

1st. Half FY2017 Financial Results



Fujikura Ltd.

October 27, 2017

Contents

- 1. Review of 1H FY2017 Financial Results and FY2017 Forecasts**
- 2. By Segment**
- 3. Shareholder Return**

1. Review of 1H FY2017 Financial Results and FY2017 Forecasts

1H FY2017 Financial Results and FY2017 Forecasts

(Unit: Yen in billion)

| | FY2016 | | | FY2017 | | | FY2017 (Released on May 9) | |
|---|--------|--------|--------|--------|-----------------|---------------------|-------------------------------|--------|
| | 1H | 2H | FY2016 | 1H | 2H Forecasts | FY2017 Forecasts | 1H | FY2017 |
| Net Sales | 305.2 | 348.5 | 653.7 | 359.7 | 370.2 | 730.0 | 340.0 | 700.0 |
| Operating Income | 13.8 | 20.4 | 34.2 | 17.5 | 20.4 | 38.0 | 16.0 | 38.0 |
| Ratio of Operating Income to Net Sales (%) | 4.5 | 5.9 | 5.2 | 4.9 | 5.5 | 5.2 | 4.7 | 5.4 |
| Share of other comprehensive income of entities accounted for using equity method | 0.0 | 1.0 | 1.0 | 0.6 | 0.8 | 1.4 | 0.8 | 1.8 |
| Ordinary Income (Loss) | 11.9 | 20.5 | 32.5 | 17.6 | 18.3 | 36.0 | 15.5 | 36.0 |
| Net Income (Loss) Attributable to Owners of Parent | 1.8 | 11.0 | 12.9 | 12.6 | 7.3 | 20.0 | 8.0 | 20.0 |
| Net Income per Share (JPY) | 6.21 | 38.40 | 44.61 | 44.36 | 25.75 | 70.11 | 28.05 | 70.11 |
| Dividend per Share (JPY) | 5.00 | 5.00 | 10.00 | 7.00 | 7.00 | 14.00 | 7.00 | 14.00 |
| ROE (%) | 1.9 | — | 6.4 | 10.0 | — | 9.3 | — | 9.0 |
| Exchange Rate (JPY/USD) | 105.21 | 111.52 | 108.36 | 111.06 | 110.00 | — | 110.00 | 110.00 |
| CU Base ('000JPY/ton) | 544 | 664 | 604 | 709 | 750 | — | 650 | 650 |

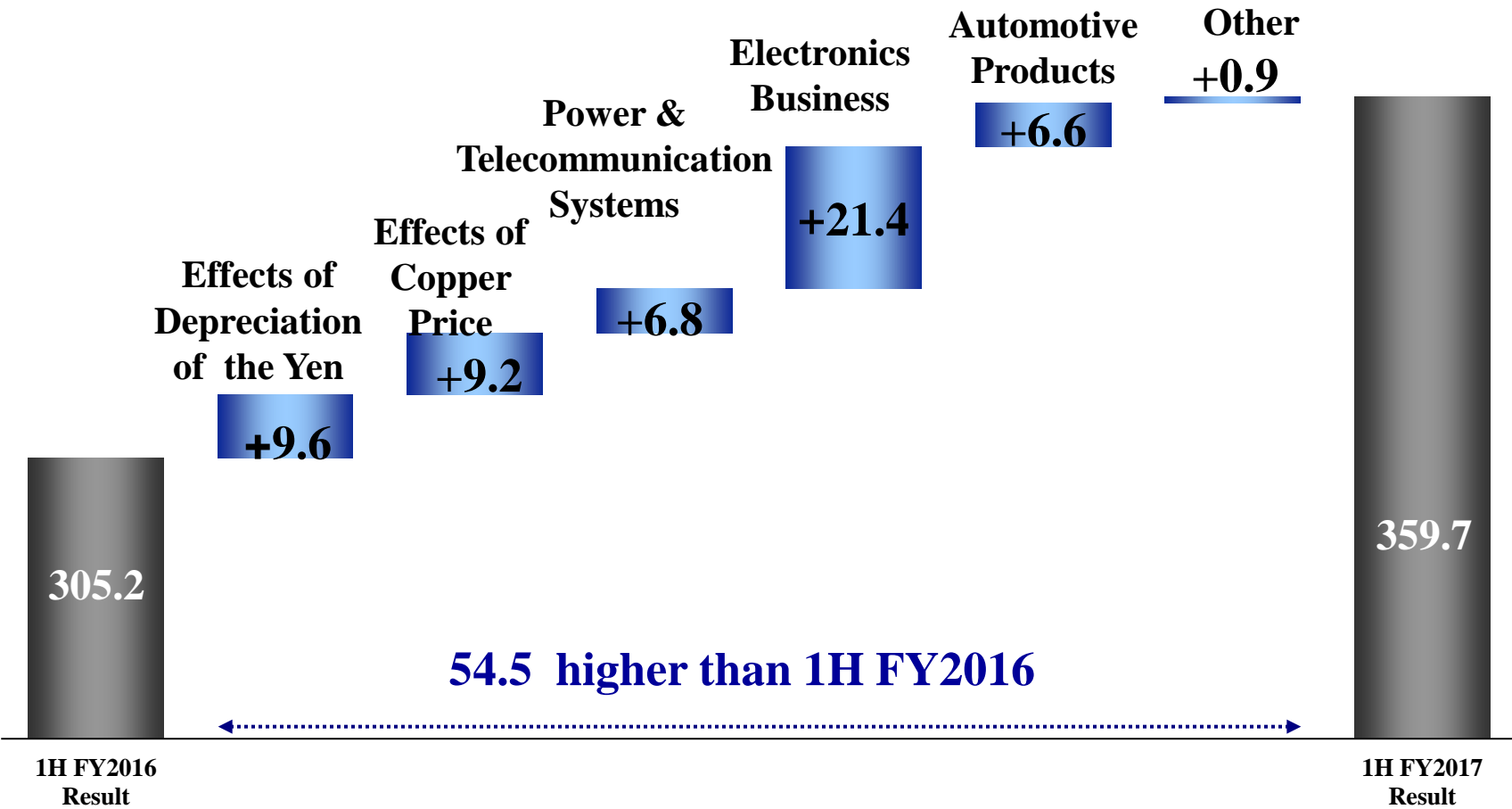
Review of 1H FY2017 Results and FY2017 Forecasts

- **Net sales increased on a YoY basis owing to the increase of demand in each in-house company and effects of fluctuations in foreign exchange rates and rise in 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 according to the increase of operating income.**
- **Net income attributable to owners of parent increased owing to the decrease of extraordinary loss and tax expenses in addition to the increase of ordinary income.**

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

Net Sales

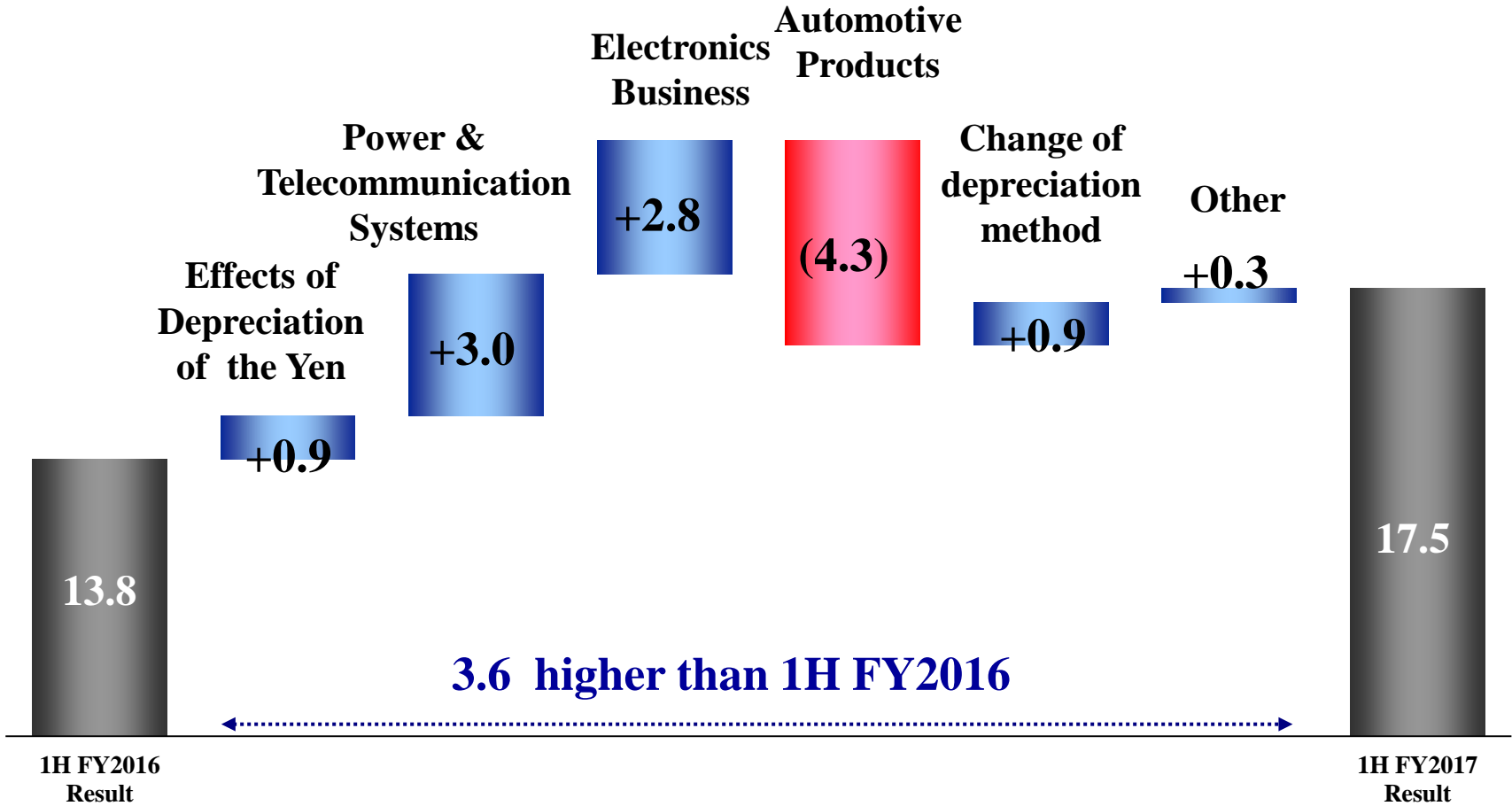
(Unit: Yen in billion)



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

Operating Income

(Unit : Yen in billion)



1H FY2017 Extraordinary Profit and Loss

Extraordinary Profit and Loss

(Unit: Yen in billion)

| | FY2016 | | | 1 H |
|---|-------------|-------------|-------------|-------------|
| | 1H | 2H | FY2016 | FY2017 |
| Operating Income | 13.8 | 20.4 | 34.2 | 17.5 |
| Share of other comprehensive income of entities accounted for using equity method | 0.0 | 1.0 | 1.0 | 0.6 |
| Ordinary Income | 11.9 | 20.5 | 32.5 | 17.6 |
| Extraordinary Income | 0.1 | 0.4 | 0.6 | 0.6 |
| Extraordinary Loss | 3.1 | 1.7 | 4.8 | 1.7 |
| Income before Income Taxes and Minority Interests | 9.0 | 19.2 | 28.3 | 16.4 |
| Total Income Taxes | 5.7 | 5.5 | 11.3 | 1.8 |
| Net Income attributable to non-controlling interests | 1.5 | 2.6 | 4.1 | 1.9 |
| Net Income attributable to owners of parent | 1.8 | 11.0 | 12.9 | 12.6 |

[1H FY2016]
Including 2.7 billion yen of the past corporate income tax in Thai site.

[1H FY2017]
Taxes decreased owing to the post of income taxes-deferred according to the reorganization in the group

Consolidated B/S (1)

(Unit: Yen in billion)

| | As of March 31, 2017 | As of Sept. 31, 2017 | Change |
|---|-------------------------|-------------------------|--------------|
| 〈Assets〉 | 588.6 | 645.7 | +57.0 |
| Current Assets | 296.5 | 338.2 | +41.7 |
| Cash and Deposits | 31.7 | 31.3 | (0.4) |
| Notes and Account Receivable | 148.9 | 169.4 | +20.5 |
| Inventories | 92.5 | 112.1 | +19.6 |
| Fixed Assets | 292.1 | 307.4 | +15.3 |
| Tangible Fixed Assets | 195.2 | 206.3 | +11.1 |
| Intangible Fixed Assets | 17.0 | 15.9 | (1.0) |
| Sub Total | 212.3 | 222.3 | +10.0 |
| Total Investments and Other Assets | 79.7 | 85.0 | +5.3 |

Increased due to the sales increase in Electronics Business Company

Capital investment
21.3 billion yen
(Including investment to production capacity of optical related products)
Depreciation cost
13.2 billion yen

Consolidated B/S (2)

(Unit: Yen in billion)

| | As of March 31, 2017 | As of Sept. 31, 2017 | Change |
|---|-------------------------|-------------------------|----------------|
| Total | 588.6 | 645.7 | +57.0 |
| (Treasury Stock) | ((5.9)) | ((6.3)) | ((0.4)) |
| 〈Liability〉 | 364.0 | 401.6 | +37.5 |
| Notes and Account Payable | 77.2 | 94.0 | +16.7 |
| Interest-bearing Debt | 225.9 | 241.0 | +15.0 |
| Other Current Liability | 41.3 | 47.0 | +5.7 |
| 〈Net Cash〉 | 224.5 | 244.0 | +19.5 |
| Shareholder's Equity | 196.0 | 206.7 | +10.7 |
| (Treasury Stock) | ((5.9)) | ((6.3)) | ((0.4)) |
| Accumulated Other Comprehensive Income | 6.7 | 13.8 | +7.1 |
| Non-controlling Interests | 21.8 | 23.4 | +1.5 |

Purchase increased according to the sales increase mainly in Electronics Business Company

Working capital and capital expenditure

2. By Segment

Financial Results and Forecasts by Segment

(Unit: Yen in billion)

Net Sales

| Segment | 1H FY2016 | 1H FY2017 | Change | 2H FY2017 Forecasts |
|--|--------------|--------------|-------------|------------------------|
| Power & Telecommunication System Company | 162.5 | 182.0 | 19.5 | 189.6 |
| Electronics Business Company | 71.8 | 96.4 | 24.6 | 96.6 |
| Automotive Products Company | 63.8 | 73.3 | 9.5 | 76.1 |
| Real Estate Business Company | 5.0 | 5.5 | 0.4 | 5.4 |
| Other | 2.0 | 2.2 | 0.2 | 2.3 |
| Total | 305.2 | 359.7 | 54.5 | 370.2 |

Operating Income & Ratio of Operating Income to Net Sales

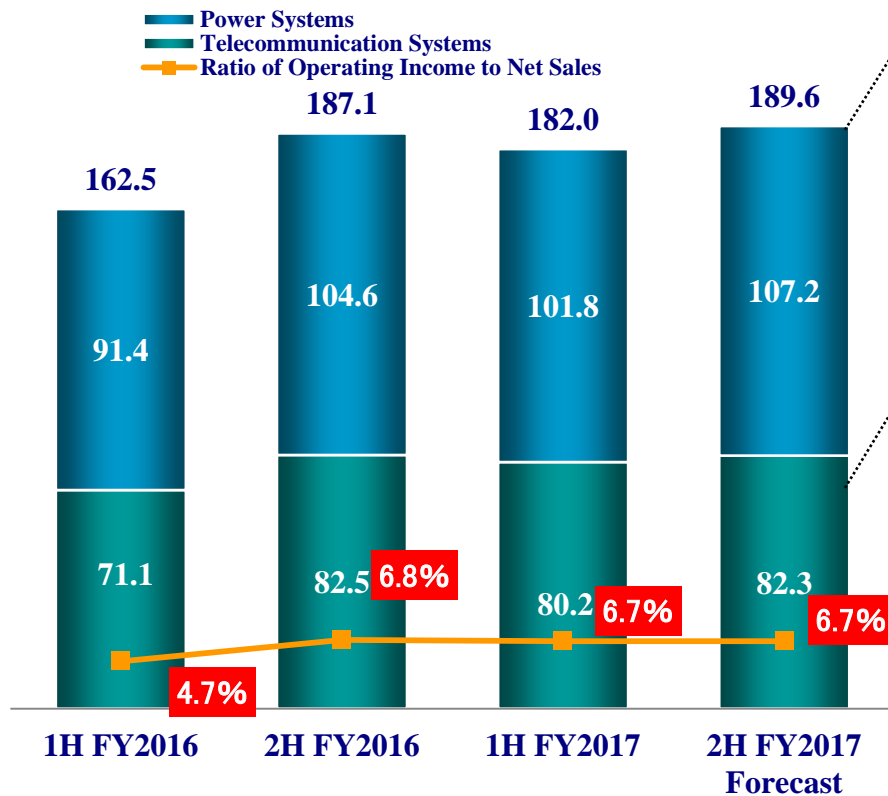
| Segment | 1H FY2016 | 1H FY2017 | Change | 2H FY2017 Forecasts |
|--|----------------------|----------------------|---------------------|------------------------|
| Power & Telecommunication System Company | 7.5 4.7% | 12.1 6.7% | 4.6 2.0% | 12.6 6.7% |
| Electronics Business Company | 2.6 3.6% | 5.8 6.1% | 3.2 2.5% | 5.5 5.7% |
| Automotive Products Company | 1.5 2.4% | (2.8) (3.9%) | (4.4) (6.4%) | 0.0 0.1% |
| Real Estate Business Company | 2.6 52.1% | 2.8 51.2% | 0.2 (1.0%) | 2.6 49.1% |
| Other | (0.5) | (0.4) | 0.0 | (0.4) |
| Total | 13.8 4.5% | 17.5 4.9% | 3.6 0.3% | 20.4 5.5% |

Power & Telecommunication Systems Company

- In 1H FY2017, both net sales and operating income increased in both power systems and telecommunication segment.
- For 2H 2017, performance of both power systems and telecommunication systems segments is expect to remain unchanged from 1H FY2017.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



Power Systems

- In 1H FY2017, net sales increased owing to rise of copper price.
- For 2H, net sales is projected to increase because of seasonal factors of domestic sales for construction.

Telecommunication Systems

- In 1H FY2017, net sales increased owing to strong demand for data centers and overseas FTTx.
- For 2H, performance is forecasted to remain unchanged from 1H FY2017.

Comments Upper paragraph: 1H results and YoY basis

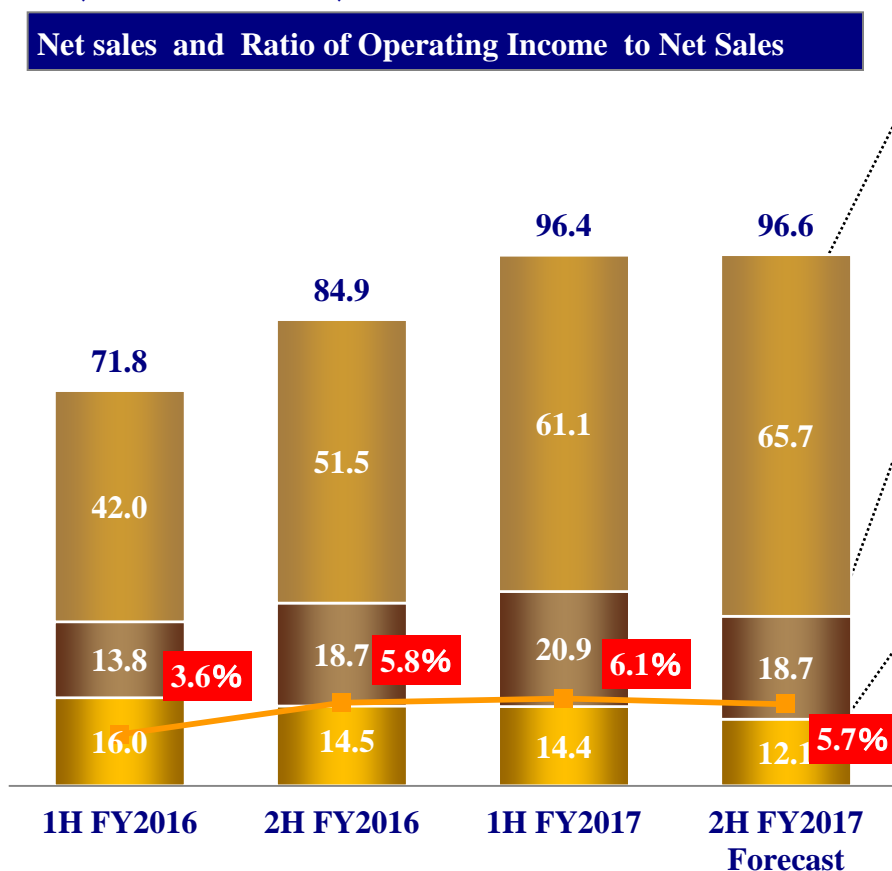
Bottom paragraph: 2H forecast and Comparison with 1H results

Electronics Business Company

- In 1H FY2017, both net sales and operating income increased on a YoY basis owing to the strong demand for FPCs and connectors in smartphone application.
- For 2H FY2017, net sales of FPC is projected to increase owing to the firm demand in smartphone application. That of connector is expected to decrease due to seasonality.

(Unit: Yen in billion)

Net sales and Ratio of Operating Income to Net Sales



FPC

- In 1H FY2017, net sales increased owing to the increase of demand mainly in smartphone application.
- For 2H, net sales is expected to increase because of the firm demand.

Connector

- In 1H FY2017, net sales increased owing to the increase of demand mainly in smartphone application.
- For 2H, net sales is forecasted to decrease due to seasonality.

Other

- In 1H FY2017, net sales decreased due to the effect of product mix.
- For 2H, net sales is expected to decrease due to seasonality of some products.

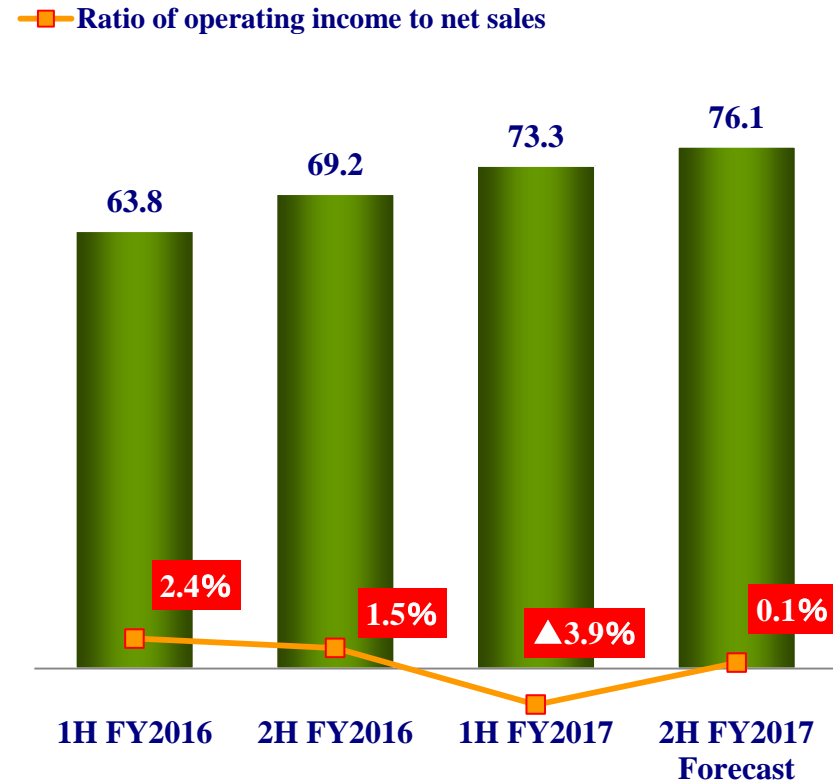
Comments Upper paragraph: 1H results and YoY basis
 Bottom paragraph: 2H forecast and Comparison with 1H results

Automotive Products Company

- In 1H FY2017, net sales increased on a YoY basis owing to launching of new model. However, operating income decreased due to additional costs to respond to the extraordinary turnover rate in East European production sites.
- For 2H FY2017, net sales is projected to increase owing to the launching new models. We are taking 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



Automotive Products

- In 1H FY2017, net sales increased on a YoY basis owing to launching of new models.
- In 2H, we are taking measures for the recovery of earning power.

Comments Upper paragraph: 1H results and YoY basis
Bottom paragraph: 2H forecast and Comparison with 1H results

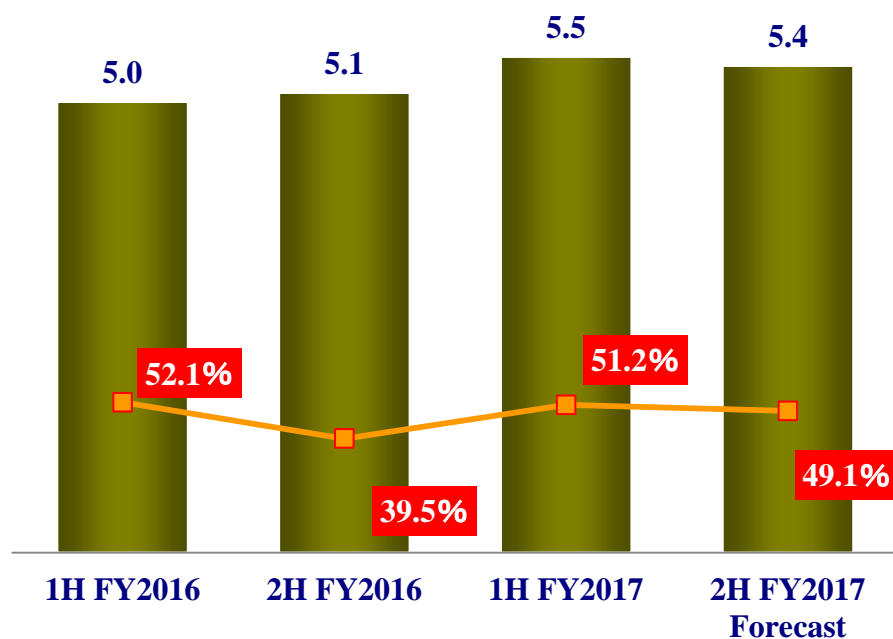
Real Estate Business Company

- 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 Business

- Stable revenues from leasing properties are continuously expected

CAPEX and Depreciation Cost

(Unit: Yen in billion)

| | FY2016 | | 1H FY2017 | FY2017 Forecasts (May 9) |
|------------------------------|-------------|-------------|--------------|--------------------------------|
| | 1H | FY2016 | | |
| CAPEX | 20.5 | 45.6 | 21.3 | 48.0 |
| (for manufacturing business) | 20.2 | 37.0 | 20.6 | 46.0 |
| (for real estate business) | 0.2 | 8.5 | 0.6 | 2.0 |
| Depreciation Cost | 12.4 | 27.5 | 13.2 | 28.5 |
| (for manufacturing business) | 11.6 | 25.7 | 12.2 | 26.5 |
| (for real estate business) | 0.8 | 1.8 | 0.9 | 2.0 |

Note: The above figures include leasing costs.

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

(Unit: Yen in billion)

| | FY2016 | | | FY2017 |
|----------------------------------|--------|-------|--------|--------|
| | 1H | 2H | FY2016 | 1H |
| Interest-bearing Debts | 229.7 | 225.9 | 225.9 | 241.0 |
| Net Financial Profit/Loss | (0.6) | (0.6) | (1.2) | (0.2) |
| Free Cash Flow | (18.5) | 4.2 | (14.3) | (11.4) |

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

3. Shareholder Return

Profit Return

■ Basic Policy of FY2020 Mid-term

Dividend payout ratio 20% or higher

■FY2017 Forecasts

◆Dividends 14.0 yen per share

(Interim 7.0 yen per share, Year-end 7.0 yen per share, 4.0 billion yen)

FY2016 Result 10.0 yen per share

(Interim 5.0 yen per share, Year-end 5.0 yen per share)

(4.0 yen of increase compared with FY2016)

Dividend Payout Ratio in FY2017 20.0%



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

【 1H 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 Forecast on May 9 |
|---------------------------------|--------|-------|-------|-------|-------|-------|--------------|------------|------------|------------|-----------------|------------------------|--------------------------------|
| | 1Q | 2Q | 3Q | 4Q | 1H | 2H | Full Year | 1Q Results | 2Q Results | 1H Results | 2H Forecasts | Full Year Forecasts | 1H Forecasts |
| Power Systems | 45.1 | 46.3 | 50.2 | 54.4 | 91.4 | 104.6 | 196.0 | 50.4 | 51.3 | 101.8 | 107.2 | 209.0 | 97.0 |
| Telecommunication Systems | 35.2 | 35.9 | 41.7 | 40.8 | 71.1 | 82.5 | 153.6 | 40.0 | 40.1 | 80.2 | 82.3 | 162.6 | 83.9 |
| Power & Telecommunication | 80.3 | 82.2 | 91.9 | 95.2 | 162.5 | 187.1 | 349.6 | 90.4 | 91.5 | 182.0 | 189.6 | 371.7 | 181.0 |
| FPC | 14.6 | 27.5 | 29.4 | 22.1 | 42.0 | 51.5 | 93.6 | 20.5 | 40.6 | 61.1 | 65.7 | 126.8 | 51.4 |
| Connector | 5.3 | 8.5 | 10.2 | 8.5 | 13.8 | 18.7 | 32.6 | 8.2 | 12.7 | 20.9 | 18.7 | 39.6 | 16.5 |
| Other | 7.8 | 8.1 | 7.7 | 6.8 | 16.0 | 14.5 | 30.5 | 7.3 | 7.1 | 14.4 | 12.1 | 26.6 | 12.3 |
| Electronics Business Company | 27.7 | 44.2 | 47.3 | 37.6 | 71.8 | 84.9 | 156.7 | 36.0 | 60.4 | 96.4 | 96.6 | 193.1 | 80.4 |
| Automotive Products Company | 34.2 | 29.6 | 33.5 | 35.8 | 63.8 | 69.2 | 133.1 | 36.1 | 37.2 | 73.3 | 76.1 | 149.5 | 70.8 |
| Real Estate Business Company | 2.5 | 2.5 | 2.5 | 2.6 | 5.0 | 5.1 | 10.1 | 2.7 | 2.7 | 5.5 | 5.4 | 10.9 | 5.4 |
| Other | 0.9 | 1.1 | 1.1 | 1.0 | 2.0 | 2.1 | 4.1 | 1.1 | 1.1 | 2.2 | 2.3 | 4.6 | 2.2 |
| Total | 145.6 | 159.6 | 176.2 | 172.3 | 305.2 | 348.5 | 653.7 | 166.5 | 193.2 | 359.7 | 370.2 | 730.0 | 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 | 6.4 | 12.1 | 12.6 | 24.8 | 9.4 |
| Electronics Business Company | 0.1 | 2.5 | 2.9 | 2.0 | 2.6 | 4.9 | 7.5 | 1.3 | 4.5 | 5.8 | 5.5 | 11.3 | 4.4 |
| Automotive Products Company | 1.5 | 0.1 | 0.9 | 0.1 | 1.5 | 1.0 | 2.5 | (1.2) | (1.6) | (2.8) | 0.0 | (2.8) | 0.0 |
| Real Estate Business Company | 1.3 | 1.3 | 1.2 | 0.8 | 2.6 | 2.0 | 4.6 | 1.4 | 1.3 | 2.8 | 2.6 | 5.4 | 2.6 |
| Other | (0.3) | (0.2) | (0.2) | (0.2) | (0.5) | (0.4) | (0.9) | (0.2) | (0.2) | (0.4) | (0.4) | (0.9) | (0.4) |
| Total | 5.6 | 8.1 | 12.0 | 8.4 | 13.8 | 20.4 | 34.2 | 7.0 | 10.5 | 17.5 | 20.4 | 38.0 | 16.0 |

Fujikura Ltd.