

June 6, 2007

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Closing of sale of OCP shares owned by Furukawa

The Furukawa Electric Co., Ltd. ("Furukawa") hereby announces that it closed the sale of shares of its subsidiary Optical Communication Products, Inc. ("OCP"), a manufacturer of fiber-optic communication components in the United States, listed on NASDAQ (Code: OCPI) to Oplink Communications, Inc. ("Oplink"), a US leading provider of networking components listed on NASDAQ (Code: OPLK), on June 6, 2007 (Japan time).

1. Background of the sale

Furukawa announced the sale of shares of its subsidiary OCP to Oplink, among others, on April 23 and May 28, 2007 (Japan time).

While OCP's rights plan adopted by the Special Committee of OCP, was the only obstacle to the consummation of the sale of OCP shares by Furukawa to Oplink, therefore on May 26, 2007 (Japan time), Furukawa actually made a written resolution to amend OCP's by-laws and filed a suit in order to amend the rights plan so as not to be triggered by the stock purchase agreement as of April 23, 2007, Furukawa was informed that the Special Committee decided not to extend the rights plan past June 2, 2007.

Therefore, Furukawa closed the sale of its OCP shares to Oplink on June 6, 2007 (Japan time), in accordance with the stock purchase agreement.

Furukawa has revoked the above-mentioned written resolution as of the time immediately prior to the closing. Furthermore, Furukawa is planning to withdraw from its pending lawsuit shortly.

2. Prospects

This transaction will positively impact Furukawa ' s consolidated net income by approximately JPY 1 billion in the fiscal year ending March 31, 2008, as announced on April 23, 2007. This impact has been already reflected upon Furukawa ' s financial forecast announced on May 11, 2007.