Global Network / Corporate Information (as of March 1, 2021)



Europe

FURUNO (UK) LTD.
FURUNO NORGE A/S
FURUNO DANMARK A/S
FURUNO SVERIGE AB
FURUNO FINLAND OY
FURUNO POLSKA Sp. z o.o.
FURUNO DEUTSCHLAND GmbH
FURUNO EUROPE B.V.
FURUNO FRANCE S.A.S.
FURUNO ESPAÑA S.A.
FURUNO ITALIA S.R.L.
FURUNO HELLAS S.A.
FURUNO (CYPRUS) LTD
FURUNO EURUS LLC
EMRI A/S

Japan

FURUNO KYUSHU HANBAI CO., LTD.
FURUNO KANSAI HANBAI CO., LTD.
KYORITSU RADIO SERVICE CO., LTD.
FURUNO SYSTEMS CO., LTD.
FURUNO LIFEBEST CO., LTD.
FURUNO SOFTECH CO., LTD.
LABOTECH INTERNATIONAL CO., LTD.

Asia / Oceania

FURUNO SHANGHAI CO., LTD.
FURUNO SOFTECH (DALIAN) CO., LTD.
FUNOTEC (DALIAN) CO., LTD.
FURUNO CHINA CO., LIMITED
FURUNO DONGGUAN CO., LTD
FURUNO HONG KONG CO., LTD.
PT FURUNO ELECTRIC INDONESIA
FURUNO KOREA CO., LTD.
FURUNO SINGAPORE PTE LTD
FURUNO ELECTRIC (MALAYSIA) SDN. BHD.
ELECTRONIC NAVIGATION LIMITED

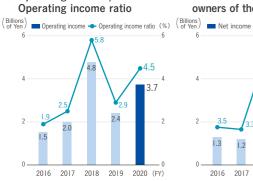
America

FURUNO U.S.A., INC. FURUNO PANAMA, S.A.

Financial Highlights (Consolidated)

Years ended the last day of February

▶ Operating income /



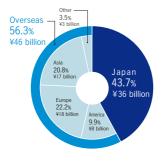
Net sales by business segment







▶ Net sales by business



Company Outline

(as of February 28, 2021)

Company Name	FURUNO ELECTRIC CO., LTD.
Incorporated	May 23, 1951
Headquarters	9-52 Ashihara-cho, Nishinomiya City, Hyogo 662-8580, Japan
Capital	¥7,534 million
Number of Employees	2,978 (consolidated)
Consolidated Sales	¥82,255 million (\$767.7 million)*
President	Yukio Furuno
Website	https://www.furuno.com

*US dollar amounts are converted at 1 USD – 107.14 JPY, the average exchange rate for 2020. These conversions do not mean the Japanese yen is subject to the above rate or any other rate when converted to US dollars.

FURUNO ELECTRIC CO., LTD.

FURUNO

Corporate **Report**

2021-2022

Corporate Profile & CSR Report







[·] The information in this pamphlet is current as of June 1, 2021.

All brand and product names are registered trademarks, trademarks or service marks of their respective holders.

Since our inception, FURUNO has been continually helping people see things that are beyond the realm of visibility. Through exhaustive research and development, we create and implement our innovative technologies to solve any problem, seen or unseen. This mentality resulted in our invention of the world's first fish finder.

However, the products FURUNO manufactures go far beyond making things visible

By making the invisible visible, we encounter new possibilities that we weren't aware of before This not only benefits those who directly use our instruments, but it also affects the lifestyles of many people beyond them.

By looking at things from a customer's point of view, we can see the problems at hand and find new possibilities that were previously beyond the realm of visibility.

And by analyzing the way we live,

FURUNO continues to create new values that are not yet visible to the human eye.

CHALLENGE the INVISIBLE.

CONTENTS

- 02 President's Message
 - FURUNO Group's Vision and our SDGs
- 03 Corporate Vision / Mid-Term Management Plan
- 05 FURUNO's History
- 07 FURUNO's Business Fields (I) Marine Business
- 13 FURUNO's Business Fields (2) Industrial Business
- 17 CSR Activities (Quality and Safety Initiatives)
 - (Environmental Consciousness) (Risk Management)
- 19 Global Network / Corporate Information

■ Editorial Policy

This report was edited to combine the FURUNO Group Corporate Profile and CSR Report to make the group's business activities easy to understan

■ Period Covered

March 1, 2020 - February 28, 2021 (some content from March 2021 onward also included)

■ Scope

PRESIDENT'S MESSAGE

Contributing to Sustainable Development of Local Communities and Society through Increased Value to **Customers and Enhanced Corporate Values**

In 2018, the FURUNO Group formulated the "NAVI NEXT 2030" global vision consisting of a "Business Vision" and a "Human Resources and Corporate Culture Vision" to be achieved by 2030.

Our business vision is to achieve better safety, security, and comfort to bring about a society and sea navigation that considers the needs of people and the environment. This vision prioritizes not only safety and security in addition to the environment but also creates an inspiring, comfortable society for all. Meanwhile, our human resources and corporate culture vision, "Value through globalization and speed", is an extolment of the virtue of working together to create value through globalization and speed.

Through the development of various activities aimed at realizing this management vision, we will continuously and progressively enhance both the value we provide to customers and our corporate value.

FURUNO Group's Vision and our SDGs

SUSTAINABLE GALS

Realizing our SDGs

"A company exists to serve society" as a management principle, FURUNO has been developing its business to build a sustainable society. We will continue to create new value by recognizing the idea of SDGs and utilizing our core technologies to solve social issues.



Corporate Vision

FURUNO GLOBAL VISION "NAVI NEXT 2030"

On December 3, 2018, to mark the 70th anniversary of its foundation, FURUNO Group has formulated a new management vision, FURUNO GLOBAL VISION "NAVI NEXT 2030", to carry the company through to 2030.



Business Vision

Achieve better safety, security and comfort to bring about a society and sea navigation that considers the needs of people and the environment

This business vision expresses the priority all businesses in the FURUNO Group place on working to bring about safety, security and comfort on the sea and land, as the basis for achieving a society and sea navigation that considers the needs of people and the environment. We have expanded the focus of the FURUNO Group's business activities from offering the values of safety, security and environmental consciousness to also include comfort and humanity. This is a new marker for us as we move forward in providing customers with greater value in our existing businesses and cultivate new businesses in associated fields.

Since the time of our inception in 1948, when we commercialized the world's first practical fish finder, the FURUNO Group has been fulfilling its mission of solving social issues through our businesses. Meanwhile, the United Nation's Sustainable Development Goals (SDGs) are becoming a shared awareness in the international society, and companies are now being called on to contribute to realizing the SDGs through their business activities. The FURUNO Group will also actively incorporate SDGs into our corporate management and basic policy for business activities, while carefully preserving the values we have cultivated since our foundation.

FURUND Corporate Report

Human Resources and Corporate Culture Vision

VALUE through GLOBALIZATION and SPEED

This is our key proposal for the focused strengthening and assessment of human resources, a valuable resource in corporate management, and corporate culture to achieve our business vision. It comprises the following three points.

Value — Creating greater value together

We will cultivate a deep understanding of our vision and adopt a highly autonomous approach to achieving it. We will work together with every FURUNO Group stakeholder to create even greater value in society.

Globalization — Comprehensive globalization

We will foster a global mindset in our organization, and ensure the optimal and maximum use of our internal and external resources to achieve our vision, irrespective of their affiliated division, region, country, etc.

Speed — Quick and agile decisions and action

We will not falter in the face of change, as we strive to continue creating a new era.

FURUNO GLOBAL VISION 2030

Mid-Term Management Plan

We will progressively and promptly work toward realizing the FURUNO GLOBAL VISION "NAVI NEXT 2030" through the following three phases. Our growth targets for FY 2030, the completion year of the three phases, are consolidated net sales of 120 billion yen, operating margin of 10%, and new business composition ratio of 30%.

Mid-Term Management FY 2020-2022 Advance Procure resources and strengthen our capabilities

Connect

FY 2023-2025

Take action toward building a profitable structure and the pillars of our technologies and businesses

FY 2026-2030

Transform

Realize an appropriate corporate scale, profitability and business structure

Overview of the Mid-Term Management Plan of Phase I

by improving the structure

of our businesses

In "Phase I" of the mid-term management plan, covering the three-year period for fiscal years 2020 through 2022, we will improve profitability by implementing initiatives and individual business strategies to improve and strengthen our business.

Main Initiatives

Strengthen Inventory Control and Achieve Appropriate **Inventory Levels**

Promote the reduction of inventories in all areas of the value chain by working together to refine production plans by improving the accuracy of demand forecasts, review logistics systems by optimizing distribution bases, and shortening procurement and production lead times.

Further Improvements in Quality

Based on a "Quality Before Everything" mentality, we aim to further reduce the cost of quality loss by reviewing and steadily implementing back-to-basics quality processes in each business division, fostering quality management human resources by upgrading the quality education system, and enhancing the corporate culture.

Optimization of Product Development Functions

Improve development efficiency by optimizing the global development system, promoting common design, utilizing simulation, and automating the inspection process.

Optimization of Comprehensive **Manufacturing Functions**

Optimize the global production system, automate production processes, expand configurated production, thoroughly eliminate waste, and promote 1/2 manufacturing.

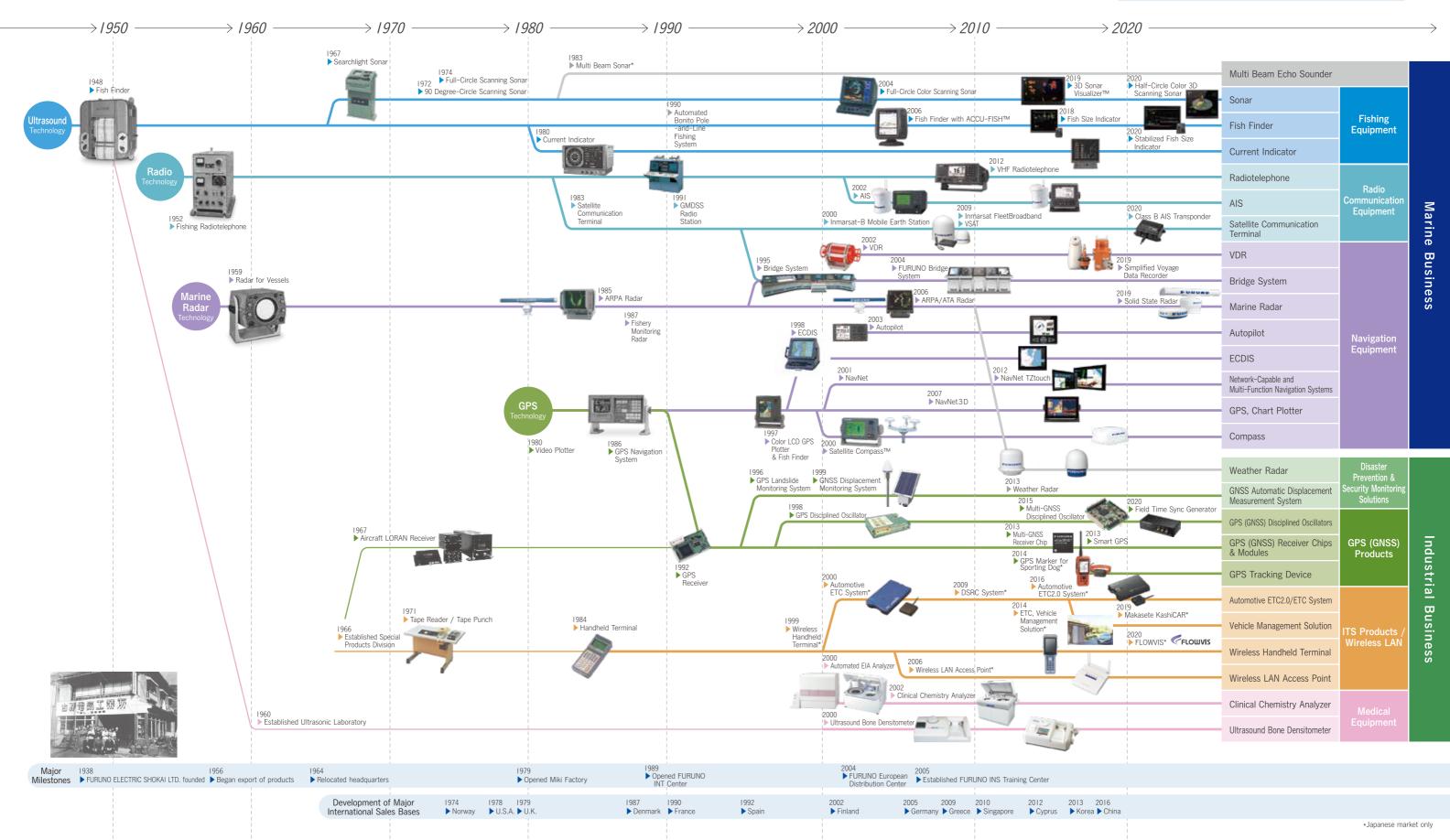
New Strategic Investment Quota Investment for future growth in Phase 2 and beyond, including fostering new businesses. R&D investment, including advanced technology areas. business expansion into peripheral areas of existing businesses, and infrastructure development.

FURUNO will contribute to the development of society and industry previously invisible, using our SPC core competencies and our

by giving visual form to that accumulated know-how.



Through "Integration" of the knowledge, experience, skills, and know-how accumulated through our business activities with our three core areas of technological expertise— "Sensing", "Processing" and "Communication"—we create solutions that are of great value to our customers.





Business Fields I

Marine **Business**

FURUNO equipment supports safe, secure navigation.

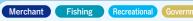
Since 1948, when we became the first company in the world to successfully commercialize a fish finder, we have offered a wide range of marine electronic equipment that serves the needs of our customers, including fishing boats, large merchant vessels, government vessels, and recreational boats. Today, our goal is to ensure a safe, secure, and comfortable life at sea, and to support further development of maritime culture.

Merchant

VDR (Voyage Data Recorder)

VDR records and stores navigation data and information. This data is obtained from onboard sensors, and can be analyzed in the event of a marine accident to pinpoint the cause and prevent further recurrence.

Merchant For Merchant Vessels Fishing For Fishing Vessels Recreational For Recreational Boats Government For Government Vessels



Satellite Communications Equipment / Service

We offer communications equipment and services employing communications satellites. This enables telephone and facsimile communication with the shore, as well as onboard connectivity to the Internet.



Merchant Fishing Recreationa





AIS (Automatic Identification System)

AIS allows for ship information (e.g., ID, position, heading direction) to be exchanged among ocean-going ships and vessels. These systems help prevent collisions and ensure safe navigation. They also make it possible to detect ships, which do not appear on radar because they are hidden in the shadow of islands.

Radar



Radar acts as the eyes of a ship, sending out radio waves as a means of detecting other vessels and obstructions in the surrounding area. Radar allows ships to navigate safely, even when dense fog reduces visibility.

Coastal Monitoring System

These systems monitor the sea and harbor by combining surveillance radar, surveillance cameras and other equipment. They support a broad array of applications, from wide-range surveillance for marine traffic control, to surveillance over a limited range such as fishing grounds and aquaculture areas.

Autopilot

Linked to the steering system and



Navigating in the open seas requires accurate assessment of one's current position. GPS chart plotters pinpoint a vessel's position based on radio waves sent from GPS satellites. The position is displayed on a simplified navigational chart.



heading sensors, the autopilot automatically controls the ship to maintain the course, making steering much easier for the captain.



Fish Finder / Sonar

These systems detect fish schools using ultrasound waves, which travel in straight lines as they penetrate the water and bounce back to the original source after hitting fish, the seabed or other objects. The depth and distance to schools of fish can be calculated based on the time it takes for the ultrasound waves to return.



Radiotelephone

A means of communication while at sea, used in times of distress or emergency and to receive maritime safety information (navigation warnings, weather information, etc.)









FURUNO's products support safe, secure and comfortable navigation.

As a comprehensive marine company with marine electronics equipment at its core, we will contribute to safe and secure navigation for our marine customers and the development of marine culture.



For safe and efficient navigation

As part of our mission to contribute to safe and efficient navigation, FURUNO offers a variety of navigation and communications equipment. These products are designed for all types and sizes of merchant vessels carrying both people and goods. With regards to newly-built vessels, we have built up a track record and global network commensurate with our top market share. Leveraging these assets, our business spans from new vessel construction to upkeep and lifecycle maintenance and retrofitting.



Marine Radar

Detects nearby vessels or obstructions using radio waves. Among many features that support safe navigation, our latest marine radar products automatically eliminate unwanted echoes and adjust the radar images according to sea conditions.





Remote Monitoring & Support System (RMS) HermAce

HermAce is a centralized management system to remotely monitor the operational status of each device on board a ship in real time. The system provides a full range of ooting services based on extensive experience, enabling customers to take prompt initial action when an alert occurs.



Our mission is to contribute to the safe and efficient operation of our customers' ships, from large and small cargo and passenger ships to containerships, tankers, and LNG carriers, by developing and maintaining products such as Radar, ECDIS (Electronic Chart Display and Information System), and Satellite Communication Equipment.



For Fishing Vessels

We develop and sell fish finders that detect schools of fish, sonar that enables wider area search, radar for fishing, tide gauges, and other products for fishing vessels such as short sea gillnets, overseas gillnets, mid-water trawlers, and skipjack trawlers.



For Recreational Boats

We develop and sell navigational equipment that emphasizes safety, security, and comfort, such as small fish finders, GPS plotters, radars, and wireless communication devices used in pleasure boats such as sport fishing boats, sailing boats, and cruisers.





Radar for merchant ships recognized by the Ministry of **Economy, Trade and Industry of Japan** Selected as one of the new "Global Niche Top Companies Selection 100"

In recognition of our achievements in radar for merchant ships and other initiatives, we have been selected as one of the new "Global Niche Top Companies Selection 100" for 2020 by the Ministry of Economy, Trade and Industry of Japan. This highlights our leading position in a niche field in the global market through appropriate marketing, our development of highly unique products and services, and our strict quality control.

FURUNO was recognized in the electrical and electronics category for its "41%" global market share for radars for merchant ships", "product capabilities that enable FURUNO to offer a comprehensive range of electronic equipment necessary for ship

navigation", "service capabilities that enable Furuno to respond to requests from customers at any port without stopping their ships as they sail around the world", and "a global sales network that enables customers to use our products with peace of mind". FURUNO will continue to strive to provide customers with safety, security, and comfort in navigation through high-performance, high-quality marine electronic equipment.

*-Calculated based on the number of radars installed on ships (tankers, bulk carriers, and dry cargo) built at Japanese, Chinese, and Korean shipyards from January to December 2019.









For safe fishing and sustainable use of fishery resources

Since our founding, FURUNO has offered electronic fishing equipment to modernize and improve the efficiency of commercial fishing. FURUNO is working to develop fisheries with resource management, through the fishery consulting capability that we have previously cultivated in countries around the world, and by providing products and services that are both innovative and optimally suited for the market.



Half-Circle Color 3D Scanning Sonar

The 3D display function can accurately grasp the distance to the seabed and fish schools, as well as the fishing ground conditions, contributing to efficient operations



(Model F3D-S)

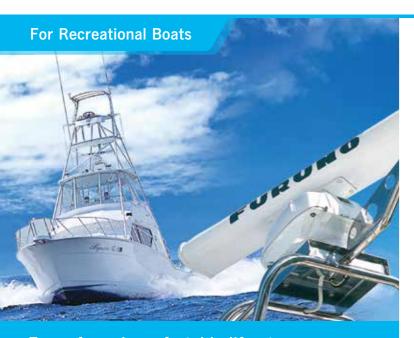
3D Sonar Visualizer™

Gather information at a distance and in a full 360° circle around the ship, converted into three-dimensional information in real-time. Enjoy a complete picture of schools of fish at-a-glance and determine the distribution of the school for greater operating efficiency.



Stabilized Fish Size Indicator

A fish finder canable of measuring fish length and fish volume, contributing to information collection for fishery management and marine resource exploration.



For safe and comfortable life at sea

FURUNO offers high-quality products for users of all types of While continuing to supply innovative and highly reliable products to the users of small workboats, such as coastal security vessels and tug boats, we are expanding our efforts to enhance customer value.



Multifunction Display

This device is equipped with a touch screen function that enables intuitive operation with a single fingertip so that anyone can easily operate the plotter and radar screen



Radar Sensor

This radar can detect ships in the vicinity, seabirds, and rain clouds. It supports safe navigation by displaying only obstacles approaching the ship in



(Model DFF-3D) Network Multi Beam Sonar

When connected to the NavNet TZtouch3, this device has a seafloor mapping function that displays the location of fish schools and the detailed topographical structure of the seafloor

▶► TOPICS **I**

For the Future of Shipping







Toward the Realization of Unmanned Ship Navigation

To contribute to the safety and security of navigation, FURUNO is developing technological innovations for autonomous vessels, such as the FURUNO ENVISION series, including a system (FURUNO AR Navigation System) for large vessels that uses Augmented Reality technology to support ship operations during navigation.

In recent years, the shipping industry has made rapid progress in ship operation support using the latest digital technology. In 2020, the Nippon Foundation announced the "Joint Program for Technology Development of Unmanned Ship Navigation Demonstrations", and we are participating as a member of this project.

> This project aims to commercialize the world's first unmanned vessel by 2025. FURUNO is participating in two consortia selected for this program: "Creating the future of unmanned navigation: Grand design drawn by diverse specialists" and "Verification testing of unmanned technologies using coastal container vessels and car ferries". We are aiming for practical application in cooperation with companies in various fields in

FURUNO will continue to contribute to the development of technology in this field by utilizing the technology and know-how it has cultivated over the past 70 years.



▶► TOPICS **■**

A New Challenge: The Aquaculture Support Project







waypoints are superimposed over the live video imagery.







As the depletion of marine resources is seen as a problem around the world, there is a need for a sustainable and stable supply of fish and food, and aquaculture fills this need. However, as the number of aquaculture companies in Japan is decreasing, FURUNO has started an aquaculture support project to see what we can do

In this business, we will provide a service that enables newcomers to the aquaculture industry to start immediately and make a profit. We have developed a system to reduce feeding costs and shorten the period of fish cultivation, which are particular challenges in the management of aquaculture. In 2020, FURUNO started the "Fish Farming Management Support Service", which provides analysis services using this system.

FURUNO will continue to work closely with its customers to develop new services.



| FURUNO Corporate Report FURUNO Corporate Report |2



Business Fields II

Industrial **Business**

FURUNO products are at work in many areas of daily life.

Based on technology developed for marine electronic equipment, FURUNO provides products and services for use in social infrastructures and automobiles, including products and services for positioning, navigation, and timing, as well as medical equipment and wireless LAN systems. Our goal is to achieve better safety, security, and comfort to bring about a society that considers the needs of people and the environment.

Meteorological Monitoring and Analyzing System

As an application of small marine radar, we offer compact. low-cost weather radar, which can be installed at multiple locations. The system observes rain clouds, predicts sudden localized heavy downpours, and helps to mitigate damage due to regional disasters.

PNT Positioning · Navigation · Timing (Medical Medical Equipment (Wireless LAN Wireless LAN Systems

GNSS Automatic Displacement Measurement System

Infrastructure Maintenance/Management and Meteorological Monitoring and Analysing System

These systems determine displacement of features such as the earth's crust, the ground and man-made structures by using GPS (GNSS) based precision positioning technology. They are used for tasks such as monitoring volcanic activity and landslides, as well as managing safety and determining impact on the surrounding area during construction of high-rise buildings.



GPS (GNSS) Disciplined Oscillator

Receiving GNSS satellite signals, these devices generate a high-precision reference frequency and a 1-second pulse accurately synchronized with UTC (Coordinated Universal Time). They are utilized in mobile phone base stations and broadcast relay stations for terrestrial digital TV.

HOSPITAL

ETC, Vehicle Management Solution

Installed at a parking lot entrance, construction site entry gate or similar location, these systems enable exchange of vehicle information and other data with ETC systems. The result is smoother access, improved safety and enhanced

Clinical Chemistry Analyzer

These analyzers automatically take precise measurements of enzymes, fats, sugars, proteins and other substances in the blood.



Ultrasound Bone Densitometer

Devices that measure bone density by applying ultrasound to the heel bone, enabling quick and safe screening.



Wireless Handheld Terminal

These terminals are for central management of information and work support using a wireless LAN system. They make various kinds of work quicker and more efficient through real-time management of work status and product data at distribution warehouses, shopping centers, production sites and elsewhere.



Wireless LAN Access Point

These devices create an environment enabling wireless use of the Internet, at locations such as train stations, cafés and hotels. They allow connection to the Internet regardless of mobile carrier, resulting in growing demand at educational facilities, such as schools and private tutoring schools, as well as at hotels, tourist spots and other areas that attract tourists.



Automotive ETC2.0/ETC System

These terminals allow for toll payment processing on toll roads without the need to bring the vehicle to a halt. Recently, applications have broadened to vehicle access control at parking lots and construction sites.

GPS (GNSS) Receiver

These high-precision position sensors can accurately pinpoint their current position anywhere on earth by receiving and processing signals from GPS (GNSS) satellites. These units are incorporated into automotive devices such as navigation systems, operation management terminals and car-to-car communication terminals. They are also used in mobile devices including mobile phones.



II Industrial Business



For a safer and more convenient society

We focus on Positioning, Navigation and Time Synchronization, and provide products and services that are essential for social infrastructures, vehicle traffic, and other areas, adding creative value to the location and time of people, things, and mobility.

*Japanese market only

*Japanese market only

15 FURUNO Corporate Report



This device receives GNSS satellite signals and provides highly accurate and stable time information and frequencies even in harsh GNSS reception environments. It is also applied in the latest mobile communication standard "5G". contributing to the improvement of social infrastructure.







ETC2.0/ETC System*

This device allows vehicles to pass through places such as toll gates on toll roads without stopping. With GPS built-in, it can also supply information by voice to help drivers avoid traffic congestion and drive safely.

Automotive



The ETC on-board unit and the vehicle number authentication function automate the management of vehicle entry and exit. In addition, the system contributes to better efficiency and labor savings by visualizing vehicle locations and travel routes with dedicated onboard terminals.









FLOWVIS







Clinical Chemistry Analyzer & Reagent

This analyzer contributes to early diagnosis and prevention of disease by measuring the composition of samples such as blood and urine. FURUNO provides small- to medium-sized analyzers and these product lines realize high-quality medical care while reducing the burden of introducing new equipment at healthcare facilities





Ultrasound Bone Densitometer

This device measures bone density safely by using ultrasound. Measurement operation is simple and easy-to-use while the product itself has a compact and portable design. The device is best suited for osteoporosis screening tests and will contribute to early diagnosis of osteoporosis and reduction in medical costs.











For greater comfort and safety in society





Wireless LAN Access Point*

Access points are devices that enable a wireless connection to the Internet regardless of the users' mobile carrier contract. They provide a pleasant Wi-Fi environment in companies, schools, and other types of locations.



finpad (finpad 900f)

Wireless Handheld Terminal*

These mobile data terminals acquire data by scanning bar codes. The information gathered can then be managed centrally. They make various kinds of work faster and more efficient through the real-time management of product data at distribution warehouses, shopping centers, and other facilities.

Note: These products are handled by FURUNO SYSTEMS CO., LTD.













GNSS Automatic Displacement **Measurement System**

This system monitors terrain displacement to help avoid danger from volcanic activity, landslides, dam/tunnel construction, and similar conditions, and ensures people's safety and security by mitigating



Meteorological Monitoring and **Analyzing System**

This system provides detailed analysis of the movement speed and tracks the development of cumulonimbus clouds. The compact and lightweight design is easy to install and useful in cities for flood control measures.



Wave Guide LAN System™*

A wireless LAN environment can be created by using single-pipe pipes used as scaffolding during building construction as waveguides. This provides a robust and comfortable communication environment throughout the building as construction progresses, and reduces the cost of installing and maintaining















FURUND Corporate Report |6



CSR Activities

FURUNO Contributes to Society by Creating New Value

Quality and Safety Initiatives

Thorough Quality Management

Based on the principle that "the quality of our products is created by the quality of our approach to work", we provide products and services that satisfy our customers and continue to be a company that is trusted by society. We maintain and manage quality at every stage of our operations, from design and development to procurement and production, based on

our quality management system (ISO 9001) and by incorporating our own "appropriate quality standards" and "reliability evaluation methods for each stage of development" to ensure that our products are suitable even in harsh environments.

In addition, in order to accurately evaluate the safety of our products, we have established an environment within our company where we can conduct environmental tests based on temperature, humidity, vibration, etc., as well as tests and evaluations based on EMC* standards of various countries.

 \star : Testing for electromagnetic interference that can affect other equipment and the human body.



EMC testing of a radar antenna

Maintain and Improve Manufacturing Quality

In addition to clearly defining manufacturing methods and inspection standards for each manufacturing process, the Miki Factory (Hyogo, Japan) has established a traceability system to track and manage the production history of products and the inspection results of manufacturing facilities. Quality records such as the manufacturer's production base of the parts used, the time of year, and the pass/fail judgment in the manufacturing process are essential data for the operation of this system, and are managed as important items in production activities. In addition, the Miki Factory, which procures less than 20% of its parts from overseas, conducts strict quality verification, including acceptance inspections of all new parts used in new products, including those made overseas, as well as visits to local manufacturers in advance to review the plant quality control system and locally produced products before adopting new parts. In our own manufacturing process, we inspect all products. In our own manufacturing processes, we ensure a high level of reliability by conducting a full inspection.



A Global Service System for Safety and Security

The Merchant Marine Division, which has customers all over the world, has implemented an online system called "SMS (Service Management System)" in order to provide efficient services. SMS is a web-based database that stocks information such as product support history, failure prevention measures, and service progress and result reports. Any problems or findings are fed back to the sales, service, development, and quality departments to help improve quality and enhance the quality of operations. The database is shared among all service sites worldwide, and the company has prepared a system to respond to service demands with spare parts kits optimized for each country so that repair work can be carried out quickly when equipment repair is requested.



Environmental Consciousness

With global environmental issues becoming more serious, FURUNO considers the environment to be one of our vital management issues. The core mainstays of our environmental policy are protection of the global environment, the creation of a recycling-oriented society, and conservation of biodiversity. We are working to manufacture products that have low environmental impact and to reduce impact in our business activities in the effort to achieve sustainability in society.



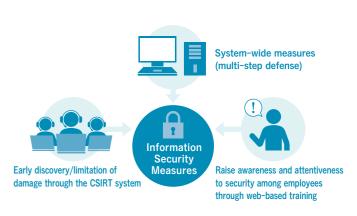
Risk Management

Security Trade Control

In order to ensure the proper implementation of security export controls aimed at maintaining international peace and security, FURUNO's President is the chief executive responsible for setting up the control system. Regarding all goods, software and technologies for export, we determine if anything is on a list subject to control and strictly implement screening of the prospective end user and end uses involved in each trade.

Information Security Measures

Because system-wide measures are unable to completely prevent increasingly sophisticated cyberattacks, FURUNO publishes an in-house newsletter on security and conducts drills simulating a cyberattack to raise awareness of and attentiveness to security among employees. We are also building a new CSIRT (Computer Security Incident Response Team) system to carry out an initial response should a cyberattack get through our defensive systems, which will reduce risk and quickly mitigate any damage.



|7 FURUNO Corporate Report |8