



April 27, 2021

Company Name	Furukawa Electric Co., Ltd. (Code: 5801 TSE First Section)
Name of Representative	President Keiichi Kobayashi
Contact	General Manager of Investor Relations Dept. Mami Masuda (TEL.+81-3-3286-3050)

Notice Concerning Partial Transfer of Shares Accompanying Change in Subsidiary (Furukawa Logistics Corp.)

Furukawa Electric Co., Ltd. (hereinafter, “the Company”) hereby announces that it concluded a contract with SBS Holdings Inc. (hereinafter, “SBS”), under which the Company transfers a part (66.6%) of common stock of its wholly-owned subsidiary, Furukawa Logistics Corp. (hereinafter, “Furukawa Logistics”), to SBS. Since this transaction is not subject to the timely disclosure rule of the Tokyo Stock Exchange, some information required for such disclosure is omitted.

1 Reasons for Share Transfer

Furukawa Logistics is our logistics subsidiary which performs the logistics function for our Group and over the years has accumulated know-how and excellent skills in transportation in such business areas as information and communications, energy, automobile, etc. However, since its scale is smaller than comprehensive logistics companies’, Furukawa Logistics has not always fully satisfied our Group’s logistics needs.

In the meantime, SBS group, as a comprehensive logistics company, has an extensive track record and a strong logistic network in Japan and abroad, and has been expanding its business scale and business domains through M&As, which are one of important growth strategies.

Collaboration between these two companies upon this share transfer will enable Furukawa Logistics to provide more value-added comprehensive logistics services, while placing the priority on maintaining good relationship with our Group and its major customers, thus contributing to strengthening our Group’s logistics function.

Similarly to other companies which joined SBS group in the past, the management team of Furukawa Logistics will stay on after the share transfer, and work on the integration with SBS group, while ensuring the business continuity.

2 Overview of the Subsidiary in Question

(1)	Company name	Furukawa Logistics Corp.		
(2)	Address	2-16-8 Uchikanda, Chiyoda-ku, Tokyo		
(3)	Name and title of representative	Shingo Morita, President		
(4)	Lines of business	Transportation and delivery, distribution processing, international logistics, storage and other services for electronic components, automotive components, wires, and other goods		
(5)	Capital stock	292 million yen		
(6)	Date of establishment	October 17, 1980		
(7)	Major shareholder and ownership ratio	Furukawa Electric Co., Ltd. 100.0%		
(8)	Relationship between the Company and the subsidiary	Capital relationship	The Company holds 100% of outstanding shares of the subsidiary.	
		Personnel relationship	The Company has dispatched three directors and one audit & supervisory board member to the subsidiary.	
		Trade relationship	The Company consigns logistics operations to the subsidiary.	
(9)	Operating results and financial position of the subsidiary in the last 3 years			
	Fiscal Year (FY)	FY ended March 2018	FY ended March 2019	FY ended March 2020
	Net Assets	1,173 million yen	1,152 million yen	1,127 million yen
	Total Assets	5,277 million yen	5,483 million yen	5,106 million yen
	Net Assets Per Share	2,008 yen	1,973 yen	1,930 yen
	Net Sales	15,781 million yen	15,718 million yen	16,168 million yen
	Operating Income (Loss)	97 million yen	53 million yen	62 million yen
	Ordinary Income (Loss)	113 million yen	61 million yen	47 million yen
	Net Income (Loss)	47 million yen	38 million yen	31 million yen
	Net Income Per Share	80.10 yen	65.18 yen	52.64 yen
	Dividend Per Share	100.38 yen	95.37 yen	93.86 yen

3 Overview of the Transferee

(as of December 31, 2020)

(1)	Company name	SBS Holdings Inc.	
(2)	Address	4-1-3 Taihei, Sumida-ku, Tokyo	
(3)	Name and title of representative	Masahiko Kamata, President	
(4)	Lines of business	Formulation/promotion of management strategies of the entire group; auditing of the group management; and other business management (SBS group is a comprehensive logistics company that meets a whole range of logistics needs from transportation and delivery, warehousing/logistics centers, distribution processing to international logistics and 3PL)	
(5)	Capital stock	3,920 million yen	
(6)	Date of establishment	December 16, 1987	
(7)	Net assets	16,246 million yen	
(8)	Total assets	126,695 million yen	
(9)	Major shareholders and ownership ratio	Masahiko Kamata	36.22%
		Custody Bank of Japan, Ltd. (trust account)	12.98%
		The Master Trust Bank of Japan, Ltd. (trust account)	3.96%
		SBS Holdings Employee Share Ownership Association	3.40%
		SMBC Trust Bank Ltd. as a regulated security trustee	3.02%
		Sumitomo Mitsui Banking Corporation (trust account <i>ko-13</i>)	2.51%
		Tobu Real Estate Co., Ltd.	2.48%
		Junichi Ouchi	2.01%
		Masaru Wasami	1.45%
		Hiroshi Date	1.13%
(10)	Relationship between the Company and the said company	Capital relationship	N/A
		Personnel relationship	N/A
		Trade relationship	N/A
		Related parties	N/A

4 Number of shares to be transferred, and number of shares held by the Company before and after the transfer

(1)	Number of shares held before the transfer	Common stock 584,000 shares (Number of voting rights: 584,000) (Percentage of voting rights: 100.0%)
(2)	Number of shares to be transferred	Common stock 388,944 shares (Number of voting rights: 388,944)
(3)	Number of shares held after the transfer	Common stock 195,056 shares (Number of voting rights: 195,056) (Percentage of voting rights: 33.4%)

5 Schedule

(1) Date of Contract	April 27, 2021
(2) Date of Share Transfer	Within the year 2021 (<i>scheduled</i>)

6 Future Prospects

The Company is investigating the impact on consolidated financial results of the Company in the current year and thereafter due to this share transfer, and will promptly disclose any matter that should be disclosed.

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