

FY2021 Financial Results



May 12, 2022

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1. FY2021 Financial Results and FY2022 Forecast

Key points of the 2021 Financial Results

Comparison with Forecast

- Net sales, operating income, and ordinary income increased due to the impact of copper prices and higher-than-expected demand for data centers and FTTx in the Power & Telecommunication Systems Division and for Stay Home in the Electronics Business Division.
- Net income attributable to shareholders of the parent company increased significantly from the previous forecast due to the absence of impairment losses and other risks that had been incorporated in the previous forecast, as well as gains on sales of fixed assets, in addition to the above factors that contributed to the increase in income.

Comparison with the previous year

- Sales increased mainly due to continued high demand for data centers and FTTx support in various countries in Power & Telecommunication Systems Division.
- Net income (loss) attributable to owners of parent company increased significantly due to an increase in operating income resulting from higher sales, as well as extraordinary gains from sales of fixed assets and sales of shares in affiliates.

The difference between Forecasted and Financial Results(FY2021)

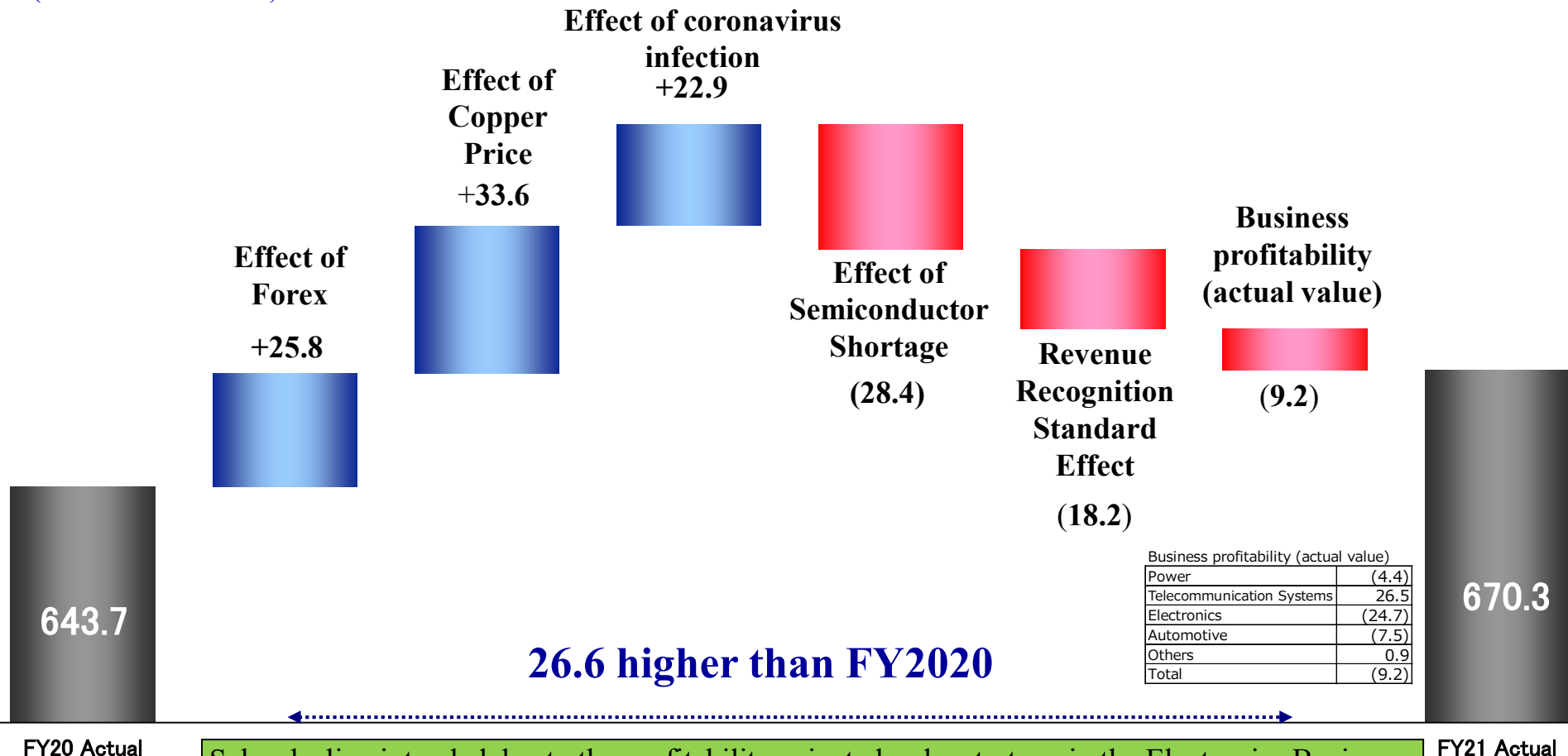
(Unit : Yen in billion)

	FY2020 Actual	FY2021 Original Forecast 2021. 5.14	FY2021 Revised Forecast 2022. 2. 9	FY2021 Actual	FY2021 – Revised Change
Net Sales	643.7	600.0	650.5	670.3	19.8
Operating Income	24.4	20.0	32.0	38.3	6.3
Ratio of Operating Income to Net Sales(%)	3.8	3.3	4.9	5.7	0.8
Share of other comprehensive income of entities accounted for using equity method	0.4	0.8	1.9	2.1	0.2
Ordinary Income (Loss)	18.4	16.5	27.5	34.1	6.6
Net Income (Loss) Attributable to Owners of Parent	(5.4)	6.5	17.0	39.1	22.1
Net Income per Share (JPY)	(19.50)	23.60	61.68	141.85	80.17
Dividend per Share (JPY)	0.00	Undecided	Undecided	10.00	—
ROE (%)	(3.4)	3.9	8.4	20.4	12.0
Exchange Rate (USD/JPY)	106.11	105.00	111.00	112.40	—
CU Base ('000JPY/ton)	770	920	1,100	1,130	—

FY2020 / FY2021 Contributing Factors to Net Sales Change

Net Sales

(Unit : Yen in billion)



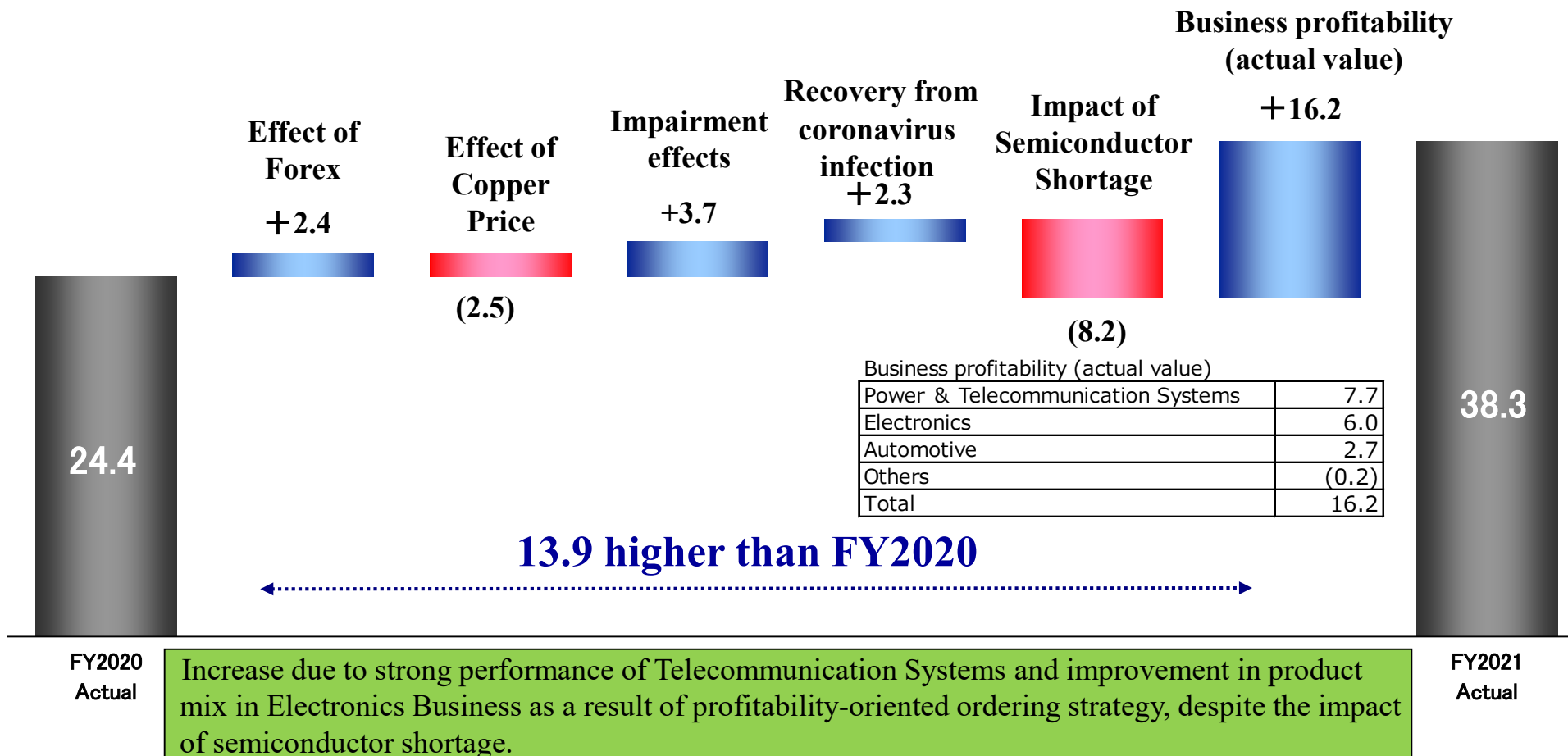
Business profitability (actual value)	
Power	(4.4)
Telecommunication Systems	26.5
Electronics	(24.7)
Automotive	(7.5)
Others	0.9
Total	(9.2)

Sales decline intended due to the profitability-oriented order strategy in the Electronics Business, but Income increased due to the strong performance of the Telecommunication Systems, recovery from coronavirus and higher copper prices.

FY2020 / FY2021 Contributing Factors to Operating Income Change

Operating Income

(Unit : Yen in billion)



FY2021 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY2020	FY2021
Operating Income	24.4	38.3
Share of other comprehensive income of entities accounted for using equity method	0.4	2.1
Ordinary Income	18.4	34.1
Extraordinary Income	6.8	22.3
Extraordinary Loss	24.0	4.7
Income before Income Taxes and Minority Interests	1.2	51.7
Total Income Taxes	5.3	11.5
Net Income attributable to non-controlling interests	1.2	1.0
Net Income attributable to owners of parent	(5.4)	39.1

FY2021

- Total extraordinary income/loss 17.6
- Gain on sales of fixed assets 15.4
- Gain on sales of subsidiaries and affiliates 5.7
- Business structure improvement expenses (3.5) etc.

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2021	As of March 31, 2022	Change
〈Assets〉	569.1	611.5	42.4
Current Assets	317.4	369.1	51.8
Cash and Deposits	74.7	91.0	16.3
Notes and Account Receivable and Contract assets	123.3	144.9	21.5
Inventories	100.5	112.6	12.2
Fixed Assets	251.7	242.4	(9.4)
Tangible Fixed Assets	184.0	174.1	(9.9)
Intangible Fixed Assets	14.3	15.4	1.1
Sub Total	198.3	189.5	(8.8)
Total Investments and Other Assets	53.4	52.8	(0.6)

Due to higher sales from increased demand and higher copper prices in the Power & Telecommunication Systems

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

CAPEX 16.2
Foreign currency impact 10.9
Depreciation (30.5)
Disposal (4.6)

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2021	As of March 31, 2022	Change
Total	569.1	611.5	42.4
(Treasury Stock)	((10.9))	((10.6))	0.3
〈Liability〉	384.6	367.9	(16.8)
Notes and Account Payable	68.5	71.8	3.3
Interest-bearing Debt	241.9	211.5	(30.4)
Other Current Liability	74.2	84.5	10.3
〈Net Equity〉	184.5	243.7	59.2
Shareholder's Equity	157.5	197.1	39.6
(Treasury Stock)	((10.9))	((10.6))	0.3
Accumulated Other Comprehensive Income	5.4	23.4	18.0
Non-controlling Interests	21.7	23.2	1.5
Equity-to-asset ratio	28.6	36.1	7.5

Due to increase in net income and decrease in capital expenditures.
Net D/E ratio is improved (51:49→35:65)
Net Debt 167.2⇒120.4 (46.8)

Currency translation Adjustment 17.0

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

(Unit: Yen in billion)

	FY2020			FY2021		
	1H	2H	Full year	1H	2H	Full year
Interest-bearing Debts ①	270.0	241.9	241.9	240.6	211.5	211.5
Cash and deposits ②	66.9	74.7	74.7	79.4	91.0	91.0
①—② Net Debt	203.1	167.2	167.2	161.2	120.4	120.4
Net Financial Profit/Loss	(0.8)	(0.6)	(1.4)	(0.9)	(0.5)	(1.4)
Free Cash Flow	16.3	41.8	58.1	6.0	44.7	50.7

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

FY2022 Forecast

- **Sales are expected to increase by growing mainly information and telecommunications business, despite the uncertainties in the environment, such as coronavirus infection, semiconductor shortage, problems in Ukraine and Russia, and soaring costs of various raw materials and energy.**
- **Net income attributable to shareholders of the parent company are expected to increase, compared with FY2021 after excluding special factors such as gain on sales of fixed assets , etc.**

FY2022 Forecast

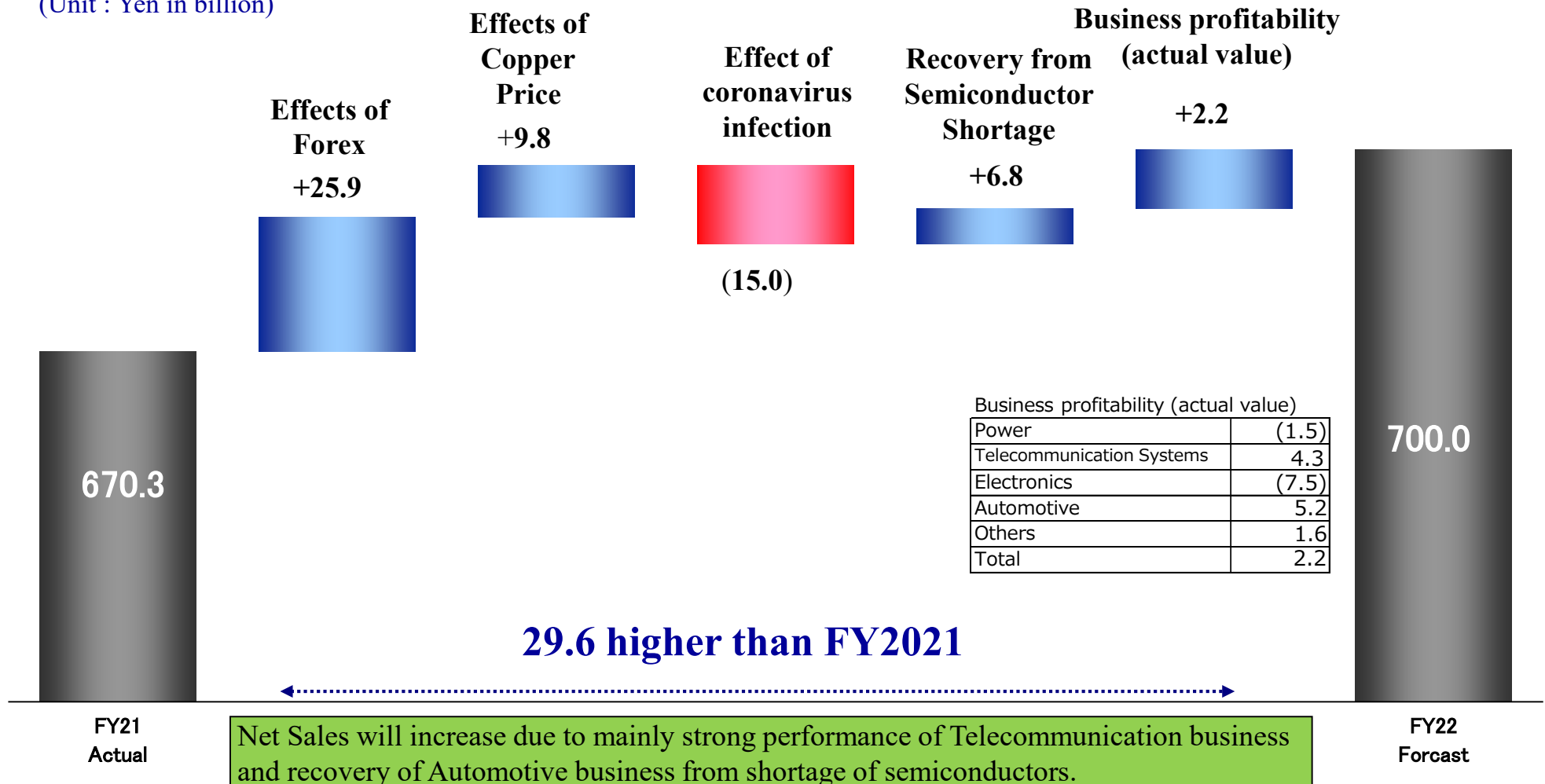
(Unit : Yen in billion)

	FY2021 Results	1H FY2022 Forecast	FY2022 Forecast	FY2022 Forecast —FY2021 Results Change
Net Sales	670.3	340.0	700.0	29.6
Operating Income	38.3	15.0	42.0	3.7
Ratio of Operating Income to Net Sales(%)	5.7	4.4	6.0	0.3
Share of other comprehensive income of entities accounted for using equity method	2.1	1.1	2.4	0.3
Ordinary Income (Loss)	34.1	13.0	37.0	2.9
Net Income (Loss) Attributable to Owners of Parent	39.1	5.5	22.5	(16.6)
Net Income per Share (JPY)	141.85	—	81.61	(60.24)
Dividend per Share (JPY)	10.00	0.00	16.00	6.00
ROE (%)	20.4	—	9.8	(10.6)
Exchange Rate (USD/JPY)	112.40	120.00	120.00	—
CU Base ('000JPY/ton)	1,130	1,200	1,200	—

FY2021 / FY2022 Contributing Factors to Net Sales Change

Net Sales

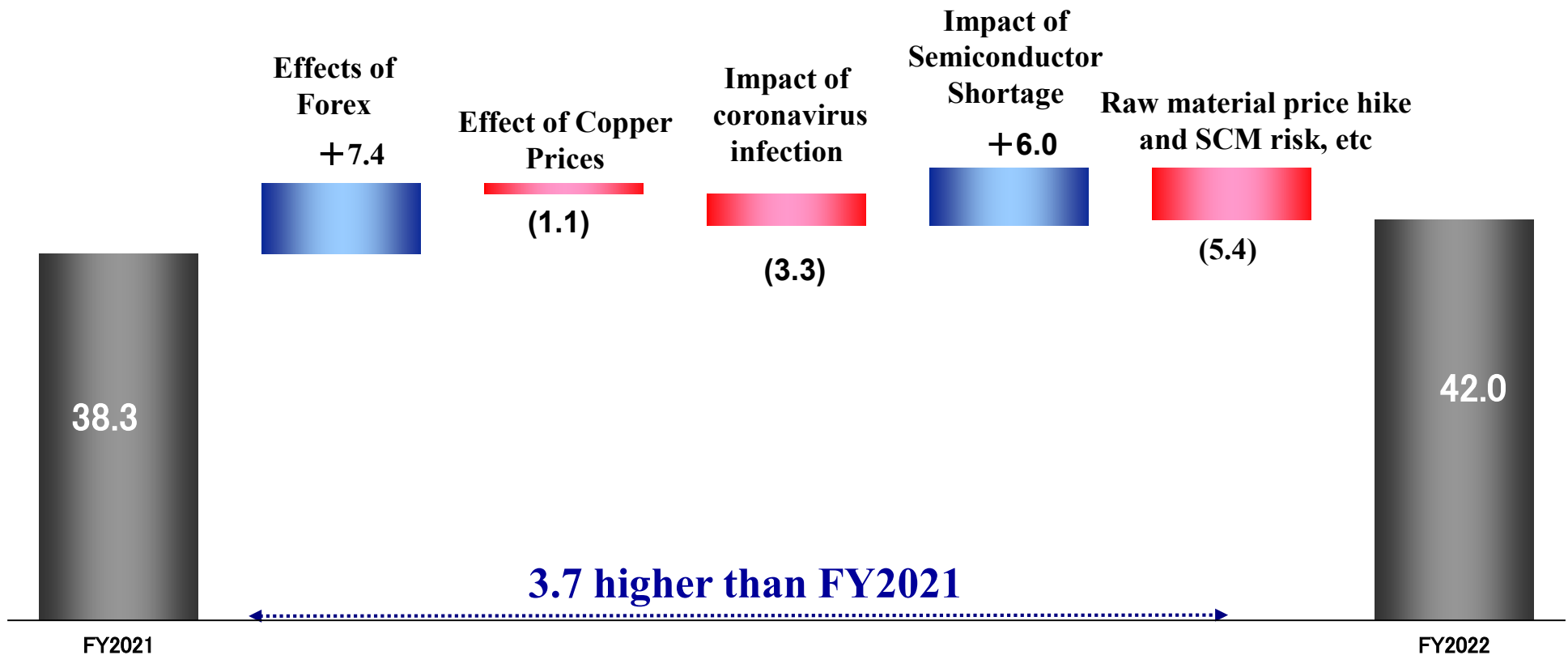
(Unit : Yen in billion)



FY2021 / FY2022 Contributing Factors to Operating Income Change

Operating Income

(Unit : Yen in billion)



Operating income will increase due to improved profitability in the electronics business and improved profitability in the automobile business, although the external environment is challenging due to material procurement difficulties and soaring raw material and transportation costs.

Improvement effects of structural reforms

(Unit : Yen in billion)

Segment	Cumulative effect amount	FY2020		FY2021		FY2022	
		Actual	Items	Actual	Additional Items	Fest	Additional 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	5.3	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	0.2	【business structure】 • Labor cost reduction in North America
Electronic Products & Connector	9.9	4.6		5.1		0.2	
Others	3.3	0.4	【business structure】 • Labor cost reduction in head office etc.	1.2	【business structure】 • Labor cost reduction in head office etc.	1.7	【business structure】 • Labor cost reduction in head office etc.
Total	16.4	8.2		6.3		1.9	

2. By Segment

Financial Results and Forecast by Segment

(Unit: Yen in billion)

Net Sales					Operating Income and Ratio of Operating Income to Net Sales			
Segment	FY2020	FY2021	1H 2022 Forecast	FY2022 Forecast	FY2020	FY2021	1H 2022 Forecast	FY2022 Forecast
Power & Telecommunication Systems	305.9	353.6	190.3	381.7	18.1 5.9%	25.2 7.1%	8.3 4.4%	21.5 5.6%
Electronics Business	199.9	178.5	81.1	168.9	4.9 2.4%	13.8 7.7%	7.3 9.0%	17.6 10.4%
Automotive Products	121.9	121.3	59.7	130.7	(3.7) (3.0%)	(5.6) (4.6%)	(2.8) (4.7%)	(1.4) (1.1%)
Electronic Products & Connector	321.8	299.8	140.7	299.6	1.2 0.4%	8.2 2.7%	4.5 3.2%	16.2 5.4%
Real Estate Business	10.9	10.9	5.4	10.7	5.2 47.7%	5.1 47.2%	2.4 44.5%	4.5 42.0%
Other	5.2	6.0	3.6	8.1	(0.0)	(0.2)	(0.2)	(0.2)
Total	643.7	670.3	340.0	700.0	24.4 3.8%	38.3 5.7%	15.0 4.4%	42.0 6.0%

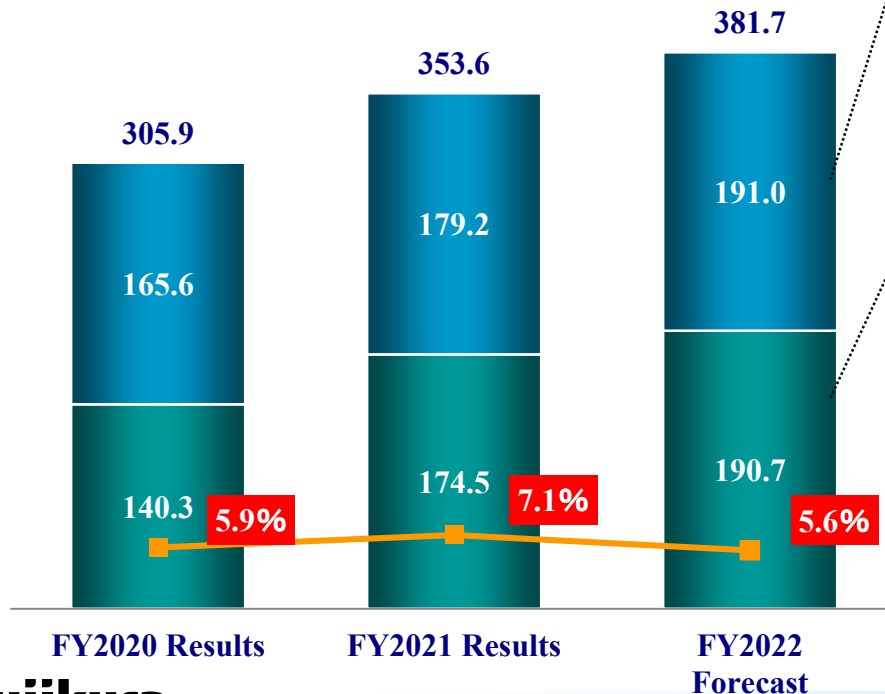
Power & Telecommunication Systems

- In FY2021, increased income due to high demand for data centers and FTTx support, etc.
- In FY2022, expected to show an increase in Net Sales due to steady growth in core businesses, but a decrease in profit due to material procurement difficulties and soaring raw material and transportation costs.

(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

- In FY2021, sales increased by higher copper price.
- In FY2022, expect to increase sales as our core businesses continue to perform well.

Telecommunication Systems

- In FY2021, sales increased due to high demand for data centers and FTTx.
- In FY2022, although sales are expected to increase, profits will decrease due to material procurement difficulties and soaring raw material and transportation costs.

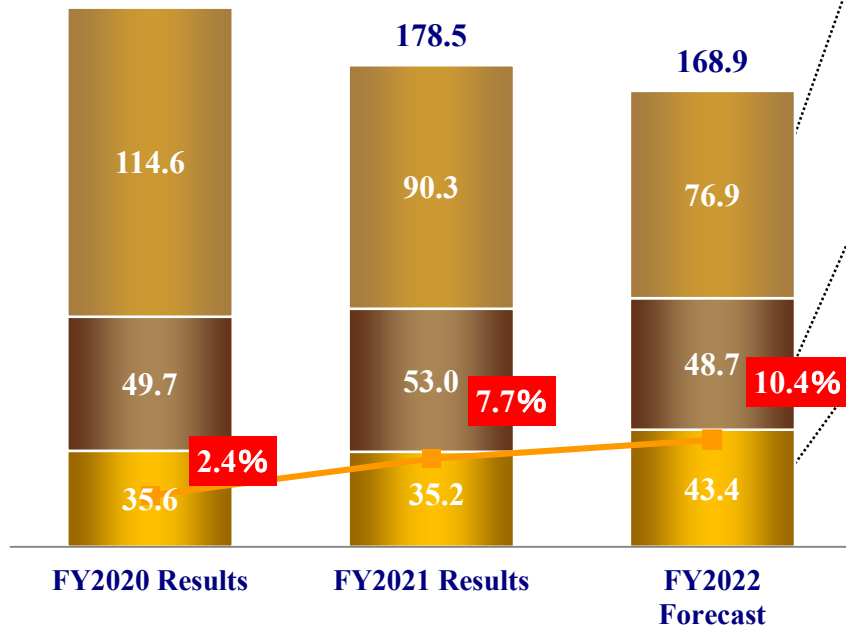
Electronics Business

- In FY2021, sales decreased due to profitability-oriented ordering strategy, but profits increased due to an improved product mix and the effects of business structure reforms.
- In FY2022, profits are expected to increase due to higher profitable products increase, although sales will decrease due to the impact of coronavirus infection, a decline in smartphone demand, and profitability-oriented ordering strategy.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

- FPC
- Connector
- Electronic Components
- Ratio of Operating income to Net Sales



FPC

- In FY2021, sales decreased due to profitability-oriented ordering strategy, but income increased due to an improvement in the product mix.
- In FY2022, sales will decrease due to the impact of coronavirus infection, but profits are expected to increase due to higher profit products increase.

Connector

- In FY2021, sales increased mainly for smartphones.
- In FY2022, sales will decline due to the impact of coronavirus infection.

Electronic Components

- In FY2021, sales remained at the same level as FY2020.
- In FY2022, although the impact of coronavirus infection remains, sales will increase due to orders for large-scale projects.

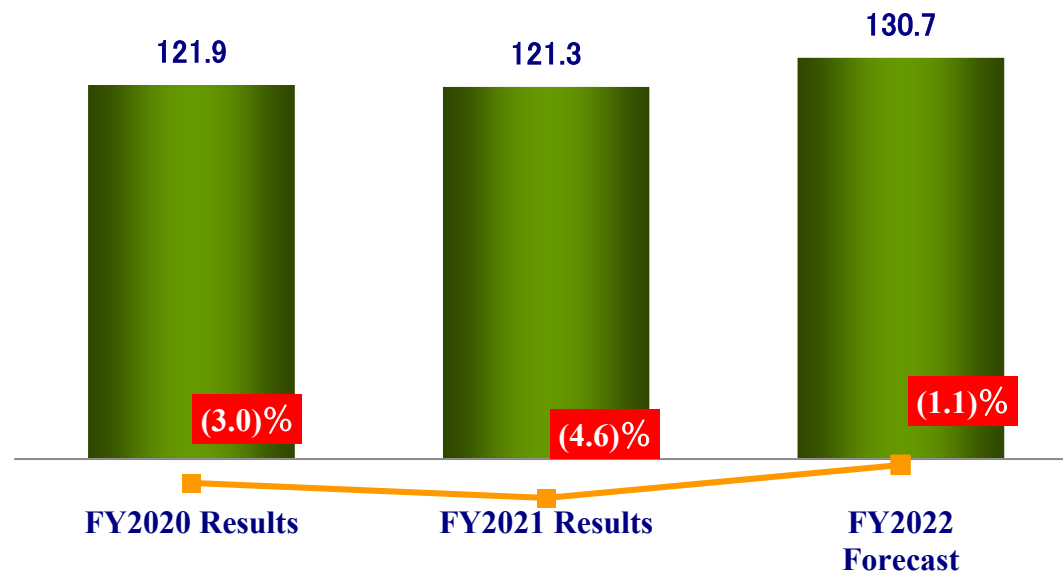
Automotive Products

- In FY2021, sales remained at the same level as in FY2020 and operating loss increased due to a shortage of semiconductors, a decline in capacity utilization at some bases due to the spread of coronavirus infection, and soaring distribution costs, while sales recovered from a significant decline due to coronavirus infection.
- In FY2022, sales is expected to increase as the problems of coronavirus infection and shortage of semiconductors are expected to gradually recover from the second half of the year.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to Net sales



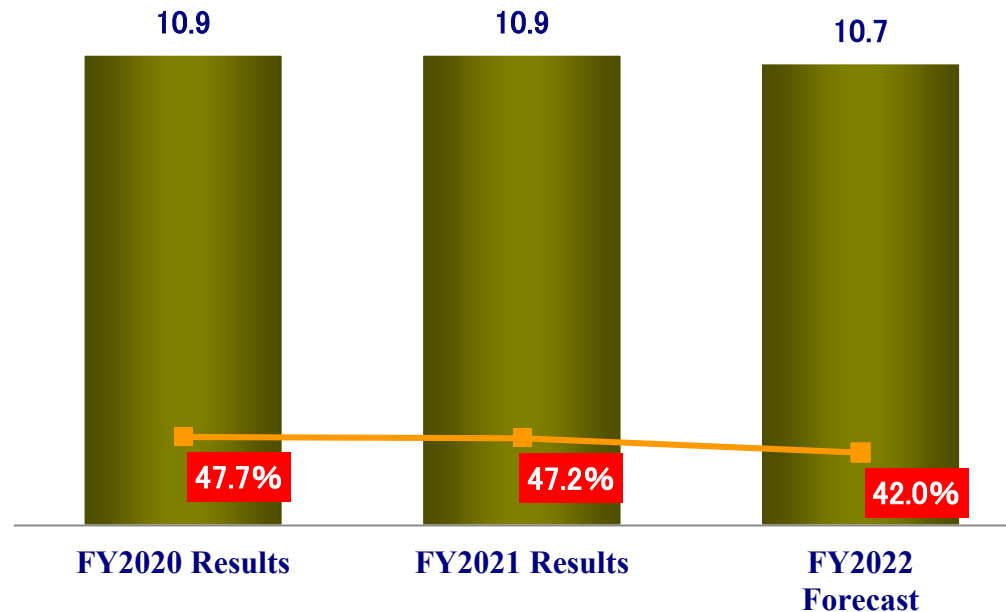
Real Estate Business

- 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

■ Dividends FY2020 Forecasts

We plan to pay the dividend at 10.0 yen/share, as we have judged that the environment for resumption of distribution is now in place taking into account our consolidated business performance and the business environment.

■ Dividends FY2021 Forecasts

Our policy is to return profits to shareholders based on a stable and continuous dividend payout ratio of around 20%, and we plan to pay the dividend at 16.0 yen/share for FY2022, taking into consideration consolidated financial results, the business environment, and other factors.



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.

Net Sales and Operating Income by Segment

Net Sales Records and Forecast by Segment

Unit: Yen in Billion

	FY2020							FY2021							FY2022 Forecast			
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	2Q	3Q	4Q	1H	2H	Full Year	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	48.5	85.5	93.7	179.2	95.8	95.2	191.0	
Telecommunication Systems	31.8	37.3	36.1	35.1	69.1	71.2	140.3	40.9	42.8	44.2	46.6	83.7	90.7	174.5	94.4	96.3	190.7	
Power & Telecommunication Systems	70.5	76.7	78.3	80.4	147.2	158.7	305.9	83.1	86.1	89.4	95.1	169.2	184.4	353.6	190.3	191.4	381.7	
Electronics	FPC	22.2	33.0	33.1	26.3	55.2	59.4	114.6	23.5	23.7	21.8	21.3	47.2	43.1	90.3	38.3	38.6	76.9
	Connector	9.0	13.9	15.4	11.5	22.8	26.8	49.7	11.1	16.0	13.0	12.9	27.1	25.9	53.0	21.7	26.9	48.7
	Electronic Components	8.1	9.4	9.2	8.9	17.5	18.1	35.6	8.6	8.9	9.5	8.2	17.5	17.7	35.2	21.0	22.4	43.4
	Electronics	39.3	56.2	57.7	46.7	95.5	104.4	199.9	43.3	48.6	44.3	42.3	91.8	86.7	178.5	81.1	87.9	168.9
	Automotive Products	16.3	33.7	37.4	34.6	50.0	72.0	121.9	32.3	26.5	29.9	32.6	58.8	62.5	121.3	59.7	71.0	130.7
Electronics Automotive Connector	55.6	89.9	95.1	81.3	145.4	176.4	321.8	75.6	75.1	74.2	74.9	150.6	149.2	299.8	140.7	158.9	299.6	
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	5.4	5.2	10.7	
Other	1.2	1.4	1.3	1.4	2.5	2.6	5.2	1.3	1.5	1.4	1.8	2.8	3.2	6.0	3.6	4.4	8.1	
Total	129.9	170.6	177.5	165.8	300.5	343.2	643.7	162.7	165.4	167.7	174.5	328.1	342.3	670.3	340.0	360.0	700.0	

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	7.6	11.0	14.2	25.2	8.3	13.2	21.5
Electronics	(1.3)	3.1	2.7	0.3	1.8	3.1	4.9	2.1	4.8	4.2	2.8	6.8	6.9	13.8	7.3	10.3	17.6
Automotive Products	(2.8)	(0.9)	0.5	(0.5)	(3.7)	(0.0)	(3.7)	(0.2)	(1.8)	(2.2)	(1.4)	(1.9)	(3.6)	(5.6)	(2.8)	1.4	(1.4)
Electronics Automotive Connector	(4.1)	2.2	3.2	(0.2)	(1.9)	3.0	1.2	1.9	3.0	1.9	1.4	4.9	3.3	8.2	4.5	11.7	16.2
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	2.4	2.1	4.5
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)	(0.2)	(0.2)	0.0	(0.2)
Total	0.6	8.3	8.4	7.1	8.9	15.5	24.4	9.7	8.9	9.4	10.3	18.6	19.7	38.3	15.0	27.0	42.0

※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.