

1Q FY2021 Financial Results



August 5, 2021

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1. Reviews of 1Q FY2021 Financial Results and 1H Forecasts

1Q FY2021 Financial Results and 1H Forecasts

(Unit : Yen in billion)

	FY2020			FY2021			FY2021 (Forecasted on May.14)	
	1Q	1H	Full Year	1Q	1H Forecasts	Full Year Forecasts	1H Forecasts	Full Year Forecasts
Net Sales	129.9	300.5	643.7	162.7	328.0	635.0	299.0	600.0
Operating Income	0.6	8.9	24.4	9.7	16.5	29.5	7.0	20.0
Ratio of Operating Income to Net Sales(%)	0.5	3.0	3.8	6.0	5.0	4.6	2.4	3.3
Share of other comprehensive income of entities accounted for using equity method	0.3	0	0.4	0.3	(0.0)	0.8	0	0.8
Ordinary Income (Loss)	(0.8)	7.4	18.4	9.3	14.0	25.5	5.0	16.5
Net Income (Loss) Attributable to Owners of Parent	(4.7)	0.7	(5.4)	6.6	9.0	15.0	1.5	6.5
Net Income per Share (JPY)	(17.22)	2.71	(19.50)	23.85	32.67	54.45	5.45	23.60
Dividend per Share (JPY)	—	0.00	0.00	—	Undecided	Undecided	Undecided	Undecided
ROE (%)	(13.2)	1.0	(3.4)	14.9	—	8.8	—	3.9
Exchange Rate (USD/JPY)	107.64	106.93	106.11	109.52	108.00	108.00	105.00	105.00
CU Base ('000JPY/ton)	616	675	770	1,104	1,070	1,070	920	920

Review of 1Q FY2021 Results and 1H Forecasts

【Year on Year basis】

- **Both sales and profits increased in the Energy & Information Technology business due to high demand for data centers and FTTx in various countries.**
- **Both sales and profits increased in the Electronics business, mainly due to higher-than-expected demand for smartphones and improved productivity.**
- **Both sales and profits increased in the Automotive business, despite the impact of semiconductor shortages, due to the recovery from last year's significant decline in sales due to COVID-19.**
- **Net income attributable to owners of the parent company increased due to an increase in operating income and a decrease in extraordinary losses.**

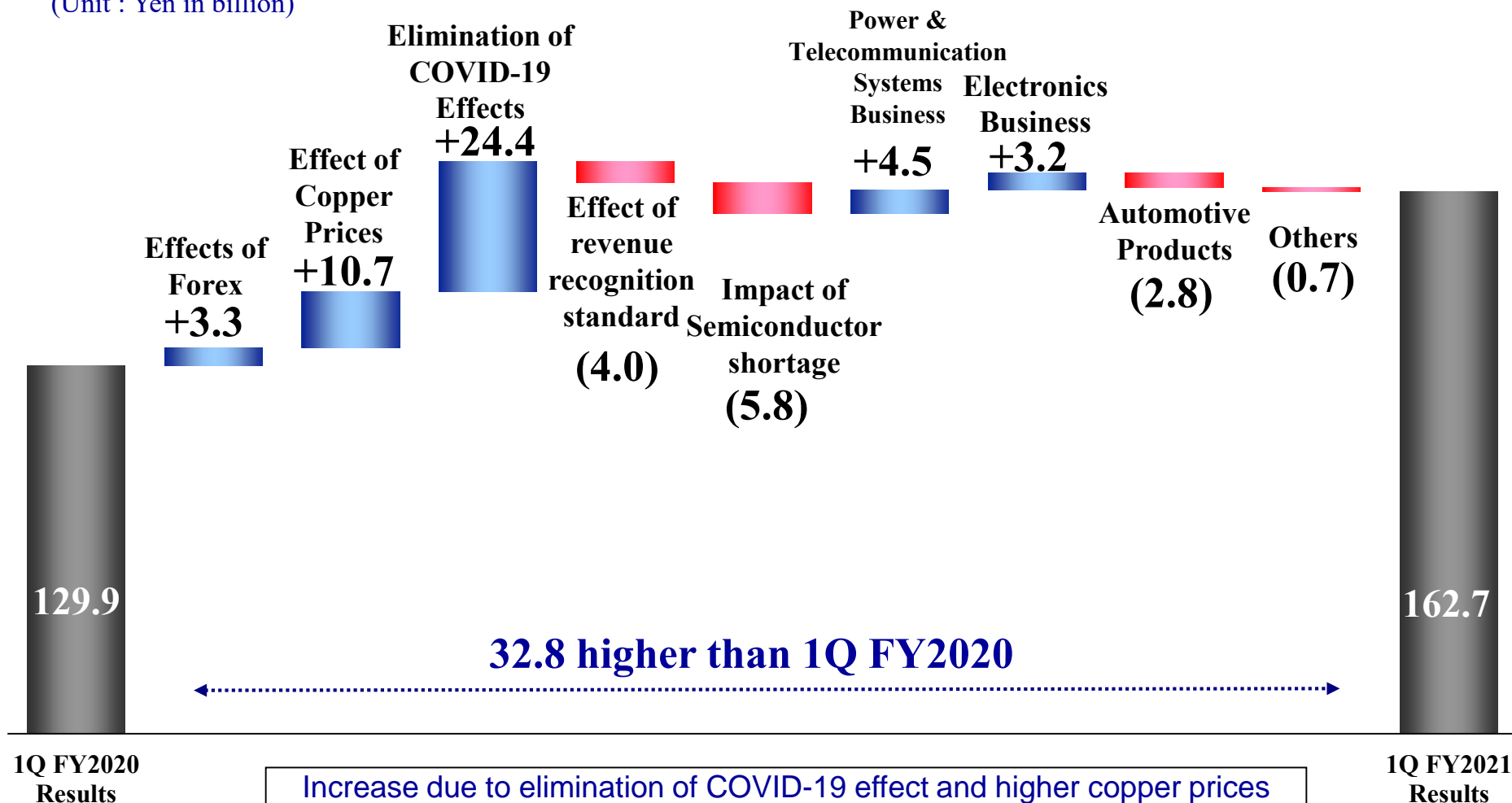
【1H Forecasts】

- **In the first half of FY2021, we expect an upward revision from the forecasts announced on May 14, 2021, due to continued strong demand for data centers in various countries and FTTx in the Energy & Information Technology business, and increased demand for smartphones, improved productivity and continued strong demand attributed to Stay Home for digital devices in the Electronics business. As a result, sales are expected to be higher than the forecast announced on May 14.**

1Q FY2021 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

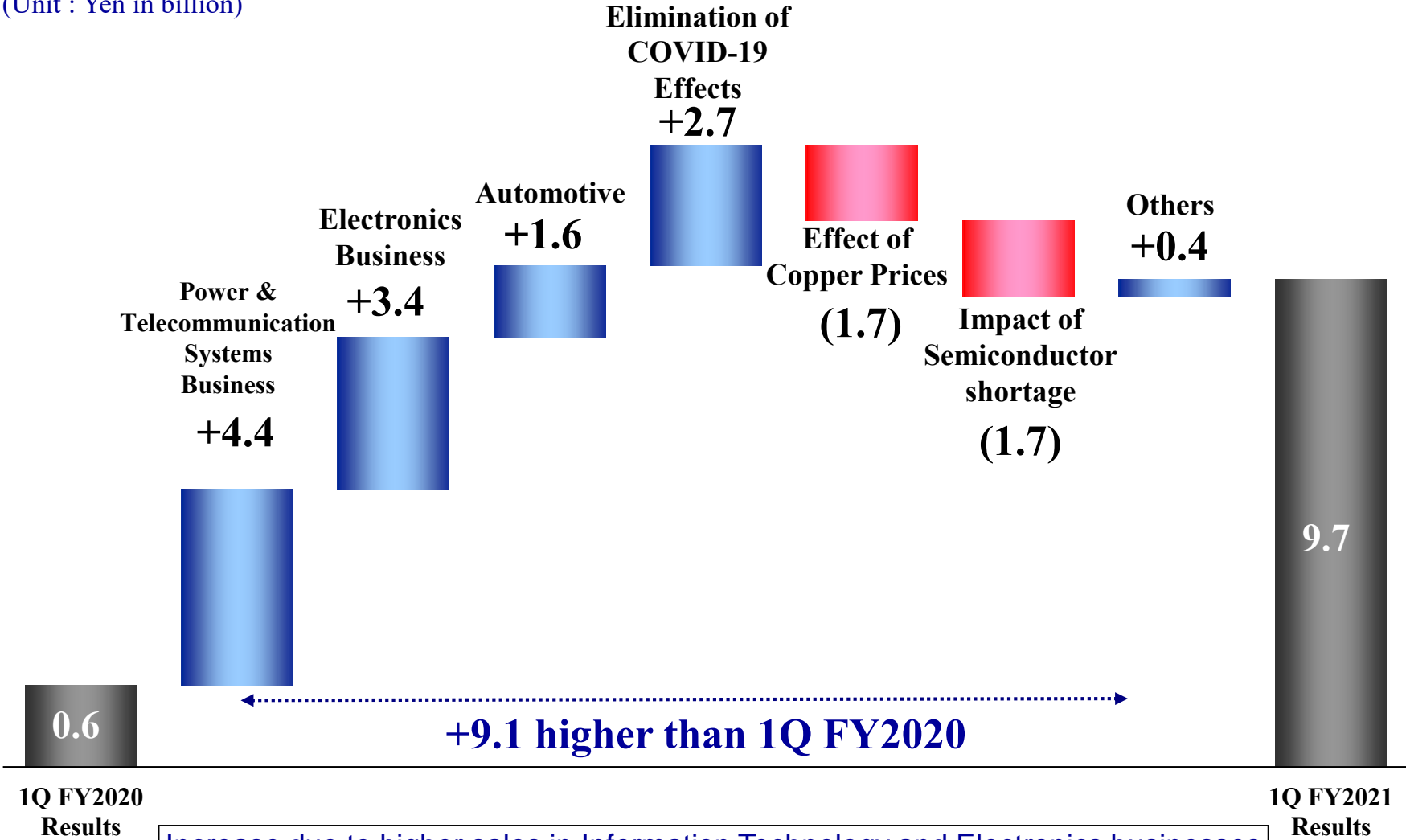
(Unit : Yen in billion)



1Q FY2021 Contributing Factors to Operating Income Change (year-on-year basis)

Operating Income

(Unit : Yen in billion)

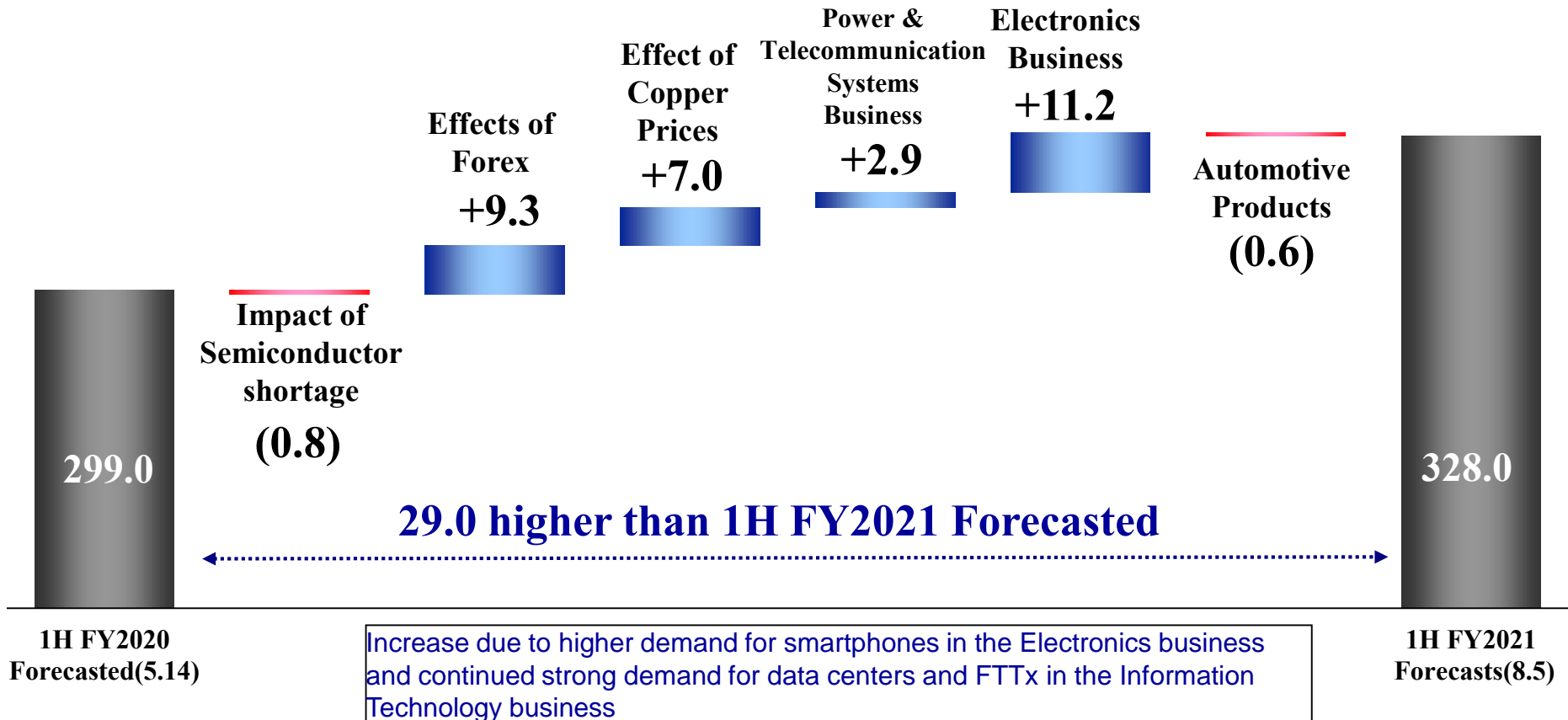


Increase due to higher sales in Information Technology and Electronics businesses

1H FY2021 Contributing Factors to Net Sales Change (against Forecasted on May 14)

Net Sales

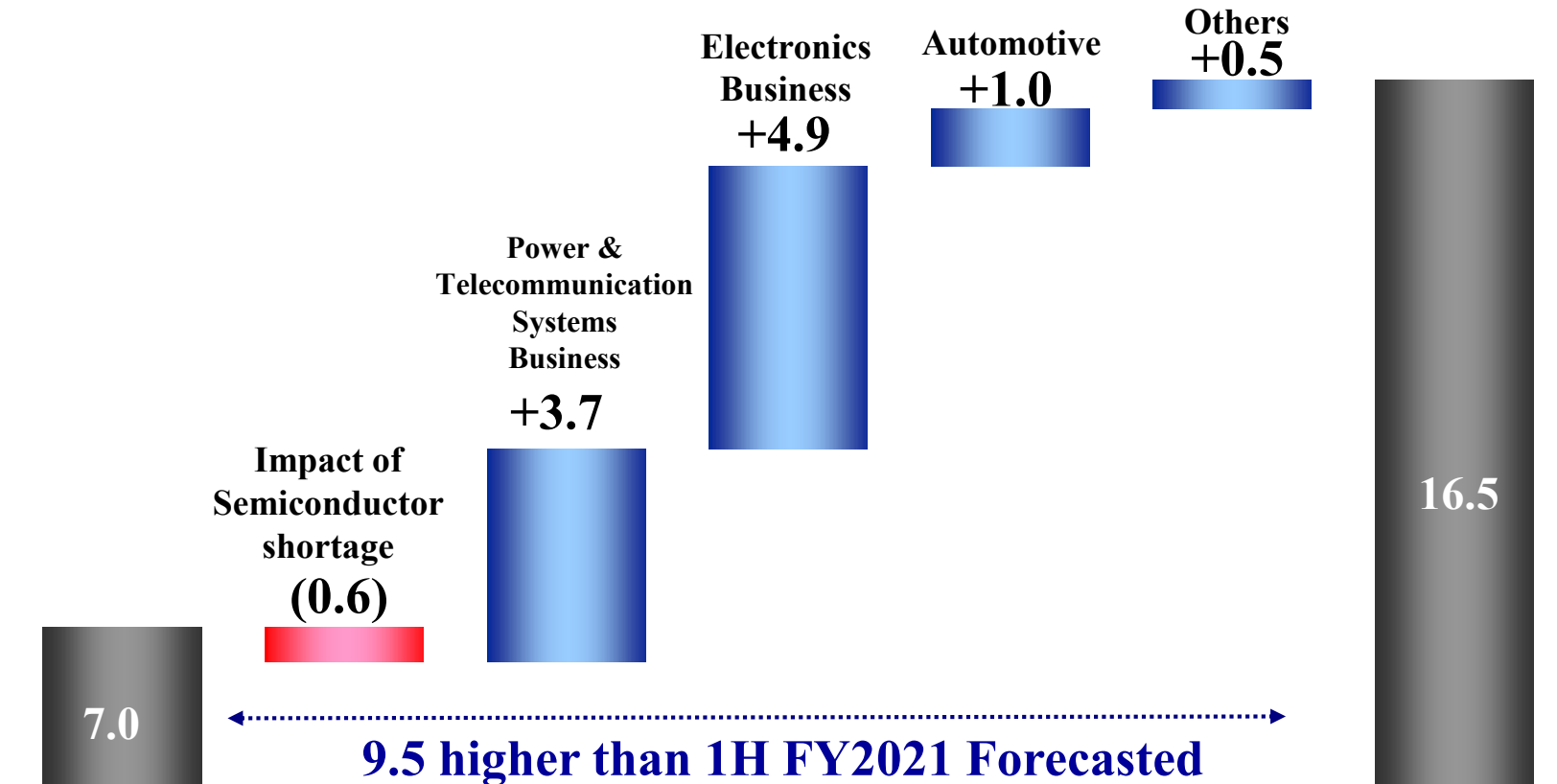
(Unit : Yen in billion)



1H FY2021 Contributing Factors to Operating Income Change (against Forecasted on May 14)

Operating Income

(Unit : Yen in billion)



1H FY2021
Forecasted(5.14)

Increase due to continued strong demand for data centers and FTTx in the Information Technology & Telecommunications business and higher demand for smartphones in the Electronics business

1H FY2021
Forecasts(8.5)

1Q FY2021 Extraordinary Profit and Loss

(Unit: Yen in billion)

	1Q FY2020	1Q FY2021
Operating Income	0.6	9.7
Share of other comprehensive income of entities accounted for using equity method	0.3	0.3
Ordinary Income (Loss)	(0.8)	9.3
Extraordinary Income	0.1	0.1
Extraordinary Loss	3.1	0.2
Income(Loss) before Income Taxes and Minority Interests	(3.8)	9.2
Total Income Taxes	0.7	2.4
Net Income attributable to non-controlling interests	0.2	0.2
Net Income(Loss) attributable to owners of parent	(4.7)	6.6

FY2020 1Q

(Extraordinary Loss)

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

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2021	As of June 30, 2021	Change
<Assets>	569.1	573.5	4.4
Current Assets	317.4	326.7	9.3
Cash and Deposits	74.7	75.2	0.5
Notes and accounts receivable and contract assets	123.3	126.0	2.7
Inventories	100.5	109.9	9.4
Fixed Assets	251.7	246.8	(4.9)
Tangible Fixed Assets	184.0	179.8	(4.2)
Intangible Fixed Assets	14.3	13.6	(0.8)
Sub Total	198.3	193.3	(5.0)
Total Investments and Other Assets	53.4	53.5	0.1

Revised account title in accordance with the application of the new revenue recognition standard

Increase in inventories for increased demand in the Information Technology business and in preparation for shipments in the 2Q in the Automotive business

CAPEX 4.0
Depreciation (7.7)
Impairment loss (0.1)

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2021	As of June 30, 2021	Change
Total	569.1	573.5	4.4
(Treasury Stock)	((10.9))	((10.6))	0.3
〈Liability〉	384.6	382.7	(2.0)
Notes and Account Payable	68.5	67.7	(0.8)
Interest-bearing Debt	241.9	245.1	3.2
Other Liability	74.2	69.9	(4.3)
〈Net Equity〉	184.5	190.8	6.3
Shareholder's Equity	157.5	164.3	6.9
(Treasury Stock)	((10.9))	((10.6))	0.3
Accumulated Other Comprehensive Income	5.4	5.0	(0.4)
Non-controlling Interests	21.7	21.5	(0.1)
Equity-to-assets-ratio	28.6%	29.5%	0.9

Due to decrease in capital expenditures.
Net D/E ratio is improved (51:49→50:50)
Net Debt 167.2⇒169.9 (+2.7)

Reduction of depreciation due to impairment

Improvement of business structure

(Unit: Yen in billion)

Segment	Cumulative effect amount	FY2020		FY2021	
		Actual	Items	Forecast	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	5.1	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
Electronic Products & Connector	9.7	4.6		5.1	
Other	1.6	0.4	【business structure】 ▪ Labor cost reduction in head office etc. (0.4)	1.2	【business structure】 ▪ Labor cost reduction in head office etc.
Total	14.5	8.2		6.3	

CAPEX and Depreciation Cost

(Unit: Yen in billion)

	FY2020 1Q	FY2021 1Q
CAPEX	6.0	4.0
(for manufacturing business)	5.8	3.9
(for real estate business)	0.2	0.1
Depreciation Cost	8.2	7.7
(for manufacturing business)	7.7	7.2
(for real estate business)	0.5	0.5

Interest-bearing Debts, Net Financial Profit

(Unit: Yen in billion)

	FY2020 1Q	FY2020	FY2021 1Q
Interest-bearing Debts	280.3	241.9	245.1
Cash and deposits	58.6	74.7	75.2
Net Debt	221.8	167.2	169.9
Net Financial Profit/Loss	(0.3)	(1.4)	(0.3)

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 FY2020 Results	1H FY2020 Result	1Q FY2021	1H FY2021 Forecasts	1Q FY2020 Results	1H FY2020 Results	1Q FY2021	1H FY2021 Forecasts
Power & Telecommunication Systems	70.5	147.2	83.1	160.9	3.5 <i>5.0%</i>	8.3 <i>5.6%</i>	6.4 <i>7.7%</i>	9.9 <i>6.1%</i>
Electronics Business	39.3	95.5	43.3	92.0	(1.3) <i>(3.3%)</i>	1.8 <i>1.9%</i>	2.1 <i>4.8%</i>	4.7 <i>5.1%</i>
Automotive Products	16.3	50.0	32.3	66.7	(2.8) <i>(17.2%)</i>	(3.7) <i>(7.4%)</i>	(0.2) <i>(0.5%)</i>	(0.6) <i>(0.9%)</i>
Electronic Products & Connector	55.6	145.4	75.6	158.7	(4.1) <i>(7.4%)</i>	(1.9) <i>(1.3%)</i>	1.9 <i>2.5%</i>	4.0 <i>2.5%</i>
Real Estate Business	2.7	5.4	2.7	5.4	1.3 <i>49.8%</i>	2.6 <i>48.2%</i>	1.4 <i>52.4%</i>	2.6 <i>47.5%</i>
Other	1.2	2.5	1.3	2.9	(0.1)	(0.1)	(0.1)	(0.0)
Total	129.9	300.5	162.7	328.0	0.6 <i>0.5%</i>	8.9 <i>3.0%</i>	9.7 <i>6.0%</i>	16.5 <i>5.0%</i>

※On April 1, 2021, the Company reorganized and shifted from an in-house company system to a business division system. As a result, the name of the reporting segment has been changed, but there is no change in the classification of the reporting segment.

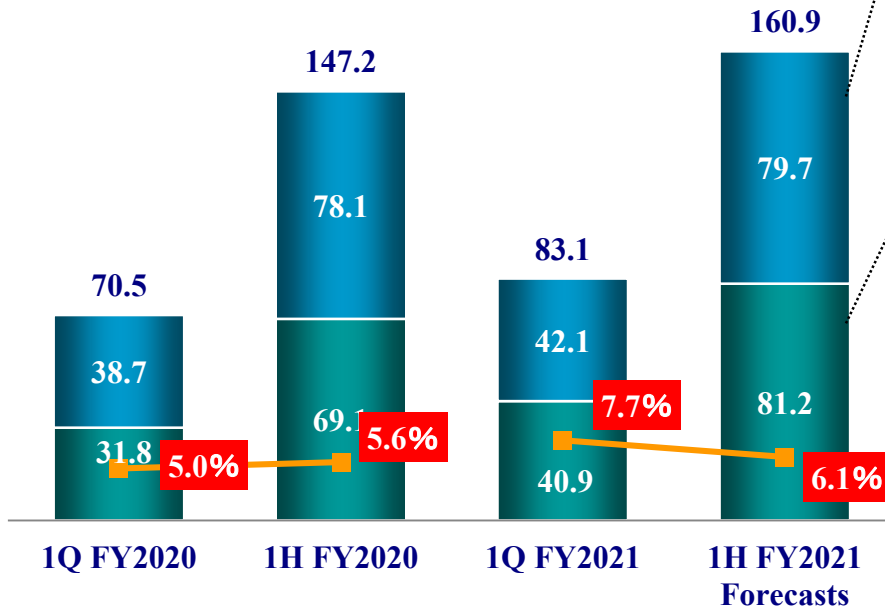
Power & Telecommunication Systems

- Compared to the same period of the previous year, 1Q results showed an increase in profit due to high demand corresponding to data centers and FTTx.
- 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

- 1Q sales increased due to higher copper prices.
- Net sales in 1Q is 53% of 1H forecast.

Telecommunication Systems

- 1Q sales increased due to increased demand for data centers and FTTx.
- Net sales in 1Q is 50% of 1H forecast.

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

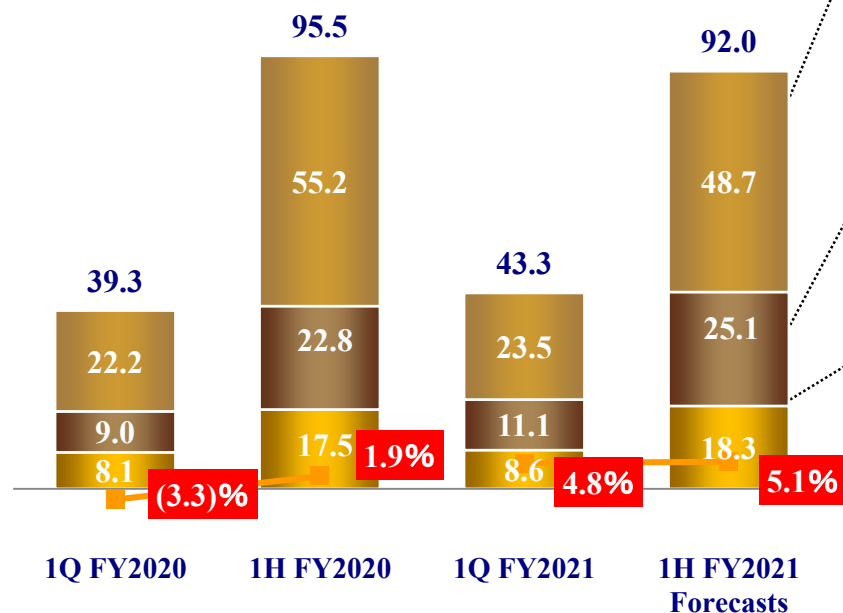
Electronics Business

- Profit increased in 1Q due to increased demand for smartphones and improved productivity. Special demand attributed to Stay Home for digital device remains strong.
- Profit is expected to increase in 2Q due to further increase in demand.

(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 1Q, net sales slightly increased mainly for smartphones.
- Net sales in 1Q is 48% of 1H forecast due to the seasonality.

Connector

- In 1Q, net sales slightly increased mainly for smartphones.
- Net sales in 1Q is 44% of 1H forecast because of seasonality.

Other

- In 1Q, net sales is same as the previous year.
- 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

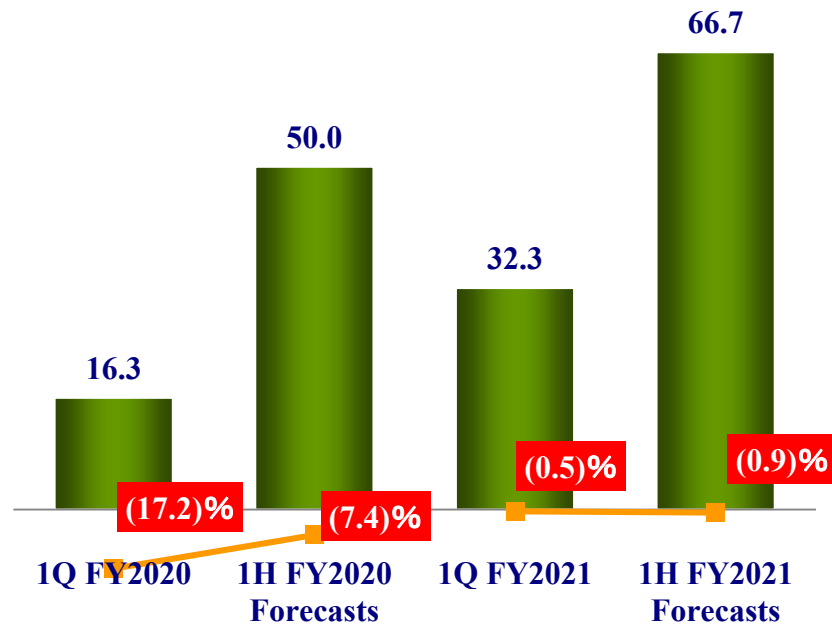
Automotive Products Business

- 1Q results showed an increase in both sales and profits compared to the same period last year due to the recovery from last year's significant decline in sales due to COVID-19.
- Sales are expected to increase in 2Q due to response to increased production by customers.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales

— Ratio of Operating Income to Net sales



Automotive Products

- Net sales in 1Q is 48% of 1H forecast. In 2Q, we expect a recovery from the semiconductor shortage.

Comments : Progress toward 1H forecast

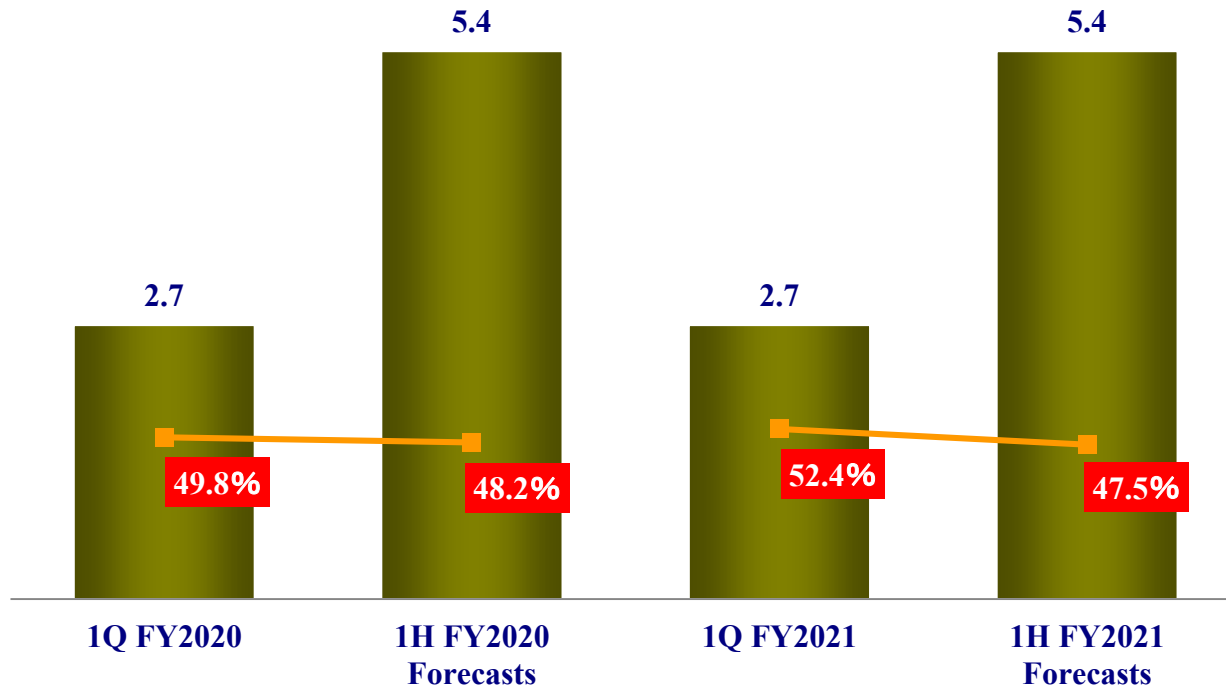
Real Estate Business

■ 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





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 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 (8.5)		
	1Q	2Q	3Q	4Q	1H	2H	Full Year		1Q	1H	Full Year
Power Systems	38.7	39.4	42.3	45.3	78.1	87.5	165.6	42.1	79.7	159.1	
Telecommunication Systems	31.8	37.3	36.1	35.1	69.1	71.2	140.3	40.9	81.2	154.5	
Power & Telecommunication Systems	70.5	76.7	78.3	80.4	147.2	158.7	305.9	83.1	160.9	313.7	
Electronics	FPC	22.2	33.0	33.1	26.3	55.2	59.4	114.6	23.5	48.7	87.9
	Connector	9.0	13.9	15.4	11.5	22.8	26.8	49.7	11.1	25.1	44.8
	Other	8.1	9.4	9.2	8.9	17.5	18.1	35.6	8.6	18.3	34.5
Electronics	39.3	56.2	57.7	46.7	95.5	104.4	199.9	43.3	92.0	167.2	
Automotive Products	16.3	33.7	37.4	34.6	50.0	72.0	121.9	32.3	66.7	136.8	
Electronics Automotive Connector	55.6	89.9	95.1	81.3	145.4	176.4	321.8	75.6	158.7	304.0	
Real Estate Business	2.7	2.7	2.8	2.7	5.4	5.5	10.9	2.7	5.4	10.9	
Other	1.2	1.4	1.3	1.4	2.5	2.6	5.2	1.3	2.9	6.5	
Total	129.9	170.6	177.5	165.8	300.5	343.2	643.7	162.7	328.0	635.0	

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	9.9	17.2
Electronics	(1.3)	3.1	2.7	0.3	1.8	3.1	4.9	2.1	4.7	6.3
	(2.8)	(0.9)	0.5	(0.5)	(3.7)	(0.0)	(3.7)	(0.2)	(0.6)	0.8
Electronics Automotive Connector	(4.1)	2.2	3.2	(0.2)	(1.9)	3.0	1.2	1.9	4.0	7.1
Real Estate Business	1.3	1.3	1.3	1.3	2.6	2.6	5.2	1.4	2.6	4.8
Other	(0.1)	0.0	0.0	0.0	(0.1)	0.0	(0.0)	(0.1)	(0.0)	0.4
Total	0.6	8.3	8.4	7.1	8.9	15.5	24.4	9.7	16.5	29.5

※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.