



February 21, 2024

Dear All

Company Name: Fujikura Ltd.
Representative: Naoki Okada, President and CEO
(Code: 5803 TSE Prime)
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Notice Concerning Reorganization in our group (Simplified Absorption-type Company Split for Energy Business)

Our company announces that the Board of Directors meeting held today decided on the details of the absorption-type company split (Hereinafter referred to as the "Company Split".) of our company's conductor business (Procurement of materials such as electrolytic copper, sales of rough copper wire and copper wire)(Hereinafter referred to as the "Conductors Business".) into Fujikura Dia Cable Ltd. (Hereinafter referred to as "FDC".), a consolidated subsidiary of our company, which was announced in the "Notice Concerning Reorganization in our group (Simplified Absorption-type Company Split for Energy Business)" dated November 22, 2023.

1. Purpose of the Company Split

Through the Company Split, our company will succeed its conductor business to FDC in order to improve the efficiency of its business operations by enabling the company to self-procure rough copper wire, which is a major material for copper wires.

2. Outline of the Company Split

(1) Schedule of the Company Split

Date of the Absorption-type Company Split Agreement (date of resolution of the Board of Directors)	February 21, 2024
Effective date of the absorption-type company split	April 1, 2024 (planned)

Since the Company Split is a simplified absorption-type company split that satisfies the requirements of Article 784, Paragraph 2 of the Companies Act, our company plans to conduct the Company Split without the approval of the shareholders meeting.

(2) Method of the Company Split

The Company Split is an absorption-type company split with our company as the splitting company and FDC as the successor company.

(3)Details of the allotment pertaining to the Company Split

Our company will acquire 1,668 shares of common stock of FDC through the Company Split.

(4)Handling of stock acquisition rights and bonds with stock acquisition rights in the Company Split

Our company does not issue stock acquisition rights or bonds with stock acquisition rights.

(5)Capital stock increased or decreased due to the Company Split

There will be no change in our company's capital stock due to the Company Split.

(6)Rights and obligations to be succeeded by the successor company

Our company will succeed all rights and obligations related to the conductor business to FDC.

(7)Expectation of Debt Fulfillment

The amount of assets of FDC on and after the effective date of the Company Split is expected to be sufficiently greater than the amount of liabilities. In addition, with regard to the earnings status and cash flow status of the Company on and after the effective date of the Company Split, no circumstances are currently anticipated that could hinder the performance of the obligations of the Company. Accordingly, the Company judges that the Company is likely to perform its obligations on and after the effective date of the Company Split.

3. Basis of Allotment in the Company Split

(1)Basis and Reason for Allotment

Our company and FDC carefully discussed the fairness of the allotment in the Absorption-type Company Split between our company and FDC, taking into consideration factors such as the financial condition, asset condition, and future prospects of our company and FDC, respectively, with reference to the results of the calculation of the number of shares to be allotted with the advice of Deloitte Tomatsu Financial Advisory Limited (Hereinafter referred to as "DTFA"). As a result, both companies judged that it is appropriate for the number of common shares of FDC to be delivered to our company to be 1,668 at the time of the Absorption-type Company Split, and both companies reached an agreement.

(2)Matters Related to Calculation

Although our company did not obtain a calculation report from a calculation organization, our company and the FDC, in order to ensure the fairness and appropriateness of the number of shares allocated to the Absorption-type Company Split, have adopted the discounted cash flow method to reflect the status of future business activities in analyzing the valuation of the Target Business and the FDC, and have also adopted the comparable company method to analyze the Target Business and the FDC, since there are several comparable listed similar companies, and it is possible to infer the business value using the comparable company method, in order to ensure the fairness and appropriateness of the number of shares allocated to the Absorption-type Company Split, and have calculated the number of shares allocated to the Target Business by comprehensively considering the results of these analyses. DTFA is a third party independent of our company and FDC, is not a related party of our company and FDC, and has no material interest in the Absorption-type Company Split.

(3)Prospects and Reasons for Delisting

Not applicable.

4. Overview of the companies involved in the Company Split

	Company Split (our company)	Company Succeeding in Absorption-type Company Split (FDC)
(1)Name	Fujikura Ltd.	Fujikura Dia Cable Ltd.
(2)Address	5-1 Kiba 1-chome, Koto-ku, Tokyo	3-1 Marunouchi 3-chome, Chiyoda-ku, Tokyo New Tokyo Building 5F
(3)Representative Title and Name	Naoki Okada, President and CEO	Shigeo Sekikawa, President
(4) Description of Businesses	Manufacture and sales of electric wires and cables, optical fibers and cables, information and communication equipment and components, electronic equipment and components, electrical equipment and components, etc.	Manufacture and sales of electric wires and electrical materials and other products
(5) Common stock	53.076 billion yen	5.4 billion yen
(6)Date of establishment	March 18, 1910	January 26, 2005
(7)Number of shares outstanding	295,863,000 shares	72,000 shares
(8)Fiscal year ending	March 31	March 31
(9)Number of employees	54,762	461
(10)Major business partners	NTT Group, SUBARU CORPORATION., etc.	Inaba Denki Sangyo Co., Ltd., Fujiden corporation.
(11)Major Banks	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Banking Corporation
(12)Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd. (Trust Account) 19.44% Custody Bank of Japan, Ltd. (Trust Account) 6.91% Taiju Life Insurance Co., Ltd. 3.69% Sumitomo Mitsui Banking Corporation 3.06% Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account) 2.45%	Fujikura Ltd. 70.0% MITSUBISHI CABLE INDUSTRIES, LTD. 22.5% Other 7.5%
(13)Relationship between the Parties		
capital relationship	Our company owns 70.0% of the issued shares of FDC.	
Personal	One director serves concurrently as an officer and employee of our company. In	

Relationship	addition, a considerable number of our company employees have been seconded.					
Business Relationship	Our company and FDC have a business relationship related to the purchase and sale of products.					
To Related Parties Status	The Company is a consolidated subsidiary of our company and is a related party.					
(14)Financial position and results of operations for the last three years (our company consolidated)						
	Fujikura Ltd.			Fujikura Dia Cable Ltd.		
	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Net assets (million yen)	184,483	243,657	294,384	11,529	12,222	14,469
Total assets (million yen)	569,124	611,526	656,785	28,499	29,397	32,327
Per share Net assets (yen)	591.24	799.76	980.91	213,515.68	226,350.58	200,958.60
Net sales (million yen)	643,736	670,350	806,453	59,473	71,378	81,653
Operating income (million yen)	24,422	38,288	70,163	2,391	2,269	3,053
Ordinary income (million yen)	18,380	34,089	67,897	2,321	2,183	2,945
Net income attributable to owners of parent (million yen)	△5,369	39,101	40,891	1,591	1,488	2,012
Net income per share (yen)	△19.50	141.85	148.27	29,473.08	27,571.44	28,548.01
Dividend per share (yen)	-	10	30	14,736	13,785	16,902

5. Overview of our company business units to be split

(1)Business of the division to be split

Conductor business (Procurement of materials such as electrolytic copper, sales of rough copper wire and copper wire)

(2)Operating results of the division to be split

Sales 73.22 billion yen

(3)Items and amounts of assets and liabilities to be split (fiscal year ended March 2023) (million yen)

Assets		Liabilities	
Current Assets	14,033	Current liabilities	6,872
Fixed assets	2	Non-current liabilities	-

Total	14,035	Total	6,872
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(Note) The actual amount to be succeeded will be the above amount adjusted for changes until the effective date.

6. Status after the reorganization

There are no plans to change the name, location, title and name of the representative, business description, capital stock, or fiscal period of our company as a result of the Company Split.

7. Overview of Accounting

The Company Split constitutes a transaction under common control under the Accounting Standard for Business Combinations, and goodwill is not expected to occur.

8. Future Outlook

The Company Split is an absorption-type company split between our company and our company's consolidated subsidiaries, and will have minimal impact on our company's consolidated results of operations.