

1H FY2023 Financial Results



November 8, 2023

Contents

- 1. Summary of 1H FY2023 Financial Results**
- 2. Revision of Full-year Forecast**
- 3. Shareholder Return**

1. Summary of 1H FY2023 Financial Results

Summary of 1H FY2023 Financial Results

【Comparison with YoY basis】

- The depreciation of JPY contributed to push up the Company's performance.
- In Telecommunication Systems, although investment restraint in data centers and FTTx, which was brisk in the previous period, is Flat YoY due to forex impact.
- In Electronics, decreased in sales and income due to decline in demand for Stay Home to the previous period
- In Automotive, sales increased due to the launch of new models, operating losses narrowed due to impairment losses in the previous year and the elimination of costs associated with the launch of new models.
- In Power Systems, income increased due to strong demand for construction of new plants in domestic market.

【Comparison with 1H forecast (23.05.12)】

- The depreciation of JPY contributed to push up the Company's performance.
- In Telecommunication Systems, sales and income increased due to foreign exchange impact, cost reduction, and better product mix, although sales for data centers and FTTx are leveling off.
- In Electronics, decreased demand and supply chain problems led to a decrease in shipments.
- In Power Systems, strong demand from construction and electric market and power companies.

1H FY2023 Financial Results

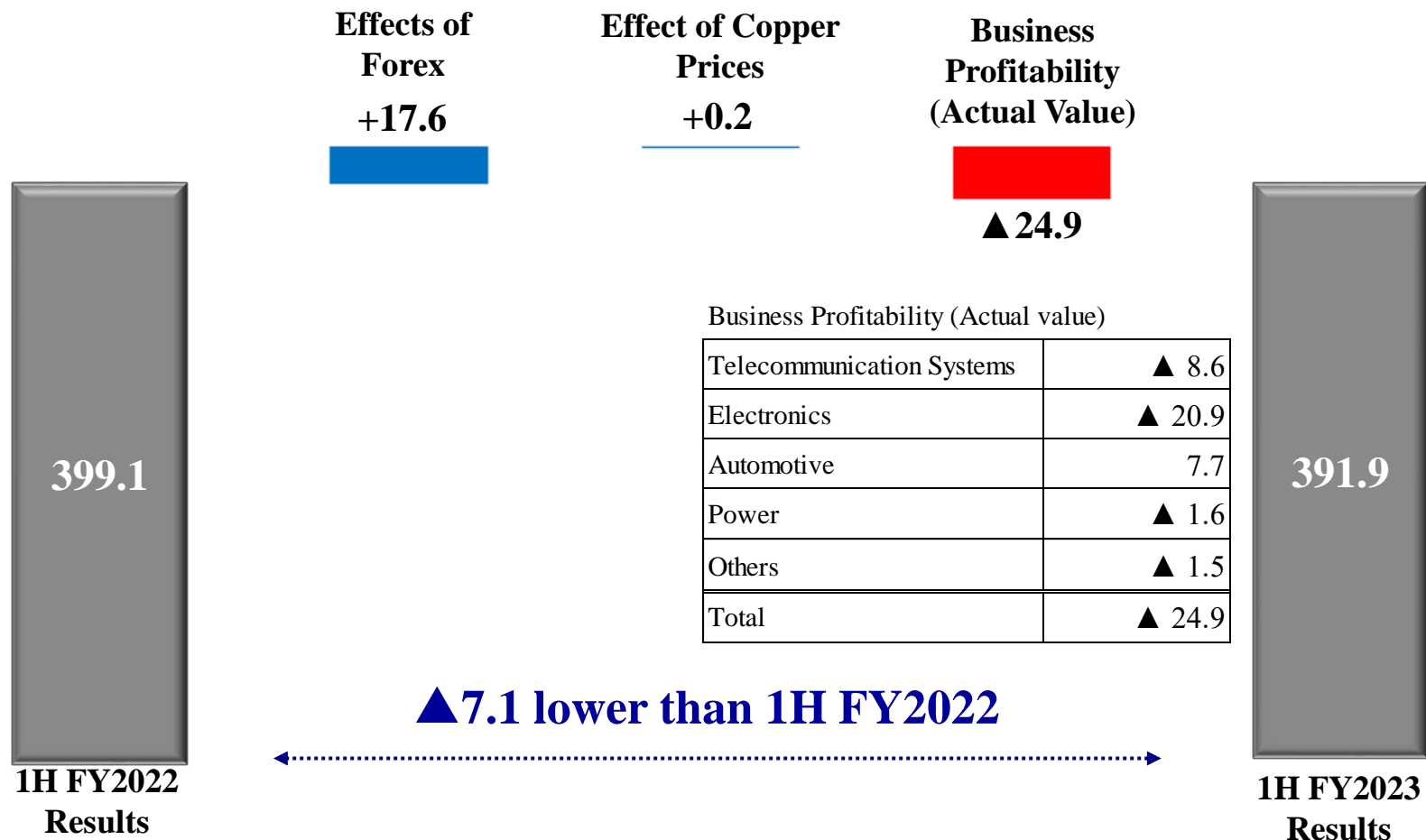
(Unit: Yen in billion)

| | FY22-1H Actual | FY23-1H Original Plan 23.05.12 | FY23-1H Actual | Change | | | |
|--|-------------------|--------------------------------------|-------------------|-----------------------|-----------|-----------------------|-----------|
| | | | | FY22-1H vs FY23-1H | Change(%) | Original vs Actual | Change(%) |
| | | | | | | | |
| Net sales | 399.1 | 370.0 | 391.9 | ▲ 7.1 | 98% | 21.9 | 106% |
| Operating Income | 35.3 | 24.0 | 30.8 | ▲ 4.5 | 87% | 6.8 | 128% |
| Ratio of Operating Income to Net Sales(%) | 8.8 | 6.5 | 7.9 | ▲ 0.9 | — | 1.4 | — |
| Equity gains of affiliated companies | 1.7 | 1.1 | 1.2 | ▲ 0.6 | 67% | 0.1 | 106% |
| Ordinary Income | 38.5 | 20.0 | 34.2 | ▲ 4.3 | 89% | 14.2 | 171% |
| Net Income Attributable to Owners of Parent | 31.8 | 10.0 | 25.2 | ▲ 6.6 | 79% | 15.2 | 252% |
| Net Income per Share (JPY) | 115.28 | 36.26 | 91.31 | ▲ 23.97 | — | 55.05 | — |
| Exchange Rate (USD/JPY) | 134.05 | 130.00 | 141.07 | 7.02 | — | 11.07 | — |
| CU Base ('000JPY/ton) | 1,205 | 1,100 | 1,241 | 36 | — | 141 | — |

1H FY2023 Contributing Factors to Net Sales Change (year-on-year basis)

(Unit : Yen in billion)

Net Sales

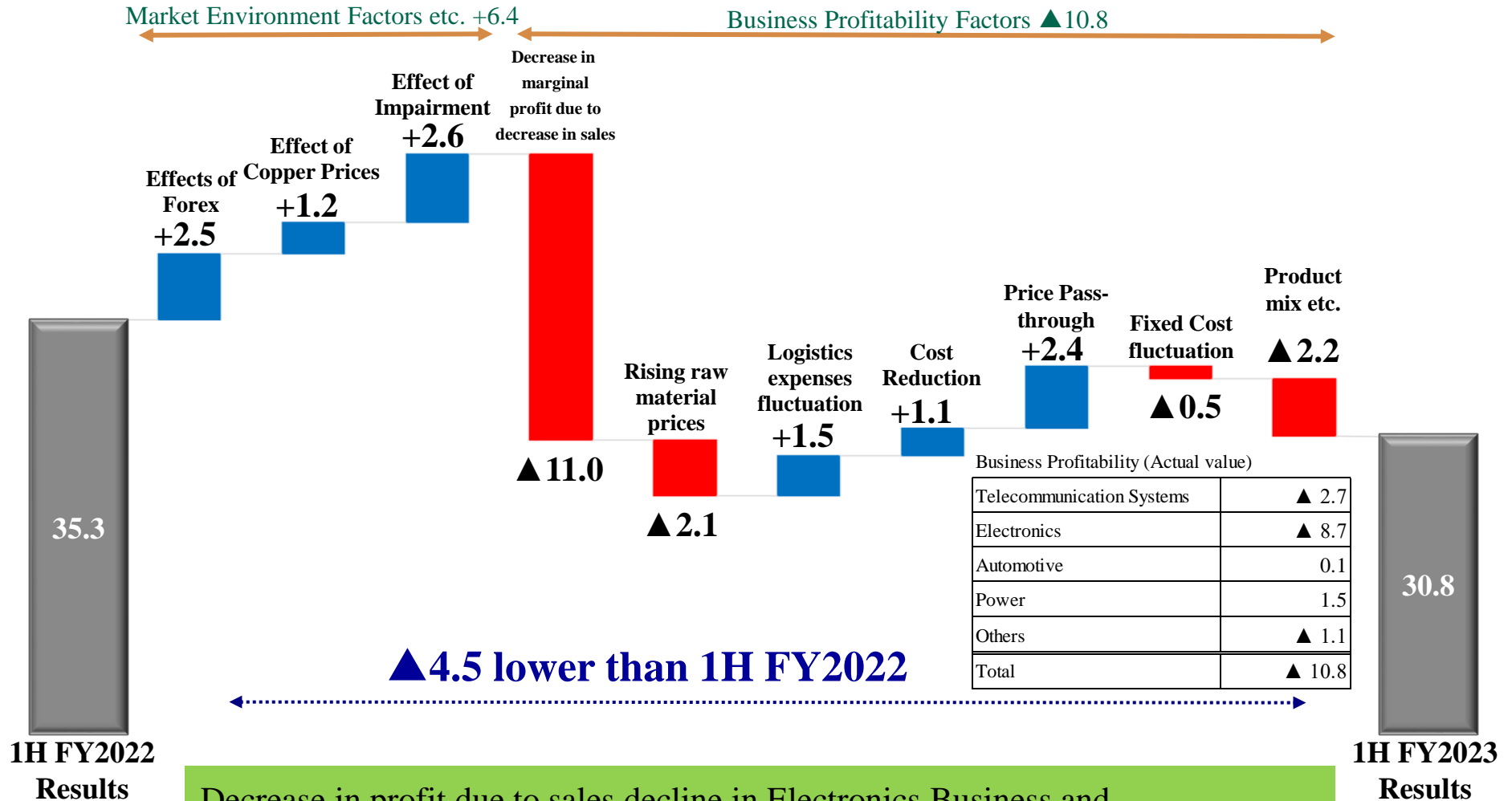


Sales decreased due to severe market conditions in the Electronics Business and Telecommunications Systems.

1H FY2023 Contributing Factors to Operating Income Change (year-on-year basis)

(Unit : Yen in billion)

Operating Income

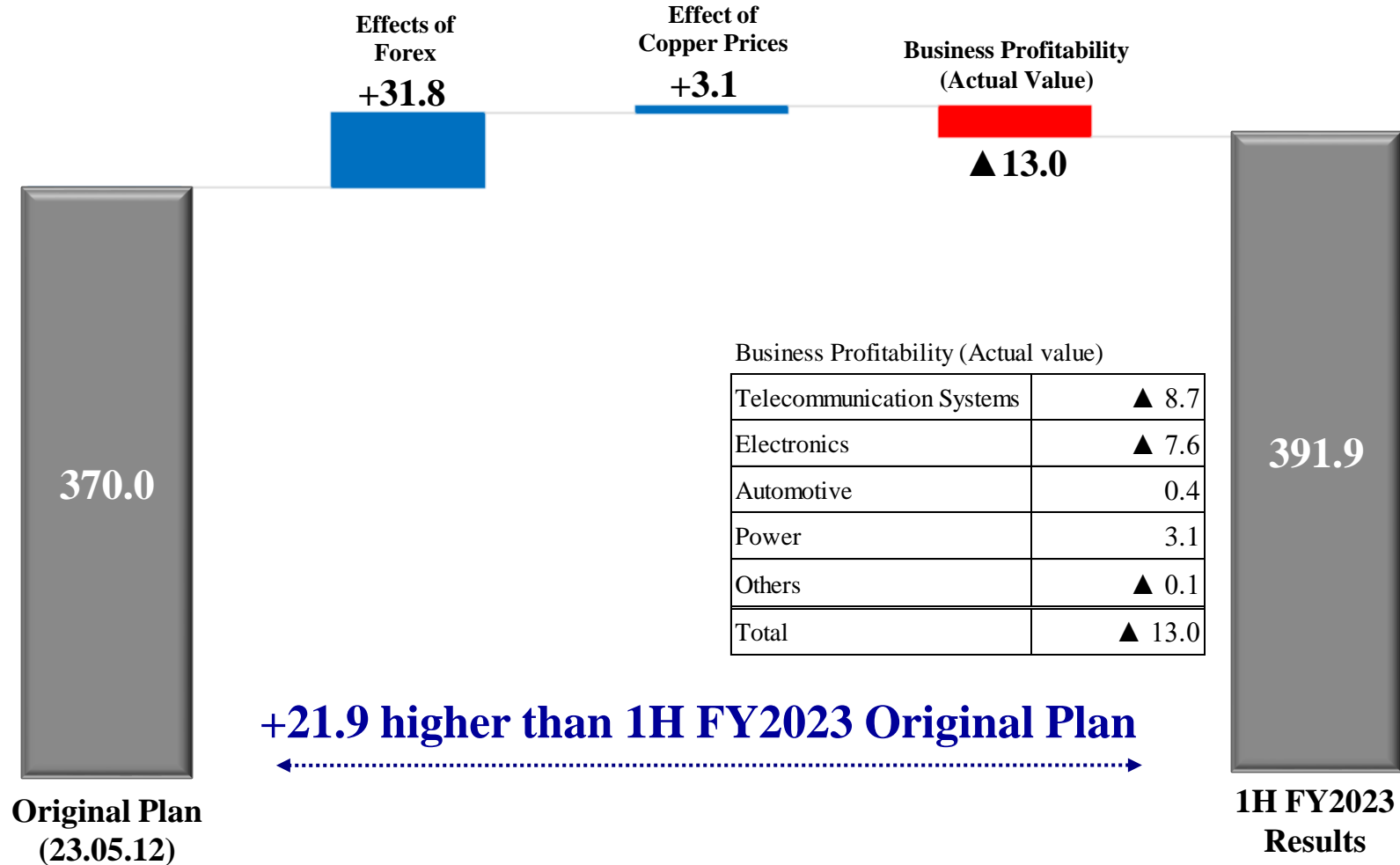


Decrease in profit due to sales decline in Electronics Business and Telecommunication Business

1H FY2023 Contributing Factors to Net Sales Change (forecast- basis)

(Unit : Yen in billion)

Net Sales

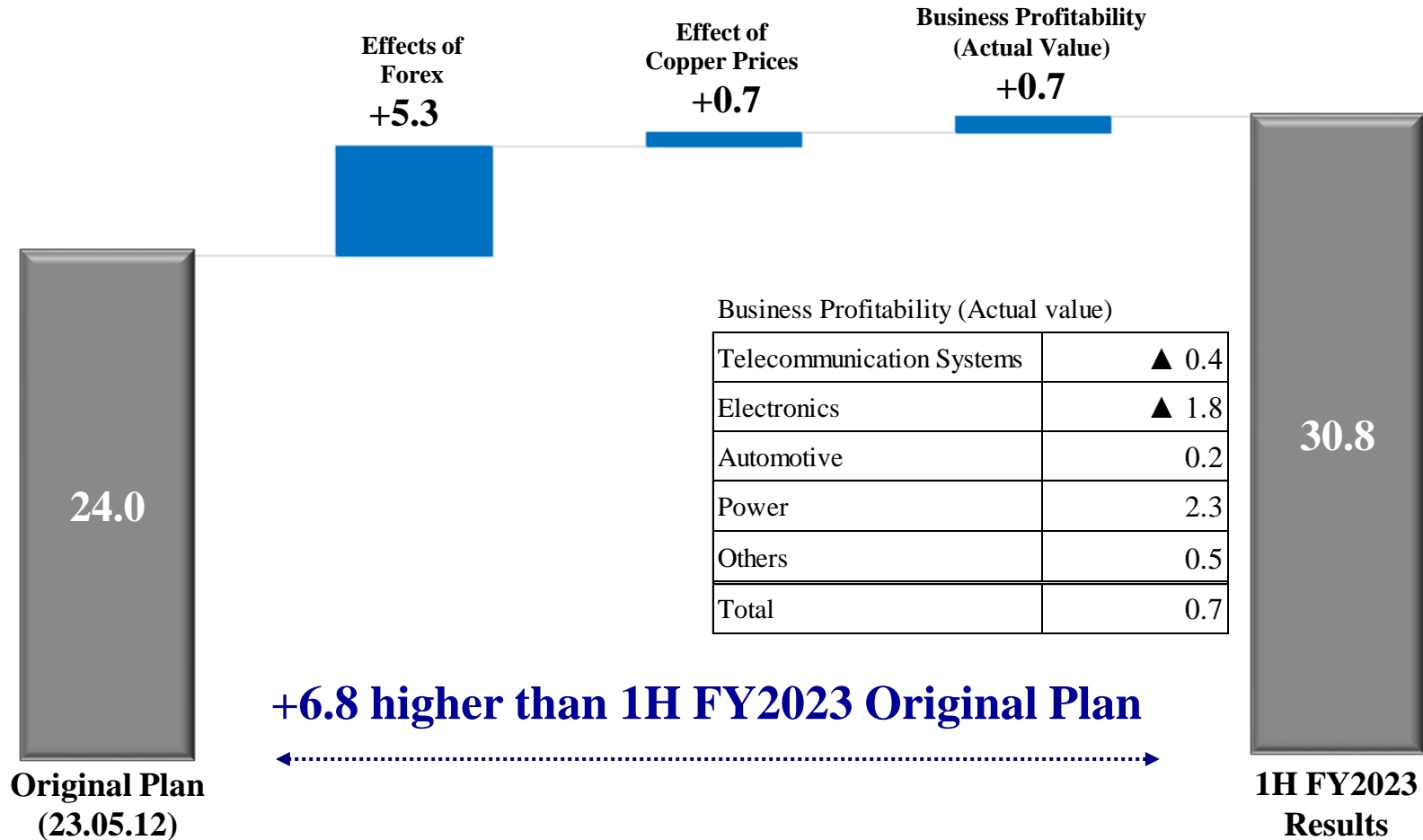


Sales increased due to foreign exchange impact despite severe market environment

1H FY2023 Contributing Factors to Operating Income Change (forecast-basis)

(Unit : Yen in billion)

Operating Income



Secured profit increase through cost reductions and productivity improvements despite declining sales

1H FY2023 Extraordinary Profit and Loss

(Unit: Yen in billion)

| | FY22-1H | FY23-1H |
|--|-------------|-------------|
| Operating Income | 35.3 | 30.8 |
| Equity gains of affiliated companies | 1.7 | 1.2 |
| Ordinary Income | 38.5 | 34.2 |
| Extraordinary Income | 4.7 | 0.1 |
| Extraordinary Loss | 2.2 | 0.7 |
| Income before Income Taxes and Minority Interests | 41.0 | 33.6 |
| Total Income Taxes | 8.6 | 7.4 |
| Net Income non-controlling interests | 0.7 | 1.0 |
| Net Income attributable to owners of parent | 31.8 | 25.2 |

FY22-1H

Gain on sales of subsidiaries and affiliates : 4.2 billion yen, etc.

Consolidated B/S (1)

(Unit: Yen in billion)

| | As of March 31, 2023 | As of September 30, 2023 | Change |
|---|----------------------------|--------------------------------|-------------|
| 〈Assets〉 | 656.8 | 704.0 | 47.2 |
| Current Assets | 418.4 | 458.1 | 39.7 |
| Cash and Deposits | 107.2 | 119.5 | 12.3 |
| Notes and accounts Receivable and Contract assets | 155.4 | 172.7 | 17.4 |
| Inventories | 131.0 | 143.5 | 12.5 |
| Fixed Assets | 238.4 | 245.9 | 7.5 |
| Tangible Fixed Assets | 163.2 | 165.5 | 2.4 |
| Intangible Fixed Assets | 15.1 | 17.3 | 2.2 |
| Sub Total | 178.2 | 182.8 | 4.5 |
| Total Investments and Other Assets | 60.1 | 63.1 | 3.0 |

Effect of FX etc.
(Foreign currency translation +19.1)

CAPEX +7.6
Depreciation ▲11.3
Retirement and sales etc. ▲1.1
Foreign currency translation +9.3

Consolidated B/S (2)

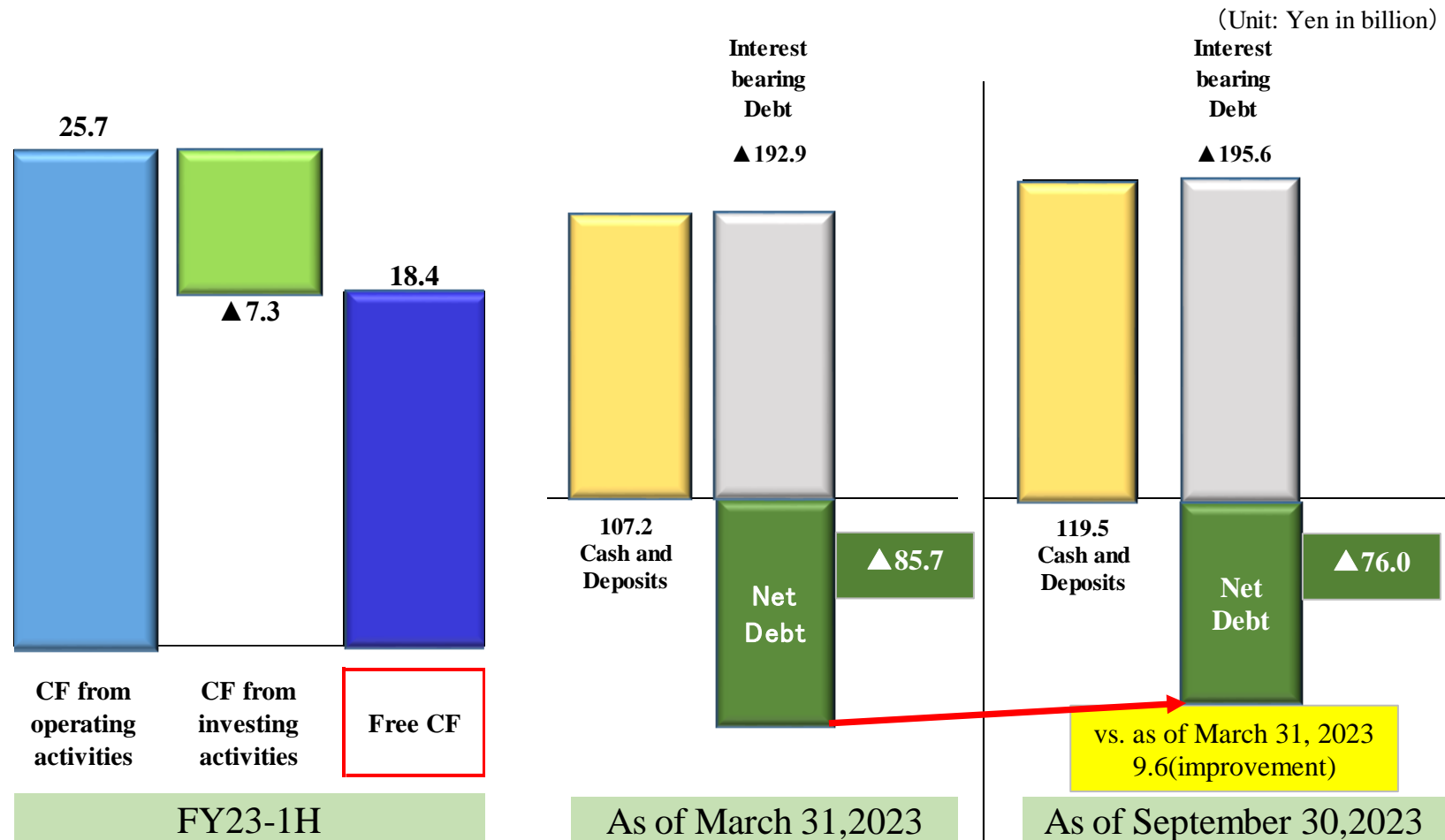
(Unit: Yen in billion)

| | As of March 31, 2023 | As of September 30, 2023 | Change |
|---|----------------------------|--------------------------------|-------------|
| Total | 656.8 | 704.0 | 47.2 |
| (Treasury Stock) | (▲ 10.5) | (▲ 10.5) | 0.0 |
| 〈Liability〉 | 362.4 | 366.6 | 4.2 |
| Notes and Account Payable | 74.7 | 77.2 | 2.5 |
| Interest-bearing Debt | 192.9 | 195.6 | 2.7 |
| Other Liability | 94.8 | 93.9 | ▲ 0.9 |
| 〈Net Equity〉 | 294.4 | 337.3 | 42.9 |
| Shareholder's Equity | 230.8 | 251.3 | 20.5 |
| (Treasury Stock) | (▲ 10.5) | (▲ 10.5) | 0.0 |
| Accumulated Other Comprehensive Income | 39.7 | 61.7 | 22.0 |
| Non-controlling Interests | 23.8 | 24.3 | 0.4 |
| Equity-to-assets-ratio | 41.2 | 44.5 | 3.3 |

Net D/E Ratio :
24:76→20:80
Net Debt :
85.7⇒76.0 ▲9.6

Foreign currency translation
adjustment +19.8

Free Cash Flow / Net Debt



Free CF Further improvement by shortening CCC
 Net Debt Improved from the beginning. Continue to improve financial position

1H FY2023 Financial Results by Segment

(Unit: Yen in billion)

| Segment | Net Sales | | | | Operating Income(Loss) and Ratio of Operating Income to Net Sales | | | |
|----------------------------------|-------------------|-------------------|--------|---------------|---|-------------------|-----------------|---------------|
| | FY22-1H Actual | FY23-1H Actual | Change | Change (%) | FY22-1H Actual | FY23-1H Actual | Change | Change (%) |
| Telecommunication Systems | 145.7 | 147.1 | 1.4 | 101% | 20.5 14.1% | 20.4 13.8% | ▲ 0.1 ▲ 0.2% | 99% |
| Electronics Business | 98.8 | 83.0 | ▲ 15.7 | 84% | 14.9 15.1% | 7.1 8.6% | ▲ 7.8 ▲ 6.5% | 48% |
| Automotive Products | 74.6 | 87.4 | 12.7 | 117% | ▲ 3.0 ▲ 4.1% | ▲ 1.4 ▲ 1.6% | 1.7 2.5% | — |
| Power Systems | 66.8 | 65.4 | ▲ 1.4 | 98% | 0.4 0.7% | 3.2 4.8% | 2.7 4.2% | 706% |
| Real Estate Business | 5.5 | 5.3 | ▲ 0.2 | 96% | 2.7 48.7% | 2.5 46.7% | ▲ 0.2 ▲ 2.0% | 92% |
| Other | 7.7 | 3.7 | ▲ 4.0 | 48% | ▲ 0.2 | ▲ 0.9 | ▲ 0.7 | — |
| Total | 399.1 | 391.9 | ▲ 7.1 | 98% | 35.3 8.8% | 30.8 7.9% | ▲ 4.5 ▲ 1.0% | 87% |

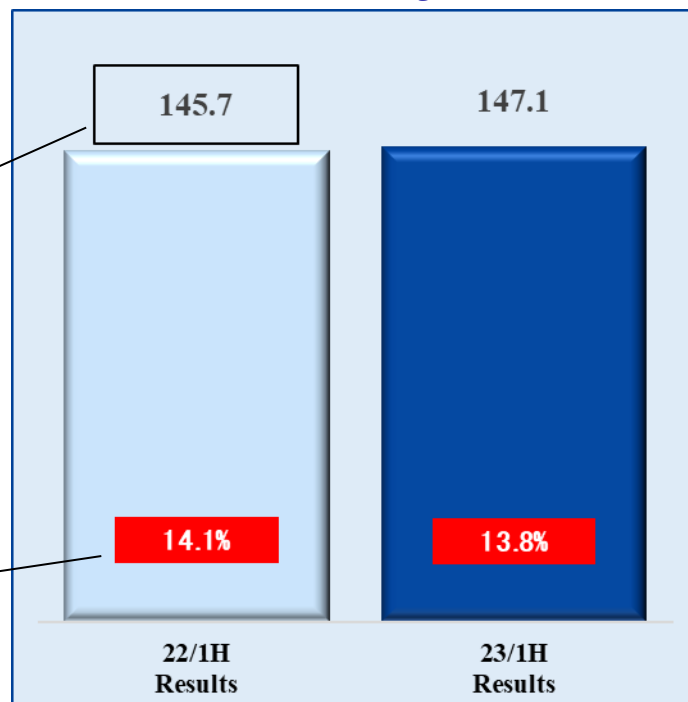
*Some segment changes have been implemented since FY2023, and the figures for FY2022 have been reclassified in the same manner.

Financial Results by Segment-Sales and Ratio of Operating Income

(Unit: Yen in billion)

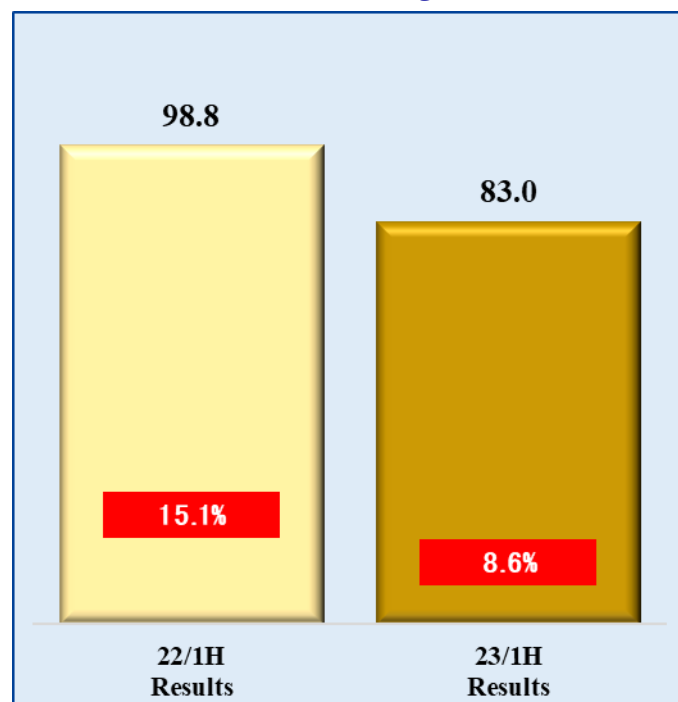
Telecommunication Systems

22/1H vs. 23/1H



Electronics Business

22/1H vs. 23/1H



- Although investment restraint in data centers and FTTx, which was brisk in the previous period, is Flat YoY due to forex impact.

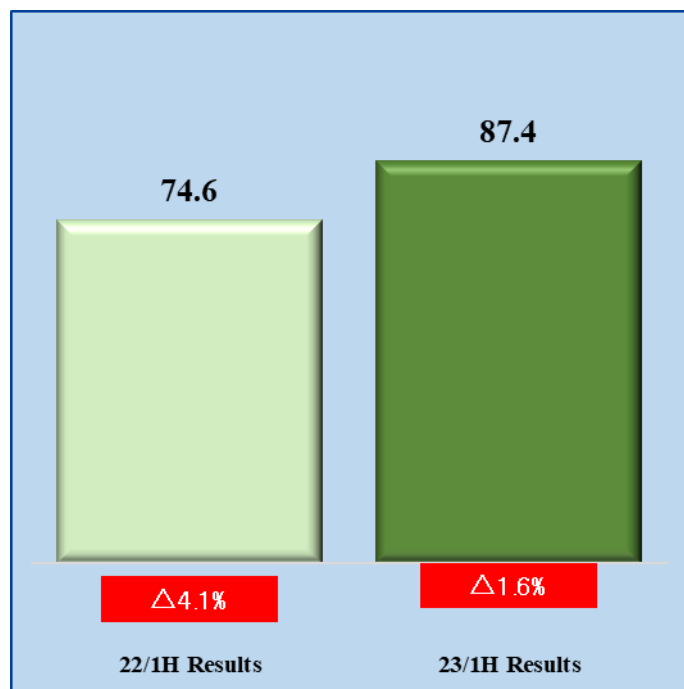
- Decrease in sales and income due to decline in demand for stay-at-home demand up to the previous fiscal year and customers' investment restraint

Financial Results by Segment-Sales and Ratio of Operating Income

(Unit: Yen in billion)

Automotive Products

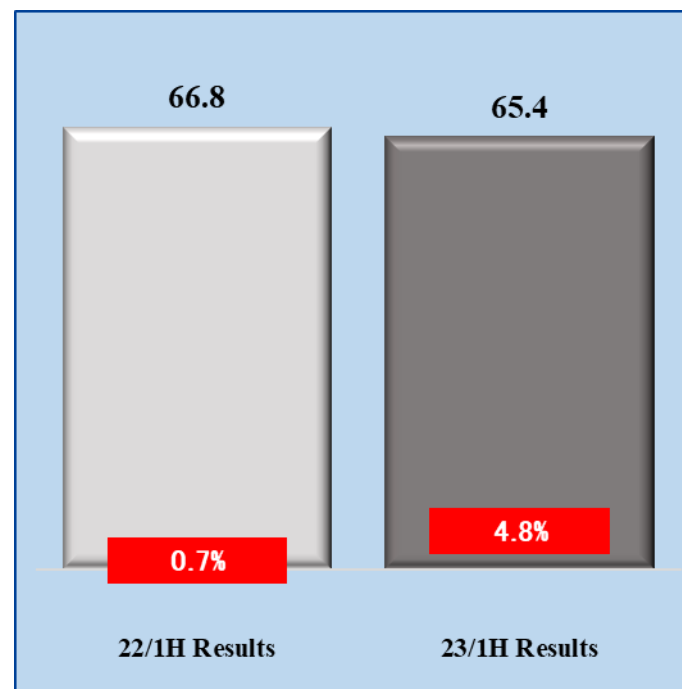
22/1H vs. 23/1H



- Revenue increased due to the launch of new models in North America, and the loss narrowed due to the absence of impairment losses in the previous fiscal year and the elimination of costs associated with the launch of new models.

Power Systems

22/1H vs. 23/1H



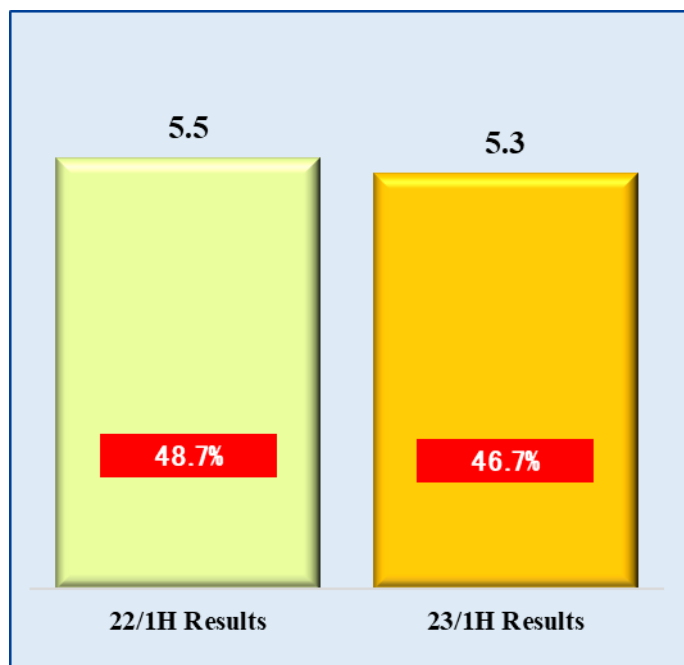
- Decrease in sales due to lower copper volume, but significantly higher income due to strong demand associated with the construction of new plants in domestic market compared to the previous fiscal year when booked copper valuation loss.

Financial Results by Segment-Sales and Ratio of Operating Income

(Unit: Yen in billion)

Real Estate Business

22/1H vs. 23/1H



- Revenues from leasing real estate properties continue to contribute to consolidated operating income

2. Summary of FY2023 Business Forecast

Summary of FY2023 Business Forecast

【Net Sales and Operating Income】

In the second half of the fiscal year, Net sales and Operating income are expected to fall below the previous forecast due to a leveling off of demand for data centers and telecommunications carriers in the Telecommunication Systems Business and a drop in demand for smartphones and other electronic devices in general in the Electronics Business.

【Ordinary Income and Net Income】

Ordinary income is expected to increase based on the assumption that foreign exchange gains from the first half of the fiscal year will remain. Profit Attributable to Owners of Parent remains unchanged from the previous forecast.

Aim to achieve second highest operating income and ordinary income in history after FY2022, and record-high net income for the third consecutive fiscal year.

Summary of FY2023 - Forecast

(Unit : Yen in billion)

| | FY2022 Actual | FY2023 Original Plan 2023.05.12 | FY2023 Revised Plan 2023.11.08 | Change | | | |
|--|------------------|--|---|--------------------|-----------|------------------------|---------------|
| | | | | FY2022vs FY2023 | Change(%) | 23.05.12vs 23.11.08 | Change (%) |
| Net sales | 806.5 | 770.0 | 760.0 | ▲ 46.4 | 94% | ▲ 10.0 | 99% |
| Operating Income | 70.2 | 60.0 | 54.0 | ▲ 16.2 | 77% | ▲ 6.0 | 90% |
| Ratio of Operating Income to Net Sales(%) | 8.7 | 7.8 | 7.1 | ▲ 1.6 | — | ▲ 0.7 | — |
| Equity gains of affiliated companies | 2.1 | 2.3 | 2.5 | 0.5 | 123% | 0.2 | 108% |
| Ordinary Income | 67.9 | 55.0 | 56.0 | ▲ 11.9 | 82% | 1.0 | 102% |
| Net Income Attributable to Owners of Parent | 40.9 | 41.0 | 41.0 | 0.1 | 100% | — | 100% |
| Net Income per Share (JPY) | 148.27 | 148.66 | 148.66 | 0.39 | — | — | — |
| Dividend per Share (JPY) | 30.0 | 45.0 | 45.0 | 15.0 | — | — | — |
| ROE (%) | 16.7 | 14.4 | 13.8 | ▲ 2.9 | — | ▲ 0.6 | — |
| Exchange Rate (USD/JPY) | 135.51 | 130.0 | 140.54 | 5.03 | — | 10.54 | — |
| | | | (Applied 2H) 140.00 | | | | |
| CU Base ('000JPY/ton) | 1,209 | 1,100 | 1,220 | 11 | — | 120 | — |
| | | | (Applied 2H) 1,200 | | | | |

FY2023 - Full year Forecasts by Segment

(Unit: Yen in billion)

| Segment | Net Sales | | | | Operating Income(Loss) and Ratio of Operating Income to Net Sales | | | |
|---------------------------|---------------|--------------|---------------|------------|---|----------------------|-------------------------|------------|
| | Original Plan | Revised Plan | Change | Change(%) | Original Plan | Revised Plan | Change | Change(%) |
| | 2023.05.12 | 2023.11.08 | | | 2023.05.12 | 2023.11.08 | | |
| Telecommunication Systems | 288.4 | 283.2 | ▲ 5.2 | 98% | 37.5 13.0% | 35.8 12.6% | ▲ 1.7 ▲ 0.4% | 96% |
| Electronics Business | 174.4 | 154.5 | ▲ 19.9 | 89% | 18.5 10.6% | 11.0 7.1% | ▲ 7.4 ▲ 3.5% | 60% |
| Automotive Products | 167.0 | 172.4 | 5.4 | 103% | ▲ 0.5 ▲ 0.3% | ▲ 2.0 ▲ 1.2% | ▲ 1.5 ▲ 0.9% | — |
| Power Systems | 120.9 | 131.0 | 10.1 | 108% | 2.1 1.8% | 6.1 4.7% | 4.0 2.9% | 286% |
| Real Estate Business | 10.8 | 10.5 | ▲ 0.3 | 98% | 4.3 40.2% | 4.5 42.5% | 0.1 2.3% | 103% |
| Other | 8.6 | 8.5 | ▲ 0.1 | 99% | ▲ 2.0 | ▲ 1.4 | 0.5 | — |
| Total | 770.0 | 760.0 | ▲ 10.0 | 99% | 60.0 7.8% | 54.0 7.1% | ▲ 6.0 ▲ 0.7% | 90% |

Shareholder Return

■ Shareholder Return Policy of FY2025 Mid-term Management Plan/ Payout ratio secured by 30%

■ Interim dividend

The Board of Directors resolved today (November 8, 2023) to pay the following interim dividend.

- Dividend 22.5 yen/share (FY22 result: interim dividend 13.0 yen/share)

■ Year-end dividend

The year-end dividend forecast for FY23 remains unchanged from the 22.5 yen/share announced on May 12, 2023.

FY23 Forecast: Dividend 45.0 yen/share

FY22 result: Dividend 30.0 yen/share (Interim: 13.0 yen/share, Year-end: 17.0 yen/share)

Appendix

Net Sales by Segment

Unit: Yen in Billion

| | FY2022 | | | | | | | FY2023 | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|
| | 1Q | 2Q | 3Q | 4Q | 1H | 2H | Full Year | 1Q | 2Q | 1H | 2H Forecast | Full Year Forecast |
| Telecommunication Systems | 66.8 | 78.9 | 76.1 | 69.6 | 145.7 | 145.7 | 291.4 | 69.7 | 77.5 | 147.1 | 136.0 | 283.2 |
| FPC | 16.5 | 27.9 | 30.8 | 21.2 | 44.4 | 52.0 | 96.4 | 20.4 | 21.6 | 42.0 | 35.0 | 76.9 |
| Connector | 12.0 | 20.4 | 14.6 | 10.1 | 32.3 | 24.7 | 57.1 | 10.4 | 13.3 | 23.6 | 20.6 | 44.2 |
| Components | 10.5 | 11.5 | 12.1 | 9.7 | 22.0 | 21.8 | 43.9 | 8.7 | 8.8 | 17.4 | 15.9 | 33.3 |
| Electronics | 39.0 | 59.7 | 57.5 | 41.0 | 98.8 | 98.5 | 197.3 | 39.4 | 43.6 | 83.0 | 71.4 | 154.5 |
| Automotive Products | 36.1 | 38.5 | 39.1 | 42.1 | 74.6 | 81.2 | 155.9 | 44.4 | 42.9 | 87.4 | 85.0 | 172.4 |
| Power Systems | 33.1 | 33.7 | 35.8 | 35.6 | 66.8 | 71.4 | 138.2 | 32.1 | 33.3 | 65.4 | 65.6 | 131.0 |
| Real Estate Business | 2.7 | 2.8 | 2.7 | 2.6 | 5.5 | 5.3 | 10.8 | 2.6 | 2.6 | 5.3 | 5.2 | 10.5 |
| Other | 3.0 | 4.6 | 2.5 | 2.8 | 7.7 | 5.2 | 12.9 | 2.0 | 1.7 | 3.7 | 4.8 | 8.5 |
| Total | 180.9 | 218.2 | 213.7 | 193.7 | 399.1 | 407.4 | 806.5 | 190.2 | 201.7 | 391.9 | 368.1 | 760.0 |

The figures for FY2022 have been reclassified to reflect the business segments for FY2023, but the figures for 3Q FY2022 and beyond are currently under final confirmation and may be subject to change.

Operating Income by Segment

Unit: Yen in Billion

| | FY2022 | | | | | | | FY2023 | | | | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| | 1Q | 2Q | 3Q | 4Q | 1H | 2H | Full Year | 1Q | 2Q | 1H | 2H Forecast | Full Year Forecast |
| Telecommunication Systems | 8.2 | 12.3 | 10.4 | 9.8 | 20.5 | 20.2 | 40.7 | 9.9 | 10.5 | 20.4 | 15.4 | 35.8 |
| Electronics | 4.1 | 10.9 | 9.9 | 2.8 | 14.9 | 12.7 | 27.6 | 2.1 | 5.0 | 7.1 | 3.9 | 11.0 |
| Automotive Products | △ 1.3 | △ 1.8 | △ 2.0 | △ 1.5 | △ 3.0 | △ 3.6 | △ 6.6 | △ 1.3 | △ 0.1 | △ 1.4 | △ 0.7 | △ 2.0 |
| Power Systems | △ 0.6 | 1.0 | 1.9 | 2.1 | 0.4 | 4.1 | 4.5 | 1.2 | 2.0 | 3.2 | 3.0 | 6.1 |
| Real Estate Business | 1.4 | 1.3 | 1.2 | 1.2 | 2.7 | 2.3 | 5.0 | 1.2 | 1.2 | 2.5 | 2.0 | 4.5 |
| Other | △ 0.5 | 0.3 | △ 0.2 | △ 0.6 | △ 0.2 | △ 0.8 | △ 1.0 | △ 0.5 | △ 0.4 | △ 0.9 | △ 0.5 | △ 1.4 |
| Total | 11.3 | 24.0 | 21.3 | 13.7 | 35.3 | 34.9 | 70.2 | 12.6 | 18.2 | 30.8 | 23.2 | 54.0 |

The figures for FY2022 have been reclassified to reflect the business segments for FY2023, but the figures for 3Q FY2022 and beyond are currently under final confirmation and may be subject to change.



Special Notes:

Statements in this presentation that relate to future to results and events (including statements regarding Fujikura's revenue and earnings guidance) and based on Fujikura's current expectations. Actual results in future periods may differ materially form those currently expected because of a number of risks and uncertainties.