



September 27, 2019

Company Name	Furukawa Electric Co., Ltd.
Name of Representative	President Keiichi Kobayashi (Code: 5801 TSE First Section)
Contact	General Manager of Investor & Public Relations Dept. Mami Masuda (TEL. 03-3286-3050)

Notice Concerning Company Split (Absorption-Type Split) Accompanying the Transfer of the Company Business, as well as the Transfer of Shares of Succeeding Company in Absorption-type Split and Stock of a Subsidiary

Furukawa Electric Co., Ltd. (hereinafter the “Company”) decided at the Board of Directors meeting held today to transfer the business related to the development, manufacture and sales of copper tubes, copper tube components and copper plates (hereinafter the “Business”) conducted by the Company, the wholly-owned subsidiary Okumura Metals Co., Ltd. (hereinafter “Okumura Metals”) and the consolidated subsidiary Furukawa Metal (Thailand) Public Co., Ltd. (hereinafter “FMT”) to CTJ Holdings 2 LLC (hereinafter “CTJ”) which is SPC and indirectly capitalized by Japan Industry No. 5 Investment Limited Partnership managed by Japan Industrial Partners, Inc. In relation to this, it has been resolved to succeed the Business conducted by the Company and all of the outstanding shares issued by Okumura Metals through an absorption-type company split (hereinafter “Company Split”) to a wholly-owned subsidiary planned to be newly established by the Company (hereinafter “New Company”), and to transfer all of the outstanding shares issued by the New Company and the Company’s equity share in FMT to CTJ (hereinafter “Stock Transfer” and “Transaction” in cases including the Company Split). Today, a stock transfer agreement has been concluded with CTJ, and the details are indicated below. Note that obtaining clearance from the Japan Fair Trade Commission is a prerequisite for carrying out the Transaction.

Note that because the Company Split is an absorption-type company split between the Company and a wholly-owned subsidiary, some of the disclosure items and details have been omitted.

1. Overview of the Transaction

(1) Objective of the Transaction

In its mid-term management plan “Furukawa G Plan 2020” formulated in 2016, the Company have worked to strengthen our focus on these businesses and products. In addition, it has been reviewing our overall business portfolio. As a result of the comprehensive consideration of business synergies amongst the Company's focus businesses / products and the Business, and the further enhancement of the competitiveness of the Business, it was determined that transfer to CTJ, which is aiming to achieve business growth and integration with other copper tube companies, will contribute to the sustainable growth of the Business. Thus, it was decided to conduct the Transaction with CTJ.

The Company will focus on strengthening our business and product in the infrastructure (communications solutions, energy) / automotive fields and these fusion domain.

(2) Schedule of the Transaction

Approval for the Transaction by the Board of Directors	September 27, 2019
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Conclusion of a stock transfer agreement	September 27, 2019
Establishment of the New Company	December 2, 2019 (planned)
Conclusion of an absorption-type company split agreement	December 16, 2019 (planned)
Scheduled date of the company split (effective date)	March 2, 2020 (planned)
Effective date of the stock transfer	March 2, 2020 (planned)

*Concerning the Company Split, because it corresponds to a simplified absorption-type company split as specified in Article 784 (2) of the Companies Act, it shall be executed without obtaining approval at the General Meeting of Shareholders.

2. About the Company Split

(1) Overview of the company split

① Schedule of the company split

Please refer to (2) Schedule of the Transaction in the above 1. Overview of the Transaction.

② Method of the company split

It is an absorption-type company split in which the Company is the split company and the New Company is the succeeding company. It is planned for the New Company to succeed all of the outstanding shares issued by Okumura Metals, a wholly-owned subsidiary of the Company.

③ Share allotments relating to the company split

The New Company will issue 9,999 shares of common stock at the time of the Company Split and allot all of those shares to the Company.

④ Treatment of share acquisition rights and bonds with share acquisition rights arising from the company split

There are no applicable matters.

⑤ Increase or decrease in capital stock as a result of the company split

There will be no increase or decrease in capital stock as a result of the Company Split.

⑥ Rights and obligations assumed by the succeeding company

In accordance with the provisions of the absorption-type company split agreement concluded between the New Company and the Company, the New Company will succeed all of the outstanding shares issued by Okumura Metals, as well as the assets, liabilities and contractual status of the Business and the rights and obligations relating thereto.

⑦ Expected performance of liabilities

There is judged to be no problems in the New Company's expected performance of its assumed liabilities on and after the effective date of the Company Split.

(2) Overview of the companies concerned to the company split

	Split company (the Company)	Succeeding company (New Company)
① Name	Furukawa Electric Co., Ltd.	Undecided
② Address	2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo	6, Doicho 7-chome, Amagasaki-shi, Hyogo Prefecture (Planned)

③ Name and title of the representative	Keiichi Kobayashi, President	Takeshi Nishizawa, President (Planned)
④ Business description	Development, manufacture and sales of optical fiber cables, power cables, automotive wire harnesses	Development, manufacture and sales of copper tubes, copper tube components and copper plates (Planned)
⑤ Capital stock	69,395 million yen	5,000 yen (Planned)
⑥ Date established	June 25, 1896	December 2, 2019 (Planned)
⑦ Outstanding shares issued	70,666,917 shares (as of March 31, 2019)	1 shares
⑧ Fiscal term closing	March 31	March 31 (Planned)
⑨ Major shareholders and their shareholding ratios	<p>Japan Trustee Services Bank, Ltd. (Trust account) 9.76%</p> <p>The Master Trust Bank of Japan, Ltd. (Trust account) 7.33%</p> <p>Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account) 3.42%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account 4) 3.21%</p> <p>Asahi Mutual Life Insurance Company 1.93%</p> <p>FURUKAWA CO., LTD. 1.88%</p> <p>Japan Trustee Services Bank, Ltd. (Trust Account 5) 1.59%</p> <p>Fuji Electric Co., Ltd. 1.56%</p> <p>Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefits Trust, FURUKAWA CO., LTD. Account) 1.55%</p> <p>Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefits Trust, Asahi Mutual Life Insurance) 1.49% (As of March 31, 2019)</p>	<p>Furukawa Electric Co., Ltd. 100% (Planned)</p>

(Financial performance and financial status of the split company)

Fiscal year	Fiscal year ended March, 2017	Fiscal year ended March, 2018	Fiscal year ended March, 2019
Net assets	237,051 million yen	272,071 million yen	279,911 million yen
Total assets	750,126 million yen	808,632 million yen	818,021 million yen
Net assets per share	2,933.21 yen	3,355.77 yen	3,513.58 yen
Net sales	843,344 million yen	967,333 million yen	991,590 million yen
Operating income	38,623 million yen	44,804 million yen	40,842 million yen
Ordinary income	36,024 million yen	46,908 million yen	39,078 million yen
Net income attributable to owners of the parent company	17,570 million yen	28,547 million yen	29,108 million yen
Net income per share	249.17 yen	405.05 yen	412.98 yen

(*) Because the New Company is planned to be established on December 2, 2019, there is no financial information to report.

(3) Overview of the business unit to be split

① Business description of the business unit to be split

Business related to the development, manufacture and sales of copper tubes, copper tube components and copper plates

② Financial performance of the business unit to be split

	Results in the fiscal year ended March 31, 2019
Net sales	10,398 million yen

③ Book values of the assets and liabilities to be split (as of March 31, 2019)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	1,708 million yen	Current liabilities	0 million yen
Non-current assets	437 million yen	Non-current liabilities	0 million yen
Total assets	2,146 million yen	Total liabilities	0 million yen

*The above figures are current as of March 31, 2019, and the actual figures at the time of the Company Split may vary.

(4) Status after the company split

The name, address, name and title of the representative, business description, capital stock and fiscal term closing of the Company will not be affected by the Company Split. The New Company will operate the Business succeeded following the Company Split. Also, on condition that the Company Split is effectuated, it is planned to transfer all of the shares issued by the New Company to CTJ.

(5) Future prospects

The impact of the Company Split on the consolidated and unconsolidated financial results will be insignificant.

3. Summary of the Stock Transfer

(1) Summary of the subsidiaries to be transferred

① New Company

Please refer to the details in the “Succeeding company (New Company)” column in (2) Overview of the companies concerned to the company split above.

② FMT (as of December 31, 2018)

① Name	Furukawa Metal (Thailand) Public Company Limited		
② Address	183 Regent House Building, 14th Floor, Rajdamri Road, Lumpini, Pathumwan, Bangkok 10330		
③ Fiscal term closing	December 31		
④ Major shareholders and their shareholding ratios	Furukawa Electric Co., Ltd.		42.25%
	Thailand Security Depository Company Limited for Depositors		16.06%
	Bangkok Insurance Public Company Limited		9.51%
	Mr.Chai Sophonpanich		4.72%
	Mr.Suthin Asadathorn		3.60%
	Mr.Chartchai Lisahapanya		3.49%
⑤ Financial performance and financial status in the preceding business year			
Fiscal year	Year ended December 31, 2018		
Net assets			1,559 million Baht
Net sales			6,515 million Baht

(2) Summary of the transfer recipient

① Name	CTJ Holdings 2 LLC
② Address	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
③ Name and title of the representative	Representative Partner of T.J Holdings Co., Ltd. Executor of Managing Partner, Koji Muranaka
④ Business description	Acquisition and holding securities, and related business operations
⑤ Relationship with the Company	The Company has no capital relationships, personnel relationships or transactional relationships with this company that deserve mention.

(3) Number of shares to be transferred and status of shareholding prior to and after the transfer

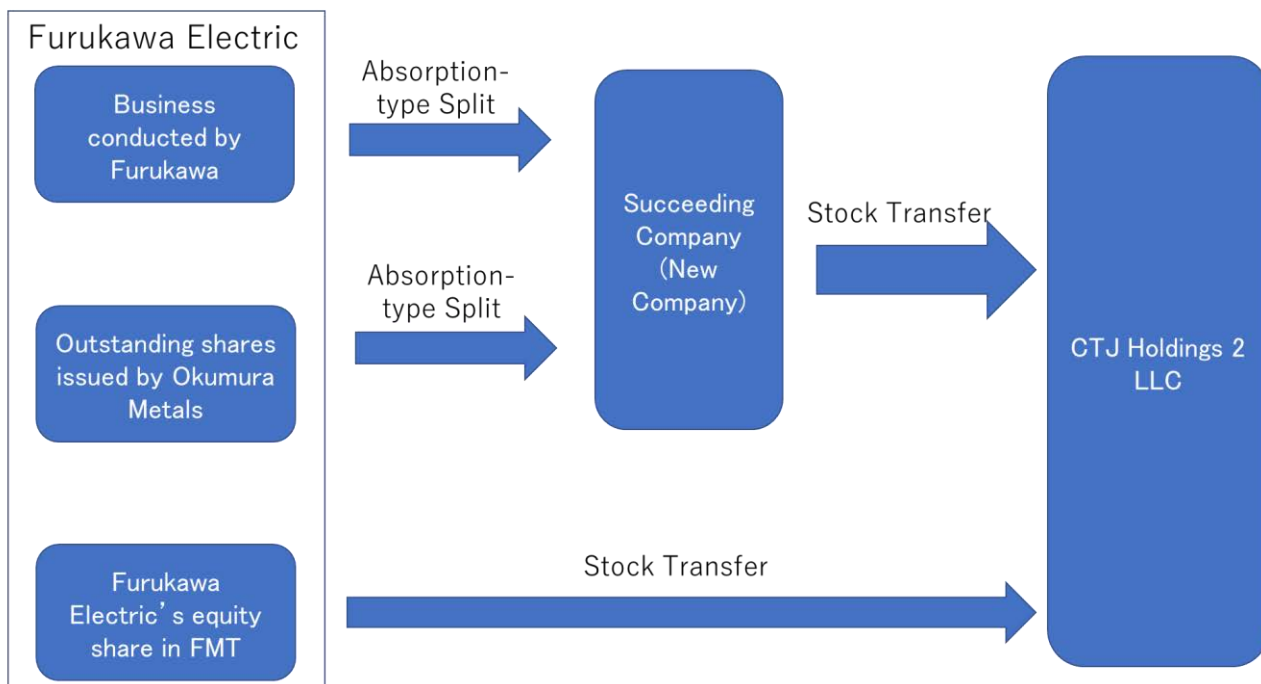
① Shareholding prior to the transfer	10,000 shares	(Shareholding ratio: 100%)
② Number of shares transferred	10,000 shares	
③ Shareholding after the transfer	0 shares	(Shareholding ratio: 0%)

(4) Schedule of the Stock Transfer

Please refer to (2) Schedule of the Transaction in the above section 1. Overview of the Transaction.

(5) Future prospects

The impact of the Stock Transfer on the consolidated financial results for the fiscal year ending March 2020 is being assessed, and an announcement will be promptly made in the event it is necessary to revise the business forecast.



*Business conducted by Furukawa Electric refer to the business related to the development, manufacture and sales of copper tubes, copper tube components and copper plates.

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