

Financial Results

FY2023 (Ending March 2024)

Second 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.



October, 2023 | FUJITSU GENERAL LIMITED

Index

1.	Financial Results for FY2023 First Half	
	Consolidated Financial Results	3
	Analysis of Financial Results	4
	Sales by Segment	5
	AC Sales by Geographic area	6
	Segment Information, R&D Expenses, Capital Expenditure, Depreciation Expenses	7
	Analysis of Consolidated Operating income (vs previous year)	8
	Consolidated Balance Sheets	9
	Main Financial Data	10
2.	Consolidated Financial Forecast for FY2023	
	Consolidated Financial Plan	11
	Analysis of Financial Plan	12
	Sales by Segment	13
	AC Sales by Geographic area	14
	Segment Information, R&D Expenses, Capital Expenditure, Depreciation Expenses	15
	Analysis of Consolidated Operating Income [FY2023](vs previous year)	16
	Analysis of Consolidated Operating Income [FY2023 Second Half](vs previous year)	17
	<Reference Information>	18

1. Financial Results for FY2023 First Half



Consolidated Financial Results

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

	FY2022 1st Half	FY2023 1st Half	Change		Change vs disclosure in July
				%	
Net sales	1,830	1,522	-308	-19% -17%	-78
Gross profit (Gross profit margin)	383 (20.9%)	345 (22.7%)	-38 (1.8%)	-10%	
Operating income (Operating income margin)	25 (1.4%)	13 (0.8%)	-12 (-0.6%)	-49%	-37 (-2.3%)
Ordinary income (Ordinary income margin)	78 (4.3%)	74 (4.9%)	-4 (0.6%)	-5%	-6 (-0.1%)
Extraordinary loss	-12	2	14	-%	-
Net income * (Net income margin *)	50 (2.7%)	44 (2.9%)	-6 (0.2%)	-11%	-6 (-0.2%)
Net income per share	¥47.54	¥42.14	¥-5.40		¥-5.61

* Net income attributable to Owners of Parent

	Average	Average	Average	Average
Material prices				
Copper(USD/t)	9,671	8,200	-1,471	69
Aluminium(USD/t)	2,890	2,383	-507	-6
Foreign Exchange rate	Average (Closing)	Average (Closing)	Average (Closing)	Average
Yen/1USD	135 (145)	142 (150)	7 (5)	3
Yen/1EUR	139 (142)	153 (158)	14 (16)	1
BAHT/1USD	35.2 (37.8)	34.8 (36.4)	-0.4 (-1.4)	0.2
RMB/1USD	6.74 (7.10)	7.06 (7.18)	0.32 (0.08)	-0.01

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales> [Overseas] <u>109.8</u> Billion Yen (-36.6 Billion Yen; -25% from PY; -28% based on local currency from PY.) Sales decreased due to the following factors.</p> <ul style="list-style-type: none"> • In North America and the Middle East, there were reactionary downturn from the high level of shipments in the PY resulting in high level of inventory in the field. • The pace of new orders from distributors were slow due to their excess inventory status with special demand slowing down after the stabilization of product supply. • In Europe, ATW (Air to Water, heat pump water heaters) sales declined due to changes in the market conditions. <p>On the other hand, in India, sales of room AC recovered from 2Q, and sales of VRF and solution business were solid.</p> <p>[In Japan] <u>27.5</u> Billion Yen (+5.4 Billion Yen; +24% from PY) Sales increased due to the normalization of shipments, compared to the PY's impact from the Shanghai lockdown.</p> <p><Operating income> <u>0.2</u> Billion Yen (-1.3 Billion Yen; -89% 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>13.5</u> Billion Yen (+0.3 Billion Yen; +3% from PY) 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> <u>0.6</u> Billion Yen (+0.3 Billion Yen; +90% from PY) Operating income increased due to higher sales of Info & Comm Syst.</p>

1. Financial Results for FY2023 First Half



Sales by Segment

(Hundred Million Yen)

	FY2022 1st Half		FY2023 1st Half		Change				Change vs disclosure in July
							%		
Air Conditioners	92%	1,685	90%	1,373	-2%	-312	-21%	-19%	-87
(Japan)		(221)		(275)		(54)		(24%)	(-15)
(Overseas)		(1,464)		(1,098)		(-366)	(-28%)	(-25%)	(-72)
Info & Comm Syst.		51		67		16		32%	2
Electronic Devices		81		68		-13		-16%	3
Info & Comm Syst. and Electronic Devices	7%	132	9%	135	2%	3		3%	5
Others	1%	13	1%	14	-%	1		5%	4
Total	100%	1,830	100%	1,522	-%	-308	-19%	-17%	-78
Japan	19%	352	27%	417	8%	65		19%	-7
Overseas	81%	1,478	73%	1,105	-8%	-373	-28%	-25%	-71

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

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

1. Financial Results for FY2023 First Half



AC Sales by Geographic area

(Hundred Million Yen)

	FY2022 1st Half	FY2023 1st Half	Change			Change vs disclosure in July
				%	Local currency base	
Japan	221	275	54	24%	24%	-15
Americas	382	164	-218	-57%	-59%	-91
Europe	392	380	-12	-3%	-10%	-9
Middle East and Africa	259	120	-139	-54%	-56%	1
Oceania	150	159	9	6%	6%	-27
Asia	182	197	15	8%	8%	47
Greater China	99	78	-21	-22%	-22%	7
Total (Overseas Total)	1,685 (1,464)	1,373 (1,098)	-312 (-366)	-19% (-25%)	-21% (-28%)	-87 (-72)

<Reference Information> Historical Information

	FY2019 1st Half		FY2020 1st Half		FY2021 1st Half		FY2022 1st Half		FY2023 1st Half	
Japan	30%	364	34%	384	25%	306	13%	221	20%	275
Americas	14%	162	14%	162	16%	198	23%	382	12%	164
Europe	28%	334	22%	244	24%	289	23%	392	28%	380
Middle East and Africa	5%	61	7%	76	10%	114	15%	259	9%	120
Oceania	11%	133	11%	129	10%	126	9%	150	12%	159
Asia	4%	51	4%	50	8%	101	11%	182	14%	197
Greater China	8%	94	8%	89	7%	81	6%	99	5%	78
Total (Overseas Total)	100% (70%)	1,199 (835)	100% (66%)	1,134 (750)	100% (75%)	1,215 (909)	100% (87%)	1,685 (1,464)	100% (80%)	1,373 (1,098)

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

1. Financial Results for FY2023 First Half



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

(Hundred Million Yen)

		FY2022 1st Half	FY2023 1st Half	Change		Changes vs disclosure in July	
					%		
Air conditioners	Net sales	1,685	1,373	-312	-21%	-19%	-87
	Operating income	15	2	-13		-89%	-47
	(Operating income margin)	(0.9%)	(0.1%)	(-0.8%)			(-3.3%)
Info & Comm Syst. and Electronic Devices	Net sales	132	135	3		3%	5
	Operating income	3	6	3		90%	3
	(Operating income margin)	(2.2%)	(4.0%)	(1.8%)			(1.7%)
Others	Net sales	13	14	1		5%	4
	Operating income	7	5	-2		-18%	7
	(Operating income margin)	(53.6%)	(42.0%)	(-11.6%)			(62.0%)
Total	Net sales	1,830	1,522	-308	-19%	-17%	-78
	Operating income	25	13	-12		-49%	-37
	(Operating income margin)	(1.4%)	(0.8%)	(-0.6%)			(-2.3%)

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

R&D Expenses	4.2%	77	5.2%	78	1.0%	1	2%	-0.1%	-7
Capital Expenditure		41		48		7	16%		-22
Depreciation Expenses		37		40		3	8%		-

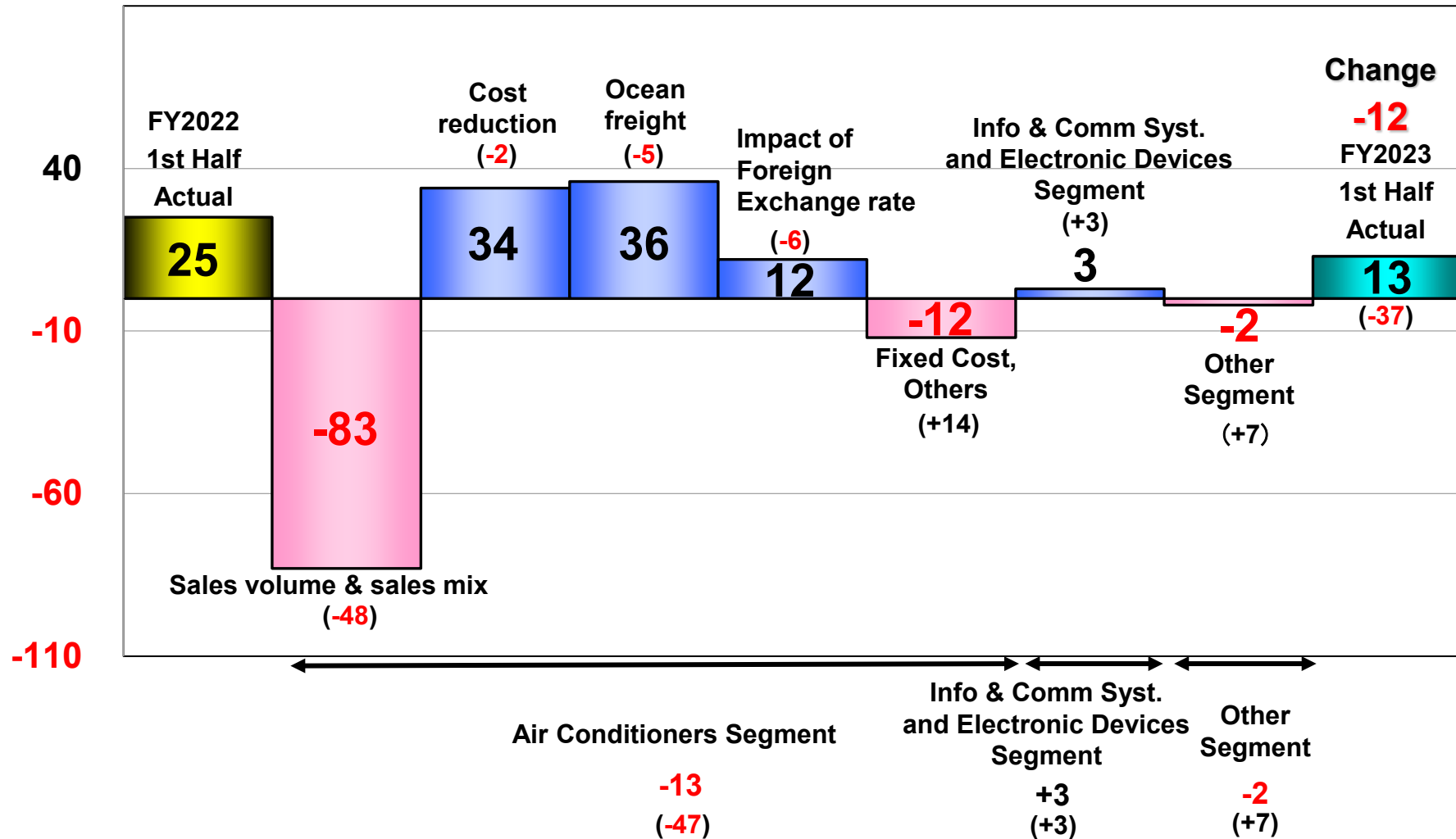
[Note3: subscribers(%) of R&D Expenses is proportion to Total Net Sales]

1. Financial Results for FY2023 First Half



Analysis of Consolidated Operating income (vs previous year)

(Hundred Million Yen)



[Note: () Number is change vs disclosure in July]

Consolidated Balance Sheets

(Hundred Million Yen)

	FY2022		FY2023 2Q		Change
	Actual	ratio	Actual	ratio	
Current assets	2,160	72%	1,923	69%	-237
(Cash and deposits)	(174)		(177)		(3)
(Notes and accounts receivable)	(1,071)		(817)		(-254)
(Inventories)	(728)		(741)		(13)
(Others)	(187)		(188)		(1)
Noncurrent assets	824	28%	874	31%	50
Total assets	2,984	100%	2,797	100%	-187
Current liabilities	1,392	47%	1,133	40%	-259
(Notes and accounts payable)	(538)		(377)		(-161)
(Short-term loans payable)	(327)		(249)		(-78)
(Others)	(527)		(507)		(-20)
Noncurrent liabilities	196	6%	190	7%	-6
Total liabilities	1,588	53%	1,323	47%	-265
Shareholders' equity	1,231	41%	1,259	45%	28
Accumulated other comprehensive income	102	4%	141	5%	39
Non-controlling interests	63	2%	74	3%	11
Total net assets	1,396	47%	1,474	53%	78
Total liabilities and net assets	2,984	100%	2,797	100%	-187

Main Financial Data

(Hundred Million Yen)

	FY2022 1st Half	FY2023 1st Half	Change	(Reference) FY2022
Operating Cash Flow	35	208	173	-80
Investing Cash Flow	-43	-98	-55	-84
Free Cash Flow	-8	110	118	-164

Shareholders' equity ratio	44.2%	50.0%	5.8%	44.7%
----------------------------	-------	-------	------	-------

Inventories	756	741	-15	728
Days Inventory Outstanding	71.9days	84.1days	12.2days	73.5days
CCC *	99.2days	127.9days	28.7days	108.8days
Net D/E ratio (times)	-0.02	0.05	0.07	0.12

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

2. Consolidated Financial Forecast



Consolidated Financial Plan

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

(Hundred Million Yen)

	FY2022 (Actual)			FY2023 (Plan)			Change		Change vs disclosure in July Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	
Net sales	1,830	1,880	3,710	1,522	1,878	3,400	-310	-11% -8%	-400
Operating income	25	126	151	13	147	160	9	6%	-50
(Operating income margin)	(1.4%)	(6.7%)	(4.1%)	(0.8%)	(7.8%)	(4.7%)	(0.6%)		(-0.8%)
Ordinary income	78	96	174	74	116	190	16	9%	-20
(Ordinary income margin)	(4.3%)	(5.1%)	(4.7%)	(4.9%)	(6.2%)	(5.6%)	(0.9%)		(0.1%)
Extraordinary loss	-12	-18	-30	2	-	2	32	-%	-
Net income*	50	37	87	44	76	120	33	38%	-10
(Net income margin *)	(2.7%)	(2.0%)	(2.3%)	(2.9%)	(4.0%)	(3.5%)	(1.2%)		(0.1%)

*Net income attributable to Owners of the Parent

Dividend per share (Yen)	17	17	^{40.9%} 34	18	18	^{31.4%} 36	2	2.4%	-
--------------------------	-----------	-----------	----------------------------	-----------	-----------	----------------------------	----------	-------------	----------

[Note2: subscrip(%) of dividend per share is dividend payout ratio]

Material prices(Average)

Copper(USD/t)	9,671	9,047	9,361	8,200	7,846	8,001	-1,360	-306
Aluminum(USD/t)	2,890	2,435	2,672	2,383	2,400	2,393	-279	-368

Foreign Exchange rate (Average)

Yen/1USD	135	137	136	142	140	141	5	5
Yen/1EUR	139	143	141	153	150	151	10	6
BAHT/1USD	35.2	34.9	35.1	34.8	34.7	34.8	-0.3	0.6
RMB/1USD	6.74	6.99	6.86	7.06	7.10	7.08	0.22	0.18

Analysis of Financial Plan

Air Conditioners	<p><Sales in the 2nd half> <u>167.7</u> Billion Yen (-2.2 Billion Yen; -1% from PY; -4% based on local currency from PY.)</p> <p><Sales in the full year> <u>305.0</u> Billion Yen (-33.4 Billion Yen; -10% from PY; -12% based on local currency from PY.)</p> <p>[Overseas] We expect sales decrease due to declined sales in H1 with reactionary downturn from the high level of shipments in the PY in North America and the Middle East resulting in high level of inventory in the field as well as a sales decrease of ATW (Air to Water, heat pump water heaters) because of changes in the market conditions.</p> <p>[North America] Sales in the 2nd half: -8% from PY; -11% based on local currency from PY. Sales in the full year: -37% from PY; -40% based on local currency from PY.</p> <p>[Europe] Sales in the 2nd half: -13% from PY; -17% based on local currency from PY. Sales in the full year: -9% from PY; -14% based on local currency from PY.</p> <p><Operating income in the 2nd half> <u>12.5</u> Billion Yen (+2.0 Billion Yen; +20% from PY)</p> <p><Operating income in the full year> <u>12.7</u> Billion Yen (+0.7 Billion Yen; +6% from PY) Despite sales decrease in overseas, we plan to increase the operating income of the full year by total cost reduction, lower materials and ocean freight costs, and favorable foreign currency rates.</p>
Info & Comm Syst. and Electronic Devices	<p><Sales in the full year> <u>32.5</u> Billion Yen (+2.5 Billion Yen; +9% from PY) Despite sales decrease in electronic modules and unit products of the Electronic Devices business unit, we expect sales increase in public systems of Info & Comm Syst.</p> <p><Operating income in the full year> <u>3.6</u> Billion Yen (+1.8 Billion Yen; +99% from PY)</p>

Sales by Segment

(Hundred Million Yen)

	FY2022(Actual)			FY2023(Plan)			Change		Change vs disclosure in July Full Year	
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%		
Air Conditioners	1,685	1,699	91% 3,384	1,373	1,677	90% 3,050	-334	-12%	-10%	-410
(Japan)	(221)	(225)	(446)	(275)	(225)	(500)	(54)		(12%)	(-20)
(Overseas)	(1,464)	(1,474)	(2,938)	(1,098)	(1,452)	(2,550)	(-388)	(-16%)	(-13%)	(-390)
Info & Comm Syst.	51	84	135	67	133	200	65	48%		25
Electronic Devices	81	84	165	68	57	125	-40	-24%		-25
Info & Comm Syst. and Electronic Devices	132	168	8% 300	135	190	9% 325	25	9%		-
Others	13	13	1% 26	14	11	1% 25	-1	-5%		10
Total	1,830	1,880	100% 3,710	1,522	1,878	100% 3,400	-310	-11%	-8%	-400
Japan	352	391	20% 743	417	418	25% 835	92	12%		-9
Overseas	1,478	1,489	80% 2,967	1,105	1,460	75% 2,565	-402	-16%	-14%	-391

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

2. Consolidated Financial Forecast



AC Sales by Geographic area

(Hundred Million Yen)

	FY2022(Actual)			FY2023(Plan)			Change			Change vs disclosure in July Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	Local currency base	
Japan	221	225	446	275	225	500	54	12%	12%	-20
Americas	382	293	675	164	279	443	-232	-34%	-37%	-272
Europe	392	509	901	380	442	822	-79	-9%	-14%	-124
Middle East and Africa	259	194	453	120	188	308	-145	-32%	-35%	-7
Oceania	150	202	352	159	213	372	20	6%	7%	-47
Asia	182	181	363	197	258	455	92	26%	24%	85
Greater China	99	95	194	78	72	150	-44	-23%	-24%	-25
Total	1,685	1,699	3,384	1,373	1,677	3,050	-334	-10%	-12%	-410
(Overseas Total)	(1,464)	(1,474)	(2,938)	(1,098)	(1,452)	(2,550)	(-388)	(-13%)	(-16%)	(-390)

<Reference Information> Historical Information

	FY2019 (Actual)		FY2020 (Actual)		FY2021 (Actal)		FY2022 (Actal)		FY2023 (Plan)	
Japan	25%	573	27%	621	21%	532	13%	446	16%	500
Americas	16%	365	15%	356	17%	422	20%	675	15%	443
Europe	27%	621	24%	556	27%	692	27%	901	27%	822
Middle East and Africa	9%	201	8%	179	8%	195	13%	453	10%	308
Oceania	12%	290	13%	312	12%	296	10%	352	12%	372
Asia	4%	96	6%	147	9%	237	11%	363	15%	455
Greater China	7%	155	7%	161	6%	150	6%	194	5%	150
Total	100%	2,301	100%	2,332	100%	2,524	100%	3,384	100%	3,050
(Overseas Total)	(75%)	(1,728)	(73%)	(1,711)	(79%)	(1,992)	(87%)	(2,938)	(84%)	(2,550)

[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 July Full Year	
		1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (plan)	Full Year	Full Year	%		
Air Conditioners	Net sales	1,685	1,699	3,384	1,373	1,677	3,050	-334	-12%	-10%	-410
	Operating income	15	105	120	2	125	127	7		6%	-80
	(Operating income margin)	(0.9%)	(6.1%)	(3.5%)	(0.1%)	(7.5%)	(4.2%)	(0.7%)			(-1.8%)
Info & Comm Syst. and Electronic Devices	Net sales	132	168	300	135	190	325	25		9%	-
	Operating income	3	15	18	6	30	36	18		99%	4
	(Operating income margin)	(2.2%)	(9.1%)	(6.0%)	(4.0%)	(16.1%)	(11.1%)	(5.1%)			(1.3%)
Others	Net sales	13	13	26	14	11	25	-1		-5%	10
	Operating income	7	6	13	5	-8	-3	-16		-%	26
	(Operating income margin)	(53.6%)	(48.0%)	(50.8%)	(42.0%)	(-76.4%)	(-12.0%)	(-62.8%)			(181.3%)
Total	Net sales	1,830	1,880	3,710	1,522	1,878	3,400	-310	-11%	-8%	-400
	Operating income	25	126	151	13	147	160	9		6%	-50
	(Operating income margin)	(1.4%)	(6.7%)	(4.1%)	(0.8%)	(7.8%)	(4.7%)	(0.6%)			(-0.8%)

[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	5.2%	78	4.3%	82	4.7%	160	0.5%	3	2%	0.1%	-15
Capital Expenditure		41		41		82		48		72		120		38	46%		-45
Depreciation Expenses		37		39		76		40		48		88		12	16%		-

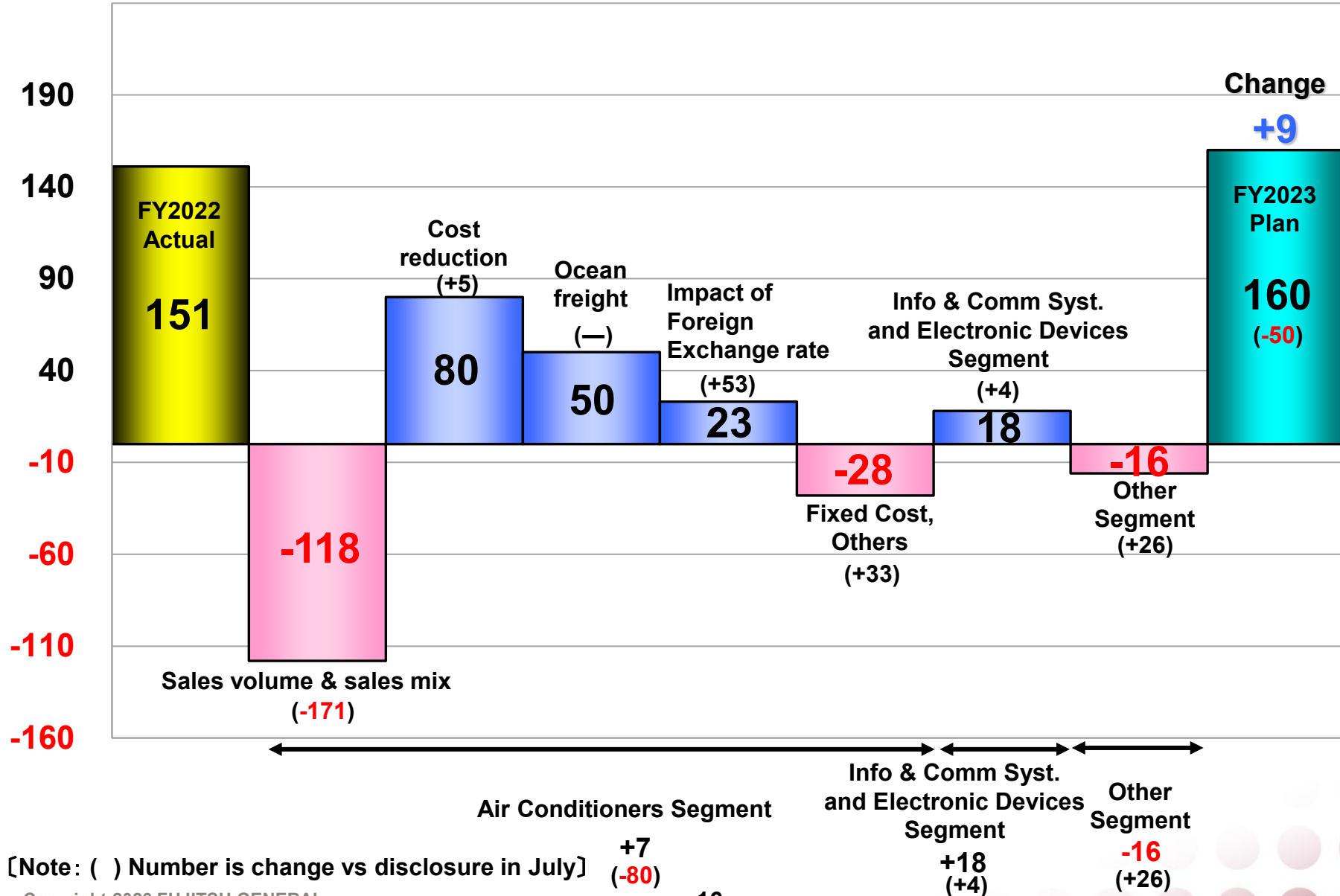
[Note3: subscribers(%) of R&D Expenses is proportion to Total Net Sales]

2. Consolidated Financial Forecast

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



(Hundred Million Yen)

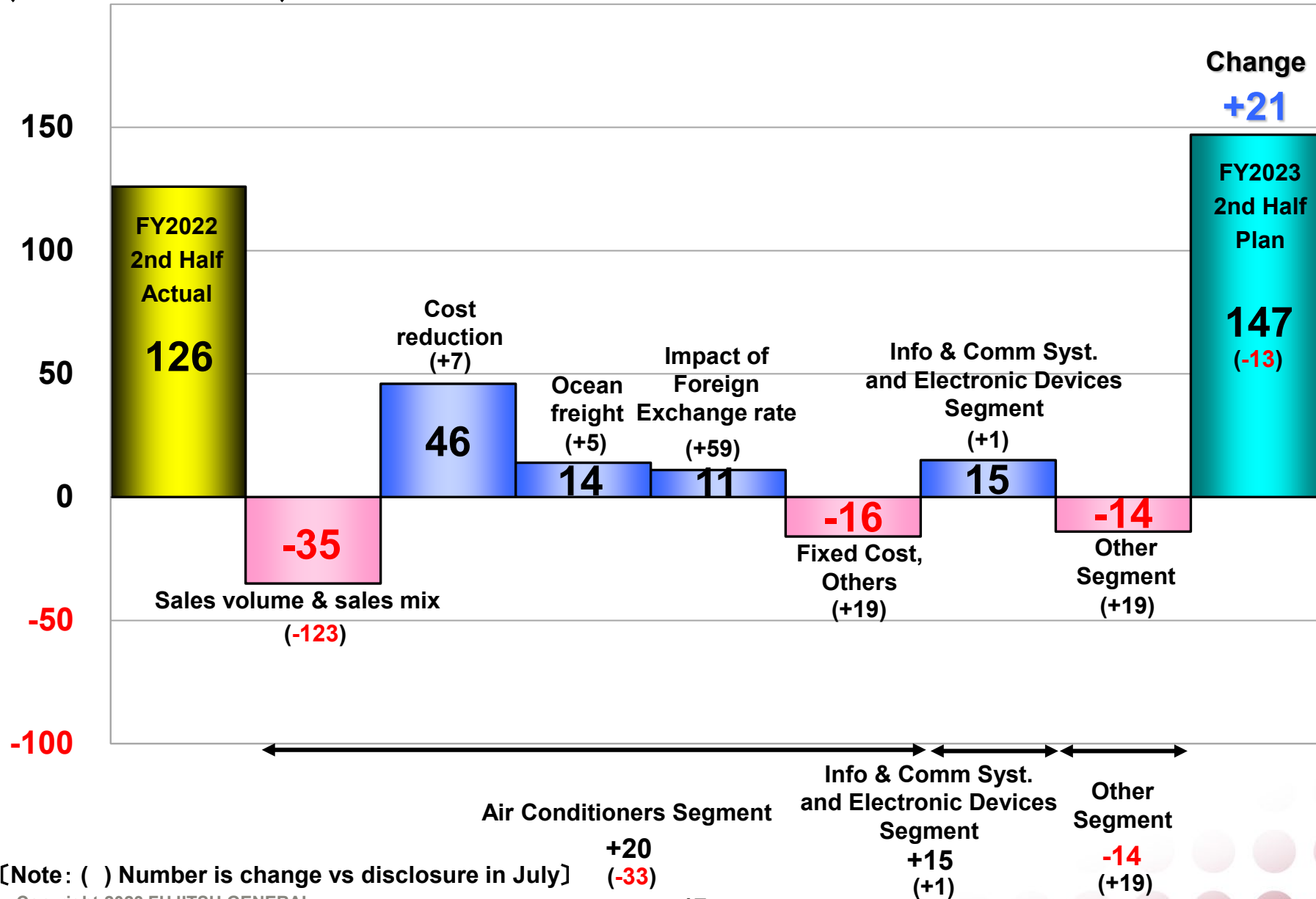


2. Consolidated Financial Forecast

Analysis of Consolidated Operating Income [FY2023 Second Half] (vs previous year)



(Hundred Million Yen)



[Note: () Number is change vs disclosure in July]

Sales by Segment (change)

(Hundred Million Yen)

	FY2022 (Actual)				FY2023 (1Q-2Q Actual/2nd Half Plan)			
	1Q	2Q	2nd Half	Full Year	1Q	2Q	2nd Half	Full Year
Air conditioners	769	916	1,699	3,384	620	753	1,677	3,050
(Japan)	(47)	(174)	(225)	(446)	(130)	(145)	(225)	(500)
(Overseas)	(722)	(742)	(1,474)	(2,938)	(490)	(608)	(1,452)	(2,550)
Info & Comm Syst.	21	30	84	135	25	42	133	200
Electronic Devices	32	49	84	165	29	39	57	125
Info & Comm Syst. and Electronic Devices	53	79	168	300	54	81	190	325
Others	7	6	13	26	6	8	11	25
Total	829	1,001	1,880	3,710	680	842	1,878	3,400
Japan	105	247	391	743	188	229	418	835
Overseas	724	754	1,489	2,967	492	613	1,460	2,565

Consolidated Statements of Income(Change)

(Hundred Million Yen)

	FY2022 (Actual)				FY2023 (1Q-2Q Actual/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	842	1,878	3,400
Operating income	16	9	126	151	-7	20	147	160
(Operating income margin)	(1.9%)	(0.9%)	(6.7%)	(4.1%)	(-1.0%)	(2.3%)	(7.8%)	(4.7%)
Ordinary income	58	20	96	174	58	16	116	190
(Ordinary income margin)	(7.0%)	(2.0%)	(5.1%)	(4.7%)	(8.5%)	(1.9%)	(6.2%)	(5.6%)
Net income *	33	17	37	87	36	8	76	120
(Net income margin *)	(4.0%)	(1.7%)	(2.0%)	(2.3%)	(5.3%)	(0.9%)	(4.0%)	(3.5%)

* Net income attributable to owners of the parent

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

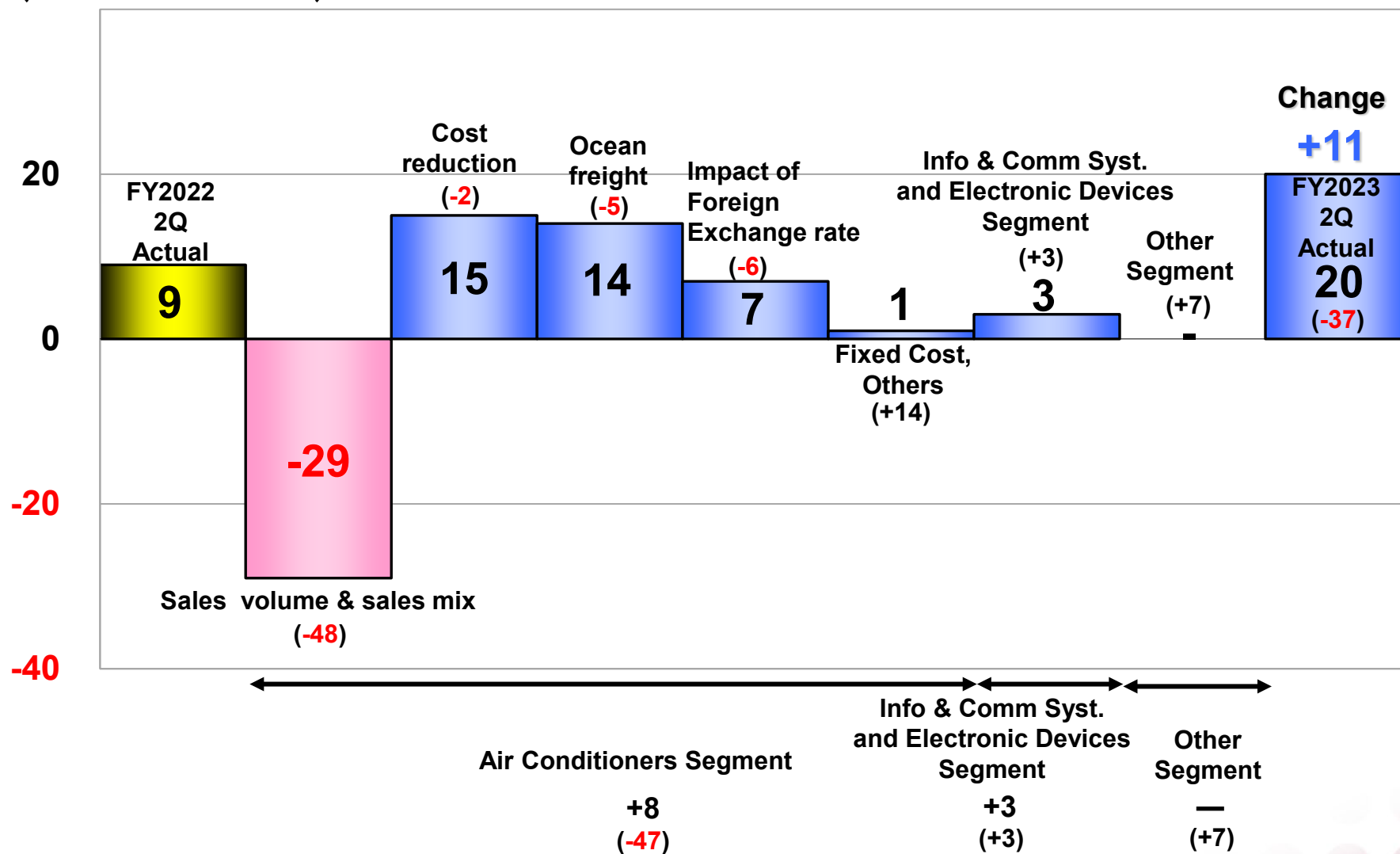
	FY2022 (Actual)				FY2023 (1Q-2Q Actual/2nd Half Plan)			
	1 Q	2Q	2nd Half	Full Year	1 Q	2Q	2nd Half	Full Year
Japan	47	174	225	446	130	145	225	500
Americas	220	162	293	675	71	93	279	443
Europe	134	258	509	901	171	209	442	822
Middle East and Africa	136	123	194	453	39	81	188	308
Oceania	72	78	202	352	70	89	213	372
Asia	110	72	181	363	102	95	258	455
Greater China	50	49	95	194	37	41	72	150
Total	769	916	1,699	3,384	620	753	1,677	3,050
(Overseas Total)	(722)	(742)	(1,474)	(2,938)	(490)	(608)	(1,452)	(2,550)

[Note: sales to external customers]

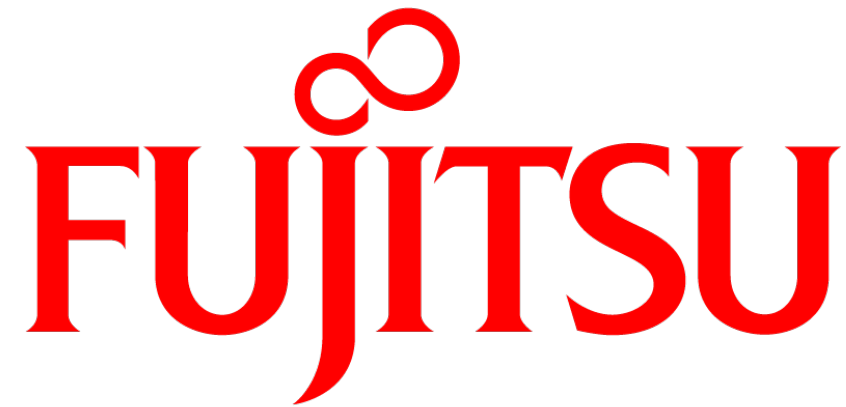
<Reference Information> Analysis of Consolidated Operating Income
 [FY2023 Second Quarter] (vs previous year)



(Hundred Million Yen)



[Note: () Number is change vs disclosure in July]

The logo features a red infinity symbol positioned above the word "FUJITSU". The word "FUJITSU" is rendered in a bold, red, serif typeface. The infinity symbol is a simple, continuous red line forming a figure-eight shape.

FUJITSU GENERAL

– Living together for our future –