



Furukawa Electric Co., Ltd.

Financial Results Briefing for the Fiscal Year Ended March 2025

May 13, 2025

[Number of Speakers]

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President, and General Manager of
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Agenda

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Aoshima: Thank you very much for taking time out of your busy schedules today.

Please turn to page three. This page shows today's agenda. This section describes the actual results for FY2024 and the forecast for FY2025.

FY24 Financial Results Highlights



■ Net sales and each level of profit increased compared to last year and the previous forecasts

(JPY billion, JPY/kg, JPY/USD)	FY23 Results	FY24 Previous forecasts*	FY24 Results	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	1,056.5	1,190.0	1,201.8	+145.2	+11.8
Operating profit	11.2	42.0	47.1	+35.9	+5.1
Ordinary profit	10.3	46.0	48.6	+38.3	+2.6
Profit attributable to owners of parent	6.5	30.0	33.4	+26.9	+3.4
Average copper price	1,262	1,453	1,478	+217	+25
Average exchange rate	145	152	153	+8	+1

*Announced on February 12, 2025

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Please turn to page five. This page shows the key points of the financial results for FY2024. In FY2024, sales, operating profit, ordinary profit, and net profit were all higher than the previous fiscal year and the previous forecast.

FY25 Forecasts Highlights



■ Actual revenue excluding the impact of foreign exchange and copper prices and all levels of profit are forecast to increase

※ Impact of tariffs introduced by the United States have not been incorporated into the forecast

(JPY billion, JPY/kg, JPY/USD)	FY23 Results	FY24 Results	FY25 Forecasts	YoY change	
		a	b	b-a	
Net sales	1,056.5	1,201.8	1,200.0	(1.8)	Increased revenue: Infrastructure, Functional Products, Service and Developments, etc. Decreased revenue: Electronics & Automotive Systems (Assuming deconsolidation of Furukawa Battery Co., Ltd. from Q3)
Operating profit	11.2	47.1	53.0	+5.9	Increased profits in all segments excluding Service and Developments, etc.
Ordinary profit	10.3	48.6	52.0	+3.4	(Reference) Impact and response of tariffs introduced by the United States
Profit attributable to owners of parent	6.5	33.4	36.0	+2.6	
Average copper price	1,262	1,478	1,335	(143)	
Average exchange rate	145	153	140	(13)	

Direct impact of tariffs

Increase in cost

- Purchases of raw materials, and products, etc.
- Tariff burden during sales etc.

Communications Solutions

Automotive Products & Batteries

Response

Recovery of the cost increase

- Incorporate the tariffs into the sales prices
- Change the supply chain
- Change the trade terms etc.

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Please turn to page six. The forecast is for FY2025, but none of the figures shown here reflect the impact of the US tariff measures.

Sales are expected to decrease slightly from the previous fiscal year, but operating profit and below are expected to increase. The decrease in sales is mainly due to the impact of the assumed deconsolidation of Furukawa Battery from Q3 onward, as well as fluctuations in foreign exchange rates and copper price. Regarding the US-related business, there is a possibility that a direct downward impact on operating profit will occur in both segments of Communications Solutions and Automotive Products & Batteries, but at this point we expect that this will be largely covered by price pass-through and other measures.

As you are aware, the impact of tariffs is difficult to predict at this time, and we will closely monitor the situation and take necessary actions quickly as we move forward in this fiscal year.

Shareholder returns

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

Dividends in FY24 and FY25

■ **Planned to issue a dividend of JPY 120 per share in FY24**

■ **Forecast to issue a dividend of JPY 120 per share in FY25**

Annual dividend per share (JPY)



Profit attributable owners of parent	JPY 10.1 billion	JPY 15.9 billion	JPY 6.5 billion	JPY 33.4 billion	JPY 36.0 billion
Dividend payout ratio	41.8%	35.4%	64.9%	25.3%	23.5%

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Please turn to page seven. Based on the above results and forecasts, we plan to pay a dividend of JPY120 per share for FY2024, which is to be approved at the General Meeting of Shareholders in June. For FY2025, we currently forecast JPY120 as well.

Next are the details.

FY24 Financial Results -P/L Summary



(JPY billion, JPY/kg, JPY/USD)	FY23 Results	FY24 Previous forecasts*	FY24 Results	YoY change	Change from previous forecasts	Breakdown of changes (Full year YoY)
	a	b	c	c-a	c-b	
Net sales	1,056.5	1,190.0	1,201.8	+145.2	+11.8	See page 11
Operating profit	11.2	42.0	47.1	+35.9	+5.1	See page 12
(Margin)	1.1%	3.5%	3.9%	+2.9	+0.4	
Interest income (expenses)	(7.4)	-	(8.0)	(0.7)	-	
Share of profit (loss) of entities accounted for using equity method	6.3	-	10.6	+4.3	-	
Foreign exchange gains (losses)	(0.1)	-	(2.2)	(2.1)	-	
Ordinary profit	10.3	46.0	48.6	+38.3	+2.6	
(Margin)	1.0%	3.9%	4.0%	+3.1	+0.2	
Extraordinary income (losses)	9.8	5.0	5.5	(4.3)	+0.5	•Extraordinary income +4.9 (14.9 → 19.8)
Income taxes	(11.6)	-	(16.8)	(5.2)	-	•Extraordinary loss (9.2) [(5.1) → (14.3)]
Profit attributable to non-controlling interests	(2.0)	-	(4.0)	(2.0)	-	
Profit attributable to owners of parent	6.5	30.0	33.4	+26.9	+3.4	
(Margin)	0.6%	2.5%	2.8%	+2.2	+0.3	
Average copper price	1,262	1,453	1,478	+217	+25	
Average exchange rate	145	152	153	+8	+1	

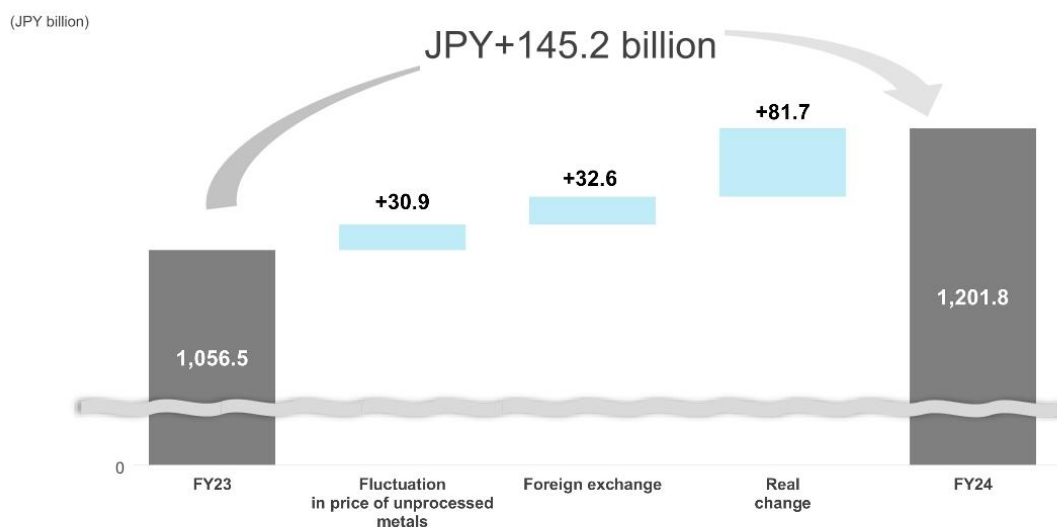
*Announced on February 12, 2025

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Please turn to page 10. This is a summary P&L for FY2024 results. The reasons for the increase or decrease in net sales and operating profit are explained on the next page and thereafter. I will provide additional information on the other items.

Share of profit (loss) of entities accounted for using equity method increased approximately JPY4.3 billion from the previous fiscal year, mainly due to improved earnings at overseas equity-method affiliates. Extraordinary income (losses) decreased by approximately JPY4.3 billion from the previous fiscal year, mainly due to the recording of a provision for product warranties as an extraordinary loss, which was disclosed at a timely disclosure for the Q3 financial results.

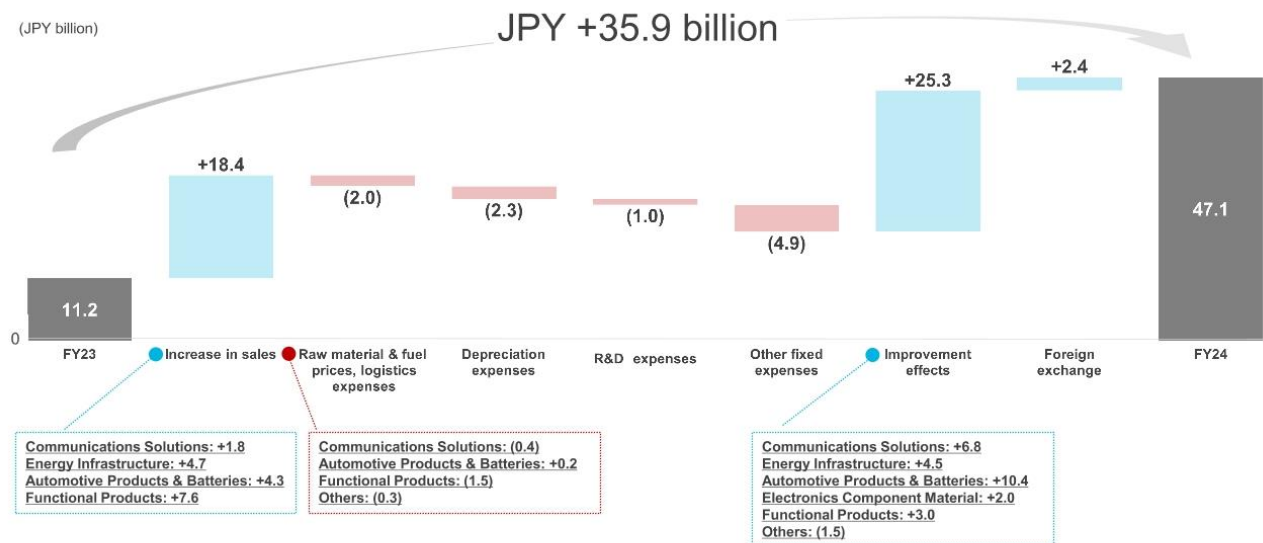
FY24 Financial Results -Breakdown of Changes in Net Sales



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Page 11 shows the breakdown of changes in net sales. Net sales were up JPY145.2 billion from the same period of last year. Excluding fluctuation in price of unprocessed metals and the effect of yen's depreciation on foreign exchange, the real change was positive JPY81.7 billion. The breakdown of the real change is as follows: about JPY8.0 billion for the Communications Solutions segment; about JPY18.0 billion for the Energy Infrastructure segment; about JPY13.0 billion for the Automotive Products & Batteries segment; about JPY17.0 billion for the Electronics Component Material segment; and about JPY25.0 billion for the Functional Products segment. All of these were increases.

FY24 Financial Results -Breakdown of Changes in Operating Profit



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Page 12 shows breakdown of changes in operating profit. The overall factor for an increase of JPY35.9 billion was mainly due to the effect of increased sales and improvements.

FY24 Financial Results -Net Sales & Operating Profit by Segment



■ Infrastructure

Compared to last year:

Increased profit on higher revenue

Compared to previous forecast
(Operating profit):

Overperformed

(JPY billion)	Net sales					Operating profit					(+) Increase/ (-) Decrease profits
	FY23 Results	FY24 Previous forecasts	FY24 Results	YoY change	Change from previous forecasts	FY23 Results	FY24 Previous forecasts	FY24 Results	YoY change	Change from previous forecasts	
	a	b	c	c-a	c-b	d	e	f	f-d	f-e	
Infrastructure	278.2	305.0	309.4	+31.2	+4.4	(11.3)	0.5	4.5	+15.8	+4.0	
Communications Solutions	168.0	175.0	178.5	+10.5	+3.5	(13.0)	(6.0)	(4.3)	+8.6	+1.7	<p>Compared to last year : Increased profit on higher revenue (+) Increased net sales of data center related products, etc. (+) Increased telecom related demand</p> <p>Compared to previous forecast : Overperformed (+) Non-realization of the risk incorporated into the forecast (+) Changes in the scope of consolidation</p>
Energy Infrastructure	110.2	130.0	130.9	+20.7	+0.9	1.7	6.5	8.9	+7.1	+2.4	<p>Compared to last year : Increased profit on higher revenue (+) Increased sales of Japan extra-high voltage, renewable energy and functional power cable, etc.</p> <p>Compared to previous forecast : Overperformed (+) Net sales increased from progress in underground power cable construction and urgent projects</p>

*Announced on February 12, 2025

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We omit the explanation of YoY comparisons of operating profit by segment on pages 13 to 15 because the trend is the same as at the Q3 financial results, and we will explain the YoY comparisons with the previous forecast.

The Infrastructure segment exceeded the previous forecast. The Communications Solutions segment exceeded the forecast by about JPY1.7 billion due to non-realization of the risk incorporated in the forecast and changes in the scope of consolidation. The Energy Infrastructure exceeded by about JPY2.4 billion due to progress in underground power cable construction and increased sales from urgent projects and others.

FY24 Financial Results -Net Sales & Operating Profit by Segment



■ Electronics & Automotive Systems

Compared to last year:

Compared to previous forecast
(Operating profit):

Increased profit on higher revenue

Overperformed

(JPY billion)	Net sales					Operating profit					(+) Increase/ (-) Decrease profits
	FY23 Results	FY24 Previous forecasts	FY24 Results	YoY change	Change from previous forecasts	FY23 Results	FY24 Previous forecasts	FY24 Results	YoY change	Change from previous forecasts	
	a	b	c	c-a	c-b	d	e	f	f-d	f-e	
Electronics & Automotive Systems	653.7	730.0	736.4	+82.7	+6.4	18.7	30.5	32.3	+13.6	+1.8	
Automotive Products & Batteries	379.8	405.0	409.5	+29.7	+4.5	15.6	26.0	27.4	+11.7	+1.4	Compared to last year : Increased profit on higher revenue (+) Improved productivity through stable orders (+) Optimized sales prices
											Compared to previous forecast : Overperformed (+) Increase in sales and cost control measures, etc.
Electronics Component Material	273.9	325.0	327.0	+53.0	+2.0	3.1	4.5	4.9	+1.8	+0.4	Compared to last year : Increased profit on higher revenue (+) Improvement in the product mix, etc. (+) Impact of foreign exchange, etc.
											Compared to previous forecast: Generally unchanged

*Announced on February 12, 2025

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On page 14, the Electronics & Automotive Systems segment exceeded the previous forecast. Sales of the Automotive Products & Batteries segment increased approximately JPY1.4 billion due to higher sales, curbs on selling and other expenses, and progress in price negotiations with customers in response to higher costs associated with foreign exchange and labor cost increases.

The Electronics & Automotive Systems segment increased slightly, almost in line with forecast.

FY24 Financial Results -Net Sales & Operating Profit by Segment



■ Functional Products

Compared to last year:

Increased profit on higher revenue

Compared to previous forecast
(Operating profit):

Unachieved

(JPY billion)	Net sales					Operating profit					(+) Increase/ (-) Decrease profits
	FY23 Results	FY24 Previous forecasts	FY24 Results	YoY change	Change from previous forecasts	FY23 Results	FY24 Previous forecasts	FY24 Results	YoY change	Change from previous forecasts	
	a	b	c	c-a	c-b	d	e	f	f-d	f-e	
Functional Products	115.4	150.0	147.0	+31.6	(3.0)	5.5	15.0	14.0	+8.4	(1.0)	<p>Compared to last year : Increased profit on higher revenue (+) Increased net sales of data center related products</p> <p>Compared to previous forecast: Unachieved (-) Delayed recovery in demand for electronics-related products</p>

*Announced on February 12, 2025

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The Functional Products segment on page 15 was down about JPY1.0 billion due to a delayed recovery in demand for electronics-related products.

FY24 Financial Results -B/S Summary



(JPY billion)	End of FY23Q4	End of FY24Q4	Change	
	a	b	b-a	
Current assets	517.8	556.4	+38.7	
Cash and deposits	48.9	60.0	+11.1	
Notes and accounts receivable - trade, and contract assets	245.7	260.6	+14.9	
Total inventories	183.6	195.0	+11.4	Inventories Increased by JPY 11.4 billion (Including the impact of foreign currency exchange and copper prices: JPY +2.2 billion) • Impact of increased net sales: JPY 6.5 billion • Impact of projects and construction expected to be recorded as net sales in the future: JPY 2.1 billion
Non-current assets	467.2	430.6	(36.7)	
Property, plant and equipment	278.6	277.0	(1.6)	Property, plant and equipment, and intangible assets Increased by JPY 1.0 billion • Impact of CAPEX and depreciation: JPY +1.1 billion
Intangible assets	20.3	22.9	+2.6	
Investments and other assets	168.3	130.7	(37.6)	Investments and other assets Decreased by JPY 37.6 billion • Investment securities: JPY (32.9) billion ※Mainly due to the reclassification of UACJ shares (Shares of subsidiaries and associates → Shares of a non-affiliated company)
Total assets	985.0	987.0	+2.0	
Current liabilities	400.9	394.5	(6.4)	
Non-current liabilities	225.9	219.2	(6.6)	
Total liabilities	626.8	613.7	(13.1)	
Shareholders' equity	284.9	291.5	+6.5	
Accumulated other comprehensive income	43.4	49.9	+6.6	Total assets Increased by JPY 2.0 billion • Working capital following increased net sales: JPY +26.2 billion • Impact of changes in the scope of consolidation: JPY (32.7) billion ※Mainly UACJ • Impact of foreign currency exchange: JPY +13.3 billion
Non-controlling interests	29.9	31.9	+2.0	Accumulated other comprehensive income Increased by JPY 6.6 billion • Valuation difference on available-for-sale securities: JPY +11.9 billion ※Mainly due to the gain on mark-to-market valuation of UACJ • Foreign currency translation adjustment: JPY (1.4) billion
Total net assets	358.2	373.3	+15.1	
Total liabilities and net assets	985.0	987.0	+2.0	
Equity capital ratio	33.3%	34.6%	+1.3	
Net interest-bearing debt	284.1	246.2	(38.0)	
Net D/E ratio	0.87	0.72	(0.14)	
ROE	2.1%	10.0%	+7.9	

	FY23	FY24
Free cash flow	JPY +7.1 billion	JPY +52.6 billion
Operating cash flow	JPY +31.9 billion	JPY +59.8 billion
Investing cash flow	JPY (24.8) billion	JPY (7.2) billion

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Page 16 shows a summary B/S. Total assets were JPY987.0 billion, an increase of JPY2.0 billion from the end of the previous fiscal year. The breakdown of changes were an increase of JPY26.2 billion in working capital following increased net sales: an increase of JPY13.3 billion due to foreign exchange effects; and a decrease of JPY32.7 billion mainly due to changes in the scope of consolidation and other factors mainly caused by changes in the classification of UACJ stock holdings.

Free cash flow improved and Net interest-bearing debt was reduced by JPY38.0 billion as a result of improved operating cash flow due to improved EBITDA, improved capital efficiency, and curbed investment cash flow due to the reduction of policy shareholdings to strengthen governance. Various management indices also improved, with ROE rising to 10% due to a JPY26.9 billion increase in net profit over the previous fiscal year.

FY25 Forecasts -P/L Summary



(JPY billion, JPY/kg, JPY/USD)	FY23	FY24	FY25	YoY change	Breakdown of changes (Full year YoY)
	Results	Results	Forecasts		
		a	b	b-a	
Net sales	1,056.5	1,201.8	1,200.0	(1.8)	See page 19
Operating profit	11.2	47.1	53.0	+5.9	See page 20
(Margin)	1.1%	3.9%	4.4%	+0.5	
Interest income (expenses)	(7.4)	(8.0)	-	-	
Share of profit (loss) of entities accounted for using equity method	6.3	10.6	-	-	
Foreign exchange gains (losses)	(0.1)	(2.2)	-	-	
Ordinary profit	10.3	48.6	52.0	+3.4	
(Margin)	1.0%	4.0%	4.3%	+0.3	
Interest income (expenses)	9.8	5.5	6.0	+0.5	
Share of profit (loss) of entities accounted for using equity method	(11.6)	(16.8)	-	-	
Foreign exchange gains (losses)	(2.0)	(4.0)	-	-	
Profit attributable to owners of parent	6.5	33.4	36.0	+2.6	
(Margin)	0.6%	2.8%	3.0%	+0.2	
Average copper price	1,262	1,478	1,335	(143)	
Average exchange rate	145	153	140	(13)	

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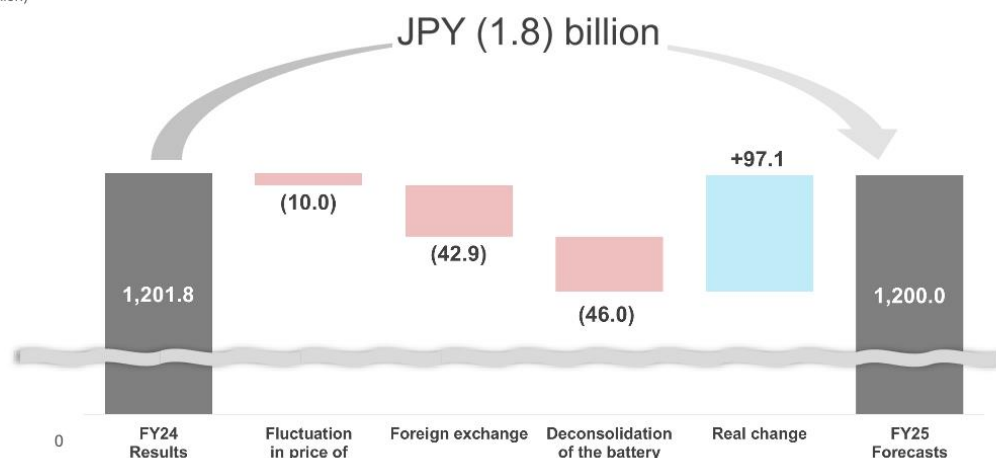
This page shows the forecast for FY2025. Please turn to page 18. Net sales are projected at JPY1.2 trillion, operating profit at JPY53.0 billion, ordinary profit at JPY52.0 billion, and net profit attributable to owners of parent at JPY36.0 billion. Details on net sales and operating profit will be provided later.

Ordinary profit will decrease due to UACJ no longer being an equity-method affiliate, resulting in a decrease in Share of profit (loss) of entities accounted for using equity method. Extraordinary income is based on the assumption that the Company will continue to streamline its asset holdings. The assumptions for the exchange rate and copper price are as shown.

FY25 Forecasts -Breakdown of Changes in Net Sales



(JPY billion)

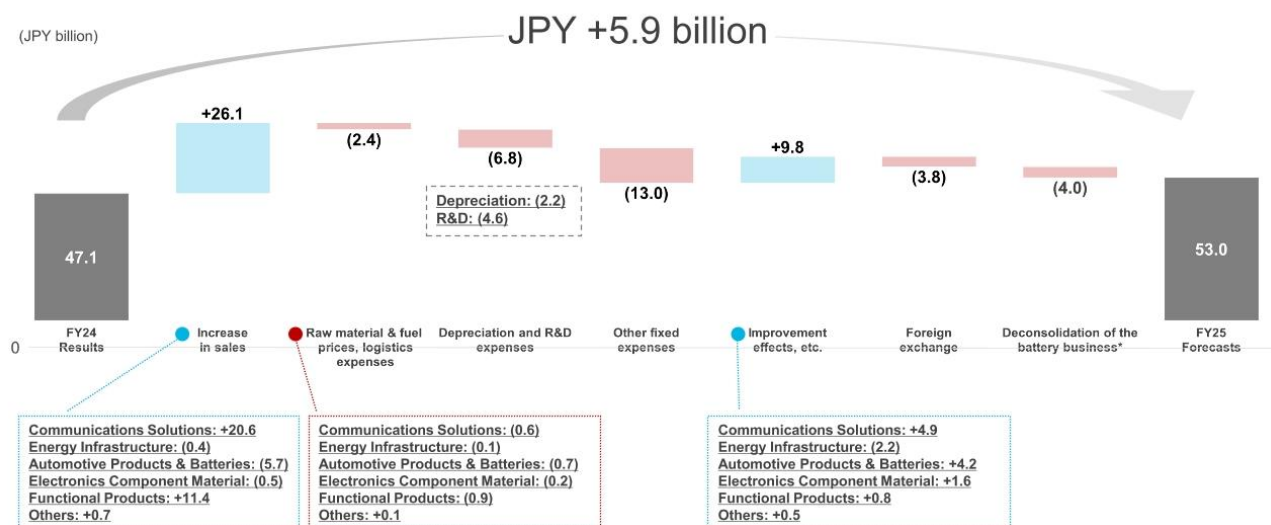


* Assuming the Deconsolidation of Furukawa Battery Co., Ltd. in Q3

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Page 19 shows breakdown of changes in net sales. Excluding fluctuation in price of unprocessed metals, foreign exchange, and the deconsolidation of the Furukawa Battery, the real change is an increase of JPY97.1 billion. The breakdown of the real change was an increase of approximately JPY80.0 billion in the Communication Solutions and an increase of approximately JPY47.0 billion in the Functional Products segment, and decreases in the Energy Infrastructure segment, the Automotive Products & Batteries segment, and the Electronics Component Material segment.

FY25 Forecasts -Breakdown of Changes in Operating Profit



* Assuming the Deconsolidation of Furukawa Battery Co., Ltd. in Q3

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Page 20 shows breakdown of changes in operating profit. Positive JPY26.1 billion due to the substantial increase in sales, JPY13.0 billion increase in other fixed costs due to higher personnel costs resulting from higher wages and increased production costs. However, we expect an increase of JPY9.8 billion due to improvement effects from productivity improvement, price optimization, product mix, and other factors. Excluding the impact of foreign exchange and the deconsolidation of the Furukawa Battery, we forecast an increase of JPY5.9 billion over FY2024.

FY25 Forecasts -Operating Profit by Segment



Operating profit of main segments

(JPY billion)		FY23 Results		FY24 Results		FY24 Results*		FY25 Forecasts	YoY change	Assumption for forecasts
Segments	Sub-segments	H1	H2	H1	H2	H1	H2			
a								b	b-a	
Infrastructure	Communications Solutions	(13.0)		(4.3)		(4.0)		7.5	+11.5	Increased sales of data center related products, etc.
		(6.0)	(6.9)	(5.8)	1.5	(5.6)	1.6			
	Energy Infrastructure	1.7		8.9		9.8		6.5	(3.3)	Steady demand for Japan extra-high voltage, renewable energy and functional power cable, etc.
		(2.6)	4.4	2.9	5.9	3.2	6.6			
Electronics & Automotive Systems	Automotive Products & Batteries	15.6		27.4		27.6		20.0	(7.6)	Deconsolidation of the batteries business (assuming Q3) Customer vehicle production volume remains unchanged from the previous year
		2.3	13.3	11.2	16.1	11.3	16.3			
	Electronics Component Material	3.1		4.9		5.0		5.0	0.0	Gradual recovery in demand for electronics-related products
		0.6	2.5	3.1	1.8	3.2	1.9			
Functional Products		5.5		14.0		14.1		19.0	+4.9	Data center related products will continue to be strong Gradual recovery in demand for electronics-related products Realization of investing effect in increased production of tape for semiconductor process
		2.1	3.4	7.9	6.1	7.9	6.2			
Consolidated total (include service and developments, etc. segment, and elimination)		11.2		47.1		47.1		53.0	+5.9	* From FY25, the industrial laser business will be transferred from the Infrastructure segment (Communications Solutions) to the Service & Developments, etc. segment, the metal power cable business will be transferred within the Infrastructure segment (from Communications Solutions) to the Service & Developments, etc. segment.
		(4.6)	15.8	17.5	29.6	17.5	29.6			

* From FY25, the industrial laser business will be transferred from the Infrastructure segment (Communications Solutions) to the Service & Developments, etc. segment, the metal power cable business will be transferred within the Infrastructure segment (from Communications Solutions to Energy Infrastructure), and some changes will be made to the method of allocating head office expenses (refer to the Appendix). As a result, the actual results for FY24 were restated.

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Page 21 shows the operating profit forecast by sub-segment. Like the FY2024 results, FY2025 will be biased toward H1, probably 4:6 for H1:H2. The details are explained on the next page and beyond.

1-(1) Infrastructure (Communications Solutions)

FY25_Forecasts

Increased profit on higher revenue

(JPY billion)

	FY23 Results	FY24 Results	FY24 Results ^{*1}	FY25 Forecasts	YoY change
			a	b	b-a
Net sales	168.0	178.5	167.0	235.0	+68.0
Operating profit	(13.0)	(4.3)	(4.0)	7.5	+11.5

【Factors affecting profits】

(+) Increased sales of data center related products, etc.

^{*1} Actual results for FY24 were restated (refer to the Appendix)

Assumption for forecasts		
>>	FY25_H1	FY25_H2 >>
Increased demand for the data center market (Data center operators, dark fiber and communication system providers)		
Key points		
<ul style="list-style-type: none"> Respond to the impact of the US tariffs Strengthen development, manufacturing, and sales system of products for the data center market 		
Rollable ribbon cable and solution	MT ferrules	DFB laser ^{*2}

^{*2} Distributed Feedback Laser

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On page 22, the Communications Solutions segment is forecasted to increase YoY in both sales and profit. Demand for fiber cables is on the road to recovery, and we expect to see an increase in profit due to higher sales, especially in conjunction with increased demand from the data center market.

1-(2) Infrastructure (Energy Infrastructure)

FY25_Forecasts

Decreased profit on lower revenue

(JPY billion)

	FY23 Results	FY24 Results	FY24 Results ^{*1}	FY25 Forecasts	YoY change
			a	b	b-a
Net sales	110.2	130.9	142.1	140.0	(2.1)
Operating profit	1.7	8.9	9.8	6.5	(3.3)

【Factors affecting profits】

- Japan underground power cable projects were concentrated in FY24
- Japan extra-high voltage, renewable energy and functional power cable demand will continue to be firm

^{*1} Actual results for FY24 were restated (refer to the Appendix)

Assumption for forecasts			
>>	FY25_H1	FY25_H2	>>
Domestic extra-high voltage	Steady demand for renewal of underground power cable in Japan and renewable energy projects		
Submarine lines			
China	Unclear when demand will recover		
Functional power cable/components	Steady demand		
Key points			
<ul style="list-style-type: none">Secure orders with a focus on profitsIncrease 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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On page 23, for the Energy Infrastructure segment, lower revenues and profits compared to the previous fiscal year are forecasted. Although the demand for domestic extra-high voltage, renewable energy and functional power cable remain strong, the previous fiscal year saw a concentration of projects, mainly domestic underground power cable construction and industrial cable & power cable accessories business was ordered for spot projects, and we expect a decrease in profit compared to the previous fiscal year.

FY25_Forecasts Decreased profit on lower revenue

(JPY billion)

	FY23 Results	FY24 Results	FY24 Results ^{*1}	FY25 Forecasts	YoY change ^{*2}
			a	b	b-a
Net sales	379.8	409.5	409.5	345.0	(64.5)
Operating profit	15.6	27.4	27.6	20.0	(7.6)

【Factors affecting profits】

- (-) Deconsolidation of the batteries business
- (-) Increased fixed expenses
- (-) Decreased revenue in China and Southeast Asia

- (+) Improved productivity

^{*1} Actual results for FY24 were restated (refer to the Appendix)^{*2} Impact of the deconsolidation of the batteries business (assuming Q3)
 Net sales: About JPY (46.0) billion
 Operating profit: About JPY (4.0) billion

Assumption for forecasts			
	>>	FY25_H1	FY25_H2 >>
Automotive Products		Customer vehicle production volume remains unchanged from the previous year Increase in the number of models equipped with aluminum wire harnesses	
Batteries			Assuming deconsolidate from Q3
Key points			
		<ul style="list-style-type: none"> Respond to the impact of the US tariffs Develop products for the EV market, automation for rising labor costs/ local production and consumption 	
		Aluminum wire harnesses and high-voltage products	

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Page 24 is for the Automotive Products & Batteries segment. Decrease in sales and profit due to the deconsolidation of the Furukawa Battery. Automobile production volume is expected to remain flat YoY and productivity improvements will be implemented, but profits are expected to decrease due to higher fixed costs resulting from soaring labor costs and the risk of lower sales in China and Southeast Asia.

FY25_Forecasts

Profit remains unchanged and lower revenue

(JPY billion)

	FY23 Results	FY24 Results	FY24 Results ^{*1}	FY25 Forecasts	YoY change
			a	b	b-a
Net sales	273.9	327.0	327.0	295.0	(32.0) ^{*2}
Operating profit	3.1	4.9	5.0	5.0	0.0

(Reference)

Average copper price JPY/kg

Average exchange rate JPY/USD

	FY23	FY24	FY25
Average copper price	1,262	1,478	1,335
Average exchange rate	145	153	140

【Factors affecting profits】

- Operating profit will be unchanged

Assumption for forecasts

>> FY25_H1 FY25_H2 >>

Gradual recovery in demand for electronics-related products

Key points

- Improved product mix by expanding sales of high-value-added products

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 (Reflow tin plating)

^{*1} Actual results for FY24 were restated (refer to the Appendix)^{*2} Including the impact of changes in copper prices and foreign currency exchange

25

Page 25 is for the Electronics Component Material segment. Excluding the impact of foreign exchange and increase changes in copper price, sales would be almost flat YoY. Although demand for electronics-related products is on a recovery trend, operating profit is also expected to remain at the same level as in the previous fiscal year, partly due to an increase in fixed costs.

Net Sales and Operating Profit by Segment
3 Functional Products



FY25_Forecasts

Increased profit on higher revenue

(JPY billion)

	FY23 Results	FY24 Results	FY24 Results ^{*1}	FY25 Forecasts	YoY change
			a	b	b-a
Net sales	115.4	147.0	147.0	185.0	+38.0
Operating profit	5.5	14.0	14.1	19.0	+4.9

【Factors affecting profits】

- (+) Increased sales of data center related products
- (+) Benefits of increased production of tape for semiconductor process and increased sales of new products

^{*1} Actual results for FY24 were restated (refer to the Appendix)

Assumption for forecasts			
>>	FY25_H1	FY25_H2	>>
Data center investments will continue to be active			
Gradual recovery in demand for electronics-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 foam products	High performance heat dissipation and cooling products	Thin aluminum blanks for HDD
			Copper foil for high frequency circuit boards

26

Next, on page 26, Functional Products segment are projected to increase in both sales and profit over the previous fiscal year. We expect an increase in profit due to higher sales resulting from continuing brisk investment in data centers.

CAPEX, Depreciation & Amortization and R&D Expenses



■ Continuing activities for expanding business profits and future growth

【CAPEX】

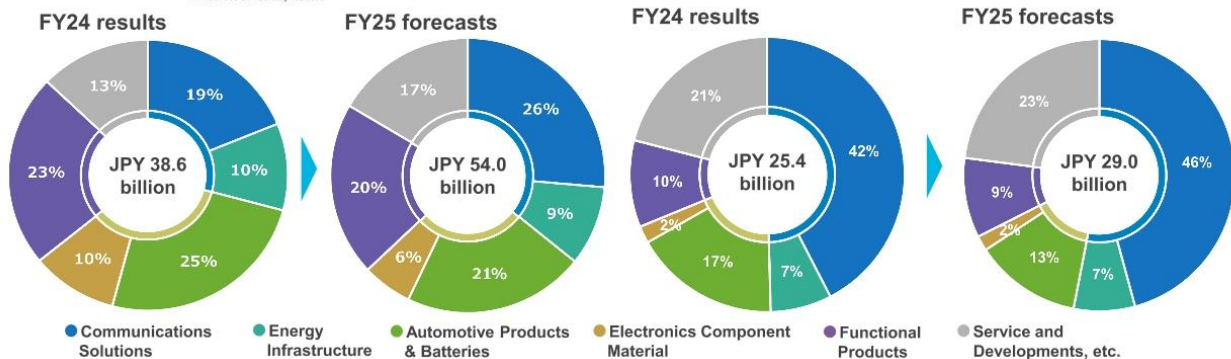
(JPY billion)	FY23 Results	FY24 Previous Forecasts*	FY24 Results	YoY change	Change from previous forecasts	FY25 Forecasts	YoY change
	a	b	c	c-a	c-b	d	d-c
CAPEX	39.0	40.0	38.6	(0.4)	(1.4)	54.0	+15.4
Depreciation and amortization	39.0	41.0	41.3	+2.3	+0.3	42.0	+0.7

*Announced on February 12, 2025

【R&D expenses】

(JPY billion)	FY23 Results	FY24 Previous Forecasts*	FY24 Results	YoY change	Change from previous forecasts	FY25 Forecasts	YoY change
	a	b	c	c-a	c-b	d	d-c
R&D expenses	24.5	26.0	25.4	+0.9	(0.6)	29.0	+3.6

*Announced on May 13, 2024



27

Page 27 shows the status of capital expenditures, depreciation and amortization, and R&D expenses. Capital expenditures in FY2024 were JPY38.6 billion as a result of the implementation of cost reductions, an amount lower than depreciation in FY2024.

Capital expenditures in FY2025 are expected to be JPY54.0 billion, up JPY15.4 billion from the previous fiscal year. We will be conscious of cash allocation and make appropriate investments in accordance with market trends. In addition, we will continue to invest in research and development for future growth.

That is all from me.