

1st. Half FY2021 Financial Results



November 8, 2021

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1. Review of 1H FY2021 Financial Results and FY2021 Forecasts

1H FY2021 Financial Results and FY2021 Forecasts

(Unit : Yen in billion)

	FY2020			FY2021			FY2021 (Forecasted on Aug 5)	
	1H	2H	Full Year	1H	2H Forecasts	FY2021 Forecasts	1H	Full year
Net Sales	300.5	343.2	643.7	328.1	315.9	644.0	328.0	635.0
Operating Income	8.9	15.5	24.4	18.6	11.4	30.0	16.5	29.5
Ratio of Operating Income to Net Sales(%)	3.0	4.5	3.8	5.7	3.6	4.7	5.0	4.6
Share of other comprehensive income of entities accounted for using equity method	0	0.4	0.4	0.7	0.7	1.4	(0.0)	0.8
Ordinary Income (Loss)	7.4	10.9	18.4	16.7	8.8	25.5	14.0	25.5
Net Income (Loss) Attributable to Owners of Parent	0.7	(6.1)	(5.4)	17.2	(2.2)	15.0	9.0	15.0
Net Income per Share (JPY)	2.71	(22.21)	(19.50)	62.37	(7.92)	54.43	32.67	54.45
Dividend per Share (JPY)	0.00	0.00	0.00	0.00	Undecided	Undecided	Undecided	Undecided
ROE (%)	1.0	—	(3.4)	19.1	—	8.7	—	8.8
Exchange Rate (USD/JPY)	106.93	105.29	106.11	109.82	108.00	109.00	108.00	108.00
CU Base ('000JPY/ton)	675	864	770	1,086	980	1,030	1,070	1,000

Review of 1H FY2021 Results

【YoY basis】

- **In the Power & Telecommunication Systems Division, sales and profits increased mainly due to the continued high demand for data centers and FTTx in various countries.**
- **In the Electronics Business Division, sales decreased due to the implementation of a profitability-oriented ordering strategy, despite steady demand for Stay Home. On the other hand, profits increased due to the effects of business restructuring and an improved product mix.**
- **In the Automotive Products Division, the deficit narrowed due to a recovery from the significant decline in sales caused by the COVID-19 in the previous fiscal year, despite the impact of the semiconductor shortage and lower capacity utilization at some of our bases due to the spread of COVID-19.**

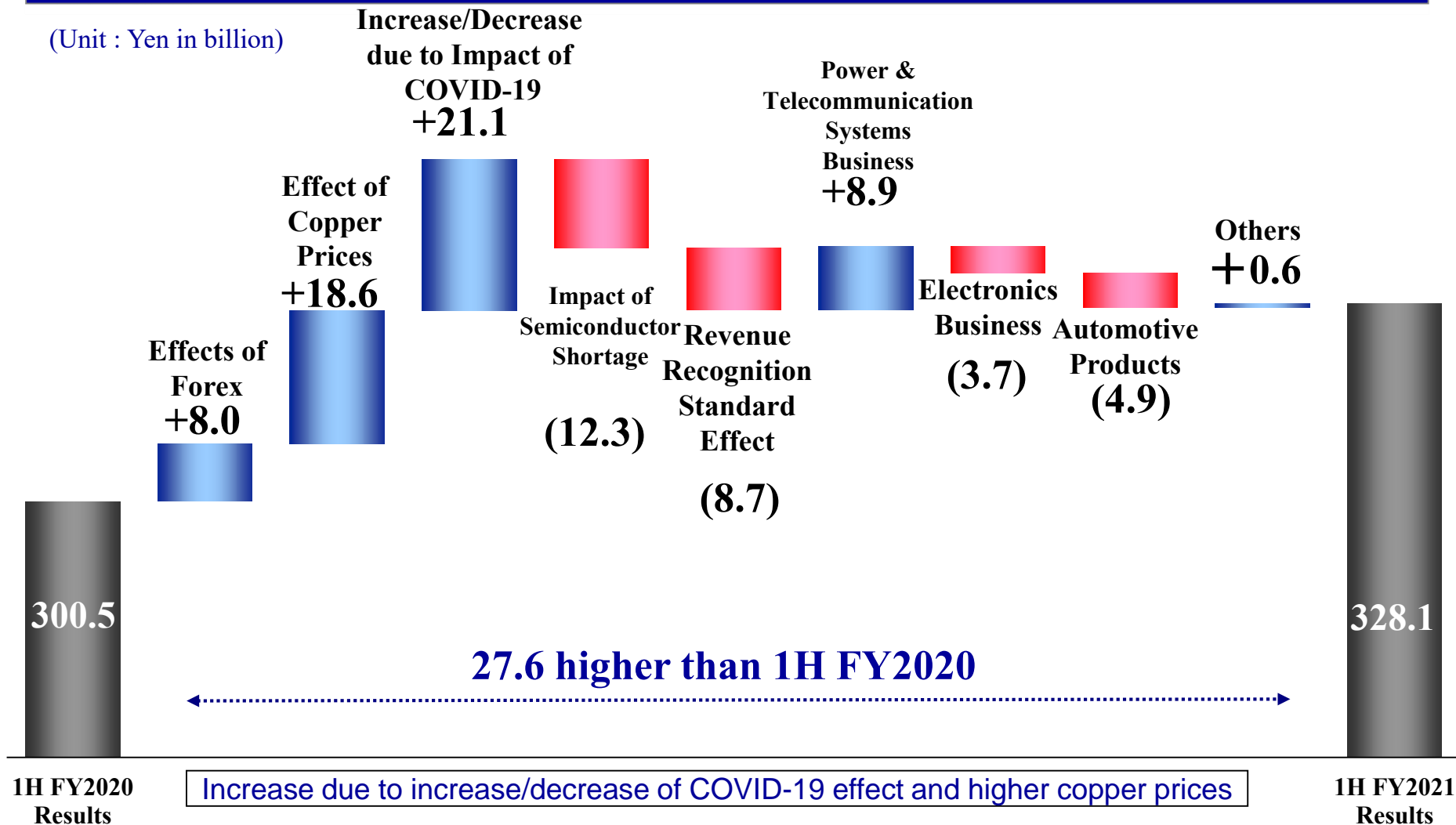
【1H and Full Year Forecast (comparison with the previously announced forecast) 】

- **FY 2021 (1H) net income attributable to shareholders of the parent company increased because business structure improvement expenses, which were expected in 1H, are now expected to be recorded in 2H.**
- **In FY2021 (full year), demand for data centers and FTTx in the Power & Telecommunication Systems Division and demand for Stay Home in the Electronics Business Division are expected to remain strong. On the other hand, in the Automotive Business Division, shipment volume are expected to decrease due to the spread of the COVID-19 in Southeast Asia and customers' semiconductor shortage. As a result, operating income, ordinary income and net income attributable to shareholders of the parent company are expected to be in line with the previously announced forecast.**

1H FY2021 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

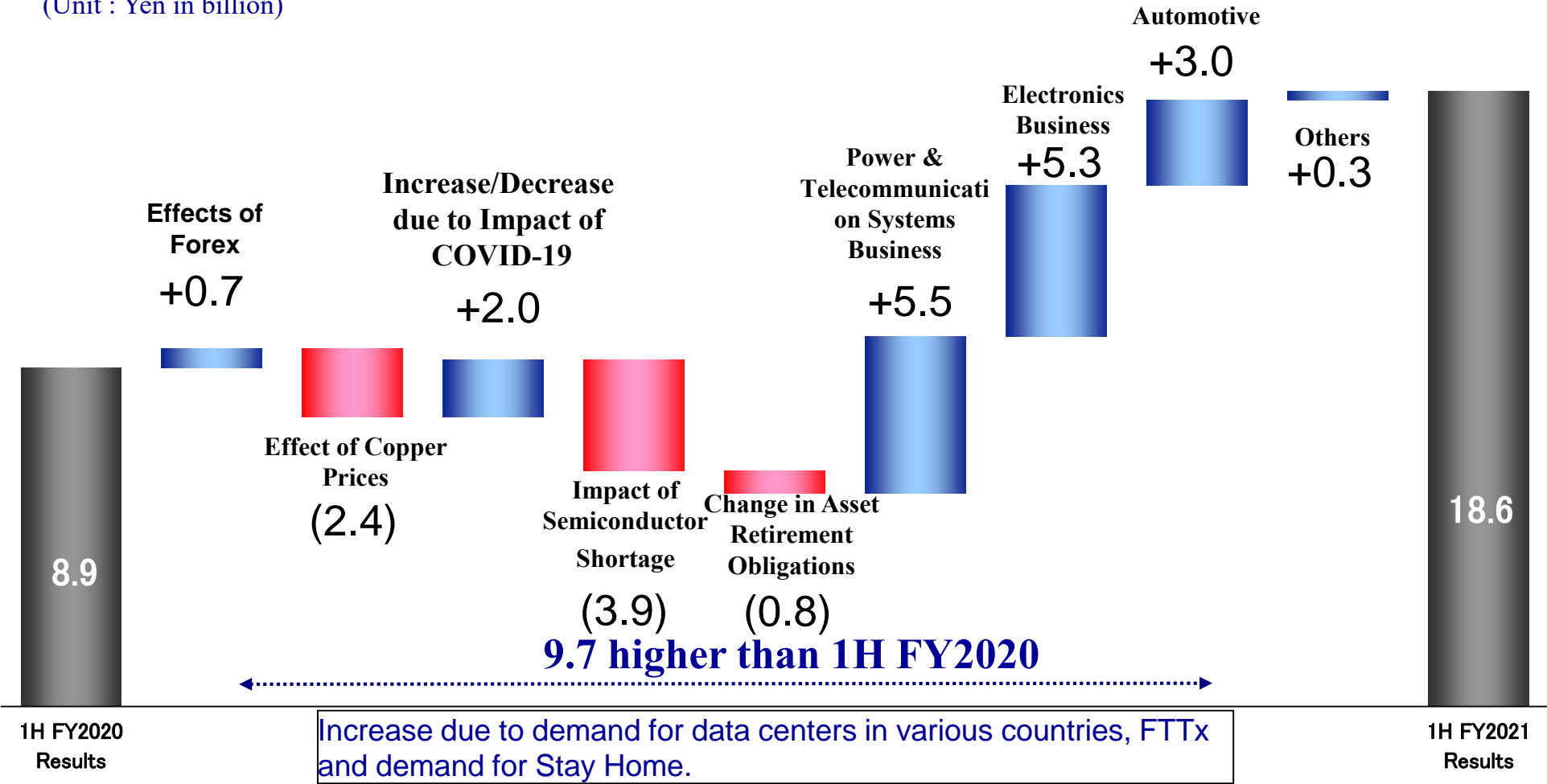
(Unit : Yen in billion)



1H FY2021 Contributing Factors to Operating Income Change (year-on-year basis)

Operating Income

(Unit : Yen in billion)



1H FY2021 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY2020			1H FY2021
	1H	2H	Full year	
Operating Income	8.9	15.5	24.4	18.6
Share of other comprehensive income of entities accounted for using equity method	0.0	0.4	0.4	0.7
Ordinary Income	7.4	10.9	18.4	16.7
Extraordinary Income	1.6	5.2	6.8	5.6
Extraordinary Loss	5.0	19.0	24.0	0.6
Income before Income Taxes and Minority Interests	4.0	(2.9)	1.2	21.8
Total Income Taxes	2.5	2.8	5.3	4.0
Net Income attributable to non-controlling interests	0.8	0.5	1.2	0.6
Net Income attributable to owners of parent	0.7	(6.1)	(5.4)	17.2

Extraordinary profit (5.6)

▪ Gain on sales of stocks of
subsidiaries and affiliates +5.5

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2021	As of Sep. 30, 2021	Change
〈Assets〉	569.1	581.2	+12.0
Current Assets	317.4	341.0	+23.6
Cash and Deposits	74.7	79.4	+4.7
Notes and Account Receivable and Contract assets	123.3	130.2	+6.9
Inventories	100.5	111.1	+10.7
Fixed Assets	251.7	240.2	(11.6)
Tangible Fixed Assets	184.0	172.9	(11.1)
Intangible Fixed Assets	14.3	14.2	(0.2)
Sub Total	198.3	187.0	(11.3)
Total Investments and Other Assets	53.4	53.2	(0.3)

Due to an increase in demand in the Power & Telecommunication Systems Division and an increase in sales due to seasonal factors in the Electronics Business Division

Increase in inventories mainly due to increased demand in the Power & Telecommunication Systems Division

CAPEX +7.6
Depreciation (14.4)
Impairment (0.3)

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2021	As of Sep. 30, 2021	Change
Total	569.1	581.2	+12.0
(Treasury Stock)	((10.9))	((10.6))	+0.3
〈Liability〉	384.6	379.3	(5.4)
Notes and Account Payable	68.5	67.9	(0.7)
Interest-bearing Debt	241.9	240.6	(1.4)
Other Liability	74.2	70.9	(3.3)
〈Net Equity〉	184.5	201.9	+17.4
Shareholder's Equity	157.5	175.3	+17.8
(Treasury Stock)	((10.9))	((10.6))	(+0.3)
Accumulated Other Comprehensive Income	5.4	5.0	(0.4)
Non-controlling Interests	21.7	21.6	(0.0)
Equity-to-asset ratio	28.6%	31.0%	+2.4%

NET D/E ratio 51:49⇒47:53
Net Debt 167.2⇒161.2 (6.0)

Reduction of depreciation due to impairment

Improvement of business structure

(Unit: Yen in billion)

Segment	Cumulative effect amount	FY2020		FY2021	
		Actual	Items	Forecast	Items
Power & Telecommunication Systems	3.2	3.2	【impairment】 ▪ Optical fiber manufacturing assets (2.2) ▪ Fiber laser manufacturing assets (0.6)		
Electronics Business	4.6	0.6		4.0	【impairment】 ▪ FPC Fixed Assets (3.3) 【business structure】 ▪ Labor cost reduction in Japan and Asia (0.7)
Automotive Products Business	5.1	4.0	【impairment】 ▪ Wire harness manufacturing assets in Europe etc. (1.5) 【business structure】 ▪ Labor cost reduction in Europe, Asia and North of South America etc. (2.5)	1.1	【business structure】 ▪ Labor cost reduction in North America and Scale back operations in Eastern Europe
Electronic Products & Connector	9.7	4.6		5.1	
Other	1.6	0.4	【business structure】 ▪ Labor cost reduction in head office etc. (0.4)	1.2	【business structure】 ▪ Labor cost reduction in head office etc.
Total	14.5	8.2		6.3	

CAPEX and Depreciation Cost

(Unit: Yen in billion)

	FY2020		1H FY2021	FY2021 Forecasts (11.8)
	1H	Full year		
CAPEX	10.2	17.7	7.6	17.3
(for manufacturing business)	9.6	17.0	7.5	17.2
(for real estate business)	0.6	0.7	0.1	0.1
Depreciation Cost	16.3	33.6	14.4	29.6
(for manufacturing business)	15.3	31.6	13.4	27.6
(for real estate business)	1.0	2.0	1.0	2.0

Interest-bearing Debts, Net Financial Profit and Free Cash Flow

(Unit: Yen in billion)

	FY2020			FY2021
	1H	2H	Full year	1H
Interest-bearing Debts①	270.0	241.9	241.9	240.6
Cash and deposits②	66.9	74.7	74.7	79.4
①－②Net Debt	203.1	167.2	167.2	161.2
Net Financial Profit/Loss	(0.8)	(0.6)	(1.4)	(0.9)
Free Cash Flow	16.3	41.8	58.1	6.0

Free Cash Flow = Cash Flow by Operating Activities + Interests Paid + Investing Cash Flow

2. By Segment

Financial Results and Forecasts by Segment

(Unit: Yen in billion)

Net Sales					Operating Income and Ratio of Operating Income to Net Sales			
Segment	1H FY2020 Results	1H FY2021 Results	Change	2H FY2021 Forecast	1H FY2020 Results	1H FY2021 Results	Change	2H FY2021 Forecast
Power & Telecommunication Systems	147.2	169.2	22.0	167.4	8.3 5.6%	11.0 6.5%	2.7 +0.9%	9.1 5.4%
Electronics Business	95.5	91.8	(3.6)	76.0	1.8 1.9%	6.8 7.5%	5.0 +5.6%	2.6 3.4%
Automotive Products	50.0	58.8	8.8	64.0	(3.7) (7.4%)	(1.9) (3.3%)	1.8 +4.1%	(2.5) (3.9%)
Electronic Products & Connector	145.4	150.6	5.2	140.0	(1.9) (1.3%)	4.9 3.3%	6.8 +4.6%	0.1 0.0%
Real Estate Business	5.4	5.5	0.1	5.4	2.6 48.2%	2.7 50.3%	0.1 +2.1%	2.2 41.0%
Other	2.5	2.8	0.3	3.0	(0.1)	(0.1)	0.0	(0.0)
Total	300.5	328.1	27.6	315.9	8.9 3.0%	18.6 5.7%	9.7 +2.7%	11.4 3.6%

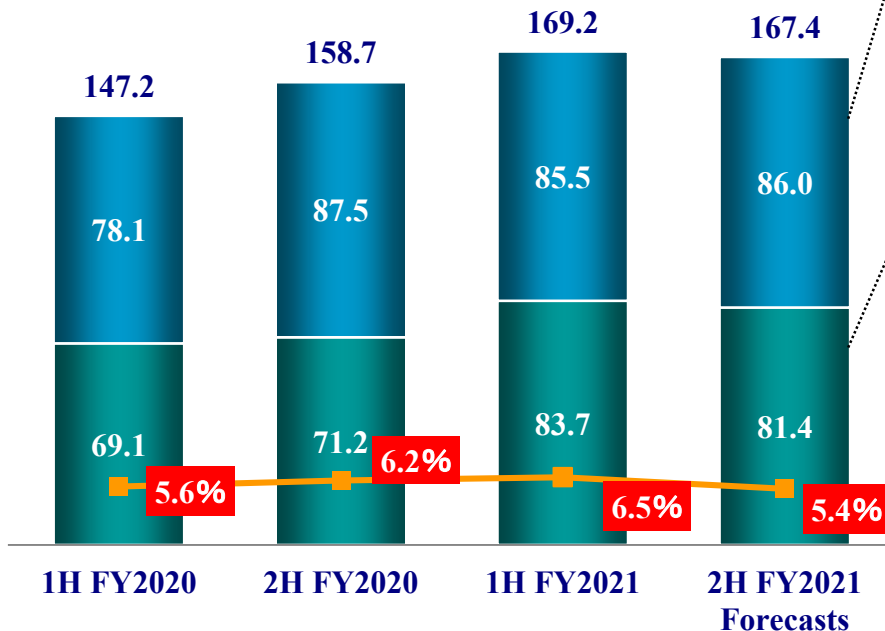
Power & Telecommunication Systems

- In 1H, net sales increased on a YoY basis due to the high demand for data centers and FTTx.
- For 2H, both sales and profit are expected to decrease due to an changes of product mix etc.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

- Power Systems
- Telecommunication Systems
- Ratio of Operating Income to Net Sales



Power Systems

- 1H results increased due to higher copper prices etc.

Telecommunication Systems

- 1H results increased due to increased demand for data centers and FTTx.
- For 2H, sales are expected to decrease due to seasonal factors as well as changes in product mix.

Comments Upper line : 1H results and Y o Y basis
Bottom line : 2H forecast and Comparison with 1H results

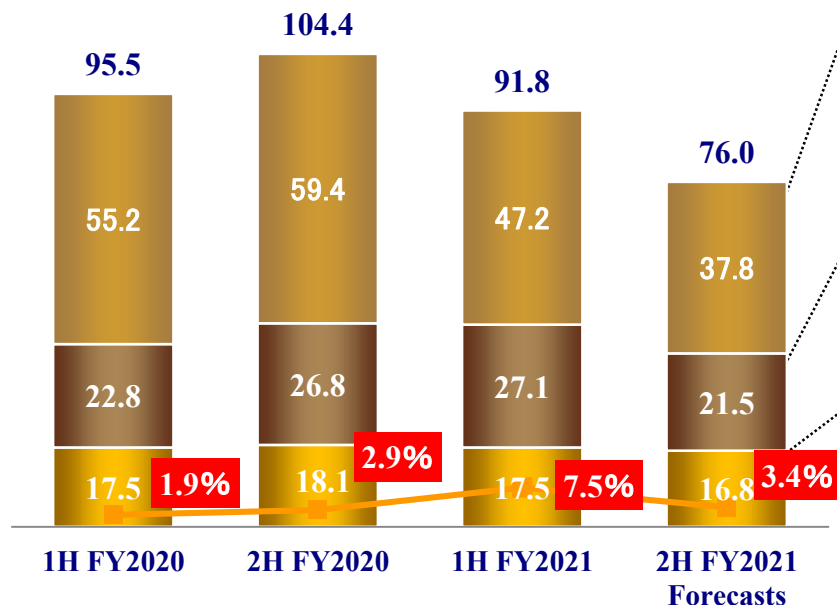
Electronics Business

- Compared to the same period last year, sales declined due to the implementation of a profit-oriented order strategy despite strong demand for Stay Home, but profits increased due to the effects of business restructuring and an improved product mix.
- In 2H, sales and profits are expected to decrease compared to 1H due to changes in the product mix.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

- FPC
- Connector
- Other
- Ratio of Operating income to Net Sales



FPC

- In 1H, sales decreased due to the implementation of an order strategy that emphasizes profitability, and profits increased due to a better product mix on a YoY basis.
- Both sales and profits are expected to decline in the second half of the fiscal year as the company continues to pursue a profitability-oriented ordering strategy.

Connector

- In 1H, sales increased due to demand for smartphone.
- In 2H, sales and profits are expected to decrease due to changes in the product mix etc..

Other

- In 1H results were on par with the same period last year.
- In 2H, sales and profits are expected to decrease due to changes in the product mix etc..

Comments Upper line : 1H results and Y o Y basis

Bottom line : 2H forecast and Comparison with 1H results

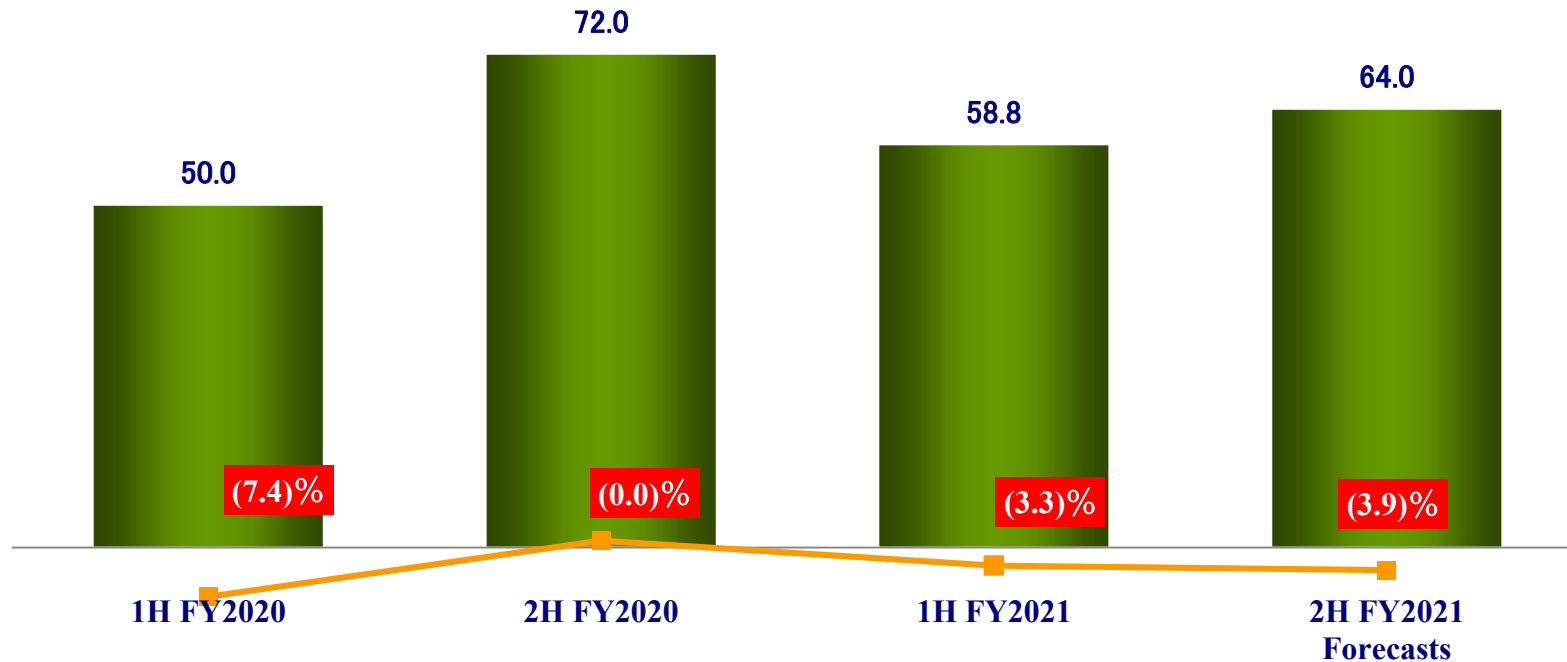
Automotive Products

- In 1H, net sales and profit recovered from the significant decline caused by the COVID-19, and the deficit narrowed compared to 1H, FY2020, despite the shortage of semiconductors and the lower capacity utilization of some of our bases due to the spread of the COVID-19.
- 2H profit is expected to decrease compared to 1H results due to the continued shortage of semiconductors.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to Net sales



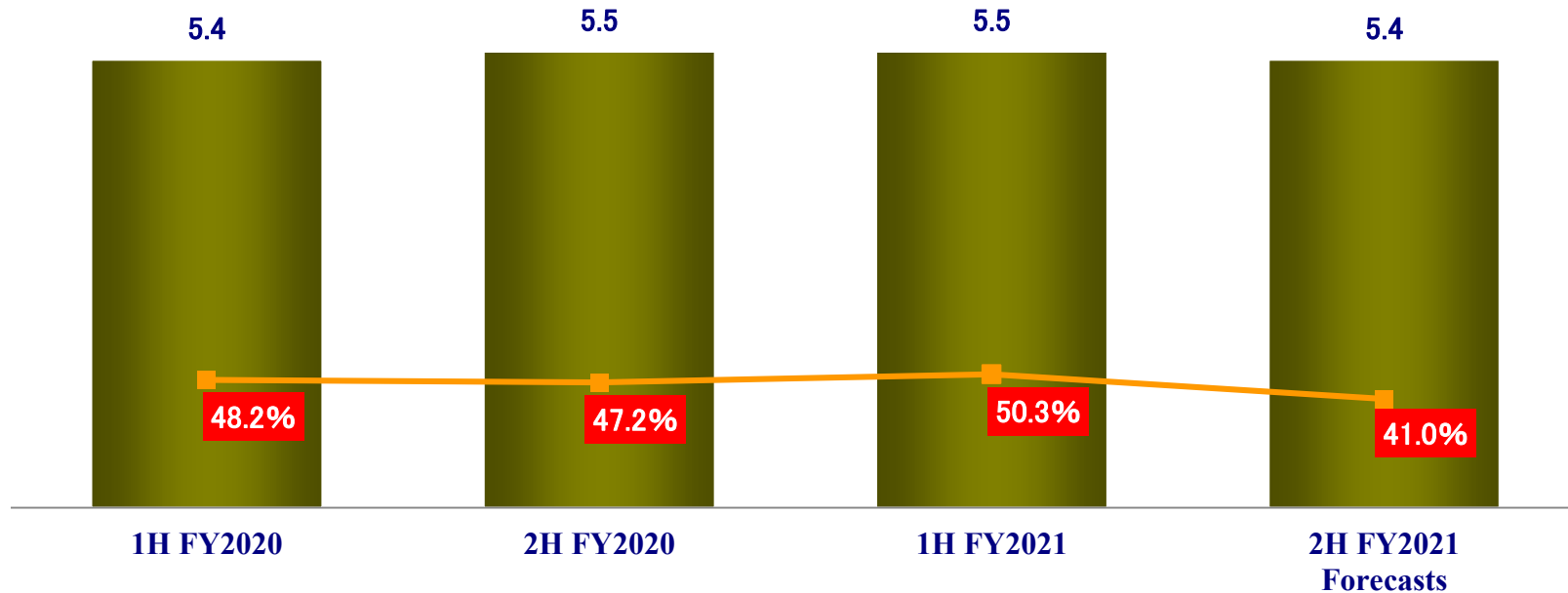
Real Estate Business

■ Revenues from leasing real estate properties continue to contribute to consolidated operating income.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to Net Sales



3. Shareholder Return

■ Interim dividends FY2021 Results

We regret to say there is no interim dividends in 1H FY2021.

■ Year-end dividends FY2021 Forecast

The year-end dividend will remain undecided as we are still in the process of restructuring our business.



Special Notes:

Statements in this presentation that relate to future to results and events (including statements regarding Fujikura's revenue and earnings guidance) and based on Fujikura's current expectations. Actual results in future periods may differ materially from those currently expected because of a number of risks and uncertainties. These factors include the effects of general economics on the level of demand for Fujikura's products and services, and on Fujikura's ability to manage supply and delivery logistics; the level and intensity of competition in the electronic and telecommunication equipment industries, the pricing pressures that result, the ability of Fujikura to timely and effectively manage product transitions, component/material availability and cost; the ability of Fujikura to develop new products based on new or evolving technology; and the ability of Fujikura to manage its inventory levels to minimize excess inventory.

【2Q FY2021 Financial Results Appendix】

Net Sales and Operating Income by Segment

Net Sales Records and Forecast by Segment

Unit: Yen in Billion

	FY2020							FY2021					FY2021 Forecast (8.5)
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	1H	2H	Full Year	1H
Power Systems	38.7	39.4	42.3	45.3	78.1	87.5	165.6	42.1	43.3	85.5	86.0	171.5	79.7
Telecommunication Systems	31.8	37.3	36.1	35.1	69.1	71.2	140.3	40.9	42.8	83.7	81.4	165.1	81.2
Power & Telecommunication Systems	70.5	76.7	78.3	80.4	147.2	158.7	305.9	83.1	86.1	169.2	167.4	336.6	160.9
Electronics													
FPC	22.2	33.0	33.1	26.3	55.2	59.4	114.6	23.5	23.7	47.2	37.8	85.0	48.7
Connector	9.0	13.9	15.4	11.5	22.8	26.8	49.7	11.1	16.0	27.1	21.5	48.6	25.1
Other	8.1	9.4	9.2	8.9	17.5	18.1	35.6	8.6	8.9	17.5	16.8	34.3	18.3
Automotive Products	16.3	33.7	37.4	34.6	50.0	72.0	121.9	32.3	26.5	58.8	64.0	122.8	66.7
Electronics Automotive Connector	55.6	89.9	95.1	81.3	145.4	176.4	321.8	75.6	75.1	150.6	140.0	290.7	158.7
Real Estate Business	2.7	2.7	2.8	2.7	5.4	5.5	10.9	2.7	2.7	5.5	5.4	10.9	5.4
Other	1.2	1.4	1.3	1.4	2.5	2.6	5.2	1.3	1.5	2.8	3.0	5.8	2.9
Total	129.9	170.6	177.5	165.8	300.5	343.2	643.7	162.7	165.4	328.1	315.9	644.0	328.0

Operating Income Records and Forecast by Segment

Power & Telecommunication Systems	3.5	4.7	3.9	6.0	8.3	9.8	18.1	6.4	4.6	11.0	9.1	20.1	9.9
Electronics	(1.3)	3.1	2.7	0.3	1.8	3.1	4.9	2.1	4.8	6.8	2.6	9.4	4.7
Automotive Products	(2.8)	(0.9)	0.5	(0.5)	(3.7)	(0.0)	(3.7)	(0.2)	(1.8)	(1.9)	(2.5)	(4.5)	(0.6)
Electronics Automotive Connector	(4.1)	2.2	3.2	(0.2)	(1.9)	3.0	1.2	1.9	3.0	4.9	0.1	5.0	4.0
Real Estate Business	1.3	1.3	1.3	1.3	2.6	2.6	5.2	1.4	1.3	2.7	2.2	5.0	2.6
Other	(0.1)	0.0	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	0.0	(0.1)	(0.0)	(0.1)	(0.0)
Total	0.6	8.3	8.4	7.1	8.9	15.5	24.4	9.7	8.9	18.6	11.4	30.0	16.5

※We have reviewed management structure and name of above segment in FY2021, but since above segment classification has not been changed, number of FY2020 is treated same as before.

Fujikura Ltd.