Global Network / Corporate Information (as of March 31, 2017)

European
- FURUNO UK LTD.
- FURUNO NORGE A/S
- FURUNO DANMARK A/S
- FURUNO BROADBAND SERVICE CENTER ApS
- 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 ESPAÑA S.A.
- FURUNO ITALIA S.R.L.
- FURUNO HELSINKI S.A.
- FURUNO (CYPRUS) LTD
- FURUNO EURUS LLC

Japan
- FURUNO KYUSHU HAMAI CO. LTD.
- FURUNO KANSAI HAMAI CO. LTD.
- KYORITSU RADIO SERVICE CO. LTD.
- FURUNO SYSTEMS CO. LTD.
- FURUNO LIFEBEST CO. LTD.
- FURUNO SOFTTECH CO. LTD.
- LABOTEC INTERNATIONAL CO., LTD.

Asia
- FURUNO CHINA CO. LTD.
- FURUNO SOFTTECH (SOUTH) LTD.
- PUNDTEC (SOUTH) CO. LTD.
- FURUNO SHANGHAI CO. LTD.
- FURUNO KOREA CO., LTD.
- FURUNO SINGAPORE PTE LTD
- PT FURUNO ELECTRIC INDONESIA

North America
- FURUNO U.S.A., INC.
- FURUNO PANAMA, S.A.

Financial Highlights (Consolidated)
Years ended the last day of February

- Operating income / Operating income ratio
- Net income (loss) attributable to shareholders of the parent company / ROE
- Net sales by region
- Net sales by business

Company Outline (as of February 28, 2017)

- Company Name: FURUNO ELECTRIC CO., LTD.
- Incorporated: May 23, 1951
- Headquarters: 9-52 Ashihara-cho, Nakahara-ku, Kawasaki City, Kanagawa 212-8580, Japan
- Capital: ¥7,534 million
- Number of Employees: 2,894 (consolidated)
- Consolidated Sales: ¥7,674 million ($71.2 million)*1
- President: Yukio Furuno
- Website: http://www.furuno.com

*1 U.S. dollar amounts represent translations of Japanese yen at the approximate exchange rate on F.Y.2017 of 107.76 yen = U.S.1

The information in this pamphlet is current as of May 25, 2017.
All brand and product names are registered trademarks, trademarks or service marks of their respective holders.
Apple and iPhone are trademarks of Apple Inc. registered in the U.S. and other countries.
Since our inception, FURUNO has been continually helping people see things that are beyond the realm of visibility. Through exhaustive research and development, we create and implement our innovative technologies to solve any problem, seen or unseen. This mentality resulted in our invention of the world’s first fish finder.

However, the products FURUNO manufactures go far beyond making things visible.

By making the invisible visible, we encounter new possibilities that we weren’t aware of before. This not only benefits those who directly use our instruments, but it also affects the lifestyles of many people beyond them.

By looking at things from a customer’s point of view, we can see the problems at hand and find new possibilities that were previously beyond the realm of visibility.

And by analyzing the way we live, FURUNO continues to create new values that are not yet visible to the human eye.

**CHALLENGE the INVISIBLE.**

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**EDITORIAL POLICY**

This report was edited to describe the FURUNO Group Environmental Report and CSR Report in order to understand the group’s business activities and to understand the CSR Report continues to aim toward society, environment, and management.

**PERIOD COVERED**

March 1, 2016 – February 28, 2017

**SCOPE**

This report covers the activities of FURUNO Group companies mainly those of FURUNO ELECTRIC CO., LTD. The environmental report primarily covers the environmental activities of the ISO 14001-certified Headquarter NII Plant and FURUNO INT Center.

**PRESIDENT’S MESSAGE**

Achieve better safety and peace of mind to bring about an environmentally friendly society.

FURUNO ELECTRIC CO., LTD. (FURUNO) was the first company in the world to successfully commercialize a fish finder in 1948, and in the more than half century since that time, we have contributed to the progress of society and industry by offering cutting-edge, innovative electronic devices that serve customers’ needs. “Contributing to the society by creating new values” is what we consider as our role in the society and this spirit is regarded as the most important value to be borne by all of our employees and is clearly stated in our management principles.

“SPC & I” embodies the basis upon which we create new values. By “Integrating” our knowledge, experience and know-how derived from our business activities together with our three technical core competencies, “Sensing”, “Processing” and “Communication”, we shall strive to continually provide solutions that are of value to our customers on a globe scale.

Our fields of business have extended from our main business field of the maritime industry to medical as well as ICT industries. It is our mission in our business activities to continually contribute to the society by “achieving better safety and peace of mind to bring about an environmentally friendly society”, and we shall continue to strive to achieve that end.

We respectfully appreciate your thorough understanding and support.

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

![President's Message](image)

**MANAGEMENT PRINCIPLES**

- Technology for Visibility
  - Moving forward to the future
  - Standing firm to seek creativity
  - Challenging for the best
  - Respecting sincerity

![Management Principles](image)

**BUSINESS THEME**

- Action Guidelines
  - President: Masao Furuno
FURUNO’s History

FURUNO will contribute to the development of society and industry previously invisible, using our SPC core competencies and our by giving visual form to that accumulated know-how.

Through “Integration” of the knowledge, experience, skills, and know-how accumulated through our business activities with our three core areas of technological expertise—Sensing”, “Processing” and “Communication”—we create solutions that are of great value to our customers.
FURUNO equipment supports safe, worry-free navigation.

Since successfully commercializing the world’s first fish finder in 1948, FURUNO has met customer needs by developing and marketing various types of navigation and communications equipment. Today, we offer equipment to ensure safety, peace of mind, and higher efficiency for a wide variety of ships, from large merchant vessels, to fishing boats and recreational boats.

**AIS (Automatic Identification System)**

AIS allows for ship information (e.g., ID, position, heading direction) to be exchanged among ocean-going ships and vessels. These systems help prevent collisions and ensure safe navigation. They also make it possible to detect ships, which do not appear on radar because they are hidden in the shadow of islands.

**Autopilot**

Linked to the steering system and heading sensors, the autopilot automatically controls the ship to maintain the course, making steering much easier for the captain.

**GPS, Chart Plotter**

Navigating in the open seas requires accurate assessment of one’s current position. GPS chart plotters pinpoint a vessel’s position based on radio waves sent from GPS satellites. The position is displayed on a simplified navigational chart.

**VDR (Voyage Data Recorder)**

VDR records and stores navigation data and information. This data is obtained from onboard sensors, and can be analyzed in the event of a marine accident to pinpoint the cause and prevent further recurrence.

**Radar**

Radar acts as the eyes of a ship, sending out radio waves as a means of detecting other vessels and obstructions in the surrounding area. Radar allows ships to navigate safely, even when dense fog reduces visibility.

**Satellite Communications Equipment / Service**

We offer communications equipment and services employing communications satellites. This enables telephone and facsimile communication with the shore, as well as onboard connectivity to the internet.

**Coastal Monitoring System**

These systems monitor the sea and harbor by combining surveillance radar, surveillance cameras and other equipment. They support a broad array of applications, from wide-range surveillance for marine traffic control, to surveillance over a limited range such as fishing grounds and aquaculture areas.

**Fish Finder / Sonar**

These systems detect fish schools using ultrasound waves, which travel in straight lines as they penetrate the water and bounce back to the original source after hitting fish, the seabed or other objects. The depth and distance to schools of fish can be calculated based on the time it takes for the ultrasound waves to return.
For Merchant Vessels

For safe and efficient navigation
As part of our mission to contribute to safe and efficient navigation, FURUNO offers a variety of navigation and communications equipment. These products are designed for all types and sizes of merchant vessels, carrying both people and goods. With regards to newly-built vessels, we have built up a track record and global network commensurate with our top market share. Leveraging these assets, our business spans from new vessel construction to upkeep and lifecycle maintenance and retrofitting.

For Recreational Boats & Small Workboats

For safe and comfortable life at sea
FURUNO offers high-quality products for users of all types of recreational boats, including sport fishing boats, sailboats and yachts. While continuing to supply innovative and highly reliable products to the users of small workboats, such as coastal security vessels and tugboats, we are expanding our efforts to enhance customer value.

TOPICS

High-performance fish size measurement assists with resource management, fishing and efficient operations
FURUNO’s fish size indicator determines what sizes of fish exist in what ratios among detected schools and displays that information in easy-to-understand graphs for viewing at a glance. Being able to know both size and type of the targeted fish before fishing, contributes greatly to selective fishing and productive/efficient operations.

FURUNO’s all-new high-performance fish size indicator (FCV-2100) combines FURUNO’s Split Beam and TruEcho CHIRP™ technology to improve the accuracy of fish size measurement while displaying higher resolution images. With vastly improved range resolution, it is easier to discern fish outlines and determine the size of individual fish in densely packed schools within the mid-surface layer zone, or to identify single fish near the seabed.

For Fishing Vessels

For safe fishing and sustainable use of fishery resources
Since our founding, FURUNO has offered electronic fishing equipment to modernize and improve the efficiency of commercial fishing. FURUNO is working to develop fisheries with resource management, through the fishery consulting capability that we have previously cultivated in countries around the world, and by providing products and services that are both innovative and optimally suited for the market.
FURUNO products are at work in many areas of daily life.

Based on technology developed for marine electronic equipment, FURUNO has expanded into new fields, including medical equipment and IV devices, such as GPS and ITS (Intelligent transportation systems) products. Our aim is to realize a comfortable society with greater safety and peace of mind.

Meteorological Monitoring and Analyzing System
As an application of small marine radar, we offer compact, low-cost weather radar, which can be installed at multiple locations. The system observes rain clouds, predicts sudden localized heavy downpours, and helps to mitigate damage due to regional disasters.

TNM Displacement Monitoring System
These systems determine displacement of features such as the earth’s crust, the ground and man-made structures by using GPS (GNSS) based precision positioning technology. They are used for tasks such as monitoring volcanic activity and landslides, as well as managing safety and deterring impact in the surrounding area during construction of high-rise buildings.

Clinical Chemistry Analyzer
This analyzer automatically takes precise measurements of enzymes, fats, sugars, proteins and other substances in the blood.

Ultrasound Bone Densitometer
Devices that measure bone density by applying ultrasound to the heel bone, enabling quicker and safer screening than X-ray equipment.

Wireless Handheld Terminal
These terminals are for central management of information and work support using a wireless LAN system. They make various kinds of work quicker and more efficient through real-time management of work status and product data at distribution warehouses, shopping centers, production sites and elsewhere.

Wireless LAN Access Point
This wireless access point enables wireless use of the Internet at locations such as train stations, cafes and hotels. They allow connection to the Internet regardless of mobile carrier, resulting in growing demand at educational facilities, such as schools and private tutoring schools, as well as at hotels, tourist spots and other areas that attract tourists.

GPS (GNSS) Receiver
These high-precision position sensors can accurately pinpoint their current position anywhere on earth by receiving and processing signals from GPS (GNSS) satellites. These units are incorporated into automotive devices such as navigation systems, operation management terminals and car-to-car communication terminals. They are also used in mobile devices including mobile phones.

DSRC (Dedicated Short Range Communication) System
Installed at a parking lot entrance, construction site entry gate or similar location, these systems enable exchange of vehicle information and other data with ETC systems. The result is smoother access, improved safety and enhanced security.

Automotive ETC2.0/ETC System
These terminals allow for toll payment processing on toll roads without the need to bring the vehicle to a halt. Recently, applications have broadened to vehicle access control at parking lots and construction sites.
Healthcare

Clinical Chemistry Analyzer
This analyzer contributes to early diagnosis and prevention of disease by measuring the concentration of samples such as blood and urine. FURUNO provides small- to medium-sized analyzers and these product lines enable high-quality medical care while reducing the burden of introducing new equipment at healthcare facilities.

Ultrasound Bone Densitometer
This device measures bone density safety by using ultrasound. Measurement operation is simple and easy-to-use while the product itself has a compact and portable design. The device is best suited for osteoporosis screening tests and will contribute to early diagnosis of osteoporosis and reduction in medical costs.

Communications & GNSS Solutions

Automotive ETC2.0/ETC Systems**
This device allows vehicles to pass through plazas such as toll gates on toll roads without stopping. With GPS built-in, it can also supply information by voice to help drivers avoid traffic congestion and drive safely.

Disaster Prevention & Security Monitoring Solutions

Meteorological Monitoring and Analyzing System
This system provides detailed analysis of the movement speed and tracks the development of cumulonimbus clouds that bring sudden localized heavy downpours, and can display the information as a high-precision 3-dimensional observation image. The compact and lightweight design is easy to install and useful in cities for flood control measures, and in transportation management applications for railways and roads, thus contributing to a higher level of disaster preparedness.

For a safe, worry-free society
FURUNO is providing system solutions to support everyday safety and peace of mind by offering systems that predict meteorological events, such as sudden localized heavy downpours, with weather radar, and geological events such as volcanic activity and landslides using ground displacement monitoring systems.

GNSS Displacement Monitoring System
This remote automatic monitoring system measures displacement of terrain and structures over the long term. It monitors terrain displacement to help avoid danger from volcanic activity, landslides, dam/canal construction, and similar conditions, and ensures people’s safety and security by mitigating disasters.

Wireless LAN Systems / Electromagnetic Environment Testing Services

Wireless LAN Access Point**
Access points are devices that create a wireless connection to the Internet regardless of the users’ mobile carrier contract. They provide a pleasant Wi-Fi environment in companies, schools, and other types of locations.
Note: This product is handled by FURUNO SYSTEMS CO., LTD.

Wireless Handheld Terminal**
These mobile data terminals acquire data by scanning bar codes. The information gathered can be managed centrally. They make various kinds of work faster and more efficient through the real-time management of product data at distribution warehouses, shopping centers, and other facilities.
Note: This product is handled by FURUNO SYSTEMS CO., LTD.

For a safer and more convenient society
We supply solutions for movement monitoring and time synchronization utilizing Global Navigation Satellite System (GNSS) and Dedicated Short Range Communication (DSRC) technologies. We also provide equipment for Intelligent Transportation Systems (ITS).

ETC Multipurpose Use Service**
This service utilizes the vehicle identification function provided by automatic ETC devices to efficiently run facilities such as parking lots that control vehicle entry and exit, or for sending out information.

GPS (GNSS) Receiver Chip & Module
We offer devices that are able to receive GPS and GLONASS® signals simultaneously. They provide precise location information even in places such as metropolitan areas where radio wave can suffer interferences.

For greater comfort and safety in society
Using wireless technologies we provide product management systems along with wireless LAN access points that improve internet connectivity. We also provide services to measure the electromagnetic compatibility of devices, supporting improvements in the safety and reliability of devices.

Electromagnetic Environment Testing Service**
This service allows us to conform product safety and reliability by measuring the electromagnetic compatibility of electronic devices.
Note: This product is handled by LABTECH INTERNATIONAL CO., LTD.
Providing Added Value in R&D

With "Technology for Visibility" and our expertise accumulated through years of business in our three core fields of "Sensing", "Processing" and "Communication", we provide solutions to help our customers in monitoring underwater conditions, ship surroundings, and also people's health.

In FY2016, FURUNO developed a Fish Size Indicator that distinguishes the general size and type of fish being targeted before the start of fishing to enable selective fishing and help make operations more efficient. Also, with the proliferation of Internet technologies we are moving ahead with highly competitive products and services that utilize IoT/ICT.

Thorough Quality Management for Safety and Peace of Mind

To provide products that our customers can use with confidence, FURUNO has acquired certification under the ISO 9001 international standard for quality management systems. To ensure that our products function properly in the harshest environments, we also set our own quality standards and employ reliability assessment techniques at each stage of development. Based on such standards we are able to achieve optimal quality for the countries and regions, the environment and applications in which each product is used.

Marine electronic equipment is used in an extremely hostile environment, therefore, we test the equipment under a wide range of environmental conditions including temperature, moisture, and vibration. We also perform repeated EMC testing, so customers can use our products with peace of mind.

A Global Service System for Satisfaction

FURUNO has four service centers—located in Japan, the U.S.A., Germany and Singapore—together with authorized distributors in more than 40 countries. Our online Service Management System (SMS) allows information to be shared among distributors and service centers related to equipment installation and maintenance for each vessel, which enables quick response for repairs and maintenance.

To get the maximum benefit from these systems and to contribute to safe navigation requires not only high product quality but also local guidance on proper installation, settings, and operation to optimize the equipment use. We therefore train service technicians with a comprehensive educational curriculum based on guidelines that cover all of the basic technology. Our subsidiaries outside of Japan also provide guidance to shipyards on equipment and installation procedures, and actively host seminars for customers to explain how to properly operate the equipment.

Free Competition and Fair Trade

The FURUNO Group’s Code of Conduct explicitly states: "We will comply with laws and regulations as well as social ethics of each country and region, international rules, business contracts, and internal rules." We set up opportunities for fair trade both inside and outside of Japan, and carry out procurement based on a fair evaluation from the standpoint of OCD+E (Q: Quality, C: Cost, D: Delivery time, E: Environment). Our fundamental policy is to comply with all laws and societal norms, and build relationships of mutual trust with our suppliers, based on which we strive to build and maintain healthy partnerships.

Proper Trade Control

In order to ensure the proper implementation of security export controls aimed at maintaining international peace and security, FURUNO’s President is the chief executive responsible for setting up the control system. Regarding cargo and technologies for export, we determine if anything is on a list subject to control and strictly implement screening of the prospective consumer and uses involved in each trade.

Information Security Measures

To prevent damage from cyberattacks, which have been on the rise in recent years, FURUNO has built various measures into our systems that will prevent such incidents before they occur. Nonetheless, it is difficult for system-wide measures to prevent attacks completely, so we issue security reports and conduct exercises simulating a cyberattack as ways to raise awareness and levels of caution among all individuals involved.

Risk Management

Environmental Consciousness

With global environmental issues becoming more serious, FURUNO considers the environment to be one of our vital management issues. The core mainstreams of our environmental policy are protection of the global environment, the creation of a recycling-oriented society, and conservation of biodiversity. We are working to manufacturer products that have low environmental impact and to reduce impact in our business activities in the effort to achieve sustainability in society.

Sustainable Society

Conservation of Biodiversity

Protection of the Global Environment

Creation of a Recycling-Oriented Society