Forward-Looking Statements

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.

Forward-looking statements incorporate known and unknown risks as well as other uncertainties that include, but are not limited to, the following items.
- Economic trends in the U.S., Europe, Japan and elsewhere in Asia, particularly with regard to consumer spending and corporate expenditures.
- Changes in exchange rates of the U.S. dollar, euro, and Asian currencies.
- The Furukawa Electric Group’s ability to respond to rapid advances in technology.
- Changes in assumptions involving financial and managerial matters and the operating environment.
- Current and future trade restrictions and related matters in foreign countries.
- Changes in the market value of securities held by the Furukawa Electric Group.

Due to the above factors, actual sales, earnings, and other operating results may differ significantly from looking statements in these materials. In addition, following the release of these materials, Furukawa Electric Group assumes no obligation to publicly announce any revisions to forward-looking statements in these materials.

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Electronic Component Material Division launched with the aim of enhancing cooperation and consolidating shared functions of 4 strongly related business divisions (especially electric conductors & magnet wires, and copper foil & copper tubes)

**Electronic Component Material Division**

**Integration**
- General Strategy Dept.
- General Administration Dept.
- Kaizen Promotion Dept.

**Divisions**
- Electric Conductor Div.
- Magnet Wire Div.
- Copper & High Performance Material Products Div.
- Copper Tube Div.

- Strengthening of divisional cooperation
- Consolidation of common functions
- Electric cables, copper wire for coil conductors, etc.
- Magnet wire for motors etc. (mainly enameled copper wire)
- Copper strips for electronic parts, precious metal plating, etc.
- Copper tubes for heat exchangers etc. Copper sheet for LCD panel target material

**Sales (based on 2016 forecast)**

- **Electronic component materials**
  - 27%
- **Other companywide**
  - 45%
- **Auto products/batteries**
  - 28%
Divisional Launch Aims

Will handle many copper raw materials and contribute to a wide range of markets as a “material supplier” using the product technologies of Furukawa Group companies.

Lateral cooperation

Broaden & integrate view of client and market information and speed up market-in

Improve product proposal & technical development capabilities

Vertical cooperation

Sharing of quality information
Effective use of materials
Sharing of unique technologies

Stable quality, stable supply
Speed up various improvement activities
Material Supply (Development into Group Products)

- Copper wire
- Oxygen-free copper strips
- Copper wire plated strips
- Enamel wire (High Voltage wire)
- Wire harnesses
- Superconducting wires
- Shielding strips
- Target (thick plates)
- Semiconductor frames
- SRC conductors
- Condenser frames
- Plated strips
- Harness terminals
- Anticorrosive (α) terminals
- Copper tubes
- Heat pipes
### Business Environment (Topics)

<table>
<thead>
<tr>
<th>Electric conductors</th>
<th>Japan</th>
<th>Overseas</th>
<th>Key products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnet wires</td>
<td>Steadily increasing, centered on construction electrical sales</td>
<td>Growth expected, but overseas local gaining power in same business</td>
<td>Growing demand for oxygen-free copper, high-function alloys</td>
</tr>
<tr>
<td>Copper strips</td>
<td>Driven by EV/HV, expected to be firm for now</td>
<td>Promote High Voltage Wire for automobile market</td>
<td>Ribbon wire, High Voltage Wire</td>
</tr>
<tr>
<td>Copper tubes</td>
<td>Wrought copper production peaked at approx. 800,000 t / year</td>
<td>Increase status of local customers in China, Taiwan, South Korea</td>
<td>Increased sales for heat dissipation applications, pure copper plate</td>
</tr>
<tr>
<td></td>
<td>AC related products are firm, while there are concerns over impact of change to aluminum</td>
<td>Cheap items from China increasingly distributed</td>
<td>Growing applications in non-AC field</td>
</tr>
</tbody>
</table>
Operating Income (FY2015→2016)

(Unit: ¥100 million)

2015 results

- Sales increase: +9
- Cost reduction: +6

2016 forecast

- Selling cost: ▲1
- Depreciation etc.: ▲5
- Currency exchange: ▲4

30
Operating Income (FY2015→2018)

(Unit: ¥100 million)

Cost reduction +9
Sales increase +19

Selling cost ▲2
Depreciation etc. ▲7
Currency exchange ▲4

2015 results

25

2018 milestone

40
Medium-Term Plan (Capital Investment)

Focus on investment for increased production of key products

- Expand oxygen-free copper products
- Increase high-performance magnet wires

Increased production & new products

- Copper strips: Meet increased production of thick plate
- Magnet wire: Investment for increased production of ribbon wire, High Voltage Wire

BCP

- Meet quake resistance & snow resistance in buildings, focusing on Nikko etc.

Maintenance & renewal

Streamlining

Increased production & new products

44%

34%

9%
Electronic Component materials

- Expand oxygen-free copper products
- Increase high-performance magnet wires (ribbon wire, High Voltage Wire)
- Shift to high value-added products

2015 results

2018 milestone
Expansion of Oxygen-Free Copper Products

Manufactured world’s only oxygen-free copper ingots with high-efficiency shaft furnace
JIS C1011 (oxygen-free copper for electronic tubes) approval application pending

Bus bars for power distribution, cable shielding, rectangular wire, oxygen-free copper

We utilize this excellent quality by applying it in metallic superconducting wire
Expand industrial products that use oxygen-free copper

- Long rectangular tubes
- Copper tubes for power cables and electronic parts
- Heat pipes
- Leakage coaxial cables
Expanding Sales of Our Unique Alloys

- **LED, QFP**
- **Sensor frames**
- **Lead frames**
  - (EFTEC-64T) (MF202)
- **Communications connectors**
  - (EFCUBE series) (EFTEC-97)
- **Automotive connectors**
  - (low insertion Cu-Sn plated)
- **Power connectors**
  - (EFTEC-550T)
  - (EFTEC-550E)
- **Wire harness terminals**
- **Substrate to substrate connector**
- **Memory sockets**
- **Supply terminals**
- **Press-fit**

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High Value-Added Products - Differentiation

High Value-Added Products

• High-performance conductor for magnet wires
  OFC: Low-cost oxygen-free copper wire with high surface quality for rectangular magnet wiring
  Expand production capacity to meet rising demand

  • OFC: Oxygen-free copper wire made at Mie SCR

• High-function copper alloy wire
  UHD: Conductor used in smartphones, tablets, medical cables
  Increase capability to extend applications, enhance sales structure

  • UHD: Ultra high drawability products, combine high conductivity with high strength (high flexibility)
## High Value-Added Products - Differentiation

<table>
<thead>
<tr>
<th>Market needs</th>
<th>Our technology</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compact</td>
<td>Metal processing technology</td>
<td>High Voltage Wire</td>
</tr>
<tr>
<td></td>
<td>Space factor approx. 78% approx. 96%</td>
<td>For HV-MG</td>
</tr>
<tr>
<td></td>
<td>Rectangular wire</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ribbon wire</td>
</tr>
<tr>
<td></td>
<td></td>
<td>for smartphone inductors</td>
</tr>
<tr>
<td>Heat resistant</td>
<td>Polymer technology</td>
<td></td>
</tr>
<tr>
<td></td>
<td>polyamide-imide insulation</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High voltage</td>
<td>Polymer technology</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Covered with extruded super engineering plastic</td>
<td></td>
</tr>
</tbody>
</table>

### Polymer Technologies
- Extrusion technology

### Metal Processing Technology
- Rectangular wire

### High Voltage Wire
- For HV-MG
- Extruded resin layer
- Enameded layer
- Rectangular conductor
Having fallen to 60% of its pre-snow damage level, sales volume bounced back strongly after the restart of integrated production in January 2015 and recovered to 89% of its pre-snow damage level by Q4 of FY2015. Sales volume in FY2016 is expected to reach 105% of its pre-snow damage level.