



Furukawa Electric Co., Ltd.

Q1 Financial Results Briefing for the Fiscal Year Ending March 2026

August 7, 2025

[Number of Speakers]

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Furukawa Electric Group FY2025 Q1 Financial Results

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General Manager, Finance & Accounting Division

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Aoshima: Hello, everyone. This is Aoshima from the Finance and Accounting Division. Thank you very much for taking the time to join our financial results presentation today.

I will now walk you through the financial results for Q1, as well as our full-year forecasts for FY2025.

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)

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Please turn to page five. This page summarizes the key points for Q1 FY2025.

In Q1, both net sales and each level of profit increased compared to last year. Net sales totaled JPY293.7 billion, operating profit was JPY8.4 billion, ordinary profit came to JPY7.8 billion, and profit attributable to owners of the parent was JPY5.2 billion.

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)	

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Page six provides a P&L summary.

The performance in terms of net sales and operating profit for Q1 is explained through the breakdown of changes on page 10 and page 11, while I will now provide additional comments on the other items.

Share of profit of entities accounted for using equity method declined by JPY2.4 billion YoY, primarily reflecting the exclusion of UACJ Corporation from equity-method affiliates.

Foreign exchange loss worsened by approximately JPY3.3 billion YoY, primarily due to the depreciation of the US dollar against the yen and the Taiwan dollar, which led to a decline in the valuation of foreign currency-denominated debt instrument.

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

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Please turn to page seven.

Our full-year forecast remains unchanged from the announcement in May.

The foreign exchange rate assumption is also unchanged at JPY140 to the US dollar.

In addition, there has been an update regarding the impact of US tariff measures since the May announcement. Our response to the direct cost increases identified so far is generally progressing in line with our expectations set at the beginning of this year, and we expect to fully recover those costs.

Net sales and operating profit forecasts for certain segments have been revised and will be explained on page eight.

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	+11.6	(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	3.6	6.4	+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

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In the Automotive Products and Batteries segment, we have revised upward our forecasts for net sales and operating profit by JPY25.0 billion and JPY2.0 billion, respectively, as the deconsolidation of Furukawa Battery Co., Ltd. is now expected to be delayed from our initial projection.

Meanwhile, in the Functional Products segment, we have revised them downward by JPY25.0 billion and JPY2.0 billion, respectively, reflecting the appreciation of the Taiwan dollar against the US dollar in the Copper Foil business, as well as an expected decline in sales due to changes in demand from major customers in the tape for semiconductor process.

That said, the overall consolidated forecast remains unchanged from the May announcement.

FY25 Forecasts -Operating Profit by Segment



Operating profit of main segments

Segments	Sub-segments	FY24 Results			FY25 Forecasts			YoY change			Main reason of YoY change
		Q1	Q2 to Q4 a		Q1	Q2 to Q4 b		Q1	Q2 to Q4 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

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Moving on to page nine, I will now explain the outlook for operating profit for the current fiscal year.

We saw a YoY increase of JPY4.9 billion in Q1. Looking ahead, we expect an additional JPY1.0 billion increase from Q2 through year-end.

This forecast incorporates a negative impact of approximately JPY4.0 billion, reflecting the assumption of an exchange rate of JPY140 to the US dollar from Q2 onward. This means an upside potential of around JPY4.0 billion if the exchange rate is to remain at last year's level.

In the Communications Solutions segment, profit is expected to increase YoY, driven by higher sales of data center-related products.

In the Energy Infrastructure segment, profit is expected to decline YoY, reflecting differences in profitability of individual projects.

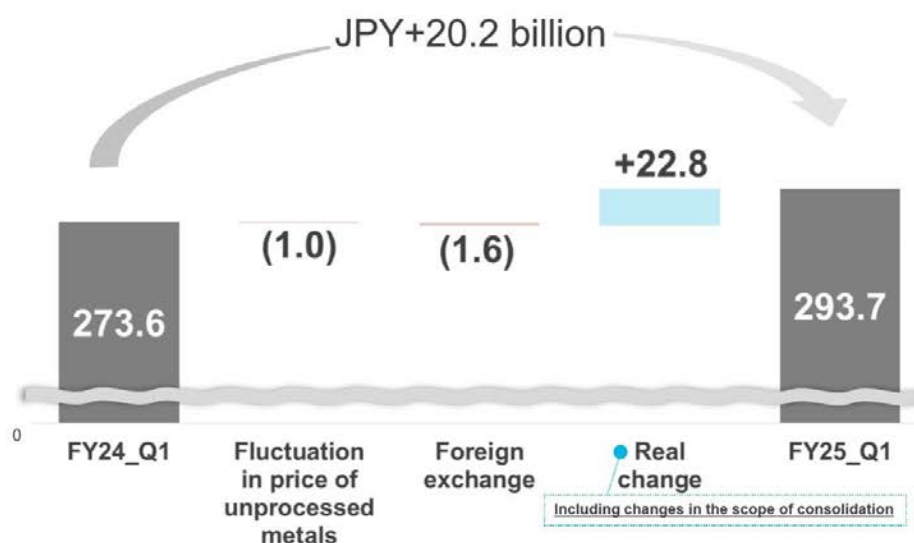
In the Automotive Products and Batteries segment, profit is expected to decrease YoY due to the deconsolidation of Furukawa Battery.

In the Functional Products segment, profit is expected to increase YoY, resulting from strong demand for data center-related products.

FY25Q1 Financial Results -Breakdown of Changes in Net Sales



(JPY billion)



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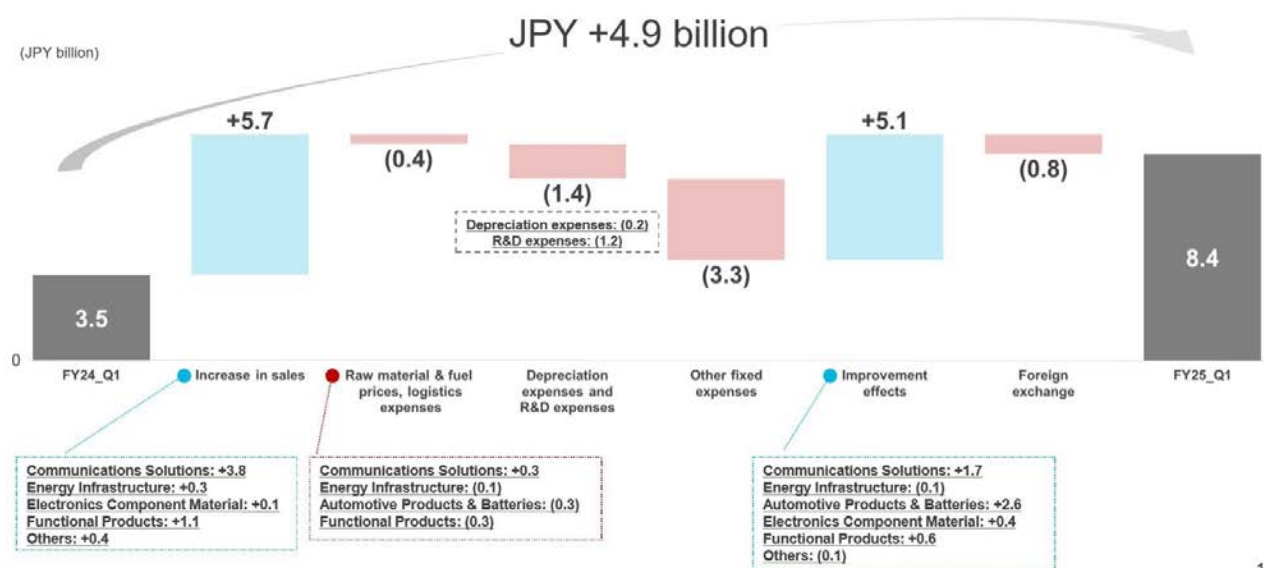
Page 10 shows the breakdown of changes in net sales for Q1.

Net sales increased by JPY20.2 billion YoY.

The impact of changes in the price of unprocessed metals was negative JPY1.0 billion, the foreign exchange impact from the stronger yen was negative JPY1.6 billion, and the real change, including changes in the scope of consolidation, was positive JPY22.8 billion.

This increase in real change was mainly driven by higher sales of approximately JPY12.0 billion in the Communications Solutions segment, JPY6.0 billion in the Electronics Component Material segment, and JPY1.5 billion in the Functional Products segment.

FY25Q1 Financial Results -Breakdown of Changes in Operating Profit



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Page 11 shows the breakdown of changes in operating profit.

The increase in sales contributed a positive impact of JPY5.7 billion, with the Communications Solutions segment accounting for JPY3.8 billion and the Functional Products segment for JPY1.1 billion.

Although there were increases in raw material & fuel prices, logistics expenses, depreciation, R&D expenses, and other fixed costs, these were offset by improvement effects of JPY5.1 billion.

The foreign exchange impact was negative JPY0.8 billion, reflecting the appreciation of the yen.

As a result, operating profit increased by JPY4.9 billion overall, primarily driven by higher net sales.

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.

^{*1} Announced on May 13, 2025

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}

^{*2} Distributed Feedback Laser

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Moving on to page 12. From this slide outlines the status of each sub-segment. First is the Communications Solutions segment.

In Q1, both net sales and operating profit increased YoY.

The profit increase was driven by higher sales of data center-related products and others.

There have been no significant changes in our perception of the business environment since the May announcement.

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

* 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	142.1	140.0	140.0	(2.1)	-
Operating profit	9.8	6.5	6.5	(3.3)	-

Unchanged

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

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Turning to page 13 for the Energy Infrastructure segment.

In Q1, net sales increased, and operating profit decreased YoY.

Although profit declined due to differences in profitability across individual construction projects, demand for Japan extra-high voltage, renewable energy, and functional power cables remains strong.

There have been no major changes in our perception of the business environment since May announcement.

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

^{*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

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

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Please see page 14 for the Automotive Products and Batteries segment.

In Q1, both net sales and operating profit increased YoY.

Last year, price optimization measures were implemented after Q2. This year, however, pricing has already stabilized, and Furukawa Battery delivered strong performance.

Given the progress of the tender offer for Furukawa Battery, we have revised our full-year forecast upward by shifting the expected timing of deconsolidation from Q3 to Q4.

Aside from this change, there have been no major changes in our perception of the business environment since May announcement.

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) ^{*1}	-
Operating profit	5.0	5.0	5.0	0.0	-

Unchanged

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

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Please turn to page 15 for the Electronics Component material segment.

In Q1, both net sales and operating profit increased YoY.

The profit increase was mainly supported by stronger sales at overseas consolidated subsidiaries, while operating profit remained at about the same level as the previous year.

There has been no change in our perception of the business environment since the May announcement.

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

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Page 16 shows the Functional Products segment.

In Q1, both net sales and operating profit increased YoY.

Robust demand for data center-related products, along with higher sales of thermal products and aluminum blanks for HDDs, led to the increase in profit.

On the other hand, profit declined in part due to the appreciation of the Taiwan dollar against the US dollar in the Copper Foil business and also due to lower sales of tape for the semiconductor process, which reflected changes in demand from major customers.

While investment in data center-related products is expected to remain solid, we have revised our full-year forecast downward, given the business environment for copper foils and tape for semiconductor process, both of which were factors behind the decline in the Q1 profit.

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

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Page 17 shows a summary B/S.

Total assets stood at JPY974.0 billion, down JPY13.0 billion from the end of the previous fiscal year. This was mainly due to the foreign exchange impact resulting from the yen appreciation.

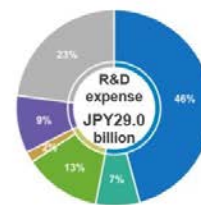
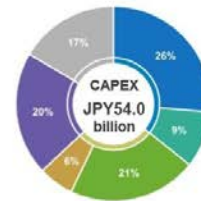
The decrease in shareholders' equity in net assets was mainly due to the payment of dividends.

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	FY24 Results	FY25 Forecasts	YoY change
	a	b	b-a	c	d	d-c
CAPEX	6.9	8.9	+2.0	38.6	54.0	+15.4
Depreciation and amortization	10.1	10.3	+0.2	41.3	42.0	+0.7
R&D expenses	6.4	7.6	+1.2	25.4	29.0	+3.6



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

18

Page 18 shows CAPEX, depreciation and amortization, and R&D expenses.

There is no change in these expenses from the figures announced in May.

Going forward, we will focus our capital investments primarily on data center-related and other strategic areas.

With that, that concludes my explanation.