

FY2021 Q3 Financial Results

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Furukawa Electric Co., Ltd.

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FURUKAWA ELECTRIC CO., LTD.

- **Through the nine months of FY2021, recorded higher profit on increased revenue compared to the same term of last year**
- **On a quarterly basis, a loss was recorded in each profit level of the settlement in Q3 due to the occurrence of one-time expenses (including approx. JPY 5.0 billion in emergency transportation expenses incurred from the late November due primarily to the impact of COVID-19) in the Automotive Products business**
- **Based on the actual results and future outlook, the full-year forecast has been revised downward**

FY2021 Q3 Results Highlights

■ Net sales and operating income

Despite the impact of lower customer production volumes and COVID-19 primarily in the Automotive Products business (including approx. JPY 5.0 billion incurred as emergency transportation expenses from the end of November) and higher transportation and raw material expenses groupwide, steady progress was made in capturing opportunities as demand recovered from the impact of COVID-19 last year, and profit increased on higher revenue*1 in the Infrastructure and Functional Products segments.

■ Ordinary income

Increased following the higher operating income and improved profit / loss in equity method affiliates

■ Net income attributable to owners of the parent company

Net income attributable to owners of the parent company was JPY 3.3 billion following lower extraordinary loss / profit (JPY 10.4 billion → JPY 0.4 billion)*2

(JPY billion)

	FY19_Q3 Results	FY20_Q3 Results	FY21_Q3 Results	YoY change
	a	b	c	c-b
Net Sales	676.2	563.0	670.9	+107.9
Operating income	15.3	▲ 0.7	5.1	+5.8
Ordinary income	13.9	▲ 3.8	10.3	+14.0
Net income attributable to owners of the parent company	7.4	0.5	3.3	+2.9
Average copper price	689	714	1,111	
Average exchange rate	109	106	111	

*1 Impact of higher copper prices: JPY +37.5 billion (JPY 714/kg→ JPY 1,111/kg)

Impact of the adoption of the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29): JPY ▲ 36.3 billion

*2 FY20_Q3 (cumulative) extraordinary income: JPY 22.1 billion gain on disposal of non-current assets

FY2021 Q3 Results – P/L Summary

(JPY billion, JPY/kg, JPY/USD)

	FY19Q3		FY20Q3		FY21Q3		YoY change		Breakdown of change (Q3)
		10-12		10-12		10-12		10-12	
	a	a'	b	b'	c	c'	c-b	c'-b'	
Net sales	676.2	221.0	563.0	208.6	670.9	223.7	+107.9	+15.1	+107.9 (+19%) See page 6
Operating income	15.3	4.5	▲ 0.7	2.6	5.1	▲ 2.2	+5.8	▲ 4.8	+5.8
(Margin)	2.3%	2.0%	▲ 0.1%	1.3%	0.8%	▲ 1.0%	+0.9	▲ 2.2	See page 7
Profit/loss in equity method affiliates	1.3	1.5	▲ 0.5	0.6	6.1	1.7	+6.5	+1.1	
Foreign exchange gain/loss	▲ 0.4	0.4	▲ 0.9	▲ 0.5	0.8	0.4	+1.6	+0.9	
Ordinary income	13.9	5.5	▲ 3.8	2.2	10.3	▲ 0.5	+14.0	▲ 2.7	+14.0
(Margin)	2.1%	2.5%	▲ 0.7%	1.0%	1.5%	▲ 0.2%	+2.2	▲ 1.3	
Extraordinary income/loss	1.1	▲ 1.0	10.4	▲ 1.1	0.4	▲ 1.9	▲ 10.0	▲ 0.8	•Extraordinary income:▲17.7 (23.1 → 5.4)
Income taxes	6.7	2.5	4.6	1.3	5.4	0.6	+0.8	▲ 0.6	
Net income attributable to non-controlling interests	0.9	0.7	1.6	1.0	2.0	0.9	+0.4	▲ 0.1	•Extraordinary loss:+7.7 (▲12.7 → ▲5.0)
Net income attributable to owners of parent company	7.4	1.4	0.5	▲ 1.1	3.3	▲ 3.9	+2.9	▲ 2.7	+2.9(+622%)
(Margin)	1.1%	0.6%	0.1%	▲ 0.5%	0.5%	▲ 1.7%	+0.4	▲ 1.2	
Average copper price	689	683	714	792	1,111	1,149			
Average exchange rate	109	109	106	104	111	114			

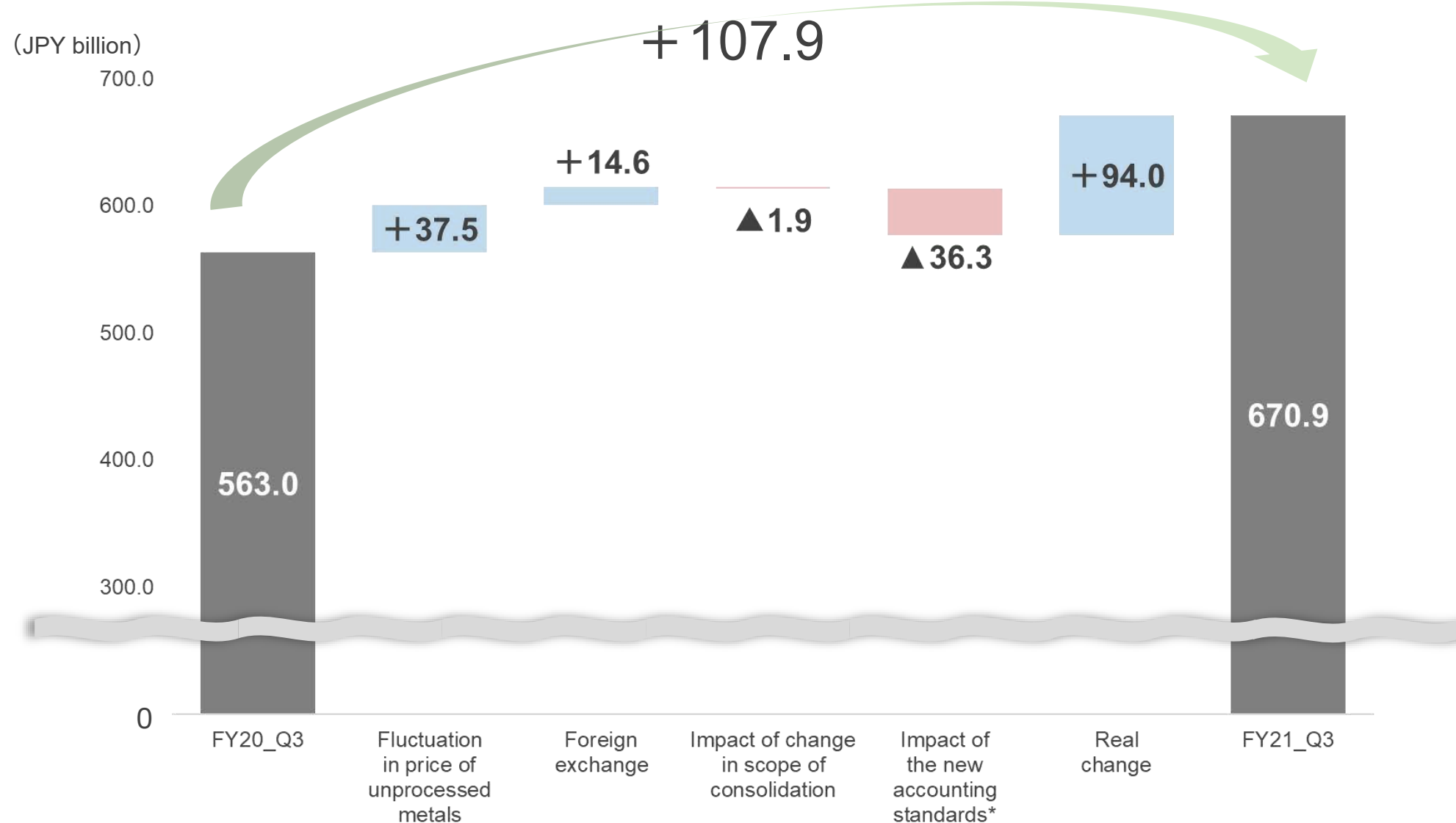
Extraordinary income :

- Social contribution refund for prior periods (1.7 : Q1)
- Gain on the disposal of non-current assets (0.6 : Q1)
- Gain on sales of investment securities (0.6 : Q3)

Extraordinary loss :

- Business restructuring expenses (2.1 : Q3)
- Losses caused by COVID-19 (0.8 : Q3)

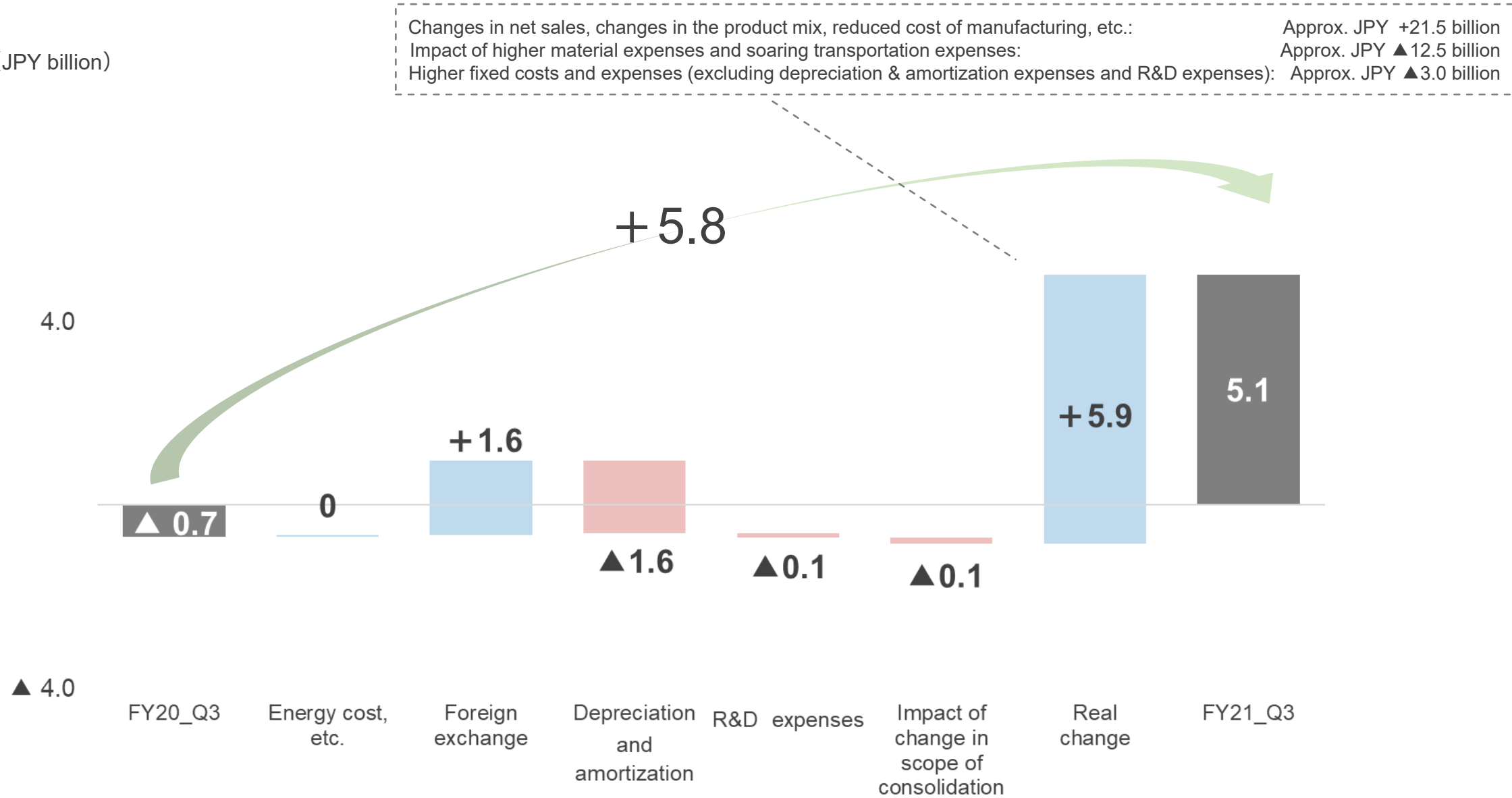
Analysis of Change in Net Sales (YoY)



*The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) has been adopted from the fiscal year ending March 31, 2022.

Analysis of Changes in Operating Income (YoY)

(JPY billion)



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■ Revised FY2021 full-year forecasts

- Operating income has been revised down mainly due to higher transportation and raw material expenses and lower customer production volumes caused by a shortage of semiconductors and resin mainly in the Automotive Products business. (Refer to Page 11 for a breakdown by segment)
- Ordinary income and net income attributable to owners of the parent company have been revised following the downward revision to operating income.
- No change to FY2021 dividend forecast by maintaining a stable dividend policy while keeping a good balance between investment in future growth and financial health.
(Annual dividend per share (forecast) : JPY 60)

(JPY billion)

	FY19	FY20	*FY21 Previous forecasts	FY21 Forecasts	YoY change	Change from previous forecasts
	a	b	c	d	d-b	d-c
Net Sales	914.4	811.6	880.0	900.0	+88.4	+20.0
Operating income	23.6	8.4	20.0	13.0	+4.6	▲ 7.0
Ordinary income	22.8	5.2	22.0	17.5	+12.3	▲ 4.5
Net income attributable to owners of the parent company	17.6	10.0	10.0	7.0	▲ 3.0	▲ 3.0
Average copper price	682	770	1,046	1,105	(Q4 assumption : 1,085)	
Average exchange rate	109	106	107	111	(Q4 assumption : 110)	

*Announced on November 4, 2021

FY2021 Full-year forecasts – P/L Summary

(JPY billion, JPY/kg, JPY/USD)

	FY19	FY20	* FY21 Previous forecasts	FY21 Forecasts	YoY change	Change from Previous forecasts
	a	b	c	d	d-b	d-c
Net sales	914.4	811.6	880.0	900.0	+88.4	+20.0
Operating income	23.6	8.4	20.0	13.0	+4.6	▲ 7.0
(Margin)	2.6%	1.0%	2.3%	1.4%	+0.4	▲ 0.8
Profit/loss in equity method affiliates	2.5	▲ 0.9	-	-	-	-
Foreign exchange gain/loss	▲ 1.0	0.5	-	-	-	-
Ordinary income	22.8	5.2	22.0	17.5	+12.3	▲ 4.5
(Margin)	2.5%	0.6%	2.5%	1.9%	+1.3	▲ 0.6
Extraordinary income/loss	8.0	16.1	▲ 1.5	0.2	▲ 15.9*	+1.7
Income taxes	11.8	9.2	-	-	-	-
Net income attributable to non-controlling interests	1.4	2.1	-	-	-	-
Net income attributable to owners of parent company	17.6	10.0	10.0	7.0	▲ 3.0	▲ 3.0
(Margin)	1.9%	1.2%	1.1%	0.8%	▲ 0.5	▲ 0.4
Average copper price	682	770	1,046	1,105	(Q4 assumption : 1,085)	
Average exchange rate	109	106	107	111	(Q4 assumption : 110)	

*Announced on November 4, 2021

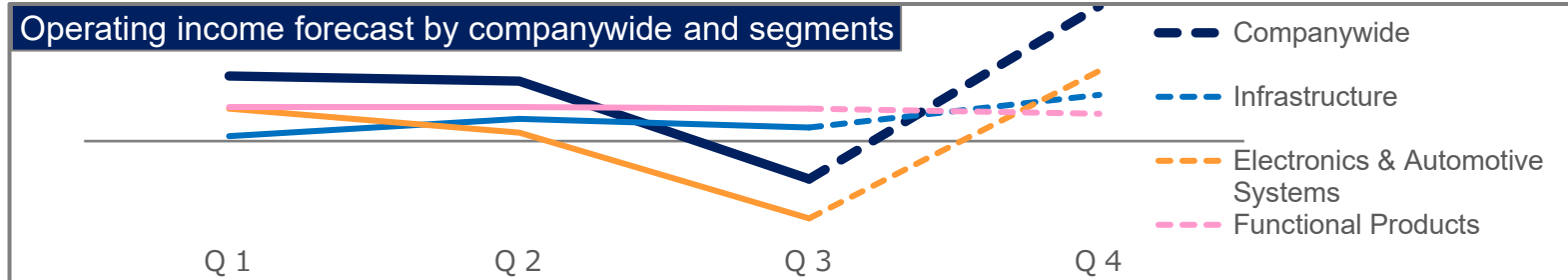
* FY20 extraordinary income:
JPY 22.1 billion gain on disposal of non-current assets

FY2021 Full-year forecasts – Operating Income

- Operating income forecast has been revised down for the Automotive Products & Batteries business (Electronics & Automotive Systems segment), Functional Products business and Communications Solutions business (Infrastructure segment). Electronics Component Materials business (Electronics & Automotive Systems segment) has been revised upward.
- The Automotive Products & Batteries business (Electronics & Automotive Systems segment) is expected to recover in Q4.

(JPY billion)

Segment	Sub-segment	Previous	Current	Difference	Main factors behind the revision (business / product) Red: negative factors Blue: positive factors
Infrastructure	Communications Solutions	4.5	3.5	▲1.0	·Optical Fiber and Cable Products (JAPAN, North America) ※See Page13~
	Energy Infrastructure	1.5	1.5	-	-
Electronics & Automotive Systems	Automotive Products & Batteries	4.0	▲2.0	▲6.0	·Wire harness (Southeast Asia) ※See Page17~
	Electronics Component Materials	3.0	4.0	+1.0	·Copper & High Performance Material Products
Functional Products		9.0	7.5	▲1.5	·Functional Plastics ※See Page20



Net Sales and Operating Income by Segment

Revised full-year forecasts

(JPY billion)

【Reference】

Net sales based on the old accounting standards

	Q3 (First 9Months)				Full year					
	FY19	FY20	FY21	YoY Change	FY19	FY20	*FY21 Previous Forecasts	FY21 Forecasts	YoY Change	Change from previous forecasts
	a	b	c	c-b	d	e	f	g	g-e	g-f
Net sales										
Infrastructure	204.1	185.3	217.3	+32.0	280.9	259.2	290.0	290.0	+30.8	0.0
Communications Solutions	121.7	113.4	139.8	+26.4	166.4	158.3	185.0	185.0	+26.7	0.0
Energy infrastructure	82.3	71.9	77.5	+5.6	114.5	100.9	105.0	105.0	+4.1	0.0
Electronics & Automotive Systems	378.8	290.1	353.7	+63.6	509.3	433.0	470.0	480.0	+47.0	+10.0
Automotive Products & Batteries	185.4	156.2	172.4	+16.2	257.6	235.1	245.0	240.0	+4.9	▲ 5.0
Electronics Component Materials	193.4	133.8	181.2	+47.4	251.7	198.0	225.0	240.0	+42.0	+15.0
Functional Products	87.9	83.8	98.0	+14.2	115.9	114.7	130.0	130.0	+15.3	0.0
Service and Developments, etc.	38.8	29.3	26.9	▲ 2.4	50.3	38.7	35.0	35.0	▲ 3.7	0.0
Elimination of intra-company transactions	▲ 33.3	▲ 25.4	▲ 24.9	+0.5	▲ 42.0	▲ 34.0	▲ 45.0	▲ 35.0	▲ 1.0	+10.0
Total	676.2	563.0	670.9	+107.9	914.4	811.6	880.0	900.0	+88.4	+20.0
Operating income										
Infrastructure	0.3	▲ 3.7	2.3	+6.0	1.7	▲ 2.1	6.0	5.0	+7.1	▲ 1.0
Communications Solutions	0.2	▲ 1.6	1.5	+3.1	1.6	▲ 0.2	4.5	3.5	+3.7	▲ 1.0
Energy infrastructure	0.1	▲ 2.1	0.8	+2.9	0.1	▲ 1.9	1.5	1.5	+3.4	0.0
Electronics & Automotive Systems	10.0	0.6	▲ 2.1	▲ 2.7	14.8	5.9	7.0	2.0	▲ 3.9	▲ 5.0
Automotive Products & Batteries	7.4	0.4	▲ 5.7	▲ 6.1	10.9	5.0	4.0	▲ 2.0	▲ 7.0	▲ 6.0
Electronics Component Materials	2.6	0.2	3.6	+3.4	3.9	0.9	3.0	4.0	+3.1	+1.0
Functional Products	5.4	3.7	5.9	+2.2	7.5	6.3	9.0	7.5	+1.2	▲ 1.5
Service and Developments, etc.	▲ 0.3	▲ 1.4	▲ 1.0	+0.5	▲ 0.3	▲ 1.7	▲ 2.0	▲ 1.5	+0.2	+0.5
Elimination of intra-company transactions	▲ 0.1	0.1	▲ 0.1	▲ 0.2	▲ 0.1	0.1	0.0	0.0	▲ 0.1	0.0
Total	15.3	▲ 0.7	5.1	+5.8	23.6	8.4	20.0	13.0	+4.6	▲ 7.0

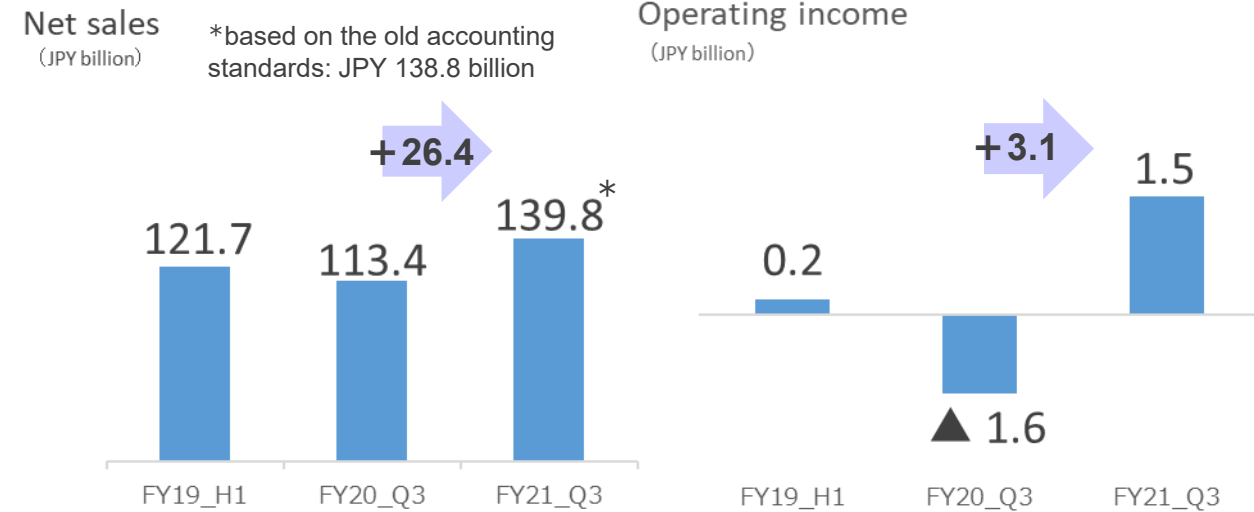
Q3 (First 9Months)		Full year	
FY21	YoY Change	FY21 Forecasts	YoY Change
c'	c'-b	g'	g'-e
220.7	+35.4	296.1	+36.9
138.8	+25.4	185.2	+26.9
81.9	+10.0	110.9	+10.0
381.9	+91.8	517.6	+84.6
178.4	+22.2	248.0	+12.9
203.4	+69.6	269.6	+71.6
102.6	+18.8	136.2	+21.5
27.0	▲ 2.3	35.1	▲ 3.6
▲ 24.9	+0.5	▲ 35.0	▲ 1.0
707.2	+144.2	950.0	+138.4

*Announced on November 4, 2021

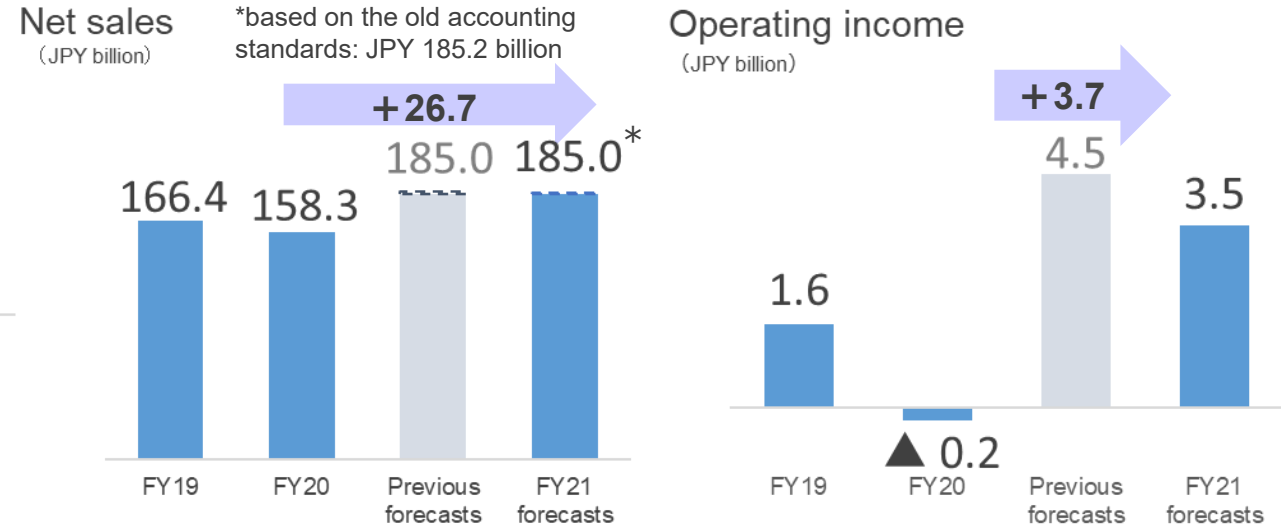
1-(1) Infrastructure (Communications Solutions)

YoY

FY21_Q3 Results



FY21_Forecasts



【 Q3 results: Operating income compared to last year 】

- (+) Increased revenue of optical cables in North America, FTTH and LAN solutions businesses in South America
- (+) Improved productivity in the North America optical cable business
- (+) Strong performance on the specialty fiber business
- (+) Digital coherent product demand and production both recovered from Q3
- (+) Network products in Japan were solid
- (-) Lower sales of optical fiber strands to customers in North America
- (-) Shortage of raw materials, higher raw material prices and soaring transportation expenses
- (-) Increased depreciation expenses

【 Full year forecasts 】

- Businesses in North America (rollable ribbon cable, connectivity, etc.) and South America (solutions business) will continue to be strong. Specialty fiber will also continue to be strong
- Recovery in the sales of optical fiber strands to North America customers will be slower than initially expected
- Expected to delay the effect of measures to reduce the cost of optical fiber
- Currently responding to soaring transportation expenses and raw material prices by changing suppliers, increasing sales, improving the product mix, lowering the cost of manufacturing, limiting business expenses and adjusting sales prices to appropriate levels

1-(1) Infrastructure (Communications Solutions)

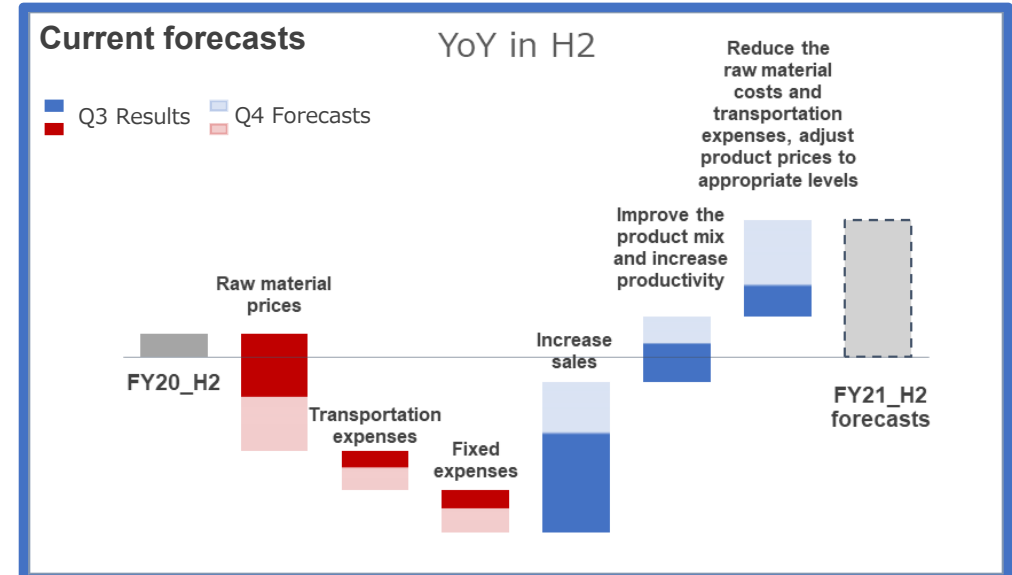
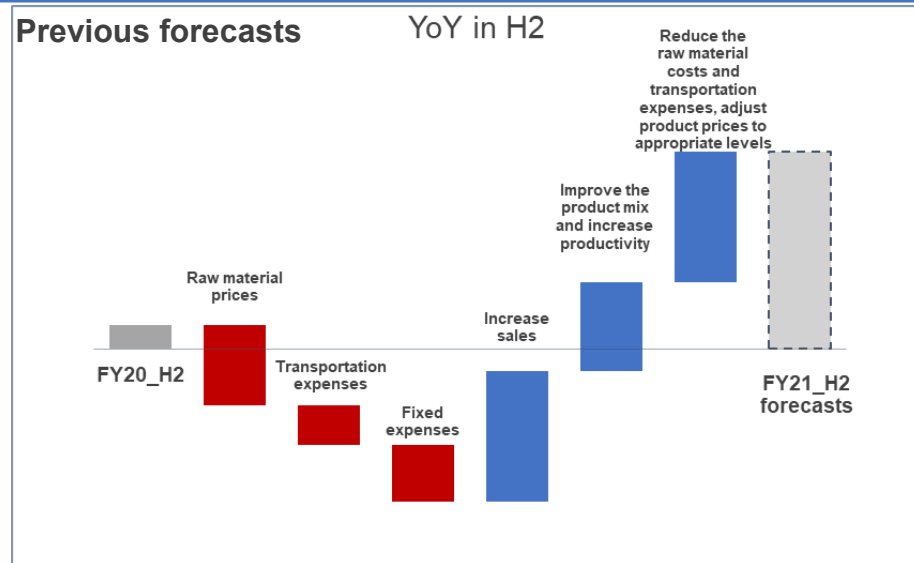
Operating income of optical fiber and cable (H2 forecast)

Compared to the previous forecast, sales are expected to increase, but operating income is expected to be lower.

■ Comparison of previous forecasts and current forecasts

- (+) • Increased net sales
(Optical cable : Increased ; Optical fiber : Decreased)
- Reduced fixed costs
- Improved the product mix
- (-) • Raw material prices have soared higher
- Delayed increases to productivity
(North America: Temporarily lower work attendance rates due to COVID-19)
(Japan: Delayed realization of the cost reduction benefits from the investments in rationalization)
- Failed to achieve the cost reduction targets for raw material and transportation expenses and the targets for adjusting prices to appropriate levels

Operating income of optical fiber and cable (H2 forecast)



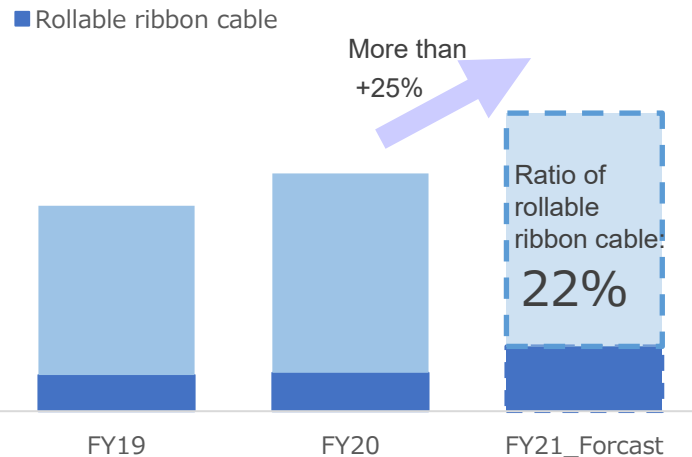
1-(1) Infrastructure (Communications Solutions)

North America optical cable: Status of production and shipments

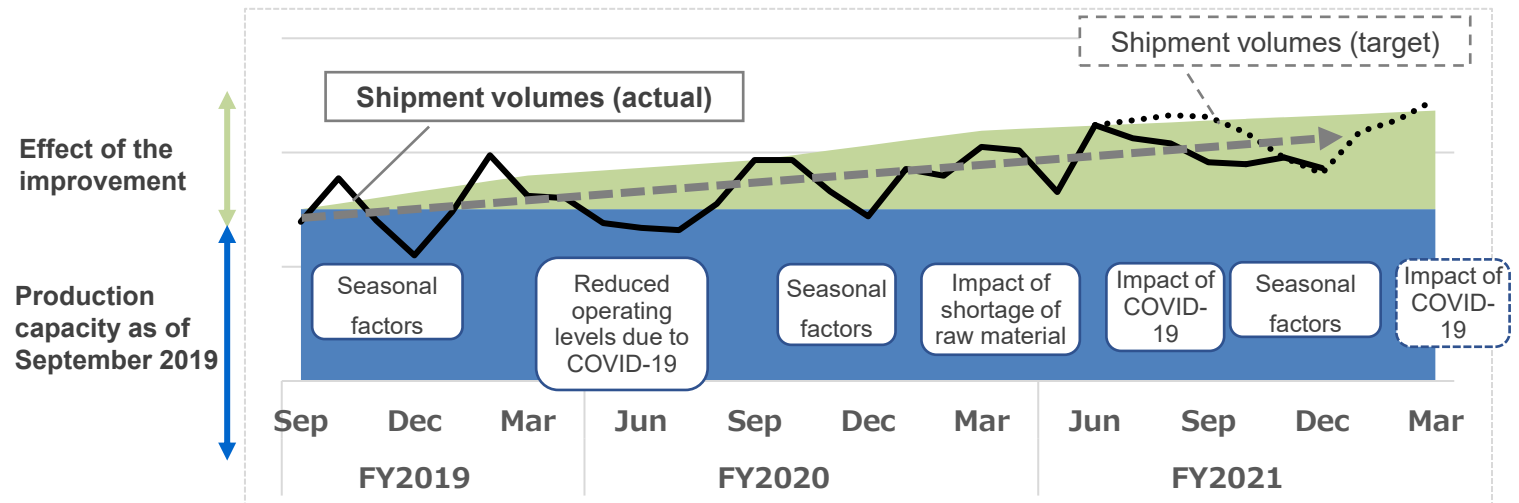
- Overall sales volumes increased more than expected, resulting in significant growth compared to last year. Sales of rollable ribbon cable increased 1.7 times compared to last year.
- Employee turnover stabilized at low levels from September, and the benefits from initiatives including the program for converting temporary workers to full-time employees, changing temporary staffing agencies, enhancing employee training and manager hiring are being realized. As a result, successfully secured the forecast shipment volumes in November and December.
- From January, although the turnover rate has been stable, operating levels dropped to about 70% at one point due to lower work attendance rates caused by increased COVID-19 infections in the city, resulting in lower shipment volumes. Infections are peaking, and shipments are expected to be as planned heading into March.

North America optical cable sales volume* forecast

* including exports from bases in Europe and Japan

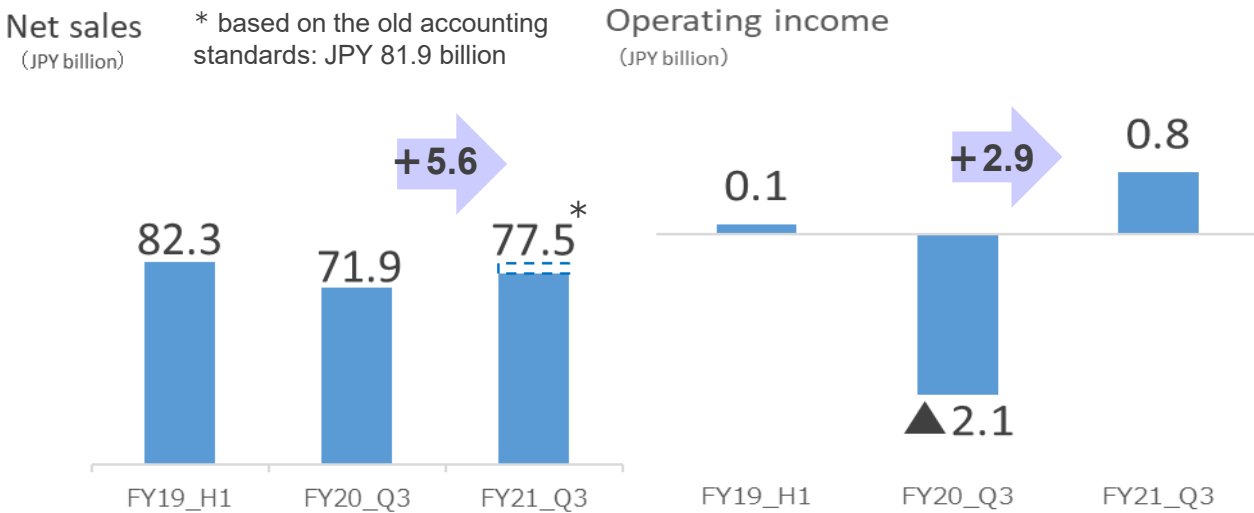


Changes in North America optical cable capacity and shipment volumes

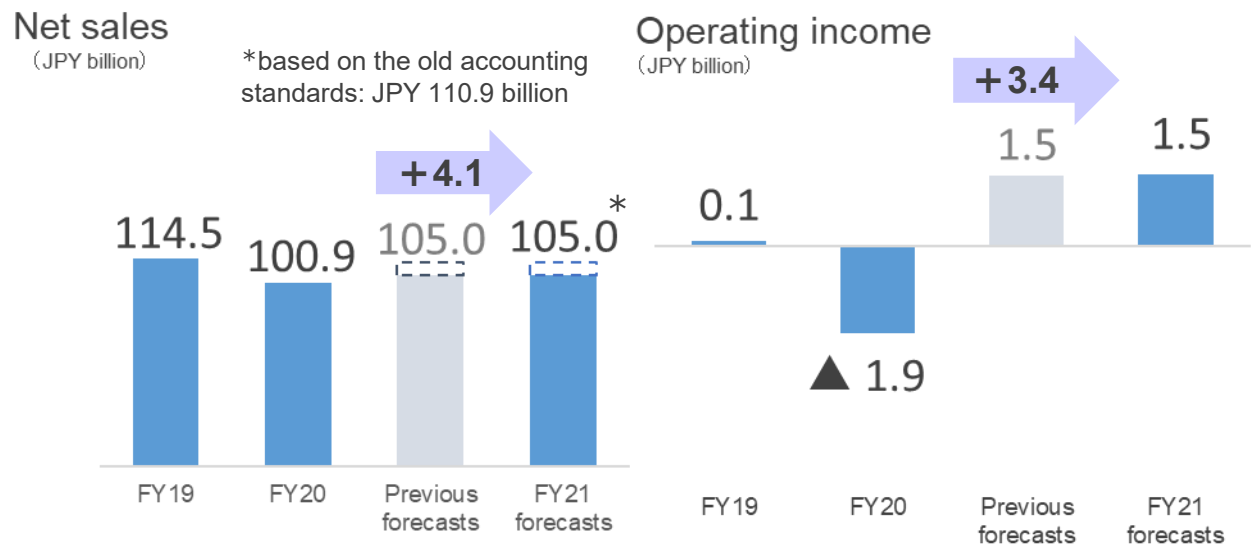


1-(2) Infrastructure (Energy Infrastructure)

FY21_Q3 Results



FY21_Forecasts



【 Q3 results: Operating income compared to last year 】

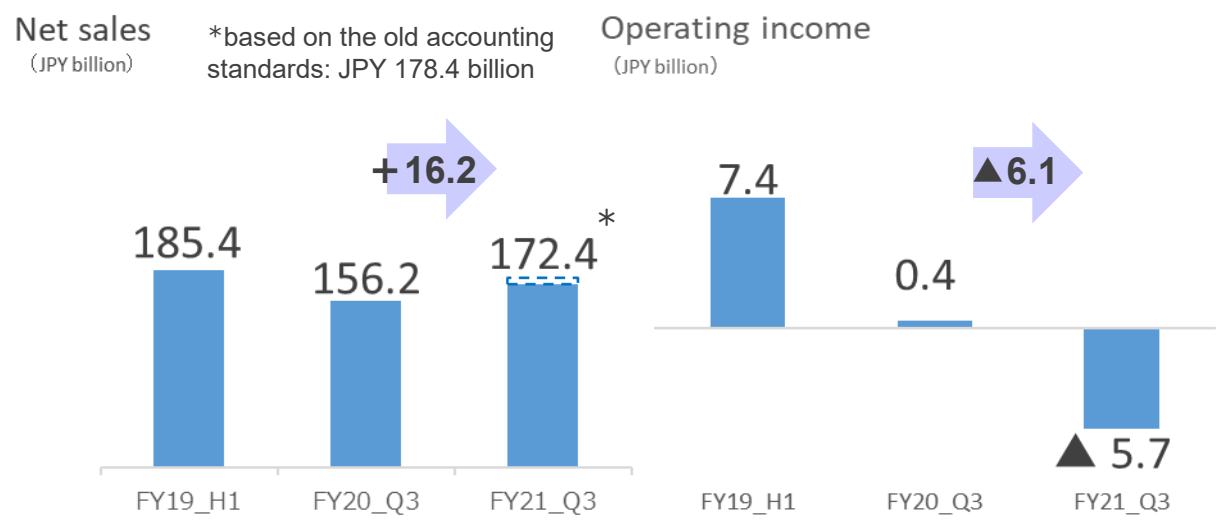
- (+) Overseas submarine, Japan underground power cable projects and the subsidiary in China progressed as planned
- (+) Increased productivity and realized the benefits of focusing on acquiring profitable projects
- (+) One-time evaluation expenses following the adoption of new materials ended in FY2020

【 Full year forecasts 】

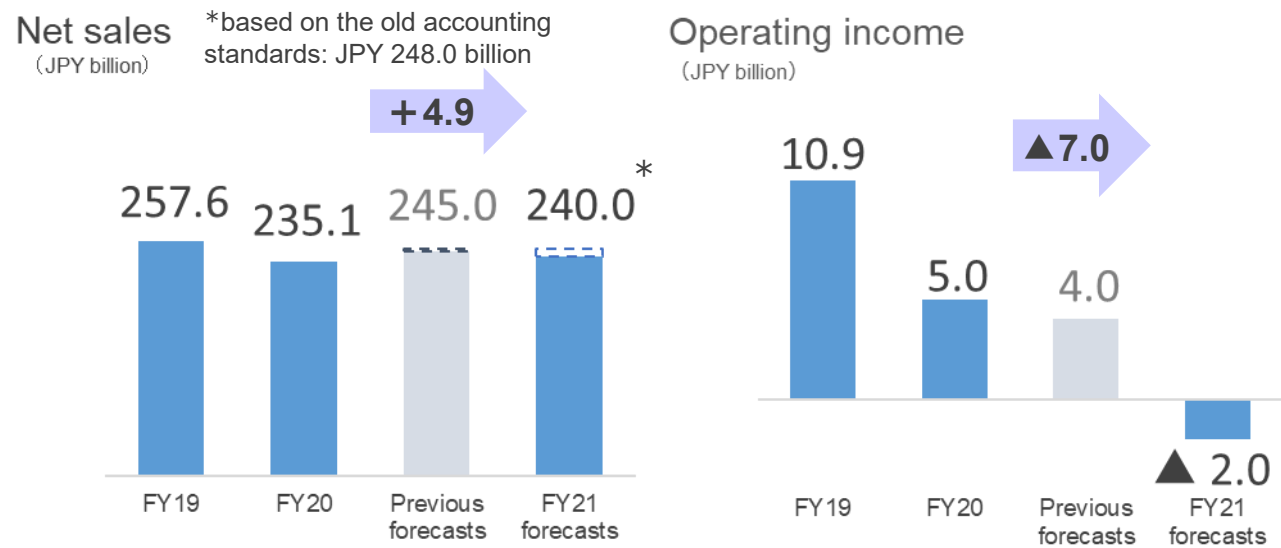
- Overseas submarine, Japan underground power cable projects and the subsidiary in China are expected to continue progressing as planned
- Industrial Cable & Power Cable Accessories business will achieve profitability by expanding sales of functional cable and components and further reducing the cost of manufacturing

2-(1) Electronics & Automotive Systems (Automotive Products & Batteries)

FY21_Q3 Results



FY21_Forecasts



【 Q3 results: Operating income compared to last year 】

- (+) Increased revenue following the recovery in the automotive market and launch of new vehicle models
- (-) In addition to the COVID-19 lockdowns at some of the company's locations in Southeast Asia, work attendance rates declined from late November due to increased COVID-19 infections in several regions
- (-) Increase in BCM operation expenses, emergency transportation expenses, etc. corresponding to the above (approx. JPY ▲5.0 billion)
- (-) Soaring transportation expenses and raw material prices, and logistical disruptions
- (-) Impact of lower customer production volumes due to a shortage of semiconductor and resin
- (-) Increased depreciation expenses

【 Full year forecasts 】

- Lower operating levels in Southeast Asia caused by COVID-19 will gradually return to normal from late in December
- Lower customer production volumes caused by the shortages of semiconductors and resin will continue to impact the business
- Promote passing on the costs of soaring transportation expenses and raw material prices to sales prices and recovering the emergency transportation expenses through negotiations with customers
- Improve productivity and reduce fixed expenses

2-(1) Electronics & Automotive Systems (Automotive Products & Batteries)

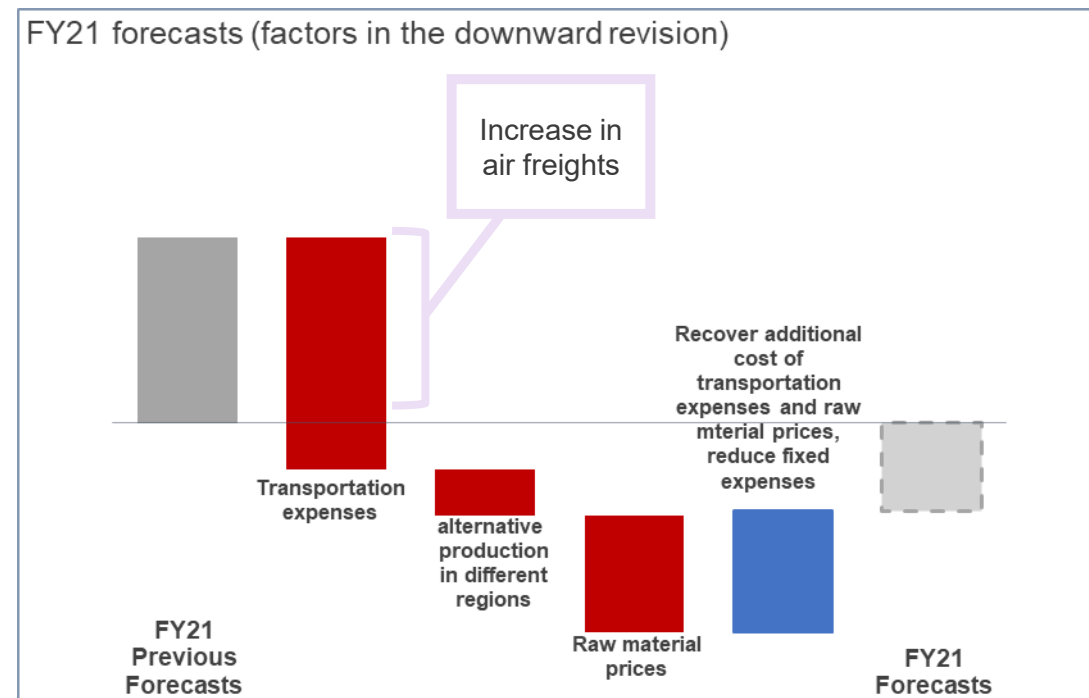
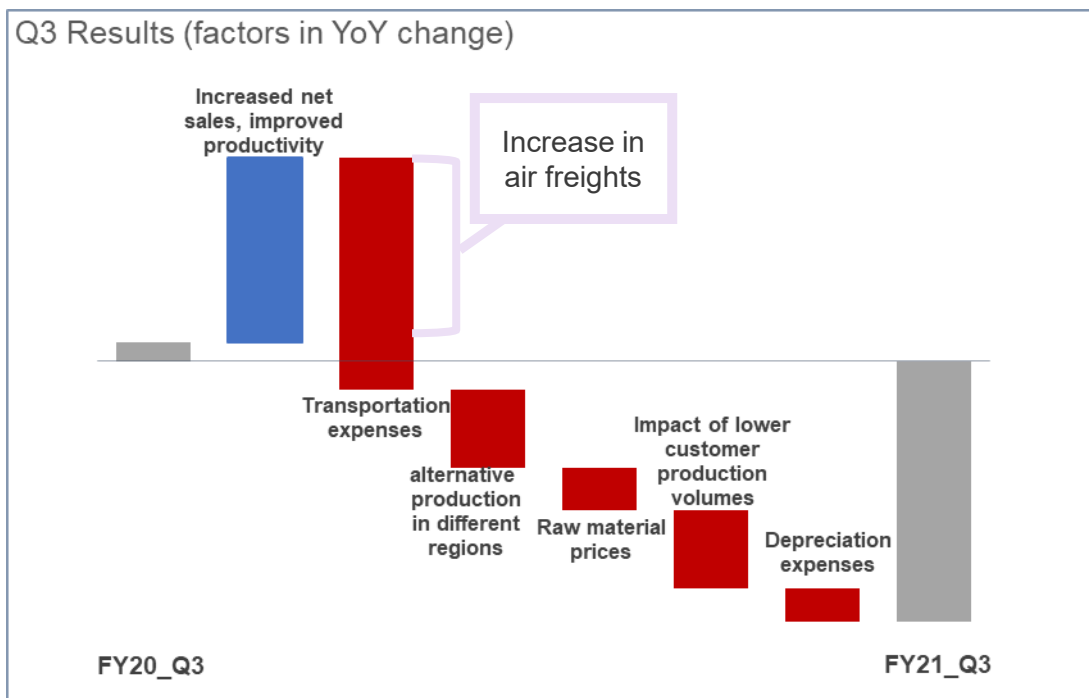
Automotive Products & Batteries: Operating income

- Lower work attendance rates due to increased COVID-19 infections in some areas of Southeast Asia

(work attendance rates has declined from late November, and dropped less than 60% at one point)

⇒ Transportation expenses increased following the increased use of air freight and logistics disruptions in Japan

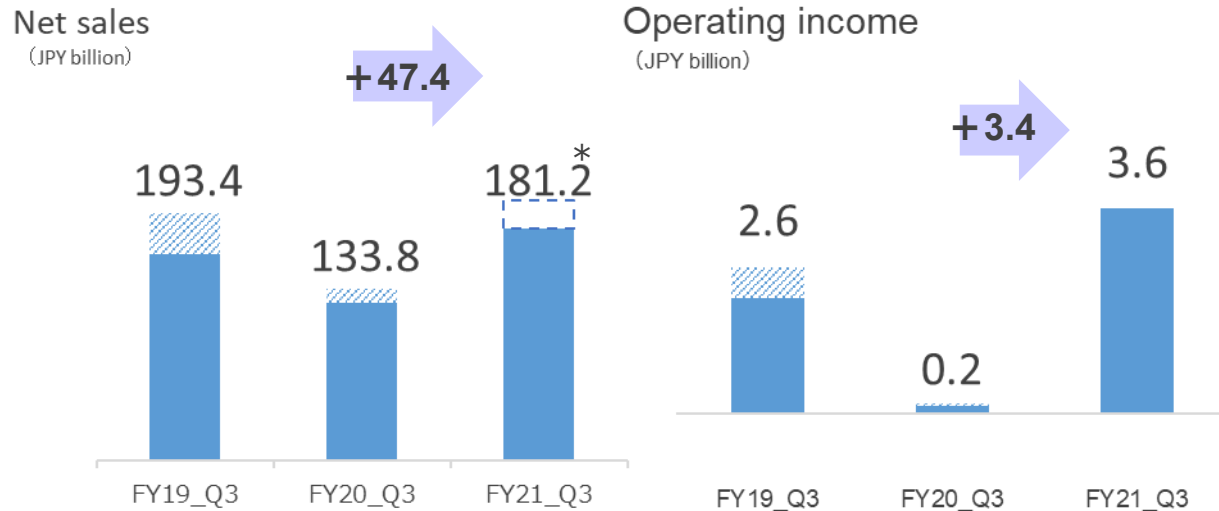
- Worked with government agencies to ensure a safe, secure working environment for employees
⇒ Work attendance rates gradually returned to normal from late December and reached 95% at the end of January
- Successively switching back from air freight to ocean cargo
Logistics disruptions in Japan have currently almost completely ended
⇒ Expect the situation to return to normal from FY2022



2-(2) Electronics & Automotive Systems (Electronics Component Materials)

FY21_Q3 Results

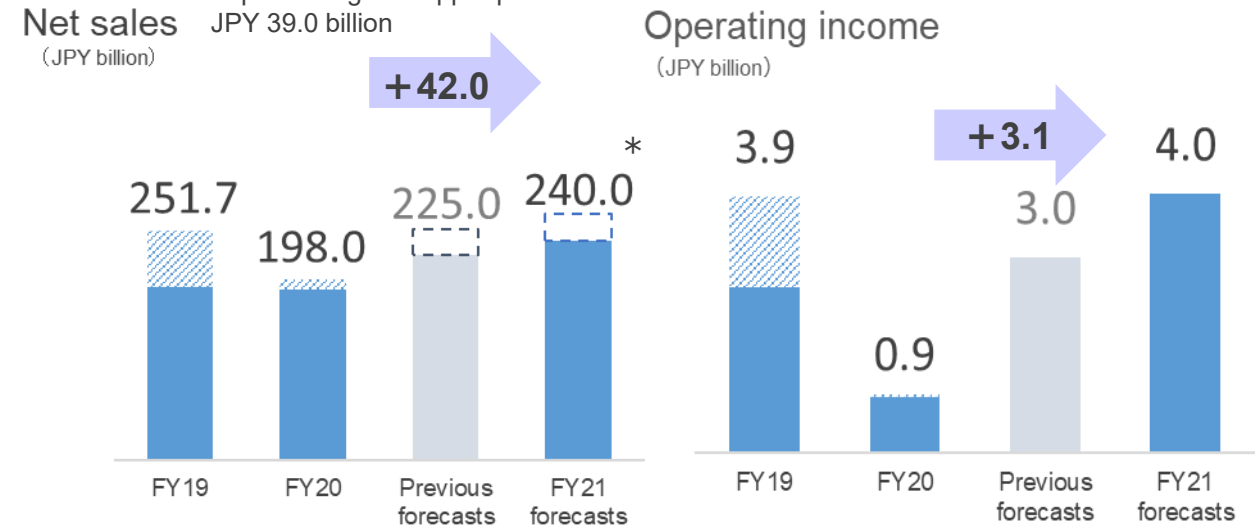
*based on the old accounting standards: JPY 203.4 billion
Impact of higher copper prices : JPY 31.0 billion



FY21_Forecasts

Includes the copper tube business through March 2020 and the heavy magnet wire business through September 2020

*based on the old accounting standards: JPY 269.6 billion
Impact of higher copper prices : JPY 39.0 billion



【 Q3 results: Operating income compared to last year 】

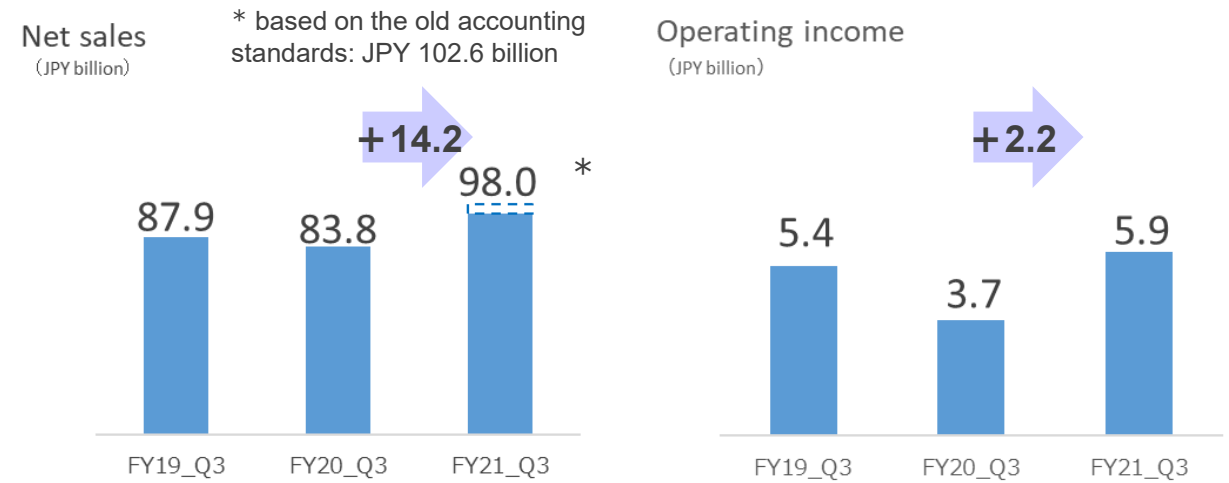
- (+) Steadily captured the recovering demand mainly for in-vehicle and electronics products
- (+) Improvement to the product mix through expanded sales of strategic products and increased productivity

【 Full year forecasts 】

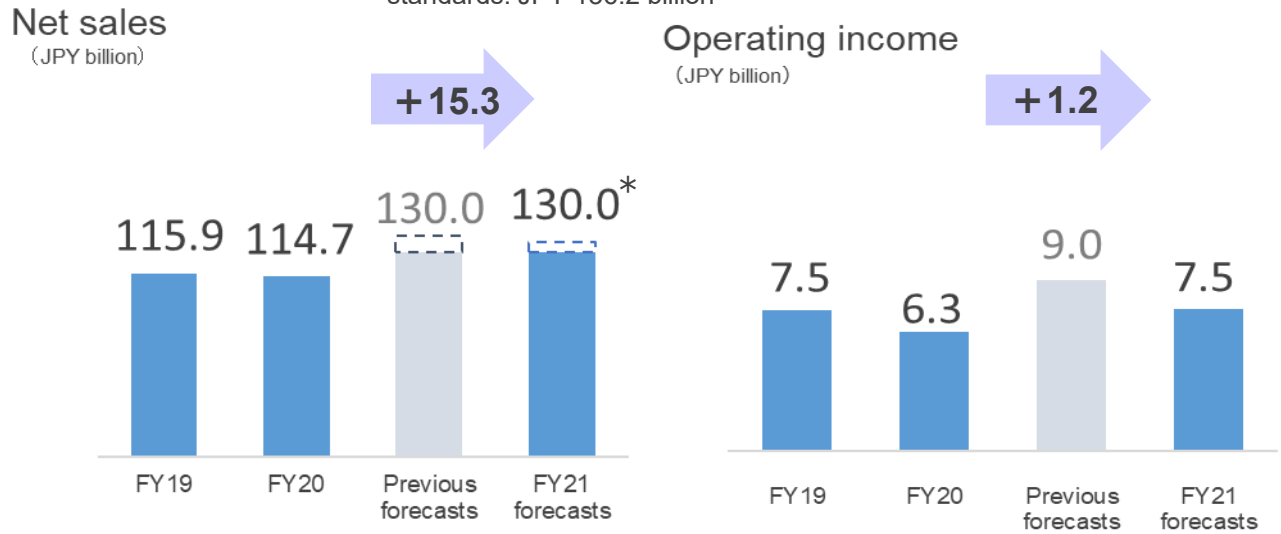
- Demand for in-vehicle and electronics products is generally strong. While steadily capturing the demand, further improve the product mix by expanding sales of strategic products
- Continue to focus on inventory adjustments within the supply chain in consideration of market fluctuation risk due to a shortage of semiconductor

3 Functional Products

FY21_Q3 Results



FY21_Forecasts



- 【 Q3 results: Operating income compared to last year 】
- (+) In the copper foil business, increased orders for copper foil for printed wiring boards following the restoration of production at the Taiwan plant after the fire, and recovering demand for copper foil for batteries
 - (+) Captured the demand mainly in relation to the booming semiconductor and data center
 - (+) Started full-scale operations at the new heat dissipation / cooling products manufacturing location in the Philippines
 - (-) Impact of soaring transportation expenses and higher raw material prices
 - (-) Temporarily weaker demand for 5G and data center related products due to the impact of the semiconductor and raw material shortages

- 【 Full year forecasts 】
- Impact of soaring transportation expenses and raw material prices will exceed initial forecasts. Minimize the impact by definitely capturing demand in the key markets, expanding sales, adjusting prices to appropriate levels and limiting fixed costs
 - Demand in the 5G and data center related markets will weaken temporarily from Q3 due to the impact of the semiconductor and raw material shortages
 - Delayed launch of new products for construction and wholesalers market in Japan due to the impact of COVID-19

FY2021 Q3 Results – B/S Summary

	(JPY billion)		
	End of FY20_Q4	End of FY21_Q3	Change
	a	b	b-a
Current assets	429.8	467.9	+38.1
Cash and bank deposits	84.4	64.4	▲ 20.0
Notes and accounts receivable trade	191.9	209.6	+17.7
Inventories	120.8	155.2	+34.3
Non-current assets	402.2	416.0	+13.7
Tangible fixed assets	246.7	251.7	+5.0
Intangible fixed assets	20.3	19.7	▲ 0.6
Investments and other assets	135.2	144.6	+9.3
Total Assets	832.0	883.9	+51.9
Current liabilities	315.2	348.5	+33.3
Non-current liabilities	225.2	239.8	+14.6
Total Liabilities	540.4	588.3	+47.9
Shareholders' equity	260.4	259.2	▲ 1.2
Accumulated other comprehensive income	▲ 0.5	2.9	+3.4
Net income attributable to non-controlling interests	31.7	33.5	+1.7
Total Net assets	291.6	295.6	+4.0
Total Liabilities and Net assets	832.0	883.9	+51.9
Interest-bearing liabilities	290.6	325.8	+35.2
Capital ratio	31.2%	29.7%	▲ 1.5
NET D/E ratio	0.8	1.0	+0.2

Notes, accounts receivable-trade and contract assets

Increased by JPY 17.7 billion

Increase in sales, Impact of foreign exchange, Impact of higher copper prices

Inventories

Increased by JPY 34.3 billion

Secure inventory needed to ensure continuous supply despite the logistics disruptions and temporary increase due to the impact of COVID-19 in the Automotive Products business
Construction and other projects that are expected to be recorded as net sales in the future
Impact of foreign exchange, copper prices and new consolidation : JPY +8.6 billion

Tangible / intangible non-current assets

Increased by JPY 4.4 billion

Impact of CAPEX and depreciation : JPY ▲0.9 billion
Impact of foreign exchange and new consolidation : JPY+5.5 billion

Total Assets

Increased by JPY 51.9 billion

Increased inventory : JPY +34.3 billion
Impact of foreign exchange : JPY +15.8 billion
Impact of new consolidation : JPY +2.6 billion

NET interest-bearing debt

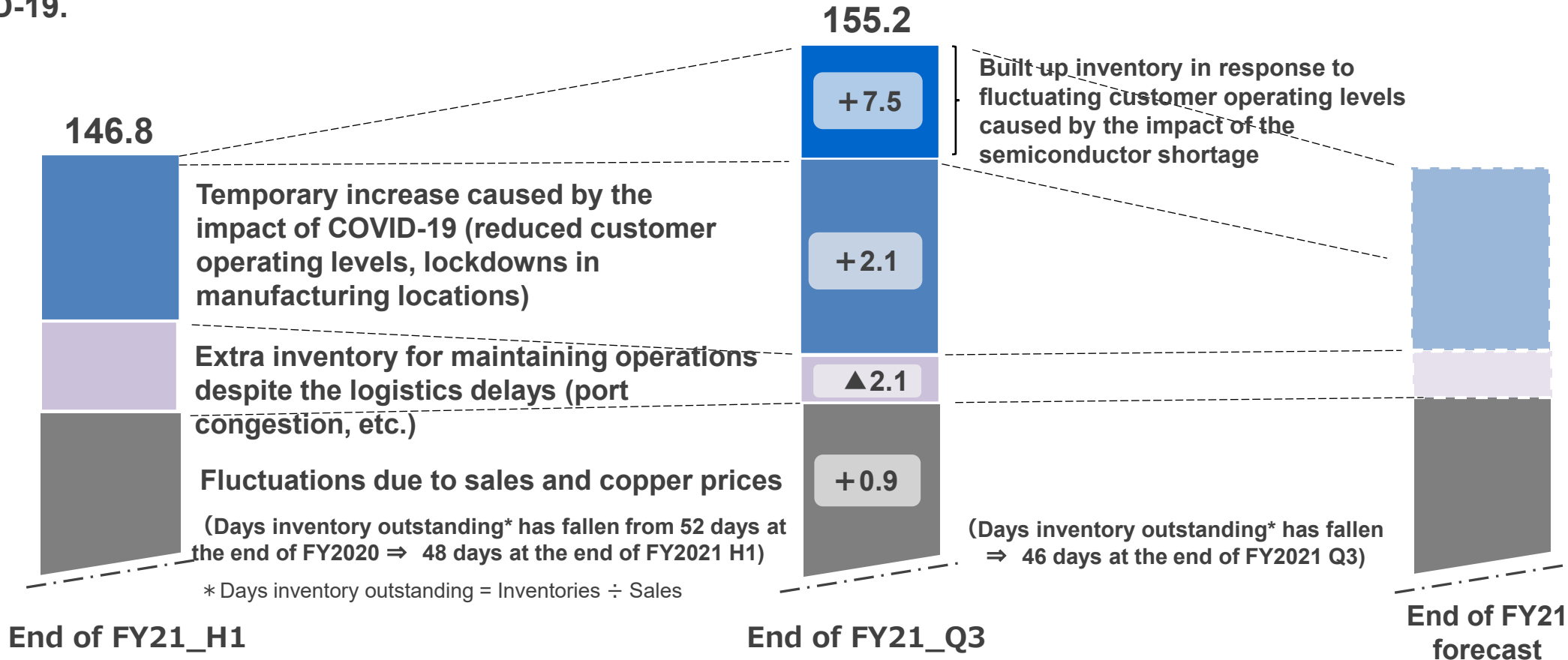
Increased by JPY 55.2 billion

(JPY 206.3 billion→ JPY 261.5 billion)

Companywide activities -Optimize inventory levels

- Although the impact of the logistics delays decreased by half at the end of Q3 compared to the end of H1, inventory levels grew as a result of the increase caused by COVID-19 and the realization of negative impacts of the semiconductor shortage.
- Heading into the end of the fiscal year, along with securing strategic inventory in accordance with the BCP, the semiconductor shortage and logistics delays are still having an impact. However, expect to eliminate the temporarily higher inventory levels caused by the lockdowns at production sites and rapid drop in customer operating levels due to COVID-19.

(JPY billion)



FY2021 Q3 Results and Full year forecasts

- CAPEX, Depreciation & Amortization and R&D Expenses

- Concerning capital expenditures, review the timing based on the demand trends, reduce the investment amount by reassessing the details of the investment and lower the full-year forecast

(JPY billion)

	FY20_Q3	FY21_Q3	YoY change
	a	b	b-a
CAPEX	28.2	24.8	▲ 3.4
Depreciation and amortization	24.0	25.6	+1.6
R&D expenses	15.5	15.6	+0.1

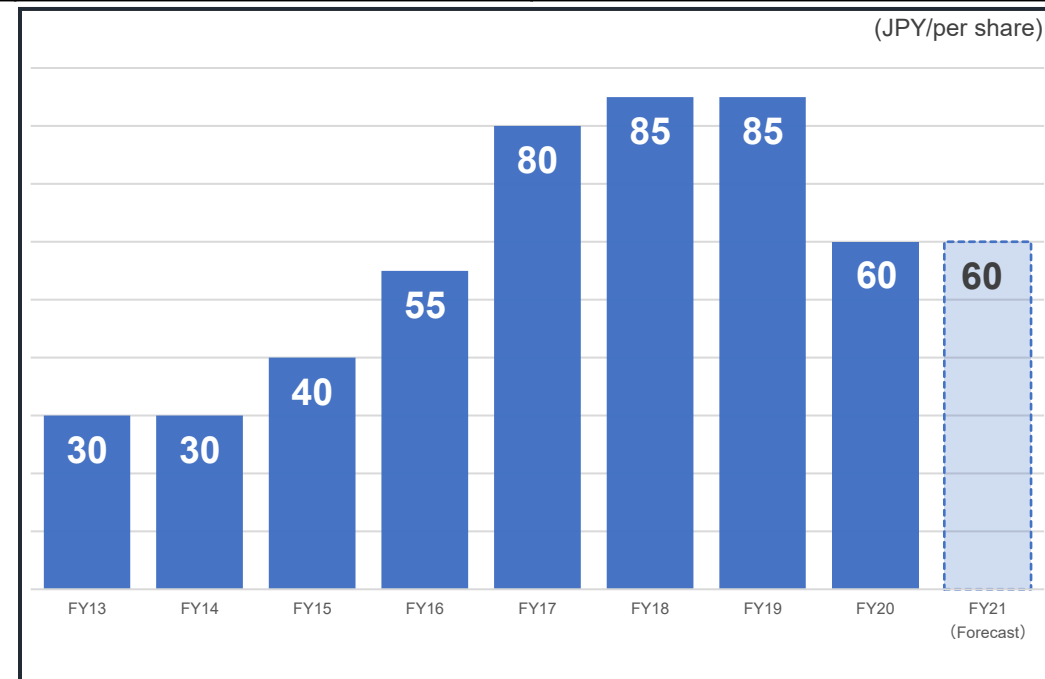
	FY20	*FY21 Previous Forecasts	FY21 Forecasts	YoY change	Change from previous forecasts
	c	d	e	e-c	e-d
CAPEX	40.0	45.0	38.0	▲ 2.0	▲ 7.0
Depreciation and amortization	32.2	37.0	35.0	+2.8	▲ 2.0
R&D expenses	20.2	22.0	22.0	+1.8	-

*Announced on May 12, 2021

■ The FY2021 dividend forecast will be JPY 60 per share (no change)

(JPY)	FY19 Results	FY20 Results	FY21 Forecast (announced on May 14, 2021)
Annual dividend per share	85	60	60

We will maintain a stable dividend policy while keeping a good balance between investment in future growth and financial health



*We conducted a one-for-ten reverse stock split of our company's common shares effective October 1, 2016. Therefore, the dividends per share for FY2013 to 2015 shown in the graph have been increased 10 fold to make them comparable to the dividends following the reverse stock split

Directed at FY2022

- Improve profits by eliminating the temporary negative factors occurring in the Automotive Products & Batteries business (Electronics & Automotive Systems segment) this year, improving the issues impacting the Communications Solutions business (Infrastructure segment) and steadily capturing the growing demand in each business
- Although there continue to be uncertainties such as the semiconductor and raw material shortages and COVID-19, and the transportation and raw material expenses remain high, quickly and accurately respond to the changes in the external business environment

FY2022 Operating income image

JPY billion		FY20 Result	FY21 Forecast	FY22 Forecast	Assumptions
Segment	Sub-segment				
Infrastructure	Communications Solutions	▲0.2	3.5	→	Further improve the product mix and increase optical fiber and cable productivity Steadily capture demand centered on the North America market Adjust sales prices to appropriate levels Realize the benefits of the investments in rationalization
	Energy Infrastructure	▲1.9	1.5	→	Steadily acquire orders for underground and submarine power cable projects in Japan and overseas Expand the lineup of renewable energy and data center power supply related products (power cable and components)
Electronics & Automotive Systems	Automotive Products & Batteries	5.0	▲2.0	→	Forecasting growth following the elimination of the temporary negative factors caused by COVID-19 and deliveries for new vehicle models
	Electronics Component Materials	0.9	4.0	→	Demand for in-vehicle and electronics products is generally strong Improve the product mix
Functional Products		6.3	7.5	→	Steadily capture the demand in the semiconductor and data center markets Adjust the sales price of resin related products to appropriate levels

Thank you very much
for your attention.



Appendix Segments and Business Divisions

Segment	Sub-segment	Business Division
Infrastructure	Communications Solutions	Optical Fiber and Cable Products
		FITEL Products
		Broadband Solutions Business
	Energy Infrastructure	Power Cable
Industrial Cable & Power Cable Accessories		
Electronics & Automotive Systems	Automotive Products & Batteries	Automotive Products
		Batteries
	Electronics Component Materials	Electric Conductor (including fine magnet wire)
		Copper & High Performance Material Products
Functional Products	AT & Functional Plastics	
	Thermal Management Solution & Products	
	Memory Disk	
	Copper Foil	
Service and Developments, etc.		