

Summary of Consolidated Financial Results for First Three Months of Fiscal Year Ending March 31, 2007

Name of listed company: **The Furukawa Electric Co., Ltd.**
 (URL <http://www.furukawa.co.jp/>)
 Code No.: 5801
 Stock Listings: Tokyo, Osaka, Nagoya
 Company Representative: (Title) President (Name) Hiroshi Ishihara
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1. Matters concerning the preparation of this summary of the consolidated financial results for the three months of the fiscal year ending March 31, 2007

(1) Adoption of simplified accounting method: Yes

The Company adopted simplified methods to account for the depreciation of some fixed assets and for some tax effects.

(2) Differences in accounting method from those used during recent consolidated fiscal year: No

(3) Changes in the scope of consolidation and application of the equity method: Yes

Number of consolidated subsidiaries: 105

(New) 9

(Deleted) 1

Number of affiliates accounted for by the equity method: 13

(New) 2

(Deleted) 2

2. Consolidated financial results for first three months of the fiscal year ending March 31, 2007 (April 1, 2006 through June 30, 2006)

(1) Consolidated operating results

Note: Amounts less than one million have been omitted except for the per share data.

| | Net sales | | Operating Income | | Recurring profit | | Net income | |
|--------------------------------------|-------------|------|------------------|------|------------------|-------|-------------|---|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Three months ended June 30, 2006 | 249,376 | 26.4 | 9,671 | 46.8 | 9,944 | △3.5 | 4,235 | — |
| Three months ended June 30, 2005 | 197,353 | 7.1 | 6,588 | 74.5 | 10,305 | 870.5 | △3,374 | — |
| The fiscal year ended March 31, 2006 | 872,535 | | 37,430 | | 46,966 | | 25,508 | |

| | Net income per share | Fully diluted net income per share |
|--------------------------------------|----------------------|------------------------------------|
| | Yen | Yen |
| Three months ended June 30, 2006 | 6.00 | 5.99 |
| Three months ended June 30, 2005 | △5.15 | — |
| The fiscal year ended March 31, 2006 | 36.94 | 36.92 |

(Note) The percentages represent a comparison with the figures for the corresponding period of the previous fiscal year.

[Qualitative and other information and others on the progress of consolidated operating results]

Consolidated net sales for the three months ended June 30, 2005, stood at ¥249,376 million. Consolidated net sales rose 10.3% year on year, excluding the effects of newly consolidated companies or companies that were consolidated in the previous period. Another factor was the sharp rise in the unit price of copper metal. Operating income rose 46.8%, to ¥9,671 million. Recurring profit declined 3.5%, to ¥9,944 million, the result of a decrease of ¥2,580 million in foreign exchange gains. In addition, due to the absence of the large asset impairment loss recorded in the three months ended June 30, 2005, net profit for the three months ended June 30, 2006, increased ¥7,609 million, to ¥4,235 million.

(2) Consolidated financial condition

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|--------------------------------------|--------------|-------------|----------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| Three months ended June 30, 2006 | 1,070,873 | 288,640 | 20.8 | 315.94 |
| Three months ended June 30, 2005 | 993,421 | 174,840 | 17.6 | 266.71 |
| The fiscal year ended March 31, 2006 | 1,052,256 | 223,243 | 21.2 | 316.24 |

[Qualitative and other information and others on the change of consolidated financial condition]

Total assets at the end of the three months ended June 30, 2006, rose ¥18,617 million from the end of March 31, 2006, to ¥1,070,873 million, thanks mainly to an increase in inventories and the effect of newly consolidated companies, which offset a decline in fixed assets largely resulting from a decrease in the market value of investment securities.

Net assets stood at ¥288,640 million. The shareholders' equity ratio was 20.8%, and net assets per share amounted to ¥315.94. (As the Accounting Standard for Presentation of Net Assets on the Balance Sheet was newly applied from the quarter under review, minority interests were included in net assets. If the previous standard had been used, net assets would have amounted to ¥220,149 million.)

(Reference) Estimates of operating results for the fiscal year ending March 31, 2007 (April 1, 2006 – March 31, 2007):
(Consolidated)

| | Net sales | Recurring profit | Net income |
|-----------|-------------|------------------|-------------|
| | Million yen | Million yen | Million yen |
| Interim | 505,000 | 16,000 | 10,500 |
| Full term | 1,020,000 | 32,000 | 15,000 |

(Reference) Estimated net income per share for the year ending March 31, 2007: ¥21.25

(Nonconsolidated)

| | Net sales | Recurring profit | Net income |
|-----------|-------------|------------------|-------------|
| | Million yen | Million yen | Million yen |
| Interim | 240,000 | 5,600 | 4,800 |
| Full term | 480,000 | 10,000 | 7,000 |

(Reference) Estimated net income per share for the year ending March 31, 2007: ¥9.92

[Qualitative and other information pertaining to the change of estimates for operating results]

Estimates for sales for the interim period and full term were revised upward, reflecting a sharp rise in the price of nonferrous metals, such as copper, the main raw material. Information and telecommunication-related demand remains brisk both in Japan and overseas. In addition, we realized extraordinary profit from the sale of real estate in the interim period. As a consequence, recurring profit and net profit for the interim period are expected to be higher than previously forecast.

Looking ahead, the price of nonferrous metals is expected to remain high, and there is uncertainty about the trend in crude oil prices. We will, therefore, not revise the previously announced estimates for the full term.

The above estimates have been made based on the information available as of the date of their release and certain assumptions as of this day regarding uncertain factors which may affect operating results of the Company and its consolidated subsidiaries in the future. Actual results could significantly differ from the above estimates because of the subsequent changes in circumstance.