

Financial Results

FY2023 (Ending March 2024)

First 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.



July, 2023 | FUJITSU GENERAL LIMITED

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Consolidated Financial Results

Consolidated Statements of Income

(Hundred Million Yen)

	FY2022 1Q	FY2023 1Q	Change	
				%
Net sales	829	680	-149	-20% -18%
Gross profit (Gross profit margin)	183 (22.1%)	155 (22.7%)	-28 (0.6%)	-16%
Operating income (Operating income margin)	16 (1.9%)	-7 (-1.0%)	-23 (-2.9%)	-%
Ordinary income (Ordinary income margin)	58 (7.0%)	58 (8.5%)	- (1.5%)	1%
Extraordinary gain and loss	-12	2	14	-%
Net income * (Net income margin *)	33 (4.0%)	36 (5.3%)	3 (1.3%)	9%

Net income per share	¥31.78	¥34.68	¥2.90
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* Net income attributable to Owners of the Parent

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

Material prices	Average	Average	Average
Copper(USD/t)	10,134	8,369	-1,765
Aluminum(USD/t)	3,182	2,407	-775
Foreign Exchange rate	Average (Closing)	Average (Closing)	Average (Closing)
Yen/1USD	130 (137)	138 (145)	8 (8)
Yen/1EUR	138 (143)	150 (158)	12 (15)
BAHT/1USD	34.2 (35.1)	34.3 (35.4)	0.1 (0.3)
RMB/1USD	6.63 (6.71)	6.97 (7.23)	0.34 (0.52)

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales> [Overseas] <u>49.0</u> Billion Yen (-23.2 Billion Yen; -32% from PY; -35% based on local currency from PY.) Sales decreased with the following factors.</p> <ul style="list-style-type: none"> • In North America and the Middle East, there was a reactionary downturn from the high level of shipments in the PY. • The pace of new orders from distributors are slow due to their excess inventory status. <p>On the other hand, solid sales of ATW (Air to Water, heat pump water heaters) were maintained in Europe.</p> <p>[In Japan] <u>13.0</u> Billion Yen (+8.3 Billion Yen; +174% from PY) Sales increased due to the normalization of shipments, compared to the PY's impact from Shanghai lockdown.</p> <p><Operating income> -0.8 Billion Yen (-2.1 Billion Yen; -% from PY) Operating income decreased due to lower overseas sales, despite progress in cost reduction, lower materials and ocean freight costs, and favorable foreign currency rates.</p>
<p>Info & Comm Syst. and Electronic Devices</p>	<p><Sales> <u>5.4</u> Billion Yen (+0.1 Billion Yen; +2% from PY)</p> <p>Info & Comm Syst. : Sales increased due to higher sales of public systems and private sector systems. Electronic Devices: Sales decreased due to lower sales of electronic modules and unit products.</p> <p><Operating income> Operating loss increased due to different profit margins for each project despite sales increases in Info & Comm Syst.</p>

Sales by Segment

(Hundred Million Yen)

	FY2022		FY2023		Change			
		1Q		1Q			%	
Air conditioners	93%	769	91%	620	-2%	-149	-22%	-19%
(Japan)		(47)		(130)		(83)		(174%)
(Overseas)		(722)		(490)		(-232)	(-35%)	(-32%)
Info & Comm Syst.		21		25		4		16%
Electronic Devices		32		29		-3		-8%
Info & Comm Syst. and Electronic Devices	6%	53	8%	54	2%	1		2%
Others	1%	7	1%	6	-%	-1		-13%
Total	100%	829	100%	680	-%	-149	-20%	-18%
Japan	13%	105	28%	188	15%	83		79%
Overseas	87%	724	72%	492	-15%	-232	-34%	-32%

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

AC Sales by Geographic area

(Hundred Million Yen)

	FY2022 1Q	FY2023 1Q	Change		
				%	Local currency base
Japan	47	130	83	174%	174%
Americas	220	71	-149	-68%	-69%
Europe	134	171	37	28%	19%
Middle East and Africa	136	39	-97	-71%	-73%
Oceania	72	70	-2	-3%	-2%
Asia	110	102	-8	-8%	-7%
Greater China	50	37	-13	-26%	-27%
Total (Overseas Total)	769 (722)	620 (490)	-149 (-232)	-19% (-32%)	-22% (-35%)

【Sales by Geographic area】

	FY2019 1Q		FY2020 1Q		FY2021 1Q		FY2022 1Q		FY2023 1Q	
Japan	31%	182	35%	183	23%	160	6%	47	21%	130
Americas	11%	64	11%	59	18%	124	29%	220	11%	71
Europe	32%	185	24%	128	25%	168	17%	134	28%	171
Middle East and Africa	4%	21	7%	38	10%	69	18%	136	6%	39
Oceania	9%	53	9%	50	10%	69	9%	72	11%	70
Asia	4%	26	4%	21	7%	50	14%	110	17%	102
Greater China	9%	53	10%	51	7%	50	7%	50	6%	37
Total (Overseas Total)	100% (69%)	584 (402)	100% (65%)	530 (347)	100% (77%)	690 (530)	100% (94%)	769 (722)	100% (79%)	620 (490)

【Note1: sales to external customers】

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

1. Financial Results for FY2023 First Quarter



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

(Hundred Million Yen)

		FY2022	FY2023	Change	
		1 Q	1 Q		%
Air conditioners	Net sales	769	620	-149	-22%
	Operating income	13	-8	-21	-%
	(Operating income margin)	(1.7%)	(-1.3%)	(-3.0%)	
Info & Comm Syst. and Electronic Devices	Net sales	53	54	1	2%
	Operating income	-	-	-	-%
	(Operating income margin)	(-0.9%)	(-1.1%)	(-0.2%)	
Others	Net sales	7	6	-1	-13%
	Operating income	3	1	-2	-53%
	(Operating income margin)	(53.8%)	(29.2%)	(-24.6%)	
Total	Net sales	829	680	-149	-20%
	Operating income	16	-7	-23	-%
	(Operating income margin)	(1.9%)	(-1.0%)	(-2.9%)	

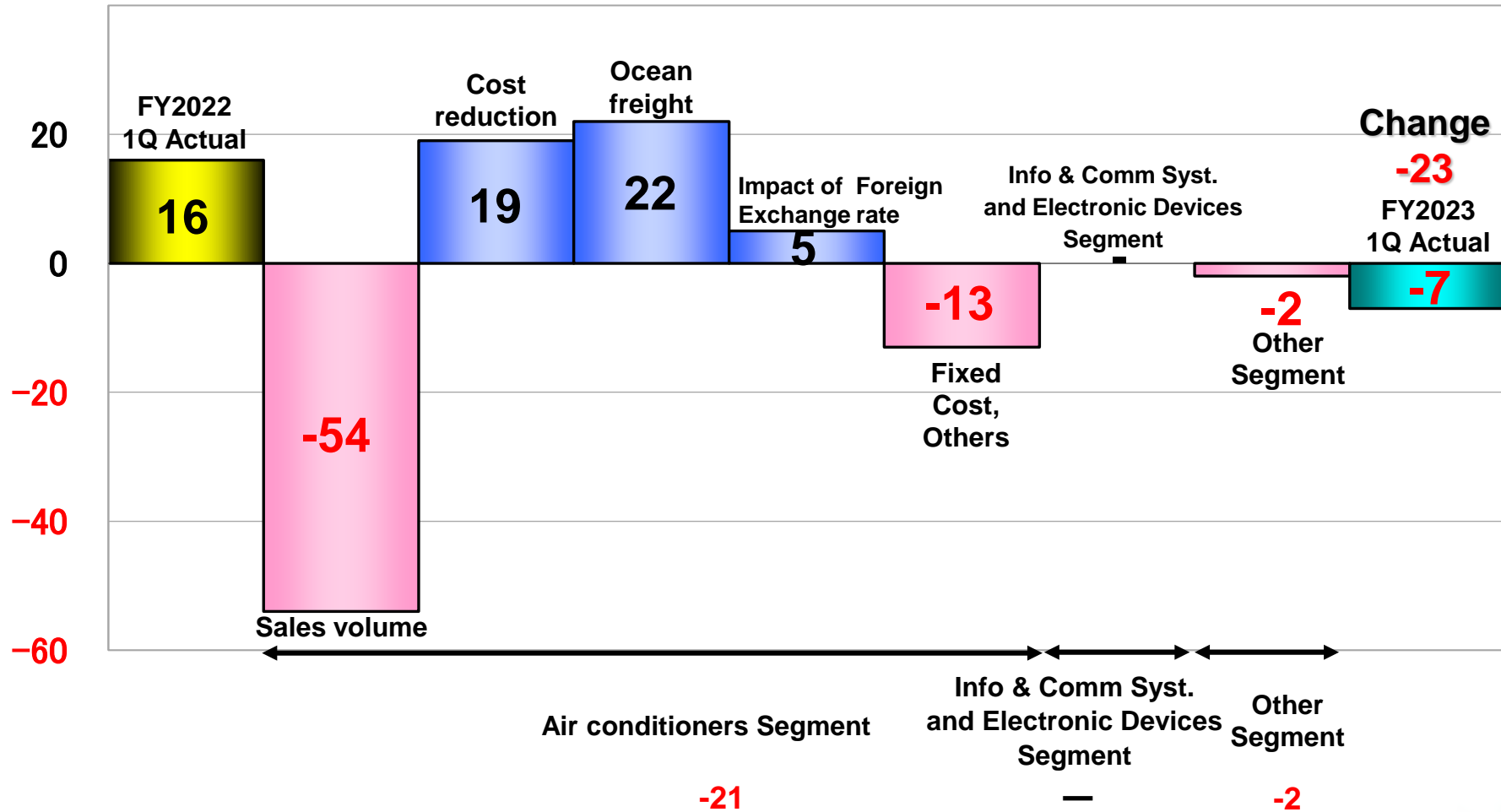
[Note1: sales to external customers] [Note2: subscribers(%) of change % is local currency base]

R&D Expenses	4.9%	40	5.9%	40	1.0%	-	-1%
Capital Expenditure		21		23		2	9%
Depreciation Expenses		18		19		1	6%

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

Analysis of Consolidated Operating income (vs. previous year)

(Hundred Million Yen)



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2022		FY2023 1Q		Change
	Actual	ratio	Actual	ratio	
Current assets	2,160	72%	2,109	70%	-51
(Cash and deposits)	(174)		(178)		(4)
(Notes and accounts receivables)	(1,071)		(883)		(-188)
(Inventories)	(728)		(852)		(124)
(Others)	(187)		(196)		(9)
Noncurrent assets	824	28%	883	30%	59
Total assets	2,984	100%	2,992	100%	8
Current liabilities	1,392	47%	1,351	45%	-41
(Notes and accounts payables)	(538)		(425)		(-113)
(Short-term loans payable)	(327)		(383)		(56)
(Others)	(527)		(543)		(16)
Noncurrent liabilities	196	6%	190	6%	-6
Total liabilities	1,588	53%	1,541	51%	-47
Shareholders' equity	1,231	41%	1,250	42%	19
Accumulated other comprehensive income	102	4%	132	5%	30
Non-controlling interests	63	2%	69	2%	6
Total net assets	1,396	47%	1,451	49%	55
Total liabilities and net assets	2,984	100%	2,992	100%	8

Main Financial Data

(Hundred Million Yen)

	FY2022 1Q	FY2023 1Q	Change	(Reference) FY2022
Operating Cash Flow	-59	23	82	-80
Investing Cash Flow	-20	-58	-38	-84
Free Cash Flow	-79	-35	44	-164

Shareholders' equity ratio	48.5%	46.2%	-2.3%	44.7%
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Inventories	679	852	173	728
Days Inventory Outstanding	74.4days	79.1days	4.7days	73.5days
CCC *	105.0days	120.2days	15.2days	108.8days
Net D/E ratio (times)	0.03	0.15	0.12	0.12

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

Consolidated Financial Plan

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

	FY2022 (Actual)			FY2023 (Plan)			Change		Change vs. disclosure in April Full Year
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year	%	
Net sales	1,830	1,880	3,710	1,600	2,200	3,800	90	4% 2%	-150
Operating income	25	126	151	50	160	210	59	39%	-
(Operating income margin)	(1.4%)	(6.7%)	(4.1%)	(3.1%)	(7.3%)	(5.5%)	(1.4%)		(0.2%)
Ordinary income	78	96	174	80	130	210	36	21%	-
(Ordinary income margin)	(4.3%)	(5.1%)	(4.7%)	(5.0%)	(5.9%)	(5.5%)	(0.8%)		(0.2%)
Extraordinary gain and loss	-12	-18	-30	2	-	2	32	-%	2
Net income *	50	37	87	50	80	130	43	50%	-
(Net income margin *)	(2.7%)	(2.0%)	(2.3%)	(3.1%)	(3.6%)	(3.4%)	(1.1%)		(0.1%)

* Net income attributable to owners of the parent

Dividend per share (Yen)	17	17	40.9% 34	18	18	29.0% 36	2	-
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[Note2: subscripts(%) of dividend per share is dividend payout ratio]

Material prices (Average)

Copper(USD/t)	9,671	9,047	9,361	8,131	8,400	8,307	-1,054	-93
Aluminum(USD/t)	2,890	2,435	2,672	2,389	3,000	2,761	89	-239

Foreign Exchange Rate (Average)

Yen/1USD	135	137	136	139	135	136	-	1
Yen/1EUR	139	143	141	152	140	145	4	5
BAHT/1USD	35.2	34.9	35.1	34.6	34.0	34.2	-0.9	0.2
RMB/1USD	6.74	6.99	6.86	7.07	6.75	6.90	0.04	0.15

Sales by Segment

(Hundred Million Yen)

	FY2022 (Actual)			FY2023 (Plan)			Change		Change vs. disclosure in April Full Year
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year□	Full Year	%	
Air conditioners	1,685	1,699	91% 3,384	1,460	2,000	91% 3,460	76	4% 2%	-140
(Japan)	(221)	(225)	(446)	(290)	(230)	(520)	(74)	(17%)	(-)
(Overseas)	(1,464)	(1,474)	(2,938)	(1,170)	(1,770)	(2,940)	(2)	(2%) (-%)	(-140)
Info & Comm Syst.	51	84	135	65	110	175	40	29%	-
Electronic Devices	81	84	165	65	85	150	-15	-9%	-15
Info & Comm Syst. and Electronic Devices	132	168	8% 300	130	195	8% 325	25	9%	-15
Others	13	13	1% 26	10	5	1% 15	-11	-43%	5
Total	1,830	1,880	100% 3,710	1,600	2,200	100% 3,800	90	4% 2%	-150
Japan	352	391	20% 743	424	420	22% 844	101	14%	-6
Overseas	1,478	1,489	80% 2,967	1,176	1,780	78% 2,956	-11	1% -%	-144

[Note1: subscripts(%) of sales is proportion to Total]

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

AC Sales by Geographic area

(Hundred Million Yen)

	FY2022 (Actual)			FY2023 (Plan)			Change			Change vs. disclosure in April Full Year
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year	%	Local currency base	
Japan	221	225	446	290	230	520	74	17%	17%	-
Americas	382	293	675	255	460	715	40	6%	8%	-58
Europe	392	509	901	389	557	946	45	5%	5%	-
Middle East and Africa	259	194	453	119	196	315	-138	-30%	-29%	-
Oceania	150	202	352	186	233	419	67	19%	23%	-
Asia	182	181	363	150	220	370	7	2%	6%	-59
Greater China	99	95	194	71	104	175	-19	-10%	-11%	-23
Total	1,685	1,699	3,384	1,460	2,000	3,460	76	2%	4%	-140
(Overseas Total)	(1,464)	(1,474)	(2,938)	(1,170)	(1,770)	(2,940)	(2)	(-%)	(2%)	(-140)

< Reference Information > Historical Information

	FY2019 (Actual)		FY2020 (Actual)		FY2021 (Actual)		FY2022 (Actual)		FY2023 (Plan)	
Japan	25%	573	27%	621	21%	532	13%	446	15%	520
Americas	16%	365	15%	356	17%	422	20%	675	21%	715
Europe	27%	621	24%	556	27%	692	27%	901	27%	946
Middle East and Africa	9%	201	8%	179	8%	195	13%	453	9%	315
Oceania	12%	290	13%	312	12%	296	10%	352	12%	419
Asia	4%	96	6%	147	9%	237	11%	363	11%	370
Greater China	7%	155	7%	161	6%	150	6%	194	5%	175
Total	100%	2,301	100%	2,332	100%	2,524	100%	3,384	100%	3,460
(Overseas Total)	(75%)	(1,728)	(73%)	(1,711)	(79%)	(1,992)	(87%)	(2,938)	(85%)	(2,940)

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

2.Consolidated Financial Forecast

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



(Hundred Million Yen)

		FY2022 (Actual)			FY2023 (Plan)			Change		Change vs. disclosure in April Full Year	
		1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year	%		
Air conditioners	Net sales	1,685	1,699	3,384	1,460	2,000	3,460	76	4%	2%	-140
	Operating income	15	105	120	49	158	207	87	73%		-10
	(Operating income margin)	(0.9%)	(6.1%)	(3.5%)	(3.4%)	(7.9%)	(6.0%)	(2.5%)			(-%)
Info & Comm Syst. and Electronic Devices	Net sales	132	168	300	130	195	325	25	9%		-15
	Operating income	3	15	18	3	29	32	14	77%		-1
	(Operating income margin)	(2.2%)	(9.1%)	(6.0%)	(2.3%)	(14.9%)	(9.8%)	(3.8%)			(0.1%)
Others	Net sales	13	13	26	10	5	15	-11	-43%		5
	Operating income	7	6	13	-2	-27	-29	-42	-%		11
	(Operating income margin)	(53.6%)	(48.0%)	(50.8%)	(-20.0%)	(-540.0%)	(-193.3%)	(-244.1%)			(206.7%)
Total	Net sales	1,830	1,880	3,710	1,600	2,200	3,800	90	4%	2%	-150
	Operating income	25	126	151	50	160	210	59	39%		-
	(Operating income margin)	(1.4%)	(6.7%)	(4.1%)	(3.1%)	(7.3%)	(5.5%)	(1.4%)			(0.2%)

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

R&D Expenses	4.2%	77	4.2%	80	4.2%	157	5.3%	85	4.1%	90	4.6%	175	0.4%	18	11%	-%	-5
Capital Expenditure		41		41		82		70		95		165		83	101%		-15
Depreciation Expenses		37		39		76		40		48		88		12	16%		-2

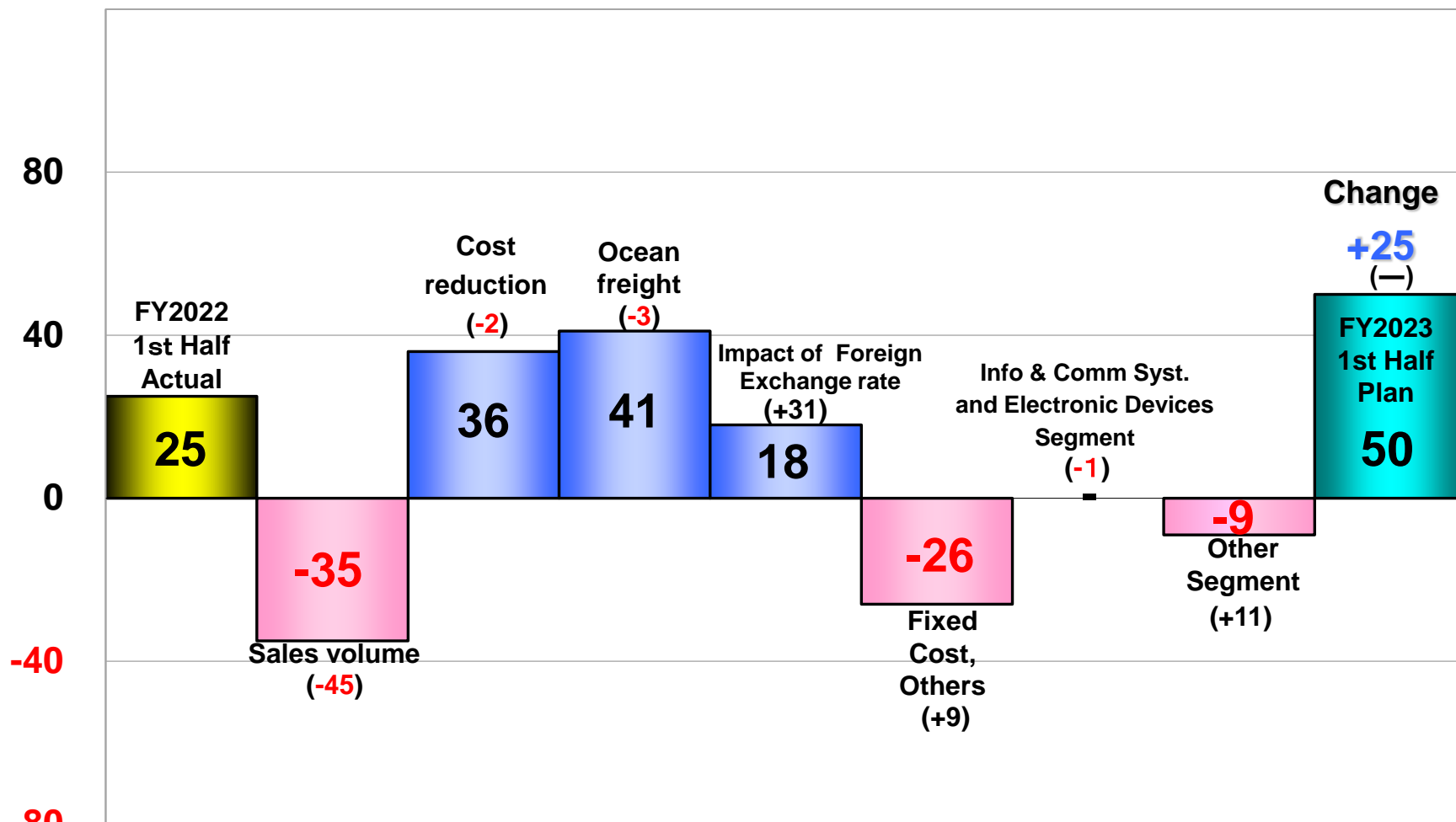
[Note3: subscribers(%) is proportion to Total Net sales]

2.Consolidated Financial Forecast



Analysis of Consolidated Operating income [1st Half] (vs. previous year)

(Hundred Million Yen)



Air conditioners Segment Info & Comm Syst. and Electronic Devices Segment Other Segment

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

+34
(-10) 15

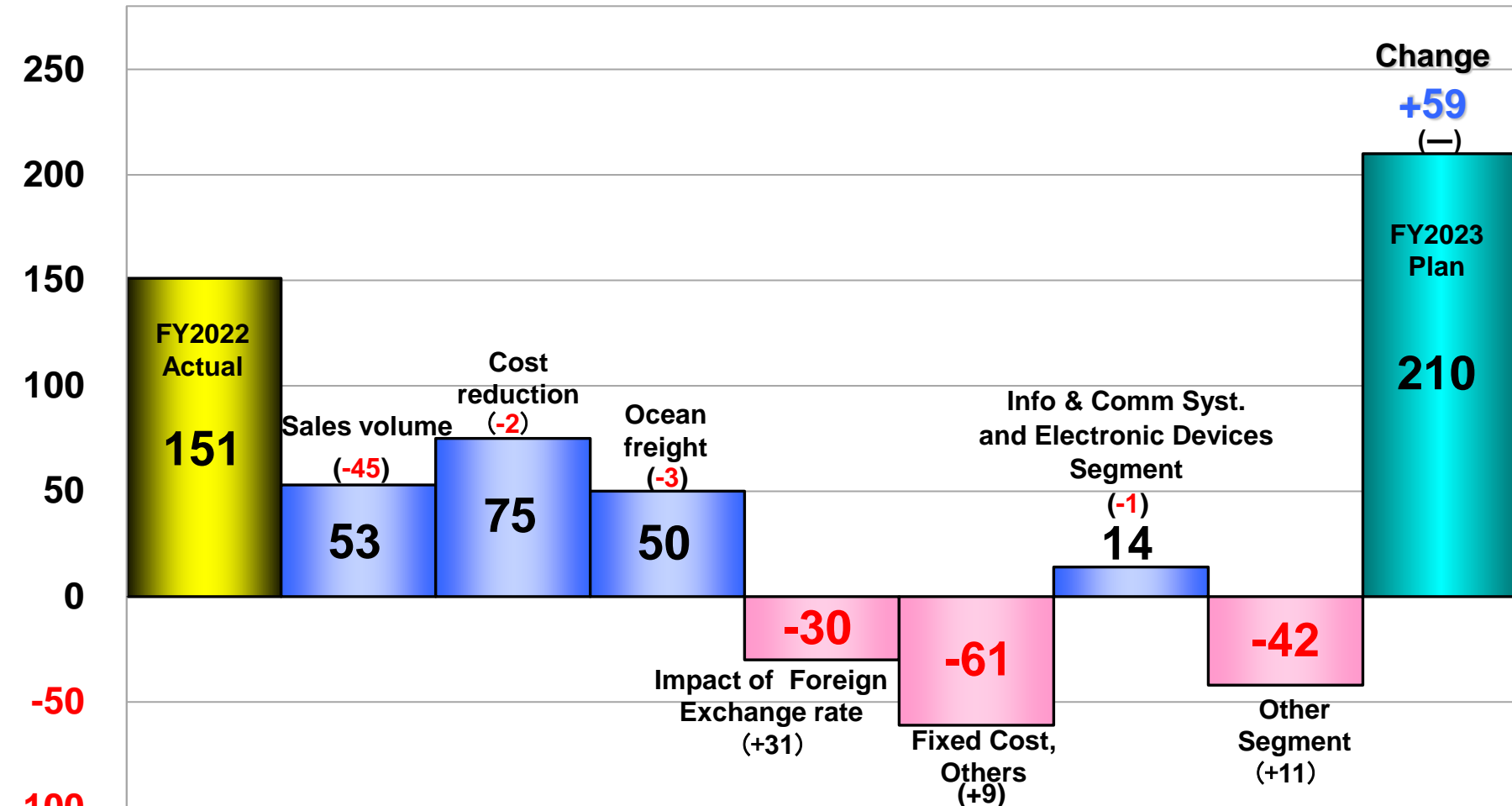
(-1) -9
(+11)

2.Consolidated Financial Forecast



Analysis of Consolidated Operating income [FY2023] (vs. previous year)

(Hundred Million Yen)



Air conditioners Segment

Info & Comm Syst. and Electronic Devices Segment

Other Segment

+87
(-10)

+14
(-1)

-42
(+11)

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

Sales by Segment (change)

(Hundred Million Yen)

	FY2022 (Actual)				FY2023 (1Q Actual/2Q&2nd Half Plan)			
	1Q	2Q	2nd Half	Full Year	1Q	2Q	2nd Half	Full Year
Air conditioners	769	916	1,699	3,384	620	840	2,000	3,460
(Japan)	(47)	(174)	(225)	(446)	(130)	(160)	(230)	(520)
(Overseas)	(722)	(742)	(1,474)	(2,938)	(490)	(680)	(1,770)	(2,940)
Info & Comm Syst.	21	30	84	135	25	40	110	175
Electronic Devices	32	49	84	165	29	36	85	150
Info & Comm Syst. and Electronic Devices	53	79	168	300	54	76	195	325
Others	7	6	13	26	6	4	5	15
Total	829	1,001	1,880	3,710	680	920	2,200	3,800
Japan	105	247	391	743	188	236	420	844
Overseas	724	754	1,489	2,967	492	684	1,780	2,956

Consolidated Statements of Income(Change)

(Hundred Million Yen)

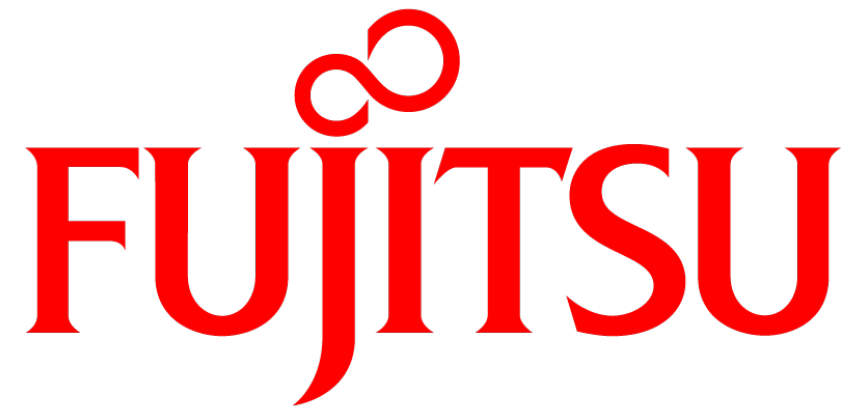
	FY2022 (Actual)				FY2023 (1Q Actual/2Q&2nd Half Plan)			
	1 Q	2Q	2nd Half	Full Year	1 Q	2Q	2nd Half	Full Year
Net sales	829	1,001	1,880	3,710	680	920	2,200	3,800
Operating income	16	9	126	151	-7	57	160	210
(Operating income margin)	(1.9%)	(0.9%)	(6.7%)	(4.1%)	(-1.0%)	(6.2%)	(7.3%)	(5.5%)
Ordinary income	58	20	96	174	58	22	130	210
(Ordinary income margin)	(7.0%)	(2.0%)	(5.1%)	(4.7%)	(8.5%)	(2.4%)	(5.9%)	(5.5%)
Net income *	33	17	37	87	36	14	80	130
(Net income margin *)	(4.0%)	(1.7%)	(2.0%)	(2.3%)	(5.3%)	(1.5%)	(3.6%)	(3.4%)

* Net income attributable to owners of the parent

<Supplementary Information> AC Sales by Geographic area (Change)

	FY2022 (Actual)				FY2023 (1Q Actual/2Q&2nd Half Plan)			
	1 Q	2Q	2nd Half	Full Year	1 Q	2Q	2nd Half	Full Year
Japan	47	174	225	446	130	160	230	520
Americas	220	162	293	675	71	184	460	715
Europe	134	258	509	901	171	218	557	946
Middle East and Africa	136	123	194	453	39	80	196	315
Oceania	72	78	202	352	70	116	233	419
Asia	110	72	181	363	102	48	220	370
Greater China	50	49	95	194	37	34	104	175
Total	769	916	1,699	3,384	620	840	2,000	3,460
(Overseas Total)	(722)	(742)	(1,474)	(2,938)	(490)	(680)	(1,770)	(2,940)

[Note: sales to external customers]



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– Living together for our future –