

Progress and Prospects of Medium-term Plan

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.



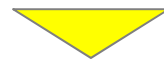
Oct, 2019 | FUJITSU GENERAL LIMITED

Medium-term Management Policy

Corporate Philosophy

— Living together for our future —

Through innovation and technology, we deliver a brighter future with the peace of mind to our customers and societies around the world.



Slogan

INNOVATION & GLOBALIZATION

Providing a Brand New Tomorrow to Everyone on Earth



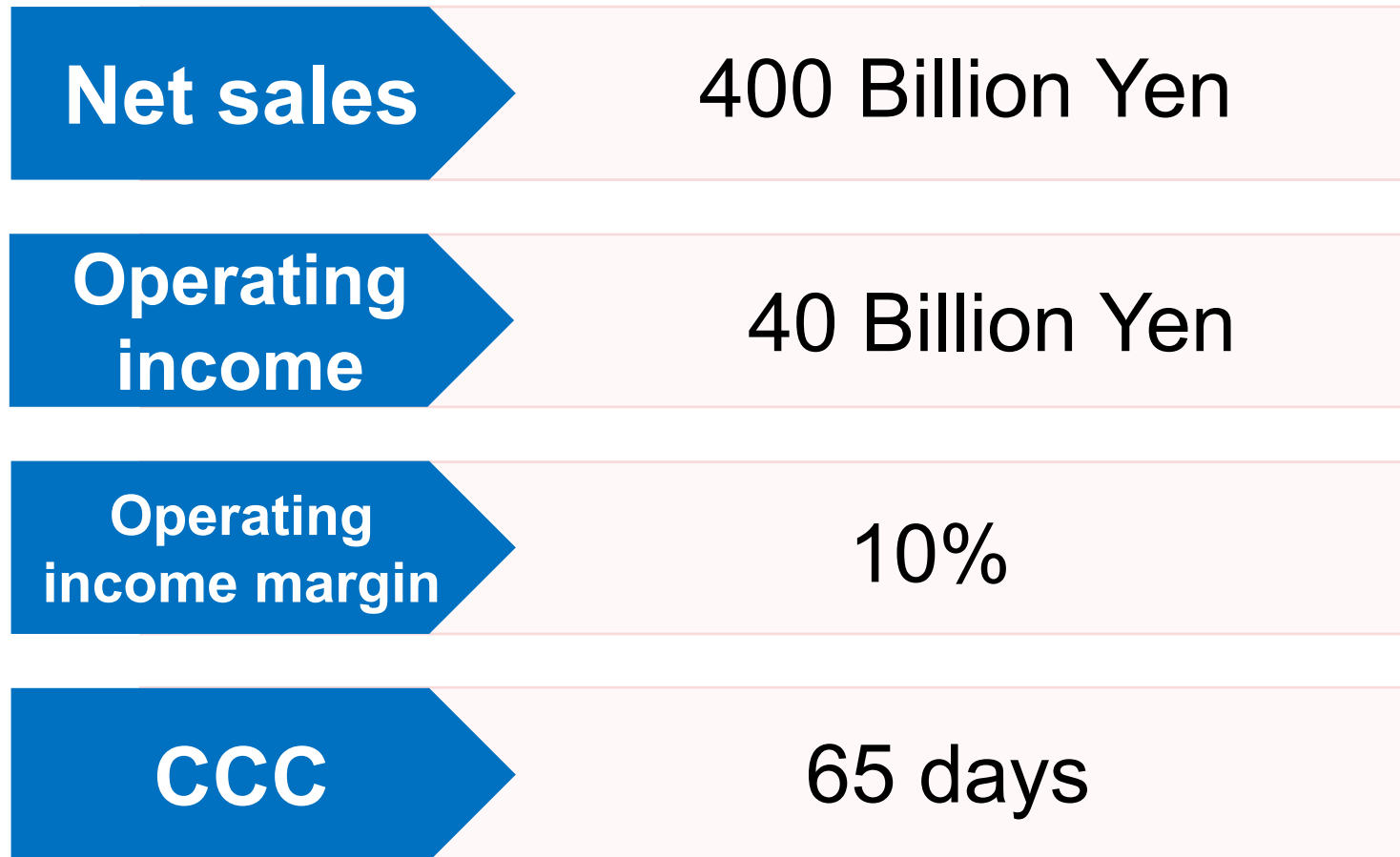
Our Vision

Achieve a comfortable, secure and safe society by providing new value while getting close to customers and societies.

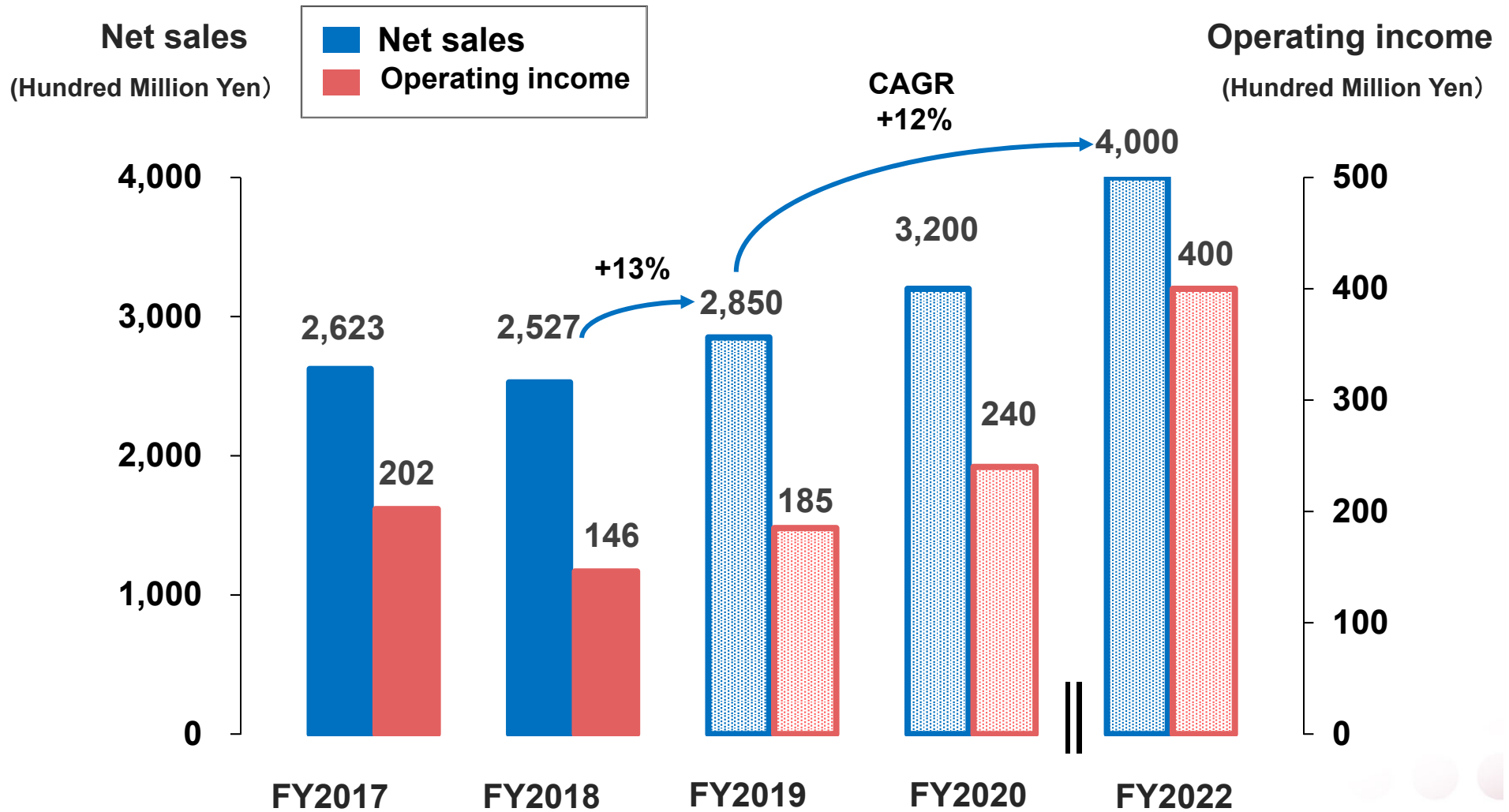


Medium-term Plan

● FY2022 Goal



Progress of Medium-term Plan



A/C 「5 key expansion projects」 and status of progress by region



[5 key expansion projects]

	Theme	FY2022 Sales Goal	Status
Existing business	Expansion of international commercial business	130 Billion	↗
	Aggressive capture of domestic housing industry channel	30 Billion	↗
New business	Capture and expansion of Indian market	40 Billion	↘
	Expansion of North America business by acceleration of collaboration	20 Billion	↗
	The promotion of business alliance	30 Billion	↗

[Progress by region]

Region	~1 st half of FY2019	Priority
North America	<ul style="list-style-type: none"> Expanded line-up for VRF Expanded alliance with Rheem 	★★★
Europe	<ul style="list-style-type: none"> Expanded line-up for VRF Grew sales of ATW 	★★
Middle East and Africa	<ul style="list-style-type: none"> Have normalized inventory levels 	★
Oceania	<ul style="list-style-type: none"> Grew steadily for business of PAG 	★★
India	<ul style="list-style-type: none"> Struggled in intensifying cost competition Started sales project for VRF via ABS 	★★★
Greater China	<ul style="list-style-type: none"> Severe status of residential A/C continued, VRF was recovery tendency 	★
Japan	<ul style="list-style-type: none"> New business development for housing industry channel Grew steadily for expansion of existing customer 	★★

● India

Stagnation in recent sales but steady progress in solution business

- Slowdown in market inventory turnover due to intensifying cost competition
(The prices of our products are approximately 50% higher than the average market prices)
- Prolonged negotiations regarding the consolidation of a joint venture

▶ Measures for capturing and expanding business

Hardware

Complete negotiations regarding the consolidation early and promote to strengthen sales organization and sales network

Release new products suited to local market needs
(Scheduled to be released starting in January, 2020)

Solution

Expand solution business through ABS which made into subsidiaries
Create synergy with hardware business

● North America

Steady progress in expansion of product line-up and sales network , plans for further business expansion

Expansion of existing customers

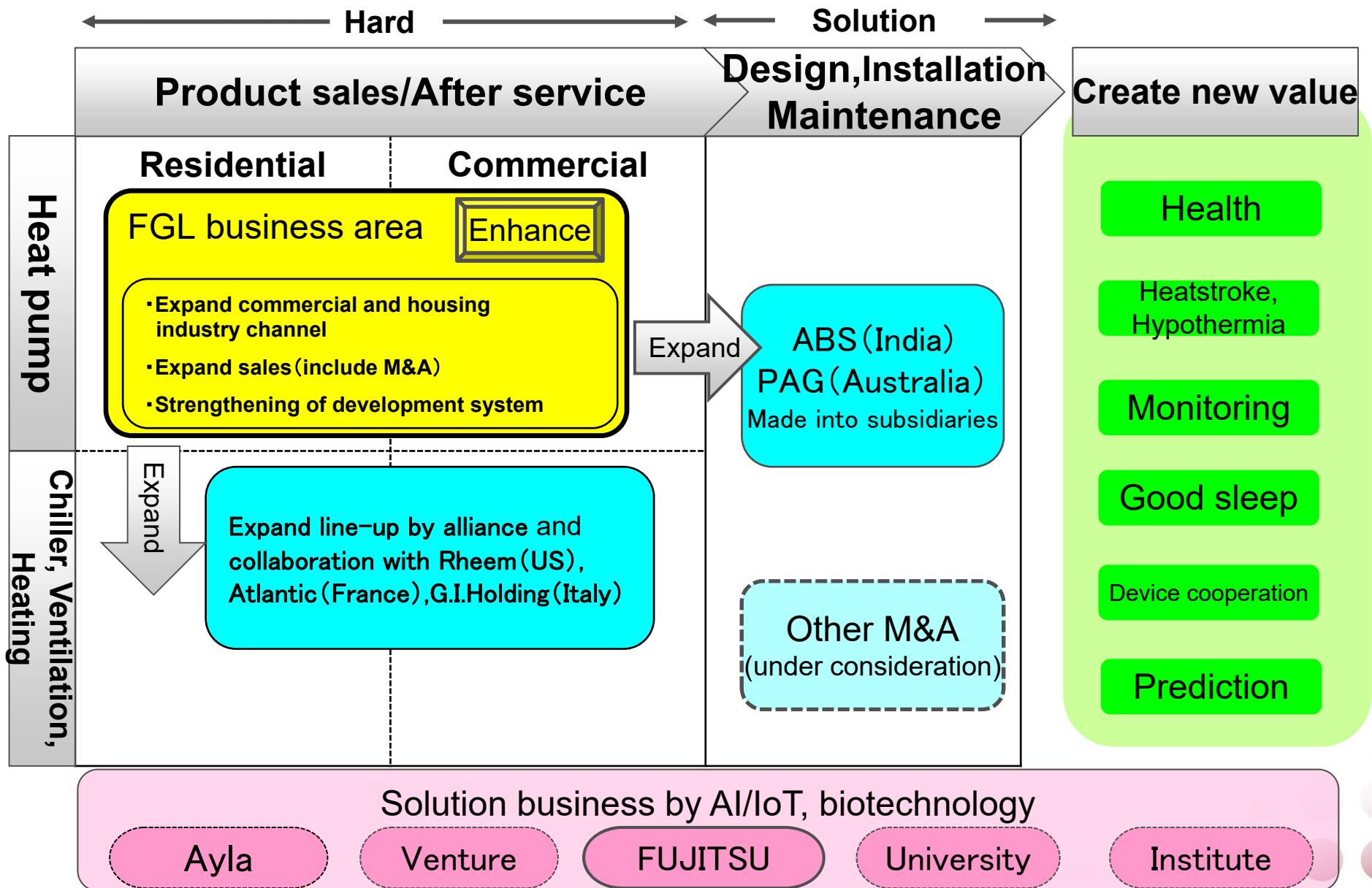
- RAC : Steadily progress due to the increasing popularity of ductless A/C
- VRF : Grow due to strengthening the line-up of medium/small model, etc.

- Expand and newly establish bases in the United States (2nd half of 2019)
 - Expand the head office of the sales subsidiary in the United States (Expand the training center, establish a showroom and expand the warehouse)
 - Newly establish a base in the Southern United States (Strengthen the sales organization, consolidate the R&D functions and establish a training center)

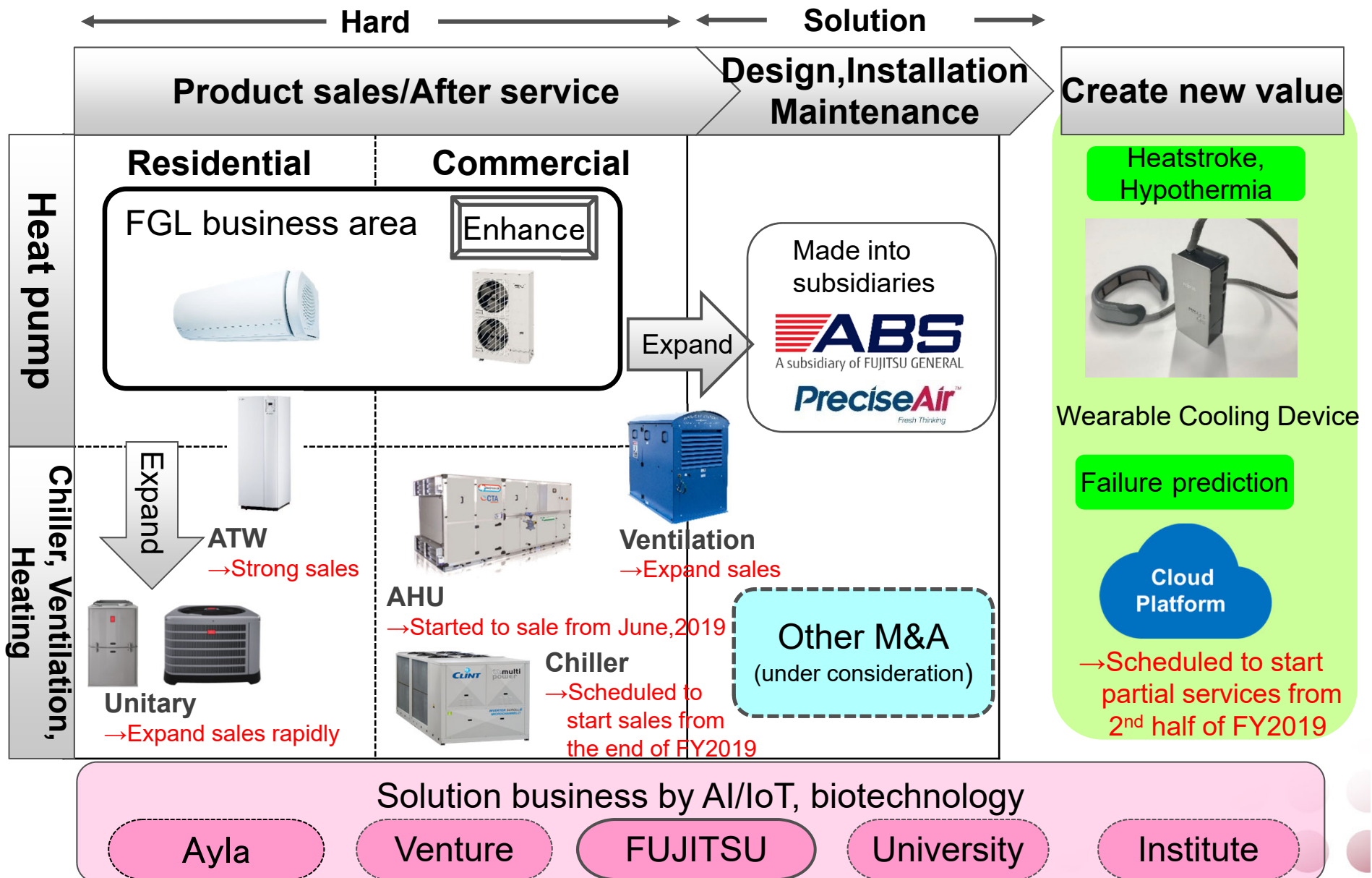
Alliance, collaboration

- Rapidly expand sales of Unitary through the alliance with Rheem
- Currently conducting joint development with Rheem
- Considering new alliances and M&A opportunities

Scope of HVAC business model

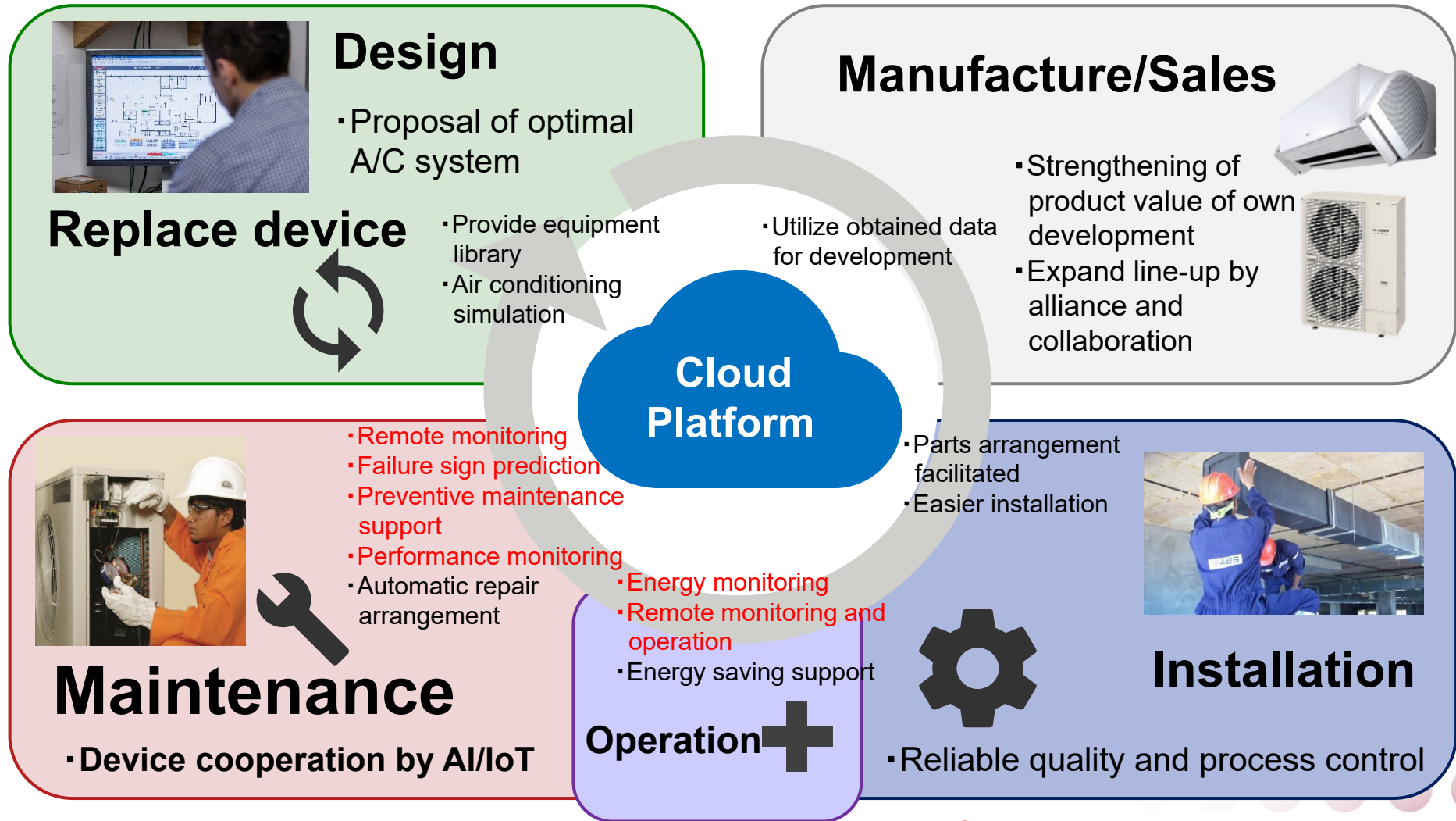


Scope of HVAC business model



Progress of solution business

Propose solution over all life cycle for A/C system



Progress of solution business

Expansion of solution business through the A/C engineering company Steady growth of PAG and ABS leveraging the good customer base

Australia (PAG)

- Sales for FY2019 have grown approximately 20% YoY with the acquisition of new customers
- Building solution business model (Addition of line-up for chiller, AHU, etc. and improvement of customer satisfaction through systemization)



Commercial facility of PAG customer

India (ABS)

- Sales for FY2019 have grown approximately 60% YoY with the acquisition of new customers
- Started projects through ABS adopting our VRF products
- Scheduled to expand the business area from the South to the North



Office building of ABS customer

Development

● Newly established R&D base (ICC) [6.4billion yen]

- 1) Strengthen advanced development and development of elemental technologies
- 2) Promotion of open innovation
- 3) Train engineers internally by opening “Technical Academy”

● Promote standardization design

- Shorten the development time and expand the number of products
- Reduce prototype costs and investment in molds



New R&D base(ICC)

Manufacture

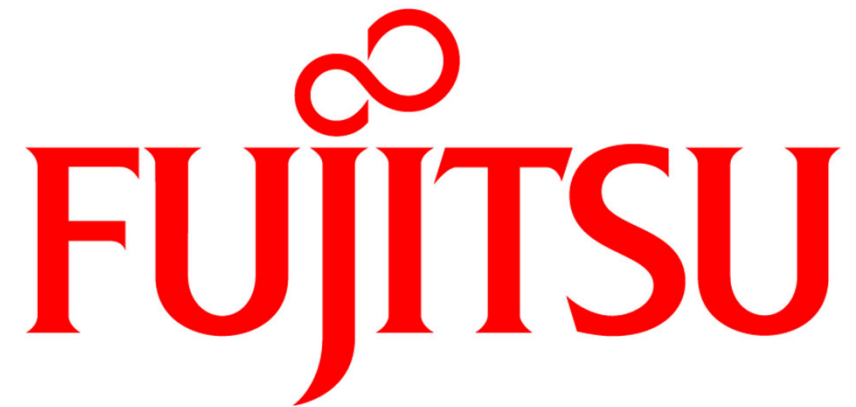
● Start operation of FACTORY-2 in Thailand [8 billion yen]

- Promote real-time management using IoT, and automation and labor saving
- Manage customs duties due to expanded production in Thailand

● Promote in-house production



FACTORY-2 in Thailand

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

FUJITSU GENERAL

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