

# FY2020 Financial Results



May 14, 2021

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# **1. FY2020 Financial Results and FY2021 Forecast**

# The difference between Forecasted and Financial Results(FY2020 )

(Unit : Yen in billion)

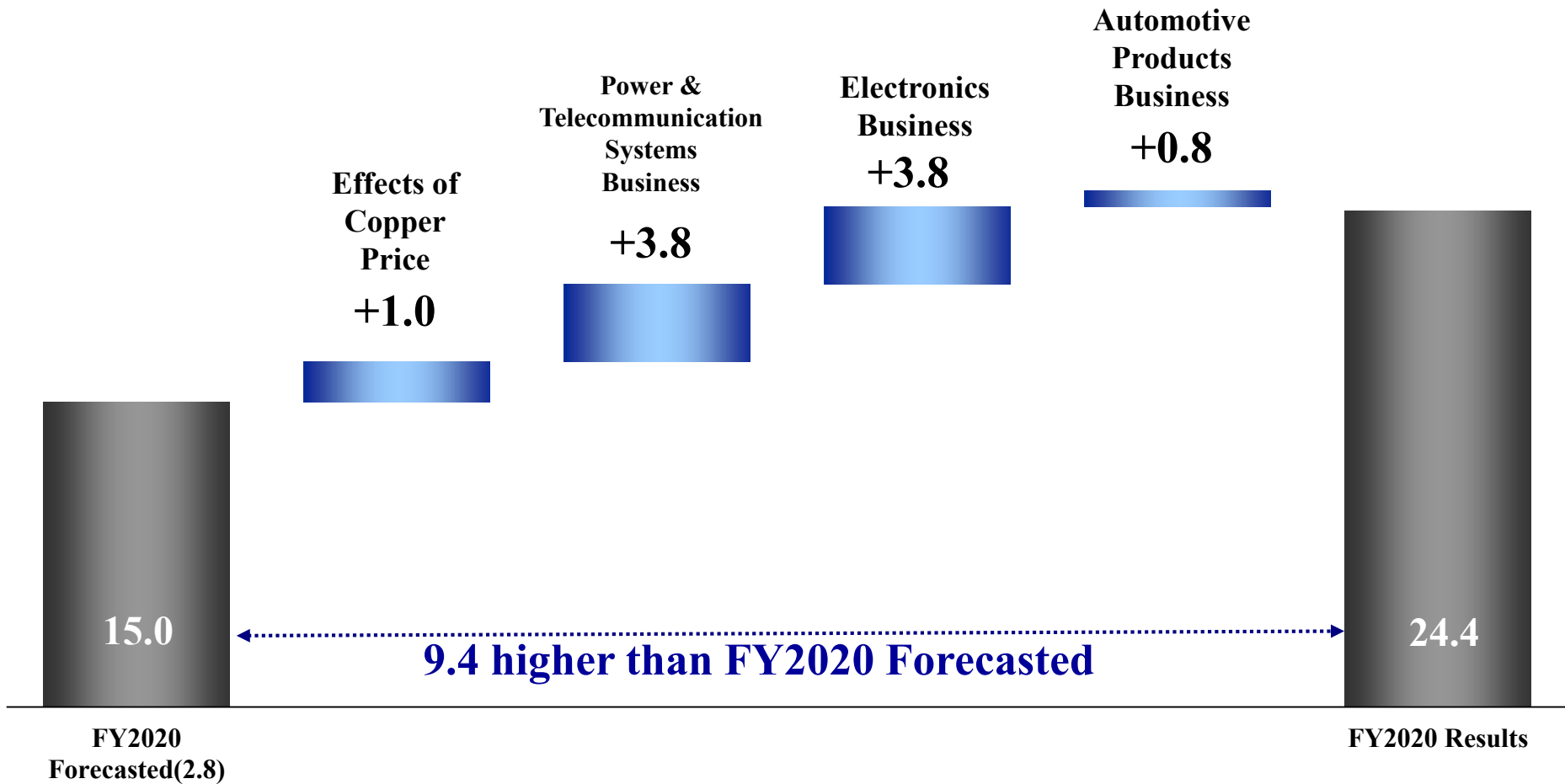
	FY2020 (Forecasted on Feb.8)	FY2020	Forecasted-FY2020 Change
Net Sales	630.0	643.7	13.7
Operating Income	15.0	24.4	9.4
Ratio of Operating Income to Net Sales(%)	2.4	3.8	1.4
Share of other comprehensive income of entities accounted for using equity method	(0.3)	0.4	0.7
Ordinary Income (Loss)	8.5	18.4	9.9
Net Income (Loss) Attributable to Owners of Parent	(10.0)	(5.4)	4.6
Net Income per Share (JPY)	(36.31)	(19.50)	16.81
Dividend per Share (JPY)	0.00	0.00	—
ROE (%)	(6.4)	(3.4)	3.0
Exchange Rate (USD/JPY)	105.85	106.11	—
CU Base ('000JPY/ton)	—	770	—

- **Operating income and ordinary income increased compared with the previous forecast due to high demand for data centers and FTTx in various countries in the Telecommunication Systems Division of Power & Telecommunication Systems Business Company, higher copper prices, better-than-expected demand for smartphones in the Electronics Business Company, and improved productivity.**
- **However, the net loss attributable to owners of the parent narrowed due to higher-than-expected operating income and ordinary income, despite the recording of impairment losses on fixed assets in the FPC Business.**

# FY2020 Contributing Factors to Operating Income Change (against Forecasted)

## Operating Income

(Unit : Yen in billion)



# FY2020 Financial Results

(Unit : Yen in billion)

	FY2019	FY2020	FY2020-FY2019 Change
Net Sales	672.3	643.7	(28.6)
Operating Income	3.3	24.4	21.1
Ratio of Operating Income to Net Sales(%)	0.5	3.8	3.3
Share of other comprehensive income of entities accounted for using equity method	1.1	0.4	(0.7)
Ordinary Income (Loss)	1.3	18.4	17.1
Net Income (Loss) Attributable to Owners of Parent	(38.5)	(5.4)	33.1
Net Income per Share (JPY)	(136.58)	(19.50)	117.09
Dividend per Share (JPY)	5.00	0.00	(5.00)
ROE (%)	(20.9)	(3.4)	17.5
Exchange Rate (USD/JPY)	108.72	106.11	—
CU Base ('000JPY/ton)	682	770	—

# Summary of FY2020 Business Results

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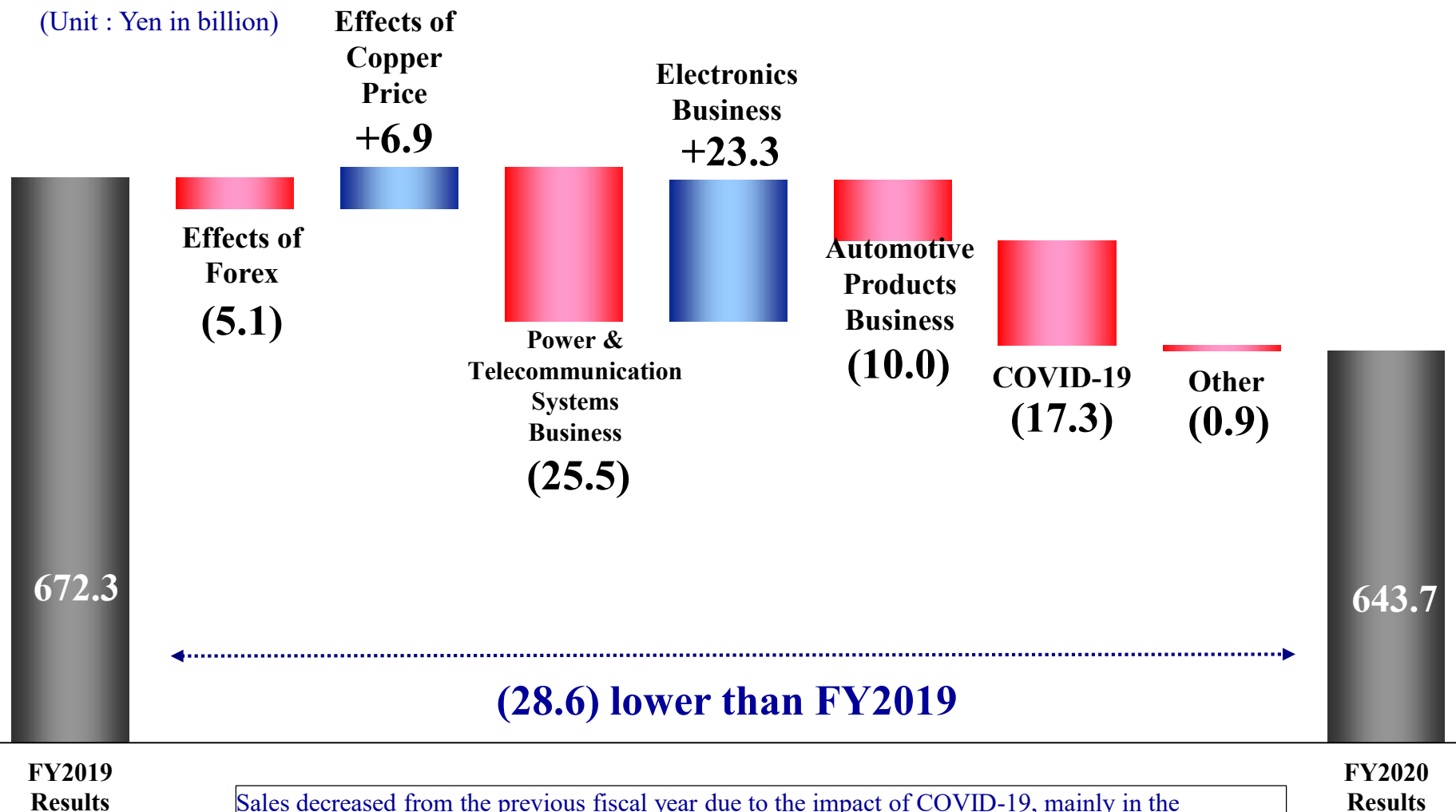
- Sales decreased due to the impact of COVID-19, which caused automobile manufacturers to halt production, and a decrease in demand in the domestic electric wire market.
- Operating income and ordinary income increased due to the effects of business structure improvements, cost reduction measures, valuation gains from higher copper prices, high demand for data centers and FTTx in various countries in Power & Telecommunication Systems Company, as well as increased demand for smartphones and special demand attributed to Stay Home for digital devices in the Electronics Business Company.
- Net Income (Loss) attributable to owners of the parent was a net loss due to impairment losses on fixed assets in the FPC business.



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

## Net Sales

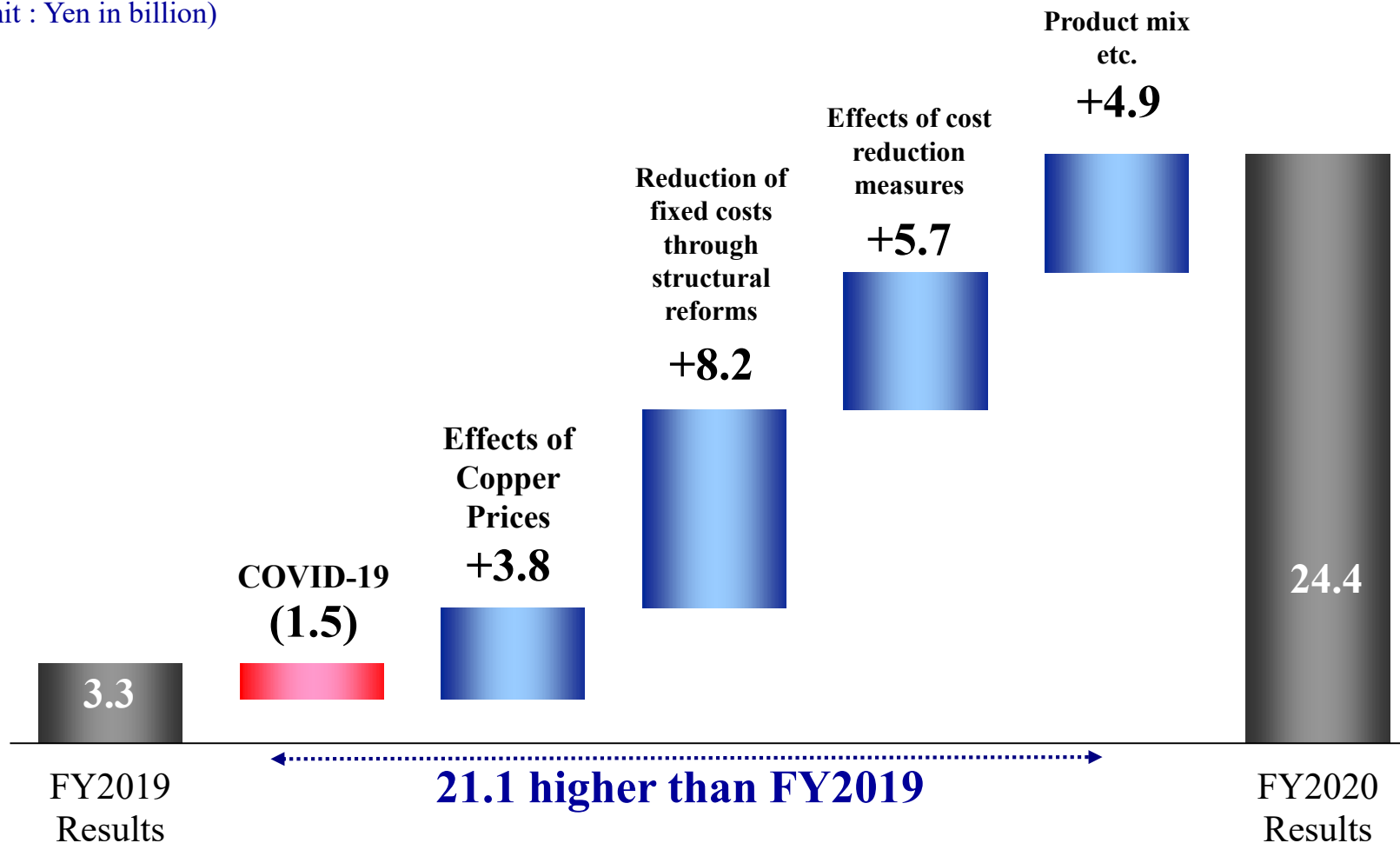
(Unit : Yen in billion)



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

## Operating Income

(Unit : Yen in billion)



Significant increase due to various measures for structural reform and cost reduction, despite the impact of COVID-19. Increase in product mix etc. +4.9, mainly due to higher sales of connectors and electronic components.

# FY2020 Extraordinary Profit and Loss

(Unit: Yen in billion)

	FY2019	FY2020
<b>Operating Income</b>	<b>3.3</b>	<b>24.4</b>
<b>Share of other comprehensive income of entities accounted for using equity method</b>	<b>1.1</b>	<b>0.4</b>
<b>Ordinary Income</b>	<b>1.3</b>	<b>18.4</b>
<b>Extraordinary Income</b>	<b>9.7</b>	<b>6.8</b>
<b>Extraordinary Loss</b>	<b>30.7</b>	<b>24.0</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>(19.8)</b>	<b>1.2</b>
<b>Total Income Taxes</b>	<b>17.3</b>	<b>5.3</b>
<b>Net Income attributable to non-controlling interests</b>	<b>1.4</b>	<b>1.2</b>
<b>Net Income attributable to owners of parent</b>	<b>(38.5)</b>	<b>(5.4)</b>

## **Extraordinary profit (17.2)**

- Impairment Loss of FPC Fixed Assets (15.3)
- Business restructuring expenses (3.6)
- Factories fixed costs during the suspension period due to COVID-19 (2.0)
- Gain on sale of assets 6.0 etc

## **FY2019** **(Total Income Taxes)**

- Reversal of deferred tax assets (10.3)

# Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2020	As of March 31, 2021	Change
〈Assets〉	576.1	569.1	(7.0)
<b>Current Assets</b>	<b>299.8</b>	<b>317.4</b>	<b>17.6</b>
<b>Cash and Deposits</b>	<b>44.7</b>	<b>74.7</b>	<b>30.1</b>
<b>Notes and Account     Receivable</b>	<b>128.9</b>	<b>123.3</b>	<b>(5.6)</b>
<b>Inventories</b>	<b>103.7</b>	<b>100.5</b>	<b>(3.2)</b>
<b>Fixed Assets</b>	<b>276.3</b>	<b>251.7</b>	<b>(24.6)</b>
<b>Tangible Fixed Assets</b>	<b>210.6</b>	<b>184.0</b>	<b>(26.6)</b>
<b>Intangible Fixed     Assets</b>	<b>15.7</b>	<b>14.3</b>	<b>(1.4)</b>
<b>Sub Total</b>	<b>226.3</b>	<b>198.3</b>	<b>(28.0)</b>
<b>Total Investments and     Other Assets</b>	<b>50.0</b>	<b>53.4</b>	<b>3.4</b>

Accumulation of liquidity at hand to handle COVID-19

CAPEX 17.7  
Depreciation (33.6)  
Impairment loss (16.8)

# Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2020	As of March 31, 2021	Change
<b>Total</b>	<b>576.1</b>	<b>569.1</b>	<b>(7.0)</b>
<b>(Treasury Stock)</b>	<b>((10.9))</b>	<b>((10.9))</b>	<b>(0.1)</b>
<b>〈Liability〉</b>	<b>404.0</b>	<b>384.6</b>	<b>(19.3)</b>
<b>Notes and Account Payable</b>	<b>65.8</b>	<b>68.5</b>	<b>2.7</b>
<b>Interest-bearing Debt</b>	<b>260.7</b>	<b>241.9</b>	<b>(18.7)</b>
<b>Other Current Liability</b>	<b>77.5</b>	<b>74.2</b>	<b>(3.3)</b>
<b>〈Net Equity〉</b>	<b>172.1</b>	<b>184.5</b>	<b>12.4</b>
<b>Shareholder's Equity</b>	<b>159.9</b>	<b>157.5</b>	<b>(2.5)</b>
<b>(Treasury Stock)</b>	<b>((10.9))</b>	<b>((10.9))</b>	<b>(0.1)</b>
<b>Accumulated Other Comprehensive Income</b>	<b>(7.9)</b>	<b>5.4</b>	<b>13.2</b>
<b>Non-controlling Interests</b>	<b>20.0</b>	<b>21.7</b>	<b>1.6</b>
<b>Equity-to-asset ratio</b>	<b>26.4%</b>	<b>28.6%</b>	<b>2.2</b>

Due to decrease in capital expenditures.  
Net D/E ratio is improved (59:41→51:49)  
Net Debt 2,160⇒1,672 (48.8)

Currency translation Adjustment 10.1

# CAPEX and Depreciation Cost

(Unit: Yen in billion)

	FY2019	FY2020	FY2021 Forecasts
<b>CAPEX</b>	<b>30.1</b>	<b>17.7</b>	<b>18.0</b>
<b>(for manufacturing business)</b>	<b>28.8</b>	<b>17.0</b>	<b>17.0</b>
<b>(for real estate business)</b>	<b>1.4</b>	<b>0.7</b>	<b>1.0</b>
<b>Depreciation Cost</b>	<b>35.7</b>	<b>33.6</b>	<b>30.0</b>
<b>(for manufacturing business)</b>	<b>33.7</b>	<b>31.6</b>	<b>28.0</b>
<b>(for real estate business)</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

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

(Unit: Yen in billion)

	FY2019			FY2020		
	1H	2H	Full year	1H	2H	Full year
<b>Interest-bearing Debts</b>	273.6	260.7	260.7	270.0	241.9	241.9
<b>Cash and deposits</b>	36.9	44.7	44.7	66.9	74.7	74.7
<b>Net Debt</b>	236.8	216.0	216.0	203.1	167.2	167.2
<b>Net Financial Profit/Loss</b>	(1.0)	(0.9)	(1.9)	(0.8)	(0.6)	(1.4)
<b>Free Cash Flow</b>	(18.3)	29.0	10.7	16.3	41.8	58.1

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

# FY2021 Forecast

(Unit : Yen in billion)

	FY2020 Results	1H FY2021 Forecasts	FY2021 Forecasts	FY2021 Forecasts —FY2020 Results Change
Net Sales	643.7	299.0	600.0	(43.7)
Operating Income	24.4	7.0	20.0	(4.4)
Ratio of Operating Income to Net Sales(%)	3.8	2.4	3.3	(0.5)
Share of other comprehensive income of entities accounted for using equity method	0.4	0	0.8	0.4
Ordinary Income (Loss)	18.4	5.0	16.5	(1.9)
Net Income (Loss) Attributable to Owners of Parent	(5.4)	1.5	6.5	11.9
Net Income per Share (JPY)	(19.50)	5.45	23.60	43.10
Dividend per Share (JPY)	0.00	Undecided	Undecided	—
ROE (%)	(3.4)	—	3.9	7.3
Exchange Rate (USD/JPY)	106.11	105.00	105.00	—
CU Base ('000JPY/ton)	770	920	920	—



# FY2021 Forecast

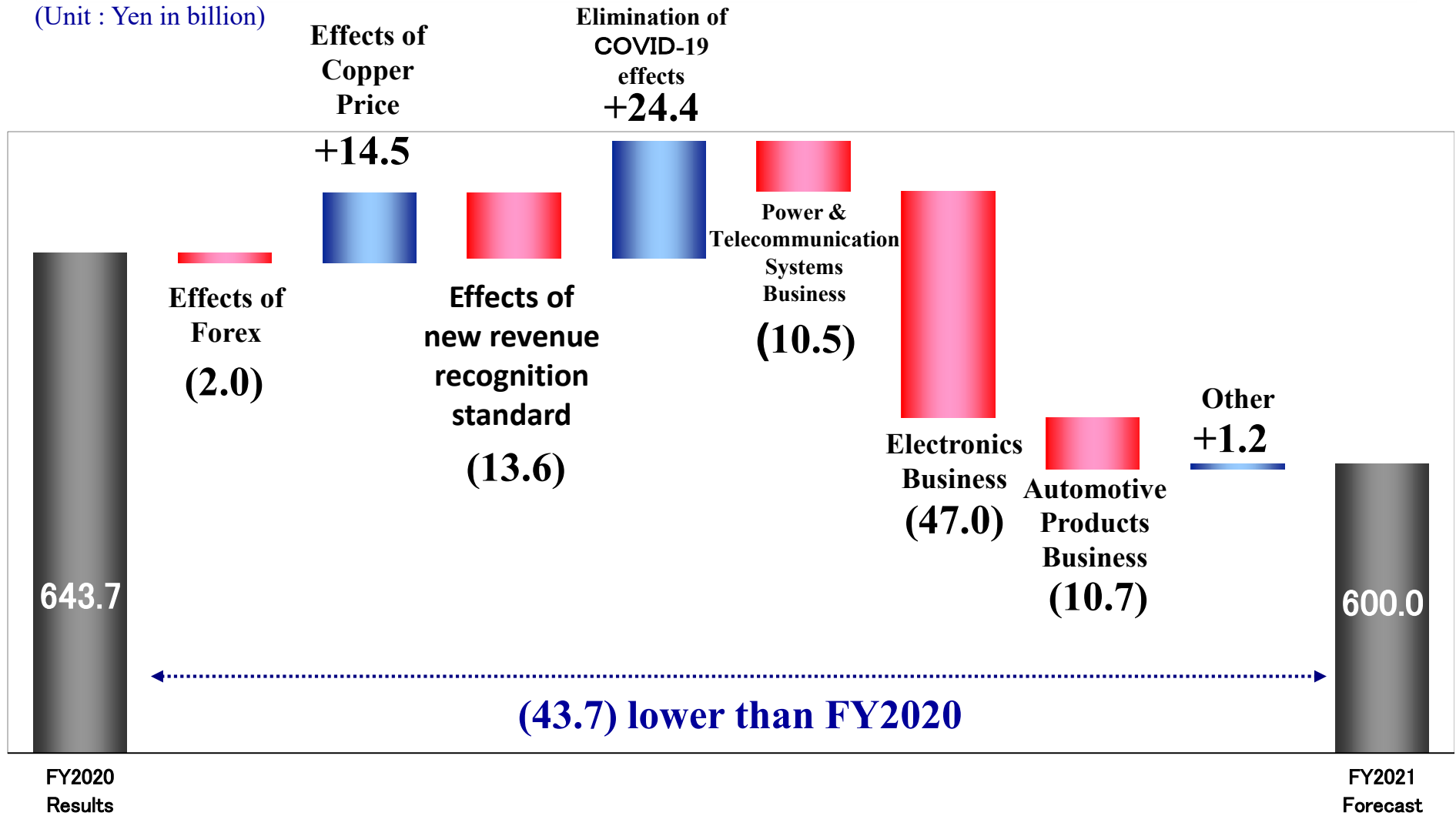
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- Sales are expected to decrease in the Electronics Business, mainly due to a decline in demand for smartphones and a profit-oriented ordering strategy.
- Operating income is expected to decrease due to lower sales in the Electronics Business and the impact of copper prices.
- Net income attributable to owners of the parent is expected to improve due to a decrease in extraordinary losses.

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

### Net Sales

(Unit : Yen in billion)

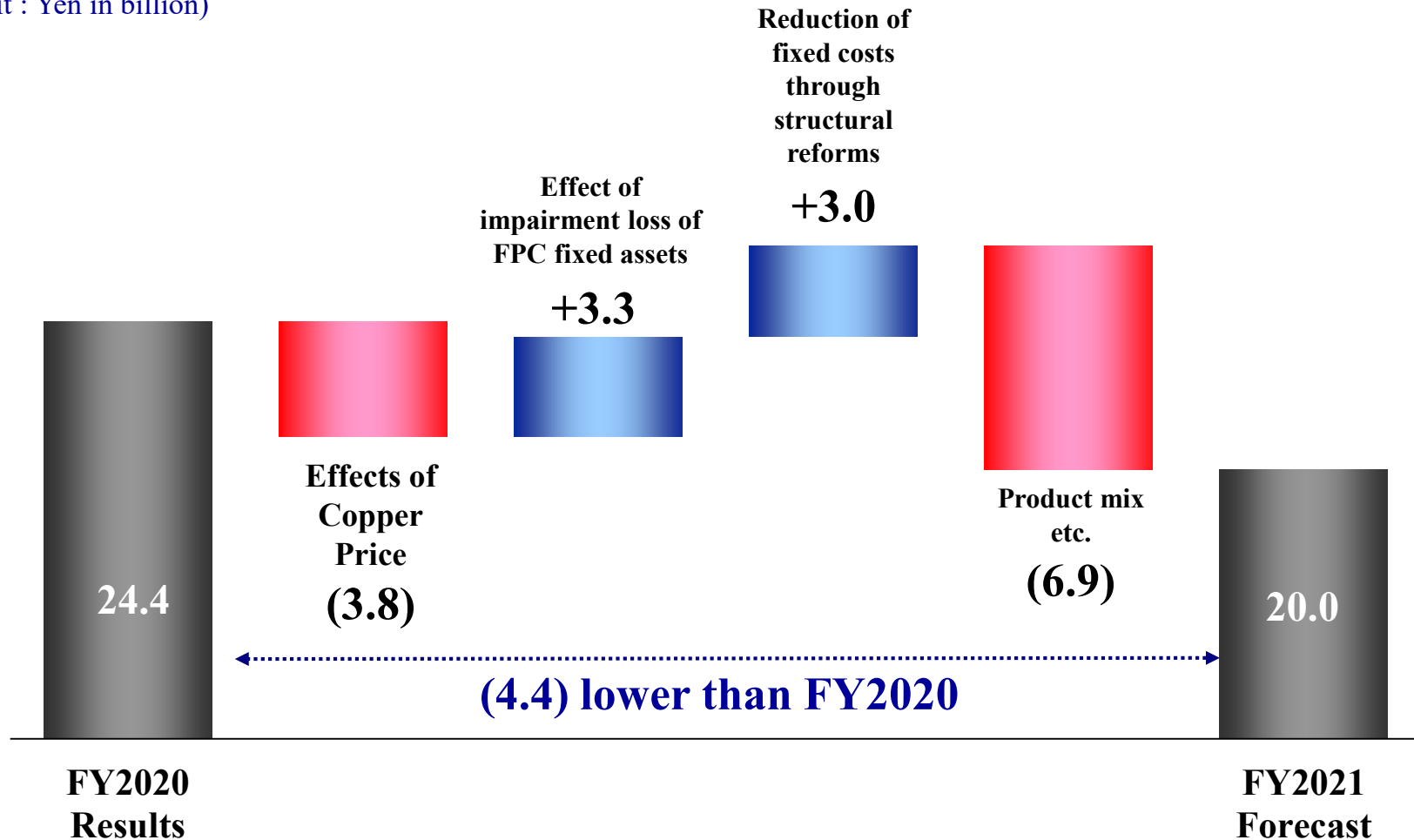


# FY2020 Results / FY2021 Forecast

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

### Operating Income

(Unit : Yen in billion)



Product mix etc. (6.9) mainly due to lower sales of FPC and a rebound in special demand attributed to Stay Home in connectors and electronic components

# Reduction of depreciation due to impairment

## Improvement of business structure

(Unit: Yen in billion)

Segment	Cumulative effect amount	FY2020		FY2021	
		Actual	Items	Forecast	Additional 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	

## 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	FY2019	FY2020	1H 2021 Forecast	FY2021 Forecast	FY2019	FY2020	1H 2021 Forecast	FY2021 Forecast
<b>Power &amp; Telecommunication Systems</b>	327.8	305.9	147.3	297.4	4.6 1.4%	18.1 5.9%	5.9 4.0%	13.2 4.4%
<b>Electronics Business</b>	178.3	199.9	79.4	152.9	(2.0) (1.1%)	4.9 2.4%	(0.1) (0.1%)	1.6 1.1%
<b>Automotive Products</b>	149.3	121.9	63.9	132.4	(4.1) (2.8%)	(3.7) (3.0%)	(1.4) (2.1%)	(1.0) (0.0%)
<b>Electronic Products &amp; Connector</b>	327.6	321.8	143.4	285.3	(6.1) (1.9%)	1.2 0.4%	(1.5) (1.0%)	1.5 0.5%
<b>Real Estate Business</b>	11.3	10.9	5.4	10.8	5.4 47.7%	5.2 47.7%	2.4 44.6%	4.6 42.9%
<b>Other</b>	5.6	5.2	2.9	6.3	(0.5)	(0.0)	0.1	0.5
<b>Total</b>	<b>672.3</b>	<b>643.7</b>	<b>299.0</b>	<b>600.0</b>	<b>3.3 0.5%</b>	<b>24.4 3.8%</b>	<b>7.0 2.3%</b>	<b>20.0 3.3%</b>

※ Due to a review of the management structure of certain businesses, figures for FY2019 have been restated.

※ We have reviewed management structure and name of above segment in FY2021, but since above segment classification has not been changed, number of FY 2019 and FY2020 is treated same as before.

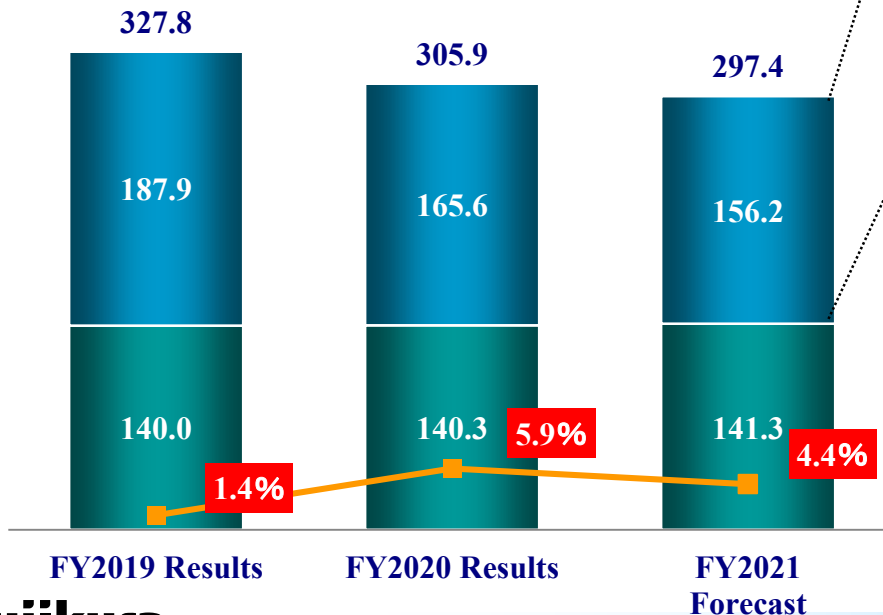
# Power & Telecommunication Systems

- Although FY2020 results showed a decrease in sales due to a decline in demand in the domestic electric cable market and intensifying competition in optical fiber, profits increased due to high demand for data centers and FTTx, fixed cost reductions through structural reforms, and the posting of valuation gains due to higher copper prices.
- In FY2021, energy sales and profits are expected to continue to decline as in the previous fiscal year due to a decline in demand in the domestic electric cable market and the impact of copper prices, while Telecommunications Systems sales are expected to remain almost unchanged from the previous fiscal year.

(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 FY2020, sales decrease due to a decline in demand in the domestic electric cable market.
- Sales are expected to continue to decline in FY2021 due to a decline in demand in the domestic electric cable market.

### Telecommunication Systems

- In FY2020, sales of optical fiber in China remained at the same level as the previous year, driven by high demand for data centers and FTTx, despite a decline in sales due to intensified competition.
- FY 2021 is expected to be almost the same as the previous year.

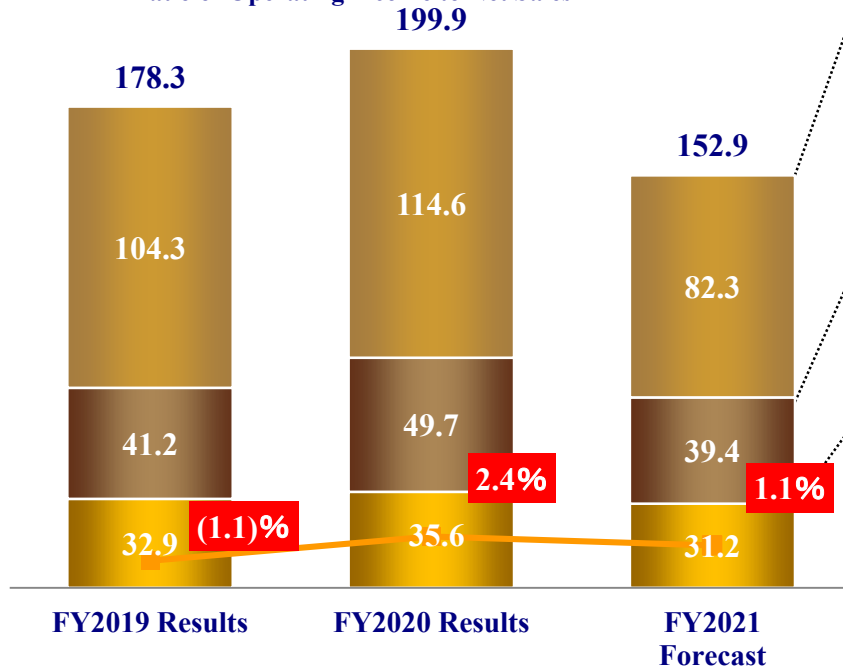
# Electronics Business

- Both sales and profit increased in FY2020 due to increased demand for smartphones and special demand attributed to Stay Home for digital devices.
- In FY 2021, the company expects a decline in both sales and profits due to a decline in smartphone demand, a profit-oriented order strategy, and a decrease in special demand attributed to Stay Home.

(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

- Increase in sales in FY2020 due to increased demand for smartphones
- In FY2021, sales will decrease due to intensified competition caused by sluggish demand for smartphones and deterioration in the product mix.

### Connector

- In FY2020, sales increased due to increased demand for smartphones and special demand attributed to Stay Home.
- In FY2021, sales will decline due to a drop in demand for smartphones and a decrease from special demand attributed to Stay Home of the previous fiscal year.

### Other

- Increase in revenue in FY2020 due to special demand attributed to Stay Home.
- In FY2021, sales will decline due to a rebound from special demand attributed to Stay Home of the previous fiscal year.



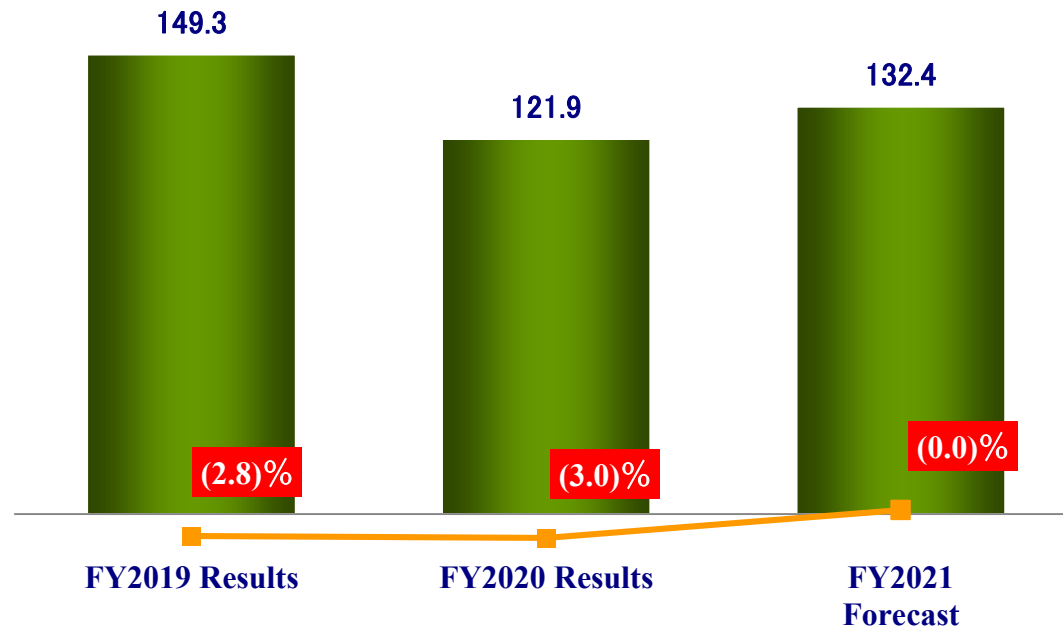
# Automotive Products

- In FY 2021, there were lockdowns due to COVID-19 in many countries around the world, which led to production stoppages at customers, resulting in a significant decrease in sales compared to the previous fiscal year, but productivity improvements brought operating income down to zero in the second half.
- In FY 2021, the impact of COVID-19 will be largely eliminated, but operating income is expected to be slightly negative due to copper prices and weakening currencies in emerging countries.

(Unit: Yen in billion)

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

— Ratio of Operating Income to Net sales



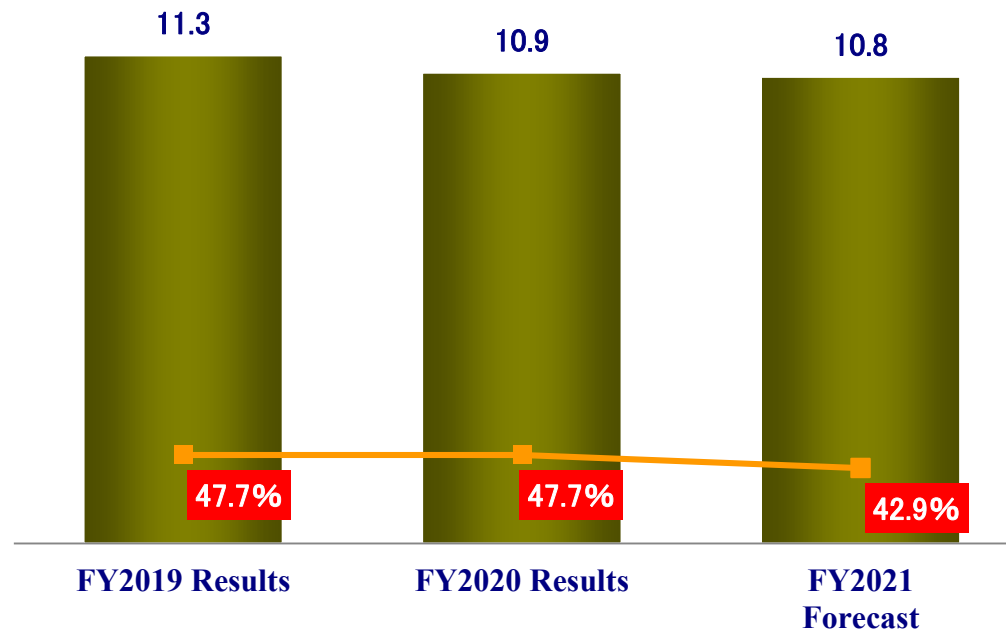
# Real Estate Business

- 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

**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.**

## ■ Dividends FY2021 Forecasts

**As we will continue to work on business structure reforms in order to achieve an early resumption of dividends, we have not decided at this time.**



#### 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.

【FY2020 Financial Results Appendix】

Net Sales and Operating Income by Segment

Net Sales Records and Forecast by Segment

Unit: Yen in Billion

	FY2019							FY2020							FY2021 Est.		
	1Q	2Q	3Q	4Q	1H	2H	Full Year	1Q Results	2Q Results	3Q Results	4Q Forecasts	1H Results	2H Forecasts	Full Year Forecasts	1H	2H	Full Year
Power Systems	48.1	47.0	48.2	44.5	95.1	92.7	187.9	38.7	39.4	42.3	45.3	78.1	87.5	165.6	77.1	79.1	156.2
Telecommunication Systems	36.0	36.3	33.7	33.9	72.3	67.6	140.0	31.8	37.3	36.1	35.1	69.1	71.2	140.3	70.2	71.1	141.3
Power & Telecommunication Systems Company	84.1	83.4	81.9	78.4	167.4	160.4	327.8	70.5	76.7	78.3	80.4	147.2	158.7	305.9	147.3	150.2	297.4
FPC	19.0	34.7	30.1	20.5	53.7	50.6	104.3	22.2	33.0	33.1	26.3	55.2	59.4	114.6	44.1	38.2	82.3
Connector	7.5	12.8	11.8	9.2	20.2	21.0	41.2	9.0	13.9	15.4	11.5	22.8	26.8	49.7	20.1	19.3	39.4
Other	7.0	9.3	9.1	7.5	16.3	16.6	32.9	8.1	9.4	9.2	8.9	17.5	18.1	35.6	15.3	15.9	31.2
Electronics	33.5	56.7	50.9	37.3	90.2	88.2	178.3	39.3	56.2	57.7	46.7	95.5	104.4	199.9	79.4	73.5	152.9
Automotive Products	40.6	36.7	37.5	34.5	77.3	72.0	149.3	16.3	33.7	37.4	34.6	50.0	72.0	121.9	63.9	68.5	132.4
Electronics Automotive Connector Company	74.0	93.5	88.4	71.7	167.5	160.1	327.6	55.6	89.9	95.1	81.3	145.4	176.4	321.8	143.4	142.0	285.3
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	5.5	10.9	5.4	5.4	10.8
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	2.9	3.4	6.3
Total	162.4	181.1	174.6	154.2	343.5	328.8	672.3	129.9	170.6	177.5	165.8	300.5	343.2	643.7	299.0	301.0	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	6.0	8.3	9.8	18.1	5.9	7.4	13.2
Electronics	(2.8)	2.8	0.9	(2.8)	(0.0)	(1.9)	(2.0)	(1.3)	3.1	2.7	0.3	1.8	3.1	4.9	(0.1)	1.7	1.6
Automotive Products	(0.3)	(1.0)	(1.5)	(1.4)	(1.2)	(2.9)	(4.1)	(2.8)	(0.9)	0.5	(0.5)	(3.7)	(0.0)	(3.7)	(1.4)	1.3	(0.1)
Electronics Automotive Connector Company	(3.1)	1.8	(0.7)	(4.2)	(1.3)	(4.8)	(6.1)	(4.1)	2.2	3.2	(0.2)	(1.9)	3.0	1.2	(1.5)	3.0	1.5
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	2.6	5.2	2.4	2.2	4.6
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)	0.1	0.4	0.5
Total	0.3	5.5	2.9	(5.3)	5.8	(2.4)	3.3	0.6	8.3	8.4	7.1	8.9	15.5	24.4	7.0	13.0	20.0

※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.