

# Business Briefing

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Furukawa Electric Co., Ltd.

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**FURUKAWA ELECTRIC CO., LTD.**

# Vision 2030 and positioning of 2025 Mid-term Plan

## Value creation process directed at achieving Vision 2030

### Furukawa Electric Group Corporate Philosophy

Today

Forward-looking

**2025**  
Financial targets  
Sustainability targets

Backcasting

2030



Furukawa Electric Group Vision 2030

**Furukawa Electric Group's business model and strengths**  
4 core technologies\*1  
Development and proposal capabilities not limited to specific markets  
Trusted by customers

Create and strengthen businesses based on an awareness of capital efficiency  
Strengthen the management foundation directed at reducing capital costs

**Open, Agile, Innovative**  
**Form partnerships with diverse stakeholders**  
New business models  
Reinforce the strengths  
Ex) Enhance utilization of intellectual property

**Leap forward through the creation of businesses designed to solve social issues**  
Businesses that support next generation infrastructure  
Environmentally friendly businesses

**Growth through strengthening the businesses designed to solve social issues**  
Stabilize profits in information, energy and mobility  
Contribute to realizing a society that combines these domains

Develop business activities that consider climate change  
Strengthen human capital management and organizational execution abilities  
Build a governance system to strengthen risk management  
Corporate governance / Group governance / Supply chain management / Human rights & labor practices

### Social issues

Information	Realize a B5G*2 society	Realize a circular economy
Energy	Become carbon neutral	
Mobility	Realize next generation infrastructure that enjoys universal mobility	
New domain	Realize longer healthy life expectancy	
	Partnerships with multiple stakeholders	

\*1: 4 core technologies: metals, polymers, photonics, high frequency

\*2: B5G (Beyond 5G)

# Vision 2030 and positioning of 2025 Mid-term Plan

## Positioning of 2025 Mid-term Plan

Forward-looking

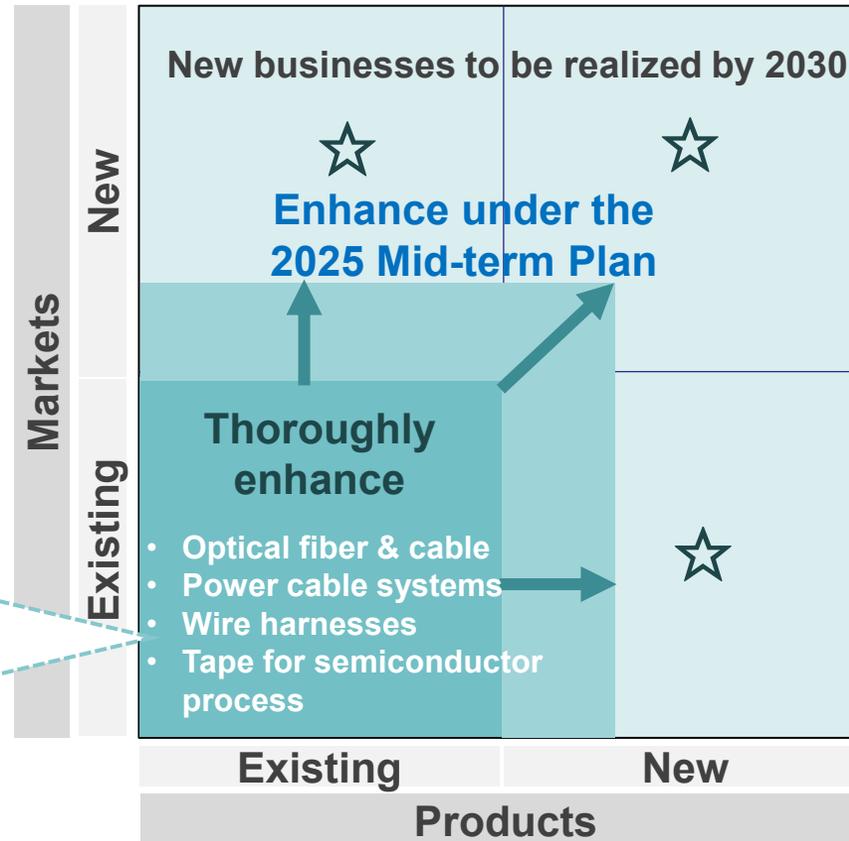
Maximize profits in existing businesses through a focus on capital efficiency directed at 2025

Build a foundation for creating new businesses by 2030

Backcasting

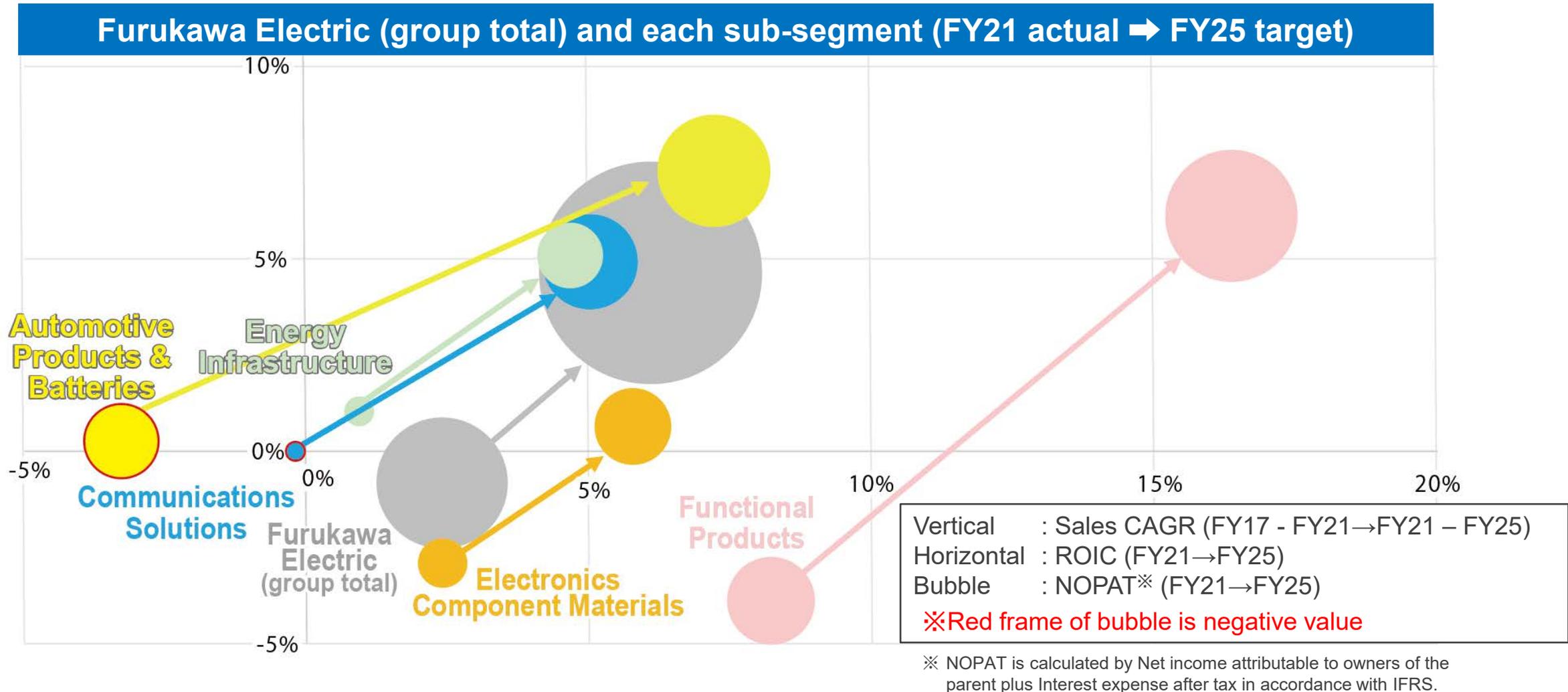
2030

☆ Prepare to address in order to further shine



Furukawa Electric Group Vision 2030

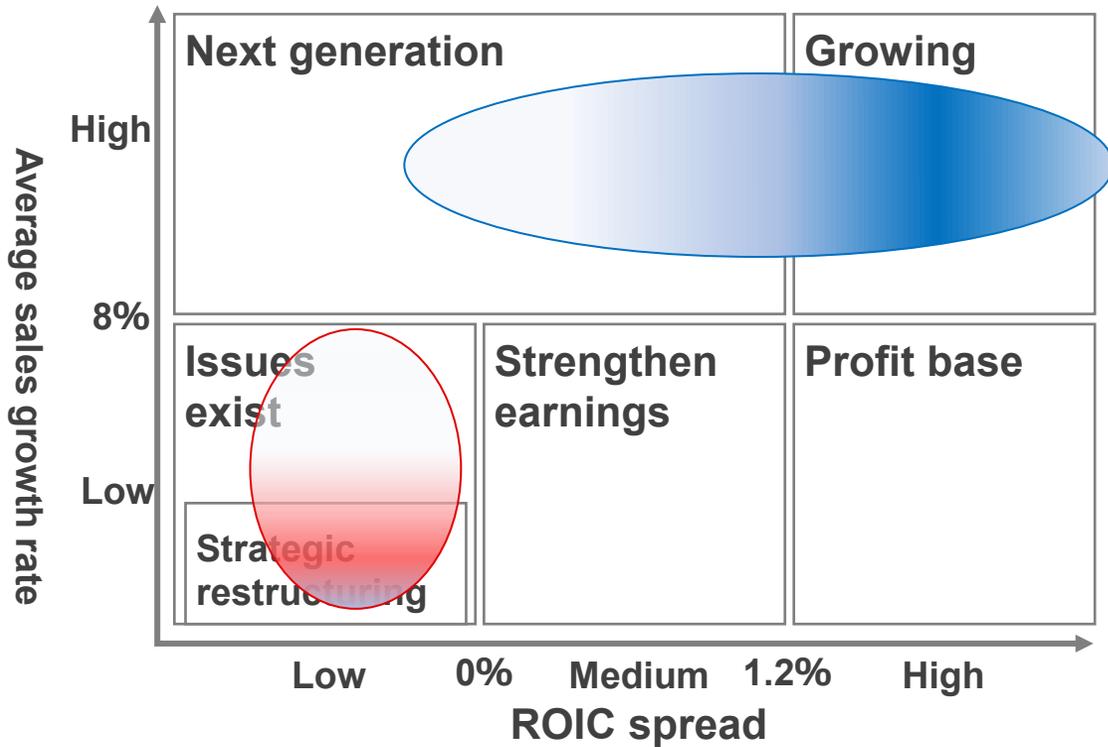
Steadily optimize the business portfolio, and aim to achieve ROIC of at least 6% by FY2025



By making the position of each business visible and optimizing the investment allocation based on that positioning, transform management and the decision making process so it will have increased awareness of capital costs

1. Make the current status and positioning visible
2. Decide the allocation of management resources (investment)

3. Reorganize the business portfolio

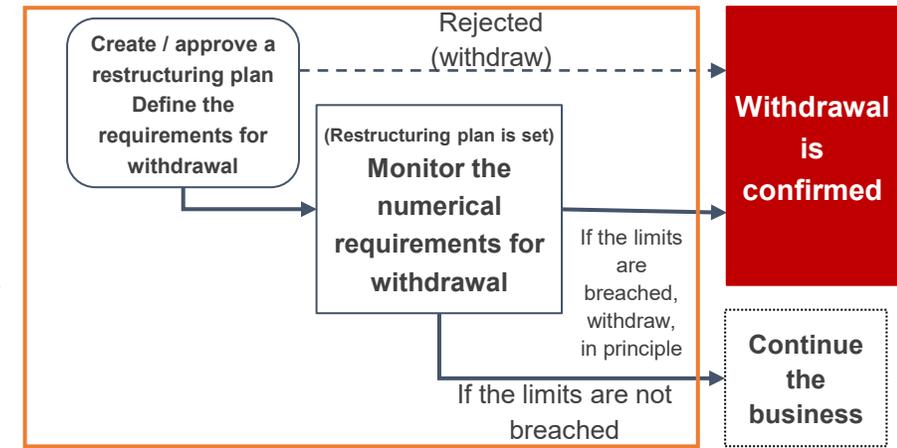


- + Potential for future growth
- + Competitive status among competitors
- + Carbon efficiency



Search for growth opportunities, including M&A

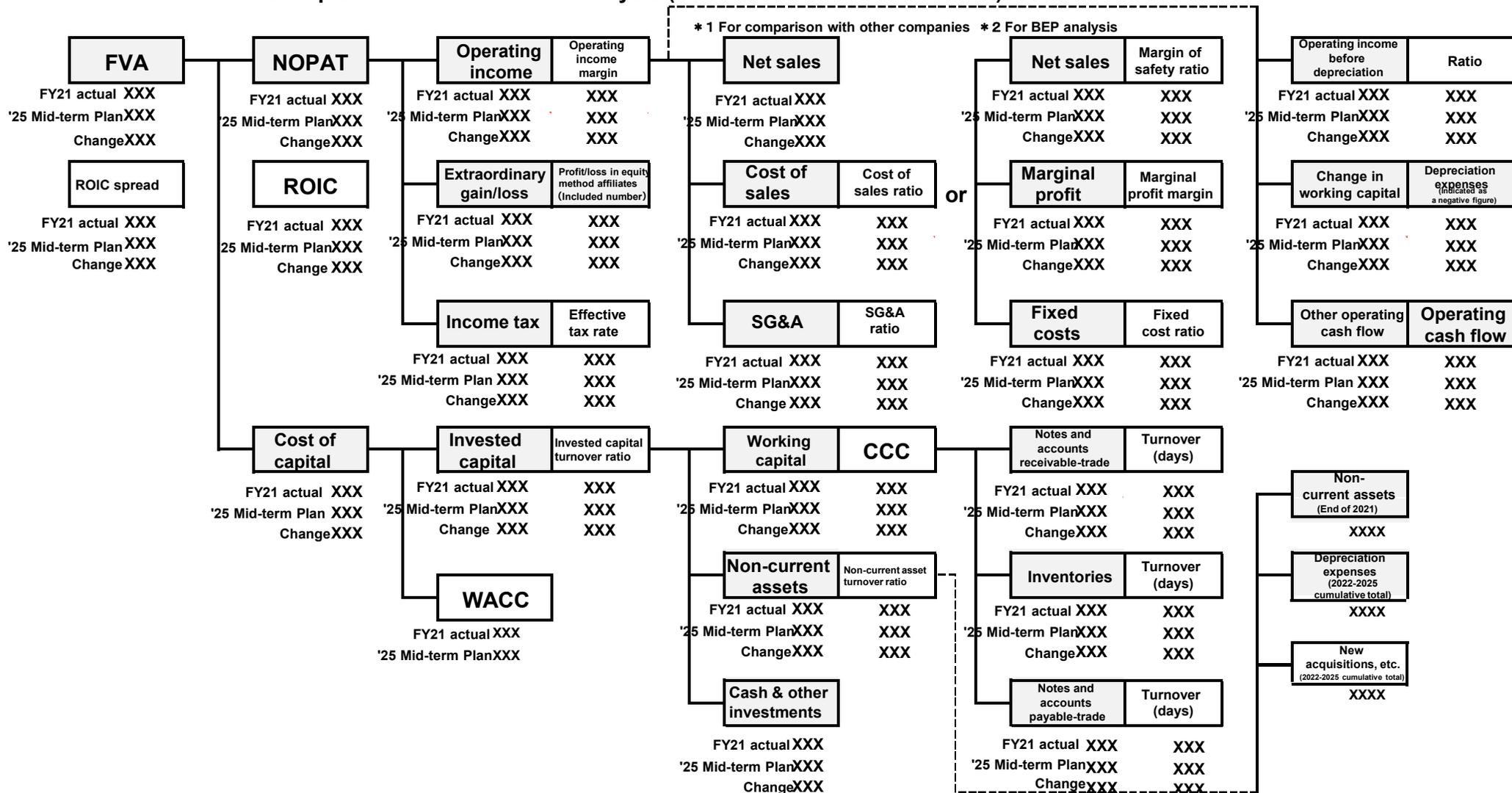
Decide the need to withdraw



# <Reference> Analysis of the financial indicators using FVA and ROIC spread

Analyze the financial indicators using a FVA/ROIC tree for business management (performance assessment / target management) based on management of the business portfolio

Furukawa Electric Group consolidated FVA tree analysis (FY21 actual / '25 Mid-term Plan)



# Financial goals

	FY2021 result	FY2022 forecast		FY2025 target
<b>ROIC</b> (after tax)	2.5%※	3%	▶	<b>More than 6%</b>
<b>ROE</b>	3.7%	5%	▶	<b>More than 11%</b>
<b>Net D/E ratio</b>	1.0	1.0	▶	<b>Less than 0.8</b>
<b>Capital ratio</b>	29.8%	30%	▶	<b>More than 35%</b>
<b>Sales</b>	JPY 930.5 billion	JPY 1,050.0 billion	▶	<b>More than JPY 1,100.0 billion</b>
<b>Operating income</b>	JPY 11.4 billion	JPY 22.5 billion	▶	<b>More than JPY 58.0 billion</b>
<b>Net income attributable to owners of the parent</b>	JPY 10.1 billion	JPY 14.0 billion	▶	<b>More than JPY 37.0 billion</b>
<b>Average copper price (JPY/Kg)</b>	1,136	1,260		<b>1,085</b>
<b>Average exchange rate (JPY/dollar)</b>	112	120		<b>110</b>

※ ROIC (FY21) : Revised from 2.0% to 2.5% as of FY21 result and 25 Mid-term Plan (including revision of invested capital on a Year-End basis)

Thank you very much for your attention.

