



July 11, 2024

Name of Company Furukawa Electric Co., Ltd.
Name of Representative Hideya Moridaira, President
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Notice concerning company split (simplified absorption-type split) associated with reorganization of optical fiber and cable products business within the Group

The Company hereby announces that, at today's Board of Directors meeting, the Company has resolved to establish a wholly owned subsidiary (corporate name to be decided; hereinafter the "New Company"), and implement a company split (absorption-type split) where the New Company will succeed the Company's optical fiber and cable products business and all outstanding shares of Shoden Seiwa Co., Ltd. (hereinafter "Shoden Seiwa"), a wholly owned subsidiary of the Company which operates the business related to optical fiber and cable products (hereinafter the "Split Business") (hereinafter the "Company Split"). Details are as follows.

The Company will also establish another wholly owned subsidiary (corporate name to be decided; hereinafter the "Holding Company"), and make an in-kind contribution by transferring the shares (equity) in the New Company, and the Company's wholly owned subsidiaries OFS Fitel, LLC (hereinafter "OFS") and Furukawa Electric LatAm S.A. (hereinafter "FEL") to the Holding Company. Thereby, these three companies will become wholly owned subsidiaries of the Holding Company.

Since this Company Split is an absorption-type company split with the Company's wholly owned subsidiary, some items and details are omitted from this disclosure.

1. Purposes of the Company Split

Before this, the Group's optical fiber and cable products business has consisted of three business units, namely, the Company's optical fiber and cable products business division (Japan), OFS (U.S.), and FEL (Brazil), and each unit has operated the business in the respective region by taking advantage of its unique nature of business and strengths.

While the telecommunications market continues to grow, challenges facing the society and customers are increasingly becoming diverse due to the rapidly changing external environment, so it is necessary to further strengthen the capability to address changes in the business environment.

The Company decided to reorganize its optical fiber and cable products business by substantively integrating these three business units in order to make maximum use of each unit's strengths on a global scale, ensure efficient operation under uniform policies, and thus increase profit in the market.

The Holding Company is to be established in Japan by adopting the form of limited liability company, which allows the flexibility in designing governance. Furthermore, in order to become even more customer-oriented, it will adopt the operating structure of matrix organization through the combination of the headquarters' functions and regional management, to enhance the synergy among the units and realize the global management with a sense of unity.

2. Overview of the Company Split

(1) Schedule of the Company Split

Date of approval by Board of Directors on the Company Split	July 11, 2024
Date of concluding Company Split agreement	August 30, 2024 (projected)
Date of Company Split (effective date)	April 1, 2025 (projected) (On the same date, the Company is to make in-kind contribution by transferring its shares (equity) in the New Company, OFS and FEL to the Holding company)

* Since the Company Split falls under a simplified company split for the Company as the splitting company stipulated in Article 784, Paragraph 2 of the Companies Act, it will be implemented without obtaining approval at a general meeting of shareholders of the Company.

(2) Method of the Company Split

This is an absorption-type company split (simplified absorption-type company split from the perspective of the Company) where the Company is the splitting company, and the New Company is the successor company.

(3) Allocation related to the Company Split

In the Company Split, no monies or other assets will be allocated.

(4) Treatment of share acquisition rights and bonds with share acquisition rights arising from the Company Split

Not applicable.

(5) Change in capital stock as a result of the Company Split

There will be no increase or decrease in the Company's capital stock due to the Company Split.

(6) Rights and obligations succeeded by the successor company

The New Company will succeed the assets, liabilities and other rights and obligations related to the Split Business as separately stipulated in the absorption-type company split agreement on the effective date of the Company Split.

(7) Prospect of fulfillment of debt obligations

The Company has concluded that there will be no impediment to the fulfillment of debt obligations by the New Company on or after the effective date of the Company Split.

3. Overview of the companies involved in the Company Split (as of March 31, 2024)

	the splitting company (Company)	the successor company (New Company)
(i) Name	Furukawa Electric Co., Ltd.	undecided

(ii) Address	2-6-4, Otemachi, Chiyoda-ku, Tokyo	2-6-4, Otemachi, Chiyoda-ku, Tokyo
(iii) Name and title of representative	Hideya Moridaira, President	undecided
(iv) Business outline	Business related to development, manufacturing and sales of optical cables for telecommunications, metal wires, power cables, wire harnesses for automobiles, and others	Manufacturing and sales of optical fibers, optical fiber cables, and their accessories
(v) Capital stock	69,395 million yen	undecided
(vi) Establishment	June 25, 1896	undecided
(vii) Total number of outstanding shares	70,666,917 shares	undecided
(viii) Fiscal year end	March 31	March 31
(ix) Major shareholders and shareholding ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.40% Custody Bank of Japan, Ltd. (Trust Account) 7.65% BNYMSANV AS AGENT / CLIENTS LUXUCITS NON TREATY 1 5.30% Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Mizuho Bank Account) 3.42% Custody Bank of Japan, Ltd. (Trust Account 4) 3.21% Asahi Mutual Life Insurance Company 1.93% FURUKAWA CO., LTD. 1.88% The Nomura Trust and Banking Co., Ltd (Trust Account) 1.73% Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, FURUKAWA CO., LTD. Account) 1.55% Custody Bank of Japan, Ltd. (Mizuho Trust & Banking; Employee Retirement Benefit Trust, Asahi Mutual Life Insurance Company Account) 1.49%	Furukawa Electric Co., Ltd. 100% (*)

(*) As of April 1, 2025, the Holding Company's shareholding ratio will be 100%.

Business performance and financial position for the most recent fiscal year

	Furukawa Electric Co., Ltd.	New Company
Fiscal Year	Fiscal year ended March 31, 2024 (consolidated)	—
Total net assets	358,038 million yen	—
Total assets	985,007 million yen	—
Net assets per share	4,656.93 yen	—
Net sales	1,056,528 million yen	—
Operating income	11,171 million yen	—
Ordinary income	10,267 million yen	—
Net income attributable to owners of the parent company	6,508 million yen	—
Net income per share	92.40 yen	—

4. Overview of the division to be split

(1) Business of the division to be split

Business related to development, manufacturing, and sales of optical fiber and cable products

(2) Business performance of the division to be split

	Division results for the fiscal year ended March 31, 2024
Net sales	17,904 million yen

(3) Asset and liability items to be split and book values (as of March 31, 2024)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	3,706 million yen	Current liabilities	3,706 million yen
Non-current assets	7,719 million yen	Non-current liabilities	—
Total assets	11,425 million yen	Total liabilities	3,706 million yen

* The above figures are as of March 31, 2024, and different from the actual amounts for the split.

5. Status after the Company Split

There will be no change in the name, address, name and title of representative, business outline, capital stock, or fiscal year end of the Company as a result of the Company Split.

6. Future outlook

The impact of the Company Split on the Company's consolidated financial results will be minimal.

END

(Reference) Consolidated financial forecast for the current year (released on May 13, 2024) and consolidated financial results for the last year

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent company
Consolidated financial results forecast for the current year (Fiscal year ending March 31, 2025)	1,080,000 million yen	25,000 million yen	20,500 million yen	13,000 million yen
Consolidated financial results for the last year (Fiscal year ended March 31, 2024)	1,056,528 million yen	11,171 million yen	10,267 million yen	6,508 million yen

【Appendix】

