

FY2015 Management Plan Q3 Review (First Nine Months Review)

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FURUKAWA ELECTRIC CO., LTD.

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 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 in 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 Looking Statements 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

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Furukawa Electric Co., Ltd.

1. Summary Results of FY15Q3

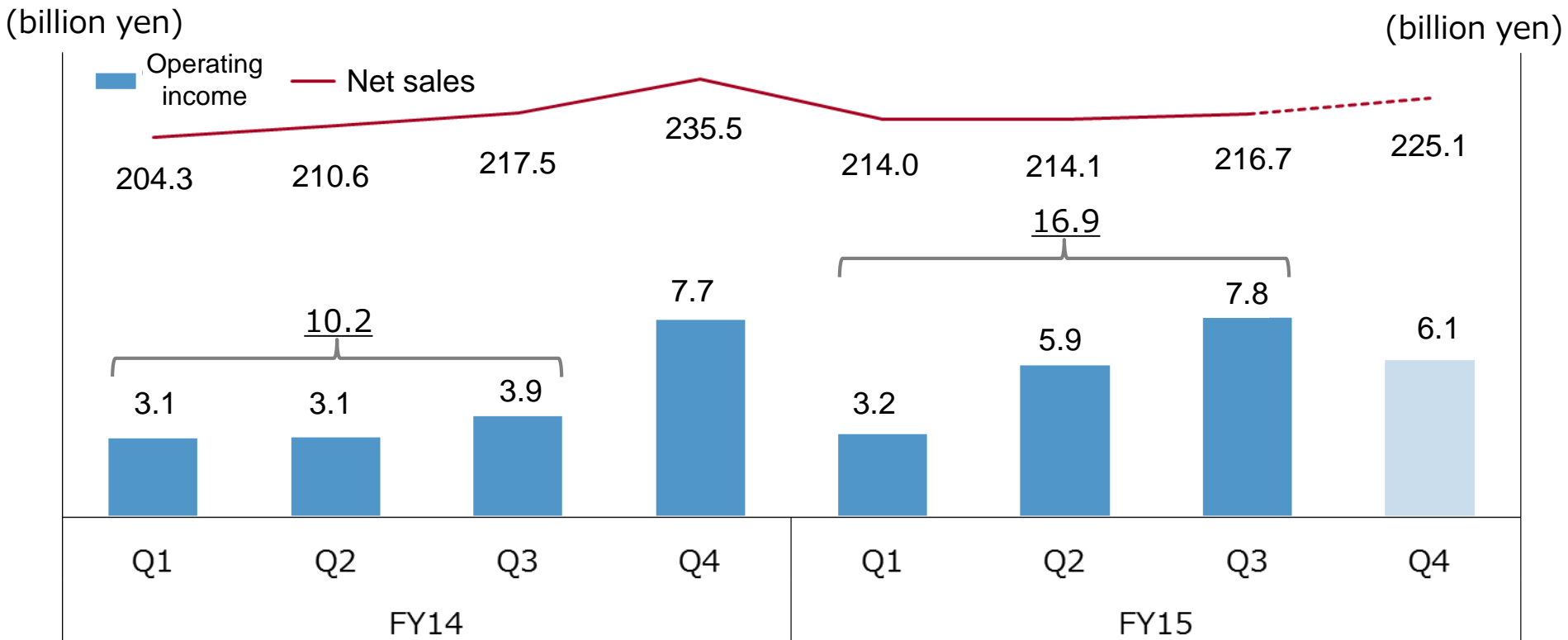
2. Summary by Segment

3. Forecast for FY2015

Appendix

1. Summary Results for FY15Q3

- Operating income for Q3 FY15 (first nine months of FY15): 16.9 billion yen (compared to 10.2 billion yen in the same period of the previous year)
 - Achieved a significant increase in earnings due to a steady improvement in the metal business, as well as the business related to global communication infrastructures.



1. Summary P&L for FY15Q3

(billion yen)

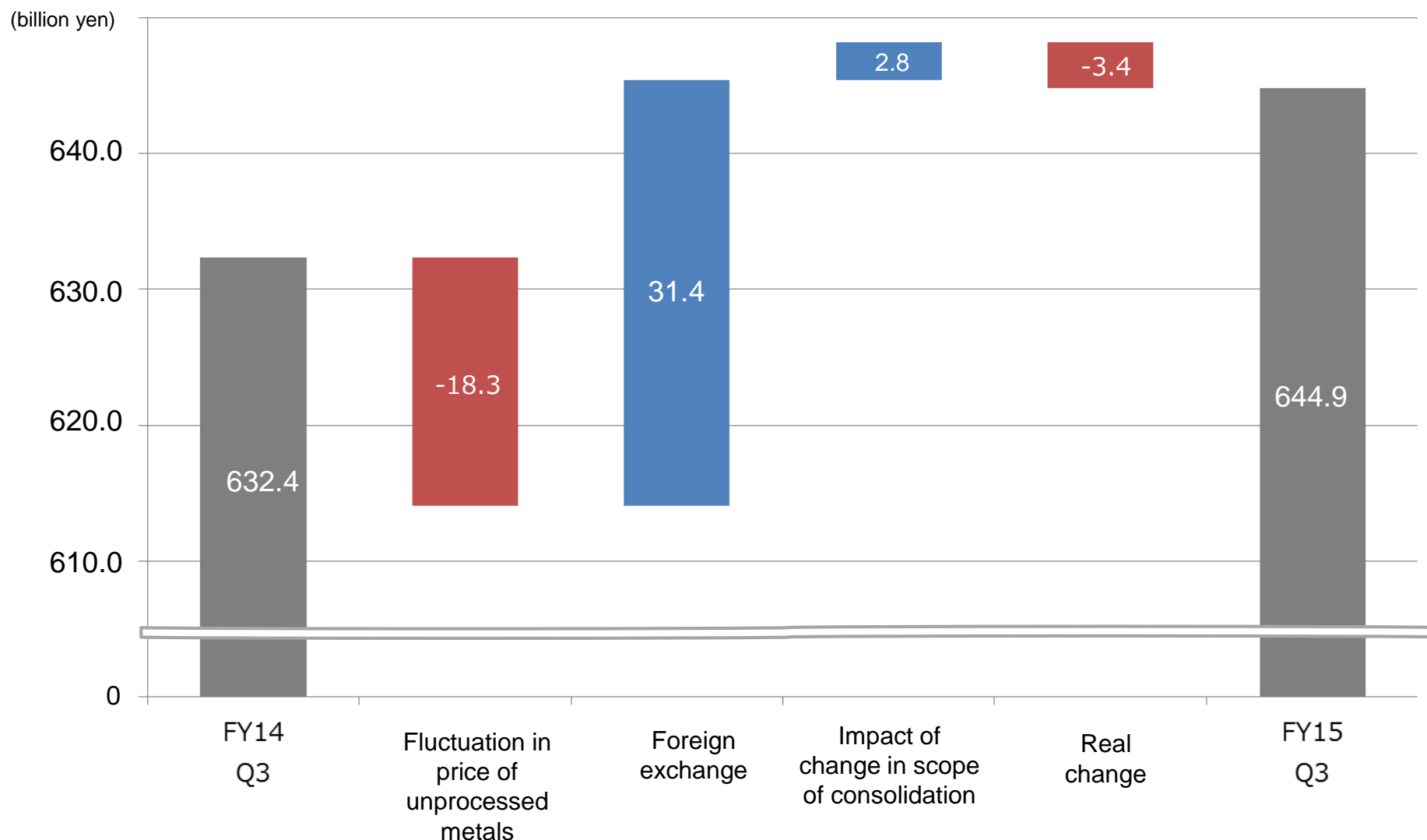
	FY14Q3		FY15Q3		YoY change	
		Oct. – Dec.		Oct. – Dec.		Oct. – Dec.
	a	b	c	d	c – a	d – b
Net income (Rate)	632.4	217.5	644.9	216.7	12.5 2.0%	-0.8 -0.4%
Operating income (Rate)	10.2	3.9	16.9	7.8	6.7 65.9%	3.8 96.5%
Profit/loss in equity method affiliates	2.2	1.2	1.3	0.8	-0.9	-0.4
Foreign exchange gain/loss	0.2	0.5	-1.2	-0.6	-1.4	-1.1
Ordinary income (Rate)	12.2	5.0	16.3	8.3	4.1 33.6%	3.3 65.7%
Extraordinary gain/loss	-4.8	-1.5	-2.9	-1.3	1.9	0.2
Income taxes – current and income taxes – deferred	3.0	1.4	5.1	1.8	2.0	0.4
Minority interests in income	1.6	0.6	2.2	1.1	0.6	0.5
Net income (Rate)	2.7	1.6	6.1	4.2	3.4 123.3%	2.6 162.2%

1. Summary B/S for FY15Q3

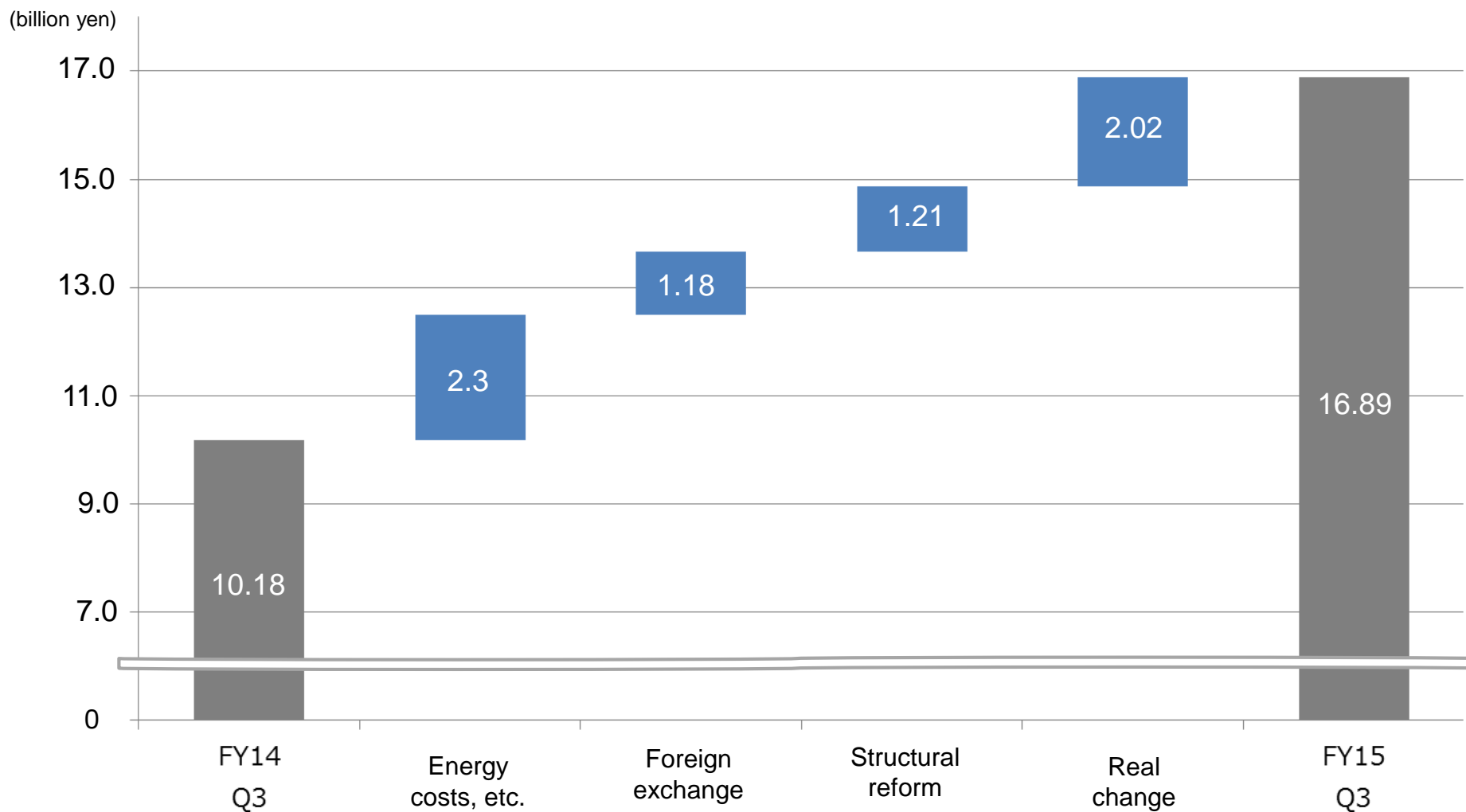
(billion yen)

	End of 14Q3	End of 14Q4	End of 15Q1	End of 15Q2	End of 15Q3	Change
	a	b	c	d	e	e - b
Total assets	765.0	734.1	733.1	707.9	713.1	-21.0
Interest-bearing liabilities	310.5	274.5	292.9	281.8	272.9	-1.6
Equity capital ratio	24.8%	26.0%	25.7%	25.7%	25.7%	-0.3%
D/E ratio	1.64	1.44	1.55	1.55	1.49	0.05
Sales to total assets ratio (annual equivalent sales / total assets)	1.10	1.18	1.17	1.21	1.21	0.03
ROA (annual equivalent ordinary income / total assets)	2.1%	2.5%	1.9%	2.2%	3.0%	0.5%
ROE	—	4.0%	—	—	—	—

1. Analysis of Change in Net Sales (accumulated total) for FY15Q3 (YoY Comparison)



1. Analysis of Change in Operating Income (accumulated total) for FY15Q3

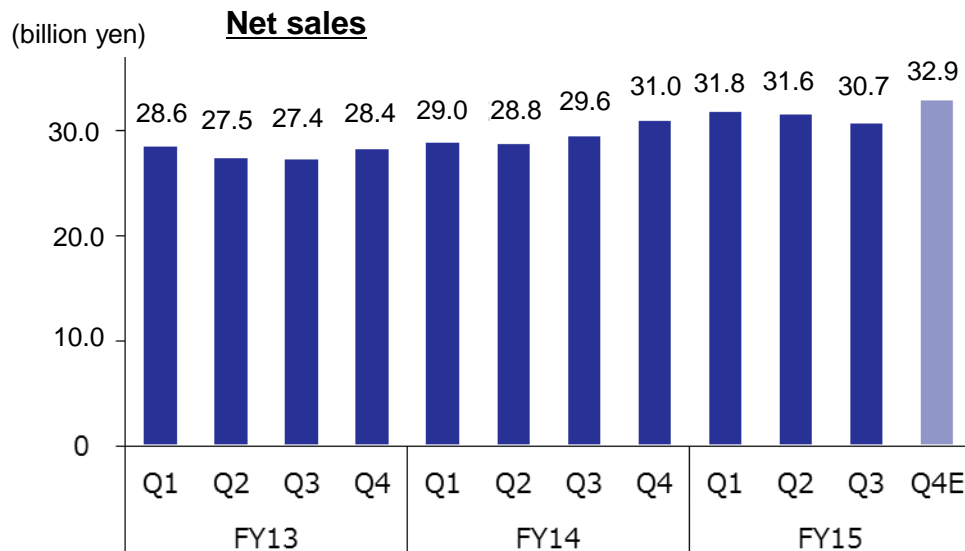


1. Net Sales and Operating Income Forecast by Segment

(billion yen)

Upper row: net sales Lower row: operating income	FY14 Actual	FY15 Previous forecast	FY15 Current forecast	YoY change	Change from previous forecast	15Q3 Actual	15Q4 Forecast
	a	b	c	c - a	c - b	d	e
Telecommunications	155.2	160.0	160.0	4.8	0	39.5	43.0
Optical Fiber Cables	118.3	125.0	127.0	8.7	2.0	30.7	32.9
Photonics Networks	36.9	35.0	33.0	-3.9	-2.0	8.8	10.0
Energy & Industrial Products	293.2	290.0	280.0	-13.2	-10.0	69.6	71.0
Electronics & Automotive Systems	308.2	330.0	325.0	16.8	-5.0	83.1	83.5
Metals	133.7	130.0	125.0	-8.7	-5.0	29.7	31.4
Service and Developments, etc.	53.5	55.0	55.0	1.5	0	13.7	14.9
Elimination of intra-company transactions	-76.0	-75.0	-75.0	1.0	0	-18.9	-18.6
Net sales	867.8	890.0	870.0	2.2	-20.0	216.7	225.1
Telecommunications	5.7	6.5	6.5	0.8	0	1.5	2.0
Optical Fiber Cables	3.2	5.0	5.0	1.8	0	0.8	1.3
Photonics Networks	2.5	1.5	1.5	-1.0	0	0.8	0.7
Energy & Industrial Products	4.3	5.5	6.0	1.7	0.5	2.2	1.0
Electronics & Automotive Systems	12.9	12.5	12.0	-0.9	-0.5	4.1	3.6
Metals	-4.9	-1.5	-1.5	3.4	0	-0.4	-0.2
Service and Developments, etc.	-0.1	0	0	0.1	0	0.2	-0.3
Elimination of intra-company transactions	0.1	0	0	-0.1	0	0	0
Operating income	17.9	23.0	23.0	5.1	0	7.8	6.1

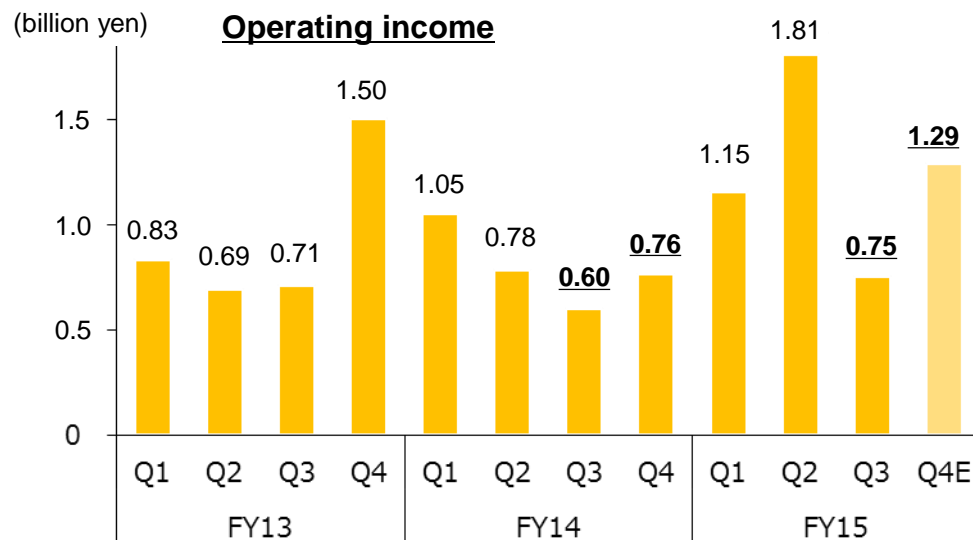
2. Summary by Segment – Optical Fiber Cables



Q3 operating income result

14Q3 ⇒ 15Q3 150 million yen

- Fiber demand remained strong in many areas, especially in North America.
- Domestic optical cables saw consolidation of production bases effects.
- In South America, operating income grew in Argentina, but decreased in Brazil due to the weaker Brazilian real and economic slowdown.

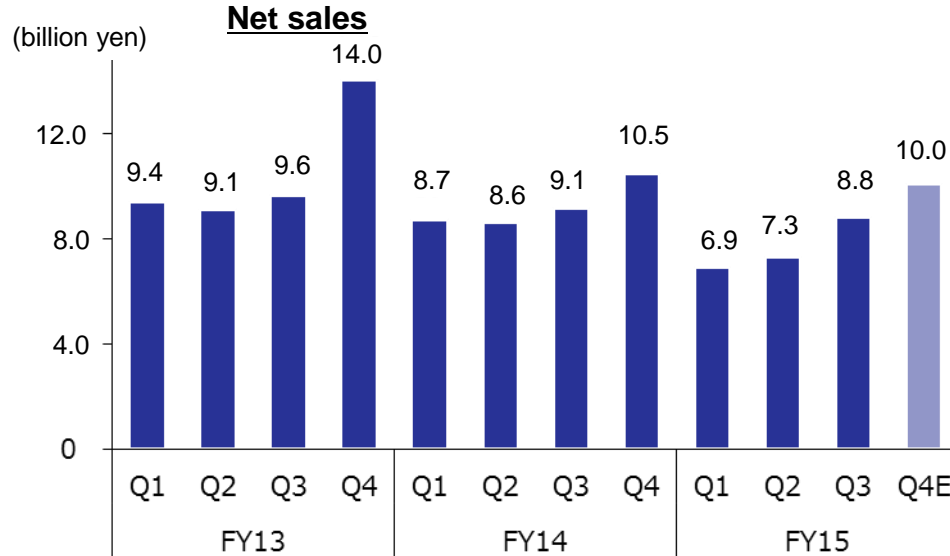


Q4 operating income forecast

14Q4 ⇒ 15Q4 530 million yen

- Fiber demand will continue to be strong.
- High-performance fiber sales will contribute to earnings.
- Earnings will be low in Brazil.

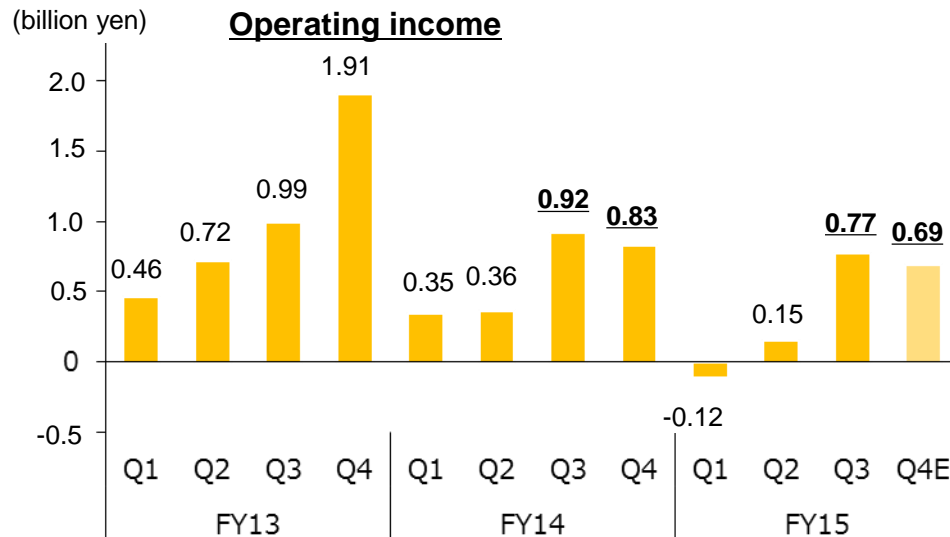
2. Summary by Segment – Photonics Network



Q3 operating income result

14Q3 ⇒ 15Q3 -150 million yen

- Demand for mobile phone-related construction work in Thailand came to an end.
- Digital coherent-related product sales increased.

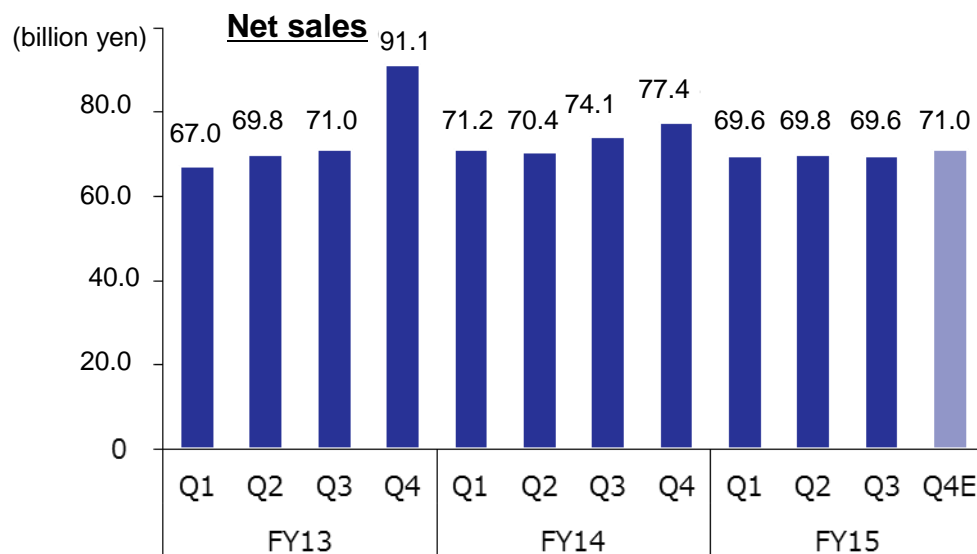


Q4 operating income forecast

14Q4 ⇒ 15Q4 -140 million yen

- Demand for mobile phone-related construction work in Thailand will come to an end.
- Digital coherent-related products will remain strong.

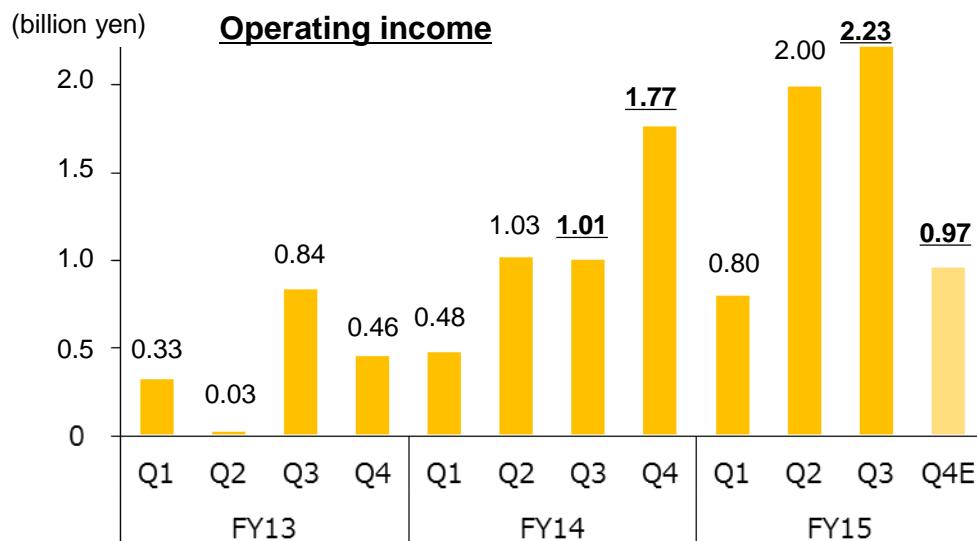
2. Summary by Segment – Energy & Industrial Products



Q3 operating income result

14Q3 ⇒ 15Q3 1.22 billion yen

- Tapes for manufacturing semiconductors saw increased sales with more smartphone demand for data centers.
- Sales of power line components were favorable due to recovery in electric power companies' maintenance and renewal investments.
- Demand for equipment cables, etc. continued to remain strong.

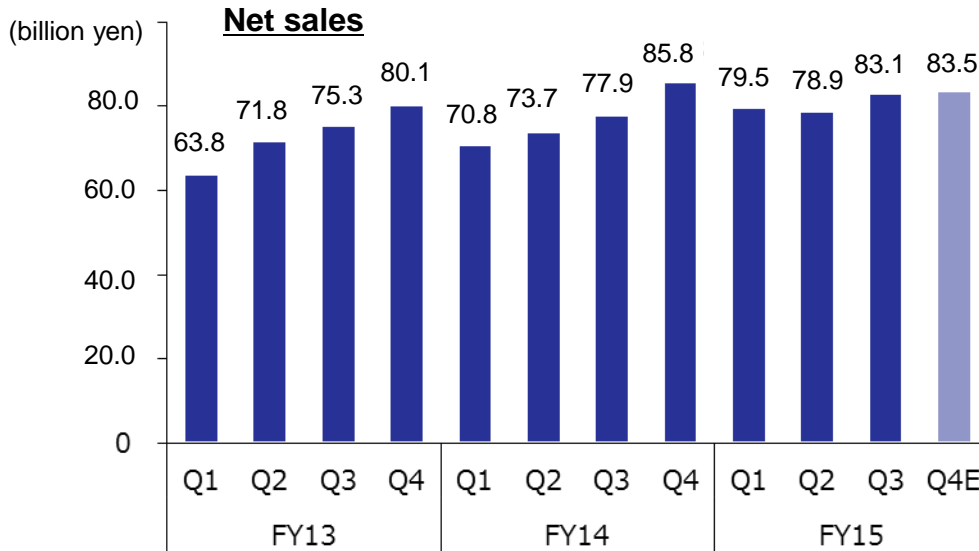


Q4 operating income forecast

14Q4 ⇒ 15Q4 -800 million yen

- High-voltage power cables sales will be weak.
- Demand will be unclear in the domestic construction and electrical appliances markets.
- Sales of tapes for manufacturing semiconductors will continue to remain strong.

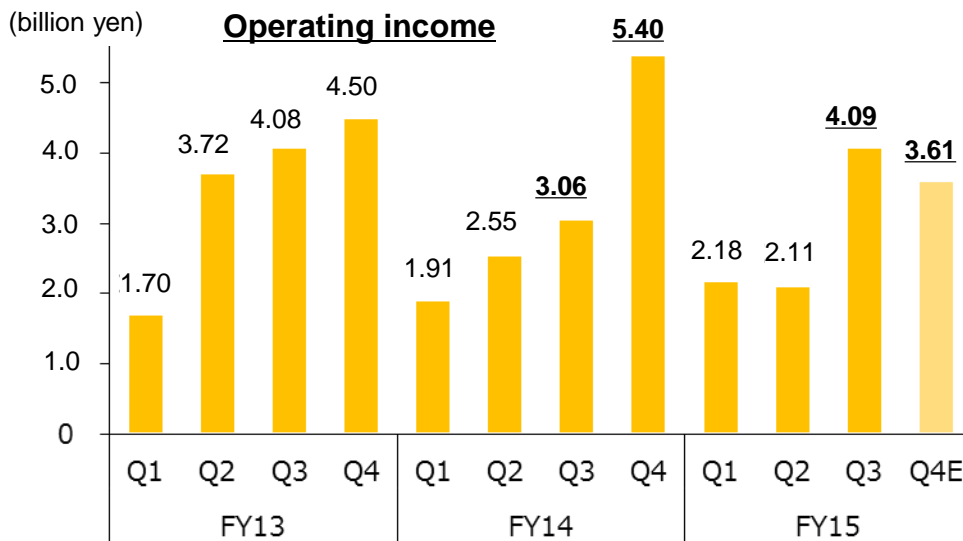
2. Summary by Segment – Electronics & Automotive Systems



Q3 operating income result

14Q3 ⇒ 15Q3 1.03 billion yen

- For automotive components, there was a temporary cost increase in Mexico sites. However, earnings increased due to a reactive increase after a flagship car model change, among other things.
- Batteries saw an increase in earnings due to improved production as new plants in Japan began operation.
- Thermal management solution & products increased its earnings due to an increase in sales of servers.

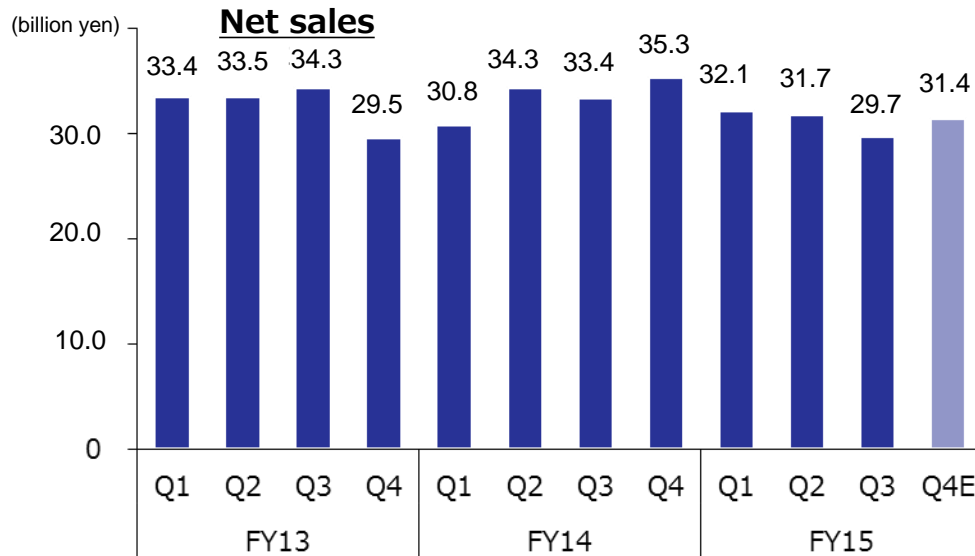


Q4 operating income forecast

14Q4 ⇒ 15Q4 -1.79 billion yen

- For automotive components, operating income will decrease due to higher costs in Mexico sites as well as the slowing Chinese market.
- Concerns about worse performance due to a decline in the electronics market.
- Impact of the warm winter is a concern for batteries.

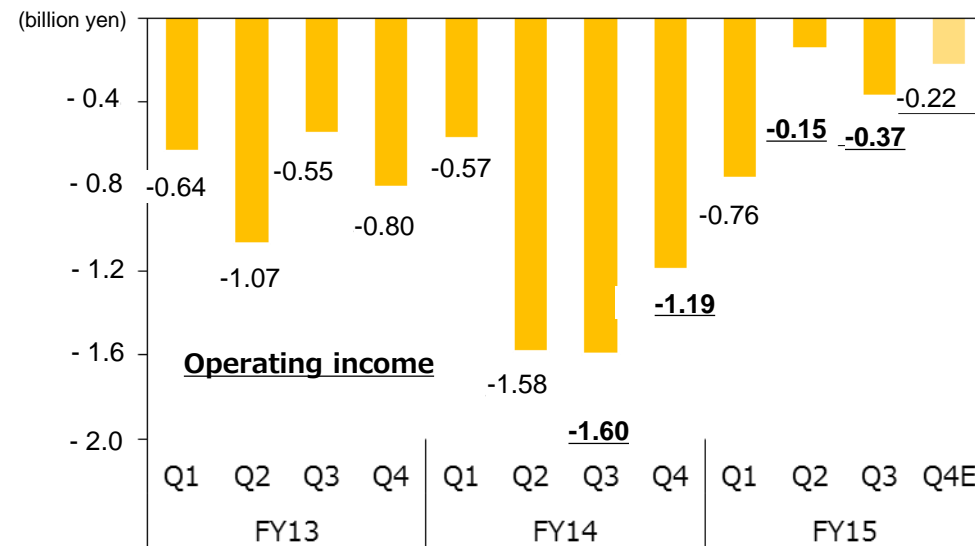
2. Summary by Segment – Metals



Q3 operating income result

14Q3 ⇒ 15Q3 1.22 billion yen

- Copper continued to see recovery by successfully increasing production since the resumption of integrated production in January last year.
- Copper foil improved as manufacturing was transferred from Japan to Taiwan.



Q4 operating income forecast

14Q4 ⇒ 15Q4 970 million yen

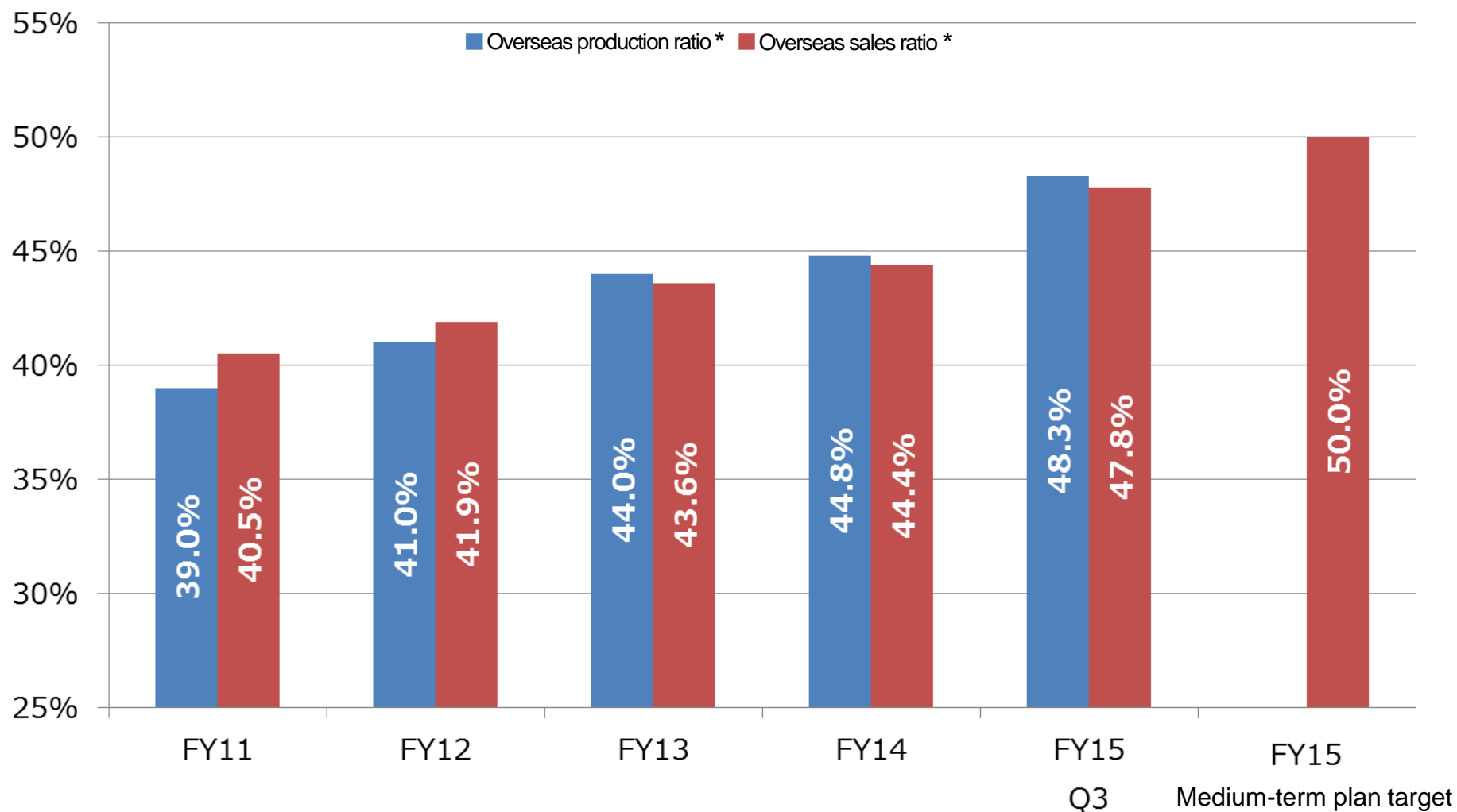
- Copper will continue to see production increase.
- Copper foil will improve by increasing the ratio of the value-added products in addition to transferring manufacturing to Taiwan.

3. Forecast for FY15Q4

(billion yen)

	FY14		FY15 forecast		YoY change	
	a	Q4 b	c	Q4 d	c - a	Q4 d - b
Net income (Rate)	867.8	235.5	870.0	225.1	2.2 0.3%	-10.3 -4.4%
Operating income (Rate)	17.9	7.7	23.0	6.1	5.1 28.7%	-1.6 -20.6%
Profit/loss in equity method affiliates	1.9	-0.3	—	—	—	—
Foreign exchange gain/loss	-0.1	-0.3	—	—	—	—
Ordinary income (Rate)	18.6	6.4	23.0	6.7	4.4 23.7%	0.3 4.7%
Extraordinary gain/loss	-2.4	2.4	-3.2	-0.3	-0.8	-2.7
Income taxes – current and income taxes – deferred	6.7	3.6	—	—	—	—
Minority interests in income	2.1	0.6	—	—	—	—
Net income (Rate)	7.4	4.6	10.0	3.9	2.6 36.0%	-0.7 -16.0%

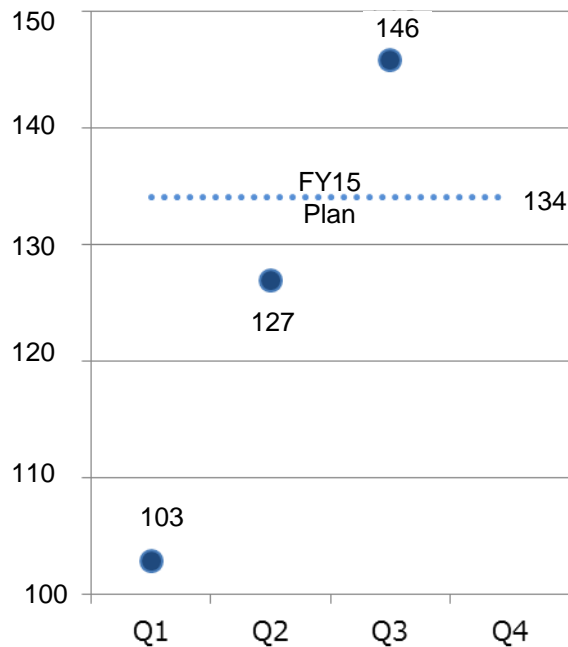
Appendix: Changes in Overseas Production and Sales Ratios



(Note) Overseas production ratio and overseas sales ratio were calculated excluding the former Furukawa-Sky Aluminum Corp.

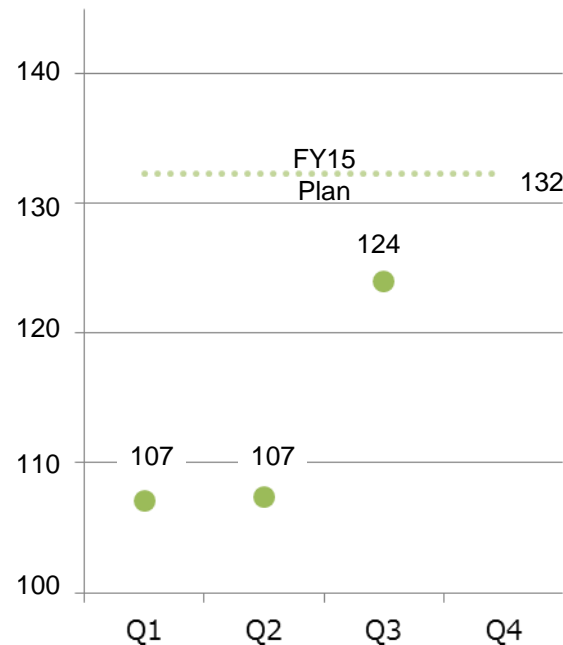
ITLA/FBT

Integrated signal light sources for use in digital coherent telecommunications



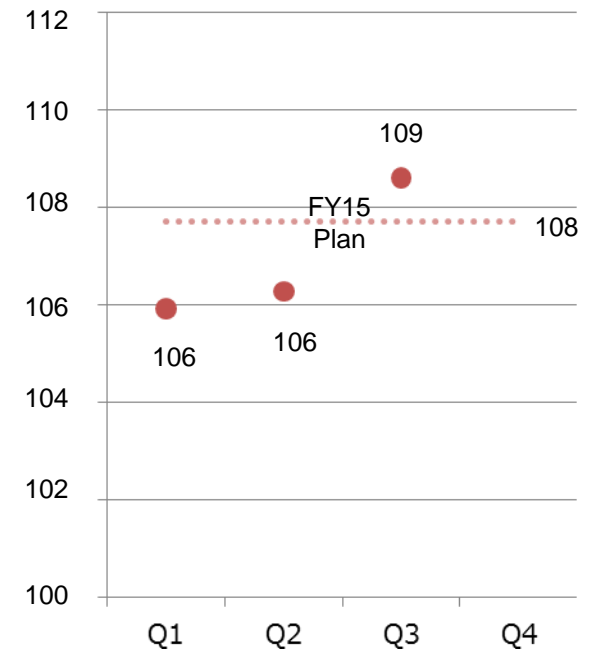
BSS

Car battery status detection sensors



SRC

Connectors for car airbags



(Note) Figures for respective products are indices assuming FY14's volume is 100.