

Financial Results

FY2018 (Ended March 2019)

April 2019
Fujitsu General Limited

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.

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Consolidated Financial Results

Consolidated Statements of Income

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

	FY 2017		FY 2018		Change	
	Actual	(ratio)	Actual	(ratio)		%
Net sales	2,623	(100.0%)	2,527	(100.0%)	-96	-3% -4%
Gross profit	716	(27.3%)	675	(26.7%)	-41	-6%
Operating income	202	(7.7%)	146	(5.8%)	-56	-28%
Non-operating profit or loss	-17	(-0.6%)	-5	(-0.2%)	12	-%
(exchange gain and loss)	(-18)	(-0.7%)	(9)	(0.4%)	(27)	(-%)
Ordinary income	185	(7.1%)	141	(5.6%)	-44	-24%
Net income※	129	(4.9%)	89	(3.5%)	-40	-31%

※Net income attributable to Owners of the Parent

Net income per share	¥122.86	¥84.99	¥-37.87
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	Average	(Closing)	Average	(Closing)	Average	(Closing)
Copper price US\$/t	6,130		6,717		587	
Foreign Exchange rate						
Yen/1USD	110	(106)	111	(111)	1	(5)
Yen/1AUD	86	(82)	81	(79)	-5	(-3)
Yen/1EUR	129	(131)	128	(125)	-1	(-6)
BAHT/1USD	32.5	(31.1)	32.0	(31.7)	-0.5	(0.6)
RMB/1USD	6.65	(6.29)	6.66	(6.73)	0.01	(0.44)

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) decreased by 14.1 Billion Yen (down by 8%, down by 7% based on local currency from previous year). ▪ Air conditioners (Japan) increased by 4.1 Billion Yen (up by 7% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Decreased by 5.4 Billion Yen (down by 33% from previous year). <p>Rising raw material and parts prices and currency appreciation in production countries, despite enforcement of cost reduction.</p>
<p>Telecommunications and Electronic devices</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales increased by 0.1 Billion Yen (same level as the previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 0.1 Billion Yen (up by 4% from previous year). <p>Mainly increase sales in Telecommunications.</p>

Sales by Segment

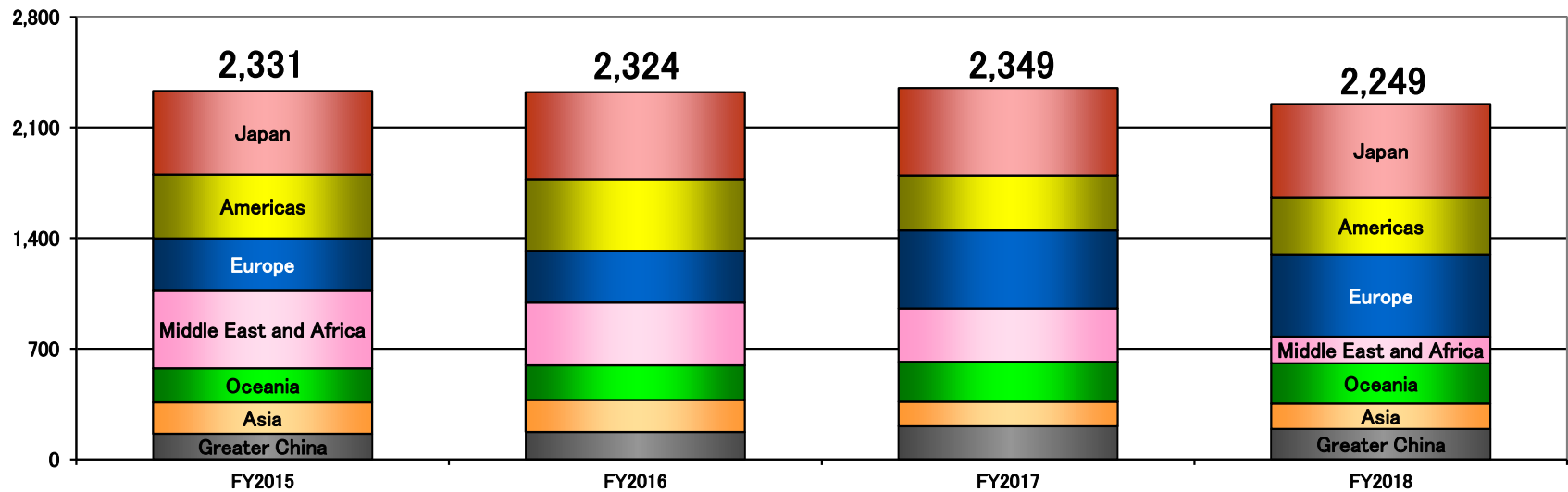
(Hundred Million Yen)

	FY2017		FY2018		Change			
		Actual		Actual			%	
Air conditioners	89%	2,349	89%	2,249	-%	-100	-3%	-4%
(Japan)		(552)		(593)		(41)		(7%)
(Overseas)		(1,797)		(1,656)		(-141)	(-7%)	(-8%)
Telecommunications		125		136		11		9%
Electronic devices		134		124		-10		-8%
Telecommunications and Electronic devices	10%	259	10%	260	-%	1		-%
Others	1%	15	1%	18	-%	3		18%
Total	100%	2,623	100%	2,527	-%	-96	-3%	-4%
Japan	31%	812	34%	860	3%	48		6%
Overseas	69%	1,811	66%	1,667	-3%	-144	-7%	-8%

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

A/C Sales by Geographic area

(Hundred Million Yen)



【Sales by Geographic area】

(Hundred Million Yen)

	FY2015		FY2016		FY2017		FY2018		Change			
	%	Value	%	Value	%	Value	%	Value	%	Value	Local currency base	
Japan	23%	529	24%	555	23%	552	26%	593	3%	41	7%	7%
Americas	14%	332	14%	329	15%	349	16%	363	1%	14	4%	7%
Europe	17%	403	19%	449	21%	494	23%	516	2%	22	4%	5%
Middle East and Africa	21%	490	17%	396	14%	337	8%	170	-6%	-167	-50%	-50%
Oceania	9%	216	10%	220	11%	252	11%	253	-%	1	-%	6%
Asia	9%	199	9%	202	7%	156	7%	162	-%	6	4%	2%
Greater China	7%	162	7%	173	9%	209	9%	192	-%	-17	-8%	-8%
Total	100%	2,331	100%	2,324	100%	2,349	100%	2,249	-%	-100	-4%	-3%
(Overseas Total)	(77%)	(1,802)	(76%)	(1,769)	(77%)	(1,797)	(74%)	(1,656)	(-3%)	(-141)	(-8%)	(-7%)

【Note1: sales to external customers】 【Note2: subscripts(%) is proportion to Total】

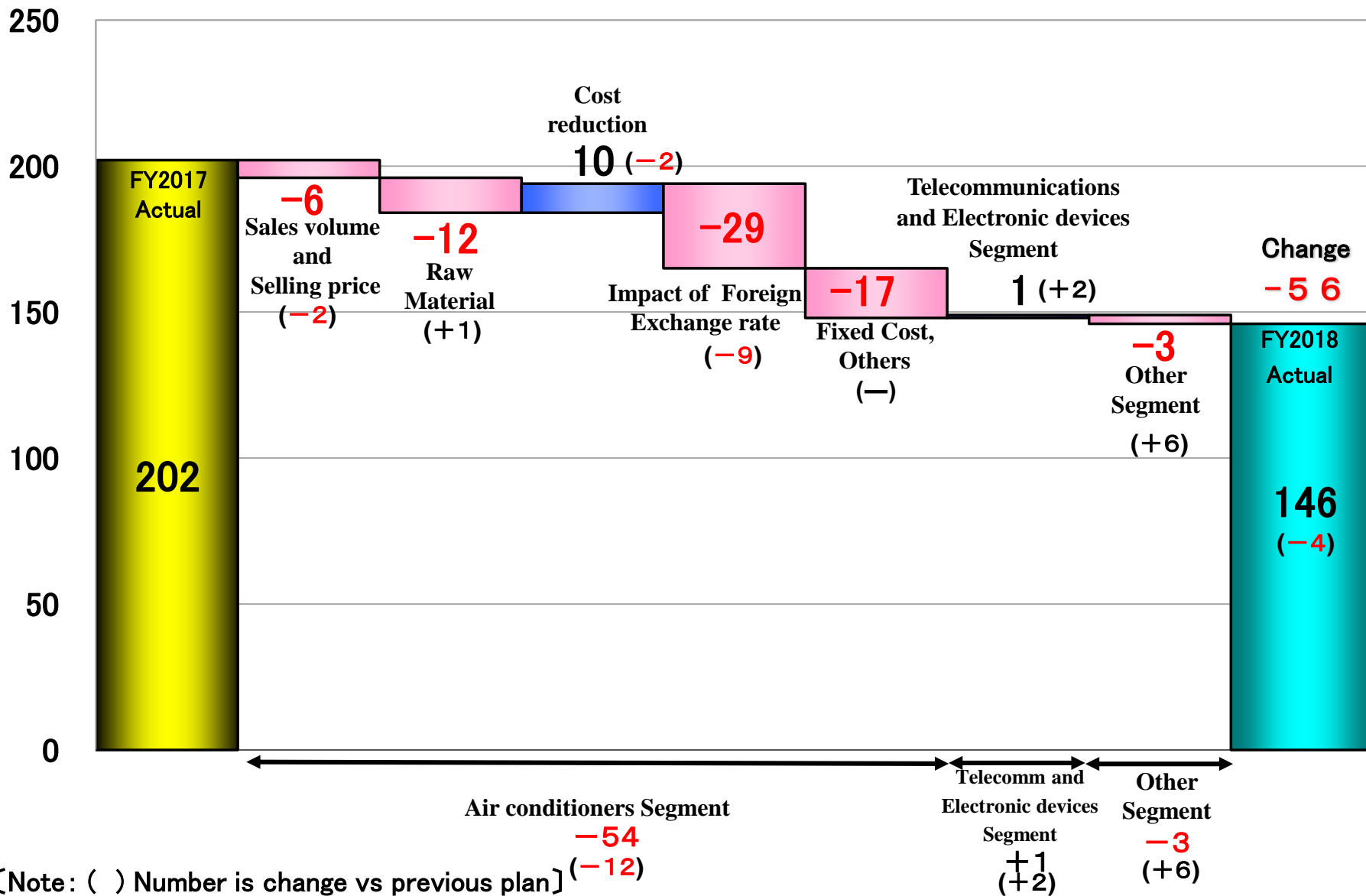
Segment Information

(Hundred Million Yen)

		FY2017	FY2018	Change	
		Actual	Actual		%
Air conditioners	Net sales	2,349	2,249	-100	-3% -4%
	Operating income	162	108	-54	-33%
	(Operating income margin)	(6.9%)	(4.8%)	(-2.1%)	
Telecommunications and Electronic devices	Net sales	259	260	1	-%
	Operating income	26	27	1	4%
	(Operating income margin)	(10.1%)	(10.5%)	(0.4%)	
Others	Net sales	15	18	3	18%
	Operating income	14	11	-3	-24%
	(Operating income margin)	(91.0%)	(58.6%)	(-32.4%)	
Total	Net sales	2,623	2,527	-96	-3% -4%
	Operating income	202	146	-56	-28%
	(Operating income margin)	(7.7%)	(5.8%)	(-1.9%)	

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

(Hundred Million Yen)



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2017		FY2018		Change
	Actual	ratio	Actual	ratio	
Current assets	1,566	74%	1,517	70%	-49
(Cash and deposits)	(427)		(354)		(-73)
(Notes and accounts receivable)	(762)		(797)		(35)
(Inventories)	(279)		(267)		(-12)
(Others)	(98)		(99)		(1)
Noncurrent assets	538	26%	641	30%	103
Total assets	2,104	100%	2,158	100%	54
Current liabilities	828	40%	820	38%	-8
(Notes and accounts payable)	(448)		(410)		(-38)
(Short-term loans payable)	(-)		(4)		(4)
(Others)	(380)		(406)		(26)
Noncurrent liabilities	199	9%	207	10%	8
Total liabilities	1,027	49%	1,027	48%	-
Shareholders' equity	996	47%	1,059	49%	63
Accumulated other comprehensive income	49	3%	36	2%	-13
Non-controlling interests	32	1%	36	1%	4
Total net assets	1,077	51%	1,131	52%	54
Total liabilities and net assets	2,104	100%	2,158	100%	54

Main Financial Data

(Hundred Million Yen)

	FY2017 Actual	FY2018 Actual	Change	
				%
Operating Cash Flow	109	85	-24	-22%
Investing Cash Flow	-59	-125	-66	114%
Free Cash Flow	50	-40	-90	-%

R&D Expense	4.9%	129	5.1%	130	0.2%	1	1%
Capital Expenditures		64		84		20	32%
Depreciation Expense		51		52		1	4%

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

ROE	13.0%	8.3%	-4.7%
Shareholders' equity ratio	49.7%	50.7%	1.0%

Inventory	279	267	-12
Days Inventory Outstanding	37.8days	42.8days	5.0days
CCC*	74.5days	87.4days	12.9days
Net D/E ratio (times)	-0.41	-0.32	0.09

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

Consolidated Financial Plan

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

(Hundred Million Yen)

	FY2018 (Actual)			FY2019 (Plan)			Change	
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year	%
Net sales	1,231	1,296	2,527	1,330	1,520	2,850	323	15% 13%
Operating income	46	100	146	50	125	175	29	20%
(Operating income margin)	(3.8%)	(7.7%)	(5.8%)	(3.8%)	(8.2%)	(6.1%)	(0.3%)	
Ordinary income	68	73	141	50	125	175	34	24%
(Ordinary income margin)	(5.5%)	(5.7%)	(5.6%)	(3.8%)	(8.2%)	(6.1%)	(0.5%)	
Net income※	46	43	89	35	85	120	31	35%
(Net income margin※)	(3.7%)	(3.3%)	(3.5%)	(2.6%)	(5.6%)	(4.2%)	(0.7%)	

※Net income attributable to owners of the parent

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

Copper price (Average)

US\$/t

6,858	6,584	6,717	6,353	6,454	6,410	-307
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Foreign Exchange Rate (Average)

Yen/1USD	110	111	111	110	110	110	-1
Yen/1AUD	82	80	81	75	75	75	-6
Yen/1EUR	130	126	128	125	125	125	-3
BAHT/1USD	32.3	31.7	32.0	31.5	31.5	31.5	-0.5
RMB/1USD	6.51	6.84	6.66	6.70	6.70	6.70	0.04

Analysis of Financial Plan

<p>Air Conditioners</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) increased by 26.4 Billion Yen (up by 16%, up by 18% based on local currency from previous year). ▪ Air conditioners (Japan) increased by 3.7 Billion Yen (up by 6% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 3.2 Billion Yen (up by 29% from previous year). <p>Increase A/C sales and the sales prices, and cost reduction are expected to result in increase of profit for the full year despite of the execution of growth investmest.</p>
<p>Telecommunications and Electronic devices</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales increased by 2.0 Billion Yen (up by 8% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 0.1 Billion Yen (up by 3% from previous year).
<p>Capital Expenditures</p>	<p>Investment amount 17.0 Billion Yen (increased by 8.6 Billion, up by 103% from previous year).</p> <ul style="list-style-type: none"> ▪ Construction cost about 4.0 Billion Yen for "Innovation & communication center " in Kawasaki head office. ▪ Increase in production capacity about 3.0 Billion Yen in Thailand factory.

Sales by Segment

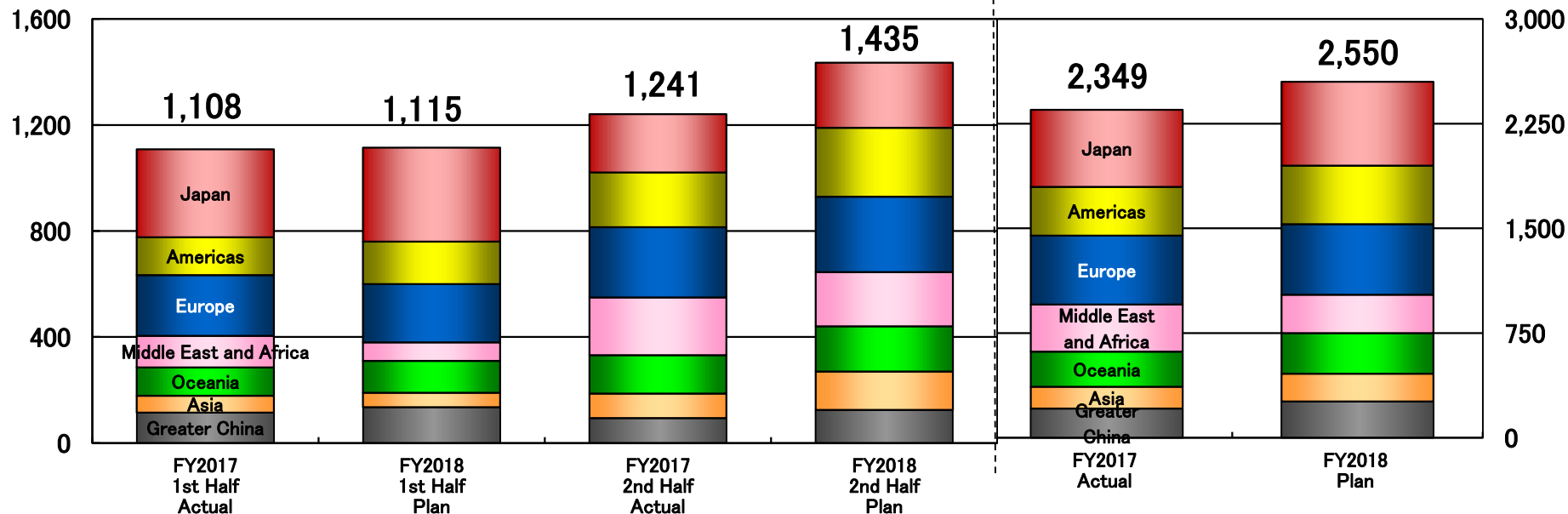
(Hundred Million Yen)

	FY2018 (Actual)			FY2019 (Plan)			Change	
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year	%
Air conditioners	1,102	1,147	89% 2,249	1,200	1,350	89% 2,550	301	15% 13%
(Japan)	(361)	(232)	(593)	(390)	(240)	(630)	(37)	(6%)
(Overseas)	(741)	(915)	(1,656)	(810)	(1,110)	(1,920)	(264)	(18%) (16%)
Telecommunications	54	82	136	60	100	160	24	17%
Electronic devices	66	58	124	60	60	120	-4	-3%
Telecommunications and Electronic devices	120	140	10% 260	120	160	10% 280	20	8%
Others	9	9	1% 18	10	10	1% 20	2	12%
Total	1,231	1,296	100% 2,527	1,330	1,520	100% 2,850	323	15% 13%
Japan	485	375	34% 860	520	400	32% 920	60	7%
Overseas	746	921	66% 1,667	810	1,120	68% 1,930	263	18% 16%

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

A/C Sales by Geographic area

(Hundred Million Yen)



【Sales by Geographic area】

(Hundred Million Yen)

	FY2018 Actual			FY2019 Plan			Change				
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	%	Local currency base
Japan	361	232	593	390	240	630	29	8	37	6%	6%
Americas	134	229	363	159	255	414	25	26	51	14%	15%
Europe	256	260	516	289	289	578	33	29	62	12%	14%
Middle East and Africa	75	95	170	49	159	208	-26	64	38	23%	23%
Oceania	100	153	253	142	191	333	42	38	80	32%	42%
Asia	67	95	162	68	135	203	1	40	41	25%	25%
Greater China	109	83	192	103	81	184	-6	-2	-8	-4%	-3%
Total	1,102	1,147	2,249	1,200	1,350	2,550	98	203	301	13%	15%
(Overseas Total)	(741)	(915)	(1,656)	(810)	(1,110)	(1,920)	(69)	(195)	(264)	(16%)	(18%)

[Note: sales to external customers]

2. Financial Plan for FY2019

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

(Hundred Million Yen)

		FY2018 (Actual)			FY2019 (Plan)			Change		
		1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	Full Year	%	
Air conditioners	Net sales	1,102	1,147	2,249	1,200	1,350	2,550	301	15%	13%
	Operating income	32	76	108	40	100	140	32		29%
	(Operating income margin)	(2.9%)	(6.6%)	(4.8%)	(3.3%)	(7.4%)	(5.5%)	(0.7%)		
Telecommunications and Electronic devices	Net sales	120	140	260	120	160	280	20		8%
	Operating income	7	20	27	5	23	28	1		3%
	(Operating income margin)	(6.1%)	(14.2%)	(10.5%)	(4.2%)	(14.4%)	(10.0%)	(-0.5%)		
Others	Net sales	9	9	18	10	10	20	2		12%
	Operating income	7	4	11	5	2	7	-4		-33%
	(Operating income margin)	(75.1%)	(40.9%)	(58.6%)	(50.0%)	(20.0%)	(35.0%)	(-23.6%)		
Total	Net sales	1,231	1,296	2,527	1,330	1,520	2,850	323	15%	13%
	Operating income	46	100	146	50	125	175	29		20%
	(Operating income margin)	(3.8%)	(7.7%)	(5.8%)	(3.8%)	(8.2%)	(6.1%)	(0.3%)		

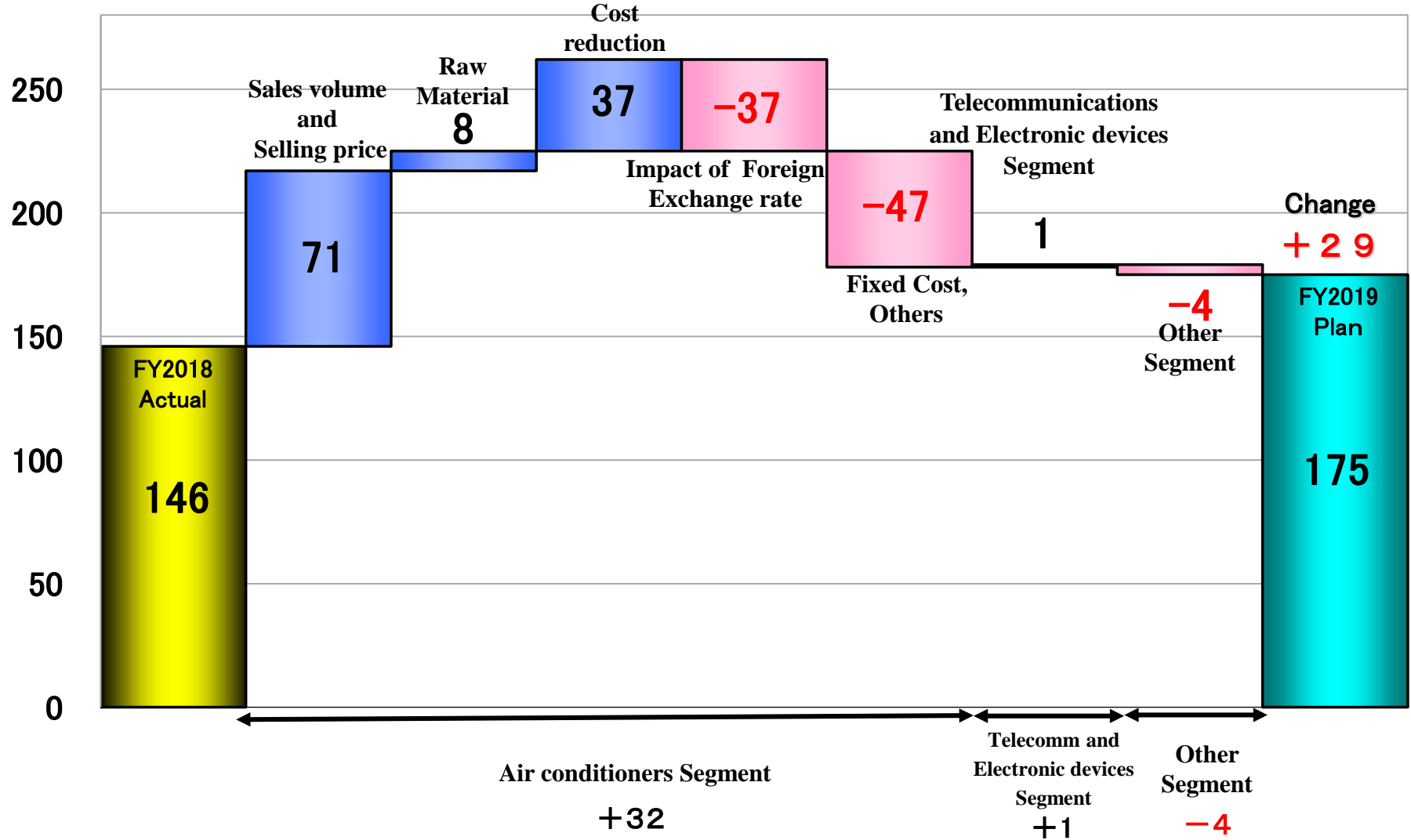
[Note1: sales to external customers] [Note2: subscribers(%) of change % is local currency base]

R&D Expenses	5.3%	65	5.0%	65	5.1%	130	4.9%	65	4.9%	75	4.9%	140	-0.2%	10	8%
Capital Expenditures		23		61		84		100		70		170		86	103%
Depreciation Expenses		26		26		52		30		30		60		8	15%

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

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

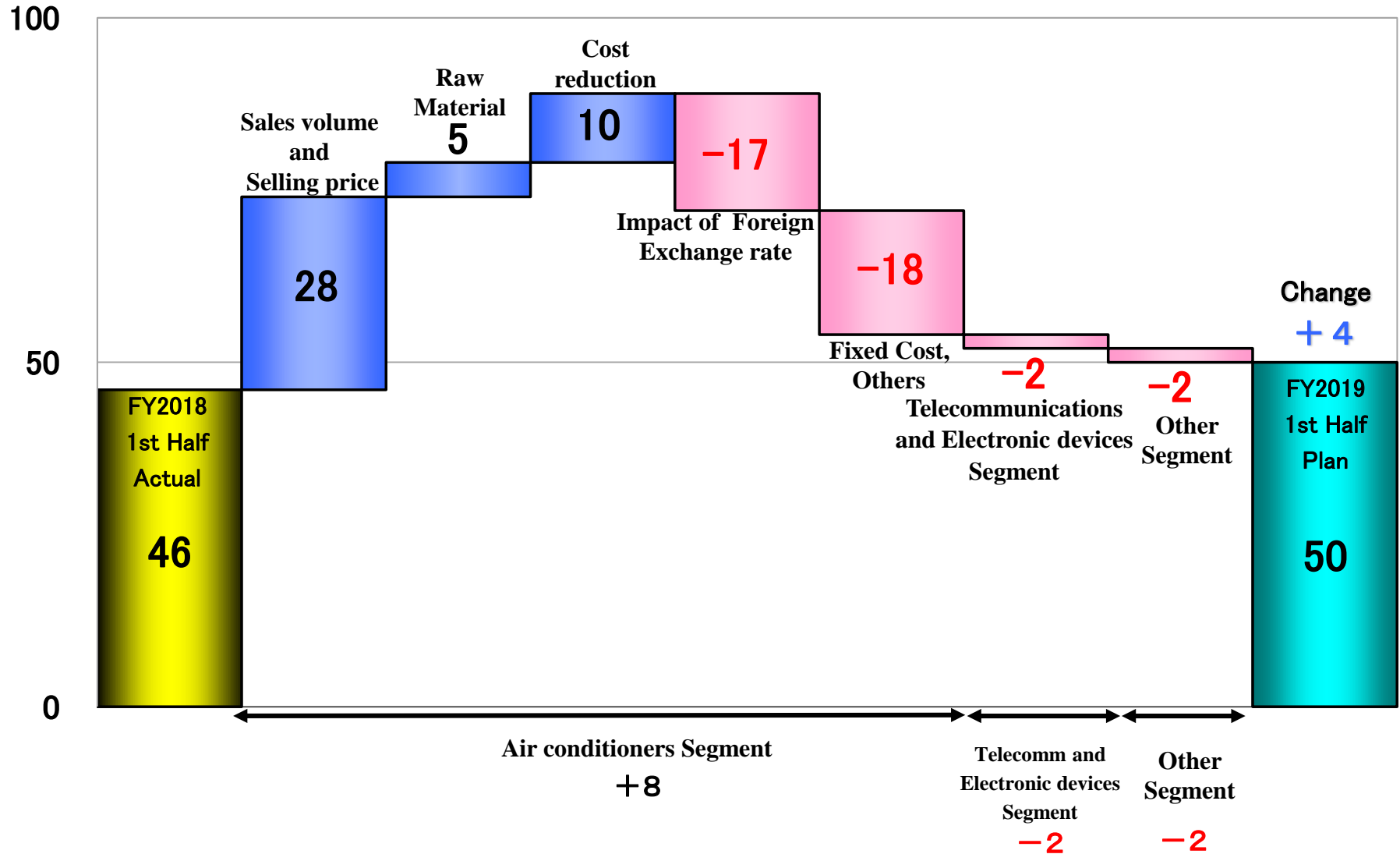
(Hundred Million Yen)



2. Financial Plan for FY2019

Analysis of consolidated Operating income[FY2019 1st Half] (vs previous year)

(Hundred Million Yen)



Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2017 (Actual)					FY2018 (Actual)				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Air conditioners	595	513	397	844	2,349	542	560	331	816	2,249
(Japan)	(179)	(153)	(75)	(145)	(552)	(171)	(190)	(85)	(147)	(593)
(Overseas)	(416)	(360)	(322)	(699)	(1,797)	(371)	(370)	(246)	(669)	(1,656)
Telecommunications	16	32	16	61	125	12	42	23	59	136
Electronic devices	31	36	33	34	134	30	36	29	29	124
Telecommunications and Electronic devices	47	68	49	95	259	42	78	52	88	260
Others	3	4	5	3	15	4	5	5	4	18
Total	645	585	451	942	2,623	588	643	388	908	2,527
Japan	227	222	124	239	812	214	271	139	236	860
Overseas	418	363	327	703	1,811	374	372	249	672	1,667

Consolidated Statements of Income (Quarter Information)

(Hundred Million Yen)

	FY2017 (Actual)					FY2018 (Actual)				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q	Total
Net sales	645	585	451	942	2,623	588	643	388	908	2,527
Operating income <small>(Operating income margin)</small>	68 <small>(10.5%)</small>	10 <small>(1.8%)</small>	1 <small>(0.3%)</small>	123 <small>(13.0%)</small>	202 <small>(7.7%)</small>	24 <small>(4.1%)</small>	22 <small>(3.5%)</small>	-9 <small>(-2.3%)</small>	109 <small>(11.9%)</small>	146 <small>(5.8%)</small>
Ordinary income <small>(Ordinary income margin)</small>	74 <small>(11.5%)</small>	7 <small>(1.2%)</small>	- <small>(0.1%)</small>	104 <small>(11.1%)</small>	185 <small>(7.1%)</small>	41 <small>(7.0%)</small>	27 <small>(4.1%)</small>	-19 <small>(-4.9%)</small>	92 <small>(10.2%)</small>	141 <small>(5.6%)</small>
Net income ※ <small>(Net income margin)※</small>	56 <small>(8.6%)</small>	2 <small>(0.4%)</small>	-3 <small>(-0.6%)</small>	74 <small>(7.8%)</small>	129 <small>(4.9%)</small>	29 <small>(4.9%)</small>	17 <small>(2.6%)</small>	-20 <small>(-5.1%)</small>	63 <small>(6.9%)</small>	89 <small>(3.5%)</small>

※Net income attributable to owners of the parent

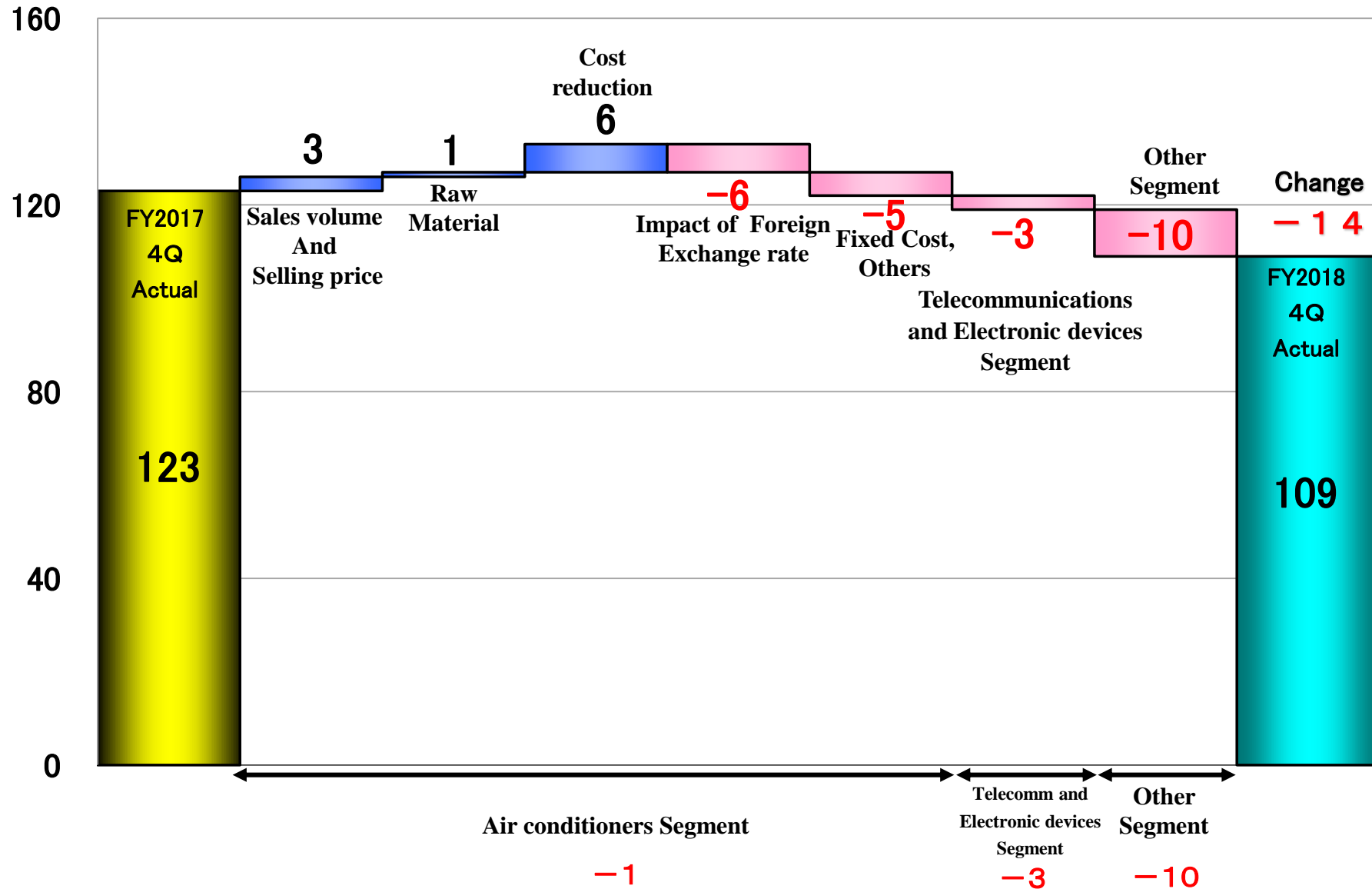
<Supplementary Information> A/C Sales by Geographic area (Quarter Information)

	FY2017 (Actual)					FY2018 (Actual)				
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	3 Q	4 Q	Total
Japan	179	153	75	145	552	171	190	85	147	593
Americas	59	83	57	150	349	47	87	60	169	363
Europe	153	76	89	176	494	146	110	76	184	516
Middle East and Africa	57	63	59	158	337	39	36	10	85	170
Oceania	37	70	63	82	252	32	68	57	96	253
Asia	45	18	9	84	156	39	28	12	83	162
Greater China	65	50	45	49	209	68	41	31	52	192
Total	595	513	397	844	2,349	542	560	331	816	2,249
(Overseas Total)	(416)	(360)	(322)	(699)	(1,797)	(371)	(370)	(246)	(669)	(1,656)

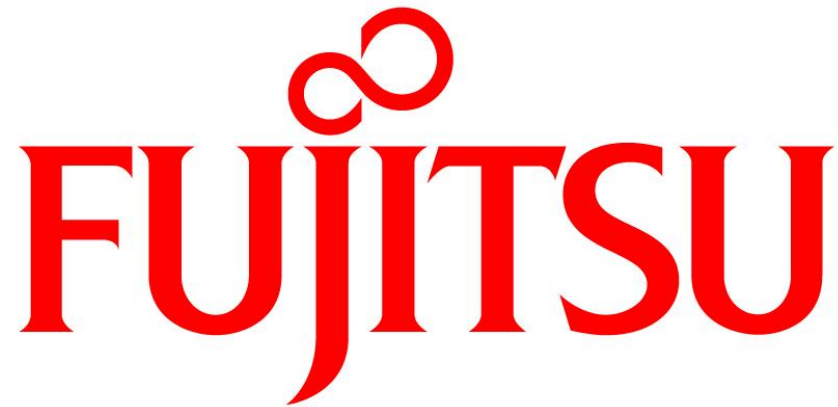
[Note: sales to external customers]

Analysis of consolidated Operating income [FY2018 4th Quarter] (vs previous year)

(Hundred Million Yen)



~ Living together for our future ~

The logo features a red infinity symbol positioned above the word "FUJITSU". The word "FUJITSU" is rendered in a bold, red, serif typeface. The letter "J" is stylized with a long, downward-pointing tail that curves to the left.

FUJITSU GENERAL LIMITED