Furukawa Electric Co., Ltd.

Q1 Financial Results Briefing for the Fiscal Year Ending March 2027

August 6, 2026

[Number of Speakers]	1	
	Koji Aoshima	Director, Corporate Senior Vice President (Representative), and CFO

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Furukawa Electric Group FY2026 Q1 Financial Results

August 6, 2026

Koji Aoshima, Representative Director & Senior Executive Officer, Chief Financial Officer
Furukawa Electric Co., Ltd.

Aoshima: Good afternoon, everyone. I'm Koji Aoshima, CFO of Furukawa Electric. Today, I'd like to walk you through our first-quarter results for FY2026, as well as our full-year outlook for FY2026.

Agenda

Highlights of the FY26Q1 Financial Results and FY26 Forecasts

- FY26Q1 Financial Results Highlights
- FY26Q1 Financial Results -P/L Summary,
  Breakdown of Changes in Net Sales & Operating Profit
- Revisions to the FY26 Financial Forecasts
- FY26 Forecasts -P/L Summary, Operating Profit by Segment
- Net Sales & Operating Profit by Segment
- FY26Q1 Financial Results -B/S Summary
- CAPEX, Depreciation & Amortization and R&D Expenses

Appendix

In the fiscal year ended March 31, 2026, a determination was made on the provisional accounting treatment concerning business combination, and the details of the determined provisional accounting treatment have been reflected in the figures for the fiscal year ended March 31, 2026.

Please turn to slide 3. I'll provide an explanation following this agenda shown here.

FY26Q1 Financial Results Highlights

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- ■ **Achieved higher revenue and profit YoY on increased sales of data center-related products**
- ■ **Highest Q1 net sales and profits at all profit levels since FY2001**

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
JPY 365.2 billion YoY JPY +71.5 billion Change(%) ＋24％	**JPY 25.5 billion** YoY JPY +17.1 billion Change(%) ＋205％	**JPY 31.0 billion** YoY JPY +23.3 billion Change(%) ＋304％	**JPY 22.2 billion** YoY JPY +17.1 billion Change(%) ＋335％

	FY25 Q1	FY26 Q1	YoY
Average copper price (JPY/kg)	1,424	2,220	＋796
Average exchange rate (USD/JPY)	145	160	＋15

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Please turn to slide 4. Let me start with the highlights of our first-quarter results for FY2026.

In the first quarter, we achieved year-on-year growth in both net sales and profit, mainly due to increased sales of data center-related products. Operating profit was approximately three times the level of the previous year, while ordinary profit and profit attributable to owners of parent were each approximately four times the level of the previous year. As a result, in the first quarter, we recorded our highest net sales and profits at all levels since FY2001.

FY26Q1 Financial Results -P/L Summary

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(JPY billion)

	FY25 Q1	FY26 Q1	YoY change	Breakdown of major changes（Q1）	
	a	b	b-a		
Net sales	293.7	365.2	+71.5	See page 6	· Increased sales of data center-related products
Operating profit	8.3	25.5	+17.1	See page 7	
(Margin)	2.8%	7.0%	+4.1		
Net interest income (expense)	(2.0)	(2.2)	(0.3)		
Share of profit (loss) of entities accounted for using equity method	2.1	5.9	+3.8		· Strong results at entities accounted for using equity method
Foreign exchange gains (losses)	(2.3)	(0.5)	+1.8		
Ordinary profit	7.7	31.0	+23.3		
(Margin)	2.6%	8.5%	+5.9		
Extraordinary income (losses)	(0.1)	0.1	+0.2		
Income taxes	(1.7)	(8.0)	(6.2)		
Profit attributable to non-controlling interests	(0.7)	(0.8)	(0.1)		
Profit attributable to owners of parent	5.1	22.2	+17.1		
(Margin)	1.7%	6.1%	+4.3		
Average copper price (JPY/kg)	1,424	2,220	+796		
Average exhange rate (USD/JPY)	145	160	+15		

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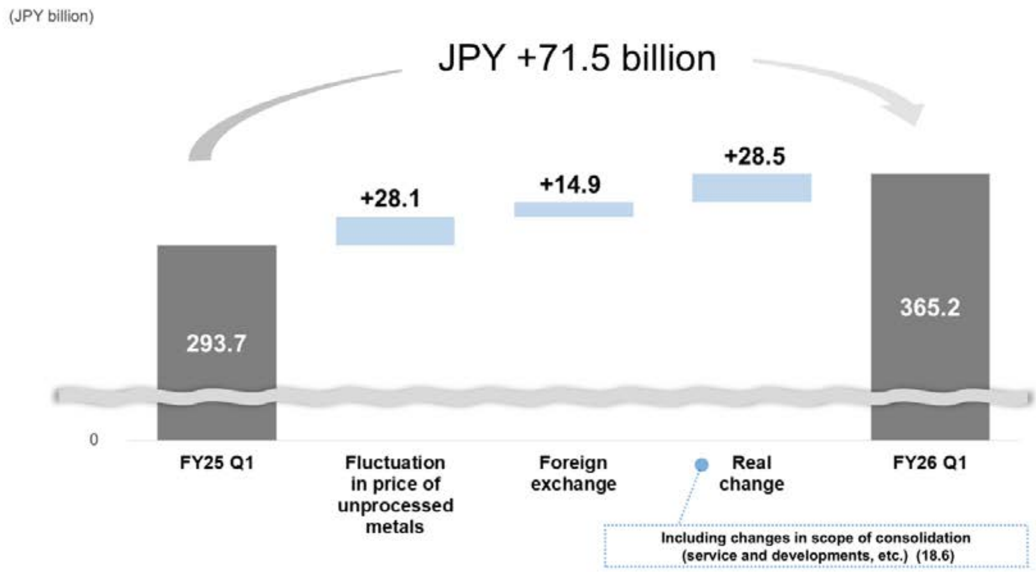
Please turn to slide 5. I'll explain net sales and operating profit on the following slides, so here I'd like to briefly touch on the other line items.

Share of profit of entities accounted for using equity method improved by JPY 3.8 billion year on year, reflecting strong performance at equity-method affiliates. Foreign exchange gains and losses also improved by JPY 1.8 billion year on year, mainly due to the weaker yen.

FY26Q1 Financial Results
-Breakdown of Changes in Net Sales

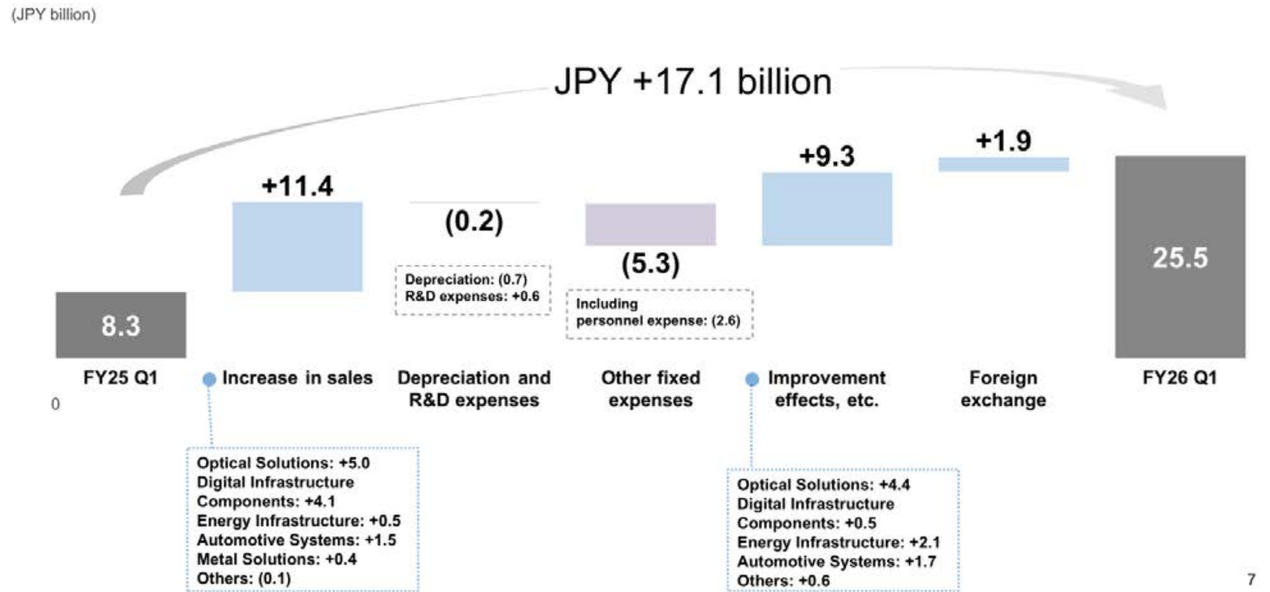


Slide 6 shows the factors behind the change in net sales.

Net sales increased by JPY 71.5 billion from the same period of the previous year. Fluctuation in price of unprocessed metals prices had a positive impact of JPY 28.1 billion, mainly due to higher copper prices. Foreign exchange also had a positive impact of JPY 14.9 billion due to the weaker yen. Real changes, including changes in scope of consolidation, had a positive impact of JPY 28.5 billion.

Looking at the main components of the Real change, a change in the scope of consolidation had a negative impact of JPY 18.6 billion. On the other hand, net sales increased by approximately JPY 14.0 billion in Optical Solutions, JPY 11.0 billion in Digital Infrastructure Components, JPY 6.0 billion in Automotive Systems, and JPY 14.0 billion in Metal Solutions.

FY26Q1 Financial Results
-Breakdown of Changes in Operating Profit



Slide 7 shows the factors behind the change in operating profit.

Higher sales contributed JPY 11.4 billion to operating profit. By segment, Optical Solutions contributed JPY 5.0 billion, Digital Infrastructure Components JPY 4.1 billion, Energy Infrastructure JPY 0.5 billion, Automotive Systems JPY 1.5 billion, and Metal Solutions JPY 0.4 billion.

Fixed costs increased, primarily due to higher personnel expenses. However, these increases were more than offset by productivity improvement and other positive factors, which contributed JPY 9.3 billion. Foreign exchange had a positive impact of JPY 1.9 billion due to the weaker yen, bringing the total year-on-year increase in operating profit to JPY 17.1 billion.

Revisions to the FY26 Financial Forecasts

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- **Revised the forecasts based on the Q1 financial results and business environment**
- **FY26 annual dividend forecast maintained at JPY 22 per share, unchanged from the forecast announced on May 12, 2026 (interim dividend planned)**

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
JPY 1,530.0 billion	**JPY 123.0 billion**	**JPY 143.0 billion**	**JPY 105.0 billion**
Change from previous forecast: JPY +70.0 billion	Change from previous forecast: JPY +28.0 billion	Change from previous forecast: YoY JPY +43.0 billion	Change from previous forecast: JPY +23.0 billion
Change(%) +5%	Change(%) +29%	Change(%) +43%	Change(%) +28%

	FY26 previous forecast*	FY26 Q1	FY26 Q2 to Q4 assumption	FY26 forecast
Average copper price (JPY/kg)	2,000	2,220	2,230	2,227
Average exchange rate (USD/JPY)	150	160	160	160

*Announced on May 12, 2026

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Please turn to slide 8. This slide shows our full-year forecast for FY2026.

Based on our first-quarter results and the current business environment, we have revised upward our full-year forecasts for net sales and all profits levels. Our annual dividend forecast for FY2026 remains unchanged at JPY 22 per share, as announced in May. We have also revised our assumptions for foreign exchange rates and copper prices.

FY26 Forecasts -P/L Summary

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(JPY billion)	FY25 Results			FY26 Previous Forecasts*			FY26 Forecasts			YoY change	Change from previous forecasts
	H1	H2		H1	H2		H1	H2			
		a			b			c		c-a	c-b
Net sales	610.7	696.9	1,307.6	700.0	760.0	1,460.0	720.0	810.0	1,530.0	+222.4	+70.0
Operating profit	19.1	44.7	63.9	35.0	60.0	95.0	49.5	73.5	123.0	+59.1	+28.0
(Margin)	3.1%	6.4%	4.9%	5.0%	7.9%	6.5%	6.9%	9.1%	8.0%	+3.2	+1.5
Net interest income (expense)	(3.9)	(4.1)	(8.0)	—	—	—	—	—	—	—	—
Share of profit (loss) of entities accounted for using equity method	+5.1	+11.5	+16.5	—	—	—	—	—	—	—	—
Foreign exhange gains (losses)	(2.0)	2.1	0.2	—	—	—	—	—	—	—	—
Ordinary profit	20.3	55.6	75.9	37.0	63.0	100.0	60.5	82.5	143.0	+67.1	+43.0
(Margin)	3.3%	8.0%	5.8%	5.3%	8.3%	6.8%	8.4%	10.2%	9.3%	+3.5	+2.5
Extraordinary income (losses)	0.4	28.7	29.1	0.5	20.5	21.0	1.0	17.5	18.5	(10.6)	(2.5)
Income taxes	(6.2)	(22.8)	(29.0)	—	—	—	—	—	—	—	—
Profit attributable to non-controlling interests	(1.5)	(1.8)	(3.4)	—	—	—	—	—	—	—	—
Profit attributable to owners of parent	12.9	59.7	72.5	25.0	57.0	82.0	42.5	62.5	105.0	+32.5	+23.0
(Margin)	2.1%	8.6%	5.5%	3.6%	7.5%	5.6%	5.9%	7.7%	6.9%	+1.3	+1.2
Average copper price (JPY/kg)	1,461	1,929	1,695	2,000	2,000	2,000	2,225	2,230	2,227	+532	+227
Average exhange rate (USD/JPY)	146	155	151	150	150	150	160	160	160	+9	+10

*Announced on May 12, 2026

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Please turn to slide 9. This is the P/L summary for our full-year forecast for FY2026.

We have revised net sales upward by JPY 70.0 billion from the previous forecast. Of this amount, JPY 30.0 billion reflects the impact of foreign exchange assumptions, and JPY 20.0 billion reflects the impact of higher copper prices.

Operating profit has been revised upward by JPY 28.0 billion from the previous forecast. I'll explain the details on the next slide.

In addition to the revision to operating profit, we have also revised our forecast for share of profit of entities accounted for using equity method. As a result, ordinary profit has been revised upward by JPY 43.0 billion from the previous forecast, and profit attributable to owners of parent has been revised upward by JPY 23.0 billion.

FY26 Forecasts
-Net Sales & Operating Profit by Segment

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■ Demand for data center-related products remains strong

(JPY billion)

Segments	FY25 Results H1	FY25 Results H2	FY25 Results (a)	FY26 Previous forecasts H1	FY26 Previous forecasts H2	FY26 Previous forecasts (b)	FY26 Forecasts H1	FY26 Forecasts H2	FY26 Forecasts (c)	Change from previous forecasts (c-b)	Breakdown of changes
Optical Solutions	0.7	10.0	10.7	11.0	16.0	27.0	18.5	24.5	**43.0**	+16.0	Increased sales of data center-related products
Digital Infrastructure Components	6.3	9.7	15.9	10.0	29.0	39.0	15.5	35.5	**51.0**	+12.0	
Energy Infrastructure	2.8	7.2	10.0	4.0	3.0	7.0	4.0	3.0	**7.0**	-	
Automotive Systems	10.3	16.0	26.4	12.0	11.0	23.0	12.5	10.5	**23.0**	-	
Metal Solutions	1.6	1.8	3.4	1.0	3.0	4.0	1.5	2.5	**4.0**	-	
Total (Including Service and Developments, etc. and eliminations)*	19.1	44.7	63.9	35.0	60.0	95.0	49.5	73.5	**123.0**	+28.0	

* FY25 financial results for the batteries business have been included in Service and Developments, etc. (business was consolidated until FY2025 Q3)

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Please turn to slide 10. This slide shows our FY2026 outlook for operating profit by segment.

We have revised operating profit upward by JPY 28.0 billion from the previous forecast, bringing the full-year forecast to JPY 123.0 billion. Sales of data center-related products and other products are increasing. Reflecting this, we have revised the forecast upward by JPY 16.0 billion for Optical Solutions and by JPY 12.0 billion for Digital Infrastructure Components.

Net Sales and Operating Profit by Segment

Optical Solutions

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FY26 Q1

(JPY billion)	FY25	FY26	YoY change
	a	b	b-a
Net sales	41.2	**60.0**	**+18.8**
Operating profit	(0.7)	**9.2**	**+9.9**

【Factors affecting profits】

(+) Increased sales of data center-related products

FY26 Full-year forecasts

(JPY billion)	FY25 Results	FY26 Previous forecasts [*1]	FY26 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	196.9	240.0	**265.0**	+68.1	+25.0
Operating profit	10.7	27.0	**43.0**	+32.3	+16.0

Recognition of the business environment

- Tightening supply-demand conditions driven by growing demand for data center-related products

Key points

- Accelerate development, capacity expansion and sales growth of data center-related products

Rollable ribbon cables and related solutions

MT ferrules · VSFF[*2] connectors

Specialty fiber (Fibers for submarine transmission lines and amplifiers)

[*1] Announced on May 12, 2026

[*2] Very Small Form Factor

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Starting on slide 11, I'll review the results and outlook by segment. First, let's look at Optical Solutions.

In the first quarter, operating profit increased year on year due to higher sales of data center-related products, including optical cables, specialty fiber for applications such as submarine transmission lines, and MT ferrules. For the full year, we have revised the previous forecast upward, reflecting the strong first-quarter performance and our expectation that demand for data center-related products will continue to grow.

Net Sales and Operating Profit by Segment

Digital Infrastructure Components

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FY26 Q1

(JPY billion)	FY25	FY26	YoY change
	a	b	b-a
Net sales	44.9	59.6	+14.7
Operating profit	3.6	7.4	+3.8

【Factors affecting profits】

(+) Increased sales of data center-related products

[*1] Announced on May 12, 2026

[*2] DFB (Distributed Feedback Laser) chips
Pump laser for Raman amplifiers
SOA (Semiconductor Optical Amplifier)

FY26 Full-year forecasts

(JPY billion)	FY25 Results	FY26 Previous forecasts [*1]	FY26 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	198.0	310.0	325.0	+127.0	+15.0
Operating profit	15.9	39.0	51.0	+35.1	+12.0

Recognition of the business environment

- Tightening supply-demand conditions driven by growing demand for data center-related products

Key points

- Increased production and sales of high-value-added products for the data center market
  - ➢ Increased production of water-cooling modules
  - ➢ Transformation of the copper foil product mix (copper foil for high-frequency printed wiring boards)
  - ➢ Increased production of optical semiconductor-related products

High performance heat dissipation and cooling products	Copper foil for high-frequency printed wiring boards	Optical semiconductor-related products[*2]	Thin aluminum blanks for HDD	Tapes for semiconductor process	High-performance foam products

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Please turn to slide 12. This is Digital Infrastructure Components.

In the first quarter, operating profit increased year on year, driven by higher sales of data center-related products. For the full year, we have revised the previous forecast upward, as we expect demand for data center-related products to continue increasing.

Net Sales and Operating Profit by Segment

Energy Infrastructure

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FY26 Q1

(JPY billion)	FY25	FY26	YoY change
	a	b	b-a
Net sales	32.8	**36.0**	**+3.2**
Operating profit	0.9	**3.0**	**+2.1**

【Factors affecting profits】

(+) Solid demand for domestic underground power cables
(+) Deconsolidation of a Chinese subsidiary
(+) Increased sales of functional power cables

FY26 Full-year forecasts

(JPY billion)	FY25 Results	FY26 Previous forecasts [*1]	FY26 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	138.8	130.0	**130.0**	(8.8)	-
Operating profit	10.0	7.0	**7.0**	(3.0)	-

Recognition of the business environment

Domestic extra-high voltage / Submarine transmission lines	Steady demand for underground power cables renewal and renewable energy-related projects in Japan
Functional power cables/ components	Steady demand

Key points

- Strengthen cable manufacturing and installation capabilities
  - Domestic extra-high voltage power cable & submarine transmission lines
  - Renewable energy-related projects
  - HVDC [*2]
- Increase sales by promoting marketing activities
  - Rakuraku aluminum cable®
  - Functional power cable
  - Transmission and distribution components

[*1] Announced on May 12, 2026

[*2] High Voltage Direct Current

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Please turn to slide 13. This is Energy Infrastructure.

In the first quarter, demand for domestic underground power cables was solid. Operating profit increased year on year, supported by the positive impact from the deconsolidation of a Chinese subsidiary and higher sales of functional power cables. For the full year, we are maintaining our previous forecast, as our assumptions remain unchanged for solid demand in domestic extra-high voltage power cable, submarine cable, and functional power cable businesses, which were already reflected in the previous forecast.

Net Sales and Operating Profit by Segment

Automotive Systems

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FY26 Q1

(JPY billion)	FY25	FY26	YoY change
	a	b	b-a
Net sales	83.0	**92.0**	**+9.0**
Operating profit	5.3	**6.4**	**+1.1**

・Market environment is generally steady and unchanged from last year.

*Announced on May 12, 2026

FY26 Full-year forecasts

(JPY billion)	FY25 Results	FY26 Previous forecasts *1	FY26 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	357.5	360.0	**360.0**	+2.5	-
Operating profit	26.4	23.0	**23.0**	(3.4)	-

Recognition of the business environment

- Customer vehicle production remains at a level comparable to the previous year.
- Uncertainty remains regarding the situation in the Middle East and U.S. tariffs policies.

Key points

- Respond to the impact of US tariff policies
- Promote assembly automation
- Develop products for the EV market

Aluminum wire harnesses and high-voltage products

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Please turn to slide 14. This is Automotive Systems.

In the first quarter, operating profit increased year on year, supported by solid sales of automotive parts. We are maintaining our full-year forecast. At the same time, we will continue to closely monitor the uncertain situation in the Middle East and developments in U.S. tariff policies.

Net Sales and Operating Profit by Segment

Metal Solutions

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FY26 Q1

(JPY billion)	FY25	FY26	YoY change
	a	b	b-a
Net sales	78.5	**121.7**	**+43.1** [*1]
Operating profit	0.8	**0.8**	**(0.0)**

- Market conditions remain generally favorable and are in line with the previous year.

	FY25		FY26			
	Q1	Full-year	Previous forecast[*2]	Q1	Q2 to Q4 assumption	Full-year forecast
Average copper price (JPY/kg)	1,424	1,695	2,000	2,220	2,230	2,227
Average exchange rate (USD/JPY)	145	151	150	160	160	160

[*1] Including the impact of copper prices and foreign exchange fluctuations

[*2] Announced on May 12, 2026

FY26 Full-year forecasts

(JPY billion)	FY25 Results	FY26 Previous forecasts [*2]	FY26 Forecasts	YoY change	Change from previous forecasts
	a	b	c	c-a	c-b
Net sales	372.9	445.0	**475.0**	+102.1	+30.0 [*1]
Operating profit	3.4	4.0	**4.0**	+0.6	-

Recognition of the business environment

- Demand for electronics-related products is gradually recovering.

Key points

- Improvement to the product mix by expanding sales of high-value-added products

Oxygen-free copper product lineup (for power semiconductors and heat dissipation components)

High-performance resistance materials (for smartphones and xEV)

Ribbon cables & square cables (for high-performance inductors and memory applications)

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Please turn to slide 15. This is Metal Solutions.

In the first quarter, net sales increased year on year, mainly due to higher copper prices. For the full year, we have revised net sales upward to reflect recent copper price levels and other factors.

FY26Q1 Financial Results -B/S Summary

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(JPY billion)	End of FY25	End of FY26Q1	Change
	a	b	b-a
Current assets	595.5	**627.0**	+31.4
Cash and deposits	69.2	60.7	(8.4)
Notes and accounts receivable - trade, and contract assets	266.5	290.8	+24.4
Total inventories	210.9	224.6	+13.7
Non-current assets	470.9	**504.3**	+33.5
Property, plant and equipment	276.9	289.0	+12.1
Intangible assets	25.4	25.5	+0.1
Investments and other assets	168.5	189.8	+21.3
Total assets	1,066.4	**1,131.3**	+64.9
Current liabilities	428.7	**463.2**	+34.6
Non-current liabilities	202.5	**213.1**	+10.7
Total liabilities	631.1	**676.3**	+45.2
Shareholders' equity	356.2	363.6	+7.5
Accumulated other comprehensive income	60.9	73.3	+12.4
Non-controlling interests	18.2	18.0	(0.2)
Total net assets	435.2	**454.9**	+19.7
Total liabilities and net assets	1,066.4	**1,131.3**	+64.9
Equity capital ratio	39.1%	38.6%	(0.5)
Net interest-bearing debt	247.5	292.1	+44.6
Net D/E ratio	0.59	0.67	+0.07

Total assets
Increased by JPY 64.9 billion

Increased working capital from sales growth

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Please turn to slide 16. This slide shows the balance sheet summary.

Total assets were JPY 1,131.3 billion, an increase of JPY 64.9 billion from the end of the previous fiscal year. This was primarily due to an increase in working capital associated with sales growth. Although each of the key financial indicators has weakened, the results were generally in line with our expectations.

CAPEX, Depreciation & Amortization and R&D Expenses

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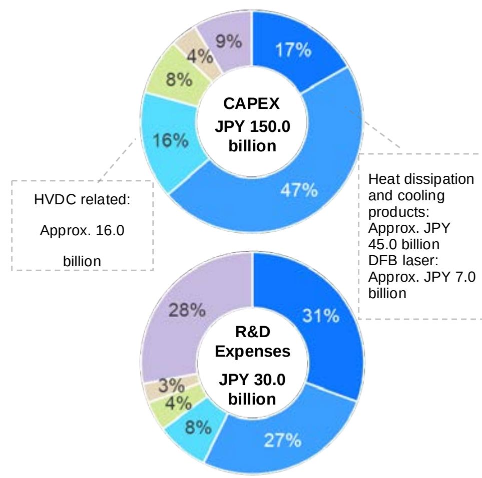
■ Full-year forecast unchanged

Announced on May 12,2026

(JPY billion)	FY25 Q1 Q1 Results	FY26 Q1 Q1 Results	YoY change	FY25 Results	FY26 Forecasts	YoY change
	a	b	b-a	c	d	d-c
CAPEX	8.9	20.5	+11.6	56.7	150.0	+93.3
Depreciation and amortization	10.4	10.6	+0.2	43.2	46.0	+2.8
R&D expenses	7.6	6.6	(1.0)	28.4	30.0	+1.6

Heat dissipation and cooling products: Approx. 7.0 billion
HVDC related: Approx. JPY 3.0 billion



● Optical Solutions ● Digital Infrastructure Components ● Energy Infrastructure
● Automotive Systems ● Metal Solutions ● Service and Developments, etc.

17

Next, please turn to slide 17. This slide shows capital expenditures, depreciation and amortization, and R&D expenses.

These items have increased year on year, as we are making investments to expand production capacity in response to growing demand for data center-related products. Our full-year forecasts for capital expenditures, depreciation and amortization, and R&D expenses remain unchanged from the previous forecast.

That concludes my presentation. Thank you very much for your attention.