

# Management Analysis of Operating Results and Financial Position

## Overall Business Condition and Business Results

Looking at the global economy in the current fiscal year, although the United States saw demand-restraining effects of tightened monetary policy, the U.S. economy has remained strong as consumer spending was underpinned by steady employment and increased real income, and strong corporate capital expenditure was observed due to the government's industrial support package among others. In Europe, although the improvement of real income supported consumer spending, the economy has slowed down because there was still strong downward pressure on the economy due to inflation and continued monetary policy tightening, as well as remaining impact of rising prices due to energy price hike and supply constraint. In China, even though infrastructure investments as a part of growth-oriented policy underpinned the economy, in addition to the real estate market stagnation, there was no sign of consumer spending recovery. Accordingly, the Chinese economy has slowed down. Moreover, the global economic environment has remained uncertain due to the constant state of insecurity such as the Russia-Ukraine situation and the military clash in the Middle East.

In Japan, despite a sign of consumer spending recovery backed by the improvement of employment and income environment, the economy has remained on a moderate recovery path due to downward effects of rising prices on consumption and the delay in capital expenditure due to shortage in labor, among others.

Under such circumstances, the Group defined its ideal state in 2030 and specified relevant target timeline and scope in "Furukawa Electric Group Vision 2030" (hereinafter, the "Vision 2030"); and then formulated the Medium-term Management Plan "Road to the Vision 2030: Transformation and Challenges" (hereinafter, "2025 Mid-term Plan"), looking forward from its ideal state in 2025 by backcasting from the Vision 2030. Based on the 2025 Mid-term Plan, the Group has been working on "maximizing revenue from existing businesses by focusing on capital efficiency" and "strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities." Furthermore, the Group has also strived for "strengthening the foundation for ESG management" as it supports the above-mentioned two initiatives.

With respect to "maximizing revenue from existing businesses by focusing on capital efficiency," based on the positioning of each business which was visualized from the perspective of growth potential and profitability, the Group has promoted management with a focus on capital efficiency. As for Communications Solutions business, the Group has worked on increasing the profit margin through the improvement of the product mix by increasing a

percentage of sales of high-value-added products. As for Automotive Products & Batteries business, the Group has continued to improve the system in a way to flexibly adapt to any change of customers' production plans, and also worked on optimizing selling prices.

With respect to "strengthening the foundation for the creation of new businesses by strengthening development and proposal capabilities," the Group has supplied superconductive wire rods to a UK client company, which works on development of nuclear fusion power generation that is expected to be a next-generation energy source, and moved forward to strengthen the partnership with the company by making a new investment in the company. In Japan, the Group participated in a council, which was established for creating businesses related to clean energy, including nuclear fusion power generation. Furthermore, while Japan's social infrastructure, such as roads and railroads, are aging and labor population is declining, the Group has strived to take orders for digital solutions for operation and maintenance of social infrastructure.

With respect to "strengthening the foundation for ESG management", the Group has been working on achieving "Furukawa Electric Group Environmental Targets 2030", aiming at contributing to realizing a carbon-free society and a recycling-based society for water and resources; and reduced CO<sub>2</sub> emission by realizing the use of virtually renewable energy source for all electric power at some factories. Furthermore, the Group has implemented initiatives for "strengthening human capital management and organizational execution abilities" in order for each employee and organization to improve their execution abilities and grow, the Group conducted research to monitor the current situation, and incorporate improvement measures into business activities based on the results. In addition, as a mechanism to enable the management team to further promote ESG initiatives, a new compensation system for officers that include ESG-linked compensation was launched.

With regard to the current year's financial results, net sales of the entire Group declined due to a downturn in demand for optical fibers attributable to customers' reduction in investments in Communications Solutions business, despite an increase in sales from automotive products such as Wire Harnesses in Electronics & Automotive Systems business. In terms of profits and losses, despite the efforts for optimizing selling prices, profits declined due to a decrease in sales and hike of raw material and fuel prices.

As a result, the Company recorded consolidated net sales of ¥1,056.5 billion (down 0.9% year-on-year), consolidated operating profit of ¥11.2 billion (down

27.7% yoy), and consolidated ordinary profit of ¥10.3 billion (down 40.5% yoy). Furthermore, a gain on sales of investment securities of ¥12.0 billion, etc. was recorded as extraordinary profit, and a loss on disposal of non-current assets of ¥1.5 billion, etc. was recorded as extraordinary loss. Accordingly, profit attributable to owners of parent amounted to ¥6.5 billion (down 59.1% yoy). Overseas sales amounted to ¥545.2 billion (down 0.7% yoy), and the overseas sales ratio was 51.6% (up 0.1 percentage points yoy).

## Financial Position

Total assets at the end of the current fiscal year increased ¥51.5 billion from the end of the previous fiscal year to ¥985.0 billion. This is because of increases in notes and accounts receivable - trade, and contract assets of ¥16.2 billion; inventories of ¥11.4 billion; property, plant and equipment of ¥9.4 billion; and investment securities of ¥12.1 billion.

Working capital, which is current assets less current liabilities, increased ¥11.1 billion from the end of the previous fiscal year to ¥116.9 billion.

Property, plant and equipment, and intangible assets fluctuated mainly due to an increase of ¥39.0 billion in capital expenditures, a decrease of ¥39.0 billion in depreciation, and decreases due to sale and retirement.

Total liabilities increase ¥22.6 billion from the end of the previous fiscal year to ¥627.0 billion, with interest-bearing debt, including borrowings, bonds, and commercial papers, having increased ¥9.2 billion compared to the end of previous fiscal year to ¥333.0 billion.

Total net assets increased ¥28.9 billion from the end of the previous fiscal year to ¥358.0 billion. Accumulated other comprehensive income increased ¥25.2 billion. As a result, the equity capital ratio rose 1.0 percentage point to 33.3%.

## Cash Flows

Cash and cash equivalents at the end of the current fiscal year were ¥53.1 billion (up ¥1.1 billion from the end of the previous fiscal year).

Net cash provided by operating activities amounted to ¥31.9 billion (down ¥4.6 billion from the previous fiscal year) mainly due to the recording of profit before income taxes of ¥20.1 billion, depreciation of ¥39.0 billion, loss (gain) on sale of short-term and long-term investment securities of ¥(11.3) billion, and income taxes refund (paid) of ¥(11.1) billion.

Net cash used in investing activities amounted to ¥24.8 billion (up ¥3.1 billion from the previous fiscal year) mainly due to purchase of property, plant and equipment of ¥(36.4) billion and proceeds from sale and redemption of investment securities of ¥13.0 billion.

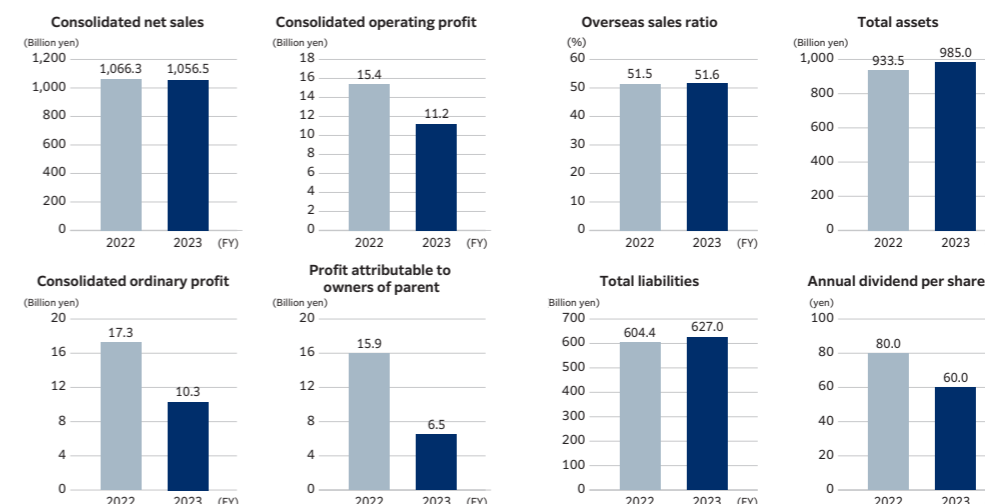
Net cash used in financing activities amounted to ¥9.3 billion (down ¥25.2 billion from the previous fiscal year) mainly due to proceeds from long-term borrowings of ¥29.6 billion, repayments of long-term borrowings of ¥(25.4) billion, net increase (decrease) in short-term borrowings of ¥(12.0) billion, and net increase (decrease) in commercial papers of ¥7.5 billion.

## Basic Policy on Profit Distribution and Dividends

The Company's capital allocation policy is to strike a balance among investments in growth and new business opportunity, improvement of balance sheet and shareholder returns, with management priority.

Based on this policy, as its shareholder return policy during the period of the 2025 Mid-term Plan ending in FY2025, the Company will focus its investment in growth segments in order to increase corporate value through profit growth, and provide a return to shareholders in a stable and continuous manner. Specifically, the Company will make performance-linked dividend distribution, which is projected to be roughly 30% of profit attributable to owners of parent.

Based on the above policy, the Company will distribute paid the year-end dividends of ¥60 per share when after the proposal of "Dividends from surplus" (as a matter to be resolved) is was approved and resolved as originally proposed at the 202nd Annual Shareholders Meeting to be held on June 26, 2024.



# Main Financial and Non-Financial Data

Mid-term management plan		Furukawa G Plan 2015				Furukawa G Plan 2020				Road to Vision2030		
(Millions of yen)		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022*4	FY2023
<b>Operating results</b> (fiscal year)	Net sales	931,781	867,817	874,879	843,344	967,333	991,590	914,439	811,600	930,496	1,066,326	<b>1,056,528</b>
	Operating profit	25,456	17,873	27,116	38,623	44,804	40,842	23,565	8,429	11,428	15,441	<b>11,171</b>
	Ordinary profit	25,532	18,598	18,710	36,024	46,908	39,078	22,771	5,189	19,666	17,258	<b>10,267</b>
	Profit attributable to owners of parent	5,608	7,355	10,007	17,570	28,547	29,108	17,639	10,001	10,093	15,894	<b>6,508</b>
	Capital expenditures (CAPEX)	37,436	30,674	25,687	31,584	38,539	50,036	53,144	39,963	38,144	43,792	<b>38,953</b>
	Depreciation	28,106	22,508	23,235	23,307	25,106	26,271	29,423	32,163	33,721	39,098	<b>38,951</b>
	Research and development costs	17,461	16,599	16,845	17,454	19,532	21,141	21,650	20,217	20,761	23,324	<b>24,539</b>
<b>Financial position</b> (at the end of fiscal year)	Net assets	199,733	214,743	198,587	237,051	272,071	279,911	273,030	291,617	314,062	329,095	<b>358,038</b>
	Total assets	714,845	734,125	705,725	750,126	808,632	818,021	794,616	832,044	935,876	933,469	<b>985,007</b>
	Equity capital	177,237	190,741	173,163	206,712	236,518	247,659	240,280	259,870	279,219	301,652	<b>328,121</b>
	Operating assets*1	294,333	307,688	298,228	319,588	341,825	364,456	386,176	387,832	444,800	461,822	<b>482,573</b>
	Inventories	93,668	99,443	93,167	104,355	113,792	122,890	115,862	120,836	164,116	172,297	<b>183,647</b>
<b>Cash flows</b> (fiscal year)	Net cash provided by (used in) operating activities	18,912	41,489	41,569	40,402	38,429	46,460	41,942	-479	-13,269	36,516	<b>31,896</b>
	Net cash provided by (used in) investing activities	-40,290	-23,533	1,947	-36,361	-34,319	-31,042	-33,119	-1,908	-40,074	-21,677	<b>-24,794</b>
	Net cash provided by (used in) financing activities	29,917	-15,537	-20,942	-10,378	-1,943	-19,414	-171	35,140	35,020	-34,475	<b>-9,322</b>
<b>Per share data*2</b> (fiscal year)	Basic earnings per share (Yen)	7.94	10.42	14.17	249.17	405.05	412.98	250.25	141.88	143.40	225.80	<b>92.40</b>
	Net asset per share (Yen)	251.02	270.15	245.26	2,933.21	3,355.77	3,513.58	3,408.86	3,686.36	3,967.08	4,285.15	<b>4,656.93</b>
<b>Ratios</b>	Operating profit margin on sales (%)	2.73	2.06	3.10	4.58	4.63	4.12	2.58	1.04	1.23	1.45	<b>1.06</b>
	Equity capital ratio (%)	24.8	26.0	24.5	27.6	29.2	30.3	30.2	31.2	29.8	32.3	<b>33.3</b>
	Return on operating assets (%)*3	8.6	5.8	9.1	12.1	13.1	11.2	6.1	2.2	2.6	3.3	<b>2.3</b>
	ROE (%)	3.3	4.0	5.5	9.3	12.9	12.0	7.2	4.0	3.7	5.5	<b>2.1</b>
	ROA (%)	3.3	2.6	2.6	4.9	6.0	4.8	2.8	0.6	2.2	1.8	<b>1.1</b>
	Total asset turnover ratio (times)	1.21	1.20	1.22	1.16	1.24	1.21	1.13	1.00	1.05	1.14	<b>1.10</b>

Figures are rounded down to the nearest one million yen. Other figures of financial data and non-financial data are round to the nearest value.

## Information for each region

Net sales and overseas net sales ratio (Millions of yen)	(FY)				
	2019	2020	2021	2022	2023
Japan	495,658	435,195	461,450	517,358	<b>511,296</b>
China	75,059	82,777	100,457	104,326	<b>103,443</b>
Asia (excluding Japan and China)	183,033	141,029	190,877	224,931	<b>242,820</b>
North and Central America	78,302	78,179	91,716	127,793	<b>120,569</b>
South America, Europe, and others	82,386	74,418	85,994	91,915	<b>78,400</b>
Consolidated net sales	914,439	811,600	930,496	1,066,326	<b>1,056,528</b>
Overseas net sales	418,781	376,403	469,046	548,967	<b>545,232</b>
Overseas net sales ratio (%)	45.8	46.4	50.4	51.5	<b>51.6</b>

As of March 31, the end of fiscal year. Net sales by region are based on the location of customers and are classified by country or region.

Environment	(FY)				
Greenhouse gas emissions (Scopes 1&2) (10 <sup>3</sup> t-CO <sub>2</sub> e)	2019	2020	2021	2022	2023
Japan	342	316	288	255	<b>200</b>
China	—	124	130	104	<b>111</b>
Asia (excluding Japan and China)	—	97	110	122	<b>114</b>
North and Central America	—	86	89	74	<b>54</b>
South America, Europe, and others	—	23	23	15	<b>14</b>
Total	742	648	640	571	<b>493</b>

As of March 31, the end of fiscal year.

\*1. Operating Assets are the total of inventories and tangible and intangible fixed assets.

\*2. We conducted a one-for-ten reverse stock split of our company's common shares effective October 1, 2016.

\*3. Return on operating assets is the ratio of the operating profit over operating assets.

\*4. Partially Restated only the FY2022 financial results following the start of voluntary application of the International Financial Reporting Standards (IFRS) at the equity method affiliate UACJ.

Social	(FY)				
Number of Group employees (Unit: Persons)	2019	2020	2021	2022	2023
Japan	11,113	10,798	11,029	10,502	<b>10,646</b>
China	5,045	4,791	4,859	4,180	<b>3,622</b>
Asia (excluding Japan and China)	23,219	23,062	25,976	28,200	<b>30,395</b>
North and Central America	7,843	6,739	5,809	5,137	<b>5,294</b>
South America, Europe, and others	3,012	3,059	3,194	3,295	<b>2,800</b>
Total	50,232	48,449	50,867	51,314	<b>52,757</b>

As of March 31, the end of fiscal year.

Governance	(FY)				
Number of Group companies (Unit: Companies)	2019	2020	2021	2022	2023
Japan	44	42	42	41	<b>40</b>
China	18	17	18	19	<b>18</b>
Asia (excluding Japan and China)	35	33	33	34	<b>34</b>
North and Central America	12	14	13	13	<b>13</b>
South America, Europe, and others	17	17	18	20	<b>19</b>
Total	126	123	124	127	<b>124</b>

As of March 31, the end of fiscal year.

## Climate change data

Greenhouse gas emissions throughout the value chain (Furukawa Electric + Domestic and overseas group companies) (FY)  
(10<sup>3</sup> t-CO<sub>2</sub>e)

		2019	2020	2021	2022	2023
Scope 1	CO <sub>2</sub>	139	115	121	116	<b>105</b>
	SF <sub>6</sub>	32	28	7	37	<b>42</b>
	Scope 1	172	143	128	153	<b>147</b>
	Scope 2	570	504	512	418	<b>346</b>
	Scope 1+2	742	648	640	571	<b>493</b>
Upstream	Category 1: Purchased goods and services* <sup>1</sup>	2,493	1,656	1,829	1,855	<b>1,820</b>
	Category 2: Capital goods	187	158	134	154	<b>137</b>
	Category 3: Fuel- and energy-related activities* <sup>1</sup>	112	94	123	110	<b>102</b>
	Category 4: Upstream transportation and distribution*	73	126	207	323	<b>211</b>
	Category 5: Waste generated in operations	22	21	22	18	<b>16</b>
	Category 6: Business travel* <sup>1</sup>	7	6	57	12	<b>13</b>
	Category 7: Employee commuting	23	23	24	24	<b>25</b>
	Category 8: Upstream leased assets	7	6	7	9	<b>6</b>
Downstream	Category 9: Downstream transportation and distribution* <sup>1</sup>	11	9	141	9	<b>23</b>
	Category 10: Processing of sold products	–	–	17	16	<b>14</b>
	Category 11: Use of sold products* <sup>1</sup>	1,720	1,980	1,575	1,587	<b>1,482</b>
	Category 12: End-of-life treatment of sold products* <sup>1</sup>	50	51	57	63	<b>81</b>
	Category 13: Downstream leased assets	2	3	4	4	<b>3</b>
	Category 14: Franchises	–	–	–	–	<b>–</b>
Category 15: Investments* <sup>1</sup>	28	28	283	274	<b>267</b>	
Scope 3* <sup>1</sup>	4,735	4,161	4,480	4,458	<b>4,200</b>	
Scope 1+2+3* <sup>1</sup>	5,477	4,808	5,120	5,029	<b>4,693</b>	

\*1. They were recalculated retroactively to FY2021 due to the partial re-evaluation of the calculation method in FY2023.

Electric power consumption and renewable energy (GWh)		2019	2020	2021	2022	2023
Furukawa Electric + Domestic group companies	Purchased electric power (except for renewable energy)	499	468	480	343	<b>212</b>
	Purchased electric power (renewable energy)	0	0	2	99	<b>188</b>
	Non-utility power generation (hydroelectric and solar)	113	93	97	94	<b>95</b>
	Total electric power consumption	612	561	579	536	<b>495</b>
	Renewable energy ratio to electric power consumption (%)	18.5	16.6	17.1	36.0	<b>57.2</b>
Furukawa Electric + Domestic and overseas group companies	Purchased electric power (except for renewable energy)	1,150	1,052	1,107	927	<b>743</b>
	Purchased electric power (renewable energy)	26	25	36	138	<b>243</b>
	Non-utility power generation (hydroelectric and solar)	116	95	99	97	<b>100</b>
	Total electric power consumption	1,292	1,172	1,242	1,162	<b>1,086</b>
	Renewable energy ratio to electric power consumption (%)	11.0	10.2	10.9	20.2	<b>31.6</b>

Greenhouse gas emissions per unit of sales		Unit	2019	2020	2021	2022	2023
Group	Greenhouse gas emissions per unit of sales	t-CO <sub>2</sub> e/ million yen	0.811	0.798	0.687	0.535	<b>0.466</b>

## Occupational Health & Safety Data

		Unit	2019	2020	2021	2022	2023
Furukawa Electric	The frequency rate of accidents resulting in time off work	–	0.59	0.11	0.32	0.32	<b>0.53</b>
Furukawa Electric+Domestic group companies	The frequency rate of accidents resulting in time off work	–	0.32	0.21	0.25	0.38	<b>0.39</b>
Furukawa Electric	Employees receiving safety training	Persons	1,890	1,490	1,484	1,858	<b>2,833</b>
Furukawa Electric	Employees receiving health training	Persons	6,271	7,391	6,626	9,684	<b>15,106</b>
Furukawa Electric	Total time of receiving health training	Hour	2,929	2,803	1,944	3,277	<b>2,195</b>

The frequency rate of accidents resulting in time off work expresses the number of casualties per million actual work hours, (the number of casualties/Total actual work hours) x 1,000,000.

## Human capital data

		Unit	2019	2020	2021	2022	2023
Consolidated	Number of employees	Persons	50,232	48,449	50,867	51,314	<b>52,757</b>
	Number of employees	Persons	3,925	4,084	4,201	4,267	<b>4,335</b>
Furukawa Electric	Ratio of female employees	%	10	12	12	12	<b>13</b>
	Average age of employees	Years old	44.1	43.8	43.8	43.7	<b>43.8</b>
	Average annual salary of employees	Thousands yen	7,208	6,916	6,962	6,845	<b>6,784</b>
	Average length of service of employees	Years	19.4	18.8	18.4	19.9	<b>19.7</b>
	Average of male employees	Years	20.8	20.2	19.7	20.3	<b>20.3</b>
	Average of female employees	Years	18.2	17.2	16.5	16.8	<b>16.2</b>
	Turnover rate of employees	%	1.7	1.6	2.8	3.5	<b>3.6</b>
	Turnover rate of male employees	%	1.8	1.6	2.6	3.4	<b>3.7</b>
	Turnover rate of female employees	%	0.8	1.5	4.8	4.1	<b>2.9</b>
	Furukawa Electric	Manager candidates in total	Persons	502	520	522	557
Ratio of female in manager candidates		%	8.8	10	11	12	<b>14</b>
Managers in total		Persons	940	964	1,053	1,078	<b>1,115</b>
Furukawa Electric	Ratio of female in managers	%	3.4	3.4	3.8	4.8	<b>5.4</b>
	Number of new graduate recruits	Persons	111	119	119	108	<b>106</b>
	Ratio of female in new graduate recruits	%	28	28	20	27	<b>34</b>
Furukawa Electric	Ratio of mid-career hires in total new hires* <sup>1</sup>	%	26	23	36	45.7	<b>48.8</b>
	Employment rate of people with disabilities* <sup>2</sup>	%	2.14	2.09	2.32	2.35	<b>2.42</b>

\*1. New hires represent new graduates and mid-career hires, covering management, career-track, and clerical positions.

\*2. As of June 1 of fiscal year

## Supply chain data

		Unit	2019	2020	2021	2022	2023
Furukawa Electric	Number of partner evaluations (Number of major business partners)	Companies	199	198	248	260	<b>230</b>
	Number of participants in the Partners Meeting	Companies	59	–* <sup>1</sup>	57	58	<b>54</b>

Furukawa Electric Group calls suppliers who do business with us "partners" who collaborate with us to create value.

\*1. From the perspective of preventing new coronavirus infections, we have canceled the Partners Meeting.

		2019	2020	2021	2022	2023	Total
Number of communications with suppliers on important items in the SAQ	Furukawa Electric	–	–	–	5	20	25
	Domestic group companies	–	–	–	–	34	34
	Overseas group companies	–	–	–	–	38	38
	Total	–	–	–	5	92	97

## Intellectual property (patent) data

		Unit	2019	2020	2021	2022	2023
Furukawa Electric	Number of patents held in Japan	Patents	5,288	5,107	5,175	5,106	<b>5,205</b>
	Patents	Patents	4,523	4,388	4,423	4,364	<b>4,455</b>
	Designs	Patents	386	369	375	365	<b>368</b>
	Trademarks	Patents	375	347	372	372	<b>380</b>
	Utility models	Patents	4	3	5	5	<b>2</b>
Furukawa Electric	Number of foreign patents held	Patents	3,625	3,725	3,869	3,893	<b>3,954</b>
	Patents	Patents	2,910	2,976	3,160	3,225	<b>3,333</b>
	Designs	Patents	267	274	228	187	<b>161</b>
	Trademarks	Patents	394	404	408	411	<b>405</b>
	Utility models	Patents	54	71	73	70	<b>55</b>

The increase or decrease in the number of patents includes the results of periodic update of inventories of patents held.

# Consolidated Financial Statements

## Consolidated Balance Sheets (Millions of yen)

Assets	Previous fiscal year	Current fiscal year	Liabilities	Previous fiscal year	Current fiscal year
	As of March 31, 2023	As of March 31, 2024		As of March 31, 2023	As of March 31, 2024
<b>Current assets</b>			<b>Current liabilities</b>		
Cash and deposits	47,432	48,895	Notes and accounts payable - trade	125,409	128,780
Notes and accounts receivable-trade, and contract assets	229,550	245,712	Short-term borrowings	141,281	137,371
Securities	5,127	4,747	Commercial papers	28,000	35,500
Merchandise and finished goods	65,755	73,088	Income taxes payable	4,730	4,451
Work in process	38,556	43,899	Provision for product warranties	2,238	5,264
Raw materials and supplies	67,985	66,659	Other	79,365	89,526
Other	33,803	35,974	<b>Total current liabilities</b>	<b>381,025</b>	<b>400,894</b>
Allowance for doubtful accounts	(1,389)	(1,210)	<b>Non-current liabilities</b>		
<b>Total current assets</b>	<b>486,821</b>	<b>517,767</b>	Bonds payable	40,000	40,000
<b>Non-current assets</b>			Long-term borrowings	114,547	120,168
<b>Property, plant and equipment</b>			Provision for environmental measures	9,284	9,224
Buildings and structures	247,121	263,129	Retirement benefit liability	38,239	29,239
Machinery, equipment and vehicles	491,387	517,262	Lease liabilities	12,548	12,517
Tools, furniture and fixtures	76,458	80,522	Asset retirement obligations	1,588	1,717
Land	33,473	33,971	Other	7,140	13,207
Leased assets	1,169	1,072	<b>Total non-current liabilities</b>	<b>223,348</b>	<b>226,074</b>
Right-of-use assets	23,099	25,144	<b>Total liabilities</b>	<b>604,373</b>	<b>626,968</b>
Construction in progress	23,069	20,788			
Accumulated depreciation	(626,488)	(663,250)	<b>Net assets</b>		
<b>Total property, plant and equipment</b>	<b>269,288</b>	<b>278,640</b>	Shareholders' equity		
<b>Intangible assets</b>			Share capital	69,395	69,395
Goodwill	211	50	Capital surplus	23,179	23,178
Other	20,024	20,234	Retained earnings	191,763	192,856
<b>Total intangible assets</b>	<b>20,236</b>	<b>20,284</b>	Treasury shares	(871)	(691)
<b>Investments and other assets</b>			<b>Total shareholders' equity</b>	<b>283,467</b>	<b>284,738</b>
Investment securities	119,552	131,694	Accumulated other comprehensive income		
Investments in capital	4,262	1,290	Valuation difference on available-for-sale securities	10,669	12,218
Deferred tax assets	9,428	8,563	Deferred gains or losses on hedges	191	1,195
Retirement benefit asset	8,900	11,241	Foreign currency translation adjustment	9,606	25,286
Other	15,894	16,464	Remeasurements of defined benefit plans	(2,282)	4,682
Allowance for doubtful accounts	(915)	(939)	<b>Total accumulated other comprehensive income</b>	<b>18,185</b>	<b>43,383</b>
<b>Total investments and other assets</b>	<b>157,122</b>	<b>168,315</b>	<b>Non-controlling interests</b>	<b>27,442</b>	<b>29,916</b>
<b>Total non-current assets</b>	<b>446,647</b>	<b>467,240</b>	<b>Total net assets</b>	<b>329,095</b>	<b>358,038</b>
<b>Total assets</b>	<b>933,469</b>	<b>985,007</b>	<b>Total liabilities and net assets</b>	<b>933,469</b>	<b>985,007</b>

## Consolidated Statements of income (Millions of yen)

	Previous fiscal year	Current fiscal year
	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
Net sales	1,066,326	1,056,528
Cost of sales	909,622	897,535
<b>Gross profit</b>	<b>156,703</b>	<b>158,993</b>
Selling, general and administrative expenses		
Selling expenses	47,732	49,016
General and administrative expenses	93,530	98,805
<b>Total selling, general and administrative expenses</b>	<b>141,262</b>	<b>147,821</b>
<b>Operating profit</b>	<b>15,441</b>	<b>11,171</b>
<b>Non-operating income</b>		
Interest income	1,095	1,875
Dividend income	1,423	1,150
Share of profit of entities accounted for using equity method	3,610	6,323
Foreign exchange gains	1,668	—
Other	3,267	2,592
<b>Total non-operating income</b>	<b>11,066</b>	<b>11,940</b>
<b>Non-operating expenses</b>		
Interest expenses	6,334	9,238
Foreign exchange losses	—	96
Other	2,914	3,509
<b>Total non-operating expenses</b>	<b>9,248</b>	<b>12,844</b>
<b>Ordinary profit</b>	<b>17,258</b>	<b>10,267</b>
<b>Extraordinary income</b>		
Gain on change in equity	—	1,247
Gain on disposal of non-current assets	1,158	592
Gain on sale of investment securities	15,279	11,983
Settlement income	800	—
Other	404	1,084
<b>Total extraordinary income</b>	<b>17,642</b>	<b>14,908</b>
<b>Extraordinary losses</b>		
Loss on disposal of non-current assets	1,187	1,453
Loss on sale of investment securities	0	714
Loss on valuation of investment securities	356	771
Extra retirement payments	—	540
Other	5,434	1,631
<b>Total extraordinary losses</b>	<b>6,979</b>	<b>5,110</b>
<b>Profit before income taxes</b>	<b>27,921</b>	<b>20,064</b>
Income taxes-current	9,455	9,262
Income taxes-deferred	833	2,325
<b>Total income taxes</b>	<b>10,289</b>	<b>11,587</b>
<b>Profit</b>	<b>17,631</b>	<b>8,476</b>
Profit attributable to non-controlling interests	1,737	1,968
<b>Profit attributable to owners of parent</b>	<b>15,894</b>	<b>6,508</b>

## Consolidated Statements of Comprehensive income (Millions of yen)

	Previous fiscal year	Current fiscal year
	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
<b>Profit</b>	<b>17,631</b>	<b>8,476</b>
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2,329)	941
Deferred gains or losses on hedges	(2,639)	1,025
Foreign currency translation adjustment	10,168	10,770
Remeasurements of defined benefit plans, net of tax	613	6,532
Share of other comprehensive income of entities accounted for using equity method	3,829	7,242
<b>Total other comprehensive income</b>	<b>9,643</b>	<b>26,512</b>
<b>Comprehensive income</b>	<b>27,274</b>	<b>34,989</b>
Comprehensive income attributable to:		
Owners of parent	24,815	31,706
Non-controlling interests	2,459	3,282

## Consolidated Statements of cash flows (Millions of yen)

	Previous fiscal year	Current fiscal year
	From April 1, 2022 to March 31, 2023	From April 1, 2023 to March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	27,921	20,064
Depreciation	39,098	38,951
Interest and dividend income	(2,519)	(3,025)
Interest expenses	6,334	9,238
Share of loss (profit) of entities accounted for using equity method	(3,610)	(6,323)
Foreign exchange losses (gains)	(1,612)	(4,651)
Loss (gain) on change in equity	112	(1,247)
Loss (gain) on disposal of non-current assets	29	860
Loss (gain) on sale of short-term and long-term investment securities	(15,279)	(11,269)
Settlement income	(800)	—
Loss (gain) on valuation of investment securities	356	771
Extra retirement payments	—	540
Loss on valuation of inventories	725	1,450
Decrease (increase) in trade receivables and contract assets	5,775	(5,909)
Decrease (increase) in inventories	(3,419)	(5,020)
Increase (decrease) in trade payables	(8,656)	(3,884)
Increase (decrease) in retirement benefit liability	(3,997)	2,037
Increase (decrease) in provision for product warranties	(986)	2,882
Other, net	3,921	10,796
<b>Subtotal</b>	<b>43,392</b>	<b>46,262</b>
Interest and dividends received	5,296	6,478
Interest paid	(6,442)	(9,306)
Income taxes refund (paid)	(6,529)	(11,136)
Settlement received	800	—
Extra retirement payments paid	—	(401)
<b>Net cash provided by (used in) operating activities</b>	<b>36,516</b>	<b>31,896</b>
<b>Cash flows from investing activities</b>		
Decrease (increase) in time deposits	179	88
Purchase of investment securities	(1,200)	(691)
Proceeds from sale and redemption of investment securities	6,613	13,042
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	11,943	4,539
Purchase of property, plant and equipment	(35,878)	(36,419)
Purchase of intangible assets	(3,378)	(3,844)
Proceeds from sale of non-current assets	2,302	351
Decrease (increase) in short-term loans receivable	(155)	1,066
Other, net	(2,104)	(2,928)
<b>Net cash provided by (used in) investing activities</b>	<b>(21,677)</b>	<b>(24,794)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	1,857	(12,025)
Net increase (decrease) in commercial papers	(26,000)	7,500
Proceeds from long-term borrowings	10,568	29,566
Repayments of long-term borrowings	(13,000)	(25,351)
Dividends paid	(4,234)	(5,636)
Dividends paid to non-controlling interests	(1,204)	(611)
Repayments of lease liabilities	(2,464)	(2,805)
Other, net	1	42
<b>Net cash provided by (used in) financing activities</b>	<b>(34,475)</b>	<b>(9,322)</b>
Effect of exchange rate change on cash and cash equivalents	2,750	3,018
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16,885)</b>	<b>798</b>
Cash and cash equivalents at beginning of period	67,632	51,950
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	1,197	275
Increase in cash and cash equivalents resulting from merger	6	73
<b>Cash and cash equivalents at end of period</b>	<b>51,950</b>	<b>53,098</b>

# Company Profile and Stock/Dividend Information

## Company Profile

Company name	Furukawa Electric Co., Ltd.
President	Hideya Moridaira
Founded	1884
Established	June 25, 1896
Paid-in capital (As of March 31, 2024)	¥69,395 million
Net sales (Years ended March 31, 2024)	¥1,056,528 million (consol.) ¥296,766 million (non-consol.)
Number of employees (As of March 31, 2024)	52,757 (consol.) 4,335 (non-consol.)
Head office	Tokiwabashi Tower, 6-4 Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8322, Japan
TEL.	+81-3-6281-8500
Website	https://www.furukawa.co.jp/en/
Consol. Subsidiaries (As of March 31, 2024)	109
Equity-method affiliates (As of March 31, 2024)	14

## Furukawa Electric Co., Ltd. Organization Chart

(As of April 1, 2024)



## Domestic Locations (Furukawa Electric Co., Ltd.)

(As of April 1, 2024)



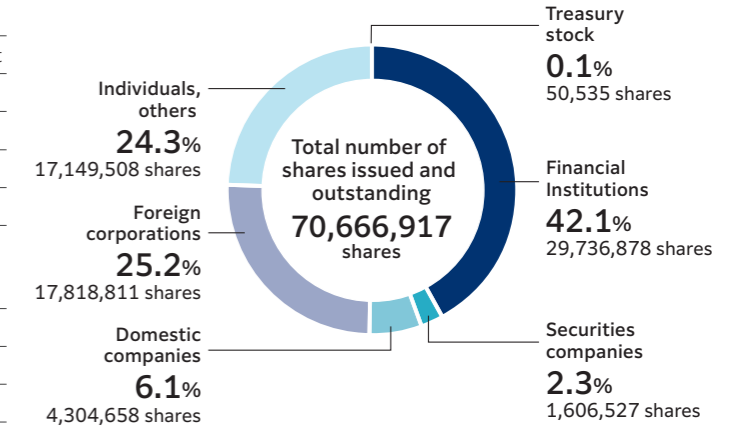
## General Stock Information

(As of March 31, 2024)

Stock code on the Tokyo Stock Exchange	5801
Stock exchange listings	Tokyo Stock Exchange, Prime Market
Number of shares authorized	Common Stock 250,000,000 shares
Common stock issued	Common Stock 70,666,917 shares
Number of shareholders	Common Stock 45,306 persons
Minimum trading units	100 shares
Shareholder register agent	3-3 Marunouchi 1-chome, Chuo-ku, Tokyo, Japan Mizuho Trust & Banking Co., Ltd.
Fiscal year	From April 1 to March 31
Shareholders' meeting	June each year
Accounting auditor	Deloitte Touch Tohmatsu LLC
Main stock indices employed	Nikkei Index 225

## Distribution of Ordinary Stock Among Shareholders

(As of March 31, 2024)



## Major Top 10 Shareholders of The Company and the Company's Capital Contributions to Such Shareholders

(As of March 31, 2024)

Name of major shareholders	Number of shares held (shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,582,300	16.40
Custody Bank of Japan, Ltd. (Trust Account)	5,402,220	7.65
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	3,744,700	5.30
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account)	2,413,500	3.42
Custody Bank of Japan, Ltd. (Trust Account 4)	2,269,800	3.21
Asahi Mutual Life Insurance Company	1,365,050	1.93
FURUKAWA CO., LTD.	1,329,045	1.88
The Nomura Trust and Banking Co., Ltd (Trust Account)	1,221,000	1.73
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account)	1,091,900	1.55
Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Asahi Mutual Life Insurance Company Account)	1,050,000	1.49

\*1. Shareholding ratio is calculated with the number which deducted 50,535 shares of the Company's treasury stock.

\*2. In addition to the 2,413,500 shares in a retirement benefits trust mentioned above, Mizuho Bank, Ltd. has a further 173 shares in the Company.

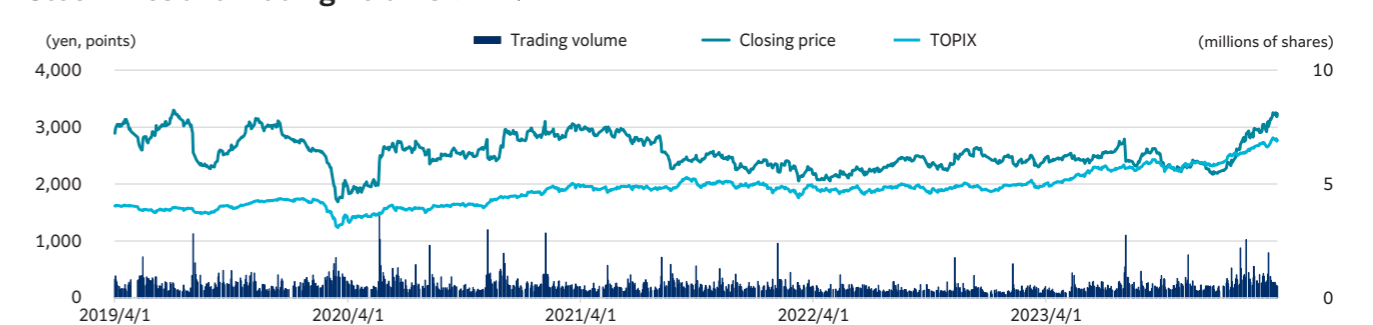
## Cash Dividends per Common Share

Fiscal year	2019	2020	2021	2022	2023
Interim dividend (yen)	0	0	0	0	0
Year-end dividend (yen)	85	60	60	80	60
Total dividend (yen)	85	60	60	80	60

## Total Shareholder Return (TSR)

Fiscal year	2019	2020	2021	2022	2023
TSR (%)	73.5	111.6	85.3	98.4	128.3
(TOPIX)(%)	(88.2)	(122.8)	(122.3)	(125.9)	(173.9)
High (yen)	3,305	3,115	3,110	2,668	3,290
Low (yen)	1,620	1,746	2,050	2,033	2,134

## Stock Price and Trading Volume (From April 1, 2019 to March 31, 2024)



## About the Furukawa Electric Group Integrated Report 2024

### Editorial Policy

Since fiscal 2012, Furukawa Electric Group has published its Sustainability Report, containing Environment, Social, Governance (ESG) and other non-financial information beside business results, strategies, and other financial information.

Since fiscal 2020, we have been publishing the Furukawa Electric Group's integrated report in order to help investors and other stakeholders better understand our Group's

efforts and measures to improve corporate value over the medium- to long-term.

We sincerely hope that this report will help you understand our value creation process directed at achieving Furukawa Electric Group Vision 2030, as well as our efforts to strengthen the foundation of our ESG management. We have used the following guidelines for reference.

- International Integrated Reporting Framework (The IFRS Foundation)
- IFRS Sustainability Disclosure Standards (The IFRS Foundation)
- SASB Standard (The IFRS Foundation)
- The Guidance for Collaborative Value Creation 2.0 (the Ministry of Economy, Trade and Industry)
- Guidance on Climate-related Financial Disclosure (TCFD) Guidance 3.0 (the Ministry of Economy, Trade and Industry)



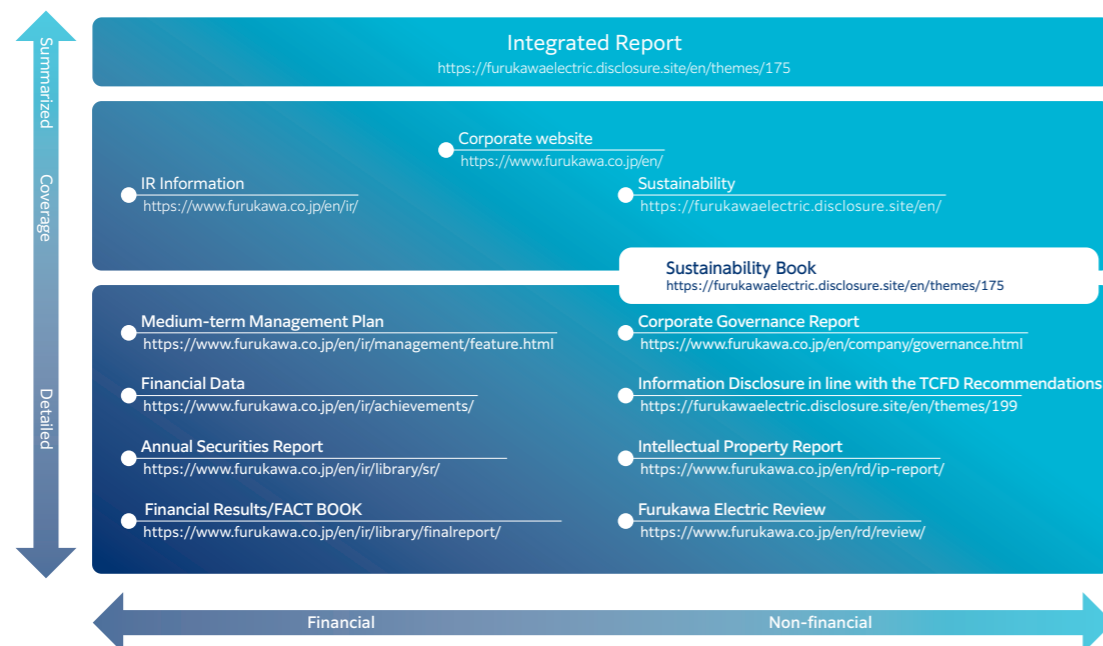
### Scope of This Report

<b>Period Covered</b>	Fiscal 2023, from April 1, 2023, to March 31, 2024 (Note) Includes selected information on past initiatives and activities during fiscal 2024.
<b>Publication Timeframe</b>	The Japanese version: October 31, 2024 The English version: December 26, 2024
<b>Organizations Covered</b>	This report covers Furukawa Electric Co., Ltd. and group companies in Japan and overseas. Where activities are limited to specific regions or companies, this fact has been clearly indicated in the reporting.
<b>Disclaimer Regarding Forecasts and Projections</b>	This Integrated Report includes statements concerning the future strategies and earnings forecasts of Furukawa Electric Group. These forward-looking statements are based on information that is currently available to the Group. As it is subject to changes in the business environment surrounding the Group, the actual strategies and business may differ from those projected.

### Information Disclosure System and Positioning of This Report

This Integrated Report has concisely stated important financial and non-financial information regarding Furukawa Electric Group with the aim of promoting a better understanding of our medium- to long-term initiatives and measures for the improvement of

corporate value by investors and other shareholders. Please also refer to Furukawa Electric's website and other reports, which post or publish other information not covered in this report or more detailed information.



## About Issuing of the Furukawa Electric Group Integrated Report 2024

I would like to say a few words on this occasion of the issuance of the Furukawa Electric Group Integrated Report 2024.

We issued our first Integrated Report in fiscal 2020 with the aim of providing investors and other stakeholders with an understanding of the initiatives we are undertaking when it comes to the creation of value in the medium- to long-term and the enhancement of our corporate value. Particularly since our previous Integrated Report, we have maintained a strong focus on linkage with our "Approach and Initiatives toward Sustainability" described in our Annual Securities Report, and have endeavored to improve the content in order to ensure that readers can smoothly go from reading the Annual Securities Report to reading the Integrated Report. Against this backdrop, in fiscal 2023, our Annual Securities Report was featured as a good example in the "Disclosure of Sustainability Approaches and Initiatives" section of "Reference Casebook of Good Practices on the Disclosure of Narrative Information 2023" published by the Financial Services Agency (FSA). For this Integrated Report, we referred to the points the FSA cited in that document as making us a good practice, and worked even harder to select content of high interest to institutional investors and analysts. On the other hand, we also want the two reports to fulfill different roles, and we feel that the officers' messages, which would be difficult to include in the Annual Securities Report, serve as a distinctive feature of the Integrated Report. This time, the messages from

the President, the General Manager of the Strategy Division, and the General Manager of the Finance & Accounting Division were designed to facilitate understanding of not only our action in areas such as business portfolio transformation and cost of capital reduction, but also review processes and the nature of discussions. Please also be sure to read the messages from Outside Directors, as in it they share their expectations for the Company.

We are committed to further improving the quality of integrated reports, enhancing information disclosure and transparency, and promoting dialogue with stakeholders such as investors. We would appreciate hearing your frank comments or requests in this regard.



**Mami Masuda**  
Corporate Vice President  
General Manager,  
Corporate Sustainability Office,  
Strategy Division

October 2024

### For inquiries

Investor Relations Department, Finance & Accounting Division  
Furukawa Electric Co., Ltd.  
Tokiwabashi Tower, 6-4, Otemachi 2-chome, Chiyoda-ku, Tokyo, 100-8322, Japan

### Editing and Publication

Corporate Sustainability Office, Strategy Division  
Furukawa Electric Co., Ltd.



Inquiry form  
[https://inquiry-fec-form.spiral-site.com/enir?id=enir&\\_ifbs=enir=s1\\_input](https://inquiry-fec-form.spiral-site.com/enir?id=enir&_ifbs=enir=s1_input)