

2nd Quarter of Fiscal Year 2024 (Ending February 28, 2025)

Financial Results Briefing Materials

October 15, 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.

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

◆ Results

- Record results, increase in sales and profit
- Significant growth in operating income and net income
 - Strong demand in Japan and overseas for Marine business
 - Sales in Industrial business increased mainly with Defense Equipment
 - Increase in Cost of Sales and SG&A below expectations

◆ Financial Results Forecast: Upward Revision

- Sales and Profit both progressing better than expected
- Demand expected to remain strong, especially in Marine business, and FURUNO will aim for its Corporate Vision* ahead of schedule

*: FURUNO GLOBAL VISION "NAVI NEXT 2030"

* 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

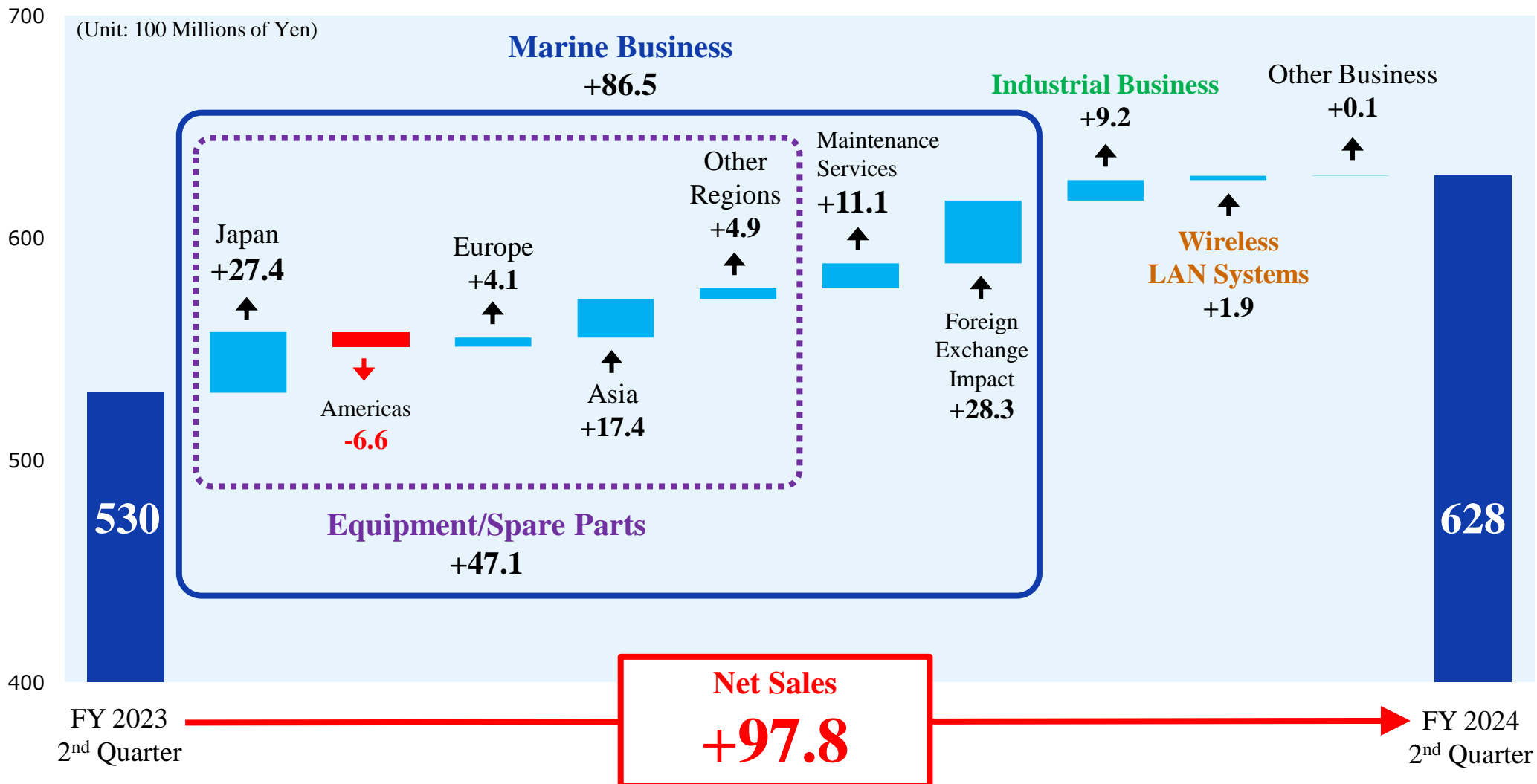
Sales and Profit increased significantly with strong domestic and overseas sales growth in the Marine business, as well as favorable foreign exchange rate

(Unit: Millions of yen)	FY 2023 2 nd Quarter	FY 2024 2 nd Quarter	Year-over-Year (amount)	Year-over-Year (ratio)
Net Sales	53,022	62,801	+9,778	+18.4%
Gross Profit (Sales ratio)	20,788 (39.2%)	26,433 (42.1%)	+5,645	+27.2%
SG&A Expenses (Sales ratio)	17,058 (32.2%)	19,134 (30.5%)	+2,075	+12.2%
Operating Profit (Sales ratio)	3,729 (7.0%)	7,299 (11.6%)	+3,569	+95.7%
Ordinary Profit (Sales ratio)	4,525 (8.5%)	7,514 (12.0%)	+2,988	+66.0%
Profit Attributable to Owners of Parent (Sales ratio)	3,280 (6.2%)	5,067 (8.1%)	+1,787	+54.5%
R&D Expenses (Sales ratio)	2,772 (5.2%)	2,954 (4.7%)	+181	+6.5%
Capital Investment (Sales ratio)	1,443 (2.7%)	2,024 (3.2%)	+580	+40.2%
Depreciation Expenses (Sales ratio)	1,648 (3.1%)	1,706 (2.7%)	+57	+3.5%
(Unit: Yen, annual average exchange rate)				
1 USD	135	150	+15	+11.3%
1 EUR	147	165	+18	+12.1%

Analysis of Increase/Decrease in Net Sales

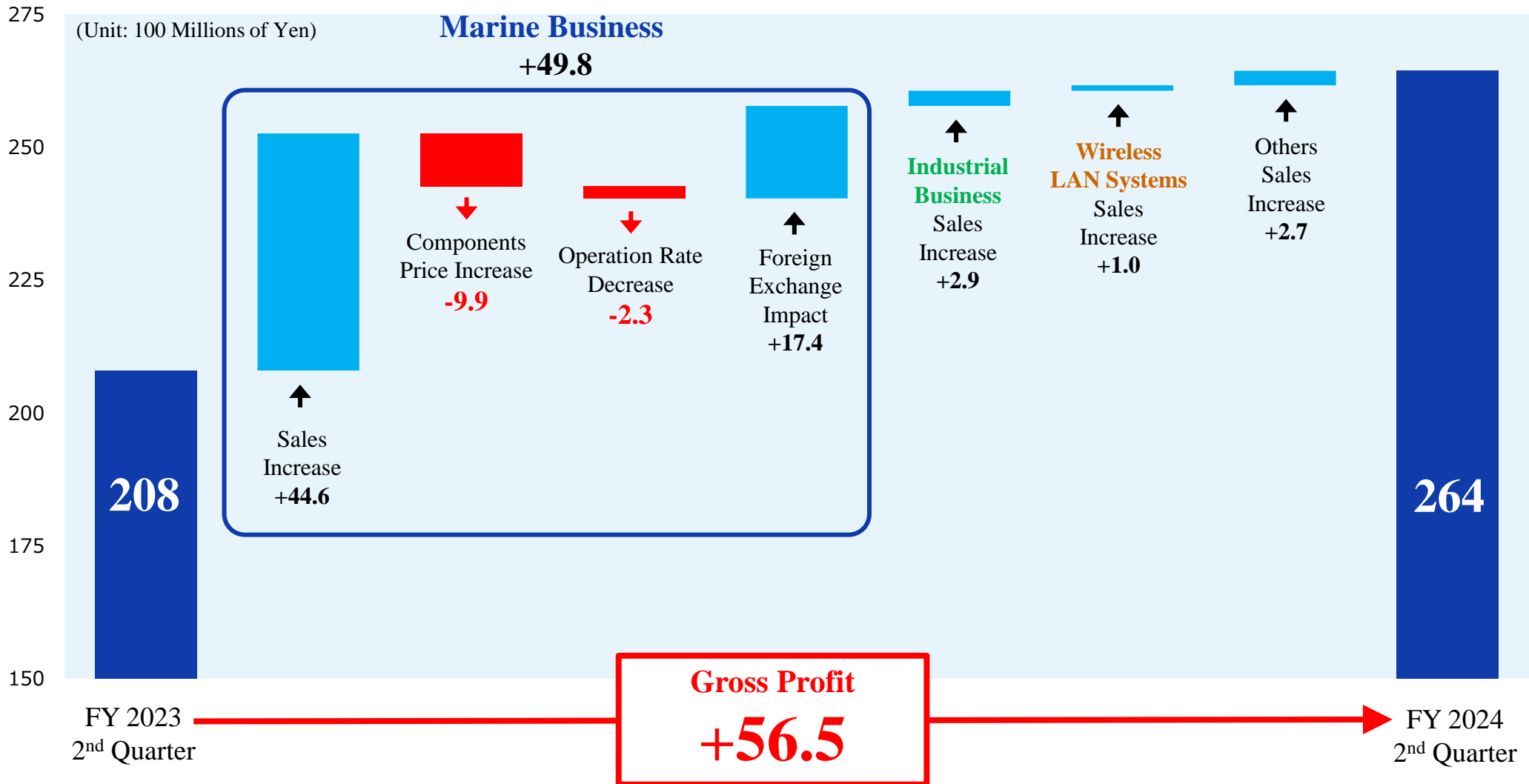
Marine business: Significant sales increase with overall strong sales for Merchant Vessels

Industrial business: Sales increase led by Defense Equipment



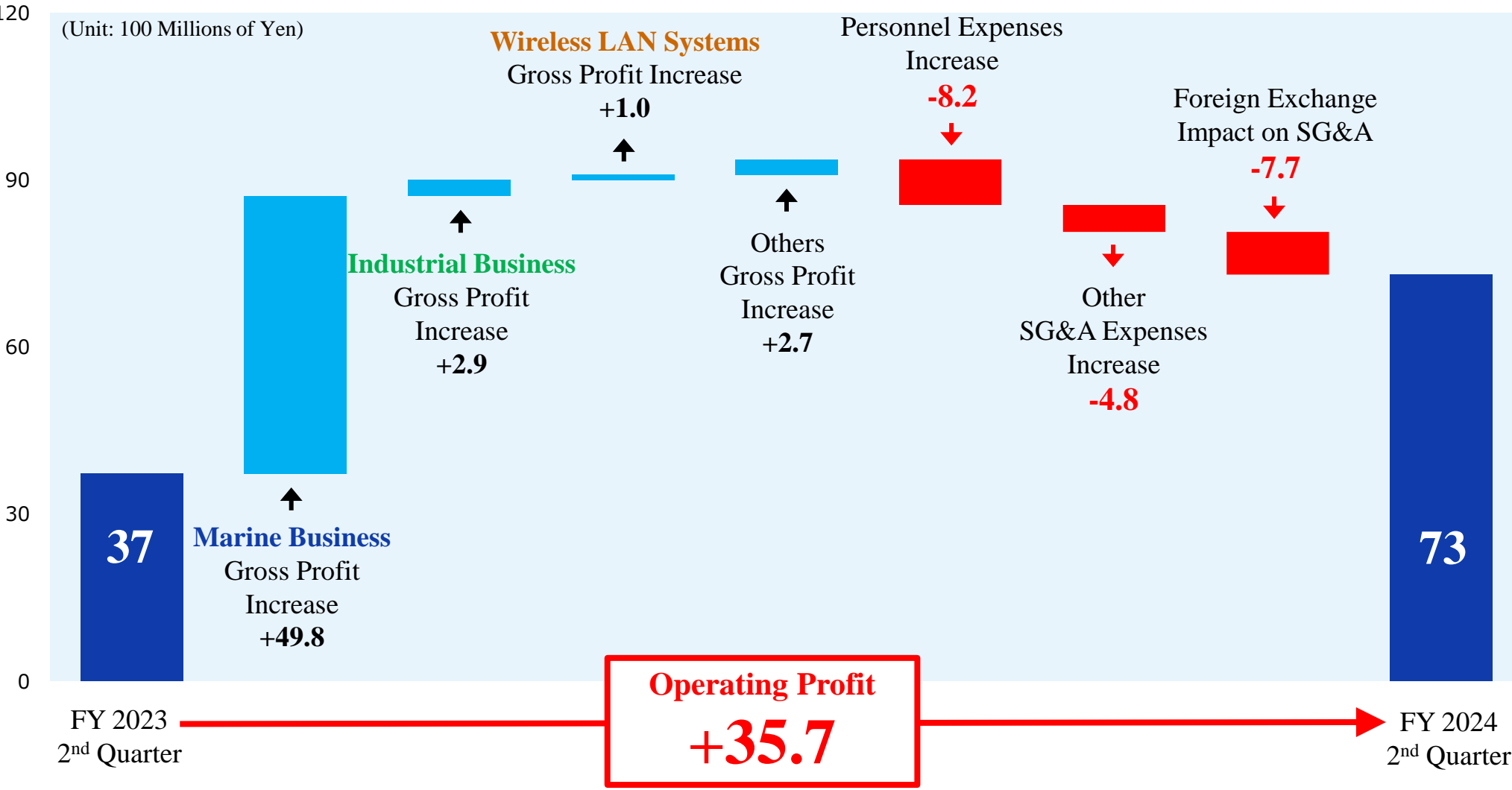
Analysis of Increase/Decrease in Gross Profit **FURUNO**

Profit increase with higher sales in each business, despite increase in cost of sales with higher components price and decrease in operation rate due to easing of increased production



Analysis of Increase/Decrease in Operating Profit

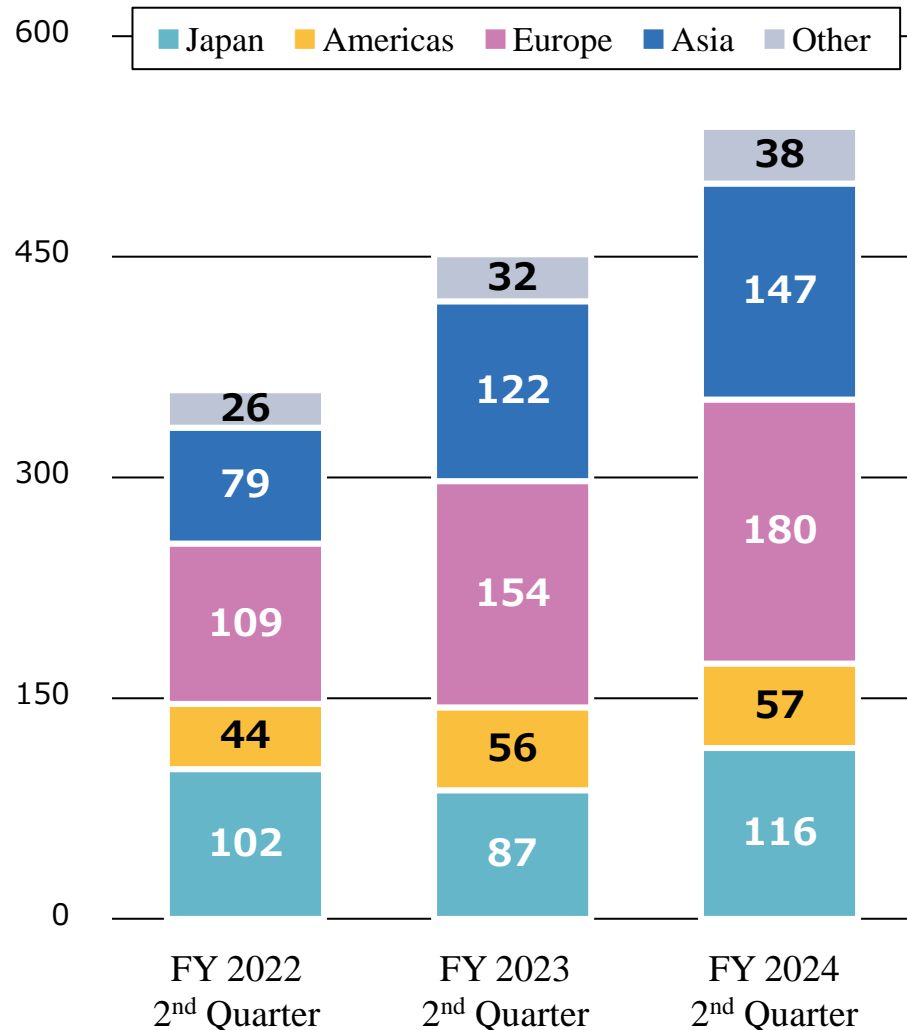
Increase in Profit due to higher Gross Profit in each business, despite higher SG&A expenses such as personnel costs associated with salary revisions



“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business

Net Sales **538** 100M yen (+**19.2%** year-over-year)

Segment Profit **69.2** 100M yen (+**27.5** 100M yen)

- Continued strong demand mainly in merchant vessels
- Maintenance service sales higher in Japan and overseas
- Decrease in sales of small and medium-size Pleasure boat, but continued strong demand in big-sized boats

◆ **Japan:** Net sales **116** 100M yen (+**33.0%**)

- Increase in sales for Merchant newbuild projects and for Fishery market

◆ **Americas:** Net sales **57** 100M yen (+**1.6%**)

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

◆ **Europe:** Net sales **180** 100M yen (+**16.8%**)

- Increase in sales for Merchant vessels and Pleasure boats
- Increase in sales for maintenance services

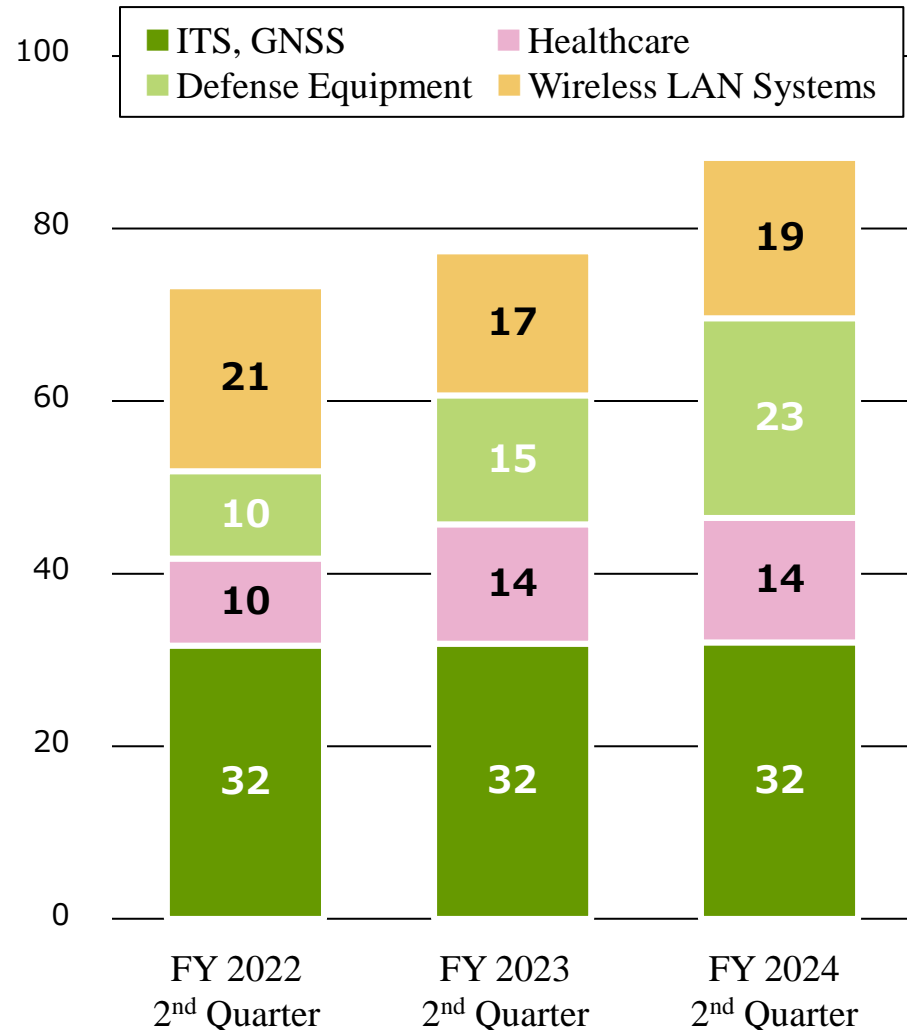
◆ **Asia:** Net sales **147** 100M yen (+**20.1%**)

- Increase in sales for Merchant newbuild projects

Industrial Business Consolidated Sales (by Product)

“100M” stands for 100 Million

(Unit: 100 Millions of Yen)



Industrial Business

Net Sales **70** 100M yen (+**15.3%** year-over-year)

Segment Profit **3.0** 100M yen (+**2.6** 100M yen)

● **Sales and revenue increased with Defense Equipment**

◆ **ITS, GNSS:** Net sales **32** 100M yen (+**0.4%**)

➢ 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 **14** 100M yen (+**4.6%**)

➢ Increase in sales for clinical chemistry analyzers

◆ **Defense Equipment:** Net sales **23** 100M yen (+**54.9%**)

➢ Increase in projects with increase in national defense budget

Wireless LAN Systems

Net Sales **19** 100M yen (+**11.5%** year-over-year)

Segment Profit **1.3** 100M yen (+**1.3** 100M yen)

● **Increase in of sales for wireless LAN access point, but weak demand environment**

Forecast for FY 2024: Upward Revision

FURUNO

With strong demand especially in the Marine business, try to achieve the Sales target of Corporate Vision (NAVI NEXT 2030) ahead of schedule and exceed ¥10B in Operating Income

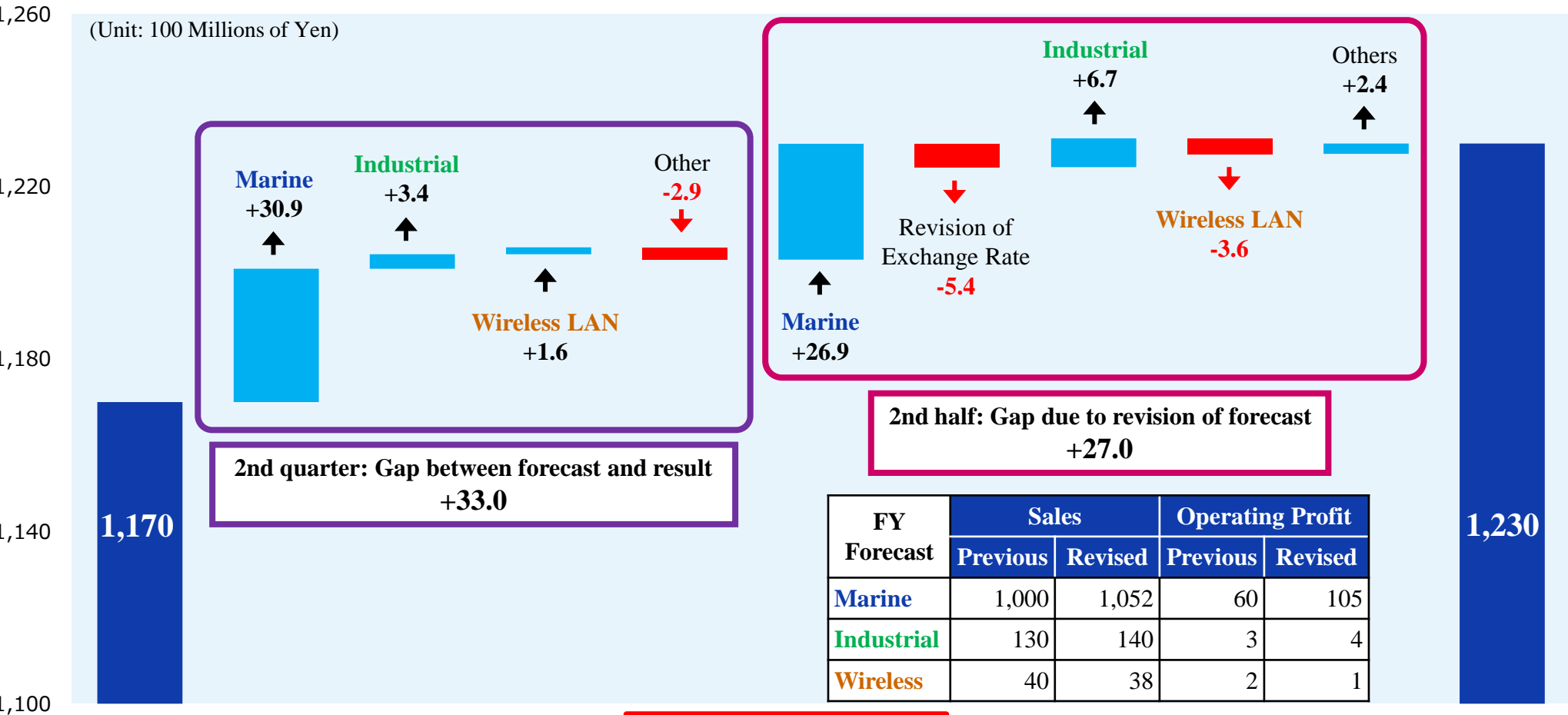
(Unit: Millions of yen)	FY 2023 Results	FY 2024 Previous Forecast	FY 2024 Revised Forecast	Revision
Net Sales	114,850	117,000	123,000	+6,000
Operating Profit (Sales ratio)	6,519 (5.7%)	6,500 (5.6%)	11,000 (8.9%)	+4,500
Ordinary Profit (Sales ratio)	8,169 (7.1%)	8,000 (6.8%)	11,500 (9.3%)	+3,500
Profit Attributable to Owners of Parent (Sales ratio)	6,238 (5.4%)	4,000 (3.4%)	7,500 (6.1%)	+3,500
1 USD	140	153	149	-4
1 EUR	152	164	163	-1

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	15	25	40	31.6%
FY 2024 Revised Forecast	35	40	75	31.6%

Changes from the previous forecast: Sales

Demand in Marine business stronger than expected. Despite advancement of some projects from 2H to 1H and revision of Forex, sales expected to further increase in Industrial business



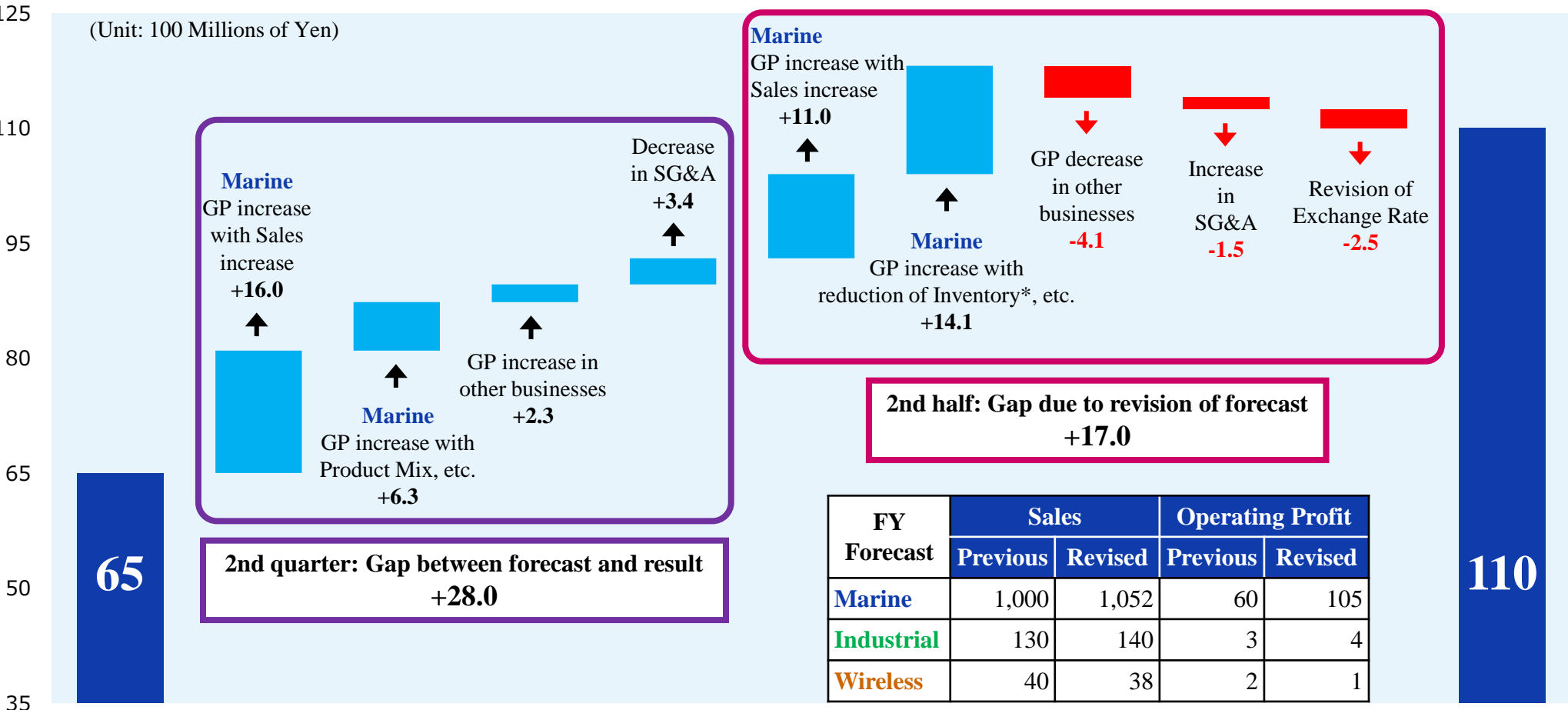
FY Forecast	Sales		Operating Profit	
	Previous	Revised	Previous	Revised
Marine	1,000	1,052	60	105
Industrial	130	140	3	4
Wireless	40	38	2	1



Changes from the previous forecast: Operating Profit

2Q: Large increase in Profit with sales increase in Marine business and product mix

2H: Despite revision of Forex and expenses increase, sales increase and unrealized profit decrease



FY Forecast	Sales		Operating Profit	
	Previous	Revised	Previous	Revised
Marine	1,000	1,052	60	105
Industrial	130	140	3	4
Wireless	40	38	2	1

Previous forecast
FY 2024
Operating Profit

Upward Revision
+45.0

Revised forecast
FY 2024
Operating Profit

*: decrease in unrealized gains with yen appreciation since July

Appendix: Consolidated Balance Sheet

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(Unit: Millions of yen)	Full Year FY 2023	2 nd Quarter FY 2024
Current assets	86,285	89,871
(Cash and deposits)	(11,786)	(12,321)
(Inventories)	(46,088)	(46,820)
Fixed assets	28,085	28,306
(Tangible fixed assets)	(14,751)	(14,949)
(Intangible fixed assets)	(4,902)	(5,565)
(Investments and other assets)	(8,432)	(7,791)
Total assets	114,370	118,177
Current liabilities	39,385	35,389
Long-term liabilities	13,550	14,162
Total liabilities	52,935	49,552
Shareholders' equity	55,184	58,997
Others	5,856	9,224
Non-controlling interests	383	403
Total net assets	61,434	68,624
Total liabilities and net assets	114,370	118,177
Equity ratio	53.4%	57.7%

Topics

Publication of the Integrated Report 2024

Towards a sustainable society and further enhancement of corporate value

Since 2023, FURUNO has published an Integrated Report to inform our shareholders, investors and other stakeholders about our business activities, medium-term management plan and sustainability initiatives, both financial and non-financial, in an easy-to-understand manner in order to enhance our corporate value over the medium to long term.

In this, the second year of publication, we have included new information on our ‘Value Creation Process’, ‘Messages from the CFO and Outside Directors’, ‘Human Capital Strategy’ and ‘GHG reduction targets’.

FURUNO will continue to place importance on communication with our stakeholders and aim to further enhance our corporate value through enhanced information disclosure in the Integrated Report and on our official website.

Website: <https://www.furuno.co.jp/en/csr/report/>



World's first “Onshore Support Center” for remote navigation

Steady progress toward commercialization of unmanned vessels by 2025

MOL is participating in MEGURI2040, an unmanned vessel project being promoted by the Nippon Foundation starting in February 2020. The **“Onshore Support Center,”** which provides remote navigation support for multiple vessels from land, has been completed in our company building. This center will provide remote navigation support for four unmanned vessels simultaneously in a series of demonstration tests to be conducted starting in July 2025.

In the first stage of MEGURI2040, **six vessels successfully demonstrated unmanned operation** from January to March 2022. In the second stage, which is currently underway, the project aims not only to conduct demonstration tests, but also to implement the system in society, accelerating the project toward achieving the **goal of having 50% of vessels in Japan operated unmanned by 2040.**



Operations at the Onshore Support Center



Booth to monitor individual vessels

FURUNO's Fish Finder recognized as IEEE Milestone

About IEEE Milestone

IEEE established the Milestones program to **recognize significant achievements in the fields of electrical, electronics and information technology that occurred at least 25 years ago and have contributed to the advancement of society and the industry.** To date, approximately two hundred sixty Milestones have been approved and dedicated around the world, including the Voltaic Cell, the Fleming Valve, and the QR Code.

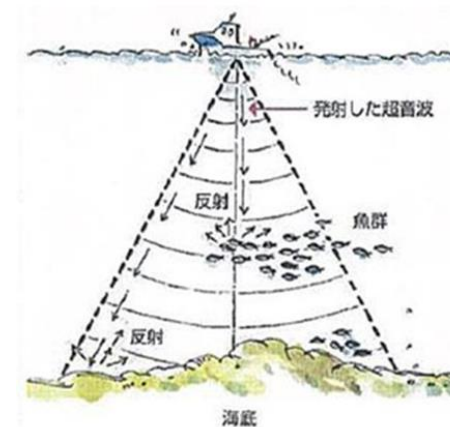
Learn more at [https://ethw.org/Milestones:IEEE Milestones Program](https://ethw.org/Milestones:IEEE_Milestones_Program)

About FURUNO's recognized Fish Finder

In 1949, FURUNO successfully commercialized the world's first fish finder. At that time, it used an improved reception amplifier to detect weak echo signals reflected from a school of fish and ultrasonic transducers that protruded from the fishing boat's bottom to minimize the influence of sailing noise, improving the catch and rapidly being adopted as an indispensable equipment for fishing. The improved catch helped to secure Japan's protein resources, which had been in short supply after World War II, and contributed to the stability of Japanese life. Today, fish finders are equipped on almost every fishing boat in the world. **The invention of the fish finder has an extremely important historical value in that it has brought about a revolutionary change in fisheries by giving a "scientific eye" to fisheries that had previously relied solely on the intuition and experience of fishermen, and electrical technology has brought about the modernization of the fisheries industry.**



Earliest type of Fish Finder



Principle of ultrasonic fish detection

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。

海的环境
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'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

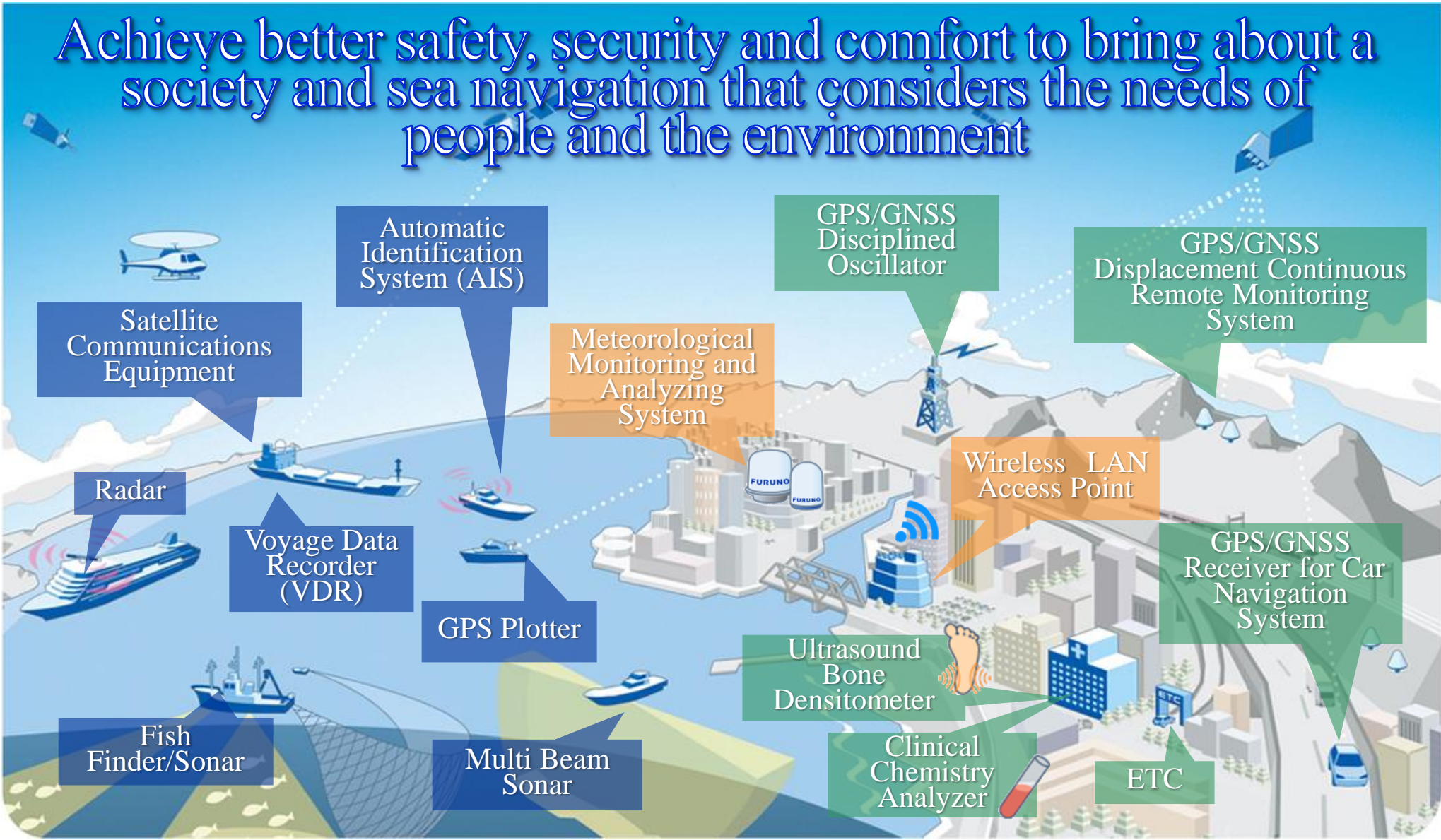
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	3,356 (consolidated)
Consolidated Sales	¥114,850 million
President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

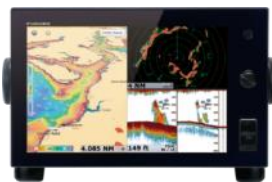


Radiotelephone

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*

