



August 2, 2007

## Summary of Consolidated Financial Results for First Three Months of Fiscal Year Ending March 31, 2008

Name of listed company: The Furukawa Electric Co., Ltd.

(URL <http://www.furukawa.co.jp/>)

Code No.: 5801

Stock Listing: Tokyo, Osaka, Nagoya

Company Representative: (Title) President (Name) Hiroshi Ishihara

Inquiries: (Title) Head of IR/PR Unit of Management Planning Department (Name) Masahiko Fukumoto TEL (03) 3286 - 3050

(Figures are rounded down to the nearest million yen)

1. Consolidated financial results for first three months of the fiscal year ending March 31, 2008 (April 1, 2007 through June 30, 2007)

(1) Consolidated operating results (Figures in percentages denote the year-on-year change)

	Net sales		Operating income		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2007	282,059	13.1	9,581	(0.9)	8,884	(10.7)	3,446	(18.6)
Three months ended June 30, 2006	249,376	26.4	9,671	46.8	9,944	(3.5)	4,235	-
The fiscal year ended March 31, 2007	1,104,709		53,632		49,589		29,765	

	Net income per share	Fully diluted net income per share
	Yen	Yen
Three months ended June 30, 2007	4.88	4.88
Three months ended June 30, 2006	6.00	5.99
The fiscal year ended March 31, 2007	42.16	42.14

(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, 2007	1,105,264	316,419	23.1	361.72
Three months ended June 30, 2006	1,070,873	288,640	20.8	315.94
The fiscal year ended March 31, 2007	1,096,708	316,302	22.5	349.89

(\*) Including minority interests

2. Estimates of operating results for the fiscal year ending March 31, 2008 (April 1, 2007 through March 31, 2008) (Reference)

Consolidated results forecast for the fiscal year ending March 31, 2008 which the Company announced on May 11, 2007 remain unchanged for both the first half and the full year.

	Net sales		Operating income		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Interim	560,000	8.6	21,000	(12.1)	17,700	(12.3)	7,500	(49.4)
Full year	1,150,000	4.1	51,000	(4.9)	43,000	(13.3)	18,500	(37.8)

	Net income per share
	Yen
Interim	10.62
Full year	26.20

### 3. Others

(1) Important changes in subsidiaries during the term

(changes in specified subsidiaries that led to a change in the scope of consolidation): No

(2) Adoption of a simplified method of accounting procedures: Yes

(3) Changes in accounting procedures from the most recent consolidated fiscal year: Yes

(Note) For more details, please see “3. Others” in “Qualitative information and financial statements, etc.” on Page 2.

\* Note to appropriate use of results forecasts and others

The above estimates have been made based on the information available as of the date of their release and certain assumptions regarding uncertainties that may affect the operating results of the Company and its consolidated subsidiaries in the future. Actual results could differ materially from the above estimates due to subsequent changes in circumstances.

## **[Qualitative information and financial statements, etc.]**

### 1. Qualitative information on consolidated operating results

Consolidated net sales for the three months ended June 30, 2007 stood at ¥282,059 million, an increase of 13.1% from the same period in the previous year. Consolidated net sales rose 4.1% year on year, even excluding special factors such as the effect of rising prices of copper and aluminum metals.

Operating income decreased ¥90 million, to ¥9,581 million. Recurring profit fell ¥1,059 million, to ¥8,884 million. In real terms, excluding a ¥1.0 billion increase in depreciation expenses associated with the tax system revision from operating income and a ¥1.4 billion fall in foreign exchange gains from recurring profit, operating income and recurring profit increased ¥0.9 billion and ¥1.3 billion year on year, respectively.

Partly because of a complete write-off of ¥1.0 billion goodwill at a subsidiary in the United States under extraordinary items, net income for the three months ended June 30, 2007 decreased ¥788 million year on year, to ¥3,446 million.

### 2. Qualitative information on consolidated financial condition

Total assets at the end of the three months ended June 30, 2007 rose ¥8,555 million from the end of March 31, 2007, to ¥1,105,264 million.

Inventories increased ¥6.8 billion, mainly as a result of rising prices of copper and aluminum metals, while interest-bearing debt expanded ¥4.7 billion, reflecting capital investment of ¥11.6 billion, which was more than depreciation expenses of ¥10.9 billion. Net assets stood at ¥316,419 million. The shareholders' equity ratio was 23.1%, and net assets per share were 361.72 yen.

### 3. Others

(1) Important changes in subsidiaries during the term (changes in specified subsidiaries that led to a change in the scope of consolidation)

Not applicable

(2) Adoption of a simplified method of accounting procedures

A simplified method is adopted partly for depreciation and tax effect, etc. of fixed assets.

(3) Changes in accounting procedures from the most recent consolidated fiscal year

(Change of a depreciation method for tangible fixed assets)

Accompanying the amendment of the Corporate Tax Law in fiscal year 2007, the Company recorded depreciation expenses using the depreciation method prescribed in the amended Corporate Tax Law for tangible fixed assets acquired on and after April 1, 2007 from the three months ended June 30, 2007.

Also, for tangible fixed assets acquired prior to March 31, 2007 that have been depreciated to the final depreciable limit, the remaining book value is written down by an equal amount over five years.