

**FURUNO**



**Integrated  
Report  
2023**



FURUNO contributes to the realization of a safe, secure, and comfortable society by “making the invisible visible” such as “conditions under the sea and around ships,” “crustal deformation,” and “people’s health conditions.”

# CHALLENGE *the* INVISIBLE.

## Editorial Policy

### • Publication of this Integrated Report

This report summarizes financial and non-financial information from FY 2022, to help stakeholders understand our growth and corporate values. It will be revised as necessary by responding to the valuable opinions and requests from our stakeholders.

### • Scope

The FURUNO Group (33 consolidated companies), but some data covers only Japanese group companies.

### • Publication Date

June 2023

### • Disclosure

Financial Information

Non-financial Information

**Integrated Report**

**Investor Relations Site**  
<https://www.furuno.co.jp/en/ir/>  
(Annual securities reports, financial statements, etc.)

**CSR / Environment Site**  
<https://www.furuno.co.jp/en/csr/>  
Social, environmental, and governance information.

### • Period

March 1, 2022 to February 28, 2023, with updates after March 2023.

### • For inquiries

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#### <About the FURUNO logo>

**FURUNO**

A fairly deep blue was selected as the corporate color. It represents the color of the Earth and expresses an image of the business field across the entire world.

#### <About the FURUNO mark>

Our corporate mark represents:

1. The first letter of the company name "F (f)."
2. The directional pattern of the ultrasonic transducer of our original Fish Finder.
3. Two fish with their tailfins intertwined.



 **CEO MESSAGE**

# To Continue to Serve Our Customers Now and Beyond

## A company exists to serve society

Since the world's first successful commercialization of a Fish Finder in 1948, we have promoted the revolution of the fishing industry.

Immediately after World War II, Japan faced a situation of food shortage. At the time, it was common knowledge that "ultrasonic waves do not reflect fish." However, inspired by the words of a fisherman, "where there are fish, there are bubbles," we turned that common knowledge on its head, leading to the practical application of the Fish Finder. The revolution of various aspects of the fishing industry not only changed the way of operation, which had previously relied solely on intuition and experience, but also developed fishing into a major industry. This trend became the foundation for the efficient fishing industry of today.

FURUNO has also developed a full product lineup to solve customers' issues and has expanded in the face of changes in the external environment and fierce competition from overseas companies. This was possible thanks to our founder's attitude of listening to customers' voices and delivering products that make people "happy to sell and happy to buy." This is

the starting point of the strength in our business model.

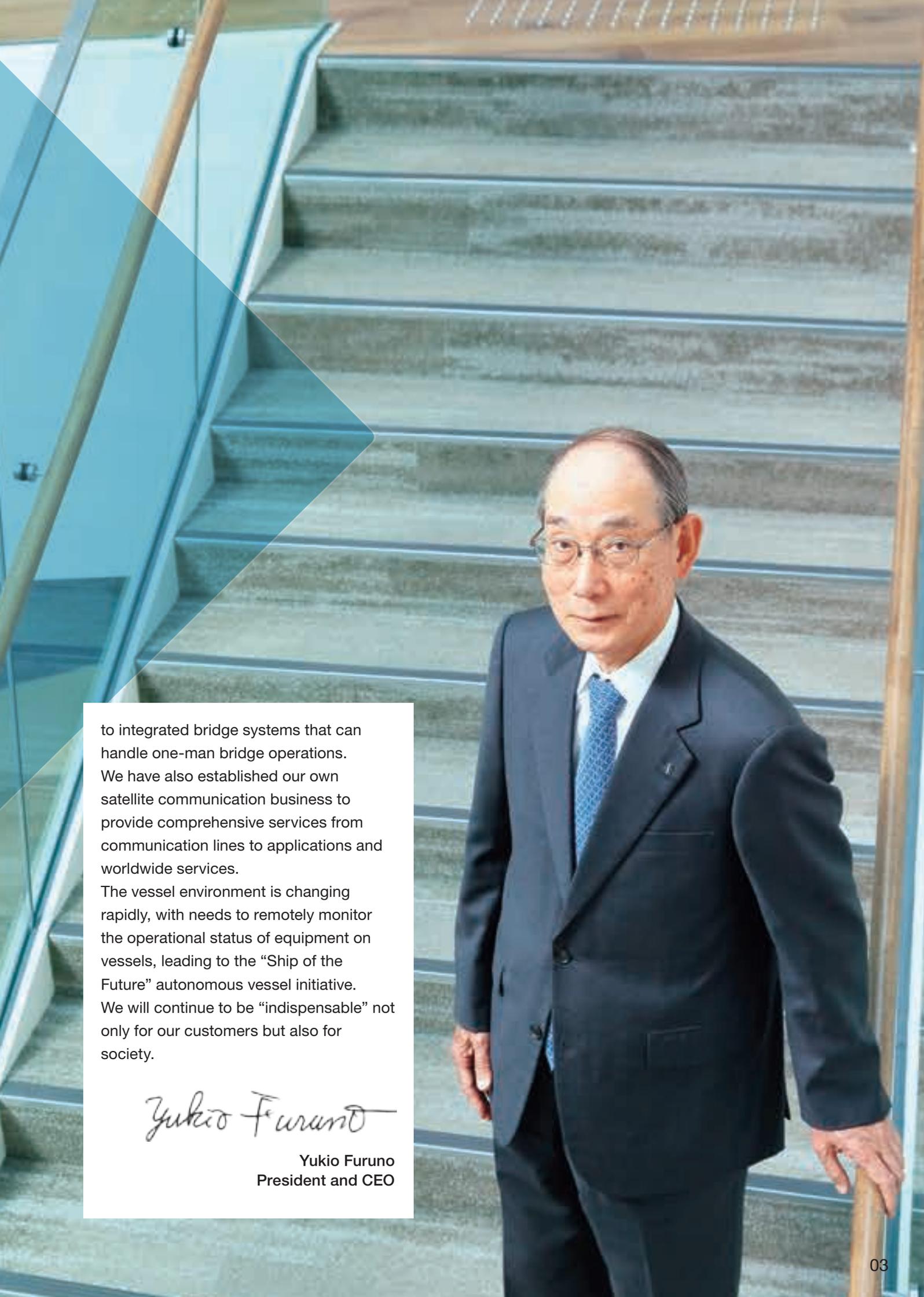
FURUNO is also proud that "the practical application of the world's first Fish Finder" was selected, in 2014, as one of the "100 Best Innovations in Postwar Japan."

Around 2000, we expanded our product lineup to the merchant vessel and pleasure boat markets. Around the same time, we increased our share in the global merchant vessel market with the GMDSS wireless rack system, a mandatory piece of equipment in accordance with international safety standards.

At the same time, China's shipbuilding and shipping industries were rapidly expanding, and we were quick to establish a subsidiary in China to strengthen our service quality and sales organization. These efforts were well received not only by Chinese shipyards but also by customers around the world and helped boost our presence in the merchant vessel market.

Our strengths come from comprehensive product capabilities, service capabilities to respond to customers at any port, and worldwide customer support.

Today, we offer a wide range of products, from radar for merchant vessels, with a 41% global share, to the Electronic Chart Display and Information System (ECDIS),



to integrated bridge systems that can handle one-man bridge operations. We have also established our own satellite communication business to provide comprehensive services from communication lines to applications and worldwide services.

The vessel environment is changing rapidly, with needs to remotely monitor the operational status of equipment on vessels, leading to the “Ship of the Future” autonomous vessel initiative. We will continue to be “indispensable” not only for our customers but also for society.

*Yukio Furuno*

Yukio Furuno  
President and CEO

## Mid-term Management Plan for Future Growth

### Review of Phase 1

From FY 2020 to FY 2022, we have been striving to procure resources and improve our business structure. This was greatly affected by the external environment, including COVID-19 and the worldwide shortage of semiconductors. Sales activities were limited due to lockdowns issued in many countries, and production activities were reduced due to the global shortage. Despite that, we opened a new R&D building, "SOUTH WING." We also promoted efforts in new business areas, including autonomous navigation support, smart fisheries, and aquaculture support, as well as the weather and disaster prevention and construction technology businesses. I want to express my gratitude to all employees fighting in this environment.



### Initiatives for Phase 2

From FY 2023 to FY 2025, we will take action towards building a more profitable structure. We will promote sales expansion and sustainable management, while improving profitability. To improve profitability, we will complete the efforts of Phase 1, improving our structure. To expand sales, we will provide high-quality services through remote management, promote marine digital transformation (DX), invest resources in businesses with growth potential, and measure further resource generation for investment in growth.

## Management Principles

1. A company exists to serve society
2. Its management must be creative
3. The happiness of its employees comes with the growth of a company

We, FURUNO Group, feel it our role to contribute to society by creating new values, which is clearly stipulated in our management principles, and this is regarded as our focal value to observe.

As society becomes more decarbonized, ship types, engines, and fuels are undergoing major changes in the shipping industry, with the goal of zero emissions by 2050. The ship newbuild market is also expected to expand again around 2030, as new demand increases in preparation for the carbon-neutral revolution. The implementation of technologies such as efficient operation and automated operations will also begin. We, too, must make major changes to respond to this new environment.

Moreover, the drastic decrease in fish catches and changes due to global warming are becoming a reality. The trend towards managed fisheries will not stop, and the shift to aquaculture will continue. Change is a great business opportunity, and we will listen to our customers and provide solutions and innovations that are useful to society.

On the other hand, we believe that the promotion of DX is the key to understanding more about what is happening in the market. We will promote internal DX to visualize more clearly areas that are not currently visible, especially the status of management. In addition, we will promote external DX to provide customers with solutions that combine hardware and software.

## FURUNO's Sustainable Management

While economic development has made society more convenient, the world is becoming unsustainable, especially with climate change.

The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, which aim to realize a sustainable society,

are in line with our values inherited since FURUNO's founding, and are consistent with our vision of society.

We have decided to engage in sustainable management starting in FY 2023 to continue to be of service to society for all time.

Safe navigation to achieve zero marine accidents and resource-managed fisheries to achieve sustainable fisheries and aquaculture are our pillars.

## DX Initiatives in the Marine Field

As the work of seafarers is difficult and dangerous, fewer young people are interested in it. In addition, manpower shortages have increased the risk of human error in vessel operation.

Vessel navigation is also affected by various conditions at sea. Even experienced operators have difficulty navigating in bad weather or at night.

Technologies to support ship operations are being developed to eliminate human error and improve safety and efficiency. In addition, navigation and operations in hazardous waters can be carried out without risk to human life by building an environment that allows unmanned ship operation and remote control.

FURUNO is leading the way with its AR Navigation System, as well as its Unmanned Vessel Operation System, which does not require a crew member on board. AR technology will help solve the shortage of seafarers and enable safer and more efficient navigation.

FURUNO will continue to contribute to the DX of the marine field.



### Action Guidelines

#### Face the future

While looking firmly ahead to the future and clarifying our ideal and vision, we strive to realize them.

#### Strive to be the best

We seek to achieve the highest level of quality at all times in all our corporate activities.

#### Be persistently original

Since the inception of our company, creativity has been regarded as core component of our identity. We shall further strengthen our stance on creativity in all business segments.

#### Be sincere

We engage with society with utmost sincerity.

# HISTORY OF FURUNO

1938



## Establishment and Commercialization of Practical Fish Finders

In 1938, Kiyotaka Furuno founded FURUNO ELECTRIC SHOKAI LTD. While outfitting electronics onboard vessels, he felt a strong urge to modernize fisheries, which led to his venture into developing fish finders. He successfully commercialized the world's first practical fish finder in 1948.

1970s



## Global Recognition of FURUNO

In 1972, FURUNO was awarded the National Marine Electronics Association Best Product Award in the fish finder category in the U.S., and established its first overseas subsidiary in Norway in 1974.

1980s



## FURUNO's Electronic Equipment that Led to the Discovery of the Battleship Yamato

In 1985, FURUNO cooperated in the "Search for the Battleship Yamato," a project conducted to "repose the souls of the dead at sea 40 years after the war." FURUNO's role was to reconfirm the location of the Yamato's sinking, and to conduct preliminary research on its shape, sinking conditions, and seabed topography.

Net Sales (100M yen)

1,000 \_

## <Financial Results>

- Net sales (non-consolidated)
- Net sales (consolidated)
- Ordinary income (non-consolidated)
- Ordinary income (consolidated)

800 \_

600 \_

400 \_

200 \_

0

-200 \_

1955 1956 1957 1958 1959 1960 1961 1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972 1973 1974 1975 1976 1977 1978 1979 1980 1981 1982 1983 1984 1985 1986 1987 1988 1989 1990

**1964**  
Headquarters relocated to Nishinomiya

**1974**  
First overseas subsidiary: FURUNO NORGE A/S established

**1978**  
FURUNO U.S.A., INC. established

**1979**  
◆ FURUNO (UK) LTD. established  
◆ Miki Factory completed

**1987**  
◆ FURUNO DANMARK A/S established  
◆ FURUNO SVERIGE AB established

**1990**  
FURUNO FRANCE S.A.S. established

1990s

2000s

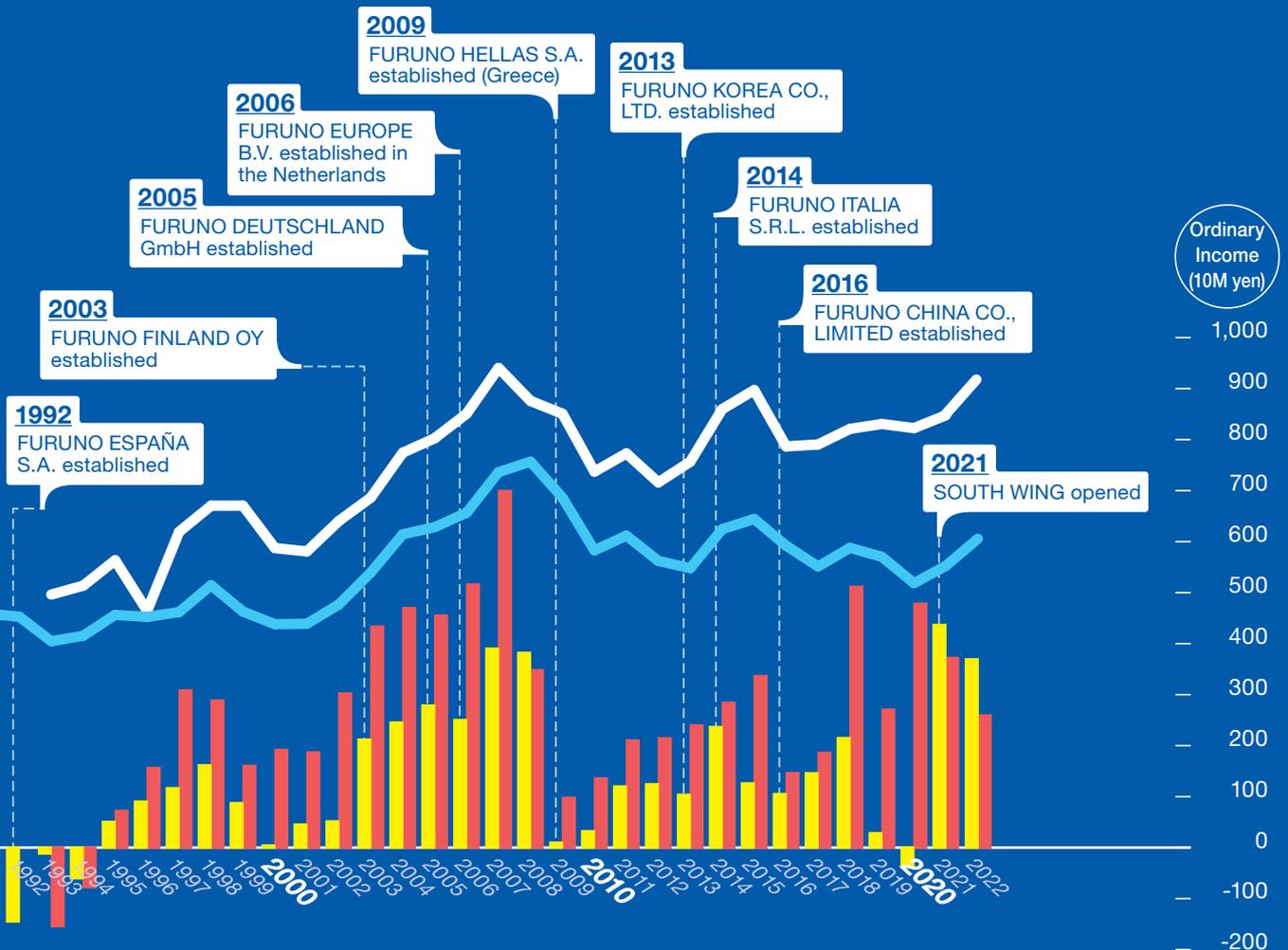


### Full-scale Entry into New Markets and Fields

FURUNO entered the Merchant Vessels market and developed the GMDSS (Global Maritime Distress and Safety System) and the IBS (Integrated Bridge System), which integrates all of a vessel's engine control equipment, communication equipment, and other equipment to enable all information to be managed and operated from a single location.

### Challenge New Fields of Business

Utilizing its own ultrasound and radio wave technologies, FURUNO started making inroads into the fields of healthcare as well as Intelligent Transport System (ITS).



# 01

## Get to Know FURUNO

1

Get to Know  
FURUNO

Zero

### Accidents at Sea!

We want to help people  
working on ships!

#### Maritime accidents and manpower shortage

Today, Japan is facing a declining birthrate, an aging and shrinking population, and a shortage of labor in all fields. Seafarers in coastal shipping, of which more than half are over 50 years old, are no exception.

Furthermore, human error is said to be responsible for approximately 70 to 80% of maritime accidents.

We believe that unmanned vessels can be one of the solutions to these societal issues.

The Future

# Digital Transformation of the Marine Industry



## Autonomous navigation

Over the last few years, the shipping industry has seen a rapid increase in the use of cutting-edge digital technology to visualize operational status, on-board and off-board navigation, and engine systems. Based on the most recent

advancements in marine electronics and communications technologies, FURUNO is developing new technological innovations to achieve safer and more efficient autonomous ship operations.

### The Future of Digitalization



## Towards autonomous vessels

“Challenge the Invisible” is also FURUNO’s business theme. To contribute to the automatic operation of vessels, FURUNO is developing two types of support:

### Support 1

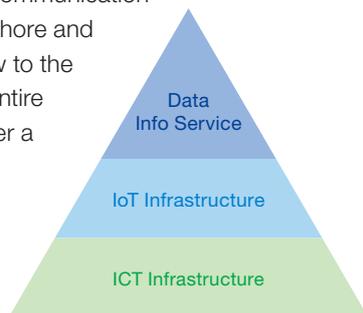
A Recognition Support system, which makes use of marine electronic equipment and unique sensor technology to provide a better understanding of the surrounding situation.

### Support 2

A Decision Support system that analyzes collected data and helps the operator avoid dangerous objects based on enhanced situational awareness.

## Towards remote management

Essential communications between ships and shore are becoming faster and more affordable, and marine electronics are more sophisticated and digital than ever before. FURUNO builds communication infrastructures between shore and onboard ships with a view to the future digital shift of the entire maritime industry. We offer a wide range of ICT/IoT solutions that meet the needs of our customers.



AR Navigation System, using AR to assist the recognition of surroundings.



For more information, visit our website <https://www.furuno.com/en/marine-dx/>



Co-creation  
with  
Partners

# Providing Even More Value



## MEGURI 2040: Fully autonomous ship program

This project aims to improve the circulation of distribution, people, costs, and traffic, and to have 50% of the vessels running in Japan unmanned by 2040. FURUNO joined the following consortiums.

Reduction of  
Crew Burden

Towards Zero  
Accidents



### Designing the future of full autonomous shipping

More than 30 Japanese companies are working together to develop a fully autonomous navigation system for container ships. The consortium is taking an open-innovation approach with the aim of practical implementation.



Container ship



### Verification testing of fully autonomous technologies

The consortium is developing fully autonomous navigation systems for container ships and ferries. This will include an automated navigation function for within the harbor, including automated berthing and unberthing, etc.



Sunflower Shiretoko

## Successful unmanned vessel operation

FURUNO conducted a demonstration test simulating the actual operation of a future unmanned vessel on a 790km round trip between the ports of Tokyo and Tsu-Matsusaka. The vessel was connected via satellite and ground

communication lines to a land-based support center equipped with functions to remotely operate the vessel from land, including a function to predict mechanical abnormalities.



Unmanned operation system for a series of voyages



Emergency response system



# Let's **change** the oceans!

To contribute to our business vision “Achieve better safety, security and comfort,” we launched the Autonomous Navigation System Development Department in 2019 to resolve maritime issues.



## **FURUNO to protect oceans!**

Thanks to the efforts of our members, the Nippon Foundation, and collaboration with other companies, we are now seeing the practical application of the autonomous navigation system. I would like to see FURUNO technology used not only in Japan but also in ships around the world to realize safety and security at sea.

## **Towards achieving objectives**

My team participated in a consortium of 30 companies that realized the unmanned operation of a container ship. FURUNO oversaw information collection and integration for autonomous navigation, action planning, and the development of a land-based emergency response system. Working with other companies was a great experience to see our work as cooperative yet competitive, with the same goal of protecting the safety of seafarers.



## **Collaborating with other companies**

Our team collaborated with other companies and succeeded in the unmanned operation experiments. We oversaw recognizing the surrounding conditions during the operation. It was meaningful for us to collaborate with other companies to create a new system and to talk with the ship's crew, which allowed us to take a fresh look at FURUNO's technologies.





# Always with Marine Customers!

**For fishermen and shipping companies around the world!**

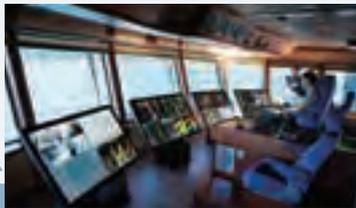
## From Japan to the World

FURUNO has been striving to expand its electronic equipment for the fishing industry around the world. To assure proper equipment training and support, FURUNO has established its own subsidiaries, both in Japan and overseas.

In the merchant vessels market as well, service support at major bases around the world is indispensable, and so FURUNO has developed its own bases.

Today, with sales offices in more than 80 countries around the world, we are a leading manufacturer of marine electronics equipment and are expanding our business worldwide.

## FURUNO Around the World



Latest smart bridges on fishing boats (left: Turkey, above: Norway)



Two types of marine radar installed on pleasure boats



Large fishing boat bridge in EU



Sailing yacht in France

- Subsidiaries and Representative Offices
- Affiliated Companies
- National Distributors

## Coverage of Europe

Europe is home to many of the world's leading merchant shipping and fishing nations, and FURUNO has established many subsidiaries in these countries. Here are some of them.

### FURUNO ITALIA (Italy)

Italy is the world's largest builder of luxury yachts. Together with France, famous for its sailing yachts, Italy forms a major production center for pleasure boats. FURUNO ITALIA S.R.L. was established in Italy in 2014, and together with FURUNO FRANCE S.A.S., plays a key role as an important base in the European pleasure boat market.



### FURUNO HELLAS (Greece)

Greece is the largest shipping country in the world in terms of number of shipping companies and number of ships they own. FURUNO HELLAS S.A. was established in 2009 to strengthen local sales activities, improve technical services, and further enhance customer satisfaction.



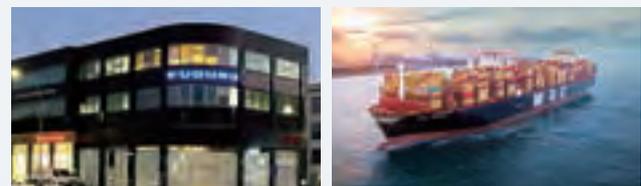
### FURUNO NORGE (Norway)

Norway, a country with territorial waters six times the size of its land, catches and cultivates 2.7 million tonnes of marine products annually. FURUNO first sold products to Norway in 1959 and established its first overseas subsidiary, FURUNO NORGE A/S, in 1974.



### FURUNO CYPRUS (Cyprus)

Cyprus has been attracting shipping and ship management companies as a national policy and is now one of the world's major hubs. FURUNO CYPRUS LTD. was established in 2012 and is always striving to increase customer satisfaction.





# FURUNO Employees Work Globally!

FURUNO has 60% of its sales overseas, offices in 85 countries, and 35% of its employees at overseas bases. Many overseas employees help local operations run smoothly.

**Marcela Ureta**  
Marketing Manager  
FURUNO FRANCE S.A.S.

Multilingual in five languages. I also worked in Spain and South America. For almost 20 years, I have built my career mainly in marketing. Currently in charge of marketing activities in France, Italy, and Spain.



## “ Enjoy change and keep challenging yourself

The goal in life is to keep learning. I have always been open to learning new things, whether it be getting a master's degree or learning video production. Since joining the company, I have been given many new projects, all of them started from scratch. That's why we can try different approaches.

FURUNO is a very attractive place to work because it gives you the possibility to grow and learn. The work-from-home, flexible hours and the support of others make it possible to balance work and home life.



### Jon Closson

Product Manager for Fishing Vessels  
FURUNO U.S.A., INC.

I'm in charge of sales for fishing boats in the U.S. and Canada. I was so fascinated with fish that I wanted to become a biologist and have conducted research on river ecology. I'm a fishing and outdoor expert and a big fan of FURUNO products.



## “ I want to bring the excitement of being in contact with nature through fishing

I have loved fishing and marine sports since I was a child, and I still often go fishing on my days off. In my daily sales activities, I am more than happy to share even the smallest ideas and insights with the development team, give them shape, and help

satisfy customers' expectations. I feel very fortunate to be at FURUNO because I can combine what I love with world-class technology and work with people who are boldly pushing forward towards their goals.



### Chae Woo Lee

Assistant Service Manager  
FURUNO KOREA CO., LTD.

Expert with experience in engineering work at Korean shipyards, including repair and performance verification of merchant ships equipment. I'm committed to customer-oriented services.



## “ It's a lifetime asset to meet people worldwide!

I wanted to work for a global company, so I decided to join FURUNO. I make at least one business trip a week to understand what customers are looking for and build relationships of trust. I keep my explanations brief and simple, which is the secret to

improving customer satisfaction. I am working on a global stage, being in contact with teams at the headquarters and other overseas subsidiaries, which is very rewarding.



3

Get to Know  
FURUNO

# We Protect the Seafood Culture!

## Delicious Fish Forever!

### For a sustainable fish-eating culture

There is a need for a sustainable and stable supply of fish and food, and aquaculture is one of the solutions. However, aquaculture is facing challenges, such as management pressure due to feeding costs and the lack of successors, which has led to concerns about a decline in the industry.

### The aquaculture support business

FURUNO aims to create a service so that even newcomers to the aquaculture business can start immediately. In 2020, FURUNO launched the Fish Farming Management Support Service to contribute to reducing feeding costs. FURUNO will continue to develop new services that are close to customers and created together with them.

#### MESSAGES

Shigeru Asaumi

Aquaculture Business Support & Development Office  
Marine Electronic Products Division  
Office Manager



It has been about four years since I first imagined the aquaculture support business, and we are finally at the starting line. But it's only the beginning. I will continue to focus on getting closer to customers and assure they are satisfied with our services.

Wataru Sato

Aquaculture Business Support & Development Office  
Marine Electronic Products Division



When I joined this business as a new graduate, I was a little apprehensive, but with encouragement from customers and company members, I was able to tackle my work with a positive attitude. I will continue to work hard to provide services one step ahead of the competition!

#### Fish weight estimation camera

Measurement and weight estimation using AI automatic analysis.



Camera in the fish tank    Recording bluefin tuna

#### Co-creation with partners

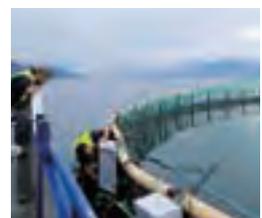
The measurement results (fish weight, tailstock length, etc.) can be viewed. More than 20 customers including Nissui and Maruha Nichiro are using this service.



MARUHA NICHIRO

#### Joint R&D in Norway

With its subsidiary in Norway, FURUNO is developing cutting-edge R&D, promoting field tests and information exchange in a huge fish tank.



4 Get to Know FURUNO

# FURUNO: Always Here for Fishermen!

## The industry is in trouble due to the pandemic

COVID-19 has affected various industries in many ways. In the fisheries industry, fishermen suffered greatly because the marine products they have worked so hard to catch had no place to go. FURUNO wanted to do something about it, so we launched a website to introduce fishermen to potential business partners.



## To bring you delicious fish

From North to South, there are many rare fish and seafood products that can expand your experience. FURUNO hopes that many people will be able to enjoy delicious fish.



TOPIC

### Employees and fishermen who helped with the website



It was rewarding to get thanks from fishermen!

Let's work together to make the industry more prosperous.



It strengthened our relationship with our customers.



The website will promote fishermen!



# FURUNO is not just boats and fish!

## On Land and in New Fields

### Medical equipment

#### Biochemical analyzers and reagents

These devices measure a wide range of items, from the familiar to trace elements such as tumor markers. FURUNO provides high-quality, high-performance instruments and reagents in Southeast Asia, and contributes to the improvement of the medical environment.



Biochemical analyzer at Chayapmura Hospital (Thailand)

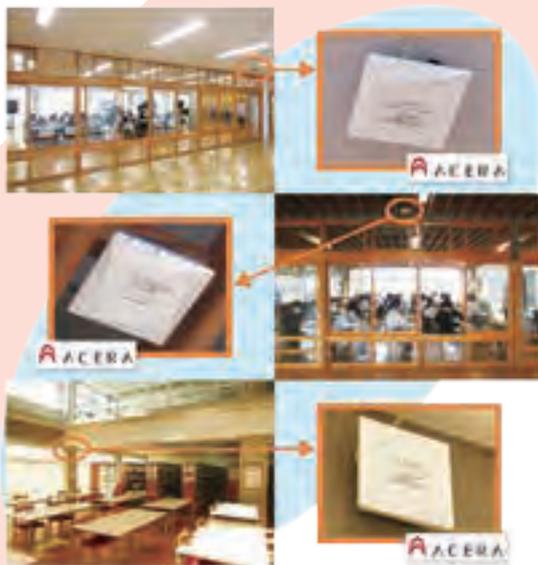
### GNSS timing

#### Time synchronization

GNSS receivers for time synchronization provide time information comparable to atomic clocks using signals from satellites. FURUNO's high-precision time synchronization technology contributes to the operation and maintenance of critical infrastructure.



5G mobile base station



Tsukuba City Board of Education wireless network

### Wireless LAN

#### Access points

The Tsukuba City Board of Education has been working since the mid-2000s to create an ICT environment to enable classes to use learning terminals. Currently, access points have been installed in regular and special classrooms, including gymnasiums, of about 750 classes in 45 schools in the city, and a network has been constructed.

Note: From the Tsukuba City Board of Education case study on the FURUNO SYSTEMS website.

# New Challenges: FURUNO's New Business

## Construction tech

### Wi-Fi system for construction

FURUNO released a system that creates a Wi-Fi environment throughout an entire tunnel construction site where cell phones cannot be connected. This system is used to improve construction efficiency.



#### MESSAGE

**Shotaro Ishino**  
Research Department 2  
Research and Innovation Center



The construction industry is facing many problems, and there is no time to spare to reform the way of working through DX. We are finally establishing “connections” with customers and distributors, and we hope to continue proposing solutions that will please the field.

## Offshore wind power generation

### Coexistence of safe and secure offshore wind power generation projects with the fishing industry

Offshore wind power is expected to become a major source of renewable energy. FURUNO provides total support, from the provision of equipment for assessment prior to construction to the management of offshore areas after operation begins.

#### MESSAGE

**Kiyoshi Furuno**  
Executive Officer  
Marketing Head Office  
General Manager and Domestic Marketing Department  
General Manager  
Marine Electronic Products Division



We had to participate in the offshore wind power generation project in Japan, which is now 20 years behind Europe, because the key word was “offshore.” At first, we assumed we would provide surveillance radar and offshore civil engineering support, but in fact, our activity lied in symbiotic measures with the fishermen operating in the surrounding areas, as we have been close to the fishing industry.





# Where Value Co-creation Begins

## New R&D building “SOUTH WING”

SOUTH WING, completed in November 2021, is a base for R&D that combines an experiment area with an office area, where we can take on the challenge of innovation. We can meet and connect with a wide range of people, and together we can create new value.

### Blending with the residential area

SOUTH WING was built on the south side of the headquarters. The exterior of the building blends in with the surrounding residential complex, and the street trees surrounding the site provide a lush green landscape.





**SOUTH WING** was created with the concept of “a place where people and information naturally gather and connect.”

## Connect and be creative

The office floor consists of common areas such as meeting rooms and refreshment areas gathered in the center, surrounded by desks and workspaces. The single floor, which has no walls between departments, creates a flat environment for interaction. Having a variety of meeting spaces just a short walk from any seat is a strong benefit. They can be used casually and are perfect for quick gatherings. Solo workspaces are also available. Being able to choose a place to work can improve performance in an environment that suits every employee.

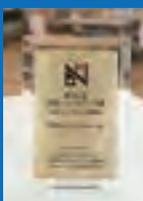
## Co-creation with external parties

The lobby on the first floor is an open space for actively promoting interaction not only within the company but also with people outside the company. It can be used for lectures, seminars, and other events for more than 100 people.



### TOPIC

## Received Kinki New Office Promotion Award



SOUTH WING received the Kinki New Office Promotion Award, which is given to offices that have been created with the following criteria in mind: what is important to the company, where it aims to go from here, what kind of work style it wants to achieve, whether the office can serve as a place where people can enjoy a comfortable lifestyle in addition to working, and whether the office is considerate of the global environment and local community.

# 02

## For Future Growth

### FURUNO's Materiality and Sustainable Management

#### Materiality (Important Issues)

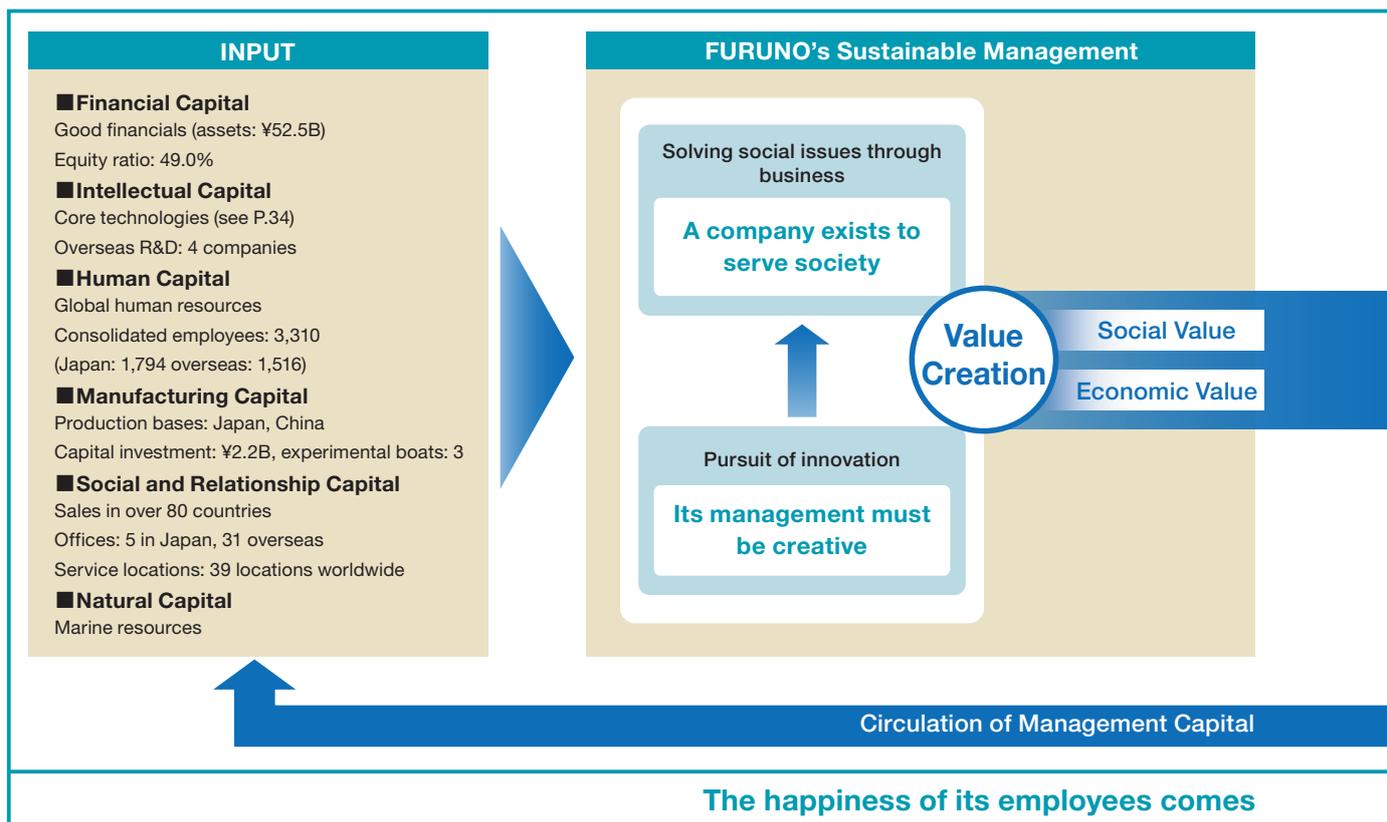
To continue to serve society, FURUNO has identified materiality that should be addressed to contribute to a sustainable society through its business and to enhance corporate value. The materiality identified will be reviewed and revised as necessary based on changes in the business environment and the demands of social issues, as well as advice received through dialogue with our stakeholders.

#### Materiality Identification Process

FURUNO identified the 169 targets of the SDGs and social issues in the fisheries and marine transportation industries. FURUNO then selected issues to be addressed for a sustainable growth consistent with its management philosophy and Global Vision NAVI NEXT 2030.

#### Sustainable Management

FURUNO has grown by creating new innovations that contribute to solving social issues and providing value that combines social and economic values. FURUNO will continue to use its management capital to create further innovations and provide even more value, contributing to its sustainable management.



→ Circulation of Management Capital

The happiness of its employees comes

## FURUNO's Materiality for a Sustainable Growth

Materiality	Elements	Initiatives
Marine and global environmental conservation	Prevention of marine accidents and pollution	<ul style="list-style-type: none"> <li>Avoid collisions through autonomous navigation</li> <li>Prevent pollution caused by maritime accidents</li> </ul>
	Protection of fishery resources and response to increasing food demand	<ul style="list-style-type: none"> <li>Support for managed fisheries using catch information</li> <li>Support for increasing aquaculture fish production</li> </ul>
	Environment-friendly production	<ul style="list-style-type: none"> <li>Create products based on the preservation of the global environment, formation of a recycling-oriented society, and maintenance of biodiversity</li> </ul>
Community and human resource development	Aging staff and manpower shortages	<ul style="list-style-type: none"> <li>Reduce workload with unmanned vessels, providing support for vessel operation with remote management</li> <li>Support the realization of smart fisheries using types of data that do not rely on intuition and experience</li> </ul>
	Coexistence and co-prosperity	<ul style="list-style-type: none"> <li>Support fishermen with sustainable fisheries</li> <li>Contribute to local communities in areas such as cultural promotion and environmental preservation</li> </ul>
	Diversity and inclusion promotion	<ul style="list-style-type: none"> <li>Develop diverse human resources and more productive work styles</li> </ul>
Preservation and utilization of management infrastructure for business promotion	Utilization of DX	<ul style="list-style-type: none"> <li>Promote DX to create new businesses, such as marine DX</li> </ul>
	Utilization of intellectual assets	<ul style="list-style-type: none"> <li>Strengthen corporate competitiveness by acquiring and utilizing intellectual property</li> </ul>
	Corporate governance	<ul style="list-style-type: none"> <li>Implement governance that pursues legality, appropriateness, efficiency, and risk management, while being accountable to stakeholders</li> </ul>
	Sustainable procurement promotion	<ul style="list-style-type: none"> <li>Share strategies with business partners to deepen mutual understanding</li> <li>Promote CSR activities throughout the supply chain</li> </ul>
	Thorough security export control	<ul style="list-style-type: none"> <li>Comply and transact based on relevant laws and regulations, international economic sanctions, etc.</li> </ul>

### OUTPUT

#### Main Business: Marine Business

FURUNO ensures safety, peace of mind, and higher efficiency for a wide variety of ships

#### New Challenges: New Business

Provide value to new fields with our core technologies

#### Realization of the Mid-term Management Plan

FY 2020 - 2022

#### Phase 1 Advance

Procure resources and strengthen our capabilities by improving the structure of our businesses

FY 2023 - 2025

#### Phase 2 Connect

Act towards building a profitable structure and the pillars of our technologies and businesses

FY 2026 - 2030

#### Phase 3 Transform

Realize an appropriate corporate scale, profitability, and business structure

### OUTCOME

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

#### Economic value targets for 2030

Net sales: ¥120B Operating margin: 10%  
New business composition ratio: 30%

#### Social Value

#### A sustainable earth and society

#### SUSTAINABLE DEVELOPMENT GOALS

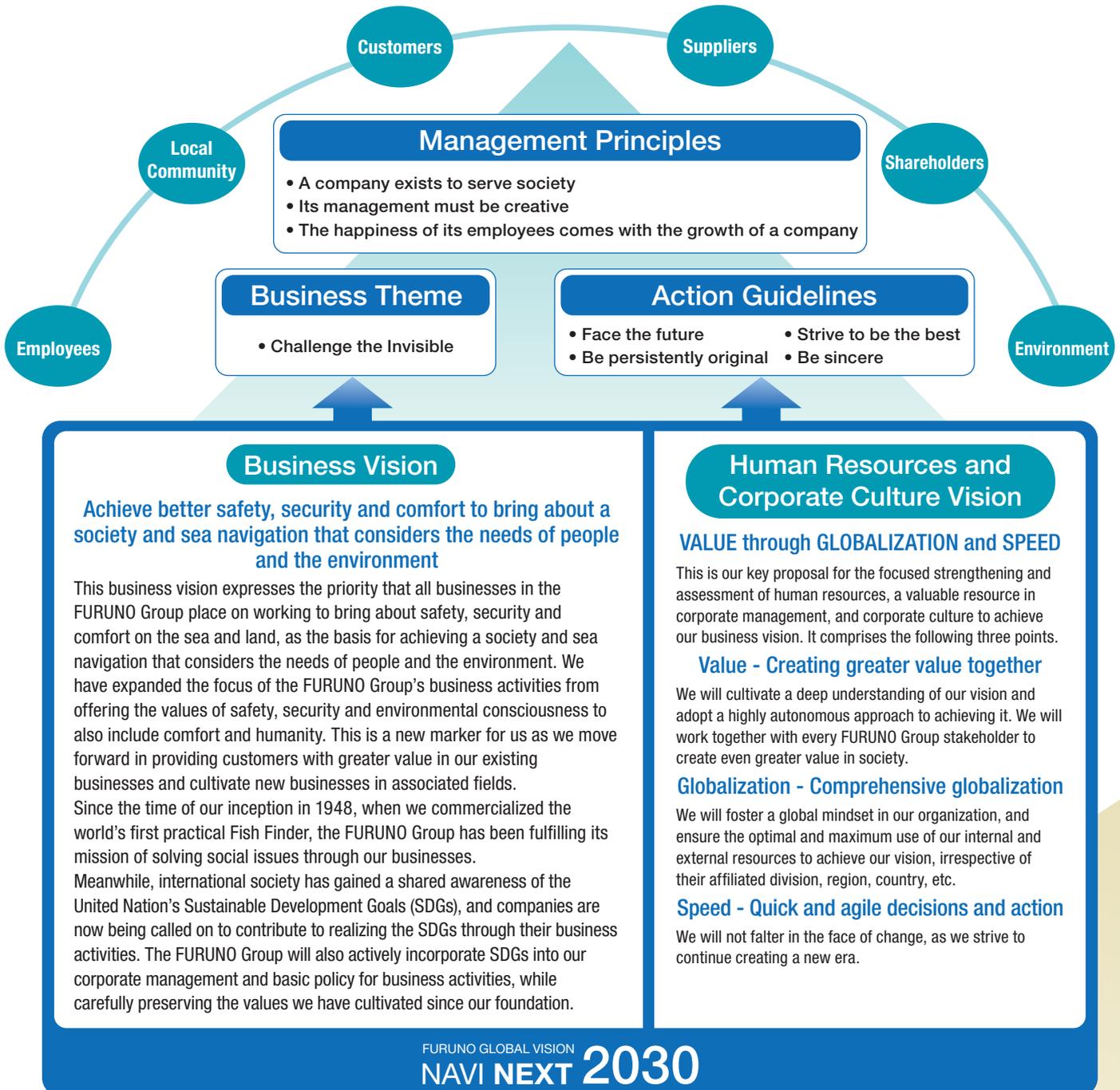


with the growth of a company

# Sustainable Growth

## Corporate Vision FURUNO GLOBAL VISION “NAVI NEXT 2030”

While respecting the Management Principles and Action Guidelines as universal values, we have clearly stated the vision we aim to achieve by 2030 as a new management vision consisting of a Business Vision and a Vision for Human Resources and Corporate Culture, and we intend to continuously and progressively increase both customer value and corporate value by developing various activities to realize this vision.



2020

Mid-term Management Plan

# FY 2030

All Phases Completed  
Growth Targets for FY 2030

Consolidated Net Sales: **¥120B**

Operating Margin: **10%**

New Business  
Composition Ratio: **30%**

## Phase 3

# Transform

FY 2026 - 2030

Realize an appropriate corporate scale, profitability and business structure

2026

## Phase 2

# Connect

FY 2023 - 2025

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

See details on **P.26**

### Targets for FY 2025

•ROE (based on ordinary income)

**10%** or higher\*

•Payout Ratio

**30%** or higher

\*Average ROE (based on ordinary income) for FY 2009 - 2017 of 6%

2023

## Phase 1

# Advance

FY 2020 - 2022

Procure resources and strengthen our capabilities by improving the structure of our businesses

### Targets for FY 2022

•ROE (based on operating income)

**10%** or higher\*

•Payout Ratio

**30%** or higher

\*Average ROE (based on operating income) for FY 2009 - 2017 of 5%

See details on **P.27**

The realization of NAVI NEXT 2030 will be divided into the above three phases.

# Mid-term Management Plan

## Phase 2 “Connect” of Mid-term Management Plan

In February 2023, FURUNO formulated the Mid-term Management Plan (Phase 2) for the three-year period from FY 2023 to FY 2025. In Phase 2, we will complete the measures that were not achieved in Phase 1 to improve profitability, and at the same time, we will secure profits by expanding sales. We will also promote investments for future growth to enhance corporate value. In addition, we will strive to improve the ratio of ordinary income to shareholders' equity.

### Key Performance Indicators (KPI)

In FY 2025, FURUNO will build a management foundation that will enable it to sustain the following.



### Main Measures

#### 1 Improvement in Profitability

Complete the measures of Phase 1, focusing on improving profitability by increasing the quality level, optimizing inventories, and optimizing the product development function and the comprehensive manufacturing function.

#### 2 Expansion of Sales

Provide high-quality services through remote management, promote DX for the marine field focusing on digitalization, and invest resources in businesses with growth potential to further generate resources for investment in growth.

#### 3 Implementation of Sustainable Management

Aim to realize sustainable management by expressing a long-term policy that will guide our future business, strengthening business creation through strategic investments, promptly commercializing new and expanding businesses, investing in human resources, and promoting diversity.

## Review of Phase 1 “Advance” of the Mid-term Management Plan

We have been working on Phase 1, which covers the three-year period from FY 2020 to FY 2022. In FY 2022, the ROE was 3.0% and the dividend payout ratio was 58.5%.

\*Average ROE (based on operating income) for FY 2009 - 2017 of 5%

### Strengthening Capabilities and Improving Structure

#### 1 Stronger Inventory Control and Appropriate Inventory Levels

Expenses due to inventory disposal and write-downs decreased by ¥617M with the optimized production volume and tighter inventory control. However, inventories increased significantly due to difficulties in parts procurement, causing production delays.

#### 2 Further Increase in Quality Level

With the promotion of quality improvement activities and other initiatives across business units, quality loss costs decreased by ¥433M compared to before the start of Phase 1. The number of complaints also decreased, leading to improved customer satisfaction.

#### 3 Optimization of Product Development Functions

In addition to cost reduction activities for current models, a cumulative cost reduction of ¥399M was achieved during Phase 1, by streamlining development operations, including the use of common design in new product development.

#### 4 Optimization of Comprehensive Manufacturing Functions

FURUNO has worked to optimize production and purchased parts and materials at domestic and overseas factories, and to automate production processes to establish a system to produce and ship necessary goods at the necessary time and in the necessary quantity. However, production delays caused by difficulties in obtaining parts have inconvenienced our customers.

#### 5 New Strategic Investment Quota

FURUNO developed new businesses (aquaculture support business and construction tech business), invested in R&D, and worked on expanding current businesses. FURUNO also made aggressive investments in M&A to strengthen its product development capabilities overseas and in the establishment of a new R&D building to consolidate its R&D departments.

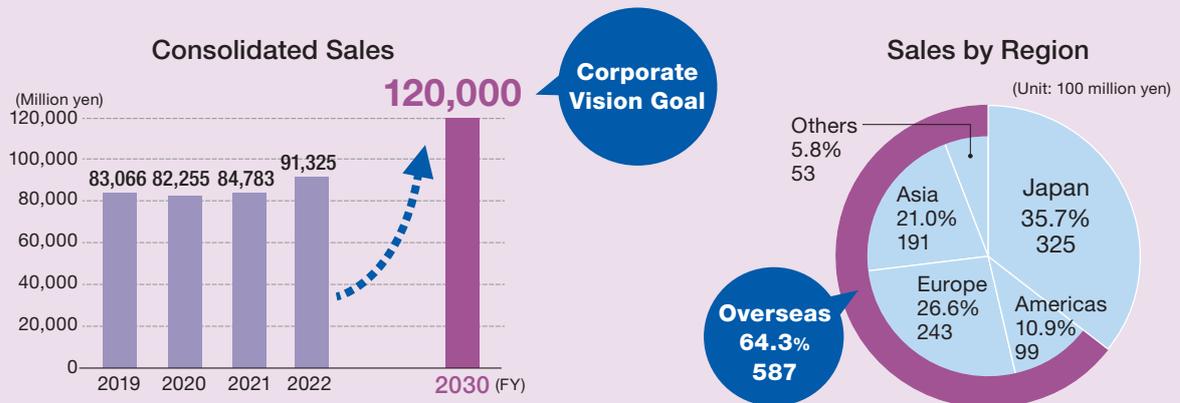
# 03

## Business Strategy

### Business Overview

**<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**

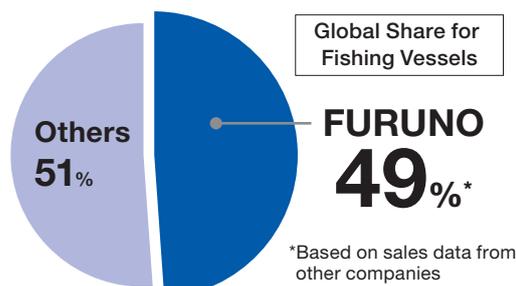
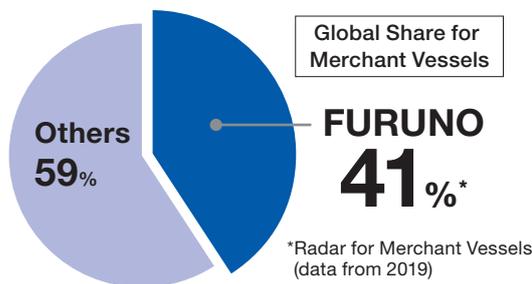
Making full use of our core technological expertise, namely, sensing, processing and communication, FURUNO strives to bring about safety and efficiency in vessels' operation, sustainable fishery with thorough resource management, safe healthcare and the pleasant society filled with safety and peace of mind.



### FURUNO's Strengths

#### Marine

FURUNO offers equipment for a wide variety of ships, from large merchant vessels, to fishing boats and recreational boats.



#### Land-based

FURUNO has expanded into new fields, including medical equipment and ICT devices, such as GPS and ITS products, to realize a comfortable society with greater safety and peace of mind.



# Marine Business

• Related SDGs



Since successfully commercializing the world’s first Fish Finder in 1948, FURUNO has met customer needs by developing and marketing various types of navigation and communications equipment. Today, we offer equipment to ensure safety, peace of mind, and higher efficiency for a wide variety of ships, from large merchant vessels, to fishing boats and recreational boats.



Kazuma Waimatsu  
Marine Electronic Products Division General Manager

## For Merchant Vessels



### 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.



### Selected in the Global Niche Top Companies Selection 100 with our radar for Merchant Vessels

FURUNO was recognized for its “41%\* global market share with its Radar for Merchant Vessels,” “products 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 enabling customers to use its FURUNO with peace of mind.”



\* based on the number of radars installed on vessels built at Japanese, Chinese and Korean shipyards, from January to December 2019.

## For Fishing Vessels

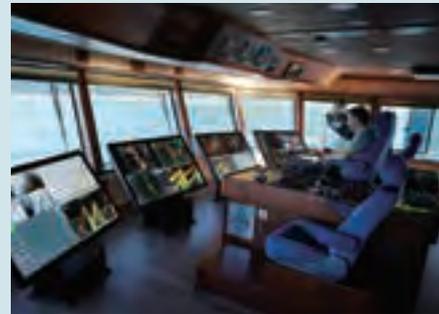


### For safe fishing and sustainable use of fishery resources

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.

### ➤ Towards the Realization of Smart Fishery

The fishing industry is now in a transitional stage of change, from intuition- and experience-based industry, to a more efficient industry based on data. FURUNO, with its new technologies, such as applications for utilizing past operational data or 3D sonars, is helping to realize a smarter fishing industry, one step further.



Fishing vessel with the latest Smart Bridge (Turkey)

## For Pleasure Boats



### For safe and comfortable boating

FURUNO offers high-quality products for users of all types of recreational boats, including sport fishing boats, sailboats, and yachts. While continuing to supply innovative and highly reliable products to our users, we are expanding our efforts to enhance customer value.

### ➤ FURUNO brand alongside the largest North American pleasure boat market

Marine equipment sales for the pleasure boat market are approximately ¥170 billion, with half of these sales being in the United States. Sport fishing boats also have professional scanning Sonar and Fish Finder for targeting fish and Multibeam Sonar for habitat monitoring. This is where the NavNet TZtouch series, a high-end model for pleasure boats, is installed. It displays various information making it an indispensable item for users who aspire to high-end sport fishing.



Targeting high-speed fishing with multi-beam sonar

## For Workboats



### For the safety and security of maritime operations

FURUNO contributes to the safety, security, and comfort of its customers while continuously providing innovative and reliable products to users of government ships and port marine and work vessels.

### For the safety of the largest high-speed ferry in the United States

Seastreak's *Courageous* is a high-speed ferry with the largest capacity in the United States. Two large, award-winning FURUNO radars are installed on board, and an intuitive and powerful new interface also simplifies operation. FURUNO contributes to the safety of passengers by providing high-quality marine electronics.



FURUNO radars installed on Seastreak's *Courageous* ferry

## For Maintenance Services

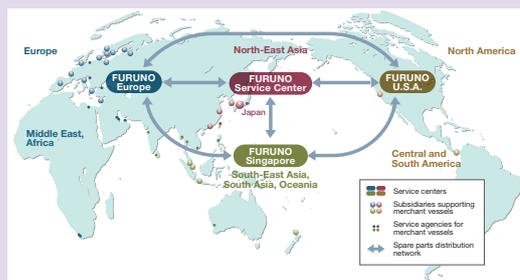


### To ensure that products are useful to customers

FURUNO provides world-class technical services and statutory inspections in a timely and accurate manner, using its global service network to ensure that its products perform and maintain their best performance anytime, anywhere.

### Global service system for peace of mind

The Merchant Vessel Division, which has customers all over the world, has implemented an online system called "SMS" (Service Management System) to provide efficient services. SMS is a web-based database that stocks information such as product support history, failure prevention measures, service progress and result reports. Any problems or findings are fed back to the sales, service, development, and quality departments to help improve quality of operations.



FURUNO Service Network

# Industrial Business

• Related SDGs



Based on technology developed for marine electronic equipment, FURUNO has expanded into new fields, including medical equipment and ICT devices, such as GPS and ITS products. Our aim is to realize a comfortable society with greater safety and peace of mind.



Yukio Nobuhiro  
System Products Division General Manager

## ETC2.0/ETC on-board equipment

These terminals are familiar at toll booths on expressways and are used to automatically pay the toll and pass through without having to stop the vehicle. ETC2.0 on-board equipment linked to GPS can provide voice and other information necessary for avoiding traffic congestion and safe driving.



## Vehicle access control service FLOWVIS

Vehicles are reliably identified by hybrid authentication that combines ETC authentication technology with camera-based vehicle number reading. The system also contributes to logistics DX as a solution to the “2024 problem” facing the logistics industry by reducing truck drivers’ waiting time for cargo by dispatching vehicles on premises according to berth conditions at each location.



Vehicle management solutions

## Dual-band GNSS receiver chip eRideOPUS 9

This receiver chip receives signals from GNSS satellites orbiting the earth and outputs highly accurate position information. It is the world’s first automotive receiver to achieve a positioning accuracy of 50 cm. The system is also highly robust, contributing to V2X and automated driving, which require accuracy and stability.



## Defense Equipment Business

• Related SDGs



Using its core technologies in marine electronics, FURUNO is committed to R&D for the Ministry of Defense, to provide safety and security for the people in Japan.

### Underwater acoustic technologies

The division has begun to study low power consumption, compactness, light weight, and strong resilience against voltage of the transmitter and receiver, with a view to installing UUVs or USVs.



**Takeshi Miyazaki**  
Avionics and Defense Electronics Division  
General Manager

## Wireless LAN Systems Business

• Related SDGs



FURUNO provides wireless LAN access points and wireless network management systems for better Internet access. We are also developing communication systems for the IoT field that can be used in social infrastructures.

### 11ah access point for IoT gateway support

IEEE802.11ah-compliant access points can communicate over long distances with a radius of approximately 1km. It is expected to play a role in supporting social infrastructure.



**Satoshi Nakatani**  
FURUNO SYSTEMS Co., Ltd. President

## Disaster Prevention and Surveillance Solutions Business

• Related SDGs



FURUNO is providing system solutions to support everyday safety and peace of mind by offering systems that predict meteorological and geological events.

### Water resources management

FURUNO's compact weather radar contributes to efficient storage and utilization of rainfall and mitigation of damage from flooding and urban inundation through highly accurate precipitation forecasting.



**Takuo Kashiwa**  
System Solution Business Unit General Manager

# Our Technologies

## ● Challenge the Invisible

FURUNO looks thoroughly into the field and solves problems with the appropriate technology. The world's first Fish Finder was born from this attitude.

What FURUNO offers is not just a product for visualization. When you can see what you could not

see before, you can also see new possibilities. There is no end to FURUNO's challenge of the invisible.

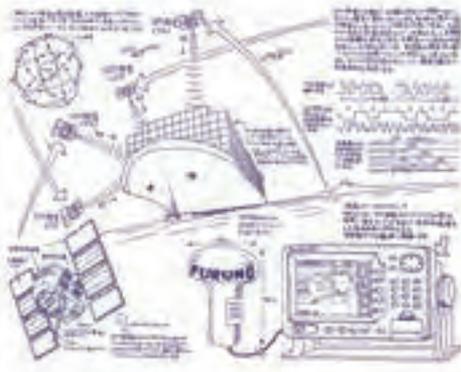
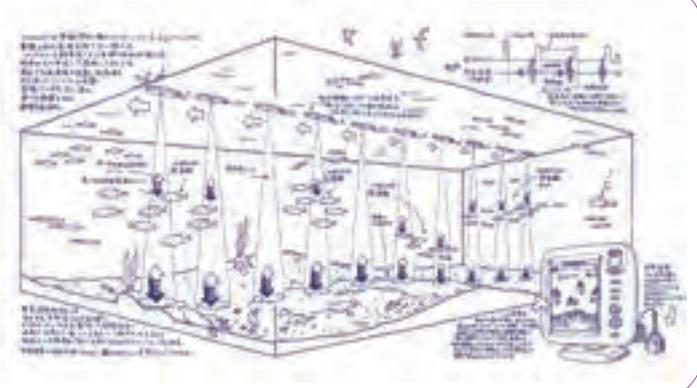
FURUNO will continue to create encounters with the invisible while staying close to people's lives.

## FURUNO's Core Technologies

01

### Underwater Acoustics

The distance from a school of fish is determined using the linear property of ultrasonic waves, by measuring the round-trip time when they are reflected to their original location.



02

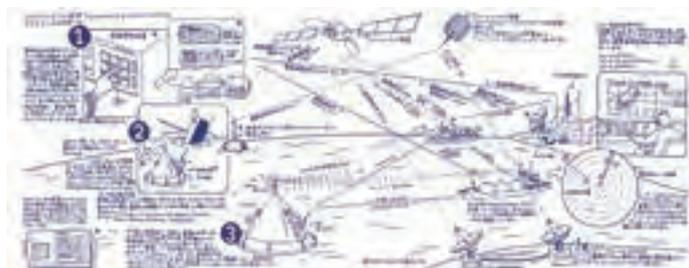
### Satellite Positioning

Positioning is essential for ships navigating the oceans. We also measure and use highly accurate heading and the precise time of day provided by GNSS satellites.

03

### Wireless Communication

Radio waves are essential for maritime communications. They are indispensable for safe navigation by detecting obstacles at sea as well as the movements of other vessels.



# Product Quality

To build a relationship of trust with our customers, all divisions are committed to providing higher quality products and services by listening to customers around the world.

## ● Providing safety and security through quality control

Based on the philosophy that “the quality of our products is created by the quality of our work,” FURUNO aims to provide products and services that satisfy our customers. Specifically, FURUNO maintains and controls quality at every stage, from design, development, procurement, and production, based on its quality management system (ISO 9001), and incorporating its own appropriate quality standards and reliability evaluation methods at each development stage to ensure that its products are suitable even in harsh environments.

\*Testing for electromagnetic interference that is known to affect other equipment and the human body



In-house EMC\* testing environment

## ● Maintaining and improving product quality

The Miki Factory (Japan) has established a traceability system that clearly defines manufacturing methods



and inspection standards for each manufacturing process and manages production and inspection histories. In addition, the factory conducts strict quality checks, as well as prior inspections of local manufacturers' quality control systems and locally manufactured products. In the manufacturing processes, a high level of reliability is assured with 100% inspection.

## ● Environmental testing

FURUNO strives to further improve product quality by conducting various tests, such as electromagnetic environment tests, vibration/shock tests, and temperature/humidity tests.



# 04

## 1 Governance Report

### Basic Policy

FURUNO's management basis is to continuously improve corporate value to meet the expectations and trust of all stakeholders, pursuing legality, appropriateness, and efficiency in its management activities.

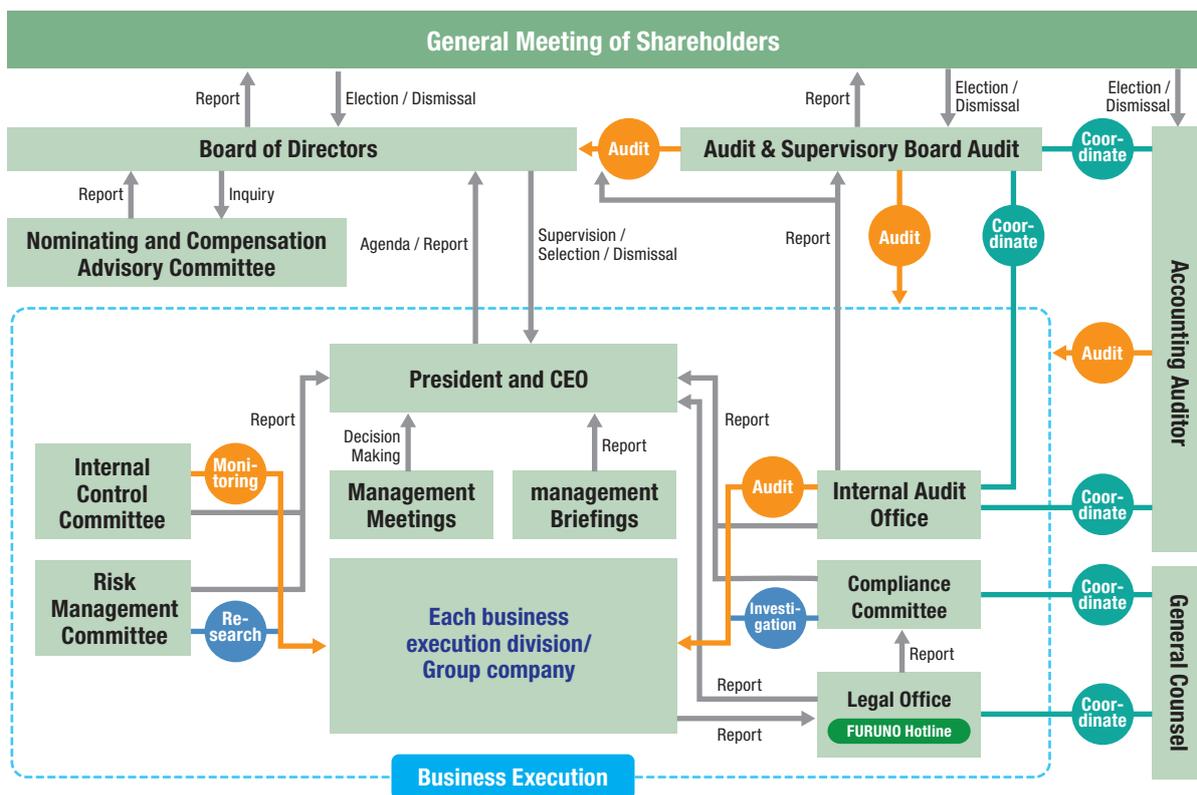
### Dealing with the CG Code

To strengthen its corporate governance, FURUNO believes it is necessary to improve its actual aspects, and to continually make improvements to achieve its management strategy.

### Corporate Governance Structure

FURUNO has established a voluntary Nomination and Compensation Advisory Committee and Compliance Committee and is working to avoid risks and prevent misconduct by building an organizational structure that allows governance to function. FURUNO is also strengthening its system by separating management and execution, focusing on the decision-making and supervisory functions of the Board of Directors.

Corporate Governance Structure (as of May 31, 2023)



## Effectiveness of the Board of Directors

FURUNO conducts an annual evaluation of the effectiveness of the Board of Directors to identify issues and areas for improvement. In FY 2022, FURUNO conducted a questionnaire survey of directors and corporate auditors regarding the operation and agenda of the management committees and the evaluation of the management secretariat for each management committee. The overall evaluation was high, as in the previous year,

as the agenda was improved by reducing the number of regular reporting subjects, and because the secretariat made improvements in the management of the meetings. FURUNO also recognizes that the effectiveness of the Board of Directors has been ensured based on the constructive discussions that take place at the Board of Directors meetings.

## Effectiveness of audits by corporate auditors

FURUNO has adopted a company-with-auditors system, and corporate auditors conduct objective and rational audits by attending Board of Directors

meetings and other important meetings, inspecting important documents, visiting subsidiaries, and interviewing directors and general managers.

## Directors' skills matrix

Effective March 1, 2021, FURUNO has decided to separate management and execution. Management is practiced by four full-time directors and two outside directors, for a total of six directors, and management oversight is ensured by three auditors,

including two outside auditors. One of the four internal directors is a mid-career employee and has experience working for other companies. The two outside directors have experience as managers at other listed companies.

### Skills matrix of directors, auditors, etc.

◎ Main Skills/Experience ○ Secondary Skills/Experience (up to 3 in total)

Position	Name	Company Management	Sales / Marketing	R&D / Industrial	Finance / Accounting	Compliance / Risk Management	Human Resources	IT / DX	International Experience
President and CEO	Yukio Furuno	◎				○	○		
Vice President and Executive Officer and CMO	Muneyuki Koike	○	◎						○
Director Managing Executive Officer and CTO	Shinji Ishihara			◎				○	○
Director Managing Executive Officer and CFO	Yutaka Wada	○			◎				○
External Director	Hideo Higuchi	◎		○				○	
External Director	Shingo Kagawa	◎		○				○	
Senior Executive Officer	Kazuma Waimatsu		○					◎	○
Senior Executive Officer	Satoshi Ohya					○	◎		

Position	Name	Company Management	Sales / Marketing	Finance / Accounting	Compliance / Risk Management	International Experience
Audit & Supervisory Board Member	Shigenori Ametani		◎			○
External Audit & Supervisory Board Member	Toru Muranaka				◎	
External Audit & Supervisory Board Member	Shogo Yamada	○		◎		○

## Executives' compensation

### Basic policy on directors' remuneration

FURUNO's basic policy is to link the remuneration of directors to shareholders' profits so that it fully functions as an incentive to sustainably increase corporate value, and to set the remuneration of individual directors at an appropriate level based on their respective positions and responsibilities.

### Compensation Composition

Remuneration	Directors		Auditors	Compensation Overview
	Inside	Outside		
Fixed	○	○	○	<ul style="list-style-type: none"> <li>Amount within framework approved at the Shareholders Meeting</li> <li>Monthly remuneration based on position and responsibility</li> </ul>
Performance-based	○	×	×	<ul style="list-style-type: none"> <li>Based on KPI achievement to raise performance awareness</li> <li>Calculation: 3% of net income (previous FY)</li> <li>Based on level of responsibility, KPI achievement of division under control, etc.</li> </ul>
Stock-based	○	×	×	<ul style="list-style-type: none"> <li>Share risks and benefits of stock price fluctuations with shareholders and improve corporate value</li> <li>Based on a percentage of total amount of previous year compensation</li> </ul>

### Governance data

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>Board of Directors</b>					
Directors	11	11	10	6	6
Outside directors	2	2	2	2	2
Board meetings	12	13	12	12	13
Attendance rate (%)	99.3	96.5	91.7	100.0	92.0
Average years in office	9.2	10.2	10.8	13.2	14.2
<b>Audit &amp; Supervisory Board</b>					
Auditors	3	3	3	3	3
Outside auditors	2	2	2	2	2
Auditors' meetings	14	14	14	14	14
Attendance rate (%)	100.0	97.6	97.6	100.0	100.0
<b>Nominating and Compensation Advisory Committee</b>					
Members	6	6	6	6	6
Directors' remuneration (millions of yen)	201	159	232	235	234
Auditors' remuneration (millions of yen)	39	39	39	39	38
<b>Cross-shareholdings (number of stocks)</b>					
Unlisted stocks	8	8	8	8	9
Stocks other than unlisted stocks	15	14	14	12	12

## Compliance

The Compliance Committee, chaired by the president and including outside members (lawyers), has been established, and the FURUNO Group Code of Conduct is our ethical standard.

### ➤ Compliance education and awareness

To raise compliance awareness, FURUNO conducts compliance education for executives and employees through various level-specific training programs, theme-specific training, and e-learning.

Opportunities are also provided for workplace study sessions where employees at each workplace freely exchange opinions on compliance. In addition, in revising the Compliance Handbook, which is distributed exclusively to FURUNO Group employees in Japan, an English version was also produced. The English version of the handbook is

available to employees at overseas locations for use in compliance education and other activities.



Compliance Handbook in English

## Risk management

To properly manage risks that could have a significant impact on management, FURUNO has established a Risk Management Committee chaired by the president. It evaluates company-wide risks, determines the importance of each risk, and appoints a department and subcommittee in charge of each risk countermeasure to reduce it.

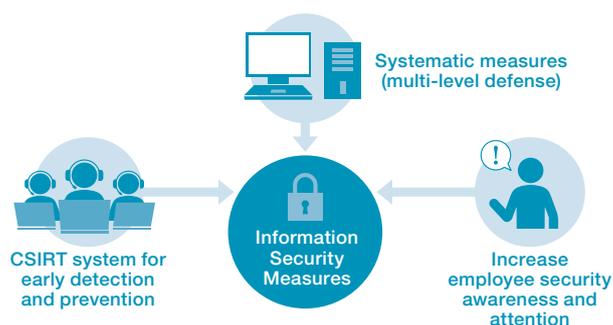
### ➤ Proper trade control

To maintain proper trade, FURUNO has established an export control system with the president as chief officer. To ensure that its employees understand the importance of export control for security, FURUNO

conducts internal notifications and e-learning training, as well as annual internal audits to verify the status of voluntary control.

### ➤ Information security measures

FURUNO is working on improving employee security awareness and vigilance through e-learning education and the publication of in-house newsletters. The CSIRT also continuously monitors, collects information, and responds to incidents to prevent damage from spreading and to calm the situation as soon as possible.



## Directors



### Yukio Furuno

President and CEO

Mar. 1971 Joined TEIJIN LIMITED  
 Sep. 1984 Joined FURUNO  
 Mar. 1987 General Manager, Administration Division  
 May 1987 Director  
 May 1990 Managing Director  
 May 1999 Managing Director and General Manager, Tokyo Office  
 Mar. 2007 President  
 Mar. 2021 President and CEO (current)



### Muneyuki Koike

Director  
 Vice President and Executive Officer and CMO

Apr. 1985 Joined FURUNO  
 Mar. 2002 General Manager, International Marketing Department, Marine Electronic Products Division  
 May 2005 Director  
 Mar. 2009 Divisional Vice General Manager, Marine Electronic Products Division  
 May 2009 Managing Director  
 Mar. 2012 Divisional General Manager, Marine Electronic Products Division  
 May 2016 Senior Managing Director  
 Mar. 2021 Director, Vice President and Executive Officer and CMO (current)



### Shinji Ishihara

Director  
 Managing Executive Officer and CTO

Apr. 1985 Joined FURUNO  
 Feb. 2006 General Manager, Research & Development Department, Marine Electronic Products Division  
 May 2007 Director  
 May 2016 Managing Director  
 Mar. 2018 Integration Chief Manager, Product Designing, Development & Value-engineering Head Office, Marine Electronic Products Division  
 Mar. 2021 Director, Managing Executive Officer and CTO (current)



### Yutaka Wada

Director  
 Managing Executive Officer and CFO

Apr. 1982 Joined FURUNO  
 Mar. 2003 General Manager, Merchant Marine Marketing Department, Marine Electronic Products Division  
 May 2007 Director and General Manager, Merchant Marine Marketing Department, Marine Electronic Products Division  
 Mar. 2015 Director and Divisional Vice General Manager, Marine Electronic Products Division  
 Sep. 2015 Director, Divisional Vice General Manager, Marine Electronic Products Division; General Manager, Head of Tokyo Office  
 May 2016 Managing Director, General Manager, Head of Tokyo Office; Secretary to General Manager, Marine Electronic Products Division  
 May 2018 Audit & Supervisory Board Member  
 May 2023 Director, Managing Executive Officer and CFO (current)

## External Directors



**Hideo Higuchi**  
External Director

Jun. 2004 Executive Officer and Senior General Manager, Operational Reform HQ, OMRON Corporation  
 Jun. 2007 Managing Executive Officer and Senior General Manager, Business Process Innovation HQ  
 Dec. 2008 Managing Executive Officer; Senior General Manager, Business Process Innovation HQ and Senior General Manager, Corporate Strategic Planning HQ  
 Mar. 2009 Managing Executive Officer and Senior General Manager, Corporate Strategic Planning HQ  
 Nov. 2011 Outside Director, SOLOEL Co., Ltd.  
 Mar. 2012 Director  
 Jun. 2012 Outside Audit & Supervisory Board Member, Toyo Business Engineering Corporation (currently Business Engineering Corporation)  
 May 2016 External Director, FURUNO (current)  
 Jun. 2016 Outside Director, Toyo Business Engineering Corporation (currently Business Engineering Corporation) (current)



**Shingo Kagawa**  
External Director

Apr. 1981 Joined FUJITSU LIMITED  
 Apr. 2012 Corporate Executive Officer; Group President, Network Service Business Unit; Head of Image Internet Service Business Division  
 Jun. 2012 Corporate Executive Officer; Group President, Outsourcing Business Unit; Head of Image Internet Service Business Division  
 Apr. 2015 Corporate Executive Officer; Vice President, Integration Services Business; Group President, Network Service Business Unit  
 Apr. 2016 Corporate Executive Officer; Chief Technology Officer; Head of Digital Services Business  
 Apr. 2018 President and Representative Director, FUJITSU RESEARCH INSTITUTE  
 Apr. 2020 Special Adviser, APAMAN Co., Ltd.  
 May 2020 External Director, FURUNO (current)  
 Oct. 2020 President and Representative Director, DigiIT Corporation (currently SS Technologies Corporation)  
 Oct. 2021 Chairman of the Board, SS Technologies Corporation  
 May 2022 Outside Director, MINISTOP Co., Ltd. (current)  
 Jan. 2023 Outside Director, H.I.S. Co., Ltd. (current)

## Auditors



**Shigenori Ametani**  
Auditor

Apr. 1984 Joined FURUNO  
 Mar. 2009 General Manager, International Marketing Department, Marine Electronic Products Division  
 Jun. 2016 Administration Officer; General Manager, International Marketing Department, Marine Electronic Products Division  
 Mar. 2021 Deputy General Manager, Management Planning & Intelligence Department  
 Feb. 2023 Assistant to Audit & Supervisory Board Members  
 May 2023 Audit & Supervisory Board Member (current)



**Toru Muranaka**  
External Auditor

Apr. 1995 Registered as an attorney (Osaka Bar Association) (current)  
 Apr. 2007 Teacher, Doshisha Law School  
 May 2014 Audit & Supervisory Board Member, FURUNO (current)  
 Jun. 2015 Outside Audit & Supervisory Board Member, SUZUKEN CO., LTD.  
 Jun. 2016 Outside Audit & Supervisory Board Member, CAPCOM CO., LTD. (current)



**Shogo Yamada**  
External Auditor

Apr. 1996 Registered as a Certified Public Accountant (current)  
 Jul. 2013 President, Shogo Yamada Certified Public Accountant Office (current)  
 Mar. 2014 Outside Audit & Supervisory Board Member, TOYO TANSO CO., LTD.  
 Mar. 2015 Outside Director, TOYO TANSO CO., LTD.  
 Jun. 2015 Outside Director, CONTEC CO., LTD.  
 Jan. 2020 Director and COO, TOMOE VALVE INDUSTRY PTE LTD (current)  
 Jan. 2022 Director, TOMOE VALVE INDUSTRY PTE LTD (current)  
 May 2022 Audit & Supervisory Board Member, FURUNO (current)

## Executive Officers



**Kazuma  
Waimatsu**  
Senior Executive Officer

In charge of Marine Electronic Products  
Division  
Marine Electronic Products Division  
General Manager



**Satoshi Ohya**  
Senior Executive Officer

Human Resources & General Affairs  
Department General Manager



**Koji Tokuda**  
Executive Officer

Marine Electronic Products Division  
Product Designing, Development &  
Value-engineering Head Office General  
Manager



**Takanori  
Uemura**  
Executive Officer

Marine Electronic Products Division  
Miki Factory General Manager



**Kiyoshi Furuno**  
Executive Officer

Marine Electronic Products Division  
Marketing Head Office General Manager  
and Domestic Marketing Department  
General Manager



**Tsutomu  
Okada**  
Executive Officer

In charge of Research and Innovation  
Center  
Research and Innovation Center General  
Manager



**Kenichi Mori**  
Executive Officer

Marine Electronic Products Division  
Service Management & Commanding  
Department General Manager



**Atsushi Takagi**  
Executive Officer

Corporate Planning Department  
General Manager



**Yukio  
Nobuhiro**  
Executive Officer

In charge of System Products Division,  
Avionics and Defense Electronics  
Division  
System Products Division General  
Manager

## Human resource strategy

### Development of human resources

FURUNO aims to develop autonomous human resources who think and act on their own initiative, by improving the career development and management skills of each employee. For R&D personnel, FURUNO provides technical education based on an annual plan to improve their technical skills. In addition, FURUNO promotes job rotation according to the career path of each position to develop human resources who can realize our business

strategies through workplace revitalization and new challenges.



### Development of global human resources

FURUNO has established a worldwide sales and service network. With more than 60% of sales coming from overseas and approximately 35% of employees working at overseas subsidiaries, FURUNO requires human resources who can respond to global business. Young employees are dispatched to overseas

subsidiaries to acquire a broad international perspective and business knowledge through work experience. FURUNO strives to develop excellent human resources who can work globally.

## Diversity & inclusion

### Ensure diversity of core human resources

It is essential to secure diversity in human resources, which are the source of innovation and new value creation. FURUNO will continue to improve the workplace to create a corporate culture in which all human resources with diverse skills and personalities can grow and flourish. There is still room for improvement from a gender-free perspective, so FURUNO has launched a project with selected members and established a working group under the direct supervision of the president, called the

Smile Project. The project will help ensure diversity throughout the FURUNO Group, including overseas subsidiaries.

	FY 2020	FY 2021	FY 2022
% of female employees	<b>28.5 %</b>	<b>28.8 %</b>	<b>28.8 %</b>
Avg. years employed (female)	<b>13.3 yrs</b>	<b>13.4 yrs</b>	<b>13.9 yrs</b>
Female ratio in new graduates	<b>20.0 %</b>	<b>9.4 %</b>	<b>13.2 %</b>
% of females in management	<b>2.9 %</b>	<b>3.3 %</b>	<b>4.4 %</b>

\*Non-consolidated FURUNO (as of February 28)

## Development of management human resources

FURUNO conducts a one-year group action learning program on the theme of solving management issues, with the aim of helping employees acquire their role awareness and logical thinking skills required when they are promoted to management positions. FURUNO is actively developing next-generation management candidates through exchanges with excellent human resources not only within

the company but also at other companies. Also, the Human Resource Development Committee meets on a regular basis to consider and decide on the assignment of human resources that will lead to the expansion of perspectives and experience for each target group. FURUNO is promoting the development of future managerial human resources while improving labor productivity.

## Develop and secure core human resources

### Implementation of specific measures such as instructor OJT training system, etc.

In order to develop core human resources, new graduates are individually assigned a dedicated instructor after their assignment (instructor OJT training system). In addition, in the third year of employment, the Human Resources Department conducts individual hearings for all new employees to eliminate any post-employment gaps and to take stock of and reflect on their careers as members of society. Moreover, to secure core human

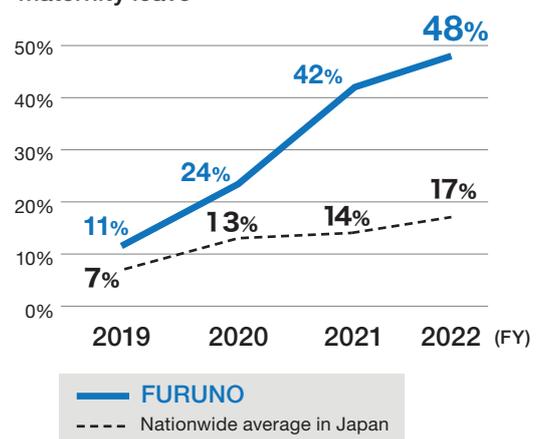
resources, FURUNO has adopted referral hiring as a career recruiting method, to improve the matching rate with FURUNO's corporate culture and increases employee engagement through employee participation in recruiting activities. FURUNO is also working to resolve concerns and questions about the work environment, work learning status, and daily life issues as early as possible.

## Improving the workplace and job satisfaction

### Male maternity leave

FURUNO's Childcare Leave System allows employees to take leave for a desired period until the child turns 1 year old (up to 2 years old with conditions). FURUNO has also introduced systems such as Father-Mother Childcare Leave Plus and Postpartum Father-Childcare Leave to encourage male employees to take childcare leave.

Percentage of male employees taking maternity leave



## Health management

FURUNO wants each employee to have a healthy mind and body. We established the FURUNO Health Declaration in March 2018 and are strengthening our health management system and promoting initiatives to raise employees' health awareness. In September 2022, FURUNO also formulated the Health Management Strategy Map which systematically organizes how the various health measures we are implementing will lead to solutions to issues in health management.

### Health management initiatives

Exercise support measures include holding walking events and distributing FURUNO's original One Minute Stretch Exercise. In addition, FURUNO has introduced a smoking cessation support program, stress checks and self-care e-learning programs. In recognition of these efforts, FURUNO has been recognized for five consecutive years since FY 2019 as one

of the White 500 Corporations for Excellent Health Management. FURUNO has also been recognized annually as a Sports Yell Company. FURUNO will continue to engage in strategic health management to ensure its sustainable growth.



#### Annual paid leave taken

	FY 2020	FY 2021	FY 2022
Usage rate	72.1%	79.4%	83.6%

#### Avg. monthly overtime / employee (non-consolidated) \*

	FY 2020	FY 2021	FY 2022
FURUNO (non-consolidated)	13.6h	15.1h	16.0h

\*For regular, contract and temporary employees

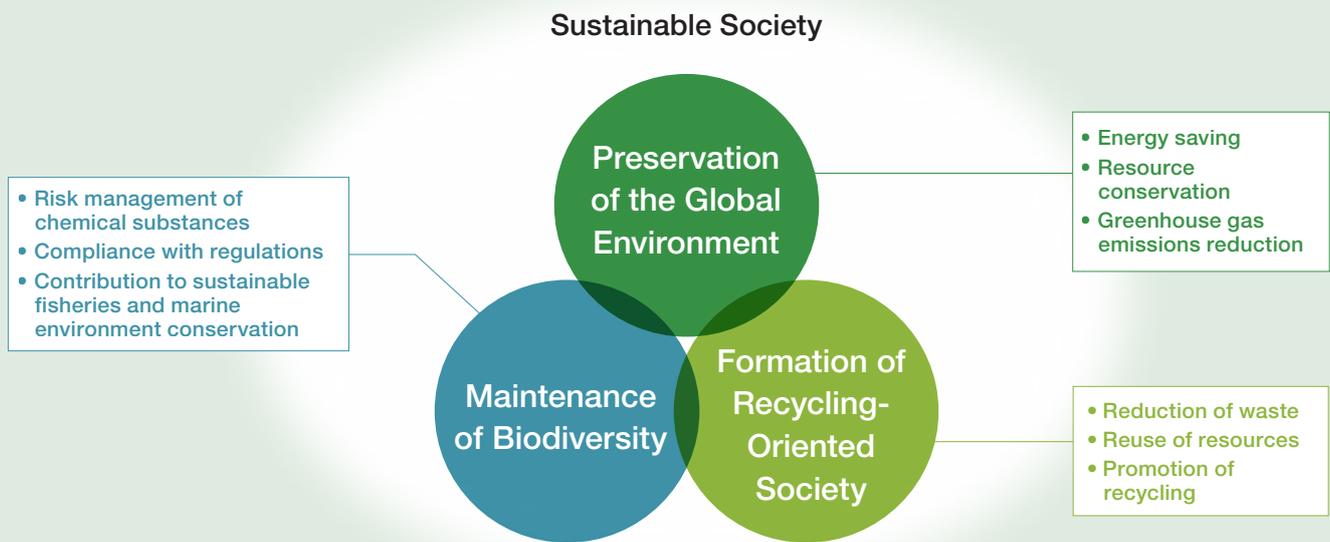
## Respect for Human Rights

FURUNO is committed to treating others with respect and deference, and hopes that its employees can devote themselves to their work with peace of mind in a healthy and comfortable work environment that is free from harassment. FURUNO will continue to conduct

educational activities to eliminate discrimination against people with disabilities, foreign nationals, LGBTQ, and other groups, and to realize a prosperous society where they can coexist with each other.

## Environmental Policy

FURUNO recognizes that environmental considerations are one of the most important management issues and aims to realize a sustainable society by reducing the environmental impact of its business activities.



### ➤ Towards the preservation of the environment

FURUNO is working on environmental preservation and complying with the Energy Conservation Law,\* and since 2010, it has been

working to reduce CO<sub>2</sub> emissions with the mid-to long-term goal of a 1% reduction from the previous fiscal year.

\*Law concerning the rational use of energy

### ➤ Towards a recycling-oriented society

FURUNO continuously measures and monitors the amount of waste disposed of and recycled. All business sites are committed to complying with the Waste Disposal and Public Cleansing

Law by concluding waste disposal contracts with government-licensed contractors and thoroughly managing industrial waste management slips.

### ➤ Towards sustaining biodiversity

Among the various activities that are effective in maintaining biodiversity, FURUNO believes it is important to eliminate hazardous substances from the products and their production

processes, and to contribute to the management of marine resources using its products.

## Compliance with regulations on chemical substances

The RoHS Directive, which regulates the use of chemical substances in electrical and electronic equipment enforced in the EU, began to regulate 10 substances in July 2019, and FURUNO has been complying with the

directive for applicable equipment. In addition, the introduction of chemSHERPA (common scheme for communicating information on chemical substances contained in products) has been completed.

## Ship Recycling Convention

In May 2009, the Ship Recycling Convention was adopted as an international treaty to address the possibility that ships dismantled for scrapping may contain hazardous substances that could have a negative impact on the

environment and human health. It is expected that substantial action will be taken, as the Ship Recycling Regulations with the equivalent content of the Convention began to be applied in the EU in December 2018.

## Chemical risk assessment

The implementation of risk assessment for chemical substances is mandatory under the Industrial Safety and Health Law. It must be conducted in accordance with the GHS\*

classification categories, taking into consideration the impact on the global environment as well as workers' health management.

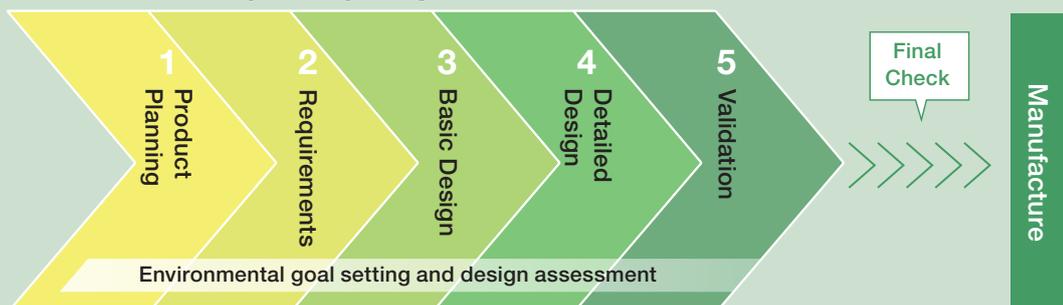
\*The GHS (Globally Harmonized System of Classification and Labelling of Chemicals) is a set of rules that harmonize the classification criteria and the content of labels and safety data sheets for each hazardous property of chemical products.

TOPIC

## Environmentally Conscious Products

FURUNO has established environmental standards in the design process and set specific targets while complying with environmental laws and regulations.

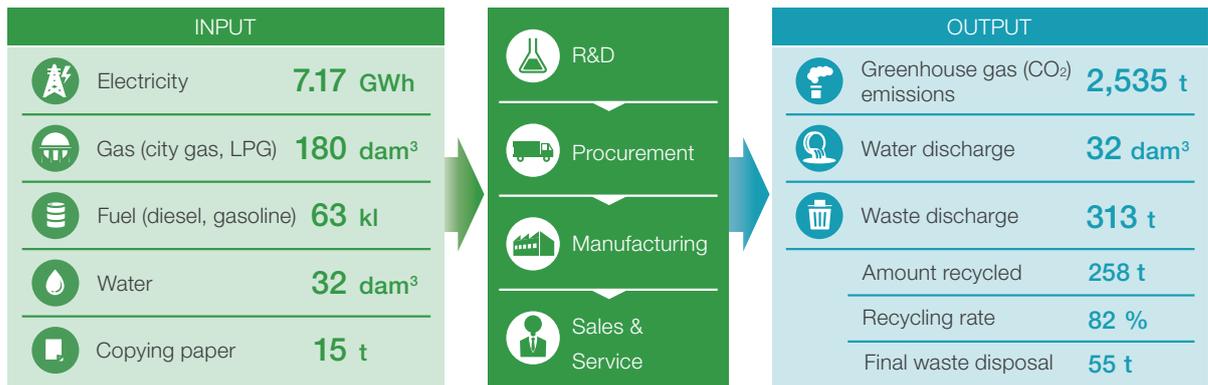
### Environmentally Friendly Design



## Reduction of impact in business activities

### Overall environmental impact

FURUNO strives to reduce the environmental impact of each process by understanding the inputs and outputs of its activities.



\*Total includes headquarters (Nishinomiya), Miki Factory, Furuno INT Center  
\*Period: March 1, 2022 - February 28, 2023

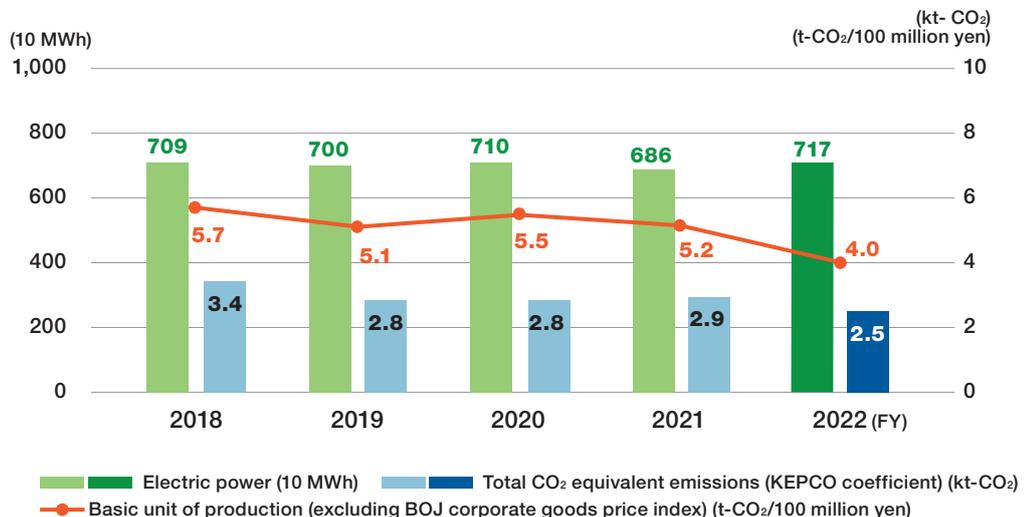
### Protection of the global environment

FURUNO has been working to reduce CO<sub>2</sub> emissions since 2010 in response to the revised Energy Conservation Law,\* with the mid- to long-term goal of a 1% reduction from the previous fiscal year. In the activities of each

business site, FURUNO is working to improve energy consumption per unit of production, centered on productivity improvement, and are continuing to promote energy-saving air conditioning and the use of LED lighting.

\*Law concerning the rational use of energy

Power Consumption, CO<sub>2</sub> Emissions and Basic Unit



## Effects of COVID-19

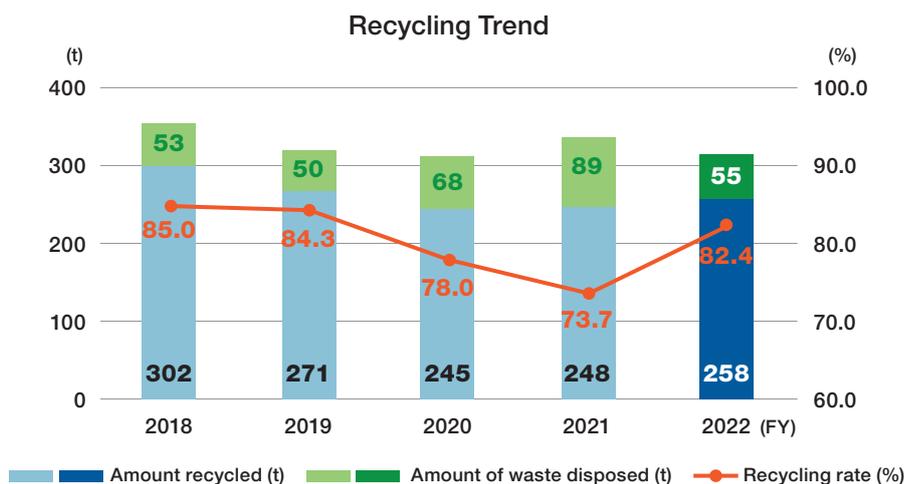
In FY 2021, electric power consumption decreased by 3.4% from the previous year due to external factors such as the response to

COVID-19 and parts shortage. The emissions of CO<sub>2</sub> per unit of production decreased by 7.3% from the previous fiscal year.

## Towards a recycling-oriented society

To ensure thorough separation of waste generated by its business activities, FURUNO continuously measures and monitors the amount of waste disposed of and recycled. FURUNO also conducts on-site inspections of

contracted waste disposal companies at each of our business sites nationwide as appropriate, to ensure that proper management is being carried on.



## Climate change initiatives

In 2015, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD published its final report in June 2017 recommending disclosure of items related to climate-change-related risks and opportunities.

FURUNO is committed to complying with the TCFD by establishing the most appropriate structure and personnel to collect and analyze the necessary data on the impact of climate-change-related risks and opportunities on its business activities.

# 05

## Together with Society

### Connect with society through sustainable activities

FURUNO believes that one of its major missions is to contribute to the sea and “connect the sea to the future.” In Nishinomiya city, where its headquarters is located, FURUNO is building opportunities for its employees to connect with the local community. FURUNO also supports round-the-world yachting challenges, trans-Pacific sailing, and student races.

#### With the Local Community

##### Work experience program to support marine safety and security

FURUNO is participating in a program filled with many learning opportunities, such as living with the sea, protecting the environment, and receiving blessings from the sea, and is having

children experience work related to the sea. During the summer vacation, FURUNO also held a challenge to solve the marine debris problem with technologies to see the invisible.



Children and employees who participated in the event



Looking at a merchant ship simulator



Experiment in a large water tank

##### Let's connect Nishinomiya's Sea to the future - What kind of sea is Nishinomiya's sea?

With the aim of making people feel more familiar with the sea as a company nurtured by the sea, we held an event together with Nishinomiya Hankyu (Hankyu Department

Store) and Sakana no Oniisan Kawachan, a radio DJ and announcer. The event was entitled “Let's connect Nishinomiya's sea to the future.”



Delivering a message about the ocean, fish, and environmental issues



FURUNO's young employee providing support



Children participating in the quiz



Colorful patterns on fish illustrations

## Delivery of classes for the next generation

FURUNO participates in the MUKOJO Mirai☆ Labo organized by Mukogawa Women's University. In this program, women with science

backgrounds share why they chose their careers, the content of their current jobs, and the satisfaction they find in their work.



Seido Junior High School (Ashiya City)



Students asked so many questions they lost track of time!

## Support for students taking exams

To make people aware and feel more familiar with the company, FURUNO is running a corporate commercial. During the entrance exam season, FURUNO posts original messages for students preparing for entrance exams at Hankyu Nishinomiya-Kitaguchi Station, the closest station to our headquarters.



Poster in Hankyu Nishinomiya-Kitaguchi Station

## Connecting the ocean to the future through food and learning

FURUNO wants to bring the charm of the sea to as many people as possible. At the Miyakko Opening Festival, FURUNO served seafood paella as an activity to encourage people to

love fish. A talk show by Sakana no Oniisan Kawachan was also held at the same time, conveying the appeal of the sea in terms of both food and learning.



Fish lecture by Sakana no Oniisan Kawachan



Fish dismantling show by employees



Seafood paella feast

➤ **Morning Cafe Project, where people naturally connect**

A morning cafe project is being implemented in front of the new R&D building, SOUTH WING. Kitchen cars operated by restaurants in the Nishinomiya area are set up to provide a place where people can naturally gather and connect.



Kitchen Car in front of SOUTH WING

➤ **Trash picking & jogging "Plogging"**

"Plogging" is a new fitness activity originating in Sweden that is a combination of trash pickup and jogging. Running is healthy, picking up

trash is eco-friendly, and it provides a new opportunity for interaction among residents and employees!



Plogging for a healthy mind and body!



Tongs in the right hand and a garbage bag in the left. His dream is to make Nishinomiya City a city of plogging!

## We Want You to Know FURUNO: Corporate Commercials

FURUNO produced a series of corporate commercials titled “We want you to know FURUNO” and aired them at stations near our Nishinomiya headquarters and other locations. In addition, as a new initiative in FY 2022, the commercials were displayed at Hankyu Nishinomiya Gardens and were

also broadcast on all screens of TOHO Cinemas Nishinomiya OS for about six months. FURUNO will continue our efforts to realize a safe, secure, comfortable, human- and eco-friendly society and voyage, as well as to enhance our brand value.



My father works at FURUNO



Global company at Nishinomiya



We want you to know FURUNO  
We finally made these corporate commercials!



Broadcast at Hankyu Nishinomiya-Kitaguchi Station



Gate pavilion vertical signage broadcast



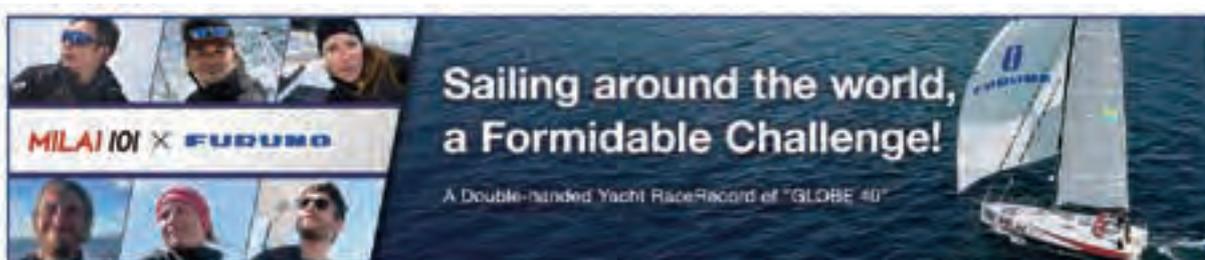
TOHO Cinemas Nishinomiya OS broadcast

## For Those Who Take on Challenges

### ➤ Round-the-world challenge: MILAI 101

FURUNO supported Team MILAI, which participated in GLOBE 40, a double-handed round-the-world yacht race, sharing MILAI's

desire to pass on to the next generation the beauty of challenging the world.



### GLOBE 40

GLOBE 40 is a round-the-world yacht race in which two people aboard a yacht sail around the world. The race started in June 2022 from Tangier, Morocco, and competitors returned to the starting point after eight legs (total distance of about 55,000 km).

### ➤ World's oldest person to cross the Pacific Ocean alone: Kenichi Horie

After 69 days of sailing from San Francisco, Kenichi Horie became the world's oldest person (83 years old) to complete a solo crossing of the Pacific Ocean on a yacht. FURUNO provided him with a satellite-based tracking system that enabled him to monitor his voyage in real time. FURUNO will continue to support Mr. Horie, a "lifelong challenger."



Kenichi Horie



Off the coast of Nishinomiya, the final goal. The FURUNO MARU boat alongside Mr. Horie's *Suntory Mermaid III*.



Welcome event for Mr. Horie at FURUNO headquarters

## ➤ All Japan Student Yacht Championship

In November 2022, FURUNO sponsored the 87th All Japan Student Yacht Championship (Lake Biwa), where top university student sailors from all over Japan gather to decide the pinnacle of sailing. FURUNO decided to support this event empathizing the strong desire of students to challenge the unknown sea.



## ➤ Hyogo Junior Open Championship

The Hyogo Junior Open Championship (Ashiya City, Hyogo) is for elementary and junior high school sailors in Hyogo Prefecture who have high hopes for the future. FURUNO sponsors this event because it shares the desire to provide a place to learn about, love, and challenge the sea.



## ➤ Umi no Koshien

Umi no Koshien is a nationwide yacht race combining the Youth Sailing Cup (for junior high and high school students) and the Nishinomiya Sailing Cup (for the general public) and is held

off the coast of Nishinomiya. As a company nurtured by the sea, FURUNO considers it its role to support this valuable event.



# 06

## Financial and Non-financial Data

### 11 Years of Data

<b>Profit and Loss (millions of yen)</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Net sales	71,605	75,666	85,966	89,720
Operating income	1,218	1,492	1,799	2,911
Ordinary income	2,142	2,396	2,840	3,362
Net income attributable to owners of the parent	1,564	(660)	(909)	2,624
<b>Financial Condition (millions of yen)</b>				
Total assets	72,672	80,074	83,795	78,464
Interest-bearing debt	11,916	15,477	13,663	16,736
Net assets	34,697	38,011	37,305	36,581
<b>Cash Flow (millions of yen)</b>				
Cash flows from operating activities	770	1,209	2,913	1,258
Cash flows from investing activities	(2,384)	(2,793)	(3,974)	(2,612)
Cash flows from financing activities	(1,802)	3,229	(2,227)	2,811
<b>Per Share Data (yen)</b>				
Net income	49.6	(20.9)	(28.9)	83.3
Dividend	7.0	8.0	8.0	10.0
Net assets	1,069.8	1,163.5	1,169.7	1,148.2
<b>Key Financial Indicators (%)</b>				
Operating income to net sales ratio	1.7	2.0	2.1	3.2
Return on equity	4.9	(1.9)	(2.5)	7.2
Equity ratio	46.4	45.8	44.0	46.1
<b>R&amp;D, Capital Expenditures and Depreciation (millions of yen)</b>				
R&D investment costs	4,332	5,237	4,539	4,786
Capital expenditure	2,846	2,649	3,060	3,521
Depreciation and amortization	1,582	2,038	2,586	2,721

<b>Non-financial Data</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Consolidated number of employees	2,803	2,815	2,930	2,905
Non-consolidated number of employees	1,691	1,695	1,745	1,740
Non-consolidated percentage of female employees (%)	28.6	27.8	28.4	28.4
Non-consolidated percentage of female managers (%)	1.5	1.8	1.8	2.0
Number of directors (outside directors)	10 (0)	10 (0)	11 (1)	12 (2)
Number of auditors (outside auditors)	3 (2)	3 (2)	3 (2)	3 (2)
Consolidated number of patents	562	670	763	849
CO <sub>2</sub> emissions from main locations* <sup>2</sup> (1,000 t-CO <sub>2</sub> )	3.9	4.6	4.6	4.3
Total amount of waste generated from main locations* <sup>2</sup> (t)	380	373	364	332

\*1: Average exchange rate for FY 2022: \$1 = ¥129.32 \*2: Scope: Headquarters (Nishinomiya), Miki Factory, INT Center

FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	Millions of Dollars <sup>*1</sup>
78,674	79,050	82,108	83,066	82,255	84,783	<b>91,325</b>	<b>706.2</b>
1,534	1,992	4,771	2,411	3,740	2,532	<b>1,523</b>	<b>11.8</b>
1,458	1,857	5,112	2,702	4,779	3,717	<b>2,593</b>	<b>20.1</b>
1,262	1,236	4,026	2,041	3,946	2,814	<b>1,348</b>	<b>10.4</b>
75,724	76,773	79,223	76,133	82,248	85,973	<b>106,396</b>	<b>822.7</b>
14,881	13,706	12,982	9,906	9,956	9,602	<b>19,317</b>	<b>149.4</b>
36,321	38,559	41,539	42,244	45,692	47,880	<b>52,503</b>	<b>406.0</b>
6,417	5,142	4,903	8,041	8,512	6,193	<b>(6,492)</b>	<b>(50.2)</b>
(4,152)	(3,404)	(2,912)	(3,175)	(4,553)	(4,389)	<b>(3,027)</b>	<b>(23.4)</b>
(2,201)	(1,542)	(1,251)	(4,194)	(850)	(3,518)	<b>8,263</b>	<b>63.9</b>
40.1	39.3	127.8	64.8	125.2	89.2	<b>42.7</b>	<b>0.3</b>
8.0	10.0	25.0	20.0	40.0	40.0	<b>25.0</b>	<b>0.2</b>
1,141.8	1,212.3	1,307.2	1,330.5	1,438.9	1,518.0	<b>1,651.0</b>	<b>12.8</b>
1.9	2.5	5.8	2.9	4.5	3.0	<b>1.7</b>	
3.5	3.3	10.1	4.9	9.0	6.0	<b>2.7</b>	
47.5	49.8	52.0	55.1	55.1	55.7	<b>49.0</b>	
4,253	4,470	4,707	4,266	5,303	5,458	<b>5,694</b>	<b>44.0</b>
3,863	3,036	2,595	3,245	4,235	4,670	<b>2,207</b>	<b>17.1</b>
2,924	3,225	3,093	3,246	3,160	3,161	<b>3,061</b>	<b>23.7</b>

FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
2,894	2,920	2,957	2,926	2,978	3,065	<b>3,310</b>
1,731	1,713	1,712	1,729	1,722	1,765	<b>1,794</b>
28.5	28.9	29.1	28.7	28.5	28.8	<b>28.8</b>
2.4	2.1	3.1	3.0	2.9	3.3	<b>4.4</b>
12 (2)	11 (2)	11 (2)	10 (2)	10 (2)	6 (2)	<b>6 (2)</b>
3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	<b>3 (2)</b>
1,020	1,185	1,198	1,190	1,232	1,302	<b>1,313</b>
4.2	4.2	3.4	2.8	2.8	2.9	<b>2.5</b>
316	375	355	321	312	336	<b>313</b>

# Financial Statements

## Consolidated Balance Sheets

(Unit: Millions of yen)

	FY 2021	FY 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash on hand and in banks	14,350	<b>15,376</b>
Notes and accounts receivable trade	15,080	–
Notes, accounts receivable and contract assets	–	<b>21,537</b>
Electronically recorded monetary claims	1,617	<b>1,076</b>
Merchandise and finished goods	14,255	<b>19,705</b>
Work in progress	3,955	<b>4,229</b>
Raw materials and supplies	9,482	<b>16,759</b>
Others	3,574	<b>3,872</b>
Allowance for doubtful accounts	(306)	<b>(277)</b>
<b>Total current assets</b>	<b>62,010</b>	<b>82,280</b>
<b>Fixed assets</b>		
Tangible fixed assets		
Buildings and structures (net)	6,804	<b>6,895</b>
Machinery and vehicles (net)	897	<b>897</b>
Land	3,598	<b>3,596</b>
Construction in progress	304	<b>95</b>
Others (net)	1,794	<b>2,428</b>
<b>Total tangible fixed assets</b>	<b>13,400</b>	<b>13,914</b>
Intangible assets		
Goodwill	778	<b>819</b>
Software	3,436	<b>3,121</b>
Others	60	<b>93</b>
<b>Total intangible assets</b>	<b>4,276</b>	<b>4,034</b>
Investments and other assets		
Investments in securities	3,180	<b>3,087</b>
Assets related to retirement benefits	1,447	<b>1,100</b>
Deferred tax assets	240	<b>412</b>
Others	1,433	<b>1,584</b>
Allowance for doubtful accounts	(15)	<b>(17)</b>
<b>Total investments and other assets</b>	<b>6,286</b>	<b>6,167</b>
<b>Total fixed assets</b>	<b>23,963</b>	<b>24,116</b>
<b>Total assets</b>	<b>85,973</b>	<b>106,396</b>

(Unit: Millions of yen)

	FY 2021	FY 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable trade	4,049	<b>6,435</b>
Electronically recorded monetary obligations	8,458	<b>9,693</b>
Short-term borrowings	2	<b>8,009</b>
Current portion of long-term borrowings	1,300	<b>202</b>
Accrued income taxes	332	<b>912</b>
Contract liabilities	–	<b>2,756</b>
Accrued bonuses	2,026	<b>2,193</b>
Allowance for product warranties	1,098	<b>872</b>
Others	7,755	<b>6,448</b>
<b>Total current liabilities</b>	<b>25,023</b>	<b>37,525</b>
<b>Long-term liabilities</b>		
Long-term borrowings	8,300	<b>11,106</b>
Deferred tax liabilities	536	<b>363</b>
Liabilities for retirement benefits	2,942	<b>3,154</b>
Others	1,288	<b>1,744</b>
<b>Total long-term liabilities</b>	<b>13,068</b>	<b>16,368</b>
<b>Total liabilities</b>	<b>38,092</b>	<b>53,893</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	7,534	<b>7,534</b>
Capital surplus	9,295	<b>9,289</b>
Retained earnings	32,152	<b>33,375</b>
Treasury stock	(187)	<b>(175)</b>
<b>Total shareholders' equity</b>	<b>48,795</b>	<b>50,023</b>
<b>Total accumulated other comprehensive income</b>		
Net unrealized gain or loss on securities, net of tax	654	<b>975</b>
Cumulative translation adjustments	(1,169)	<b>1,974</b>
Accumulated adjustments for retirement benefits	(399)	<b>(860)</b>
<b>Total accumulated other comprehensive income</b>	<b>(914)</b>	<b>2,089</b>
Non-controlling interests	–	<b>389</b>
<b>Total net assets</b>	<b>47,880</b>	<b>52,503</b>
<b>Total liabilities and net assets</b>	<b>85,973</b>	<b>106,396</b>

## Consolidated Income Statement

(Unit: Millions of yen)

	FY 2021	FY 2022
<b>Net sales</b>	84,783	<b>91,325</b>
<b>Cost of sales</b>	53,145	<b>56,947</b>
<b>Gross profit</b>	31,638	<b>34,377</b>
<b>Selling, general and administrative expenses</b>	29,105	<b>32,853</b>
<b>Operating income</b>	2,532	<b>1,523</b>
<b>Non-operating income</b>		
Interest income	20	<b>54</b>
Dividend income	129	<b>125</b>
Equity gains of affiliated companies	89	<b>86</b>
Insurance cash value	28	<b>56</b>
Exchange gain	114	<b>366</b>
Subsidy income	682	<b>228</b>
Others	289	<b>345</b>
Total	1,355	<b>1,263</b>
<b>Non-operating expenses</b>		
Interest expense	81	<b>104</b>
Loss on retirement of fixed assets	19	<b>18</b>
Others	69	<b>70</b>
Total	170	<b>193</b>
<b>Ordinary income</b>	3,717	<b>2,593</b>
<b>Special gains</b>		
Gain from sale of investment securities	3	–
Gain from sale of fixed asset	35	<b>12</b>
Gain on redemption of investment securities	34	–
Others	0	<b>1</b>
Total	73	<b>13</b>
<b>Special losses</b>		
Loss on sales of shares of subsidiaries	–	<b>86</b>
Loss from sale of fixed asset	–	<b>2</b>
Loss on redemption of investment securities	17	<b>43</b>
Impairment loss	39	<b>24</b>
Others	–	<b>6</b>
Total	56	<b>163</b>
<b>Net income before income taxes</b>	3,735	<b>2,443</b>
Income taxes-current	612	<b>1,496</b>
Income taxes-deferred	281	<b>(469)</b>
<b>Total</b>	893	<b>1,027</b>
<b>Net income</b>	2,841	<b>1,416</b>
<b>Profit attributable to non-controlling interests</b>	27	<b>67</b>
<b>Net income attributable to owners of the parent</b>	2,814	<b>1,348</b>

## Consolidated Comprehensive Income Statement

(Unit: Millions of yen)

	FY 2021	FY 2022
<b>Net income</b>	2,841	<b>1,416</b>
<b>Other comprehensive income</b>		
Net unrealized gain or loss on securities	180	<b>321</b>
Cumulative translation adjustments	1,672	<b>3,064</b>
Adjustments for retirement benefits	118	<b>(460)</b>
Share of other comprehensive income of entities accounted for using equity method	88	<b>45</b>
Total other comprehensive income	2,059	<b>2,970</b>
<b>Comprehensive income</b>	4,901	<b>4,386</b>
<b>Comprehensive income attributable to</b>		
Owners of the parent	4,873	<b>4,282</b>
Non-controlling interests	27	<b>104</b>

## Consolidated Cash Flow Statement

(Unit: Millions of yen)

	FY 2021	FY 2022
<b>Cash flow from operating activities</b>		
Net income before income taxes	3,735	<b>2,443</b>
Depreciation and amortization	3,161	<b>3,061</b>
Impairment loss	39	<b>24</b>
Increase (decrease) in allowance for doubtful accounts	(112)	<b>(18)</b>
Increase (decrease) in accrued bonuses	(48)	<b>91</b>
Increase (decrease) in liabilities for retirement benefits for employees	(26)	<b>1</b>
Increase (decrease) in assets for retirement benefits for employees	(49)	<b>(61)</b>
Increase (decrease) in allowance for product warranties	(17)	<b>(238)</b>
Interest and dividend income	(149)	<b>(180)</b>
Interest expenses	81	<b>104</b>
Decrease (increase) in accounts receivable trade	3,414	–
Decrease (increase) in accounts receivable trade and contract assets	–	<b>(1,769)</b>
Decrease (increase) in inventories	(3,015)	<b>(13,155)</b>
Decrease (increase) in notes and accounts payable - trade	1,285	<b>2,507</b>
Decrease (increase) in consumption taxes receivable	(396)	<b>(109)</b>
Decrease (increase) in contract liabilities	–	<b>464</b>
Decrease (increase) in paid-in transactions related liabilities	–	<b>712</b>
Others	(477)	<b>243</b>
Subtotal	7,422	<b>(5,879)</b>
Interests and dividends received	205	<b>238</b>
Interests paid	(91)	<b>(86)</b>
Income taxes paid or refunded	(1,343)	<b>(765)</b>
Net cash provided by operating activities	6,193	<b>(6,492)</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	(0)	<b>(100)</b>
Proceeds from withdrawal of time deposits	69	<b>76</b>
Payments for acquisition of tangible fixed assets	(3,133)	<b>(1,616)</b>
Proceeds from sales of tangible fixed assets	45	<b>23</b>
Payments for acquisition of intangible assets	(1,361)	<b>(963)</b>
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	–	<b>(191)</b>
Others	(9)	<b>(253)</b>
Cash flow from investing activities	(4,389)	<b>(3,027)</b>
<b>Cash flow from financing activities</b>		
Net increase (decrease) in short-term borrowings	–	<b>8,007</b>
Proceeds from long-term borrowings	400	<b>3,000</b>
Repayments of long-term borrowings	(760)	<b>(1,308)</b>
Dividends paid by parent company	(1,576)	<b>(946)</b>
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1,245)	–
Others	(335)	<b>(489)</b>
Cash flow from financing activities	(3,518)	<b>8,263</b>
Effect of exchange rate change on cash and cash equivalents	774	<b>1,397</b>
Net change in cash and cash equivalents	(940)	<b>141</b>
Cash and cash equivalents at beginning of year	14,804	<b>13,864</b>
Increase in cash and cash equivalents from newly consolidated subsidiary	–	<b>575</b>
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	<b>102</b>
<b>Cash and cash equivalents at end of year</b>	13,864	<b>14,683</b>

## Corporate Profile as of February 28, 2023

### Corporate Outline

Company Name	<b>FURUNO ELECTRIC CO., LTD.</b>
Incorporated	May 23, 1951
Headquarters	9-52 Ashihara-cho, Nishinomiya City, Hyogo. 662-8580, Japan
Capital	7,534 million yen
Number of Companies	Consolidated Subsidiaries 33 Unconsolidated Subsidiary 1 Affiliated Companies 2
Number of Employees	Consolidated 3,310 Non-consolidated 1,794

## Stock Information as of February 28, 2023

Securities code: 6814

Stock exchange listing:  
Tokyo Stock Exchange, Prime Section

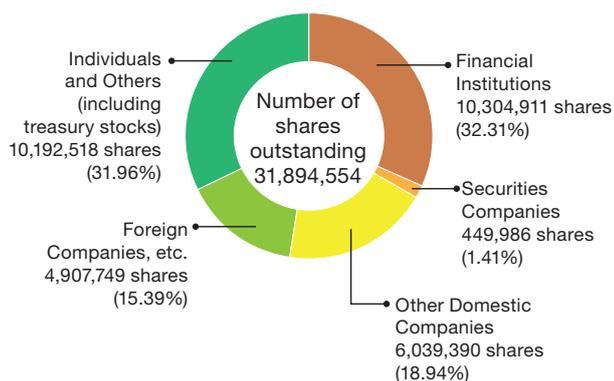
Shareholder Register Manager:  
Mizuho Trust & Banking Co., Ltd.

Number of authorized shares:  
120,000,000 shares

Number of shares outstanding:  
31,894,554 shares

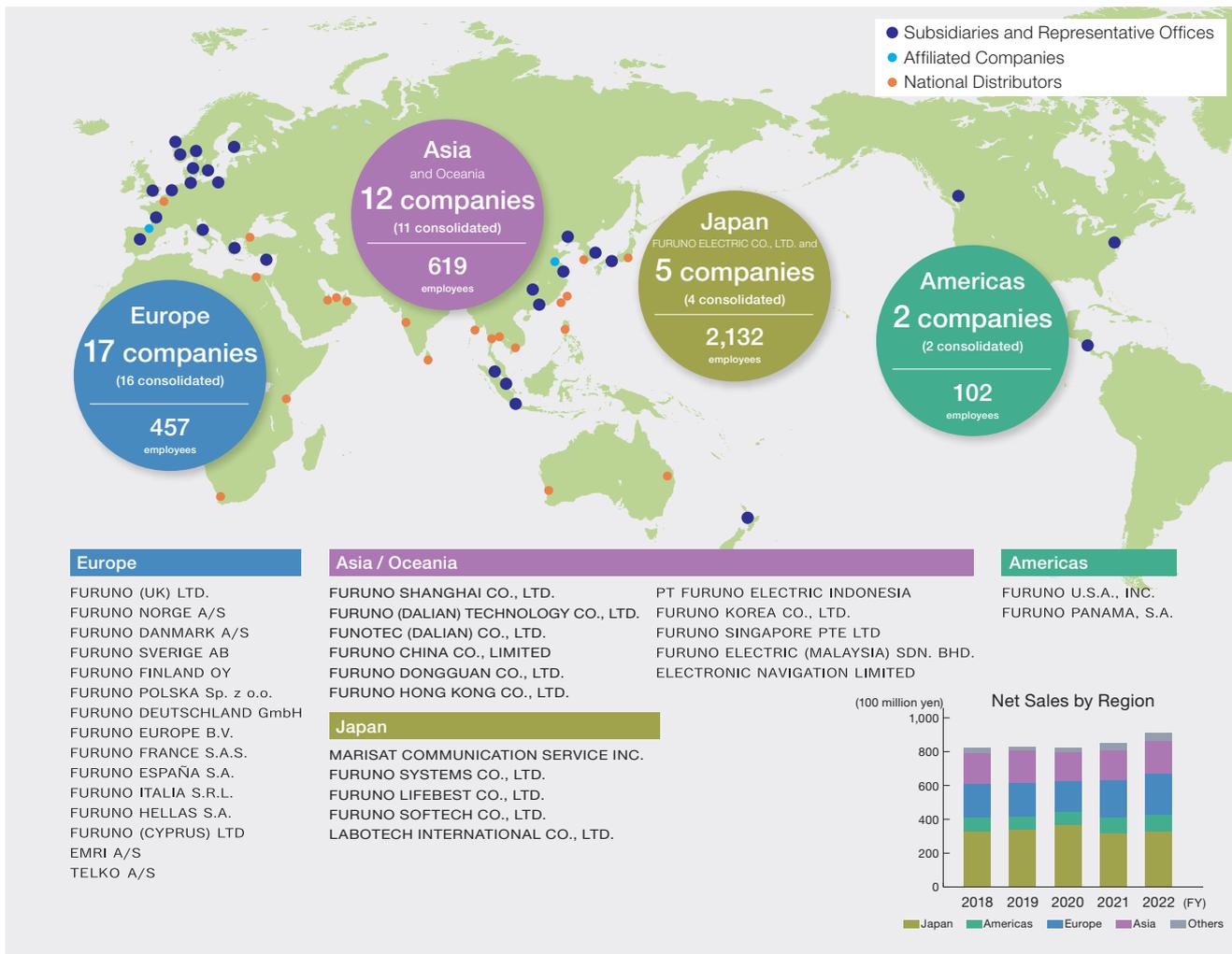
Treasury stock: 331,818 shares

Number of shareholders: 7,447 shareholders



Shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Furuno Kosan Co., Ltd.	4,186	13.26
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,179	10.07
Furuno Electric Business Partner Shareholding Association	1,110	3.52
Custody Bank of Japan, Ltd. (Trust Account)	1,106	3.51
The Dai-ichi Life Insurance Company, Limited	1,000	3.17
MUFG Bank, Ltd.	992	3.14
Mizuho Trust & Banking Co., Ltd. as trustee for Retirement Benefit Trust of Mizuho Bank, Ltd. (Custody Bank of Japan, Ltd.)	942	2.98
Custody Bank of Japan, Ltd. (Trust Account 4)	809	2.56
Echo Kosan, Ltd.	560	1.77
DFA INTL SMALL CAP VALUE PORTFOLIO	480	1.52

## Global Network



### Main Domestic Offices



#### Headquarters (Nishinomiya, Hyogo)

FURUNO started in Nagasaki, and in 1961 moved to Nishinomiya, where it has been for more than 60 years.



#### Miki Factory (Miki, Hyogo)

The Miki Factory is responsible for 70% of the marine electronic equipment production, including navigational and fishing equipment.



#### FURUNO INT Center (Nishinomiya, Hyogo)

INT Center is the facility handling industrial electronic equipment, with R&D, manufacturing, and sales.

### Main Overseas Offices



#### FURUNO U.S.A., INC. (United States)

The company serves as a sales base for North America, Latin America and Caribbean waters.



#### FURUNO NORGE A/S (Norway)

Established in 1974 as the first overseas subsidiary, supporting the activities of various vessels.



#### FURUNO HELLAS S.A. (Greece)

The company provides a wide range of sales and support for boats in the Mediterranean and Aegean seas.



[www.furuno.co.jp/en/](http://www.furuno.co.jp/en/)

**FURUNO ELECTRIC CO., LTD.**

9-52 Ashihara-cho, Nishinomiya City, Hyogo  
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