Annual Report 2022

Year Ended March 31, 2022

Financial Section

Fujikura

Consolidated Financial Highlights

Fujikura Ltd. and its Consolidated Subsidiaries (hereinafter referred to as "the Companies")
For the Five Years Ended March 31

	Millions of yen					Thousands of U.S. dollars
	FY2017	FY2018	FY2019	FY2020	FY2021	FY2021
For the Year:						
Net sales	¥740,052	¥710,778	¥672,314	¥643,736	¥670,350	$5,476,268
Operating profit	34,343	27,679	3,346	24,422	38,288	312,785
Profit (loss) attributable to owners of parent	18,359	1,453	(38,510)	(5,369)	39,101	319,427
Capital expenditures	42,588	55,785	30,141	17,736	16,214	132,456
R&D expenditures	16,291	17,466	17,297	16,496	16,413	134,082
At Year-end:						
Total assets	638,055	638,318	576,090	569,124	611,526	4,995,719
Total net assets	241,961	240,910	172,115	184,483	243,657	1,990,499
Number of employees	58,422	57,228	55,936	53,717	52,434	

						U.S. dollars
Per share data:						
Net profit (loss) - basic	¥64.36	¥5.09	(¥136.58)	(¥19.50)	¥141.85	$1.16
Net profit (loss) - fully diluted (*1)	–	–	–	–	–	–
Cash dividends	14.00	12.00	5.00	0.00	10.00	0.08

(*1) As the Companies do not have any instruments that have a dilutive effect, the Companies have not included net profit (loss) - fully diluted per share data.
(*2) Previously, the Companies used to round down fractions to the nearest million yen, but starting with the FY2019 Annual Securities Report, fractions are rounded to the nearest million yen.
(*3) The Companies began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020) and related guidance from the beginning of fiscal year ended March 31, 2022. Consolidated Financial Highlights for FY2021 shown above include the effect of application of this accounting standard.

Note: All dollar figures herein refer to U.S. currency, which has been translated from yen amounts, for convenience only, at the rate of ¥122.41=US$1.00, the rate of exchange on March 31, 2022.

Consolidated Balance Sheets

Fujikura Ltd. and its Consolidated Subsidiaries
At March 31, 2021 and 2022

Assets	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars (Note 8) 2022
Current assets:			
Cash and deposits	¥74,740	¥91,041	$743,738
Notes and accounts receivable - trade	123,347	-	-
Notes receivable - trade	-	14,698	120,072
Accounts receivable - trade	-	120,260	982,436
Contract assets	-	9,920	81,039
Merchandise and finished goods (Note 16)	36,788	34,930	285,353
Work in process (Note 16)	27,789	33,322	272,216
Raw materials and supplies (Note 16)	35,889	44,380	362,552
Other	19,706	21,217	173,327
Allowance for doubtful accounts	(885)	(628)	(5,130)
Total current assets	317,374	369,141	3,015,611
Non-current assets:			
Property, plant and equipment			
Buildings and structures, net	85,193	79,829	652,144
Machinery, equipment and vehicles, net	61,342	56,396	460,714
Land (Note 11)	15,125	14,918	121,869
Leased assets, net	5,368	6,059	49,498
Construction in progress	7,678	9,413	76,897
Other, net	9,287	7,513	61,376
Total property, plant and equipment	183,994	174,130	1,422,515
Intangible assets			
Goodwill	6,257	6,878	56,188
Other	8,074	8,535	69,725
Total intangible assets	14,331	15,413	125,913
Investments and other assets			
Investment securities (Note 10)	27,676	29,100	237,726
Retirement benefit asset (Note 15)	2,635	889	7,262
Deferred tax assets (Note 26)	7,253	7,377	60,265
Other (Note 10)	16,084	15,625	127,645
Allowance for doubtful accounts	(203)	(127)	(1,037)
Allowance for investment loss	(20)	(20)	(163)
Total investments and other assets	53,425	52,843	431,689
Total non-current assets	251,750	242,385	1,980,108
Total assets	¥569,124	¥611,526	$4,995,719

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Liabilities	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars (Note 7) 2022
Current liabilities:			
Notes and accounts payable - trade	¥68,512	¥71,841	$586,888
Short-term borrowings (Note 11)	77,801	71,014	580,132
Commercial paper	15,000	-	-
Current portion of bonds payable (Note 11)	10,000	-	-
Income taxes payable (Note 26)	2,474	5,514	45,045
Provision for loss on business of subsidiaries and associates	1,264	1,865	15,236
Contract liabilities	-	4,933	40,299
Other provisions	2,123	989	8,079
Other	39,142	42,262	345,250
Total current liabilities	216,316	198,418	1,620,930
Non-current liabilities:			
Bonds payable (Note 11)	30,000	30,000	245,078
Long-term borrowings (Note 11)	109,128	110,477	902,516
Other provisions	469	267	2,181
Retirement benefit liability (Note 15)	10,992	10,537	86,080
Other (Notes 11)	17,735	18,170	148,436
Total non-current liabilities	168,324	169,451	1,384,290
Total liabilities	384,640	367,869	3,005,220

Contingent liabilities (Note 27)

Net assets	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars (Note 8) 2022
Shareholders' equity:			
Share Capital	53,076	53,076	433,592
Capital surplus	27,740	28,054	229,181
Retained earnings	87,514	126,530	1,033,657
Treasury shares	(10,864)	(10,575)	(86,390)
Total shareholders' equity (Note 29)	157,466	197,085	1,610,040
Accumulated other comprehensive income (loss):			
Valuation difference on available-for-sale securities	1,185	1,118	9,133
Deferred losses on hedges	(917)	(714)	(5,833)
Foreign currency translation adjustments	8,347	25,385	207,377
Remeasurements of defined benefit plans	(3,253)	(2,381)	(19,451)
Total accumulated other comprehensive income	5,363	23,407	191,218
Non-controlling interests	21,654	23,165	189,241
Total net assets	184,483	243,657	1,990,499
Total liabilities and net assets	¥569,124	¥611,526	$4,995,719

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Income

Fujikura Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars (Note 8)
	2021	2022	2022
Net sales (Notes 12)	¥643,736	¥670,350	$5,476,268
Cost of sales (Notes 14 and 16)	534,633	543,762	4,442,137
Gross profit	109,103	126,588	1,034,131
Selling, general and administrative expenses (Notes 13 and 14):			
Packing and transportation expenses	19,159	20,453	167,086
Personnel expenses	37,357	38,322	313,063
Other	28,165	29,525	241,198
Total selling, general and administrative expenses	84,681	88,300	721,346
Operating profit	24,422	38,288	312,785
Non-operating income:			
Interest income	288	324	2,647
Dividend income	765	715	5,841
Foreign exchange gains	317	-	-
Share of profit of entities accounted for using equity method	430	2,103	17,180
Subsidies for employment adjustment	1,044	85	694
Other	1,842	1,435	11,723
Total non-operating income	4,687	4,662	38,085
Non-operating expenses:			
Interest expense	2,558	2,497	20,399
Foreign exchange losses	-	45	368
Product repair costs due to customers' claims	1,950	1,449	11,837
Financing expenses	2,713	809	6,609
Other	3,508	4,062	33,184
Total non-operating expenses	10,729	8,861	72,388
Ordinary income	18,380	34,089	278,482
Extraordinary gains:			
Gain on sale of non-current assets (Note 17)	4,294	15,375	125,602
Gain on sale of shares of subsidiaries and associates	135	5,675	46,361
Insurance claim income (Note 18)	773	1,230	10,048
Gain on sale of investment securities	1,545	-	-
Other	18	5	41
Total extraordinary gains	6,765	22,285	182,052
Extraordinary losses:			
Business restructuring expenses (Note 20)	3,607	3,500	28,592
Impairment losses (Note 19)	16,831	818	6,682
Novel infectious disease related losses (Note 21)	2,003	-	-
Loss on fire (Note 22)	1,188	-	-
Other	342	380	3,104
Total extraordinary losses	23,970	4,698	38,379
Income before income taxes	1,174	51,675	422,147
Income taxes (Note 26):			
Current	6,184	10,830	88,473
Deferred	(876)	714	5,833
Total income taxes	5,308	11,545	94,314
Profit (Loss)	(4,134)	40,131	327,841
Profit (Loss) attributable to non-controlling interests	1,236	1,030	8,414
Profit (Loss) attributable to owners of parent	(¥5,369)	¥39,101	$319,427

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Comprehensive Income

Fujikura Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars (Note 8)
	2021	2022	2022
Profit (Loss)	(¥4,134)	¥40,131	$327,841
Other comprehensive income			
Valuation difference on available-for-sale securities	113	(99)	(809)
Deferred gains (losses) on hedges	(69)	202	1,650
Foreign currency translation adjustments	10,816	17,060	139,368
Remeasurements of defined benefit plans, net of taxes	3,302	911	7,442
Share of other comprehensive income of entities accounted for using equity method	(81)	1,069	8,733
Other comprehensive income (Note 23)	14,082	19,143	156,384
Comprehensive income	9,948	59,274	484,225
(Breakdown)			
Comprehensive income attributable to owners of parent	7,863	57,145	466,833
Comprehensive income attributable to non-controlling interests	¥2,085	¥2,129	$17,392

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Fujikura Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

		Millions of yen				
		Shareholders' equity				
	Number of shares issued	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 31, 2020	295,863,421	¥53,076	¥27,903	¥89,882	(¥10,915)	¥159,945
Loss attributable to owners of parent		-	-	(5,369)	-	(5,369)
Purchase of treasury shares		-	-	-	(1)	(1)
Disposal of treasury shares		-	(0)	-	52	52
Change in ownership interest of parent due to transactions		-	(163)	-	-	(163)
Change of scope of consolidation		-	-	3,002	-	3,002
Net changes of items other than shareholders' equity		-	-	-	-	-
Total changes of items during period		-	(163)	(2,368)	51	(2,479)
Balance at March 31, 2021	295,863,421	¥53,076	¥27,740	¥87,514	(¥10,864)	¥157,466
Cumulative effects of changes in accounting policies		-	-	3	-	3
Restated balance	295,863,421	¥53,076	¥27,740	¥87,517	(¥10,864)	¥157,469
Profit attributable to owners of parent		-	-	39,101	-	39,101
Purchase of treasury shares		-	-	-	(3)	(3)
Disposal of treasury shares		-	-	-	292	292
Purchase of shares of consolidated subsidiaries		-	314	-	-	314
Change in scope of consolidation		-	-	(88)	-	(88)
Net changes in items other than shareholders' equity		-	-	-	-	-
Total changes of items during period		-	314	39,013	288	39,615
Balance at March 31, 2022	295,863,421	¥53,076	¥28,054	¥126,530	(¥10,575)	¥197,085

	Millions of yen						
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2020	¥989	(¥848)	(¥1,737)	(¥6,274)	(¥7,870)	¥20,040	¥172,115
Loss attributable to owners of parent	-	-	-	-	-	-	(5,369)
Purchase of treasury shares	-	-	-	-	-	-	(1)
Disposal of treasury shares	-	-	-	-	-	-	52
Change in ownership interest of parent due to transactions	-	-	-	-	-	-	(163)
Change of scope of consolidation	-	-	-	-	-	-	3,002
Net changes in items other than shareholders' equity	195	(69)	10,085	3,021	13,232	1,615	14,847
Total changes of items during period	195	(69)	10,085	3,021	13,232	1,615	12,368
Balance at March 31, 2021	¥1,185	(¥917)	¥8,347	(¥3,253)	¥5,363	¥21,654	¥184,483
Cumulative effects of changes in accounting policies	-	-	-	-	-	-	3
Restated balance	¥1,185	(¥917)	¥8,347	(¥3,253)	¥5,363	¥21,654	¥184,486
Loss attributable to owners of parent	-	-	-	-	-	-	39,101
Purchase of treasury shares	-	-	-	-	-	-	(3)
Disposal of treasury shares	-	-	-	-	-	-	292
Purchase of shares of consolidated subsidiaries	-	-	-	-	-	-	314
Change in scope of consolidation	-	-	-	-	-	-	(88)
Net changes in items other than shareholders' equity	(67)	202	17,037	872	18,045	1,510	19,555
Total changes of items during period	(67)	202	17,037	872	18,045	1,510	59,170
Balance at March 31, 2022	¥1,118	(¥714)	¥25,385	(¥2,381)	¥23,407	¥23,165	¥243,657

The accompanying notes to the consolidated financial statements are an integral part of these statements.

		Thousands of U.S. dollars (Note 8)				
		Shareholders' equity				
	Number of shares issued	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at March 31, 2021	295,863,421	$433,590	$226,617	$714,926	($88,751)	$1,286,383
Cumulative effects of changes in accounting policies		-	-	27	-	27
Restated balance	295,863,421	$433,590	$226,617	$714,953	($88,751)	$1,286,410
Profit attributable to owners of parent		-	-	319,423	-	319,423
Purchase of treasury shares		-	-	-	(27)	(27)
Disposal of treasury shares		-	-	-	2,384	2,384
Purchase of shares of consolidated subsidiaries		-	2,564	-	-	2,564
Change in scope of consolidation		-	-	(717)	-	(717)
Net changes in items other than shareholders' equity		-	-	-	-	-
Total changes of items during period		-	2,564	318,706	2,357	323,627
Balance at March 31, 2022	295,863,421	$433,590	$229,182	$1,033,659	$(86,394)	$1,610,037

	Thousands of U.S. dollars (Note 8)						
	Accumulated other comprehensive income						
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at March 31, 2021	$9,677	($7,488)	$68,192	($26,573)	$43,808	$176,901	$1,507,092
Cumulative effects of changes in accounting policies	-	-	-	-	-	-	27
Restated balance	$9,677	($7,488)	$68,192	($26,573)	$43,808	$176,901	$1,507,119
Profit attributable to owners of parent	-	-	-	-	-	-	319,423
Purchase of treasury shares	-	-	-	-	-	-	(27)
Disposal of treasury shares	-	-	-	-	-	-	2,384
Purchase of shares of consolidated subsidiaries	-	-	-	-	-	-	2,564
Change in scope of consolidation	-	-	-	-	-	-	(717)
Net changes in items other than shareholders' equity	(547)	1,653	139,183	7,122	147,411	12,338	159,749
Total changes of items during period	(547)	1,653	139,183	7,122	147,411	12,338	483,377
Balance at March 31, 2022	$9,130	($5,835)	$207,376	($19,451)	$191,219	$189,239	$1,990,496

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Fujikura Ltd. and its Consolidated Subsidiaries
For the Years Ended March 31, 2021 and 2022

	Millions of yen		Thousands of U.S. dollars (Note 8)
	2021	2022	2022
Cash flows from operating activities:			
Profit before income taxes	¥1,174	¥51,675	$422,147
Depreciation and amortization	33,600	30,516	249,293
Impairment losses	16,831	818	6,682
Amortization of goodwill	1,589	805	6,576
Decrease in provision for loss on guarantees	(15)	-	-
Decrease in provision for loss on business of subsidiaries and associates	(82)	-	-
Interest and dividend income	(1,053)	(1,039)	(8,488)
Interest expenses	2,558	2,497	20,399
Foreign exchange losses (gains)	(509)	124	1,013
Share of profit of entities accounted for using equity method	(430)	(2,103)	(17,180)
Subsidies for employment adjustment	(28)	-	-
Gain on sale of investment securities	(1,542)	-	-
Gain on sale of shares of subsidiaries and associates	-	(5,675)	(46,361)
Insurance claim income	(125)	(1,097)	(8,962)
Loss on valuation of investment securities	118	55	449
Gain on sale and retirement of property, plant and equipment and intangible assets	(4,294)	(15,375)	(125,602)
Novel infectious disease related losses	393	-	-
Business restructuring expenses	918	3,160	25,815
Loss on fire	1,076	-	-
Decrease (increase) in notes and accounts receivable - trade	9,693	(14,391)	(117,564)
Decrease (increase) in inventories	6,595	(8,066)	(65,893)
Decrease in notes and accounts payable - trade	(380)	(2,563)	(20,938)
Other, net	542	9,594	78,376
Sub-total	66,629	48,935	399,763
Interest and dividends received	2,471	2,499	20,415
Interest paid	(2,650)	(2,498)	(20,407)
Income taxes paid	(3,863)	(8,548)	(69,831)
Net cash provided by operating activities	62,587	40,388	329,940
Cash flows from investing activities:			
Payments for purchase of property, plant and equipment and other assets	(18,649)	(15,767)	(128,805)
Proceeds from sales of property, plant and equipment and other assets	7,703	18,213	148,787
Proceeds from sales of investment securities	5,938	418	3,415
Payments for purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(327)	(2,671)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	164	5,353	43,730
Other, net	(2,304)	(51)	(417)
Net cash provided by (used in) investing activities	(7,149)	7,840	64,047
Cash flows from financing activities:			
Net decrease in short-term borrowings	(23,620)	(9,721)	(79,413)
Net increase (decrease) in commercial papers	15,000	(15,000)	(122,539)
Proceeds from long-term borrowings	46,528	28,789	235,185
Repayments of long-term borrowings	(62,117)	(28,450)	(232,416)
Redemption of bonds	-	(10,000)	(81,693)
Other, net	(2,324)	(2,536)	(20,717)
Net cash used in financing activities	(26,532)	(36,917)	(301,585)
Effect of exchange rate change on cash and cash equivalents	1,297	4,954	40,471
Net increase in cash and cash equivalents	30,203	16,264	132,865
Cash and cash equivalents at beginning of period	43,961	74,164	605,866
Cash and cash equivalents at end of period (Note 24)	¥74,164	¥90,428	$738,730

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Notes to the Consolidated Financial Statements

Fujikura Ltd. and its Consolidated Subsidiaries
For the years ended March 31, 2021 and 2022

1. Basis of Presentation

Accounting principles

The accompanying Consolidated Financial Statements of Fujikura Ltd. (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects, application and disclosure requirements, from International Financial Reporting Standards, and are prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

The Company adopted the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (Accounting Standards Board of Japan ("ASBJ") PITF No. 18, Jun 28, 2019) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (PITF No. 24, Sep 14, 2018) and made necessary adjustments for the preparation of the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, certain reclassification and presentation adjustments have been made to the Consolidated Financial Statements filed with the Director of the Kanto Local Finance Bureau in Japan in order to present these Consolidated Financial Statements in a form which is more familiar to readers of these Consolidated Financial Statements outside Japan.

2. Summary of Significant Accounting Policies

(a) Consolidation and investments in affiliates

The Consolidated Financial Statements include the accounts of the Company and all significant subsidiaries (101 subsidiaries at March 31, 2021 and 98 subsidiaries at March 31, 2022). All significant intercompany transactions, accounts and unrealized intercompany profits are eliminated in consolidation. The difference between the cost and the underlying net equity of the investment in consolidated subsidiaries at the time of acquisition is deferred and amortized over a ten-year period. Investments of 50% or less in companies over which the parent company does not have control but has the ability to exercise significant influence, and investments in unconsolidated subsidiaries are generally accounted by the equity method (9 companies at March 31, 2021 and 10 companies at March 31, 2022) and included in Investment securities in the Consolidated Balance Sheets. When the accounts of subsidiaries and affiliates are not significant in relation to the Consolidated Financial Statements, they are carried at cost. The excess of the cost over the underlying net equity of investments in unconsolidated subsidiaries and affiliates accounted on an equity basis is deferred and amortized over a ten-year period. Consolidated net income includes the Company's Equity in earnings of affiliates after elimination of unrealized intercompany profits.

(b) Translation of foreign currency transactions and accounts

Foreign currency transactions are translated using the foreign exchange rates prevailing at the transaction dates. Receivables and payables denominated in foreign currencies are translated at the balance sheet date using current exchange rates. All asset and liability accounts of foreign subsidiaries and affiliates are translated into Japanese Yen at current exchange rates at the respective balance sheet dates and all income and expense accounts of those subsidiaries are translated at the average exchange rate for the respective fiscal year then ended.

Foreign currency financial statement translation differences are reported as a separate component of Net Assets in the Consolidated Balance Sheets.

(c) Valuation of Investment securities

Other securities:

These securities are investment securities expected to be held in the long term. Securities for which fair values are readily determinable are carried at fair value with unrealized gains and losses, net of applicable income taxes, being recorded in net assets.

Securities for which fair values are not readily determinable are recorded using the moving average cost.

(d) Derivatives

Derivative financial instruments are measured at fair value, if determinable.

(e) Inventories

Inventories are valued at the lower of cost or market, cost being determined mainly using the weighted average method.

(f) Property, plant and equipment, Intangible assets

Property, plant and equipment are depreciated using the straight-line method over estimated useful lives.
Intangible assets are amortized in line with the same method.
The estimated useful lives are as follows:

Buildings: mainly 50 years
Machinery and equipment: mainly 7 years
Intangible assets: mainly 5 years

(g) Leased assets

Finance leases are depreciated using the straight-line method over their respective lease terms with no residual values.

(h) Allowance for doubtful accounts

Allowance for doubtful accounts provides for estimated uncollectible accounts at amounts either specifically assessed or an amount computed based on historical loss experience.

(i) Allowance for investment loss

Allowance for investment loss provides for anticipated losses due to the decline of values of investments in unconsolidated subsidiaries and affiliates, considering financial conditions, etc.

(j) Provision for loss on business of subsidiaries and associates

Provision for loss on business of subsidiaries and associates provides the estimated amount in preparation for the losses related to the business of the affiliated companies, which exceed the amount of investment and claims, etc. to the affiliated companies and will be borne by the Company or subsidiaries.

(k) Provision for loss on guarantees

Provision for loss on guarantees provides for anticipated losses due to execution of guarantees, considering financial conditions in guaranteed companies.

(l) Accounting method for retirement benefits

I. Attribution method for the estimated amount of retirement benefits

In calculating retirement benefits obligations, the method to attribute the estimated amount of retirement benefits to a period until the end of the consolidated fiscal year is based on the plan’s benefit formula.

II. Accounting methods for actuarial differences and prior service cost

Prior service cost is accounted for according to the straight-line method as they are incurred for a certain number of years (principally 15 years) within the average remaining years of service of employees at the time of incurring.

Actuarial differences are charged to expenses from the fiscal year subsequent to the fiscal year when incurred using a straight-line method mainly based on determined years (principally 15 years) within the average remaining years of service of employees when incurred.

(m) Basis for recording significant revenues and expenses

The Company applies the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020) and Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, revised March 26, 2021).
The Companies regard the supply of finished products to customers in Power & Telecommunication Systems Business Division and Electronics & Connector Business Division (Electronic Products Business Division and Automotive Products Business Division) as our main performance obligation.
The Companies recognize revenue for the amount we expect to receive in exchange for goods and services when control over the promised goods and services is transferred to the customer. Revenue is recognized at the time of shipment on domestic sales because the time period from shipment to when control of the product is transferred to the customer is reasonable.
In Real Estate Business Division, the Company recognizes revenue for the amount we expect to receive in exchange for goods and services when control over the promised goods and services is transferred to the customer.

(n) Hedge accounting

The Companies apply hedge accounting for certain derivative financial instruments, which include foreign currency forward exchange contracts and interest rate swap agreements. The companies utilize these hedging instruments to hedge risks of future changes in foreign exchange rates and interest rates within the normal course of the Companies' operations.

Foreign currency exchange forward contracts:

The Companies utilize foreign currency forward exchange contracts to limit exposure to changes in foreign currency exchange rates on accounts receivable and payable and cash flows generated from anticipated transactions denominated in foreign currencies.
For foreign currency forward exchange contracts, which are designated as hedges, the Companies have adopted the accounting method where foreign currency denominated assets and liabilities are measured at the contract rate of the respective foreign currency forward exchange contract. With respect to such contracts for anticipated transactions, the contracts are marked-to-market and the resulting unrealized gains/losses are deferred and recorded in the income statement when the exchange gains/losses on the hedged items or transactions are recognized.

Interest rate swap agreements:

The Companies utilize interest rate swap agreements in order to limit the Companies' exposure with respect to adverse fluctuations in interest rates underlying the debt instruments.
The related interest differentials paid or received under the interest rate swap agreements are recognized in interest expense over the term of the agreements.

(o) Goodwill

Goodwill is amortized using the straight-line method mainly 10 years.

(p) Scope of cash in the Consolidated Statements of Cash Flows

The cash (cash and cash equivalents) in the Consolidated Statements of Cash Flows consists of cash on hand, bank deposits that can readily be withdrawn, and short-term investments with original maturities of three months or less, that are readily convertible to cash with little risk of change in value.

(q) Consumption tax

The tax-excluded method is used with respect to consumption tax and local consumption taxes.

(r) Income taxes

Income taxes are computed using the asset and liability approach. Under this approach, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting basis and tax basis of assets and liabilities.
Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that the tax benefits will not be realized.
The Company files its tax return under the consolidated tax filing system for notional taxes.

The Company and its domestic consolidated subsidiaries transition to the Japanese group relief system created in Act for Partial Revision of the Income Tax Act, (Act No. 8, 2020). In accordance with this, the Company and its subsidiaries handle the accounting categories and the accompanying revisions to the non-consolidated tax system to which the Japanese group relief system applies in the following manner.
Deferred tax assets and deferred tax liabilities are based on the provisions of the tax act prior to revision in accordance with Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Japanese group relief system (PITF No. 39, March 31, 2020), and the provisions in Paragraph 44 of Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) are not applied.
The Company intends to apply the Practical Solution on the Accounting and Disclosure Under the Japanese group relief system (Practical Solution No. 42, August 12, 2021) from the beginning of the next fiscal year.
This specifies the treatment of corporate income taxes, local corporate taxes, and tax effect accounting and disclosure when applying the Japanese group relief system.

(s) Appropriations of retained earnings

Appropriations of retained earnings reflected in the accompanying Consolidated Financial Statements are recorded upon approval by the shareholders.

3. Significant Accounting Estimates

Information on significant accounting estimates recognized in the consolidated financial statements is as follows.

・Impairment analysis of fixed assets of optical fiber business in China

The optical fiber business in China is considered a separate cash-generating unit and its results included within the Power & Telecommunication Systems Division.
The Company identified an indicator of potential impairment related to the China optical fiber business based on three factors: 1) the decline in the market price of optical fiber in China from 2019 to 2020, which also caused the decline of selling price of optical fiber preform sold by Fujikura FiberHome Opto-Electronics Material Technology Co., Ltd. (hereinafter referred to as "FFOE") to decline, 2) the steep increase in the procurement price of one of the key raw materials, silicon tetrachloride ($SiCl_4$), since October 2021, and 3) the operating losses recorded in the previous and current fiscal years.
The result of the impairment assessment concluded that no impairment loss was required to be recognized, since the value-in-use of the business exceeded its book value of ￥14,324 million (US$117,017 thousand). The value-in-use utilized for the impairment assessment was based on the future plans of the China optical fiber business, depending on the assumption that the selling price of optical base materials will fluctuate in line with the movement in selling prices as forecasted by market research companies and with the procurement price of silicon tetrachloride ($SiCl_4$).
The number of years of estimated future cash flows are based on the remaining amortization period of major fixed assets and are discounted to present value using a pre-tax weighted average cost of capital of 12.0%.
These key assumptions are subject to uncertainty and if, for example, the selling price of optical base materials sold by FFOE does not increase in line with management's estimate, or if the selling price does not fluctuate in line with the procurement price of the raw material, $SiCl_4$, this may reduce the value in use of the China optical fiber business, and accordingly may be required to be reassessed for impairment in the future.

・Impairment analysis of fixed assets in the FPC business

The FPC business is the major business of Electronics Business Division, and this business is the smallest identifiable unit that generates cash flows that are largely independent of the cash flows from other units.
As the profitability of the FPC business in Electronics Business Division is expected to decline due to the deterioration of the business environment and the product composition, the Company performed an impairment assessment and recorded a loss of ￥15,283 million for the fixed assets attributable to the FPC business in the previous fiscal year.
The competitive environment continued to intensify in the current fiscal year. Management therefore revised the assumptions for forecasted sales to key customers and cost reductions as a result of planned restructuring, based on curbing new investments and selectivity in accepting orders, the status of negotiations on relocation of production locations operated with customers, and other assumptions.
Management has reflected these revised assumptions in the mid-term business plan and has consequently identified indications of impairment losses also in the current fiscal year. The results of the impairment recognition assessment showed that the total undiscounted future cash flows from the FPC business exceed its book value of fixed assets attributable to the business of ￥30,260 million (US$247,202 thousand).
Management has therefore determined there were not impairment losses recognized in the current fiscal year.
The undiscounted cash flows estimated in the impairment assessment are based on the future plans for the FPC business.
These future plans incorporate assumptions about forecasted sales and gross profit on sales to key customers, and cost reductions as a result of planned restructuring, among other assumptions.
The Company used remaining useful lives of the machinery and equipment held by Fujikura Electronics (Thailand) Ltd. as the time period for estimating future cash flows since it is the main manufacturing location in the FPC business. These key assumptions are subject to uncertainty.
If, for example, the FPC business does not achieve the projected sales and gross profit on sales to key customers due to further intensification of the competitive environment and/or delays in realizing cost reductions due to delays in business restructuring for certain locations, this may cause total future undiscounted cash flows from the FPC business to fall below the book value of fixed assets.
This could result in the need to recognize an impairment loss on fixed assets attributable to the FPC business in the next fiscal year.

・Impairment analysis of fixed assets of wire harness business in Asia

The wire harness business is part of the Automotive Products Business Division. The business is the smallest identifiable unit that generates cash flows that are largely independent of the cash flows from other units in the Asian, European, and North & South American geographical businesses.
In Asia, business environment deteriorated due to declining profitability, resurgence in COVID-19 infections, the impact from the global semiconductor shortage, and other factors. This resulted in negative income being continuously generated from operating activities, which the Company determined to be an indicator of impairment. An impairment assessment resulted in the determination that there were not impairment losses recognized in the current fiscal year because the total undiscounted cash flows from the wire harness business in Asia exceeded its book value of fixed assets attributable to the wire harness business in Asia of ￥6,324 million (US$51,662 thousand).
The undiscounted cash flows estimated in the impairment assessment are based on the future plans for the wire harness business in Asia.
These future plans were formulated based on forecast demand from customers and other assumptions, and incorporated cost reductions from improvement in the gross profit margin and structural reforms.
The plans also assumed that the impacts from the COVID-19 pandemic and global semiconductor shortage will persist for a certain amount of time.
The Companies used the useful lives of the main fixed assets as the time period for estimating future cash flows.
These key assumptions are subject to uncertainty. If, for example, customer orders fall below the demand forecast, the COVID-19 pandemic and global semiconductor shortage continue, and shipment volume underperforms the forecast, this could result in the need to recognize an impairment loss on fixed assets attributable to the wire harness business in Asia in the next fiscal year.

・Loss on valuation of inventories in the FPC business

Inventories of the Companies are stated at cost. However if the net selling price at the end of the fiscal year is lower than the acquisition cost, the net selling price is used as the balance sheet amount, and the difference between the net selling price and the acquisition cost is included in the cost of sales.
In addition, Fujikura Electronics (Thailand) Ltd., a consolidated subsidiary of the Company, considers inventories that have been held for more than six months to be out of the operating cycle, and calculates their estimated disposal value in consideration of future market conditions and other factors, and reduces the book value to the estimated disposal value.
As a result, a loss on valuation of inventories of ￥1,321 million (US$10,792 thousand) was recorded in the FPC business in the current consolidated fiscal year.
If the market environment deteriorates more than expected and more inventories are removed from the operating cycle process, additional losses may be incurred in the following consolidated fiscal year.

・Contingent liabilities related to claims for loss and damage

The Company was sued by one of its business partners for ￥ 6.1 billion in damages for allegedly defective products delivered by the Company, and received the complaint for the lawsuit on November 13, 2020.
The Company's position is that the delivered products met the customer's specifications and as such the Company does not accept the basis for the claim, nor any obligation to pay damages.
In case new facts are revealed as the legal proceedings unfold, the Company may record a loss in the following consolidated fiscal year.

4. New Accounting Pronouncements and Changes in Accounting Policies

The Companies began applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, revised March 31, 2020; hereafter “Revenue Recognition Accounting Standard”) from the beginning of fiscal year ended March 31, 2022. The Companies recognize revenue for the amount the Companies expect to receive in exchange for goods and services when control over the promised goods and services is transferred to the customer. The Companies previously recognized revenue on the total amount of compensation received, including the procurement cost of raw materials, etc. for fee-based transactions in which the Companies receive payment for sales to a customer after procuring raw materials, etc. from the customer and processing them.
However, with the application of this accounting standard, the Companies now recognize revenue on the net amount of compensation after the procurement cost of raw materials, etc. is deducted.
The Companies also engage in transactions in equal volumes of copper material among multiple companies (so-called barter transactions) to reduce transport costs and ensure a stable supply of copper material. The Companies previously recognized revenue on the total amount of such transactions.
However, with the application of this accounting standard, the Companies now recognize revenue on the net amount.
These changes have resulted in decreases of ￥18,191 million (US$148,607 thousand) in net sales, ￥18,028 million (US$147,276 thousand) in cost of sales, and ￥163 million (US$1,332 thousand) each in operating income, ordinary income, and net income before income taxes in fiscal year ended March 31, 2022.
In accordance with Paragraph 84 of the Revenue Recognition Accounting Standard, the Companies have adjusted retained earnings at the beginning of the fiscal year ended March 31, 2022 by the cumulative impact amount had the new accounting policy been applied prior to the current fiscal year.
The impact on retained earnings at the beginning of fiscal year ended March 31, 2022 was minor.
In accordance with the transitional treatment specified in Paragraph 89-3 of the Revenue Recognition Accounting Standard, the Companies have not included a note on revenue recognition pertaining to the previous fiscal year.
The following changes were made to the financial statements for the fiscal year ended March 31, 2022 as a result of application of the Revenue Recognition Accounting Standard and related guidance.
“Notes and accounts receivable - trade,” previously presented under “Current assets,” is presented as “Notes receivable - trade” “Accounts receivable - trade” and “Contract assets” and the category “Contract liabilities” has been added under “Current liabilities” from fiscal year ended March 31, 2022.

The Companies began applying the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30, July 4, 2019); hereafter, “Fair Value Accounting Standard”) and related guidance from the beginning of fiscal year ended March 31, 2022. The Companies decided to book the impact of applying the new accounting policies specified in the Fair Value Accounting Standard and related guidance prospectively, in accordance with the transitional treatment specified in Paragraph 19 of the Fair Value Accounting Standard and Paragraph 44-2 of the Accounting Statement for Financial Instruments (ASBJ Statement No. 10, revised July 4, 2019). The application of this accounting standard and related guidance does not affect the Consolidated Balance Sheets.
The Companies also decided to include Breakdown of the Fair Value of Financial Instruments by Asset Level in the notes concerning financial instruments.
The Companies have not included notes for the previous fiscal year in Breakdown of the Fair Value of Financial Instruments by Asset Level, in accordance with the transitional treatment specified in Paragraph 7-4 of the Implementation Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19, revised July 4, 2019).

5. Unapplied Accounting Standard

(Companies Using U.S. GAAP)

・Leases (FASB Accounting Standards Update (ASU) 2016-02 (Topic 842), February 25, 2016)

(1) Summary

The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases.

(2) Expected date of application

This standard will be applied from the beginning of fiscal year ending March 31, 2023 (from April 1, 2022).

(3) Impact from Application of the Accounting Standard Update

The impact was still being assessed at the time these consolidated financial statements were produced.

6. Reclassification

Certain accounts in the Consolidated Financial Statements for the year ended March 31, 2021 have been reclassified to conform to the 2022 presentation.

7. Additional Information

(Accounting estimates associated with the COVID-19 pandemic)

The global COVID-19 pandemic has mainly impacted the Asian region of the Companies through lower operation at plants.

The impact from the pandemic has been more prolonged than anticipated at the end of the financial results for the previous fiscal year.

The Companies have developed future plans based on the assumption that the COVID-19 pandemic will continue to have an impact for a certain period of time, and in light of this, have estimated the accounting impact.

(Accounting estimates associated with the current international situation surrounding Ukraine)

The Companies have a production plant for Automotive Products Business Division in Ukraine and the Companies temporarily suspended plant operations.

While operations had resumed by the end of fiscal year ended March 31, 2022, the suspension is having an impact in the form of partial halting of operations, etc.

Based on the information available at the time the annual securities report was submitted, the Companies have reflected the impacts from the current international situation surrounding Ukraine and have estimated the accounting impacts. Such impacts include lower operation at the production plant in Automotive Products Business Division, the expense required for alternative production in neighboring countries, and the shortage of raw materials and steep price increases in Power & Telecommunication Systems Business Division. However, the global political and economic situation is uncertain and including the timing when this situation will be resolved. This could therefore impact profits and losses in the next fiscal year, depending on future conditions.

(Simplified Absorption-Type Company Split Related to FPC Business)

On May 1, 2022, Fujikura, Fujikura Shoji and Tohoku Fujikura executed an absorption-type company split and Fujikura Printed Circuits Ltd. became the successor company. Fujikura Shoji and Tohoku Fujikura conduct this split without assets as a consideration for the split.

The Company split is an absorption-type split within the consolidated group. Therefore, the impact on the Company's consolidated business performance is minor.

(Stock-based compensation plan for the Company's directors)

In accordance with a resolution passed at the 169th Annual General Shareholders' Meeting held on June 29, 2017, the Company introduced a stock-based compensation plan for Company's Directors (limited to directors not serving as Audit and Supervisory Committee Members and excluding Outside Directors; hereinafter the same shall apply) and Executive Officers (hereinafter collectively referred to as "Directors"). The purpose of the plan is to clarify the correlation between the Company's share price and Director compensation and to boost awareness of contribution to the improvement of corporate value by having the Directors share the benefits and risks of stock price fluctuation with shareholders—i.e. not only benefit when the share price rises but also shoulder the risk of a decline in share price.

The accounting procedures for this system conform with the Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts (PITF No. 30, March 26, 2015).

I. Transaction summary

The Company will set up a monetary trust. This trust will be used to acquire common shares of the Company. A director shall be granted points in each fiscal year according to the Stock Distribution Regulations set forth by the Board of Directors. The stock-based compensation will be delivered to the Directors via the trust. Note that in principle the Directors will receive delivery of said shares at the time of retirement.

II. Shares remaining in the trust

The shares of the Company that remain in the trust are recorded as treasury stock under net assets at book value (excluding associated costs).

The book value of these treasury stock shares at the years ended March 31, 2021 and 2022 in the amounts of ¥ 883 million and 900 thousand shares and ¥591 million (US$4,828 thousand) and 602 thousand shares.

8. United States Dollar Amounts
Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of exchange on March 31, 2022 (¥122.41=US$1.00), has been used for translation purposes. The inclusion of such amounts is not intended to imply that Japanese Yen has been or could be readily converted, realized or settled in U.S. dollars at this rate or any other rate.

9. Financial Instruments
(a) Information on financial instruments policies

The Companies enter into financing arrangements (primarily through bank loans or corporate bonds) based on the planned capital expenditures of its businesses. The Companies invest in low risk financial assets using available cash, finance their short-term working capital needs through bank loans and commercial papers. The Companies use derivative transactions within predetermined transaction volumes to limit the risk of significant fluctuations in foreign currency exchange rates, interest rates, and copper and aluminum prices.
The Companies do not enter into derivative transactions for speculative purposes.

Details of financial instruments and related risks
Trade notes and accounts receivable are exposed to customer credit risk. Also, trade receivables denominated in foreign currencies, which are derived from the Company's global business expansion, are exposed to fluctuations in foreign currency exchange rates, however, the exposure is mitigated by entering into foreign exchange forward contracts.

Investment securities consist mainly of equity securities, which are exposed to market price fluctuation risks.

Trade notes and accounts payable have payment terms within one year. Also, within these accounts there are foreign currency denominated balances generated from the import of raw materials and therefore the balances are exposed to fluctuations in foreign currency exchange rates. However, such balances are typically less than accounts receivable balances denominated in the same currencies.
Borrowings and corporate bonds are used primarily for capital expenditures and have maturity dates within mainly five years subsequent to the balance sheet date. Certain borrowing contracts are based on variable, or floating, interest rates, which are exposed to fluctuation risk and are hedged via interest rate swap agreements.

Derivative transactions are comprised primarily of foreign exchange forward contracts hedging foreign currency exchange rate fluctuation risk in trade receivables/payables denominated in foreign currencies, of interest rate swap agreements hedging interest rate fluctuation risk in bank loans, and commodity forward contracts hedging the risk of copper and aluminum price fluctuation.

Risk management over financial instruments
(1) Credit risk management (risk of customers' default risk, etc.)
The Company periodically monitors major customers' financial conditions and performs customer specific aging analyses. In addition, the Company monitors doubtful accounts due to the current economic difficulties in accordance with the credit management policy.
The consolidated subsidiaries and affiliates are also required to conform with the credit management policy of the Company.

In order to mitigate credit risks to the greatest extent possible with regards to derivative transactions, the Companies' counterparties are financial institutions that maintain high credit ratings.

The financial assets exposed to credit risks recorded in the Consolidated Balance Sheets represent the maximum exposure to credit risk as of March 31, 2021 and March 31, 2022.

(2) Market risk management (risk of fluctuations in foreign currency rates, interest rates, etc.)
The Company and certain consolidated subsidiaries generally use foreign exchange forward contracts to limit foreign currency exchange rate fluctuation risk in trade receivables/payables denominated in foreign currencies. Depending on the foreign currency market condition, the Companies use foreign exchange forward contracts for trade receivables denominated in foreign currencies generated from highly probable forecasted export transactions. Also, the Company and certain consolidated subsidiaries use interest rate swap agreements to limit interest rate fluctuation risk associated with bank loans.

In relation to investment securities, the Companies continuously monitor the related market values and financial condition of the issuers while also taking into consideration their business relationships with the issuers.

In executing and managing the daily operations of derivative transactions, the Companies regularly monitor transaction balances/volumes and profit/loss status. Such information is periodically reported to the responsible management team and is audited by certain administration divisions. Prior approval by an Executive Officer of the Company is generally required to enter into significant transactions, transaction modifications or applications for the use of new financial instruments.

(3) Liquidity risk management for financing activities (risk of inability to repay on the due date)
The Company manages liquidity risk by preparing cash flow forecasts, led by the finance division, based on relevant information reported from the respective divisions.

Supplementary information on the fair value of financial instruments
The fair value of financial instruments is based on market values as well as reasonably determined values in situations where the market fair value is unavailable. The determination of such values is based on certain assumptions, which may result in different outcomes if other assumptions are applied.

(b) Fair values of financial instruments

The book value of financial instruments in the Consolidated Financial Statements, their fair value and net difference at March 31, 2021 and 2022, respectively, are shown below:

	Millions of yen		
2021	Book value	Fair value	Difference
(1) Investment securities (*2)	19,036	14,520	(4,516)
(2) Bonds payable (*3)	40,000	39,879	(121)
(3) Long-term borrowings (*4)	128,517	128,909	392
(4) Derivative Instruments (*5)			
Non-hedge derivative instruments	1,800	1,800	-
Designated hedge instruments	(1,015)	(1,015)	-

(*1) "Cash" is omitted in the notes and "Deposits," "Notes receivable - trade," "Accounts receivable - trade," "Notes and accounts payable - trade," "Short-term borrowings," and "Income taxes payable" are omitted in the notes because they are paid within a short time period and their fair value closely resembles book value.
(*2) The following financial instruments are not included in "(1) Investment securities" because they do not have market prices and it is extremely difficult to determine their fair value. The amounts recorded on the Consolidated Balance Sheets for these financial instruments are listed below.

2021	Millions of yen
Description	Amount recorded in consolidated balance sheets
Non-public companies	¥8,640

(*3) Bonds payable due for redemption in one year《amount on the balance sheet: ¥ 10,000 million》are included in "(2) Bonds payable."
(*4) ¥19,389 million of the Long-term borrowings which mature within 1 year and are recorded in "Short-term borrowings" in the consolidated balance sheets are included in "(3) Long-term borrowings" above.
(*5) Net receivables and (liabilities) related to the derivative transactions are presented net.

	Millions of yen			Thousands of U.S. dollars		
2022	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Investment securities (*2)	19,502	13,907	(5,595)	159,317	113,610	(45,707)
(2) Bonds payable	30,000	29,831	(169)	245,078	243,697	(1,381)
(3) Long-term borrowings (*3)	129,976	129,484	(493)	1,061,809	1,057,789	(4,027)
(4) Derivative Instruments (*4)						
Non-hedge derivative instruments	2,004	2,004	-	16,371	16,371	-
Designated hedge instruments	(749)	(749)	-	(6,119)	(6,119)	-

(*1) "Cash" is omitted in the notes and "Deposits," "Notes receivable - trade," "Accounts receivable - trade," "Notes and accounts payable - trade," "Short-term borrowings," and "Income taxes payable" are omitted in the notes because they are paid within a short time period and their fair value closely resembles book value.
(*2) Equity securities, etc. without a market price are not included in "(1) Investment securities." The amounts of such financial instruments recorded in the Consolidated Balance Sheets are listed below.

2022	Millions of yen	Thousands of U.S. dollars
Description	Amount recorded in consolidated balance sheets	Amount recorded in consolidated balance sheets
Non-public companies	¥9,598	$78,409

(*3) ¥19,499 million (US$159,293 thousand) of the Long-term borrowings which mature within 1 year and are recorded in "Short-term borrowings" in the consolidated balance sheets are included in "(3) Long-term borrowings" above.
(*4) Net receivables and (liabilities) related to the derivative transactions are presented net.

Note 1: The aggregate annual maturities of cash and deposits, and receivables at March 31, 2021 and 2022 are as follows:

	Millions of yen			
At March 31, 2021	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	¥74,740	¥ -	¥ -	¥ -
Notes and accounts receivable - trade	123,347	-	-	-
Total	¥198,087	¥ -	¥ -	¥ -

	Millions of yen			
At March 31, 2022	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	¥91,041	¥ -	¥ -	¥ -
Notes receivable - trade	14,698	-	-	-
Accounts receivable - trade	120,260	-	-	-
Total	¥226,000	¥ -	¥ -	¥ -

	Thousands of U.S. dollars			
At March 31, 2022	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Cash and deposits	$743,738	$ -	$ -	$ -
Notes receivable - trade	120,072	-	-	-
Accounts receivable - trade	982,436	-	-	-
Total	$1,846,254	$ -	$ -	$ -

Note 2: The annual maturities of bonds payable and long-term borrowings at March 31, 2021 and 2022 are as follows:

At March 31, 2021

Bonds payable

	Millions of yen
Year ending March 31, 2022	¥10,000
2023	-
2024	10,000
2025	10,000
2026	-
2027 and thereafter	10,000

Long-term borrowings

	Millions of yen
Year ending March 31, 2022	¥19,389
2023	19,069
2024	3,960
2025	15,434
2026	20,664
2027 and thereafter	50,000

At March 31, 2022

Bonds payable

	Millions of yen	Thousands of U.S. dollars
Year ending March 31, 2023	-	-
2024	10,000	81,693
2025	10,000	81,693
2026	-	-
2027	10,000	81,693
2028 and thereafter	-	-

Long-term borrowings

	Millions of yen	Thousands of U.S. dollars
Year ending March 31, 2023	¥19,499	$159,293
2024	4,157	33,960
2025	15,586	127,326
2026	20,735	169,390
2027	10,000	81,693
2028 and thereafter	60,000	490,156

(c) Breakdown of the fair value of financial instruments by asset level

The fair value of financial instruments is categorized into the following three levels, according to the observability and significance of inputs relating to the calculation of fair value.

Level 1 Fair Value: The fair value determined by the market price of assets or liabilities for which the fair value is formed by an active market, of the inputs for determining observable fair value
Level 2 Fair Value: The fair value determined using inputs relating to the fair value determined by inputs other than Level 1 inputs, of the inputs for determining observable fair value
Level 3 Fair Value: Fair value determined using inputs relating to determination of fair value that is not observable

(1) Financial instruments recorded at fair value on the Consolidated Balance Sheets

at March 31, 2022

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Investment securities	13,907	—	—	13,907
Derivative Instruments				
Non-hedge derivative instruments	—	2,004	—	2,004
Designated hedge instruments	—	(749)	—	(749)

Classification	Fair value (Thousands of US$)			
	Level 1	Level 2	Level 3	Total
Investment securities	113,610	—	—	113,610
Derivative Instruments				
Non-hedge derivative instruments	—	16,371	—	16,371
Designated hedge instruments	—	(6,119)	—	(6,119)

(2) Financial instruments other than financial instruments recorded at fair value on the Consolidated Balance Sheets

at March 31, 2022

Classification	Fair value (Millions of yen)			
	Level 1	Level 2	Level 3	Total
Bonds payable	—	29,831	—	29,831
Long-term borrowings	—	129,484	—	129,484

Classification	Fair value (Thousands of US$)			
	Level 1	Level 2	Level 3	Total
Bonds payable	—	243,697	—	243,697
Long-term borrowings	—	1,057,789	—	1,057,789

Note: Explanation of valuation method used to determine fair value and inputs relating to determination of fair value

(Investment securities)
The fair value of such equity securities is classified as Level 1 fair value because they are traded on active markets.

(Bonds payable)
The fair value of bonds issued by the Company is determined using market prices based on data obtained from the Japan Securities Dealers Association. The fair value of such bonds is classified as Level 2 fair value.

(Derivative Instruments)
The fair value of foreign exchange forward contracts is calculated by using forward exchange rates and classified as Level 2 fair value. The fair value of commodity futures contracts is calculated based on the London Metal Exchange (LME) official price and the current exchange rate at the end of the period and classified as Level 2 fair value. Foreign exchange forward contracts are accounted for combined with the accounts receivable designated as hedged items, and their fair values are included in the related accounts receivable. Interest rate swaps for which a simplified method allowed under JGAAP is applied are combined with the long-term borrowings designated as hedged items, and their fair values are included in long-term borrowings (see “Long-term borrowings” below).

(Long-term borrowings)
The fair value of long-term borrowings is determined based on the present value of the principal and interest discounted at the current interest rate charged for a similar borrowing. This is classified as Level 2 fair value. For long-term borrowings with a floating interest rate, the Company enters into interest rate swaps and applies a simplified method allowed under JGAAP to such swaps. Such long-term borrowings are combined with the related interest swaps and their fair values are determined based on the present value of the principal and interest reflecting the swap discounted at the current interest rate charged for a similar borrowing.

10. Investment Securities

The aggregate cost, gross unrealized gains, gross unrealized losses and fair value of held-to-maturity investment securities at March 31, 2021 and 2022 consisting primarily of equity securities are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Cost	¥5,696	¥5,243	$42,831
Gross unrealized gains	1,381	1,277	10,432
Gross unrealized losses	(212)	(257)	(2,100)
Fair value	¥6,865	¥6,263	$51,164

Available-for-sale investment securities sold during the year ended March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Investment securities			
Sales amount	¥5,938	¥418	$3,415
Gain on sales of investment securities	1,545	-	-
Loss on sales of securities	3	123	1,005

Investments in unconsolidated subsidiaries and affiliates at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Investments securities	¥18,087	¥20,080	$164,039
Investments and other assets, other	5,655	6,447	52,667
	¥23,742	¥26,527	$216,706

11. Borrowings and Other Financial Liabilities

Borrowings and other financial liabilities at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Short-term loans, principally from banks, with weighted-average interest rate of 0.7% to the ending balance on March 31, 2022	¥58,412	¥51,515	$420,840
Current portion of unsecured long-term loans from banks and other financial institutions with weighted-average interest rate of 1.0% to the ending balance on March 31, 2022	19,389	19,499	159,293
Current portion of lease obligations	1,584	1,590	12,989
Non-current portion of unsecured long-term loans from banks and other financial institutions with maturity dates from 2023 to 2050 with weighted-average interest rate of 1.4% to the ending balance on March 31, 2022	109,128	110,477	902,516
Non-current portion of lease obligations with maturity dates from 2023 to 2034	3,797	4,517	36,901
Commercial paper	15,000	-	-
Current portion of bonds payable interest rates of 0.1%	10,000	-	-
Bonds with maturity dates from 2023 to 2026 with weighted-average interest rates of 0.2% and 0.3%	30,000	30,000	245,078
	¥247,311	¥217,598	$1,777,616

The Companies' assets pledged as collateral for other interest-bearing debts at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Carrying values of property, plant and equipment:			
Land	¥7	¥7	$57

The Companies' debt pledged as collateral for other interest-bearing debts at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Carrying values of liabilities:			
Non-current liabilities other	¥1,517	¥1,517	$12,393

The annual maturities of long-term borrowings are as follows:

Long term borrowings	Millions of yen	Thousands of U.S. dollars
Year ending March 31,		
2024	¥4,157	$33,960
2025	15,586	127,326
2026	20,735	169,390
2027	10,000	81,693

Lease obligations	Millions of yen	Thousands of U.S. dollars
Year ending March 31,		
2024	¥1,890	$15,440
2025	814	6,650
2026	611	4,991
2027	492	4,019

12. Revenue other than that from contracts with customers included in net sales

Revenue other than that from contracts with customers included in net sales on the consolidated statements of income for the year ended March 31, 2022, amounted to ¥9,127million (US$74,561 thousand).

13. Selling, general and administrative expenses

Main components of selling, general and administrative expenses for the years ended March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Depreciation and amortization	¥2,589	¥2,556	$20,881
Retirement benefit cost	1,574	1,623	13,259

14. Research and Development Costs

Research and development costs included in Selling, general and administrative expenses and Cost of sales, in aggregate, for the years ended March 31, 2021 and 2022, amounted to ¥16,496 million and ¥16,413million (US$134,082 thousand), respectively.

15. Severance Indemnities and Pension Plans

(a) Outline of retirement and severance benefits plans adopted by the Companies

The Company and its consolidated subsidiaries sponsor various defined benefit plans such as corporate pension plans and lump sum retirement plans for their employees. Certain consolidated subsidiaries also sponsor defined contribution plans.

(b) Defined benefit plan

The following tables present summaries of the benefit obligations for defined pension plans, plan assets and the associated funded status recorded in the Consolidated Balance Sheets.

(1) Benefit obligations at the beginning of the period and the end of the period (excluding those plans that adopt the simplified method as discussed in (3) below)

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Balance at the beginning of the period	¥50,125	¥48,419	$395,548
Service cost	2,761	2,666	21,779
Interest cost	157	200	1,634
Actuarial (gains) or losses	(201)	(932)	(7,614)
Past service cost accrual	(162)	(48)	(392)
Retirement benefits paid	(4,563)	(3,333)	(27,228)
Other	301	0	0
Balance at the end of the period	¥48,419	¥46,972	$383,727

(2) Plan assets at the beginning of the period and the end of the period (excluding those plans that adopt the simplified method as discussed in (3) below)

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Balance at the beginning of the period	¥43,417	¥42,744	$349,187
Expected return on plan assets	442	551	4,501
Actuarial (gains) or losses	2,398	(875)	(7,148)
Employer's contributions	266	270	2,206
Retirement benefits paid	(3,785)	(2,860)	(23,364)
Other	6	(273)	(2,230)
Balance at the end of the period	¥42,744	¥39,557	$323,152

(3) Defined benefit liability at the beginning of the period and the end of the period for consolidated subsidiaries adopting the simplified method

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Balance at the beginning of the period	¥2,896	¥2,077	$16,968
Retirement benefit cost	401	413	3,374
Retirement benefits paid	(62)	(58)	(474)
Annual contribution	(560)	(212)	(1,732)
Other	8	12	98
Balance at the end of the period	¥2,683	¥2,232	$18,234

(4) Reconciliation between the liabilities (assets) recorded in the Consolidated Balance Sheets and the balances of defined benefit obligations and plan assets

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Retirement benefit obligations of the savings plans	¥44,553	¥42,683	$348,689
Plan assets	(33,722)	(32,419)	(264,839)
Retirement benefits trusts	(10,173)	(8,257)	(67,454)
	659	2,008	16,404
Retirement benefit obligations of the non-savings plans	7,699	7,639	62,405
Net liabilities and assets recorded on the Consolidated Balance Sheets	8,358	9,647	78,809
Net defined benefit liability	10,992	10,537	86,080
Net defined benefit asset	(2,635)	(889)	(7,262)
Net liabilities (assets) recorded on the Consolidated Balance Sheets	¥8,358	¥9,647	$78,809

(5) Components of net periodic retirement benefits costs

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Service cost	¥2,761	¥2,666	$21,779
Interest cost	157	200	1,634
Expected return on plan assets	(442)	(551)	(4,501)
Recognized actuarial (gains) or losses	1,429	1,318	10,767
Amortization of prior service cost	(635)	(217)	(1,773)
Net retirement benefit costs of the plans adopting the simplified method	401	413	3,374
Retirement benefit costs related to the defined benefit plans	¥3,671	¥3,829	$31,280

Note. Extra retirement payments for the years ended March 31, 2021 and 2022 in the amount of ¥2,868 million and ¥3,371 million (US$27,539 thousand) respectively, are accounted for as "Business restructuring expenses" of Extraordinary loss.

(6) Remeasurements of defined benefit plans before deduction of deferred tax

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Unrecognized prior service cost	¥473	¥169	$1,381
Unrecognized actuarial (gains) or losses	(4,036)	(1,289)	(10,530)
Total	(¥3,563)	(¥1,120)	($9,150)

(7) Accumulated other comprehensive income before deduction of deferred tax on defined retirement benefit plans

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Unrecognized prior service cost	(¥2,779)	(¥2,610)	($21,322)
Unrecognized actuarial (gains) or losses	6,300	5,011	40,936
Total	¥3,521	¥2,401	$19,614

(8) Plan assets consisted of the following :

	2021	2022	
Bonds payable	36	36	%
Equity securities	16	18	
Cash and deposits	24	24	
General accounts	1	1	
Others	23	21	
Total	100	100	%

Note. Employee retirement benefits trusts contributed to the company pension plan as of March 31, 2021 and 2022 represent approximately 23% and 20% of "Plan assets total" respectively .

(9) Method to establish a long-term expected return on plan assets

To determine the long-term expected return on plan assets, the present and expected allocation of plan assets and the present and expected future returns from a variety of plan assets have been taken into account.

(10) The actuarial assumptions used

	2021	2022
Discount rates	Mainly 0.3%	Mainly 0.4%
Expected long-term expected return on plan assets	Mainly 1.5%	Mainly 1.5%
Lump sum election rate	Mainly 70.3%	Mainly 68.4%
Re-evaluation rate	Mainly 0.1%	Mainly 0.1%

(c) Defined contribution plan

Total annual contributions to the defined contribution plans for the years ended March 31, 2021 and 2022 are ¥496 million and ¥567 million (US$4,632 thousand), respectively.

16. Inventories

Inventories are valued at the lower of cost or market and the associated losses on inventory devaluation have been included in "Cost of sales" for the years ended March 31, 2021 and 2022 in the amounts of ¥6,291 million and ¥5,415 million (US$44,237 thousand), respectively.

17. Gain on Sale of Fixed Assets

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Land	3,798	¥15,825	$129,279
Buildings	496	(451)	(3,684)
Total	¥4,294	¥15,375	$125,602

18. Insurance claim income

This represents the amount of confirmed insurance claims for loss of plant and equipment due to fire and other losses and claim expenses.

19. Impairment losses

Grouping method:
The Companies grouped long-lived assets into asset groups by merchandise category.
Idle assets are grouped on an individual asset basis.

For the year ended March 31, 2021, the Companies have recorded impairment losses against the following asset groups:

Location: Fujikura Electronics (Thailand) Ltd. (Thailand)
Use: FPC manufacturing assets, etc. (Idle assets)
Type: Machinery and equipment, etc.
Amount of impairment losses: ¥15,283 million

Location: Fujikura Ltd. (Sakura City, Chiba and Suzuka City, Mie, Japan)
Use: Optical fiber manufacturing assets
Type: Machinery and equipment, Construction in progress, etc.
Amount of impairment losses: ¥702 million

Location: Fujikura Automotive Europe, S.A.U. (Spain), etc.
Use: Wire harness manufacturing assets, etc.
Type: Machinery and equipment, building, etc.
Amount of impairment losses: ¥598 million

FPC and optical fiber manufacturing assets etc. were tested for impairment due to deterioration in the business environment, and as a result, the book value was reduced to the recoverable amount. The recoverable amount of FPC manufacturing facilities, etc. is measured by use value, which is calculated by discounting the future cash flow at 8.88%. The recoverable amount of optical fiber manufacturing facilities is measured by net sale value. The unamortized book value was therefore recorded as impairment losses.
For automotive wire harness manufacturing facilities and other assets that are no longer expected to be used in the future, the Company has set the recoverable amount to ¥0 and recorded the unamortized balance as an impairment losses.

For the year ended March 31, 2022, the Companies have not recorded any significant impairment losses and as such further disclosure is omitted.

20. Business Restructuring Expenses

For the Year Ended March 31, 2021
Special additional benefits and estimated reemployment support expenses from implementation of an early retirement benefits system at the Companies, and special retirement benefits, etc. accompanying the restructuring of the Companies' locations.

For the Year Ended March 31, 2022
Special additional benefits and estimated reemployment support, etc. from implementation of the special career change support system at the Company, and special retirement benefits, etc. accompanying the restructuring of the Companies' locations.

21. Novel Infectious Disease Related Losses

The Companies shut down operations at some Group locations after considering various demands by the national and local governments in each country due to COVID-19. The cost of idle operations incurred as a result of this was posted as an extraordinary loss.

22. Loss on Fire

The impairment losses on assets destroyed by the fire, cost of idle operations, and other costs incurred were posted as extraordinary losses. These costs resulted from the fire that occurred in May 2020 at our consolidated subsidiary, Fujikura Automotive Morocco Tangier, S.A.S., in the Kingdom of Morocco and the shutdown of the plant.

23. Consolidated Statements of Comprehensive Income

For the Years Ended March 31, 2021 and 2022

Amount of reclassification and tax effect related to other comprehensive income are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
Valuation difference on available-for-sale securities	2021	2022	2022
Amount arising during the year	¥1,428	(¥239)	($1,952)
Reclassification adjustment	(1,451)	126	1,029
Before tax effect adjustment	(23)	(112)	(915)
Tax effect	137	13	106
Valuation difference on available-for-sale securities	113	(99)	(809)
Deferred gains (losses) on hedges			
Amount arising during the year	298	148	1,209
Before tax effect adjustment	298	148	1,209
Tax effect	(367)	54	441
Deferred gains (losses) on hedges	(69)	202	1,650
Foreign currency translation adjustments			
Amount arising during the year	10,816	17,060	139,368
Before tax effect adjustment	10,816	17,060	139,368
Foreign currency translation adjustments	10,816	17,060	139,368
Remeasurements of defined benefit plans, net of taxes			
Amount arising during the year	2,768	19	155
Reclassification adjustment	795	1,101	8,994
Before tax effect adjustment	3,563	1,120	9,150
Tax effect	(261)	(209)	(1,707)
Remeasurements of defined benefit plans, net of taxes	3,302	911	7,442
Share of other comprehensive income of associates accounted for using equity method			
Amount arising during the year	(57)	1,093	8,929
Reclassification adjustment	(24)	(24)	(196)
Share of other comprehensive income of associates accounted for using equity method	(81)	1,069	8,733
Other comprehensive income	¥14,082	¥19,143	$156,384

24. Supplementary Cash Flow Information

A reconciliation of cash and cash equivalents in the Consolidated Statement of Cash Flows and account balances in the Consolidated Balance Sheets at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Cash and deposits	¥74,740	¥91,041	$743,738
Deposits with original maturities of over three months	(576)	(613)	(5,008)
Cash and cash equivalents	¥74,164	¥90,428	$738,730

25. Leases

1. Leased assets under finance leases other than those that are deemed to transfer ownership of the leased property to the lessee and the right-of-use assets of consolidated subsidiaries that apply IFRS 16 "Leases".

(1) Details of leased assets

Mainly consists of "Buildings and structures".

(2) Depreciation method for leased assets

As stated "Notes to the Consolidated Financial Statements, (f) Property, plant and equipment, Intangible assets and (g) Leased assets".

2.Operating lease

Future lease payments on non-cancelable operating leases

	Millions of yen		Thousands of U.S. dollars
Lessee	2021	2022	2022
Within 1 year	¥2,373	¥2,712	$22,155
More than 1 year	7,049	8,617	70,395
Total	¥9,422	¥11,329	$92,550

Lessor	2021	2022	2022
Within 1 year	¥1,041	¥1,054	$8,610
More than 1 year	4,058	3,080	25,161
Total	¥5,098	¥4,134	$33,772

26. Income Taxes

The Company and its domestic subsidiaries are subject to a number of different income taxes which, in aggregate, indicate a normal statutory tax rate in Japan of approximately 30.2% for the years ended March 31, 2021 and 2022.

A reconciliation between the normal statutory income tax rate and the effective income tax rate in the accompanying Consolidated Statements of Income for the years ended March 31, 2021 and 2022 are as follows:

	2021	2022	
Normal statutory tax rate	30.2	30.2	%
Permanently non-deductible expenses such as entertainment expenses	0.8	0.0	
Permanently non-taxable income such as dividend income	(5.1)	(0.3)	
Withholding tax on dividends from foreign subsidiaries	18.6	0.2	
Per capita rate of local tax	7.6	0.2	
Elimination of intercompany dividend income	(6.1)	0.9	
Special tax credit	(22.4)	(1.8)	
Equity in losses of affiliates	(12.1)	(1.1)	
Tax exemption in foreign tax jurisdiction	0.6	(0.3)	
Valuation allowance	354.9	(7.7)	
Effect of lower tax rates at overseas subsidiaries	(15.3)	(0.5)	
Amortization of Goodwill	(35.0)	(0.5)	
Retained earnings of overseas subsidiaries	7.0	0.3	
Income taxes for prior periods	1.3	0.7	
Expiration of loss carryforwards	57.1	0.1	
Foreign tax amount carried forward etc.	74.4	2.2	
Other	(4.3)	(0.2)	
Effective income tax rate	452.1	22.3	%

The significant components of deferred tax assets and liabilities at March 31, 2021 and 2022 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2021	2022	2022
Deferred tax assets:			
Net operating losses carried forward (*2)	¥21,427	¥19,844	$162,111
Impairment losses	4,714	4,909	40,103
Loss on valuation of investments in capital of subsidiaries and associates	4,736	4,744	38,755
Net defined benefit liability	4,833	4,571	37,342
Foreign tax credit carried forward	4,573	4,050	33,086
Allowance for doubtful accounts	2,435	2,539	20,742
Bonus accrual	2,088	2,494	20,374
Inventory devaluations	927	1,418	11,584
Loss on valuation of investment securities	1,385	1,401	11,445
Depreciation	1,699	1,371	11,200
Elimination of intercompany profits on fixed assets	791	783	6,397
Enterprise taxes	177	551	4,501
Elimination of intercompany profits on inventories	191	401	3,276
Provision for loss on guarantees	2	-	-
Other	4,724	7,588	61,988
Gross deferred tax assets	54,701	56,663	462,895
Valuation allowance related to net operating losses carried forward (*2)	(20,303)	(18,882)	(154,252)
Valuation allowance related to total deductible temporary difference, etc.	(26,044)	(29,352)	(239,784)
Subtotal of valuation allowance (*1)	(46,347)	(48,234)	(394,036)
Total deferred tax assets	8,355	8,429	68,859
Deferred tax liabilities:			
Retained earnings of equity-method affiliated company	1,218	1,348	11,012
Special tax-purpose reserve for deferred gain on sale of property	624	620	5,065
Asset retirement obligations	-	75	613
Unrealized gains on investment securities	59	46	376
Other	96	57	466
Total deferred tax liabilities	1,999	2,149	17,556
Net deferred tax assets	¥6,355	¥6,279	$51,295

Notes:

1. There were no significant changes in the valuation allowance.
2. Net operating losses carried forward for tax purposes and correlating deferred tax assets by carry forward period.

FY2020 (consolidated fiscal year ended March 31, 2021)

Millions of yen

	Within 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years	Total
Net operating losses carried forward*1	885	274	1,244	474	4,406	14,145	21,427
Valuation allowance	(871)	(216)	(982)	(460)	(4,401)	(13,373)	(20,303)
Deferred tax assets	14	58	263	13	5	772	*2 1,124

*1: Figures for net operating losses carried forward are the amounts multiplied by effective statutory tax rate.
*2: For the net operating losses carried forward of ￥21,427 million (amount multiplied by effective statutory tax rate), deferred tax assets of ￥1,124 million have been recorded.
The net operating losses carried forward was determined to be recoverable as future taxable income is anticipated, and therefore valuation allowance has not been recognized based on "Implementation Guidance on Recoverability of Deferred Tax Assets", ASBJ Guidance No. 26.

FY2021 (consolidated fiscal year ended March 31, 2022)

Millions of yen

	Within 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years	Total
Net operating losses carried forward*3	335	877	439	2,466	3,048	12,678	19,844
Valuation allowance	(331)	(580)	(439)	(2,466)	(3,046)	(12,020)	(18,882)
Deferred tax assets	4	297	-	-	2	659	*4 962

Thousands of U.S. dollars

	Within 1 year	More than 1 year, less than 2 years	More than 2 years, less than 3 years	More than 3 years, less than 4 years	More than 4 years, less than 5 years	More than 5 years	Total
Net operating losses carried forward*3	2,737	7,164	3,586	20,145	24,900	103,570	162,111
Valuation allowance	(2,704)	(4,738)	(3,586)	(20,145)	(24,884)	(98,195)	(154,252)
Deferred tax assets	33	2,426	-	-	16	5,384	*4 7,859

*3: Figures for net operating losses carried forward are the amounts multiplied by effective statutory tax rate.
*4: For the net operating losses carried forward of ￥19,844 million (US$162,111 thousands) (amount multiplied by effective statutory tax rate), deferred tax assets of ￥962 million (US$ 7,859 thousands) have been recorded.
The net operating losses carried forward are determined to be recoverable as future taxable income is anticipated, and therefore valuation allowance has not been recognized based on "Implementation Guidance on Recoverability of Deferred Tax Assets", ASBJ Guidance No. 26.

27. Contingent Liabilities

(1) Guarantees	Millions of yen		Thousands of U.S. dollars
Guarantees for loans borrowed / notes issued by:	2021	2022	2022
Viscas Corporation	¥53	¥56	$457
PT. Fujikura Indonesia	0	-	-
Employee	82	64	523
	¥135	¥120	$980

(2) Contingent liabilities
The Company was sued by one of its business partners for ￥6.1 billion in damages for allegedly defective products delivered by the Company, and received the complaint for the lawsuit on November 13, 2020.
The Company's position is that the delivered products met the customer's specifications and as such the Company does not accept the basis for the claim, nor any obligation to pay damages.

28. Derivative Instruments

(a) Derivative instruments not accounted for under hedge accounting

(1) Foreign forward exchange contracts

At March 31, 2021

2021	Notional amount (Millions of yen)	Notional amount to be settled in more than one year (Millions of yen)	Fair value (Millions of yen)	Gain (loss) (Millions of yen)
Sell				
USD	¥11,539	-	(¥405)	(¥405)
JPY	101	-	1	1
Buy				
USD	22,951	-	818	818
EUR	1,395	15	(41)	(41)
Total	¥35,987	¥15	¥372	¥372

At March 31, 2022

2022	Millions of yen				Thousands of U.S. dollars			
	Notional amount	Notional amount to be settled in more than one year	Fair value	Gain (loss)	Notional amount	Notional amount to be settled in more than one year	Fair value	Gain (loss)
Sell								
USD	¥14,486	-	(¥115)	(¥115)	$118,340	-	($941)	($941)
JPY	53	-	3	3	430	-	25	25
Other	46	-	3	3	376	-	25	25
Buy								
USD	19,863	-	780	780	162,265	-	6,376	6,376
CAD	2,724	-	17	17	22,250	-	143	143
Other	461	-	(15)	(15)	3,763	-	(122)	(122)
Total	¥37,632	-	¥674	¥674	$307,424	-	$5,503	$5,503

(2) Interest Rate Swaps

At March 31, 2021 N/A

At March 31, 2022 N/A

(3) Commodity Futures Contracts

At March 31, 2021

2021	Notional amount (Millions of yen)	Notional amount to be settled in more than one year (Millions of yen)	Fair value (Millions of yen)	Gain (loss) (Millions of yen)
Sell	¥3,019	-	(¥81)	(¥81)
Buy	4,816	247	1,508	1,508
Total	¥7,835	¥247	¥1,427	¥1,427

At March 31, 2022

2022	Millions of yen				Thousands of U.S. dollars			
	Notional amount	Notional amount to be settled in more than one year	Fair value	Gain (loss)	Notional amount	Notional amount to be settled in more than one year	Fair value	Gain (loss)
Sell	¥4,472	-	(¥232)	(¥232)	$36,533	$ -	($1,895)	($1,895)
Buy	9,334	591	1,563	1,563	76,252	4,828	12,769	12,769
Total	¥13,806	¥591	¥1,331	¥1,331	$112,785	$4,828	$10,873	$10,873

(b) Derivative instruments accounted for under hedge accounting

(1) Foreign forward exchange contracts

At March 31, 2021

2021	Notional amount (Millions of yen)	Notional amount to be settled in more than one year (Millions of yen)	Fair value (Millions of yen)
Accounted for combined with the accounts designated as hedged items (allowed under JGAAP)			
Accounts receivable - trade			
Sell			
USD	¥28,694	¥ -	(*1) ¥ -
EUR	1,160	-	-
GBP	50	-	-
Accounted for by the method in the principle			
Accounts receivable - trade			
Sell			
USD	8,756	-	(272)
EUR	1,199	-	(18)
GBP	581	-	(57)
Other	216	-	0
Accounts payable - trade			
Buy			
USD	690	-	(27)
JPY	3,487	-	(183)
MXN	6,527	-	18
Total	¥51,360	¥ -	(¥540)

(*1) Designated hedge accounting on forward exchange contracts etc. are treated as one with the accounts receivables to be hedged.
The fair value is included in the fair value of the trade receivables.

At March 31, 2022

2022	Millions of yen Notional amount	More than one year of Notional amount	Fair value	Thousands of U.S. dollars Notional amount	More than one year of Notional amount	Fair value
Accounted for combined with the accounts designated as hedged items (allowed under JGAAP)						
Accounts receivable - trade						
Sell						
USD	¥29,954	¥ -	(*1) ¥ -	$244,702	$ -	$ -
EUR	1,246	-	-	10,179	-	-
GBP	432	-	-	3,529	-	-
Accounted for by the method in the principle						
Accounts receivable - trade						
Sell						
USD	10,540	-	(374)	86,104	-	(3,055)
EUR	1,501	-	(59)	12,262	-	(482)
GBP	2,591	-	(87)	21,167	-	(711)
Other	44	-	(0)	359	-	(0)
Accounts payable - trade						
Buy						
USD	150	21	(5)	1,225	172	(41)
JPY	129	-	8	1,054	-	65
Total	¥46,586	¥21	(¥517)	$380,573	$172	($4,224)

(*1) Designated hedge accounting on forward exchange contracts etc. are treated as one with the accounts receivables to be hedged. The fair value is included in the fair value of the trade receivables.

(2) Interest Rate Swaps
At March 31, 2021

2021	Millions of yen Notional amount	More than one year of Notional amount	Fair value
Accounted for by the simplified method allowed under JGAAP			
Interest Rate Swaps			
Long-term borrowings			
Pay Fixed interest / Rec. Floating interest	¥28,659	¥25,574	(*1) ¥ -
Accounted for by the method in the principle			
Interest Rate Swaps			
Long-term borrowings			
Pay Fixed interest / Rec. Floating interest	41,475	40,000	(475)
Total	¥70,134	¥65,574	(¥475)

(*1) The special treatment of interest rate swaps is treated as one with the long-term debt being hedged. Therefore, the fair price is included in the fair value of the long-term debt.

At March 31, 2022

2022	Millions of yen Notional amount	More than one year of Notional amount	Fair value	Thousands of U.S. dollars Notional amount	More than one year of Notional amount	Fair value
Accounted for by the simplified method allowed under JGAAP						
Interest Rate Swaps						
Long-term borrowings						
Pay Fixed interest / Rec. Floating interest	¥23,904	¥20,000	(*1) ¥ -	$195,278	$163,385	$ -
Accounted for by the method in the principle						
Interest Rate Swaps						
Long-term borrowings						
Pay Fixed interest / Rec. Floating interest	¥40,000	¥40,000	(¥161)	$326,771	$326,771	($1,315)
Total	¥63,904	¥60,000	(¥161)	$522,049	$490,156	($1,315)

(*1) The special treatment of interest rate swaps is treated as one with the long-term debt being hedged. Therefore, the fair price is included in the fair value of the long-term debt.

(3) Commodity Futures Contracts
At March 31, 2021: N/A

At March 31, 2022: N/A

29. Supplementary Information for the Consolidated Statements of Changes in Net Assets

For the Year Ended March 31, 2021

(a) Type and number of outstanding shares

	Year ended March 31, 2021			
	Thousands of shares			
Type of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Share capital	295,863	-	-	295,863
Total	295,863	-	-	295,863
Treasury stock:				
Share capital (*1)(*2)(*3)	20,512	1	53	20,461
Total	20,512	1	53	20,461

(*1) The 1 thousand shares increase in common shares of treasury stock is mainly attributable to the acquisition of odd-lot shares.

(*2) The 53 thousand shares decrease in common shares of treasury stock reflects the delivery of shares to the Company's directors from the trust account for the stock-based compensation plan.

(*3) The number of common shares of treasury stock at the end of the fiscal year under review are included in the 900 thousand shares of Fujikura stock held in the trust account for the stock-based compensation plan for directors.

(b) Dividends

(1) Dividends paid to shareholders: N/A

(2) Dividends with a shareholders' cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year-end: N/A

For the Year Ended March 31, 2022

(a) Type and number of outstanding shares

	Year ended March 31, 2022			
	Thousands of shares			
Type of shares	Balance at beginning of year	Increase in shares during the year	Decrease in shares during the year	Balance at end of year
Issued stock:				
Share capital	295,863	-	-	295,863
Total	295,863	-	-	295,863
Treasury stock:				
Share capital (*1)(*2)(*3)	20,461	3	297	20,167
Total	20,461	3	297	20,167

(*1) The 3 thousand shares increase in common shares of treasury stock is mainly attributable to the acquisition of treasury stock.

(*2) The 297 thousand shares decrease in common shares of treasury stock reflects the delivery of shares to the Company's directors from the trust account for the stock-based compensation plan.

(*3) The number of common shares of treasury stock at the end of the fiscal year under review are included in the 602 thousand shares of Fujikura stock held in the trust account for the stock-based compensation plan for directors.

(b) Dividends

(1) Dividends paid to shareholders: N/A

(2) Dividends with a shareholders' cut-off date during the current fiscal year but an effective date subsequent to the current fiscal year-end:

Date of approval	Resolution approved by	Type of shares	Amount (Millions of yen)	Paid from	Amount per share (Yen)	Shareholders' cut-off date	Effective date
June 29, 2022	Annual general meeting of shareholders	Common stock	¥2,764	Retained earnings	¥10.0	March 31, 2022	June 30, 2022

Note: The total dividend payout approved by Annual general meeting of shareholders at the June 29, 2022 includes 6 million yen in dividends for the shares in the trust account for the stock-based compensation plan for directors.

30. Investment and Rental Property

The Companies own office buildings including land for rent in Tokyo and other districts. Profits generated from these investments and rental properties were ¥5,405 million and ¥5,231 million (US$42,733 thousand) for the fiscal years ended March 31, 2021 and 2022, respectively.
The majority of rental revenues were recorded in Net sales and majority of rental costs were recorded in Cost of sales in the Consolidated Statements of Income.
Book value, increase and decrease during the year and fair value of the investment and rental property at March 31, 2021 and 2022 are as follows:

For the Year Ended March 31, 2021

Millions of yen			
Amounts in the Consolidated Balance Sheets (*1)			
Balance at beginning of the year	Increase and decrease in property during the year (*2)	Balance at end of the year	Fair value at end of the year (*3)
¥43,238	(¥2,657)	¥40,581	¥111,863

(*1) Amounts in the Consolidated Balance Sheets are computed based on acquisition costs after deducting accumulated depreciation and impairment charges.

(*2) The primary decrease in property during the year is the depreciation of office buildings for rent in the amount of ¥1,827 million.

(*3) Fair value at end of year is primarily based on "Real Estate Appraisal Standards".

For the Year Ended March 31, 2022

Millions of yen			
Amounts in the Consolidated Balance Sheets (*1)			
Balance at beginning of the year	Increase and decrease in property during the year (*2)	Balance at end of the year	Fair value at end of the year (*3)
¥40,581	(¥1,333)	¥39,248	¥112,949

Thousands of U.S. dollars			
Amounts in the Consolidated Balance Sheets (*1)			
Balance at beginning of the year	Increase and decrease in property during the year (*2)	Balance at end of the year	Fair value at end of the year (*3)
$331,517	($10,890)	$320,627	$922,711

(*1) Amounts in the Consolidated Balance Sheets are computed based on acquisition costs after deducting accumulated depreciation and impairment charges.

(*2) The primary decrease in property during the year is the depreciation of office buildings for rent in the amount of ¥1,814 million (US$14,819 thousand).

(*3) Fair value at end of the year is primarily based on "Real Estate Appraisal Standards".

31. Revenue Recognition

(a) Information on revenue by goods or services and by main regional markets is provided below.

For the year ended March 31, 2022

Millions of yen

Main regional markets	Power &Telecommunication Systems Division	Electronic Products & Connector Division		Real Estate Business Division	Other (*1)	Total
		Electronics Business Division	Automotive Products Business Division			
Japan	¥156,982	¥30,029	¥22,518	¥10,879	¥2,890	¥223,298
Asia (excluding Japan)	19,563	99,054	15,258	-	175	134,051
North America	150,688	33,269	17,894	-	1,013	202,865
Europe	19,076	15,144	46,234	-	1,692	82,147
Other	7,326	1,011	19,402	-	251	27,990
Revenue from contracts with customers	¥353,635	¥178,508	¥121,306	¥10,879	¥6,022	¥670,350

Thousands of U.S. dollars

Main Regional Markets	Power &Telecommunication Systems Division	Electronic Products & Connector Division		Real Estate Business Division	Other (*1)	Total
		Electronics Business Division	Automotive Products Business Division			
Japan	$1,282,427	$245,314	$183,952	$88,876	$23,608	$1,824,177
Asia (excluding Japan)	159,819	809,201	124,648	-	1,429	1,095,096
North America	1,231,009	271,785	146,182	-	8,279	1,657,255
Europe	155,839	123,719	377,697	-	13,825	671,080
Other	59,847	8,258	158,500	-	2,054	228,659
Revenue from contracts with customers	$2,888,941	$1,458,278	$990,979	$88,876	$49,194	$5,476,268

Notes:
(*1) "Other" includes new businesses to launch which are excluded from the aforementioned 4 segments.
(*2) Revenue in Real Estate Business Division include revenue, etc. based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13, March 30, 2007) in addition to revenue from contracts with customers.
(*3) Shows the amount after elimination of intersegment sales and transfers.

(b) Basic information for understanding revenue from contracts with customers
The Company and its consolidated subsidiaries recognize revenue based on the following five-step approach.

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when (or as) the Companies fulfill the performance obligations.

The Companies manufacture and sell products, perform services, and engage in other business activities through Power & Telecommunication Systems Business Division and Electronic Products & Connector Business Division (Electronic Products Business Division and Automotive Products Business Division). Real Estate Business Division recognizes revenue based on the expected amount to be received in exchange for goods or services when control over the promised goods or services is transferred to the customer.
The Companies regard the supply of finished products to customers as their main performance obligation.
The Companies recognize revenue based on the amount the companies expect to receive in exchange for the promised goods or services when control over the goods or services is transferred to the customer, in principle. However, the Companies recognize revenue at the time of shipment for domestic sales since the time period from shipment to when control is transferred to the customer is reasonable.
Also, the Companies have set warranty periods for products delivered by the Companies, and have obligations to return or exchange products. Moreover, the Companies recognize revenue in proportion to the progress of the obligation for performance obligations fulfilled over a certain period of time.
The Companies calculate the transaction price by deducting the amount of discounts and other variable elements from the amount promised as compensation in the contract with the customer.
The compensation for these performance obligations is generally received within 1 year after fulfillment, according to separately stipulated payment conditions. Compensation does not include significant financing components.
The Companies recognize revenue based on the net amount of compensation after the procurement cost of raw materials, etc. is deducted for fee-based transactions in which payment is received for sales to a customer after procuring raw materials, etc.
from the customer and processing them. The Companies also engage in transactions in equal volumes of copper material among multiple companies (so-called barter transactions) to reduce transport costs and ensure a stable supply of copper material.
The Companies recognize revenue based on the net amount.
For fee-based transactions applicable to repurchase agreements, the Companies recognize inventories for the remaining goods supplied to fee payers and recognize “Liabilities for fee-based transactions” in amounts equivalent to the end-of-period inventory balances for the remaining goods supplied to fee payers. Revenue on fee-based transactions is recognized only on the net amount equivalent to the processing fee.
Moreover, performance obligations fulfilled over a certain period of time are recognized as “Contract assets.”
When compensation is received from the customer before transfer of the goods or services to the customer, “Contract liabilities” are recognized on the compensation received from the customer at the time compensation is received or when the payment deadline has arrived, whichever is sooner.

(c) Information on the relationship between the fulfillment of obligations based on contracts with customers and the cash flows that arise from such contracts, and the amount and timing of revenue the Companies expect to recognize in the next fiscal year onward from contracts with customers that exist at the end of the current fiscal year

(1) Balance of contract assets and contract liabilities, etc.
Notes on the balances for contract asset and contract liabilities of the Companies have been omitted because the balances are presented in the consolidated balance sheets. The revenue recognized in fiscal year ended March 31, 2022 from performance obligations fulfilled (or partially fulfilled) in past fiscal years is not material in amount.

(2) Transaction price allocated to remaining unfulfilled performance obligations
The Companies do not have material contracts for which the initially expected contract term exceeds one year.
The allocation of the transaction price to remaining unfulfilled performance obligations has therefore been omitted for practical expediency.

32. Segment Information
(Segment Information)
(a) Summary of reporting segments

The Group's reporting segments are components of the Group for which separate financial statements are available that are regularly monitored by the management in deciding how to allocate resources and in assessing performance.
The Group classifies its businesses into 4 segments, which are "Power & Telecommunication Systems Division", "Electronics Business Division", "Automotive Products Business Division", "Real Estate Business Division", considering similarities in production methods, production process, applications and sales methods.
On April 1, 2021, the Company implemented an organizational restructuring and switched from the previous in-house company system to a business division system. The names of the reporting segments have changed as a result, but there has been no change in the reporting segment categories.

Definitions of the 4 segments for the years ended March 31, 2021 and 2022 are as follows:
Power & Telecommunication Systems Division deals with Power cables, Telecommunication cables, Aluminum wires, Enameled wires, Optical fibers, Optical fiber cables, Telecommunication components, Optical components, Fiber optic equipment, Network equipment, Installation, etc.
Electronics Business Division deals with Flexible printed circuits, Electronic wiring, HDD components, Various kinds of connectors, etc.
Automotive Products Business Division deals with Automotive wire harnesses, Accessories & Installation, etc.
Real Estate Business Division deals with Real estate rental, etc.

(b) Basis of calculation for sales, profits or losses, assets, liabilities and other items by reporting segments
Accounting policy and method used for segment information by reporting segments are identical to those as described in "2. Summary of Significant Accounting Policies" above.
Profits by reporting segment are based on operating profit as stated in the Consolidated Statements of Income.

(c) Information on sales, profit or loss, assets, liabilities, and other items by reporting segment

For the year ended March 31, 2021

Millions of yen

Reporting segments	Power &Telecommuni-cation Systems Division	Electronic Products & Connector Division: Electronics Business Division	Electronic Products & Connector Division: Automotive Products Business Division	Real Estate Business Division	Other (*1)	Total	Adjustment (* 2,3,4)	Consolidated total
Sales to outside customers	¥305,886	¥199,874	¥121,935	¥10,880	¥5,162	¥643,736	¥ -	¥643,736
Inter-segment sales	518	186	-	-	67	770	(770)	-
Total sales	306,404	200,059	121,935	10,880	5,229	644,507	(770)	643,736
Segment profit (loss)	18,109	4,878	(3,714)	5,194	(44)	24,422	-	24,422
Segment total assets	248,419	131,399	66,293	39,797	4,847	490,755	78,368	569,124
Depreciation and amortization	9,671	14,434	4,594	1,995	307	31,000	2,600	33,600
Impairment losses	702	15,530	599	-	-	16,831	-	16,831
Increase in property, plant and equipment and intangible assets	¥7,311	¥5,912	¥1,906	¥739	¥202	¥16,071	¥1,665	¥17,736

Notes:
(*1) "Other" includes new businesses to launch which are excluded from the aforementioned 4 segments.
(*2) Adjustment of ¥78,368 million in "Segment total assets" represents common assets not allocated to each reporting segment in the amount of ¥107,657 million and elimination of inter-segment transactions in the amount of ¥(29,288) million. Common assets mainly consist of assets related to investment securities, research and development and administrative divisions of the Company.
(*3) Adjustment of ¥2,600 million of "Depreciation and amortization" represents depreciation and amortization associated with common assets not allocated to each reporting segment.
(*4) Adjustment of ¥1,665 million of "Increase in property, plant and equipment and intangible assets" represents an increase in common assets not allocated to each reporting segment.

For the year ended March 31, 2022

Millions of yen

Reporting segments	Power &Telecommuni-cation Systems Division	Electronic Products & Connector Division: Electronics Business Division	Electronic Products & Connector Division: Automotive Products Business Division	Real Estate Business Division	Other (*1)	Total	Adjustment (* 2,3,4)	Consolidated total
Sales to outside customers	¥353,635	¥178,508	¥121,306	¥10,879	¥6,022	¥670,350	¥ -	¥670,350
Inter-segment sales	697	678	-	-	240	1,615	(1,615)	-
Total sales	354,332	179,186	121,306	10,879	6,262	671,965	(1,615)	670,350
Segment profit (loss)	25,159	13,771	(5,559)	5,139	(222)	38,288	-	38,288
Segment total assets	272,932	135,046	72,987	38,426	4,349	523,739	87,786	611,526
Depreciation and amortization	9,813	11,425	4,533	1,995	335	28,101	2,416	30,516
Impairment losses	612	-	-	-	206	818	-	818
Increase in property, plant and equipment and intangible assets	¥8,197	¥3,072	¥2,173	¥655	¥330	¥14,427	¥1,786	¥16,214

Thousands of U.S. dollars

Reporting segments	Power &Telecommuni-cation Systems Division	Electronic Products & Connector Division: Electronics Business Division	Electronic Products & Connector Division: Automotive Products Business Division	Real Estate Business Division	Other (*1)	Total	Adjustment (* 2,3,4)	Consolidated total
Sales to outside customers	$2,888,939	$1,458,280	$990,981	$88,873	$49,195	$5,476,268	$ -	$5,476,268
Inter-segment sales	5,694	5,539	-	-	1,961	13,193	(13,193)	-
Total sales	2,894,633	1,463,818	990,981	88,873	51,156	5,489,462	(13,193)	5,476,268
Segment profit (loss)	205,531	112,499	(45,413)	41,982	(1,814)	312,785	-	312,785
Segment total assets	2,229,654	1,103,227	596,250	313,912	35,528	4,278,564	717,147	4,995,719
Depreciation and amortization	80,165	93,334	37,031	16,298	2,737	229,565	19,737	249,293
Impairment losses	5,000	-	-	-	1,683	6,682	-	6,682
Increase in property, plant and equipment and intangible assets	$66,963	$25,096	$17,752	$5,351	$2,696	$117,858	$14,590	$132,456

Notes:

(*1) "Other" includes new businesses to launch which are excluded from the aforementioned 4 segments.

(*2) Adjustment of ¥87,786 million (US$717,147 thousand) in "Segment total assets" represents common assets not allocated to each reporting segment in the amount of ¥117,159 million (US$957,103 thousand) and elimination of inter-segment transactions in the amount of ¥(29,373) million (US$(239,956) thousand).
Common assets mainly consist of assets related to investment securities, research and development and administrative divisions of the Company.

(*3) Adjustment of ¥2,416 million (US$19,737 thousand) of "Depreciation and amortization" represents depreciation and amortization associated with common assets not allocated to each reporting segment.

(*4) Adjustment of ¥1,786 million (US$14,590 thousand) of "Increase in property, plant and equipment and intangible assets" represents an increase in common assets not allocated to each reporting segment.

(Related information)

(a) Information by products and services

Omitted in the notes because the same information is disclosed in segment information.

(b) Geographical segment information

Sales

	Millions of yen				
2021	Japan	U.S.	China	Others	Total
Sales to external customers	¥215,272	¥167,574	¥90,775	¥170,116	¥643,736

Property, plant and equipment

	Millions of yen				
2021	Japan	Thailand	China	Others	Total
Property, plant and equipment	¥99,575	¥39,397	¥21,270	¥23,751	¥183,994

Sales

	Millions of yen				
2022	Japan	U.S.	China	Others	Total
Sales to external customers	¥223,298	¥202,865	¥72,629	¥171,559	¥670,350

Property, plant and equipment

	Millions of yen				
2022	Japan	Thailand	China	Others	Total
Property, plant and equipment	¥91,111	¥35,259	¥20,920	¥26,840	¥174,130

Sales

	Thousands of U.S. dollars				
2022	Japan	U.S.	China	Others	Total
Sales to external customers	$1,824,181	$1,657,258	$593,326	$1,401,511	$5,476,268

Property, plant and equipment

	Thousands of U.S. dollars				
2022	Japan	Thailand	China	Others	Total
Property, plant and equipment	$744,310	$288,040	$170,901	$219,263	$1,422,515

(c) Major customer information

This information has been omitted as there were no customers to whom the Group individually recorded external sales representing 10% or more of consolidated net sales for the years ended March 31, 2021 and 2022.

(d) Impairment loss information

Omitted in the notes because the same information is disclosed in segment information.

(e) Goodwill information

For the year ended March 31, 2021

Millions of yen

Reporting segments	Power &Telecommuni-cation Systems Division	Electronic Products & Connector Division		Real Estate Business Division	Total
		Electronics Business Division	Automotive Products Business Division		
Amortization	¥1,589	¥ -	¥ -	¥ -	¥1,589
Unamortized goodwill	6,257	-	-	-	6,257

For the year ended March 31, 2022

Millions of yen

Reporting segments	Power &Telecommuni-cation Systems Division	Electronic Products & Connector Division		Real Estate Business Division	Total
		Electronics Business Division	Automotive Products Business Division		
Amortization	¥805	¥ -	¥ -	¥ -	¥805
Unamortized goodwill	6,878	-	-	-	6,878

Thousands of U.S. dollars

Reporting segments	Power &Telecommuni-cation Systems Division	Electronic Products & Connector Division		Real Estate Business Division	Total
		Electronics Business Division	Automotive Products Business Division		
Amortization	$6,576	$ -	$ -	$ -	$6,576
Unamortized goodwill	56,188	-	-	-	56,188

33. Related Parties

(Related party transactions)

The tables below summarize the related party transactions with unconsolidated subsidiaries and affiliated companies accounted for using the equity method for the year ended March 31:

2021 (Millions of yen)

Relationship	Name of company	Location	Paid-in-Capital	Description of business	Share of voting rights (%)	Transactions with related parties	Description of transaction	Amount of transactions (*3)	Financial statement line-item	The fiscal year-end balance (*3)
Affiliated companies	VISCAS Corporation	Ota, Tokyo	¥10	Power & Telecommuni-cation Systems Division	Directly owned (50.0%)	Financial assistance	Loan (*1)	¥750	Long-term loans receivable(*4)	¥7,546

2022 (Millions of yen)

Relationship	Name of company	Location	Paid-in-Capital	Description of business	Share of voting rights (%)	Transactions with related parties	Description of transaction	Amount of transactions (*3)	Financial statement line-item	The fiscal year-end balance (*3)
Affiliated companies	VISCAS Corporation	Ota, Tokyo	¥10	Power & Telecommuni-cation Systems Division	Directly owned (50.0%)	Financial assistance	Loan (*1)	¥775	Long-term loans receivable(*4)	¥8,121
							Guarantee (*2)	56	-	-

2022 (Thousands of U.S. dollars)

Relationship	Name of company	Location	Paid-in-Capital	Description of business	Share of voting rights (%)	Transactions with related parties	Description of transaction	Amount of transactions (*3)	Financial statement line-item	The fiscal year-end balance (*3)
Affiliated companies	VISCAS Corporation	Ota, Tokyo	$82	Power & Telecommuni-cation Systems Division	Directly owned (50.0%)	Financial assistance	Loan (*1)	$6,331	Long-term loans receivable(*4)	$66,343
							Guarantee (*2)	457	-	-

Terms and conditions of the above transactions and the policy to determine the terms and conditions:

(Note) 1. Interest rates are determined by taking market rates into account.
2. The Company guarantees the forward exchange contracts of VISCAS Corporation.
3. Consumption taxes are not included in the amount of transactions but are included in the fiscal year-end balance.
4. The Company recorded an allowance for doubtful accounts totaling ¥7,546 million and ¥8,121 million (US$66,343 thousand) for the balance of long-term loans receivable from affiliated companies and recorded the provision of allowance for doubtful accounts totaling ¥846 million and ¥575 million (US$4,697 thousand), for the fiscal years ended 2021 and 2022.

34. Per Share Information

Per share:	Yen 2021	Yen 2022	U.S. dollars 2022
Net income (loss) per share- basic	(¥19.50)	¥141.85	$1.159
Net assets per share	¥591.24	¥799.76	$6.533

Note:
1. As the Company does not have any instruments that have dilutive effect, the Company has not disclosed net income (loss) per share-fully diluted data.

2. In calculating “Net assets per share”, the Company's shares held by the trust account related to the share delivery trust established for the share-based payment system for directors etc. are included in treasury stock deducted from the total number of issued shares at the end of the fiscal year 900 thousand shares at the end of the previous consolidated fiscal year, 602 thousand shares at the end of the current consolidated fiscal year).
Also, in calculating "Net income (loss) per share", they are included in treasury stock deducted from the average number of shares during the term 917 thousand shares in the previous consolidated fiscal year, 654 thousand shares in the current consolidated fiscal year).

Basis for computation of per share data:	Millions of yen 2021	Millions of yen 2022	Thousands of U.S. dollars 2022
Profit (loss) attributable to owners of parent	(¥5,369)	¥39,101	$319,427
Profit (loss) attributable to common shareholders	(¥5,369)	¥39,101	$319,427

	Thousands of shares 2021	Thousands of shares 2022
Number of weighted average shares	275,387	275,648

35. Subsequent Events

A cable insulation breakdown problem has occurred in a power cable delivered in Malaysia by our consolidated subsidiary in August, 2021.
The Company has been investigating the cause of the problem with the customer to whom we directly delivered the product, and in May 2022, the Company received a letter from the end-user, the final customer, requesting a solution to this problem.
The Company is currently investigating the cause of the problem and discussing future measures with the customer and the final customer.
It is difficult to reasonably estimate the impact of this problem at this time.

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Independent Auditor's Report

To the Board of Directors of Fujikura Ltd.

Opinion

We have audited the consolidated financial statements of Fujikura Ltd. ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the audit of consolidated financial statements in the previous year, we determined that following matters are key audit matters.

- Impairment analysis of the FPC business
- Impairment analysis of the optical fiber business in China
- Assessment of whether substantial doubt exists regarding the entity's ability to continue as a going concern

From the matters communicated with those charged with governance in the current fiscal year, we verified which matters will be key audit matters considering the changes of assessment of significant risk and or risk of material misstatement, significant judgments in our audit, the impact of material events or transactions that occurred in the current consolidated fiscal year, relative importance in our audit and company-specific matters.

PricewaterhouseCoopers Aarata LLC
Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
T: +81 (3) 6212 6800, F: +81 (3) 6212 6801, www.pwc.com/jp/assurance

The Asian economic area experienced deterioration in the business environment due to declining profitability, a resurgence in COVID-19 infections, the impact from the global semiconductor shortage. Therefore, the importance of auditing impairment analyses has increased and we determined that this matter is a key audit matter.

The Company resolved its debt covenant violation and obtained additional financing through a hybrid loan in the previous fiscal year. Therefore, a substantial doubt does not exist regarding the entity's ability to continue as a going concern at the end of the previous fiscal year. We determined that "Assessment of whether substantial doubt exists regarding the entity's ability to continue as a going concern" is not a key audit matter in the current fiscal year.

As a result, during the audit of consolidated financial statements in the current fiscal year, we determined that the following matters are key audit matters.

- Impairment analysis of the optical fiber business in China
- Impairment analysis of the FPC business
- Impairment analysis of the wire harness business in Asia

<table>
<tr><td colspan="2">Impairment analysis of the optical fiber business in China
(Notes on consolidated financial statements, 3. Significant Accounting Estimates, Impairment analysis of fixed assets of optical fiber business in China)</td></tr>
<tr><td>Key audit matter description</td><td>How our audit addressed the key audit matter</td></tr>
<tr><td>As of March 31, 20221, the Company has recorded property, plant and equipment of 174,130 million yen (28.5% of total consolidated assets) on its consolidated balance sheet. Of that total, property, plant and equipment of 14,324 million yen (2.3% of consolidated assets) relates to the Chinese optical fiber business owned by Fujikura FiberHome Opto-Electronics Material Technology Co., Ltd. (hereinafter referred to as "FFOE") located in China. The optical fiber business in China is included in the Power & Telecommunication Systems Company segment, and China optical fiber business is identified as the cash-generating unit.

The Company identified an indicator of potential impairment related to the China optical fiber business based on three factors: 1) the decline in the market price of optical fiber in China from 2019 to 2020, which also caused the selling price of optical fiber preform sold by Fujikura FiberHome Opto-Electronics Material Technology Co., Ltd. (hereinafter referred to as "FFOE") to decline, 2) the steep increase in the procurement price of one of the key raw materials, silicon tetrachloride ($SiCl_4$) since October 2021, and 3) the operating losses posted in the previous and current fiscal years. The Company evaluated whether the Chinese optical</td><td>In order to evaluate the impairment analysis of the optical fiber business in China, we performed the following principal audit procedures, including the work performed by the auditors of FFOE, which was based on instructions provided by us.
• We understood and evaluated the design and implementation and operating effectiveness of internal controls related to the process of developing and approving future plans for the optical fiber business in China.
• We verified the consistency of the future plans approved by management and the future cash flows used in the impairment analysis of the optical fiber business in China.
• We performed the following procedures to examine the reasonableness of the future plans for the optical fiber business in China.
- Obtained an understanding of the Chinese optical fiber business strategy through discussions with management.
- Inquired with the officers and employees of the optical fiber business in China regarding assumptions used in developing future plans and evaluated the reasonableness of those assumptions.
- Compared the Company's forecasted optical fiber market price in China with</td></tr>
</table>

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fiber business was impaired as indicators of impairment were identified. As a result of the management's impairment assessment, it was determined that no impairment losses were required for the current fiscal year, as the value in use of the optical fiber business in China exceeded the carrying value of property, plant and equipment attributable to this business. Based on PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements", the Company used consolidated financial information prepared by FFOE in accordance with International Financial Reporting Standards for the purposes of their assessment. The value in use was estimated based on the present value of the future cash flows based on the future plans of the China optical fiber business which were developed and approved by management. The future plans of the China optical fiber business depends on the assumption that the selling price of optical base materials will fluctuate in line with the movement in selling prices as forecasted by market research companies and with the procurement price of silicon tetrachloride ($SiCl_4$). Also, the discount rate of 12.0% used in calculating the value in use is the pre-tax weighted average cost of capital. These assumptions involve management's subjective judgment and because of the high degree of estimation uncertainty, the quantitative significance of the property, plant and equipment balance, and the impairment losses recorded during the current fiscal year, a high degree of audit judgment is required for the evaluation. Therefore, we determined that the matter is a key audit matter.	the market price forecasts in available market research firm reports. - Verified whether the surge in procurement price of silicon tetrachloride, which is the primary raw material, is reflected in the latest product price. - Evaluated the reasonableness of the discount rate with the assistance of valuation specialists. We evaluated the adequacy of the work performed by the auditors of FFOE and the evidence obtained through communication with them and examination of the documents prepared by them.

Impairment analysis of the FPC business (Notes on consolidated financial statements, 3. Significant Accounting Estimates, Impairment analysis of fixed assets in the FPC business)	
Key audit matter description	How our audit addressed the key audit matter
As of March 31, 2022, the Company has recorded property, plant and equipment of 174,130 million yen (28.5% of total consolidated assets) on the consolidated balance sheets. Among them, property, plant and equipment of 30,260 million yen (4.9% of consolidated assets) belong to the	In order to evaluate the impairment analysis of the FPC business, we performed the following principal audit procedures. • We understood and evaluated the design and implementation and operating effectiveness of internal controls related to the process of

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FPC (Flexible Printed Circuits) business. The FPC business is the major business of the Electronics Business Division, and this business is the lowest level of operations which generates largely independent cash flows. As the profitability of the FPC business in the Electronics Business Division is expected to decline due to the deterioration of the business environment and the product composition, the Company performed an impairment assessment and recorded a loss of ￥15,283 million for the fixed assets attributable to the FPC business at the end of the previous consolidated fiscal year. The competitive environment continues to intensify in the current fiscal year. Therefore, the Company has revised the assumptions for forecasted sales to key customers and cost reductions from elimination and consolidation of locations and reflected these revised assumptions in the mid-term business plan. The Company evaluated whether the FPC business was impaired because indicators of impairment were identified. As a result, because the undiscounted future cash flows of the business exceeded the carrying value of property, plant and equipment, prior to impairment losses attributable to the FPC business, it was determined that no impairment losses were required for the current fiscal year. The future cash flows used in determining the recognition and measurement of impairment losses are estimated based on the future plan of the FPC business developed and approved by management. Estimates of future cash flows include assumptions such as sales projections to major customers and cost reductions due to the consolidation and elimination of business locations and are calculated over the estimated useful life of the machinery and equipment, the primary assets, belonging to the Fujikura Electronics (Thailand) Ltd., which is the main manufacturing base of the FPC business. These assumptions involve management's subjective judgment and because of the high degree of estimation uncertainty, the quantitative significance of the property, plant and equipment balance, and the impairment losses recorded at the FPC business, a high degree of audit judgment is required for the evaluation. Therefore, we determined that this matter is a key audit matter.	developing and approving future plans for the FPC business. • We verified the consistency between the future plans approved by management and the undiscounted future cash flows used to determine whether impairment losses existed in the FPC business. • We performed the following procedures to examine the reasonableness of the future plan for the FPC business. - Obtained an understanding of the FPC business strategy through discussions with management. - Inquired with the officers and employees of the FPC business regarding assumptions used in developing future plans and evaluated the reasonableness and achievability of those assumptions. - Compared the plans to actual results in the previous fiscal year, and analyzed the factors causing any differences, including consideration of whether those factors have been appropriately reflected in the sales and gross profit forecasts to major customers in the current future plan. - Inspected company’s meeting materials and inquired of officers and employees of the FPC business to evaluate whether the business restructuring plan for certain locations exists and is reasonable.

<table>
<tr><td colspan="2">Impairment analysis of the wire harness business in Asia
(Notes on consolidated financial statements, 3. Significant Accounting Estimates, Impairment analysis of fixed assets of wire harness business in Asia)</td></tr>
<tr><th>Key audit matter description</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>As of March 31, 2022, the Company has recorded property, plant and equipment of 174,130 million yen (28.5% of total consolidated assets) on the consolidated balance sheets. Within this balance, property, plant and equipment of 6,324 million yen (1.0% of consolidated assets) belong to the wire harness business in Asia. The wire harness business in Asia is part of the Automotive Products Business Division, and this business is the lowest level of operations which generates largely independent cash flows.

The company is developing the wire harness business in Asia in Thailand, China, and Vietnam. The Asian economic area experienced deterioration in the business environment due to declining profitability, a resurgence in COVID-19 infections, and the impact from the global semiconductor shortage. This resulted in negative income being continuously generated from operating activities which the Company determined to be an indicator of impairment. The Company evaluated whether the wire harness business in Asia was impaired because indications of impairment losses were identified. As a result, because the undiscounted future cash flows of the business exceeded the carrying value of property, plant and equipment, prior to impairment losses attributable to the wire harness business in Asia, it was determined that no impairment losses were required for the current fiscal year.

The future cash flows used in determining the recognition of impairment losses are estimated based on the future plan of wire harness business in Asia, which is developed and approved by management and are calculated over the estimated useful life of the primary assets. The future plans were formulated based on forecast demand from customers and other assumptions, and incorporate cost reductions from improvement in gross profit margins. These assumptions involve management's subjective judgment and because of the high degree of estimation uncertainty, the quantitative significance of the property, plant and equipment balance, and the impairment losses recorded at the wire harness business in Asia, a high degree of</td>
<td>In order to evaluate the impairment analysis of the wire harness business in Asia, we performed the following principal audit procedures.

• We verified the consistency between the future plans approved by management and the undiscounted future cash flows used to determine whether impairment losses existed in the wire harness business in Asia.
• We performed the following procedures to examine the reasonableness of the future plan for the wire harness business in Asia.
- Obtained an understanding of the business strategy through discussions with management.
- Compared the plans to actual results in the previous fiscal year, and analyzed the factors causing any differences, including consideration of whether those factors have been appropriately reflected in the current future plan.
- Inspected forecasted demand information from customers which was used in formulating sales plans for each customer.
- Compared the plans to actual results in the previous fiscal year regarding the gross profit margin by customer.
- Inspected company’s meeting materials and inquired of officers and employees of the wire harness business to evaluate whether the business restructuring plan for certain locations exists and is reasonable.</td></tr>
</table>

audit judgment is required for the evaluation. Therefore, we determined that this matter is a key audit matter.	

Other Information

Other information comprises information included in a document containing audited financial statements, but does not include the financial statements and our auditor's report thereon. We have determined that there is no other information and thus have not performed any work on other information.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as applicable, matters related to going concern.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the consolidated financial statement audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2022 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 8 to the consolidated financial statements.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

DocuSigned by: Tsuyoshi Saito 062827BB30D94C6...	DocuSigned by: Hideki Godai D6DDE98E7EAB44B...
Tsuyoshi Saito	Hideki Godai
Designated Engagement Partner	Designated Engagement Partner
Certified Public Accountant	Certified Public Accountant

June 29, 2022