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Notice of Flood Damage in Thailand and Revision to Full-Year Results Forecast and Expected Dividends for the Fiscal Year Ending March 31, 2012

Furukawa Electric Co., Ltd. announces that it has revised its full-year consolidated results forecast announced on September 30, 2011 and its expected dividends announced on May 10, 2011 in light of recent performance trends. Details are as follows.

1. Revisions to the Full-Year Consolidated Results Forecast for the Fiscal Year Ending March 31, 2012 (April 1, 2011 through March 31, 2012)

(Unit: million yen, %)

	Net sales	Operating income	Recurring profit	Net income
Previous forecast (A) (announced on September 30, 2011)	950,000	31,000	29,000	3,000
Revised forecast (B)	935,000	17,000	14,500	-5,000
Change (B – A)	-15,000	-14,000	-14,500	-8,000
Ratio of change (%)	-2	-45	-50	-
Actual results for the previous fiscal year ended March 31, 2011	925,754	35,144	31,422	12,213

2. Reasons

Amid concerns about the global economic slowdown due to the prolonged sovereign debt crisis in Europe and the impact of foreign exchange rates caused by the appreciation of the yen against other major currencies, the operating environment surrounding the Group is becoming increasingly severe.

Some of the production bases of the Group companies have also been damaged by the flooding in Thailand, and the repercussions of this on other countries due to the cutoff of supply chains (supply chains of parts) going forward is also a concern. We expect that the net impact of this effect on our full-year consolidated operating income, etc. will be approximately 5.0 billion yen. This net impact is currently being examined and our estimate as a value for our results forecast is based on information available as of November 4, 2011.

We have revised our full-year consolidated results forecast announced on September 30, 2011, taking into consideration the economic and business trends following the third quarter of the current fiscal year that are expected to stem from the factors above.

3. Revisions to Dividend Forecast

(1) Details of revisions

(Record date)	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Annual
Previous forecast (announced on May 10, 2011)	yen —	yen 2.50	yen —	yen 3.00	yen 5.50
Revised forecast	—	2.50	—	—	—
Results for the current fiscal year	—	—	—	—	—
Results for the previous fiscal year ended March 31, 2011	—	2.50	—	3.00	5.50

(2) Reasons

The basic policy of the Company is to pay stable dividends and, at the same time, distribute profits to shareholders commensurate to its future business operations, with an eye on future income trends from a long-term perspective. However, given the downward revision in our full-year consolidated results forecast, shown above, and the increasingly uncertain business environment surrounding the Company, we will leave our expected dividends at the end of March 2012 undecided.

(Note)

The forecasts above are based on information available at the time of publishing this document and assumptions at that time for uncertain factors that could have an impact on our future financial results.

Please note that actual results may differ materially from the forecasts presented in this document due to a number of factors.