



March 30, 2026

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Notice Regarding Capital Expenditure (Acquisition of Fixed Assets)
for Production of Heat-Dissipation/Cooling Products for Data Centers

Furukawa Electric Co., Ltd. (the “Company”) hereby announces that it has decided to increase its production capacity of water-cooling modules and air-cooling heat sinks for data centers. Details are as follows.

1. Purpose of Capital Expenditure

The Company develops and designs heat sinks for heat-dissipation and cooling of processing units (CPU, GPU, etc.) used in data centers and markets them as products for data centers. Recently, driven by significant growth in the generative AI market, there has been a growing demand for high-performance heat sinks for addressing the increasing heat density in data centers.

Currently, the mainstream method is air-cooling, in which a fan blows air through a heat sink to dissipate heat, and its demand is growing. However, water-cooling, in which liquid coolant circulates inside cold plates mounted on the surface of processing units to dissipate heat, has high cooling performance, so the demand from data centers is expected to grow significantly going forward.

To satisfy this demand, the Company will expand its water-cooling module plant in FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS & PRODUCTS LAGUNA, INC. (Philippines; hereinafter, “FTL”), which is the main production base of heat-dissipation/cooling products for data centers, and also establish a new water-cooling module plant in Furukawa FITEL (Thailand) Co., Ltd. (Thailand; hereinafter, “FFT”), and enhance manufacturing facilities for air-cooling heat sinks at Furukawa AVC Electronics (Suzhou) Co., Ltd. (China; hereinafter, “FAZ”) and FTL.

Going forward, by offering high-performance, differentiated products, the Company will contribute to the further evolution of data centers that support the advancement of generative AI, as well as to the development of the rapidly growing communications infrastructure sector.

2. Overview of Capital Expenditure

- (1) Major locations: the Philippines (FTL), Thailand (FFT), and China (FAZ)
- (2) Investment Amount: approximately JPY 55 billion (approximately JPY 51 billion for water-cooling modules and approximately JPY 4 billion for air-cooling heat sinks)

Total investment in water-cooling module capacity expansion since FY2024 (the fiscal year ended March 31, 2025), including this investment, amounts to approximately JPY 74 billion.

- Announcement in July 2024: to establish new manufacturing plants for water-cooling modules for data

- centers within the premises of Hiratsuka Works of the Company and FTL
- Announcement in November 2025: to expand manufacturing plant for water-cooling modules at FTL, and enhance related facilities at Hiratsuka Works of the Company
- (3) Scheduled start of mass production resulting from this additional investment:
 - Air-cooling heat sinks: July 2026 at FTL and FAZ
 - Water-cooling modules: January 2027 at FTL and January 2028 at FFT

3. Future Outlook

The impact of this investment on the Company's consolidated financial results for the fiscal year ending March 2026 is expected to be minor. However, upon the commencement of mass production at each production location from FY2026 and beyond, it is expected to contribute to an increase in net sales. As for net sales of water-cooling modules including those from increased production capacity announced earlier, the Company expects at least JPY 100 billion in FY2027 and JPY 400 billion in FY2030.

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Reference



FURUKAWA ELECTRIC THERMAL MANAGEMENT SOLUTIONS & PRODUCTS LAGUNA, INC. (FTL)

Location: Laguna Technopark, Philippines



Furukawa FITEL (Thailand) Co., Ltd. (FFT)

Location: Rojana Industrial Park, Ayutthaya, Thailand

Note: The image on the left is a conceptual view of the water-cooling module plant.



Furukawa AVC Electronics (Suzhou) Co., Ltd. (FAZ)

Location: Suzhou Industrial Park, Suzhou, Jiangsu Province, China