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FOR IMMEDIATE RELEASE

Company	Furukawa Electric Co., Ltd.
Representative	Mitsuyoshi Shibata, President
Code	5801 (TSE First Section)
Contact	Mami Masuda, Head of Investor and Public Relations Department
Telephone	(TEL 03-3286-3050)

### **Notice of Partial Amendment to Articles of Incorporation**

Furukawa Electric (“the Company”) hereby announces that, at a meeting of its Board of Directors held today, the Company resolved to submit a proposal on amendments to the Articles of Incorporation to the 194th Annual General Meeting of Shareholders (hereinafter referred to as the “General Meeting”) scheduled for June 27, 2016. The details are as follows.

#### Details

##### 1. Reasons for the amendments

In the Company’s Articles of Incorporation, amendments will be made to the following items for the respective reasons below.

(1) Article 6 “Total Number of Authorized Shares” and Article 8 “Share-Trading Unit”

For the purpose of changing its unit of common shares traded at the Tokyo Stock Exchange in accordance with the said exchange’s rule to the effect that a trading unit shall be the share unit specified by each domestic company listed, the Company will amend Article 8 of its Articles of Incorporation so as to change its share-trading unit from 1,000 to 100 shares. The Company will also change its Total Number of Authorized Shares provided for in Article 6 to 250 million shares. The effect of these changes is subject to approval to “the matter relating to consolidation of shares” to be deliberated separately at the General Meeting (for details, please refer to “the Notice Concerning Change of Share-Trading Unit and Consolidation of Shares” disclosed separately today). Additionally, a supplementary provision will be provided to the effect that these changes will become effective on the same date as the consolidation of shares becomes effective.”

(2) Chapter 3 “Preferred Shares” and Chapter 4 “Subordinated Shares”

The Company currently issues neither Preferred Shares nor Subordinated Shares, and has no plans to issue any as of this moment. Therefore, the Company will delete the provision concerning the Total Number of Authorized Preferred Shares and Subordinated Shares stipulated in Article 6 of the current Articles of Incorporation. In line with this, the Company will delete Article 8 of the current Articles of Incorporation, which stipulate provisions concerning the Share-Trading Units of the Preferred Shares and Subordinated Shares, Chapter 3 and Chapter 4 (Articles 11 to 28), which stipulate the details of the Preferred Shares and Subordinated Shares, and Article 38, which stipulates class meetings.

(3) Article 37 Takeover Defense Measures

The Company’s current “Measures against Large-scale Acquisition of the Company’s

Shares” (“Takeover Defense Measures”) will expire at the conclusion of this General Meeting of Shareholders. Through its continued discussions on how corporate governance should be, aiming for the Company’s sustainable growth and an increase in its mid- and long-term corporate value, the Company determined that the significance of the Takeover Defense Measures had declined at this point. The Board of Directors resolved at today’s meeting that the Takeover Defense Measures should be abolished instead of being renewed, and Article 37 of the current Articles of Incorporation will be deleted (for details, please refer to “the Notice of Non-Renewal (Discontinuation) of Countermeasures (Takeover Defense Measures) Against Large-Scale Purchases of the Company’s Shares” as separately disclosed today”).

(4) Article 43 Representative Director

Regarding selection of President, in order to grant the Board of Directors a wide range of discretion and secure mobility to establish the optimal management system and allow the selection of a President who is not a director, Paragraph 2, Article 43 of the current Articles of Incorporation will be deleted. In line with this, a change will be made so that the Convener of General Meetings of Shareholders provided for in Article 32 and the Chairperson of the General Meeting of Shareholders previously determined in the current Article 33 shall be a Director previously determined by the Board of Directors, and the Convener of the Board of Directors provided for in the current Article 44 shall be a Director determined through mutual election by the Directors. As the amended Article 32 provides for the Chairperson of the General Meeting of Shareholders and the Convener of the General Meetings of Shareholders, the current Article 33 of the Articles of Incorporation will be deleted.

(5) In addition, of the current Articles of Incorporation, a missing number, Article 30, will be deleted. The format will also be organized by renumbering Chapters and Articles in accordance with the change in the preceding items (1) to (4).

2. Details of the amendments

Details of the amendments are as follows.

(Changes are underlined.)

Current Articles of Incorporation	Change Proposal
<p>Chapter 1. General Provisions (Provisions of these articles are omitted)</p> <p>Chapter 2. Shares (Total Number of Authorized Shares)</p> <p>Article 6. The Company’s Total Number of Authorized Shares shall be <u>2,596 million shares, comprising 2,500 million Common Shares, 50 million Preferred Shares, and 46 million Subordinated Shares.</u></p> <p>Article 7 (Provisions of these articles are omitted) (Share-Trading Unit)</p> <p>Article 8 <u>The Share-Trading Unit of the Company’s Common Shares, Preferred Shares, and Subordinated Shares shall be 1,000 shares.</u></p> <p>Article 9 - Article 10 (Provisions of these articles are</p>	<p>Chapter 1. General Provisions (Unchanged from the current version)</p> <p>Chapter 2. Shares (Total Number of Authorized Shares)</p> <p>Article 6. The Company’s Total Number of Authorized Shares shall be <u>25 million shares.</u></p> <p>Article 7 (Unchanged from the current version) (Share-Trading Unit)</p> <p>Article 8 <u>The Company’s Share-Trading Unit shall be 100 shares.</u></p> <p>Article 9 - Article 10 (Unchanged from the current version)</p>

omitted)

Chapter 3. Preferred Shares

(Preferred Dividends)

Article 11 Pursuant to Article 56, when paying dividends of retained earnings, the Company shall pay dividends in the amount of up to JPY 100 per share as dividends of retained earnings as determined by the resolution of the Board of Directors in issuing the relevant Preferred Shares (“Preferred Dividends”), to the holders of Preferred Shares (the “Preferred Shareholders”) or the Registered Share Pledges of Preferred Shares (the “Registered Preferred Share Pledges”), before the holders of Common Shares (the “Common Shareholders”) or the Registered Share Pledges of Preferred Shares (the “Registered Share Pledges of Common Shares”), and the holders of Subordinated Shares (the “Subordinated Shareholders”) or the registered share pledges of Subordinated Shares (the “Registered Share Pledges of the Subordinated Shares”).

2. In the case there is any deficit in dividends of retained earnings to the Preferred Shareholders or the Registered Share Pledges of Preferred Shares in any fiscal year as Preferred Dividends, the deficit shall not be accumulated in the following fiscal years.

3. The amount of dividends paid to Preferred Shareholders or the Registered Share Pledges of the Preferred Share shall not exceed that of Preferred Dividends.

(Preferred Interim Dividend)

Article 12 The Company may pay interim dividends provided for in Article 57, up to a half of the amount determined in Article 11, to Preferred Shareholders or the Registered Share Pledges of the Preferred Shares before Common

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<p><u>Shareholders or the Registered Share Pledges of the Common Shares.</u></p>	
<p><u>(Limitation for Claiming Payment of Preferred Dividends)</u></p>	
<p><u>Article 13 The provision of Article 58 shall apply to payment of Preferred Dividends.</u></p>	<p>(Deleted)</p>
<p><u>(Distribution of Residual Assets to Preferred Shareholders)</u></p>	
<p><u>Article 14 In case the Company's Residual Assets are distributed, the Company shall pay a Preferred Share issue price equivalent per Preferred Share to Preferred Shareholders or the Registered Share Pledges of the Preferred Shares, before Common Shareholders or the Registered Share Pledges of the Common Shares and Subordinated Shareholders or the Registered Share Pledges of the Subordinated Shares.</u></p> <p><u>2. In addition to the preceding paragraph, Residual Assets shall not be distributed to Preferred Shareholders or the Registered Share Pledges of Preferred Shares.</u></p>	<p>(Deleted)</p>
<p><u>(Retirement of Preferred Shares)</u></p>	
<p><u>Article 15 The Company may, at any time, purchase the Preferred Shares and retire them at the purchase price by appropriating retained earnings distributable to shareholders.</u></p>	<p>(Deleted)</p>
<p><u>(Acquisition of Preferred Shares)</u></p>	
<p><u>Article 16 Unless otherwise provided by laws and regulations, the Company may acquire the residual Preferred Shares in whole or in part, at any time after the issuance of Preferred Shares, at such time, price and other terms as determined by the resolution of the Board of Directors regarding the issuance. In the event of partial acquisition, a lottery or other reasonable method shall be adopted.</u></p>	<p>(Deleted)</p>
<p><u>(Voting Rights of Preferred Shareholders)</u></p>	

Article 17 Preferred Shareholders do not hold voting rights at the General Meeting of Shareholders.

(Deleted)

(Acquisition Claim for Preferred Shares)

Article 18 Preferred Shareholders may claim that the Company grant Common Shares under the terms determined by the resolution of the Board of Directors regarding the issuance of Preferred Shares, in exchange for Preferred Shares held by Preferred Shareholders during the period in which Preferred Shareholders may claim that the Company acquire the relevant Preferred Shares (referred to as “Acquisition Claim Period” in this Chapter) as determined by the said resolution.

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(Simultaneous Purchase of Preferred Shares)

Article 19 If acquisition was not claimed for any Preferred Shares during the Acquisition Claim Period in the preceding paragraph, the Company shall acquire them on the day following the last day of the said period (referred to as “Simultaneous Acquisition Base Date” in this Chapter), and shall grant such number of Common Shares that are determined by dividing a Preferred Share issue price equivalent, by the average of closing prices (including indicative prices) of the Company’s Common Shares for 30 regular transaction days (excluding the days with no closing price) starting from the 45th day before the Simultaneous Acquisition Base Date at Tokyo Stock Exchange, Inc. In this event, for the purposes of calculating the average, calculation shall be made to the first decimal place, and the first decimal place shall be rounded off.

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2. In the preceding paragraph, if the relevant average exceeds the maximum price determined by the resolution of the Board of

Directors regarding the issuance of Preferred Shares, the Company shall grant such number of Common Shares as is determined by dividing a Preferred Share issue price equivalent by the relevant maximum price, and if it is below the minimum price determined by the relevant resolution of the Board of Directors, the Company shall grant such number of Common Shares that is determined by dividing a Preferred Share issue price equivalent by the relevant minimum price determined by the relevant resolution of the Board of Directors.

2. If there is any fractional share that is less than one share in calculating the number of Common Shares in the preceding two paragraphs, it shall be handled in accordance with the provisions of Article 235 of the Company Law of Japan.

Chapter 4. Subordinated Shares

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(Subordinated Dividends)

Article 20 If the Company pays JPY 10 or less per share as an annual dividend of retained earnings to Common Shareholders or the Registered Share Pledges of the Common Shares, in accordance with Article 56, no dividends of retained earnings shall be paid to Subordinated Shareholders or the Registered Share Pledgees of the Subordinated Shares.

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2. If the Company pays over JPY 10 per share as an annual dividend of retained earnings to Common Shareholders or the Registered Share Pledgees of the Common Shares, in accordance with Article 56, up to 200 yen per share shall be paid to Subordinated Shareholders or the Registered Share Pledgees of the Subordinated Shares as a dividend of retained earnings (“Subordinated Dividend”) as determined by the resolution of the

<p><u>Board of Directors regarding the issuance of Subordinated Shares</u> (Subordinated Interim Dividends)</p>	
<p><u>Article 21 The Company shall not pay Subordinated Shareholders or the Registered Share Pledges of the Subordinated Shares the interim dividends set forth in Article 57.</u></p>	(Deleted)
<p><u>(Limitation for Claiming Payment of Subordinated Dividends)</u></p>	
<p><u>Article 22 The provision of Article 58 shall apply to payment of Subordinated Dividends.</u></p>	(Deleted)
<p><u>(Distribution of Residual Assets to Subordinated Shareholders)</u></p>	
<p><u>Article 23 In case the Company's Residual Assets is distributed, the Company shall pay a Subordinated Share issue price equivalent per Common Share to Common Shareholders or the Registered Share Pledges of the Common Shares, before Subordinated Shareholders or the Registered Share Pledges of the Subordinated Shares. If there are still any Residual Assets after distributing Residual Assets to Common Shareholders or the Registered Share Pledges of the Common Shares, a Subordinated Share issue price equivalent per Subordinated Share shall be paid to Subordinated Shareholders or the Registered Share Pledges of the Subordinated Shares, and if any Residual Assets remain, the entire amount shall be paid to Shareholders or the Registered Share Pledges of the Common Shares.</u></p>	(Deleted)
<p><u>(Retirement of Subordinated Shares)</u></p>	
<p><u>Article 24 The Company may, at any time, purchase the Subordinated Shares and retire them at the purchase price by appropriating retained earnings distributable to shareholders.</u></p>	(Deleted)
<p><u>(Acquisition of Subordinated Shares)</u></p>	
<p><u>Article 25 Unless otherwise provided by laws and regulations, the Company</u></p>	(Deleted)

may acquire the residual Subordinated Shares in whole or in part, at any time after the issuance of Subordinated Shares, at the time, price, and other terms of the issuance as determined by the resolution of the Board of Directors regarding the issuance. In the event of partial acquisition, a lottery or other reasonable method shall be adopted.

(Voting Rights of Subordinated Shareholders)

Article 26 Subordinated Shareholders do not hold voting rights at the General Meeting of Shareholders.

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(Acquisition Claim for Subordinated Shares)

Article 27 Subordinated Shareholders may claim that the Company grant Common Shares under the terms determined by the resolution of the Board of Directors regarding the issuance of Common Shares, in exchange for Subordinated Shares held by them during the period in which Subordinated Shareholders may claim that the Company acquire the relevant Subordinated Shares (referred to as “Acquisition Claim Period” in this Chapter) as determined by the said resolution.

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(Simultaneous Acquisition of Subordinated Shares)

Article 28 If acquisition was not requested for any Subordinated Shares during the Acquisition Claim Period in the preceding paragraph, the Company shall acquire the Subordinated Shares on the day following the last day of the said period (referred to as “Simultaneous Acquisition Base Date” in this Chapter), and shall grant such number of Common Shares that is determined by dividing a Subordinated Share issue price equivalent, by the average of closing prices (including indicative prices) of the Company’s Common Shares for 30

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regular transaction days (excluding the days with no closing price) starting from the 45th day before the Simultaneous Acquisition Base Date at Tokyo Stock Exchange, Inc. In this event, for the purposes of calculating the average, calculation shall be made to the first decimal place, and the first decimal place shall be rounded off.

2. In the preceding paragraph, if the relevant average exceeds the maximum price determined by the resolution of the Board of Directors in regarding the issuance of Subordinated Shares, the Company shall grant such number of Common Shares as is determined by dividing a Subordinated Share issue price equivalent by the relevant maximum price, and if it is below the minimum price determined by the relevant the resolution of the Board of Directors, the Company shall grant such number of Common Shares that is determined by dividing a Subordinated Share issue price equivalent by the relevant minimum price determined by the relevant the resolution of the Board of Directors.

3. If there is any fractional share that is less than one share in calculating the number of Common Shares in the preceding two paragraphs, it shall be handled in accordance with the Consolidation of Shares provision prescribed in Article 235 of the Company Law of Japan.

Chapter 5. General Meeting of Shareholders

(Convocation)

Article 29 (Provisions of these articles are omitted)

(Venue)

Article 30 (Deleted)

Chapter 3. General Meeting of Shareholders

(Convocation)

Article 11 (Unchanged from the current version)

(Deleted)

Article 31 (Provisions of these articles are omitted)

(Convener)

Article 32 Unless otherwise provided by laws and regulations, the President and Director shall convene the General Meetings of Shareholders as determined by the resolution of the Board of Directors.

2. In cases where the President and Director is unable to be the convener, another Director shall perform these duties as a substitute, and such Director shall be selected in accordance with an order previously determined by the resolution of the Board of Directors.

(Chairperson)

Article 33 The General Meetings of Shareholders shall be chaired by the President and Director.

2. In cases where the President and Director is unable to be the convener, another Director shall perform these duties as a substitute, and such Director shall be selected in accordance with an order previously determined by the resolution of the Board of Directors.

Article 34 - Article 36

(Provisions of these articles are omitted)

(Implementation, etc. of Takeover Defense Measures)

Article 37 The General Meetings of Shareholders may resolve implementation, change, or abolishment of defense measures against Large-scale Purchase of Shares (“Takeover Defense Measures”).

2. Takeover Defense Measures set forth in the preceding paragraph mean the standards, etc. previously determined, in an effort to prevent a person who is deemed to be inappropriate in light of the basic policy regarding a person who

Article 12 (Unchanged from the current version)

(Convener and Chairperson)

Article 13 Unless otherwise provided by laws and regulations, the Director previously determined by the Board of Directors shall be the one that convenes a General Meeting of Shareholders and be the Chairperson.

2. In cases where the Director in the preceding paragraph is unable to be the convener, another Director shall perform these duties as a substitute in accordance with an order previously determined by the Board of Directors.

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Article 14 - Article 16

(Unchanged from the current version)

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controls the Company's financial and business policy decisions from doing so.

(Class General Meeting of Shareholders)

Article 38 The provisions of Articles 32 to 34 and Article 36 shall apply to the class general meetings of shareholders.

2. The provision of Article 31 shall apply to the Class General Meetings of Shareholders held on the day of the Ordinary General Meetings of Shareholders.

Chapter 6. Directors and the Board of Directors

Article 39 - Article 42

(Provisions of these articles are omitted)

(Representative Director)

Article 43 The Board of Directors may, by its resolution, select Directors to represent the Board of Directors, one of whom shall be President.

2. The Board of Directors may select one President, and one Chairperson from among the Directors.

(Convener and Chairperson of the Board of Directors)

Article 44 Unless otherwise provided by laws and regulations, the President shall convene a meeting of the Board of Directors. However, if there is a chairperson of the Board of Directors, the Chairperson of the Board of Directors shall convene and chair the meeting of the Board of Directors.

2. In cases where neither the Chairperson of the Board of Directors nor the President and Director is able to be the convener, another Director shall perform these duties as a substitute, and such Director shall be selected in accordance with an order previously determined by the resolution of the Board of Directors.

3. The Chairperson of the Board of Directors shall be decided by a

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Chapter 4. Directors and the Board of Directors

Article 17 - Article 20

(Unchanged from the current version)

(Representative Director)

Article 21 The Board of Directors shall, by its resolution, select a Director to represent the Company.

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(Convener and Chairperson of the Board of Directors)

Article 22 Unless otherwise provided by laws and regulations, a Director decided by a mutual election by Directors shall convene and chair the meetings of the Board of Directors.

2. In cases where the Director in the preceding paragraph is unable to be the convener, another Director shall perform these duties as a substitute, and such Director shall be selected in accordance with an order previously determined by a resolution of the Board of Directors.

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<p style="text-align: center;"><u>mutual election by Directors.</u></p> <p>Article <u>45</u> - Article <u>47</u> (Provisions of these articles are omitted)</p> <p>Chapter <u>7</u>. Corporate Auditors and Board of Corporate Auditors</p> <p>Article <u>48</u> - Article <u>54</u> (Provisions of these articles are omitted)</p> <p style="text-align: center;">Chapter <u>8</u>. Calculation</p> <p>Article <u>55</u> - Article <u>58</u> (Provisions of these articles are omitted)</p> <p style="text-align: center;">(Newly established)</p>	<p>Article <u>23</u> - Article <u>25</u> (Unchanged from the current version)</p> <p>Chapter <u>5</u>. Corporate Auditors and Board of Corporate Auditors</p> <p>Article <u>26</u> - Article <u>32</u> (Unchanged from the current version)</p> <p style="text-align: center;">Chapter <u>6</u>. Calculation</p> <p>Article <u>33</u> - Article <u>36</u> (Unchanged from the current version)</p> <p><u>Supplementary Provisions Until the Share Consolidation relating to Proposal 2 in the Company's 194th Ordinary General Meeting of Shareholders becomes effective on October 1, 2016, the Company's Total Number of Authorized Shares prescribed in Article 6 shall be "2.5 billion shares," and the Company's Share-Trading Unit prescribed in Article 8 shall be "1,000 shares." This supplementary provision shall be deleted on October 1, 2016, when the consolidation of the relevant shares becomes effective.</u></p>
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Note: Share consolidation will be submitted as proposal 2 at the General Meeting.

### 3. Schedule

Date of the General Meeting of Shareholders for the Articles of Incorporation: June 27, 2016 (Monday)

Effective date for the changes to the Articles of Incorporation: June 27, 2016 (Monday)

\*The Company's Total Number of Authorized Shares and Share-Trading Unit prescribed in Article 6 and 8, respectively, of the Articles of Incorporation shall become effective as amended on October 1 (Mon.), 2016.