

Group Overview and Business Report

Company Profile

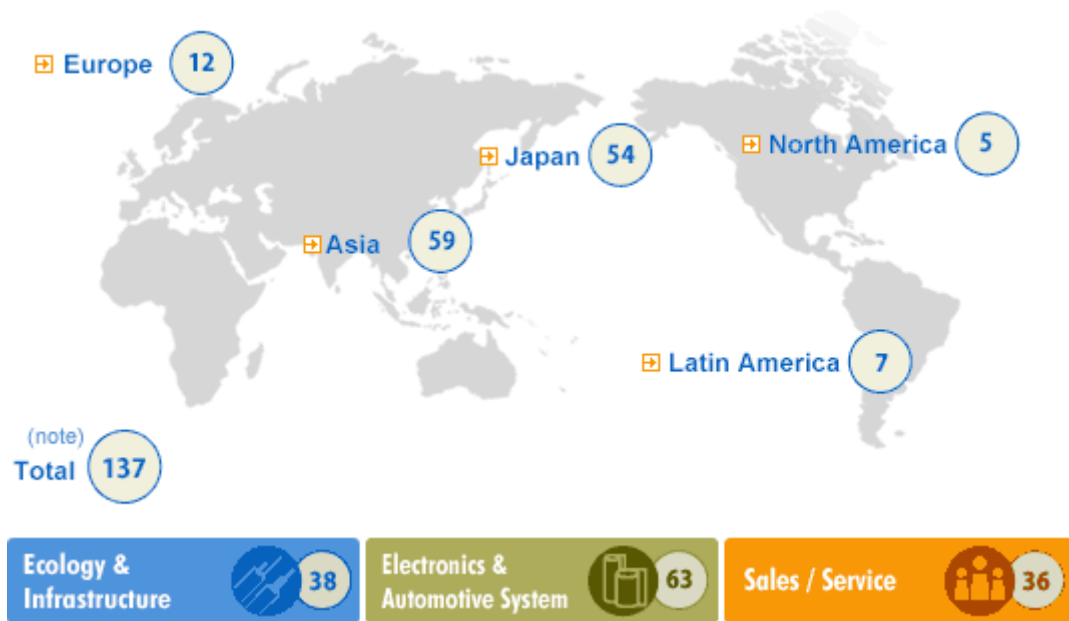
Company Name	Furukawa Electric Co., Ltd.
President	Mitsuyoshi Shibata
Founded	1884
Established	1896
Paid-in Capital (As of March 31, 2013)	¥69,395 million
Net sales (Years ended March 31, 2013)	¥924,717 million (Consolidated) ¥396,154 million (Non-Consolidated)
Number of Employees (As of March 31, 2013)	50,342 (Consolidated) 3,971 (Non-Consolidated)
Head Office	Marunouchi Nakadori Bldg., 2-3, Marunouchi 2-chome, Chiyodaku, Tokyo 100-8322, Japan
TEL	+81-3-3286-3001

Major Products and Services

- Telecommunications**
Optical fiber cables / Metal communication cables / Semiconductor optical devices / Electronic appliance wires / Optical components / Network equipments / Optical fiber cable accessories and installations / CATV system / Radio products, etc.
- Energy and Industrial Products**
Copper wires and Aluminum wires / Power transmission cable / Insulated wires / Power transmission cable accessories and installations / Cable conduits / Water-feeding pipe materials / Foam products / UV tapes for semiconductor manufacturing / Electrical Insulation Tape / Electric material products, etc.
- Electronics and Automotive Systems**
Automotive components and wiring harness / Magnet wires / Electronic component materials / Heatsinks / Hard disc drive (HDD) aluminum substrates / Battery products, etc.
- Metals**
Copper and copper alloy products (plates, strips, pipes, rods, foils, and wires) / Functional surface products (plating)/ Electrodeposited copper foil / Pocessed products for electronic parts / Superconducting products / Special metal materials (Shape-memory and super-elastic alloys), etc.
- Light Metals**
Aluminum plates / Extruded aluminum products / Casting products / Forged products / Processed light metal products, etc.
- Services and Others**
Logistics / Information processing service / Software development / Service business (real-estate leasing, hydraulic power generation and so on), etc.

Global Network

As of July, 2013



(note) Main subsidiaries and equity-method affiliates

R&D Laboratories, developer and producer



FETI: Furukawa Electric Institute of Technology (Hungary)

<http://www.furukawa.co.jp/kenkai/eng/profile/feti.htm>

- Simulation development
- Algorithm development
- Process optimization



OFS Labs. (USA)

<http://www.furukawa.co.jp/kenkai/eng/profile/ofs.htm>

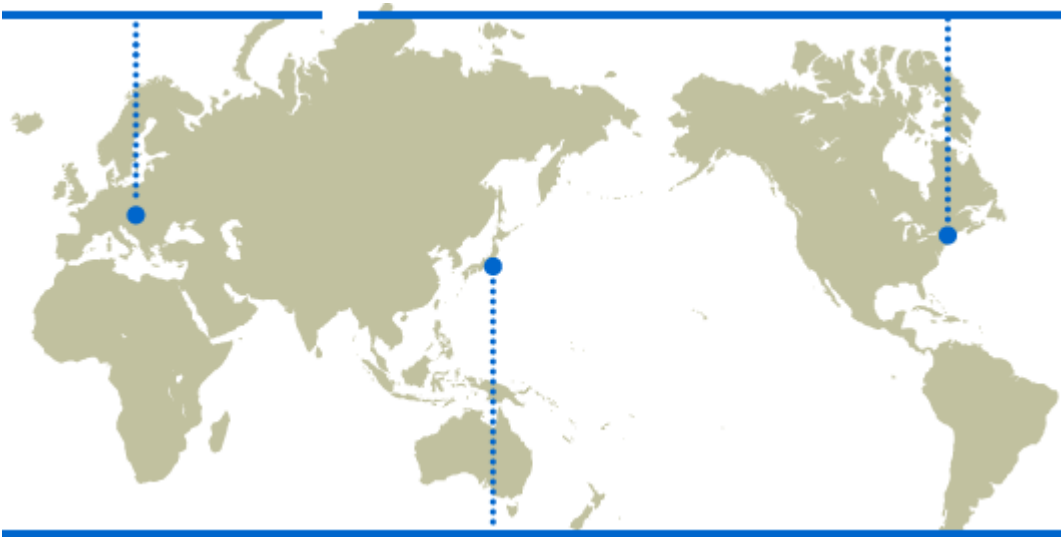
- Fibers
- Components



SuperPower (USA)

<http://www.furukawa.co.jp/kenkai/eng/profile/superpower.htm>

- 2G HTS wire



Metal Research Laboratories (Nikko)

<http://www.furukawa.co.jp/kenkai/eng/profile/metaken.htm>



Power & System Laboratories (Chiba)

<http://www.furukawa.co.jp/kenkai/eng/profile/powerandsys.htm>



Polymer Materials R&D Laboratories (Hiratsuka)

<http://www.furukawa.co.jp/kenkai/eng/profile/kankyoelec.htm>



Yokohama R&D Laboratories (Yokohama)

<http://www.furukawa.co.jp/kenkai/eng/profile/yokoken.htm>

FITEL Photonics Laboratories (Chiba)

<http://www.furukawa.co.jp/kenkai/eng/profile/hikaken.htm>

Power & System Laboratories (Hiratsuka)

<http://www.furukawa.co.jp/kenkai/eng/profile/powerandsys.htm>

Automotive System & Device Laboratories (Hiratsuka)

<http://www.furukawa.co.jp/kenkai/eng/profile/densou.htm>

Business Field

Contributing to society with a wide array of businesses leveraging a variety of cutting-edge technologies



Telecommunication

Optical communication is an advanced technology that meets the needs of the communication age, Furukawa Electric provides diversified support for information-oriented society.

We are living in an age of global communication. Currently, the Internet Links the entire world, allowing information from overseas to be obtained in real time, not only in offices but also at home. In this advanced information-oriented society, optical communication systems are a key technology for enabling people to access important information easily. Furukawa Electric is firmly supporting an ideal base for communication by providing various technologies and products that realize the "FTTH" project, in which optical fiber networks are provided to homes.

[Electronics Products](#)

<http://www.furukawa.co.jp/english/seihin/it.htm>

Electronics

Ever-evolving Semiconductors and their Peripheral Technologies Amplify New Possibilities for the Electronics Industry.

Semiconductors are the basis on which electronic products are continually decreasing in size, and increasing in functional capability at a rapid pace. In LSIs, several hundred thousand to tens of millions of electronic components are incorporated on a chip in an area of several square mm, to process large amounts of information. In the field of semiconductors, Furukawa Electric has developed many products ranging from compound semiconductors to complete devices. It has also provided various other products that are densely mounted in the periphery of semiconductors; reflow ovens for mounting these products; and heat pipes essential for cooling microprocessors. Each of these products is backed by reliable, established technologies.

[Electronics Products](#)

<http://www.furukawa.co.jp/english/seihin/electronics.htm>

Automobile

Themes Are Safety, Comfort, and Harmony with Environments. Furukawa Is Challenging Transportation Possibilities Using Total Technologies.

In the field of transportation including automobiles, trains, ships, airplanes, and H II rockets, Furukawa Electric combines its proprietary material, electronics, and mechatronics technologies to develop various products forming comfortable transportation environments. In particular, in the field of automobiles, we offer various electronic components and aluminum body materials including wire harnesses. Furthermore, we are challenging advanced technologies such as ITS systems and has established a firm status as an indispensable supplier for the automobile industry.

[Automobile Products](#)

<http://www.furukawa.co.jp/english/seihin/car.htm>

Energy

Using Total Technologies to Construct Advanced Power Networks While Meeting the Needs for Energy Saving and Environmental Preservation

Few things are as essential for our daily lives and industries as electric power. Furukawa Electric has been meeting the increasing electric power demand through “power transmission systems” and “power distribution cables”. We are also actively responding to the demands of the times for resource saving and environmental preservation. Furukawa is contributing to society by providing various leading-edge technologies such as superconductors and solar generation systems, which are the focus of wide spread attention as energy sources for the next generation.

[Energy Products](#)

<http://www.furukawa.co.jp/english/seihin/energy.htm>

Construction

Unifying Advanced Material and Processing Technologies Together While Creating Amenity Environments for Cities, Buildings, and Housings

What is a comfortable space? Whether it is required in a city or a building, constructing such a space requires correct perspective and advanced technologies for achieving ideals. While applying the accumulated technologies, Furukawa Electric has been developing various products supporting comfortable lives. Our objective for pursuing harmony between the functions of peoples' lives and environments is found in each of our products ranging from construction materials through wire materials and fire prevention products to housing facilities.

[Construction Products](#)

<http://www.furukawa.co.jp/english/seihin/construction.htm>

Material

Constant Challenges to Material Renovation and Development of New Materials Are Facilitating Unlimited Extension of Applications in Every Industry.

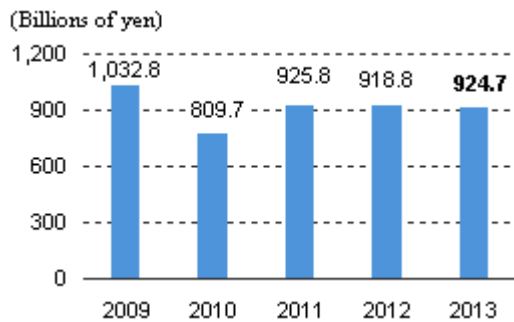
Over 120 years since its establishment, Furukawa Electric has been constantly offering advanced materials ranging from copper and aluminum materials to wires and cables, as well as various related materials. Constant challenges to material innovation are facilitating creation of materials with new potentiality and unlimited extension of applications from familiar products to the high technology field. These materials dramatically change our lives and the foundation of the industries.

[Material Products](#)

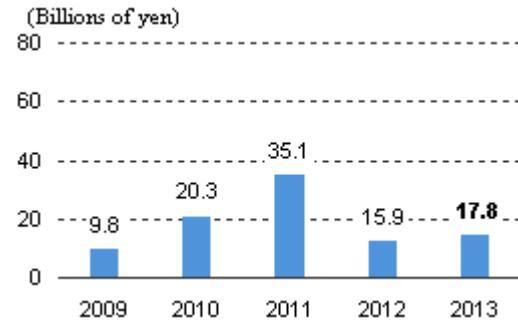
<http://www.furukawa.co.jp/english/seihin/material.htm>

Key Indicators

Net sales

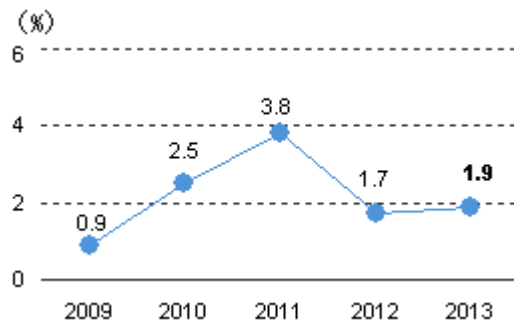


Operating income (loss)

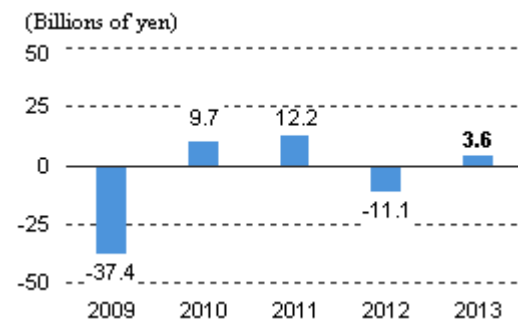


Operating income (loss)

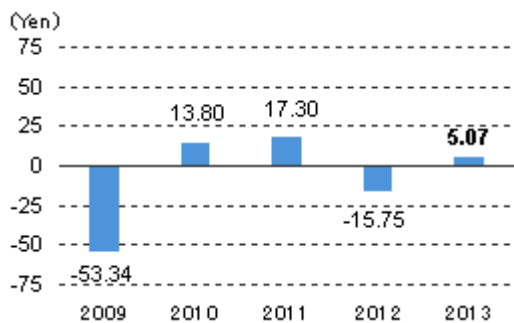
(Ratio to net sales)



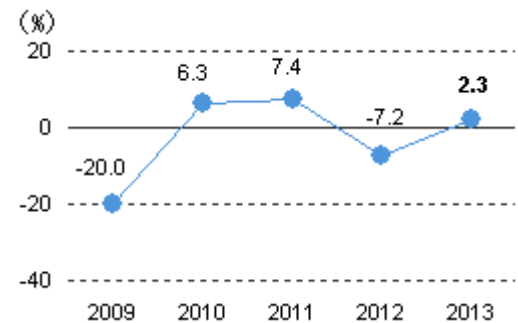
Net income (loss)



Net income per common share

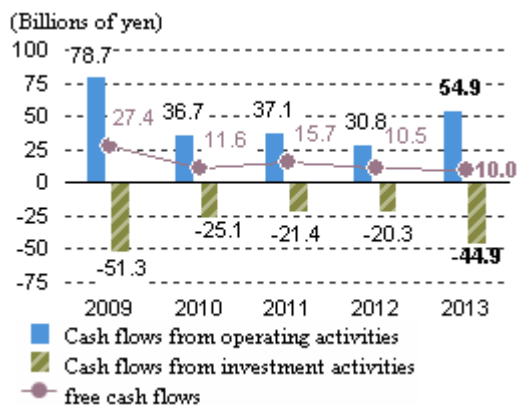


Return on equity



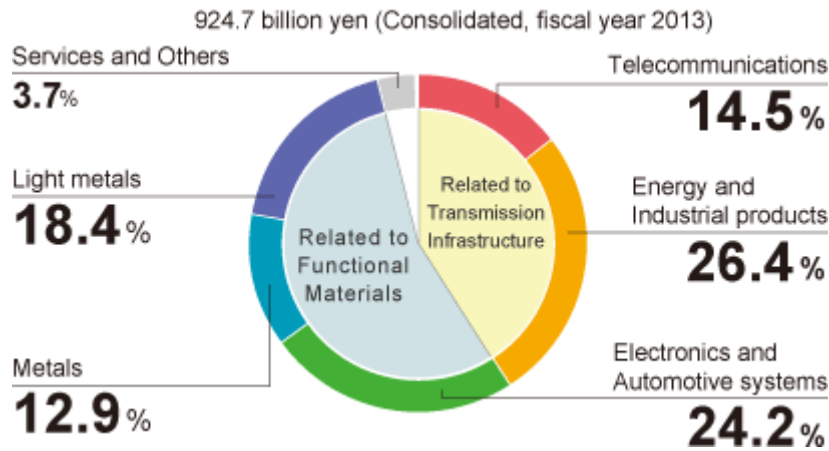
(note) Shareholders' equity excludes minority interest and gain and loss on deferred hedge.

Cash flows



AT A GLANCE

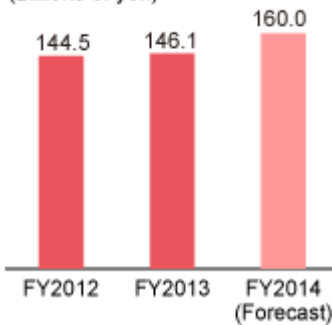
Net sales by Main Business Segment



Telecommunications

Net Sales

(Billions of yen)



Optical Fiber and Cable

Principal Measures under the 2013–2015 Medium-Term Management Plan

Streamline global sites and expanding sales routes in growth markets

Principal Measures in FY2014

Brazil: Reinforce optical cable production capacity
Japan: Consolidate optical cable operations at the Mie Plant.



Brazil investing aggressively in infrastructure in preparation for the Soccer World Cup and the Olympics

Net Sales

(Billions of yen)



Optical Parts and Networking Equipment

Principal Measures under the 2013–2015 Medium-Term Management Plan

Introduce new products for next-generation high-speed transmission (digital coherent communication)

Principal Measures in FY2014

Develop narrow linewidth micro ITLA (optical transmission modules)



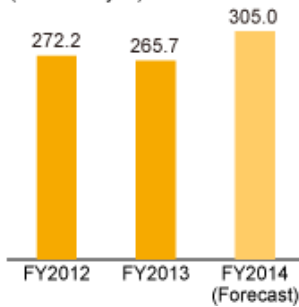
Conventionally sized ITLA (top) and micro ITLA (bottom)

Overview for the Year Ended March 31, 2013
http://www.furukawa.co.jp/english/ir/achievements/seg_jyotsu.htm
 (To "For Investors" content)

Energy and Industrial products

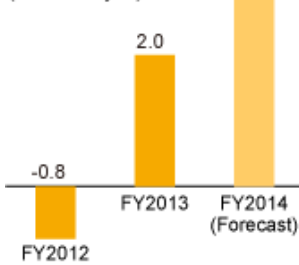
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Overview for the Year Ended
March 31, 2013

http://www.furukawa.co.jp/english/ir/achievements/seg_energy.htm
(To "For Investors" content)

Ultrahigh-Voltage Transmission Cables

Principal Measures under the 2013–2015 Medium-Term Management Plan

Double the capacity of submarine transmission cables

Principal Measures in FY2014

Complete large-scale vertical lay-up machine by end of fiscal year

Commence full-scale operation in FY2015 (VISCAS, an affiliated company)



Laying a submarine transmission cable

Power Supply and Distribution Cables

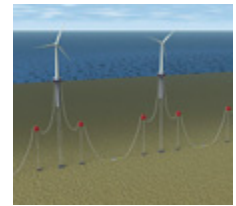
Principal Measures under the 2013–2015 Medium-Term Management Plan

Respond to demand for new energies (wind power, solar power, etc.)

Principal Measures in FY2014

Double production of flexible plastic pipe to meet increased megasolar demand

Proceed with offshore wind farm project in Fukushima Prefecture

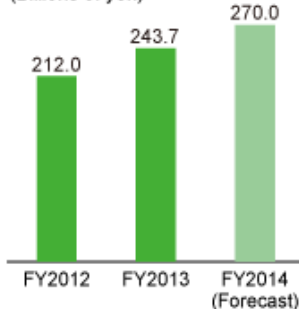


Conceptual image of the offshore wind farm project in Fukushima Prefecture

Electronics and Automotive systems

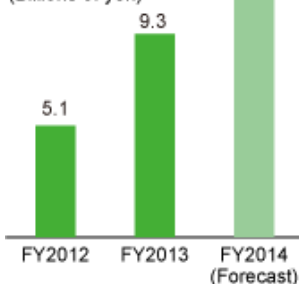
Net Sales

(Billions of yen)



Operating Income

(Billions of yen)



Overview for the Year Ended
March 31, 2013

http://www.furukawa.co.jp/english/ir/achievements/seg_electronics.htm

(To "For Investors" content)

Automotive Parts

Principal Measures under the 2013–2015 Medium-Term Management Plan

Establish regional headquarters to be in charge of sales, design and procurement

Principal Measures in FY2014

China: Establish regional headquarters in Shanghai in July 2013
Cultivate demand from local automakers

Principal Measures under the 2013–2015 Medium-Term Management Plan

Expand production bases, focused on Southeast Asia and Central and South America

Principal Measures in FY2014

Mexico: Establish new company, scheduled to commence operations in January 2014

Philippines: Expand new factory, scheduled to go on line in January 2014

Principal Measures under the 2013–2015 Medium-Term Management Plan

Maintain or increase share for SRC (automotive airbag parts)

Principal Measures in FY2014

Brazil, India: Prepare for local production in anticipation that airbags will become mandatory (operational in FY2015)



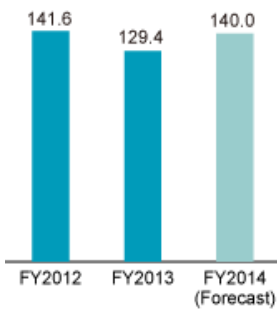
Wire harness factory in China



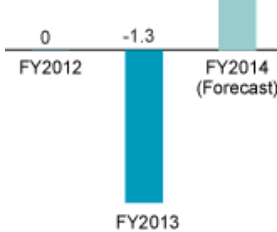
SCR connector

Metals

Net Sales
(Billions of yen)



Operating Income
(Billions of yen)



Electrodeposited Copper Foil

Principal Measures under the 2013–2015 Medium-Term Management Plan

Develop the hybrid automobile market

Principal Measures in FY2014

Shift production to Taiwan, where electricity costs are low

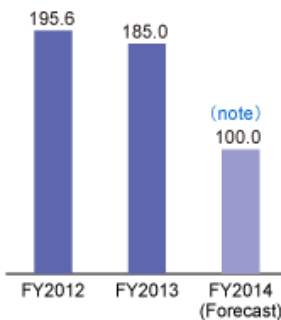


New factory in Taiwan

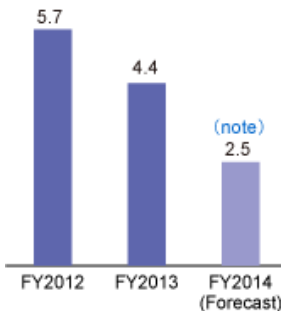
Overview for the Year Ended March 31, 2013
http://www.furukawa.co.jp/english/ir/achievements/seg_material.htm
 (To “For Investors” content)

Light metals

Net Sales
(Billions of yen)



Operating Income
(Billions of yen)



Rolled Aluminum Products

Principal Measures under the 2013–2015 Medium-Term Management Plan

Become a major globally competitive aluminum company

Principal Measures in FY2014

Through the business integration of Furukawa–Sky and Sumitomo Light Metal Industries, become No. 3 in the world in terms of production capacity (including overseas plants that are under construction)



Logo of the merged company

Overview for the Year Ended March 31, 2013
http://www.furukawa.co.jp/english/ir/achievements/seg_lightmetals.htm
 (To “For Investors” content)

(note) In line with a management integration on October 1, 2013, the integrated company (UACJ) will become an equity-method affiliate. Consequently, net sales and operating income are excluded from October 1, 2013.