

FACT BOOK

Financial results for the fiscal year 2017 ended March 31, 2018

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FURUKAWA ELECTRIC CO., LTD.

(Figures are rounded down to the nearest one million yen)

P/L Summary		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Net sales		918,808	924,717	931,781	867,817	874,879	843,344	967,333
Operating income		15,947	17,763	25,456	17,873	27,116	38,623	44,804
	Operating income margin on sales	1.7%	1.9%	2.7%	2.1%	3.1%	4.6%	4.6%
Profit/Loss in equity method affiliates		125	112	-825	1,855	-5,684	102	4,311
Other non-operating income/loss		-3,200	-263	900	-1,130	-2,721	-2,701	-2,207
Ordinary income		12,872	17,612	25,532	18,598	18,710	36,024	46,908
Extraordinary profit		16,244	2,936	8,931	15,661	21,864	12,437	9,776
Extraordinary loss		27,182	7,717	17,160	18,091	19,193	20,496	16,219
Profit/Loss before income taxes		1,935	12,831	17,303	16,168	21,380	27,965	40,466
Income taxes		11,497	7,040	9,038	6,693	7,939	5,534	8,151
Net income attributable to non-controlling interests		1,561	2,214	2,656	2,120	3,433	4,860	3,767
Net income attributable to owners of the parent company		-11,123	3,576	5,608	7,355	10,007	17,570	28,547

Average exchange rate(¥/US\$)	79.8	79.8	97.7	105.8	121.1	108.8	112.2
Average cooper price(¥/kg)	717.8	696.4	757.6	765.8	675.5	603.9	756.7

Segment	(Net sales)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017			
Infrastructure		/				252,671	263,751	291,786			
Communications Solutions						159,122	168,499	189,708			
Energy infrastructure						93,548	95,252	102,077			
Electronics & Automotive Systems						491,095	455,457	533,790			
Automotive Products & Batteries						234,119	223,401	248,148			
Electronics Component Materials						256,975	232,055	285,641			
Functional Products						136,318	131,485	153,065			
Service and Developments, etc.						51,505	49,653	52,945			
Adjusted amount									-56,711	-57,003	-64,254
Total						918,808	924,717	931,781	867,817	874,879	843,344

Segment	(Operating income)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017			
Infrastructure		/				7,717	14,339	12,752			
Communications Solutions						7,973	14,193	14,128			
Energy infrastructure						-256	145	-1,375			
Electronics & Automotive Systems						10,468	12,793	18,210			
Automotive Products & Batteries						8,023	10,052	13,188			
Electronics Component Materials						2,445	2,741	5,022			
Functional Products						8,457	11,683	13,992			
Service and Developments, etc.						413	-148	-209			
Adjusted amount									59	-45	58
Total						15,947	17,763	25,456	17,873	27,116	38,623

Segment	(Operating income margin on sales)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017			
Infrastructure		/				3.1%	5.4%	4.4%			
Communications Solutions						5.0%	8.4%	7.4%			
Energy infrastructure						-0.3%	0.2%	-1.3%			
Electronics & Automotive Systems						2.1%	2.8%	3.4%			
Automotive Products & Batteries						3.4%	4.5%	5.3%			
Electronics Component Materials						1.0%	1.2%	1.8%			
Functional Products						6.2%	8.9%	9.1%			
Service and Developments, etc.						0.8%	-0.3%	-0.4%			
Adjusted amount									-0.1%	0.1%	-0.1%
Total						1.7%	1.9%	2.7%	2.1%	3.1%	4.6%

Segment	(CAPEX)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Infrastructure		/				7,075	10,643	17,788
Electronics & Automotive Systems						11,069	11,609	12,070
Functional Products						4,014	4,855	3,645
Service and Developments, etc.						2,423	2,361	2,122
Adjustment or Corporate						1,104	2,114	2,916
Total		33,581	47,772	37,436	30,674	25,687	31,584	38,543

Segment	(Depreciation)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Infrastructure		/				6,274	6,087	6,788
Electronics & Automotive Systems						10,592	11,117	11,722
Functional Products						3,955	3,898	4,289
Service and Developments, etc.						1,312	1,159	1,201
Adjustment or Corporate						1,100	1,106	1,105
Total		39,216	35,347	28,106	22,508	23,235	23,370	25,106

Segment	(Research and development expenses)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Infrastructure		/				8,101	8,763	9,949
Electronics & Automotive Systems						4,559	4,711	4,995
Functional Products						1,721	1,837	1,998
Service and Developments, etc.						2,462	2,141	2,589
Total		18,949	20,210	17,461	16,599	16,845	17,454	19,532

Segment	【Total assets】	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	Infrastructure	/				196,272	231,823	250,189
	Electronics & Automotive Systems					284,299	301,875	332,932
	Functional Products					98,643	107,475	114,197
	Service and Developments, etc.					149,035	137,237	136,221
	Adjusted amount					-22,524	-28,284	-17,719
	Total	790,114	819,702	714,845	734,125	705,725	750,126	815,822

Area	【Net sales】	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	Japan	591,057	579,003	547,699	482,564	469,617	453,317	510,663
	China, Korea, Taiwan	100,173	94,881	93,020	98,001	112,258	102,130	119,195
	Asia (Southeast Asia, India, etc.)	130,141	142,861	165,970	147,002	144,594	135,892	170,775
	North America, Central America	34,673	48,228	49,268	57,753	73,980	82,302	84,746
	Other (Europe, Russia, Brazil etc.)	62,763	59,741	75,823	82,493	74,429	69,701	81,952
	Total	918,808	924,717	931,781	867,817	874,879	843,344	967,333
	Overseas sales	327,751	345,713	384,083	385,250	405,262	390,027	456,669
	Overseas sales ratio	35.7%	37.4%	41.2%	44.4%	46.3%	46.2%	47.2%

P/L		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
	Net sales	918,808	924,717	931,781	867,817	874,879	843,344	967,333
	Cost of sales	786,952	786,825	790,541	741,076	733,943	689,160	801,411
	Gross profit	131,856	137,891	141,240	126,741	140,935	154,184	165,921
	SG&A	115,908	120,128	115,783	108,867	113,819	115,560	121,117
	Selling expenses	35,338	36,930	36,812	35,759	36,728	35,724	39,047
	G&A expenses	80,570	83,197	78,970	73,107	77,090	79,836	82,069
	Operating income/loss	15,947	17,763	25,456	17,873	27,116	38,623	44,804
	Non-operating income	4,417	7,142	7,927	7,147	5,874	4,954	10,457
	Interest income	620	614	846	551	617	586	654
	Dividend income	1,691	1,524	1,724	1,719	1,817	1,501	1,910
	Foreign exchange gains	-	2,678	2,033	-	-	-	-
	Profit in equity method affiliates	125	112	-	1,855	-	102	4,311
	Other	1,980	2,212	3,323	3,021	3,439	2,763	3,581
	Non-operating expenses	7,492	7,293	7,852	6,422	14,281	7,553	8,352
	Interest expenses	5,239	5,067	4,551	3,993	3,715	3,484	3,977
	Foreign exchange losses	85	-	-	60	2,084	1,184	1,216
	Loss in equity method affiliates	-	-	825	-	5,684	-	-
	Other	2,166	2,226	2,474	2,368	2,795	2,884	3,158
	Ordinary income	12,872	17,612	25,532	18,598	18,710	36,024	46,908
	Extraordinary income	16,244	2,936	8,931	15,661	21,864	12,437	9,776
	Extraordinary loss	27,182	7,717	17,160	18,091	19,193	20,496	16,219
	Profit/Loss before income taxes	1,935	12,831	17,303	16,168	21,380	27,965	40,466
	Income taxes-current	5,608	4,823	6,228	3,736	6,942	6,747	8,402
	Income taxes for prior periods	-	-	-	-	717	-	-
	Income taxes - deferred	5,888	2,217	2,809	2,956	280	-1,212	-251
	Net income	-9,561	5,791	8,264	9,475	13,440	22,430	32,314
	Net income attributable to non-controlling interests	1,561	2,214	2,656	2,120	3,433	4,860	3,767
	Net income attributable to owners of the parent company	-11,123	3,576	5,608	7,355	10,007	17,570	28,547

B/S		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Assets	Current assets	390,096	392,644	360,009	368,818	364,030	382,398	426,122
	Cash and deposits	33,246	31,293	26,719	30,010	52,504	47,165	50,635
	Notes and accounts receivable-trade	221,998	222,430	199,286	190,431	187,028	198,864	224,335
	Securities	113	17	20	19	15	54	0
	Merchandise and finished goods	28,071	30,714	29,946	36,479	29,561	32,967	36,814
	Work in process	28,609	31,593	27,073	28,238	29,027	31,273	32,273
	Raw materials and supplies	38,207	41,940	36,648	34,726	34,578	40,114	44,703
	Deferred tax assets	6,732	6,311	5,025	4,209	5,292	8,243	9,931
	Other	34,013	29,562	36,690	46,064	27,433	24,945	28,643
	Allowance for doubtful accounts	-896	-1,220	-1,400	-1,360	-1,412	-1,231	-1,215
	Non-current assets	400,018	427,057	354,835	365,307	341,694	367,727	389,699
	Property, plant and equipment							
	Buildings and structures	252,843	261,521	206,375	210,430	215,242	215,304	218,385
	Machinery and delivery equipment	637,864	664,682	439,047	449,949	448,824	457,180	463,538
	Tools, furniture and fixtures	81,433	83,746	68,137	70,184	70,756	71,193	72,325
	Land	84,937	86,154	40,630	39,845	37,490	38,348	39,981
	Leased assets	1,578	1,875	3,133	4,518	4,765	4,952	3,808
	Construction in progress	10,932	20,264	14,477	17,237	12,088	15,495	20,484
	Accumulated depreciation	-807,464	-838,157	-580,732	-592,948	-592,623	-596,983	-601,794
	Total; Property, plant and equipment	262,125	280,086	191,069	199,217	196,544	205,490	216,728
	Intangible assets							
	Goodwill	6,178	4,910	4,070	3,879	3,768	3,149	2,542
	Other	7,796	7,704	5,525	5,147	4,747	6,592	8,762
	Total; Intangible assets	13,975	12,614	9,596	9,027	8,516	9,742	11,304
	Investments and other assets							
	Investment securities	92,568	107,006	128,884	132,124	109,028	125,227	132,270
	Investments in capital	9,382	9,580	7,274	6,996	5,155	5,693	6,062
	Net defined benefit asset	-	-	3,472	4,177	4,660	4,884	5,143
	Deferred tax assets	10,680	5,895	3,529	3,090	6,855	4,013	3,618
	Other	13,754	14,317	12,453	12,817	13,456	14,087	15,777
	Allowance for doubtful accounts	-2,468	-2,443	-1,445	-2,142	-2,522	-1,410	-1,206
	Total; Investments and other assets	123,917	134,356	154,169	157,062	136,633	152,494	161,665
	Total assets	790,114	819,702	714,845	734,125	705,725	750,126	815,822

B/S		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Liabilities and Net assets	Current liabilities	345,705	327,868	293,869	287,149	299,341	293,364	330,336
	Notes and accounts payable - trade	122,000	133,125	104,377	110,404	100,398	108,087	124,387
	Short-term debt	141,857	125,049	119,913	96,749	113,081	90,310	106,279
	Bonds payable	16,562	2,333	100	10,000	10,000	10,000	10,000
	Income taxes payable	1,116	2,846	1,653	1,408	4,390	3,287	4,024
	Deferred tax liabilities	29	42	65	56	53	8	1
	Provision for product defect compensation	1,586	1,396	1,099	1,601	3,008	15,971	22,827
	Other	62,552	63,074	66,659	66,929	68,408	65,698	62,815
	Non-current liabilities	246,839	268,990	221,242	232,232	207,796	219,711	213,414
	Bonds payable	22,547	30,284	40,000	30,000	20,000	20,000	20,000
	Long-term debt	144,253	162,830	117,842	137,783	114,764	132,234	122,227
	Deferred tax liabilities	745	1,306	1,269	2,423	1,808	6,263	9,515
	Provision for retirement benefits	57,566	52,294	-	-	-	-	-
	Net defined benefit liability	-	-	42,525	43,486	51,058	45,178	43,174
	Provision for environmental measures	12,140	12,048	11,768	10,495	10,345	10,322	10,470
	Asset retirement obligations	1,214	1,214	566	573	543	502	1,084
	Other	8,372	9,012	7,269	7,470	9,276	5,210	6,943
	Total liabilities	592,545	596,858	515,111	519,382	507,137	513,075	543,751
	Capital stock	69,395	69,395	69,395	69,395	69,395	69,395	69,395
	Other capital surplus	21,467	21,467	21,467	21,467	21,466	21,562	22,271
	Retained earnings	72,481	76,125	79,219	83,265	90,313	103,942	128,130
	Treasury shares	-274	-274	-276	-278	-280	-633	-613
	Total shareholders' equity	163,070	166,712	169,805	173,849	180,894	194,267	219,182
	Valuation difference on available-for-sale securities	11,548	18,160	19,094	21,590	14,070	26,622	30,020
	Deferred gains or losses on hedges	589	419	-298	516	-1,391	717	-495
	Remeasurements of foreign subsidiaries' defined benefit plans	-4,057	-4,206	-	-	-	-	-
	Remeasurements of defined benefit plans	-	-	-5,555	-9,293	-13,917	-8,138	-6,525
	Foreign currency translation adjustment	-26,457	-15,346	-5,808	4,078	-6,492	-6,756	-5,664
	Total accumulated other comprehensive income	-18,376	-973	7,431	16,892	-7,731	12,445	17,335
	Non-controlling interests	52,874	57,103	22,496	24,001	25,424	30,338	35,552
	Total net assets	197,569	222,843	199,733	214,743	198,587	237,051	272,071
	Total liabilities and net assets	790,114	819,702	714,845	734,125	705,725	750,126	815,822

Cash flow	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
I Cash flows from operating activities	30,774	54,947	18,912	41,489	41,569	40,402	38,429
Profit/Loss before income taxes	1,935	12,831	17,303	16,168	21,380	27,965	40,466
Depreciation	39,216	35,347	28,106	22,508	23,235	23,370	25,106
Loss (Profit : -) in equity method affiliates	-125	-112	825	-1,855	5,684	-102	-4,311
Loss (gain;-) on disposal of non-current assets	-6,952	672	580	-643	-18,879	-2,982	-8,394
Impairment loss	2,024	2,581	6,805	1,346	995	192	3,122
Loss on valuation of inventories	1,594	1,770	1,446	867	624	928	1,297
Interest and dividend income	-2,311	-2,139	-2,571	-2,270	-2,435	-2,088	-2,564
Interest expenses	5,239	5,067	4,551	3,993	3,715	3,484	3,977
Foreign exchange losses (gains;-)	71	-431	-263	-795	168	559	-137
Decrease (increase;-) in notes and accounts receivable - trade	4,728	9,022	-13,699	20,118	-1,537	-10,935	-26,363
Decrease (increase;-) in inventories	3,547	-6,284	-13,100	-3,108	5,572	-7,457	-9,387
Increase (decrease;-) in notes and accounts payable - trade	-833	5,002	-2,591	-1,114	-7,660	7,278	17,057
Other	-5,991	-3,215	1,871	-11,551	14,993	15,274	6,567
Subtotal	42,142	60,111	29,263	43,664	45,855	55,486	46,436
Interest and dividend income received	2,810	2,705	3,384	3,734	3,460	3,346	3,961
Interest expenses paid	-5,356	-5,211	-4,541	-4,055	-3,763	-3,587	-3,953
Income taxes (paid;-) refund	-8,821	-2,656	-9,193	-1,853	-3,982	-7,719	-8,014
Other	-	-	-	-	-	-7,123	-
II Cash flows from investing activities	-20,252	-44,939	-40,290	-23,533	1,947	-36,361	-34,319
Purchase of investment securities	-20,586	-4,740	-3,285	-3,162	-2,033	-4,148	-799
Proceeds from sales of investment securities	8,594	306	7,227	9,611	3,043	2,992	526
Purchase of property, plant and equipment	-30,640	-45,753	-39,364	-27,676	-25,646	-28,443	-34,349
Purchase of intangible assets	-2,266	-2,202	-964	-737	-824	-2,539	-3,533
Proceeds from sales of non-current assets	13,113	508	2,374	2,592	22,571	6,031	9,951
Decrease (increase;-) in short-term loans receivable	11,279	4,684	-5,174	-4,610	3,134	-7,984	-5,886
Other	254	2,258	-1,104	449	1,702	-2,270	-229
III Cash flows from financing activities	-22,845	-11,402	29,917	-15,537	-20,942	-10,378	-1,943
Net increase (decrease;-) in short-term loans payable	-1,234	-12,145	4,116	-2,234	-3,510	-3,140	875
Proceeds from long-term loans payable	25,259	52,298	46,475	36,230	14,434	35,822	19,668
Repayments of long-term loans payable	-28,500	-45,177	-29,235	-44,601	-18,540	-38,297	-17,778
Proceeds from issuance of bonds	10,270	10,070	10,070	-	-	10,000	10,000
Redemption of bonds	-24,226	-16,562	-2,295	-100	-10,000	-10,000	-10,000
Cash dividends paid	-3,887	-22	-2,120	-2,115	-2,112	-2,823	-3,885
Dividends paid to non-controlling interests	-1,175	-1,257	-883	-575	-547	-701	-1,226
Other	648	1,393	3,789	-2,142	-667	-1,239	403
Effect of exchange rate change on cash and cash equivalents	-790	1,670	591	1,466	-1,422	-314	1,040
Net increase in cash and cash equivalents	-13,113	276	9,131	3,885	21,151	-6,652	3,206
Cash and cash equivalents at beginning of the year	37,647	30,084	30,476	25,320	29,488	51,659	46,147
Increase in cash and cash equivalents from newly consolidated subsidiary	5,550	109	135	244	1,019	1,529	463
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	-	-14,422	-9	-	-416	-59
Increase in cash and cash equivalents resulting from merger	-	5	-	48	-	27	-
Cash and cash equivalents at end of the year	30,084	30,476	25,320	29,488	51,659	46,147	49,758

Financial index		FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Profitability	Net sales	918,808	924,717	931,781	867,817	874,879	843,344	967,333
	Operating income	15,947	17,763	25,456	17,873	27,116	38,623	44,804
	Ordinary income	12,872	17,612	25,532	18,598	18,710	36,024	46,908
	Profit/Loss before income taxes	1,935	12,831	17,303	16,168	21,380	27,965	40,466
	Net income attributable to owners of the parent company	-11,123	3,576	5,608	7,355	10,007	17,570	28,547
	Total assets	790,114	819,702	714,845	734,125	705,725	750,126	815,822
	Net assets	197,569	222,843	199,733	214,743	198,587	237,051	272,071
	Equity Capital	144,694	165,739	177,237	190,741	173,163	206,712	236,518
	ROE	-7.2%	2.3%	3.3%	4.0%	5.5%	9.3%	12.9%
	ROA	1.6%	2.2%	3.3%	2.6%	2.6%	4.9%	6.0%
	Business property	370,989	396,951	294,333	307,688	298,228	319,588	341,825
	Return on operating assets	4.3%	4.5%	8.6%	5.8%	9.1%	12.1%	13.1%
	Operating income margin on sales	1.7%	1.9%	2.7%	2.1%	3.1%	4.6%	4.6%
	Ordinary income margin on sales	1.4%	1.9%	2.7%	2.1%	2.1%	4.3%	4.8%
Net profit margin on sales	-1.2%	0.4%	0.6%	0.8%	1.1%	2.1%	3.0%	
Safety	Equity capital ratio	18.3%	20.2%	24.8%	26.0%	24.5%	27.6%	29.0%
	Interest-bearing debt balance	325,220	320,497	277,855	274,532	257,845	252,544	258,506
	D/E ratio	2.2	1.9	1.6	1.4	1.5	1.2	1.1
	Net Interest bearing debt balance	291,974	289,204	251,136	244,521	205,341	205,378	207,870
	NET D/E ratio	2.0	1.7	1.4	1.3	1.2	1.0	0.9
	Current assets	390,096	392,644	360,009	368,818	364,030	382,398	426,122
	Current liabilities	345,705	327,868	293,869	287,149	299,341	293,364	330,336
Current ratio	112.8%	119.8%	122.5%	128.4%	121.6%	130.3%	129.0%	
Efficiency	Total asset turnover ratio	1.14	1.15	1.21	1.20	1.22	1.16	1.24
	Balance of inventory assets	94,888	104,249	93,668	99,443	93,167	104,355	113,792
	Inventory turnover ratio	9.43	9.29	9.42	8.99	9.08	8.54	8.87
	Balance of account receivable	221,998	222,430	199,286	190,431	187,028	198,864	224,335
	Receivables turnover ratio	4.09	4.16	4.42	4.45	4.64	4.37	4.57
Index per share	Net income per share (Yen) ※	-15.75	5.07	7.94	10.42	14.17	249.17	405.05
	Net assets per share (Yen) ※	204.93	234.73	251.02	270.15	245.26	2,933.21	3,355.77

※The company executed a one-for-ten reverse stock split of its common shares effective October 1, 2016.