

June 18, 2026 09:40 AM GMT

Fujikura (5803) | Japan

Sharp Hike in F3/27 Company Guidance

Fujikura announced upward revisions to its F3/27 earnings plan on Jun 18, raising its OP targets from ¥92bn to ¥174bn for 1H (+89% vs. previous guidance) and from ¥211bn to ¥310bn for the full year (+47%). These reflect hyperscaler project orders for optical component products in the telecom systems segment that initial guidance had not envisaged, higher selling prices, and milder effects of hydrogen shortages than the firm previously allowed for.

Our view: Such a large guidance hike a scant one month after the results release for the previous full year is rare, and comes as a surprise. The revised plan is also well above consensus and our F3/27 forecast for ¥260bn. The plan for 2H looks to HoH falls in sales and profit, and could be conservative. We plan to review our forecasts too after confirming the details. Meanwhile, higher selling prices could be positive for Sumitomo Electric and Furukawa Electric too.

Exhibit 1: Earnings Summary

Billion yen, yen/share	F3/24			F3/25			F3/27						F3/28			F3/29			F3/31			F3/36		
	Total	Total	Total	1H	2H	Total	1H	2H	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total		
	Co	Est	Est	Co	Est	Est	Co	Est	Est	Co	Est	Est	Co	Est	Est	Co	Est	Est	Co	Est	Est	Co		
<Summary>																								
Sales	799.8	879.4	1,162.4	584.0	648.0	1,243.0	778.0	684.0	1,462.0	1,338.6	1,348.7	1,400.0	1,492.4	1,443.1	1,600.0	1,782.6	1,597.9	2,100.0	2,800.0	2,100.0	2,800.0	2,100.0	2,800.0	
Operating Profit	69.5	126.5	188.7	82.0	119.0	211.0	174.0	136.0	310.0	261.8	260.0	254.0	324.5	310.0	315.0	402.1	370.0	388.0	580.0	388.0	580.0	388.0	580.0	
Net Profit	51.9	91.1	157.2	67.0	89.0	156.0	128.0	101.0	229.0	202.8	187.6	246.8	225.6	214.1	248.8	225.6	214.1	271.1	271.1	271.1	271.1	271.1	271.1	
EPS	185.0	330.0	549.0	40.5	53.8	94.2	77.3	61.0	138.3	122.5	113.3	149.1	136.3	149.1	183.3	163.3	150.3	163.3	163.3	163.3	163.3	163.3	163.3	
EPS	1,236.7	1,477.0	2,385.5							490.1	401.8		521.6	478.1		647.6	571.8							
<YOY>																								
Sales	-8.8%	22.0%	30.7%	6.3%	4.1%	5.1%	39.2%	9.7%	23.7%	13.2%	14.1%	12.0%	11.5%	7.8%	14.3%	19.4%	10.7%							
Operating Profit	-1.0%	85.0%	39.2%	2.0%	20.8%	11.8%	83.0%	38.0%	64.3%	38.7%	37.8%	25.1%	23.9%	19.2%	19.3%	23.9%	19.4%							
Net Profit	2.7%	88.0%	45.4%	3.0%	14.1%	9.3%	83.0%	29.0%	58.4%	37.9%	29.8%	16.4%	15.3%	10.0%	16.0%	19.4%								
Net Profit	24.7%	78.0%	72.5%	-0.2%	-1.1%	-0.7%	80.0%	12.2%	45.7%	29.0%	19.4%		21.7%	20.3%		27.2%	20.2%							
Sales Breakdown																								
Telecommunication Systems	297.7	411.3	633.0	335.0	384.4	718.4				822.4	880.0	880.0	912.3	912.3	1,008.0	1,083.7	1,083.7							
Electronics	165.6	185.8	172.3	91.5	93.0	184.5				179.0	335.0	179.0	182.0	182.0	350.0	163.8	163.8							
FPC	85.7	103.5	87.6							95.5	95.5	95.5	95.5	95.5	95.5	95.5	95.5							
Connector	44.6	49.7	42.9							41.8	41.8	41.8	41.8	41.8	41.8	41.8	41.8							
Components	34.7	38.8	42.1							43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6							
Automotive Products	179.5	177.1	178.4	85.5	85.3	178.8				172.0	172.0	172.0	172.0	172.0	172.0	172.0	172.0							
Energy	140.2	148.2	157.9	74.4	77.1	151.7				154.5	155.0	154.5	155.0	155.0	160.0	157.6	157.6							
Real estate	16.0	16.8	11.6	8.6	8.6	11.2				11.2	11.2	11.2	11.2	11.2	11.2	11.2	11.2							
Other/adjustment	8.8	9.1	9.7	1.9	3.5	5.4				9.8	9.8	9.8	9.8	9.8	40.0	9.8	9.8							
Total	799.8	879.4	1,162.4	584.0	648.0	1,243.0	778.0	684.0	1,462.0	1,338.6	1,348.7	1,400.0	1,492.4	1,443.1	1,600.0	1,782.6	1,597.9	2,100.0	2,800.0	2,100.0	2,800.0	2,100.0	2,800.0	
<OP Breakdown*																								
Telecommunication Systems	39.2	92.2	152.7	79.0	105.8	185.4				230.8	240.0	230.8	277.0	277.0	289.0	336.8	336.8							
Electronics	16.6	22.8	4.7	5.5	4.0	9.9				11.0	18.0	11.0	12.0	12.0	19.0	12.2	12.2							
Automotive Products	1.2	5.8	6.8	1.9	3.8	5.6				4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0							
Energy	4.7	11.8	16.6	5.3	4.8	10.2				11.8	10.0	11.8	10.0	10.0	14.0	14.0	14.0							
Real estate	4.9	4.9	5.0	2.6	2.4	5.0				5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0							
Other/adjustment	-1.1	-2.0	-3.4	(0.7)	(1.9)	(4.6)				(4.6)	(4.6)	(4.6)	(4.6)	(4.6)	1.0	(4.0)	(4.0)							
Total	69.5	126.5	188.7	82.0	119.0	211.0	174.0	136.0	310.0	261.8	260.0	254.0	324.5	310.0	315.0	402.1	370.0	388.0	580.0	388.0	580.0	388.0	580.0	
<EPS Breakdown*																								
Telecommunication Systems	13.2%	20.4%	23.4%	23.8%	27.5%	25.9%				28.1%	27.3%	30.4%	27.1%	31.7%	30.4%	27.1%	31.7%							
Electronics	10.1%	12.3%	2.7%	6.0%	4.3%	5.1%				5.4%	5.4%	6.8%	5.4%	6.8%	6.8%	5.4%	6.8%							
Automotive Products	0.7%	3.3%	3.8%	2.1%	4.9%	3.3%				3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%							
Energy	4.8%	6.7%	10.6%	6.2%	5.7%	8.0%				6.9%	6.0%	6.9%	6.0%	6.0%	8.1%	8.1%	8.1%							
Real estate	46.2%	44.9%	44.9%	46.4%	42.9%	44.6%				44.6%	44.6%	44.6%	44.6%	44.6%	44.6%	44.6%	44.6%							
Other/adjustment	-15.5%	-23.7%	-24.7%	-14.2%	-54.3%	-65.2%				-47.8%	-13.3%	-13.3%	-11.7%	-11.7%	2.5%	-41.7%	-41.7%							
Total	8.7%	13.4%	16.8%	15.5%	16.3%	17.0%	22.4%	19.9%	21.2%	19.8%	19.3%	18.9%	21.7%	21.9%	19.7%	22.6%	23.2%	18.1%	28.1%	18.1%	28.1%	18.1%	28.1%	

Note: Con = FactSet Consensus, e Morgan Stanley Research Estimates, Ce = company estimates, EPS is EPS adjusted for consensus; Source: FactSet, Company data, Morgan Stanley Research

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Fujikura (5803.T, 5803 JT)

Wire & Cable | Japan

Stock Rating

Industry View

Price target

Shr price, close (Jun 18, 2026)

Mkt cap, curr, basic (bn)

Avg daily trading value (bn)

Equal-weight

Attractive

¥4,700

¥4,461

¥7,385.5

¥320.6

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Fujikura (5803.T)

We use a residual income model, with assumptions of 10.0% capital cost (2.0% risk-free rate, 6.2% equity risk premium, 1.29 beta), 55% payout ratio, a mid-term growth rate of ~17.5%, terminal growth rate of 3.7%. Our PT equates to P/E of 34.5x on F3/28e EPS of ¥136.

Risks to Upside

- Increase in sales volume on healthier business sentiment than expected
- Faster expansion of fiberoptic cable sales than expected
- Greater yen depreciation than anticipated

Risks to Downside

- Decline in sales volume on weaker business sentiment than expected
- Delays in price passthrough due to sharp rises in raw material costs and other material costs
- Faster yen appreciation than anticipated

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(as of May 31, 2026)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)			Other Material Investment Services Clients (MISC)	
	Count	% of Total	Count	% of Total IBC	% of Rating Category	Count	% of Total Other MISC
Overweight/Buy	1542	42%	465	51%	30%	707	43%
Equal-weight/Hold	1571	43%	369	40%	23%	723	44%
Not-Rated/Hold	3	0%	0	0%	0%	1	0%
Underweight/Sell	551	15%	86	9%	16%	201	12%
Total	3,667		920			1632	

Data include common stock and ADRs currently assigned ratings. Investment Banking Clients are companies from whom Morgan Stanley received investment banking compensation in the

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Stock Price, Price Target and Rating History (See Rating Definitions)

Fujikura (5803.T) - As of 06/18/26 GMT in JPY
Industry : Wire & Cable



Stock Rating History: 6/1/21 : 0/A; 4/8/26 : E/A

Price Target History: 2/25/21 : 100; 7/7/21 : 105; 9/13/21 : 166.67; 11/9/22 : 233.33; 10/31/23 : 225; 3/13/24 : 400; 4/19/24 : 500; 6/4/24 : 566.67; 8/9/24 : 783.33; 12/4/24 : 1208.34; 3/14/25 : 1333.34; 6/9/25 : 1350; 9/1/25 : 2333.34; 12/9/25 : 3583.34; 4/8/26 : 5200; 6/12/26 : 4700

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target --- No Price Target Assigned (NA)
 Stock Price (Not Covered by Current Analyst) --- Stock Price (Covered by Current Analyst) ■
 Stock and Industry Ratings (abbreviations below) appear as ♦ Stock Rating/Industry View
 Stock Ratings: Overweight (O) Equal-weight (E) Underweight (U) Not-Rated (NR) No Rating Available (NA)
 Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

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INDUSTRY COVERAGE: Wire & Cable

COMPANY (TICKER)	RATING (AS OF)	PRICE* (06/18/2026)
Yu Shirakawa		
Fujikura (5803.T)	E (04/08/2026)	¥4,461
Furukawa Electric (5801.T)	O (04/08/2026)	¥46,360
Sumitomo Electric (5802.T)	E (01/16/2026)	¥12,200

Stock Ratings are subject to change. Please see latest research for each company.

* Historical prices are not split adjusted.