



Dear All

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## **Notice of Impairment Losses, Reversal of Deferred Tax Assets, and Revision of Business Forecast and Dividend Forecast**

Fujikura Ltd. (the "Company") is currently continuing its accounting and auditing operations for the fiscal year ending March 2020, as announced today in the "Notice of Postponement of the Disclosure of Consolidated Financial Results of Fiscal Year Ending March 31, 2020 and of Setting the Record Date for the 172nd General Meeting of Shareholders".

Under these circumstances, the Company expects to record impairment losses for the Power & Telecommunication Systems Company and or so and reverse of deferred tax assets.

As a result, the Board of Directors today resolved to revise the consolidated business and dividend forecasts for the fiscal year ending March 2020, which were announced on February 5, 2020, as described below.

### 1. Recognition of Impairment Losses

As a result of estimating future cash flows for the optical products of the Power & Telecommunication Systems Company, taking into account the future business prospects, the Company expects to recognize impairment losses on the fixed assets.

As a result, extraordinary losses of 10,356 million yen and 11,447 million yen are expected to be recorded in the non-consolidated and consolidated financial statements, respectively.

The major components of the impairment losses are as follows.

Breakdown of Major Impairment Losses	(Unit: million yen)
Optical fibers manufacturing equipment	7,993
Fiber laser manufacturing equipment	2,524

### 2. Reversal of Deferred Tax Assets

As a result of careful consideration of the recoverability of deferred tax assets in light of the current fiscal year and future business prospects, the Company expects to reverse deferred tax assets in its full-year results for the fiscal year ending March 2020.

As a result, the Company plans to record income taxes-deferred of 11,780 million yen based on the non-consolidated and 11,647 million yen based on the consolidated.

### 3. Revision of the Full-year Consolidated Business Forecast

(1) Revision of the Full-year Consolidated Business Forecast for the Fiscal Year Ending March 2020 (April 1, 2019 - March 31, 2020)

(Consolidated)

(Unit: Million yen)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Parent Company Shareholders	Net Income per Share (yen)
Previous Forecasts (A)	670,000	8,000	7,000	△ 7,500	△ 26.60
Revised Forecasts (B)	670,000	△ 3,000	△ 1,000	△ 33,000	117.04
Difference (B - A)	0	△5,000	△6,000	25,500	-
Difference in Percentage (%)	0.0	62.5	85.7	-	-
(Reference) Results in FY2018	710,778	27,679	21,020	1,453	5.09

(2) Reason for Revision of the Full-year Consolidated Business Forecast

Operating income and ordinary income are expected to be lower than the full-year consolidated business forecast announced on February 5, 2020, due to the impact of intensified competition for optical products, mainly in China, in the Telecommunication Systems business of the Power & Telecommunication Systems Company, and changes in variety composition FPCs for smartphones and intensified in the Electronic Products & Connector Company, and a decrease in sales due to the outbreak of the novel coronavirus infection (COVID-19), and the temporary suspension of plant operations.

In addition to the decrease in ordinary income, net income attributable to parent company shareholders is expected to be lower than the previous forecast due to losses of "1. Recognition of Impairment Losses" and "2. Reversal of Deferred Tax Assets".

As a result of the above, we have revised our consolidated financial forecast for the fiscal year ending March 31, 2020.

### 4. Revision of Dividend Forecast

(1) Revision of Business Forecast for the Fiscal Year Ending March 2020 (April 1, 2019 - March 31, 2020)

	Dividend per Share				
	the End of 1st Quarter	the End of 2st Quarter	the End of 3st Quarter	the End of Year	Total
	Yen	Yen	Yen	Yen	Yen
Previous Forecasts (February 5, 2020)	—	5.00	—	2.50	7.50
Revised Forecasts	—	5.00	—	0.00	5.00
Results in FY2019	—	5.00	—		
Results in FY2018	—	7.00	—	5.00	12.00

(2) Reasons for Revision of Dividend Forecast

As a result, the Company regrettably plans to forgo a year-end dividend as a result of giving consideration to account the full-year business results and business environment described above.

\*The above estimation is made based on information which we can get as of the disclosure date. Owing to various factors, actual result could change from this estimation.

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