



July 11, 2024

Name of Company Furukawa Electric Co., Ltd.
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Notice concerning company split (simplified absorption-type split) associated with reorganization of the Group's metal wire business

At the Board of Directors meeting held today, the Company has resolved to undertake a reorganization of the metal wire business within the Group (hereinafter the "Reorganization"), which involves the Company, its wholly owned subsidiaries Furukawa Electric Industrial Cable Co., Ltd. (hereinafter the "Integrated Company"), KANZACC CO., LTD. (hereinafter "KANZACC") and Riken Electric Wire Co., Ltd. (hereinafter "Riken Electric Wire"), and its subsidiary Okano Cable Co., Ltd. (hereinafter "Okano Cable"). Details are as follows.

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

1. Outline of the Reorganization

(1) Purposes of the Reorganization

While the metal wire market in Japan has been shrinking year by year, the Group has promoted the selection and concentration, and made a shift in the portfolio. In the meantime, the Group has produced differentiated products and promising products making use of its technological advantage. However, we have increasingly seen common challenges of the Group, such as the lack of talents and increased burdens of investing in renewal of aged facilities.

Under such circumstances, in order to solve such challenges and promptly address increasingly diverse and sophisticated needs, the Company has concluded that integrating divisions engaged in metal wire business and maximizing the synergy effect will contribute to increasing corporate value of the entire Group, and decided to reorganize the metal wire business.

(2) Overview of the Reorganization

The Company plans to implement the Reorganization effective on April 1, 2025 and October 1, 2025 (projected) as follows:

- (i) Effective on April 1, 2025 (projected), an absorption-type merger where KANZACC disappears and the Integrated Company survives (hereinafter the "Merger") is to be done.

- (ii) Effective on October 1, 2025 (projected), through an absorption-type company split where the Company is the splitting company and the Integrated Company is the successor company (hereinafter the “Company Split”), the Integrated Company is to succeed the business related to development, manufacturing and sales of metal wires in the Company’s Optical Fiber and Cable Products business division (hereinafter the “Split Business”).
- (iii) Effective on October 1, 2025 (projected), through an absorption-type company split where Riken Electric Wire and Okano Cable are the splitting companies and the Integrated Company is the successor company, the Integrated Company is to succeed Riken Electric Wire’s metal wire business as well as shares of subsidiaries of Riken Electric Wire and Okano Cable, which operate metal wire business, held by Riken Electric Wire and Okano Cable respectively (hereinafter “Group Company Split”).

(3) Schedule of the Reorganization

Date of approval by Board of Directors on the Reorganization	July 11, 2024
Date of concluding Company Split agreement	August 30, 2024 (projected)
Date of Merger (effective date)	April 1, 2025 (projected)
Date of Company Split (effective date)	October 1, 2025 (projected)
Date of Group Company Split (effective date)	October 1, 2025 (projected)

* 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. Outline of the Company Split

(1) Overview of the Company Split

(i) Schedule of the Company Split

Please refer to the above-mentioned “(3) Schedule of the Reorganization” stated in “1. Outline of the Reorganization.”

(ii) 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 Integrated Company is the successor company.

(iii) Allocation related to the Company Split

In the Company Split, the Integrated Company will issue two common shares with restriction on transfer (projected), and allocate all of such shares to the Company.

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

Not applicable.

(v) 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.

(vi) Rights and obligations succeeded by the successor company

The Integrated 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.

(vii) Prospect of fulfillment of debt obligations

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

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

	the splitting company (Company)	the successor company (Integrated Company)
(i) Name	Furukawa Electric Co., Ltd.	Furukawa Electric Industrial Cable Co., Ltd. (Name will be changed in April 1, 2025)
(ii) Address	2-6-4, Otemachi, Chiyoda-ku, Tokyo	6-48-10, Higashi-Nippori, Arakawa-ku, Tokyo
(iii) Name and title of representative	Hideya Moridaira, President	Shigeru Tokuda, President
(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 various types of electric wires and electric machinery/apparatus
(v) Capital stock	69,395 million yen	450 million yen
(vi) Establishment	June 25, 1896	June 16, 1976
(vii) Total number of outstanding shares	70,666,917 shares	900,000 shares
(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% BNYMSANVASAGENT / 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	Furukawa Electric Co., Ltd. 100%

	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%	
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Business performance and financial position for the most recent fiscal year

	Furukawa Electric Co., Ltd.	Furukawa Electric Industrial Cable Co., Ltd.
Fiscal Year	Fiscal year ended March 31, 2024 (consolidated)	Fiscal year ended March 31, 2024
Total net assets	358,038 million yen	(218) million yen
Total assets	985,007 million yen	16,581 million yen
Net assets per share	4,656.93 yen	(241.91) yen
Net sales	1,056,528 million yen	23,225 million yen
Operating income	11,171 million yen	1,095 million yen
Ordinary income	10,267 million yen	974 million yen
Net income attributable to owners of the parent company	6,508 million yen	755 million yen
Net income per share	92.40 yen	839.62 yen

(3) Overview of the division to be split

(i) Business of the division to be split

Business related to development, manufacturing and sales of metal wires

(ii) Business performance of the division to be split

	Division results for the fiscal year ended March 31, 2024
Net sales	10,544 million yen

(iii) 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	2,265 million yen	Current liabilities	2,265 million yen
Non-current assets	1,980 million yen	Non-current liabilities	0 million yen
Total assets	4,246 million yen	Total liabilities	2,265 million yen

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

(4) 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. By implementing the Company Split and Group Company Split, the metal wire business within the Group will be integrated into the Integrated Company, aiming at realizing more efficient operations and more speedy decision-making.

(5) Future outlook

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

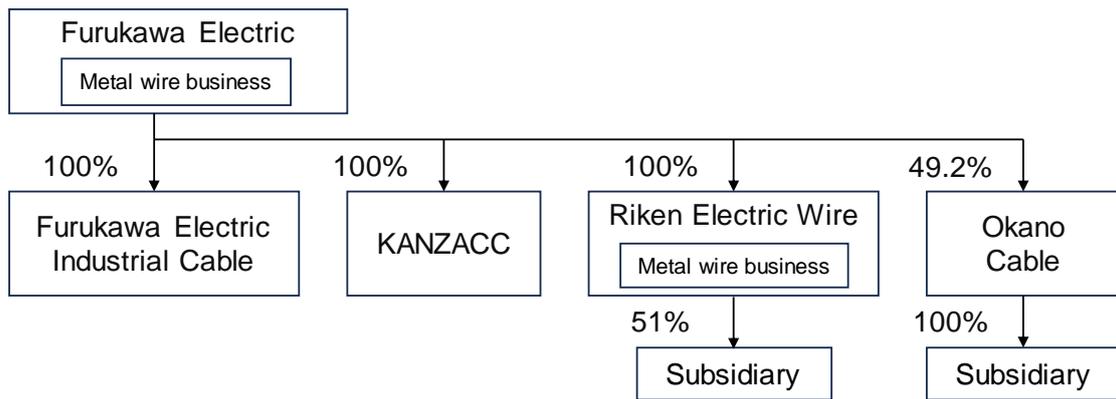
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(Reference) Consolidated financial forecast for the current year (released on May 13, 2024) and consolidated financial results for the last year

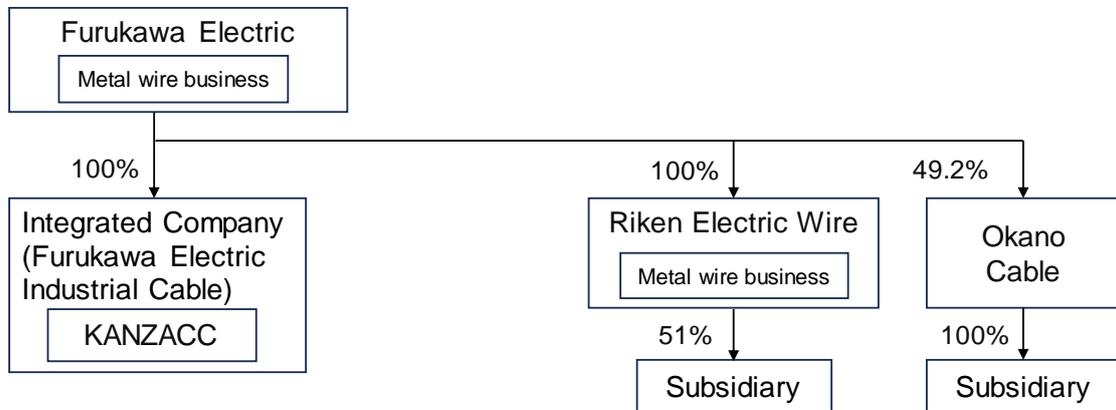
	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent company
Consolidated financial results forecast for the current year (Fiscal year ending March 31, 2025)	1,080,000 million yen	25,000 million yen	20,500 million yen	13,000 million yen
Consolidated financial results 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】

Current situation



April 1, 2025 (projected)



October 1, 2025 (projected)

