

All to brighten the world



Business Briefing

Optical Solutions

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Agenda

- 1. Overview of the Optical Solutions**
- 2. Vision and Strategy for the Lightera Business**
- 3. Vision and Strategy for the Broadband Network Business**

Building networks for the AI era with innovative optical solutions to enable sustainable social growth

Ultra High Fiber Count
RR Cable



MT Ferrule

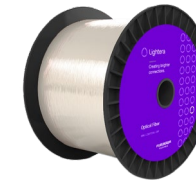
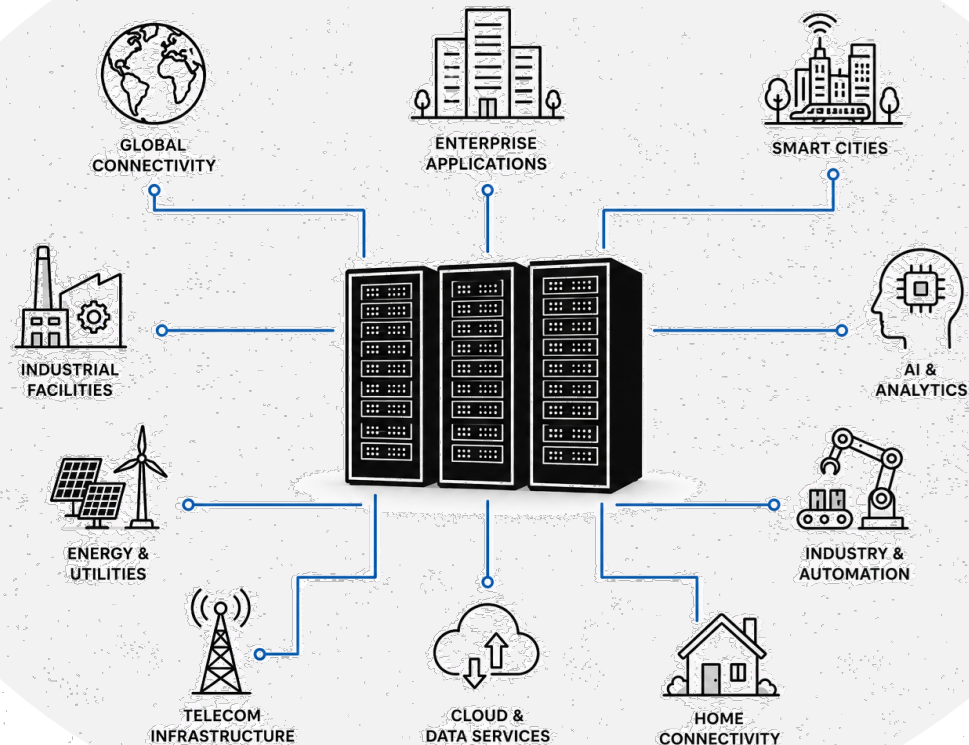


Pre-terminated
Cable

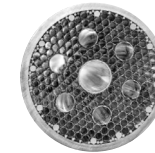
Splicer



Network Infrastructure



Optical
Fiber



HCF*1



MCF*2



PON



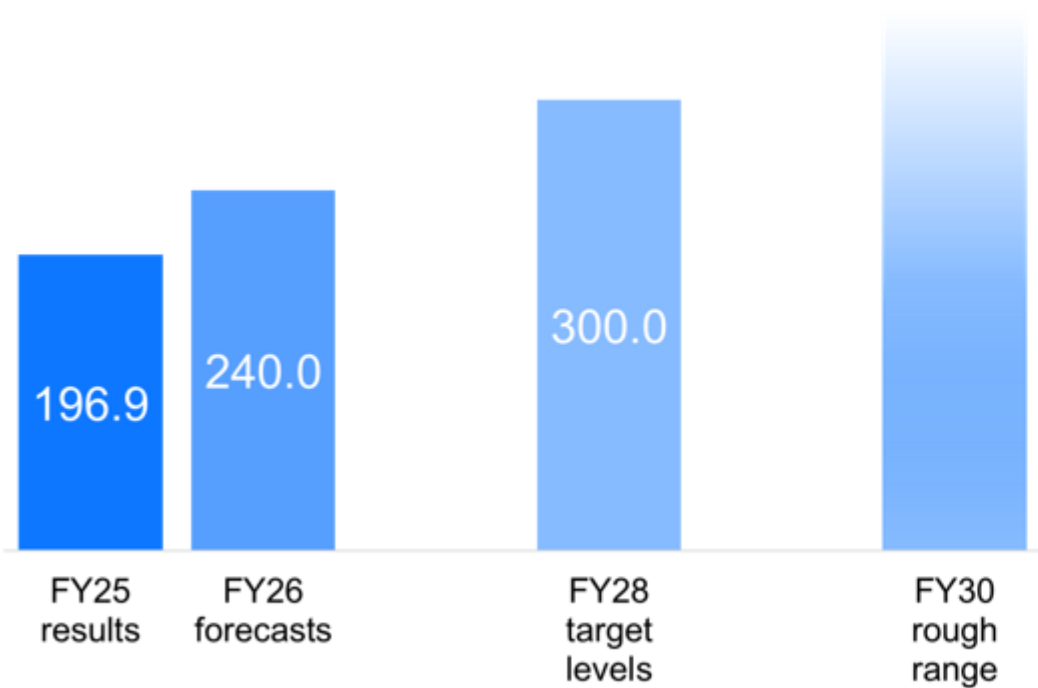
Multi-service
Router

*1 HCF: Hollow-core Fiber, *2 MCF: Multicore Fiber

Appendix -Net Sales and Operating Profit Trends

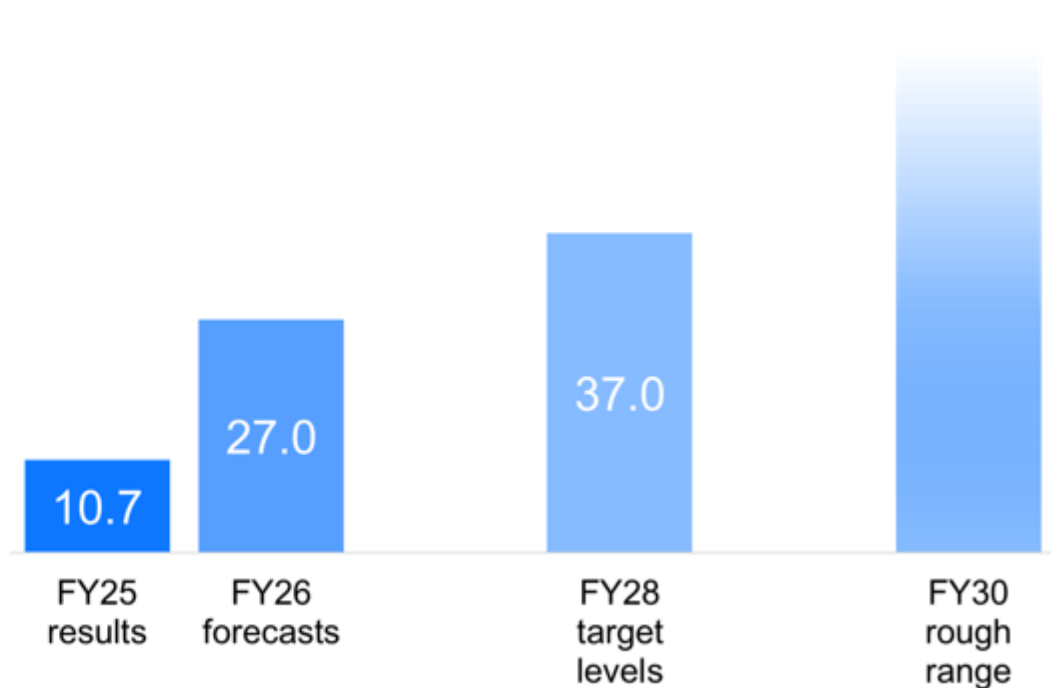
Net sales

(JPY billion)



Operating profit

(JPY billion)



Fiscal Year 2025 Review

Segment	Review
Lightera	(+) Against the backdrop of surging demand for AI and data centers (DCs), demand for rollable ribbon cables and ferrules grew steadily. Operating profit improved in the second half of the fiscal year. (+) Specialty fiber (Ocean fiber etc.) drove overall growth by strengthening the response to customer needs. (+) Progress was made in improving productivity in North America, and combined with increased domestic production, output rose significantly. (+) Operational flexibility as a global organization improved. (Promotion of cable procurement within the Group; optimization of fiber utilization globally) (-) Structural challenges persist in Latin America and Europe (Latin America: Rising exchange rates and interest rates, and restrained customer investment; Europe: Delayed market recovery and intensifying price competition)
Broadband Network	(+) Through collaboration with Nokia, we are accelerating the deployment of ultra-high-speed PON for domestic telecommunications carriers. (-) Projects were postponed due to delays in investment timing by CATV operators.

Business Strategy for 2030

Business Environment Assessment and Anticipated Risks

- ✓ Strong investment in AI and data centers (DCs) continues across all regions
- ✓ The enterprise market remains robust
- ✓ North American Telecom Market
 - Dark fiber is in a growth phase
 - Signs of increasing BEAD demand are beginning to emerge
- ✓ Latin American Market
 - While FTTx is maturing, DC investment lags behind other regions
- ✓ European Market
 - The telecom market continues to experience structurally low growth, while prices are rising
- ✓ China
 - Telecom carrier investment is shrinking, while the AI and data center markets are growing
- ✓ Domestic
 - The domestic CATV market is showing signs of slowing growth
 - Continued capital investment in the domestic access network sector

Risks: Inflation, Labor Shortages, and Rising Geopolitical Risks

Key Initiatives

Lightera

- ✓ Strengthening our ability to capture data center demand and expanding global production capacity
 - Strengthening relationships with Key Customers
 - Expanding supply capacity for DCI and inside-DC products (optical fiber, rollable ribbon cables, ferrules)
 - Expanding connectivity and pre-assembly capabilities
 - Optimizing Global Supply
- ✓ Differentiation through next-generation technologies
 - Promoting technology development for the HCF and MCF ecosystems

Broadband Network

- ✓ Domestic CATV business restructuring and expanded sales of ultra-high-speed PON for domestic telecommunications carriers

Lightera

Holly Hulse

Provide Value-added Solutions for 4 Market segments

Communication Networks

- Telcos Fixed & Mobile
- Dark Fiber Providers

Mature - Transitioning toward Datacenter infrastructure

Connectivity Infrastructure (Data Center / Enterprise)

- HSDC & MTDC
- Enterprise

Growth - HSDC and MTDC as main target market

Specialty Fibers

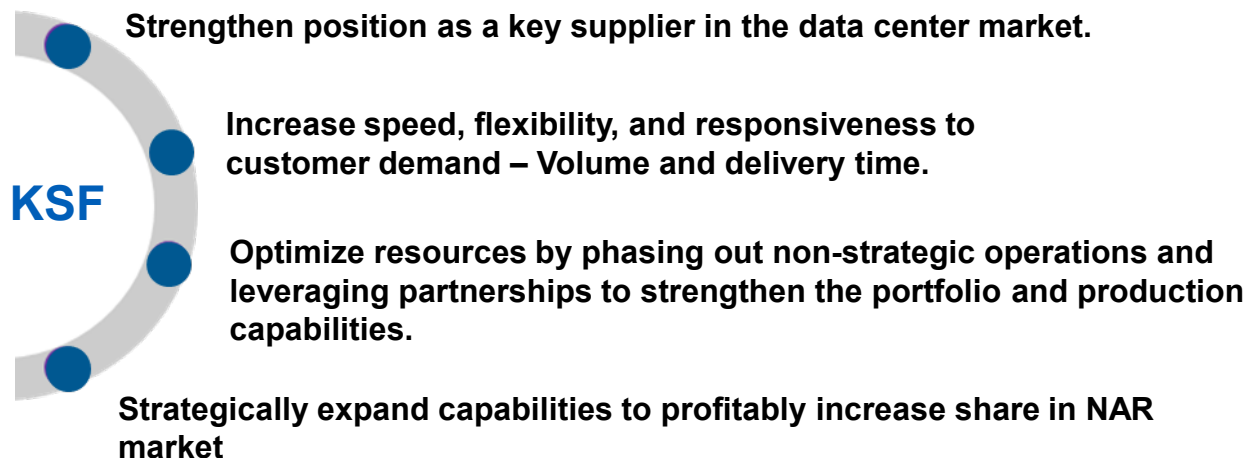
- Medical
- Aerospace & Defense
- Industrial Networks
- Ocean

Selective – Niche market

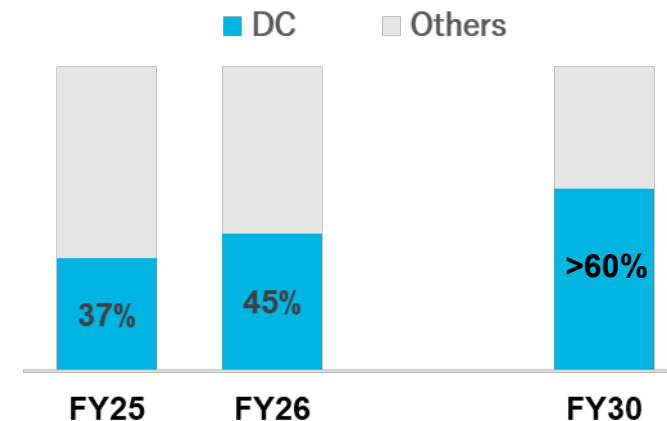
Advanced Networking (Public Infrastructure etc.)

- Utilities
- Smart Cities
- Governments

Early-stage - Strong potential for solution deployment.



Revenue Profile





Key Priority Initiatives Driving Long-Term Growth

Market Positioning

Position **data centers as the primary target market** for developments, and investment priorities

Support Data Center Interconnect (DCI) through high-performance fiber optic networks and backbone infrastructure

Enable Inside DC through pre-terminated solutions, and high-density connectivity architectures.

Expansion of Manufacturing capacity

Strengthen investments across fibers, cables, and connectivity to enhance responsiveness to market requirements.

- Upgrade assembly sites in the United States, Mexico, and Brazil to support connectivity solutions, including optical pre-terminated cables.

Development Road-map

Development of next-generation platforms and advanced technology systems

- Hollow Core Fibers, Multicore Optical Fibers and Ocean Fibers
- Ultra-high density optical cables and pre-terminated cables.
- Ultra-high density Connectivity System.

Global Operations & Business Continuity

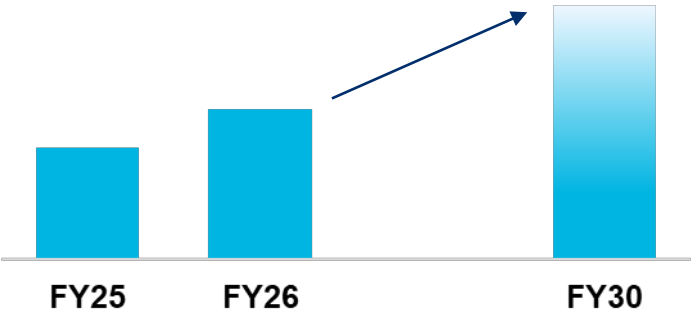
Optimize portfolio allocation and production capacity across multiple sites to reduce supply risks

- Strengthen operational resilience while establishing a competitive advantage.

Data center as the main target market

- **Expand from a Data Center Interconnect supplier into a comprehensive Inside Data Center solutions partner.**
- **Consolidate Delivery Chain – Delivery time**
Integration of company manufacturing units, combined with the use of Manufacturing Contractors and Certified Assembling Houses.
- **Development of End-to-end solutions**
Balanced approach between in-house and strategic technology partnerships.

Data Center Ecosystem Revenue



A Comprehensive Portfolio for Data Center Market



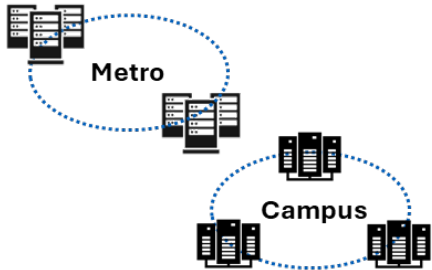
Global Network

- **Ocean Optical Fiber**
- **EDF – Special Fiber to amplifiers**

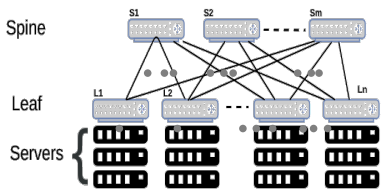


Datacenter Interconnect (DCI)

- **Optical Fibers** | Rollable Ribbon (12|16) | Multi-core Fiber | Hollow core fibers
- **Optical Cables** | R.R. Optical Cables up to 13,824F
- **Optical Ferrules & Connectors** | MMC, SN-MT
- **Trunk Cables** | Pre-terminated up to 6,912F
- **Mass Fusion splicers**



Inside Datacenter Connection



- **Optical Fibers** | PMF^{*1} (CPO)^{*2}
- **Optical Ferrules & Connectors** | MPO, MMC, SN-MT
- **Trunk Cables** | Pre-terminated Up to 3,456F
- **Cords & Jumpers**
- **Optical Distributed Frames- ODF** | Patch Panels | Cabinets , Racks

^{*1} PMF : Polarization Maintaining Fiber ^{*2} CPO : Co-Packaged Optics

Rollable Ribbon Optical Cables

- Supply optical cables for a wide range of applications, including DCI, Metro and Campus, and Data Hall environment.
- Cables from 288F to 13,824F.

Ultra-high fiber count optical cables | 13,824F



Manufacturing Sites Investment

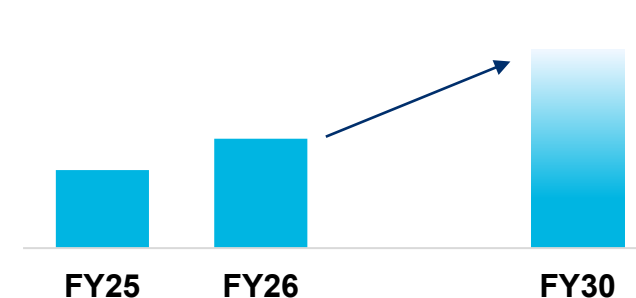
- Global expansion of capabilities and production capacity for RR cables to meet customer volume requirements
- Also increase production capacity of fibers to address any shortfalls in cable production capacity

Global Manufacturing Sites | Optical Fiber and Optical Cable



- Integrated operation designed to ensure:
 - ✓ Timely deliveries
 - ✓ Business continuity
 - ✓ Competitiveness

RR Cables Production Capacity

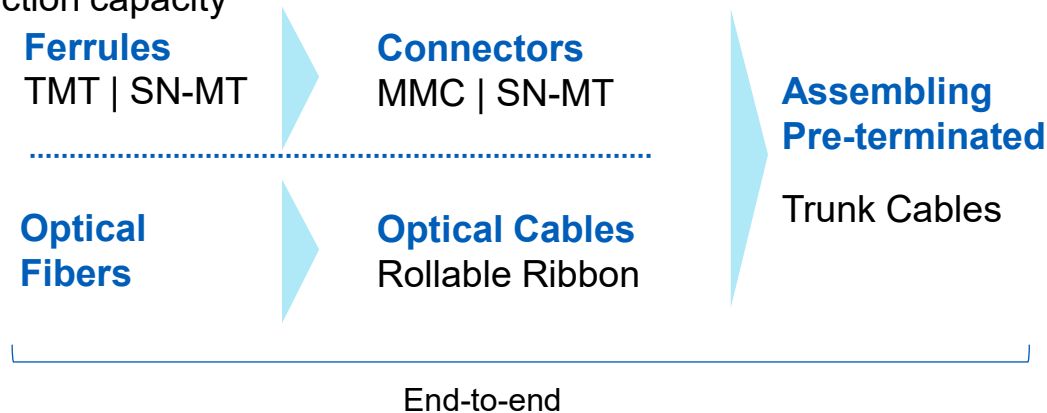


Market

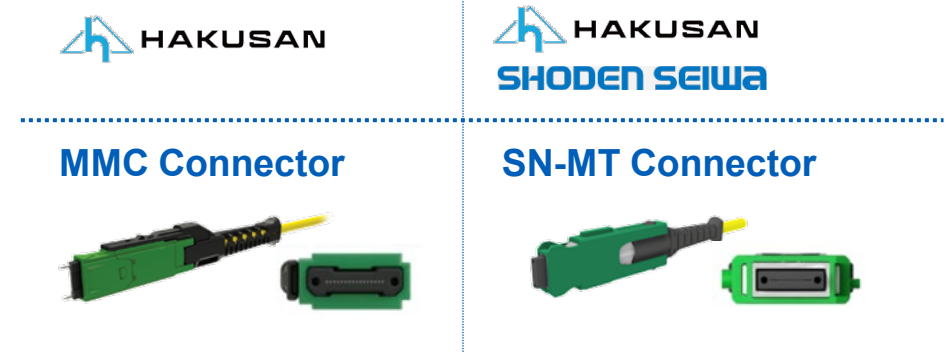
The Inside DC optical connectivity (Layer of the HSDC) has increased dramatically, driven by the growing number of scale-out optical connections between GPU racks supporting generative AI workloads.

Strategy & Initiatives

- Expand solutions for DCI and inside DC, including standalone components and pre-terminated cables.
- Expand ferrule (TMT^{*1*5} /SN-MT^{*2}) and VSFF^{*3} connector (MMC^{*4} /SN-MT) production capacity

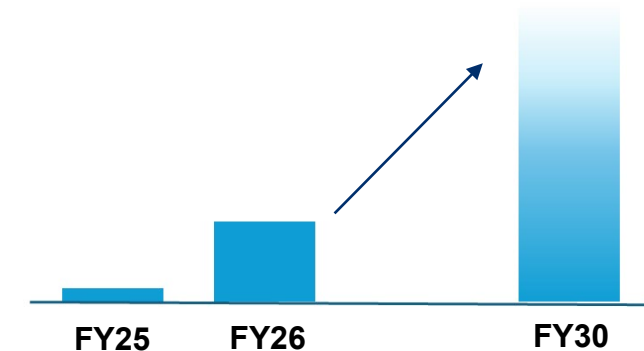


Lightera Operation



- Investments in increasing production capacity and R&D to capture the growing market demand.

VSFF family Production Capacity



June 2, 2026 Press Release

Hakusan to Construct New Factory for Mass Production of TMT Ferrules Compatible with VSFF Multi-Fiber Optical Connectors

Accelerating next-generation ferrule capacity to capture AI-driven demand

Market Drivers;

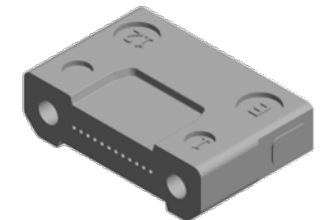
Strong growth and shift to next-generation connectivity

- Generative AI is driving rapid expansion of hyperscale data centers.
- Increasing density is accelerating the shift to VSFF (Very Small Form Factor) connectivity architectures.

Our Initiatives;

Strengthen VSFF supply capabilities;

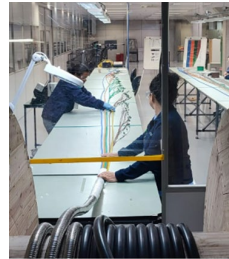
- Establish a multi-source (mutual supply) framework (Hakusan / SANWA / US Conec) for MMC & TMT ferrules – Feb 2026
- **Expanding TMT Capacity with Hakusan New Second Plant (Tentative name) in Ishikawa**
 - Investment: ~JPY 5 billion
 - Start of operations: April 2028 (planned)
 - Main products: TMT ferrules for next-generation VSFF connectors
 - Production equipment: ~1.5 × expansion



Connectivity Solution

Provide integrated connectivity solutions, from design to implementation

- Increase production capacity of Connectivity Assembling for Inside DC and Pre-terminated Cables for DCI application.
- Qualification of Contract Manufacturing Partners to complement volume capacity



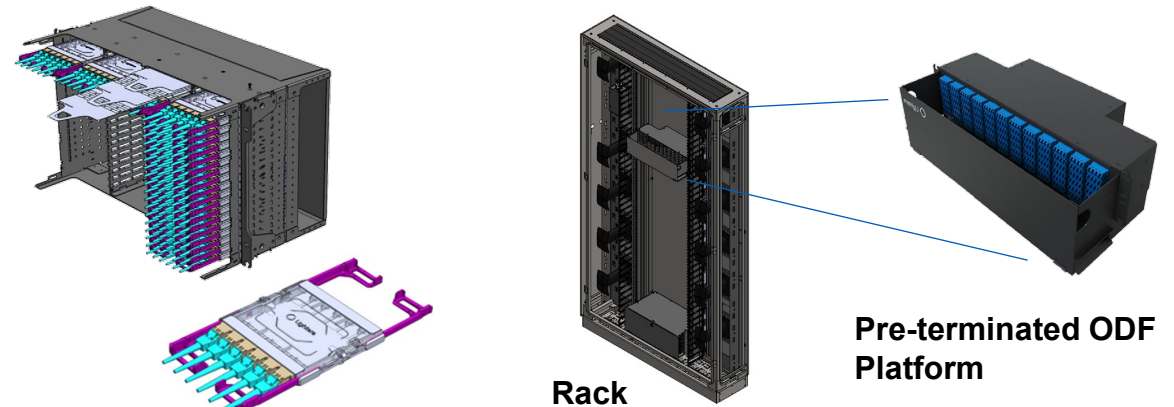
Connectivity Assembling & Pre-terminated Centers



Pre-terminated MPO and VSFF Connectors

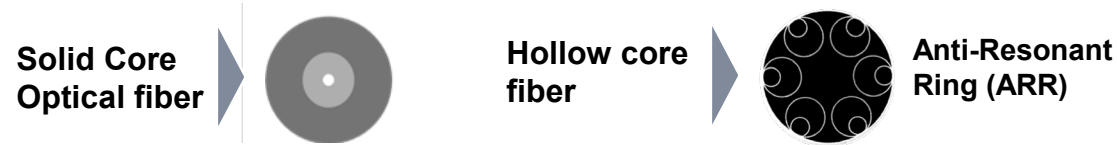


Ultra-high density patch panel platform



Hollow core fibers | HCF

High-speed & Low-latency data transfer



- Industrialization is underway, targeting FY27
- Continuing development of connectivity

Multi-core optical fibers | MCF

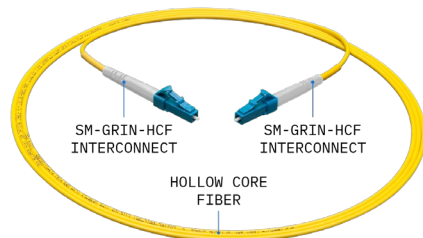
High density & bandwidth – Small form factor



- Under preparation for commercialization (targeting 2nd Half of FY27).
- Continuing development of a solution platform to support the terrestrial applications.

Integrated solution platform

Factory terminated jumper



Fusion Splicer



Trunk Cables Fan-out



Fusion Splicer





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Thank you

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Broadband Network

Makoto Hasegawa

Increase Revenue from the Solutions Business by 1.5 times by 2030

1

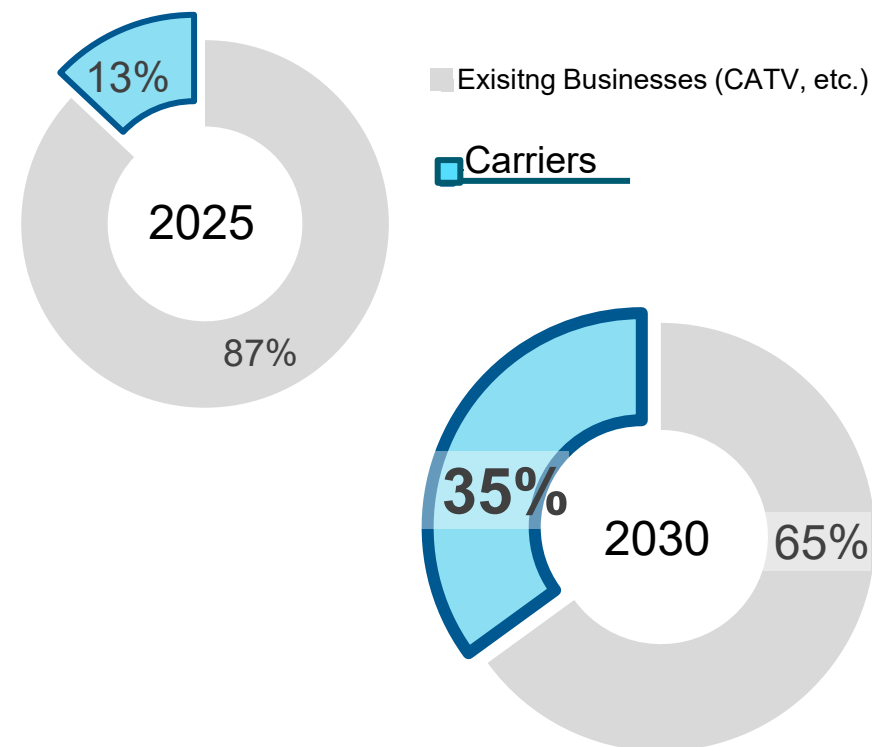
Sales growth



Strengthen existing businesses and invest in new businesses, aiming at 1.5 times sales increase

2

Transforming the business portfolio

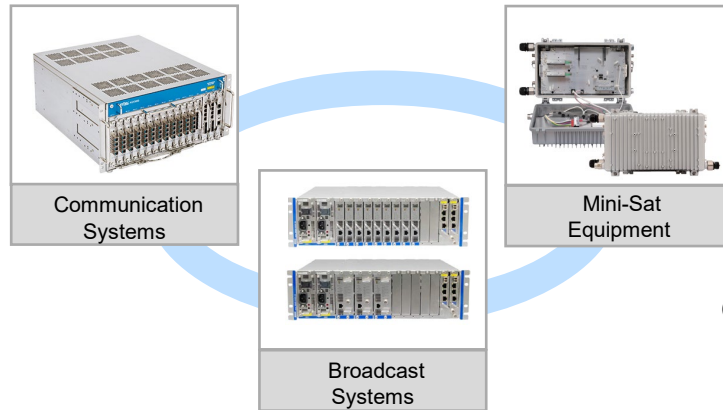


Expand carrier business with strong growth potential

Strengthen the Competitiveness of Existing Businesses

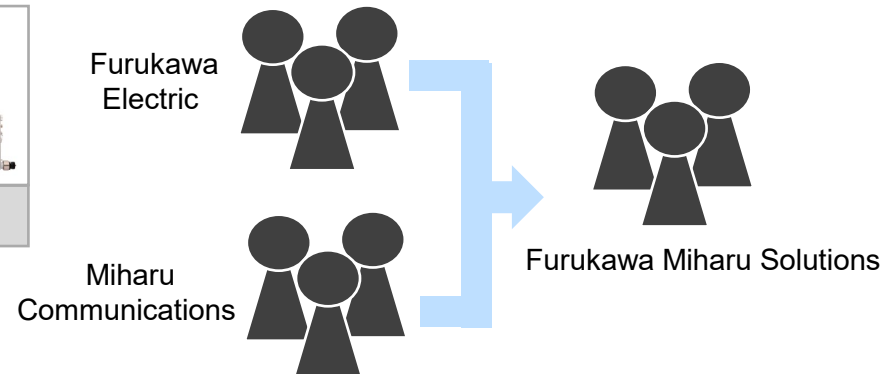
Established Furukawa Miharuru Solutions Corporation,
aiming to become the No. 1 solution provider in the domestic CATV market

Strengthen Solution Capabilities



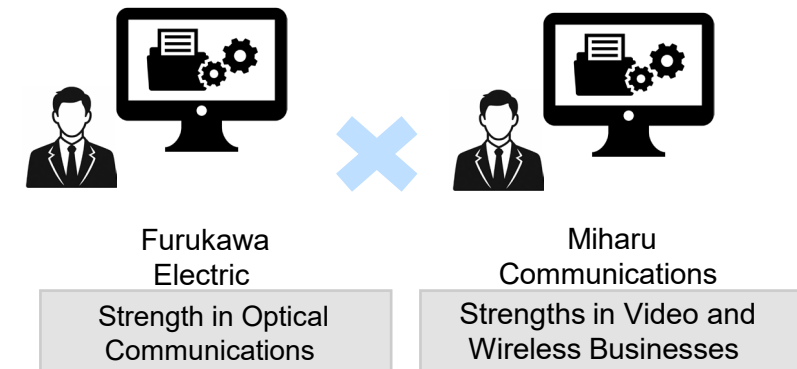
- Provide CATV operators with one-stop fiber-optic infrastructure services at a higher standard
- Strengthen development capabilities to support the market's transition to all-IP

Streamline the Solution Development Framework



- Streamline operations by eliminating redundant functions
- Accelerate solution development that meets customer needs

Strengthen Customer Support Systems



- Expand business value through the provision of one-stop solutions
- Strengthen solution sales capabilities through the integration of knowledge and skills

Expand the Application of PON Technology to All Layers

NOKIA

FURUKAWA
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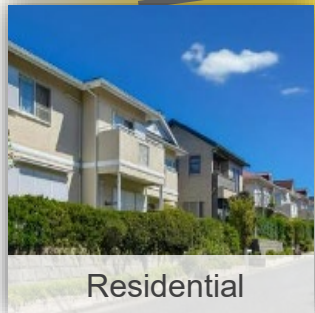


Data Centers



Ultra-high speed, low latency, automation through AI,
and reduced power consumption

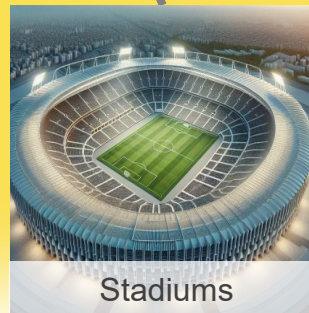
Contribute to the Advancement of Carrier Infrastructure
Contribute to stable supply, reduced power consumption, and the promotion of AI-driven operational automation



Residential



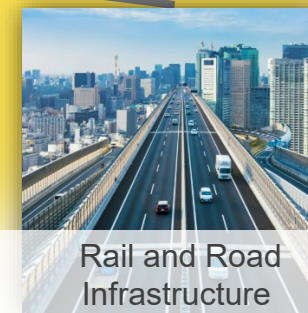
Offices and Commercial Facilities



Stadiums



Manufacturing



Rail and Road Infrastructure



Enable intelligent infrastructure by replacing metal infrastructure

To Realize a World of All-Photonics Networks, We Will Further Promote Cost-Effective PON Technology

All to brighten the world

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ELECTRIC

Thank You

FURUKAWA ELECTRIC GROUP PURPOSE

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



All to brighten the world



Appendix

- Business Overview
- Product Overview
- Net Sales and Operating Profit Trends

Appendix – Business Overview

Business environment analysis

Business environment (Key profit opportunities)

- Continue AI & DC investments across regions
- Enterprise market remains solid
- North American telecom market is performing well (driven by dark fiber, BEAD)
- Capital investment in the access network remains solid, although growth in the domestic CATV market is slow

Strengths

- Product portfolio and technologies for AI & DC
- Major manufacturing sites located in the United States
- Global manufacturing and supply structure
- Customer base in the domestic CATV market
- PON technology and partnership with Nokia

Business environment (Key risks and threats)

- Emerge shortage of optical fiber
- Rise raw material and energy costs
- Geopolitical uncertainty (including U.S.-China tensions and tariffs)

Issues

- Secure production capacity in line with demand
- Timely development of new products
- Pass on higher costs through pricing
- Restore earnings in Central / South America and Europe
- Improve the business portfolio

Business strategy directed toward Vision 2030

Basic strategies

Lightera

- Provide high value-added solutions across each market segment, including telecommunications, DC, enterprise and public infrastructure
- Rebuild the portfolio around the DC business to achieve higher profitability

Broadband Network

- Increase profits by strengthening the existing businesses and investing in new businesses
- Transform the business portfolio

Key Initiatives

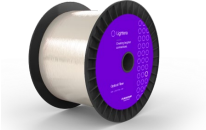
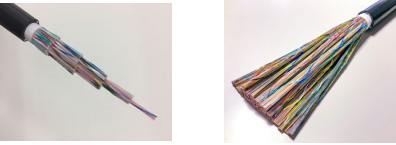
Lightera

- Capture DC demand to the maximum extent
- Provide total solutions for DC
- Enhance large-scale, global production capacity
- Develop and expand the connectivity and preconnectorized product lineup and the capacity
- Develop new technologies, such as HCF and MCF, to meet market needs

Broadband Network

- Strengthen the competitiveness of existing businesses through restructuring of the domestic CATV business
- Expand sales of PON for domestic carriers through co-creation with Nokia

Appendix – Product Overview

	Lightera			Broadband Network
Product images				
Data centers	●	●	●	●
Carbon neutrality / renewable energy	●	●	●	●
Tougher infrastructure	●	●	●	●
Mobility (Autonomous driving, electrification)	●	●	●	●
Main products	● Low loss fiber ● Low bending loss fiber ● Low latency fiber ● Submarine fiber ● Specialty fiber, etc.	● General optical cable (Including rollable ribbon cable) ● LAN cable	● Optical connection products (Including MT ferrules) ● Fusion splicer	● FTTH systems ● Wireless systems ● Network router
Main applications	● Broadband networks ● Enterprise networks ● Dark fiber networks ● Data centers / Connections between data centers ● Submarine networks		● Smart grids ● Smart cities ● Surveillance / Sensing	● Telecommunications broadcast services ● Video broadcasts ● Wireless infrastructure ● High speed, large volume telecommunications service ● VPN services
Main customers	● Telecommunications carriers, telecommunication construction companies, internet service providers ● Data center operators, dark fiber providers ● Electric power companies, railroads, expressways, other infrastructure providers			● Telecommunications carriers ● CATV companies ● Municipalities ● General companies