

# 1Q FY2019 Financial Results



August 1, 2019



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# **1. Reviews of 1Q FY2019 Financial Results**

# 1Q FY2019 Financial Results

(Unit : Yen in billion)

	FY2018			FY2019		FY2019 (Forecasted on May 14)	
	1Q	1H	Full Year	1Q	1H Achievement Ratio	1H	Full Year
Net Sales	177.6	363.6	710.7	162.3	48%	340.0	690.0
Operating Income	7.5	14.2	27.6	0.2	2%	13.0	28.0
Ratio of Operating Income to Net Sales(%)	4.3	3.9	3.9	0.2		3.8	4.1
Share of other comprehensive income of entities accounted for using equity method	0.4	0.4	1.2	0.5		0.6	1.2
Ordinary Income (Loss)	5.1	9.6	21.0	0.9	8%	12.0	27.0
Net Income (Loss) Attributable to Owners of Parent	0.9	0.4	1.4	(2.0)	—	6.0	12.0
Net Income per Share (JPY)	3.39	1.59	5.09	(7.35)		21.03	42.06
Dividend per Share (JPY)	—	7.00	12.00	—		5.00	10.00
ROE (%)	1.8	0.4	0.7	(4.0)		-	5.4
Exchange Rate (USD/JPY)	109.11	110.27	110.93	109.91		105.00	105.00
CU Base ('000JPY/ton)	795	760	747	717		740	740

# Review of 1Q FY2019 Results

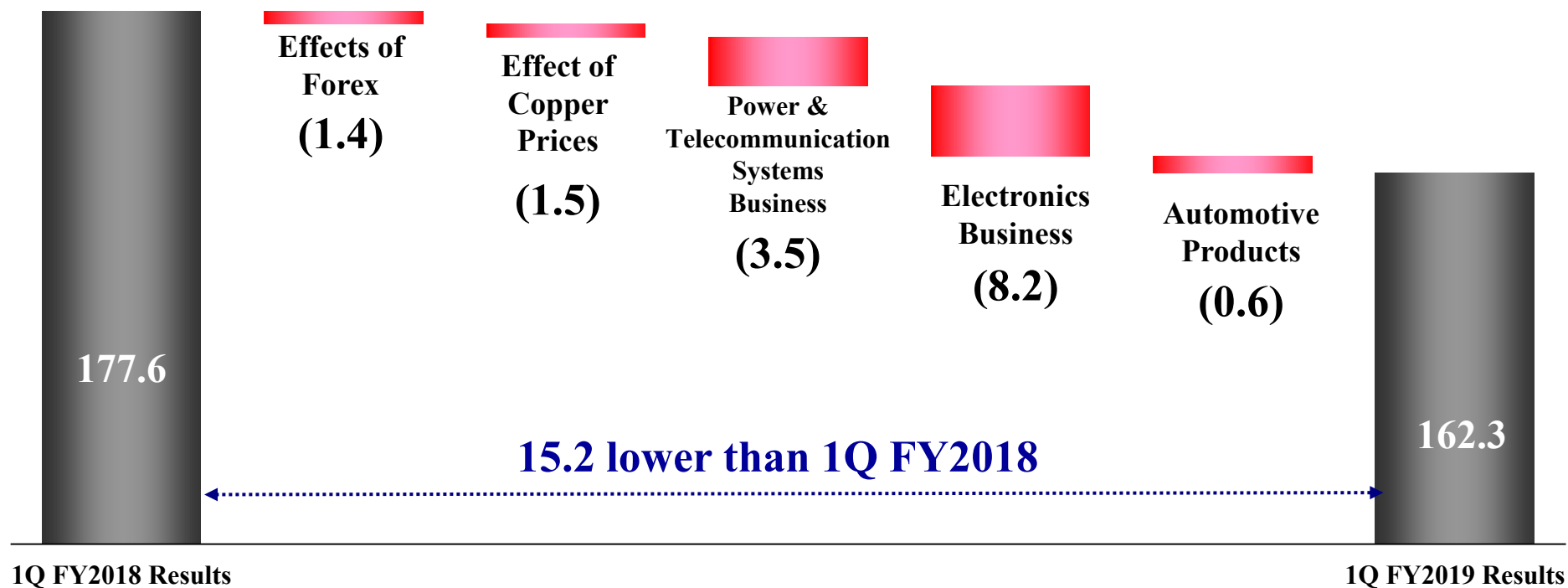
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- **Net sales and Operating income decreased due to intensifying competition in China market for Telecommunication products in Power and Telecommunication Systems Company and decrease in demand for smartphones especially FPCs in the Electronics.**
- **Volume production of Electronics products, mainly FPC, is expected to ramp up in 2Q.**

# 1Q FY2019 Contributing Factors to Net Sales Change (year-on-year basis)

## Net Sales

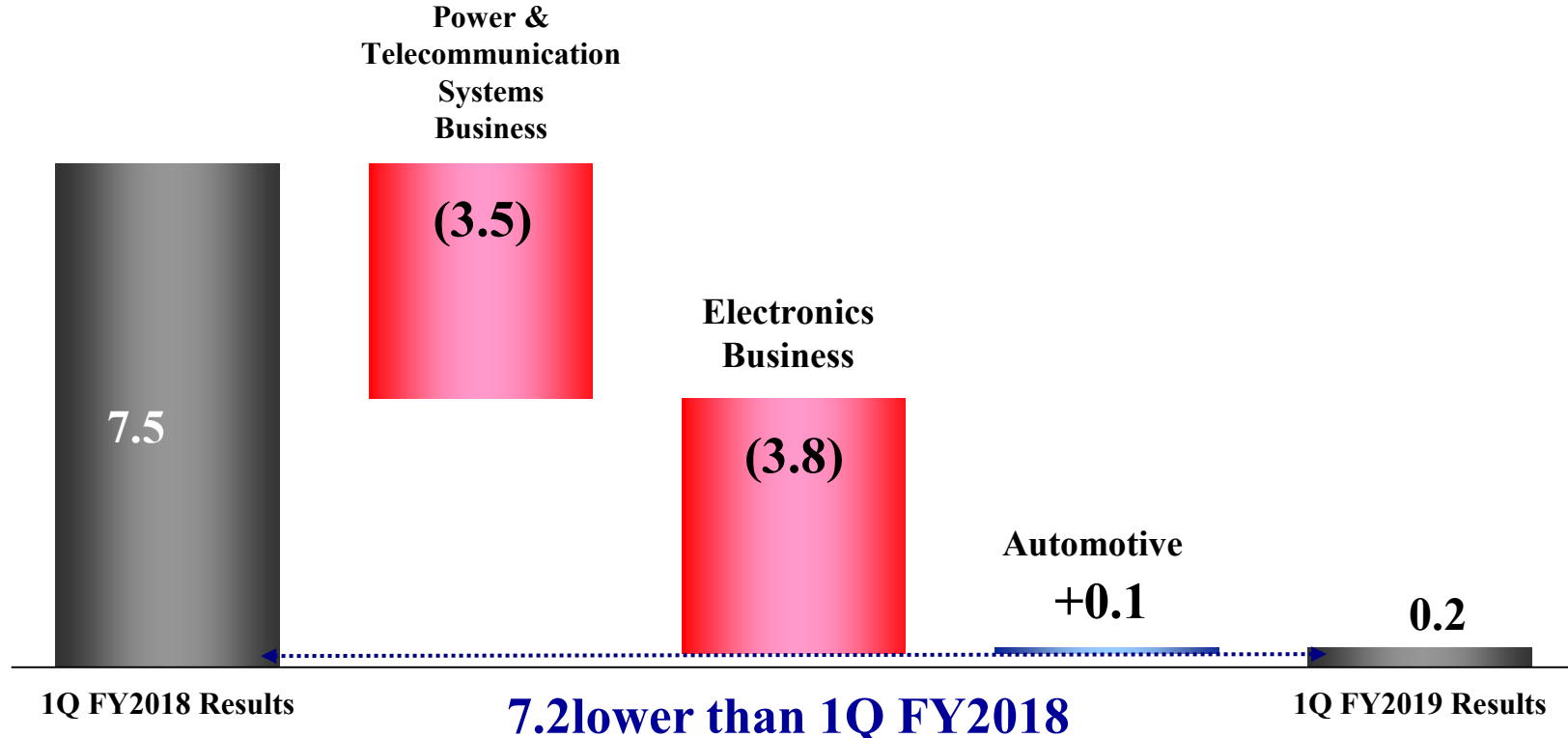
(Unit : Yen in billion)



# 1Q FY2019 Contributing Factors to Operating Income Change (year-on-year basis)

## Operating Income

(Unit : Yen in billion)





# 1Q FY2019 Extraordinary Profit and Loss

(Unit: Yen in billion)

	1Q FY2018	1Q FY2019
<b>Operating Income</b>	<b>7.5</b>	<b>0.2</b>
<b>Share of other comprehensive income of entities accounted for using equity method</b>	<b>0.4</b>	<b>0.5</b>
<b>Ordinary Income</b>	<b>5.1</b>	<b>0.9</b>
<b>Extraordinary Income</b>	<b>0.6</b>	<b>0.2</b>
<b>Extraordinary Loss</b>	<b>2.7</b>	<b>1.5</b>
<b>Income before Income Taxes and Minority Interests</b>	<b>3.0</b>	<b>(0.3)</b>
<b>Total Income Taxes</b>	<b>1.6</b>	<b>1.3</b>
<b>Net Income attributable to non-controlling interests</b>	<b>0.4</b>	<b>0.4</b>
<b>Net Income attributable to owners of parent</b>	<b>0.9</b>	<b>(2.0)</b>

Past service costs associated with the revision of the workers Protection Act in Thailand.

# Consolidated B/S (1)

(Unit: Yen in billion)

	As of March 31, 2019	As of June 30, 2019	Change
〈Assets〉	638.3	631.0	(7.2)
<b>Current Assets</b>	<b>323.2</b>	<b>304.2</b>	<b>(19.0)</b>
Cash and Deposits	36.7	30.3	(6.4)
Notes and Account Receivable	141.5	134.3	(7.2)
Inventories	117.8	117.8	(0.0)
<b>Fixed Assets</b>	<b>315.0</b>	<b>326.8</b>	<b>+11.7</b>
Tangible Fixed Assets	231.5	233.0	+1.5
Leased Assets	0.2	7.9	+7.7
Intangible Fixed Assets	11.7	14.4	+2.6
Sub Total	243.5	255.4	+11.9
<b>Total Investments and Other Assets</b>	<b>71.5</b>	<b>71.3</b>	<b>(0.1)</b>

Capital investment  
11.8 billion yen  
Depreciation cost  
8.6 billion yen  
Disposal etc

The effect of adoption  
IFRS16  
Leased Assets  
+7.6 billion yen

# Consolidated B/S (2)

(Unit: Yen in billion)

	As of March 31, 2019	As of June 30, 2019	Change
<b>Total</b>	<b>638.3</b>	<b>631.0</b>	<b>(7.2)</b>
<b>(Treasury Stock)</b>	<b>((6.3))</b>	<b>((6.3))</b>	<b>(+0.0)</b>
<b>〈Liability〉</b>	<b>397.4</b>	<b>404.2</b>	<b>+6.8</b>
<b>Notes and Account Payable</b>	<b>64.9</b>	<b>65.5</b>	<b>+0.5</b>
<b>Interest-bearing Debt</b>	<b>253.5</b>	<b>259.2</b>	<b>+5.7</b>
<b>Leased Liability</b>	<b>0.2</b>	<b>7.0</b>	<b>+6.7</b>
<b>Other Liability</b>	<b>78.6</b>	<b>72.3</b>	<b>(6.2)</b>
<b>〈Net Equity〉</b>	<b>240.9</b>	<b>226.8</b>	<b>(14.0)</b>
<b>Shareholder's Equity</b>	<b>207.5</b>	<b>202.3</b>	<b>(5.1)</b>
<b>(Treasury Stock)</b>	<b>((6.3))</b>	<b>((6.3))</b>	<b>(+0.0)</b>
<b>Accumulated Other Comprehensive Income</b>	<b>9.0</b>	<b>4.8</b>	<b>(4.2)</b>
<b>Non-controlling Interests</b>	<b>24.2</b>	<b>19.6</b>	<b>(4.6)</b>

The effect of adoption  
IFRS16  
Leased Liability  
+6.6 billion yen

## 2. By Segment

# Financial Results and Forecasts by Segment

(Unit: Yen in billion)

Net Sales					Operating Income and Ratio of Operating Income to Net Sales			
Segment	1Q FY2018 Results	1H FY2018 Result	1Q FY2019	1H FY2019 Forecast	1Q FY2018 Results	1H FY2018 Results	1Q FY2019	1H FY2019 Forecast
<b>Power &amp; Telecommunication Systems Company</b>	<b>89.6</b>	<b>179.0</b>	<b>84.0</b>	<b>174.3</b>	<b>5.4</b> <b>6.1%</b>	<b>7.1</b> <b>4.0%</b>	<b>1.9</b> <b>2.3%</b>	<b>6.3</b> <b>3.6%</b>
<b>Electronics Business Subcompany</b>	<b>40.6</b>	<b>98.8</b>	<b>32.5</b>	<b>83.2</b>	<b>0.9</b> <b>2.3%</b>	<b>6.7</b> <b>6.8%</b>	<b>(2.8)</b> <b>(8.9%)</b>	<b>4.8</b> <b>5.8%</b>
<b>Automotive Products Subcompany</b>	<b>43.3</b>	<b>77.7</b>	<b>41.4</b>	<b>73.9</b>	<b>(0.2)</b> <b>(0.6%)</b>	<b>(2.1)</b> <b>(2.8%)</b>	<b>(0.1)</b> <b>(0.4%)</b>	<b>(0.6)</b> <b>(0.9%)</b>
<b>Electronic Products &amp; Connector Company</b>	<b>83.9</b>	<b>176.5</b>	<b>74.0</b>	<b>157.2</b>	<b>0.6</b> <b>0.8%</b>	<b>4.5</b> <b>2.5%</b>	<b>3.0</b> <b>(4.1%)</b>	<b>4.1</b> <b>2.7%</b>
<b>Real Estate Business Company</b>	<b>2.7</b>	<b>5.4</b>	<b>2.8</b>	<b>5.6</b>	<b>1.3</b> <b>47.4%</b>	<b>2.5</b> <b>46.3%</b>	<b>1.4</b> <b>52.3%</b>	<b>2.6</b> <b>46.6%</b>
<b>Other</b>	<b>1.2</b>	<b>2.5</b>	<b>1.4</b>	<b>2.7</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.0)</b>	<b>(0.1)</b>
<b>Total</b>	<b>177.6</b>	<b>363.6</b>	<b>162.3</b>	<b>340.0</b>	<b>7.5</b> <b>4.3%</b>	<b>14.2</b> <b>3.9%</b>	<b>0.2</b> <b>0.2%</b>	<b>13.0</b> <b>3.8%</b>

※From FY 2019 the Automotive Electronics Business Subcompany has integrated with the old Electronics Business Subcompany to become Electronic Products & Connector Company.

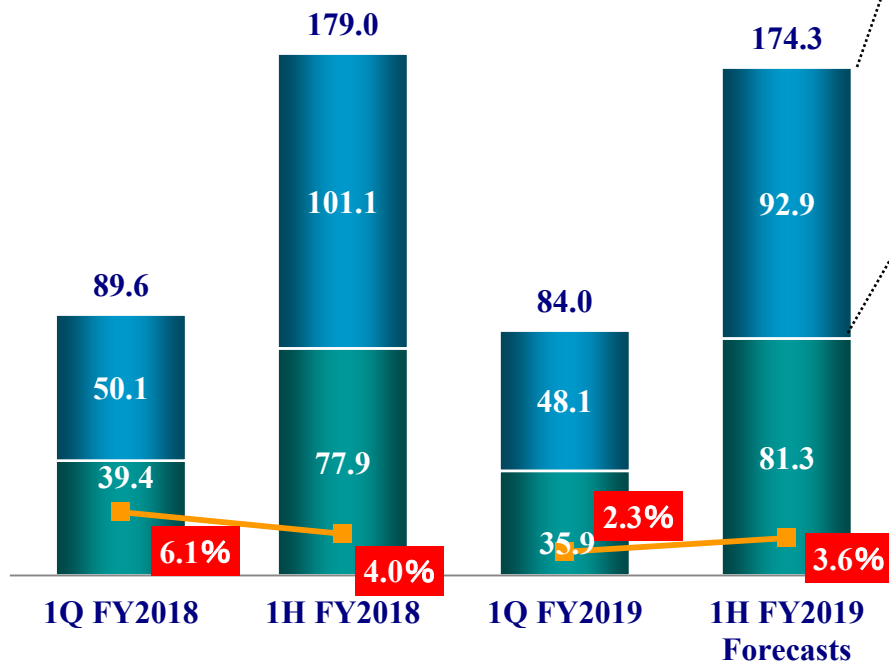
# Power & Telecommunication Systems Company

- In 1Q, both net sales and operating income decreased on a YoY basis due to the impact of intensifying competition of Chinese telecommunications products and decrease in FTTx constructions.
- Although there is impact of intensifying competition, we will work to reduce costs and develop and expand sales of differentiated value added products.

(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 excluding the impact of the decline in copper price.
- Net sales in 1Q is 52% of 1H forecast.

## Telecommunication Systems

- Net sales decreased on a YoY basis due to the impact of intensifying competition of Chinese telecommunications products and decrease in FTTx constructions.
- Net sales in 1Q is 44% of 1H forecast.

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

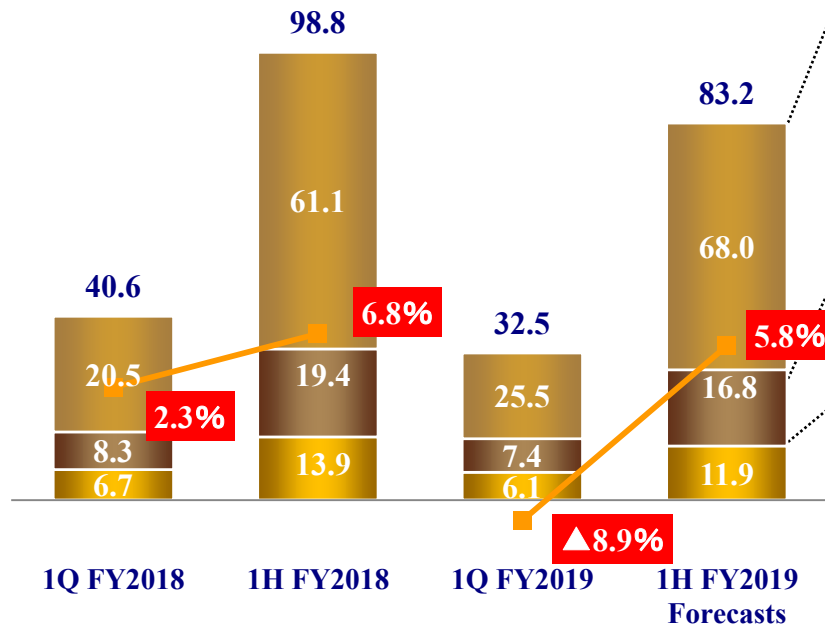
# Electronics Business Subcompany

- In 1Q, net sales decreased on a YoY basis due to down for smartphone demand. Operating income also decreased due to an increase in fixed expenses associated with the sales decline.
- In order to increase production in 2Q, we will work on start up while paying attention to quality.

(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 decreased due to down for smartphones.
- Net sales in 1Q is 35% of 1H forecast due to the seasonality. Expected to rise in 2Q.

### Connector

- Sales decreased in 1Q on a YoY basis as demand for industrial machinery decreased.
- Net sales in 1Q is 44% of 1H forecast because of seasonality.

### Other

- In 1Q, net sales decreased due to the product mix.
- Net sales in 1Q is 51% of 1H forecast.

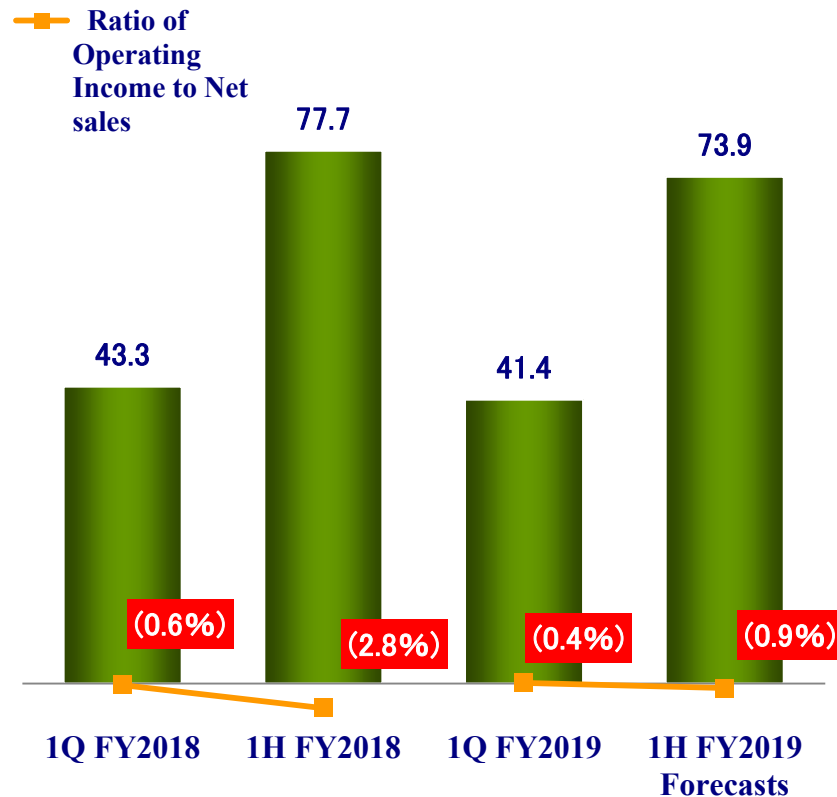
Comments Upper Line : 1Q results and Y o Y basis  
Bottom line : Progress toward 1H forecast

# Automotive Products Subcompany

- In 1Q, net sales remained on a YoY basis excluding the impact of Forex. Continue working productivity improvement.
- Achievement ratio of net sales in 1Q to 1H forecast is 56%.

(Unit: Yen in billion)

## Net sales and Ratio of Operating Income to Net Sales



## Automotive Products

- In 1Q, net sales remained on a YoY basis excluding the impact of Forex.
- Net sales in 1Q is 56% of 1H forecast.

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



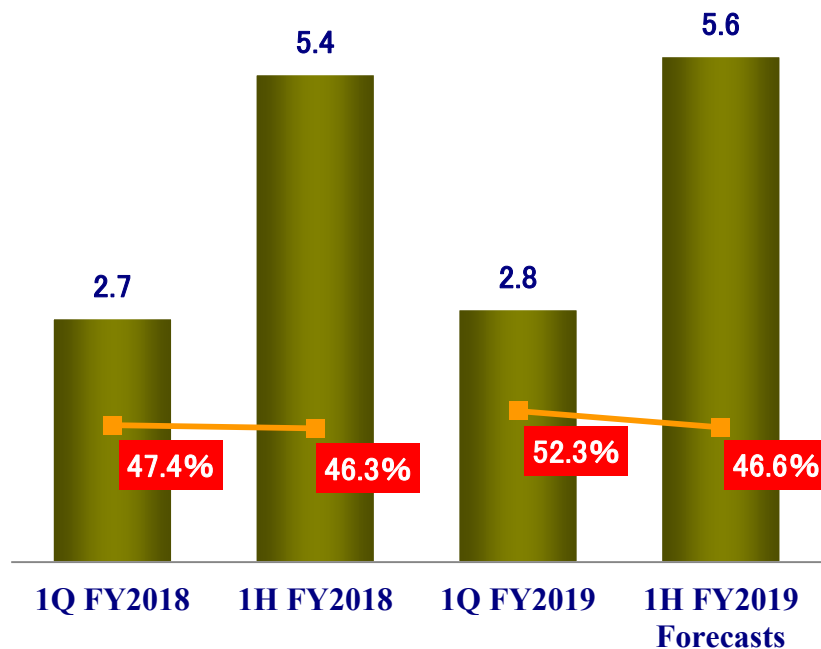
# Real Estate Business Company

■ 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 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.

【1Q FY2019 Financial Results Appendix】

Net Sales and Operating Income by Segment

Net Sales Records and Forecast by Segment

Unit: Yen in Billion

	FY2018							FY2019	FY2019 Forecast on May 14	
	1Q	2Q	3Q	4Q	1H	2H	Full Year			
Power Systems	50.1	50.9	52.4	50.3	101.1	102.8	203.9	48.1	92.9	
Telecommunication Systems	39.4	38.4	38.8	34.1	77.9	72.9	150.8	35.9	81.3	
Power & Telecommunication Systems Company	89.6	89.4	91.2	84.5	179.0	175.8	354.8	84.0	174.3	
Electronics Business Subcompany	FPC	25.5	39.8	38.3	18.4	65.4	56.7	122.1	18.9	54.4
	Connector	8.3	11.0	10.6	6.9	19.4	17.5	37.0	7.4	16.8
	Other	6.7	7.2	6.1	5.6	13.9	11.8	25.8	6.1	11.9
Automotive Products Subcompany	40.6	58.1	55.1	31.0	98.8	86.2	185.0	32.5	83.2	
Automotive Products Subcompany	43.3	34.4	39.0	37.3	77.7	76.3	154.1	41.4	73.9	
Electronics Automotive Connector Company	83.9	92.6	94.1	68.4	176.5	162.6	339.2	74.0	157.2	
Real Estate Business Company	2.7	2.6	2.7	2.7	5.4	5.4	10.8	2.8	5.6	
Other	1.2	1.2	1.6	1.6	2.5	3.2	5.8	1.4	2.7	
Total	177.6	185.9	189.8	157.3	363.6	347.1	710.7	162.3	340.0	

Operating Income Records and Forecast by Segment

Power & Telecommunication Systems Company	5.4	1.6	4.7	5.8	7.1	10.5	17.7	1.9	6.3
Electronics Business Subcompany	0.9	5.7	4.1	(2.5)	6.7	1.5	8.3	(2.8)	4.8
Automotive Products Subcompany	(0.2)	(1.9)	(0.1)	(0.8)	(2.1)	(1.0)	(3.2)	(0.1)	(0.6)
Electronics Automotive Connector Company	0.6	3.8	3.9	(3.3)	4.5	0.5	5.1	(3.0)	4.1
Real Estate Business Company	1.3	1.2	1.2	1.2	2.5	2.5	5.0	1.4	2.6
Other	0.0	(0.0)	(0.0)	(0.1)	0.0	(0.2)	(0.2)	(0.0)	(0.1)
Total	7.5	6.7	9.8	3.5	14.2	13.4	27.6	0.2	13.0

※From FY 2019 the Automotive Electronics Business Subcompany has integrated with the old Electronics Business Subcompany to become Electronic Products & Connector Company.

Fujikura Ltd.