FURUKAWA ELECTRIC

FURUKAWA ELECTRIC GROUP

FACT BOOK

Financial results for first half
of the fiscal year 2020 ending March 31, 2021

<Contents>

・P/L Summary
・Segment 【Net sales】
【Operating income】
【Operating income margin on sales】
・CAPEX
・Depreciation
・Research and development expenses
・B/S
・Cash flow
・Financial index

FURUKAWA ELECTRIC CO., LTD.

(Figures are rounded down to the nearest one million yen)

P/L	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Net sales	867,817	874,879	843,344	967,333	991,590	914,439	487,437	455,200	354,469
Cost of sales	741,076	733,943	689,160	801,411	824,481	764,200	407,546	381,135	299,607
Gross profit	126,741	140,935	154,184	165,921	167,108	150,239	79,891	74,064	54,862
SG&A	108,867	113,819	115,560	121,117	126,266	126,674	62,338	63,297	58,199
Selling expenses	35,759	36,728	35,724	39,047	40,044	38,752	19,725	19,726	16,312
G&A expenses	73,107	77,090	79,836	82,069	86,221	87,921	42,612	43,571	41,887
Operating income/loss	17,873	27,116	38,623	44,804	40,842	23,565	17,552	10,766	-3,337
Non-operating income	7,147	5,874	4,954	10,457	6,855	7,446	2,728	2,181	2,142
Interest income	551	617	586	654	607	584	290	305	272
Dividend income	1,719	1,817	1,501	1,910	2,765	2,067	1,024	1,011	1,050
Foreign exchange gains	-	-	-	-	-	-	-	-	-
Profit in equity method affiliates	1,855	-	102	4,311	1,685	2,458	377	-	-
Other	3,021	3,439	2,763	3,581	1,796	2,335	1,035	863	819
Non-operating expenses	6,422	14,281	7,553	8,352	8,619	8,240	4,380	4,568	4,755
Interest expenses	3,993	3,715	3,484	3,977	4,075	4,326	1,918	2,240	1,869
Foreign exchange losses	60	2,084	1,184	1,216	1,100	1,014	615	790	361
Loss in equity method affiliates	-	5,684	-	-	-	-	-	220	1,096
Other	2,368	2,795	2,884	3,158	3,443	2,900	1,847	1,317	1,427
Ordinary income	18,598	18,710	36,024	46,908	39,078	22,771	15,900	8,379	-5,951
Extraordinary income	15,661	21,864	12,437	9,776	9,887	14,934	1,550	4,654	22,958
Extraordinary loss	18,091	19,193	20,496	16,219	13,208	6,953	2,746	2,546	11,479
Profit/Loss before income taxes	16,168	21,380	27,965	40,466	35,757	30,751	14,704	10,486	5,527
Income taxes-current	3,736	6,942	6,747	8,402	8,811	7,793	3,021	3,957	2,235
Income taxes for prior periods	-	717	-	-	-	-	-	-	-
Income taxes - deferred	2,956	280	-1,212	-251	-5,500	3,960	305	277	1,123
Net income	9,475	13,440	22,430	32,314	32,446	18,997	11,377	6,252	2,168
Net income attributable to non-controlling interests	2,120	3,433	4,860	3,767	3,338	1,357	1,536	163	597
Net income attributable to owners of the parent company	7,355	10,007	17,570	28,547	29,108	17,639	9,840	6,088	1,570

Average exchange rate(¥/US$)	109.8	120.1	108.3	110.9	110.9	108.7	110.3	108.6	106.9
Average cooper price(¥/kg)	765.8	675.5	603.9	756.7	746.6	681.6	760.1	691.8	674.6

Segment 【Net sales】	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Infrastructure		252,671	263,751	293,396	287,973	280,932	139,213	137,902	122,168
Communications Solutions		159,122	168,499	191,318	179,853	166,428	90,908	82,193	76,258
Energy infrastructure		93,548	95,252	102,077	108,119	114,504	48,305	55,709	45,909
Electronics & Automotive Systems		491,095	455,457	533,790	561,655	509,300	276,837	254,353	175,254
Automotive Products & Batteries		234,119	223,401	248,148	267,251	257,626	127,382	122,673	95,211
Electronics Component Materials		256,975	232,055	285,641	294,403	251,674	149,454	131,680	80,042
Functional Products		136,318	131,485	153,065	149,300	115,877	78,289	58,603	52,439
Service and Developments, etc.		51,505	49,653	51,001	48,580	50,318	23,170	26,243	20,731
Adjusted amount		-56,711	-57,003	-63,920	-55,920	-41,988	-30,072	-21,902	-16,124
Total	867,817	874,879	843,344	967,333	991,590	914,439	487,437	455,200	354,469

Segment 【Operating income】	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Infrastructure		7,717	14,339	12,375	7,430	1,710	2,326	557	-1,682
Communications Solutions		7,973	14,193	14,009	9,809	1,610	6,136	810	-178
Energy infrastructure		-256	145	-1,633	-2,379	100	-3,809	-253	-1,503
Electronics & Automotive Systems		10,468	12,793	18,360	19,469	14,818	7,738	6,676	-3,042
Automotive Products & Batteries		8,023	10,052	13,241	13,451	10,884	4,809	5,188	-2,659
Electronics Component Materials		2,445	2,741	5,118	6,018	3,933	2,928	1,488	-382
Functional Products		8,457	11,683	14,032	13,539	7,467	7,515	3,637	2,190
Service and Developments, etc.		413	-148	-22	292	-349	-44	-84	-873
Adjusted amount		59	-45	58	111	-80	17	-20	70
Total	17,873	27,116	38,623	44,804	40,842	23,565	17,552	10,766	-3,337

Segment 【Operating income margin on sales 】	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Infrastructure		3.1%	5.4%	4.2%	2.6%	0.6%	1.7%	0.4%	-1.4%
Communications Solutions		5.0%	8.4%	7.3%	5.5%	1.0%	6.7%	1.0%	-0.2%
Energy infrastructure		-0.3%	0.2%	-1.6%	-2.2%	0.1%	-7.9%	-0.5%	-3.3%
Electronics & Automotive Systems		2.1%	2.8%	3.4%	3.5%	2.9%	2.8%	2.6%	-1.7%
Automotive Products & Batteries		3.4%	4.5%	5.3%	5.0%	4.2%	3.8%	4.2%	-2.8%
Electronics Component Materials		1.0%	1.2%	1.8%	2.0%	1.6%	2.0%	1.1%	-0.5%
Functional Products		6.2%	8.9%	9.2%	9.1%	6.4%	9.6%	6.2%	4.2%
Service and Developments, etc.		0.8%	-0.3%	0.0%	0.6%	-0.7%	-0.2%	-0.3%	-4.2%
Adjusted amount		-0.1%	0.1%	-0.1%	-0.2%	0.2%	-0.1%	0.1%	-0.4%
Total	2.1%	3.1%	4.6%	4.6%	4.1%	2.6%	3.6%	2.4%	-0.9%

CAPEX / Depreciation / R&D	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
CAPEX	30,674	25,687	31,584	38,543	50,036	53,144	20,910	26,228	18,200
Depreciation	22,508	23,235	23,370	25,106	26,271	29,423	13,032	14,179	15,810
Research and development expenses	16,599	16,845	17,454	19,532	21,141	21,650	10,284	10,851	10,365

B/S		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Assets	Current assets	368,818	364,030	382,398	416,191	420,513	386,179	418,292	386,039	385,219
	Cash and deposits	30,010	52,504	47,165	50,635	44,628	54,357	47,942	40,081	81,781
	Notes and accounts receivable-trade	190,431	187,028	198,864	224,335	219,347	192,513	219,833	194,334	157,640
	Securities	19	15	54	0	2,371	899	0	1,015	2,124
	Merchandise and finished goods	36,479	29,561	32,967	36,814	40,169	34,550	41,021	38,705	35,999
	Work in process	28,238	29,027	31,273	32,273	36,956	33,849	39,124	39,380	33,863
	Raw materials and supplies	34,726	34,578	40,114	44,703	45,764	47,462	45,464	47,115	48,501
	Deferred tax assets	4,209	5,292	8,243	-	-	-	-	-	-
	Other	46,064	27,433	24,945	28,643	32,365	23,801	26,218	26,664	26,215
	Allowance for doubtful accounts	-1,360	-1,412	-1,231	-1,215	-1,090	-1,254	-1,313	-1,258	-907
	Non-current assets	365,307	341,694	367,727	392,441	397,508	408,436	397,298	412,002	401,198
	Property, plant and equipment									
	Buildings and structures	210,430	215,242	215,304	218,385	216,932	229,611	220,001	225,898	229,490
	Machinery and delivery equipment	449,949	448,824	457,180	463,538	467,247	475,766	465,208	469,315	453,793
	Tools, furniture and fixtures	70,184	70,756	71,193	72,325	71,977	74,798	74,129	73,390	73,842
	Land	39,845	37,490	38,348	39,981	36,777	36,354	39,324	36,560	35,076
	Other	21,756	16,854	20,447	24,292	39,888	46,725	32,271	46,943	41,536
	Accumulated depreciation	-592,948	-592,623	-596,983	-601,794	-603,463	-609,037	-606,867	-606,471	-584,218
	Total; Property, plant and equipment	199,217	196,544	205,490	216,728	229,360	254,219	224,068	245,637	249,521
	Intangible assets									
	Goodwill	3,879	3,768	3,149	2,542	2,751	2,072	2,211	2,406	1,752
	Other	5,147	4,747	6,592	8,762	9,453	14,022	7,735	10,970	17,049
	Total; Intangible assets	9,027	8,516	9,742	11,304	12,204	16,095	9,946	13,376	18,802
	Investments and other assets									
	Investment securities	132,124	109,028	125,227	132,270	119,188	100,933	134,405	117,181	100,448
	Net defined benefit asset	4,177	4,660	4,884	5,143	5,633	5,899	5,549	6,410	6,008
	Deferred tax assets	3,090	6,855	4,013	6,359	13,644	14,726	5,742	13,058	10,991
	Other	19,813	18,612	19,780	21,839	18,647	17,628	18,784	17,508	16,481
	Allowance for doubtful accounts	-2,142	-2,522	-1,410	-1,206	-1,172	-1,065	-1,198	-1,171	-1,054
	Total; Investments and other assets	157,062	136,633	152,494	164,407	155,942	138,122	163,283	152,987	132,875
	Total assets	734,125	705,725	750,126	808,632	818,021	794,616	815,591	798,041	786,417

B/S		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Liabilities and Net assets	Current liabilities	287,149	299,341	293,364	330,335	331,621	319,647	323,299	322,617	310,407
	Notes and accounts payable - trade	110,404	100,398	108,087	124,387	131,422	111,586	125,673	112,590	92,636
	Short-term debt	96,749	113,081	90,310	106,279	106,710	110,515	107,051	124,372	110,089
	Bonds payable	10,000	10,000	10,000	10,000	0	0	-	-	-
	Income taxes payable	1,408	4,390	3,287	4,024	3,893	2,785	3,216	2,622	1,991
	Provision for product defect compensation	1,601	3,008	15,971	22,827	28,400	17,711	22,639	26,579	5,857
	Other	66,985	68,462	65,706	62,815	61,193	77,048	64,719	56,452	99,833
	Non-current liabilities	232,232	207,796	219,711	206,226	206,488	201,937	217,419	198,179	208,532
	Bonds payable	30,000	20,000	20,000	20,000	20,000	30,000	20,000	30,000	30,000
	Long-term debt	137,783	114,764	132,234	122,227	119,298	95,573	131,752	95,874	102,395
	Provision for retirement benefits	-	-	-	-	-	-	-	-	-
	Net defined benefit liability	43,486	51,058	45,178	43,174	47,731	53,460	43,860	47,984	52,770
	Provision for environmental measures	10,495	10,345	10,322	10,470	10,691	10,396	10,407	10,585	10,322
	Asset retirement obligations	573	543	502	1,084	1,246	1,304	1,280	1,247	1,284
	Other	9,893	11,085	11,473	9,270	7,520	11,203	10,119	12,488	11,759
	Total liabilities	519,382	507,137	513,075	536,561	538,109	521,585	540,719	520,797	518,939
	Capital stock	69,395	69,395	69,395	69,395	69,395	69,395	69,395	69,395	69,395
	Other capital surplus	21,467	21,466	21,562	22,271	22,535	22,787	22,534	22,710	22,999
	Retained earnings	83,265	90,313	103,942	128,130	151,744	165,101	132,519	153,549	160,328
	Treasury shares	-278	-280	-633	-613	-600	-598	-599	-597	-575
	Total shareholders' equity	173,849	180,894	194,267	219,182	243,074	256,685	223,849	245,057	252,148
	Valuation difference on available-for-sale securities	21,590	14,070	26,622	30,020	21,788	10,950	31,601	22,072	13,797
	Deferred gains or losses on hedges	516	-1,391	717	-495	124	-1,691	-99	-962	721
	Remeasurements of foreign subsidiaries' defined benefit plans	-	-	-	-	-	-	-	-	-
	Remeasurements of defined benefit plans	-9,293	-13,917	-8,138	-6,525	-8,391	-12,810	-6,460	-7,837	-12,222
	Foreign currency translation adjustment	4,078	-6,492	-6,756	-5,664	-8,937	-12,853	-7,163	-12,913	-16,423
	Total accumulated other comprehensive income	16,892	-7,731	12,445	17,335	4,584	-16,405	17,877	358	-14,126
	Non-controlling interests	24,001	25,424	30,338	35,552	32,252	32,750	33,144	31,827	29,456
	Total net assets	214,743	198,587	237,051	272,071	279,911	273,030	274,871	277,243	267,478
	Total liabilities and net assets	734,125	705,725	750,126	808,632	818,021	794,616	815,591	798,041	786,417

Cash flow	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Ⅰ Cash flows from operating activities	41,489	41,569	40,402	38,429	46,460	41,942	14,929	15,553	-10,281
Profit/Loss before income taxes	16,168	21,380	27,965	40,466	35,757	30,751	14,704	10,486	5,527
Depreciation	22,508	23,235	23,370	25,106	26,271	29,423	13,016	14,179	15,810
Loss (Profit : -) in equity method affiliates	-1,855	5,684	-102	-4,311	-1,685	-2,458	-377	220	1,097
Loss (gain : -) on sales of securities and investment securities	-643	-18,879	-2,982	-8,394	-1,000	-5,050	714	-2,548	-21,405
Loss (gain;-) on valuation of investment securities	1,346	995	192	3,122	2,627	623	-	139	6
Loss (gain;-) on disposal of non-current assets	867	624	928	1,297	1,366	388	811	590	710
Impairment loss	-2,270	-2,435	-2,088	-2,564	-3,373	-2,652	-1,315	-1,317	-1,322
Loss on valuation of inventories	3,993	3,715	3,484	3,977	4,075	4,326	1,918	2,240	1,869
Interest and dividend income	-795	168	559	-137	-111	-591	-354	41	-201
Interest expenses	20,118	-1,537	-10,935	-26,363	1,196	23,499	3,697	21,979	26,362
Foreign exchange losses (gains;-)	-3,108	5,572	-7,457	-9,387	-11,479	4,071	-13,169	-4,258	-9,126
Increase (decrease;-) in notes and accounts payable - trade	-1,114	-7,660	7,278	17,057	6,009	-17,252	1,975	-16,632	-16,102
Other	-11,551	14,993	15,274	6,567	-4,382	-13,805	-2,054	-4,305	-8,189
Subtotal	43,664	45,855	55,486	46,436	55,271	51,273	19,566	20,814	-4,964
Interest and dividend income received	3,734	3,460	3,346	3,961	4,732	4,682	2,883	2,940	2,030
Interest expenses paid	-4,055	-3,763	-3,587	-3,953	-4,152	-4,344	-1,955	-2,258	-1,903
Income taxes (paid;-) refund	-1,853	-3,982	-7,719	-8,014	-9,390	-8,952	-5,564	-5,942	-5,077
Other	-	-	-7,123	-	-	-717	-	-	-367
Ⅱ Cash flows from operating activities	-23,533	1,947	-36,361	-34,319	-31,042	-33,119	-14,202	-20,278	4,490
Purchase of investment securities	-3,162	-2,033	-4,148	-799	-2,924	-1,543	-2,127	-569	-888
Proceeds from sales of investment securities	9,611	3,043	2,992	526	9,051	10,916	463	2,200	2,025
Purchase of property, plant and equipment	-27,676	-25,646	-28,443	-34,349	-43,053	-47,312	-21,343	-27,113	-15,816
Purchase of intangible assets	-737	-824	-2,539	-3,533	-3,997	-6,550	-1,085	-2,526	-4,111
Proceeds from sales of non-current assets	2,592	22,571	6,031	9,951	5,515	6,789	1,795	3,321	22,250
Decrease (increase;-) in short-term loans receivable	-4,610	3,134	-7,984	-5,886	2,182	4,950	7,114	4,971	123
Other	449	1,702	-2,270	-229	2,184	-369	981	-562	907
Ⅲ Cash flows from financing activities	-15,537	-20,942	-10,378	-1,943	-19,414	-171	-2,080	-977	34,570
Net increase (decrease;-) in short-term loans payable	-2,234	-3,510	-3,140	875	4,140	1,735	9,252	453	10,897
Proceeds from long-term loans payable	36,230	14,434	35,822	19,668	26,186	8,935	15,919	1,465	25,413
Repayments of long-term loans payable	-44,601	-18,540	-38,297	-17,778	-31,421	-27,390	-13,632	-5,573	-24,657
Proceeds from issuance of bonds	-	-	10,000	10,000	0	10,000	-	10,000	-
Redemption of bonds	-100	-10,000	-10,000	-10,000	-10,000	0	-10,000	-	-
Cash dividends paid	-2,115	-2,112	-2,823	-3,885	-5,647	-5,998	-5,634	-5,981	-5,988
Dividends paid to non-controlling interests	-575	-547	-701	-1,226	-2,291	-1,379	-2,737	-1,239	-412
Other	-2,142	-667	-1,239	403	-381	13,926	4,752	-102	29,317
Effect of exchange rate change on cash and cash equivalents	1,466	-1,422	-314	1,040	853	-928	-955	-635	-514
Net increase in cash and cash equivalents	3,885	21,151	-6,652	3,206	-3,142	7,722	-2,307	-6,337	28,265
Cash and cash equivalents at beginning of the year	25,320	29,488	51,659	46,147	49,758	46,838	49,758	46,838	55,055
Increase in cash and cash equivalents from newly consolidated subsidiary	244	1,019	1,529	463	223	494	223	495	369
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from	-9	-	-416	-59	-	-	-	-	-
Increase in cash and cash equivalents resulting from merger	48	-	27	-	-	-	-	-	22
Cash and cash equivalents at end of the year	29,488	51,659	46,147	49,758	46,838	55,055	47,673	40,995	83,712

Financial index		FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2018, 1H	FY2019, 1H	FY2020, 1H
Profitability	Net sales	867,817	874,879	843,344	967,333	991,590	914,439	487,437	455,200	354,469
	Operating income	17,873	27,116	38,623	44,804	40,842	23,565	17,552	10,766	-3,337
	Ordinary income	18,598	18,710	36,024	46,908	39,078	22,771	15,900	8,379	-5,951
	Profit/Loss before income taxes	16,168	21,380	27,965	40,466	35,757	30,751	14,704	10,486	5,527
	Net income attributable to owners of the parent company	7,355	10,007	17,570	28,547	29,108	17,639	9,840	6,088	1,570
	Total assets	734,125	705,725	750,126	808,632	818,021	794,616	815,591	798,041	786,417
	Net assets	214,743	198,587	237,051	272,071	279,911	273,030	274,871	277,243	267,478
	Equity Capital	190,741	173,163	206,712	236,518	247,659	240,280	241,727	245,416	238,021
	Operating income margin on sales	2.1%	3.1%	4.6%	4.6%	4.1%	2.6%	3.6%	2.4%	-0.9%
	Ordinary income margin on sales	2.1%	2.1%	4.3%	4.8%	3.9%	2.5%	3.3%	1.8%	-1.7%
	Net profit margin on sales	0.8%	1.1%	2.1%	3.0%	2.9%	1.9%	2.0%	1.3%	0.4%
Safety	Equity capital ratio	26.0%	24.5%	27.6%	29.2%	30.3%	30.2%	29.6%	30.8%	30.3%
	Interest-bearing debt balance	274,532	257,845	252,544	258,506	246,009	251,089	263,803	250,247	287,484
	D/E ratio	1.4	1.5	1.2	1.1	1.0	1.0	1.1	1.0	1.2
	Net Interest bearing debt balance	244,521	205,341	205,378	207,870	201,380	196,732	215,861	210,165	205,703
	NET D/E ratio	1.3	1.2	1.0	0.9	0.8	0.8	0.9	0.9	0.9
	Current assets	368,818	364,030	382,398	416,191	420,513	386,179	418,292	386,039	385,219
	Current liabilities	287,149	299,341	293,364	330,335	331,621	319,647	323,299	322,617	310,407
	Current ratio	128.4%	121.6%	130.3%	126.0%	126.8%	120.8%	129.4%	119.7%	124.1%
Efficiency	Total asset turnover ratio	1.20	1.22	1.16	1.24	1.26	1.14	1.20	1.13	0.90
	Balance of inventory assets	99,443	93,167	104,355	113,792	122,890	115,862	125,609	125,201	118,364
	Inventory turnover ratio	8.99	9.08	8.54	8.87	8.73	7.96	8.14	7.34	6.05
	Balance of account receivable	190,431	187,028	198,864	224,335	219,347	192,513	219,833	194,334	157,640
	Receivables turnover ratio	4.45	4.64	4.37	4.57	4.74	4.39	4.39	4.40	4.05
Index per share	Net income per share (Yen) ※	10.42	14.17	249.17	405.05	412.98	250.25	139.62	86.38	22.29
	Net assets per share (Yen) ※	270.15	245.26	2,933.21	3,355.77	3,513.58	3,408.86			

※The company executed a one-for-ten reverse stock split of its common shares effective October 1, 2016.