

FY2024 (Ending March 2025) Second Quarter Financial Results

October, 2024

FUJITSU GENERAL LIMITED

Index

Introduction: Strategic Overview for FY2024

1. Financial Results for FY2024 First Half

Consolidated Financial Results	6
Sales by Segment	7
AC Sales by Geographic area	8
Segment Information, R&D Expenses, Capital Expenditure, Depreciation Expenses	9
Analysis of Consolidated Operating income [PY2024 1st Half] (vs previous year)	10
Consolidated Balance Sheets	11
Main Financial Date	12

2. Consolidated Financial Forecast for the FY2024

Consolidated Financial Plan	14
Sales by Segment	15
AC Sales by Geographic area	16
Segment Information, R&D Expenses, Capital Expenditure, Depreciation Expenses	17
Analysis of Consolidated Operating income [FY2024] (vs previous year)	18

3. Future Strategy

Our Aspired Vision at Fujitsu General	20
Fujitsu General's Strategic Business Direction for the Future ..	21
Future Strategic Framework	22

<Appendix>	23
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Introduction: Strategic Overview for FY2024

Introduction: Strategic Overview for FY2024

◆ Organizational Restructuring to Implement Initiatives for Enhanced Profitability and Transforming Mindsets

- Consolidation of business segments into two divisions: "Air Conditioner Business" and "Tech Solutions Business."
- Introduction of new roles, Chief Transformation Officer (CTrO) and Transformation Officers (TrO) to drive the reformation;
 - CTrO : K. Masuda
 - TrO (5 members) : T. Kawanishi (Air Conditioner Business), T. Hasegawa (Tech Solutions Business), S. Ohkawara (Management Foundation), T. Arikado (Business Foundation), J. Nakagawa (Human Resources and Organization)
- CxO overseeing each function will be responsible for cross-company business promotion and support.

◆ To Accelerate Growth Through Identification of Business Issues

- Launching of company-wide projects to identify issues and implement corresponding initiatives.
- Acceleration of growth in the core Air Conditioner Business through the integration of manufacturing and sales.
- Strengthen our group's business foundation, by narrowing down the focus on certain segments in the Electronic Devices Business and processing the losses incurred by the decline of profitability as strategic costs within this fiscal year.

1. Financial Results for FY2024 First Half

Consolidated Financial Results

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

	FY2023 1st Half	FY2024 1st Half	(Hundred Million Yen)	
			Change	%
Net sales	1,522	1,716	194	8% 13%
Gross profit	345	398	53	15%
(Gross profit margin)	(22.7%)	(23.2%)	(0.5%)	
Operating income	13	30	17	136%
(Operating income margin)	(0.8%)	(1.8%)	(1.0%)	
Ordinary income	74	16	-58	-78%
(Ordinary income margin)	(4.9%)	(1.0%)	(-3.9%)	
Extraordinary gain and loss	2	-79	-81	-%
Net income *	44	-101	-145	-%
(Net income margin *)	(2.9%)	(-5.9%)	(-8.8%)	

* Net income attributable to Owners of Parent

Material prices and Foreign Exchange rate (Closing rate)

Copper(USD/t)	8,200	8,628	428
Aluminium(USD/t)	2,383	2,421	38
Yen/1USD	142/(150)	151/(143)	9/(-7)
Yen/1EUR	153/(158)	166/(159)	13/(1)
BAHT/1USD	34.8/(36.4)	35.1/(32.1)	0.3/(-4.3)
RMB/1USD	7.06/(7.18)	7.11/(7.01)	0.05/(-0.17)

Summary of FY2024 1st Half

[Note2: subscripts(%) of change % is income margin]

	FY2024	
	1st Half	Strategic cost
Net sales	1,716	-19
Operating income	(1.8%) 30	-27
Ordinary income	16	-27
Extraordinary loss	-79	-79
Net income	(-5.9%) -101	-130

Overview of Strategic Expenses

Operating income

The impact on profit and loss due to strategic pricing policies associated with the shift in the product lineup as the measures to refrigerant conversion in North America.

Extraordinary loss

(Current 2Q Cumulative Shows Extraordinary Loss)

The extraordinary loss is strategic cost associated with the narrowing focus of the Electronic Devices business and declining profitability.

Net income

The total impact on net income amounts to **-13 Billion Yen.**

Sales by Segment

(Hundred Million Yen)

	FY2023 1st Half	FY2024 1st Half	Change		
				%	Local currency base
Air Conditioners	1,373	1,570	197	14%	9%
Info & Comm Syst.	67	80	13	19%	19%
Electronic Devices	68	51	-17	-25%	-25%
Info & Comm Syst. and Electronic Devices	135	131	-4	-3%	-3%
Others	14	15	1	14%	14%
Total	1,522	1,716	194	13%	8%
Japan	417	432	15	3%	3%
Overseas	1,105	1,284	179	16%	9%

AC Sales by Geographic area

(Hundred Million Yen)

	FY2023 1st Half	FY2024 1st Half	Change		
				%	Local currency base
Japan	275	291	16	6%	6%
Americas	164	264	100	61%	50%
Europe	380	300	-80	-21%	-26%
Middle East and Africa	120	178	58	49%	46%
Oceania	159	208	49	31%	21%
Asia	197	271	74	37%	29%
Greater China	78	58	-20	-25%	-30%
Total	1,373	1,570	197	14%	9%

[Note: sales to external customers]

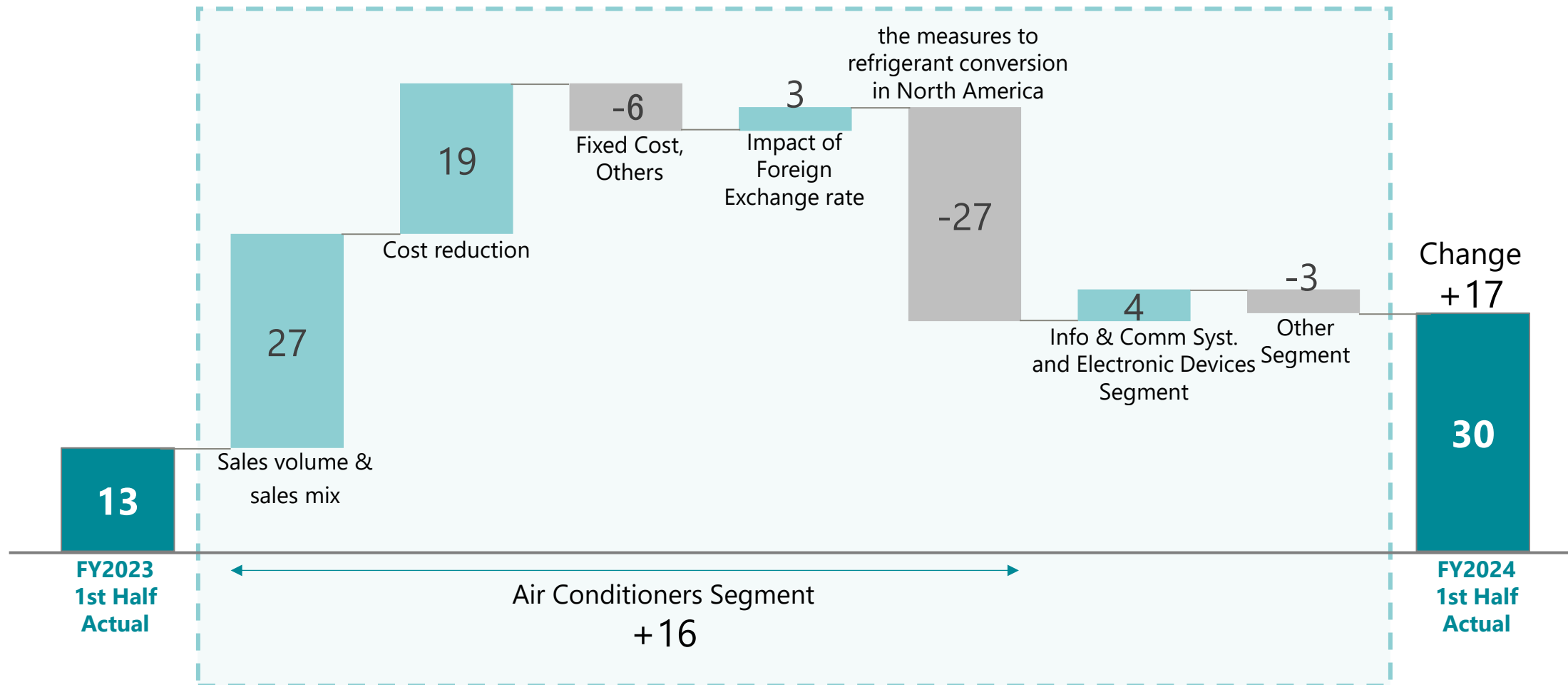
Segment Information, R&D Expenses, Capital Expenditure, Depreciation Expenses

		(Hundred Million Yen)			
		FY2023	FY2024	Change	
		1st Half	1st Half		%
	Net sales	1,373	1,570	197	14%
Air conditioners	Operating income	2	18	16	978%
	(Operating income margin)	(0.1%)	(1.1%)	(1.0%)	
Info & Comm Syst. and Electronic Devices	Net sales	135	131	-4	-3%
	Operating income	6	10	4	85%
	(Operating income margin)	(4.0%)	(7.6%)	(3.6%)	
Others	Net sales	14	15	1	14%
	Operating income	5	2	-3	-58%
	(Operating income margin)	(42.0%)	(15.6%)	(-26.4%)	
Total	Net sales	1,522	1,716	194	13%
	Operating income	13	30	17	136%
	(Operating income margin)	(0.8%)	(1.8%)	(1.0%)	
[Note1: sales to external customers]					
	R&D Expenses	5.2% 78	4.5% 77	Δ0.7% -1	-2%
	Capital Expenditure	48	34	-14	-28%
	Depreciation Expenses	40	46	6	14%

[Note2: subscripts(%) of R&D Expenses is proportion to Total Net Sales]

Analysis of Consolidated Operating income[PY2024 1st Half] (vs previous year)

(Hundred Million Yen)



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2023		FY2024 1st half		Change
	Actual	ratio	Actual	ratio	
Current assets	1,863	68%	1,562	65%	-301
(Cash and deposits)	(197)		(230)		(33)
(Notes and accounts receivable)	(994)		(750)		(-244)
(Inventories)	(559)		(468)		(-91)
(Others)	(113)		(114)		(1)
Noncurrent assets	893	32%	856	35%	-37
Total assets	2,756	100%	2,418	100%	-338
Current liabilities	1,101	40%	885	37%	-216
(Notes and accounts payable)	(464)		(432)		(-32)
(Short-term loans payable)	(134)		(12)		(-122)
(Others)	(503)		(441)		(-62)
Noncurrent liabilities	189	7%	180	7%	-9
Total liabilities	1,290	47%	1,065	44%	-225
Shareholders' equity	1,226	44%	1,107	46%	-119
Accumulated other comprehensive income	161	6%	164	7%	3
Non-controlling interests	79	3%	82	3%	3
Total net assets	1,466	53%	1,353	56%	-113
Total liabilities and net assets	2,756	100%	2,418	100%	-338

Main Financial Data

	FY2023 1st Half	FY2024 1st Half	Change	(Hundred Million Yen) (Reference) FY2023
Operating Cash Flow	208	232	24	426
Investing Cash Flow	-98	-47	51	-164
Free Cash Flow	110	185	75	262
Shareholders' equity ratio	50.0%	52.6%	2.6%	50.3%
Inventories	741	468	-273	559
Days Inventory Outstanding	84.1days	67.5days	-16.6days	82.9days
CCC *	127.9days	110.0days	-17.9days	136.9days
Net D/E ratio (times)	0.05	-0.17	-0.22	-0.04

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

2. Consolidated Financial Forecast for the FY2024

Consolidated Financial Plan

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

	FY2023 Actual	FY2024 Plan	Change		Change vs. disclosure in July Full Year
				%	
Net sales	3,165	3,600	435	14%	200
Operating income	57	100	43	74%	-20
(Operating income margin)	(1.8%)	(2.8%)	(1.0%)		(-0.7%)
Ordinary income	144	80	-64	-44%	-30
(Ordinary income margin)	(4.5%)	(2.2%)	(-2.3%)		(-1.0%)
Extraordinary loss	-60	-79	-19	-%	-79
Net income *	31	-70	-101	-%	-130
(Net income margin *)	(1.0%)	(-1.9%)	(-2.9%)		(-3.7%)

* Net income attributable to Owners of Parent

Material prices and Foreign Exchange rate (Closing rate)

Copper(USD/t)	8,034	9,284	1,250	284
Aluminium(USD/t)	2,370	2,536	166	-164
Yen/1USD	145/(151)	148/(145)	3/(-6)	8/(5)
Yen/1EUR	156/(163)	163/(160)	7/(-3)	13/(10)
BAHT/1USD	35.1/(36.3)	34.7/(34.3)	-0.4/(-2)	-0.1/(-0.5)
RMB/1USD	7.09/(7.10)	7.06/(7.00)	△0.03/(-0.10)	-0.04/(-0.10)

Summary of FY2024 Plan

[Note2: subscripts(%) of change % is income margin]

	FY2024	
	Plan	Strategic cost
Net sales	3,600	-28
Operating income (2.8%)	100	-47
Ordinary income	80	-47
Extraordinary loss	-79	-79
Net income (-1.9%)	-70	-150

Strategic cost

The total impact on net income, including extraordinary loss and additional measures for refrigerant conversion in North America, amounts to **-15 billion yen**.

Sales by Segment

	FY2023 Actual	FY2024 Plan	Change			Change vs. disclosure in July Full Year
				%	Local currency base	
Air Conditioners	2,806	3,220	414	15%	12%	220
Info & Comm Syst.	209	255	46	22%	22%	5
Electronic Devices	123	95	-28	-22%	-22%	-25
Tech Solutions Business	332	350	18	5%	5%	-20
Others	27	30	3	10%	10%	-
Total	3,165	3,600	435	14%	11%	200
Japna	837	870	33	4%	4%	-10
Overseas	2,328	2,730	402	17%	14%	210

[Note: Due to changes in the segment, the display has been changed for "Info & Comm Syst. and Electronic Devices" to Tech Solutions Business.
We are calculating the impact amounts, and there has been no reclassification.]

AC Sales by Geographic area

		FY2023 Actual	FY2024 Plan	Change			(Hundred Million Yen) Change vs. disclosure in July Full Year
					%	Local currency base	
Japan	Japan	491	500	9	2%	2%	-
Americas	Americas	402	550	148	37%	35%	80
EMEA	Europe	698	680	-18	-3%	-5%	-30
	Middle East and Africa	236	340	104	44%	44%	80
APAC	Oceania	366	450	84	23%	17%	50
	Asia	468	560	92	20%	16%	20
	Greater China	145	140	-5	-3%	-8%	20
Total		2,806	3,220	414	15%	12%	220

[Note1: sales to external customers]

[Note2: To oversee the regions, we have newly established Japan, Americas, EMEA and APAC]

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

		(Hundred Million Yen)				
		FY2023	FY2024	Change		Change vs. disclosure in July Full Year
		Actual	Plan		%	
Air conditioners	Net sales	2,806	3,220	414	15%	220
	Operating income	7	60	53	721%	-25
	(Operating income margin)	(0.3%)	(1.9%)	(1.6%)		(-0.9%)
Tech Solutions Business	Net sales	332	350	18	5%	-20
	Operating income	44	55	11	24%	5
	(Operating income margin)	(13.4%)	(15.7%)	(2.3%)		(2.2%)
Others	Net sales	27	30	3	10%	-
	Operating income	6	-15	-21	-%	-
	(Operating income margin)	(21.3%)	(-50.0%)	(-71.3%)		(-%)
Total	Net sales	3,165	3,600	435	14%	200
	Operating income	57	100	43	74%	-20
	(Operating income margin)	(1.8%)	(2.8%)	(1.0%)		(-0.7%)

[Note1: Due to changes in the segment, the display has been changed for "Info & Comm Syst. and Electronic Devices" to "Tech Solutions Business".
We are calculating the impact amounts, and there has been no reclassification.]

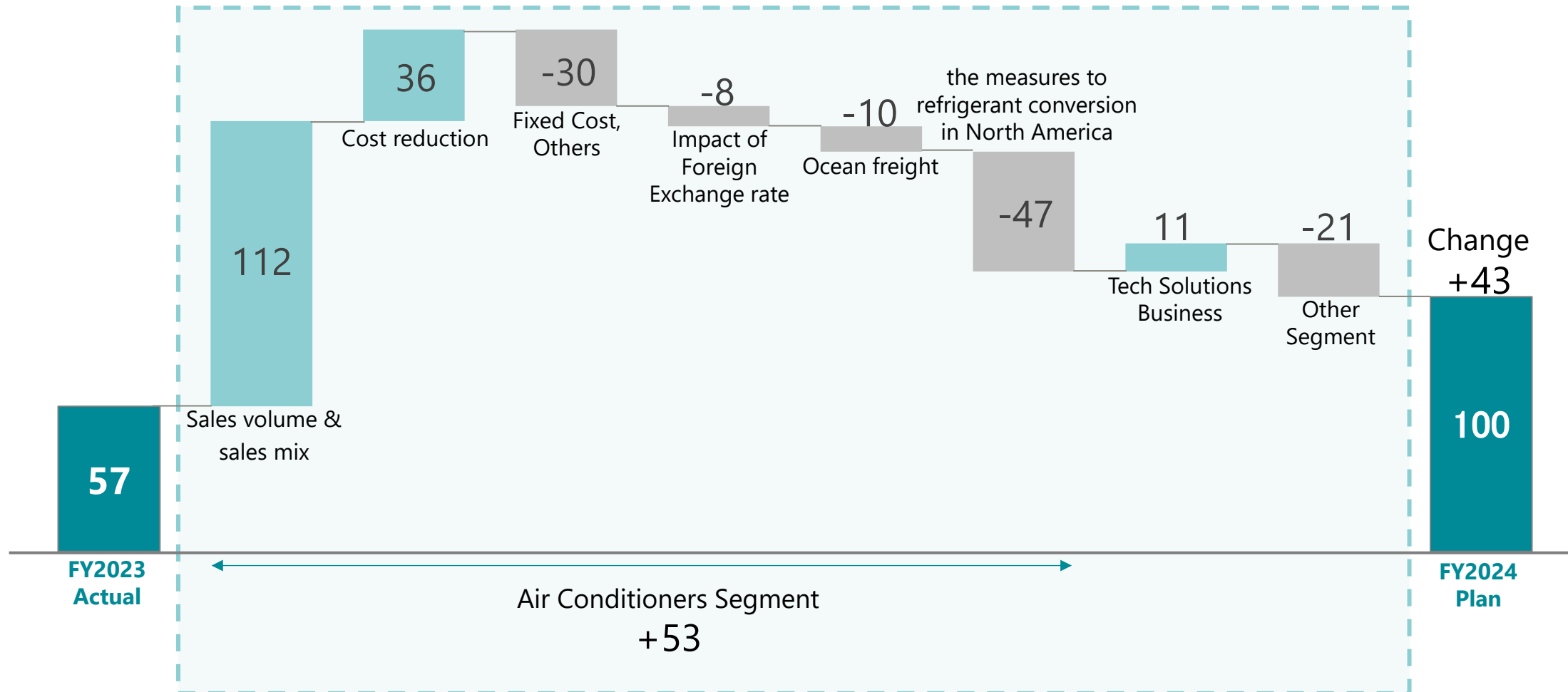
[Note2: sales to external customers]

R&D Expenses	4.8%	153	4.7%	170	Δ0.1%	17	11%	Δ0.2%	5
Capital Expenditure		118		100		-18	-15%		-20
Depreciation Expenses		85		90		5	6%		-

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

Analysis of Consolidated Operating income[FY2024] (vs previous year)

(Hundred Million Yen)



[Note: Due to changes in the segment, the display has been changed for "Info & Comm Syst. and Electronic Devices" to "Tech Solutions Business". We are calculating the impact amounts, and there has been no reclassification.]

3. Future Strategy

Our Aspired Vision at Fujitsu General



Creating a Life Conditioner

What we strive to support and protect is the comfort of our loved ones and family. Our goal is to promote a sustainable and well-being-focused lifestyle that helps our communities thrive, and maintain our health during extreme weather, such as through intense heat waves and cold spells.

We want to **continue protecting** “All of LIFE,” such as the smiles of future generations and the environment.

Through creating “Air” Conditioners, we are creating “Life” Conditioners.

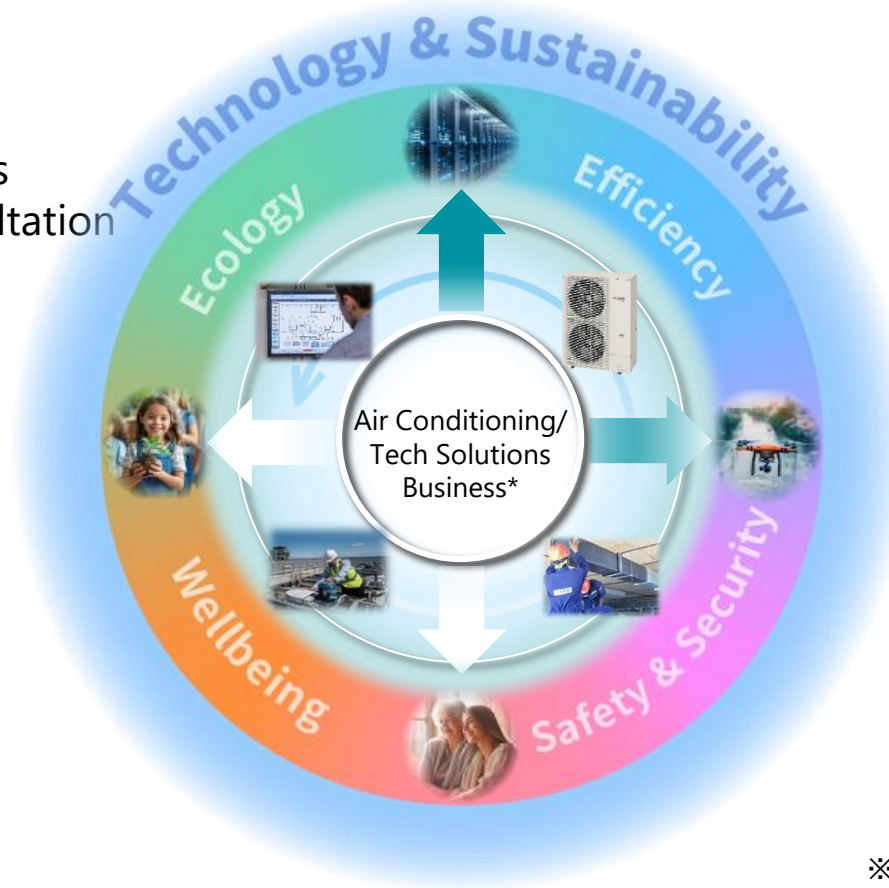
Fujitsu General's Strategic Business Direction for the Future

Air Conditioning Ecology

- Reduction of Product CO2 emissions
- Energy Efficiency Monitoring/Consultation
- Resource Circulation Business

Well-Being Solutions

- Pursuit of Comfort for Health
- Air Quality Monitoring System



Air Conditioning Service Solutions

- Energy Management Platform
- Air Conditioning Lifecycle Support

Disaster Prevention Solutions

- Utilization of Drones for Firefighting
- Digital Transformation of Firefighting /Disaster Prevention Systems
- Infection Prevention

※Tech Solutions Business: Information and Communication Systems, Electronic Devices, etc.

Strengths of Fujitsu General



Manufacturing

Creating World firsts and Industry firsts



Technology

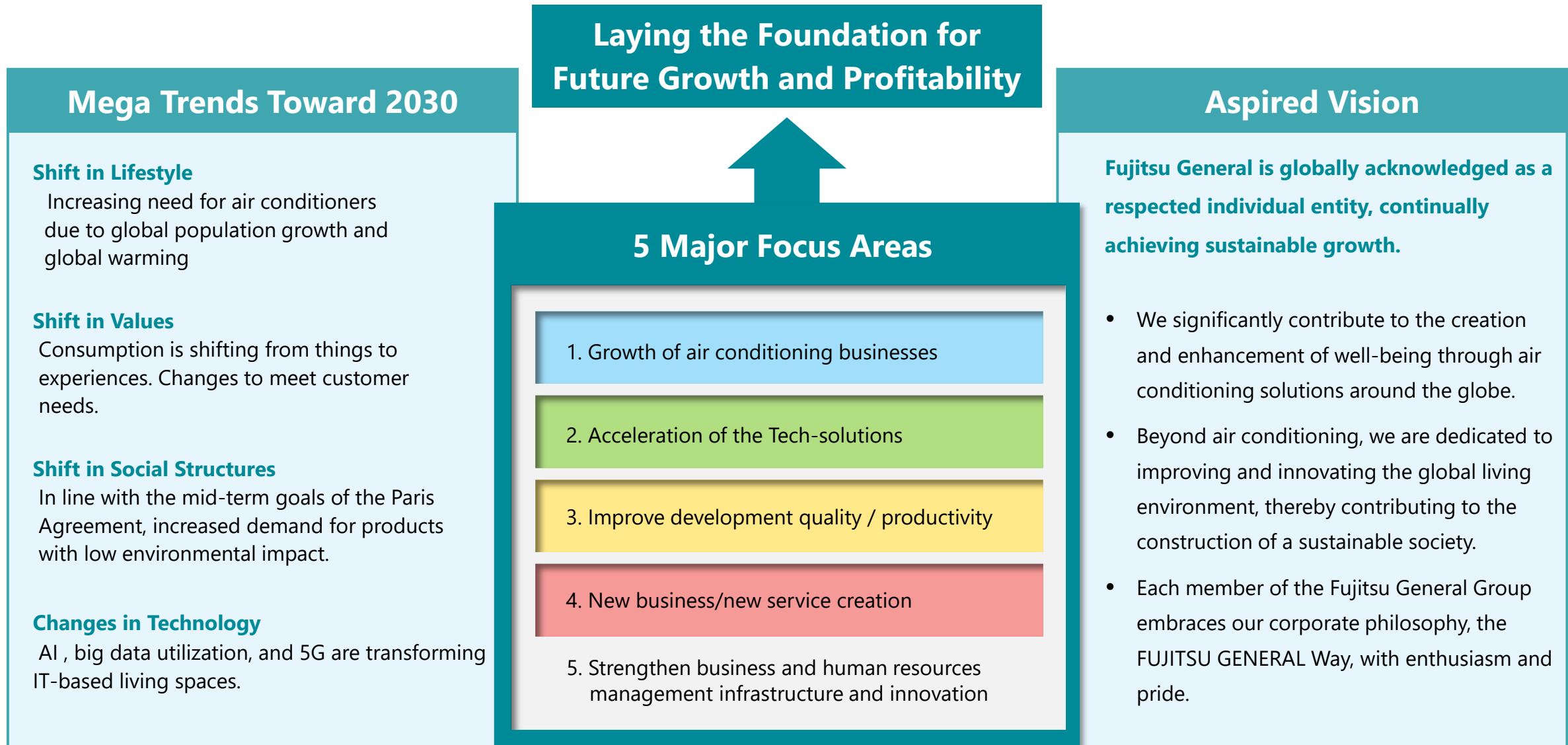
- Heat Pumps/Inverters
- Communication Technology



Global Channels

Expansion to over 100 Countries Worldwide

Future Strategic Framework



Appendix

Consolidated Statement of Income (Quarter Information)

	(Hundred Million Yen)					(Hundred Million Yen)	
	FY2023 (Actual)					FY2024 (Actual)	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Net sales	680	842	623	1,020	3,165	797	919
Operating income	-7	20	-18	62	57	7	23
(Operating income margin)	(-1.0%)	(2.3%)	(-2.9%)	(6.1%)	(1.8%)	(0.9%)	(2.5%)
Ordinary income	58	16	-26	96	144	26	-10
(Ordinary income margin)	(8.5%)	(1.9%)	(-4.2%)	(9.4%)	(4.5%)	(3.3%)	(-1.1%)
Net income *	36	8	-22	9	31	10	-111
(Net income margin *)	(5.3%)	(0.9%)	(-3.5%)	(0.8%)	(1.0%)	(1.2%)	(-12.1%)

* Net income attributable to Owners of Parent

Material prices and Foreign Exchange rate (Average rate)

Copper(USD/t)	8,369	7,982	7,846	7,860	8,034	8,358	8,909
Aluminium(USD/t)	2,407	2,354	2,356	2,356	2,370	2,444	2,396
Yen/1USD	138	146	146	149	145	156	148
Yen/1EUR	150	157	159	162	156	168	164
BAHT/1USD	34.3	35.2	35.0	35.7	35.1	36.6	34.3
RMB/1USD	6.97	7.18	7.15	7.10	7.09	7.10	7.12

Sales by Segment (Quarter Information)

	(Hundred Million Yen)						
	FY2023(Actual)					FY2024 (Actual)	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Japan	130	145	86	130	491	141	150
Americas	71	93	80	158	402	123	141
Europe	171	209	111	207	698	146	154
Middle East and Africa	39	81	46	70	236	34	144
Oceania	70	89	95	112	366	96	112
Asia	102	95	103	168	468	164	107
Greater China	37	41	28	39	145	36	22
Air conditioners	620	753	549	884	2,806	740	830
Info & Comm Syst.	25	42	43	99	209	30	50
Electronic Devices	29	39	25	30	123	20	31
Info & Comm Syst. and Electronic	54	81	68	129	332	50	81
Others	6	8	6	7	27	7	8
Total	680	842	623	1,020	3,165	797	919

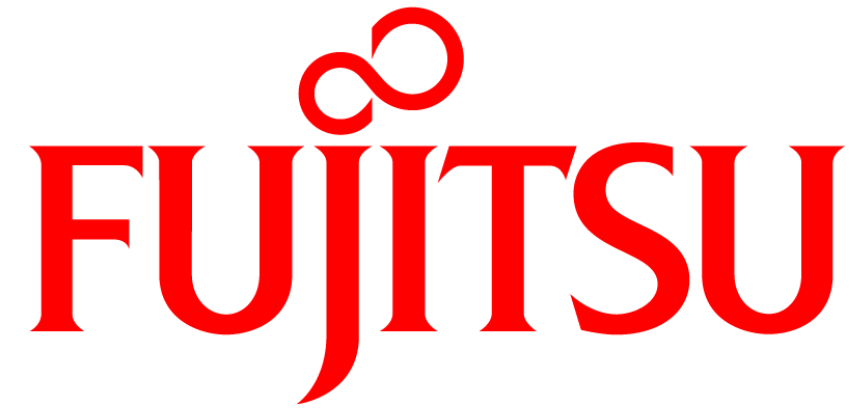
[Note: sales to external customers]

Disclaimer

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.



FUJITSU GENERAL

– Living together for our future –