

FY2023 Financial Results



May 13, 2024

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1. FY2023 Financial Results and FY2024 Forecast

Summary of FY2023 Financial Results

- **Achieved the same level of sales and operating income as the previous fiscal year, which recorded the highest ever. Ordinary income reached a new record high for the second consecutive term, while net income for the current period recorded the highest for three consecutive terms.**
- **In Telecommunication Systems, despite continued investment restraint by telecommunications carrier customers, optical components for data centers recovered from the second half of the fiscal year. Based on the background of a various profitability, the business achieved a high profit level similar to the previous year.**
- **Electronics has recovered from supply chain issues and achieved higher profits compared to previous forecasts.**
- **Automotive exceeded the previous forecast due to improvements in selling price and productivity. For the full year, cost reduction from facility closures and progress in optimizing of incremental cost burden with customers resulting from changes in the business environment led to a significant increase in profit and operating profit.**
- **Power Systems, income increased due to strong demand for construction of new plants in domestic market continuously.**
- **Net sales and all profits levels exceeded the 2025 mid-term management plan first year target.**

FY2023 Financial Results

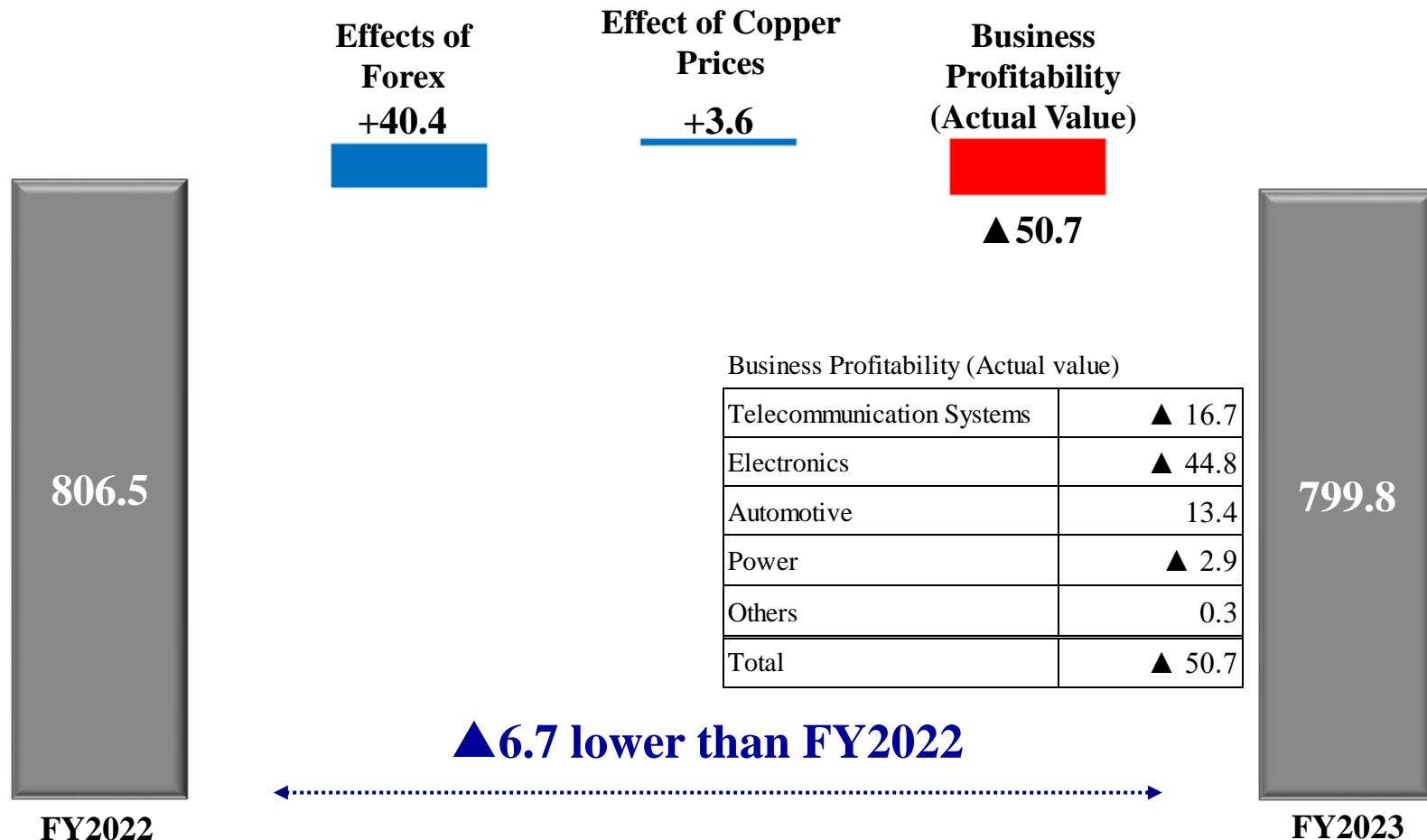
(Unit: Yen in billion)

	FY2022 Results	Original Forecast for FY2023 (2025 mid-term plan)	Revised Forecast for FY2023 (Feb.08.2024)	FY2023 Results	Feb.08.2024 vs. Results		Original vs. Results		FY2022 vs. FY2023	
					Change (%)	Achevment (%)	Change (%)	Change (%)		
Net sales	806.5	770.0	790.0	799.8	9.8	1%	29.8	104%	▲ 6.7	▲ 1%
Operating Income	70.2	60.0	63.0	69.5	6.5	10%	9.5	116%	▲ 0.7	▲ 1%
Ratio of Operating Income to Net Sales(%)	8.7	7.8	8.0	8.7	0.7	—	0.9	—	0.0	—
Equity gains of affiliated companies	2.1	2.3	2.4	2.7	0.3	11%	0.4	116%	0.6	30%
Ordinary Income	67.9	55.0	62.0	69.7	7.7	12%	14.7	127%	1.8	3%
Net Income Attributable to Owners of Parent	40.9	41.0	45.0	51.0	6.0	13%	10.0	124%	10.1	25%
Net Income per Share (JPY)	148.27	148.66	163.16	184.96	21.80	—	36.30	—	36.69	—
Dividend per Share (JPY)	30.0	45.0	49.0	55.0	6.0	—	10.0	—	25.0	—
ROE (%)	16.7	14.4	15.2	16.7	1.5	—	2.3	—	0.0	—
Exchange Rate (USD/JPY)	135.51	130.00	143.75	144.59	0.84	—	14.59	—	9.08	—
CU Base ('000JPY/ton)	1,209	1,100	1,240	1,262	22	—	162	—	53	—

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

(Unit : Yen in billion)

Net Sales

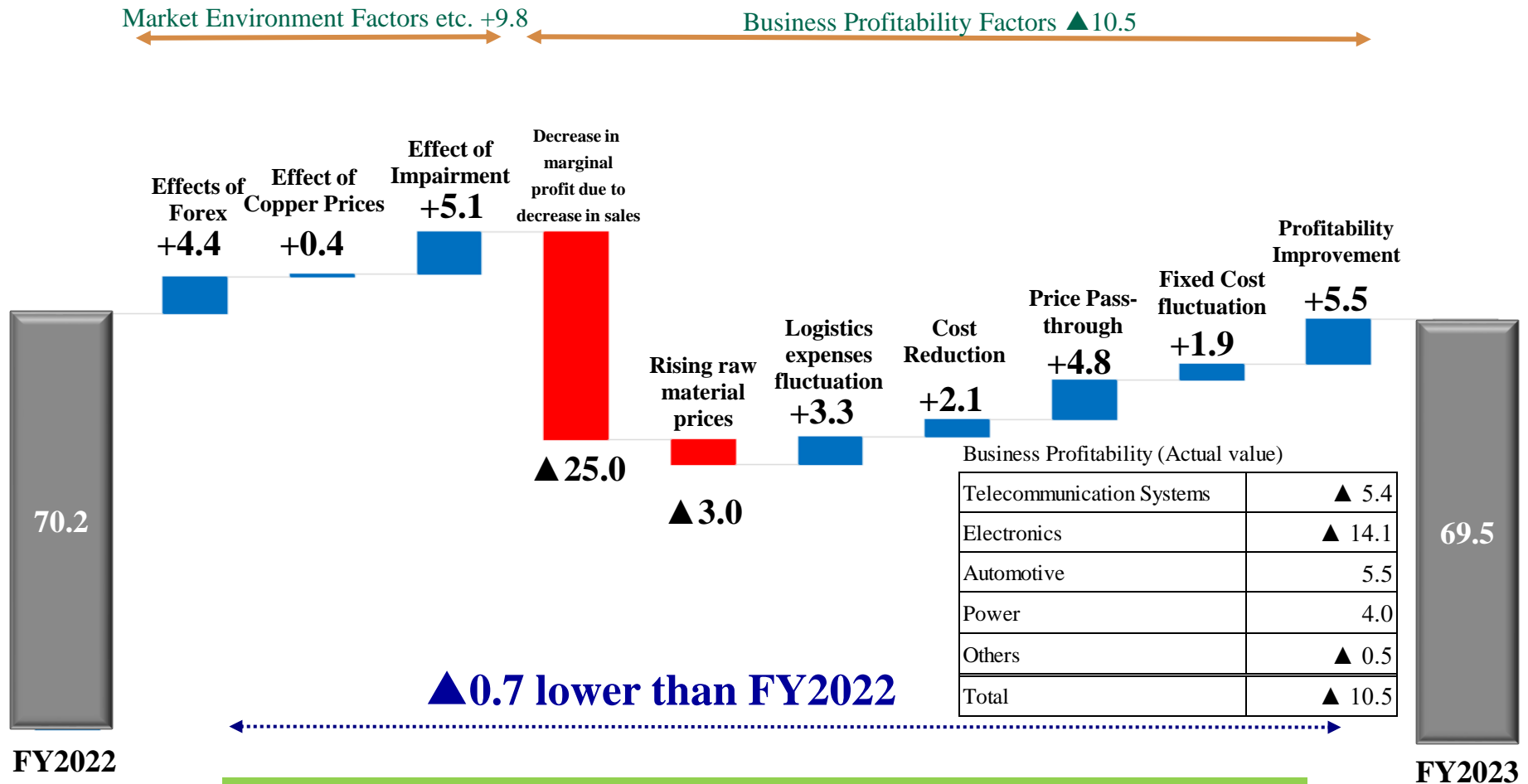


Sales decreased due to inventory adjustments caused by the backlash of stay-at-home demand in Electronics. In Telecommunication Systems, sales for data centers recovered in the second half, but telecommunications carrier customers continued to constrain investment, resulting in lower sales.

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

(Unit : Yen in billion)

Operating Income



Achieved solid operating income level by implementing various actions to improve profitability, etc., despite a significant decrease in marginal profit due to lower sales.

FY2023 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY2022	FY2023
Operating Income	70.2	69.5
Equity gains of affiliated companies	2.1	2.7
Ordinary Income	67.9	69.7
Extraordinary Income	4.8	0.7
Extraordinary Loss	22.0	6.2
Income before Income Taxes and Minority Interests	50.7	64.2
Total Income Taxes	8.2	11.1
Net Income non-controlling interests	1.7	2.1
Net Income attributable to owners of parent	40.9	51.0

FY22 Extraordinary Loss

Impairment Loss 19.3 billion Yen etc.

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2023	As of March 31, 2024	Change
〈Assets〉	656.8	723.9	67.1
Current Assets	418.4	467.3	48.9
Cash and Deposits	107.2	147.8	40.5
Notes and accounts Receivable and Contract assets	155.4	164.2	8.8
Inventories	131.0	131.5	0.5
Fixed Assets	238.4	256.6	18.2
Tangible Fixed Assets	163.2	165.7	2.5
Intangible Fixed Assets	15.1	20.4	5.3
Sub Total	178.2	186.1	7.9
Total Investments and Other Assets	60.1	70.5	10.3

Reduction of Inventory	▲9.4
Foreign currency translation	+9.9

CAPEX	+20.8
Goodwill	+5.0
Depreciation	▲24.2
Impairment	▲3.3
Retirement and sales etc.	▲0.8
Foreign currency translation	+10.3

Consolidated B/S (2)

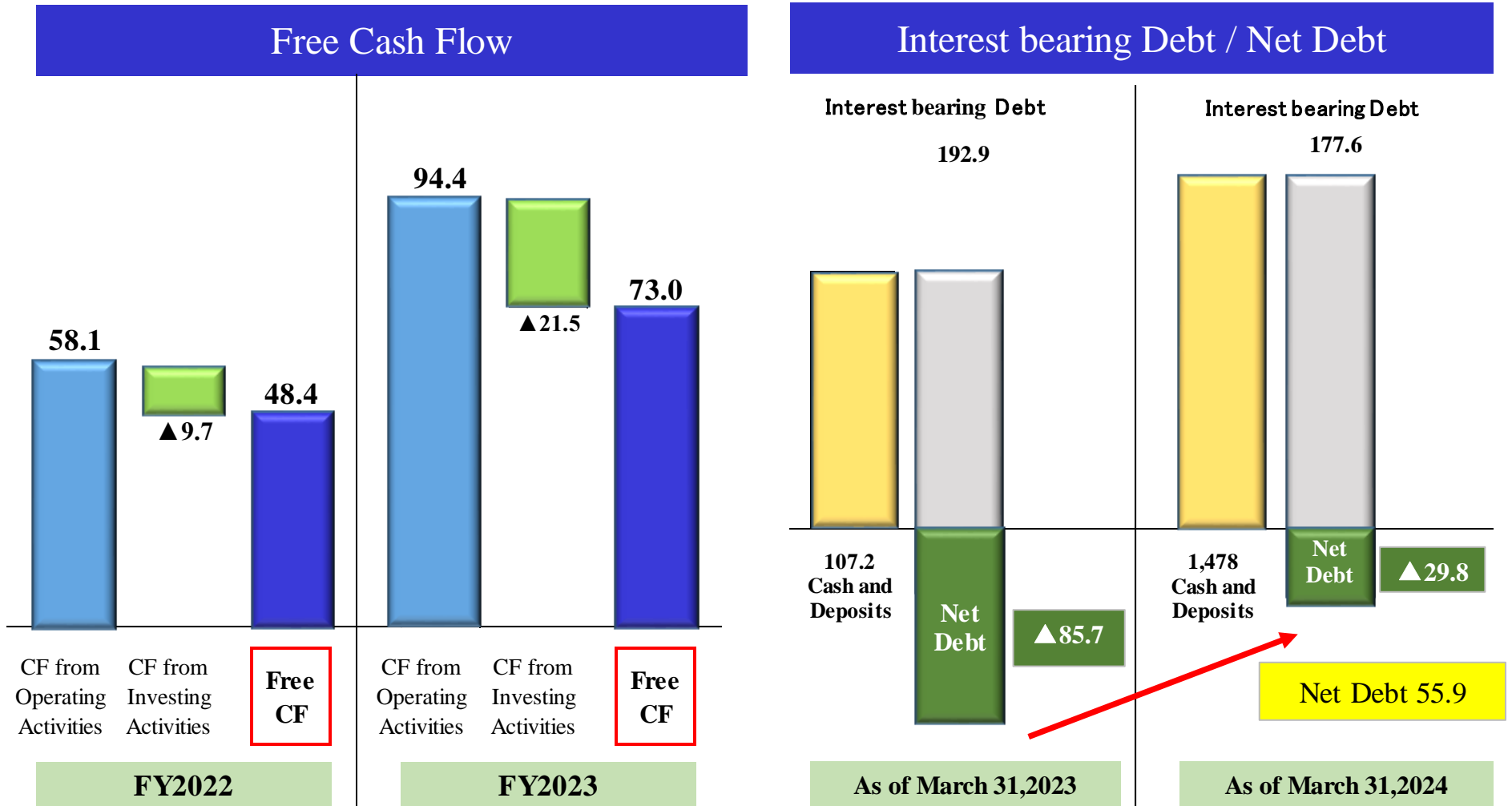
(Unit: Yen in billion)

	As of March 31, 2023	As of March 31, 2024	Change
Total	656.8	723.9	67.1
(Treasury Stock)	(▲ 10.5)	(▲ 10.5)	0.0
〈Liability〉	362.4	357.3	▲ 5.1
Notes and Account Payable	74.7	78.0	3.4
Interest-bearing Debt	192.9	177.6	▲ 15.3
Other Liability	94.8	101.7	6.9
〈Net Equity〉	294.4	366.6	72.2
Shareholder's Equity	230.8	270.5	39.7
(Treasury Stock)	(▲ 10.5)	(▲ 10.5)	0.0
Accumulated Other Comprehensive Income	39.7	70.6	30.9
Non-controlling Interests	23.8	25.5	1.6
Equity-to-assets-ratio	41.2	47.1	5.9

Net D/E Ratio	24:76→8:92
Net Debt	85.7⇒29.8 ▲55.9

Foreign currency translation
adjustment +24.6

Free Cash Flow / Net Debt



Significantly improved Net Debt by promoting CCC improvement through inventory reductions, etc.

Summary of FY2024 Business Forecast

- **In Telecommunication Systems, infrastructure investment for data centers is expected to accelerate on the back of increased demand for AI generation. Demand from telecommunications carriers is expected to bottom out in 4Q of FY2024 and begin to recover**
- **Electronics is expected to achieve increased profits due to the resolution of supply chain issues, despite the sluggishness in the industrial machinery and equipment.**
- **Automotive is expected to achieve increased profits through improvements in selling price and productivity, and will continue to focus on improving profitability.**
- **Power Systems continues to perform well by capturing demand for large-scale projects.**
- **All kinds of profits continues to be achieved a high level of profitability, approaching the highest ever recorded.**
- **Achieving steady progress by meeting intermediate targets towards the achievement of the 2025 mid-term management plan.**

Summary of FY2024 - Forecast

(Unit : Yen in billion)

	FY2023 Actual	1H FY2024 Forecast	FY2024 Forecast	Change	
				FY2023 vs. FY2024	Change (%)
Net sales	799.8	400.0	830.0	30.2	4%
Operating Income	69.5	30.0	70.0	0.5	1%
Ratio of Operating Income to Net Sales(%)	8.7	7.5	8.4	▲ 0.3	—
Equity gains of affiliated companies	2.7	1.3	2.6	▲ 0.1	▲ 2%
Ordinary Income	69.7	29.0	68.0	▲ 1.7	▲ 2%
Net Income Attributable to Owners of Parent	51.0	21.0	50.0	▲ 1.0	▲ 2%
Net Income per Share (JPY)	184.96	76.14	181.29	▲ 3.67	—
Dividend per Share (JPY)	55.0	27.5	55.0	0.0	—
ROE (%)	16.7	—	14.0	▲ 2.7	—
Exchange Rate (USD/JPY)	144.59	145.00	145.00	0.41	—
CU Base ('000JPY/ton)	1,262	1,240	1,240	▲ 22	—

2025 mid-term plan		
FY2024 Original Plan	2025 mid-term plan vs. FY2024 Forecast	Change (%)
800.0	30.0	4%
70.0	0.0	0%
8.8	▲ 0.4	—
50.0	5.0	—
14.5	▲ 0.5	—
120.00	25.00	—

2. By Segment

Financial Results and Forecast by Segment

(Unit: Yen in billion)

Segment	Net Sales				Operating Income(Loss) and Ratio of Operating Income to Net Sales			
	FY2022 Results	FY2023 Results	1H FY2024 Forecast	FY2024 Forecast	FY2022 Results	FY2023 Results	1H FY2024 Forecast	FY2024 Forecast
Telecommunication Systems	291.3	297.2	162.5	330.0	40.6 13.9%	39.2 13.2%	18.9 11.6%	38.9 11.8%
Electronics	197.3	164.7	79.6	177.2	27.6 14.0%	16.6 10.1%	5.7 7.1%	17.5 9.9%
Automotive Products	155.9	179.5	84.0	166.1	▲ 6.6 ▲ 4.2%	1.2 0.7%	1.2 1.4%	2.8 1.7%
Power Systems	138.3	139.1	64.7	136.6	4.3 3.1%	8.7 6.3%	3.1 4.8%	8.1 6.0%
Real Estate	10.8	10.5	5.3	10.6	5.0 46.3%	4.9 46.1%	2.4 45.1%	4.6 43.1%
Other	12.9	8.7	3.9	9.5	▲ 0.7	▲ 1.1	▲ 1.3	▲ 2.0
Total	806.5	799.8	400.0	830.0	70.2 8.7%	69.5 8.7%	30.0 7.5%	70.0 8.4%

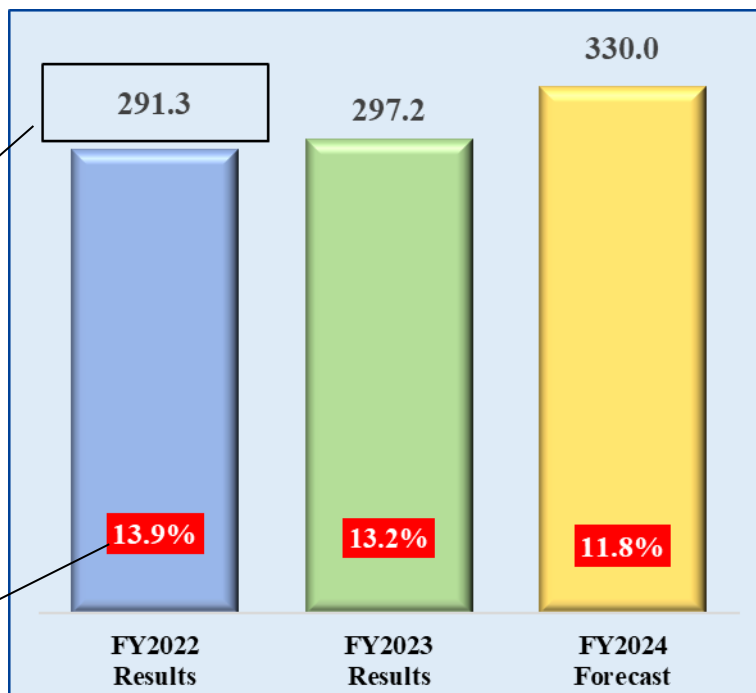
*Some segment changes have been implemented since FY2023, and the figures for FY2022 have been reclassified in the same manner.

Financial Results and Forecast by Segment - Sales and Ratio of Operating Income

(Unit: Yen in billion)

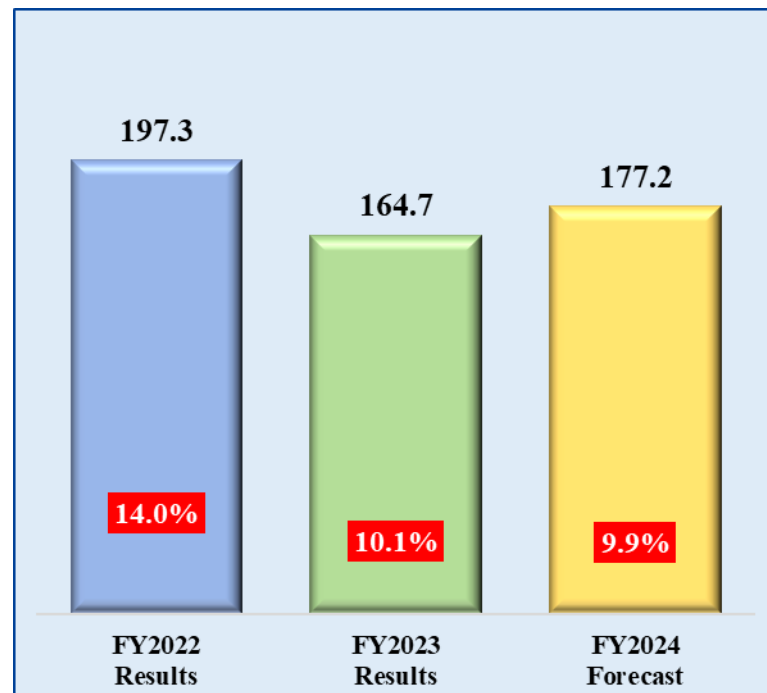
Telecommunication Systems

Full Year



Electronics

Full Year



- In FY2023, investment restraint continued in the telecommunications carrier customer, however recovered from the second half of FY2023 for the data center.
- In FY2024, demand for data centers is expected to be strong, while a recovery for the telecommunications carrier is anticipated from 4Q of FY2024.

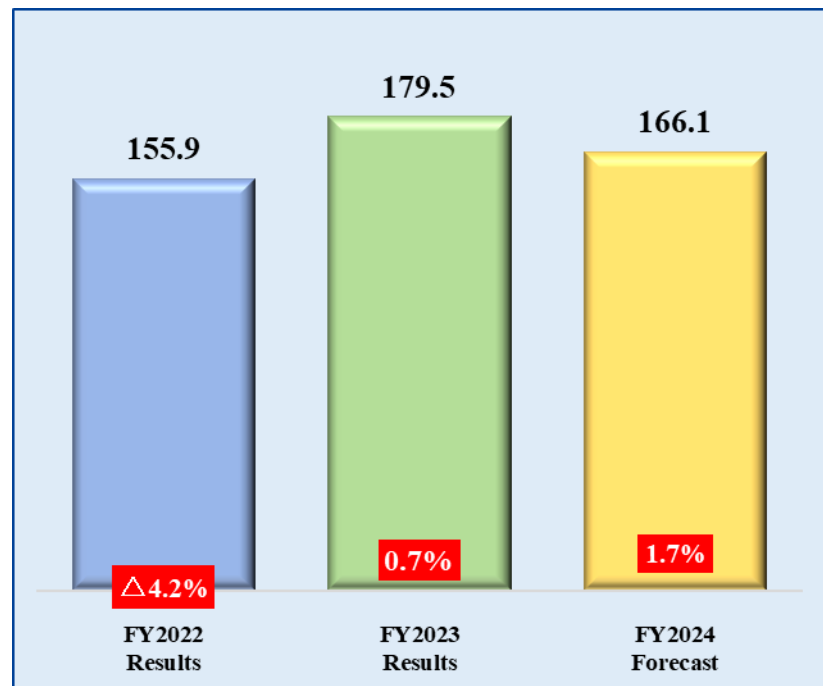
- In FY2023, decreased in revenue due to inventory adjustments caused by the backlash of stay-at-home demand and the impact of supply chain issues.
- In FY2024, although industrial machinery and equipment is sluggish, overall revenue and income are expected to increase due to the resolution of supply chain issues.

Financial Results and Forecast by Segment - Sales and Ratio of Operating Income

(Unit: Yen in billion)

Automotive Products

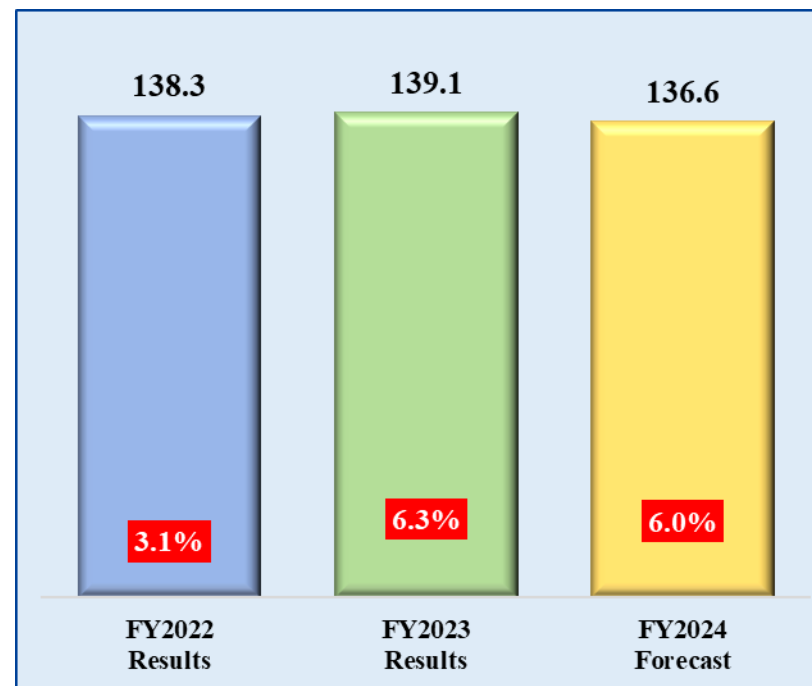
Full Year



- In FY2023, there was an increase in profit and a shift to profitability due to cost reduction through facility closures and progress in optimizing of incremental costs with customer resulting from changes in the business environment.
- In FY2024, further enhance profitability is expected through improvements in selling prices and productivity.

Power Systems

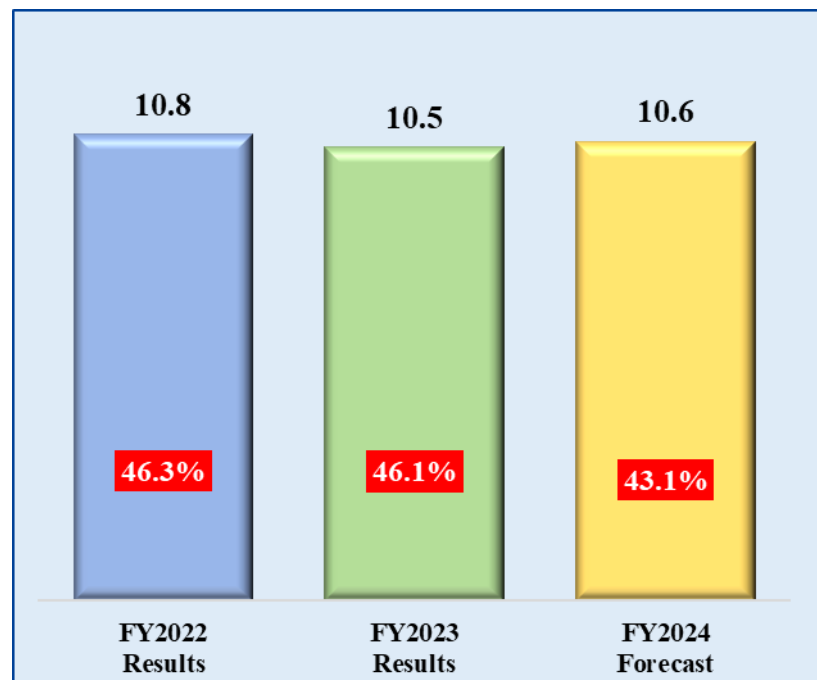
Full Year



- The demand for large-scale projects such as domestic redevelopment and construction of new plants continues to be strong.

(Unit: Yen in billion)

Real Estate Full Year



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

Shareholder Return

■ Shareholder Return Policy of 2025 Mid-term Management Plan, Payout ratio targeted by 30%

■ FY2023 Shareholder Return

Based on the financial results of the current fiscal year, the Company plans to pay a year-end dividend of 32.5 yen per share for the fiscal year ending March 31, 2024, an increase of 6 yen per share from the previous forecast. As a result, the annual dividends for the fiscal year ending of March 31, 2024 will be 55.0 yen per share.

FY2023 Annual Dividends 55.0 yen/share (interim 22.5 yen/share, year-end 32.5 yen/share)

FY2022 Annual Dividends 30.0 yen/share (interim 13.0 yen/share, year-end 17.0 yen/share)

■ FY2024 Shareholder Return

Based on the financial forecasts of the next fiscal year, annual dividends is planned for 55.0 yen/share (interim 27.5 yen/share, year-end 27.5 yen/share).

* 2025 Mid-term Management Plan(FY2024) Dividends:50.0 yen/share

Appendix

Sales in share of FUJIKURA COMPOSITES Inc.

In accordance with the Company's policy regarding cross-shareholding in compliance with the Corporate Governance Code, a portion of shares in FUJIKURA COMPOSITES Inc. has been sold today, May 13th.

■ Summary of sales

- Total number of shares sold: 3.2 million shares
- Sale price: 4.4 billion yen
- How to sell: Off-Auction Own Share Repurchase Transactions by the Issuer on the TSE(ToSTNet-3)

■ Impact on our consolidated financial results

- Excluded from the scope of equity method in the FY2024 1Q financial results.
- Impact on the consolidated financial results and financial position by sales of shares and exclusion from equity method is minimal.

Net Sales by Segment

Unit: Yen in Billion

	FY2022							FY2023							FY2024 Forecast		
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year	1H	2H	Full Year
Telecommunication Systems	66.8	78.9	76.0	69.5	145.7	145.6	291.3	69.7	77.5	72.3	77.8	147.1	150.1	297.2	162.5	167.5	330.0
FPC	16.5	27.9	30.8	21.2	44.4	52.0	96.4	20.4	21.6	24.7	19.0	42.0	43.7	85.7	42.8	55.4	98.2
Connector	12.0	20.4	14.6	10.1	32.3	24.7	57.1	10.4	13.3	12.1	8.5	23.6	20.7	44.3	20.8	23.4	44.2
Components	10.5	11.5	12.1	9.7	22.0	21.8	43.9	8.7	8.8	8.7	8.5	17.4	17.3	34.7	16.0	18.8	34.8
Electronics	39.0	59.7	57.5	41.0	98.8	98.5	197.3	39.4	43.6	45.6	36.1	83.0	81.6	164.7	79.6	97.6	177.2
Automotive Products	36.1	38.5	39.1	42.1	74.6	81.2	155.9	44.4	42.9	46.4	45.8	87.4	92.2	179.5	84.0	82.1	166.1
Power Systems	33.1	33.7	36.0	35.6	66.8	71.5	138.3	32.1	33.3	37.9	35.7	65.4	73.7	139.1	64.7	71.9	136.6
Real Estate	2.7	2.8	2.7	2.6	5.5	5.3	10.8	2.6	2.6	2.6	2.6	5.3	5.3	10.5	5.3	5.4	10.6
Other	3.0	4.6	2.4	2.8	7.7	5.2	12.9	2.0	1.7	2.2	2.8	3.7	5.0	8.7	3.9	5.6	9.5
Total	180.9	218.2	213.7	193.7	399.1	407.4	806.5	190.2	201.7	207.1	200.8	391.9	407.8	799.8	400.0	430.0	830.0

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

Operating Income by Segment

Unit: Yen in Billion

	FY2022							FY2023							FY2024 Forecast		
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year	1H	2H	Full Year
Telecommunication Systems	8.2	12.3	10.6	9.5	20.5	20.1	40.6	9.9	10.5	9.2	9.7	20.4	18.8	39.2	18.9	20.0	38.9
Electronics	4.1	10.9	9.9	2.8	14.9	12.7	27.6	2.1	5.0	6.2	3.3	7.1	9.5	16.6	5.7	11.8	17.5
Automotive Products	△ 1.3	△ 1.8	△ 2.0	△ 1.5	△ 3.0	△ 3.6	△ 6.6	△ 1.3	△ 0.1	1.5	1.0	△ 1.4	2.6	1.2	1.2	1.6	2.8
Power Systems	△ 0.6	1.0	1.8	2.0	0.4	3.8	4.3	1.2	2.0	2.5	3.1	3.2	5.5	8.7	3.1	5.0	8.1
Real Estate	1.4	1.3	1.2	1.2	2.7	2.3	5.0	1.2	1.2	1.2	1.2	2.5	2.4	4.9	2.4	2.2	4.6
Other	△ 0.5	0.3	△ 0.2	△ 0.3	△ 0.2	△ 0.5	△ 0.7	△ 0.5	△ 0.4	0.1	△ 0.2	△ 0.9	△ 0.1	△ 1.1	△ 1.3	△ 0.7	△ 2.0
Total	11.3	24.0	21.3	13.7	35.3	34.9	70.2	12.6	18.2	20.7	18.0	30.8	38.7	69.5	30.0	40.0	70.0

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



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.