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[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.



Shaping the future with
“tsunagu” technology

Fujikura Group
Integrated
Report
2022

Foreword

Naoki Okada

Director, President and CEO



On April 1, 2022, I became CEO of Fujikura Ltd.

The Fujikura Group's mission is to "create exceptional value for our customers around the world using "tsunagu" (the Japanese word meaning "connecting") technologies" and "dedicate ourselves to providing exceptional products and solutions earning our customers' trust and contributing to society." Based on this mission, we have contributed to the growth of society and our customers in the telecommunications, energy, electronics, and automotive sectors.

Our reason for existing is to use our unique technologies to create value for customers and contribute to society. I view that as the only path to Fujikura's survival as a company.

Innovation in a wide range of technologies will take place as the world continues to undergo major changes. I am confident that such societal changes and progress in technology will provide us with opportunities to utilize the outstanding technologies of the Fujikura Group.

All officers and employees of the Fujikura Group are working in unison to continuously stimulate metabolism of change in our businesses to create a new Fujikura. We will contribute to society by linking our outstanding technologies to the creation of value for customers. I am certain that these efforts will result in our ability to grow along with our customers and other stakeholders.

Stakeholder expectations concerning the pursuit of sustainable corporate growth and sustainability are increasing with each passing year. Every member of management will strive to meet the high expectations of all of our stakeholders, and I ask for your greater understanding and continuing support of the Fujikura Group in the future.

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Editorial Policy

Basic Policy

In editing the Fujikura Group Integrated Report 2022, we focused on giving shareholders, investors, and other stakeholders an understanding of initiatives targeting sustained growth of the Fujikura Group from multiple perspectives.

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

Detailed Information Concerning Account Settlement

Please see Financial Data for details about FY2021 settlement of accounts.
<https://www.fujikura.co.jp/eng/ir/index.html>

Scope of Report

Target period: April 1, 2021 to March 31, 2022
(Includes some content from after April 2022)
Target organization: Fujikura Ltd. and the Fujikura Group

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

[Commentary]

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

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 |

History

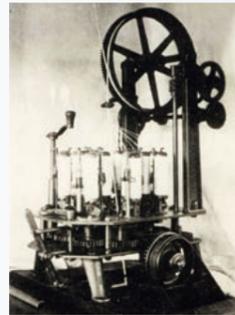
From Our Founding to Today

1885 — The Beginning

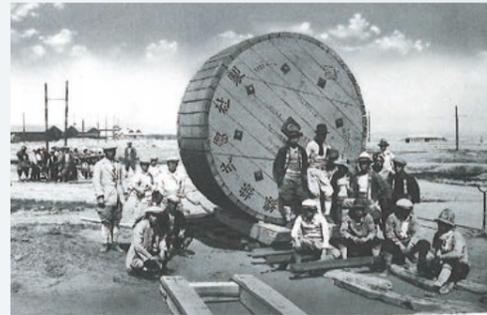
Energy
Telecommunication systems

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

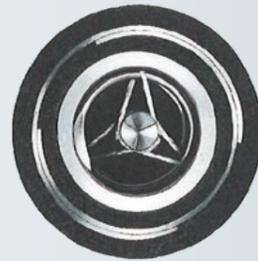
1887
Five large braiding machines imported from the USA by Zenpachi Fujikura



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

Energy
Telecommunication systems
Electronics
Automotive electronics

Expansion into the power and telecommunication systems and diversification leading to current business

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*² developed



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

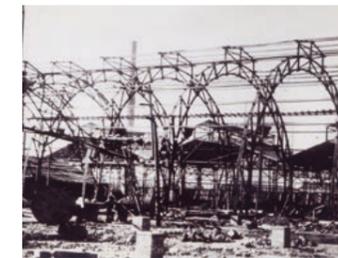


Reconstructed Fukagawa Plant

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

From Our Founding to Today

2nd Phase of Reinvention



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

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

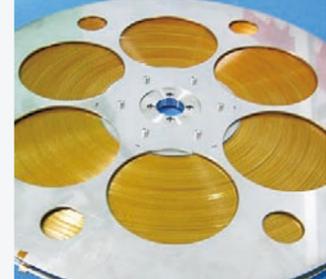


2005 — 3rd Phase of Reinvention

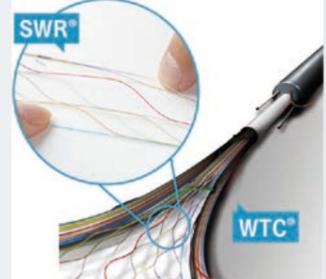


Set forth a long-term vision and pursued further technological development and market access

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
Fujikura'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.

Primary Endeavors

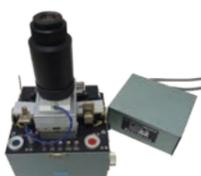
Era of Turbulence and Trials

- 1980** Developed single-mode optical fusion splicers. Led 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, developed 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** Commercialized and began marketing FTTH*2 optical fiber products. Established Fujikura Electronics Shanghai Ltd. (FESL).
- 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 was Recognized as a Prestigious IEEE Milestone*3.
- 2016** The Fujikura Group declared 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 highest fiber count in the world (6,912-fiber Wrapping Tube Cable® (WTC®)).
- 2019** Joined the RE100 global corporate leadership initiative.
- 2020** Fujikura's cold plates used in the Fugaku supercomputer. Formulated 100-Day Plan to turn around operations.
- 2021** Abolished in-house company system through reorganization. Established the electronic components company, Fujikura Electronic Components (Thailand) Ltd.
- 2022** Moved to the Prime Market on the Tokyo Stock Exchange.

*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.

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.



Aluminum conductor steel-reinforced cables (ACSR)



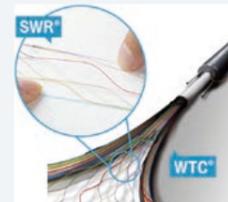
Electric power cables



Control cable

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.



SWR®/WTC®



Optical termination racks and termination cabinets



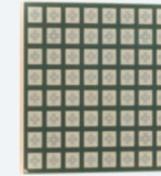
Optical fiber mass fusion splicers



Optical connectors

5G

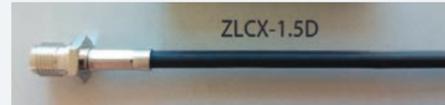
We are working to commercialize mmWave communication devices for use in next-generation high-density high-speed wireless communications in the 5G era.



28 GHz mmWave phased array antenna module



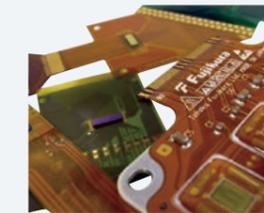
60 GHz mmWave wireless communication module



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

Households

We provide a wide variety of electronic components and solutions that contribute to making smartphones, tablets, and other peripheral equipment smaller, lighter, and thinner, such as flexible printed circuits (FPC), micro coaxial cable (MCX), and connectors.



FPC



Earphone cable connectors



Heat pipe for notebook PCs

Plants

For industrial equipment, we supply fiber lasers that can be used to cut, weld, otherwise process metal, and various types of products and components suitable for different purposes in plants.



Connectors for industrial robots



kW-grade high voltage fiber laser



Partial discharge measuring device



LILIA live wire sheath fault locator

Automotive

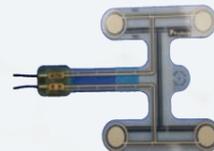
We are pursuing development of new products and new technologies that integrate electronics technology and automotive products technology to respond to trends such as CASE (Connectivity, Autonomous, Sharing and Electrification), in addition to the conventional environmental, safety, and comfort needs.



Automotive products



Rapid charge 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.



Ultra-thin fiberscope using image fibers



IVUS* catheter
* Intravascular ultrasound



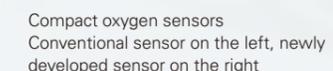
Ultra-thin endoscope using CMOS sensor

QoL Improvers

We advance medical care and improve health literacy by delivering various kinds of solutions for advanced medical care, and designed for specific areas and occupations, and will thereby contribute to longer healthy life spans and quality of life (QoL).



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



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

Three Advantages Providing Competitive Superiority

The Fujikura Group recognizes three competitive advantages it has for using its outstanding technologies and knowledge gained through “tsunagu” (connecting) technologies to successfully provide optimal solutions for social problems. These three advantages are 1) technological strengths, 2) long-term relationships of trust with customers, and 3) ability to respond to social changes.

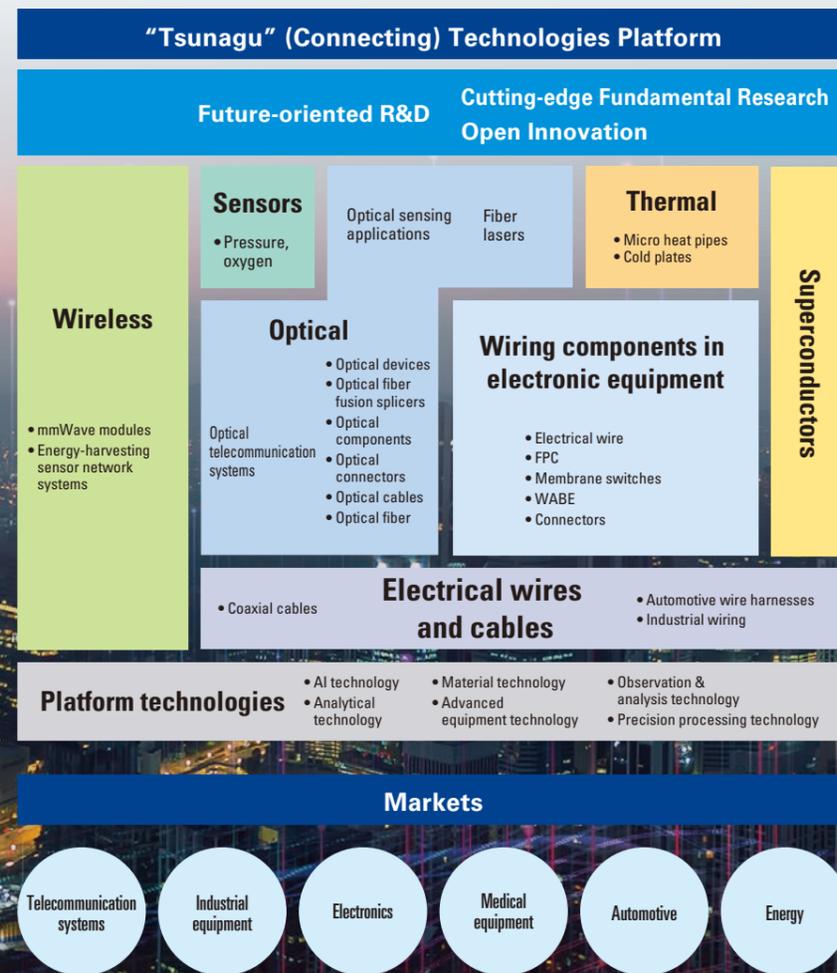
Advantage 1

Technological Strengths

“Tsunagu” (connecting) technologies to solve social problems

The Fujikura Group is using its “tsunagu” (connecting) technology platform as a base for pursuing initiatives aimed at resolving social problems. We aim to develop our businesses by solving environmental problems, energy problems, and other social problems, and are actively pursuing development of new technologies and new products, mainly in the energy and telecommunication systems, and the electronic products and connector areas.

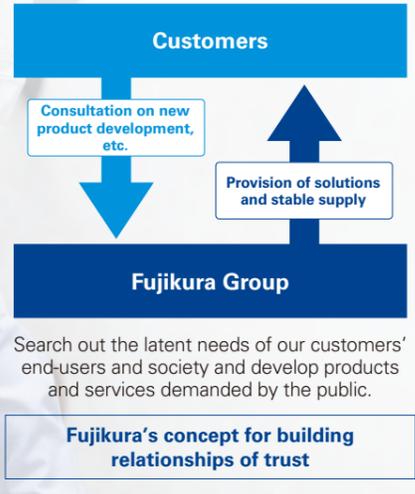
“Tsunagu” (Connecting) Technologies Platform and Markets



Advantage 2

Long-term Relationships of Trust with Customers

We work with the customer as one team to provide solutions



Search out the latent needs of our customers' end-users and society and develop products and services demanded by the public.

The Fujikura Group integrates sales, business units, manufacturing, and development to provide products that meet the needs of customers. The 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.

Advantage 3

Ability to Respond to Social Changes

The ability to maintain resilience developed by overcoming difficulties

The Fujikura Group 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 in 2011 is a symbolic example of this. Although the flooding also dealt a devastating blow to Fujikura Group manufacturing locations, all Group employees demonstrated their strong will to restore operations and recover. Their teamwork led to a declaration of complete recovery in 2016. We also owe our success in recovering to the longstanding deep relationships of trust with our customers, who gave us another chance at doing business with them.



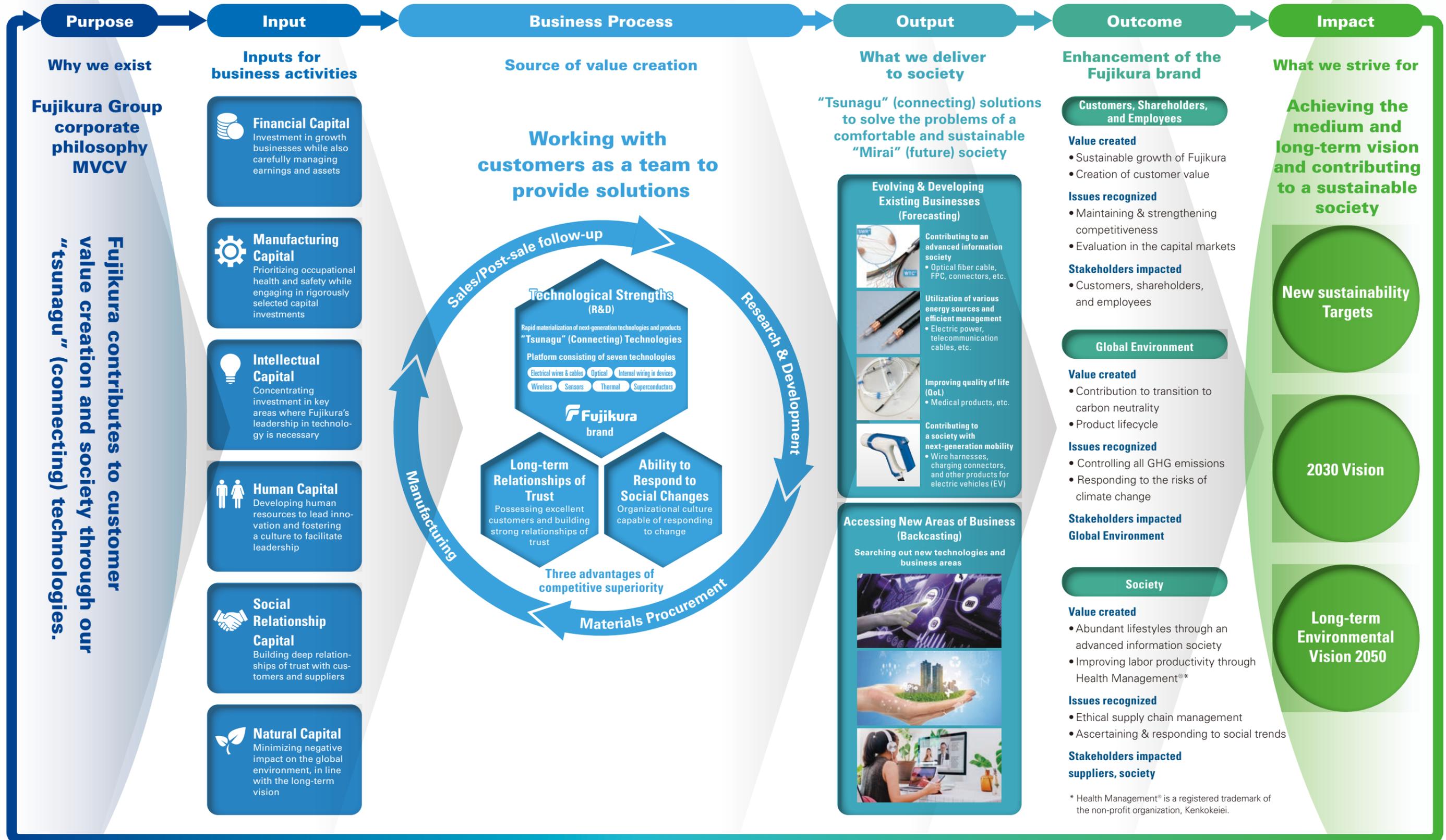
Flooded Plant in Thailand



Declaration of complete recovery in 2016

Value Creation Model

Based on the Mission, Vision, and Core Values (MVCV), which constitute the corporate philosophy of the Fujikura Group, we will work to achieve sustainable growth of the Fujikura Group and a better society by using our "tsunagu" (connecting) technologies to work with our customers as one team and solve the problems of our customers and of society.



Medium and Long-term Goals

The Fujikura Group creates value for customers and contributes to society through our unique technologies, based on our mission to “create exceptional value for our customers around the world using “tsunagu” (the Japanese word meaning “connecting”) technologies,” as stated in our Mission, Vision, and Core Values (MVCV), our corporate philosophy.



Message from the CEO



Naoki Okada
Director, President and CEO

The new Fujikura has been launched and is steering toward the sustainable growth phase.

Launching the New Fujikura

I have been involved in the manufacture and development of optical cables since I joined Fujikura Electric Wire Corporation (now Fujikura Ltd.) in 1986. Subsequently appointed as senior vice president and head of the Corporate Strategy Planning Division in April 2020, then Director and COO in June 2021, I became Director, President and CEO in April 2022. As the person leading the entire Fujikura Group, steering toward the sustainable growth phase and decisively launching the new Fujikura, I have experienced a renewed sense of determination.

Fujikura, which has operated its business continuously for 137 years, posted a record high net loss of 38.5 billion yen in FY2019 and abandoned the 2020 Mid-term Business Plan mid-course. We resolutely carried out a radical reform of the management and the

business structure in FY2020 and FY2021 that will be remembered as a momentous event in Fujikura's history. We reached our goals for the many structural reform measures in the 100-Day Plan and achieved a V-shaped recovery in performance owing to steady results in the telecommunication systems and electronic products and connector businesses and various other efforts. Formulation of the mid-term business plan is currently underway and it will be announced in May 2023.

As the President and CEO, my mission is to steadily shift to the sustainable growth phase. I think that having been designated as the leader of a new generation symbolizes the new Fujikura and certainly want to rise to such expectations.

Rebuilding Our Brand as “Fujikura as a Technology Company” Which Constitutes Fujikura’s DNA

I think rebuilding our brand as a technology company is important in order to achieve sustainable growth. The phrase, “Fujikura, a technology leader” is something we have long been talked about internally, and it could be described as Fujikura’s DNA. At the time I joined the company, we were taught that the only way for Fujikura to compete against the mighty competition was to narrow our focus and succeed through technology. I think this teaching, “Fujikura, a technology leader” was presented in words that aptly express the spirit of a challenger who has competed with rival companies through the resourcefulness and skills of our employees.

The development of optical cable, which we have pursued over many years, is an example of this. Fujikura is proud of the high technical expertise we possess in optical fiber, which has long led growth. However, demand declined after use of FTTH*1 became widespread in Japan and the business environment turned severe. Amid that environment, we succeeded in developing SWR®/WTC®*2, a different type of optical

cable that adds high value. This has now become a strategic product for Fujikura. Experiencing the eventual decline of optical cable, where Fujikura possesses high technical expertise and for which strong demand was projected, taught me that every product and business has a lifespan and a manufacturer cannot survive without continuous metabolization.

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

*2 An abbreviation of Spider Web Ribbon®/Wrapping Tube Cable®.

Spider Web Ribbon® (SWR®) refers to optical fibers attached in a manner resembling a spider’s web. Bundling these attached fibers into a cable is called Wrapping Tube Cable® (WTC®). Offering thinner, lighter, and higher density than conventional cables, SWR® is a strategic product of Fujikura that can reduce installation construction costs.

Message from the CEO

Goals of Structural Reform Achieved

100-Day Plan to Turn Around Operations

In FY2019, Fujikura saw a large decline in revenue in optical fiber, FPC (flexible printed circuit boards), and automotive wire harnesses, the three pillars of our business. Although we focused on profitability rather than pursuing scale, we were unable to respond agilely to changing market and customer conditions as a result of excessive capital investment. Resources were spread out in various businesses and this ended up reducing our ability to manage the entire business from a company-wide perspective. These were the main factors behind the deterioration. We abandoned the mid-term business plan, which was scheduled to continue through FY2020, mid-course and formulated the 100-Day Plan to turn around operations, in September 2020. The plan was narrowed down to two key measures, “strengthening of corporate governance” and “unreserved selection and concentration of existing businesses,” and we have worked to quickly turn around operations.

Strengthening of Corporate Governance

Fujikura resolutely implemented a drastic restructuring of management, halving the number of directors and corporate officers and establishing the new positions of Chief Executive Officer (CEO) and Chief Operating Officer (COO) on April 1, 2021. The management restructuring resulted in outside directors comprising a majority of Board of Directors members and further improved the supervisory function. President Ito (now Chairperson of the Board of Directors) became the CEO and gave his undivided attention to resolving company-wide management issues and restructuring our businesses. I (an executive officer at the time) served as COO in charge of operating performance in all core businesses. This management restructuring was implemented to clarify the division of responsibilities and agilely carry out unreserved structural reform and pursuit of business to maximize benefits. In terms of the organization, the in-house company system was abolished and a vertically integrated organizational structure was created by adopting a business unit system directly supervised by the COO. We also strengthened governance by establishing a new Corporate Governance Unit.

Unreserved Selection and Concentration of Existing Businesses

The 100-Day Plan detailed more than 100 action items and we have resolutely pursued the unreserved selection and concentration of businesses by reducing fixed costs, stabilizing business, optimizing the business portfolio, and implementing various other measures, without designating anything as off-limits. These measures include injecting resources into concentrated businesses, selling subsidiaries, being strictly selective in capital investments, consolidating and eliminating locations, and selling real estate.

In the telecommunication systems business, we switched the business model from sales of optical fiber and preform that relied heavily on China, to a high value-added optical cable business targeting Europe and the U.S. as the main markets. SWR®/WTC® is at the core of the optical cable total solution business, which encompasses peripheral equipment and parts, construction, and maintenance.

In the FPC business, we switched to an order-based strategy of specializing in products that utilize Fujikura’s technological strengths to add high value. We also built an efficient structure by restructuring and concentrating the production and sales functions, which were distributed among multiple companies, in a wholly owned subsidiary to create one corporate group and revive the business. This restructuring was completed in May 2022 and the business became Fujikura Printed Circuits Ltd.

In the automotive wire harness business, we restructured management of the business in Europe, which had posed particular problems, and brought it under stronger control by Japan, while also improving the productivity of locations, eliminating unprofitable products, and implementing other measures. Other structural reforms were implemented by relocating the production location in Eastern Europe to North Africa.

In the energy-related business, we have implemented measures to create a streamlined, efficient structure and revive the business. These measures included consolidating the domestic cable installation business in a Group subsidiary, closing electrical cable production locations overseas, and withdrawing from the overseas EPC (engineering, procurement, and construction) business. The Overhead Transmission Line (OTL) and metal cables business remaining in Fujikura was also split into a separate company, Fujikura Energy Systems Ltd., on October 1, 2022.

Record High Net Income in FY2021

We were able to achieve our goals in the operational turnaround phase by implementing the key measures of “strengthening of corporate governance” and “unreserved selection and concentration of existing businesses” in the 100-Day Plan. Stated in terms of cost reductions, we achieved 14.5 billion yen in cost reductions in FY2021 and anticipate 16.4 billion yen in cost reductions in FY2022, compared to the target of 15.0 billion yen (vs. FY2019). We also sold assets to generate cash and thus generated 21.0 billion yen in FY2021. In FY2021, we posted record high net income of 39.1 billion yen and were able to resume dividends as a result of these initiatives.

Addition of CFO and CTO to Support the CEO Function

The new executive structure became operational in April 2022. In addition to my position as CEO, the positions of Chief Financial Officer (CFO) and Chief Technology

Officer (CTO) were established in Fujikura for the first time. The CFO and CTO are responsible for formulating and implementing the financial strategy and technology and development strategy, respectively, each of which requires a high degree of expertise. I will pursue company-wide strategy as CEO under this structure.

A CFO was appointed to build a solid financial structure. We have now transitioned from the turnaround phase to the growth phase and how to effectively use limited resources is the important issue. Fujikura needs a financial expert as a director and I think a CFO is needed to specify and impose financial discipline from an external, objective perspective. We therefore invited Koichi Takemoto to serve as CFO, as a financial professional.

The CTO is responsible for the company-wide technology strategy. Fujikura operates in a wide range of businesses such as telecommunication systems, automotive, electronics, energy, and other areas, and is also focusing on new businesses. We nominated Tatsuya Banno to serve as CTO because we wanted him to fulfill the roles of stimulating business metabolism and rebuilding the brand

of “Fujikura, known for technology” while maintaining a broad perspective on each area.

Supervision by the Board of Directors

Fujikura switched to the corporate structure of a company with an Audit & Supervisory Committee in 2017 to strengthen the supervisory function of the Board of Directors. We have subsequently pursued other measures such as increasing the number of outside directors, among other measures.

There are currently 11 directors. Four directors, including myself (as CEO), are in charge of business execution, and the other seven directors (five of whom are outside directors independent of company management) have no executive duties and are responsible for the supervisory function. The five outside directors include directors who are experienced management, are from a financial institution, are an attorney, or are a C.P.A. The current composition of the Board of Directors is the composition needed for the new Fujikura, or in other words, needed for formulating the next mid-term business plan.

Direction of the Next Mid-term Business Plan

First Step Toward the Sustainable Growth Phase

FY2022 is an important year in which we embark on the journey of the new Fujikura. There are currently numerous external risk factors in the political and economic climate such as the COVID-19 pandemic, the trend in exchange rates, the steep rise in copper and other raw material prices and the price of crude oil, the semiconductor shortage, U.S.-China conflict, and the Russian invasion of Ukraine. In an environment of increasing uncertainty, it is important to steadily complete structural reforms and engage in well-modulated business management in growth areas to put Fujikura on the path to sustainable growth. We are currently formulating the mid-term business plan that will begin in FY2023. We intend to announce the plan next May, but I will share my thoughts at present on the direction of initiatives in each division as part of that plan.

• Telecommunication Systems Business Unit

While Japan has nearly completed installation of optical fiber, the various countries in Europe and the U.S. have yet to reach a sufficient level of installation. Europe and the U.S. are putting earnest effort into investing in optical fiber and other telecommunication system infrastructure accompanying the launch of 5G service. In addition to the business we have long operated in North America, our presence is increasing in the UK where telecommunication providers and the London Underground have opted for SWR®/WTC® to install 5G communication networks, and we are also about to expand to the European continent. In addition to such FTTx purposes, Fujikura is

also taking steps to capture business for hyperscale data centers, the demand for which is increasing.

SWR®/WTC® is at the core of the optical cable total solution business we are putting effort into. We are using SWR®/WTC® to reduce the total cost for customers (including construction costs), and consider it an environmentally friendly product that will reduce the environmental impact from manufacturing, transporting and installing it, compared to conventional cable. Fujikura is one of the few manufacturers who can provide a total solution business for optical fiber that includes everything from the manufacture of optical fiber to installation, the peripheral equipment and parts for maintenance, construction, and performing maintenance. Moreover, Fujikura’s SWR®/WTC® has made cables thinner and lighter with high fiber density, and can increase fiber capacity without performing additional public works construction. We provide total solutions by assembling and combining various components that incorporate advanced technology, such as the optical fiber fusion splicers we command top global share of, in addition to connectors. These total solutions shorten construction time and can be installed by unskilled workers. We also anticipate steady growth of the telecommunication systems business as a business pillar in the next mid-term business plan.

• Electronic Products and Connector Business Unit

The FPC business, which was struggling, was split into a separate company, Fujikura Printed Circuits Ltd., and is now positioned to stabilize the business to a certain

Message from the CEO

extent. We are working to restore earning power in the FPC market through advanced circuit printing technology and improvements in productivity.

The electronic products and connector business other than FPC uses high-precision, intricate assembly technology. We handle many high margin products in niche markets and will continue to expand our business domains further.

• Automotive Business Unit

The wire harness business is being impacted by the decline in auto production due to the COVID-19 pandemic and semiconductor shortage. However, the auto market is likely to rebound once these external factors subside. We intend to steadily implement reforms aimed at stabilizing the business in the meantime. The automotive industry is also said to be facing a once in a century transformation as represented by CASE (Connectivity, Autonomous, Sharing and Electrification). Electric vehicles and other next-generation vehicles are being introduced one after another, and are equipped with numerous new electronic components. Fujikura is already pursuing joint development of high-speed communications capability, electronic control systems, and other technologies with multiple customers. We also expect the market for rapid charging equipment, roadside communications equipment, and other non-vehicle related electronic components to grow along with the proliferation of electric vehicles, and are actively searching for business based on this.

• New Business Creation and R&D Unit

Fujikura integrated the new business promotion function and the R&D function to advance continuous metabolism of new businesses and established the New Business Creation and R&D Unit in April 2021. Some examples of what work we are engaged in to metabolize existing businesses include development of thinner 80µm fiber, multiple cores in a single optical fiber, and multicore fibers useful for low-latency, high-capacity communications. In new business creation, we are focusing on the three areas of high-temperature superconductors, wireless, and medical devices.

High-temperature superconducting materials used for a wide variety of purposes will also lead to resolution of the helium shortage. The superconducting devices currently used widely use low-temperature superconducting materials that require liquid helium for cooling. However,

the rare-earth type superconducting tape Fujikura is developing is a high-temperature superconductor that does not use liquid helium, and we look forward to rapid commercialization. This is talk of the near future, but we anticipate use of high-temperature superconducting materials for nuclear fusion reactors. Such reactors differ from conventional nuclear power generation in being carbon neutral because they use deuterium and tritium from seawater as fuel, and are said to be a stable, safe source of energy. I have leapt ahead a bit, but high-temperature superconducting materials are an innovation that will have considerable impact, no matter what it is used for.

In wireless, Fujikura is pursuing research and development to improve the performance and reduce the cost of communications devices in the mmWave band. Fifth generation (5G) telecommunication services require high-speed, high-capacity wireless communication services using extremely high frequencies known as mmWave. However, mmWave wireless signals are also prone to attenuation and deterioration from a variety of factors. Fujikura aims to resolve these problems and develop a presence in providing total support for mmWave devices.

In the medical field, we aim to contribute to technology for optical sensing applications cultivated through optical fiber for telecommunications applications thus far. In 2021, Fujikura began mass production of ultrafine-diameter CMOS camera modules for use in disposable endoscopes by a medical device manufacturer. We also anticipate demand for the ultra-compact characteristics of our device-embedded circuit boards for use in implants and wearables, and expect high-temperature superconducting materials to be used in MRI machines.

Quality is Corporate Value

Roughly four years have passed since the disclosure of cases of unsuitable quality in Fujikura products. In FY2019 we held a Quality Pledge Day in which all Fujikura employees pledged to prevent a recurrence of unsuitable quality so that these cases are never forgotten, and continue to observe this day. We are strictly controlling quality based on the strong conviction that quality compliance is the very essence of corporate value, including the quality contracted by our customers. In more specific terms, this means performing more sophisticated quality audits and digitizing the quality inspection process, while also increasing awareness of quality compliance and fostering an open and honest organizational culture.

Ministry of Economy, Trade and Industry and launched GX projects internally from FY2022. In addition to working to reduce CO₂ emissions from plants by promoting the introduction of renewable energy, energy conservation, and using non-fossil fuels, Fujikura was selected by the Ministry of the Environment to participate in the Fiscal Year 2021 Model Project for Supporting Achievement of the Decarbonization Targets of the Entire Supply Chains and we are working to decarbonize our supply chain.

We think it is only natural to reduce our CO₂ emissions, and aim to be a company that achieves carbon neutrality in our own business and is valued by society for developing numerous products such as SWR®/WTC®, which contributes to energy conservation and reducing plastics; wire harnesses and electronic devices that can contribute to the proliferation of electric vehicles; and high-temperature superconductors that resolve the helium shortage and make nuclear fusion reactors possible.

Be a Company Chosen by Leaders of Value Creation

The driving force for the sustainable growth phase is human resources, more than anything, and I am always thinking, “without human resources, there is no growth.” The Group HRM Vision established in 2017 states that everyone who works in the Fujikura Group is regarded as an asset, and addresses the vision for the organization and personnel system, independent career building and development of employees, and other aspects needed to succeed in the global business environment. We intend to revise the content in the future in light of changes in the business environment and business strategy. The reason for revision is because I think a complete renewal of personnel policies is necessary in order for Fujikura to be a company that attracts and retains outstanding talent and is chosen by talented people who will lead value creation in Fujikura.

I think the growth of each individual employee brings about growth of the Company and enhances corporate value. The ideal is creating a virtuous cycle which increases the motivation and engagement of each employee even more. To achieve that, I want Fujikura to

vigorously support the efforts of individual employees to independently build their careers and boldly take on challenges, as a company. We are also formulating succession plans and have launched systems for developing human resources who will manage the Company in the next generation. We also need to focus more on developing human resources who can contribute effectively from a global perspective because growth overseas is an important strategy. I also want to strengthen the personnel development system to deepen the affinity of these human resources for Fujikura as their company and enable them to be highly motivated in applying themselves to their work.

Pursuit of DX to Secure Competitive Superiority

We will also pursue measures relating to digital transformation (DX) such as establishing data management infrastructure for the sustainable growth phase. More specifically, I want to link data from procurement, manufacturing, sales, and other operating areas to management accounting and personnel-related back office data to enable business decisions to be made appropriately, even amid abrupt changes in the business environment.

Fujikura has used DX to achieve innovation in production in the past through efforts such as the early introduction of an AI-based automated inspection system. At present, we have formulated “True Connected-Fujikura (TCF)”, a concept for creating smart factories company-wide as “Monozukuri DX” and have launched activities aimed at strengthening monozukuri (manufacturing) capabilities through DX. We will organically link live data from plants to each level of management, and achieve timely plant management and data-driven business management to strengthen manufacturing capabilities.

Our goal is to strengthen products, services, and our business model and link them to business innovation based on the needs of customers and society, and establish the competitive superiority of Fujikura by pursuing various kinds of DX to establish data management infrastructure and strengthen manufacturing capabilities.

To Our Stakeholders

Sowing the Seeds to Leave a Better Business to the Next Generation

Fujikura’s purpose is to create value for customers and contribute to society through “tsunagu” (connecting) technologies. In light of this, I think my first major role is to manage the business in a well-modulated manner to enable Fujikura to step onto a path of vigorous growth in the next mid-term business plan. Having said that, the mid-term business plan is only a way-station, and I am consciously sketching out the growth strategy for the

new Fujikura from a medium and long-term perspective. I think deeply about whether Fujikura has winning technologies and a strategic story, how to create the mechanisms and sow the seeds to achieve that, and how to leave a better business for the next generation. I want to create the new Fujikura which has dreams and can grow sustainably while conscientiously discussing a new structure to achieve that. I sincerely ask all of our stakeholders for your support as you look forward to this new Fujikura.

Initiatives in Sustainability, the Foundation for Sustainable Growth

Aiming to Achieve Carbon Neutrality in Fujikura and Contribute Through Our Businesses

We established Fujikura Group Long-term Environmental

Vision 2050 in 2016, and are targeting achievement of the four challenges to go carbon neutral. As part of those efforts, we affirmed the GX (Green Transformation) League Basic Concept recently announced by the

Message from the CFO



Financial and Focus

I was appointed as the new Chief Financial Officer (CFO). Appointed just as the switch from the operational turnaround phase to the sustainable growth phase is happening, I feel both the weight of responsibility and an immense sense of satisfaction. For many years, I have used my professional expertise in the finance and accounting at a major electronics manufacturer to work on business reforms, improve profitability, strengthen financial soundness, and improve the effectiveness of business management. I have also played a leading role in M&A. I think I was chosen from the outside for this position because I am expected to reassess the approaches Fujikura has taken in the past, utilize those that are good, and change those that are not, without reserve and without being caught up in tradition, based on my past experience.

No business goes smoothly forever and it is extremely important to determine how to accelerate business metabolism and restructure the portfolio with an eye toward the future in managing a business. I therefore want to also serve as the "Chief Focus Officer" who sorts out what to focus on and sets the direction from a financial perspective, rather than simply taking the title of "Chief Financial Officer" at face value and serving as a financial and accounting professional.

Over the past two years, we have kept investment to the absolute minimum necessary during the operational turnaround phase. Fujikura is now in the sustainable growth phase where we will actively engage in well-modulated investment. I consider

one of my main roles to be carefully prioritizing investments and securing investment capital for the future while securing ready liquidity and maintaining other financial ratios.

It is also important act boldly, quit performing internal work that does not enhance corporate value, and do things that will build muscle. Every company is governed by the law of inertia. It takes more strength to quit doing the things you are accustomed to doing than it does to begin something new. However, we will not accelerate business metabolism unless we do. I am also conscious of my position of responsibility in making such decisions.

Performance and Shareholder Returns

In FY2021, Fujikura achieved net sales growth of 4.1% YoY to 670.3 billion yen and operating income growth of 56.8% YoY to 38.3 billion yen. This strong performance came from robust demand for FTTx and data centers in the telecommunication systems business and a further increase in the price of copper, in addition to the results achieved in the operational turnaround plan. Profit attributable to owners of parent reached a record high of 39.1 billion yen, staging a sharp recovery, owing to gains on the sale of property, plant, and equipment and a subsidiary related to energy. The full-year forecast projects record high sales and operating income of 790 billion yen in net sales and 68.5 billion yen in operating income, and 35.5 billion yen in net income, as of the end of the first half of FY2022. We are currently formulating the mid-term business plan for FY2023 to FY2025, and I think it is more important

to carefully determine what to do beyond that and outline a strategy than to engage in initiatives based on targets for FY2025.

In terms of shareholder return, we declared no dividends in FY2020, but resumed dividends of 10 yen per share in FY2021, and plan to increase dividends by 16 yen to 26 yen per share in FY2022. While we will invest a substantial amount in growth from this point forward, we will maintain financial discipline as we diligently grow business revenues and provide stable ongoing returns to our shareholders.

Visualization of Value Drivers

In an era where it is so difficult to project the future that it is termed VUCA*, it is important to visualize the impact of changes on Fujikura's businesses and future competitiveness—basically, the value drivers—in order to increase resilience and achieve sustainable growth. Management is not analyzing performance results; it is considering the impact from changes in the environment and taking rapid steps to deal with them. In other words, I want to make progress on visualizing the value drivers in order to increase Fujikura's ability to respond to change and transform the company's makeup into one that is not easily affected by changes in the environment.

*VUCA: Volatility, Uncertainty, Complexity, and Ambiguity

Revising Financial Strategy from a Company-wide Perspective

While the Company will pivot toward investment in growth from FY2022 onward, the basic principle is to cover the capital for such investment with cash generated from existing businesses. We will, of course, strive to increase earning power to accomplish that.

My own view is that there is much room for improvement in the cash conversion cycle in terms of how we hold inventory and other aspects. I am also thinking about the potential for eliminating the three "M's" (Muri (unreasonableness), Muda (waste), and Mura (irregularities)) in procurement, business flow, distribution, and other areas of the supply chain from the perspective of overall optimization. We have just begun to survey the actual state of cost management. Based on the results, I want to determine what part is necessary for a certain goal, where to trim the waste to achieve that, what we can do to trim the waste, and incorporate this in a manner that enables numerical management.

In distribution, for example, the decision on whether to ship by air or sea involves more than a simple comparison of shipping costs. I think there are probably many steps that we should take if we think

about the lead time, how inventory is held, alliances with other companies, and other factors. I want to improve each aspect, one by one, strengthen business competitiveness, and link this to cash generation.

Considering KPI from the Dual Perspectives of Profitability and Stability

In terms of KPI for monitoring corporate value, I think return on invested capital (ROIC) and indicators of financial stability are essential. Even if we logically understand capital costs, it does not increase corporate value if we make investment decisions based on the view that an investment is fine as long as it produces a profit and as long as we recover the investment. I want to revise such decision-making methods from the ground up and set target KPI. We will pursue improvement in ROIC after we set the direction for each business, according to the portfolio strategy.

Naturally, we will also diligently monitor financial stability. However, the sustainable growth phase is a phase in which we will actively seize medium and long-term business opportunities, so we will consider setting KPI to strengthen the financial base for engaging in agile investment as needed.

To put it in other words, when business competitiveness increases, the probability of recovering our investment also increases, our ability to generate cash will improve, and finances will also be stable. That will reduce the cost of capital and enable us to exceed the expectations of shareholders and investors. This series of actions will enhance corporate value and I therefore think that we should set KPI from that perspective.

Fujikura Has Substantial Room for Growth

Finally, we believe that rebuilding the company brand as "Fujikura, known for technology" is an important issue. Fujikura possesses proprietary technology, technology not available anywhere else in the world, and technology that is No.1 in the industry. This is not conceit; Fujikura possesses many technologies that are recognized by our customers and society. I think Fujikura is company where there is ample room for growth in those technologies, depending on how the company is managed. I will therefore put forth my best effort to contribute to formulation of the next mid-term business plan and make Fujikura a better company that is valued by all stakeholders even more highly than it is now, with an immense sense of satisfaction in my work.

Message from the CTO



Formulating and implementing a technology strategy that achieves the management strategy

Tatsuya Banno
Director and CTO

Utilizing the Many Kinds of Technology I Have Worked with

I was recently appointed as Chief Technology Officer (CTO). I joined Fujikura Electric Wire Corporation (now Fujikura Ltd.) in 1987. After performing research and development on semiconductor lasers, optical integrated circuits, and other optical devices, I worked on optical fiber manufacturing technology. I subsequently launched SWR®/WTC® under Naoki Okada, who is now CEO, and was put in charge of the telecommunication systems business in FY2021 where I promoted the optical cable total solution business, with SWR®/WTC® as the core of the business.

The research and development division I was first assigned to had very few people. I experienced the joy of a researcher in building it from the ground up, and experienced the tribulations of proceeding with everything on my own, down to the last detail. However, I can say that this built my skill base. Once optical fiber demand was in full swing, I narrowed the application of my expertise to production locations. I was also involved in the construction of optical fiber plants, formulating business strategy, and building relationships with customers and other external partners.

As CTO, I oversee Fujikura's many different technologies. I am conscious of my responsibility to first gain a deep understanding of where our superiority lies, and then formulate and implement a technology strategy that will achieve the company-wide management strategy. I utilize my knowledge of Fujikura's technologies from the various perspectives I have been involved in, from research

and development to commercialization and then to the stage of growing the business. I would like to use this precious experience to demonstrate leadership in creating the next type of value that customers seek.

R&D Is Not the End Goal; Business Strategy Is

Since it was founded in 1885, Fujikura has contributed to building the infrastructure of Japan through its original business in electrical wire and cable. We have always led the world through research and development of optical fiber and peripheral products for optical fiber, which replaced electrical wire and became mainstream in the 1980s. We are currently expanding these technologies laterally to electronic devices and automotive electronic products, and are building a "tsunagu" (connecting) technology platform consisting of seven areas of research, including superconductors and other future technologies.

Our research and development mission is to anticipate the needs of the world and develop new products and technologies. However, this is based on narrowing our efforts to areas where we can definitively answer the question of "Why Fujikura?" rather than simply extending our reach with no purpose in mind. We clearly define our technology platform as a measure of that. Having said that, the management strategy is formulated based on the needs of the world, and the technology strategy is formulated to achieve the management strategy. We should establish or change the technology platform based on that, and through that flow stimulate the company's metabolism and achieve sustainable growth. R&D is

not the end goal; business strategy is.

Based on that line of thought, I think one of my important roles in research and development as CTO is to establish gates for each stage of development and commercialization from basic research onward to evaluate whether certain requirements have been cleared, decide how to allocate resources to each stage, and decide whether to proceed through a particular gate.

Focus on Stepping up the Level of High-temperature Superconducting Tape and Medical Products

Among the technologies that are currently at the commercialization stage, we are putting extra effort into high-temperature superconducting tape and medical products. I also feel that mmWave wireless has great potential.

Since rare-earth type high-temperature superconducting materials were discovered in 1987, Fujikura has been energetically engaged in development. We have successfully developed high-temperature superconducting tape that features the best performance in the world. As a product that does not use liquid helium and makes next-generation high-temperature superconductor equipment possible, rare-earth type superconducting tape is promising for equipment used for new applications in medical treatment and analysis, industrial equipment, nuclear fusion reactors, and other areas of the energy sector. In recent years, I have gained a real sense of the rising expectations for such high-temperature superconducting tape amid initiatives to decarbonize society, the helium shortage, and other changes in the environment. Fujikura is working to increase the length of high-temperature superconducting tape and lower the cost even more, and is preparing for a full-scale market launch.

In medical products, we provide value in miniaturization and imaging, using Fujikura's planar wiring technology and optical technology. Fujikura is mass producing ultra-fine diameter camera modules for endoscopes that use miniature CMOS image sensors and ultra-compact circuit boards with multi-layer embedded WABE Packages® on a printed circuit boards with embedded IC chips. We are supplying these camera modules to a medical device manufacturer. This thin, highly flexible camera module not only improves the ability to detect lesions, it has made it possible to use disposable devices and contributes to infection prevention. I want to continue to expand the use of Fujikura's technologies in the medical field in the future.

We are also targeting commercialization of mmWave band devices used in 5G high-speed

wireless communications with high transmission capacity. Fujikura has used mmWave antenna design and circuit board manufacturing technology for some time. We combined these with high-frequency semiconductor (IC) technology licensed from IBM in the U.S. to develop an mmWave wireless module with an integrated antenna, IC, and filter. We aim to use this module in 5G base stations using the mmWave bandwidth and plan to ship samples during FY2022.

Strengthen Our Brand as "Fujikura as a Technology Company" in Terms of the Organization and Its Human Resources

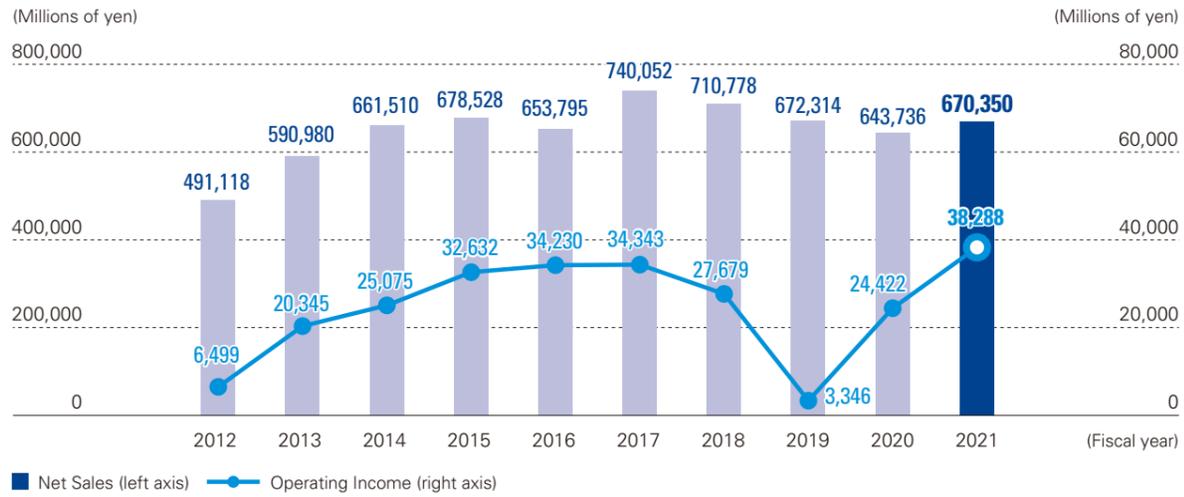
Fujikura claims "Fujikura, known for technology" as its brand. To maintain and enhance this brand over the long term, we need to simultaneously think about how to develop engineers and how to improve our technology development capabilities as an organization.

To develop engineers, I think it is extremely important to provide an environment that respects the free thinking of each individual and enables them to work on research themes independently. To further this, we established Advanced Research Core (ARC) in 2019. ARC is the laboratory responsible for advanced basic research to develop researchers who create technologies that will blossom in 10 years by envisioning the society 20 years from now. ARC provides an environment with a flexible work style that allows researchers to focus on their true purpose of "creating new things and enriching the world," and also provides opportunities for researchers to engage in research and development in universities and research organizations overseas. By doing so, we aim to develop highly creative researchers with a far-reaching, broad view of society.

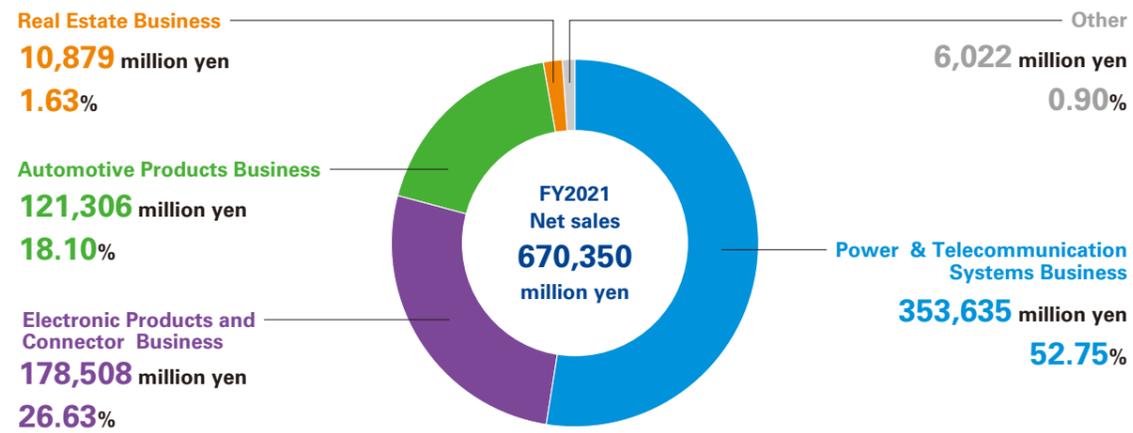
While respecting the free thinking of each researcher, I want to create the mechanisms to systematically improve Fujikura's organizational capabilities in research and development by pursuing development with a sense of urgency according to a technology roadmap and focusing on development with an awareness of efficiency and effectiveness. There is one more thing that is extremely important to Fujikura, with our limited resources. That is open innovation and we will actively pursue it with leading companies, universities, and research organizations in Japan and overseas.

Financial Capital

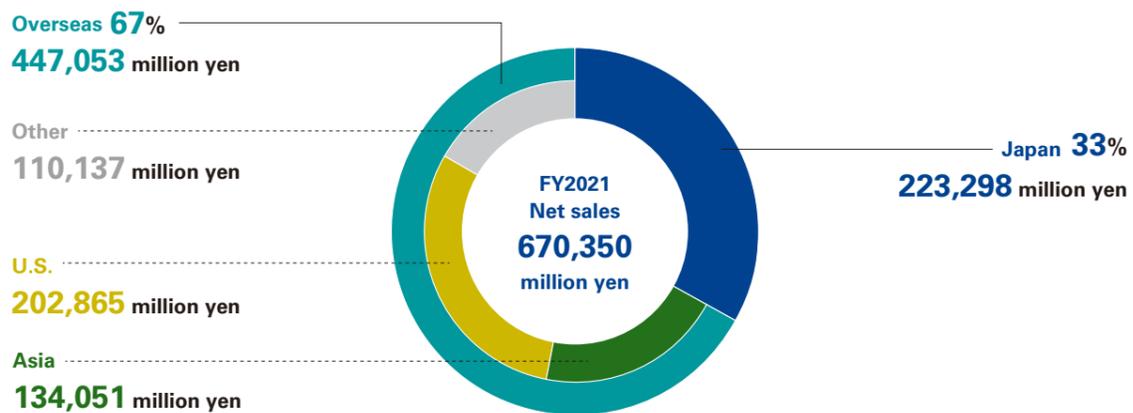
Net Sales/Operating Income



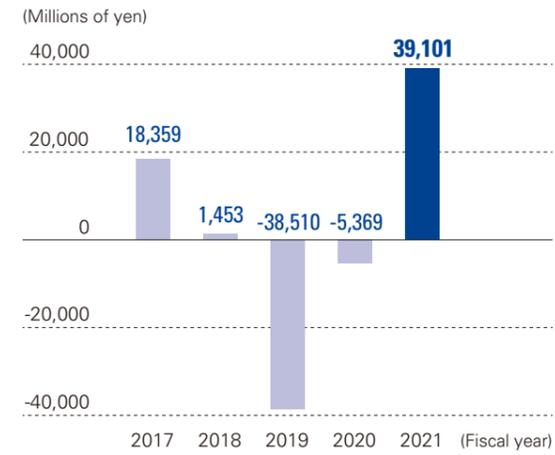
Net Sales by Business



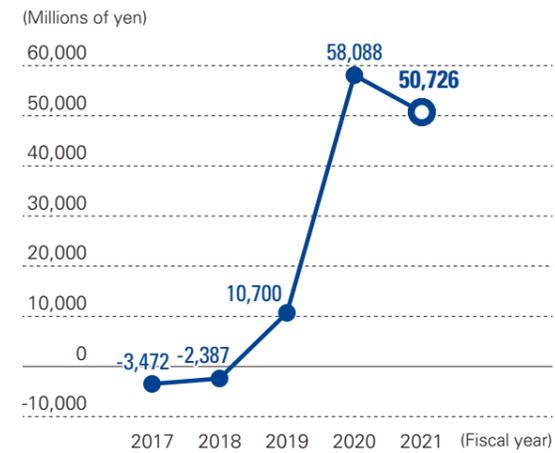
Net Sales by Region



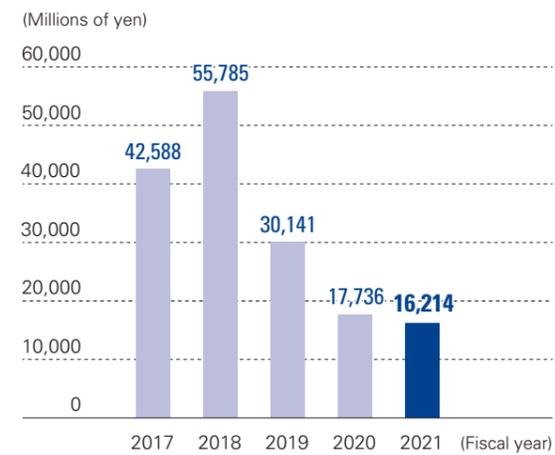
Net Income



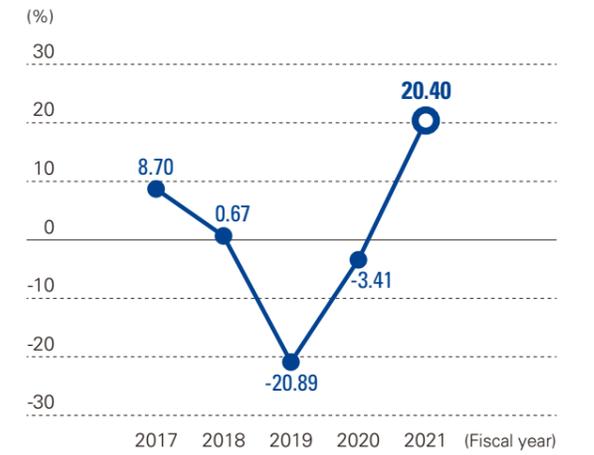
Free Cash Flows



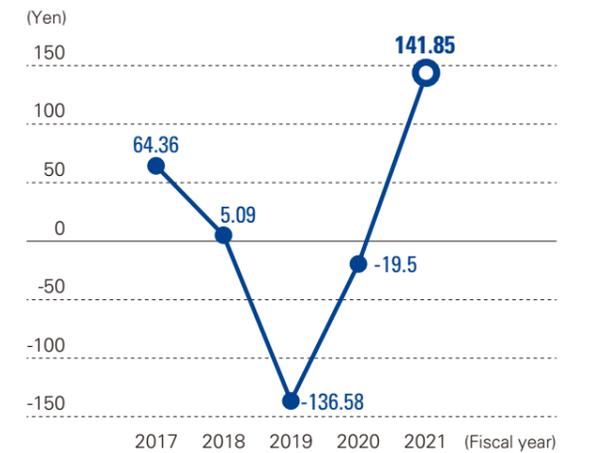
Capital Investment Expenses



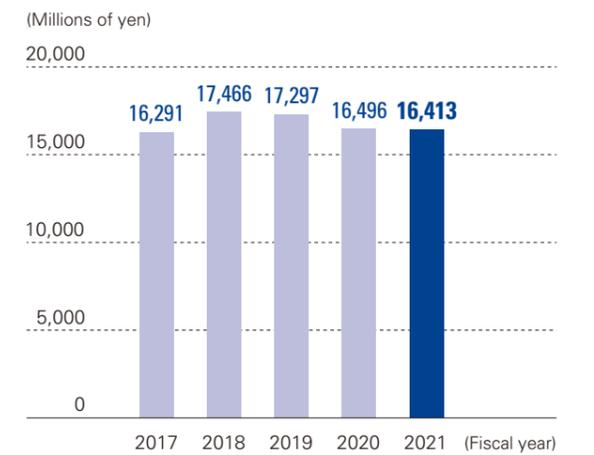
ROE



Earnings Per Share



Research and Development Expenses

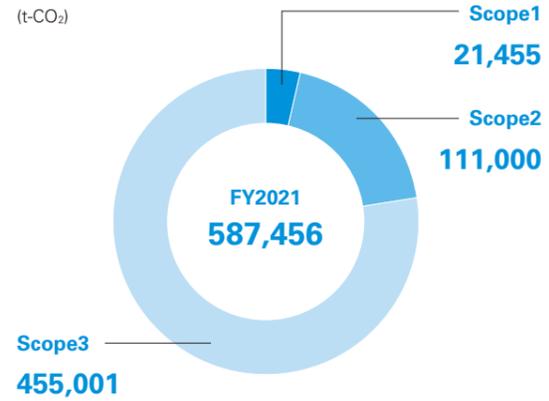


Non-financial Capital

Trend in Domestic/Overseas CO₂ Emissions and Intensity Based on Net Sales

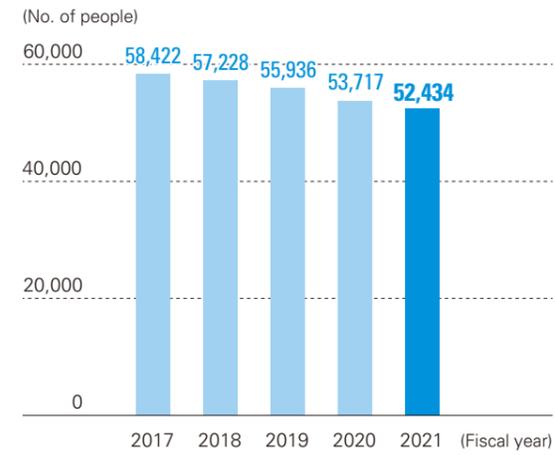


CO₂ Emissions by Scope (Japan)



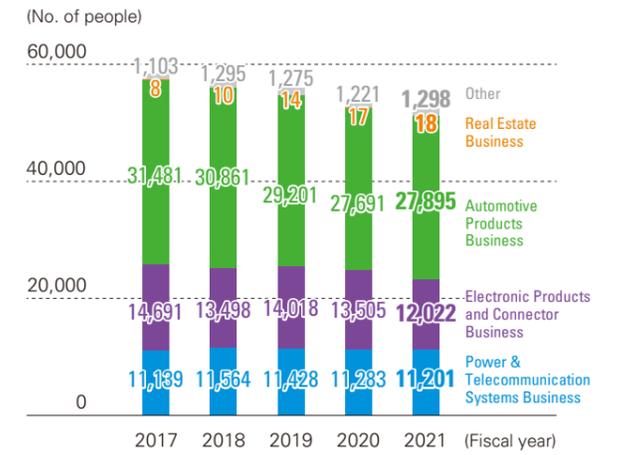
Scope 1: Direct greenhouse gas (GHG) emissions from the Company itself (fuel combustion and industrial processes)
 Scope 2: Indirect emissions from use of electricity, heat, and steam supplied by other companies
 Scope 3: Indirect emissions other than Scope 1 and Scope 2 emissions (emissions from other companies related to the activities of the Company)

Group Employees*



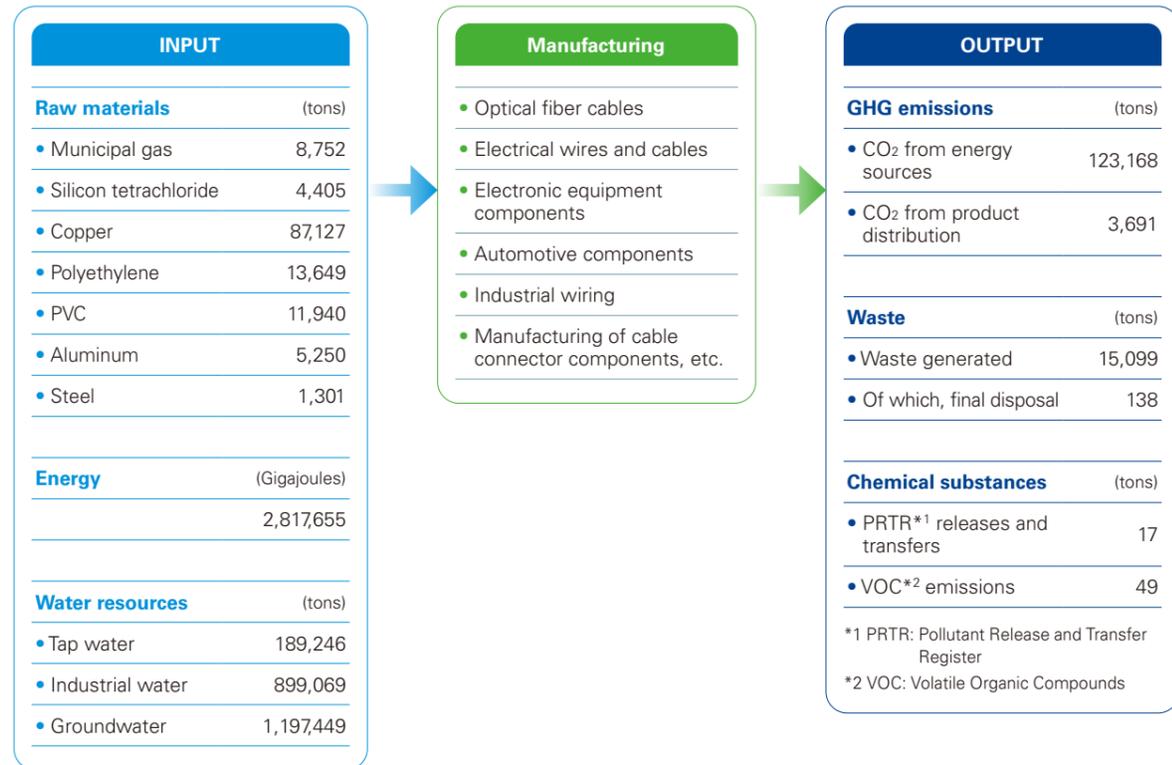
* Full-time employees as of fiscal year-end

(Group) Employees by Business*

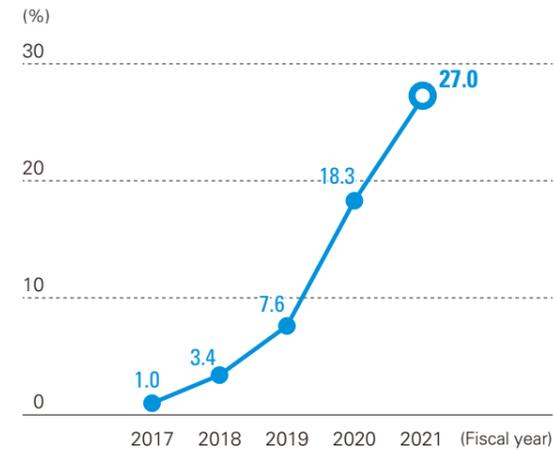


* Full-time employees as of fiscal year-end

Environmental Impact Accompanying Business Activities

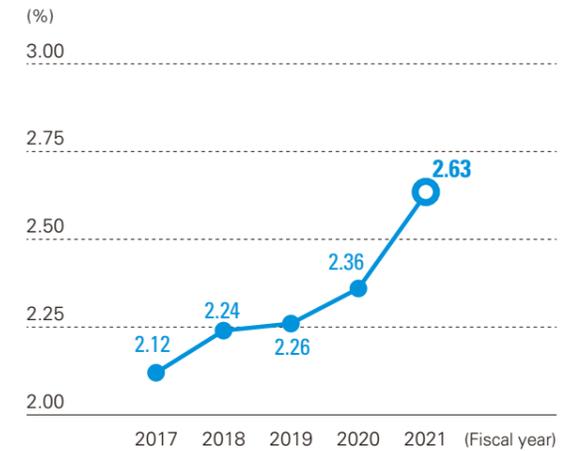


Trend in Percentage of Men Taking Childcare Leave (Fujikura)*



* Number of male employees taking childcare leave ÷ Number of employees whose spouses have given birth × 100

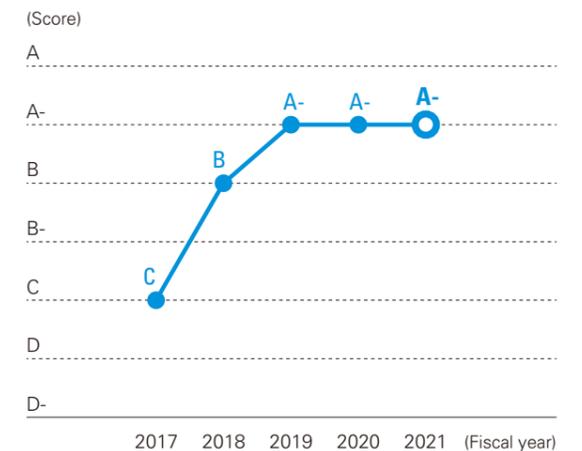
Percentage of People with Disabilities Employed (Fujikura)



Lost Time Accident Rate (Fujikura)



CDP Climate Change Score



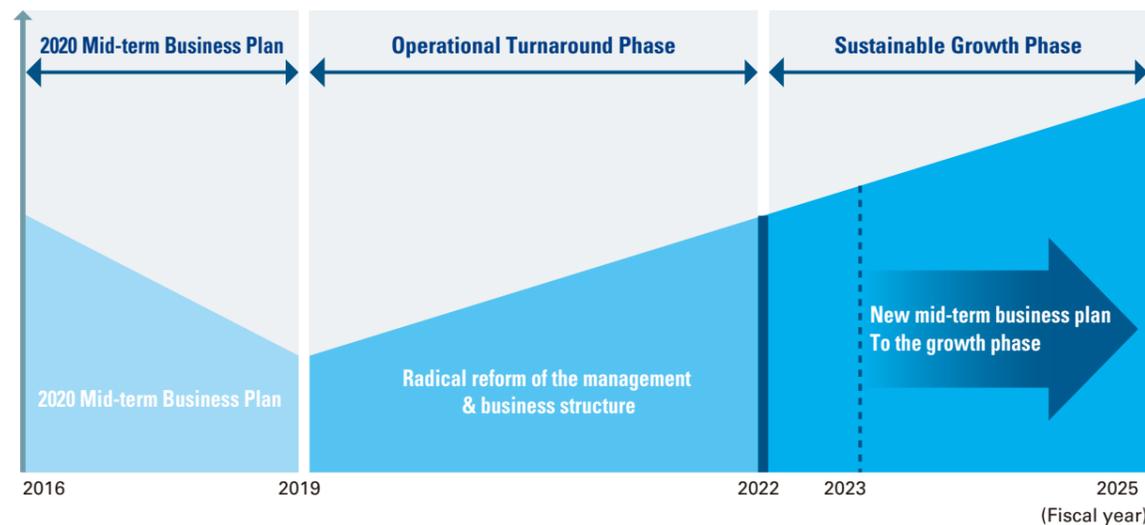
FY2022 Management Plan

1 Switching from the Operational Turnaround Phase to the Sustainable Growth Phase

The Fujikura Group is determined to steer toward the sustainable growth phase in FY2022.

Fujikura has made steady progress on restructuring the FPC business and energy business announced in February of this year to make a clean switch in phases during FY2022. This fiscal year, we will formulate the mid-term business plan to begin in FY2023 and aim to build a corporate structure that enhances corporate value through sustainable growth. The new mid-term business plan is scheduled to be announced in May 2023.

Switching to the Growth Phase



100-Day Plan Initiatives

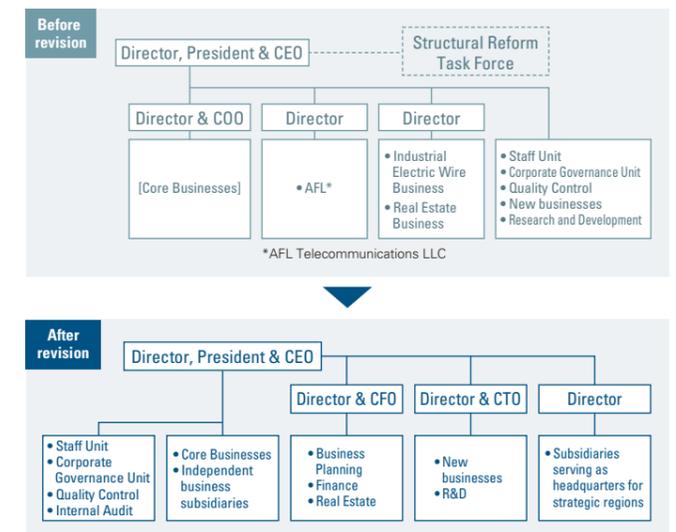
The Fujikura Group implemented the following initiatives according to the 100-Day Plan formulated in September 2020 to achieve a rapid recovery. During the plan period, we worked vigorously to implement the more than 100 action items set in the plan. Since we achieved our goals to a certain extent, we decided to move into the sustainable growth phase from FY2022.

Initiative Type	Initiatives
Strengthening governance	<ul style="list-style-type: none"> Managerial reform Transition to a system of business units by progressively terminating the former in-house company system
Energy business	<ul style="list-style-type: none"> Transfer subsidiaries Decide on plan for split-off of energy business
Telecommunication systems business	<ul style="list-style-type: none"> Strengthen optical cable total solutions business Concentrated investments to growing businesses Consolidation and closure of business sites in Japan and overseas
FPC business	<ul style="list-style-type: none"> Shift to fields where the Company can utilize its technological capabilities Rightsizing of business scale Decide on plan for spin-off of FPC business
Automotive wire harness business	<ul style="list-style-type: none"> Reorganize business in the European region Optimize personnel in North America
Other	<ul style="list-style-type: none"> Selling real estate held, etc. Implementing the Special Career Change Support System

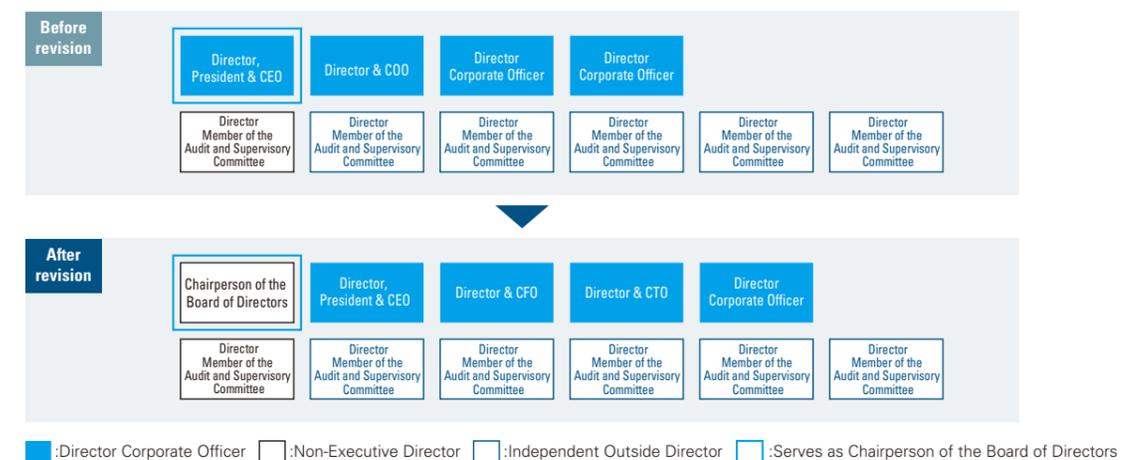
2 New Management Structure

The positions of Chief Financial Officer (CFO) and Chief Technology Officer (CTO) were established in addition to the Chief Executive Officer (CEO) position as the management structure for the new Fujikura, which has embarked on a journey toward new growth. These positions were added to strengthen management functions and facilitate swifter decision-making to enable Fujikura to achieve sustainable growth.

During the operational turnaround phase, the authorities of the CEO and Chief Operating Officer (COO) were consolidated and we undertook structural reforms and stabilized core businesses. In the sustainable growth phase from FY2022 onward, we think it is important to formulate a strategy rooted in Fujikura's strong technological strengths and establish a sound financial base to support that strategy. It is essential to promote human resources who are capable of formulating a strategy and executing operations from a company-wide perspective in addition to possessing advanced expertise and extensive experience, particularly in finance and technology. The new management structure will enable the CEO to pursue company-wide strategy effectively by having the CFO and CTO function to support and augment the CEO function by using their expertise in the financial and technological aspects of Fujikura's business. We will also add a global function to the company-wide strategy (CEO), financial (CFO), and technological (CTO) functions as the optimal structure for Fujikura, which has a high percentage of overseas business, to enhance corporate value and achieve sustainable growth.



To strengthen the supervisory function of the Board of Directors, a non-executive director was appointed as the chairperson of the Board of Directors in April 2022, thereby enhancing fair and equitable agenda management for the Board of Directors. Under the new management structure, there are a total of 11 directors, four who are executive directors (corporate officers) and seven who are non-executive directors (one person who serves as a non-executive director and chairperson, and six Audit & Supervisory Committee members).



Sustainability Targets 2025

Further Progress on Sustainability Activities

Views on Sustainability Targets 2025

The Fujikura Group established Sustainability Targets 2025 (FY2021–FY2025) based the Fujikura Group Corporate Philosophy (MVCV) and is pursuing sustainability targets. These targets were set from the dual perspectives of environmental and social materialities, and financial materialities. They are also linked to the long-term visions set forth by the Fujikura Group (the 2030 Vision and Fujikura Group Long-term Environmental Vision 2050).

Overall Image of Sustainability Targets 2025



Details of Sustainability Targets 2025

Sustainability Targets 2025 is categorized into four themes, collectively called EGSF for Environmental, Governance, Social, and Financial/Future. Financial/Future has three action items, Environmental has five, Social has three, and Governance has five. We evaluate the annual targets and results in terms of achieving the FY2025 targets, and disclose progress toward the targets in the annual Integrated Report and on our corporate website.

<p>F</p> <ul style="list-style-type: none"> Achieving the 2030 Vision Further expansion of environmentally friendly products Promoting digital transformation (DX) 	<p>E</p> <ul style="list-style-type: none"> Fujikura Group Long-term Environmental Vision 2050 (pursuing the four challenges) Response to TCFD recommendations
<p>S</p> <ul style="list-style-type: none"> Human resources capable of active contribution globally Workstyle reform Diversity & inclusion 	<p>G</p> <ul style="list-style-type: none"> Establishing Board of Directors functions Putting Fujikura Group Corporate Philosophy (MVCV) into practice Building Group governance Strengthening supply chain management Comprehensive security export control management

Main Results for FY2021

Sustainability Theme	Priority Measure	Main Results in FY2021 (partial excerpt)
F Realizing the 2030 Vision (CSV) and Maximizing Business Opportunities	Solve problems in a comfortable and sustainable “Mirai” (future) society by providing “tsunagu” (connecting) solutions and thereby continuously enhance corporate value.	<p>Identified new technologies and business areas</p> <ul style="list-style-type: none"> Announced the FutureAccess phased array antenna for 5G mmWave infrastructure, which achieved the highest standards in the industry. Confirmed the demand for superconducting tape in the nuclear fusion market. Pursued applications of CMOS image sensors for various purposes in light of the increased demand for single-use equipment to prevent infection risk. Continued to engage in joint research with top academics overseas to develop fundamental technologies.
	Use data and digital technologies to improve the efficiency of existing businesses and create new business models	<p>DX at manufacturing sites</p> <ul style="list-style-type: none"> Worked to create a smart factory for optical preform. Introduced AI for automatic external inspection of electronic components and external inspection of optical cables.
E Achieve Fujikura Group Long-term Environmental Vision 2050	[Challenge 1] Zero CO ₂ emissions at plants by 2050	<ul style="list-style-type: none"> Achieved an 18.4% reduction in emissions vs. FY2018, compared to the 4% reduction target. While energy savings contributed to improvement in energy consumption efficiency, lower operating rates due to the semiconductor shortage also played a role. Environmental credits for carbon offset were also used. We will continue to pursue reductions in energy consumption by encouraging further energy savings.
S Develop a pool of human resources with globally versatile talent	Develop globally versatile human resources	<ul style="list-style-type: none"> Finished examining the draft of the human resource development policy. Began considering revisions to the HRM Vision. Prepared the structure for career design seminars (by grade level) to help employees build their careers independently. Provided opportunities for employee growth (expanded seminars on promotion requirements, strengthened open participation in external seminars, began online English conversation sessions, etc.).
	Diversity & inclusion	<ul style="list-style-type: none"> Employment rate for people with disabilities: 2.5% (vs. a statutory rate of 2.3%). Met with all employees with disabilities to understand the problems they experience and reduce the attrition rate in order to create an environment that makes it easy for them to work.
G Strengthen corporate governance	Supply chain management (including responsible mineral sourcing)	<ul style="list-style-type: none"> Offered e-learning as internal education (on SDGs and CSR procurement). Performed in-person audits of 27 suppliers. Held two Partner’s Meetings online to communicate with suppliers.

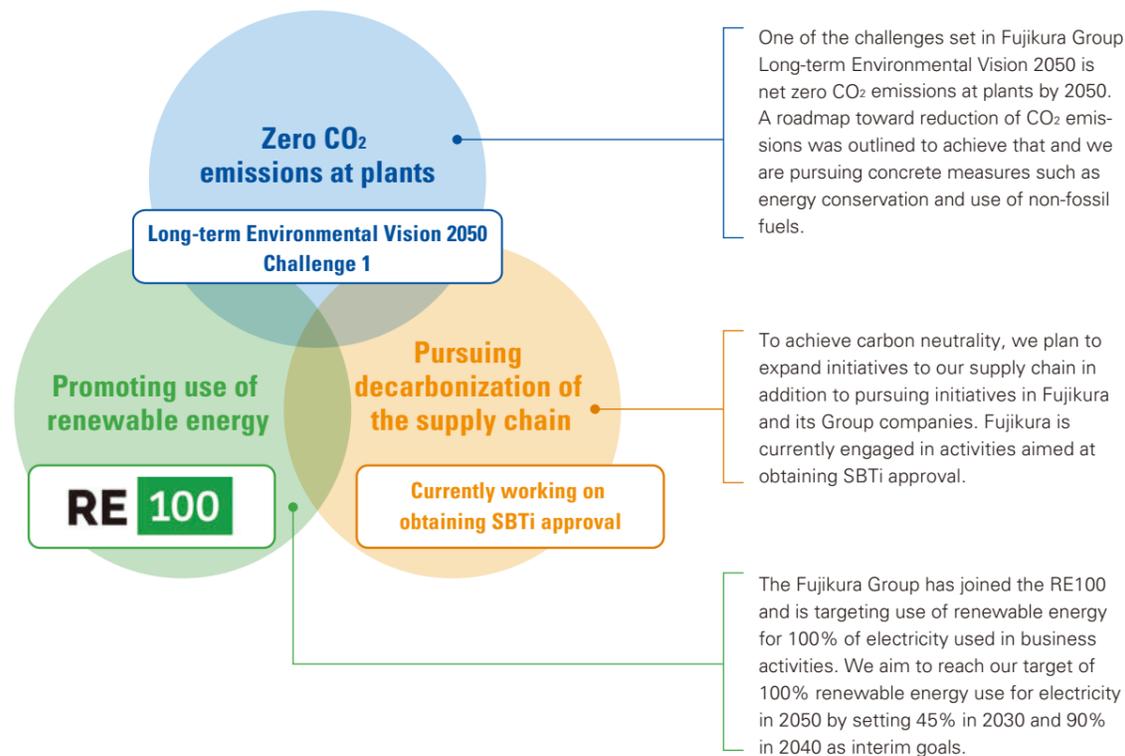
Pursuit of Carbon Neutrality

To Achieve Carbon Neutrality

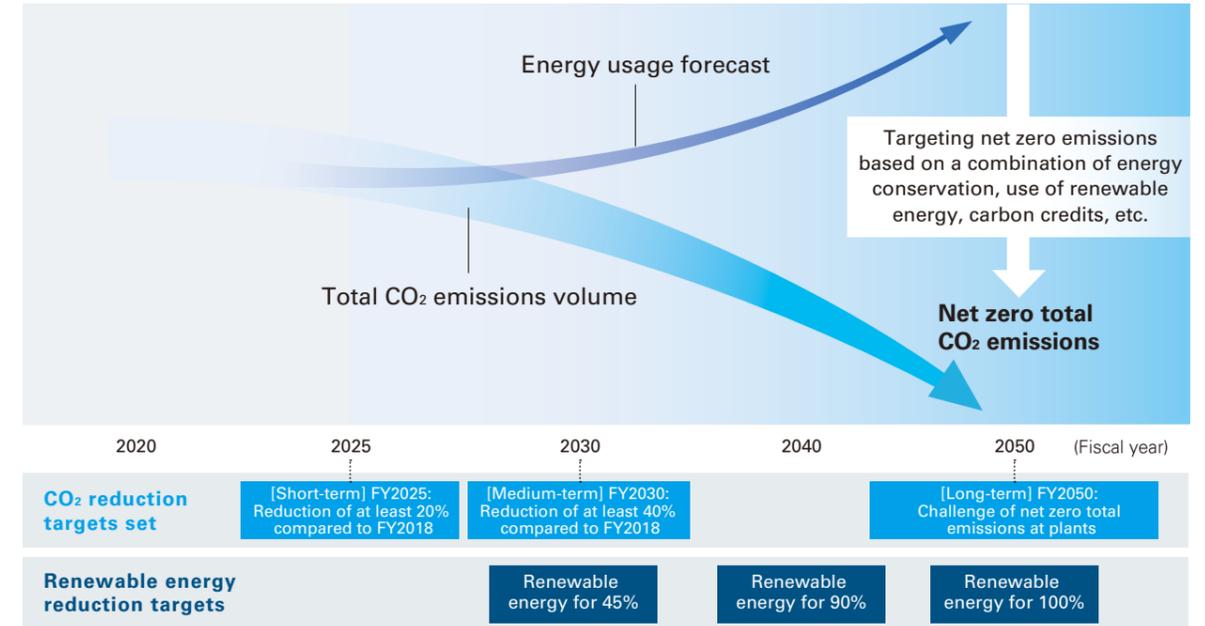
The Four Challenges in Fujikura Group Long-term Environmental Vision 2050

<p>Challenge 1 Zero CO₂ emissions at plants by 2050</p> 	<p>Challenge 2 Minimize use of water at plants and wastewater management</p> 
<p>Challenge 3 Symbiosis between plant workers and nature</p> 	<p>Challenge 4 Effective use of resources and resource cycle</p> 

Main Initiatives



Roadmap to Zero CO₂ Emissions



TOPIC

Green Transformation (GX) Project Launched

In April 2022, Fujikura launched the GX Project as an internal cross-organizational project. The project is the pillar for activities to achieve Long-term Environmental Vision 2050 Challenge 1, Zero CO₂ emissions at plants, by 2050. We are pursuing the following activities to achieve carbon neutrality.



GX Project Mission

- Actively participate in climate change initiatives and contribute to achievement of the sustainable development goals (SDGs) as a member of society.
- Perform life cycle assessments related to the environment and develop Green-related products.
- Achieve innovative manufacturing that minimizes energy consumption in addition to extensive efforts to achieve energy savings and reduce use of electricity.
- Use co-generation, purchase electric power derived from renewable energy sources, and proceed with environmental value on a cost-minimum basis.
- Pursue reuse of resources and decarbonization of the supply chain.
- Gather information on laws and regulations, guidance, and customer trends in each country and share it internally.

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. Specified risks are re-evaluated as needed.

Risks

Type	Climate Change Risk	Future Response
 <p>2°C Scenario (Migration risk) Short Term/ Medium Term</p>	<p>[Policy/Legal Risk]</p> <ul style="list-style-type: none"> Stricter CO₂ emissions regulations in various countries through the introduction of a carbon tax, etc. - 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 
	<p>[Technology Risk]</p> <ul style="list-style-type: none"> Disruption of existing technology Demand to minimize energy consumption during product manufacturing or use renewable energy <p>[Market Risk]</p> <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 <p>[Reputation Risk]</p> <ul style="list-style-type: none"> Demands for information disclosure on and response to climate change by customers, investors, and various rating organizations 	
 <p>4°C Scenario (Physical risk) Short Term/ Medium Term</p>	<p>[Acute Risk]</p> <ul style="list-style-type: none"> Impact on operations from flooding, a large typhoon, or other natural disaster - 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 <p>[Chronic Risk]</p> <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 	<ul style="list-style-type: none"> Disaster preparedness/prevention response for affected locations - 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 tsunamis at plants near the ocean - Domestic locations that will be affected by flooding or a rise in sea level are the head office, FUJIKURA HIGH OPT Co., Ltd. (Kiba, Koto-ku, Tokyo), Numazu Copper Refining and Rolling Co., Ltd. (Kanayaizumicho, Shimada City, Shizuoka Prefecture), and NISHI NIPPON ELECTRIC WIRE & CABLE CO., LTD. (Kasugaura, Oita City, Oita Prefecture) <p>* Survey of government hazard maps</p>

Opportunities

Individual Businesses	Social Trends	Opportunities
 <p>Energy</p>	<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.) 	<p>[Markets]</p> <p>Proliferation and expansion of renewable energy</p> <p>[Products/Services]</p> <p>Expansion of Green products</p> <p>[Energy Sources]</p> <p>Products related to highly efficient electrical power systems</p> <ul style="list-style-type: none"> Promotion of digital technology use <p>[Resilience]</p> <p>Strengthening the resilience of social infrastructure such as electrical wire and cable</p>
 <p>Telecommunication Systems</p>	<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 	<p>[Products/Services]</p> <p>Roll out of solutions mainly for high density, small-diameter optical cable (SWR[®]/WTC[®])</p> <p>[Markets]</p> <p>Expansion of Green products</p> <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
 <p>Electronics</p>	<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
 <p>Automotive Products</p>	<p>CASE advances</p> <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
 <p>Real Estate</p>	<p>Promotion of digital technology use</p> <ul style="list-style-type: none"> 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

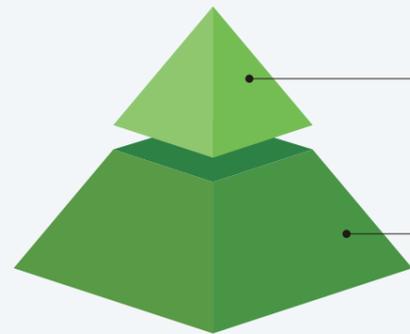
Expansion of Environmentally Friendly Products

Green Products

The Fujikura Group performs a product environmental life cycle assessment at the product planning, development, and design stages to assess the environmental friendliness of a product over the product's entire cycle. We work to improve environmental performance.

Products that meet the standards are approved as Green products or Green Mind products. We have registered 60 or more of these two types of Green-related products combined, every year thus far. We have also expanded this activity to Group companies, expanding to NISHI NIPPON ELECTRIC WIRE & CABLE CO., LTD. in FY2020, and then to Suzuki Giken Co., Ltd. in FY2021. In the future, we will recommend joint activities with each of our other Group companies and will increase the contribution of environmentally friendly products to Group revenues.

Green-related Products



Green Products

Products and services that notably improved resource conservation, energy conservation, and other aspects of environmental performance

Green Mind Products

Products and services assessed as achieving higher environmental performance than conventional products on the environmental impact assessment

Number of Fujikura Group Products Registered as Environmentally Friendly Products (Green-related Products)

Cumulative Number of Products Registered as Green-related Products	3,695	Products approved from 2011 to March 2022
Of which, Green products	23	As of March 2022
Green-related product sales as a percentage of total net sales	55%	FY2021 results

The Fujikura Group established the Green-related product approval system to pursue development of environmentally friendly products from the perspective of protecting the global environment. The Green Product Management Committee screens product environmental assessment check sheets submitted by each business unit and registers those that score at or above a certain level on the standards as Green-related products. The product environmental assessment check sheet was formulated in 2011 and is updated on a regular basis. A member of the Research and Development Unit is appointed as chairperson of the Green Product Management Committee and committee members are selected from each division. We have adopted the Type II environmental labelling specified in ISO 14021 for approval of Green-related products.

In FY2021, 54 Green Mind products were registered Group-wide, and around 3,000 current FPC products which had completed the Restriction of Hazardous Substances (RoHS) compliance process were also registered. This raised Green-related products (sum of Green Mind products and Green products) to 55% of total net sales.

Environmentally Friendly Products

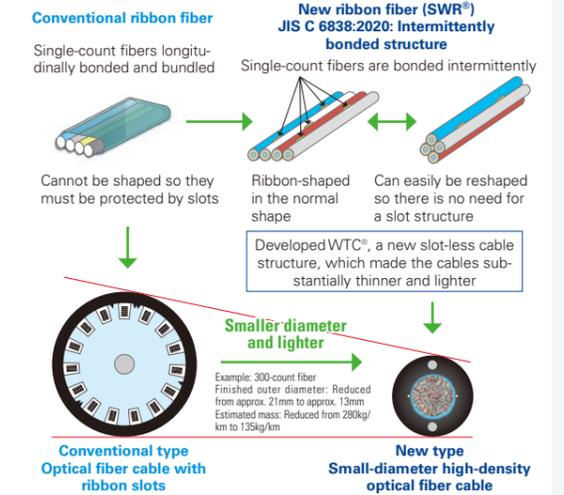
Product name Spider Web Ribbon® (SWR®) and Optical Cable Using SWR®

Purpose of use High-density optical cable for FTTx and large-scale data centers

Environmentally friendly

SWR®, in which single optical fiber strands are intermittently bonded, forms a ribbon-like construction that can easily be reshaped. As a result, the slot protection used when bundling fibers into a cable is no longer needed and we were able to reduce the outer diameter and weight of the cables themselves by up to 60%.

We were also able to include a higher fiber count in cables using SWR® by reducing the diameter of fiber strands from 250µm to 200µm, without increasing the outer diameter of the cable. This also reduced the weight. We also used the same fiber pitch for 250µm and 200µm fibers, which made fusion splicing of both possible. This contributes to improved productivity during installation work.



Product name Rack-mountable optical connector termination cabinets

Purpose of use Optical connector termination cabinets equipped with optical cables for data centers

Environmentally friendly

Fujikura successfully developed an optical termination cabinet that accommodates high density and is easy to maintain. This termination cabinet enables storage of 1.5x the number of optical fiber cords compared to similar products of other companies and contributes to resource conservation. Normally, when a cabinet is simply packed to high density, it makes it harder to insert and remove cables. However, the use of a sliding mechanism for the connector trays has made it possible to easily and safely insert and remove connectors without making maintenance more difficult. The use of SWR®/WTC® has also made it possible to use smaller-sized cables and has increased the number of fibers that can be inserted in racks and pass through ducts.



Densely packed optical cords make it difficult to insert and remove connectors



The use of a sliding mechanism for connector trays increases the number of fibers that can be inserted without making maintenance more difficult

Human Resource Development

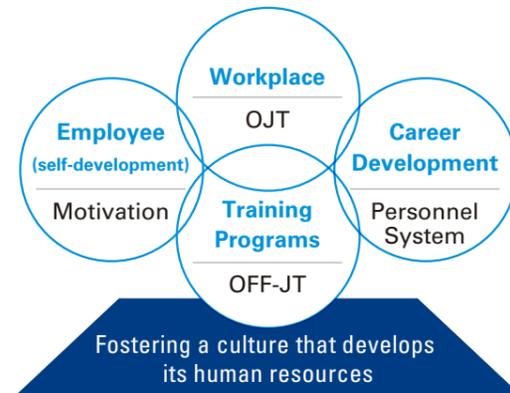
Respect for Human Rights

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.

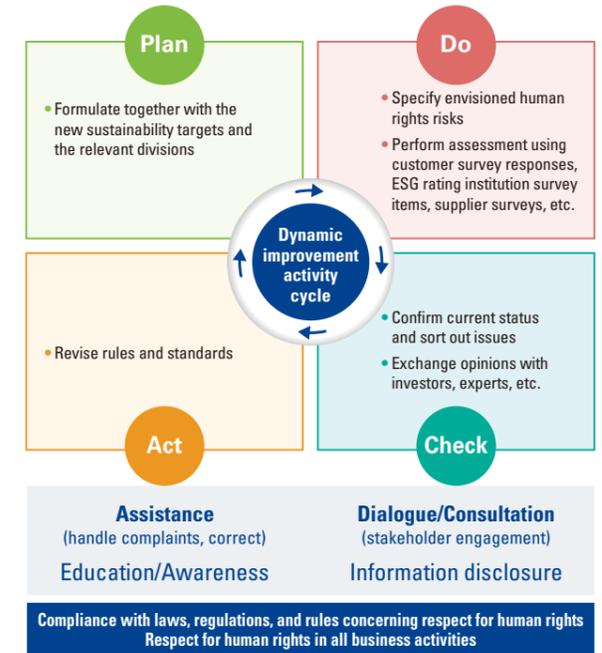


Human Resource Development Programs

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 (conducted online)) Individual follow-up by OJT trainers <ul style="list-style-type: none"> * Introduction of Web service to support one-on-one meetings for new employees by OJT trainers An onboarding survey is conducted to visualize indicators associated with growth, such as the degree of an employee's growth and internal motivation, based on the response results from both the OJT trainer and the new employee.
	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) Selective training <p>Participants are recruited internally and sent to training by grade level conducted by an outside organization (provides an opportunity to interact with other company employees of the same generation)</p>
	4) New manager training <p>Promotion to management is considered a juncture for the employee to improve his or her own career and provides an opportunity to think about a career and life that will continue long into the future.</p>
	5) Managerial talent development program <p>A selective development program to develop candidates for succession to important positions and create a deeper pool of managerial talent</p>
	6) 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)

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. We are building a human rights due diligence system according to the process described in the UN Guiding Principles on Business and Human Rights.



Occupational Health and Safety

Full-scale Introduction of Occupational Health and Safety Management System

We began operating our Occupational Health and Safety Management System (OHSMS*) in FY2010, and acquired certification under the ISO 45001-2018 standard for occupational health and safety management systems in FY2022 with an integrated framework for Fujikura's head office and business locations. Each business has effectively incorporated the standard's requirements to improve operations and efficiency, and we are building a management system for pursuing ongoing improvement to build and foster a safety culture in which all employees mutually educate one another by daring to point out one another's risky actions, and other safety concerns.

*OHSMS: Occupational Health and Safety Management System

Occurrence of Occupational Accidents (Lost time injury/fatality rate)

	2017	2018	2019	2020	2021
Fujikura (non-consolidated)	0.18	0	0.34	0.37	0
Electrical wire and cable manufacturing industry	0.65	0.87	0.23	0.92	0.57
Manufacturing industry	1.02	1.2	1.2	1.21	1.31

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

Power & Telecommunication Systems Business

Unit Overview

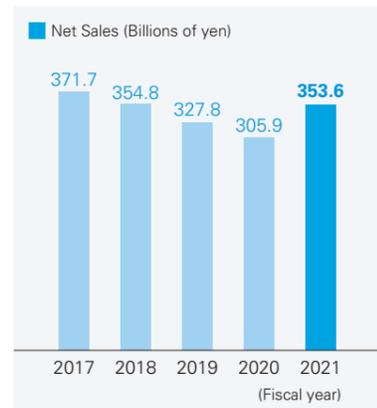
Providing Solutions for Building Infrastructure Platforms

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. We boast the highest shipments of optical fiber fusion splicers for low-loss connection of optical fibers in the world and will continue to provide total solutions for building optical network infrastructure.

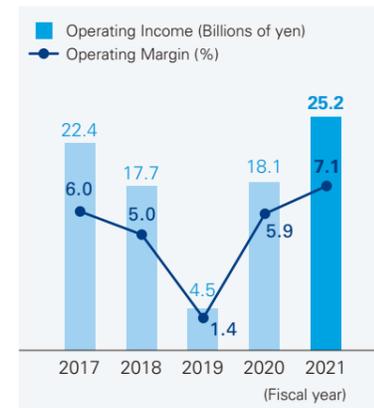
Main Products

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

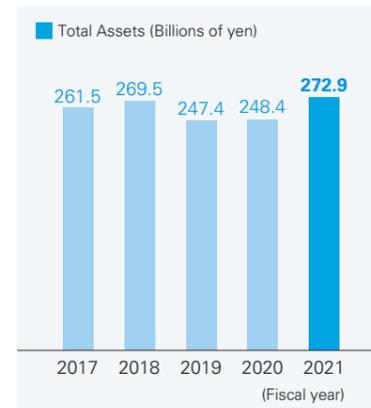
Net Sales



Operating Income / Operating Margin (%)



Total Assets



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 Curtailing the amount of energy used in manufacturing products

Business Environment

High growth in demand cannot be expected due to the maturation of infrastructure in Japan. While we expect the forecast growth in overseas demand for FTTx and data center investment to continue, mainly in Europe

and the U.S., due to the switch to working remotely and increasing use of the cloud, we need to remain cautious about steep increases in raw material prices and stable supply.

Key Issues in FY2022

In the energy area, the overseas production locations which had contributed to society by building electric power infrastructure, mainly in emerging countries, have fulfilled their roles and we effectively withdrew from all locations in FY2020. We also withdrew from the overseas EPC business* and engaged in a process of selection and concentration of businesses in Japan. During FY2022, we made steady progress on the split off of the energy systems business into a separate company as announced in February 2022, and will work to stabilize the energy business.

other next-generation infrastructure stemming from the increase in demand from telecommuting due to the COVID-19 pandemic. Fujikura's strategic product, SWR®/WTC® is highly regarded as the optimal solution for increasing telecommunication infrastructure capacity due to the product characteristics of being slim, lightweight, high density, and easy to install. We will increase manufacturing capacity more and take other steps to concentrate resources so that we do not miss out on this opportunity, and will provide total solutions for building optical network infrastructure, including peripheral components.

In the telecommunication systems area, we can expect continued active investments in building FTTx, data centers, and other communication network infrastructure along with the demand for 5G, IoT, and

* 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.

Electronic Products and Connector Business

Unit Overview

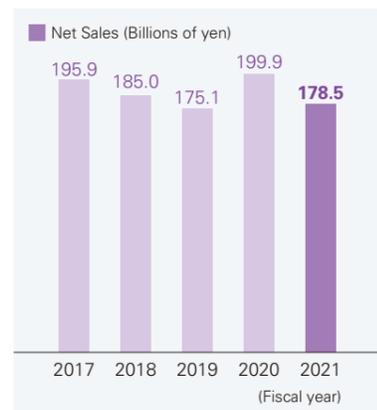
The electronic products and connector business manufactures printed circuits, electrical wire, connectors, and other electronic components that create the delicate “neural network” of compact, highly-integrated electronic products. The Fujikura Group demonstrates the quality and technological strengths 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.

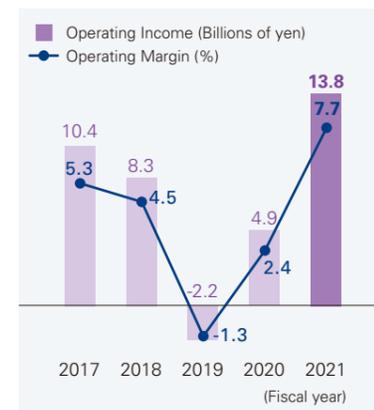
Main Products

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

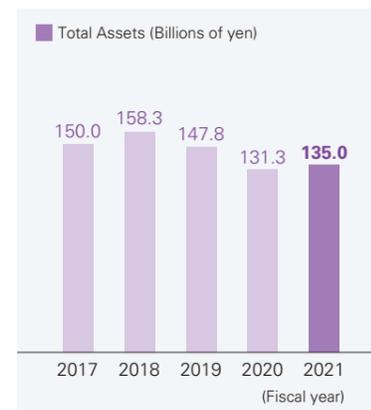
Net Sales



Operating Income / Operating Margin (%)



Total Assets



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

Business Environment

Many flexible printed circuits (FPC) and connectors are used in smartphones produced by our main customers, which are seeing continued strong demand. Increased demand for components used in industrial machinery is also evident, due to new normal lifestyles, acceler-

ating digitalization, and growth in capital investment. However, the surge in COVID-19 infections in China, mainly in the Shanghai area, and other factors demand caution concerning the external environment.

Key Issues in FY2022

As we announced in February 2022, the flexible printed circuit (FPC) business was consolidated into one operating entity named Fujikura Printed Circuits Ltd., a wholly owned subsidiary of Fujikura, in May 2022 to revive and stabilize this business. As we make steady progress on this organizational restructuring and stable business management, we will also further hone efforts to improve quality and reinforce technological strengths which are perpetual tasks, and shift the business into areas where we can maintain our competitive superiority.

In the connector business, the optimization

of the production structure through the structural reforms implemented thus far has stabilized business management. We will strive for sustainable growth in the future by entering new market areas.

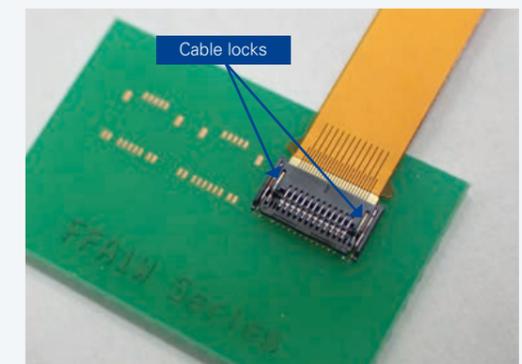
In the electronic components business, we aim to accelerate business metabolism and maintain high profitability by meeting the need for higher capacity HDD, providing solutions for heat dissipation, and meeting the demand from expanding data centers in other ways, to access new markets and capture new customers.

TOPIC

World's Smallest FPC Connector Line-up—The FFA1W Series

As mobile devices become more compact, the demand for even smaller FPC connectors grows stronger. The connectors in the FFA1W Series were developed to meet this demand.

This product has the world's smallest terminal pitch at 0.15 mm. The connector has a height of 0.55 mm when connected to a flexible printed circuit (FPC). We have maintained high performance through our unique locking mechanism and cable locks, despite the fact that it is the smallest connector in the world. The cable locks on this product also serve as signal connection terminals and thereby contribute to further miniaturization of wearable devices.



Product exterior view

Automotive Products Business

Unit Overview

In the automotive products business, we have 39 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.

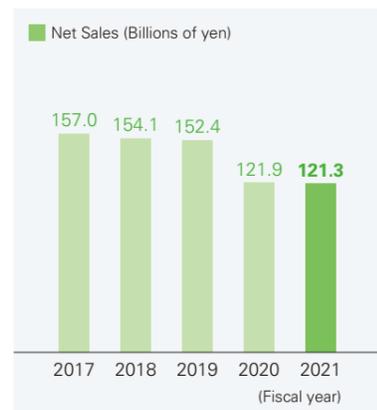
Our main products include automotive wire harnesses, in-vehicle LAN, and other total wiring systems. These products support the evolution of mobility, which is accelerating globally.

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.

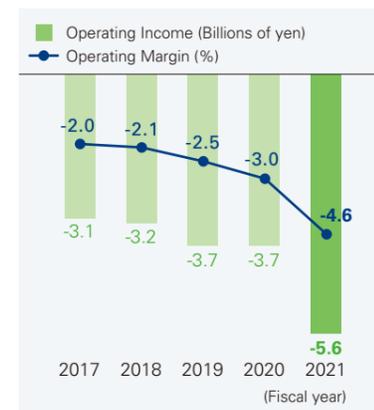
Main Products

- Wire harnesses (WH)
- Electrical components
- Rapid charge cables

Net Sales



Operating Income / Operating Margin (%)



Total Assets



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

Business Environment

While instability in global automobile orders and production accompanying the COVID-19 pandemic and the semiconductor shortage is evident, the automotive industry is undergoing a once-in-a-century transformation based on CASE (Connectivity, Autonomous,

Sharing and Electrification) and other key themes. Demand for vehicles that use new forms of energy and further progress in the electrification and computerization of vehicles is projected.

Key Issues in FY2022

In the automotive industry, the COVID-19 pandemic and Russia's invasion of Ukraine have caused concern over raw materials procurement and pricing in both the upstream and downstream segments of the supply chain. Despite the future uncertainty over inflation and other issues in the automotive industry as a whole, Fujikura's earning power has been restored through the structural reforms we have pursued thus far. We continue to move forward on cost reductions by further improving productivity and maintaining consistent quality at each location.

We are expanding sales of products related to the electronics business to top customers of the automotive products business. Introduction of products to the automotive market will be a key initiative for the electronics-related business as a whole in the future. The automotive industry is undergoing a once-in-a-century transformation from CASE (Connectivity, Autonomous,

Sharing and Electrification) and other technologies. Fujikura is already engaging in joint development of technologies that support high-speed communication, electronic control systems, and other technologies with multiple customers. In the connector business, we began mass production of a connector for next generation vehicle-to-vehicle communication from FY2021, and Fujikura Printed Circuits Ltd. will accelerate development in the power train*1 area, in addition to the infotainment*2 and lighting areas*3.

*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.

TOPIC

Development of Heat Pipe Module to Cool Power Electronics in Vehicles

Automotive power electronics such as converters, inverters, and rectifiers are generating more and more heat as requirements increase for better driving performance, longer driving distance, and rapid charging. A higher performing cooling system is consequently needed to improve equipment reliability and lifespan.

We improved the internal structure of the heat pipes widely used for cooling PCs, servers, and other electronic equipment at Fujikura, and are developing a heat pipe module capable of cooling power electronics in vehicles by using heat pipes that feature 20% greater maximum heat transfer capacity than our conventional products. We have also begun working on thermal designs and prototypes for vehicle equipment manufacturers and auto manufacturers.

Fujikura will contribute to the development of next-generation electric vehicles that are safe and environmentally friendly by continuing to improve the performance of cooling systems.

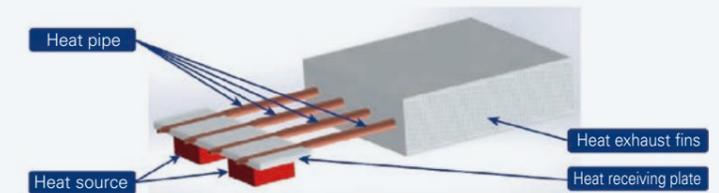


Image of a heat pipe module used to cool power electronics in vehicles

Real Estate Business

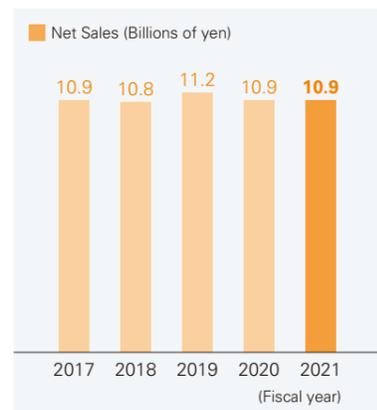
Unit Overview

Maximizing Use of Assets and Maintaining Stable Revenue

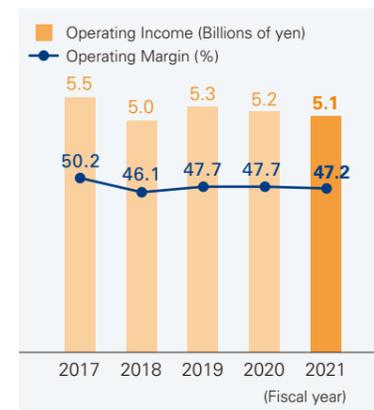
We are effectively utilizing the former plant site next to Fujikura headquarters to expand our real estate business. Redevelopment began in 1998, and we are operating a real estate leasing and management business, mainly for five office buildings and two commercial buildings. The office buildings have 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 and continues to operate at full occupancy.

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.

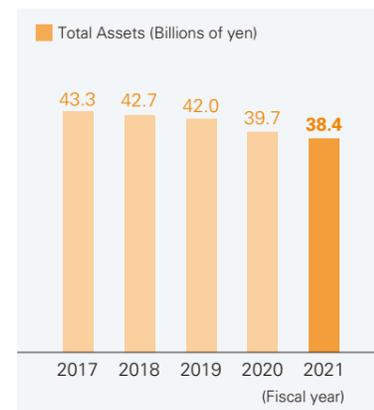
Net Sales



Operating Income / Operating Margin (%)



Total Assets



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

Quality Control, Manufacturing DX, Product Introductions, and Communicating Technical Information

Quality Control

To make sure that cases of unsuitable quality never happen again, we will focus on quality as the root of management. We will continue to take steps to prevent recurrence from the dual aspects of corporate governance reform and increasing awareness of quality compliance based on the Fujikura Quality Policy, our company-wide policy that provides guidelines on quality compliance.

We will continue to maintain independence of the Quality Control Unit, conduct internal audits to strengthen and build on the quality compliance system, configure a system that eliminates human operation by computerizing information related to quality at each location, and make sure that everyone is familiar with the whistleblowing system as elements of corporate governance reform.

Since FY2019 we have held a Quality Pledge Day, an event in which all Group employees pledge to prevent a recurrence of unsuitable quality. We conduct quality compliance training for all Group employees and are reinforcing dialog between top management and frontline employees to foster a culture of making sure that these mistakes are never repeated.

Digital Transformation (DX) of Manufacturing

The "True Connected-Fujikura (TCF)" concept of creating smart factories was formulated as a way to achieve digital transformation (DX) of manufacturing, and we are beginning activities to strengthen manufacturing capabilities through DX. Our goal is to organically link live data from the frontlines to each level of management, achieve timely plant management and data-driven* business management by operating the PDCA cycle (Plan, Do, Check, and Act), and ensure business superiority by transforming products, services, and operating processes.

* Data-driven refers to next-generation operating processes such as business decision-making and resolving problems based on the results of analyses performed by using algorithms to process various kinds of data and big data collection of massive amounts of data.

Product Introductions and Communicating Technical Information

Fujikura communicates information to our customers and all of our stakeholders.

Fujikura News is published every other month and contains introductions of Fujikura's products, technical information, events, and other information. We use this in sales activities and recruiting as a way to help people learn about Fujikura.



Research & Development

mmWave Wireless Technology

Communications providers worldwide are now using mmWave in 5G networks (both mobile wireless access (MWA) and fixed wireless access (FWA)). The roll-out of mmWave is progressing especially in the U.S. and leading communications providers are expanding mmWave networks and use cases (outdoors, indoors, repeater/relay, etc.).

Fujikura is developing various mmWave products such as a 28 GHz phased array antenna module (PAAM) that forms and controls high-frequency beams in 5G network base stations, a 60 GHz mmWave wireless communications module, and mmWave filters.

Compared to microwaves (a few GHz or less) which have been widely used until now, mmWave wireless signals are 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 technology and a completely different approach than before. Fujikura is pursuing development of unique technologies that will provide products of value to the mmWave market.

Fujikura began providing evaluation samples of our FutureAccess™ phased array antenna module in April 2022.

This PAAM operates in the n257 (28 GHz), n258 (26 GHz) and n261 (27 GHz) bands specified in the 3GPP standard, and is a highly integrated module consisting of a phased array antenna, beam-forming ICs, frequency converter ICs, and filters. Fujikura achieved the following module performance characteristics by optimizing the whole module through in-house development of all of these components.

High quality communication environment with no dead spots

Uses a phase shifter equipped with True Time Delay (TTD) circuits capable of highly precise, high-resolution control of beam steering. The precise control of beam steering provides a high-quality communication environment with no dead spots in the entire base station area.

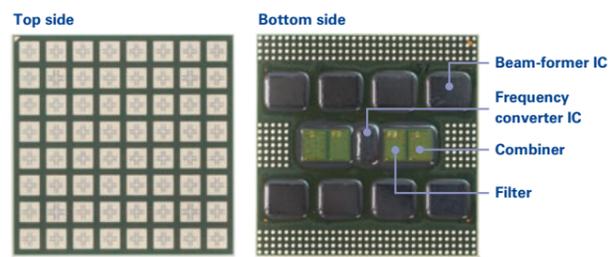
More compact and lower cost

Achieves high power efficiency demanded of a base station and low power consumption.

Dual polarized beams for concurrent transmission and reception

Can support dual horizontal and vertical polarized beams in one PAAM. This contributes to more compact base stations at a lower cost.

Fujikura teamed up with GlobalFoundries Inc., the largest IC foundry in the U.S. to provide a stable supply of high-quality products. We have also partnered with Avnet, Inc., the largest electronics trading company in the world, to provide a development platform and meet other customer needs, and will continue to contribute to the development of social infrastructure through 5G networks.



size(mm):42.5(W)×42.5(H)×2.5(D)

28 GHz mmWave phased array antenna module (PAAM)



Evaluation board installed in PAAM

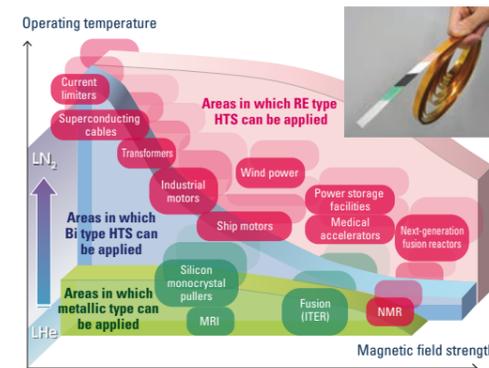
High-temperature Superconductors

Contribution Toward a Low-Carbon Society

Fujikura is engaged in research and development, manufacture, and sale of rare-earth type high-temperature superconducting wire. This type of superconducting wire is strong and has excellent critical current characteristics in high magnetic fields. It is promising for use in a wide variety of industrial equipment such as superconducting magnets. In recent years, there have been advances in development for practical applications in nuclear fusion power generation and electric aircraft with the goal of achieving a carbon neutral society. Rare-earth type high-temperature superconducting wire is expected to contribute substantially to the successful development of next-generation nuclear fusion reactors, in particular. Fujikura will continue to contribute to the realization of a carbon neutral future society through further development of technology for rare-earth type high-temperature superconducting wire and coil applications, and other applications.

ISO 9001: 2015 International Standard Certification Obtained

Fujikura's Superconductor Business Promotion Office obtained ISO 9001: 2015 certification, the international standard for quality management systems. Our rare-earth type high-temperature superconducting wire is highly rated by customers in Japan and overseas, and production volume is increasing year after year. We will continue to contribute to society by providing excellent products made possible by strengthening our quality management system.



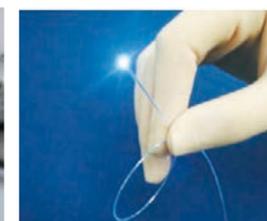
ISO9001: 2015 certification obtained

Medical Products

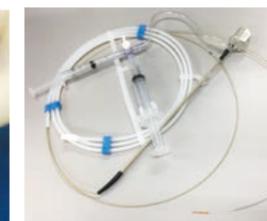
We develop and manufacture functional components for medical devices to help people maintain their health and improve their quality of life. Last year, we began mass production of an ultrafine-diameter CMOS camera module for use in disposable endoscopes by a medical device manufacturer. We are also contributing to the miniaturization of wearable devices and many other solutions by leveraging the ultra-compact characteristics of our device-embedded circuit boards.



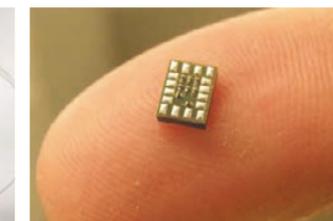
Ultra-thin endoscope using CMOS sensor



Ultra-thin fiberscope using image fibers



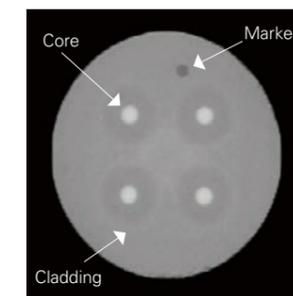
IVUS* catheter
* Intravascular ultrasound



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

Multi-core Optical Fiber

Development of telecommunications using optical fibers began in the 1970s and is 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) become prevalent. 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. Fujikura initiatives aimed at practical applications include efforts to develop four-core multi-core optical fibers (4c-MCF) with the same standard cladding diameter as 125 μm diameter general single-mode fibers. We successfully developed 4c-MCF with a step-index type refractive index distribution that can reduce costs and high density fiber optic cable (SWR® & WTC®) that uses this 4c-MCF. We are helping to build the high-capacity telecommunication infrastructure of the future by developing mass production technology for these kinds of MCF.



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



Exterior view of a high-density optical cable using multi-core fibers

Messages from Outside Directors

Being Aware of the Short-term and Long-term Perspectives to Achieve Sustainable Growth



Yoshio Shirai

Experience in management
(manufacturing industry)

1. Reflections on FY2021

FY2021 was the year in which Fujikura successfully reformed management to complete the operational turnaround phase. New outside directors were added and I feel opinion exchanges in Board of Directors meetings became even more spirited and discussions from the management perspective increased. The turnaround into the black was the greatest achievement of all, but we must be cognizant of the fact that there were one-time factors involved and that many issues remain.

In regard to the direction of Fujikura's businesses, the telecommunication systems business is expecting steady growth in the main markets in Europe and the U.S. However this business will require active decisions on investment to respond to intensifying competition and abrupt changes in the markets. Because Fujikura was extremely cautious about investments during the operational turnaround phase to improve financial soundness, it will be important to make rapid investment decisions from this point forward. I will continue to keep a close eye on the energy business following the decision to split it off as well as the FPC business.

2. Toward the Future Growth of Fujikura

For Fujikura to achieve sustainable growth, I think it is important to be aware of two timelines, the short term and the long term. While focusing on current profits, it is necessary to determine what kind of company Fujikura will become in the future, how it will resolve societal issues, and how it will simultaneously resolve societal issues while achieving growth of the Company. Companies are being called up to take long-term action to go carbon neutral and address other long-term issues, especially in recent years. I want Fujikura to be helpful in resolving such societal issues and communicate the fact that it is contributing to the resolution of such issues while also tying this into stronger earning power. Promoting diversity will also be an important factor in stimulating innovative ideas and transforming corporate culture. There have been calls for workstyle reform and other changes in recent years and Fujikura is making progress on reassessing the relationship between the Company and employees and on revising the system design. I look forward to seeing Fujikura grasp these changes in the world and implement the necessary measures in these areas as well.

3. Message to Shareholders and Investors

I serve as the chairperson of the Nomination Advisory Committee and have participated in numerous discussions concerning the switch to the current chief officer (CxO) structure. I have served as an outside director for six years now and intend to conscientiously fulfill my role as an outside director so Fujikura can continue to develop and grow during the sustainable growth phase.

Embarking on Establishment of Governance, Risk, and Compliance (GRC) in the Sustainable Growth Phase



Hamako Hanazaki

Attorney-at-law

1. Reflections on FY2021

In FY2021, both executive directors and non-executive outside directors shared a common view of the need to revive Fujikura and I view this as the year in which all of management shared a common sense of urgency directed at completing the 100-Day Plan. While it is of course true of the leadership demonstrated by the executive side, I feel that the level of discussion in Board of Directors meetings and elsewhere has also steadily improved. While the many measures implemented resulted in a recovery in performance, I want to concentrate even more on facilitating future growth, without forgetting the pain that accompanied these measures.

2. Toward the Future Growth of Fujikura

I want to use my expertise as an attorney to strengthen the foundations of governance, risk, and compliance (GRC) during the sustainable growth phase. Fujikura must take the steps needed to further strengthen corporate governance as required by the revised Corporate Governance Code. Fujikura has been working to strengthen corporate functions under the executive structure established in April of this year and is making progress on projects aimed at establishing GRC and internal control (IC) systems. I therefore want to assist in the establishment of the internal organizational structure and various rules while maintaining close communication with the executive side. Along with establishing rules, I also think it is important to provide support to incorporate internal company rules and other rules in the work of each employee. This is not something that can be accomplished in a single day, so there needs to be a consistent effort to put time and energy into this.

3. Message to Shareholders and Investors

It has been four years since I was elected as an outside director of Fujikura. Since my appointment, Fujikura has made steady progress on governance through the establishment of internal rules, changes in the content of discussions by the Board of Directors, and other means. The new mid-term business plan is scheduled to be announced next year and it is important for the plan to properly incorporate a multidimensional analysis of the impact that changes in the environment have had on Fujikura's businesses and the various risks. While it is difficult to properly assess risks in the current environment of uncertainty and abrupt changes, I want to contribute to formulation of the new mid-term business plan by using my expertise to provide the necessary advice and engaging in thorough debate.

Looking Forward to Discussion of Long-term Portfolio Management Through Backcasting



Keiji Yoshikawa

Experience in management
(manufacturing industry)

1. Reflections on FY2021

I have actively stated my opinions in Board of Directors meetings and elsewhere from the moment I became an outside director last year. I personally feel that extremely thorough and in-depth discussions take place at Fujikura Board of Directors meetings. Because Fujikura has a wide range of businesses and technologies, it is important to have high quality information as the basis for discussion to make management decisions. I am deeply grateful for the communication with executive officers, the Audit and Supervisory Committee Office, and others on that point.

Fujikura switched to a chief officer (CxO) structure from 2022.

The process of selecting people to serve as chief officers was highly transparent in terms of the conditions and criteria for selecting people to serve in those positions.

I intend to continue to provide support so the CEO, CFO, and CTO can fulfill their respective responsibilities and roles as managers.

2. Toward the Future Growth of Fujikura

I think the sustainable growth phase from this point onward will require well-modulated management with an awareness of resource allocation and I am focusing on portfolio management. Fujikura possesses unparalleled technological strengths and I think there will be many opportunities to support growth going forward. Having said that, discussion and consideration of portfolio management from a long-term perspective will be necessary to identify such opportunities. Fujikura plans to announce a new mid-term business plan in 2023. However, I would like to recommend discussing portfolio management based on backcasting from the future vision of society, rather than on the new mid-term business plan. Diversity among the members engaging in discussion is also important for stimulating discussion. I look forward to considering the search for and hiring of management talent from a global perspective in the future.

3. Message to Shareholders and Investors

I want to use my own business experience to support the growth of Fujikura. The importance of ESG in corporate management has increased in recent years and there are many issues to address, including Fujikura's response to going carbon neutral and human capital, and strengthening governance, which is the root of management. I will continue to actively make recommendations through discussions in Board of Directors meetings and with executive officers so that I can fulfill my advisory role, rather than simply monitoring the status of operational execution.

Monitoring That Does Not Just Apply the Brakes and Occasionally Pushes Management from Behind



Yoji Yamaguchi

Experience in Finance

1. Reflections on FY2021

One year has already passed since I became an outside director last year. I regard 2021 as an extremely important year for Fujikura as the Company aimed to switch from the operational turnaround phase to the sustainable growth phase. There were times when I voiced opinions on the execution of the 100-Day Plan and the future direction of management during Board of Directors meetings and other venues that were hard for management to hear. Fujikura's Board of Directors meetings have an atmosphere that also enables outside directors to actively state their opinions, and through this I strongly sensed the common understanding among all members of management, including outside directors, that it was time for Fujikura to change. While change was accompanied by much pain, the coordinated efforts of officers and employees bore fruit and I was delighted that this resulted in a recovery in performance and the resumption of dividends in FY2021.

2. Toward the Future Growth of Fujikura

It is important for the new mid-term management plan, which will be announced in 2023, to clearly detail the direction that Fujikura should take in the future. The outstanding technological strengths honed by Fujikura have been the sustaining force through different eras throughout Fujikura's long history since the company was founded. While the business structure is currently centered on the telecommunication systems business, I certainly want to see Fujikura identify and develop new businesses, and utilize its technological strengths in other ways to access new areas.

As I monitor operational execution, I am conscious of the need to occasionally give management a push from behind, rather than just applying the brakes. The management structure has switched to a chief officer structure, and I look forward to the leadership of the CEO as the top decision-maker on the future of Fujikura, further changes to create a more robust financial structure by the CFO, and the seeds of Fujikura's next businesses being sown by the CTO. As one of the outside directors, I will earnestly endeavor to determine the future course of the company.

3. Message to Shareholders and Investors

I feel that the words "austerity and fortitude" have characterized Fujikura over this past year. Fujikura is an extremely reliable company with high potential in its technological strengths. To communicate that potential, I think it is necessary to help people understand the essence of Fujikura, which cannot be expressed in financial numbers. The importance of non-financial information in calculating corporate value is increasing, so I will continue to make recommendations aimed at further enhancing disclosure of information on Fujikura.

Using the Risk Approach to Ascertain Impact on Management from Multiple Perspectives



Kozo Meguro
Certified Public Accountant

1. Reflections on FY2021

2021 was a turbulent year for all of society due to the response to the COVID-19 pandemic, the Russian invasion of Ukraine, and other upheavals. I also regard it as a turbulent year for Fujikura, as it focused on the selection and concentration of businesses to complete the operational turnaround phase. I have participated in Board of Directors meetings and many other meetings from the moment I was elected last year, and have engaged in many free and open-minded discussions with management. I have strongly sensed the serious intent to transform Fujikura on many occasions through discussions thus far. I certainly want to see this serious intent take firm root as the new culture of Fujikura in the sustainable growth phase.

2. Toward the Future Growth of Fujikura

I have three expectations for the future growth of Fujikura.

The first is the switch to a chief officer (CxO) structure and further growth of global markets. Fujikura is targeting growth of its telecommunication systems business in overseas markets, mainly in Europe and the U.S., along with the switch to a new management structure. I think concrete numbers will be disclosed in the new mid-term business plan next year, but I want to continue to discuss the business portfolio and allocation of human resources and material resources.

The second expectation is the pursuit of efficient, effective management to further strengthen the financial base. I want Fujikura to use the lessons learned from the past to improve management efficiency without overlooking improvements, no matter how small they may be.

The third is strengthening monitoring to facilitate decision-making by management. To respond flexibly in a highly uncertain business environment, I think a mechanism for providing feedback to management is needed along with monitoring the multiple factors that impact the management of Fujikura by taking a risk-based approach. I also want Fujikura to ascertain the medium and long-term impact on business from climate change in recent years and steps taken to improve the resiliency of the supply chain, among other factors.

3. Message to Shareholders and Investors

I feel that the recent switch to a chief officer (CxO) structure also sends a strong message to shareholders and investors. The CEO, Naoki Okada, has raised the banner of “Fujikura, known for technology” as the corporate brand and is aiming to utilize Fujikura’s technologies to resolve societal issues and achieve sustainable growth of Fujikura.

I will continue to use my particular expertise as a certified public accountant to provide advice on points such as financial stability and soundness.

Reasons for Electing Outside Directors

Name	Reasons for Electing
Yoshio Shirai	Having served in the role of director at Toyota Motor Corporation, Hino Motors, Ltd., and Toyota Tsusho Corporation, Mr. Yoshio Shirai has abundant experience and insights as a manager. He also has experience as an outside director, having served in such positions as outside director and Audit & Supervisory Committee member of Seiko Epson Corporation since 2016. Mr. Shirai has participated in discussions of the Board of Directors as an outside director of the Company and has utilized his abundant management experience and insights to provide apt opinions. We therefore believe he is qualified to continue serving as an outside director. Mr. Shirai does not have any conflicts of interests with the Company.
Hamako Hanazaki	In addition to her high degree of expertise as an attorney-at-law, Ms. Hamako Hanazaki has been involved in corporate legal affairs for many years and thus has sufficient knowledge of corporate management. Ms. Hanazaki has participated in discussions of the Board of Directors as an outside director of the Company, and has provided apt opinions concerning legal risks and compliance. The Company therefore believes that she is qualified to continue serving as an outside director. Ms. Hanazaki does not have any conflicts of interests with the Company.
Keiji Yoshikawa	As the CEO of a global company, Mr. Keiji Yoshikawa has extensive experience and knowledge regarding corporate management and strengthening corporate governance systems, having led a management restructuring and built one of Japan’s best corporate governance systems. Mr. Yoshikawa has served as an outside director of Kansai Paint Co., Ltd. since 2018 and also has experience as a management supervisor. The Company therefore believes that he is qualified to serve as an outside director. Mr. Yoshikawa does not have any conflicts of interests with the Company.
Yoji Yamaguchi	Mr. Yamaguchi has considerable knowledge of finance and accounting from his experience serving in a key role at a major city bank over many years, and also has extensive experience and knowledge of corporate management. In 2008, when the survival of individual banks was threatened by the financial crisis, Mr. Yamaguchi served as a full-time auditor at Sumitomo Mitsui Financial Group and has extensive insight on business audits performed during a time of crisis. The Company therefore believes that he is qualified to serve as an outside director. Mr. Yamaguchi does not have any conflicts of interests with the Company.
Kozo Meguro	In addition to his high degree of expertise as a certified public accountant, Mr. Kozo Meguro possesses ample knowledge in corporate management due to his involvement in numerous corporate accounting audits over many years. Mr. Meguro also has experience in business audits as an outside auditor, having served as an outside auditor member at Kyowa Exeo Corporation (now EXEO Group, Inc.). The Company therefore believes he is qualified to serve as an outside director. Mr. Meguro does not have any conflicts of interests with the Company.

Independence Standards for Outside Directors

Fujikura has established the following standards for determining the independence of outside directors.

A person to whom any of the following items currently applies, or has applied within the past three years, and the spouse or relative within the second degree of kinship of such a person does not have independence.

- A major business partner of the Group*1 or an executive thereof*2
- An entity for which the Group is a major business partner or an executive thereof
- A shareholder with 10% or more of the total voting rights of the Company or an executive thereof
- A person or an executive of an entity that has received substantial monetary compensation or other forms of compensation*3 from the Company or its subsidiary, other than compensation obtained as an outside officer of the Company.

To ensure that the outside directors can allocate sufficient time and energy to the Group’s service, the number of concurrent companies at which they may serve as outside directors, including the Company, is limited to four in principle.

*1 Major business partner: A business partner is regarded as a major business partner when 1% or more of the Company’s consolidated net sales are derived from sales to the business partner, or when Company purchases from the business partner amount to 1% or more of the business partner’s consolidated net sales.

*2 Executive: An executive director or an employee who reports directly to an executive director

*3 Substantial compensation: Amounts in excess of ¥10 million per year

Corporate Governance

Committee Activities

Fujikura has established and is operating the following voluntary committees.

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: Naoki Okada, Director, President and CEO Composed of executive directors and corporate officers	8 times
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	Five committee members Chairperson: Yoshio Shirai, Director Members: Keiji Yoshikawa, Director; Yoji Yamaguchi, Director; Naoki Okada, Director, President and CEO; and Masahiko Ito, Director and Chairman	8 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 Naoki Okada, Director, President and CEO	8 times
Sustainability Strategy Council	The meeting body that pursues the activities necessary for formulation of sustainability targets that include perspectives of the ESG + F (Finance and Future) materialities and other aspects of sustainable company management	Chaired by Naoki Okada, Director, President and CEO	3 times
Management Innovation Committee	This committee pursues (1) efficient use of management resources (including governance) and optimization of the business portfolio, (2) cost reduction to improve efficiency, and (3) reinforcing sales and purchasing power to increase earning power. Naoki Okada, Director, President and CEO, is chief of all operations and pursues (1), Tatsuya Banno, CTO, pursues (2), and Koichi Takemoto, CFO, pursues (3).		26 times

Policy and Procedure for Determining Director Remuneration

Policy on Determining 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, and have established a system of remuneration based on objective indicators and evaluation, while also strengthening the link to performance. Variable compensation linked to performance and stock prices (short-term performance-linked compensation and stock-based compensation) is expected to be around 40% of total director remuneration.

Remuneration of non-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.

(1) Basic compensation

The portion corresponding to the monitoring and supervision functions of each director, which is a fixed amount according to each director's rank and grade.

(2) Short-term performance-linked compensation

A base amount by rank and grade shall be established reflecting the corporate performance or the performance of the divisions under each director's responsibility. The amount of compensation under this category shall vary within a range between 0% and 200% of the aforementioned base amount, depending on certain indicators (operating profit ratio, return on equity (ROE), and return on invested capital (ROIC)). These indicators are "indicators that easily reflect management measures" and "indicators that have a strong correlation with the level of return of profits to shareholders," and are used because they are indicators which are strongly correlated with the Company's growth strategy.

Performance-linked Coefficient

Type of indicator	Target	Performance
Consolidated operating margin	1.8%	3.8%
Consolidated rate of return on equity (ROE)	-6.5%	-3.4%

Note: When determining the performance-linked compensation of each executive director, we take into consideration the degree to which the targets for operating margin and return on invested capital (ROIC) are achieved for the division an executive director is in charge of, in addition to the indicators linked to consolidated performance noted above.

(3) Stock-based compensation

This is a system that provides compensation in the form of common shares of the Company, apart from the monetary compensation in (1) and (2) above. This system is mainly intended to enhance the motivation of directors to contribute to an increase in corporate value of the Company 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, thereby sharing the advantage and disadvantage of such fluctuations with shareholders.

Procedure for Determining Remuneration

In Fujikura, when the Board of Directors determines the amount of remuneration for directors who are not Audit & Supervisory Committee members, it makes such decisions after these matters have been deliberated by the Remuneration Advisory Committee, which is an advisory body to the Board of Directors (chaired by an outside director and consisting of the director in charge of human resources and three outside directors). The Remuneration Advisory Committee confirms that the decision-making process for evaluating the performance of each director, the appropriateness of the level of remuneration based on the market, the remuneration structure, and determined the specific amount of remuneration 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 amount of remuneration for directors who are not Audit & Supervisory Committee members, based on this report.

Total Amount of Consolidated Remuneration, etc. for Each Officer

Officer Category	Total Amount of Remuneration, etc. (Millions of yen)	Total Amount of Compensation by Type (Millions of yen)			Number of Officers Remunerated
		Basic Compensation	Performance-linked Compensation	Stock-based Compensation	
Directors (excluding Audit & Supervisory Committee members and outside directors)	204	142	30	32	5
Directors (Audit & Supervisory Committee members) (excluding outside directors)	29	25	4	—	2
Outside officers	67	67	—	—	8

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).

Total Amount of Consolidated Remuneration, etc. for Each Officer

Name	Total Amount of Consolidated Remuneration, etc. (Millions of yen)	Officer Category	Company Category	Total Amount of Compensation by Type (Millions of yen)			
				Basic Compensation	Performance-linked Compensation	Stock-based Compensation	Other
Joseph E. Gallagher	190	Director	Fujikura Ltd.	10	—	—	—
			America Fujikura Ltd.	45	111	—	25

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

Corporate Governance

Skills Matrix

The following skills matrix shows the skills that directors and corporate officers of Fujikura possess. These are considered the main skills currently needed to strengthen the supervisory function and consider the vision for businesses aimed at sustainable growth for Fujikura, which has just embarked on the sustainable growth phase.

	Executive/ Non-executive	Management	Planning	Personnel	Governance	Global	Finance and Accounting	R&D	Engineering	Legal Affairs and Compli- ance	Business Experience*	Gender	Nationality
Directors (underlined names are those of outside directors independent of the management of the Company)													
<u>Masahiko Ito</u>	Non-executive	○		○							E&I	Male	Japan
<u>Naoki Okada</u>	Executive	○	○								A/C	Male	Japan
<u>Koichi Takemoto</u>	Executive					○	○					Male	Japan
<u>Tatsuya Banno</u>	Executive							○	○		E&I A/C	Male	Japan
<u>Joseph E. Gallagher</u>	Executive	○				○					E&I A/C	Male	U.S.
<u>Shigeo Sekikawa</u>	Non-executive				○	○					E&I A/C V	Male	Japan
<u>Yoshio Shirai</u>	Non-executive	○		○								Male	Japan
<u>Hamako Hanazaki</u>	Non-executive									○		Female	Japan
<u>Keiji Yoshikawa</u>	Non-executive	○		○								Male	Japan
<u>Yoji Yamaguchi</u>	Non-executive						○					Male	Japan
<u>Kozo Meguro</u>	Non-executive						○					Male	Japan
Corporate Officers (those not serving as directors)													
<u>Keiko Shindo</u>	Executive				○					○		Female	Japan
<u>Yuki Mori</u>	Executive			○								Male	Japan
<u>Noriyuki Kawanishi</u>	Executive								○		A/C	Male	Japan
<u>Junji Fukuhara</u>	Executive					○					L-A V	Male	Japan
<u>Shuichi Nasu</u>	Executive								○		V	Male	Japan
<u>Tetsuya Mangyoku</u>	Executive								○			Male	Japan

* Up to 2 items considered major skills may be indicated with ○.

* "Business Experience" denotes experience in the Company accumulated in the following areas of the business in accordance with the Company's 2030 Vision.

- A/C (Advanced Communication): This refers to leveraging our engineering capabilities in the Telecommunication Systems business, which includes our greatest strength of optical wiring solutions, to aim at business areas where we can contribute to the further development of the advanced information society.
- E&I (Energy & Industry): This refers to leveraging our engineering capabilities in fields such as power transmission cables for renewable energy, superconductor research, and technology for use in industrial machinery, to aim at business areas where we can contribute to the utilization of diverse sources of energy and systems for their efficient management.
- L-A (Life-Assistance): This refers to leveraging our engineering capabilities in fields such as FPC, connectors, sensors and other electronic components, to aim at business areas where we can contribute to further advances in healthcare and improvements in quality of life (QoL).
- V (Vehicle): This refers to leveraging our engineering capabilities in fields of electronic components, etc., to aim at business areas where we can contribute to the next-generation mobility society, including the ongoing "once in a century" transformation of automotive technology.

Policy and Procedure for Nominating Candidates for Director

Policy on Selecting Candidates for Director

For Fujikura to achieve sustainable growth as a manufacturing company, we need to formulate a strategy based on establishing a strong financial base and advanced technological capabilities. We must build a system that allows full and sufficient discussion in Board of Directors meetings to enable Fujikura to make decision on important matters that are central to the direction of and growth strategy for our company. Fujikura selects human resources who are capable of formulating and pursuing company-wide strategy from a panoramic perspective for executive director positions. For non-executive director positions, we select human resources who are capable of properly and aptly supervising or providing advice on important matters that are central to Fujikura's direction and growth strategy.

Procedure for Selecting Candidates for Director

In Fujikura, when the Board of Directors proposes the nomination and dismissal of directors who are not Audit & Supervisory Committee members (excluding outside directors) to be decided by the General Meeting of Shareholders, it submits a proposal 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 given by the Board of Directors 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 nominate directors for referral to and election by the General Meeting of Shareholders based on this report.

Analysis and Evaluation of the Effectiveness of the Board of Directors

To improve the effectiveness of the Board of Directors, an annual survey of all directors is conducted on the effectiveness of the Board of 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 strives for continual improvement by considering the results of the survey and implementing remedial measures for any problems. Specific measures include:

- 1) Improving various materials and holding explanatory sessions for outside directors to ensure sufficient discussion in Board of Directors meetings
- 2) Foreseeing, analyzing, and identifying risks to avoid or mitigate losses if such risks materialize during business operation and strengthening the system for rapid response when a risk materializes
- 3) Revising the criteria for referring matters to the Board of Directors, and implementing other improvements to create a system that makes it possible for the Board of Directors to focus mainly on discussing medium and long-term business strategy and other important matters in Board of Directors meetings

Future issues to address include producing materials that provide concise, clear points of discussion and providing information to directors earlier to enable more efficient discussions. This will help address the desire for even more extensive medium to long-term and strategic discussion and resolve the consequent increase the frequency of meetings and time spent on debate this entails.

Top Management (as of June 29, 2022)

Directors



Masahiko Ito
Chairperson of the Board of Directors
Reappointed



Naoki Okada
Director, President and CEO
Reappointed



Koichi Takemoto
Director and CFO
Responsible for Corporate Strategy Planning Unit and Real Estate Business Unit
Newly Appointed



Tatsuya Banno
Director and CTO
Responsible for Research and New Business Development Unit
Newly Appointed



Joseph E. Gallagher
Director and Corporate Officer
President, AFL Telecommunications LLC.
Reappointed



Shigeo Sekikawa
Director, Member of the Audit and Supervisory Committee



Yoshio Shirai
Outside Director, Member of the Audit and Supervisory Committee



Hamako Hanazaki
Outside Director, Member of the Audit and Supervisory Committee



Keiji Yoshikawa
Outside Director, Member of the Audit and Supervisory Committee



Yoji Yamaguchi
Outside Director, Member of the Audit and Supervisory Committee



Kozo Meguro
Outside Director, Member of the Audit and Supervisory Committee

Corporate Officers Other than Members of the Board/Project Leader

Keiko Shindo
Chief of the Corporate Governance Unit
General Manager of the Legal Department

Yuki Mori
Chief of the Corporate Staff Unit
General Manager of Human Resources & General Affairs

Noriyuki Kawanishi
Head of the Telecommunication Systems Business Unit

Junji Fukuhara
Head of the Electronic Products & Connector Business Unit

Shuichi Nasu
Head of the Automotive Products Business Unit

Tetsuya Mangyoku
Head of the Production Engineering Unit

Masataka Mito
Project Leader, special appointment by the CEO

Global Corporate Officers

Jason Peng
President of Fujikura America Inc.

Gordon Tan
CFO of Fujikura Asia Ltd.

Takaaki Habu
President of Fujikura (China) Co., Ltd.

Jenny Hui
CFO of Fujikura Hong Kong Ltd.

Vichan Kumthongkittikul
Vice President of Fujikura Electronics (Thailand) Ltd.



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 in 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) in 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 individual Fujikura employees have also donated their own money to support operation of the organization. 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***
- No. of clients **Approx. 130**

* Izu Oshima, Tama (Hachioji City)

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, we were not able to deliver the collected funds directly to the business office due to the pandemic, but Sakura Works will continue its support activities in the future.

Group Company Donations

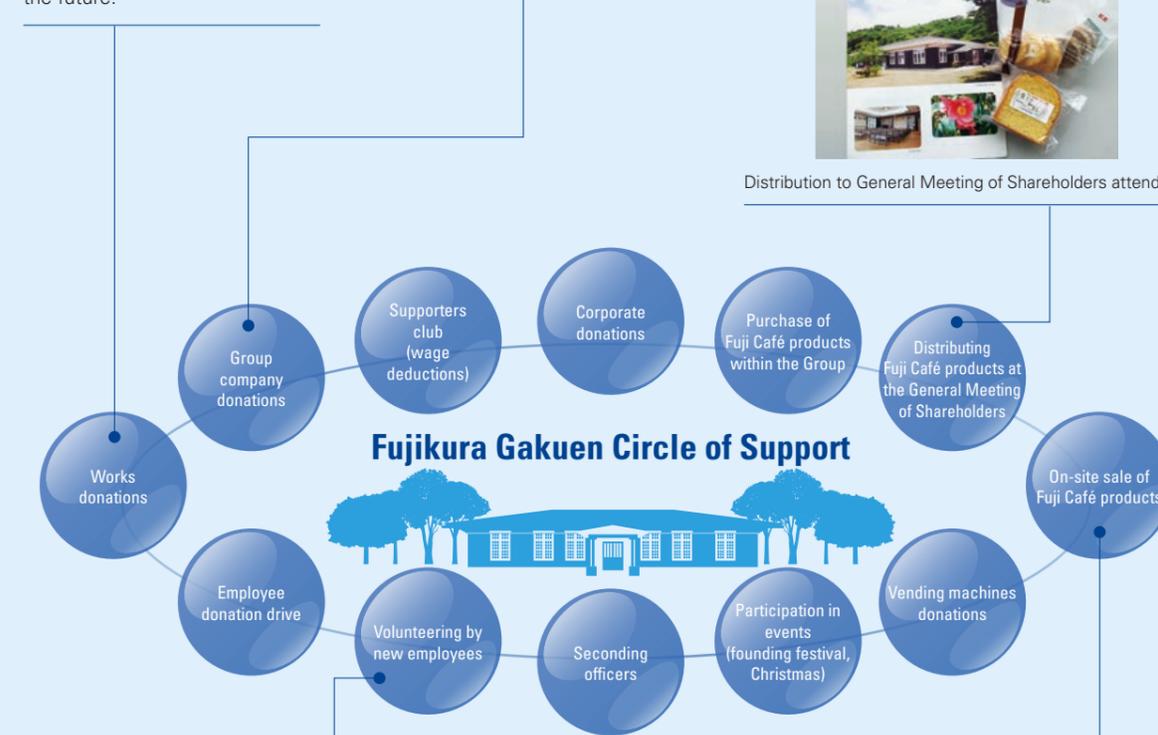
Many Fujikura Group companies, including Fujikura Ltd., make donations. The entire Fujikura Group considers the support provided to Fujikura Gakuen to be the focal point of our social contribution activities, and this support will be sustained going forward.

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 has been suspended since 2019 due to the COVID-19 pandemic.



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

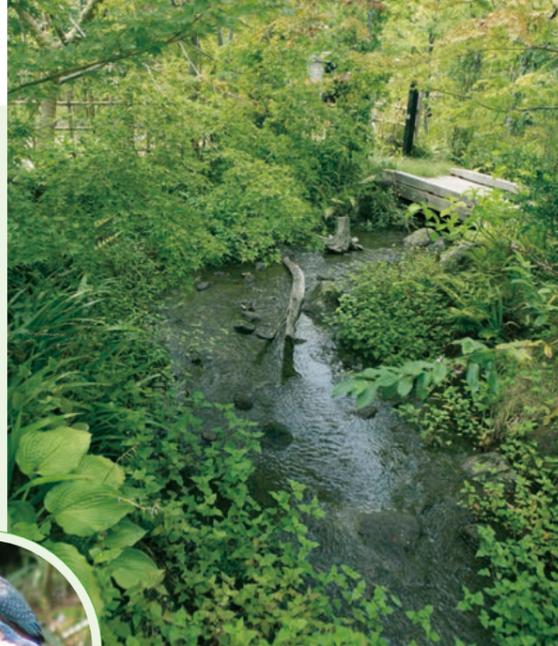
Located in Izu Oshima, Fuji Café is a living assistance center where students of Fujikura Gakuen undergo vocational training to gain independence. The Fuji Café exhibition and sale, which features products made by Fuji Café (pound cakes, cookies, etc.), has been hosted at the Fujikura head office and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



Fuji Café on-site sale at the head office



Fuji Café on-site sale at Sakura Works



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



Wildlife and Plants in Fujikura Kiba Millennium Woods

<h3>Plants</h3> <ul style="list-style-type: none"> • 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 	<h3>Fish</h3> <ul style="list-style-type: none"> • 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 	<h3>Birds</h3> <ul style="list-style-type: none"> • Around 20 species, including the common kingfisher, brown-eared bulbul, and spot-billed duck 	<h3>Insects</h3> <ul style="list-style-type: none"> • Over 50 species of dragonflies, butterflies, and other insects spotted
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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 spot-billed duck and the common kingfisher to fly out of their nests.

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.

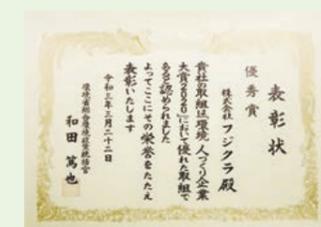
Fujikura Given the Award of Excellence in the 2020 Environmental Human Resource Development Company Awards from the Ministry of the Environment (Recognizes Corporations Promoting Development of Environmental Human Resources)

We received the Award of Excellence (large company division) for the first time 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.



Use for nature education activities for local children

Use for graduate school classes



Certificate of Commendation

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.

Founded: February 1885

Established: March 1910

Capital: 53 billion yen (as of March 31, 2022)

Headquarters: 1-5-1, Kiba, Koto-ku, Tokyo 135-8512

Main Consolidated Subsidiaries (as of March 31, 2022)

Japan

FUJIKURA HIGH OPT Co., 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.

Shinshiro Cable, Ltd.

Fujikura Logistics Co., Ltd.

Fujikura Business Support Co., Ltd.

Fuji Materials Ltd.

Fujikura Dia Cable Ltd.

Yonezawa Electric Wire Co., Ltd.

FiberTech Co., Ltd.

Optoenergy, Inc.

Fujikura Printed Circuits Ltd.

Equity method affiliates

FUJIKURA COMPOSITES Inc.

Fujikura Kasei Co., Ltd.

China

Fujikura (China) Co., Ltd.

Fujikura Electronics Shanghai 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.

Fujikura Electronic Components (Thailand) Ltd.

East, South, and Southeast Asia

Fujikura Asia Ltd.

PT Fujikura Indonesia

Fujikura Electronics Vietnam Ltd.

Fujikura Fiber Optics Vietnam Ltd.

DDK VIETNAM Ltd.

Fujikura Automotive Vietnam 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 MLD S.R.L.

Americas (North, Central, 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.

Stock Information (as of March 31, 2022)

1. Authorized shares: 1,190,000,000

2. Issued Shares: 295,863,421 (including 19,456,613 treasury shares)

3. Major Shareholders

Name of Shareholder	Number of Shares Held (Thousands)	Shareholding Composition (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	56,450	20.42
Custody Bank of Japan, Ltd. (Trust account)	18,816	6.81
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	4,927	1.78
State Street Bank and Trust Company 505001	3,476	1.26
JP Morgan Chase Bank 385781	3,411	1.23

(Notes) 1. The numbers presented in "Number of Shares Held" are based on the list of shareholders.

2. The Company owns 19,457,000 treasury shares in addition to those noted above. Treasury shares do not include the 602,000 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

FTSE Blossom Japan Sector Relative Index (from April 2022)

* Selected as a Government Pension Investment Fund (GPIF) ESG Index

Configured by FTSE Russell, this index reflects the performance of Japanese companies that demonstrate strong relative performance in Environmental, Social, and Governance practices in each sector.



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 practices.



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.

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Fujikura is a signatory to the UN Global Compact.