

# FY2015 Revised Earnings Forecast

April 25, 2016

Furukawa Electric Co., Ltd.

## Forward-Looking Statements

Projections of future sales and earnings in these materials are “forward-looking statements.”

Management offers these projections in good faith and on the basis of information presently available.

Information in these statements reflects assumptions about such variables as economic trends and currency exchange rates.

Forward-looking statements incorporate known and unknown risks as well as other uncertainties that include, but are not limited to, the following items.

- Economic trends in the U.S., Europe, Japan and elsewhere in Asia, particularly with regard to consumer spending and corporate expenditures.
- Changes in exchange rates of the U.S. dollar, euro, and Asian currencies.
- The Furukawa Electric Group’s ability to respond to rapid advances in technology.
- Changes in assumptions involving financial and managerial matters and the operating environment.
- Current and future trade restrictions and related matters in foreign countries.
- Changes in the market value of securities held by the Furukawa Electric Group.

Due to the above factors, actual sales, earnings, and other operating results may differ significantly from Looking Statements in these materials. In addition, following the release of these materials, Furukawa Electric Group assumes no obligation to publicly announce any revisions to forward-looking statements in these materials

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# Furukawa Electric Co., Ltd.

# FY2015 Earnings Forecast

(in ¥100 mil)

	FY2015 Full-year		
	Forecast as of Q3	Latest forecast	Changes
	b	c	c - b
Net sales	8,700	8,750	50
(Percentage change)			0.6%
Operating income	230	270	40
(Percentage change)			17.4%
Recurring profit	230	185	-45
(Percentage change)			-19.6%
Extraordinary gain/loss	-32	25	57
Net income	100	100	0
(Percentage change)			0.0%

FY2014 Full-year results	Changes
a	c - a
8,678	72
	0.8%
179	91
	50.8%
186	-1
	-0.5%
-24	49
74	26
	35.1%

# 1. Operating Income: Primary Factors for Revision

(in ¥100 mil)

	FY2015 Full-year			FY2014 Full-year results	Changes
	Forecast as of Q3	Latest forecast	Changes		
	b	c	c - b	a	c - a
Operating income	230	270	40	179	91
(Percentage change)			17.4%		50.8%

- All segments will outperform the forecast announced in Q3. This is due to the ongoing strong performance of the telecommunications business as well as the fact that the risk related to the slowing electronics-related markets did not grow as much as we had expected.

## <Factors that led to better-than-expected performance by segment>

Telecommunications	<ul style="list-style-type: none"> <li>• Ongoing strong demand for fibers in North America and other markets</li> <li>• Steady sales of digital coherent-related products</li> </ul>
Energy & Industrial Products	<ul style="list-style-type: none"> <li>• Strong demand in the domestic construction and electrical appliances markets</li> </ul>
Electronics & Automotive Systems	<ul style="list-style-type: none"> <li>• Smaller-than-expected impact of the slowing electronics-related markets</li> </ul>
Metals	<ul style="list-style-type: none"> <li>• Improved copper foil as a result of progress made with the transfer of manufacturing to Taiwan</li> </ul>

## 2. Recurring Profit: Primary Factors for Revision

(in ¥100 mil)

	FY2015 Full-year			FY2014 Full-year results	Changes
	Forecast as of Q3	Latest forecast	Changes		
	b	c	c - b	a	c - a
Recurring profit	230	185	-45	186	-1
(Percentage change)			-19.6%		-0.5%

- **Increased operating income**
- **Increased loss from equity method investments due to ordinary operating losses, business reorganization-related loss, etc. posted by Viscas**  
**Loss of approx. 10 bil yen recognized as non-operating expenses**

### 3. Net Income: Primary Factors for Revision

(in ¥100 mil)

	FY2015 Full-year			FY2014 Full-year results	Changes
	Forecast as of Q3	Latest forecast	Changes		
	b	c	c - b	a	c - a
Extraordinary gain/loss	-32	25	57	-24	49
Net income	100	100	0	74	26
(Percentage change)			0.0%		35.1%

#### ■ Extraordinary gain from disposal of fixed assets

Gain on disposal of fixed assets from the sale of land in the City of Yokohama's Nishi Ward\*

Approx. 16.5 bil yen

\*Disclosed in a February 25, 2016 press release

#### ■ Extraordinary loss from civil liability related to automotive wire harness cartel in North America

Extraordinary loss related to the payment of a settlement to customers

-3.2 bil yen

Extraordinary loss related to class action suits in the U.S.

-6.8 bil yen

# Dividend Forecast

(in ¥100 mil)

	FY2015 Full-year			FY2014 Full-year results	Changes
	Forecast as of Q3	Latest forecast	Changes		
	b	c	c - b	a	c - a
Net sales	8,700	8,750	50	8,678	72
(Percentage change)			0.6%		0.8%
Operating income	230	270	40	179	91
(Percentage change)			17.4%		50.8%
Recurring profit	230	185	-45	186	-1
(Percentage change)			-19.6%		-0.5%
Extraordinary gain/loss	-32	25	57	-24	49
Net income	100	100	0	74	26
(Percentage change)			0.0%		35.1%

**\*The annual dividend forecast (4 yen) remains the same as the initial one.**

Thank you very much for your  
attention.

***Bound to***  ***Innovate***