



Fujikura Group
Integrated
Report 2021
2021

**“Tsunagu”
Technology**

To Stakeholders

(Announcement from person in charge of governance)



Please allow me to express my deepest appreciation for your continued support. I want to convey my deepest condolences for everyone who has lost their lives due to COVID-19, as well as express my sympathies to the families of those who have contracted the disease. I also want to thank those working in healthcare settings, and everyone doing their part to help prevent the spread of infection.

Now then, since last fiscal year's sudden downturn in performance, our group has set focusing on prompt recovery of business as our basic strategy. And we have narrowed down our important strategies to the unreserved selection and concentration of existing businesses and strengthening of corporate governance. Following our 100-Day Plan to turn around operations, formulated in September 2020, we are pursuing various measures towards drastic reform of our management practices and business structure.

Especially with regards to strengthening of corporate governance, in April 2021 the general meeting of stockholders approved decisive action toward drastic reform of our management structure. Specifically, we created the new roles of CEO (Chief Executive Officer) and COO (Chief Operating Officer). As CEO, I will continue to solve management challenges for the entire company and vigorously pursue reform of our business structure. Meanwhile, Mr. Okada will continue in the role of COO.

In this capacity, he has the authority to carry out operations related to our core business. This improves maneuverability in advancing projects and increases the speed of business decisions. In addition, by decreasing the number of internal directors, we can create a structure in which half of the board consists of outside directors, allowing for more effective governance. Moreover, we have abolished the current internal company structure and moved toward greater vertical integration with a business unit structure under the direct control of the COO.

This reorganization placed corporate officers directly under the COO and makes clear their responsibilities and authority to take charge of business. This has halved the number of these personnel.

I promise to devote myself completely to achieving our business reconstruction plan to quickly turn around operations, by carrying through strategic policies. These include this drastic reform of our management structure. We would sincerely appreciate the further support of all stakeholders going forward.

Director, President and CEO

Masahiko Ito

Measures to Prevent Recurrence of Cases of Unsuitable Quality

Concerning Preventative Measures

The Fujikura Group is working on improvement of awareness of quality compliance based on the preventative measures announced on April 25, 2019. These efforts include governance reforms, appropriate understanding of production process capabilities and testing capacity, and verification of requested customer specifications. We started work on all preventative measures during FY2019. In FY2020, we evaluated the effectiveness of the measures we had taken to date, and moved forward steadily on the preventative measures that needed to be continually implemented. In FY2021, we will work to continue thoroughly implementing these preventative measures.

Dialog with Front-line Workers

We continue to encourage two-way communication between senior management and front-line workers. This shrinks the distance between management and the worksite, and promotes an open corporate culture. In FY2020, restrictions on movement between locations due to the pandemic made face-to-face audits difficult. But senior management was able to use teleconferencing software to inspect workplaces themselves and exchange ideas with front-line workers. This allowed them to get an idea of the degree to which awareness of compliance had spread throughout the entire company, as well as workplace challenges and the status of efforts to address them. It also gave them a chance convey a message of placing a priority on compliance directly to workers.



Online process explanations



Discussion via the web

Quality Pledge Day



Message from the President to employees

Having weathered past errors concerning unsuitable quality, we must instill awareness of quality compliance and foment a culture in which past mistakes are not repeated. To this end, since FY2019 we have held a Quality Pledge Day in which all Fujikura employees pledge to prevent a recurrence of unsuitable quality. In the headquarters region, we hold meetings which all personnel above the managerial level attend, and broadcast the details of those meetings. In other regions we distribute the President's message.

In FY2020, to ensure the President's message reached all employees, a recording was made available on the company intranet. It stressed, to each and every member of the organization, the importance of considering compliance violations themselves, rather than thinking they are someone else's problem. Addressing all employees, the President expressed his strong conviction that we must recognize that maintaining the quality our customers have contracted is the essence of our corporate value, and work to improve our corporate value.

Contents / Editorial Policy

1	To Stakeholders (Announcement from officer in-charge of governance)
2	Measures to Prevent Recurrence of Cases of Unsuitable Quality
3-4	Contents / Editorial Policy
5-8	History

9 Messages from Management

9-16	Message from the CEO	21-24	Messages from Outside Directors
17-20	Message from the COO	25-26	Top Management

27 Value Creation with "Tsunagu" Technology

27-28	Value Creation Model	Output	
	Purpose	47-48	The "Tsunagu" Connecting Technologies that Support Our Lives
29-30	Fujikura Group Corporate Philosophy (MVCV)		
31-32	2030 Vision	Strategy and Business Performance	
33-34	Fujikura Group Long-term Environmental Vision 2050	49-52	Progress on the 100-Day Plan
35-40	Sustainability Target 2025	53-54	Business Results by Unit
	Input	55-56	Telecommunications Systems Business Unit
41-44	Capital for Value Creation	57-58	Electronics Business Unit
	Business Process	59	Automotive Business Unit
45-46	Source of Value Creation	60	Real Estate Business Unit

61 Business Opportunities

61-64	Fujikura Group Clean Tech	73	Human Resource Development
65-68	Response to Climate Change (TCFD)	74	Health Management
69-72	Research & Development		

75 ESG Integration

75-76	Respect for Human Rights	78	Health and Safety
77	Responsible Mineral Sourcing		

79 Corporate Governance

79-84	Corporate Governance	87	Export Control
85	Risk Management	88	Instilling the Corporate Philosophy
86	Compliance		
89-90	Supporting Fujikura Gakuen		
91-92	Fujikura Kiba Millennium Woods		
93-94	Corporate Profile		

Editorial Policy

Basic Policy

In editing the Fujikura Group Integrated Report 2021, we focused on giving shareholders, investors, and other stakeholders an understanding of initiatives targeting sustained growth of the Fujikura Group from multiple perspectives. We are aiming to achieve greater understanding of our efforts concerning ESG and sustainability through disclosure of the information contained in this report and use of this information by everyone who has read it. This edition includes corporate governance reforms and examples of Clean Tech.

Reference Guidelines

- IIRC (International Integrated Reporting Council) International Integrated Reporting Framework
- GRI (Global Reporting Initiative) Sustainability Reporting Standard
- METI (Ministry of Economy, Trade and Industry) Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation
- World Economic Forum ESG Metrics
- TCFD Guidelines 2.0
- SASB Standard

Detailed Information Concerning Account Settlement

Please see Financial Data for details about FY2020 settlement of accounts.

<https://www.fujikura.co.jp/eng/ir/index.html>

[Important Points Concerning Forecast]

The financial forecast and descriptions relating to future predictions for Fujikura Ltd. and its consolidated subsidiaries contained in this report describe the outlook at the time of editing, and include latent risks, uncertainties and other factors. Therefore, these forecasts are not a guarantee of future performance, and results may vary widely due to various important factors.

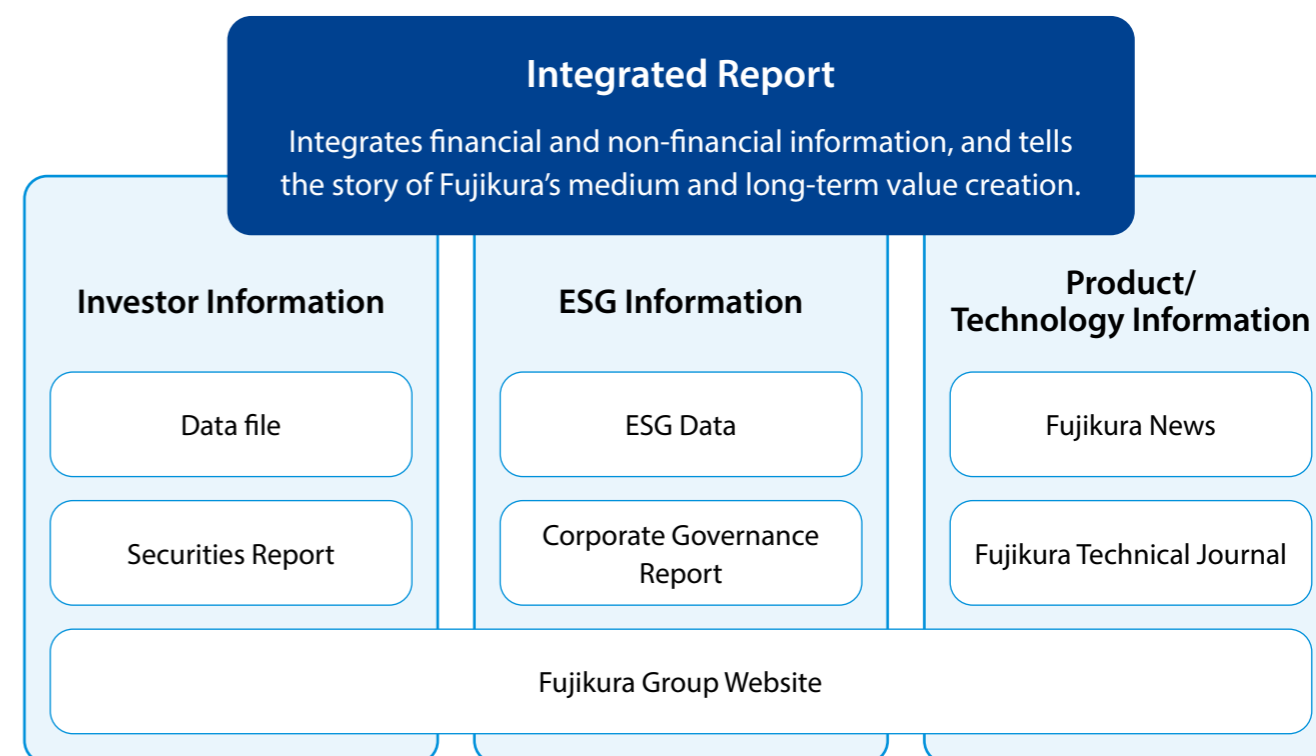
Scope of Report

Target period: April 1, 2020 to March 31, 2021

(Includes some content from after April 2021)

Target organization: Fujikura Ltd. and the Fujikura Group

Communication Tools



History

From Our Founding to Today

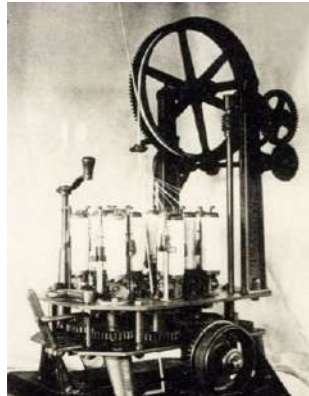
1885 — The Beginning

Known for its technology, Fujikura has contributed to the creation of an abundant society by establishing electric power and communications infrastructure

Energy
Telecommunication systems

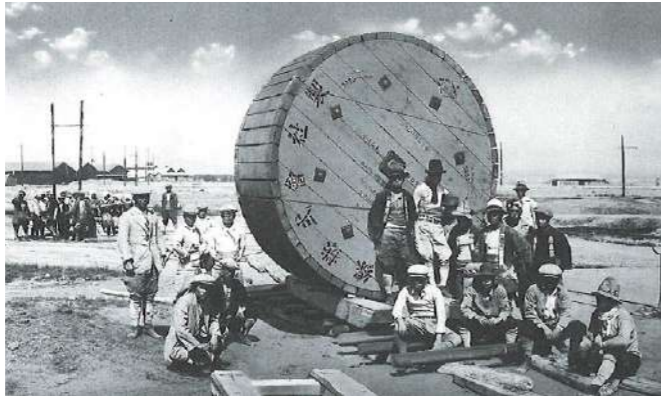
1887

Five large braiding machines imported from the USA by Zenpachi Fujikura



1932

44 kV triple-core SL cable supplied to the Yamaguchi Prefecture Electric Power Bureau (a first in Japan)



1935

Patent acquired on Fujikura's proprietary high-frequency coaxial cable



1945 — 2nd Phase of Reinvention

Expansion into the energy and network information services and diversification leading to current business

Energy
Telecommunication systems
Electronics
Automotive electronics

1981

Japan's first OPGW (Optical Fiber Composite Overhead Ground Wire)*1 developed



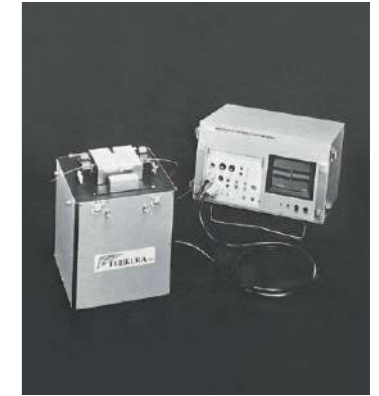
1984

Provided coiled cords to connect keyboards to PCs, and grew to hold a 70% share of the global market



1985

World's first core alignment optical fiber fusion splicer developed*2



*1 OPGW: An abbreviation of Optical fiber composite overhead ground wire. An overhead cable incorporating optical fibers.
*2 Optical fiber fusion splicer: A machine used to fuse optical fiber cables together.

Establishment

1901

Fujikura Electric Wire & Rubber Co., Ltd. is established
(Representative: Tomekichi Matsumoto)



1910

Fujikura Electric Wire Corporation is established (Now Fujikura Ltd.)

1910

Fujikura Waterproof Fabric Corporation (Now Fujikura Composites Inc.*)

* Equity method affiliate

Primary Endeavors

Beginning

- 1885** Zenpachi Fujikura founds the company and begins manufacturing silk and cotton insulated winding wires in Kanda-Awajichō
- 1887** Zenpachi Fujikura imports five large braiding machines from the USA
- 1893** Company begins manufacture of first rubber-insulated wires in Japan
- 1901** Fujikura Electric Wire & Rubber Co., Ltd. established and began producing rubberized fabric

Laying the Foundations of Fujikura

- 1910** Fujikura Electric Wire Corporation established
- 1919** Established Fujikura Gakuen, a special facility for mentally-challenged children, on Oshima Island
- 1923** Head office and plant relocated to Fukagawa where it is totally destroyed by fire in the aftermath of the Great Kanto Earthquake (Rebuilt the following year)
- 1931** Began manufacturing "Fujikousen" electric wire for aircraft

Post-earthquake Recovery and Technological Advances

- 1935** Patent acquired on the Fujikura-type high-frequency coaxial cable
- 1941** Began manufacturing aluminum wire
- 1943** Began manufacturing Fujikura-type 100 kW coaxial cables



Founding location: Kanda-Awajichō plant



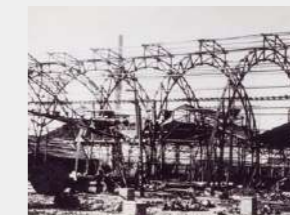
Reconstructed Fukagawa plant

Post-war Era of Recovery & High Growth

- 1945** Complete destruction of Fukagawa plant during bombing of Tokyo (Rebuilt the same year)
- 1949** Delivery of Japan's first 24-core TV camera cables to NHK (Japan Broadcasting Corporation)
- 1954** Numazu plant completed
- 1957** Began manufacturing wire harnesses
- 1958** Established Tama Fujikura Gakuen
- 1965** Completion of the Sakura plant and beginning of manufacturing of printed circuits using a die stamp method*3
- 1970** Suzuka plant completed
- 1974** Began inspecting optical fiber base materials manufactured by the CVD method*4
- 1979** Began manufacturing FPCs (Flexible Printed Circuit boards) for electronic devices

*3 Die stamp method: A wiring circuit pattern is etched into a die to create a press die. Copper foil is then layered on top of a plastic substrate and pressed while being heated. This causes copper foil to be pressure bonded to the surface of the substrate only in the pattern of the circuit etched into the die.

*4 CVD method: Chemical Vapor Deposition method.



Fukagawa Plant being rebuilt following damage in WW2



Numazu Plant upon completion



Sakura Plant upon completion



Suzuka Plant upon completion

Strengthened our technological footing while pressing forward with globalization and new businesses

- Energy
- Telecommunication systems
- Electronics
- Automotive electronics

1996

500 kV CV cable supplied for the cable line between Shin-Keiyo and Shin-Toyosu substations



1998

Supplied world's largest 500 kV OF submarine DC cable to Kansai Electric Power Co., Inc. and J Power (Electric Power Development Co., Ltd.)



2002

Supplied high-speed transmission cable for connecting servers



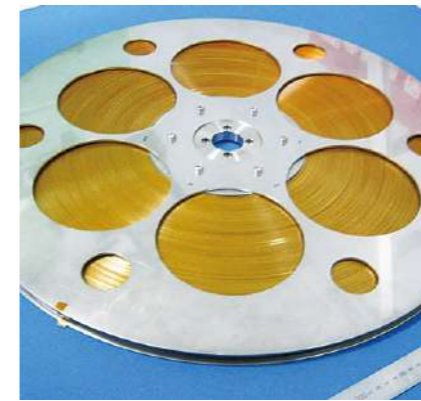
2005 — 3rd Phase of Reinvention

Set forth a long-term vision and pursued further technological development and market access

- Energy
- Telecommunication systems
- Electronics
- Automotive electronics
- Real estate

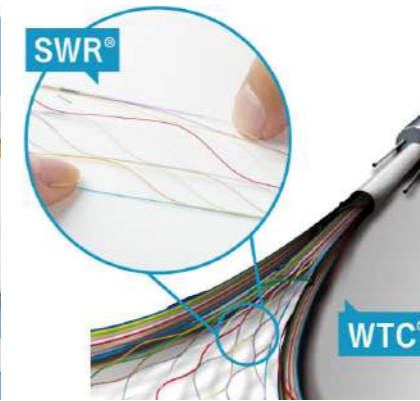
2007

Critical current record*1 shattered with Yttrium-based oxide superconducting wire*2



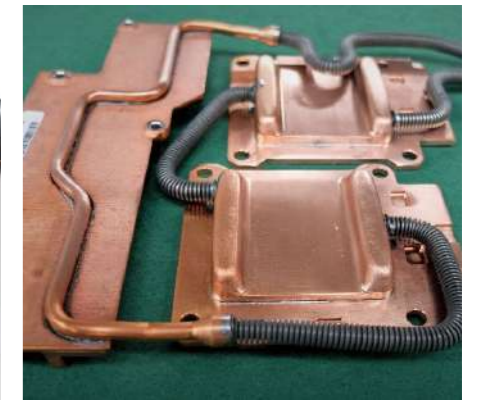
2018

Released optical cable with the most cores in the world (6,912 cores Wrapping Tube Cable® (WTC®))



2020

Our company's cold plates used in the Fugaku supercomputer



*1 New world record for high performance and length.

*2 Chemical compounds that cause transition to a superconductive state at 90 K or higher.

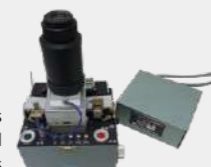
Era of Turbulence and Trials

- 1980** Development of single-mode optical fusion splicers. Lead the world in developing ultra-low OH fibers using the VAD method*1, an independent technology developed in Japan
- 1981** Japan's first OPGW (Optical Fiber Composite Overhead Ground Wire) is developed
- 1984** Established local subsidiary Fujikura Electronics (Thailand) Ltd.
- 1985** 100th anniversary of Fujikura's founding, and development of the world's first core alignment fusion splicer
- 1987** Successful fabrication of oxide superconducting wires, and completion of the Optical Electronics Laboratory
- 1988** Developed world's first multi optical fiber fusion splicers. Established local subsidiary Fujikura Europe Ltd. in the UK. Established PCTT Ltd., DDK (Thailand) Ltd. (Began manufacturing FPCs and connectors in Thailand)

*1 VAD method: Vapor-phase Axial Deposition Method



Manufacturing optical fiber preforms using the VAD method



Developed world's first multi optical fiber fusion splicers

Era of Globalization and New Technologies

- 1992** Changed corporate name from Fujikura Electric Wire Corporation to Fujikura Ltd.
- 1993** Tokyo R&D center completed. Delivered 500 kV CV cables and Hokkaido-Honshu optical fiber integrated submarine cables
- 1998** Supplied world's largest 500 kV DC OF submarine cables to Kansai Electric Power Co., Inc. and J Power (Electric Power Development Co., Ltd.)
- 2000** Established optical component manufacturer, Fujikura Fiber Optics Vietnam Ltd., in Vietnam
- 2001** Commercialization and marketing of FTTH*2 optical fiber products. Established FESL and DDK Kunshan
- 2002** Supplied high-speed transmission cable for connecting servers

*2 FTTH is an abbreviation of Fiber to the Home. It is an access method for linking telecommunication provider equipment to each home via optical fiber.



Established Fujikura Electronics (Thailand) Ltd.



External view of head office

- 2005** 120th anniversary; adoption of new management principles: MVCV (Mission, Vision, Core Value); and establishment of America Fujikura Ltd. to manufacture and sell electrical components for telecommunications and automotive applications
- 2007** Shattered the critical current record with an yttrium-based oxide superconducting wire
- 2008** Spanish wire harness manufacturer becomes a wholly owned subsidiary of Fujikura and changes corporate name to Automotive Europe S.A.U.
- 2009** Began manufacturing fiber lasers
- 2010** Established Fujikura Electronic (Thailand) Ltd. by unifying seven Thai group companies; completed 'Fukagawa Gatharia' (Fukagawa re-development project); opened Fujikura Kiba Millennium Woods Bio-Garden



Fukagawa Gatharia redevelopment project



Established Fujikura Kiba Millennium Woods bio-Garden

- 2011** Great East Japan Earthquake, and Fujikura Group's manufacturing bases damaged by floods in Thailand
- 2013** Introduced in-house company system through reorganization
- 2015** The VAD Method is Recognized as a Prestigious IEEE Milestone*3
- 2016** The Fujikura Group declares complete recovery from floods in Thailand. Established Fujikura Group Long-term Environmental Vision 2050
- 2017** Transitioned to a corporate structure with an Audit & Supervisory Committee. Established 2030 Vision
- 2018** Released optical cable with the most cores in the world (6,912 cores Wrapping Tube Cable® (WTC®))
- 2019** Joined the RE100 global corporate leadership initiative
- 2020** Our company's cold plates used in the Fugaku supercomputer
- 2021** Abolished in-house company system through reorganization

*3 IEEE Milestone: A program administered by the world's largest professional association, IEEE (Institute of Electrical and Electronics Engineers) which recognizes technological innovations that are at least 25 years old and have received high praise internationally.

Message from the CEO

Rapid achievement of the 100-Day Plan and beginning to draw a clear picture of the growth phase



Director, President and CEO

Masahiko Ito

Expression of Gratitude for Employees on the Frontlines during the COVID-19 Pandemic

I would like to offer my heartfelt gratitude to all of our stakeholders for your continued support of Fujikura Group business activities.

We are continuing to respond to the COVID-19 pandemic, which has persisted since 2020. The Fujikura Group regards ensuring the health and safety of employees who work on the frontlines as our highest priority as we continue business operations. Our overseas manufacturing locations in Vietnam, Mexico, and elsewhere are the locations currently maintaining strict response measures. Our location in Mexico is striving to maintain stable operations while placing the highest priority on preventing infection of employees who work on the frontlines. They are implementing measures to prevent clusters of infections by creating multiple work teams, implementing preventive measures to minimize the impact to the extent possible if someone is infected, and providing education on personal health consciousness, among other measures. The speed of response to such a crisis is giving me a sense of the hidden reserves of strength in local operations and I am very thankful for each and every member of executive management and the management teams at our locations.

Recent financial performance has been affected by severe conditions in the energy business, domestic cable-related business, and automotive products business, while receiving an extremely strong boost from electronics-related demand from people who are telecommuting and staying at home. Such conditions have also stimulated demand for oxygen sensors, pressure sensors, and other healthcare-related electronic devices. FPC, connectors, and electronic components all recorded growth.

Fujikura is midway through the transformation aimed at completing the 100-Day Plan to turn operations around, which was formulated in 2020. The entire company continues to work as one team with unwavering determination to achieve a turnaround.

Decisive Strengthening of Governance

“The unreserved selection and concentration of existing businesses” and “strengthening of Group governance” are the two key measures in the 100-Day Plan.

In regard to strengthening governance, governance is said to be corporate governance or control, but I see it as forming a consensus to align the direction of everyone’s efforts, from management to employees. To strengthen governance, we simplified the structure for communicating intent and the chain of command and switched to an organizational structure that enables quick formation of an accurate consensus.

More specifically, we eliminated the in-house company system and transitioned to a business unit system with the change in business structure on April 1, 2021. A multilevel structure of individual in-house companies with sub-companies underneath them existed up to this point, and the head of each in-house company was listed as an executive director. The revised structure established the post of Chief Operating Officer (COO) to assume responsibility for all business execution in the Company’s core businesses. We also revised the corporate officer composition. While I cannot deny that the seniority system was one aspect of corporate officer selection up to now, we reconfirmed the mission and significance of each organization based on the new organizational structure and then appointed the best person to execute the mission of each organization as an Corporate Officer. These changes consequently reduced the number of directors and corporate officers by half. Halving the number of directors increased the percentage of outside directors to 50%. Some outside directors were also replaced and new Directors were added who possess the experience and knowledge necessary for Fujikura in its current turnaround phase. Some were people who have actually completed an operational turnaround. The Board of Directors will engage in effective discussions aimed at a turnaround.

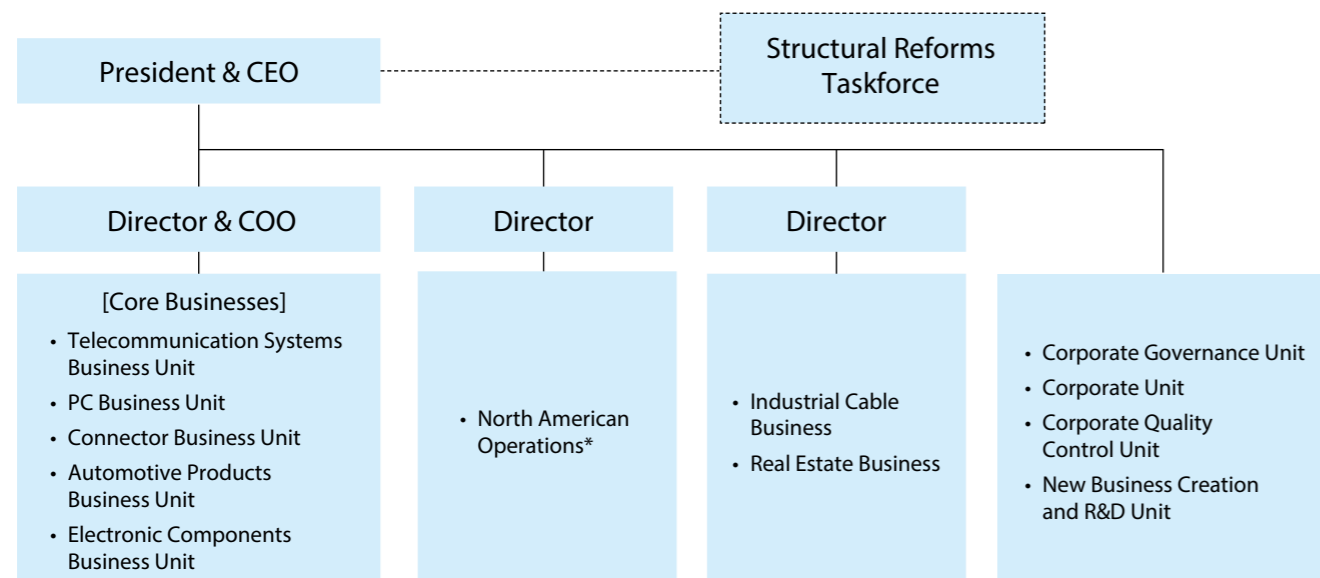
The Roles of CEO and COO

The posts of Chief Executive Officer (CEO) and Chief Operating Officer (COO) established as part of this management reform are positions established for the first time in Fujikura's history. I was appointed as CEO and Naoki Okada, who was a senior vice president and head of the Corporate Strategy Planning Division up to last fiscal year, was appointed as COO.

First of all, the role of the COO is to look at all five of the business units positioned as core businesses and integrate business execution. The five business units are Telecommunication Systems, Printed Circuit (PC), Connector, Automotive Products, and Electronic Components. In particular, the COO is expected to serve as an interface providing a cross-organizational connection among the individual business units. In the existing in-house company structure, each business unit was able to mine the depths of the business, but cooperation with other business units was an issue.

The Fujikura Group possesses outstanding technologies and solutions that can contribute to society. We therefore need to share information across business units to fully utilize these assets to create new value. If we can introduce the technologies and solutions of other business units to our business unit's customers, or introduce our business unit's technologies and solutions to the customers of other business units, this will naturally increase points of contact with our customers. It should also make it possible to multiply the number of business opportunities as seen from a company-wide perspective. I am directing the COO to establish an environment that eliminates barriers between business units and makes it possible for everyone to converse freely so they can propose the many kinds of technologies and solutions the Fujikura Group possesses to customers. We are currently in the turnaround phase, so first solidifying the ground we stand on is the highest priority. However, I also have my sight set on the growth phase beyond the turnaround, and will have the COO play an extremely important role in this. I have instructed the COO to build a structure that will stimulate many types of chemistry among the various technologies and solutions and activate metabolism by eliminating the barriers between business units.

As the CEO, I will focus more on the role of delineating a broad strategy to ensure that the Fujikura Group continues to exist as a sustainable company far into the future. I also aim to speed up decision-making and manage in way that is easy for stakeholders to understand by establishing a vertically integrated line between the CEO and COO.



(Corporate officers not concurrently serving as directors: 11)

* North American telecommunication systems business, mainly involving AFL Telecommunications LLC



Steady Progress on Selection and Concentration

I will explain progress on the other key measure in the 100-Day Plan, "The unreserved selection and concentration of existing businesses."

First, in the Telecommunication Systems business, we are working to switch the core of the business from the business of selling optical fiber and preform and to an optical cable business that adds high value. We will use our strength in SWR®/WTC® as leverage and combine it with the ancillary optical cable solutions business to meet the vigorous demand from European and U.S. carriers and hyperscale data centers (HSDC) operated by IT corporate groups.

While the FPC business has grown with the smartphone market, we unfortunately cannot set prices commensurate with the technological capabilities because cost competition is intensifying. We have therefore decided to withdraw from unprofitable products and specialize in products that focus on quality and add high value. Fujikura will eliminate and consolidate some locations and shrink the business scale to accomplish that.

Although we have followed the expansion strategy of our main customers and invested in the automotive wire harness business, we received orders exceeding manufacturing capacity and resorted to outsourcing to cover that gap. This has consequently become a business that invites high costs. To extricate ourselves from such conditions, we replaced the person in charge of the business and normalized the order volume accepted. We also streamlined the plant production structure and made labor adjustments. An early retirement incentive program was introduced and this caused hard feelings and pain among employees. These efforts accounted for 8.2 billion yen in cost reductions in FY2020, out of the 15 billion yen fixed cost reduction target for the operational turnaround. We will make sure we achieve the remaining cost reductions targeted during this fiscal year.



Exchanging Opinions via the Web

Never Allowing the Cases of Impropriety Related to Quality Control to Be Forgotten

There is no end point in our efforts to earn back the trust of society in regard to the cases of impropriety related to quality control announced in 2018. I continue to communicate the fact that quality constitutes corporate value itself to employees. As the saying “bad news first” expresses, I think that communication activities to create a culture of quickly delivering bad news to superiors and management is more important than anything else. I am therefore continuing activities to hear the actual comments of those involved in quality control and assurance directly.

Members of top management are fiercely determined to make sure that the cases of impropriety relating to quality control are never forgotten. We will continue to communicate messages concerning measures to prevent recurrence, including changing the culture.

Exploring the Vision for Digital Transformation (DX) in Fujikura

Fujikura is pursuing the use of digital technologies, such as the early introduction of AI-based automated inspection systems in manufacturing plants. We also plan to turn our plants into smart factories and use digital technology in other ways in the future.



DX is not only for the manufacturing domain. I also want to use DX to expand business opportunities by strengthening existing businesses, creating new businesses, and in other ways. I intend to use digital technology to discover the wants and latent needs of customers and increase the appeal power of Fujikura’s products and technological capabilities. I also want to create new businesses by finding new businesses that go beyond the concepts of existing businesses.

Maintaining an Entrepreneurial Mindset in R&D

I will introduce an example of an initiative involving new business creation. While Fujikura is pursuing a process of selection and concentration in the operational turnaround phase, we need to achieve reliable growth of our core businesses and create and develop new businesses to adapt to changes in the world in order to create a bridge to the growth phase beyond the turnaround phase. The New Business Development Center was integrated with R&D to achieve that. The purpose of this integration is to foster a more entrepreneurial mindset among team members in R&D and enable them to perform R&D with an awareness of end-user trends and needs, and an awareness of the value that Fujikura is uniquely positioned to provide.

An example of success in the New Business Development Center is the entrance into new areas of the medical business with an entrepreneurial mindset. The reason why this succeeded is because the center used optical fiber technology, one of Fujikura’s core technologies, to develop and propose products based on the needs of end-users. The center is sharing such experiences and the enthusiasm generated with members of the R&D team as they anticipate new kinds of chemistry.

Achieving Carbon Neutrality

The greatest problem we are confronting in capturing the changes in the world is our response to climate change. There are global cries for decarbonization. Japan has also declared the goal of achieving carbon neutrality by 2050 and some customers are also demanding reduction in CO₂ emissions. We formulated the Fujikura Group Long-term Environmental Vision 2050 in 2016 and are aiming to conquer four challenges. The most ambitious challenge is achieving net zero CO₂ emissions from our plants in 2050. Introducing renewable energy is an effective way to achieve that and Fujikura has joined the RE100, a global initiative by companies committed to the proliferation of renewable energy.

Recognizing the need for active disclosure of information, we are also taking advantage of the opportunity presented by endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are organizing internal information on carbon neutrality and other initiatives to combat climate change. We will use such information to engage in constructive dialog with customers, investors, and other stakeholders by analyzing the impact of climate change-related risks and opportunities and disclosing information appropriately.

As I stated in the FY2020 Integrated Report, ESG is management itself and I feel that even more strongly now. However, achieving carbon neutrality is an extremely high hurdle for manufacturers like Fujikura to clear. The ideas for achieving carbon neutrality are not novel. They entail the main response measures of cogeneration to generate energy in-house, purchase of credits, and other measures in addition to comprehensive energy conservation. We are aiming to achieve more efficient operations by consolidating scattered locations to achieve the medium-term targets for 2030, which are based on energy conservation. That is also linked to the “selection and concentration” of businesses in the 100-Day Plan and I would like to derive synergistic benefits from this.

→ See the Fujikura Group Long-term Environmental Vision 2050 on P. 33 for more information.



A cooperative corporate initiative in which influential companies around the world commit to switching to 100% renewable energy use in their businesses. The use of renewable energy will lead to reduction in company emissions, and enable broad-scope energy cost management.



We will achieve a sustainable society by analyzing the risks and opportunities presented by climate change, working to resolve issues, and disclosing information to stakeholders, based on the TCFD recommendations.

→ See Fujikura Group Clean Tech on P. 61 for more information.

WTC® Adds Environmental Value to Innovative Products

I will explain WTC® small-diameter, high-density optical cable WTC® offers product performance that makes it possible to insert high-density cable into existing small-diameter spaces while also contributing to reduction in the customer's total cost of ownership (TCO). Telecommunication construction has required ducts and hand holes to accommodate higher fiber counts up to now, increasing the percentage of civil engineering costs. However, WTC® is thin and light, and existing equipment can be used. This renders additional civil engineering construction unnecessary and can substantially reduce construction costs for the customer. Producing WTC® also takes 78% less energy than manufacturing cable possessing the same functions. WTC® has many properties that add environmental value such as reducing the amount of plastic used in products, reducing electricity use by improving manufacturing efficiency, and reduction in CO₂ emissions with improved transport efficiency. In the future, how many energy-efficient products we can produce will be important. I want to continue to develop green products based on the good practices for WTC® and contribute to achieving the sustainable development goals (SDGs).

Establishing a Human Resource Development System

The Fujikura Group needs to establish an environment that enables all Group employees to actively contribute from a global perspective as the overseas sales ratio of the Company increases year after year. We are pursuing more global human resource development by developing, finding, and hiring talent to foster an organizational culture that synchronizes corporate growth with employee growth and to lead innovation. A particular initiative we are working on is formulating succession plans for management. Providing an environment that enables employees to take on challenges and have a variety of experiences from a young age is important for securing and developing the talent who will become management in the future. I want to boost their desire to take the initiative to improve their own skills in addition to providing the programs necessary for management and other opportunities. We have also formulated a new human resource development policy as a guide for creating an organizational culture in which employees mutually acknowledge and improve one another, in addition to the systems for supporting independent career building and providing growth opportunities, etc. Human resource development has mainly involved establishing a training program for each job type with training by grade level up to now. I recognize the need for training that is carefully tailored to the abilities of each individual in the future. I also want to maximize the benefits of human resource development by providing systems and opportunities that stimulate motivation in relation to drive.

“Business and Human Rights” Is a Preliminary Condition for Operating a Business

There has been a bright spotlight on human rights issues in business in recent years. This is one of the main business risks in managing businesses. I do not think that earning a profit should be balanced against human rights. I intend to share the awareness that appropriate business management is achieved by continuously and repeatedly checking on business and human rights as the foundation of business with the entire company and instill that awareness in everyone.

→ See Respect for Human Rights on P. 75 for more information.

The Fujikura Group Policy on Human Rights was established in 2017. We are working to establish human rights due diligence based on the UN Guiding Principles on Business and Human Rights and other guidelines. In the process of conducting due diligence, we became aware that we have not been able to achieve a sufficient response at present and there are numerous issues that we had not recognized as risks. When considering the materialization of procurements risks in the supply chain, in particular, there were several instances in which I was struck at the extent to which Fujikura is connected to the supply chain. I would also like to strengthen the response to business and human rights in the entire supply chain because some suppliers have not established human rights policies and taken other steps.

Completing the Operational Turnaround Phase

The Fujikura Group is aiming to complete the operational turnaround phase together with implementation of governance reforms. Although I feel that the earning power we need as a company is returning, we are confronting new issues such as carbon neutrality, which I mentioned before, as we integrate ESG into management. Corporate governance must be strengthened to control various issues, and I also think we need to increase our sensitivity to risk in corporate management.

Moreover, we are pursuing four areas of business through our 2030 Vision, as the medium and long-term vision of Fujikura, but I think we need to express our vision for the future more clearly. We have the completion of the operational turnaround phase in sight in FY2021 and will draw the blueprint for the future aimed at growth phase in FY2022. I will stand at the helm as we consider how to realize the mission in our MVCV corporate philosophy, which states “The Fujikura Group’s mission is to create exceptional value for our customers around the world using “tsunagu” (the Japanese word meaning “connecting”) technologies.” We also want to reduce the cost of capital by establishing governance of sustainability.

I would like to ask all of our stakeholders for your continued understanding and support.

Four market areas envisioned in the 2030 Vision



Fujikura formulated and announced Fujikura Group 2030 Vision in March 2017 as the long-term vision the company will strive to achieve. The vision declared the intent to continually enhance corporate value by providing solutions to the challenges in a “Mirai” (future) society.

Rebuilding Fujikura's brand as a technology leader and targeting new social contributions and customer value creation

PROFILE

- Apr. 2008: General Manager of the Optical Cable Research and Development Department
- Jun. 2012: General Manager of the Optical Cable Research and Development Department and General Manager of the Optical Cable Manufacturing Department
- Apr. 2013: General Manager of the Cable and Equipment R&D Center
- Mar. 2014: General Manager of the New Optical Fiber Cable Business Development Department
- Apr. 2018: General Manager, Head of the Optical Cable Systems Division
- Apr. 2020: Managing Executive Officer, Head of the Corporate Strategy Planning Division
- Apr. 2021: Corporate Officer & COO
- Jun. 2021: Director and COO



Director and COO

Naoki Okada

Targeting Completion of the 100-Day Plan as COO

My name is Naoki Okada and I recently assumed the position of Chief Operating Officer (COO). I have been involved in the Telecommunications Systems business since I joined Fujikura Electric Wire Corporation (now Fujikura Ltd.) in 1986. The Telecommunication Systems business is now the core business of Fujikura, but there was a time when the survival of the business was threatened by saturation of the domestic market and harsh conditions for maintaining profitability of the business. When I reflect back on that time, I understand that I was able to gain many kinds of experience related to management, such as a broad perspective that enabled Fujikura to establish superiority in technology that other companies could not replicate and secure sustained profit.

I subsequently transferred to the Corporate Strategy Planning Division (now the Business Planning Department) in April 2020, and compiled the 100-Day Plan as the administrative office for structural reform. I have spent more than thirty years in plants so when I was appointed as COO, I had some concerns about whether I would be able to fully accomplish this important mission. However, I want to fulfill the mission I have been tasked with to achieve the growth of Fujikura.

As the Chief Operating Officer, the COO is responsible for executing and managing the business strategy, based on the policy established by the CEO (Chief Executive Officer). The first thing that I must do as COO is complete the 100-Day Plan. I recognize that the Company's financial condition has improved compared to what it was a one point. When I think about the additional structural reforms in the future though, I cannot say that the financial condition is sufficient yet and will continue to focus on further improving financial soundness. To achieve sustained growth of Fujikura in the future, we need to manage the business in a well-modulated manner with an eye toward the future rather than simply focusing on the turnaround in front of us. To accomplish that, we have designated five business units as core business units: The Telecommunication Systems Business Unit, Printed Circuit (PC) Business Unit, Connector

Business Unit, Automotive Products Business Unit, and Electronic Components Business Unit. The COO will execute business strategically while keeping watch over all of these core businesses.

Constant Search for New Business Opportunities in Core Businesses

Fujikura formulated the 2030 Vision in 2017 as our medium-term vision. We have specified Advanced Communication, Vehicle, Life-Assistance, and Energy & Industry as the four core business domains. The areas of telecommunication systems, automotive products, and electronics within those domains will undergo more transformation in the future and are areas in which there are diverse range of technological innovations. I will talk about the future direction of the five core business units that I am responsible for.

Telecommunication Systems Business Unit Data centers and other telecommunication systems infrastructure are expected to become increasingly important with the expansion of 5G/6G, IoT, AI, and other technologies, and we are pursuing investment worldwide. Optical fiber networks are also the foundation of wireless 5G and 6G. The Fujikura Group is one of the few companies in the world that possesses all of the technologies needed to build massive optical fiber networks economically. These technologies include optical fiber, optical cables, fusion splicers, optical connectors, optical components, and construction for installation. We are taking advantage of the tail wind provided by increased demand for optical fiber, mainly in North America and Europe, to expand our optical cable business through SWR®/WTC® high-performance optical cable, and also by expanding business in peripheral components and targeting business expansion in SWR® cable solutions. I am

→ See Progress on the 100-Day Plan on P. 49 for more information.

→ See Achievements by Individual Business Units on P. 53 for more information.

confident that providing solutions while using these technologies will also lead to the resolution of social issues and the creation of value for customers.

Printed Circuit (PC) Business Unit Price competition in FPC for smartphones is intensifying. We will prioritize profitability rather than pursuing scale and concentrate on areas where we can win with highly complex products that add high value amid such competition. Under this basic policy, Fujikura will also pursue structural reform to normalize business scale and refine production technology to reduce defects, improve productivity, and shorten lead times. In the future, we will use the technologies we have cultivated in FPC for smartphones to break into new markets such in-vehicle and medical.

Automotive Products Business Unit This business unit will focus on profitability rather than pursuing scale, and we will complete structure reform first to achieve a business scale that we can confidently control. To be more specific, we will relocate production locations in Europe to Morocco and consolidate them, and increase profitability based on efficient production structure.

We also want to utilize our connections to top customers to create new products and new businesses on an automotive platform amid a revolution in CASE (Connectivity,

Autonomous, Sharing and Electrification) and other automotive technology on a scale that once in a hundred years. Such products and businesses include high-voltage harnesses for electric vehicles, electrical power control systems, and rapid charging.

Connector Business Unit This business unit will utilize the strength we cultivated in the electronics area of being able to produce highly integrated, high-precision connectors efficiently, to target business expansion in in-vehicle uses and other areas. We began mass production of high-speed vehicle-to-everything (V2X) connectors for use in vehicles this fiscal year, for example. The connector market is expected to grow in the future, along with the electronic optical, and other markets. This business unit would also like to cooperate with the Telecommunication Systems Business Unit in identifying even more new business opportunities.

Electronic Components Business Unit This business unit is an aggregate of highly profitable niche businesses and possesses many unique technologies. I think these products and technologies can be used in a wide range of domains targeting a future highly digital society. We will search for ways to use electronic component technologies in many more business areas; for example, expanding use of components for hard disks and thermal components to data centers. In particular, the growth in demand for data centers is a market area that the Telecommunication Systems Business Unit is also focusing on, and these two business units share information as they pursue business.

As I mentioned before, each of Fujikura's business units possesses many outstanding technologies that they should be proud of. I also think there are a multitude of new business opportunities for using the outstanding technologies Fujikura possesses in areas of social change and technological advancement. Business opportunities will expand enormously if we get the point where we can expand use of such technologies in new areas, without being confined to existing business areas. To accomplish that, we are establishing opportunities for each business unit to become familiar with the businesses and technologies of other business units and are beginning strategic discussions about whether business units can utilize their mutual strengths to create something new.

The Production Engineering Unit has also been put under the control of the COO, in addition to these core businesses. I want to strive for even greater active business contributions than now. While it is important to create new high-performance, high value-added products as a manufacturer, this requires new production technology in many cases. Innovative production technologies are also important for improving price competitiveness. One example of this is in the SWR®/WTC® business, where we also developed the manufacturing equipment based on the concept of developing new products and new technologies as a set. This approach is leading to strength in this business. We will also focus on innovations in core company-wide systems and production systems utilizing the latest technologies in the future, such as digital transformation (DX), AI, and stress/thermal/fluid analysis simulations. We have also launched a new working

group on achieving carbon neutrality to contribute to achievement of the sustainable development goals (SDGs) over the medium and long term. This is also an important initiative in the Production Engineering Unit.

Operational Turnaround and Targeting Subsequent Growth

The terms "structural reform" and "turnaround" probably evoke a strong negative impression, but I see these as perfect opportunities for the Fujikura Group to change. These are not just superficial words; they are underpinned by my own experience.

I have been involved in the optical cable business for many years. The optical cable business was previously an outstanding, highly profitable business for Fujikura as well, due in part to the fact that Japan led the world in building optical cable networks. However, it fell into red ink as the domestic market became saturated, and suffered persistently severe conditions for four to five years. As we were being asked, "How long will you engage in a business that is bleeding red ink?" we realized that we had no other choice but to make drastic changes, and embarked on the challenge of targeting overseas markets with Fujikura's unique technologies. SWR®/WTC® was born from that effort. We were able to transform the optical cable business and generate innovation amid severe, painful circumstances. This experience taught me that it is necessary to continually metabolize change precisely because products and businesses have finite lifespans. I definitely want to utilize this experience in the turnaround of Fujikura.

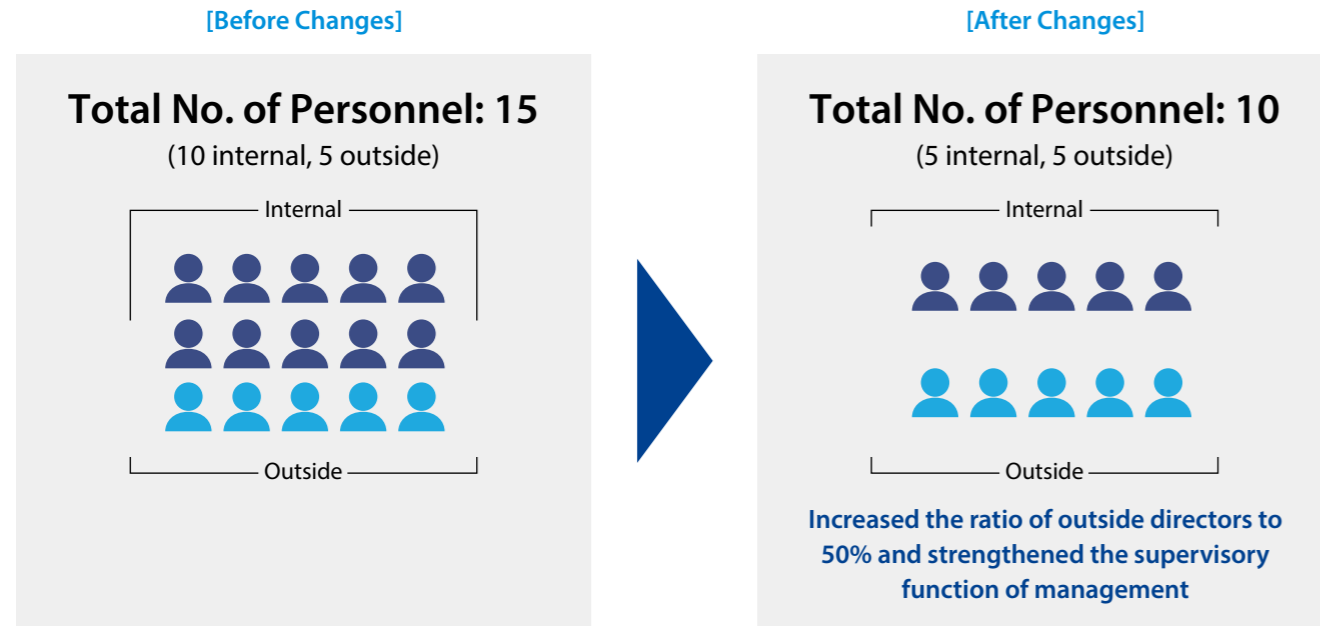
Fujikura is currently experiencing tough, severe circumstances. There is not much need for big changes when business is steady. However, the current circumstances demand change. The Fujikura Group will not be reborn if we simply continue doing the same things. I believe that innovation is born precisely when circumstances are tough and severe. I will therefore seize the current circumstances as a positive opportunity for change and will strive to complete the operational turnaround and achieve growth thereafter.



Messages from Outside Directors

Reform of Management Structure

On April 1, 2021, we enacted drastic changes to our management structure to enable flexible and rapid execution of our 100-Day Plan to turn operations around.



Hamako Hanazaki
Attorney-at-law

Helping to create a better governance structure

This is my third year since being appointed an outside director for Fujikura. As a lawyer, I have assisted with the planning and implementation of a system for establishing a risk management framework at Fujikura. Starting in April 2021, the company abolished its former governance system and concentrated authority related to conducting business in the office of COO. At the same time, it established the new Corporate Governance Control Division, and temporarily integrated the functions of legal affairs, internal regulations, and internal auditing. Fujikura aims to accelerate decision-making through a framework in which the CEO demonstrates strong leadership to address management challenges facing the entire company. And it is considering creating a structure that effectively utilizes governance to discover and rectify business management risks while moving forward with business revitalization. At present, management personnel are striving to successfully execute the business revitalization phase. At the same time, they are continuing to discuss how governance can be effectively utilized to prevent recurrence of past mistakes through efforts such as clarifying the role that each director should fulfill. Hereafter, I recognize that an important role will be deeper consideration of a more appropriate governance structure and organizational form for the coming growth phase. I do not believe that there is an endgame for corporate governance reform. So, I hope to continue helping to create a better governance structure at Fujikura from here on out.

Messages from Outside Directors



Yoshio Shirai
Experience in management (manufacturing industry)

Contributing to Fujikura's growth and development as a global company

This is my fifth year as an outside director at Fujikura, and I have watched the company change first-hand. I think Fujikura is now beginning to see the results of its efforts toward accomplishing the business revitalization plan.

Hereafter, I think it is important to proceed with delegating authority to the operations side through corporate governance reforms. It is also crucial for the Board of Directors to determine what is needed to become a company that will remain competitive in the global market. To this end, the board should deepen discussion on various themes such as Fujikura's business portfolio, human resource strategy, human resource development, diversity, and DX.

Creating an image of the kind of company Fujikura should be, and making this a reality, requires a strong desire from each and every employee to support and lift up the company. I feel that the fact that most people in management roles see the challenges facing Fujikura as their own challenges, is a sign of positive change.

I hope to use my managerial experience to thoroughly fulfill my role as an outside director, and help ensure that Fujikura can continue to grow and develop as a true global company.



Keiji Yoshikawa
Experience in management (manufacturing industry)

Using my own experience to support management while helping to build a system for cultivating management personnel

I served as the CEO of Nippon Sheet Glass Co., Ltd. and have experience in corporate management and in strengthening corporate governance structures. My role as an outside director of Fujikura is to use my experience and ideas to assist managers in making decisions concerning challenges and problems related to management. I will provide advice and recommendations for efforts such as reviewing the company's business portfolio, and formulating a medium and long-term management strategy for a growth phase to make Fujikura's business sustainable.

Fujikura's strength lies in its technical prowess. And in order to further enhance this strength, the company needs to cultivate engineers and utilize IT technology such as DX and IoT. Regarding the cultivation of human resources, I think one of the most important challenges at present is training management personnel, including as part of a succession plan. I myself realized the importance of training management personnel following my experience as president. This is a common issue for Japanese companies, but I feel that we lag behind overseas firms when it comes to systematizing the cultivation of management personnel. For managers, changes in the external environment continue to increase the difficulty of corporate management. This makes it necessary to systematize the abilities, experience, and other qualities that leaders of organizations should possess. I hope to help increase Fujikura's corporate value by continuing to actively recommend this kind of systematization of management training.



Yoji Yamaguchi

Experience in Finance

Promoting discussion based on objective data and help to improve shareholder value

I have spent a long time as a member of financial institutions and have ample experience in supporting companies in a variety of industries and business conditions. And I also have experience in managerial auditing as a full-time auditor. I hope to use my past experience to help improve Fujikura's corporate value.

Fujikura's operations rest on a foundation of extremely high technical capabilities. I see this as the biggest reason the company has been able to persist for over 130 years. At the same time, many of Fujikura's core lines of business are in the mature stage of their lifecycles. A big challenge facing the company is to leverage its existing high technical prowess while also developing new markets. It is important for the company to regularly review its business portfolio, and realign the vectors of its management resources to future growth areas. But this of course needs to be backed by numerical data.

By pursuing discussions based on objective data with President & CEO Ito and the other directors, I hope to ascertain future trends and work toward improving shareholder value. Moreover, amidst a climate of high uncertainty, further efforts to support globalization and diversity will be necessary in order to successfully execute Fujikura's business revitalization plan and return to a growth phase. To this end, I will also provide proactive recommendations in areas such as foundational development.



Kozo Meguro

Certified Public Accountant

Supporting execution of a management plan that front-line workers can understand and take decisive action on

As a certified public accountant, I have thus far been involved in areas such as auditing and due diligence for mergers and acquisitions. While stationed in Germany and China in such capacities, I had to seek the truth, whether good or bad, without judging the other party based on my own way of thinking. This taught me the necessity of communication and the importance of open dialogue. This experience has become my basic stance as an outside director for Fujikura. In particular, I deeply identify with the idea of "bad news first," which President & CEO Ito advocates.

My role is to use my expertise as a Certified Public Accountant to build the foundation necessary for steadily executing the management plan. Successful execution of the business revitalization plan is essential for transitioning from the business turnaround phase to the growth phase. And data-based monitoring is required to ascertain whether this plan is being appropriately executed. I will check, from an auditing perspective, whether the route to achieving this goal has been established, whether indices have been set which front-line workers understand, and whether there is any disconnect between management and front-line workers.

Meanwhile, as I was only recently appointed, I will work to make sure management and workers are on the same page by deepening communication with front-line workers and gaining a deeper understanding of the current situation at Fujikura.

Director Skills Matrix

		Experience / Abilities / Expertise			
		Management (CEO)	Management (Planning)	Successor Training	Governance
Director who is not an Audit & Supervisory Committee Member	Masahiko Ito	●		●	
Director who is not an Audit & Supervisory Committee Member	Naoki Okada		●		●
Director who is not an Audit & Supervisory Committee Member	Joseph E. Gallagher	●			
Director who is not an Audit & Supervisory Committee Member	Masato Inaba				
Director, Audit & Supervisory Committee Member	Shigeo Sekikawa		●		●
Outside Director, Audit & Supervisory Committee Member	Yoshio Shirai	●		●	
Outside Director, Audit & Supervisory Committee Member	Hamako Hanazaki				
Outside Director, Audit & Supervisory Committee Member	Keiji Yoshikawa	●		●	●
Outside Director, Audit & Supervisory Committee Member	Yoji Yamaguchi				
Outside Director, Audit & Supervisory Committee Member	Kozo Meguro				

* The item "Telecommunication Networks" indicates expertise related to the telecommunications business, which is a driver of sustainable growth and our company's early stage business revitalization.

Experience / Abilities / Expertise				Attributes	
Global	Financial Accounting	Legal Affairs and Compliance	Telecommunication Networks*	Gender	Nationality
				Male	Japan
			●	Male	Japan
●			●	Male	U.S.
●			●	Male	Japan
		●		Male	Japan
		●		Female	Japan
				Male	Japan
	●			Male	Japan
	●			Male	Japan

Top Management (as of June 30, 2021)

Directors



Representative Director, President & CEO

Masahiko Ito

Reappointed

- Chief of the Corporate Governance Unit, Chief of the Corporate Staff Unit, Chief of the Corporate Finance & Accounting Unit, Chief of the Corporate
- Quality Control Unit, Chief of the Research and New Business Development Unit, and Chief of the Structural Reforms Task Force
- No. of shares held in Fujikura, Ltd.: 57,599
- Time in role: 6 years



Representative Director, Director & COO

Naoki Okada

Newly Appointed

- Responsible for Telecommunication Systems Business Unit, Printed Circuit Business Unit, Connector Business Unit, Automotive Products Business Unit, Electrical Components Business Unit, and Production Engineering Unit
- No. of shares held in Fujikura, Ltd.: 11,845



Director

Joseph E. Gallagher

Reappointed

- Responsible for North American Business
- No. of shares held in Fujikura, Ltd.: 3,011
- Time in role: 3 years



Director

Masato Inaba

Reappointed

- Responsible for Industrial Electric Wire Business, Marketing & Procurement Unit, and Real Estate Business Unit
- No. of shares held in Fujikura, Ltd.: 29,257
- Time in role: 2 years



Director, Audit & Supervisory Committee Member

Shigeo Sekikawa

Newly Appointed

- No. of shares held in Fujikura, Ltd.: 18,804
 - Time in role: 9 months*
- * Shigeo Sekikawa was newly appointed as a director who was not an Audit & Supervisory Committee member at the 172nd periodic General Meeting of Shareholders held on September 16, 2020.

Outside Directors



Director, Audit & Supervisory Committee Member

Yoshio Shirai

Reappointed Outside Director
Independent Officer

- No. of shares held in Fujikura, Ltd.: 0
- Time in role: 4 years



Director, Audit & Supervisory Committee Member

Hamako Hanazaki

Reappointed Outside Director
Independent Officer

- No. of shares held in Fujikura, Ltd.: 0
- Time in role: 2 years



Director, Audit & Supervisory Committee Member

Keiji Yoshikawa

Newly Appointed Outside Director
Independent Officer

- No. of shares held in Fujikura, Ltd.: 0



Director, Audit & Supervisory Committee Member

Yoji Yamaguchi

Newly Appointed Outside Director
Independent Officer

- No. of shares held in Fujikura, Ltd.: 0



Director, Audit & Supervisory Committee Member

Kozo Meguro

Newly Appointed Outside Director
Independent Officer

- No. of shares held in Fujikura, Ltd.: 0

Corporate Officers

Keiko Shindo
Corporate Governance Unit

Akira Saita
Corporate Staff Unit

Kazuhito Iijima
Corporate Finance & Accounting Unit

Munehisa Fujimaki
Research and New Business Development Unit

Tatsuya Banno
Telecommunication Systems Business Unit

Koji Ueda
Printed Circuit (PC) Business Unit

Jason Peng
Connector Business Unit

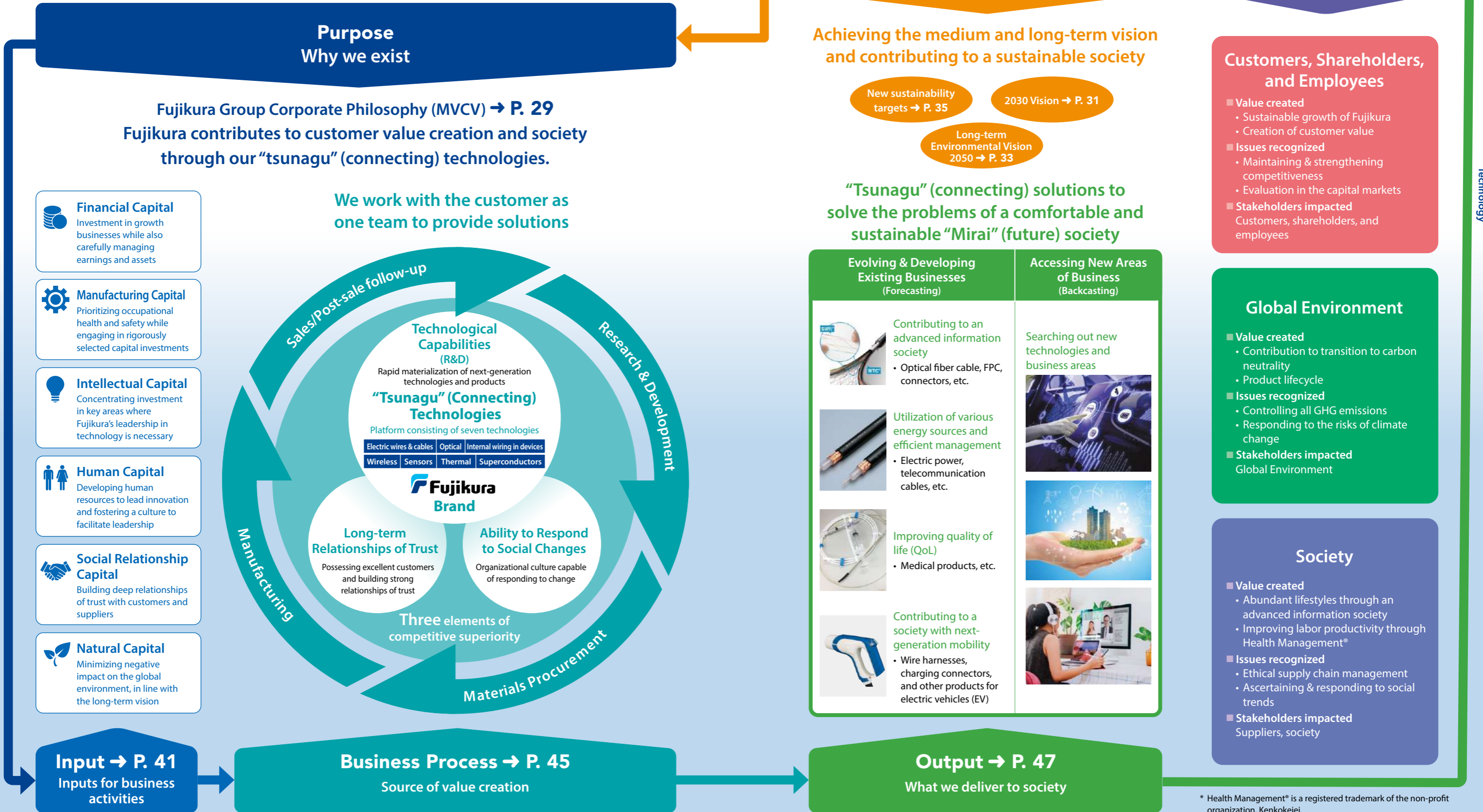
Shuichi Nasu
Automotive Products Business Unit

Junji Fukuhara
Electronic Components Business Unit, Sales & Marketing Unit

Tetsuya Mangyoku
Production Engineering Unit

Value Creation Model

The Fujikura Group will work with customers as one team to find solutions to issues facing customers and society through our connecting technologies. This will enable us to achieve sustainable growth of the Fujikura Group and create an even better society, based on MVCV, the Group's corporate philosophy.



* Health Management® is a registered trademark of the non-profit organization, KenkoKeiei.

Fujikura Group Corporate Philosophy (MVCV)

Foreword

Since the start of our Third Era in 2005, we have striven to create new paths based on the Group Corporate Philosophy, MVCV.

In a society that is undergoing dramatic transformation, the Fujikura Group resolves to create new paths with renewed strength, in order to become a company with the potential to continue long into the future.

- The only way to create these new paths is to provide a value experience exceeding our customers' imaginations.
- To exceed our customers' imaginations, we must be fully aware of the issues our customers face, and consider everything from their points of view.
- To be fully aware of the issues our customers face and consider everything from their points of view, we must strive to acquire a broad range of knowledge and information as highly-active, flexible, and open-minded teams.

Finally, the key factor in following this path is for each of us to proceed virtuously as a member of society.

Mission

The Fujikura Group's mission is to create exceptional value for our customers around the world using "tsunagu" (the Japanese word meaning "connecting") technologies.

We dedicate ourselves to providing exceptional products and solutions, earning our customers' trust and contributing to society.

[Commentary]

Tsunagu technology refers to the Fujikura Group's unique set of capabilities (including skill and knowledge). Through the application of our technology, we create opportunities to connect people, information and power sources.

We proactively seek better ways to solve customer issues using our products, skills, and services. By doing so, we deliver value that fulfills customer needs and thus contributes to solving social issues and building a better society.

Vision

Fujikura's vision is to be the most trusted partner in our markets.

We strive to become the leading player in our markets by utilizing our "tsunagu" technologies, and tirelessly developing innovative and useful products and solutions.

Each individual within the company will endeavor to become an essential player, thus developing a team that can truly help Fujikura make its mark on the world stage.

[Commentary]

We want our customers to reach out to us first with their issues and concerns. We can ensure this by building trust through consistently fulfilling our promises and working together with our customers as their partner of choice. With credibility built over time, we can create a better tomorrow for our customers.

We strive to always be the pioneers in our field and to have a positive impact on society. We realize this through being aware of changes in the world. In addition, we continuously develop products and solutions that meet the existing and potential needs of our customers.

Everyone in the Fujikura Group understands our common goal and plays his/her part in achieving it. With everyone working together as one, the Fujikura Group competes on the world stage.

Core Value

Customer Satisfaction
"Are you doing enough to ensure customers are perfectly satisfied?"

[Commentary]

Customer satisfaction refers not only to satisfying external customers and consumers, but also internal customers such as fellow employees. We consider internal and external customers' viewpoints, think about how to truly fulfill each need, and then reflect this in our products and services.

Change
"Are you willing to take up challenges to drive progress?"

In order to respond to ever-changing social and customer needs, each of us will challenge current norms and values. By doing so, every one of us is accountable for creating changes for the better in people, organizations, products, and solutions.

Collaboration
"As a Fujikura associate, are you driven to work together with others to deliver the best possible result for our company?"

In the Fujikura Group, each one of us acknowledges individual differences and talents. We encourage and support one another's efforts. As a whole, we strive to create products and solutions that meet the existing and potential needs of customers through cross-organizational cooperation.

Standards of Conduct

- 1 Let's proactively take an interest in social and market trends and reflect on our work Show interest proactively
- 2 Let's always think about how to provide value that exceeds expectations Exceed expectations
- 3 Let's be open to diverse opinions and create new ideas Embrace different opinions
- 4 Let's be bold in trying something different Drive change
- 5 Let's start with our aspirations and work back from those to calculate what the next action should be Aspire first
- 6 Let's be professional and accountable for our own actions Take ownership with integrity

What is the 2030 Vision?

The Fujikura Group formulated the 2030 Vision in March 2017 because we felt that accurately responding to the issues of the "Mirai" (future) society we aspire to amid the unprecedented scale and speed of change in the world is essential to carving out our own future. We are working to create new value in four envisioned market areas under the slogan, "The Fujikura Group solves the problems of a comfortable and sustainable "Mirai" (future) society by continuously providing "tsunagu" (connecting) solutions, and continually enhances corporate value."

Four Market Areas and Business Opportunities



Advanced Communication **Contributing to the realization of an advanced information society**

We will contribute to the realization of a comfortable society that is full of vitality and that erases the boundaries between people, goods, and information by providing even more advanced communication in various forms, based on the evolution of sensing networks.

Creating business opportunities and value for society in Fujikura

- Continuous expansion of the telecommunications systems business through optical networking solutions (optical cables + equipment components + fusion splicers + construction + route design)
- Entrance into the 5G mmWave infrastructure market through phased array antenna modules
- Establishment of telecommunication infrastructure to handle the growth in data transmission capacity (wireless and 6G, Innovative Optical and Wireless Network (IOWN) concept, etc.)

Optical Network Solutions



Energy & Industry **Efficient management using a broad range of energy sources**

We will contribute to the realization of sustainable planet by building systems for highly sustainable power sources, storage, and management that will result in a stable supply of energy, and by using processing technology and digital technology powered by highly efficient, high density energy to achieve advanced manufacturing.

Creating business opportunities and value for society in Fujikura

- Demand for renewable energy transmission cables, upgrades, etc. in the renewable energy area
- Supporting new technological innovations in the superconductor technology area
- IoT solutions using dye-sensitized solar cells (DSSC), which are environmentally friendly power generation devices

High voltage CV cables for grid connection High-temperature superconductor (HTS) tape

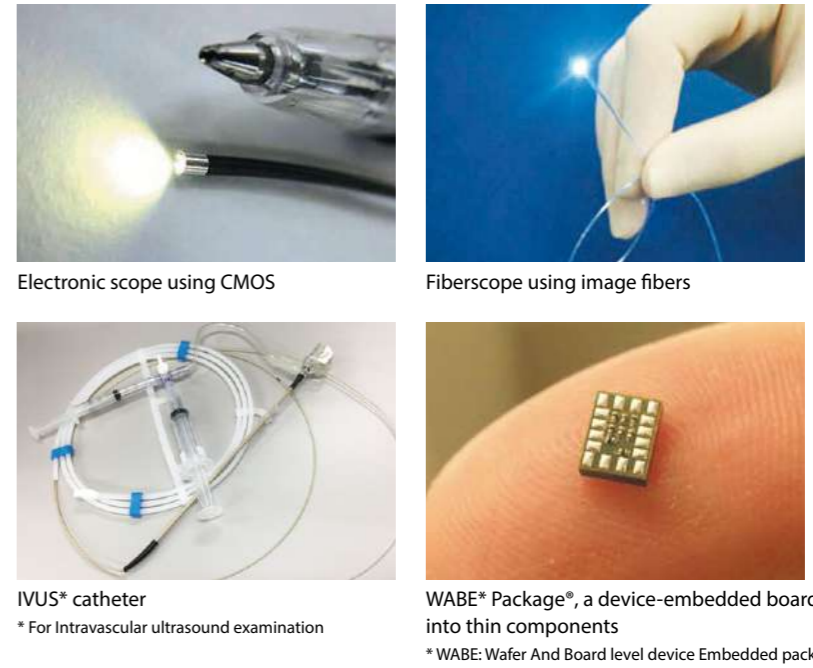


Life-Assistance **Improving quality of life (QoL)**

We will improve healthcare, increase health literacy, and contribute to extending the healthy lifespan of people and improving QoL that extends through a person's entire life by providing various solutions aimed at advanced healthcare, local communities, and occupations based on a QoL platform.

Creating business opportunities and value for society in Fujikura

- Expansion into the medical field using existing technology (hearing aids, endoscopes, pressure sensors)
- Expansion of consulting services in the health management field
- Joint development of new employment services for people with disabilities through open innovation



Vehicle **Contributing to a society with next-generation mobility**

We will contribute to the realization of a society that enables comfortable and safe mobility and transport by providing new means of mobility that anyone can enjoy, the means to transport goods on-demand at a low cost, and the transportation infrastructure and systems to support those means.

Creating business opportunities and value for society in Fujikura

- Supporting electric vehicle (EV) demand with rapid charging connectors, etc.
- Organic use of technologies Fujikura possesses in the electronics field, such as FPC, connectors, sensors, and thermal
- Technological support for MaaS start-ups for realizing a society with new forms of mobility

Rapid charging connector

Fujikura Group Long-term Environmental Vision 2050

Fujikura Group Policy on Responding to Climate Change

The response of the Fujikura Group began with the establishment of the Fujikura Group Global Environmental Charter in 1992. It specifies our policy on environmental activities that are consistent with our management strategy, which we formulated by referencing the forecasts of external institutions. In 2016, the Fujikura Group performed a scenario analysis using the Intergovernmental Panel on Climate Change (IPCC) RCP 2.6* (a scenario of a 2°C increase in temperature) and established Fujikura Group Long-term Environmental Vision 2050. We are working on four challenges aimed at minimizing negative environmental impact by the future target of 2050.

* RCP 2.6: The Fifth Assessment Report of the IPCC (published in 2014) details four scenarios of how much the average temperature will rise over the next 100 years. This is the lowest temperature increase among the four scenarios.

History of Climate Change Initiatives

Apr. 1992		Established the Fujikura Group Global Environmental Charter
Jul. 2012		Began responding to CDP Climate Change questionnaire
Apr. 2013		Revised the Fujikura Group Global Environmental Charter (to add protection of biodiversity)
Sep. 2013		Became a signatory supporting the UN Global Compact
Apr. 2016		Enacted Ver. 5 of the Fujikura Group Environmental Activity Guidelines (FY2016 to FY2020)
Jul. 2016		Established Fujikura Group Long-term Environmental Vision 2050
Jul. 2017		Began responding to the CDP questionnaires on water and the supply chain
Apr. 2019		Became a supporting member of the Japan Climate Leaders' Partnership (JCLP)
Jul. 2019		Became a Task Force on Climate-Related Financial Disclosures (TCFD) supporter
Oct. 2019		Joined the RE100 global corporate leadership initiative
Apr. 2021		Enacted Ver. 6 of the Fujikura Group Environmental Activity Guidelines (FY2021 to FY2025)

The Four Challenges in Fujikura Group Long-term Environmental Vision 2050

Challenge 1

Zero CO₂ emissions at plants by 2050

Challenge 2

Minimize use of water at plants and wastewater management

Challenge 3

Symbiosis between plant workers and nature

Challenge 4

Effective use of resources and resource cycle

To Achieve Carbon Neutrality

Main Initiatives

Zero CO₂ emissions at plants

One of the challenges set in Fujikura Group Long-term Environmental Vision 2050 is net zero CO₂ emissions at plants by 2050. We established a roadmap for reducing CO₂ emissions and will implement specific measures that include promoting energy conservation, using non-fossil fuels, certifying carbon neutral plants, and establishing an energy conservation fund in-house.

Promoting use of renewable energy

The Fujikura Group has joined the RE100 and is targeting use of renewable energy for 100% of electricity used in business activities. We aim to reach our target of 100% renewable energy use for electricity in 2050 by setting 45% in 2030 and 90% in 2040 as interim goals.

Pursuing decarbonization of the supply chain

To achieve carbon neutrality, we plan to expand initiatives to our supply chain in addition to pursuing initiatives in Fujikura and its Group companies. Fujikura is currently engaged in activities aimed at obtaining SBTi approval, which we plan to obtain in FY2021.

Long-term Environmental Vision 2050 Challenge 1

RE 100

- Currently working on obtaining SBTi approval
- Projects selected for support by the Ministry of the Environment

Roadmap to Zero CO₂ Emissions

Targeting net zero emissions based on a combination of energy conservation, use of renewable energy, carbon credits, etc.

	2020	2025	2030	2040	2050 (Fiscal year)
CO₂ reduction targets set		[Short-term] FY2025: Reduction of at least 20% compared to FY2018	[Medium-term] FY2030: Reduction of at least 40% compared to FY2018		[Long-term] FY2050: Challenge of net zero total emissions at plants
Renewable energy reduction targets			Renewable energy for 45%	Renewable energy for 90%	Renewable energy for 100%

Sustainability Targets 2025

Views on Sustainability Targets 2025

We need to engage in two types of activities to achieve sustainability based on the Fujikura Group Corporate Philosophy (MVCV): Activities necessary for sustainable corporate management and activities that facilitate building a sustainable society.

Up to this point, we have specified the five-year CSR Priority Measures 2020 (FY2015 to FY2020) as environmental and social materialities and pursued each measure in cooperation with the relevant divisions. However, rapid social changes after establishing targets have necessitated radical revisions. We therefore established targets that also added the perspective of financial materialities to environmental and social materialities in our new 5-year Sustainability Targets 2025 (FY2021 to FY2025), beginning in FY2021. We have set more future-oriented goals by linking this to the long-term visions the Fujikura Group has established (the 2030 Vision and Fujikura Group Long-term Environmental Vision 2050).

Sustainability Targets 2025 was deliberated and approved by the Sustainability Strategy Council (chaired by the president).

Sustainability Targets 2025 Formulation Process

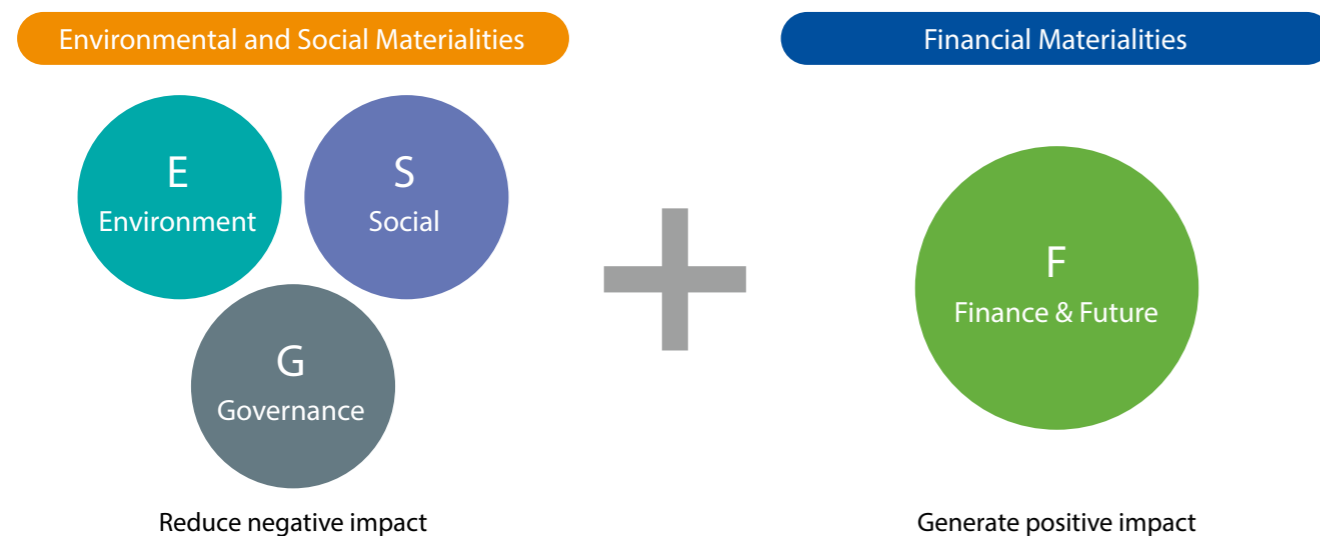


STEP 1 Introduced double materiality perspectives

When establishing Sustainability Targets 2025, we verified the results of CSR Priority Measures 2020 and sorted out the new perspectives that should be incorporated based on the latest trends. To ascertain the latest trends, we referenced domestic and international issues and international guidelines, the elements rated by ESG rating institutions, and comments from stakeholders.

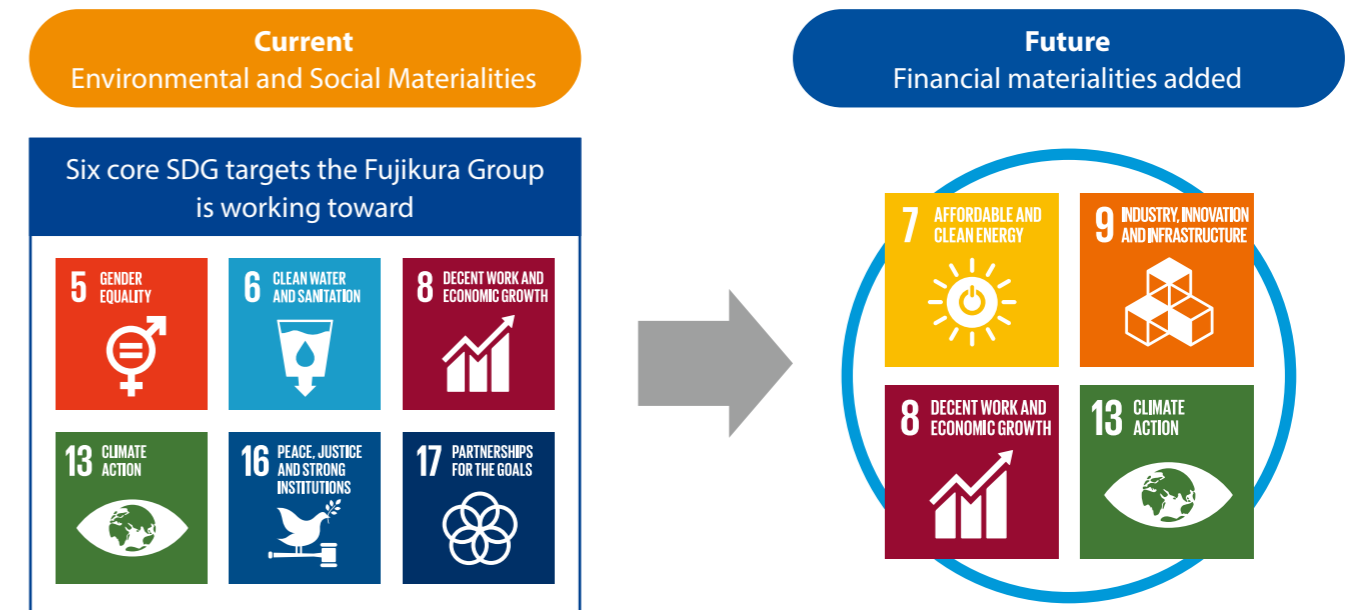
We also added the perspective of F (Finance & Future), incorporated the impact of environmental and social aspects on corporate performance, and considered achievement of the 2030 Vision and other long-term visions of the Company in Sustainability Targets 2025.

Expansion to ESG + F (Finance & Future)



STEP 2 Reformulated core SDG targets

The Fujikura Group established six core SDG targets to focus on in 2016 and linked these to the CSR Priority Measures. These targets were revised from the perspective of financial materialities when establishing Sustainability Targets 2025. We discussed internally what contributions the Fujikura Group businesses can make toward achieving the SDGs. The targets were revised to the following four core targets based on the opinions voiced during discussions and management opinions.



Contribution to SDG Targets

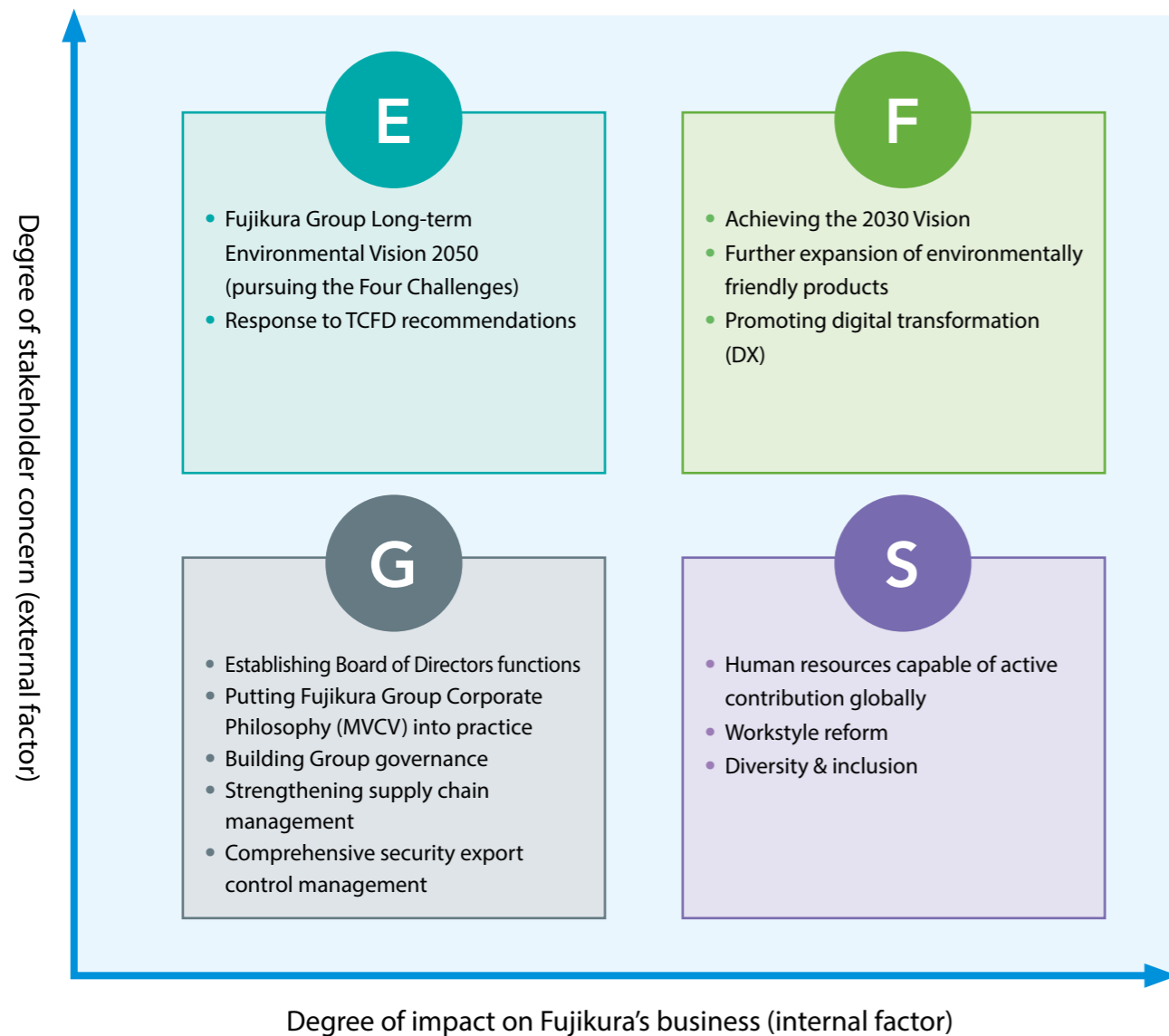
Core SDG targets	Target	Keyword	Associated 2030 Vision
7 AFFORDABLE AND CLEAN ENERGY	Target 7.1: Secure universal access to inexpensive and reliable modern energy services by 2030.	"Tsunagu" (Connecting) Technologies	Energy and Industry
8 DECENT WORK AND ECONOMIC GROWTH	Target 8.2: Achieve a high level of economic productivity through diversification, technological improvements, and innovation by prioritizing sectors offering high added value, labor-intensive sectors, etc.	Engagement	Quality of Life
9 INDUSTRY INNOVATION AND INFRASTRUCTURE	Target 9.1: Develop highly reliable, sustainable, resilient local and trans-regional infrastructure and support economic development and human welfare focused on inexpensive access for everyone.	"Tsunagu" (Connecting) Technologies	Advanced Communication / Energy and Industry / Vehicle
13 CLIMATE ACTION	Target 13.1: Strengthen resilience and adaptability to climate-related disasters and natural disasters in all countries.	Climate Change Mitigation	Advanced Communication

STEP 3 Created a materiality matrix

The Fujikura Group created a materiality matrix specifying the themes of Sustainability Targets 2025 based on the Fujikura Group CSR Basic Principles and the four focus areas. We performed a materiality matrix analysis with stakeholder inclusiveness in mind, and evaluated and verified materiality from the two perspectives of the degree of stakeholder concern and degree of impact on Fujikura's business.

This resulted in establishment of three items in F (Finance & Future), five items in E (Environment), three items in S (Social), and five items in G (Governance). The targets and results are evaluated annually with the goal of achieving them by FY2025. Progress on the targets is disclosed in the Integrated Report and on the corporate website every year.

Materiality Matrix (with only high priority items excerpted)



STEP 4 Added new targets

When establishing Sustainability Targets 2025, we verified the results of CSR Priority Measures 2020 and sorted out the new perspectives that should be incorporated based the latest trends. To ascertain the latest trends, we referenced domestic and international issues and international guidelines, the elements rated by ESG rating institutions, and comments from stakeholders.

We also added the perspective of F (Finance & Future), incorporated the impact of environmental and social aspects on corporate performance, and considered achievement of the 2030 Vision and other long-term visions of the Company in Sustainability Targets 2025.

Four Sustainability Themes According to ESG + F

Sustainability Theme	Results of CSR Priority Measures 2020	Additions to Sustainability Goals 2025
Finance & Future (F)	<ul style="list-style-type: none"> Pursued CSV as a strategy for contributing to the achievements of profit growth for Fujikura and SDGs. Organized internal education and concrete initiatives. 	<ul style="list-style-type: none"> Incorporated the impact of environmental and social aspects on corporate performance. Added development of existing businesses and finding new areas of business in the four market areas specified in the 2030 Vision. Added pursuit of digital transformation (DX).
Environment (E)	<ul style="list-style-type: none"> Generally achieved reduction of CO₂ emissions and water usage. Also continued activities in protecting biodiversity, mainly in Fujikura Kiba Millennium Woods. 	<ul style="list-style-type: none"> Added a long-term perspective of achieving carbon neutrality (linked to Fujikura Group Long-term Environmental Vision 2050). Added response to TCFD recommendations (consideration of economic feasibility in reducing CO₂ emissions and business performance).
Social (S)	<ul style="list-style-type: none"> To protect the human rights of employees, we managed working hours, conducted anti-harassment training, implemented other measures, and also established a telecommuting environment and encouraged male employees to take childcare leave, etc. For the supply chain, we communicated the demand to respect human rights, etc. through the CSR Procurement Guidelines, in addition to continuing to hold Partners Meetings and provide other networking opportunities. 	<ul style="list-style-type: none"> Included human resource development and diversity & inclusion linked to employee engagement and management strategy to strengthen the perspective of "business and human rights." * Moved supply chain to Governance (G) in Sustainability Targets 2025.
Governance (G)	<ul style="list-style-type: none"> Held workshops on interpreting the Fujikura Group Corporate Philosophy (MVCV), used MVCV Book to instill MVCV in all employees, and will reinforce future initiatives. In information disclosure and communication, continued to be included in the ESG Index and strengthened ESG meetings with institutional investors, among other efforts. 	<ul style="list-style-type: none"> Incorporated establishment of Board of Directors functions under the revised Corporate Governance Code, putting the Fujikura Group Corporate Philosophy (MVCV) into practice, and strengthening supply chain engagement.

STEP 5 Deliberated in Sustainability Strategy Council

The administrative office first produced a draft proposal and discussed it with each division when establishing the priority measures, targets to achieve, and measures and indicators for achieving the targets in Sustainability Targets 2025. Progress reports were subsequently presented and deliberated in Sustainability Strategy Council meetings, and Sustainability Targets 2025 was approved in August 2021 at the second Sustainability Strategy Council meeting in FY2021.

Overall Image of Sustainability Targets 2025



Sustainability Targets 2025 List

Theme	Priority Measure	Target to Achieve in FY2025 (Key Goal Indicator (KGI))
Finance & Future (F)	Solve problems in a comfortable and sustainable "Mirai" (future) society by providing "tsunagu" (connecting) solutions and thereby continuously enhances corporate value	Find new businesses in the four areas envisioned in the 2030 Vision (1) Evolve and develop core technologies in existing businesses • Expand core technologies and develop products and services that add high value • Sell products and services for which there is a high willingness to pay (WTP) (2) Find new technologies and business areas • Also consider open innovation • Find businesses through the sale of information as well as the sale of goods
	Develop products that are friendly to the global environment and can be used with confidence	Replace all Fujikura products with environmentally friendly products (Green-related products) by 2050. FY2020 results: Approx. 40% Expand green product creation activities to the entire Group in 2030. FY2020 results: One company in Japan (Nishi Nippon Electric Wire & Cable Co., Ltd.)
	Use data and digital technologies to improve the efficiency of existing businesses and create new business models	(1) DX at manufacturing sites (conversion to smart factories and use of AI) (2) DX in the Sales & Marketing Unit (digital marketing)
Environment (E)	[Challenge 1] Zero CO ₂ emissions at plants by 2050	■ Reduction in total CO ₂ emissions FY2025 target: Reduction of at least 20% compared to FY2018 (to 350,000 tons/year or less) FY2030 target: Reduction of at least 40% compared to FY2018 FY2050 target: Net zero CO ₂ emissions at plants
	[Challenge 2] Minimize use of water at plants and wastewater management	■ Improve production efficiency (pursue energy conservation) Intensity of energy used for production (versus net sales): Improvement of at least 10% in FY2025, compared to FY2020
		■ Improve product distribution efficiency Intensity of energy for product distribution: Improvement of at least 5% in FY2025, compared to FY2020
	[Challenge 3] Symbiosis between plant workers and nature	■ Contribute to reduction in water risks Water usage intensity: Improvement of at least 5% in FY2025, compared to FY2020
		■ Effectively utilize nature at business sites and contribute to expansion of biodiversity ■ Pursue local activities to preserve the natural environment
	[Challenge 4] Effectively use resources and resource cycle	■ Reduce resource inputs and promote efficient use of resources
		■ Reduce amount of waste generated in business activities Intensity of waste generated: Improvement of at least 5% in FY2025, compared to FY2020 ■ Achieve net zero waste generation
Build climate change governance system (response to TCFD recommendations)	(1) Ascertain risks and opportunities of climate change (2) Ascertain impact on strategy and finance	
Social (S)	Implement workstyle reform (strengthen engagement)	Ensure that employees grow as a person through self-actualization in both their public and private lives • Increase the motivation of employees to contribute independently • Establish an environment where people can work anywhere, at any time • Improve motivation through health management • Improve labor productivity
	Develop globally versatile human resources (Respecting the human rights of employees)	● All Fujikura Group employees acting from a global perspective • Create a corporate culture in which the growth of employees is synchronized with the growth of the company • Develop, find, and acquire human resources to lead innovation • Support independent career development and provide opportunities for growth • Create an organization in which employees mutually recognize and improve one another (individual respect and trust) ● Active contribution by human resources who possess diverse backgrounds and views • An environment where diverse individuals can actively contribute • Provide career opportunities regardless of nationality, ethnicity, gender, religion, age, or other attributes • Consider physical or sexual minorities
Governance (G)	Maintain Board of Directors functions	Enhance medium and long-term corporate value • Improve effectiveness of the Board of Directors and strengthen the supervisory function • Increase transparency and impartiality in management and strive for swift decision-making • Ensure diversity of the Board of Directors Growing the leaders who will become the CEOs and other leaders of the next generation • Formulate and employ successor plans • Appropriately supervise development plans
	Put the Fujikura Group Corporate Philosophy (MVCV) into practice	Each of us must follow an ethical path as a member of society • Implement a new code of conduct for putting the Fujikura Group Corporate Philosophy (MVCV) into practice
	Build Group Governance (Strengthen the risk management structure)	Build a risk management structure that facilitates strategic management and control risks (PDCA) Strengthen investment management
	Supply chain management (including responsible mineral sourcing)	• Establish supply chain management that addresses social issues (child labor, forced labor, etc.) • Establish a system of responsible mineral sourcing (a system for performing due diligence, mainly on the 3TG minerals (Tin, Tantalum, Tungsten and Gold), as well as cobalt, mica, and other minerals) • Zero findings by NGOs and other external organizations (or rapid correction when there are findings) • Cooperate with other companies (learn from the initiatives of other companies and use such lessons in Fujikura's own initiatives)
	Comprehensive security export control	• Comply with export control laws and regulations Number of serious legal violations: 0 incidents/year

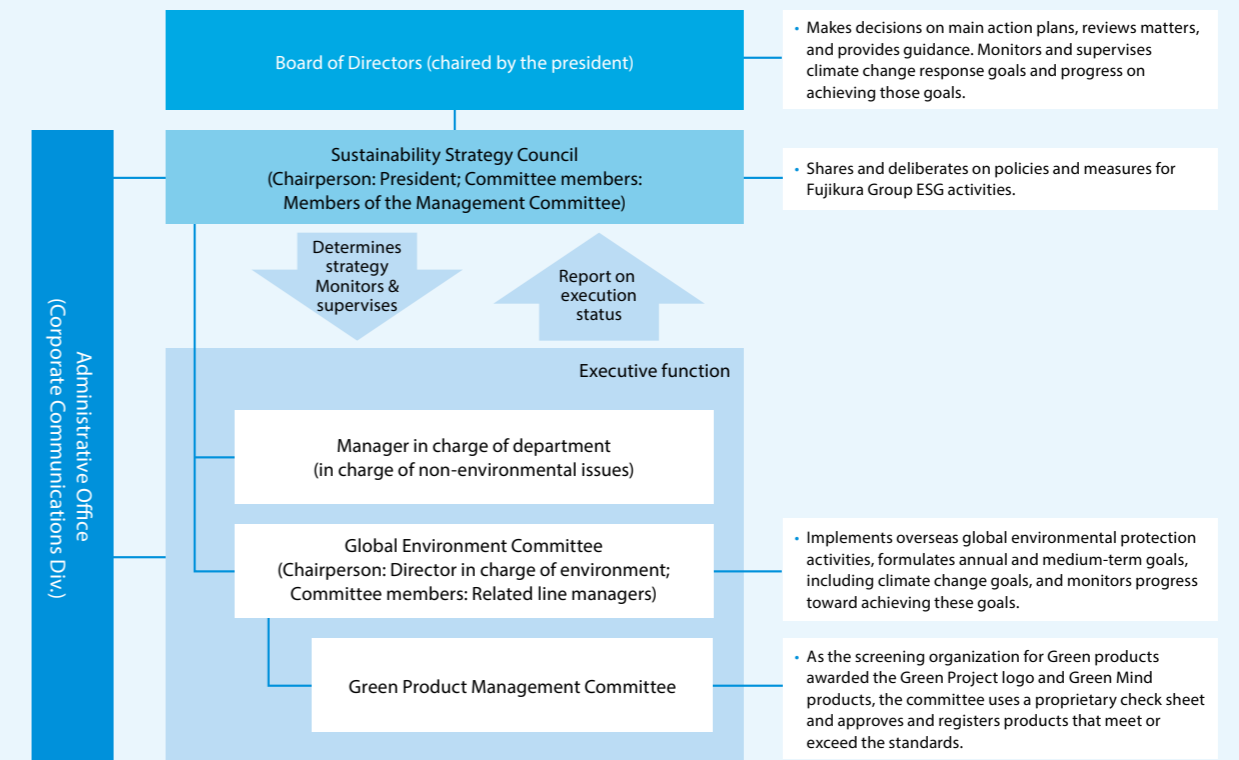
Strengthening Governance of Sustainability

Launch of Sustainability Strategy Council Meeting

Since 2009, the Fujikura Group has mainly pursued sustainability through a management structure centered on the Group's CSR Committee.

In recent years, striving for sustainable growth based in ESG activities, rather than corporate social responsibility (CSR) alone, is being viewed as important, in an era where society is demanding response to climate change issues and institutional investors are basing investments on ESG.

The existing CSR Committee established the new Sustainability Strategy Council meetings to incorporate the ESG perspective into business plans, enhance corporate value, and achieve sustained growth (sustainability). The sustainability management system was updated at the same time to clarify the roles of existing meeting bodies in monitoring and supervision, and in execution.



Council Member List

Masahiko Ito, Director, President & CEO; Naoki Okada, Director & COO; Masato Inaba, Director; Shigeo Sekikawa, Director, Audit & Supervisory Committee Member; Keiko Shindo, Corporate Officer; Akira Saita, Corporate Officer; Kazuhito Iijima, Corporate Officer; Munehisa Fujimaki, Corporate Officer; Tatsuya Banno, Corporate Officer; Koji Ueda, Corporate Officer; Shuichi Nasu, Corporate Officer; Junji Fukuhara, Corporate Officer; Tetsuya Mangyoku, Corporate Officer; Masataka Mito, Division General Manager

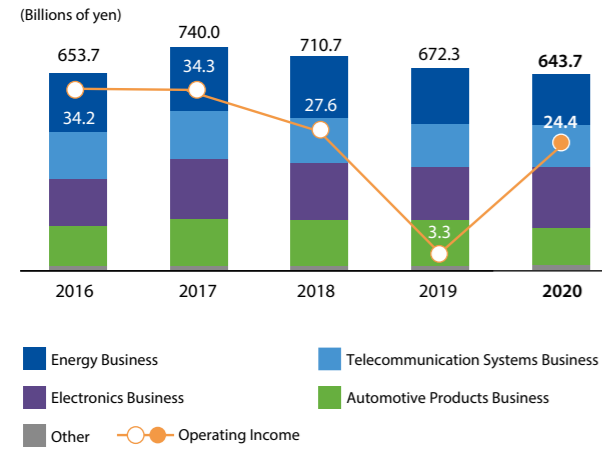
Main Tasks in FY2020

- Considered FY2020 results of CSR activity plans, and the new sustainability targets for 2025
- Reported on holding of Global Environment Committee meetings
- Responded to demands for sustainability from customers
- Shared comments received from institutional investors at ESG meetings
- Determined editorial policy on and content of Fujikura Group Integrated Report 2021, etc.

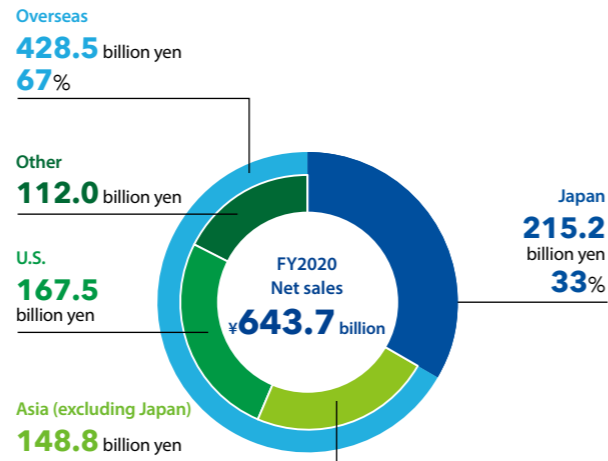
Capital for Value Creation

Financial Capital

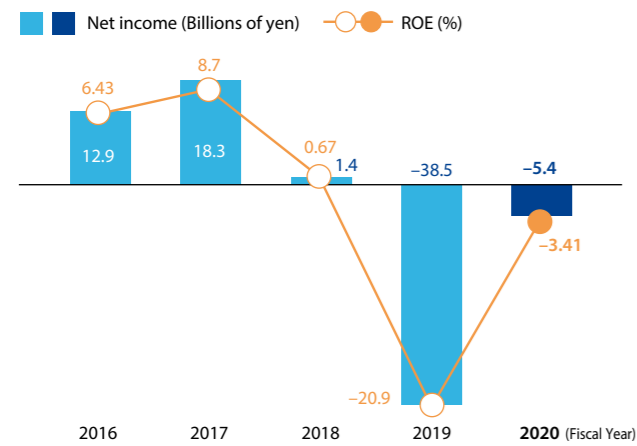
Net Sales/Operating Income



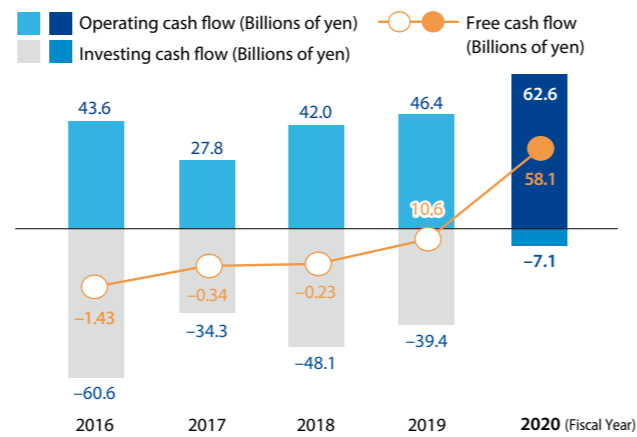
Net Sales by Region and Japan/Overseas



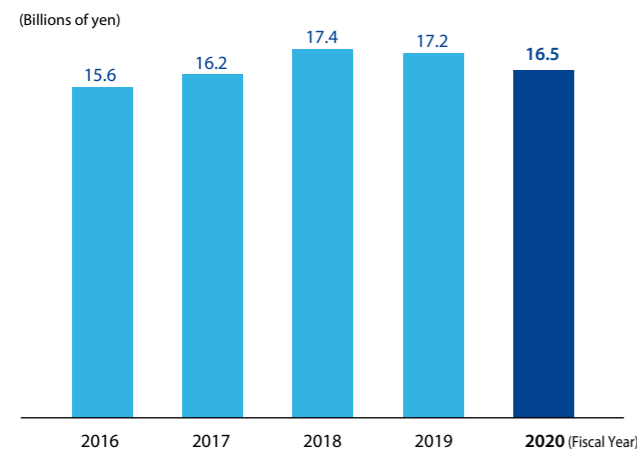
Net Income and ROE



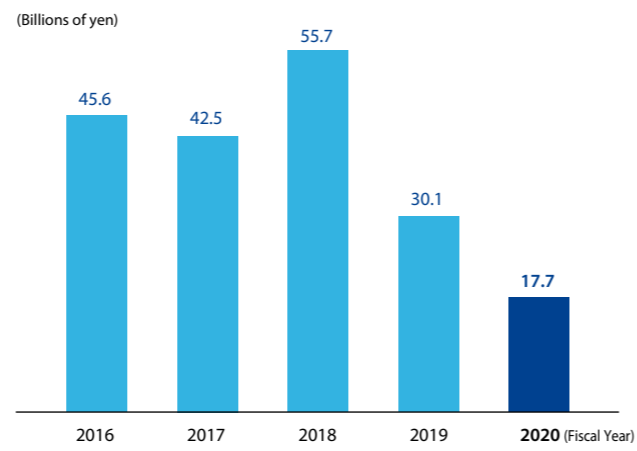
Cash Flows (Operating, Investing, and FCF)



Research and Development Expenses

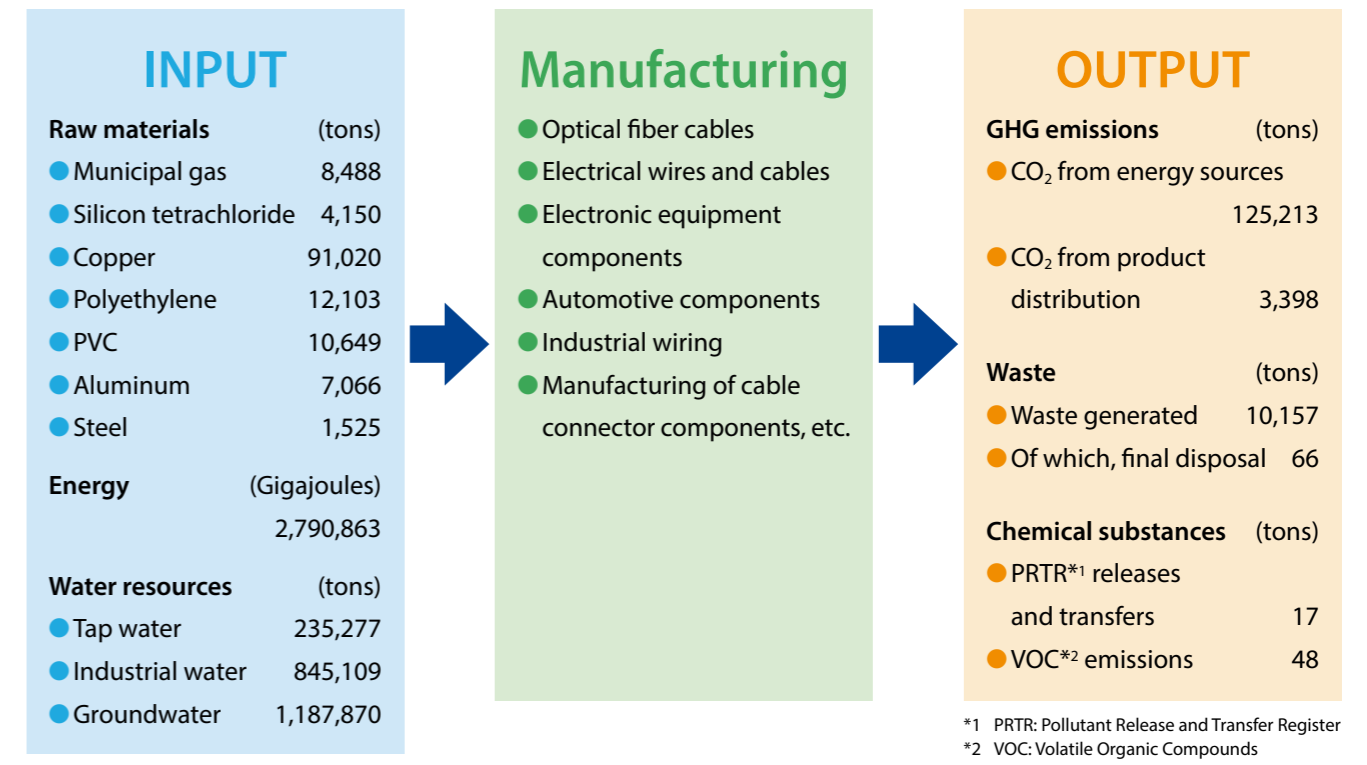


Capital Investment Expenses

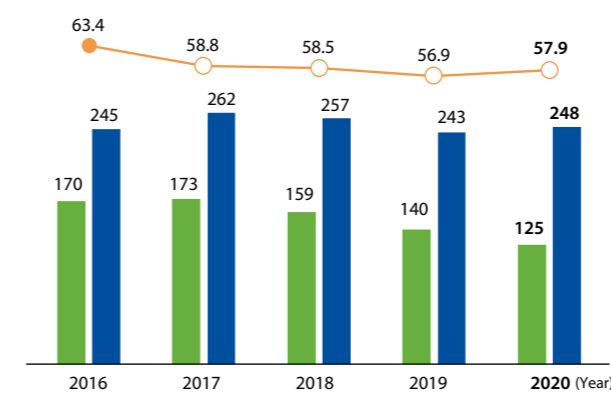


Natural Capital

Environmental impact accompanying business activities



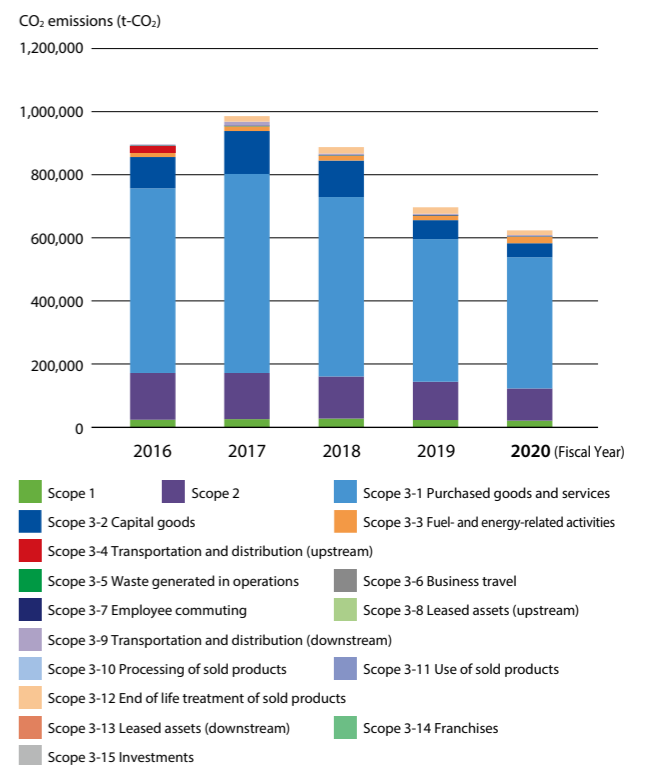
CO₂ Emissions and Intensity Based on Net Sales



[Japan] FY2013 to FY2017: Published on December 5, 2013 by the Ministry of the Environment and Ministry of Economy, Trade and Industry. Fixed emission coefficients by electric power provider. FY2018 to FY2019: Adjusted emission coefficients by electric power provider published by the Ministry of the Environment and Ministry of Economy, Trade and Industry (using the coefficients from the most recent fiscal year).

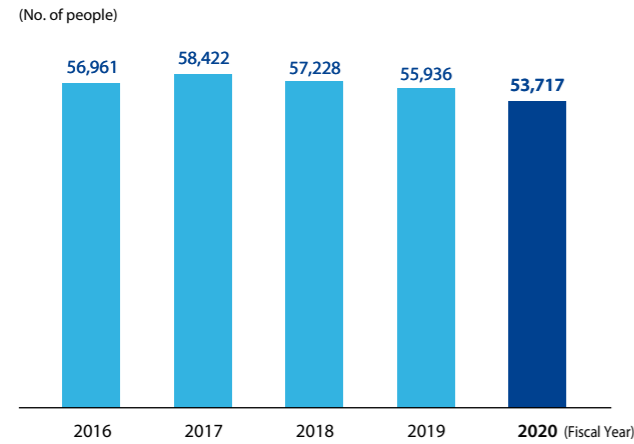
[Overseas] FY2013 to FY2018: "CO₂ emissions per kWh from electricity generation" fixed at the FY2012 values, published by IEA in 2014. FY2019 and FY2020: "CO₂ emission factors for electricity only generation" published by IEA (using coefficients for the most recent year).

CO₂ Emissions by Scope (Japan)

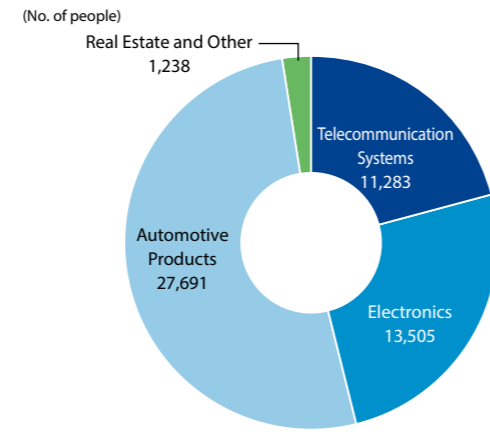


Human Capital

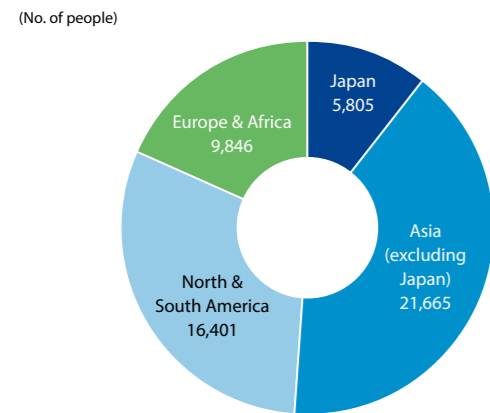
Group Employees



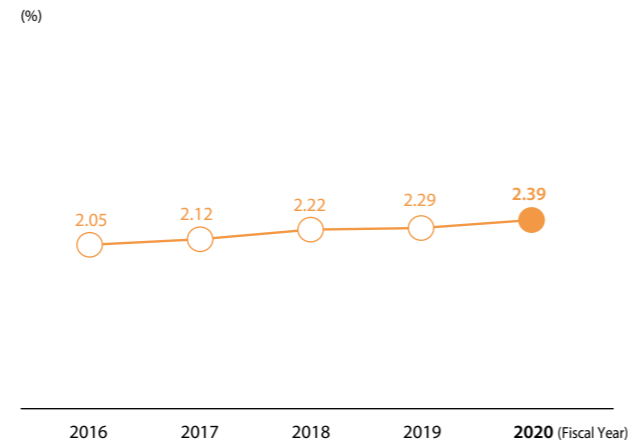
Employees by Business Unit



Employees by Region

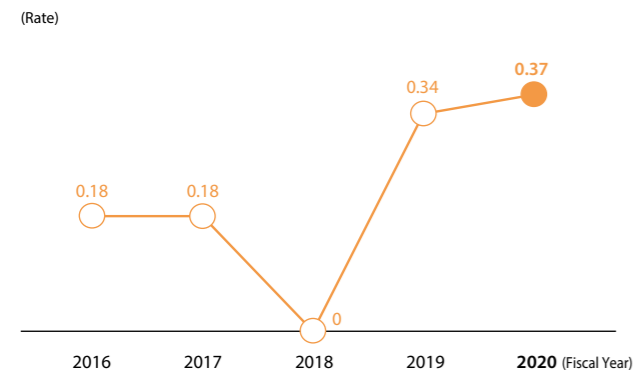


Percentage of People with Disabilities Employed (Fujikura)

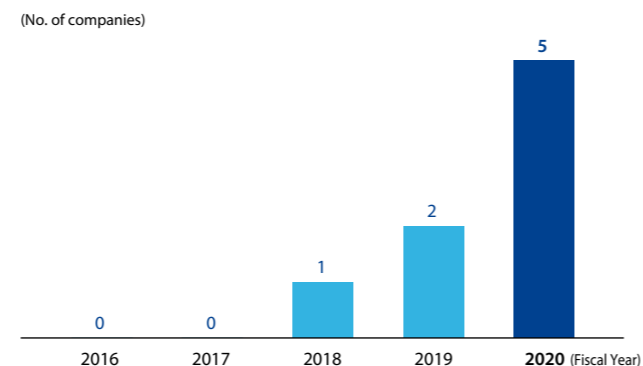


Manufacturing Capital

Lost Time Accident Rate (Fujikura)

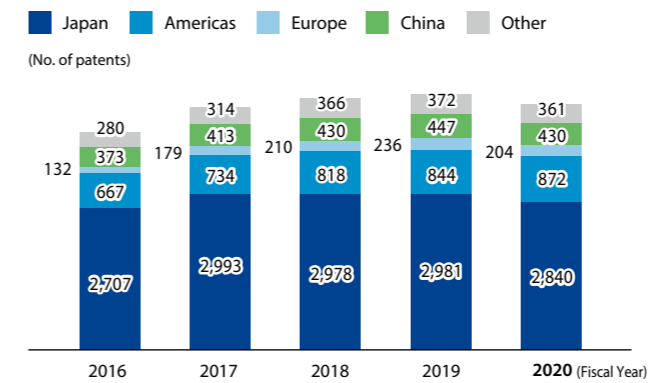


ISO 45001 Certifications Obtained (Group)

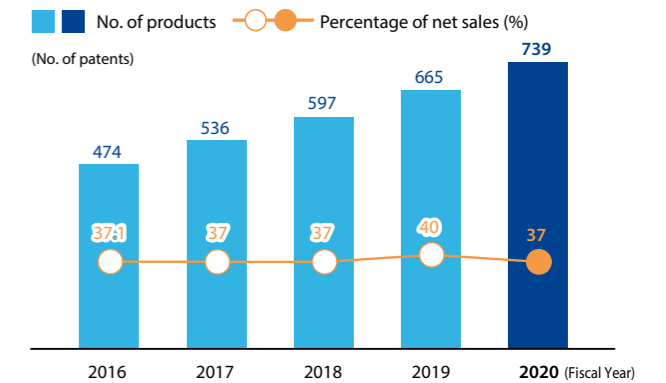


Intellectual Capital

Number of Patents Held (in Japan and internationally)



Number of Environmentally Friendly Products Developed and Percentage of Net Sales



Official Fujikura Group Accounts



- Fujikura Ltd.**
<https://www.linkedin.com/company/fujikura-ltd/>
- Medical**
<https://www.linkedin.com/company/fujikura-medical/>
- mmWave**
<https://www.linkedin.com/company/fujikura-mm-wavetech-team/>
- Superconductors**
<https://www.linkedin.com/company/fujikurasuperconductor/>
- America Fujikura Ltd.**
<https://www.linkedin.com/company/afl-2/>
- Fujikura Europe Ltd.**
<https://www.linkedin.com/company/fujikura-europe-ltd/>
- Fujikura Asia Ltd.**
<https://www.linkedin.com/company/fujikura-asia/>



- Fujikura Ltd.**
<https://www.facebook.com/FujikuraLtd>
- Fukagawa Gatharia**
<https://www.facebook.com/fukagawa.gatharia>

- America Fujikura Ltd.**
<https://www.facebook.com/AFLcorp>
- Fujikura Europe Ltd.**
<https://www.facebook.com/FujikuraEuropeLtd>
- Fujikura Asia Ltd.**
<https://www.facebook.com/FujikuraAsiaLimited>



- Fujikura Ltd.**
https://www.youtube.com/channel/UCQsU4IsfBEEJh_asJ3fagPg
- America Fujikura Ltd.**
<https://www.youtube.com/channel/UCHjhdvfS5rKyAHRf3phPsA>
- Fujikura Europe Ltd.**
<https://www.youtube.com/user/FujikuraEuropeLtd>



- America Fujikura Ltd.**
<https://twitter.com/AFLglobal>
- Fujikura Europe Ltd.**
<https://twitter.com/FujikuraEurope/>

Sources of Value Creation

Customer Value Creation Cycle

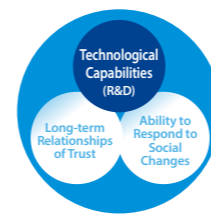
The Fujikura Group views value creation from the perspective of the general public, what services they really need, and how to meet and resolve their many needs and issues in their lives. Together with our customers, we survey the society and lifestyles that we should expect and create the products and services desired.

The Fujikura Group utilizes its outstanding technologies and knowledge to achieve the best solutions for social problems through “tsunagu” (connecting) technologies. In other words, we contribute to achieving the sustainable development goals (SDGs) by providing value in both products and services.

	Features	Capital Inputs
Research & Development 	Strengths <ul style="list-style-type: none"> We can quickly ascertain the need for products and technologies and develop them, based on our close relationships with our customers. Challenges <ul style="list-style-type: none"> Establishing and pursuing R&D themes proactively to respond to rapid changes in technology in the world 	<ul style="list-style-type: none"> Technically skilled human resources (Human capital) Accumulated technology and R&D centers (Intellectual capital) R&D system with external cooperation (Social relationship capital) Financial base to support R&D funding (Financial capital)
Materials Procurement 	Strengths <ul style="list-style-type: none"> We achieve a high level of quality, cost, and delivery (QCD) through continual improvement activities in cooperation with suppliers and joint development. Challenges <ul style="list-style-type: none"> Stable procurement (ensuring flexibility in supply, more effective BCP implementation) Reducing environmental burden throughout the supply chain (appropriate management of environmentally burdensome substances, measures to combat global warming) 	<ul style="list-style-type: none"> Relationships of trust and cooperation with suppliers (Social relationship capital) Development purchasing (Intellectual and human capital) Buyer skills (Human capital), etc.
Manufacturing 	Strengths <ul style="list-style-type: none"> We engage in small group activities at each plant and continually work for improvement at production sites. We pass on technical skills to technicians at plants in Japan and overseas, and conduct hands-on practice and training to improve technical skills. Challenges <ul style="list-style-type: none"> Using IoT to improve productivity (smart factory concept, etc.) Shifting to production equipment and production processes that contribute to global environmental protection and reduction in CO₂ emissions 	<ul style="list-style-type: none"> Production plants and equipment (Manufacturing capital) Accumulated production technology and expertise (Intellectual capital) Technical production skills (Human capital) Suppliers and local communities (Social relationship capital) Steel materials, components, oil, electric power, water, and other raw materials (Natural and manufacturing capital) etc.
Sales/Post-sale Follow-up 	Strengths <ul style="list-style-type: none"> We have accumulated advanced analytical expertise and technology based on a wide range of data on customer and end-user malfunctions, breakdowns, etc. Challenges <ul style="list-style-type: none"> Strengthening initiatives aimed at reducing environmental burden associated with the distribution, product use, and product disposal Ascertaining participation in human rights infringement through the unintended use of products sold 	<ul style="list-style-type: none"> Sustained customer contact in post-sale follow-up (customers, agencies, sales locations) (Social relationship capital) Product investigation and analytical data (Intellectual capital) etc.

Customer Needs (Needs of Society)

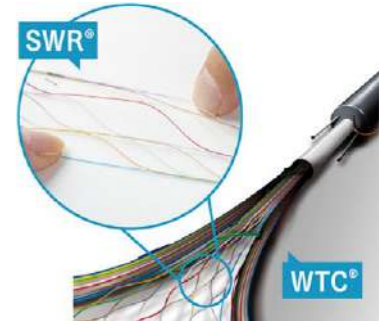
Three Advantages Providing Competitive Superiority



Competitive advantage **1**
Technological Capabilities (R&D)
 “Tsunagu” (connecting) technologies to solve social problems

The Fujikura Group has built technology platforms for creating high added value in the Telecommunication Systems, Electronics, and Energy areas. We are expanding initiatives in further evolution of our “tsunagu” (connecting) technologies based on those platforms.

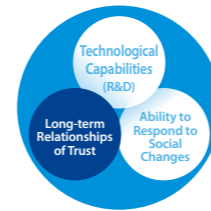
As digital transformation progresses in all domains of society, we are accelerating new R&D through collaboration with research institutions, open innovation, and other efforts in Japan and overseas. These efforts are aimed at being a company that provides products and services which solve social problems.



SWR®/WTC®

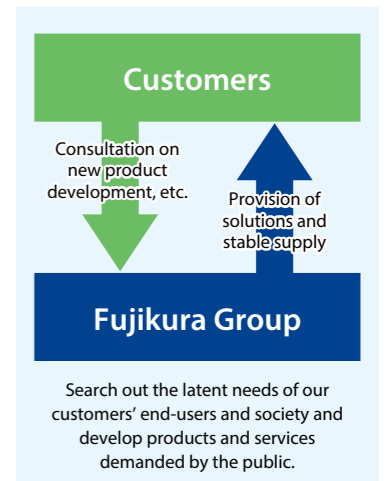


New 90S+ core alignment fusion splicer



Competitive advantage **2**
Long-term Relationships of Trust with Customers
 We work with the customer as one team to provide solutions

The Fujikura Group integrates sales, business units, manufacturing, and development to provide products that meet the needs of customers. The Fujikura Group builds strong relationships with customers and works with customers as one team to provide solutions by meeting the needs and exceeding the expectations of customers. We call this “customer value creation.” We are working to ensure sustainable growth of the Fujikura Group and create a better society by finding solutions to issues experienced by customers and society. We accomplish this by making customer value creation part of the business activity cycle.



Fujikura's concept for building relationships of trust



Competitive advantage **3**
Ability to Respond to Social Changes
 The ability to maintain resilience developed by overcoming difficulties

Fujikura has always succeeded in recovering from the numerous disasters it has experienced. Our high degree of unyielding resilience in the face of difficulties is a part of Fujikura's DNA. The major flooding in Thailand is 2011 is a symbolic example of this. Fujikura Group manufacturing locations also suffered catastrophic damage, but the entire Group exhibited strong will in working as one team on recovery and restoration, and we declared recovery from the flooding complete in 2016. We were also able to recover successfully precisely because of our deep relationships with our customers, who have given us another chance.



Flooded plant in Thailand



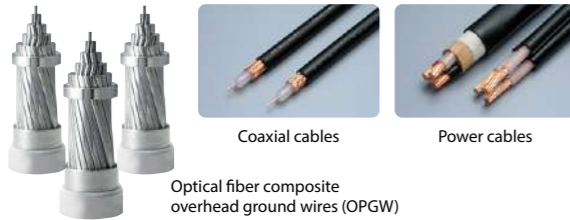
Declaration of recovery from flooding in 2016

Output The "Tsunagu" Connecting Technologies that Support Our Lives

The Fujikura Group uses the "tsunagu" (connecting) technologies it has developed through electrical wire and cable manufacturing since its founding in 1885 to provide products for people's lives and society in a wide variety of areas. Our goal is to realize a "Mirai" (future) society that is comfortable and sustainable.

Power Generation Plants

Fujikura is involved in ultra-high voltage transmission systems and many other high capacity power distribution systems used to provide a stable supply of electricity from remote areas and improve the reliability of line routes.



Optical fiber composite overhead ground wires (OPGW)

Coaxial cables

Power cables

Platform consisting of seven "tsunagu" (connecting) technologies

Electrical wires and cables

Sensors

Thermal

Wire components in electronic equipment

Superconductors

Wireless

Optical

Improving Quality of Life (QoL)

We achieve advancements in healthcare and health literacy by delivering many kinds of solutions for advanced healthcare, communities, and occupations, and want to continue to contribute to extending the healthy lifespan of people and improve their quality of life.



Compact oxygen sensors
Conventional sensor on the left, newly developed sensor on the right

WABE Package®, a device-embedded board built into thin components

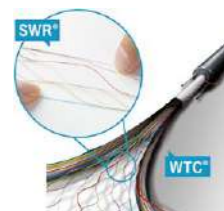
Offices and Data Centers

We provide the optimal optical cabling system for the customer's needs with our extensive line-up of the latest in optical fiber technology.



Optical termination racks and termination boxes

Optical fiber mass fusion splicers



SWR®/WTC®

Plants

We provide many types of products for industrial equipment in plants, including fiber lasers used in cutting metal, welding, and other types of processing.



kW-grade high voltage fiber laser

Connectors for industrial robots

LILIA Live wire sheath fault locator

Partial discharge measuring device

Automotive

We are pursuing development of new products and new technologies that integrate electronics technology and automotive products technology to respond to trends such as CASE (Connectivity, Autonomous, Sharing and Electrification), in addition to the conventional environmental, safety, and comfort needs.



Automotive products

Rapid charging connector

Seat belt reminder

Hospitals

We have focused on imaging and miniaturization, which are core technologies in the medical sector that derive from fiber optic and electronic technology, and are working to expand the electronic medical device business.



Fiberscope using image fibers

IVUS* catheter
*Intravascular ultrasound

Electronic scope using CMOS

5G

We are working to commercialize mmWave communication devices for use in next-generation high-density high-speed wireless communications in the 5G era.



60 GHz mmWave wireless communications module

920 MHz band small-diameter LCX (leaky coaxial cable)

Households

Fujikura provides the optimal flexible printed circuits (FPC) to make the latest smartphone and other devices smaller, lighter, and thinner, and total solutions combining a wide variety of electronic components and modules.



FPC

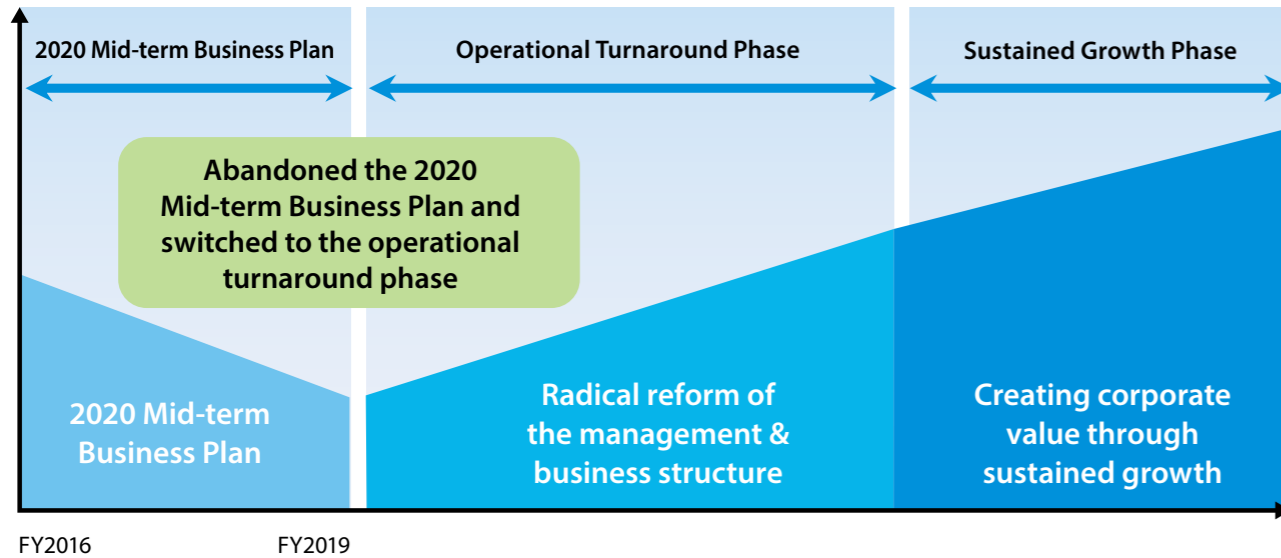
Earphone cable connectors

Heat pipe for notebook PCs

Progress on the 100-Day Plan

Execution of the 100-Day Plan to Turn Around Operations

Fujikura is in an operational turnaround phase after the deterioration in performance in FY2019. Having set our basic strategy as concentrating on a rapid operational recovery, we narrowed down the key measures to (1) “the unreserved selection and concentration of existing businesses” and (2) “strengthening of Group governance” and formulated the 100-Day Plan. In FY2020, we pursued business structural reform and other measures in accordance with this 100-Day Plan and succeeded recovering profit to a certain extent. However, we are still in the red at the net level. For this and other reasons, we are still only mid-course on the path to business recovery and will persist in decisively implementing a wide range of measures based on the 100-Day Plan in FY2021.



Progress on the 100-Day Plan

(As of May 2021)

The 100-Day Plan to turn around operations is generally progressing according to plan. The main initiatives are detailed below.

Initiative Type	Description
Strengthening governance, etc.	Implementation of an early retirement incentive system (for around 200 people) Management structure reform
FPC business	Personnel reductions, mainly at overseas locations Impairment losses on manufacturing equipment
Automotive wire harness business	Consolidation and elimination of locations in the European region Personnel reductions
Energy business	Effective closure of overseas manufacturing locations Exit from the overseas EPC business* Selection and concentration of businesses
Telecommunication systems business	Pursuit of total solutions in optical cables Rigorous selection of investments in growth businesses

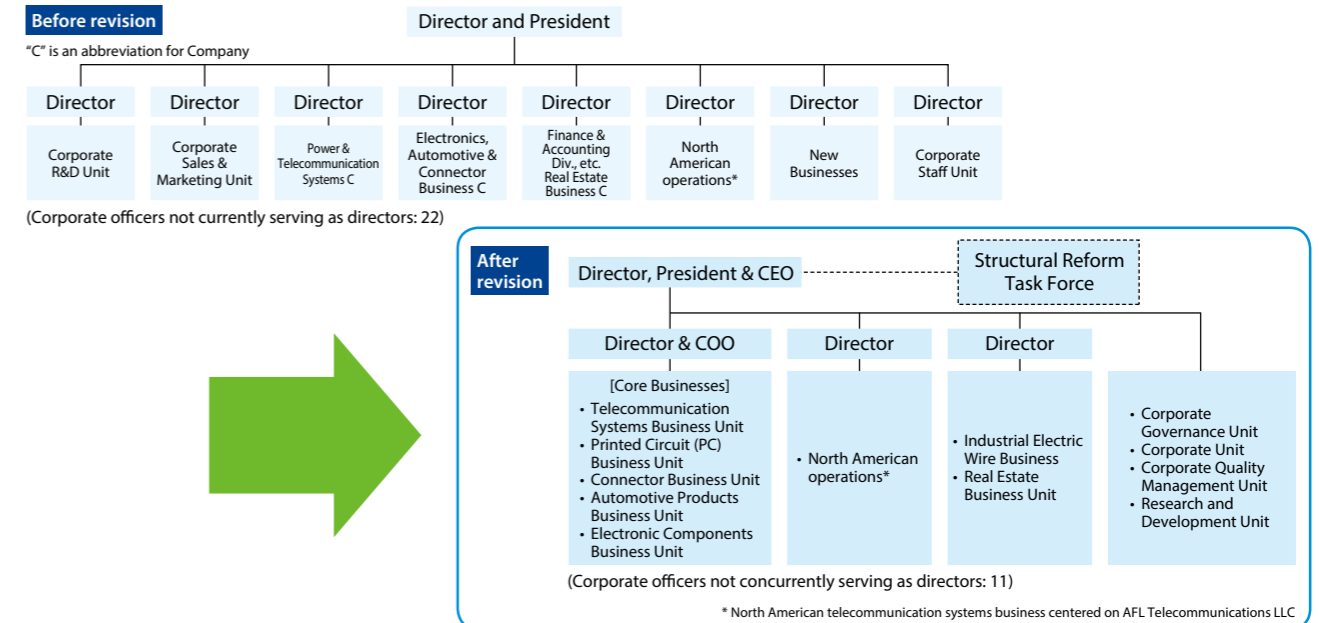
* EPC business: An abbreviation of Engineering, Procurement, and Construction. This refers to a business that provides integrated services including electrical wire and cable supply, construction installation design, and execution of construction.

Management Structural Reform

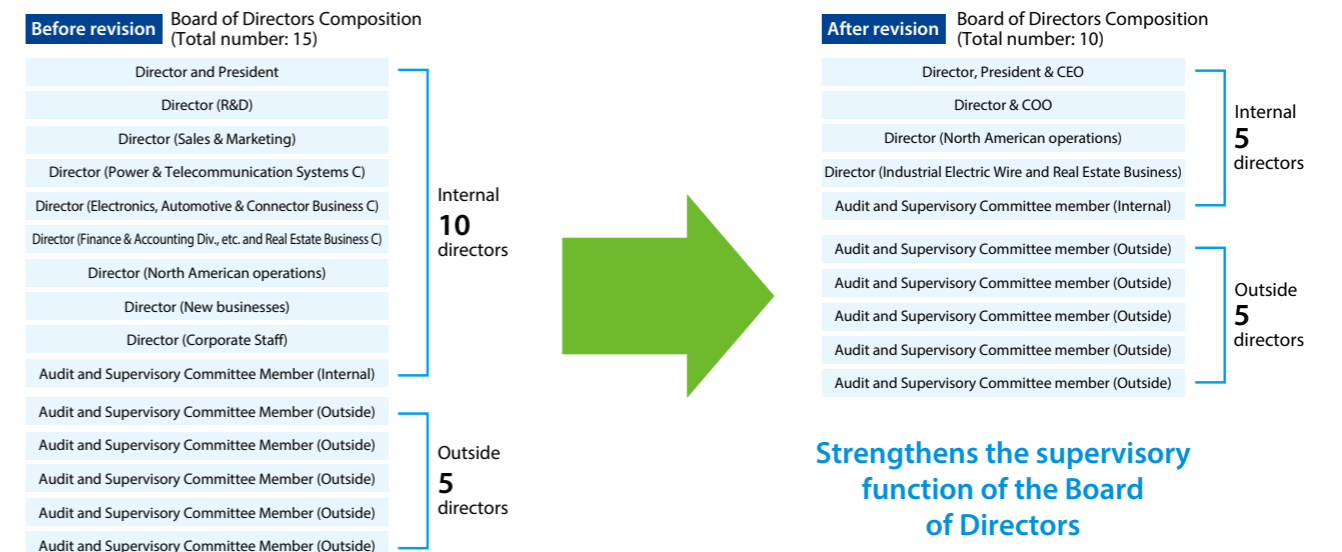
To implement the 100-Day Plan to turn around operations swiftly and agilely, we implemented radical reform of the management structure on April 1, 2021, before electing directors at the annual General Meeting of Shareholders.

The new positions of Chief Executive Officer (CEO) and Chief Operating Officer (COO) were established as part of the new structure for pursuing business. The authority to forcefully pursue solutions to company-wide management issues and business structural reform was concentrated in the Director, President & CEO, and the authority over business execution in the Company’s core businesses was concentrated in the Executive Officer & COO. The purpose of these reforms is to improve agility in pursuing business and speed in business decisions. Fujikura introduced an in-house company system in April 2013. Under this system, a director in charge of business operations in each in-house company was responsible for execution of business operations. However, the in-house company system was constructively dissolved, a business unit system was introduced, and a vertically integrated organizational structure reporting directly to the COO was created to facilitate agile, swift implementation of the 100-Day Plan to turn around operations. The internal organizational structure was also simplified along with these reforms to clarify the responsibility and authority of executive officers who report directly to the COO for business execution, and the number of executive officers was reduced by half.

The revised organizational structure is shown below.



The changes in management structure are intended to further strengthen the supervisory function of the Board of Directors and created a structure in which outside directors comprise 50% of the Board of Directors.



Strengthens the supervisory function of the Board of Directors

The Unreserved Selection and Concentration of Existing Businesses

The goals in the FY2021 business plan are 600 billion yen in net sales (down 6.8% from FY2020), 20 billion yen in operating income (down 18.0% from FY2020), 16.5 billion yen in ordinary income (down 10.3% from FY2020), and 11.9 billion yen in profit attributable to owners of parent, an improvement of 6.5 billion yen. We have not yet determined the return to shareholders since we are still in mid-course on the path to recovery.

As mentioned above, Fujikura previously had an in-house company system consisting of two in-house companies: The Power & Telecommunication Systems Company and the Electronics, Automotive & Connector Business Company. This was reorganized into five core business units: The Telecommunication Systems Business Unit, PC Business Unit*, Connector Business Unit, Electronic Components Business Unit, and Automotive Products Business Unit.

* The "Printed Circuit Business Unit" is a business unit that covers products that utilize circuit-formation products with printing technology, with a focus on printed circuits.

Core Business Units

● Telecommunication Systems Business Unit

Demand for telework increased in conjunction with the spread of COVID-19 and demand has also emerged for next generation infrastructure, such as 5G and IoT. We therefore expect active investments to continue in the construction and enhancement of communications infrastructure networks, including FTTx and data centers, with a focus on Europe and the U.S. in particular. Our strategic SWR®/WTC® products are small diameter, lightweight, and high density. They are easy to install so they have been well received as the best solution for enhancing communication infrastructure. Fujikura intends to concentrate resources by further reinforcing production capacity and other means so that we do not miss out on these opportunities. We will provide total solutions targeting enhancement of optical infrastructure networks with the addition of peripheral parts, etc.

● PC Business Unit

The competitive environment continues to intensify as smartphone demand peaks out. We anticipate a substantial decline in sales in FY2021, due in part to a change in product mix. We will decisively implement business structural reforms that extend to the elimination and consolidation of locations, strive to reduce costs further, and build a production structure that adapts to changes in product mix. We will further refine our existing efforts to improve quality and strengthen technological capabilities, and will shift to businesses in areas where we can maintain competitive superiority.

● Connector Business Unit

Optimization of the production structure through the business structural reforms we have implemented thus far have enabled stable business operation. We intend to achieve sustained growth by entering new markets areas in the future.

● Electronic Components Business Unit

We will maintain high profitability and promote metabolism of change, including accessing new markets and attracting new customers, by providing thermal and other solutions in response to the increase in HDD capacity.

● Automotive Products Business Unit

The automotive industry will continue to face uncertainties such as the continued spread of COVID-19 and semiconductor shortages in FY2021 and beyond. Despite these uncertainties, we are seeing a rebound in "earning power" in the automotive wire harness business. We will aim to restore this entire business unit to profitability by pursuing restructuring of locations in Asia and reducing costs in Europe by further improving productivity and achieving greater consistency in quality.

In terms of future initiatives in electronics related business in general, we will work on the introduction of electronic products in the automotive market. The automotive market is undergoing a once in a century transformation in technology including CASE (connected cars, autonomous driving, sharing, and electrification) technologies. We have already jointly developed technologies that support high speed communication, power control systems, and other technologies. In the Connector Business Unit, we began mass production of a connector for next generation vehicle-to-vehicle communication from FY2021. In the Printed Circuit Business Unit, we will also accelerate development of products in the powertrain*1 area, in addition to our existing infotainment*2 and lighting*3 areas.

*1 The term "powertrain" refers to the overall drive transmission system, and it also refers to the electronic components used in the system for facilitating vehicle movements such as traveling forward, turning and stopping.

*2 The term "infotainment" was coined by combining information with entertainment. It refers to products for navigation systems and audiovisual devices mainly in the automotive field.

*3 The term "lighting" refers to automotive lighting such as headlights, direction indicators, and cabin lights, etc.

Other Business Units, etc.

● Research and Development Unit

We are always searching for ways to metabolize change in our businesses, products, and technologies, even during the turnaround phase. Continuing R&D is essential for the Company and we must do so to pursue initiatives targeting sustained growth in the future, after completing the turnaround phase. Therefore, we integrated the previously established new business promotion function and R&D function to establish the Research and Development Unit in April 2021.

This integration was effected for the following three purposes:

- To maintain the technologies that support existing businesses at world-class level and develop innovative new products
- To integrate the entire process from considering new sites to building a technology base and commercialization
- To discern the vision of what Fujikura should be in the future from a technological viewpoint and contribute to building a growth strategy.

We will continue to narrow down R&D to key themes where we can utilize our core businesses and technologies to create new businesses and development new products, while targeting new value creation and discerning market needs, trends in demand, and other relevant information.

● Structural Reforms Task Force

We collectively refer to the various initiatives under the operational turnaround phase as the Structural Reforms Task Force. Such initiatives include reforms to improve the business structure for better business stability and cost reductions through the elimination and consolidation of locations. The Structural Reforms Task Force is essential for accomplishing an operational turnaround. The activities of the task force have therefore been specially designated as the mission of the Director, President & CEO, and the various initiatives are being executed under the leadership of the CEO.

Strengthening of Corporate Governance

To strengthen corporate governance, Fujikura 1) increased the percentage of outside directors to 50% and 2) established a Corporate Governance Unit on April 1, 2021.

(1) Increase in the percentage of outside directors

To strengthen the supervisory function of the Board of Directors over the executive side, the internal directors who comprised a majority of directors resigned as of March 31, 2021 and a Board of Directors structure of 10 directors in total (five outside directors and five internal directors) was adopted from April 1, 2021. This increased the percentage of outside directors on the Board of Directors from the previous one-third to 50%. The reduction in the number of internal directors resulted in a change in composition from a Board of Directors composed of many directors who represented the interests of business divisions to a Board of Directors composed of 50% outside directors who are independent of the Company and possess management experience and expertise in finance, law, and other areas. This more independent Board of Directors will debate and make decisions on matters of importance to management (formulation of medium and long-term strategy, business portfolio restructuring, etc.).

(2) Establishment of the Corporate Governance Unit

To build a governance system that appropriately monitors operational execution in the entire Group, we established the Corporate Governance Unit to provide a cross-organization function for exercising checks, monitoring, and supervising each business unit executing operations.

Business Results by Unit

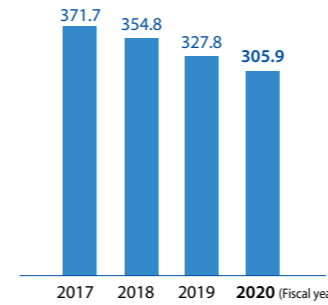
Telecommunications Systems Business Unit



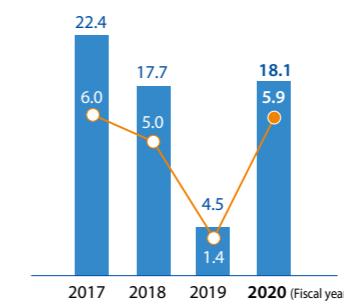
Net Sales
305.9 billion yen

Fujikura will support the energy and information infrastructure underpinning society and connect people, goods, and all manner of things.

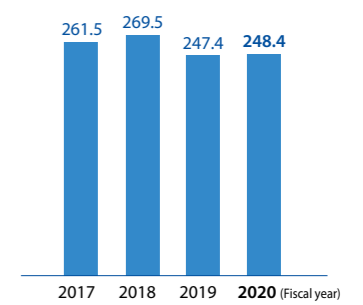
Net Sales (Billions of yen)



Operating Income (Billions of yen) / Operating Income (%)



Total Assets (Billions of yen)



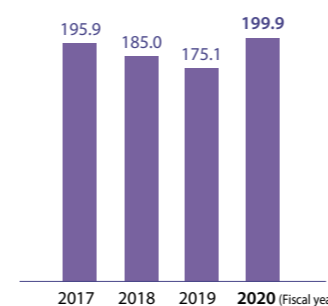
Electronic Components Business Unit



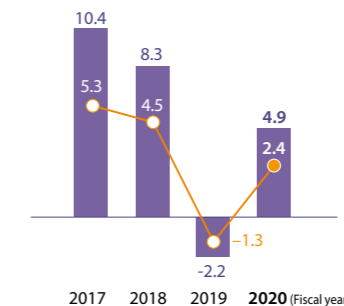
Net Sales
199.9 billion yen

This segment pursues next generation development through global top-class technologies in markets that are changing rapidly.

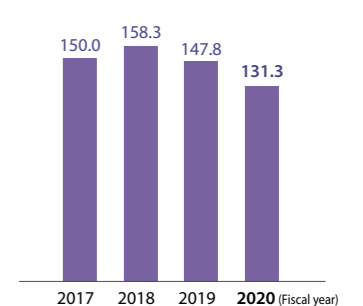
Net Sales (Billions of yen)



Operating Income (Billions of yen) / Operating Income (%)



Total Assets (Billions of yen)



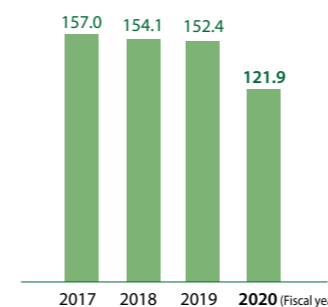
Automotive Products Business Unit



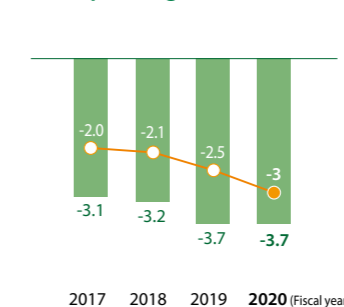
Net Sales
121.9 billion yen

Fujikura will work to develop and provide new products and solutions to the automotive industry, which is undergoing its biggest transformation in the last century.

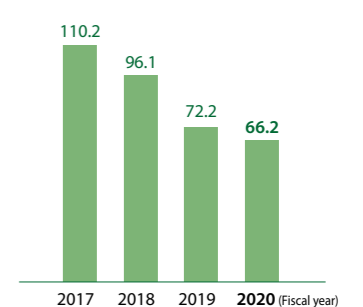
Net Sales (Billions of yen)



Operating Income (Billions of yen) / Operating Income (%)



Total Assets (Billions of yen)



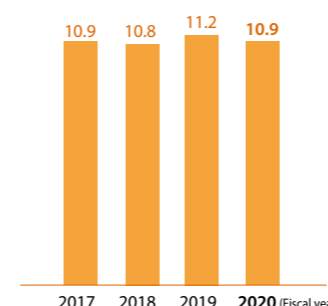
Real Estate Business Unit



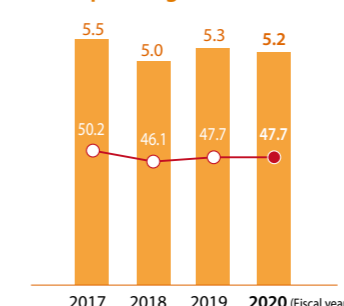
Net Sales
10.9 billion yen

We will strive to maintain and improve asset value over the medium and long term, and strive to coexist and prosper together with surrounding communities.

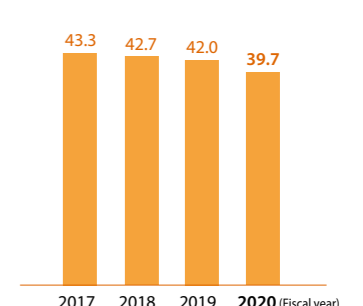
Net Sales (Billions of yen)



Operating Income (Billions of yen) / Operating Income (%)



Total Assets (Billions of yen)





Unit Overview

Providing Solutions for Building Infrastructure Platforms

Networks continue to evolve in a quest for faster, higher quality, and higher capacity connections. The Fujikura Group continues to be the front runner with the No. 1 global share in the optical fiber development and manufacturing technology that provides the backbone support for this goal. We were also the first in the world to develop optical cable (SWR®/WTC®) that achieves high fiber density in a slim cable. Plus, Fujikura is No. 1 in optical fiber fusion splicers, which connect optical fibers with low loss, and provides total solutions for building optical networks.

Main Products

- Optical fiber
- Optical cable
- Optical installation equipment and components
- Optical components
- Optical fiber fusion splicer
- Network equipment
- Engineering

Social Challenges Faced



1	Maintaining a telecommunications infrastructure that can handle changes in lifestyles following the pandemic
2	Improving the efficiency of cable-laying work for telecommunications infrastructure
3	Curtailling the amount of energy used in manufacturing products

Implementation Details of Structural Reform and Initiatives for This Fiscal Year

Implementation Details

1	Promote total solutions for optical cables
2	Carefully select growth businesses for investment
3	Reduce fixed costs

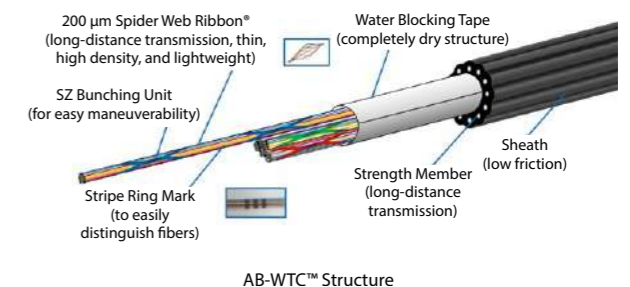
Initiatives for This Fiscal Year

Promote total solutions for optical cables as a growth business	Reduce Fixed Costs
<ul style="list-style-type: none"> • Expanding investment in HSDC and FTTx suppliers is a big business opportunity for our company • Continue to roll out FTTx, CATV, 5G, and HSDC in Europe and America • Concentrate management resources on optical network solution business focused on SWR®/WTC® • Reduce environmental impacts with SWR®/WTC®, contributing to ESG initiatives 	<ul style="list-style-type: none"> • Sell off domestic engineering company

Main Products

Air Blown Wrapping Tube Cable™ (AB-WTC™)

The proliferation of remote work has accelerated the installation of optical fiber cables, particularly in Europe and America. Among the methods used to install cable in Europe and America is the pneumatic cable feed method. The AB-WTC™ optical cable can be used with this method to reduce work time while simultaneously increasing capacity through its high-density, multi-core structure. Combining SWR®*1/WTC®*2 with pneumatic feed technology not only enables installation of long cable lengths, but contributes greatly to more economical cable route construction through its ability to reduce the labor involved in optical fiber splicing work.



*1: SWR® (Spider Web Ribbon®) is a highly flexible ribbon applied to cables to create slim high density cables.
 *2: WTC® (Wrapping Tube Cable®) is the name for slim high density optical fiber ribbon cable that uses SWR®.

New Core Alignment Fusion Splicer "90S+"

We have now begun sales of our new core alignment fusion splicer "90S+". Up to now, we have striven to reduce repeat work while splicing through remote wireless connectivity to the optical fiber cutter that makes mirror-finish cuts through optical fibers. But this new product is equipped with the electrical discharge functions listed below, which improve work efficiency by achieving stable, low-loss connections.

- Function for performing the optimal electric discharge depending on the condition of the cut face before splicing
- Function for selecting the optimal electrical discharge based on automatic discernment of fiber type
- Function to control electrical discharge through real-time analysis of the thermoluminescent intensity of optical fiber during electrical discharge



TOPIC

Sales of Fusion Splice Racks for Ultra-High Count Multi-Core Optical Fiber Cable Begin

Fujikura has begun sales of fusion splice rack for ultra-high count multi-core optical fiber cable. While this product supports ultra-high count multi-core optical fiber cable, it has been made as compact as possible by adjusting the size of the optical fiber reception tray, package connection wiring, and housing. We were able to reduce work time by employing newly designed protective tubing for the optical fiber and a removable optical fiber housing tray. These make it possible for multiple workers to splice cores simultaneously. In addition to indoor splicing racks, we are earnestly developing outdoor and wall-mounted types.



Fusion Splicing Rack for Ultra-High Count Multi-Core Optical Fiber Cable: FDF-102

Unit Overview

The electronics business manufactures printed circuits, electrical wire, connectors, and other electronic components that create the delicate “neural network” of compact, highly-integrated electronic products. The Fujikura Group demonstrates the quality and technological capabilities cultivated in its global operations over many years in the total solutions it provides. Such solutions include the optimal FPC (flexible printed circuits) and broad variety of other electronic components and modules for producing advanced devices such as smartphones and wearable devices that are compact, lightweight, and thin.

We are also working to enter the automotive market with electronic products for “CASE” and other aspects of the once-in-a-century transformation that the automotive industry is undergoing. We are already developing electric power control systems, support for high-speed telecommunications, and more in collaboration with multiple customers.

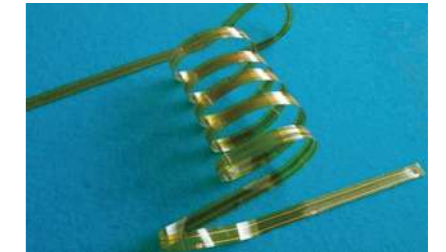
Main Products

- FPC
- Electrical wire
- HDD components
- Sensors
- Thermal solutions
- Membranes
- Connectors

Main Products

Long FPC

Demand is growing for long FPC, primarily for vehicle on-board applications and in the medical field. The background for this is the use of FPC to save weight and reduce space for cable distribution, while also simplifying customer assembly. The circuit board processing technology that we have cultivated over many years has made possible a flexibility in cable distribution that is not limited by the size of the FPC. Alongside efforts to leverage microtechnology to make products small, light, and thin, we are striving to further expand the potential of FPCs to respond flexibly to society’s needs.



Connectors to connect circuit boards in factory automation equipment

These connectors help to save space by being more compact than existing connectors of the same type. Intended for connecting circuit boards together, these connectors feature large ground terminals on both sides. A 0.6 mm pitch, and two contact points ensure highly reliable contact. The ground terminals make contact before the signal terminals fit together to ensure adequate grounding. Connection through these ground terminals reduces noise, and increases compactness and reliability.



Social Challenges Faced

1

Supporting increased functionality and data transmission speed in devices such as smartphones

2

Accelerating digitalization, and new lifestyles post-covid

3

Further improvements in product quality through use of AI, and stronger efforts toward DX

Implementation Details of Structural Reform and Initiatives for This Fiscal Year

Implementation Details

1

Optimize employee placement both in Japan and abroad

2

Reduce stock on hand

3

Declare impairment of manufacturing equipment

Initiatives for This Fiscal Year

Structural reform of our business which tackles reorganization of locations

TOPIC

We Were Awarded the 2020 Scientific Contribution Award of the Heat Transfer Society of Japan for Development of an Ultra-thin Heat Pipe and Vapor Chamber

This is one of four prizes awarded by the Heat Transfer Society of Japan, and is conferred on those who have developed outstanding heat transfer technology.

This time, the award was given in recognition of achievements such as our patent applications, our contributions to the development of heat transfer technology through Heat Transfer Society publications, and the commercialization of a thin cooling unit based on our company’s advanced technology.

Hereafter, we hope to contribute to the development of heat transfer technology, and boost the performance of a various devices. We will achieve this by further improving the heat transfer performance of our pipe and vapor chamber, as well as developing and commercializing a compact heat transfer unit with good cooling efficiency.



* Heat Transfer Society of Japan: An academic society whose goals are to spread knowledge and advance scientific theory and technique related to heat transfer, and to foster exchange between members and the international community. (<http://www.htsj.or.jp/en/>)

TOPIC

Pressure and Oxygen Sensors to Support the Medical Field

Our pressure sensors and oxygen sensors each maintain high sensing accuracy, and are employed by well-known medical equipment manufacturers around the world. As COVID-19 has swept around the world demand has grown for medical equipment. Our sensors are used as the active devices supporting important functions in many of these devices, including sphygmomanometers, oxygen concentrators, and ventilators. Fujikura supports everyone involved in medical care by providing a stable supply of sensors manufactured to a high degree of reliability and with a proven track record.



Automotive Business Unit



Unit Overview

In the automotive products business, we have 46 locations in 16 countries worldwide for the manufacture, development, and sale of products in Asia, North and South America, and Europe. And we continue to strengthen our production capabilities, including quality.

Our main products include automotive wire harnesses, in-vehicle LAN, and other total wiring systems. These products support the evolution of mobility, which is accelerating globally.

The Fujikura Group is fusing electronics and vehicles to develop and provide new products and solutions in the automotive industry as it undergoes a once-in-a-century transformation.

For our European business, we have been shrinking operations in Eastern Europe according to plan. And, in FY2020, our sales ratio for Eastern Europe was at 35%.

Main Products

- Wire Harnesses (WH)
- Electrical Components
- Seat Sensors

Social Challenges Faced



1 Once-in-a-century transformation of the automotive industry

2 Shift to electrification of automobiles

3 Development and provision of new products and solutions

Implementation Details of Structural Reform and Initiatives for This Fiscal Year

Continue the downsizing of our Eastern European business which is currently underway

Keep operations profitable in North Africa (Morocco), where earning power is improving

Focus on the high-voltage harnesses that accompany automotive electrification



Real Estate Business Unit



Unit Overview

Maximizing Use of Assets and Maintaining Stable Revenue

We are effectively utilizing the former plant site next to Fujikura headquarters to expand our real estate business. Redevelopment began in 1998, and we are operating a real estate leasing and management business, mainly for five office buildings and two commercial buildings. The office buildings have a total leasable office space of around 107,000 m². This property offers the advantage of being located within 4 km of the Marunouchi district in central Tokyo, and has banks and many other excellent tenants. It has continued to operate at full occupancy since FY2014.

The basic policy of Fujikura's real estate business is to utilize long-held land effectively and increase revenues and profit. We plan to increase tenant satisfaction through systematic investment and improvement to increase the value of currently owned buildings and facilities, and maintain a high occupancy ratio for rental units over the medium and long term.

Social Challenges Faced



1 Development of communities that use less energy to realize a low-carbon society

2 Development of communities capable of sustaining business activities even during a disaster and rapid response in restoring residents' lives

TOPIC

Renovation Work to Replace Poles in Safety Net at Fujigolf Center

In FY2020, the Real Estate Business Unit carried out renovation work to replace the safety net poles. This was done to prevent damage from the increase in large-scale typhoons in recent years. It has significantly improved safety. Moreover, the use of white nets has increased the feeling of openness and drawn positive comments from customers.

- Design strength is sufficient to withstand wind speeds in excess of the max wind-speed recorded at Edogawa the seaside: gusts of 43.8 m/s (Typhoon Hagibis, 2019).



New safety net poles updated to prevent wind damage

Fujikura Group Clean Tech

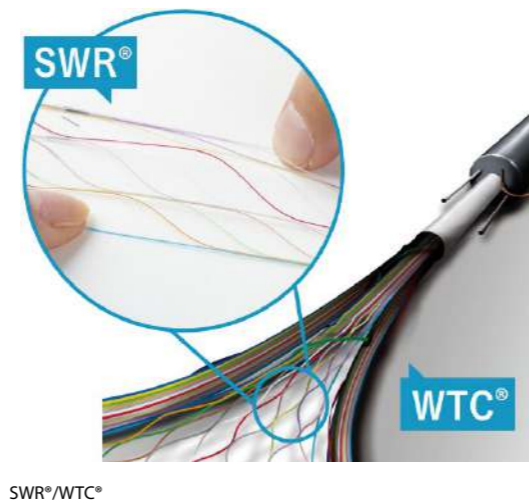
The Fujikura Group has thus far responded to the societal challenge of social infrastructure, and contributed to the development of, not just Japan, but countries and regions throughout the world. We see thinking about how to overcome the challenges facing the world through achieving the SDGs, as a great opportunity that will lead to sustainable growth for the Fujikura Group. And we are working to create shared value (CSV) by increasing social value while obtaining economic value through our core business. This time, we would like to share those initiatives related to Clean Tech, an area which has been gaining attention in recent years.

What is Clean Tech?

Products, processes, or services which reduce the burden on the environment through significant improvements in energy efficiency, sustainable use of resources, or environmental conservation activities.

Fujikura Group Optical Fiber Cables which Underpin 5G Society

The demand for optical fiber cables has been growing worldwide as a variety of telecommunication services like 5G and IoT gain popularity. Fujikura has commercialized its Spider Web Ribbon®/Wrapping Tube Cable® (SWR®/WTC®), some of the world's lightest and highest density optical fiber cables. This technology allows optical fiber networks to be built economically by effectively utilizing existing equipment. In FY2020, we responded to growing global demand for data centers by developing multi-core optical cable using slim optical fibers, and highly fire-resistant optical cable for indoor installation that meets the CPR European construction materials standard. In addition, we achieved practical application of 3,000-core optical fiber cables suited to Japan's domestic telecommunication environment. It boasts the greatest number of cores of any cable in Japan—1.5 times more than existing cables. Going forward, we plan to develop a revolutionary optical fiber cables based on SWR®/WTC® technology, and contribute to the development of telecommunications networks in countries around the world.

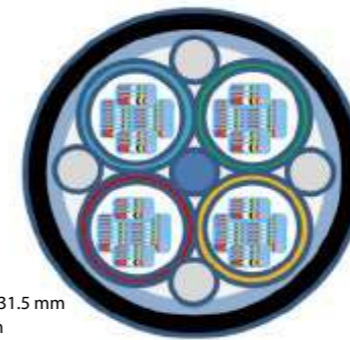


Reducing the Environmental Impact of Production and Transport

SWR®/WTC® also helps to reduce environmental impacts by making possible lighter cables with smaller diameters, reducing production processes, and enabling the use of small-diameter drums.

Comparison

1,728 Core Loose Tube Type Optical Fiber Cables



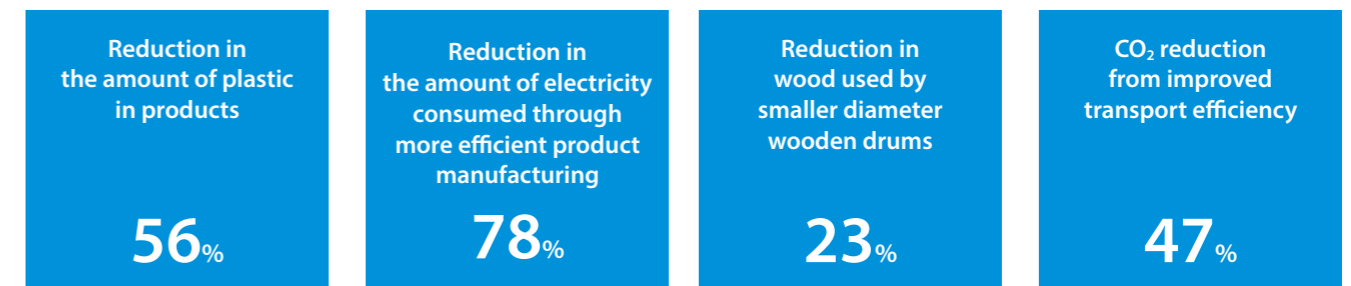
Outer diameter: Ø31.5 mm
Weight: 749 kg/km

1,728 core Wrapping Tube Cable® (WTC®)



Outer diameter: Ø23.0 mm
Weight: 356 kg/km

Effect



Contributing to Decreased Total Cost of Ownership (TCO) for Customers

Our cable distribution solutions business, centered around SWR®/WTC®, also contributes to reduced TCO for customers. Conventional telecommunications construction requires ducts and hand holes in order to support increased fiber capacity. So the cost of earthwork is a large percentage of expenses. However, the thin, lightweight nature of SWR®/WTC® means they can utilize existing equipment. So there is no need for additional earthwork, and customer expenses are significantly decreased.

SWR®/WTC® Product Features

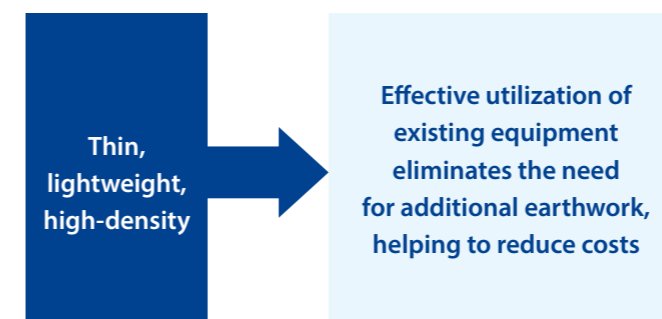
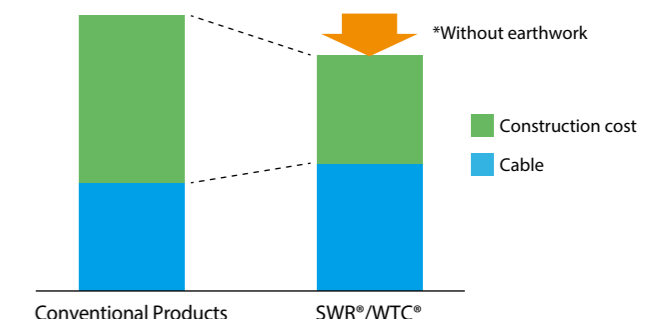


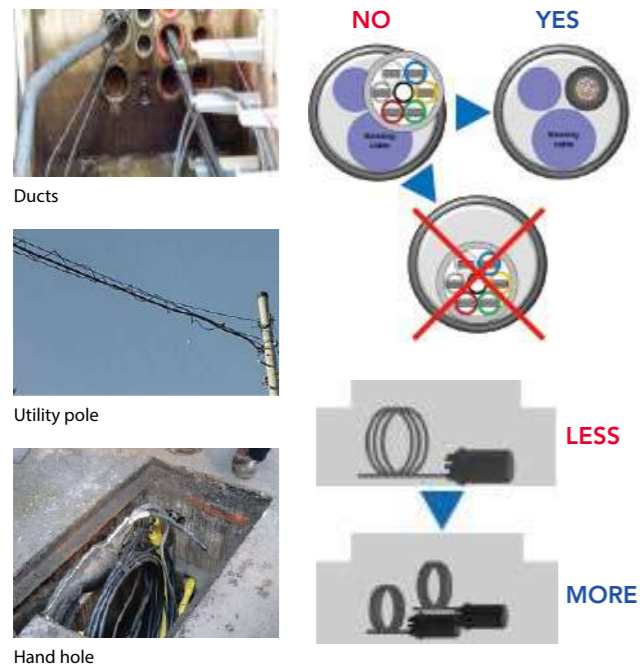
Illustration of Comparative Cost to Conventional Telecommunications Construction



Concrete Example of Reduction in TCO

1 Ducts, hand holes

Increasing fiber capacity requires infrastructure that can contain the new fibers. This has previously necessitated additional construction. However, SWR®/WTC® makes it possible to avoid the cost of installing additional ducts by reusing existing ducts.



2 Benefits for handling

SWR®/WTC® cables can be installed by fewer workers because they are small and light.



3 Benefits in transport

SWR®/WTC® cables help to reduce the cost of transport because they are small and light.

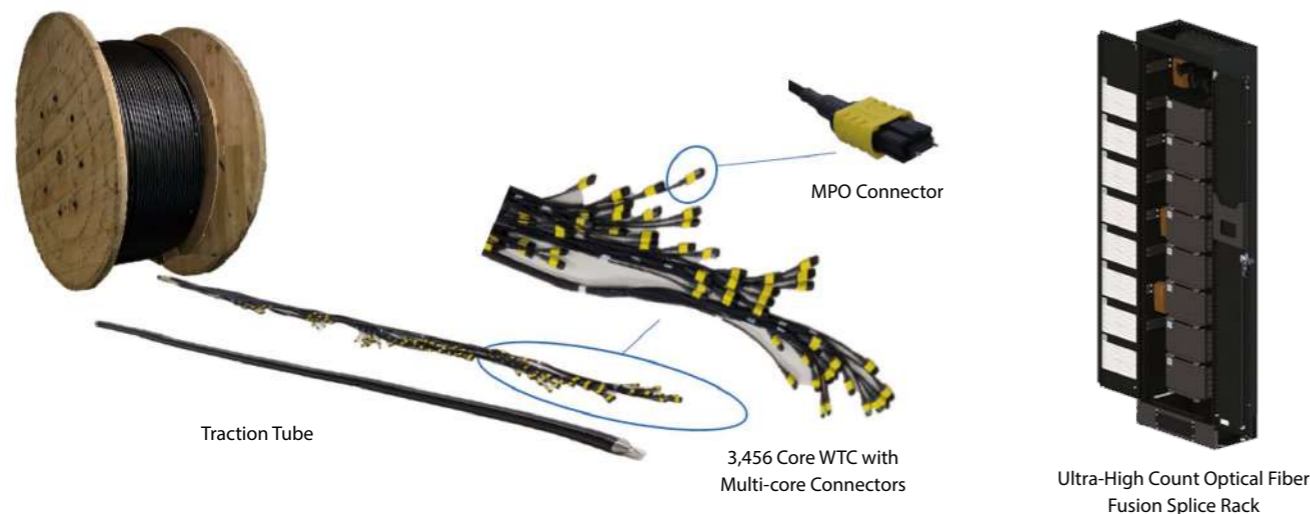


4 Reduced burden on workers during installation

Since SWR®/WTC® can be made longer, fewer splices need to be made when installing the cables. This reduces the burden on workers.

Synergy with Peripheral Equipment

Cable distribution solutions centered around SWR®/WTC® help to meet client demands and reduce environmental impacts, thanks not only to the cables themselves, but through synergy with peripheral equipment.



Focus Management Resources on Optical Network Solution Business

We have determined that we should focus our management resources on the optical network solution business centered around SWR®/WTC®, and aimed at Europe and America. So, we have positioned this business as one of Fujikura's core domains. We aim to expand business by creating further differentiated products that can continue to make a good impression on many customers.

Main Markets

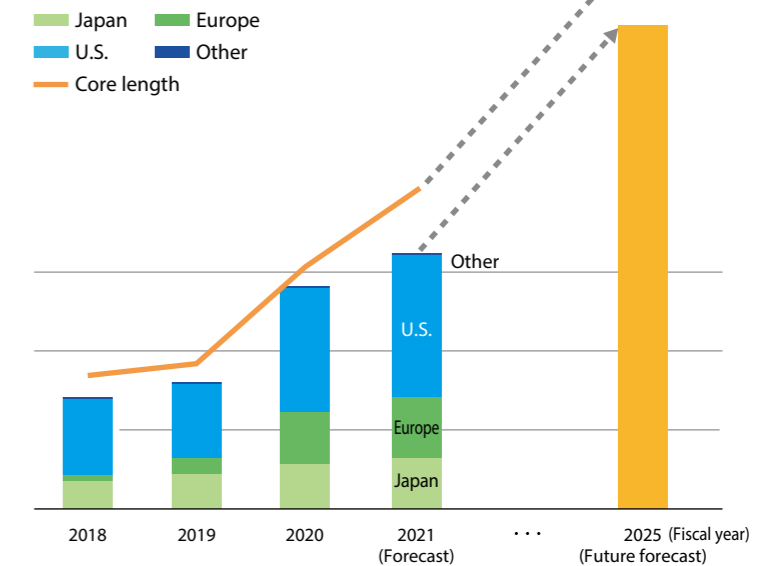
Data Center Market

- Expand business by supplying cable distribution solutions
- Pursue development of a family of products that support next-generation data center architectures

FTTx

- Air-Blown WTC® (single package) has a good reputation in Europe and America, where contracts are on the rise
- Going forward, we will continue to promote customization and expansion of types, primarily in Europe and America

SWR®/WTC® Net Sales by Region



Plant Relocation and Expansion, and New Production Lines at Overseas Production Base

Our UK group company, AFL Telecommunications Europe Ltd., has commenced operations at its relocated and expanded its optical cable plant, after installing new production lines. The new production lines manufacture Air Blown Wrapping Tube Cable™ (AB-WTC™)*. This contributes to the construction and development of FTTx and 5G networks in Europe and the UK. By starting local production, the Fujikura Group is able to deliver improved customer service to customers in Europe. It also enables us to further elevate our ability to consistently supply products by strengthening our supply chain. Beginning local production also helps to vitalize the local economy and create new jobs.

* Pneumatic cable feeding is a method for installing cable which uses compressed air to blow optical cable through tubing. It is widely used in Europe and America.




AFL Telecommunications Europe Plant

Response to Climate Change (TCFD)

Specifying Climate Change-related Risks and Opportunities

The Fujikura Group is working to specify the risks and opportunities that could materialize in the process of transitioning to a low-carbon economy. We are analyzing what kind of impact climate change will have on growth of Fujikura Group businesses, based on the long-term forecasts of international research institutions (OECD, IPCC), social concerns, and requests for response to climate change from customers. The specified risks are reviewed as appropriate.

Risks

Type	Climate Change Risk	Future Response
2°C Scenario (Migration risk) Short Term/ Medium Term	[Policy/Legal Risk] <ul style="list-style-type: none"> Stricter CO₂ emissions regulations in various countries through the introduction of a carbon tax, etc. <ul style="list-style-type: none"> - Trial calculation of financial impact from a carbon tax Demands from customers and the countries Fujikura operates in and obligation to reduce greenhouse gas emissions and our carbon footprint 	<ul style="list-style-type: none"> Following the road map to 100% renewable energy, move forward with extensive use of energy savings, introduction of renewable energy, credits, and other tools based on Fujikura Group Environmental Long-term Vision 2050 Pursuing use of renewable energy in business activities (at head office, plants, etc.) Strengthening response by joining the RE100 and affirming TCFD, and regularly monitoring and responding to ESG rating indicators 
	[Technology Risk] <ul style="list-style-type: none"> Disruption of existing technology Demand to minimize energy consumption during product manufacturing or use renewable energy 	
	[Market Risk] <ul style="list-style-type: none"> Changes in demand for products and services Temporary increase in capital investment cost from climate change countermeasures requested by customers or the community Rising raw material prices and diversification of suppliers from climate change-related factors 	
	[Reputation Risk] <ul style="list-style-type: none"> Demands for information disclosure on and response to climate change by customers, investors, and various rating organizations 	
4°C Scenario (Physical risk) Short Term/ Medium Term	[Acute Risk] <ul style="list-style-type: none"> Impact on operations from flooding, a large typhoon, or other natural disaster <ul style="list-style-type: none"> - Impact on business results if a production facility is damaged and this reduces operating capacity or requires equipment restoration, etc. - Impact on production plans due to partial severance of the supply chain →Fujikura Group companies suffered massive damage from flooding in Thailand in 2011, and it took five years to recover	<ul style="list-style-type: none"> Disaster preparedness/prevention response for affected locations <ul style="list-style-type: none"> - We used the lessons learned from the damage caused by the 2011 flooding at FETL in Thailand and implemented measures such as diversifying locations and building a flood wall near the business, from the perspective of BCP Slope face maintenance around office sites and response to high tides and tsunami at plants near the ocean <ul style="list-style-type: none"> - Domestic locations that would be impacted by flooding and a rise in sea level Head office, Fujikura Engineering Ltd., FUJIKURA HIGH OPT Co., Ltd. (Kiba, Koto-ku, Tokyo), Suzuki Giken Co., Ltd. (Tajiri, Ichikawa-shi, Chiba Prefecture), Numazu Copper Refining and Rolling Co., Ltd. (Kanaya Izumi-cho, Shimada-shi, Shizuoka Prefecture), Nishi Nippon Electric Wire & Cable Co., Ltd. (Kasugaura, Oita-shi, Oita Prefecture) * Survey of government hazard maps
	[Chronic Risk] <ul style="list-style-type: none"> Health considerations for employees who work in the area of operation due to a rise in the temperature, or other changes Securing the safety of employees due to an increase in the amount of rainfall Impact on operations from a future rise in sea level 	

Opportunities

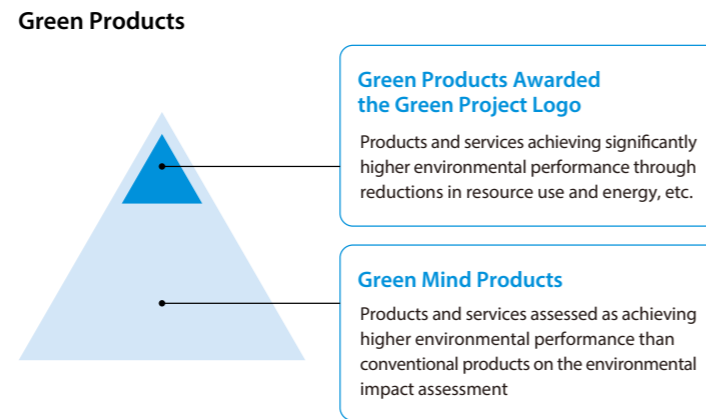
Individual Businesses	Social Trends	Opportunities
Power	<ul style="list-style-type: none"> Increase in demand for power, especially electric power demand, mainly in developing countries due to economic growth, urbanization, population growth, and other factors Power supply stabilization, increased efficiency, and progress on energy savings under the 2°C scenario through the use of digital technology Diversification of both power supply and demand for companies, individuals, etc., and increase in renewable energy use under the 2°C scenario Increased concern over natural disasters under the 4°C scenario Response to the Act on Promoting the Elimination of Utility Poles (disasters, etc.) 	[Markets] Proliferation and expansion of renewable energy [Products/Services] Expansion of Green products [Energy Sources] Products related to highly efficient electrical power systems <ul style="list-style-type: none"> Promotion of digital technology use [Resilience] Strengthening the resilience of social infrastructure such as electrical wire and cable
Telecommunication Systems	<ul style="list-style-type: none"> Exponential growth in data distribution, storage, and analysis volume due to the advancement of digitalization Rapid expansion in new service businesses that use digital technologies such as big data, IoT, 5G, and AI Advancement in CASE/MaaS mmWave (wireless communication) Concerns over response to natural disasters under a 4°C scenario 	[Products/Services] Roll out of solutions mainly for high density, small-diameter optical cable (SWR®/WTC®) [Markets] Expansion of Green products <ul style="list-style-type: none"> Products for highly efficient IT systems Promotion of digital technology use Strengthening the resilience of communication lines as social infrastructure
Electronics	<ul style="list-style-type: none"> Increase in industrial robots Entrance into medical products Increase in automotive electronic components Increase in mmWave-capable components 	<ul style="list-style-type: none"> Pursuit of R&D to respond to CASE Promotion of digital technology use Expansion of Green products Increase in demand for industrial and automotive connectors
Automotive Products	CASE advances <ul style="list-style-type: none"> Increase in wire harnesses accompanying increase in electronic components Advancement of move to electric vehicles under a 2°C scenario Increase in demand for lighter wire harnesses 	<ul style="list-style-type: none"> Lighter wire harnesses Pursuit of R&D to respond to CASE Combining knowledge of the automotive products business with the telecommunication systems, power, and other businesses to generate new businesses related to electric vehicles Strengthening response to automotive components other than wire harnesses and electric vehicles Expansion of Green products
Real Estate	<ul style="list-style-type: none"> Promotion of digital technology use Need to consider the positive environmental impact of ZEB and other measures, etc. 	<ul style="list-style-type: none"> Securing and maintaining tenants that demand environmental friendliness

Expansion of Environmentally Friendly Products

The Fujikura Group is developing environmentally friendly products (Green products) to contribute to the achievement of a low-carbon society by reducing resource use, saving energy, and other measures.

The Green Product Management Committee screens Green products using the product environmental assessment check sheet submitted by each business division, and registers products that meet or exceed the standards as Green Mind products. The product environmental assessment check sheet was codified in 2011 and is updated regularly. The Green Product Management Committee is chaired by a member of the Corporate R&D Unit, and committee members are selected from each business division.

The goal for registering Green products is set at 60 products or more a year. In FY2020, there were 64 Green product registrations, amounting to 37% of net sales.



Product Introduction 1 Wire harness using retainerless connectors

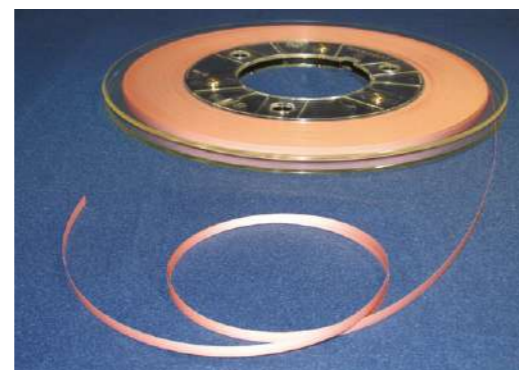
The use of retainerless connectors reduced weight by 10% and reduced the number of connector assembly parts by 50% compared to conventional products. We are contributing to energy conservation during product manufacturing by making products lighter and easier to work with.



Wire harness using retainerless connectors

Product Introduction 2 Superconducting tape used in nuclear magnetic resonance (NMR) spectrometer with high-field core

Rare-earth High-temperature Superconducting (HTS) tape is characterized by its superior critical current characteristics in high magnetic fields, and is mainly used in magnet applications. The application of high-temperature superconductors holds promise for making superconductor magnets smaller and lighter, and increasing current densities, thereby helping to reduce negative environmental impact.



High-temperature superconducting (HTS) tape

Pursuit of CSV

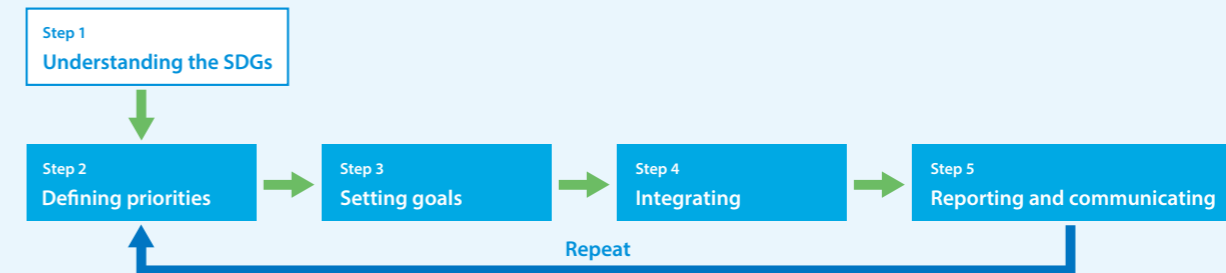
Solving social issues through business activities (CSV)

We are pursuing CSV as a strategy for contributing to the achievement of sustainable development goals (SDGs) along with profit growth for Fujikura. Creating Shared Value (CSV) is defined as increasing social value (solving social issues) and gaining economic value (profit) through a company's main business activities. The Fujikura Group has always engaged in business activities aimed at solving social issues in the past and we designated 2017 as the first year of CSV in the Fujikura Group, the year in which we began seriously thinking about CSV.



Using the SDG Compass

In the Fujikura Group, we are using the SDG Compass guide to pursue initiatives aimed at achieving the SDGs. We promote internal awareness and understanding by following the activities in each step.



Raising awareness by communicating information

We are raising awareness of contributing to the achievement of SDGs internally and externally by including the SDG logos corresponding to products in Fujikura News, which is published on a regular basis. We are increasing the depth of mutually cooperative relationships aimed at achieving SDGs by promoting understanding of contributions through Fujikura's products.

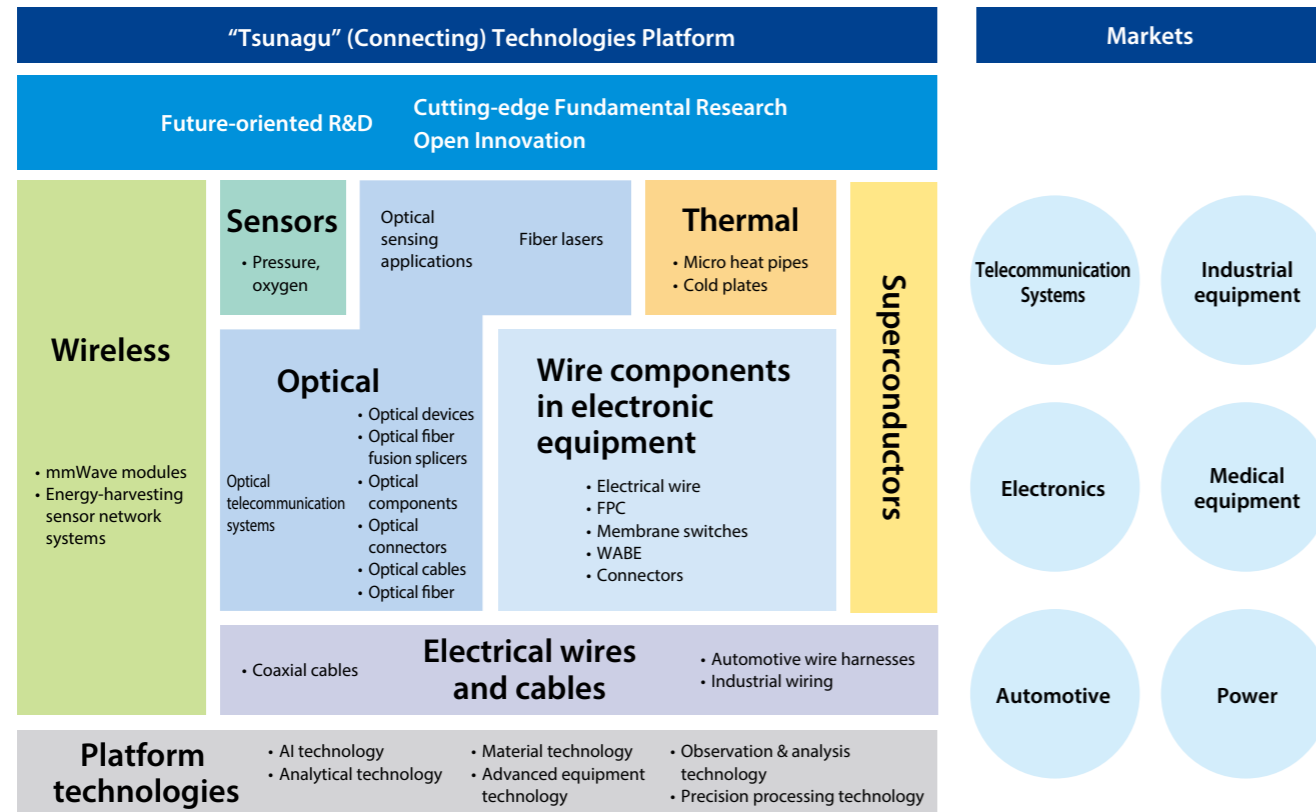


Research & Development

Approach to R&D

The Fujikura Group is using its “tsunagu” (connecting) technologies platform as the foundation for pursuing initiatives aimed at solving societal challenges. We aim to develop our business by tackling societal challenges such as energy and environmental problems. And we are actively promoting development of new products and technologies centered around the fields of energy, telecommunications, electrical components, and connectors.

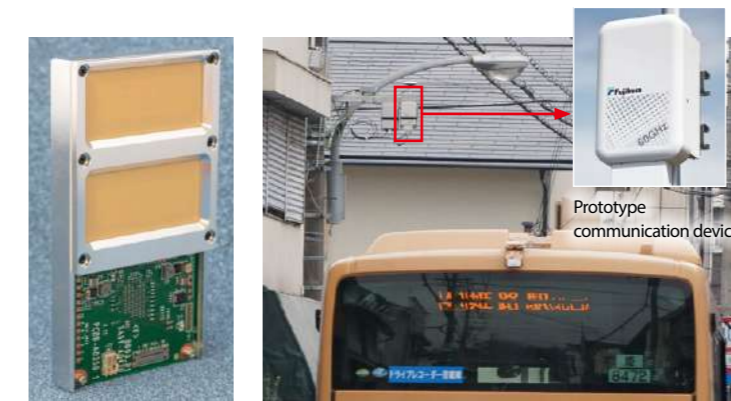
“Tsunagu” (Connecting) Technologies Platform and Markets



In March 2021, Fujikura and five other companies*1 conducted a joint driving assistance system demonstration test in Himeji City, Hyogo Prefecture. The test made use of utility poles for road-to-vehicle communications*2, and achieved high-speed wireless communications using a 60 GHz wireless communication module that we developed.

This demonstration test was the first of its kind in Japan to verify the effectiveness of a driving assistance system on a fixed-route bus in operation at intersections that lack signals and have poor visibility. We mounted a prototype communications device, equipped with a 60 GHz mmWave wireless communications module, to utility poles and fixed-route buses. Using the high-speed road-to-vehicle wireless connection, we successfully transmitted real-time images from the bus-mounted camera, as well as the GNSS correction data*3 needed for driving assistance.

The 60 GHz mmWave wireless communications module that we have developed achieves world-class transmission speed and range. In addition to our traditional field of fixed-line communications, we hope it will be adopted for V2X*4 on a wide array of vehicles (general and transport-related vehicles, construction and work vehicles, unmanned carriers in factories, etc.).



60 GHz mmWave wireless communications module

Fixed-route bus driving assistance demonstration test

*1 Kansai Transmission and Distribution, Inc., KYOCERA Corporation, SHINKI BUS Co., Ltd., Panasonic System Networks R&D Lab. Co., Ltd., Magellan Systems Japan, Inc.

*2 Road-to-vehicle Communications: Bidirectional communication carried out between vehicles and communications equipment installed on the roadside to enable various types of support.

*3 GNSS correction data: Data containing corrections to compensate for GNSS (Global Navigation Satellite System) satellite clock errors and signal latency from passing through the ionosphere, generated by terrestrial base stations and transmitted to devices via wireless or the Internet to achieve centimeter-level positioning accuracy.

*4 V2X: Vehicle to X. Two-way connection and data exchange between a vehicle and another vehicle, person, or network.

Membership in the Advanced Research Core (ARC) MIT.nano Consortium

MIT.nano is an organization established by the Massachusetts Institute of Technology (MIT) in the U.S. for advanced research in the areas of nanoscience and nanoengineering. The vast 200,000 ft² research facility boasts dedicated lab space for inventing cutting-edge tools, machinery, processes and technology. And expert technical staff are on hand to provide support.

Fujikura’s Advanced Research Core (ARC), a new unit established in 2019 to handle advanced fundamental research, takes the lead in cooperation with MIT.nano. As a member of the MIT community, we are accelerating the development of new core technologies in a new way.

Professor Vladimir Bulović, who created MIT.nano, had the following to say. “For more than a century, Fujikura has been in the business of making connections.

This spirit is a perfect match for MIT’s culture of innovation through collaboration. We look forward to connecting our new colleagues from Fujikura to the MIT community and the members of the MIT.nano Consortium.”



Group photo with MIT.nano’s first director, Prof. Vladimir Bulović

Research Areas

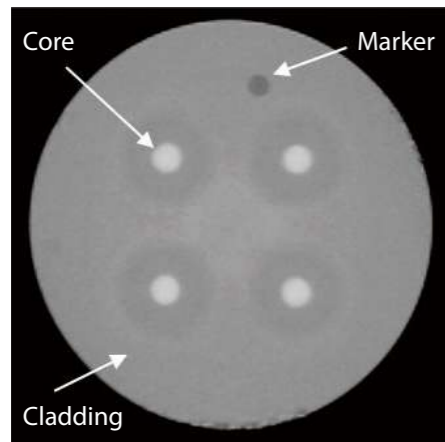
mmWave Wireless Technology

The fifth generation (5G) telecommunications services that will underpin the telecommunications infrastructure from here out, utilize extremely high frequencies known as “millimeter” waves (roughly 30 GHz or more). And they are expected to bring about the diffusion of high-speed, high-capacity wireless communication services. Compared to microwaves (a few GHz or less) which have been widely used thus far, mmWave wireless transmission is prone to attenuation and deterioration from a variety of factors. Because of this, the materials, design, and manufacture of the various devices used in telecommunication equipment require sophisticated techniques and a completely different approach than before.

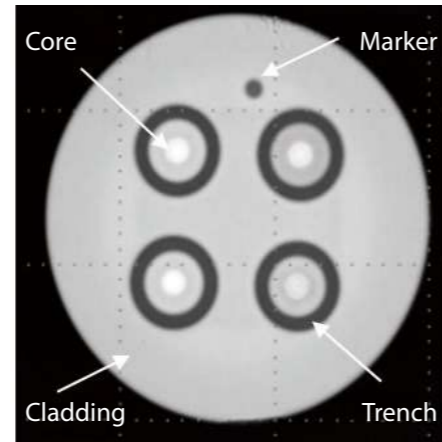
Fujikura is pursuing research and development to improve the performance and reduce the cost of communications devices in the mmWave band. We have developed a phased-array type mmWave wireless communications module in the 60 GHz band, which integrates Phased Array Antenna with signal processing components. It achieves both world-class transmission speeds (greater than 2 Gbps) and long distance transmissions (greater than 500 m). We have also developed a high frequency (RF) IC, and FutureAccess, Phased Array Antenna Module equipped with an RF-IC, in the 28 GHz band. We hope these will be employed in 5G base stations. And we are developing low-loss, high-performance devices, such as bandpass filters, in the mmWave band to provide total support for next-generation mmWave communications devices.

Multi-core Optical Fiber

Telecommunications using optical fibers (development of which began in the 1970s) has become an essential element of our social infrastructure. We expect the need for low-latency, high-capacity communications to become increasingly important as fifth-generation telecommunication systems (5G) is rolled out. Multi-core optical fibers, which pack multiple cores into a single optical fiber, are seen as a promising approach to meet the requirements for next-generation optical fibers. Our efforts toward practical application are focused on development of four-core multi-core optical fibers (4c-MCF) with the same standard cladding diameter as 125 μm diameter general single-mode fibers. We have been successful in producing 4c-MCF with a step-index type refractive index distribution that can reduce costs, as well as 4c-MCF with small trenches added to create a refractive index distribution with low loss from bending. By developing these kinds of MCF mass production technologies, we are helping to build the high-capacity telecommunications infrastructure of the future.



4-core multi-core fiber with standard cladding diameter (Step-index type refractive index distribution)



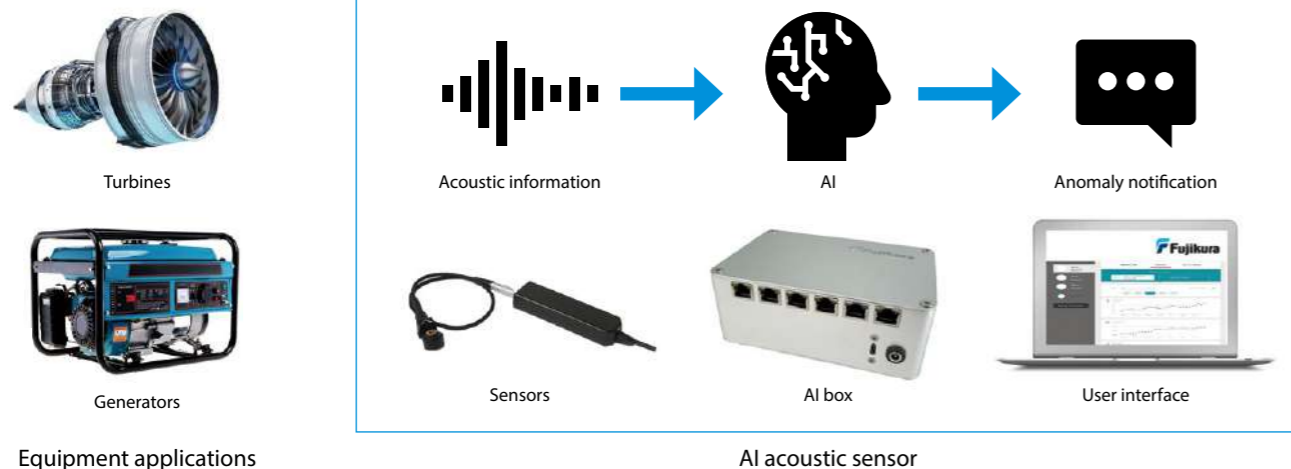
4-core multi-core fiber with standard cladding diameter (Trench-added type refractive index distribution)

AI Acoustic Sensors

We have developed acoustic sensors that use artificial intelligence (AI) to determine whether plant equipment is operating normally or abnormally based on acoustic information. Using AI, these acoustic sensors can detect abnormalities in equipment early on, and support preventative maintenance by prompting repairs to equipment before these abnormalities lead to accidents or breakdowns on plant production lines. They also respond to the current need to reduce reliance on remote monitoring and experienced inspectors.

A microphone or vibration sensor is employed for the sensing component, and the acoustic information detected is input to the AI box following analog-to-digital conversion. The acoustic information includes, frequency, acoustic pressure, period, and pattern. The AI analyzes these aspects to distinguish abnormal sounds. In addition, real-time displays of acoustic information, or notifications about abnormalities, can be sent to a PC or mobile device at the customer's request.

When a customer decides to use our acoustic sensors, we record sounds from the structure or air around the equipment to be monitored. Then we incorporate this into the anomaly detection algorithm used by the AI box we provide to the customer.



Superconductors

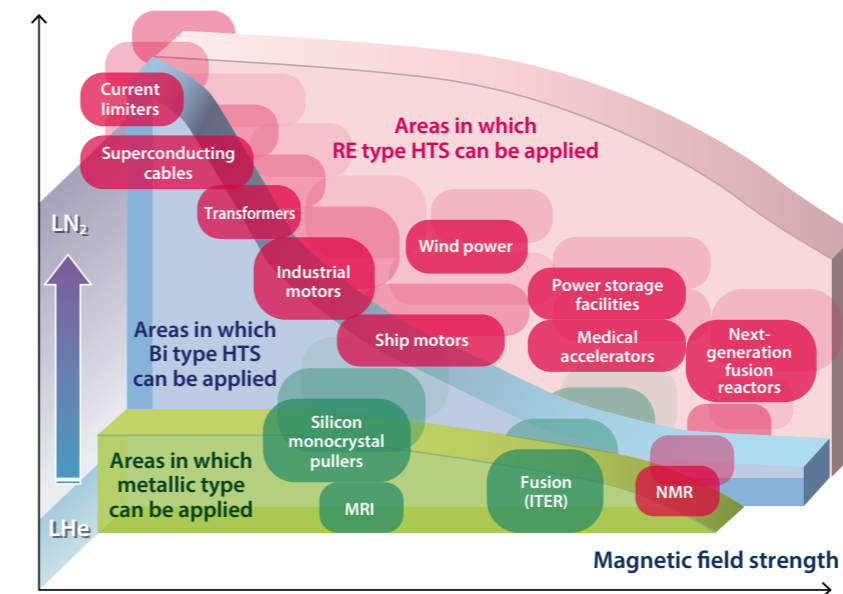
Contribution Towards a Low-Carbon Society

We are engaged in research and development, manufacture, and sales of rare-earth (RE) type high temperature superconducting wire. This superconducting wire has excellent critical current characteristics at low temperatures and high magnetic fields. We look forward to its use in a wide variety of industrial equipment such as superconducting magnets. In recent years, RE type high temperature superconducting wire has begun to be considered for practical applications in electric aircraft, and is expected to contribute to low carbon technology. At Fujikura, we will help to achieve a next-generation low carbon society through further development of RE type high temperature superconducting wire.

Award from a Scientific Body with Global Influence

Yasuhiro Iijima, a fellow of our Superconductor Business Promotion Office, was awarded the Dr. James Wong Award by the IEEE, the world's largest scientific research organization and technical standardization body in the fields of electrical and computer engineering. The award was given for the discovery of film formation by the Ion-Beam-Assisted Deposition method (which is essential to implementation of RE type high temperature superconducting wire, and for his remarkable contributions to the industrialization of high performance long length superconducting wire by effective application of IBAD and artificial pinning technology. We will continue to contribute to society by enhancing our world-class technological development capabilities.

Operating temperature



External view of HTS tape produced by Fujikura



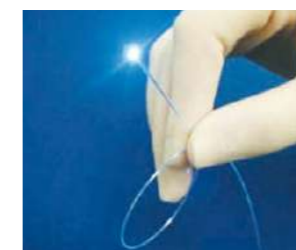
Award plaque from IEEE

Medical Products

We develop and manufacture functional components for medical devices to help people maintain their health and improve their quality of life. This year we began mass production of ultrafine-diameter CMOS camera modules for use in disposable endoscopes by a medical device manufacturer. And, we are helping to miniaturize a variety of solutions from implants to wearables, by leveraging the ultra-compact characteristics of our device-embedded circuit boards.



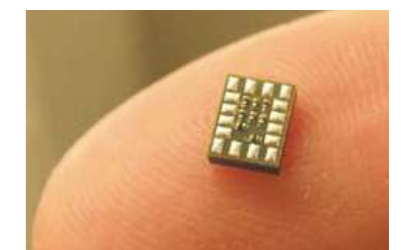
Electronic scope using CMOS



Fiberscope using image fibers



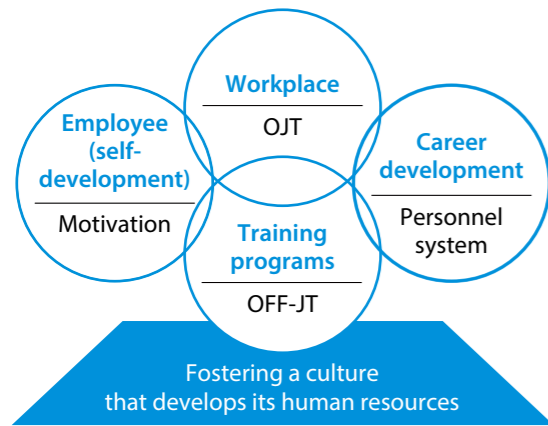
IVUS* catheter
* Intravascular ultrasound



WABE* Package®, a device-embedded board built into thin components
* WABE: Wafer And Board level device Embedded package

Human Resource Development

Development of Human Resources to Support Global Business



The Fujikura Group thinks it is important to have talent that can operate effectively globally in order to continually develop highly innovative and useful products and solutions. Human resource development activities targeted at this are therefore an important pillar of management that will pave the way for the Group's future.

Human resource development involves a continual cycle that connects development and evaluation, focused mainly on on-the-job training (OJT) in each workplace, based on the Fujikura Group HRM Vision. The individual employee and his or her superior identify and share the individual's strengths and weaknesses, and expand on the strengths while improving the weaknesses. This is a total system of human resource development that links efforts to further growth.

A career challenge system has also been introduced. It was built on internal open recruitment that makes it easy for an individual to implement his or her own career plan. This fosters autonomy.

Human Resource Development Programs

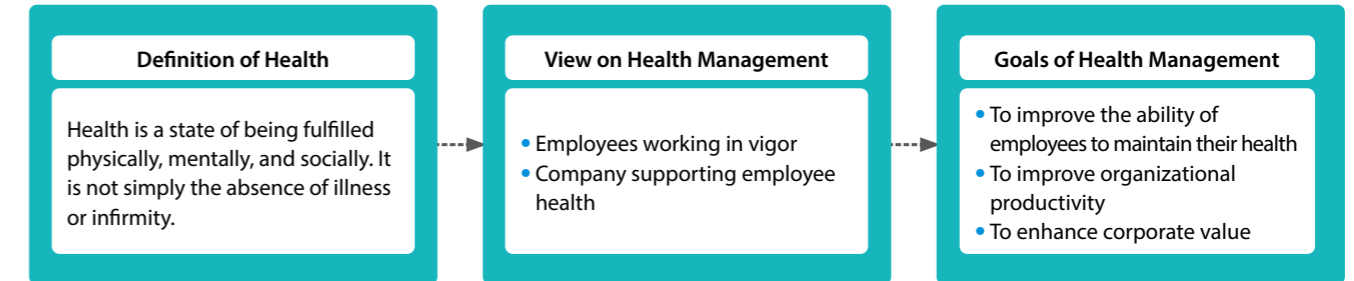
Theme	Program Details
1. Career Development Assistance	1) Career start-up assistance <ul style="list-style-type: none"> Group training (group training for employees starting out their career, in their first or second year with the company) Individual programs led by mentors (OJT)
	2) Elective training <p>A system is in place to work with supervisors to identify the necessary knowledge and skills for each career stage and role through a promotion system and evaluations, to create individual career development plans, and to select from a wide range of training programs suited to individual needs (outside group training, e-learning, correspondence education, etc.)</p> <p>Examples: Logical thinking, communication skills, problem solving, team and organizational management, business administration, language, and IT</p>
	3) Next-generation management career support (selective training) <p>Leadership training that develops leaders in individual fields and intensive management training to develop the executives of tomorrow</p>
	4) Lifelong learning programs <p>Life planning seminars for employees who will retire in a few years</p>
2. Compliance-related programs	Various kinds of training on social responsibilities as a member of the business community (related to fair trade, export control, labor relations, etc.)
3. Operational specialist-related programs	Specialized training supervised by the relevant divisions (quality and manufacturing, intellectual property, legal affairs, labor, accounting)

Health Management

Employee Health is an Important Foundation of Management

The Fujikura Group believes that corporate competitive strength is based on good employee health. We recognize that the health of our employees is an important management resource for continuing to be a company that is needed by society. Fujikura announced the Fujikura Group Health Management Declaration in 2014. We actively support individuals in taking care of their own health and also promote organizational activities for healthcare as part of our goal to be a corporate group that is appreciated by customers, highly evaluated by society and whose employees work in vigor.

The Fujikura Group's Understanding of Health Management



Recognized as a Certified Health & Productivity Management Organization (Large enterprise category) in 2021



Fujikura was recognized as a Certified Health & Productivity Management Organization (large enterprise category) in 2021 for its initiatives in health management.

Strengthening Occupational Health

Fujikura has established various rules on health to create a workplace in which employees can work in health and peace of mind and to support diverse workstyles. We are implementing measures to prevent excessive work, establish an environment in which employees can seek consultation on concerns, support return to the workplace, support medical care while working, and are conducting various types of training, including training on self-care and care of team members.

Collaborative Health with Health Insurance Associations and Fujikura Social Health Research Institute Ltd. (Various kinds of training aimed at improving health and preventing lifestyle-related diseases)

- 1 Regular and specified health exams that exceed the legally mandated exams (activities by the health insurance association)
- 2 Education and training on improving health consciousness and knowledge (health literacy)
- 3 Establishment of various consultation contacts
- 4 Measures to prevent passive smoking
- 5 Programs to establish exercise habits
- 6 Introduction of the @Switch! app (pronounced as "At Switch"), a next-generation health management solution

Respect for Human Rights

Philosophy and Policy on Human Rights

The Fujikura Group Policy on Human Rights clearly expresses the responsibility to respect basic human rights stipulated in the Universal Declaration of Human Rights and elsewhere during the course of our business activities globally.

In addition, we strive to promote understanding and the actualization of human rights. As we establish policies and measures on human rights, we reference international norms such as the Guiding Principles on Business and Human Rights established by the UN, the OECD Guidelines for Multinational Enterprises, International Labor Standards, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

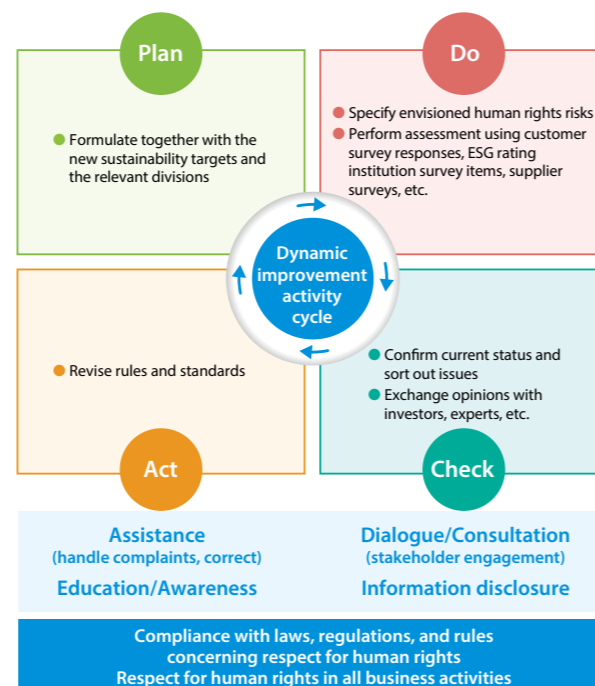
Main Policies on Business and Human Rights

Year Enacted	Name	Description
2007	Criteria for the management of employees' health and safety and for ethical considerations	Establishes rules on respect for human rights and building a work environment that is easy to work in, and promotes building workplaces that enable diverse human resources to work vigorously and contribute actively
2013	Fujikura Group CSR Activity Guidelines	Guidelines on response to The Ten Principles of the UN Global Compact
2015	Fujikura Group Harassment Prevention Policy	Policy expressing the responsibility to ensure a healthy workplace environment free of harassment and raise awareness of harassment prevention
Sep. 2017	Group HRM Vision	Basic points and compass guiding human resource management aimed at succeeding in global competition and prospering in the future
Jan. 2017	Fujikura Group Policy on Human Rights	Clearly details the basic human rights specified in the Universal Declaration of Human Rights and other human rights principles that must be respected when conducting business globally
2017	Fujikura Group Statement on the Modern Slavery Act and Human Trafficking (revised annually)	Response to UK Modern Slavery Act 2015
2020	Fujikura Group Code of Conduct (revised)	Specifies a code of conduct that each employee should follow to avoid damaging corporate value

* See P. 77 for the Fujikura Group Basic Procurement Policy

Practicing Human Rights Due Diligence

Based on the Fujikura Group Policy on Human Rights, the Fujikura Group takes steps internally to address human rights issues when they emerge through the company's internal reporting system and Partners Meetings with suppliers. The practice of human rights due diligence is now required to protect human rights and ensure transparency in procurement, manufacturing, and other business activities. In FY2020, we continued to build a human rights due diligence framework based on the procedures outlined in the Guiding Principles on Business and Human Rights.



Specification of Foreseen Human Rights Risks

The Fujikura Group uses international guidance on human rights, surveys from customers, and questionnaires from ESG rating institutions to establish human rights risks that could materialize through business activities and carefully examine them on a regular basis.

Foreseen Human Rights Risks

Business Activity	Procurement	Manufacturing	Sales
Human Rights Risks	Child labor, forced labor, abuse of superior position, discrimination, non-payment of wages, wrongful dismissal, safety and health, etc.	Occupational health and safety, labor-management relations, foreign workers, freedom of association, harassment, etc.	Human rights violations due to product safety and quality, unintended use, etc.
Stakeholders	Suppliers Local communities	Group employees	Customers Local communities
Impact on Business	Impact on stable procurement and risk of customer losses	Reduction in engagement	Damage to brand value
Risk Assessment	Communication with suppliers through Partners Meetings and conducting surveys	Use of the internal reporting system, internal audits by a specialized department, responses to RBA audits from customers	Understanding trends in legislation concerning human rights

Raising Internal Awareness of Business and Human Rights

The Fujikura Group continually engages in awareness-raising activities to foster awareness of human rights and promote understanding of human rights issues through activities that instill the Fujikura Group Code of Conduct in all employees, including officers.

Main Activities

Designed for	Main Content
For all employees	Every year, Fujikura conducts a World Human Rights Day Campaign in conjunction with World Human Rights Day on December 10 Provide e-learning courses on promoting understanding of and response to harassment
For officers	News concerning human rights and cases at other companies selected from the latest ESG topics is shared in Sustainability Strategy Council meetings (four times a year)
For new employees	Basic training on sustainability is provided while promoting understanding of SDGs and engaging in discussion
For those in charge of procurement	Facilitate understanding of the content of the CSR Procurement Guidelines and share basic information on business and human rights

Consultation Hotlines for Employees Established

Fujikura has established a harassment consultation desk, internal reporting system, internal reporting contacts at Fujikura Group overseas locations, and a childcare consultation hotline. We have established a system for receiving reports and providing consultations on human rights, discrimination, harassment, and many other issues of concern to employees in the workplace, in addition to internal reporting, and strive to detect, resolve, and correct problems quickly. We have also established a system for receiving anonymous consultation that enables people to consult directly with an external attorney.

Future Initiatives

- Promoting understanding of LGBT in the company
- Formulating and implementing plans to promote business and human rights according to the national action plans (NAP) of different countries
- Dialog and engagement with stakeholders concerning revision of human rights risks
- Further cooperation with suppliers (conducting suppliers audits and training, establishing assistance measures, etc.)

Responsible Mineral Sourcing

Action Taken to Ensure Responsible Mineral Sourcing, Including Conflict Minerals

The Fujikura Group recognizes regional human rights violations, labor problems, and many other risks and illegal acts as serious social issues related to mineral procurement in conflict-affected and high-risk areas/countries. We promote responsible mineral sourcing across our entire supply chain. We also participate in the Responsible Minerals Trade Working Group established by the Japan Electronics and Information Technology Industries Association (JEITA) and gather the latest information. An information sharing meeting is held once a year for those in charge of the conflict minerals survey in each business unit to share and disseminate the latest information in the Fujikura Group.

Initiatives in Responsible Mineral Sourcing Up to the Present

Enacted	Main Initiatives
Aug. 2011	Fujikura Group Policy for Non-Use of Conflict Minerals formulated
Jun. 2016	CSR Procurement Guidelines formulated
Feb. 2017	Fujikura Group Statement on the Modern Slavery Act and Human Trafficking established
May 2019	Fujikura Group Policy for Responsible Mineral Sourcing formulated
Aug. 2021	CSR Procurement Guidelines revised to the 5th version (to respond to the Responsible Business Alliance (RBA))

Communication with All Suppliers

The promotion and penetration of CSR procurement requires direct dialogue with all suppliers. The Fujikura Group hosts the Fujikura Group Partners Meeting in Tokyo, Shanghai, and Bangkok every year to obtain the understanding and cooperation of suppliers and work toward CSR procurement across the entire supply chain.

Fujikura Group business plans, procurement policy, and other information are explained to participating suppliers at the Partners Meeting. We distribute the CSR Procurement Guidelines to help our suppliers understand the procurement activities of the Fujikura Group and ask for their cooperation. In recent years, we have shared information on the importance of due diligence on conflict minerals and other human rights issues in the supply chain as well as information on our response to climate change and other ESG themes.

Conducting Supply Chain Surveys

The Fujikura Group conducts regular supply chain management surveys of our main suppliers to ascertain the status of CSR activities in the supply chain. We provide feedback on survey results to suppliers and share information with them. The survey contains the following:

- Dissemination of the Fujikura Group CSR Procurement Guidelines
- Implementation status of CSR procurement at the supplier
- Supplier evaluation
- Action taken to ensure responsible mineral sourcing, including conflict minerals
- Initiatives to prevent greenhouse gas emissions and inclusion of environmentally harmful substances
- Response on human rights, including the UK Modern Slavery Act, etc.

Health and Safety

Fujikura Group Occupational Health and Safety Policy (Established on 1 April, 2021)

The Fujikura Group will implement the following:

1. We will comply with legal and other occupational health and safety requirements.
2. We will set specific targets related to occupational health and safety, implement measures and evaluate the results, and make continuous improvements.
3. All divisions will conduct risk assessments and work to reduce risks.
4. We will promote maintaining and enhancing mental and physical health and support improving the working environment and the health management of employees so that they can work actively.
5. We will provide the necessary resources to continuously improve our occupational health and safety management systems through consultation with and participation by employees.

April 1, 2021
Fujikura Ltd.
Director, President & CEO

Promoting Risk Assessment

In the Occupational Health and Safety Management System (OHSMS), proactive activities centered on risk assessment are designated as important activities for reducing occupational accidents. We implement activities to reduce the risks that have already been identified on an ongoing basis while also working to identify potential risks that have not yet been recognized. We aim to foster a culture of safety under the shared theme of "reducing all risks to a tolerable level."

Health and Safety Patrols

Since we launched our OHSMS in FY2010, we have continued to confirm the progress made by each of our plants, review the structure, and conduct site safety patrols. This has improved the level of safety. The EHS Management Center has visited the locations of Group companies in Japan since FY2016 and the locations of Group companies overseas since FY2018. It conducts health and safety patrols to instill our view on inherent safety and check on health and safety activities at each location. In FY2020, remote health and safety patrols were conducted via web conferencing because the COVID-19 pandemic made it difficult to travel and visit sites.



On a safety patrol

Occurrence of Occupational Accidents at Fujikura in FY2020 (Lost time accident rate)

(Non-consolidated)

	2018	2019	2020
Fujikura	0	0.34	0.37
Electrical wire and cable manufacturing industry	0.87	0.23	0.92
Manufacturing industry	1.2	1.2	1.21

Source: Overview of labor accident trend survey (Ministry of Health, Labor and Welfare)

Corporate Governance

Basic View on Corporate Governance

Faced with the rapid deterioration in business performance in FY2019, the Fujikura focused on a basic strategy of concentrating on an early business recovery from FY2020 and narrowed our focus to two key measures: 1) the unreserved selection and concentration of existing businesses and 2) strengthening of corporate governance. We are resolutely implementing business structural reform, management reorganization, and organizational restructuring based on the 100-Day Plan to turn around operations formulated in September 2020. The top priority mission of management is to switch to the phase of creating corporate value through sustained growth after achieving early completion of the operational turnaround. Fujikura's basic views on corporate governance aimed at the steady implementation of this mission are detailed below.

Board of Directors

Fujikura switched to the organizational form of a company with an Audit & Supervisory Committee in 2017 to separate the supervisory and executive functions. A majority of internal directors resigned as of March 31, 2021 and the Company adopted the structure of a Board of Directors with 10 members in total, five of whom are outside directors (all Audit & Supervisory Committee Members). This raised the percentage of outside directors on the Board of Directors to 50%, strengthening the supervisory function of the Board of Directors over the business execution side. The outside directors who comprise a majority of the Board of Directors are independent of Fujikura management, and are equipped with management experience and expertise in finance, legal affairs, and other areas. They engage in sufficient discussion of and make decisions on important business matters (formulation of the medium and long-term strategies, revision of the business portfolio, etc.) together with internal directors at Board of Directors meetings.

Executive Structure

In Fujikura, a Chief Executive Officer (CEO) and Chief Operating Officer (COO) may be appointed from among the executive directors by resolution of the Board of Directors, in principle. The CEO (hereafter, "Director, President & CEO") serves as the chairman of the Board of Directors and is the chief executive officer in charge of the corporate group consisting of Fujikura and its subsidiaries. As the person in charge of all business execution in Fujikura, the Director, President & CEO is also ultimately responsible for the pursuit of business in each business unit, structural reforms, and monitoring and supervision by the Corporate Unit. The COO is responsible for overseeing pursuit of the core businesses of the Fujikura Group.

Audit & Supervisory Committee

The Audit & Supervisory Committee consists of six committee members in total, one full-time internal director and five outside directors who are independent of Fujikura management. An Audit & Supervisory Committee Office was established as the organization which assists the Audit & Supervisory Committee in its activities, at the direction of the committee. It is staffed with full-time dedicated personnel.

Nomination and Remuneration of Directors

When the Board of Directors makes decisions on the following matters concerning nomination of directors, the Nomination Advisory Committee (composed of a majority of outside directors and chaired by an outside director) verifies the impartiality and appropriateness of the decision-making process, as an advisory body to the Board of Directors.

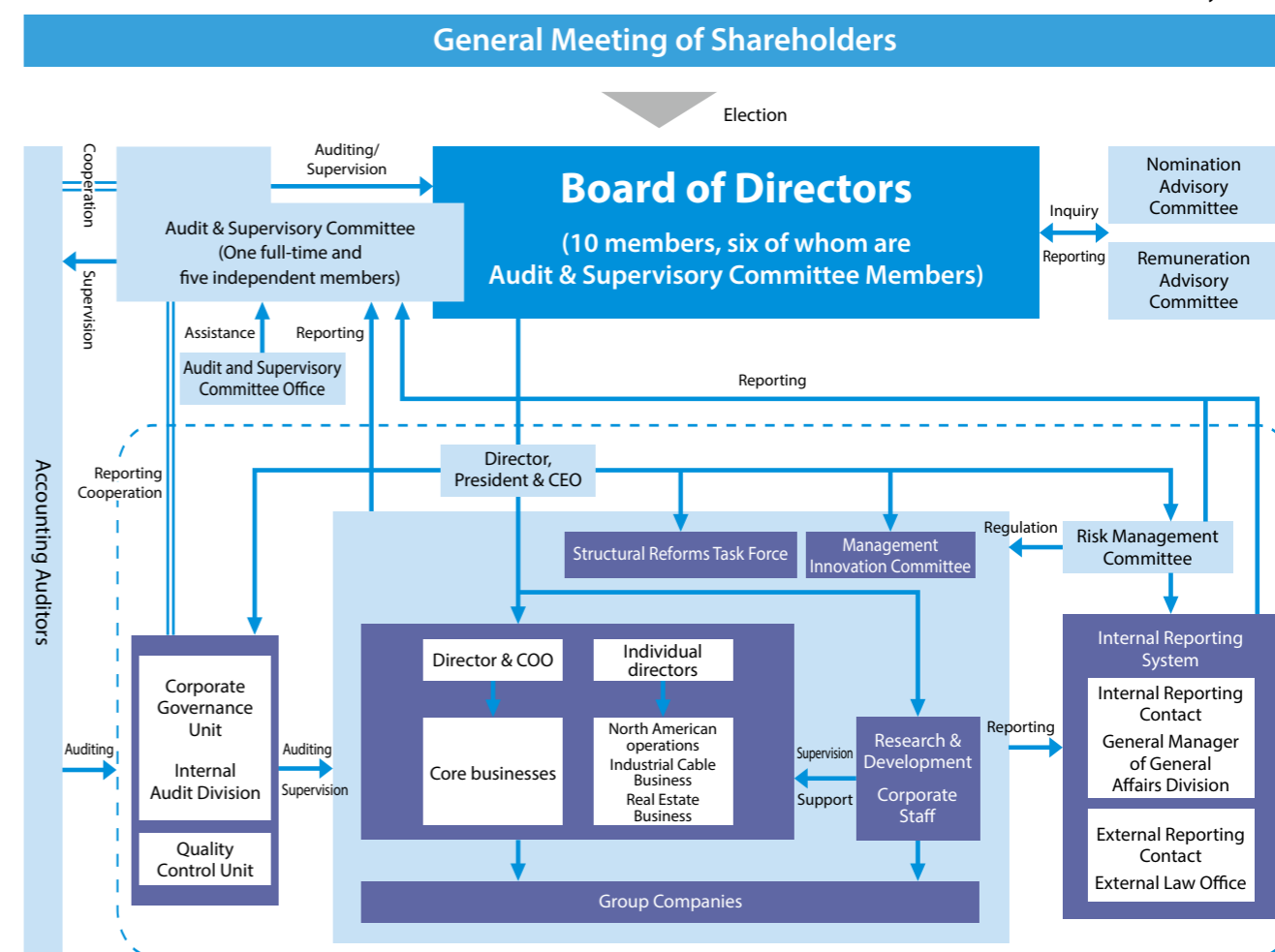
- Drafting General Meeting of Shareholders' proposals on the election and dismissal of directors
- Standards for election and dismissal of directors
- Successor plans
- Standards of independence for outside directors

When making decisions on the following matters concerning remuneration of directors, the Remuneration Advisory Committee (composed of a majority of outside directors and chaired by an outside director) verifies the impartiality and appropriateness of the decision-making process, as an advisory body to the Board of Directors.

- Discipline in determining director remuneration and amount
- Amount of remuneration for individual directors

Corporate Governance Structure

(as of July 9, 2021)



Committee Activities

Name	Description	Composition	Number of Meetings Held
Risk Management Committee	The body that verifies Fujikura's operational execution structure and the status of execution from the perspective of risk (including compliance), prevents and evaluates losses, formulates a response policy, and shares information, among other activities	Chairperson: Masahiko Ito, Director, President & CEO Composed of executive directors and corporate officers	23 times Cooperates with the Corporate Governance Promotion Department established in April 2020 on implementing various activities to strengthen the system of risk management
Nomination Advisory Committee	An advisory committee to the Board of Directors established to ensure objectivity and transparency in the decision-making process concerning nomination of candidates for director positions	Four committee members Chairperson: Yoshio Shirai, Director* Members: Keiji Yoshikawa, Director*, Yoji Yamaguchi, Director*, and Masahiko Ito, Director, President & CEO	12 times
Remuneration Advisory Committee	An advisory committee to the Board of Directors established to ensure objectivity and transparency in the decision-making process concerning remuneration of directors	Four committee members Chairperson: Keiji Yoshikawa, Director* Members: Yoshio Shirai, Director*, Kozo Meguro, Director*, and Masahiko Ito, Director, President & CEO	8 times
Management Innovation Committee	The body that works to improve the efficiency of management resources (including governance)(Management Resource Efficiency Subcommittee), improve efficiency through cost reduction (SAVE Committee), and improve profitability by strengthening sales and purchasing power (GAIN Committee)	Each executive director pursues management items with Masahiko Ito, Director, President & CEO as the general chairperson	26 times

* Outside director

Officer Remuneration

In addition to handling a large variety of products, Fujikura operates its business globally, and director duties are also highly complex and varied. Our basic policy is that director remuneration should be at a level appropriate for outstanding human resources who are capable of accomplishing such duties. We have therefore classified director remuneration into the following three specific categories based on the survey results from multiple research groups, mainly on listed companies. We have established a new system of remuneration based on objective indicators and evaluation, while also strengthening the link to performance.

The Board of Directors determines the policy on determining remuneration of directors who are not Audit & Supervisory Committee Members and the remuneration amount after receiving the report of the Remuneration Advisory Committee, which is an advisory body to the Board of Directors (consisting of the director in charge of human resources and three outside directors, and chaired by an outside director). The Board of Directors judges the content of individual remuneration of directors who are not Audit & Supervisory Committee Members for this fiscal year to be consistent with the policy on determination because the individual director remuneration amounts were determined through the process stated in the policy on determination mentioned above. To determine the remuneration, etc. of directors who are not Audit & Supervisory Committee Members, the Remuneration Advisory Committee also evaluates the performance of each director, examines whether the level of compensation is in line with the market, and confirms that the decision-making process concerning the remuneration structure and specific remuneration is fair and appropriate. Based on the report from the Remuneration Advisory Committee, we have confirmed that the remuneration was determined fairly and appropriately.

Variable compensation linked to performance and stock prices (short-term performance-linked compensation and stock-based compensation) is expected to be around 40%, at maximum. Remuneration of directors who are not executive directors shall consist only of basic compensation in a fixed amount, according to the role of each director. No short-term performance-linked compensation or stock-based compensation will be paid.

Remuneration Categories

Categories	Details
Basic compensation	Compensation for the monitoring and supervision functions of each director shall be a fixed amount according to his/her rank.
Short-term performance-based compensation	Compensation ranges from 0% to 200% of the basic compensation set by rank, according to corporate performance and performance of the division the director is in charge of, and performance is based on certain indicators (operating margin, ROE, etc.). These indicators are used because they easily reflect management policy, strongly correspond to shareholder return, and are highly compatible with the Fujikura's growth strategy. The indicator targets used as the basis of short-term performance-linked compensation for the current fiscal year are the above noted indicators calculated from the consolidated plan for fiscal year ended March 31, 2020, decided by the Board of Directors at the end of March 2019. The degree of achievement is measured by comparison with these same indicators calculated from consolidated performance during the same fiscal year to determine the amount paid as short-term performance-linked compensation in the current fiscal year.
Stock-based compensation	In addition to the monetary compensation mentioned above, Fujikura also grants common stock of Fujikura Ltd. as compensation. This scheme is intended to enhance the motivation of directors to contribute to an increase in the corporate value of Fujikura by placing directors in a position to enjoy the advantage of a rising share price as well as to bear the risk of a falling share price, so that directors and shareholders share the advantages and disadvantages of such fluctuations.

Description of Remuneration Advisory Committee Activities

Date	Details
Nov. 25, 2019	Sorted out issues with the officer remuneration system
Feb. 17, 2020	Set officer remuneration for FY2020 (Total annual base salary (ABS), short-term incentive (STI), and management by objectives (MBO) allocation)
Jun. 23, 2020	Regarding FY2019 STI results and executive director remuneration in the 172nd period, regarding payment of stock-based compensation to retired officers, regarding revision of the rules on officer remuneration, and regarding report to the Board of Directors
Aug. 4, 2020	Regarding confirmation of the FY2020 STI numerical plan and revisions to officer remuneration, report to the Board of Directors, and confirmation of revisions to the rules on granting of stock
Sep. 14, 2020	Regarding explanation of the background, etc. for the resolution to reduce remuneration, and the report to the Board of Directors

Description of Board of Directors Activities

Date	Details
Jun. 26, 2020	Resolution on FY2020 officer remuneration and resolution on payment of stock-based compensation to retired officers
Sep. 14, 2020	Resolution on reducing the amount of director remuneration

Total Amount of Consolidated Remuneration, etc. for Each Officer

Officer Category	Total Amount of Remuneration, etc. (Millions of yen)	Total Amount by Type of Compensation, etc. (Millions of yen)				Number of Officers Remunerated
		Basic Compensation	Performance-linked Compensation	Stock-based Compensation	Other	
Directors (excluding Audit & Supervisory Committee Members and outside directors)	325	198	16	64	46	10
(excluding outside directors)	23	23	—	—	—	1
Outside officers	67	67	—	—	—	5

Notes: 1. The amount of remuneration for directors who are not Audit & Supervisory Committee Members was set at a maximum of 600 million yen a year at the 169th General Meeting of Shareholders held on June 29, 2017.

2. Introduction of a stock-based compensation system to grant common stock in Fujikura upon retirement as compensation to directors who are not Audit & Supervisory Committee Members was approved at the 169th General Meeting of Shareholders held on June 29, 2017. The amount of such compensation approved for one fiscal year is a maximum of 120 million yen and a maximum of 285,000 shares.

3. The amount of remuneration for directors who are Audit & Supervisory Committee Members approved at the 169th General Meeting of Shareholders held on June 29, 2017 is a maximum of 100 million yen a year (including compensation of outside directors of a maximum of 70 million yen a year).

4. Fujikura is currently implementing an operational turnaround plan in light of the deterioration in performance last fiscal year. This operational turnaround plan includes management reform, and the number of directors who are not Audit & Supervisory Committee Members was reduced by one-half as of March 31, 2021. In doing so, the Company made the decision to pay one director who retired the amount noted above, as special additional director remuneration within the amount of remuneration for directors who are not Audit & Supervisory Committee Members in Note 1 in order to dissolve the relationship with Fujikura and the Fujikura Group in the future. Please note that this special additional remuneration is a special measure accompanying the implementation of the above noted operational turnaround plan. The Board of Directors received a report from the Remuneration Advisory Committee stating that the specific content and decision process was fair and appropriate when making the decision.

Total Amount of Consolidated Remuneration, etc. for Each Officer

Name	Total Amount of Consolidated Remuneration, etc.	Officer Category	Company Category	Amount of Consolidated Remuneration, etc. by Type (Millions of yen)			
				Basic Compensation	Performance-linked Compensation	Stock-based Compensation	Other
Joseph E. Gallagher	170	Director	Submitting company	7	—	—	—
			America Fujikura Ltd.	42	97	—	23

Note: The total amount of consolidated remuneration is omitted for individuals receiving total consolidated remuneration, etc. of less than 100 million yen.

Analysis and Evaluation of the Effectiveness of the Board of Directors

A survey is conducted on the effectiveness of the Board of Directors and applies to all directors. The survey includes questions on the adequacy of Board meetings overall (time, frequency, management of meeting proceedings, minutes, etc.), adequacy of agenda items (timing, importance, volume of information, etc.), aspects of Board members (participation in discussions, etc.), and executive office function. Fujikura considers the results of the survey and takes remedial measures as necessary.

Based on the items pointed out in the survey, Fujikura is taking the following specific steps: 1) improving various materials to facilitate fuller discussion in Board of Directors meetings and providing various briefings to outside directors to enable them to gain a deeper understanding, 2) strengthening the system to create ways for the business units to foresee risks and analyze them in depth, and enable a swift response when risks materialize, in light of the losses incurred in business operations, and 3) revising the standards for referral to the Board of Directors and other steps to reduce the number of proposals on routine business operations and enable the Board of Directors to focus on medium and long-term strategy and other more important discussions.

The survey responses also suggested the need for more discussion of medium and long-term strategy and issues, and the future vision for the Company.

Policy and Procedures for Appointment and Dismissal of Executive Management and Nomination of Candidates for the Position of Director and Audit & Supervisory Committee Member by the Board of Directors

In Fujikura, when the Board of Directors nominates and dismisses directors who are not Audit & Supervisory Committee Members (excluding outside directors), it makes a decision after these matters have been deliberated by the Nomination Advisory Committee, which is an advisory body to the Board of Directors (chaired by an outside director and consisting of the Director, President & CEO, the director in charge of human resources (who is concurrently serving as Director, President & CEO), and three outside directors). The Nomination Advisory Committee deliberates on the standards for director nomination and the reasons for nominating each candidate, including their performance. The committee confirms that the decision-making process for the candidates proposed by the Board of Directors is fair and appropriate, and reports the results of such deliberations to the Board of Directors. The Board of Directors makes a decision on the proposal to elect directors for referral to the General Meeting of Shareholders based on this report.

Policy on Cross-shareholding

Fujikura does not engage in cross-shareholding in principle. However, Fujikura may hold the shares of a company as a cross-shareholding only if it is necessary for Fujikura to enter into a strategic business partnership in the course of its business activities and this will contribute to an increase in corporate value of Fujikura over the medium to long term.

Fujikura sells off shares that it has decided to stop holding, and the Board of Directors receives reports on the sell-off of these shares. At the same time, the Board of Directors treats the shares it has decided to continue holding as capital invested in each business unit and decides whether to continue holding them after examining their utility.

Measures to Ensure that Corporate Pension Funds Perform Their Role as an Asset Owner

Fujikura has established a corporate pension fund (the Fujikura Corporate Pension Fund) to which it has entrusted the management of Fujikura's pension assets. Fujikura Corporate Pension Fund subcontracts the entire management of the assets to asset management firms and monitors the management of those assets.

Fujikura takes care to provide the Fujikura Corporate Pension Fund with the necessary personnel and organizational structure to ensure that the fund can monitor the asset management firms (handling practical management) effectively.

Policy on Constructive Dialogue with Shareholders

- (1) Fujikura promotes initiatives that enable the president and senior management to engage in constructive dialogue with shareholders and investors as a means to achieve sustained growth and increase corporate value over the medium to long term.
- (2) Fujikura appoints a director in charge of investor relations to handle constructive dialogue and ensure the effectiveness of dialogue and information disclosure. This director oversees the IR Group of the Business Strategy Planning Division, which cooperates with related departments to conduct timely, fair, and appropriate disclosure of information.
- (3) Other ways in which Fujikura discloses information include its periodic conferences for analysts and institutional investors held four times a year (May, August, November, February), plant tours, and publications such as business reports and annual reports. The president and the director in charge of investor relations (the Director, President & CEO has served concurrently as the director in charge of investor relations from April 1, 2021) directly visit institutional investors in Europe, North America, and Asia to provide an overview of Fujikura's business operations, give briefings on earnings performance, and present an explanation of the Mid-term Business Plan. In addition, dialog is enhanced through pertinent visits with investors, allowing opportunities to exchange opinions on matters such as the agenda of the General Meeting of Shareholders, the corporate governance structure, and ESG.
- (4) The Director, President & CEO and the director in charge of investor relations (currently serving concurrently as Director, President & CEO) provide adequate feedback on the results of interviews with the aforementioned shareholders and investors to directors and others.
- (5) Fujikura has established a quiet period to prevent the leakage of financial information and ensure fairness. During this quiet period, Fujikura does not comment on its financial information and does not respond to questions about this information. Fujikura also works to prevent the leakage or spreading of important information, and prevent insider trading, under its rules on internal information management.

Risk Management

Risk Management Structure

The Fujikura Group has established a policy to prevent or minimize losses in Group management and to maintain and enhance corporate value by building a foundation for sustainable, sound growth, through various risk management activities.

Fujikura classifies risks to be managed into risks related to business opportunities (strategy risks) and risks related to the performance of its business activities (operational risks). Strategy risks are managed by top executives jointly through the Board of Directors and the Management Committee, while operational risks are managed by the Risk Management Committee based on the Fujikura Risk Management Rules. For crisis management, we provide information to top management promptly and have established a response organization and a management system in the Fujikura Risk Management Rules. Our risk management structure is the same as our compliance structure.

Risk Management Structure



● Initiatives in FY2020

The Risk Management Committee met 23 times in FY2020. The committee regularly reports on the status of risk management and BCM*1 promotion from each division and business unit. The Risk Management Committee also convened extraordinary meetings to respond to earthquakes and other natural disasters, provide support and take action on accidents at Group companies, and to investigate the impact on Fujikura from cases of impropriety in quality control at other companies.

*1 BCM is an abbreviation of Business Continuity Management. BCM refers to a management process during normal times in preparation for unforeseen events. It includes training and education for employees and implementing countermeasures in advance.

Ensuring Tax Transparency

With operations taking place globally, the Fujikura Group prepares to comply with tax rules by constantly gathering BEPS*2 information and concluding consulting agreements with licensed tax accountants. Following the BEPS project on international taxation and pursuant to Japan's revised tax system of FY2016, we have submitted our master file since FY2016, the initial fiscal year of application, along with tax reports for each country where we operate, to the tax authorities. We have been preparing local files for each applicable transaction since FY2017.

*2 BEPS stands for Base Erosion and Profit Shifting. It indicates actions by multinational corporations to shift profits to Group companies located in a country with a lower tax rate to reduce tax burden.

Cyber Security

The Fujikura Group Electronic Information Security Committee is the lead on cyber security and held e-learning training on information security for employees at locations in Japan and overseas. Fujikura also conducted a training exercise using a pseudo email as a way to combat targeted email attacks and make everyone aware of the correct response. At the same time, we informed employees of how to respond to prevent damage through the company intranet as well, and made efforts to ensure thorough compliance. We also ran diagnostics to detect security weaknesses in devices that are connected to the Internet and took corrective action on points where findings indicated weakness.

The CSIRT (Computer Security Incident Response Team) was launched and an emergency response established to minimize the impact of cyber security incidents on our operations and customers. We intend to continue implementing such measures in the future.

Compliance

Fujikura Group Code of Conduct

A code of conduct governs conduct based on standards of conduct designed to enhance the value of the Fujikura Group and put the Group Corporate Philosophy (MVCV) into practice. It is also necessary to ensure that conduct does not damage the corporate value we have built up to now.

We therefore established the Fujikura Group Code of Conduct to specify the principles of conduct that every employee should comply with and are implementing initiatives aimed at establishing firm corporate ethics in the entire Group.

Internal Reporting

The Fujikura Group operates an internal reporting system that stipulates protection, confidentiality, and prohibition of disadvantageous treatment of whistleblowers. The purpose of this system is to detect and respond quickly to fraud/compliance, harassment, violation of work rules, etc. In Japan, an external contact has been set up by an external attorney in addition to the internal contact, to receive reports from Fujikura Group employees.

For Fujikura Group's overseas locations, an external professional firm has been retained to establish an internal reporting contact, in addition to the reporting contact established by each overseas subsidiary. The Fujikura head office receives these reports.

Number of Internal Reports and Consultations

FY2018	FY2019	FY2020
37	47	41

Anti-corruption Initiatives

Understanding the need to prevent bribery and corruption in all countries and regions where the Group operates its business, the Fujikura Group revised its Fujikura Group Anti-Corruption Policy on June 1, 2020.

The revision states that entertainment and gifts should be handled appropriately even when these do not constitute a legal violation. This policy also regulates compliance in the supply chain. We perform regular audits of account ledgers and other documentation and provide e-learning courses to ensure compliance with this policy.

Anti-corruption e-learning Course

Total No. of Course Participants	4,602
Total No. of Course Hours	6,903

* An e-learning course (study/test) for officers and employees is held once a year, at minimum.

Anti-corruption Initiatives in the Supply Chain

The Fujikura Group includes provisions on anti-corruption and exclusion of anti-social forces in the basic business agreements it concludes with suppliers for the procurement of materials and components.

The Fujikura Group CSR Procurement Guidelines also include provisions prohibiting corruption and bribery and abuse of an advantageous position to prevent corruption, including among suppliers.

Privacy Protection

On March 22, 2005, we established the Fujikura Privacy Policy. This policy stipulates the management system for personal information protection and compliance matters. We have appointed an executive director as Chief of Personal Information Protection and established a compliance and operating system for personal information protection by establishing company-wide personal information protection managers and department personal information protection managers in each department. We are currently in the process of revising our rules, including the specific response to the General Data Protection Regulation (GDPR) in the EU.

Export Control

Fujikura Group Basic Policy on Export Control

Fujikura established the Basic Policy on Export Control in 2015. This policy makes it clear that the entire Group engages in security export control as part of the international community.

Fujikura Group Basic Policy on Export Control (Established in October 2015)

- It is the basic policy of the Fujikura Group to refrain from participating in transactions that could disrupt the maintenance of international peace and security.
- We comply with the laws and regulations on export control in the countries and regions where we operate our business.
- We establish an export control system and rules to ensure compliance with the basic policy and laws and regulations noted above.

Internal Activities to Raise Awareness

Type	Description
1. Internal training	For export control to function properly, it is important for all employees to be knowledgeable about export controls. Fujikura is concentrating on providing e-learning to all employees. A mandatory e-learning course providing basic knowledge of export controls was established for employees involved in export control in domestic Group companies in FY2020. A number of voluntary e-learning and open courses on different topics (basic knowledge, determining applicability*, transaction screening) were also established (in FY2020, all courses were e-learning courses to prevent the spread of COVID-19). 4,405 people in total have taken these e-learning courses.
2. Internal audits	We conduct a combination of written and onsite audits of all head office divisions. (Audits are being through Web conferences to prevent the spread of COVID-19.) Individual guidance is provided on audit findings, and this guidance is linked to improvement activities.
3. Streamlining of export control operations	We aim to streamline operations by systemizing export control with the help of IT. Operations include transaction screening, determination of regulated goods and screening of problem customers.
4. Education and training for Group companies	Although we were unable to travel to Group companies to provide education and training in FY2020 due to efforts to prevent the spread of COVID-19, we conducted e-learning courses for domestic Group companies and a total of 683 people participated. <div data-bbox="994 1350 1353 1608" data-label="Image"> </div> <p>Study sessions were held through Web conferences that connected telecommuting employees with workplace meeting rooms via the Internet.</p>
5. Professional certification for export control employees	Employees working in export control at Fujikura who wish to become professionals can obtain certification. Employees who have obtained national certification as an STC Expert by the Center for Information on Security Trade Control (CISTEC) or as a Registered Customs Specialist by the Ministry of Finance are responding to many requests for consultation internally.

* Determining applicability refers to determining whether the goods you want to export or the technology you want to provide (including programs) is a control-listed item.

Instilling the Corporate Philosophy

Publication of MVCV BOOK

Fujikura reviewed and revised the Fujikura Group Corporate Philosophy (MVCV) to respond to changes in the business environment. We compiled MVCV BOOK as a tool that will enable everyone to understand the significance of Fujikura and our cherished Corporate Philosophy (MVCV). MVCV BOOK specifies the new Standards of Conduct that all employees should be mindful of in their day-to-day work to enhance corporate value and a new Code of Conduct that all employees should comply with in their day-to-day work to avoid damage to corporate value.

Based on this Fujikura Group Corporate Philosophy (MVCV), we will quickly identify changes in society and solve social issues through our businesses to contribute to the creation of an even better society in which people lives full of vitality and abundance.



MVCV BOOK, a tool for putting the Fujikura Group Corporate Philosophy (MVCV) into practice

Activities to Instill MVCV

Fujikura has established October of each year as the month in which we reinforce our Mission, Vision, and Core Values (MVCV). We conduct activities to raise awareness and enable all employees to practice the Fujikura Group Corporate Philosophy (MVCV) naturally in their conduct.

The COVID-19 pandemic resulted in the postponement of many activities to instill MVCV in FY2020. MVCV activities that were possible in a telecommuting environment were conducted by providing seminars by grade-level through Web conferences, having each person think about and state their own standards of conduct based on the new Standards of Conduct, and other means. Through these activities we were able to gain a fresh recognition of the values and views (insights, shared values) cherished by Fujikura.

We plan to conduct seminars for all Fujikura Group employees again this fiscal year to give them a deeper understanding of the Fujikura Group Corporate Philosophy (MVCV) (MVCV interpretation) and to enhance the Fujikura's corporate value (brand).

FY2020 Plans and Activity Results and FY2021 Plans for Instilling MVCV

Key Activity Themes	FY2020		FY2021
	Plan	Activity Results	Plan
Firmly Instilling Fujikura Group Corporate Philosophy (MVCV)	1. Develop the trainers	• Postponed to next fiscal year or later due to COVID-19	1. Develop the trainers
	2. MVCV training by grade level	• New employees and second year training: 117 participants	2. MVCV training by grade level
	3. MVCV educational activities in which all employees participate	• 406 workplaces reported activities during October, the month for reinforcing MVCV	3. MVCV educational activities in which all employees participate
	4. Preparation for roll-out to overseas groups	• Postponed to next fiscal year or later due to COVID-19	4. Preparation for roll-out to overseas groups
	5. Communicating and sharing information	• Continued to host an MVCV website for overseas	5. Communicating and sharing information



MVCV training by grade level conducted through Zoom

Supporting Fujikura Gakuen

Our support of Fujikura Gakuen forms part of the Fujikura Group's social contribution activities. The goal is to support its users, namely children with cognitive disabilities, in developing physically and mentally in a wholesome manner and gaining essential skills for living independently in the local community while preserving their dignity.



What is Fujikura Gakuen?



Harukichi Nakauchi, founder of Fujikura Gakuen

Fujikura Gakuen, a social welfare corporation, was founded on June 7, 1919 in the town of Motomachi on Izu Oshima. Harukichi Nakauchi, the blood brother of the founder Zenpachi Fujikura, donated a sizable amount of his personal assets (currently worth approximately 2 billion yen) and 40,000 tsubo of land (approx. 132,000 m²) on Izu Oshima for the land and building to establish the school and residence for mentally handicapped children and adults. Today, Fujikura Gakuen has facilities on Izu Oshima and in Tama (Hachioji City). These facilities have around 100 workers who provide 24-hour care and education to approximately 130 individuals.

Since its inception, the Fujikura Group has made donations as a company and its individual employees have donated their own money, too, in supporting the organization to continue its operations. The support provided to Fujikura Gakuen is considered the focal point of the Fujikura Group's social contribution activities, and this support will be sustained going forward.



Fujikura Gakuen in Izu Oshima



Fuji Café, operated by Fujikura Gakuen

Established

1919

Facilities

2 locations

Izu Oshima, Tama (Hachioji City)

No. of clients

Approx. **130**

Main Supporting Activities

Support is provided through fundraising donations, volunteer activities, and product sales, which also contribute to fostering the right mindset (thinking, action, and belief) for each individual employee.

Presenting Donations from the Works

Fujikura Sakura Works conducts fundraising activities in support of Fujikura Gakuen. In FY2020, due to the pandemic, we were not able to deliver the collected funds directly to the business office, but it will continue its support activities in the future.

Group company donations

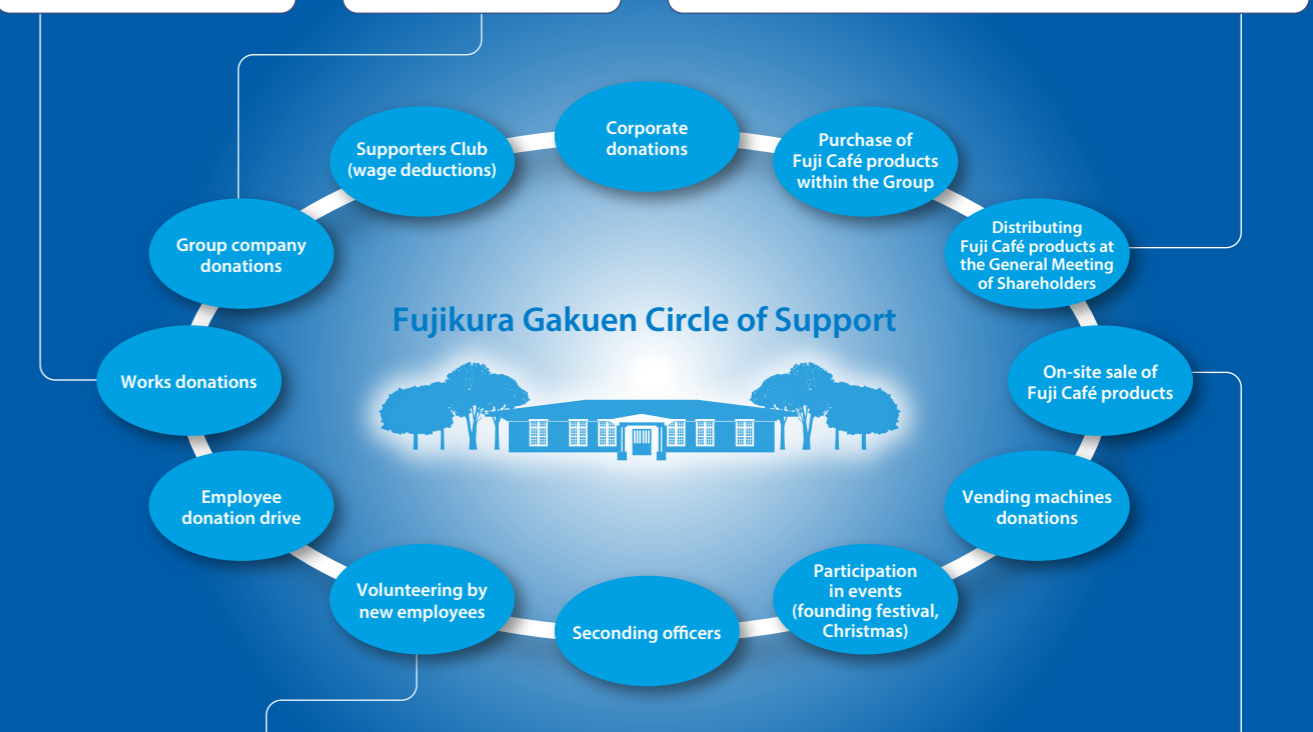
Many Fujikura Group companies, including Fujikura Ltd., make donations. The entire Fujikura Group considers the support provided to Fujikura Gakuen to be the focal point of our social contribution activities, and this support will be sustained going forward.

Distributing Fuji Café products at the General Meeting of Shareholders

We distribute cookies made at Fuji Café, which is operated by Fujikura Gakuen in Izu Oshima, to those who come to the General Meeting of Shareholders to help our shareholders understand our efforts in support activities.



Distribution to General Meeting of Shareholders attendees



Volunteer activities of new employees

Each year, newly hired employees participate in volunteer activities at Tama Fujikura Gakuen as part of their new hire training. These activities enable new employees to foster bonds with their colleagues, appreciate the mission of the Group's founders, and recognize the importance of supporting Fujikura Gakuen.



Painting (FY2019)

On-site sale of Fuji Café products

Located in Izu Oshima, Fuji Café is a living assistance center where students of Fujikura Gakuen undergo vocational training to gain independence. The Fuji Café exhibition and sale, which features products made by Fuji Café (pound cakes, cookies, etc.), has been hosted at the Fujikura head office and Nishi Nippon Electric Wire & Cable with ongoing support.



On-site sale at head office



On-site sale at Nishi Nippon Electric Wire & Cable

Fujikura Kiba Millennium Woods



Fujikura's Resolve to Protect Biodiversity

The Fujikura Group is keenly aware of the close relationship between its business activities and the global environment, and has set the goal of being a corporate group that is good for both people and the environment and strives to make every effort to protect the global environment. All living things live by mutually supporting one another either directly or indirectly, and our lives and lifestyles are supported by the many blessings generated through biodiversity. The Fujikura Group formulated "Roadmap 2030: A Long-Term Vision for Biodiversity" in January 2013 and is pursuing initiatives aimed at increasing every employee's awareness of protecting biodiversity.

Fujikura Kiba Millennium Woods Created as a Symbol of the Local Community

When we redeveloped the grounds of our head office in November 2010, we opened a biotope and garden called Fujikura Kiba Millennium Woods next to our head office in response to requests from local schools and citizens for more greenery and the increasing interest in biodiversity.

The name, Fujikura Kiba Millennium Woods, incorporates the hope shared with everyone in the Kiba area of Koto-ku that the abundance of nature will persist in the future for 1,000 years.

Fujikura Kiba Millennium Woods covers 2,200 m² and contains two ponds and a river that connects them, a floating island, walking paths, and other features. We gave preference to native species in designing it to replicate the abundant forests and woods that existed in the Musashino plateau several hundred years ago, as a space dedicated to wildlife. The woods have now grown enough for the chicks of the spotbilled duck and the common kingfisher to fly out of their nests.

Wildlife and Plants in Fujikura Kiba Millennium Woods

Plants

- 80 species native to the Kanto area; 500 tall and medium-sized trees, 2,000 shrubs
- 65 grass, moss, and aquatic plant species; approx. 15,000 plants

Fish

- Limited to fish, shrimp, and shellfish in the Arakawa watershed
- Approximately 800 fish of 10 different species were released; there are now around 1,300 fish

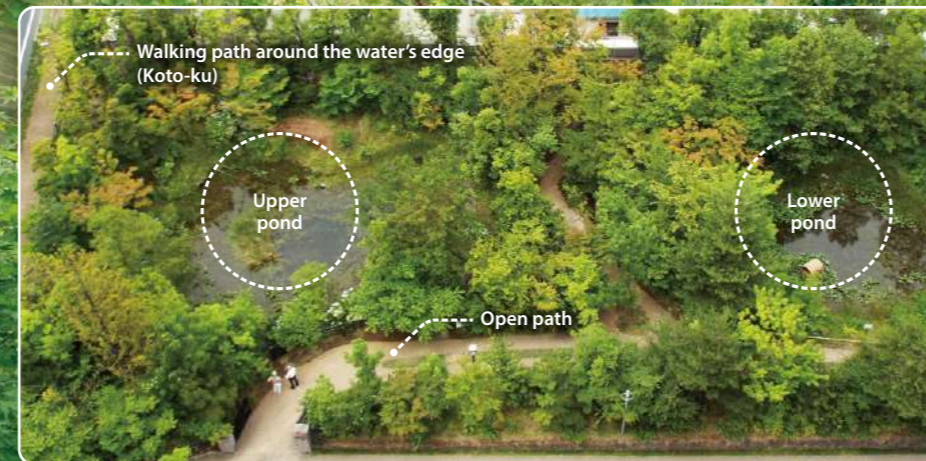
Birds

- Around 20 species, including the common kingfisher, brown-eared bulbul, and spotbilled duck

Insects

- Over 50 species of dragonflies, butterflies, and other insects spotted

Bird's Eye View

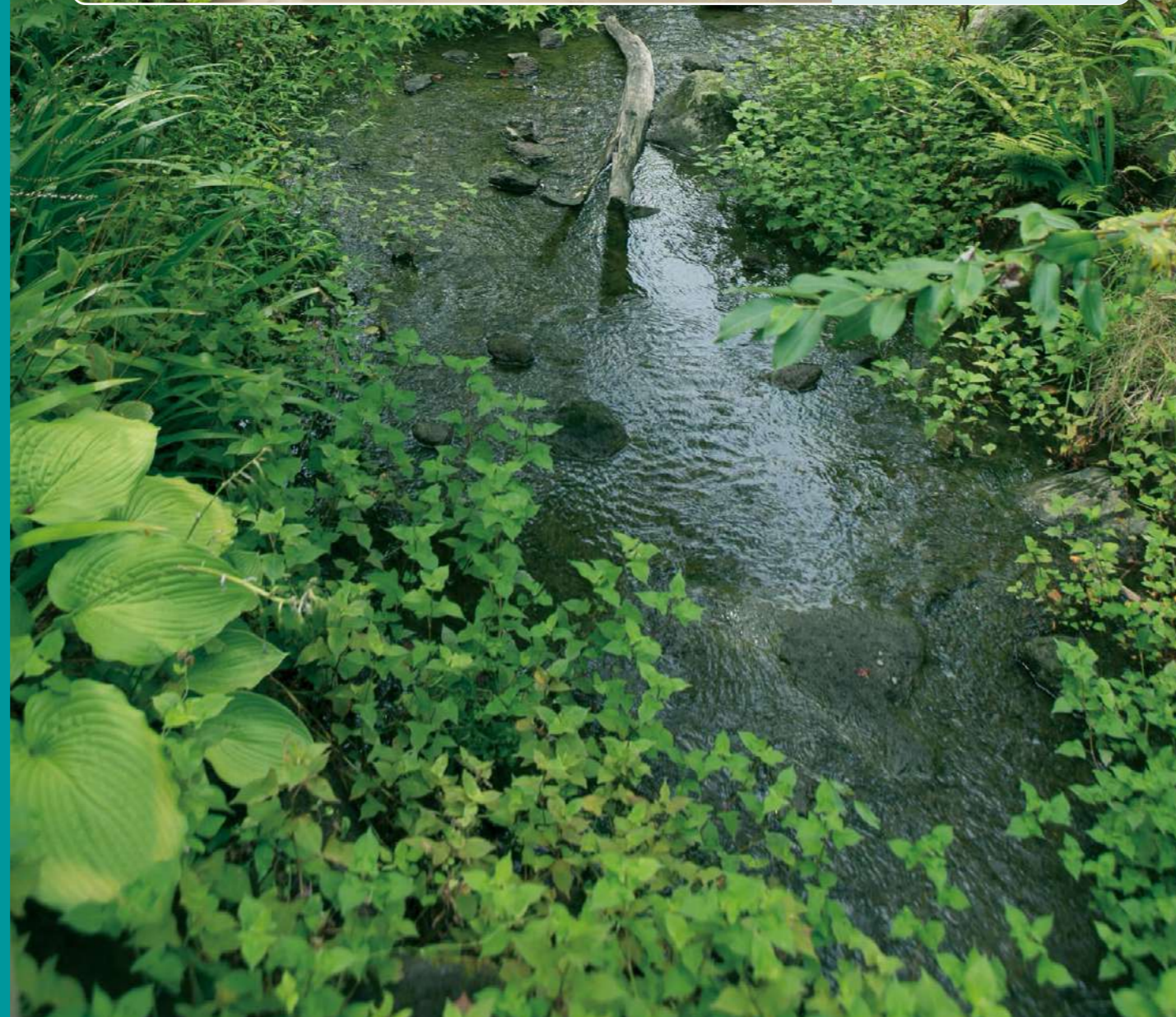


Features

Built in **2010**

Area: **2,200 m²**

Limited to native species



Communication with Local Residents

At Fujikura Kiba Millennium Woods, we place importance on active communication with employees and members of the community. The woods are mainly used for educational activities to raise environmental awareness among employees, nature education for local preschools, kindergartens, and elementary schools, as well as for graduate school classes and government-sponsored ecological tours.

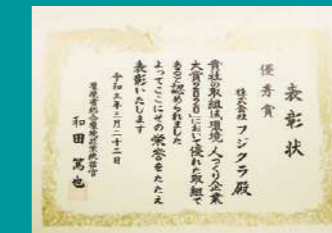


Use for nature education activities for local children



Use for graduate school classes

Fujikura Given the Award of Excellence in the 2020 Environmental Human Resource Development Company Awards from the Ministry of the Environment (Recognizes corporations promoting development of environmental human resources)



Certificate of Commendation

We became the first recipient of the Award of Excellence (large company division) in the 2020 Environmental Human Resource Development Company Awards sponsored by The Ministry of the Environment and the Environmental Consortium for Leadership Development (EcoLeaD). This award was given

in recognition of the aforementioned kinds of environmentally-friendly production activities, efforts toward employee education, and other comprehensive initiatives, and activities to promote biodiversity in cooperation with the local area and government, as represented by the Fujikura Kiba Millennium Woods. The 2020 Environmental Human Resource Development Company Awards recognizes companies which support activities to nurture and produce personnel to lead environmentally-friendly company activities. It is based on the Act on the Promotion of Environmental Conservation Activities through Environmental Education.

Certified as Edo-Midori Green Area Registration (Excellent Green Area)

In 2017, Fujikura Kiba Millennium Woods was registered as a good green area under the Edo-Midori Green Area Registration. This system restores the environment suitable for the creatures of Tokyo, including wildlife such as insects and birds, by planting vegetation (native species) naturally distributed in Tokyo on the premises of buildings, etc. Fujikura was registered because of its participation in the Edo Green Restoration Program, a project to plant native species being implemented by the Tokyo Metropolitan Government as a public-private partnership, where relevant industries join together to formulate measures for spreading native species in Tokyo.



Corporate Profile

Corporate Profile

Company name: Fujikura Ltd. **Capital:** 53 billion yen (as of March 31, 2021)
Founded: February 1885 **Headquarters:** 1-5-1, Kiba, Koto-ku, Tokyo 135-8512
Established: March 1910

Main Consolidated Subsidiaries (as of March 31, 2021)

Japan

FUJIKURA HIGH OPT Co., Ltd.
 Fujikura Components Ltd.
 Fujikura Solutions Ltd.
 DDK Ltd.
 Tohoku Fujikura Ltd.
 Nishi Nippon Electric Wire & Cable Co., Ltd.
 Numazu Copper Refining and Rolling Co., Ltd.
 Fujikura Shoji Co., Ltd.
 Fujikura Precision Ltd.
 Fujikura Automotive Asia Ltd.
 Suzuki Giken Co., Ltd.
 Fujikura Engineering Ltd.
 Precision Fiber Optics Ltd.
 Shinshiro Cable, Ltd.
 Aomori Fujikura Kanaya Ltd.
 Fujikura Logistics Co., Ltd.
 Fuji Materials Ltd.
 Fujikura Dia Cable Ltd.
 Yonezawa Electric Wire Co., Ltd.
 FiberTech Co., Ltd.
 Optoenergy, Inc.
Equity method affiliates
 FUJIKURA COMPOSITES Inc.
 Fujikura Kasei Co., Ltd.

China

Fujikura (China) Co., Ltd.
 Fujikura Electronics Shanghai Ltd.
 Fujikura Shanghai Optical Components Co., Ltd.
 DDK (Shanghai) Co., Ltd.
 Fujikura Fiber-Home Opto-Electronics Material Technology Co., Ltd.
 Fujikura Zhuhai Co., Ltd.
 Fujikura Automotive Guangzhou Co., Ltd.
 Fujikura Hong Kong Ltd.

Thailand

Fujikura Electronics (Thailand) Ltd.
 DDK (Thailand) Ltd.
 Fujikura Automotive (Thailand) Ltd.

East, South, and Southeast Asia

Fujikura Asia Ltd.
 Fujikura Federal Cables Sdn. Bhd.
 PT Fujikura Indonesia
 Fujikura Electronics Vietnam Ltd.
 Fujikura Fiber Optics Vietnam Ltd.
 DDK VIETNAM Ltd.
 Fujikura Automotive Vietnam Ltd.
 Fujikura Automotive India Private Ltd.
 Fujikura Korea Automotive Ltd.

EMEA (Europe, Middle East, and Africa)

Fujikura Europe Ltd.
 Fujikura Automotive Europe S.A.U.
 Fujikura Automotive Europe GmbH
 Fujikura Automotive Romania S.R.L.
 Fujikura Automotive Morocco Tangier, S.A.S.
 Fujikura Automotive Morocco Kenitra, S.A.S.
 Fujikura Automotive Ukraine Lviv LLC
 Fujikura Automotive Russia Cheboksary LLC
 Fujikura Automotive MLD S.R.L.

North and South America

America Fujikura Ltd.
 Fujikura America, Inc.
 AFL Telecommunications LLC
 Fujikura Automotive America LLC
 Fujikura Automotive Mexico, S. de R.L. de C.V.
 Fujikura Automotive Paraguay S.A.
 Fujikura Cabos Para Energia e Telecomunicacoes Ltda.

Stock Information (as of March 31, 2021)

1. Authorized shares: 1,190,000,000
2. Issued Shares: 295,863,421 (including 19,455,441 treasury shares)
3. Major Shareholders

Name of Shareholder	Number of shares held (Thousands)	Shareholding Composition (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	31,750	11.49
Custody Bank of Japan, Ltd. (Trust account)	19,492	7.05
TAIJU LIFE INSURANCE COMPANY LIMITED	10,192	3.69
Sumitomo Mitsui Banking Corporation	8,456	3.06
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account)	6,777	2.45
Dowa Metals & Mining Co., Ltd.	6,564	2.37
The Shizuoka Bank, Ltd.	5,789	2.09
Fujikura Employees Shareholding Association	4,844	1.75
Custody Bank of Japan, Ltd. (Trust account 5)	3,656	1.32
JP MORGAN CHASE BANK 385781 (Authorized agent: Mizuho Bank, Ltd.)	3,415	1.24

(Notes)

- The numbers presented in "Number of shares held" are based on the list of shareholders.
- The Company owns 19,455,000 treasury shares in addition to those noted above. Treasury shares do not include the 900,000 shares held by the trust account relating to the stock distribution trust established for the stock-based compensation plan for directors (excluding outside directors) and executive officers.

External Evaluation



2021 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

FTSE4Good Global Index (from June 2016)

This index was developed by FTSE Russell, which is part of the London Stock Exchange Group. It evaluates the sustainability of major companies in countries around the world on the three elements of Environment, Social, and Governance (ESG). Companies with a superior overall rating are included in the index.

FTSE Blossom Japan Index (from June 2017)

* Selected as a Government Pension Investment Fund (GPIF) ESG Index
 Developed by FTSE Russell, this index consists of Japanese company stocks deemed outstanding from the perspectives of Environment, Social, and Governance.

S&P/JPX Carbon Efficient Index

* Selected as a Government Pension Investment Fund (GPIF) ESG Index
 This index was jointly developed by S&P Dow Jones Indices and Japan Exchange Group, Inc. Companies in Japan that disclose sufficient environmental information and companies in Japan that are highly carbon efficient are selected for this index.

MSCI Japan Empowering Women Index (WIN)

This ESG investment index was developed by the major US financial services company, MSCI. It is composed of Japanese companies that lead their industries from the standpoint of gender diversity through data and diversity initiatives such as the employment and promotion of women.

Note: Fujikura Ltd.'s incorporation of this MSCI index, and its use of the MSCI logo, trademark, service mark, and index name in this release, does not constitute a sales endorsement, warranty, or support of Fujikura Ltd. by MSCI. MSCI indices are the sole property of MSCI. MSCI index names and logos are trademarks or service marks of MSCI and its affiliates.



Fujikura is a signatory to the UN Global Compact.