



Furukawa Electric Co., Ltd.

Q3 Financial Results Briefing for the Fiscal Year Ending March 2025

February 12, 2025

[Number of Speakers]

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Koji Aoshima

Director, Corporate Vice President and
General Manager of Finance & Accounting
Division

Furukawa Electric Group FY2024 Q3 Financial Results

February 12, 2025

Koji Aoshima Director and Corporate Vice President
General Manager, Finance & Accounting Division

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Aoshima: My name is Aoshima from the finance and accounting division. We would like to thank you for participating in our financial results briefing today despite your busy schedule. I will now explain the details of the financial results for Q3 FY2024.

FY24 Q3 Financial Results Highlights



■ Achieved increased profit on higher revenue compared to the same period of last year

(JPY billion, JPY/kg, JPY/USD)	FY23_Q3	FY24_Q3	YoY change	
	a	b	b-a	
Net sales	765.3	882.0	+116.7	Revenue increased in all segments
Operating profit	(0.6)	31.4	+32.0	Profit increased in all segments excluding Service and Development, etc.
Ordinary profit	(3.0)	36.1	+39.1	
Profit attributable to owners of parent	(6.5)	16.4	+22.9	
Average copper price	1,249	1,481	+232	
Average exchange rate	143	153	+9	

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Please turn to page four. These are the key points for Q3 FY2024 financial results.

Both sales and profit increased YoY. Net sales were JPY882.0 billion, operating profit increased by JPY31.4 billion, ordinary profit increased by JPY36.1 billion, and profit attributable to owners of parent increased by JPY16.4 billion. Net sales increased in all segments, operating profit increased in all segments except Service and Developments, and ordinary profit increased mainly due to increase share of profit of entities accounted for using equity method, in addition to higher operating profit.

FY24 Q3 Results -P/L Summary



(JPY billion, JPY/kg, JPY/USD)	FY23_Q3		FY24_Q3		YoY change		Breakdown of change (YoY in Q3)
	10-12		10-12		10-12		
	a	a'	b	b'	b-a	b'-a'	
Net sales	765.3	262.2	882.0	311.6	+116.7	+49.5	See page 6
Operating profit	(0.6)	4.1	31.4	13.9	+32.0	+9.8	See page 7
(Margin)	(0.1%)	1.5%	3.6%	4.4%	+3.6	+2.9	
Interest income (expenses)	(5.5)	(1.9)	(5.9)	(1.9)	(0.4)	(0.0)	
Share of profit (loss) of entities accounted for using equity method	3.6	1.4	8.2	2.1	+4.7	+0.6	
Foreign exchange gains (losses)	(1.0)	(3.1)	(0.4)	2.2	+0.6	+5.3	
Ordinary profit	(3.0)	0.7	36.1	17.1	+39.1	+16.5	
(Margin)	(0.4%)	0.3%	4.1%	5.5%	+4.5	+5.2	
Extraordinary income (losses)	2.7	(0.8)	(7.7)	(4.6)	(10.5)	(3.8)	• Extraordinary income: (4.8) (6.5 → 1.8)
Income taxes	(5.3)	(1.6)	(9.6)	(6.5)	(4.3)	(4.8)	• Extraordinary loss: (5.7) [(3.8) → (9.5)]
Profit attributable to non-controlling interests	(1.0)	(0.6)	(2.5)	(0.9)	(1.4)	(0.3)	
Profit attributable to owners of parent	(6.5)	(2.4)	16.4	5.2	+22.9	+7.5	Recorded provision for product warranties (FY24_Q3)
(Margin)	(0.9%)	(0.9%)	1.9%	1.7%	+2.7	+2.6	
Average copper price	1,249	1,264	1,481	1,449	+232	+185	
Average exchange rate	143	148	153	152	+9	+5	

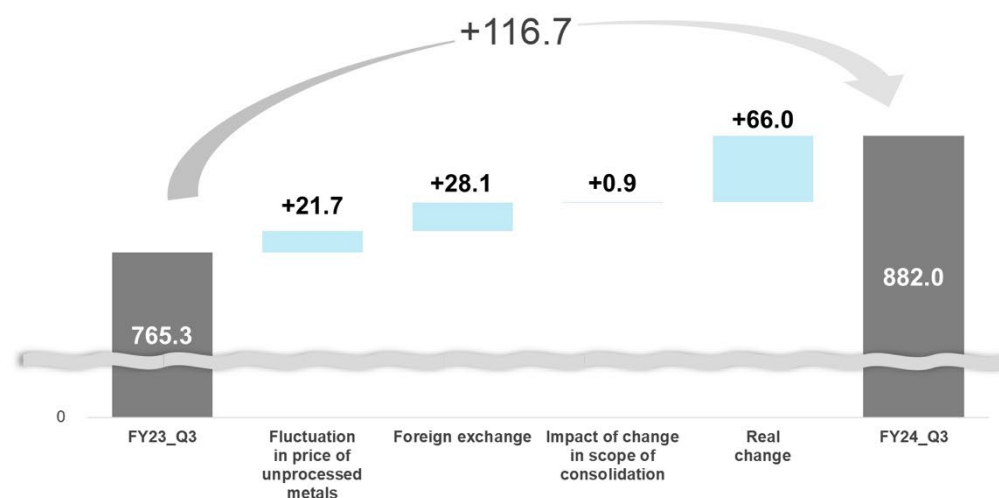
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Page five is the summary P&L for Q3. The reasons for the increase or decrease in net sales and operating profit are explained on the next page and thereafter.

share of profit/loss of entities accounted for using equity method increased approximately JPY4.7 billion from the previous year, mainly due to an increase share of profit of entities accounted for using equity method of UACJ. Extraordinary income/loss decreased by approximately JPY10.5 billion from the previous year, mainly due to a decrease in sales of strategic shareholdings from the previous year and the recording of a provision for product warranties as an extraordinary loss in the Q3 financial results, which was disclosed today.

FY24 Q3 Results -Breakdown of Changes in Net Sales

(JPY billion)



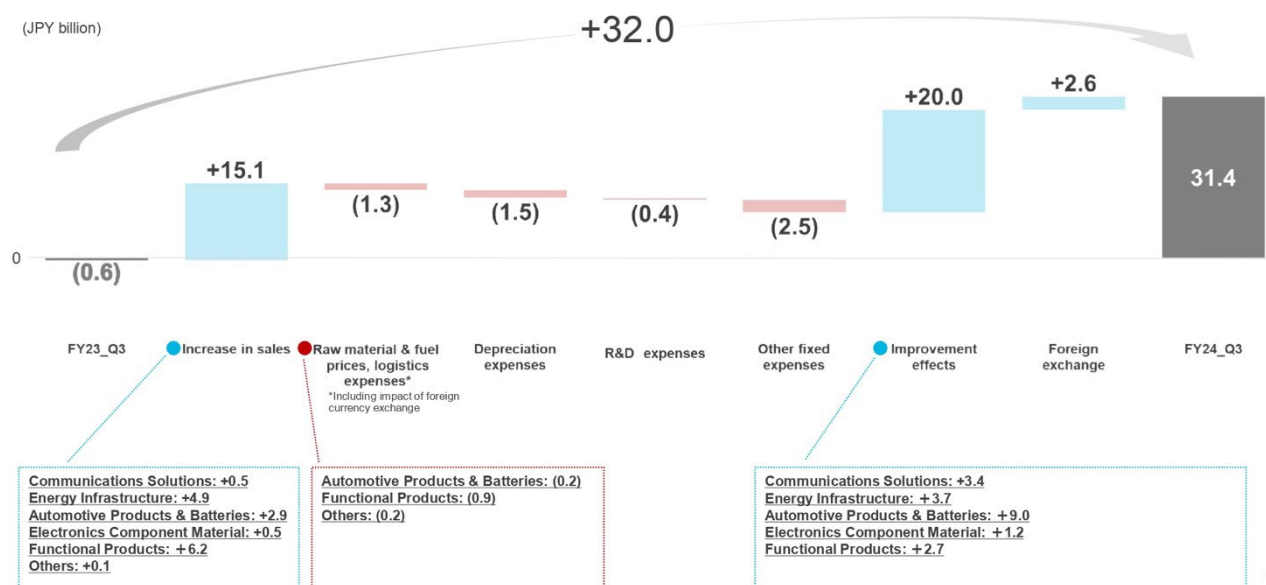
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Page six shows the reasons for the increase/decrease in sales.

Net sales were up JPY116.7 billion from the same period last year. The fluctuation in price of unprocessed metals added JPY21.7 billion, the effect of yen's depreciation on foreign exchange added JPY28.1 billion, and the change in real terms, excluding changes in the scope of consolidation, was JPY66.0 billion.

The breakdown of the real fluctuation is as follows: about JPY2.0 billion for the Communications Solutions segment, about JPY17.0 billion for the Energy Infrastructure segment, about JPY9.0 billion for the Automotive Products and Batteries segment, about JPY17.0 billion for the Electronics and Component Material segment, and about JPY21.0 billion for the Functional Products segment. All of these were increases.

FY24 Q3 Results -Breakdown of Changes in Operating Profit



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Page seven shows the factors for changes in operating .profit

The overall factor for an increase of JPY32.0 billion was mainly due to the effect of increased sales and improvements. The total effect of improvements, including price pass-through, productivity improvement, and product mix improvement, was a positive JPY20.0 billion.

The sales increase of JPY15.1 billion includes JPY0.5 billion in the Communications Solutions segment, JPY4.9 billion in the Energy Infrastructure segment, JPY2.9 billion in Automotive Products and Batteries, and JPY6.2 billion in the Functional Products segment.

In addition, raw material & fuel price and logistics expenses were negative JPY1.3 billion, depreciation expenses were negative JPY1.5 billion, other fixed expenses were negative JPY2.5 billion mainly due to higher labor costs, and foreign exchange effects were positive JPY2.6 billion due to yen's depreciation.

FY24 Forecasts -P/L Summary



■ The forecasts for net sales and each stage of profit have been revised up.

(JPY billion, JPY/kg, JPY/USD)	FY23	FY24	FY24	YoY change	Change from
	Results	Previous forecasts*	Forecasts		previous forecasts
	a	b	c	c-a	c-b
Net sales	1,056.5	1,140.0	1,190.0	+133.5	+50.0
Operating profit	11.2	38.0	42.0	+30.8	+4.0
(Margin)	1.1%	3.3%	3.5%	+2.5	+0.2
Interest income (expenses)	(7.4)	-	-	-	-
Share of profit (loss) of entities accounted for using equity method	6.3	-	-	-	-
Foreign exchange gains (losses)	(0.1)	-	-	-	-
Ordinary profit	10.3	36.0	46.0	+35.7	+10.0
(Margin)	1.0%	3.2%	3.9%	+2.9	+0.7
Extraordinary income (losses)	9.8	0.0	5.0	(4.8)	+5.0
Income taxes	(11.6)	-	-	-	-
Profit attributable to non-controlling interests	(2)	-	-	-	-
Profit attributable to owners of parent	6.5	22.0	30.0	+23.5	+8.0
(Margin)	0.6%	1.9%	2.5%	+1.9	+0.6
Average copper price	1,262	1,396	1,453	+191	+57
Average exchange rate	145	146	152	+7	+6

Electronics Component Material
(fluctuation of copper price and
foreign exchange) etc.

Energy Infrastructure
Automotive Products & Batteries

Increase share of profit of entities
accounted for using equity method
Increase in foreign exchange gains

Previous forecast:
H2 assumption
Copper price:JPY1,295/kg
Exchange rate:JPY140/USD

Q3 result:
Copper price:JPY1,449/kg
Exchange rate:JPY152/USD
Q4 assumption:
Copper price:JPY1,370/kg
Exchange rate:JPY150/USD

*Announced on November 7, 2024

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Page eight is a summary P&L of the FY2024 full-year forecast.

The full-year forecasts for net sales and profit/loss at each stage have been revised upward. As noted in the lower right-hand corner of the slide, we have changed our assumptions for copper price and exchange rates for Q4.

Net sales were revised upward by JPY50.0 billion, mainly for the Electronics Component Material segment, reflecting higher copper prices and the impact of yen's depreciation. Operating profit was revised upward by a total of JPY4.0 billion, mainly in the two segments listed here. Profit attributable to owners of parent was revised upward by JPY8.0 billion to JPY 30.0 billion due to expected increases share of profit of entities method and foreign exchange gains in non-operating profit.

FY24 Forecasts -Operating Profit by Segment



Operating profit of main segments

(JPY billion)												
Segments	Sub-segments	H1	H2	FY23 Results	FY24* Previous forecasts	H1	H2	FY24 Forecasts	YoY change	Change from previous forecasts	Main reason for the revision	
				a	b		Q3	c	c-a	c-b		
Infrastructure	Communications Solutions	(6.0)	(6.9)	(13.0)	(6.0)	(5.8)	(0.2)	(6.0)	+7.0	-		
	Energy Infrastructure	(2.6)	4.4	1.7	5.0	2.9	(0.2)	3.6	6.5	+4.8	+1.5	Increased sales from Japan underground power cable projects, functional power cable and transmission and distribution components
							3.0					
Electronics & Automotive Systems	Automotive Products & Batteries	2.3	13.3	15.6	23.0	11.2	14.8	26.0	+10.4	+3.0	Revised assumption of business environment risks	
	Electronics Component Material	0.6	2.5	3.1	4.5	3.1	7.2	1.4	4.5	+1.4	-	
							0.5					
Functional Products		2.1	3.4	5.5	15.0	7.9	7.1	15.0	+9.5	-		
Consolidated total (include service and developments, etc. segment, and elimination)		(4.6)	15.8	11.2	38.0	17.5	24.5	42.0	+30.8	+4.0	Service and developments, etc.: (0.5) (Increased development expenses)	
							13.9					

*Announced on November 7, 2024

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Page nine shows operating profit by segment for the full-year forecast for FY2024.

The Energy Infrastructure segment was revised upward by JPY1.5 billion due to increased sales of Japan underground power cable projects, functional power cable, and transmission and distribution components, etc. The business environment risk assumptions in the Automotive Products & Batteries segment were reconsidered, resulting in an upward revision by JPY3.0 billion. The Service and Developments, etc. segment is expected to increase JPY0.5 billion in expenses related to new businesses, and the full-year operating profit forecast totals JPY42.0 billion.

Net Sales and Operating Profit by Segment (Q3 Results/ Full-year Forecasts)



(JPY billion)	Net sales			Operating profit			Net sales					Operating profit				
	FY23_Q3	FY24_Q3	YoY change	FY23_Q3	FY24_Q3	YoY change	FY23 Results	FY24 Previous forecasts	FY24 Forecasts	YoY change	Change from previous forecasts	FY23 Results	FY24 Previous forecasts	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	b-a	c	d	d-c	e	f	g	g-e	g-f	h	i	j	j-h	j-i
Infrastructure	198.9	222.7	+23.8	(13.2)	(0.1)	+13.1	278.2	300.0	305.0	+26.8	+5.0	(11.3)	(1.0)	0.5	+11.8	+1.5
Communications Solutions	122.9	128.1	+5.2	(11.7)	(6.0)	+5.7	168.0	175.0	175.0	+7.0	-	(13.0)	(6.0)	(6.0)	+7.0	-
Energy Infrastructure	76.0	94.6	+18.6	(1.4)	5.9	+7.4	110.2	125.0	130.0	+19.8	+5.0	1.7	5.0	6.5	+4.8	+1.5
Electronics & Automotive Systems	474.7	540.3	+65.6	10.2	22.1	+11.8	653.7	685.0	730.0	+76.3	+45.0	18.7	27.5	30.5	+11.8	+3.0
Automotive Products & Batteries	276.3	298.4	+22.0	8.3	18.5	+10.2	379.8	390.0	405.0	+25.2	+15.0	15.6	23.0	26.0	+10.4	+3.0
Electronics Component Material	198.4	242.0	+43.6	1.9	3.6	+1.7	273.9	295.0	325.0	+51.1	+30.0	3.1	4.5	4.5	+1.4	-
Functional Products	85.5	112.1	+26.6	3.9	12.1	+8.2	115.4	150.0	150.0	+34.6	-	5.5	15.0	15.0	+9.5	-
Service and Developments, etc.	23.2	25.5	+2.3	(1.6)	(2.6)	(1.0)	31.6	30.0	30.0	(1.6)	-	(1.9)	(3.5)	(4.0)	(2.1)	(0.5)
Elimination of intra-company transactions	(17.0)	(18.6)	(1.6)	0.1	(0.1)	(0.1)	(22.4)	(25.0)	(25.0)	(2.6)	-	0.1	0.0	0.0	(0.1)	-
Consolidated total	765.3	882.0	+116.7	(0.6)	31.4	+32.0	1,056.5	1,140.0	1,190.0	+133.5	+50.0	11.2	38.0	42.0	+30.8	+4.0

* Announced on November 7, 2024

Page 10 shows sales and operating profit by segment.

The status of subsegments will be explained on the next page and thereafter, so we will omit the explanation.

1-(1) Infrastructure (Communications Solutions)

FY24_Q3 Increased profit on higher revenue			
(JPY billion)	FY23_Q3	FY24_Q3	YoY change
	a	b	b-a
Net sales	122.9	128.1	+5.2
Operating profit	(11.7)	(6.0)	+5.7

【Factors affecting profits】

- (+) Increased net sales of data center products
- (+) Recovery in telecom demand

FY24_Forecast

Increased profit on higher revenue

(JPY billion)

	FY23	FY24 previous forecasts**	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	168.0	175.0	175.0	+7.0	-
Operating profit	(13.0)	(6.0)	(6.0)	+7.0	-

** Announced on November 7, 2024

Unchanged

Recognition of the situation

>>	FY24_H1	FY24_H2	>>
Fiber & cable	Recovery in demand	Elimination of customers' inventory adjustments	BEAD*2 Full-scale from FY25
Optical device/ Networking related products in Japan	Increase demand for the data center market		
Networking related products in Japan: Weighted heavily in the second half			

Key points

- Shift from general-use products to high-value-added products and solutions
- Develop new customers and strengthen production and sales structure in the data center and FTTx*3 market

Rollable ribbon cable

Networking systems

ITLA**4/DFB**5

*2 Broadband Equity Access and Deployment Program

*3 Fiber To The x (generic term for communications service networks using optical fiber)

*4 Integrated Tunable Laser Assemble

*5 Distributed Feedback Laser

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Page 11 is for the Communications Solutions segment.

The results of the first three quarters show YoY increases in both sales and profit. The gradual recovery in telecom-related demand and the gradual results of data center-related orders are contributing to the increase in sales and improvement in the product mix.

In Q3, short-term operating profit returned to a near-zero base. As shown here, there has been no major change in our perception of the business environment since our announcement in November of last year.

1-(2) Infrastructure (Energy Infrastructure)

FY24_Q3 Increased profit on higher revenue			
(JPY billion)	FY23_Q3	FY24_Q3	YoY change
	a	b	b-a
Net sales	76.0	94.6	+18.6
Operating profit	(1.4)	5.9	+7.4

【Factors affecting profits】

(+) Increase in sales of domestic extra-high voltage, renewable energy projects, functional power cable, etc.

FY24_Forecast Increased profit on higher revenue					
(JPY billion)	FY23	FY24 previous forecasts*	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	110.2	125.0	130.0	+19.8	+5.0
Operating profit	1.7	5.0	6.5	+4.8	+1.5

*Announced on November 7, 2024

Upward revision

Recognition of the situation			
>>	FY24_H1	FY24_H2	>>
Domestic extra-high voltage	Steady demand such as domestic renewal and renewable energy projects		
Submarine lines			
China	Moderate economic recovery		
Functional power cable/components	Steady demand		
Key points			
<ul style="list-style-type: none">Secure orders with a focus on profits, and optimize sales pricesIncrease cable manufacturing and installation capacity<ul style="list-style-type: none">Domestic extra-high voltage and submarine linesRenewable energy projectsIncrease sales by promoting marketing activities<ul style="list-style-type: none">Rakuraku aluminum cable®Transmission and distribution components			

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Page 12 is for the Energy Infrastructure segment.

The results of the first three quarters show YoY increases in both sales and profit. The increase in domestic extra-high voltage, renewable energy projects and functional power cable sales are the main reasons for the increase in profit.

In addition, domestic extra-high-voltage underground power cable projects and functional power cable and transmission and distribution components, which were scheduled for the end of the fiscal year, were brought forward to Q3 of this fiscal year. Given these factors, we have revised our full-year forecasts upward, but our perception of the business environment has not changed significantly from that announced in November last year.

FY24_Q3 Increased profit on higher revenue			
(JPY billion)	FY23_Q3	FY24_Q3	YoY change
	a	b	b-a
Net sales	276.3	298.4	+22.0
Operating profit	8.3	18.5	+10.2

【Factors affecting profits】

- (+) Improved productivity through stable orders
- (+) Optimized battery prices

FY24_Forecast

Increased profit on higher revenue

(JPY billion)	FY23	FY24 previous forecasts*	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	379.8	390.0	405.0	+25.2	+15.0
Operating profit	15.6	23.0	26.0	+10.4	+3.0

Upward revision

*Announced on November 7, 2024

Recognition of the situation

>>	FY24_H1	FY24_H2	>>
Automotive Products	Customer production plans are generally stable Slight increase in automobile production Increase in the number of models equipped with aluminum wire harnesses		
Batteries	Both automotive and industrial sales concentrated in the second half		

Key points

- Develop products and respond to autonomy for the electric vehicle market

Aluminum wire harness (including high-voltage products)

Upward revision

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Page 13 is for the Automotive Products and Batteries segment.

The results of the first three quarters show YoY increases in both sales and profit. The increase in profit was due to the stabilization of production at a Japanese OEM, a major customer, and improved productivity at the Company, as well as price optimization at the Furukawa Battery Co., Ltd.

Although there has been no major change in our perception of the business environment since our announcement in November last year, we have revised our full-year forecast upward, taking into account progress in negotiations with customers regarding cost increases due to the weak yen, labor costs, and other factors.

FY24_Q3 Increased profit on higher revenue			
(JPY billion)	FY23_Q3	FY24_Q3	YoY change
	a	b	b-a
Net sales	198.4	242.0	+43.6 ^{*1}
Operating profit	1.9	3.6	+1.7

【Factors affecting profits】

- (+) Improved product mix
- (+) Impact of changes in foreign currency exchange

^{*1} Including the impact of changes in copper prices and foreign currency exchange

FY24_Forecast Increased profit on higher revenue					
(JPY billion)	FY23	FY24 previous forecasts ^{*1}	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	273.9	295.0	325.0	+51.1	+30.0 ^{*1}
Operating profit	3.1	4.5	4.5	+1.4	-

Revision to net sales only

^{*1}Announced on November 7, 2024

Recognition of the situation			
>>	FY24_H1	FY24_H2	>>
Demand for automotive-related products are firm			
Delayed recovery in electronics-related demand			
Key points			
<ul style="list-style-type: none"> Promote and expand sales of high-value-added products <ul style="list-style-type: none"> Heat-resistant oxygen-free copper strips (for power semiconductors/heat dissipation components) Ribbon cable and ultra fine flat wire (for 5G telecommunications) High performance products (resistance materials) Optimize sales prices and withdraw from low-margin products 			

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Page 14 is for the Electronics Component material segment.

The results of the first three quarters show YoY increases in both sales and profit. The large YoY increase in net sales was mainly due to soaring copper prices and the impact of the yen's depreciation. The increase was mainly due to an improved product mix. There has been no major change in our perception of the business environment since our announcement last November.

Net Sales and Operating Profit by Segment
3 Functional Products



FY24_Q3 Increased profit on higher revenue			
(JPY billion)	FY23_Q3	FY24_Q3	YoY change
	a	b	b-a
Net sales	85.5	112.1	+26.6
Operating profit	3.9	12.1	+8.2

【Factors affecting profits】

(+) Increased net sales of data center products

FY24_Forecast Increased profit on higher revenue					
(JPY billion)	FY23	FY24 previous forecasts*	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	115.4	150.0	150.0	+34.6	-
Operating profit	5.5	15.0	15.0	+9.5	-

*Announced on November 7, 2024

Recognition of the situation			
>>	FY24_H1	FY24_H2	>>
Continued active data center investments			
Sooner-than-expected ended to inventory adjustments in the supply chain for HDD related products			
Gradual recovery in demand for smartphone and PCs related products			
Key points			
<ul style="list-style-type: none"> Increase production and sales of high value-added products for data center and renewable energy markets 			
Tape for semiconductor process	High performance heat dissipation and cooling products	Aluminum blanks for HDD	Copper foil for high frequency circuit boards

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Page 15 is for the Functional Products segment.

The results of the first three quarters show YoY increases in both sales and profit. The increase was due to strong demand for generative AI and data center related products and increased sales of thermal products and aluminum blanks for HDD. There has been no major change in our perception of the business environment since our announcement last November.

FY24 Q3 Results -B/S Summary



(JPY billion)	End of FY23*	End of FY24Q3	Change	
	a	b	b-a	
Current assets	517.8	557.4	+39.6	
Cash and deposits	48.9	53.5	+4.6	
Notes and accounts receivable - trade, and contract assets	245.7	261.7	+15.9	
Total inventories	183.6	201.3	+17.6	Inventories Increased by JPY 17.6 billion (including the impact of foreign currency exchange and copper prices of JPY 1.5 billion) Increased in net sales (Increased by JPY 11.2 billion compared with the end of FY23) Projects and construction with expected future sales (Increased by JPY 3.6 billion compared with the end of FY23)
Non-current assets	467.2	454.4	(12.8)	
Property, plant and equipment	278.6	276.5	(2.2)	Property, plant and equipment, and intangible assets Decreased by JPY 2.3 billion Impact of CAPEX and depreciation: JPY (3.6) billion Impact of foreign currency exchange: JPY +2.4 billion Retirement, etc.: JPY (0.8) billion
Intangible assets	20.3	20.2	(0.1)	
Investments and other assets	168.3	157.8	(10.5)	Investments and other assets Decreased by JPY 10.5 billion Investment securities: JPY (8.7) billion *Mainly due to the reclassification of UACJ shares (Shares of subsidiaries and associates → Shares of a non-affiliated company)
Total assets	985.0	1,011.8	+26.8	
Current liabilities	400.9	410.9	+10.0	
Non-current liabilities	225.9	241.3	+15.5	
Total liabilities	626.8	652.2	+25.4	
Shareholders' equity	284.9	272.4	(12.6)	Total assets Increased by JPY 26.8 billion Working capital following increased net sales: JPY +33.5 billion Impact of change in scope of consolidation: JPY (14.8) billion *Mainly UACJ Impact of foreign currency exchange: JPY +5.1 billion
Accumulated other comprehensive income	43.4	55.9	+12.5	Shareholders' equity Decreased by JPY 12.6 billion Retained earnings: JPY (12.6) billion *Mainly sale of UACJ shares
Non-controlling interests	29.9	31.3	+1.4	Accumulated other comprehensive income Increased by JPY 12.5 billion Valuation difference on available-for-sale securities: JPY +20.5 billion *Mainly due to the gain on mark-to-market valuation of UACJ Foreign currency translation adjustment: JPY (5.5) billion
Total net assets	358.2	359.6	+1.4	
Total liabilities and net assets	985.0	1,011.8	+26.8	
Equity capital ratio	33.3%	32.4%	(0.9)	
Net interest-bearing debt	284.1	290.5	6.4	
Net D/E ratio	0.87	0.89	+0.02	

*Restated the FY23 financial results following changes to the accounting standards for corporate taxes, municipal taxes and business taxes (refer to the Appendix)

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Page 16 is a summary B/S.

Total assets were JPY1.0118 trillion, an increase of JPY26.8 billion from the end of the previous fiscal year. The breakdown of changes includes an increase of JPY33.5 billion in working capital following increased net sales, an increase of JPY5.1 billion due to foreign exchange effects, and a decrease of JPY14.8 billion mainly due to changes in the scope of consolidation and other factors caused by changes in the classification of UACJ stock holdings.

Net interest-bearing debt increased by JPY6.4 billion, mainly due to an increase in working capital following increased net sales.

CAPEX, Depreciation & Amortization and R&D Expenses



■ Revised the full-year CAPEX forecast

(JPY billion)	FY23_Q3	FY24_Q3	YoY change	FY23 Results	FY24 previous forecasts*	FY24 Forecasts	YoY change	Change from previous forecasts
	a	b	b-a	c	d	e	e-c	e-d
CAPEX	26.0	23.8	(2.2)	39.0	48.0	40.0	+1.0	(8.0)
Depreciation and amortization	28.9	30.4	+1.5	39.0	41.0	41.0	+2.0	-
R&D expenses	18.6	19.1	+0.4	24.5	26.0	26.0	+1.5	-

Revised the projects, timing and specifications

* Announced on May 13, 2024

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Page 17 shows the status of CAPEX, depreciation and amortization, and R&D expenses.

We have lowered our full-year forecast for CAPEX by JPY8.0 billion from the figure announced last May to JPY40.0 billion. This is the result of a revise of the projects, timing, specifications, etc. There is no change in depreciation and amortization and other R&D expenses from the figures announced last May.

Directed at FY25

- Recent demand environment will continue for the time being
- Capture demand and accelerate the initiatives aimed at growth

*Remain attentive to the impact of market caused by political/ economic uncertainty

Image of operating profit in FY2025

Segments	Sub-segments	FY23 Results	FY24 Forecasts		FY25 Forecasts	Premise
			H1	H2 Forecasts		
Infrastructure	Communications Solutions	(13.0)	(5.8)	(0.2)	(6.0)	<ul style="list-style-type: none"> Increased sales of data center products (including the benefits of increased production, etc.) Demand creation by the BEAD Program (from FY25H2)
	Energy Infrastructure	1.7	2.9	3.6	6.5	<ul style="list-style-type: none"> Firm sales from domestic extra-high voltage, renewable energy projects, functional power cable and transmission and distribution components
Electronics & Automotive Systems	Automotive Products & Batteries	15.6	11.2	14.8	26.0	<ul style="list-style-type: none"> Deconsolidation of the batteries business Customer vehicle production volume will be generally unchanged from FY24
	Electronics Component Material	3.1	3.1	1.4	4.5	<ul style="list-style-type: none"> Remain attentive to the timing of the demand recovery for electronics products
Functional Products		5.5	7.9	7.1	15.0	<ul style="list-style-type: none"> Data center products will continue to be strong Benefits of investing in increased production of tape for semiconductor process

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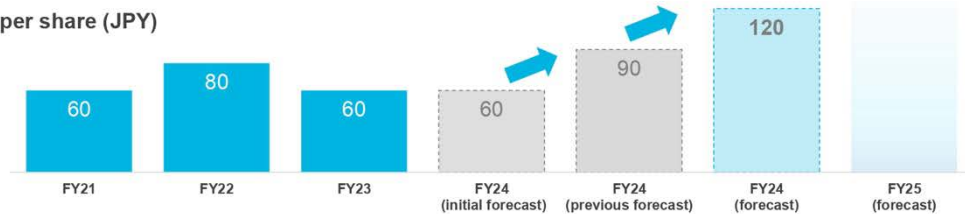
Page 18 shows the operating profit image for each subsegment at this time for FY2025, with arrows.

We believe that the current demand environment will continue for the foreseeable future, and while we will accelerate our efforts to capture demand and growth in this environment, we will closely monitor the impact of market fluctuations caused by political/economic uncertainty.

Year-end Dividend Forecast

■ For the year-end dividend, we plan to issue a dividend of JPY 120 per share
(Raised by JPY 30 from JPY 90 announced on November 7, 2024)

Annual dividend per share (JPY)



Profit attributable owners of parent	JPY 10.1 billion	JPY 15.9 billion	JPY 6.5 billion	JPY 13.0 billion	JPY 22.0 billion	JPY 30.0 billion	More than JPY 37.0 billion
Dividend payout ratio	41.8%	35.4%	64.9%	32.5%	28.8%	28.2%	30%(target)

Basic policy on shareholder returns

The Company's basic policy is to provide stable and continuous returns to shareholders and to link dividend payments to business performance, with a target of 30% of profit attributable to owners of parent

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Page 19 shows the year-end dividend forecast.

In light of the revised full-year forecast, the year-end dividend forecast for the current fiscal year has been changed from the previously announced JPY90 per share to JPY120 per share.

This concludes my presentation.