

# 1Q FY2020 Financial Results



August 3, 2020



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# **1. Reviews of 1Q FY2020 Financial Results**

# 1Q FY2020 Financial Results

(Unit : Yen in billion)

	FY2019			FY2020	
	1Q	1H	Full Year	1Q	1H Forecasts
Net Sales	162.4	343.5	672.3	129.9	290.0
Operating Income	0.3	5.8	3.3	0.6	1.0
Ratio of Operating Income to Net Sales(%)	0.2	1.7	0.5	0.5	0.3
Share of other comprehensive income of entities accounted for using equity method	0.6	0.8	1.1	0.3	(0.0)
Ordinary Income (Loss)	1.0	5.0	1.3	(0.8)	(2.0)
Net Income (Loss) Attributable to Owners of Parent	(2.1)	0.8	(38.5)	(4.7)	(6.5)
Net Income per Share (JPY)	(7.35)	2.85	(136.58)	(17.22)	(23.61)
Dividend per Share (JPY)	—	5.00	5.00	—	—
ROE (%)	(4.0)	0.8	(20.9)	(13.2)	—
Exchange Rate (USD/JPY)	109.91	108.61	108.72	107.64	—
CU Base ('000JPY/ton)	717	692	682	616	—

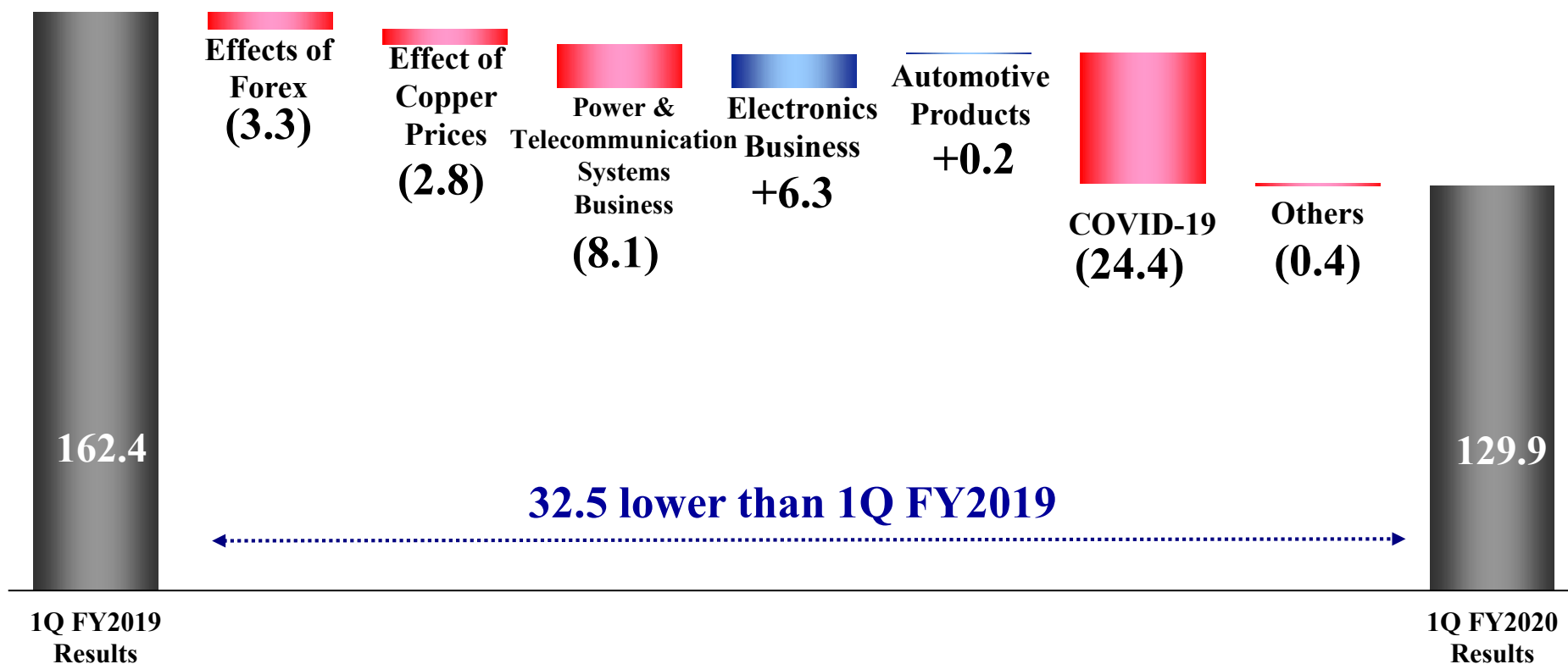
# Review of 1Q FY2020 Results

- **In Power and Telecommunication Systems Company, net sales decreased due to the dissolution of the joint venture in the transmission line business in China, a decrease in demand in the domestic construction sales market and the intensifying competition in optical fiber. But, profit increased due to the reversal of the copper hedge revaluation.**
- **In Electronics Business Company, sales of FPCs for smartphones are in a difficult situation due to product mix and other factors, but the deficit narrowed due to special demand attributed to Stay Home in electronic components and connectors.**
- **In Automotive Products Business Company, production of automobile manufactures was suspended due to COVID-19, which resulted a significant decrease in sales and profit.**
- **Net incomes(loss) attributable to owners of parent was a net loss due to COVID-19 and loss of assets because of fire in Tangier, Morocco prior to recording insurance revenue.**
- **The forecast for the 1<sup>st</sup> half of FY2020 is that because COVID-19 will have a significant impact, sales and profits are expected to decline compared to the results of the 1<sup>st</sup> half of FY2019.**

# 1Q FY2020 Contributing Factors to Net Sales Change (year-on-year basis)

## Net Sales

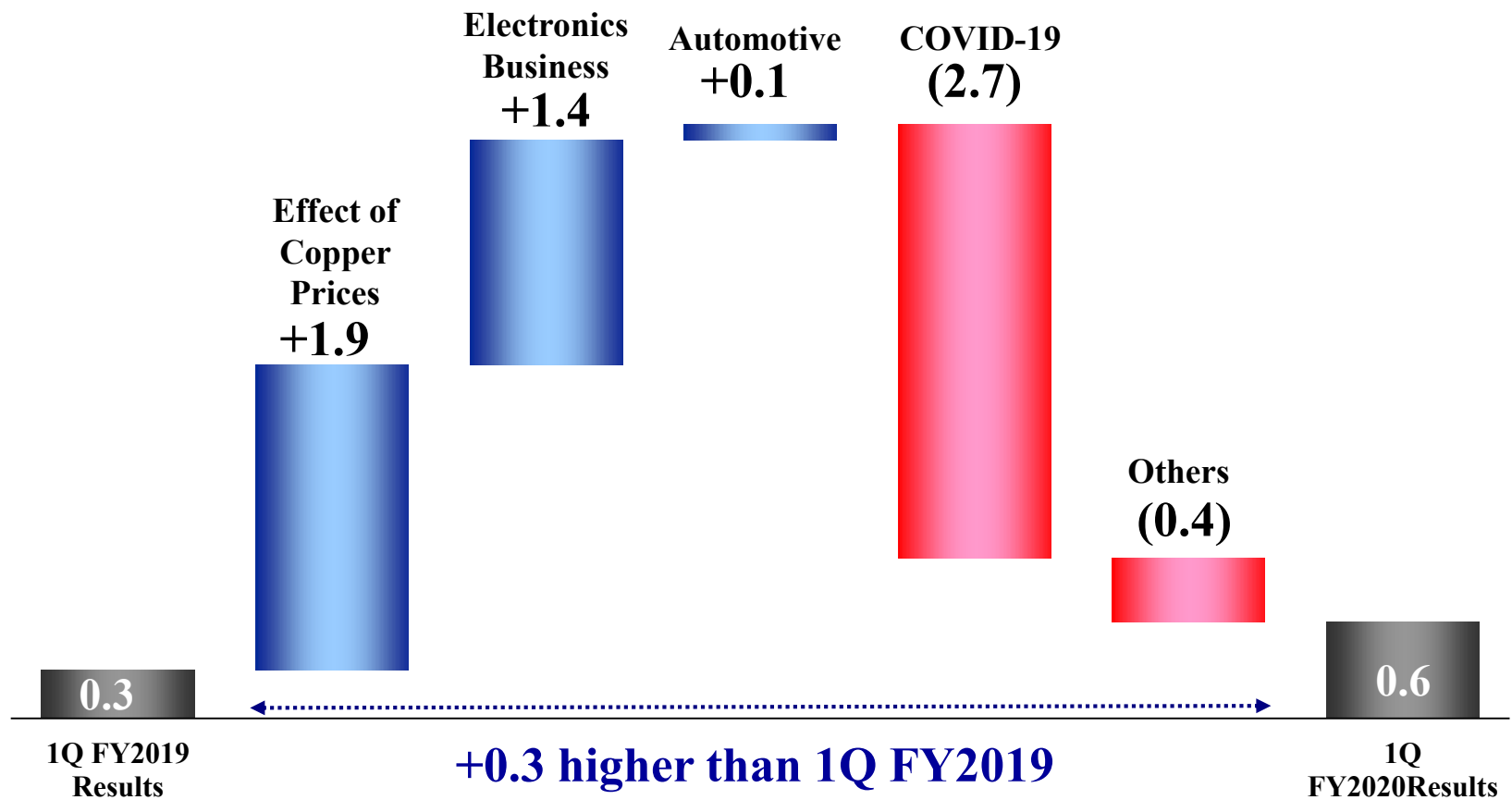
(Unit : Yen in billion)



# 1Q FY2020 Contributing Factors to Operating Income Change (year-on-year basis)

## Operating Income

(Unit : Yen in billion)





# 1Q FY2020 Extraordinary Profit and Loss

(Unit: Yen in billion)

	1Q FY2019	1Q FY2020
<b>Operating Income</b>	<b>0.3</b>	<b>0.6</b>
<b>Share of other comprehensive income of entities accounted for using equity method</b>	<b>0.6</b>	<b>0.3</b>
<b>Ordinary Income (Loss)</b>	<b>1.0</b>	<b>(0.8)</b>
<b>Extraordinary Income</b>	<b>0.2</b>	<b>0.1</b>
<b>Extraordinary Loss</b>	<b>1.5</b>	<b>3.1</b>
<b>Income(Loss) before Income Taxes and Minority Interests</b>	<b>(0.3)</b>	<b>(3.8)</b>
<b>Total Income Taxes</b>	<b>1.4</b>	<b>0.7</b>
<b>Net Income attributable to non-controlling interests</b>	<b>0.4</b>	<b>0.2</b>
<b>Net Income(Loss) attributable to owners of parent</b>	<b>(2.1)</b>	<b>(4.7)</b>

▪ Loss due to COVID-19 (2.0)  
 ▪ Loss due to fire in Tangier, Morocco (0.7) etc.  
 (Insurance claims)

# Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2020	As of June 30, 2020	Change
〈Assets〉	576.1	579.2	+3.1
<b>Current Assets</b>	<b>299.8</b>	<b>303.8</b>	<b>+4.0</b>
Cash and Deposits	44.7	58.6	+13.9
Notes and Account Receivable	128.9	121.7	(7.3)
Inventories	103.7	105.4	+1.7
<b>Fixed Assets</b>	<b>276.3</b>	<b>275.4</b>	<b>(0.9)</b>
Tangible Fixed Assets	210.6	210.1	(0.5)
Intangible Fixed Assets	15.7	14.8	(0.9)
Sub Total	226.3	224.9	(1.4)
Total Investments and Other Assets	50.0	50.5	+0.5

Accumulation of liquidity at hand to handle COVID-19

Sales decrease due to COVID-19

# Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2020	As of June 30, 2020	Change
<b>Total</b>	<b>576.1</b>	<b>579.2</b>	<b>+3.1</b>
<b>(Treasury Stock)</b>	<b>((10.9))</b>	<b>((10.9))</b>	<b>(+0.0)</b>
<b>〈Liability〉</b>	<b>404.0</b>	<b>406.5</b>	<b>+2.5</b>
<b>Notes and Account Payable</b>	<b>65.8</b>	<b>56.7</b>	<b>(9.1)</b>
<b>Interest-bearing Debt</b>	<b>260.7</b>	<b>280.3</b>	<b>+19.6</b>
<b>Other Liability</b>	<b>77.5</b>	<b>69.5</b>	<b>(8.0)</b>
<b>〈Net Equity〉</b>	<b>172.1</b>	<b>172.7</b>	<b>+0.6</b>
<b>Shareholder's Equity</b>	<b>159.9</b>	<b>158.2</b>	<b>(1.7)</b>
<b>(Treasury Stock)</b>	<b>((10.9))</b>	<b>((10.9))</b>	<b>(+0.0)</b>
<b>Accumulated Other Comprehensive Income</b>	<b>(7.9)</b>	<b>(5.2)</b>	<b>+2.6</b>
<b>Non-controlling Interests</b>	<b>20.0</b>	<b>19.7</b>	<b>(0.3)</b>

Decrease in purchasing due to COVID-19

Issuing commercial paper for accumulation of liquidity at hand to handle COVID-19

## 2. By Segment

# Financial Results and Forecasts by Segment

(Unit: Yen in billion)

Net Sales					Operating Income(Loss) and Ratio of Operating Income to Net Sales			
Segment	1Q FY2019 Results	1H FY2019 Result	1Q FY2020	1H FY2020 Forecasts	1Q FY2019 Results	1H FY2019 Results	1Q FY2020	1H FY2020 Forecasts
<b>Power &amp; Telecommunication Systems Company</b>	<b>84.1</b>	<b>167.4</b>	<b>70.5</b>	<b>147.9</b>	<b>1.9</b> <b>2.3%</b>	<b>4.4</b> <b>2.7%</b>	<b>3.5</b> <b>5.0%</b>	<b>4.6</b> <b>3.1%</b>
<b>Electronics Business Company</b>	<b>33.5</b>	<b>90.2</b>	<b>39.3</b>	<b>86.5</b>	<b>(2.8)</b> <b>(8.3%)</b>	<b>(0.0)</b> <b>(0.0%)</b>	<b>(1.3)</b> <b>(3.3%)</b>	<b>(2.0)</b> <b>(2.3%)</b>
<b>Automotive Products Business Company</b>	<b>40.6</b>	<b>77.3</b>	<b>16.3</b>	<b>47.7</b>	<b>(0.3)</b> <b>(0.7%)</b>	<b>(1.2)</b> <b>(1.6%)</b>	<b>(2.8)</b> <b>(17.2%)</b>	<b>(3.9)</b> <b>(8.1%)</b>
<b>Electronic Products &amp; Connector Company</b>	<b>74.0</b>	<b>167.5</b>	<b>55.6</b>	<b>134.3</b>	<b>(3.1)</b> <b>(4.1%)</b>	<b>(1.3)</b> <b>(0.8%)</b>	<b>(4.1)</b> <b>(7.4%)</b>	<b>(5.9)</b> <b>(4.4%)</b>
<b>Real Estate Business Company</b>	<b>2.8</b>	<b>5.7</b>	<b>2.7</b>	<b>5.4</b>	<b>1.5</b> <b>52.3%</b>	<b>2.8</b> <b>48.9%</b>	<b>1.3</b> <b>49.8%</b>	<b>2.5</b> <b>46.9%</b>
<b>Other</b>	<b>1.4</b>	<b>2.9</b>	<b>1.2</b>	<b>2.5</b>	<b>(0.0)</b>	<b>(0.2)</b>	<b>(0.1)</b>	<b>(0.3)</b>
<b>Total</b>	<b>162.4</b>	<b>343.5</b>	<b>129.9</b>	<b>290.0</b>	<b>0.3</b> <b>0.2%</b>	<b>5.8</b> <b>1.7%</b>	<b>0.6</b> <b>0.5%</b>	<b>1.0</b> <b>0.3%</b>

※ Figures shown above for FY2019 has been restated to reflect management system changes implemented.

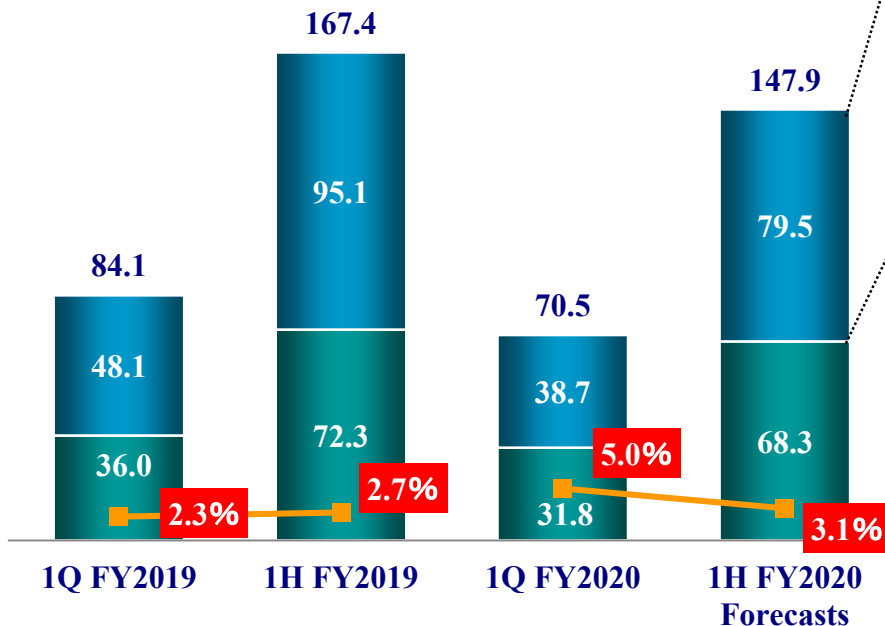
# Power & Telecommunication Systems Company

- In 1Q, net sales decreased on a YoY basis due to the dissolution of the joint venture in the transmission line business in China, a decrease in demand in domestic construction sales market and the intensifying competition in optical fiber. But, profit increased due to the reversal of the copper hedge revaluation.
- Although there is impact of intensifying competition, mainly overseas, we will work to reduce costs, develop and expand sales of differentiated products.

(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

- Result in 1Q decreased on a YoY basis due to the dissolution of the joint venture in transmission line business in China and a decrease in demand in domestic construction sales market.
- Net sales in 1Q is 49% of 1H forecast.

## Telecommunication Systems

- Net sales decreased on a YoY basis due to the impact of intensifying competition in optical fiber in China etc.
- Net sales in 1Q is 47% of 1H forecast.

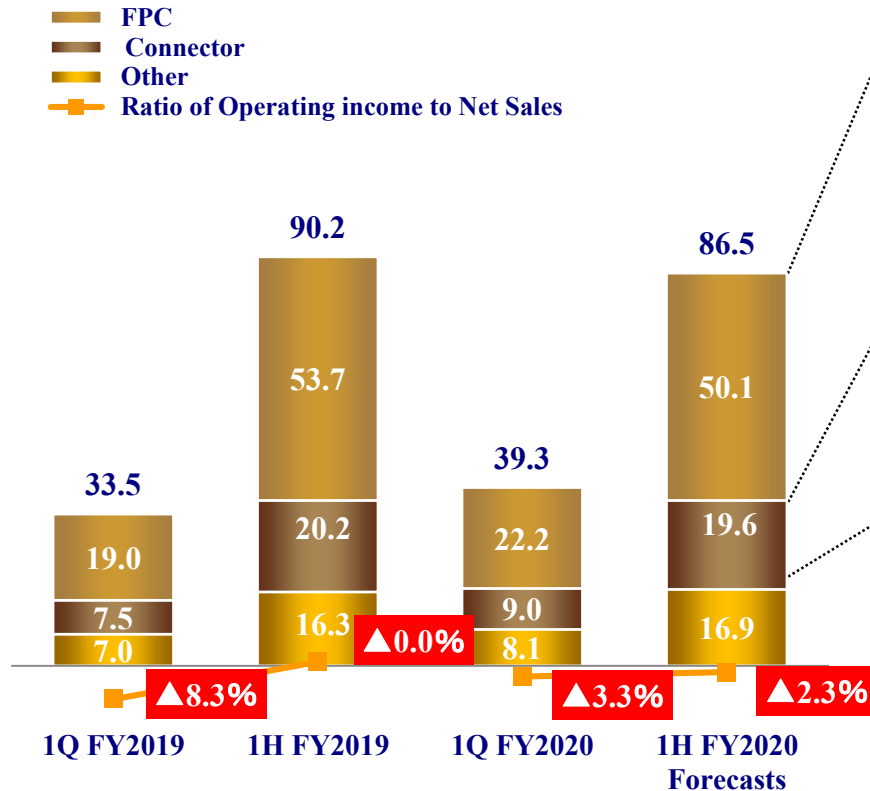
Comments Upper Line : 1Q results and Y o Y basis  
Bottom line : Progress toward 1H forecast

# Electronics Business Company

- In 1Q, net sales of FPCs for smartphones are in a difficult situation due to product mix and other factors. But, the deficit narrowed due to special demand attributed to Stay Home in electronic components and connectors.
- In order to increase production in 2Q, we will work on start up while paying attention to quality.

(Unit: Yen in billion)

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



### FPC

- In 1Q, net sales slightly increased mainly for smartphones.
- Net sales in 1Q is 44% of 1H forecast due to the seasonality. Expected to rise in 2Q.

### Connector

- Sales slightly increased in 1Q on a YoY basis mainly smartphones.
- Net sales in 1Q is 46% of 1H forecast because of seasonality.

### Other

- In 1Q, net sales increased due to special demand attributed to Stay Home such as PC tablets.
- Net sales in 1Q is 48% of 1H forecast.

Comments Upper Line : 1Q results and Y o Y basis  
Bottom line : Progress toward 1H forecast

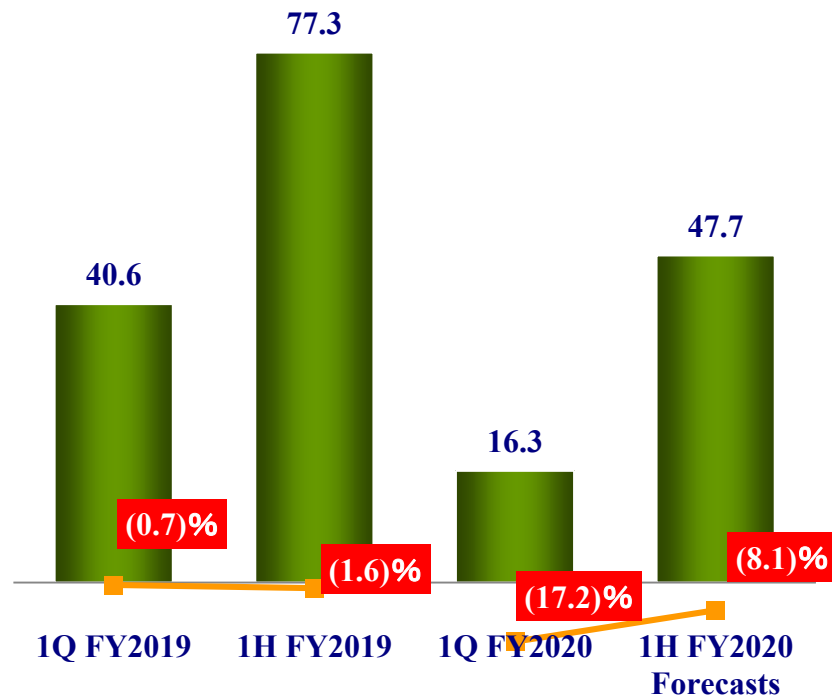
# Automotive Products Business Company

- In 1Q, both net sales and profit significantly decrease on a YoY basis because production of automobile manufactures was suspended due to lockdown around the world because of COVID-19.
- In 2Q, we will meet customers increase demand.

(Unit: Yen in billion)

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

— Ratio of Operating Income to Net sales



## Automotive Products

- In 1Q, net sales significantly decreased on a YoY basis because from April to May, factory utilization rate was extremely low due to COVID-19.
- Net sales in 1Q is 34% of 1H forecast. In 2Q, we will recover sales in line with the increased production system of customers.

Comments Upper Line : 1Q results and Y o Y basis  
Bottom line : Progress toward 1H forecast



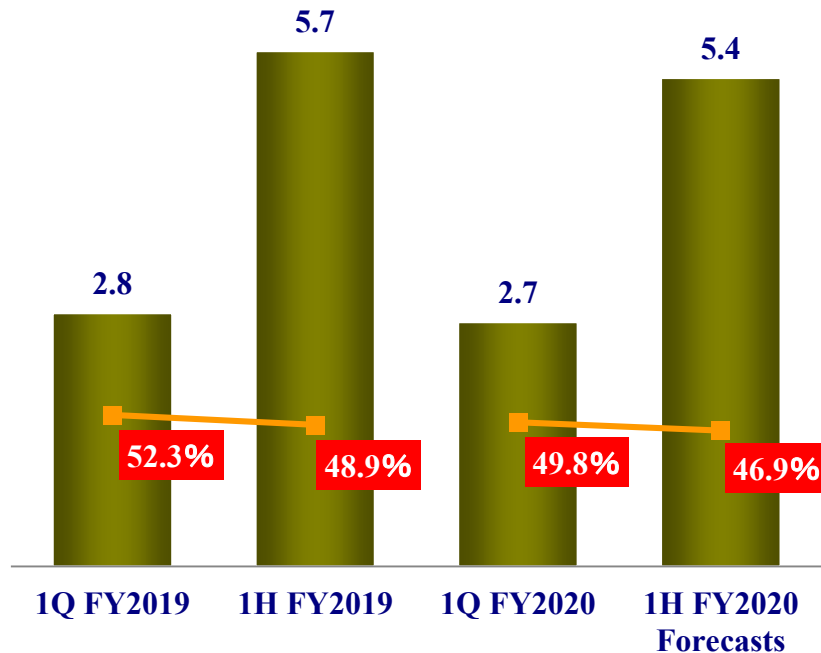
# Real Estate Business Company

■ 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



## Real Estate

■ Stable revenues from leasing properties are continuously expected.



#### 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 form 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.

【1Q FY2020 Financial Results Appendix】

Net Sales and Operating Income by Segment

Net Sales Records and Forecast by Segment

Unit: Yen in Billion

	FY2019							FY2020	FY2020 Forecast	
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q	1H Est.	
Power Systems	48.1	47.0	48.2	44.5	95.1	92.7	187.9	38.7	79.5	
Telecommunication Systems	36.0	36.3	33.7	33.9	72.3	67.6	140.0	31.8	68.3	
Power & Telecommunication Systems Company	84.1	83.4	81.9	78.4	167.4	160.4	327.8	70.5	147.9	
Electronics	FPC	19.0	34.7	30.1	20.5	53.7	50.6	104.3	22.2	50.1
	Connector	7.5	12.8	11.8	9.2	20.2	21.0	41.2	9.0	19.6
	Other	7.0	9.3	9.1	7.5	16.3	16.6	32.9	8.1	16.9
Electronics	33.5	56.7	50.9	37.3	90.2	88.2	178.3	39.3	86.5	
Automotive Products	40.6	36.7	37.5	34.5	77.3	72.0	149.3	16.3	47.7	
Electronics Automotive Connector Company	74.0	93.5	88.4	71.7	167.5	160.1	327.6	55.6	134.3	
Real Estate Business Company	2.8	2.8	2.8	2.8	5.7	5.6	11.3	2.7	5.4	
Other	1.4	1.5	1.5	1.2	2.9	2.7	5.6	1.2	2.5	
Total	162.4	181.1	174.6	154.2	343.5	328.8	672.3	129.9	290.0	

Operating Income Records and Forecast by Segment

Power & Telecommunication Systems Company	1.9	2.5	2.2	(2.1)	4.4	0.1	4.6	3.5	4.6
Electronics	(2.8)	2.8	0.9	(2.8)	(0.0)	(1.9)	(2.0)	(1.3)	(2.0)
	(0.3)	(1.0)	(1.5)	(1.4)	(1.2)	(2.9)	(4.1)	(2.8)	(3.9)
Electronics Automotive Connector Company	(3.1)	1.8	(0.7)	(4.2)	(1.3)	(4.8)	(6.1)	(4.1)	(5.9)
Real Estate Business Company	1.5	1.3	1.3	1.3	2.8	2.6	5.4	1.3	2.5
Other	(0.0)	(0.1)	(0.0)	(0.3)	(0.2)	(0.3)	(0.5)	(0.1)	(0.3)
Total	0.3	5.5	2.9	(5.3)	5.8	(2.4)	3.3	0.6	1.0

※Since the transfer of some businesses from the Automotive Products business segment to the Electronics business segment from FY2020, the amounts for FY 2019 have been reclassified and displayed again.