

3Q FY2022 Financial Results



February 9, 2023

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1. Summary of 3Q FY2022 Financial Results

Summary of 3Q FY2022 Financial Results

- Current exchange rate comes to the level at 2H review, and became a positive factor for 3Q results.
- In Power Systems, business in North America remained strong.
- In Telecommunication Systems, the optical cable business for European infrastructure and other businesses remained strong, although the impact of the economic slowdown in the market for data centers is beginning to become apparent.
- In the Electronics, sales decreased due to the impact of the Shanghai lockdown in the FPC business and an order strategy that emphasizes profitability. However, the product mix improved, and profit increased due to improved productivity.
- In the Automotive, the operating loss increased due to the impact of rising freight costs and the difficulty in launching new models in North America.

Cumulative total up to 3Q, net sales increased by 24%, operating income increased by 102%, and **Sales, operating income, ordinary income, and net income reached record highs.**

FY2022 – 3Q Financial Results

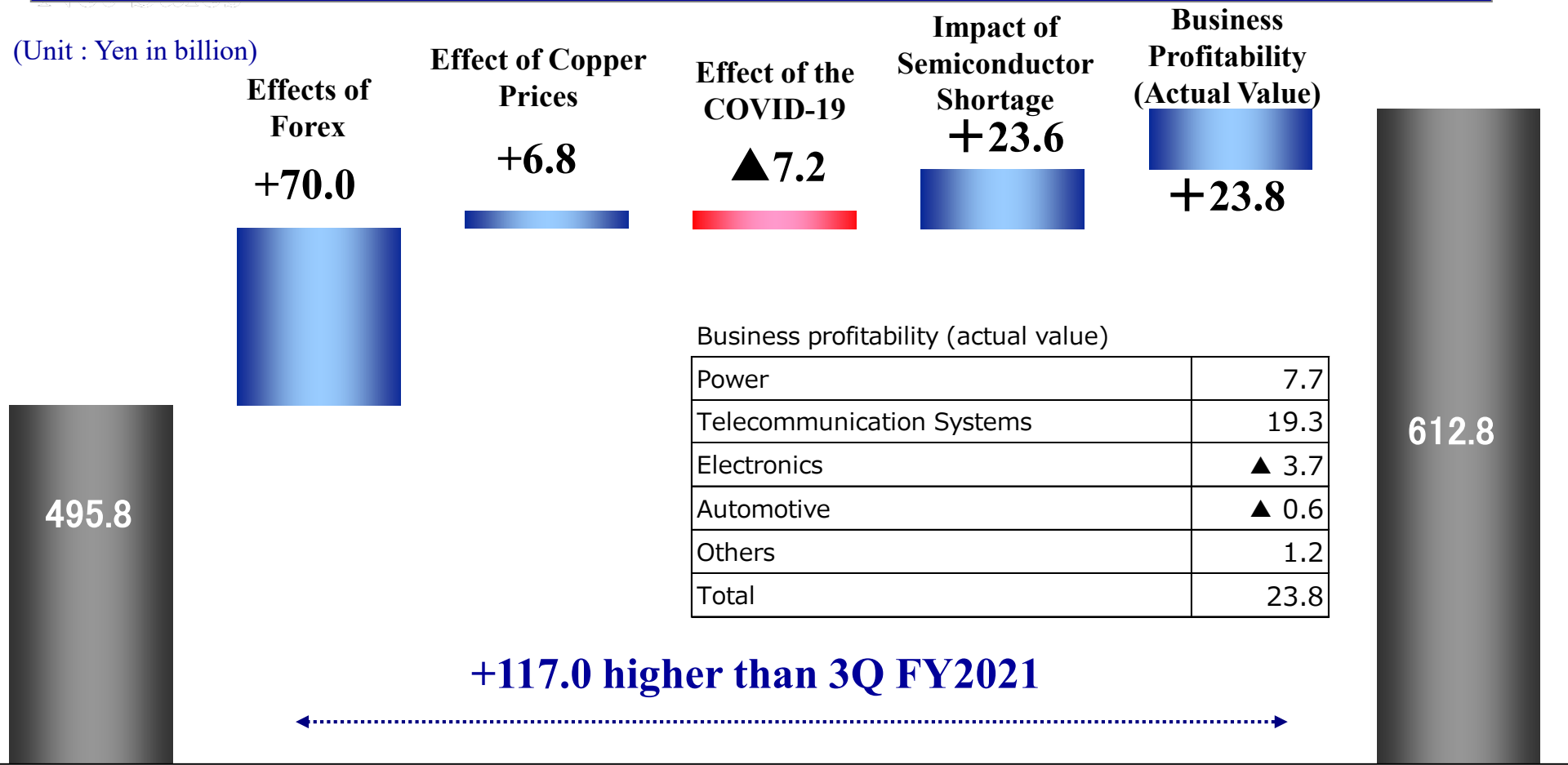
(Unit : Yen in billion)

	FY2021		FY2022		1-3Q Change	
	1-3Q Actual	Full year Actual	1-3Q Actual	Full year Forecast	Change	Change %
Net sales	495.8	670.3	612.8	790.0	117.0	124%
Operating Income	27.9	38.3	56.5	68.5	28.6	202%
Ratio of Operating Income to Net Sales(%)	5.6	5.7	9.2	8.7	3.6	—
Share of other comprehensive income of entities accounted for using equity method	1.8	2.1	2.1	3.2	0.2	112%
Ordinary Income	25.5	34.1	55.9	69.0	30.3	219%
Net Income Attributable to Owners of Parent	26.2	39.1	46.5	35.5	20.3	178%
Net Income per Share (JPY)	94.97	141.85	168.61	128.74	73.64	—
Dividend per Share (JPY)	0.0	10.0	13.0	26.0	13.0	—
ROE (%)	—	20.4	—	14.4	—	—
Exchange Rate (USD/JPY)	111.14	112.40	136.52	132.00	25.38	—
CU Base ('000JPY/ton)	1,111	1,130	1,200	1,150	89	—

3Q FY2022 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

(Unit : Yen in billion)



Business profitability (actual value)

Power	7.7
Telecommunication Systems	19.3
Electronics	▲ 3.7
Automotive	▲ 0.6
Others	1.2
Total	23.8

1-3Q FY2021
Results

Sales increased due to foreign exchange rates, decreased impact of semiconductor shortage and continued strong demand for data centers and FTTx in the Telecommunication Systems.

1-3Q FY2022
Results

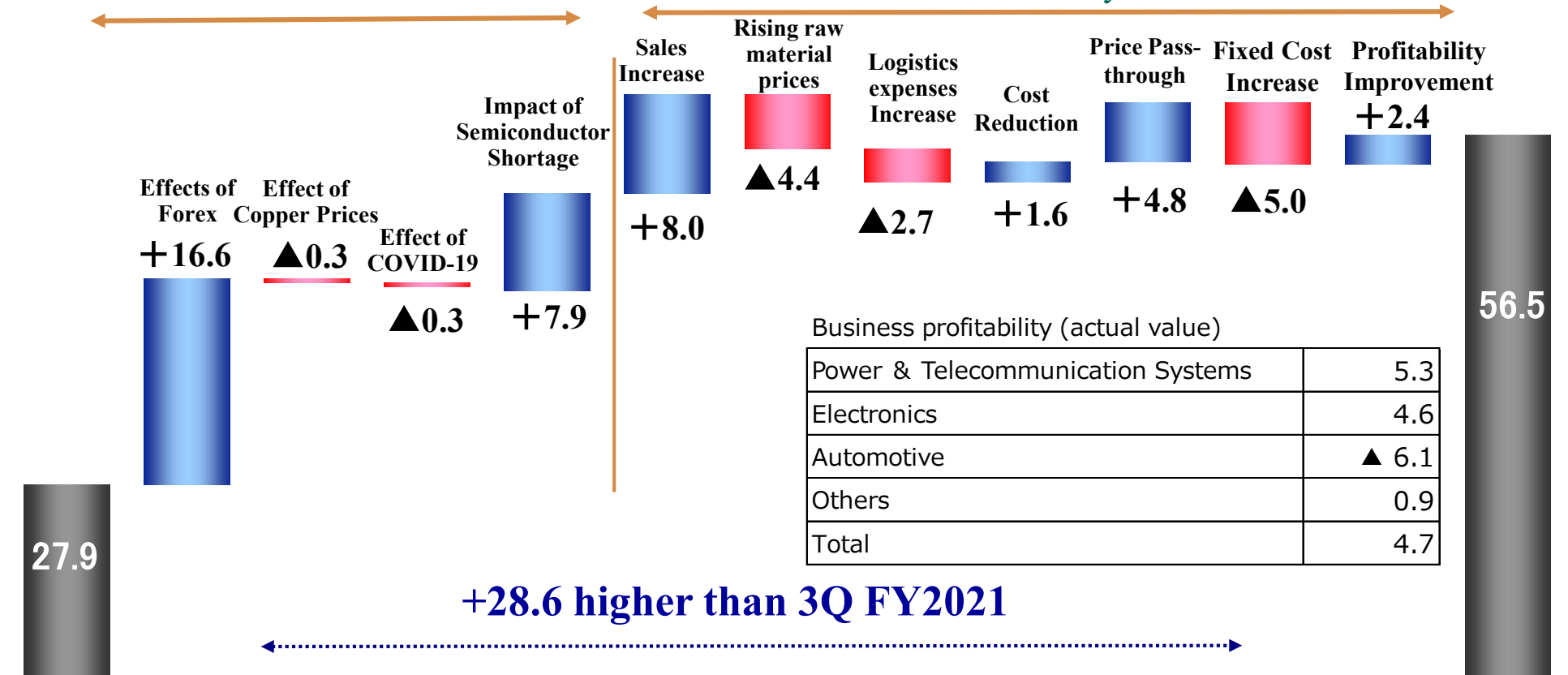
3Q FY2022 Contributing Factors to Operating Income Change (year-on-year basis)

(Unit : Yen in billion)

Operating Income

Market Environment Factors +23.9

Business Profitability Factors +4.7



Business profitability (actual value)

Power & Telecommunication Systems	5.3
Electronics	4.6
Automotive	▲ 6.1
Others	0.9
Total	4.7

1-3Q
FY2021
Results

Increase due to the impact of foreign exchange rate fluctuations, reduced impact of semiconductor shortages, strong performance in the Telecommunications Systems, and improved productivity in the Electronics.

1-3Q
FY2022
Results

3Q FY2022 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY21		FY22
	1-3Q	Full year	1-3Q
Operating Income	27.9	38.3	56.5
Share of other comprehensive income of entities accounted for using equity method	1.8	2.1	2.1
Ordinary Income	25.5	34.1	55.9
Extraordinary Income	9.9	22.3	4.8
Extraordinary Loss	1.0	4.7	2.5
Income before Income Taxes and Minority Interests	34.5	51.7	58.2
Total Income Taxes	7.5	11.5	10.4
Net Income non-controlling interests	0.8	1.0	1.3
Net Income attributable to owners of parent	26.2	39.1	46.5

FY2022 1-3Q

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

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2022	As of December 31, 2022	Change
<Assets>	611.5	674.0	62.5
Current Assets	369.1	417.9	48.7
Cash and Deposits	91.0	89.4	▲ 1.6
Notes and accounts receivable and	144.9	161.8	16.9
Inventories	112.6	142.1	29.5
Fixed Assets	242.4	256.2	13.8
Tangible Fixed Assets	174.1	181.7	7.6
Intangible Fixed Assets	15.4	16.7	1.3
Sub Total	189.5	198.4	8.8
Total Investments and Other Assets	52.8	57.8	4.9

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.

Lease 13.8
(Adoption of U.S. GAAP ASC 842)

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2022	As of December 31, 2022	Change
Total	611.5	674.0	62.5
(Treasury Stock)	(▲10.6)	(▲10.5)	0.1
〈Liability〉	367.9	376.7	8.8
Notes and Account Payable	71.8	80.1	8.3
Interest-bearing Debt	211.5	208.1	▲ 3.4
Other Liability	84.5	88.5	3.9
〈Net Equity〉	243.7	297.4	53.7
Shareholder's Equity	197.1	238.0	40.9
(Treasury Stock)	(▲10.6)	(▲10.5)	0.1
Accumulated Other Comprehensive Income	23.4	36.1	12.7
Non-controlling Interests	23.2	23.3	0.1
Equity-to-assets-ratio	36.1	40.7	4.6

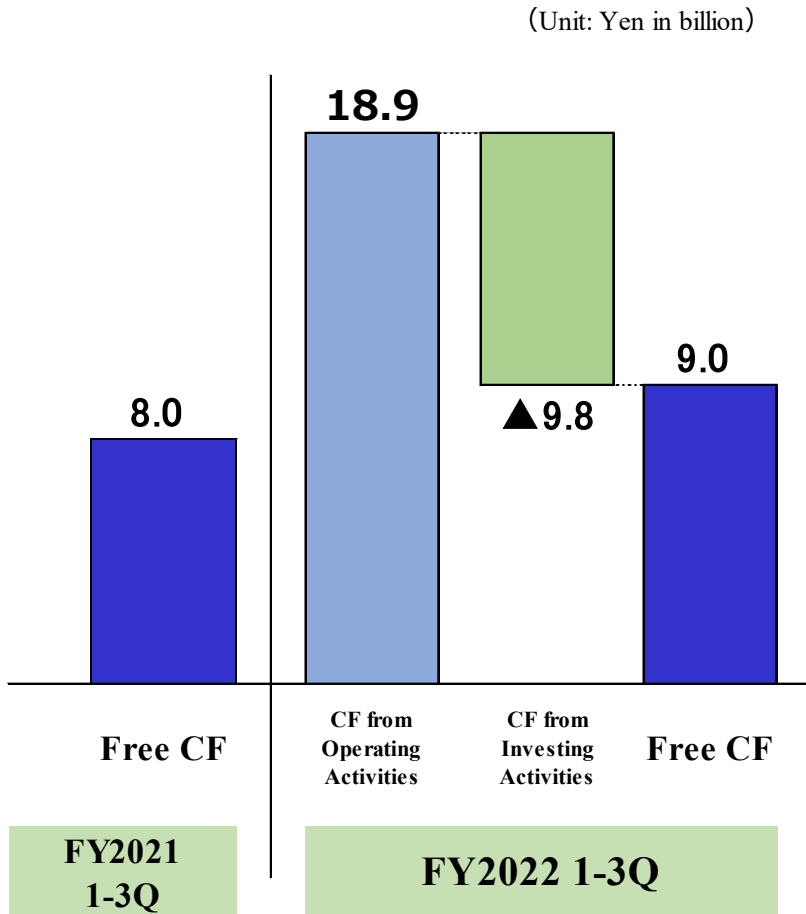
Net D/E ratio is improved
(35:65→30:70)
Net Debt 120.4⇒118.7
(▲1.8)

Increase in lease
obligations mainly due
to the adoption of U.S.
GAAP ASC 842 (+13.9)

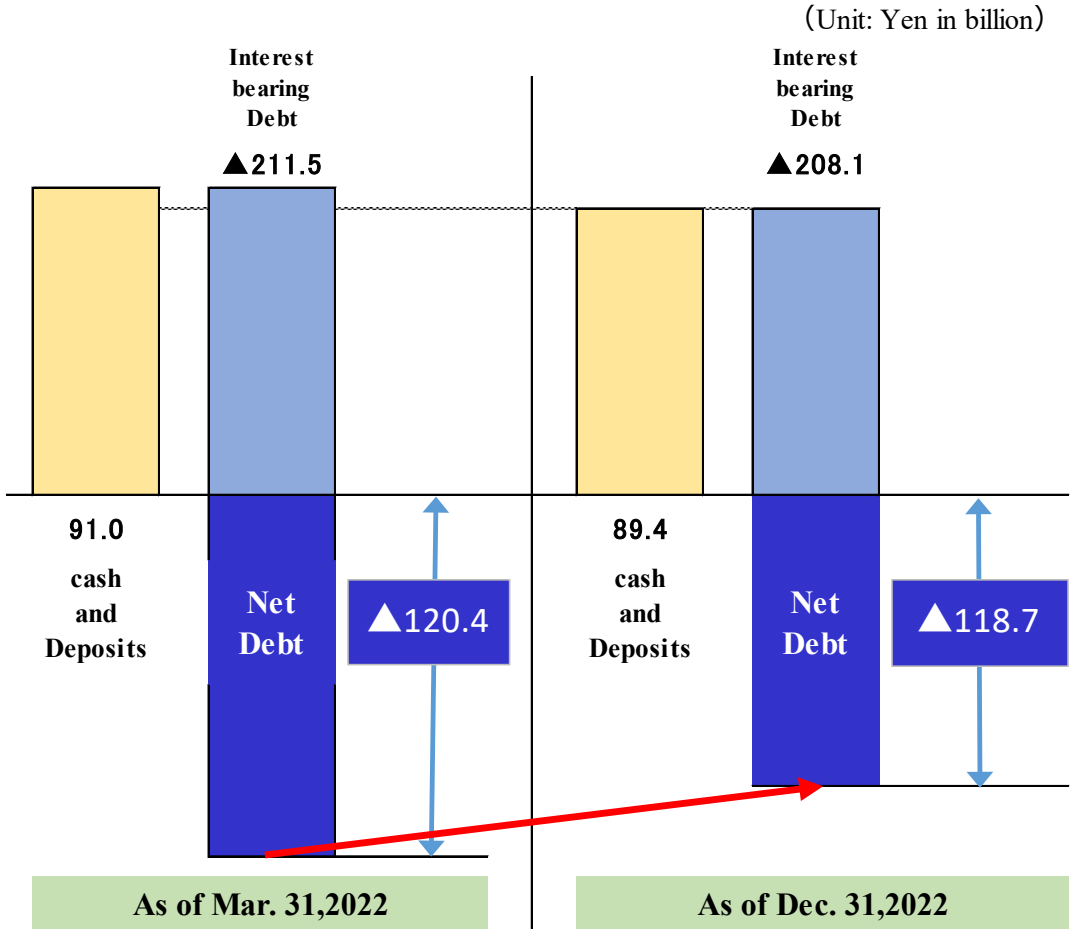
Foreign currency impact
+9.0

Free Cash Flow / Net Debt

Free cash Flow



Interest bearing Debt / Net Debt



CF/Operating Activities: Improved due to higher net income. 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)

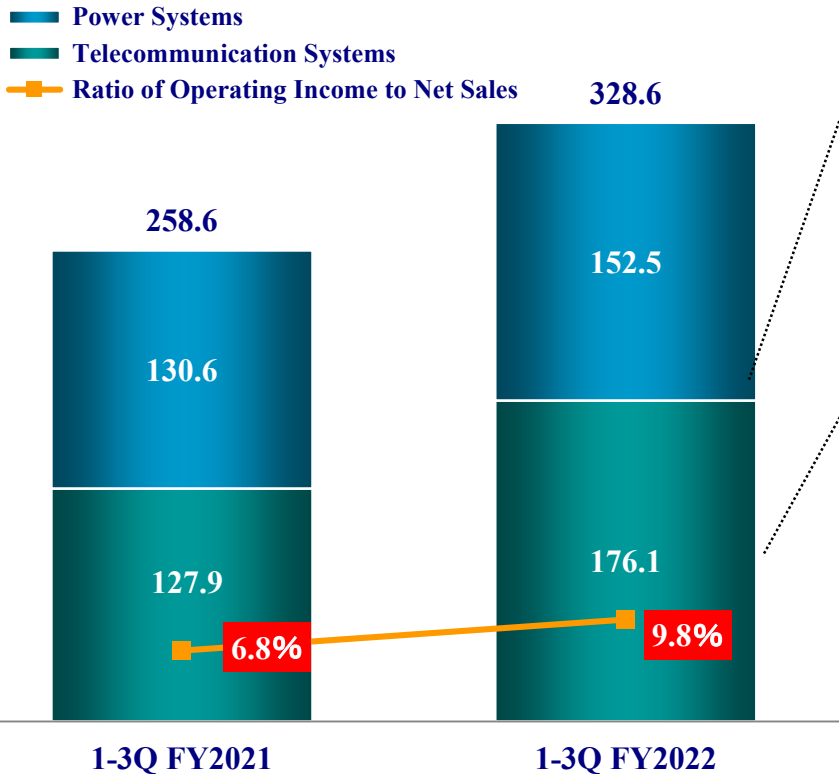
Segment	Net Sales				Operating Income(Loss) and Ratio of Operating Income to Net Sales			
	FY21 1-3Q Actual	FY22 1-3Q Actual	Change	Change (%)	FY21 1-3Q Actual	FY22 1-3Q Actual	Change	Change (%)
Power & Telecommunication	258.6	328.6	70.0	127%	17.5 6.8%	32.1 9.8%	14.6 3.0%	183%
Electronics Business	136.2	156.3	20.1	115%	11.0 8.1%	24.8 15.9%	13.8 7.8%	225%
Automotive Products	88.7	113.8	25.0	128%	▲4.2 ▲4.7%	▲5.0 ▲4.4%	▲0.9 0.3%	—
Electronic Products & Connector	224.9	270.0	45.2	120%	6.8 3.0%	19.8 7.3%	13.0 4.3%	290%
Real Estate Business	8.2	8.2	0.0	100%	3.8 47.1%	3.8 47.1%	0.0 0.0%	100%
Other	4.2	6.0	1.8	141%	▲0.2	0.8	1.0	—
Total	495.8	612.8	117.0	124%	27.9 5.6%	56.5 9.2%	28.6 3.6%	202%

Power & Telecommunication Systems

- Results showed an increase in sales and income, mainly due to forex effect and high demand for data centers and FTTx. The impact of the helium shortage was also reduced through improved productivity.

(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.
- The impact of the helium shortage was also reduced through improved productivity.

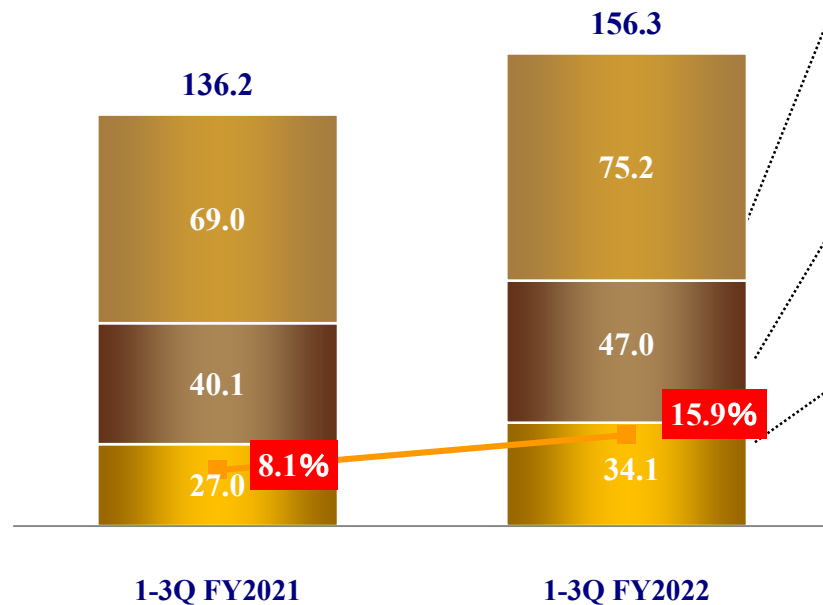
Electronics Business

- Results showed an increase in both sales and profit due to reduced impact of the semiconductor shortage in the previous fiscal year and strong sales to major customers, despite the impact of the Shanghai lockdown and the company's ongoing strategy of placing priority on profitability.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

- FPC
- Connector
- Other
- Ratio of Operating income to Net Sales



FPC

- Sales increased due to strong sales to major customers and foreign exchange effects, despite Shanghai lockdown and profitability-oriented ordering strategy.

Connector

- Sales increased due to favorable performance in both smartphone and industrial machinery applications.

Electronic Components

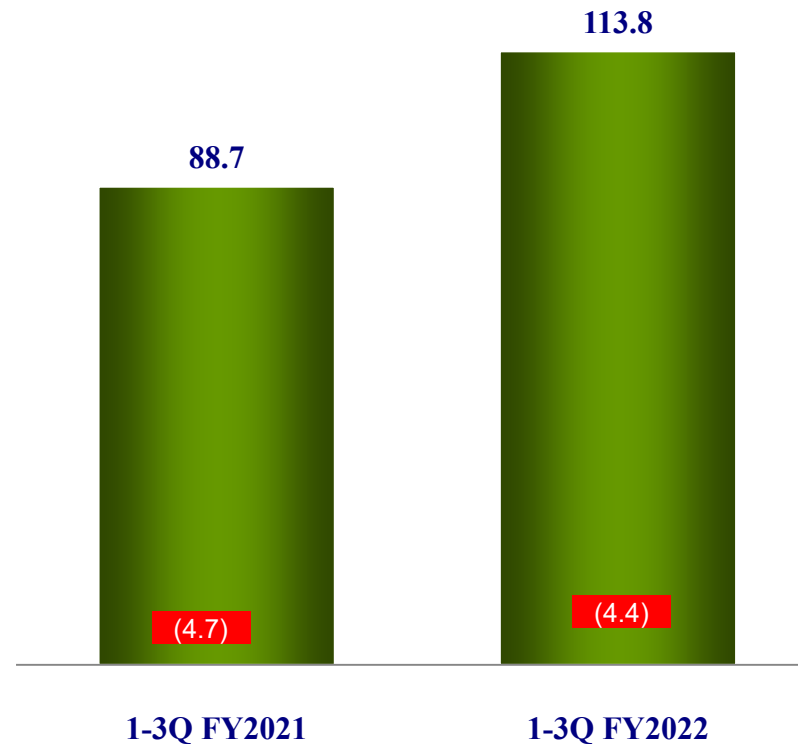
- Higher sales due to steady demand and the impact of foreign exchange rates.

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 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



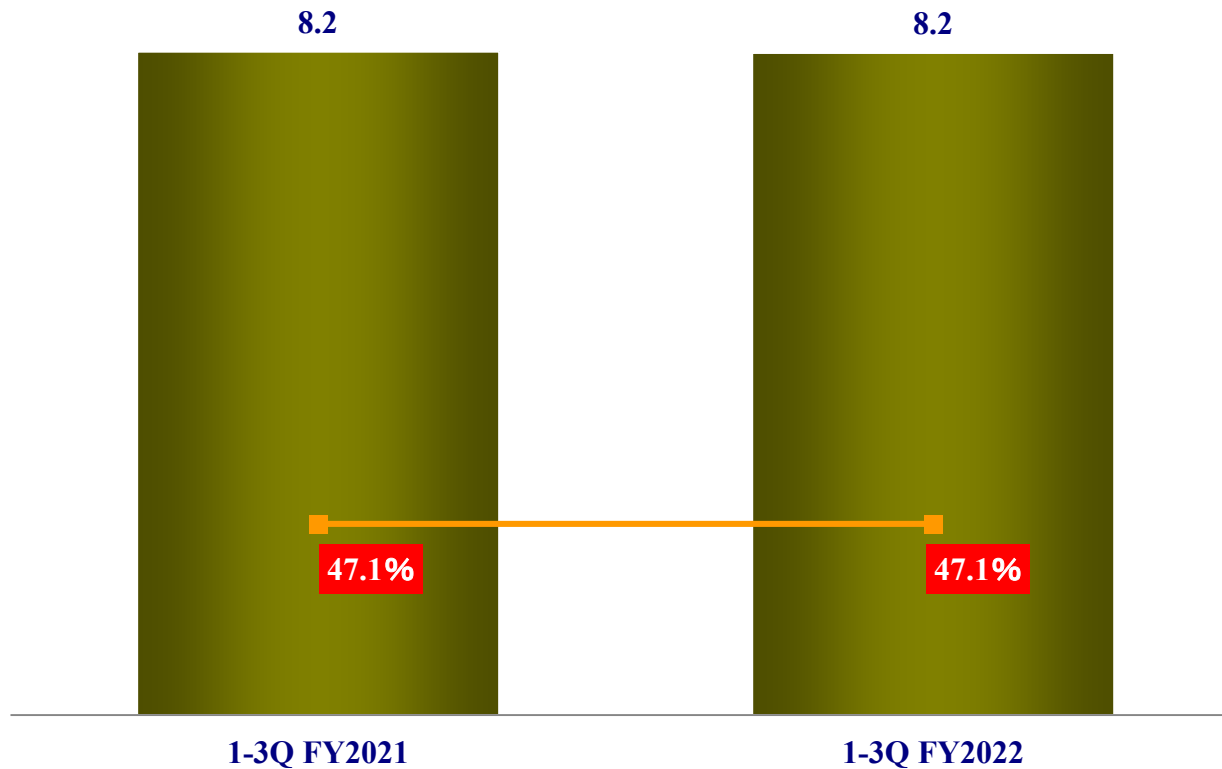
Real Estate Business

- Continued steady growth.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to Net Sales



2. Full-year Forecasts

Summary of FY2022 - Full-Year Forecasts

Consolidated financial forecast for the fiscal year ending March 31, 2023 is generally in line with the previous forecast (announced on November 9, 2022) and is not revised this time.

By segment, the loss in the automotive business segment is expected to increase. However, expect to recover mainly in the electronics business and achieve the previous forecast overall.

■ Net sales, operating income, and ordinary income are expected to reach record highs.

Summary of FY2022 -3Q Forecasts

(Unit : Yen in billion)

Segment	Net Sales			Operating Income(Loss) and Ratio of Operating Income to Net Sales		
	FY22		Progress	FY22		Change
	1-3Q Actual	Revised Plan 11.09		Revised Plan 11.09	Forecast 02.09	
Power & Telecommunication	328.6	428.1	77%	43.2 10.1%	43.9 10.3%	0.7 0.2%
Electronics Business	156.3	194.0	81%	23.5 12.1%	25.3 13.2%	1.8 1.1%
Automotive Products	113.8	148.9	76%	▲ 3.2 ▲2.1%	▲ 6.7 ▲4.3%	▲ 3.5 ▲2.2%
Electronic Products & Connector	270.0	343.0	79%	20.3 5.9%	18.6 5.4%	▲ 1.6 ▲0.5%
Real Estate Business	8.2	10.7	76%	4.7 43.6%	5.1 47.1%	0.4 3.4%
Other	6.0	8.2	73%	0.3	0.9	0.6
Total	612.8	790.0	78%	68.5 8.7%	68.5 8.7%	0.0 0.0%

Shareholder Return

■ FY22: Shareholder Return

As announced on November 9, 2022, an interim dividend of 13.0 yen/share have been paid.

The year-end dividend of 13.0 yen/share is unchanged.

■ FY22:Result/Forecast

Dividend 26.0 yen/share (interim 13.0 yen/share, year-end 13.0 yen/share, total dividend 7.2 billion yen)

■ FY 21 results

Dividend 10.0 yen/share (Interim: 0.0 yen/share, Year-end: 10.0 yen/share, total dividend 2.8 billion yen)

Appendix

Net Sales by Segment

Unit: Yen in Billion

		FY2021						FY2022						FY2022 Forecast (11.9)		
		1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year	Full Year
	Power Systems	42.1	43.3	45.2	48.5	85.5	93.7	179.2	47.1	51.3	54.0	45.9	98.5	99.9	198.3	194.2
	Telecommunication Systems	40.9	42.8	44.2	46.6	83.7	90.7	174.5	53.8	63.7	58.6	50.9	117.5	109.5	227.1	233.9
	Power & Telecommunication Systems	83.1	86.1	89.4	95.1	169.2	184.4	353.6	100.9	115.1	112.6	96.8	216.0	209.4	425.4	428.1
	FPC	23.5	23.7	21.8	21.3	47.2	43.1	90.3	16.5	27.9	30.8	14.9	44.4	45.8	90.2	89.4
	Connector	11.1	16.0	13.0	12.9	27.1	25.9	53.0	12.0	20.4	14.6	11.1	32.3	25.8	58.1	61.9
	Components	8.6	8.9	9.5	8.2	17.5	17.7	35.2	10.6	11.4	12.1	8.9	22.0	20.9	42.9	42.7
	Electronics	43.3	48.6	44.3	42.3	91.8	86.7	178.5	39.0	59.7	57.5	34.9	98.8	92.4	191.2	194.0
	Automotive Products	32.3	26.5	29.9	32.6	58.8	62.5	121.3	36.1	38.5	39.1	39.8	74.6	78.9	153.5	148.9
	Electronics Automotive Connector	75.6	75.1	74.2	74.9	150.6	149.2	299.8	75.2	98.2	96.6	74.7	173.4	171.4	344.7	343.0
	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	10.7
	Other	1.3	1.5	1.4	1.8	2.8	3.2	6.0	2.1	2.1	1.8	3.1	4.2	4.9	9.1	8.2
	Total	162.7	165.4	167.7	174.5	328.1	342.3	670.3	180.9	218.2	213.7	177.2	399.1	390.9	790.0	790.0

Operating Income by Segment

Unit: Yen in Billion

	FY2021							FY2022							FY2022 Forecast (11.9)
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year	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	11.8	20.3	23.6	43.9	43.2
Electronics	2.1	4.8	4.2	2.8	6.8	6.9	13.8	4.1	10.9	9.9	0.5	14.9	10.4	25.3	23.5
Automotive Products	(0.2)	(1.8)	(2.2)	(1.4)	(1.9)	(3.6)	(5.6)	(1.3)	(1.8)	(2.0)	(1.6)	(3.0)	(3.6)	(6.7)	(3.2)
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	6.8	18.6	20.3
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	2.4	5.1	4.7
Other	(0.1)	0.0	(0.2)	0.0	(0.1)	(0.2)	(0.2)	0.1	0.3	0.3	0.1	0.4	0.4	0.9	0.3
Total	9.7	8.9	9.4	10.3	18.6	19.7	38.3	11.3	24.0	21.3	11.9	35.3	33.2	68.5	68.5



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.