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Securities Code: 5803  
August 10, 2023

To our shareholders:

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

## **Notice of Adjourned Meeting of Fujikura’s 175th Annual General Meeting of Shareholders**

We hereby inform you of Adjourned Meeting of the 175th Annual General Meeting of Shareholders of Fujikura Ltd. (the “Company”), which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format. This information is posted on each of the following websites. Please access either of those websites to confirm the information.

If attending this meeting in person, please present the attendance card enclosed with this notice at the reception desk. The shareholders who can attend this meeting are the same shareholders who could exercise their voting rights at the 175th Annual General Meeting of Shareholders held on June 29, 2023.

The Company’s website: (Posting date: August 3, 2023)

<https://www.fujikura.co.jp/ir/statement/meeting/index.html> (in Japanese)

(Access the Company’s website by using the Internet address shown above and the information will be posted as Notice of Adjourned Meeting of Fujikura’s 175th Annual General Meeting of Shareholders and Other Items Subject to Measures for Electronic Provision.)

TSE website: (Posting date: August 3, 2023)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Access the TSE website by using the Internet address shown above, enter “Fujikura” in “Issue name (company name)” or the Company’s securities code “5803” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.”)

- 1. Date and time:** August 25, 2023 (Friday) 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 175th business year (from April 1, 2022 to March 31, 2023).
2. Details of non-consolidated financial statements for the Company's 175th business year (from April 1, 2022 to March 31, 2023).

**4. Matters decided for convocation**

Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Audit and Supervisory Committee and the independent accounting auditor when they create their respective audit reports.

- (i) System to Secure Appropriate Operation and Operational Status of the System described in the Business Report
- (ii) Notes to consolidated financial statements
- (iii) Notes to non-consolidated financial statements

- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the aforementioned websites.

## **Holding of Adjourned Meeting of Fujikura's 175th Annual General Meeting of Shareholders and other matters**

### **1. Background of the Adjourned Meeting**

As announced by the Company in the “Announcement on the Investigation Relating to an Improper Real Estate Acquisition at a U.S. Subsidiary” press release dated May 26, 2023, considerable time was required to complete the account settlement procedures, etc. for the Company's 175th business year (from April 1, 2022 to March 31, 2023) due to the personal misappropriation (the “Incident”) of real estate property owned by one of the Company's consolidated subsidiaries in the U.S. (the “U.S. Subsidiary”) by a Director of the Company, who was the CEO of the U.S. Subsidiary (on May 26, 2023, the Director tendered their resignation as a Director of the Company and the CEO of the U.S. Subsidiary; the “Former Director”).

As a result, only resolutions on the appropriation of surplus and other matters to be acted upon were adopted at the 175th Annual General Meeting of Shareholders held on June 29, 2023 (the “Meeting”), and the Company proposed and obtained the approval from the shareholders present at the Meeting to convene a separate adjourned meeting (the “Adjourned Meeting”) to report the “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 175th business year (from April 1, 2022 to March 31, 2023)” and “Details of non-consolidated financial statements for the Company's 175th business year (from April 1, 2022 to March 31, 2023),” which were the matters to be reported (the “Matters to be Reported”).

The Company is now in a position to hold this Adjourned Meeting after finishing the investigation regarding the Incident and properly completing said account settlement procedures for the 175th business year, and therefore sends this notice of the Adjourned Meeting.

The Company also reports that it has submitted the Annual Securities Report for the 175th business year on July 31, 2023, which was the filing date approved by the Kanto Local Finance Bureau.

### **2. Overview of the Investigation Results**

After confirming the Incident, the Company suspended the Former Director from his duties and conducted an internal investigation (the “Investigation”), using an outside law firm that has no vested interest in the Company. The Investigation was a wide-ranging investigation from March 14, 2023 to June 29, 2023, which included carrying out forensic investigations and collecting materials concerning PCs, mobile phones, tablets and other devices lent to the Former Director and their e-mails, interviewing and carrying out forensic investigations on employees of the U.S. Subsidiary and other related parties, and reviewing relevant documents.

As a result, the Former Director admitted to misrepresenting the purpose for acquiring the real estate property and personal use of said property, as well as personal use of assets of the U.S. Subsidiary, including corporate credit cards and aircraft.

The results of the Investigation into the Incident were announced in the “Notice Regarding the Investigation Result for the Investigation Relating to an Improper Real Estate Acquisition and Similar Incidents at a U.S. Subsidiary” press release dated July 31, 2023.

### **3. Impact on Financial Statements**

The Company announced its business performance and assets for its 175th business year on May 12, 2023 (“the 175th Business Year Financial Results Announcement”). The Investigation revealed that items that should have been recorded as assets were recorded as expenses, and it became necessary to revise the accounting treatment of this improperly acquired real estate to the appropriate content. As a result, the consolidated balance sheet, consolidated statements of income, and other documents in the 175th Business Year Financial Results Announcement have been changed. A major change was the amount of total assets of ¥656.8 billion on the consolidated balance sheet, which increased by approximately ¥0.25 billion. In the consolidated statements of income, the amount of consolidated operating profit and consolidated ordinary profit increased by approximately ¥0.75 billion to ¥70.2 billion and ¥67.9 billion respectively, and profit attributable to owners of parent increased by approximately ¥0.58 billion to ¥40.9 billion.

The Company has determined that none of the above will have a significant impact on the Company's consolidated financial results and will not result in a revision to financial results for past fiscal years.

#### 4. Conclusion

We sincerely apologize to our shareholders for the considerable inconvenience and concern that has been caused by matters including the Incident involving the Director of the Company, the failure to complete the account settlement procedures for the 175th business year due to this Incident which resulted in the need to hold this Adjourned Meeting, and the delay in submitting the Annual Securities Report.

The Company takes this situation very seriously, and the entire Company will work to ensure that such an incident does not occur again while strengthening Group governance and striving to rebuild trust in the Company.

We appreciate your understanding and continued support.

## **Business Report** (from April 1, 2022 to March 31, 2023)

### **1. Current Status of the Fujikura Group**

#### **(1) Business Progress and Results**

Faced with a sharp and significant deterioration in business performance in the fiscal year 2019, the Group formulated the “100-Day Plan” for an operational turnaround, over a period designated the operational turnaround phase, and decisively carried out a restructuring in which no businesses were off-limits. During the fiscal year 2021 the Group successfully concluded the “100-Day Plan,” and in April 2022 it shifted into the sustainable growth phase as the “new Fujikura.”

During the fiscal year 2022, the economy mounted a moderate recovery throughout the fiscal year amid a situation where the impact of COVID-19 became less severe in the first half of the fiscal year and the economy entered a period of coexistence with COVID-19 in the second half. On the other hand, against the background of the invasion of Ukraine by Russia and the prolongation of the conflict, the outlook for the economy entailing the downside risks such as increases in raw material prices and the continuation of constraints in supply has remained uncertain.

The Group’s business performance in the fiscal year 2022 benefited significantly from the weaker yen, with net sales increasing by 20.3% year-on-year to ¥806.5 billion, and operating profit increasing by 83.2% year-on-year to ¥70.2 billion, both of which were record highs.

In terms of sales, the Power Systems business performed well due to brisk power transmission-related business in North America, while the Telecommunication Systems business saw strength in products bound for infrastructure installations and data centers, mainly in Europe and the United States. In terms of profit, the Power Systems business posted higher earnings due to robust power transmission-related business in North America. In the Telecommunication Systems business, our strategy of focusing on the optical wiring solutions business was bearing fruit. Meanwhile, in the Electronics business, sales of connectors to major customers were strong. As for the FPC (flexible printed circuit boards) business, which has been undergoing a shift to a strategy of focusing orders on high value-added products for which the Company has been able to leverage its strengths, although that business was significantly affected by factors such as lockdowns in Shanghai, results were favorable due to productivity improvements as well as effects of streamlining due to the spin-off in May 2022. On the other hand, the Automotive Products business recorded a larger loss due to the impact of transportation expenses that continue to soar, and rising costs associated with the launch of products for new models.

As for ordinary profit, as a result of recording ¥4.8 billion in non-operating income and ¥7.1 billion in non-operating expenses, the Company achieved ordinary profit of ¥67.9 billion, an increase of 99.2% year-on-year.

As well as this, ¥4.8 billion from gain on sale of shares of subsidiaries and associates was recorded as extraordinary income, and a total of ¥22.0 billion was posted as an extraordinary loss. This was the result of estimating future cash flows after taking into account the outlook for the wire harnesses for automobiles business and the FPC business in Asia and North and South America, which led to the recording of impairment losses on non-current assets of ¥10.3 billion and ¥8.9 billion respectively. As a result, profit attributable to owners of parent was ¥40.9 billion, up 4.6% year-on-year.

## Financial Highlights

(Billions of yen)

	174th period FY2021	175th period FY2022	Variation
Net sales	670.4	806.5	136.1
Power & Telecommunication Systems	353.6	434.4	80.8
Electronic Products & Connector	299.8	353.1	53.3
Electronics	178.5	197.3	18.8
Automotive Products	121.3	155.9	34.6
Real Estate	10.9	10.8	(0.1)
Other	6.0	8.1	2.1
Operating profit	38.3	70.2	31.9
Power & Telecommunication Systems	25.2	43.1	18.0
Electronic Products & Connector	8.2	21.0	12.8
Electronics	13.8	27.6	13.8
Automotive Products	(5.6)	(6.6)	(1.0)
Real Estate	5.1	5.0	(0.1)
Other	(0.2)	1.1	1.3
Ordinary profit	34.1	67.9	33.8
Profit attributable to owners of parent	39.1	40.9	1.8
Net assets	243.7	294.4	50.7
Total assets	611.5	656.8	45.3

### Overview of business units

#### 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 ¥434.4 billion, up 22.8% year-on-year, and operating profit of ¥43.1 billion, up 71.4% year-on-year.

In the Power Systems business segment, net sales increased to ¥206.8 billion, up 15.4% year-on-year, due to increased prices for copper, a key raw material for electric wires and cables, and strong demand for power infrastructure investment in the U.S., despite a decrease due to the sale of subsidiaries and other factors in the previous fiscal year. In terms of profit, there was a significant increase due to the favorable results of businesses for power infrastructure investment in the U.S. Moreover, one of the major reforms in this business segment under the 100-Day Plan entailed establishing a structure for enabling lightweight and efficient business operations by spinning off the overhead transmission line and metal cables business, effective as of October 1, 2022.

In the Telecommunication Systems business segment, we have been focusing on the segment serving as an optical wiring solutions business, which is in addition to offering the high value-added strategic product “Spider Web Ribbon®/Wrapping Tube Cable®”<sup>(\*)</sup> (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®. Great progress was made for both optical cables and optical equipment components due to brisk investment in installing and enhancing communications infrastructure and data centers, especially in North America and Europe, which are positioned as priority strategic regions. Net sales in the

Telecommunication Systems business segment increased by 30.4% year-on-year to ¥227.6 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), thermal products, wire harnesses and automotive components

The business unit as a whole posted net sales of ¥353.1 billion, up 17.8% year-on-year, and operating profit of ¥21.0 billion, up 155.6% year-on-year.

In the Electronics Business segment, connectors performed well with major customers for smartphones and industrial machinery. Other electronic components, such as electronic wire thermal products, performed well due to continued so-called “stay-at-home” demand in the first half of the fiscal year and the impact of foreign exchange rates. We have made the FPC business, which has been undergoing a shift to a strategy of focusing orders on high value-added products for which the Company has been able to leverage its strengths, a leaner and stronger structure through the spin-off in May 2022. The FPC business has achieved substantial improvement in profitability despite effects of the Shanghai lockdowns, due to factors that include strong demand with respect to products for smartphones from major customers, effects of the spin-off, and productivity improvements. As a result of the developments above, net sales in the Electronics business segment increased by 10.5% year-on-year to ¥197.3 billion, and operating profit increased by 100.3% year-on-year to ¥27.6 billion.

In the Automotive Products business segment (wire harnesses for automobiles and automotive components business), overall sales increased due to the reduced impact of semiconductor shortages and the impact of foreign exchange rates. The European business showed an improvement in earning capability due to factors that include effects of structural reforms made thus far and productivity improvement. However, the deficit in the North and South America business increased due to the impact of personnel expenses and soaring transportation costs and a significant increase in costs associated with the launch of products for new car models. As a result of the developments above, net sales in the Automotive Products business segment increased by 28.5% year-on-year to ¥155.9 billion, and operating loss of ¥6.6 billion, a year-on-year deterioration of ¥1.0 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 decreased by 1.0% year-on-year to ¥10.8 billion, and operating profit decreased by 2.9% year-on-year to ¥5.0 billion.

## (2) Issues Facing the Fujikura Group

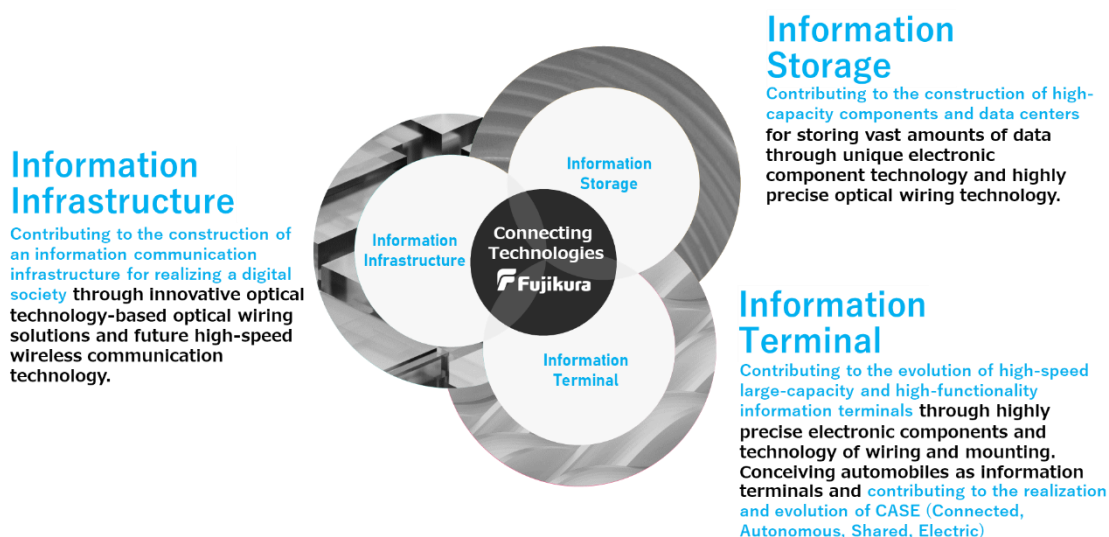
### 1) Overview of 2025 Mid-term Business Plan

The Company, having transitioned to a sustainable growth phase from the fiscal year 2022, formulated its 2025 Mid-term Business Plan (“2025 MTBP”) that covers the three year period starting from the fiscal year 2023, and announced it in May 2023.

The Fujikura Group has cultivated technologies to compete on the world stage as a technology leader over the more than 130 years since our establishment. In the “2025 MTBP,” we aim to create value for customers and contribute to society in the three areas of “information infrastructure,” “information storage,” and “information terminals,” based on our signature “Tsunagu” Technology, thereby achieving sustainable company growth and enhancing corporate value. We aim to become highly profitable in these three areas through timely and appropriate business portfolio management based on the Telecommunication Systems business segment, Electronic Products & Connector business segment and Automotive Products business segment.

In addition, because carbon neutrality as an initiative for the realization of a sustainable society is an opportunity for business creation, we will promote the commercialization of our superconductor and other technologies.

Innovative Business Areas in the 2025 Mid-term Business Plan



#### [Information Infrastructure Area]

We will further focus on our optical wiring solutions business, with our SWR®/WTC® strategic products as the core. We will also expand our presence in Japan, the U.S., the U.K., and other countries where we have established a solid position, while developing markets and customers in Europe and Asia, to contribute to the establishment of telecommunication infrastructure.

#### [Information Storage Area]

We will contribute to the construction of data centers and other facilities through the product lineup of our optical wiring solution business, which is suitable for high-speed, large-capacity data communications focusing on data centers, a market that is expected to grow as communication volume increases, as well as our unique products, such as HDD components and thermal products.

#### [Information Terminals Area]

Our products include not only connectors, but also the product lineup such as electronic wires, various sensors, thermal products, and membrane switches. All of these products are unique and high value-added products that take advantage of our technology, and we will leverage this strength to develop



new markets and customers. At the same time, as automobiles evolve to become information terminals, we will contribute to realizing CASE as well as this evolution.

#### 2025 Mid-term Business Plan targets

	Plan for fiscal year 2023	Plan for fiscal year 2024	Plan for fiscal year 2025
Consolidated net sales	¥770.0 billion	¥800.0 billion	¥825.0 billion
Consolidated operating profit	¥60.0 billion (7.8%)	¥70.0 billion (8.8%)	¥85.0 billion (10.3%)
Consolidated rate of return on equity (ROE)	14.4%	14.5%	16.5%
Consolidated return on invested capital (ROIC)	10.7%	10.6%	12.8%
Consolidated capital adequacy ratio	44.6%	47.2%	51.7%

Funds obtained from business activities will be effectively used for business investments, including returns to shareholders based on a dividend payout ratio of 30%, strategic investments for the growing Telecommunication Systems business and new business, and the strengthening of the Company's financial position to ensure the capital adequacy ratio is maintained at 50% or above.

## 2) Business plan for fiscal year 2023

In the business plan for the fiscal year 2023 on a consolidated basis, the first year of the 2025 MTBP, the Company is aiming for net sales of ¥770.0 billion (down 4.5% from FY2022), operating profit of ¥60.0 billion (down 14.5%), ordinary profit of ¥55.0 billion (down 19.0%), and profit attributable to owners of the parent of ¥41.0 billion (up 0.3%). This reflects factors that include economic recession mainly in North America and Europe, a clearer signs of associated slowdown in capital investment particularly by major IT companies worldwide, and a stronger yen in currency exchange rate at an assumed rate of 130 yen to the dollar in fiscal year 2023 relative to 135 yen to the dollar in fiscal year 2022.

In terms of returns to shareholders, we plan to pay a total dividend of ¥45 per share (an increase of ¥15 relative to fiscal year 2022), consisting of an interim dividend and year-end dividend of ¥22.50 each, pursuant to our basic policy of setting the dividend payout ratio at 30% under the 2025 MTBP.

## 3) Priority issues for business units

### (1) Telecommunication Systems segment

In this segment, although further growth in data communication capacity is expected in the medium term, a decline in demand is expected due to the impact of the economic slowdown in Europe and the United States since the second half of last year. As we focus on the optical wiring solutions business, our priority strategy, we will achieve a further leap by strengthening cooperation between the sales capabilities of America Fujikura Ltd. (our subsidiary group led by AFL Telecommunications LLC), which is leading our main battleground, the North American business, and our advanced technological capabilities.

In addition, we have decided to construct a new SWR® plant at Sakura Works during fiscal year 2022 to meet future demand growth. The plant is expected to be operational in fiscal year 2025, and we seek to increase SWR® production by 30%. In constructing the new plant, we will introduce digital transformation (DX) and green transformation (GX) to save manpower and conserve energy among others effects.

Because North American power companies constitute the main end users of optical cable products handled by America Fujikura Ltd., such as OPGW (Optical Ground Wires) and non-metallic self-supporting (ADSS) cables, those products were previously included in the Power Systems business segment. From fiscal year 2023 onward we have decided to change their positioning to the Telecommunication Systems segment in order to further strengthen cooperation within the Fujikura Group in these fields.

(2) Electronics business segment

This segment has a unique and diverse product line that includes connectors, electronic wires, HDD components, and thermal products for servers used in data centers and other facilities, portable devices such as smartphones, and even medical equipment. High-speed, large-capacity, and highly functional electronic devices are undergoing constant innovation and their required functions and characteristics are varying. We will continue to operate our niche, high-margin business by leveraging our diverse product lineup and proprietary technologies and by continuously regenerating ourselves with new products for new markets and customers. The FPC business has undergone major structural reforms and been spun off to become leaner and stronger. It has also shifted its business to areas where we can leverage our strengths. We will strengthen the business by further enhancing our technological capabilities and productivity.

(3) Automotive Products segment

The Automotive Products segment operates in three blocks: Asia, Europe, and North and South America. In this segment with its locations extensively worldwide, the European business has achieved a surplus by substantial improvement in profitability upon having undergone significant structural reforms. The segment is currently encountering significant increases in costs in the North and South American business, incurred in taking urgent action to deal with the turmoil due to its launch of products for new car models. We will strive to quickly end the turmoil. We are working to promote structural reforms such as the consolidation and closure of business sites in each block in order to revitalize the Automotive Products business.

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.

(4) Power Systems segment

For this segment, the industrial electric wire business has been integrated into Fujikura Dia Cable Ltd., a joint venture with Mitsubishi Cable Industries, Ltd. and Inaba Denki Sangyo Co., Ltd., and the overhead transmission line and metal cables business was spun off into Fujikura Energy Systems Ltd. to operate each business. We will continue to restructure the remaining businesses to achieve rapid and efficient business operations.

(5) 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 in alignment with our management and business strategies. 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

The 2025 MTBP established our research and development vision of “create the future using optical and wireless, and the fundamental technologies for the fusion of optical and electronics technologies and superconductors, beyond optical and wireless.” We will define a technology platform that indicates the technological direction in which we should move forward based on DX and GX, which are important for solving social issues, Fujikura’s future business areas and Fujikura’s current “Tsunagu” Technology, and conduct R&D activities in these areas to create new businesses and strengthen existing businesses.

#### **4) Corporate governance-related measures**

In 2017, the Company transitioned to an Audit and Supervisory Committee system with the aim of separating management supervision and execution to speed up management decision-making. Since then, we have continued our efforts to strengthen corporate governance by overhauling our managerial system and strengthening the supervisory function of the Board of Directors.

As described in the “System to Ensure Appropriate Operations,” provided separately, our current system for execution of business is based on the three-person structure of CEO, CFO, and CTO, which enables proactive and decisive business operations based on sophisticated and effective management judgment. Meanwhile, we are working to strengthen corporate governance through measures such as establishing a system that enables appropriate supervision of the status of business execution by CxOs by the Board of Directors, in which non-executive Directors make up the majority. As we continue to further strengthen governance, we will work to enhance corporate functions and group governance, including at subsidiaries, in particular.

#### **5) Quality-related measures**

In order to prevent recurrence of cases of impropriety related to the quality, 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.”

#### **6) Human capital-related measures**

Having transitioned to a new sustainable growth phase from April 2022, we believe that realizing the “new Fujikura” growth strategy requires the hiring, development, promotion, and compensating of the diverse human resources who play an active role globally. We also believe that improving employee engagement will ultimately contribute to the enhancement of corporate value.

Using the Fujikura Group’s HR development total system based on “Group HRM Vision” (a human resources development system that cycles repeatedly through “evaluation,” “development,” “awareness of strengths and issues,” and “further growth”), we are working to build a culture and an

environment optimized for the nurturing of outstanding personnel who can work anywhere in the world.

## 7) ESG/Sustainability initiatives

The Fujikura Group has established the five-year activity plan “Sustainability Targets 2025 (FY2022 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 is one where the public is focused on corporate climate-change countermeasures. The Group has set a carbon-neutral target to achieve zero CO<sub>2</sub> emissions at all of its plants by 2050 under the Fujikura Group Environmental Long-term Vision 2050 and is working towards achieving them.

As a major initiative, we have joined the international organization RE100, which aims for the use of 100% renewable energy, and we announced our support for the TCFD (Task Force on Climate-related Financial Disclosures), which is an international activity of disclosure recommendations regarding the risks of climate change. In the fiscal year 2022, we shifted from supporting to participating (actually implementing CO<sub>2</sub> emissions trading, etc.) in the GX League Basic Concept<sup>(\*)</sup>, an initiative led by the Ministry of Economy, Trade and Industry. We also set new greenhouse gas emission reduction targets for the Fujikura Group, passed the procedures for Science Based Targets (SBT) certification from the SBT initiative<sup>(\*\*)</sup> and are preparing for the prescribed disclosure. We will continue our climate change initiatives going forward.

(\*) “GX League Basic Concept” was announced by the Ministry of Economy, Trade and Industry in February 2023 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.

(\*\*) The SBT initiative (SBTi) is a joint initiative established by several international organizations based on the Paris Agreement, which was adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) held in 2015. The SBTi supports companies in setting and certifying Science Based Targets (SBTs), which are standards consistent with scientific findings for measures to combat global warming.

## 8) 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<sup>(\*)</sup> 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 175th period was ¥15.7 billion, under the basic idea of taking a balanced approach of allocating resources to growth sectors.

One of the major efforts is to proceed with construction of a new SWR® plant within Sakura Works as a means of strengthening our optical cable total solutions business. We seek to increase production of SWR® by 30% by commencing operations of the new plant within fiscal year 2025, thereby addressing mounting worldwide demand for building advanced information infrastructure. In taking on construction of the new plant, we will strive to achieve labor and energy savings through digital transformation (DX) and green transformation (GX).

### (4) Fujikura Group Fund Procurement

#### (i) Fund procurement

In October 2022 and March 2023 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 (As of March 31, 2023)

(Millions of yen)	
Lender	Loan balance
Sumitomo Mitsui Banking Corporation	21,763
MUFG Bank, Ltd.	7,880
Mizuho Bank, Ltd.	7,317
Sumitomo Mitsui Trust Bank, Limited	4,908
The Shizuoka Bank, Ltd.	3,950
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	172nd period (FY2019)	173rd period (FY2020)	174th period (FY2021)	175th period (current period) (FY2022)
Net sales	672,314	643,736	670,350	806,453
Operating profit	3,346	24,422	38,288	70,163
Ordinary profit	1,312	18,380	34,089	67,897
Profit (loss) attributable to owners of parent	(38,510)	(5,369)	39,101	40,891
EPS (yen)	(136.58)	(19.50)	141.85	148.27
Net assets	172,115	184,483	243,657	294,384
Total assets	576,090	569,124	611,526	656,785

## (6) Major Lines of Business of the Fujikura Group (As of March 31, 2023)

### 1) Power & Telecommunication Systems Business Unit

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

### 2) Electronic Products & Connector Business Unit

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

### 3) Real Estate Business Unit

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

## (7) Principal Business Locations of the Fujikura Group (As of March 31, 2023)

### 1) The Company

Head office: Koto-ku, Tokyo  
Plants: Sakura Works (Chiba Prefecture), Suzuka Works (Mie Prefecture) and Numazu Works (Shizuoka Prefecture)

### 2) Subsidiaries

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

## (8) Employees of the Fujikura Group (As of March 31, 2023)

Business units, etc.	Number of employees (persons)	
Power & Telecommunication Systems	11,335	(832)
Electronic Products & Connector	42,278	(6,775)
Electronics Business	11,674	(3,941)
Automotive Products	30,604	(2,834)
Real Estate Business	21	(11)
Head office and other	1,128	(158)
Total	54,762	(7,776)

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

## (9) Principal Subsidiaries (As of March 31, 2023)

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 92 consolidated subsidiaries

(decreased by 6 compared to the previous fiscal year) and 10 subsidiaries (same as 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 70.0%	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 Printed Circuits Ltd.	¥1,000 million 100.0%	FPCs
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
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

#### (10) Other

- 1) The Company resolved to have the overhead transmission line and metal cables business succeeded to Fujikura Energy Systems Ltd., established as a wholly-owned subsidiary of the Company on August 5, 2022, by means of absorption-type company split, and this was completed on October 1, 2022.

Based on a whistleblowing complaint made on March 3, 2023, the Company was made aware of suspicious activities regarding the personal misappropriation of real property owned by one of its U.S. subsidiaries by a director of the Company, who is in charge of said subsidiary. The Company engaged outside attorneys at law who are independent from the Group and conducted a wide-ranging investigation, including interviewing said director, employees of said subsidiary, and other related parties, conducting a forensic investigation, and closely reviewing relevant documents to determine the detailed facts of the Incident, if similar incidents occurred, and if the appropriate accounting treatment was performed. Please note that the details of the investigation have been announced in the “Announcement on the Investigation Relating to an Improper Real Estate Acquisition at a U.S. Subsidiary” press release dated May 26, 2023 and the “Notice Regarding the Progress of the Investigation Relating to an Improper Real Estate Acquisition and Similar Incidents at a U.S. Subsidiary” press release dated June 29, 2023.

The Company is working to analyze the true causes of the Incident and to prevent its recurrence, while reaffirming the need to strengthen the Group governance.

## 2. Company's Stock (As of March 31, 2023)

- (1) Number of Authorized Shares 1,190,000,000 shares  
(2) Number of Shares Issued 295,863,421 shares (including 19,457,854 shares of treasury shares)  
(3) Number of Shareholders 30,240 (up 2,897 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)	53,732	19.44
Custody Bank of Japan, Ltd. (Trust Account)	19,108	6.91
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
BNYM AS AGT/CLTS NON TREATY JASDEC	5,739	2.08
THE BANK OF NEW YORK MELLON 140044	3,838	1.39
Fujikura Employees Shareholding Association	3,730	1.35

Notes:

- The numbers presented in "Number of shares held" are based on the list of shareholders.
- Although the Company owns 19,457,854 shares of treasury shares, this is excluded from the above table. 19,457,854 shares of treasury shares do not include 494,988 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	20,564	1

Note: Details regarding the Company's stock-based compensation are described under "4. (5) Compensation, etc. to Directors."

## 3. Share Acquisition Rights (As of March 31, 2023)

Not applicable.



#### 4. Company's Officers (As of March 31, 2023)

##### (1) Directors

Position	Name	Responsibilities
Chairman of the Board of Directors	Masahiko Ito	Chair of the Board of Directors
Director, President & CEO(*)	Naoki Okada	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
Director & CFO(*)	Koichi Takemoto	Corporate Strategy Planning Unit and Real Estate Business Unit
Director & CTO	Tatsuya Banno	Research and New Business Development Unit
Director and Corporate Officer	Joseph E. Gallagher	President, AFL Telecommunications LLC
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 and ATI International Investments Inc.  
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. There are no transactional relationships between the Company and both Kansai Paint Co., Ltd. and 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. There are no transactional relationships between the Company and 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.
- Director Mr. Masato Inaba retired from his office due to the expiration of his term of office at the conclusion of the 174th Annual General Meeting of Shareholders held on June 29, 2022.

8. The responsibilities of Directors on or after April 1, 2023 and the Company's management system after the conclusion of the Adjourned Meeting, which was held based on the results of the resolutions adopted at the 175th Annual General Meeting of Shareholders held on June 29, 2023, were changed as follows.

Position	Name	Responsibilities
Chairman of the Board of Directors	Masahiko Ito	Chair of the Board of Directors
Director, President & CEO	Naoki Okada	Representative Director, President & CEO, Internal Audit Department, Management Strategies Unit, Corporate Governance Unit, Corporate Staff Unit, Telecommunication Systems Business Unit, Electronic Components & Connector Business Unit, Automotive Products Business Unit, Production Engineering Unit, and Independent Business Subsidiaries, etc.
Director & CTO	Tatsuya Banno	Representative Director, Director & CTO, Research and New Business Development Unit, and Corporate Quality Management Unit
Director & CFO	Kazuhito Iijima	Director & CFO, Business Management Unit, Real Estate Business Unit, and General Manager of Finance & Accounting Department
Director, Member of the Audit and Supervisory Committee (Full-time)	Koji Naruke	
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	

Corporate Officers who are not serving as Directors

Position	Name	Responsibilities
Corporate Officer	Toru Hamasuna	Management Strategies 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

Mr. Joseph E. Gallagher and Mr. Koichi Takemoto resigned as Director on May 26, 2023 and June 5, 2023, respectively. Mr. Shigeo Sekikawa resigned as Director who is an Audit and Supervisory Committee Member on June 29, 2023.

Mr. Masahiko Ito, Mr. Naoki Okada, and Mr. Tatsuya Banno who are Directors not serving as Audit and Supervisory Committee Members, and Ms. Hamako Hanazaki, Mr. Keiji Yoshikawa, Mr. Yoji Yamaguchi and Mr. Kozo Meguro, who are Directors serving as Audit and Supervisory Committee Members, were elected as Directors not serving as Audit and Supervisory Committee Members, and Directors serving as Audit and Supervisory Committee Members, respectively, at the 175th Annual General Meeting of Shareholders held on June 29, 2023. Their terms of office will commence at the conclusion of the Adjourned Meeting of the 175th Annual General Meeting of Shareholders. In addition, the term of office of Mr. Yoshio Shirai, who is a Director serving as an Audit and Supervisory Committee Member, will expire at the conclusion of this Adjourned Meeting.

## (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.

In addition, amendments were made to the Articles of Incorporation at the 175th Annual General Meeting of Shareholders held on June 29, 2023, and the provisions formerly specifying that the limited liability contract could only be entered into with Outside Directors were changed to allow the contract to be entered into with non-executive Directors. In accordance with those changes, the Company newly entered into a limited liability contract with not only each Outside Director but also with each of all other non-executive Directors. 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 175th 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.</p> <p>Based on a whistleblowing complaint made on March 3, 2023, it was confirmed that improper real estate acquisitions were made at a U.S. subsidiary by a director of the Company, who concurrently serves as the CEO of said subsidiary. Although he was not aware of said conduct until it came to light, he regularly reminded the Board of Directors and others of the importance of legal compliance. After becoming aware of the conduct, he has been appropriately fulfilling his duties by making useful suggestions based on his knowledge and experience.</p> <p>He serves as chair of the Nominating Advisory Committee, and serves as member of the Remuneration Advisory Committee.</p> <p><b>Attendance at:</b>            Board of Directors Meetings: 100% (15/15)            Audit and Supervisory Committee Meetings 100% (19/19)            Nominating Advisory Committee Meetings 100% (6/6)            Remuneration Advisory Committee Meetings 100% (7/7)</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>Based on a whistleblowing complaint made on March 3, 2023, it was confirmed that improper real estate acquisitions were made at a U.S. subsidiary by a director of the Company, who concurrently serves as the CEO of said subsidiary. Although she was not aware of said conduct until it came to light, she regularly reminded the Board of Directors and others of the importance of legal compliance. After becoming aware of the conduct, she has been appropriately fulfilling her duties by making useful suggestions based on her knowledge and experience.</p>

	Overview of attendance and remarks at meetings, as well as of the duties relating to the role expected for outside directors
	<p><b>Attendance at:</b>  Board of Directors Meetings: 100% (15/15)  Audit and Supervisory Committee Meetings 100% (19/19)</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.</p> <p>Based on a whistleblowing complaint made on March 3, 2023, it was confirmed that improper real estate acquisitions were made at a U.S. subsidiary by a director of the Company, who concurrently serves as the CEO of said subsidiary. Although he was not aware of said conduct until it came to light, he regularly reminded the Board of Directors and others of the importance of legal compliance. After becoming aware of the conduct, he has been appropriately fulfilling his duties by making useful suggestions based on his knowledge and experience.</p> <p>He serves as chair of the Remuneration Advisory Committee, and serves as member of the Nominating Advisory Committee.</p> <p><b>Attendance at:</b>  Board of Directors Meetings: 100% (15/15)  Audit and Supervisory Committee Meetings 94.7% (18/19)  Nominating Advisory Committee Meetings 100% (6/6)  Remuneration Advisory Committee Meetings 100% (7/7)</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.</p> <p>Based on a whistleblowing complaint made on March 3, 2023, it was confirmed that improper real estate acquisitions were made at a U.S. subsidiary by a director of the Company, who concurrently serves as the CEO of said subsidiary. Although he was not aware of said conduct until it came to light, he regularly reminded the Board of Directors and others of the importance of legal compliance. After becoming aware of the conduct, he has been appropriately fulfilling his duties by making useful suggestions based on his knowledge and experience.</p> <p>He is a member of the Nominating Advisory Committee.</p> <p><b>Attendance at:</b>  Board of Directors Meetings: 100% (15/15)  Audit and Supervisory Committee Meetings 100% (19/19)  Nominating Advisory Committee Meetings 100% (6/6)</p>
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.</p> <p>Based on a whistleblowing complaint made on March 3, 2023, it was confirmed that improper real estate acquisitions were made at a U.S. subsidiary by a director of the Company, who concurrently serves as the CEO of said subsidiary. Although he was not aware of said conduct until it came to light, he regularly reminded the Board of Directors and others of the importance of legal compliance. After becoming aware of the conduct, he has been appropriately fulfilling his duties by making useful suggestions based on his knowledge and experience.</p> <p>He is a member of the Remuneration Advisory Committee.</p>

	Overview of attendance and remarks at meetings, as well as of the duties relating to the role expected for outside directors
	<b>Attendance at:</b> Board of Directors Meetings: 100% (15/15) Audit and Supervisory Committee Meetings 100% (19/19) Remuneration Advisory Committee Meetings 100% (7/7)

## (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 2022 that was resolved by the Board of Directors at the end of the fiscal year ended March 2021. 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% 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).

On the other hand, compensation for 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	261	175	56	30	6
Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors)	30	25	5	–	1
Directors serving as Audit and Supervisory Committee Members (Outside Directors)	67	67	–	–	5

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, who retired due to the expiration of the term of office at the conclusion of the 174th Annual General Meeting of Shareholders held on June 29, 2022.
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 2022	Performance Performance for fiscal year ended March 2022
Consolidated operating profit ratio	3.3%	5.7%
Consolidated rate of return on equity (ROE)	3.9%	20.4%

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 ¥150 million per year (of which not exceeding ¥100 million for Outside Directors) at the 174th Annual General Meeting of Shareholders held on June 29, 2022. The number of Directors serving as Audit and Supervisory Committee Members as of the conclusion of said Annual General Meeting of Shareholders was six (of which five were Outside Directors).

## 5. 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 175th period	122
(ii) Sum of amount the Company and its subsidiaries owe to Accounting Auditor (including the amount set forth in (i))	178

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., 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."

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



## Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>418,427</b>	<b>Current liabilities</b>	<b>182,019</b>
Cash and deposits	107,228	Notes and accounts payable - trade	74,650
Notes receivable - trade	17,476	Short-term borrowings	41,376
Accounts receivable - trade	129,188	Current portion of bonds payable	10,000
Contract assets	8,691	Income taxes payable	4,736
Merchandise and finished goods	40,332	Contract liabilities	3,242
Work in process	33,487	Provision for loss on business of subsidiaries and associates	2,128
Raw materials and supplies	57,173	Other provisions	1,142
Other	25,231	Other	44,745
Allowance for doubtful accounts	(378)	<b>Non-current liabilities</b>	<b>180,382</b>
<b>Non-current assets</b>	<b>238,358</b>	Bonds payable	20,000
<b>Property, plant and equipment</b>	<b>163,156</b>	Long-term borrowings	121,531
Buildings and structures	76,970	Other provisions	226
Machinery, equipment and vehicles	38,569	Lease liabilities	15,493
Land	15,046	Retirement benefit liability	11,941
Leased assets	19,678	Other	11,190
Construction in progress	8,085	<b>Total liabilities</b>	<b>362,401</b>
Other	4,809	<b>NET ASSETS</b>	
<b>Intangible fixed assets</b>	<b>15,090</b>	<b>Shareholders' equity</b>	<b>230,842</b>
Goodwill	6,335	Share capital	53,076
Other	8,756	Capital surplus	26,514
<b>Investments and other assets</b>	<b>60,111</b>	Retained earnings	161,721
Investment securities	30,372	Treasury shares	(10,470)
Retirement benefit asset	480	<b>Accumulated other comprehensive income</b>	<b>39,695</b>
Deferred tax assets	11,837	Valuation difference on available-for-sale securities	2,075
Other	17,547	Deferred gains or losses on hedges	38
Allowance for doubtful accounts	(124)	Foreign currency translation adjustment	39,277
		Remeasurements of defined benefit plans	(1,694)
		<b>Non-controlling interests</b>	<b>23,847</b>
		<b>Total net assets</b>	<b>294,384</b>
<b>Total assets</b>	<b>656,785</b>	<b>Total liabilities and net assets</b>	<b>656,785</b>

**Consolidated Statements of Income**  
(From April 1, 2022 through March 31, 2023)

(Millions of yen)

Item	Amount	
Net sales		806,453
Cost of sales		635,434
Gross profit		171,019
Selling, general and administrative expenses		100,856
Operating profit		70,163
Non-operating income		
Interest income	676	
Dividend income	749	
Share of profit of entities accounted for using equity method	2,055	
Other	1,313	4,793
Non-operating expenses		
Interest expenses	3,056	
Foreign exchange losses	264	
Product repair costs due to customers' claims	303	
Other	3,435	7,058
Ordinary profit		67,897
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	4,218	
Other	587	4,805
Extraordinary losses		
Impairment losses	19,289	
Loss on liquidation of subsidiaries	1,247	
Business restructuring expenses	1,040	
Other	383	21,960
Profit before income taxes		50,742
Income taxes - current	12,408	
Income taxes - deferred	(4,235)	8,174
Profit		42,568
Profit attributable to non-controlling interests		1,678
Profit attributable to owners of parent		40,891

**Consolidated Statement of Changes in Equity**  
(From April 1, 2022 through March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	53,076	28,054	126,530	(10,575)	197,085
Changes during period					
Dividends of surplus			(6,357)		(6,357)
Profit attributable to owners of parent			40,891		40,891
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares				108	108
Change in ownership interest of parent due to transactions with non-controlling interests		(1,548)			(1,548)
Purchase of shares of consolidated subsidiaries		854			854
Change in scope of consolidation		(846)	658		(189)
Net changes in items other than shareholders' equity					-
Total changes during period	-	(1,540)	35,191	106	33,757
Balance at end of period	53,076	26,514	161,721	(10,470)	230,842

	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	1,118	(714)	25,385	(2,381)	23,407	23,165	243,657
Changes during period							
Dividends of surplus					-		(6,357)
Profit attributable to owners of parent					-		40,891
Purchase of treasury shares					-		(2)
Disposal of treasury shares					-		108
Change in ownership interest of parent due to transactions with non-controlling interests					-		(1,548)
Purchase of shares of consolidated subsidiaries					-		854
Change in scope of consolidation					-		(189)
Net changes in items other than shareholders' equity	957	752	13,892	686	16,288	682	16,970
Total changes during period	957	752	13,892	686	16,288	682	50,727
Balance at end of period	2,075	38	39,277	(1,694)	39,695	23,847	294,384

**Non-consolidated Balance Sheets**  
(As of March 31, 2023)

(Millions of yen)

Item	Amount	Item	Amount
<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>Current assets</b>	<b>156,734</b>	<b>Current liabilities</b>	<b>82,599</b>
Cash and deposits	58,327	Notes payable - trade	105
Notes receivable - trade	865	Accounts payable - trade	26,022
Accounts receivable - trade	46,027	Short-term borrowings	12,220
Merchandise and finished goods	5,446	Current portion of bonds payable	10,000
Work in process	9,574	Accrued expenses	8,252
Raw materials and supplies	4,016	Deposits received	17,013
Accounts receivable - other	13,972	Provision for loss on business of subsidiaries and associates	2,128
Short-term loans receivable	16,825	Other	6,858
Other	1,694	<b>Non-current liabilities</b>	<b>147,983</b>
Allowance for doubtful accounts	(12)	Bonds payable	20,000
<b>Non-current assets</b>	<b>186,422</b>	Long-term borrowings	119,001
<b>Property, plant and equipment</b>	<b>73,215</b>	Long-term leasehold and guarantee deposits received	7,468
Buildings	51,458	Other provisions	202
Structures	2,311	Other	1,312
Machinery and equipment	6,447	<b>Total liabilities</b>	<b>230,582</b>
Land	9,710		
Construction in progress	2,295	<b>NET ASSETS</b>	
Other	993	<b>Shareholders' equity</b>	<b>110,606</b>
<b>Intangible fixed assets</b>	<b>2,289</b>	Share capital	53,076
Software	1,406	Capital surplus	28,302
Other	883	Legal capital surplus	13,269
<b>Investments and other assets</b>	<b>110,918</b>	Other capital surplus	15,034
Investment securities	7,551	Retained earnings	39,647
Shares of subsidiaries and associates	87,694	Other retained earnings	39,647
Investments in capital of subsidiaries and associates	12,973	Reserve for tax purpose reduction entry of non-current assets	950
Long-term loans receivable	8,597	Retained earnings brought forward	38,697
Prepaid pension costs	426	Treasury shares	(10,419)
Deferred tax assets	1,496	<b>Valuation and translation adjustments</b>	<b>1,967</b>
Other	526	Valuation difference on available-for-sale securities	1,927
Allowance for doubtful accounts	(8,322)	Deferred gains or losses on hedges	40
Allowance for investment loss	(22)	<b>Total net assets</b>	<b>112,574</b>
<b>Total assets</b>	<b>343,156</b>	<b>Total liabilities and net assets</b>	<b>343,156</b>

**Non-consolidated Statements of Income**  
(From April 1, 2022 through March 31, 2023)

(Millions of yen)

Item	Amount	
Net sales		277,680
Cost of sales		233,312
Gross profit		44,368
Selling, general and administrative expenses		24,671
Operating profit		19,697
Non-operating income		
Interest and dividend income	13,010	
Other	568	13,578
Non-operating expenses		
Interest expenses	1,685	
Interest on bonds	64	
Foreign exchange losses	178	
Financing expenses	388	
Provision for loss on business of subsidiaries and associates	264	
Provision of allowance for doubtful accounts	163	
Product repair costs due to customers' claims	34	
Other	930	3,704
Ordinary profit		29,570
Extraordinary income		
Gain on sale of investment securities	349	
Gain on liquidation of subsidiaries	195	
Other	2	546
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	114	
Business restructuring expenses	85	
Loss on sale of investment securities	48	
Impairment losses	38	
Other	3	288
Profit before income taxes		29,828
Income taxes - current	1,087	
Income taxes - deferred	(2,160)	(1,073)
Profit		30,901

**Non-Consolidated Statement of Changes in Equity**  
(From April 1, 2022 through March 31, 2023)

(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	14,149	15,103
Changes during period							
Dividends of surplus				–		(6,357)	(6,357)
Provision of reserve for tax purpose reduction entry of non-current assets				–	(4)	4	–
Profit				–		30,901	30,901
Purchase of treasury shares				–			–
Disposal of treasury shares				–			–
Net changes in items other than shareholders' equity during period				–			–
Total changes during period	–	–	–	–	(4)	24,548	24,544
Balance at end of period	53,076	13,269	15,034	28,302	950	38,697	39,647

	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	(10,524)	85,958	881	(653)	228	86,186
Changes during period						
Dividends of surplus		(6,357)			–	(6,357)
Reversal of reserve for tax purpose reduction entry of non-current assets		–			–	–
Profit		30,901			–	30,901
Purchase of treasury shares	(1)	(1)			–	(1)
Disposal of treasury shares	105	105			–	105
Net changes in items other than shareholders' equity during period		–	1,046	693	1,739	1,739
Total changes during period	104	24,649	1,046	693	1,739	26,388
Balance at end of period	(10,419)	110,606	1,927	40	1,967	112,574

## **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 175th business year (April 1, 2022 to March 31, 2023). 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) With regard to the performance of duties of the Directors, the results of the internal investigation that originated with a whistleblowing complaint confirmed the improper conduct of the Company's Former Director who served concurrently as the CEO of one of the Company's consolidated subsidiaries in the U.S. Regarding this matter, the Audit and Supervisory Committee acknowledges that the improper conduct occurred.

Except for the aforementioned matter, 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 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 of duties of the Directors and content of the Business Report concerning the aforementioned internal control system.

As stated above, the Audit and Supervisory Committee acknowledges that the improper conduct by the Company's Former Director was confirmed, and will continue to confirm the initiatives for ensuring that fair and appropriate business operations are carried out across the entire Group.

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.

July 31, 2023

Audit and Supervisory Committee of Fujikura Ltd.

Full-time Audit and Supervisory Committee Member:	Koji Naruke	[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.