10-Jun-20

Dear All

Company Name: Fujikura Ltd.
Representative: Masahiko Ito, President, CEO
(Code: 5803 First Section of TSE)
Inquiries: Naoki Okada
Managing Executive Officer
General Manager of
Corporate Strategy Planning Department
(TEL. +81-3-5606-1112)

Notice of Extraordinary Losses, Extraordinary Gains, Non-operating Expenses, and Differences Between Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ended March 31, 2020

Fujikura Ltd. (the "Company") has decided to record an impairment loss in relation to the Automotive Products Business in the financial statements for the year ended March 31, 2020, and decided to record an extraordinary loss, etc., due to the deterioration of the financial condition of Fujikura Europe (Holding) B.V., a consolidated subsidiary of the Company in the non-consolidated financial statements.

In addition, due to the recording of the above impairment loss, the Company announce that there is a difference between the consolidated earnings forecast for the fiscal year ending March 31, 2020 announced on May 25, 2020 and the actual results announced today.

1. Extraordinary Losses, Extraordinary Gains, Non-operating Expenses

(1) [Consolidated]

As a result of estimating future cash flows in the automotive business of the Electronic Products & Connector Company in Europe, taking into account the future business prospects, the Company have decided to recognize impairment losses on the relevant fixed assets of Fujikura Automotive Europe S.A.U. (FAE), a consolidated subsidiary of the Company's European manufacturing base.

As a result, an extraordinary loss of 5,766 million yen was recorded in the consolidated financial statements for the fiscal year ending March 31, 2020.

(2) [Non-consolidated]

Based on the impact of the above-mentioned impairment loss, in the non-consolidated financial results for the fiscal year ending March 31, 2020, the Company reviewed the possibility of recovering the financial condition of Fujikura Europe (Holding) B.V.(FEH), the holding company of FAE and a consolidated subsidiary of the Company, and decided to write down the shares of FEH. As a result, the Company recorded 8,126 million yen's loss on valuation of shares of subsidiaries and associates.

At the same time, the Company recorded a provision for loss on guarantees of 2,768 million yen due to the expansion of the Company's excess liabilities.

In addition, the Company have reversed allowance for investment loss in FEH of 6,627 million yen, which had been recorded by the end of the third quarter of the fiscal year ending March 31, 2020 to prepare for these losses.

The following table shows the breakdown of the recorded item and the impact on profit and loss.

	(Reference) Accounting Items and Impact on Income (Loss)	(Unit: Million yen)
Extraordinary Losses	Loss on Valuation of Shares of Subsidiaries and Associates	(8,126)
	Provision for Loss on Guarantees	(2,768)
Extraordinary Losses	Provision of Allowance for Investment Loss	1,454
Extraordinary Gains	Reversal of Allowance for Investment Loss	4,644
Non-operating Expenses	Provision of Allowance for Investment Loss	529
	(Subtotal)	6,627
	Total Profit and Loss Impact	(4,267)

Provision of allowance for investment loss, reversal of allowance for investment loss, loss on valuation of shares of subsidiaries and associates, and provision for loss on guarantees are recorded only in the non-consolidated financial statements and is eliminated on consolidation, so there is no impact on the consolidated results.

2. Differences Between the Full-year Consolidated Earnings Forecasts and Actual Results

(1) Differences between the Full-year Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ending March 31, 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	3,000	1,000	△ 33,000	△ 117.04
Actual results (B)	672,314	3,346	1,312	△ 38,510	△ 136.58
Difference (B - A)	2,314	346	312	△ 5,510	-
Difference in Percentage (%)	0.3	11.5	31.2	-	-
(Reference) Results in FY2018	710,778	27,679	21,020	1,453	5.09

(2) Reasons for the Difference

The difference from the previously announced forecast is mainly due to the recording of impairment losses in "1. Extraordinary Losses, Extraordinary Gains, Non-operating Expenses" - "(1) [Consolidated]".

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