



September 26, 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 Heavy Magnet Wire Business, and Transfer of Shares of Succeeding Company in Absorption-type Split

Furukawa Electric Co., Ltd. (the “Company”) hereby announces, as set forth below, that it has resolved at its meeting of the Board of Directors held today, to transfer (hereinafter referred to as the “Transfer”, and the “Transaction” as it relates to the combination with the transfer by Superior Essex Holding Corp. (“SPSX”)) business engaged in development, manufacturing, and sales of the heavy magnet wire business and polyimide tube (“PIT”) conducted by the Company and its wholly-owned subsidiary, Furukawa Magnet Wire Co., Ltd. (“FMGW”) (collectively, the “Japanese Business”, and the business belonging to Company, the “Furukawa Business”), as well as all shares issued by FE Magnet Wire (Malaysia) Sdn. Bhd. (“FEMM”), which is a wholly-owned subsidiary of the Company, and all equity interest (49%) the Company has in Essex Furukawa Magnet Wire Europe GmbH (collectively with the Japanese Business, the “Business”), to a joint venture (newly established company) Essex Furukawa Magnet Wire LLC (the “Joint Venture”) established with SPSX via Furukawa Electric Magnet Wire America, Inc. (incorporated on September 6, 2019, “FEMA”) (FEMA 39% / SPSX 61%), which is a wholly-owned subsidiary of the Company.

In addition, the Company resolved that the newly established wholly-owned Japanese subsidiary (the “New Company”) will succeed the Japanese Business through an absorption-type split method (collectively, the “Japanese Business Company Split”, and the “Company Split” which results in the split of the Company), and will conclude basic agreement which provides the respective boards of directors of the Company and SPSX have approved and the parties will conclude contribution agreement and joint venture agreement (Collectively, the “Definitive Agreements”) regarding the Transaction on September 27, 2019 (the Company and SPSX intend to execute the Definitive Agreements within October 2019).

Please note that, given that the Company Split is conducted with a wholly-owned subsidiary of the Company, some of the contents and details for disclosure have been abbreviated.

Description

1. Transaction Overview

(1) Transaction Purpose

In its mid-term management plan “Furukawa G Plan 2020” formulated in 2016, the Company positioned the infrastructure (communications solutions, energy) and automotive fields and their united areas as priority segments and have worked to strengthen our focus on these businesses and products. In addition, we have 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, the Company will make a transfer to a joint venture with SPSX, a wholly-owned subsidiary of Superior Essex Inc., (Atlanta, GA) which the Company has been in a business partnership with for a significant amount of time, since we considered that a transfer to the Joint Venture with SPSX would contribute to the sustainable growth of the Business.

(2) Schedule

Board resolution	September 26, 2019
Execution of the Definitive Agreements	scheduled for within October 2019 (The parties will enter into Basic Agreement on September 27, 2019)
Establishment of the New Company	September 24, 2019
Date of execution of absorption-type Company Split agreement	Scheduled for February 1, 2020
Effective date of absorption-type Company Split	Scheduled for April 1, 2020
Transaction execution date	Scheduled for April 1, 2020

※ As it relates to the Company Split, this is a short-form company split as stipulated in Article 784, Paragraph 2 of the Companies Act. Accordingly, the merger contract will be carried out without receiving approval from the General Meeting of Shareholders.

2. Company Split

(1) Company Split Overview

① Schedule

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

② Method of Company Split

An absorption-type Company Split in which the Company is the Split Company and the New Company is the Succeeding Company.

③ Details of allocation related to the Absorption-type Company Split

The New Company will issue one share of common stock upon the Company Split and allot all to the Company.

④ Handling of stock acquisition rights and bonds with stock acquisition rights of the company to be split

Not applicable.

⑤ Capital increase / decrease due to Company Split

Not applicable.

⑥ Rights and Obligations transferred to the Succeeding Company

In accordance with the provisions of the absorption-type Company Split agreement between the Company and the New Company, the New Company will inherit all of the assets, liabilities, contractual statuses and associated rights and obligations relating to the Company's business.

⑦ Debt obligation outlook

The Company has determined that there is no concern as it relates to the performance of obligations that the New Company should bear following the effective date of the Company Split.

(2) Outline of Company Split

	Split Company (Company)	Succeeding Company (New Company)
① Company Name	Furukawa Electric Co., Ltd.	EFMJ Co., Ltd. (to be changed)
② Location	2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8322, Japan	2-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8322, Japan (to be changed)
③ Name and title of Representative	President Keiichi Kobayashi	Representative Director Toru Shiigi (to be changed)
④ Business Description	Development, manufacturing and sales of optical fiber cables, power cables, automotive wire harnesses	Development, manufacturing, and sales of heavy magnet wires and PIT
⑤ Capital stock	69,395 million JPY	1 JPY
⑥ Date of establishment	June 25, 1896	September 24, 2019
⑦ Outstanding shares	70,666,917 shares (as of March 31, 2019)	1 share
⑧ Fiscal year end	March 31	December 31
⑨ Major shareholders and shareholding percentage	<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)</p>	<p>Furukawa Electric Co., Ltd. (will be changed to Essex Furukawa Magnet Wire LLC as of the Transaction effective date) 100%</p>

	1.59%	
	Fuji Electric Co., Ltd. 1.56%	
	Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefits Trust, FURUKAWA CO., LTD. Account) 1.55%	
	Trust & Custody Services Bank, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefits Trust, Asahi Mutual Life Insurance) 1.49%	
	(As of March 31, 2019)	

(Split Company's operating results and financial position (Consolidated))

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

(※) As for the New Company, there is no Fiscal year ended as New Company was established as of September 24, 2019

(3) Outline of the split business

① Description of split business

The business is engaged in the development, manufacturing and sales of heavy magnet wire and PIT (however, the fine magnet wire business and triple-insulated wire business are not included).

② Split business's operating results

	Fiscal year ending March, 2019 (actual)
Net Sales	27,852 million JPY
Gross Profit	376 million JPY
Operating Income	74 million JPY
Ordinary Income	211 million JPY

③ Items and book values of split assets and liabilities (as of March 31, 2019)

Assets	Liabilities
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Item	Book Value	Item	Book Value
Current Assets	6,103 million JPY	Current Liabilities	4,961 million JPY
Non-Current Assets	0 million JPY	Non-Current Liabilities	0 million JPY
Total Assets	6,103 million JPY	Total Liabilities	4,961 million JPY

※Above figures are as of March 31, 2019 , and differ from the actual amounts of values that will be split.

(4) Situation after Company Split

The Company Split does not affect the Company's name, location, name/title of representative, business description, capital stock, and fiscal year end. New company will operate the succeeded Furukawa Business after Company Split. In addition, all issued shares of New Company will be transferred to FEMA and further to the Joint Venture on the condition that Company Split takes effect.

(5) Future Impact

The effect the Company Split will have on consolidated and non-consolidated business performance is negligible.

3. Transaction Overview (aside from Company Split)

(1) Supplementary information on the Transaction (aside from Company Split)

FMGW will contribute its business of development, manufacturing, and sales of the heavy magnet wire business and PIT to the New Company by absorption-type corporate split.

(2) Overview of New Company

Please refer to Section 2. (2) Succeeding Company (New Company)

(3) Overview of SPSX

① Name	Superior Essex Holding Corp
② Location	5570 Powers Ferry Road, NW, Suite 300 Atlanta, GA 30327, USA
③ Name and title of representative	Director Brian Kim
④ Business description	holding company
⑤ Relationship between the concerned companies	The Company and SPSX do not have any capital relations, personal relations, and business relations to be stated

(4) Future Impact

We are currently reviewing any impact the Transaction may have on our consolidated results for this fiscal year ending March 2020, and will disclose any revisions immediately if we find this to be necessary.