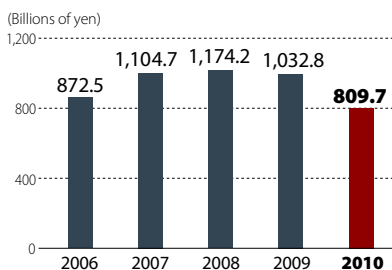


FINANCIAL HIGHLIGHTS

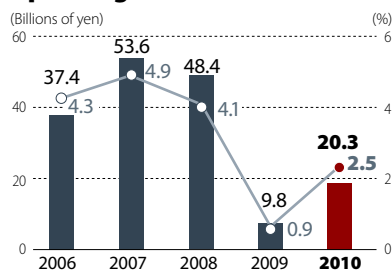
		Millions of yen			Thousand of U.S. dollars
		2008	2009	2010	2010
For the year	Net sales	1,174,247	1,032,807	809,693	8706,376
	Operating income	48,447	9,752	20,322	218,516
	Income (loss) before income taxes and minority interests	31,034	-30,896	10,947	117,710
	Net income (loss)	15,291	-37,405	9,704	104,344
At year-end	Total assets	1,014,778	845,658	835,819	8,987,301
	Net assets	294,982	190,429	208,929	2,246,549
	Interest-bearing debt	399,050	383,114	362,088	3,893,398
Cash flow	Cash flows from operating activities	90,760	78,728	36,668	394,280
	Cash flows from investing activities	-52,113	-51,267	-25,113	-270,032
	Cash flows from financing activities	-41,581	-14,553	-23,582	-253,570
Per share date (yen)	Net income	21.81	-53.34	13.80	0.148
	Net assets	332.61	203.16	231.39	2.488
	Cash dividends	7.00	6.00	5.00	0.054
Ratios (%)	ROE	6.4	-20.0	6.3	—
	ROA	4.8	1.2	2.4	—
	D/E Ratio	1.7	2.7	2.2	—

Note) 1. U.S. dollar amounts have been translated, for convenience only, at the rate of ¥93 to US\$1.
2. ROA = Operating income (loss) / Total assets

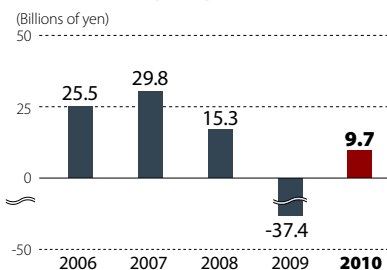
Net sales



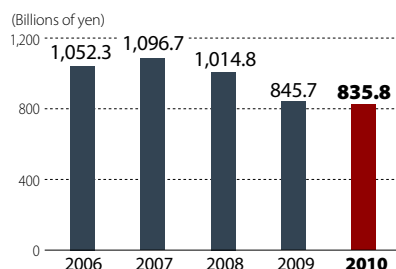
Operating income/Ratio to netsales



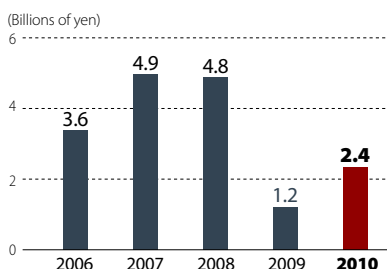
Net income (loss)



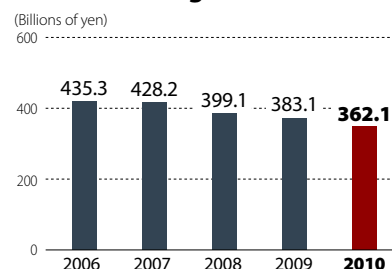
Total assets



ROA



Interest-bearing debt



Contents

FINANCIAL HIGHLIGHTS	01	CORPORATE GOVERNANCE	29
PROFILE	02	CSR ACTIVITIES	31
AT A GLANCE	03	DIRECTORS AND AUDITORS	33
INTERVIEW WITH THE PRESIDENT	05	FINANCIAL SECTION	34
SPECIAL FEATURE NEW FRONTIER 2012	09	CORPORATE DATA / STOCK INFORMATION	88
BUSINESS OUTLOOK AND FOCUS	23		

Forward-Looking Statements

Statements made in this annual report with respect to Furukawa Electric's current plans, estimates, strategies, and beliefs and other statements which are not historical facts are forward-looking statements based on the Company's assumptions and expectations in light of currently available information, and therefore involve risks and uncertainties which may cause actual performance results to differ from those discussed in forward-looking statements. Potential risks may include, but are not limited to, general economic conditions, management environment, market demand, foreign exchange rates, taxes and other government programs or policies. Therefore, no guarantee is presented or implied relative to the accuracy of the forward-looking statements in this annual report.

Fiscal Year Notation

The fiscal year in this annual report is indicated as fiscal 2010 or FY2010, which covers the period from April 1, 2009 to March 31, 2010.

PROFILE

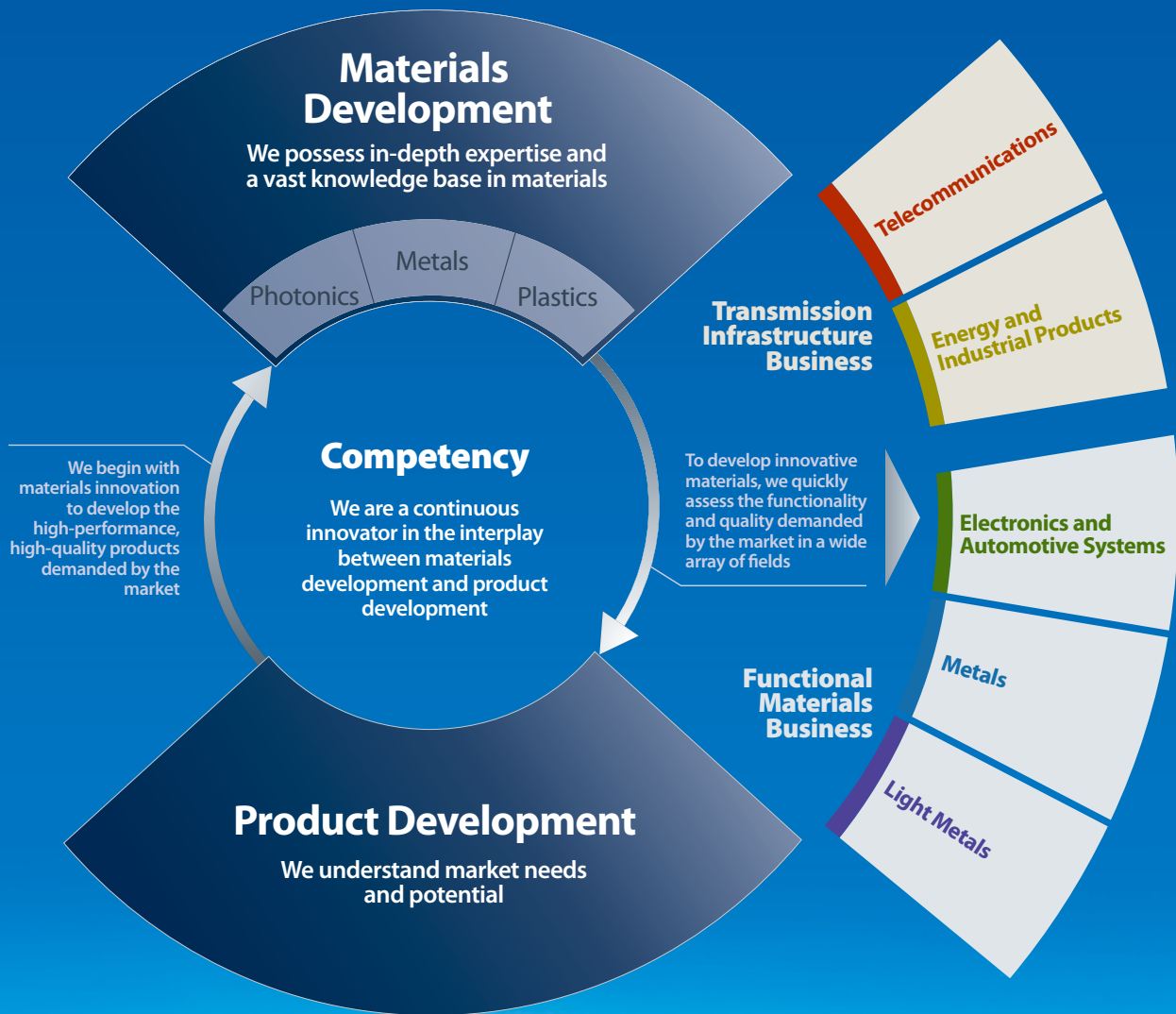
The Furukawa Electric Group has pioneered technical innovation for over a century, providing clients and end users with high-value technologies in a broad array of fields.

Our key strength is in integrating materials — centered on photonics, metals, and plastics — into functionality and quality that meet the demands of the market.




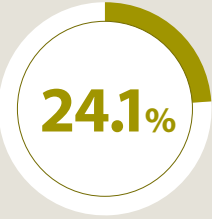





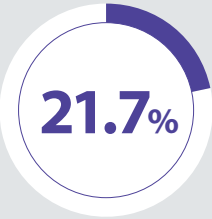

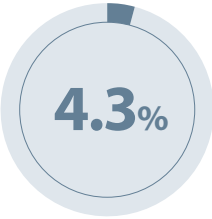
Through development of products in industry segments including telecommunications, energy and industrial products, electronics and automotive systems,

metals, and light metals, we also excel in the ability to quickly assess market needs and trends, and reflect these in materials innovation.

Our ingenuity in materials development and product development creates innovation and synergies that drive the new solutions we bring to the market. As we further enhance this ingenuity, the Furukawa Electric Group will continue creating products that support industrial development and enrich people’s lives around the world.



AT A GLANCE

Segment	Ratio to Net Sales	Major Businesses
Transmission Infrastructure Business		
Telecommunications 		<ul style="list-style-type: none"> • Optical Fiber Cable Business • Photonics and Network Solutions Business
Energy and Industrial Products 		<ul style="list-style-type: none"> • Energy Business • Industrial Products Business
Functional Materials Business		
Electronics and Automotive Systems 		<ul style="list-style-type: none"> • Automotive Parts Business • Electronics Components Business • Magnet Wire Business
Metals 		<ul style="list-style-type: none"> • Copper Strips & Pipes Business • Electrolytic Copper Foils Business
Light Metals 		<ul style="list-style-type: none"> • Aluminum Rolling Business • Aluminum Extrusion Business • Aluminum Casting, Forging and Other Processing Businesses
Services and Others 		

Billions of yen

Major Products	2010 Topics		2008 Results	2009 Results	2010 Results
<ul style="list-style-type: none"> Optical fibers and cables Optical components Optical fiber cable accessories and installations Network equipment, etc. 	<ul style="list-style-type: none"> Expanded sales of LAN cables & optical cables in Brazil Launched optical fiber JV in India Launched second optical cable manufacturing site in Indonesia 	Net Sales	163.1	159.1	135.5
		Operating Income	11.0	9.3	9.8
<ul style="list-style-type: none"> Bare copper wires Power cables Power transmission cable accessories and installations Plastic products such as power cable conduit material and foamed sheets thermoelectric products, etc. 	<ul style="list-style-type: none"> Launched new production site for foamed plastics in Russia Provided technical assistance for ultra-high-voltage cables in Russia Consolidated production of copper wires Consolidated production of foamed plastics Divested in-floor heating system subsidiary to Max Merger of a construction affiliate with a Fuji Electric subsidiary 	Net Sales	315.0	277.4	208.8
		Operating Income	8.1	1.1	3.7
<ul style="list-style-type: none"> Battery products Automotive components and electrical wires Magnet wires Heat sinks Aluminum and glass blanks for HDD devices Electronic component materials, etc. 	<ul style="list-style-type: none"> Acquired management control of a wire harness company in Malaysia Launched second wire harness manufacturing site in Vietnam Consolidated production of magnet wires 	Net Sales	268.6	223.8	177.2
		Operating Income	9.1	2.5	7.2
<ul style="list-style-type: none"> Copper pipes Copper strips Electrolytic copper foils Shape memory alloys and other processed copper products, etc. 	<ul style="list-style-type: none"> Consolidated production of tin plating copper Transferred electrode wire trademark rights to Oki Electric Cable Co., Ltd. 	Net Sales	213.7	170.2	119.6
		Operating Income	6.1	-4.9	-2.2
<ul style="list-style-type: none"> Aluminum sheets Extruded aluminum products Cast and forged products, etc. 	<ul style="list-style-type: none"> Made aluminum foil subsidiary wholly-owned operating company through successful TOB Consolidated aluminum sheet production in Japan 	Net Sales	258.6	234.0	188.1
		Operating Income	12.4	-0.4	-0.2
<ul style="list-style-type: none"> Real estate, logistics, information and various other services 		Net Sales	45.8	41.3	36.9
		Operating Income	1.5	1.8	1.9

INTERVIEW WITH THE PRESIDENT



Sustainable Growth in the New Frontier

The New Frontier 2012 Medium-Term Plan, our blueprint for growth in new businesses and new markets, will guide our path to sustainable growth in a changing business environment.

Masao Yoshida President

Q1 Please describe the Company's operating performance in the fiscal year under review.

A1 Despite a decline in sales during the first half and a drop in bare metal prices, we were able to post large income gains due to a recovery in earnings.

In fiscal 2010, the fiscal year ended March 31, 2010, we observed a steady global economic recovery. Emerging nations in Asia, and China in particular, are experiencing especially rapid economic revivals. There are also signs that the economic recession has bottomed out in Japan, particularly for automakers and other manufacturers.

Given these economic conditions, consolidated net sales for the Furukawa Electric Group were down 21.6% year-on-year to ¥809.7 billion. Although our earnings were down overall, we were able to exceed the previous forecast of ¥807.7 billion in net sales for the fiscal year under review, thanks to the recovery in demand for electronic and automotive products.

We posted our first consolidated operating income since the fourth quarter of fiscal 2009 to move into the black beginning in the second quarter of fiscal 2010, thanks to our cost-cutting initiatives and a recovery in sales. Earnings continued to recover steadily with operating income gaining 108.4% year-on-year to ¥20.3 billion.

In addition, we were able to eliminate our exchange rate risk by converting a yen loan that our US holding company had made to OFS to USD-denominated shares in OFS as a result of the liquidation of this holding company in the previous fiscal year. This significantly

improved our foreign exchange gains/losses.

We posted ¥6.3 billion in net gains on sales of investment securities, but we recorded ¥2.8 billion in business restructuring costs and ¥4.6 billion in provisions for penalties under the Anti-Monopoly Law. As a result, consolidated net income for the fiscal year under review was ¥9.7 billion, an improvement of ¥47.1 billion year-on-year.

Q2 What were the results of the Company's previous medium-term plan and how was the new medium-term plan developed?

A2 We made optimal use of the plan's achievements as we charted a path to growth allowing for social changes.

Looking back on our business performance over the past 10 years helps me realize that we have navigated through dramatic changes in our operating environment.

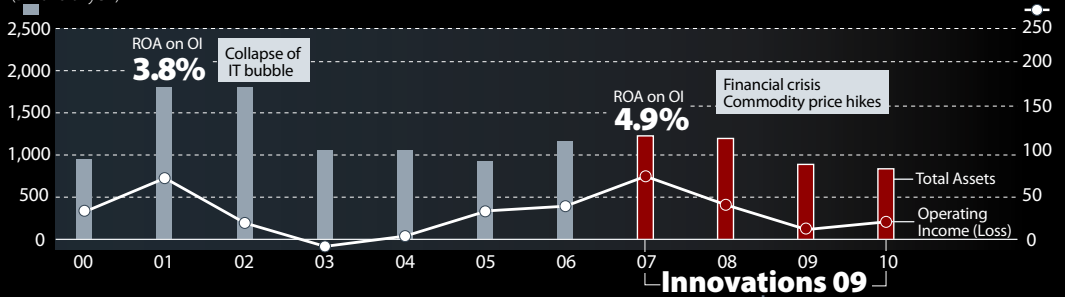
We ushered in the 21st century in 2000 with concentrated investments in optical telecommunications. In fiscal 2001, we posted record-high operating income. However, we posted an operating loss in fiscal 2003, after the IT bubble collapsed. We launched our Survival Plan in fiscal 2005, which served as our guide in restoring our business performance, and achieved a V-shaped recovery.

Starting in fiscal 2007, we shifted from a defensive to an offensive approach as we began investing in focus markets, including automotive, the environment and optical networks under our previous medium-term management plan Innovations 09.

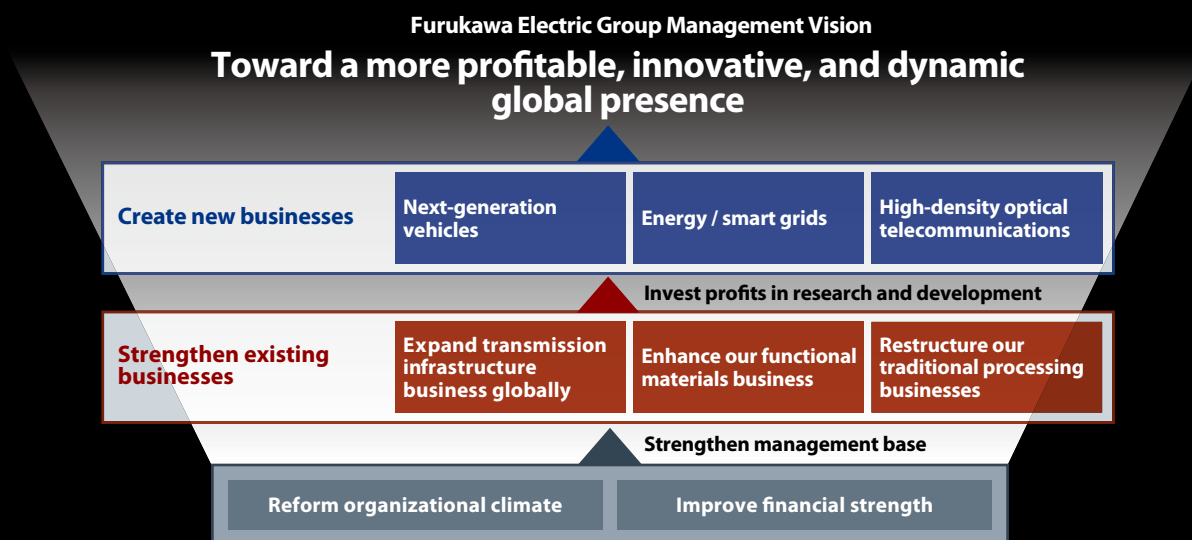
As a result of the economic crisis in the second half of fiscal 2009, the Company's earnings fell short of forecasts.

Review of Innovations 09

(Billions of yen)



- Tax system reforms (related to fixed assets) caused operating income to decline.
- Company faced assets risks due to the financial crisis and commodity price fluctuations.
- We will reduce asset risk to ensure sustainable growth.



We were also confronted with the risks posed by fluctuations in asset prices as amortization of fixed assets increased due to tax system reforms and commodity prices were highly volatile. This made us keenly aware of the importance of reducing asset-related risks.

Our newly developed New Frontier 2012 Medium-Term Plan indicates a path to achieve our Group management vision. This can be summarized with the phrase, "toward a more profitable, innovative, and dynamic global presence."

We will seek opportunities in new businesses and new markets, as well as aim to create a corporate structure that can withstand changes in the operating environment. As a result, we have decided to focus on return on assets (ROA) on an operating income basis as a key management indicator so that we can reduce asset-related risk, as well as accelerate the repayment of interest-bearing debt through an improved investment turnover ratio.

Q3 Please provide an overview of the current medium-term plan.

A3 Under the plan, we will seek growth opportunities in the new businesses and new markets representing the new frontier.

The focus of the New Frontier 2012 Medium-Term Plan, which spans a three-year period beginning in fiscal 2011,

is to seek growth opportunities in new businesses and new markets.

By new businesses, we refer to the environmental businesses of tomorrow. In particular, we will target the three fields of next-generation vehicles, smart grids and high-density optical telecom, which leverage our Group's technical competencies.

We will seek to strengthen existing businesses further and use the profits that they generate to make strategic investments in research and development in these three fields. We will also focus on expanding the market for our existing businesses in BRICs, ASEAN and other emerging nations, as we can expect these regions to continue investing in transmission infrastructure, including electricity and telecommunications.

In addition, in our functional materials business, which includes electrode materials used in lithium-ion vehicle batteries and blank disks for HDDs, we will establish mass-production technologies and expand productivity with the goal of becoming a leading supplier in these segments. At the same time, we will move forward with the restructuring of our operating portfolio to reform the business models of our less profitable businesses.

Finally, we will create a management base that supports this strategy by fostering an organizational climate suitable for global markets and strengthening our financial standing by streamlining Group assets.

Q4 What is the Company's stance on compliance?

A4 We take our repeated violation of antitrust law seriously. I myself will lead the Company in reinforcing our compliance structure.

Since I became president of the Company, we have had five on-site inspections, including affiliate companies, from the Japan Fair Trade Commission to investigate violations of the Anti-Monopoly Act of Japan. I would like to take this opportunity to express my deepest regret and apologies to our shareholders for the inconvenience and concern that we have caused.

This series of violations against anti-trust legislation has made me keenly aware of the need to reconsider long-standing industry practices. As such, we established the third-party investigation committee on violations of the Anti-Monopoly Act, consisting of a majority of neutral and fair external outside experts in July 2009, in order to conduct a complete investigation into the cause of these violations and prevent future occurrences. In December 2009, we released the committee's report to the public and announced that our top management, including the chairperson and president, would take the lead on corporate ethics to ensure best practices going forward, including strict adherence to all relevant laws and regulations.

Based on the recommendations outlined in the committee's report, we have implemented various internal policies and measures to strengthen the compliance structure of each business division, improve the governance of the sales and marketing

division, including the price setting process, and enhance monitoring systems.

I will continue to take the lead in ensuring that these incidents never happen again and that we achieve and retain compliance best practices so that we can begin to recover our credibility and trust from society.

Q5 Finally, tell us about your outlook and dividend policy for the next fiscal year.

A5 We expect to see higher earnings and increased revenue, so we plan to increase our dividend.

In the next fiscal year, we expect that the economic recovery in emerging nations will pick up, and also anticipate that next-generation vehicles and smart grids will build the market for the environmental business.

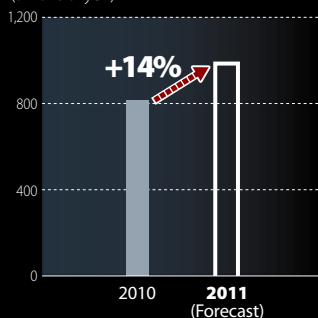
In anticipation of this, we expect that steady implementation of the medium-term plan will yield higher sales and income. Accordingly, we forecast net sales of ¥920.0 billion, operating income of ¥36.0 billion, up ¥15.7 billion from the fiscal year under review, and net income of ¥12.5 billion, an increase of ¥2.8 billion.

In fiscal 2010 we paid an annual dividend of ¥5 per share in line with our basic policy of paying solid dividends. In the next fiscal year we plan to increase our annual dividend to ¥5.5 per share.

I would like to express our sincerest gratitude to our shareholders and ask for their continued encouragement and guidance going forward.

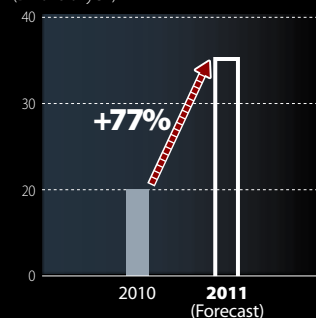
Net sales

(Billions of yen)



Operating income

(Billions of yen)



Net income

(Billions of yen)



Note)

We have calculated figures for fiscal 2010 on the assumption that the exchange rate will be USD/JPY 92.90 and the price of copper, aluminum and crude oil will be ¥610.30 per kg, ¥190.20/kg and US\$ 69.60 per barrel, respectively. The forecasts for fiscal 2011 are based on the assumption that the exchange rate will be USD/JPY 90 and the price of copper, aluminum and crude oil will be ¥640 per kg, ¥233/kg and US\$ 78 per barrel, respectively.