

FY2010 Management Plan Q3 Review

February 2011
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Furukawa Electric

(yen in billions)

Operating Income **X2.7** (yr/yr) 09Q3 10Q3
9.7⇒26.6

Transmission Infrastructure 10.0⇒ 8.1

demand for emerging grew, but domestic decreased

Functional materials -2.0⇒ 17.0

demand for electronics & automotives recovered

Services, others 1.7 ⇒ 1.5

FY2010 Forecast Unchanged

Revenue 920.0 Operating Income 36.0

Ordinary Profit 32.0 Net Profit 12.5

FY10Q3(Apl.-Dec.2010)PL / OI expanded FURUKAWA ELECTRIC

(yen in billions)

	a	b	b-a
	Apl.-Dec.09	Apl.-Dec.10	change
Revenue	581.3	686.7	+18%
Operating Income	9.7	26.6	+174%
equity method	2.7	0.8	-2.0
FX	+0.4	-0.8	-1.2
Ordinary Profit	9.6	23.4	+143%
minority shareholders	2.7	-4.0	-6.7
Net Profit	10.5	11.2	+6%

FY10Q3(31.Dec.2010)BS / ROA improved FURUKAWA ELECTRIC

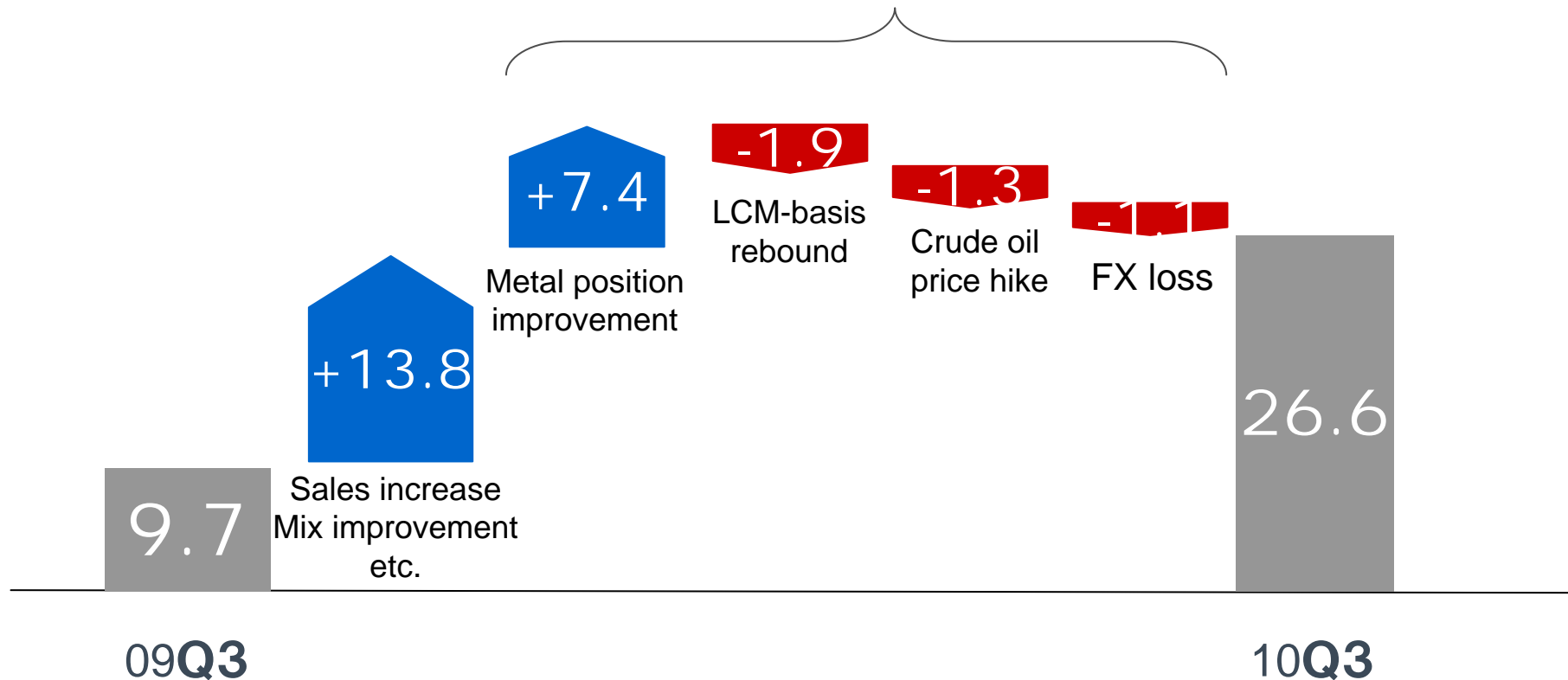
(yen in billions)

	a	b	b-a
	31.Mar.10	31.Dec.10	change
Total assets	835.8	857.5	+3%
Capital ratio	19.6%	19.5%	-0.1
Debt	362.1	370.7	+2%
DE ratio	2.22	2.22	±0
Turnover	0.97	*1.07	+0.1
ROA (OI basis)	2.4%	*4.1%	+1.7
		*at annual rate	

FY10Q3(Apl.-Dec.2010)OI Analysis

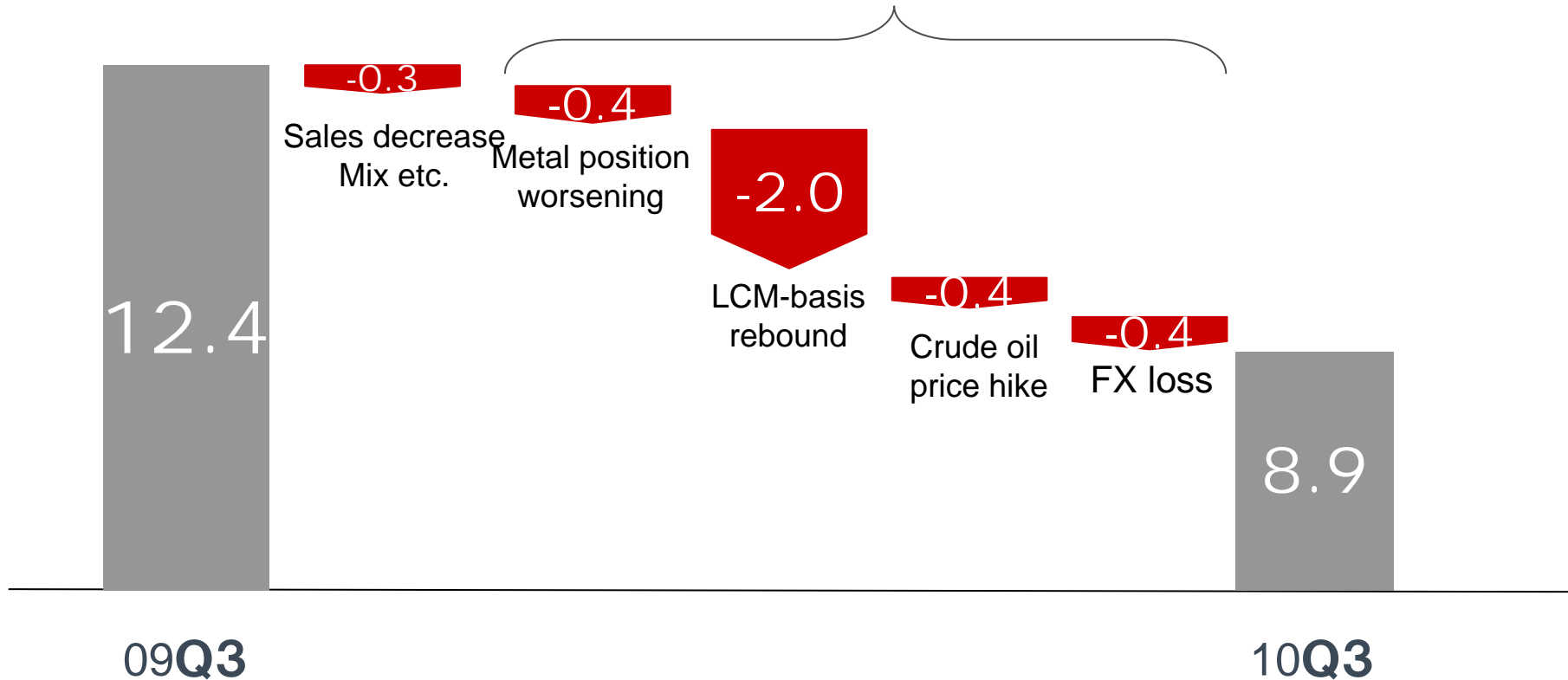
(yen in billions)

+16.9 improved yr/yr including extra factor of +3.1



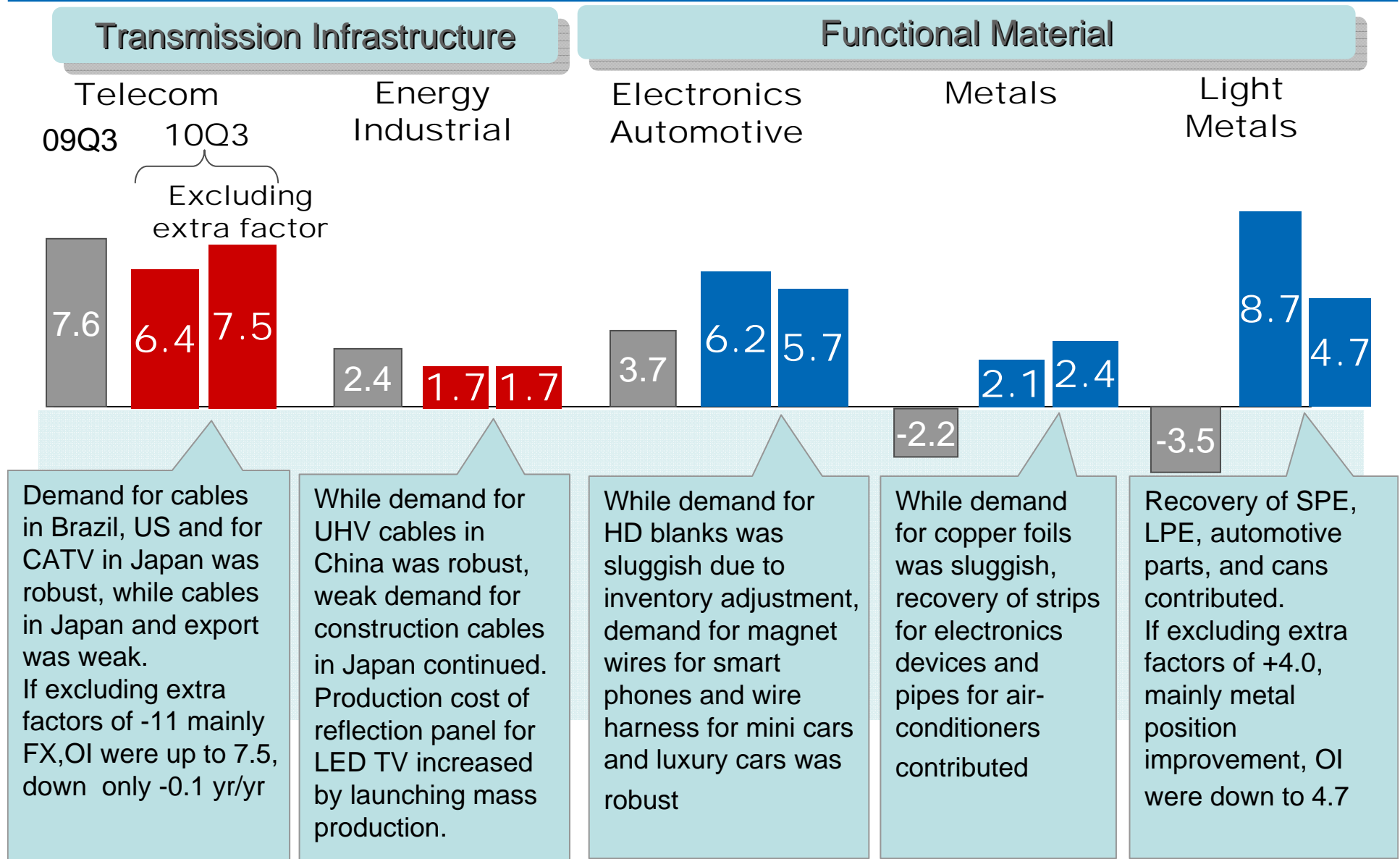
(yen in billions)

Almost Flat yr/yr excluding extra factor of -32



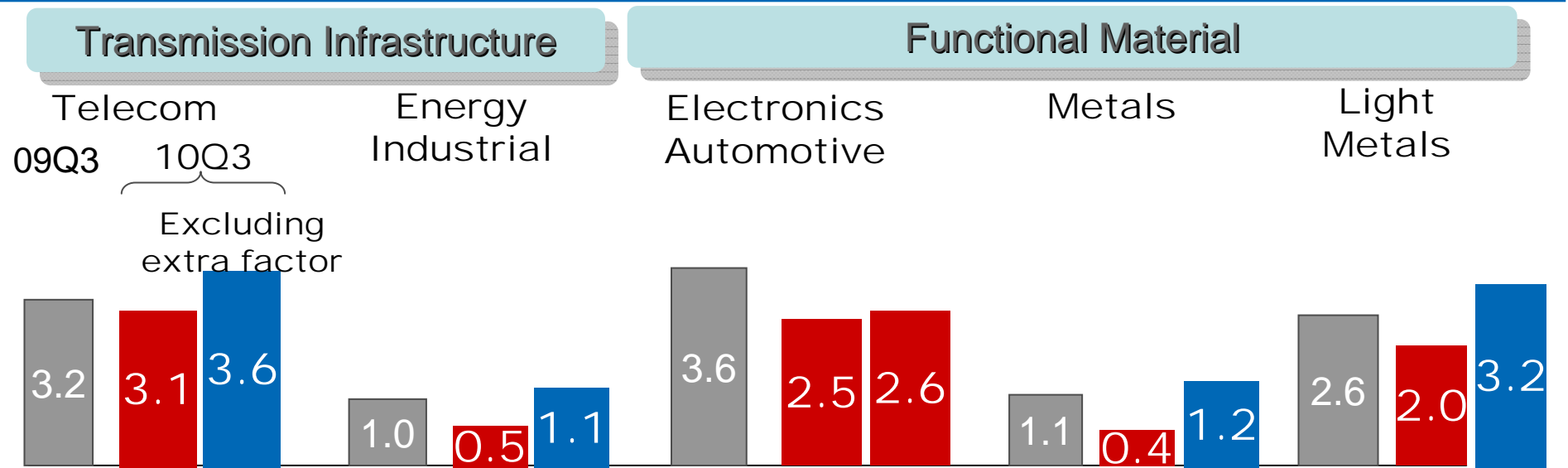
FY10Q3(Apl.-Dec.2010)OI by Segment

FURUKAWA ELECTRIC
(yen in billions)



Q3(Oct.-Dec.2010)OI by Segment

FURUKAWA ELECTRIC
(yen in billions)



Demand for cables in Brazil, US and for CATV in Japan was robust, while cables in Japan and export was weak. If excluding extra factors of -0.5 mainly FX, OI were up to 3.6, up +0.4 yr/yr

While demand for UHV cables in China was robust, weak demand for construction cables in Japan continued. Production cost of reflection panel for LED TV increased by launching mass production. If excluding extra factors of -0.6 mainly metal and oil, OI were up to 1.1, up +0.1 yr/yr

While demand for magnet wires for smart phone was robust, demand for HD blanks was sluggish due to inventory adjustment, and production cost for wire harness increased.

While demand for pipes for air-conditioner was stable, strips and foils were sluggish. If excluding extra factors of -0.8 mainly LCM basis, OI were up to 1.2, up +0.1 yr/yr

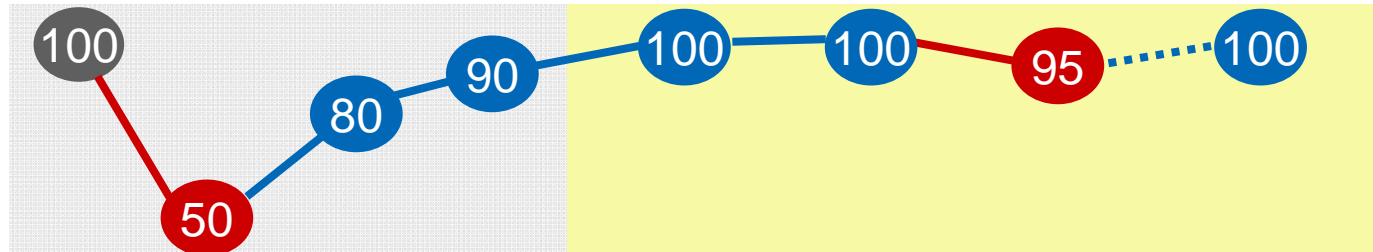
While SPE demand was stable, extra factors of -1.2 which was mainly LCM basis affected, OI were up to 3.2, up +0.6 yr/yr

Functional Materials

Unit sales basis
08H1 = 100

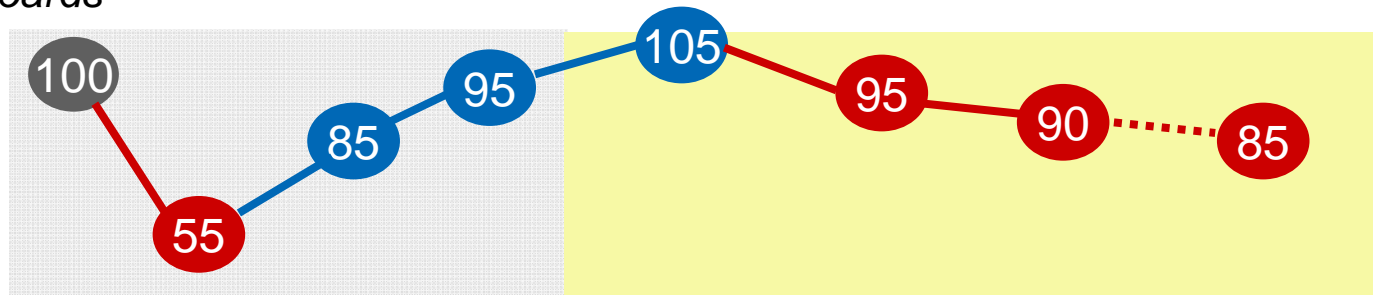
08H1	H2	09H1	H2	10Q1	10Q2	10Q3	10Q4e
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Copper Foil



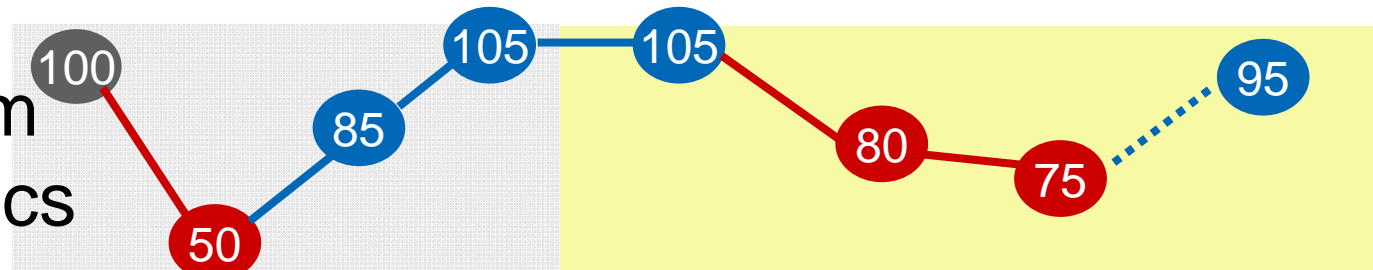
*For Li batteries,
printed circuit boards*

Semicon process tapes



*For wafer dicing
processes*

Aluminum blank discs



For hard disk drives

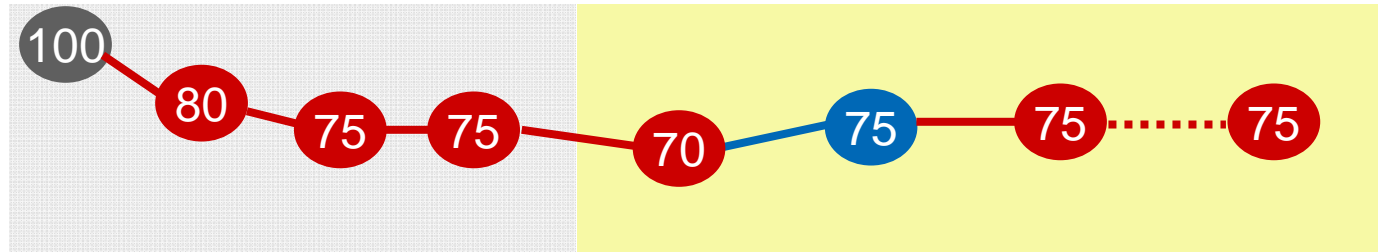
Traditional Processing

Unit sales basis
08H1 = 100

08H1 H2 09H1 H2 10Q1 10Q2 10Q3 10Q4e

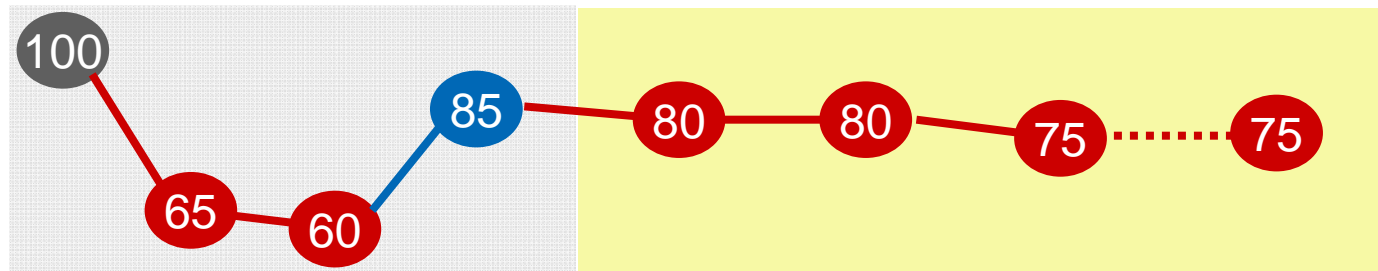
Copper wire

For power cables



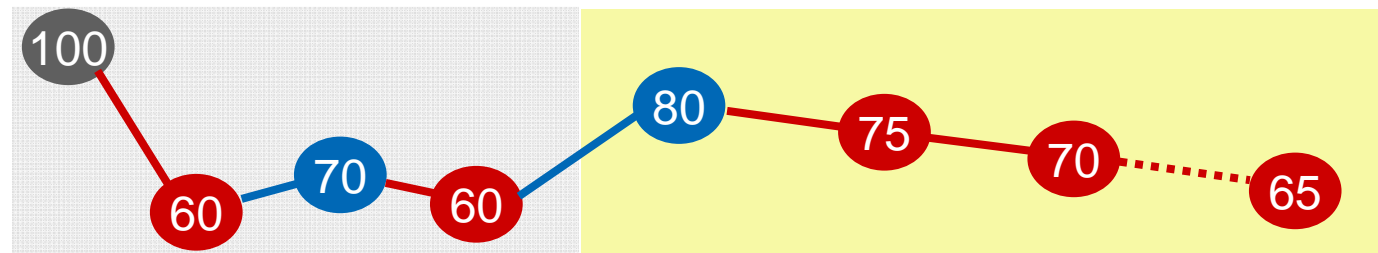
Copper strips

For leadframes, connectors



Copper pipes

For air conditioners



Measures for FY2012 Medium term plan

FURUKAWA ELECTRIC

● Global expansion of transmission infrastructure business

<Telecommunications>

Preform JV agreement with Hen Tong China (Starting at the end of 2011)

<Energy>

Industrial Cable JV agreement with Huatong China (Started in Nov.2010)

● Strengthening the position of functional material

<Industrial products> Started mass production of MCPET for LED TV (FY2010 Q3-)

<Elec/Auto systems> Started mass production of HD blanks (FY2010 Q3-)

<Metals> **Tripling production capacity of copper foils for EV and HEV (FY2011-12 gradually)**

● Tightening in traditional business

<Elec/Auto systems> Integrated magnet wire production into two (Oct.2010-)

<Metals> Reforming domestic production of copper pipe
(until the end of FY2011)

<Metals> Started copper strips JV in China (until the end of Dec.2010)

Thank you for your attention.



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.

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