110,000	117,000
Operating Profit (Sales ratio)	6,519 (5.7%)	5,500 (5.0%)	6,500 (5.6%)
Ordinary Profit (Sales ratio)	8,169 (7.1%)	6,500 (5.9%)	8,000 (6.8%)
Profit Attributable to Owners of Parent (Sales ratio)	6,238 (5.4%)	3,500 (3.2%)	4,000 (3.4%)
1 USD	140	135	153
1 EUR	152	145	164

Revision of dividend with revision of financial results forecast

(Unit: Millions of yen)

	2 nd Quarter	End of Term	Full Year	Payout Ratio
FY 2023	20	40	60	30.4%
FY 2024 Previous Forecast	10	25	35	31.6%
FY 2024 Revised Forecast	15	25	40	31.6%

Appendix: Consolidated Balance Sheet

FURUNO

(Unit: Millions of yen)	Full Year FY 2023	1 st Quarter FY 2024
Current assets	86,285	85,688
(Cash and deposits)	(11,786)	(9,021)
(Inventories)	(46,088)	(48,761)
Fixed assets	28,085	27,988
(Tangible fixed assets)	(14,751)	(14,797)
(Intangible fixed assets)	(4,902)	(5,190)
(Investments and other assets)	(8,432)	(8,001)
Total assets	114,370	113,676
Current liabilities	39,385	36,038
Long-term liabilities	13,550	14,748
Total liabilities	52,935	50,757
Shareholders' equity	55,184	55,201
Others	5,856	7,337
Non-controlling interests	393	379
Total net assets	61,434	62,919
Total liabilities and net assets	114,370	113,676
Equity ratio	53.4%	55.0%

Topics

Received two stars in the “Eruboshi” Certification

FURUNO has been certified the second level (two stars) in the “Eruboshi” Certification, a system established by the Ministry of Health, Labor and Welfare, to recognize companies that are actively engaged in promoting women’s participation and advancement.

“Eruboshi” Certification is a system where employers, who have formulated and submitted a general employer action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, can apply to the prefectural labor bureau for certification by the Minister of Health, Labor and Welfare if they meet certain criteria, such as having an excellent track record in promoting women’s participation and advancement. Out of the five evaluation items in the “Eruboshi” Certification, FURUNO has met the certification standards in four items: Continuous Employment, Work Style such as Working Hours, Management Position Ratio, and Diverse Career Paths. We view this certification as a certain evaluation of our company’s efforts to promote women’s active participation so far.

In 2015, FURUNO met the standards set by the *Next Generation Nurturing Support Promotion Act* and achieved its goals, which led to its certification as a *Childcare Support Company* by the Ministry of Health, Labor and Welfare, and FURUNO obtained the “Kurumin” mark. Furthermore, in May 2024, FURUNO established a new Diversity & Inclusion (D&I) Promotion Division, aiming to create an ‘environment and culture where all employees can excel, regardless of gender, nationality, age, etc.’, and FURUNO is further advancing various measures. FURUNO will continue to strive for further environmental improvements to realize a better workplace and fair growth opportunities for each and every employee.

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“Sea to the Future” Project

海に育てられた企業として

海を未来につなげていく。



FURUNO communicates attractive activities and problem of sea with children as a company which has been growing in marine market for a long time.



Original illustration panel exhibition and workshop

At MUJI Hankyu Nishinomiya Gardens, from July 1, 2024, for a month, FURUNO is exhibiting original illustration panels drawn by its official ambassador *Kawa-chan*, *Fish Aficionado* which depict the nature-filled streets of Nishinomiya and the rich sea. Furthermore, during this period, FURUNO is holding a *Fish Talk Show & Workshop* by *Kawa-chan*, where children’s colorful fish drawings are freely swimming in the illustrations.

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Environmental learning event held at elementary school

Together with *Kawa-chan*, FURUNO conducted a fun fish quiz show for about 400 students at Nishinomiya Municipal Kawaki Elementary School, where they learned about the charm of the sea and environmental issues. The children who learned about the sea had the opportunity to think about the current and future marine environment by touching the world of the sea, such as familiar fish living in Nishinomiya. FURUNO will continue to hold environmental learning events with the theme of ‘sea’ at elementary schools in Nishinomiya



Delivering fresh and delicious fish to Children’s cafeteria

Community-based *Children’s Cafeterias*, where local residents and municipalities provide meals to children for free or at a low cost, are said to face challenges in *procuring food*, especially seafood. In this context, FURUNO, which has bases in fishing ports nationwide and has deep connections with the fishing industry, is conducting support activities for Children’s Cafeterias. Not only providing food, but also talking about fishing ports and fish farms to get children interested in the fisheries industry, we are working to make children like fish more

100-year Corporate Vision: Ocean Gift for All

FURUNO will celebrate its 100th anniversary in 2048. As a long-term policy, FURUNO has set a *100-year Corporate Vision: Ocean Gift for All* and has identified important themes that it can contribute to in the future society ‘Ocean 5.0’ as of 2050. This serves as a guide for FURUNO to continue evolving and remain a company that contributes to society. What FURUNO aims for is ‘to create a future where all living things receive the blessings of the sea and give back to the sea.’ From now on, FURUNO will explore various possibilities, including co-creation with other companies, and deploy initiatives towards the realization of its Vision.

創業100周年を迎える
2050年の世界を予測して描いた
未来社会

Ocean 1.0
海への進出
海へ恩恵を発見
木造船・ガレー船など

Ocean 2.0
海の活用
海へ自由に航海
木造船船・羅針盤など

Ocean 3.0
海の支配
人間中心での海の支配
蒸気船・魚群探知機など

Ocean 4.0
海の持続
持続可能性の模索
電気船・自律航行など

Ocean 5.0
海との共存共栄
海の恩恵をすべての生きものが受け、
さらに海へ恩返しする未来を創造。

Ocean 5.0の世界観で FURUNOが 貢献していきたいテーマ

海の情報
海上、海中、海底からの
情報で人々を助ける

経済価値
海洋をめぐるデータを収集し、
災害予測、気象予測などの
事業を創造します。

社会価値
データの活用を通して、
安全安心な海洋社会を
目指します。

海の流通
海をもっと安全に
もっと自由に交易できる場所へ

経済価値
海洋流通において、経済効率性
を向上させた、快適な物流を
実現します。

社会価値
海洋における事故や通商
を無くし、誰もが安全安心に
海の流通に関われる社会を
目指します。

海の資源
おいしい魚をいつまでも
すべての人に

経済価値
すべての人が安価で高品質
な魚介資源を享受できる漁
業を実現します。

社会価値
海洋生物の絶滅の危機を
脱し、生物多様性を損な
わない持続可能な海洋を
目指します。

※経済価値、社会価値は「生物多様性」と共通です

海の災害
海でも陸でも、
災害を予防する

経済価値
陸海のデータを解析する
技術を高め、災害予防の
事業を創造します。

社会価値
災害や異常気象が増える
中で誰もが安全に過ごし、
不確実な未来に対応できる
社会を目指します。

海の環境
人と世界を支える海の恩恵に
感謝し、責任を果たす

経済価値
海洋汚染を防ぎ、持続可能な
海洋を実現する事業を創造
します。

社会価値
海の恩恵を受けただけ
ではなく、持続可能な豊かな
海洋を目指します。

生物多様性
海洋の豊かな生物多様性を
未来に引き継ぐ

経済価値
すべての人が安価で高品質な
魚介資源を享受できる漁業
を実現します。

社会価値
海洋生物の絶滅の危機
を脱し、生物多様性を損
なわない持続可能な海洋を
目指します。

※経済価値、社会価値は「海の資源」と共通です

海での暮らし
海を怖さから解放し、
快適に暮らせる空間に

経済価値
海上において新たな生活
空間を整備する事業を
創造します。

社会価値
人間がより安全安心に
海洋で暮らし、自由なライ
フスタイルを実現できる社
会を目指します。

Webサイト開設
FURUNO Ocean 5.0
<https://future-vision.furuno.co.jp>

最新情報は、Webサイトをご覧ください。

FURUNO has received approval from LiMA to use HermAce as a tool for remote VDR APT

HermAce, which was developed by FURUNO, uses a Digital Twin (a virtual replica) of bridge equipment based on data streamed directly from the vessel that offers live identification and diagnosis of problems.

Each year, a Voyage Data Recorder (VDR) requires an Annual Performance Test (APT) by a qualified engineer, who must visit the vessel to check the operation and record of voyage information. However, for vessels equipped with HermAce, VDR data can be extracted remotely. Herewith, cost saving is expected to be achieved by reducing the time for prearrangement and that engineers have to spend for ship visits.

FURUNO has received approval from the Liberia Maritime Authority (LiMA) to use its remote monitoring and troubleshooting platform HermAce as an alternative for the onboard APT of the VDR. HermAce previously obtained certifications for Marshall Islands and Panama-flagged vessels under ClassNK. Now, the APT of the VDR can be conducted remotely for Liberia-flagged vessels.

Also, by using HermAce, it is possible to obtain in real-time all the detailed information remotely. Potential failures can be detected and notified immediately, pursuing the idea of preventive and proactive maintenance for the safety and peace of mind of the navigation.

For more details about HermAce:

<https://www.furuno.com/en/merchant/hermace/>



New application for AI fish weight estimation system

FURUNO has developed a new application *Aqua Scope*, which integrates and displays necessary data to support fish farming operations.

AI fish weight estimation system can grasp the growth of fish by data from AI fish weight estimation camera “UC-300/600” inside a cage. Until now, fish farming has been done mainly based on experience and feeling. However, utilizing data is required to do fish farming efficiently due to rise in the price of fish meal, etc. now.

Customers who use AI fish weight estimation system can use “Aqua Scope” for free and watch fish weight/length, etc. from the application by user friendly and simple operation.



* Internet access is provided via Wi-Fi or LTE (4G) line at the customer's office. 4G requires a SIM card to be arranged by the customer.

FURUNO				日本語	2023/12/26 17:31		
フルノ1生賃		フルノ2生賃		フルノ3生賃		フルノ4生賃	
🗄	2023/12/08	🗄	2023/12/06	🗄	2023/12/06	🗄	2023/11/08
W :	5.769 Kg	W :	5.6377 Kg	W :	4.0001 Kg	W :	5.8638 Kg
FL :	0.6605 m	FL :	0.6582 m	FL :	0.605 m	FL :	0.6561 m
CF :	19.98	CF :	19.707	CF :	18.001	CF :	20.678
計測尾数 :	112	計測尾数 :	99	計測尾数 :	124	計測尾数 :	93
フルノ5生賃		フルノ6生賃		フルノ7生賃		フルノ8生賃	
🗄	2023/10/17	🗄	2023/10/03	🗄	2023/10/03	🗄	2023/06/26
W :	4.2361 Kg	W :	3.8016 Kg	W :	3.7562 Kg	W :	4.303 Kg
FL :	0.6079 m	FL :	0.5893 m	FL :	0.5875 m	FL :	0.595 m
CF :	18.794	CF :	18.527	CF :	18.461	CF :	20.271
計測尾数 :	110	計測尾数 :	121	計測尾数 :	46	計測尾数 :	132

Certified for 6 consecutive years as a *Health and Productivity Management Organization (White 500)*

The *Excellent Corporation for Health Management System* is a system to recognize large corporations, small and medium-sized companies, and other corporations that practice particularly excellent health management based on initiatives that address local health issues and promote health as promoted by the Japan Health Council. Among the corporations certified as "Excellent Corporations for Health Management (Large Corporation Category), only the top 500 corporations in the results of the health management survey are recognized as *White 500*.

Based on our management philosophy, we have been promoting efforts to raise employees' health awareness and create a workplace environment where they can continue to work with peace of mind, so that each one of our employees can work with a cheerful and active mind and body. In recognition of these health management efforts, **FURUNO has been recognized as a *Health and Productivity Management Organization (White 500)* for six consecutive years since the fiscal year 2019** in the large corporation category.



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 29, 2024



Nishinomiya Headquarter



New R&D Building SOUTH WING

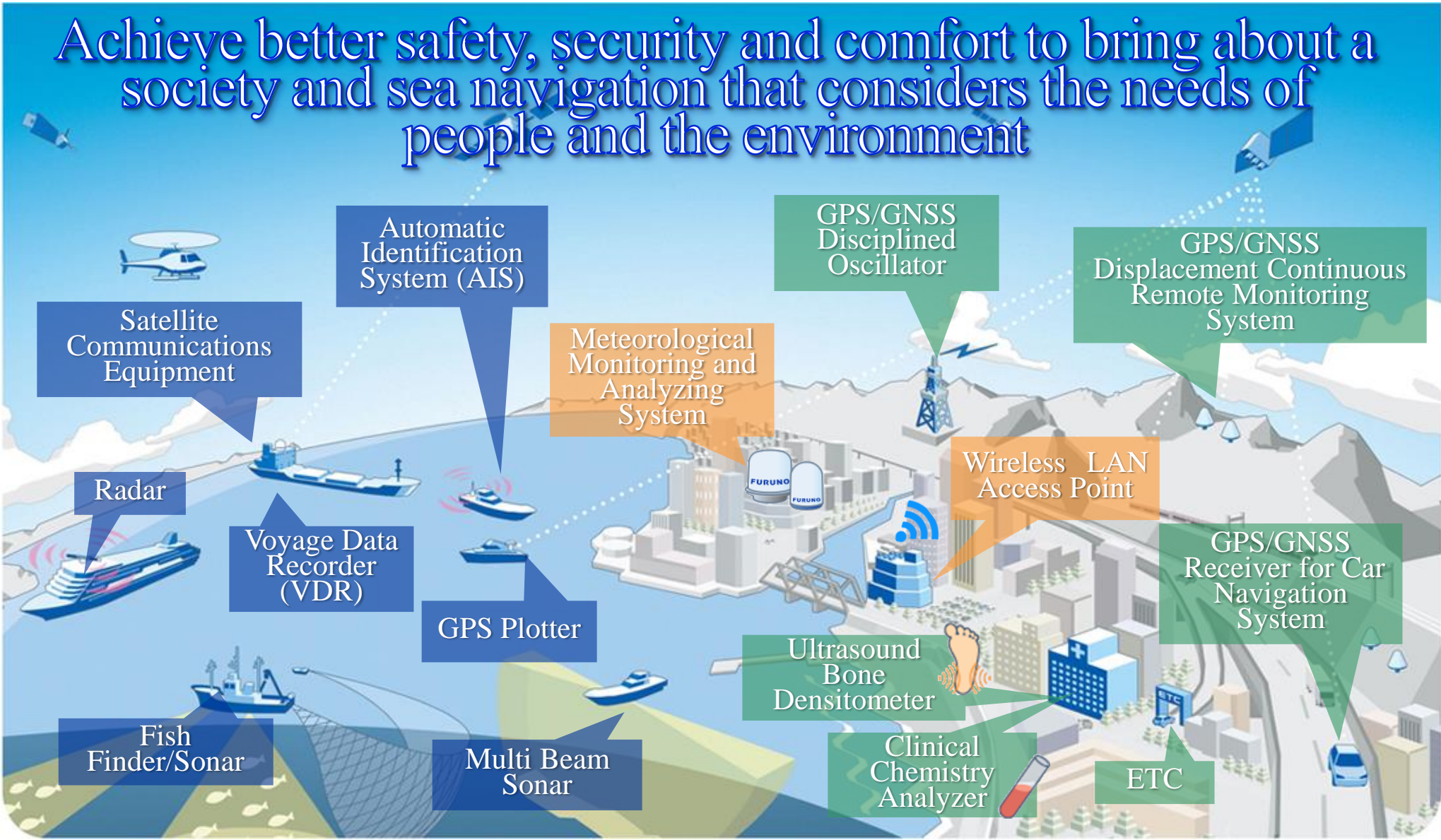
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	3,356 (consolidated)
Consolidated Sales	¥114,850 million
President	Yukio Furuno
Stock Exchange Listing	Tokyo Stock Exchange, Prime Section

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

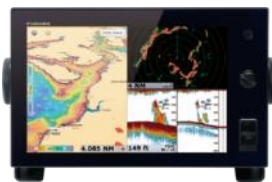


Radiotelephone

For Pleasure Boats



Radar



Multi-Function Display



GPS/WAAS Chart Plotter



Autopilot

ITS · GNSS



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*

