

To all parties concerned



April 26, 2017

Name of Company Furukawa Electric Co., Ltd.
Name of Representative Keiichi Kobayashi, President
(Code: 5801 First Section of the Tokyo Stock Exchange)
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Notice of Recognition of Extraordinary Loss and Revision of Full-Year Business Results Forecast and Revision of Dividend Forecast (Increased Dividend)

Furukawa Electric Co., Ltd. (the "Company") recognized an extraordinary loss as shown below for the period ended March 2017, which was announced on February 3, 2017. The full-year consolidated business results forecast and dividend forecast for the year ended March 2017 were revised as shown below.

1. Recognition of extraordinary loss in consolidated financial closing

Defects were found in some automobile parts manufactured in the past by the Company's consolidated subsidiary, and a recall as a market measure (recall) of the products incorporating the said parts has been taken. As a result of our review of various conditions regarding the estimated amount of expense which can be reasonably estimated for the Company's consolidated subsidiary, we recognized an additional amount of provision for product warranty of 13.1 billion yen in the consolidated financial closing for the year ended March 2017.

2. Recognition of extraordinary loss in non-consolidated financial closing

With the above-mentioned accounting treatment, we recorded in our non-consolidated financial closing for the year ended March 2017 an extraordinary loss in the amount of 8.4 billion yen. This consisted of a loss on evaluation of stocks of affiliated companies caused by a significant decline in the substantial value of stocks of the said subsidiary owned by the Company and an amount of provision equivalent to the amount of liabilities in excess of assets.

There is no effect on the consolidated financial closing because the said loss on evaluation of stocks of affiliated companies and the amount of provision equivalent to the amount of liabilities in excess of assets are eliminated in the consolidated financial closing.

3. Revision of full-year consolidated business results forecast

(1) Revision of forecast figure of full-year consolidated business results for period ended March 2017 (April 1, 2016 to March 31, 2017)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of the Parent	Net Income per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A) (Announced on February 3, 2017)	825,000	32,000	28,500	16,000	227.04
Current revision forecast (B)	840,000	38,000	35,500	17,000	241.23
Increase or decrease (B-A)	15,000	6,000	7,000	1,000	-
Increase or decrease percentage (%)	1.8	18.8	24.6	6.3	-
(Reference) Previous period results (Year ended March, 2016)	874,879	27,116	18,710	10,007	141.74

* The Company carried out a 10-to-1 share consolidation of its common stock effective October 1, 2016. The impact of this share consolidation is reflected in the net income per share for the previous period and the current period.

(2) Reason for revision of business results forecast

Regarding the full-year consolidated business results forecast for the period ended March 2017, net sales, operating income and ordinary income are expected to largely exceed the previous forecast. This is because the communications solution business of the infrastructure segment has continued to be favorable, and other businesses are also continuing to be favorable as a whole. Net income attributable to owners of the parent is also expected to exceed the previous forecast, even though there is an effect of the recognition of an amount of provision for product warranty as an extraordinary loss as mentioned in 1 above.

4. Revision of dividend forecast

(1) Content of revision of dividend forecast

	Amount of Annual Dividend (Yen)		
	2nd Quarter	Year End	Total
	Yen	Yen	Yen
Previous forecast (Announced on May 11, 2016)	0.00	40.00	40.00
Current revision forecast		55.00	55.00
Current period results	0.00		
Previous period results (Year ended March, 2016)	0.00	4.00	4.00

* The Company carried out a 10-to-1 share consolidation of its common stock effective October 1, 2016. Net year-end dividend per share for the period ended March 2017 (forecast) is shown at an amount which factors in the said consolidation of shares.

Net year-end dividend per share for the period ended March 2017 (forecast) without factoring in the consolidation of shares is 5.50 yen.

(2) Reason for revision of dividend forecast

The Company aims to carry out its business by emphasizing its capital efficiency, with its basic capital policy being strategic investments targeting future growth and new business development for the next generation. The Company also strives to improve its financial structure and balance the returns to shareholders. With regard to return of profits to shareholders, the Company views the continuance of stable dividend to shareholders in consideration of financial condition and business performance as a matter of the highest management priority.

Year-end dividend forecast for the year ended March 2017 is expected to be 55 yen per share which is an increase of 15 yen from the original forecast of 40 yen per share, based on the current period performance, etc. and in order to increase the return of profits to our shareholders.

This decision will be made based on the resolution of the 195th ordinary general meeting of shareholders which is scheduled to be held in June 2017.

(Note)

The above forecasts are based on assumptions in light of the information currently available at the time of announcing this material and are subject to a number of uncertainties that may affect future results.

Please note that actual results could materially differ from the current forecast due to various factors in future.