



July 23, 2024

Name of Company	Furukawa Electric Co., Ltd.
Name of Representative	Hideya Moridaira, President
	(Code: 5801 Prime Market of the Tokyo Stock Exchange)
Contact	Hiroko Takita, Corporate Vice President and General Manager of Investor Relations Dept. (TEL +81-3-6281-8540)

Notice concerning the conclusion of agreements related to the tender offer  
for shares of a subsidiary and transfer of the subsidiary (*projected*)

The Company hereby announces that, in today's resolution of the Board of Directors, the Company has decided to approve an agreement with the fund where Advantage Partners, Inc. (hereinafter "AP") provides investment-related services (hereinafter "AP Fund"), and AP78 Co., Ltd. (hereinafter the "Offeror") which is a wholly-owned subsidiary of Sustainable Battery Holdings, Inc. (hereinafter "SBH") all of whose voting shares are owned by TC Investment Partners Co. Ltd. (hereinafter "TCIP"), a wholly-owned subsidiary of Tokyo Century Corporation (hereinafter "TC"), regarding the following matters, among others (hereinafter the "Non-Application Agreement"): (i) the Company will not apply for the tender offer by the Offeror (hereinafter the "Tender Offer") for common shares of The Furukawa Battery Co., Ltd. (hereinafter "Furukawa Battery"), a consolidated subsidiary of the Company, (hereinafter "Furukawa Battery shares"); (ii) upon the successful closing of the Tender Offer, a share consolidation will be carried out in a way where only the Company and the Offeror are the shareholders of Furukawa Battery (hereinafter the "Share Consolidation"); and (iii) on the condition that the Share Consolidation takes effect, all shares of Furukawa Battery owned by the Company (18,781,200 shares; shareholding ratio (see Note): 57.30%; hereinafter "shares to be sold by the Company") will be transferred through the share buyback by Furukawa Battery (hereinafter the "Share Buyback") (hereinafter the "Share Transfer"). In the same Board's resolution, the Company has also decided to approve an shareholders agreement with AP Fund, TC and TCIP, to stipulate the Company's acquisition of common shares of SBH (shareholding ratio: approx. 20%) and how to operate SBH and Furukawa Battery thereafter, among others (hereinafter

“Shareholders Agreement”). On the same date as above, the Non-Application Agreement was executed. The details are as below.

As a result of a series of transactions scheduled under the Non-Application Agreement, etc. (hereinafter “the Transactions”), Furukawa Battery will no longer be the Company’s consolidated subsidiary. For the details of the Transactions, please refer to today’s press release by Furukawa Battery, the notice of expression of opinion in favor of the commencement of and recommendation to tender in tender offer for company’s share by AP 78 Co., Ltd.

(Note) “Shareholding ratio” is computed and rounded up to the nearest third decimal place as the percentage of the total number of shares (32,777,668 shares), which is calculated by subtracting total number of the number of treasury shares held by Furukawa Battery (22,332 shares) as of March 31, 2024 as stated in the “Annual Securities Report for the 89<sup>th</sup> Fiscal Year” released by Furukawa Battery on June 26, 2024 (hereinafter “Furukawa Battery’s Annual Securities Report”) from the total number of Furukawa Battery’s outstanding shares (32,800,000 shares) as of March 31, 2024 as stated in Furukawa Battery’s Annual Securities Report. Hereinafter, the same shall apply to the calculation of shareholding ratios.

#### 1. Purpose and Background of the Transactions

Established in 1950 by spinning off the battery division of the Company, Furukawa Battery has been providing value to satisfy customers’ needs and contributing to the society with its “power of storage, motive and sustainability” of main products, storage batteries and power supply systems. In its medium-term management plan released in May 2022, Furukawa Battery has made clear its basic policy of solving social issues by addressing material issues and worked on capturing overseas markets and creating new businesses, in addition to strengthening existing businesses.

Meanwhile, the Company released its Medium-term Management Plan “Road to Vision 2030 -Transform and Challenge-” in May 2022. Under this Plan, the Company has been working on the review of its business portfolio by visualizing the positioning of the Group’s businesses and optimizing allocation of investments, towards achieving “Furukawa Electric Group’s Vision 2030.” Furthermore, the Company has held a series of discussion on listed subsidiaries within the Group. Considering the positioning of Furukawa Battery in the course of these initiatives, the Company judged that, even if the allocation of management resources is concentrated in Furukawa Battery, it is not highly likely to increase corporate value of the Group commensurate with or exceeding the allocation, and thus it would be the best to

transfer the shares held by the Company to a partner who strongly supports Furukawa Battery by making capital investments in its growth.

In such circumstances, the Company received a proposal from AP and TC for increasing corporate value of Furukawa Battery (hereinafter the "Proposal"). Upon careful examination of the Proposal, the Company concluded that it is possible to accelerate further growth of Furukawa Battery and increase the corporate value by utilizing synergy between Energywith Co., Ltd. affiliated with the above two companies and Furukawa Battery, TC's track record and expertise in finance as well as the affinity with automobility and environment energy businesses, and AP's networks within and outside Japan as well as know-how that facilitates the growth of investee companies. Following Furukawa Battery's acceptance of the proposal from AP and TC, the Company concluded the Non-Application Agreement with the Offeror. In addition, the Company is plan to conclude the Shareholders Agreement with AP Fund, TC and TCIP for stipulating the operations of SBH and Furukawa Battery.

The Company believes that the Transactions fit in with the strategy under the Medium-term Management Plan, that is to concentrate the Group's strengths and management resources in the growth areas. In case the Transactions are completed, Furukawa Battery will be removed from the Company's consolidated subsidiaries, but the Company will continue to hold approx. 20% of Furukawa Battery's shares indirectly through SBH. In order to build a sustainable world and make people's life safe, peaceful and rewarding, the Company will cooperate with the partner for continuing to contribute to the further development of storage battery business and to increase corporate value of the entire Group.

## 2. Details of the Transactions

The overview of the Transactions is as follows:

- (1) The Offeror plans to commence the Tender Offer, in case preconditions set forth in the Non-Application Agreement are satisfied. The Company will not apply for the Tender Offer with respect to the shares to be sold by the Company.
- (2) If the Offeror fails to acquire all of Furukawa Battery shares (excluding treasury shares owned by Furukawa Battery and the shares to be sold by the Company) upon the successful closing of the Tender Offer, the Offeror plans to request for the implementation of the Share Consolidation so that only the Offeror and the Company will be the shareholders of Furukawa Battery.
- (3) After the Offeror and the Company own all of Furukawa Battery shares (excluding treasury shares owned by Furukawa Battery) as a result of the Share Consolidation, the Company will transfer the shares to be sold by the Company through the Share Buyback by Furukawa Battery.

- (4) After the Share Buyback, the Company will acquire common shares of SBH. After the completion of the Transactions, the Company will indirectly hold approx. 20% against Furukawa Battery's outstanding shares, and Furukawa Battery will no longer be a consolidated subsidiary of the Company.

### 3. Overview of Furukawa Battery

(1) Name	The Furukawa Battery Co., Ltd.																							
(2) Address	2-4-1, Hoshikawa, Hodogaya-ku, Yokohama city, Kanagawa																							
(3) Name and title of representative	Osamu Kuroda, President & CEO																							
(4) Business outline	Manufacture, sales, installation and service inspection of lead-acid storage batteries, alkaline storage batteries and power supply systems such as rectifiers																							
(5) Capital (as of March 31, 2024)	1.64 billion yen																							
(6) Establishment	September 1, 1950																							
(7) Major shareholders and shareholding ratio (as of March 31, 2024) (Note)	<table border="0"> <tr> <td>Furukawa Electric Co., Ltd.</td> <td style="text-align: right;">57.30%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Account in Trust)</td> <td style="text-align: right;">4.85%</td> </tr> <tr> <td>Furukawa Battery Trading-Partner Shareholding Association</td> <td style="text-align: right;">1.69%</td> </tr> <tr> <td>Custody Bank of Japan, Ltd. (Account in Trust)</td> <td style="text-align: right;">1.45%</td> </tr> <tr> <td>MSIP CLIENT SECURITIES</td> <td style="text-align: right;">1.16%</td> </tr> <tr> <td>Asahi Mutual Life Insurance Company</td> <td style="text-align: right;">1.07%</td> </tr> <tr> <td>UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT</td> <td style="text-align: right;">0.76%</td> </tr> <tr> <td>BNY GCM CLIENT ACCOUNT JPRD AC</td> <td></td> </tr> <tr> <td>ISG (FE-AC)</td> <td style="text-align: right;">0.61%</td> </tr> <tr> <td>Kyojun Yonehara</td> <td style="text-align: right;">0.60%</td> </tr> <tr> <td>SBI SECURITIES Co., Ltd.</td> <td style="text-align: right;">0.50%</td> </tr> </table>		Furukawa Electric Co., Ltd.	57.30%	The Master Trust Bank of Japan, Ltd. (Account in Trust)	4.85%	Furukawa Battery Trading-Partner Shareholding Association	1.69%	Custody Bank of Japan, Ltd. (Account in Trust)	1.45%	MSIP CLIENT SECURITIES	1.16%	Asahi Mutual Life Insurance Company	1.07%	UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	0.76%	BNY GCM CLIENT ACCOUNT JPRD AC		ISG (FE-AC)	0.61%	Kyojun Yonehara	0.60%	SBI SECURITIES Co., Ltd.	0.50%
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SBI SECURITIES Co., Ltd.	0.50%																							
(8) Relationship between the Company and Furukawa Battery	Capital relationship	The Company owns 57.30% (see Note) of total number of Furukawa Battery's outstanding shares (excluding treasury																						

		shares owned by Furukawa Battery).
	Personnel relationship	3 persons from the Company assume the position of Director of Furukawa Battery, and one of them concurrently serves as the Company's employee.
	Business relationship	The Company supply some of the raw materials and purchase some of Furukawa Battery's products. In addition, the Company lease real estate and equipment.
	Status of related party	Furukawa Battery is the Company's consolidated subsidiary, and falls under the category of related party.

Operating performance and financial condition in the last three fiscal years

(Millions of yen)

Fiscal year	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets	33,826	34,947	37,906
Total assets	60,681	63,278	65,461
Net assets per share (Yen)	992.95	1,028.38	1,118.64
Net sales	62,785	69,538	75,455
Operating income	3,212	1,900	3,233
Ordinary income	3,394	2,193	3,417
Net income	3,837	797	2,574
Net income per share (Yen)	117.07	24.34	78.56
Dividend per share (Yen)	22.00	19.00	21.00

(Note) Cited from "Major Shareholders" stated in Furukawa Battery's Annual Securities Report.

4. Overview of Offeror

(1) Name	AP78 Co., Ltd.
(2) Address	17F Toranomon Towers Office 4-1-28 Toranomon, Minato-ku, Tokyo

(3) Name and Title of Representative	Toru Indo, Representative Director	
(4) Business Outline	Management consulting; acquisition, holdings, management, operation, and trading of securities; and all incidental or related businesses	
(5) Capital	250 thousand yen	
(6) Establishment	February 2, 2024	
(7) Major Shareholders and Shareholding ratio	SBH 100%	
(8) Relationship between the Company and Offeror	Capital relationship	N/A
	Personne relationship	N/A
	Business relationship	N/A
	Status of related party	N/A

#### 5. Overview of SBH

(1) Name	Sustainable Battery Holdings, Inc.	
(2) Address	17F Toranomom Towers Office 4-1-28 Toranomom, Minato-ku, Tokyo	
(3) Name and title of representative	Toru Indo, Representative Director	
(4) Business outline	Management consulting; acquisition, holdings, management, operation, and trading of securities; and all incidental or related businesses	
(5) Capital	56.5 million yen	
(6) Establishment	June 22, 2021	
(7) Major shareholders and shareholding ratio (voting rights basis)	Advantage Partners VI, ILP	
	TCIP	30.7%
	CJIP (AP) VI Co-1, L.P.	14.9%
	APCP VI Co-1, L.P.	14.8%
(8) Relationship between the Company and SBH	Capital relationship	The Company holds SBH's class shares.
	Personnel relationship	N/A
	Business relationship	N/A
	Status of related party	N/A

(Note) After the end of the Tender Offer period, SBH will receive capital contribution from

TCIP and AP Fund prior to the commencement of payments associated with the Tender Offer, as well as the Company at the same time of the Share Buyback. Consequently, SBH's capital amount will increase.

6. Number of shares to be transferred and transfer price under the Share Transfer, and the number of shares held before and after the Transactions

Number of shares held before the Transactions	18,781,200 shares (Number of voting rights: 187,812 units) (Percentage of voting rights held: 57.32%)(Note 1)
Number of the Shares to be transferred through this Share Transfer	Number of shares to be sold by the Company: 18,781,200 shares (Note 2) (Number of voting rights: 187,812 units) (Percentage of voting rights held: 57.32%)
Transfer price (projected)	18,669 million yen (Note 3) (994 yen per share)(Note 4)
Number of shares held after the Transactions	None (Number of voting rights: None) (Percentage of voting rights held: None)

(Note 1 ) Percentage of voting rights held is based on the total number of voting rights of all shareholders (327,639 units) as of March 31, 2024 as stated in Furukawa Battery's Annual Securities Report.

(Note 2) Actual number of shares transferred is calculated by excluding fractional shares to be purchased by Furukawa Battery at the Share Consolidation from the shares to be sold by the Company.

(Note 3) The total transfer price is expected to be the amount obtained by multiplying the transfer price per share by the number of the shares to be sold by the Company less the number of fractional shares to be purchased by Furukawa Battery at the Share Consolidation. Please note that the amount stated above is a reference value calculated by multiplying the transfer price per share by the number of shares to be sold by the Company.

(Note 4) With respect to the transfer price per share for the Share Buyback, considering the fact that the provisions of the Corporation Tax Act (Act No. 34 of 1965, including revisions thereafter) regarding the exclusion of deemed dividends from gross profits with respect to the Share Transfer, in order to maximize the Tender Offer price and also ensure the fairness among shareholders, the transfer price is planned to set at 994 yen, which is equal to the amount the Company would receive after tax if the

Company applied for the Tender Offer.

#### 7. Schedule

Since the Tender Offer requires a certain period of time for necessary procedures and handling based on competition laws, investment control laws and regulations in Japan and abroad (i.e. Japan and Thailand), it is informed that the Offeror will commence the Tender Offer promptly after certain preconditions, including the completion of such procedures and handling, are satisfied (or abandoned by the Offeror). According to the Offeror, as of today, it aims at commencing the Tender Offer in March, 2025. However, since it is difficult to accurately forecast the period of time necessary for the procedures with competition authorities and authorities with jurisdiction over investment control laws and regulations in Japan and abroad, the Offeror will notify of the schedule of the Tender Offer promptly after it is fixed.

#### 8. Future outlook

After the Tender Offer, the Transactions are expected to be implemented after April 2025, and in case the Transactions are successfully implemented, in the non-consolidated financial results for the year ending March 31, 2026, the Company will record gain on sales of shares of subsidiaries and associates of approx. 10 billion yen as extraordinary income.

The impact on the consolidated financial results for the year ending March 31, 2026 is under review, but the book value of Furukawa Battery shares in the consolidated financial results, which is the basis for the recording of extraordinary income and losses, differs from those in the non-consolidated financial results, and therefore is assumed to be more limited. If there arises any matter which requires disclosure, including the timing of the Transactions, the Company will promptly disclose the matter.

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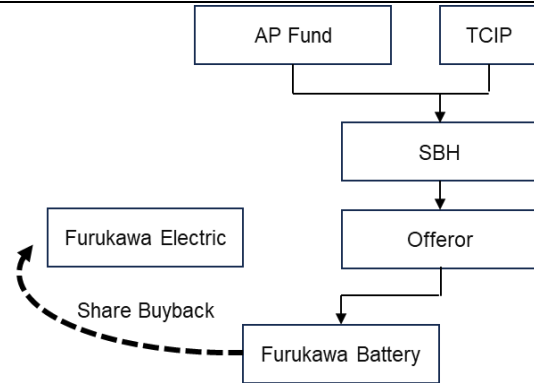


【APPENDIX】

<p>【Current status】</p> <p>57.30% of Furukawa Battery shares is held by the Company and the remaining 42.70% is held by general shareholders.</p>	<pre> graph TD     FE[Furukawa Electric] --- P1[57.30%]     GS[General shareholders] --- P2[42.70%]     P1 --- FB[Furukawa Battery]     P2 --- FB         </pre>
<p>【Tender Offer by the Offeror】</p> <p>In case preconditions set forth in the Non-Application Agreement are satisfied, the Offeror will commence the Tender Offer for all Furukawa Battery shares, excluding Furukawa Battery shares owned by the Company and treasury shares owned by Furukawa Battery. The Company will not apply for the Tender Offer.</p> <p>If the Offeror fails to acquire all of Furukawa Battery shares (excluding treasury shares owned by Furukawa Battery and the shares held by the Company) upon the successful closing of the Tender Offer, the Offeror and the Company will request Furukawa Battery to convene a general shareholders meeting with the agenda regarding necessary matters for carrying out the Share Consolidation, and exercise the voting right in favor.</p> <p>After the Share Consolidation, the Offeror and the Company will own all of Furukawa Battery shares (excluding treasury shares owned by Furukawa Battery).</p>	<pre> graph TD     APF[AP Fund] --- SBH[SBH]     TCIP[TCIP] --- SBH     SBH --&gt; Offeror[Offeror]     Offeror -- Tender Offer --&gt; GS[General Shareholders]     FE[Furukawa Electric] --- FB[Furukawa Battery]     GS --- FB     Note[Furukawa Electric will not apply for the Tender Offer]         </pre>

**【Share Buyback by Furukawa Battery】**

After the Offeror and the Company own all of Furukawa Battery shares (excluding treasury shares owned by Furukawa Battery) as a result of the Share Consolidation, the Company will transfer the shares to be sold by the Company through the Share Buyback by Furukawa Battery.



**【After the Transactions】**

After the Share Buyback, the Company will acquire common shares of SBH. After the Transactions, the Company will indirectly hold approx. 20 % against Furukawa Battery's outstanding shares, and Furukawa Battery will no longer be a consolidated subsidiary of the Company. In addition, after the Transactions, SBH shareholding ratio will be: AP Fund approx. 60%, TCIP approx. 20%, and the Company approx. 20%.

