

Foundation for Growth

Product Quality

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

Approach to Quality

In 1948, FURUNO pioneered the world's first commercial fish finder, transforming the fishing industry from one based on intuition to one driven by technology. Since then, we have contributed to its modernization and growth. We are committed to delivering quality that satisfies our customers by creating products that meet their expectations. Guided by our Basic Quality Policy, we aim to provide trusted products and services, and to remain a company valued by society.

Basic Quality Policy

"Product quality" is created based on the "quality of commitment to work," and these qualities serve for acquiring the "reliability" and "satisfaction" of customers.

Maintain and Improve Product Quality

FURUNO develops annual quality improvement plans across divisions, focusing on market, design, and manufacturing quality. Progress is reviewed biannually in company-wide meetings to ensure alignment and management oversight. We offer internal training on quality basics, design, and management practices, and hold lectures for leadership. We also collaborate with partners through joint seminars to promote shared quality improvement.



Training scene at our factory in Miki

Initiatives for Product Safety and Cybersecurity

We are dedicated to ensuring product safety so that our customers can use our products and services with confidence. We will continue to uphold safety standards across the entire product lifecycle. We are strengthening cybersecurity measures in response to evolving regulations. By establishing internal rules based

on our Basic Policy on Product Cybersecurity, we aim to enhance resilience against cyberattacks and build a system for swift incident response and recovery. To continuously improve product safety and cybersecurity, we hold biannual committee meetings to promote cross-departmental sharing and collaboration.

Governance Report

Basic Policy

FURUNO's management basis is to continuously improve corporate value to meet the expectations and trust of all

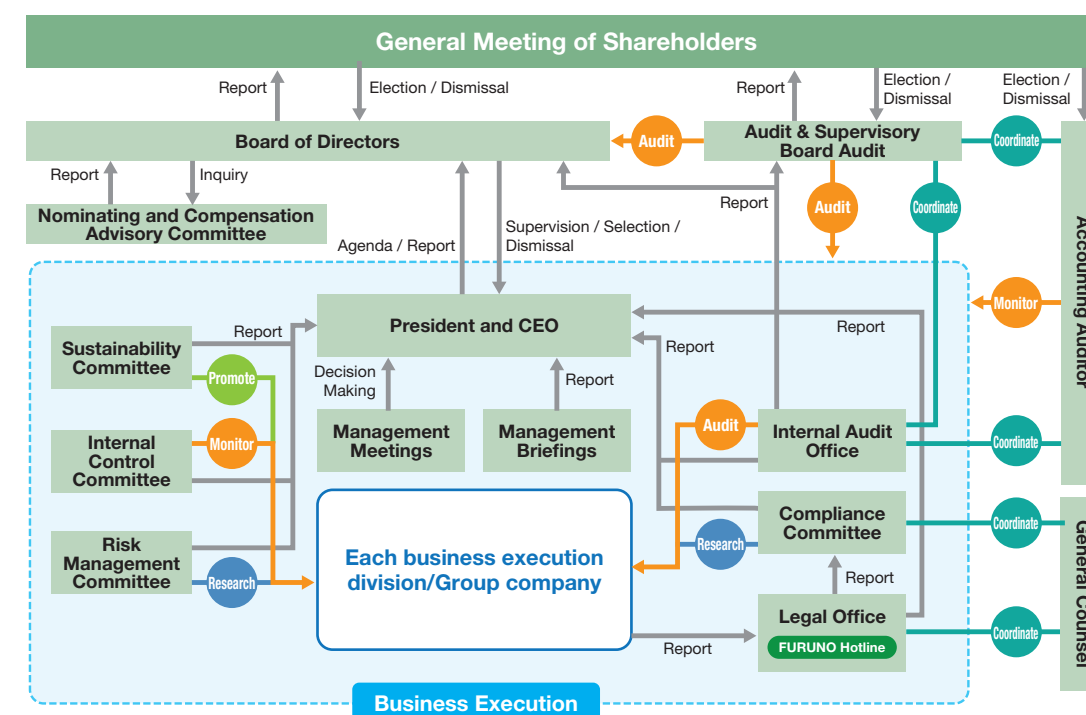
stakeholders, pursuing legality, appropriateness, and efficiency in its management activities.

Corporate Governance Structure

FURUNO has established a voluntary Nomination and Compensation Advisory Committee and Compliance Committee and is working to avoid risks and prevent misconduct by building an organizational structure that

allows governance to function. FURUNO is also strengthening its system by separating management and execution, focusing on the decision-making and supervisory functions of the Board of Directors.

Corporate Governance Structure (as of May 31, 2025)



Progress in Governance Enhancement Initiatives

May	2011	The term of office for directors was shortened from two years to one year
May	2011	The Articles of Incorporation were amended to allow the company to enter into liability limitation agreements with outside directors and outside auditors
May	2015	Appointed one outside director, Takao Terayama
May	2016	Appointed two outside directors: Takao Terayama and Hideo Higuchi
May	2016	Submission of Corporate Governance Report
January	2017	Implementation of Board Effectiveness Evaluation Survey *Outsourced to a third-party organization
February	2019	Implementation of Board Effectiveness Evaluation Survey *Started in-house implementation
April	2019	Establishment of the Nomination and Remuneration Advisory Committee
May	2020	Appointed two outside directors: Hideo Higuchi and Shingo Kagawa
May	2020	Introduction of Restricted Stock Compensation Plan for Directors (excluding Outside Directors)
March	2021	Introduction of Executive Officer System
March	2021	Expansion of the stock-based compensation plan to include executive officers
May	2024	Appointed three outside directors: Hideo Higuchi, Shingo Kagawa and Masako Kubo Note: Appointment of our first female director

Changes in the Number of Directors, Auditors and Executive Officers

	Directors	External Directors	Auditors	External Auditors	Executive Officers
2011					
2012					
2013					
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					

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	○		◎		○

Effectiveness of the Board of Directors and Audits by Corporate Auditors

Effectiveness of the Board of Directors

In evaluating the effectiveness of the Board of Directors in FY2024, we conducted our own survey of directors and auditors. Each provided their views on the performance of the Board and its efforts to address issues identified in the previous year, based on their respective responsibilities and roles. The survey confirmed improved awareness and constructive discussions; Board effectiveness is maintained. Directors will apply the PDCA cycle to address management issues. The Board will continue discussions on issues identified through the survey, including strengthening group governance of overseas subsidiaries.

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.

Executives' Compensation

Basic Policy on Directors' Remuneration

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

Compensation Composition

Remuneration	Directors		Auditors	Compensation Overview
	Inside	Outside		
Fixed	○	○	○	• Amount within framework approved at Shareholders Meeting • Monthly remuneration based on position and responsibility
Performance-based	○	×	×	• 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	○	×	×	• 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

	FY2020	FY2021	FY2022	FY2023	FY2024
Board of Directors					
Board meetings	12	12	13	13	12
Attendance rate	91.7	100.0	92.0	94.9	99.1
Average years in office	10.8	13.2	14.2	14.3	10.6
Audit & Supervisory Board					
Auditors' meetings	14	14	14	14	14
Attendance rate	97.6	100.0	100.0	100.0	97.6
Nominating and Compensation Advisory Committee					
Members	6	6	6	6	6
Directors' remuneration (millions of yen)	232	235	234	210	253
Auditors' remuneration (millions of yen)	39	39	38	35	35
Cross-shareholdings (number of stocks)					
Unlisted stocks	8	8	9	9	0
Stocks other than unlisted stocks	14	12	12	12	12

Compliance

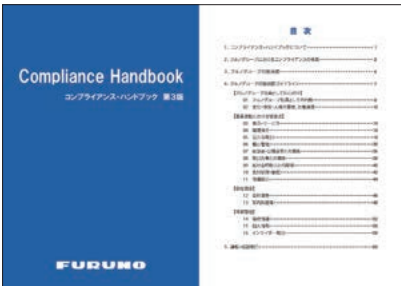
The Compliance Committee, chaired by the President and including outside members (lawyers), has been established, and the “FURUNO Group Code of Conduct” is our ethical standard.

Compliance education and awareness

We promote compliance awareness through various training programs by level and theme, including e-learning. All employees receive a “Compliance Handbook” that outlines the FURUNO Group Code of Conduct and guidelines. English and Chinese versions are also provided for overseas staff.

Every October, the FURUNO Group designates a “Compliance Awareness Month,” featuring a message from the president, awareness posters, and broadcasts of

the Compliance Handbook. We also regularly share compliance topics with domestic and overseas employees and encourage open discussions through workplace study sessions to maintain high compliance awareness.



Compliance Handbook in Chinese

Communication with Capital Markets

We actively engage in IR and SR to support sustainable growth and enhance corporate value. Our IR efforts include semiannual financial briefings led by top executives, with open Q&A sessions to foster mutual

understanding. A dedicated IR team ensures timely communication. For SR, executives maintain ongoing dialogue with major shareholders to support long-term value creation.

Main activities in FY2024

Opportunities for dialogue	IR/SR activities	- Individual meetings with institutional investors (199 times) - Small meetings (4 times) - Factory tour for individual shareholders (1 time) - Shareholder survey (1 time)
Information provision	Financial results briefing	- Hybrid events (on-site and online, 2 times) - Publication of transcripts of financial results briefing and Q&As on website
	Annual general shareholders meeting	Exhibition space tour (40 participants)
Disclosure	IR	- Semiannual report - Securities report - Financial results and briefing materials (Japanese/English) - Timely disclosure materials (Japanese/English) - Integrated report (Japanese/English)
	SR	Shareholder newsletter (2 times)

Factory Tour for Individual Shareholders

In September 2024, we held a Shareholder Factory Tour to deepen understanding of our company. From over 200 applicants, 38 participants were selected by lottery. The event provided an opportunity to learn about our operations and gather direct feedback from shareholders.



Tour Schedule

1. Company and factory overview

Participants watched an introductory video and received an explanation of the Miki Factory, one of the world's largest production facilities for marine equipment.

2. Factory tour

Attendees observed the manufacturing process of marine equipment, including component assembly, inspection, and quality control practices.

3. Q&A session

Shareholders shared valuable questions and feedback on topics such as business operations, company strengths, and community contributions. Directors and executive officers attended and responded directly to the inquiries.

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.



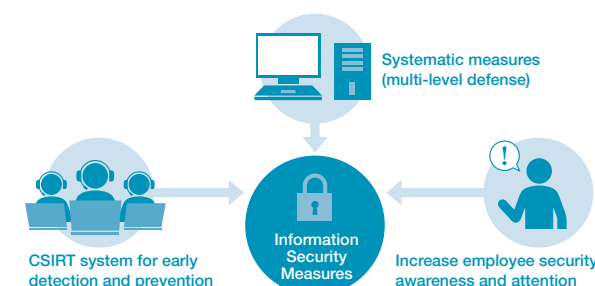
Security Trade Control

We have established a 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; 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 (current)

External Directors



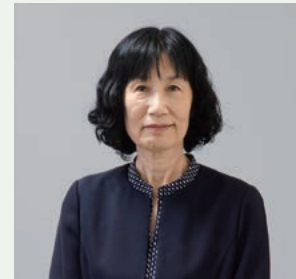
Hideo Higuchi
External Director

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)



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

June. 2011 Director, OMRON PERSONNEL SERVICE Co., Ltd.
April. 2015 President and CEO
April. 2018 Executive Officer, OMRON Corporation
April. 2018 President, OMRON EXPERTLINK Co., Ltd.
April. 2022 Program-Specific Professor, The Research Center of Community Partnerships, Kyoto Women's University (current)
June. 2022 Outside Director, NITTO KOGYO CORPORATION (current)
June. 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.



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

Roundtable Discussion among Outside Members of the Managing Board

In FY2024, FURUNO achieved significant milestones, including reaching the financial targets of its corporate vision “NAVI NEXT 2030,” six years ahead of schedule. At the same time, challenges for further growth became evident. In this roundtable, three outside directors shared their perspectives on key boardroom priorities, FURUNO’s strengths, and future growth strategies.

As an outside director, what were the key points you focused on during the FY2024 Board of Directors meetings?

Higuchi: I focused on three main areas:

- Strengthening management and global governance
- Bold and fast decision-making and execution
- Greater emphasis on stakeholders

Currently, I believe the level of decision-making and execution in these areas is still in progress. Given FURUNO’s technological capabilities, market position, and favorable conditions, I see significant potential to further enhance corporate value.



Kagawa: I focused on fostering a culture that balances tradition and innovation. FURUNO must leverage its R&D strengths while responding quickly to societal changes. Strategic organization by function and region has delivered results, but company-wide optimization, such as in supply chain

management, is essential for further growth. FURUNO tends to be cautious about transformation, even when it understands what needs to be addressed. This is why I believe it is important for outside directors to continuously provide recommendations and support the company’s efforts toward change.

Kubo: I have focused on the enhancement of human capital. I pay close attention to whether the company’s talent strategy is clearly aligned with its Mid-term Management Plan, and whether initiatives—such as promoting diversity and inclusion—are effectively implemented and understood throughout the organization. This approach extends beyond HR to other key areas such as inventory management and global governance.

One of the major challenges lies in reviewing the current HR systems, including evaluation and compensation frameworks. In the context of increasing workforce mobility, it is crucial to create an environment where employees feel motivated and empowered, while also attracting top talent externally.

FURUNO achieved the financial targets of its corporate vision “NAVI NEXT 2030” six years ahead of schedule. How do you evaluate this result?

Higuchi: The marine business benefited from past strategic efforts, favorable market conditions, and a weak yen. Lifecycle support services also contributed significantly. However, I

believe there is still room to improve profitability and investment decisions, including those related to human capital.

Kagawa: I agree. While currency trends were favorable, the steady development of products and early strengthening of global sales capabilities enabled FURUNO to capture post-pandemic market growth. To maintain this momentum, clear strategic planning and swift execution of reforms are essential.



Kubo: FURUNO’s long-standing commitment to safe and secure navigation has led to the accumulation of valuable technologies and data, which now underpin its competitive edge in global markets. I expect further growth through initiatives such as “Marine DX.” In addition, consistent branding and communication of corporate values—through public relations materials, product information, and even posters—help convey the company’s philosophy and build stakeholder trust. These efforts contribute to a broader understanding and empathy, which I believe are important drivers of growth.

From an external perspective, what are FURUNO’s strengths, and what is needed for the company to achieve further growth?

Kagawa: To achieve further growth, FURUNO must address both long-term and short-term

challenges. In the long term, the company should proactively transform its business to create new value, while fostering a corporate culture that prioritizes human capital development. In the short term, expanding service-oriented business models and strengthening global infrastructure are essential. These efforts require close regional collaboration and the establishment of robust global governance.

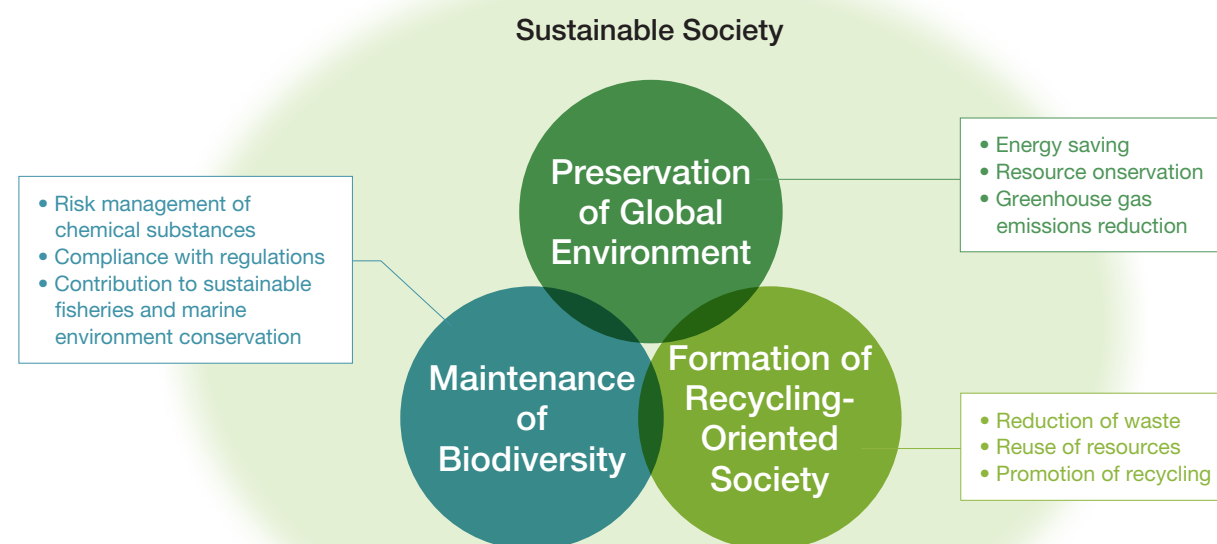
Kubo: Human capital remains a key focus. It is important not only to disclose engagement survey results but also to act on the insights and communicate how management is responding. Promoting “career autonomy” will empower employees and support sustainable growth. Sharing this mindset across the organization will help build a culture of continuous development and challenge.



Higuchi: FURUNO’s strengths lie in its advanced technology, global market leadership, and customer-centric culture. However, further growth will require a shift toward a more agile and bold management approach. In terms of market strategy, it is essential to shift toward solution-oriented proposals that reflect overall optimization and respond swiftly to societal changes. For organizational management, setting more ambitious goals and steadily working toward them will be the key.

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 decided to launch the FURUNO Carbon Neutral Program, which aims 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

We have been promoting environmentally conscious design and 3R-focused operations as part of our efforts to realize a circular society. As global regulations related to the circular economy continue to evolve, we recognize the need to align with these standards.

Advancing this initiative is expected to contribute to our FURUNO Carbon Neutral Program for global environmental conservation, and we will begin actively promoting it from fiscal year 2025.

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."

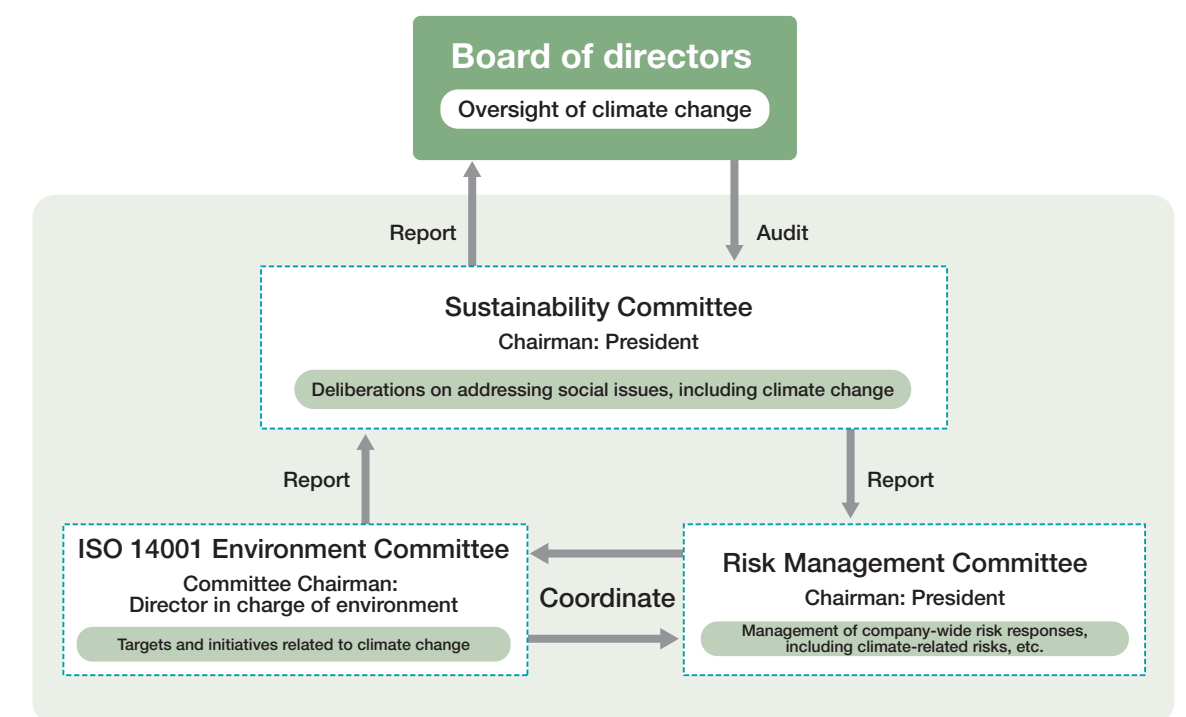
The ISO14001 Environmental Secretariat oversees the formulation of climate change-related policies and targets, as well as initiatives and report.

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 EU RoHS Directive has restricted 10 substances since July 2019, and we have taken appropriate measures for applicable products. China RoHS currently regulates six substances but will expand to 10 in January 2026, aligning with the EU standard. In Japan,

chemSHERPA—a common scheme for chemical substance information—is becoming widely adopted across industries, and we are progressively implementing it in both our marine and industrial divisions.

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

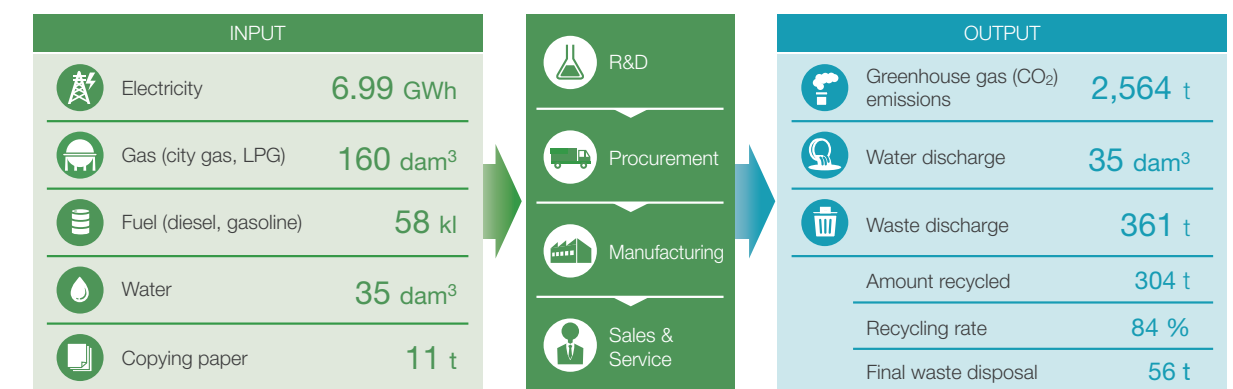
with the GHS* classification categories, taking into consideration the impact on the global environment as well as workers' health management.

*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.



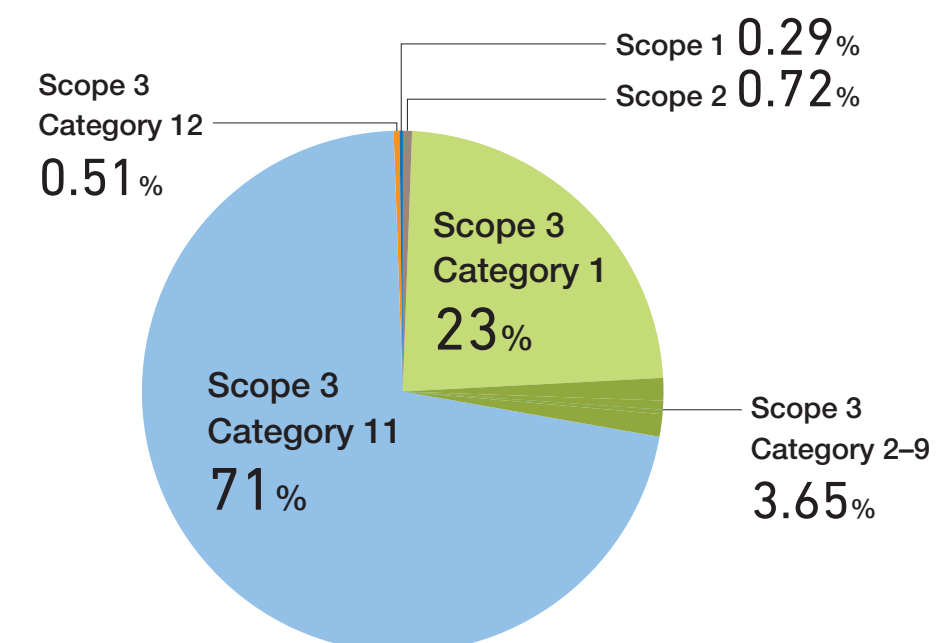
*Total includes headquarters (Nishinomiya), Miki factory, Furuno INT Center
*Period: March 1, 2024 - February 28, 2025

Group-wide CO₂ emissions (t-CO₂)

Approximate CO₂ emissions in accordance with GHG Protocol Guidance, FY2023.

While fluctuations occur due to changes in material procurement and product sales volumes, Scope 1 and 2 emissions consistently account for around 1% of the total. The high proportion of Scope 3 emissions, particularly in Categories 1 and 11, remains unchanged.

CO₂ emissions (t-CO₂)

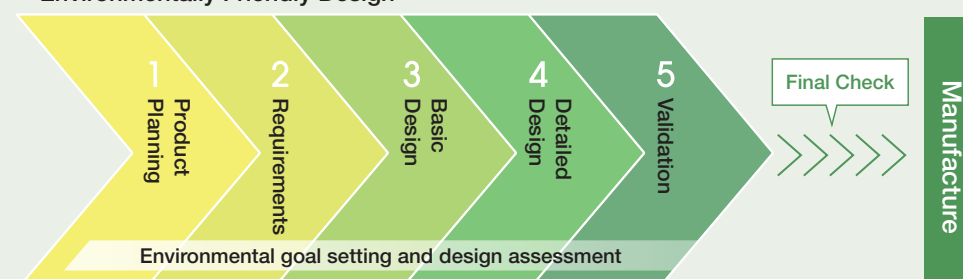


TOPIC

Environmentally Conscious Products

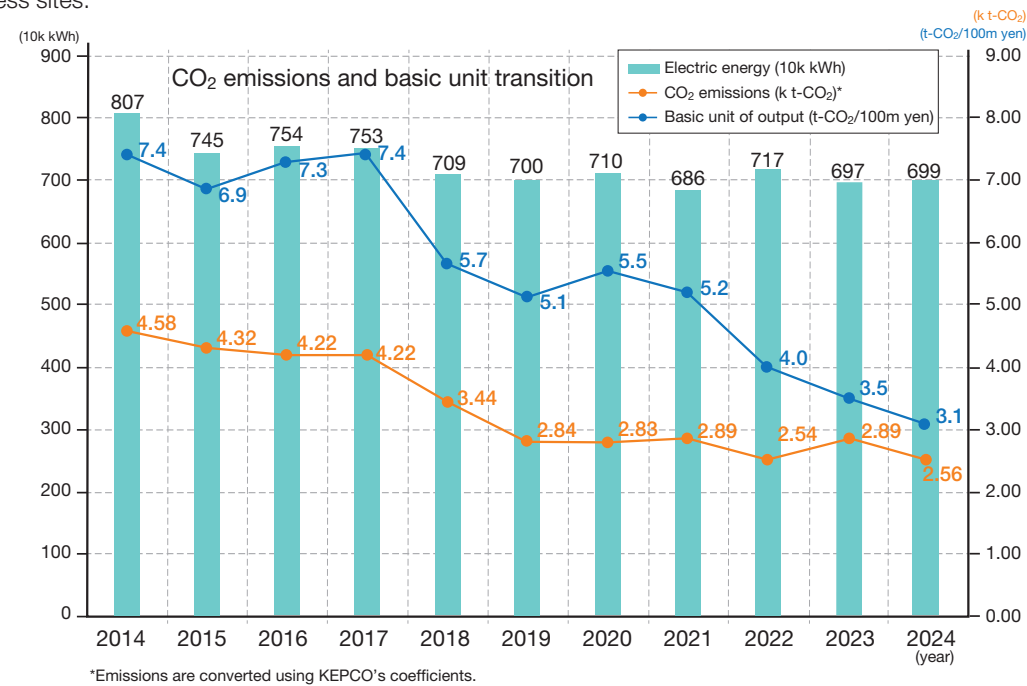
FURUNO has established environmental standards in the design process and set specific targets while complying with environmental laws and regulations.

Environmentally Friendly Design



CO₂ emissions at the three main business sites

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



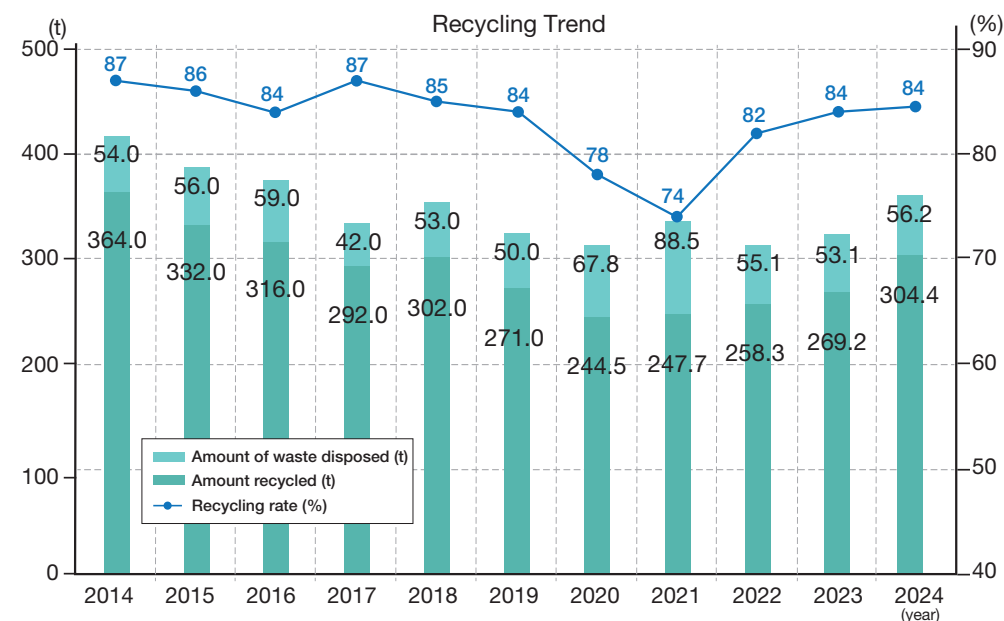
Electricity consumption at our three sites in FY2024 remained roughly the same as the previous year. However, due to a reduction in emission factor of the Kansai Electric Power Company, Inc., from 3.6 to 3.18, CO₂ emissions decreased by 11%. Production volume also remained stable, resulting in an 11% reduction in

emissions per unit of production. Under the FURUNO Carbon Neutral Program, we continue efforts to reduce Scope 1 and 2 emissions through electrification of gas-based air conditioning and procurement of renewable energy.

Towards a recycling-oriented society

In FY2024, waste volume continued to increase due to the disposal of surplus pallets linked to previously elevated component inventories, expansion and

reorganization of production lines at the Miki Plant, and organizational restructuring at the Nishinomiya site. However, the recycling rate has shown improvement.



Climate Change Response Initiatives

Regarding the impact of climate change on our group, we conducted an analysis based on the TCFD (Task Force on Climate-related Financial Disclosures) framework. Focusing on our core marine business, we reviewed external literature from the IPCC, IEA, and relevant industries, and organized information to identify and assess the significance and impact of risks and

opportunities under 1.5°C and 4°C scenarios. Based on the results of qualitative and quantitative analysis of the identified risks and opportunities, we examined countermeasures and compiled a summary listing transition risks, physical risks, opportunities, impacts, and responses.

Types of Risks and Opportunities		Subcategories	Risks/Opportunities and Impacts	Impact Levels	Time Horizons	Countermeasures
Transition Risks	Policies and Regulations	Strengthened regulations on GHG emissions	Increased costs due to carbon tax and rising carbon prices	Medium	Medium to Long Term	• Electrification of equipment to reduce Scope 1 emissions (e.g., EV introduction) • Introduction of energy-saving equipment during air conditioning system updates • Adoption of renewable energy-derived electricity to reduce Scope 2 emissions • Promotion of ZEB (Net Zero Energy Building) for offices • Consideration of blue carbon initiatives
			Increased costs due to stricter energy-saving regulations	Medium	Medium to Long Term	• Electrification of equipment to reduce Scope 1 emissions (e.g., EV introduction) • Introduction of energy-saving equipment during air conditioning system updates • Adoption of renewable energy-derived electricity to reduce Scope 2 emissions
	Technology	Replacement of existing products/services with low-carbon options	Increased capital investment costs for decarbonizing manufacturing processes	Medium	Medium to Long Term	• Electrification of equipment to reduce Scope 1 emissions (e.g., EV introduction) • Introduction of energy-saving equipment during air conditioning system updates • Adoption of renewable energy-derived electricity to reduce Scope 2 emissions
			Increased R&D costs for decarbonized products	Low	Medium Term	• R&D of autonomous navigation technologies to support efficient vessel operation • Consideration of blue carbon initiatives
		Failure in investment in new technologies	Loss of sales opportunities due to falling behind competitors in new technology investment	High	Medium to Long Term	• R&D of autonomous navigation technologies to support efficient vessel operation • Consideration of blue carbon initiatives
	Market	Rising raw material costs	Increased procurement costs of raw materials due to rising resource prices	High	Medium to Long Term	• Further promotion of environmentally conscious design
	Reputation	Increased stakeholder concerns or negative feedback	Decline in reputation among investors and financial institutions due to inadequate climate response, leading to stock price drops and increased financing costs	Low	Medium to Long Term	• Appropriate disclosure of environmentally conscious design and related initiatives • Awareness-raising through branding activities
Physical Risks	Acute Risks		Direct damage from asset loss due to extreme weather	Low	Medium to Long Term	• Investigation of flood risks at factories and offices and arrangement of appropriate insurance • Review and regular training of BCP (Business Continuity Plans)
		Intensification of extreme weather events such as cyclones and floods	Indirect damage from operational suspension due to extreme weather at company sites	Low	Medium to Long Term	• Investigation of flood risks at factories and offices and arrangement of appropriate insurance • Review and regular training of BCP (Business Continuity Plans)
			Operational suspension due to supply chain disruption and increased alternative procurement costs	High	Medium to Long Term	• Building partnerships with suppliers for climate change response • Confirmation of BCP development status in the supply chain
	Chronic Risks	Changes in rainfall patterns and extreme weather variability	Sales decline due to shrinking fisheries market caused by changes in marine environments	Medium	Medium to Long Term	• R&D of fishing equipment contributing to marine resource conservation • R&D of support equipment for aquaculture businesses as part of sustainable fisheries
		Rising average temperatures	Increased electricity and employee health management costs at company sites due to extreme weather	Low	Medium to Long Term	• Introduction of energy-saving equipment during air conditioning system updates
Opportunities	Resource Efficiency	Use of efficient transportation methods	Reduced operating costs through energy consumption reduction and efficiency	High	Medium Term	• R&D of autonomous navigation technologies to support efficient vessel operation
	Energy Sources	Utilization of new technologies	Reduced manufacturing costs through improved energy-saving technologies	Medium	Medium to Long Term	• Reduction in the number of components used, and adoption of recycled materials through environmentally conscious design • Cost reduction of design materials during development
	Products and Services	Development and/or expansion of low-emission products and services	Increased sales of related products due to expansion of low-emission product markets	Low	Medium to Long Term	• Promotion of environmentally conscious design
	Market	Access to new markets	Increased sales and profitability through entry into new climate-related businesses and markets	High	Medium to Long Term	• Promotion of R&D and business development in autonomous navigation, aquaculture support, and wind power support
	Resilience	Resource substitution/diversification	Improved fishing ground conditions due to changes in marine environments, leading to market expansion and increased sales	Medium	Long Term	• Sales activities and appropriate catch-up in response to changing customer demands due to climate change

Scenario analysis indicates potential negative impacts on our marine business but also reveals opportunities for new business creation. We remain committed to

enhancing corporate value and contributing to a sustainable society.

Respect for Human Rights, Supply Chain Management

Respect for Human Rights

We respect human rights and prohibit discrimination in all forms. We do not tolerate forced or child labor, and we avoid business with companies involved in such practices. We promote awareness through company-wide meetings, e-learning, and training for new employees and managers. During Human Rights Week,

the president shares a message to encourage reflection. In December 2022, we established the FURUNO Group Harassment Prevention Policy to ensure a respectful and safe workplace. We remain committed to eliminating discrimination and fostering a society built on mutual respect.

Supply Chain Management

Procurement Policy

We work hard to build and maintain symbiotic relationships based on mutual trust, and this is achieved by dealing in good faith as an equal with each supplier, regardless of nationality or company size. We carry out

material procurement activities, while stressing product development, taking into account the environment (E) in addition to quality, cost, and delivery time (QCD).

Fundamental Principles for Procurement

- (1) Observance of ethics for procurement activities
We comply with relevant laws and the FURUNO Group Code of Conduct, avoiding personal benefits, entertainment, or gifts beyond social norms from partner companies.
- (2) Fair conduct of business activities
We offer equal opportunities to all companies and evaluate potential partners fairly using transparent, logical criteria.
- (3) Harmonious co-existence with the partner companies
We engage sincerely and equally with all partner

- companies, aiming to build relationships based on mutual trust.
- (4) Pursuit of optimum procurement environment
We promote procurement that enhances quality, cost-efficiency, and delivery speed, while considering environmental conservation.
- (5) Implementation of Corporate Social Responsibility (CSR)
We work closely with partner companies to fulfill the FURUNO Group's CSR throughout the supply chain.

Study Sessions on CSR with Procurement Partners

The FURUNO Group promotes human rights awareness across the supply chain. We hold annual CSR sessions with procurement partners to build shared values. In FY2024, we focused on "Human Rights," covering labor rights, non-discrimination, and

the elimination of child and forced labor. This supports risk reduction and sustainable partnerships. We will continue encouraging human rights efforts and providing support to promote responsible business practices.

Together with Society

At FURUNO, we strive to build warm and trusting relationships as a member of the local community. In line with this commitment, we actively contribute to society through our core business, while also supporting the next generation, promoting sports and culture, and engaging in various community-based initiatives.

Sponsorship of student yacht competitions

We sponsor the "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

"Uimaimon-Marche" connects people

"Uimonomi-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 trucks



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 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