

3Q FY2020 Financial Results



February 8, 2021

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1. Review of 3Q FY2020 Financial Results and FY2020 Forecasts

3Q FY2020 Financial Results and FY2020 Forecasts

(Unit : Yen in billion)

| | FY2019 | | FY2020 | | FY2020 (Forecasted on Nov.2) |
|---|--------|------------------------|--------|------------------------|------------------------------------|
| | 1-3Q | Full Year Forecasts | 1-3Q | Full Year Forecasts | Full year |
| Net Sales | 518.1 | 672.3 | 478.0 | 630.0 | 600.0 |
| Operating Income | 8.6 | 3.3 | 17.3 | 15.0 | 11.0 |
| Ratio of Operating Income to Net Sales(%) | 1.7 | 0.5 | 3.6 | 2.4 | 1.8 |
| Share of other comprehensive income of entities accounted for using equity method | 1.2 | 1.1 | 2.0 | (0.3) | (0.6) |
| Ordinary Income (Loss) | 7.3 | 1.3 | 13.5 | 8.5 | 4.5 |
| Net Income (Loss) Attributable to Owners of the Parent | (1.1) | (38.5) | 4.1 | (10.0) | (10.0) |
| Net Income per Share (JPY) | (3.95) | (136.58) | 14.88 | (36.31) | (36.31) |
| Dividend per Share (JPY) | — | 5.00 | — | 0.00 | 0.00 |
| ROE (%) | (0.7) | (20.9) | 3.5 | (6.4) | (6.5) |
| Exchange Rate (USD/JPY) | 108.66 | 108.72 | 106.11 | 105.85 | 105.97 |
| CU Base ('000JPY/ton) | 689 | 682 | 714 | — | — |

Summary of 3Q FY2020 Results and FY2020 Forecasts

【YoY basis】

- **Net sales decreased because of the suspension of production by automobile manufactures due to COVID-19 and the decrease in demand in the domestic electric wire market and so on.
But operating profit, ordinary profit and net income attributed to owners of the parent increased.
There are three main reasons. One is the effect of business restructure and cost reduction measures. Another is valuation gain for rising copper price. The other is the increase in demand for smartphones and special demand attributed to Stay Home for digital devices in Electronics Business Company.**

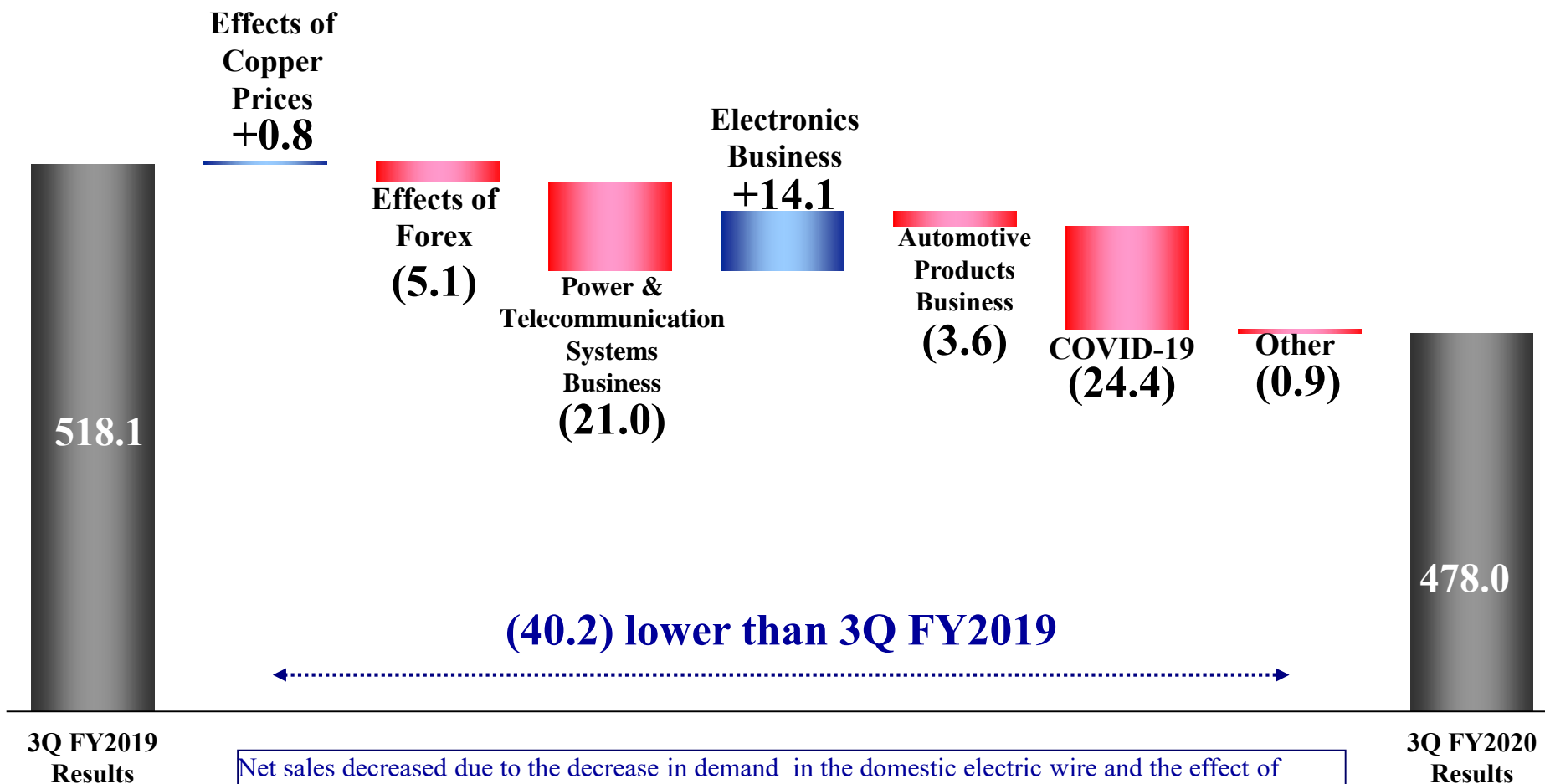
【Full Year Forecast (comparison with the previously announced forecast)】

- **In Power & Telecommunication Systems Company, it is expected to exceed the previous forecast because there is high demand for data center and FTTx all over the world and sales of the transmission business in North America is strong.**
- **In Electronics Business Company, profits are expected to improve because of the increase in demand for smartphones and so on.**
- **Operating income and ordinary income will increase. But considering accounting for business restructuring expenses and current external environment, net income attributable to owners of the parent is expected to be same with previous forecast.**

3Q FY2020 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

(Unit : Yen in billion)

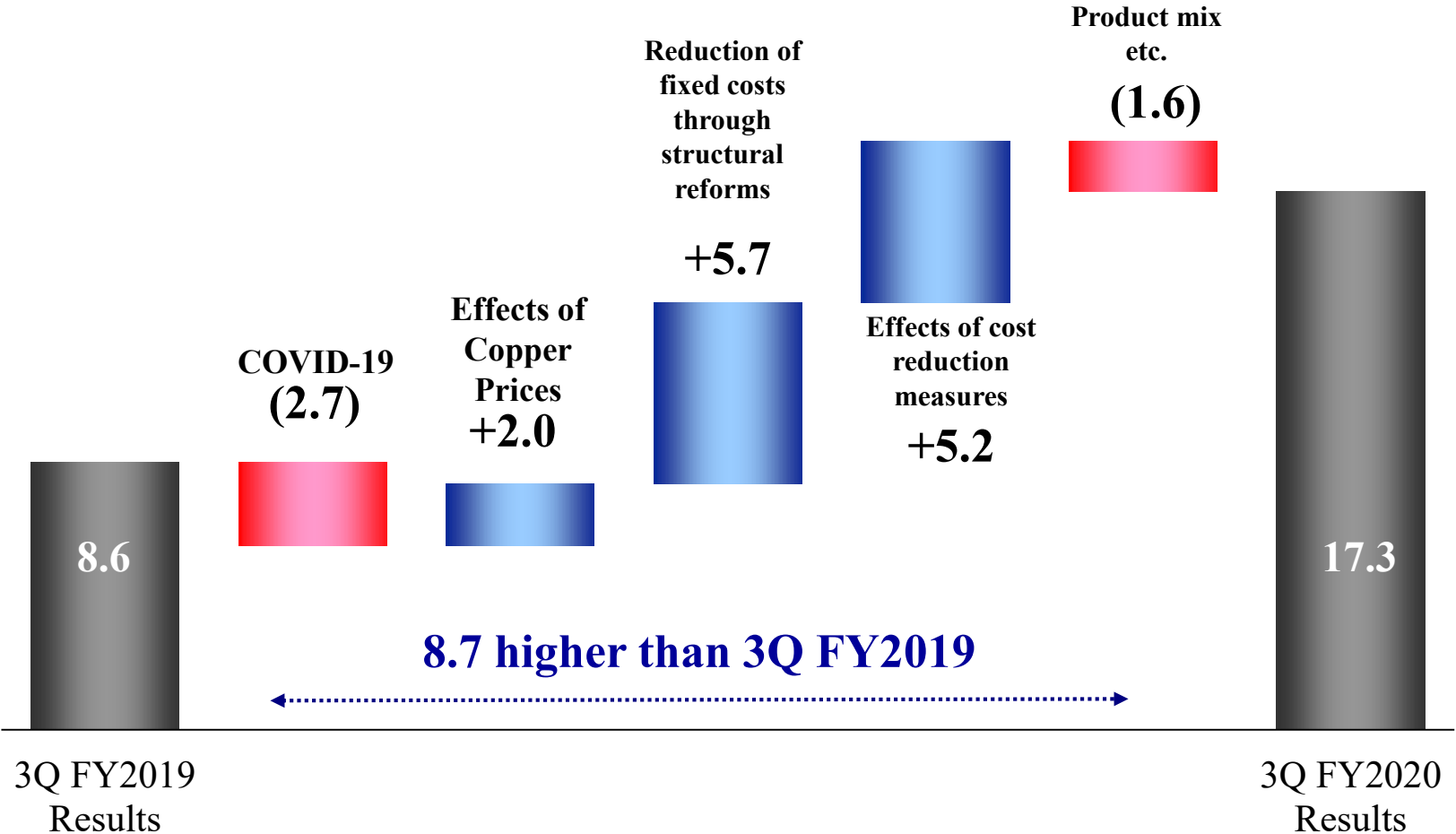


Net sales decreased due to the decrease in demand in the domestic electric wire and the effect of COVID-19 mainly in Automobile Products Company.

3Q FY2020 Contributing Factors to Operating Income Change (year-on-year basis)

Operating Income

(Unit : Yen in billion)



Although there were some decrease factors in profit(COVID-19 and the intensifying competition in optical fiber and FPC), the profit increased through business restructure and various measures to reduce costs.

3Q FY2020 Extraordinary Profit and Loss

(Unit: Yen in billion)

| | FY2019 | | FY2020 |
|---|--------------|---------------|-------------|
| | 1-3Q | Full year | 1-3Q |
| Operating Income | 8.6 | 3.3 | 17.3 |
| Share of other comprehensive income of entities accounted for using equity method | 1.2 | 1.1 | 0.2 |
| Ordinary Income | 7.3 | 1.3 | 13.5 |
| Extraordinary Income | 9.4 | 9.7 | 2.9 |
| Extraordinary Loss | 11.3 | 30.7 | 6.7 |
| Income before Income Taxes and Minority Interests | 5.4 | (19.8) | 9.8 |
| Total Income Taxes | 5.2 | 17.3 | 4.6 |
| Net Income attributable to non-controlling interests | 1.3 | 1.4 | 1.1 |
| Net Income attributable to owners of parent | (1.1) | (38.5) | 4.1 |

Extraordinary profit -3.7

- Gain on sale of investment shares +1.5
- Business restructuring expenses (2.7)
- Factories fixed costs during the suspension period due to COVID-19 (2.0)

FY2020 Forecast

Reduction of depreciation due to impairment Improvement of business structure

(Unit: Yen in billion)

| Segment | FY2020 | | |
|--|--------|-----------|---|
| | 1-3Q | Full year | Comment |
| Power & Telecommunication Systems Company | 2.4 | 3.2 | 【impairment】 ▪ FY19 Optical fiber manufacturing assets (2.2) ▪ FY19 Fiber laser manufacturing assets (0.6) |
| Electronics Business Company | 0.3 | 0.6 | |
| Automotive Products Business Company | 3.0 | 4.0 | 【impairment】 ▪ FY19 Wire harness manufacturing assets in Europe etc. (1.5) 【business structure】 ▪ FY19 and FY20 Labor cost reduction in Europe, Asia and North of South America etc. (2.5) |
| Electronic Products & Connector Company | 3.3 | 4.6 | |
| Other | 0.0 | 0.4 | 【business structure】 ▪ FY20 Labor cost reduction in head office etc. (0.4) |
| Total | 5.7 | 8.2 | |

Consolidated B/S (1)

(Unit: Yen in billion)

| | As of March 31, 2020 | As of Dec. 31, 2020 | Change |
|---|-------------------------|------------------------|---------------|
| 〈Assets〉 | 576.1 | 593.5 | +17.4 |
| Current Assets | 299.8 | 331.1 | +31.3 |
| Cash and Deposits | 44.7 | 73.7 | +29.0 |
| Notes and Account Receivable | 128.9 | 134.3 | +5.4 |
| Inventories | 103.7 | 104.9 | +1.3 |
| Fixed Assets | 276.3 | 262.4 | (13.9) |
| Tangible Fixed Assets | 210.6 | 201.0 | (9.5) |
| Intangible Fixed Assets | 15.7 | 12.8 | (2.9) |
| Sub Total | 226.3 | 213.9 | (12.5) |
| Total Investments and Other Assets | 50.0 | 48.5 | (1.4) |

Accumulation of liquidity at hand to handle COVID-19

CAPEX 13.6
Depreciation (24.9)
Sales & Retirement etc. (1.2)

Consolidated B/S (2)

(Unit: Yen in billion)

| | As of March 31, 2020 | As of Dec. 31, 2020 | Change |
|---|-------------------------|------------------------|---------------|
| Total | 576.1 | 593.5 | +17.4 |
| (Treasury Stock) | ((10.9)) | ((10.9)) | (+0.1) |
| 〈Liability〉 | 404.0 | 411.9 | +7.9 |
| Notes and Account Payable | 65.8 | 73.1 | +7.3 |
| Interest-bearing Debt | 260.7 | 264.7 | +4.0 |
| Other Liability | 77.5 | 74.0 | (3.5) |
| 〈Net Equity〉 | 172.1 | 181.6 | +9.5 |
| Shareholder's Equity | 159.9 | 167.1 | +7.2 |
| (Treasury Stock) | ((10.9)) | ((10.9)) | (+0.1) |
| Accumulated Other Comprehensive Income | (7.9) | (6.2) | +1.6 |
| Non-controlling Interests | 20.0 | 20.8 | +0.7 |
| Equity-to-asset ratio | 26.4% | 27.1% | +0.7 |

Increased due to seasonal factors mainly in Electronics Business Company

Although interest-bearing debt increased because of an increase in accumulation of liquidity at hand to handle COVID-19, the NET D/E ratio is improved.
(59:41⇒54:46)
Net Debt 2,160⇒1,910 (25.0)

2. By Segment

Financial Results and Forecasts by Segment

(Unit: Yen in billion)

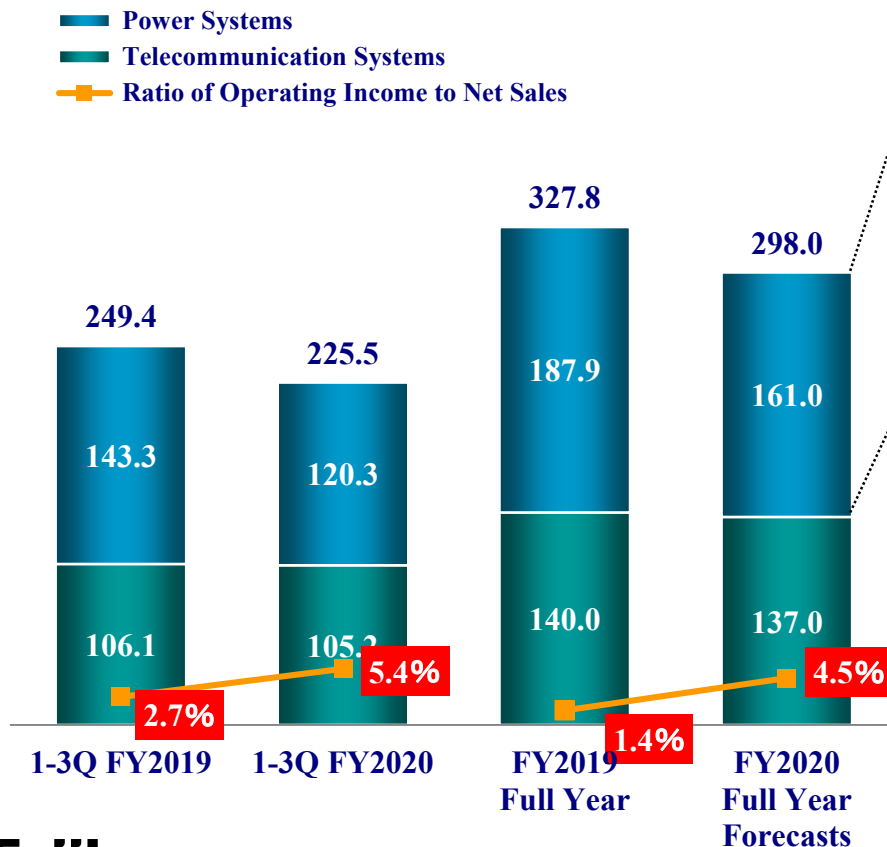
| Net Sales | | | | | Operating Income and Ratio of Operating Income to Net Sales | | | |
|--|---------------------------|---------------------------|---------------|----------------------------------|---|-------------------------------|-------------------------------|----------------------------------|
| Segment | 1-3Q FY2019 Results | 1-3Q FY2020 Results | Change | FY2020 Full Year Forecasts | 1-3Q FY2019 Results | 1-3Q FY2020 Results | Change | FY2020 Full Year Forecasts |
| Power & Telecommunication Systems Company | 249.4 | 225.5 | (23.9) | 298.0 | 6.7 <i>2.7%</i> | 12.1 <i>5.4%</i> | 5.5 <i>+2.7%</i> | 13.3 <i>4.5%</i> |
| Electronics Business Company | 141.1 | 153.2 | +12.1 | 195.8 | 0.8 <i>0.6%</i> | 4.6 <i>3.0%</i> | +3.7 <i>2.4%</i> | 1.1 <i>0.6%</i> |
| Automotive Products Company | 114.8 | 87.4 | (27.5) | 120.2 | (2.8) <i>(2.4%)</i> | (3.2) <i>(3.7%)</i> | (0.4) <i>(1.3%)</i> | (4.5) <i>(3.7%)</i> |
| Electronic Products & Connector Company | 255.9 | 240.5 | (15.4) | 316.0 | (1.9) <i>(0.8%)</i> | 1.4 <i>0.6%</i> | +3.3 <i>+1.3%</i> | (3.4) <i>(1.1%)</i> |
| Real Estate Business Company | 8.5 | 8.2 | (0.3) | 10.8 | 4.1 <i>48.2%</i> | 3.9 <i>47.5%</i> | (0.2) <i>(0.6%)</i> | 5.1 <i>47.4%</i> |
| Other | 4.4 | 3.8 | (0.6) | 5.2 | (0.2) | (0.1) | +0.1 | (0.0) |
| Total | 518.1 | 478.0 | (40.2) | 630.0 | 8.6 <i>1.7%</i> | 17.3 <i>3.6%</i> | +8.7 <i>+2.0%</i> | 15.0 <i>2.4%</i> |

Power & Telecommunication Systems Company

- In 1-3Q FY2020, compared to the same period of the previous year, net sales decreased due to the decrease in demand in the domestic electric wire market and the intensifying competition in optical fiber etc. But profit increased because the transmission business in North America is strong and there are fixed cost reduction through business restructure and valuation gain for rising copper price.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



Power Systems

- 1-3Q FY2020 results decreased due to the decrease in demand in the domestic electric wire market.

Telecommunication Systems

- 1-3Q FY2020 results decreased due to intensifying competition for optical fiber in China.

Comments by YoY basis

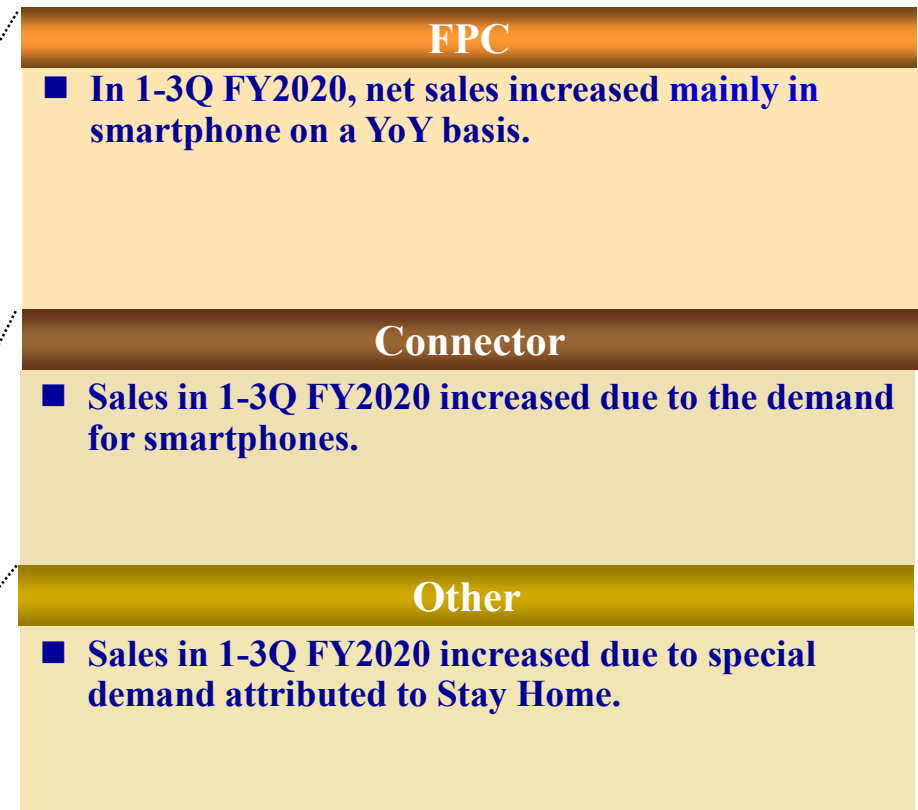
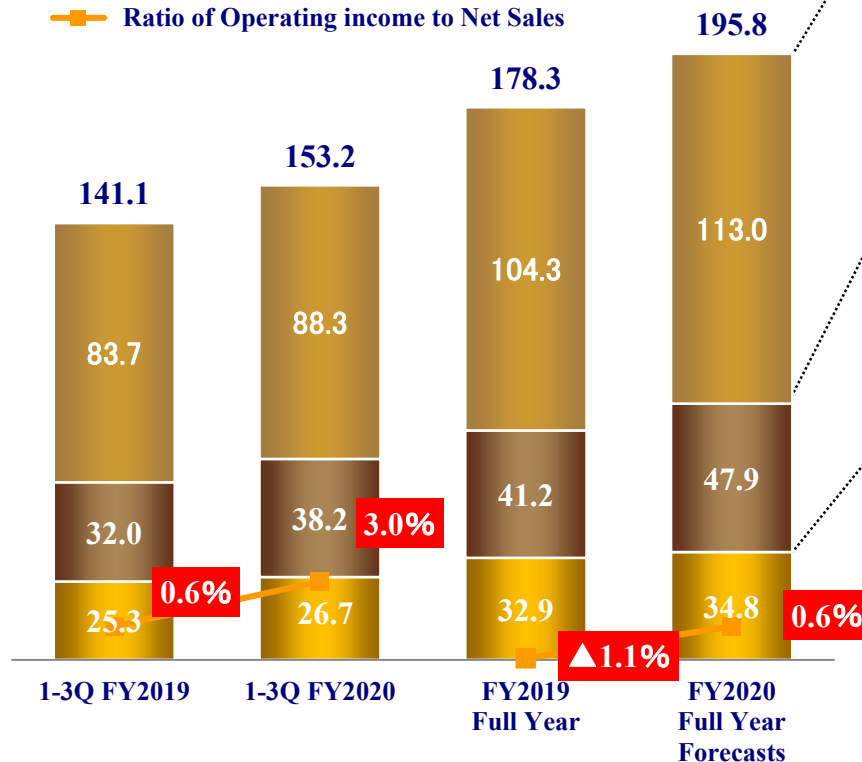
Electronics Business Company

- Compared to the same period last year, both net sales and profit in 1-3Q FY2020 increased due to the increase in the demand for smartphones and special demand attributed to Stay Home for digital devices etc.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

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



Comments by YoY basis

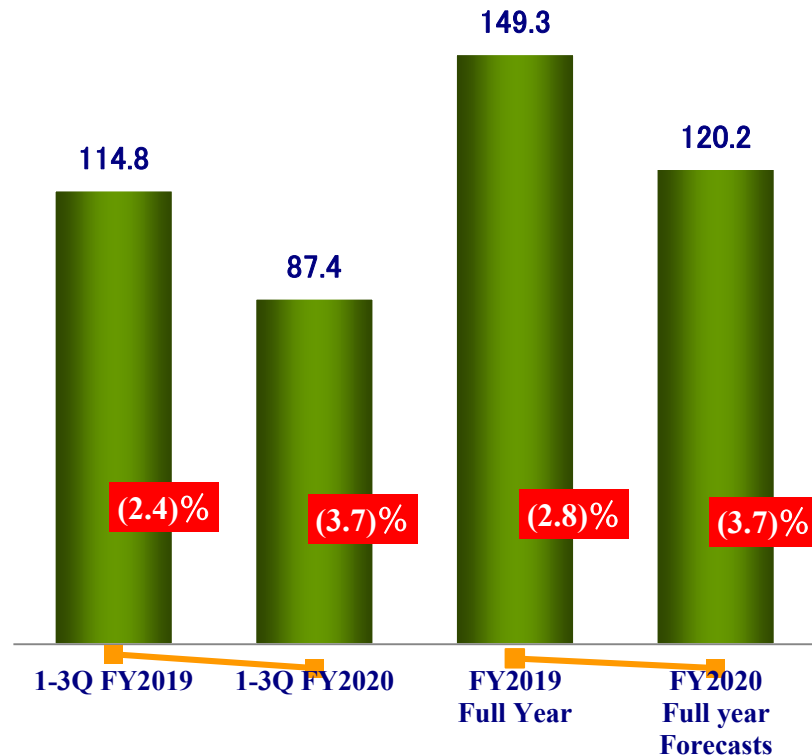
Automotive Products Company

- Both net sales and profit in 1-3Q FY2020 significantly decreased because production of automobile manufactures was suspended due to lockdown which was carried out all around the world because of COVID-19. But the productivity is improved and the business achieved profitability in 3Q FY2020.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

Ratio of Operating Income to Net sales



Automotive Products

- Sales in 1-3Q FY2020 decreased due to customer production suspension.

Comments by YoY basis

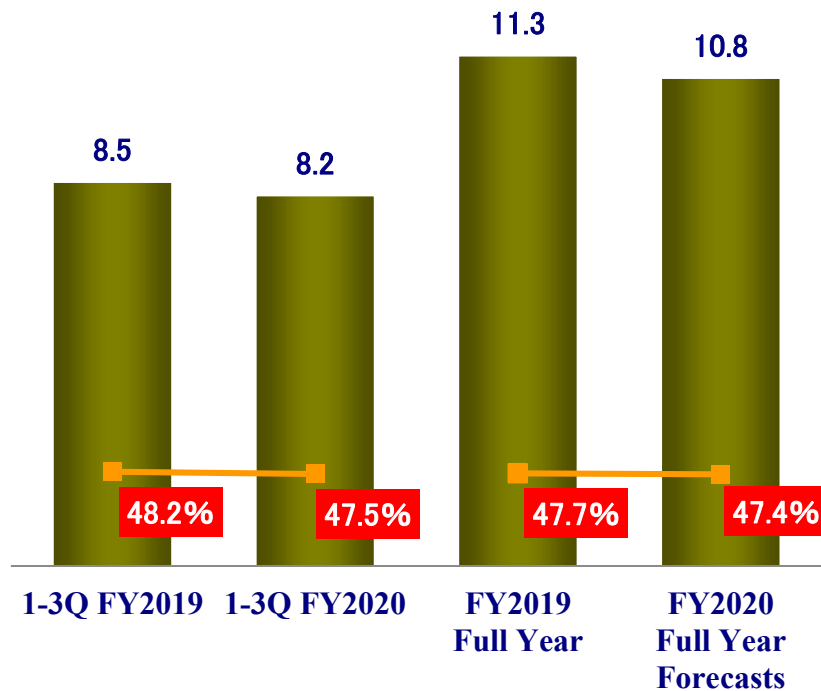
Real Estate Business Company

■ 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

■ Continuous stable revenues from leasing properties are expected.

CAPEX and Depreciation Cost

(Unit: Yen in billion)

| | FY2019 | | 1-3Q FY2020 | FY2020 Forecasts (11.2) |
|------------------------------|-------------|-------------|----------------|-------------------------------|
| | 1-3Q | Full year | | |
| CAPEX | 24.1 | 30.1 | 13.6 | 17.0 |
| (for manufacturing business) | 23.2 | 28.8 | 12.9 | 16.0 |
| (for real estate business) | 0.9 | 1.4 | 0.7 | 1.0 |
| Depreciation Cost | 27.5 | 35.7 | 24.9 | 33.0 |
| (for manufacturing business) | 26.0 | 33.7 | 23.4 | 31.0 |
| (for real estate business) | 1.5 | 2.0 | 1.5 | 2.0 |

Net Debt and Shareholders' Equity

(Unit: Yen in billion)

| | As of 31 st Dec 2019 | As of 31 st Mar 2020 | As of 30th Jun 2020 | As of 30th Sep 2020 | As of 31 st Dec 2020 |
|-------------------------|------------------------------------|------------------------------------|------------------------|------------------------|------------------------------------|
| Cash and deposits① | 37.3 | 44.7 | 58.6 | 66.9 | 73.7 |
| Interest-bearing Debts② | 272.8 | 260.7 | 280.3 | 270.0 | 264.7 |
| ①－②Net Debt | 235.4 | 216.0 | 221.8 | 203.1 | 191.0 |
| Shareholders' Equity | 198.7 | 159.9 | 158.2 | 163.7 | 167.1 |
| Net D/E ratio | 53:47 | 59:41 | 59:41 | 57:43 | 54:46 |

3. Shareholder Return

■ Dividends FY2020 Forecast

As a result of comprehensive consideration based on the consolidated business forecast and environment, we regret to say we will not pay any dividends in FY2020.

We will continue to work on improving the business structure in order to realize an early return of dividends.



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 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 on Nov 2 |
|--|--------|-------|-------|-------|-------|-------|--------------|---------------|---------------|---------------|-----------------|---------------|-----------------|------------------------|--------------------------------|
| | 1Q | 2Q | 3Q | 4Q | 1H | 2H | Full Year | 1Q Results | 2Q Results | 3Q Results | 4Q Forecasts | 1H Results | 2H Forecasts | Full Year Forecasts | Full Year Forecasts |
| Power Systems | 48.1 | 47.0 | 48.2 | 44.5 | 95.1 | 92.7 | 187.9 | 38.7 | 39.4 | 42.3 | 40.7 | 78.1 | 83.0 | 161.0 | 159.0 |
| Telecommunication Systems | 36.0 | 36.3 | 33.7 | 33.9 | 72.3 | 67.6 | 140.0 | 31.8 | 37.3 | 36.1 | 31.8 | 69.1 | 67.9 | 137.0 | 136.9 |
| Power & Telecommunication Systems Company | 84.1 | 83.4 | 81.9 | 78.4 | 167.4 | 160.4 | 327.8 | 70.5 | 76.7 | 78.3 | 72.5 | 147.2 | 150.9 | 298.0 | 295.8 |
| FPC | 19.0 | 34.7 | 30.1 | 20.5 | 53.7 | 50.6 | 104.3 | 22.2 | 33.0 | 33.1 | 24.8 | 55.2 | 57.9 | 113.0 | 95.0 |
| Connector | 7.5 | 12.8 | 11.8 | 9.2 | 20.2 | 21.0 | 41.2 | 9.0 | 13.9 | 15.4 | 9.7 | 22.8 | 25.1 | 47.9 | 43.1 |
| Other | 7.0 | 9.3 | 9.1 | 7.5 | 16.3 | 16.6 | 32.9 | 8.1 | 9.4 | 9.2 | 8.1 | 17.5 | 17.4 | 34.8 | 31.9 |
| Electronics | 33.5 | 56.7 | 50.9 | 37.3 | 90.2 | 88.2 | 178.3 | 39.3 | 56.2 | 57.7 | 42.6 | 95.5 | 100.3 | 195.8 | 170.0 |
| Automotive Products | 40.6 | 36.7 | 37.5 | 34.5 | 77.3 | 72.0 | 149.3 | 16.3 | 33.7 | 37.4 | 32.8 | 50.0 | 70.2 | 120.2 | 117.8 |
| Electronics Automotive Connector Company | 74.0 | 93.5 | 88.4 | 71.7 | 167.5 | 160.1 | 327.6 | 55.6 | 89.9 | 95.1 | 75.5 | 145.4 | 170.6 | 316.0 | 287.8 |
| Real Estate Business Company | 2.8 | 2.8 | 2.8 | 2.8 | 5.7 | 5.6 | 11.3 | 2.7 | 2.7 | 2.8 | 2.7 | 5.4 | 5.4 | 10.8 | 10.9 |
| Other | 1.4 | 1.5 | 1.5 | 1.2 | 2.9 | 2.7 | 5.6 | 1.2 | 1.4 | 1.3 | 1.4 | 2.5 | 2.6 | 5.2 | 5.4 |
| Total | 162.4 | 181.1 | 174.6 | 154.2 | 343.5 | 328.8 | 672.3 | 129.9 | 170.6 | 177.5 | 152.0 | 300.5 | 329.5 | 630.0 | 600.0 |

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 | 4.7 | 3.9 | 1.2 | 8.3 | 5.1 | 13.3 | 12.3 |
| Electronics | (2.8) | 2.8 | 0.9 | (2.8) | (0.0) | (1.9) | (2.0) | (1.3) | 3.1 | 2.7 | (3.5) | 1.8 | (0.7) | 1.1 | (2.8) |
| Automotive Products | (0.3) | (1.0) | (1.5) | (1.4) | (1.2) | (2.9) | (4.1) | (2.8) | (0.9) | 0.5 | (1.3) | (3.7) | (0.8) | (4.5) | (3.5) |
| Electronics Automotive Connector Company | (3.1) | 1.8 | (0.7) | (4.2) | (1.3) | (4.8) | (6.1) | (4.1) | 2.2 | 3.2 | (4.8) | (1.9) | (1.5) | (3.4) | (6.3) |
| Real Estate Business Company | 1.5 | 1.3 | 1.3 | 1.3 | 2.8 | 2.6 | 5.4 | 1.3 | 1.3 | 1.3 | 1.3 | 2.6 | 2.5 | 5.1 | 5.0 |
| Other | (0.0) | (0.1) | (0.0) | (0.3) | (0.2) | (0.3) | (0.5) | (0.1) | 0.0 | 0.0 | 0.0 | (0.1) | 0.0 | (0.0) | 0.0 |
| Total | 0.3 | 5.5 | 2.9 | (5.3) | 5.8 | (2.4) | 3.3 | 0.6 | 8.3 | 8.4 | (2.3) | 8.9 | 6.1 | 15.0 | 11.0 |

※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.

Fujikura Ltd.