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For immediate release

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Notice Regarding Riken Electric Wire Company Limited Becoming a Wholly Owned Subsidiary of The Furukawa Electric Co., Ltd. through a Share Exchange

The Furukawa Electric Co., Ltd. (Furukawa) and Riken Electric Wire Company Limited (Riken) are pleased to announce that each of their Boards of Directors at meetings held today has resolved to conduct a share exchange to be effective on April 1, 2008, through which Riken becomes a wholly owned subsidiary of Furukawa (the "Share Exchange"). The two companies have entered into a Share Exchange Agreement.

As of April 1, 2008, the effective date of the Share Exchange, Furukawa will be the sole shareholder of Riken and Riken will be a wholly owned subsidiary and Riken shares are scheduled to be delisted on March 26, 2008 pursuant to the delisting rule (the last trading date is scheduled to be March 25, 2008).

Rule 802 Legend

This exchange offer or business combination is made for the securities of a foreign company. The offer is subject to disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies. It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment. You should be aware that the issuer may purchase securities otherwise than under the exchange offer, such as in open market or privately negotiated purchases.

1. Purpose of making Riken a wholly owned subsidiary through the Share Exchange.

(1) Purpose of the Share Exchange

In March 2006, Furukawa launched "Innovations 09," a new medium-term management plan that adopted a management vision of "With evolution of technology, Toward a more profitable, innovative and dynamic global presence." Under this plan, Furukawa is reorganizing and integrating its subsidiaries, as part of changes to its Group management, to bolster their business position and governance, streamline their operations and reduce their administration costs.

Riken, incorporated in 1934 to operate a business based on the technology of Riken Laboratory, became a member of Furukawa Group in 1949. Riken primarily manufactures magnet wires, solder-plated wires, stainless steel wires, electric wires, cables, electronics components and optical components. It has been steadily developing its business under the Riken brand, based on unique technologies for specialized cables such as fine and super-fine magnet wires and stainless steel wires and precision manufacturing. In today's very competitive global environment, it has become necessary for Riken to develop new markets and diversify its product lineup to maintain and improve its business. To do this, Riken needs to strengthen its cooperation with Furukawa under the Group management strategy, so that it can call on the resources of the Furukawa Group in marketing and technology development.

Through the Share Exchange to make Riken a wholly owned subsidiary, Furukawa will be able to improve its business by defining Riken's position in the Furukawa Group strategy, accessing Riken's technology and cooperating with Riken in marketing.

After discussion, Furukawa and Riken have reached the conclusion that it would be in the best interests of both companies to conduct their businesses jointly to develop the business of each company. Furukawa and Riken will strengthen Riken's business and increase the enterprise value of the Furukawa Group by tapping the business resources that are amalgamated through the Share Exchange.

(2) Schedule for delisting

As of April 1, 2008, the effective date of the Share Exchange, Furukawa will be the sole shareholder of Riken and Riken will be a wholly owned subsidiary. Riken shares are scheduled to be delisted on March 26, 2008 pursuant to the delisting rule (the last trading date is scheduled to be March 25, 2008).

(3) Reasons for delisting

Although the delisting of Riken shares is not the main purpose of the Share Exchange, Riken shares are scheduled to be delisted on March 26, 2008 pursuant to the delisting rule described in the preceding section, as a result of the Share Exchange through which Furukawa becomes the sole shareholder of Riken. Furukawa shares of common stock to be allotted and delivered in exchange for Riken shares in the Share Exchange are listed on the Tokyo, Osaka, and Nagoya stock exchanges and these Furukawa shares in exchange for Riken shares are available for trading on every stock exchange (except for shares of less than one share unit (1,000 shares), please refer to note. 2 under section 2. (2) for information about shares of less than one share unit.)

(4) Measures to achieve a fair share exchange ratio

To ensure that the share exchange ratio is fair, Furukawa and Riken each appointed an independent financial advisor to calculate the share exchange ratio. Furukawa and Riken held repeated discussions and negotiations based on the calculations and agreed on the share exchange ratio at which the Share Exchange is to be conducted.

(5) Measures to prevent conflicts of interest

To avoid conflicts of interest, the two statutory auditors of Riken, namely Kiyoshi Takeuchi, who concurrently serves as a statutory auditor of Furukawa and Mitsuyoshi Shibata who concurrently is an employee of Furukawa, have not taken part in the deliberations about the Share Exchange held at meetings of Riken's Board of Directors. No Riken director is serving as a director of Furukawa or is an employee of Furukawa.

2. Summary of the Share Exchange

(1) Schedule of the Share Exchange

Board of directors meeting for resolution of the Share Exchange	(Furukawa/Riken)	December 13, 2007
Execution of the Share Exchange Agreement	(Furukawa/Riken)	December 13, 2007
Public notice setting the record date of the extraordinary general shareholders meeting	(Riken)	December 14, 2007 (planned)
Record date for the extraordinary general shareholders meeting	(Riken)	December 31, 2007 (planned)
Extraordinary general shareholders' meeting to approve the Share Exchange	(Riken)	February 13, 2008 (planned)
Date of delisting of Riken shares	(Riken)	March 26, 2008 (planned)
Effective date of the Share Exchange		April 1, 2008 (planned)
Delivery Date of Furukawa share certificates		End of May, 2008 (planned)

Note; In accordance with article 796-3 of Company Law in Japan, Furukawa will conduct the Share Exchange without the approval of a general shareholders meeting (simple share exchange procedure).

(2) Terms of the Share Exchange

Company Name	Furukawa (Parent)	Riken (Wholly owned subsidiary)
Share Exchange Ratio	1	0.35
Shares to be issued for the Share Exchange	There will be no new shares to be issued	

Note 1. Share allotment ratio

0.35 shares of Furukawa common stock will be allotted and delivered in exchange for each share of Riken. In the Share Exchange, Furukawa will allot and deliver 2,721,503 shares of its common stock which is currently held as treasury stock; provided, however, that for the 13,774,277 shares of Riken owned by Furukawa, there will be no allotment.

The above number of Furukawa shares to be allotted and delivered in the Share Exchange includes the number of shares corresponding to the Riken shares held as treasury stock by Riken (11,387 shares as of September 30, 2007). These Riken shares held by Riken as treasury stock are planned to be cancelled and the number of Furukawa shares to be allotted and delivered will be reduced by the number of the shares to be cancelled.

Note 2. Shares less than a trading unit

The shareholders, who have acquired Furukawa shares of less than one share trading unit of 1,000 shares through the Share Exchange, is not able to sell such shares of less than one share unit in the stock exchange market. Shareholders who has acquired Furukawa shares of less than one share unit may use the special dealing service for shares less than one share unit (for shareholders to buy or sell lots of less than 1,000 shares). For detail of the services, please contact the administrator of Furukawa shareholders registry (the Stock Transfer Agency Dept. of Mizuho Trust & Banking Co., Ltd.) or the securities company (if your share certificates are deposited in Japan Securities Depository Center, Inc. under the securities depository system).

Note 3. Fractional number less than one (1) share

If the number of Furukawa shares to be allotted to a shareholder of Riken includes a fraction of less than one share, Furukawa will, in lieu of the allocation of the fractional number of shares, deliver the shareholder a cash payment the amount of which is calculated in accordance with article 234 of the Company Law in Japan.

(3) Basis for the Share Exchange ratio

a. Basis for the calculation

To ensure the fairness and reasonableness of the share exchange ratio in the Share Exchange, Furukawa retained Nomura Securities Co., Ltd. (Nomura) and Riken retained Daiwa Institute of Research Ltd. (Daiwa) as their respective independent financial advisors to calculate the share exchange ratio.

Since the common shares of Furukawa are listed on the Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange, and the common shares of Riken are listed on the Tokyo Stock Exchange, Nomura applied the Market Stock Price Method to calculate the value of the shares. Nomura also employed the Comparable Companies Analysis and Discount Cash Flow Method (“DCF Method”) in calculating the value of Riken shares, since it is appropriate, Nomura believed, to analyze Riken shares from various perspectives in addition to the Market Stock Price Method. Based on the calculations, Nomura submitted an analysis of the share exchange ratio to Furukawa. The number of Furukawa shares to be allotted for one common share of Riken based on each valuation method is shown in the table below.

Range of Share Exchange Ratios	
Market Stock Price Method	0.28~0.30
Comparable Companies Analysis	0.28~0.53
DCF Method	0.30~0.38

In the Market Stock Price Method, the range of share exchange ratios was calculated based on the closing price on December 12, 2007, the average closing price for the period from December 6, 2007 to December 12, 2007 and from November 13, 2007 to December 12 2007, and the average closing price for the period after the interim financial results announcements of both companies from November 9, 2007 to December 12, 2007.

As an independent financial advisor, Nomura prepared the above report solely for the purpose of providing the Board of Directors of Furukawa with reference for use in determining the share exchange ratio. Nomura assumes no responsibility for the fairness of the share exchange ratio in Section 1.(4), above.

Since the common shares of Furukawa are listed on the Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange, and the common shares of Riken are listed on the Tokyo Stock Exchange, Daiwa applied the Market Stock Price Method in calculating the value of the shares. Daiwa also employed the Comparable Companies Analysis and DCF Method in calculating the value of Riken shares, since it is appropriate, Daiwa believed, to analyze Riken shares from various perspectives in addition to the Market Stock Price Method. Based on the calculations, Daiwa submitted an analysis of the share exchange ratio to Riken. The number of Furukawa shares to be allotted for a common share of Riken based on each valuation method is shown in the table below.

Range of Share Exchange Ratios	
Market Stock Price Method	0.29~0.30
Comparable Companies Analysis	0.25~0.33
DCF Method	0.31~0.40

Using the Market Stock Price Method, the range of share exchange ratios was calculated based on the average closing price for the period after the interim financial results announcements of both companies from November 9, 2007 to December 12, 2007 and for the one-month and three-month periods up to December 12, 2007.

As an independent financial advisor, Daiwa prepared the above report solely for the purpose of providing the board of Riken with reference for use in determining the share exchange ratio. Daiwa shall assume no responsibility for the fairness of the share exchange ratio set out in Section 1.(4),

above.

The financial forecasts of Riken used in the DCF Method by Nomura and Daiwa anticipates future financial results. Although Riken's operating income for the 2007 fiscal year (ending in March, 2008) is expected to be 300 million yen, which is lower than previously forecast because sales of magnet wires and solder-plated wires were lower than expected and because there was a delay in the start of operations of new equipment for plastic products manufacturing, a recovery of operating income to almost 500 million yen is expected in the next fiscal year ending in March 2009, returning to the level of the 2006 fiscal year.

b. Calculation process

Based on the ranges of share exchange ratios calculated by the independent financial advisors, Furukawa and Riken held repeated discussions and negotiations with each other, considering factors including financial conditions, projections and stock price trends. In reviewing the suggested share exchange ratio, Furukawa and Riken carefully considered the impact on their shares prices of the business environment and the historical performance of the two companies as well as changes in their shares prices during the periods quoted by each independent financial advisor in their calculations (Nomura's calculation is based on the closing price on December 12, 2007, the average closing price for the period from December 6, 2007 to December 12, 2007 and from November 13, 2007 to December 12, 2007, and the average closing price for the period after the interim financial results announcements of both companies from November 9, 2007 to December 12, 2007. Daiwa's calculation is based on the average closing price for the period after the interim financial results announcements of both companies from November 9, 2007 to December 12, 2007 and for the one-month and three-month periods up to December 12, 2007). As a result, Furukawa and Riken determined that the share exchange ratio set out in Section 2.(2) is reasonable and is in the best interests of the shareholders of both companies, and consequently entered into the Share Exchange Agreement on December 13, 2007, following resolutions made at meetings of their respective boards of directors held on the same day.

The share exchange ratio is subject to change by mutual agreement between Furukawa and Riken in the event of any material changes to the conditions on which the calculation is based.

c. Relationship with financial advisors

Neither Nomura nor Daiwa is a related party of Furukawa or Riken.

(4) Handling of Share Warrants and Convertible Bonds with Warrants of the Wholly Owned Subsidiary

Not applicable (Riken has no outstanding share warrants or convertible bonds with warrants.)

3. Summary Information about Furukawa and Riken (as of March 31, 2007)

(1)	Company Name	Furukawa Electric Co., Ltd.	Riken Electric Wire Company Limited
(2)	Description of Business	Telecommunications / Electronics and Automotive Systems / Energy and Industrial Products / Metals / Light Metals	Manufacturing and sales of Magnet wires / Metal wires / Cables / Electronics components / Optical components
(3)	Date of Incorporation	June 25, 1896	May 16, 1934
(4)	Head Office	2-3, Marunouchi 2-chome, Chiyodaku, Tokyo, Japan	12-22, Tsukiji 1-Chome, Chuoku, Tokyo, Japan
(5)	Representative	President, CEO & COO Hiroshi Ishihara	President & CEO Shiro Hashimoto
(6)	Capital	¥69,358 million	¥1,870 million
(7)	Shares Issued	706,183,179 shares	21,550,000 shares
(8)	Net Assets	¥316,302 million (consolidated)	¥3,976 million (consolidated)
(9)	Total Assets	¥1,096,708 million (consolidated)	¥12,605million (consolidated)
(10)	Fiscal Year-End	March 31	March 31
(11)	Employees	34,955(Consolidated)	414(Consolidated)
(12)	Major Clients	Electric Power Companies / Nippon Telegraph and Telephone Corporation / Toyota Motor Corporation / Denso Corporation / Honda Motor Co, Ltd. / Matsushita Electric Industrial Co., Ltd / governmental entities and municipalities.	Furukawa Electric Co., Ltd. / Matsushita Electric Works, Ltd. / TDK Corporation / Omron Corporation
(13)	Major Shareholders and their Percentage Shareholdings	The Master Trust Bank of Japan, Ltd (Trust account) 4.88% / Japan Trustee Services Bank Ltd. (Trust account 4) 3.68% / Japan Trustee Services Bank,	Furukawa 63.92% Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Riken account) 2.16% / Japan Securities Finance Co., Ltd.

		Ltd. (Trust Account) 3.50% / Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank account) 3.25% / Asahi Mutual Life Insurance Co. 2.27%	0.98%
(14)	Main Financing Bank	Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mizuho Bank, Ltd. The Chiba Bank, Ltd. The Daishi Bank, Ltd
(15)	Relationship between Furukawa and Riken	Capital	As of March 31, 2007, Furukawa owns 63.92% of the issued shares of Riken.
		Personnel	One Furukawa statutory auditor also serves as a statutory auditor of Riken and one Furukawa employee serves as a statutory auditor of Riken.
		Business	Riken purchases raw materials including copper wire from Furukawa, and manufactures Furukawa brand products to supply to Furukawa.
		Status	Riken is a consolidated subsidiary of Furukawa in its financial statements.

(16) Consolidated Financial Results of the past 3 fiscal years

(in millions of yen, except per share data)

Year Ended March 31	Furukawa (Parent)			Riken (Wholly Owned Subsidiary)		
	2005	2006	2007	2005	2006	2007
Net Sales	775,894	872,535	1,104,709	14,447	14,964	19,230
Operating Income	23,736	37,430	53,632	625	340	504

Ordinary Income	16,174	46,966	49,589	554	479	569
Net Income	15,805	25,508	29,765	223	174	330
Net Income Per Share (yen)	24.11	36.94	42.16	10.36	8.10	15.33
Dividends Per Share (yen)	—	3.00	6.50	3.00	3.00	3.00
Net Assets Per Share (yen)	268.24	316.24	349.89	162.66	171.85	183.08

4. Furukawa's Status after the Share Exchange

(1) Company Name	Furukawa Electric Co., Ltd.
(2) Description of Business	Telecommunications/Electronics and Automotive Systems/ Energy and Industrial Products/Metals/Light Metals
(3) Head Office	Marunouchi Nakadori Bldg., 2-3, Marunouchi 2-chome, Chiyodaku, Tokyo 100-8322, Japan
(4) Representative	President, CEO & COO Hiroshi Ishihara
(5) Capital	¥69,372 million (as of December 13, 2007. No increase or decrease of capita is anticipated through the Share Exchange.)
(6) Total Assets	Not determined at this point
(7) Net Assets	Not determined at this point
(8) Fiscal Year-End	March 31

(9) Overview of Accounting Procedures

For Furukawa, the transaction in the Share Exchange is expected to be recorded as a transaction with minority shareholders involving an entity under common control. A small amount of Goodwill is expected to be generated from the Share Exchange.

In addition, Furukawa is expected to record a loss on the disposal of treasury stock of approximately 200 million yen, in connection with the delivery of shares of treasury stock in the Share Exchange.

(10) Impact on Financial Results

As Riken is already a consolidated subsidiary of Furukawa, the impact of the Share Exchange on

Furukawa's future financial results is expected to be minimal on both a consolidated and non-consolidated basis. As Riken will operate its current business almost without change, no significant impact from the Share Exchange is anticipated on Riken's future financial results on either a consolidated or non-consolidated basis.

5. Amendments to the Riken's Articles of Incorporation

Through the Share Exchange, Furukawa becomes the sole shareholder of Riken and there will be no need for the provision on the record date for the general shareholders meeting in Riken's Articles of Incorporation. Accordingly, a meeting of Riken's Board of Directors has resolved to propose at the extraordinary general shareholders meeting scheduled to be held on February 13, 2008 a partial amendment to the Riken's Articles of Incorporation to delete the provision on the record date for a general shareholders meeting, subject to the approval of the Share Exchange. For details of this amendment, please read Riken's announcement "Notice of Partial Amendment to the Articles of Incorporation" released today.

In consideration of the interests of Riken's shareholders, a meeting of Furukawa's Board of Directors meeting has also resolved to provide those shareholders who have acquired Furukawa shares through the Share Exchange, after the record date for the above extraordinary general shareholders meeting, with voting rights at the first ordinary shareholders meeting after the Share Exchange, which is scheduled to be held in June 2008, in accordance with Article 124-4 of the Company Law of Japan, subject to the Share Exchange transaction becoming effective.

6. Dividends from surplus of Riken

A meeting of Riken's Board of Directors has resolved to propose, along with the agenda for the approval of the Share Exchange at the extraordinary general shareholders meeting scheduled to be held on February 13, 2008, a year-end dividend of three yen per share to be effective on June 25, 2008. The dividend is to be distributed to the shareholders or registered pledgees of shares entered or recorded in the shareholders registry or beneficial shareholders registry as of March 31, 2008, subject to the applicable laws and rules, including Article 461 of the Company Law of Japan providing for the distributable amount on the effective date of distribution, and subject to the Share Exchange becoming effective. For details of this dividend, please read Riken's announcement "Notice of Dividends from Surplus" released today.