

Financial Results

FY2019 (Ended March 2020)

First Quarter

July 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)

	FY2018 1Q	FY2019 1Q	Change	
				%
Net sales	588	624	36	8% 6%
Gross profit (Gross profit margin)	146 (24.9%)	172 (27.6%)	26 (2.7%)	18%
Operating income (Operating income margin)	24 (4.1%)	25 (4.1%)	1 (-%)	7%
Ordinary income (Ordinary income margin)	41 (7.0%)	29 (4.6%)	-12 (-2.4%)	-30%
Net income※ (Net income margin※)	29 (4.9%)	19 (3.1%)	-10 (-1.8%)	-33%
Net income per share	¥27.60	¥18.59	¥-9.01	

※Net income attributable to Owners of the Parent

Copper price US\$/t	Average		Average		Average	
	6,968		6,365		-603	
Foreign Exchange rate	Average	(Closing)	Average	(Closing)	Average	(Closing)
Yen/1USD	109	(111)	110	(108)	1	(-3)
Yen/1AUD	83	(81)	76	(75)	-7	(-6)
Yen/1EUR	130	(128)	124	(122)	-6	(-6)
BAHT/1USD	32.0	(33.0)	31.4	(30.6)	-0.6	(-2.4)
RMB/1USD	6.36	(6.62)	6.79	(6.87)	0.43	(0.25)

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) increased by 3.1 Billion Yen (up by 8%, up by 12% based on local currency from previous year). ▪ Air conditioners (Japan) increased by 1.1 Billion Yen (up by 6% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Increased by 0.4 Billion Yen (up by 18% from previous year). <p>Even though we executed growth investment and spent additional sales promotion expenses, operating income increased due to sales increase and promotion of total cost reduction.</p>
<p>Telecommunications and Electronic devices</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales decreased by 0.6 Billion Yen (down by 13% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Decreased by 0.3 Billion Yen (same level as the previous year). <p>Sales decrease in Electronic devices.</p>

Sales by Segment

(Hundred Million Yen)

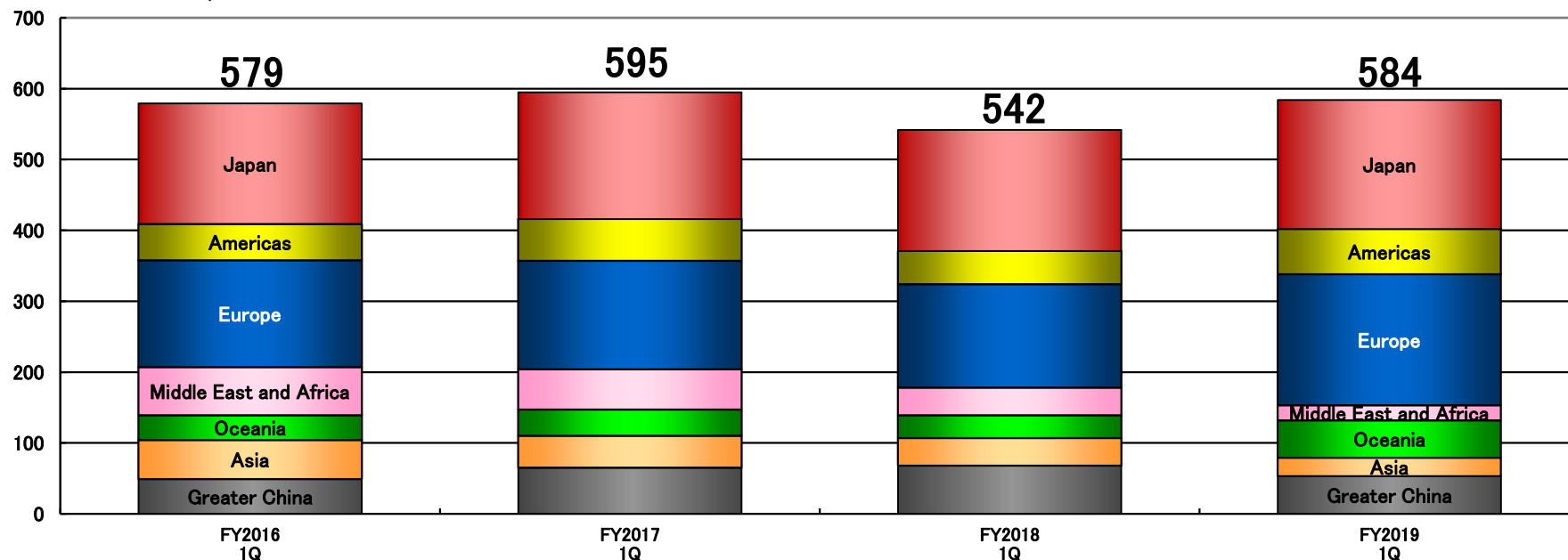
	FY2018		FY2019		Change			
	1 Q		1 Q				%	
Air conditioners	92%	542	93%	584	1%	42	10%	8%
(Japan)		(171)		(182)		(11)		(6%)
(Overseas)		(371)		(402)		(31)	(12%)	(8%)
Telecommunications		12		14		2		19%
Electronic devices		30		22		-8		-25%
Telecommunications and Electronic devices	7%	42	6%	36	-1%	-6		-13%
Others	1%	4	1%	4	-%	-		-2%
Total	100%	588	100%	624	-%	36	8%	6%
Japan	36%	214	35%	220	-1%	6		3%
Overseas	64%	374	65%	404	1%	30	11%	8%

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

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

A/C Sales by Geographic area

(Hundred Million Yen)



【Sales by Geographic area】

(Hundred Million Yen)

	FY2016 1Q		FY2017 1Q		FY2018 1Q		FY2019 1Q		Change			
	%	Value	%	Value	%	Value	%	Value	%	Value	Local currency base	
Japan	29%	170	30%	179	32%	171	31%	182	-1%	11	6%	6%
Americas	9%	51	10%	59	9%	47	11%	64	2%	17	34%	34%
Europe	26%	151	26%	153	27%	146	32%	185	5%	39	27%	32%
Middle East and Africa	12%	68	9%	57	7%	39	4%	21	-3%	-18	-46%	-46%
Oceania	6%	35	6%	37	6%	32	9%	53	3%	21	63%	74%
Asia	9%	55	8%	45	7%	39	4%	26	-3%	-13	-31%	-31%
Greater China	9%	49	11%	65	12%	68	9%	53	-3%	-15	-22%	-18%
Total	100%	579	100%	595	100%	542	100%	584	-%	42	8%	10%
(Overseas Total)	(71%)	(409)	(70%)	(416)	(68%)	(371)	(69%)	(402)	(1%)	(31)	(8%)	(12%)

[Note1: sales to external customers]

[Note2: subscribers(%) is proportion to Total]

Segment Information

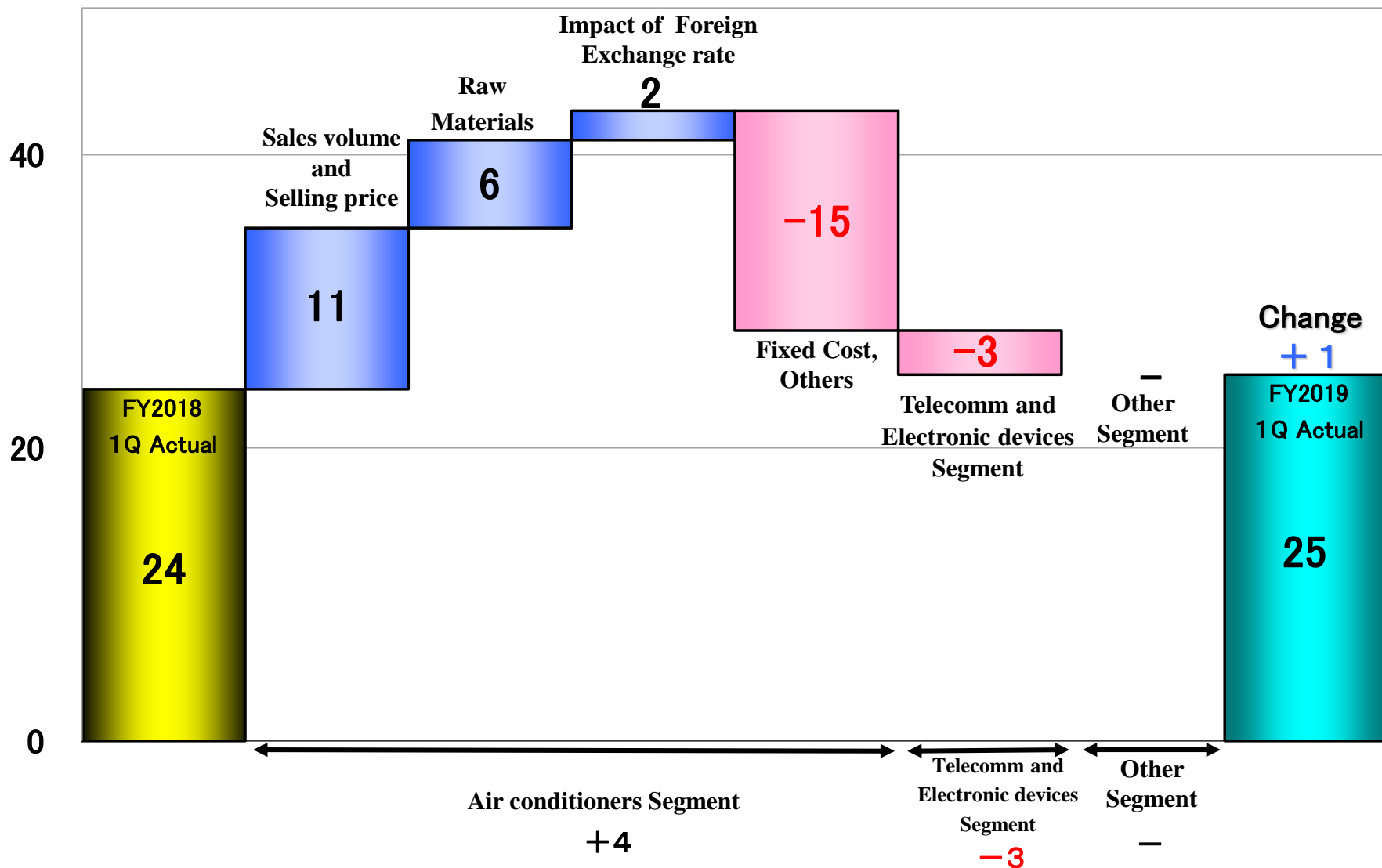
(Hundred Million Yen)

		FY2018	FY2019	Change	
		1 Q	1 Q		%
Air conditioners	Net sales	542	584	42	10% 8%
	Operating income	23	27	4	18%
	(Operating income margin)	(4.2%)	(4.6%)	(0.4%)	
Telecommunications and Electronic devices	Net sales	42	36	-6	-13%
	Operating income	-	-3	-3	-%
	(Operating income margin)	(-1.6%)	(-8.4%)	(-6.8%)	
Others	Net sales	4	4	-	-2%
	Operating income	1	1	-	-8%
	(Operating income margin)	(41.1%)	(38.4%)	(-2.7%)	
Total	Net sales	588	624	36	8% 6%
	Operating income	24	25	1	7%
	(Operating income margin)	(4.1%)	(4.1%)	(-%)	

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

Analysis of Consolidated Operating income (vs previous year)

(Hundred Million Yen)



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2018		FY2019 1Q		Change
	Actual	ratio	Actual	ratio	
Current assets	1,517	70%	1,496	68%	-21
(Cash and deposits)	(354)		(307)		(-47)
(Notes and accounts receivables)	(797)		(715)		(-82)
(Inventories)	(267)		(366)		(99)
(Others)	(99)		(108)		(9)
Noncurrent assets	641	30%	698	32%	57
Total assets	2,158	100%	2,194	100%	36
Current liabilities	820	38%	865	40%	45
(Notes and accounts payable)	(410)		(391)		(-19)
(Short-term loans payable)	(4)		(16)		(12)
(Others)	(406)		(458)		(52)
Noncurrent liabilities	207	10%	205	9%	-2
Total liabilities	1,027	48%	1,070	49%	43
Shareholders' equity	1,059	49%	1,064	48%	5
Accumulated other comprehensive income	36	2%	23	1%	-13
Non-controlling interests	36	1%	37	2%	1
Total net assets	1,131	52%	1,124	51%	-7
Total liabilities and net assets	2,158	100%	2,194	100%	36

Main Financial Data

(Hundred Million Yen)

	FY2018 1Q	FY2019 1Q	Change	(Reference) FY2018
Operating Cash Flow	-56	-	56	85
Investing Cash Flow	-18	-41	-23	-125
Free Cash Flow	-74	-41	33	-40

R&D Expenses	5.5%	32	5.2%	32	-0.3%	-	5.1%	130
Capital Expenditures		7		61		54		84
Depreciation Expenses		13		13		-		52

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

Shareholders' equity ratio	52.3%	49.6%	-2.7%	50.7%
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Inventory	331	366	35	267
Days Inventory Outstanding	41.5days	44.7days	3.2days	42.8days
CCC	78.5days	89.0days	10.5days	87.4days

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

Consolidated Financial Plan

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

	FY2019 (Previous plan)		FY2019 (Plan)		Change vs previous plan		Change vs previous year		
	1st Half	Full Year	1st Half	Full Year	1st Half	Full Year	Full Year	%	
Net sales	1,330	2,850	1,330	2,850	-	-	323	15%	13%
Operating income	50	175	50	175	-	-	29	20%	
(Operating income margin)	(3.8%)	(6.1%)	(3.8%)	(6.1%)	(-%)	(-%)	(0.3%)		
Ordinary income	50	175	50	175	-	-	34	24%	
(Ordinary income margin)	(3.8%)	(6.1%)	(3.8%)	(6.1%)	(-%)	(-%)	(0.5%)		
Net income ※	35	120	35	120	-	-	31	35%	
(Net income margin ※)	(2.6%)	(4.2%)	(2.6%)	(4.2%)	(-%)	(-%)	(0.7%)		

※Net income attributable to Owners of the Parent

Dividend per share (Yen)	14	24.4%	28	14	24.4%	28	-6.2%	2

Copper price (Average)

US\$/t		
	6,353	6,410

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

	6,296	6,382	-57	-28
			-335	

Foreign Exchange rate (Average)

Yen/1USD	110	110	110	110	-	-	-1
Yen/1AUD	75	75	75	75	-	-	-6
Yen/1EUR	125	125	123	124	-2	-1	-4
BAHT/1USD	31.5	31.5	31.1	31.3	-0.4	-0.2	-0.7
RMB/1USD	6.70	6.70	6.81	6.76	0.11	0.06	0.10

Consolidated Financial Plan

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

	FY2018	FY2019				Change vs previous plan 1st Half
	1st Half (Actual)	1st Half (Plan)	Change			
				%		
Net sales	1,231	1,330	99	11%	8%	—
Operating income (Operating income margin)	46 (3.8%)	50 (3.8%)	4 (-%)		8%	— (-%)
Ordinary income (Ordinary income margin)	68 (5.5%)	50 (3.8%)	-18 (-1.7%)		-26%	— (-%)
Net income ※ (Net income margin※)	46 (3.7%)	35 (2.6%)	-11 (-1.1%)		-24%	— (-%)

※Net income attributable to Owners of the Parent

Copper price (Average)

US\$/t	6,858	6,296	-562	-57
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Foreign Exchange rate (Average)

Yen/1USD	110	110	—	—
Yen/1AUD	82	75	-7	—
Yen/1EUR	130	123	-7	-2
BAHT/1USD	32.3	31.1	-1.2	-0.4
RMB/1USD	6.51	6.81	0.30	0.11

Sales By Segment

(Hundred Million Yen)

	FY2018		FY2019				Change vs Previous plan		
	1st Half (Actual)		1st Half (Plan)		Change		1st Half		
						%			
Air conditioners	90%	1,102	90%	1,200	-%	98	12%	9%	-
(Japan)		(361)		(390)		(29)		(8%)	(-)
(Overseas)		(741)		(810)		(69)	(13%)	(9%)	(-)
Telecommunications		54		65		11		22%	5
Electronic devices		66		55		-11		-17%	-5
Telecommunications and Electronic devices	9%	120	9%	120	-%	-		-%	-
Others	1%	9	1%	10	-%	1		9%	-
Total	100%	1,231	100%	1,330	-%	99	11%	8%	-
Japan	39%	485	39%	520	-%	35		7%	-
Overseas	61%	746	61%	810	-%	64	13%	9%	-

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

A/C Sales by Geographic area

(Hundred Million Yen)

	FY2018	FY2019				Change vs previous plan
	1st Half (Actual)	1stHalf (Plan)	Change		1st Half	
			%	Local currency base		
Japan	361	390	29	8%	8%	—
Americas	134	161	27	20%	22%	2
Europe	256	308	52	20%	26%	19
Middle East and Africa	75	57	-18	-25%	-24%	8
Oceania	100	143	43	44%	55%	1
Asia	67	53	-14	-20%	-21%	-15
Greater China	109	88	-21	-20%	-17%	-15
Total (Overseas Total)	1,102 (741)	1,200 (810)	98 (69)	9% (9%)	12% (13%)	— (-)

< Reference Information > Historical Information

	FY2015		FY2016		FY2017		FY2018		FY2019	
	1st Half		1st Half		1st Half		1st Half		1st Half(Plan)	
Japan	29%	335	30%	333	30%	332	33%	361	33%	390
Americas	12%	139	11%	120	13%	142	12%	134	13%	161
Europe	13%	156	23%	249	21%	229	23%	256	26%	308
Middle East and Africa	20%	229	12%	138	11%	120	7%	75	5%	57
Oceania	8%	91	8%	88	10%	107	9%	100	12%	143
Asia	10%	112	8%	85	5%	63	6%	67	4%	53
Greater China	8%	93	8%	92	10%	115	10%	109	7%	88
Total (Overseas Total)	100%	1,155 (71%)	100%	1,105 (70%)	100%	1,108 (70%)	100%	1,102 (67%)	100%	1,200 (67%)
		(820)		(772)		(776)		(741)		(810)

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

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

(Hundred Million Yen)

		FY2018	FY2019				Change vs previous plan
			1st Half (Actual)	1st Half (Plan)	Change		
					%		
Air Conditioners	Net sales	1,102	1,200	98	12%	9%	-
	Operating income	32	40	8		25%	-
	(Operating income margin)	(2.9%)	(3.3%)	(0.4%)			(-%)
Telecommunications and Electronic devices	Net sales	120	120	-		-%	-
	Operating income	7	5	-2		-32%	-
	(Operating income margin)	(6.1%)	(4.2%)	(-1.9%)			(-%)
Others	Net sales	9	10	1		9%	-
	Operating income	7	5	-2		-28%	-
	(Operating income margin)	(75.1%)	(50.0%)	(-25.1%)			(-%)
Total	Net sales	1,231	1,330	99	11%	8%	-
	Operating income	46	50	4		8%	-
	(Operating income margin)	(3.8%)	(3.8%)	(-%)			(-%)

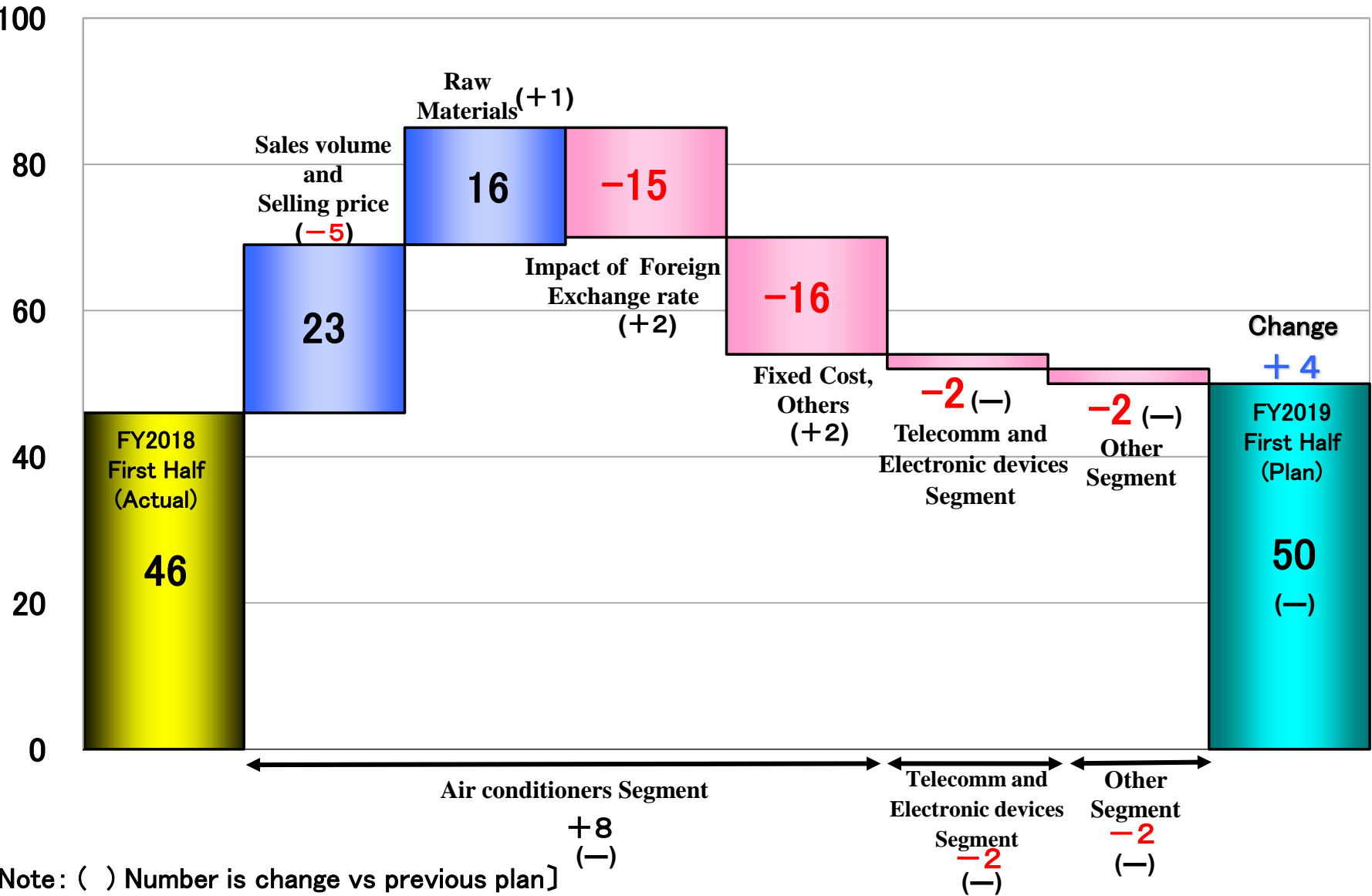
[Note1: sales to external customers] [Note2: subscribers(%) of change % is local currency base]

R&D Expenses	5.3%	65	4.9%	65	-0.4%	-	-%	-
Capital Expenditures		23		100		77		327%
Depreciation Expenses		26		30		4		16%

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

Analysis of Consolidated Operating income (vs previous year)

(Hundred Million Yen)



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

Sales by Segment

(Hundred Million Yen)

	FY2018 (Actual)		FY2019 (Plan)		Change			Change vs previous plan	
	1st Half	Full Year	1st Half	Full Year	Full Year	%		1st Half	Full Year
Air conditioners	1,102	89% 2,249	1,200	89% 2,550	301	16%	13%	-	-
(Japan)	(361)	(593)	(390)	(630)	(37)		(6%)	(-)	(-)
(Overseas)	(741)	(1,656)	(810)	(1,920)	(264)	(19%)	(16%)	(-)	(-)
Telecommunications	54	136	65	165	29		21%	5	5
Electronic devices	66	124	55	115	-9		-7%	-5	-5
Telecommunications and Electronic devices	120	10% 260	120	10% 280	20		8%	-	-
Others	9	1% 18	10	1% 20	2		12%	-	-
Total	1,231	100% 2,527	1,330	100% 2,850	323	15%	13%	-	-
Japan	485	34% 860	520	32% 920	60		7%	-	-
Overseas	746	66% 1,667	810	68% 1,930	263	19%	16%	-	-

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

A/C Sales by Geographic area

(Hundred Million Yen)

	FY2018 (Actual)		FY2019 (Plan)		Change			Change vs previous plan	
	1st Half	Full Year	1st Half	Full Year	Full Year	%	Local currency base	1st Half	Full year
Japan	361	593	390	630	37	6%	6%	-	-
Americas	134	363	161	416	53	15%	16%	2	2
Europe	256	516	308	597	81	16%	19%	19	19
Middle East and Africa	75	170	57	216	46	27%	29%	8	8
Oceania	100	253	143	334	81	33%	42%	1	1
Asia	67	162	53	188	26	16%	16%	-15	-15
Greater China	109	192	88	169	-23	-12%	-11%	-15	-15
Total	1,102	2,249	1,200	2,550	301	13%	16%	-	-
(Overseas Total)	(741)	(1,656)	(810)	(1,920)	(264)	(16%)	(19%)	(-)	(-)

< Reference Information > Historical Information

	FY2015 (Actual)		FY2016 (Actual)		FY2017 (Actual)		FY2018 (Actual)		FY2019 (Plan)	
Japan	23%	529	24%	555	23%	552	26%	593	25%	630
Americas	14%	332	14%	329	15%	349	16%	363	16%	416
Europe	17%	403	19%	449	21%	494	23%	516	23%	597
Middle East and Africa	21%	490	17%	396	14%	337	8%	170	9%	216
Oceania	9%	216	10%	220	11%	252	11%	253	13%	334
Asia	9%	199	9%	202	7%	156	7%	162	7%	188
Greater China	7%	162	7%	173	9%	209	9%	192	7%	169
Total	100%	2,331	100%	2,324	100%	2,349	100%	2,249	100%	2,550
(Overseas Total)	(77%)	(1,802)	(76%)	(1,769)	(77%)	(1,797)	(74%)	(1,656)	(75%)	(1,920)

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

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

(Hundred Million Yen)

		FY2018 (Actual)		FY2019 (Plan)		Change			Change vs previous plan	
		1st Half	Full Year	1st Half	Full Year	Full Year	%	1st Half	Full Year	
Air conditioners	Net sales	1,102	2,249	1,200	2,550	301	16%	13%	-	-
	Operating income	32	108	40	140	32		29%	-	-
	(Operating income margin)	(2.9%)	(4.8%)	(3.3%)	(5.5%)	(0.7%)			(-%)	(-%)
Telecommunications and Electronic devices	Net sales	120	260	120	280	20		8%	-	-
	Operating income	7	27	5	28	1		3%	-	-
	(Operating income margin)	(6.1%)	(10.5%)	(4.2%)	(10.0%)	(-0.5%)			(-%)	(-%)
Others	Net sales	9	18	10	20	2		12%	-	-
	Operating income	7	11	5	7	-4		-33%	-	-
	(Operating income margin)	(75.1%)	(58.6%)	(50.0%)	(35.0%)	(-23.6%)			(-%)	(-%)
Total	Net sales	1,231	2,527	1,330	2,850	323	15%	13%	-	-
	Operating income	46	146	50	175	29		20%	-	-
	(Operating income margin)	(3.8%)	(5.8%)	(3.8%)	(6.1%)	(0.3%)			(-%)	(-%)

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

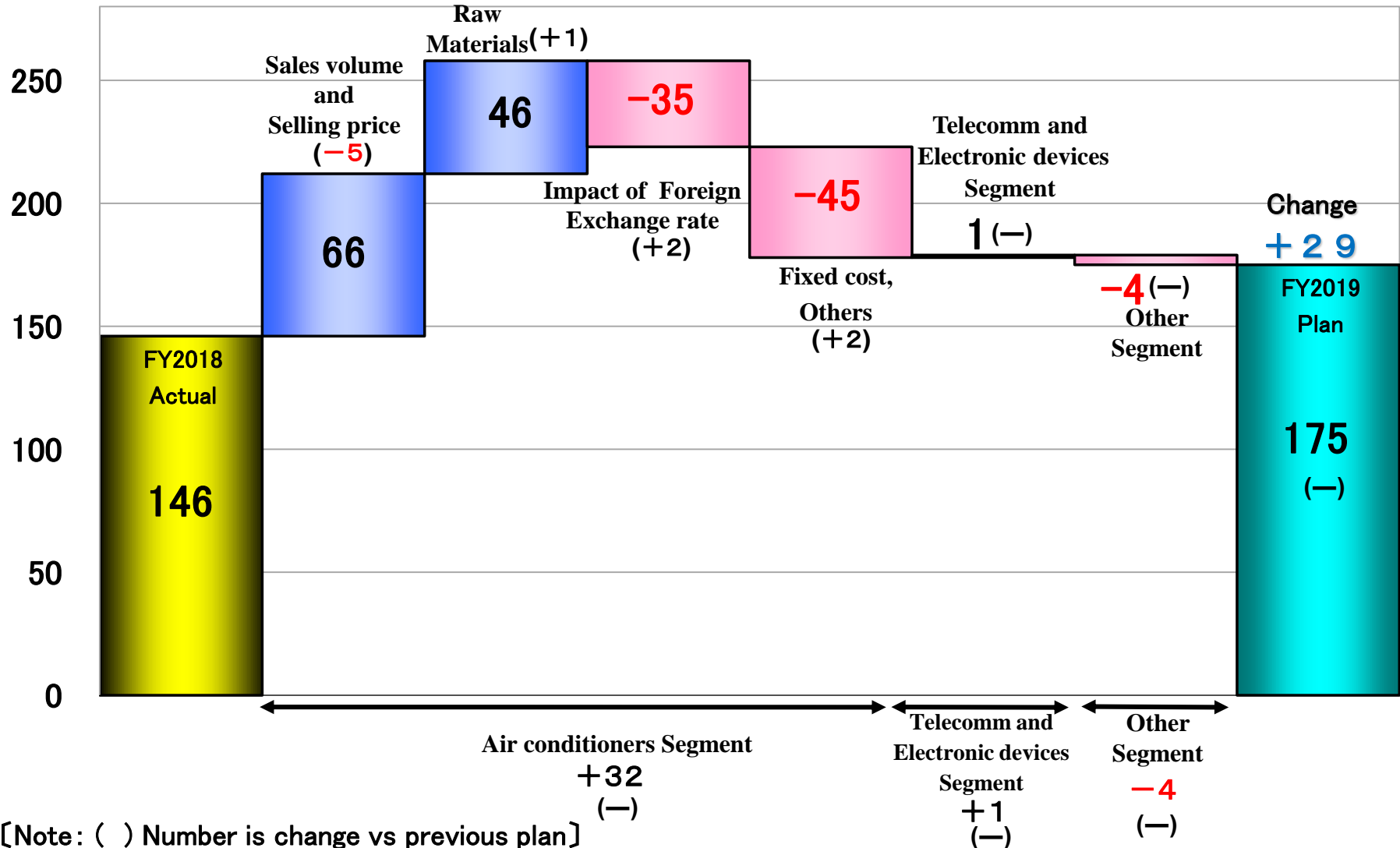
R&D Expenses	5.3%	65	5.1%	130	4.9%	65	4.9%	140	-0.2%	10		8%	-%	-	-%	-
Capital Expenditures		23		84		100		170		86		103%	-	-	-	-
Depreciation Expenditures		26		52		30		60		8		15%	-	-	-	-

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

<Reference Information> Analysis of consolidated Operating income [FY2019] (vs previous year)



(Hundred Million Yen)



Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2018 (Actual)					FY2019		Change		
	1Q	2Q	3Q	4Q	Total	1Q (Actual)	2Q (Plan)	2Q	%	
Air conditioners	542	560	331	816	2,249	584	616	56	13%	10%
(Japan)	(171)	(190)	(85)	(147)	(593)	(182)	(208)	(18)		(10%)
(Overseas)	(371)	(370)	(246)	(669)	(1,656)	(402)	(408)	(38)	(15%)	(10%)
Telecommunications	12	42	23	59	136	14	51	9		23%
Electronic devices	30	36	29	29	124	22	33	-3		-11%
Telecommunications and Electronic devices	42	78	52	88	260	36	84	6		7%
Others	4	5	5	4	18	4	6	1		18%
Total	588	643	388	908	2,527	624	706	63	13%	10%
Japan	214	271	139	236	860	220	300	29		11%
Overseas	374	372	249	672	1,667	404	406	34	14%	9%

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

<Reference Information> Consolidated Statements of Income
(Quarter Information)



(Hundred Million Yen)

	FY2018 (Actual)					FY2019		Change		
	1Q	2Q	3Q	4Q	Total	1Q (Actual)	2Q (Plan)	2Q	%	
Net sales	588	643	388	908	2,527	624	706	63	13%	10%
Operating income	24	22	-9	109	146	25	25	3		9%
(Operating income margin)	(4.1%)	(3.5%)	(-2.3%)	(11.9%)	(5.8%)	(4.1%)	(3.5%)	(-)		
Ordinary income	41	27	-19	92	141	29	21	-6		-20%
(Ordinary income margin)	(7.0%)	(4.1%)	(-4.9%)	(10.2%)	(5.6%)	(4.6%)	(3.0%)	(-1.1%)		
Net income※	29	17	-20	63	129	19	16	-1		-8%
(Net income margin※)	(4.9%)	(2.6%)	(-5.1%)	(6.9%)	(3.5%)	(3.1%)	(2.2%)	(-0.4%)		

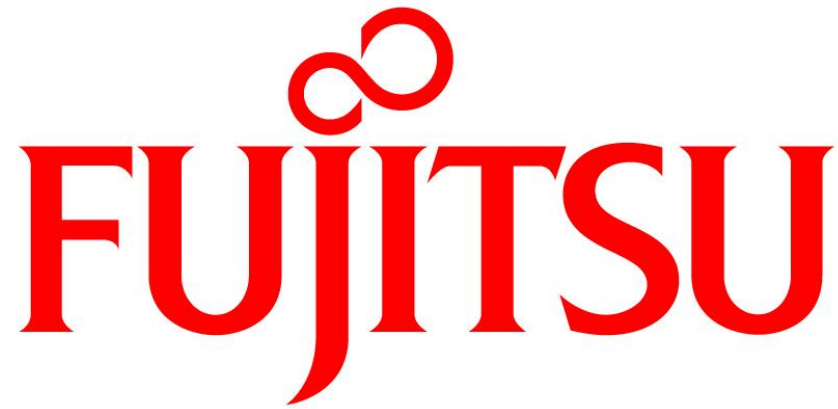
※Net income attributable to Owners of the Parent [Note1: subscripts(%) of change % is local currency base]

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

	FY2018 (Actual)					FY2019		Change		
	1Q	2Q	3Q	4Q	Total	1Q (Actual)	2Q (Plan)	2Q	%	Local currency base
Japan	171	190	85	147	593	182	208	18	10%	10%
Americas	47	87	60	169	363	64	97	10	13%	15%
Europe	146	110	76	184	516	185	123	13	11%	18%
Middle East and Africa	39	36	10	85	170	21	36	-	-2%	-%
Oceania	32	68	57	96	253	53	90	22	34%	45%
Asia	39	28	12	83	162	26	27	-1	-6%	-6%
Greater China	68	41	31	52	192	53	35	-6	-16%	-13%
Total	542	560	331	816	2,249	584	616	56	10%	13%
(Overseas Total)	(371)	(370)	(246)	(669)	(1,656)	(402)	(408)	(38)	(10%)	(15%)

[Note2: sales to external customers]

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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