Corporate Information / Global Network

Company Outline (as of February 28, 2015)

- Incorporated: May 23, 1951
- Paid-in Capital: ¥7,534 million
- Number of Employees: 2,930 (consolidated)
- Consolidated Sales: ¥85,966 million

Corporate Report
Corporate Profile & CSR Report 2015
Technology for Visibility

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 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 global 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.

President
Yukio Furuno

FURUNO’s Three Technical Core Competencies
Through SPC & I based on Integration of our know-how with Sensing, Processing and Communication, we achieve better safety and peace of mind to bring about an environmentally friendly society.

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FURUNO’s History

We have developed products in a variety of fields by exploiting our proprietary technologies.

1948
Developed fishing radiotelephone

1952
Successfully commercialized world’s first fish finder

1959
Developed radar for vessels

1966
Established Special Equipment Department to handle systems for use on land

1967
Developed searchlight sonar, and extended maximum range of fish finders.

1984
Launched and strengthened merchant marine business.

1985
Began sales of ARPA (automatic radar plotting aid) radar

1986
Developed GPS navigation system

1987
Began overseas sales of merchant marine products.

1992
Developed GPS receivers for automobiles (GN-92, GN-72).

1993
Developed GPS displacement continuous remote monitoring system (DNA2000).

1999
Developed ultrasound bone densitometer, and automotive ETC system

2002
Developed fully automated clinical chemistry analyzer.

2003
Developed GPS disciplined oscillator.

2013
Developed compact, lightweight weather radar system (WR-2100, WR-58).

2014
Developed Dog Navi™ transmitter, a GPS marker for hunting.

**Corporate Report**

**Business and Product History**

**Founding and successful commercialization of world’s first fish finder**

1938 | FURUNO ELECTRIC SHOKAI LTD. founded in Nagasaki Pref.
1948 | Achieved practical use for the world’s first fish finder.

**Business expansion, and development of overseas sales**

1955 | “International Furuno” declaration: Began export of products in the following year.
1964 | Relocated headquarters from Nagasaki to Nishinomiya in Hyogo Pref.
1972 | Received first INMARSAT (International Maritime Satellite Organization) Best Product Award (for 1971).
1974 | Established first overseas subsidiary in Norway.
1978 | Established FURUNO U.S.A., INC. in the U.S.

**Progress toward a more scientific, efficient fishing industry**

1967 | Developed searchlight sonar, and extended maximum range of fish finders.
1970 | Developed 90-degree sector scanning sonar.
1980 | Developed the world’s first current indicator and video plotter (track and course display).

**Increased production and overseas expansion**

1979 | Completed construction of Miki Factory in Miki, Hyogo Pref.
2006 | Established FURUNO DONG GUAN FACTORY in Guangdong Province, China, and expanded overseas production.

**Expansion into merchant marine business**

1984 | Launched and strengthened merchant marine business.
1985 | Began sales of ARPA (automatic radar plotting aid) radar.

**Expansion of recreational boat products**

1985 | Full-scale entry into the marine leisure market.
1989 | Began sales of fish finder for recreational boats (FCV-663, FCV-663A).
2001 | Developed the NavNet series, a multi-function, network-capable navigation system.
2006 | Began sales of fish finder with ACCU-FISH function for determining fish size.

**Medical Equipment**

Clinical Chemistry Analyzer
Ultrasound Bone Densitometer
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.
For Merchant Vessels

As part of our mission to contribute to safe and efficient navigation, FURUNO offers a variety of navigation equipment and maintenance services. These products are designed for all types and sizes of merchant vessels, carrying both people and goods, including passenger ships, container ships, tankers and LNG ships.

Integrated Navigation System
NVG operates like a single instrument by integrating data from radar and other navigation devices.

Electronic Chart Display and Information System (ECDIS)
These systems display navigation information such as ship position and speed on electronic navigational charts.

Inmarsat FleetBroadband
Enables ship-to-shore and ship-to-ship communication via satellite.

For Fishing Vessels

Since our founding, FURUNO has offered electronic fishing equipment to modernize and improve the efficiency of commercial fishing. Today we are contributing to progress toward sustainable fishing by providing systems for management of marine resources, such as fish finders with fish size assessment functions.

Scanning Sonar
Enables fish-finding in all directions around a boat.

Fish Finder
Can detect presence of schools of fish as well as their position and fish size.

Current Indicator
Measures the direction and speed of underwater currents.

For Recreational Boats

FURUNO offers navigation devices and systems for all types of recreational boats, including sport fishing boats, sailboats and yachts. We support a safe, worry-free and comfortable life at sea.

GPS, Chart Plotter
GPS chart plotters display position information acquired from GPS satellites, much like a car navigation system.

Autopilot
Automatically controls the rudder so that the ship travels in the designated direction.

For Government Vessels

FURUNO provides systems for government vessels carrying out marine duties in punishing environments, such as coast guard vessels, fishery patrol boats, survey/observation vessels and training ships. We propose optimal equipment to suit the needs of each type of ship.

Radar
From small to medium-sized radars with improved close-range detection capability.

Satellite Compass
Detects the ship's heading with high precision using multiple GPS antennas.

Marine VHF Radiotelephone
Useful for exchanging information during harbor work, or when communicating with harbor authorities.
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 ICT 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.
Medical Equipment

FURUNO offers medical equipment useful for early discovery of illness and monitoring of treatment. Examples include clinical chemistry analyzers employing mechatronics, sensing and signal processing technologies and bone densitometers employing ultrasound technology.

GPS & ITS Products

By exploiting technology developed for marine electronic equipment, we have expanded into GPS-based products in a wide range of fields. FURUNO also offers ITS (intelligent transportation systems) using DSRC (dedicated short range communication) technology to help improve safety and convenience.

Disaster Prevention & Surveillance Solutions

FURUNO is working hard to contribute to a safe, worry-free society by offering systems that predict meteorological events, such as sudden localized heavy downpours using small weather radar, and geological events such as volcanic activity and landslides using ground displacement monitoring systems.

GPS Fixed-Point Observation System

This observation system enables determination of ground displacement in millimeters, by using sophisticated GPS technology for ascertaining accurate position information.

Meteorological Monitoring and Analyzing System

By setting up small weather radar at multiple locations, it is possible to observe changes in local weather in detail.

Wireless LAN Systems / EMC Test Services

By exploiting wireless technology, we offer wireless LAN access points for more convenient Internet connection, as well as product management systems. In addition, we provide services for measuring the effectiveness of electromagnetic countermeasures to support improved equipment safety and reliability.

Wireless LAN Access Point

Access points enable wireless connection to the Internet, regardless of the user’s mobile carrier contract.

Wireless Handheld Terminal

These terminals acquire data by scanning bar codes. The gathered information can then be centrally managed.
Corporate Report

Compliance

We have established a Compliance Committee, chaired by the President, and including outside members (lawyers). Taking the FURUNO Group Code of Conduct as a guideline, we are working to disseminate and firmly establish a culture of consistent compliance with laws, corporate ethics, social norms and other responsibilities.

Using the Compliance Handbook

In order to reexamine our corporate conduct, and renew our commitment to compliance, we issued a Compliance Manual in 2006, and clarified the code of conduct to be observed by every group executive and employee in Japan. Later, due to an amendment of the Companies Act and the Financial Instruments and Exchange Act, it became necessary to establish a common code of ethics for the entire group, including overseas subsidiaries. So we took this opportunity to set forth a new FURUNO Group Code of Conduct. In addition, the previous Compliance Manual was reissued as a revised Compliance Handbook. This Compliance Handbook has been distributed to the employees of the FURUNO Group, and is being used at every opportunity.

Employee Education

In order to improve compliance awareness, we are providing compliance education through e-learning for all group executives and employees. In addition to training by rank and position, we are also holding workplace study sessions for exchanging views in each department based on specific cases, and periodically issuing a Compliance Bulletin with easy-to-understand explanations of cases of non-compliance.

Aside from this, we designate October of every year as Compliance Strengthening Month, and over the course of the month, the Compliance Handbook is read together in workplace groups. Furthermore, we provide individual preparatory compliance training for employees sent overseas to ensure their familiarity with points of notice relating to the regions where they will be posted. Monitoring and auditing are also carried out to determine whether activities to ensure compliance are being properly conducted, and if necessary, instructions are given to make improvements.

Risk Management

We have developed a company-wide risk management system supervised by the Risk Management Committee. This committee is chaired by the President. Based on our Risk Management Rules, we are working to reduce the risk of major impacts on management or employees.

Risk Response in a Disaster

In light of the Great Tohoku Earthquake which occurred in 2011, in FY2012 we carried out an overall review of the best approach for FURUNO to respond to a disaster. We have developed disaster response policies, Company-wide Disaster Response Rules (which define roles and responsibilities when a disaster occurs), and Business Continuity Management Rules that establish a system for ensuring business continuity. We will also strengthen our response capability by continually conducting personal safety confirmation drills and disaster prevention drills for earthquake scenarios. In FY2014, the scope of these efforts was broadened to all business sites throughout Japan. Disaster readiness supplies were stockpiled, and evacuation training for a large-scale earthquake was carried out at key business sites.

Relationships with Customers

FURUNO listens carefully to the views of customers throughout the world, and all of our departments, from research and development to service, are working to provide higher quality products and services.

Research and Development

Contributing to the realization of a safe, secure and comfortable society with “Technology for Visibility”

With “Technology for Visibility,” we provide solutions to help our customers in monitoring underwater conditions and ship surroundings, as well as other fields.

Production

The trusted FURUNO brand, created through the devoted efforts of each of our employees

Marine electronic equipment is used in an extremely punishing environment, and thus we have a wide variety of testing systems to enable simulation of virtually any maritime environment. In addition, we have established a facility for EMC testing to enable investigation of the effects of electromagnetic radiation, and we are working to create products that do not emit unnecessary electromagnetic radiation, nor are affected by such radiation at or below standard limits.

Service

We have built a global service network to enable rapid and accurate response to a diverse range of needs

FURUNO marine products are designed for ease-of-operation, but in order for them to exhibit their peak performance and to contribute to safe, worry-free navigation, it is essential to improve not only product quality, but also installation quality. This is ensured through proper installation, setting and operation guidance on-site where the equipment is to be used. We have therefore established four service centers in Japan, the U.S., Germany and Singapore, and a network of distributors in over 40 countries. Additionally, we have also established INS (Integrated Navigation System) training centers in Denmark and Singapore. This organization allows us to provide repair, installation, inspection, training and other services in key ports throughout the world.

SMS Online System

Our online SMS (Service Management System) acts as a database of information on equipment installed in each ship, and the support history of each product. Using this system, we share information between distributors and service centers, and thereby enable speedy and accurate service.

Fire drill at Fukuoka Factory

Evacuation drill at Nakasu Branch Office
Corporate Report

FURUNO CSR Efforts

Relationships with Suppliers

At FURUNO, we strive to engage in fair-trading, building relationships of trust with suppliers, and achieve mutual development while fulfilling our social responsibilities.

Basic Approach to Material Procurement

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 in compliance with FURUNO’s Green Procurement Guidelines, while stressing product development taking into account the environment (E) in addition to quality, cost, and delivery time (QCD).

Fair Trading

In order to maintain good partnerships with procurement sources, manufacturing subcontractors and sales representative agents, both inside and outside Japan, we are fully committed to fair trading based on the FURUNO Group Code of Conduct. Selection of suppliers is carried out based on fair examination in accordance with our Criteria for Selection of the Partner Companies, and we work hard to build and maintain sound business relationships.

Promotion of CSR Activities

Suppliers are important partners supporting FURUNO’s manufacturing. In order to carry out high-quality manufacturing through harmonious coexistence and mutual prosperity, we maintain mutual understanding and trusting relationships by periodically sharing strategies, policies and other information with suppliers. At the same time, we work to promote CSR activities throughout our entire supply chain. We also strive to raise the level of our CSR activities by, for example, continually conducting audits of key suppliers, and when necessary providing support and education for improvement.

Relationships with Employees

Based on the idea that “the essence of management is people,” we have established development of human resources and capabilities as one of our management strategies. Under a system of goal management, which values the autonomy of each individual, we support the growth of our employees by effectively operating various personnel programs. These include an evaluation system for fairly assessing the degree of goal attainment and the ability to accomplish work, a salary system for rewarding results, and job rotation with an eye toward the future of each employee.

Development of Human Resources

We at FURUNO believe that people are the most important resource, and the key to corporate vitality and competitiveness. Therefore, at the workplaces, which are our main venue for developing personnel, we are utilizing OJT (on-the-job training) to develop independent human resources who think and act on their own initiative. On the other hand, we also provide a full range of OFF-JT (off-the-job training) to help develop individual careers and improve management capabilities. More specifically, we promote self-development through education programs based on e-learning, and subsidies for correspondence education costs of all employees, including non-regular employees. In addition, we conduct action learning training for discussing and exchanging views on issues actually facing the company, and career design seminars for promoting individual career enhancement. In this way, we provide support so that each employee can think about their own life and approach to work, which aids personal growth and helps to energize their respective organizations.

Support for Improving Technical Capabilities in R&D Work

Human resources development at FURUNO is based on OJT, but in R&D work, where there is a need to create sophisticated new technologies and carry out development by exploiting high-level specialized knowledge and creativity, we needed to enable acquisition of knowledge and skills which cannot be covered by OJT alone. Therefore, we began technical education based training on a yearly plan in 2005, and since then have supported improvement of the technical capabilities of employees engaged in R&D work through both OJT and OFF-JT. Also, in order to share the results of R&D company-wide, we hold a meeting to present technical research results once a year, and thereby strive to share information, and improve skills through interaction and communication between workers.

Establishment of a Training System in Response to the Advance of Globalization

FURUNO has built up a sales and service network, which also includes affiliated companies and representative agents. Presently, we offer our products in as many as 150 countries and regions. We have achieved an overseas sales ratio of approximately 60%, and among the 2,930 employees of the FURUNO Group, 907 work at overseas subsidiaries. To cope with the advance of globalization, in FY2014 we established a training system in which trainees are accepted from overseas subsidiaries and training is provided for young Japanese employees to be posted overseas. By providing work experience in overseas regions, we aim to facilitate early acquisition of an international mindset that is needed by global personnel.

We will grow by overcoming difficulties and achieving goals

Kenta Takahashi, FURUNO U.S.A., International Marketing Department, Marine Electronic Products Division

I joined FURUNO in 2007, and for a time dealt with China as part of FURUNO’s overseas marine business. At present, I am a purchasing manager at FURUNO U.S.A., where my main duties include development of purchasing plans, import work and inventory management. I also carry out a wide range of other duties such as supporting the Technology Department and representative agents in South America, and work relating to product planning. Due to differences in cultural background, I sometimes encounter differences in people’s interpretations of things, and work does not always progress smoothly, but I feel a sense of satisfaction in overcoming difficulties and completing my assigned tasks. On holidays, I strive to maintain motivation by living a fulfilling private life, visiting some of the hundreds of wineries nearby, and participating in practices with the company’s softball team.

Takahashi (fourth from right) together with workplace colleagues.
Relationships with Local Communities

As a good corporate citizen, we are conscious of our role as a member of the local community, and we work hard to build prosperous relationships of mutual trust through our interactions with people. Naturally we contribute to society through our business activities, but we are also a committed participant in other community-based activities, in areas such as education of the next generation, sports, and promotion of culture.

Special Sponsor of Umi No Koshien: Nishinomiya Sailing Cup

Every year in August, Umi No Koshien: Nishinomiya Sailing Cup is held at the new Nishinomiya Yacht Harbor in Hyogo Prefecture with the aim of nurturing yachting culture. FURUNO is a special sponsor of this race, and we present the FURUNO Cup as a special award to the sailor who shows the most promise for the future. In addition, during the event, our company’s R&D ship Pegasus operates as a race-viewing ship, letting members of the public enjoy the competition and feel a deeper connection to yachting and the sea.

Cooperation with the Trial Week Program to Provide Real-Life Workplace Experience

To support the rearing of the children who will carry on the next generation, and bring them closer to social independence, we cooperate with the Trial Week Program for experience-based learning about workplaces. The program is for junior high school students, and is led by Hyogo Prefecture. In FY2014, we welcomed four junior high students from the local area to our Miki Factory during October. Through manufacturing experiences not available to the students in their regular lives, such as the assembly of radar and fish finder equipment, we offered an opportunity to learn the importance of work and responsible conduct.

Fish Finder Selected as One of the Top 100 Innovations of Postwar Japan

FURUNO’s fish finder was selected as one of the Top 100 Innovations of Postwar Japan by the Japan Institute of Invention and Innovation. Items selected for this award are innovations that were developed and became widespread in postwar Japan, and made a major contribution to the advancement of the Japanese economy.

The world’s first fish finder was developed and commercialized by our company in 1948. It was selected for this award because it was an “innovation resulting from the development of ultrasound technology passed down from the prewar era, and through value-creating entrepreneurial activity by FURUNO, which at the time was a small-to-medium-sized enterprise.” Our fish finder was also recognized for “transforming fishing methods from dependence on experience and intuition of fishermen to a more scientific approach, and for being a major milestone in the history of the fishing industry.”

Environmental Conservation Efforts

Management of chemicals contained in our products is our top priority. We are working to create products with low environmental impact, and to achieve continuous environmental conservation in all aspects of our business activities.

Environmental Policy

Environmental Philosophy

1. In order to approach sustainability, we shall place “protection of the global environment,” “creation of a recycling-oriented society,” and “conservation of biodiversity” as the core mainstream of our environmental policy.

2. We shall strive to conduct environmental management, fulfilling the responsibilities expected of us as a company and society’s expectations of our products.

Message to Society

Let us protect our earth! Let us seek a 21st century characterized by ecological awareness! FURUNO will continue to do its utmost to produce environmentally friendly products.

Guidelines for Action

- Protection of the global environment
  We strive to contribute to energy and resource conservation as well as reduction in emission of greenhouse gases throughout the entire process of procurement, manufacturing, distribution and disposal through environmental design and by developing environmentally friendly products and systems.

- Creation of a recycling-oriented society
  We strive to reduce waste produced by our business activities and over the course of the lifecycles of our products by promoting the reduction, reuse and recycling of waste.

- Conservation of biodiversity
  We strive to reduce use and seek alternatives for chemicals that have negative impacts on living organisms and the global environment through chemical risk management. Furthermore, we strive to contribute to preservation of the marine environment and realization of sustainable fisheries through development and provision of products and systems that contribute to more efficient fishing and marine resource management.

- Fostering a corporate culture of coexistence with the environment and society
  In order to promote environmental communication, we aim to maintain and develop bonds of trust. This is achieved by actively disclosing our environmental policy, activities and accomplishments both inside and outside of our company, and pursuing an enhanced dialog with stakeholders. Also, we seek to develop human resources who adhere to environmental laws and regulations affecting our business activities, strive for harmonious coexistence with society in order to fulfill our social responsibility through environmental activities, and take the initiative to engage in activities that benefit society and the local community.

Status of ISO 14001 Certification (as of February 2015)

Miki Factory*: (Manufacturing of fishing equipment, navigation equipment, radio communications equipment)

Nishinomiya Office*: (R&D and corporate headquarters)

FURUNO INT Center*: (Design and development, production and distribution of in vitro diagnostic biochemical analyzers, ultrasound bone densitometers, fare collection equipment, GPS engines and apparatus, EMC testing, environmental testing and calibration for electronic equipment)