

# 3Q FY2021 Financial Results



February 9, 2022

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# **1. Review of 3Q FY2021 Financial Results and FY2021 Forecasts**

# 3Q FY2021 Financial Results and FY2021 Forecasts

(Unit : Yen in billion)

	FY2020		FY2021		FY2021 (Forecasted on Nov.8)
	1-3Q	Full Year Forecasts	1-3Q	Full Year Forecasts	Full year
Net Sales	478.0	643.7	495.8	650.5	644.0
Operating Income	17.3	24.4	27.9	32.0	30.0
Ratio of Operating Income to Net Sales(%)	3.6	3.8	5.6	4.9	4.7
Share of other comprehensive income of entities accounted for using equity method	0.2	0.4	1.8	1.9	1.4
Ordinary Income (Loss)	13.5	18.4	25.5	27.5	25.5
Net Income (Loss) Attributable to Owners of the Parent	4.1	(5.4)	26.2	17.0	15.0
Net Income per Share (JPY)	14.88	(19.50)	94.97	61.68	54.43
Dividend per Share (JPY)	—	0.00	0.00	Undecided	Undecided
ROE (%)	—	(3.4)	—	8.4	8.7
Exchange Rate (USD/JPY)	106.11	106.11	111.14	111.00	109.00
CU Base ('000JPY/ton)	714	770	1,111	1,100	1,030

# Review of 3Q 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. On the other hand, profits increased due to the effects of business restructuring and an improved product mix.
- In the Automotive Products Division, recovered from the significant decline caused by COVID-19, but the loss increased extent due to the shortage of semiconductors and reduced capacity utilization at some of the facilities due to the spread of the COVID-19 and increase in distribution cost.

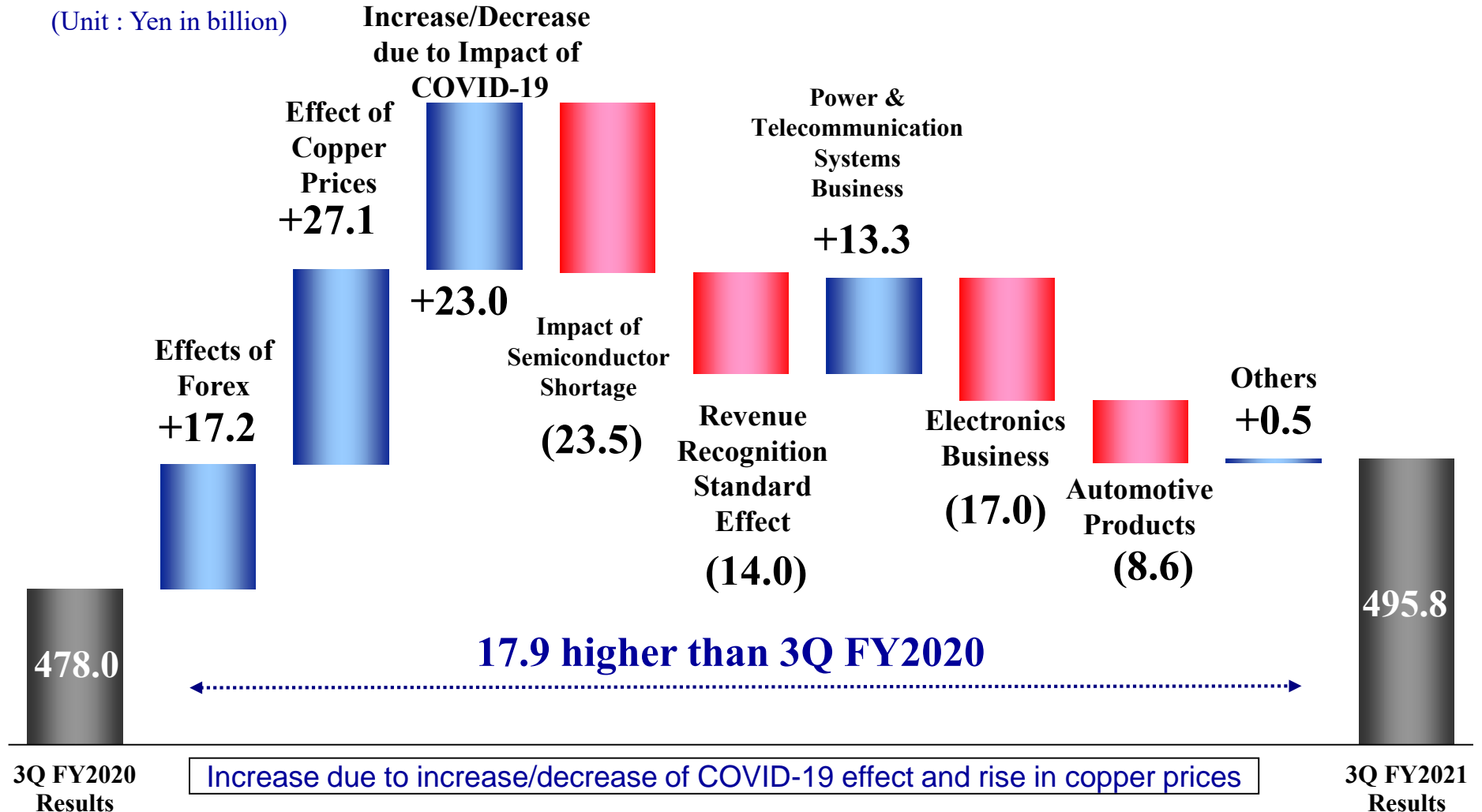
## 【Full Year Forecast (comparison with the previously announced forecast)】

- Sales, operating income, and ordinary income are expected to exceed the previous forecasts due to continued strong demand for data centers and FTTx and Stay Home demand in Electronics Business Division, despite loss on valuation of futures contracts associated with Copper hedging transactions and the impact of higher distribution costs.
- Net income attributable to shareholders of the parent company is expected to exceed the previous forecast due to gains on the sale of fixed assets, although the losses caused by the risk of re-expansion of the COVID-19 are conservatively factored in.

# 3Q FY2021 Contributing Factors to Net Sales Change (year-on-year basis)

## Net Sales

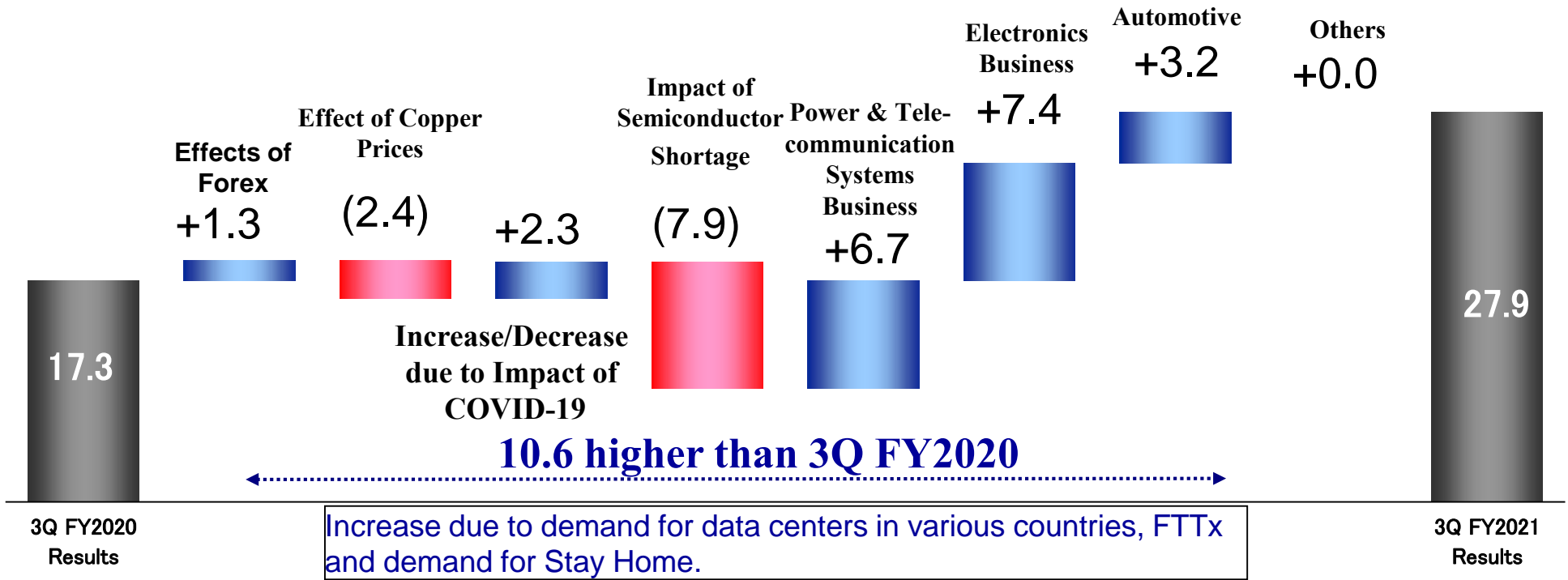
(Unit : Yen in billion)



# 3Q FY2021 Contributing Factors to Operating Income Change (year-on-year basis)

## Operating Income

(Unit : Yen in billion)



# 3Q FY2021 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY2020		FY2021
	1-3Q	Full year	1-3Q
<b>Operating Income</b>	17.3	24.4	27.9
Share of other comprehensive income of entities accounted for using equity method	0.2	0.4	1.8
<b>Ordinary Income</b>	13.5	18.4	25.5
Extraordinary Income	2.9	6.8	9.9
Extraordinary Loss	6.7	24.0	1.0
<b>Income before Income Taxes and Minority Interests</b>	9.8	1.2	34.5
Total Income Taxes	4.6	5.3	7.5
Net Income attributable to non-controlling interests	1.1	1.2	0.8
<b>Net Income attributable to owners of parent</b>	4.1	(5.4)	26.2

**Extraordinary profit (9.9)**  
 ▪ Gain on sales of stocks of subsidiaries and affiliates +5.6  
 ▪ Gain on sales of fixed assets 4.2



# Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2021	As of Dec. 31, 2021	Change
〈Assets〉	569.1	590.3	+21.2
<b>Current Assets</b>	<b>317.4</b>	<b>351.8</b>	<b>+34.4</b>
Cash and Deposits	74.7	79.7	+4.9
Notes and Account Receivable and Contract assets	123.3	137.8	+14.4
Inventories	100.5	1,158	+15.4
<b>Fixed Assets</b>	<b>251.7</b>	<b>238.5</b>	<b>(13.3)</b>
Tangible Fixed Assets	184.0	172.1	(11.9)
Intangible Fixed Assets	14.3	14.4	+0.1
Sub Total	198.3	186.5	(11.8)
Total Investments and Other Assets	53.4	52.0	(1.5)

Due to an increase in demand and rise in copper prices in the Power & Telecommunication Systems Division

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

CAPEX +11.1  
Depreciation (22.0)  
Impairment (0.4)

# Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2021	As of Dec. 31, 2021	Change
<b>Total</b>	<b>569.1</b>	<b>590.3</b>	<b>+21.2</b>
<b>(Treasury Stock)</b>	<b>((10.9))</b>	<b>((10.6))</b>	<b>+0.3</b>
<b>〈Liability〉</b>	<b>384.6</b>	<b>372.7</b>	<b>(11.9)</b>
<b>Notes and Account Payable</b>	<b>68.5</b>	<b>67.1</b>	<b>(1.5)</b>
<b>Interest-bearing Debt</b>	<b>241.9</b>	<b>236.9</b>	<b>(5.0)</b>
<b>Other Liability</b>	<b>74.2</b>	<b>68.7</b>	<b>(5.5)</b>
<b>〈Net Equity〉</b>	<b>184.5</b>	<b>217.6</b>	<b>+33.1</b>
<b>Shareholder's Equity</b>	<b>157.5</b>	<b>184.2</b>	<b>+26.7</b>
<b>(Treasury Stock)</b>	<b>((10.9))</b>	<b>((10.6))</b>	<b>+0.3</b>
<b>Accumulated Other Comprehensive Income</b>	<b>5.4</b>	<b>11.1</b>	<b>+5.8</b>
<b>Non-controlling Interests</b>	<b>21.7</b>	<b>22.3</b>	<b>+0.6</b>
<b>Equity-to-asset ratio</b>	<b>28.6%</b>	<b>33.1</b>	<b>+4.5</b>

NET D/E ratio 51:49⇒45:55  
Net Debt 167.2⇒157.2 (9.9)

Foreign exchange adjustment  
4.8

# Reduction of depreciation due to impairment

## Improvement of business structure

(Unit: Yen in billion)

Segment	Cumulative effect amount	FY2021		FY2022	
		Actual	Items	Forecast	Items
<b>Power &amp; Telecommunication Systems</b>	3.2	3.2	<b>【impairment】</b> ▪ Optical fiber manufacturing assets (2.2) ▪ Fiber laser manufacturing assets (0.6)		
<b>Electronics Business</b>	4.6	0.6		4.0	<b>【impairment】</b> ▪ FPC Fixed Assets (3.3) <b>【business structure】</b> ▪ Labor cost reduction in Japan and Asia (0.7)
<b>Automotive Products Business</b>	5.1	4.0	<b>【impairment】</b> ▪ Wire harness manufacturing assets in Europe etc. (1.5) <b>【business structure】</b> ▪ Labor cost reduction in Europe, Asia and North of South America etc. (2.5)	1.1	<b>【business structure】</b> ▪ Labor cost reduction in North America and Scale back operations in Eastern Europe
<b>Electronic Products &amp; Connector</b>	9.7	4.6		5.1	
<b>Other</b>	1.6	0.4	<b>【business structure】</b> ▪ Labor cost reduction in head office etc. (0.4)	1.2	<b>【business structure】</b> ▪ Labor cost reduction in head office etc.
<b>Total</b>	14.5	8.2		6.3	

# CAPEX and Depreciation Cost

(Unit: Yen in billion)

	FY2020		1-3Q FY2021	FY2021 Forecasts (11.8)
	1-3Q	Full year		
<b>CAPEX</b>	<b>13.6</b>	<b>17.7</b>	<b>11.1</b>	<b>17.3</b>
(for manufacturing business)	12.9	17.0	11.0	17.2
(for real estate business)	0.7	0.7	0.1	0.1
<b>Depreciation Cost</b>	<b>24.9</b>	<b>33.6</b>	<b>22.0</b>	<b>29.6</b>
(for manufacturing business)	23.4	31.6	20.5	27.6
(for real estate business)	1.5	2.0	1.5	2.0

## 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	1-3Q FY2020 Results	1-3Q FY2021 Results	Change	FY2021 Full Year Forecasts	1-3Q FY2020 Results	1-3Q FY2021 Results	Change	FY2021 Full Year Forecasts
<b>Power &amp; Telecommunication Systems</b>	225.5	258.6	33.1	341.0	12.1 5.4%	17.5 6.8%	5.4 1.4%	20.6 6.0%
<b>Electronics Business</b>	153.2	136.2	(17.0)	173.4	4.6 3.0%	11.0 8.1%	6.5 5.1%	11.5 6.6%
<b>Automotive Products</b>	87.4	88.7	1.3	119.4	(3.2) (3.7%)	(4.2) (4.7)	(1.0) (1.1%)	(4.9) (4.1%)
<b>Electronic Products &amp; Connector</b>	240.5	224.9	(15.7)	292.8	1.4 0.6%	6.8 3.0%	5.5 2.5%	6.5 2.2%
<b>Real Estate Business</b>	8.2	8.2	0.0	10.9	3.9 47.5%	3.8 47.1%	(0.0) (0.4%)	5.1 47.0%
<b>Other</b>	3.8	4.2	0.5	5.8	(0.1)	(0.2)	(0.2)	(0.3)
<b>Total</b>	478.0	495.8	17.9	650.5	17.3 3.6%	27.9 5.6%	10.6 2.0%	32.0 4.9%

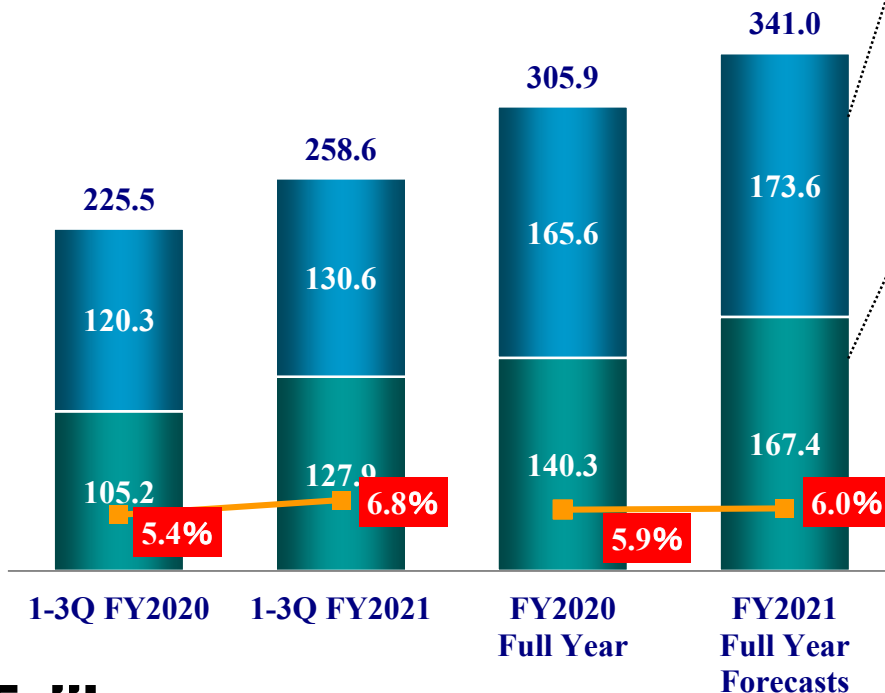
# Power & Telecommunication Systems

- FY21/1-3Q results increased mainly due to high demand for data centers and FTTx.

(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

- Sales increased due to higher copper prices in FY21/1-3Q results.

### Telecommunication Systems

- Sales increased mainly due to high demand for data centers and FTTx.

Change in sales +33.1(20/3Q:225.5⇒21/3Q:258.6)

- Copper price impact: +27.1
- Impact of revenue recognition standards(14.0)
- Effect of exchange rate: +6.6
- Special Factors +19.7

Change in operating profit

+5.4(20/3Q:12.1⇒21/3Q:17.5)

- Copper price impact (2.4)
- Effect of exchange rate +1.2
- Special Factors (1.2)

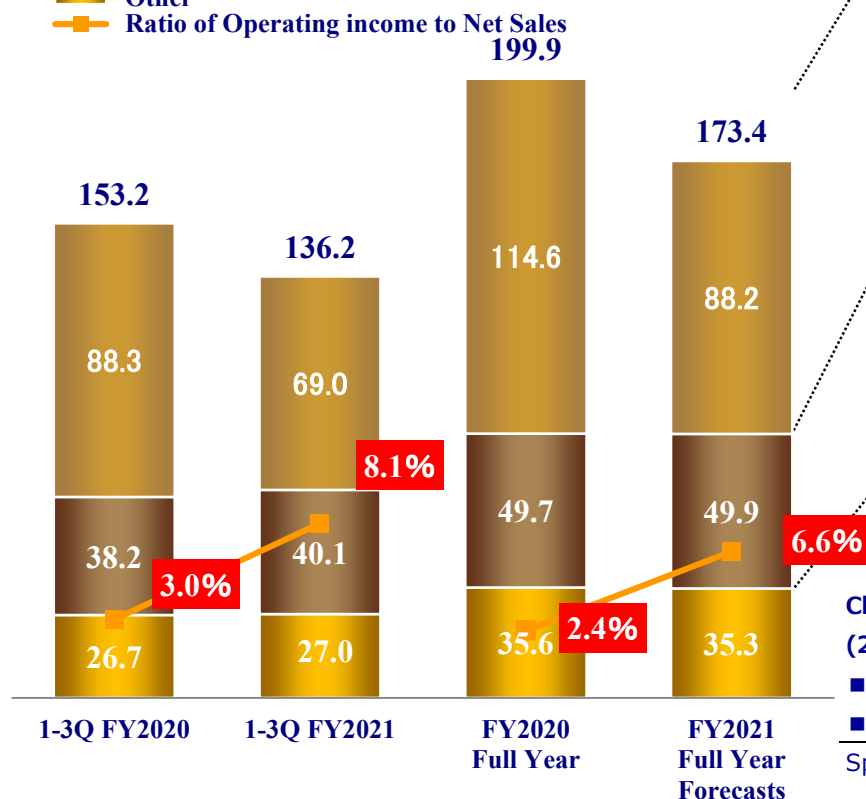
# Electronics Business

- Sales decreased in FY21/1-3Q results due to the implementation of a profit-oriented order strategy, on the other hand profits increased due to the effects of business restructuring and an improved 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 1-3Q, 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.

**Connector**

- In 1-3Q, sales increased due to demand for smartphone.

**Other**

- In 1-3Q results were on par with the same period last year.

Change in sales (17.0)  
(20/3Q:153.2⇒21/3Q:136.2)

- Effect of exchange rate +5.8
- Impact of Semiconductor Shortage (5.5)
- Special Factors +0.3

Change in operating profit+6.5  
(20/3Q:4.6⇒21/3Q:11.0)

- Impact of Semiconductor Shortage (1.0)
- Effect of exchange rate +0.2
- Special Factors (0.8)



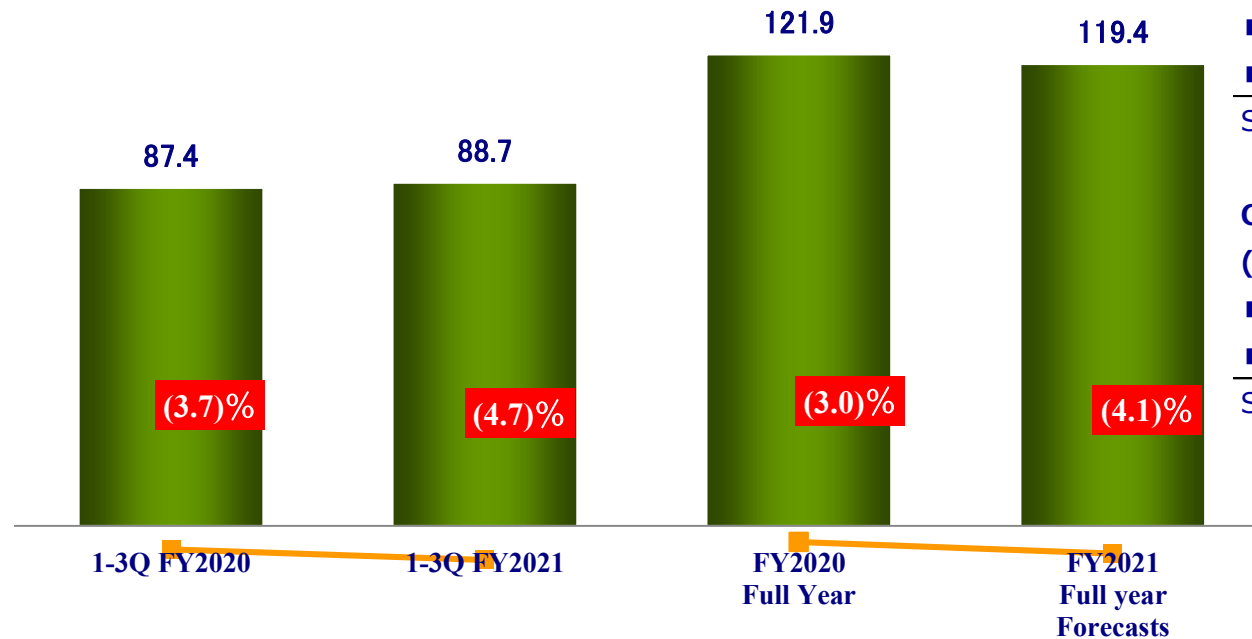
# Automotive Products

- Recovered from the significant decline caused by COVID-19, but the loss increased extent due to the shortage of semiconductors and reduced capacity utilization at some of the Group's facilities due to the spread of the COVID-19 and increase in distribution cost.

(Unit: Yen in billion)

## Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to...



Change in sales +1.4

(20/3Q:87.4⇒21/3Q:88.7)

- Impact of COVID-19 +23.4
- Impact of Semiconductor Shortage (18.1)
- Effect of exchange rate +4.7

Special Factors +10.0

Change in operating profit (1.0)

(20/3Q:(3.2)⇒21/3Q:(4.2) )

- Impact of COVID-19 +2.7
- Impact of Semiconductor Shortage (6.9)

Special Factors (4.2)

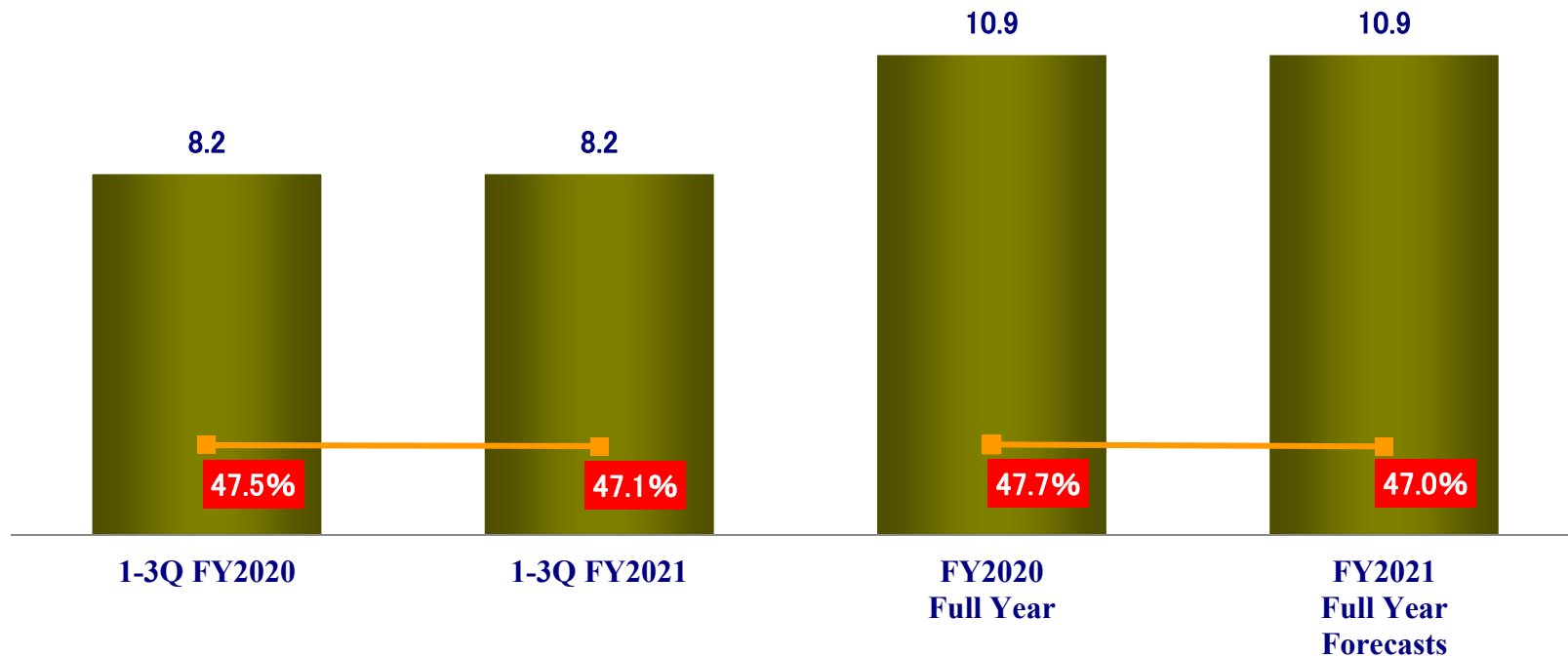
# Real Estate Business

■ 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

## ■ 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.

【3Q 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 (11.8)
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year	
Power Systems	38.7	39.4	42.3	45.3	78.1	87.5	165.6	42.1	43.3	45.2	43.0	85.5	88.2	173.6	171.5
Telecommunication Systems	31.8	37.3	36.1	35.1	69.1	71.2	140.3	40.9	42.8	44.2	39.5	83.7	83.7	167.4	165.1
Power & Telecommunication Systems	70.5	76.7	78.3	80.4	147.2	158.7	305.9	83.1	86.1	89.4	82.5	169.2	171.8	341.0	336.6
FPC	22.2	33.0	33.1	26.3	55.2	59.4	114.6	23.5	23.7	21.8	19.2	47.2	41.1	88.2	85.0
Connector	9.0	13.9	15.4	11.5	22.8	26.8	49.7	11.1	16.0	13.0	9.7	27.1	22.8	49.9	48.6
Other	8.1	9.4	9.2	8.9	17.5	18.1	35.6	8.6	8.9	9.5	8.3	17.5	17.7	35.3	34.3
Electronics	39.3	56.2	57.7	46.7	95.5	104.4	199.9	43.3	48.6	44.3	37.2	91.8	81.5	173.4	167.9
Automotive Products	16.3	33.7	37.4	34.6	50.0	72.0	121.9	32.3	26.5	29.9	30.7	58.8	60.6	119.4	122.8
Electronics Automotive Connector	55.6	89.9	95.1	81.3	145.4	176.4	321.8	75.6	75.1	74.2	67.9	150.6	142.1	292.8	290.7
Real Estate Business	2.7	2.7	2.8	2.7	5.4	5.5	10.9	2.7	2.7	2.7	2.7	5.5	5.4	10.9	10.9
Other	1.2	1.4	1.3	1.4	2.5	2.6	5.2	1.3	1.5	1.4	1.6	2.8	3.0	5.8	5.8
Total	129.9	170.6	177.5	165.8	300.5	343.2	643.7	162.7	165.4	167.7	154.6	328.1	322.4	650.5	644.0

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	6.5	3.1	11.0	9.6	20.6	20.1
Electronics	(1.3)	3.1	2.7	0.3	1.8	3.1	4.9	2.1	4.8	4.2	0.5	6.8	4.6	11.5	9.4
Automotive Products	(2.8)	(0.9)	0.5	(0.5)	(3.7)	(0.0)	(3.7)	(0.2)	(1.8)	(2.2)	(0.8)	(1.9)	(3.0)	(4.9)	(4.5)
Electronics Automotive Connector	(4.1)	2.2	3.2	(0.2)	(1.9)	3.0	1.2	1.9	3.0	1.9	(0.3)	4.9	1.6	6.5	5.0
Real Estate Business	1.3	1.3	1.3	1.3	2.6	2.6	5.2	1.4	1.3	1.1	1.3	2.7	2.4	5.1	5.0
Other	(0.1)	0.0	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	0.0	(0.2)	(0.0)	(0.1)	(0.2)	(0.3)	(0.1)
Total	0.6	8.3	8.4	7.1	8.9	15.5	24.4	9.7	8.9	9.4	4.0	18.6	13.4	32.0	30.0

※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.