



2-June-21

Dear All

Company Name: Fujikura Ltd.
Representative: Masahiko Ito President, CEO
(Code: 5803 First Section of TSE)
Masayoshi Yamanaka General Manager of
Management Planning Division
(TEL. 03-5606-1112)

Notice of Extraordinary Gain from Transfer of the Shares of a Subsidiary

Fujikura Ltd. (the "Company") hereby announces that it has decided to transfer the shares of a subsidiary and expects to recognize an extraordinary gain as a result of the transfer.

1. Reason for the transfer

Due to the business performance declined rapidly in the FY2019, the Company has set its basic strategy as "Focus on early business recovery" and has two key measures: "Selection and Concentration of Existing Businesses without Exception" and "Strengthening of Corporate Governance". With the "100-Day Plan," our business revitalization plan announced in September 2020, we are implementing various measures to fundamentally reform our management and business structure.

For many years, the Company has been engaged in the engineering business in the energy division in order to contribute to the spread of electric power systems in Japan. However, in line with our priority policy of "Selection and Concentration" of Existing Businesses, we have come to the conclusion that it will be difficult for us to continue to pursue further growth of the engineering business, and has decided to transfer the shares of Fujikura Engineering Ltd., a 100% subsidiary of the Company engaged in the engineering business. (hereinafter referred to as "FEN"), to KINDEN CORPORATION (hereinafter referred to as "KINDEN").

The transfer will make it possible for KINDEN to hold the shares of FEN and proceed with the business, that is capable of maximizing the value of the engineering business, which we believe KINDEN will lead to further growth of FEN.

2. Outline of Subsidiary Transferred

(1) Company Name	Fujikura Engineering Ltd.
(2) Address	1-5-1 Kiba, Koto-ku, Tokyo
(3) Position and Name of Representative	Masayuki Tan, President
(4) Business Activities	Power and telecommunications engineering
(5) Share Capital	200 million yen
(6) Month and year of Establishment	May, 1994
(7) Major Shareholders and Holder's Ratio	Fujikura Ltd. (the Company) 100%

3. Outline of Company Purchasing the Shares

(1) Company Name	KINDEN CORPORATION
(2) Address	2-3-41 Honjo Higashi, Kita-ku, Osaka City
(3) Position and Name of Representative	Takao Uesaka , President
(4) Business Activities	Power, telecommunications, and environmental engineering work
(5) Share Capital	26,411 million yen
(6) Month and year of Establishment	August 1944

4. Shares Transferred and the Company's Shareholding in FEN Before and After the Transfer

Amount of shareholding and ratio of shares held before the change	2 thousand shares (Shareholding ratio: 100%)
Amount of shares held and percentage of shares held after the Transaction	0 shares (Shareholding ratio: 0%)

※The transfer price shall not be disclosed for confidentiality reasons, but it was determined based on discussions with several third parties and the appraisal value submitted.

5. Schedule of Transfer

Conclusion of this Final Agreement	June 2, 2021
Execution of Share Transfer	July 30, 2021 (scheduled)

6. Future Outlook

Following the completion of this transaction, FEN will be deemed not to be a subsidiary of the Company and will be excluded from the scope of consolidation of the Company.

As a result of the transfer of the shares, the Company expects to record an extraordinary gain of approximately 4.2 billion yen in the consolidated financial statements and approximately 5.2 billion yen in the non-consolidated financial statements for the second quarter of the fiscal year ending March 31, 2022 as a gain on the sale of shares in affiliated companies.

The gain on the transfer has been incorporated into our consolidated earnings forecast for the fiscal year ending March 31, 2022, which was announced on May 14, 2021.