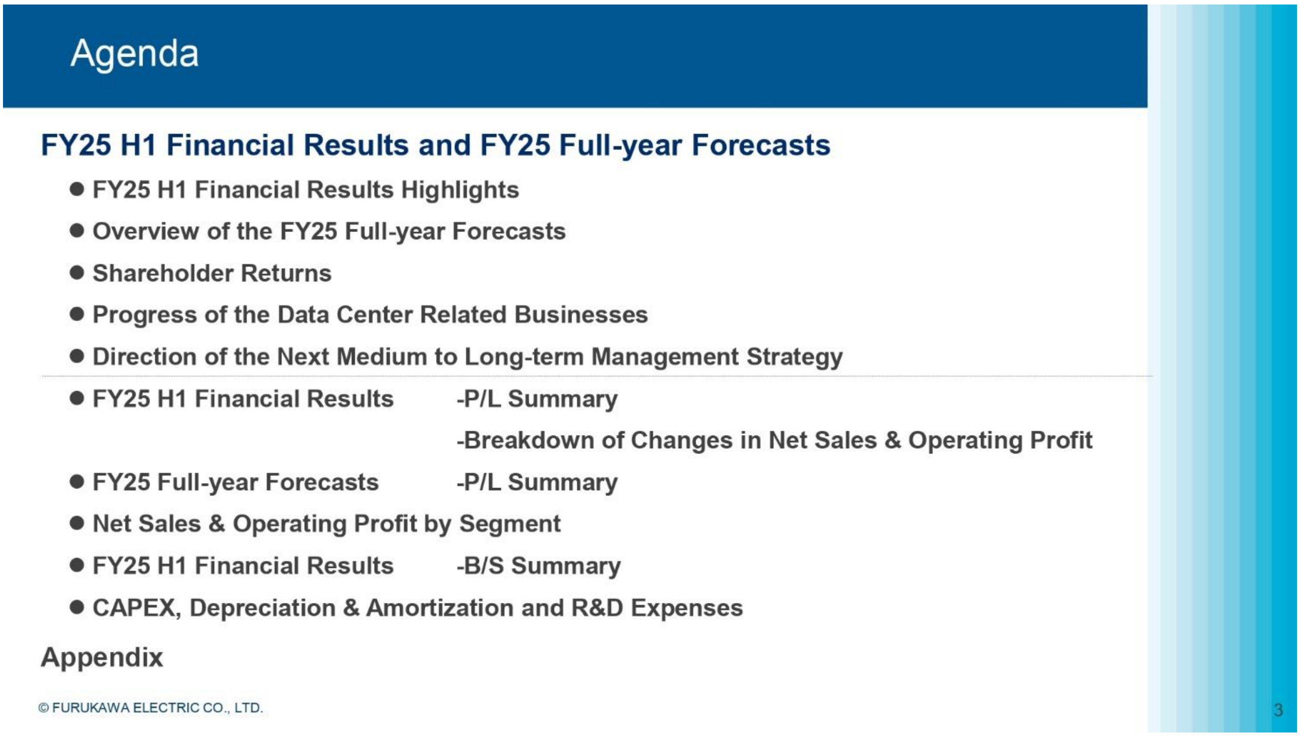
Furukawa Electric Co., Ltd.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2026

November 10, 2025

[Number of Speakers]	2	
	Hideya Moridaira	President
	Koji Aoshima	Representative Director, Corporate Senior Vice President, and General Manager of Finance & Accounting Division

Moridaira: I am Moridaira. Thank you very much for taking time out of your busy schedule today to participate in the Company's financial results presentation for Q2 of FY2025. We will provide an explanation in accordance with the documents we have posted on our website. Thank you.



First, please see page three. Here is today's agenda.

I will explain the direction of the next medium to long-term strategy, and Mr. Aoshima, General Manager of the Finance Division, will explain the rest.

FY25 H1 Financial Results Highlights

FURUKAWA ELECTRIC GROUP

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

(JPY billion, JPY/kg, JPY/USD)	FY24_H1	FY25_H1	YoY change
	a	b	b-a
Net sales	**570.4**	**610.7**	**+40.3**
Operating profit	**17.5**	**19.4**	**+1.8**
Ordinary profit	**19.0**	**20.5**	**+1.5**
Profit attributable to owners of parent	**11.2**	**12.9**	**+1.8**
Average copper price	1,497	1,461	(36)
Average exchange rate	153	146	(7)

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First, I would like to explain the H1 results for the current fiscal year and the full-year forecast for the current fiscal year.

Please see page five. These are the key points of the H1 results.

Net sales, operating profit, and the following figures all exceeded those of the same period of the previous year, resulting in an increase in both sales and profit.

Overview of the FY25 Full-year Forecasts

FURUKAWA ELECTRIC GROUP

■ Full-year forecasts remains unchanged

(JPY billion, JPY/kg, JPY/USD)	FY24 Results	FY25 Previous forecasts*	FY25 Forecasts	YoY change
	a	b	c	c-a
Net sales	**1,201.8**	**1,200.0**	**1,200.0**	**(1.8)**
Operating profit	**47.1**	**53.0**	**53.0**	**+5.9**
Ordinary profit	**48.6**	**52.0**	**52.0**	**+3.4**
Profit attributable to owners of parent	**33.4**	**36.0**	**36.0**	**+2.6**
Average copper price	1,478	1,335	1,398	(80)
Average exchange rate	153	140	143	(10)

* Announced on August 7, 2025

H2 assumption
Copper price : JPY 1,335 /kg
Exchange rate: JPY 140/ USD

(Reference)
Impact and response of tariffs introduced by the United States

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 see the next page, page six. This is the full-year forecast for the current fiscal year.

As you can see, we have decided to leave our full-year forecast unchanged from our previous forecast. We have updated you on the impact of the US tariffs, but as we have already explained, while there is an impact, it has not reached the point where we have had to change our forecast by taking corresponding measures.

Considering the current progress, we have determined that there is no need to revise the full-year forecast at this time.

Shareholder returns

FURUKAWA ELECTRIC GROUP

■For the year-end dividend, we plan to issue a dividend of JPY 120 per share

(The figures announced on May 13, 2025 remain unchanged)

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%

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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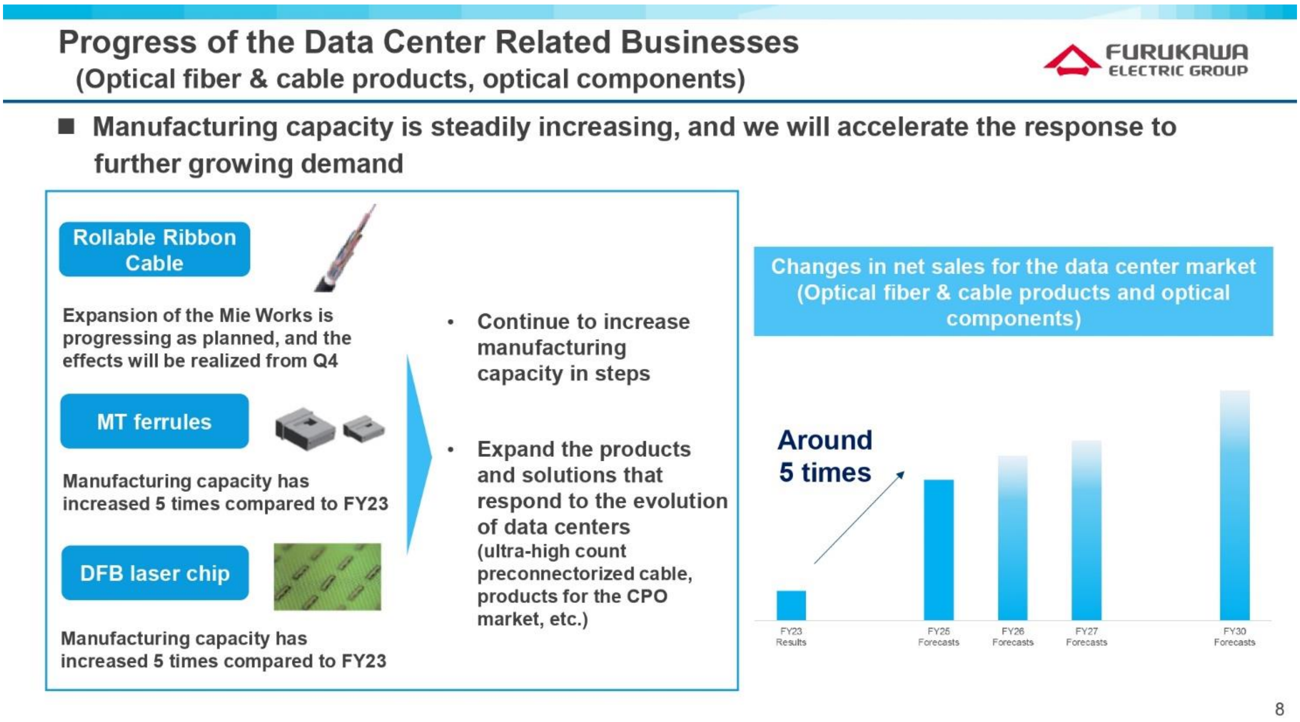
Please see the next page, page seven. This is our shareholder return policy.

We have decided to maintain the previously disclosed forecast of JPY120 per share for FY2025. As I mentioned earlier, by leaving the full-year forecast unchanged, we have decided to leave this return unchanged as well.



Please see the next page, page eight. This section provides a topical overview, summarizing the current progress of our data center-related business. I will begin by discussing the situation regarding optical fiber & cable products and optical components.

The production increase of Rollable Ribbon Cable at the Mie plant in Japan is proceeding as planned, with financial effects expected to begin to emerge in Q4 of this fiscal year.

As for the increased production of MT ferrules, we have already reached five times the production capacity for FY2023, and the effects of this increase are beginning to be felt. Production of DFB laser chip increased five-fold compared to FY2023, as did MT ferrules. This is our manufacturing capacity.

Demand and orders for these products remain strong, and we expect to increase capacity in stages.

For example, we are working on the launch of preconnectorized cables with MT ferrules attached to the fiber ends of ultra-high count Rollable Ribbon Cable, which is expected to be realized within this fiscal year. We are also in the process of increasing production of optical components for the Co-Packed Optics (CPO) market.

As a result, sales of products for the data center market in the current fiscal year are expected to increase roughly fivefold compared to FY2023.

Progress of the Data Center Related Businesses
(Heat dissipation and cooling systems)

FURUKAWA ELECTRIC GROUP

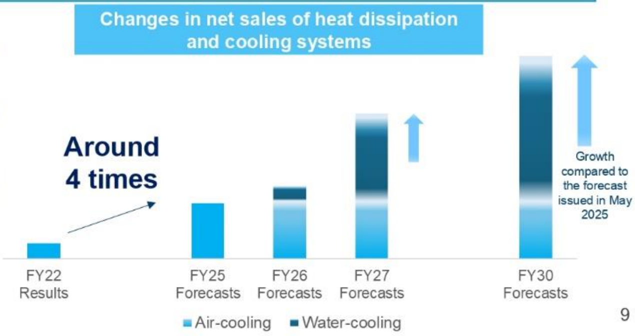
■ **Continued growth is expected in the data center cooling system market, and manufacturing capacity will be further expanded**

- **Preparations to open the new water-cooling products plant are steadily progressing** (Plan to start mass production in September 2026)
- **Demand for water-cooling products will further increase as a result of increased heat generation from the higher performance computing devices used for generative AI**

→

- **Expand the plants and respond to increased orders and new applications**

FTL (Philippines) water-cooling products plant



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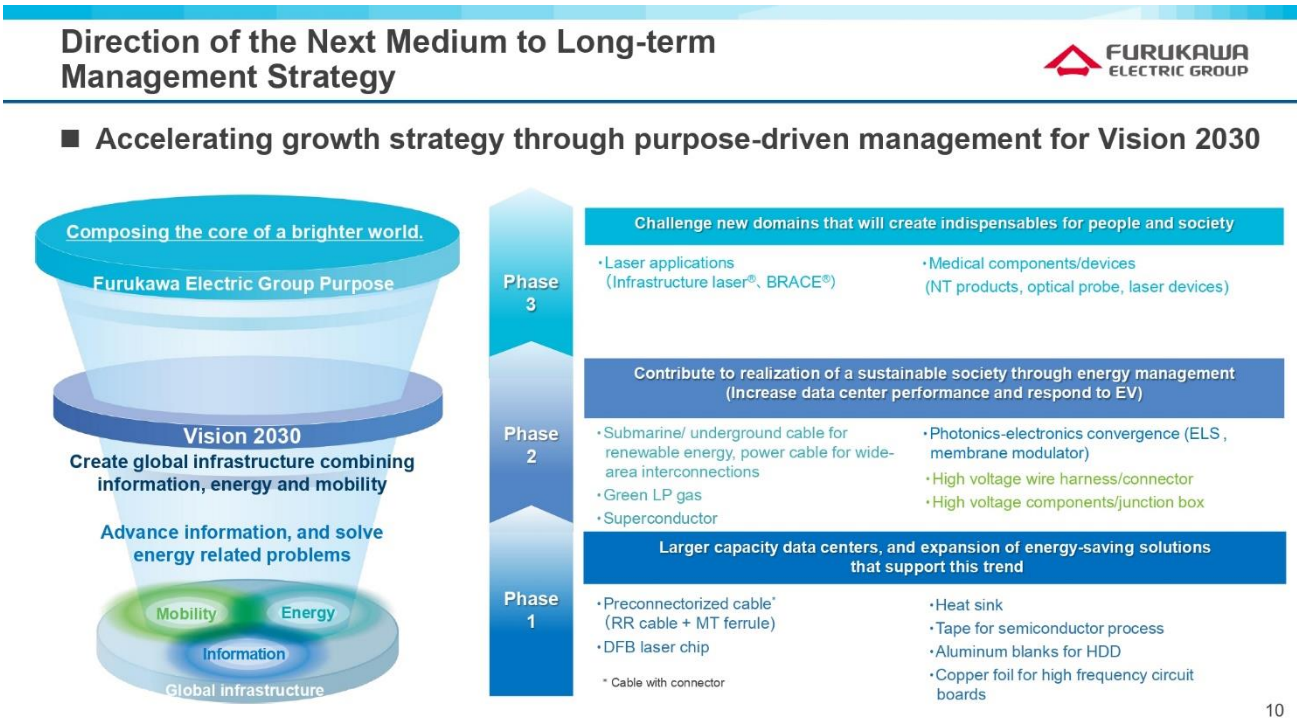
Please see page nine. Here is another progress of the data center-related market. This is the situation regarding the heat dissipation and cooling systems.

Demand for cooling devices for data centers also remains strong. Accordingly, we are continuing to respond to the increased production. With demand for water-cooling systems expected to grow in addition to air-cooling systems, preparations for the start-up of the new water-cooling products plant are progressing smoothly and on schedule.

As the performance of computing equipment used for generative AI continues to improve, heat generation has also been increasing. Consequently, demand for water-cooling systems is emerging earlier than initially expected, and we anticipate a transition period ahead in which air-cooling will gradually be replaced by water-cooling.

Therefore, we are beginning to see the possibility that sales growth for air-cooling products may stall until the new water-cooling products plant begins to produce output. We expect to start receiving orders for water-cooling systems in FY2026, and we expect that this will lead to a significant increase in sales of water-cooling systems in FY2027 and beyond.

As shown in the graph, sales of air-cooling systems are expected to increase fourfold in FY2025 compared to FY2022, and we expect sales to increase significantly in FY2027 as the transition to water-cooling systems begins to take place in addition to air-cooling systems.



Please see page 10. This is the direction of the next medium to long-term management strategy, and we are re-posting the diagram that we have been showing you for some time.

As shown in this diagram, we are currently moving from Phase 1 to Phase 2 toward achieving our vision for 2030, "Vision 2030." Furthermore, we are advancing R&D, marketing, and other activities for Phase 3, and are promoting purpose-driven management.

This is all for my explanation. Mr. Aoshima, General Manager of the Finance & Accounting Division, will now give a detailed explanation of H1 results for the current fiscal year or the full-year forecast for the current fiscal year.

FY25 H1 Financial Results -P/L Summary

FURUKAWA ELECTRIC GROUP

■ **Net sales and profit increased year-on-year, with progress in line with expectations**

(JPY billion, JPY/kg, JPY/USD)	FY24_H1	FY25_H1	YoY change	Breakdown of change
	a	b	b-a	
Net sales	**570.4**	**610.7**	**+40.3**	See page 13
Operating profit	**17.5**	**19.4**	**+1.8**	See page 14
(Margin)	3.1%	3.2%	+0.1	
Interest income (expenses)	(4.0)	(3.9)	+0.1	
Share of profit (loss) of entities accounted for using equity method	6.2	5.1	(1.1)	
Foreign exhange gains (losses)	(2.6)	(2.0)	+0.6	
Ordinary profit	**19.0**	**20.5**	**+1.5**	
(Margin)	3.3%	3.4%	+0.0	
Extraordinary income (losses)	(3.1)	0.4	+3.5	・Extraordinary income +0.4 [1.5→1.9]
Income taxes	(3.1)	(6.3)	(3.2)	・Extraordinary loss +3.1 [(4.6)→(1.5)]
Profit attributable to non-controlling interests	(1.6)	(1.6)	+0.0	
Profit attributable to owners of parent	**11.2**	**12.9**	**+1.8**	
(Margin)	2.0%	2.1%	+0.2	
Average copper price	1,497	1,461	(36)	
Average exhange rate	153	146	(7)	

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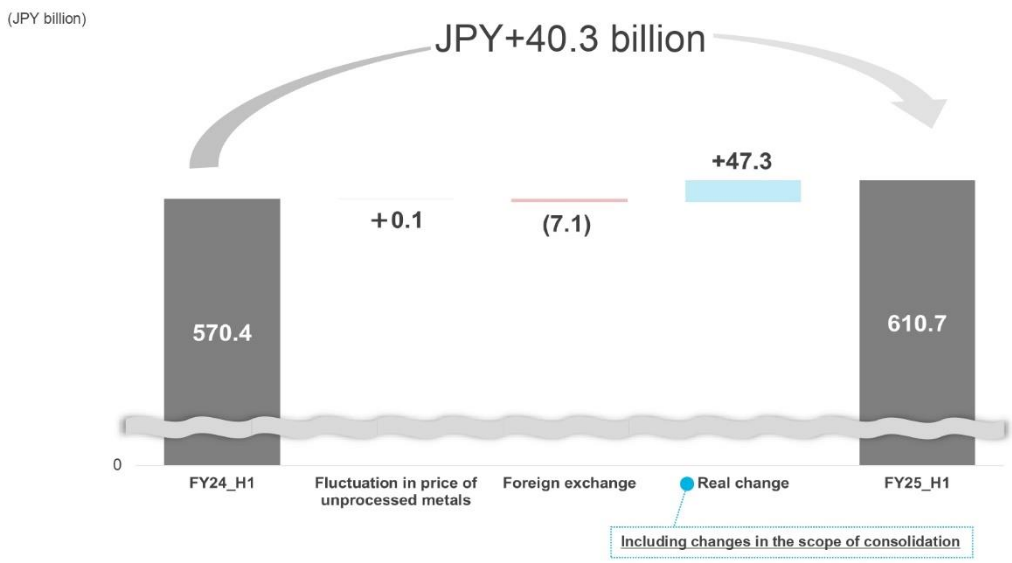
Aoshima: I will now explain the financial results for H1 of FY2025 and the forecast for the full year of FY2025.

Please see page 12. This is a P&L summary of the financial results for H1 of FY2025.

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 deteriorated by JPY1.1 billion from the previous year, mainly due to the exclusion of UACJ from the equity method.

FY25H1 Financial Results
-Breakdown of Changes in Net Sales



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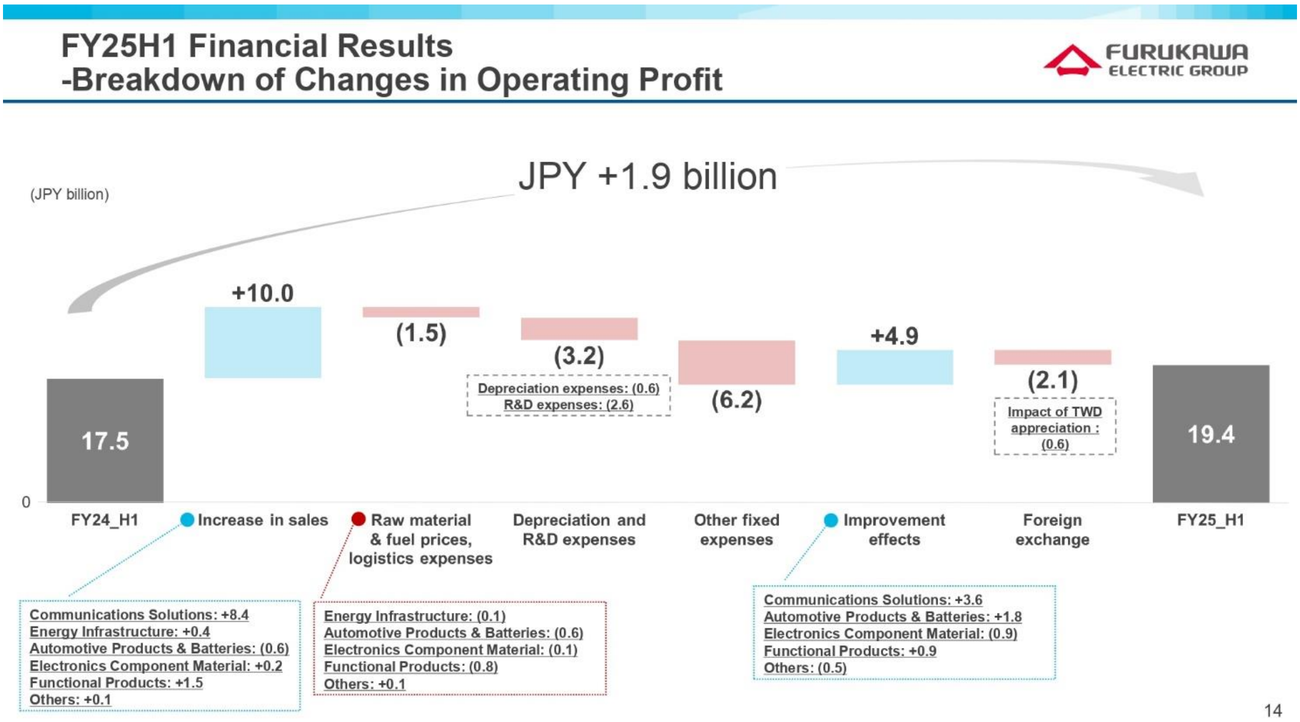
The next page, page 13, shows the breakdown of changes in net sales for H1.

Net sales increased JPY40.3 billion YoY. The fluctuation in price of unprocessed metals is plus JPY0.1 billion, the foreign exchange impact due to yen appreciation is minus JPY7.1 billion, and the real change including changes in the scope of consolidation is plus JPY47.3 billion.

The main components of the real change were an increase of about JPY30.0 billion in Communications Solutions, an increase of about JPY6.0 billion in Electronics Component Material, and an increase of about JPY9.0 billion in Functional Products.



Page 14 shows the breakdown of changes in operating profit.

A JPY10.0 billion plus due to increase in sales. By major breakdown, Communications Solutions and Functional Products posted positive growth of JPY8.4 billion and JPY1.5 billion, respectively. Raw material & fuel prices, logistics expenses increased by JPY1.5 billion, and depreciation and R&D expenses and other fixed expenses increased partly due to the effect of new consolidation but were covered by improvement effects and other factors by JPY4.9 billion.

Foreign exchange effects were negative JPY2.1 billion due to the appreciation of the yen against the US dollar and the appreciation of the Taiwan dollar against the US dollar, while the overall increase/decrease factor was positive JPY1.9 billion.

FY25 Full-year Forecasts -P/L Summary

FURUKAWA ELECTRIC GROUP

■ Full-year forecasts remain unchanged

(JPY billion, JPY/kg, JPY/USD)	FY24 Results	FY25 Previous forecasts*	FY25 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	**1,201.8**	**1,200.0**	**1,200.0**	**(1.8)**	**-**
Operating profit	**47.1**	**53.0**	**53.0**	**+5.9**	**-**
(Margin)	3.9%	4.4%	4.4%	+0.5	-
Interest income (expenses)	(8.0)	-	-	-	-
Share of profit (loss) of entities accounted for using equity method	10.6	-	-	-	-
Foreign exhange gains (losses)	(2.2)	-	-	-	-
Ordinary profit	**48.6**	**52.0**	**52.0**	**+3.4**	**-**
(Margin)	4.0%	4.3%	4.3%	+0.3	-
Extraordinary income (losses)	5.5	6.0	6.0	+0.5	-
Income taxes	(16.8)	-	-	-	-
Profit attributable to non-controlling interests	(4.0)	-	-	-	-
Profit attributable to owners of parent	**33.4**	**36.0**	**36.0**	**+2.6**	**-**
(Margin)	2.8%	3.0%	3.0%	+0.2	-
Average copper price	1,478	1,335	1,398	(80)	+63
Average exhange rate	153	140	143	(10)	+3

H2 assumption
Copper price：JPY 1,335 /kg
Exchange rate: JPY 140/ USD

*Announced on August 7, 2025

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Net Sales & Operating Profit by Segment

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■ Full-year forecasts remain unchanged

(JPY billion)	Net sales			Operating profit		
	FY24_H1	FY25_H1	YoY change	FY24_H1	FY25_H1	YoY change
	a	b	b-a	c	d	d-c
Infrastructure	**143.9**	**172.2**	**+28.3**	**(2.4)**	**2.7**	**+5.1**
Communications Solutions	76.7	103.4	+26.8	(5.6)	0.1	+5.7
Energy infrastructure	67.2	68.8	+1.5	3.2	2.6	(0.7)
Electronics & Automotive Systems	**350.6**	**352.1**	**+1.4**	**14.5**	**13.1**	**(1.4)**
Automotive Products & Batteries	196.8	194.7	(2.1)	11.3	10.8	(0.5)
Electronics Component Materials	153.8	157.4	+3.6	3.2	2.2	(0.9)
Functional Products	**72.4**	**80.7**	**+8.2**	**7.9**	**7.4**	**(0.6)**
Service and Developments, etc.	**16.5**	**19.9**	**+3.4**	**(2.4)**	**(3.7)**	**(1.3)**
Elimination of intra-company transactions	(13.1)	(14.1)	(1.0)	(0.1)	(0.1)	+0.0
Total	**570.4**	**610.7**	**+40.3**	**17.5**	**19.4**	**+1.8**

(JPY billion)	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
Infrastructure	**309.1**	**375.0**	**375.0**	**+65.9**	**-**	**5.8**	**14.0**	**14.0**	**+8.2**	**-**
Communications Solutions	167.0	235.0	235.0	+68.0	-	(4.0)	7.5	7.5	+11.5	-
Energy infrastructure	142.1	140.0	140.0	(2.1)	-	9.8	6.5	6.5	(3.3)	-
Electronics & Automotive Systems	**736.4**	**665.0**	**665.0**	**(71.4)**	**-**	**32.6**	**27.0**	**27.0**	**(5.6)**	**-**
Automotive Products & Batteries	409.5	370.0	370.0	(39.5)	-	27.6	22.0	22.0	(5.6)	-
Electronics Component Materials	327.0	295.0	295.0	(32.0)	-	5.0	5.0	5.0	0.0	-
Functional Products	**147.0**	**160.0**	**160.0**	**+13.0**	**-**	**14.1**	**17.0**	**17.0**	**+2.9**	**-**
Service and Developments, etc.	**34.8**	**40.0**	**40.0**	**+5.2**	**-**	**(5.4)**	**(5.0)**	**(5.0)**	**+0.4**	**-**
Elimination of intra-company transactions	(25.6)	(40.0)	(40.0)	(14.4)	-	(0.1)	0.0	0.0	+0.1	-
Total	**1,201.8**	**1,200.0**	**1,200.0**	**(1.8)**	**-**	**47.1**	**53.0**	**53.0**	**+5.9**	**-**

* Announced on August 7, 2025

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Next, since the full-year forecast and segment sales and operating profit on pages 15 and 16 remain unchanged from the August forecast, we omit the explanation of these items.

Operating Profit by Segment

FURUKAWA ELECTRIC GROUP

Operating profit of main segments

(JPY billion) Segments	Sub-segments	FY24 Results H1	FY24 Results H2	FY24 Results (a)	FY25 Current Forecasts H1 Results	FY25 Current Forecasts H2 Forecasts	FY25 Current Forecasts (b)	YoY change H1	YoY change H2	YoY change (b-a)	Full-year forecasts Main reason of YoY change
Infrastructure	Communications Solutions	(5.6)	1.6	**(4.0)**	0.1	7.4	**7.5**	+5.7	+5.8	**+11.5**	• Increased net sales of data center related products (realize benefits from investing in increased production)
	Energy Infrastructure	3.2	6.6	**9.8**	2.6	3.9	**6.5**	(0.7)	(2.6)	**(3.3)**	• Differences in profitability of individual projects
Electronics & Automotive Systems	Automotive Products & Batteries	11.3	16.3	**27.6**	10.8	11.2	**22.0**	(0.5)	(5.1)	**(5.6)**	• Deconsolidation of Furukawa Battery Co., Ltd. (Q4) • Increased fixed expenses • Decreased sales in Chinese and Southeast Asian market (from Q2)
	Electronics Component Material	3.2	1.9	**5.0**	2.3	2.8	**5.0**	(0.9)	+0.9	**0.0**	
Functional Products		7.9	6.2	**14.1**	7.4	9.6	**17.0**	(0.6)	+3.5	**+2.9**	• Firm demand for data center related products
Consolidated total (include service and developments, etc. segment, and elimination)		17.5	29.6	**47.1**	19.4	33.6	**53.0**	+1.8	+4.1	**+5.9**	

Including foreign exchange impact of about JPY(2.0) billion

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

FY24_H1	FY24_H2	FY24	FY25_H1	FY25_H2 forecasts	FY25 (ref.)
1,497	1,460	1,478	1,461	1,335	1,398
153	153	153	146	140	143

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The next page, page 17, shows H1 results and H2 forecasts for operating profit by segment.

The H1 results are expected to be JPY19.4 billion and the H2 forecast is JPY33.6 billion. The negative impact of approximately JPY2.0 billion is included due to the assumed exchange rate of JPY140 to the US dollar in H2 of the fiscal year. This means that if the yen depreciates against last year's base, there is a possibility of an upward swing of approximately JPY2.0 billion.

For the full-year forecast, the Communications Solutions segment is expected to post a YoY increase in profit driven by continued growth in sales of data center-related products.

The Energy Infrastructure segment is projected to record a YoY decline in profit due to differences in profitability among individual projects.

The Automotive Products and Batteries segment is also expected to see a YoY decrease, mainly due to the deconsolidation of Furukawa Battery.

The Electronics Component Material segment is expected to remain flat YoY, while the Functional Products segment is projected to post a YoY increase in profit, supported by steady demand for data center–related products.

Net Sales and Operating Profit by Segment

1-(1) Infrastructure (Communications Solutions)

FURUKAWA ELECTRIC GROUP

FY25_H1 Results — Increased profit on higher revenue

(JPY billion)	FY24_H1	FY25_H1	YoY change
	a	b	b-a
Net sales	76.7	103.4	+26.8
Operating profit	(5.6)	0.1	+5.7

【Factors affecting profits】

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

(±) Impact of new consolidation

*1 Announced on August 7, 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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Next, page 18. The following is a description of the conditions for each sub-segment. First, Communications Solutions.

The H1 results show YoY increases in both sales and profit. The increase in sales of products for data centers and other products led to an increase in profit.

The perception of the business environment is shown here and has not changed significantly since the August announcement.

Net Sales and Operating Profit by Segment

1-(2) Infrastructure (Energy Infrastructure)

FURUKAWA ELECTRIC GROUP

FY25_H1 Results — Decreased profit on higher revenue

(JPY billion)

	FY24_H1	FY25_H1	YoY change
	a	b	b-a
Net sales	67.2	68.8	+1.5
Operating profit	3.2	2.6	(0.7)

【Factors affecting profits】

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

* Announced on August 7, 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 / Submarine lines	Steady demand for renewal of underground power cable in Japan and renewable energy projects
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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Next, on page 19, is Energy Infrastructure.

Results for H1 show an increase in sales and a decrease in profit compared to the same period last year. Although profits declined in H1 due to differences in profitability and other factors for each construction project, demand for domestic extra-high voltage, renewable energy and functional power cable continue to be strong.

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

Net Sales and Operating Profit by Segment

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

FURUKAWA ELECTRIC GROUP

FY25_H1 Results Decreased profit on lower revenue

(JPY billion)

	FY24_H1	FY25_H1	YoY change
	a	b	b-a
Net sales	196.8	194.7	(2.1)
Operating profit	11.3	10.8	(0.5)

【Factors affecting profits】

(-) Decline in net sales of automotive batteries

*1 Announced on August 7, 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	370.0	370.0	(39.5)	-
Operating profit	27.6	22.0	22.0	(5.6)	-

Unchanged

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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Next, on page 20, are Automotive Products and Batteries.

The H1 results show YoY declines in both sales and profits. Profit decreased due to lower sales at Furukawa Battery.

The timing of the deconsolidation of Furukawa Battery is assumed to be from Q4, as was announced in August. Other than that, there has been no change in our perception of the business environment since the August announcement.

Net Sales and Operating Profit by Segment

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

FURUKAWA ELECTRIC GROUP

FY25_H1 Results Decreased profit on higher revenue

(JPY billion)	FY24_H1	FY25_H1	YoY change
	a	b	b-a
Net sales	153.8	157.4	+3.6
Operating profit	3.2	2.2	(0.9)

【Factors affecting profits】

(-) Impact of exchange rates and copper prices (fundamentally in line with last year's level)

[*1] Announced on August 7, 2025

[*2] Including the impact of changes in copper prices and foreign currency exchange

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	327.0	295.0	295.0	(32.0)[*2]	-
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

21

Next, on page 21, is Electronics Component Material.

The H1 results show an increase in sales and a decrease in profit compared to the same period last year. The increase in sales was mainly due to the impact of an increase in sales at overseas consolidated subsidiaries.

The decrease was due to the impact of a temporary valuation gains due to rising copper prices in Q2 of last year. There has been no change in our perception of the business environment since the August announcement.

Net Sales and Operating Profit by Segment

3 Functional Products

FURUKAWA ELECTRIC GROUP

FY25_H1 Results Decreased profit on higher revenue

(JPY billion)	FY24_H1	FY25_H1	YoY change
	a	b	b-a
Net sales	72.4	80.7	+8.2
Operating profit	7.9	7.4	(0.6)

【Factors affecting profits】

(+) Increased sales of data center related Products

(-) Impact of TWD appreciation (Copper foil)

(-) Changes in demand of key customers (Tape for semiconductor process)

* Announced on August 7, 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	160.0	160.0	+13.0	-	Unchanged
Operating profit	14.1	17.0	17.0	+2.9	-	

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

22

Next, on page 22, are the Functional Products.

The H1 results show an increase in sales and a decrease in profit compared to the same period last year. Demand for data center-related products was strong, and the increase in sales of heat dissipation and cooling products contributed to the increase in profit.

On the other hand, profit decreased in copper foil due to the appreciation of the Taiwan dollar against the US dollar and the depreciation of the US dollar, as well as changes in demand from major customers in tape for semiconductor process. There has been no change in our perception of the business environment since the August announcement.

FY25H1 Financial Results -B/S Summary

FURUKAWA ELECTRIC GROUP

(JPY billion)	End of FY24	End of FY25H1	Change
	a	b	b-a
Current assets	556.4	579.1	+22.7
Cash and deposits	60.0	66.6	+6.6
Notes and accounts receivable - trade, and contract assets	260.6	262.5	+2.0
Total inventories	195.0	205.7	+10.6
Non-current assets	430.6	452.8	+22.2
Property, plant and equipment	277.0	280.6	+3.6
Intangible assets	22.9	24.3	+1.4
Investments and other assets	130.7	147.9	+17.2
Total assets	**987.0**	**1,031.9**	**+44.9**
Current liabilities	394.5	437.7	+43.2
Non-current liabilities	219.2	209.3	(9.9)
Total liabilities	**613.7**	**647.0**	**+33.3**
Shareholders' equity	291.5	295.2	+3.7
Accumulated other comprehensive income	49.9	57.8	+7.8
Non-controlling interests	31.9	32.0	+0.1
Total net assets	**373.3**	**385.0**	**+11.6**
Total liabilities and net assets	**987.0**	**1,031.9**	**+44.9**
Equity capital ratio	34.6%	34.2%	(0.4)
Net interest-bearing debt	246.2	275.2	+29.0
Net D/E ratio	0.72	0.78	+0.06

Inventories Increased by JPY 10.6 billion
Impact of projects and construction expected to be recorded as net sales in the future JPY +2.7 billion

Property, plant and equipment, and intangible assets
Increased by JPY 5.0 billion

Investments and other assets Increased by JPY 17.2 billion
Investment securities JPY +15.9 billion

Total assets Increased by JPY 44.9 billion

23

Next, on page 23, is the balance sheet summary.

Total assets are JPY1031.9 billion. The JPY44.9 billion increase from the end of the previous fiscal year was mainly due to an increase in inventories and an increase in the market value of investment securities in line with rising stock prices.

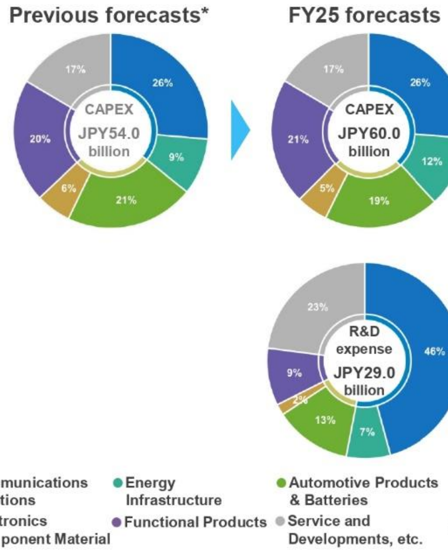
CAPEX, Depreciation & Amortization and R&D Expenses

FURUKAWA ELECTRIC GROUP

■ **Revised full-year forecast for CAPEX**

- **Mainly plan to invest in production capacity expansion**

(JPY billion)	FY24_H1	FY25_H1	YoY change	FY24 Results	FY25 Previous Forecasts*	FY25 Forecasts	YoY change	Change from previous forecasts
	a	b	b-a	c	d	e	e-c	e-d
CAPEX	15.0	**23.3**	+8.3	38.6	54.0	**60.0**	+21.4	+6.0
Depreciation and amortization	20.4	**21.0**	+0.6	41.3	42.0	**42.0**	+0.7	-
R&D expenses	12.4	**15.1**	+2.6	25.4	29.0	**29.0**	+3.6	-



* Announced on May 13, 2025

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The next page, page 24, shows CAPEX, depreciation & amortization and R&D expenses.

CAPEX have been revised upward by JPY6.0 billion to JPY60.0 billion, reflecting partial spending related to the HVDC cable manufacturing facilities in the Energy Infrastructure segment, as announced in October, as well as partial spending for the expansion of the manufacturing plant for water-cooling module for data centers in the Functional Products segment, which was announced today. Depreciation & amortization and R&D expenses remain unchanged from those announced in August.

That is all for the explanation.