

FACT BOOK

Financial results for the fiscal year 2019 ended March 31, 2020

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FURUKAWA ELECTRIC CO., LTD.

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

P/L Summary		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales		931,781	867,817	874,879	843,344	967,333	991,590	914,439
Operating income		25,456	17,873	27,116	38,623	44,804	40,842	23,565
	Operating income margin on sales	2.7%	2.1%	3.1%	4.6%	4.6%	4.1%	2.6%
Profit/Loss in equity method affiliates		-825	1,855	-5,684	102	4,311	1,685	2,458
Other non-operating income/loss		900	-1,130	-2,721	-2,701	-2,207	-3,449	-3,253
Ordinary income		25,532	18,598	18,710	36,024	46,908	39,078	22,771
Extraordinary profit		8,931	15,661	21,864	12,437	9,776	9,887	14,934
Extraordinary loss		17,160	18,091	19,193	20,496	16,219	13,208	6,953
Profit/Loss before income taxes		17,303	16,168	21,380	27,965	40,466	35,757	30,751
Income taxes		9,038	6,693	7,939	5,534	8,151	3,310	11,754
Net income attributable to non-controlling interests		2,656	2,120	3,433	4,860	3,767	3,338	1,357
Net income attributable to owners of the parent company		5,608	7,355	10,007	17,570	28,547	29,108	17,639

Average exchange rate(¥/US\$)	100.2	109.8	120.1	108.3	110.9	110.9	108.7
Average copper price(¥/kg)	757.6	765.8	675.5	603.9	756.7	746.6	681.5

Segment	(Net sales)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				252,671	263,751	293,396	287,973	280,932
Communications Solutions				159,122	168,499	191,318	179,853	166,428
Energy infrastructure				93,548	95,252	102,077	108,119	114,504
Electronics & Automotive Systems				491,095	455,457	533,790	561,655	509,300
Automotive Products & Batteries				234,119	223,401	248,148	267,251	257,626
Electronics Component Materials				256,975	232,055	285,641	294,403	251,674
Functional Products				136,318	131,485	153,065	149,300	115,877
Service and Developments, etc.				51,505	49,653	51,001	48,580	50,318
Adjusted amount				-56,711	-57,003	-63,920	-55,920	-41,988
Total		931,781	867,817	874,879	843,344	967,333	991,590	914,439

Segment	(Operating income)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				7,717	14,339	12,375	7,430	1,710
Communications Solutions				7,973	14,193	14,009	9,809	1,610
Energy infrastructure				-256	145	-1,633	-2,379	100
Electronics & Automotive Systems				10,468	12,793	18,360	19,469	14,818
Automotive Products & Batteries				8,023	10,052	13,241	13,451	10,884
Electronics Component Materials				2,445	2,741	5,118	6,018	3,933
Functional Products				8,457	11,683	14,032	13,539	7,467
Service and Developments, etc.				413	-148	-22	292	-349
Adjusted amount				59	-45	58	111	-80
Total		25,456	17,873	27,116	38,623	44,804	40,842	23,565

Segment	(Operating income margin on sales)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				3.1%	5.4%	4.2%	2.6%	0.6%
Communications Solutions				5.0%	8.4%	7.3%	5.5%	1.0%
Energy infrastructure				-0.3%	0.2%	-1.6%	-2.2%	0.1%
Electronics & Automotive Systems				2.1%	2.8%	3.4%	3.5%	2.9%
Automotive Products & Batteries				3.4%	4.5%	5.3%	5.0%	4.2%
Electronics Component Materials				1.0%	1.2%	1.8%	2.0%	1.6%
Functional Products				6.2%	8.9%	9.2%	9.1%	6.4%
Service and Developments, etc.				0.8%	-0.3%	-0.0%	0.6%	-0.7%
Adjusted amount				-0.1%	0.1%	-0.1%	-0.2%	0.2%
Total		2.7%	2.1%	3.1%	4.6%	4.6%	4.1%	2.6%

Segment	(CAPEX)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				7,075	10,643	17,868	23,986	18,428
Electronics & Automotive Systems				11,069	11,609	12,070	16,115	21,505
Functional Products				4,014	4,855	3,645	5,247	4,772
Service and Developments, etc.				2,423	2,361	2,042	1,710	2,599
Adjustment or Corporate				1,104	2,114	2,916	2,976	5,838
Total		37,436	30,674	25,687	31,584	38,543	50,036	53,144

Segment	(Depreciation)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				6,274	6,087	6,839	7,632	9,043
Electronics & Automotive Systems				10,592	11,117	11,722	11,703	13,035
Functional Products				3,955	3,898	4,289	4,416	4,496
Service and Developments, etc.				1,312	1,159	1,150	1,312	1,458
Adjustment or Corporate				1,100	1,106	1,105	1,207	1,389
Total		28,106	22,508	23,235	23,370	25,106	26,271	29,423

Segment	(Research and development expenses)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				8,101	8,763	10,190	11,162	11,333
Electronics & Automotive Systems				4,559	4,711	4,995	5,145	5,046
Functional Products				1,721	1,837	1,998	2,191	2,180
Service and Developments, etc.				2,462	2,141	2,348	2,642	3,089
Total		17,461	16,599	16,845	17,454	19,533	21,141	21,650

Segment	(Total assets)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Infrastructure				196,272	231,823	251,329	263,288	261,220
Electronics & Automotive Systems				284,299	301,875	332,930	339,075	320,802
Functional Products				98,643	107,475	114,164	102,879	100,616
Service and Developments, etc.				149,035	137,237	134,678	140,313	148,366
Adjusted amount				-22,524	-28,284	-24,471	-27,534	-36,389
Total		714,845	734,125	705,725	750,126	808,632	818,021	794,616

Area (Net sales)	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Japan	547,699	482,564	469,617	453,317	510,663	521,281	495,658
China	72,167	77,779	90,336	82,039	96,911	94,006	75,059
Asia (except Japan and China)	186,822	167,224	166,516	155,983	193,059	213,260	183,033
North America, Central America	49,268	57,753	73,980	82,302	84,746	72,677	78,302
Other (Europe, Russia, Brazil etc.)	75,823	82,493	74,429	69,701	81,952	90,364	82,386
Total	931,781	867,817	874,879	843,344	967,333	991,590	914,439
Overseas sales	384,083	385,250	405,262	390,027	456,669	470,309	418,781
Overseas sales ratio	41.2%	44.4%	46.3%	46.2%	47.2%	47.4%	45.8%

P/L	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Net sales	931,781	867,817	874,879	843,344	967,333	991,590	914,439
Cost of sales	790,541	741,076	733,943	689,160	801,411	824,481	764,200
Gross profit	141,240	126,741	140,935	154,184	165,921	167,108	150,239
SG&A	115,783	108,867	113,819	115,560	121,117	126,266	126,674
Selling expenses	36,812	35,759	36,728	35,724	39,047	40,044	38,752
G&A expenses	78,970	73,107	77,090	79,836	82,069	86,221	87,921
Operating income/loss	25,456	17,873	27,116	38,623	44,804	40,842	23,565
Non-operating income	7,927	7,147	5,874	4,954	10,457	6,855	7,446
Interest income	846	551	617	586	654	607	584
Dividend income	1,724	1,719	1,817	1,501	1,910	2,765	2,067
Foreign exchange gains	2,033	-	-	-	-	-	-
Profit in equity method affiliates	-	1,855	-	102	4,311	1,685	2,458
Other	3,323	3,021	3,439	2,763	3,581	1,796	2,335
Non-operating expenses	7,852	6,422	14,281	7,553	8,352	8,619	8,240
Interest expenses	4,551	3,993	3,715	3,484	3,977	4,075	4,326
Foreign exchange losses	-	60	2,084	1,184	1,216	1,100	1,014
Loss in equity method affiliates	825	-	5,684	-	-	-	-
Other	2,474	2,368	2,795	2,884	3,158	3,443	2,900
Ordinary income	25,532	18,598	18,710	36,024	46,908	39,078	22,771
Extraordinary income	8,931	15,661	21,864	12,437	9,776	9,887	14,934
Extraordinary loss	17,160	18,091	19,193	20,496	16,219	13,208	6,953
Profit/Loss before income taxes	17,303	16,168	21,380	27,965	40,466	35,757	30,751
Income taxes-current	6,228	3,736	6,942	6,747	8,402	8,811	7,793
Income taxes for prior periods	-	-	717	-	-	-	-
Income taxes - deferred	2,809	2,956	280	-1,212	-251	-5,500	3,960
Net income	8,264	9,475	13,440	22,430	32,314	32,446	18,997
Net income attributable to non-controlling interests	2,656	2,120	3,433	4,860	3,767	3,338	1,357
Net income attributable to owners of the parent company	5,608	7,355	10,007	17,570	28,547	29,108	17,639

B/S		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Assets	Current assets	360,009	368,818	364,030	382,398	416,191	420,513	386,179
	Cash and deposits	26,719	30,010	52,504	47,165	50,635	44,628	54,357
	Notes and accounts receivable-trade	199,286	190,431	187,028	198,864	224,335	219,347	192,513
	Securities	20	19	15	54	0	2,371	899
	Merchandise and finished goods	29,946	36,479	29,561	32,967	36,814	40,169	34,550
	Work in process	27,073	28,238	29,027	31,273	32,273	36,956	33,849
	Raw materials and supplies	36,648	34,726	34,578	40,114	44,703	45,764	47,462
	Deferred tax assets	5,025	4,209	5,292	8,243	0	0	0
	Other	36,690	46,064	27,433	24,945	28,643	32,365	23,801
	Allowance for doubtful accounts	-1,400	-1,360	-1,412	-1,231	-1,215	-1,090	-1,254
	Non-current assets	354,835	365,307	341,694	367,727	392,441	397,508	408,436
	Property, plant and equipment							
	Buildings and structures	206,375	210,430	215,242	215,304	218,385	216,932	229,611
	Machinery and delivery equipment	439,047	449,949	448,824	457,180	463,538	467,247	475,766
	Tools, furniture and fixtures	68,137	70,184	70,756	71,193	72,325	71,977	74,798
	Land	40,630	39,845	37,490	38,348	39,981	36,777	36,354
	Leased assets	3,133	4,518	4,765	4,952	3,808	3,444	1,261
	Right of Use Assets	-	-	-	-	-	-	10,934
	Construction in progress	14,477	17,237	12,088	15,495	20,484	36,444	34,529
	Accumulated depreciation	-580,732	-592,948	-592,623	-596,983	-601,794	-603,463	-609,037
	Total; Property, plant and equipment	191,069	199,217	196,544	205,490	216,728	229,360	254,219
	Intangible assets							
	Goodwill	4,070	3,879	3,768	3,149	2,542	2,751	2,072
	Other	5,525	5,147	4,747	6,592	8,762	9,453	14,022
	Total; Intangible assets	9,596	9,027	8,516	9,742	11,304	12,204	16,095
	Investments and other assets							
	Investment securities	128,884	132,124	109,028	125,227	132,270	119,188	100,933
	Investments in capital	7,274	6,996	5,155	5,693	6,062	6,199	6,466
	Net defined benefit asset	3,472	4,177	4,660	4,884	5,143	5,633	5,899
	Deferred tax assets	3,529	3,090	6,855	4,013	6,359	13,644	14,726
	Other	12,453	12,817	13,456	14,087	15,777	12,448	11,162
	Allowance for doubtful accounts	-1,445	-2,142	-2,522	-1,410	-1,206	-1,172	-1,065
	Total; Investments and other assets	154,169	157,062	136,633	152,494	164,407	155,942	138,122
	Total assets	714,845	734,125	705,725	750,126	808,632	818,021	794,616

B/S		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Liabilities and Net assets	Current liabilities	293,869	287,149	299,341	293,364	330,335	331,621	319,647
	Notes and accounts payable - trade	104,377	110,404	100,398	108,087	124,387	131,422	111,586
	Short-term debt	119,913	96,749	113,081	90,310	106,279	106,710	110,515
	Bonds payable	100	10,000	10,000	10,000	10,000	0	0
	Income taxes payable	1,653	1,408	4,390	3,287	4,024	3,893	2,785
	Deferred tax liabilities	65	56	53	8	0	0	0
	Provision for product defect compensation	1,099	1,601	3,008	15,971	22,827	28,400	17,711
	Other	66,659	66,929	68,408	65,698	62,815	61,193	77,048
	Non-current liabilities	221,242	232,232	207,796	219,711	206,226	206,488	201,937
	Bonds payable	40,000	30,000	20,000	20,000	20,000	20,000	30,000
	Long-term debt	117,842	137,783	114,764	132,234	122,227	119,298	95,573
	Deferred tax liabilities	1,269	2,423	1,808	6,263	2,327	1,547	391
	Provision for retirement benefits	-	-	-	-	-	-	-
	Net defined benefit liability	42,525	43,486	51,058	45,178	43,174	47,731	53,460
	Provision for environmental measures	11,768	10,495	10,345	10,322	10,470	10,691	10,396
	Asset retirement obligations	566	573	543	502	1,084	1,246	1,304
	Other	7,269	7,470	9,276	5,210	6,943	5,972	10,811
	Total liabilities	515,111	519,382	507,137	513,075	536,561	538,109	521,585
	Capital stock	69,395	69,395	69,395	69,395	69,395	69,395	69,395
	Other capital surplus	21,467	21,467	21,466	21,562	22,271	22,535	22,787
	Retained earnings	79,219	83,265	90,313	103,942	128,130	151,744	165,101
	Treasury shares	-276	-278	-280	-633	-613	-600	-598
	Total shareholders' equity	169,805	173,849	180,894	194,267	219,182	243,074	256,685
	Valuation difference on available-for-sale securities	19,094	21,590	14,070	26,622	30,020	21,788	10,950
	Deferred gains or losses on hedges	-298	516	-1,391	717	-495	124	-1,691
	Remeasurements of foreign subsidiaries' defined benefit plans	-	-	-	-	-	-	-
	Remeasurements of defined benefit plans	-5,555	-9,293	-13,917	-8,138	-6,525	-8,391	-12,810
	Foreign currency translation adjustment	-5,808	4,078	-6,492	-6,756	-5,664	-8,937	-12,853
	Total accumulated other comprehensive income	7,431	16,892	-7,731	12,445	17,335	4,584	-16,405
	Non-controlling interests	22,496	24,001	25,424	30,338	35,552	32,252	32,750
	Total net assets	199,733	214,743	198,587	237,051	272,071	279,911	273,030
	Total liabilities and net assets	714,845	734,125	705,725	750,126	808,632	818,021	794,616

Cash flow	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
I Cash flows from operating activities	18,912	41,489	41,569	40,402	38,429	46,460	41,942
Profit/Loss before income taxes	17,303	16,168	21,380	27,965	40,466	35,757	30,751
Depreciation	28,106	22,508	23,235	23,370	25,106	26,271	29,423
Loss (Profit : -) in equity method affiliates	825	-1,855	5,684	-102	-4,311	-1,685	-2,458
Loss (gain;-) on disposal of non-current assets	580	-643	-18,879	-2,982	-8,394	-1,000	-5,050
Impairment loss	6,805	1,346	995	192	3,122	2,627	623
Loss on valuation of inventories	1,446	867	624	928	1,297	1,366	388
Interest and dividend income	-2,571	-2,270	-2,435	-2,088	-2,564	-3,373	-2,652
Interest expenses	4,551	3,993	3,715	3,484	3,977	4,075	4,326
Foreign exchange losses (gains;-)	-263	-795	168	559	-137	-111	-591
Decrease (increase;-) in notes and accounts receivable - trade	-13,699	20,118	-1,537	-10,935	-26,363	1,196	23,499
Decrease (increase;-) in inventories	-13,100	-3,108	5,572	-7,457	-9,387	-11,479	4,071
Increase (decrease;-) in notes and accounts payable - trade	-2,591	-1,114	-7,660	7,278	17,057	6,009	-17,252
Other	1,871	-11,551	14,993	15,274	6,567	-4,382	-13,805
Subtotal	29,263	43,664	45,855	55,486	46,436	55,271	51,273
Interest and dividend income received	3,384	3,734	3,460	3,346	3,961	4,732	4,682
Interest expenses paid	-4,541	-4,055	-3,763	-3,587	-3,953	-4,152	-4,344
Income taxes (paid;-) refund	-9,193	-1,853	-3,982	-7,719	-8,014	-9,390	-8,952
Other	-	-	-	-7,123	-	-	-717
II Cash flows from investing activities	-40,290	-23,533	1,947	-36,361	-34,319	-31,042	-33,119
Purchase of investment securities	-3,285	-3,162	-2,033	-4,148	-799	-2,924	-1,543
Proceeds from sales of investment securities	7,227	9,611	3,043	2,992	526	9,051	10,916
Purchase of property, plant and equipment	-39,364	-27,676	-25,646	-28,443	-34,349	-43,053	-47,312
Purchase of intangible assets	-964	-737	-824	-2,539	-3,533	-3,997	-6,550
Proceeds from sales of non-current assets	2,374	2,592	22,571	6,031	9,951	5,515	6,789
Decrease (increase;-) in short-term loans receivable	-5,174	-4,610	3,134	-7,984	-5,886	2,182	4,950
Other	-1,104	449	1,702	-2,270	-229	2,184	-369
III Cash flows from financing activities	29,917	-15,537	-20,942	-10,378	-1,943	-19,414	-171
Net increase (decrease;-) in short-term loans payable	4,116	-2,234	-3,510	-3,140	875	4,140	1,735
Proceeds from long-term loans payable	46,475	36,230	14,434	35,822	19,668	26,186	8,935
Repayments of long-term loans payable	-29,235	-44,601	-18,540	-38,297	-17,778	-31,421	-27,390
Proceeds from issuance of bonds	10,070	-	-	10,000	10,000	0	10,000
Redemption of bonds	-2,295	-100	-10,000	-10,000	-10,000	-10,000	0
Cash dividends paid	-2,120	-2,115	-2,112	-2,823	-3,885	-5,647	-5,998
Dividends paid to non-controlling interests	-883	-575	-547	-701	-1,226	-2,291	-1,379
Other	3,789	-2,142	-667	-1,239	403	-381	13,926
Effect of exchange rate change on cash and cash equivalents	591	1,466	-1,422	-314	1,040	853	-928
Net increase in cash and cash equivalents	9,131	3,885	21,151	-6,652	3,206	-3,142	7,722
Cash and cash equivalents at beginning of the year	30,476	25,320	29,488	51,659	46,147	49,758	46,838
Increase in cash and cash equivalents from newly consolidated subsidiary	135	244	1,019	1,529	463	223	494
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from	-14,422	-9	-	-416	-59	-	-
Increase in cash and cash equivalents resulting from merger	-	48	-	27	-	-	-
Cash and cash equivalents at end of the year	25,320	29,488	51,659	46,147	49,758	46,838	55,055

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Profitability	Net sales	931,781	867,817	874,879	843,344	967,333	991,590	914,439
	Operating income	25,456	17,873	27,116	38,623	44,804	40,842	23,565
	Ordinary income	25,532	18,598	18,710	36,024	46,908	39,078	22,771
	Profit/Loss before income taxes	17,303	16,168	21,380	27,965	40,466	35,757	30,751
	Net income attributable to owners of the parent company	5,608	7,355	10,007	17,570	28,547	29,108	17,639
	Total assets	714,845	734,125	705,725	750,126	808,632	818,021	794,616
	Net assets	199,733	214,743	198,587	237,051	272,071	279,911	273,030
	Equity Capital	177,237	190,741	173,163	206,712	236,518	247,659	240,280
	ROE	3.3%	4.0%	5.5%	9.3%	12.9%	12.0%	7.2%
	ROA	3.3%	2.6%	2.6%	4.9%	6.0%	4.8%	2.8%
	Operating assets	294,333	307,688	298,228	319,588	341,825	364,456	386,176
	Return on operating assets	8.6%	5.8%	9.1%	12.1%	13.1%	11.2%	6.1%
	Operating income margin on sales	2.7%	2.1%	3.1%	4.6%	4.6%	4.1%	2.6%
	Ordinary income margin on sales	2.7%	2.1%	2.1%	4.3%	4.8%	3.9%	2.5%
	Net profit margin on sales	0.6%	0.8%	1.1%	2.1%	3.0%	2.9%	1.9%
	Safety	Equity capital ratio	24.8%	26.0%	24.5%	27.6%	29.2%	30.3%
Interest-bearing debt balance		277,855	274,532	257,845	252,544	258,506	246,009	251,089
D/E ratio		1.6	1.4	1.5	1.2	1.1	1.0	1.0
Net Interest bearing debt balance		251,136	244,521	205,341	205,378	207,870	201,380	196,732
NET D/E ratio		1.4	1.3	1.2	1.0	0.9	0.8	0.8
Current assets		360,009	368,818	364,030	382,398	416,191	420,513	386,179
Current liabilities		293,869	287,149	299,341	293,364	330,335	331,621	319,647
Current ratio		122.5%	128.4%	121.6%	130.3%	126.0%	126.8%	120.8%
Efficiency	Total asset turnover ratio	1.21	1.20	1.22	1.16	1.24	1.21	1.13
	Balance of inventory assets	93,668	99,443	93,167	104,355	113,792	122,890	115,862
	Inventory turnover ratio	9.42	8.99	9.08	8.54	8.87	8.38	7.66
	Balance of account receivable	199,286	190,431	187,028	198,864	224,335	219,347	192,513
	Receivables turnover ratio	4.42	4.45	4.64	4.37	4.57	4.47	4.44
	Net income per share (Yen) ※	7.94	10.42	14.17	249.17	405.05	412.98	250.25
Index per share	Net assets per share (Yen) ※	251.02	270.15	245.26	2,933.21	3,355.77	3,513.58	3,408.86

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