

# 3Q FY2023 Financial Results



February 8, 2024

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# 1. Summary of 3Q FY2023 Financial Results

# Summary of 3Q FY2023 Financial Results

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## 【 Comparison with revised forecasts (Nov.08.2023) 】

- Revised forecasts incorporated downside risks in consideration of uncertainties in the external business environment, but the 3Q results progressed better than expected due to strong performance mainly in the Electronics Business and Automotive Business.
- Electronics progressed better than previously forecast, due to smaller than expected impact of supply chain problems and improved productivity etc.
- Automotive achieved a significant increase in profit and returned to profitability, due to the effect of cost reductions and progress in optimizing the burden of costs with customers.
- Telecommunication Systems progressed at a higher level than expected due to favorable sales to electric power companies in North America, etc. and a recovery in optical components for data centers in the second half of the fiscal year, despite investment restraints by customers.
- Power Systems, income increased due to strong demand for construction of new plants in domestic market continuously.

# 3Q FY2023 Financial Results

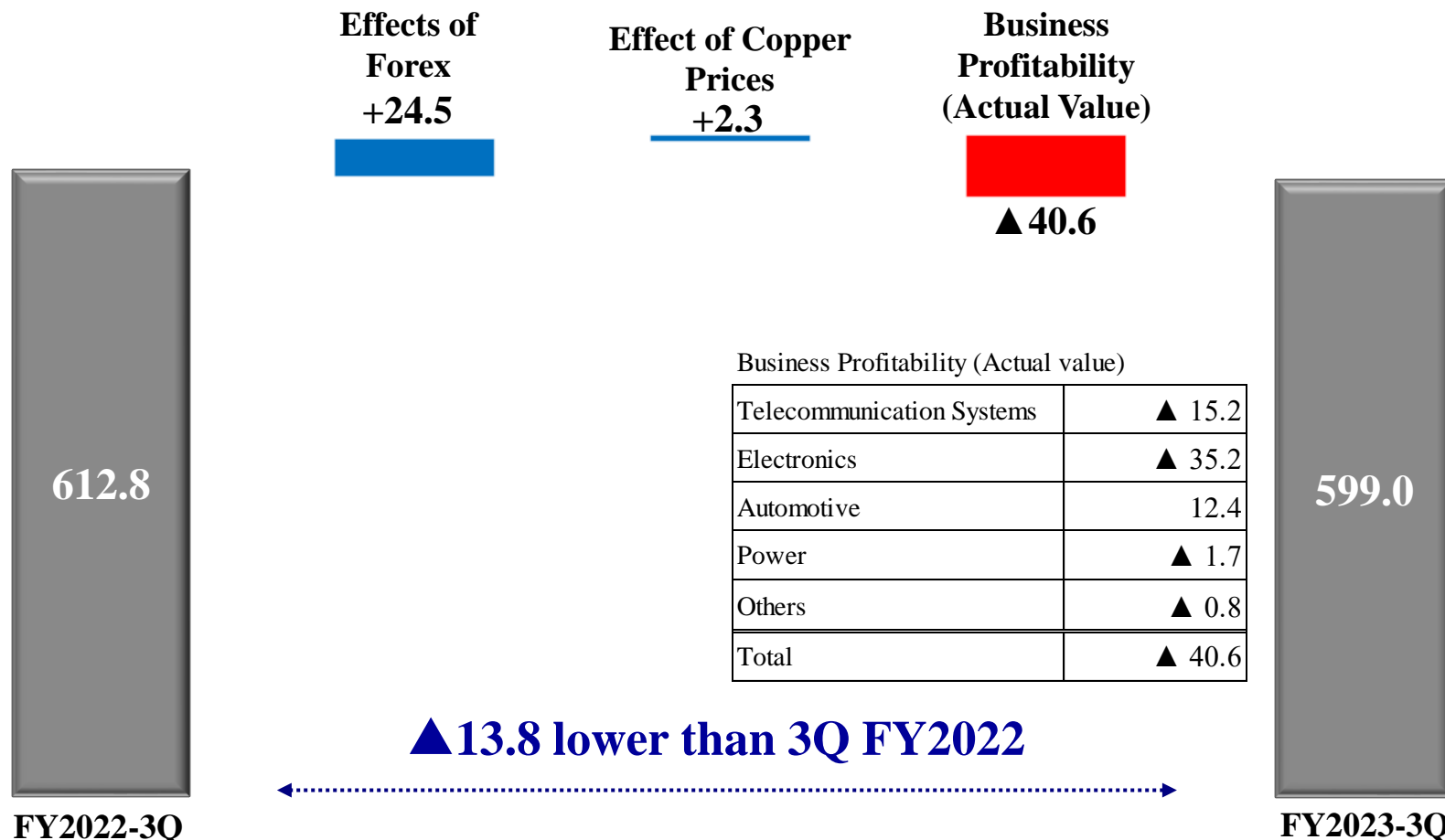
(Unit: Yen in billion)

	FY2022-3Q Results	Revised Forecasts for FY2023 (Nov.08.2023)	FY2023-3Q Results	Progress rate	FY2023-3Q VS. FY2022-3Q	Change(%)
Net sales	612.8	760.0	599.0	79%	▲ 13.8	▲ 2%
Operating Income	56.5	54.0	51.4	95%	▲ 5.1	▲ 9%
Ratio of Operating Income to Net Sales(%)	9.2	7.1	8.6	—	▲ 0.6	—
Equity gains of affiliated companies	2.1	2.5	1.8	72%	▲ 0.2	▲ 11%
Ordinary Income	55.9	56.0	51.5	92%	▲ 4.3	▲ 8%
Net Income Attributable to Owners of Parent	46.5	41.0	35.8	87%	▲ 10.7	▲ 23%
Net Income per Share (JPY)	168.61	148.66	129.79	—	▲ 38.82	—
Exchange Rate (USD/JPY)	136.52	140.54	143.33	—	6.81	—
CU Base ('000JPY/ton)	1,200	1,220	1,249	—	49	—

# 3Q FY2023 Contributing Factors to Net Sales Change (year-on-year basis)

(Unit : Yen in billion)

## Net Sales

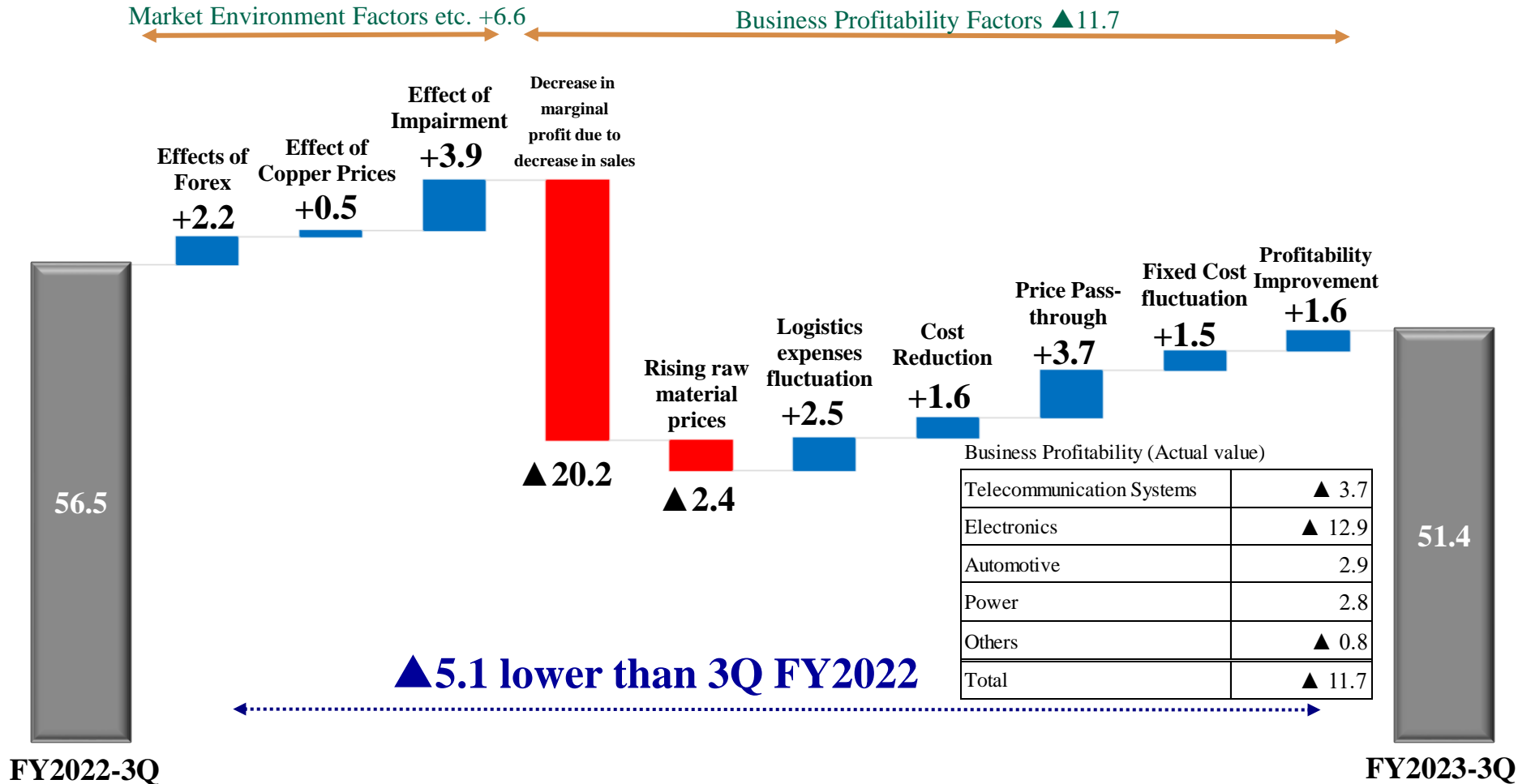


Sales decreased due to decline in demand for Stay Home in the Electronics and investment restraint in data centers and FTTx which was brisk in the previous period in Telecommunications Systems.

# 3Q FY2023 Contributing Factors to Operating Income Change (year-on-year basis)

(Unit : Yen in billion)

## Operating Income



Decrease in profit due to sales decline in Electronics and Telecommunication Systems.

# 3Q FY2023 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY2022-3Q	FY2023-3Q
<b>Operating Income</b>	<b>56.5</b>	<b>51.4</b>
<b>Equity gains of affiliated companies</b>	<b>2.1</b>	<b>1.8</b>
<b>Ordinary Income</b>	<b>55.9</b>	<b>51.5</b>
<b>Extraordinary Income</b>	<b>4.8</b>	<b>0.2</b>
<b>Extraordinary Loss</b>	<b>2.5</b>	<b>1.6</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>58.2</b>	<b>50.1</b>
<b>Total Income Taxes</b>	<b>10.4</b>	<b>12.5</b>
<b>Net Income non-controlling interests</b>	<b>1.3</b>	<b>1.8</b>
<b>Net Income attributable to owners of parent</b>	<b>46.5</b>	<b>35.8</b>

## FY22-3Q

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



# Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2023	As of December 31, 2023	Change
〈Assets〉	656.8	690.3	33.5
Current Assets	418.4	447.0	28.5
Cash and Deposits	107.2	129.2	21.9
Notes and accounts Receivable and Contract assets	155.4	154.1	▲ 1.2
Inventories	131.0	141.0	10.0
Fixed Assets	238.4	243.3	4.9
Tangible Fixed Assets	163.2	162.1	▲ 1.1
Intangible Fixed Assets	15.1	20.2	5.1
Sub Total	178.2	182.3	4.0
Total Investments and Other Assets	60.1	61.0	0.9

Effect of FX etc.  
(Foreign currency translation +5.2)

CAPEX +12.7  
Goodwill +4.7  
Depreciation ▲17.6  
Retirement and sales etc. ▲1.6  
Foreign currency translation +5.7

# Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2023	As of December 31, 2023	Change
<b>Total</b>	<b>656.8</b>	<b>690.3</b>	<b>33.5</b>
(Treasury Stock)	(▲ 10.5)	(▲ 10.5)	0.0
<b>〈Liability〉</b>	<b>362.4</b>	<b>354.7</b>	<b>▲ 7.7</b>
Notes and Account Payable	74.7	76.4	1.7
Interest-bearing Debt	192.9	187.1	▲ 5.8
Other Liability	94.8	91.3	▲ 3.6
<b>〈Net Equity〉</b>	<b>294.4</b>	<b>335.5</b>	<b>41.1</b>
Shareholder's Equity	230.8	255.7	24.9
(Treasury Stock)	(▲ 10.5)	(▲ 10.5)	0.0
Accumulated Other Comprehensive Income	39.7	55.2	15.5
Non-controlling Interests	23.8	24.6	0.8
Equity-to-assets-ratio	41.2	45.0	3.8

Net D/E Ratio	24:76→16:84
Net Debt	85.7⇒57.9 ▲27.7

Foreign currency translation  
adjustment +13.3

# 3Q FY2023 Financial Results by Segment

(Unit: Yen in billion)

Segment	Net Sales				Operating Income(Loss) and Ratio of Operating Income to Net Sales			
	FY2022-3Q	FY2023-3Q	Change	Change (%)	FY2022-3Q	FY2023-3Q	Change	Change (%)
	Results	Results			Results	Results		
<b>Telecommunication Systems</b>	221.7	219.5	▲ 2.3	▲ 1%	31.1 14.0%	29.5 13.5%	▲ 1.5 ▲ 0.6%	▲ 5%
<b>Electronics Business</b>	156.3	128.6	▲ 27.7	▲ 18%	24.8 15.9%	13.4 10.4%	▲ 11.5 ▲ 5.5%	▲ 46%
<b>Automotive Products</b>	113.8	133.8	20.0	18%	▲ 5.0 ▲ 4.4%	0.2 0.1%	5.2 4.6%	—
<b>Power Systems</b>	102.8	103.4	0.6	1%	2.3 2.2%	5.6 5.4%	3.3 3.2%	147%
<b>Real Estate Business</b>	8.2	7.9	▲ 0.3	▲ 3%	3.8 47.1%	3.7 46.5%	▲ 0.2 ▲ 0.6%	▲ 4%
<b>Other</b>	10.1	5.9	▲ 4.2	▲ 42%	▲ 0.5	▲ 0.9	▲ 0.4	—
<b>Total</b>	612.8	599.0	▲ 13.8	▲ 2%	56.5 9.2%	51.4 8.6%	▲ 5.1 ▲ 0.6%	▲ 9%

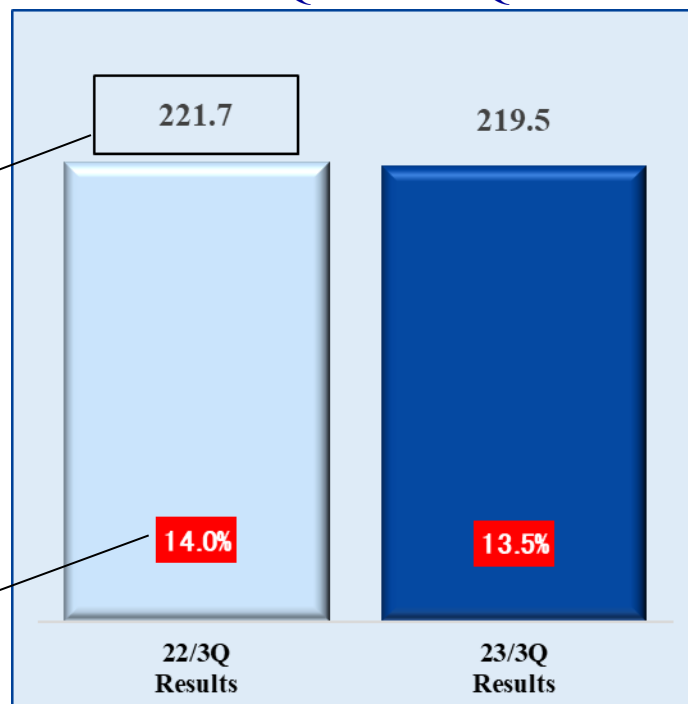
\*Some segment changes have been implemented since FY2023, and the figures for FY2022 have been reclassified in the same manner.

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

(Unit: Yen in billion)

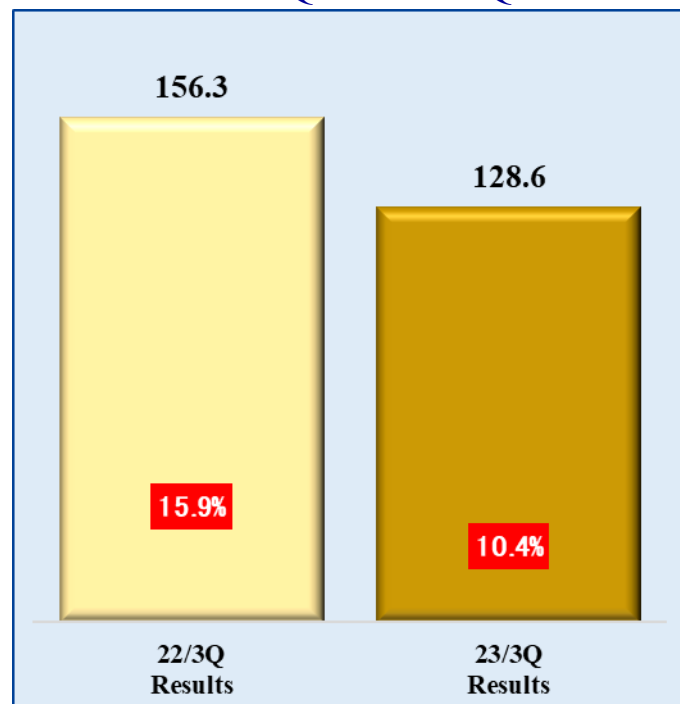
## Telecommunication Systems

22/3Q vs. 23/3Q



## Electronics Business

22/3Q vs. 23/3Q



- Although investment restraint in data centers and FTTx which was brisk in the previous period, maintained a high profit level on a par with the same period of the previous fiscal year on the background of a various profitability including strong sales to electric power companies in North America and firm demand of fusion splicers, in addition to the effect of forex.

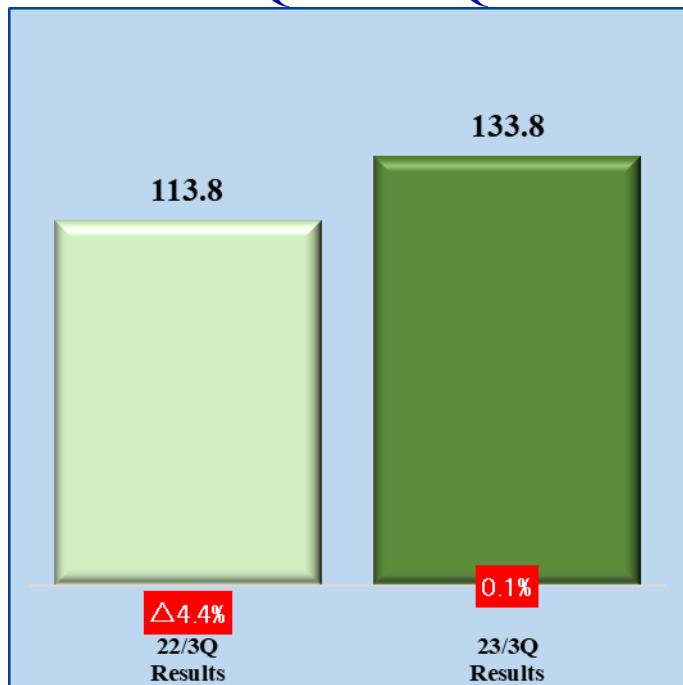
- Decrease in sales and income due to decline in demand for stay-at-home demand up to the previous fiscal year and supply chain problems led to a decrease in shipments

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

(Unit: Yen in billion)

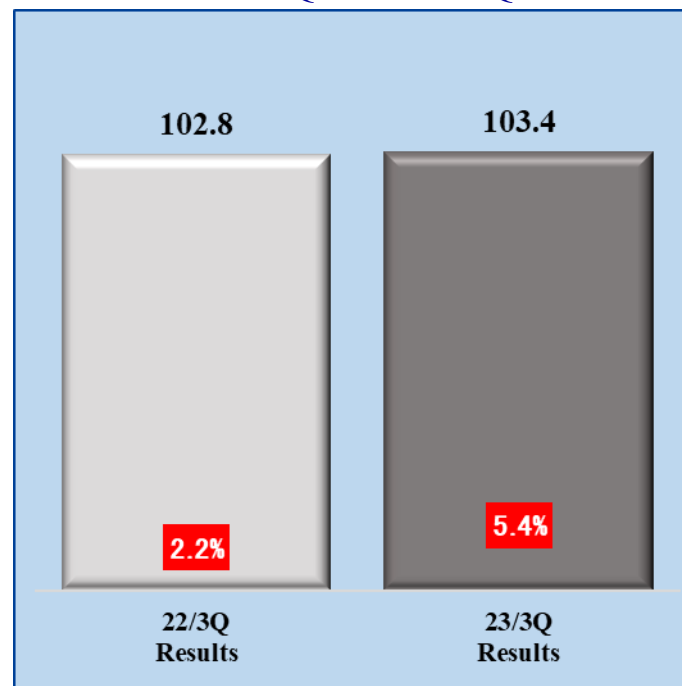
## Automotive Products

22/3Q vs. 23/3Q



## Power Systems

22/3Q vs. 23/3Q



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

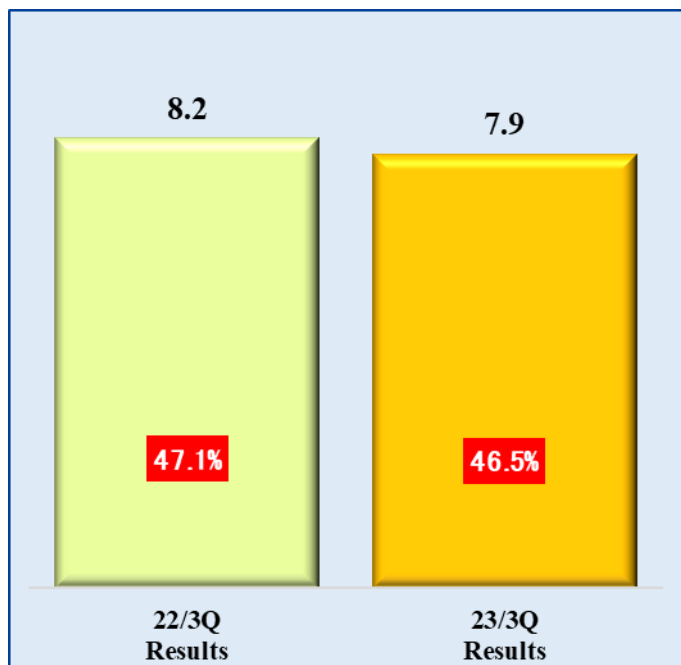
- Significantly higher income due to strong demand associated with the construction of new plants in domestic market compared to the previous fiscal year when booked copper valuation loss.

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

(Unit: Yen in billion)

## Real Estate Business

22/3Q vs. 23/3Q



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

## **2. Summary of FY2023 Business Forecasts**

# Summary of FY2023 Business Forecasts

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- **Overall Net sales, Operating Income, Ordinary Income, and Net Income are expected to exceed the previous forecasts due to smaller impact of supply chain problems than expected and improved productivity in Electronics Business and cost reductions and progress in optimizing the burden of costs with customers in Automotive Business.**
- **All kinds of profits are expected to exceed the first-year plan of FY2025 mid-term Management Plan (Original Forecasts) due to Telecommunication Systems which is the main driver, is expected to remain strong.**
- **Automotive is expected to achieve profitability for the full year.**
- **Aim to achieve second highest operating income and ordinary income in history after FY2022, and record-high net income for the third consecutive fiscal year.**



# Summary of FY2023 - Forecasts

(Unit : Yen in billion)

	FY2022 Actual	Original Forecasts for FY2023 (FY25 mid-term plan)	Revised Forecasts for FY2023 (Nov.08.2023)	Current Forecasts for 2023 (Feb.08.2024)	Change			
					Nov.08.2023 vs. Feb.08.2024	Change (%)	Original vs. Feb.08.2024	Change (%)
Net sales	806.5	770.0	760.0	790.0	30.0	4%	20.0	3%
Operating Income	70.2	60.0	54.0	63.0	9.0	17%	3.0	5%
Ratio of Operating Income to Net Sales(%)	8.7	7.8	7.1	8.0	0.9	—	0.2	—
Equity gains of affiliated companies	2.1	2.3	2.5	2.4	▲ 0.1	▲ 4%	0.1	3%
Ordinary Income	67.9	55.0	56.0	62.0	6.0	11%	7.0	13%
Net Income Attributable to Owners of Parent	40.9	41.0	41.0	45.0	4.0	10%	4.0	10%
Net Income per Share (JPY)	148.27	148.66	148.66	163.16	14.50	—	14.50	—
Dividend per Share (JPY)	30.0	45.0	45.0	49.0	4.0	—	4.0	—
ROE (%)	16.7	14.4	13.8	15.2	1.4	—	0.8	—
Exchange Rate (USD/JPY)	135.51	130.00	140.54	143.75	3.21	—	13.75	—
			FY2023-2H 140.00	FY2023-4Q 145.00				
CU Base ('000JPY/ton)	1,209	1,100	1,220	1,240	20	—	140	—
			FY2023-2H 1,200	FY2023-4Q 1,200				

All kinds of profits are expected to exceed the first-year plan of FY2025 mid-term Management Plan (Original Forecasts)

# FY2023 - Full year Forecasts by Segment(Nov.08.2023 vs. Feb.08.2024)

(Unit: Yen in billion)

Segment	Net Sales				Operating Income(Loss) and Ratio of Operating Income to Net Sales			
	Revised Forecasts (Nov.08.2023)	Current Forecasts (Feb.08.2024)	Change	Change (%)	Revised Forecasts (Nov.08.2023)	Current Forecasts (Feb.08.2024)	Change	Change (%)
Telecommunication Systems	283.2	294.4	11.3	4%	35.8 12.6%	37.4 12.7%	1.6 0.1%	4%
Electronics Business	154.5	162.0	7.5	5%	11.0 7.1%	14.5 8.9%	3.5 1.8%	32%
Automotive Products	172.4	178.2	5.8	3%	▲ 2.0 ▲ 1.2%	0.3 0.2%	2.3 1.3%	—
Power Systems	131.0	136.3	5.3	4%	6.1 4.7%	7.1 5.2%	1.0 0.5%	16%
Real Estate Business	10.5	10.5	0.0	0%	4.5 42.5%	4.8 45.2%	0.3 2.7%	6%
Other	8.5	8.6	0.2	2%	▲ 1.4	▲ 1.1	0.4	—
<b>Total</b>	<b>760.0</b>	<b>790.0</b>	<b>30.0</b>	<b>4%</b>	<b>54.0 7.1%</b>	<b>63.0 8.0%</b>	<b>9.0 0.9%</b>	<b>17%</b>

Sales and profits are expected to increase mainly in the Electronics Business, and the Automotive Products is expected to achieve full-year profitability.

# FY2023-Full year Forecasts by Segment(FY25 Mid-term plan vs. Feb.08.2024)

(Unit: Yen in billion)

Segment	Net Sales				Operating Income(Loss) and Ratio of Operating Income to Net Sales			
	Original Forecasts (FY25 Mid-term plan)	Current Forecasts (Feb.08.2024)	Change	Change (%)	Original Forecasts (FY25 Mid-term plan)	Current Forecasts (Feb.08.2024)	Change	Change (%)
Telecommunication Systems	288.4	294.4	6.0	2%	37.5 13.0%	37.4 12.7%	▲ 0.1 ▲ 0.3%	▲ 0%
Electronics Business	174.4	162.0	▲ 12.4	▲ 7%	18.5 10.6%	14.5 8.9%	▲ 4.0 ▲ 1.6%	▲ 22%
Automotive Products	167.0	178.2	11.1	7%	▲ 0.5 ▲ 0.3%	0.3 0.2%	0.8 0.5%	—
Power Systems	120.9	136.3	15.5	13%	2.1 1.8%	7.1 5.2%	5.0 3.4%	231%
Real Estate Business	10.8	10.5	▲ 0.2	▲ 2%	4.3 40.2%	4.8 45.2%	0.4 5.0%	10%
Other	8.6	8.6	0.0	1%	▲ 2.0	▲ 1.1	0.9	—
<b>Total</b>	<b>770.0</b>	<b>790.0</b>	<b>20.0</b>	<b>3%</b>	<b>60.0</b> 7.8%	<b>63.0</b> 8.0%	<b>3.0</b> 0.2%	<b>5%</b>

Telecommunication Systems leads as a main driver.

# Shareholder Return

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

## ■ Year-end dividends forecasts

Year-end dividends forecasts have been revised to 26.5 yen per share, an increase of 4.0 yen from the previous forecasts, in light of the upward revision of the consolidated financial forecasts for FY2023.

As a result, the annual dividends for FY2023 are expected to be 49 yen per share.

FY23 Forecasts : Dividends 49.0 yen/share (Interim Dividend: 22.5 yen, Year-End Dividend: 26.5 yen)

Previous Forecasts : Dividends 45.0 yen/share (Interim Dividend: 22.5 yen , Year-End Dividend: 22.5 yen)

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

# Appendix

## Net Sales by Segment

Unit: Yen in Billion

	FY2022							FY2023						
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q Forecasts	1H	2H Forecasts	Full Year Forecasts
Telecommunication Systems	66.8	78.9	76.0	69.5	145.7	145.6	291.3	69.7	77.5	72.3	74.9	147.1	147.3	294.4
FPC	16.5	27.9	30.8	21.2	44.4	52.0	96.4	20.4	21.6	24.7	17.4	42.0	42.1	84.0
Connector	12.0	20.4	14.6	10.1	32.3	24.7	57.1	10.4	13.3	12.1	8.3	23.6	20.5	44.1
Components	10.5	11.5	12.1	9.7	22.0	21.8	43.9	8.7	8.8	8.7	7.7	17.4	16.4	33.8
Electronics Business	39.0	59.7	57.5	41.0	98.8	98.5	197.3	39.4	43.6	45.6	33.4	83.0	79.0	162.0
Automotive Products	36.1	38.5	39.1	42.1	74.6	81.2	155.9	44.4	42.9	46.4	44.4	87.4	90.8	178.2
Power Systems	33.1	33.7	36.0	35.6	66.8	71.5	138.3	32.1	33.3	37.9	33.0	65.4	70.9	136.3
Real Estate Business	2.7	2.8	2.7	2.6	5.5	5.3	10.8	2.6	2.6	2.6	2.6	5.3	5.2	10.5
Other	3.0	4.6	2.4	2.8	7.7	5.2	12.9	2.0	1.7	2.2	2.8	3.7	4.9	8.6
<b>Total</b>	<b>180.9</b>	<b>218.2</b>	<b>213.7</b>	<b>193.7</b>	<b>399.1</b>	<b>407.4</b>	<b>806.5</b>	<b>190.2</b>	<b>201.7</b>	<b>207.1</b>	<b>191.1</b>	<b>391.9</b>	<b>398.1</b>	<b>790.0</b>

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

## Operating Income by Segment

Unit: Yen in Billion

	FY2022							FY2023						
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q Forecasts	1H	2H Forecasts	Full Year Forecasts
Telecommunication Systems	8.2	12.3	10.6	9.5	20.5	20.1	40.6	9.9	10.5	9.2	7.9	20.4	17.0	37.4
Electronics Business	4.1	10.9	9.9	2.8	14.9	12.7	27.6	2.1	5.0	6.2	1.1	7.1	7.4	14.5
Automotive Products	△ 1.3	△ 1.8	△ 2.0	△ 1.5	△ 3.0	△ 3.6	△ 6.6	△ 1.3	△ 0.1	1.5	0.1	△ 1.4	1.7	0.3
Power Systems	△ 0.6	1.0	1.8	2.0	0.4	3.8	4.3	1.2	2.0	2.5	1.5	3.2	3.9	7.1
Real Estate Business	1.4	1.3	1.2	1.2	2.7	2.3	5.0	1.2	1.2	1.2	1.1	2.5	2.3	4.8
Other	△ 0.5	0.3	△ 0.2	△ 0.3	△ 0.2	△ 0.5	△ 0.7	△ 0.5	△ 0.4	0.1	△ 0.2	△ 0.9	△ 0.1	△ 1.1
<b>Total</b>	<b>11.3</b>	<b>24.0</b>	<b>21.3</b>	<b>13.7</b>	<b>35.3</b>	<b>34.9</b>	<b>70.2</b>	<b>12.6</b>	<b>18.2</b>	<b>20.7</b>	<b>11.5</b>	<b>30.8</b>	<b>32.2</b>	<b>63.0</b>

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



Special Notes:

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