

1Q FY2017 Financial Results



Fujikura Ltd.

July 28, 2017

Contents

- 1. Reviews of 1Q FY2017 Financial Results**
- 2. Reviews by Segment**

1. Reviews of 1Q FY2017 Financial Results

1Q FY2017 Financial Results

(Unit: Yen in billion)

	FY2016			FY2017		FY2017 (Forecasted on May 9)	
	1Q	1H	Full Year	1Q	1H Achievement Ratio	1H	Full Year
Net Sales	145.6	305.2	653.7	166.5	49%	340.0	700.0
Operating Income	5.6	13.8	34.2	7.0	44%	16.0	38.0
Ratio of Operating Income to Net Sales (%)	3.9	4.5	5.2	4.2		4.7	5.4
Share of other comprehensive income of entities accounted for using equity method	0.0	0.0	1.0	0.2		0.8	1.8
Ordinary Income (Loss)	4.5	11.9	32.5	7.5	48%	15.5	36.0
Net Income (Loss) Attributable to Owners of Parent	(0.1)	1.8	12.9	4.0	51%	8.0	20.0
Net Income per Share (JPY)	(0.38)	6.21	44.61	14.33		28.05	70.11
Dividend per Share (JPY)	—	5.00	10.00	—		7.00	14.00
ROE (%)	(0.2)	1.9	6.4※	7.7		—	9.0
Exchange Rate (JPY/USD)	108.07	105.21	108.36	111.10		110.0	110.0
CU Base ('000JPY/ton)	556	544	604	672		650	650

※Without past corporate income tax in Thailand (2.7 billion yen), ROE would be 7.8%.

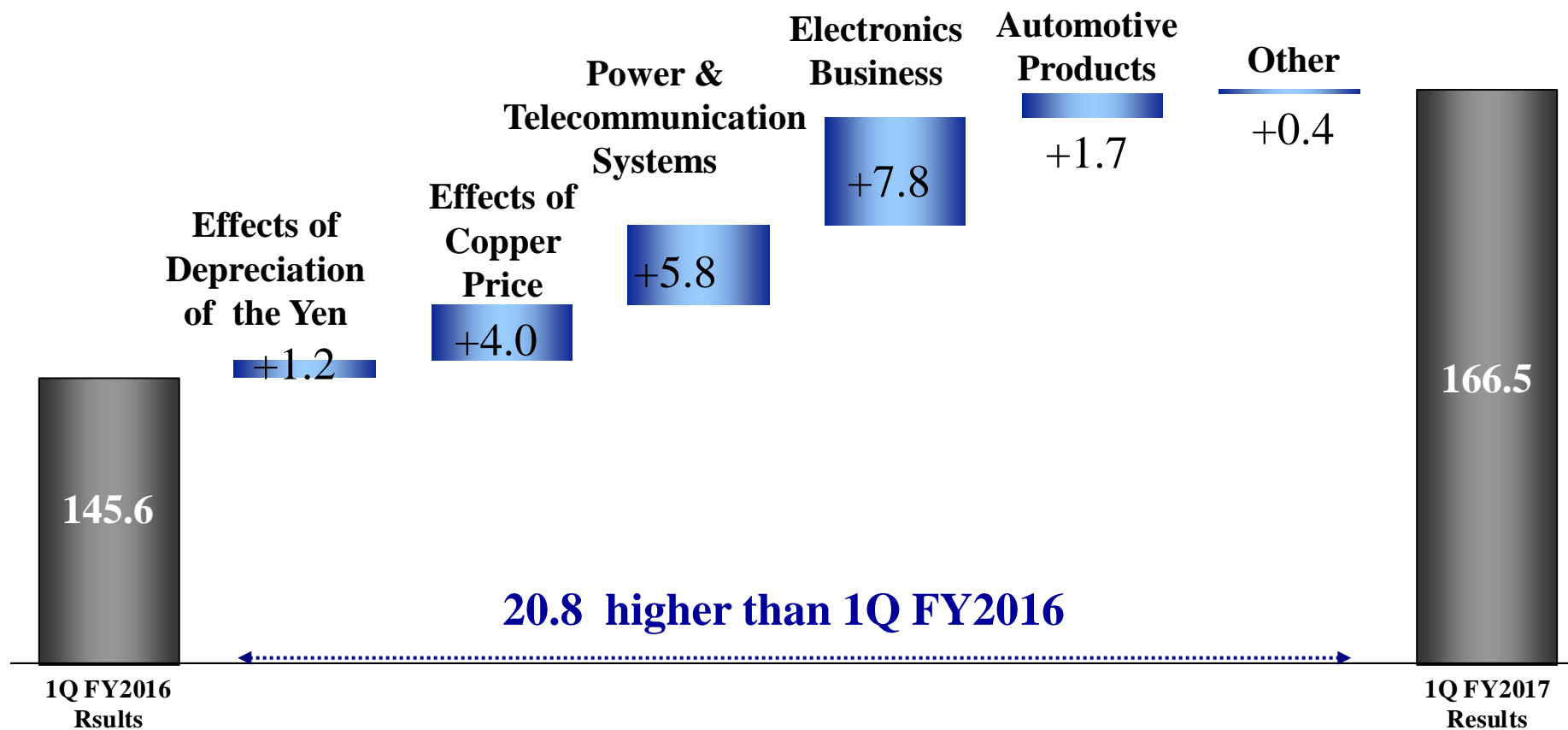
Summary of 1Q FY2017 Financial Results

- **Net sales increased on a YoY basis owing to the demand rise of each In-house Business Company and effects of appreciation of the copper price.**
- **Operating income increased on a YoY basis because of strong performance of Power & Telecommunication Systems Company and Electronics Business Company despite of the rise of costs in Automotive Products Company.**
- **Ordinary income increased on a YoY basis by the improvement of non-operating expenses (income) in addition to the increase of operating income.**
- **Net income attributable to owners of parent increased since there are no longer effect of the past corporate income tax etc. which was posted in the previous fiscal year as well as ordinary income has increased.**

1Q FY2017 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

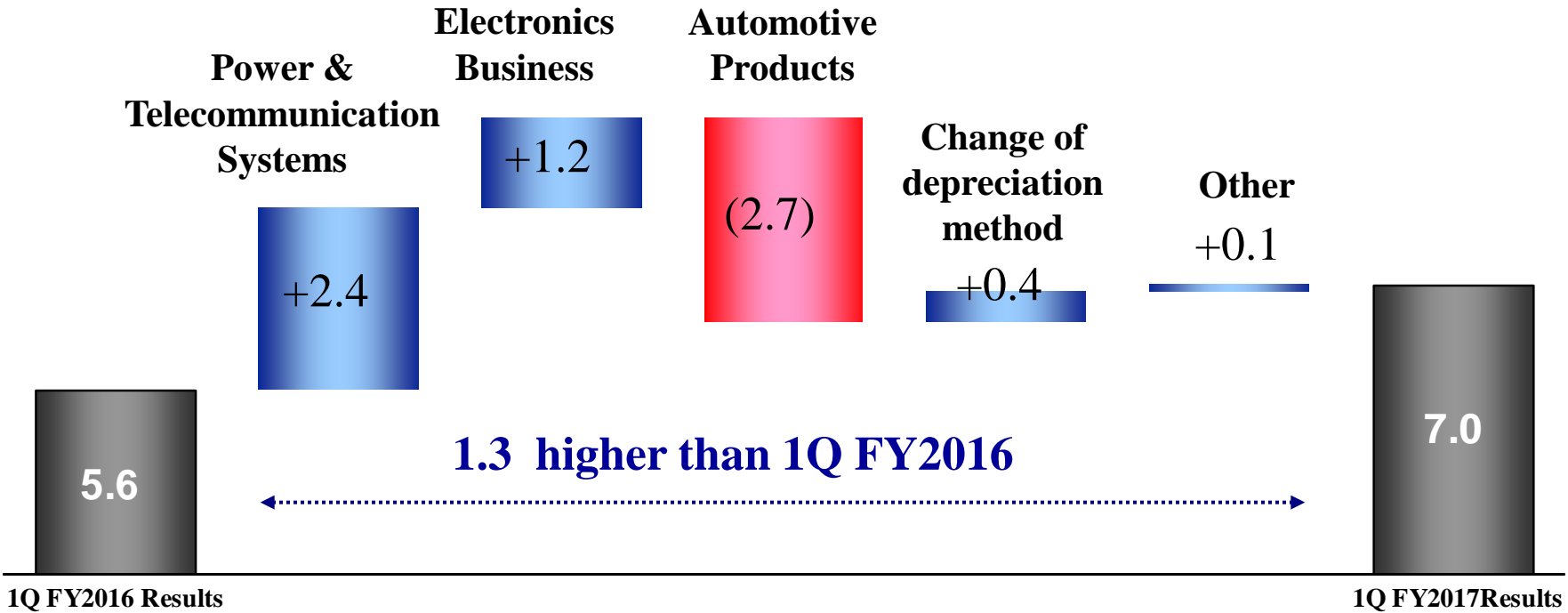
(Unit: Yen in billion)



1Q FY2017 Contributing Factors to Operating Income Change (year-on-year basis)

Operating Income

(Unit: Yen in billion)



1Q FY2017 Extraordinary Profit and Loss

Extraordinary Profit and Loss

(Unit: Yen in billion)

	1Q FY2016	1Q FY2017
Operating Income	5.6	7.0
Share of other comprehensive income of entities accounted for using equity method	0.0	0.2
Ordinary Income	4.5	7.5
Extraordinary Income	0.1	0.0
Extraordinary Loss	0.2	—
Income before Income Taxes and Minority Interests	4.4	7.6
Total Income Taxes	3.9	2.5
Net Income attributable to non-controlling interests	0.6	0.9
Net Income attributable to owners of parent	(0.1)	4.0

Posted cost of 2.7 billion yen of the past corporate income tax in Thai site.

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2017	As of June 30, 2017	Change
〈Assets〉	588.6	596.3	+7.7
Current Assets	296.5	298.2	+1.7
Cash and Deposits	31.7	28.4	(3.2)
Notes and Account Receivable	148.9	147.5	(1.3)
Inventories	92.5	101.4	+8.9
Fixed Assets	292.1	298.0	+5.9
Tangible Fixed Assets	195.2	199.8	+4.5
Intangible Fixed Assets	17.0	16.3	(0.7)
Sub Total	212.3	216.2	+3.8
Total Investments and Other Assets	79.7	81.8	+2.1

They Increased due to the seasonality in telecommunication related and electronics businesses.

Capital investment
9.9 billion yen
Depreciation cost
6.4 billion yen

Revaluation of marketable securities +2.4 billion yen

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2017	As of June 30, 2017	Change
Total	588.6	596.3	+7.7
(Treasury Stock)	((5.9))	((5.9))	((0.0))
〈Liability〉	364.0	365.5	+1.4
Notes and Account Payable	77.2	76.8	(0.4)
Interest-bearing Debt	225.9	228.6	+2.7
Other Current Liability	41.3	40.5	(0.8)
〈Net Cash〉	224.5	230.8	+6.2
Shareholder's Equity	196.0	198.6	+2.6
(Treasury Stock)	((5.9))	((5.9))	((0.0))
Accumulated Other Comprehensive Income	6.7	9.9	+3.1
Non-controlling Interests	21.8	22.2	+0.4

Other marketable securities valuation difference +1.8 billion yen

Increase of foreign currency translation adjustment +1.4 billion yen

2. Reviews by Segment

Financial Records and Forecasts by Segment

(Unit: Yen in billion)

Net Sales

Segment	1Q FY2016	1H FY2016	1Q FY2017	1H FY2017 Forecasts
Power & Telecommunication System Company	80.3	162.5	90.4	181.0
Electronics Business Company	27.7	71.8	36.0	80.4
Automotive Products Company	34.2	63.8	36.1	70.8
Real Estate Business Company	2.5	5.0	2.7	5.4
Other	0.9	2.0	1.1	2.2
Total	145.6	305.2	166.5	340.0

Operating Income & Ratio of Operating Income to Net Sales

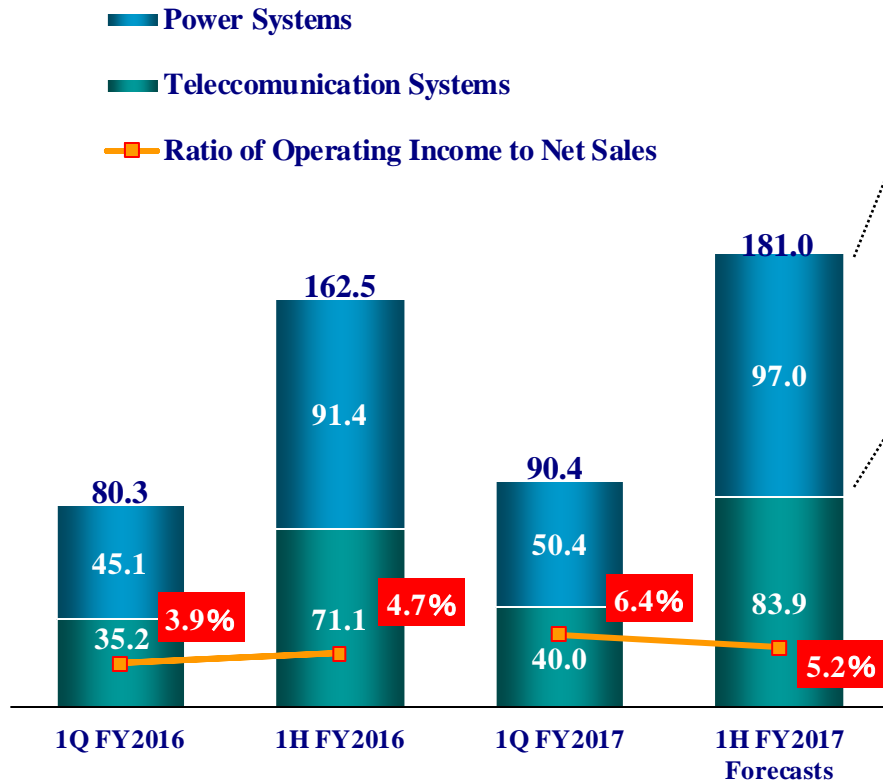
1Q FY2016	1H FY2016	1Q FY2017	1H FY2017 Forecasts
3.2	7.5	5.7	9.4
3.9%	4.7%	6.4%	5.2%
0.1	2.6	1.3	4.4
0.2%	3.6%	3.6%	5.5%
1.5	1.5	(1.2)	0.0
4.3%	2.4%	(3.5%)	0.0%
1.3	2.6	1.4	2.6
52.5%	52.1%	52.0%	49.0%
(0.3)	(0.5)	(0.2)	(0.4)
5.6	13.8	7.0	16.0
3.9%	4.5%	4.2%	4.7%

Power & Telecommunication Systems Company

- In 1Q, both net sales and operating income increased in power systems segment as well as telecommunication on a YoY basis.
- Achievement ratio of net sales in 1Q to 1H forecast is 50 %. That of operating income is 61 % owing to strong overseas businesses for infrastructure and data centers.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



Power Systems

- In 1Q, net sales increased because of the effects of appreciation of price of the copper.
- Net sales in 1Q is 52% of 1H forecast.

Telecommunication Systems

- In 1Q, net sales increased owing to strong demand for data centers and overseas FTTx.
- Net sales in 1Q is 48% of 1H forecast.

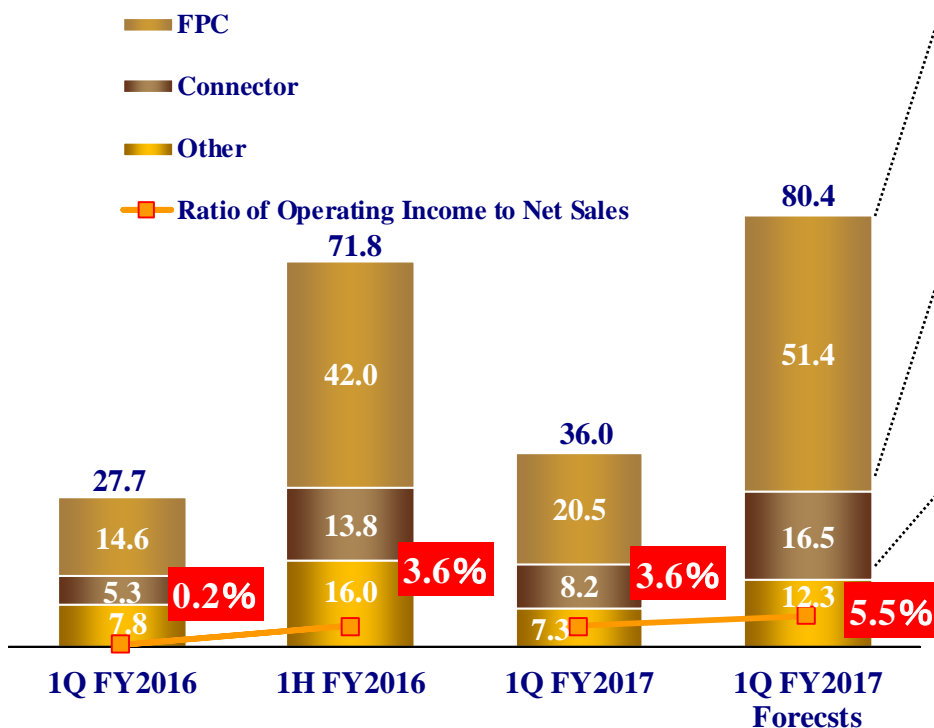
Comments Upper line : 1Q results and YoY basis
Bottom line: Progress toward 1H forecast

Electronics Business Company

- In 1Q, both net sales and operating income increased on a YoY basis owing to the strong demand for FPCs and connectors in smartphone application.
- Achievement ratio of net sales in 1Q to 1H forecast is 45 %, and that of operating income is 30 % due to seasonality.

(Unit : Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



FPC

- In 1Q, net sales increased owing to the strong demand for smartphones
- Net sales in 1Q is 40% of 1H forecast.

Connector

- In 1Q, net sales increased owing to the demand rise for smartphones and industrial equipment
- Net sales in 1Q is 50% of 1H forecast.

Other

- Results in In 1Q remained unchanged on a YoY basis.
- Net sales in 1Q is 59% of 1H forecast.

Comments Upper line : 1Q results and YoY basis
Bottom line: Progress toward 1H forecast

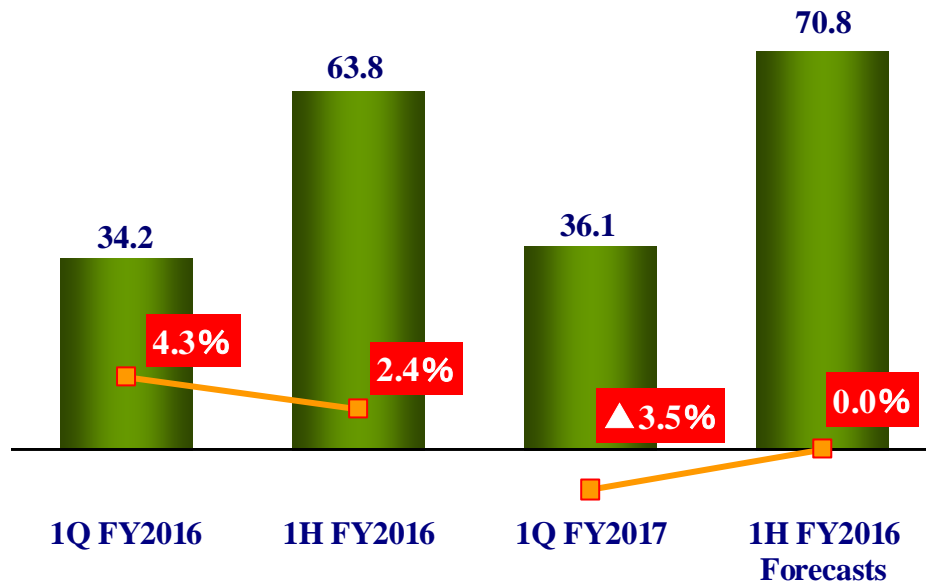
Automotive Products Company

- In 1Q, net sales increased on a YoY basis owing to new model opportunities. However, operating income decreased due to additional costs to respond to the unexpected high employee turnover rate in East European production sites.
- Achievement ratio of net sales in 1Q to 1H forecast is 51 %. It will be in line with the initial forecast in 2Q as well. It is difficult situation to turn operating income around, but we will take measures of productivity improvement and further cost reduction for the recovery of earning power.

(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 increased on a YoY basis owing to launching of new models.
- Achievement ratio of net sales in 1Q to 1H forecast is 51 %. Operating income turned negative due to the effects of additional costs to respond to the unexpected high employee turnover rate in East European production sites. We will take various measures for the recovery of earning power.

Comments Upper line : 1Q results and YoY basis
Bottom line: Progress toward 1H forecast

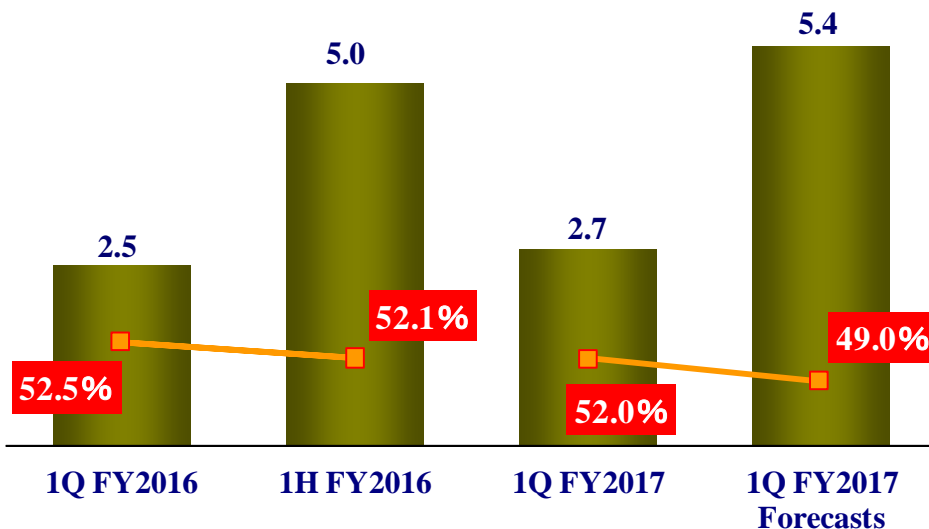
Real Estate Business Company

- 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 results and events (including statements regarding Fujikura's revenue and earnings guidance) are 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.

【Contact】 Investor Relation Group
TEL:+81 3 5606 1112
FAX:+81 3 5606 1539
E-mail: fjk_ir@fujikura.co.jp

【1Q FY2017 Financial Results Appendix】

Net Sales and Operating Income by Segment

Net Sales Records and Forecasts by Segment

Unit: Yen in Billion

		FY2016						FY2017	FY2017 Forecasts on May 9	
		1Q	2Q	3Q	4Q	1H	2H			Full Year
	Power Systems	45.1	46.3	50.2	54.4	91.4	104.6	196.0	50.4	97.0
	Telecommunication Systems	35.2	35.9	41.7	40.8	71.1	82.5	153.6	40.0	83.9
	Power & Telecommunication	80.3	82.2	91.9	95.2	162.5	187.1	349.6	90.4	181.0
	FPC	14.6	27.5	29.4	22.1	42.0	51.5	93.6	20.5	51.4
	Connector	5.3	8.5	10.2	8.5	13.8	18.7	32.6	8.2	16.5
	Other	7.8	8.1	7.7	6.8	16.0	14.5	30.5	7.3	12.3
	Electronics Business Company	27.7	44.2	47.3	37.6	71.8	84.9	156.7	36.0	80.4
	Automotive Products Company	34.2	29.6	33.5	35.8	63.8	69.2	133.1	36.1	70.8
	Real Estate Business Company	2.5	2.5	2.5	2.6	5.0	5.1	10.1	2.7	5.4
	Other	0.9	1.1	1.1	1.0	2.0	2.1	4.1	1.1	2.2
	Total	145.6	159.6	176.2	172.3	305.2	348.5	653.7	166.5	340.0

Operating Income Records and Forecasts by Segment

Power & Telecommunication	3.2	4.4	7.2	5.5	7.5	12.7	20.3	5.7	9.4
Electronics Business Company	0.1	2.5	2.9	2.0	2.6	4.9	7.5	1.3	4.4
Automotive Products Company	1.5	0.1	0.9	0.1	1.5	1.0	2.5	(1.2)	0.0
Real Estate Business Company	1.3	1.3	1.2	0.8	2.6	2.0	4.6	1.4	2.6
Other	(0.3)	(0.2)	(0.2)	(0.2)	(0.5)	(0.4)	(0.9)	(0.2)	(0.4)
Total	5.6	8.1	12.0	8.4	13.8	20.4	34.2	7.0	16.0

Fujikura Ltd.