



FUJIKURA GROUP  
INTEGRATED REPORT

2025

“Tsunagu”  
Technology™



# at a glance Fujikura

## Fujikura's DNA embodies the "Enterprising Spirit" and "Fujikura, a technology leader"

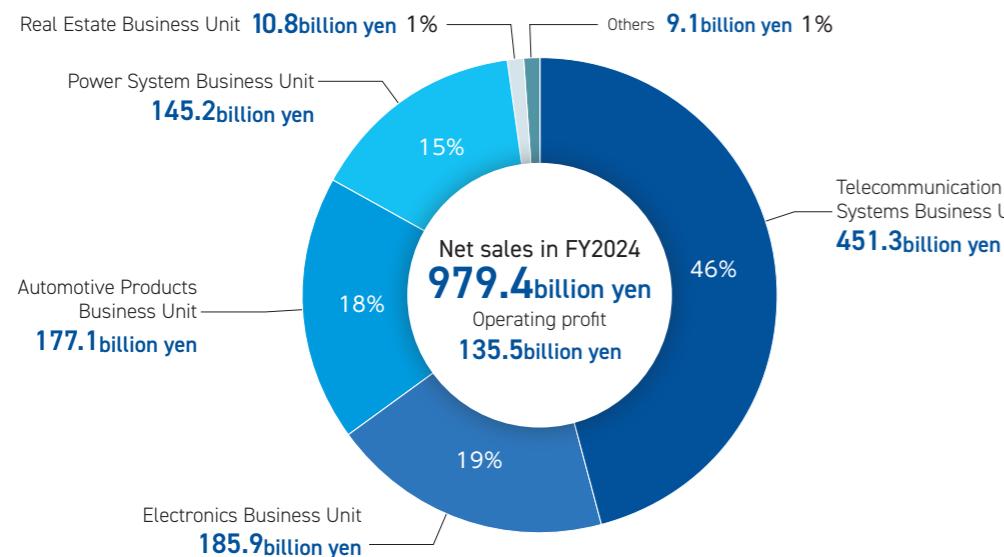
Fujikura was founded in 1885 by Zenpachi. When Zenpachi saw the electric arc light, he foresaw the age of electricity and began manufacturing electric wire using the technology for negake, a women's hair accessory which he was producing at the time.

Since its founding, the Fujikura Group has always had an "Enterprising Spirit" that takes on new challenges and

"Fujikura, a technology leader" which we believe are part of our DNA.

The Fujikura Group values the "Enterprising Spirit" and "Fujikura, a technology leader", and contributes to customer value creation and society through "Tsunagu" (connecting) Technology™.

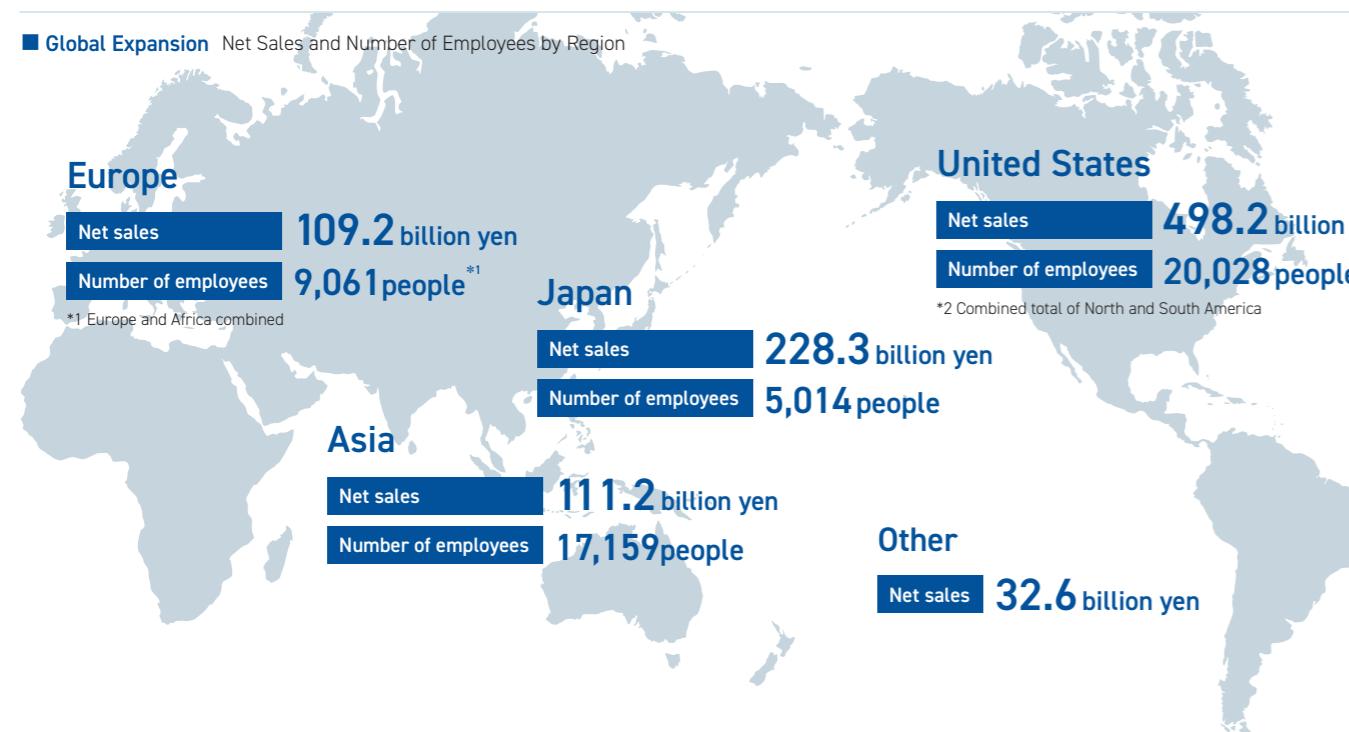
## Business of the Fujikura Group As of the end of March 2025



**Number of employees**  
**51,262 people**

**Ratio of overseas employees**  
**90%**  
**Ratio of Overseas Sales**  
**77%**

**Number of Group companies**  
**121 companies**



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# Fujikura Group Corporate Philosophy (MVCV)

Since the start of our 3rd Era in 2005, we have striven to create new paths based on the Group Corporate Philosophy, MVCV. In a society that is undergoing dramatic transformation, the Fujikura Group resolves to create new paths with renewed strength, in order to become a company with the potential to continue long into the future.

**The only way to create these new paths is to provide a value experience exceeding our customers' imaginations.**

To exceed our customers' imaginations, we must be fully aware of the issues our customers face, and consider everything from their points of view.

To be fully aware of the issues our customers face and consider everything from their points of view, we must strive to acquire a broad range of knowledge and information as highly-active, flexible, and open-minded teams.

Finally, the key factor in following this path is for each of us to proceed virtuously as a member of society.

## Details of MVCV

### Mission

The Fujikura Group's mission is to create exceptional value for our customers around the world using "Tsunagu" (the Japanese word meaning "connecting") Technologies.

We dedicate ourselves to providing exceptional products and solutions, earning our customers' trust and contributing to society.

### Vision

Fujikura's vision is to be the most trusted partner in our markets.

We strive to become the leading player in our markets by utilizing our "Tsunagu" Technologies, and tirelessly developing innovative and useful products and solutions.

Each individual within the company will endeavor to become an essential player, thus developing a team that can truly help Fujikura make its mark on the world stage.

### Core Value

#### Customer Satisfaction

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

#### Change

"Are you willing to take up challenges to drive progress?"

#### Collaboration

"As a Fujikura associate, are you driven to work together with others to deliver the best possible result for our company?"

## Standards of Conduct

### 1 Show interest proactively

Let's proactively take an interest in social and market trends and reflect on our work



### 2 Exceed expectations

Let's always think about how to provide value that exceeds expectations



### 3 Embrace different opinions

Let's be open to diverse opinions and create new ideas



### 4 Drive change

Let's be bold in trying something different



### 5 Aspire first

Let's start with our aspirations and work back from those to calculate what the next action should be



### 6 Take ownership with integrity

Let's be professional and accountable for our own actions



## Activities to Spread Awareness of MVCV

Since its establishment, the Group Corporate Philosophy, MVCV has been progressively promoted among all employees. In FY2024, the following initiatives were implemented:

### Initiatives in FY2024

Participating Entities:  
Fujikura and domestic group companies  
Fujikura Europe Ltd

### MVCV Awareness Month: Activities involving all employees

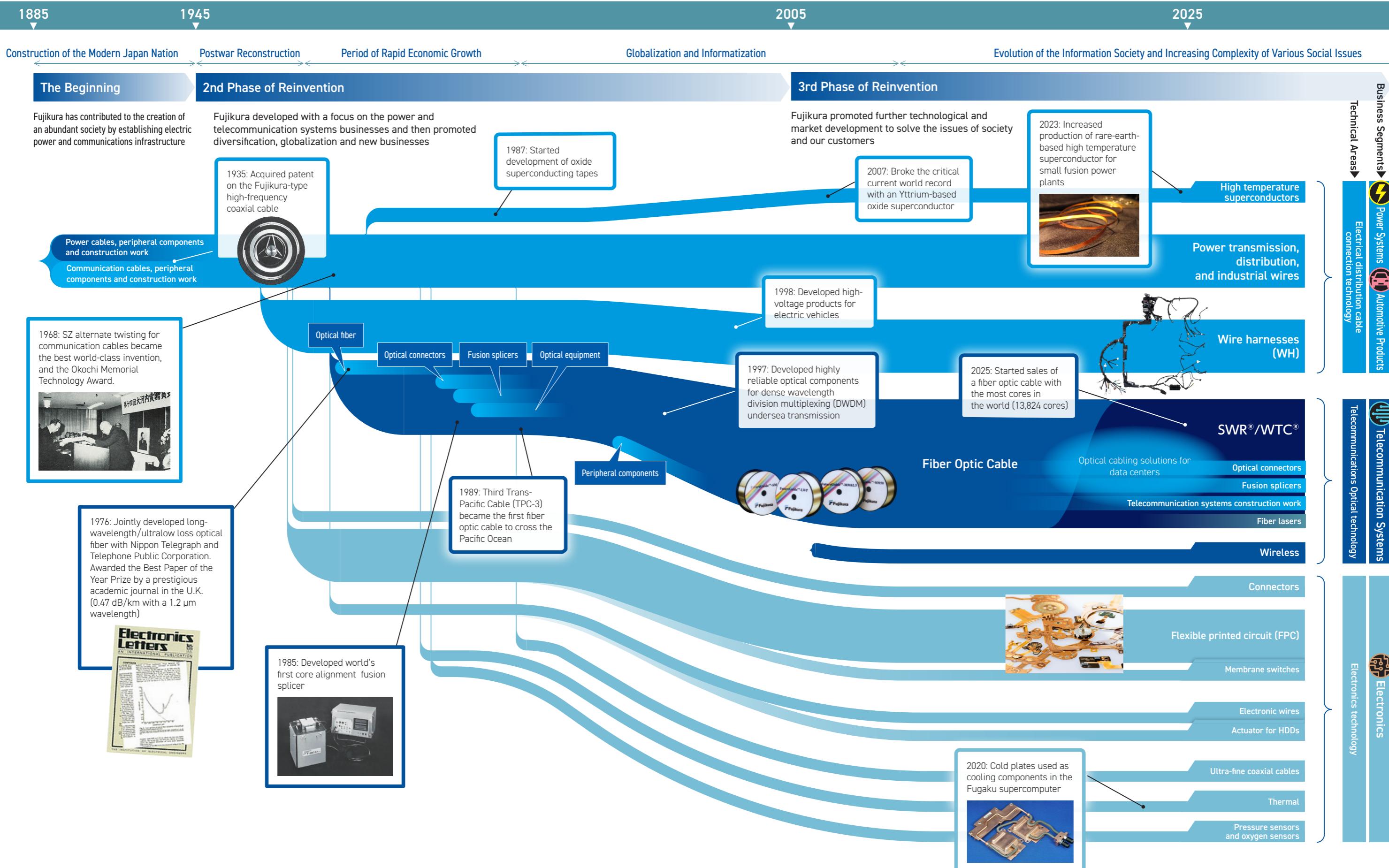
### Development of Workplace Evangelists: To encourage practical application of MVCV at each workplace

### Training by Organizational Level

Employees reflected on and declared their own behavioral standards based on MVCV's Standards of Conducts. These efforts aimed to deepen awareness and empathy toward the values and mindset that Fujikura has long cherished.

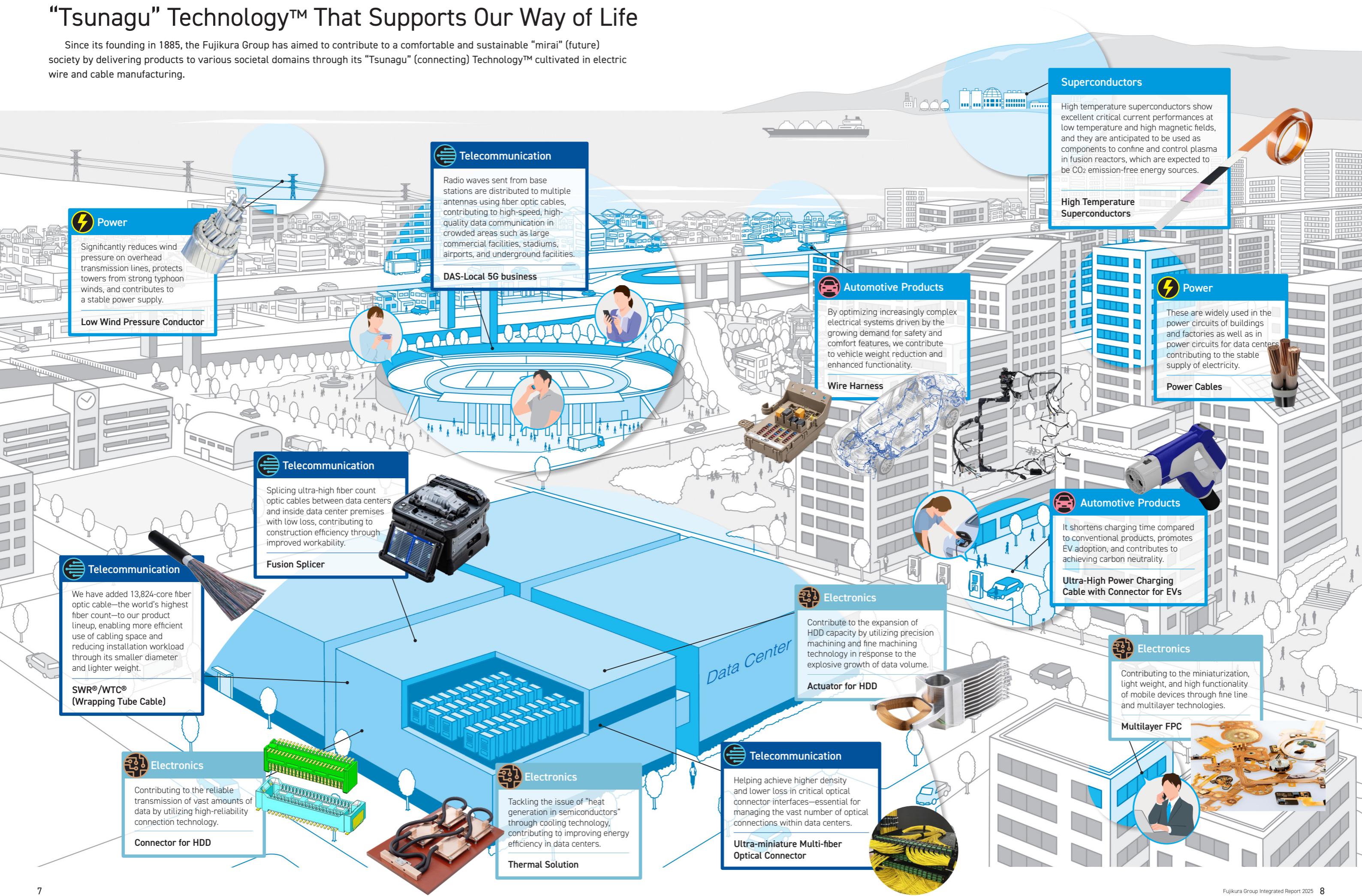
# History of "Fujikura, a technology leader"

Since our founding in 1885, the Fujikura Group has grown by providing value in response to the social challenges of each era and producing various technologies.



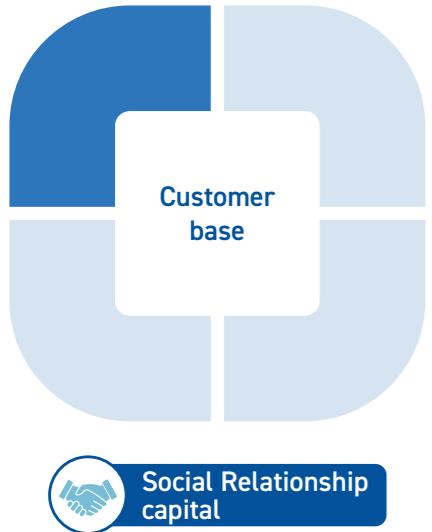
# "Tsunagu" Technology™ That Supports Our Way of Life

Since its founding in 1885, the Fujikura Group has aimed to contribute to a comfortable and sustainable "mirai" (future) society by delivering products to various societal domains through its "Tsunagu" (connecting) Technology™ cultivated in electric wire and cable manufacturing.



# Strengths of the Fujikura Group

The Fujikura Group has solved social issues and developed its business over a history spanning 140 years. At its foundation lies the DNA of the Fujikura Group: "Enterprising Spirit" and "Fujikura, a technology leader". With four distinctive strengths derived from this DNA, the Group continues to contribute to resolving customers' and societal challenges.

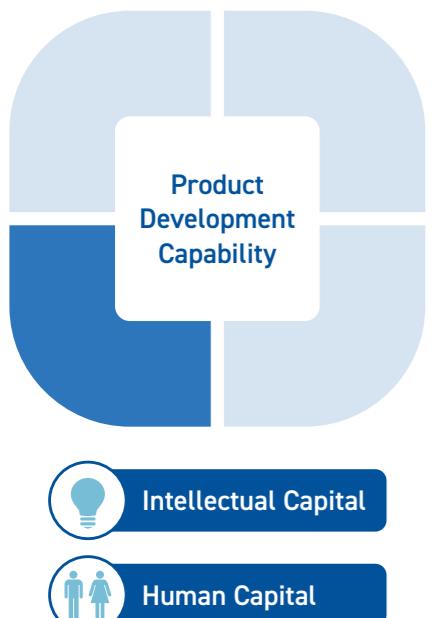


Developing solutions together with customers for products and services that meet social challenges and the needs of client companies

- Long-term trust relationship with customers
- Achievements and market share as a leading supplier
- Reliability as a leading global company

## Providing solutions to premium customers across diverse industries globally

- Providing hyperscalers with ultra-high-density optical cabling technologies and solutions to support storage of massive volumes of data
- Providing major telecommunications carriers, primarily in Europe and the U.S., with optical cabling solutions centered on SWR®/WTC® technologies
- Providing products that meet the demands for high density, high precision, and multifunctionality of information terminal manufacturers
- Providing products and solutions that cater to the needs of global automobile manufacturers



Based on the needs of society and customers, realizing rapid commercialization and product development through extensive technical capabilities

- Creating industry-first or top-level products to achieve differentiation that leads to customer value
- Multifaceted Core Element Technology Groups

## Various top-level products and solutions across categories



## Creating businesses that contribute to carbon neutrality

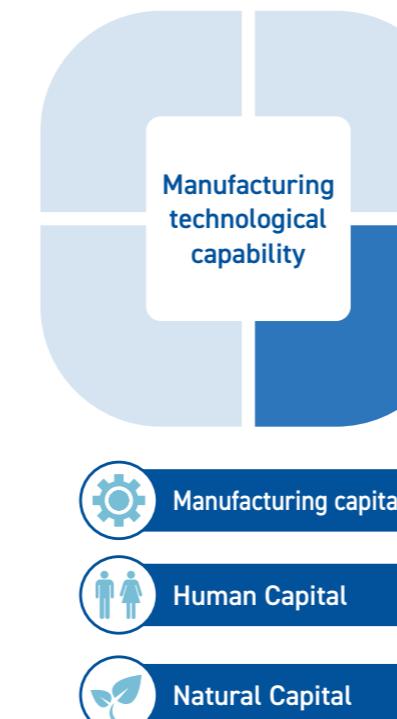


Ensuring stable profits by responding quickly to changes in the business environment and improving corporate value by maintaining a strong financial position

- Management with an awareness of the cost of capital
- Cost control adapted to changes in the external environment
- Appropriate marginal profit management

## Initiatives for Improving ROIC

- Improving working capital turnover days using the cash conversion cycle (CCC) as a KPI
- Improving fixed asset turnover by making strict investment decisions for each project
- Creating an ROIC tree by hierarchy, managing budget and performance in detail by business unit and subsegment, and, based on multifaceted and multi-dimensional analysis such as comparison with benchmark companies, formulating measures to improve capital efficiency



We establish manufacturing technological capabilities that enable product development integrated with the development of manufacturing equipment, resulting in products that are difficult for other companies to imitate.

- Combining various technologies, we self-develop manufacturing equipment and molds
- Ensuring stable quality and supply capacity

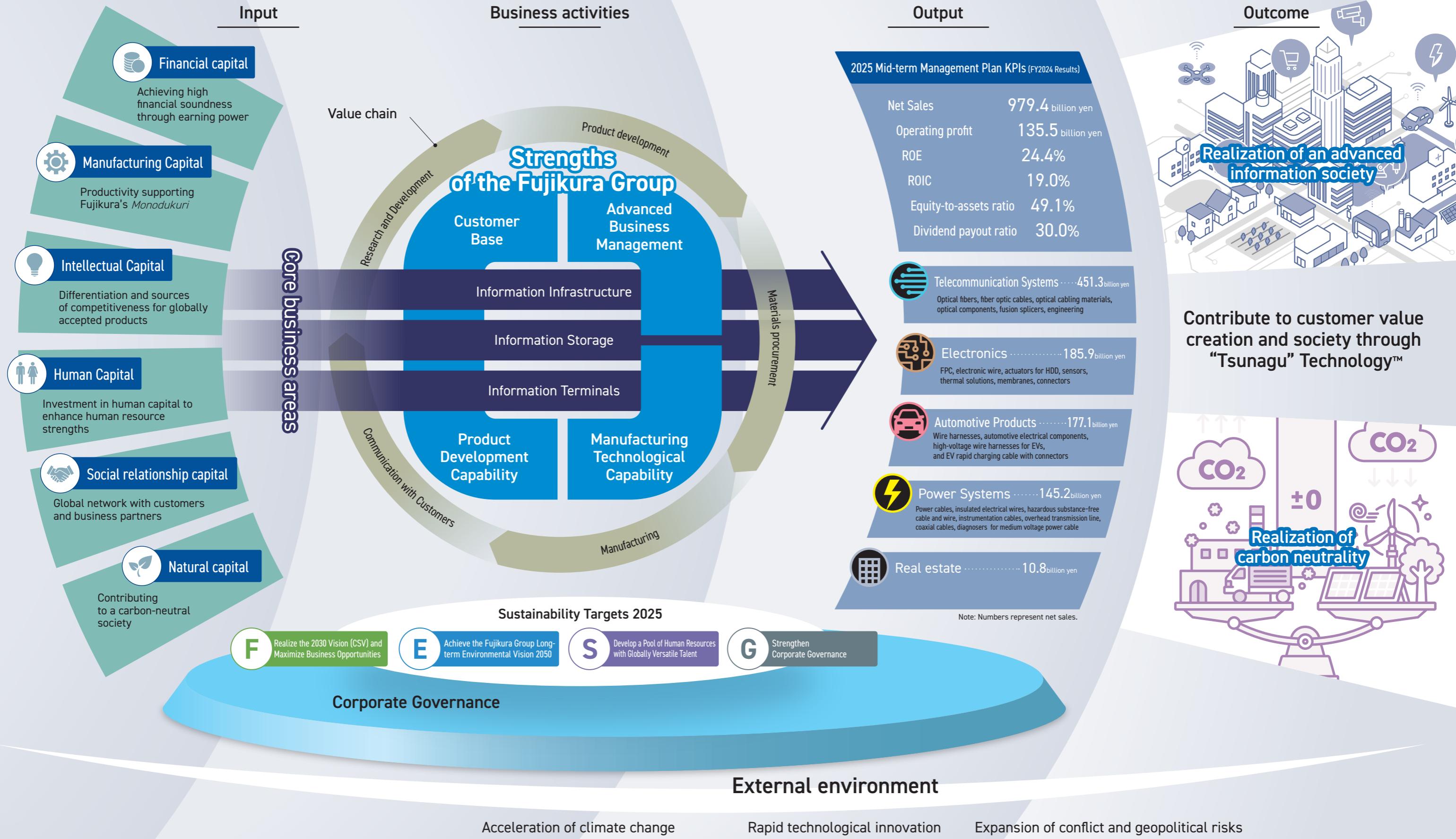
## Completion of the SWR Factory at Sakura Works

- Meeting the increasing demand for optical broadband and data centers, production of the SWR® process has commenced at the new Sakura factory
- Utilizing our own manufacturing equipment and digital transformation (DX) in manufacturing, we are strengthening our production capacity to meet growing demand and pursuing high quality and productivity
- Actively adopting GX (Green Transformation) technologies aiming to achieve carbon neutrality



# Value Creation Process

## Corporate Philosophy



# Capital that drives the business model

The Fujikura Group will create value with our unique business model by utilizing six types of capital based on the Fujikura Group's corporate philosophy MCV.

Achievements for FY2024



# Stakeholders of the Fujikura Group

The Fujikura Group recognizes the importance of co-creating value with various stakeholders to achieve its value creation and the realization of a sustainable society.

Prioritizing dialogue with stakeholders, we will continue to fulfill social responsibilities such as creating safe and secure products and services, respecting human rights, and engaging in environmentally conscious corporate activities, thereby co-creating value with stakeholders.



## Custmers/Clients

We sincerely listen to customer feedback, develop products and solutions as a responsive partner, and create customer value and contribute to society.

- Product development desired by the customer and dialogue for that purpose
- Response to the Customer CSR Survey and Audit
- Product Exhibition and Online Seminar
- Website

**U.S. subsidiary AFL won an award in a contest that determined the "Coolest" product made in South Carolina in 2025.**

In the South Carolina Manufacturing Alliance's "Manufacturing Madness" contest, which selected the "Coolest" product made in South Carolina in 2025, AFL Telecommunications LLC's Ultra HD MicroCore SpiderWeb Ribbon Fiber Optic Cable was awarded.



## Fujikura employees

Through bidirectional communication with employees, we aim to revitalize the organization and enhance corporate value.

- Publishing internal and Group newsletters
- Information dissemination through the intranet
- Dialogues between management and employees\*
- Consultation with the labor union
- Whistleblowing System and Consultation Desk

**Sakura Works held a child wonder tour**

At Sakura Works, we organized the "Kids Waku Waku Tour" to provide an opportunity for employees and their families to interact. This event aims to deepen children's understanding of work by showcasing their working parents, fostering family bonds, and improving communication within the household.



\*Town meetings and monthly online meetings with the CEO



## Investors and Shareholders

We contribute to the continuous enhancement of corporate value through fair information disclosure, constructive dialogue, and advanced management based on this dialogue.

- Meeting for Investors and Analysts
- Thematic meeting
- Briefing session for individual investors
- Analyst, Investor Relations Meeting

### Sustainability Briefing

In February 2025, the CTO explained to analysts and investors about efforts in technological development that focus on one of the company's competitive advantages, "technological capability," aiming at the realization of a sustainable society and the growth of the Fujikura Group.



## Suppliers

Based on procurement that respects human rights and considers the environment, we aim for co-creation of value across the entire supply chain.

- Partners Meeting
- Supplier Questionnaire
- Supplier's website (e.g., disaster investigation)

### Tokyo/Shanghai/Bangkok Partners Meeting

We also share topics related to ESG with our suppliers, including the importance of human rights due diligence in the supply chain, such as addressing conflict minerals, and providing information on responding to climate change.



## Community and Administration Governments (Global Environment)

We aim to contribute to society and the global environment through co-creation with partners such as governments, NPOs, and NGOs.

- Dialogue and interaction with the community
- Dialogue with experts and NPO/NGO organizations
- Participation in Environmental Initiatives
- Environmental conservation activities

### Support initiatives for handicapped people at Fujikura Gakuen

The Fujikura Group continues to support "Fujikura Gakuen," a social welfare corporation established in 1919 to aid individuals with intellectual disabilities, through contributions from the company and its employees. In 2024, we also held fundraising activities and a direct sales event at Fujikura headquarters featuring products manufactured by the residents, such as pound cakes and cookies.



## Message from the CEO

# Advancing to a New Stage of Growth to Create Customer Value and Contribute to Society

**Naoki Okada**

Representative Director, President and CEO

In FY2024, the Fujikura Group achieved record highs in both net sales and net income. This was the second consecutive year of record net sales and the fourth consecutive year of record net income. It is a remarkable accomplishment that nearly every business segment reached the targets of our Mid-term Management Plan (2025 Mid-term Management Plan), launched in FY2023, a full year ahead of schedule.

Our recovery from the management crisis of FY2019, when we posted a net loss of 38.5 billion yen, was driven by structural reforms built on the 100-Day Recovery Plan. As a result, we are now a far more resilient company than we were five years ago. Even our Automotive Products business, which had been in the red for a long time, returned to profitability in FY2023 following structural reforms and is now on stable footing.

## Achieving Further Growth Through Selective Resource Allocation

A favorable business environment also provided strong tailwinds. Among our business segments, the Telecommunication Systems business delivered robust growth. The rapid spread of generative AI fueled a surge in data center investment, driving sharp increases in shipments of our optical cabling solutions, including fiber optic cables and optical connectors. Although uncertainties remain due to conflicts in the Middle East and Europe, demand in the data center market shows no sign of slowing, and we expect this favorable environment to continue for some time.

This fiscal year is the final year of the 2025 Mid-term Management Plan. However, since we nearly achieved the plan's final-year targets already in FY2024, we are treating this year's plan separately from the 2025 Mid-term Management Plan. We intend to step up investment in growth businesses, human capital, and other areas for the future, while also increasing shareholder returns now that our cash flow

position has strengthened significantly. This year's plan serves as a bridge to the next Medium-Term Management Plan. At the same time, we will continue to focus on the core business domains defined under the 2025 Mid-term Management Plan—Information Infrastructure, Information Storage, and Information Terminals—and to pursue new businesses under Beyond2025, including high temperature superconductors and fiber lasers. We will also explore new business domains for the next stage, seeking to drive further growth and enhance corporate value through selective resource allocation.

Looking at the Telecommunication Systems business in particular, we do expect data center demand to continue expanding. Over the longer term, however, we see the need to keep strengthening our core infrastructure business while shifting more of our focus from the traditionally strong markets of Europe and the U.S. to emerging countries. Fiber-optic penetration stands at 99.8% in Japan and around 60% in Europe and the U.S., but remains much lower in emerging countries, where we see significant future potential. While short-term profits are important, sustainable growth requires us to begin preparing for these markets now.

That said, emerging countries have different characteristics from developed markets. Our strategic product, the SWR®/WTC® fiber optic cable, is thin, lightweight, and easy to install. In developed markets, its advantages enable telecom operators to utilize existing underground conduits without incurring costly new construction of conduits, telephone poles, or other civil engineering works, resulting in significant cost savings. In many emerging countries, however, neither conduits nor poles exist in the first place, making civil engineering unavoidable. As a result, lower-cost cables are often preferred over high-value-added products like SWR®/WTC®. To capture a share in emerging countries, we must further refine our manufacturing technologies and develop new products tailored to these needs. To this end, we are developing next-generation manufacturing technologies aimed at dramatically improving productivity.



## Customer Base and Business Management as Sources of Strength

I have often said that Fujikura's strength lies in combining both product development capability and manufacturing technological capability. Today, however, I would add two more: our customer base and advanced business management.

In our infrastructure business, our clients are primarily leading public utility companies, including electric power and telecom operators. Likewise, in our Automotive Products and Electronics business units, we serve top-tier companies. In the data center-related business, most of the world's top 10 companies by market capitalization are Fujikura Group customers. Having such clients rely on our products and technologies is undeniably one of our strengths, and this high-quality customer base is a valuable asset for us.

Another strength is advanced business management. I believe management requires continuous improvement, and

we refine our management practices every year. For example, we standardized the format of materials used in management plan discussions and unified the perspective for analyzing management and business performance. We also improved visibility so that when monthly results diverge from plan, we can determine whether the discrepancy is due to higher sales, lower costs, or improved margins, enabling fact-based discussions. As a result, problems have become easier to identify, and discussions are more productive.

We have also restructured the management structure itself. In the past, directors were drawn from the heads of each business unit, making it difficult to optimize companywide decisions. Today, only the CEO, CTO, and CFO serve as inside directors responsible for execution. Because they are not representing individual business unit profits, decisions for overall optimization can now be made more quickly.

At our Annual General Meeting of Shareholders in June, we also resolved to increase the number of outside directors

who are not Audit and Supervisory Committee members. We expect these individuals, with their management experience, to provide advice from a leadership perspective and play the role of stepping on the accelerator. This will enable a governance structure capable of proactive management. At the same time, Audit and Supervisory Committee members are expected to offer guidance from a financial and accounting perspective, serving as a check. In this way, we aim to maintain balance in our management.

### Achieving Further Strengthening of *Monodukuri* Capabilities

Technology is often tied to people. From my own experience, there are cases where a particular technology is inextricably linked to a specific individual. Ideally, processes could be systematized to prevent such dependence, but in reality, that is not easy. This makes developing outstanding engineers more critical than ever.

At the same time, opportunities in Japan to cultivate talent in manufacturing technology are becoming harder to secure. Nearly all production of our SWR®/WTC® takes place in Japan, which has enabled us to manufacture high-value-added products while also developing the necessary talent and passing on our expertise.

Considering the importance of Fujikura retaining key technologies in-house and the role of developing human resources, I believe that Fujikura should continue to maintain production in Japan, even at somewhat higher cost, and at the very least should preserve a domestic production base as a mother factory.

In my view, development alone does not sustain technology. Without a certain level of mass production, technology cannot endure or be fully mastered. By engaging in manufacturing at a mother-factory level, even on a small scale, we can foster outstanding engineers. On the other hand, it is equally essential to transfer technology overseas, adapt operations to local cultures, and help build skills locally. By intentionally pursuing both approaches, we can sustain Fujikura's competitive advantage in technology.

### Resilience to External Change and Contribution to Carbon Neutrality

The tariff policies of the Trump administration in the U.S. were unprecedented, making it extremely difficult to anticipate external changes. Some factors are within our control, while others are not. But if we simply dismiss external changes as beyond our influence, progress stops there. When conditions shift, what matters is developing the skills to recognize those shifts quickly and respond effectively.

While the infrastructure market is relatively stable, the automotive business once appeared equally so. In the past, winning orders for a new model ensured stable demand until its redesign. Today, however, we see major changes, most

notably, the sudden slowdown of EVs despite all the initial excitement. This is a significant shift for Fujikura as well.

The key, therefore, is to keep our antennae up, detect change as early as possible, and remain flexible in our responses, even to challenges that lie beyond our direct control.

Carbon neutrality, too, has become less predictable following recent policy shifts under the Trump administration. Yet global environmental issues remain among humanity's greatest challenges, which also means they hold potential business opportunities. Our Beyond2025 initiatives are chosen with this firmly in mind.

We are reducing CO<sub>2</sub> emissions from business activities through three approaches: energy conservation, in-house power generation, and purchasing renewable energy. Energy creation involves producing our own energy, for example, by installing solar panels. Energy purchase means supplementing with renewable energy bought externally.

Beyond these efforts, Beyond2025 also aims to contribute to carbon neutrality through our businesses themselves. Our greatest expectation lies with fusion energy, using our high temperature superconductors. Fusion energy generates power by fusing deuterium and tritium, abundantly available in seawater, without emitting CO<sub>2</sub> or producing high-level radioactive waste. For resource-scarce Japan, this technology holds immense promise. If realized, it could provide an energy source far safer and cleaner than nuclear power.

Until just four or five years ago, fusion energy was expected to become a reality around 2050. Thanks to accelerated global research, predictions now suggest it could arrive in the 2030s. If fusion energy becomes widespread, demand for high temperature superconductor could grow a thousandfold within 30 years. That scale of growth is a challenge, but we have already experienced responding to a similar surge when optical fiber demand expanded a thousandfold over 30 years. Naturally, prices will fall as demand increases, so productivity gains must also rise in tandem. We are already preparing for this. Looking ahead, fusion-related business could well become a powerful new growth engine for the Fujikura Group.

### Human Resource Development and Special Assignment Projects

With our strong performance, I have had more opportunities to appear in the media recently, and I sense that awareness of the Fujikura Group is rising. In both new graduate and mid-career hiring, we are hearing more applicants say they are familiar with Fujikura and that it is their first choice.

Recruiting and developing talent is a critical priority for us. About five years ago, we launched a program to solicit employee ideas for creating new businesses and strengthening existing ones, one of its primary goals being talent development. Under this program, employees can bypass their supervisors and bring promising ideas directly

to me. We currently have five such projects underway, and we continue to accept new ideas. I meet with project members about once every two months to give feedback and advice, and some of the ideas are bold enough to surprise me with how unconventional they are for Fujikura. In principle, the proposer becomes the project leader, which is highly effective for developing leadership skills. I am confident that some of these individuals will grow into the next generation of management leaders.

Additionally, we continue to offer management development programs. From a young age, candidates are placed into a pool and educated with the clear expectation of becoming managers, and from this program, many have advanced to division manager and corporate officer positions. I myself was part of the very first class.

One of Fujikura's strengths is the ability of employees to unite around a clear direction once they understand and embrace it. I saw this during the management crisis five years ago. It was due to these qualities that we not only overcame the crisis in such a short period but also went on to achieve record-high results. That is why, in the 2025 Mid-term Management Plan, I defined three priority areas, clarified our direction, and made it a point to communicate clearly to employees both why we are pursuing it and how we will

achieve it.

I want our future leaders to develop the mindset and skills to communicate the story behind our goals. If they can do this, employees will not feel compelled to act but will move forward with high motivation in the same direction. This, I believe, is ideal. I am also working to create an environment where employees can unite common goals.

This year marks Fujikura's 140th anniversary. In 10 years, we will celebrate our 150th. Looking toward that milestone, we are committed to making further contributions to society through our technologies.

Just as optical fiber once changed the world, I believe superconductivity has the potential to do the same. The Fujikura Group will continue to refine its technologies to meet the expectations of our stakeholders.

We also have a responsibility to repay those who supported us during the management crisis, including our employees. Our recent strong performance is first and foremost thanks to the dedication of our employees. I believe that passing down stronger businesses, better products, and an even better company to the next generation is the greatest form of repayment. With this as our motivation, the Fujikura Group will continue to challenge itself with full commitment.

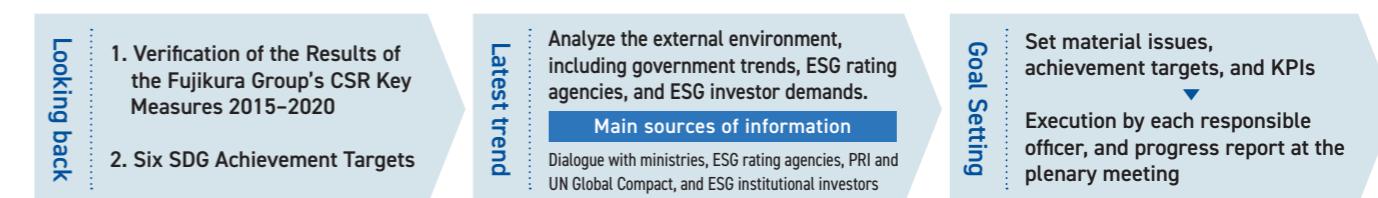


# Materiality of the Fujikura Group

As part of its sustainability strategy, the Fujikura Group has set forth the Sustainability Targets 2025 (see table below). These targets are organized into four themes—ESG plus “F” (Finance/Future)—and comprise 16 key initiatives. The goals were formulated with reference to domestic and international social issues, global guidelines, evaluation criteria used by

ESG rating agencies, and input from stakeholders, while also being aligned with the Fujikura Group’s long-term vision (2030 Vision and the Fujikura Group’s Long-term Environmental Vision 2050). We aim to contribute to improving corporate value by progressing and achieving these goals.

## Sustainability Targets 2025 Identification Method

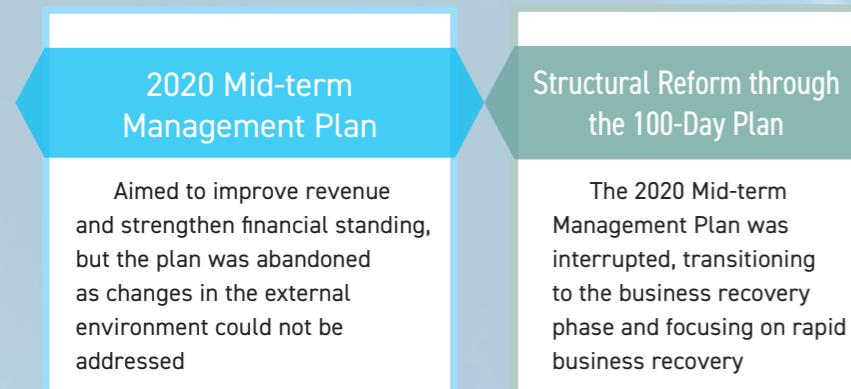


Theme	Priority Measures	Goals for FY2025 and Future Achievements			Main Achievements for FY2024
<b>F = Financial Future</b>	Solve problems in a comfortable and sustainable “Mirai” (future) society by providing “Tsunagu” (connecting) solutions and thereby continuously enhance our corporate value	Explore new businesses across the four areas envisioned in the 2030 Vision	1. Evolution and Development of Core Technologies in Existing Businesses  2. Exploration of new technologies and business fields	Develop core technologies to create products and services with high social value Provide products and services with a high willingness-to-pay (WTP)  Exploration of business opportunities by complementing product sales with experience-based services, while leveraging open innovation	The development multi-core fibers and fiber lasers is being advanced in close collaboration with customers Particularly with fiber lasers, we have begun exploring new applications with customers, such as processing difficult-to-process materials  To achieve the early practical application of fusion energy (nuclear fusion power generation), we will enhance the production capacity of high temperature superconductors, a key component for it. We will also contribute to the advancement of global initiatives by addressing the increasing demand for high temperature superconductors, while creating our new business opportunities.
	Development of environmentally conscious products that can be used with peace of mind	By 2050, we will replace all of Fujikura’s products with environmentally friendly products (green-related products).  By 2030, we will expand our environmentally friendly products creation activities across all Group companies			Achieved 67% sales ratio for our environmentally friendly products  We have started discussions at the Global Environment Committee of Fujikura, and began understanding the current situation and identifying issues in creating environmentally friendly products for it.
	Use data and digital technologies to improve the efficiency of existing businesses and create new business models	DX (Digital Transformation) at manufacturing sites (smart factory transformation, AI utilization)  DX in the Sales Division			To expand the applicable scope of AI inspection, existing AI inspections will be deployed to new models, and the development of the AI inspection system for SWR will be continued.
<b>E = Environment</b>	[Challenge 1] Zero CO <sub>2</sub> emissions at plants by 2050	Reduction of CO <sub>2</sub> emissions	Scope: SBT-certified boundary except for America Fujikura Ltd. (AFL) Group, Fujikura, and domestic/overseas Group companies	2025 Target: Reduction of 16.5% or more compared with 2020 (less than 289 thousand tons/year) 2030 Goal: Reduce by more than 33% compared with 2020 2050 Goal: Zero CO <sub>2</sub> emissions at plants	The target for FY2024 was a reduction of more than 13.2%, and a reduction of 31% has been achieved (compared with FY2020)
		Improve production efficiency and promote energy conservation	Scope: Fujikura Group (domestic and International)	Energy consumption: Improve by more than 5% by FY2025 compared with FY2020	Improved 7.7% compared with last year but still fell short of the target
		Improvement of product logistics efficiency	Target Scope: Fujikura Group (domestic)	Energy efficiency of product logistics: Improve by at least 5% in FY2025 compared with 2020 levels	The 2024 annual unit consumption achieved a reduction of 1% compared with the previous year, reaching 60.9.
	[Challenge 2] Minimize use of water at plants and wastewater management	Contribution to reducing water-related risks		Water usage intensity: Improve 5% or more by FY2025 compared with FY2020	Due to an increase in water usage following the rise in production volume, the 2024 target of a 4% improvement (compared with 2020) was not met, achieving only a 0.1% improvement (domestic)
	[Challenge 3] Symbiosis between plant factory workers and nature	Effectively utilize the nature within the premises to contribute to the expansion of biodiversity			No occurrence of environmental accidents Started collecting information from overseas locations Conducted environmental audits at 16 domestic locations.
		Promoting activities to preserve the local natural environment			
	[Challenge 4] Effective use of resources and resource cycle	Reduce resource inputs, and promote the efficient utilization of resources	Scope: Fujikura Group (domestic and international)		Amount of recycled materials used: Achieved 10,759 tons against a target of 10,000 tons (domestic)
		Reduction of waste emissions associated with business activities	Scope: Fujikura Group (domestic)	Waste emission intensity: Improve 5% or more by FY2025 compared with FY2020	Achieved an improvement of 11.5% against the target of a 4% improvement compared with FY2020 (domestic)
		Achievement of Zero Emission Waste	Scope: Fujikura Group (domestic)		Regarding the goal of zero landfill and simple incineration, the landfill rate is 0.8%, which falls short of the target (domestic). This is due to the necessity of relying on landfill disposal for components of special products.
<b>S = Society</b>	Establishing Climate Change Governance (TCFD Correspondence)	Understanding climate change risks and opportunities Assessing the impact on strategy and finance			Implemented information disclosure using the TCFD framework in securities reports and integrated reports. Strategic analysis for each business is conducted, and the quantitative financial impact assessment is currently under consideration
	Transformation of Work Motivation and Fulfillment (Engagement Enhancement)	Each Fujikura employee grows as a person through self-realization and leads a fulfilling life both personally and professionally		Enhancing employees’ voluntary willingness to contribute Establishing an environment for work styles not tied to time or place Improving motivation through health-focused management Increasing labor productivity	Telework utilization rate: 43.8% (Fujikura) Certified as a Health and Productivity Management Outstanding Organization 2025 (Large Corporations Division)
	Development of human resources capable of active contributions globally	All employees of the Fujikura Group are actively working with a global perspective		A corporate culture where the growth of the company and its employees are synchronized Develop, discover, and acquire talented individuals who can lead creative innovation Support autonomous career building and provide growth opportunities Become an organization where employees recognize and elevate each other, emphasizing individual respect and trust	Percentage of overseas assignments among corporate planning career track employees (Ratio of experienced individuals): 19.7% (Fujikura) Voluntary training participation Total number of exam takers (including exams such as TOEIC, online English conversation/video learning services, external training courses, and correspondence education): 1,534 participants (Fujikura) *Note: In 2023, there were 1,327 participants.
<b>G = Governance</b>	Diversity & Inclusion (Consideration for Employee Rights)	People with diverse backgrounds and ways of thinking are thriving		Goals (by FY2025): Women in managerial positions: 5.6% or above (Fujikura) Women assistant managers ratio: 16.0% or above (Fujikura)	Percentage of women in managerial positions: 5.1% (Fujikura) Percentage of female assistant managers: 19.5% (Fujikura) Employment rate for handicapped individuals: 2.74% (Domestic)
	Enhancing the Effectiveness of the Board of Directors’ Meeting	Enhancing the effectiveness of the Board of Directors’ meeting and strengthening its supervisory function Improving management transparency and fairness, while ensuring prompt decision-making Securing diversity within the Board of Directors Supervising the formulation and implementation of succession plans Appropriately overseeing development plans			Analysis and evaluation of the Board of Directors’ meeting effectiveness questionnaire conducted by a third-party organization
	Implementation of the Group Corporate Philosophy MCV	Realizing the Group’s Corporate Philosophy through the Practice of New Standards of Conduct			Operation of the managerial talent pool: Number of participants in the managerial talent development program: 136 (Fujikura) *Note: Cumulative number of people who have participated in this program since FY2020
	Building Group Governance (Enhancing Risk Management)	Establishment of a risk management system to contribute to strategic management and risk control (PDCA), and enhancement of investment management			In FY2024, initiatives such as training workplace evangelists and conducting grade-based training sessions were implemented to ensure full participation of employees in the practice of MCV. These initiatives also were conducted within domestic Group companies as well as FEL
	Supply Chain Management (including responsible mineral sourcing)	Establishing supply chain management that considers social issues (such as child labor and forced labor) Establishing a framework for responsible mineral sourcing (due diligence systems covering 3TG, as well as cobalt, mica, etc.) Achieving zero external criticisms from NGOs and others (or ensuring early remediation when issues are raised) Collaborating with other companies (learning from their initiatives and applying the insights to our own efforts)			Conducted a supply chain survey with 114 suppliers and provided feedback to business partners Held Partners Meetings in Tokyo, Shanghai, and Bangkok, with a total of 351 participating companies Revised the CSR Procurement Guidelines in line with the RBA Code of Conduct ver. 8 and communicated them to business partners
	Strictly enforced security export control	Strengthening the compliance system in export management		Improvement of the effectiveness of export control audits	No significant legal violations Conducted trade management audits including both domestic and international Group companies

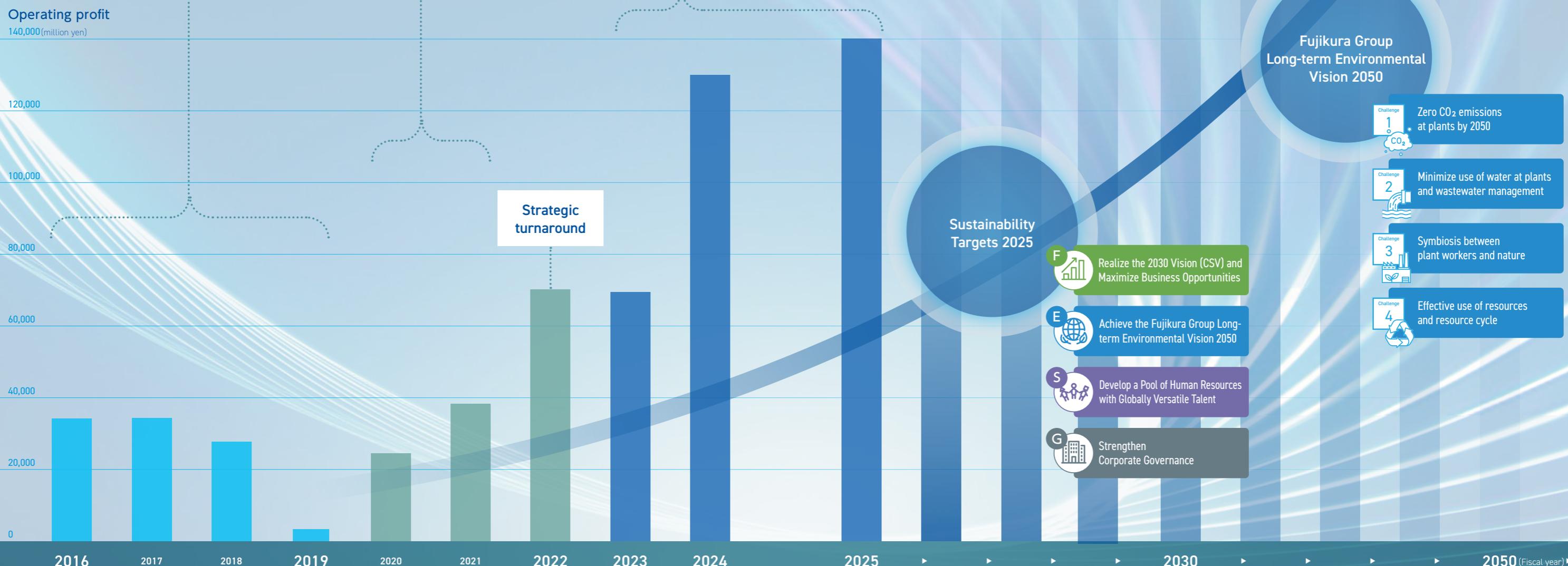
## Overall Strategy

# Roadmap for the Medium- to- Long- Term Growth of the Fujikura Group

The Fujikura Group, together with its stakeholders, has been steadily advancing management planning with the aim of creating customer value and contributing to society through "Tsunagu" Technology™. We will continue to strive for further growth and the realization of a sustainable society.



**Contribute to customer value and society through "Tsunagu" Technology™**



## Overall Strategy

# Reflection on Past Mid-term Management Plans and the 2025 Mid-term Management Plan

After undergoing a two-year business recovery phase starting in FY2020, the Fujikura Group announced its first medium-term management plan (2025 Mid-term Management Plan) following the transition to a sustainable growth phase in May 2023. In the 2025 Mid-term Management Plan, the Fujikura Group bases its strategies on the "Tsunagu" Technology™ that it has cultivated.

We have positioned the three fields of "Information Infrastructure," "Information Storage," and "Information Terminals," through which we can leverage foundational and core technologies, as core business areas, and aim to develop a highly profitable corporate group by concentrating our management resources into these areas.

## FY2016 - FY2019

### 2020 Mid-term Management Plan

Due to an excessive focus on expanding the scale of business, responses to changes in the external environment and governance improvements lagged, leading to the abandonment of the plan's execution

#### Overview

To become a highly profitable company, we are focusing on key initiatives such as business growth through deepening relationships with strategic customers, acquiring new business opportunities, accelerating the creation of new businesses, and pursuing open innovation. Initially, we aim to improve profitability and achieve results that strengthen our financial health; however, over time, we intend to increasingly fixate on expanding the scale of our business.

#### Main measures

- Healthy growth focused on profitability
- Metabolism aimed at becoming a customer value creation company
- Strengthening Corporate Governance

#### Goal

KPI	2020 Mid-term Management Objectives (Initial Plan)	FY2019 performance
Net Sales	900.0 billion yen	672.3 billion yen
Operating Profit Margin	7.0%	0.5%
ROE	10.0% or more	-20.9%
D/E ratio	0.66times	1.71times

#### Looking back

Due to the rapid expansion of our business scale, there was an overemphasis on specific markets and customers, resulting in delayed adaptation capabilities and response to governance improvements, hindering responsive actions, causing performance deterioration, and leading to the abandonment of plan execution.

#### Issues

- Enhancement of profitability for businesses capable of adapting to external environmental changes
- Creation of new businesses to replace existing ones
- Strengthening Corporate Governance

## FY2020 - FY2021

### Structural Reform through the 100-Day Plan

Transitioned to a recovery stage, concentrated on rapid business recovery

#### Overview

Abandoned the execution of the 2020 Medium-term Plan in FY2020, adopting "focused on rapid business recovery" as a fundamental strategy concentrating on "unreserved selection and concentration of existing businesses" and "strengthening governance" in compliance with structural reforms.

#### Main measures

- Revision of our business portfolio and business strategies
- Reduction of fixed costs and sale of idle assets
- Enhancement of Corporate Governance

#### Looking back

We engaged in a recovery plan, and the results of organizational reforms within the company have become apparent; however, the external environment remains challenging. We aim to define the role of problematic businesses and prepare for a growth phase.

#### Main Achievements

- Formulation and execution of a business recovery plan exceeding 100 items
- By the end of FY2022, achieve a reduction in fixed costs exceeding 15 billion yen compared with FY2019
- Restructuring management will concentrate authority on the CEO and COO while strengthening the supervisory functions of the Board of Directors

#### Challenges

- Growth investment for the growth phase
- Sowing seeds for new business

As a certain level of progress was achieved in business structural reform, we transitioned to a strategic turnaround from FY2022 and formulated the 2025 Mid-term Management Plan.

## FY2023 - FY2024

### 2025 Mid-term Management Plan

Focus strategic resources on three core business areas and aim to become a highly profitable corporate group, achieving the plan ahead of schedule by FY2024

#### Summary

With "Tsunagu" Technology™ as the axis, we position the three fundamental areas of "Information Infrastructure," "Information Storage," and "Information Terminals," which leverage core and foundational technologies, as our core business areas, concentrating management resources to aim for a highly profitable corporate group.

#### Main measures

- Expansion of optical cabling solutions
- Efforts toward the data center market
- Efforts in the CASE fields
- New Business Creation Looking Beyond 2025
- A financial strategy that balances financial soundness and growth investments

#### Goals and Results

KPI	2025 Mid-term Plan Targets (Initial Plan)	2024 Achievements
Net Sales	825.0 billion yen	979.4 billion yen
Operating Profit	85.0 billion yen	135.5 billion yen
Operating Profit Margin	10.3%	13.8%
ROE	16.5%	24.4%
ROIC	12.8%	19.0%
Equity-to-Assets Ratio	51.7%	49.1%

#### Reflection

Due to growth in the telecommunication systems, automotive products, and power systems businesses, net sales reached 979.4 billion yen and operating profit stood at 135.5 billion yen, achieving the quantitative targets of the 2025 Mid-term Management Plan almost one year ahead of schedule. The capital efficiency KPIs were also achieved.

#### Challenges

- Execution of growth investments to achieve sustainable growth toward the next Mid-term Plan
- Acceleration of initiatives aimed at revenue generation through Beyond 2025
- Strengthening the Board of Directors system focused on proactive governance

## FY2025

### 2025 Single-year Plan

Based on the direction of business in the 2025 Mid-term Management Plan, execute growth investments, among other initiatives, for further progress

#### Main measures

##### Revision of the Capital Allocation Policy

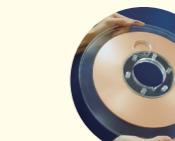
- Improved cash flow under the 2025 Mid-term Management Plan enables new growth investments and shareholder returns.

#### Key measures

- Expansion of the business for telecommunications carriers
- Expansion of the business targeting the data center market

#### Beyond 2025

To generate revenue beyond FY2025, refine our targets and further accelerate commercialization



High temperature superconductors



Fiber lasers



Electric vehicles

#### Strengthening the Board of Directors System

#### Performance Forecast

Net Sales	957.0 billion yen
Operating Profit	122.0 billion yen
Operating Profit Margin	12.7%
ROE	20.7%
ROIC	15.7%
Equity-to-Assets Ratio	53.3%

## Overall Strategy

# FY2025 Management Policy

## Progress of the 2025 Mid-term Management Plan

In May 2023, Fujikura Group announced its 2025 Mid-term Management Plan (2025 Mid-term Plan), which runs through FY2025, with the aim of achieving sustainable growth and further enhancing corporate value. Under the 2025 Mid-term Plan, the Group has identified three core business domains—"Information Infrastructure," "Information Storage," and "Information Terminals"—centered on the "Tsunagu" Technology™ that Fujikura has cultivated over the years. By allocating management resources intensively to these areas

and fully leveraging its foundational and core technologies, the Group seeks to become a highly profitable corporate group.

In FY2024, driven by the global popularity and expansion of generative AI and the increasing demand for data centers, the "Information Storage" sector experienced significant growth, achieving record-high net sales and operating profit.

As a result, we greatly exceeded the final year targets in the 2025 Mid-term Management Plan one year ahead of schedule.

### ■ Key KPIs

	FY2023	FY2024	2025 Mid-term Plan Final Year Goals
Net Sales	799.8 billion yen	979.4 billion yen	825.0 billion yen
Operating profit	69.5 billion yen	135.5 billion yen	85.0 billion yen
Operating Profit Margin	8.7%	13.8%	10.3%

	FY2023	FY2024	2025 Mid-term Plan Final Year Goals
ROE* <sup>1</sup>	16.7%	24.4%	16.5%
ROIC* <sup>2</sup>	11.1%	19.0%	12.8%
Equity-to-Assets Ratio	47.1%	49.1%	51.7%

\*1 Consolidated rate of return on equity (ROE)

\*2 Consolidated rate of return on invested capital (ROIC)

## FY2025 Management Policy

As Fujikura Group achieved the targets of the 2025 Mid-term Plan one year ahead of schedule, in FY2025 it will maintain the business direction set forth in the Mid-term Plan,

while undertaking growth investments and other measures to position the Group for further advancement under the new Mid-term Management Plan starting the following year.

### 1 Strategy Investment and R&D

To reinforce our competitiveness in the data center market, we are undertaking capital investments, while also examining the development of manufacturing technologies and additional

production capacity for fiber optic cable and high temperature superconductors, in view of projected future demand growth.

	Challenges		Investment after FY2025	
	Short term	Med to long term	Beyond FY2025	FY2025
Fiber Optic Cable	Short term	In addition to increased demand in the data center market, the U.S. and the U.K. communication infrastructure demand is recovering. The miniaturization and high-density designs of fiber optic cables are accelerating.	Development of innovative manufacturing technology	Investment for increasing production capacity at wire harness manufacturing factories in Poland and Mexico. Investment in increased production of MT/MMC Ferrules. Investment for expanding the production of actuators for HDD.
	Med to long term	Improving price competitiveness for business expansion in emerging markets.	To enhance capabilities and improve productivity, the construction of new optical fiber and SWR® factories is planned.	
Optical components and actuators for HDD	Short term	The strong demand in the data center market continues. It remains necessary to strengthen the supply system.	Development of innovative manufacturing technology and consideration of further production expansion investments.	Development of innovative manufacturing technology and consideration of further production expansion investments.
	Mid to long term	Demonstration research on fusion energy is progressing, and the demand for high temperature superconductors is increasing. To address the rising demand, it is necessary to enhance productivity and reinforce facilities.		

### 2 Expansion of Business for Telecommunications Operators

We are working on strengthening the business foundation and expanding the market for Fujikura Group's strategic products, including Ultra-high-count fiber optic cable SWR®/WTC®.

In the United States, we received certification for WTC® from Verizon Communications Inc., the world's largest telecommunications carrier. We aim to strengthen the production system of SWR®/WTC® for the U.S. market to respond to the expected increase in demand.

In overseas markets outside the United States, we will enhance the supply structure for WTC® in view of the expected recovery in demand from European telecommunications operators and the anticipated expansion of business with

operators in the Middle East and Africa.

Specifically, we will establish a production line for WTC® at our Morocco location. Furthermore, we will promote initiatives aimed at business expansion in Taiwan, Southeast Asia, and South America.

For the domestic market, we are focused on promoting the adoption of Air Blown-WTC™. Air Blown-WTC™ is a cable designed for air-blown installation methods and has a proven track record in the United Kingdom and the United States. However, as it is not yet widespread in Japan, we aim to establish a business targeting domestic telecommunication operators and create a new market.

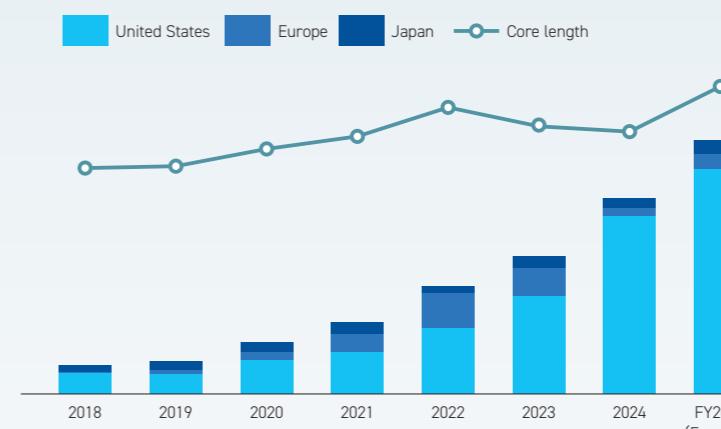
### 3 Expansion of Business for the Data Center Market

We aim to further expand our share in the business targeting hyperscale data centers in the United States.

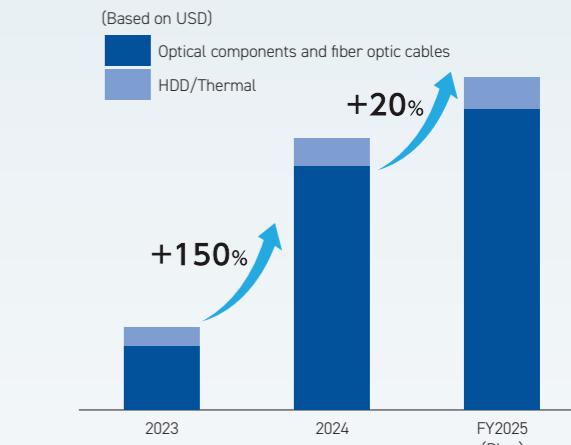
We promote the development of products that support ultra-high-density optical wiring in data centers, such as the SWR®/WTC® small-diameter high-density fiber optic cable, contributing to space-saving and reduced construction time in data centers.

In addition, as the demand for data centers in regions outside the United States is expected to grow, we will strengthen the proposal of total solutions utilizing our comprehensive product lineup to capture demand in areas such as Japan, Europe, and Southeast Asia, while also prioritizing the construction of sales channels.

### ■ Transition of SWR®/WTC® Sales



### ■ The transition of sales for data centers



### 4 Initiatives under Beyond 2025

#### 1. High temperature superconductors

We will place strategic focus on the fusion energy business. Fujikura's world-leading high temperature superconductors constitutes a critical component in fusion energy. With demonstration research toward commercialization gaining momentum and demand for high temperature superconductors projected to increase, we are striving to capture projects in Japan, the United States, and Europe.

#### 2. Fiber lasers

We are pursuing the development of the semiconductor processing market to realize greater semiconductor integration. Furthermore, by strengthening our collaboration

with EX-Fusion Inc.—a company engaged in broad-based research on laser applications—we aim to establish a business in the machining of CFRP (carbon fiber reinforced plastics) and advance studies on leveraging lasers in the fusion energy business.

#### 3. Electric Vehicles

We are advancing the development of liquid-cooled cables equipped with fast-charging connectors that are thinner, lighter, and capable of ultra-fast charging, aiming for compliance with the CHAdeMO standard by FY2025, in response to the challenges of fast charging that hinder the broader adoption of Electric Vehicles.

# Message from the CTO

## Strengthening R&D by Accurately Reading Market Needs in a Rapidly Changing Environment

**Tatsuya Banno**

Representative Director, President and CEO

The Fujikura Group once again delivered powerful results last fiscal year. I believe this success stems from our enterprising spirit and our identity as "Fujikura, a technology leader." In other words, we grow by taking on the new challenges society demands and refining the technologies that make them possible. Fujikura's 140-year history is one of repeated growth through a cycle of challenges and technological advancements.

Guided by our "Tsunagu" (connecting) Technology™, our R&D policy is to create customer value and contribute to society in four areas: information transmission, energy transmission, connect and high-density wiring. This policy directly supports outcomes such as digital transformation (DX), green transformation (GX), the realization of an advanced information society, and the achievement of carbon neutrality.

Although predicting the future has become extremely difficult, I believe that in areas such as communications and electronic components, there is always a clear path for technological evolution. Our task is to identify that path and advance R&D steadily and reliably. At the same time, even amid rapid change, we must remain vigilant to the needs of society and the market while keeping our long-term goals of realizing an advanced information society and achieving carbon neutrality in view. Addressing both of these imperatives will be more critical than ever in the years ahead.

### Challenges in Three Key Areas

In 2023, we launched the 2025 Mid-Term Management Plan, which runs through FY2025, identifying three key areas of R&D: next-generation optical communications, next-generation energy, and millimeter wave (mmWave) applications. This was a bold new step, but over the past year, we have made solid progress.

In next-generation optical communications, the demand for denser wiring is rising rapidly, driven by hyperscale and AI data centers that far exceed conventional data centers in terms of scale. To address this, our Telecommunication

Systems and Electronics businesses have led R&D on ultra-high-density fiber optic cables, small-size connectors, and multicore fibers. Solutions incorporating multicore fibers have already delivered results, enabling large-capacity transmission in limited wiring spaces where conventional optical fibers could not.

In next-generation energy, we have begun developing advanced manufacturing technologies for high temperature superconductors, alongside peripheral technologies and applications such as coils. We also developed a 5kW single-mode fiber laser, which has been adopted by EX-Fusion, a venture company working to realize fusion energy. By combining EX-Fusion's technology with Fujikura's, we are significantly expanding the potential applications, particularly for hard-to-machine materials such as carbon fiber-reinforced plastic (CFRP).

The third area, millimeter-wave applications, leverages the distinctive properties of millimeter waves, which offer significantly greater bandwidth than microwaves and provide high directivity. These properties enable high-speed, high-capacity communications, and we are actively developing the necessary technologies to realize them in anticipation of the future.

The potential applications for high-frequency technologies, including millimeter waves, are extensive. We will leverage the core technologies we develop not only to enhance existing businesses but also to expand into new fields.

### Strengthening R&D

Fujikura's strength lies in combining and continually refining both new product development capability and manufacturing technological capability. This is the foundation of "Fujikura, a technology leader." For many of our key products, we even design and build the critical manufacturing equipment ourselves. This enables us to produce superior products efficiently and cost-effectively, and it is a hidden driver of our differentiation strategy.



To further build on these strengths, we are focusing on five key initiatives: management of technology for the Group as a whole, strengthening product development capabilities through collaboration between R&D, business units, and the Production Engineering Unit, creating a framework for new technologies and new businesses, building a governance structure for R&D and transforming the organizational culture.

For Group-wide technology management, the Technology Platform introduced in 2023 has proven especially valuable. Structured in three tiers, it clearly maps out the technological areas and product groups Fujikura should pursue, the core technology groups that underpin our strengths, and the fundamental technologies shared across businesses and new development. Over the past year, understanding of Fujikura's technologies has deepened across the company, and we now have confidence in using this platform as a guide for the future.

We have also launched Technology Group Meetings, where engineers from R&D, business units, and production engineering come together to exchange views. These meetings have fostered a mutual understanding of technologies and issues, and in turn, have strengthened cross-functional product development. After two years, we are seeing tangible results, such as the joint development of compact cooling modules for servers in high-performance computers and data centers, and optical harnesses for automobiles that support

high-speed, large-capacity data transmission.

In addition, we are operating an Innovation Management System (IMS) based on ISO 56002, introduced in 2023, to support new technology and business creation, reinforce R&D governance, and drive cultural reform. By dividing the R&D process into five stages and requiring checks at each stage, the system makes it easy to identify any governance gaps and reduce risks. The next challenge is to embed the spirit of this system deeply enough to become part of our corporate culture.

### Linking R&D and Intellectual Property to Management Strategy

To strengthen R&D, it is essential to integrate technology marketing and intellectual property activities into our research and development, while also embedding the principles of quality assurance from the earliest stages of product and technology development.

The technologies driving the areas Fujikura is focusing on—data centers, AI, and fusion energy—are advancing at a rapid pace. To succeed in these fields, we must closely monitor rapidly changing markets and identify latent customer needs. Rather than a technology-oriented view of "this technology makes that product possible," we must take a user-oriented view, identifying the technologies and businesses that align

with what customers and markets truly want. This is the essence of the technology marketing Fujikura is pursuing, and continuing this approach is critical.

Intellectual property must also be tied directly to management, business, and development strategies. For example, when starting R&D in a new area, we utilize IP landscape activities to map out related markets and technologies, assess the value of the technology to be developed, and clearly define why we should pursue it and how we will differentiate ourselves. Only then do we move forward, following discussions with management and business stakeholders that provide the project with clear strategic grounding. This process not only generates new intellectual property but also supports the success of R&D itself. Intellectual property strategy should not be left solely to specialists, such as the patent department; engineers, too, must approach their work with IP strategy in mind, along with technology and development strategies, organizing their technologies and considering how they can be applied more broadly.

Equally important for R&D is quality assurance. In some projects, goals were not sufficiently clear, requiring rigorous theoretical verification and practical verification to confirm whether the technology or product was truly feasible. That is why I believe quality assurance must be integrated from the very beginning of R&D. After all, quality cannot be guaranteed without understanding the underlying technology and manufacturing methods. It is the responsibility of R&D engineers themselves to determine how a product is built and on what foundation, and this is why quality assurance must remain top of mind.

## Further Strengthening of Human Resources

While I have emphasized strengthening technological capabilities as the foundation of Fujikura's value creation, there is another indispensable factor in enhancing the competitive advantage of "Fujikura, a technology leader": further strengthening our human resources.

I make it a point to review the work reports of our R&D researchers. Sometimes I ask them directly about their progress, and when I see that someone is facing difficulties, I provide advice. There are numerous reports, but I believe everything should be put to good use, and reviewing them is part of that approach. It also matters that researchers know the CTO is reading their reports, and receiving a direct reply can be a source of motivation. This practice has become a habit of mine.

For those engaged in development, curiosity and creativity are essential, and with much of today's work carried out collaboratively, so is cooperativeness. For younger employees, this means being genuinely interested in everything, actively listening to others, and questioning assumptions. For leaders, it requires an entrepreneurial perspective, the ability to

passionately convey why Fujikura is pursuing a particular initiative, whether we can outperform competitors, and whether it will be profitable.

With this vision of our people in mind, we are leveraging a wide range of human resource development programs, both internal and external. I also use opportunities such as monthly meetings to explain the content and importance of external programs myself and to encourage participation, as they provide valuable exposure to different perspectives.

Amid these initiatives, employees have begun organizing voluntary technical salons on their own. Given that many of our employees, especially engineers, are earnest and somewhat reserved, I strongly welcome such proactive moves.

Naturally, recruiting talent is also critical. Thanks to our strong business performance, increased media coverage, and the launch of corporate commercials last year, we are finding it easier to attract outstanding human resources. I believe that energizing our human resources in this way will become the source of Fujikura's core strengths.

## Looking Ahead to the Next Mid-Term Management Plan

Beginning next fiscal year, we will launch our next Mid-Term Management Plan, which runs through FY2028, following the completion of the 2025 Mid-Term Management Plan. Looking ahead, we must continue to advance R&D in high temperature superconductors and fiber lasers.

Reflecting on the past decade, we have experienced the COVID-19 pandemic, accelerating climate change, international conflicts, and the rapid evolution of AI.

I believe innovation is driven by changes in society, but it is underpinned by the steady evolution of technology. For example, the pandemic made online workstyles the norm, but this shift was possible only because communication networks and data center technologies had already advanced sufficiently. If the pandemic had struck ten years earlier, our capabilities would have been far more limited, and online work would never have taken root.

The global push toward carbon neutrality and the evolution of AI represent significant business opportunities for Fujikura. To seize these opportunities and turn them into major businesses—and to remain worthy of the name "Fujikura, a technology leader"—we are committed to further strengthening our R&D.



## We Are the Ones Supporting "Fujikura, a Technology Leader"

Fujikura encompasses a variety of business units related to its "Tsunagu" Technology™ as well as the Research and Development Unit that support these businesses.

Four young employees from the Research and New Business Development Unit, which underpin the very foundation of "Fujikura, a Technology Leader," and from the Superconductor Business Division came together to share their thoughts on the appeal and challenges of their work, and on the strengths of the company.

### Content and Fulfillment of Our Work

**Takemoto:** I work in the Superconductor Business Division, where I am responsible for downstream processes in manufacturing technology. Since I often need to be involved in areas beyond my own responsibilities, I find it very beneficial that Sakura Works\*1 houses related functions such as quality assurance, engineering, and development close by.

Our clients are located both in Japan and overseas, with diverse applications and wide-ranging requests. We approach our work with the awareness that we must continually expand our capabilities while meeting the diverse needs of our customers.

**Hosokawa:** I am part of the Advanced Optical Interconnect Components R&D Department, where I contribute to the development of connection components for next-generation optical fibers. The multi-core fiber that Fujikura is currently developing is the next generation of optical fiber, featuring four cores within the same diameter as conventional optical fibers,

which typically have only one. My group is conducting research and development on FIFO (Fan-In/Fan-Out) devices that convert between multi-core fibers and conventional fibers.

Since joining the company, I have often been assigned to difficult projects. Although it is very challenging at first, I find great fulfillment as the projects gradually stabilize and progress smoothly.

**Oda:** I am part of the Optical Communication Research Department, which conducts R&D on optical fibers. Broadly speaking, our themes cover both optical fibers for communications and specialty fibers for non-communication applications. In communications, multi-core fiber is now approaching the stage of practical use. Our group is working on the design and manufacturing technologies of these multi-core fibers. In non-communication fields, we are developing specialty fibers for fiber lasers that emit high-power light.

Although the fundamental technologies of optical fiber are already well established, introducing new technologies requires us to overcome existing methods and habits. In product

development, it is also essential to collaborate not only with R&D but also with the business units.

**Kohri:** I am part of the Material Technology R&D Department in the Technical Center for Fundamental Technologies, which is responsible for the company's fundamental technologies. This department comprises experts in various materials, supporting Fujikura's products and manufacturing by selecting suitable materials, enhancing performance, reducing costs, and developing processes. From the perspective of which materials are used and optimized, we support the company's products and manufacturing.

Personally, I am mainly engaged in R&D on resin materials and providing process support to business units. Although I do not directly make products myself, I contribute by providing data on materials for a wide range of products, and I find fulfillment when this leads to product development. I am also working on research themes related to contributing to carbon neutrality through materials, and I hope to see Fujikura bring products to market that incorporate these technologies in the future.

## What Are Fujikura's Strengths?

**Takemoto:** I think one of our strengths is that there are people in various departments who each have themes they want to propose as new businesses. We have a strong pool of highly motivated and talented individuals.

**Hosokawa:** I agree. Many colleagues may appear quiet at first, but I feel there are a lot of people who are deeply passionate about their work.

From a technical standpoint, another strength is that we have a number of technologies we have been working



**Tetsuo Takemoto**

Senior Manager, Superconductor Business Division  
Joined Fujikura in 2009. Since joining, he has consistently worked in the field of superconductivity, primarily handling downstream processes for high temperature superconductors. His guiding principle is: "Technology development is not the goal in itself; I always want to pursue development with commercialization in mind."



**Takuya Oda**

Senior Manager, Advanced Optical Interconnect Components R&D Department, R&D Strategy Center, Research and New Business Development Unit  
Joined Fujikura in 2011. Since then, he has primarily engaged in R&D of specialty optical fibers for fiber lasers within the Optical Communication Research Department. He is currently involved in R&D on connection components for multi-core fibers. His goal is to be a researcher who "sets direction based on data and makes steady progress forward."



**Tsukasa Hosokawa**

Senior Manager, Optical Communication Research Department, Optical Technologies R&D Center, Research and New Business Development Unit  
Joined Fujikura in 2011. For the first few years, he was engaged in developing manufacturing technologies for optical communication devices. He is now responsible for the development of multi-core fibers. As a senior manager, he aspires to "lead the team so that members work together with enthusiasm as one."



**Haruka Kohri**

Material Technology R&D Department, Technical Center for Fundamental Technologies, Research and New Business Development Unit  
Joined Fujikura in 2012. Initially engaged in developing resin materials for cable coatings in the Material Technology R&D Department. She is now primarily responsible for materials analysis technologies. Her goal is to be a researcher who "approaches immediate challenges sincerely and contributes to the business."

on consistently for many years. In the communications field, for example, there was a difficult period after the IT bubble burst, but even then, we persevered. As a result, we retained technologies that other companies do not possess, which is a real strength for the company.

**Oda:** As Hosokawa mentioned, in the optical fiber industry, we have many people with deep expertise that has been accumulated over decades. Newer employees can learn quickly from their seniors and acquire top-level knowledge relatively early. Because we possess technologies across all categories related to optical fiber, we can propose total solutions. Additionally, we have a foundation that enables us to leverage existing technologies to develop the next generation of solutions ahead of our competitors.

Another distinguishing feature is that many of the business and R&D divisions are concentrated at Sakura Works, making cross-divisional communication much easier. It is also an environment where we can easily gain support from colleagues in fundamental technologies such as analysis and equipment design.

**Kohri:** I feel the same way. In terms of communication, my impression is that the atmosphere is very flat and open. Even if I ask detailed questions to people in other departments, they answer kindly. Having only worked at Fujikura, I thought this was normal, but colleagues who joined from other companies have told me, "People at Fujikura are really kind," which made me realize how unique it is.

Another strength is that if you raise your hand, you are given opportunities to pursue your interests from a young age, and there is a supportive environment that encourages young employees' motivation. We are free to attend exhibitions or seminars on themes that interest us. There are also open

application systems for new businesses and operational improvements, making it easy for younger employees to voice their ideas. For example, as part of efforts to strengthen internal collaboration, we built a portal site on the company intranet for fundamental technologies. This was a proposal we made to the CTO, who approved it, and it was created through cooperation between the production engineering and fundamental technology units.

**Hosokawa:** In my department, we also have a monthly meeting where we can discuss directly with the CTO. He dedicates time each month to a specific department, and we hold repeated discussions and brainstorming sessions in that setting. I am very grateful for this opportunity.

## Challenges for Fujikura's Further Growth and How to Address Them

**Takemoto:** Fujikura has a wide range of technologies, but it has not always been clear which departments possess which capabilities. That said, this is improving with the launch of an internal intranet site that shares information on core technologies, making it easier to see where specific expertise lies. Many employees may still be unaware of this site, but as more people begin to use it, I think technology sharing will progress even further.

**Kohri:** As for cross-disciplinary technology, the Material Technology R&D Department aggregates and develops the diverse technologies held by each business unit and research laboratory, and we began working across fields about five years ago. However, applying technology from one area to another can be technically challenging, so we are working to become a department that can do this more effectively.

**Hosokawa:** Even within the same technical field, I feel there are still challenges in collaboration between R&D divisions and business divisions. Business divisions need to increase profits by improving efficiency, reducing costs, and strengthening existing businesses. On the other hand, R&D divisions want to commercialize what they develop and deliver it to the market, but business divisions may view these new products as risky compared to existing ones. I feel there is still room for improvement in how well the two sides understand both the risks and the potential of new developments and cooperate accordingly. Personally, I make a conscious effort to communicate.

**Oda:** Sometimes you get to know people you do not usually interact with through opportunities like this roundtable. As these horizontal connections increase, I think they can be leveraged to create something new. The purpose of the Technology Group Meetings\*<sup>2</sup> that Fujikura started is to connect technologies from different fields and generate innovation. For example, even though high temperature superconductors and optical fibers are located at the same site, they are in different buildings and have distinct cultures, resulting in limited day-to-day communication. Breaking down those barriers is something

I believe is essential for Fujikura's further growth.

**Kohri:** On the subject of horizontal connections, young employees are taking the initiative to foster ties across the research laboratory by holding small-scale "technology salons" about once a month, where people can interact regardless of departmental boundaries. At the Technical Center for Fundamental Technologies, where I work, we also collaborate with the Intellectual Property Department, which links research results to business contributions, and the Advanced Research Core (ARC), which undertakes advanced basic research and conducts joint research with overseas academic institutions such as MIT (Massachusetts Institute of Technology).

**Oda:** Another challenge is that, historically, Fujikura's R&D and new business development relied heavily on the discretion of individuals. To address this, we have introduced the Innovation Management System (IMS), which enables reviews at each stage. By incorporating such mechanisms, we can improve the accuracy of R&D and increase the likelihood that projects will lead to commercialization.

## How Fujikura Can Contribute to Society and What We Want to Achieve as Engineers

**Takemoto:** In the infrastructure field, Fujikura possesses technologies such as high temperature superconductors and optical fiber that are related to power generation, transmission, and distribution. With this wide-ranging technological base, I believe we can eventually also contribute to creating applications that utilize these technologies. By doing so, we can play a role in realizing carbon neutrality.

**Hosokawa:** When I was a child, artificial intelligence (AI) seemed like something out of a dream, but today it has become commonplace. Thinking about how future technologies, which we cannot even imagine today, will transform society excites me. I want Fujikura's technologies to support the information and communications of that new era.

**Oda:** Our predecessors at Fujikura developed and refined optical fiber technology, and I believe that optical fiber has had a profound impact on the world. I want to be involved in creating something that, like optical fiber, can once again change the world in a major way.

**Kohri:** I want to develop materials that contribute to protecting the global environment and help achieve carbon neutrality from a materials perspective. This could involve reducing the amount of materials used, creating highly durable materials that can be used for an extended period without replacement, or exploring recycled or low-cost alternative materials. I am constantly considering ways in which materials themselves can contribute.

\*1 Sakura Works: Fujikura's largest site in Japan, located in Sakura, Chiba Prefecture, integrating R&D and manufacturing for a wide range of businesses.

\*2 Technology Group Meetings: Forums where engineers from R&D divisions, business divisions, and production engineering share and discuss their respective technologies for cross-utilization.

## Technical Strategy

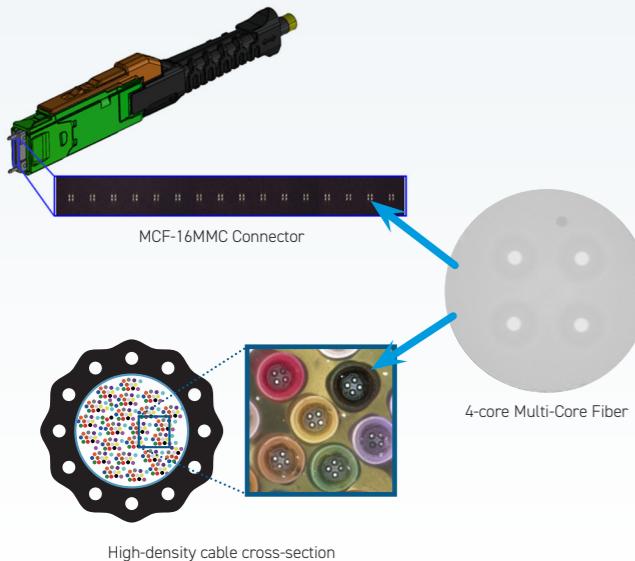
# Research and Development/Intellectual Property Strategy

We introduce "Next-generation optical communication solutions for data centers," "Single-mode fiber lasers," "3D Nano-Fabrication technology," and "Intellectual property."

## Next-generation optical communication solutions for data centers

Optical fiber communication, which began to be practically utilized in the 1980s, serves as an essential infrastructure for information and communication networks. Recently, the adoption of generative AI has led to a rapid increase in demand for data centers, and optical networks utilized within and between data centers also require large capacity, high density, and low latency. In particular, large-scale AI data centers that support generative AI services necessitate backend networks equipped with large-scale GPU Cluster to enable fast learning and low-latency inference, requiring optical connections on a scale significantly larger than before.

One of the technologies addressing this issue involves spatial multiplexing transmission using multi-core fibers, which contain multiple cores within a single optical fiber, enabling large capacity and high density. Fujikura is promoting the development and practical application of the 4-core multi-core fiber (4c-MCF), which, while maintaining the standard cladding diameter of 125 µm similar to generic single-mode fibers, achieves four times the transmission capacity. Furthermore, Fujikura continues research and development to provide MCF technology not only as a fiber but also as a total solution, including cables, connectors, and fusion splicing, presenting results at various conferences and through papers. We will continue advancing technological development to provide next-generation optical communication solutions that also contribute to data center evolution.



## Single-mode fiber laser

Fiber lasers, which use optical fibers as gain media, are compact, efficient, and capable of stable, long-duration operation compared to traditional solid-state and gas lasers. High-power continuous-wave multimode fiber lasers and pulsed fiber lasers are widely used as efficient and high-quality laser sources across various material processing fields, especially for metals. Furthermore, research and development departments are advancing the development of high-power continuous-wave single-mode fiber lasers with applications in fields such as machining of materials like CFRP (Carbon Fiber Reinforced Plastic) and long-distance energy transmission.

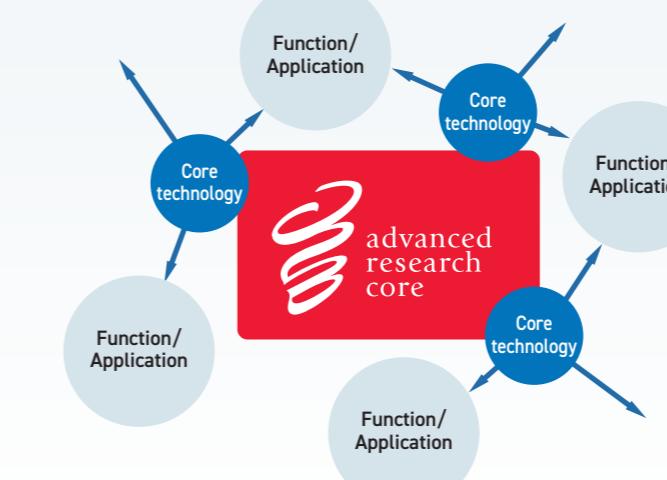
Fujikura has the capability to develop and manufacture using its proprietary technologies not only special fibers for fiber lasers but also fiber-based optical components such as combiners and fiber Bragg gratings, as well as laser diodes serving as excitation light sources. Utilizing these technological capabilities, Fujikura has succeeded domestically for the first time in suppressing nonlinear optical effects—a challenge accompanying high-power outputs—and achieving a 10-kW-class continuous-wave single-mode fiber laser. Furthermore, by extending the length of delivery cables for emitting laser beams, usability has been significantly improved, and processing efficiency has been enhanced. Fujikura will continue to advance its market deployment in collaboration with peripheral equipment manufacturers and user companies.



## 3D Nano-Fabrication technology

Fujikura actively leverages open innovation within its fundamental research institution, the Advanced Research Core (ARC), to continuously generate the "seeds" of new core technologies. It focuses on collaborative research with top-tier academia worldwide, exemplified by its joint research on "3D nano-fabrication technology" with the Massachusetts Institute of Technology (MIT) in the United States. This technology enables the creation of structures and refractive index distributions freely in three dimensions with nanoscale resolution. Microstructures fabricated using such methods excel in precisely controlling various physical phenomena occurring at nanoscale, with applications expected across many fields.

At ARC, utilizing these characteristics, they are proposing a "three-dimensional bend waveguide" capable of freely bending the optical path within an extremely thin film of approximately 100 µm. Utilizing this "three-dimensional bend waveguide" in the connection parts of optical components is expected to further increase the density of optical wiring in data centers and other applications. In addition, by leveraging the ability to precisely control optical wavefronts, demonstrations of optical neural networks are also being conducted. These optical neural networks are anticipated to have applications not only in optical communication but also in optical computing and next-generation robotics. ARC aims to contribute to society by creating multiple "core technologies" and leveraging their synergies to produce various functions and applications.



## Intellectual Property: Promotion of intellectual property activities aligned with management, business, and development strategies

In recent years, as intellectual property is expected to contribute to enhancing corporate value and supporting business and development, we are also advancing intellectual property activities aligned with corporate strategy and business and development strategies, aiming to secure an advantageous position for future businesses.

First, from the perspective of protecting intellectual property, we determine the appropriate form of protection, such as obtaining rights or maintaining confidentiality, based on the nature and functionality of the developed technologies. Particularly, from the early stages of development, we decide on protection forms considering the usage scenarios and focusing on differentiated technologies that will support future businesses, while advancing the acquisition of strong necessary rights. The rights acquired are considered for their utilization while also thoroughly assessing risks related to the rights of others. Recently, there have been frequent cases where generic products from emerging market companies compete with our products in the market. We are striving to address this appropriately by consulting with external specialists regarding countermeasures.

In addition, to strategically advance intellectual property activities, it is necessary to obtain accurate information on market trends, competitive environments, and the patent positions of each player. Our company also promotes IP landscape activities, conducting multifaceted analyses by dynamically changing themes, and shares information with stakeholders, including the business and development managerial layers, to discuss strategies.

Furthermore, as various stakeholders are involved in strategy discussions, we are also focusing on awareness activities related to intellectual property strategy. Through these efforts, we aim to foster a company-wide environment where the effective utilization of intellectual property is considered.

### Four Focused Activities as Basic Policies



# Message from the CFO

## Achieving record-high performance and stronger financial soundness through management conscious of capital cost

**Kazuhito Iijima**

Director and CFO

### Achieving 2025 Mid-term Management Plan Targets One Year Ahead of Schedule

In FY2024, consolidated results showed significant growth, with both net sales and all profit levels far exceeding the previous year. Ordinary profit marked a record high for the third consecutive year, while profit attributable to owners of parent set a new record for the fourth consecutive year.

In addition, we were able to nearly achieve the targets of the Mid-term Management Plan announced in May 2023, one year ahead of schedule.

The most significant driver of this strong performance was the Telecommunication Systems business, which experienced substantial growth in demand for data center products driven by the rapid expansion of generative AI. While demand had already been rising in the previous year, the growth accelerated in the latter half of the year, contributing significantly to further sales expansion in FY2024.

In terms of profit as well, the Telecommunication Systems business now accounts for more than half of Fujikura Group's overall earnings. Operating profit grew an impressive 2.4 times year on year.

The Electronics business, which supplies components for hard disk drives, also saw a significant increase in demand for data center applications. Our factory in Thailand, which excels in precision metal machining for these products, has earned high recognition from major HDD manufacturers, enabling us to secure a substantial market share.

On the other hand, within the Electronics business, the industrial equipment market, which had performed well until 2022, began to weaken around 2023 and has yet to recover as of 2024. This was partly due to the slowdown in the Chinese economy. Nevertheless, despite weakness in industrial equipment, operating profit still rose 1.4 times compared with the previous year, thanks to robust demand for data center products.

The Automotive Products business, which had been in the red for many years, turned profitable in FY2023 and further expanded its operating profit in FY2024. The Power Systems business also achieved 1.4 times the profit of the previous year, supported by increased demand for the construction of

semiconductor plants and data centers in Japan.

Overall, operating profit exceeded the previous year across all business segments, making FY2024 an excellent year.

### Strengthening the Financial Base and Pursuing Sustainable Growth in Light of the External Environment

Under the 2025 Mid-term Management Plan, we identified five KPIs—operating profit margin, ROE (return on equity), ROIC (return on invested capital), equity-to-assets ratio, and dividends—and have adopted a policy of enhancing profitability while pursuing management conscious of capital cost. In FY2024, the operating profit margin was 13.8%, ROE was 24.4%, ROIC was 19.0%, and the equity-to-assets ratio was 49.1%. These figures nearly met the targets we had set for the final year of the plan.

Both the profit and loss and the balance sheet also showed significant improvements. To be candid, when we formulated the FY2024 plan, we did not anticipate operating profit expanding as far as 135.5 billion yen.

The Fujikura Group derives over 70% of its sales from overseas. In the Telecommunication Systems business alone, sales in North America account for about 80%. With such a high proportion of foreign currency earnings, the impact of exchange rates and tariffs becomes substantial. Sensitivity to foreign exchange has risen markedly. In the past, a one-yen move against the U.S. dollar would have affected operating profit by approximately 0.7 billion yen. However, by the final quarter of FY2024, that figure had grown to 1.4 billion yen, and for the FY2025 plan, we expect sensitivity to reach 1.7 billion yen. This year's forecast assumes an exchange rate of 140 yen to the U.S. dollar, slightly stronger than the prevailing rate. As a result, operating profit is expected to decline compared with the previous year.

Given the impact of exchange rates and tariffs, shifting production overseas could be an option. However, for ultra-high-count, high-density fiber optic cables currently manufactured at the Sakura Works, we have adopted a policy of keeping production in Japan. In practice, some items may be shifted abroad while others will remain in Japan.



Fujikura's business plans are based on fairly conservative assumptions for both exchange rates and tariffs. Excluding such uncertainties, we expect another year of strong results.

Regarding business for data centers, unlike carrier-related infrastructure, where clients are often regulated operators, data center clients are purely private enterprises, raising concerns that orders and pricing may be more volatile. Indeed, over the past one to two years, order volumes have fluctuated considerably depending on the customer. Nevertheless, we work directly with hyperscalers such as GAFA, whose order volumes far exceed Fujikura Group's capacity to supply. Moreover, our overall order book is roughly balanced, with telecom carrier-related business and data center business each accounting for about 50%. This balance mitigates the impact of temporary order declines, and we believe the current environment will continue through around 2028.

### Working to Improve Profitability and Asset Efficiency

Unexpected events can always occur, and markets can sometimes change suddenly. For this reason, we believe it is essential to build an organization that can quickly detect such changes and respond with agility.

With respect to management conscious of capital cost, I would add that in the past year, we were able to confirm that both profitability and asset efficiency improved and functioned effectively. In terms of profitability, we have increasingly secured high-margin businesses, with ultra-high-count, high-density fiber optic cables serving as a key driver. I personally participate in weekly meetings where the corporate department of head office and each business division exchange information on foreign exchange, trade, and market conditions, while also discussing working capital and fixed asset management to

ensure that no changes in the environment are overlooked.

On asset efficiency, we have established management practices that assess each capital investment project based on discounted present value, incorporating risk factors and considering the payback period and ROIC by subsegment before making decisions. In equipment-based businesses, there is typically a long lead time between deciding on capital investment and actually bringing facilities into operation, but shortening this period also shortens the payback period.

For working capital, we set a target of reducing 30.0 billion yen through improvements in the cash conversion cycle (CCC). Given that our client base now spans hyperscalers and other companies worldwide, there was a time when the CCC was expected to lengthen from the FY2022 result of 95 days. However, after implementing measures such as curtailing the extension of receivables collection periods and reducing inventories, we successfully shortened the CCC to 91 days in FY2024, meeting the mid-term target. Although the bar is set high, we are planning further reductions in FY2025.

At Fujikura, we estimate the theoretical capital cost to be approximately 9%, with a weighted average cost of capital (WACC) of around 6%. By continuing to deliver results above these benchmarks, we expect to further enhance credibility and reduce capital cost in the future. In FY2024, ROE reached 24.4% and ROIC 19.0%, both far exceeding the mid-term targets of 16.5% and 12.8%, respectively. I believe these are figures that provide satisfactory reassurance to investors. In addition, the upgrade of our credit rating to single A in the previous year has helped reduce our cost of debt.

### Growth Investments and Strategic Investments

Under the 2025 Mid-term Management Plan, we established a capital allocation policy as one of our financial targets and

# Financial and Non-Financial Highlights

have been monitoring it continuously. When we first formulated the plan, we anticipated that borrowings would remain after three years; however, by FY2024, we had achieved a net cash position, effectively reaching a debt-free balance sheet.

For many years, we carried around 150.0 billion yen in net debt, which increased to more than 200.0 billion yen by the end of FY2019, during the financial crisis. Reaching a net cash position within about five years represents an improvement of approximately 240.0 billion yen. Profit growth and greater asset efficiency advanced beyond expectations, and operating cash flow is projected to exceed 300.0 billion yen over the three years of the plan, significantly above our original target.

On the investment side, we had set a total of 135.0 billion yen for growth and strategic investments combined, but due to factors such as the slowdown in the industrial equipment market within the Electronics business, this figure is now expected to be 118.9 billion yen. This, however, can also be seen as a reflection of our ability to respond quickly to market changes.

Looking ahead, growth investments will focus first on capital expenditures to expand production capacity in response to demand from the data center market, which is expected to continue growing at least through 2028. In the optical fiber business as well, we plan not only to expand production but also to make proactive investments to further enhance productivity. We are also considering investments to expand production capacity in high temperature superconductors for fusion power generation.

In the Electronics business, despite uncertainties such as in the industrial equipment market, it will be essential to continue strengthening the model of supplying high-margin

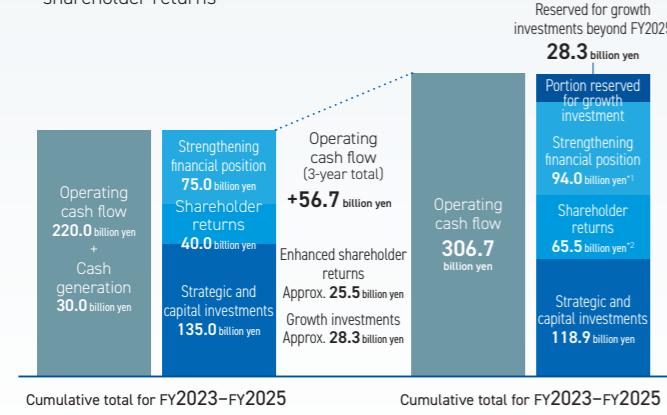
Fiscal Year	2022	2023	2024	2025 (forecast)
CCC	95	98	91	87

## Cash Conversion Cycle (days)

Along with profit growth, cash generation capability also improved

Financial position strengthened; strategic and capital investments progressing as planned

Capital allocation revised to reinforce investments for future growth and shareholder returns



products through the manufacturing capabilities centered on our plant in Thailand. We are currently considering what form these investments should take. To put this somewhat stagnant business back on a growth trajectory, investment in M&A may also be one of the options.

## Pursuing Sustainable Growth Together with Stakeholders

The Fujikura Group promotes "sustainability management" to contribute to the realization of a sustainable society. As part of this, we are taking on several challenges to minimize our environmental impact, one of which is the goal of achieving zero CO<sub>2</sub> emissions at plants by 2050.

To secure the funding needed for such initiatives, we issued a green bond this March. The funds raised will be allocated to the construction of a new SWR® plant at Sakura Works, designated as our first carbon-neutral factory, as well as to energy-saving measures at Fukagawa Gatharia, a complex owned by Fujikura.

While strong business performance is a welcome outcome, sustained growth cannot be achieved without the necessary human resources to support it. We are therefore placing strong emphasis on investing in human capital, with both corporate and business divisions making robust commitments in this area.

In the departments under my supervision, for example, we are moving forward with outsourcing tasks such as fixed asset accounting in finance, which can be handled externally. This will allow employees to focus on more rewarding, proposal-driven work. At the same time, we are investing in training and education programs to enable employees to develop into professionals in their respective fields, with plans to create a more comprehensive learning environment.

We are also investing in better compensation. The most visible example is salaries, which have risen considerably over the past few years. Compared to our major industry peers, our starting salaries are now among the highest, and in this year's spring wage negotiations, the number of months of bonus payments also reached a top-tier level.

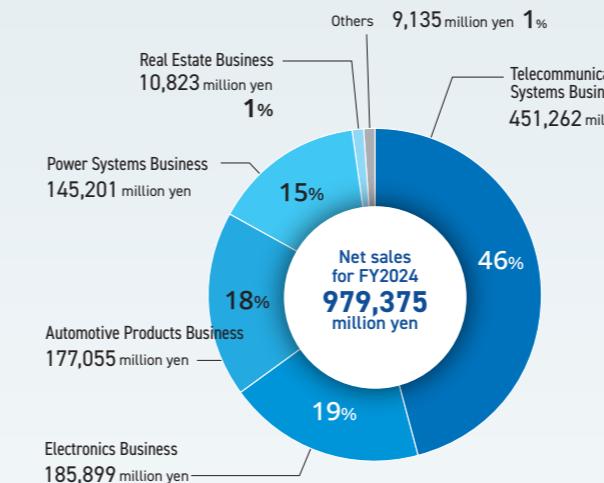
In recent years, I have had many opportunities to engage with analysts and investors. On such occasions, I receive numerous questions about our business performance, financial condition, and technology, which gives me a strong sense of the growing interest and expectations placed on Fujikura.

In response to these expectations, and in light of the significant progress we have made in strengthening our financial position, we raised our dividend payout ratio from 20% to 30% under the 2025 Mid-term Management Plan. Given that performance has exceeded expectations, we have already decided to further increase it to 40% this fiscal year. Looking ahead to the next Mid-term Management Plan in 2028, we intend to place even greater emphasis on both growth investments and shareholder returns.

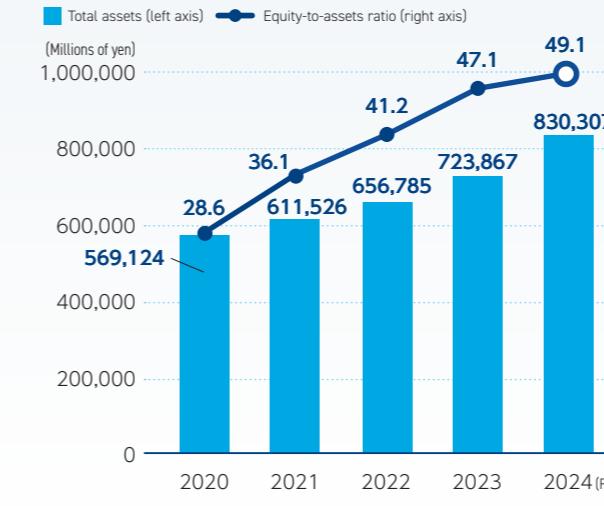
## Net Sales/Operating Profit



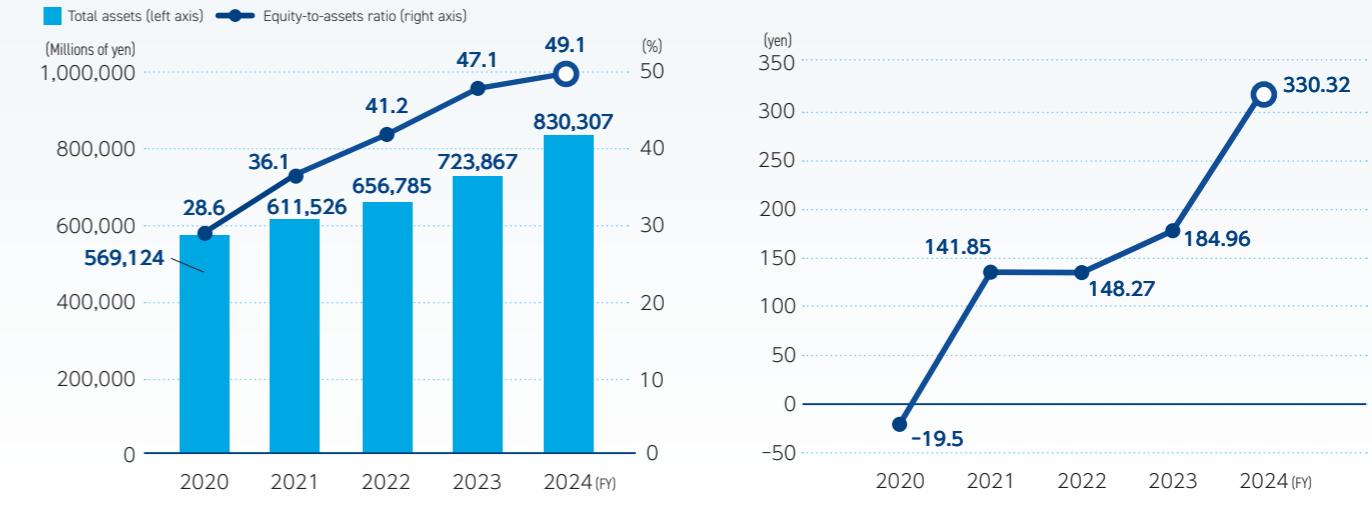
## Net Sales by Business Units

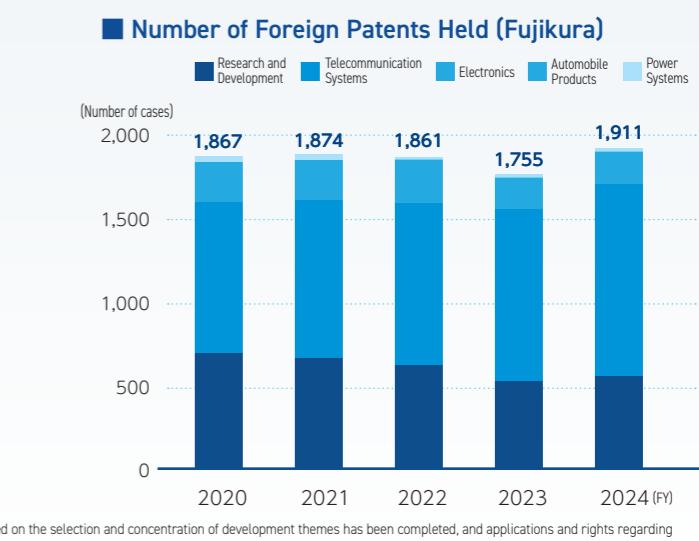
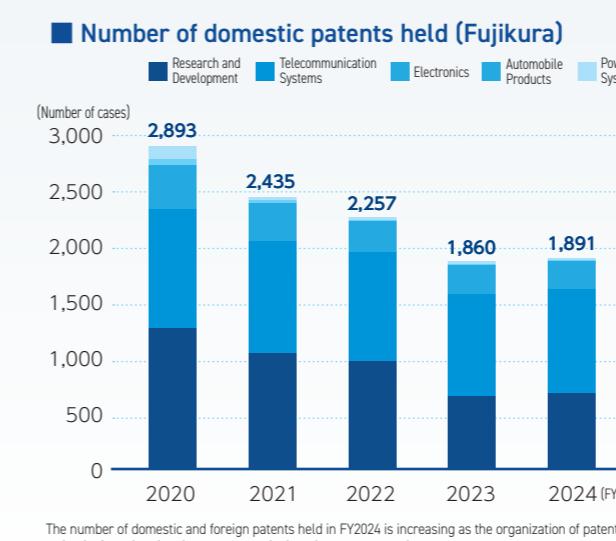
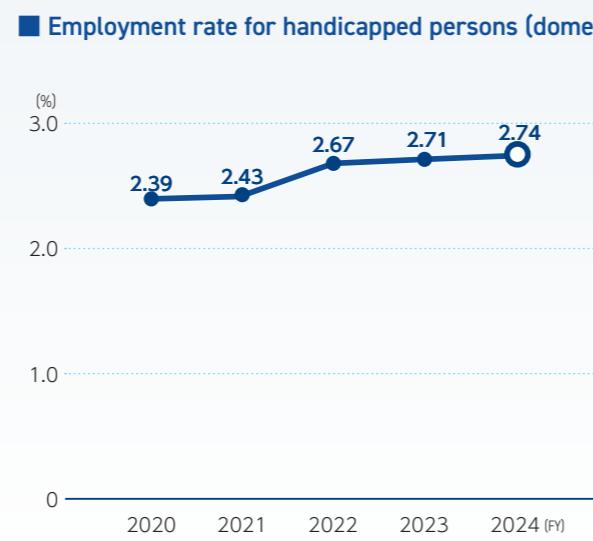
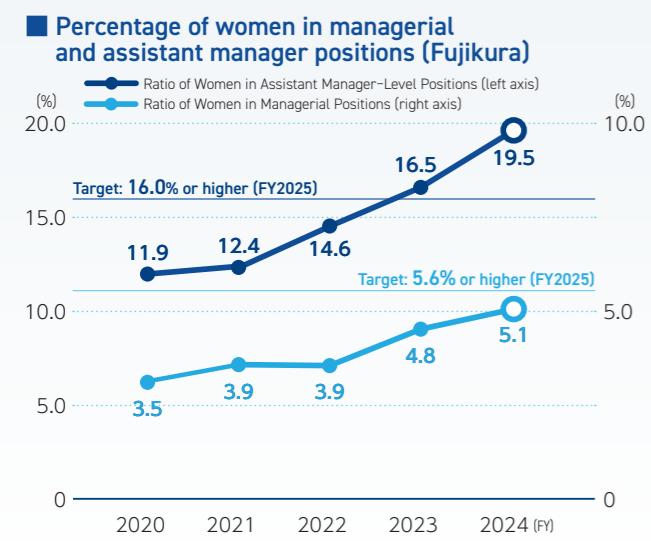
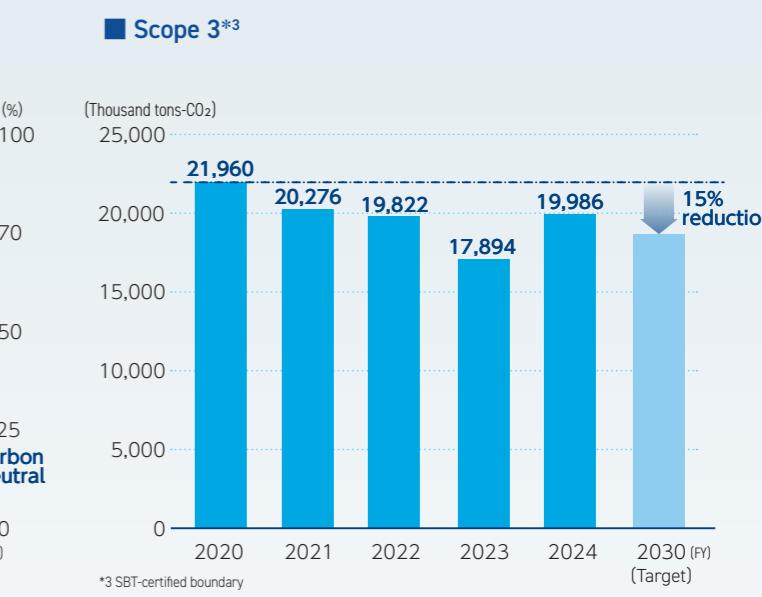
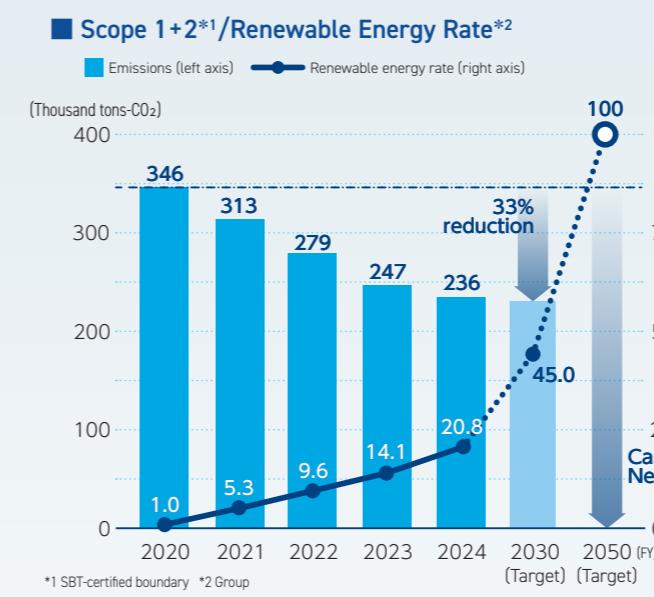
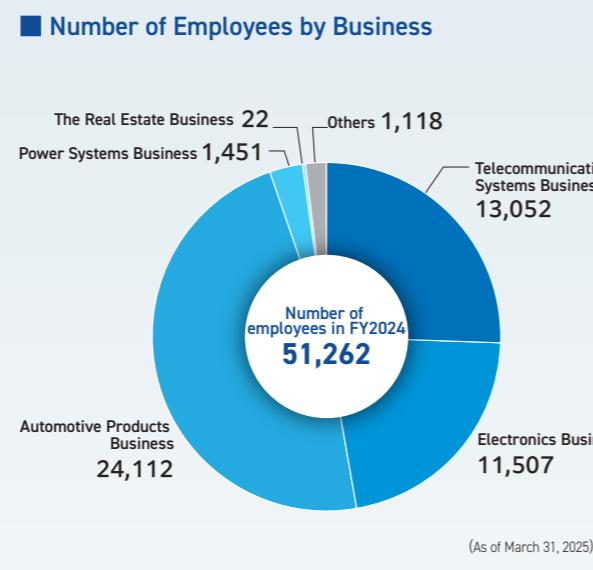
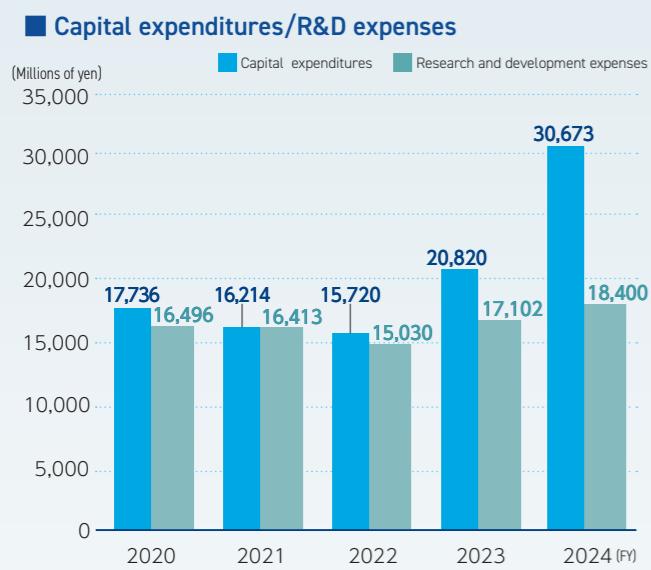
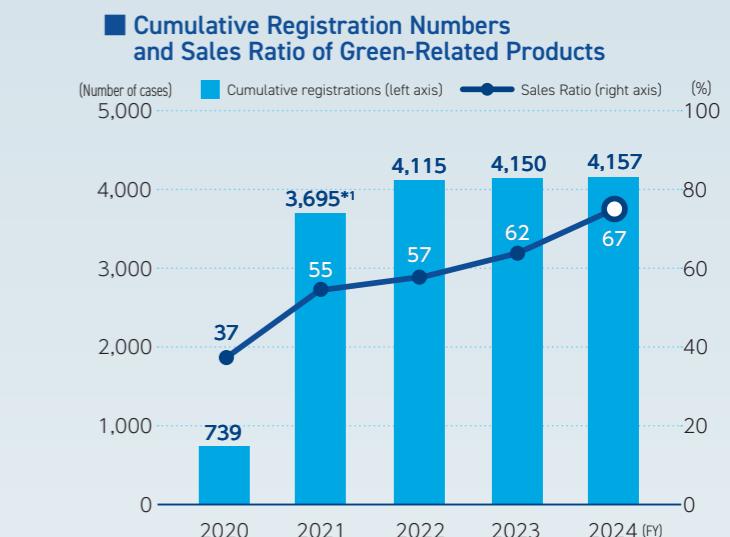
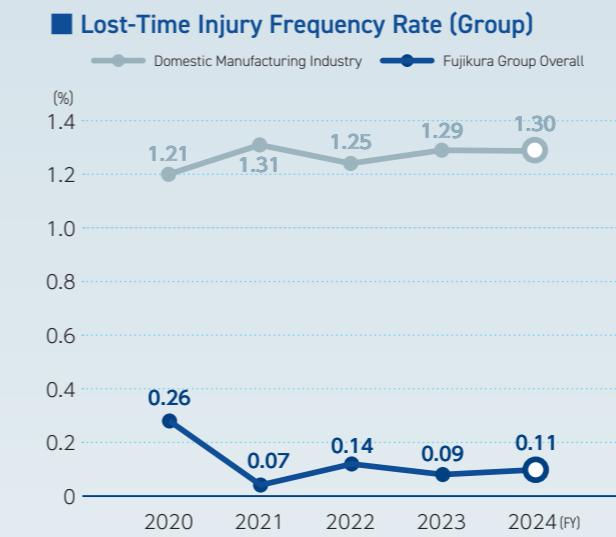


## Total Assets / Equity-to-Assets Ratio



## Net Income per Share





\*The target ratio of women in managerial positions and the actual results for FY2023 and FY2024 do not include post-retirement re-employed individuals.



## Delivering Solutions for Information Infrastructure Development

Networks are constantly evolving to deliver faster speeds and greater capacity, meeting the ever-growing demand for connectivity.

With extensive expertise cultivated over many years, we deliver solutions that effectively scale network capacity to meet the surging demand for generative AI, powered by SWR®/WTC®, smaller diameter and high fiber density, and precision multi-fiber connectors. Our fusion splicers, essential for splicing fibers, are widely used across the globe.

The Fujikura Group's optical cabling solutions support the development of a robust optical network infrastructure.

### Business Overview

#### S Strengths

- Small-diameter high-density fiber optic cable (SWR®/WTC®)
- Comprehensive optical cabling solutions that integrate fiber optic cables, optical components, fusion splicers, and engineering expertise.

#### W Weaknesses

- Sales expansion in markets outside North America
- Establishing a global supply chain

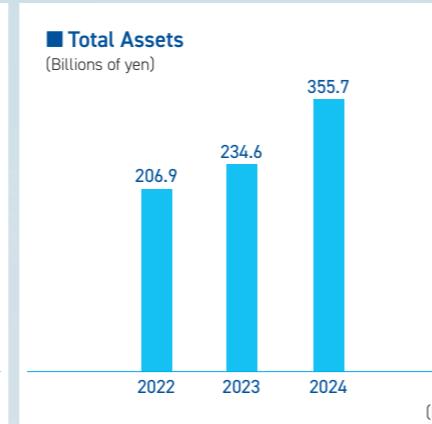
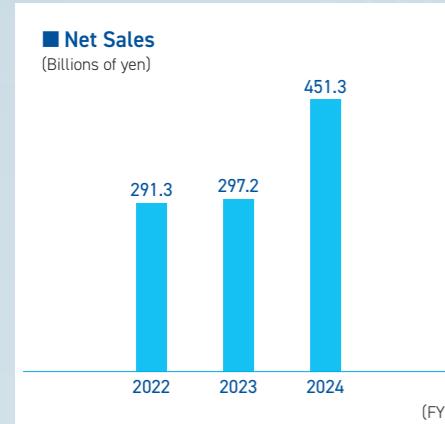
#### O Opportunities

- Market growth in data center and telecom carrier sectors driven by accelerating demand from generative AI.
- National Support Initiatives for Information Infrastructure Expansion

#### T Threats

- Investment slowdown in the telecommunications sector
- Supply chain disruptions caused by geopolitical risks

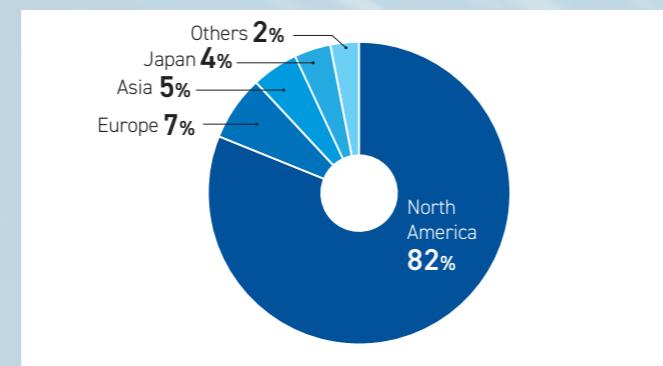
### Business Data



### Main Products

Optical Fibers	Fiber Optic Cables
Optical Cabling Materials	Optical Components
Fusion Splicers	Engineering

### Regional Sales Ratio



## Main strategies, achievements in 2024, and future initiatives

### Information Infrastructure

Our advanced optical cabling solutions, built on cutting-edge technologies, play a vital role in building information infrastructure that enables faster and higher-capacity communications.

#### North American market

To meet the requirement for U.S.-manufactured fiber optic cables, we have completed the relocation of manufacturing equipment to the United States and are preparing for production and sales of fiber optic cables that are 100% made in the United States.

By leveraging our advanced cabling solutions and expertise in FTTx deployment, we have expanded into the dark fiber business.

We have launched the world's highest fiber count, 13,824-core, small-diameter, high-density fiber optic cable (SWR®/WTC®), further enhancing space efficiency and reducing installation workload through its smaller diameter and lighter weight design.

#### Markets outside North America

We will promote SWR®/WTC® that can reduce total costs, including installation costs, and drive business expansion.

We are continuously expanding our range of cabling solutions optimized for diverse regions and applications, including air-blown fiber optic cables.

13,824-core small-diameter high-density fiber optic cable (SWR®/WTC®)

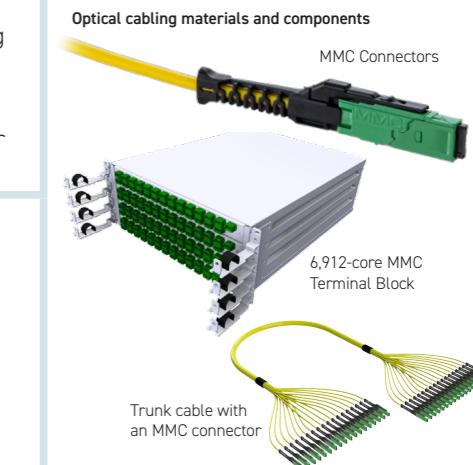
### Information Storage

Our advanced high-density optical cabling solutions enable the construction of data centers designed to meet the growing processing and storage demand driven by big data and generative AI.

#### Data Center Market

To meet the growing demand for generative AI, we are expanding our optical cabling materials manufacturing facility in Mexico to nearly twice its current size. Domestically, we will continue to invest in increasing the production capacity of multi-fiber optical connector ferrules, which remain in high demand.

In generative AI systems, the adoption of optical cabling solutions utilizing the MMC connector, a next-generation ultra-compact multi-fiber connector, is increasingly widespread. Compared to conventional MPO connectors, MMC connectors deliver three times higher density, contributing to the realization of the low-loss and large-scale optical cabling required by generative AI systems.



#### Enhancing Competitiveness—New SWR® Factory

To meet the growing demand for generative AI, operations at the new SWR® plant commenced in February 2025. Leveraging "Monodukuri" (manufacturing) DX, the new plant enhances production capacity to accommodate rising demand, while pursuing superior quality and productivity. With its launch, SWR® production volume is expected to increase by approximately 30% in terms of optical fiber length.





## Aiming for Sustainable Growth in Core Business Areas

In the Electronics Business, we aim for sustainable growth through the unique technologies of the Fujikura Group mainly in the areas of Information Storage and Information Terminals, which are core business areas of the Fujikura Group. As a partner to our valued customers, we respond to their demands for high density, high definition, and multifunctionality with our advanced technologies in electronic components, connectors, and FPCs, contributing to the creation of cutting-edge applications for our customers and expanding our business.

We are also moving forward with electronic products in the rapidly evolving next-generation automobile market.

### Business Overview

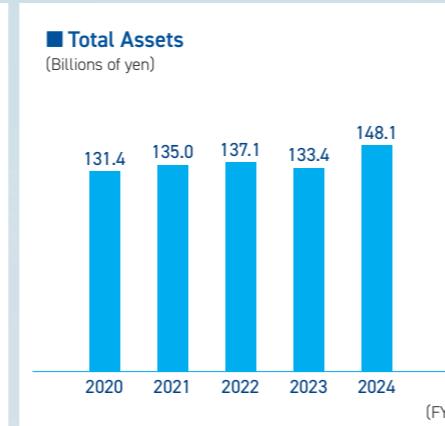
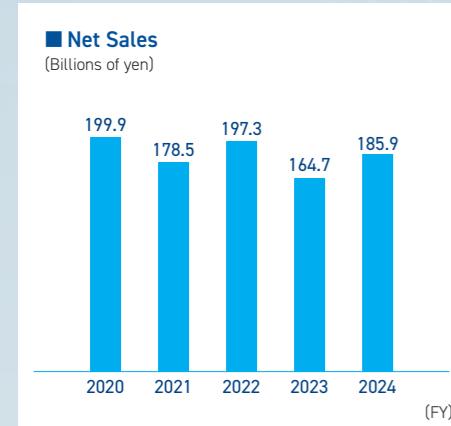
#### S Strengths

- Creating products utilizing high-quality and fine pitch processing technology
- Proposals that capture customer needs and contribute to creating value for customer products
- Proposals for complex products combining various technologies
- Stable supply utilizing geographical advantages such as overseas production

#### O Opportunities

- Growth in the wearable and medical markets due to miniaturization and increased density of devices
- Expansion of the market of electronic products for CASE
- Expansion of demand for Information Storage and Information Terminals in the digital society as AI evolves
- Promotion of humanoid robot development

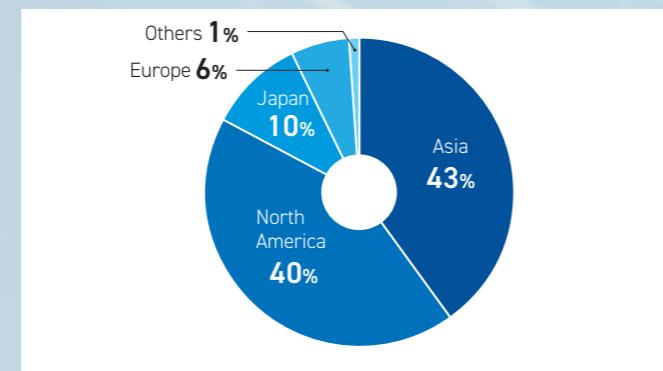
### Business Data



### Main Products

Flexible Print Circuit (FPC)	Electronic Wire	
Sensor	Membrane Switch	Connector
Actuator for HDD	Thermal solution	

### Regional Sales Ratio



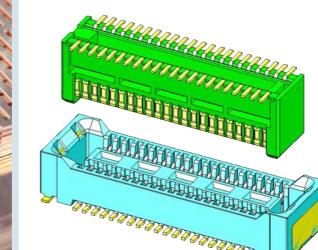
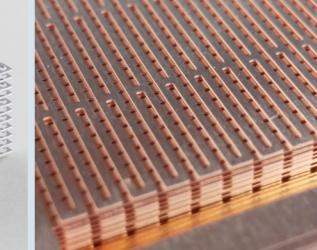
## Main strategies, achievements in 2024, and future initiatives

### Information Storage

The widespread adoption of AI is driving demand for data centers, and we are developing products that support new magnetic recording methods for large-capacity hard disk drives (HDDs), which are experiencing increased storage capacity due to their increasing density as data capacity increases. We are also working to provide thermal solutions for semiconductors, which generate more heat due to their increased density.

### Development and Operationalization in the Information Storage Area

We will expand our business with precision processing and cooling technologies in response to the expanding data center market due to the spread of AI.



### Contributing to increasing HDD capacity

The high precision components of the Fujikura Group are key to achieving the increased capacity of HDDs.

### Thermal solutions

The multilayer cold plate developed by the Fujikura Group is the key to achieving efficient cooling.

### Connectors for HDDs

The connectors developed by the Fujikura Group are the key to reliably linking electronic data in HDDs.

### Information Terminals

With AI adaptation, we aim to accelerate the development of compact, high-precision, and high-density products for high-end information terminals, advancing further high-speed and large-capacity data communication, and expanding sales.

In the automotive and in-vehicle market, which is evolving as information terminals are connected to networks, the Fujikura Group offers a wide range of products to provide solutions to customer issues.

### Addressing the Markets of High-End Information Terminals and Next-Generation Automobiles

For information terminals such as smartphones, wearable devices, and VR headsets, which are becoming smaller and more sophisticated, we will aim to expand sales of highly complex, high-value-added products that utilize the Fujikura Group's strengths of high-quality and high-density, high-definition fine pitch processing technology.

In the next-generation automobile market, demand for Fujikura Group products is increasing for a variety of applications, and we provide optimal solutions to our customers with a diverse range of electronics products.

### Business Expansion in the Industrial Equipment and Medical Equipment Markets

In the industrial equipment market, we aim to expand our business with sensors and connectors that use miniaturization and highly reliable connection technologies.

In the medical equipment market, we provide the complex technologies of the Fujikura Group as solutions.

We aim to expand our entry into the humanoid robot market through integrated technologies.

# Automotive Products Business

## Providing Solutions to the Automotive Industry in a Time of Transformation

The Automotive Products Business has a total of 35 facilities for manufacturing, R&D, and sales in 15 countries in Asia, North and South America, and Europe. We globally produce and supply electrical distribution systems centered on wire harnesses, often referred to as the "nerves and blood vessels" of automobiles.

While respecting the design philosophies of our customer partners, we optimize electrical distribution systems to enhance the value of their products. Amid the once-in-a-century transformation in the automotive industry, we are actively developing products and solutions that meet the needs of key automotive customers. By leveraging the Fujikura Group's core technologies and collaborating across business units, we aim to create new integrated solutions that contribute to the future of mobility.

### Business Overview

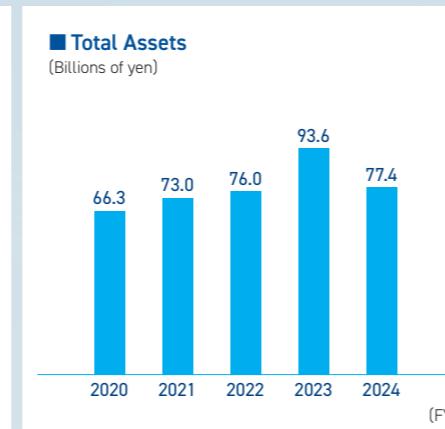
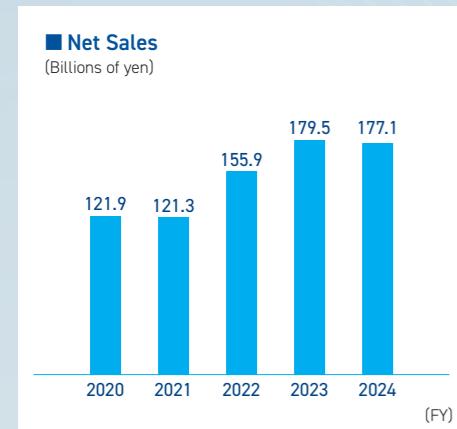
#### S Strengths

- A diverse range of core and elemental technology groups, including telecommunication, electronic components, and energy
- A worldwide design and development structure capable of meeting the needs of customers

#### O Opportunities

- Innovation of vehicle specifications and equipment through CASE (Connectivity, Autonomous, Sharing, and Electrification)
- Easy entrance into electric vehicles from different industries

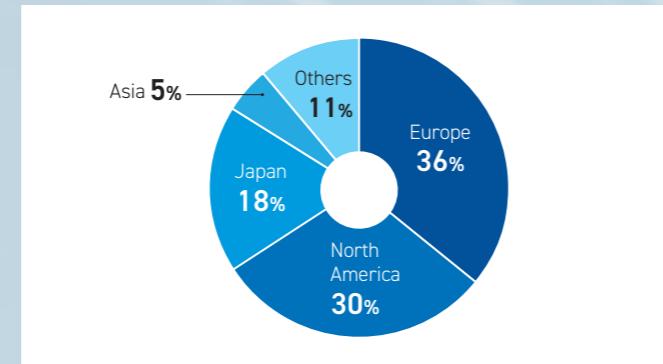
### Business Data



#### Main Products

Wire Harness	Automotive electrical components
High-voltage wire harnesses for electric vehicles	EV rapid charging Cable with Connector

#### Regional sales ratio



## Main strategies, achievements in 2024, and future initiatives

- Next-generation vehicles in the era of CASE need to evolve and function as advanced information terminals. We will continue to develop wire harness systems capable of high-speed communication and controlling electric power by integrating the elemental technologies we have cultivated in our Telecommunication Systems and Electronics businesses with technology in our Automotive Products business, and propose them for next-generation vehicles.
- We will contribute to the spread of electric vehicles by deploying EV rapid charging cable connectors, which utilize power cable technology, in infrastructure charging facilities.
- The Automotive Products business continues to increase profits through improved sales prices and productivity. While focusing on profitability in order management activities, we aim to establish sustained profitability by revising operations to maintain profitability without pursuing scale expansion.

<b>Utilization of Global Bases</b>	We utilize existing global bases (legal entities) to contribute to shortening the business establishment period and reducing costs for other business units.	
	Examples of Base Utilization	Tangier factory in Morocco begins operation as a WTC® fiber optic cable manufacturing facility.
Benefits of Utilizing Our Base (Tangier Factory, Morocco)	1. The lead time for deliveries to the European market has been shortened 2. Existing corporations can be utilized to rapidly establish new businesses 3. By sharing indirect functions among existing factories, cost increases will be curbed 4. Receive subsidies by leveraging the features of both businesses	

#### Development of an Ultra-High Power Charging Cable with Connector for Electric Vehicles

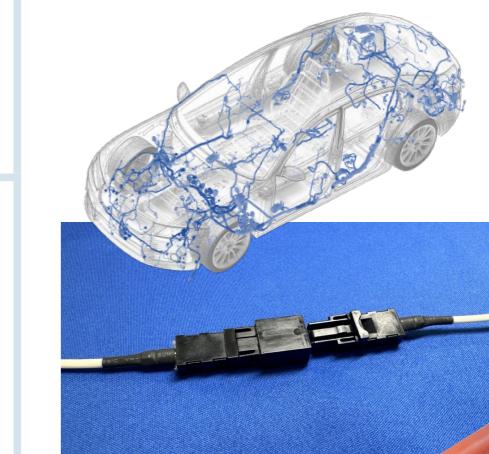
Compared to conventional internal combustion engine vehicles, long charging times remain a major challenge for EVs. To address this, we are developing an ultra-high power charging cable with connector for EVs that combines high output and ease of handling during charging, utilizing our liquid cooling technology. These solutions aim to reduce charging time to a level comparable to refueling, thereby supporting the broader adoption of electric vehicles.



We are already working with multiple customers to promote widespread adoption, and installations have begun. By supporting the transition to electric vehicles from a complementary perspective, we aim to contribute to the realization of a carbon-neutral society.

#### Response to Next-generation Vehicles in the Era of CASE (Connectivity, Autonomous, Sharing, and Electrification)

We will continue to contribute to making vehicles lighter by expanding the use of aluminum wiring, while also achieving high-speed communication in vehicles for automated driving and driving-assist systems by pursuing development of next-generation wire harnesses integrated with optical fiber technology for next-generation vehicles in the era of CASE.



We are contributing to the realization of a carbon-neutral society by simplifying the assembly process of next-generation vehicles and promoting weight reduction.



# Power Systems Business

## Providing a Stable Supply of Power Infrastructure Products to Support Social Infrastructure

Contributing to the stable supply of electric power to support social infrastructure was the starting point for the Fujikura Group, which has continued contributing to a stable supply since it was founded. However, this business has matured and entered a stable stage. We have therefore pursued a process of business selection and concentration and decided to make this a Group company business focused mainly on industrial cables and overhead transmission lines.

We are continuing to provide general-purpose low-voltage cables, high-voltage cables, overhead transmission lines, and other products that are essential components of the electric power infrastructure. These products are highly valued by customers.

### Business Overview

#### S Strengths

- Consistent product quality and degree of ability to meet delivery timeframes
- Differentiation technologies for low wind pressure conductors and snow accumulation reduction products

#### W Weaknesses

- Numerous general-purpose products and issues with expanding differentiated products
- Shortage of human resources for the next generation and obsolete manufacturing equipment

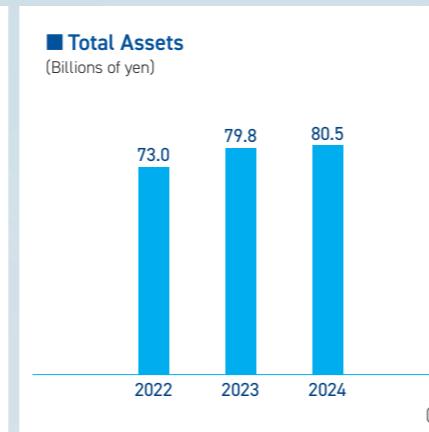
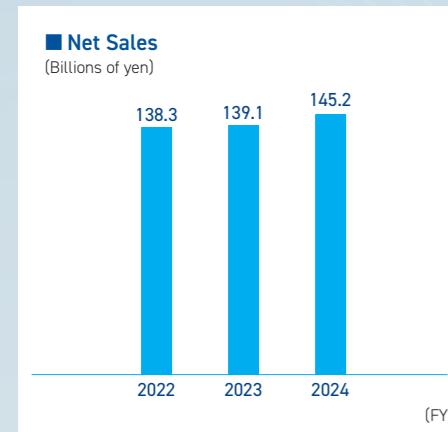
#### O Opportunities

- Continuing investment in urban redevelopment projects, data centers, and other construction in Japan
- Replacement demand from aging transmission lines and strengthening resilience
- Increase in demand for conductors that enable labor savings during construction

#### T Threats

- Rapid fluctuation in copper prices and surging material prices
- Intense low-price competition in general-purpose electrical wires

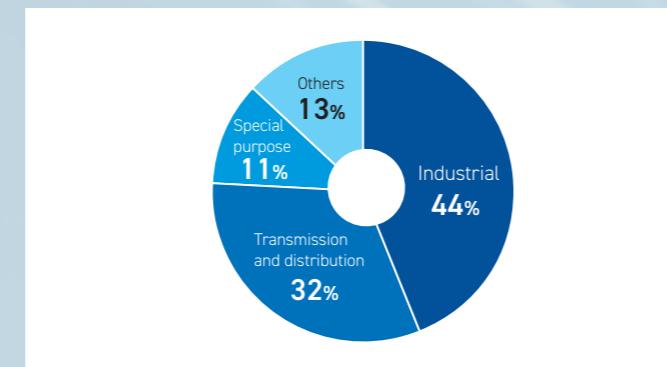
### Business Data



### Main Products

Power Cables	Insulated Electrical Wire	Hazardous Substances Free Cable and Wire
Instrumentation Cables	Overhead Transmission Lines	
Coaxial Cables	Diagnoser for Medium Voltage Power Cable	

### Breakdown by Application



### Main strategies, achievements in 2024, and future initiatives

#### Industrial Cable

In FY2024, shipment volume struggled to grow due to the lingering inventory in the market caused by the aftermath of excessive wire demand in the previous year, as well as the extended construction periods stemming from labor shortages at building sites. Even under such circumstances, the Fujikura Group continued to promote "DIGITAL MONODUKURI"\* aimed at achieving high productivity and quality, striving to maintain and enhance its competitiveness. The Fujikura Group aims to become a top player in the industrial cable market by leveraging its capabilities in responding to delivery schedules and ensuring high quality through "DIGITAL MONODUKURI."

\*DIGITAL MONODUKURI: The Fujikura Group's unique production system, which connects processes from order receipt to production, shipment, distribution warehouse, and logistics via IT; systematically utilizes vast manufacturing data within factories; and advances mechanisms for quality control, lead time reduction, and improved transportation efficiency leading to enhanced production conditions.

#### Addressing the Increase in Ground Fault Accidents and Contributing to the Improvement of Safety for the Social Infrastructure.

We expanded our lineup of cables with improved water resistance and accident prevention functions in response to requests for an expanded lineup of products that are impervious to installation conditions. We will continue to connect this need to proposals for proper cable replacement using diagnostic and measuring equipment to measure partial electrical discharge, faults in live wire insulation, and similar concerns.



Example of introducing DIGITAL MONODUKURI: Operation of automated guided vehicles (AGVs)



#### Overhead Transmission Line Conductor

In addition to the increased demand driven by the expansion of renewable energy sources such as solar and wind power, there is a growing need for conductors that can reduce the load on towers due to intensified natural disasters such as typhoons and strengthen the resilience of aging transmission lines. As a result, a decrease in the number of linemen has become an issue. The 2025 Mid-term Management Plan aims to maintain and improve the power infrastructure by providing products such as conductors with rings to prevent heavy snow accumulation (SL conductor) and shorten construction periods, and low wind pressure conductors that are tower-friendly.



## Maximizing Asset Utilization and Maintaining Stable Revenue

We are utilizing the factory site owned by our company adjacent to the Fujikura headquarters effectively to develop the real estate business. Redevelopment began in 1998, and we currently engage in the real estate leasing and management business, focusing on five office buildings and three commercial buildings. The total floor area available for lease in these office buildings is approximately 100,000 m<sup>2</sup>. Capitalizing on the advantageous location within a 4-kilometer radius of the Marunouchi district, the central area of Tokyo, we are privileged to have excellent tenants such as financial institutions.

The basic policy of the real estate business is to make effective use of land that has been owned for a long time and increase profits. By making planned investments and renovations to enhance the value of existing buildings and facilities, we aim to increase tenant satisfaction and maintain high occupancy rates for leased rooms over the mid to long term.



### Business Overview

<b>S</b> <b>Strengths</b>	<b>W</b> <b>Weaknesses</b>
<ul style="list-style-type: none"> <li>Proximity to the city center (Otemachi, Marunouchi) and a transit station, on a well-maintained, spacious city block</li> </ul>	<ul style="list-style-type: none"> <li>More than 20 years have passed since development, and signs of aging and obsolescence have begun to appear, so an increase in repair costs is expected in the future</li> </ul>
<b>O</b> <b>Opportunities</b>	<b>T</b> <b>Threats</b>
<ul style="list-style-type: none"> <li>The surrounding residential population is high, and future growth is expected</li> <li>Expansion of Tokyo Metro Line 8</li> </ul>	<ul style="list-style-type: none"> <li>The decline in rental levels is causing a deterioration in income</li> </ul>

### Business Data



## Main strategies, achievements in 2024, and future initiatives

"Fukagawa Gatharia" is an urban regeneration area redeveloped by Fujikura with the concept of "establishing a new identity for the Fukagawa and Kiba region."

Coexisting with the downtown area's surrounding environment, Fujikura is working to create a town that is loved by local residents and businesspeople.

In FY2024, a new building "LEGARE" was completed at "Fukagawa Gatharia." This new building "LEGARE" has received the highest 5-star rating in the BELS (Building-Housing Energy-efficiency Labeling System).

This investment, along with the new SWR® factory constructed at the Sakura site, was funded by green bonds.



### "Fukagawa Gatharia": Value Enhancement through Commercial Building Development

### Contributions to the Local Community in the Kiba Area

In the spirit of co-creation with local communities, Fujikura undertakes the maintenance and management of the Fujikura-Kiba Millennium Forest biogarden (see p. 80), which functions both as a biotope for nature conservation and as a garden that provides a place of relaxation for

local residents while supporting environmental education for children, the future stewards of society. In addition, we cooperate with local events and activities. We will continue contributing to local communities through diverse initiatives.



Obon



Christmas illumination

# Climate Change Response

## Governance

The Fujikura Group regards environmental issues such as climate change as critical management challenges and discusses policies and approaches at the Sustainability Promotion Committee, which is composed of Directors and Corporate Officers. Furthermore, the implementation of

## Strategy

The Fujikura Group recognizes environmental issues, including climate change, as key management priorities. We analyze what kind of impact climate change will have on growth of Fujikura Group businesses, based on the long-term forecasts of the Organization for Economic Co-operation and Development (OECD) and the Intergovernmental Panel on Climate Change (IPCC), social concerns, and requests for response to climate change from customers.

In a world aligned with the 2°C scenario, we anticipate significant transformations and diverse technological innovations in the years ahead. We believe that wherever

initiatives and progress management are overseen by the Global Environment Committee, a specialized body responsible for environmental matters. The organizational structure is shown on p. 69.

such social changes and technological advances occur, there will always be opportunities to leverage the Fujikura Group's outstanding technologies. To raise awareness of the Fujikura products that contribute to this kind of society, we have established a new category called Green PLUS. In FY2025, we certified "thermal products for supercomputers" and "small-diameter and high-density fiber optic cables for data centers" under this category. For details, please refer to p. 56. We will continue to develop products that address evolving social needs and present them through Green PLUS.

## Risk Management

The Fujikura Group recognizes CO<sub>2</sub> emission reduction as a strategic risk, taking into account the growing prevalence of climate-related disasters and the perspectives of diverse stakeholders. Such climate-related risks are identified and monitored by the Global Environment Committee, with oversight

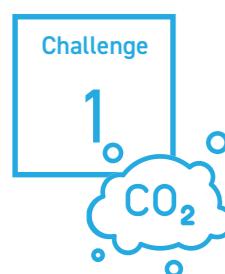
provided by the Sustainability Promotion Committee and the Board of Directors' Meeting. In 2023, the Group obtained SBT certification, confirming that its CO<sub>2</sub> emission reduction targets are consistent with the levels required under the Paris Agreement.

## Indicators and Goals

The Fujikura Group established the Fujikura Group Global Environmental Charter in 1992 and, in 2016, announced the Fujikura Group Long-term Environmental Vision 2050. With

an eye toward the year 2050, the Group is advancing four key challenges to minimize its environmental footprint.

### The four challenges of the Fujikura Group Long-term Environmental Vision 2050



Zero CO<sub>2</sub> emissions  
at plants by 2050



Minimize use of water  
at plants and wastewater  
management



Symbiosis between  
plant workers and nature



Effective use of resources  
and resource cycle

### Risks

Classification	Climate change risk	Future response
2°C Scenario (Transition Risks) Short term and Medium term	<b>Policy and Legal Risks</b>	<ul style="list-style-type: none"> <li>Introduction of a carbon tax and strengthening CO<sub>2</sub> emission regulations in various countries and regions</li> <li>An estimate of the financial impact of the carbon tax</li> <li>Requests and obligations from customers and operating countries to reduce greenhouse gases and carbon footprint</li> </ul>
	<b>Technical risks</b>	<ul style="list-style-type: none"> <li>Disruption of existing technologies</li> <li>Requirements such as minimizing energy consumption during product manufacturing and utilizing renewable energy</li> </ul>
	<b>Market risks</b>	<ul style="list-style-type: none"> <li>Changes in the demand for products and services</li> <li>An increase in temporary capital investment costs due to climate change measures requested by customers and society</li> <li>Increase in raw material prices and diversification of suppliers due to climate change-related factors</li> </ul>
	<b>Reputation risk</b>	<ul style="list-style-type: none"> <li>Information disclosure and response requests regarding climate change from customers, investors, and various evaluation agencies</li> </ul>
4°C Scenario (Physical Risk) Medium term and long term	<b>Acute Risks</b>	<ul style="list-style-type: none"> <li>Impact on operations due to natural disasters, such as floods and major typhoons</li> <li>When production facilities are damaged, it leads to a decrease in production capacity and necessitates repair work on the facilities, impacting business performance</li> <li>Impact on production plans due to supply chain disruptions, etc.</li> <li>→The Fujikura Group suffered significant damage to its Group companies due to flooding in the Kingdom of Thailand in 2011, and it took five years to recover</li> </ul>
	<b>Chronic risk</b>	<ul style="list-style-type: none"> <li>Considering the health of employees working in operational areas during temperature rises and similar scenarios</li> <li>Ensuring employee safety amid increased rainfall</li> <li>Impact on operations due to future sea level rise</li> </ul>

\*1 RE100: Renewable Energy 100%. An international initiative aiming to source 100% of the energy consumed in business activities from renewable energy sources.

\*2 TCFD: Task Force on Climate-related Financial Disclosure. A private-sector initiative aimed at disclosing companies' financial information alongside their responses and examples concerning environmental risks.

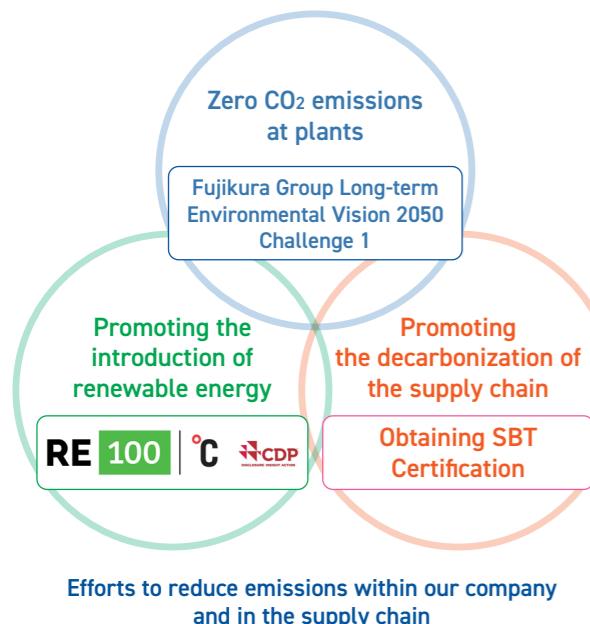
### Opportunity

Each business	Social trends	Opportunity
Telecommunications Systems	<ul style="list-style-type: none"> <li>With the advancement of digitalization, the amount of data distributed, accumulated, and analyzed is increasing exponentially</li> <li>The new service business utilizing digital technologies such as Big Data, IoT, 5G, and AI is rapidly expanding</li> <li>Progress of CASE/MaaS</li> <li>Millimeter wave (Wireless Communication)</li> <li>Concerns about natural disaster response under the 4°C scenario</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of solutions centered on Small-diameter, High-density Fiber Optic Cables (SWR®/WTC®)</li> <li>Expansion of green-related products</li> <li>Highly efficient IT system-related products</li> <li>Promoting the use of digital technology</li> <li>Enhancing telecommunication line resilience as social infrastructure</li> </ul>
Electronics	<ul style="list-style-type: none"> <li>Increase in industrial robots</li> <li>Entry into medical products</li> <li>Increase in automotive electronic components</li> <li>Increase in millimeter-wave compatible components</li> </ul>	<ul style="list-style-type: none"> <li>Promotion of R&amp;D for CASE</li> <li>Promoting the Use of Digital Technologies</li> <li>Expansion of green-related products</li> <li>Increase in demand for industrial and automotive connectors</li> </ul>
Automobile	<ul style="list-style-type: none"> <li><b>Progress of CASE</b> <ul style="list-style-type: none"> <li>Increase in wire harnesses due to the increase in electronic components</li> <li>Progress of move to electric vehicles in the 2°C scenario</li> <li>Increasing demand for lighter-weight wire harnesses</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Lightweight Wire Harness</li> <li>Promotion of R&amp;D responsive to CASE</li> <li>Combine expertise in the automotive products business with that in the telecommunications systems, power systems, and other businesses to create new EV-related businesses</li> <li>Strengthened response to automotive parts other than wire harnesses and electric vehicles</li> <li>Expansion of green-related products</li> </ul>
Energy	<ul style="list-style-type: none"> <li>Due to economic growth, urbanization, and population increase, energy demand, particularly electricity demand, is increasing, primarily in developing countries</li> <li>Utilization of digital technology for stabilization and efficiency improvement in power supply, and progress in energy conservation under the 2°C scenario</li> <li>Diversification of both energy supply and demand for businesses and individuals, and increase in renewable energy in the 2°C scenario</li> <li>Concern about the increase in natural disasters under the 4°C scenario</li> <li>Response to the Law for Promoting Unobstructed Power Poles (Disaster Prevention, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of the dissemination of renewable energy</li> <li>Expansion of green-related products</li> <li>High-efficiency power system-related products</li> <li>Promoting the use of digital technology</li> <li>Enhancement of resilience in social infrastructure such as electrical wiring and cables</li> </ul>
Real Estate	<ul style="list-style-type: none"> <li><b>Promoting the use of digital technology</b> <ul style="list-style-type: none"> <li>Needs for environmental considerations, such as ZEB</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Acquisition and retention of tenants that demand environmental considerations</li> </ul>

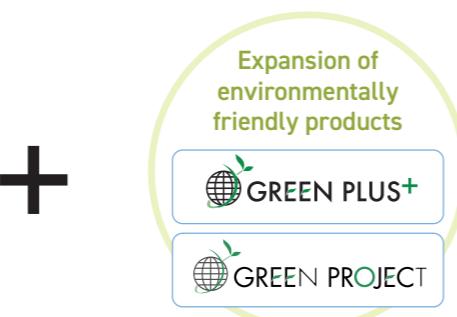


# Environment Climate Change Response

## Four New Initiatives of the Fujikura Group



The Fujikura Group places particular emphasis on the "Challenge to Achieve Zero Total CO<sub>2</sub> Emissions at plants by 2050" among the four challenges of the Fujikura Group Environmental Long-term Vision 2050, aiming to develop this initiative and promote an additional four undertakings.



**Efforts to reduce emissions within our company and in the supply chain**

**Zero CO<sub>2</sub> emissions at plants:** The Fujikura Group Long-term Environmental Vision 2050 includes among its challenges the goal of "achieving zero CO<sub>2</sub> emissions at plants by 2050." A roadmap is being established to attain this goal, and specific measures such as promoting energy conservation and transitioning away from fossil fuels are being actively advanced.

**Promoting Decarbonization of the Supply Chain:** Toward achieving carbon neutrality, we are not only advancing initiatives within our company and group but also starting efforts that include the supply chain. The Fujikura Group acquired SBT certification in July 2023.

### Key initiatives for FY2024

In 2023, the Fujikura Group established targets for reducing Scope 1 and 2 emissions by more than 33% and Scope 3 emissions by more than 15% (both relative to FY2020

**Contribution to society-wide reduction through products and services**

**Promoting the Introduction of Renewable Energy:** The Fujikura Group has joined RE100 and aims to use 100% renewable energy for the electricity required in its business activities. The goal is to achieve 100% renewable energy usage in electricity by 2050, with interim targets set at 45% by 2030 and 90% by 2040, working steadily to achieve these goals.

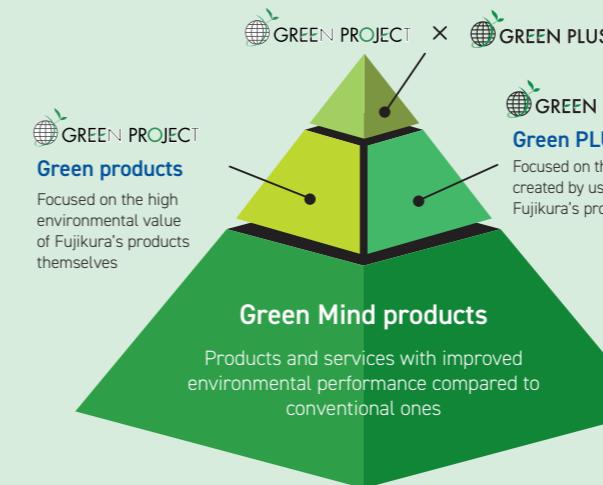
**Expansion of environmentally friendly products:** We assess environmental compatibility throughout the entire product life cycle. Products that meet the standards are certified as green-related products. In addition, products that excel environmentally and contribute to solving social issues are newly certified as Green PLUS. We will continue to strive for the expansion of these environmentally friendly products.

levels) by FY2030. These targets have been certified by the SBT. The principal initiatives for FY2024 are outlined below.

<b>Reducing our company's CO<sub>2</sub> emissions</b>	Energy conservation	Developing innovative manufacturing methods to enhance productivity and business competitiveness and actively promoting traditional energy conservation activities
	In-house power generation	Renewable energy using solar power has been introduced (at two domestic locations) and installed (at three overseas locations)
	Purchased energy	Acquisition of the appropriate environmental certificates and renewable energy meeting the RE100 requirements
<b>Reduction of CO<sub>2</sub> emissions occurring in the supply chain</b>		Promoting the reuse of resources Conducted a questionnaire regarding CO <sub>2</sub> emission reduction with several major raw material manufacturers
<b>Reduction of the carbon footprint of products</b>		Life cycle assessment has been initiated for some products Development of Environmentally Friendly Products

# Environment Expansion of Environmentally Friendly Products

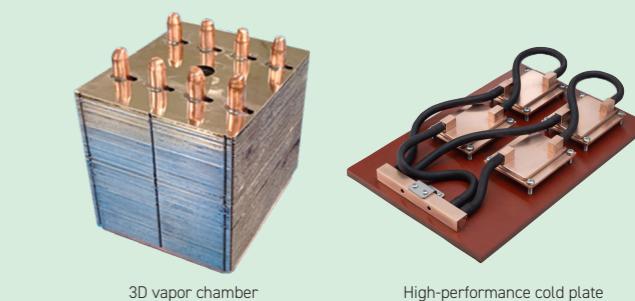
The Fujikura Group has registered a total of 4,157 environmentally friendly products (green-related products) since FY2011. These include both Green products and Green Mind products, which are certified by an internal subject matter committee based on their environmental performance. In FY2024, new Green Mind products such as automotive electric wiring that reduce the amount of copper resources used through diameter reduction were certified.



Cumulative registration number of Green-related products	4,157 cases
Green-related products registered from 2011 to March 2025	4,157 cases
Of which, Green products	23 cases
As of March 2025	23 cases
Of which, Green PLUS Product	4 cases
New Certification Program	4 cases
As of March 2025	4 cases
Sales ratio of Green-related products	67 %
FY2024 achievements	67 %

on the environmental and social contributions made through joint efforts between the Fujikura Group and our customers.

In FY2024, we certified Wrapping Tube Cable (WTC®) for telecommunications carriers, which contribute to the expansion of mobile communications networks—an essential element of social infrastructure. We also certified high temperature superconductors, which support the realization of fusion energy, a future power generation technology that does not emit CO<sub>2</sub>. Furthermore, in June 2025, we newly certified thermal products for supercomputers and WTC® for data centers.



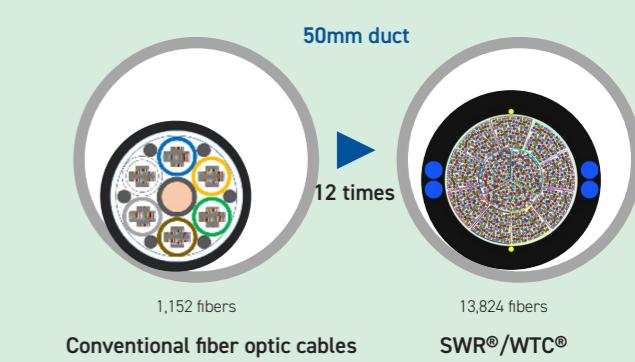
### Introduction of Green PLUS products

#### Thermal products for supercomputers

With growing demand for advanced computational processes like generative AI and large-scale data analytics, excessive heat generation in supercomputer CPUs and GPUs has emerged as a key issue. When CPUs/GPUs reach high temperatures, their built-in protection functions reduce operating frequencies, limiting their intended performance. Consequently, cooling systems require substantial power. Fujikura's high-capacity heat pipe assemblies and 3D vapor chambers significantly improve the cooling efficiency of CPUs/GPUs without consuming electricity. In addition, high-performance cold plates enhance the efficiency of CPUs/GPUs cooling in water cooling systems. As a result, it maximizes supercomputing performance, enabling high-precision and accelerated simulations in various fields such as medicine and meteorology.

#### Small-diameter and High-density Fiber Optic Cables for Data Centers (SWR®/WTC®)

With the rapid increase in data communication volumes, the demand for expanding data centers to handle this surge is also increasing. In these data centers, a multitude of optical fibers are employed. However, the space available for installing fiber optic cables is limited, and expanding the conduits requires considerable time and cost. Fujikura's small-diameter and high-density fiber optic cables (SWR®/WTC®) are characterized by their ability to incorporate more than 10 times the density of optical fibers compared to conventional fiber optic cables, while maintaining the same outer diameter. In other words, SWR®/WTC® allows the deployment of more optical fibers in data centers without the need for additional conduits. This, in turn, data processing capacity of data centers and helps deliver new value to society.

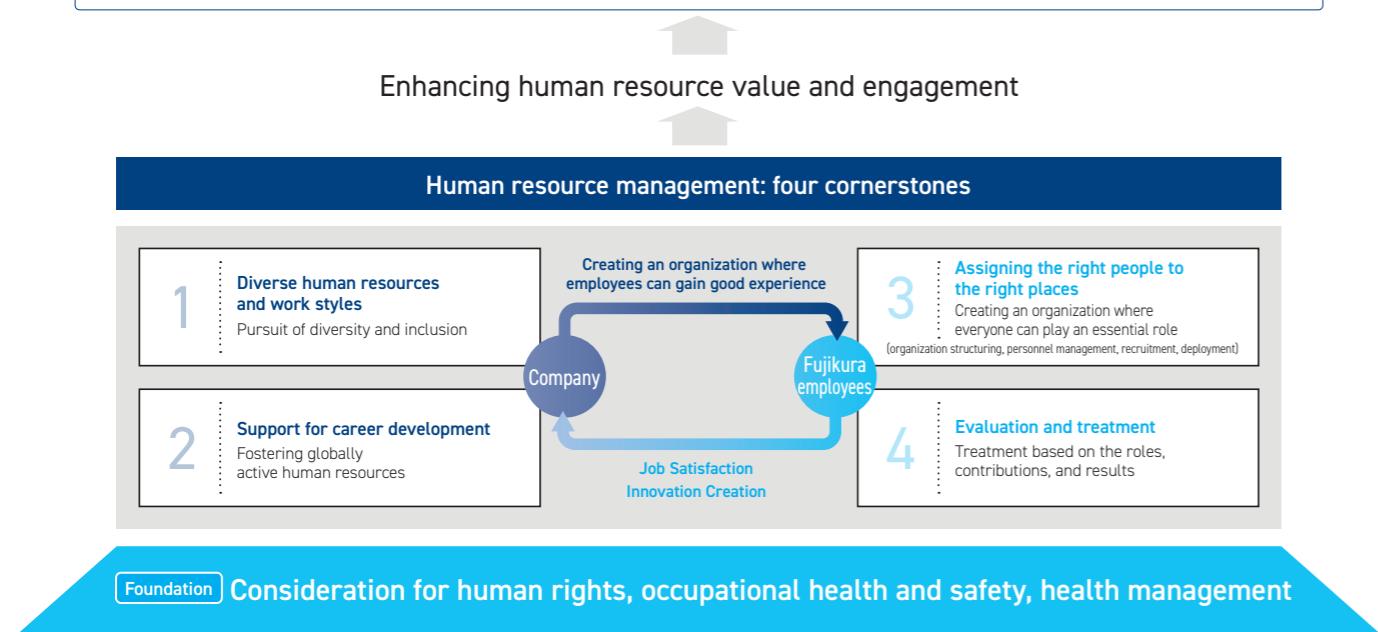


# Human Resource Development

## Basic Perspective on Human Resource Management

The Fujikura Group stands firm in the belief that enhancing human resource value and engagement creates social value and contributes to maximizing corporate value, and thus strives to establish an organization where employees can have quality experiences. In addition, investing in human resources is a top-priority and crucial theme for the Fujikura Group to achieve sustainable growth. With four key directions in human resource management as its foundation, the company aims to achieve the mutual well-being of both the company and its employees through necessary measures and initiatives.

### Contributing to a sustainable society through “Tsunagu” Technology™



## Diverse Human Resources and Workstyles

The Fujikura Group is committed to creating an environment where individuals can thrive and demonstrate their abilities while respecting differences in attributes such as race, nationality, gender, sexual orientation, gender identity, age, disabilities, values, beliefs, and religion. We strive to provide diverse work styles that respect employees' needs, consider global trends and specific situations unique to each country, continuously adapt to changes, and aim to enhance human resource value and engagement.

## Promoting Flexible Workstyles

Fujikura is promoting the development of work environments aimed at securing and retaining diverse human resources to achieve sustainable growth and further enhance corporate value.

**Working from Home system:** In FY2020, we revised the conventional work-from-home system, expanding the scope of telecommuting usage. The telecommuting utilization rate in FY2024 was approximately 44%\*. Employees from a wide range of backgrounds, irrespective of reasons such as childcare or caregiving, have leveraged this option, contributing to an improved work-life balance.

\*1 For employees who have worked remotely for at least one day, we calculate the utilization rate with each employee's total working days as the denominator and the number of teleworking days as the numerator. The average of these utilization rates is defined as the telework utilization rate.

**Secondary employment:** Under certain conditions\*\*, and with prior approval from the company, a mechanism has been introduced that allows secondary employment. This initiative targets primarily employees who have been with the company for at least four years after starting their first job, with 22 applications received in FY2024. Typical examples of secondary employment include consulting, creation and management of websites, jobs utilizing specialized qualifications or expertise, and family business engagements. This concept is based on the principle that off-duty external activities should be undertaken voluntarily and responsibly by employees themselves. It aims to promote diverse career development and to foster an organizational culture that supports individuals who take on challenges.

\*\*2 We do not permit such conduct if it would be difficult to fulfill the duties of care, confidentiality, non-competition, and good faith.

## Enhancement of Recruitment Competitiveness

At Fujikura, in response to the growing need for talent to support our business strategies in the sustainable growth phase, we are focusing on recruitment activities through both new graduate hiring and mid-career hiring. In FY2024, the ratio of mid-career hires reached 54%. By strengthening our recruitment system, actively promoting job opportunities through social media and other channels, encouraging

referrals through our employee referral program, and utilizing direct recruiting, we are securing a wide range of talent. In addition, we are enhancing public relations efforts—such as television commercials—to increase awareness of our company. These initiatives have already begun to show positive effects, including a rise in the number of applicants.

## Promoting the Advancement of Women

Fujikura positions the promotion of women's participation and advancement as one of its key measures for Diversity & Inclusion. The company aims to foster a corporate culture where all employees collaborate and respect each other regardless of gender, making it easier for new ideas and creative innovations to emerge, thereby enhancing corporate value. As of FY2024, the percentage of women in managerial positions was 5.1% with women in assistant manager-level positions at 19.5%. Through active recruitment efforts and the establishment of a conducive workplace environment, the formation of a candidate pool for managerial positions is progressing. Enhancing the ratio of women in managerial positions requires not only alleviating the career development concerns of women themselves but also addressing challenges such as management's awareness of the need for reforms and systemic training and promotion. Fujikura intends to continue these efforts consistently moving forward.

### ■ Goals and Achievements (Fujikura)

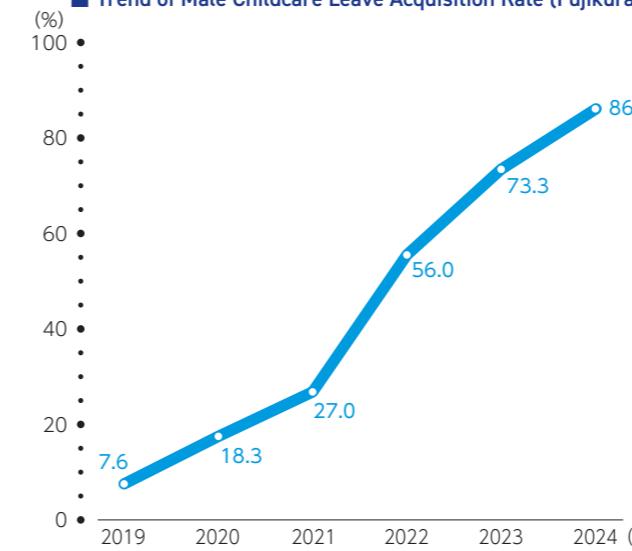
Indicator	FY2023	FY2024
Percentage of female employees	15.5%	15.7%
Average years of service	Men 18.3 years	18.9 years
	Women 17.3 years	17.0 years
Administrative	75.0%	60.0%
Technical	15.4%	9.5%
Goal: Administrative 50% or more, Technical 10% or more*		
Percentage of women in assistant manager-level positions	16.5%	19.5%
Goal: Achieve 16.0% or higher by FY2025* <sup>1</sup>		
Including individuals re-employed post-retirement	4.5%	4.6%
Percentage of women in managerial positions	4.8%	5.1%
Goal: By FY2025, achieve more than 5.6% (excluding individuals re-employed post-retirement)* <sup>1</sup>		
Paid leave take-up rate	69.6%	69.4%
Target: 70% by FY2025* <sup>1</sup>		

\*1 The target values formulated in the Action Plan for Promoting the Advancement of Women

## Establishing a Workplace Environment where Everyone can Easily Balance Work and Childcare

Fujikura is actively promoting paternity leave to help eliminate gender role stereotypes and address social issues such as the declining birth rate and labor shortages.

### ■ Trend of Male Childcare Leave Acquisition Rate (Fujikura)



### ■ Main Initiatives

- Publication of a childcare leave handbook for male employees and managerial staff
- Establishment of a childcare leave inquiry desk
- A supervisor will conduct a one-on-one interview with an employee who has informed the company that their spouse is pregnant
- HR personnel provide individual explanations to employees taking childcare leave
- Implementation of training to promote paternity leave (father classes and managerial training)

# Human Resource Development

## Employment of handicapped people

The Fujikura Group has been encouraging the employment of people with disabilities and supporting their ability to continue working positively and energetically as part of initiatives to fulfill its social responsibility and enhance normalization (a vision of mutual support between people with disabilities and the elderly). In addition, aiming to create a company where everyone can thrive, in 2015, the Group established Fujikura Cube Ltd., a wholly owned subsidiary, within its Sakura Works to promote the employment and advancement of people with disabilities across the Group.

Fujikura Cube Ltd., a special subsidiary of the company, was certified in FY2023 as a "Monis Certified Business" under the Ministry of Health, Labor and Welfare's "Certification System for Small and Medium-sized Business Owners with Excellent Disability Employment Practices" (Monis Certification System).

## Support for Building Careers

Under the belief that the growth of each individual employee leads to sustainable growth and enhancement of the corporate value of the company, we are working to provide opportunities to support employees' autonomous career development. Specific initiatives include expanding the self-development learning menu, implementing career design training for each level, and holding interviews with the human resources department for newly promoted young employees.

### Main Initiatives

<b>Recruitment</b>	Using a hearing sheet during the recruitment process allows for the prior understanding of the applicant's disability characteristics, thereby preventing mismatches
<b>Pre-assignment</b>	We conduct pre-training for supervisors and colleagues at the assigned location
<b>Follow-up</b>	The person in charge of personnel conducts individual interviews with the individual and their supervisor approximately once a year
<b>Consultation desk</b>	People with disabilities, their workplace supervisors, and their colleagues can utilize an external consultation desk



### Achievements in Human Resource Development (Fujikura)

Indicators	FY2023 Performance	FY2024 Performance
Total number of employees who took voluntary training/exams*1	1,327	1,534
Number of employees who had meetings about their careers	51	52
Number of employees who took the managerial talent development program*2	125	136
Percentage of employees on the corporate planning career track who have worked overseas (number of employees with experience of working overseas)	20.6%(296)	19.7%(288)

\*1 Taking exams such as TOEIC, utilizing online English conversation/study tools, attending external lectures, or participating in distance learning

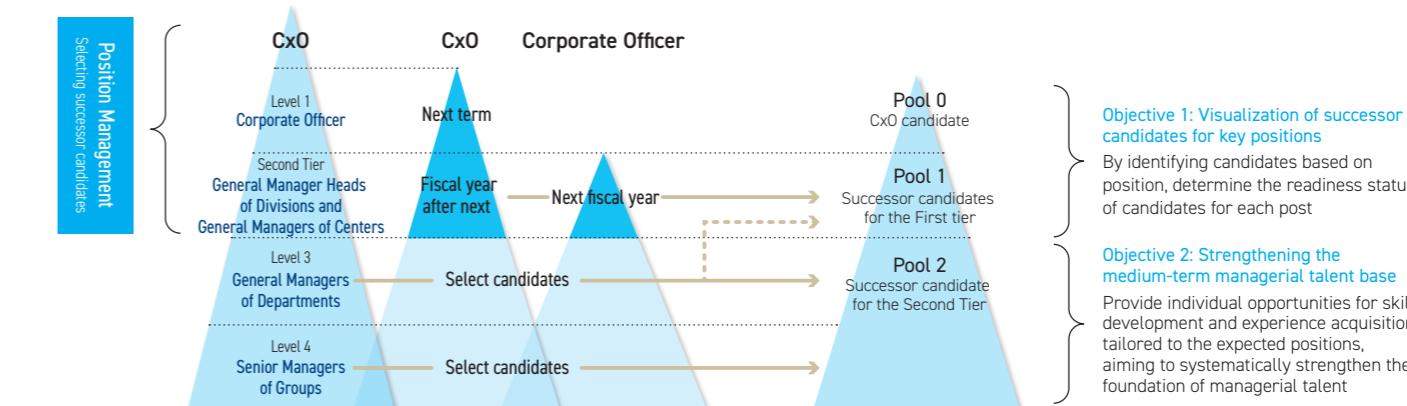
\*2 Cumulative number of participants in this program since FY2020

## Managerial Talent Development

Since 2019, Fujikura has been operating a selective management talent development program based on the belief that continuously fostering the next generation of potential business leaders contributes to sustainable growth and the

enhancement of corporate value over the medium to long term. Through training opportunities and hands-on experience, we are working to steadily cultivate a pipeline of future management candidates.

### Scope of the succession plan



## Assignment of the Right Person to the Right Place

At Fujikura, we have introduced a Career Challenge Program that allows employees to voluntarily apply for transfers to specific positions. This system is designed to encourage individual initiative and foster a self-directed organization, with the expectation that it will lead to innovation. In addition, as we operate globally, there is

a strong need for talent familiar with the business practices of different countries and regions. To meet this need, we provide an environment where employees can gain overseas experience, such as international assignments, early in their career, thereby strengthening the development of talent capable of thriving on a global stage.

## Evaluation and Treatment

In Fujikura's human resource system, an evaluation and compensation system tailored to job types and roles has been implemented. There are no differences in promotion or treatment based on nationality, gender, or whether the employee joined as a new graduate or as a mid-career hire. Furthermore, equity is emphasized in personnel evaluations (appraisals), aiming to establish an environment where each employee can maximize their abilities.

## Initiatives to Improve Treatment

Fujikura is working to achieve fair treatment, considering the economic situation, price trends, market levels, and the company's business situation, and as a result of spring 2025 negotiations, we raised wages by more than 6% (average for union members).

## Promoting Health Management

The Fujikura Group, based on the belief that "the competitiveness of a company is founded on the good health of its employees," recognizes that employee health is an essential resource for remaining a company needed by society. In 2014, we announced the "Fujikura Group Health Management Declaration." Aiming to improve the health literacy of each employee, we are enhancing mental health measures and promoting collaborative health initiatives with our health insurance association to ensure a safe and vibrant work environment. As a result of these efforts, following on

from the previous fiscal year, we were certified FY as a "2025 Health and Productivity Management Outstanding Organization (Large Enterprise Category)."



# Feature: Initiatives for Creating New Businesses “Special Assignment Project Department”

## “What is the Special Assignment Project Department?”

Since 2020, we have pursued an initiative to solicit ideas from employees for new business ventures and strengthen existing businesses. In FY2024, we established the “Special Assignment Project Department” to promote the commercialization of these proposals. Currently, five projects are moving toward commercialization.

## Purpose of the initiative

### Activation of new business creation

To achieve sustainable growth over the medium to long term, fostering new businesses is indispensable. Measures were taken to cultivate the talent capable of realizing this and to establish a system that facilitates business commercialization.

### Next-generation talent development

This initiative advances projects centered on the originators of ideas. It allows anyone, regardless of their position or years of service, to commercialize proposals if they are approved by review, enabling even younger employees to initiate their own projects. In doing so, we aim to enhance motivation and foster the development of next-generation talent through practical experience in commercialization.

### Accelerate the speed of business commercialization

From small project teams and allocate budgets. Accelerate decision-making and business start-up speed by starting with small-scale operations.

### Establishment of the Organizational Structure

By separating the project person from their existing work and making them a dedicated person on the project, they are given assigned time and a budget. In addition, to elevate the probability of business success by utilizing company-wide resources, we established the Special Assignment Project Department within the Corporate Strategy Unit rather than a separate business unit, forming an organizational structure that facilitates collaboration with various departments.

### Example from the Special Assignment Project Department Outline of the SWF Market Creation Project

SWF (Spider Web Fiber) is a new product leveraging our intermittently bonded ribbon fibers technology SWR®, which delivers value such as TCO (Total Cost of Ownership) reduction and improved convenience to cable manufacturers and end users who are single fiber users worldwide.

SWF aims to create a new market that generates a virtuous cycle across the entire value chain of communication infrastructure. Amid the fierce low-price competition in the fiber optic cable market dominated by players from China and India, SWF is expected to act as a market game-changer by leveraging its innovative technical capabilities and high productivity to deliver high-quality, high-value-added products. This, in turn, is anticipated to advance the reduction of costs, resource usage, and labor in communication infrastructure while creating social value.

Members with diverse backgrounds are driving initiatives with speed—from business strategy planning to customer development and product creation. Backed



Members of the SWF Market Creation Project (from left in the photo): Kazuhiro Nishimura, Yusuke Suzuki, Yoshie Sajima (Project Leader), Megumu Okamoto

by direct discussions with top management, cross-organizational collaboration, and full support from overseas bases, they are taking on the challenge of creating new markets.

I consider this experience to be a significant asset as a professional, and I aim to contribute to the future of the information and communications field with a spirit of challenge.

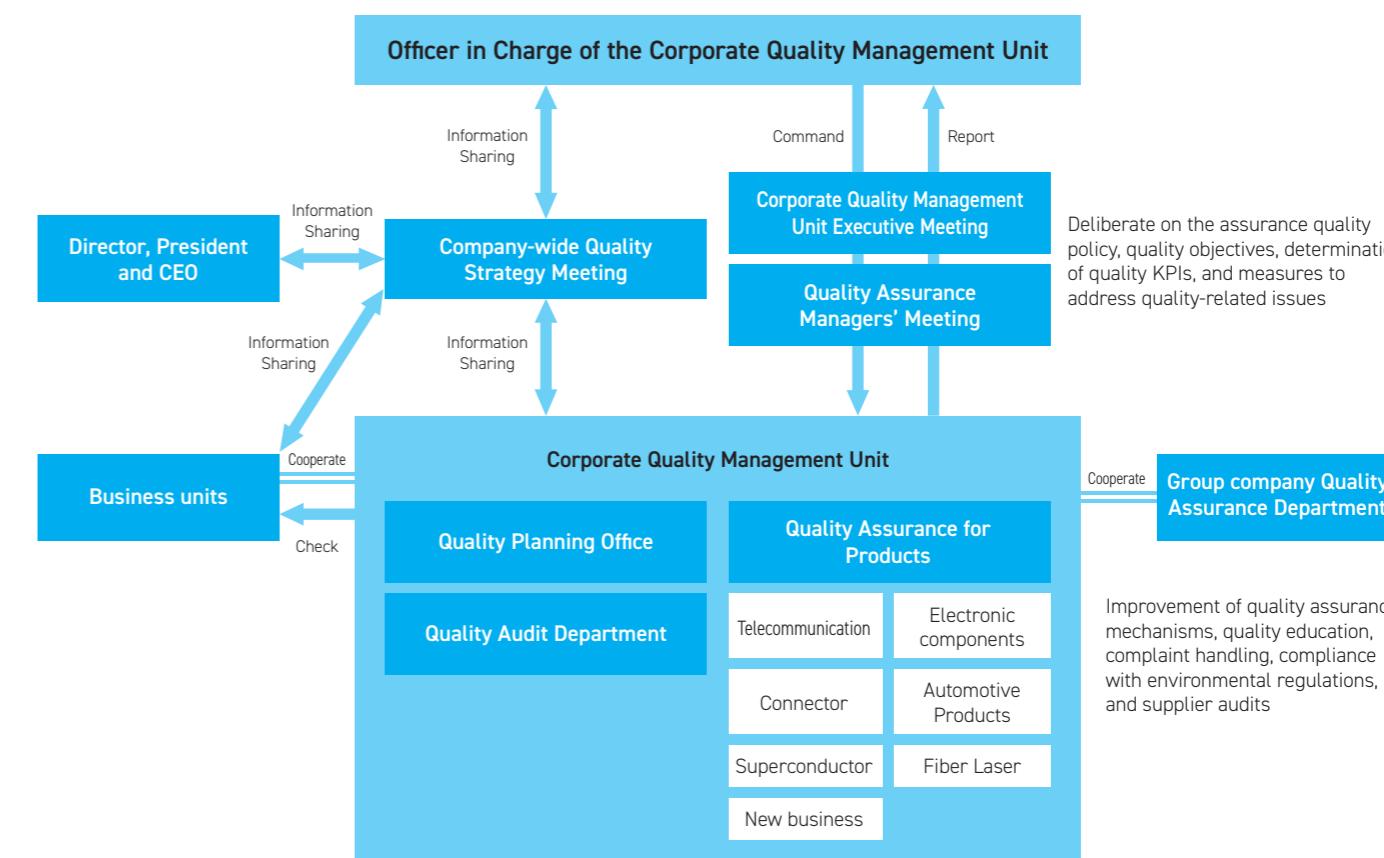
## Society Quality Assurance

Fujikura has established and operates Quality Management Systems (QMS) based on international standards such as ISO 9001, IATF 16949, and ISO 13485, striving to provide products and services that meet societal and customer expectations. The company sets out the ideal form of quality assurance, adheres to laws and customer agreements, and works toward achieving quality goals to prevent issues related to quality. When quality issues are detected, they are promptly reported to customers and addressed appropriately, while also being shared with the relevant management layer, ensuring that corrective actions are implemented securely and efforts are made to prevent recurrence.

## Quality Assurance Structure

Fujikura's Corporate Quality Management Unit operates as an organization independent from the business units (such as sales, design, and manufacturing) to properly supervise and provide checks and balances without interference, recognizing the importance of quality compliance and ensuring adherence to laws and agreements with customers. At our

Group companies as well, the organizations responsible for quality assurance (QA) are structured independently from the manufacturing and technical divisions, and they carry out activities in close collaboration with the Corporate Quality Management Unit.



## Initiatives Toward the Ideal State of Quality Assurance

As a preventive measure against the recurrence of the quality issues that came to light in 2018, the Fujikura Group has been promoting governance reforms based on the policy announced on April 25, 2019. Furthermore, to ensure thorough quality assurance, we continue working toward

realizing the “ideal state of quality assurance (QA),” with a focus on strengthening the independence of quality assurance and advancing the digitalization of quality assurance (QA) operations.

# Supply Chain Management

## Basic Approach

The Fujikura Group's business is supported by our valued suppliers who provide us with raw materials, components, and equipment. To build strong trust-based relationships with our suppliers, the Fujikura Group has established the "Fujikura Group Basic Procurement Policy." Furthermore, the "Fujikura Group Procurement Purchasing Division Code of Conduct" has been established to strictly regulate its own actions. In addition, efforts to address compliance are ongoing, such as regularly conducting Subcontract Act training seminars, including for domestic Group companies.

## Fujikura Group Basic Procurement Policy

<b>Fair and impartial transaction</b>	Fujikura Group companies open doors worldwide for suppliers. We will provide equal opportunity with potential suppliers and encourage free competition. We evaluate them through fair and sound assessment process for price, quality, delivery, stable supply, technological competence and reliability.
<b>Collaborative relationship with suppliers based on mutual trust</b>	Fujikura Group companies keep faith and honesty to suppliers. We always endeavor to develop collaborative, mutually-beneficial relationships with suppliers based on mutual trust. We do not disclose any information obtained through business with suppliers to third parties without prior consent.
<b>Compliance with laws, regulations and social norms</b>	Fujikura Group companies comply with not only relevant laws and regulations but also conduct transactions in accordance with business ethics and social norms in the countries and regions where we are doing business.
<b>Environmental preservation</b>	Fujikura Group companies strive to maintain an environmental management program designed to minimize the impact on the environment together with our suppliers in order to contribute to preservation of global environment and realization of sustainable society.

## Fujikura Group CSR Procurement Structure

As globalization accelerates, the importance of corporate social responsibility in procurement activities is growing. At the Fujikura Group, we regularly hold internal CSR meetings to share information on compliance with relevant laws and regulations, as well as initiatives related to supplier management. In addition, in line with the increasing number of ESG-related topics, we consider themes that should be shared with our business partners, such as the importance of human rights due diligence in the supply chain—including conflict

minerals—and information on climate change initiatives.

These meetings serve as opportunities to enhance the capabilities of our procurement staff. Furthermore, as a place to directly interact with our suppliers, we host the "Fujikura Group Partners Meeting" annually. Through direct communication, we seek to gain understanding of our CSR procurement among our partners and work collectively across the supply chain on CSR procurement efforts.

## Supplier evaluation system

From the perspectives of Q (Quality), C (Cost), D (Delivery), D (Development contribution), and M (Management), the Fujikura Group introduced a supplier evaluation system in FY2016 to fairly and equitably

assess our business partners and realize an appropriate supplier portfolio. We are now expanding the scope of implementation and will continue to build deeper partnerships with highly evaluated suppliers.

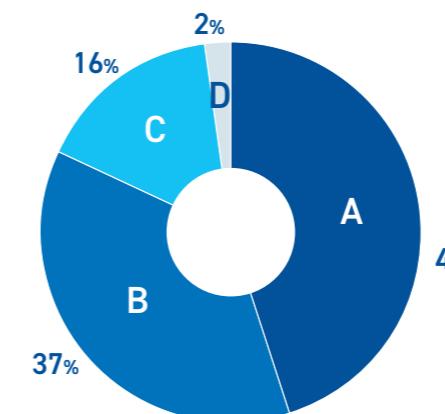
## CSR Supply Chain Questionnaire

To understand the status of CSR activities within the supply chain, the Fujikura Group regularly conducts a CSR procurement self-assessment questionnaire and a procurement department survey with major business partners. The results of these surveys are shared with our partners as feedback to promote information exchange.

### ■ Results of the CSR Procurement Self-Assessment Questionnaire

FY2024

Evaluation	Point categories	Number of companies	Percentage
A	90 points or higher	51	45%
B	61-89 points	42	37%
C	Below 60 points	19	16%
D	60 points or less and low score in the Serious Risk item (human rights)	2	2%
	Sum	114	100%



## Partners Meeting

Direct dialogue with our business partners is indispensable for advancing and instilling CSR procurement. The Fujikura Group holds in-person "Fujikura Group Partners Meetings" in Tokyo, Shanghai, and Bangkok to gain the understanding and cooperation of our partners and pursue CSR procurement across the entire supply chain.

At the Partners Meeting, we ask our business partners for their understanding and cooperation in our procurement activities by sharing the Fujikura Group's management plans, procurement policies, and CSR Procurement Guidelines. We also share ESG-related themes with our partners, such as the

Corporate governance	Human rights	Labor
Environment	Fair corporate activities	Quality and safety
Information security	Supply Chain	Local Community

### ■ Evaluation score

FY2024

Corporate governance	Human rights	Labor
82	78	87
Environment	Fair corporate activities	Quality and safety
79	79	91
Information security	Supply chain	Local community
85	76	79



importance of human rights due diligence in the supply chain and information on climate change initiatives.

### ■ Participation in FY2024 (In-person event)

	Tokyo	Shanghai	Bangkok
Company count	121	26	204
Number of people	185	37	223

# Society Respect for Human Rights

## Basic Concept

The Fujikura Group explicitly states in its "Fujikura Group Human Rights Policy" that it respects fundamental human rights as specified in the Universal Declaration of Human Rights and other frameworks while conducting global business activities. Furthermore, in formulating policies and measures related to human rights, we also refer to international principles such as the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, and International Labor Standards, striving to promote understanding and realization of human rights.

<https://www.fujikura.co.jp/en/sustainability/human-rights/>

## Promotion of human rights due diligence

The Fujikura Group undertakes measures to address human rights issues that might surface based on the Fujikura Group Human Rights Policy, by utilizing internal whistleblowing systems and conducting partner meetings with business partners. Following the procedures outlined in the Guiding Principles on Business and Human Rights, we have developed a human rights due diligence framework.

## Identifying and regularly analyzing anticipated human rights risks

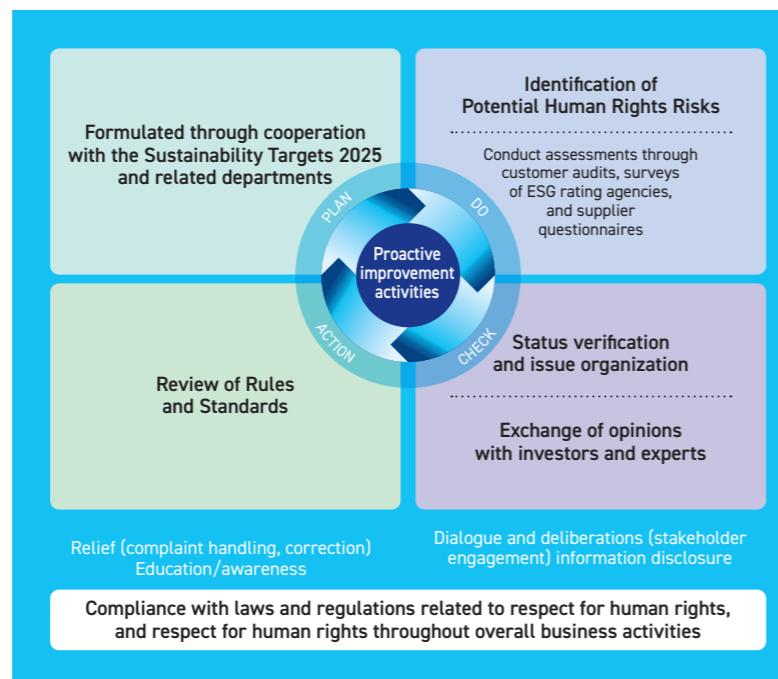
The Fujikura Group utilizes international guidelines on human rights, surveys from customers, and questionnaires from ESG evaluation organizations to organize and regularly review potential human rights risks through business activities.

### Human rights risks assumed to be associated with the business activities of the Fujikura Group

Business activities	Procurement	Manufacturing	Marketing/Sales
<b>Human Rights Risk</b>	Child labor, forced labor, misuse of preferential positions, discrimination, unpaid wages, unfair dismissal, occupational safety and health, among others	Labor safety and health, labor-management relations, foreign workers, freedom of association, harassment, among others	Product safety, quality, and human rights violations caused by unintended use, among others
<b>Stakeholder</b>	Suppliers, local communities	Group employees	Customer and community
<b>Impact on Business</b>	Impacts on stable procurement and risk of customer loss	Decline in engagement	Damage to brand value
<b>Risk understanding</b>	Communication with suppliers and conducting surveys through partners' meetings	Utilization of the whistleblowing system, internal audits by specialized departments, and responding to RBA audits from customers	Understanding the trends of human rights-related legislation

## Implementation of Human Rights Education

The Fujikura Group continues its awareness-raising activities aimed at fostering consciousness of respect for human rights and promoting understanding of human rights issues, through activities that spread the "Fujikura Group Code of Conduct" among all employees, including executives.



### Main Implementation Plans for FY2024

Target	Implementation content	Attendance Rate
Fujikura	Human Rights Education for Employees (e-learning)	89.7%
Fujikura	Harassment Prevention Training (e-learning)	98.8%

# Society Investor Relations Initiatives

## Fujikura, aiming for sustained enhancement of corporate value

- \_ Fairly and continuously disclose information useful for investment decisions to shareholders and investors
- \_ Engage in constructive dialogue with shareholders and investors
- \_ Provide the management layer with opinions and other feedback obtained through dialogue with shareholders and investors, thereby contributing to the sophistication of management

These are the three policies for our IR activities.

## Dialogue with Shareholders and Investors

Director, President and CEO, the Director & CFO, the officer in charge of IR, and those responsible for IR and sustainability engage in dialogue with shareholders and investors. In FY2024, in addition to holding 487 one-on-one meetings, we actively participated in small meetings and conferences, conducted business briefings to deepen understanding of the Fujikura

Group, and newly introduced a sustainability briefing led by the Director & CTO, as well as factory tours in response to strong demand. The CEO also spoke at briefings for individual investors. Feedback obtained through these dialogues is compiled quarterly into an "IR Report," which is distributed to directors, corporate officers, and heads of business units.

### Main Activities for FY2024

	Activity Details	Number of times held	Presenter
<b>For institutional investors and analysts</b>	Settlement of accounts briefing session	4 times	CEO, CFO
	Settlement of Accounts Follow-up Meetings	2 times	CEO, CFO
	Small meetings	11 times	CEO, CFO, Officer in Charge of IR, and others in charge of IR
	Overseas road shows (USA, UK, Asia)	3 times	CEO, CFO, Officer in Charge of IR
	Conferences	2 times	CEO, Officer in Charge of IR
	Sustainability Briefing	1 time	CTO
	Business briefings	4 times	Corporate Officer, Head of the Telecommunication Systems Business Unit Head of the Semiconductor Business Division
	Factory tours	2 times	General Manager, Optical Cable Research and Development Department and others
	SR Interview	13 items	Legal Affairs, others in charge of IR, and Sustainability Professionals
<b>A briefing session for individual investors</b>	Dialogue with analysts and investors	Approximately 500 cases	CEO, CFO, Officer in Charge of IR, and others in charge of IR
		1 time	CEO

## Sakura Works Tour



In March 2025, a tour of the Sakura Works was held for analysts and domestic institutional investors. During the event, explanations about the manufacturing processes were given by representatives from production departments, including the Optical Cable Research and Development Department general manager, as well as those responsible for optical fibers and fiber optic cables.

## Briefing Session for Individual Investors



In January 2025, we will participate in the individual investors briefing session hosted by Daiwa Investor Relations Co., Ltd. Around 1,000 individual investors will attend.

# Corporate Governance

## The Basic Concept of Corporate Governance

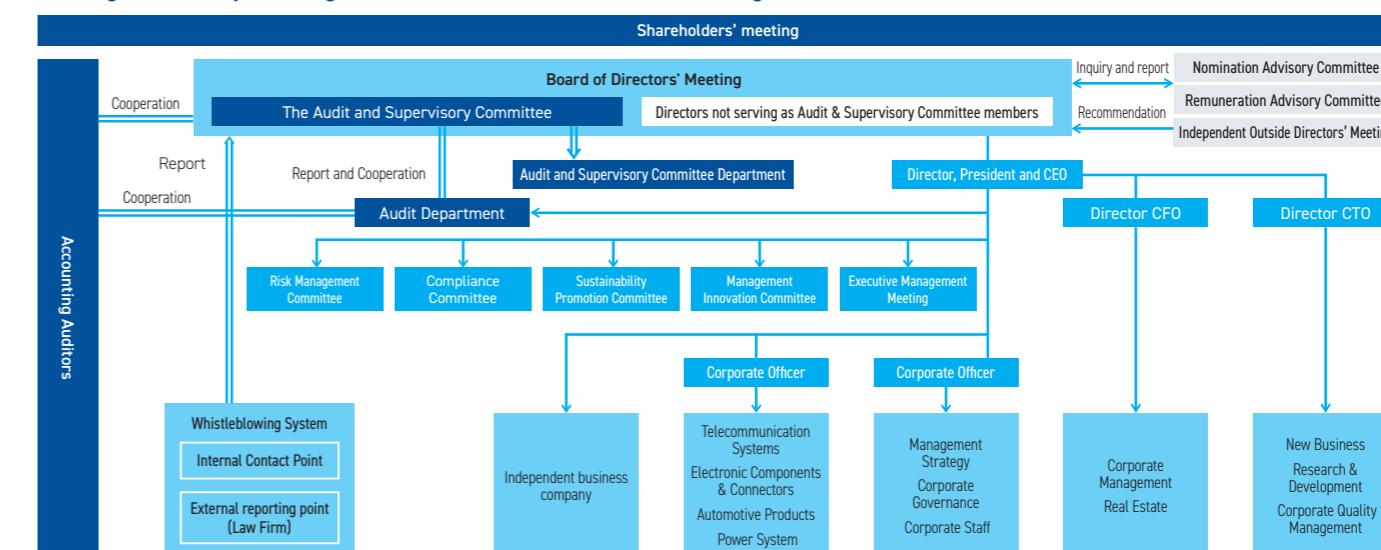
Fujikura has adopted the Audit and Supervisory Committee model since 2017. This decision was aimed at achieving both an agile and efficient business execution system by significantly delegating authority from the Board of Directors to executive directors and strengthening the supervisory function through enriched deliberations conducted by several independent outside directors possessing diverse and advanced expertise. Fujikura's corporate governance framework reflecting the above principles is depicted below.

Following the shareholders' meeting for the fiscal year ended March 2025 (the 177th Annual General Meeting of Shareholders), the Board of Directors' Meeting adopted a new structure aimed at completing the current Mid-term Management Plan—now in its final year—and formulating and executing the next Mid-term Management Plan. Specifically, the execution of operations will continue under a three-leader structure comprising the Chief Executive Officer (CEO), the Chief Technology Officer (CTO), and

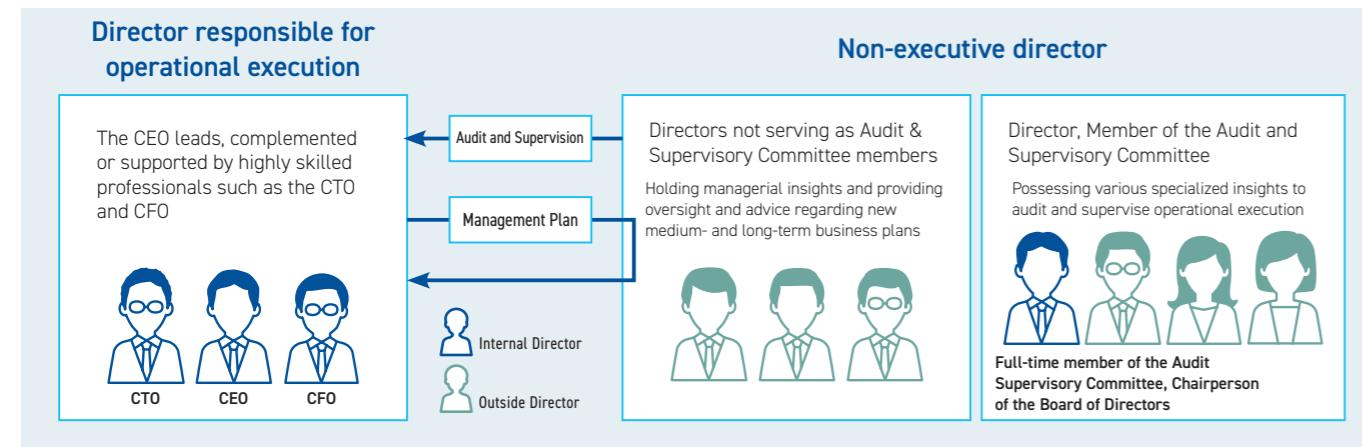
the Chief Financial Officer (CFO). Oversight will be carried out primarily by outside directors with management experience or specialized expertise and insights, with responsibilities divided between Directors who are Audit & Supervisory Committee Members and those who are not.

The composition of the Board of Directors ensures that a majority are Independent Outside Directors, and, as in the previous year, the Chairperson of the Board is a non-executive director.

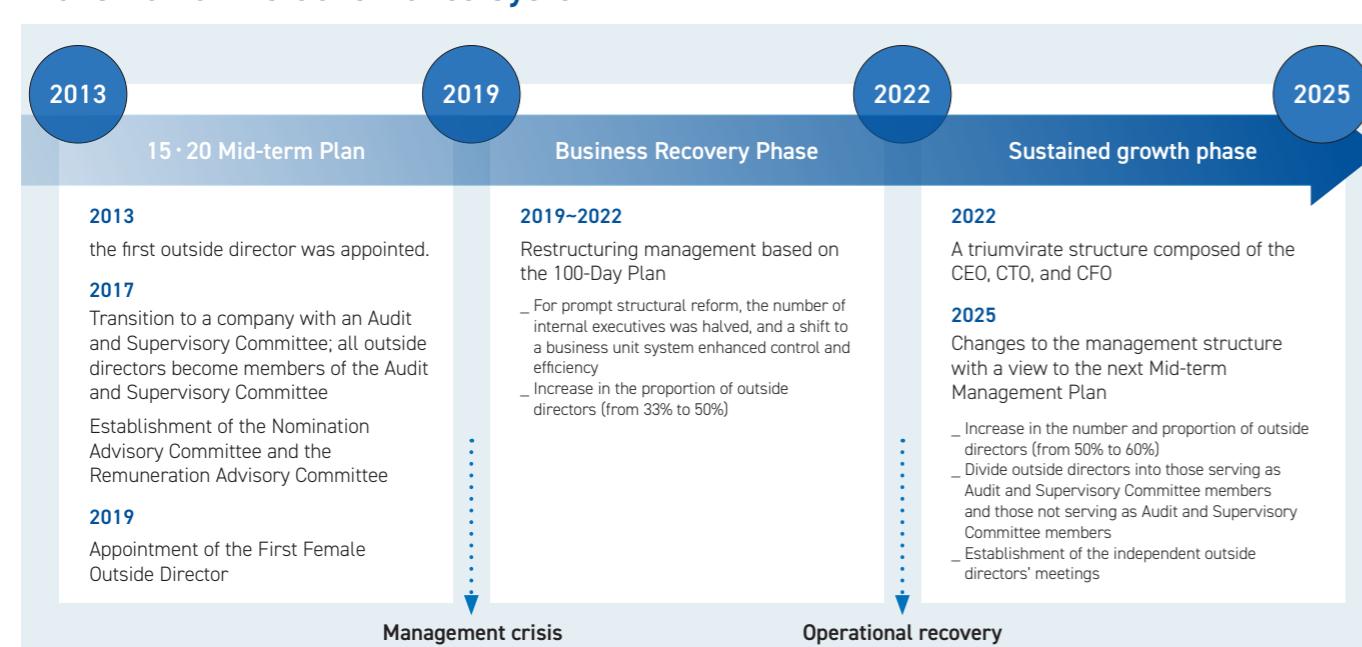
### Our governance system diagram (after the 177th Annual General Meeting of Shareholders)



### Management Structure after the 177th Annual General Meeting of Shareholders



## Transition of the Governance System



## Board of Directors' Meeting

After the 177th Annual General Meeting of Shareholders, the total number of directors was 10, of which six were outside directors. These outside directors are independent from the company's management and possess experience in management, finance, and other specialized knowledge. Important managerial matters at the Board of Directors, such as planning medium-to long-term strategies and revising the business portfolio, are decided after extensive discussions between these outside directors with diverse expertise and internal directors.

Chairperson	Number of times held	Main discussion
Full-time internal director serving as a member of the Audit and Supervisory Committee and not responsible for business execution	15 times	<ul style="list-style-type: none"> <li>- Matters Concerning the Nomination and Remuneration of Director Candidates</li> <li>- Formulating quarterly and annual management plans and monitoring their progress</li> <li>- Confirmation of progress in the Mid-term Management Plan</li> <li>- Review of the business portfolio</li> <li>- Decisions on important investment projects</li> <li>- Matters related to the reorganization of Group companies</li> <li>- Discussion, determination, and reporting of other important matters related to business management</li> </ul>

The number of times held is based on FY2024 actual results

## The Audit and Supervisory Committee

The Audit and Supervisory Committee Members serving as directors after the 177th Annual General Meeting of Shareholders comprise four members, including one full-time internal director (full-time Audit and Supervisory Committee Member) and three independent outside directors. For enhancing the effectiveness of the execution of the duties of the Audit and Supervisory Committee, the full-time Audit and Supervisory Committee Member is allowed to attend significant meetings concerning business execution, such as Executive Management Council meetings, and can express opinions. In addition, Audit and Supervisory Committee Members are guaranteed the right to request venues for exchanging opinions with respective business officers, as well as holding regular and extraordinary meetings. Furthermore, as an organization to support the activities of the Audit and Supervisory Committee, under its direction, an Audit and Supervisory Committee Department is established with dedicated full-time personnel.

Chairperson of the Committee	Number of times held	Main Discussion
Full-time Audit and Supervisory Committee Member	17 times	<ul style="list-style-type: none"> <li>- Resolutions and discussion on matters based on the audit plan and other matters necessary for supervising the execution of duties by the executive directors</li> </ul>

The number of times held is based on the actual results for FY2024

## Nomination Advisory Committee

This is an advisory committee of the Board of Directors, aimed at ensuring the objectivity and transparency of the decision-making process related to the nomination of director candidates. It is composed of a majority of outside directors and chaired by an outside director.

Composition	Number of times held	Main Terms of Reference
Chairperson of the committee	Director Yoshikawa*	<ul style="list-style-type: none"> <li>- Draft proposal for selection and dismissal of directors for the shareholders' meeting</li> <li>- Criteria for the election and dismissal of directors</li> <li>- Successor plans</li> <li>- Standards of Independence for Outside Directors</li> </ul>
Committee members	8 times	<ul style="list-style-type: none"> <li>- Director Koike*</li> <li>- Director Yanase*</li> <li>- CEO Okada</li> </ul>

\*Outside directors (number of meetings held in FY2024)

## Remuneration Advisory Committee

This is an advisory committee of the Board of Directors established to ensure the objectivity and transparency of the decision-making process regarding director compensation. The committee consists of a majority of outside directors, with one of the outside directors serving as the chairperson.

Composition	Number of times held	Main Terms of Reference
Chairperson of the Committee	Director Koike*	<ul style="list-style-type: none"> <li>- Policies and Rules for Determining Directors' Compensation and Amounts</li> <li>- The amount of remuneration for each director</li> </ul>
Members	7 times	<ul style="list-style-type: none"> <li>- Director Yoshikawa*</li> <li>- Director Yanase*</li> <li>- CEO Okada</li> </ul>

\*Outside directors (number of meetings held in FY2024)

# Corporate Governance

## Other Committees

The Fujikura Group primarily establishes and manages the following committees. In addition, full-time members of the Audit and Supervisory Committee attend each of these meetings to supervise the execution by executive directors and engage in inquiries as appropriate.

Name	Overview	Structure	Number of times held
Executive Management Council	This is an entity for reporting, discussing, and sharing information about critical matters related to the business execution of the Fujikura Group.	Chairperson: CEO Okada; composed of all executive directors and corporate officers	47 times
Management Innovation Committee	The Fujikura Group aims to enhance the efficiency of management resources, optimize the business portfolio, increase efficiency through cost reduction, and promote profitability improvement by strengthening sales and purchasing power.		21 times
Risk Management Committee	This organization examines the business execution structure and execution status from the perspective of operational risks within the Fujikura Group, aiming to prevent and evaluate losses, establish policies, and share their content.		3 times
Sustainability Promotion Committee	This is an organization that discusses and promotes the basic policies, individual measures, their progress, external announcements, and other important matters related to sustainability aimed at achieving the sustainable growth of the Fujikura Group.		3 times
Compliance Committee	Regarding compliance within the Fujikura Group, this body shares information and discusses issues with the management layer; builds, maintains, and administers management systems; and promotes dissemination and awareness activities.		2 times
Independent Outside Director Meeting	This is an organization for reporting, discussing, and sharing information regarding important matters related to overall business execution, as well as facilitating information exchange and awareness sharing among outside directors, and providing recommendations when necessary. Note: Established after the 177th Annual General Meeting of Shareholders.	All outside directors	—

The number of events held is the actual number for FY2024.

## Sustainability Governance

The Fujikura Group is promoting the development of sustainability governance based on internal regulations.

The Sustainability Promotion Committee (hereinafter, "the Committee") undertakes reporting, deliberation, and information sharing to formulate sustainability strategies that integrate

ESG perspectives required by stakeholders, and to monitor and oversee their execution. The committee is chaired by the Director, President and CEO and is composed of directors (excluding some directors and outside directors) and corporate officers.



## Achievements in FY2024

	Discussion at the Executive Management Council	Discussion with the management team	Discussion with the CEO
Record of Events Held	August and September 2024	December 2024	March 2025
Discussion content	Regarding the content of the Integrated Report 2024	Sustainability Promotion Structure: The Role of the Global Environment Committee	Regarding the review proposal mentioned on the left

Note: As a review of the Sustainability Promotion Committee's structure is currently under consideration, discussion was conducted during the same Executive Management Council meeting by its members.

## Message from the Chairperson of the Board of Directors' Meeting

### Enhancing the Effectiveness of the Board of Directors' Meeting under the New Management Structure

#### Koji Naruke

Director, Member of the Audit & Supervisory Committee  
(Chairperson of the Audit & Supervisory Committee)

For the most part, the Fujikura Group achieved the goals of its Mid-term Management Plan, which runs through FY2025, one year ahead of schedule in FY2024. We have positioned FY2025 as a pivotal year for further growth. To complete the current Mid-term Management Plan and prepare for and implement the next one, we have introduced a new management structure.

Under this new structure, the executive side continues to be led by a three-member team comprising the CEO, CTO, and CFO. On the supervisory side, outside directors are divided into two groups: three who are not Audit & Supervisory Committee members, and three who are. The former are expected to leverage their management expertise to focus on supervising and advising on the next Mid-term Management Plan, while the latter concentrate on audits and oversight from a professional standpoint.

This approach enables each group to apply its knowledge and expertise more effectively. Strengthening the supervisory and advisory functions of outside directors with management experience was also identified as a challenge in last year's evaluation of Board effectiveness, and the new structure is intended to address and reinforce this point.

Of the six outside directors in the new structure, five are newly appointed. To enhance Board effectiveness, this fiscal year, we plan to provide them with thorough briefings from each business unit and organize visits to key sites, enabling them to gain a deeper understanding of our current situation and challenges.

As Chairperson of the Board of Directors' Meeting and Chairperson of the Audit & Supervisory Committee, I will ensure that there is no imbalance in the provision of management information between outside directors who are and are not Audit & Supervisory Committee members.

As part of these efforts, we have begun holding

regular meetings of independent outside directors. These sessions include prior explanations of Board agenda items and cover important matters relating to overall business execution. They provide a forum for reports, discussions, and information sharing, and help outside directors exchange views and align their perspectives. As Board Chairperson, I will actively support the effective operation of these meetings.

The Chairperson of the Board has a vital role in bringing together the executive directors and non-executive directors, primarily outside directors, to facilitate robust discussions from both an execution and supervisory perspective. To ensure that Board discussions remain active and effective under the new structure, I will provide timely information to outside directors, create an atmosphere that encourages open dialogue, and continue working to further enhance the Board's effectiveness and strengthen our governance.



## Training Policy for Directors

Fujikura provides directors and Audit & Supervisory Committee members with appropriate training, including internal and external programs and seminars, as well as the necessary information to fulfill their roles and responsibilities effectively. Newly appointed outside directors receive briefings

on our company overview, corporate philosophy, business performance, corporate governance, and relevant rules and regulations. To further deepen their understanding of the company, we also provide detailed explanations of our business activities, industry trends, and management environment.

# Governance Skill Matrix of Directors and Corporate Officers

Below are the key skills deemed necessary for achieving the 2025 Mid-term Management Plan and for devising and implementing the subsequent Mid-term Management Plan, along with the skills possessed by each Director and the Corporate Officers who are not Directors.\*1

	Category	Management	Planning	Human resource	Governance	Global	Accounting	Finance	R&D	Technology	Legal Compliance	Sustainability	Business Experience*2	Gender
Directors not serving as Audit & Supervisory Committee members														
Naoki Okada	CEO	○	○		○			○	○				I, S, C	Male
Tatsuya Banno	CTO							○	○				I, S, C	Male
Kazuhito Iijima	CFO					○	○							Male
Keiji Yoshikawa	Independent and Outside	○		○		○								Male
Toshikazu Koike	Independent and Outside	○	○			○					○			Male
Hideki Yanase	Independent and Outside	○				○								Male
Director serving as the Audit and Supervisory Committee members														
Koji Naruke	Full-time					○	○						I, T	Male
Yasuhiro Yamada	Independent and Outside	○	○		○	○								Male
Rumiko Tanabe	Independent and Outside						○							Female
Asuka Nakamura	Independent and Outside				○		○				○			Female
Corporate Officers not serving as Directors														
Toru Hamasuna	Corporate Strategy		○		○	○					○	I, S, T	Male	
Keiko Shindo	Corporate Governance				○					○				Female
Yuki Mori	Corporate Staff			○										Male
Noriyuki Kawanishi	Telecommunication Systems							○	○			I, S		Male
Junji Fukuwara	Electronic Components & Connectors					○						S, T		Male
Shuichi Nasu	Automotive Products					○			○			T, C		Male
Tetsuya Mangyoku	Production Engineering					○			○					Male

\*1 Of the skills each individual possesses, the items currently considered important by Fujikura are marked with a circle.

\*2 "Business experience" corresponds to the business domains and other elements indicated in the 2025 Mid-term Management Plan.

I = Information Infrastructure: We contribute to the development of information and communication infrastructure foundations for realizing a digitized society through optical cabling solutions based on innovative optical technology and advanced wireless communication technology of the future.

S = Information Storage: With unique electronic component technology and ultra-high-density optical cabling technology, we support the construction of large-capacity components and data centers, contributing to the storage of massive amounts of data.

T = Information Terminal: We contribute to the advancement of high-speed, large-capacity, and high-functional information terminals through high-resolution electronic components and wiring/assembly technology. In addition, viewing automobiles as information terminals, we contribute to the realization and development of CASE.

C = Carbon neutral: Carbon neutrality, as an initiative for realizing a sustainable society, presents opportunities for business creation, and thus we will promote the commercialization of our superconducting technologies and other assets.

# Governance Director Remuneration and Other Compensation

The policy for deciding the remuneration of Directors not serving as Audit and Supervisory Committee members and the process for its determination involve deliberation and recommendations by the Remuneration Advisory Committee, an advisory body to the Board of Directors (comprising the Director in charge of personnel and three outside directors, with its chairperson being an outside director). Decisions are made following resolutions by the Board of Directors' Meeting based on these recommendations.

The policy regarding the determination of remuneration

for Directors serving as Audit & Supervisory Committee members stipulates that such remuneration shall consist of fixed amounts, taking into consideration their duties and responsibilities as well as prevailing market conditions. The specific remuneration for each Director serving as an Audit & Supervisory Committee Member is determined through deliberations among those Directors, within the overall remuneration limit approved at the shareholders' meeting. This policy is likewise determined through deliberations among the Directors serving as Audit & Supervisory Committee Members.

## Policy on Determining Remuneration of Directors

The Fujikura Group not only handles a wide variety of products but also operates globally, and the duties of its Directors are therefore advanced and diverse. For this reason, the level of Directors' remuneration is based on the principle that it should be appropriate for attracting and retaining highly capable talent who can fulfill such responsibilities. With reference to survey results conducted primarily on listed companies by multiple research organizations, Directors' remuneration is structured into the following three categories. The remuneration framework has been redefined to strengthen its linkage to business performance,

### 1 Basic Compensation

The amount is fixed according to position and grade as equivalent to the supervisory and control functions of directors.

### 2 Short-term Performance-linked Compensation

We set the basic amount based on the rank and grade according to the performance of the company or the responsible department, and based on specific indicators such as operating profit margin, return on equity (ROE), and return on invested capital (ROIC), we determine payments within a range of 0% to 200% of the basic amount.

These metrics have been adopted because they are "indicators that can be easily reflected in business policies" and "indicators strongly correlated with shareholder returns," and they align closely with the growth strategy of the Fujikura Group.

As the baseline values for the indicators related to "short-term performance-linked compensation" for this fiscal year, the following two are being used.

### 3 Stock-based Compensation

Separately from 1 and 2 above, a portion of Directors' remuneration is delivered in the form of the company's common shares. The primary purpose of this arrangement is to heighten Directors' commitment to enhancing corporate value by ensuring that they not only enjoy the benefits of share price increases but also assume the risks of share price

1. The consolidated annual plan for the fiscal year ending in March 2024 was resolved at the Board of Directors' meeting at the end of the fiscal year ending in March 2023.

2. Consolidated annual results for the fiscal year ending March 2023

Based on the following two perspectives, we compare the indicators calculated from these standard values with the same indicators derived from the consolidated annual results for the fiscal year ending March 2024. Then, we determine the amount of short-term performance-linked compensation for the current fiscal year.

— Achievement rate against the consolidated annual plan for the fiscal year ending March 2024 (corresponding base value: see 1 above)

— Growth rate from consolidated results for the fiscal year ending March 2023 (corresponding base value: see 2 above)

decreases, thereby sharing both the merits and risks of stock price fluctuations with shareholders.

The timing for the receipt of the specified shares is, in principle, upon the resignation of directors who are not Audit and Supervisory Committee members.

# Evaluation of the Effectiveness of the Board of Directors' Meeting

## Total Amount of Directors' Remuneration

Type	Total amount of remuneration, etc.	Basic Compensation	Total amount by type of compensation, Performance-linked compensation	Stock-based Compensation	Number of Directors Remunerated
Directors not serving as Audit & Supervisory Committee Members	304 million yen	153 million yen	64 million yen	87 million yen	4
Directors serving as Audit and Supervisory Committee Members (excluding Outside Directors)	30 million yen	30 million yen	-	-	1
Directors serving as a member of the Audit and Supervisory Committee (Outside Directors)	58 million yen	58 million yen	-	-	4

Notes:

1.Among our directors not serving as Audit &amp; Supervisory Committee members, there are no outside directors.

2.The goals and actual values of the major indicators related to the "Short-term Performance-linked Compensation" for this fiscal year are as follows.

### Performance-linked coefficient

#### Achievement rate for the consolidated annual plan for the fiscal year ending March 2024

Type of Indicator	Plan for the fiscal year ending March 2024	Performance for the Fiscal Year Ending March 2024
Consolidated Operating Profit	7.8%	8.7%
Consolidated Rate of Return on Equity (ROE)	14.4%	16.7%

#### Growth rate of consolidated results for the fiscal year ending March 2023

Types of indicators	Plan for the fiscal year ending March 2023	Results for the fiscal year ending March 2024
Consolidated Operating Profit	8.7%	8.7%
Consolidated Shareholders' Equity Return (ROE)	16.7%	16.7%

Note: In addition to the above-mentioned consolidated performance-linked indicators, factors such as the operating profit margin and return on invested capital (ROIC) of the respective responsible divisions, and their target achievement relative to these values, are taken into account when determining the performance-linked remuneration amount for each Executive Director.

3.The total amount of compensation, etc., for individuals whose total compensation exceeds 100 million yen

Name	The total amount of compensation, etc.	Total amount by type of remuneration, etc.		
		Basic Compensation	Performance-linked Compensation	Stock-based Compensation
Naoki Okada	136 million yen	59 million yen	32 million yen	45 million yen

4.The Board of Directors concludes that individual remuneration for directors who are not the Audit and Supervisory Committee members for the current fiscal year has been determined following the procedures outlined in the policy for determining directors' remuneration mentioned above, and therefore the content aligns with the determination policy. Furthermore, when deciding on the remuneration of directors who are not the Audit and Supervisory Committee members, the Remuneration Advisory Committee examines the fairness and appropriateness of the decision-making process regarding each director's performance evaluation, the marketability of remuneration levels, the remuneration system, and specific remuneration amounts, and receives a report stating that the decisions are fair and appropriate.

5.The Audit and Supervisory Committee reviewed the individual compensation for directors not serving as Audit &amp; Supervisory Committee members for the current fiscal year based on reports received from the committee members who attended the Remuneration Advisory Committee. After deliberation, the committee concluded that the process for determining the compensation of directors not serving as Audit &amp; Supervisory Committee members within the Remuneration Advisory Committee was appropriate, and there are no special matters to report to the shareholders' meeting in accordance with the provisions of the Companies Act.

6.Matters related to resolutions of the shareholders' meeting on director's remuneration, etc.

1. The remuneration for directors not serving as Audit and Supervisory Committee members was resolved to be within an annual amount of 600 million yen at the 169th Annual General Meeting of Shareholders held on June 29, 2017. In addition, apart from the cash remuneration, at the same Annual General Meeting of Shareholders, it was resolved that stock-based remuneration would be within an annual amount of 120 million yen, with the upper limit for the number of shares being 285 thousand shares annually (excluding outside directors as those eligible). As of the conclusion of the aforementioned Annual General Meeting of Shareholders, the total number of directors not serving as Audit and Supervisory Committee members was nine (among them, there were no outside directors). Furthermore, at the 177th Annual General Meeting of Shareholders in June 2025, it was modified to within 700 million yen per year (of which up to 100 million yen for outside directors). Furthermore, regarding stock-based compensation, it has been adjusted to within 500 million yen per year and up to a cap of 285 thousand shares per year (not applicable to outside directors).

2. The remuneration amount for Directors serving as Audit &amp; Supervisory Committee members was resolved to be within 150 million yen per year (of which up to 100 million yen is for outside Directors) at the 174th Annual General Meeting of Shareholders held on June 29, 2022. At the conclusion of the shareholders' meeting, there were six Directors serving as Audit &amp; Supervisory Committee members (including five outside Directors).

## Initiatives for FY2023

Prior to FY2023, evaluations of the effectiveness of the Board of Directors' meeting were conducted primarily by the Board Secretariat through questionnaires distributed to all Directors. In FY2023, seeking to further enhance effectiveness, the company commissioned Board Advisors Japan, Inc.—a firm with deep expertise and extensive experience in Board evaluations—to carry out the assessment. The evaluation

was implemented through questionnaires to all Directors, interviews with Directors and the Board Secretariat, a review of minutes of Board and related meetings, and on-site attendance at Board sessions.

Based on the issues identified in the relevant effectiveness evaluation, the following efforts were made to enhance the effectiveness of the Board of Directors' meeting.

①	<b>Sharing the understanding of the role of the Board of Directors</b>	Discuss the roles to be undertaken by the Board of Directors, the scope of responsibilities of the Audit & Supervisory Committee entrusted with supervisory functions, and strive for shared awareness among directors.
②	<b>Organization of the Board of Directors' Meeting Agenda</b>	Further review the criteria for submission to the Board of Directors and increase the emphasis on the monitoring aspect within the Board's roles.
③	<b>Enhancing the composition of the Board of Directors</b>	Clarify the roles and expectations suitable for the Board of Directors during the sustainable growth phase, along with the roles and expectations required for each director, and review the board's composition.
④	<b>Review of the Board of Directors' Operations</b>	Expand opportunities for prior briefings to outside directors and enhance the efficiency and effectiveness of deliberations at Board of Directors' meetings.

## Implementation and Evaluation Results of the Effectiveness Evaluation of the 2024 Board of Directors' Meeting

In FY2024, considering the results of the prior year, the Board Secretariat conducted a questionnaire survey, the analysis and evaluation of which were commissioned to Board Advisors Japan, Inc. The results are presented below.

①	Regarding discussions on important agenda items such as mid- to long-term strategies and non-financial themes, there was room for further development.
②	There were several opinions calling for discussions regarding the ideal composition and skill matrix of the Board of Directors, as well as the ratio of internal and external members.
③	Regarding the "Contribution of Outside Directors," it is evident that there is a need to clarify the roles expected by the operational side to maximize the qualities of outside directors.
④	Regarding committees, there is room for improvement in collaboration with the Board of Directors and in agenda setting.

## Future initiatives

The challenges and future initiatives based on the analysis and evaluation results are as follows.

①	<b>Expansion of discussions on important agenda items</b>	Expansion of discussions on medium- to long-term topics and non-financial information
②	<b>Review of the composition of the Board of Directors</b>	Deepening discussions on the skills matrix of directors
③	<b>Exerting the qualities of outside directors</b>	Clarifying the roles of outside directors and ensuring their effectiveness
④	<b>Enhancing the effectiveness of each committee</b>	Expansion of the deliberation scope of the Nomination Advisory Committee and Remuneration Advisory Committee and deepening discussions with a mid- to long-term perspective

## Governance

## Message from Outside Directors



Director

**Keiji Yoshikawa**

It has been four years since I was appointed as a Fujikura director serving as an Audit & Supervisory Committee Member.

During this period, the Fujikura Group has undergone a significant transformation from a phase of business revitalization to one of sustained growth.

What I would particularly like to highlight is that even amid the excitement of a sharp rise in the stock price, management remained calm and steadily pursued the strengthening of the management base, including enhancements to governance, the development of human resources, and the implementation of a new ERP system at a global level.

Moreover, with the current Mid-term Management Plan—set to conclude this year—having been nearly completed more than a year ahead of schedule, the company now has time to carefully focus on formulating the next Mid-term Plan aimed at a new leap forward, as well as the medium- to long-term business portfolio that underpins it.

I myself have management experience at a global manufacturer.

This fiscal year, I will step away from the Audit & Supervisory Committee and, together with newly appointed outside directors who also bring a wealth of management experience, I intend to contribute actively to this mission of strategy formulation.

Director, Audit &amp; Supervisory Committee Member

**Yasuhiro Yamada**

During my career at a general trading company, I was involved in the global management of operating companies across a wide range of countries in North America, Europe, and Asia, as well as in various industries related to consumer goods. Later, as Chairman of the Board at a tire manufacturer, I worked on rebuilding corporate governance and strengthening both the management base and earning power.

I believe the essence of global management lies in combining both the "conviction" that must never waver and the "flexibility" required to adapt to change, regardless of country or industry. At Fujikura as well, an unwavering corporate philosophy will reinforce trust with stakeholders, while swift and flexible adjustments to strategies in line with environmental and market changes will underpin sustainable growth.

Furthermore, with the awareness that the ethics and decision-making of management directly determine the soundness of the entire company, I view corporate governance as the most critical issue for enhancing corporate value. I am committed to contributing to further strengthening Fujikura Group's management base and earning power.



Director

**Toshikazu Koike**

After spending 23 years stationed in the United States, I returned to Japan in 2005 and became President of BROTHER INDUSTRIES, LTD. in 2007.

I now serve as its Chairman. Having gone to the U.S. at the age of 26, I was fortunate to experience rapid business growth in the U.S. and across the Americas region while also gaining a wide range of experiences. Managing and working across all functions of the sales company in the Americas during a period of significant growth for the Brother Group proved extremely valuable when I later returned to take part in overall group management.

In particular, my ability to view the Group's management from a broad perspective across businesses and divisions from the Americas, to make proposals such as transforming the business portfolio through product planning, and to place importance on human connections enabled me to help advance global management smoothly. I hope to leverage this experience, knowledge, and insight to contribute in whatever way I can to the sustainable growth of the Fujikura Group.



Director, Audit &amp; Supervisory Committee Member

**Rumiko Tanabe**

After working as a certified public accountant at an audit firm, I spent several years at various global companies, where I applied finance, accounting, and management principles in practical settings, as well as coordinated between corporate functions and business divisions. In 2010, while at an optical equipment manufacturer, I was recognized for leading the adoption of IFRS. Additionally, I worked on establishing mechanisms to visualize the allocation of management resources from a business portfolio perspective and on strengthening the management structure for over 100 subsidiaries and more than 10 business divisions.

I intend to apply this experience to contribute to Fujikura Group by strengthening deliberations on its business portfolio and resource allocation, as well as enhancing the monitoring of business divisions and overseas subsidiaries.

Moreover, collaboration among financial audits, internal audits, and the audits conducted by Audit & Supervisory Committee Members is essential. Having experienced both sides of all three types of audits—conducting and being audited—I will actively gather information, deepen my understanding of the Group's operations, and strive to ensure effective auditing and oversight.



Director

**Hideki Yanase**

I spent 44 years working at a trading company, including assignments in the U.S. and Singapore. For 36 of those years, I was engaged primarily in sales, focusing especially on launching new businesses and managing M&A overseas.

In my final two years, I served as Executive Vice President for overseas operations, and I currently also serve as an outside director at other companies.

In recent years, geopolitical risks and disruptions to the international order have made the business environment increasingly severe. Nevertheless, I hope to draw on my own perspective to take a broad view of management and contribute to enhancing the corporate value of the Fujikura Group, which has such a long history.

We are now in a VUCA era, where market changes are accelerating further. Change also presents opportunities. Despite the uncertainty, I believe now is the time to preemptively consider markets from a global perspective, thoroughly examine risks, and take bold action.

At the same time, the importance of outside directors in governance has grown significantly. It is our role to examine what should and should not be done against the values and norms of society, while sharing with management and executive divisions the direction and intentions we should pursue. By doing so, we can ensure transparent, well-rounded management decisions. Leveraging my experience, I am committed to contributing to Fujikura Group's new challenges and its further growth.

Director, Audit &amp; Supervisory Committee Member

**Asuka Nakamura**

As a certified public accountant, I have gained extensive practical experience in accounting, finance, mergers and acquisitions (M&A), and management support through my work at audit firms, consulting companies, and other organizations. I hope to leverage this background to contribute to enhancing corporate value from an investor's perspective. In particular, there is an increasing demand today for enhancing corporate value over the medium to long term through sustainable growth with a strong focus on ESG. Drawing on my experience supporting the introduction of ESG management at various companies, I intend to contribute not only to achieving short-term business results but also to balancing this with medium- to long-term sustainable growth based on strengthened governance.

Furthermore, with respect to financial reporting and ESG-related disclosures, I believe that providing stakeholders with useful information in a clear, timely, and appropriate manner plays a crucial role in ensuring management transparency and enhancing corporate value. I will work to fulfill this responsibility.



# Governance Top Management

## Directors (as of the end of June 2025)



Representative Director, President and CEO

### Naoki Okada

April 1986 Joined Fujikura Ltd.  
April 2008 General Manager, Optical Cable Research and Development Department  
April 2013 General Manager, Cable and Equipment R&D Center  
March 2014 General Manager, New Optical Fiber Cable Business Development Department  
April 2018 General Manager, Head of Optical Cable Systems Division  
April 2020 Managing Corporate Officer  
April 2021 Corporate Officer and COO  
June 2021 Representative Director and COO  
April 2022 Representative Director, President and CEO (current position)



Representative Director, Director and CTO  
Responsible for Research and New Business Development Unit  
Responsible for Corporate Quality Management Unit

### Tatsuya Banno

April 1987 Joined Fujikura Ltd.  
May 2009 General Manager, Optical Production Engineering Department, Optical Fiber & Cable Systems Division  
April 2013 General Manager, Optical Fiber Production Engineering Department, Optical Business Division, Optical Business Unit  
April 2015 General Manager, Head of Optical Cable Division, Optical Business Unit  
October 2015 Deputy General Manager, Optical Cable Systems Division  
April 2018 Deputy General Manager, Optical Fiber Division  
April 2020 Corporate Officer  
April 2022 Corporate Officer and CTO  
June 2022 Director and CTO  
June 2023 Representative Director and CTO (current position)



Director CFO  
Responsible for Business Management Unit  
Responsible for Real Estate Business Unit

### Kazuhito Iijima

April 1989 Joined Fujikura Ltd.  
April 2006 Senior Manager, Finance & Accounting Division  
February 2008 Vice President and CFO, Fujikura Automotive Europe S.A.U.  
August 2009 Senior Manager, Finance & Accounting Division  
June 2012 Vice President and CFO, Nistica, Inc.  
April 2013 Senior Manager, Finance & Accounting Division  
April 2016 General Manager, Finance & Accounting Division  
April 2021 Corporate Officer  
April 2022 General Manager, Corporate Finance & Accounting Unit  
June 2023 Director and CFO (current position)



Director, Member, Audit & Supervisory Committee (Full-time)

### Koji Naruke

April 1986 Joined Fujikura Ltd.  
July 2004 Senior Manager, Finance & Accounting Division  
July 2008 Senior Member, Corporate Strategy Planning Division  
April 2010 General Manager, Fujikura Electronics (Thailand) Ltd.  
April 2013 General Manager, Corporate Strategy Planning Division, Power & Telecommunication Systems Company  
April 2017 CFO, ProCable Energia e Telecomunicacoes Ltd.  
April 2019 General Manager, Business Strategy Planning Division, Power & Telecommunication Systems Company  
April 2020 President, Fujikura Fiber Optics Vietnam Ltd.  
June 2023 Director and Full-time Member, Audit & Supervisory Committee  
June 2024 Director, Full-time Member, Audit & Supervisory Committee, Chairperson of the Board of Directors (current position)

## Director (Outside and Independent Officer) (as of the end of June 2025)



Director

### Keiji Yoshikawa

In 1973, joined Nippon Sheet Glass Co., Ltd. In 2008, appointed as Director and Executive Officer. Subsequently, served as Director, Executive Vice President, and Chief Project Management Officer (CPMO), and in 2012, became Director, Representative Executive Officer, President and CEO of the same company. After serving as an Adviser and retiring from Nippon Sheet Glass, became an advisor at ARK INNOVATION CO., LTD., an Outside Board Director at Kansai Paint Co., Ltd., and Outside Director, Audit & Supervisory Committee member of our company. Currently serves as an Outside Director at AEON DELIGHT CO., LTD., and serving as Outside Director at our company since 2025.



Director

### Toshikazu Koike

Joined BROTHER INDUSTRIES, LTD. in 1979. After serving as a Director in 2004, Representative Director, President and CEO in 2007, and Chairman of the Board of Directors in 2018, appointed as Outside Director at Toyo Seikan Group Holdings Ltd. and YASKAWA Electric Corporation supervising on the Audit and Supervisory Committee. Currently serves as Director and Chairman of the Board at BROTHER INDUSTRIES, LTD. and Outside Director at IBIDEN CO., Ltd., and serving as Outside Director for our company since 2025.



Director

### Hideki Yanase

Joined Toyota Tsusho Corporation in 1979. Later served as the company's Managing Director in 2013, and was appointed as Executive Vice President and Representative Director in 2020. Currently serves as an Outside Director of New Japan Chemical Co., Ltd. and serving as Outside Director of our company since 2025.



Director, Audit & Supervisory Committee Member

### Yasuhiro Yamada

Joined Mitsubishi Corporation in 1983. In 2007, appointed as Director of Hokutsu Paper Mills, Ltd. (now Hokutsu Corporation), serving as General Manager of the Paper & Packaging Dept. of Mitsubishi Corporation in 2013. Later served as Division COO of Living Essential Products Division in 2015. After serving as a full-time advisor to Toyo Tire & Rubber Co., Ltd. (now TOYO TIRE Corporation) in 2018, he assumed the role of Chairman of the Board of Directors in 2019. Currently serving as Chairman of the Board of Directors of TOYO TIRE Corporation, and serving as Outside Director and Audit & Supervisory Committee Member of our company since 2025.



Director, Audit & Supervisory Committee Member

### Rumiko Tanabe

In 1992, joined Asahi Shinwa Audit Corporation (currently KPMG AZSA LLC), and was registered as a Certified Public Accountant in 2000. After gaining experience at PricewaterhouseCoopers Financial Advisory Services Company, Ltd. (currently PwC Advisory LLC), and other organizations, rejoined KPMG AZSA LLC in 2015 and served as a partner in 2016. Currently serves as the President and Representative Director of Asumirai Research Institute Inc., an outside Audit & Supervisory Board member of Mynavi Corporation, and an outside auditor of KATO SANGYO Co., Ltd., and serving as Outside Director and Audit & Supervisory Committee Member of our company since 2025.



Director, Audit & Supervisory Committee Member

### Asuka Nakamura

In 1997, joined Asahi & Co. (currently KPMG AZSA LLC), and was registered as a Certified Public Accountant in 2000. After gaining experience at PricewaterhouseCoopers Financial Advisory Services Company, Ltd. (currently PwC Advisory LLC), and other organizations, rejoined KPMG AZSA LLC in 2015 and served as a partner in 2016. Currently serves as the President and Representative Director of Asumirai Research Institute Inc., an outside Audit & Supervisory Board member of Mynavi Corporation, and an outside auditor of KATO SANGYO Co., Ltd., and serving as Outside Director and Audit & Supervisory Committee Member of our company since 2025.

## Corporate Officers

**Toru Hamasuna** Head of Corporate Strategy Unit, Head of Corporate Strategy Planning Division

**Tetsuya Mangyoku** Head of Production Engineering Unit

**Junji Fukuhara** Head of Electronic Components & Connector Business Unit

**Shuichi Nasu** Head of Automotive Products Unit

**Noriyuki Kawanishi** Head of Telecommunication Systems Business Unit

**Keiko Shindo** Head of Corporate Governance Unit

**Yuki Mori** Head of Corporate Staff Unit

# Governance Group Governance

## Basic concept of group governance

To enhance the overall value of the Fujikura Group and achieve sustainable growth, we aim to establish a framework and processes that enable the Fujikura Group to act as a cohesive entity, striving for an effective and efficient system for its promotion and management.

## FY2024 Initiatives

To further strengthen governance within the Fujikura Group, we established the Group Governance Basic Policy in January 2024 as a guiding framework. This policy aims to systematically develop regulations across the Fujikura Group, reinforce overall governance, and create an environment in which the Group can operate as if it were a single company.

On the business operations side, we are enhancing the system under which each business unit directly supervises its Group companies according to their scale and function. On the monitoring side, we are establishing a framework whereby corporate functions within Fujikura directly monitor Group companies.

To improve and strengthen governance measures at a consolidated subsidiary in the United States where an inappropriate incident occurred, certain preventive measures such as clarifying decision-making authority have proven effective. As a result, efforts will be made across all Group companies to clarify decision-making authority within Group companies, deploy the Fujikura Group Authority Matrix aligned with our internal authority matrix, and enhance the governance structure of the entire Group through our reorganization and improvement efforts. In this way, we aim to further strengthen Group governance.

## CEO Statement on Governance at America Fujikura Ltd. (AFL)

As a proud member of the Fujikura Group, AFL plays a vital role in advancing the Group's global strategy through our contributions in fiber optic and connectivity solutions. Our business activities are closely aligned with Fujikura's vision, and we are committed to upholding the highest standards of governance and operational excellence.

AFL's governance structure is designed to ensure effective oversight and accountability. Business execution is guided by a strong internal control framework, with regular monitoring by our Board of Directors and key committees. In 2024, we reorganized our internal audit function to report directly to a newly formed committee of the AFL Board, enhancing independence and transparency. This function now engages regularly with Fujikura's headquarters to share insights and align on best practices.

We maintain open and consistent communication with Fujikura's Audit and Supervisory Committee and other corporate functions. This includes quarterly reporting on our ethics and compliance program, regular policy and procedure reviews, and collaborative efforts to strengthen internal controls across the Group.

Looking ahead, AFL remains committed to



Jaxon Lang

President & CEO, AFL

# Social Contribution of the Fujikura Group

From our founding in 1885 to the present day, we have built a history of over 100 years together with the local people of Kiba.

We have nurtured and protected our corporate culture of "valuing our customers and living together with society," and have passed it down to the present day to each Fujikura employee. The social contribution activities undertaken by our predecessors as individuals and as a company remain unchanged today and are deeply rooted in our corporate culture.

## Supporting Fujikura Gakuen

Fujikura Gakuen, a social welfare corporation, was founded on June 7, 1919, in the town of Motomachi in Izu Oshima. Harukichi Nakuchi, the blood brother of the founder Zenpachi Fujikura, donated a sizable amount of his personal assets (currently worth approximately two billion yen) and 40,000 tsubo of land (approx. 132,000 m<sup>2</sup>) in Izu Oshima and buildings to establish the school and residence for mentally handicapped children and adults. Today, Fujikura Gakuen has facilities on Izu Oshima and in the Tama area (Hachioji City). These facilities have around 100 workers who provide 24-hour care and education to approximately 130 individuals.

Since its inception, the Fujikura Group has made donations as a company and individual Fujikura employees have also donated their own money to support operation of the organization. The support provided to Fujikura Gakuen is considered the focal point of the Fujikura Group's social contribution activities, and this support will be sustained going forward.



On-site Sale of Fuji Café Products

## FY2024 Initiatives

- Presenting Donations from the Works
- Group Company Donations
- Fujikura Gakuen Product Sales Event, held at the headquarters in June and December.

See "Social welfare corporation "Fujikura Gakuen" support" on our corporate website for more information.



## Fujikura-Kiba Millennium Woods

When we redeveloped the grounds of our head office in November 2010, we opened a biotope and garden called Fujikura-Kiba Millennium Woods next to our head office in response to requests from local schools and citizens for more greenery and the increasing interest in biodiversity.

The name, Fujikura-Kiba Millennium Woods, incorporates the hope shared with everyone in the Kiba area of Koto-ku that the abundance of nature will persist in the future for 1,000 years.

Fujikura-Kiba Millennium Woods covers 2,200 m<sup>2</sup> and contains two ponds and a river that connects them, a floating island, walking paths, and other features. We gave preference to native species in designing it to replicate the abundant forests and woods that existed in the Musashino plateau several hundred years ago, as a space dedicated to wildlife. The woods have now grown enough for the chicks of the spot-billed duck and the common kingfisher to fly out of their nests.



Use for nature education activities for local children



Government-sponsored eco-tour

## FY2024 Initiatives

At Fujikura-Kiba Millennium Woods, we place importance on active communication with employees and members of the community. The woods are mainly used for educational activities to raise environmental awareness among employees, nature education for local preschools, kindergartens, and elementary schools, as well as for graduate school classes and government-sponsored ecological tours.

See " Fujikura-Kiba Millennium Woods " on our corporate website for more information.



# Corporate Profile

## Corporate Profile

**Company name:** Fujikura Ltd.

**Founded:** February 1885

**Established:** March 1910

### Main Consolidated Subsidiaries (as of May 31, 2025)

#### Japan

FUJIKURA HIGH OPT Co., Ltd.

Fujikura Solutions Ltd.

Tohoku Fujikura Ltd.

Nishi Nippon Electric Wire & Cable Co., Ltd.

Numazu Copper Refining and Rolling Co., Ltd.

Fujikura Shoji Co., Ltd.

Fujikura Precision Ltd.

Fujikura Automotive Asia Ltd.

Suzuki Giken Co., Ltd.

SHINSHINRO CABLE CO., LTD.

Fujikura Logistics Co., Ltd.

Fujikura Business Support Co., Ltd.

Fuji Materials Ltd.

Fujikura Dia Cable Ltd.

Yonezawa Electric Wire Co., Ltd.

FiberTech Co., Ltd.

Fujikura Printed Circuits Ltd.

Fujikura Energy Systems Ltd.

Fujikura Facilities Co., Ltd.

Fujikura Cube Ltd.

#### China

Fujikura (China) Co., Ltd.

Fujikura Electronics (Shanghai) Co., Ltd.

Fujikura Conec (SHANGHAI) CO., LTD.

Fujikura Printed Circuits (Shanghai) Limited

Fujikura Zhuhai Co., Ltd.

Fujikura Automotive Guangzhou Co., Ltd.

Fujikura Fiber-Home Opto-Electronics Material Technology Co., Ltd.

Fujikura Hong Kong Trading Ltd.

Fujikura Hong Kong Ltd.

**Capital:** 53.0 billion yen (as of March 31, 2025)

**Head office:** 1-5-1, Kiba, Koto-ku, Tokyo 135-8512

## Stock Information (as of March 31, 2025)

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

**2.Issued Shares:** 295,863,421(including 19,460,798treasury shares)

**3.Major Shareholders**

Name of Shareholder	Number of Shares Held (Thousands)	Shareholding Composition (%)	Name of Shareholder	Number of Shares Held (Thousands)	Shareholding Composition (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,688	17.98	The Shizuoka Bank, Ltd.	5,789	2.09
Custody Bank of Japan, Ltd. (Trust account)	26,976	9.76	STATE STREET BANK WEST CLIENT - TREATY 505234	4,918	1.78
Taiju Life Insurance Company Limited	10,192	3.69	STATE STREET BANK AND TRUST COMPANY 505001	3,879	1.40
Sumitomo Mitsui Banking Corporation	7,000	2.53	JP MORGAN CHASE BANK 385781	3,791	1.37
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Limited Retirement Benefit Trust Account)	6,777	2.45	HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	3,319	1.20

In addition, the company holds 19,460 thousand shares of treasury stock. The ownership ratio mentioned above has been calculated excluding these treasury shares.

## Editorial Policy

<b>Basic Policy</b>	In editing Fujikura Group Integrated Report 2025, we focused on giving shareholders, investors, and other stakeholders an understanding of initiatives targeting sustained growth of the Fujikura Group from multiple perspectives.
<b>Reference Guidelines</b>	<ul style="list-style-type: none"> <li>- IFRS Foundation International Integrated Reporting Framework</li> <li>- GRI (Global Reporting Initiative) Sustainability Reporting Standard</li> <li>- METI (Ministry of Economy, Trade and Industry) Guidance for Integrated Corporate Disclosure and Company-Investor Dialog for Collaborative Value Creation</li> </ul>
<b>Detailed Information Concerning Account Settlement</b>	Please see Financial Data for details about FY2024 settlement of accounts. <a href="https://www.fujikura.co.jp/en/ir/">https://www.fujikura.co.jp/en/ir/</a>
<b>Scope of Report</b>	Target period: April 1, 2024, to March 31, 2025 (Includes some content from after April 2024) Target organization: Fujikura Ltd. and the Fujikura Group
<b>Forward-looking Statements</b>	The financial forecast and descriptions relating to future predictions for Fujikura Ltd. and its consolidated subsidiaries contained in this report describe the outlook at the time of editing, and include latent risks, uncertainties and other factors. Therefore, these forecasts are not a guarantee of future performance, and results may vary widely due to various important factors.

## External Evaluation and Inclusion in Index Composites



FTSE4Good



FTSE Blossom  
Japan Index



FTSE Blossom  
Japan Sector  
Relative Index



2025 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

JPX-NIKKEI 400

2024-2025

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Fujikura is a signatory to the UN Global Compact.