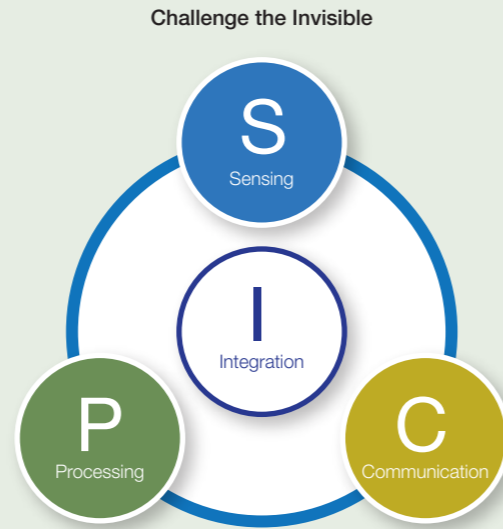


04

Foundation for Growth Our Technologies

FURUNO's Core Competences

SPC&I represents the source of the value we provide. By the **Integration** of knowledge, experience, skills, and know-how with our core technologies of **Sensing, Processing, Communication**, we provide a variety of solutions that are useful to our customers.



Challenge the Invisible

Since our inception, FURUNO has been continually helping people see things that are beyond the realm of visibility. Through exhaustive research and development, we create and implement our innovative technologies to solve any problem, seen or unseen. This mentality resulted in our invention of the world's first fish finder. However, the products FURUNO manufactures go far beyond making things visible. By making the invisible visible, we encounter new possibilities that we weren't aware of before. This not only benefits those who directly use our instruments, but it also affects the lifestyles of many people beyond them.

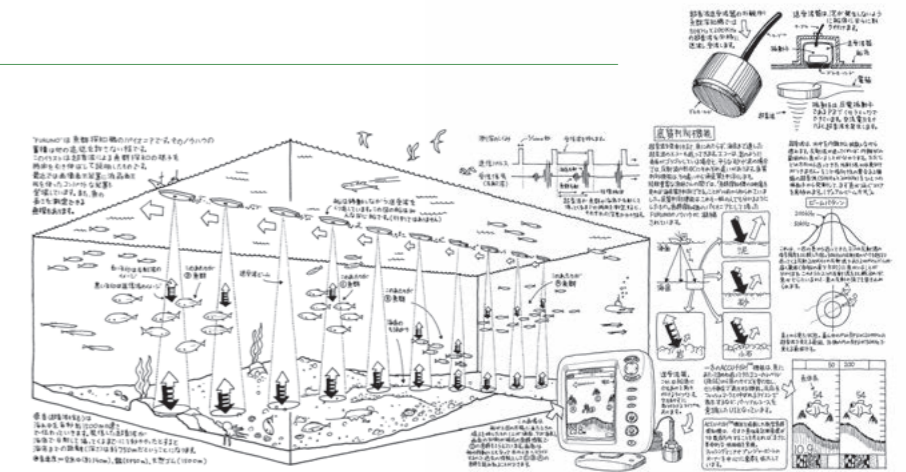
There is no end to FURUNO's challenge of the invisible. FURUNO will continue to create encounters with the invisible while staying close to people's lives.



Our Technologies

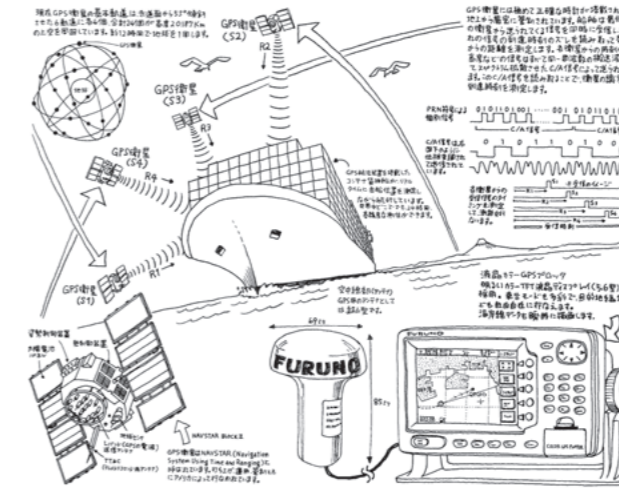
1 Underwater Acoustics

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.



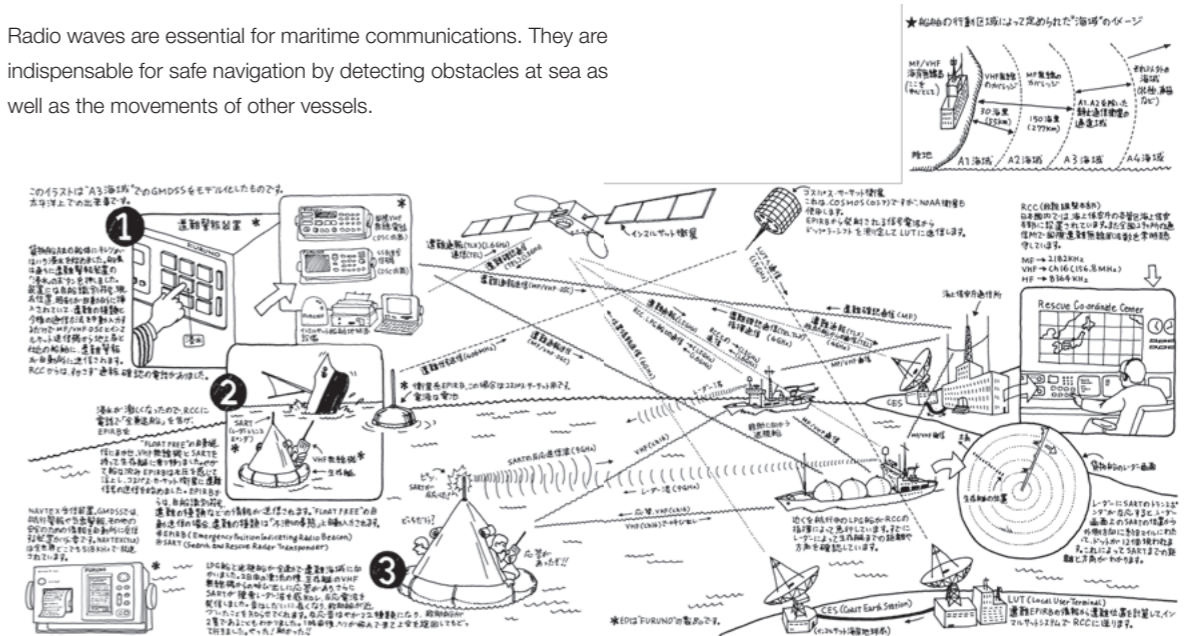
2 Satellite Positioning

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



3 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.



Effectiveness of the Board of Directors and Audits by Corporate Auditors

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 FY2023, a questionnaire was sent to all directors and corporate auditors to evaluate the measures taken, as well as to evaluate the operation of related important meetings, etc. and the evaluation of the Board of Directors as a whole. As a result, the Company received a certain degree of recognition for the improvement efforts made by the Management Committee, the CXO Committee,

and other important meetings, in addition to the Board of Directors. In terms of the overall evaluation, although there are some points that continue to require improvement based on several opinions and suggestions, the effectiveness of the Company's Board of Directors as a whole has been ensured. Based on the results of this analysis and evaluation, we are unified in our intent to systematically strengthen our efforts to address important management issues.

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, and 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 three outside directors, for a total of seven 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 three outside directors have experience as managers at other listed companies.

Skills Matrix of Directors, Auditors

◎...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	◎				○	○		
Director Managing Executive Officer and CTO	Shinji Ishihara			◎				○	○
Director Managing Executive Officer and CFO	Yutaka Wada	○			◎				○
Director Managing Executive Officer	Kazuma Waimatsu		◎					○	○
External Director	Hideo Higuchi	◎		○				○	
External Director	Shingo Kagawa	◎		○				○	
External Director	Masako Kubo	◎					○		
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 · Governance Data

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

Governance Data

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Board of Directors					
Directors	11	10	6	6	7
Outside directors	2	2	2	2	3
Board meetings	13	12	12	13	13
Attendance rate	96.5	91.7	100.0	92.0	94.9
Average years in office	10.2	10.8	13.2	14.2	14.3
Audit & Supervisory Board					
Auditors	3	3	3	3	3
Outside auditors	2	2	2	2	2
Auditors' meetings	14	14	14	14	14
Attendance rate	97.6	97.6	100.0	100.0	100.0
Nominating and Compensation Advisory Committee					
Members	6	6	6	6	6
Directors' remuneration (millions of yen)	159	232	235	234	210
Auditors' remuneration (millions of yen)	39	39	39	38	35
Cross-shareholdings (number of stocks)					
Unlisted stocks	8	8	8	9	9
Stocks other than unlisted stocks	14	14	12	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 and Chinese version was also produced. The English and Chinese versions of the handbook is available to employees at overseas locations for use in compliance education and other activities.



Compliance Handbook in Chinese

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.

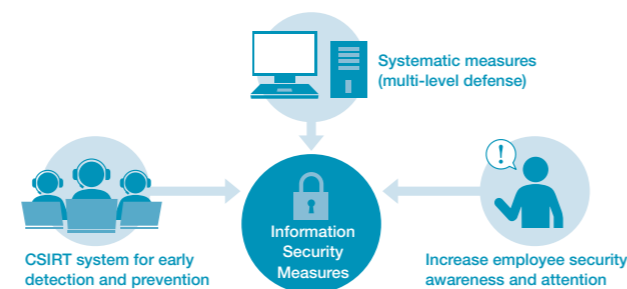
Security Trade Control

We have established security trade control system with the president as the chief executive officer. We constantly check the trends of export controls and sanctions globally, and conduct “compliance examinations” to determine whether products and technologies are subject to regulations and “transaction examinations.”

To ensure that our employees understand the importance of export control for economic security, we conduct internal notifications and e-learning training, as well as annual internal audits to verify the status of self-management, in an effort to maintain and manage our export control system.

Information Security Measures

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



Officer Profiles

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, Head of Tokyo
Mar. 2007 President
Mar. 2021 President and CEO (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)



Kazuma Waimatsu
Director
Managing Executive Officer

Apr. 1984 Joined FURUNO
Mar. 2006 General Manager, Products Planning & Marketing Department, Marine Electronic Products Division
May 2009 Director and General Manager, Products Planning & Marketing Department, Marine Electronic Products Division
Jan. 2021 Director and Divisional Vice General Manager, Marine Electronic Products Division
May 2021 Senior Executive Officer and Divisional General Manager, Marine Electronic Products Division
Mar. 2024 Managing Executive Officer and Divisional General Manager, Marine Electronic Products Division
May 2024 Director, Managing Executive Officer, Divisional General Manager, Marine Electronic Products Division (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)



Masako Kubo
External Director

Jun. 2011 Director, OMRON PERSONNEL SERVICE Co., Ltd.
 Apr. 2015 President and CEO
 Apr. 2018 Executive Officer, OMRON Corporation
 Apr. 2018 President, OMRON EXPERTLINK Co., Ltd.
 Apr. 2022 Program-Specific Professor, The Research Center of Community Partnerships, Kyoto Women's University (current)
 Jun. 2022 Outside Director, NITTO KOGYO CORPORATION (current)
 Jun. 2023 Senior Director, KYOTO OMRON COMMUNITY FOUNDATION
 May 2024 External Director, FURUNO (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



Satoshi Ohya
Senior Executive Officer

Human Resources & General Affairs Department General Manager



Koji Tokuda
Executive Officer

Marine Electronic Products Division Vice General Manager and Product Designing, Development & Value-engineering Head office General Manager



Kiyoshi Furuno
Executive Officer

Marine Electronic Products Division Vice General Manager and Marketing Head Office General Manager



Takanori Uemura
Executive Officer

Marine Electronic Products Division Miki Factory 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

MESSAGE from External Directors



Hideo Higuchi
External Director

Break through the habit and take challenges

FURUNO has reformed its management structure by formulating a long-term plan and introducing an executive officer system. In FY2023, we achieved record-high sales and significant earnings growth, supported by favorable market conditions and a weaker yen. However, in order to meet expectations from our stakeholders, we must achieve continued growth and quickly achieve our long-term targets.

In order to achieve this, it is necessary to strengthen and reform governance on a global basis and set challenging goals and foster a culture that will promote these goals. I have been actively offering my opinions and suggestions as an external director, but going forward, I intend to focus even more on bringing about change and awareness toward that change.



Shingo Kagawa
External Director

Realizing nonstop growth

FURUNO has strong points in high technology, customer-oriented sales, and global sales capabilities, and we believe that further growth can be expected through reform (management of trends and changes) such as optimization and speed with an eye to society as a whole. As an external director, I will use the personal connections and insight I have developed through my worldwide activities to identify issues surrounding FURUNO and propose reforms to solve them.

Today, in the age of VUCA, it is even said that corporate growth is impossible without change, and it is becoming increasingly important to discuss the essentials. We believe that we can make a great leap forward by creating new awareness and vitality for change in management, and by fostering an effective corporate culture.



Masako Kubo
External Director

Promote D&I to realize the Management Principles

I have been appointed as an external director through the Annual General Meeting of Shareholders. I am involved in career education at a university and running a “Leadership Development Course for Women” for working adults to raise the self-esteem of women who aspire to management positions and encourage them to be active in the future.

Based on my career, I would like to promote Diversity and Inclusion at FURUNO to foster a rewarding organizational culture that respects the values of each individual, which will lead to our management principles. Furthermore, I will play a role in corporate governance and make recommendations that will contribute to FURUNO’s sustainable growth and maximization of corporate value.

Human Capital Utilization [Standard policy]

Human Capital Management

FURUNO has provided various values by realizing its management principles: “A company exists to serve society,” “Its management must be creative” and “The happiness of its employees comes with the growth of a company.” To continue to service society, it is essential to have “human resources” who can solve social issues and create new values. For this reason, FURUNO regards “human capital” as its most important management capital and established a “Vision for Human Resources and Corporate Culture” for 2030.

Human Resources and Corporate Culture Vision

VALUE through GLOBALIZATION and SPEED

Under NAVI NEXT 2030, we will respect the “Management Principles” and “Action Guidelines” as universal values and focus on the following three points to realize the vision.



Human Resource Strategy

FURUNO is currently working on the Phase 2 Mid-term Management Plan (FY02/2024-FY02/2026) with basic measures: “Improvement in Profitability,” “Expansion of Sales” and “Implementation of Sustainable Management.” In conjunction with these measures, we have formulated Human Resource Strategy and Personnel Policies.

Human Resources and Corporate Culture Vision

VALUE through GLOBALIZATION and SPEED

1. Value

Challenge for further value co-creation

2. Globalization

Penetration of globalization

3. Speed

Quick and flexible decisions and actions



Human Resources Development Policy

Fostering human resources who set high goals and take on the challenge of co-creating value from a global perspective for the sake of social contribution and happiness.



Internal Environmental Improvement Policy

Providing a safe and comfortable environment where diverse human resources can maximize their abilities.

Details of two policies

- Global administration of human resources
- Identification and development of human resources who can co-create the value
- Development of next generation's global management leaders
- Fostering a global mindset among head office personnel
- Human resource management that respects and supports the diverse career perspectives of each employee.
- Spread correct understanding, raise awareness, and change behavior to promote NAVI 2030
- Promotion of initiatives to make the most of diversity, which is a source of value co-creation
- Promotion of Health and Productivity Management



Major Initiatives for Human Resource Strategy



1 Permeation of Resources and Corporate Culture Vision

The President and other top management members hold town meetings and engage in direct dialogue with employees to ensure that the vision permeates the whole FURUNO group. In addition, we conduct an employee engagement survey called “F-Voice” to

measure the effectiveness of these efforts and utilize the results in the formulation and implementation of the next vision penetration measures and human resources strategy.

Concrete measures

- Create “opportunities” for employees to talk to top management members.
- Conduct a vision education for overseas subsidiaries staff.

Main KPIs (Target for 2025)

- Positive responses to Engagement Survey's “Values in Practice.”

Domestic (Japan): **75%**
Overseas: **89%**



2 Encourage willingness to take on challenges

To co-create values, it is necessary to have a corporate culture in which challenges are praised. We strengthen management skills of managers to enhance their members to take on new challenges. We also promote an in-house internship system that provides employees with opportunities to experience work in various departments at their own request. Furthermore, in our

personnel evaluation system, we have introduced “Challenge Goals,” a system that allows each employee to set not only goals based on departmental policies, but also goals that they would like to challenge on their own initiative, based on our global vision “NAVI NEXT 2030.”

Concrete measures

- Promote an in-house internship system.
- Transformation of consciousness and behavior by development of management skills.

Main KPIs (Target for 2025)

- Positive responses to Engagement Survey's “Innovation.”

Domestic (Japan): **61%**
Overseas: **64%**



3 Maximize the abilities of employees and optimize the allocation of human resources according to ability

In order to maximize the abilities of each employee and to assign human resources in accordance with their capabilities, we actively promote the development of human resources with a wide range of experience through job rotation. Specifically, the Human Resource Development Committee, which is led by a director in

charge of each job function, meets regularly to consider and decide on the assignment of human resources. In addition, we are promoting DX to strengthen our competitiveness under the Phase 2 Mid-term Management Plan and are taking steps to develop DX human resources to lead and execute the plan.

Concrete measures

- Career support assistance by young advisors.
- Promote the personnel rotation.
- Introduce career challenge system.
- Strengthen DX human resources.

Main KPIs (Target for 2025)

- Personnel rotation result:

60 cases

Major Initiatives for Human Resource Strategy

4 Management Human Resources Development

In order to realize sustainable management as stated in the Phase 2 Mid-term Management Plan, it is important to continuously develop excellent management personnel. We have established an educational system to continuously develop all human resources, from general employees to management candidates (executive officers), in accordance with their expected

roles at each stage of growth. Specifically, as a selective training program, we conduct training of selected young employees for early development as candidates for management positions, and for executives, we conduct training for selected executives to foster a management perspective.

Concrete measures

- Conduct top management training for newly appointed executive officers.
- Formulate a succession plan.
- Conduct the selective training for general employees and executives.

Main KPIs (Target for 2025)

- Education fee increase **10%** or more compared to FY2023

5 Create a corporate environment for the penetration of globalization

Our group has established a worldwide sales and service network including affiliates and distributors, and overseas sales account for more than 60% of our total sales. In order to achieve the goals of the Phase 2 Mid-term Management Plan, it is essential to promote global sales and services in each region. We are striving

to recruit and train global human resources who will be responsible for these efforts. As a specific initiative, we are strengthening the recruitment of foreign employees at the head office and planning an “overseas internship program” for young employees.

Concrete measures

- Introduce the “overseas internship program.”
- Strengthen the recruitment of foreign employees.

Main KPIs (Target for 2025)

- Number of “overseas internship program”: **5** as of the end of FY2025

6 Promote Diversity & Inclusion

In the Phase 2 Mid-term Management Plan, we aim to promote “Diversity & Inclusion” to realize sustainable management. In order to realize this goal, we have been promoting efforts to secure diverse human resources and foster a corporate culture that promotes their growth and success. In addition to implementing

D&I training through e-learning for all employees, we have strengthened our efforts to promote the hiring of female employees and the use of male parental leave. In FY 2024, Diversity and Inclusion Promotion Section is newly established and will lead the promotion of D&I in FURUNO.

Concrete measures

- Conduct a female employees leadership development training.
- Strengthen recruitment of female employees.
- Conduct a training of “D&I” for managers and all employees.
- Promote the use of male parental leave.

Main KPIs (Target for 2025)

- Ratio of female managers: **5%** or higher
- Ratio of female employees in new graduate recruitment: **15%** or higher

Message from Diversity and Inclusion Promotion Section

Message

While the company has become a comfortable place to work by reviewing various systems and introducing new ways of working, what employees want is to reform the corporate culture from a D&I perspective. We will play a central role in developing an environment and implementing measures aimed at “creating opportunities for diverse human resources to take on challenges and play active roles” together with our employees.



Human Resources & General Affairs Department
Diversity and Inclusion Promotion Section
Naoko Kozumi / Yuki Narasaki



“Eruboshi(2)” from the Minister of Health, Labor and Welfare

We received a “2 stars,” the second highest rank of “Eruboshi(2)” bases on the act on Promotion of Women’s participation and advancement in the workplace.

7 Promote Health and Productivity Management

We aim to create a corporate environment in which each and every employee can continue to work in good physical and mental health. To achieve this, we established the “FURUNO Health Declaration” in March 2018 to strengthen our health management system and promote efforts to raise employees’ health awareness. In September 2022, we formulated the “Health Management Strategy Map” which systematically organizes how various health measures implemented by FURUNO Group will lead to solutions to issues in health management. In recognition of our past efforts, we have been certified as one of the

“Health and Productivity Management (White 500)” by the Ministry of Economy, Trade and Industry and the Japan Health Council for six consecutive years since fiscal 2019.



Concrete measures

- To be certified as “Health and Productivity Management (White 500).”
- Conduct regular interviews with head office staff for mid-career hires.

Main KPIs (Target for 2025)

- Rate of stress check inspection: **90%** or higher

Respect for Human Rights

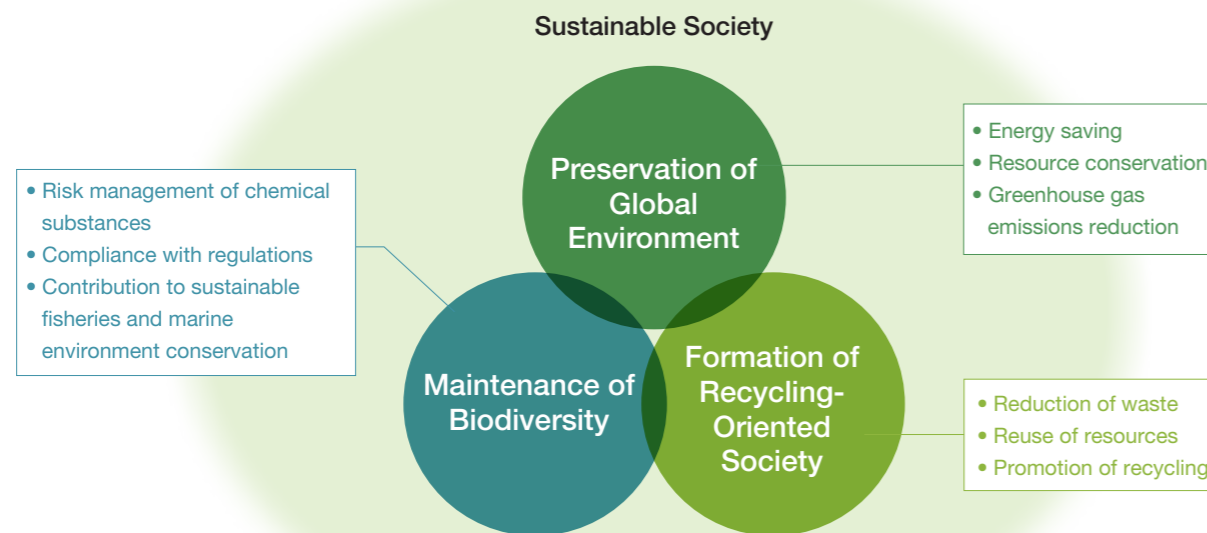
To raise employees’ awareness of human rights, we conduct e-learning for all employees and human rights training for new employees and managers. In addition, in December 2022, we newly established the “FURUNO Group Anti-Harassment Policy.” FURUNO

will continue to promote educational activities to eliminate discrimination against people with disabilities, foreign nationals, LGBTQ, and other groups, and to realize an affluent society where they can coexist in harmony with each other.

Environmental Report

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.



Toward the preservation of the environment

We have been working on environmental preservation and complying with the Energy Conservation Law*, and since 2010 we have been working to reduce CO₂ emissions with the mid- to long-term goal of 1% reduction from the previous year. In FY2024, we have decided to launch the FURUNO Carbon Neutral Program, which all is to achieve carbon neutrality by 2050.

- For Scope 1 and Scope 2, achieve a 50% reduction (compared to FY2013) in FY2030.
- For Scope 3, cooperate with other companies in our supply chain and reduce our own emissions as much as possible.

*Law concerning the rational use of energy

Toward a recycling-oriented society

In order to ensure thorough separation of waste generated from our three main business sites*¹, we continuously measure and monitor the amount of waste disposed and recycled. In addition, other domestic offices also comply with the Waste Disposal

and Public Cleansing Law*² by thoroughly managing industrial waste management slips (manifests).

¹Total includes headquarters (Nishinomiya), Miki factory, FURUNO INT Center
²Waste Disposal and Public Cleansing Law

Toward 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.

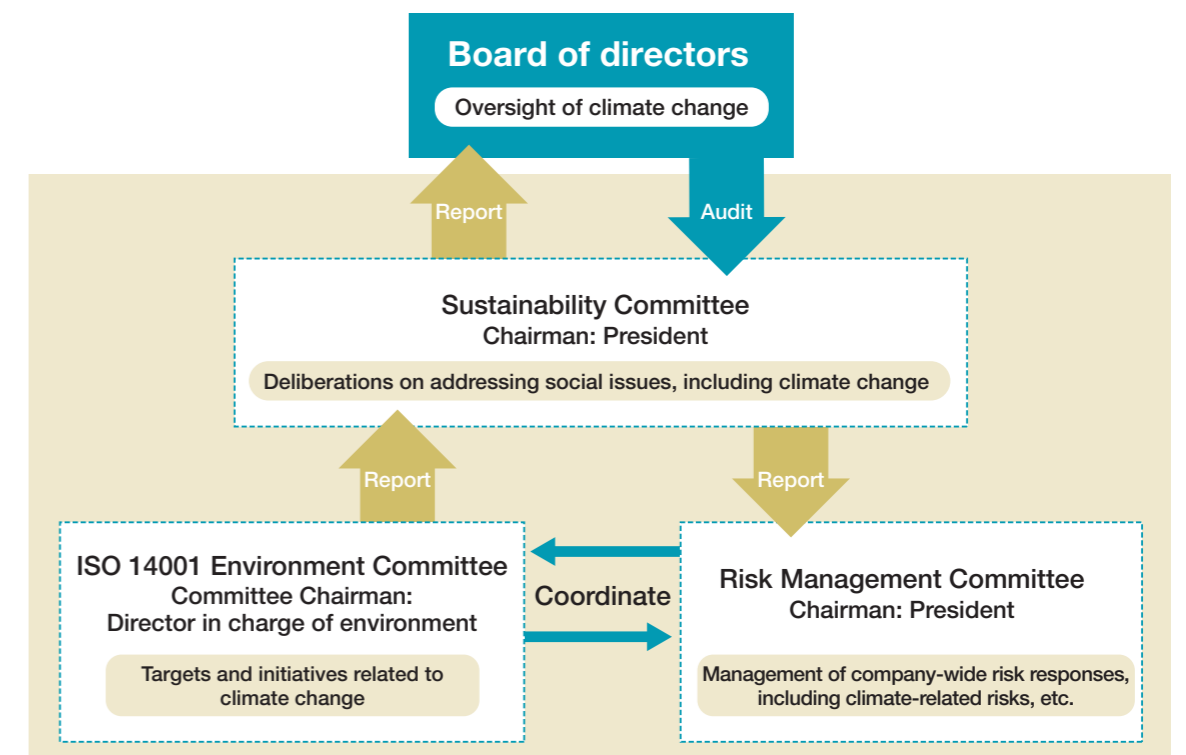
Governance

Basic policies and matters related to climate change are discussed and decided by the "Sustainability Committee."
 The ISO14001 Environmental Secretariat oversees the formulation of climate change-related policies and targets, as well as initiatives and report.

Risk Management

FURUNO has established a Risk Management Committee, chaired by the President, to assess company-wide risks, and take other measures to reduce risk.
 The Risk Management Committee also works with the ISO 14001 Environmental Secretariat to mitigate risks related to climate change by providing instructions and recommendations.

Governance/risk management systems related to climate change



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

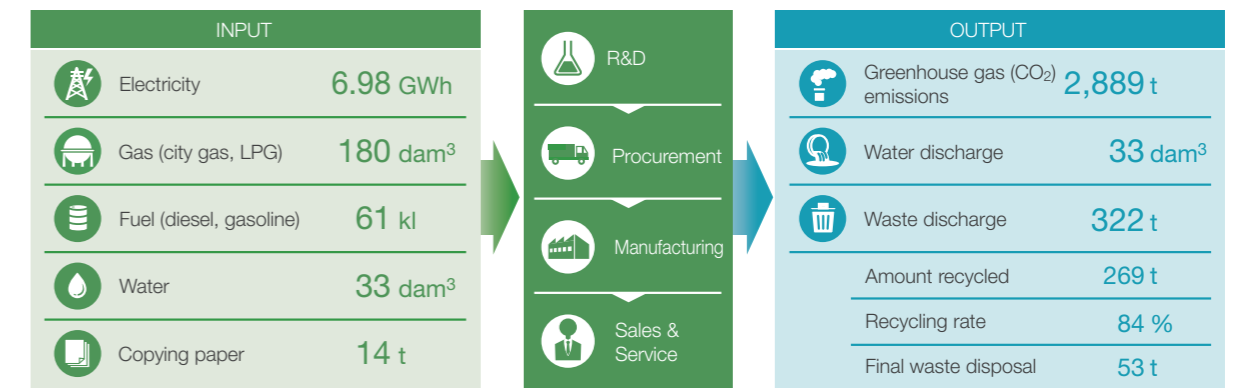
with the GHS* classification categories, taking into consideration the impact on the global environment as well as workers' health management.

*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.

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.

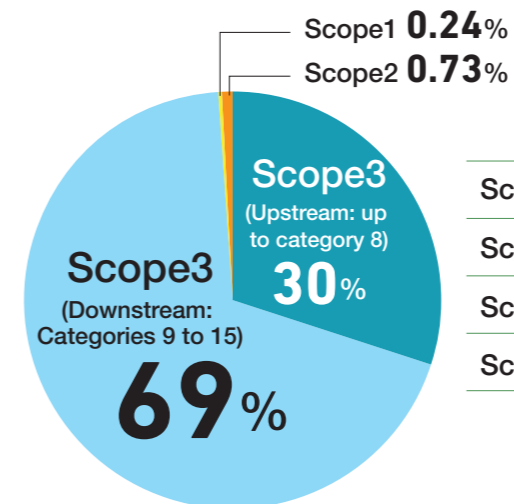


*Total includes headquarters (Nishinomiya), Miki factory, Furuno INT Center
*Period: March 1, 2023 - February 29, 2024

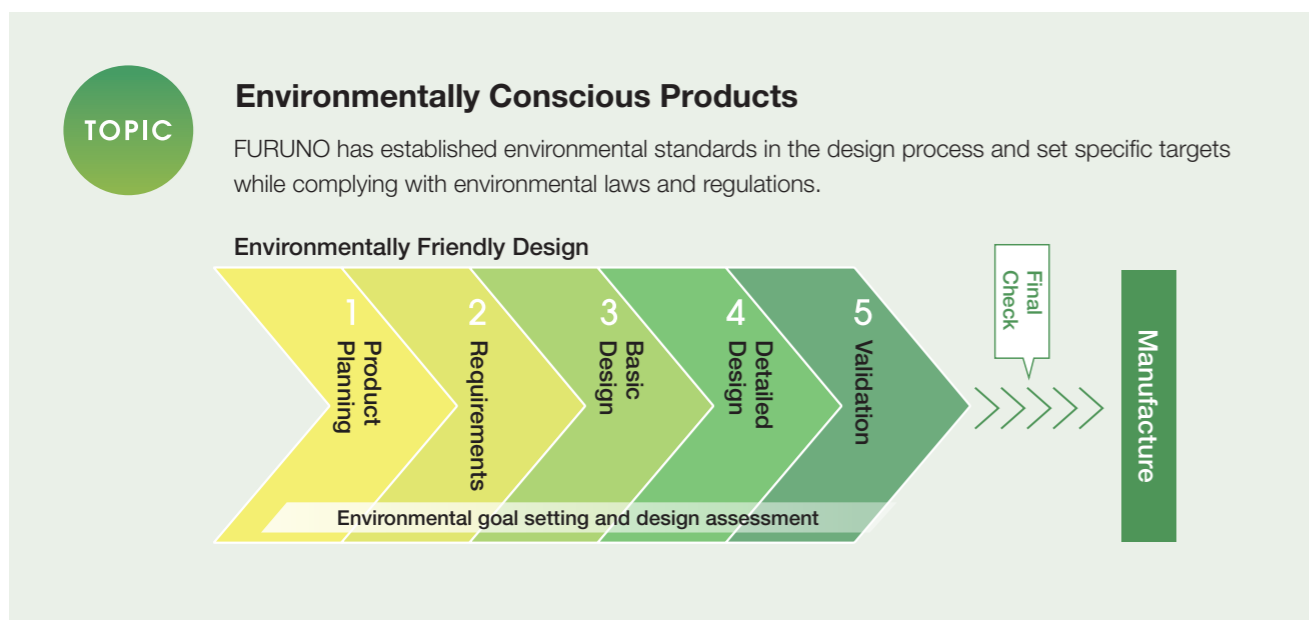
CO₂ emissions (t-CO₂)

Approximate CO₂ emissions in accordance with GHG Protocol Guidance, FY2022

CO₂ emissions (t-CO₂)

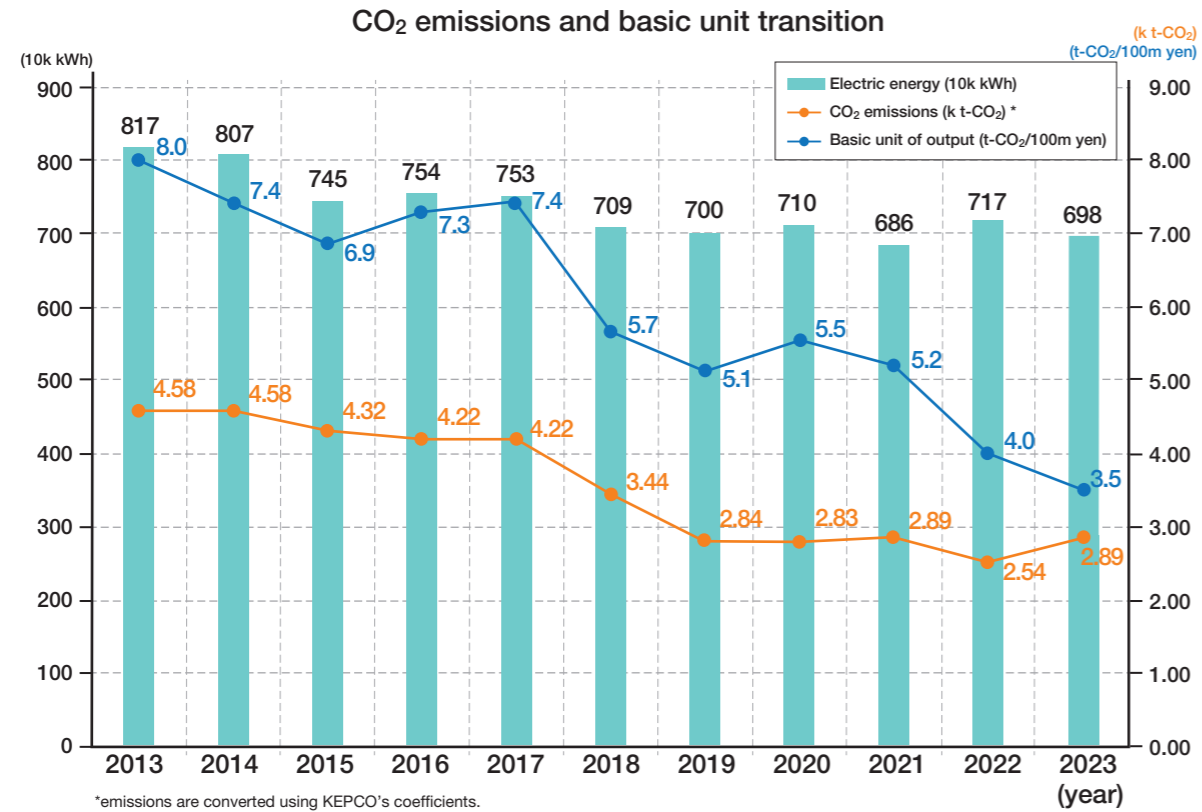


Scope 1	about 1,500t-CO ₂
Scope 2	about 4,500t-CO ₂
Scope 3 (upstream only)	about 184,000t-CO ₂
Scope 3 (downstream only)	about 436,000t-CO ₂



Protection of the global environment

The following table shows the CO₂ emissions associated with electricity and gas consumption at the three main business sites.



In FY2023, although CO₂ emissions increased by 14% (due to the increase of the efficient in the Kansai Electric Power Coefficient from 3.0 to 3.6), emissions per unit of production decreased by 14% with the increase in output. In FY2023, we worked to reduce Scope 1 emissions by

replacing gas air conditioners with electric air conditioners and reducing the risk of CFC emissions and leakage. In addition, from FY2024, we will promote the procurement of electricity derived from renewable energy sources to reduce Scope 1 emissions.

• Impact of components procurement difficulties

With the global difficulty in procuring electronic components and its resolution, costs for securing parts and materials have been on an increasing trend,

increasing the CO₂ emissions under Scope 3 Category 1 of the GHG Protocol.

Scope3 Trend in Category 1

FY2019	about 120,000 t-CO ₂
FY2020	about 120,000 t-CO ₂
FY2021	about 140,000 t-CO ₂
FY2022	about 180,000 t-CO ₂
FY2023	about 180,000 t-CO ₂

*We plan to move forward with efforts to calculate primary data starting FY2024.

Towards a recycling-oriented society

In FY2021, the recycling rate temporarily declined with the completion of the new R&D building, SOUTH WING, but has since improved. In addition, while

on-site confirmation by waste disposal companies was difficult during the COVID-19, this has resumed.

