

Corporate Commercial “We want you to know FURUNO!”



* The main visual of this corporate commercial expresses our mission, “FURUNO will protect the ocean!”

For us, corporate commercials are one of the services we provide for the public to enjoy. We believe that the accumulation of communication through advertisements is an asset for a company to continue growing for a long time. This time, we newly posted posters in some main stations and jacked up ads in trains of Hanshin Railway in Hyogo Prefecture, where our head office is located, with a intention of raising awareness among job hunters, with whom we may work together in the future. The catchphrase used in commercial, “FURUNO! Or not?” expresses not only the recognition of our company name, but also our bold attitude to take on challenges.



Please check website for the commercial!
*only in Japanese





CHALLENGE the INVISIBLE.

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 to help stakeholders understand our growth and corporate values, newly showing our Value Creation Process. It will be revised as necessary by responding to the valuable opinions and requests from our stakeholders.

- Scope

The FURUNO group (35 consolidated companies), but some data covers only Japanese group companies.

- Publication Date

September 2024

- Disclosure

Disclosure

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

- Period

March 1, 2023 to February 29, 2024, with updates after March 2024.

- For inquiries

FURUNO ELECTRIC CO., LTD.
 9-52 Ashihara-cho, Nishinomiya City, Hyogo. 662-8580, Japan

Non-Financial Information

Financial Information

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

<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 fishes with their tailfins intertwined.



CONTENTS

- 03 CEO MESSAGE
- 06 HISTORY OF FURUNO

01

Challenges of FURUNO

- 08 Digital Transformation of the Marine Industry
- 10 Digital Transformation of the Sea
- 12 Transformation into “Proactive Service (Remote Service)”
- 14 Smart Manufacturing
- 15 To Land and New Fields

02

For Sustainable Growth

- 18 The Value Creation Process of FURUNO
- 20 Materiality
- 22 Corporate Vision
- 24 Ultra Long-term Policy
- 26 Mid-term Management Plan
- 28 CFO MESSAGE

03

Segments Overview

- 30 Business Outline
- 31 Marines Business
- 34 Industrial Business
- 35 Defense Equipment Business· Wireless LAN Systems· Handy Terminal Business
- 36 FURUNO At a Glance

04

Foundation for Growth

- 38 Our Technologies
- 40 Product Quality
- 41 Governance Report
- 48 MESSAGE from External Directors
- 49 Human Capital Utilization
- 54 Environmental Report

05

Together with Society

- 60 With the local community

06

Financial and Non-financial Data

- 66 11 Years of Data
- 68 Financial Statements

CEO MESSAGE

FURUNO continues to serve society

In 1948, FURUNO was the first company in the world to successfully commercialize a fish finder, creating a stir in the fishing industry, which used to rely solely on intuition and experience. With our core technologies below, we have expanded our business from Japan to the rest of the world, not only modernizing the fishing industry, but also entering the market for merchant ships, other large vessels, and pleasure boats.

- Underwater acoustic technology
- Wireless communication technology
- Satellite positioning technology

The term “Genba-shugi” is widely used in our company. This phrase was coined by our founder, and it means that when we feel stuck for ideas in the development of new products and technologies, we can find the answers by going to the field and engaging in on-site dialogue with our customers. This is the DNA that has been passed down to us.

We have also expanded our business to the industrial and defense equipment sectors. Here, too, we have always been attentive to our customers’ voices.

In 2019, we announced our management vision “FURUNO GLOBAL VISION ‘NAVI NEXT 2030’,” which shows what we aim to become by 2030. We will continue to maintain our founding mindset of “contributing to society by creating new value.”

The world is changing faster and more rapidly, and it is becoming more difficult to predict the future. In order to continue to be an “indispensable FURUNO,” we believe that we need a major roadmap to guide us forward. This is our “100-Year Corporate VISION: Ocean Gift for ALL,” envisioning the future in 2050, 100 years after our founding in 1948. As a company that has been nurtured by the ocean since its establishment, we hope to give back to the ocean and create a future in which all living things can benefit from the ocean’s blessings.

Yukio Furuno
President and CEO



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 is our role to contribute to society by creating new value, which is clearly stipulated in our management principles and is regarded as our most important value to observe.

Results for Fiscal Year 2023

In FY2023, we achieved net sales exceeding 100 billion yen for the first time, and recorded the highest net income in our history. In the shipbuilding field, marine cargo demand has increased since the coronavirus pandemic, and the number of orders for newbuildings, including alternative fuel vessels as a response to efforts to reduce GHG emissions, is increasing. Against this backdrop, we have built an unprecedented production system to respond to strong demand and we have been working to optimize selling prices in response to the rising cost of raw materials. We consider that this is a result of the cooperation of many stakeholders, including our suppliers, and the concerted efforts of the entire group, with cooperation from various divisions in Japan and overseas.

Mid-term Management Plan

We recognize that improving profitability is particularly important in helping us achieve our management vision “NAVI NEXT 2030” and to further enhance our corporate value. Phase 2 of Mid-Term Management Plan, which covers the three-year period from FY2023 to FY2025, has three main measures: “Improvement in Profitability,” “Expansion of Sales,” and “Implementation of Sustainable Management.” For “Improvement in Profitability,” we are promoting cost reduction in production activities and in quality control loss costs,



as well as optimization of inventories. To realize “Expansion of Sales,” we are working to optimize selling prices, develop competitive new products through marine DX, and strengthen the profitability of the service business.

In order to increase sales in service business, we hope to provide efficient, high-quality service by utilizing remote monitoring, which will improve customer satisfaction.

With regard to the “Implementation of Sustainable Management,” we will promote sustainability initiatives, such as strengthening human capital and addressing climate change, to strengthen our competitiveness. In FY2023, we established a system to comprehensively manage our sustainability initiatives. Going forward, we are preparing to review our work styles, identify employee awareness and potential issues through engagement surveys, and set up a dedicated organization to plan and implement measures to promote D&I.

The KPIs of the Phase 2 are an ordinary income to shareholders’ equity ratio of 10% and a dividend payout ratio of 30% or more by FY2025. Although we were able to achieve our goals in FY2023, it is

essential to maintain this level of profitability to achieve our “NAVI NEXT 2030” goals of 120 billion yen in net sales and operating margin of 10%.

Initiatives for FY2024

In FY2024, the second year of the Phase 2 Mid-Term Management Plan, we will focus on “promotion of marine DX” and “optimization of inventory.” We provide equipment and services to major ship-related markets, from merchant ships, like container ships and tankers, to fishing vessels and pleasure boats. We believe it is possible to provide new value by aggregating large amounts of ship navigation data, fish catch

information, and other sensing data, and analyzing this data through AI. In addition to the research and development of autonomous navigation, which is already underway, we hope to support efficient operations by sharing sensing data among fishing vessels, predicting catches and fishing grounds by combining fish species identification and sea state prediction, and managing catches by digitalizing operation records linked to sensing. We are working to realize new business development by utilizing digital technology that only we can offer.

In FY2023, we increased production to meet strong market demand, resulting in a significant increase in sales, but also in an increase in inventories for the entire group. In order to maintain a sound financial position, we will analyze and verify the factors behind the inventory increase, establish appropriate inventory levels, and promote operations to bring them down to where they should be.

Action Guidelines

Face the future

While looking firmly ahead to the future and clarifying our ideals 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 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

Our founding story Modernizing the Fishing Industry with “Challenge the Invisible”

In 1938, Kiyotaka Furuno founded a radio repair shop. Amidst food shortages, he started developing a fish finder with numerous on-board experiments with his younger brother Kiyokata, believing a fisherman’s comment “Where there are fish, there will be bubbles” until they commercialized a fish finder in 1948.



1938- 1948



Establishment and Commercialization of Practical Fish Finders

1970s



Modernizing the fishing industry to the world

Global Recognition of FURUNO

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

1990s



Supporting safe and secure voyage on merchant ships

Full-Scale Entry into New Markets and Fields

FURUNO entered the Merchant Vessels market and developed GMDSS (Global Maritime Distress and Safety System) and 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.

2000s



Contributing to people’s safety and health

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).

2020-



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

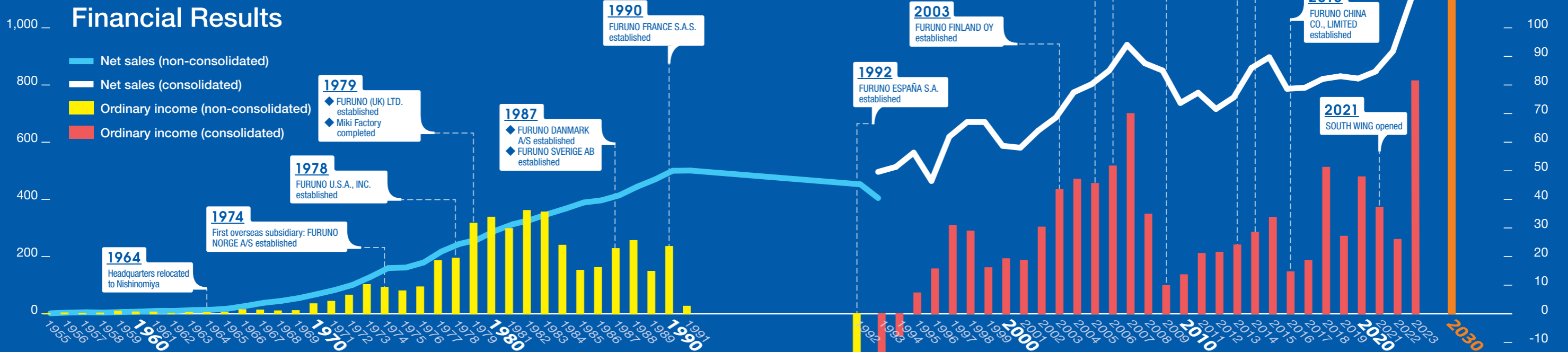
The Start our Management Vision “NAVI NEXT 2030”

This business vision expresses “our most important value”: “All of FURUNO’s businesses, whether at sea or on land, are based on the premise of being safe, secure, and comfortable, and aim to realize a society and voyage that is friendly to people and the environment. We will expand the value provided to customers in our existing businesses and promote new businesses.

[Net Sales (100M yen)]

Financial Results

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



01 Challenges of FURUNO

Challenges of FURUNO

1

Zero Accidents at Sea! Digital Transformation of the Marine Industry

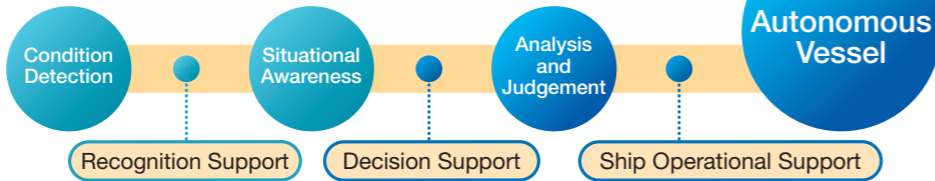
More than half of the seafarers in coastal shipping are over 50 years old, making manpower shortages a major issue. FURUNO believes that automated vessels can be one of the solutions to this problem, and is working to make them a reality.

Autonomous Navigation

As in the case of automobiles, the environment and technological innovations for the realization and spread of automated vessels are gaining momentum in the marine transportation industry. FURUNO is working on new technological innovations to realize safer and more efficient autonomous ship operations.



The Future of Digitalization Zero Maritime Accidents



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.

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

Toward 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.

Successful Unmanned Vessel Operation



FURUNO is part of the MEGURI2040 Fully Autonomous Ship Program conducted by the Nippon Foundation. As a member of the Designing the Future of Full Autonomous Ship (DFFAS) consortium, we were mainly responsible for the development of onboard automatic navigation systems and onshore emergency response systems. This consortium successfully conducted a demonstration test simulating the actual operation of a future unmanned vessel on a round trip between two ports in 2022.



Onboard automatic navigation system



Aiming for Unmanned Vessels

FURUNO is participating in MEGURI2040 and is taking on the following three challenges to achieve unmanned vessels by 2025.

- <Technologies> _____ Reach a partially automated operation
- <Rules> _____ Achieve continuous social implementation through deregulation and international standardization
- <Social understanding> _____ Foster understanding about unmanned vessels through education for young generations

FURUNO’s Initiatives

1 | MEGURI2040 Stage 2 will be equipped with an autonomous navigation system on three vessels: a newly built container ship equipped with unmanned navigation and engine systems, an existing container ship equipped mainly with unmanned navigation systems, and an existing remote island shipping vessel. FURUNO is in charge of the development of automatic navigation functions (decision-making and planning) on the vessels and the development of the Fleet Operation Center.



Fleet operation center established in July 2024 at FURUNO’s head office and its booth to support navigation of specific vessels

2 | MEGURI2040 aims to strengthen Japan’s maritime industry by developing safety guidelines for unmanned vessels based on the results of the safety evaluation project for unmanned vessels and by gaining international consensus. FURUNO is contributing to the development of rules for these new instruments in addition to existing navigational instruments.

MESSAGE

I am in charge of “status management” of autonomous navigation systems installed on automated vessels. Status management is a function that judges if the autonomous navigation system works well and whether the vessel can be operated normally based on the surrounding environment, such as sea conditions.



Towards “Zero Accidents at Sea”

- AR Navigation System (Model: AR-100M), which uses augmented reality (AR) technology
- *In 2019, in collaboration with Mitsui O.S.K. Lines, Ltd.

The following three product and solution certifications have been awarded by the Nippon Kaiji Kyokai’s Innovation Endorsement.

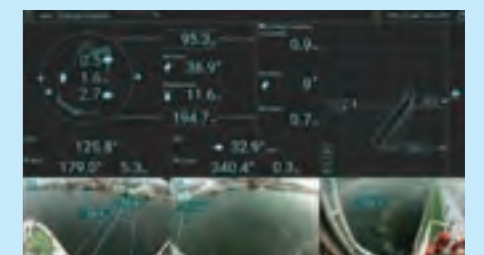
- VR Navigation System (under development), to support the planning of medium- to long-distance ship maneuvering plans
- A “Berthing Support System” (under development) that measures the exact relative distance and angle between the vessel and the quay using LiDAR, cameras, etc.



AR Navigation System



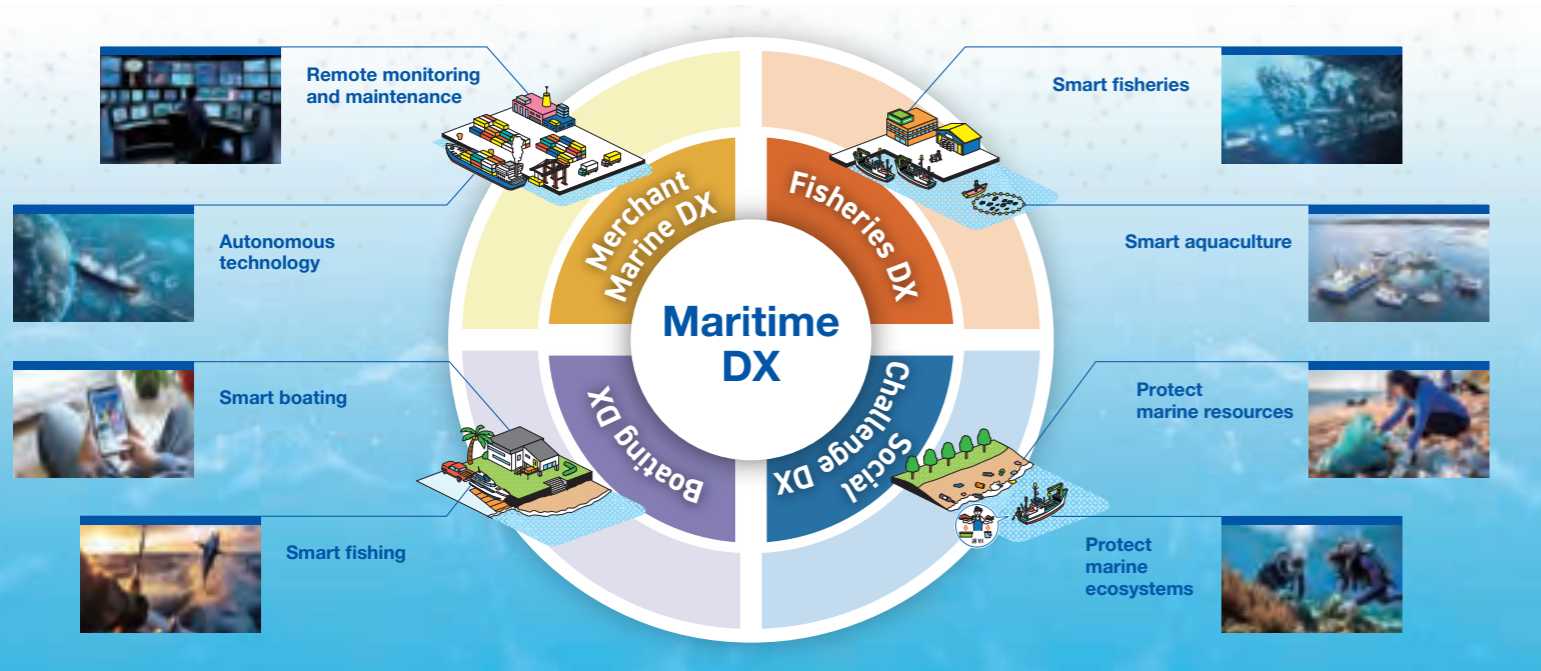
VR Navigation System



Berthing Support System

Not Just Merchant Ships! Digital Transformation of the Sea

By connecting FURUNO's equipment and customers across the world's oceans with digital technology and consolidating ocean data, we will continue to protect the richness of the oceans and the lives of the people. With such a future in mind, the challenge towards "Maritime DX" has begun.



FURUNO's Maritime DX

With the dramatic changes in the maritime communication environment, we are now approaching a world in which oceans and land are seamlessly connected. This will make it possible to collect and analyze highly accurate data from ships, to give customers new experiences and value never seen before.

Future with Maritime DX

FURUNO has launched in 2023 "DX Samurai," a project to promote DX. In the short-to-middle term, we have redefined the three main markets for the marine business (merchant vessels, fishery, and leisure), as "Merchant Marine DX," "Fisheries DX," and "Boating DX," and have drawn the path that FURUNO's DX should take. In the mid- to long-term, we have also begun to consider new business opportunities based on the theme of oceans and water as "Social Challenges DX." We are considering the value we can provide to different markets by utilizing the data we have collected with our existing businesses.



FURUNO promotes new initiatives with DX from two aspects: fishing to catch and fishing to grow (aquaculture).

Smart Fishery

For a Sustainable Fisheries Industry

The fisheries industry is facing various challenges, such as declining fish population and changes in the ecosystem due to changes in the marine environment. FURUNO is promoting smart fisheries that utilize data obtained from fishing vessels at various fishing sites to realize resource management fisheries, including improving the efficiency of fisheries operations.

MESSAGE

Takuto Hazama
Marine Electronic Products Division
Fishery System Engineering Section

To contribute to a sustainable fishing industry and the transformation of the fishing industry into a growth industry, we are developing an IoT service (Fishery Vision Series) that leverages the strengths of FURUNO's fishing equipment.

Stationary net monitoring system

By transmitting acoustic echoes and other information from measurement buoys, fishermen can view fish and net responses and other information anytime and anywhere, to determine the optimal timing for leaving port and landing nets.



Aquaculture Support

For a sustainable fish-eating culture

As the depletion of marine resources becomes a global issue, there is a need for sustainable fishing, and aquaculture is supplementing these needs. We believe that FURUNO can contribute to this effort by developing an aquaculture support business.

FURUNO's Initiatives

We can now quantify the ecological behavior of fish by analyzing sensor data such as depth of distribution, swimming speed, fish body composition, water temperature, and tides in the fish cage.

MESSAGE

Shun Kumakura
Marine Electronic Products Division
Aquaculture Business Support & Development Office

In today's aquaculture industry, where labor shortages are being called for, we are keenly aware of the need to standardize and streamline operations and to promote them more than ever before. To achieve this, we need to move away from experience, intuition, and tricks, and move to data collection and quantification of know-how, and we understand that this is why DX is so important.

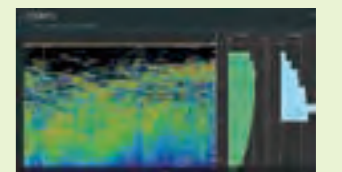
Aqua Scope, an application for aquaculture management

In January 2024, we released Aqua Scope, an application for aquaculture farmers that integrates and displays data necessary for aquaculture management, as a new function linked to our fish weight estimation system.



Visualizing the inside of a fish cage (Norway)

Together with our subsidiary FURUNO NORGE A/S, we are conducting cutting-edge research and development, promoting field tests and information exchange. In 2023, we exhibited a new sensor using ultrasonic waves, which can constantly monitor average fish weight, depth of distribution, and swimming speed.

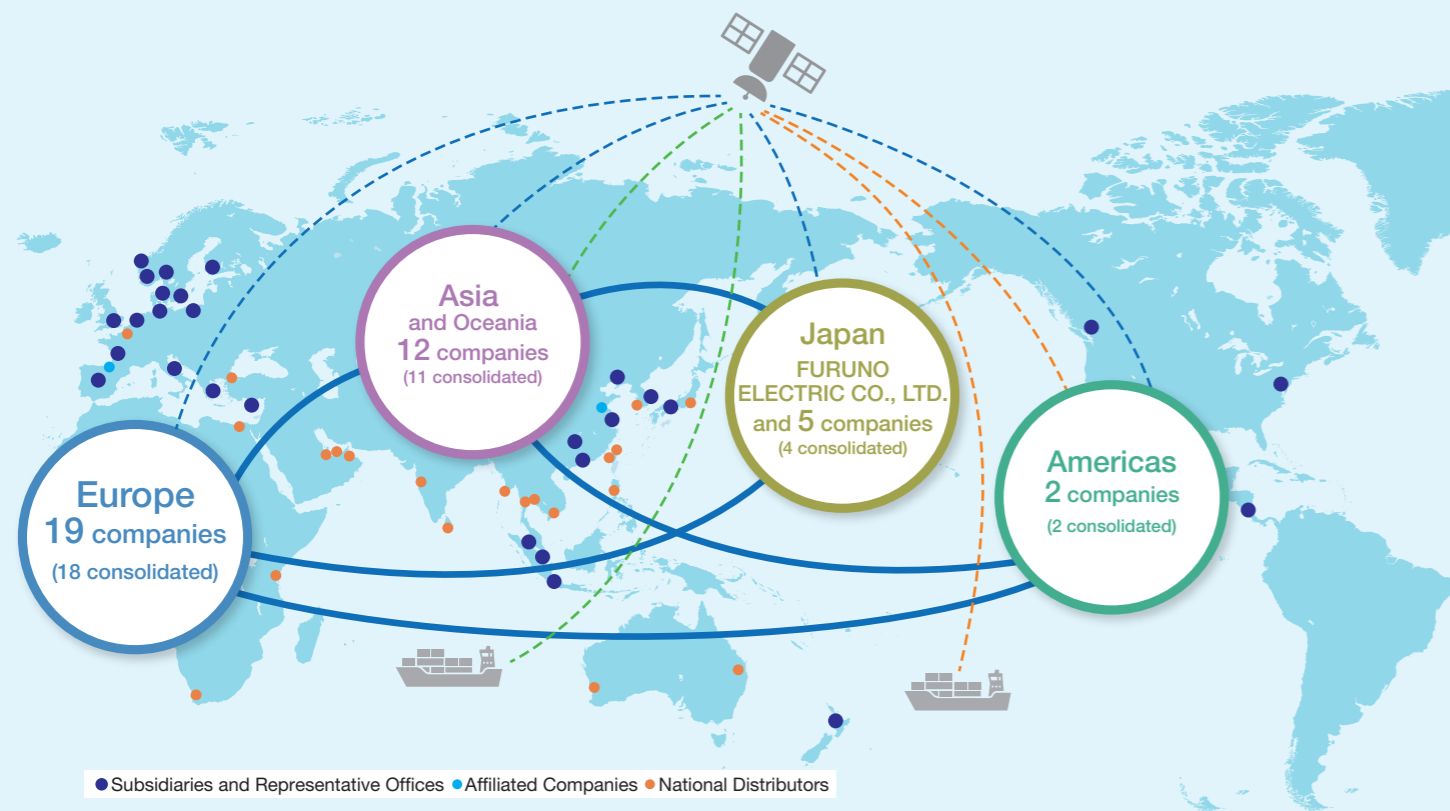


Transformation into “Proactive Service (Remote Service)”

We want to provide “more prompt” service

FURUNO provides prompt and high-quality maintenance service by visiting customers’ vessels around the world with 34 domestic bases, 22 overseas group companies, and numerous third-party distributors. To realize “more prompt services,” we will add “remote service” to our maintenance service which is based on our global network.

Remote Monitoring through our Global Network



“HermAce,” the key to remote service

HermAce is a Cyber Security and Remote Monitoring Platform that uses digital twin technology to remotely monitor the status of electronic equipment on board a vessel from shore while ensuring security on the vessel’s network. Data from Furuno’s navigation and communication equipment can be collected, distributed, notified, and monitored in real time, enabling prompt support of ships in operation from shore. HermAce can also deliver voyage equipment information, automatically update ENC charts, remotely update software, and even help reduce the time required for voyage data recorder (VDR) annual performance tests (APTs), depending on the customer’s needs.

MESSAGE

Theodoros
Katemidis
Managing
Director, FURUNO
HELLAS S.A.



HermAce is a Cyber Security and Remote Monitoring Platform, which has been developed by Furuno Hellas*1 with the support of FURUNO group companies in Japan, Norway and elsewhere. This system, which complies with E26/27 IACS*2 requirements for cyber security, will be installed on all newly built vessels contracted after July 1st, 2024. It protects vessels against cyber-attacks but also offers a state-of-the-art monitoring tool for the shipping companies. Through HermAce, VDR remote APT is possible, while after sales support can provide an additional tool to Ship Owners for flawless operation of their Navigation / Communication equipment. The FURUNO HELLAS R&D team collects comments and requests from users of the system and works continuously on HermAce development. It is our goal to install HermAce on all FURUNO equipped vessels.

*1 FURUNO HELLAS S.A.: FURUNO group company in Greece.

*2 IACS UR E26/27: regulations for cyber security issued by IACS (International Association of Classification Societies)



- Real-time remote monitoring of voyage equipment status from shore
- Recommendation of consumable parts replacement timing based on predictive maintenance
- Check and update settings via remote access
- Automatic tabulation and reporting of voyage data
- Digitalized troubleshooting of Furuno’s technical expertise
- Reduce annual VDR inspection time
- Capable of acquiring navigational equipment information for safe navigation while ensuring security

Acquired the world’s first “Digital Twin READY” certification of Lloyd’s Register.

As a “Digital Health Management Provider,” we provide HermAce which can reproduce the operating conditions of onboard equipment in the real world in a virtual space (Digital Twin) to detect, diagnose and predict minor changes in the equipment. We have been certified by Lloyd’s Register as a “Digital Health Management Provider” based on the system’s quality and reliability.

Remote service realized by rethinking premises

Maintenance service that requires a visit to the ship after equipment malfunctions takes time, and requests made from offshore require waiting for the ship to call at port. We have developed a system that enables remote monitoring and operation of the equipment with server security-enabled Internet communications. By continuously monitoring the condition of equipment, it is possible to identify and predict deterioration, adjust malfunctions remotely, and update programs at sea without visiting the vessel.



Kenichi Mori
Executive Officer
Marine Electric Products Division
Service Management & Commanding Department General Manager

For the prompt service to support continuous operation of our customers.

Marine equipment installed on vessels undergoes thorough quality control from design to production to ensure safe and reliable navigation, but breakdowns still occur. In many cases, these malfunctions were discovered at sea, and we had to wait for the vessel to call on a port to provide onboard services (investigation and repair). However, recent advances in communication technology have made it possible to monitor and investigate the condition of onboard equipment while the vessel is at sea, and even remotely operate and repair equipment from land. It has long been a dream of our customers and service staff alike to be able to respond quickly to malfunctions at any time and from anywhere. By combining our global network with remote services, we will provide services that never stop our customers’ operations. We are beginning our transformation toward a “proactive service” approach.

4

Smart Manufacturing



As the only production base in Japan for our marine business, the Miki Factory has begun working toward the realization of a smart factory.

The Miki Plant is working toward the realization of “a plant that is flexible to change” and “a plant that integrates open production and sales.” Visualization and quantification of production activities has been completed in most parts of the factory, allowing us to visualize issues in the process and at the same time monitor whether the improvement activities implemented are effective, leading to continuous improvement, day after day.

The initiatives to realize a “smart factory”

A factory where things flow

- Better planning cycle (needed parts at the needed time)
- 1/2 manufacturing lead time (hourly production planning)

Daily finished production

- Start and complete manufacturing as planned
- Ensure production capacity for sales requests

Sites where anomalies can be detected

- Clear visualization of abnormalities on site
- Progress understanding through automatic recognition technology

MESSAGE

Yoshihiro Kanba
Marine Electronic
Products Division
MIKI Factory
Smart Factory
Construction
Project Leader

We believe that the Smart Factory Construction Project has led to the current results. Through this project, we will strive to develop as many human resources as possible to identify such overall optimization and lead reforms, and we will further promote reforms.

On-site visualization tool “MDOS”

The MDOS uses AI to extract human movement from video acquired by a 360° camera and box type camera, and automatically determines whether people are staying or moving. By linking this to a system that automatically obtains the number of man-hours worked, it is now possible to check what causes variations in the man-hours worked on a product.



Work environment filmed by camera on the ceiling



Improvement activities using MDOS

5

To Land and New Fields

Beyond DX to SX*, for a sustainable construction industry

Construction Tech

Digitalizing analog operations will not only improve efficiency, but also increase labor productivity. We have launched a technology and service business to support a sustainable construction industry in the hope of contributing to the creation of an environment in which everyone can work with vigor and enthusiasm.

*SX: Sustainable Transformation

Seeing what we wanted to see

FURUNO offers marine sensing technologies that *Challenge the Invisible*, but at construction sites, visual confirmation on site is still the norm. If information can be visualized without having to go on site, travel time and costs can be reduced. We are currently providing a “Wi-Fi system for construction sites” for communication infrastructure and a “Bluetooth remote monitoring system for workers and heavy machinery” as a visualization tool.

MESSAGE

Shotaro Ishino
Research and
Innovation Center
Business Lab

FURUNO is becoming known in the construction industry, and our products and services are being used more frequently. We will continue make efforts toward the transformation of the industry.

Atsuhiro Yamamoto

I try to develop products with a focus on quality so that they can withstand the harsh environment of construction sites.

Shota Miyazaki

We are committed to making this service the industry standard by having it used at many sites.

Case Studies and Products



Linear railroad site operations support

Wi-Fi system was introduced to a tunnel construction site, to improve work efficiency.



Expanded scope of support with Starlink

The Wi-Fi system can be installed where cell phones cannot connect and can be used at various sites (disaster recovery, etc).



Remote monitoring system for civil engineering sites

We provide access control and location information within a large site.

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

Offshore wind power generation

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

The offshore wind power generation market in Japan has seen a great deal of activity over the past year, with several offshore operators already confirmed and expected to continue expanding. FURUNO offers its customers "safe and secure offshore management" and "measures to coexist with the fishing industry," utilizing the technology and trust that we have cultivated since our founding to provide solutions that address both energy security and sustainable coastal fisheries.



Comfortable life for everyone with wireless LAN

Wireless LAN Access point

The Tsukuba city Board of Education has been working since the mid-2000s to create an ICT environment to enable classes using 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.

*From the Tsukuba City Board of Education case study on the Furuno Systems website.



Improving quality of life

Biochemical analyzers and reagents

With the world's population rapidly aging and medical disparities becoming a major issue, FURUNO is applying its technologies to the medical industry to create optimal specimen testing solutions, especially for medical institutions in developing and emerging countries.



Biochemical analyzer



Digital Terrestrial Television Transmitting Station

For a Safe and Convenient Society

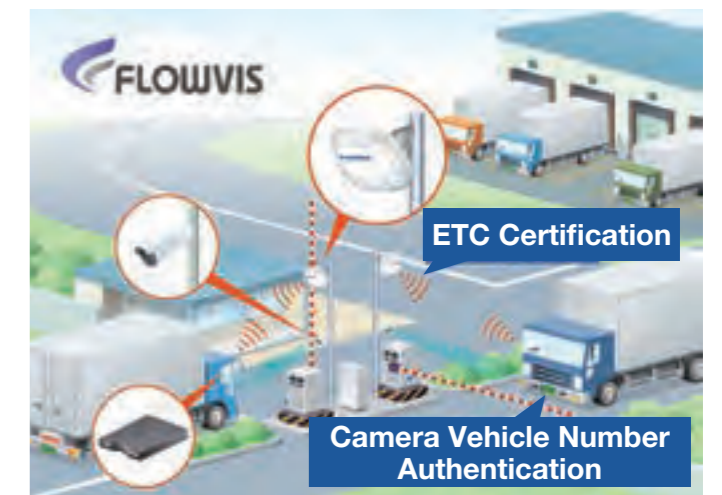
Time synchronization

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.

Addressing the 2024 Logistics Issue

FLOWVIS (Vehicle Access Control Service)

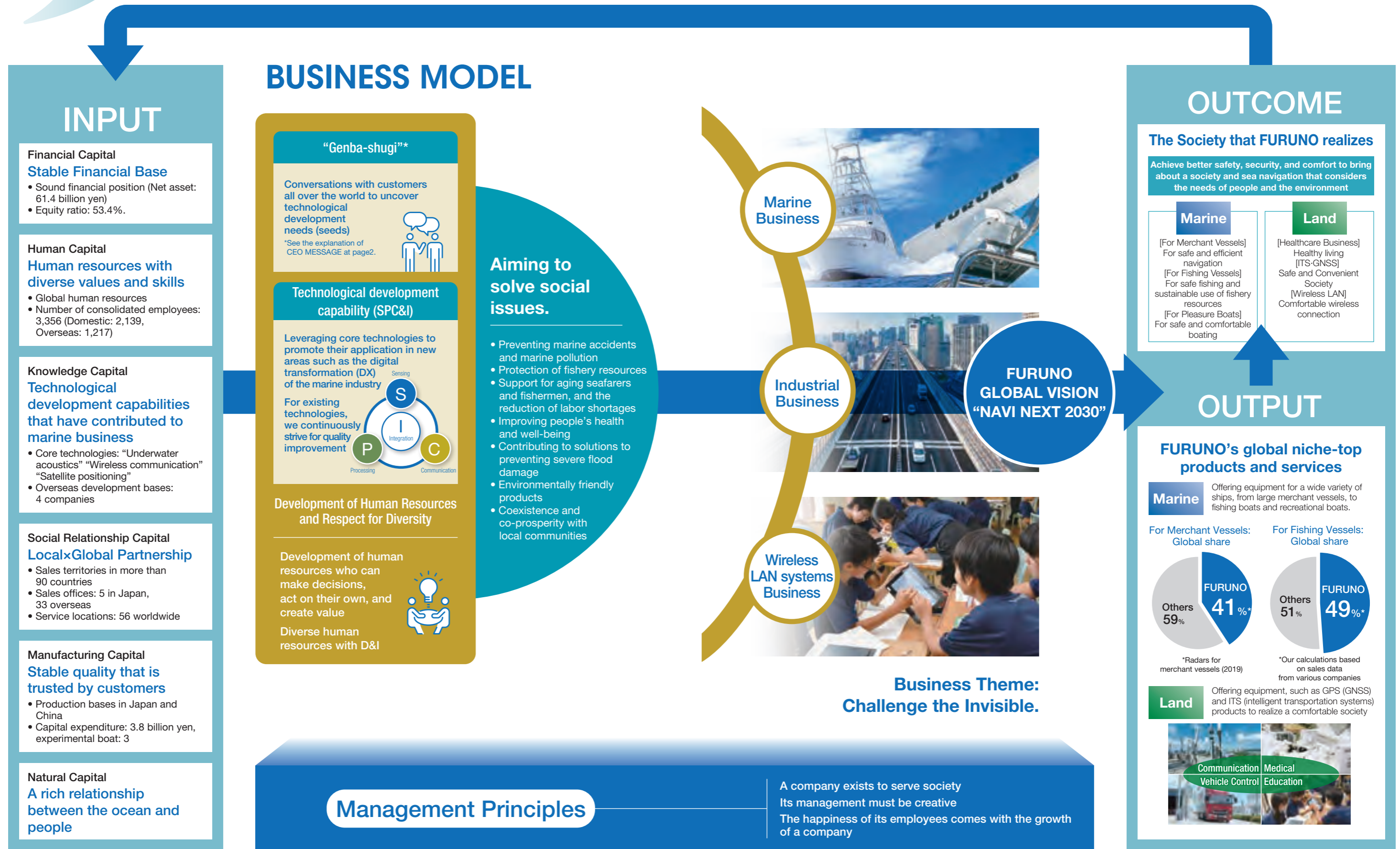
Vehicles are reliably identified by hybrid authentication that combines ETC authentication technology with camera-based vehicle number reading. The system also contributes to logistics DX as a solution to the 2024 problem facing the logistics industry by reducing truck drivers' waiting time for cargo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



02

For Sustainable Growth The Value Creation Process of FURUNO

FURUNO will continue to realize the resolution of social issues and its own growth through realizing our management principles "A company exists to serve society," "Its management must be creative," "The happiness of its employees comes with the growth of a company."



Materiality

Basic policy for Sustainability

FURUNO has provided value in various ways by realizing its management principles. In particular, “A company exists to serve society” is one of FURUNO’s core values. By creating new innovations that contribute to solving social issues and providing social and economic value, we believe that FURUNO will also grow sustainably, and that continuing and expanding this cycle is a form of sustainable management for our Group.

Governance structure

A “Sustainability Committee,” chaired by the President, will assess FURUNO’s sustainability initiatives and provide instructions to each responsible department to promote initiatives to resolve social issues.

Note: See Corporate Governance Structure on p. 41

FURUNO’s Materiality for Sustainable Growth

Materiality Identification Process

FURUNO reviewed the 169 targets contained within the 2030 Agenda for Sustainable Development, as well as various social issues within the fisheries and marine transportation industries. FURUNO then selected issues to be addressed for a sustainable growth in consistency with its management philosophy and Global Vision NAVI NEXT 2030.

Marine and global environmental conservation

Elements	Initiatives	Actions
Prevention of marine accidents and pollution	<ul style="list-style-type: none"> Avoid collisions through autonomous navigation Prevent pollution caused by maritime accidents 	<ul style="list-style-type: none"> R&D activities through participation in MEGURI2040
Protection of fishery resources and response to increasing food demand	<ul style="list-style-type: none"> Support for managed fisheries using catch information Support for increasing aquaculture fish production 	<ul style="list-style-type: none"> Practical application of monitoring set-netting system, collaboration with fishermen’s cooperatives Supporting Aquaculture Farmers
Environment-friendly production	<ul style="list-style-type: none"> Create products based on the “preservation of the global environment,” “formation of a recycling-oriented society,” and “maintenance of biodiversity.” 	<ul style="list-style-type: none"> Setting GHG reduction targets and taking action Reducing power consumption in the development process Reduction of materials, waste in factories

Preservation and utilization of management infrastructure for business promotion

Elements	Initiatives	Actions
Promotion of Diversity & Inclusion	<ul style="list-style-type: none"> Develop diverse human resources, and enhance more productive work styles 	<ul style="list-style-type: none"> Formation of a dedicated organization for D&I promotion Conduct company-wide training
Utilization of DX	<ul style="list-style-type: none"> Promote DX to create new businesses, such as marine DX 	<ul style="list-style-type: none"> DX Samurai Project (Efficient fisheries, aquaculture support, remote monitoring, etc)
Utilization of intellectual assets	<ul style="list-style-type: none"> Strengthen corporate competitiveness by acquiring and utilizing intellectual property 	<ul style="list-style-type: none"> Preventing patent infringement through examination Intellectual property portfolio expansion to support new business Strengthening of overseas intellectual property rights
Corporate governance	<ul style="list-style-type: none"> Implement governance that pursues legality, appropriateness, efficiency, and risk management, while being accountable to stakeholders. 	<ul style="list-style-type: none"> Governance structure to enhance management and execution functions Ensuring the effectiveness of the Board of Directors and the Board of Corporate Auditors Development of a risk management system including sustainability
Sustainable procurement promotion	<ul style="list-style-type: none"> Share strategies with business partners to deepen mutual understanding Promote CSR activities throughout the supply chain 	<ul style="list-style-type: none"> Holding CSR study sessions for suppliers Request for cooperation in GHG reduction
Thorough security export control	<ul style="list-style-type: none"> Comply and transact based on relevant laws and regulations, international economic sanctions, etc. 	<ul style="list-style-type: none"> Deploying the latest information to the internal organization Cooperation with ministries

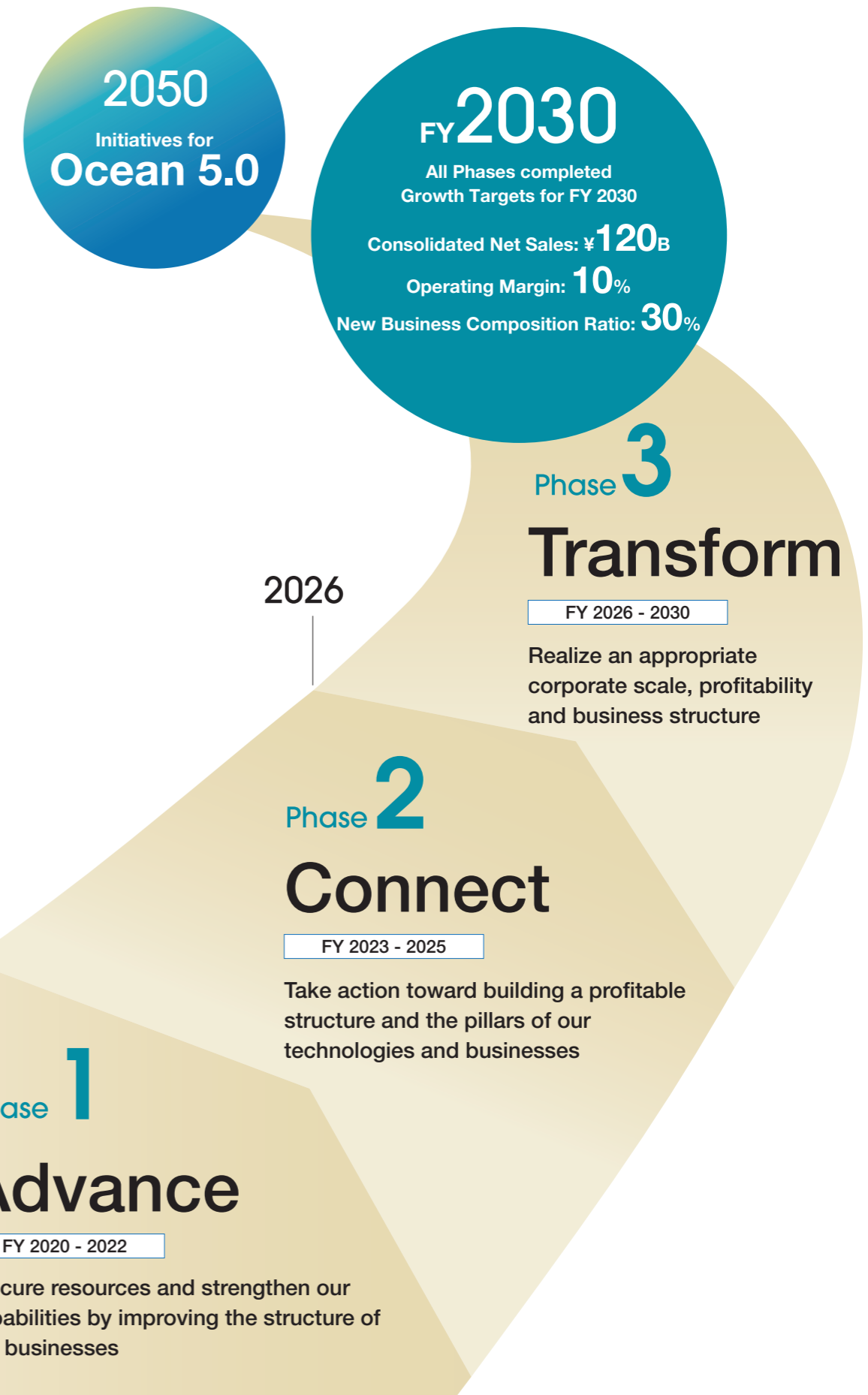
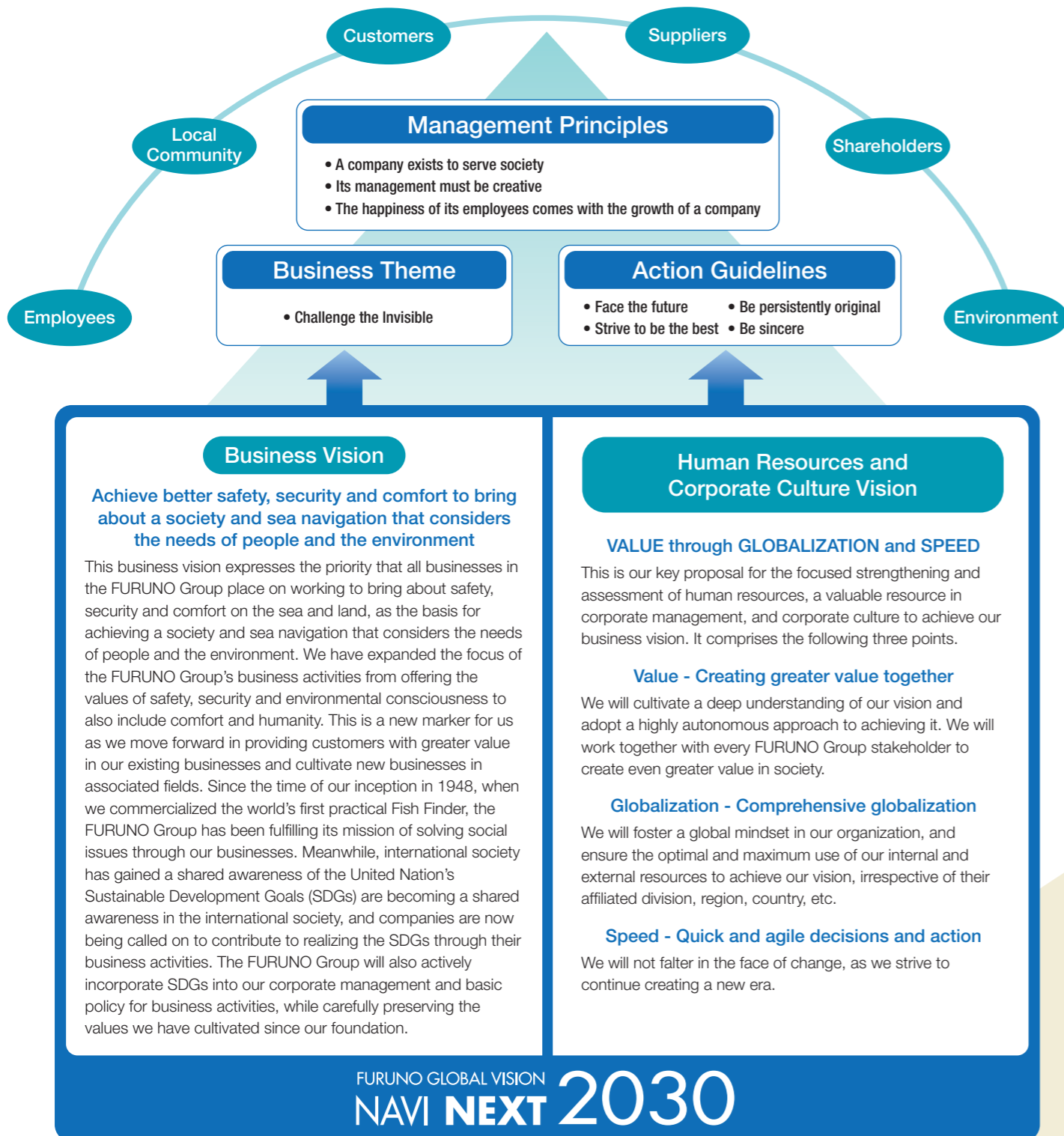
Community

Elements	Initiatives	Actions
Aging staff and manpower shortages	<ul style="list-style-type: none"> Reduce workload with unmanned vessels, providing support for vessel operation with remote management Support the realization of smart fisheries using data that do not rely on intuition and experience 	<ul style="list-style-type: none"> R&D activities through participation in MEGURI2040 Practical application of monitoring set-netting system, collaboration with fishermen’s cooperatives
Coexistence and co-prosperity	<ul style="list-style-type: none"> Support fishermen with sustainable fisheries Contribute to local communities in areas such as cultural promotion and environmental preservation 	<ul style="list-style-type: none"> Provide offshore wind power solutions Project: Taking the Sea to the Future

Corporate Vision

FURUNO GLOBAL VISION “NAVI NEXT 2030”

While respecting the management philosophy and code of conduct 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.



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

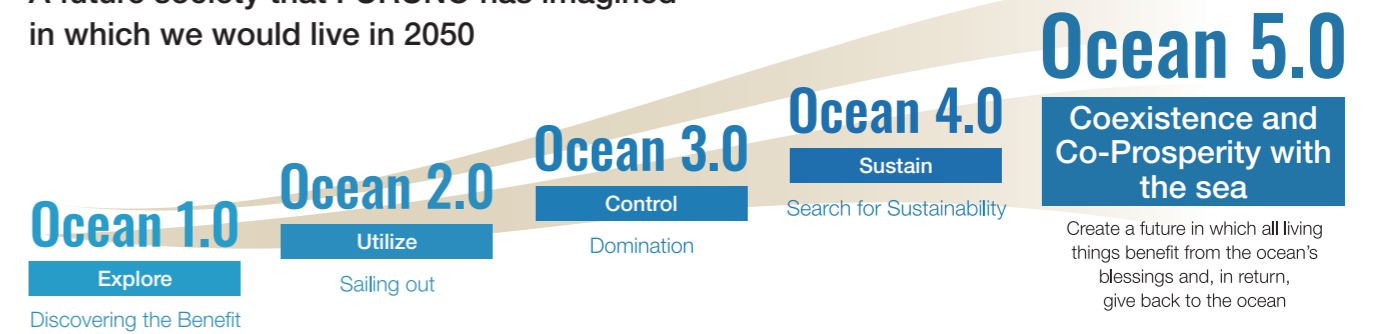
Ultra Long-term Policy

Ocean Gift for All 100-year Company VISION

FURUNO has set forth its 100-year Company VISION "Ocean Gift for ALL" as its ultra long-term policy for the year 2050, which coincides with FURUNO's 100th anniversary. For the purpose of visualizing our aspirations for the future, we have

imagined the future society "Ocean 5.0" for the year 2050. Our goal is "to create a future in which all living things benefit from the ocean's blessings and, in return, give back to the ocean."

A future society that FURUNO has imagined in which we would live in 2050



Important Themes

Maritime Data

Utilize the data collected from the seabed to the surface of the Ocean.

Economic Value

Foster businesses such as disaster prediction and weather forecasting by collecting ocean-related data.

Social Value

Enhance maritime safety and security through effective data utilization.

Maritime Distribution

Making the ocean a safer, freer place for trade.

Economic Value

Enhanced logistics with improved economic efficiency in marine distribution.

Social Value

Eliminate accidents and distress at sea, creating a society where everyone can safely and securely participate in marine distribution.

Marine Resources

Delicious seafood for everyone, forever!

Economic Value

Achieve a fishery where everyone can consistently enjoy high-quality seafood.

Social Value

Achieve a sustainable ocean that negates the risk of marine life extinction and protects biodiversity.

*Values here are intentionally the same as "Marine Biodiversity"

Marine Disaster

Preventing disasters at sea and on land.

Economic Value

Develop disaster prevention businesses by analyzing data from both land and sea.

Social Value

Create a society where everyone is safe amidst increasing disasters and extreme weather events and where everyone can adapt to an uncertain future.

Marine Environment

Appreciate the blessings of the sea and fulfill our responsibilities.

Economic Value

Develop businesses focused on preventing marine pollution and achieving a sustainable ocean.

Social Value

Benefit from the ocean while making it sustainable and abundant.

Marine Biodiversity

Passing on the rich biodiversity of the ocean to the future.

Economic Value

Achieve a fishery where everyone can consistently enjoy high-quality seafood.

Social Value

Achieve a sustainable ocean that prevents the risk of marine life extinction and preserves biodiversity.

*Values here are intentionally the same as "Marine Resources"

Maritime Health and Lifestyle

Freeing people from fear of the ocean and making it a comfortable place to live.

Economic Value

Develop businesses that foster new living spaces on the sea.

Social Value

Create a society where mankind can live safely and securely on the ocean, realizing a lifestyle of freedom.

Special website

FURUNO Ocean 5.0
<https://future-vision.furuno.co.jp/en/index.html>



For the latest information, please visit the website.

Mid-term Management Plan

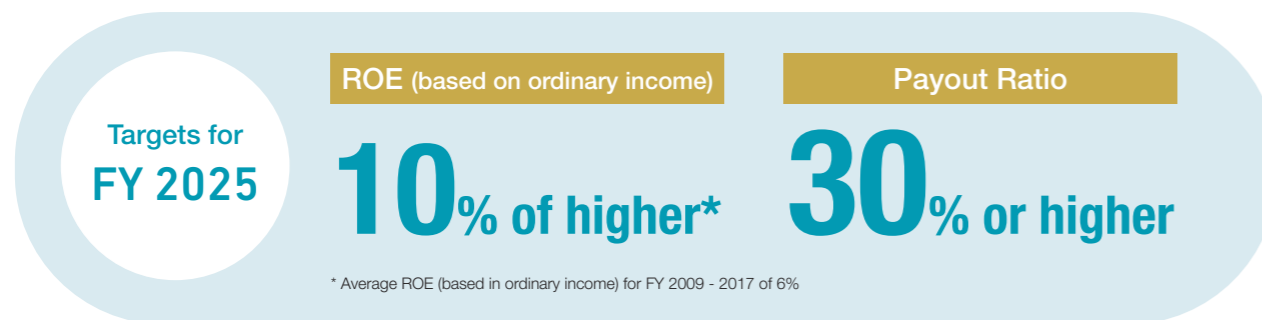
Phase 2 “Connect” of Mid-term Management Plan

In February 2023, FURUNO formulated the Mid-term Management Plan (Phase 2) for 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 followings.



Main Measures

1 Improvement in Profitability

Aim to reduce costs through completing 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

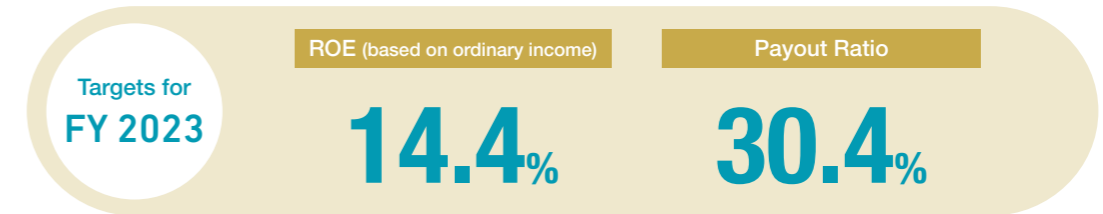
Provide high-quality services through remote management, promote DX for Marine field focusing on digitalization, and invest resources in businesses with growth potential to further generate resources for investment in growth

3 Implementation of Sustainable Management

Aim to realize a 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 2 “Connect” of Mid-term Management Plan

In FY2023, we have been working on the first year of Phase 2.



Actions to build business and technology pillars, and profit structure

1 Improvement in Profitability

We improved factory utilization rates by deploying measures aimed at reducing production lead times, as well as adjusting selling prices to appropriate levels and selecting projects based on profitability. We also strengthened efforts to improve quality stability and prevent product failure, while also strengthening our systems to address cyber security and product safety. In FY2024, we will continue to promote smart initiatives to improve factory production efficiency and strive to maintain stable quality. Furthermore, we will proceed with optimizing inventory levels to reduce inventory-related costs.

2 Expansion of Sales

We created opportunities to expand sales of services by promoting remote services and promoted new businesses, including the aquaculture business. We also acquired a European distributor to strengthen our direct relationships with customers. In FY2024 we will launch strategic products for pleasure boats to expand sales mainly in the United States. In Europe and Asia, we will strengthen our competitiveness with our sales subsidiaries. For maintenance services, we will work to build a database that consolidates the Group's unique service know-how.

3 Implementation of Sustainable Management

In order to contribute to a sustainable society and achieve a sustainable enhancement of our corporate values, we have identified “Materialities” that we should address as a group. In addition to setting GHG emission reduction targets, we also established a policy for human resource development, formulating a medium-term human resource strategy, and establishing a Sustainability Committee for these initiatives. In FY2024, we will strengthen our human capital under a new governance structure.

CFO MESSAGE

Achieving Management Growth

Yutaka Wada
Director, Managing Executive Officer and CFO



Basic Policy on Financial Strategy

FURUNO takes a long-term perspective in investment and risk management. Our policy is not to sacrifice opportunities for future growth.

Review

We have worked to generate management resources and enhance our strength by improving the structure of our business. As a next phase, we will aim to overcome the effects of the global shortage of materials and the prolonged delivery times.

In FY2023, we focused on catching up with unproduced products and improving factory utilization rates, thereby pushing forward with the digestion of order backlogs.

Sales were 114.8B yen (up 25.8% from the previous year), operating income was 6.5B yen (up 327.8%), and net income was 6.2B yen (up 362.8%).

The marine and industrial segments reported higher sales and profits, while the wireless LAN/handy terminal segment reported lower sales and profits.

We adjusted selling prices to appropriate levels and selected projects to ensure profitability. In addition, we acquired a European distributor to strengthen our relationship with end-customers through direct transactions.

Our ROE was 11.0% as of the end of FY2023, exceeding our perceived cost of shareholders' equity, and as a result, our P/B ratio exceeded 1x. We will continue to strive for continued market recognition.

Financial Goals

For the FY2024, we forecast sales of 117.0B yen. Operating income is projected at 6.5B yen and net income at 4.0B yen. In December 2018, we formulated our management vision, "NAVI NEXT 2030," which outlines our goals for 2030. Our growth targets for FY2030 include consolidated sales of 120B yen, an operating margin of

10%, and a 30% contribution from new businesses. Under Phase 2 of the plan (FY2023-2025), we aim to improve profit levels and expand the scale of sales to maintain a stable ROE (based on ordinary income) of 10% or more and build a management foundation capable of sustaining a dividend payout ratio of 30% or more.

PBR Improvements

We will introduce ROIC management and improve profits using remote services/monitoring, in order to further improve ROE and PBR. In addition, we will continue to expand sales of services and equipment by

promoting remote services and new businesses such as aquaculture, autonomous navigation support systems and cloud services related systems that utilize fishery data.

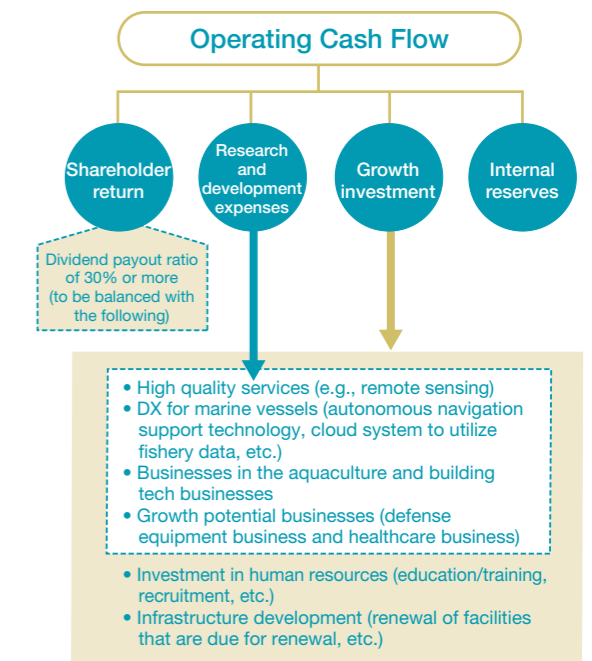
ROIC Management

We are introducing ROIC management. Currently, we are working on the establishment of an education program and management system, and plan to

introduce it in Phase 3 of our medium-term management plan.

Growth Investment and Capital Policy

We will continue to contribute to society by leveraging our technological strengths. We recognize the importance of strategic investment, research and development, capital investment, human resource investment, and promotion of diversity. Specifically, we will promote remote management, DX for marine vessels, and allocate resources to growing areas such as aquaculture and construction tech. We will continue to review the allocation of resources by scrutinizing profitability, and concentrate resources on the defense equipment and healthcare businesses, in order to improve profitability. As part of our shareholder return policy, we aim to maintain a stable dividend payout ratio of 30% or more. We will provide stable and continuous returns to shareholders in line with the results of our business performance, taking into consideration the balance of investment needed for human resources and infrastructure development.

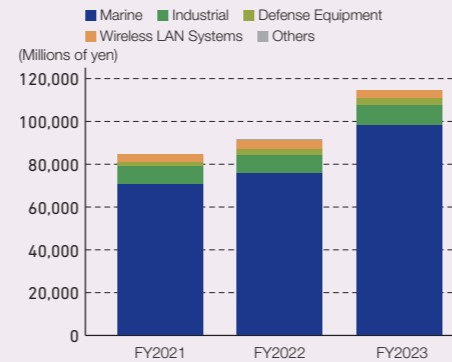


03

Segments Overview

Business Outline

“Achieve better safety, security and comfort to bring about a society and sea navigation that considers the needs of people and the environment” as a Business Vision, FURUNO aims to conduct business activities that contribute to our customers and society.



Sales Composition by Segment

Marine **86%**

- Main Products: Radar, Fish Finder, Scanning Sonar, ECDIS (Electronic Chart Display and Information System), etc.



Industrial **8%**

- Main Products: ETC2.0/ETC on-board equipment, GPS (GNSS) receiver, Biochemical Analyzer, etc.



Defense Equipment **3%**

- Related technologies: underwater acoustic, GNSS, etc.



Wireless LAN Systems· Handy Terminal **3%**

- Main Products: Access Point, Handy Terminal, etc.



*Ratios calculated based on FY23 sales

Marines 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

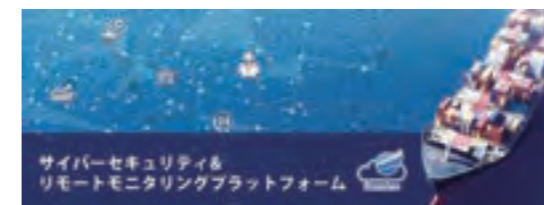
For Merchant Vessels



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.

Remote System for Annual Performance Tests on Liberian-flagged Vessels



HermAce, a cyber security and remote monitoring platform for ships developed by FURUNO

This service monitors data from FURUNO's equipment onboard vessels in real time on land using digital twin technology.

The use of HermAce as an alternative to the Annual Performance Test (APT) of VDRs has been approved for ships registered with Nippon Kaiji Kyokai in Panama and the Marshall Islands, and now by the Liberian Administration.

The APT of VDRs required an annual visit to the vessel by a qualified engineer to check the operation and voyage information records. This is expected to reduce the time required for vessel adjustments and engineers to visit the vessel, thereby reducing inspection costs.

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.

Toward the Realization of Smart Fishery

Recent changes in the marine environment have increased the uncertainty surrounding the fishing industry. In 2023, FURUNO started to provide a "Fishery Viewing Diary" in Japan that will serve as a foundation for operational analysis, human resource development, operational planning, and stock assessment, using DX data from fish finders and tide gauges.



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.

Awarded NMEA Best Product of 2023 for 53 consecutive years

In 2023, FURUNO received the best products in 6 out of 18 categories by NMEA (National Marine Electronics Association). This is the 53rd consecutive year for FURUNO to be honored since we received the NMEA Best Manufacturer Award in the fish finder category in FY1971. We will continue to meet the expectations and trust of marine electronics users all around the world.



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.

FURUNO supports government and municipal vessels

FURUNO products have been adopted by many government vessels, including patrol vessels of the Japan Coast Guard, which are responsible for maritime enforcement and rescue operations, harbor patrol vessels, which are responsible for port supervision and surveys, and training ships of various educational institutions, which train future crew members.



Source of picture: Japan Coats Guard (<https://www.kaiho.mlit.go.jp/soubi-yosan/sentei/ship.html>)

For Maintenance Services

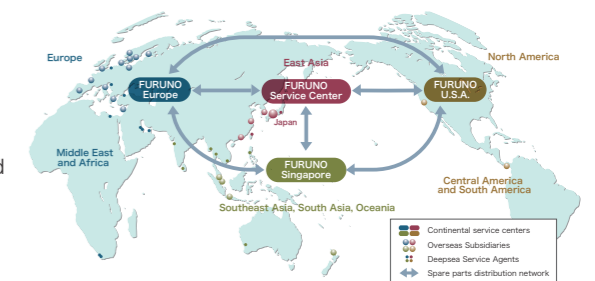


To ensure that products are useful to customers

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

<Healthcare·GNSS·ITS>



Based on the technology developed for marine electronic equipment, FURUNO provides equipment and services that realize safe, secure and comfortable lives in three businesses: Healthcare, GNSS (time synchronization, chips & modules) and ITS (toll machines, ETC).

Yukio Nobuhiro
System Products Division General Manager

Healthcare business



Biochemical analyzers and reagents

These devices measure more than 100 items, including familiar items. FURUNO provides high-quality data by good combination of FURUNO's instruments and reagents in Southeast Asia and contributes to the improvement of the medical environment.

GNSS business

Automotive & Industrial

We started to provide "eRideOPUS 9," a high-precision dual-frequency GNSS receiver chip for V2X. It achieves positioning accuracy of 50cm DRMS without correction data, contributing to improving vehicle safety and reduction of traffic accidents.



Time synchronization

Our dual-frequency GNSS receivers have been selected by several global base station vendors for their 5G projects, with deliveries beginning in 2023. It has the world's highest level of time accuracy and unique technology to suppress accuracy degradation in urban areas.

ITS business

ITS (Intelligent Transportation Systems) connects people, roads, and vehicles in a network and contributes to social issues.

In addition to the ETC2.0/ETC, we will contribute to logistics with a vehicle access control service that applies ETC authentication technology.



Defense Equipment Business



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.

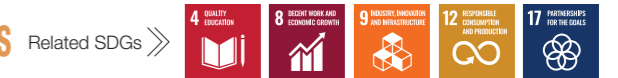
Takeshi Miyazaki
Avionics and Defense Electronics Division General Manager

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 USVs or UUVs.



Wireless LAN Systems-Handy Terminal Business



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.

Satoshi Nakatani
FURUNO SYSTEMS Co., Ltd. President

11ah access point for IoT gateway support

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



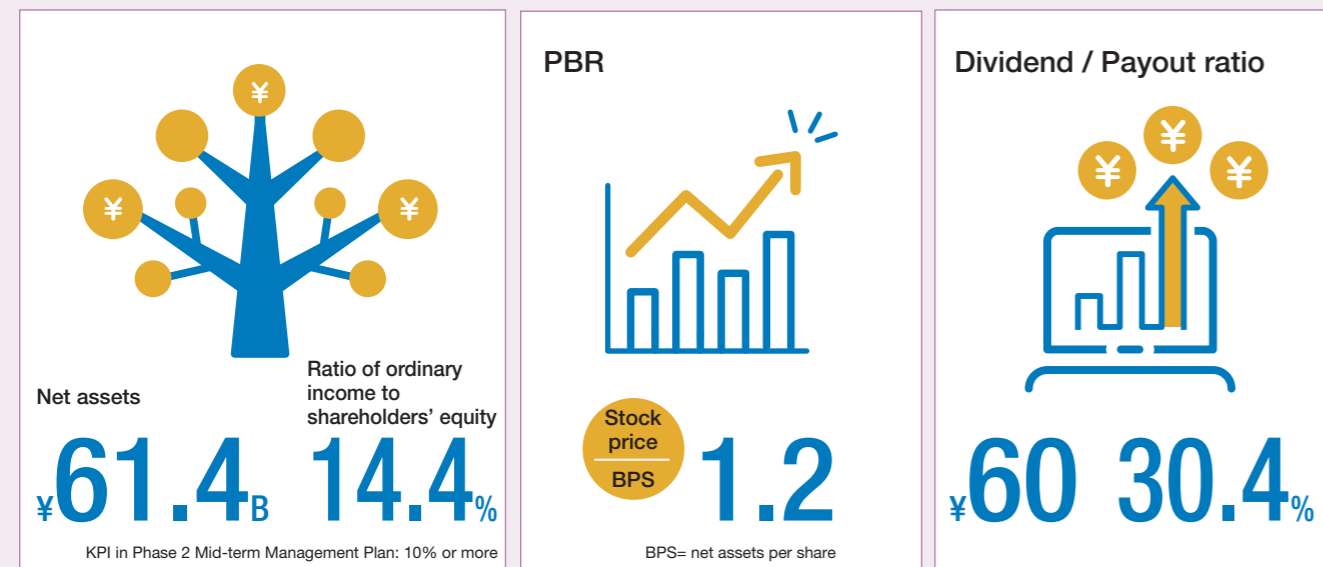
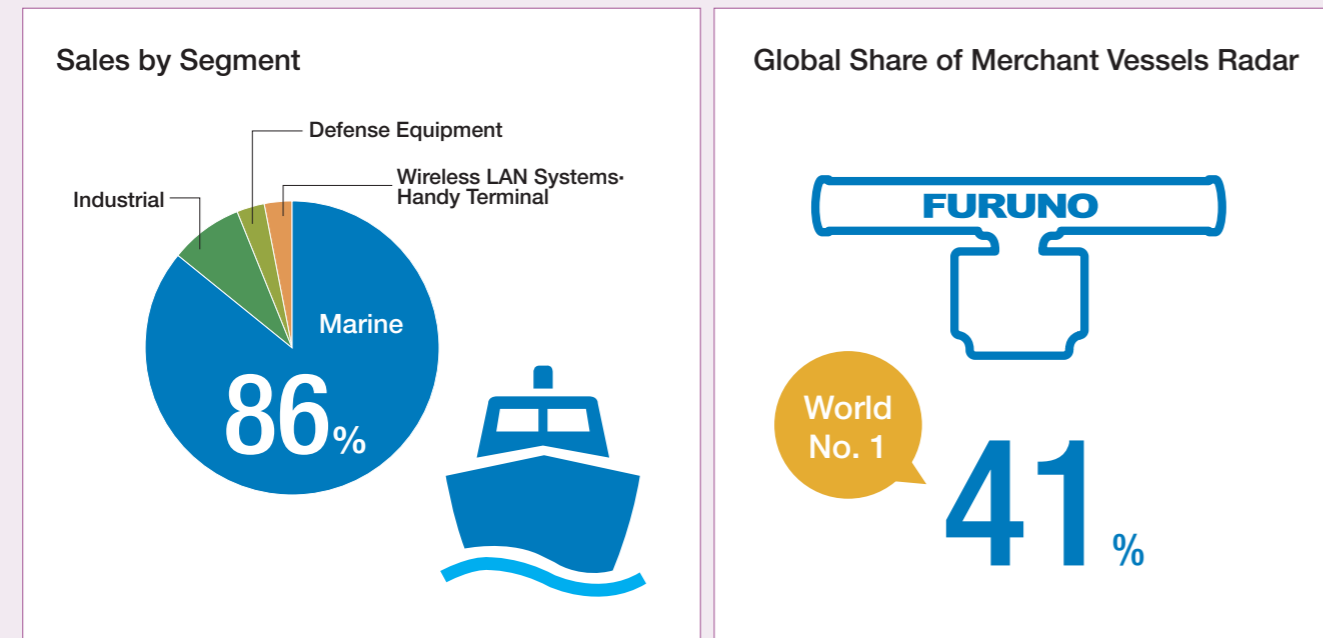
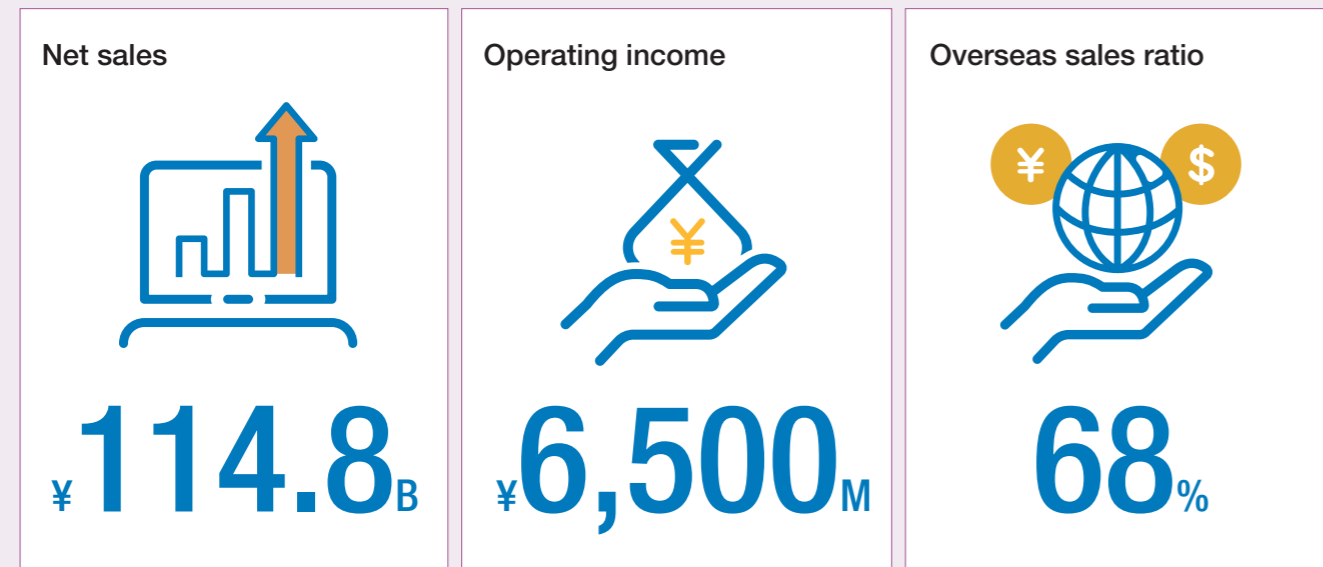
Handy Terminal "finpad Ag1" of next generation

By integrating our accumulated know-how, middleware products, and new platforms, we can expand the range of customer applications, such as linking with business systems using a browser and expanding functions by adding applications, to provide new value.

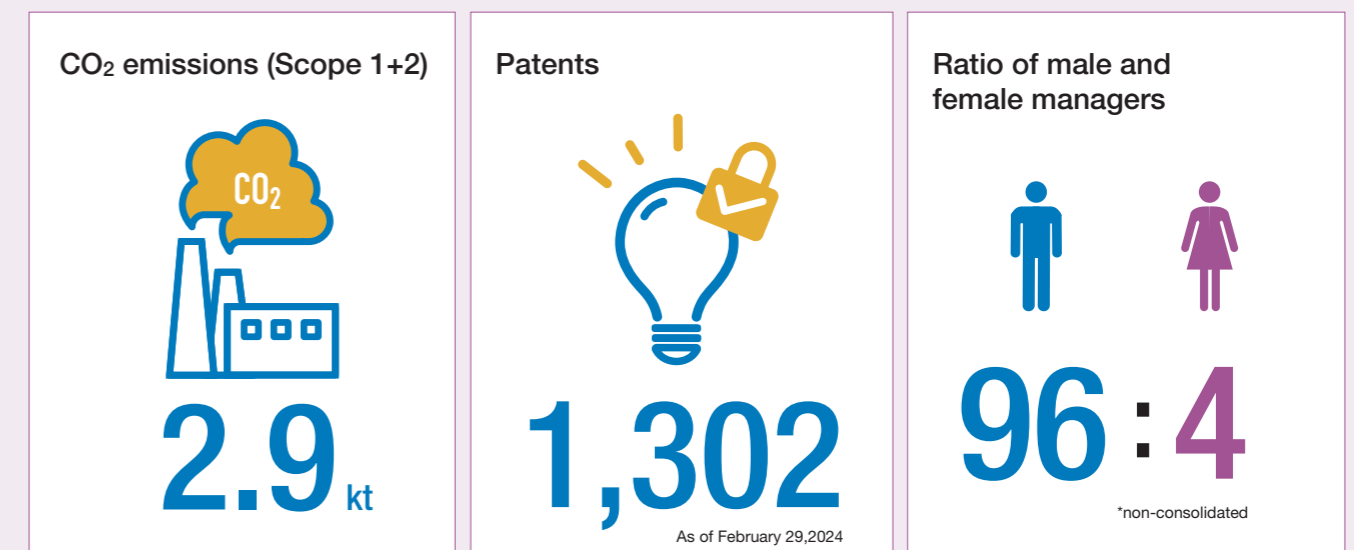


FY2023 FURUNO At a Glance

Financial Data



Non-financial Data

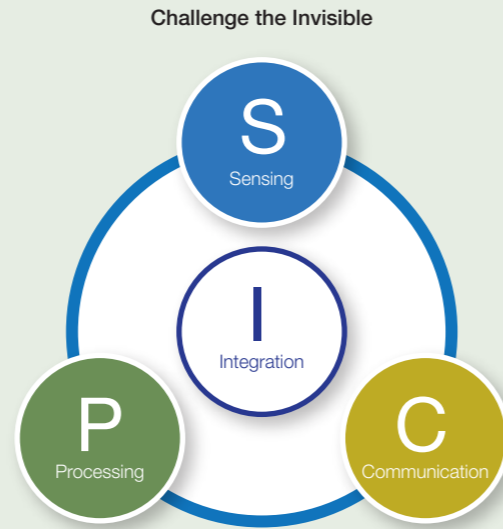


04

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.

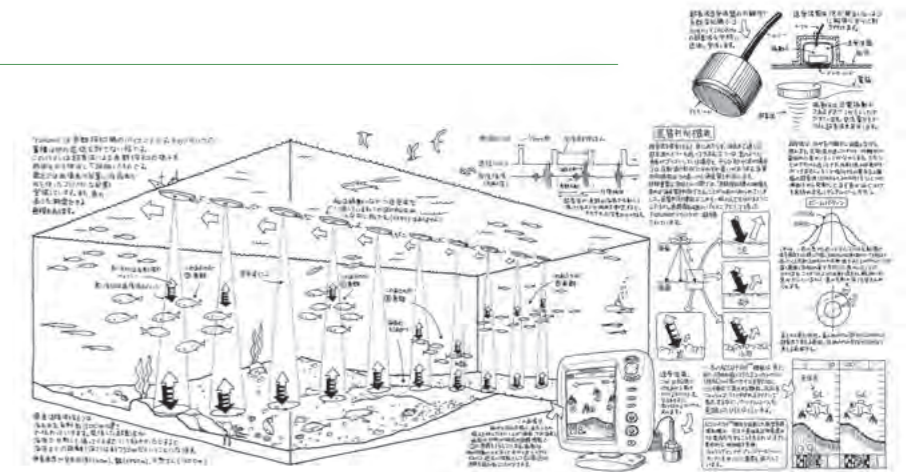
There is no end to FURUNO's challenge of the invisible. FURUNO will continue to create encounters with the invisible while staying close to people's lives.



Our Technologies

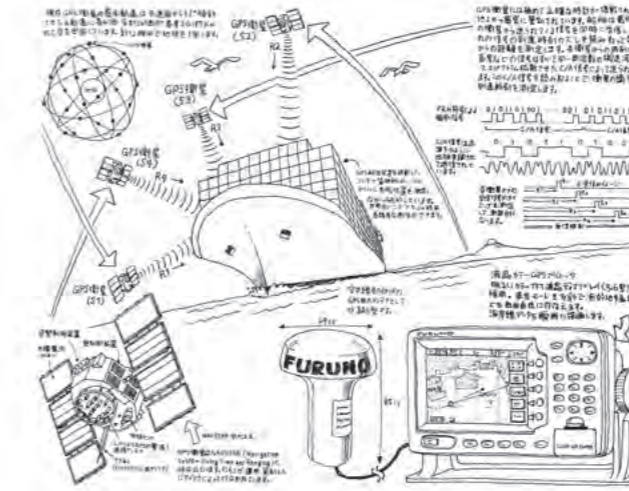
1 Underwater Acoustics

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.



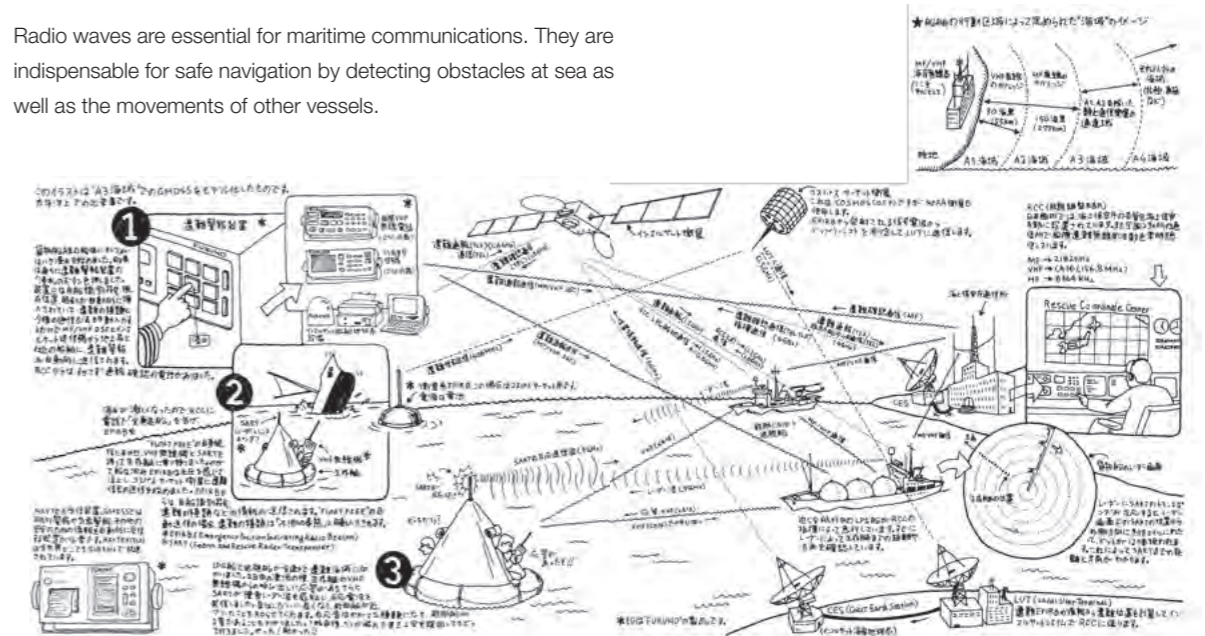
2 Satellite Positioning

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.

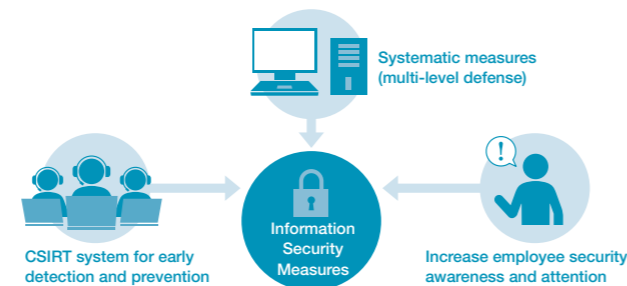
Security Trade Control

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

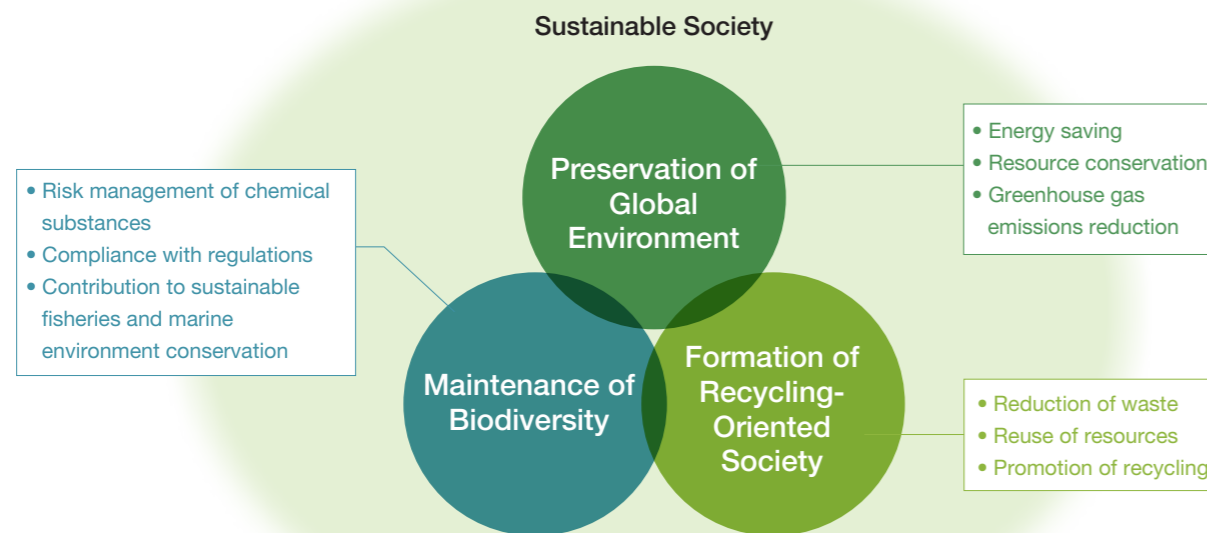
To raise employees’ awareness of human rights, we conduct e-learning for all employees and human rights training for new employees and managers. In addition, in December 2022, we newly established the “FURUNO Group Anti-Harassment Policy.” FURUNO

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.

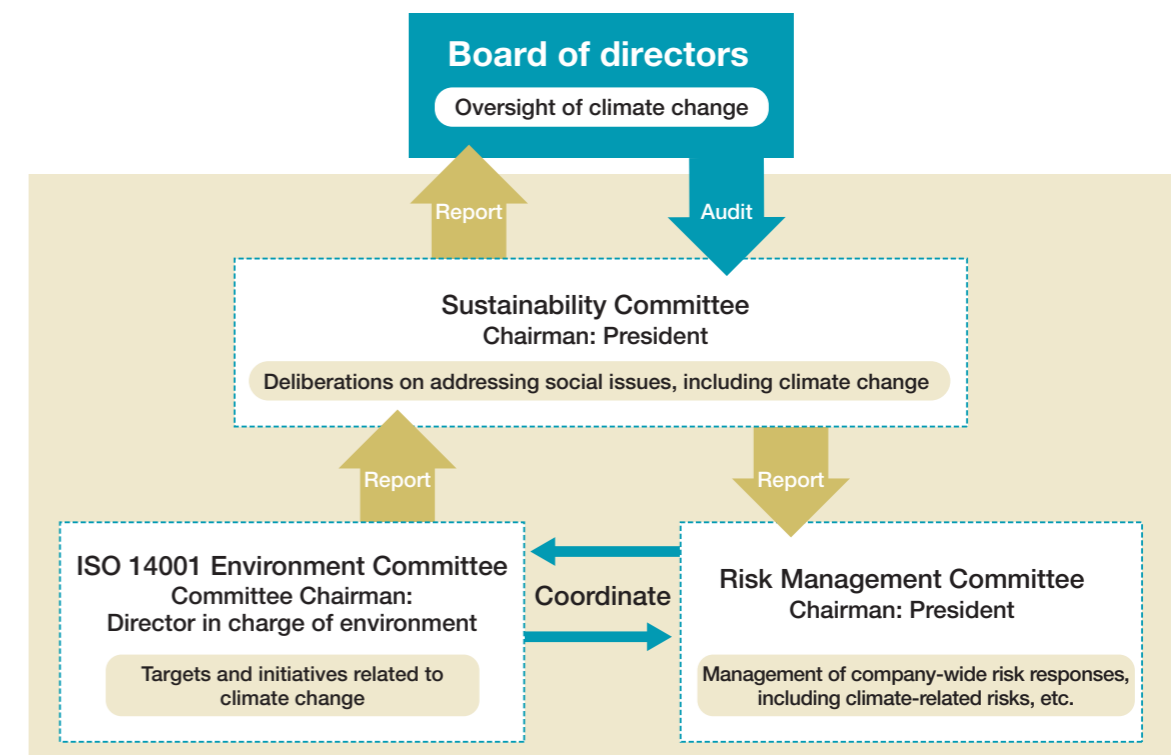
Governance

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.

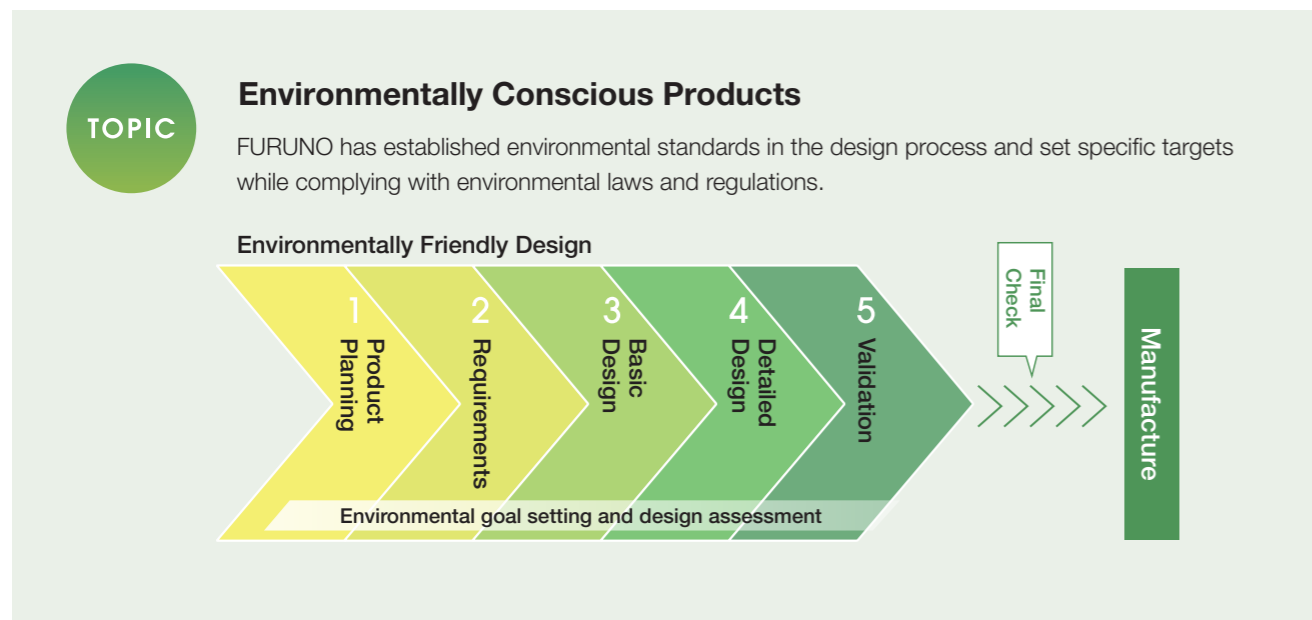
It is expected that substantial action will be taken, as the Ship Recycling Regulations with the equivalent content of the Convention began to be applied in the EU in December 2018.

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.

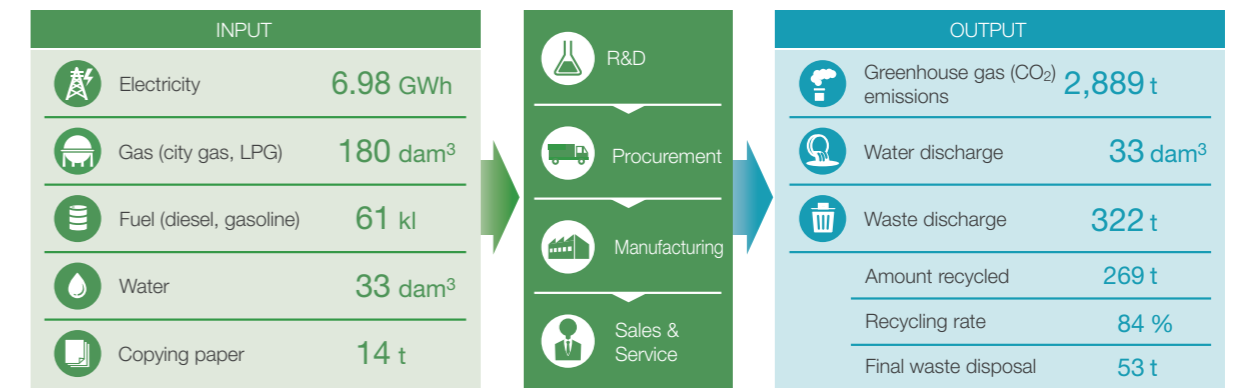
*The GHS (Globally Harmonized System of Classification and Labelling of Chemicals) is a set of rules that harmonize the classification criteria and the content of labels and safety data sheets for each hazardous property of chemical products.



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.

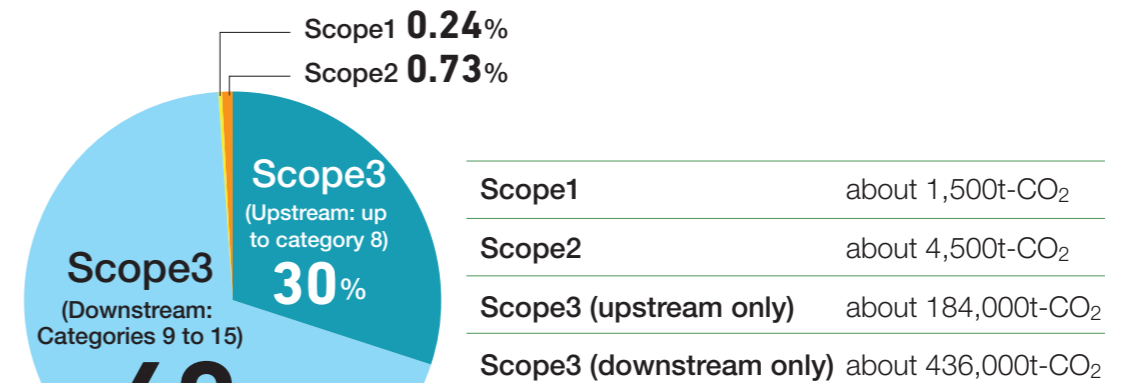


*Total includes headquarters (Nishinomiya), Miki factory, Furuno INT Center
 *Period: March 1, 2023 - February 29, 2024

CO₂ emissions (t-CO₂)

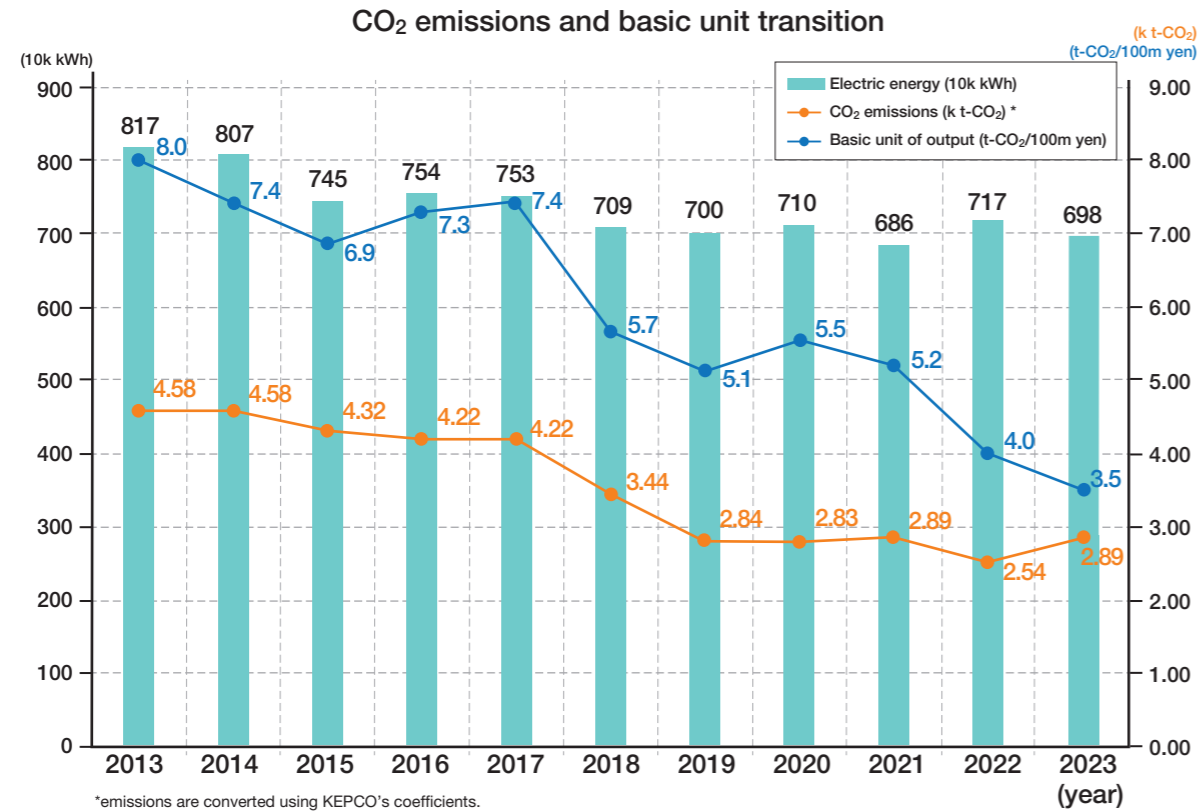
Approximate CO₂ emissions in accordance with GHG Protocol Guidance, FY2022

CO₂ emissions (t-CO₂)



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

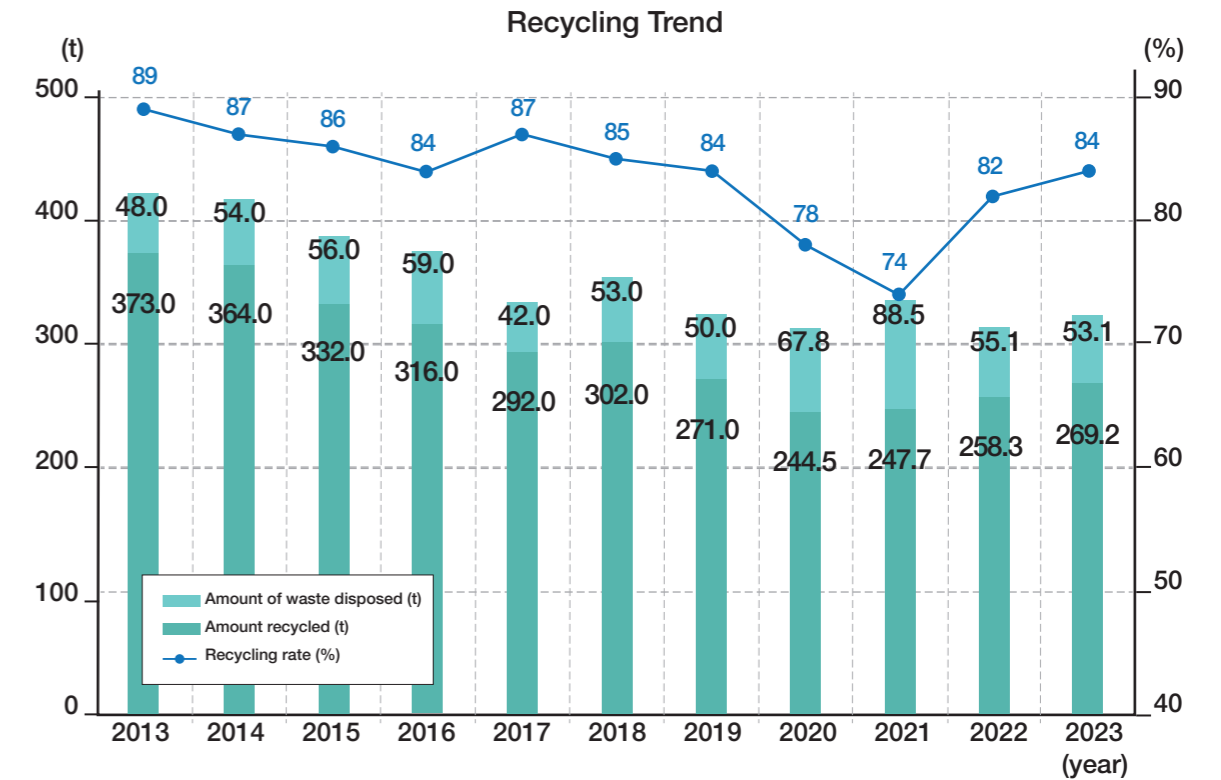
FY2019	about 120,000 t-CO ₂
FY2020	about 120,000 t-CO ₂
FY2021	about 140,000 t-CO ₂
FY2022	about 180,000 t-CO ₂
FY2023	about 180,000 t-CO ₂

*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.



05

Together with Society With the local community

Taking the Sea to the Future



As a company born from and nurtured by the Sea, we are committed to securing its future. By revealing the countless treasures of the Sea, we aim to foster a love for it. This love will inspire us to protect it. If everyone contributes in their own way, the Sea and its life will be safeguarded, ensuring a bright future for all. This is "Umi Wo Mirai Ni Project," a project to take the Sea to the Future.

Official Ambassador of FURUNO "Kawa-Chan, the Fish Aficionado"

Since August 2023, we have appointed Kawa-Chan, the Fish Aficionado as our official ambassador to convey the charm and fun of the ocean to children under the theme "If children love fish, the future of the ocean will be enriched."

I inspire children to love fish by telling them about the fascination of fish on TV and radio, and by drawing picture books and singing songs. I tell them the importance of the ocean to preserve for future generations. Together with FURUNO, I will help to protect the ocean for the future.

Kawa-Chan, the Fish Aficionado ▶



Environmental learning event for elementary school



Hankyu Nishinomiya Gardens 15th event



Community event at Nishinomiya Shrine

SPOGOMI(Sport×Trash) WORLD CUP Hyogo Stage

We sponsored the SPOGOMI World Cup Hyogo Stage organized by the Nippon Foundation. While it is Furuno's mission to solve ocean issues from a larger perspective

as a corporate activity, we also want every one of our employees to work positively on ocean issues.



Cleanup of Nishinomiya beach area with about 100 participants



Two teams from FURUNO



Trash sorting is also done by each team

Ocean Infographic Contest –Supporting Elementary School Students' Research–

We want children to know more about the ocean and we want to think about solving ocean issues together with them. With this in mind, we are sponsoring the "Ocean Infographic Contest" organized by the Sea and

Japan Project in Tokyo. In this contest, art students create infographics from elementary school students' free research on the oceans.



Furuno Electric Award



Recipients of the Furuno Electric Award



Furuno Electric Award Infographic Poster

Children's Cafeteria - Utilizing Furuno's network, we will provide children with the fascination of fish.

Furuno, which has offices across Japan and has deep ties with people involved in the fishing industry, has begun supporting children's cafeterias with the motto of "bringing smiles to the faces of both people involved in the fishing industry and children."



Cooperating aquaculture supplier and FURUNO's employees

Our fisheries-related support site



Web site to introduce fishermen to potential business partners

We have created a place to introduce our customers throughout Japan with whom we have business relationships and the attractive marine products handled there.

Cleanup activities by FURUNO Group

FURUNO Group is involved in activities to protect oceans around the world.

Japan Trash picking×jogging “plogging”

Volunteer members of Furuno have been working together since May 2022. We are working on a new kind of SDGs sport.



Greece Beach Cleanup by FURUNO in Greece

In November 2023, FURUNO HELLAS S.A. cooperated in a cleanup at MegaloKavouri beach, collecting the data of trash types along the beach.



France Beach Cleanup by FURUNO in France

FURUNO FRANCE S.A.S. partnered with “Wings of the Ocean” to provide FURUNO’s equipment to vessels used in marine environmental protection activities, and also conducted a cleanup at Arcachon beach.

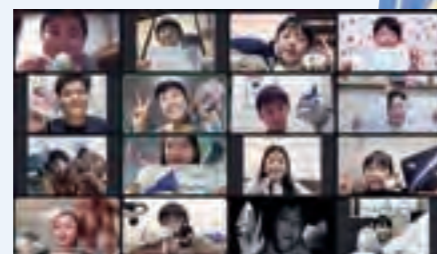


Fish Online School

In this school, we hope children

- to have confidence in their “interest”
- to tell about their “interest” to other people
- to learn how and what to do about it

We are holding a special school for children to make friends who share the same “interest” for fish with our official ambassador, “Kawa-Chan, the Fish-Aficionado.”



For Those who Take on Challenges

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 enables him to monitor his voyage in real time.



Kenichi Horie

Support of the round-the-world challenge: MILAI 101

FURUNO supported Team MILAI, which participated in the “GLOBE40,” 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 and sail around the world. The race started in June 2022 from Tangier, Morocco, and return to the starting point after eight legs (total distance of about 55,560 km).



Sponsorship of student yacht competitions

We are sponsoring “All Japan Student Yacht Championship,” “Hyogo Junior Open Championship”

and “Umi no Koshien.” We consider it our mission to support the continuation of these events.



All Japan Student Yacht Championship



Hyogo Junior Open Championship



Umi no Koshien

Supporting the Next Generation

“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.



Children and employees in the role of lecturers



Measuring fish size using the latest systems



Online interviews with fishermen

“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)

Cooperation with high schools

Since FY2023, FURUNO has been working with Nishinomiya High School and Nishinomiya East High School to support the development of human resources in the science field. At Nishinomiya High

School, we provide advices based on our corporate expertise. At the Nishinomiya East High School, we cooperate with students to improve their spirit of inquiry.



Nishinomiya High School students: Discussion at FURUNO’s Headquarter SOUTH WING



Nishinomiya East High School: Inquiry activity presentation at FURUNO’s Headquarter SOUTH WING



With the Local Community

Cooperation with companies “Tanoshimiya Nishinomiya Festival”

In April, FURUNO participated as a co-sponsor in the “Tanoshimiya Nishinomiya Festival” organized by Hanshin Engai Co., Ltd. This event was positioned as a pre-project to commemorate the 100th anniversary of

Nishinomiya City’s municipal organization in 2025, and various events related to “sports,” “food,” and “environment” were held.



Children cheerfully answering difficult questions



The one and only original eco-bag in the world



About 50 management members

“Umaimon-Marche” connects people

“Umaimon-Marche” started in January 2022 in front of the SOUTH WING. Not only our employees but also local residents visit the event. Our goal is to provide an

opportunity for as many people as possible to interact with each other.



People gather for the Food Truck



The view with Food Trucks in front of SOUTH WING



Fresh vegetables for sale

Music event by employees

The Music Club, consisting of employees, was founded in 1968. The club aims to “contribute to the community through music” and aims to be loved by residents, by holding events and serving as the executive committee for events held in the local Nishinomiya area.



Concert at Hankyu Nishinomiya Gardens

Profit and Loss (millions of yen)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Millions of Dollars*1
Net sales	75,666	85,966	89,720	78,674	79,050	82,108	83,066	82,255	84,783	91,325	114,850	818
Operating income	1,492	1,799	2,911	1,534	1,992	4,771	2,411	3,740	2,532	1,523	6,519	46
Ordinary income	2,396	2,840	3,362	1,458	1,857	5,112	2,702	4,779	3,717	2,593	8,169	58
Net income attributable to owners of the parent	(660)	(909)	2,624	1,262	1,236	4,026	2,041	3,946	2,814	1,348	6,238	44
Financial condition (millions of yen)												
Total assets	80,074	83,795	78,464	75,724	76,773	79,223	76,133	82,248	85,973	106,396	114,370	815
Interest-bearing debt	15,477	13,663	16,736	14,881	13,706	12,982	9,906	9,956	9,602	19,317	17,417	124
Net assets	38,011	37,305	36,581	36,321	38,559	41,539	42,244	45,692	47,880	52,503	61,434	438
Cash Flow (millions of yen)												
Cash flows from operating activities	1,209	2,913	1,258	6,417	5,142	4,903	8,041	8,512	6,193	(6,492)	2,713	19
Cash flows from investing activities	(2,793)	(3,974)	(2,612)	(4,152)	(3,404)	(2,912)	(3,175)	(4,553)	(4,389)	(3,027)	(3,589)	(26)
Cash flows from financing activities	3,229	(2,227)	2,811	(2,201)	(1,542)	(1,251)	(4,194)	(850)	(3,518)	8,263	(3,557)	(25)
Per Share Data (yen)												
Net income	(20.9)	(28.9)	83.3	40.1	39.3	127.8	64.8	125.2	89.2	42.7	197.6	1.4
Dividend	8.0	8.0	10.0	8.0	10.0	25.0	20.0	40.0	40.0	25.0	60.0	0.4
Net assets	1,163.5	1,169.7	1,148.2	1,141.8	1,212.3	1,307.2	1,330.5	1,438.9	1,518.0	1,651.0	1,932.3	13.8
Key Financial Indicators (%)												
Operating income to net sales ratio	2.0	2.1	3.2	1.9	2.5	5.8	2.9	4.5	3.0	1.7	5.7	
Return on equity	(1.9)	(2.5)	7.2	3.5	3.3	10.1	4.9	9.0	6.0	2.7	11.0	
Equity ratio	45.8	44.0	46.1	47.5	49.8	52.0	55.1	55.1	55.7	49.0	53.4	
R&D, Capital Expenditures and Depreciation (millions of yen)												
R&D investment costs	5,237	4,539	4,786	4,253	4,470	4,707	4,266	5,303	5,458	5,694	5,987	43
Capital expenditure	2,649	3,060	3,521	3,863	3,036	2,595	3,245	4,235	4,670	2,207	3,350	24
Depreciation and amortization	2,038	2,586	2,721	2,924	3,225	3,093	3,246	3,160	3,161	3,061	3,413	24

Non-Financial Data	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Consolidated number of employees (people)	2,815	2,930	2,905	2,894	2,920	2,957	2,926	2,978	3,065	3,310	3,356
Non-consolidated number of employees (people)	1,695	1,745	1,740	1,731	1,713	1,712	1,729	1,722	1,765	1,794	1,927
Non-consolidated percentage of female employees (%)	27.8	28.4	28.4	28.5	28.9	29.1	28.7	28.5	28.8	28.8	28.6
Non-consolidated percentage of female managers (%)	1.8	1.8	2.0	2.4	2.1	3.1	3.0	2.9	3.3	4.4	4.2
Number of directors (outside directors)	10 (0)	11 (1)	12 (2)	12 (2)	11 (2)	11 (2)	10 (2)	10 (2)	6 (2)	6 (2)	7 (3)
Number of auditors (outside auditors)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)	3 (2)
Consolidated number of patents	670	763	849	1,020	1,185	1,198	1,190	1,232	1,302	1,313	1,302
CO ₂ emissions from main locations*2 (1,000 t-CO ₂)	4.6	4.6	4.3	4.2	4.2	3.4	2.8	2.8	2.9	2.5	2.9
Total amount of waste generated from main locations*2 (t)	373	364	332	316	375	355	321	312	336	313	322

*1: Average exchange rate for FY 2022: \$1 = ¥140.32 *2: Scope: Head Office (Nishinomiya), Miki Factory, INT Center

Financial Statements

[Consolidated Balance Sheets]

(Unit: Millions of yen)

	FY2022	FY2023
Assets		
Current assets		
Cash on hand and in banks	15,376	11,786
Notes, accounts receivable and contract assets	21,537	24,621
Electronically recorded monetary claim	1,076	1,054
Merchandise and finished goods	19,705	26,979
Work in progress	4,229	3,624
Raw materials and supplies	16,759	15,483
Others	3,872	3,104
Allowance for doubtful accounts	(277)	(369)
Total current assets	82,280	86,285
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	6,895	6,904
Machinery and vehicles (net)	897	925
Land	3,596	3,639
Construction in progress	95	263
Others (net)	2,428	3,018
Total tangible fixed assets	13,914	14,751
Intangible assets		
Goodwill	819	1,047
Software	3,121	3,719
Others	93	135
Total intangible assets	4,034	4,902
Investments and other assets		
Investments in securities	3,087	4,101
Assets related to retirement benefits	1,100	1,685
Deferred tax assets	412	1,300
Others	1,584	1,359
Allowance for doubtful accounts	(17)	(15)
Total investments and other assets	6,167	8,432
Total fixed assets	24,116	28,085
Total assets	106,396	114,370

(Unit: Millions of yen)

	FY2022	FY2023
Liabilities		
Current liabilities		
Notes and accounts payable trade	6,435	5,582
Electronically recorded monetary obligations	9,693	9,011
Short-term borrowings	8,009	6,001
Current portion of long-term borrowings	202	3,208
Accrued income taxes	912	2,610
Contract liabilities	2,756	2,483
Accrued bonuses	2,193	2,696
Allowance for product warranties	872	830
Others	6,448	6,961
Total current liabilities	37,525	39,385
Long-term liabilities		
Long-term borrowings	11,106	8,207
Deferred tax liabilities	363	205
Liabilities for retirement benefits	3,154	3,211
Others	1,744	1,925
Total long-term liabilities	16,368	13,550
Total liabilities	53,893	52,935
Net assets		
Shareholders' equity		
Common stock	7,534	7,534
Capital surplus	9,289	9,304
Retained earnings	33,375	38,508
Treasury stock	(175)	(162)
Total shareholders' equity	50,023	55,184
Total accumulated other comprehensive income		
Net unrealized gain or loss on securities, net of tax	975	1,638
Cumulative translation adjustments	1,974	4,546
Accumulated adjustments for retirement benefits	(860)	(328)
Total accumulated other comprehensive income	2,089	5,856
Non-controlling interests	389	393
Total net assets	52,503	61,434
Total liabilities and net assets	106,396	114,370

[Consolidated Income Statement]

(Unit: Millions of yen)

	FY2022	FY2023
Net sales	91,325	114,850
Cost of sales	56,947	72,255
Gross profit	34,377	42,594
Selling, general and administrative expenses	32,853	36,075
Operating income	1,523	6,519
Non-operating income		
Interest income	54	104
Dividend income	125	147
Equity gains of affiliated companies	86	98
Exchange gain	366	621
Subsidy income	228	514
Others	401	390
Total	1,263	1,878
Non-operating expenses		
Interest expense	104	132
Loss on retirement of fixed assets	18	12
Fire loss	—	25
Others	70	57
Total	193	228
Ordinary income	2,593	8,169
Special gains		
Gain from sale of fixed asset	12	30
Others	1	1
Total	13	32
Special losses		
Loss on sales of shares of subsidiaries	86	-
Loss from sale of fixed asset	2	7
Loss on redemption of investment securities	43	7
Impairment Loss	24	12
Others	6	3
Total	163	31
Net income before income taxes	2,443	8,170
Income taxes-current	1,496	3,469
Income taxes-deferred	(469)	(1,528)
Total	1,027	1,940
Net income	1,416	6,229
Profit attributable to non-controlling interests	67	(9)
Net income attributable to owners of the parent	1,348	6,238

[Consolidated Comprehensive Income Statement]

(Unit: Millions of yen)

	FY2022	FY2023
Net income	1,416	6,229
Other comprehensive income		
Net unrealized gain or loss on securities	321	662
Cumulative translation adjustments	3,064	2,562
Adjustments for retirement benefits	(460)	532
Share of other comprehensive income of entities accounted for using equity method	45	23
Total other comprehensive income	2,970	3,780
Comprehensive income	4,386	10,009
Comprehensive income attributable to		
Owners of the parent	4,282	10,005
Non-controlling interests	104	4

[Consolidated Cash Flow Statement]

(Unit: Millions of yen)

	FY2022	FY2023
Cash flow from operating activities		
Net income before income taxes	2,443	8,170
Depreciation and amortization	3,061	3,413
Impairment loss	24	12
Increase (decrease) in allowance for doubtful accounts	(18)	51
Increase (decrease) in accrued bonuses	91	434
Increase (decrease) in liabilities for retirement benefits for employees	1	144
Increase (decrease) in assets for retirement benefits for employees	(61)	44
Increase (decrease) in allowance for product warranties	(238)	(60)
Interest and dividend income	(180)	(251)
Interest expenses	104	132
Decrease (increase) in accounts receivable trade and contract assets	(1,769)	(1,616)
Decrease (increase) in inventories	(13,155)	(3,678)
Decrease (increase) in notes and accounts payable - trade	2,507	(2,510)
Decrease (increase) in arrears payable	(43)	(595)
Decrease (increase) in accrued expenses	53	566
Decrease (increase) in consumption taxes receivable	(109)	154
Decrease (increase) in contract liabilities	464	(393)
Decrease (increase) in paid-in transactions related liabilities	712	(407)
Others	234	746
Subtotal	(5,879)	4,358
Interests and dividends received	238	309
Interests paid	(86)	(65)
Income taxes paid or refunded	(765)	(1,889)
Net cash provided by operating activities	(6,492)	2,713
Cash flows from investing activities		
Payments into time deposits	(100)	(43)
Proceeds from withdrawal of time deposits	76	131
Payments for acquisition of tangible fixed assets	(1,616)	(1,678)
Proceeds from sales of tangible fixed assets	23	35
Payments for acquisition of intangible assets	(963)	(1,672)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(191)	-
Others	(253)	(361)
Cash flow from investing activities	(3,027)	(3,589)
Cash flow from financing activities		
Net (decrease) increase in short-term borrowings	8,007	(2,008)
Proceeds from long-term borrowings	3,000	300
Repayments of long-term borrowings	(1,308)	(210)
Dividends paid by parent company	(946)	(1,105)
Repayment of lease obligations	(420)	(527)
Others	(68)	(5)
Cash flow from financing activities	8,263	(3,557)
Effect of exchange rate change on cash and cash equivalents	1,397	909
Net change in cash and cash equivalents	141	(3,524)
Cash and cash equivalents at beginning of year	13,864	14,683
Increase in cash and cash equivalents from newly consolidated subsidiary	575	-
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	102	-
Cash and cash equivalents at end of year	14,683	11,158

Corporate Profile as of February 29, 2024

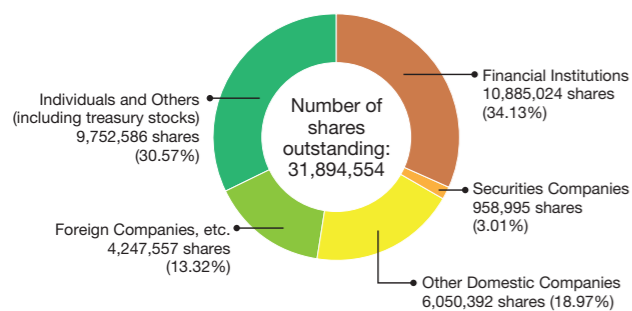
Corporate Outline

Company Name	FURUNO ELECTRIC CO., LTD.
Incorporated	March 23, 1951
Headquarters	9-52 Ashihara-cho, Nishinomiya City, Hyogo. 662-8580, Japan
Capital	7,534 million yen
Number of Companies	Consolidated Subsidiaries 35 Unconsolidated Subsidiaries 1 Affiliated Companies 2
Number of Employees	Consolidated: 3,356 Non-consolidated 1,927

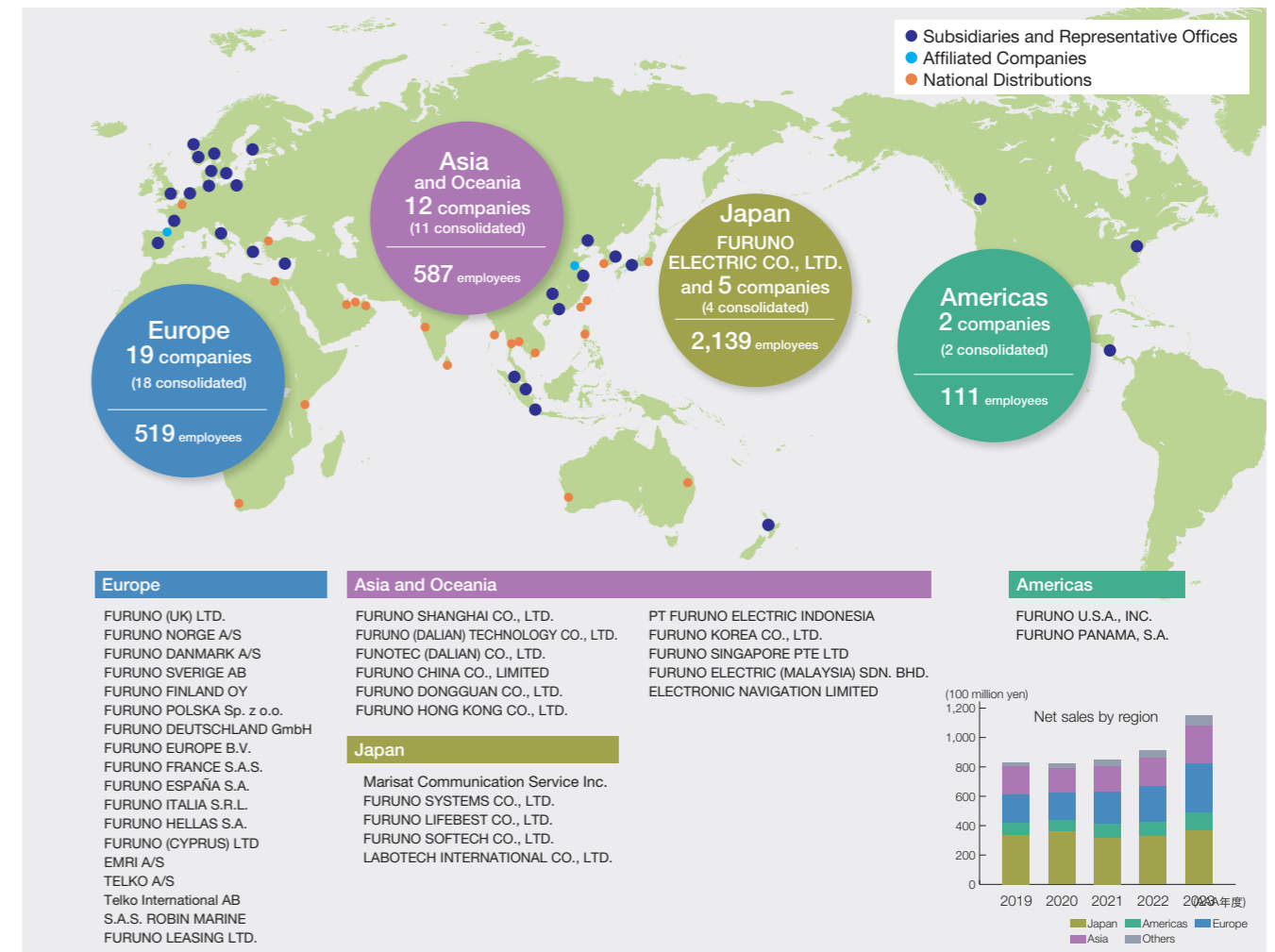
Stock Information as of February 29, 2024

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: 306,209 shares
 Number of shareholders: 9,018 shareholders

Shareholders	Number of shares held (Thousands of shares)	Shareholding ratio (%)
Furuno Kosan Co., Ltd.	4,186	13.25
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,447	10.91
Custody Bank of Japan, Ltd. (Trust Account)	1,665	5.27
Furuno Electric Business Partner Shareholding Association	1,078	3.41
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
SMBC Nikko Securities Inc.	458	1.45



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 and 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 Greece, one of the largest shipping industries in the world.