

 **CEO MESSAGE**

# To Continue to Serve Our Customers Now and Beyond

## A company exists to serve society

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

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

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

the starting point of the strength in our business model.

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

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

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

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

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

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

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



**Yukio Furuno**  
President and CEO

## Mid-term Management Plan for Future Growth

### Review of Phase 1

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



### Initiatives for Phase 2

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

## Management Principles

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

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

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

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

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

## FURUNO's Sustainable Management

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

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



## Action Guidelines

### Face the future

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

### Strive to be the best

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

### Be persistently original

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

### Be sincere

We engage with society with utmost sincerity.

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

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

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

## DX Initiatives in the Marine Field

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

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

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

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

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