

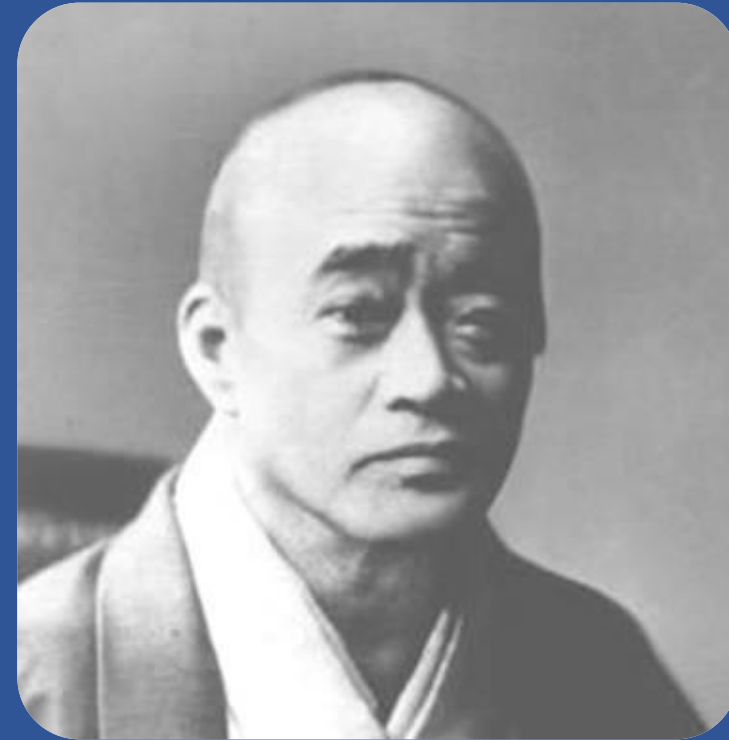
# FURUKAWA ELECTRIC

Furukawa Electric Co., Ltd.  
Keiichi Kobayashi, President & CEO

December 7, 2022

Ichibei Furukawa,  
the founder of  
Furukawa Group

Brighten Japan



Value employees,  
Value customers,  
Value new technology, and  
Contribute to society



# Milestone for realizing the philosophy (Medium-term Management Plan)

## Furukawa Electric Group Corporate Philosophy

Today

Forward-looking

2025

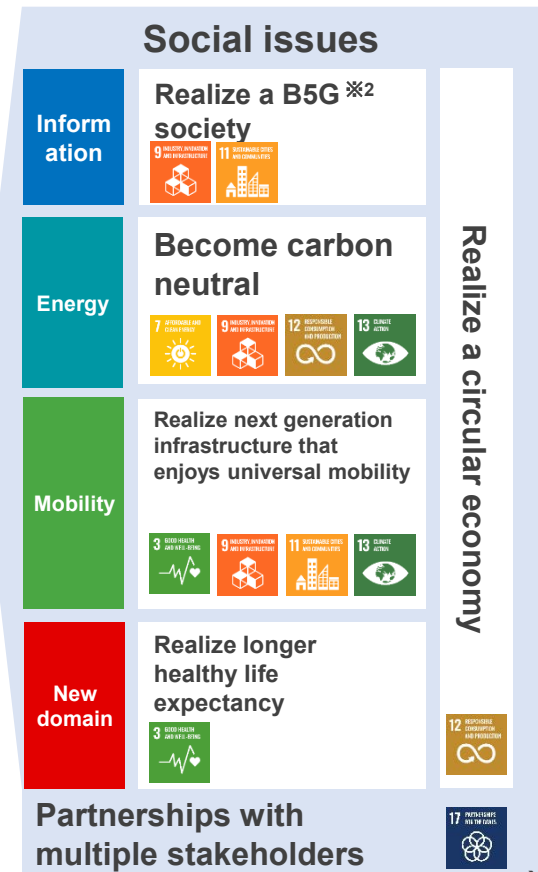
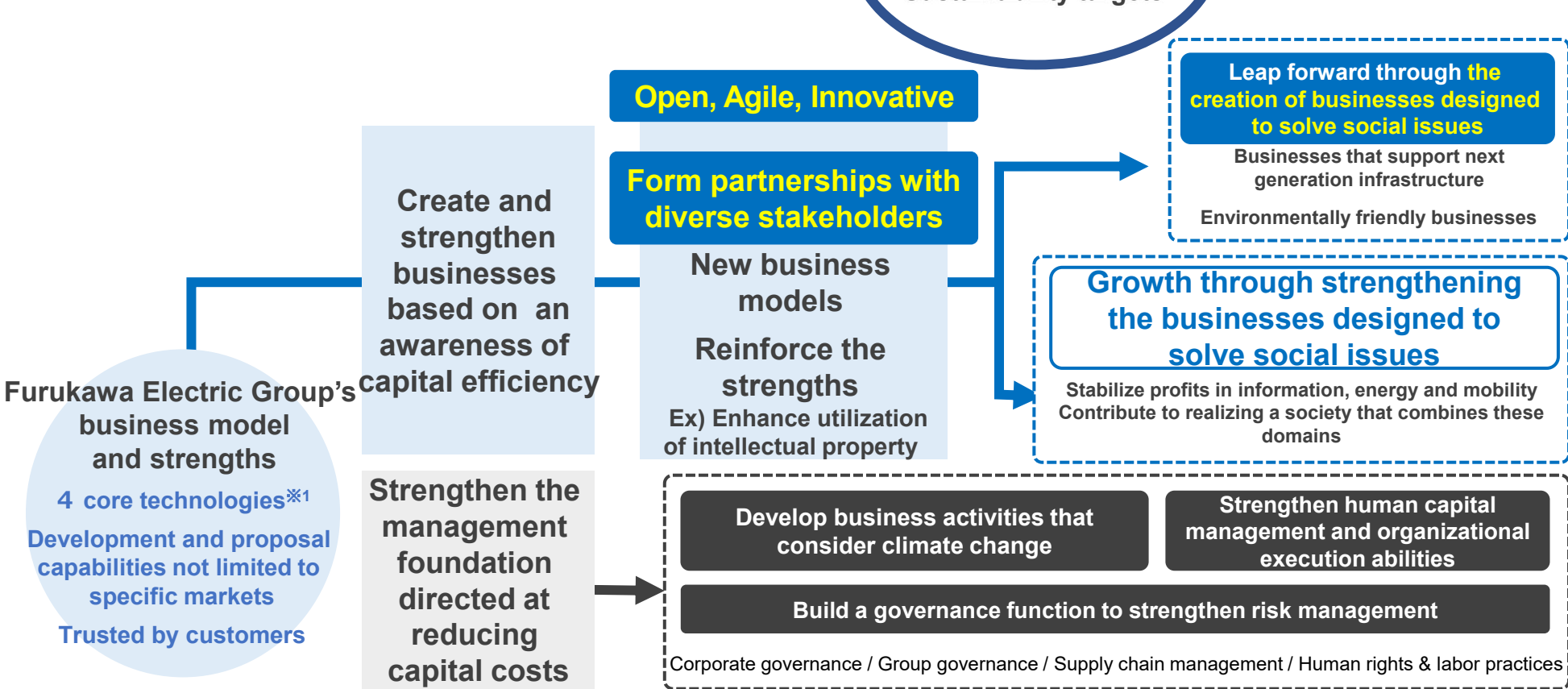
Financial targets  
Sustainability targets

Backcasting

2030



Furukawa Electric Group Vision 2030



※1: 4 core technologies: metals, polymers, photonics, high frequency

※2: B5G (Beyond 5G)

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2025

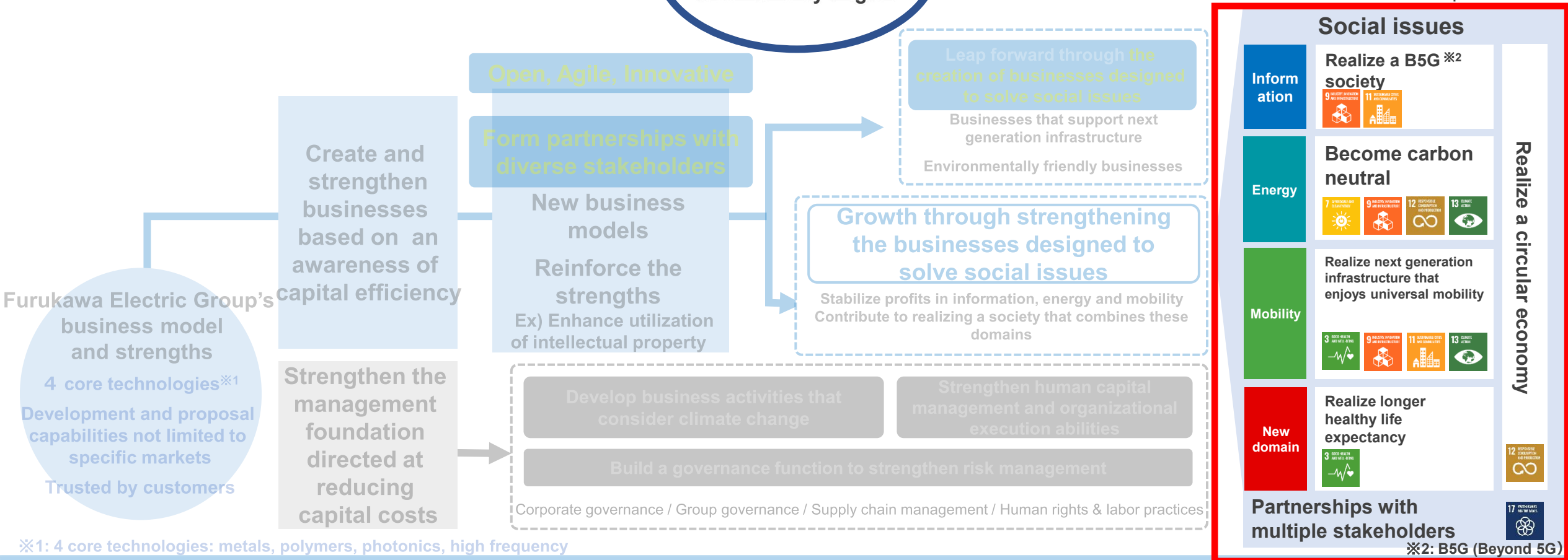
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2030



Furukawa Electric Group Vision 2030



### Social issues

Information	Realize a B5G <sup>※2</sup> society 9 ENERGY EFFICIENT AND INFRASTRUCTURE 11 SUSTAINABLE CONSUMPTION AND SOCIETY	Realize a circular economy
Energy	Become carbon neutral 7 AFFORDABLE AND CLEAN ENERGY 9 ENERGY EFFICIENT AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	
Mobility	Realize next generation infrastructure that enjoys universal mobility 3 AFFORDABLE AND CLEAN ENERGY 9 ENERGY EFFICIENT AND INFRASTRUCTURE 11 SUSTAINABLE CONSUMPTION AND SOCIETY 13 CLIMATE ACTION	
New domain	Realize longer healthy life expectancy 3 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
	Partnerships with multiple stakeholders 17 PARTNERSHIPS WITH MULTIPLE STAKEHOLDERS	

※2: B5G (Beyond 5G)

※1: 4 core technologies: metals, polymers, photonics, high frequency

Realize a  
B5G society



Realize next  
generation  
infrastructure that  
enjoys universal  
mobility



Become  
carbon  
neutral



Realize  
longer  
healthy life  
expectancy



## Information

Realize a  
B5G society

Support through photonics  
technology and build social  
infrastructure

Realize next  
generation  
infrastructure that  
enjoys universal  
mobility

## Mobility

Realize safe, secure mobility  
through the provision of  
components, systems and  
applications

## Energy

Become  
carbon  
neutral

Through our extensive experience  
and technological capability, make a  
tougher infrastructure and realize a  
recycling-based society

Realize  
long  
health  
expectancy

## New domain

Provide devices and services for life  
sciences and maintaining social  
infrastructure

## Information

Support through photonics technology and build social infrastructure

## Energy

Through our extensive experience and technological capability, make a tougher infrastructure and realize a recycling-based society

## Mobility

Realize safe, secure mobility through the provision of components, systems and applications

## New domain

Provide devices and services for life sciences and maintaining social infrastructure



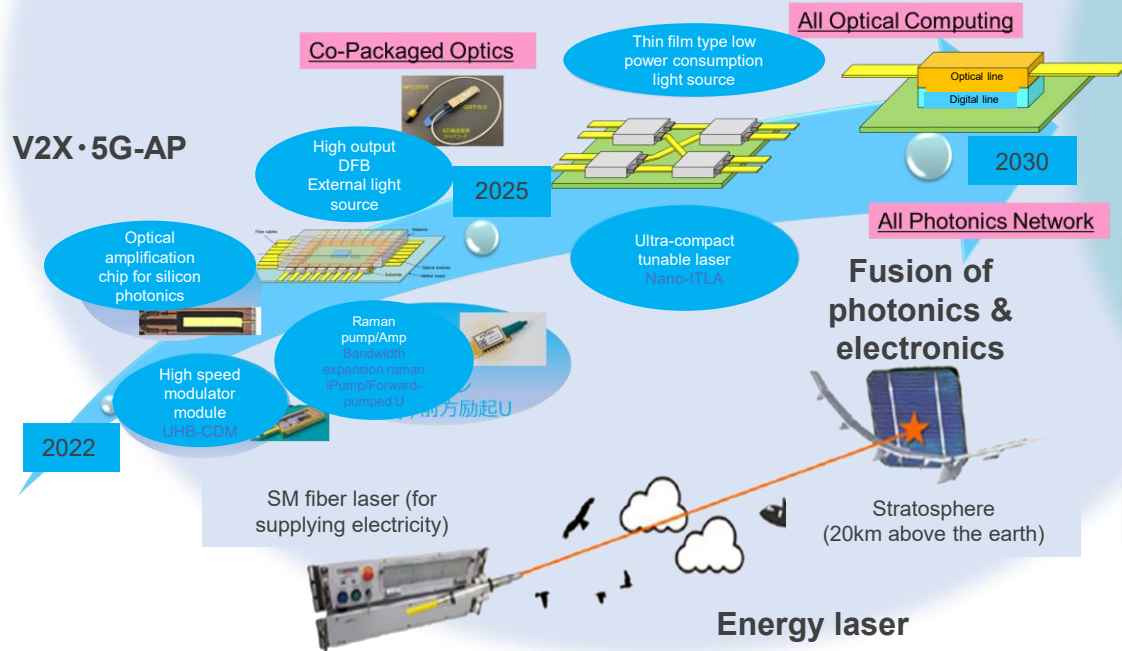


# Vision 2030: Information and Energy Domains

## Information domain



Increased data traffic following realization of a B5G society  
 ⇨ Support through photonics technology and build social infrastructure

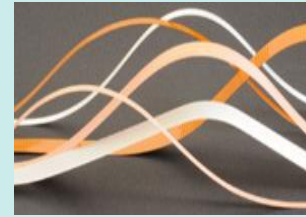


## Energy domain

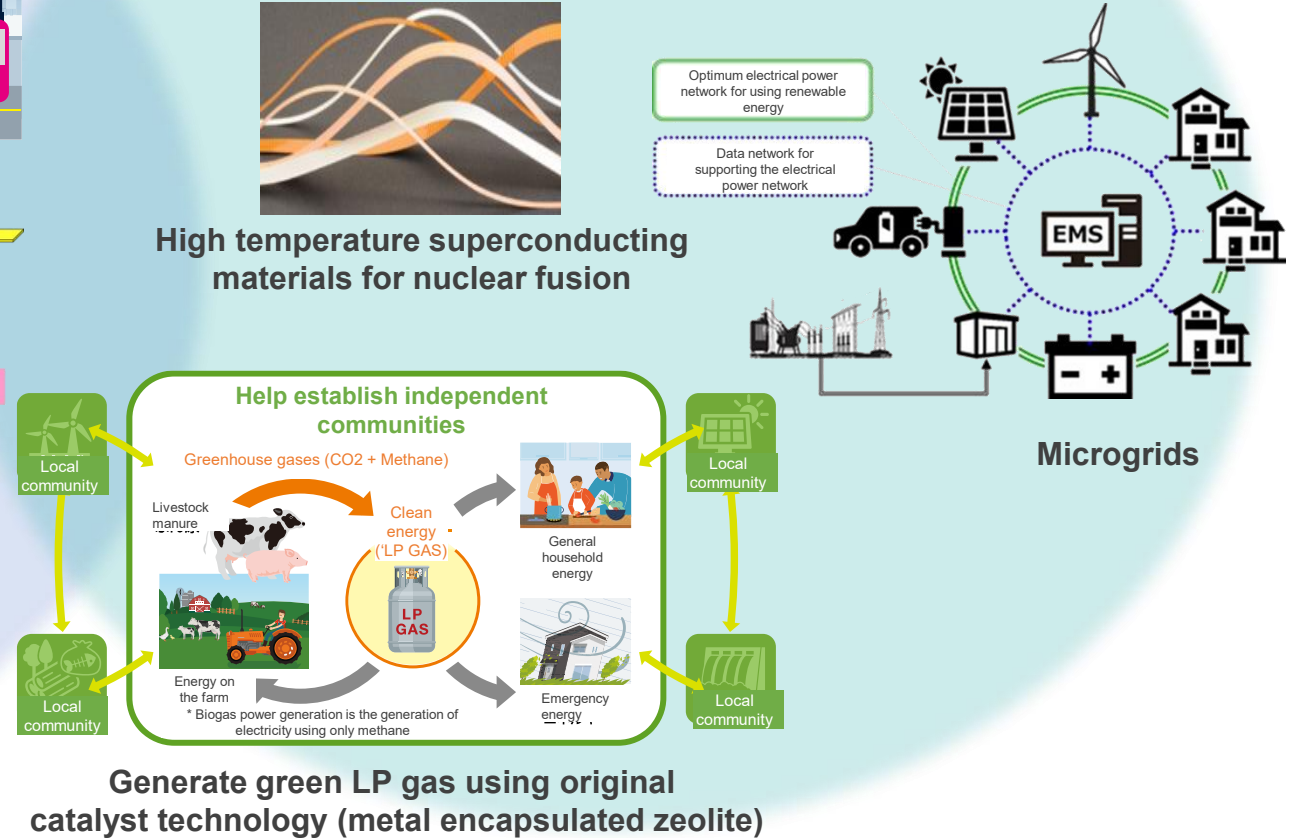


Become carbon neutral in 2050

⇨ Through our extensive experience and technological capability, make a tougher infrastructure and realize a recycling-based society



High temperature superconducting materials for nuclear fusion

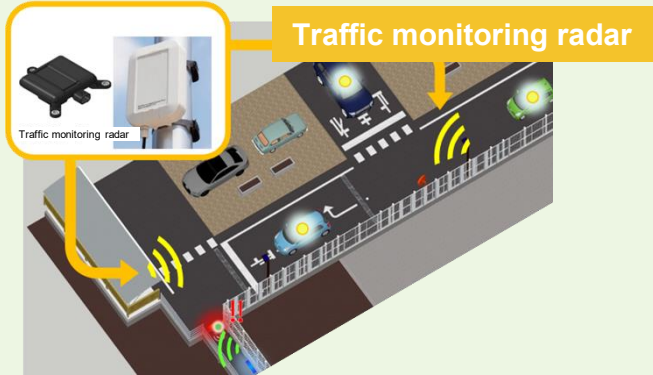


# Vision 2030: Mobility and New Domains

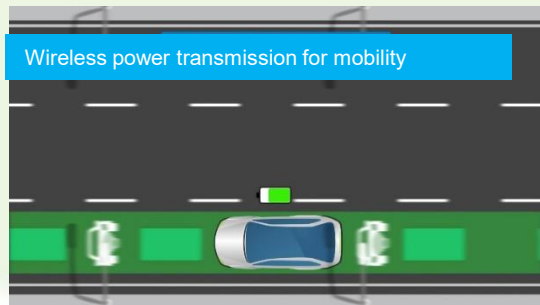
## Mobility domain



Advances in xEV, CASE and MaaS  
 ⇔ Realize safe, secure mobility through the provision of components, systems and applications



Next generation urban planning

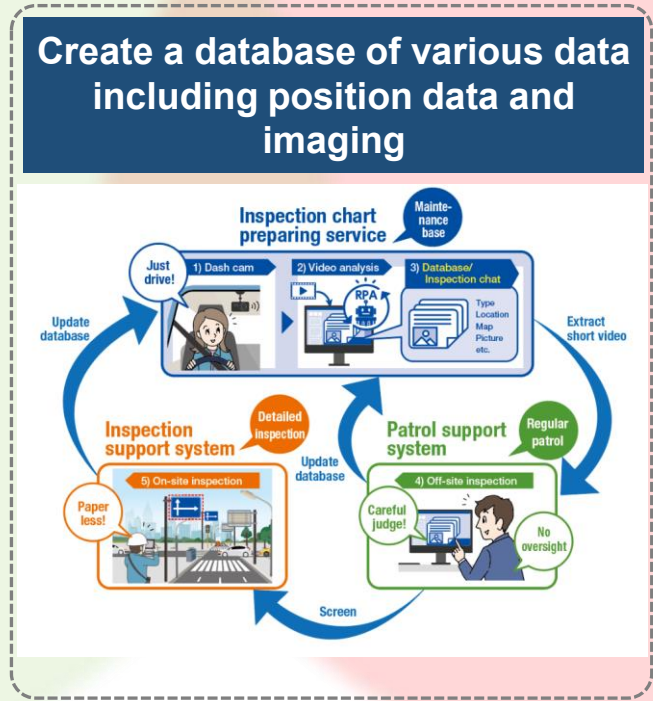


Wireless power transmission

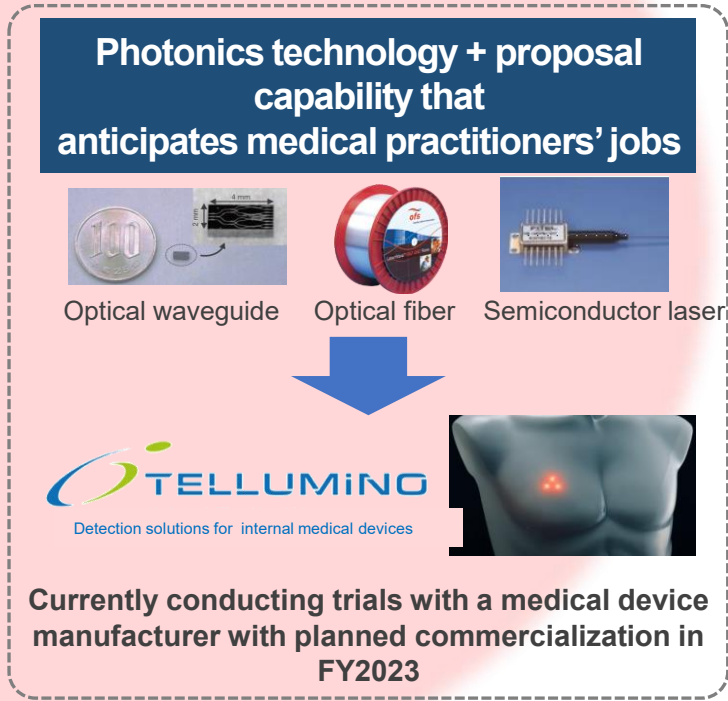
## New domain



From new businesses to businesses that contribute to maintaining social infrastructure and increasing healthy life expectancy



Social infrastructure DX



Life sciences

# Milestone for realizing the philosophy (Medium-term Management Plan)

## Furukawa Electric Group Corporate Philosophy

Today

Forward-looking

2025

Financial targets  
Sustainability targets

Backcasting

Value customers  
Contribute to the society

Value new technology

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 production and supply chain  
Contribute to the society

Value employees

Strengthen human capital management and organizational execution abilities

Develop business activities that consider climate change

Build a governance function to strengthen risk management

Corporate governance / Group governance / Supply chain management / Human rights & labor practices

Create and strengthen businesses based on an awareness of capital efficiency

Strengthen the management foundation directed at reducing capital costs

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

Sustainable world

Safe, peaceful and rewarding life

Social issues

Information	Realize a B5G*2 society 9 ENERGY EFFICIENT AND INFRASTRUCTURE 11 SUSTAINABLE CONSUMPTION AND PRODUCTION	Realize a circular economy
Energy	Become carbon neutral 7 AFFORDABLE AND CLEAN ENERGY 9 ENERGY EFFICIENT AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	
Mobility	Realize next generation infrastructure that enjoys universal mobility 3 GOOD HEALTH AND WELL-BEING 9 ENERGY EFFICIENT AND INFRASTRUCTURE 11 SUSTAINABLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	
New domain	Realize longer healthy life expectancy 3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Partnerships with multiple stakeholders	17 PARTNERSHIPS WITH MULTIPLE STAKEHOLDERS	

\*2: B5G (Beyond 5G)

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

## Value employees

~Investment in human capital that ensures the effectiveness of management strategies~



- ① Improving employee satisfaction and autonomy and having each deliver the best of their capabilities
- ② Enhancing team strength through leadership development and organizational culture reform
- ③ Strengthening human capital and organizational execution by improving systems such as evaluation, compensation, hiring, and rotation

## Value employees

~Investment in human capital that ensures the effectiveness of management strategies~

### 1. Role of the Individuals

- Workstyle reforms
- Job rotation program
- Professional program
- Career design training
- In-house secondary job system
- Train management personnel

### 2. Role of the Leaders

- Formulate and implement “Furukawa Seven”
- Promote 1 on 1
- Measure the Human Capital management and organizational execution abilities
- Advance the behavior reform program

### 3. Principles of Human Resources

- Promote diversity
- Various interview systems
- Establish and brush up the new personnel compensation system
- Target management system

- ① Improving employee satisfaction and organizational execution by promoting diversity and various interview systems
- ② Enhancing team strength through leadership development and organizational culture reform
- ③ Strengthening human capital and organizational execution by improving systems such as evaluation, compensation, hiring, and rotation.

## Value employees

~Investment in human capital that ensures the effectiveness of management strategies~



- ① Improving employee satisfaction and autonomy and having each deliver the best of their capabilities
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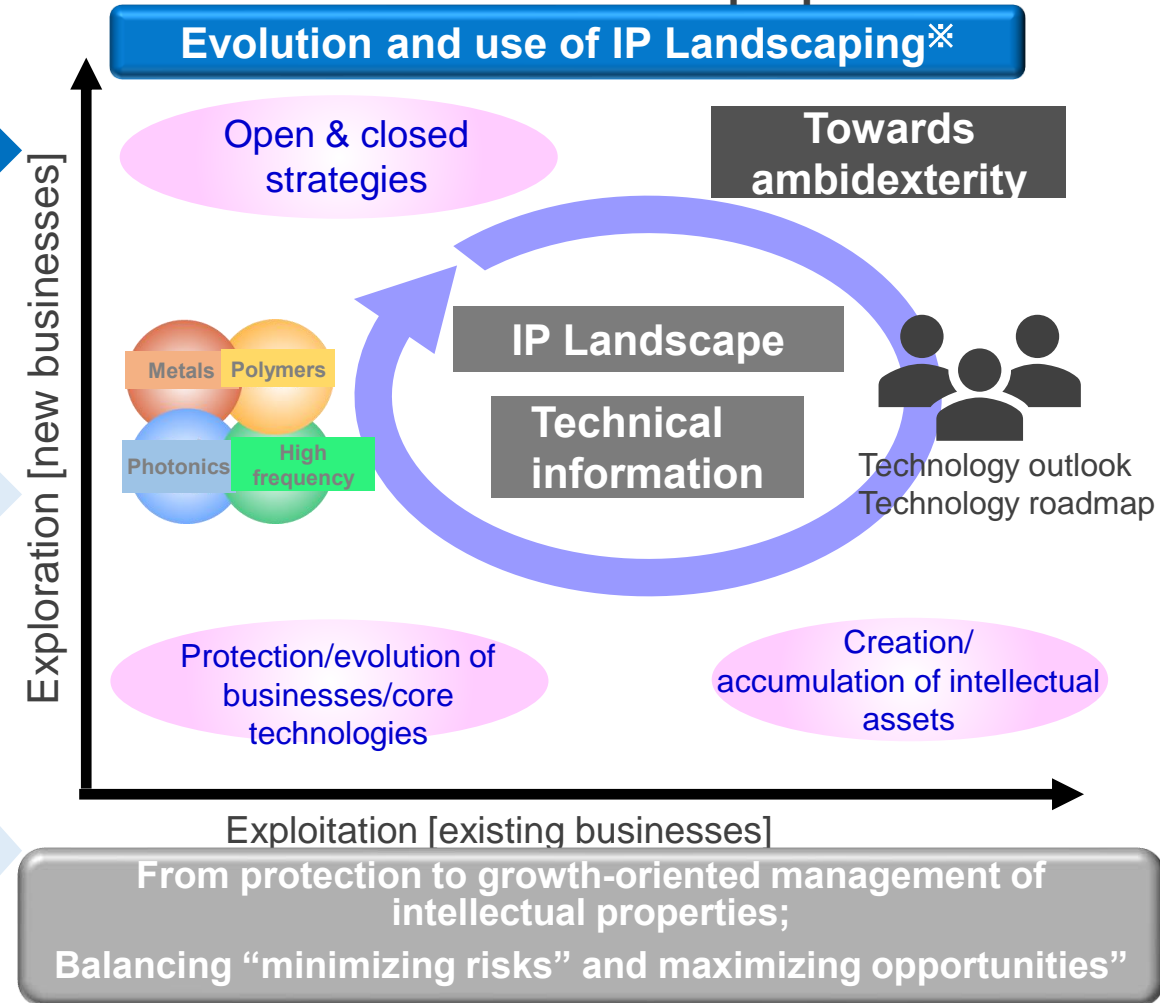
**Open, Agile,  
Innovative**

**New business  
models**

**Reinforce the  
strengths**  
Ex) Enhance  
utilization of intellectual  
property

## Value new technology

~Strengthening/creating businesses through investments in intellectual properties~



※IP Landscaping: method for analyzing intellectual properties of our company and other companies, and leverage them as a marketing technique

# Contribute to the society ~Initiative for becoming carbon neutral~

**Value customers  
Contribute to the society**

**FURUKAWA  
ELECTRIC**

- ① Eliminate/reduce our CO<sub>2</sub> emissions
- ② Eliminate/reduce CO<sub>2</sub> emission from the society
- ③ Accumulate/convert CO<sub>2</sub> emitted

## Development of Ramune Catalyst

**CO<sub>2</sub> conversion**



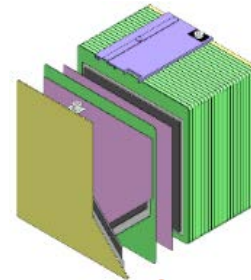
Source: Tochigi National Sports Festival

supplied green  
LP gas



## Development bipolar lead storage batteries

**CO<sub>2</sub> reduction**



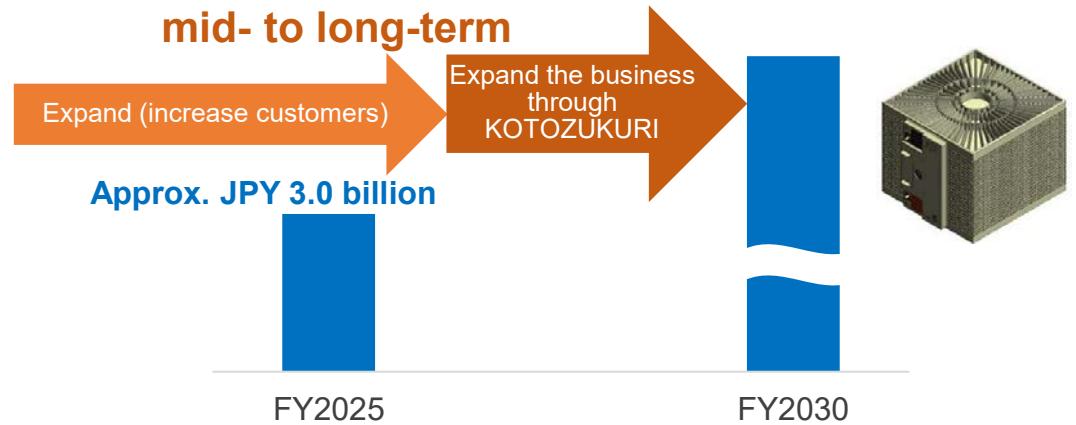
Furukawa Battery's  
battery/processing  
technology



Furukawa Electric's  
metal/polymer  
technology

Also promoting R&D of electricity storage solutions

**Sales increase over the  
mid- to long-term**



## Green Innovation Fund Granted

**Established “grow local, continue local”  
project team on September 16**

## Cooperate with local governments' project\*

\* “EV-Centered Urban Development Project” by Kamimine town in Saga prefecture and the Kyushu Electric Power Group

# Milestone for realizing the philosophy (Medium-term Management Plan)

## Furukawa Electric Group Corporate Philosophy

Today

Forward-looking

2025

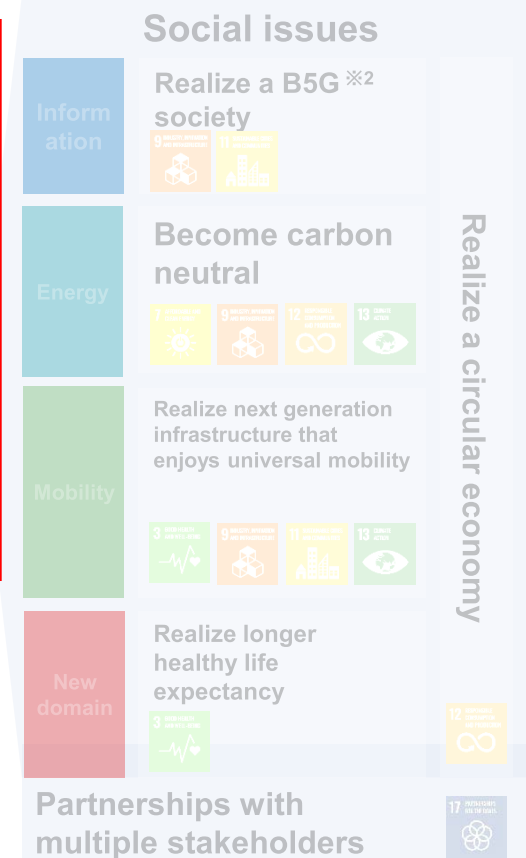
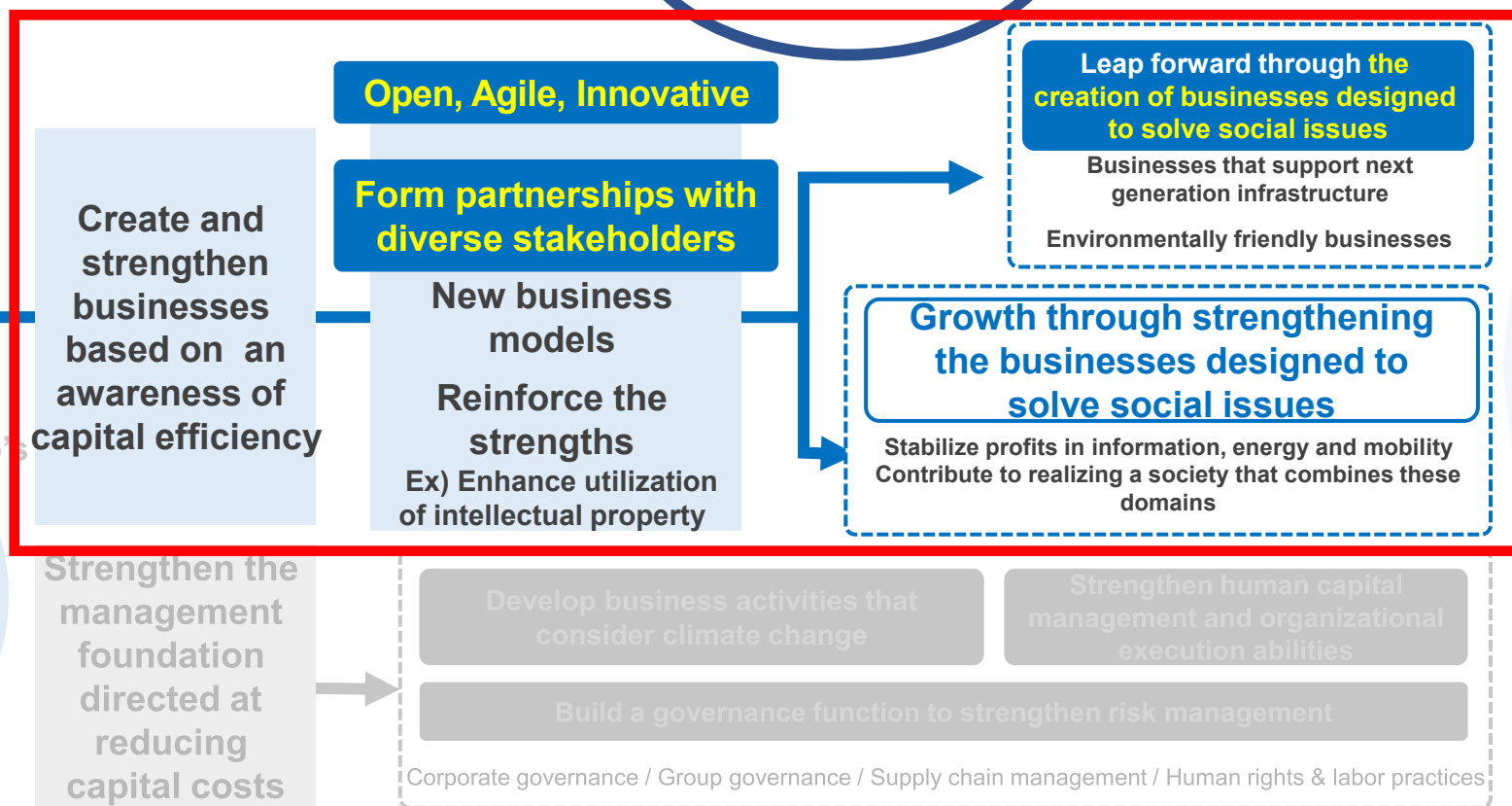
Financial targets  
Sustainability targets

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

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

\*2: B5G (Beyond 5G)



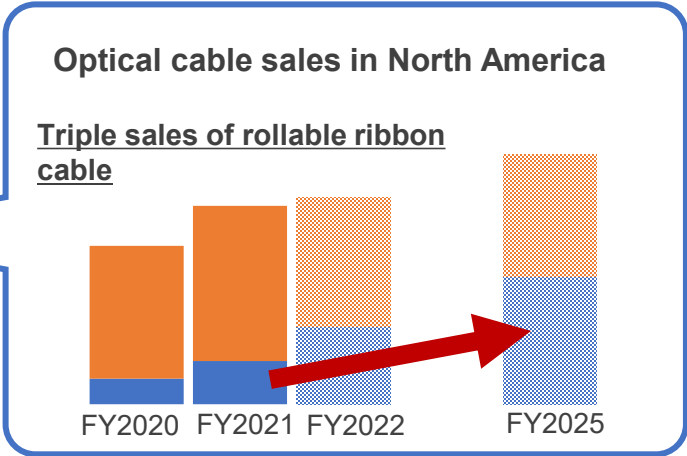
## Communications Solutions

Growth markets and strengths of the products/technology

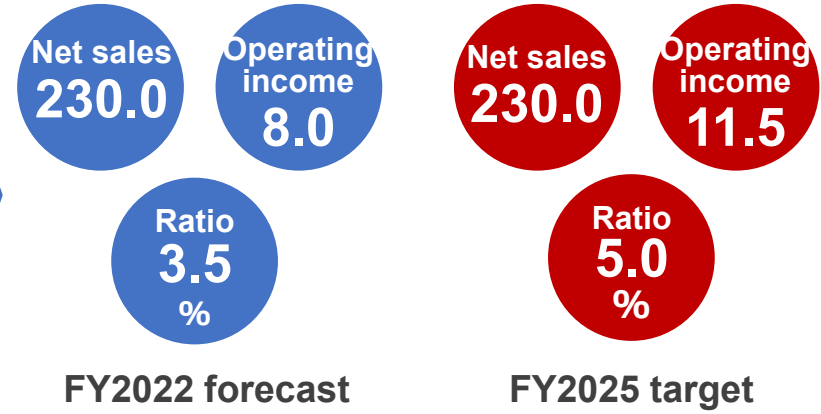
⇒ Increase sales of high value added products

Strengths of the business model developed in Central & South America

⇒ Expand the networking systems business



(JPY billion)



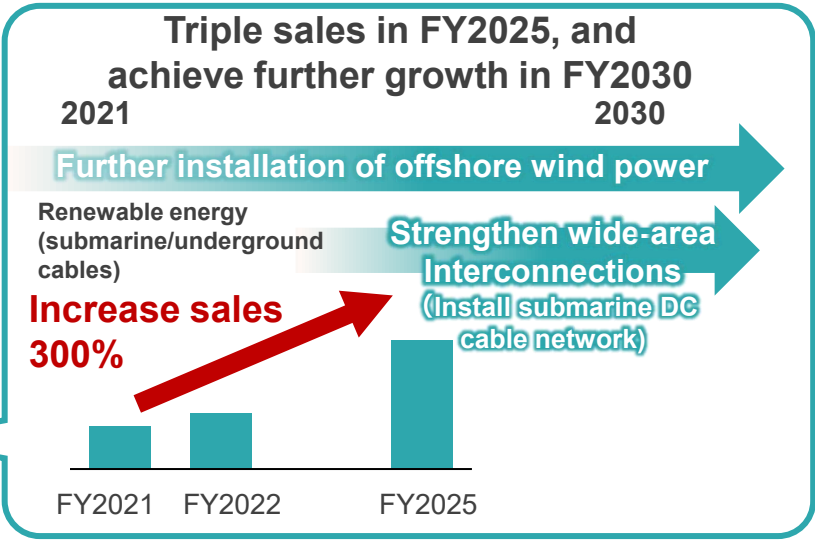
## Energy Infrastructure

Establish a business base in the target domains

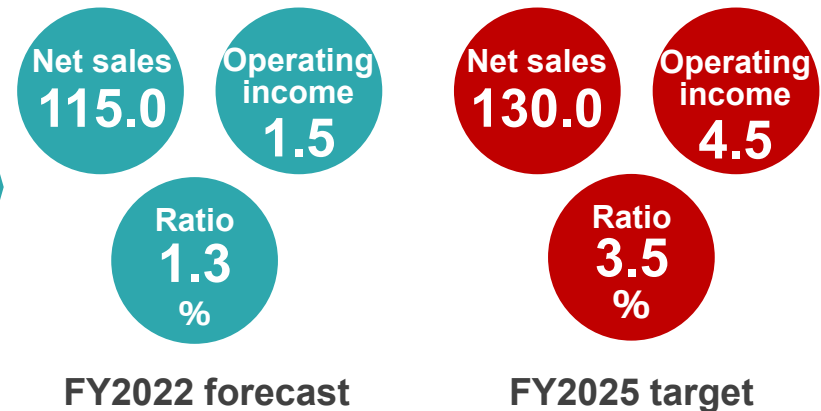
⇒ Leverage the strengths to grow profits

Respond to offshore wind power and wide-area interconnections

⇒ Secure medium to long-term business growth



(JPY billion)

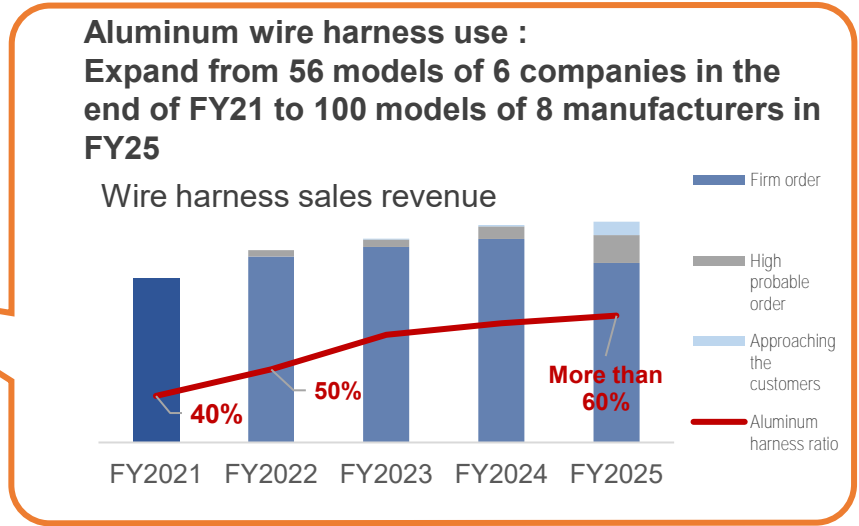


**Automotive Products & Batteries**

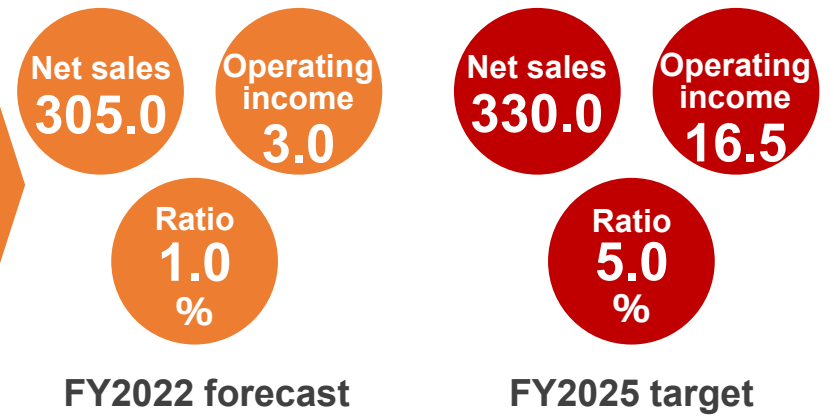
Maintain superiority in aluminum harnesses

⇒ Expand the harness business and increase profitability

Promote redundancies/resilience in the supply chain



(JPY billion)



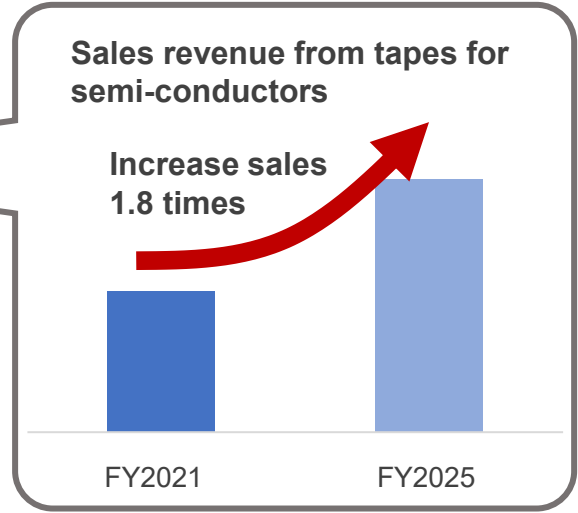
**Functional Products**

Continued semiconductor demand growth

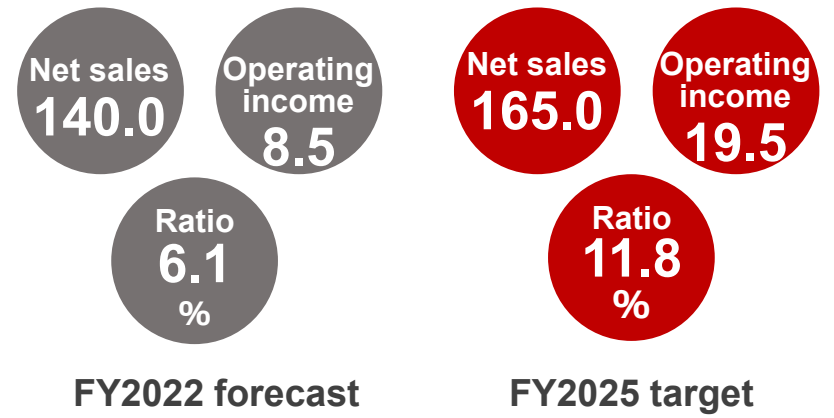
⇒ Secure a stable supply network

Device & process advancements  
 Enhance the strengths in technology & MONOZUKURI

⇒ Continue to provide high performance / well differentiated products



(JPY billion)



# Milestone for realizing the philosophy (Medium-term Management Plan)

## Furukawa Electric Group Corporate Philosophy

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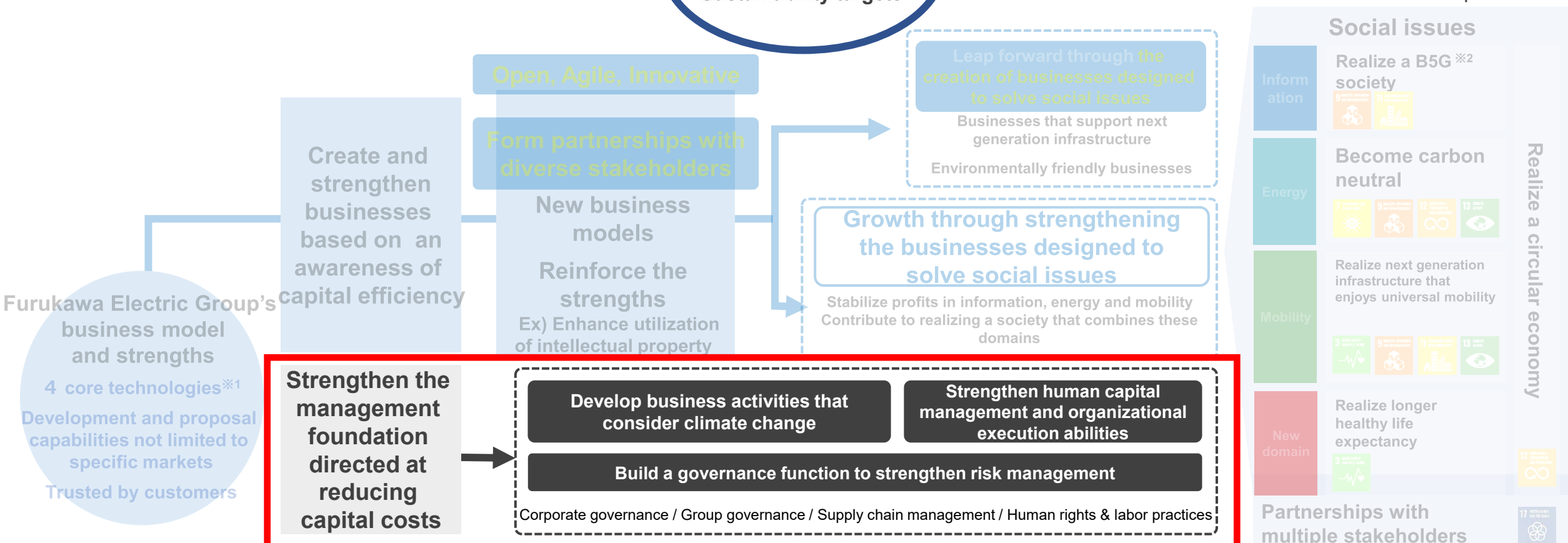
Financial targets  
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Furukawa Electric Group Vision 2030



Furukawa Electric Group's business model and strengths

- 4 core technologies<sup>※1</sup>
- Development and proposal capabilities not limited to specific markets
- Trusted by customers

※1: 4 core technologies: metals, polymers, photonics, high frequency

※2: B5G (Beyond 5G)

# Strengthen the management foundation directed at reducing capital costs

## Promote ESG management initiatives towards achieving Furukawa Electric Group Vision 2030 and SDGs

2018

2019

2020

2021


2022


**Corporate Sustainability Office**

**ESG**

  
Formulated Furukawa Electric Group Vision 2030

  
Signed the UN GC\*

  
Issued the first integrated report  
Identified materiality

  
Integrated report 2021  
Updated materiality

  
2025 MTMP  
Integrated report 2022  
Disclosure of 2025 MTMP, specification of value creation story

**Environment**

  
SBT2°C certification

  
Supported TCFD Recommendation

  
Became the company that received score A from CDP Climate Change 2020 for the first time

  
Formulated Furukawa Electric Group Environmental Vision 2050

  
Revised environmental target 2030  
SBTWB2 certification

**Social**

  
Formulated Furukawa Electric Group People Vision

  
Formulated "Furukawa Seven"

Conduct Furukawa e-survey

**Governance**

Outside Directors:  
Strengthened the independency  
(all 5 outside directors are independent)  
Diversity  
(female director)

Formulated Furukawa Electric Group Human Rights Policy

Outside Audit & Supervisory Board member:  
Diversity  
(female member)

Revised Furukawa Electric Group CSR Procurement Guidelines

Conducted SAQ for CSR Procurement Guidelines  
Started human rights DD

Formulate responsible mineral procurement policy;  
Participate in JaCER  


Sustainability indicators/2025 targets

\* Furukawa Electric has supported the UN Global Compact principles concerning human rights, labor, environment, and anti-corruption since 2020.

## Priority 'materiality' toward achieving Vision 2030

Revenue opportunities	1	<p><b>Create businesses that solve social issues</b></p> <p>Create businesses that support next-generation infrastructure Create environment-friendly businesses</p>
	2	<b>Open, Agile, Innovative</b>
	3	<b>Build partnerships with various stakeholders</b>
Risks	E	Develop business activities that consider climate change
	S	Strengthen human capital management and organizational execution abilities
	G	<p><b>Build a governance system to strengthen risk management</b></p> <p>Corporate governance    Supply chain management Group governance        Human rights &amp; labor practices</p>

Set 'sustainability indicators and targets' to be achieved during the 2025 MTMP

**GHG emissions reductions** (Scope1, 2)  
(Compared to FY2017) **28 % reduction**

**Ratio of renewable energy use to total consumption**  
(FY2017: 8%) **13 %**  
Global

**Ratio of female managers**  
(at Furukawa Electric)  
(FY2021: 3.8%) **7 %**

**Implementation of training on human rights risks**  
(Start from Japan in FY2022) **100 %**  
All managerial positions globally

# Milestone for realizing the philosophy (Medium-term Management Plan)

## Furukawa Electric Group Corporate Philosophy

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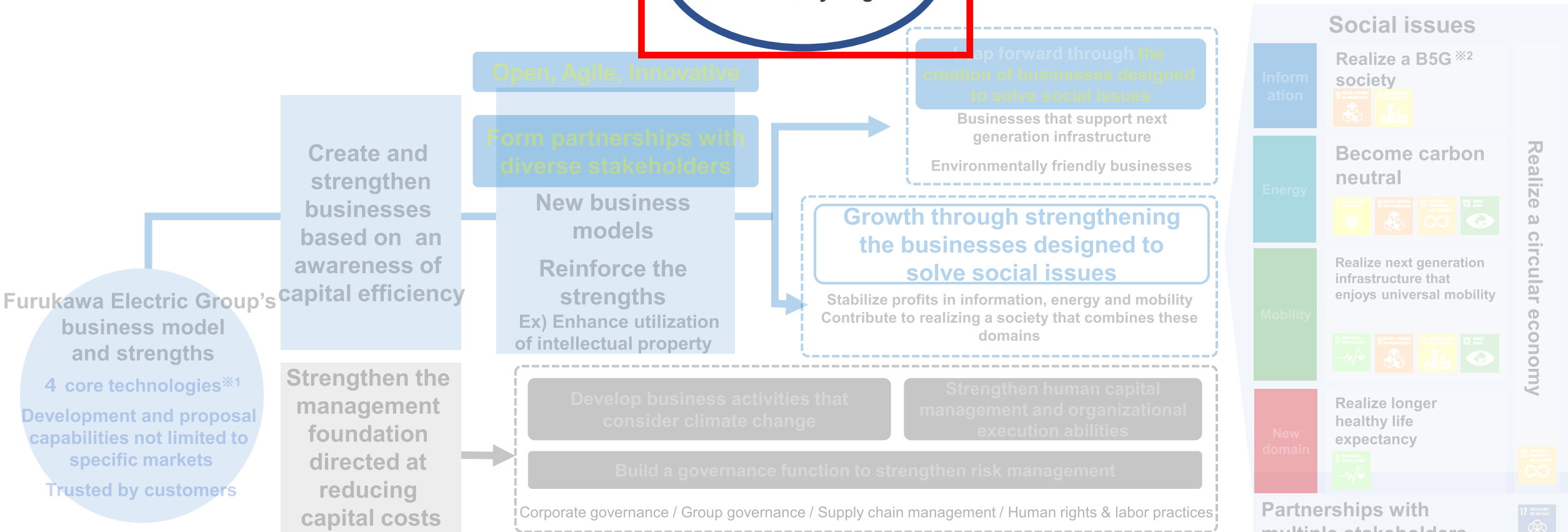
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Furukawa Electric Group Vision 2030



※1: 4 core technologies: metals, polymers, photonics, high frequency

※2: B5G (Beyond 5G)

# Changes in the environment surrounding our Group, and issues/responses

Worsening  
of conflicts

Increase in  
expected  
inflation

COVID-19

Impact/  
response to  
climate change

Increasing raw material  
cost due to energy and  
food price hike;  
Increasing social tension

Tighter sanctions,  
further disruption of  
supply chain

Accelerated increase in  
interest rates,  
Increase in fiscal burden due  
to rising interest rates,  
Cash outflow

Increase  
earnings  
power

Adequate  
selling price

**Pricing power**  
(Improve top line)

Expansion of  
commercial rights &  
trade areas

**Marketing/sales capability**  
(Improve top line)

Reduce the cost  
of manufacturing

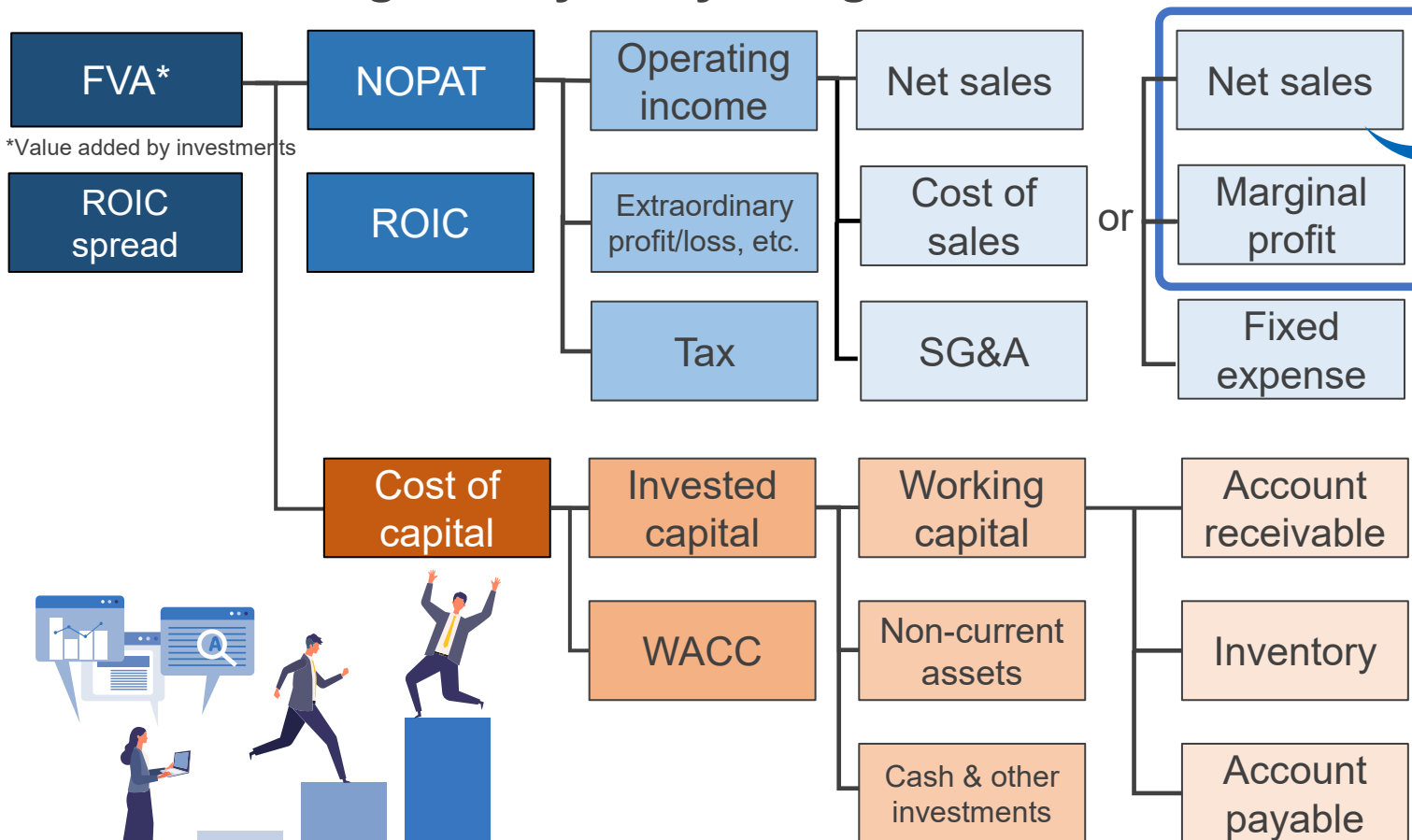
**Capabilities of  
manufacturing**  
(Improve bottom line)

# Specific initiatives to achieve financial targets

Conduct business performance evaluation and target management by analyzing financial indicators and setting KPIs

【Financial target analysis by using FVA/ROIC tree】

Set KPIs based on initiatives that are designed in consideration of capital efficiency



- Ex) Energy infrastructure business**
- ① Secure order intake
  - ② Enhance cable production capacity
  - ③ Enhance construction capabilities
  - ④ Promote technological development
  - ⑤ Promote renewable energy/ DC businesses



Shipment of submarine cables

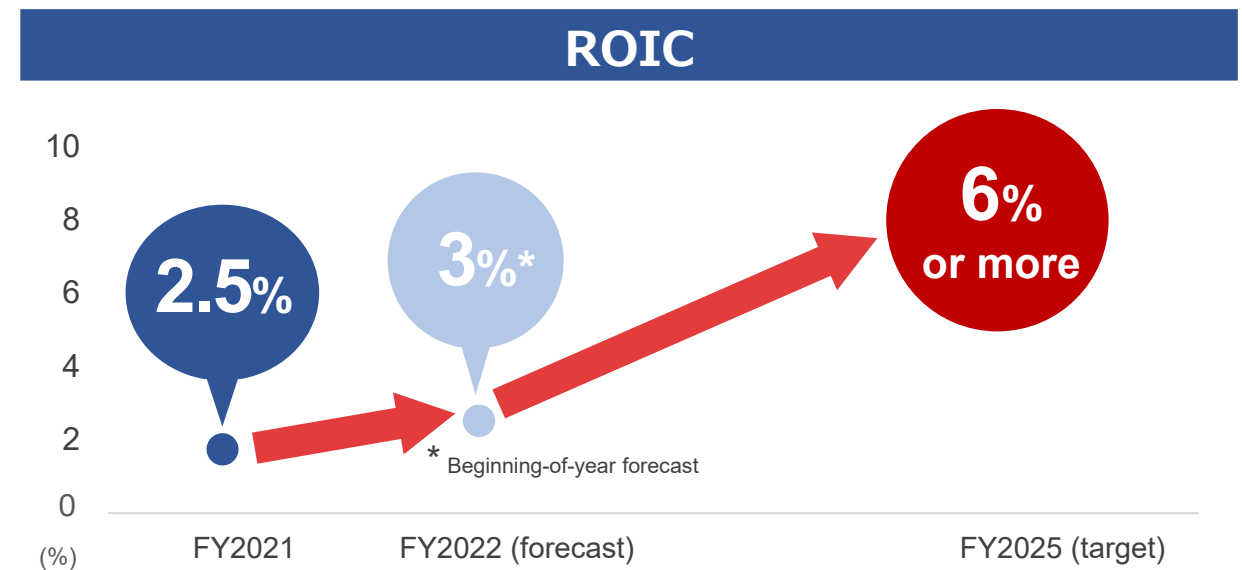
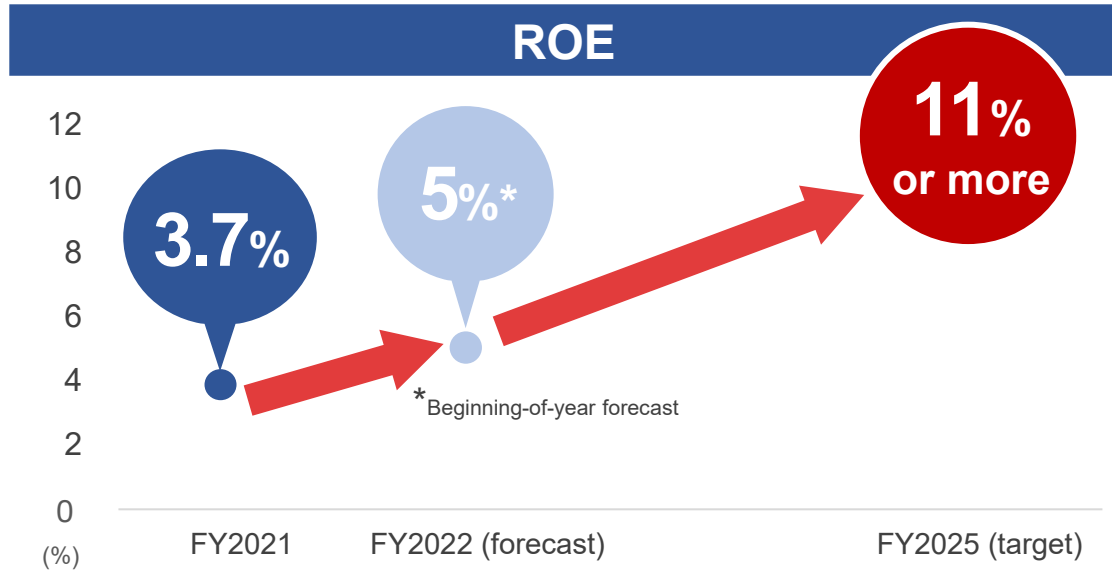
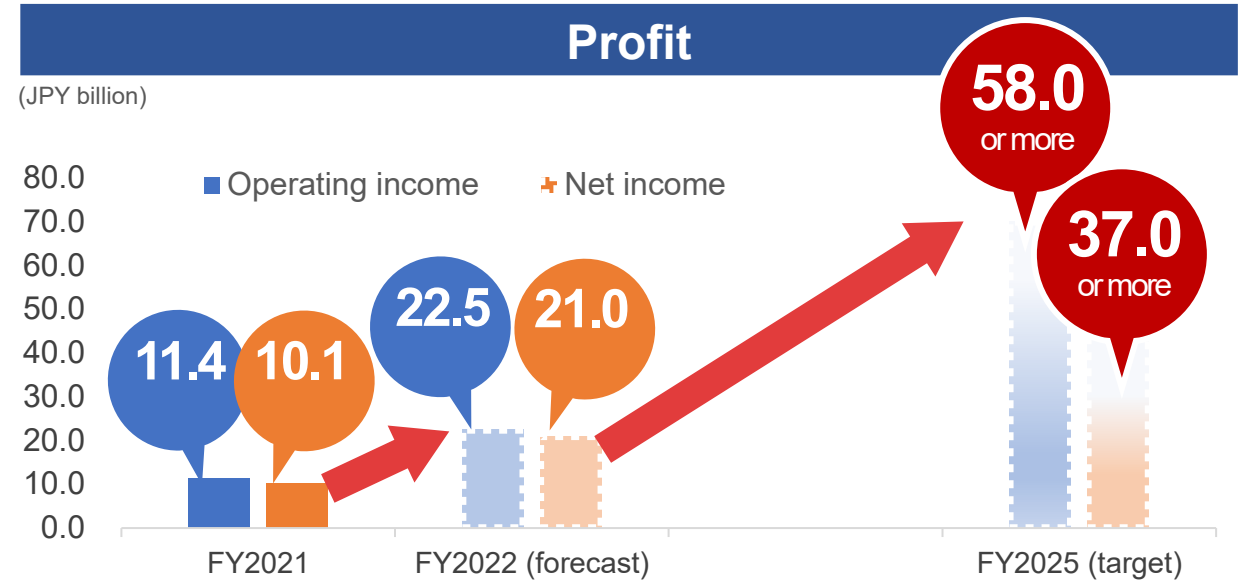
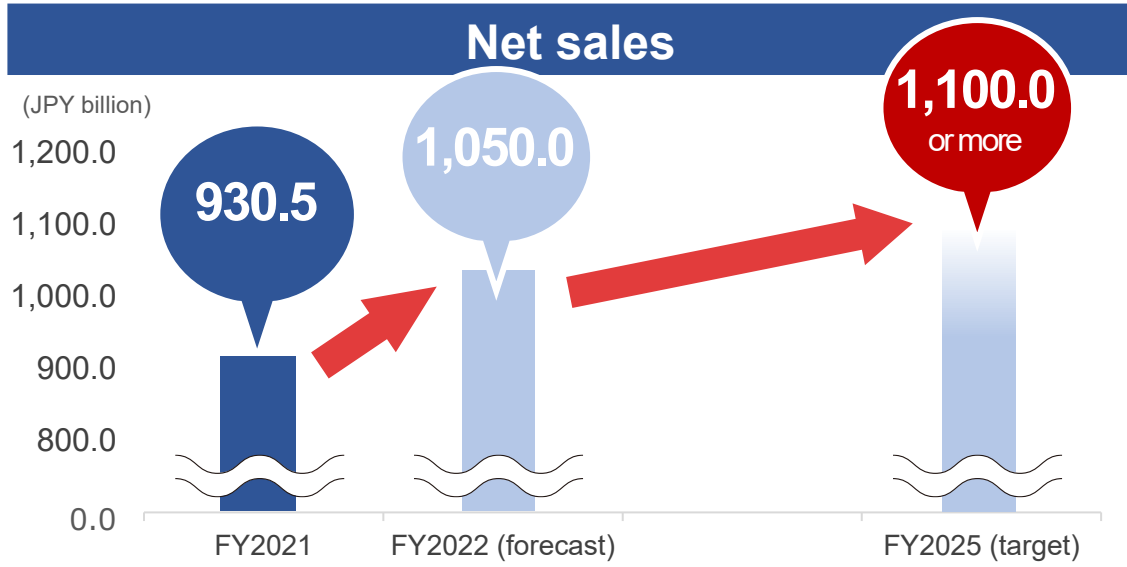


Construction skill training





# Financial Targets



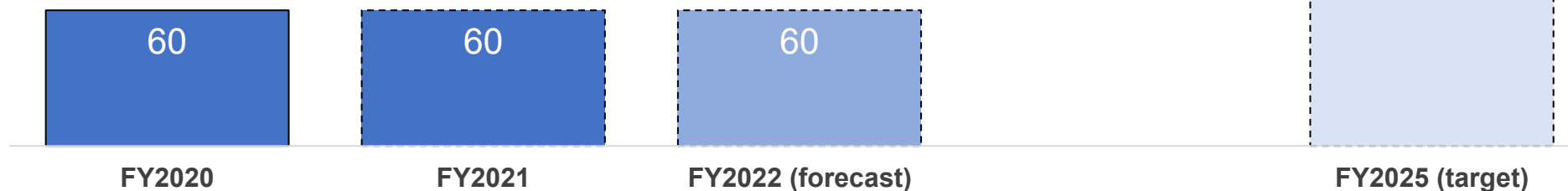
# Shareholder return

## Basic Policy:

During the 2025 Medium-term Management Plan (fiscal year ending March 2023 – March 2026), along with working to increase corporate value through profit growth and focused investments in growth domains, Furukawa Electric has designated stable and ongoing shareholder returns as a basic policy and will issue a performance linked dividend based on a payout ratio of about 30% of consolidated net income attributable to owners of the parent company.

## Annual dividends per share (yen)

In the 2<sup>nd</sup> quarter business results (announced on Nov. 8), Furukawa Electric made an upward adjustment of consolidated net income attributable to owners of the parent company for FY2022. As for dividends in the year ending March 2023, however, the expected year-end dividend remains unchanged at 60 yen per share as announced on May 12, 2022.



(JPY billion)	FY2020	FY2021	FY2022 (forecast)		FY2025 (target)
			At the beginning of the year	Revised on Nov. 8	
Consolidated net income attributable to owners of the parent company	10.0	10.1	14.0	21.0	37.0 or more
Dividend payout ratio	42.3%	41.8%	30.2%	-	30%

Thank you very much for your attention



This presentation materials are created for the purpose of providing information on Furukawa Electric's activities for shareholders, investors, and members of the media.

### **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 expenditures.
- Changes in exchange rates of the U.S. dollar, euro, and Asian currencies.
- 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 in 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 forward looking statements in these materials. In addition, following the release of these materials, Furukawa Electric Group assumes no obligation to announce any revisions to forward-looking statement in these materials.

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