

FY2012 Management Plan

First Nine Months Review

February 6, 2013
Hideo Sakura, CFO
Furukawa Electric

1. Description of P&L and B/S
2. Operating Income Analysis
3. Analysis by Segment
4. Sales by Product Type
5. Strategic Initiatives for FY2012
6. Full-Year Financial Results
Forecast for FY2012 (unchanged)

| P&L | FY11 Q1-Q3 | FY12 Q1-Q3 | Change | Factors for change |
|-----------------------------|-------------------|-------------------|----------------|---|
| | | | | (Billion yen) |
| Net Sales | 692.9 | 667.9 | -25.0 -3.6% | Special factor -20.3, Real: -4.7 <small>Bare metals: -20.5; New inclusion in consolidated results: +10.4; Foreign exchange gain/loss of overseas subsidiaries: -10.2</small> |
| Operating Income | 11.5 | 13.1 | +1.6 | Special factor +1.5 (See page 5) |
| Foreign Exchange Loss | -0.3 | +1.0 | +1.2 | Posted a valuation profit attributable to ongoing depreciation of the yen at the end of Q3 |
| Ordinary Profit | 9.9 | 12.3 | +2.5 | |
| Extraordinary Profit & Loss | -14.6 | -2.0 | +12.6 | US Antitrust Law-related loss in the previous year: -15.3 |
| Taxes | -8.6 | -4.6 | +3.9 | |
| Minority shares | -1.5 | -1.6 | -0.1 | |
| Net Profit | -14.8 | 4.1 | +18.9 | |

(Note) Minus signs are attached to negative values.

| | | | |
|--|-------|-------|-------|
| Average copper price quote (¥/kg) | 722.6 | 669.2 | -53.4 |
| Average foreign exchange rate (US\$/¥) for the period | 80.59 | 79.39 | -1.20 |

B/S as of December 31, 2012

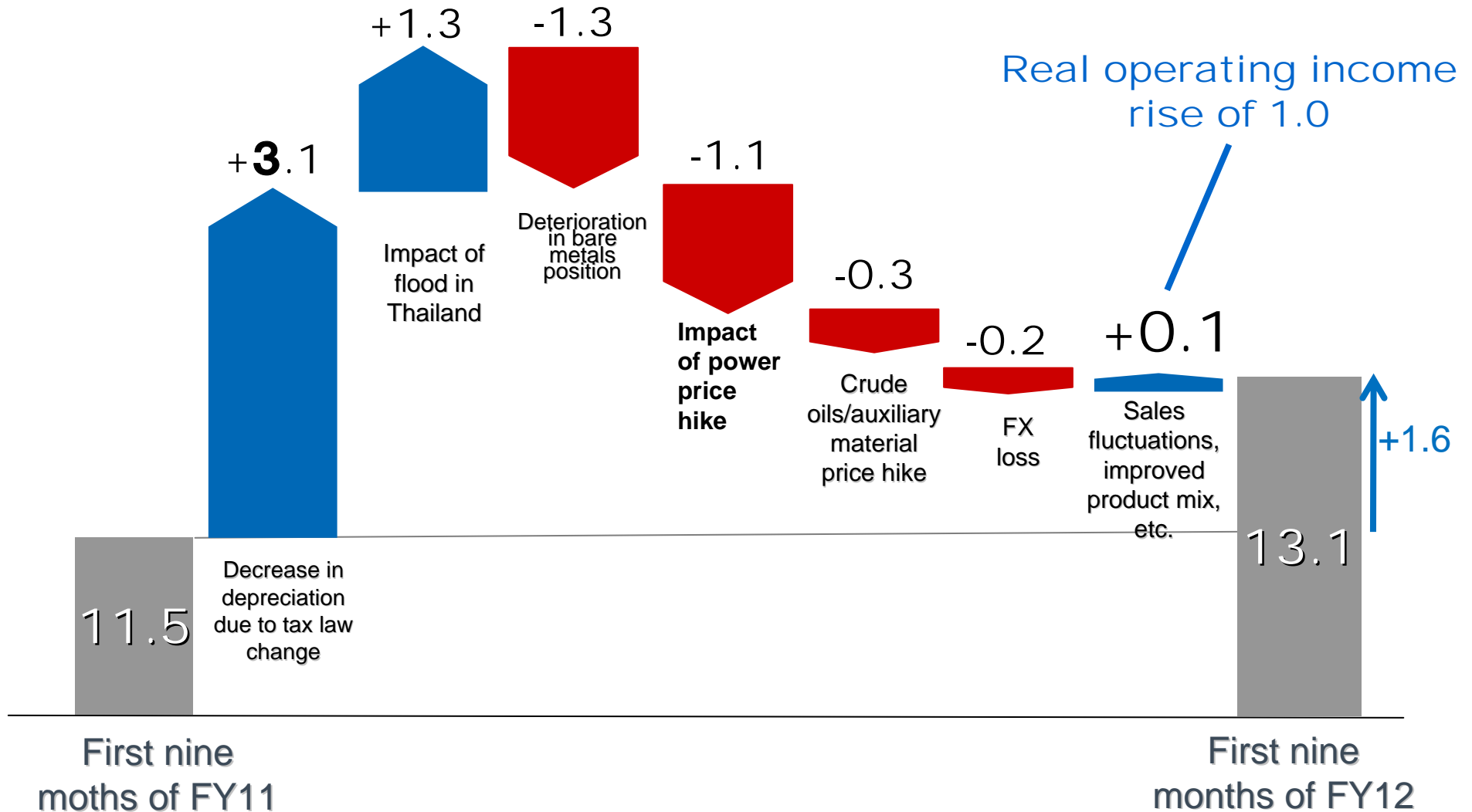
FURUKAWA ELECTRIC

| | (Billion yen) | | |
|------------------------------|---------------|----------------------|--------|
| | a | b | b-a |
| B/S | Mar. 31, 2011 | Dec. 31, 2011 | Change |
| Total assets | 790.1 | 797.3 | +7.1 |
| Interest-bearing debt | 325.2 | 337.5 | +12.3 |
| Capital ratio | 18.3% | 18.6% | +0.3 |
| D/E ratio | 2.25 | 2.28 | +0.03 |
| Turnover | 1.16 | *1.12 | -0.05 |
| ROA | 2.0% | *2.2% | +0.2 |
| (OI basis) | | *at annual rate | |

2. Operating Income Analysis

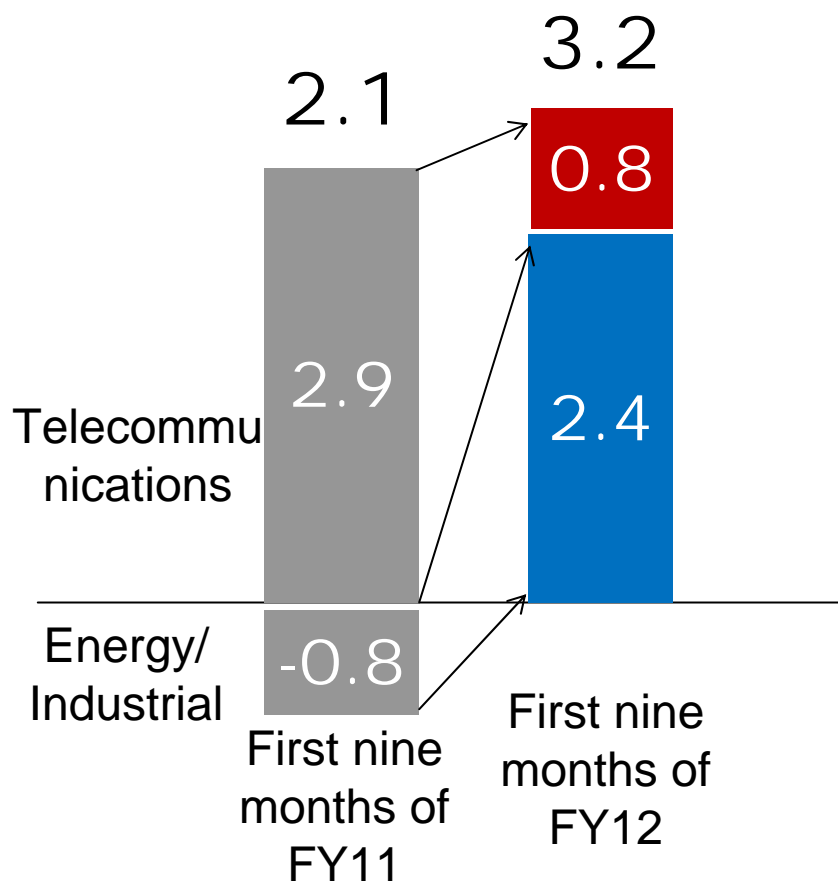
First Nine Months (April 2012 – December 2012) Operating Income Analysis **FURUKAWA ELECTRIC**

(Billion yen)



Operating Income Change by Segment (Year on Year)

Transmission Infrastructure : 2.1 ⇒ 3.2 (+1.1)



Telecommunications **2.9 ⇒ 0.8 (-2.1)**

● Optical fibers and cables **1.7 ⇒ 1.4 (-0.3)**

Operating income declined, chiefly due to slower growth in demand in South America, although productivity improved, primarily in the Company's domestic plants.

● **Photonics Networks: 1.2 ⇒ -0.6 (-1.8)**

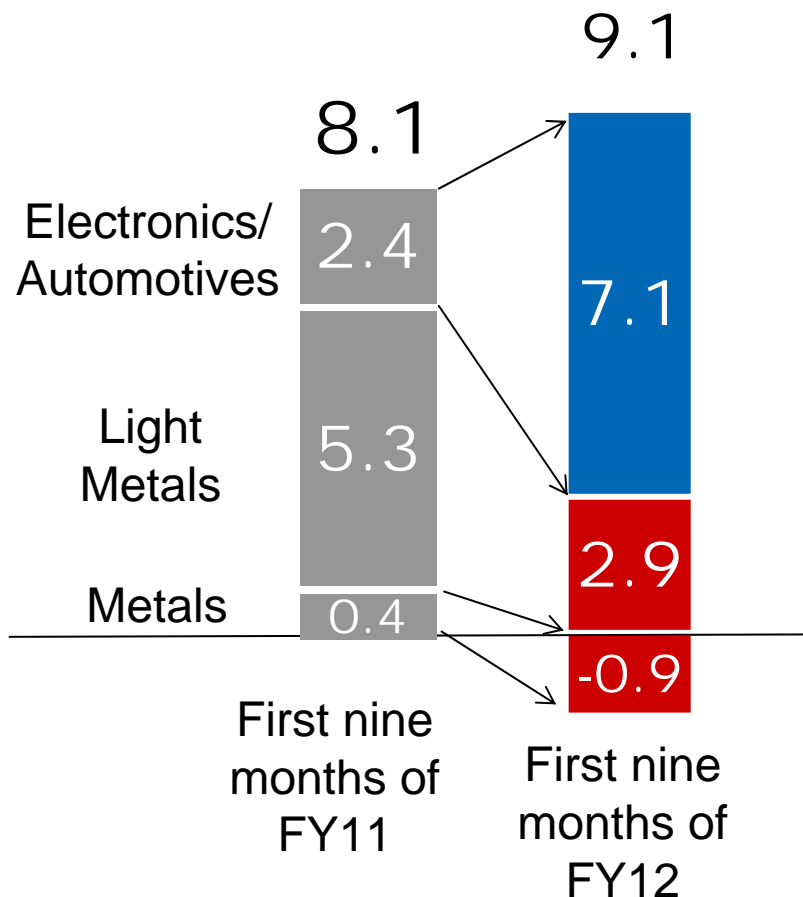
Operating income plunged, primarily due to poor demand months for CATV equipment, awaiting investment for modification of equipment starting in the next fiscal year.

Energy / Industrial **-0.8 ⇒ 2.4 (+3.2)**

Operating income increased significantly, mainly attributable to the improvement in MCPET for LED TVs in the Industrial Products, driven by higher productivity, and stronger demand for semiconductor tape for smartphones and tablet PCs, although demand for power cables in Japan and China was stagnant in the Energy area.

Operating Income Change by Segment (Year on Year)

Advanced-Function Material : 8.1 ⇒ 9.1 (+1.0)

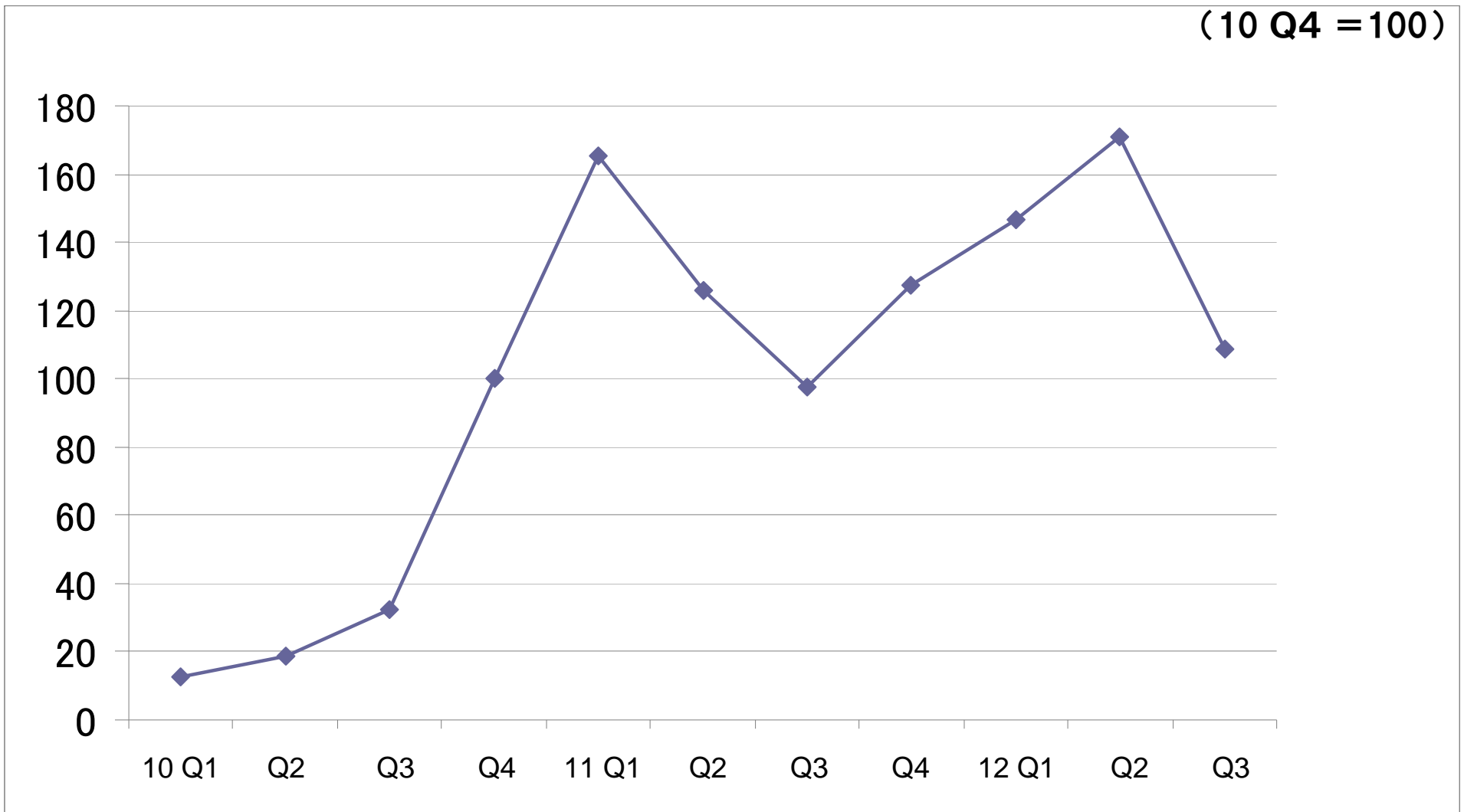


Electronics/ Automotives 2.4 ⇒ 7.1 (+4.7)
 Operating income surged significantly. This was attributable primarily to buoyant demand for wire harnesses for automobiles, which was further strengthened by the adoption of the Company's products in new light vehicle models. The impact from the exhaustion of funds for the state subsidy program for eco-friendly vehicles and the recent conflict between Japan and China was limited.

Metals 0.4 ⇒ -0.9 (-1.3)
 Operating income declined on weak demand for copper foils for lithium batteries and copper strips for lead frame, reflecting the weakness of the electric vehicle and electronics industries.

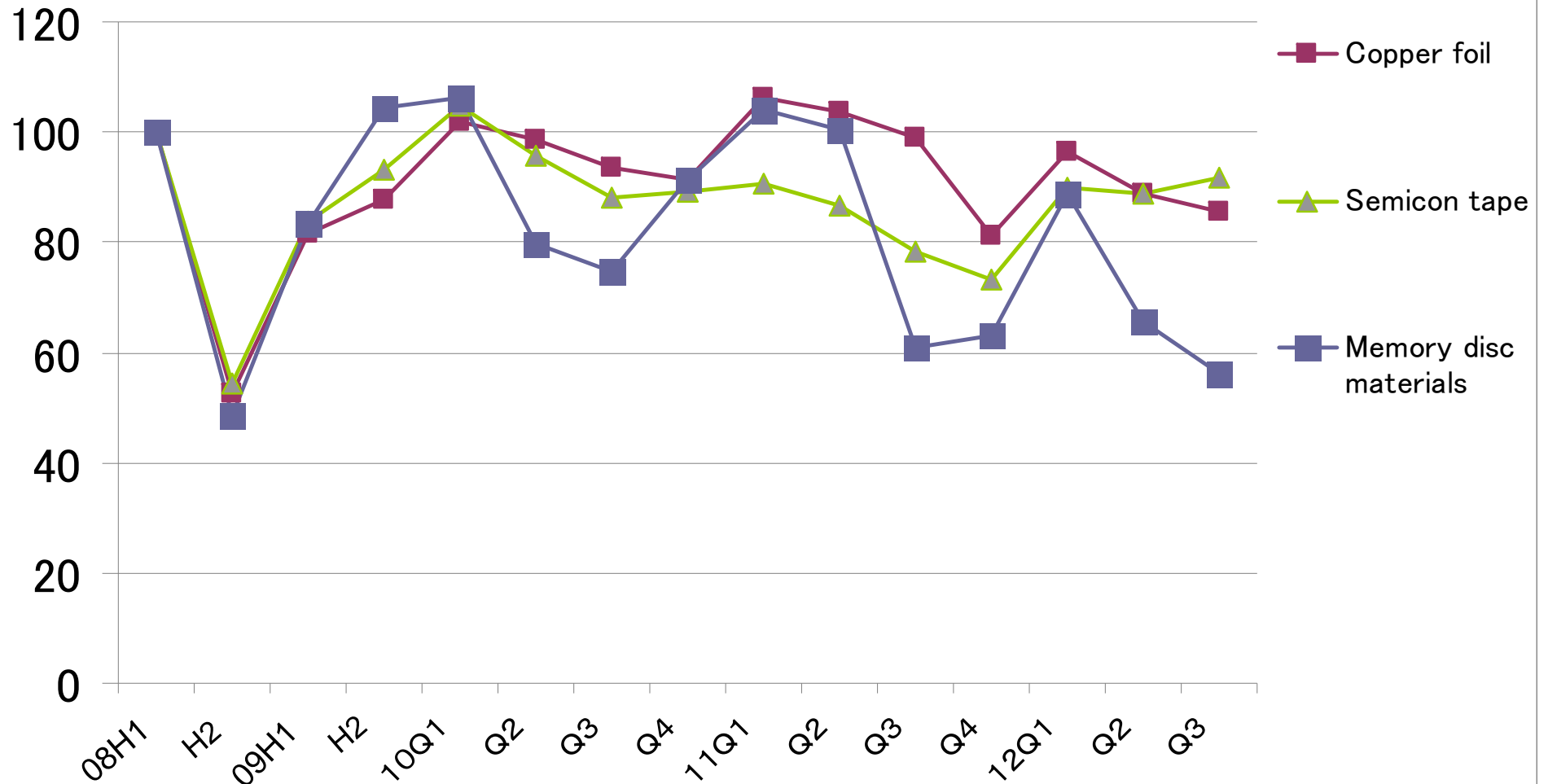
Light Metals 5.3 ⇒ 2.9 (-2.4)
 Operating income decreased due to declines in sales volumes mainly for aluminum thin plate for beverage cans and high purity aluminum foil stock for condensers.

Sales Index «MCPET for LED TV»



Sales Index «Advanced-Function Material»

(08H1 = 100)



1) Consolidation and contraction in response to contracting domestic market

■ Consolidation of domestic production

Optical cable: Mie and Chiba⇒Mie (to be completed by the end of June 2013)

Electrical conducting material: Mie and Chiba⇒Mie (Completion time to be rolled forward from the end of March 2014 to the end of December 2013)

■ Consolidation of domestic business

Parts supply for power companies: Asahi Electric Works, Inoue Manufacturing, Furukawa PC, and the parts divisions of Furukawa Electric

(The plan announced on December 6, 2012 for the spin off of the parts divisions of Furukawa Electric and consolidation with the above companies in April 2013)

■ Contraction of domestic business

Magnet wire: In discussions with customers about partial withdrawal of general purpose thick enameled wire

(To be completed by the end of March 2014)

Additional measure) Totoku Electric Co., Ltd.: Early retirement program will be implemented in response to business contraction with the spin off of the information equipment business

(The plan was announced on December 14, 2012 for the implementation in March 2013)

Business Structure Reform: Consolidation, Contraction,
and Overseas Shift of Domestic Business

2) Overseas shift in response to domestic cost pressure

Copper foil: Part of Imaichi ⇒ Taiwan (to be completed by the end of September 2013)

Magnet wire (TEX): Mie⇒Taiwan and Malaysia

(Completion time was rolled forward from the end of March 2013 to the end of December 2012 for mass production of the main products at Mie)

Industrial electric wire: Partial consignment to OEM production overseas
(from the end of December 2012)

3) Streamlining of the administrative divisions

Achieving 20% cost savings for the existing functions of the divisions and departments (from April 2013)

Strengthening of the Group's management function to follow

Additional measure) Sales of electric wire: Management integration of Furukawa Elecom and Shin Manden in April 2013.

(Announced on January 15, 2013)

Full-year Financial Results Forecast for FY2012 is unchanged **FURUKAWA ELECTRIC**

(Billion yen)

| | Full-year results of FY11 | First nine months of FY12 | Full-year forecast for FY12 |
|---|--------------------------------------|--------------------------------------|--|
| Net sales | 918.8 | 667.9 | 950.0 |
| Operating income | 15.9 | 13.1 | 20.0 |
| Recurring profit | 12.9 | 12.3 | 17.5 |
| Extraordinary gains & losses | -10.9 | -2.0 | -4.5 |
| Net income | -11.1 | 4.1 | 2.0 |

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.

Due to the above factors, actual sales, earnings, and other operating results may differ significantly from the figures in the plans contained in these materials. In addition, following the release of these materials, Furukawa Electric Group assumes no obligation to publicly announce any revisions to forward-looking statements in these materials.

Copyrights

Furukawa Electric Co., Ltd. retains copyrights and other rights involving these materials. Copying and otherwise reusing these materials in any way without prior consent is prohibited.