Morgan Stanley | MUFG

UPDATE

*June 5, 2026 10:07 AM GMT*

## Furukawa Electric (5801) | Japan

# Business Briefing on Metal Solutions, Automotive Systems and Optical Solutions


MORGAN STANLEY MUFG SECURITIES CO., LTD.+

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On Jun 5, Furukawa Electric held a business briefing on the Metal Solutions, Automotive Systems and Optical Solutions segments. The key takeaways were as follows.

**Metal Solutions:** The firm wants to increase the ratio of high added-value products, but says maintaining existing product volumes is also important given the nature of the large-scale equipment business.

**Automotive Systems:** The firm aims to improve profit margins through sales expansion of new products, including high-durability aluminum wire and Alpha Terminal.

**Optical Solutions:** The firm plans to maximize utilization of existing capacity through F3/29. It is looking to reduce external sales of optical fiber and shift to cables, while also increasing the sales mix of pre-connectorized cables. However, fiber production is already at full capacity, so we expect an announcement in the near-term of plans to increase capacity 2-3x versus currently for both optical fiber and optical cable. For pre-connectorized cables, certification procedures for ultra-high fiber count products are ongoing, but the firm commented that shipments have commenced of some products in North and South America, which is new information.

**Furukawa Electric (5801.T, 5801 JT)**

Wire & Cable | Japan

| | |
|---|---|
| **Stock Rating** | **Overweight** |
| **Industry View** | **Attractive** |
| Price target | ¥66,000 |
| Shr price, close (Jun 5, 2026) | ¥49,050 |
| Mkt cap, curr, basic (bn) | ¥3,450.7 |
| Avg daily trading value (bn) | ¥120.2 |

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(as of May 31, 2026)

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| | Coverage Universe | | Investment Banking Clients (IBC) | | | Other Material Investment Services Clients (MISC) |
|---|---|---|---|---|---|---|
| Stock Rating Category | Count | % of Total | Count | % of Total IBC | % of Rating Category | Count |
| Overweight/Buy | 1542 | 42% | 465 | 51% | 30% | 707 |
| Equal-weight/Hold | 1571 | 43% | 369 | 40% | 23% | 723 |
| Not-Rated/Hold | 3 | 0% | 0 | 0% | 0% | 1 |
| Underweight/Sell | 551 | 15% | 86 | 9% | 16% | 201 |
| Total | 3,667 | | 920 | | | 1632 |

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the last 12 months. Due to rounding off of decimals, the percentages provided in the "% of total" column may not add up to exactly 100 percent.

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Overweight (O). The stock's total return is expected to exceed the average total return of the analyst's industry (or industry team's) coverage universe, on a risk-adjusted basis, over the next 12-18 months.

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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

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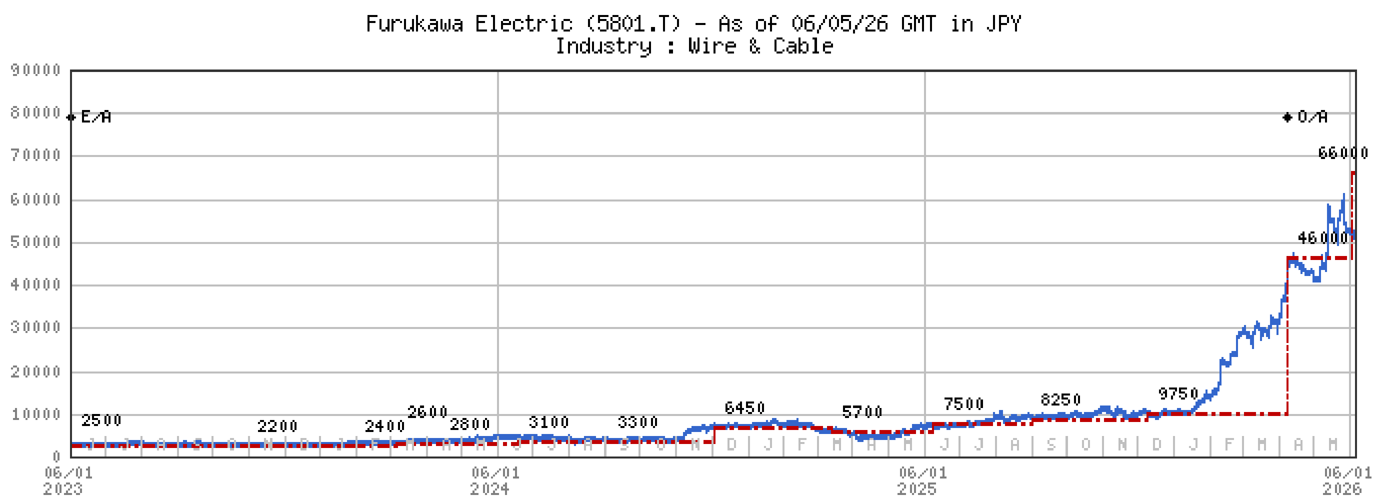
## Stock Price, Price Target and Rating History (See Rating Definitions)




Stock Rating History: 6/1/21 : E/A; 4/8/26 : O/A

Price Target History: 2/25/21 : 3000; 7/7/21 : 2900; 9/8/21 : 2500; 12/6/21 : 2300; 11/8/22 : 2500; 2/1/23 : 2600; 4/28/23 : 2500; 10/31/23 : 2200; 1/30/24 : 2400; 3/7/24 : 2600; 4/12/24 : 2800; 6/19/24 : 3100; 9/3/24 : 3300; 12/4/24 : 6450; 3/14/25 : 5700; 6/9/25 : 7500; 9/1/25 : 8250; 12/9/25 : 9750; 4/8/26 : 46000; 6/3/26 : 66000

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock and Industry Ratings (abbreviations below) appear as ◆ Stock Rating/Industry View
Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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## INDUSTRY COVERAGE: Wire & Cable

| COMPANY (TICKER) | RATING (AS OF) | PRICE* (06/05/2026) |
|---|---|---|
| **Yu Shirakawa** | | |
| Fujikura (5803.T) | E (04/08/2026) | ¥4,747 |
| Furukawa Electric (5801.T) | O (04/08/2026) | ¥49,050 |
| Sumitomo Electric (5802.T) | E (01/16/2026) | ¥13,010 |

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* Historical prices are not split adjusted.