

All to brighten the world



Business Briefing

Automotive Systems

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Agenda

1. Business Policy
2. Business Strategy Roadmap
3. Product Strategy Roadmap
4. Promotion of Carbon Neutrality and the Circular Economy (CN/CE)
5. Customer Strategy and Manufacturing Footprint
6. Net Sales and Operating Profit Trends

Appendix: Business Overview and Product Overview

1. Business Policy

- Realize “A Bright Future for People and Mobility” by delivering value in line with evolution of vehicles, and achieve both contributions to solving social issues and sustainable growth

External environment

- Gradual growth of the EV market
- Further evolution of vehicles
- Sudden fluctuations in demand
- Increasing geopolitical risk

(Product strategy)
Supply products that drive evolution of vehicles

Enhance product value by strengthening the competitiveness of existing products and capturing new market opportunities

- Strengthen the earning base through well-differentiated technology for low-voltage wire harnesses
- Expand growth areas by enhancing high-voltage products
- Expand functional products to new markets and applications
- Create new products for next-generation automotive systems

(Environmental response)
Promote carbon neutrality and circular economy (CN/CE)

Promote environmental initiatives centered on reducing greenhouse gases (GHG) emissions

- Expand the use of renewable energy at global production sites
- Reduce environmental load through recycling technology

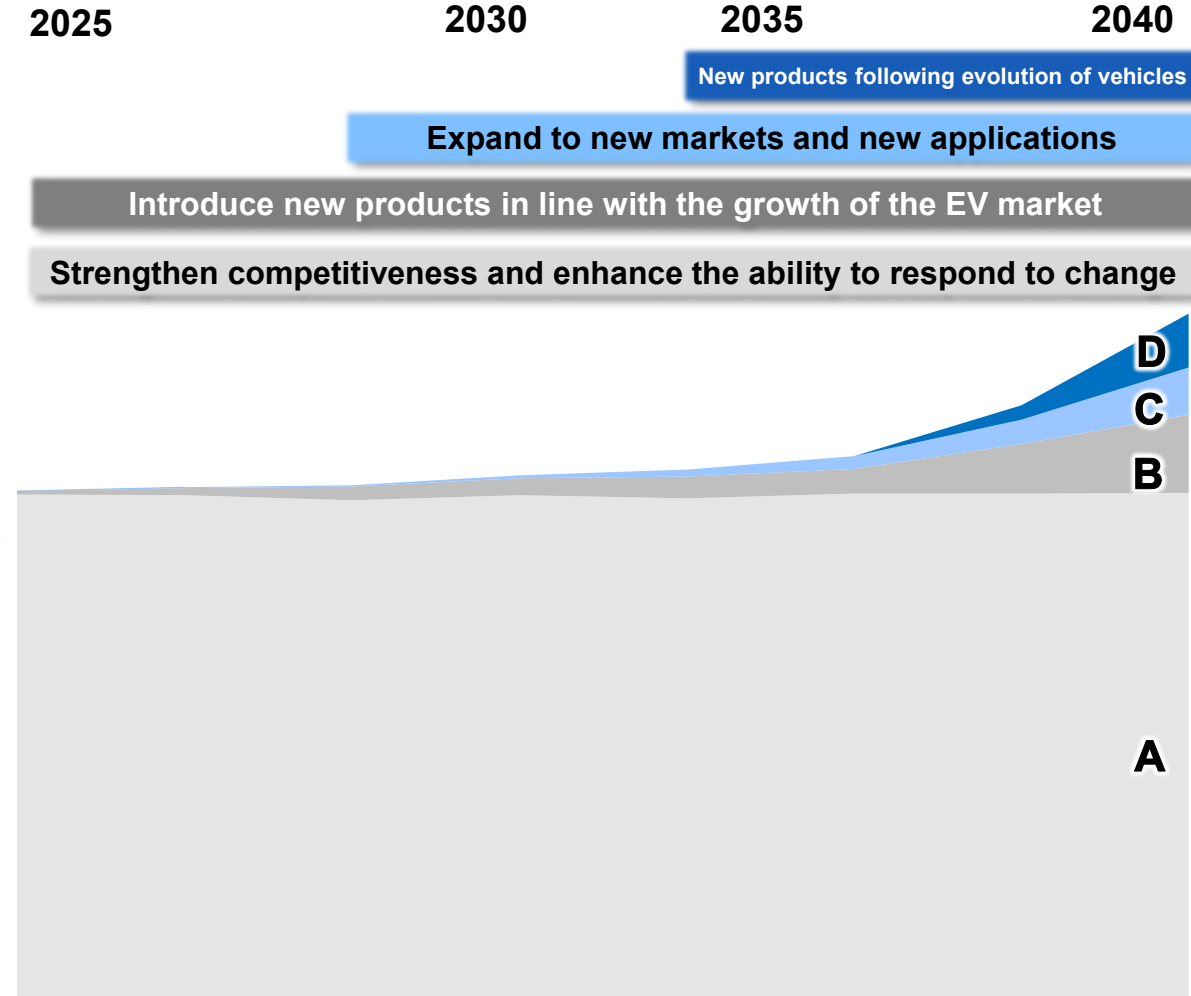
(Supply strategy)
Customer strategy and manufacturing framework

Address customer needs and optimize supply system

- Expand sales activities aligned with customer strategies, and Address demand for local production for local consumption
- Establish supply structure resilient to geopolitical risks

2. Business Strategy Roadmap

- Promote both strengthening the earning base through existing products and expanding growth areas through new product development and new market cultivation, and achieve sustainable growth through portfolio transformation



3. Product Strategy Roadmap

- Starting from solving customer issues, capture needs arising from the evolution of vehicles and create product value by strengthening competitiveness and expanding to new domains

Product lineup		Key points	2025	2030	2035-
Low-voltage products		Expand the use of aluminum (environment / cost) Transform manufacturing (BCM*1/ quality)	Increased adoption of aluminum wire⇒⇒ Maximize adoption ratio of aluminum wire toward 2035	WH assembly automation Phase1 (Introduction) ⇒Phase2 (Expansion) ⇒Phase3 (New challenges)	
High-voltage products		Energy efficiency and low profile		Expand adoption of f-LUC® (Proprietary high-voltage connector)	
SRC (Steering roll connector)		Products that support 100Mbps communications, small size and next-generation cockpits	Adapt to CAN*3 communications	Adapt to 100Mbps communications	Support for steer by wire, stowable steering wheel ,etc.
BSS® (Lead battery state sensor)		Power supply reliability (Expand sensing capabilities)	Expand market applications including for BEV/FCEV*4	Enhance sensing capabilities to improve EV system reliability	
Peripheral monitoring radar		Regulatory compliance Use AI and increase robustness	Adapt to various regulations in line with advances in ADAS*5	Expand to construction equipment, industrial vehicles and small mobility	Expand to a diverse range of applications
New products		High-speed communications Optical communications Wireless communications / power supply V2X*2 communications	Products for Ethernet communications of 100M ⇒⇒1G⇒⇒2.5G/10G	Optical communications over 10G	Support layout-free interiors Support evolution of autonomous driving

*1BCM: Business continuity management *2V2X: Connecting vehicles to other objects through communications technology *3CAN: Controller Area Network

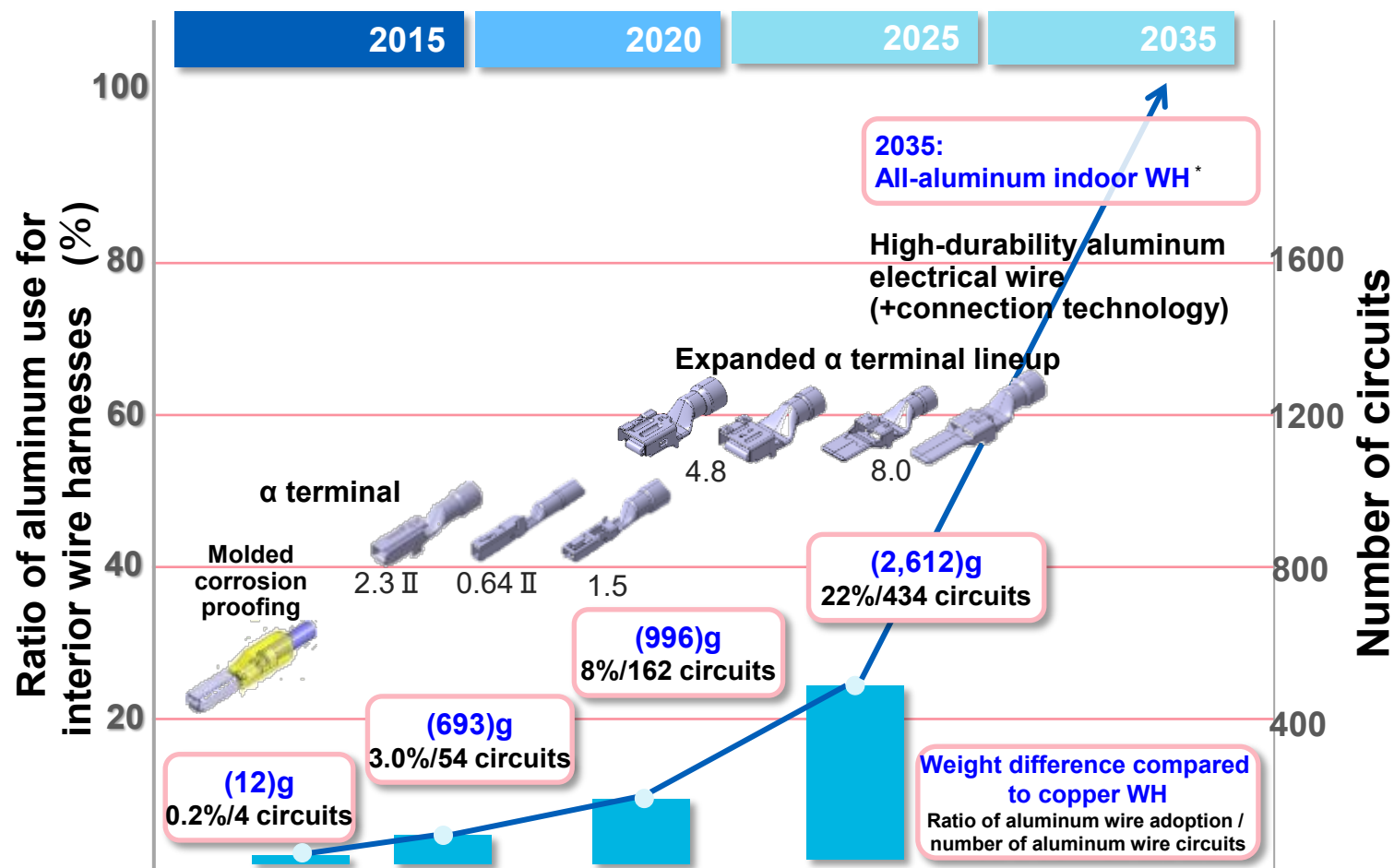
*4BEV/FCEV: Electric vehicle / Fuel cell vehicle *5ADAS: Advanced driver assistance system

3. Strategy by Product – Low-Voltage Products

① Increase the Use of Aluminum

- Leverage the Company's proprietary technology to increase the use of aluminum, which is superior to copper electric wire both in terms of the environmental impact and cost

Develop elemental technology in steps,
and expand the lineup

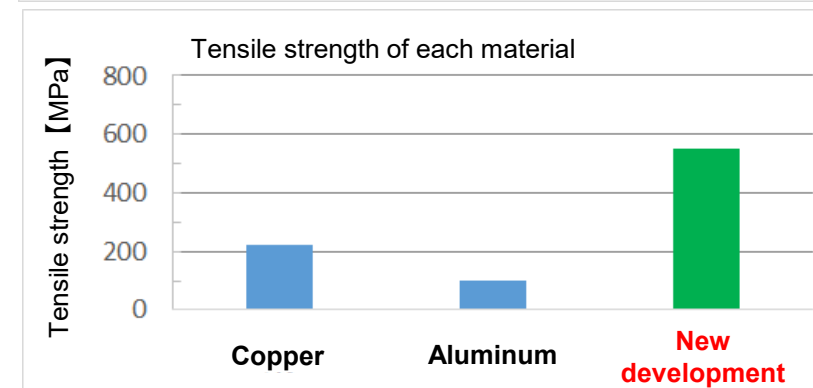
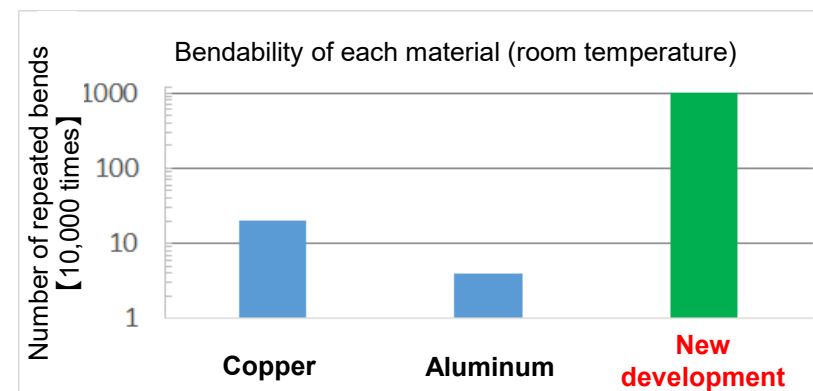


*WH: Wire harness

High durability aluminum electric wire

The Company is developing new aluminum alloy wire with a fine-grained microstructure through its proprietary metal technology

【Conductor features】 Superior bendability and tensile strength compared to copper wire



3. Strategy by Product – Low-Voltage Products

② Transform Manufacturing (Production Automation)

- Establish a manufacturing footprint that enables local production for local consumption through production automation

Phases 0-2: Achieve without making significant changes to the current harness form

Phase 3: Consider revising the harness design to better suit automation

From 2030

New challenges

Phase 3

Following Phase 2 and design changes, transform manufacturing and challenge in large harnesses

2029-

Phase 2

Expansion

Based on the technology established in Phase 1, expand to other harness types

2028-

Phase 1 Introduction

Establish technology for simple harnesses, and realize manufacturing that does not rely on manual operations



Small WH*

Up to 20 circuits

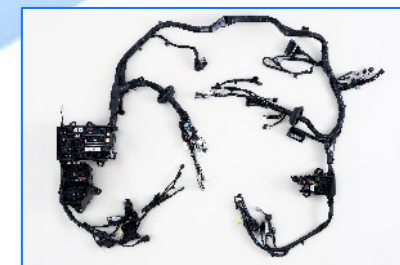
- Full automation



Door WH
Floor & instrument panel WH with around 100 circuits

20-100 circuits

- Expand adoption to external WH
- Use some manual processes



Instrument panel WH
Floor WH

100+ circuits

- WH forms suited to automation
- Optimization of automation and manual work allocation

2025

Phase 0

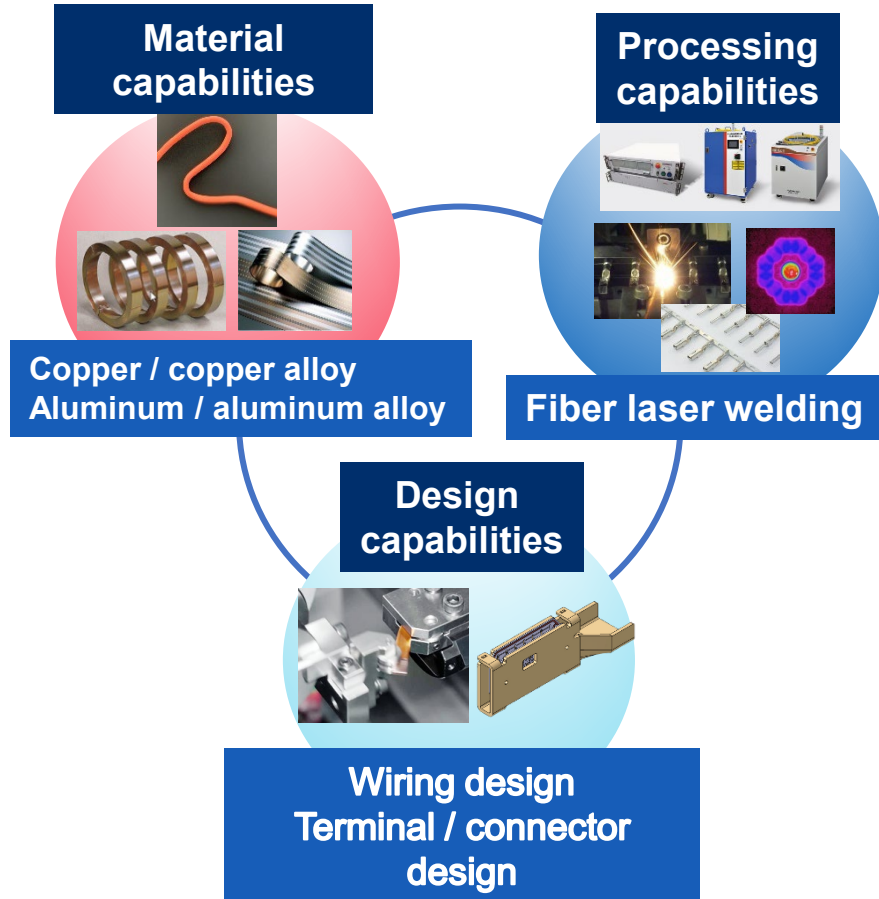
Development

Build a model line on a trial basis

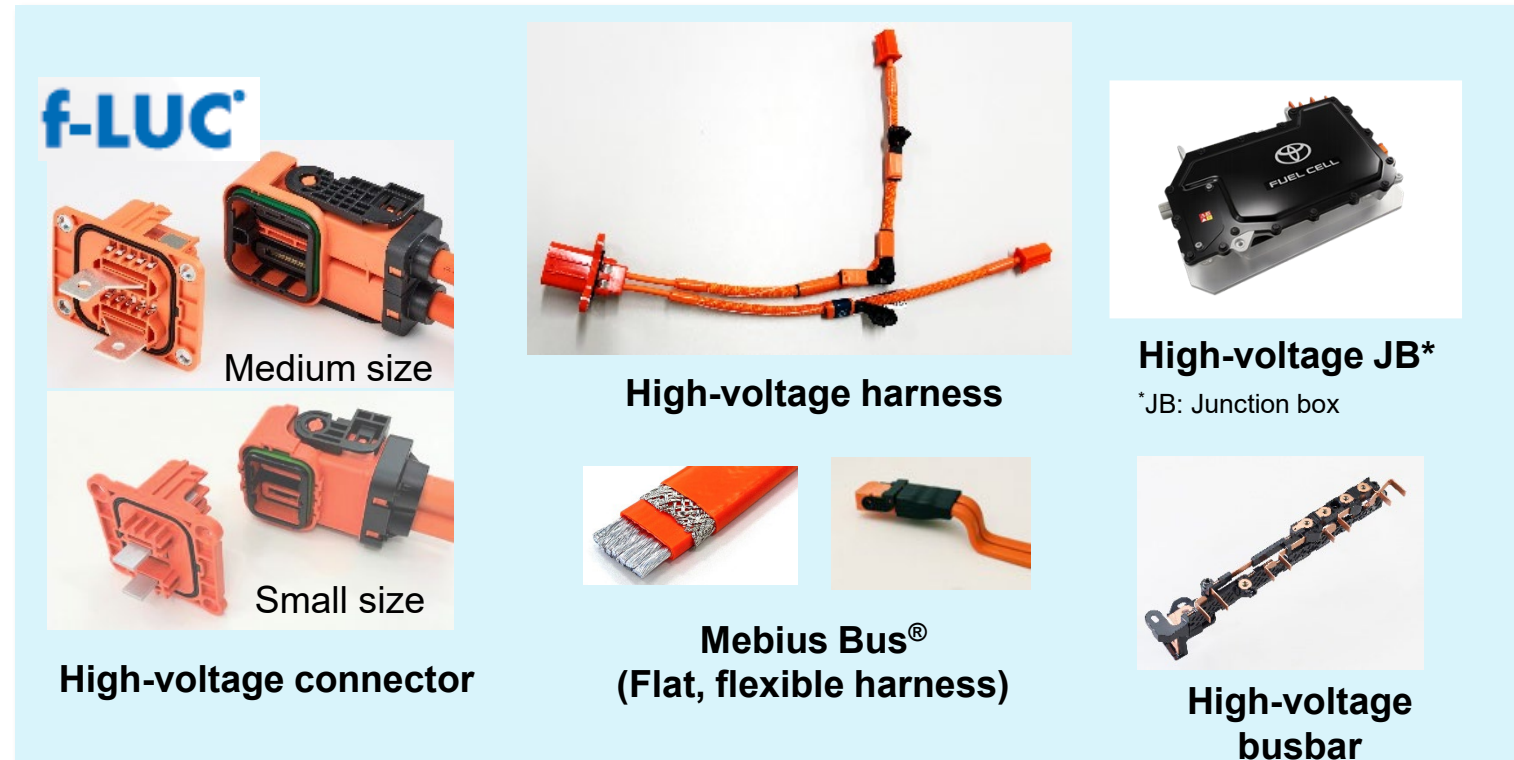
*WH: Wire harness

3. Strategy by Product – High-Voltage Products

- Leveraging the strengths in material, processing, and design capabilities, expand the lineup of high-voltage products that capture to market growth following advances in vehicle electrification



Through size reduction and higher efficiency, contribute to space saving, lightweight and improvement in energy efficiency



3. Strategy by Product – SRC, BSS and Peripheral Monitoring Radar

- Through technological advancement and expanded applications of functional products, contribute to improving vehicle safety and reliability

SRC (Steering roll connector)

High-quality product with No. 1 global market share

- Design supporting 100Mbps communications, smaller size, and steer-by-wire systems
→Contribute to the evolution of cockpits



BSS[®] (Lead battery state sensor)

Advanced sensing product with No. 1 market share in Japan

- Enhance detection capability to improve the reliability of EV systems
- In addition to sensing while driving, strengthen the ability to monitor while parked
Prevent the battery from dying unexpectedly



→Contribute to evolution of vehicles

Peripheral monitoring radar

Detect hazards even in environments difficult for camera to capture

- Leveraging the strengths in sensing performance in environments with dirt or rain, monitor the periphery of construction equipment and industrial vehicles, and detect vehicles driving in the wrong direction on expressways
→ Contribute to the evolution of mobility and infrastructure



3. Strategy by Product – New Products

- Create new products for next-generation automotive systems driven by advancements in SDV*, autonomous driving and connected technology

*SDV: Software-Defined Vehicle

High-speed and optical communications

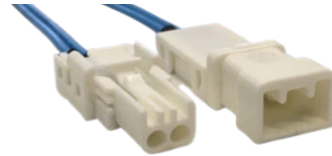
Support high-speed, high-capacity communications required for connected vehicles and autonomous driving

Metal cable with shielding

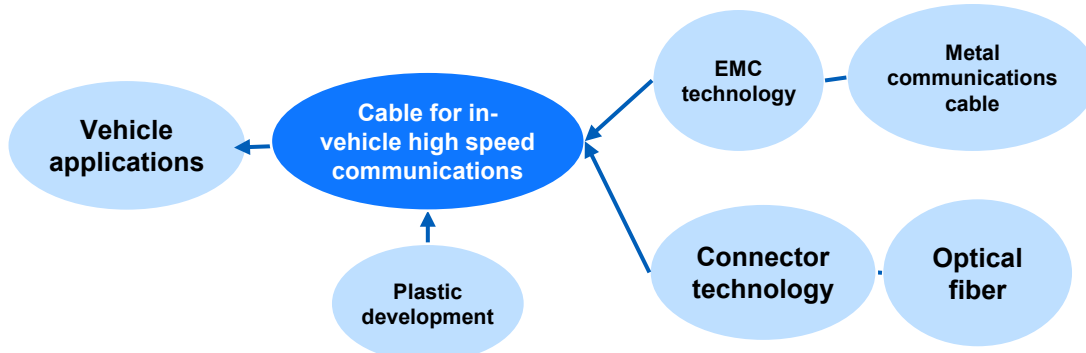


- Utilize technologies cultivated in our telecommunications field, including control of dielectric constant in Jackets and twist pitch

Optical cable



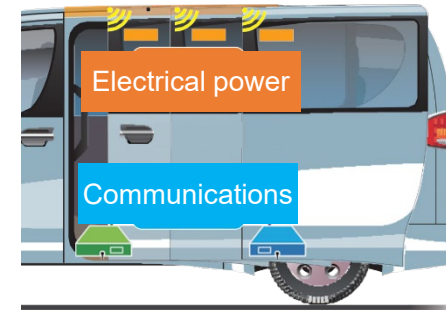
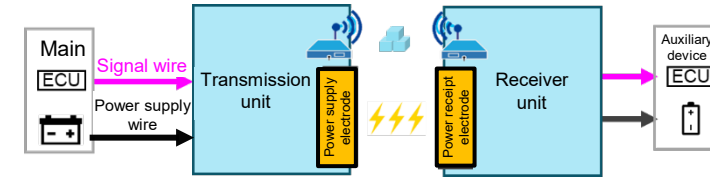
- Apply the world-class optical fiber technology and optical connector technology to vehicles



Wireless communications and power supply

Support a layout-free interior for devices

Wireless unit

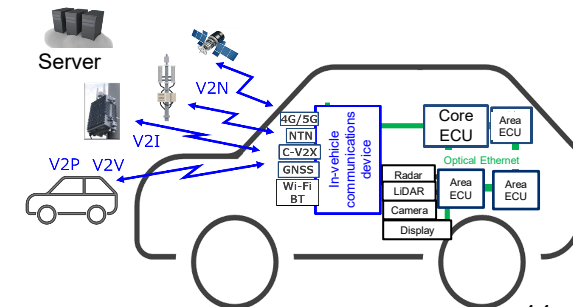


Example of use in a vehicle

- Achieve space savings in wiring, reduce wire connection work during assembly, and enable more flexible design layouts

V2X communications

- Leverage routing technology and wireless communication technologies to build low-latency, high-quality V2X communication system



4. Promotion of CN/CE

① Reduce Greenhouse Gas (GHG) Emissions

- Toward achieving carbon neutrality by 2050, aim to reduce GHG emissions (Scope 1 and Scope 2) by 50% by 2030 (compared with 2021)

■ GHG emissions (Scope 1 and Scope 2) reduction target and progress (Automotive domain)

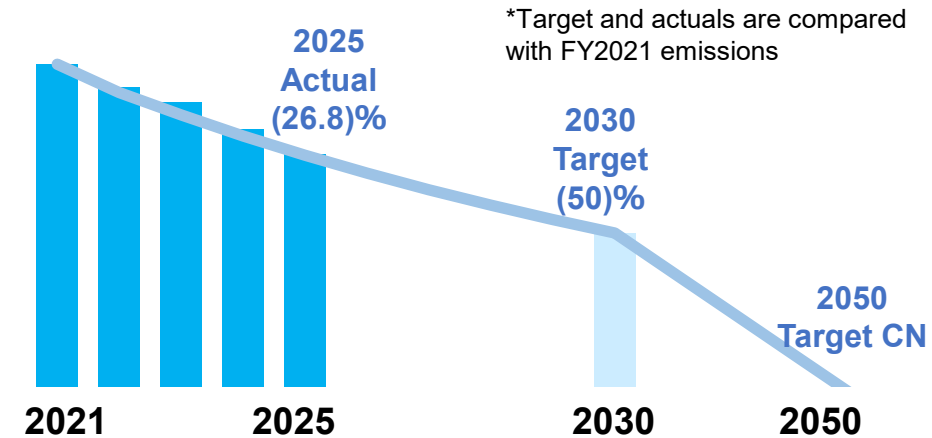
Target: Compared with FY2021,

- 2030: 50% reduction
- 2050: Carbon neutrality (CN)

Progress: As of FY2025, generally progressing as planned

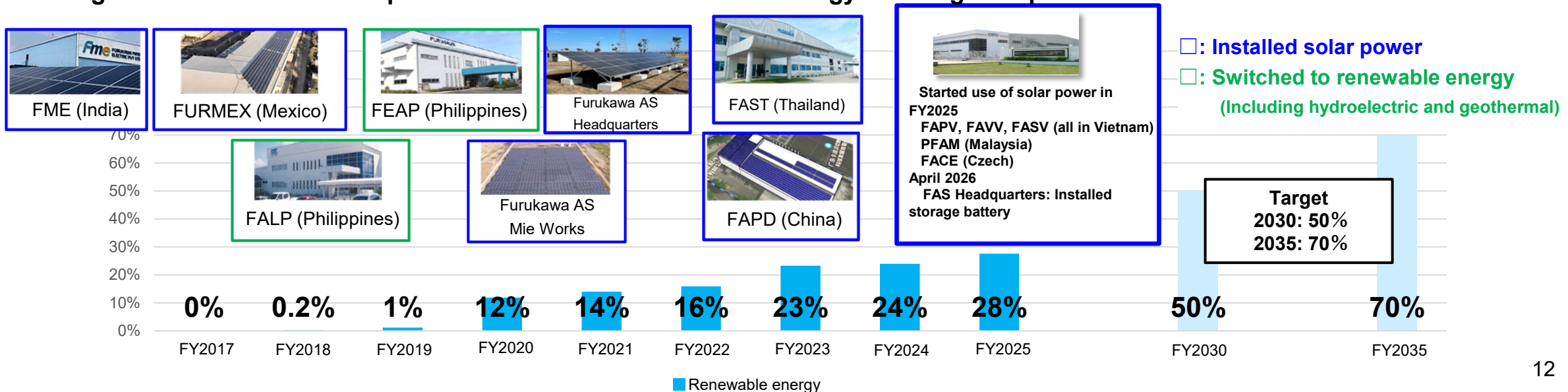
Target: 27.0% reduction, Actual: 26.8% reduction

*Target and actuals are compared with FY2021 emissions



■ Promote the introduction of renewable energy

- Promoting the installation of solar power and a switch to renewable energy across global production sites



4. Promotion of CN/CE

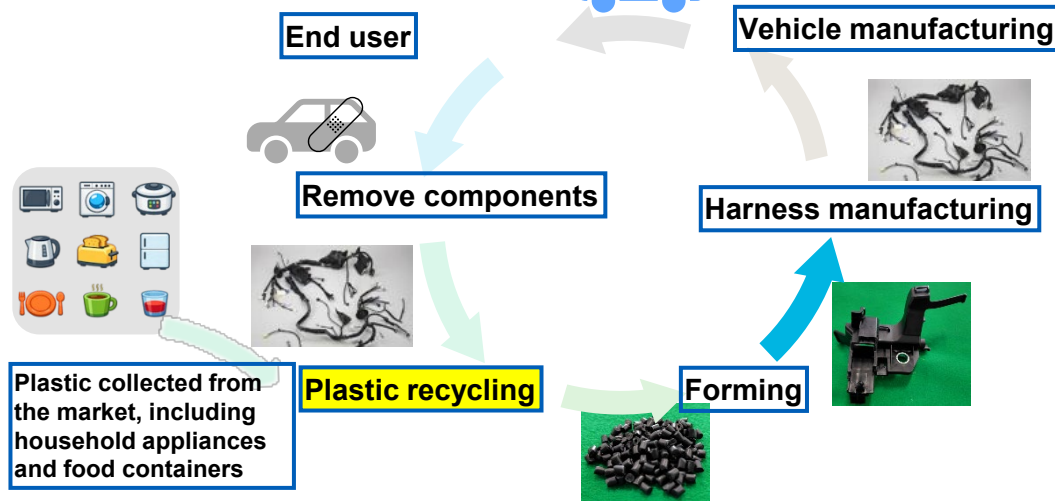
② Reduce Environmental Load through the Use of Recycled Materials

- Reduce environmental load by using recycled PP materials across the industry and the Company's proprietary initiative for the in-house recycling of PVC

Use recycled PP materials

EU ELV regulation (Provisional agreement reached in December 2025)

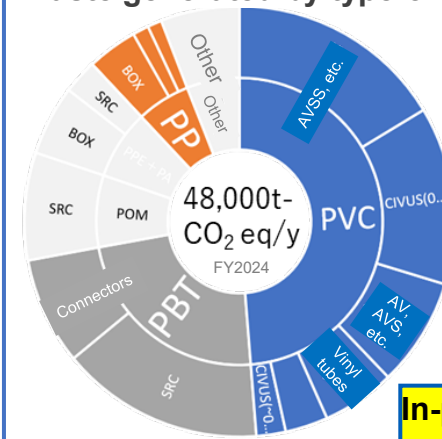
About 50% of all plastic used in vehicles is PP



- ✓ Compliance with the ELV* regulation is expected to be achievable by applying over 50% recycled plastic within the entire vehicle
 - ✓ The Company plans to complete feasibility assessment for application of recycled materials during FY2026 and is preparing for application from FY2028 onward.
- *ELV: End-of-Life Vehicles

In-house recycling of PVC waste generated during manufacturing

Waste generated by type of plastic (within the division)



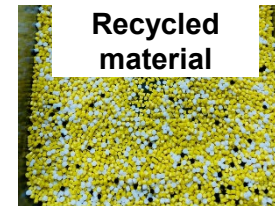
In-process recycling



Electric wire jacket waste



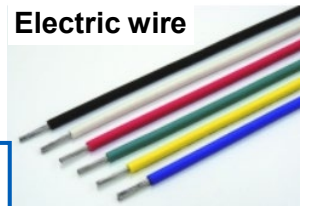
Waste collection



Recycled material



Manufacturing of electric wire



Electric wire

- ✓ Reduce CO₂ emissions from plastic materials through in-process recycling of PVC, a plastic used in large quantities by the Company
- ✓ Aim to reduce CO₂ emissions by 2% through recycled materials in FY2030

5. Customer Strategy and Manufacturing Footprint

① Response to Markets and Customers

- Wire harnesses: Pursue order opportunities targeting Japanese OEMs*¹ in line with the customers' product and regional strategies
- Functional products (SRC*² and high-voltage products): Expand into growth and untapped markets targeting global OEMs

【Europe】

- + Address demand for local production for local consumption
- + Expand sales of SRC to European OEMs
- + Expand sales of high-voltage products to Japanese OEMs

【China】

- + Expand sales to Japanese OEMs (Vehicles sold only in China)
- + Cultivate non-Japanese customers for SRC

【Japan】

- + Address demand for local production of local consumption
- + Expand co-creation with Japanese OEMs for new products and in the CN/CE domain

【North America】

- + Address demand for local production for local consumption
- + Expand sales of SRC to American OEMs

【India】

- + Expand sales of SRC to Indian OEMs
- + In line with the expansion strategy of Japanese OEMs, expand sales of all products to Japanese OEMs

【ASEAN】

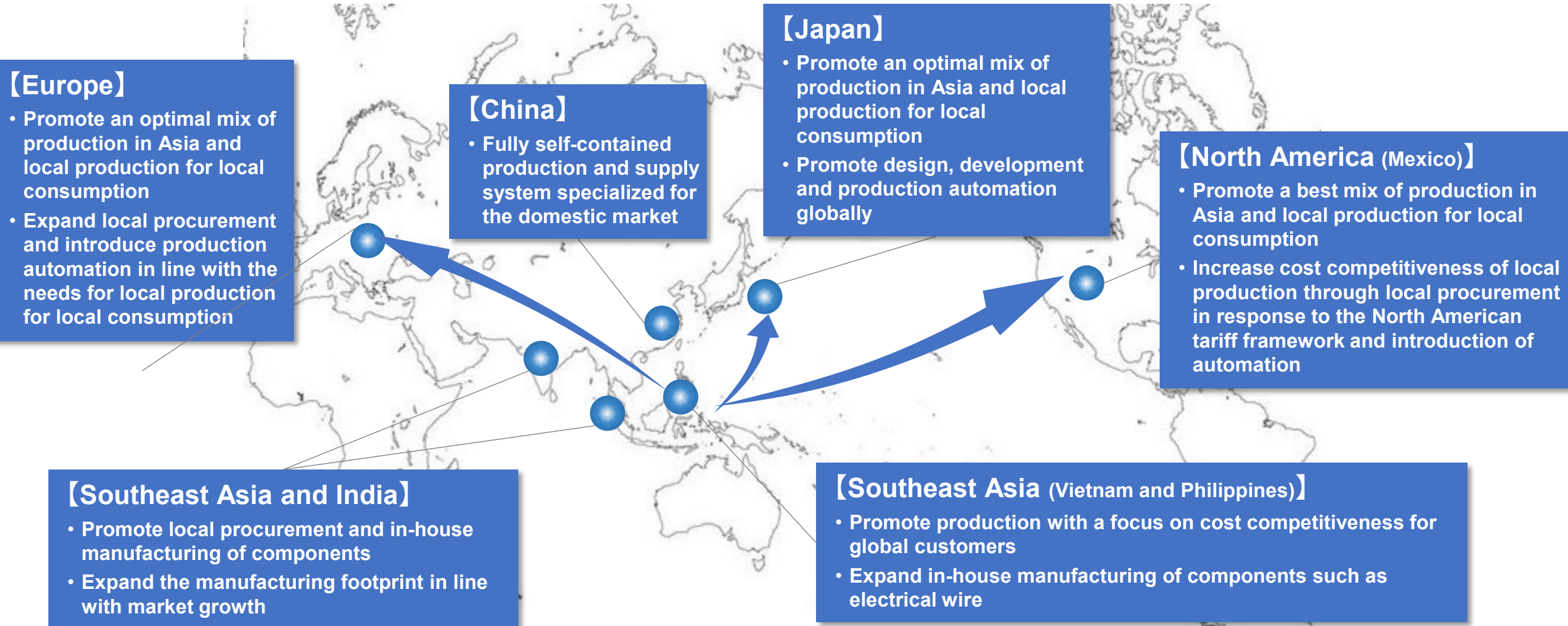
- + In line with market growth in each area, expand sales of all products mainly to Japanese OEMs

*¹OEM: Automobile manufacturers *²SRC: Steering roll connector

5. Customer Strategy and Manufacturing Footprint

② Global Production and Supply System

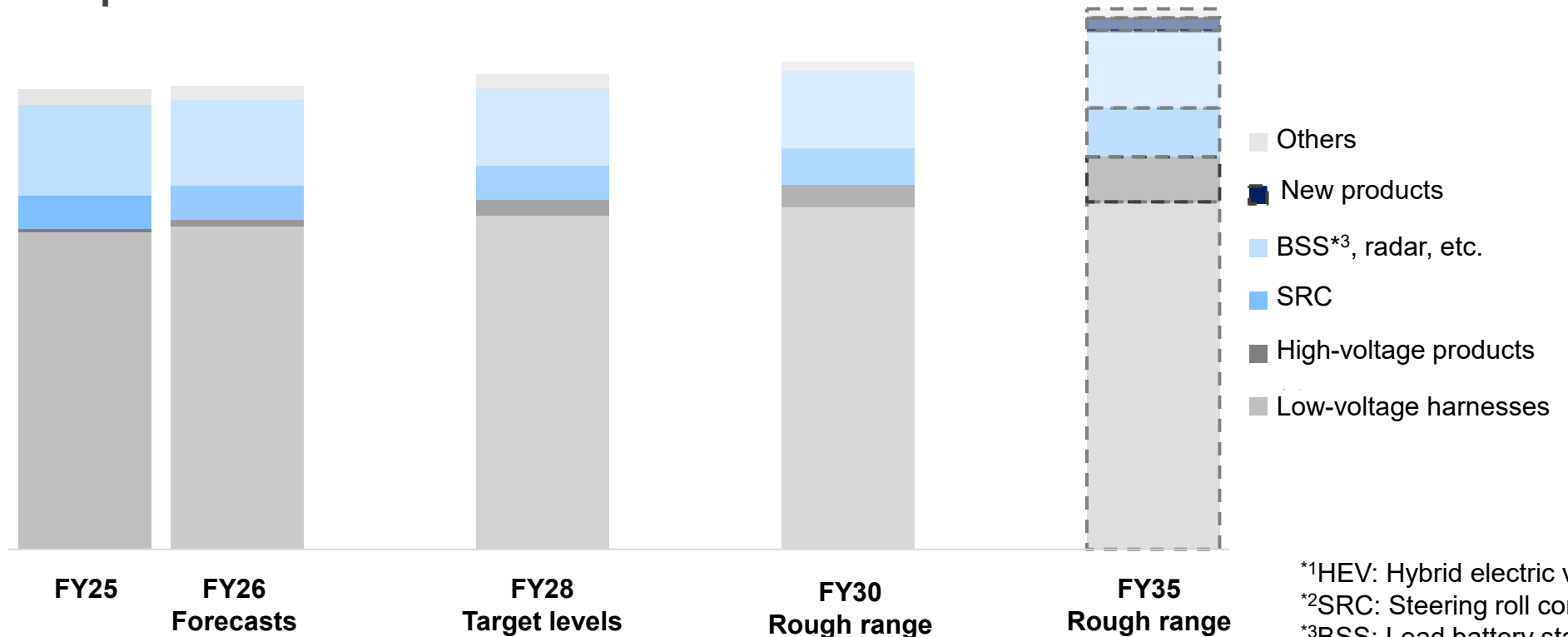
- Through an optimal mix of “local production for local consumption” that enables rapid response to geopolitical risks and market changes, and cost-effective “production in Southeast Asia”, establish a competitive supply system



6. Net Sales and Operating Profit Trends – Sales Plan by Product

- Low-voltage WH: Capture new domains by leveraging well-differentiated technologies such as aluminum adoption and production automation
- High-voltage products: Drive revenue growth in line with market growth driven by advancements in vehicle electrification including HEVs *1
- SRC*2: Expand the market reach in growth markets and untapped markets

Sales by product lineup



*1HEV: Hybrid electric vehicle

*2SRC: Steering roll connector

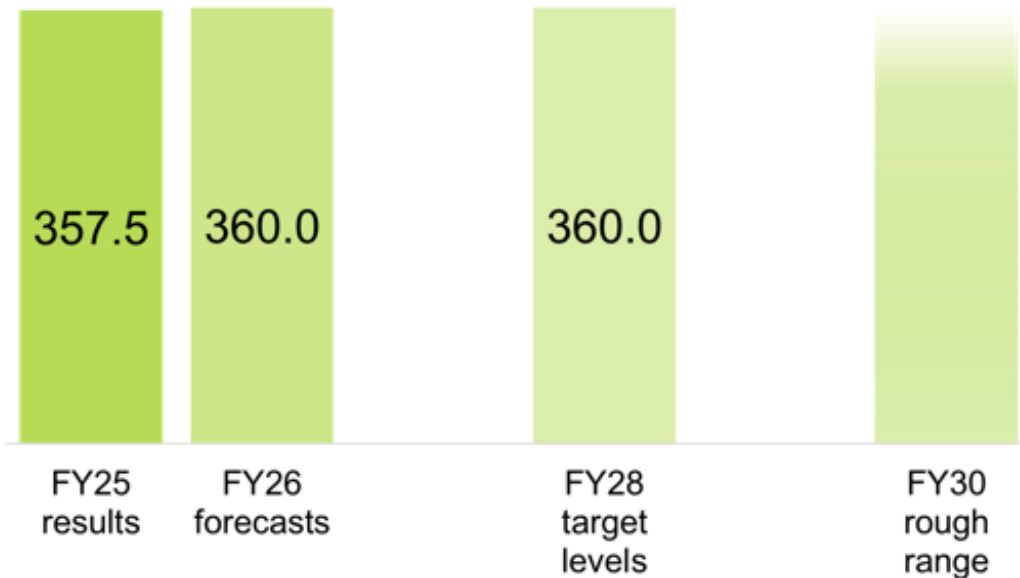
*3BSS: Lead battery state sensor

6. Net Sales and Operating Profit Trends

- Although profit is expected to decline temporarily due to upfront investments for continued growth, the Company will maintain its earning base and secure capacity for future growth

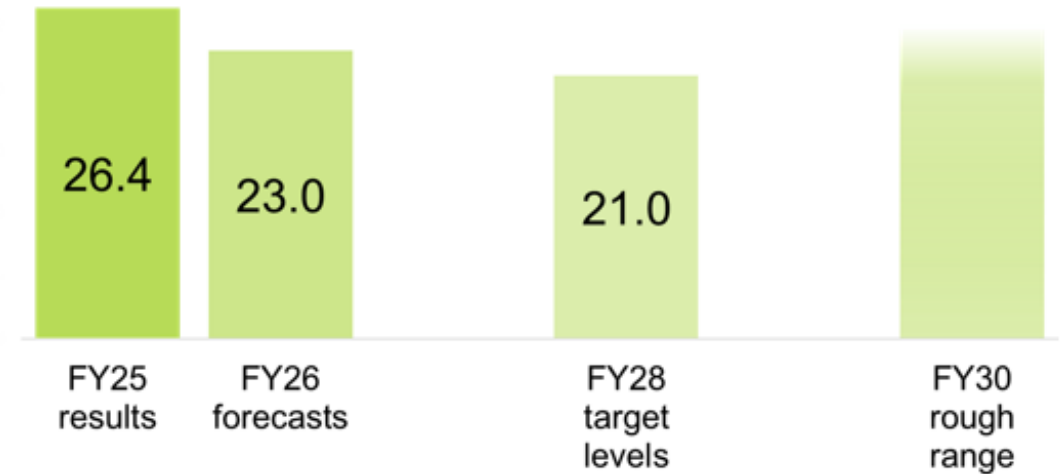
Net sales

(JPY billion)



Operating profit

(JPY billion)



All to brighten the world

FURUKAWA
ELECTRIC

Thank You

FURUKAWA ELECTRIC GROUP PURPOSE

**Composing the core
of a brighter world.**



All to brighten the world



Appendix

- Business Overview
- Product Overview

Analysis of the business environment

Business environment (Key profit opportunities)	Strengths
- Gradual growth of the EV market (Increased demand for high-voltage products, including HEVs) - Further evolution of vehicles (New products and expanded market applications)	- Advanced technological capabilities through a fusion of in-vehicle technology and material, processing and design capabilities accumulated within the Group (High-voltage product lineup, development of new products, etc.) - Proprietary aluminum electric wire technology (α terminal[®], high durability aluminum electric wire) - Market competitiveness of SRC (No. 1 global market share) & BSS[®] (No. 1 market share in Japan)
Business environment (Key risks and threats)	Issues
- Sudden demand fluctuation (Uncertainty in the shift to EV, etc.) - Increased geopolitical risks (North American tariffs, logistics disruptions, etc.) - Strengthening environmental regulations in various countries (EU ELV regulations, etc.)	- Develop products for commercialization of next-generation automotive systems (*Profit contributions will occur from 2035 onward) - Establish a resilient supply structure through an optimal mix of local production for local consumption enabled by production automation and production in Asia - Promote CN/CE centered on GHG reductions (Reduce GHG emissions by 50% in 2030 (compared to 2021))

Business strategy toward Vision 2030

Basic strategies
Realize “A Bright Future for People and Mobility” by delivering value in line with evolution of vehicles, and achieve both contributions to solving social issues and continuous growth Promote the portfolio transformation by strengthening the competitiveness of existing products and capturing new market opportunities, and achieve sustainable growth
Key initiatives
① Provide products that drive evolution of vehicles (Low-voltage WH) Strengthen competitiveness through a shift to aluminum and production automation (High-voltage products) Leverage material, processing and design capabilities to expand the lineup of high-voltage products directed at the growing EV market (SRC) Address needs for higher performance, including steer by wire, and expand commercial reach in growth and untapped markets (BSS/radar) Expand applications in line with technological advancements and growing market demand (New products) Create products for next-generation automotive systems that support evolution of SDV and autonomous driving (wireless communications & power supply, high speed communications, V2X, etc.) ② Promote CN/CE centered on GHG emission reductions - Expand the use of renewable energy, promote energy-efficient production activities, use recycled materials ③ Evolution of customer strategies and production structure - Expand orders: WH for Japanese OEMs; functional products for global OEMs - Establish a resilient supply structure through an optimal mix of local production for local consumption enabled by production automation and production in Asia in response to geopolitical risks

Appendix - Products Overview

	Automotive Systems				
	Wire harnesses	High-voltage products	Functional products		
Product images					
Data centers					
Carbon neutrality	●	●		●	
Strengthening infrastructure					
Mobility (Autonomous driving/ electrification)	●	●	●	●	●
Main products	● Aluminum wire harness ● Corrosion-proof terminal (α terminal®) ● Products using flat cable	● High-voltage wire harness ● High-voltage junction box ● High-voltage busbar products ● High-current, high-voltage connectors ● Wire harness inside battery packs	● SRC (Steering roll connector)	● BSS® (Lead battery state sensor)	● Peripheral monitoring radar
Main applications	● Wiring inside vehicles ● Electrical supply and signal transmission for sliding doors and long slide seats	● Power distribution of high-voltage circuits for xEV vehicles ● Power distribution in high-voltage circuits for xEV vehicles	● Airbags ● Controls for audio and cruise control	● Vehicle power management	● Advanced driver assistance systems (ADAS)
Main customers	● Japanese OEMs*¹	● Japanese OEMs	● Japanese OEMs / Tier 1*² ● Foreign OEMs / Tier 1	● Japanese OEMs	● Japanese OEMs ● Construction equipment manufacturers, etc.