

November 1, 2018

Name of Company Furukawa Electric Co., Ltd.

Name of Representative Keiichi Kobayashi, President

(Code: 5801 First Section of the Tokyo Stock Exchange)

Contact Mami Masuda,

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## Notification of Subscription to the Tender Offer for FCM CO., LTD.

At the Board of Directors Meeting held today, it was decided to conclude a tender offer agreement (hereinafter "Tender Offer Agreement") with Aspirant Group SPC No. 5 Inc. (hereinafter "Aspirant Group SPC No. 5"), which is fully owned by the AG No. 2 Investment Business Limited Partnership operated by Aspirant Group Inc. (hereinafter "Aspirant Goup"). Under the agreement, Furukawa Electric will subscribe all of the common shares of the consolidated subsidiary FCM CO., LTD. (hereinafter "FCM") owned by the company to the tender offer for the common shares of FCM that is planned to be conducted from November 2, 2018 by Aspirant Group SPC No. 5 (hereinafter "Tender Offer").

### 1. Reason for subscribing to the Tender Offer

FCM is a consolidated subsidiary of Furukawa Electric that operates a functional electronics materials business that is mainly involved in metal plating and chemical processing of materials and components used in electrical devices and electrical components and a functional electronics wire business that is mainly involved in wire drawing, including conductors for power cable. Through its stable earnings structure, FCM has contributed to the growth of the Furukawa Electric Group.

In the Medium-term Management Plan "Furukawa G Plan 2020" formulated in 2016, infrastructure (communications and energy), automotive and the overlapping areas between these domains have been designated priority domains, and along with working to strengthen the focal businesses and products, efforts are being made to revise the business portfolio. As a result of comprehensively considering the business synergies between the focal businesses and products of Furukawa Electric and FCM, further increasing the competitive strength of FCM and improving the corporate value, it was decided that FCM will be able to realize continued growth and a further increase of its corporate value through the use of the management resources, knowledge and network of the Aspirant Group. Given this, Furukawa Electric decided to subscribe to the Tender Offer. Note that even after the successful completion of the Tender Offer, the transactional relationship with FCM will continue unchanged.

#### 2. Outline of FCM

(1)	Name	FCM CO., LTD.	
(2)	Address	8-36, Kamiji 3-chome, Higashinari-ku, Osaka city	
(3)	Name and title of	Shinji Kawamori, President	
	representative		
(4)	Business Outline	FCM is operating a functional electronics materials business that is mainly	
		involved in metal plating and chemical processing of materials and	
		components used in electrical devices and electrical components and a	
		functional electronics wire business that is mainly involved in wire drawing,	
		including conductors for power cable.	

(5)	Capital Stock	687,749 thousand yen (As of March 31, 2018)				
(6)	Establishment	June, 1949				
(7)	Major shareholders and shareholding ratio (as of March 31, 2018)	Furukawa Electric Co., Ltd.			55.2%	
		Naoto Ohara			2.4%	
		Noboru Ohara			1.4%	
		Tetsuaki Ohara			1.3%	
		FCM Employee Stock Ownership Associations			1.3%	
		Shinji Kawamori			1.2%	
		Masashi Yamaguchi			0.6%	
		YASAKA ELECTRIC WIRE CO., LTD.				0.6%
		Takeshi Yoshimura				0.6%
		Kenji Shirasaki	Kenji Shirasaki			0.4%
	Relationship between	Capital	As of March 31, 2018, Furukawa Electric holds 55.2% of			
		Capital	the voting rights of FCM.			
		Personnel	One employee of Furukawa Electric also serves as a			
(8)	Furukawa Electric and		Director at FCM.			
	FCM	Business	FCM and Furukawa Electric have a transactional			
			relationship that includes the purchase of raw materials			
		· · · · · · · · · · · · · · · · · · ·		oducts and the sale of products.		
(9)	Operating Performance	and Financial Cor	ndition in	the Last Three Fiscal Yea	ars	
Fiscal Y	ear	FY2015		FY2016		FY2017
	Net Assets	4,039 mill	ion yen	4,079 million yen	4	,485 million yen
	Total Assets	9,667 million yen		10,811 million yen	12	,476 million yen
	Net Assets per Share	2,371.26 yen 20,597 million yen 678 million yen 685 million yen 447 million yen		2,394.70 yen		2,632.72 yen
	Net Sales			18,898 million yen	23	,506 million yen
	Operating Income			286 million yen		655 million yen
	Ordinary income			279 million yen		650 million yen
	Net Income			178 million yen		453 million yen
	Net Income per Share 262.48 yer  Dividend per Share 79.00 yer		.48 yen	104.50 yen		266.05 yen
			.00 yen	32.00 yen		80.00 yen

# 3. Overview of the party acquiring the shares

(1)	Name	Aspirant Group SPC No. 5 Inc.				
(2)	Address	2-23-1, Akasaka, Minato-ku, Tokyo				
(3)	Name and Title of	Akitoshi Nakamura, CEO				
(3)	Representative	ANIOSIII NANAITIUIA, CEO				
(4)	Business Outline	Control the business activities of FCM through the possession of shares of				
(4)		FCM				
(5)	Capital Stock	1,000 yen				
(6)	Establishment	October 9, 2018				
(7)	Major Shareholders	AG No. 2 Investment Business Limited Partnership 100.09				
(7)	and Shareholding ratio					
	Rerationship between	Capital	None			
(8)	Furukawa Electric and	Personnel	None			
	Aspirant Group SPC	Dusiness	None			
	No. 5	Business				

## 4. Number of shares subscribed to the Tender Offer

(1)	Number of shares	940,567 shares
	prior to the	(number of voting rights : 9,405)
	subscription	(Ratio to the number of shares issued : 55.2%)
(2)	Number of shares	940,567 shares
	planned to be	(number of voting rights : 9,405)
	subscribed	(Ratio to the number of shares issued : 55.2%)
		(Purchase Price: 2,869 million yen (3,050 yen per share))
(3)	Number of shares	0 shares
	after execution of the	(nuber of voting rights : 0 shares)
	Tender Offer	(Ratio to the number of voting rights : 0.0%)

### 5. Schedule

(1)	Conclusion of the Tender Offer Agreement	November 1, 2018
(2)	Purchase period	November 2, 2018 to November 30, 2018
(3)	Announcement of the result of the Tender Offer	December 3, 2018
(4)	Start date of the settlement	December 7, 2018

## 6. Future Outlook

In accordance with the Tender Offer Agreement, Furukawa Electric will subscribe to the Tender Offer, and in the event the Tender Offer is successful, FCM will no longer be a consolidated subsidiary of Furukawa Electric.

Also, the impact on the consolidated results for the fiscal year ending March 2019 is expected to be minimal, but in the event there will be any major impact, a notice will be quickly issued.

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