

1Q FY2018 Financial Results



July 31, 2018

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1. Review of 1Q FY2018 Financial Results

1Q FY2018 Financial Results

(Unit : Yen in billion)

	FY2017			FY2018		FY2018 (Forecast on May 11)	
	1Q	1H	Full Year	1Q	1H Achievement Ratio	1H	Full Year
Net Sales	166.5	359.7	740.0	177.6	49%	360.0	750.0
Operating Income	7.0	17.5	34.3	7.5	45%	17.0	39.0
Ratio of Operating Income to Net Sales(%)	4.2	4.9	4.6	4.3		4.7	5.2
Share of other comprehensive income of entities accounted for using equity method	0.2	0.6	1.5	0.4		1.0	2.0
Ordinary Income (Loss)	7.5	17.6	34.1	5.1	32%	16.0	37.0
Net Income (Loss) Attributable to Owners of Parent	4.0	12.6	18.3	0.9	10%	10.0	23.0
Net Income per Share (JPY)	14.33	44.36	64.36	3.39		35.06	80.63
Dividend per Share (JPY)	—	7.00	14.00	—		8.00	16.00
ROE (%)	7.7	10.0	8.7	1.8		—	10.1
Exchange Rate (JPY/USD)	111.10	111.06	110.86	109.11		105.00	105.00
CU Base ('000JPY/ton)	672	709	757	795		780	780

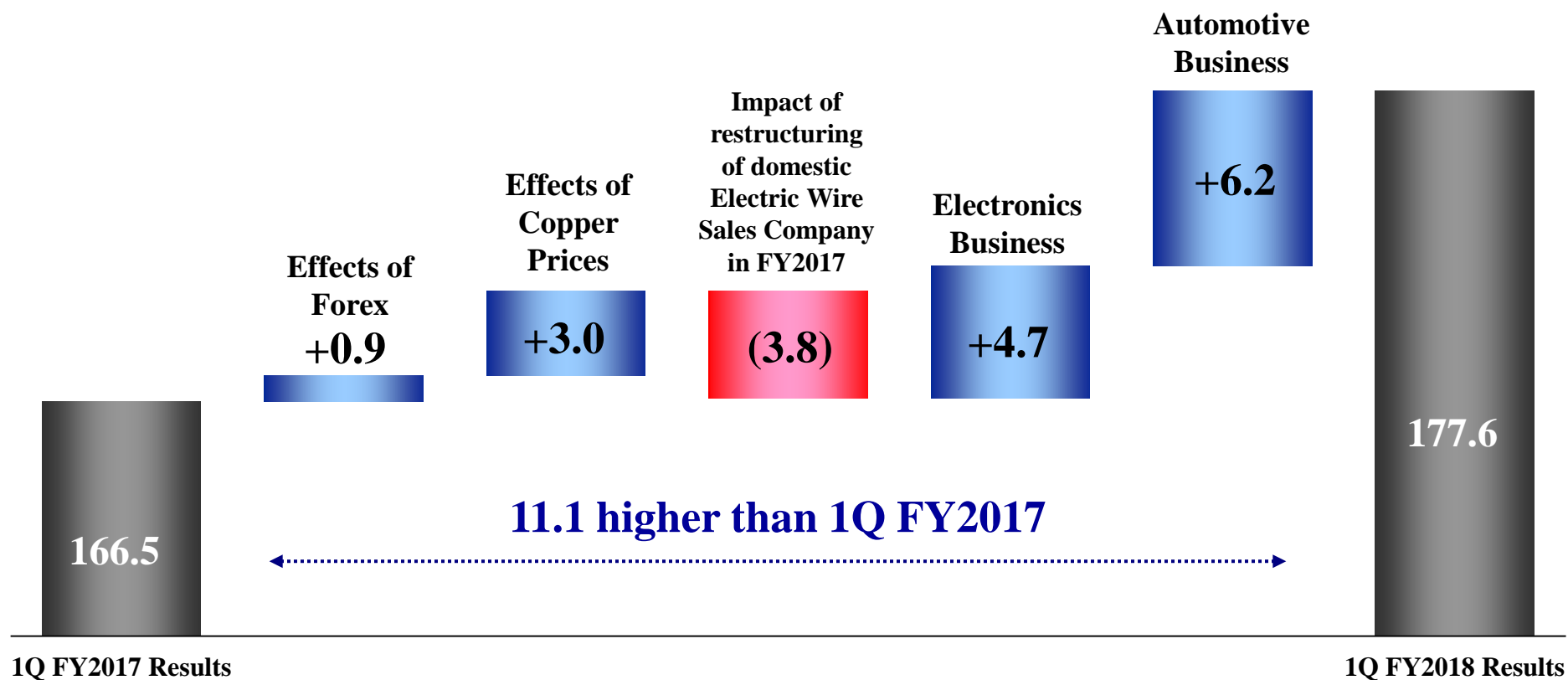
Review of 1Q FY2018 Results

- **Net sales increased on a YoY basis owing to the demand rise of the electronics and automotive businesses.**
- **Operating income increased on a YoY owing to a decline in expenses associated with the increased turnover rate in Eastern Europe manufacturing operation in the automotive businesses booked mainly in 1Q FY2017.**
- **Ordinary income decreased on a YoY basis owing to foreign exchange revaluation losses by the depreciation of the yen to US\$ borrowings which were introduced for risk hedge in response to increasing the foreign exchange sensitivity of increasing orders received in US\$. The revaluation losses after the second quarter will be offset by an increase in operating income due to the depreciation of the yen and will secure profits from the planned exchange rate at the ordinary income level for the full year.**
- **Net income attributable to owners of parent decreased due to the extraordinary losses related to the South American EPC business in addition to the decline in ordinary income.**

1Q FY2018 Contributing Factors to Net Sales Change (year-on-year basis)

Net Sales

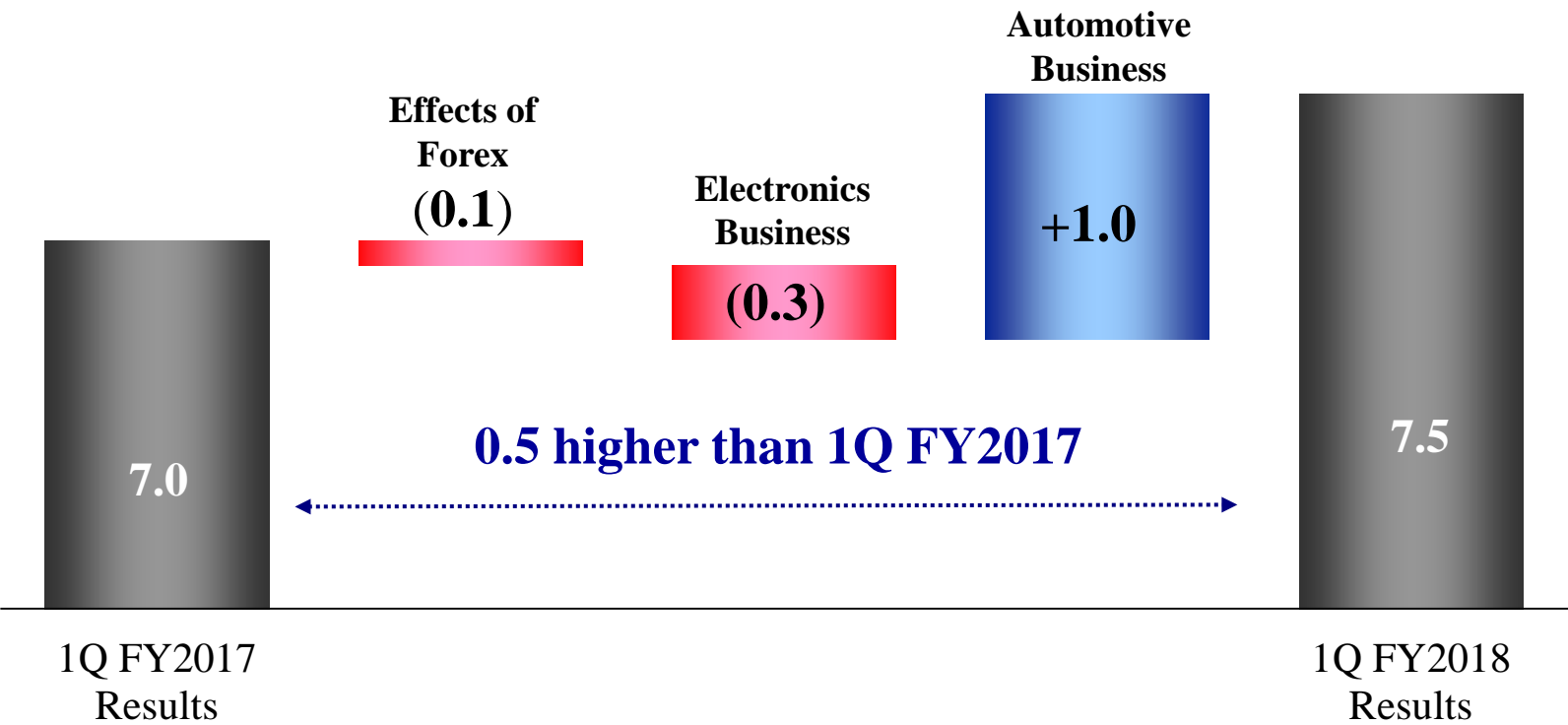
(Unit : Yen in billion)



1Q FY2018 Contributing Factors to Operating Income Change (year-on-year basis)

Operating Income

(Unit : Yen in billion)



1Q FY2018 Extraordinary Profit and Loss

(Unit: Yen in billion)

	1Q FY2017	1Q FY2018
Operating Income	7.0	7.5
Share of other comprehensive income of entities accounted for using equity method	0.2	0.4
Ordinary Income	7.5	5.1
Extraordinary Income	0.0	0.6
Extraordinary Loss	—	2.7
Income before Income Taxes and Minority Interests	7.6	3.0
Total Income Taxes	2.5	1.6
Net Income attributable to non-controlling interests	0.9	0.4
Net Income attributable to owners of parent	4.0	0.9

Including the losses due to the slump of South American EPC business

Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2018	As of June 30, 2018	Change
〈Assets〉	638.0	645.6	+7.5
Current Assets	324.1	326.4	+2.2
Cash and Deposits	34.2	31.8	(2.3)
Notes and Account Receivable	151.2	156.5	+5.3
Inventory	113.8	117.8	+3.9
Fixed Assets	313.8	319.1	+5.3
Tangible Fixed Assets	211.2	218.3	+7.0
Intangible Fixed Assets	14.0	13.7	(0.3)
Sub Total	225.3	232.0	+6.7
Investments and Other Assets	88.4	87.1	(1.3)

Increase due to the seasonality
in electronics business.

Capital investment
15.7 billion yen
(Mainly investment of Electronics and
Telecommunication)
Depreciation cost
7.3 billion yen

Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2018	As of June 30, 2018	Change
Total	638.0	645.6	+7.5
(Treasury Stock)	((6.3))	((6.3))	((0.0))
〈Liability〉	396.0	405.3	+9.2
Notes and Account Payable	77.1	76.7	(0.4)
Interest-bearing Debt	239.3	250.9	+11.5
Other Current Liability	55.6	51.9	(3.6)
〈Net Equity〉	241.9	240.3	(1.6)
Shareholder's Equity	210.4	209.4	(1.0)
(Treasury Stock)	((6.3))	((6.3))	((0.0))
Accumulated Other Comprehensive Income	8.8	8.2	(0.6)
Non-controlling Interests	22.6	22.6	(0.0)

Increase of working capital and capital expenditure

2. By Segment

Financial Results and Forecast by Segment

(Unit: Yen in billion)

Net Sales					Operating Income and Ratio of Operating Income to Net Sales			
Segment	1Q FY2017 Results	1H FY2017 Results	1Q FY2018	1H FY2018 Forecast	1Q FY2017 Results	1H FY2017 Results	1Q FY2018	1H FY2018 Forecast
Power & Telecommunication Systems Company	90.3	181.4	89.6	176.3	5.7 6.4%	12.1 6.7%	5.4 6.1%	9.7 5.5%
Electronics Business Company	36.0	96.4	40.6	98.3	1.3 3.6%	5.8 6.1%	0.9 2.3%	6.6 6.7%
Automotive Products Company	36.1	73.3	43.3	77.9	(1.2) (3.5%)	(2.8) (3.9%)	(0.2) (0.6%)	(1.3) (1.7%)
Real Estate Business Company	2.7	5.5	2.7	5.3	1.4 52.0%	2.8 51.2%	1.3 47.4%	2.4 45.8%
Other	1.2	2.9	1.2	2.0	(0.2)	(0.4)	0.0	(0.4)
Total	166.5	359.7	177.6	360.0	7.0 4.2%	17.5 4.9%	7.5 4.3%	17.0 4.7%

※Figures shown above for FY2017 have been restated along with the review of the management structure of certain businesses.

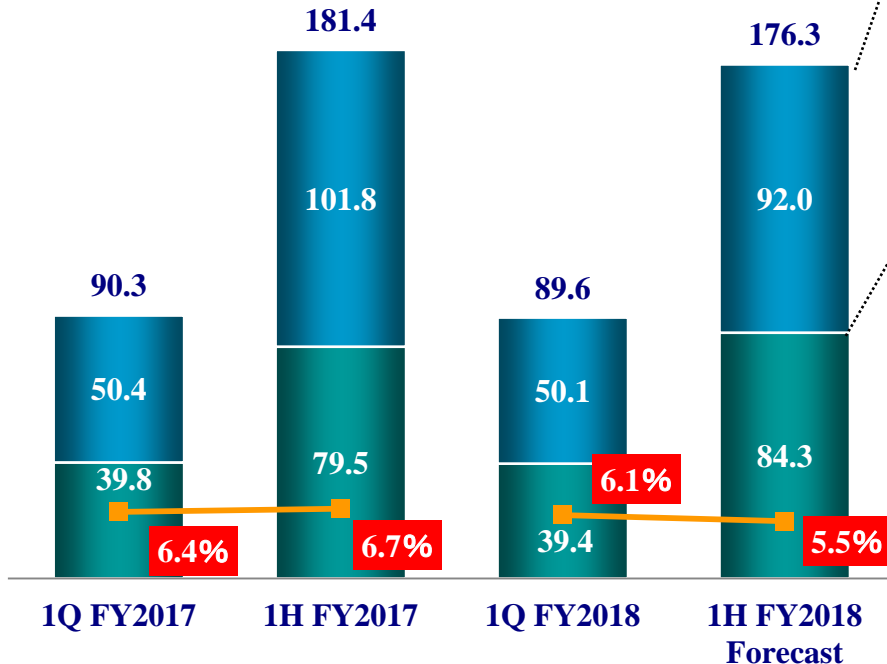
Power & Telecommunication Systems Company

- In 1Q, both net sales and operating income remained unchanged on a YoY basis.
- Achievement ratio of net sales in 1Q is 51% with respect to 1H forecast. That of operating income is 56% owing to improvement of product mix and reduction of cost.

(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

- Result in 1Q remained unchanged on a YoY basis.
- Net sales in 1Q is 54% of 1H forecast.

Telecommunication Systems

- Result in 1Q remained unchanged on a YoY basis owing to strong demand for overseas FTTx in spite of a slowdown in demand for data centers.
- 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

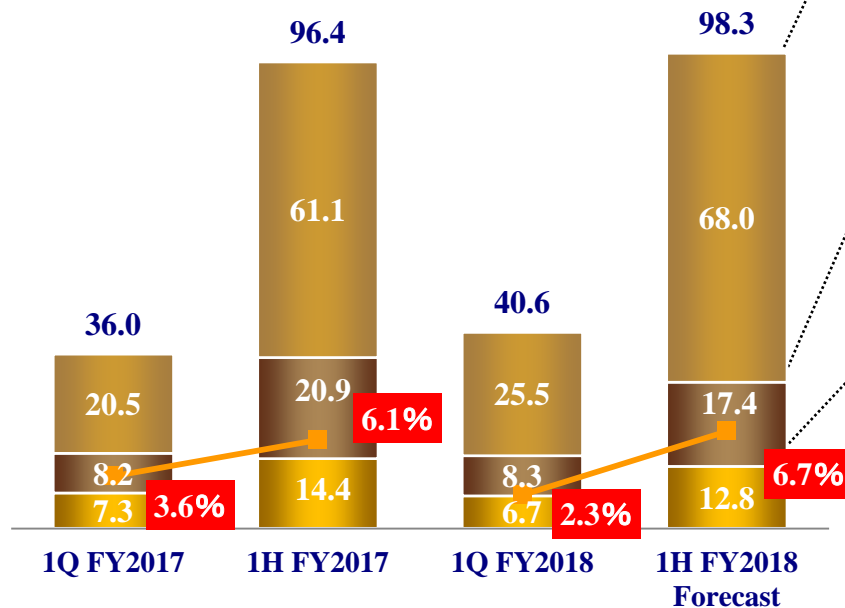
Electronics Business Company

- In 1Q, net sales increased on a YoY basis mainly owing to sales growth of FPCs in smartphone application.
- Achievement ratio of net sales in 1Q is 41% with respect to 1H forecast and that of operating income is 14% due to the seasonality.

(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 increased owing to the strong demand for smartphones.
- Net sales in 1Q is 38% of 1H forecast due to the seasonality.

Connector

- Result in 1Q remained unchanged on a YoY basis.
- Net sales in 1Q is 48% of 1H forecast.

Other

- In 1Q, net sales decreased due to the product mix.
- Net sales in 1Q is 52% of 1H forecast.

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

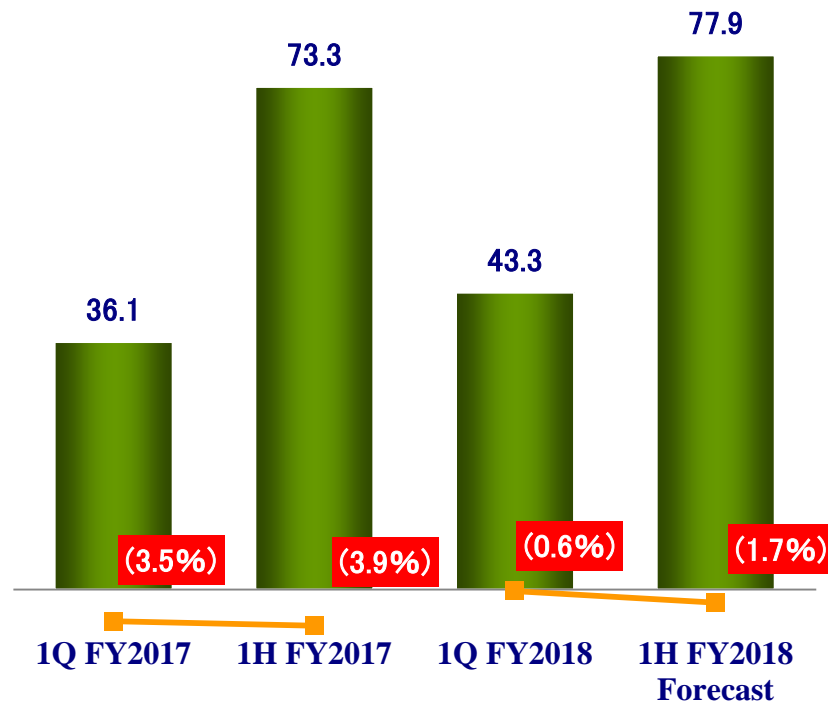
Automotive Products Company

- In 1Q, net sales increased on a YoY basis owing to the launch of a new model. Red figure of operating income reduced owing to a decline in expenses associated with the increased turnover rate in Eastern Europe manufacturing operation booked mainly in 1Q FY2017
- Achievement ratio of net sales in 1Q is 56% with respect to 1H forecast. We will continue to work on improvement of productivity in Eastern European operations.

(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 the launch of a new model.
- Net sales in 1Q is 56% of 1H forecast. In 2Q, both sales and operating income are expected to decrease due to summer shutdown in South American and European manufacturing bases.

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

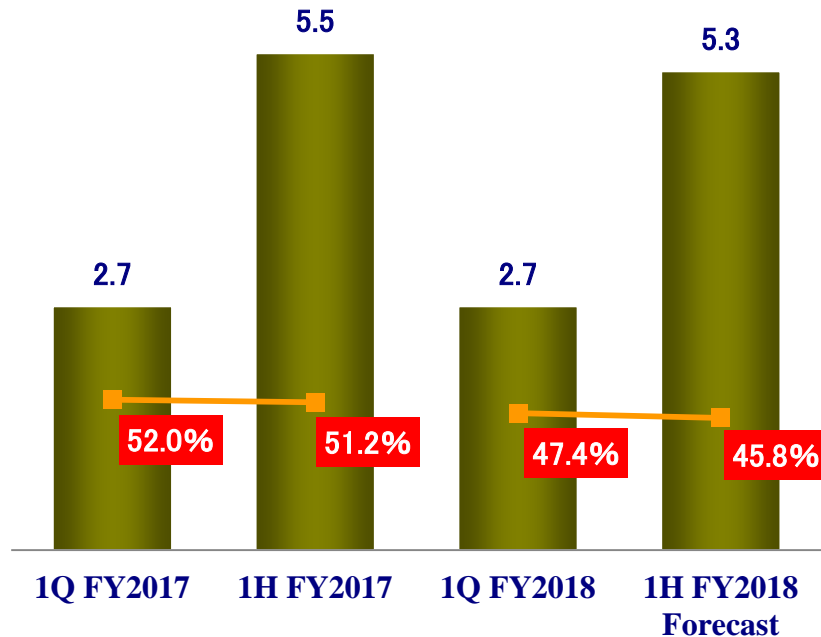
Real Estate Business Company

■ 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 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 FY2018 Financial Results Appendix】

Net Sales and Operating Income by Segment

Net Sales Records and Forecast by Segment

Unit: Yen in Billion

		FY2017						FY2018	FY2018 Forecast on May 11	
		1Q	2Q	3Q	4Q	1H	2H			Full Year
	Power Systems	50.4	51.3	58.7	52.2	101.8	111.0	212.8	50.1	92.0
	Telecommunication Systems	39.8	39.7	40.1	37.5	79.5	77.6	157.2	39.4	84.3
Power & Telecommunication Systems Company		90.3	91.0	98.9	89.8	181.4	188.7	370.1	89.6	176.3
	FPC	20.5	40.6	39.9	24.1	61.1	64.0	125.2	25.5	68.0
	Connector	8.2	12.7	12.9	8.7	20.9	21.7	42.6	8.3	17.4
	Other	7.3	7.1	6.7	6.8	14.4	13.6	28.1	6.7	12.8
Electronics Business Company		36.0	60.4	59.7	39.7	96.4	99.4	195.9	40.6	98.3
Automotive Products Company		36.1	37.2	42.2	41.4	73.3	83.6	157.0	43.3	77.9
Real Estate Business Company		2.7	2.7	2.7	2.6	5.5	5.4	10.9	2.7	5.3
Other		1.2	1.6	1.5	1.4	2.9	2.9	5.9	1.2	2.0
Total		166.5	193.2	205.1	175.1	359.7	380.2	740.0	177.6	360.0

Operating Income Records and Forecast by Segment

Power & Telecommunication Systems Company	5.7	6.3	5.7	4.4	12.1	10.1	22.3	5.4	9.7
Electronics Business Company	1.3	4.5	4.9	(0.3)	5.8	4.5	10.4	0.9	6.6
Automotive Products Company	(1.2)	(1.6)	0.2	(0.5)	(2.8)	(0.2)	(3.1)	(0.2)	(1.3)
Real Estate Business Company	1.4	1.3	1.3	1.3	2.8	2.6	5.5	1.3	2.4
Other	(0.2)	(0.1)	(0.0)	(0.3)	(0.4)	(0.3)	(0.7)	0.0	(0.4)
Total	7.0	10.5	12.2	4.5	17.5	16.8	34.3	7.5	17.0

*Figures shown above for FY2017 have been restated along with the review of the management structure of certain businesses

Fujikura Ltd.