



5-August, 2022

Dear All

Company Name: Fujikura Ltd.
Representative: Naoki Okada, Director of President, CEO
(Code: 5803 Prime Market of TSE)
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**Notice on an Organizational Restructuring Within the Group
(Simplified Absorption-Type Company Split Related to Power Systems Business)**

Fujikura Ltd. (hereinafter referred to as the “Company”) announced on February 9, 2022, that it will succeed the Overhead Transmission Line and metal cables business currently conducted by the Company to a wholly-owned subsidiary to be established by the Company under the company split method (hereinafter referred to as the “Company Split”). The Company hereby announces the details that have been resolved in the Board of Directors meeting held today.

Since this Company Split is a simplified absorption-type company split to the Company’s wholly-owned subsidiary, some disclosure items and details have been omitted from this announcement. Matters yet to be determined will be announced as soon as they are determined.

1. Purpose of the Company Split

In regards to its Power Systems business, the Company has examined its business state and implemented various measures for many years under its “Power Systems business structural reform.”

Since then, based on the Company’s operational turnaround plan (100-Day Plan) formulated in light of the rapid deterioration in business performance in the fiscal year 2019, the Company has focused on early business recovery, promoting various initiatives under its basic policy of stabilization of its businesses and optimization of business scale, with an emphasis on profitability.

As part of the abovementioned initiatives, the Company has decided to split the Company’s Overhead Transmission Line and metal cables business to Fujikura Energy Systems Ltd. (hereinafter referred to as the “Successor Preparatory Company”), and to establish an entity that is leaner and that enables efficient operations.

2. Summary of the Company Split

(1) Schedule of the Company Split

| | |
|--|-----------------------------|
| Establishment of Successor Preparatory Company | August 5, 2022 |
| Conclusion date of the absorption-type company split agreement (Date of resolution by the Board of Directors) | August 5, 2022 |
| Effective date of the absorption-type company split | October 1, 2022 (Scheduled) |

The Company Split is a simplified absorption-type company split as prescribed in Paragraph 2 of Article 796 of the Companies Act. Therefore, the Company Split is scheduled to be conducted without approval in the shareholder meeting.

(2) Method of the Company Split

The Company Split is an absorption-type company split in which the Company is the splitting company, and the Successor Preparatory Company is the successor company.

(3) Details of allotment pertaining to the Company Split

Upon the Company Split, the Successor Preparatory Company will issue new shares of common stock in accordance with the amount of assets assumed and allocate them to the splitting company.

(4) Handling of new share subscription rights and new share subscription bonds in relation to the Company Split
Not applicable.

(5) Increase/decrease in capital due to the Company Split

The Company Split will not result in an increase or a decrease in capital in the Company.

(6) Rights and obligations to be succeeded by the successor company

The Successor Preparatory Company will succeed to the assets, liabilities, contractual status, and other rights and obligations related to the succeeding business, that are specified in the absorption-type company split agreement. The assumption of liabilities will be based on the method of assumption of obligations without specific liabilities.

(7) Prospects of the fulfillment of obligations

The Company has determined that there are no problems with the prospects for the fulfillment of obligations to be borne by the successor company in the absorption-type company split after the Company Split.

3. Overview of the Companies in the Company Split

| | Splitting Company in the Absorption-Type Split (The Company) | Successor Company in the Absorption-Type Split (Successor Preparatory Company) |
|---|---|--|
| (1) Name | Fujikura Ltd. | Fujikura Energy Systems Ltd. |
| (2) Head office | 5-1, Kiba 1-chome, Koto-ku, Tokyo, Japan | 9-1, Futabacho, Numazu City, Shizuoka, Japan |
| (3) Name and title of representative | Naoki Okada, Director, President and CEO | Keigo Teramoto, Representative Director |
| (4) Main business | Manufacturing and sale of electric wires/cables, optical fibers, optical fiber cables, telecommunication equipment/components, electronic equipment/components, automotive equipment/components, etc. | Manufacturing and sale of electric wires/cables, etc. |
| (5) Capital | 53,076 million yen | 10 million yen |
| (6) Establishment | March 18, 1910 | August 5, 2022 |
| (7) No. of shares issued | 295,863 thousand shares | 100 shares |
| (8) Fiscal year end | March 31 | March 31 |
| (9) Major shareholders and shareholding ratio | The Master Trust Bank of Japan, Ltd. (Trust Account) 20.42% Custody Bank of Japan, Ltd. (Trust Account) 6.81% | Fujikura Ltd. 100% |

| | | |
|--|--|---------------------------------|
| | TAIJU LIFE INSURANCE COMPANY LIMITED | |
| | | 3.69% |
| | Sumitomo Mitsui Banking Corporation | |
| | | 3.06% |
| | Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account) | |
| | | 2.45% |
| (10) Financial position and business performance in the most recent fiscal year (Figures for the Company are consolidated) | | |
| Net assets (Million yen) | 243,657 | No confirmed financial results. |
| Total assets (Million yen) | 611,526 | |
| Net assets per share (Yen) | 799.76 | |
| Net sales (Million yen) | 670,350 | |
| Operating profit (Million yen) | 38,288 | |
| Ordinary profit (Million yen) | 34,089 | |
| Profit/loss attributable to owners of parent (Million yen; loss in parenthesis) | 39,101 | |
| Net income/loss per share (Yen; loss in parenthesis) | 141.85 | |

4. Outline of the Company's Business Segment to Be Split

(1) Details of the Business to Be Split

Overhead Transmission Line and metal cables business

(2) Business Results of the Segment to Be Split (Fiscal year ended March 31, 2022)

Net sales 5,380 million yen

(3) Items and Book Value of Assets and Liabilities to Be Split (Fiscal year ended March 31, 2022) (Million yen)

| Assets | | Liabilities | |
|--------------------|-------|-------------------------|-----|
| Current assets | 2,477 | Current liabilities | 831 |
| Non-current assets | 1,157 | Non-current liabilities | - |
| Total | 3,634 | Total | 831 |

(Note) The actual amount to be succeeded will be the amount above adjusted for any increase or decrease up to the

effective date.

5. Status Following the Organizational Restructuring

There are no scheduled changes to the name, head office, name and title of representative, major business, capital, and fiscal year end of the Company.

6. Future Outlook

The Company Split is an absorption-type split between the Company and the Company's wholly-owned subsidiary. Therefore, the impact on the Company's consolidated business performance is minor.