

Business Briefing Automotive Products business

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FURUKAWA ELECTRIC CO., LTD.

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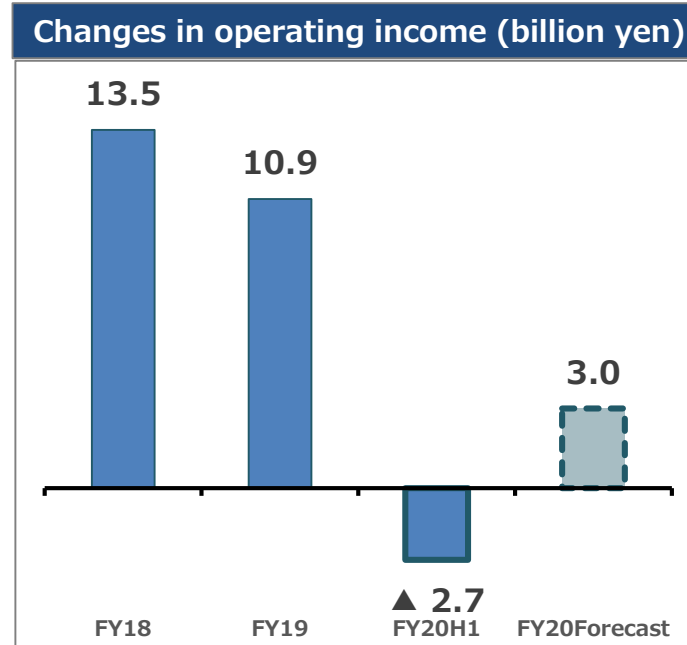
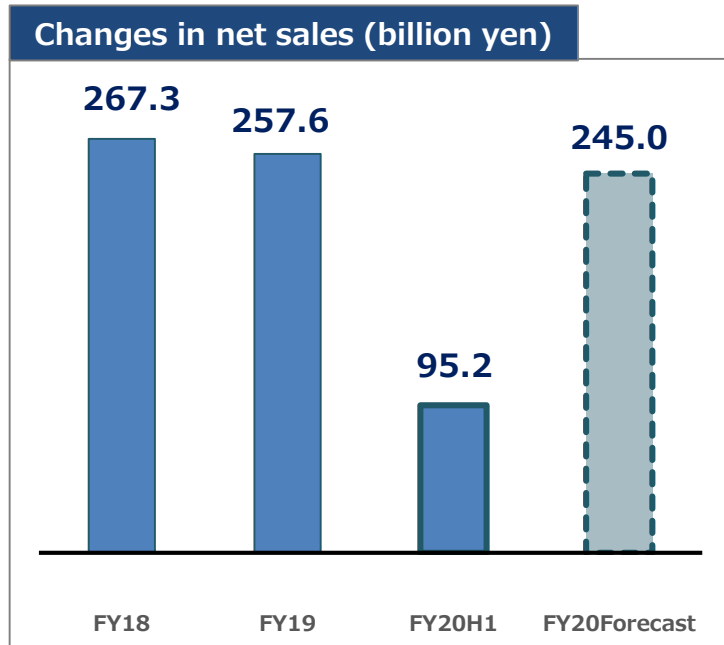
- 1. Mid-term Management Plan basic policy and strengths**
- 2. FY2020 results and full-year forecast**
- 3. Future strategy**

2. FY2020 results and full-year forecast

- Lower operating levels at the overseas subsidiaries due to COVID-19 had a major impact*, and earnings fell significantly in the first half

*Due to the fact that multiple overseas subsidiaries have adopted a fiscal year from January - December

- Following the recovery in the automotive market, earnings in the second half will exceed the forecast and be generally unchanged from last year



※Net sales and operating income graphs show the figures for the Automotive Products & Batteries segment including the batteries business

3. Future strategy



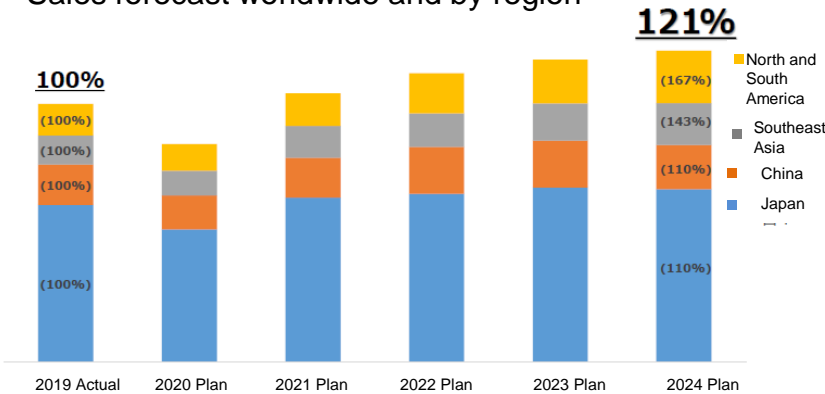
<Wire harnesses>

Lightweight

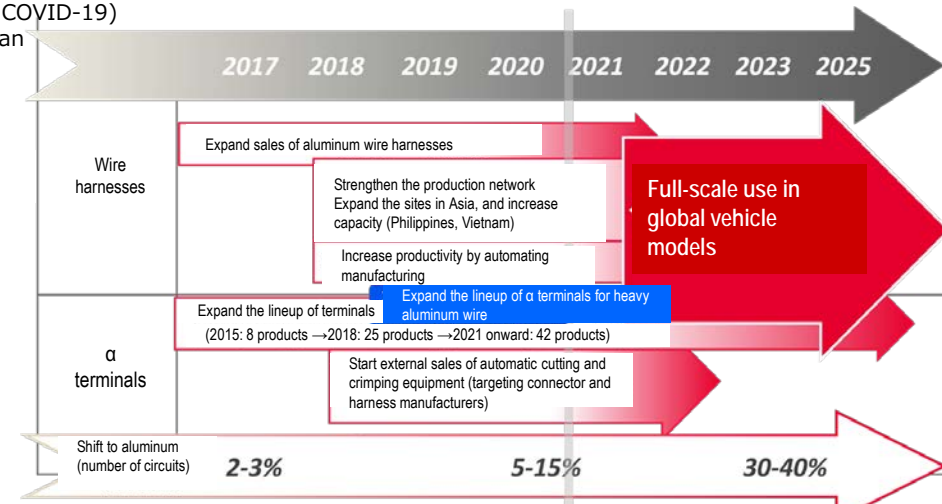
- Strengthen the global supply chain to further support the BCP
- Actively capture demand for lighter weight in response to CASE, including vehicle electrification and autonomous driving
- Invest at the right time in expanding production of wire harnesses for North America
- Anti-corrosion terminal (α terminal) is being increasingly selected given its wide range of applications based on the high corrosion resistance. Also, efforts are underway to enhance the size variations.

※Concerning the graph below:
 Figures from 2021 are the figures as of February 2020 (planned figures prior to COVID-19)
 The figures will be revised when formulating the 2025 Mid-term Management Plan

Sales forecast worldwide and by region



Going forward, North America will grow the most



Steadily increase orders for aluminum wire harnesses and α terminals

3. Future strategy

<SRC (Steering roll connector)>

Safety

- Currently promoting sales with the aim of becoming No. 1 and acquiring 50% global market share
- Capture the regional demand expected from market growth following the enactment of airbag laws and regulations, and promote **the development of products with an eye on next generation vehicles**

<BSS (Lead battery state sensor)>

Safety / lightweight

- Expanding demand for power supply management and safety measures for autonomous driving (**add a prediction function for the sudden loss of function in lead and lithium batteries**)
- Start mass production of the high performance BSS for the Toyota TNGA, and increase market share

<Radar>

Safety

- Completed development of a next generation peripheral monitoring radar (small, high performance) for passenger vehicles
- Currently expanding the uses directed at **construction and agricultural machinery and infrastructure**

3. Future strategy

<New products directed at vehicle electrification>

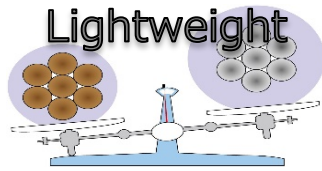
Electrification

- In addition to high voltage harnesses for HEV, currently mass producing and delivering **high voltage terminal blocks and junction boxes for ZEV (EV/FCV)**
- For high voltage harnesses, currently developing and enhancing **electrical wires and high voltage connectors that realize lightweight, flexible and reduced space** through the use of new materials including aluminum

3. Future strategy



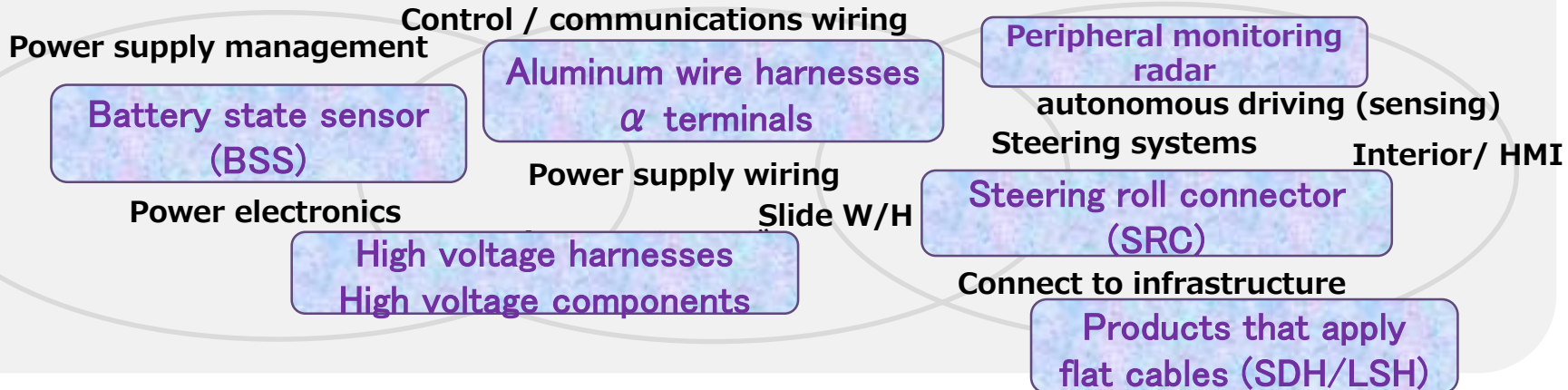
Vehicle electrification, autonomous driving, connected, sharing



Power systems

Wiring systems







Safety / convenience systems



Thank you very much
for your attention.

Bound to  ***Innovate***

Appendix Product overview

Automotive Products						
						
Safety	●	●	●	●		
Light weight			●	●	●	
Electrification						●
Products	<ul style="list-style-type: none"> •Quasi-millimeter wave radar 	<ul style="list-style-type: none"> •Steering roll connector (SRC) 	<ul style="list-style-type: none"> •Lead battery state detection sensor (BSS) 	<ul style="list-style-type: none"> •Products using flat cable 	<ul style="list-style-type: none"> •Aluminum harnesses •Corrosion-proof terminal (a terminal) 	<ul style="list-style-type: none"> •High voltage products
Applications	<ul style="list-style-type: none"> •Advanced driver-assistance systems (ADAS) 	<ul style="list-style-type: none"> •Connector for airbags 	<ul style="list-style-type: none"> •Vehicle power source management 	<ul style="list-style-type: none"> •Electricity supply and signal transmission for sliding doors and long slide seats 	<ul style="list-style-type: none"> •Reduce the weight of vehicle wiring 	<ul style="list-style-type: none"> •Wiring for electric vehicles
Customers	<ul style="list-style-type: none"> •Japanese automobile manufacturers 	<ul style="list-style-type: none"> •Tier 1 	<ul style="list-style-type: none"> •Japanese automobile manufacturers 	<ul style="list-style-type: none"> •Automobile manufacturers 	<ul style="list-style-type: none"> •Japanese automobile manufacturers 	<ul style="list-style-type: none"> •Japanese automobile manufacturers