

July 28, 2017

To Whom It May Concern:

Company name: Fujikura Ltd.  
Representative: Masahiko Ito, President & CEO  
(Code No.: 5803, First Section of TSE)  
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### Third-party Allocation of Shares for Stock-based Compensation Plan

Fujikura Ltd. (the “Company”) hereby announces that its Board of Directors, at a meeting held on July 28, 2017, approved a third-party allocation of treasury stock to be reissued under the stock-based compensation plan as follows.

#### 1. Summary of share allocation

(1)	Third-party allocation deadline	August 15, 2017 (tentative)
(2)	Number of shares to be allocated	1,056,065 common shares (532,110 shares for the director stock distribution trust and 523,955 shares for the executive office stock distribution trust)
(3)	Allocation price	¥981 per share
(4)	Total amount	¥1,035,999,765 (¥521,999,910 shares for the director stock distribution trust and ¥513,999,855 shares for the executive office stock distribution trust)
(5)	Trustees	Sumitomo Mitsui Trust Bank, Limited (Trust account) (Japan Trustee Services Bank, Ltd., Re-trust trustee (Trust account))
(6)	Other	This share buyback is subject to securities registration requirements under the Financial Instruments and Exchange Law.

#### 2. Purpose of the share allocation

The Company’s Board of Directors, at a meeting held on July 28, 2017, finalized details of a stock-based compensation plan (the “Plan”), including management of a trust for the plan, for the Company’s Directors (limited to directors not serving as Audit and Supervisory Committee Members and excluding Outside Directors; hereinafter the same shall apply) and newly introduced for Executive Officers (hereinafter collectively referred to as “Directors”). This share allocation aims to place the allocated shares necessary for the Plan into a stock distribution trust.

The purpose of the Plan is to make the Directors share, not only in the benefits gleaned from higher share prices, but also to shoulder the risk triggered by downward trends in the share’s price. In addition, another goal is to heighten awareness among Directors regarding contribution to the improvement of corporate value. For details on the Plan, see the July 28, 2017 release titled “Finalized Details for the Stock-based Compensation Plan”. Note that the amount of shares to be allocated to the Trust is equivalent to the number of shares expected to be distributed to directors during the period of the Trust in accordance with the Stock Distribution Regulations. Further note that the share allocation will dilute the value of shareholders’ shares by 0.36%, based on the total number of shares outstanding as of March 31, 2017 (295,863,421 common shares) and dilute voting power by 0.37% based on the total number of voting rights as of the same date (2,852,077 voting rights). (Both figures

have been rounded to the second decimal place.)

### 3. Summary of the trust agreement

The shares to be repurchased will be held in trust, established for the purposes of the Plan. The trustee is Sumitomo Mitsui Trust Bank, Limited (Trust account) (Japan Trustee Services Bank, Ltd., Re-trust trustee (Trust account)).

Entrustor	Fujikura Ltd.
Trustee	Sumitomo Mitsui Trust Bank, Limited Note that Sumitomo Mitsui Trust Bank is scheduled to enter a comprehensive trust agreement with Japan Trustee Services Bank on August 15, 2017 (tentative), which will make Japan Trustee Services Bank the re-trust trustee.
Beneficiaries	Individuals among the Company's directors that satisfy beneficiary requirements
Type of trust party benefit trust)	Monetary trust other than an individually operated designated money trust (third-
Trust contract date	August 15, 2017 (tentative)
Trust period	August 15, 2017 (tentative) to final business day of August 2022 (tentative)
Purpose of trust	Shares shall be issued to beneficiaries in accordance with the Stock Distribution Regulations
Exercising voting rights	Voting rights with respect to the Company's shares in the Director distribution trust shall not be exercised. The trust administrator shall be responsible for exercising the voting rights with respect to the Company's shares that are held in the Executive Officer stock distribution trust.

### 4. Reasonableness of the allocation price

The allocation price for our shares is set at ¥981, the closing share price on the Tokyo Stock Exchange on July 27, 2017 (one business day before the Board of Directors meeting). We believe this reflects recent share momentum and avoids any arbitrary or subjective decision on price. The price disparity between the allocation price and the average closing share price of ¥970 (rounded down) for the most recent one-month period of June 28, 2017–July 27, 2017 is 1.13%. This price disparity with the average closing share price of ¥946 for the most recent three-month period of April 28, 2017–July 27, 2017 is 3.70%. Meanwhile, the price disparity with the average close share price of ¥874 (rounded down) for the most recent six-month period of January 30, 2017–July 27, 2017 is 12.24%. In light of the disparity with the recent average share price, we believe that the allocation price is reasonable (The figures for price disparity have been rounded to the second decimal point.)

Taking the above into account, we believe that the allocation price is not especially beneficial or favorable to the company.

In addition, the Audit and Supervisory Committee has also rendered its opinion on the matter and believes the allocation price is not especially beneficial or favorable to the company.

### 5. Matters related to procedures in accordance with the Code of Conduct

The third-party allocation of shares will (1) dilute the value of shares by less than 25% and (2) does not involve a change in controlling shareholders. In light of this, we are not required to seek the opinion of an independent third party or undergo procedures to confirm shareholder intent as stipulated under Article 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

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