

FACT BOOK

Financial results for first half
of the fiscal year 2017 ending March 31, 2018

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FURUKAWA ELECTRIC CO., LTD.

(Figures are rounded down to the nearest one million yen)

P/L	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Net sales	918,808	924,717	931,781	867,817	874,879	843,344	397,569	457,517
Cost of sales	786,952	786,825	790,541	741,076	733,943	689,160	327,765	375,377
Gross profit	131,856	137,891	141,240	126,741	140,935	154,184	69,803	82,139
SG&A	115,908	120,128	115,783	108,867	113,819	115,560	56,527	60,388
Selling expenses	35,338	36,930	36,812	35,759	36,728	35,724	16,779	18,844
G&A expenses	80,570	83,197	78,970	73,107	77,090	79,836	39,747	41,543
Operating income/loss	15,947	17,763	25,456	17,873	27,116	38,623	13,275	21,751
Non-operating income	4,417	7,142	7,927	7,147	5,874	4,954	2,350	4,847
Interest income	620	614	846	551	617	586	266	273
Dividend income	1,691	1,524	1,724	1,719	1,817	1,501	731	911
Foreign exchange gains	-	2,678	2,033	-	-	-	-	-
Profit in equity method affiliates	125	112	-	1,855	-	102	-	2,022
Other	1,980	2,212	3,323	3,021	3,439	2,763	1,353	1,639
Non-operating expenses	7,492	7,293	7,852	6,422	14,281	7,553	5,451	4,495
Interest expenses	5,239	5,067	4,551	3,993	3,715	3,484	1,827	1,977
Foreign exchange losses	85	-	-	60	2,084	1,184	1,195	640
Loss in equity method affiliates	-	-	825	-	5,684	-	1,003	-
Other	2,166	2,226	2,474	2,368	2,795	2,884	1,424	1,877
Ordinary income	12,872	17,612	25,532	18,598	18,710	36,024	10,175	22,103
Extraordinary income	16,244	2,936	8,931	15,661	21,864	12,437	4,513	6,978
Extraordinary loss	27,182	7,717	17,160	18,091	19,193	20,496	2,928	846
Profit/Loss before income taxes	1,935	12,831	17,303	16,168	21,380	27,965	11,761	28,235
Income taxes-current	5,608	4,823	6,228	3,736	6,942	6,747	2,519	4,216
Income taxes for prior periods	-	-	-	-	717	-	-	-
Income taxes - deferred	5,888	2,217	2,809	2,956	280	-1,212	484	770
Net income	-9,561	5,791	8,264	9,475	13,440	22,430	8,757	23,249
Net income attributable to non-controlling interests	1,561	2,214	2,656	2,120	3,433	4,860	2,085	1,552
Net income attributable to owners of the parent company	-11,123	3,576	5,608	7,355	10,007	17,570	6,671	21,696

Average exchange rate(¥/US\$)	78.0	82.9	100.2	109.8	120.1	108.3	105.2	111.0
Average cooper price(¥/kg)	717.8	696.4	757.6	765.8	675.5	603.9	544.3	708.7

Segment [Net sales]	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Infrastructure	/				252,671	263,751	122,515	140,948
Communications Solutions					159,122	168,499	79,787	90,935
Energy infrastructure					93,548	95,252	42,728	50,012
Electronics & Automotive Systems					491,095	455,457	215,153	248,276
Automotive Products & Batteries					234,119	223,401	104,659	114,024
Electronics Component Materials					256,975	232,055	110,493	134,251
Functional Products					136,318	131,485	65,932	74,530
Service and Developments, etc.					51,505	49,653	23,860	25,505
Adjusted amount								
Total	918,808	924,717	931,781	867,817	874,879	843,344	397,569	457,517

Segment [Operating income]	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Infrastructure	/				7,717	14,339	5,347	7,989
Communications Solutions					7,973	14,193	5,845	8,073
Energy infrastructure					-256	145	-498	-83
Electronics & Automotive Systems					10,468	12,793	3,312	7,178
Automotive Products & Batteries					8,023	10,052	2,727	4,819
Electronics Component Materials					2,445	2,741	584	2,358
Functional Products					8,457	11,683	5,013	6,960
Service and Developments, etc.					413	-148	-409	-387
Adjusted amount								
Total	15,947	17,763	25,456	17,873	27,116	38,623	13,275	21,751

Segment	(Operating margin)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Infrastructure		/				3.1%	5.4%	4.4%	5.7%
Communications Solutions						5.0%	8.4%	7.3%	8.9%
Energy infrastructure						-0.3%	0.2%	-1.2%	-0.2%
Electronics & Automotive Systems						2.1%	2.8%	1.5%	2.9%
Automotive Products & Batteries						3.4%	4.5%	2.6%	4.2%
Electronics Component Materials						1.0%	1.2%	0.5%	1.8%
Functional Products						6.2%	8.9%	7.6%	9.3%
Service and Developments, etc.						0.8%	-0.3%	-1.7%	-1.5%
Adjusted amount						-0.1%	0.1%	-0.0%	-0.0%
Total		1.7%	1.9%	2.7%	2.1%	3.1%	4.6%	3.3%	4.8%

CAPEX / Depreciation / R&D	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
CAPEX	33,581	47,772	37,436	30,674	25,687	31,584	11,587	15,903
Depreciation	39,216	35,347	28,106	22,508	23,235	23,370	11,521	12,293
Research and development expenses	18,949	20,210	17,461	16,599	16,845	17,454	8,352	9,444

B/S (Assets)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Current assets	390,096	392,644	360,009	368,818	364,030	382,398	343,124	413,364
Cash and deposits	33,246	31,293	26,719	30,010	52,504	47,165	46,869	53,064
Notes and accounts receivable-trade	221,998	222,430	199,286	190,431	187,028	198,864	170,231	209,955
Securities	113	17	20	19	15	54	32	29
Merchandise and finished goods	28,071	30,714	29,946	36,479	29,561	32,967	30,701	39,643
Work in process	28,609	31,593	27,073	28,238	29,027	31,273	26,735	35,567
Raw materials and supplies	38,207	41,940	36,648	34,726	34,578	40,114	33,514	42,928
Deferred tax assets	6,732	6,311	5,025	4,209	5,292	8,243	5,130	8,230
Other	34,013	29,562	36,690	46,064	27,433	24,945	31,073	25,158
Allowance for doubtful accounts	-896	-1,220	-1,400	-1,360	-1,412	-1,231	-1,164	-1,213
Non-current assets	400,018	427,057	354,835	365,307	341,694	367,727	337,670	378,475
Property, plant and equipment								
Buildings and structures	252,843	261,521	206,375	210,430	215,242	215,304	209,004	217,269
Machinery and delivery equipment	637,864	664,682	439,047	449,949	448,824	457,180	438,701	458,078
Tools, furniture and fixtures	81,433	83,746	68,137	70,184	70,756	71,193	69,266	71,152
Land	84,937	86,154	40,630	39,845	37,490	38,348	36,234	39,648
Other	12,511	22,140	17,611	21,756	16,854	20,447	18,728	24,246
Accumulated depreciation	-807,464	-838,157	-580,732	-592,948	-592,623	-596,983	-582,537	-596,563
Total; Property, plant and equipment	262,125	280,086	191,069	199,217	196,544	205,490	189,398	213,832
Intangible assets								
Goodwill	6,178	4,910	4,070	3,879	3,768	3,149	3,430	2,861
Other	7,796	7,704	5,525	5,147	4,747	6,592	4,390	6,814
Total; Intangible assets	13,975	12,614	9,596	9,027	8,516	9,742	7,820	9,676
Investments and other assets								
Investment securities	92,568	107,006	128,884	132,124	109,028	125,227	112,660	127,226
Net defined benefit asset	-	-	3,472	4,177	4,660	4,884	4,769	5,007
Deferred tax assets	10,680	5,895	3,529	3,090	6,855	4,013	6,375	3,881
Other	23,136	23,898	19,727	19,813	18,612	19,780	18,052	20,262
Allowance for doubtful accounts	-2,468	-2,443	-1,445	-2,142	-2,522	-1,410	-1,406	-1,411
Total; Investments and other assets	123,917	134,356	154,169	157,062	136,633	152,494	140,451	154,967
Total assets	790,114	819,702	714,845	734,125	705,725	750,126	680,795	791,840

B/S (Liabilities and net assets)	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Current liabilities	345,705	327,868	293,869	287,149	299,341	293,364	261,129	307,812
Notes and accounts payable - trade	122,000	133,125	104,377	110,404	100,398	108,087	91,069	115,473
Short-term debt	141,857	125,049	119,913	96,749	113,081	90,310	91,574	105,034
Bonds payable	16,562	2,333	100	10,000	10,000	10,000	10,000	10,000
Income taxes payable	1,116	2,846	1,653	1,408	4,390	3,287	3,510	3,314
Provision for product defect compensation	1,586	1,396	1,099	1,601	3,008	15,971	2,897	15,949
Provision for loss on litigation and others	-	-	-	-	7,123	-	5,907	-
Provision for loss on disaster	261	144	1,210	114	-	-	-	-
Other	62,320	62,972	65,515	66,871	61,338	65,706	56,170	58,040
Non-current liabilities	246,839	268,990	221,242	232,232	207,796	219,711	219,416	221,855
Bonds payable	22,547	30,284	40,000	30,000	20,000	20,000	20,000	20,000
Long-term debt	144,253	162,830	117,842	137,783	114,764	132,234	126,334	134,132
Provision for retirement benefits	57,566	52,294	-	-	-	-	-	-
Net defined benefit liability	-	-	42,525	43,486	51,058	45,178	50,466	43,732
Provision for environmental measures	12,140	12,048	11,768	10,495	10,345	10,322	10,281	10,017
Asset retirement obligations	1,214	1,214	566	573	543	502	507	533
Other	9,117	10,318	8,539	9,893	11,085	11,473	11,826	13,439
Total liabilities	592,545	596,858	515,111	519,382	507,137	513,075	480,545	529,667
Capital stock	69,395	69,395	69,395	69,395	69,395	69,395	69,395	69,395
Other capital surplus	21,467	21,467	21,467	21,467	21,466	21,562	21,562	21,572
Retained earnings	72,481	76,125	79,219	83,265	90,313	103,942	93,271	121,279
Treasury shares	-274	-274	-276	-278	-280	-633	-627	-612
Total shareholders' equity	163,070	166,712	169,805	173,849	180,894	194,267	183,601	211,635
Valuation difference on available-for-sale securities	11,548	18,160	19,094	21,590	14,070	26,622	23,316	28,499
Deferred gains or losses on hedges	589	419	-298	516	-1,391	717	-1,222	657
Remeasurements of foreign subsidiaries' defined benefit plans	-4,057	-4,206	-	-	-	-	-	-
Remeasurements of defined benefit plans	-	-	-5,555	-9,293	-13,917	-8,138	-12,613	-7,700
Foreign currency translation adjustment	-26,457	-15,346	-5,808	4,078	-6,492	-6,756	-18,747	-5,228
Total accumulated other comprehensive income	-18,376	-973	7,431	16,892	-7,731	12,445	-9,266	16,228
Non-controlling interests	52,874	57,103	22,496	24,001	25,424	30,338	25,915	34,308
Total net assets	197,569	222,843	199,733	214,743	198,587	237,051	200,250	262,172
Total liabilities and net assets	790,114	819,702	714,845	734,125	705,725	750,126	680,795	791,840

Cash flow	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
I Cash flows from operating activities	30,774	54,947	18,912	41,489	41,569	40,402	20,725	5,559
Profit/Loss before income taxes	1,935	12,831	17,303	16,168	21,380	27,965	11,761	28,235
Depreciation	39,216	35,347	28,106	22,508	23,235	23,370	11,521	12,293
Loss (Profit : -) in equity method affiliates	-125	-112	825	-1,855	5,684	-102	1,003	-2,022
Loss (gain : -) on sales of securities and investment securities	-4,973	4	-4,900	-6,563	-1,395	-2,487	-1,243	-1
Loss (gain;-) on valuation of investment securities	574	169	2	2,581	923	246	-	-
Loss (gain;-) on disposal of non-current assets	-6,952	672	580	-643	-18,879	-2,982	-2,877	-6,658
Impairment loss	2,024	2,581	6,805	1,346	995	192	1	3
Loss on valuation of inventories	1,594	1,770	1,446	867	624	928	656	537
Interest and dividend income	-2,311	-2,139	-2,571	-2,270	-2,435	-2,088	-997	-1,185
Interest expenses	5,239	5,067	4,551	3,993	3,715	3,484	1,827	1,977
Foreign exchange losses (gains;-)	71	-431	-263	-795	168	559	886	4
Decrease (increase;-) in notes and accounts receivable - trade	4,728	9,022	-13,699	20,118	-1,537	-10,935	8,431	-11,266
Decrease (increase;-) in inventories	3,547	-6,284	-13,100	-3,108	5,572	-7,457	-1,085	-12,298
Increase (decrease;-) in notes and accounts payable - trade	-833	5,002	-2,591	-1,114	-7,660	7,278	-3,850	7,661
Other	-1,592	-3,388	6,769	-7,569	15,465	17,515	-2,200	-7,295
Subtotal	42,142	60,111	29,263	43,664	45,855	55,486	23,834	9,984
Interest and dividend income received	2,810	2,705	3,384	3,734	3,460	3,346	1,984	2,092
Interest expenses paid	-5,356	-5,211	-4,541	-4,055	-3,763	-3,587	-1,870	-1,972
Income taxes (paid;-) refund	-8,821	-2,656	-9,193	-1,853	-3,982	-7,719	-3,222	-4,544
Other	-	-	-	-	-	-7,123	-	-
II Cash flows from investing activities	-20,252	-44,939	-40,290	-23,533	1,947	-36,361	-15,714	-9,509
Purchase of investment securities	-20,586	-4,740	-3,285	-3,162	-2,033	-4,148	-1,071	-166
Proceeds from sales of investment securities	8,594	306	7,227	9,611	3,043	2,992	1,544	111
Purchase of property, plant and equipment	-30,640	-45,753	-39,364	-27,676	-25,646	-28,443	-12,818	-16,090
Purchase of intangible assets	-2,266	-2,202	-964	-737	-824	-2,539	-449	-817
Proceeds from sales of non-current assets	13,113	508	2,374	2,592	22,571	6,031	4,989	7,419
Decrease (increase;-) in short-term loans receivable	11,279	4,684	-5,174	-4,610	3,134	-7,984	-7,726	421
Other	254	2,258	-1,104	449	1,702	-2,268	-183	-386
III Cash flows from financing activities	-22,845	-11,402	29,917	-15,537	-20,942	-10,378	-9,099	8,942
Net increase (decrease;-) in short-term loans payable	-1,234	-12,145	4,116	-2,234	-3,510	-3,140	-4,103	7,081
Proceeds from long-term loans payable	25,259	52,298	46,475	36,230	14,434	35,822	17,485	12,033
Repayments of long-term loans payable	-28,500	-45,177	-29,235	-44,601	-18,540	-38,297	-18,386	-6,255
Proceeds from issuance of bonds	10,270	10,070	10,070	-	-	10,000	10,000	10,000
Redemption of bonds	-24,226	-16,562	-2,295	-100	-10,000	-10,000	-10,000	-10,000
Cash dividends paid	-3,887	-22	-2,120	-2,115	-2,112	-2,823	-2,811	-3,875
Dividends paid to non-controlling interests	-1,175	-1,257	-883	-575	-547	-701	-458	-1,142
Proceeds from sales and leasebacks	-	1,507	4,671	759	377	-	-	-
Other	648	-114	-882	-2,901	-1,044	-1,237	-825	1,100
Effect of exchange rate change on cash and cash equivalents	-790	1,670	591	1,466	-1,422	-314	-2,932	417
Net increase in cash and cash equivalents	-13,113	276	9,131	3,885	21,151	-6,652	-7,022	5,409
Cash and cash equivalents at beginning of the year	37,647	30,084	30,476	25,320	29,488	51,659	51,659	46,147
Increase in cash and cash equivalents from newly consolidated subsidiary	5,550	109	135	244	1,019	1,529	1,529	463
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	-	-14,422	-9	-	-416	-	-
Increase in cash and cash equivalents resulting from merger	-	5	-	48	-	27	27	-
Cash and cash equivalents at end of the year	30,084	30,476	25,320	29,488	51,659	46,147	46,194	52,021

Financial index	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2016, 1H	FY2017, 1H
Net sales	918,808	924,717	931,781	867,817	874,879	843,344	397,569	457,517
Operating income	15,947	17,763	25,456	17,873	27,116	38,623	13,275	21,751
Ordinary income	12,872	17,612	25,532	18,598	18,710	36,024	10,175	22,103
Profit/Loss before income taxes	1,935	12,831	17,303	16,168	21,380	27,965	11,761	28,235
Net income attributable to owners of the parent company	-11,123	3,576	5,608	7,355	10,007	17,570	6,671	21,696
Total assets	790,114	819,702	714,845	734,125	705,725	750,126	680,795	791,840
Net assets	197,569	222,843	199,733	214,743	198,587	237,051	200,250	262,172
Equity Capital	144,694	165,739	177,237	190,741	173,163	206,712	174,334	227,864
Operating margin	1.7%	1.9%	2.7%	2.1%	3.1%	4.6%	3.3%	4.8%
Ordinary income margin	1.4%	1.9%	2.7%	2.1%	2.1%	4.3%	2.6%	4.8%
Net profit margin	-1.2%	0.4%	0.6%	0.8%	1.1%	2.1%	1.7%	4.7%
Capital ratio	18.3%	20.2%	24.8%	26.0%	24.5%	27.6%	25.6%	28.8%
Interest-bearing debt balance	325,220	320,497	277,855	274,532	257,845	252,544	247,908	269,166
D/E ratio	2.2	1.9	1.6	1.4	1.5	1.2	1.4	1.2
Net Interest bearing debt balance	291,974	289,204	251,136	244,521	205,341	205,378	201,039	216,101
NET D/E ratio	2.0	1.7	1.4	1.3	1.2	1.0	1.2	0.9
Current assets	390,096	392,644	360,009	368,818	364,030	382,398	343,124	413,364
Current liabilities	345,705	327,868	293,869	287,149	299,341	293,364	261,129	307,812
Current ratio	112.8%	119.8%	122.5%	128.4%	121.6%	130.3%	131.4%	134.3%
Total asset turnover ratio	1.14	1.15	1.21	1.20	1.22	1.16	1.15	1.19
Balance of inventory assets	94,888	104,249	93,668	99,443	93,167	104,355	90,951	118,139
Inventory turnover ratio	9.43	9.29	9.42	8.99	9.08	8.54	8.64	8.23
Balance of account receivable	221,998	222,430	199,286	190,431	187,028	198,864	170,231	209,955
Receivables turnover ratio	4.09	4.16	4.42	4.45	4.64	4.37	4.45	4.48
Net income per share (Yen) ※	-15.75	5.07	7.94	10.42	14.17	249.17	94.55	307.86
Net assets per share (Yen) ※	204.93	234.73	251.02	270.15	245.26	2,933.21	2,473.72	3,232.97

※The company executed a one-for-ten reverse stock split of its common shares effective October 1, 2016.