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Securities Code: 5803
June 1, 2022

To our shareholders:

Naoki Okada
Director, President & CEO
Fujikura Ltd.
5-1, Kiba 1-chome Koto-ku, Tokyo, Japan

Notice of Convocation of Fujikura's 174th Annual General Meeting of Shareholders

We hereby inform you of the 174th Annual General Meeting of Shareholders of Fujikura Ltd. (the "Company"), which will be held as indicated below.

In order to prevent the spread of COVID-19, the Company requests that shareholders exercise their voting rights in advance for this General Meeting of Shareholders in writing or via the Internet as much as possible. Please review the Reference Document for the General Meeting of Shareholders hereinafter as well as the Information about Exercising Your Voting Rights on page 3, and exercise your voting rights no later than June 28, 2022 (Tuesday) at 5:45 p.m. (JST).

- 1. Date and time:** June 29, 2022 (Wednesday) at 10:00 a.m. (JST)
- 2. Place:** Assembly Hall, Fujikura head office
5-1, Kiba 1-chome Koto-ku, Tokyo, Japan

3. Purpose of the meeting

Matters to be reported:

1. Details of the business report, the consolidated financial statements, and the reports by the independent accounting auditor and the Audit and Supervisory Committee on the audit results of consolidated financial statements for the Company's 174th business year (from April 1, 2021 to March 31, 2022).
2. Details of non-consolidated financial statements for the Company's 174th business year (from April 1, 2021 to March 31, 2022).

Matters to be acted upon:

- Proposal No. 1** Appropriation of Surplus
- Proposal No. 2** Partial Amendment to the Articles of Incorporation
- Proposal No. 3** Election of Five Directors Not Serving as Audit and Supervisory Committee Members
- Proposal No. 4** Revision of the Amount of Compensation to Directors serving as Audit and Supervisory Committee Members

- Pursuant to the laws and regulations and our Articles of Incorporation, the following items to be attached to the Notice of Convocation of the Annual General Meeting of Shareholders are posted on the Company's website. Therefore, those items are not included in the attachment hereto. Note that the consolidated financial statements and non-consolidated financial statements audited by the Accounting Auditor and the Audit and Supervisory Committee include those items.
 - (i) Notes to consolidated financial statements
 - (ii) Notes to non-consolidated financial statements
- If there arises any circumstance which gives rise to the need for alteration in the Reference Document for the General Meeting of Shareholders, the business report, consolidated financial statements and non-consolidated financial statements, we will post the altered contents on the Company's website.

- If there are any changes to the location or any other aspects of the holding of this Annual General Meeting of Shareholders, as the countermeasure against the spread of COVID-19, such information will be posted on the Company's website. If you plan to attend in person, please check the website in advance.

Website of the Company: <https://www.fujikura.co.jp/ir/statement/meeting/index.html>

Information about Exercising Your Voting Rights

1. In case of exercising the voting rights by post:

Please indicate your approval or disapproval on each of the proposals on the enclosed voting form and return the completed form to us without affixing a postage stamp.

Voting deadline:

It must be received by no later than June 28, 2022 (Tuesday) at 5:45 p.m. (JST)

2. In case of exercising the voting rights via the Internet:

Method 1 Exercising voting rights using “Smart Exercise”

Please scan the QR Code displayed on the bottom right of the voting form with a smartphone or tablet device and enter your approval or disapproval by following the onscreen instructions.

* If you wish to modify your vote after exercising your voting rights, please follow Method 2 “Exercising voting rights on the website for exercising voting rights” and enter your changed vote.

Method 2 Exercising voting rights on the website for exercising voting rights

Access the website for exercising your voting rights (<https://www.web54.net>), click the login button upon entering the “voting right exercise code” and “password” indicated on the enclosed voting form, and enter your approval or disapproval by following the onscreen instructions.

Voting deadline:

No later than June 28, 2022 (Tuesday) at 5:45 p.m. (JST)

3. In case of attending the General Meeting of Shareholders:

Please submit the voting form to the receptionist. (No seal is necessary.)

Date and time: June 29, 2022 (Wednesday) at 10:00 a.m. (JST)

Place: Assembly Hall, Fujikura head office, 5-1, Kiba 1-chome, Koto-ku, Tokyo

Important Information Regarding Exercising Your Voting Rights via the Internet

- (i) Please note that your online vote will prevail should you exercise your voting rights both via the Internet and in writing.
- (ii) If you exercise your voting rights more than once via the Internet, only the last vote shall be deemed effective.
- (iii) Each shareholder shall bear any fees for accessing the voting website (Internet connection fees, telephone charges, etc.).
- (iv) Voting rights exercised via the Internet are accepted until Tuesday, June 28, 2022 at 5:45 p.m. However, we request that you vote as early as possible.
If you have any inquiries, please contact the dedicated phone line for web support shown below.

Inquiries on systems, etc.	Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support Hotline Telephone: 0120-652-031 (toll-free in Japan only; hours: 9:00 a.m. to 9:00 p.m.)
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Electronic Voting Rights Execution Platform

Institutional investors may use the electronic voting rights execution platform operated by Investor Communications Japan (ICJ), Inc.

Reference Document for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

As part of the “operational turnaround phase” that began in the second half of the fiscal year 2019, the Company has refrained from paying a dividend since the year-end dividend for the fiscal year ended March 2020. In the fiscal year 2021, as described in the business report, we made a certain amount of progress in the business restructuring that we have been executing in accordance with the “100-Day Plan” for the operational turnaround, and we also succeeded in achieving significant improvements in performance as a result of the measures implemented. We have caused a great deal of anxiety for shareholders, but based on the fact that we are still in the process of strengthening the financial position, and that this is the first year of our shift to the sustainable growth phase, the Company proposes to pay the dividend as follows.

- (i) Kind of dividend property:
Cash
- (ii) Matters concerning allocation of dividend property to shareholders and the total amount thereof:
¥10.0 per share of common shares of the Company
Total amount: ¥2,764,068,080
- (iii) Effective date for dividends from surplus:
June 30, 2022

Proposal No. 2 Partial Amendment to the Articles of Incorporation

1. Reasons for proposal

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Disclosure of Reference Documents, etc. for General Meetings of Shareholders on the Internet and Deemed Provision (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.

Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of the amendments

Details of the amendments are as follows.

(Underlined parts are amended.)

Current Articles of Incorporation	Proposed amendments
<p><u>Article 16. (Disclosure of Reference Documents, etc. for General Meetings of Shareholders on the Internet and Deemed Provision)</u> <u>In convening a general meeting of shareholders, the Company shall be deemed to have provided the shareholders with information which must be mentioned or displayed in the reference documents for general meetings of shareholders, business reports, financial statements and consolidated financial statements by disclosing such information on the Internet pursuant to the Ordinance of the Ministry of Justice.</u></p> <p>(New)</p>	<p>(Deleted)</p> <p><u>Article 16. (Measures, etc. for Providing Information in Electronic Format)</u> <u>1. In convening a general meeting of shareholders, the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed amendments
(New)	<p data-bbox="799 226 1404 255">Supplementary Provisions</p> <p data-bbox="799 255 1404 302"><u>Article 2. (Measures, etc. for Providing Information in Electronic Format)</u></p> <p data-bbox="799 302 1404 658">1. <u>The deletion of Article 16 (Disclosure of Reference Documents, etc. for General Meetings of Shareholders on the Internet and Deemed Provision) in the pre-amended Articles of Incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”). Article 16 of the current Articles of Incorporation is as follows.</u></p> <p data-bbox="799 658 1404 741"><u>Article 16. (Disclosure of Reference Documents, etc. for General Meetings of Shareholders on the Internet and Deemed Provision)</u></p> <p data-bbox="799 741 1404 958"><u>In convening a general meeting of shareholders, the Company shall be deemed to have provided the shareholders with information which must be mentioned or displayed in the reference documents for general meetings of shareholders, business reports, financial statements and consolidated financial statements by disclosing such information on the Internet pursuant to the Ordinance of the Ministry of Justice.</u></p> <p data-bbox="799 958 1404 1153">2. <u>Notwithstanding the provision of the preceding paragraph, Article 16 (Disclosure of Reference Documents, etc. for General Meetings of Shareholders on the Internet and Deemed Provision) of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="799 1153 1404 1283">3. <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of Five Directors Not Serving as Audit and Supervisory Committee Members

The term of office of all the current four Directors not serving as Audit and Supervisory Committee Members will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company requests the election of five Directors not serving as Audit and Supervisory Committee Members.


This proposal involves increasing the number of Directors by one person. As a manufacturing company, to achieve sustainable growth, it is important that the Company builds a strong financial base and establishes a strategy based on a high level of technological capability. In the areas of finance and technology especially, it is essential to employ human resources who have a high level of expertise and a wealth of experience, and who are able to formulate strategies and execute business from a company-wide perspective. We have opted for a structure in which the CFO (Chief Financial Officer) and CTO (Chief Technology Officer) functions provide support for and complement the CEO (Chief Executive Officer) utilizing their expertise in finance and technology development, thereby enabling the CEO to effectively establish and promote company-wide strategies. Moreover, we will add a global function to the overall strategy, financial, and technology functions to create the optimal management structure for the Company in light of its high ratio of overseas business, aiming to increase our corporate value and achieve sustainable growth. From the perspective of further strengthening the supervisory function of the Company's Board of Directors, the Company also proposes that the Board of Directors be chaired by Chairman of the Board of Directors not involved in the execution of business.

No.	Name of candidate		Age (*1)	Current position and responsibilities at the Company	Attendance rate for the Board of Directors Meetings during Fiscal Year 2021	Tenure
1	Masahiko Ito	(Re-election)	64	Chairman of the Board of Directors and Chair of the Board of Directors	(100.0%)	7 years
2	Naoki Okada	(Re-election)	58	Representative Director, President & CEO, Internal Audit Department, Corporate Quality Management Unit, Corporate Governance Unit, Corporate Staff Unit, Production Engineering Unit, Telecommunication Systems Business Unit, Electronic Components & Connector Business Unit, Automotive Products Business Unit, and Printed Circuit Business Unit	(100.0%)(*2)	1 year
3	Koichi Takemoto	(New candidate)	58	Corporate Officer & CFO, Corporate Strategy Planning Unit and Real Estate Business Unit	–	–
4	Tatsuya Banno	(New candidate)	57	Corporate Officer & CTO, Research and New Business Development Unit	–	–
5	Joseph E. Gallagher	(Re-election)	64	Director and Corporate Officer Responsible for North American Business	(93.3%)	4 years


(*1) Age indicates candidates' ages as of June 29, 2022.


(*2) Mr. Naoki Okada was appointed as a Director at the 173rd Annual General Meeting of Shareholders held on June 30, 2021, and assumed office on the same date. Therefore, his attendance at the Board of Directors meetings only includes meetings held on or after that date.


(*3) The Company has entered into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The contents of this insurance policy are as summarized on page 32 of this Notice of Convocation. If each candidate is elected and assumes the office as Director not serving as Audit and Supervisory Committee Member, each candidate will be included as an insured in the policy. In addition, when the policy is next renewed, the Company plans to renew the policy with the same terms.


Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions
1	 <p>Masahiko Ito (September 1, 1957, 64 years old)</p> <p>[Re-election]</p> <p>Number of the Company's shares owned 57,599</p> <p>Tenure as Director 7 years</p> <p>Attendance at the Board of Directors Meetings 100% (15/15)</p>	<p>Apr. 1982 Joined the Company</p> <p>Jan. 2005 General Manager of the Cable Manufacturing Dept., Power Cable Division of VISCAS Corporation</p> <p>May 2011 General Manager of the Superconductor Business Development Division of the New Business Development Center</p> <p>Apr. 2013 Corporate Officer and General Manager of the Superconductor Business Development Division of the New Business Development Center</p> <p>Apr. 2014 Managing Corporate Officer, Deputy Chief of the Power & Telecommunication Systems Company, Responsible for the Infrastructure Business Segment, and General Manager of the Superconductor Business Development Division of the New Business Development Center</p> <p>Apr. 2015 Managing Corporate Officer, Deputy Chief of the Power & Telecommunication Systems Company</p> <p>June 2015 Managing Corporate Officer, Director Deputy Chief of the Power & Telecommunication Systems Company</p> <p>Apr. 2016 Representative Director, President & CEO</p> <p>Apr. 2019 Representative Director, President & CEO, Chief of Governance, Chief of the Corporate Quality Management Unit, Responsible for the Internal Audit Department</p> <p>Apr. 2020 Representative Director, President & CEO, Chief of Governance, Chief of the Corporate Quality Management Unit, Responsible for the Internal Audit Department, and Responsible for the Internal Control Department</p> <p>Apr. 2021 Representative Director, President & CEO, Chief of the Corporate Governance Unit, Chief of the Corporate Staff Unit, Chief of the Corporate Finance & Accounting Unit, Chief of the Corporate Quality Management Unit, Chief of the Research and New Business Development Unit, and Chief of the Structural Reforms Task Force</p> <p>Apr. 2022 Chairman of the Board of Directors (to present)</p>

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions
		<p>Reason for nomination as a Director Mr. Masahiko Ito possesses mainly experience accumulated over many years in the Power Systems business segment. In April 2016, he was appointed Director, President & CEO. He took part in senior management in the position of being in charge of a joint-venture company in the power cable business, VISCAS Corporation, and later he led initiatives to start up new businesses of the Company. He also played a leading role in business mergers with other companies and business reorganization in the fields of industrial electric wires and power cables that were forced to undergo stringent business restructuring and reform. Furthermore, he has implemented reorganization within the Fujikura Group.</p> <p>Since his appointment as Director, President & CEO, he has provided strong leadership, overseeing the Company's changeover to a company with an Audit and Supervisory Committee, the response to cases of improper quality control, and decisions to implement multiple business structure reforms. Faced with the extreme deterioration in business performance in fiscal 2019, we have promoted the 100-Day Plan for the operational turnaround, demonstrating our ability in this regard by executing a bold management restructure through halving the number of internal Directors and conducting business structure reforms such as the sale of businesses, among others, thereby steering the Company into a sustainable growth phase. Having now entered the sustainable growth phase, the Company has determined that not only are his unrelenting efforts as Director, President & CEO required for strengthening governance but that Mr. Ito's experience and knowledge, which allowed the organization to overcome the difficulties associated with the operational turnaround phase, will be essential going forward. For these reasons, the Company nominates him as a candidate for Director. In the event that he is appointed as Director not serving as Audit and Supervisory Committee Member, the Company intends him to chair the Board of Directors as Chairman of the Board of Directors not involved in the execution of business.</p> <p>Special interest between the Company and the candidate There are no special interest between the candidate and the Company.</p>

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions
2	 <p data-bbox="347 1003 533 1088">Naoki Okada (January 28, 1964, 58 years old)</p> <p data-bbox="373 1124 507 1151">[Re-election]</p> <p data-bbox="347 1182 533 1294">Number of the Company's shares owned 17,457</p> <p data-bbox="347 1330 533 1388">Tenure as Director 1 year</p> <p data-bbox="322 1424 558 1505">Attendance at the Board of Directors Meetings 100% (12/12)</p>	<p data-bbox="571 268 673 295">Apr. 1986</p> <p data-bbox="766 268 970 295">Joined the Company</p> <p data-bbox="571 304 673 331">Apr. 2008</p> <p data-bbox="766 304 1414 362">General Manager of the Optical Cable Research and Development Department</p> <p data-bbox="571 371 673 398">June 2012</p> <p data-bbox="766 371 1414 452">General Manager of the Optical Cable Research and Development Department and General Manager of the Optical Cable Manufacturing Department</p> <p data-bbox="571 461 673 488">Apr. 2013</p> <p data-bbox="766 461 1347 488">General Manager of the Cable and Equipment R&D Center</p> <p data-bbox="571 497 673 524">Mar. 2014</p> <p data-bbox="766 497 1347 555">General Manager of the New Optical Fiber Cable Business Development Department</p> <p data-bbox="571 564 673 591">Apr. 2018</p> <p data-bbox="766 564 1378 591">General Manager, Head of the Optical Cable Systems Division</p> <p data-bbox="571 600 673 627">Apr. 2020</p> <p data-bbox="766 600 1391 658">Managing Corporate Officer, General Manager of the Corporate Strategy Planning Division</p> <p data-bbox="571 667 673 694">Apr. 2021</p> <p data-bbox="766 667 1417 801">Corporate Officer & COO, and Chief of the Telecommunication Systems Business Unit, Chief of the Printed Circuit Business Unit, Chief of the Connector Business Unit, Chief of the Automotive Products Business Unit, Chief of the Electronic Components Business Unit, and Chief of the Production Engineering Unit</p> <p data-bbox="571 810 673 837">June 2021</p> <p data-bbox="766 810 1423 981">Representative Director and COO, and Chief of the Telecommunication Systems Business Unit, Chief of the Printed Circuit Business Unit, Chief of the Connector Business Unit, Chief of the Automotive Products Business Unit, Chief of the Electronic Components Business Unit, and Chief of the Production Engineering Unit</p> <p data-bbox="571 990 673 1016">Apr. 2022</p> <p data-bbox="766 990 1398 1214">Representative Director, President & CEO, Internal Audit Department, Corporate Quality Management Unit, Corporate Governance Unit, Chief of the Corporate Staff Unit, Chief of the Production Engineering Unit, Chief of the Telecommunication Systems Business Unit, Chief of the Electronic Components & Connector Business Unit, Chief of the Automotive Products Business Unit, and Chief of the Printed Circuit Business Unit (to present)</p> <p data-bbox="571 1227 948 1254">Reason for nomination as a Director</p> <p data-bbox="571 1254 1417 1966">Mr. Naoki Okada has worked in the optical fiber cable-related business right through since he joined the Company. In particular, he played a central role in product development and promotion strategy proposals for the Company's innovative strategic optical fiber products "Spider Web Ribbon® / Wrapping Tube Cable®" (hereinafter referred to as "SWR®/WTC®"), and paved the way for a strategic pivot of the Company's telecommunications business from the business focused on the supply of optical fiber to a total solutions business centered on high-value-added optical cable. In 2020, he was appointed Managing Corporate Officer, General Manager of the Corporate Strategy Planning Division, where he experienced planning, proposal, and execution of companywide management strategies. Through this experience, he has developed the "ability to accurately understand the issues from a company-wide perspective," which is necessary for managing the Company given is diverse business fields, as well as the "ability to make decisions with a sense of urgency" and "strong leadership," which are required during phases when reforms are needed. In the proposal of the operational turnaround plan named 100-Day Plan, he demonstrated aptitude as a leader for promoting new business, suggesting radical reforms of the management and business structures and leading efforts to cultivate awareness of business structure reforms inside the Company. From April 2021 onward Mr. Okada vigorously promoted the core businesses as COO during the operational turnaround phase, and played a major role in the transition to the sustainable growth phase. Having transitioned to the sustainable growth phase, the Company has determined that Mr. Okada's strategic vision, ability to execute transformation, and his aptitude for drawing in others by leading from the front will be essential for driving the business through the sustainable growth phase. For these reasons, the Company nominates him as a candidate for Director.</p> <p data-bbox="571 1980 1158 2007">Special interest between the Company and the candidate</p> <p data-bbox="571 2007 1248 2033">There are no special interest between the candidate and the Company.</p>

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions
3	 <p>Koichi Takemoto (February 18, 1964, 58 years old)</p> <p>[New candidate]</p> <p>Number of the Company's shares owned 0</p>	<p>Apr. 1987 Joined Matsushita Electric Industrial Co., Ltd. (Currently Panasonic Corporation)</p> <p>Sept. 1997 Controller of Accounting Department, Car Electronics of North America, Inc.</p> <p>June 2001 General Manager of Accounting Department, North America Car Electronics Company</p> <p>Apr. 2003 General Manager of Accounting Department, Automotive Systems of North America, Inc.</p> <p>Oct. 2012 General Manager of Automotive Financial Management Group, Automotive & Industrial Systems Company</p> <p>July 2018 Managing Officer (CFO) of Appliances Company Director of Company Management Support Center, Company Strategy Division Director of Accounting Center</p> <p>Nov. 2021 Joined the Company Executive Corporate Management Advisor</p> <p>Apr. 2022 Corporate Officer & CFO, Chief of the Corporate Strategy Planning Unit, and Chief of the Real Estate Business Unit (to present)</p> <p>Reason for nomination as a Director Mr. Koichi Takemoto has been engaged in finance and accounting operations over a wide range of business areas, in Japan and overseas, in B-to-B and B-to-C markets, and in both distribution and manufacturing, for one of the world's leading electrical manufacturers. Using extensive knowledge of finance and accounting that he has developed over many years, he has been involved in numerous initiatives for enhancing corporate value, such as business reforms, improvements to profitability, strengthening of the financial position, and enhancing the effectiveness of business management, as well as having a track record of participation in leadership roles across multiple M&A deals. Despite having joined the Company less than half a year previously, during his attendance at important management strategy meetings in the role of Executive Corporate Management Advisor, he has already offered highly practical opinions supported by his own wide-ranging experience and deep knowledge. The Company has determined that Mr. Takemoto's extensive experience and deep knowledge of finance and accounting are necessary for the formulation and execution of the business strategy and financial strategy, with the objective of enhancing the corporate value as the Company transitions to the sustainable growth phase. For these reasons, the Company nominates him as a candidate for Director.</p> <p>Special interest between the Company and the candidate There are no special interest between the candidate and the Company.</p>

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions
4	 <p>Tatsuya Banno (August 22, 1964, 57 years old)</p> <p>[New candidate]</p> <p>Number of the Company's shares owned 15,557</p>	<p>Apr. 1987 Joined the Company</p> <p>May 2009 General Manager of the Optical Production Engineering Department, Optical Fiber & Cable Systems Division</p> <p>Apr. 2013 General Manager of the Optical Fiber Production Engineering Department, Optical Business Division, Optical Business Unit</p> <p>Apr. 2015 General Manager, Head of the Optical Cable Division, Optical Business Unit</p> <p>Oct. 2015 Deputy General Manager of the Optical Cable Systems Division</p> <p>Apr. 2018 Deputy General Manager of the Optical Fiber Division</p> <p>Apr. 2020 Corporate Officer, General Manager, Head of the Optical Fiber Division</p> <p>Apr. 2021 Corporate Officer, Head of the Telecommunication Systems Business Unit</p> <p>Apr. 2022 Corporate Officer & CTO, Chief of the Research and New Business Development Unit (to present)</p> <p>Reason for nomination as a Director Since he first joined the Company Mr. Banno has been involved exclusively in development, engineering, and manufacturing technology for optical fiber cable. In addition to extensive experience over many years in the optical business, he has a high degree of specialized knowledge in matters related to optical fiber. Since April 2021, as the person in charge of the telecommunication systems business, he has employed a strategy backed by his technological insight to expand the optical cable total solutions business centered on SWR®/WTC®, the Company's strategic products, to the point that it can now be described as the Company's growth business field. The Company has determined that Mr. Banno's abundant experience in the telecommunications systems business, which is one of the core areas of its operations, his specialized knowledge, along with his capability to make effective strategic proposals for attaining performance targets and his business execution capabilities, based on a strong belief in the importance of what he is doing, are necessary in relation to formulating and implementing management and business strategies designed to enhance corporate value as the Company transitions to the sustainable growth phase. For these reasons, the Company nominates him as a candidate for Director.</p> <p>Special interest between the Company and the candidate There are no special interest between the candidate and the Company.</p>

Candidate No.	Name (Date of birth)	Career summary, position and responsibilities at the Company and significant concurrent positions
5	 <p>Joseph E. Gallagher (September 25, 1957, 64 years old)</p>	<p>July 1979 Joined Alcoa, Inc. Jan. 1988 Joined Alcoa Fujikura, Ltd. (current America Fujikura Ltd.)^(*1) Sept. 1998 General Manager of Fiber Optical Cable Division of Alcoa Fujikura, Ltd. Jan. 2003 President & CEO of Alcoa Fujikura, Ltd. Apr. 2005 President of AFL Telecommunications LLC^(*2) (to present) Apr. 2011 Corporate Officer of the Company Oct. 2012 President of ATI International Investments Inc. (to present) Apr. 2013 Managing Corporate Officer of the Company June 2018 Senior Vice President & Director Apr. 2019 President of ITC Service Group Intermediary LLC (to present) July 2019 Director of FiberRise Communications, LLC (to present) Apr. 2021 Director and Corporate Officer, Responsible for the North American business of the Company (to present)</p>
	<p>[Re-election]</p> <p>Number of the Company's shares owned 4,496</p> <p>Tenure as Director 4 years</p> <p>Attendance at the Board of Directors Meetings 93.3% (14/15)</p>	<p>Reason for nomination as a Director Mr. Joseph E. Gallagher, after working as a manager of the optical fiber system business of Alcoa Fujikura, Ltd., was appointed as President & CEO of Alcoa Fujikura, Ltd. in 2003. He has been serving as President of AFL Telecommunications LLC (hereinafter "AFL-Tele") since 2005, and was appointed as a Managing Corporate Officer of the Company in 2013. He demonstrated strong leadership at AFL-Tele, enabling it to grow into a company with sales surpassing ¥120.0 billion by promoting the selection and concentration of business. The Company has established the North American and European markets as the main areas of competition in the total solutions business centered on one of the Company's core businesses of high-value-added optical cable. Mr. Gallagher, as the person practically in charge of the telecommunication business in North America, has continuously made significant achievements in increasing profits through business expansion while utilizing methods such as M&A. He is indispensable to the strengthening and expansion of the Company's market position. Furthermore, the Company has determined that his global experience and knowledge will be vital for the enhancement of corporate value during the sustainable growth phase, and that his advice and so forth from a global perspective will be essential for the Company's oversight function. For these reasons, the Company nominates him as a candidate for Director.</p>
		<p>Special interest between the Company and the candidate The candidate serves as President of ATI International Investments Inc., which is an affiliate of America Fujikura Ltd. (hereinafter "AFL") and likewise to the Company, deals with sales of optical connection parts. Moreover, ITC Service Group Intermediary LLC and FiberRise Communications, LLC, which are affiliates of AFL and likewise to the Company, deal with telecommunications work and its design.</p>

(*1) Alcoa Fujikura, Ltd. is a joint venture company (49% share owned by the Company) established between the Company and Alcoa, Inc. (USA) in 1984. In 2005, we canceled the joint venture and inherited the telecommunications business segment, making it a wholly owned subsidiary (AFL). Currently, it is a holding company that oversees the Fujikura Group's North American business.

(*2) AFL-Tele is a company that serves as the core of the energy system business and telecommunications business, with a focus on North America, affiliated with AFL.

Proposal No. 4 Revision of the Amount of Compensation to Directors serving as Audit and Supervisory Committee Members

It was resolved that the compensation to Directors serving as Audit and Supervisory Committee Members of the Company should not exceed ¥100 million per year (not exceeding ¥70 million for Outside Directors) at the 169th Annual General Meeting of Shareholders held on June 29, 2017. Thereafter, at the 171st Annual General Meeting of Shareholders held on June 27, 2019, the Company has increased the number of Directors serving as Audit and Supervisory Committee Members by one, in the form of an Outside Director who is independent of Company management, in order to further strengthen corporate governance. In addition, the role of oversight and supervision that Directors serving as Audit and Supervisory Committee Members are required to perform at the Company has changed significantly over the years due to a progressing division of duties between oversight and execution in the Board of Directors, and the duties involved have become more demanding both in terms of their nature and their quantity.

Having taken into account the above issues and market levels of compensation, the Company proposes that the amount of compensation for Directors serving as Audit and Supervisory Committee Members should not exceed ¥150 million per year (not exceeding ¥100 million for Outside Directors).

This proposal affects six Directors serving as Audit and Supervisory Committee Members (of whom five are Outside Directors).

(Reference)

[Nominating Advisory Committee]

Regarding the nomination of candidates for Directors not serving as Audit and Supervisory Committee Members, and Directors serving as Audit and Supervisory Committee Members, the Nominating Advisory Committee, which is an advisory body of the Board of Directors, verifies the fairness and appropriateness of the decision-making process regarding the nomination criteria and the reasons for appointment, including the achievements of each candidate. The Nominating Advisory Committee is comprised of the Director, President & CEO, the Director in charge of human resources, and three Outside Directors; and chaired by an Outside Director.

For this General Meeting of Shareholders, the Nominating Advisory Committee concluded that the decisions were fair and reasonable regarding the candidates for Directors not serving as Audit and Supervisory Committee Members.

[Opinions of Audit and Supervisory Committee Regarding Nomination of Directors]

The Audit and Supervisory Committee received a report from the Audit and Supervisory Committee Member who attended a meeting of the Nominating Advisory Committee and discussed such report. As a result, the Audit and Supervisory Committee reached the conclusion that the decision-making process for the nomination of Directors of the Nominating Advisory Committee is appropriate, and that there are no special matters to be stated at the General Meeting of Shareholders pursuant to the provisions of the Companies Act in relation to the election of Directors not serving as Audit and Supervisory Committee Members.

[Directors and Corporate Officers' Skill Matrix]

The Company has made the decision to transition to the sustainable growth phase, beginning in April 2022. While continuing to further strengthen corporate governance, the Company will begin formulating a vision of growth and drawing up strategies for its implementation. The following Skill Matrix maps the skills possessed by the candidates to the skills that are thought necessary to strengthen oversight functions after taking into account the current status of the Company's operations, and that are required to envisage the ideal shape of the Company's business in preparation for sustainable growth. In terms of the Company's management system, Corporate Officers who are not Directors are included in the above.

If Proposal No. 3 is approved, the Company's Directors will be as follows.

	Executive/ Non- executive	Management	Planning	Personnel	Governance	Global	Finance and Accounting
Directors (underlined names are those of Outside Directors independent of the management of the Company)							
Masahiko Ito	Non-executive	●		●			
Naoki Okada	Executive	●	●				
Koichi Takemoto	Executive					●	●
Tatsuya Banno	Executive						
Joseph E. Gallagher	Executive	●				●	
Shigeo Sekikawa	Non-executive				●	●	
<u>Yoshio Shirai</u>	Non-executive	●		●			
<u>Hamako Hanazaki</u>	Non-executive						
<u>Keiji Yoshikawa</u>	Non-executive	●		●			
<u>Yoji Yamaguchi</u>	Non-executive						●
<u>Kozo Meguro</u>	Non-executive						●
Corporate Officers (those not serving as Directors)							
Keiko Shindo	Executive				●		
Yuki Mori	Executive			●			
Noriyuki Kawanishi	Executive						
Junji Fukuhara	Executive					●	
Shuichi Nasu	Executive						
Tetsuya Mangyoku	Executive						

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

* 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.

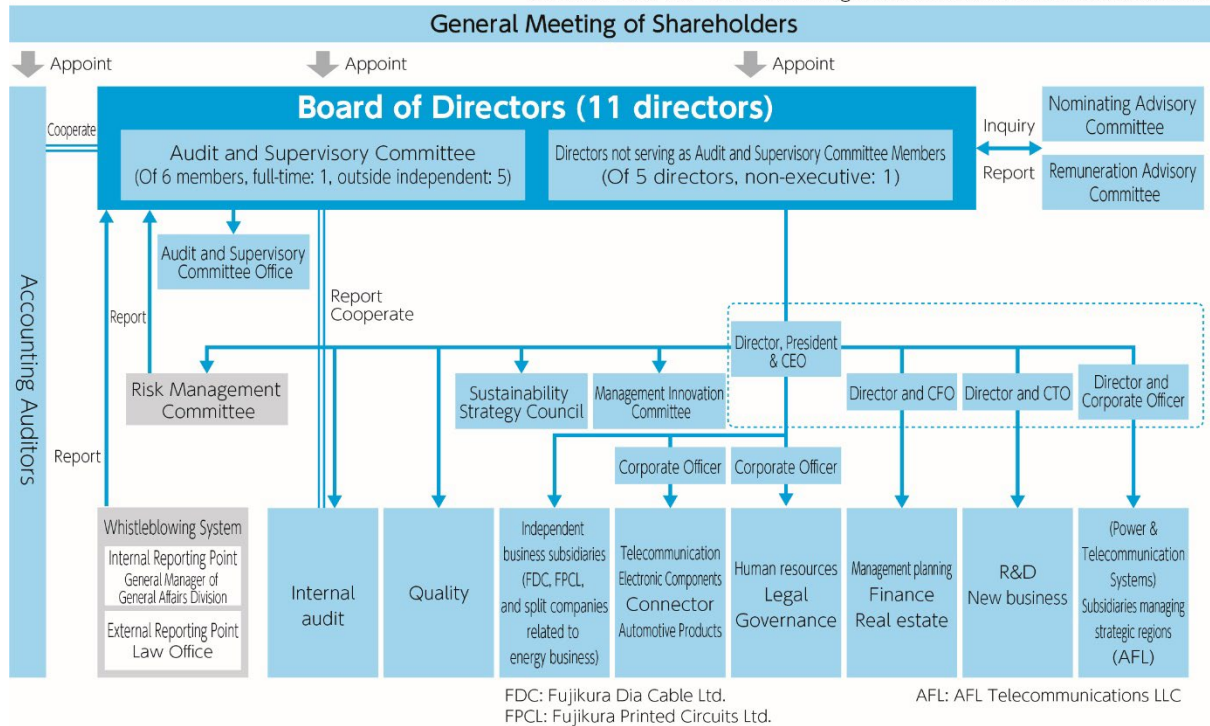
L-A (Life-Assistance)

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.

(Effective from the General Meeting of Shareholders held on June 29, 2022)



(Committee members as of April 1, 2022; *denotes Outside Director)

- **Nominating Advisory Committee:** Advisory body to the Board of Directors established with the purpose of ensuring the objectivity and transparency of decision-making processes related to the nomination of candidates for Directors. (Comprises 4 members. Committee chair: Mr. Shirai (Director)*, Committee members: Mr. Yoshikawa (Director)*, Mr. Yamaguchi (Director)*, Mr. Okada (Director, President & CEO))
- **Remuneration Advisory Committee:** Advisory body to the Board of Directors established with the purpose of ensuring the objectivity and transparency of decision-making processes related to the remuneration for Directors. (Comprises 4 members. Committee chair: Mr. Yoshikawa (Director)*, Committee members: Mr. Shirai (Director)*, Mr. Meguro (Director)*, Mr. Okada (Director, President & CEO))
- **Risk Management Committee:** Committee established to verify the Company's business execution system and execution status from the perspective of risk (including compliance), to prevent and evaluate losses, to formulate policies, and to share the contents of the said policies. (Comprises Executive Directors and Corporate Officers. Committee chair: Mr. Okada (Director, President & CEO))
- **Management Innovation Committee:** Committee that promotes 1) streamlining of management resources (including governance) and optimization of business portfolio, 2) improvement of efficiency through expense reduction, 3) improvement of profitability through enhancement of sales and purchasing power (with overall leadership by Mr. Okada (Director, President & CEO), and promotion of 1) by Mr. Okada (Director, President & CEO), 2) by Mr. Banno (CTO), and 3) by Mr. Takemoto (CFO), respectively).
- **Sustainability Strategy Council:** Council chaired by Mr. Okada (Director, President & CEO), and established to promote the necessary activities for sustainable corporate management, such as formulating sustainability targets from a perspective of environmental, social, and financial materiality.

(Attachment)

Business Report (from April 1, 2021 to March 31, 2022)

1. Current Status of the Fujikura Group

(1) Business Progress and Results

In response to rapid and significant deterioration in its business results from the fiscal year 2019, the Group discontinued the mid-term business plan it had been pursuing and made a concerted effort to promote various reforms by transitioning its basic strategy to “focusing on early business recovery.”

Having formulated our “100-Day Plan” for an operational turnaround in September 2020, we have been seeking to orchestrate a turnaround by placing focus on two key measures. The first such key measure has involved the “strengthening of Group governance” by overhauling management, halving our number of Directors and Corporate Officers on April 1, 2021. We have been seeking to achieve an early operational turnaround by clarifying responsibilities and authorities of Directors, terminating the former in-house company system in favor of a structure for enabling flexible decision-making and efficient business operations, and establishing the positions of CEO (Chief Executive Officer) and COO (Chief Operating Officer). The second key measure is to achieve “unreserved selection and concentration of existing businesses.” Aiming to stabilize our businesses and build an optimum business portfolio, we have been striving to strengthen the optical cable total solutions business, sell subsidiaries of the energy business, and reduce fixed expenses through measures such as rigorously selecting capital investments, consolidating and closing business locations, and selling real estate.

We have decided to move on to our sustainable growth phase beginning in the fiscal year 2022, after having implemented the aforementioned measures, having made decisions on our plan for the spin-off of our flexible printed circuit board (hereinafter referred to as the “FPC”) business and power systems business as announced in February 2022, and having nearly completed implementing a series of initiatives that were taken under the operational turnaround phase.

During the fiscal year 2021, although the economy continued to encounter challenging circumstances due to the impact of the spread of COVID-19, signs of recovery emerged in the second half of the fiscal year. Nevertheless, Russia’s invasion of Ukraine in February 2022 has given rise to substantial economic risk going forward.

As for the business performance of the Group for the fiscal year 2021, both sales and profits increased, with net sales increasing by 4.1% year-on-year to ¥670.3 billion and operating profit increasing by 56.8% year-on-year to ¥38.3 billion.

Looking at sales, sales in the electronics business declined significantly, particularly as a result of having promoted a shift in the FPC business to domains where we are able to leverage the Company’s substantial technological capabilities based on our 100-Day Plan. Nevertheless, net sales increased overall due to factors that include rising prices of copper, which is the primary raw material in the power systems business, along with booming demand associated with development of data centers in respective national markets and optical infrastructure networks mainly in the U.S. and Europe encountered by the telecommunication systems business, which has been making progress in achieving sales growth serving as the Company’s core area of business.

With regard to profit, despite widening losses in the automobile business due to the spread of COVID-19, surging logistics costs and the impact of a semiconductor shortage, profit increased significantly overall due to the success of measures taken in the telecommunications business and the electronics business, respectively, based on the 100-Day Plan, to strengthen the optical cable total solutions business and promote a shift to high value-added products of FPCs as a strategy to win orders.

As for ordinary profit, as a result of recording ¥4.7 billion in non-operating income and ¥8.9 billion in non-operating expenses, the Company achieved ordinary profit of ¥34.1 billion, an increase of ¥15.7 billion year-on-year.

In terms of extraordinary income and losses, a total of ¥22.3 billion in extraordinary income was recorded, including a total ¥15.4 billion gain on sale of non-current assets for improving the financial structure, and a total ¥5.7 billion gain on sale of a subsidiary related to the power systems business. Meanwhile, a total of ¥4.7 billion in extraordinary losses was recorded, consisting mainly of costs

associated with a Special Career Change Support System and other business restructuring expenses. Moreover, the Special Career Change Support System was implemented to provide special support to employees aspiring to build new careers and review their life plans as the Company embarks on its sustained growth phase.

As a result of the factors mentioned above, profit attributable to owners of parent amounted to ¥39.1 billion, with an improvement of ¥44.5 billion turned round from recording a loss attributable to owners of parent of ¥5.4 billion recorded in the previous fiscal year.

Overview of business units

(Billions of yen)				
Segments, etc.	Fiscal year	173rd period FY2020	174th period (current period) FY2021	Variation
Power & Telecommunication Systems		305.9	353.6	47.7
Electronic Products & Connector		321.8	299.8	(22.0)
Electronics Business		199.9	178.5	(21.4)
Automotive Products		121.9	121.3	(0.6)
Real Estate Business		10.9	10.9	(0.0)
Other		5.2	6.0	0.9
Total		643.7	670.3	26.6

* The Company progressively terminated its former in-house company system and has transitioned to a system of business units, effective from the 174th period (current period). The names of the Company's business segments have been changed accordingly.

1) Power & Telecommunication Systems Business Unit

Major lines of business:

This business unit offers a variety of electric wires, cables and equipment, including those for industrial use, and for power transmission, distribution and communication as well as optical fiber cables and various products for the construction of optical networks.

Industrial electric wires, telecommunications metal cables, overhead transmission wires, OPGW (Optical Ground Wires), power distribution lines, cables for power supply, connection components for electric wires and power supply cables, magnet wires, optical fibers, optical fiber cables, connection components including optical connectors, optical devices, optical fusion splicers, optical line monitoring systems, optical transmitters, optical wiring systems and related installation work

The business unit as a whole posted net sales of ¥353.6 billion, up 15.6% year-on-year, and operating profit of ¥25.2 billion, up ¥7.0 billion year-on-year.

In the Power Systems business segment, construction demand showed signs of recovery beginning in the second half of the fiscal year, yet remained sluggish throughout the year carrying over from the previous fiscal year. On the one hand, net sales increased by 8.2% year-on-year to ¥179.2 billion due to surging prices of copper, the business segment's primary raw material, and also due to strong demand for power infrastructure investment in the U.S. On the other hand, profits decreased sharply, mainly reflecting only modest gains on material valuation amid persistent high copper prices in the fiscal year under review, after recording differences on material valuations as a factor increasing profits in the previous fiscal year due to the sharp increase in copper pricing at the time, with additional factors including high logistics costs and delays in capital expenditure in the United States.

In the Telecommunication Systems business segment, which is the Company's core business, we have been making progress in expanding sales with the segment serving as an optical cable total solutions business, which is in addition to offering the high value-added strategic product "Spider Web Ribbon®/Wrapping Tube Cable®" (hereinafter referred to as "SWR®/WTC®")^(*), as well as optical equipment components, peripheral products such as optical fusion splicers, and services with focus on SWR®/WTC®.

The business segment has been encountering mounting telework demand associated with the spread of COVID-19, demand for next generation infrastructure, such as 5G and IoT, as well as brisk investment in constructing and enhancing communications infrastructure networks including FTTx and data centers, with

a focus particularly on the European and the U.S. markets, which are perceived by the Company as the main areas of competition. As a result of the developments above, net sales in the Telecommunication Systems business segment increased by 24.3% year-on-year to ¥174.5 billion, and operating profit significantly increased as well.

(*) SWR®/WTC® are optical fiber cables that are thinner, lighter and more precise compared with conventional products, which can reduce installation costs.

2) Electronic Products & Connector Business Unit

Major lines of business:

This business unit provides various components of electronic equipment for digital home electronics, mobile devices, industrial machinery and medical equipment as well as various electric components for automobiles, etc.

FPCs, connectors, membrane switches, electronic wires, HDD components, sensors (pressure and oxygen), heat pipes, wire harnesses and automotive components

The business unit as a whole posted net sales of ¥299.8 billion, down 6.8% year-on-year, and operating profit of ¥8.2 billion, up ¥7.0 billion year-on-year.

In the Electronics Business segment (the electronic equipment components business, including connectors), connectors and other products for digital home electronics and mobile devices performed briskly, mainly due to so-called “stay-at-home” demand. In addition, HDD components and thermal products, mainly used in data servers and so forth that the Company has been involved with until now, experienced favorable demand with progress on preparing infrastructure for a digital society, propelled by the COVID-19 pandemic. Furthermore, sales of connectors and other electronic components increased, partly due to growth in demand for pressure sensors for industrial machinery and continued strong demand for sensors, such as oxygen sensors for medical equipment, against a backdrop of a global semiconductor shortage. On the other hand, in FPCs, mainly for smartphones, the Company continued to shift into high-value-added domains where it can leverage its advanced technologies and maintain a competitive advantage under the 100-Day Plan. Partly due to this, the segment overall recorded a significant decrease in sales. On the other hand, in profits, there was a significant improvement in profitability due to a shift to high value-added products in FPC as a strategy for winning orders, as well as the effects, etc., of structural reforms carried out in the previous fiscal year. As a result of the developments above, net sales in the Electronics Business segment decreased by 10.7% year-on-year to ¥178.5 billion, and operating profit increased by ¥8.9 billion year-on-year to ¥13.8 billion.

In the Automotive Products business segment (wire harnesses for automobiles and automotive components business), sales were subject to downward pressure due to the closure of business sites with the spread of COVID-19 persisting since the previous fiscal year and surging logistics costs associated with the pandemic. During the first half of the fiscal year, we improved profitability despite substantial downward pressure on earnings amid our efforts that involved strengthening head office control assigned to our European locations, optimizing our scale of orders, and cutting costs by improving productivity and achieving more consistent quality. However, the semiconductor shortage prevailing from the second half of the fiscal year resulted in full-year net sales decreasing by 0.5% year-on-year to ¥121.3 billion and an operating loss of ¥5.6 billion, a year-on-year deterioration of ¥1.8 billion.

3) Real Estate Business Unit

Major lines of business:

This in-house company is engaged in the building rental business through the operation of “Fukagawa GATHARIA.”

Net sales were level year-on-year at ¥10.9 billion with operating profit decreasing ¥0.1 billion year-on-year to ¥5.1 billion.

4) Initiatives for “100-Day Plan”

The Company conducted the following initiatives under the 100-Day Plan, formulated in September 2020, aimed at achieving a quick business recovery. Amid this, the Company focused intently on specific action items extending beyond 100 days, and as these initiatives achieved results to a certain degree, from the fiscal year 2022, the Company embarked on the sustainable growth phase.

Objective	Action
Strengthening governance	<ul style="list-style-type: none">• Managerial overhaul• Transition to a system of business units by progressively terminating the former in-house company system
Power Systems business	<ul style="list-style-type: none">• Transfer subsidiaries, decide on plan for spin-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 and rightsizing of business scale• Decide on plan for spin-off of FPC business
Wire harnesses for automobile business	<ul style="list-style-type: none">• Reorganize business in the European region• Optimize personnel in North America
Other business	<ul style="list-style-type: none">• Selling real estate held, etc.• Implementing the Special Career Change Support System

(2) Issues Facing the Fujikura Group

1) Strategic pivot to sustainable growth phase from operational turnaround phase

We have decided to move on to our sustainable growth phase beginning in the fiscal year 2022.

For the sake of ensuring a successful transition between phases in the fiscal year 2022, we aim to develop a corporate structure that facilitates efforts to increase our corporate value through sustainable growth. During the current fiscal year, we will accordingly formulate a mid-term business plan with 2023 as the initial fiscal year, while steadily proceeding with restructuring of the FPC business and power systems business as announced in February 2022. In May 2023, we intend to release the new mid-term business plan.

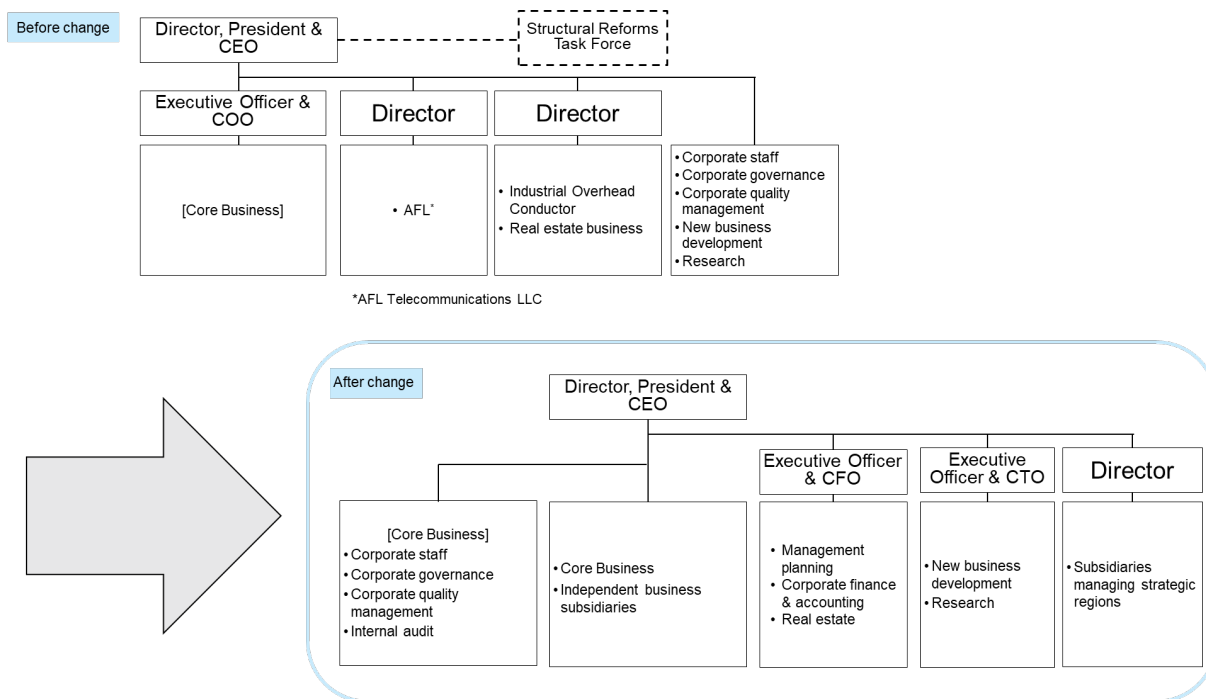
Shift to the growth phase



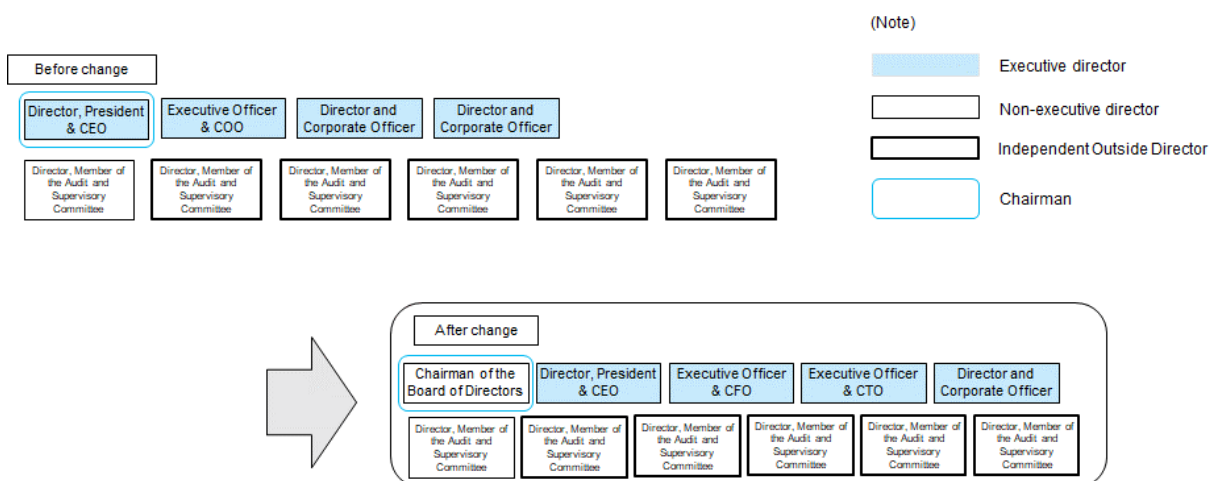
2) New management system

Under the “new Fujikura” embarking towards new growth, the Company has established a Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Technology Officer (CTO), as the management structure. This has been carried out with the intention of strengthening the functions of management and expediting decision making in order to realize sustainable growth.

Under the operational turnaround phase, authority has been concentrated with the CEO and Chief Operating Officer (COO), who have worked to implement structure reforms and stabilize the core businesses. In the sustainable growth phase that we enter from the fiscal year 2022, we recognize the importance for the Company as a manufacturing company of formulating a strategy based on our high level of technological capability and establishing a financial base to support it. In the areas of finance and technology especially, it is essential to employ talented individuals who not only have a high level of expertise and a wealth of experience, but also are able to formulate strategies and execute business from a company-wide perspective. We have opted for a structure in which the CFO and CTO functions provide support for and complement the CEO utilizing their expertise in finance and technology development, thereby enabling the CEO to effectively establish and promote company-wide strategies. Moreover, we will add a global function to the overall strategy (CEO), financial (CFO), and technology (CTO) functions to create the optimal management structure for the Company in light of its high ratio of overseas business, aiming to increase our corporate value and achieve sustainable growth.



In terms of strengthening the supervisory function of the Company's Board of Directors, in April 2022 Chairman of the Board of Directors not involved in the execution of business was appointed to chair the meetings, with the aim of further enhancing the fairness and appropriateness of the management of Board of Directors meeting proceedings. Moreover, under the new management structure that is being proposed to this Annual General Meeting of Shareholders, the total number of Directors will be 11, comprising four executive directors and seven non-executive Directors who provide management oversight (one non-executive Chairman of the Board of Directors and six Directors serving as Audit and Supervisory Committee Members).



3) Business Plan and Priority Issues for Business Units for Fiscal Year 2022

In the business plan for the fiscal year 2022 on a consolidated basis, the Company is aiming for net sales of ¥700.0 billion (up 4.4% from FY2021), operating profit of ¥42.0 billion (up 9.7%), ordinary profit of ¥37.0 billion (up 8.5%) and profit attributable to owners of the parent of ¥22.5 billion (down 42.5%).

In terms of returns to shareholders, a year-end dividend of ¥16 per share (an increase of ¥6) is planned.

Power & Telecommunication Systems Business Unit

In the Power Systems business segment, we have effectively withdrawn from all of our overseas production sites as of the fiscal year 2020. In conjunction with that, we have withdrawn from the overseas EPC business^(*) and have been implementing a selection and concentration approach with respect to our domestic businesses. During the fiscal year 2022, we will seek to stabilize our power systems business as we steadily proceed to spin off the business, as provided in details released recently.

(*) The EPC (Engineering, Procurement and Construction) business provides supply of electric wires and cables as well as design and execution of installation work in an integrated manner.

In the Telecommunication Systems business segment, demand for telework increased in conjunction with the spread of COVID-19, and demand has also emerged for next generation infrastructure, such as 5G and IoT. Therefore, it is expected that active investments will continue to be made in the construction of communications infrastructure networks, including FTTx and data centers, with a focus on Europe and the U.S. in particular. The Company's SWR®/WTC® strategic products have been well received as the best solutions for enhancing communications infrastructure given the products' attributes in terms of their small diameter, light weight, high density, and ease of installation. We will aim to concentrate resources, including the further strengthening of production capacity so as to avoid missing out on these opportunities, and will provide total solutions towards the construction of an optical infrastructure network, with the addition of peripheral parts, etc.

Electronic Products & Connector Business Unit

In the FPC Business Unit of the Electronics Business segment, to turn the business around and stabilize it, we consolidated production and sales functions that were dispersed through several subsidiaries into the Company's wholly owned subsidiary, Fujikura Printed Circuits Ltd., to form a single business entity in May 2022. We will proceed steadily with the associated reorganization and stable transfer of management of the business, while we further refine our past efforts in order to improve quality and strengthen technological capabilities, and will ensure a shift of business towards a field where our competitive advantage can be maintained.

In the Connector Business Unit, we had been concentrating up until now on further developing the business with a central focus on miniaturized, high-density products for the consumer market. With the breadth of our business set to further expand in the future, we are aiming to achieve a business structure capable of sustainable growth, and are putting our efforts into promising markets such as the in-vehicle and medical markets.

In the Electronic Components Business Unit, in response to the expanding data center demand against the backdrop of normalizing teleworking environment, we are promoting regeneration and maintaining high profitability through the cultivation of new markets and the attraction of new customers, etc., including a response to the increase in HDD capacity and the provision of thermal solutions and sensors for industrial machinery and medical equipment.

In the Automotive Products Business Unit, the outlook for the automotive industry is unclear with concerns regarding raw material procurement and price stability both up and down the supply chain due to the impacts of the COVID-19 pandemic, shortage of semiconductors and the issue of Ukraine and Russia. On the other hand, we consider the Company's business to have recovered its earning capability due to the reorganization of the European business, including efforts made so far to improve productivity and revision of the earnings-focused strategy for accepting orders. We will continue to seek further productivity improvements at each business site and to reduce costs by achieving more consistent quality.

In terms of future efforts for electronics related business in general, we shall work to launch electronic products in the automobile market. The automobile industry is going a once in a century period of transformation, including “CASE” (connected cars, autonomous driving, sharing, and electrification). We have already conducted the joint development of high speed communication support and power control systems, etc., with a plurality of customers. In the Connector Business Unit, we have commenced mass production of a connector for next generation vehicle-to-vehicle communication from the fiscal year 2021, and in the Printed Circuit Business Unit we have accelerated the development of products in our existing infotainment^(*1) and lighting^(*2) fields, and additionally, in the powertrain^(*3) field.

- (*1) The term “infotainment” is coined by combining information with entertainment. It refers to products for navigation systems and audiovisual devices mainly in the automotive field.
- (*2) The term “lighting” refers to automotive lighting such as headlights, direction indicators, and cabin lights, etc.
- (*3) The term “power train” refers to the overall drive transmission system, and it also refers to the electronic components used in the system for facilitating movements of vehicular behavior such as traveling forward, turning and stopping.

Research and New Business Development Unit

In order to realize sustainable growth, we believe it is essential to perceive business operations, products and technology as an integrated metabolic system that needs to be constantly nurtured. At our Research and New Business Development Unit, we consider that one of the driving forces that promotes healthy metabolism regarding products and technology is our research and development activities, and we will conduct such activities with the following three objectives:

- To maintain technology to support existing business at a global top level, and to create innovative new products
- To promote integrated execution of examination of new locations, the construction of technological infrastructure, and commercialization
- To determine what the future posture of Fujikura should be from a technological perspective, and to contribute to the construction of strategies for growth

Particularly, with the aim of creating new value in the market areas specified in our 2030 Vision, we will closely watch the market needs and demand trends, identify critical themes in which we can leverage our core businesses and technologies, and continue to create new businesses and develop new products.

4) Quality management-related measures

In order to prevent recurrence of cases of impropriety related to the quality control, the Company has positioned quality management as an important issue, and based on the “Fujikura Quality Policy,” a company-wide policy that prioritizes quality compliance, has implemented measures to fully disseminate this policy, conducted quality compliance training for all Group employees, and decided to continue these initiatives.

Our governance reforms have included the maintenance of independence of the quality assurance departments, continuing the reinforcement of effectiveness through provision of education and training, the creation of an electronic system that eliminates human manipulation, and raising awareness of our whistleblowing system.

Furthermore, from fiscal year 2019, the Company has held meetings where all members of the Fujikura Group pledge to prevent recurrences of inappropriate cases in quality control, and by strengthening dialogue with the people concerned, the Company is fostering a corporate culture in which “errors are not allowed to be repeated.”

5) ESG/Sustainability initiatives

The Fujikura Group has established the five-year activity plan “Sustainability Targets 2025 (FY2021 to FY2025),” aiming to contribute to a sustainable society and improve the Group’s corporate value. For these targets, the Group has set targets to be achieved for fiscal year 2025 on four themes, F (Finance & Future), E (Environment), S (Society), and G (Governance), making reference to social issues, international guidelines, and comments from stakeholders such as customers and investors. The targets to be achieved have been set based on published long-term visions, such as the Fujikura Group Environmental Long-term Vision 2050, formulated in 2016, and the 2030 Vision, formulated in 2017.

The “Environment” theme in particular is one where the public is focused on corporate climate-change countermeasures. The Group has set a carbon-neutral target to achieve zero CO₂ emissions at all of its plants by 2050 under the Fujikura Group Environmental Long-term Vision 2050 and is working towards achieving them. In addition, we have joined the international organization RE100, which aims for the use of 100% renewable energy, and we are continually active regarding climate change initiatives, including the endorsement of the TCFD (Task Force on Climate-related Financial Disclosures), which is an international activity of disclosure recommendations regarding the risks of climate change, and we have announced our support for the GX League Basic Concept^(*), an initiative led by the Ministry of Economy, Trade and Industry.

(*) “GX League Basic Concept” was announced by the Ministry of Economy, Trade and Industry in February 2022 as a framework to promote the establishment of a venue (the GX League) where a company taking on the challenges of GX to realize sustainable growth in the present and future society can work in concert with other companies conducting similar initiatives as well as government and academia. GX stands for “Green Transformation” and refers to the promotion of reform of the overall economic and social system in order to realize improvements in emissions reductions and industrial competitiveness by viewing Japan’s initiatives to become carbon neutral by 2050 and achieve greenhouse gas emission reduction targets as a country by 2030 as opportunities for economic growth.

6) Initiatives for Monozukuri DX (Digital Transformation)

The Company has formulated the “True Connected-Fujikura (TCF)” concept to convert all factories in the Group to smart factories through “Monozukuri DX,” and has commenced activities to strengthen production through DX. Through organically connecting data, collected from on-site operations, with each tier of management, and cycling through the PDCA cycle (Plan, Do, Check, Action), we will be able to achieve timely factory management and data-driven^(*) business management, thereby realizing our goal of achieving superiority of business through reform of products, services and business processes.

(*) Data Driven refers to next-generation business processes that enable decisions to be made regarding the business while providing ways to solve issues through the results of data analysis of big data that accumulates various types and huge amounts of information using algorithms.

(3) Fujikura Group Capital Investment

The total amount of capital investments for the 174th period was ¥16.2 billion, which is in line with the “100 Day Plan” established to promote carefully selected investment centered on growth businesses in order to strengthen the management of business and investment while reducing fixed costs.

In order to meet the high level of demand in the current environment of aggressive investments, mainly in Europe and the U.S., in construction of communication infrastructure networks such as FTTx and data centers, we implemented capital expenditures in areas related to the Optical Cable Total Solutions Business.

(4) Fujikura Group Fund Procurement

(i) Fund procurement

In October 2021 and March 2022 we signed short term loan commitment line agreements with one of our main financial institutions for ¥30.0 billion each, for a total of ¥60.0 billion. There were no outstanding loan balances with respect to commitment lines as of the end of the period under review.

(ii) Principal lenders and loan amounts

(Millions of yen)

Lender	Loan balance
Sumitomo Mitsui Banking Corporation	28,501
Mizuho Bank, Ltd.	12,143
MUFG Bank, Ltd.	7,874
Sumitomo Mitsui Trust Bank, Limited	5,859
The Shizuoka Bank, Ltd.	4,315
Syndicated loan	60,000
Hybrid loan	40,000

Note: The syndicated loan and the hybrid loan are loans from a syndicate, with Sumitomo Mitsui Banking Corporation as the arranger.

(5) Financial Position and Business Performance

(Millions of yen)

Category	171st period (FY2018)	172nd period (FY2019)	173rd period (FY2020)	174th period (current period) (FY2021)
Net sales	710,778	672,314	643,736	670,350
Operating profit	27,679	3,346	24,422	38,288
Ordinary profit	21,020	1,312	18,380	34,089
Profit (loss) attributable to owners of parent	1,453	(38,510)	(5,369)	39,101
EPS (yen)	5.09	(136.58)	(19.50)	141.85
Net assets	240,910	172,115	184,483	243,657
Total assets	638,318	576,090	569,124	611,526

Note: The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the start of the fiscal year under review, and the figures for the fiscal year under review are those after applying the accounting standard and relevant ASBJ regulations.

(6) Principal Business Locations of the Fujikura Group (Names and Locations)

◇ The Company

Head office: Koto-ku, Tokyo
Branches: Kansai Branch (Osaka Prefecture), Chubu Branch (Aichi Prefecture)
Plants: Sakura Works (Chiba Prefecture), Suzuka Works (Mie Prefecture) and Numazu Works (Shizuoka Prefecture)

◇ Subsidiaries

Fujikura Dia Cable Ltd. (Tokyo), Nishi Nippon Electric Wire & Cable Co., Ltd. (Oita Prefecture), America Fujikura Ltd. (U.S.), Fujikura Electronics (Thailand) Ltd. (the Kingdom of Thailand), Fujikura Electronics Shanghai Ltd. (China), DDK (Thailand) Ltd. (the Kingdom of Thailand), DDK SHANGHAI LTD. (China), Fujikura Automotive Asia Ltd. (Yamagata Prefecture), Fujikura Automotive Europe S.A.U. (Spain), and Fujikura Automotive America LLC (U.S.)

(7) Employees of the Fujikura Group (As of March 31, 2022)

Business units, etc.	Number of employees (persons)	
Power & Telecommunication Systems	11,201	(787)
Electronic Products & Connector	39,917	(7,964)
Electronics Business	12,022	(4,908)
Automotive Products	27,895	(3,056)
Real Estate Business	18	(13)
Head office and other	1,298	(172)
Total	52,434	(8,936)

Note: Figures shown in parentheses above are annual average numbers of temporary employees, excluded from the total number of employees.

(8) Principal Subsidiaries (As of March 31, 2022)

The outline of principal subsidiaries of the Company is as follows. Each subsidiary manufactures and sells the products listed in the right column. The Company has 98 consolidated subsidiaries (decreased by 3 compared to the end of the previous fiscal year) and 10 subsidiaries (increased by 1 compared to the end of the previous fiscal year) under the equity method.

Company name, etc.	Share capital Ownership percentage	Major lines of business
Fujikura Dia Cable Ltd.	¥5,400 million 60.0%	Electric wires and cables
Nishi Nippon Electric Wire & Cable Co., Ltd.	¥960 million 60.8%	Electric wires and cables
America Fujikura Ltd.	202 million U.S. dollars 100.0%	OPGW, optical cables, optical fusion splicers, optical connection parts and telecommunications related work
Fujikura Electronics (Thailand) Ltd.	11,552 million Thai baht 100.0%	FPCs
Fujikura Electronics Shanghai Ltd.	97 million renminbi 100.0%	FPCs
Fujikura Electronic Components (Thailand) Ltd.	3,068 million Thai baht 100.0%	Electronic components
DDK (Thailand) Ltd.	1,730 million Thai baht 100.0%	Connectors
Fujikura Automotive Asia Ltd.	¥1,773 million 100.0%	Wire harnesses for automobiles
Fujikura Automotive Europe S.A.U.	60,000 euros 100.0%	Wire harnesses for automobiles
Fujikura Automotive America LLC	3 million U.S. dollars 100.0%	Wire harnesses for automobiles

(9) Other

- (i) FUJIKURA ENGINEERING LTD., which was a wholly owned subsidiary engaged in a power and telecommunication related construction business, was transferred to KINDEN CORPORATION on July 30, 2021.
- (ii) FUJIKURA COMPONENTS LTD., which was a wholly owned subsidiary engaged in a power distribution components related business, was transferred to NSSK-Q Co., Ltd. on October 1, 2021.
- (iii) On February 9, 2022, decision was made to establish wholly owned subsidiaries of the Company, one for the FPC business and the other for the electricity transmission and electric cable business, and each of these companies assumed control of the respective business by means of a company split. On March 1, 2022, Fujikura Printed Circuits Ltd. was established in the FPC business. The Company, its wholly owned subsidiaries TOHOKU FUJIKURA LTD. and FUJIKURA SHOJI CO., LTD. were subject to an absorption-type company split with the effective date of May 1, 2022, and as a result, control of each of the FPC businesses of the aforementioned respective companies was assumed by Fujikura Printed Circuits Ltd.

2. Company's Stock (As of March 31, 2022)

- (1) Number of Authorized Shares 1,190,000,000 shares
 (2) Number of Shares Issued 295,863,421 shares (including 19,456,613 shares of treasury shares)
 (3) Number of Shareholders 27,343 (down 2,509 from the previous fiscal year end)
 (4) Major Shareholders

(Thousand shares; %)

Name	Number of shares held	Percentage of total shares issued
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:

- The numbers presented in "Number of shares held" are based on the list of shareholders.
- Although the Company owns 19,456,613 shares of treasury shares, this is excluded from the above table. Treasury shares does not include 602,492 shares held by the trust account relating to the stock distribution trust established for the stock-based compensation plan for Directors (excluding Outside Directors) not serving as Audit and Supervisory Committee Members and Corporate Officers.
- The percentage values presented in "Percentage of total shares issued" are calculated excluding treasury shares.

(5) Shares delivered during the fiscal year to Directors as consideration for their execution of duties

	Number of shares	Number of subject Directors
Directors not serving as Audit and Supervisory Committee Members	152,122	6

Note: Details regarding the Company's stock-based compensation are described under "3. (5) Compensation, etc. to Directors." on page 34 of this Notice of Convocation.

3. Company's Officers (As of March 31, 2022)

(1) Directors

Position	Name	Responsibilities
Director, President & CEO(*)	Masahiko Ito	Corporate Governance Unit, Corporate Staff Unit, Corporate Finance & Accounting Unit, Corporate Quality Management Unit, Research and New Business Development Unit, and Structural Reforms Task Force
Director and COO(*)	Naoki Okada	Telecommunication Systems Business Unit, Printed Circuit Business Unit, Connector Business Unit, Automotive Products Business Unit, Electronic Components Business Unit, and Production Engineering Unit
Director and Corporate Officer	Joseph E. Gallagher	President, AFL Telecommunications LLC
Director and Corporate Officer	Masato Inaba	Responsible for Industrial Electric Wire Business, Marketing & Procurement Unit, and Real Estate Business Unit
Director, Member of the Audit and Supervisory Committee (Full-time)	Shigeo Sekikawa	
Director, Member of the Audit and Supervisory Committee (Outside)	Yoshio Shirai	
Director, Member of the Audit and Supervisory Committee (Outside)	Hamako Hanazaki	
Director, Member of the Audit and Supervisory Committee (Outside)	Keiji Yoshikawa	
Director, Member of the Audit and Supervisory Committee (Outside)	Yoji Yamaguchi	
Director, Member of the Audit and Supervisory Committee (Outside)	Kozo Meguro	

Notes:

- The asterisk (*) indicates a Representative Director.
- A full-time Member of the Audit and Supervisory Committee is selected to ensure the effectiveness of the activities of the Audit and Supervisory Committee.
- Directors, Members of the Audit and Supervisory Committee Mr. Yoshio Shirai, Ms. Hamako Hanazaki, Mr. Keiji Yoshikawa, Mr. Yoji Yamaguchi and Mr. Kozo Meguro serve as Outside Directors, as provided for in Article 2, Item 15 of the Companies Act.
- Director, Member of the Audit and Supervisory Committee Mr. Yoji Yamaguchi has assumed key posts in a major city bank for many years and has a significantly high level of knowledge about finance and accounting.
Director, Member of the Audit and Supervisory Committee Mr. Kozo Meguro is a certified public accountant and has a significantly high level of knowledge about finance and accounting.
- Significant concurrent positions are as follows.
Director and Corporate Officer Mr. Joseph E. Gallagher is President of the subsidiaries AFL Telecommunications LLC, ATI International Investments Inc. and ITC Service Group Intermediary LLC, and Director of FiberRise Communications, LLC.
Director, Member of the Audit and Supervisory Committee Mr. Yoshio Shirai is a Director (outside director) and Audit & Supervisory Committee Member of Seiko Epson Corporation.
The Company and Seiko Epson Corporation have dealings relating to sales of FPCs, electronic wires, and pressure sensors.
Director, Member of the Audit and Supervisory Committee Mr. Keiji Yoshikawa is an Outside Board Director of Kansai Paint Co., Ltd. and an Outside Director of AEON DELIGHT CO., LTD.
Director, Member of the Audit and Supervisory Committee Ms. Hamako Hanazaki is an attorney at law at Kita-Aoyama Law Office.
- Directors, Members of the Audit and Supervisory Committee Mr. Yoshio Shirai, Ms. Hamako Hanazaki, Mr. Keiji Yoshikawa, Mr. Yoji Yamaguchi and Mr. Kozo Meguro are registered as Independent Officers with the Tokyo Stock Exchange.
- Directors serving as Audit and Supervisory Committee Members Mr. Yasuyuki Oda, Mr. Masaaki Shimojima, Mr. Kenichiro Abe and Ms. Tsuneko Murata retired from their offices due to the expiration of their terms of office at the conclusion of the 173rd Annual General Meeting of Shareholders held on June 30, 2021.

8. Mr. Shigeo Sekikawa, a Director not serving as Audit and Supervisory Committee Member, retired from his office due to the expiration of his term of office at the conclusion of the 173rd Annual General Meeting of Shareholders held on June 30, 2021, and was appointed Director who is Audit & Supervisory Board Member at the same Annual General Meeting of Shareholders.
9. On April 1, 2022, responsibilities of Directors were changed as follows.

Name	After change	Before change
Masahiko Ito	Chairman of the Board of Directors Chair of the Board of Directors	Representative Director, President & CEO Corporate Governance Unit, Corporate Staff Unit, Corporate Finance & Accounting Unit, Corporate Quality Management Unit, and Research and New Business Development Unit, Structural Reforms Task Force,
Naoki Okada	Representative Director, President & CEO Internal Audit Department, Corporate Quality Management Unit, Corporate Governance Unit, Corporate Staff Unit, Production Engineering Unit, Telecommunication Systems Business Unit, Electronic Components & Connector Business Unit, Automotive Products Business Unit, and Printed Circuit Business Unit	Representative Director and COO Telecommunication Systems Business Unit, Printed Circuit Business Unit, Connector Business Unit, Automotive Products Business Unit, Electronic Components Business Unit, and Production Engineering Unit
Masato Inaba	Director and Corporate Officer	Director and Corporate Officer Responsible for Industrial Electric Wire Business, Marketing & Procurement Unit and Real Estate Business Unit

10. Corporate Officers who are not serving as Directors (as of April 1, 2022)

Position	Name	Responsibilities
Corporate Officer & CFO	Koichi Takemoto	Corporate Strategy Planning Unit and Real Estate Business Unit
Corporate Officer & CTO	Tatsuya Banno	Research and New Business Development Unit
Corporate Officer	Keiko Shindo	Corporate Governance Unit
Corporate Officer	Yuki Mori	Corporate Staff Unit
Corporate Officer	Noriyuki Kawanishi	Telecommunication Systems Business Unit
Corporate Officer	Junji Fukuhara	Electronic Components & Connector Business Unit
Corporate Officer	Shuichi Nasu	Automotive Products Business Unit
Corporate Officer	Tetsuya Mangyoku	Production Engineering Unit

(2) Overview of directors and officers liability insurance policy

The Company has entered into a directors and officers liability insurance policy with an insurance company, as provided for in Article 430-3, paragraph (1) of the Companies Act. The scope of insureds covered by the directors and officers insurance policy includes the Directors (including Directors serving as Audit and Supervisory Committee Members), auditors, corporate officers, and management level personnel of the Company and its subsidiaries. This policy covers the insureds for their legal liability for compensation for damages and litigation expenses arising from the execution of their duties. Moreover, among the insured persons, the Directors (including Directors serving as Audit and Supervisory Committee Members) personally cover 5% of their insurance premiums.

(3) Overview of Provisions in Contracts for Liability Limitation

The Company and each Outside Director have entered into a contract to limit their liability to damages in Article 423, paragraph (1) of the Companies Act, in accordance with the provisions of Article 427, paragraph (1) of the said act. The maximum amount of liability for damages under this contract is defined as the amount stipulated by laws and regulations.

(4) Outside Directors

The Company's Outside Directors are Mr. Yoshio Shirai, Ms. Hamako Hanazaki, Mr. Keiji Yoshikawa, Mr. Yoji Yamaguchi and Mr. Kozo Meguro.

Main activities during the 174th Period

	Overview of attendance and remarks at meetings, as well as of the duties relating to the role expected for outside directors
Director, Member of the Audit and Supervisory Committee Yoshio Shirai	<p>The Company expects Mr. Yoshio Shirai to utilize the abundant experience and knowledge that he has accumulated in corporate management over many years, to provide opinions and suggestions, and to demonstrate the supervisory function of company management from an objective position that is independent from executives.</p> <p>By actively participating in meetings of the Board of Directors and other important meetings related to the Company's management, and exchanging opinions with persons who execute business, he uses his experience and insight to provide necessary advice and proposals to ensure appropriateness and fairness from an objective standpoint independent of management, and fulfills the supervisory function of the Company's management. He serves as chair of the Nominating Advisory Committee, and serves as member of the Remuneration Advisory Committee.</p> <p>Attendance at: Board of Directors Meetings: 100% (15/15) Audit and Supervisory Committee Meetings 100% (20/20) Nominating Advisory Committee Meetings 100% (8/8) Remuneration Advisory Committee Meetings 100% (8/8)</p>
Director, Member of the Audit and Supervisory Committee Hamako Hanazaki	<p>The Company expects Ms. Hamako Hanazaki to use her specialist perspective and practical experience as an attorney, to provide opinions and suggestions, and to demonstrate the audit function of company management from an objective perspective that is independent from executives.</p> <p>By actively participating in meetings of the Board of Directors and other important meetings related to the Company's management, and exchanging opinions with persons who execute business, she uses her experience and insight to provide necessary advice and proposals to ensure appropriateness and fairness from an objective standpoint independent of management, and fulfills the supervisory function of the Company's management.</p> <p>Attendance at: Board of Directors Meetings: 100% (15/15) Audit and Supervisory Committee Meetings 100% (20/20)</p>
Director, Member of the Audit and Supervisory Committee Keiji Yoshikawa	<p>The Company expects Mr. Keiji Yoshikawa to utilize the abundant experience and knowledge that he has accumulated in corporate management over many years, to provide opinions and suggestions, and to demonstrate the supervisory function of company management from an objective position that is independent from executives.</p> <p>By actively participating in meetings of the Board of Directors and other important meetings related to the Company's management, and exchanging opinions with persons who execute business, he uses his experience and insight to provide necessary advice and proposals to ensure appropriateness and fairness from an objective standpoint independent of management, and fulfills the supervisory function of the Company's management. He serves as chair of the Remuneration Advisory Committee, and serves as member of the Nominating Advisory Committee.</p> <p>Attendance at: Board of Directors Meetings: 100% (12/12) Audit and Supervisory Committee Meetings 100% (15/15) Remuneration Advisory Committee Meetings 100% (6/6) Nominating Advisory Committee Meetings 100% (8/8)</p>
Director, Member of the Audit and Supervisory Committee Yoji Yamaguchi	<p>The Company expects Mr. Yoji Yamaguchi to utilize the experience and knowledge that he has accumulated in important positions in a major city bank over many years, to provide opinions and suggestions, and to demonstrate the supervisory function of company management from an objective position that is independent from executives.</p> <p>By actively participating in meetings of the Board of Directors and other important meetings related to the Company's management, and exchanging opinions with persons who execute business, he uses his experience and insight to provide necessary advice and proposals to ensure appropriateness and fairness from an objective standpoint independent of management, and fulfills the supervisory function of the Company's management. He is a member of the Nominating Advisory Committee.</p> <p>Attendance at: Board of Directors Meetings: 100% (12/12) Audit and Supervisory Committee Meetings 100% (15/15) Nominating Advisory Committee Meetings 100% (8/8)</p>

	Overview of attendance and remarks at meetings, as well as of the duties relating to the role expected for outside directors
Director, Member of the Audit and Supervisory Committee Kozo Meguro	<p>The Company expects Mr. Kozo Meguro to utilize his expertise and practical experience as a certified public accountant, to provide opinions and suggestions, and to demonstrate the supervisory function of company management from an objective position that is independent from business executives.</p> <p>By actively participating in meetings of the Board of Directors and other important meetings related to the Company's management, and exchanging opinions with persons who execute business, he uses his experience and insight to provide necessary advice and proposals to ensure appropriateness and fairness from an independent and objective standpoint, and fulfills the supervisory function of the Company's management. He is a member of the Remuneration Advisory Committee.</p> <p>Attendance at: Board of Directors Meetings: 100% (12/12) Audit and Supervisory Committee Meetings 100% (15/15) Remuneration Advisory Committee Meetings 100% (6/6)</p>

*1 As Directors and Audit and Supervisory Committee Members Mr. Keiji Yoshikawa, Mr. Yoji Yamaguchi and Mr. Kozo Meguro assumed office as Directors at the 173rd Annual General Meeting of Shareholders held on June 30, 2021, their attendance at the Board of Directors meetings only includes meetings held on or after that date.

(5) Compensation, etc. to Directors

(i) Policy on Determining Compensation to Directors

In determining the policy for decisions on compensation, etc., as well as in determining compensation, etc., of Directors not serving as Audit and Supervisory Committee Members, decisions are made by resolution of the Board of Directors, upon having received a report from the advisory body of the Board of Directors, the Remuneration Advisory Committee (comprises the Director in charge of human resources and three Outside Directors; and is chaired by an Outside Director).

The content of our decision making policy for the content of individual compensation, etc., for Directors is as shown below.

The Company not only deals with a variety of products but also promotes a global business operation. Accordingly, the duties of Directors are diverse and require expertise. Therefore, the standard for compensation to Directors should be set at a level appropriate to recruit qualified people capable of fulfilling these duties, and in specific, the compensation for Directors comprises the following three categories referring to surveys conducted by a number of research agencies that target mainly listed companies. Based on objective benchmarks and evaluations, the compensation policy has been revised to ensure a stronger link to performance.

(a) Basic compensation

The portion corresponding to the monitoring and supervision functions of each Director, which is a fixed amount according to his/her rank and grade.

(b) Short-term performance-based 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 as they are indicators which have high affinity with the Company's growth strategy. Targets for indicators relating to short-term performance-based compensation in the fiscal year under review used the various indicators described above, calculations for which were based on the consolidated plan for the fiscal year ended March 2021 that was resolved by the Board of Directors at the end of the fiscal year ended March 2020. The degree of achievement was measured by comparing these indicators to indicators calculated based on the results for the same fiscal year, resulting in the determination of the amount of short-term performance-based compensation to be paid for the fiscal year under review.

(c) Stock-based compensation

Apart from the monetary compensation in (a) and (b) above, a scheme that provides compensation in the form of common shares of the Company shall be established. This scheme is mainly intended to enhance the motivation of Directors towards contribution to an increase in corporate value of the Company, by placing Directors in a position to enjoy the merit of a rising share price as well as to bear the risk of a falling share price, whereby Directors and shareholders share the merit and demerit of such fluctuations.

The timing for receiving the distribution of the shares shall be upon the retirement of the Directors not serving as Audit and Supervisory Committee Members, in principle.

Roughly 40% or more of the entire compensation shall be represented by the portion subject to fluctuations at a maximum, depending on performance and share price (short-term performance-based compensation and stock compensation).

Compensation for the execution of duties of non-executive Directors, in light of their duties, will be exclusively a fixed amount as basic compensation, not including short-term performance-based compensation and stock-based compensation.

The determination of compensation policy and compensation, etc. for Directors serving as Audit and Supervisory Committee Members will be based on the market environment and consist of fixed compensation that takes into account their professional responsibilities. The amount of compensation for individual Directors serving as Audit and Supervisory Committee Members shall be within the range of compensation approved by a general meeting of shareholders, and shall be determined through deliberation by Directors serving as Audit and Supervisory Committee Members.

Furthermore, this policy will be determined through deliberation by Directors serving as Audit and Supervisory Committee Members.

(ii) Total Amount of Compensation, etc. to Directors

Category	Total amount of compensation (Millions of yen)	Total amount of compensation by type (Millions of yen)			Number of recipients
		Basic compensation	Performance-based compensation	Stock-based compensation	
Directors not serving as Audit and Supervisory Committee Members	208	142	34	32	5
Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors)	29	25	4	–	2
Directors serving as Audit and Supervisory Committee Members (Outside Directors)	67	67	–	–	8

Notes:

1. Of the Company's Directors not serving as Audit and Supervisory Committee Members, there are no Outside Directors.
2. The above includes one Director not serving as an Audit and Supervisory Committee Member and four Directors serving as Audit and Supervisory Committee Members, who retired due to the expiration of their terms of office at the conclusion of the 173rd Annual General Meeting of Shareholders held on June 30, 2021.
3. The targets and performances for indicators relating to "short-term performance-based compensation" in the fiscal year under review are as follows.

(Performance-linked coefficient)

Type of indicator	Target Business plan for fiscal year ended March 2021	Performance Performance for fiscal year ended March 2021
Consolidated operating profit ratio	1.8%	3.8%
Consolidated rate of return on equity (ROE)	-6.5%	-3.4%

4. Performance-based compensation for Directors serving as Audit and Supervisory Committee Members was determined as such based on performance results during the period in which those individuals were Directors not serving as Audit and Supervisory Committee Members in fiscal year 2020.
5. The Board of Directors, in regard to the individual compensation for Directors not serving as Audit and Supervisory Committee Members in the fiscal year under review, has determined that the content of this conforms with the decision making policy as individual compensation amounts for Directors are determined through the procedures described in “(i) Policy on Determining Compensation to Directors” above. In determining the compensation, etc. of Directors not serving as Audit and Supervisory Committee Members, the Remuneration Advisory Committee verifies the fairness and appropriateness of the decision process regarding the performance evaluation of each Director, the compensation standards in line with the market, the compensation system, and the specific amount of compensation. The Board of Directors has received a report from the Remuneration Advisory Committee that the process is fair and reasonable.
6. The Audit and Supervisory Committee received a report regarding the individual compensation of Directors not serving as Audit and Supervisory Committee Members in the fiscal year under review from the Audit and Supervisory Committee Members who attended a meeting of the Remuneration Advisory Committee. As a result of consultations, the Audit and Supervisory Committee reached the conclusion that the Remuneration Advisory Committee’s decision making process for the compensation, etc., of Directors not serving as Audit and Supervisory Committee Members is appropriate, and that there are no special matters that should be stated at a General Meeting of Shareholders under the provisions of the Companies Act.
7. Matters concerning the resolution at the General Meeting of Shareholders on compensation, etc. of Directors
 - (1) It was resolved that the amount of compensation to Directors not serving as Audit and Supervisory Committee Members should not exceed ¥600 million per year at the 169th Annual General Meeting of Shareholders held on June 29, 2017. In addition, separate from such monetary compensation, a resolution was passed at said Annual General Meeting of Shareholders to restrict the amount of stock-based compensation to up to ¥120 million per year and the maximum number of shares to 285,000 shares per year (Outside Directors are not eligible). The number of Directors not serving as Audit and Supervisory Committee Members as of the conclusion of the Annual General Meeting of Shareholders was nine, and none of them were Outside Directors.
 - (2) It was resolved that the amount of compensation to Directors serving as Audit and Supervisory Committee Members should not exceed ¥100 million per year (of which not exceeding ¥70 million for Outside Directors) at the 169th Annual General Meeting of Shareholders held on June 29, 2017. The number of Directors serving as Audit and Supervisory Committee Members as of the conclusion of said Annual General Meeting of Shareholders was five (of which four were Outside Directors).

4. Accounting Auditor

(1) Name of Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Content of Non-Audit Services

Agreed procedures concerning certification application related to special provisions for levies pursuant to the provisions of Article 37, paragraph (1) of the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities.

(3) Compensation Paid by the Total Fujikura Group

	(Millions of yen)
	Amount
(i) Compensation as Accounting Auditor of the Company for the 174th period	116
(ii) Sum of amount the Company and its subsidiaries owe to Accounting Auditor (including the amount set forth in (i))	173

Notes:

1. In the audit contract between the Company and Accounting Auditor, it is not practically possible to distinguish between the compensation for the audit based on the Companies Act and that based on the Financial Instruments and Exchange Act. Therefore, the amount set forth in (i) above is the sum of them.
2. The Company's principal subsidiaries, America Fujikura Ltd., Fujikura Electronics (Thailand) Ltd., Fujikura Electronics Shanghai Ltd., Fujikura Electronic Components (Thailand) Ltd., DDK (Thailand) Ltd., Fujikura Automotive Europe S.A.U. and Fujikura Automotive America LLC are subject to audits by audit corporations other than the Company's accounting auditor.
3. Taking into account the "Practical Guidelines for Cooperation with Accounting Auditors" released by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee, by acquiring necessary documents and hearing reports from the Accounting Auditor and relevant sections within the Company, compares the audit plan with the actual results of the previous fiscal year; confirms the time and contents of audits by auditing item for the fiscal year under review; and examines the appropriateness of the amount of compensation. After these discussions, the Audit and Supervisory Committee gives its consent regarding the compensation, etc. of the Accounting Auditor in accordance with Article 399, paragraphs (1) and (3) of the Companies Act.

(4) Policy on Decision Concerning Dismissal or Non-Reappointment of Accounting Auditor

It is the policy of the Company that the Accounting Auditor shall be dismissed with the consent of all Audit and Supervisory Committee Members in the case that the Accounting Auditor infringes on or violates laws and regulations such as the Companies Act and the Certified Public Accountant Law. Moreover, in the case that it determines that a serious impediment or possibility of a serious impediment arises in the Company's auditing in light of changes in the nature of the Company's business or the corporate scale including the consolidated group, or smoothness of partnership with other audit organizations, the Audit and Supervisory Committee shall propose to a General Meeting of Shareholders "Dismissal or Non-reappointment of Accounting Auditor."

5. System to Secure Appropriate Operation and Operational Status of the System

(1) The Contents of Decision for System to Secure Appropriate Operation

(i) Body Responsible for the Management System and Internal Control System

[Management System]

(1) Board of Directors

In 2017 the Company made the transition to a company with an audit and supervisory committee in order to separate oversight from execution. As of March 31, 2021, over half the Internal Directors resigned, and the Board of Directors adopted a new structure with a total of ten Directors, of whom five are Outside Directors (all Audit and Supervisory Committee Members) and five are Internal Directors. By raising the ratio of Outside Directors in the Board of Directors to 50%, we will strengthen the Board's function for oversight of the side executing business. The Outside Directors who make up half of the Board of Directors are individuals who are independent of the management of the Company. They possess management experience and specialized knowledge of fields such as finance and law, and together with the Internal Directors they are fully involved in deliberations to decide important issues related to management at a meeting of the Board of Directors (such as proposals for medium- to long-term strategies and revisions to the business portfolio).

(2) System for execution of business

As a rule, the Chief Executive Officer (CEO) and Chief Operating Officer (COO) of the Company may be determined from among executive directors by a resolution of the Board of Directors. The CEO (hereinafter the "Director, President & CEO") is Chair of the Board of Directors as well as CEO for an overall corporate group comprising the Company and its subsidiaries (hereinafter collectively "the Group," and respective subsidiary as "Group company"). As the person in overall control of the execution of the Company's business, the Director, President & CEO has ultimate responsibility for the promotion of business by the business units, promotion of structural reforms, and oversight and supervision of corporate departments. The COO has responsibility for supervising the promotion of the core businesses of the Group.

(3) Audit and Supervisory Committee

The Audit and Supervisory Committee consists of six (6) members, of which one (1) is a full-time Internal Director and five (5) are Outside Directors. In addition, the Audit and Supervisory Committee Office has been established as an organization to support the activities of the Audit and Supervisory Committee and working under its supervision, with people assigned to it full-time.

[Establishment of Internal Control System by Executive Directors and Audit by the Audit and Supervisory Committee]

With respect to business units, departments or corporate units that support business units, or Group companies of which executive directors have been placed in charge by the Board of Directors, executive directors supervise the execution of their own business or execution of business by the Corporate Officers who work underneath them, and are responsible for ensuring compliance with and execution of the internal control system set out in (ii) and (iii) below. Given their position as a member of the Board of Directors which decides on the internal control system, executive directors are responsible for the adequacy of the internal control system.

The Audit and Supervisory Committee supervises the state of compliance with and execution of the internal control system (refer to (ii) below) as it relates to the execution of duties by executive directors. Accordingly, the Audit and Supervisory Committee conducts investigations into conditions at the Company and Group companies when deemed necessary, checks and verifies the details of information provided by parties in charge of business execution, and requests explanations directly from those involved in execution, including executive directors. Along with this, given its position as a member of the Board of Directors which decides the internal control system, the Audit and Supervisory Committee is also responsible for the adequacy of the internal control system.

(ii) Matters in Article 399-13, paragraph (1), item 1-c of the Companies Act

[The development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations and the articles of incorporation, and other systems prescribed by Ministry of Justice Order as systems necessary to ensure the properness of operations of a Stock Company and of operations of a group of enterprises consisting of the stock company and its subsidiaries]

(1) Matters in Article 399-13, paragraph (1), item 1-c of the Companies Act

[The development of systems necessary to ensure that the execution of the duties by the directors complies with the laws and regulations]

The main decision-making of the Company is conducted by the Board of Directors and executive directors whom the Board of Directors delegate authority to. Proposals to be laid before the Board of Directors are verified in advance by the Management Planning Division, the Legal Department or other organizations for compliance with laws, regulations and the Articles of Incorporation. At the Board of Directors, Directors and Audit and Supervisory Committee Members supervise the execution of duties by other Directors, and Outside Directors with specialized expertise (attorneys at law, certified public accountants and other professionals) are included in deliberations to fully confirm compliance.

Decisions for which authority is delegated to executive directors in accordance with the “Rules on Responsibilities and Authorities of Executive Directors” are recorded in a dedicated database and related corporate units and the Audit and Supervisory Committee Office confirm the content or confirm if they comply with laws, regulations and the Articles of Incorporation by confirming the details with executive directors, etc. Furthermore, Audit and Supervisory Committee Members may peruse information recorded in the database at any time and confirm the content and details directly or via the Audit and Supervisory Committee Office when needed.

If the Internal Audit Division discovers violations of laws and regulations, the Articles of Incorporation, or internal rules by a Director in the course of executing their duties, it is obligated to immediately report the issue in question to the Director in charge and to the Audit and Supervisory Committee. Matters to note particularly with respect to compliance are shared in meetings of the Risk Management Committee held regularly, and top management instructs to improve management accuracy, etc.

In addition, the Company has established the “Rules on Internal Reporting System” and introduced an internal reporting system. It establishes the reporting contact point by General Affairs Division and outside attorney at law, and ensures anonymity of and prohibits unfair treatment of whistleblowers.

The Company shall comply with Article 110-4, paragraph (2), item (i) to item (v) of Companies Act Enforcement Regulations as follows.

(2) Matters in Article 110-4, paragraph (2), item (i) of Companies Act Enforcement Regulations

[Systems for the retention and management of information in relation to the execution of the duties of a Director]

With respect to reports and decisions by the Board of Directors as well as decisions by executive directors, the Management Planning Division and the Legal Department shall control and store documents prepared for reports and decisions shared at meetings, etc. as well as documents such as minutes recording content of reports and decisions, and respond to inquiries from related parties.

The documents such as the discussion material distributed and minutes for the Executive Officers Meeting, the Capital Expenses Committee, the Risk Management Committee, the business unit executive committees and other meetings for important decision-making and information transmission shall be collectively stored and managed by the principal unit for each meeting in accordance with its stipulated rules, and they respond to inquiries from internal related parties when deemed necessary.

With respect to decision-making in writing not by a meeting body, units in charge of such decisions shall store and manage documents stating decisions in an appropriate manner and respond to inquiries from internal related parties.

(3) Matters in Article 110-4, paragraph (2), item (ii) of Companies Act Enforcement Regulations

[Rules and other systems related to management of the risk of loss]

The Company classifies risks to be managed (including risks which occur in the Group companies) into risks related to business opportunities (“strategy risks”) and risks related to the performance of its business activities (“operational risks”). Strategy risks are managed by the Board of Directors, which is responsible for decision-making, and executive directors in the respective review process of decisions. Operational risks are managed by the Risk Management Committee chaired by the Director, President & CEO based on the “Fujikura Risk Management Rules.”

With regard to crisis management in case that material loss has occurred or its occurrence is imminent, we promptly gather and report the information to top management, and establish a response organization and a responsibility system, etc. as stated in the Risk Management Rules above.

(4) Matters in Article 110-4, paragraph (2), item (iii) of Companies Act Enforcement Regulations

[Systems to ensure that the execution of the duties of a Director is performed efficiently]

In order to enable efficient and speedy operation under this system in which the Director, President & CEO has ultimate responsibility for management and the COO has ultimate responsibility for executive issues, decision-making may be distributed to the Board of Directors and to executive directors.

From the perspective of focusing on oversight of management, the Board of Directors shall make decisions based on thorough and extensive deliberation of the extraordinarily important items that form the core of the Company’s growth strategy, such as annual and mid-term business plans and large-scale M&As. For this reason, rather than comprising executive directors alone, at least half of the Board of Directors shall consist of Outside Directors with diverse and specialized knowledge and who are also independent of the management of the Company.

Executive directors may delegate authority to deal with matters affecting only the organizations for which they are responsible and matters with a relatively low degree of risk to the Corporate Officers underneath them, while remaining responsible for supervising them and deciding important matters. This structure allows flexible and efficient execution of business by means of by quick and decisive decision-making.

(5) Matters in Article 110-4, paragraph (2), item (iv) of Companies Act Enforcement Regulations

[Systems to ensure that the execution of the duties of an employee of the stock company complies with laws and regulations and the articles of incorporation]

In daily operations, compliance is ensured by internal rules and education specified by the corporate unit, supplemented by individual instructions and other guidance, while issues are identified, measures are formulated and their implementation is confirmed through operational audits conducted by the Internal Audit Division. If the Internal Audit Division discovers violations of laws and regulations, the Articles of Incorporation, or internal rules by an employee or by some other person engaged in Company operations during the execution of their duties, it is obligated to immediately report the issue in question to the Director in charge and to the Audit and Supervisory Committee.

The Risk Management Committee chaired by the Director, President & CEO is responsible for promoting and thoroughly establishing compliance by formulating and disseminating the Group Code of Conduct, as well as ensuring the Company’s employees and other persons engaged in Company operations comply with laws and regulations, and provides direction from the perspective of Group management regarding the identification of issues, sharing of information, training and other measures for legal compliance planned by the corporate unit.

As the internal reporting system, the Company’s employees and other persons engaged in the Company’s operations may report to the General Affairs Division and outside attorney at law in accordance with the “Rules on Use of Internal Reporting System” specifying assurance of anonymity and prohibiting unfair treatment of whistleblowers.

(6) Matters in Article 110-4, paragraph (2), items (v)-a, b, c and d of Companies Act Enforcement Regulations

[Systems to ensure the properness of business activities in a business group]

Within the Company there are divisions in charge of each Group company. Executive directors in charge of the applicable divisions are responsible for overall management of Group companies in charge. In some cases, executive directors may take direct charge and assume responsibility for overall management of a Group company.

(a) System Related to Reports to the Company for Matters concerning the Execution of Duties of Directors and Executing Employees (Hereinafter “Directors, etc.”) of Subsidiaries

The division in charge or executive director in direct control of the Group company establishes rules on business unit executive committees, etc. to impose structure on reports from Group companies, and for matters concerning Group company operating results, receives monthly reports on important issues such as human resources, the organization, capital expenses and product quality in a timely manner.

(b) Rules on Management of Risk of Loss for Subsidiaries and Other Systems

Each Group company sets up a system for risk management on the principle that it manages its own risk. The division in charge or executive director in direct control of the Group company receives timely and appropriate reports on risks which occurred at the Group company in charge, and establishes a system to support and guide the Group company in dealing with the risks involved.

(c) System to Ensure That the Duties of Directors, etc. of Subsidiaries Are Executed Efficiently

We will clearly specify each role and function for respective Group companies and formulate a business plan as a corporate group including these Group companies. The system will be arranged in a way that enables budget monitoring through periodic performance reporting and close collaboration as well as smooth and detailed communication through personnel exchanges, etc.

(d) System to Ensure the Compliance with Laws, Regulations and the Articles of Incorporation in the Execution of Duties by Directors and Employees of Subsidiaries

Each Group company will appoint a person responsible for compliance with laws and regulations. Such responsible person will report the status of compliance with laws and regulations to the Company and implement individual measures, which are specified by the Company for compliance with laws and regulations, at Group companies.

If a director, employee or other person of Group companies brings to the attention of the Internal Audit Division that violations of laws and regulations, the Articles of Incorporation, or various measures, etc. established by the Company to ensure compliance with individual laws and regulations have occurred in the execution of duties by persons engaged in Group company operations, the Internal Audit Division is obligated to report the issue in question to the Director in charge and to the Audit and Supervisory Committee.

Each Group company will establish an internal reporting system through which employees, etc. may either use the Company’s internal reporting system or directly report to an outside attorney at law.

(iii) Matters in Article 399-13, paragraph (1), item (i) b of the Companies Act

[The matters prescribed by Ministry of Justice Order as those necessary for the execution of the duties of the Audit and Supervisory Committee]

The Company shall comply with Article 110-4, paragraph (1), item (i) to item (vii) of Companies Act Enforcement Regulations as follows.

(1) Matters in Article 110-4, paragraph (1), items (i), (ii) and (iii) of Companies Act Enforcement Regulations

[Particulars related to Directors and employees to assist with the duties of the Audit and Supervisory Committee]

[Particulars regarding independence of the Directors and employees of the preceding item from other Directors of the stock company (excluding Directors serving as Audit and Supervisory Committee Members)]

[Particulars related to ensuring the effectiveness of instructions given by the Audit and Supervisory Committee of the stock company to the Directors and employees set forth in item (i)]

Executive Directors in charge of the Management Planning Division and the Legal Department (hereinafter “Directors in charge of Corporate”) shall be responsible for establishing a system required by the Audit and Supervisory Committee for executing its duties as necessary and may not decline the request without reasonable cause.

In addition, Directors in charge of Corporate shall establish the Audit and Supervisory Committee Office as the organization to support the execution of duties of the Audit and Supervisory Committee (one dedicated staff shall be placed), place the Committee Office under the direction of the Audit and Supervisory Committee, and when the Audit and Supervisory Committee requires authority, budget and staff, etc. of the Committee Office, they may not decline the request without reasonable cause.

(2) Matters in Article 110-4, paragraph (1), Item (iv)-a of Companies Act Enforcement Regulations

[Systems for the Directors (excluding Directors serving as Audit and Supervisory Committee Members), Accounting Advisor(s), and employees of the stock company to report to the Audit and Supervisory Committee of the stock company]

If executive directors and employees find acts by the Company which violate laws, regulations or the Articles of Incorporation, or facts which may cause serious damage to the Company, they shall immediately report to the Audit and Supervisory Committee. In addition, if the General Affairs Division receives information related to material risks set forth in the “Risk Management Rules,” or a whistleblowing report that involves material risk or the potential for material risk, it shall immediately report it to the Audit and Supervisory Committee.

Matters which executive directors would decide and matters to be reported at business unit executive committees shall be always available for inspection by the Audit and Supervisory Committee; therefore, executive directors shall record such matters in a specified database. The Management Planning Division, the Legal Department and the Audit and Supervisory Committee Office collaborate to confirm information recorded in such database and collect additional information, etc., and report to the Audit and Supervisory Committee when needed (in addition, they shall share information with other corporate units) or take actions such as submitting a proposition at the Board of Directors.

Audit and Supervisory Committee Members may attend internal meetings at any time as the execution of duties of the Audit and Supervisory Committee and view related documents and records, etc. In addition, whenever the Audit and Supervisory Committee deems necessary, it may submit a request for details or an investigation to related executive directors and employees, and executive directors and employees shall respond to such request.

(3) Matters in Article 110-4, paragraph (1), item (iv)-b of Companies Act Enforcement Regulations

[Systems for the Directors, accounting advisor(s), company auditors, corporate officers, members who execute the business, those who are to perform the duties of Article 598, paragraph (1) of the Act, and other corporations equivalent thereto, and employees of a subsidiary of the stock company or persons who receive reports from them to report to the Audit and Supervisory Committee of the stock company]

If executive directors, auditors and employees of Group companies find acts by the Company or such Group company which violate laws and regulations or the Articles of Incorporation, or facts which may cause serious damage to the Company, they shall immediately report to the Audit and Supervisory

Committee. In addition, if the General Affairs Division receives information related to material risks set forth in the “Risk Management Rules,” or a whistle-blowing report that involves material risk or the potential for material risk, it shall immediately report it to the Audit and Supervisory Committee.

With respect to Group companies, executive directors in charge of these shall make such Group company perform the above reporting duties thoroughly.

If corporate units and administrative units in business units find fraud or improper facts for a Group company, they shall immediately report to the Audit and Supervisory Committee.

(4) Matters in Article 110-4, paragraph (1), item (v) of Companies Act Enforcement Regulations

[Systems for ensuring that persons who make a report under the preceding item are not treated disadvantageously due to making the report]

The Company and Group companies shall not treat those who report to the Audit and Supervisory Committee in the preceding item a or b unfairly because of making the report.

(5) Matters in Article 110-4, paragraph (1), item (vi) of Companies Act Enforcement Regulations

[Particulars related to policies concerning the procedure for advance payment or reimbursement of expenses that arise with regard to execution of the duties of the Audit and Supervisory Committee Members of the stock company (limited to those related to execution of the duties of the Audit and Supervisory Committee) or any other processing of expenses or obligations that arise with regard to execution of those duties]

The Company shall take budgetary measures with respect to required expenses based on the annual audit plan by the Audit and Supervisory Committee. Expenses required for activities as needed other than the audit plan, including those required for utilizing outside experts, etc., shall be paid as long as they are reasonable for the execution of duties by the Audit and Supervisory Committee, or the Company shall bear the expenses when the Committee requests the Company for payment.

(6) Matters in Article 110-4, paragraph (1), item (vii) of Companies Act Enforcement Regulations

[Other systems to ensure that audits by the Audit and Supervisory Committee of the stock company are performed effectively]

The Audit and Supervisory Committee may request opportunities including but not limited to meetings of the Board of Directors for opinion exchanges and questions, etc. for Directors, including the Director, President & CEO or corporate officers and other employees who are responsible for the execution of business, and the Director in charge of Corporate who is to act as the contact point shall conduct necessary arrangements to respond to the request based on the gist of the request by the Audit and Supervisory Committee.

(2) Outline of Operational Status of System to Ensure the Appropriate Operations

(i) Compliance and Risk Management System

The Risk Management Committee convened meetings on 8 occasions during the fiscal year 2021. Activities conducted in those meetings included the sharing, etc. of risk control and examples of responses in each of the business units. In the Automotive Products Business Unit, due to one of its locations being in Ukraine, a focused examination was carried out regarding the crisis response to Ukraine around the end of the fiscal year. In addition, the Company is currently conducting a project aimed at improving the overall effectiveness of risk management, and the status of that project’s progress is also confirmed during the committee’s meetings.

With respect to matters for which decision-making authority is delegated to executive directors, the corporate unit related to such matters and the Audit and Supervisory Committee Office, which is an organization to support activity of the Audit and Supervisory Committee, have confirmed that they comply with laws, regulations and the Articles of Incorporation. In addition, with respect to daily operations executed under the control of executive directors, the Internal Audit Division, each corporate unit and the business unit control organization, etc. have controlled and managed legality and validity.

On the other hand, as an organization independent from the execution division, the Audit and Supervisory Committee audits risk management conditions for the entire Group as appropriate, separately from the Risk Management Committee. In addition, the Committee audits the validity and effectiveness of the internal control system of the Company.

The Company and Group companies run internal reporting systems respectively as whistleblowing systems. In the whistleblowing system, internal and outside reception contact points are established, in which anonymity is ensured and unfair treatment of whistleblowers is prohibited. In addition, the operation status of the whistleblowing system is being reported to the Risk Management Committee and the Audit and Supervisory Committee.

Furthermore, the Corporate Governance Promotion Division has launched a plurality of projects relating to risk management and compliance, and has promoted the identification of issues and the verification of improvement measures, etc., in order to strengthen the internal audit function and to improve the effectiveness of the internal reporting system.

(ii) Business Management System of Group Companies

Each business unit or corporate unit, etc. has requested their Group companies in charge for “establishment of the Risk Management Rules,” “placement of responsible persons for compliance” and “establishment of the whistleblowing system,” and appropriate efforts are underway at all Group companies. In addition, each business unit, etc. continues to ensure a timely and appropriate reporting system from their Group companies in charge by holding periodic business unit executive committee meetings, etc. including Group companies, and performs the business operation efficiently.

The Group is engaging in deliberations aimed at strengthening the Group governance, in light of the Group’s current situation.

(iii) System to Ensure the Effectiveness of the Audit and Supervisory Committee

The Company has established the Audit and Supervisory Committee Office as an organization to support the duties of the Audit and Supervisory Committee, and has positioned dedicated staff to the said office. The Audit and Supervisory Committee Office ensures its independence from business execution and provides the Audit and Supervisory Committee with support in line with direct instructions from the Audit and Supervisory Committee.

Audit and Supervisory Committee Members have authority to attend internal meetings and to access the database recording decision-making matters by executive directors, and conduct investigations, etc. when needed.

In addition, in order to improve the effectiveness of the audit and supervisory function, separate to the Board of Directors, the Company has established a place for regular meetings between Audit and Supervisory Committee Members and executive directors, as well as with corporate officers in charge of individual business, at which opinions, etc., have been exchanged.

In addition, the Accounting Auditor and the Internal Audit Department hold a Tripartite Audit Council on a quarterly basis. At the Council, they share information related to the operational status of the internal control system and audit condition, and exchange opinions on mitigating the fraud risks to ensure the effectiveness of the audit.

* Monetary amounts and numbers of shares less than stated units in this Business Report are rounded off.

Consolidated Balance Sheet
(As of March 31, 2022)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets	369,141	Current liabilities	198,418
Cash and deposits	91,041	Notes and accounts payable - trade	71,841
Notes receivable - trade	14,698	Short-term borrowings	71,014
Accounts receivable - trade	120,260	Income taxes payable	5,514
Contract assets	9,920	Contract liabilities	4,933
Merchandise and finished goods	34,930	Provision for loss on business of subsidiaries and associates	1,865
Work in process	33,322	Other provisions	989
Raw materials and supplies	44,380	Other	42,262
Other	21,217	Non-current liabilities	169,451
Allowance for doubtful accounts	(628)	Bonds payable	30,000
Non-current assets	242,385	Long-term borrowings	110,477
Property, plant and equipment	174,130	Other provisions	267
Buildings and structures	79,829	Retirement benefit liability	10,537
Machinery, equipment and vehicles	56,396	Other	18,170
Land	14,918	Total liabilities	367,869
Leased assets	6,059	NET ASSETS	
Construction in progress	9,413	Shareholders' equity	197,085
Other, net	7,513	Share capital	53,076
Intangible fixed assets	15,413	Capital surplus	28,054
Goodwill	6,878	Retained earnings	126,530
Other	8,535	Treasury shares	(10,575)
Investments and other assets	52,843	Accumulated other comprehensive income	23,407
Investment securities	29,100	Valuation difference on available-for-sale securities	1,118
Retirement benefit asset	889	Deferred gains or losses on hedges	(714)
Deferred tax assets	7,377	Foreign currency translation adjustment	25,385
Other	15,625	Remeasurements of defined benefit plans	(2,381)
Allowance for doubtful accounts	(127)	Non-controlling interests	23,165
Allowance for investment loss	(20)	Total net assets	243,657
Total assets	611,526	Total liabilities and net assets	611,526

Consolidated Statements of Income
(From April 1, 2021 through March 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		670,350
Cost of sales		543,762
Gross profit		126,588
Selling, general and administrative expenses		88,300
Operating profit		38,288
Non-operating income		
Interest income	324	
Dividend income	715	
Share of profit of entities accounted for using equity method	2,103	
Subsidies for employment adjustment	85	
Other	1,435	4,662
Non-operating expenses		
Interest expenses	2,497	
Foreign exchange losses	45	
Product repair costs due to customers' claims	1,449	
Financing expenses	809	
Other	4,062	8,861
Ordinary profit		34,089
Extraordinary income		
Gain on sale of non-current assets	15,375	
Gain on sale of shares of subsidiaries and associates	5,675	
Insurance claim income	1,230	
Other	5	22,285
Extraordinary losses		
Business restructuring expenses	3,500	
Impairment losses	818	
Other	380	4,698
Profit before income taxes		51,675
Income taxes - current	10,830	
Income taxes - deferred	714	11,545
Profit		40,131
Profit attributable to non-controlling interests		1,030
Profit attributable to owners of parent		39,101

Consolidated Statement of Changes in Equity
(From April 1, 2021 through March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	53,076	27,740	87,514	(10,864)	157,466
Cumulative effects of changes in accounting policies			3		3
Restated balance	53,076	27,740	87,517	(10,864)	157,469
Changes during period					
Profit attributable to owners of parent			39,101		39,101
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares				292	292
Purchase of shares of consolidated subsidiaries		314			314
Change in scope of consolidation			(88)		(88)
Net changes in items other than shareholders' equity					-
Total changes during period	-	314	39,013	288	39,703
Balance at end of period	53,076	28,054	126,530	(10,575)	197,085

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,185	(917)	8,347	(3,253)	5,363	21,654	184,483
Cumulative effects of changes in accounting policies					-		3
Restated balance	1,185	(917)	8,347	(3,253)	5,363	21,654	184,486
Changes during period							
Profit attributable to owners of parent					-		39,101
Purchase of treasury shares					-		(3)
Disposal of treasury shares					-		292
Purchase of shares of consolidated subsidiaries					-		314
Change in scope of consolidation					-		(88)
Net changes in items other than shareholders' equity	(67)	202	17,037	872	18,045	1,510	19,555
Total changes during period	(67)	202	17,037	872	18,045	1,510	59,170
Balance at end of period	1,118	(714)	25,385	(2,381)	23,407	23,165	243,657

Non-consolidated Balance Sheets
(As of March 31, 2022)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS		LIABILITIES	
Current assets	175,970	Current liabilities	108,752
Cash and deposits	58,136	Notes payable - trade	98
Notes receivable - trade	966	Accounts payable - trade	37,786
Accounts receivable - trade	64,501	Short-term borrowings	28,643
Merchandise and finished goods	5,567	Accrued expenses	11,395
Work in process	10,601	Deposits received	21,049
Raw materials and supplies	2,878	Provision for loss on business of subsidiaries and associates	1,865
Accounts receivable - other	14,196	Other	7,918
Short-term loans receivable	16,545	Non-current liabilities	145,965
Other	2,657	Bonds payable	30,000
Allowance for doubtful accounts	(76)	Long-term borrowings	106,101
Non-current assets	164,933	Long-term leasehold and guarantee deposits received	7,737
Property, plant and equipment	75,079	Other provisions	320
Buildings	52,835	Deferred tax liabilities	510
Structures	2,500	Other	1,297
Machinery and equipment	6,707	Total liabilities	254,717
Land	10,319	NET ASSETS	
Construction in progress	1,392	Shareholders' equity	85,958
Other	1,326	Share capital	53,076
Intangible fixed assets	2,476	Capital surplus	28,302
Software	1,663	Legal capital surplus	13,269
Other	813	Other capital surplus	15,034
Investments and other assets	87,378	Retained earnings	15,103
Investment securities	7,023	Other retained earnings	15,103
Shares of subsidiaries and associates	61,588	Reserve for tax purpose reduction entry of non-current assets	954
Investments in capital of subsidiaries and associates	15,701	Retained earnings brought forward	14,149
Long-term loans receivable	8,342	Treasury shares	(10,524)
Prepaid pension costs	2,543	Valuation and translation adjustments	228
Other	615	Valuation difference on available-for-sale securities	881
Allowance for doubtful accounts	(8,378)	Deferred gains or losses on hedges	(653)
Allowance for investment loss	(57)	Total net assets	86,186
Total assets	340,903	Total liabilities and net assets	340,903

Non-consolidated Statements of Income
(From April 1, 2021 through March 31, 2022)

(Millions of yen)

Item	Amount	
Net sales		328,436
Cost of sales		295,302
Gross profit		33,134
Selling, general and administrative expenses		27,095
Operating profit		6,040
Non-operating income		
Interest and dividend income	12,715	
Other	1,160	13,875
Non-operating expenses		
Interest expenses	1,668	
Interest on bonds	69	
Foreign exchange losses	162	
Financing expenses	809	
Product repair costs due to customers' claims	682	
Provision for loss on business of subsidiaries and associates	658	
Provision of allowance for doubtful accounts	575	
Provision for loss on guarantees	19	
Other	1,371	6,013
Ordinary profit		13,902
Extraordinary income		
Gain on sale of non-current assets	9,869	
Gain on sale of shares of subsidiaries and associates	7,702	
Reversal of provision for loss on guarantees	27	
Other	106	17,704
Extraordinary losses		
Business restructuring expenses	3,248	
Impairment losses	632	
Loss on sale of non-current assets	467	
Other	337	4,684
Profit before income taxes		26,922
Income taxes - current		1,571
Profit		25,351

Non-Consolidated Statement of Changes in Equity
(From April 1, 2021 through March 31, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for tax purpose reduction entry of non-current assets	Retained earnings brought forward	
Balance at beginning of period	53,076	13,269	15,034	28,302	954	(11,191)	(10,237)
Cumulative effects of changes in accounting policies				–		(11)	(11)
Restated balance	53,076	13,269	15,034	28,302	954	(11,202)	(10,248)
Changes during period							
Provision of reserve for tax purpose reduction entry of non-current assets				–	0	(0)	–
Profit				–		25,351	25,351
Purchase of treasury shares				–			–
Disposal of treasury shares				–			–
Net changes in items other than shareholders' equity during period				–			–
Total changes during period	–	–	–	–	0	25,351	25,351
Balance at end of period	53,076	13,269	15,034	28,302	954	14,149	15,103

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(10,815)	60,327	936	(762)	174	60,501
Cumulative effects of changes in accounting policies		(11)			–	(11)
Restated balance	(10,815)	60,316	936	(762)	174	60,490
Changes during period						
Provision of reserve for tax purpose reduction entry of non-current assets		–			–	–
Profit		25,351			–	25,351
Purchase of treasury shares	(1)	(1)			–	(1)
Disposal of treasury shares	292	292			–	292
Net changes in items other than shareholders' equity during period		–	(54)	108	54	54
Total changes during period	291	25,642	(54)	108	54	25,696
Balance at end of period	(10,524)	85,958	881	(653)	228	86,186

The Audit and Supervisory Committee's Audit Report

The Audit and Supervisory Committee of Fujikura Ltd. (hereafter, "the Company") conducted an audit regarding the execution of the duties of the directors for the 174th business year (April 1, 2021 to March 31, 2022). Methods and results of the audit are as follows.

1. Method and Contents of the audit

With regard to the contents of the resolution of the Board of Directors regarding matters defined in Article 399-13, paragraph (1), item (1)-(b) and -(c) of the Companies Act and the structure established based on such resolution (internal control system), the Audit and Supervisory Committee received reports on the establishment and the status of the operation of the internal control system from the Directors, officers and employees on a regular basis, sought explanations as necessary, expressed their opinions and conducted an audit according to the methods described below.

Meanwhile, with regard to internal control over financial reporting as required by the Financial Instruments and Exchange Act, the Audit and Supervisory Committee received reports from the Directors and the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, regarding their evaluation of internal control and the results of the audit, and sought explanations as necessary.

- (1) While utilizing techniques via telephone lines, the Internet, etc. in accordance with the audit policy, assignment of duties and other relevant matters specified by the Audit and Supervisory Committee, Audit and Supervisory Committee Members, in collaboration with the Internal Audit Division and others, attended important meetings, received reports from the Directors, officers and other employees on the execution of their duties, sought explanations as necessary, scrutinized important documents pertaining to decision-making, and examined the business and financial conditions at the head office and other principal offices. Regarding subsidiaries, we communicated and exchanged information with the Directors, the Corporate Auditors and other employees of subsidiaries, and received reports with respect to their business from subsidiaries as necessary.
- (2) We monitored and verified whether the Accounting Auditors maintained their independence and implemented appropriate audits, and we received reports from the Accounting Auditors regarding the performance of their duties and sought explanations as necessary. Also, we received notice from the Accounting Auditors that "the System for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Corporate Accounting Regulations) is organized in accordance with the "Quality Management Standards Regarding Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the Business Report and the annexed detailed statements, non-consolidated financial statements ("non-consolidated balance sheets," "non-consolidated statements of income," "non-consolidated statements of shareholders' equity," and "notes to the non-consolidated financial statements") and the annexed detailed statements, and consolidated financial statements ("consolidated balance sheets," "consolidated statements of income," "consolidated statements of shareholders' equity," and "notes to the consolidated financial statements") for this business year.

2. Results of the audit

- (1) Results of audit of the Business Report
 - i) We confirm that the Business Report and the annexed detailed statements fairly represent the condition of the Company in accordance with the relevant laws and regulations and the Articles of Incorporation of the Company.
 - ii) We confirm that there were no improper acts or violations of any laws and regulations or the Articles of Incorporation of the Company committed by any of the Directors in connection with the execution of their duties
 - iii) We confirm that the details of the resolution made by the Board of Directors concerning the internal control system is proper. Furthermore, we confirm that there are no matters on which to remark with regard to performance duties of the Directors and content of the Business

Report concerning the aforementioned internal control system.

As stated in the Business Report, the Company has positioned quality management as an important issue, carried out various measures to strengthen quality management, and we verified the status of implementation of these measures. We confirm that there are no matters on which to remark with regard to these initiatives. Going forward, the Audit and Supervisory Committee will continue to verify the status of implementation of the various measures for the strengthening of quality management.

- (2) Results of audit of the non-consolidated financial statements and the annexed detailed statements
We found the method and the results of the audit by the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, to be appropriate.
- (3) Results of audit of the consolidated financial statements
We found the method and the results of the audit by the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, to be appropriate.

May 16, 2022

Audit and Supervisory Committee of Fujikura Ltd.

Full-time Audit and Supervisory Committee Member:	Shigeo Sekikawa	[Seal]
Audit and Supervisory Committee Member:	Yoshio Shirai	[Seal]
Audit and Supervisory Committee Member:	Hamako Hanazaki	[Seal]
Audit and Supervisory Committee Member:	Keiji Yoshikawa	[Seal]
Audit and Supervisory Committee Member:	Yoji Yamaguchi	[Seal]
Audit and Supervisory Committee Member:	Kozo Meguro	[Seal]

Note: Members of the Audit and Supervisory Committee Mr. Yoshio Shirai, Ms. Hamako Hanazaki, Mr. Keiji Yoshikawa, Mr. Yoji Yamaguchi and Mr. Kozo Meguro serve as Outside Directors, as provided for in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.