

FY2012 Management Plan Q1 Review

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1. P&L and BS Review in Q1
2. Operating Income Analysis
3. Analysis by Segment
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Q1 results vs Forecast for H1

FURUKAWA ELECTRIC

		a	b	(JPY bn)
P&L	12H1 forecast		12Q1	progress
Net Sales	460.0		222.9	48%
Operating Income	8.0		3.7	46%
Ordinary Profit	6.5		3.6	55%
Net Profit	1.5		0.6	40%

P&L Results for FY2012Q1 (with Change YoY) FURUKAWA ELECTRIC

(JPY bn)

	a	b	b-a	
P&L	11Q1	12Q1	change	
Net Sales	238.7	222.9	-15.8 -6.6%	(Bare metals: -7.9, New inclusion in consolidated results +3.3, Foreign exchange gain/loss of overseas subsidiaries -3.4) Special factors -8.0, Real -7.8
Operating Income	6.5	3.7	-2.8	Special factors-0.3(Page.6)
Ordinary Profit	6.5	3.6	-3.0	
Extraordinary p&l	-1.5	-0.5	+1.0	
Income tax, adjustments	-3.4	-1.9	+1.4	
Minority interests	-1.4	-0.6	+0.8	Furukawa SKY+0.6
Net Profit in Q1	0.3	0.6	+0.3	

(Note) A negative figure is indicated with a minus (-) symbol.

Q1 Balance Sheet

FURUKAWA ELECTRIC

(JPY bn)

	a	b	b-a
<u>BS</u>	11Q4	12Q1	change
Total assets	790.1	807.9	+17.8
Debt	325.2	340.9	+15.7
Capital Ratio	18.3%	18.1%	-0.2
D/E Ratio	2.25	2.33	+0.08
Turnover	1.21	*1.10	-0.11
ROA OP basis	3.3%	*1.8%	-1.5

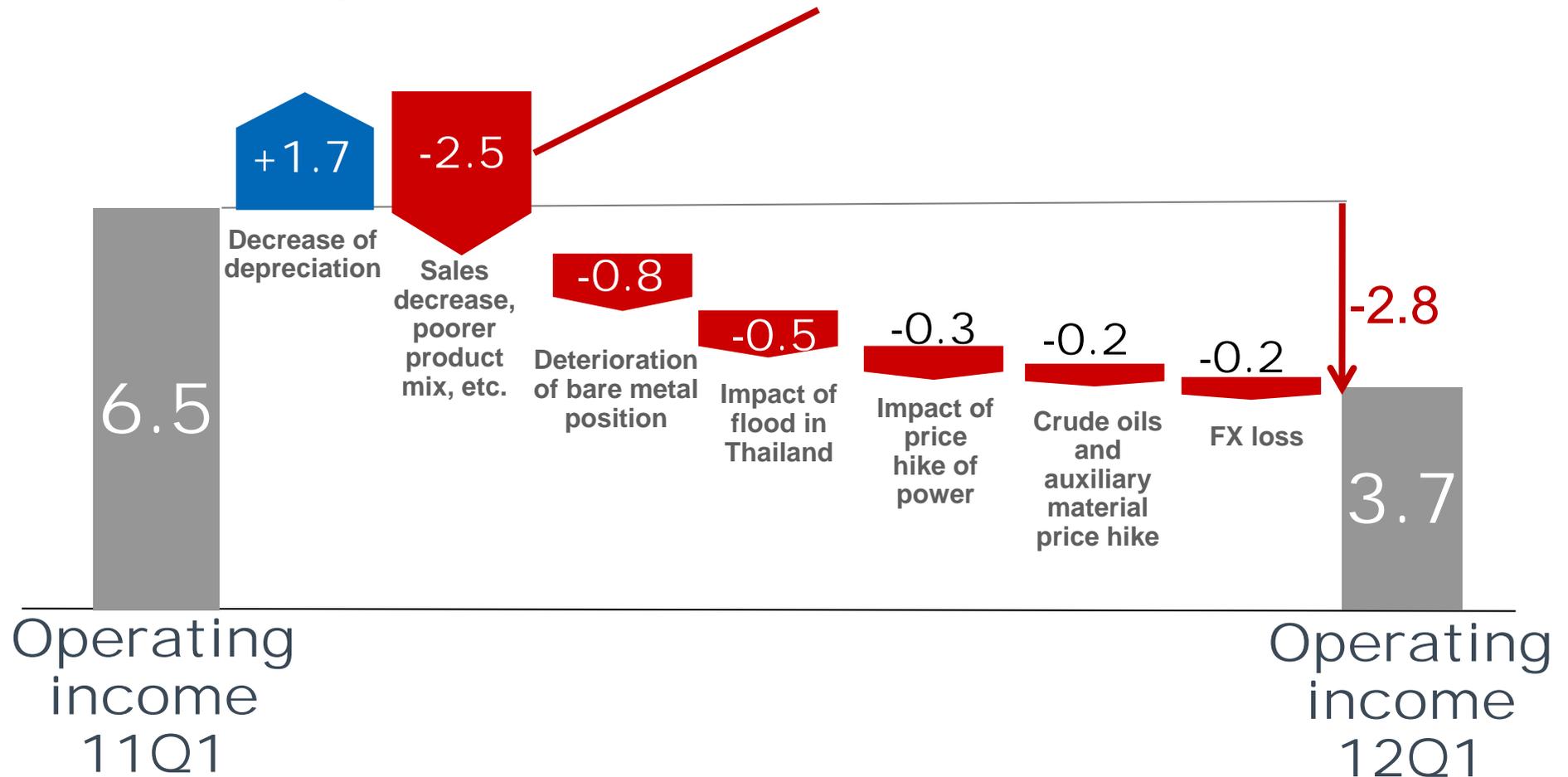
*annual basis

Operating Income Analysis for Q1

(JPY bn)

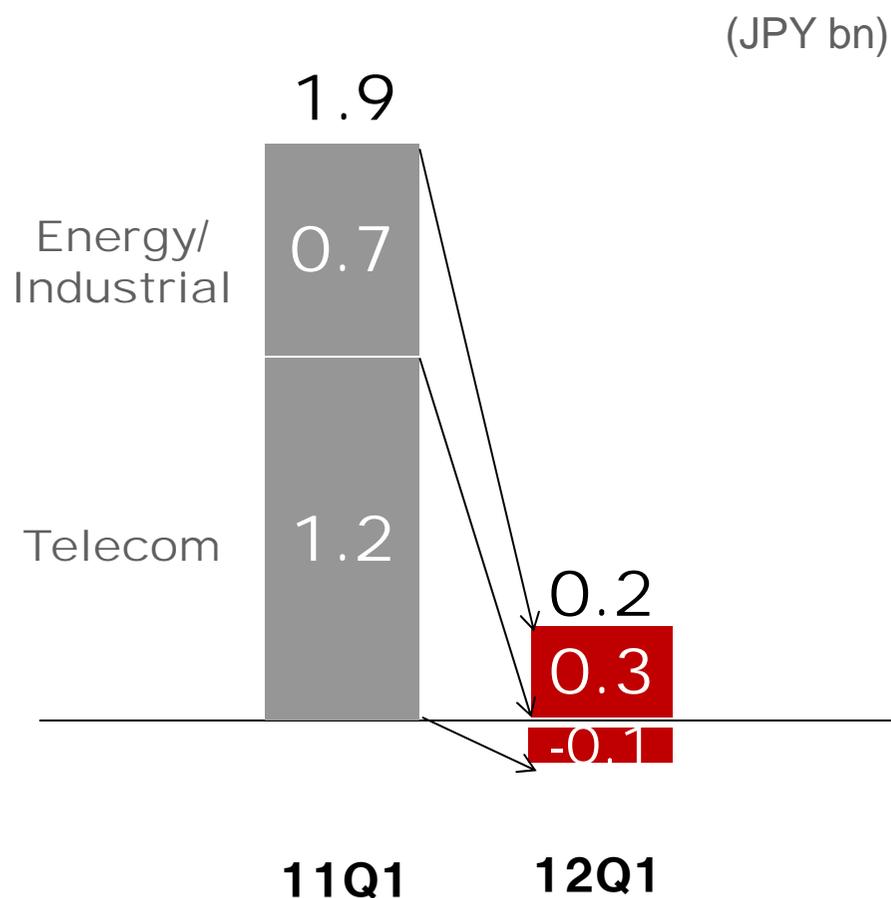
Real Operating Income fall of 2.5

excluding the decline of 0.3 due to special factors



YoY Change in Operating Income by Segment

Transmission Infrastructure: 1.9 -> 0.2 (down 1.7)



【Telecommunications】

●Optical Fiber Cable 0.9⇒0.5(down 0.4)
Operating Income declined due to the lack of demand for restoration of the disaster of last year, while demand for project business in the North America was strong.

●Photonics Networks 0.2⇒-0.7(down 0.9)
Operating Income plunged due to lean-demand-months of network systems like railway tunnel radio wave system and equipments for CATV, and remained impact from flooding in Thailand.

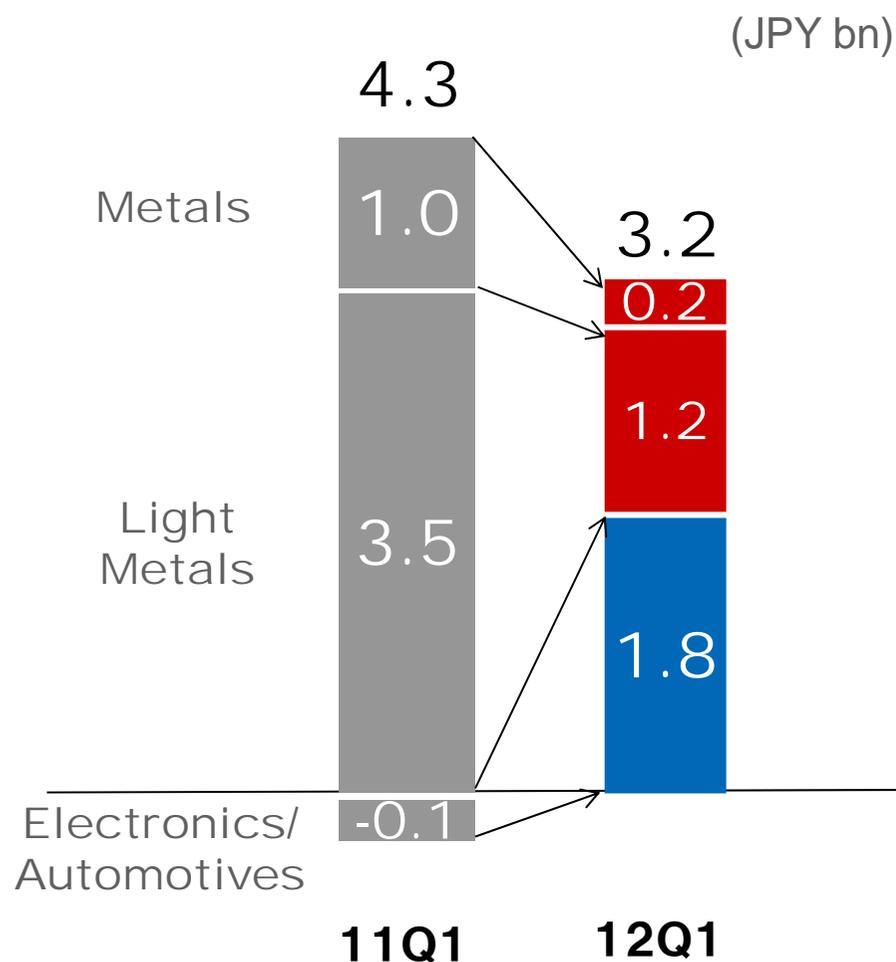
【Energy & Industrial Products】

●OI declined due to the weak demand of HV cables for power companies in China and Japan, while profitability of MCPET for LED-TV rose thanks to the improvement of its higher yield of productivity.

YoY Change in Operating Income by Segment

FURUKAWA ELECTRIC

Advanced-Function Material: 4.3 -> 3.2 (down 1.1)



【Electronics / Automotives】

● Operating Income surged largely thanks to the recovery of demand of wire-harness for automotives, robust demand of aluminum blanks and magnet wires, and reduced deficit from withdrawal of glass blanks business.

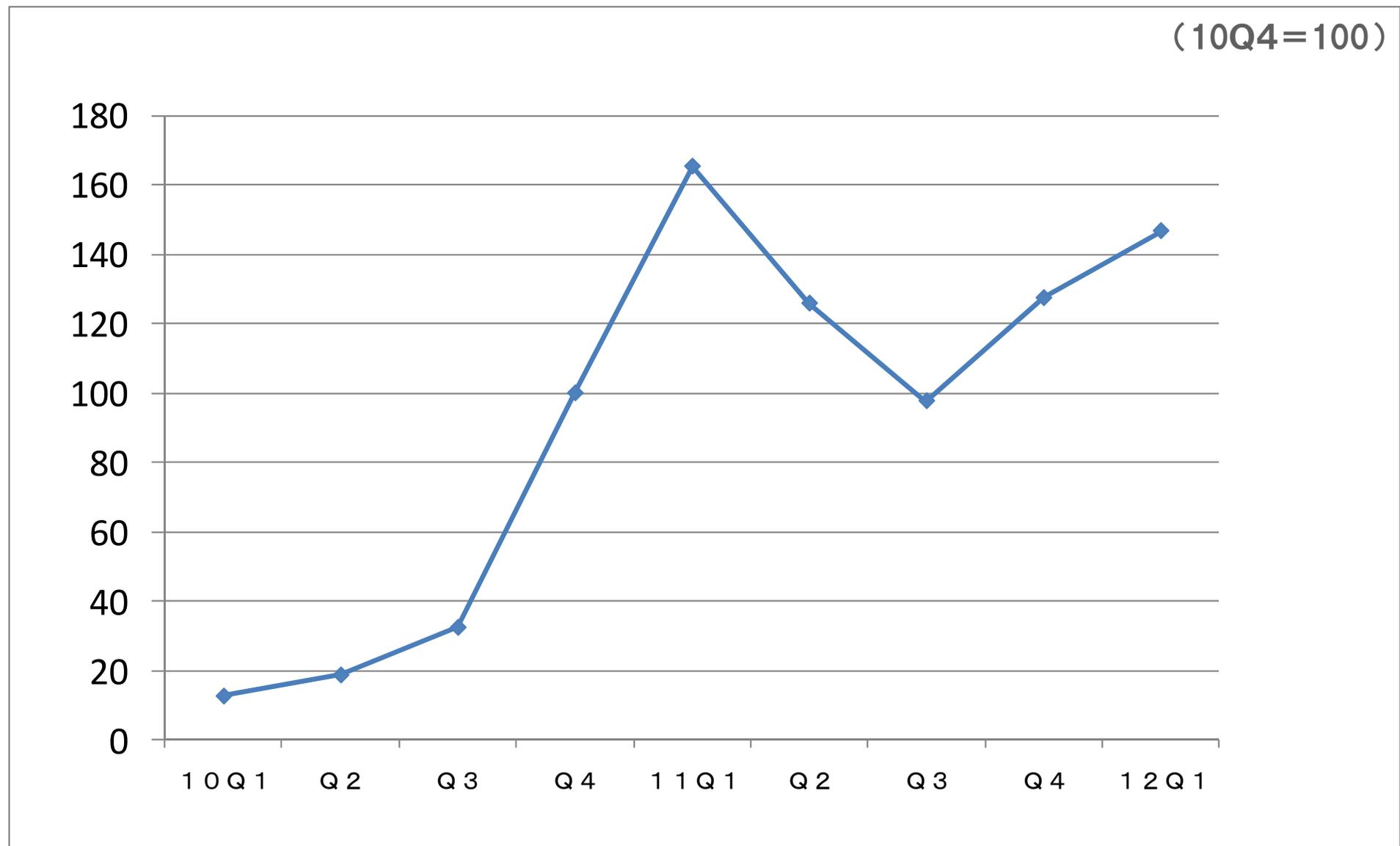
【Metals (copper processing)】

● OI declined due to the weak demand of copper foils for Li batteries and PCBs, and copper strips for lead-frames. Demand of copper pipes was stagnant as well.

【Light Metals (aluminum processing)】

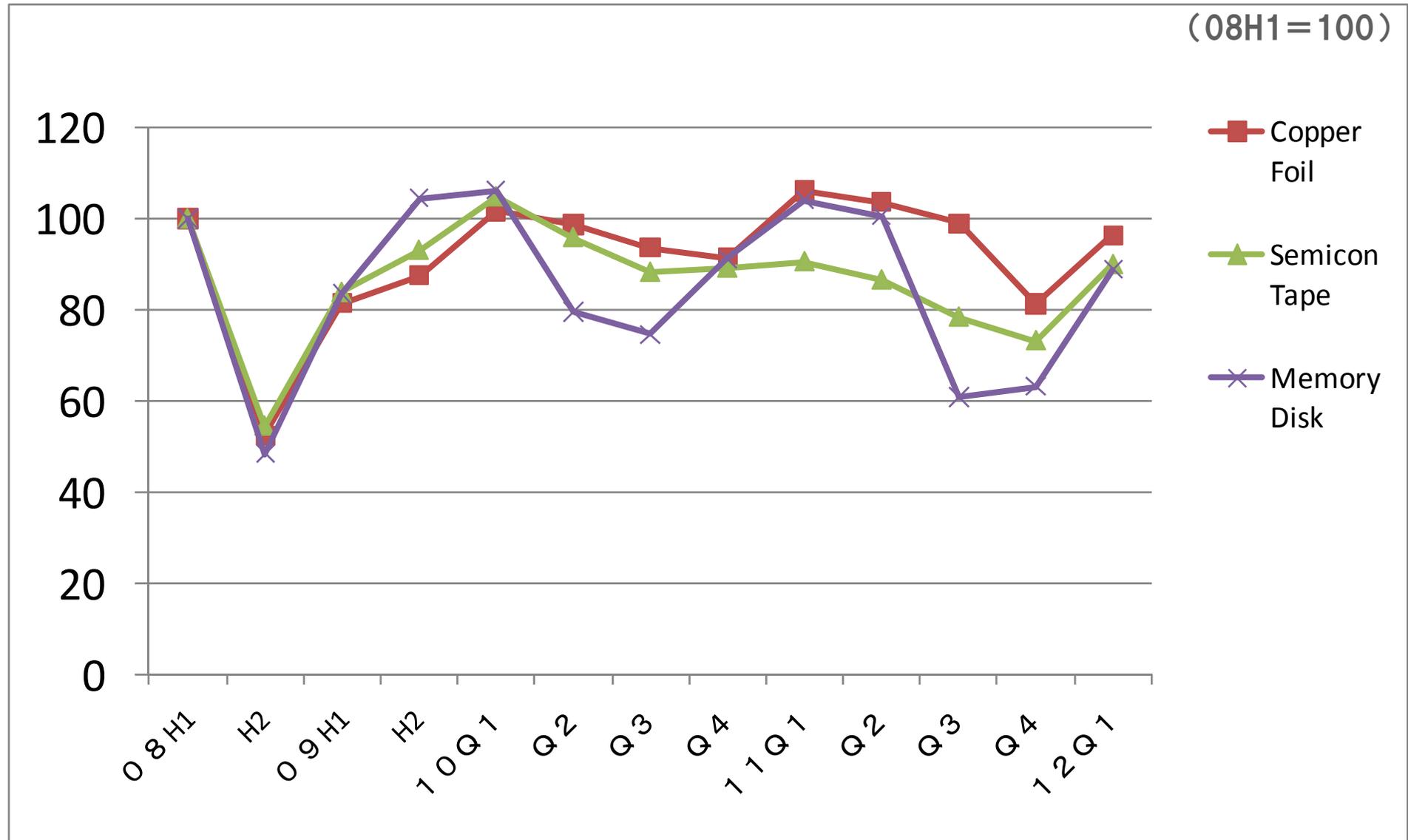
● OI decreased due to declined sales of aluminum thin plate for beverage cans and thick plate for LCD/SPD manufacturing equipment while demand of radiator for automotives

Sales Index of MCPET for LED-TV FURUKAWA ELECTRIC



Sales Index of Functional Materials

FURUKAWA ELECTRIC



Measures announced in Q1

● Expansion of global business

Launch a new
copper foil plant in
Taiwan
(Aug. 2012)

Set up a JV for
optical fiber with
Heng tong in China
(Jun. 2012)

Put a U.S. R&D of
superconducting
wires into
operation (Apr. 2012)

● Restructuring of Domestic business

Board made a decision of
integration of three domestic
companies for power
transmission from Oct. 2012

P/L Estimates for FY2012 **NO REVISE in Q1** FURUKAWA ELECTRIC

(Unit: 100 million yen)

	a	b	b-a		
	11 results	<i>12 estimates</i>	12 H1 est.	12 H2 est.	Y-o-Y chg
Net sales	9,188	9,800	4,600	5,200	+612
Operating income	159	250	80	170	+91
Recurring profit	129	235	65	170	+106
Profit for the term	-111	90	15	75	+201

Assumptions

FX rate (JPY/USD)	79.8	80
Copper (JPY/kg)	717.8	700
Crude oil from Dubai (USD/Bbl)	110.0	115

* Figures for key overseas subsidiaries correspond to 15 months from January 2012 to March 2013 due to a change in their accounting period.

→ Impact on P/L estimates for FY2012

Net sales: +400, Operating income: +17, Recurring profit: +14, Profit for the term: +8

Thank you

