

Furukawa Electric Group

FY2025 Q1 Financial Results

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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.

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FY25Q1 Financial Results and FY25 Full-year Forecasts

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- **FY25Q1 Financial Results** - **Breakdown of Changes in Net Sales & Operating Profit**
- **Net Sales & Operating Profit by Segment**
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FY25 Q1 Financial Results and FY25 Full-year Forecasts

FY25 Q1 Financial Results Highlights

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

| (JPY billion, JPY/kg, JPY/USD) | FY24_Q1 | FY25_Q1 | YoY change |
|--|--------------|--------------|--------------|
| | a | b | b-a |
| Net sales | 273.6 | 293.7 | +20.2 |
| Operating profit | 3.5 | 8.4 | +4.9 |
| Ordinary profit | 7.1 | 7.8 | +0.7 |
| Profit attributable to owners of parent | 4.7 | 5.2 | +0.5 |
| Average copper price | 1,570 | 1,424 | (146) |
| Average exchange rate | 156 | 145 | (11) |

FY25 Q1 Financial Results -P/L Summary

| (JPY billion, JPY/kg, JPY/USD) | FY24_Q1 | FY25_Q1 | YoY change | Breakdown of change (Q1) |
|--|--------------|--------------|--------------|---|
| | a | b | b-a | |
| Net sales | 273.6 | 293.7 | +20.2 | See page 10 |
| Operating profit | 3.5 | 8.4 | +4.9 | See page 11 |
| (Margin) | 1.3% | 2.9% | +1.6 | |
| Interest income (expenses) | (1.9) | (2.0) | (0.0) | |
| Share of profit (loss) of entities accounted for using equity method | 4.5 | 2.1 | (2.4) | Change in equity-method affiliates |
| Foreign exchange gains (losses) | 1.0 | (2.3) | (3.3) | |
| Ordinary profit | 7.1 | 7.8 | +0.7 | |
| (Margin) | 2.6% | 2.6% | +0.1 | |
| Extraordinary income (losses) | (1.8) | (0.1) | +1.7 | •Extraordinary income (0.6) [0.9 → 0.3] |
| Income taxes | 0.3 | (1.8) | (2.1) | •Extraordinary loss +2.3 [(2.7) → (0.4)] |
| Profit attributable to non-controlling interests | (0.8) | (0.7) | +0.1 | |
| Profit attributable to owners of parent | 4.7 | 5.2 | +0.5 | |
| (Margin) | 1.7% | 1.8% | +0.0 | |
| Average copper price | 1,570 | 1,424 | (146) | |
| Average exchange rate | 156 | 145 | (11) | |

Overview of the FY25 Full-year Forecasts

■ Full-year forecast remains unchanged

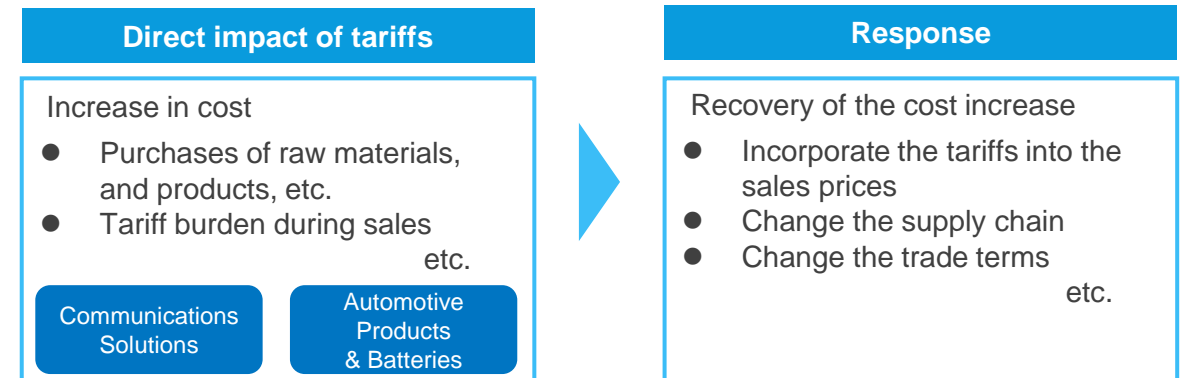
- Updated the impact of tariffs
- Net sales and operating profit have been revised in certain segments (see page 8)

| (JPY billion, JPY/kg, JPY/USD) | FY24 Results | FY25 Forecasts* | YoY change |
|--|-----------------|--------------------|---------------|
| | a | b | b-a |
| Net sales | 1,201.8 | 1,200.0 | (1.8) |
| Operating profit | 47.1 | 53.0 | +5.9 |
| Ordinary profit | 48.6 | 52.0 | +3.4 |
| Profit attributable to owners of parent | 33.4 | 36.0 | +2.6 |
| Average copper price | 1,478 | 1,335 | (143) |
| Average exchange rate | 153 | 140 | (13) |

* Announced on May 13, 2025

(Reference)

Impact and response of tariffs introduced by the United States



- At present, various measures to address cost increases are generally progressing as initially expected at the beginning of the fiscal year

FY25 Full-year Forecasts

- Net Sales & Operating Profit by Segment

Changes

- **Automotive Products & Batteries:** Timing of Furukawa Battery Co., Ltd.'s deconsolidation (from Q3 to Q4)
- **Functional Products:** Impact of TWD appreciation (Copper foil), and revenue decline due to changes in demand from key customers (Tape for semiconductor process)

| (JPY billion) | Net sales | | | Operating profit | | |
|---|--------------|--------------|--------------|------------------|--------------|--------------|
| | FY24_Q1 | FY25_Q1 | YoY change | FY24_Q1 | FY25_Q1 | YoY change |
| | a | b | b-a | c | d | d-c |
| Infrastructure | 68.7 | 80.3 | +11.5 | (2.8) | 0.1 | +2.8 |
| Communications Solutions | 37.0 | 47.0 | +10.0 | (4.0) | (0.7) | +3.3 |
| Energy infrastructure | 31.8 | 33.3 | +1.5 | 1.3 | 0.8 | (0.4) |
| Electronics & Automotive Systems | 167.2 | 173.7 | +6.5 | 4.2 | 6.6 | +2.4 |
| Automotive Products & Batteries | 94.1 | 96.2 | +2.1 | 3.6 | 5.6 | +2.0 |
| Electronics Component Materials | 73.1 | 77.4 | +4.3 | 0.6 | 1.0 | +0.5 |
| Functional Products | 35.9 | 37.3 | +1.4 | 3.4 | 4.0 | +0.6 |
| Service and Developments, etc. | 8.2 | 9.7 | +1.5 | (1.2) | (2.1) | (0.8) |
| Elimination of intra-company transactions | (6.5) | (7.3) | (0.8) | (0.1) | (0.2) | (0.1) |
| Total | 273.6 | 293.7 | +20.2 | 3.5 | 8.4 | +4.9 |

| Net sales | | | | | Operating profit | | | | |
|--------------|-------------------------|----------------|------------|--------------------------------|------------------|-------------------------|----------------|------------|--------------------------------|
| FY24 Results | FY25 Previous forecasts | FY25 Forecasts | YoY change | Change from previous forecasts | FY24 Results | FY25 Previous forecasts | FY25 Forecasts | YoY change | Change from previous forecasts |
| e | f | g | g-e | g-f | h | i | j | j-h | j-i |
| 309.1 | 375.0 | 375.0 | +65.9 | - | 5.8 | 14.0 | 14.0 | +8.2 | - |
| 167.0 | 235.0 | 235.0 | +68.0 | - | (4.0) | 7.5 | 7.5 | +11.5 | - |
| 142.1 | 140.0 | 140.0 | (2.1) | - | 9.8 | 6.5 | 6.5 | (3.3) | - |
| 736.4 | 640.0 | 665.0 | (71.4) | +25.0 | 32.6 | 25.0 | 27.0 | (5.6) | +2.0 |
| 409.5 | 345.0 | 370.0 | (39.5) | +25.0 | 27.6 | 20.0 | 22.0 | (5.6) | +2.0 |
| 327.0 | 295.0 | 295.0 | (32.0) | - | 5.0 | 5.0 | 5.0 | 0.0 | - |
| 147.0 | 185.0 | 160.0 | +13.0 | (25.0) | 14.1 | 19.0 | 17.0 | +2.9 | (2.0) |
| 34.8 | 40.0 | 40.0 | +5.2 | - | (5.4) | (5.0) | (5.0) | +0.4 | - |
| (25.6) | (40.0) | (40.0) | (14.4) | - | (0.1) | 0.0 | 0.0 | +0.1 | - |
| 1,201.8 | 1,200.0 | 1,200.0 | (1.8) | - | 47.1 | 53.0 | 53.0 | +5.9 | - |

* Announced on May 13, 2025

FY25 Forecasts -Operating Profit by Segment



Operating profit of main segments

| (JPY billion) | | FY24 Results | | | FY25 Forecasts | | | YoY change | | | Main reason of YoY change |
|---|---------------------------------|--------------|----------|-------|----------------|----------|------|------------|----------|-------|---|
| Segments | Sub-segments | Q1 | Q2 to Q4 | | Q1 | Q2 to Q4 | | Q1 | Q2 to Q4 | | |
| | | | a | | | b | | | b-a | | |
| Infrastructure | Communications Solutions | (4.0) | 0.0 | (4.0) | (0.7) | 8.2 | 7.5 | +3.3 | +8.2 | +11.5 | • Increased net sales of data center related products (realize benefits from investing in increased production) |
| | | | | | | | | | | | |
| | Energy Infrastructure | 1.3 | 8.5 | 9.8 | 0.8 | 5.7 | 6.5 | (0.4) | (2.9) | (3.3) | • Differences in profitability of individual projects |
| Electronics & Automotive Systems | Automotive Products & Batteries | 3.6 | 24.0 | 27.6 | 5.6 | 16.4 | 22.0 | +2.0 | (7.6) | (5.6) | • Deconsolidation of Furukawa Battery Co., Ltd. (Q4) • Decreased sales in Chinese and Southeast Asian market (from Q2) • Increased fixed expenses |
| | | | | | | | | | | | |
| | Electronics Component Material | 0.6 | 4.4 | 5.0 | 1.0 | 4.0 | 5.0 | +0.5 | (0.5) | 0.0 | |
| Functional Products | | 3.4 | 10.7 | 14.1 | 4.0 | 13.0 | 17.0 | +0.6 | +2.3 | +2.9 | • Firm demand for data center related products |
| | | | | | | | | | | | |
| Consolidated total (include service and developments, etc. segment, and elimination) | | 3.5 | 43.6 | 47.1 | 8.4 | 44.6 | 53.0 | +4.9 | +1.0 | +5.9 | |

(Reference) Average copper price JPY/kg
Average foreign exchange JPY/USD

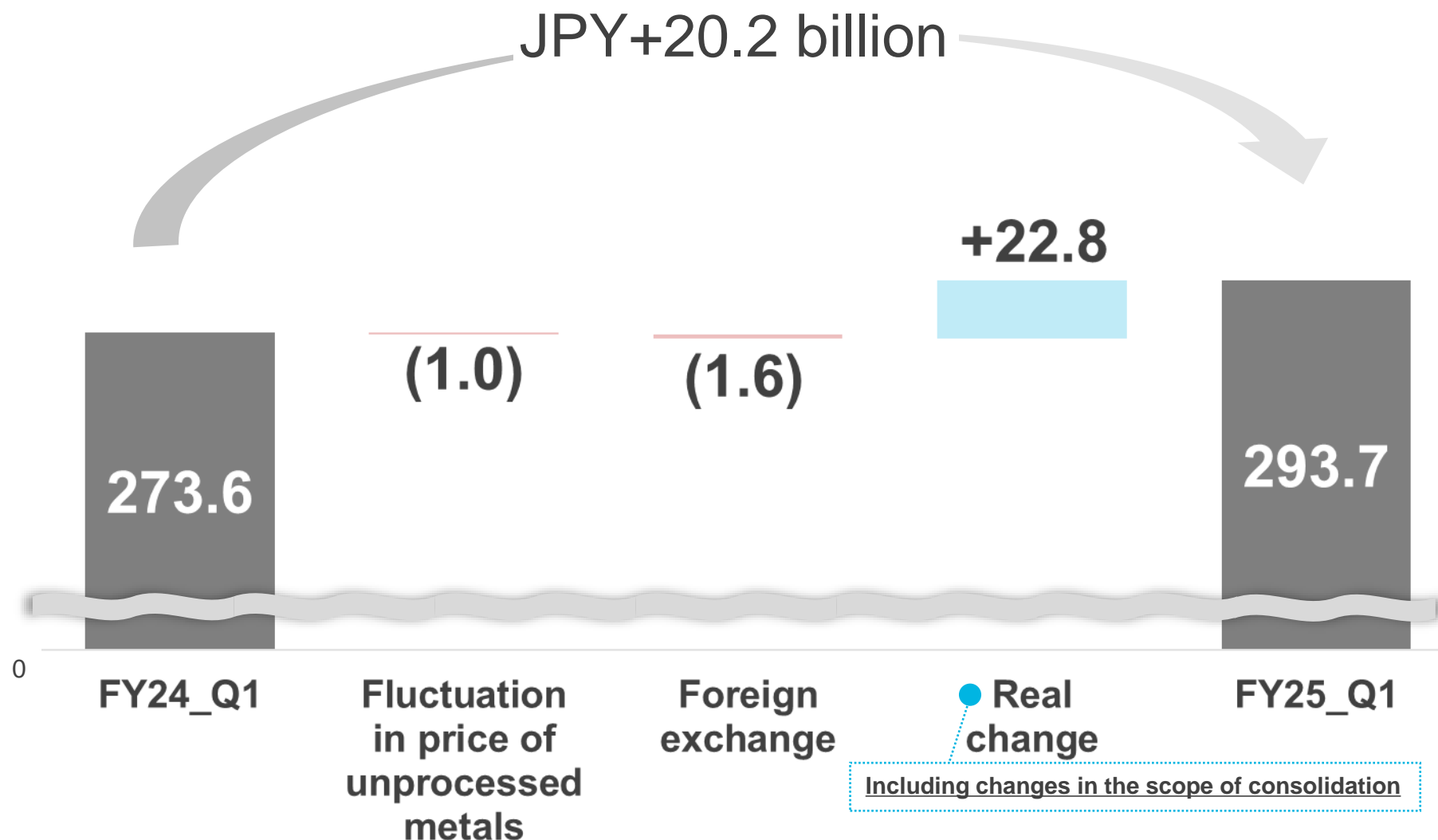
| FY24_Q1 | FY25_Q1 | FY24_Q2 to Q4 | FY25_Q2 to Q4 | FY24 | FY25 (Ref.) |
|---------|---------|---------------|---------------|-------|-------------|
| 1,570 | 1,424 | 1,448 | 1,335 | 1,478 | 1,357 |
| 156 | 145 | 152 | 140 | 153 | 141 |

Including foreign exchange impact of about JPY(4.0) billion

FY25Q1 Financial Results

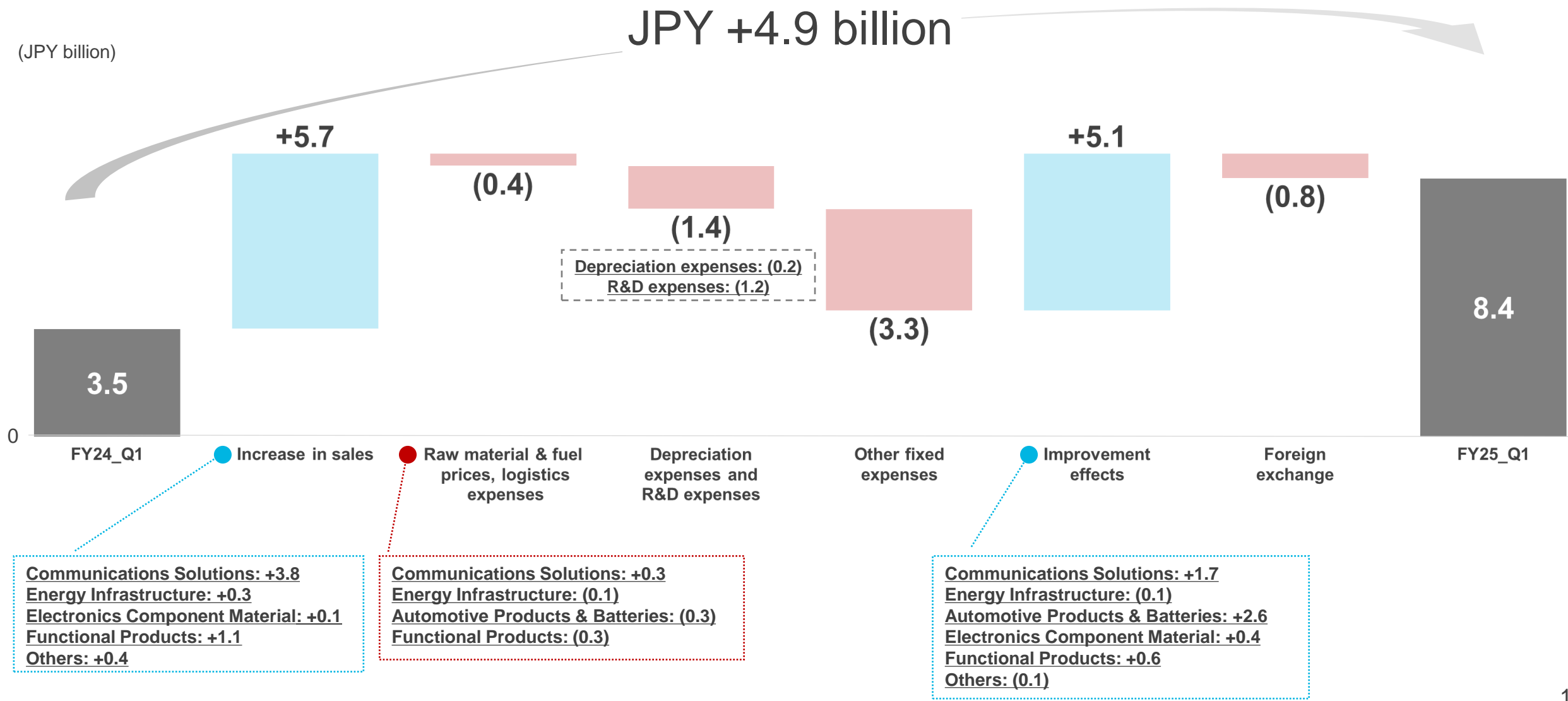
-Breakdown of Changes in Net Sales

(JPY billion)



FY25Q1 Financial Results

-Breakdown of Changes in Operating Profit



1-(1) Infrastructure (Communications Solutions)

FY25_Q1 Results

Increased profit
on higher revenue

| (JPY billion) | FY24_Q1 | FY25_Q1 | YoY change |
|------------------|---------|---------|---------------|
| | a | b | b-a |
| Net sales | 37.0 | 47.0 | +10.0 |
| Operating profit | (4.0) | (0.7) | +3.3 |

【Factors affecting profits】

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

FY25_Forecasts

(JPY billion)

| | FY24 Results | FY25 previous forecasts*1 | FY25 Forecasts | YoY change | Change from previous forecasts |
|------------------|-----------------|---------------------------------|-------------------|---------------|--------------------------------------|
| | a | b | c | c-a | c-b |
| Net sales | 167.0 | 235.0 | 235.0 | +68.0 | - |
| Operating profit | (4.0) | 7.5 | 7.5 | +11.5 | - |

Unchanged

Recognition of the business environment

>>

FY25_H1

FY25_H2

>>

Increased demand for the data center market
(Data center operators, dark fiber and communication system providers)

Key points

- 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

*1 Announced on May 13, 2025

*2 Distributed Feedback Laser

1-(2) Infrastructure (Energy Infrastructure)

FY25_Q1 Results

Decreased profit
on higher revenue

| (JPY billion) | FY24_Q1 | FY25_Q1 | YoY change |
|------------------|---------|---------|---------------|
| | a | b | b-a |
| Net sales | 31.8 | 33.3 | +1.5 |
| Operating profit | 1.3 | 0.8 | (0.4) |

【Factors affecting profits】

- Japan extra-high voltage, renewable energy and functional power cable demand will continue to be firm

FY25_Forecasts

(JPY billion)

| | FY24 Results | FY25 previous forecasts* | FY25 Forecasts | YoY change | Change from previous forecasts | Unchanged |
|------------------|-----------------|--------------------------------|-------------------|---------------|--------------------------------------|-----------|
| | a | b | c | c-a | c-b | |
| Net sales | 142.1 | 140.0 | 140.0 | (2.1) | - | |
| Operating profit | 9.8 | 6.5 | 6.5 | (3.3) | - | |

Recognition of the business environment

| | 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

- Secure orders with a focus on profits
- Increase cable manufacturing and installation capacity
 - Domestic extra-high voltage and submarine lines
 - Renewable energy projects
- Increase sales by promoting marketing activities
 - Rakuraku aluminum cable®
 - Transmission and distribution components

* Announced on May 13, 2025

2-(1) Electronics & Automotive Systems (Automotive Products & Batteries)

FY25_Q1 Results

Increased profit
on higher revenue

| (JPY billion) | FY24_Q1 | FY25_Q1 | YoY change |
|------------------|---------|---------|---------------|
| | a | b | b-a |
| Net sales | 94.1 | 96.2 | +2.1 |
| Operating profit | 3.6 | 5.6 | +2.0 |

【Factors affecting profits】

(+) Price optimization

(+) Battery business remains solid

FY25_Forecasts

(JPY billion)

| | FY24 Results | FY25 previous forecasts* ¹ | FY25 Forecasts | YoY change* ² | Change from previous forecasts |
|------------------|-----------------|---|-------------------|-----------------------------|--------------------------------------|
| | a | b | c | c-a | c-b |
| Net sales | 409.5 | 345.0 | 370.0 | (39.5) | +25.0 |
| Operating profit | 27.6 | 20.0 | 22.0 | (5.6) | +2.0 |

Upward
revision

Recognition of the business environment

>>

FY25_H1

FY25_H2

>>

Automotive
Products

Customer vehicle production volume remains unchanged from the previous year

Decreased sales in Chinese and Southeast Asian market

Batteries

Assuming deconsolidation
from Q4

Key points

- Respond to the impact of the US tariffs
- Develop products for the EV market
- Automation of assembly

Aluminum wire harnesses and high-voltage products

*¹ Announced on May 13, 2025

*² Impact of the deconsolidation of the batteries business (assuming Q4)

Net sales: About JPY (21.0) billion

Operating profit: About JPY (2.0) billion

2-(2) Electronics & Automotive Systems (Electronics Component Material)

FY25_Q1 Results

Increased profit
on higher revenue

| (JPY billion) | FY24_Q1 | FY25_Q1 | YoY change |
|---------------------|---------|---------|---------------|
| | a | b | b-a |
| Net sales | 73.1 | 77.4 | +4.3 |
| Operating profit | 0.6 | 1.0 | +0.5 |

【Factors affecting profits】

- Operating profit will be unchanged

(Reference)
Average copper price JPY/kg
Average exchange rate JPY/USD

| | FY24_Q1 | FY25_Q1 |
|--|---------|---------|
| | 1,570 | 1,424 |
| | 156 | 145 |

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

*2 Announced on May 13, 2025

FY25_Forecasts

| (JPY billion) | FY24 Results | FY25 previous forecasts*2 | FY25 Forecasts | YoY change | Change from previous forecasts | |
|---------------------|-----------------|---------------------------------|-------------------|---------------|--------------------------------------|-----------|
| | a | b | c | c-a | c-b | |
| Net sales | 327.0 | 295.0 | 295.0 | (32.0) | - | Unchanged |
| Operating profit | 5.0 | 5.0 | 5.0 | 0.0 | - | |

Recognition of the business environment

>>

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 telecommunications and infrastructure)

High performance products
(resistance materials)

- Optimize sales prices and withdraw from low-margin products

3 Functional Products

FY25_Q1 Results

Increased profit
on higher revenue

| (JPY billion) | FY24_Q1 | FY25_Q1 | YoY change |
|------------------|---------|---------|---------------|
| | a | b | b-a |
| Net sales | 35.9 | 37.3 | +1.4 |
| Operating profit | 3.4 | 4.0 | +0.6 |

【Factors affecting profits】

- (+) Increased sales of data center related Products
- (-) Impact of TWD appreciation (Copper foil)
- (-) Revenue decline due to changes in demand from key customers (Tape for semiconductor process)

* Announced on May 13, 2025

FY25_Forecasts

(JPY billion)

| | FY24 Results | FY25 previous forecasts* | FY25 Forecasts | YoY change | Change from previous forecasts |
|------------------|-----------------|--------------------------------|-------------------|---------------|--------------------------------------|
| | a | b | c | c-a | c-b |
| Net sales | 147.0 | 185.0 | 160.0 | +13.0 | (25.0) |
| Operating profit | 14.1 | 19.0 | 17.0 | +2.9 | (2.0) |

Downward
revision

Recognition of the business environment

>>

FY25_H1

FY25_H2

>>

Data center investments will continue to be active

Impact of foreign exchange (TWD appreciation)

Progress toward domestic semiconductor manufacturing in China

Key points

- 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

FY25Q1 Financial Results -B/S Summary

| (JPY billion) | End of FY24 | End of FY25Q1 | Change |
|---|--------------|---------------|---------------|
| | a | b | b-a |
| Current assets | 556.4 | 539.8 | (16.6) |
| Cash and deposits | 60.0 | 51.1 | (8.8) |
| Notes and accounts receivable - trade, and contract assets | 260.6 | 247.6 | (13.0) |
| Total inventories | 195.0 | 198.9 | +3.9 |
| Non-current assets | 430.6 | 434.2 | +3.6 |
| Property, plant and equipment | 277.0 | 275.3 | (1.7) |
| Intangible assets | 22.9 | 22.8 | (0.0) |
| Investments and other assets | 130.7 | 136.0 | +5.4 |
| Total assets | 987.0 | 974.0 | (13.0) |
| Current liabilities | 394.5 | 376.9 | (17.6) |
| Non-current liabilities | 219.2 | 227.3 | +8.1 |
| Total liabilities | 613.7 | 604.2 | (9.5) |
| Shareholders' equity | 291.5 | 288.4 | (3.1) |
| Accumulated other comprehensive income | 49.9 | 50.1 | +0.2 |
| Non-controlling interests | 31.9 | 31.3 | (0.6) |
| Total net assets | 373.3 | 369.8 | (3.5) |
| Total liabilities and net assets | 987.0 | 974.0 | (13.0) |
| Equity capital ratio | 34.6% | 34.8% | +0.2 |
| Net interest-bearing debt | 246.2 | 272.7 | +26.5 |
| Net D/E ratio | 0.72 | 0.81 | +0.08 |

Inventories Increased by JPY 3.9 billion
Impact of projects and construction expected to be recorded as net sales in the future JPY +3.8 billion

Property, plant and equipment, and intangible assets
Decreased by JPY 1.7 billion

Investments and other assets Increased by JPY 5.4 billion
Investment securities JPY +5.5 billion

Total assets Decreased by JPY 13.0 billion
Impact of foreign currency exchange JPY (12.7) billion

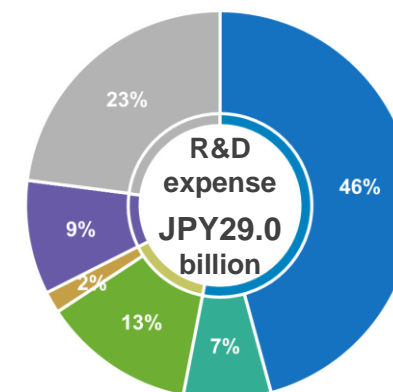
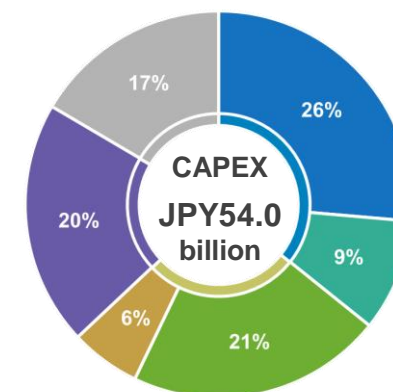
CAPEX, Depreciation & Amortization and R&D Expenses

■ Full-year forecast remains unchanged

((Announced on May 13, 2025))

| (JPY billion) | FY24_Q1 | FY25_Q1 | YoY change |
|-------------------------------|---------|-------------|------------|
| | a | b | b-a |
| CAPEX | 6.9 | 8.9 | +2.0 |
| Depreciation and amortization | 10.1 | 10.3 | +0.2 |
| R&D expenses | 6.4 | 7.6 | +1.2 |

| FY24 Results | FY25 Forecasts | YoY change |
|--------------|----------------|------------|
| c | d | d-c |
| 38.6 | 54.0 | +15.4 |
| 41.3 | 42.0 | +0.7 |
| 25.4 | 29.0 | +3.6 |



- Communications Solutions
- Energy Infrastructure
- Automotive Products & Batteries
- Electronics Component Material
- Functional Products
- Service and Developments, etc.

Thank you

FURUKAWA ELECTRIC GROUP PURPOSE

**Composing the core
of a brighter world.**

Appendix

- Segments and Business Divisions

Appendix Segments and Business Divisions

| Segment | Sub-segment | Business Division |
|----------------------------------|---------------------------------|---|
| Infrastructure | Communications Solutions | Optical Solutions (Fiber & Cables) |
| | | FITEL Products |
| | | Broadband Solutions Business |
| | Energy Infrastructure | Power Cable |
| | | Industrial Cable & Power Cable Accessories |
| Electronics & Automotive Systems | Automotive Products & Batteries | Automotive Products |
| | | Batteries |
| | Electronics Component Material | Electric Conductor |
| | | Copper & High Performance Material Products |
| Functional Products | | AT & Functional Plastics |
| | | Thermal Management Solution & Products |
| | | Memory Disk |
| | | Copper Foil |
| Service and Developments, etc. | | |