For Reference Only

July 23, 2024

Joint Investment in Sustainable Battery Holdings with Advantage Partners and Furukawa Electric for the Purpose of Acquiring Shares of Furukawa Battery

Tokyo Century Corporation through its consolidated subsidiary TC Investment Partners Co., Ltd. (TCIP) will invest in Sustainable Battery Holdings, Inc. (SBH), the parent company of AP78 Co., Ltd.* (the Offeror), to acquire all outstanding common shares of The Furukawa Battery Co., Ltd. (Furukawa Battery) through a tender offer and other means (the Transaction). The investment will be made jointly with a fund (AP Fund), for which Advantage Partners, Inc. (AP) provides investment-related services, and Furukawa Electric Co., Ltd. (Furukawa Electric). Tokyo Century, AP, Furukawa Electric and Furukawa Battery reached an agreement on the Transaction, which is described below.

*A special purpose company established for acquiring the shares of Furukawa Battery through a tender offer under the Financial Instruments and Exchange Act and through a series of subsequent procedures to make Furukawa Battery a wholly owned subsidiary.

For details about the Transaction, please refer to Furukawa Electric's timely disclosure of "Notice concerning the conclusion of agreements related to the tender offer for shares of a subsidiary and transfer of the subsidiary (projected)" and Furukawa Battery's press release of "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.," both dated July 23, 2024.

1. Background and Purpose of the Transaction

Tokyo Century and the AP Group concluded a strategic partnership in 2019 and have since been promoting collaboration in the principal investment business. Recognizing that storage batteries represent a key technology and product in our automobility, renewable energy, and data center businesses, Tokyo Century acquired the energy storage devices and systems business of the former Showa Denko Materials Co. Ltd. in 2021 as a joint investment project with the AP Group. The business began operations in December of the same year as Energywith Co., Ltd. (Energywith) in collaboration with each business segment of Tokyo Century, including storage battery sales to Group customers.

Established in 1950 through the spinoff of Furukawa Electric's battery division, Furukawa Battery has been providing storage batteries and power supply systems as its mainstay products, primarily in the automotive field. In addition to boasting a strong customer base both in Japan and overseas, the company's strengths include its development of bipolar lead-acid batteries. These save space compared to conventional lead-acid batteries and possess technological advantages over lithium-ion batteries in terms of safety and cost.

SBH, the parent company of the Offeror in the Transaction, is also the parent company of Energywith and will become the holding company of both Furukawa Battery and Energywith after the Transaction. It is also projected to become an equity method affiliate of Tokyo Century.

Tokyo Century expects the Transaction will further strengthen Furukawa Battery's existing businesses from the following perspectives and lead to further growth and development through the synergies generated by collaboration of the companies.

- Collaboration between Furukawa Battery and Energywith, which possess expertise in different areas of the storage battery business, is expected to complement their extensive customer bases and broad lineup of products and solutions, as well as improve manufacturing efficiency and standardize and streamline purchasing and logistics.
- In light of Furukawa Battery's plan to develop new products, including next-generation batteries, and launch a new solutions business, the company will benefit from applying the discerning eye for assets and financing know-how of Tokyo Century, which has been developing business models that integrate "Finance × Services × Business Expertise" through co-creation with corporate partners.

Focus areas identified under Tokyo Century's Medium-Term Management Plan 2027 comprise decarbonization including renewable energy, social infrastructure related to mobility and the environment, and the circular economy, including life cycle management and recycling. We will deepen cooperation between our businesses and storage batteries, which have a high affinity with all of these areas, and provide high value-added financial services. Additionally, we will develop and foster new businesses to improve social infrastructure and realize an environmentally sound, sustainable economy and society.

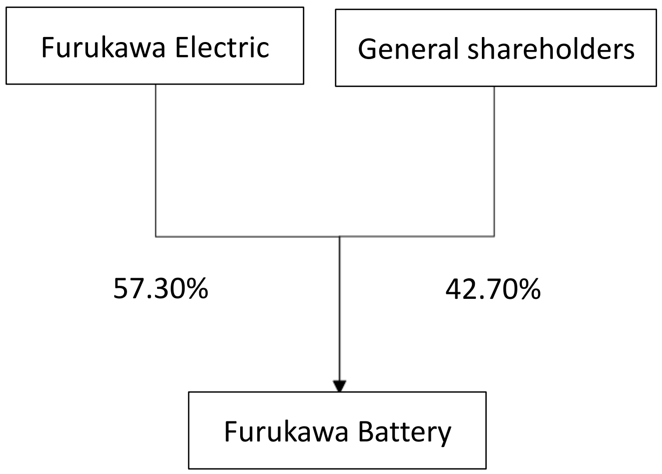
2. Outline of the Transaction

Offeror	AP78 Co., Ltd.
Tender offer price	JPY 1,400 per share of common stock
Number of share certificates, etc. to be purchased	13,996,468 shares of common stock (number obtained by deducting the number of treasury stock held by Furukawa Battery (22,332 shares) and the number of common stock held by Furukawa Electric (18,781,200 shares) as of March 31, 2024 from the total number of issued and outstanding shares of Furukawa Battery (32,800,000 shares).
Total amount of purchase price (plan)	Approx. JPY 19.6 billion
Minimum number of shares to be purchased (plan)	3,070,600 shares
Tender offer period (plan)*	20 business days starting in late March 2025

*The tender offer is scheduled to be implemented upon fulfillment of preconditions related to the tender offer, including procedures with domestic and foreign competition authorities. The Offeror currently intends to commence the tender offer by late March 2025 and will promptly announce the schedule of the tender offer as soon as it is determined.

Scheme (Excerpt)

Current status:
- 57.30% of Furukawa Battery shares is held by Furukawa Electric, and the remaining 42.70% is held by general shareholders.



Tender offer by the Offeror and fund procurement for settlement:
- The Offeror plans to commence the tender offer for all Furukawa Battery shares, excluding Furukawa Battery shares owned by Furukawa Electric and treasury shares owned by Furukawa Battery.
- The Offeror plans to finance the settlement of the tender offer with an investment from SBH, an LBO loan to be procured from a bank, and a bridge loan from Tokyo Century.
- SBH plans to finance its investment in the Offeror with capital from the AP Fund and TCIP.

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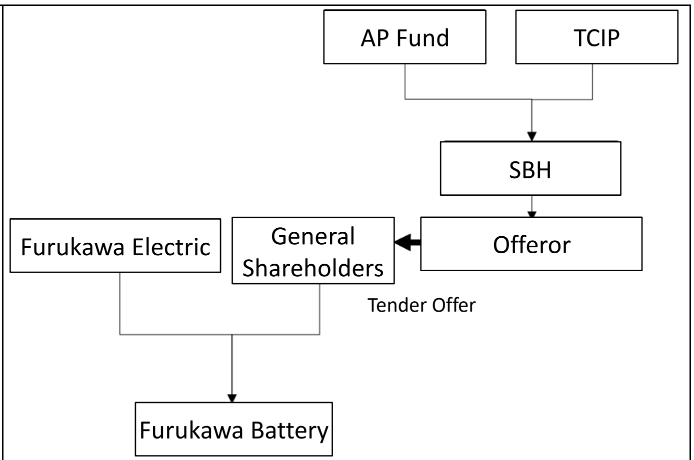
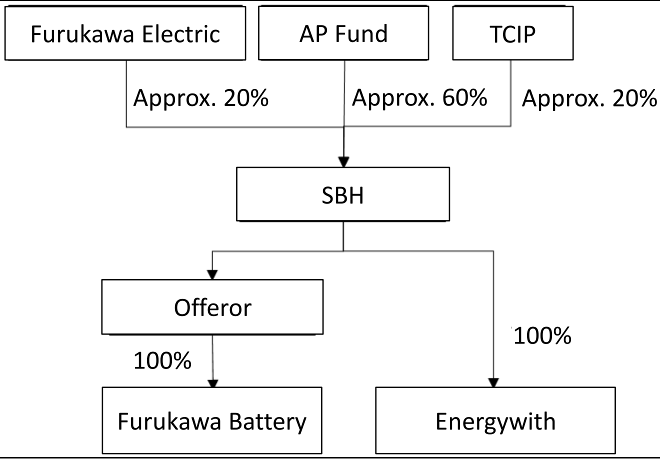
- After the tender offer is completed and the share consolidation* takes effect, Furukawa Battery plans to acquire all Furukawa Battery shares held by Furukawa Electric (share buyback).
- Furukawa Electric plans to acquire common shares of



SBH. *To be implemented if the Offeror is unable to acquire all shares of Furukawa Battery (excluding treasury stock held by Furukawa Battery and shares of Furukawa Battery held by Furukawa Electric)	
After the Transaction: • The Offeror and Furukawa Electric intend to own all of the outstanding shares of Furukawa Battery (excluding treasury stock held by Furukawa Battery). • After the Transaction, the shareholding ratio of the Offeror's parent company is projected to be approximately: 60% AP Fund, 20% TCIP, and 20% Furukawa Electric.	

3. Outline of Companies

Name	The Furukawa Battery Co., Ltd.
Address	2-4-1 Hoshikawa, Hodogaya-ku, Yokohama City, Kanagawa, Japan
Representative	Osamu Kuroda, President & CEO
Business	Manufacture, sales, installation and service inspection of lead-acid storage batteries, alkaline storage batteries and power supply systems such as rectifiers
Paid-in capital	JPY 1.64 billion (as of March 31, 2024)
Number of employees	2,391 (as of March 31, 2024)
Date of establishment	September 1, 1950
Major shareholders and shareholding ratio (as of March 31, 2024)	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%

Name	AP78 Co., Ltd.
Address	17F Toranomon Towers Office, 4-1-28 Toranomon, Minato-ku, Tokyo, Japan
Representative	Toru Indo, Representative Director
Business	Management consulting; acquisition, holdings, management, operation, and trading of securities; and all incidental or related businesses
Paid-in capital*	JPY 250,000
Date of establishment	February 2, 2024
Major shareholders and shareholding ratio (as of March 31, 2024)	Sustainable Battery Holdings, Inc.: 100%

*The Offeror plans to receive a capital contribution from SBH after the tender offer period ends and prior to the commencement date for the settlement of the tender offer, which is projected to increase the amount of capital of the Offeror.

Name	Sustainable Battery Holdings, Inc.
Address	17F Toranomon Towers Office, 4-1-28 Toranomon, Minato-ku, Tokyo, Japan
Representative	Toru Indo, Representative Director
Business	Management consulting; acquisition, holdings, management, operation, and trading of securities; and all incidental or related businesses
Paid-in capital*	JPY 56,500,000
Date of establishment	June 22, 2021
Major shareholders and shareholding	Advantage Partners VI, ILP: 30.7%

ratio (voting rights basis)	TCIP: 14.9% CJIP (AP) VI Co-1, L.P.: 14.8% APCP VI Co-1, L.P.: 14.7%

*SBH plans to receive capital contributions from TCIP and the AP Fund after the tender offer period ends and prior to the commencement date for the settlement of the tender offer, which is projected to increase the amount of capital of SBH.

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(Note) This translation is prepared and provided for reference only. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.