

May 28, 2007

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Filing of Lawsuit against its Subsidiary OCP

The Furukawa Electric Co., Ltd. ("Furukawa") hereby announces that it filed a complaint with the Court of Chancery of the State of Delaware, on May 26, 2007 (Japan time), against its subsidiary Optical Communication Products, Inc. ("OCP"), a manufacturer of fiber-optic communication components in the United States, listed on NASDAQ (Code: OCPI), in order to seek the declaration of the validity of the Written Consent adopted by Furukawa as the shareholder holding a majority of the voting rights of OCP on May 25, 2007 (Japan time).

1. Background and nature of the lawsuit

Furukawa holds OCP's common shares (representing approximately 93% of OCP's voting rights), and announced on April 23, 2007 (Japan time) through the timely disclosure procedures (*tekiji kaiji*) that it entered into Stock Purchase Agreement on April 23, 2007 with Oplink Communications, Inc. ("Oplink"), a US leading provider of networking components listed on NASDAQ (Code: OPLK), under which all the OCP shares held by Furukawa shall be sold to Oplink.

On April 24, 2007, Oplink offered to purchase OCP shares held by the other shareholders, however, the Special Committee of OCP adopted, on May 3, 2007, a rights plan that would expire June 2, 2007 (which may be extended) for various reasons -- among others OCP needed a certain period of time to consider such proposal in detail (with respect to this rights plan, Oplink filed a complaint with the same Court of Chancery of the State of Delaware on May 7, 2007 to challenge the validity of such plan).

The Stock Purchase Agreement requires that, as one of the conditions precedent to the closing, OCP has not adopted any shareholder rights plan that would be triggered by Oplink's acquisition of OCP shares held by Furukawa at the closing pursuant to the Agreement. Accordingly, the stock sale contemplated by the Stock Purchase Agreement can not be consummated unless OCP's rights plan is modified so as not to be triggered by the Stock Purchase Agreement. Now that the sale of OCP shares has been approved by the U.S. competition authority, OCP's rights plan is the only obstacle to the consummation of the sale of OCP shares by Furukawa to Oplink.

Furukawa, seeking for an early consummation of the transaction, requested the Special Committee of OCP not to extend the expiration date of the rights plan past June 2, 2007, but such request was rejected by the Special Committee. Therefore, Furukawa, as the shareholder holding a majority of the OCP shares, adopted the Written Consent to amend the Bylaws of OCP to increase the number of board members to twelve and also to appoint additional four directors pursuant to 8 Del. C. §228 on May 25. On May 26 Furukawa filed a complaint with the Court of Chancery of the State of Delaware in order to seek the declaration of the validity of such resolution pursuant to 8 Del. C. §225.

The purpose of appointing additional four directors is to secure a majority of the board members of OCP and then to modify the OCP's rights plan so as not to be applicable to the sale of OCP shares by Furukawa to Oplink. All the seven directors of OCP nominated by Furukawa will resign from their positions immediately after the consummation of the share transfer.

2. Prospects

The lawsuit is expected to be completed in about one month.