

FURUNO

FURUNO ELECTRIC CO., LTD.

Mid-Term Management Plan Fiscal Years 2026 – 2028

March 2026



Table of Contents

01 FURUNO's Corporate Vision

- Towards Sustainable Growth

02 FY2023-2025 Mid-Term Management Plan Results

- Management Targets and Results
- Main Measures and Results

03 FY2026-2028 Mid-Term Management Plan Goals

- Placement of Mid-Term Plan
- Basic Policy
- Cash Allocation
- Growth Story
- Basic Measures
- Basic Measures: KPI

04 FY2026-2028 Mid-term Management Plan: Business Strategy

- Marine – Merchant Vessels
- Marine – Fishing Vessels
- Marine – Pleasure Boats
- Marine – Workboats
- Marine – Services
- Industrial – GNSS, ITS, Healthcare
- Industrial – Defense Equipment
- Industrial – Wireless LAN Systems

05 R&D Strategy

- Towards the Creation of Further Added Value
- Deepening of Existing Businesses
- Creation of New Businesses

06 Sustainability Policy

- Key Issues for Sustainable Growth (Materiality)

07 ESG Strategy

- Environment
- Society
- Governance

08 Appendix

- Management KPI
- Financial Indicators
- Financial Data
- Non-Financial Data
- Corporate Profile
- Global Network



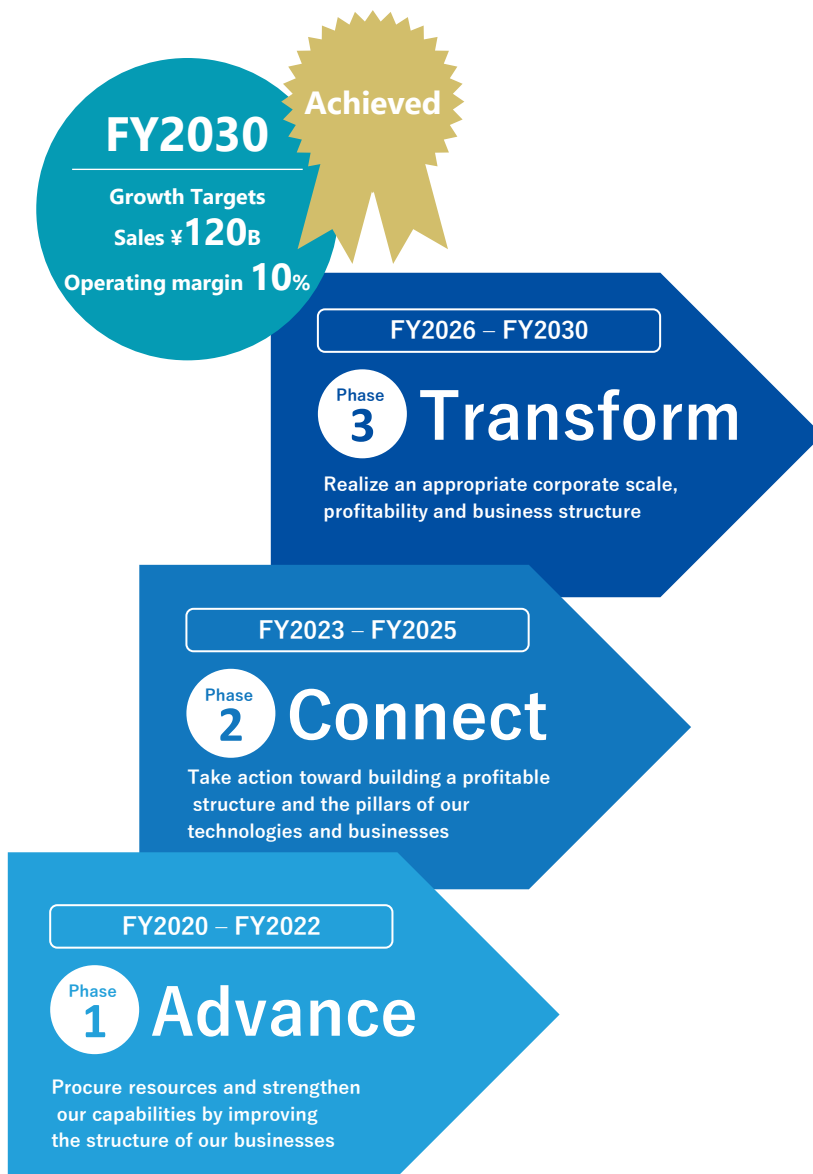
01 FURUNO's Corporate Vision

Towards Sustainable Growth

FURUNO have established its management vision "NAVI NEXT 2030," with FY2030 as its final year.

We set growth targets of ¥120 billion in sales and 10% of operating margin, and these were achieved ahead of schedule in FY2024. (See pages 5-7)

In our mid-term management plan for FY2026 to FY2028, we will further advance strategic investments to achieve sustainable growth and aim to further enhance corporate value. (See pages 8 and following)





02

FY2023-2025 Mid-Term Management Plan Results

Management Targets and Results

The targets for FY2025, the final year of Phase 2 of the Mid-Term Management Plan, are as follows.

The forecast as of third quarter of FY2025 is below, and all targets were achieved.

	Net Sales	Operating Margin	ROE (based on ordinary income)	Payout Ratio
FY2025 Targets	¥97.5B	8% or more	10% or more	30% or more
FY2025 Results (forecast)	¥140.6B	11.6%	22.6%	30.2%

FY2020 – FY2022

Phase
1

Advance

FY2023 – FY2025

Phase
2

Connect

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

FY2026 – FY2030

Phase
3

Transform

Main Measures and Results

Main Measures

Results

Financial Improvement in profitability Complete the measures of the Phase 1 for the Mid-Term Management Plan, focusing on improving profitability by increasing the quality level, optimizing inventories, and optimizing the product development function and the comprehensive manufacturing function.	Production	Reduction of production lead times and enhanced production capacity with smart factory	○
	Sales	Optimization of SG&A expenses, review of pricing, and enhancement of core products profitability	○
	Quality	Promotion of preventive measures and quality stabilization through the implementation of quality and design management methodologies	○
	Inventory	Impact from valuation losses, including effects of long-lead-time components. Efforts to achieve appropriate inventory levels ongoing.	△
Business 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 in order to further generate resources for investment in growth.	Marine Business	<ul style="list-style-type: none"> ● Increased sales with maintenance services and equipment expansion opportunities ● Expanded sales in Pleasure market (Americas) with launched of strategic product 	○
	Industrial Business	<ul style="list-style-type: none"> ● Expansion of overseas sales for time synchronization products (growing businesses) ● Expansion of sales in Defense equipment business which robust demand 	○
Management 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.	Materiality	Identification of materiality to contribute to sustainable society and corporate value	○
	Climate Change Response	Promotion of disclosure of environmental information in accordance with GHG emissions reduction and TNFD recommendations	△
	Human Resources Strategy	Formulation of new Human Resources Vision and implementation of work-style reforms and D&I initiatives based on talent strategy	○
	Governance (Security)	<ul style="list-style-type: none"> ● Establishment and start of Sustainability Committee to strengthen governance ● Enhancement of cybersecurity response and product safety systems 	○

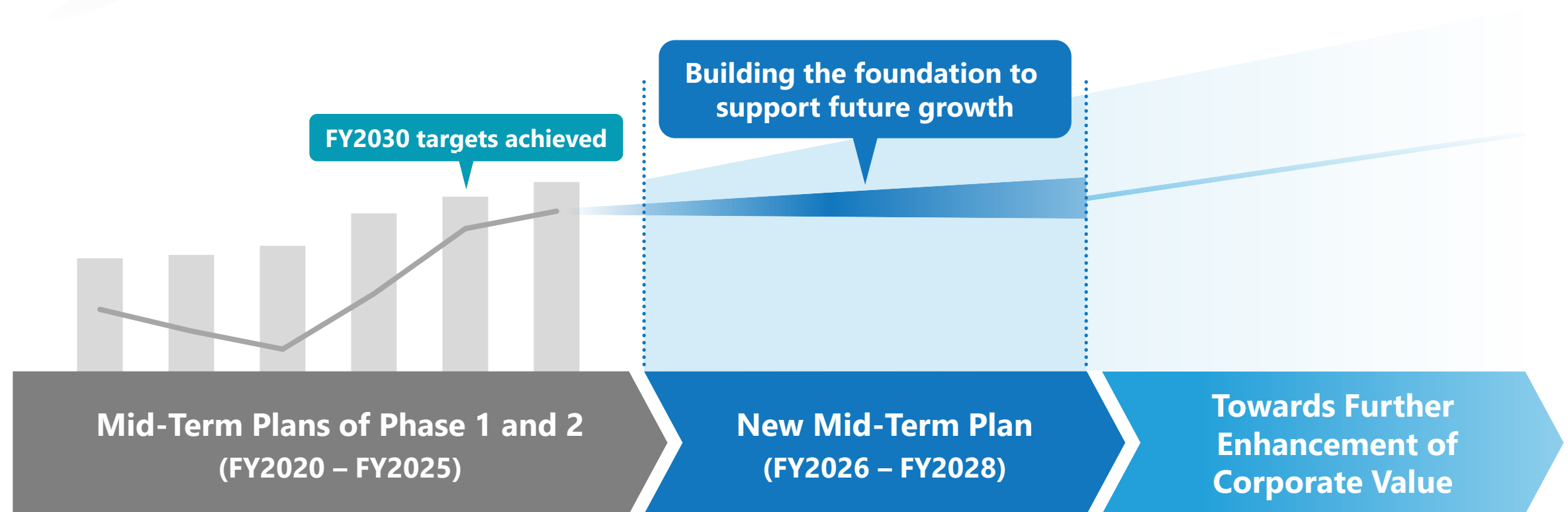


03

FY2026-2028 Mid-Term Management Plan Goals

Placement of Mid-Term Plan

A three-year plan to build the foundation for future growth through proactive investments



- Generate resources and strengthen capabilities through business restructuring
- Take action to build core technologies, business pillars, and revenue structures

- Aiming to transform into a business structure unaffected by market fluctuations
- Implement proactive investments in human resources and other areas to achieve sustainable growth

Basic Policy

Corporate Vision FURUNO GLOBAL VISION “NAVI NEXT 2030”

Phase3: <Transform> Realize an appropriate corporate scale, profitability and business structure

Amid economic uncertainty and volatile market conditions, we will steadily advance the theme of “Transform” in our mid-term management plan based on the fundamental principles outlined below.

Company Size

1. Supported by core markets, expand scale through investment in growth markets (see next page)
2. Strengthen customer responsiveness by leveraging global network (100+ countries)

Profitability

1. Ensure profitability through further global expansion of maintenance services
2. Enhance productivity by smartening manufacturing systems and restructuring operations using AI and DX* technologies

Business Structure

Transformation to a business structure unaffected by market fluctuations

Management Goals for FY2028

Company Size Sales

¥ **150**_B

Profitability Operating Profit Margin

over **10**%

Profitability ROE/ROIC

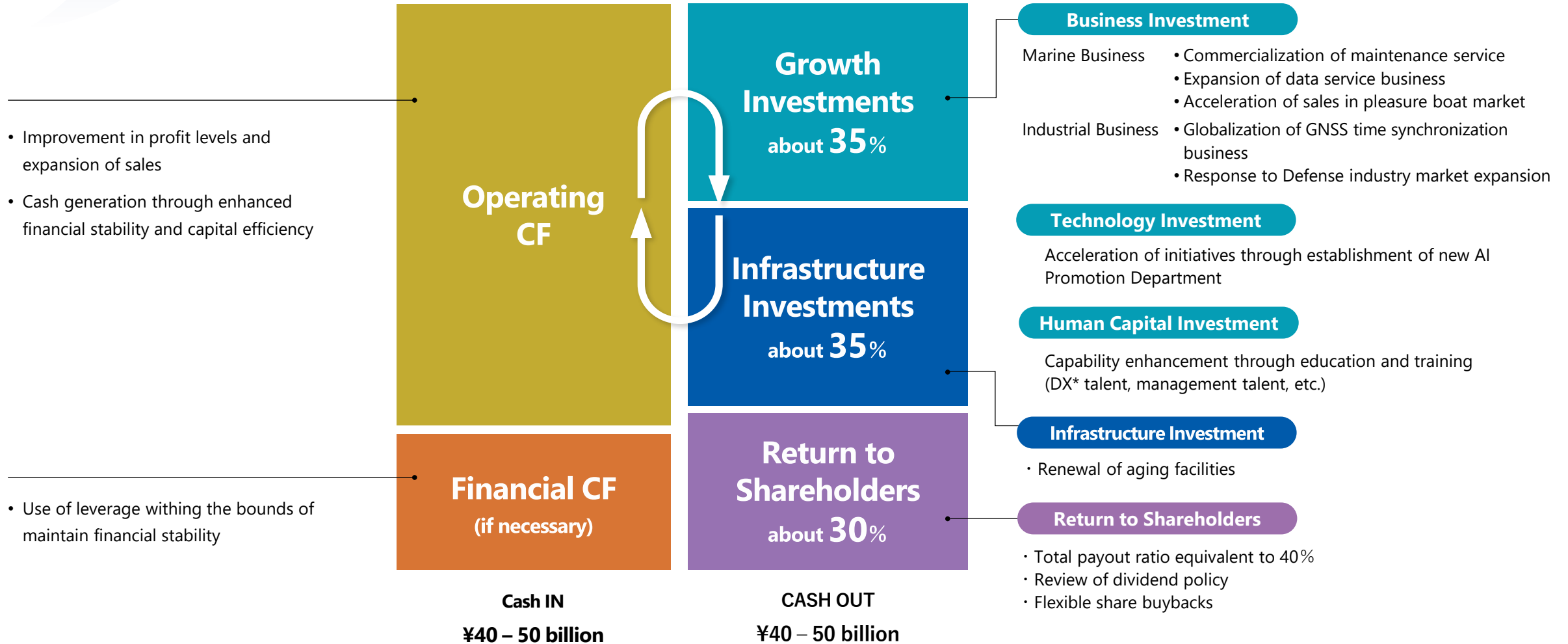
over **10**%

Shareholder Returns Total Payout Ratio

equivalent **40**%

Cash Allocation

3-year Cash Allocation (FY2026 – 2028)



Growth Story

Transformation into a business structure unaffected by market fluctuations

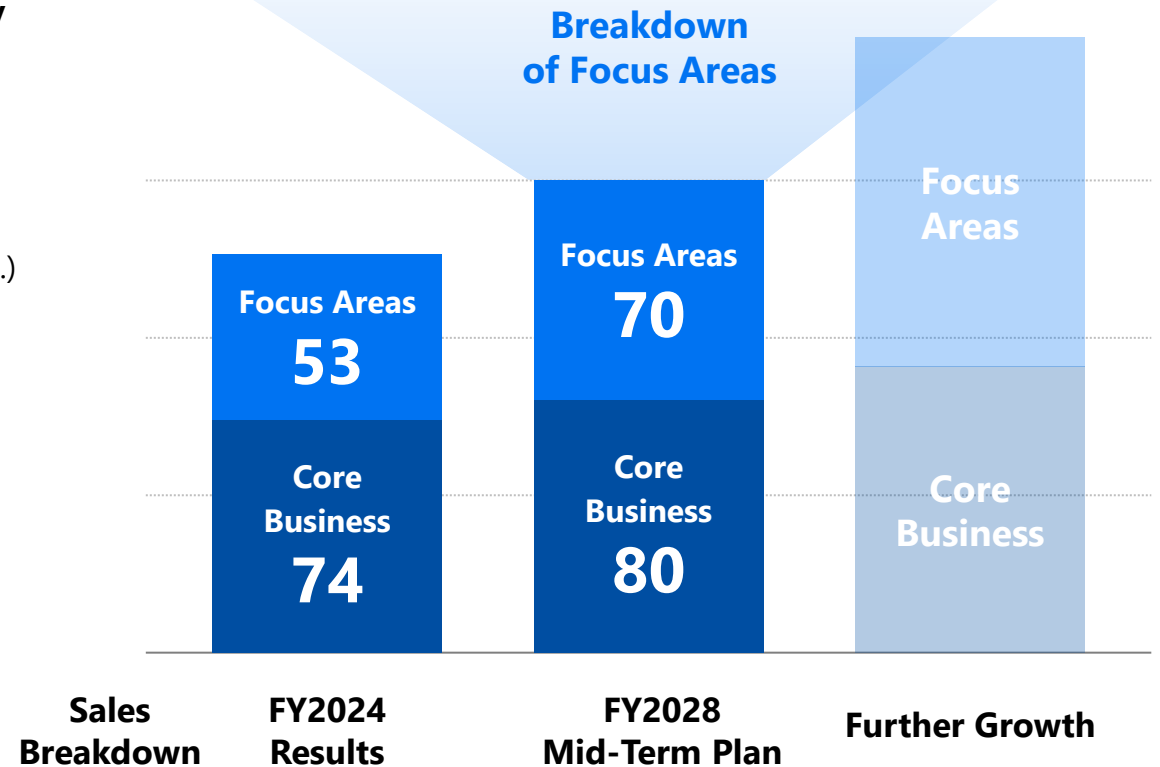
Core Business

- Maintain global top share with deepening of SPC&I* technology
- Strengthen customer responsiveness to become "The Indispensable FURUNO"
- Ensure robust response to strong demand for merchant vessels
- Adjust product development to regional demand for fishing vessels
- Achieve stable profitability in domestic sectors (ITS, wireless LAN, etc.)

Focus Areas

- Further global expansion of maintenance services business
- Execution and strengthening of U.S.-based strategy for Pleasure boats
- Address expanding demand across Land, Sea, and Air in Defense equipment business
- Global expansion of promising time synchronization business
- Increased investment in new businesses

* SPC&I : Sensing, Processing, Communication & Integration



Basic Measures

Basic Measures	Initiatives
Financial Ensure profitability	Improve Productivity Ensure profitability to support aggressive investment (improve gross margin, efficient use of SG&A expenses, reengineer business process)
	Promote business portfolio management (Promote ROIC management)
Business Further expansion of sales	Marine Business Expand market share in Merchant vessel retrofit, further expand globally maintenance services, introduce strategic products in Pleasure market, and strengthen investment in Workboat market
	Industrial Business Expand globally time synchronization services, strengthen production systems and expand sales in Defense equipment business
	Growth Strategy Expand data services and accelerate technological innovation through establishment of AI promotion division, pool expertise and create new business opportunities through initiatives that transcend existing business frameworks
Management Strengthen sustainable management	Human Capital Investment Advance human capital management based on new Human Resources Vision, strengthen recruitment of DX* talents and global talents
	Capital Expenditure Strengthen production systems to accommodate increased sales, advance smart factory project
	Infrastructure Investment Improve workplace environment through renovations of buildings reaching their renewal period
	Strengthen Management Enhance management control through ROIC management, strengthen risk management including BCP

Towards a sustainable FURUNO through the above



04 **FY2026-2028 Mid-term Management Plan**
Business Strategy

Marine – Merchant Vessels

Maintain market share in newbuilds, while leveraging retrofits share to expand sales and profit

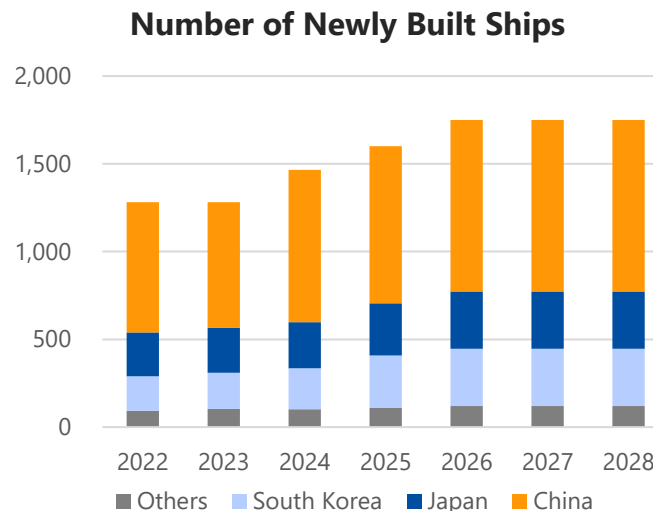
Business Environment

Market Forecast

- Number of new ships built worldwide is projected to be around 1,750 vessels annually from 2026 to 2028
- China is expected to account for approximately 60% of global shipbuilding volume by number of vessels built. China is anticipated to continue leading the industry.

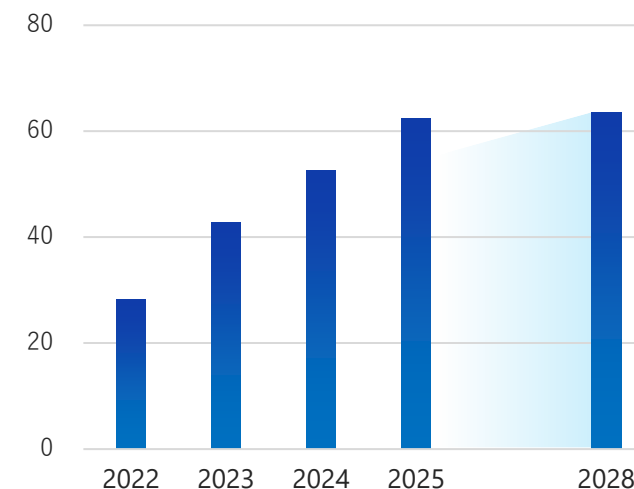
Other Topics

- Overseas shipping companies expected to remain strong
- Large-scale investments in safety and environmental measures invigorate the market
- ECDIS new standard S100 implemented
- Anticipation for new demand such as cybersecurity



Source: Sea-web™ data with additional projections (2025 – 2028)

Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Contribute to Japan's shipbuilding industry



- Establish system to reliably handle numerous projects
- Identify and address shipowner projects where our strengths can be leveraged

Address retrofit needs



- Promote equipment retrofit proposals
- Promotion activities towards 2029 mandatory implementation of new ECDIS standard S100

Further growth in service business



Leverage remote services integrated with DX*

Risks and Countermeasures

- **Prepare for geopolitical risks**
⇒ Strengthen crisis management and BCP
- **Respond to exchange rate fluctuations**
⇒ Risk diversification through expanded trading of currencies other than the yen

Marine – Fishing Vessels

Visualize instinct and experience: support fishermen through both hardware and software solutions

Business Environment

Status and trends in Global Fishing Vessel Market

- Market is expected to continue growing steadily against the backdrop of rising global demand for seafood and the increasing efficiency and sophistication of fisheries
- While growth based on the number of fishing vessels is slowing, value-based growth driven by larger and more advanced vessels continues
- In developed countries' fisheries, the number of fishing vessels is slightly declining. However, the market is expected to remain stable due to rising unit prices.
- In emerging countries' fisheries, market expansion is anticipated due to increased demand for aquatic products and government support



Scanning Sonar

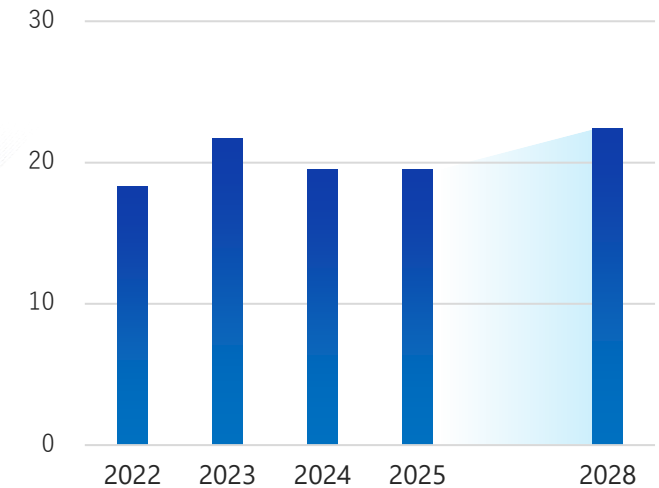


Fish Finder



Radar

Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Developed countries



- Number of vessels declining, but investment in high-value-added equipment remains robust
- Replacement demand for existing vessels and need for advanced equipment, communications, and AI analysis.

Emerging countries



- Strengthen and expand product lineup
- Enhance and strengthen local sales network
- Strengthen partnerships with distributors

Growth area



- Expand small sonar market
- Expand market for multibeam products
- Develop environmental measurement and sensing businesses for aquaculture operators

Risks and Countermeasures

- Strengthening regulations for resource conservation
- Deteriorating environment due to climate change
- Intensifying international competition (rise of emerging manufacturers)
 - ⇒ Provide products that meet diverse needs
 - ⇒ Advance technological development to enhance fishing efficiency and energy conservation
 - ⇒ Provide digital solutions to support sustainable fisheries

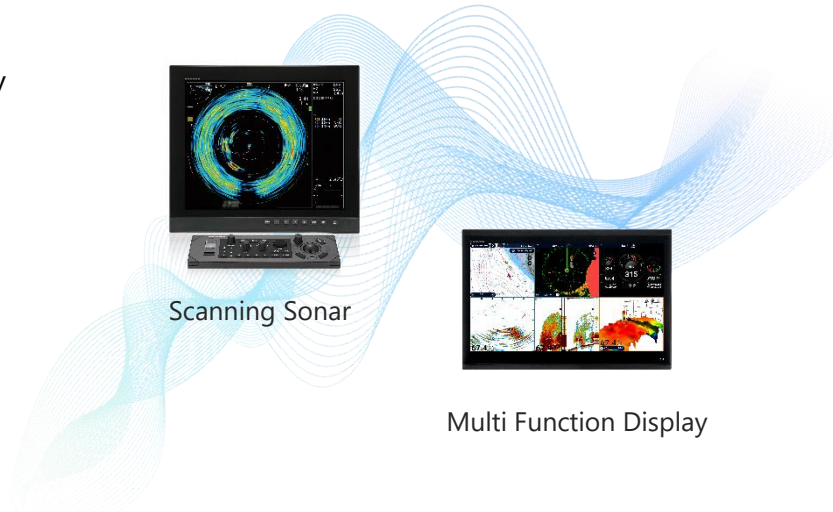
Marine – Pleasure Boats

Achieve high level of Smart Fishing, Smart Navigation and Smart Support

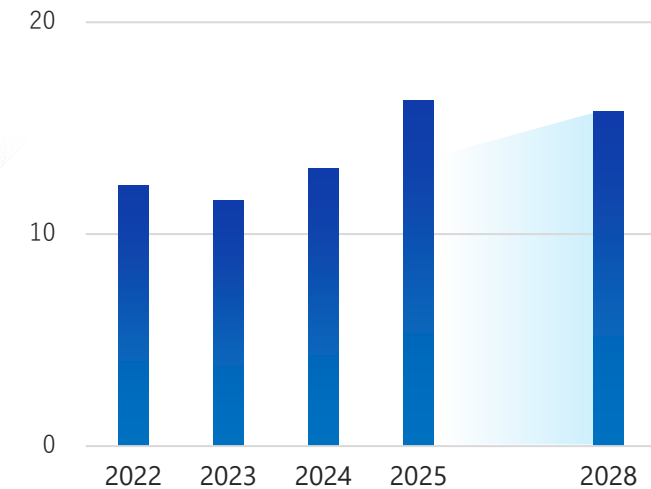
Business Environment

Market Forecast

- The market is expected to continue expanding at an annual rate of approximately 6-10% in the medium term (driven by increased leisure demand and marina facility expansion)
- Particularly a market experiencing significant value-based growth driven by premiumization, electrification, and enhanced digital equipment
- The market is growing globally, underpinned by expanding tourism demand, rising leisure orientation, and marina infrastructure development
- Regional trends: North America is the largest market, while Asia-Oceania is the fastest-growing region



Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Customer-centric product planning



- Address brand design demands for large cruisers and sport fishing boats
- User Interface Enhancements
- Improve user experience (UX)

Expand customer base



Challenge to expand sales channels for cruising and casual boat users

Digital marketing



- Appeal to digitally native customers
- Intuitive and stylish operating system
- Integration of digital devices
- Strengthen brand communication

Risks and Countermeasures

Impact of Macroeconomic Environment

⇒ Optimize regional strategies, target premium demand in North America and Europe, and pursue high growth in Asia and Oceania

Price competition with rival manufacturers

⇒ Pursue added value specialized in fishing, our core strength, enhance after-sales service (differentiation through reliability)

Marine – Workboats

Deliver peace of mind and safety to customers through proven results and trust worldwide

Business Environment

Government vessels

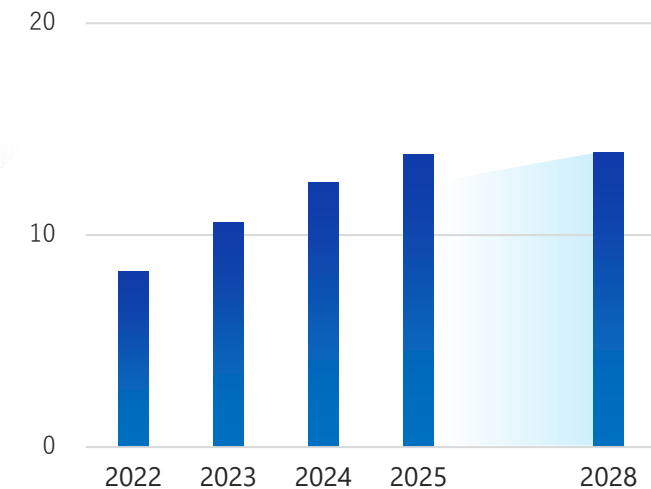
- Amid unstable global conditions, new shipbuilding orders remain at high levels
- Demand for solutions remains robust in Europe

Harbor and offshore work vessels

- Demand for newbuilds and retrofits remains strong
- Markets where we can leverage our extensive product lineup and high-quality support system cultivated over time will continue



Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Horizontal deployment of sales know-how



Case studies of solution proposals meeting customer needs and global expansion of packaged equipment sales

Development of Equipment for Government Vessels



Promote development and sales launch of equipment for government vessels both domestically and internationally

Harbor and offshore work vessels: maintain share for newbuilds



Conduct meticulous sales negotiations and promotional activities capable of addressing diverse regions and projects

Risks and Countermeasures

- **Price competitiveness from Chinese and South Korean manufacturers**
⇒ Launch products with balance between added value and price
- **European Manufacturers' High-Value Proposals**
⇒ Create new solutions through the combination of in-house technologies and collaborations with other companies

Marine – Services

Geographical expansion and IT-driven quality enhancement to contribute through integrated services

Business Environment

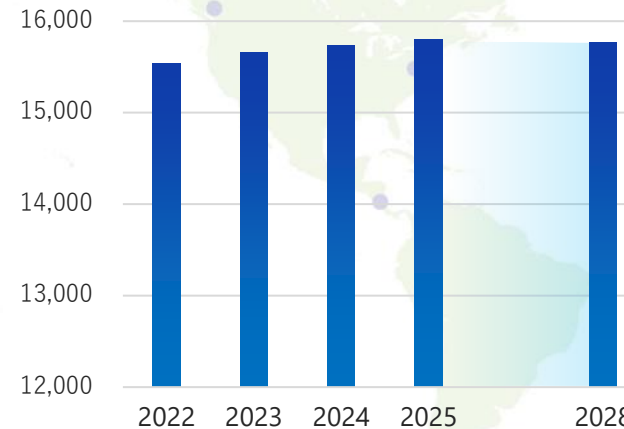
Maintenance and repair (mainly merchant vessels)

- The total number of vessels covered by our services is expected to remain flat
- Service unit prices increasing for full-package vessels, etc.
- Demand for on-site services provided by maintenance personnel remains solid

Others

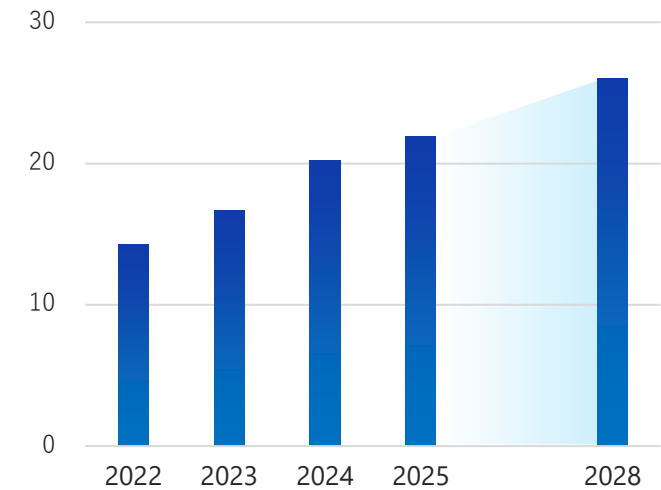
- Demand for cybersecurity measures is increasing
- Demand for ICT engineering services is rising for tasks like drawing up plans and construction work
- Countermeasures against crew shortages and an aging workforce continue to be required

Service-eligible vessels



Source: Sea-web™ data with additional projections (2025 – 2028)

Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Strengthen ties with key hubs



- World-class technical services, statutory inspections, and maintenance parts supply
- Expand areas where we can provide in-house services

Annual Maintenance and Remote Service Implementation



Enhance customer satisfaction through monitoring services

Further Enhancement of Service Infrastructure



- Rapid service response through remote monitoring
- Centralized management of global service data

Risks and Countermeasures

- **Weakening competitiveness due to lagging technological innovation**
 ⇒ Accelerate initiatives in AI and DX* based on our proprietary service (SMS NEXT)
 ⇒ World-class technical services, statutory inspections, and maintenance parts supply
- **Labor shortage and workforce turnover**
 ⇒ Technical guidance, support, and provision of technical information to service engineers worldwide

Industrial – GNSS, ITS, Healthcare

Achieve safety, security, and comfort in the industrial sector, and aim for further business expansion

Business Environment

GNSS (Time Synchronization) Business

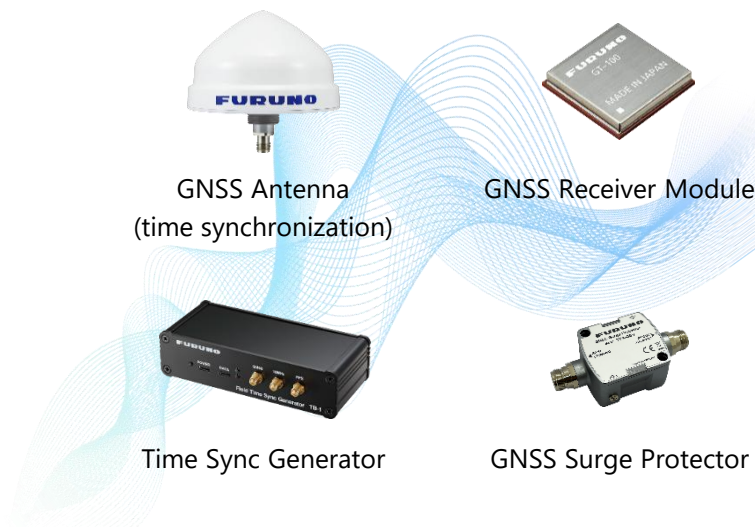
- Growing demand for stability and security in critical infrastructure sectors
- Precision and robust time synchronization technology recognized as a source of business competitiveness

ITS Business

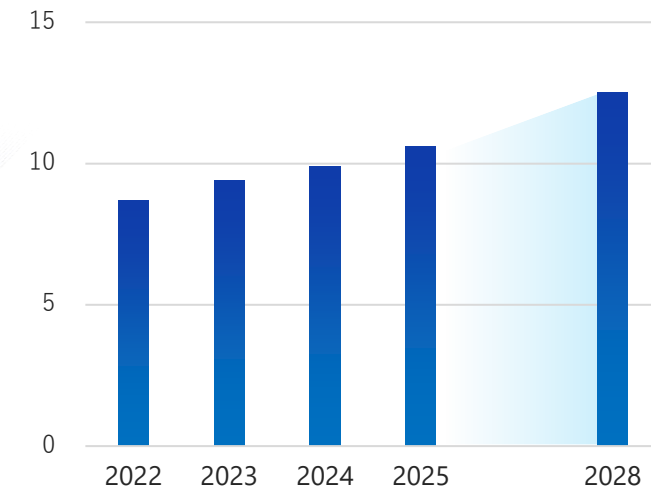
- Steady growth of ETC installations (more than 4 million units per year). ETC 2.0 adoption surpassing 50%.
- Revised Logistics Efficiency Act: Mandatory appointment of a Chief Logistics Officer for designated businesses

Healthcare Business

- Increased frequency of biochemical testing
- Market size expected to grow with a CAGR of 6.6%



Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

GNSS and Time Synchronization

Steady profit generation and investment for growth



- Strengthen sales promotion in focus market (North America)
- Advancement of GNSS technology

ITS Business

The Foundation for Building the Future



- Strengthen ITS technology and promote social implementation
- Strengthen foundation for OEM and ETC Business

Healthcare Business

Building a Recurring Revenue Model



- Optimize OEM and In-House Reagent Business
- Appropriate global expansion in response to market changes

Risks and Countermeasures

- **Enhancement of Mandatory Regulations**
⇒ Strengthen technological investments to achieve world-class standards
- **Sales opportunity loss in core businesses**
⇒ Ensure optimal inventory levels through rigorous PSI management
- **Price competition with overseas**
⇒ Cost reduction through fabless initiatives, etc.

Industrial – Defense Equipment

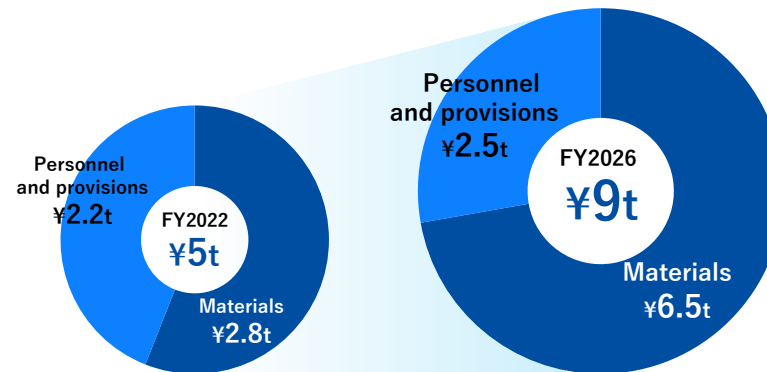
Protecting people and society through defense technology, contributing to the safety of the nation

Business Environment

Market Forecast for the Domestic Defense Industry

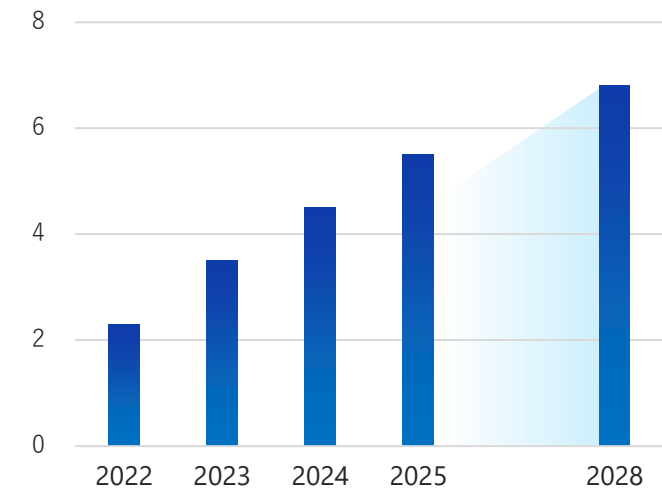
- The FY2026 budget request, marking the fourth year of the Defense Buildup Program, steadily increases the budget amount based on project progress
- Property expenses, including equipment procurement costs, expand to 6.5 trillion yen
- A stable market environment is expected to continue for our company

Defense-related Expenditures Budget



Source: Progress and Budget of the Fundamental Reinforcement of Defense Capabilities · Overview of the FY 2026 Budget Request

Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Generate stable profit



- Improve cost management accuracy and ensure profitability
- Stabilize profit by maintaining an appropriate cost structure

Promote ROIC management



- Reduce working capital through optimized inventory management and procurement processes
- Strengthen receivables management through enhanced visibility

Technology development and strategic investment



- Expand business domains for next-generation technology use
- Challenge new markets and strengthen competitiveness through long-term R&D

Risks and Countermeasures

Flexibility of production systems in response to demand fluctuations

- ⇒ Advanced production planning and collaboration with external partners
- ⇒ Strengthen organizational structure through personnel development and capital investment

Difficulty in procurement due to fluctuations in the supply chain

- ⇒ Ensure stable supply through diversification
- ⇒ Optimize inventory management for long-lead-time components

Industrial – Wireless LAN Systems / Handy Terminal

“Comfortable wireless” for a connected, expanding society

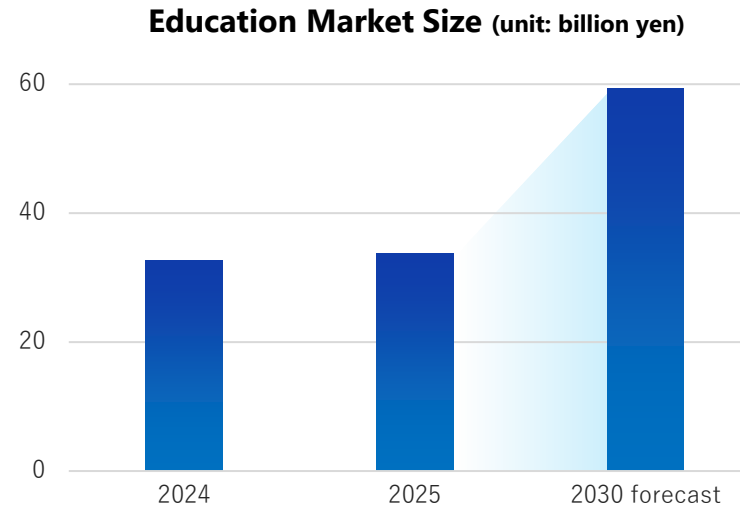
Business Environment

Wireless LAN Systems

- NEXT GIGA (Phase 2 of the GIGA School Initiative) is advancing, driving replacement demand
- In the medium term, market expansion is anticipated due to the increase in Wi-Fi 7-compatible devices

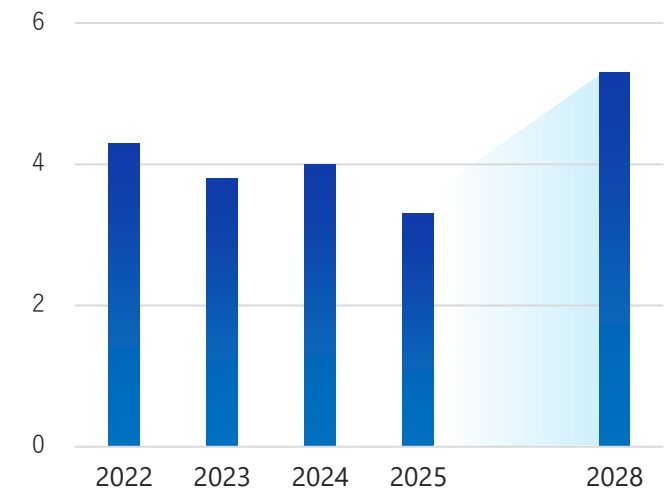
Handy Terminal

- Demand for handy terminals limited as labor-saving and automated equipment advances
- Replacement demand for existing systems serving specific customers remains steady



Source: Domestic Network Equipment Market for Educational Institutions (Company Research)

Sales Trends and Goal (unit: billion yen)



Mid-Term Strategic Priorities

Expand market share in network sector



- Strengthen software service infrastructure
- Further expansion of product lineup

Expand revenue in IoT sector



- Promote collaboration with other companies
- Continue investment towards opening new frequency bands

From hardware sales to services



- Build our own ecosystem
- Strengthen subscription-based business

Risks and Countermeasures

- **Review of policies in education market**
⇒ Promote expansion into civilian market
- **Intensifying competition in cloud services**
⇒ Differentiation through applications leveraging years of cultivated expertise in educational market demand
- **Compliance with new standards and ensuring stable quality**
⇒ Improved development QCD by increasing the automation ratio of software testing



05 R&D Strategy

Towards the Creation of Further Added Value

FURUNO will focus on the following areas in R&D to create further added value for customers through products and services

Advanced Development Operations

Improvement of development efficiency

- Promotion of BPR (Business Process Reengineering)
- Advancing design operations using IT infrastructure
- Streamlining maintenance design operations

Acquisition of core technologies

- Build AI Technology Infrastructure (Internal, External)
- Advanced ultrasonic transducer technology
- Establishment of global R&D structure

Deepening of Existing Businesses

Fisheries

- R&D for mastery of fishing grounds, fish schools, etc.
- R&D for smart aquaculture

Marine transportation Marine Leisure

- Operational DX* and implementation of digital and AI services
- Advanced sensors (next-generation radar)

Healthcare

- Elemental research on biochemical analysis devices
- Practical verification of muscle visualization device

Creation of New Businesses

Infrastructure and Disaster Prevention

- GNSS Element Technologies
- Practical verification of meteorological observation equipment
- Practical verification of E-band radar

Open Innovation

- Strengthening new business creation by dedicated organization (Business Lab)
- Creation of Industrial DX businesses such as logistics solutions business

Deepening of Existing Businesses

Towards practical implementation of unmanned vessels



In the second stage of the “MEGURI2040” Fully Autonomous Ship Program implemented by the Nippon Foundation, FURUNO's autonomous navigation system is being installed on three vessels. We will work towards commercialization and practical application using the technologies acquired through this project.

Global 10-Day Forecast Using a Sea State Prediction Model Based on Multiscale GNN



By applying artificial intelligence, it is now possible to predict sea conditions 10 days ahead in just a few minutes. Moving forward, we will continue to leverage AI technology alongside our core strengths in sensing and signal processing to enhance product value, including through the development of new products.

Fishing Net Monitoring System “Ryoshi Net”



FURUNO is developing a system that provides clues for solving various challenges, such as changes in catch volumes due to recent shifts in the marine environment and selective fishing of specific fish species. We will continue to pursue contributions to smart fisheries, including enhancing fish species identification capabilities using AI.

Next-Generation Satellite Positioning Technology “LEO PNT”



Compared to GPS, this system utilizes satellites closer to the Earth. Consequently, it can receive signals approximately 100 times stronger at the surface than GPS. Moving forward, we will strive to further enhance time synchronization technology and strengthen its reliability, contributing to industry development as a technological foundation supporting critical infrastructure.

Creation of New Businesses

Challenging Themes

Current Initiatives

Future Initiatives

Aquaculture Support

Build a sustainable fisheries industry together with customers

- Support the realization of sustainable fisheries
- Enhance productivity and optimize costs at aquaculture sites

Establish a strong presence in sensing domain by leveraging strengths

Management Service Aqua Scope

Provide an integrated solution to consolidate various data essential to achieve efficient aquaculture operations



A leading aquaculture cloud service provider

- Develop new products/services for next-generation aquaculture
- Achieve efficiency in aquaculture operations through data analysis

Field DX

Contribute to field operation efficiency and safety through data integration

- Provide a DX* platform for supporting field operations in construction and other industries
- Optimally configure communication devices and sensors

Support digital transformation with solutions and services tailored to your site

Construction Site Wi-Fi System

Deploy communication equipment and sensor solutions combining Starlink with proprietary wireless technology



Towards realizing Field 3.0 through business digitalization

- Smart construction through automation and remote operation of heavy machinery and robots
- Real-time safety and quality management using AI and sensors

Weather Disaster Prevention

Towards creating new value for weather disaster prevention

- Establish and advance DX in weather disaster prevention
- Enable early and accurate evacuation decisions

Implement river monitoring through water level analysis and alert issuance

Remote Monitoring Camera

Compact, lightweight, and solar-powered, enabling easy river monitoring anywhere



Towards zero human casualties from water-related disasters

- Establish digital transformation to reduce staff burden during disasters
- Streamline evacuation decisions and shelter management through localized weather forecasting

06 Sustainability Policy



[Integrated Report 2025](#) 

Towards a sustainable society and further enhancement of corporate value

Key Issues for Sustainable Growth (Materiality)

For the new mid-term management plan, we have redefined the key issues (materiality) that support sustainable growth. We identified candidate issues from our priority areas, analyzed competitor trends, and evaluated them from both stakeholder and company perspectives to determine the critical issues.

Business value

Solving Social Issues through Business

- Achieve safe and efficient navigation
- Contribute to safe operations and sustainable use of marine resources
- Create secure and comfortable marine life
- Support stabilization of transportation, communications, and social infrastructure
- Contribute to Ensure safety and security of the public

Innovation

Technological Advancement for Further Growth

- Research and development of autonomous navigation technology to address maritime accidents and labor shortages
- Promote external DX* (remote services, smart fisheries, etc.)
- Strategic utilization of intangible assets

Environment

Preservation of Global Environment

- Product development and enhanced environmental management focused on reducing environmental impact
- Promote climate change countermeasures and GHG emission reduction
- Biodiversity conservation and marine environment protection

Human

Human Capital Participation

- Respect diversity and create inclusive environment
- Support talent development and career formation
- Thoroughly uphold respect for Human Rights
- Sustainable talent acquisition and productivity improvement
- Enhance job satisfaction and strengthen employee engagement

Governance

Strengthening Management Foundation

- Enhance management transparency and strengthen governance
- Strengthen information security and cybersecurity measures
- Build responsible and sustainable supply chains
- Thoroughly implement security export controls



07 ESG Strategy

Environment: Coexistence between Environment and Society

FURUNO pursues sustainability by establishing an environmental policy centered on three pillars: “Preserving the Global Environment,” “Creating a Circular Economy,” and “Maintaining Biodiversity.” This policy defines what we must achieve through our business activities and the ideal state of our products and services, guiding our environmental management efforts.

Starting in fiscal year 2024, we launched the FURUNO Carbon Neutral Program (FCNP) to accelerate our environmental management efforts and achieve carbon neutrality.

Main Activities (Issues) Towards Carbon Neutral

Scope 1+2	Scope3 Category 1	Scope3
Tracking and Reducing Emissions from Overseas and Domestic Facilities	Verification of suppliers' actual emissions and reduction plans	Exploring Reduction Measures Through Circular Economy Initiatives

FY2028 Goals

CDP Score	
Climate Change Score over B	Water Security Score over B

Regarding the Launch of the Blue Carbon Project

FURUNO has launched a **Blue Carbon Project** to contribute to achieving carbon neutrality and preserving marine ecosystems. This initiative directly supports Ocean5.0's vision of “coexistence and co-prosperity with the Sea,” serving as a vital activity to pass on the health of our oceans to future generations. By conserving seaweed beds, it supports the realization of sustainable fisheries while also strengthening trust with local communities and stakeholders. We will advance surveys and verifications utilizing our unique technologies, such as monitoring seagrass bed distribution using **underwater acoustic technology**, while also pursuing the potential for creating new nature-positive value. Furthermore, through continuous awareness-raising and collaboration with external partners, we will develop CSR activities that enhance environmental consciousness. Going forward, we will promote these initiatives as integrated efforts combining business viability, social impact, and environmental value.

Nurturing the “Ocean Forest” together

We are working to understand the wide-area distribution of seaweed beds and will utilize the acquired data over the long term to contribute to society and drive technological innovation. In collaboration with companies, fishermen, and local governments, we will continue our activities to connect the marine environment to the future, aiming to realize “Ocean 5.0.”



Measurement Experiment



With Seaweed



Seeding eelgrass

Society: Human Capital Management

FURUNO has provided diverse value by realizing its management philosophy: "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 serve society, the active contribution of our "Human Resources," the driving force behind solving social issues and creating new value, is indispensable. The human resources strategy, metrics, and targets under the new mid-term management plan are as below.



Main KPI

FY2028 Goals

Permeation of human resources and corporate culture vision

Positive responses to Engagement Survey's "Values in Practice"

FURUNO Group: 76%
(Japan: 73%, Overseas: 84%)

Maximize the abilities of employees and optimize the allocation of HR according to ability

Investment in DX* education

25% or more increase compared to FY2024

Promote diversity & inclusion

Promotion of diverse workstyles

- Paternity leave acquisition rate: 50% or more
- Ratio of female executive employees: 7% or more
- Ratio of female in new graduate hires: 30% or more

Promote health and productivity management

Continuous Accreditation as "Health and Productivity Management (White 500)"

Continuous Accreditation as "Health and Productivity Management (White 500)"

Governance: Strengthening of Management Foundation

At FURUNO, our fundamental management principle is to “continuously enhance corporate value” to meet the expectations and trust of all stakeholders. To achieve this, we pursue legality, appropriateness, and efficiency in our management activities while fulfilling our accountability to stakeholders, striving to realize highly transparent management.

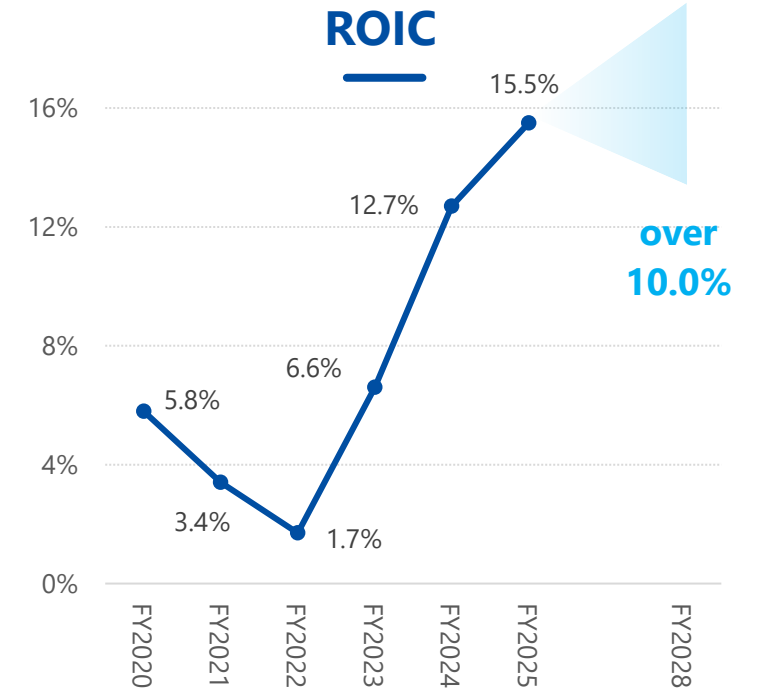
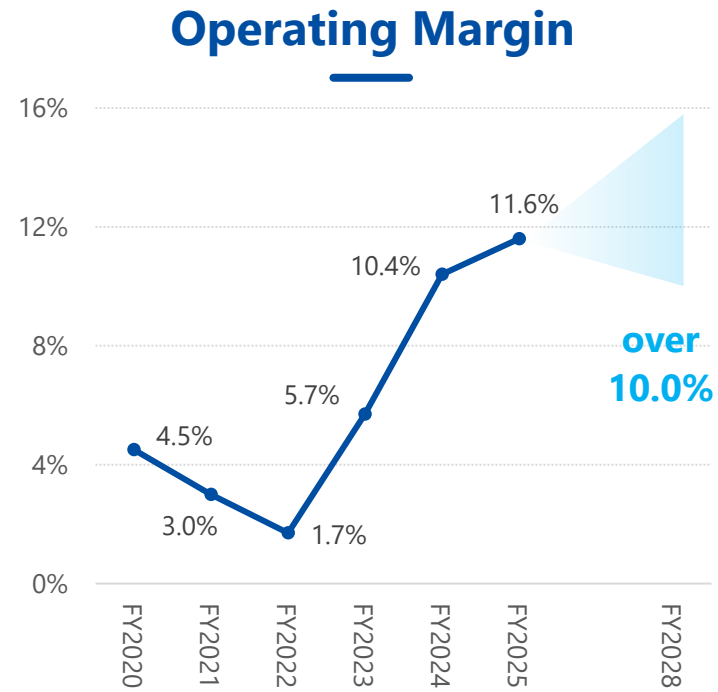
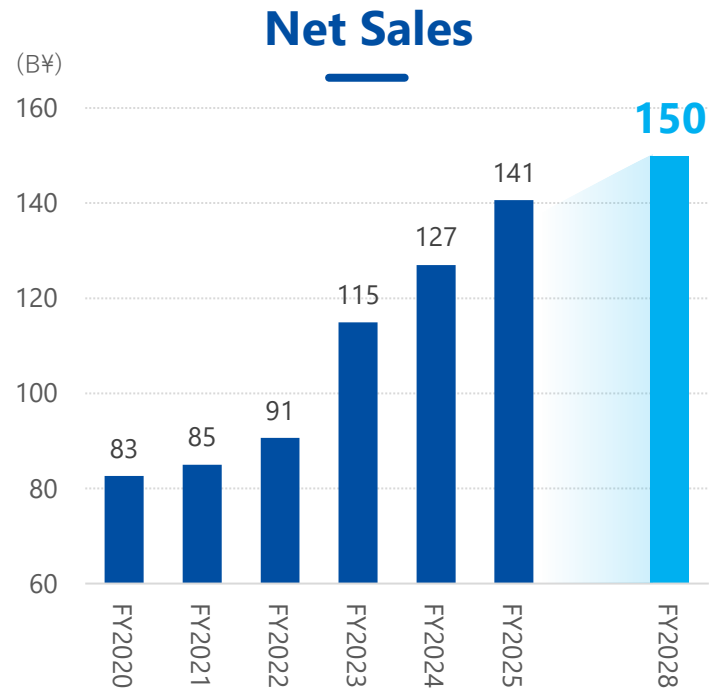
In our new mid-term management plan, we will focus on the following key items and continue to strengthen our corporate governance.





08 Appendix

Management KPI

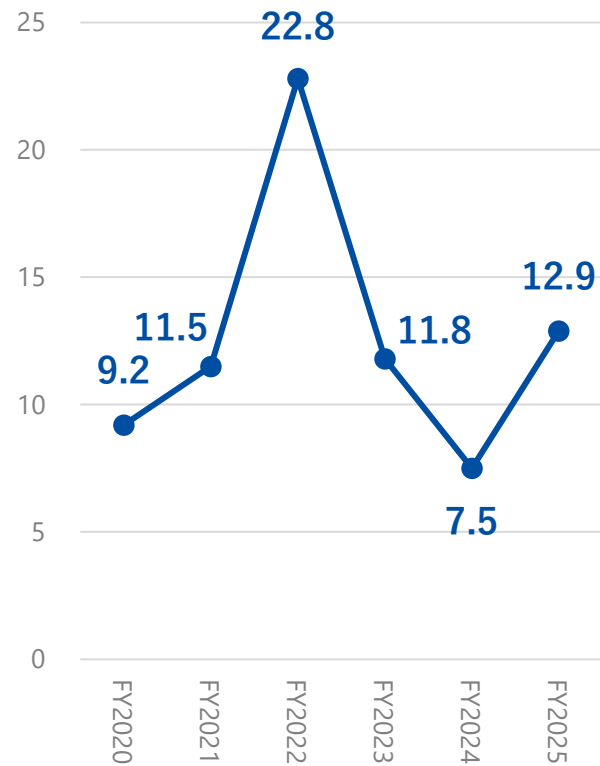


* Exchange Rate Estimates: USD = ¥150, EUR = ¥157

Financial Indicators (FY2020-2025)

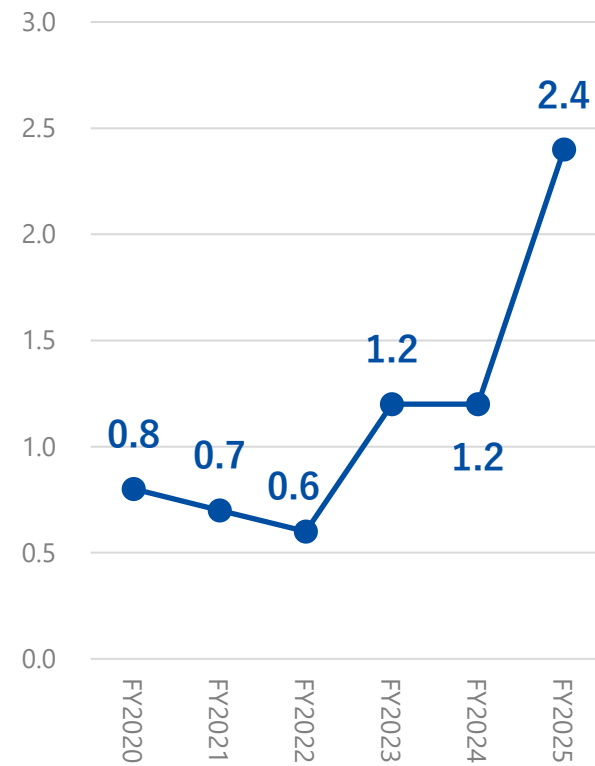
PER

Price-to-Earnings Ratio



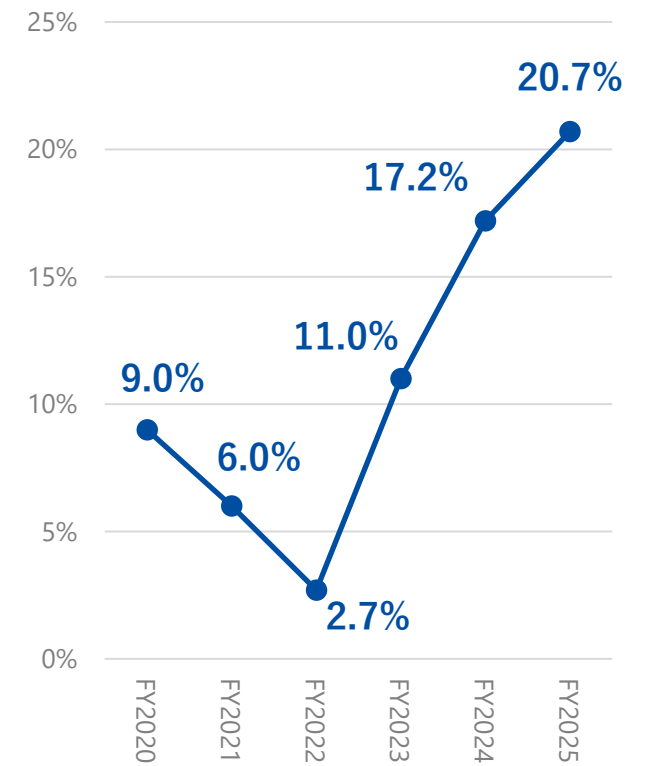
PBR

Price-to-Book Ratio



ROE

Return on Equity



Financial Data

Profit and Loss (million yen)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Million Dollars*1
Net sales	85,966	89,720	78,674	79,050	82,108	83,066	82,255	84,783	91,325	114,850	126,953	843
Operating income	1,799	2,911	1,534	1,992	4,771	2,411	3,740	2,532	1,523	6,521	13,181	88
Ordinary income	2,840	3,362	1,458	1,857	5,112	2,702	4,779	3,717	2,593	8,169	14,158	94
Net income attributable to owners of the parent	△909	2,624	1,262	1,236	4,026	2,041	3,946	2,814	1,348	6,238	11,457	76
Financial Condition (million yen)												
Total assets	83,795	78,464	75,724	76,773	79,223	76,133	82,248	85,973	106,396	114,370	123,519	820
Interest-bearing debt	13,663	16,736	14,881	13,706	12,982	9,906	9,956	9,602	19,317	17,417	17,808	118
Net assets	37,305	36,581	36,321	38,559	41,539	42,244	45,692	47,880	52,503	61,434	72,619	482
Cash Flow (million yen)												
Cash flows from operating activities	2,913	1,258	6,417	5,142	4,903	8,041	8,512	6,193	△6,492	2,713	10,820	72
Cash flows from investing activities	△3,974	△2,612	△4,152	△3,404	△2,912	△3,175	△4,553	△4,389	△3,027	△3,589	△4,588	△30
Cash flows from financing activities	△2,227	2,811	△2,201	△1,542	△1,251	△4,194	△850	△3,518	8,263	△3,557	△2,696	△18
Data per Share (yen)												
Net income	△28.9	83.3	40.1	39.3	127.8	64.8	125.2	89.2	42.7	197.6	362.6	2.4
Dividend	8.0	10.0	8.0	10.0	25.0	20.0	40.0	40.0	25.0	60.0	110.0	0.7
Net assets	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	1,932.4	2,284.5	15.2
Key Financial Indicators (%)												
Operating income to net sales ratio	2.1	3.2	1.9	2.5	5.8	2.9	4.5	3.0	1.7	5.7	10.4	
Return on equity	△2.5	7.2	3.5	3.3	10.1	4.9	9.0	6.0	2.7	11.0	17.2	
Equity ratio	44.0	46.1	47.5	49.8	52.0	55.1	55.1	55.7	49.0	53.4	58.4	
R&D, Capital Expenditures and Depreciation (million yen)												
R&D investment costs	4,539	4,786	4,253	4,470	4,707	4,266	5,303	5,458	5,694	5,987	6,303	42
Capital expenditures	3,060	3,521	3,863	3,036	2,595	3,245	4,235	4,670	2,207	3,350	4,921	33
Depreciation and amortization	2,586	2,721	2,924	3,225	3,093	3,246	3,160	3,161	3,061	3,413	3,592	24

*Calculation of results for FY2023, previously based on provisional treatment related to business combinations, has been finalized. *1: Average exchange rate for FY2024: \$1 = ¥150.58

Non-Financial Data

Non-Financial Data	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Consolidated number of employees (people)	2,930	2,905	2,894	2,920	2,957	2,926	2,978	3,065	3,310	3,356	3,368
Non-consolidated number of employees (people)	1,745	1,740	1,731	1,713	1,712	1,729	1,722	1,765	1,794	1,927	1,927
Non-consolidated percentage of female employees (%)	28.4	28.4	28.5	28.9	29.1	28.7	28.5	28.8	28.8	28.6	28.9
Non-consolidated percentage of female managers (%)	1.8	2.0	2.4	2.1	3.1	3.0	2.9	3.3	4.4	4.2	7.0
Number of directors (outside directors)	10 (0)	11 (1)	12 (2)	12 (2)	11 (2)	11 (2)	10 (2)	6 (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	763	849	1,020	1,185	1,198	1,190	1,232	1,302	1,313	1,302	1,207
CO2 emissions from main locations*2 (1,000 t-CO2)	4.6	4.3	4.2	4.2	3.4	2.8	2.8	2.9	2.5	2.9	2.6
Total amount of waste generated from main locations*2	364	332	316	375	355	321	312	336	313	322	361

*2: Scope: Head Office (Nishinomiya), Miki Factory, INT Center

Corporate Profile

as of February 28, 2025

Corporate Outline

Company	FURUNO ELECTRIC CO., LTD.
Incorporated	May 23, 1951
Headquarters	9-52 Ashihara-cho, Nishinomiya City, Hyogo, 662-8580, JAPAN
Capital	753.4 billion yen
Companies	Consolidated Subsidiaries 36 Unconsolidated Subsidiaries 1 Affiliated Companies 1
Employees	Consolidated 3,368 Non-consolidated 1,927

Stock Information

Security code: 6814

Stock exchange listing:
Tokyo Stock Exchange, Prime Section

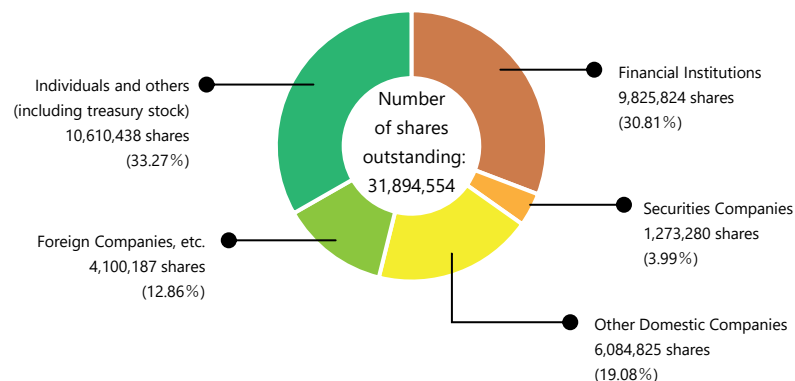
Shareholder Register Manager:
Mizuho Trust & Banking Co., LTD.

Number of authorized shares:
120,000,000 shares

Number of shares outstanding: 31,894,554 shares

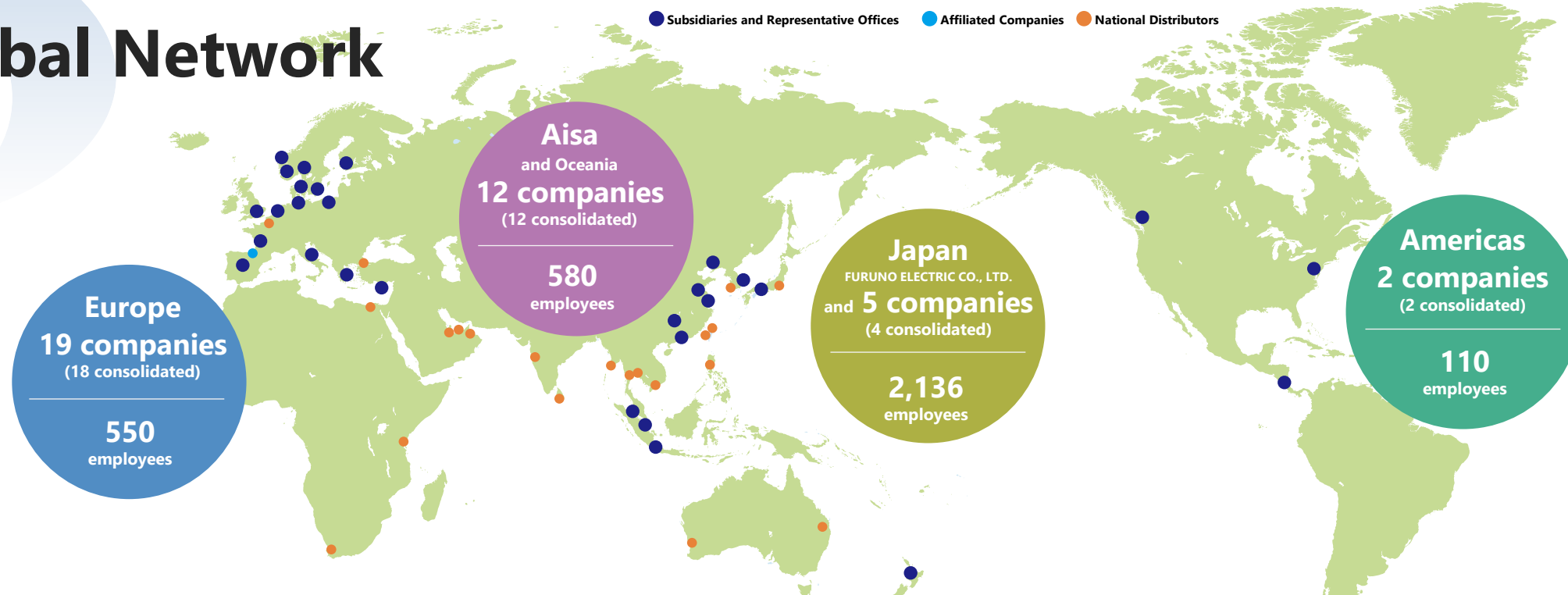
Treasury stock: 297,571 shares

Number of shareholders: 12,711 shareholders



Shareholders	Number of shares held (thousands of shares)	Shareholding ratio (%)
Furuno Kosa Co., Ltd.	4,186	13.25
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,341	10.57
Custody Bank of Japan, Ltd. (Trust Account)	1,394	4.41
The Dai-ichi Life Insurance Company, Limited	1,000	3.16
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
Furuno Electric Business Partner Shareholding Association	908	2.87
Echo Kosan, Ltd.	560	1.77
Furuno Electric Employees' Shareholding Association	409	1.30
DFA INTL SMALL CAP VALUE PORTFOLIO	390	1.24

Global Network



Europe

FURUNO (UK) LTD.
 FURUNO NORGE A/S
 FURUNO DANMARK A/S
 FURUNO SVERIGE AB
 FURUNO FINLAND OY
 FURUNO POLSKA Sp. z o.o.
 FURUNO DEUTSCHLAND GmbH
 FURUNO EUROPE B.V.
 FURUNO FRANCE S.A.S.
 FURUNO ESPANA S.A.
 FURUNO ITALIA S.R.L.
 FURUNO HELLAS S.A.
 FURUNO (CYPRUS) LTD
 EMRI A/S
 TELKO A/S
 Telko International AB
 S.A.S. ROBIN MARINE
 FURUNO LEASING LTD.

Asia and Oceania

FURUNO SHANGHAI CO., LTD.
 FURUNO (DALIAN) TECHNOLOGY CO., LTD.
 FURUNO (DALIAN) CO., LTD.
 FURUNO CHINA CO., LTD.
 FURUNO DONGGUAN CO., LTD.
 FURUNO HONG KONG CO., LTD.
 FURUNO NAVIGATION TECHNOLOGY (SHANGHAI) CO., LTD.

PT FURUNO ELECTRIC INDONESIA
 FURUNO KOREA CO., LTD.
 FURUNO SINGAPORE PTE LTD
 FURUNO ELECTRIC (MALAYSIA)SDN. BHD.
 ELECTRONIC NAVIGATION LIMITED

Japan

Marisat Communication Service Inc.
 FURUNO SYSTEMS CO., LTD.
 FURUNO LIFEBEST CO., LTD.
 FURUNO SOFTECH CO., LTD.
 LABOTECH INTERNATIONAL CO., LTD.

Americas

FURUNO U.S.A., INC.
 FURUNO PANAMA, S.A.

