

# FY2011 Management Plan Q1 Follow

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Furukawa Electric

# FY2011Q1 Highlights

(yen billion)

OP	10Q1	11Q1	change	
Total	9.1	6.5	-2.6	
Special factor 1. Disaster			-1.5	Decline of demand for automotive parts mainly wire harness
2. Environment			-1.1	Strong yen, crude oil price hike
3. Excluding 1. & 2.	9.1	9.1	0	

- 1. Impact of disaster -1.5
  - 2. Impact of strong yen and oil price hike -1.1
  - 3. OP remains flat year on year without special factors
- } -2.6

# FY2011Q1 Profit and Loss

FURUKAWA ELECTRIC

(yen billion)

	a	b	b-a	
PL	10Q1	11Q1	増減	
Net Sales	224.3	<b>238.7</b>	<b>+14.3</b> +6.4%	Special factors + <b>6.9</b> base metal price change
Operating Profit	9.1	<b>6.5</b>	<b>-2.6</b>	⇒See Page 5,6
Equity Method	-0.6	+0.3	+0.9	
Ordinary Profit	8.4	<b>6.5</b>	<b>-1.9</b>	
Extra Profit & Loss	-0.4	-1.5	-1.1	Impairment of production equipment for glass substrate
Taxes	-2.1	-3.4	-1.3	
Minority shareholders	-1.7	-1.4	+0.3	
Net Profit in Q1	4.2	<b>0.3</b>	<b>-3.9</b>	

# FY2011Q1 Balance Sheet

FURUKAWA ELECTRIC

(yen billion)

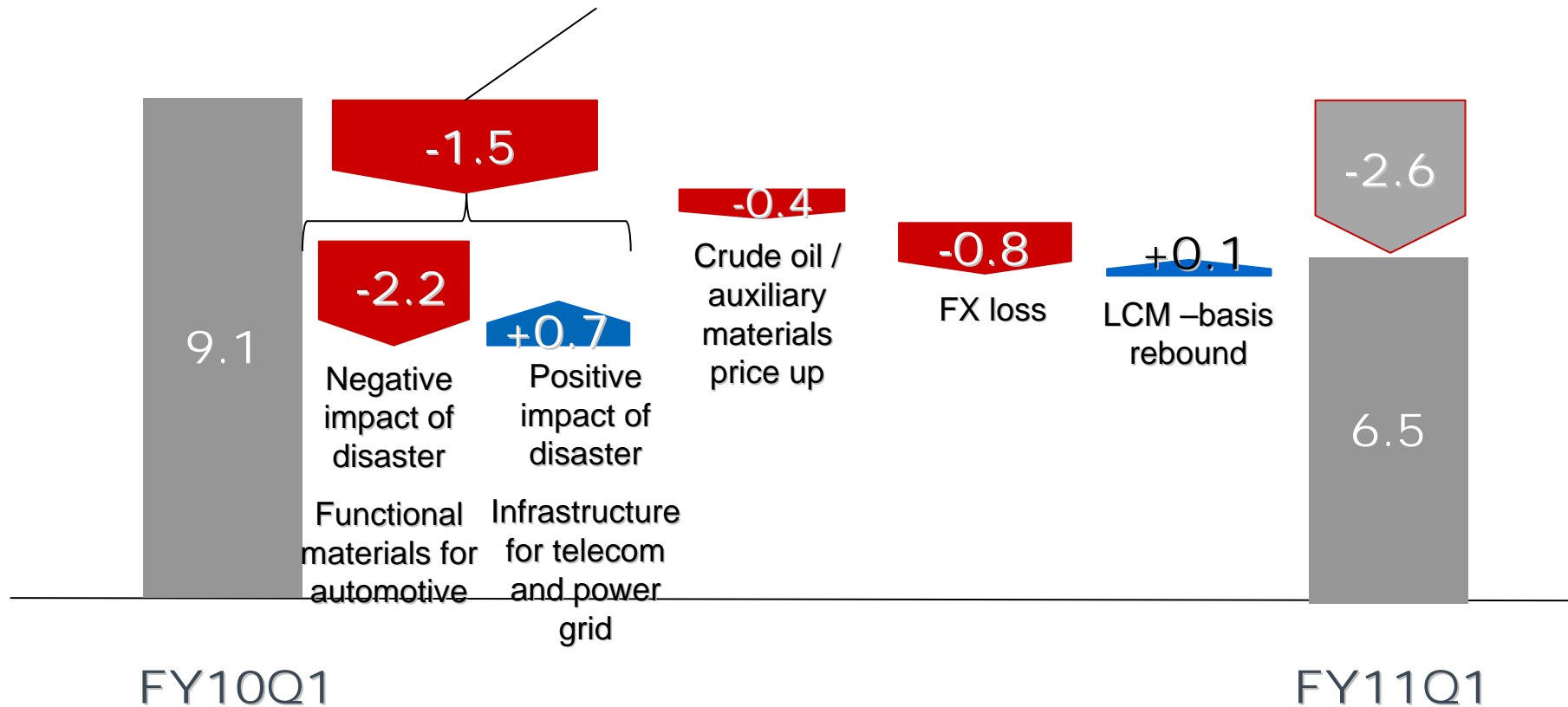
	a	b	b-a
<u>BS</u>	<u>10Q4</u>	<u>11Q1</u>	<u>change</u>
Total assets	826.9	827.4	+0.5
Debt	341.6	349.1	+7.5
Capital Ratio	20.1%	20.0%	-0.1
D/E Ratio	2.06	2.11	+0.05
Turnover	1.12	*1.15	+0.03
ROA OP basis	4.2%	*3.1%	-1.1

\*annual basis

# FY10Q1→FY11Q1 OP Analysis

(yen billion)

## Disaster lowered OP by -1.5 billion yen



# FY10Q1 → FY11Q1 OP by Segment

FURUKAWA ELECTRIC  
(yen billion)

## Transmission Infrastructure

## Functional Material

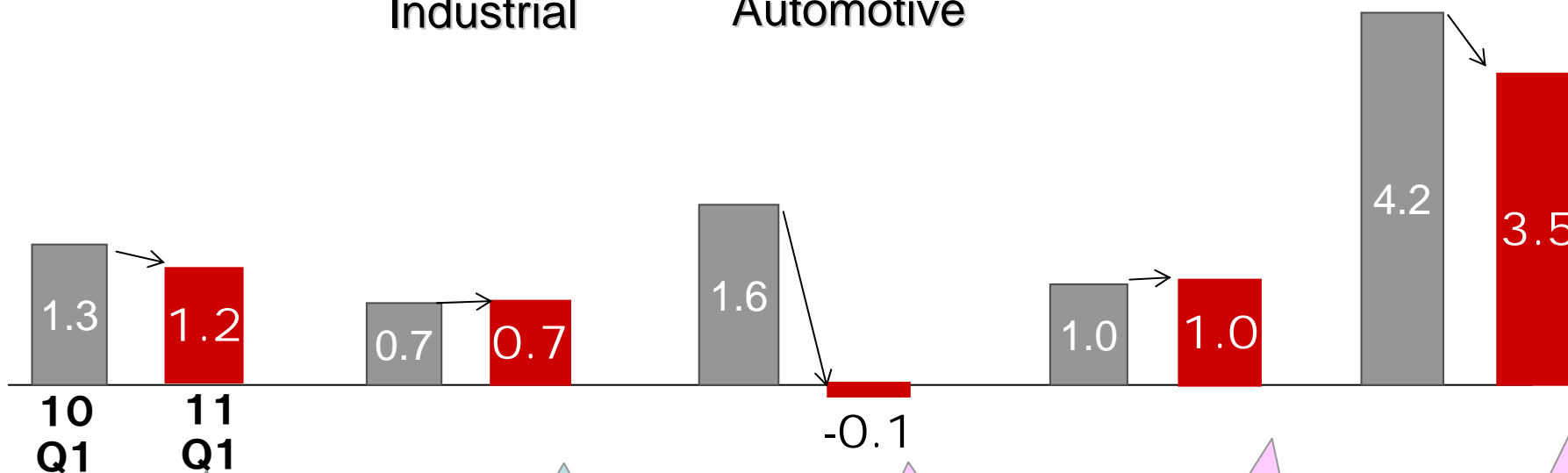
Telecom

Energy/  
Industrial

Electronics/  
Automotive

Metals

Light Metals



Demand of optical fiber cables for restoration from the disaster and telecom carriers in Brazil grew, While demand of amps and lasers were weak

Demand of low voltage cable for restoration from the disaster were robust, as well as hv cable in China. While business for power companies was weak.

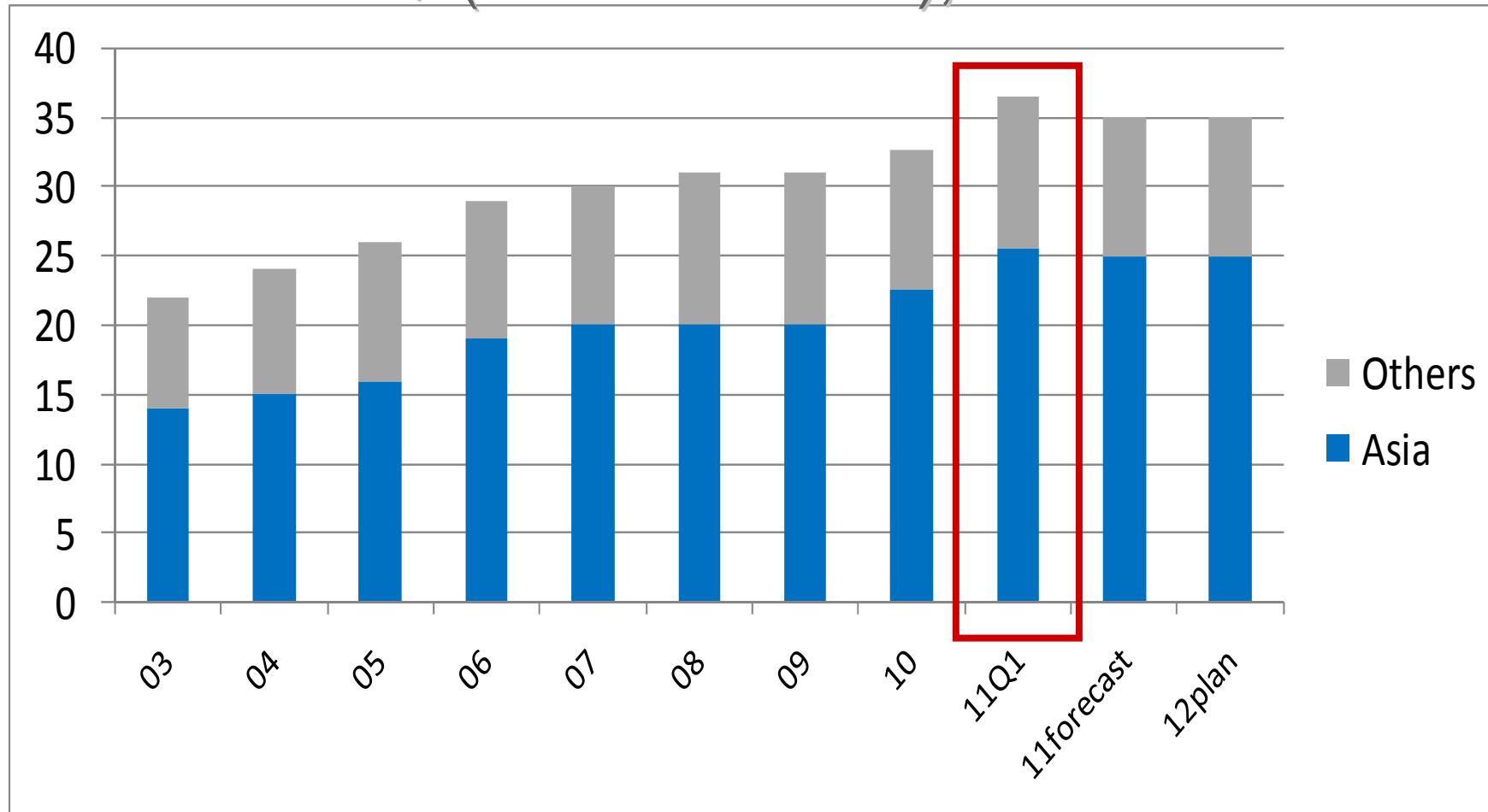
Demand of aluminum blanks for HDD were stable. Demand of wire harness dived hardly due to decrease of car production.

Demand of copper foil for lithium ion battery recovered from May Copper pipe for air conditioner improved its sales mix by restructuring

Demand of aluminum sheet for digital printing and export declined, cost of fuel increased.

# Overseas sales ratio

(%)  
36.2% in 11Q1 (33.2% in FY10), increased in Asia



# FY2011 Forecast

FURUKAWA ELECTRIC

			a	b	(yen billions) b-a
<u>As of May 2011</u>	<u>FY10</u>	<u><i>FY11e</i></u>	<u><i>1H11</i></u>	<u><i>2H11</i></u>	<u>change</u>
Net sales	925.8	<i>950.0</i>	<i>450.0</i>	<i>500.0</i>	<i>+50.0</i>
Operating Profit	35.1	<i>31.0</i>	<i>10.0</i>	<i>21.0</i>	<i>+11.0</i>
Ordinary Profit	31.4	<i>29.0</i>	<i>9.0</i>	<i>20.0</i>	<i>+11.0</i>
Net profit	12.2	<i>11.5</i>	<i>3.5</i>	<i>8.0</i>	<i>+4.5</i>



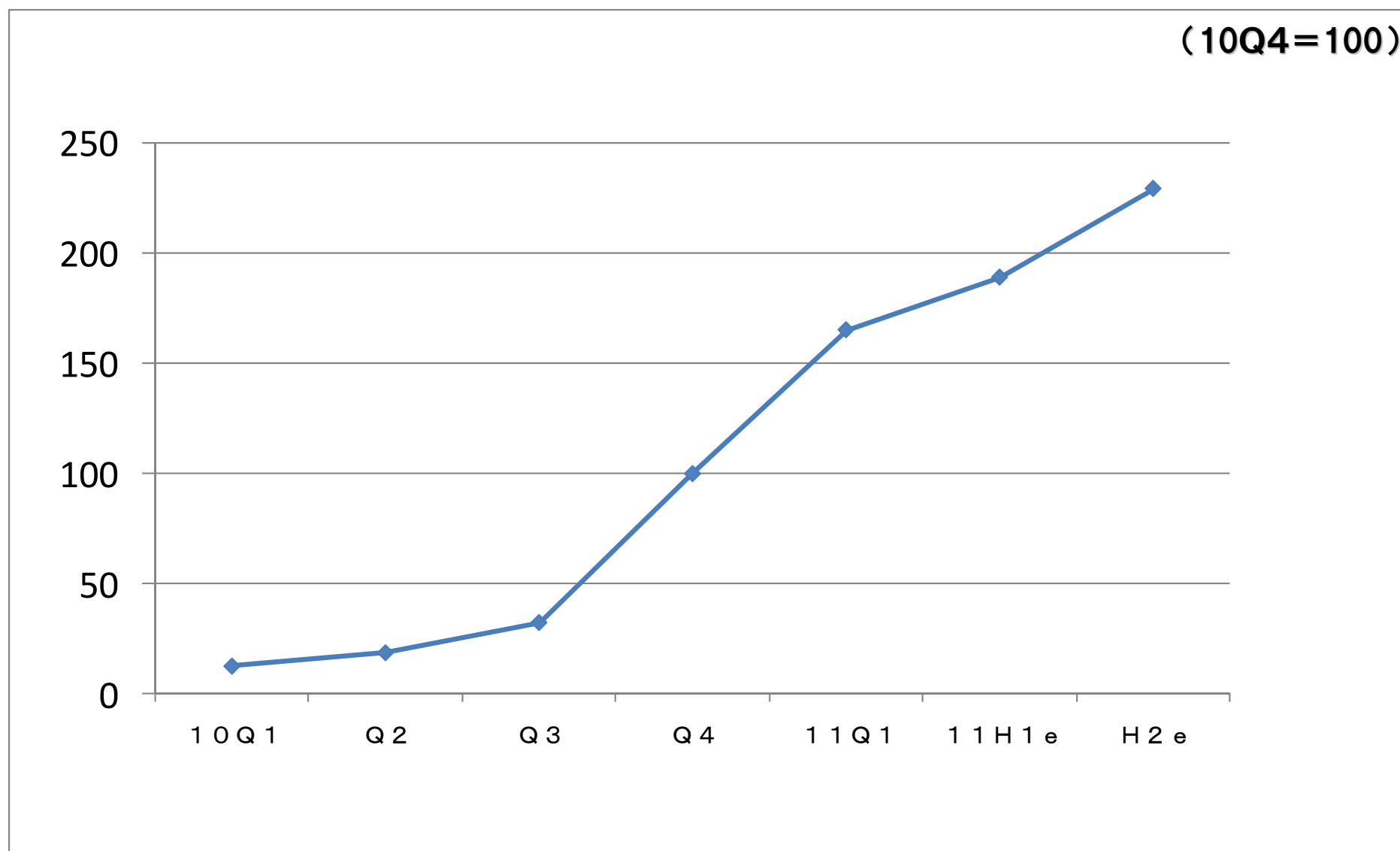
# Functional material Sales volume index

FURUKAWA ELECTRIC



# MCPET Sales volume index

FURUKAWA ELECTRIC



# Released News for Global Expansion

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## Telecommunication

FISA Brazil increased its market share of optical cable from 26% to 36 % by merger of Metro Cable

## Energy/Industrial

FISA Brazil to start OPGW business in 2012

Riken established JV of elevator cable with Hua tong China

## Electronics/Automotive

Furukawa to expand its wire harness business by acquisition of management rights of a Chinese company

Furukawa launched a JV of enamel wire business by investing a Taiwanese company

## Light Metals

Furukawa SKY invested ARCO aluminum in US

## R&D

Furukawa developed the world highest voltage 275 kv superconductivity cable

## 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 capital 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 at 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 the figures in the plans contained 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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