

Financial Results

FY2019 (Ended March 2020)

Third Quarter

Any forward-looking statement in this report speaks only as of the date on which it is made; Forward-looking statements are based on the company's current assumptions regarding future business and financial performance; these statements by their nature address matters that are uncertain to different degrees.

Forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to be materially different.

Note: This report is a translation of Japanese version. In case of any difference between English version and Japanese version, Japanese version shall prevail.



January, 2020 | FUJITSU GENERAL LIMITED

Index

1.	Financial Results for FY2019 Nine-Months	
	Consolidated Financial Results	3
	Analysis of Financial Results	4
	Sales by Segment	5
	A/C Sales by Geographic area	6
	Segment information	7
	Analysis of Consolidated Operating income (vs previous year)	8
	Consolidated Balance Sheets	9
	Main Financial Data	10
2.	Plan for the Full Year	
	Consolidated Financial Plan	11
	Analysis of Financial Plan	12
	Sales by Segment	13
	A/C Sales by Geographic area	14
	Segment Information, R&D Expenses, Capital Expenditures, Depreciation Expenses	15
	Analysis of Consolidated Operating income [FY2019] (vs previous year)	16
	<Reference Information>	17

1. Financial Results for FY2019 Nine-Months



Consolidated Financial Results

Consolidated Statements of Income [Note: subscripts(%) of change % is local currency base] (Hundred Million Yen)

	FY2018 9 Months	FY2019 9 Months	Change	
				%
Net sales	1,619	1,807	188	15% 12%
Gross profit (Gross profit margin)	415 (25.6%)	481 (26.6%)	66 (1.0%)	16%
Operating income (Operating income margin)	37 (2.3%)	53 (3.0%)	16 (0.7%)	42%
Ordinary income (Ordinary income margin)	49 (3.0%)	59 (3.3%)	10 (0.3%)	23%
Net income * (Net income margin *)	26 (1.6%)	30 (1.6%)	4 (-%)	14%
Net income per share	¥24.91	¥28.40	¥3.49	

* Net income attributable to Owners of the Parent

Copper price	Average	Average	Average
US\$/t	6,793	6,163	-630
Foreign Exchange rate	Average (Closing)	Average (Closing)	Average (Closing)
Yen/1USD	111 (111)	109 (110)	-2 (-1)
Yen/1AUD	82 (78)	75 (77)	-7 (-1)
Yen/1EUR	130 (127)	121 (123)	-9 (-4)
BAHT/1USD	32.4 (32.3)	30.7 (30.0)	-1.7 (-2.3)
RMB/1USD	6.62 (6.86)	6.89 (6.98)	0.27 (0.12)

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) increased by 17.3 Billion Yen (up by 18%, up by 24% based on local currency from previous year). ▪ Air conditioners (Japan) was about the same level as the previous year. <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 1.1 Billion Yen (up by 59% from previous year). <p>Despite of severe environment of exchange rate and spending expense for growth investment and additional sales promotion, operating income increased due to sales increase and promotion of total cost reduction.</p>
<p>Info & Comm Syst. and Electronic Devices</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales increased by 1.5 Billion Yen (up by 9% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 0.8 Billion Yen (up by 81% from previous year). <p>Mainly increase sales in Information & Communication Systems.</p>
<p>Capital Expenditures</p>	<p>Investment amount 11.1 Billion Yen (increased by 7.0 Billion Yen, up by 171% from previous year). Including building and test facility of "Innovation & Communication Center (ICC)" about 3.4 Billion Yen and new factory in Thailand about 3.5 Billion Yen in order to enhance production capacity.</p>

1. Financial Results for FY2019 Nine-Months



Sales by Segment

(Hundred Million Yen)

	FY2018		FY2019		Change			
	9 Months		9 Months				%	
Air conditioners	88%	1,433	89%	1,606	1%	173	16%	12%
(Japan)		(446)		(446)		(-)		(-%)
(Overseas)		(987)		(1,160)		(173)	(24%)	(18%)
Info & Comm Syst.		77		103		26		35%
Electronic Devices		95		84		-11		-12%
Info & Comm Syst. and Electronic Devices	11%	172	10%	187	-1%	15		9%
Others	1%	14	1%	14	-%	-		3%
Total	100%	1,619	100%	1,807	-%	188	15%	12%
Japan	39%	624	35%	641	-4%	17		3%
Overseas	61%	995	65%	1,166	4%	171	23%	17%

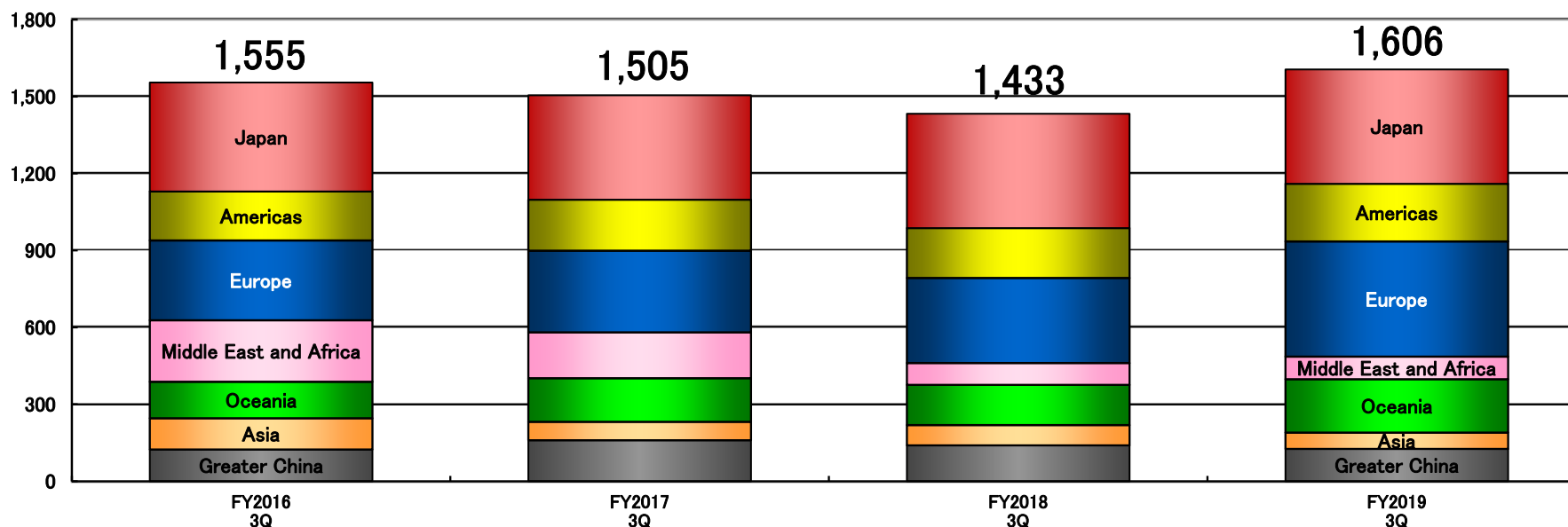
[Note1: subscripsts(%) of sales is proportion to Total] [Note2: subscripsts(%) of change % is local currency base]

1. Financial Results for FY2019 Nine-Months



A/C Sales by Geographic area

(Hundred Million Yen)



【Sales by Geographic area】

(Hundred Million Yen)

	FY2016 9 Months		FY2017 9 Months		FY2018 9 Months		FY2019 9 Months		Change			
	%	Value	%	Value	%	Value	%	Value	%	Value	Local currency base	
Japan	27%	425	27%	407	31%	446	28%	446	-3%	-	-%	-%
Americas	12%	191	13%	199	13%	194	14%	225	1%	31	16%	20%
Europe	20%	311	21%	318	23%	332	28%	449	5%	117	35%	43%
Middle East and Africa	16%	240	12%	179	6%	85	5%	88	-1%	3	3%	7%
Oceania	9%	142	11%	170	11%	157	13%	208	2%	51	33%	43%
Asia	8%	122	5%	72	6%	79	4%	64	-2%	-15	-19%	-19%
Greater China	8%	124	11%	160	10%	140	8%	126	-2%	-14	-10%	-5%
Total	100%	1,555	100%	1,505	100%	1,433	100%	1,606	-%	173	12%	16%
(Overseas Total)	(73%)	(1,130)	(73%)	(1,098)	(69%)	(987)	(72%)	(1,160)	(3%)	(173)	(18%)	(24%)

【Note1: sales to external customers】

【Note2: subscribers(%) is proportion to Total】

1. Financial Results for FY2019 Nine-Months



Segment Information

(Hundred Million Yen)

		FY2018	FY2019	Change		
		9 Months	9 Months		%	
Air conditioners	Net sales	1,433	1,606	173	16%	12%
	Operating income	18	29	11		59%
	(Operating income margin)	(1.3%)	(1.8%)	(0.5%)		
Info & Comm Syst. and Electronic Devices	Net sales	172	187	15		9%
	Operating income	10	18	8		81%
	(Operating income margin)	(5.8%)	(9.7%)	(3.9%)		
Others	Net sales	14	14	—		3%
	Operating income	9	6	-3		-36%
	(Operating income margin)	(64.5%)	(40.2%)	(-24.3%)		
Total	Net sales	1,619	1,807	188	15%	12%
	Operating income	37	53	16		42%
	(Operating income margin)	(2.3%)	(3.0%)	(0.7%)		

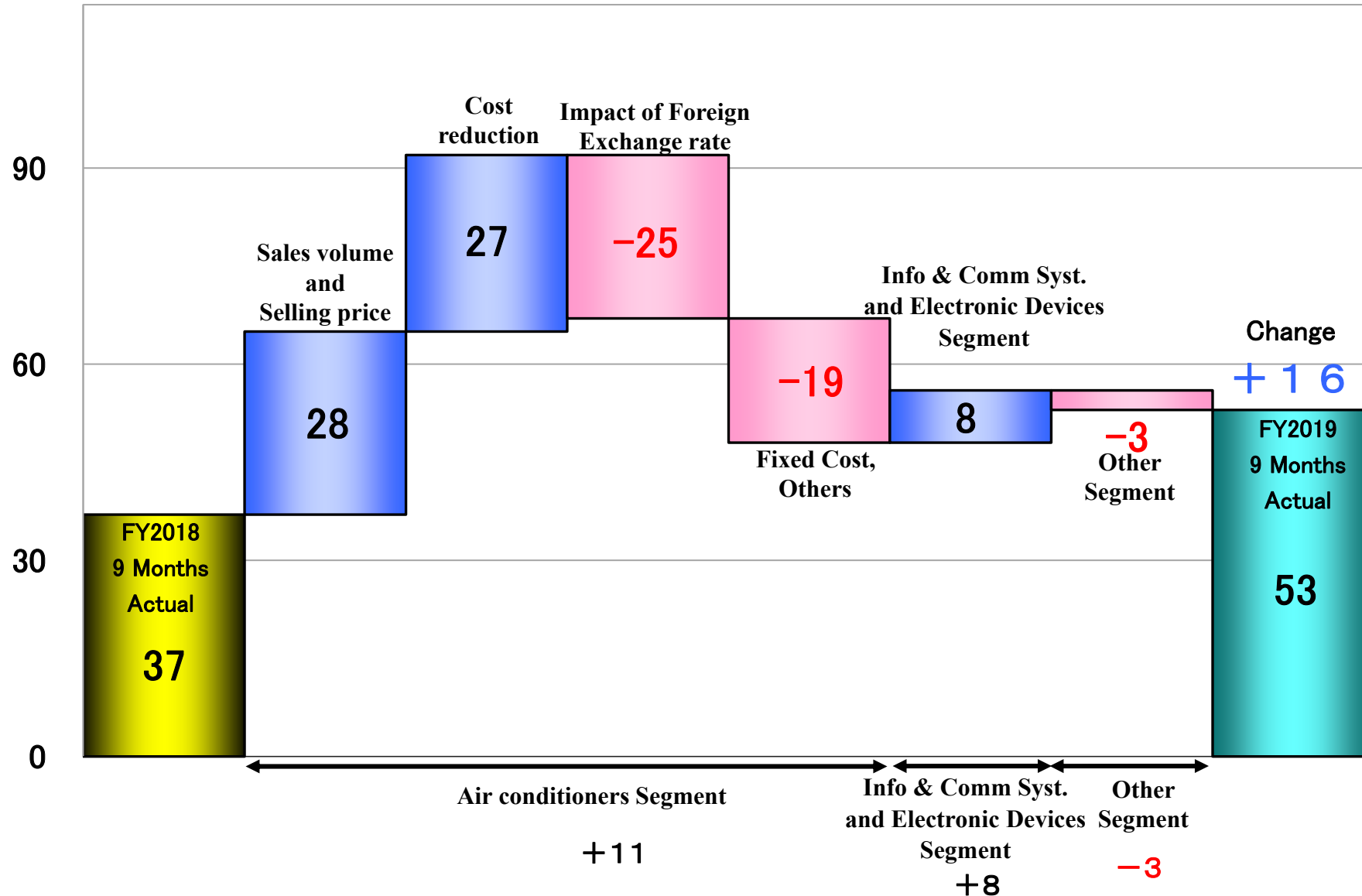
[Note1: sales to external customers] [Note2: subscribers(% of change % is local currency base)]

1. Financial Results for FY2019 Nine-Months



Analysis of Consolidated Operating income(vs previous year)

(Hundred Million Yen)



1. Financial Results for FY2019 Nine-Months



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2018		FY2019 3Q		Change
	Actual	ratio	Actual	ratio	
Current assets	1,517	70%	1,362	65%	-155
(Cash and deposits)	(354)		(316)		(-38)
(Notes and accounts receivable)	(797)		(555)		(-242)
(Inventories)	(267)		(386)		(119)
(Others)	(99)		(105)		(6)
Noncurrent assets	641	30%	741	35%	100
Total assets	2,158	100%	2,103	100%	-55
Current liabilities	820	38%	766	36%	-54
(Notes and accounts payable)	(410)		(322)		(-88)
(Short-term loans payable)	(4)		(73)		(69)
(Others)	(406)		(371)		(-35)
Noncurrent liabilities	207	10%	207	10%	-
Total liabilities	1,027	48%	973	46%	-54
Shareholders' equity	1,059	49%	1,060	50%	1
Accumulated other comprehensive income	36	2%	30	2%	-6
Non-controlling interests	36	1%	40	2%	4
Total net assets	1,131	52%	1,130	54%	-1
Total liabilities and net assets	2,158	100%	2,103	100%	-55

1. Financial Results for FY2019 Nine-Months



Main Financial Data

(Hundred Million Yen)

	FY2018 9 Months	FY2019 9 Months	Change	(Reference) FY2018
Operating Cash Flow	69	90	21	85
Investing Cash Flow	-93	-163	-70	-125
Free Cash Flow	-24	-73	-49	-40

R&D Expenses	6.1%	98	5.6%	100	-0.5%	2	5.1%	130
Capital Expenditures		41		111		70		84
Depreciation Expenses		39		43		4		52

[Note: subscripts(%) is proportion to Net sales]

Shareholders' equity ratio	53.9%	51.8%	-2.1%	50.7%
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Inventories	343	386	43	267
Days Inventory Outstanding	45.0days	44.7days	-0.3days	42.8days
CCC*	81.8days	84.9days	3.1days	87.4days

*CCC(Cash Conversion Cycle) : Days Sales Outstanding + Days Inventory Outstanding - Days Payable Outstanding

2. Plan for the Full Year

Consolidated Financial Plan



[Note1: subscripts(%) of change % is local currency base] (Hundred Million Yen)

	FY2018 (Actual)			FY2019 (Plan)			Change		Change vs previous plan Full Year	
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%		
Net sales	1,231	1,296	2,527	1,329	1,521	2,850	323	15%	13%	-
Operating income (Operating income margin)	46 (3.8%)	100 (7.7%)	146 (5.8%)	62 (4.7%)	123 (8.1%)	185 (6.5%)	39 (0.7%)		27%	- (-%)
Ordinary income (Ordinary income margin)	68 (5.5%)	73 (5.7%)	141 (5.6%)	59 (4.5%)	121 (7.9%)	180 (6.3%)	39 (0.7%)		28%	- (-%)
Net income * (Net income margin *)	46 (3.7%)	43 (3.3%)	89 (3.5%)	37 (2.8%)	83 (5.4%)	120 (4.2%)	31 (0.7%)		35%	- (-%)

* Net income attributable to Owners of the Parent

Dividend per share (Yen)	13	13	26 ^{30.6%}	14	14	28 ^{24.4%}	2 ^{-6.2%}	-%	-
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[Note2: subscripts(%) of dividend per share is dividend payout ratio]

Copper price(Average)

US\$/t	6,858	6,584	6,717	6,274	5,974	6,117	-600	-45
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Foreign Exchange rate (Average)

Yen/1USD	110	111	111	109	110	109	-2	-1
Yen/1AUD	82	80	81	75	75	75	-6	-
Yen/1EUR	130	126	128	122	120	121	-7	-
BAHT/1USD	32.3	31.7	32.0	31.0	30.6	30.7	-1.3	-0.2
RMB/1USD	6.51	6.84	6.66	6.84	7.01	6.91	0.25	-

Air Conditioners	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) increased by 28.4 Billion Yen (up by 17% from previous year, up by 21% based on local currency from previous year). ▪ Air conditioners (Japan) increased by 0.7 Billion Yen (up by 1% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 3.7 Billion Yen (up by 34% from previous year). <p>Despite of spending expense for growth investment and additional sales promotion and severe environment of exchange rate, the profit of full year will be up due to sales increase and promotion of total cost reduction.</p>
Info & Comm Syst. and Electronic Devices	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales increased by 3.0 Billion Yen (up by 12% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 0.8 Billion Yen (up by 28% from previous year).
Capital Expenditures	<p>Investment amount 16.0 Billion Yen (increased by 7.6 Billion Yen, up by 91% from previous year).</p> <p>Including building and test facility of "Innovation & Communication Center (ICC)" about 4.0 Billion Yen and new factory in Thailand about 3.8 Billion Yen in order to enhance production capacity.</p>

2. Plan for the Full Year

Sales by Segment



(Hundred Million Yen)

	FY2018(Actual)			FY2019(Plan)			Change		Change vs previous plan Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	
Air conditioners	1,102	1,147	89% 2,249	1,199	1,341	89% 2,540	291	16% 13%	-10
(Japan)	(361)	(232)	(593)	(364)	(236)	(600)	(7)	(1%)	(-)
(Overseas)	(741)	(915)	(1,656)	(835)	(1,105)	(1,940)	(284)	(21%) (17%)	(-10)
Info & Comm Syst.	54	82	136	65	115	180	44	32%	10
Electronic Devices	66	58	124	56	54	110	-14	-11%	-
Info & Comm Syst. and Electronic Devices	120	140	10% 260	121	169	10% 290	30	12%	10
Others	9	9	1% 18	9	11	1% 20	2	12%	-
Total	1,231	1,296	100% 2,527	1,329	1,521	100% 2,850	323	15% 13%	-
Japan	485	375	34% 860	491	412	32% 903	43	5%	13
Overseas	746	921	66% 1,667	838	1,109	68% 1,947	280	21% 17%	-13

[Note1: subscripts(%) of sales is proportion to Total] [Note2: subscripts(%) of change % is local currency base]

2. Plan for the Full Year

A/C Sales by Geographic area



(Hundred Million Yen)

	FY2018(Actual)			FY2019(Plan)			Change			Change vs previous plan Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	Local currency base	
Japan	361	232	593	364	236	600	7	1%	1%	—
Americas	134	229	363	162	256	418	55	15%	17%	—
Europe	256	260	516	334	332	666	150	29%	35%	—
Middle East and Africa	75	95	170	61	157	218	48	29%	30%	-7
Oceania	100	153	253	133	181	314	61	24%	34%	—
Asia	67	95	162	51	99	150	-12	-8%	-7%	—
Greater China	109	83	192	94	80	174	-18	-9%	-6%	-3
Total (Overseas Total)	1,102 (741)	1,147 (915)	2,249 (1,656)	1,199 (835)	1,341 (1,105)	2,540 (1,940)	291 (284)	13% (17%)	16% (21%)	-10 (-10)

<Reference Information> Historical Information

	FY2015 (Actual)		FY2016 (Actual)		FY2017 (Actual)		FY2018 (Actual)		FY2019 (Plan)	
Japan	23%	529	24%	555	23%	552	26%	593	24%	600
Americas	14%	332	14%	329	15%	349	16%	363	16%	418
Europe	17%	403	19%	449	21%	494	23%	516	26%	666
Middle East and Africa	21%	490	17%	396	14%	337	8%	170	9%	218
Oceania	9%	216	10%	220	11%	252	11%	253	12%	314
Asia	9%	199	9%	202	7%	156	7%	162	6%	150
Greater China	7%	162	7%	173	9%	209	9%	192	7%	174
Total (Overseas Total)	100% (77%)	2,331 (1,802)	100% (76%)	2,324 (1,769)	100% (77%)	2,349 (1,797)	100% (74%)	2,249 (1,656)	100% (76%)	2,540 (1,940)

[Note1: sales to external customers] [Note2: subscribers(%) is proportion to Total]

2. Plan for the Full Year

Segment Information, R&D Expenses, Capital Expenditures, Depreciation Expenses



(Hundred Million Yen)

		FY2018 (Actual)			FY2019 (Plan)			Change		Change vs previous plan	
		1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (plan)	Full Year	Full Year	%		
Air conditioners	Net sales	1,102	1,147	2,249	1,199	1,341	2,540	291	16%	13%	-10
	Operating income	32	76	108	47	98	145	37		34%	-
	(Operating income margin)	(2.9%)	(6.6%)	(4.8%)	(3.9%)	(7.3%)	(5.7%)	(0.9%)			(-%)
Info & Comm Syst. and Electronic devices	Net sales	120	140	260	121	169	290	30		12%	10
	Operating income	7	20	27	12	23	35	8		28%	-
	(Operating income margin)	(6.1%)	(14.2%)	(10.5%)	(9.9%)	(13.6%)	(12.1%)	(1.6%)			(-0.4%)
Others	Net sales	9	9	18	9	11	20	2		12%	-
	Operating income	7	4	11	3	2	5	-6		-52%	-
	(Operating income margin)	(75.1%)	(40.9%)	(58.6%)	(38.5%)	(14.0%)	(25.0%)	(-33.6%)			(-%)
Total	Net sales	1,231	1,296	2,527	1,329	1,521	2,850	323	15%	13%	-
	Operating income	46	100	146	62	123	185	39		27%	-
	(Operating income margin)	(3.8%)	(7.7%)	(5.8%)	(4.7%)	(8.1%)	(6.5%)	(0.7%)			(-%)

[Note1: sales to external customers]

[Note2: subscribers(%) of change % is local currency base]

R&D Expenses	5.3%	65	5.0%	65	5.1%	130	5.0%	67	4.8%	73	4.9%	140	-0.2%	10	8%	-%	-
Capital Expenditures		23		61		84		80		80		160		76	91%	-	-
Depreciation Expenses		26		26		52		27		33		60		8	15%	-	-

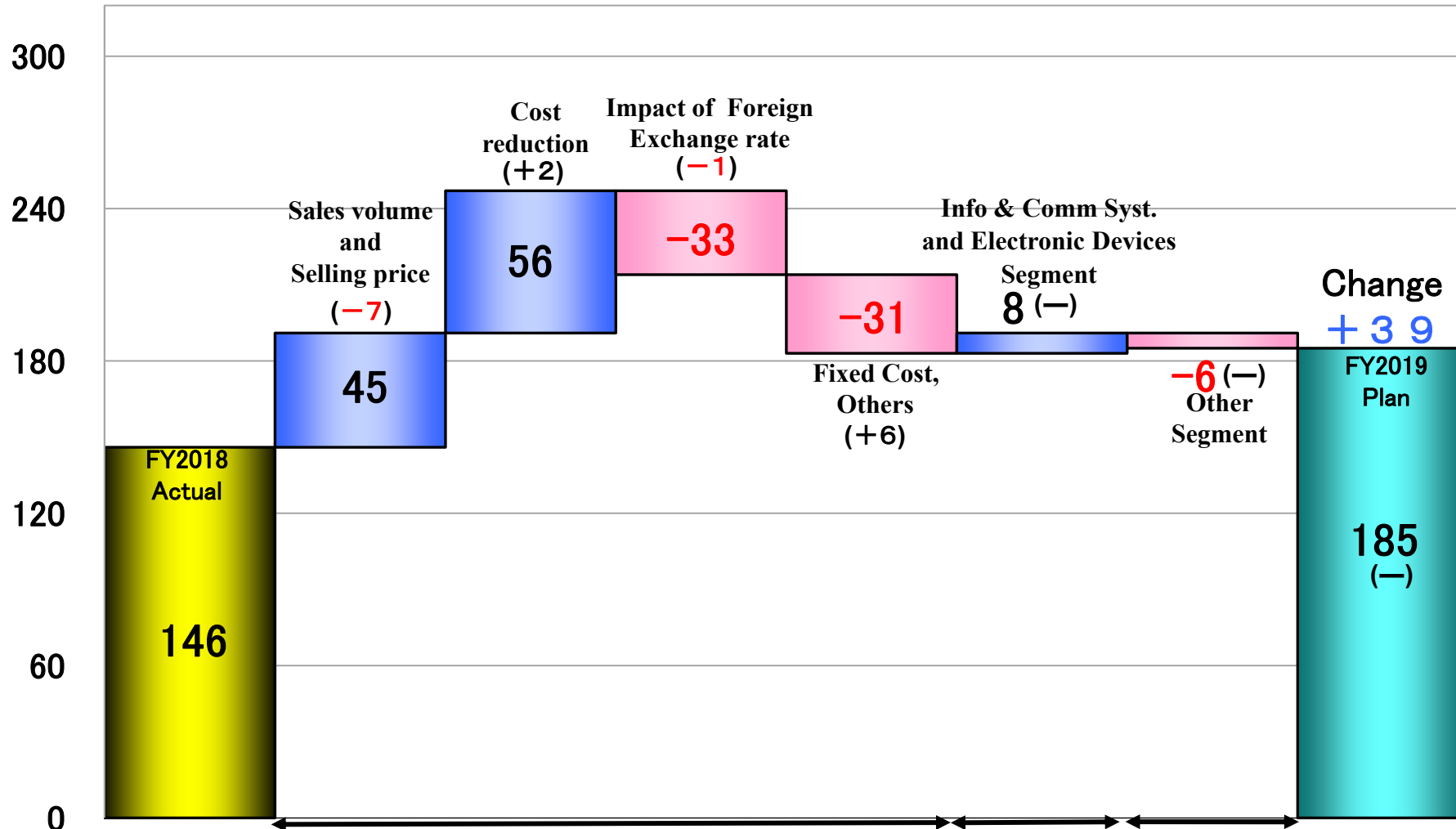
[Note3: subscribers(%) of R&D Expenses is proportion to Total Net Sales]

2. Plan for the Full Year

Analysis of Consolidated Operating income [FY2019] (vs previous year)



(Hundred Million Yen)



[Note: () Number is change vs previous plan] +37
(-)

Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2018 (Actual)					FY2019 (Actual)			Change		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	3Q	%	
Air conditioners	542	560	331	816	2,249	584	615	407	76	28%	23%
(Japan)	(171)	(190)	(85)	(147)	(593)	(182)	(182)	(82)	(-3)	(-5%)	
(Overseas)	(371)	(370)	(246)	(669)	(1,656)	(402)	(433)	(325)	(79)	(40%)	(32%)
Info & Comm Syst.	12	42	23	59	136	14	51	38	15		62%
Electronic Devices	30	36	29	29	124	22	34	28	-1		-4%
Info & Comm Syst. and Electronic Devices	42	78	52	88	260	36	85	66	14		26%
Others	4	5	5	4	18	4	5	5	-		14%
Total	588	643	388	908	2,527	624	705	478	90	28%	23%
Japan	214	271	139	236	860	220	271	150	11		8%
Overseas	374	372	249	672	1,667	404	434	328	79	39%	31%

[Note: subscripts(%) of change % is local currency base]

Consolidated Statements of Income(Quarter Information)

(Hundred Million Yen)

	FY2018(Actual)					FY2019(Actual)			Change		
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	3 Q	%	
Net sales	588	643	388	908	2,527	624	705	478	90	28%	23%
Operating income	24	22	-9	109	146	25	37	-9	-	-%	
(Operating income margin)	(4.1%)	(3.5%)	(-2.3%)	(11.9%)	(5.8%)	(4.1%)	(5.2%)	(-1.9%)	(0.4%)		
Ordinary income	41	27	-19	92	141	29	30	-	19	-%	
(Ordinary income margin)	(7.0%)	(4.1%)	(-4.9%)	(10.2%)	(5.6%)	(4.6%)	(4.3%)	(-)	(4.9%)		
Net income *	29	17	-20	63	89	19	18	-7	13	-%	
(Net income margin *)	(4.9%)	(2.6%)	(-5.1%)	(6.9%)	(3.5%)	(3.1%)	(2.5%)	(-1.6%)	(3.5%)		

* Net income attributable to Owners of the Parent [Note1: subscripts(%) of change % is local currency base]

<Supplementary Information> A/C Sales by Geographic area (Quarter Information)

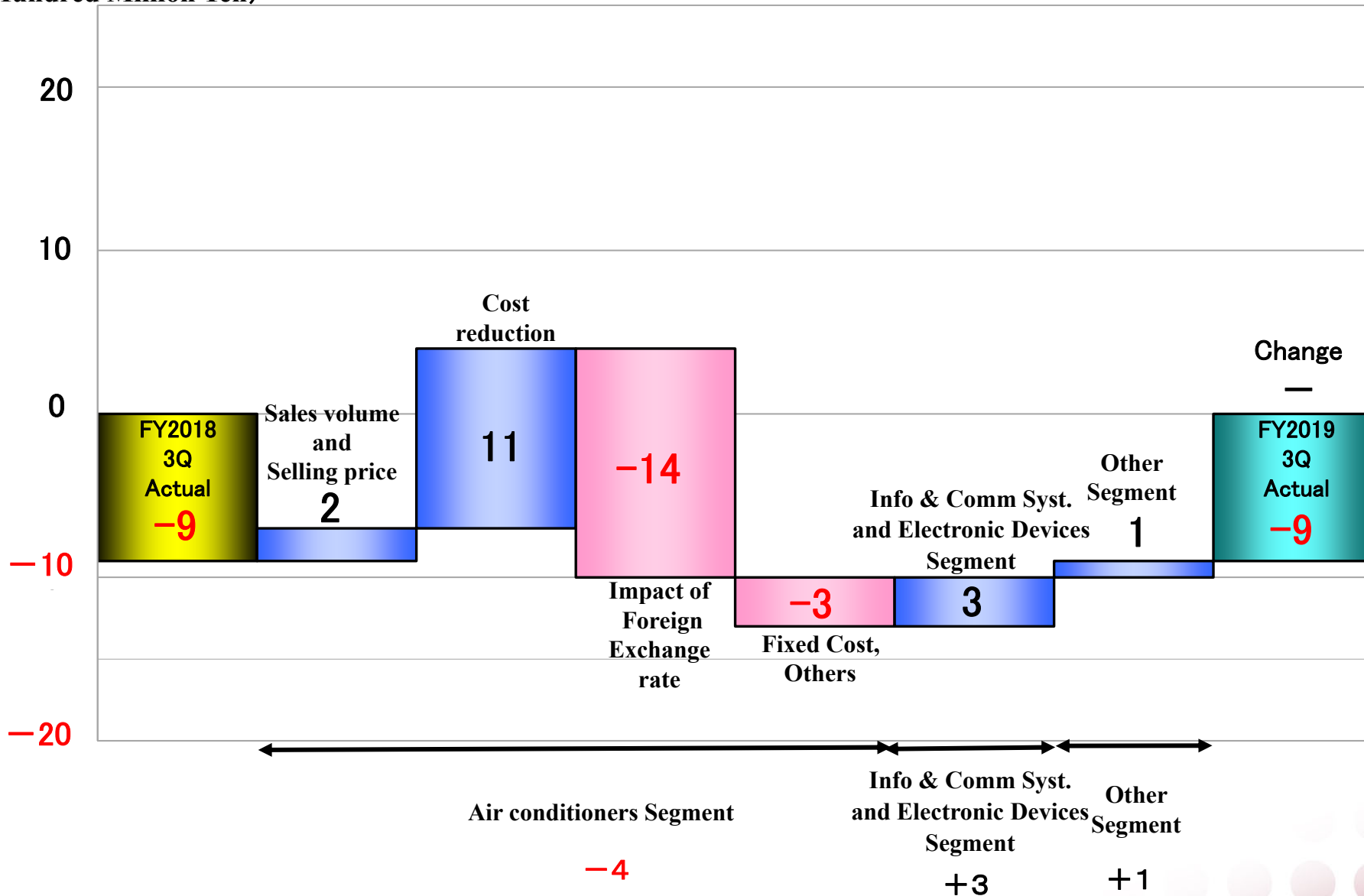
	FY2018(Actual)					FY2019(Actual)			Change		
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	3 Q	%	Local currency base
Japan	171	190	85	147	593	182	182	82	-3	-5%	-5%
Americas	47	87	60	169	363	64	98	63	3	5%	11%
Europe	146	110	76	184	516	185	149	115	39	51%	60%
Middle East and Africa	39	36	10	85	170	21	40	27	17	186%	196%
Oceania	32	68	57	96	253	53	80	75	18	32%	39%
Asia	39	28	12	83	162	26	25	13	1	2%	3%
Greater China	68	41	31	52	192	53	41	32	1	5%	10%
Total	542	560	331	816	2,249	584	615	407	76	23%	28%
(Overseas Total)	(371)	(370)	(246)	(669)	(1,656)	(402)	(433)	(325)	(79)	(32%)	(40%)

[Note2: sales to external customers]

<Reference Information> Analysis of consolidated Operating income
 [FY2019 Third Quarter] (vs previous year)



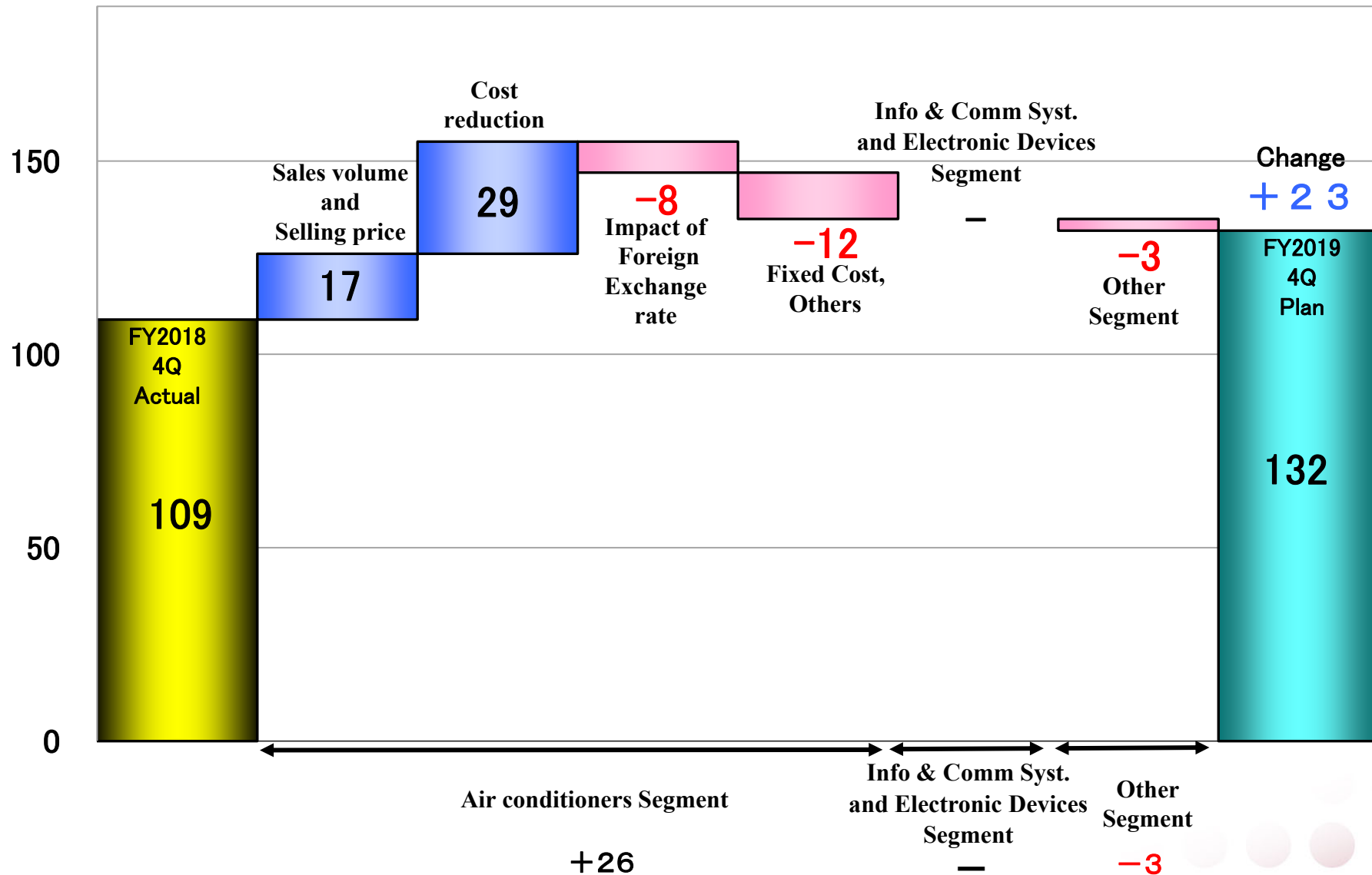
(Hundred Million Yen)

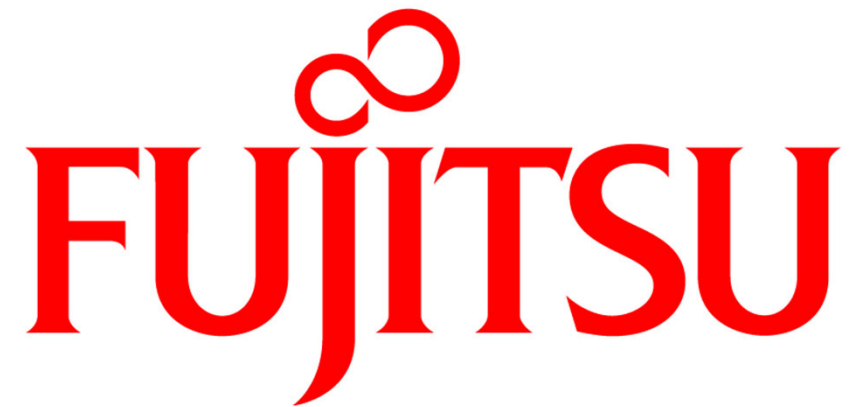


<Reference Information> Analysis of consolidated Operating income
 [FY2019 Fourth Quarter] (vs previous year)



(Hundred Million Yen)



The logo features a red infinity symbol positioned above the word "FUJITSU". The word "FUJITSU" is rendered in a bold, red, serif typeface with a classic, slightly ornate design.

FUJITSU GENERAL

– Living together for our future –