



Feb 3, 2017

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Notice on Posting of Extraordinary Income and Adjustments to the Full-Year Earnings Forecast for the Fiscal Year Ending March 31, 2017

Furukawa Electric Co., Ltd. would like to inform you that an extraordinary income (gain resulting from negative goodwill) was posted in the first nine months (from April 1, 2016 to December 31, 2016) of the consolidated fiscal year ending March 31, 2017 as indicated below. We would also like to inform you that in light of the recent operating performance trends, the following adjustments have been made to the full-year earnings forecast announced on November 2, 2016 as follows.

1. Posting of extraordinary income (gain resulting from negative goodwill)

As indicated in the "Notice of Business Transfer" dated September 26, 2016, Furukawa Electric acquired the underground and undersea power transmission line business from VISCAS Corporation as of October 1, 2016. In connection with this business transfer, Furukawa Electric recognized negative goodwill of 5,251 million yen and posted it as extraordinary income in the first nine months of the consolidated fiscal year ending March 31, 2017.

2. Adjustments to the consolidated full-year earnings forecast

Full-year earnings forecast for the consolidated fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
	million yen	million yen	million yen	million yen	yen
Previous forecast (A) (announced on November 2, 2016)	820,000	29,000	25,500	12,500	177.04
Adjusted forecast (B)	825,000	32,000	28,500	16,000	227.04
Variance (B-A)	5,000	3,000	3,000	3,500	-
Variance rate (%)	0.6	10.3	11.8	28.0	-
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2016)	874,879	27,116	18,710	10,007	141.74

* Furukawa Electric carried out a 10-to-1 share consolidation of its common stock effective October 1, 2016. The impact of this share consolidation is reflected in the net income per share for the previous period and the current period.

3. Reasons for the adjustments

We have made upward adjustments to net sales, operating income, ordinary income and net income attributable to owners of the parent from our previous forecast mainly due to the continuing favorable performance of Communication Solutions Business in Infrastructure Segment.

(Note)

The above forecasts are based on information available as of the date of release of these materials and on assumptions as of that date on uncertain factors that may impact future operating results.

Actual results may differ significantly from the forecasts due to various factors in the future.