

FY2022 Financial Results



May 12, 2023

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Note: This document is reflected corrections to the financial results for the fiscal year ended March 31, 2023, which were announced on July 31.

1. Summary of FY2022 Financial Results

Summary of FY2022 Financial Results

- JPY continues to depreciate against Fujikura Ltd.(hereafter “The company”)’s, which will continue to push up the Company's performance
- In Power Systems, the US Utility market is growing due to investment in grid reliability and upgrades to aging infrastructure. FTTH in the rural market was also positive
- In Telecommunication Systems, sales and income increased due to strong demand for data centers
- In the Electronics, sales and income increased due to improved productivity, better product mix, and the impact of foreign exchange rate fluctuations, despite lower sales due to an order strategy focused on profit margins
- In the Automotive, the operating increased due to the impact of rising freight and labor costs, in addition to expenses rising as the division struggled to launch new models in North America
- Impairment loss of 19.3 billion yen was recorded in the wire harness and FPC businesses in Asia, North and South America

**Record high Net sales, Operating income,
Ordinary income, and Net income**

FY2022 Financial Results

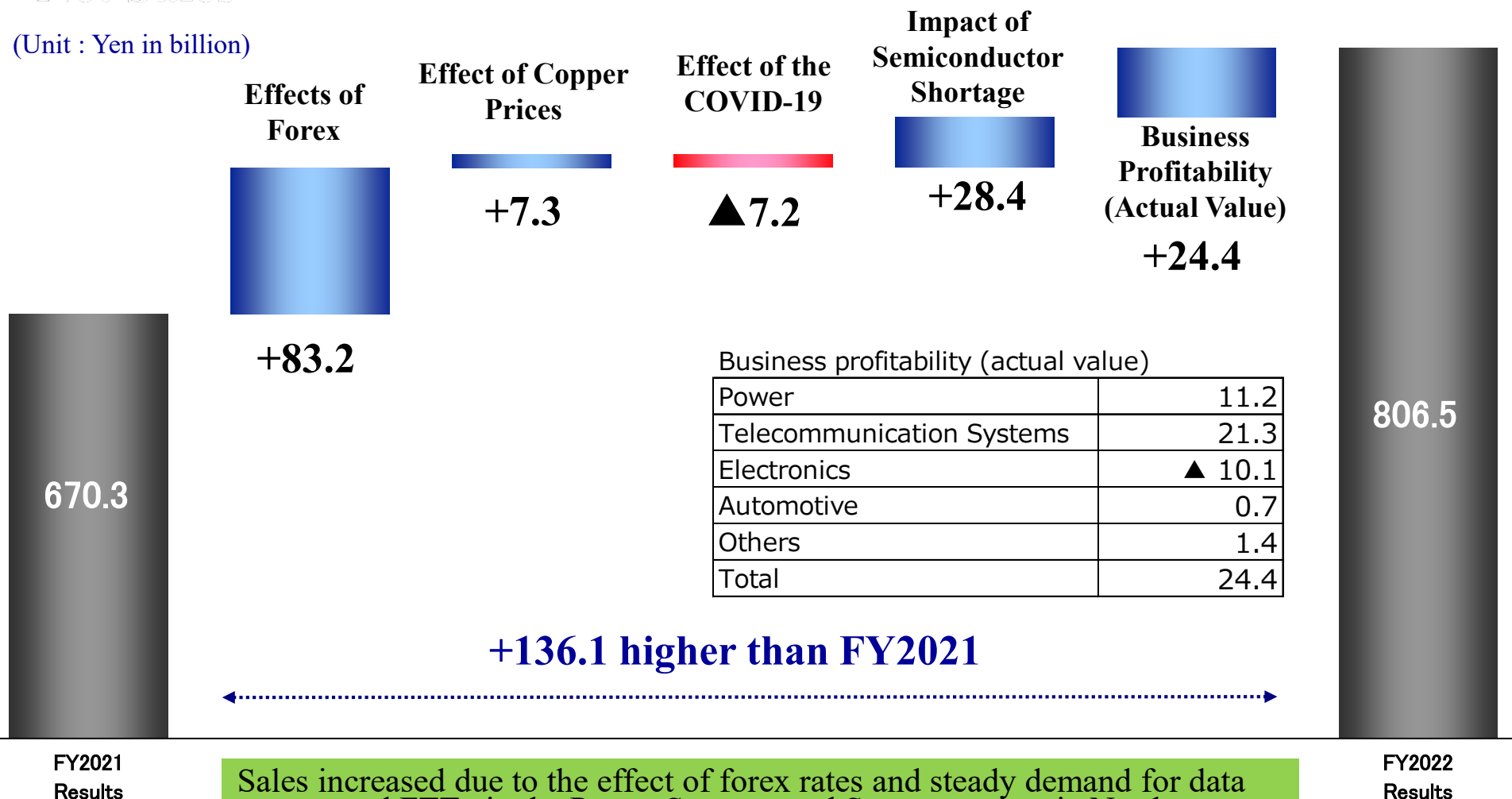
(Unit : Yen in billion)

	FY2021	FY2022	FY2022	FY2022		
	Actual	Original Plan	Revised Plan	Actual	Change	
		2022.5.12	2022.11.9			Change %
Net sales	670.3	700.0	790.0	806.5	136.1	120%
Operating Income	38.3	42.0	68.5	70.2	31.9	183%
Ratio of Operating Income to Net Sales(%)	5.7	6.0	8.7	8.7	3.0	152%
Share of other comprehensive income of entities accounted for using equity method	2.1	2.4	3.2	2.1	—	98%
Ordinary Income	34.1	37.0	69.0	67.9	33.8	199%
Net Income Attributable to Owners of Parent	39.1	22.5	35.5	40.9	1.8	105%
Net Income per Share (JPY)	141.85	81.61	128.74	148.27	6.42	—
Dividend per Share (JPY)	10.0	16.0	26.0	30.0	20.0	—
ROE (%)	20.4	9.8	14.4	16.7	▲ 3.7	—
Exchange Rate (USD/JPY)	112.40	120.00	132.00	135.51	23.11	—
CU Base ('000JPY/ton)	1,130	1,200	1,150	1,209	79	—

FY2022 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

(Unit : Yen in billion)



Sales increased due to the effect of forex rates and steady demand for data centers and FTTx in the Power Systems and Systems sector in North America despite the impact of strategic orders in the electronics business

FY2022 Contributing Factors to Operating Income Change (year-on-year basis)

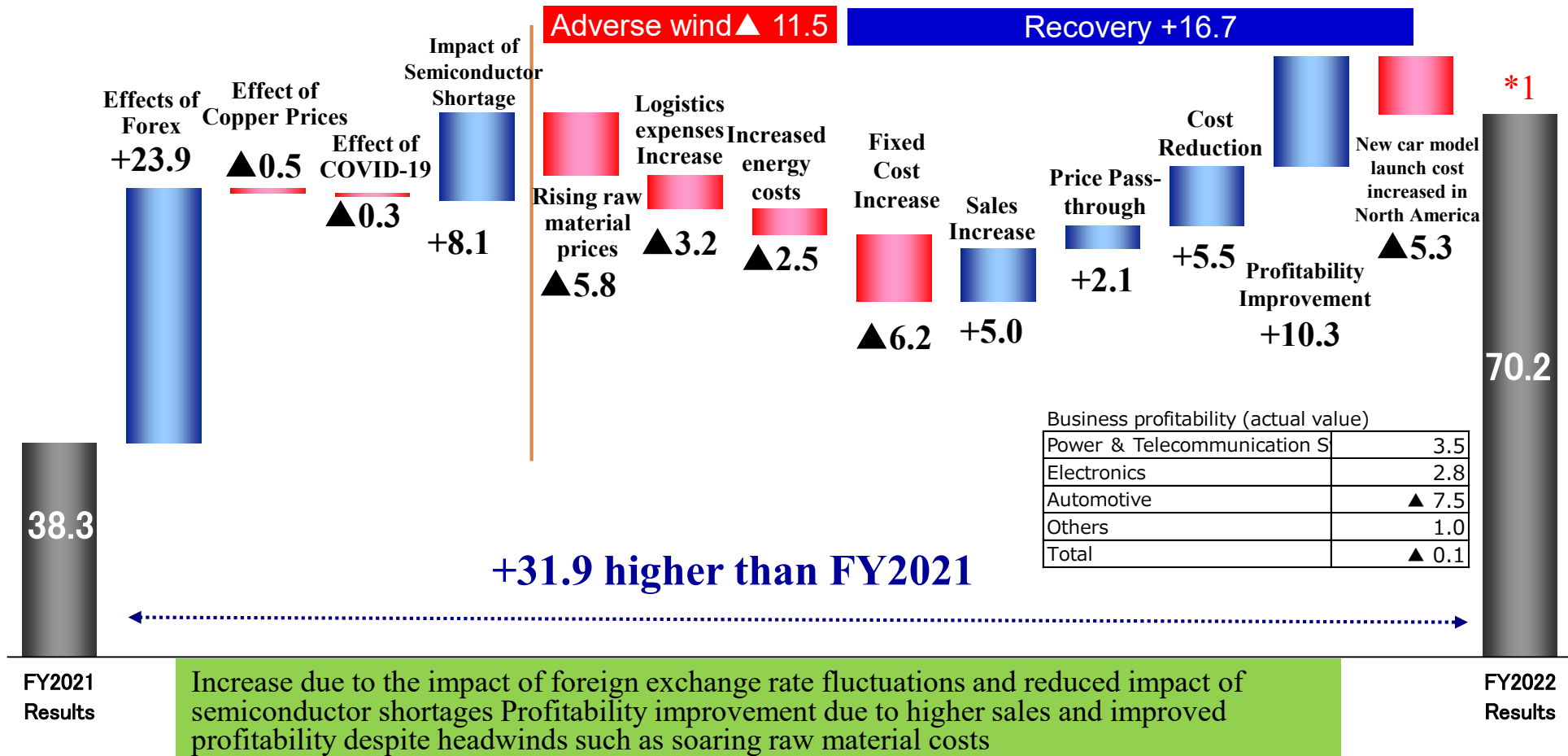
(Unit : Yen in billion)

*1) Includes +0.8 for financial results correction

Operating Income

Market Environment Factors +31.2

Business Profitability Factors ▲0.1



FY2022 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY21	FY22
Operating Income	38.3	70.2
Share of other comprehensive income of entities accounted for using equity method	2.1	2.1
Ordinary Income	34.1	67.9
Extraordinary Income	22.3	4.8
Extraordinary Loss	4.7	22.0
Income before Income Taxes and Minority Interests	51.7	50.7
Total Income Taxes	11.5	8.2
Net Income non-controlling interests	1.0	1.7
Net Income attributable to owners of parent	39.1	40.9

FY21 Extraordinary Income

Gain on Sale of Non-current Assets 15.4 billion Yen etc.

FY22 Impairment Loss

Impairment Loss : 19.3 billion Yen

Detail	Amount(Yen in bil)
Asia WH Bussiness	2.9
North America WH Bussiness	7.4
FPC Bussiness	8.9
Others	0.1
Total	19.3

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2022	As of March 31, 2023	Change
〈Assets〉	611.5	656.8	45.3
Current Assets	369.1	418.4	49.3
Cash and Deposits	91.0	107.2	16.2
Notes and accounts receivable and	144.9	155.4	10.5
Inventories	112.6	131.0	18.4
Fixed Assets	242.4	238.4	▲ 4.0
Tangible Fixed Assets	174.1	163.2	▲ 11.0
Intangible Fixed Assets	15.4	15.1	▲ 0.3
Sub Total	189.5	178.2	▲ 11.3
Total Investments and Other Assets	52.8	60.1	7.3

Increase due to higher demand in the Power and Telecommunications Systems and seasonal factors in the Electronics Business.

Increase due to higher demand in the Power and Telecommunications Systems and mass production of new models in the Automotive Business, etc.

Impairment Loss ▲ 19.3
Lease 13.9
(Adoption of U.S. GAAP ASC 842)

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2022	As of March 31, 2023	Change
Total	611.5	656.8	45.3
(Treasury Stock)	(▲10.6)	(▲10.5)	0.1
〈Liability〉	367.9	362.4	▲ 5.5
Notes and Account Payable	71.8	74.7	2.8
Interest-bearing Debt	211.5	192.9	▲ 18.6
Other Liability	84.5	94.8	10.3
〈Net Equity〉	243.7	294.4	50.7
Shareholder's Equity	197.1	230.8	33.8
(Treasury Stock)	(▲10.6)	(▲10.5)	0.1
Accumulated Other Comprehensive Income	23.4	39.7	16.3
Non-controlling Interests	23.2	23.8	0.7
Equity-to-assets-ratio	36.1	41.2	5.1

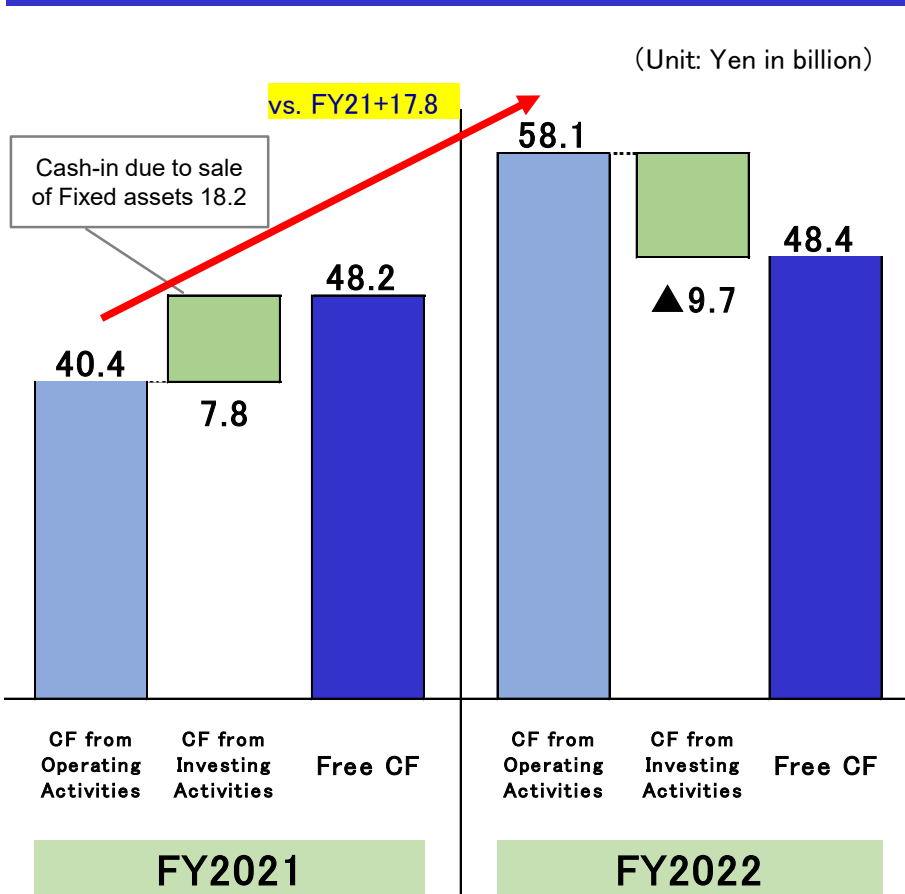
Net D/E ratio is improved
(35:65→24:76)
Net Debt 120.4⇒85.7
(▲34.8)

Increase in lease
obligations mainly due
to the adoption of U.S.
GAAP ASC 842 (+14.0)

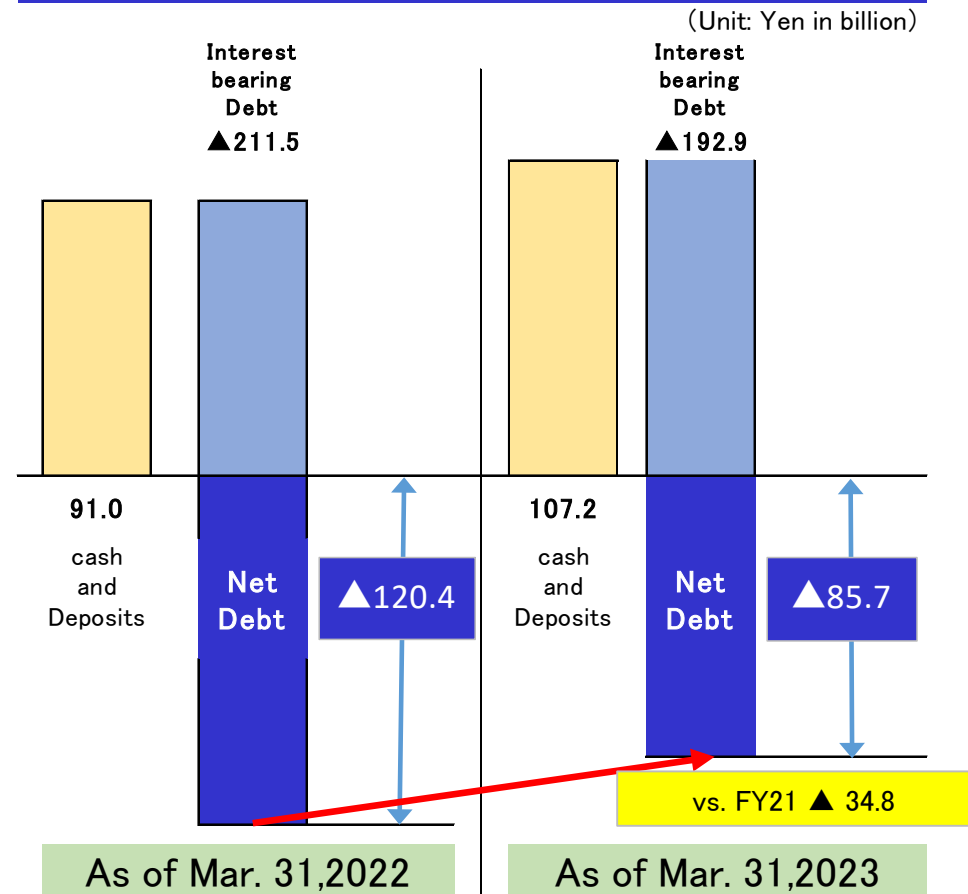
Foreign currency impact
+13.9

Free Cash Flow / Net Debt

Free cash Flow



Interest bearing Debt / Net Debt



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

Financial Results and Forecasts by Segment

(Unit: Yen in billion)

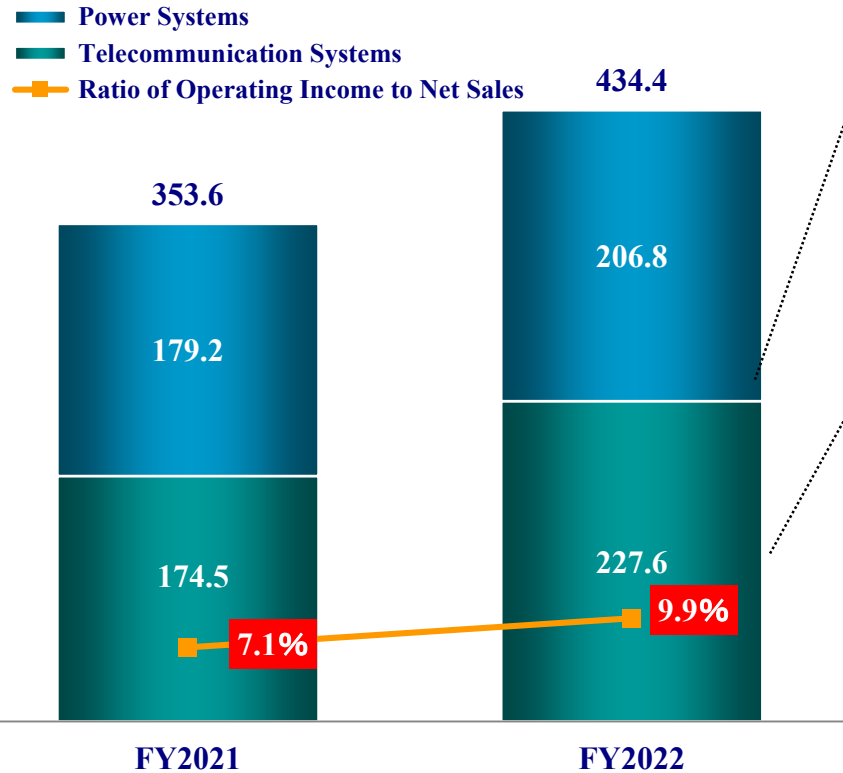
Segment	Net Sales				Operating Income(Loss) and Ratio of Operating Income to Net Sales			
	FY21 Actual	FY22 Actual	Change	Change (%)	FY21 Actual	FY22 Actual	Change	Change (%)
Power & Telecommunication Systems	353.6	434.4	80.8	123%	25.2 7.1%	43.1 9.9%	18.0 2.8%	171%
Electronics Business	178.5	197.3	18.8	111%	13.8 7.7%	27.6 14.0%	13.8 6.3%	200%
Automotive Products	121.3	155.9	34.6	128%	▲ 5.6 ▲4.6%	▲ 6.6 ▲4.2%	▲ 1.0 0.3%	—
Electronic Products & Connector	299.8	353.1	53.3	118%	8.2 2.7%	21.0 5.9%	12.8 3.2%	256%
Real Estate Business	10.9	10.8	▲ 0.1	99%	5.1 47.2%	5.0 46.3%	▲ 0.1 ▲0.9%	97%
Other	6.0	8.1	2.1	135%	▲ 0.2	1.1	1.3	—
Total	670.3	806.5	136.1	120%	38.3 5.7%	70.2 8.7%	31.9 3.0%	183%

Power & Telecommunication Systems

- Sales and income increased due to the impact of foreign exchange rates and high demand in North America

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



Power Systems

- Sales increased due to strong business in North America and rising copper prices.

Telecommunication Systems

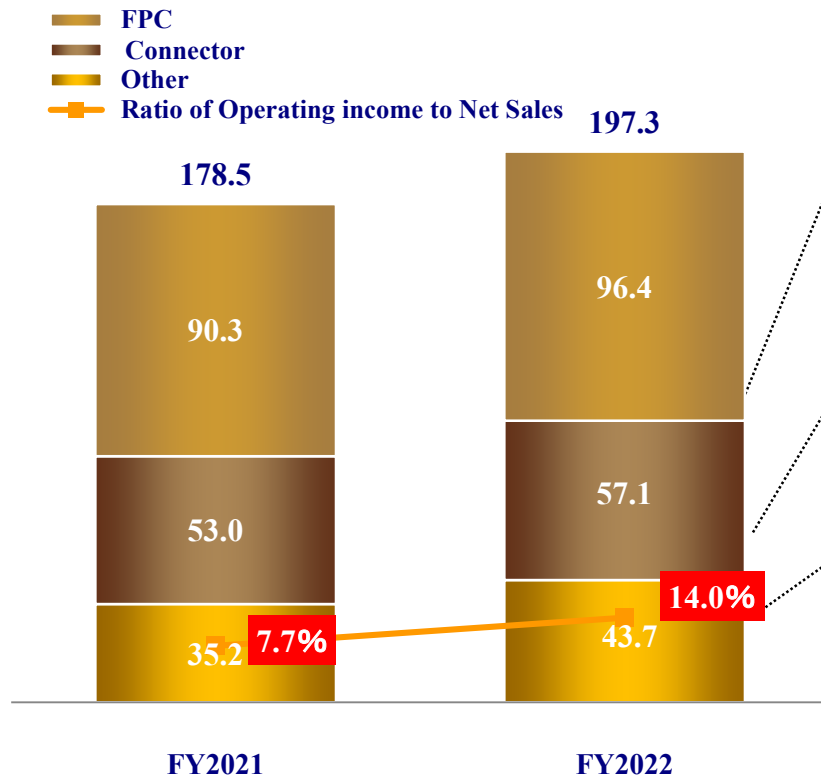
- Sales increased due to increased demand for data centers and FTTx

Electronics Business

- Despite the continued focus on profitability, full-year sales and income increased due to improved productivity, a better product mix, and the impact of foreign exchange rates

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



FPC

- Sales increased due to improved productivity, better product mix, and the impact of foreign exchange rate fluctuations, despite factors that reduced sales due to an order strategy that emphasizes profitability

Connector

- Sales increased due to strong smartphone and industrial machinery sales and foreign exchange factors

Electronic Components

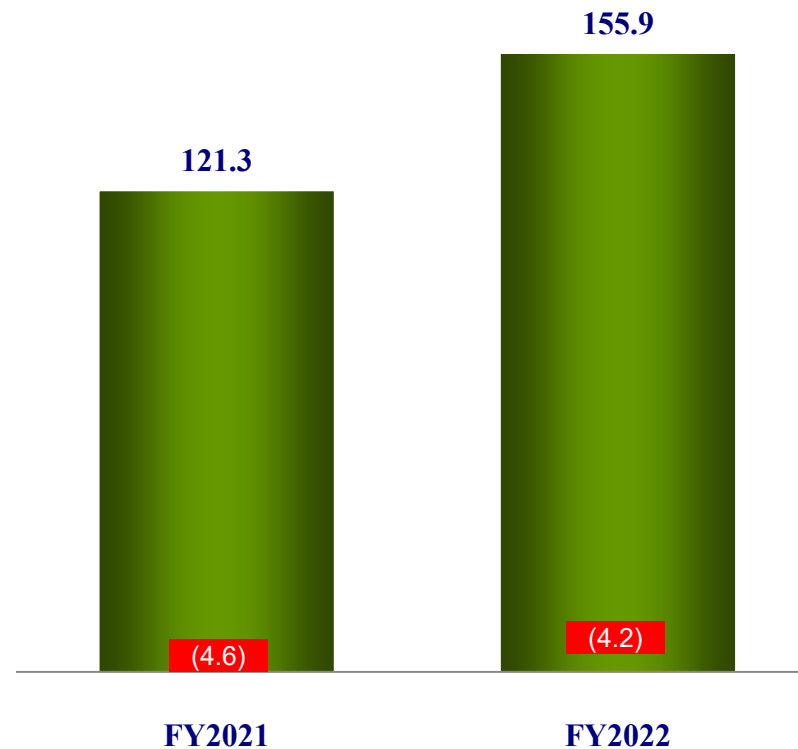
- Sales increased due to steady demand and the impact of foreign exchange rates

Automotive Products Business

- Sales increased due to a decrease in the impact of semiconductor shortages and the effect of foreign exchange rates, but the deficit increased due to the impact of soaring freight costs, labor cost and an increase in costs related to the launch of new car models in North America due to difficulties to launch.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



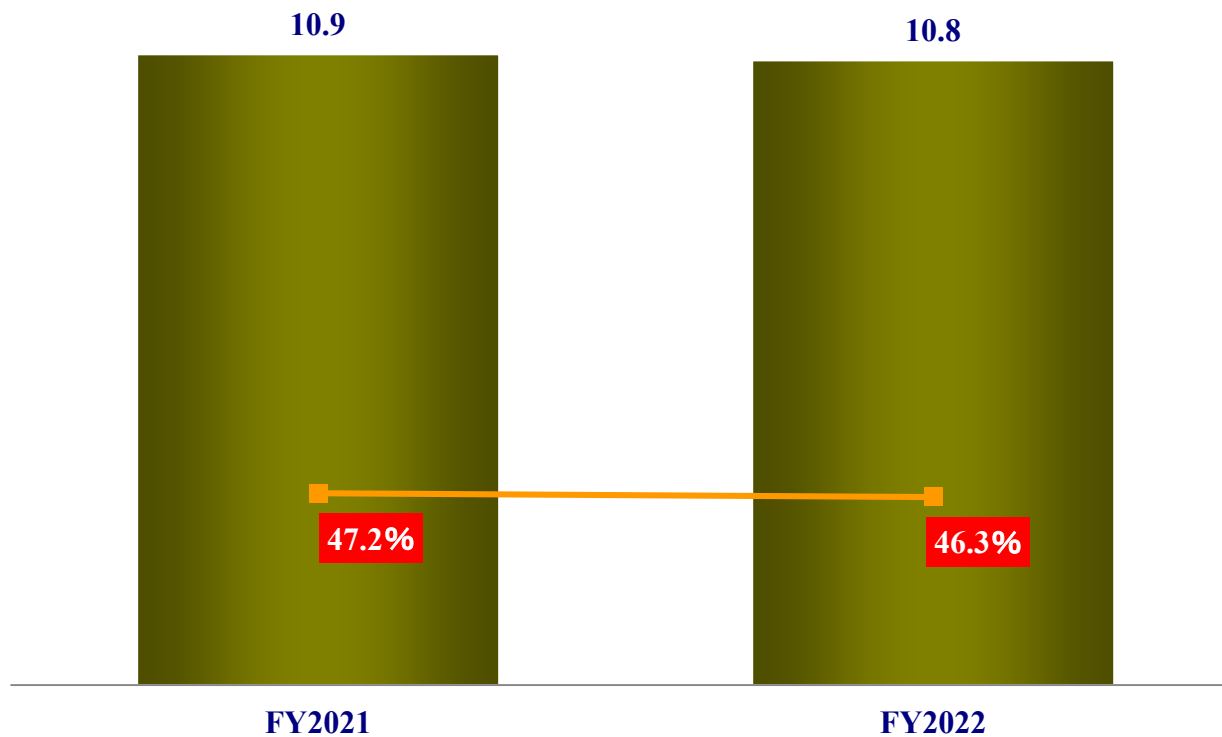
Real Estate Business

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

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to Net Sales



2. FY2023 Business Forecast

Summary of FY2023 Business Forecast

■ Revenues and profits are down compared to the previous year due to the appreciation of the yen against FY2022 and a tougher market environment.

Despite the difficult market environment, Net sales, Operating income and Ordinary income to be the second highest on record after FY2022, and Net income to reach a record high for the third consecutive year.

Summary of FY2023 - Forecast

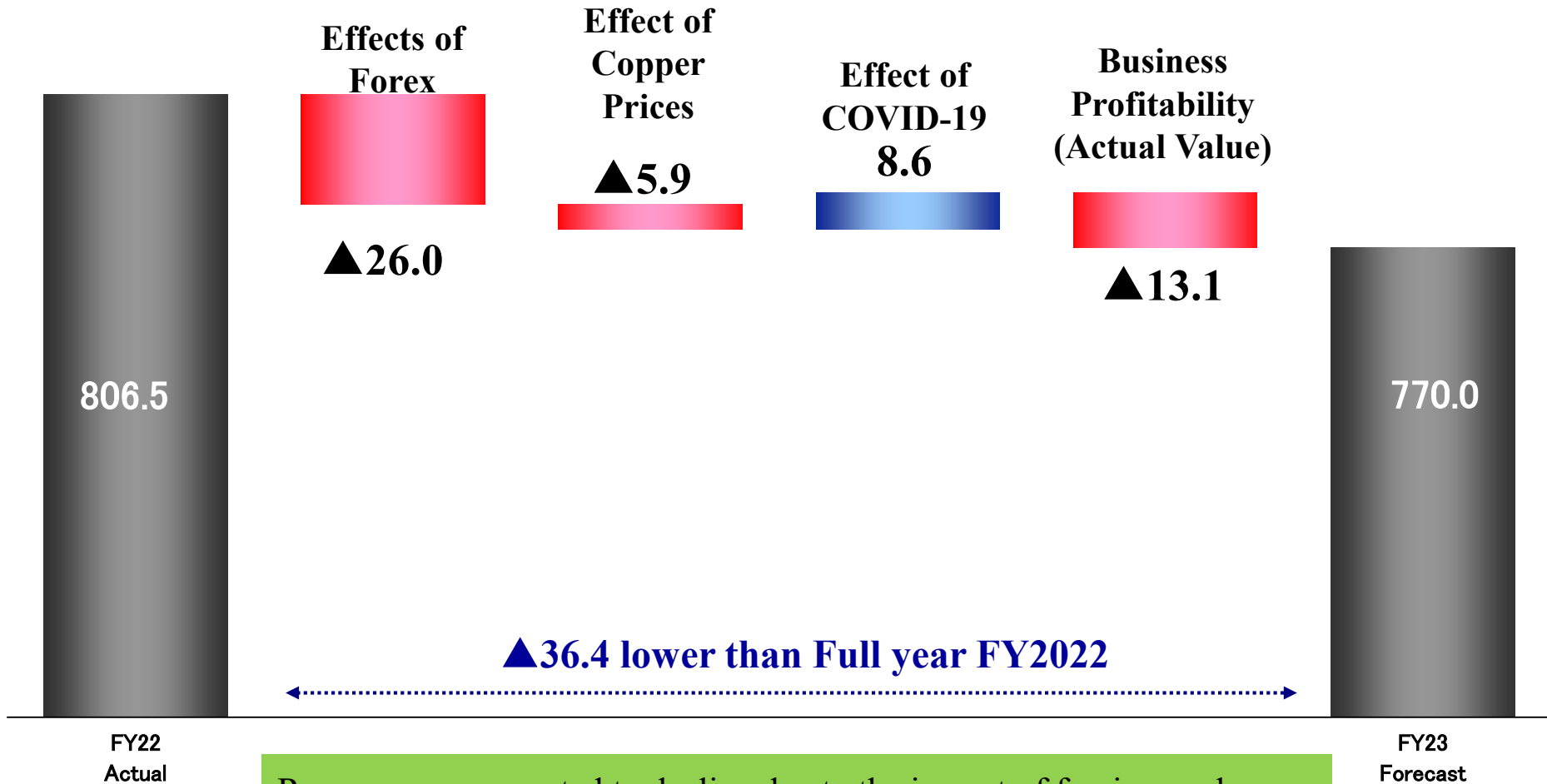
(Unit : Yen in billion)

	FY2022	FY2023		
		Actual	Plan	Change
				Change %
Net sales	806.5	770.0	▲36.4	95%
Operating Income	70.2	60.0	▲10.2	85%
Ratio of Operating Income to Net Sales(%)	8.7	7.8	▲0.9	89%
Share of other comprehensive income of entities accounted for using equity method	2.1	2.3	0.3	114%
Ordinary Income	67.9	55.0	▲12.9	81%
Net Income Attributable to Owners of Parent	40.9	41.0	0.2	100%
Net Income per Share (JPY)	148.27	148.66	0.39	100%
Dividend per Share (JPY)	30.0	45.0	15.0	—
ROE (%)	16.7	14.4	▲2.3	—
Exchange Rate (USD/JPY)	135.51	130.00	▲5.51	—
CU Base ('000JPY/ton)	1,209	1,100	▲109	—

FY2023 Contributing Factors to Net Sales Change

Net Sales

(Unit : Yen in billion)



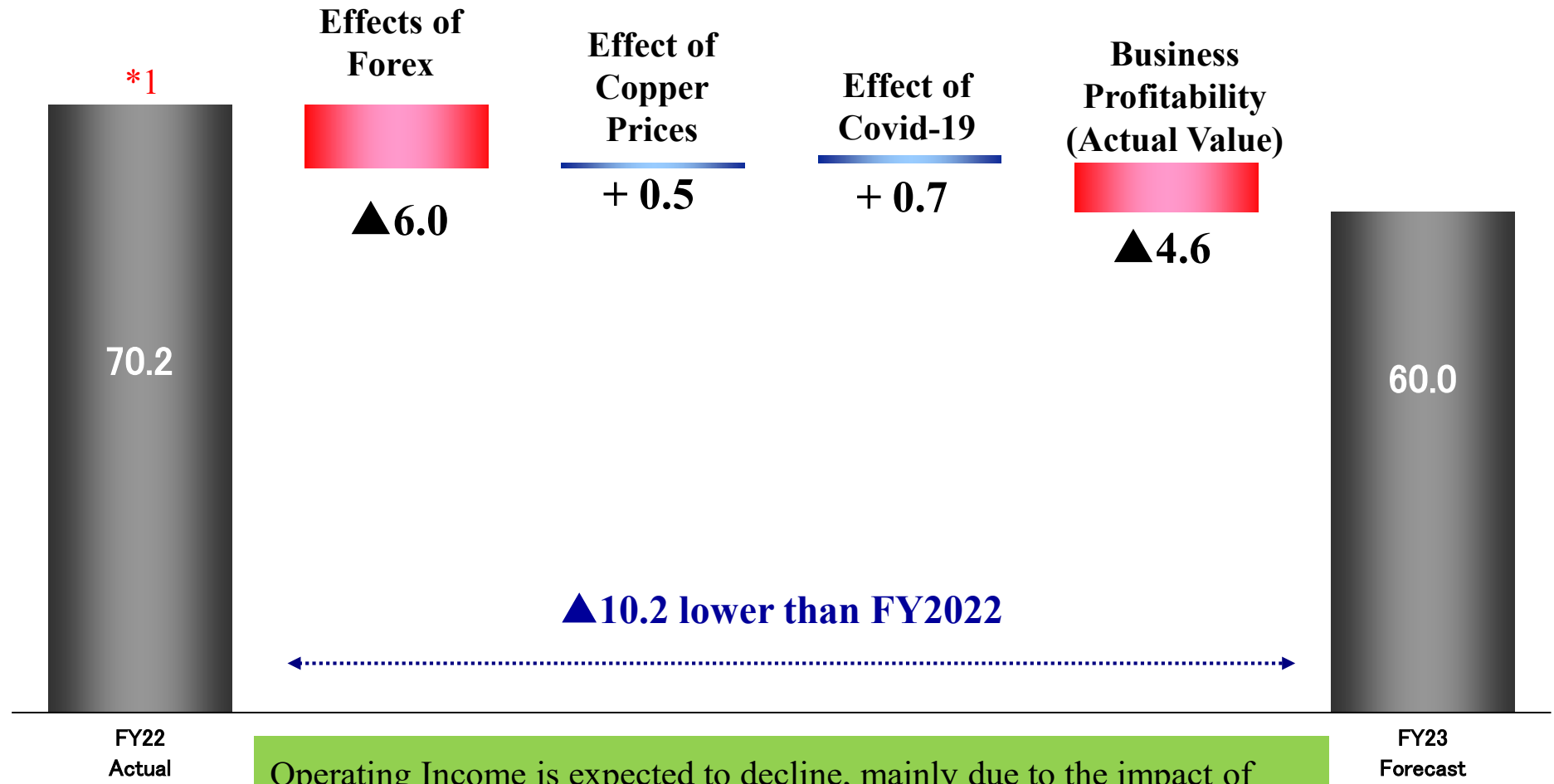
Revenues are expected to decline due to the impact of foreign exchange rates and the deteriorating market environment.

FY2023 Contributing Factors to Operating Income Change

*1) Includes +0.8 for financial results correction

Operating Income

(Unit : Yen in billion)



Operating Income is expected to decline, mainly due to the impact of lower sales.

Shareholder Return

■ FY22: Shareholder Return

The year-end dividend is expected to be 17.0 yen/share, an increase of 4 yen from the previously announced 13.0 yen/share, due to the increase in profit from the earnings forecast.

FY22 Dividend 30.0 yen/share (interim 13.0 yen/share, year-end 17.0 yen/share, total dividend 8.3 billion yen)

FY21 Dividend 10.0 yen/share (interim 0.0 yen/share, year-end 10.0 yen/share, total dividend 2.8 billion yen)

■ FY 23 Forecast

For FY23, the Company plans to raise the dividend payout ratio from 20% to 30%, with an interim dividend of 22.5 yen/share and a year-end dividend of 22.5 yen/share, for an annual dividend of 45.0 yen/share.

Appendix

Net Sales by Segment

Unit: Yen in Billion

		FY2021						FY2022							
		1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year
Power Systems		42.1	43.3	45.2	48.5	85.5	93.7	179.2	47.1	51.3	54.0	54.3	98.5	108.4	206.8
Telecommunication Systems		40.9	42.8	44.2	46.6	83.7	90.7	174.5	53.8	63.7	58.6	51.4	117.5	110.0	227.6
Power & Telecommunication Systems		83.1	86.1	89.4	95.1	169.2	184.4	353.6	100.9	115.1	112.6	105.8	216.0	218.4	434.4
FPC		23.5	23.7	21.8	21.3	47.2	43.1	90.3	16.5	27.9	30.8	21.2	44.4	52.0	96.4
Connector		11.1	16.0	13.0	12.9	27.1	25.9	53.0	12.0	20.4	14.6	10.1	32.3	24.8	57.1
Components		8.6	8.9	9.5	8.2	17.5	17.7	35.2	10.6	11.4	12.1	9.7	22.0	21.8	43.7
Electronics		43.3	48.6	44.3	42.3	91.8	86.7	178.5	39.0	59.7	57.5	41.0	98.8	98.5	197.3
Automotive Products		32.3	26.5	29.9	32.6	58.8	62.5	121.3	36.1	38.5	39.1	42.1	74.6	81.2	155.9
Electronics Automotive Connector		75.6	75.1	74.2	74.9	150.6	149.2	299.8	75.2	98.2	96.6	83.1	173.4	179.8	353.1
Real Estate Business		2.7	2.7	2.7	2.7	5.5	5.4	10.9	2.7	2.8	2.7	2.6	5.5	5.3	10.8
Other		1.3	1.5	1.4	1.8	2.8	3.2	6.0	2.1	2.1	1.8	2.2	4.2	4.0	8.1
Total		162.7	165.4	167.7	174.5	328.1	342.3	670.3	180.9	218.2	213.7	193.7	399.1	407.4	806.5

Operating Income by Segment

Unit: Yen in Billion

		FY2021							FY2022						
		1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year
Power & Telecommunication Systems		6.4	4.6	6.5	7.6	11.0	14.2	25.2	7.0	13.3	11.8	11.0	20.3	22.9	43.1
	Electronics	2.1	4.8	4.2	2.8	6.8	6.9	13.8	4.1	10.9	9.9	2.8	14.9	12.7	27.6
	Automotive Products	(0.2)	(1.8)	(2.2)	(1.4)	(1.9)	(3.6)	(5.6)	(1.3)	(1.8)	(2.0)	(1.5)	(3.0)	(3.6)	(6.6)
	Electronics Automotive Connector	1.9	3.0	1.9	1.4	4.9	3.3	8.2	2.8	9.1	7.9	1.2	11.9	9.1	21.0
Real Estate Business		1.4	1.3	1.1	1.3	2.7	2.4	5.1	1.4	1.3	1.2	1.2	2.7	2.3	5.0
Other		(0.1)	0.0	(0.2)	0.0	(0.1)	(0.2)	(0.2)	0.1	0.3	0.3	0.3	0.4	0.6	1.1
Total		9.7	8.9	9.4	10.3	18.6	19.7	38.3	11.3	24.0	21.3	13.7	35.3	34.9	70.2



Special Notes:

Statements in this presentation that relate to future to results and events (including statements regarding Fujikura's revenue and earnings guidance) and based on Fujikura's current expectations. Actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. These factors include the effects of general economics on the level of demand for Fujikura's products and services, and on Fujikura's ability to manage supply and delivery logistics; the level and intensity of competition in the electronic and telecommunication equipment industries, the pricing pressures that result, the ability of Fujikura to timely and effectively manage product transitions, component/material availability and cost; the ability of Fujikura to develop new products based on new or evolving technology; and the ability of Fujikura to manage its inventory levels to minimize excess inventory.