

3rd Quarter of Fiscal Year 2024 (Ending February 28, 2025)

Financial Results Briefing Materials

January 14, 2025

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.

◆ Sales: Increase

- Continuous strong demand in Japan and overseas for Marine business
- Sales in Industrial business increased mainly with Defense Equipment

◆ Profit: Increase

- Improved profitability with increase in equipment sales for Marine business and improved profit margins in Maintenance Service business

◆ Financial Results Forecast: Upward Revision

- Outlook for continuous strong demand for Marine business and decrease in tax expenses
- FURUNO will aim for its GLOBAL VISION “NAVI NEXT 2030” goals for both sales and profit ahead of schedule

* 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

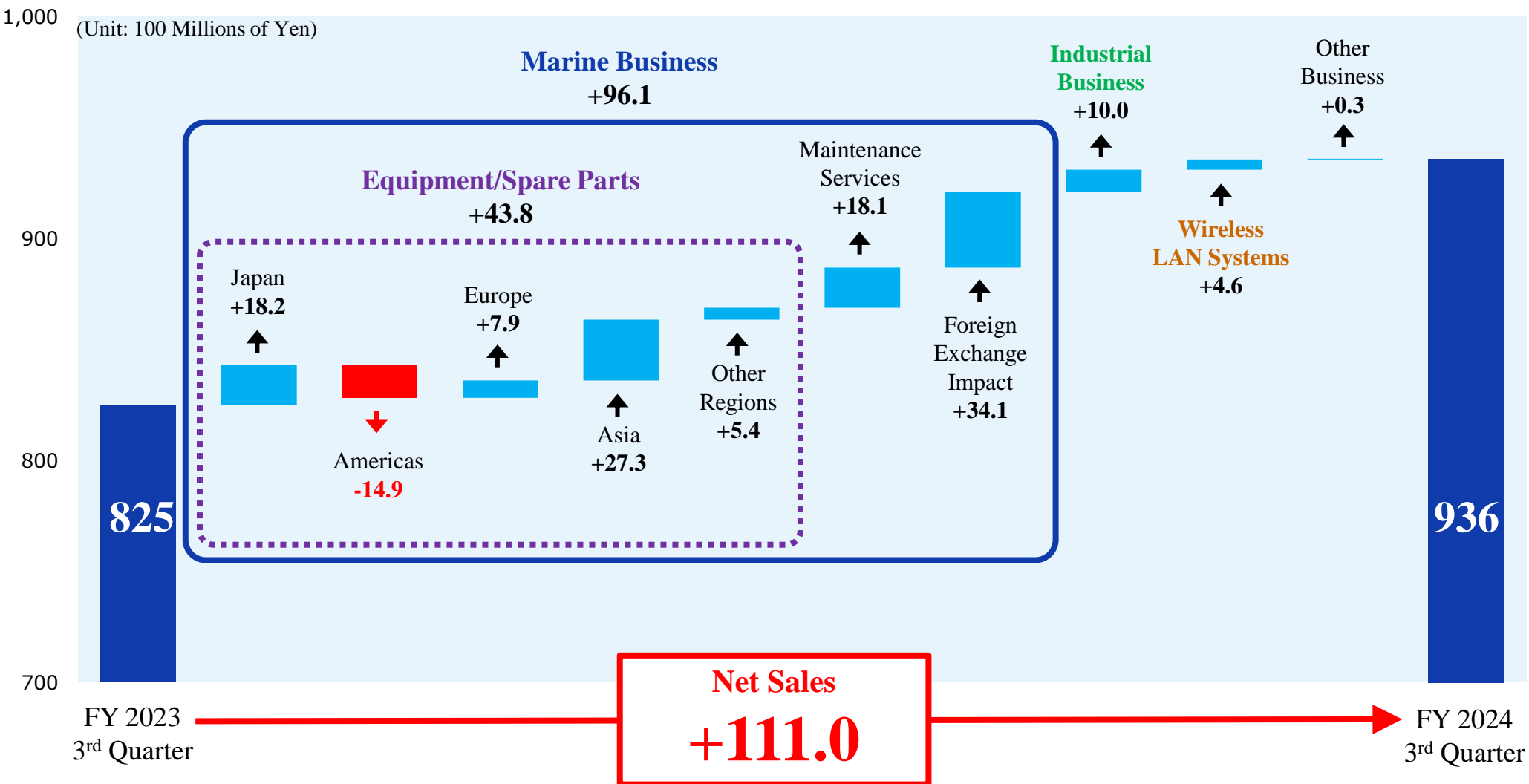
Sales increase with strong demand for Marine Business and improved profitability.

Capital expenditures increase with investment in product life cycle management system, etc.

(Unit: Millions of yen)	FY 2023 3 rd Quarter	FY 2024 3 rd Quarter	Year-over-Year (amount)	Year-over-Year (ratio)
Net Sales	82,506	93,600	+11,094	+13.4%
Gross Profit (Sales ratio)	32,406 (39.3%)	39,504 (42.2%)	+7,097	+21.9%
SG&A Expenses (Sales ratio)	25,978 (31.5%)	29,022 (31.0%)	+3,044	+11.7%
Operating Profit (Sales ratio)	6,428 (7.8%)	10,481 (11.2%)	+4,053	+63.1%
Ordinary Profit (Sales ratio)	7,742 (9.4%)	10,828 (11.6%)	+3,085	+39.9%
Profit Attributable to Owners of Parent (Sales ratio)	6,129 (7.4%)	8,538 (9.1%)	+2,408	+39.3%
R&D Expenses (Sales ratio)	4,263 (5.2%)	4,572 (4.9%)	+309	+7.3%
Capital Investment (Sales ratio)	2,245 (2.7%)	3,248 (3.5%)	+1,003	+44.7%
Depreciation Expenses (Sales ratio)	2,518 (3.1%)	2,655 (2.8%)	+137	+5.5%
(Unit: Yen, annual average exchange rate)				
1 USD	138	151	+13	+9.6%
1 EUR	150	164	+14	+9.1%

Analysis of Increase/Decrease in Net Sales

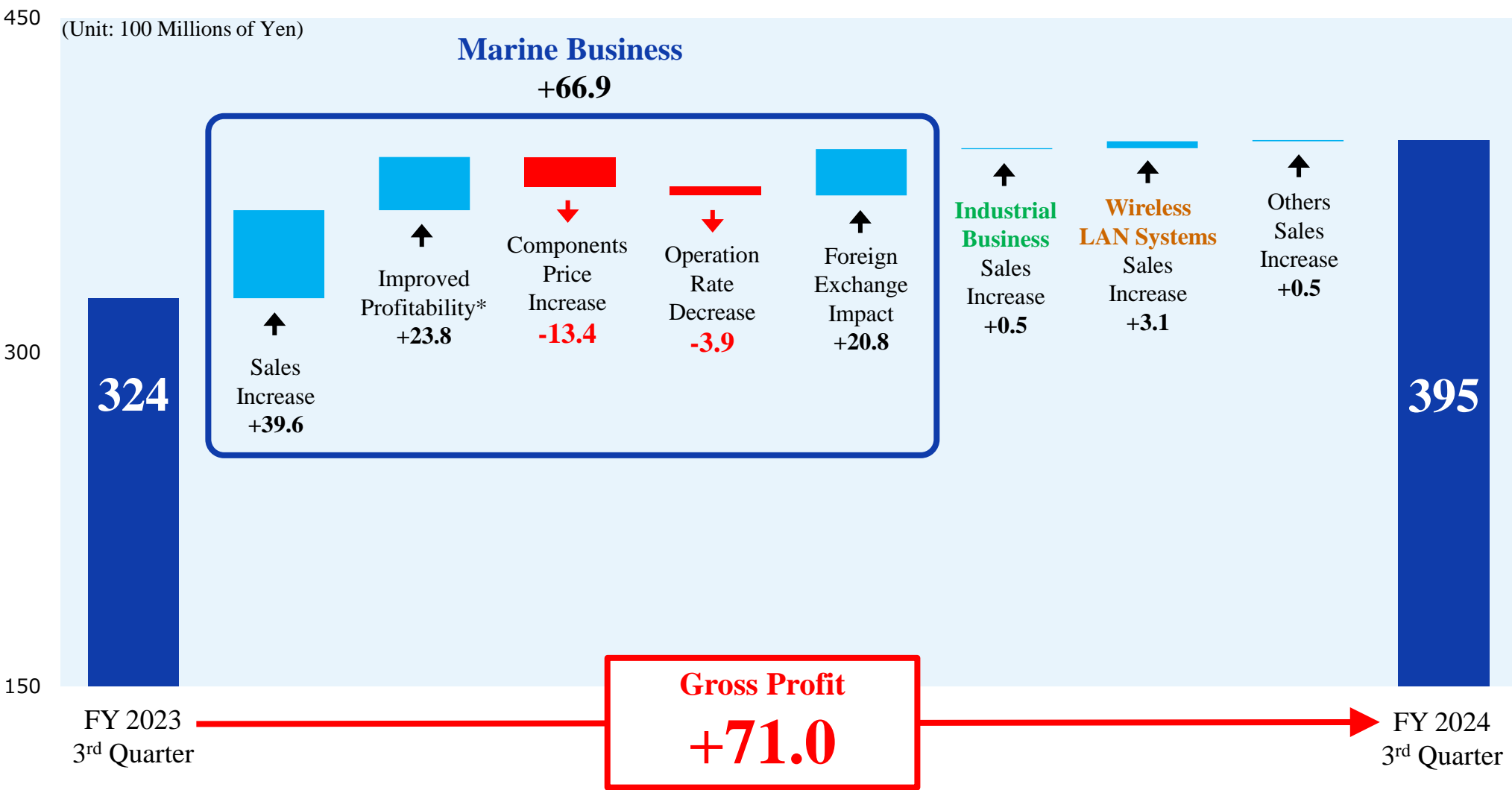
Marine business: Significant sales increase with overall strong sales for Merchant Vessels
Industrial business: Sales increase mainly led by Defense Equipment



Analysis of Increase/Decrease in Gross Profit



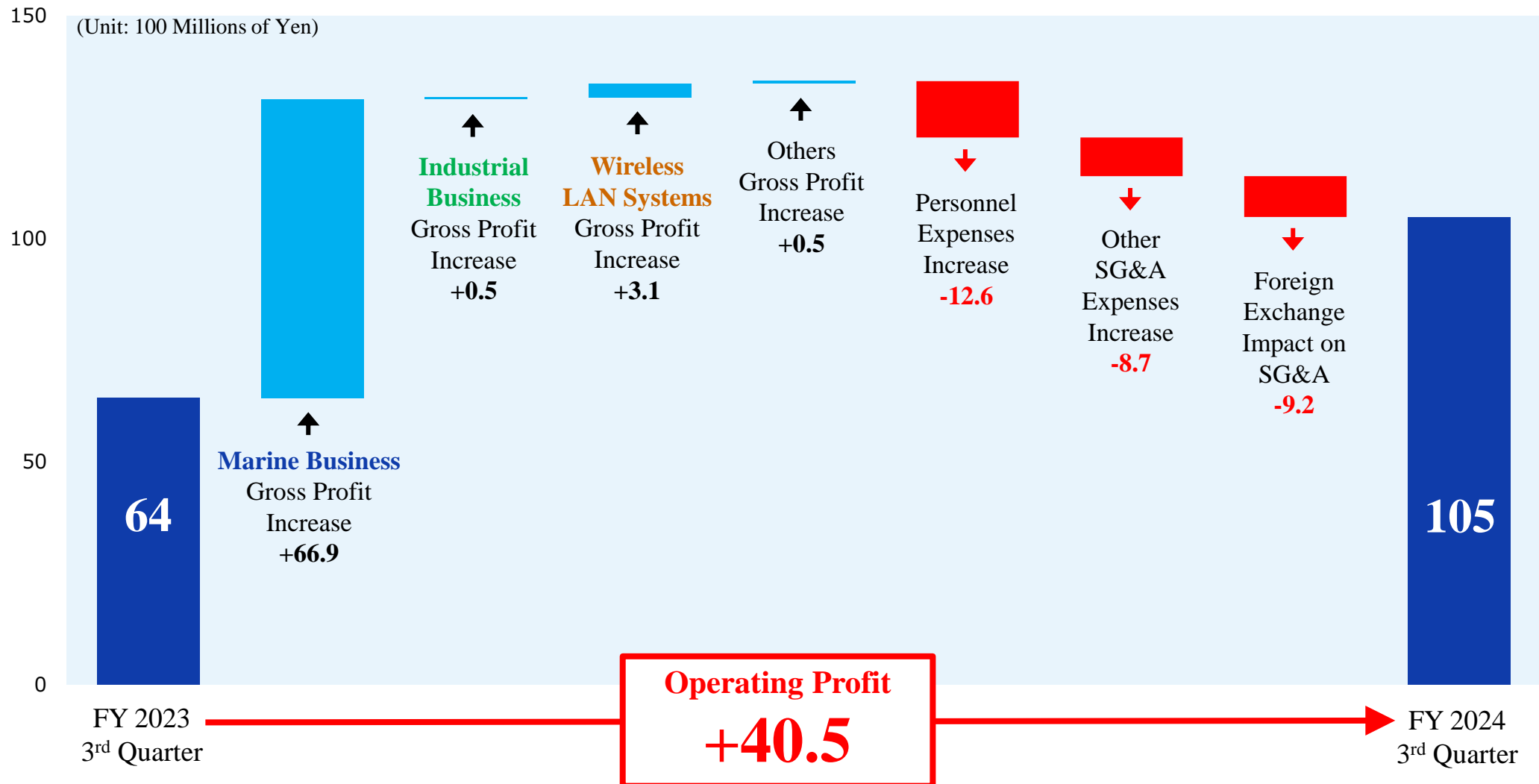
Profit increase with sales increase in Marine business and improved profitability, offsetting higher components price and decrease in operation rate due to easing of increased production



*: Improved profitability of maintenance services, decrease in unrealized gains with lower inventory, etc.

Analysis of Increase/Decrease in Operating Profit

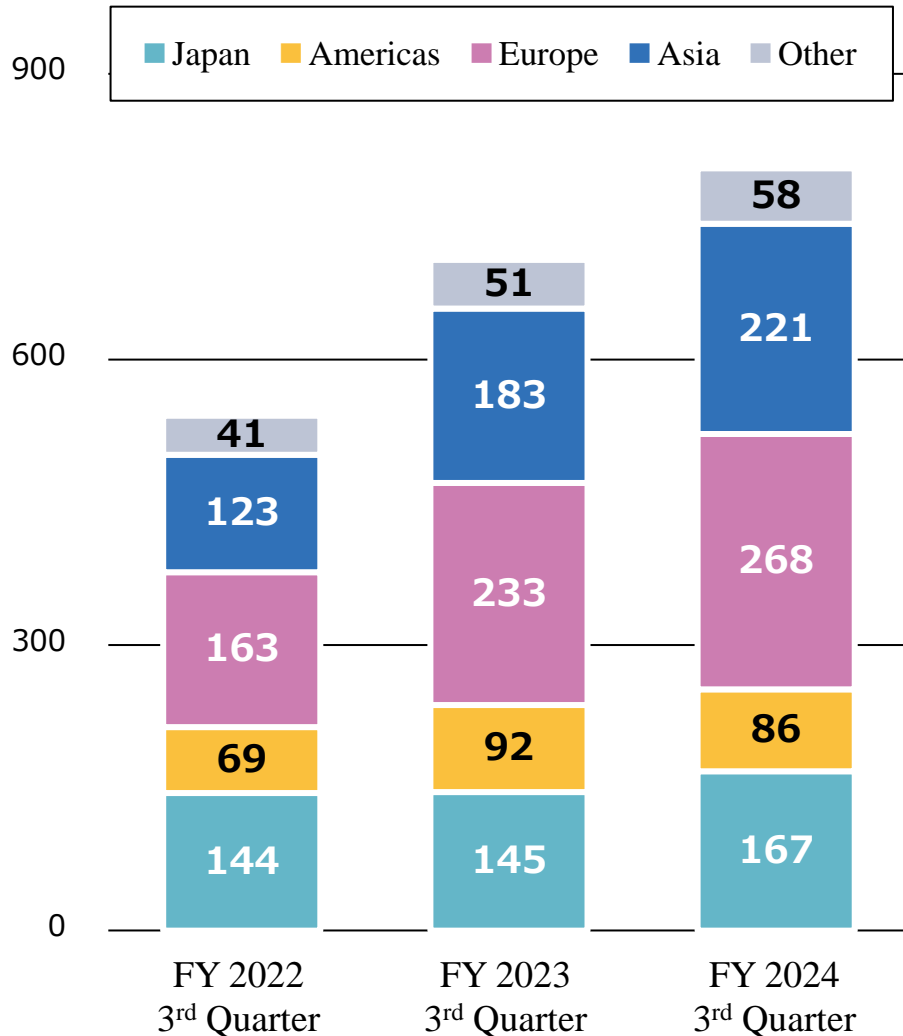
Increase in Profit due to higher Gross Profit mainly in Marine Business, despite higher SG&A expenses such as personnel costs associated with salary revisions



“100M” stands for 100 Million

Marine Business Consolidated Sales (by Region)

(Unit: 100 Millions of Yen)



Marine Business

Net Sales **801** 100M yen (+**13.6%** year-over-year)

Segment Profit **104.3** 100M yen (+**38.4** 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 boats, but continued strong demand in big-sized boats

◆ **Japan:** Net sales **167** 100M yen (+**15.0%**)

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

◆ **Americas:** Net sales **86** 100M yen (-**5.8%**)

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

◆ **Europe:** Net sales **268** 100M yen (+**15.0%**)

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

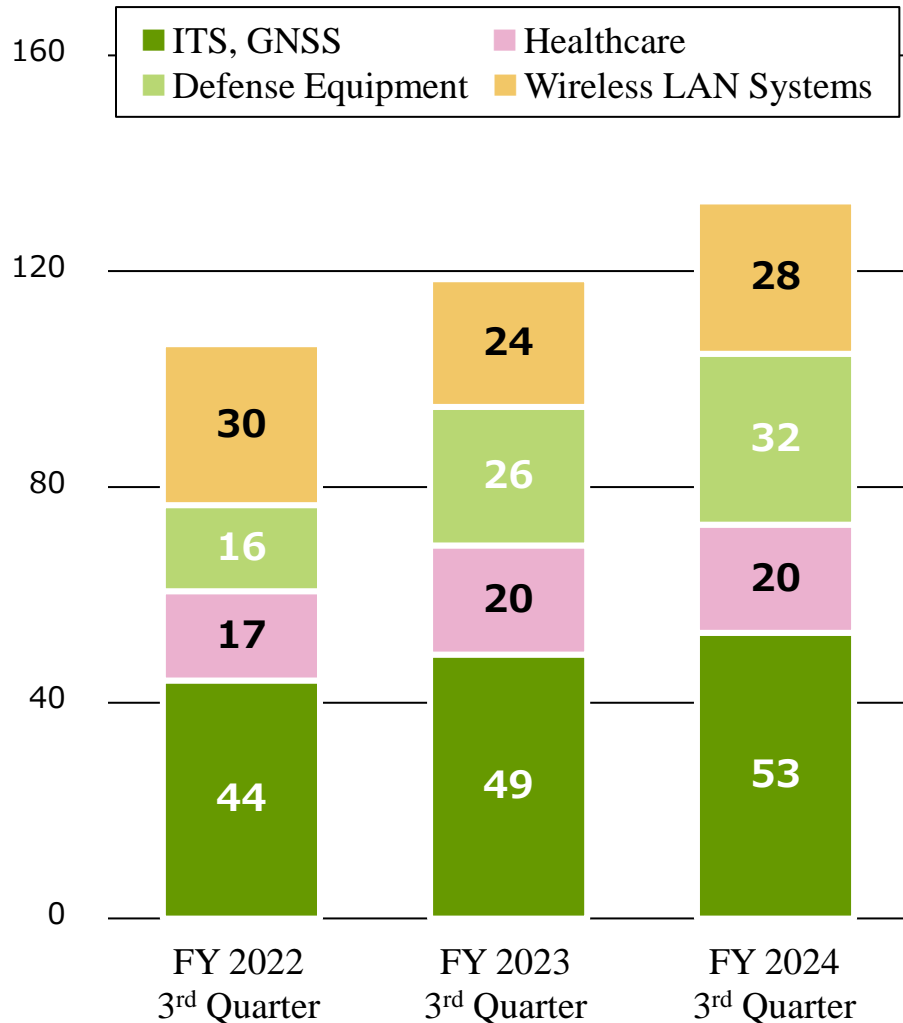
◆ **Asia:** Net sales **221** 100M yen (+**20.5%**)

- Increase in sales for Merchant newbuild projects

“100M” stands for 100 Million

Industrial Business Consolidated Sales (by Product)

(Unit: 100 Millions of Yen)



Industrial Business

Net Sales **104** 100M yen (+**10.6%** year-over-year)

Segment Profit **2.8** 100M yen (**-0.1** 100M yen)

- Increase in sales mainly in Defense Equipment
- Decrease in profit due to low margin projects, etc.

◆ **ITS, GNSS:** Net sales **53** 100M yen (+**8.3%**)

- 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 **20** 100M yen (**-1.1%**)

- Increase in sales for clinical chemistry analyzers

◆ **Defense Equipment:** Net sales **32** 100M yen (+**23.4%**)

- Higher sales with increase in national defense budget

Wireless LAN Systems

Net Sales **28** 100M yen (+**19.4%** year-over-year)

Segment Profit **2.3** 100M yen (+**2.9** 100M yen)

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

Forecast for FY 2024: Upward Revision

FURUNO

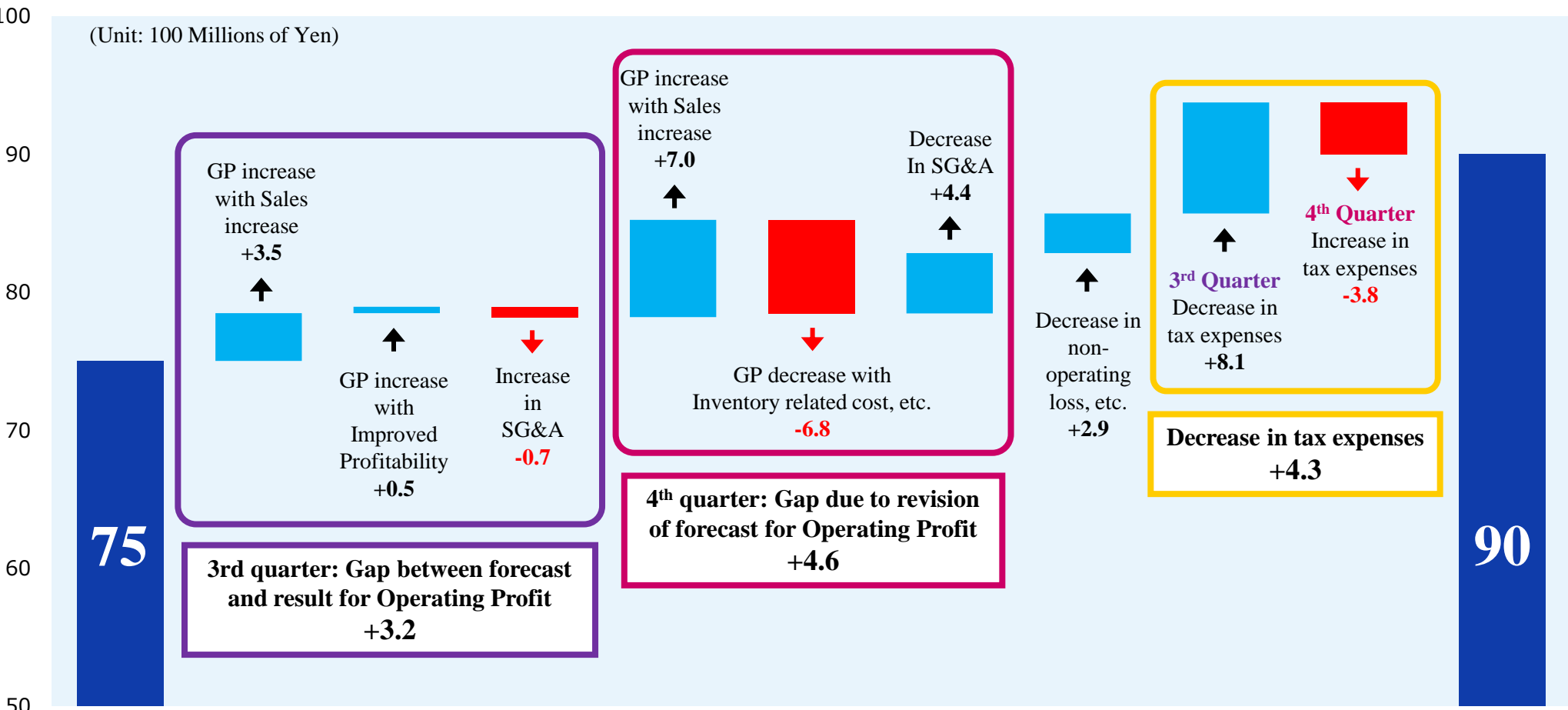
Outlook for continuous strong demand for Marine business and decrease in tax expenses.
FURUNO will try to achieve its Corporate Vision (NAVI NEXT 2030) targets ahead of schedule.

(Unit: Millions of yen)	FY 2023 Result	FY 2024 Previous Forecast	FY 2024 Revised Forecast	Revision
Net Sales	114,850	123,000	125,000	+2,000
Operating Profit (Sales ratio)	6,519 (5.7%)	11,000 (8.9%)	12,000 (9.6%)	+1,000
Ordinary Profit (Sales ratio)	8,169 (7.1%)	11,500 (9.3%)	12,500 (10.0%)	+1,000
Profit Attributable to Owners of Parent (Sales ratio)	6,238 (5.4%)	7,500 (6.1%)	9,000 (7.2%)	+1,500
1 USD	140	149	151	+2
1 EUR	152	163	164	+1

Revision of dividend with revision of financial result 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	35	40	75	31.6%
FY 2024 Revised Forecast	35	55	90	31.6%

Operating Profit increase mainly due to strong sales in Marine Business and decrease in SG&A expenses. Also decrease in tax expenses, resulting in the upward revision of forecast.



Previous forecast
FY 2024
Profit

Upward Revision
+15.0

Revised forecast
FY 2024
Profit

Forecast for FY 2024: 4th Quarter

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**Profitability decrease in 4Q with inventory-related expenses, etc.
and higher SG&A related to bonuses of overseas subsidiaries**

(Unit: Millions of yen)

	FY 2024 1Q Result	FY 2024 2Q Result	FY 2024 3Q Result	FY 2024 4Q Forecast
Net Sales	28,196	34,605	30,799	31,400
Gross Profit (Sales ratio)	11,998 (42.6%)	14,435 (41.7%)	13,071 (42.4%)	11,996 (38.2%)
SG&A Expenses (Sales ratio)	9,369 (33.2%)	9,765 (28.2%)	9,888 (32.1%)	10,478 (33.4%)
Operating Profit (Sales ratio)	2,629 (9.3%)	4,670 (13.5%)	3,182 (10.3%)	1,519 (4.8%)
Ordinary Profit (Sales ratio)	3,136 (11.1%)	4,378 (12.7%)	3,314 (10.8%)	1,672 (5.3%)
Profit Attributable to Owners of Parent (Sales ratio)	1,280 (4.5%)	3,787 (10.9%)	3,471 (11.3%)	462 (1.5%)

Factors contributing to the decrease in profit in 4Q

Gross Profit: Cost increase due to inventory-related expenses, etc. (accounting treatment)

SG&A: Increase in personnel expenses mainly due to bonuses of overseas subsidiaries

Better Gross margin expected with the effects of profitability improvement initiatives

(Unit: Millions of yen)

	FY 2019 4Q Result	FY 2020 4Q Result	FY 2021 4Q Result	FY 2022 4Q Result	FY 2023 4Q Result	FY 2024 4Q Forecast
Net Sales	20,484	21,837	22,170	26,346	32,344	31,400
Gross Profit (Sales ratio)	6,090 (29.7%)	7,796 (35.7%)	7,581 (34.2%)	9,125 (34.6%)	10,188 (31.5%)	11,996 (38.2%)
SG&A Expenses (Sales ratio)	6,607 (32.3%)	7,403 (33.9%)	7,884 (35.6%)	8,925 (33.9%)	10,097 (31.2%)	10,478 (33.4%)
Operating Profit (Sales ratio)	-517 (-2.5%)	393 (1.8%)	-303 (-1.4%)	199 (0.8%)	91 (0.3%)	1,519 (4.8%)
Ordinary Profit (Sales ratio)	-360 (-1.8%)	1,154 (5.3%)	374 (1.7%)	287 (1.1%)	427 (1.3%)	1,672 (5.3%)
Profit Attributable to Owners of Parent (Sales ratio)	-535 (-2.6%)	1,208 (5.5%)	544 (2.5%)	72 (0.3%)	109 (0.3%)	462 (1.5%)

Appendix: Consolidated Balance Sheet

FURUNO

(Unit: Millions of yen)	Full Year FY 2023	3 rd Quarter FY 2024
Current assets	86,285	88,062
(Cash and deposits)	(11,786)	(13,820)
(Inventories)	(46,088)	(44,437)
Fixed assets	28,085	29,369
(Tangible fixed assets)	(14,751)	(15,260)
(Intangible fixed assets)	(4,902)	(5,539)
(Investments and other assets)	(8,432)	(8,570)
Total assets	114,370	117,431
Current liabilities	39,385	33,693
Long-term liabilities	13,550	15,575
Total liabilities	52,935	49,269
Shareholders' equity	55,184	61,361
Others	5,856	6,398
Non-controlling interests	393	402
Total net assets	61,434	68,162
Total liabilities and net assets	114,370	117,431
Equity ratio	53.4%	57.7%

Topics

First installation of “Smart Bridge” in Japan

Smart Bridge, a next-generation integrated fishing labor system developed by one of our overseas subsidiaries, has been installed **for the first time in Japan** on a vessel owned by Ishidamaru Fishery Co.



This bridge system is a system that combines ease of viewing and operation with the ability to freely customize the monitor display to suit various scenes during fishing boat operations. The system was developed by our subsidiary in Sweden, and is also being introduced in Norway, Denmark and the UK, which are major fishing nations. Modern large fishing vessels are equipped with numerous devices to ensure safe and efficient operation. In addition, during actual fishing operations, the vessels use Fish Finders and Scanning Sonar to detect fish schools and observe their movements, as well as to check the condition of the seafloor and how the nets spread by watching the current indicator.

As a result, fishing captains and navigators check the screens of dozens of electronic devices and systems, from navigation to fishing, depending on the situation. With this system, various electronic devices, which were previously checked individually, can now be connected via a network, and the necessary information can be displayed on the monitor that is easiest to see at the necessary time.

Winner of NMEA Best Product Award in 2024, in 6 categories

FURUNO won **the Best Product Award in 6 out of 18 categories** at **the National Marine Electronics Association (NMEA)** in 2024, the 54th consecutive year since winning the NMEA Best Manufacturer Award in the “Fish Finder Category” in 1971. The NMEA members vote each fall to select **the product of the year with the best design, performance, and reliability from among the marine electronic equipment** released that year. 2024 awards were given in 18 categories. In 2024, we received awards in each of the following categories. TZ Professional navigation software developed by our partner Nobeltec was also selected in the “Marine PC Software” category, making a total of 6 categories in which our products received the Best Product Award.



【Awarded categories/products】

Radar	X-band solid-state Radar sensor (Model : DRS4D-NXT)
NMEA2000 Sensor	4-antenna Satellite compass (Model : SCX-20)
Marine Specialty	Full-surface color scanning sonar (Model : CSH-8L MARK-2)
Fish Finder	Network multibeam sonar (Model : DFF-3D)
Merchant Marine Equipment	X/S-band solid-state navigation radar (Model : FAR-2228NXT-BB)
Marine PC Software	Navigation Software TZ Professional

Exhibited the world's largest conference on time synchronization

As a Gold Sponsor, FURUNO exhibited at the International Timing and Sync Forum (ITSF) 2024, the world's largest international conference on time synchronization held in Seville, Spain.

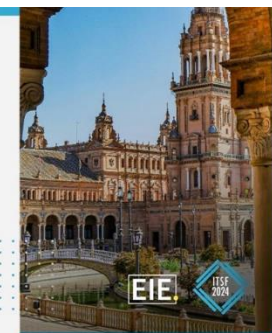
The conference brought together industry professionals from around the world for four days of exhibits on the latest time synchronization solutions. In addition, lectures on the latest solutions for critical infrastructure such as telecom, securities, smart grid, and data centers were given by participating companies.

In addition to the **“Model: GT-100,” a GNSS receiver module for time synchronization that combines the world's highest level of performance and high robustness through dual-frequency reception of L1 and L5**, we have introduced the **“Model: AU-500,” a multi-GNSS antenna for time synchronization that also supports dual-frequency reception**, and which, when combined with this module, demonstrates high accuracy and robustness. In addition, we introduced the “Model: AU-500,” a multi GNSS antenna for time synchronization, which also supports dual-frequency reception and demonstrates high accuracy and robustness when used in combination with this module.

In the technical session, FURUNO’s employees also took the stage to present an evaluation of 1PPS accuracy using a state-of-the-art positioning engine on the theme of the need for further performance improvements in future time synchronization.

We're exhibiting at #ITSF2024, the home of the global timing and sync community.

International Timing + Sync Forum — 2024
4th - 7th November
Seville | Spain



「GT-100」



「AU-500」

“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.



Spo-GOMI World Cup Hyogo Stage

Following last year, FURUNO sponsored the world's most eco-friendly sporting event, in which trash pickup was used as a competition, and three FURUNO teams participated. In addition to the pledge of allegiance by our employees, our official ambassador, Mr. Kawa-chan, served as the MC for the event.

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Hankyu Hanshin Dream Town Social Lab

In collaboration with the Hankyu Hanshin Holdings Group's social contribution activity “Dream Town of the Future Project”. The event was held at the Company's head office with Kawa-chan, the official ambassador of the project, as a lecturer “Let's learn about life in the sea”. Participating elementary school students learned how fish live in the sea and made “eelgrass growing pots,” which are cradles for the sea.



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.

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

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

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

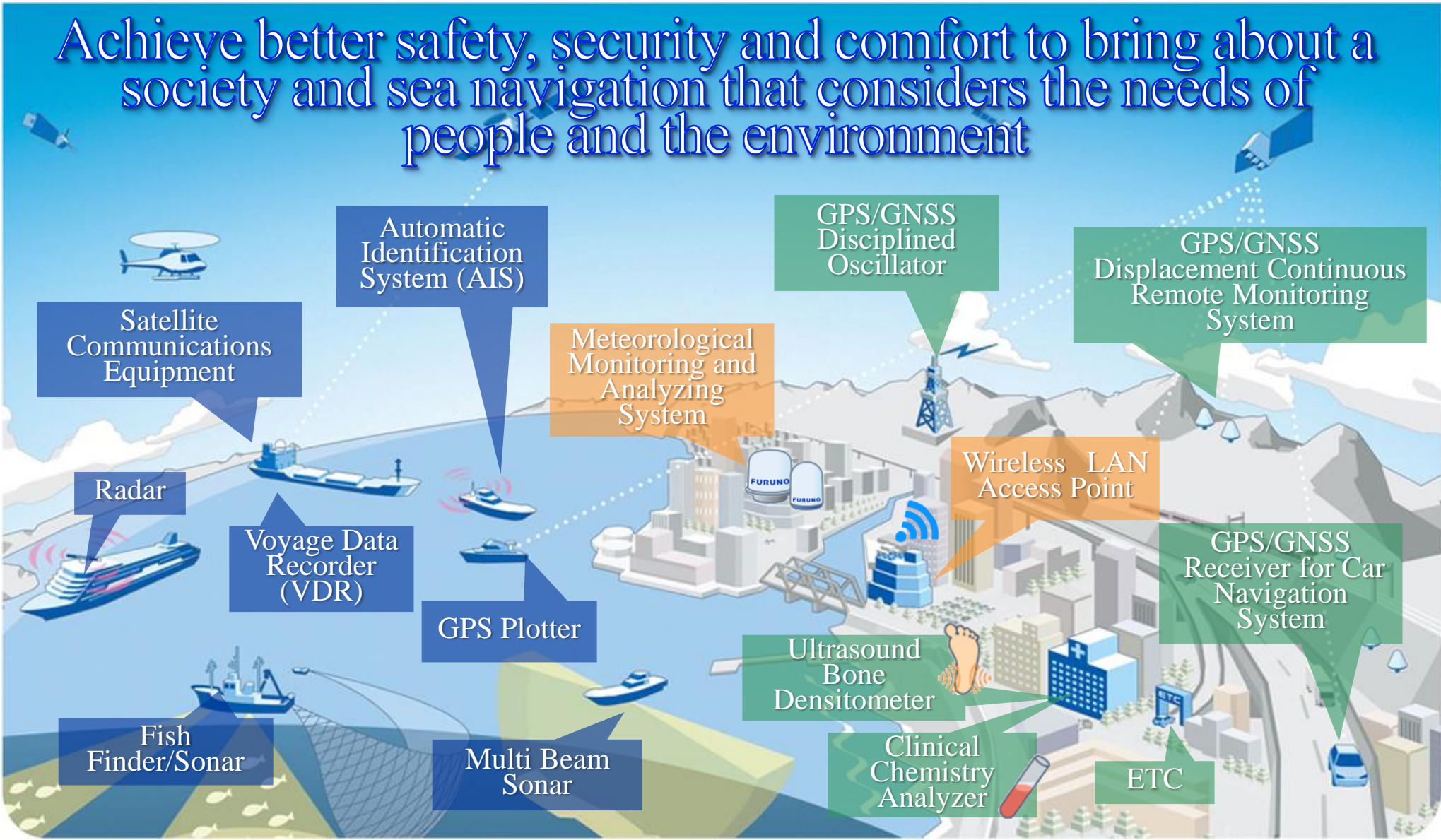
Company Name	FURUNO ELECTRIC CO., LTD.
Headquarters	Nishinomiya City, Hyogo, Japan
Incorporated	May 23, 1951
Business	Manufacturing and sale of maritime and industrial electronic products
Paid-in Capital	¥7,534 million
Number of Employees	3,356 (consolidated)
Consolidated Sales	¥114,850 million
President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

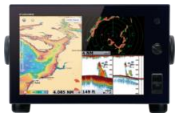


Radiotelephone

For Pleasure Boats



Radar



Multi-Function Display



GPS/WAAS Chart Plotter

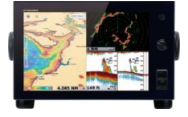


Autopilot

For Work 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

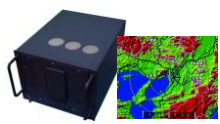
Defense Equipment



Multi-beam Sonar Fathometer



GPS Navigation System



Map Generator Unit

Wireless LAN Systems



Wireless LAN Access Point*



Wireless Handheld Terminal*