

Financial Results

FY2020 (Ended March 2021)

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, 2020 | FUJITSU GENERAL LIMITED

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1. Financial Results for FY2020 First Half



Consolidated Financial Results

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

	FY2019 1st Half	FY2020 1st Half	Change		Change vs disclosure in July	
				%		
Net sales	1,329	1,266	-63	-4%	-5%	66
Gross profit (Gross profit margin)	366 (27.5%)	377 (29.8%)	11 (2.3%)		3%	
Operating income (Operating income margin)	62 (4.7%)	77 (6.1%)	15 (1.4%)		24%	32 (2.3%)
Ordinary income (Ordinary income margin)	59 (4.5%)	84 (6.6%)	25 (2.1%)		41%	34 (2.4%)
Net income * (Net income margin *)	37 (2.8%)	62 (4.9%)	25 (2.1%)		67%	27 (2.0%)
Net income per share	¥35.58	¥59.27	¥23.69			¥25.82

* Net income attributable to Owners of Parent

Copper price	Average	Average	Average	Average
USD/t	6,274	6,108	-166	10
Foreign Exchange rate	Average (Closing)	Average (Closing)	Average (Closing)	Average (Closing)
Yen/1USD	109 (108)	107 (106)	-2 (-2)	-1 (-3)
Yen/1AUD	75 (73)	75 (75)	- (2)	1 (-)
Yen/1EUR	122 (118)	121 (124)	-1 (6)	2 (4)
BAHT/1USD	31.0 (30.4)	31.5 (31.5)	0.5 (1.1)	0.1 (0.5)
RMB/1USD	6.84 (7.07)	7.06 (6.81)	0.22 (-0.26)	-0.02 (-0.24)

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales></p> <ul style="list-style-type: none"> Overseas sales decreased by 8.5 Billion Yen (down by 10%, down by 9% based on local currency from previous year). <p>Total sales declined but sales in some regions such as North America and Europe exceeded our initial plan.</p> <ul style="list-style-type: none"> Sales in Japan increased by 2.0 Billion Yen (up by 5% from previous year). <p>In spite of COVID-19 and long rainy season, domestic sales increased by expansion of product lineup to meet customer needs. Market demand for air conditioners remained firm by increasing interest in favorable living environment and goods to be consumed inside the house.</p> <p><Operating income></p> <ul style="list-style-type: none"> Increased by 2.1 Billion Yen (up by 44% from previous year). <p>Operating income increased with progress in total cost reduction, favorable foreign currency translation and minimizing the impact of sales decrease for overseas.</p>
<p>Info & Comm Syst. 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>Sales increased because of deliveries of disaster prevention systems that we got orders in previous year were progressed smoothly. Sales of car-mounted equipment decreased due to stagnant automobile markets.</p> <p><Operating income></p> <ul style="list-style-type: none"> Decreased by 0.6 Billion Yen (down by 46% from previous year). <p>Operating income decrease due to difference in profit margin.</p>

1. Financial Results for FY2020 First Half



Sales by Segment

(Hundred Million Yen)

	FY2019		FY2020		Change			Change vs disclosure in July		
	1st Half		1st Half				%			
Air Conditioners	90%	1,199	90%	1,134	-%	-65	-5%	-5%	1%	64
(Japan)		(364)		(384)		(20)		(5%)		(-6)
(Overseas)		(835)		(750)		(-85)	(-9%)	(-10%)		(70)
Info & Comm Syst.		65		74		9		13%		-1
Electronic Devices		56		48		-8		-14%		3
Info & Comm Syst. and Electronic Devices	9%	121	9%	122	-%	1		-%	-1%	2
Others	1%	9	1%	10	-%	1		7%	-%	-
Total	100%	1,329	100%	1,266	-%	-63	-4%	-5%	-%	66
Japan	37%	491	40%	512	3%	21		4%	-3%	-8
Overseas	63%	838	60%	754	-3%	-84	-9%	-10%	3%	74

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

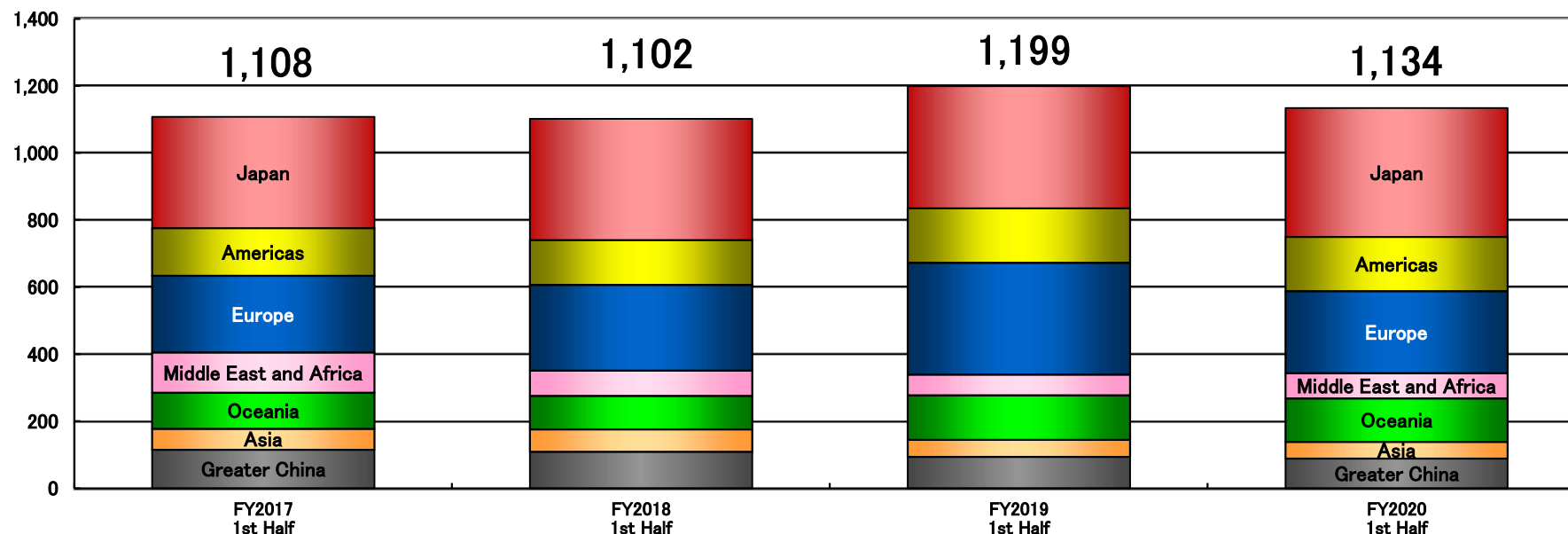
[Note2: subscripts(%) of change % is local currency base]

1. Financial Results for FY2020 First Half



AC Sales by Geographic area

(Hundred Million Yen)



【Sales by Geographic area】

(Hundred Million Yen)

	FY2017 1st Half		FY2018 1st Half		FY2019 1st Half		FY2020 1st Half		Change			Change vs disclosure in July		
	%	Value	%	Value	%	Value	%	Value	%	Value	Local currency base	%	Value	
Japan	30%	332	33%	361	30%	364	34%	384	4%	20	5%	5%	-3%	-6
Americas	13%	142	12%	134	14%	162	14%	162	-%	-	-%	2%	3%	42
Europe	21%	229	23%	256	28%	334	22%	244	-6%	-90	-27%	-27%	1%	18
Middle East and Africa	11%	120	7%	75	5%	61	7%	76	2%	15	26%	28%	-%	-1
Oceania	10%	107	9%	100	11%	133	11%	129	-%	-4	-3%	-2%	-%	7
Asia	5%	63	6%	67	4%	51	4%	50	-%	-1	-3%	-1%	-1%	-
Greater China	10%	115	10%	109	8%	94	8%	89	-%	-5	-5%	-3%	-%	4
Total	100%	1,108	100%	1,102	100%	1,199	100%	1,134	-%	-65	-5%	-5%	-%	64
(Overseas Total)	(70%)	(776)	(67%)	(741)	(70%)	(835)	(66%)	750	(-4%)	(-85)	(-10%)	(-9%)	(3%)	(70)

【Note1: sales to external customers】

【Note2: subscripts(%) is proportion to Total】

1. Financial Results for FY2020 First Half



Segment Information

(Hundred Million Yen)

		FY2019 1st Half	FY2020 1st Half	Change			Change vs disclosure in July
						%	
Air Conditioners	Net sales	1,199	1,134	-65	-5%	-5%	64
	Operating income	47	68	21		44%	28
	(Operating income margin)	(3.9%)	(6.0%)	(2.1%)			(2.3%)
Info & Comm Syst. and Electronic Devices	Net sales	121	122	1		-%	2
	Operating income	12	6	-6		-46%	1
	(Operating income margin)	(9.9%)	(5.3%)	(-4.6%)			(1.1%)
Others	Net sales	9	10	1		7%	-
	Operating income	3	3	-		-9%	3
	(Operating income margin)	(38.5%)	(32.9%)	(-5.6%)			(32.9%)
Total	Net sales	1,329	1,266	-63	-4%	-5%	66
	Operating income	62	77	15		24%	32
	(Operating income margin)	(4.7%)	(6.1%)	(1.4%)			(2.3%)

[Note1: sales to external customers]

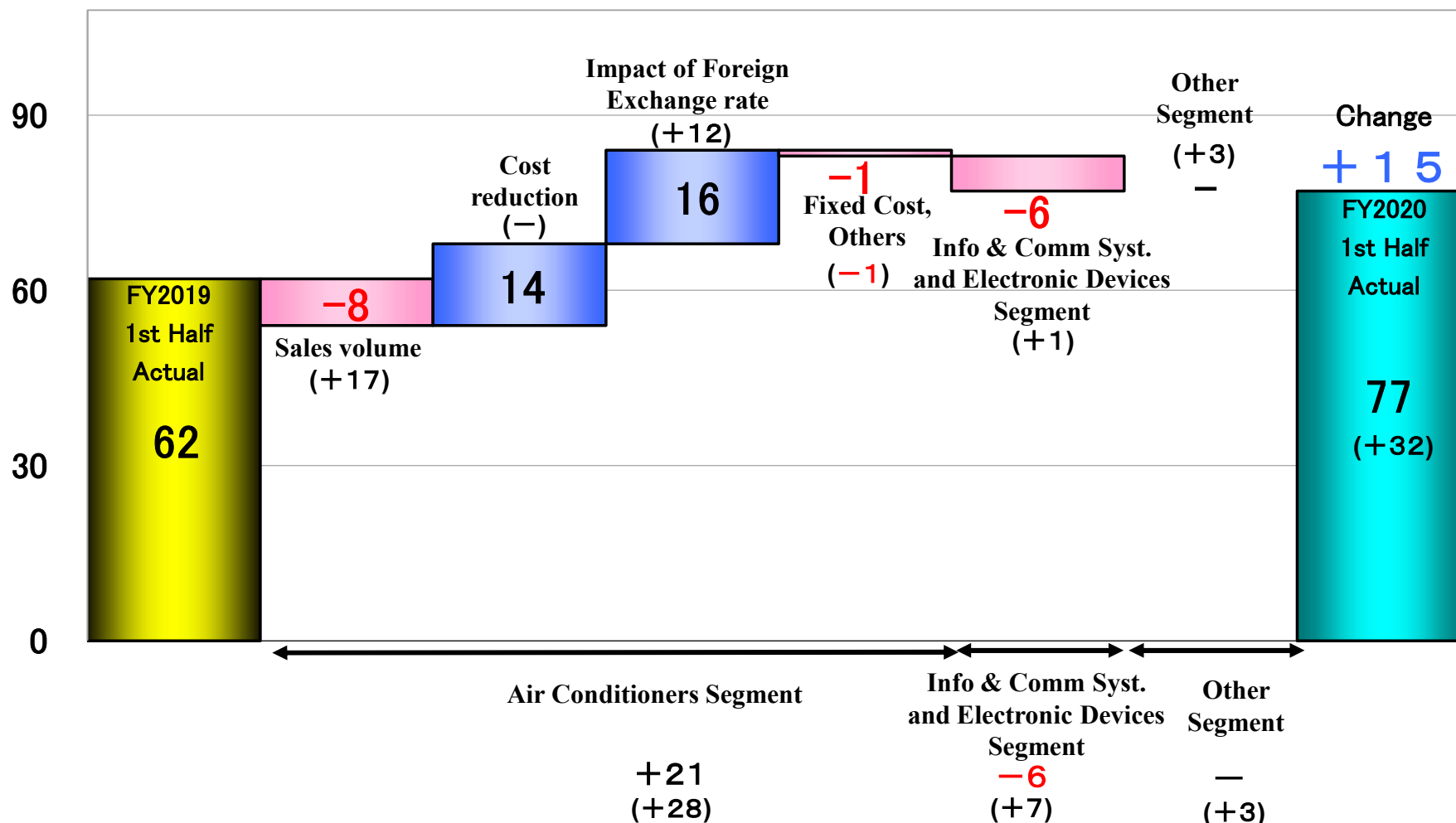
[Note2: subscribers(%) of change % is local currency base]

1. Financial Results for FY2020 First Half



Analysis of Consolidated Operating income (vs previous year)

(Hundred Million Yen)



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

1. Financial Results for FY2020 First Half



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2019		FY2020 2Q		Change
	Actual	ratio	Actual	ratio	
Current assets	1,418	66%	1,492	67%	74
(Cash and deposits)	(276)		(473)		(197)
(Notes and accounts receivable)	(713)		(590)		(-123)
(Inventories)	(330)		(317)		(-13)
(Others)	(99)		(112)		(13)
Noncurrent assets	715	34%	747	33%	32
Total assets	2,133	100%	2,239	100%	106
Current liabilities	821	38%	851	38%	30
(Notes and accounts payable)	(355)		(310)		(-45)
(Short-term loans payable)	(54)		(82)		(28)
(Others)	(412)		(459)		(47)
Noncurrent liabilities	205	10%	209	9%	4
Total liabilities	1,026	48%	1,060	47%	34
Shareholders' equity	1,089	51%	1,137	51%	48
Accumulated other comprehensive income	-20	-1%	-	-%	20
Non-controlling interests	38	2%	42	2%	4
Total net assets	1,107	52%	1,179	53%	72
Total liabilities and net assets	2,133	100%	2,239	100%	106

1. Financial Results for FY2020 First Half



Main Financial Data

(Hundred Million Yen)

	FY2019 1st Half	FY2020 1st Half	Change	(Reference) FY2019
Operating Cash Flow	67	226	159	97
Investing Cash Flow	-91	-39	52	-191
Free Cash Flow	-24	187	211	-94

R&D Expenses	5.0%	67	5.4%	69	0.4%	2	5.1%	134
Capital Expenditure		80		45		-35		139
Depreciation Expenses		28		30		2		58

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

Shareholders' equity ratio	52.2%	50.8%	-1.4%	50.1%
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Inventories	298	317	19	330
Days Inventory Outstanding	42.7days	48.9days	6.2days	45.9days
CCC*	86.9days	93.2days	6.3days	91.9days

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

2. Plan for the Full Year

Consolidated Financial Plan



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

	FY2019 (Actual)			FY2020 (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	1,329	1,292	2,621	1,266	1,534	2,800	179	7%	150
Operating income	62	87	149	77	113	190	41	27%	30
(Operating income margin)	(4.7%)	(6.7%)	(5.7%)	(6.1%)	(7.3%)	(6.8%)	(1.1%)		(0.8%)
Ordinary income	59	78	137	84	106	190	53	39%	30
(Ordinary income margin)	(4.5%)	(6.0%)	(5.2%)	(6.6%)	(6.9%)	(6.8%)	(1.6%)		(0.8%)
Extraordinary loss	–	35	35	–	–	–	–35	–%	–
Net income*	37	21	58	62	58	120	62	108%	10
(Net income margin *)	(2.8%)	(1.6%)	(2.2%)	(4.9%)	(3.8%)	(4.3%)	(2.1%)		(0.1%)

*Net income attributable to Owners of Parent

Dividend per share (Yen)	14	14	28	15	15	30	2	–
			50.8%			26.2%	–24.6%	–2.3%

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

Copper price(Average)

USD/t	6,274	6,045	6,162	6,108	5,127	5,558	–604	168
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Foreign Exchange rate(Average)

Yen/1USD	109	109	109	107	110	109	–	–
Yen/1AUD	75	74	75	75	75	75	–	1
Yen/1EUR	122	120	121	121	120	120	–1	–
BAHT/1USD	31.0	30.9	30.9	31.5	30.8	31.1	0.2	0.5
RMB/1USD	6.84	7.00	6.90	7.06	6.70	6.90	–	–0.14

Air Conditioners	<p><Sales></p> <ul style="list-style-type: none"> • We expect overseas sales increase by 19.9 Billion Yen. (up by 9% from previous year, up by 9% based on local currency from previous year). <p>We expect sales increase in all regions except Europe, where we received benefit in previous year from extremely hot weather and government subsidies for ATW (Air To Water).</p> <p>Without the impact of COVID-19 in FY2019, we expect full-year sales increase by 2% based on local currency from previous year.</p> <p><Operating income></p> <ul style="list-style-type: none"> • We expect operating income increase by 5.2 Billion Yen (up by 50% from previous year). <p>Despite of increasing expense for growth investment and sales promotion cost and unfavorable foreign currency exchange rate, we plan to increase the profit of full year with sales increase, progress in total cost reduction and cost-effectiveness.</p>
Info & Comm Syst. and Electronic Devices	<p><Sales></p> <ul style="list-style-type: none"> • We expect sales decrease by 2.1 Billion Yen (down by 7% from previous year). <p>We expect sales of information & communication systems to remain at about same level as the previous year. We expect sales of electronic devices decrease due to stagnant automobile markets.</p> <p><Operating income></p> <ul style="list-style-type: none"> • We expect operating income decrease by 0.5 Billion Yen (down by 13% from previous year).

2. Plan for the Full Year

Sales by Segment



(Hundred Million Yen)

	FY2019(Actual)			FY2020(Plan)			Change		Change vs previous plan Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	
Air Conditioners	1,199	1,102	89% 2,301	1,134	1,366	89% 2,500	199	9%	140
(Japan)	(364)	(209)	(573)	(384)	(256)	(640)	(67)	(12%)	(10)
(Overseas)	(835)	(893)	(1,728)	(750)	(1,110)	(1,860)	(132)	(8%) (8%)	(130)
Info & Comm Syst.	65	123	188	74	116	190	2	1%	10
Electronic Devices	56	57	113	48	42	90	-23	-21%	-
Info & Comm Syst. and Electronic Devices	121	180	11% 301	122	158	10% 280	-21	-7%	10
Others	9	10	1% 19	10	10	1% 20	1	7%	-
Total	1,329	1,292	100% 2,621	1,266	1,534	100% 2,800	179	7%	150
Japan	491	394	34% 885	512	419	33% 931	46	5%	11
Overseas	838	898	66% 1,736	754	1,115	67% 1,869	133	8% 8%	139

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

2. Plan for the Full Year

AC Sales by Geographic area



(Hundred Million Yen)

	FY2019(Actual)			FY2020(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	364	209	573	384	256	640	67	12%	12%	10
Americas	162	203	365	162	235	397	32	9%	11%	32
Europe	334	287	621	244	317	561	-60	-10%	-10%	51
Middle East and Africa	61	140	201	76	164	240	39	20%	19%	30
Oceania	133	157	290	129	187	316	26	9%	8%	16
Asia	51	45	96	50	131	181	85	89%	91%	1
Greater China	94	61	155	89	76	165	10	6%	7%	-
Total	1,199	1,102	2,301	1,134	1,366	2,500	199	9%	9%	140
(Overseas Total)	(835)	(893)	(1,728)	(750)	(1,110)	(1,860)	(132)	(8%)	(8%)	(130)

<Reference Information> Historical Information

	FY2016 (Actual)		FY2017 (Actual)		FY2018 (Actual)		FY2019 (Actual)		FY2020 (Plan)	
Japan	24%	555	23%	552	26%	593	25%	573	26%	640
Americas	14%	329	15%	349	16%	363	16%	365	16%	397
Europe	19%	449	21%	494	23%	516	27%	621	22%	561
Middle East and Africa	17%	396	14%	337	8%	170	9%	201	9%	240
Oceania	10%	220	11%	252	11%	253	12%	290	13%	316
Asia	9%	202	7%	156	7%	162	4%	96	7%	181
Greater China	7%	173	9%	209	9%	192	7%	155	7%	165
Total	100%	2,324	100%	2,349	100%	2,249	100%	2,301	100%	2,500
(Overseas Total)	(76%)	(1,769)	(77%)	(1,797)	(74%)	(1,656)	(75%)	(1,728)	(74%)	(1,860)

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

2. Plan for the Full Year

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

(Hundred Million Yen)

		FY2019 (Actual)			FY2020 (Plan)			Change		Change vs disclosure in July	
		1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (plan)	Full Year	Full Year	%		
Air Conditioners	Net sales	1,199	1,102	2,301	1,134	1,366	2,500	199	9%	9%	140
	Operating income	47	58	105	68	89	157	52		50%	22
	(Operating income margin)	(3.9%)	(5.3%)	(4.6%)	(6.0%)	(6.5%)	(6.3%)	(1.7%)			(0.6%)
Info & Comm Syst. and Electronic Devices	Net sales	121	180	301	122	158	280	-21		-7%	10
	Operating income	12	27	39	6	28	34	-5		-13%	9
	(Operating income margin)	(9.9%)	(15.1%)	(13.0%)	(5.3%)	(17.4%)	(12.1%)	(-0.9%)			(2.8%)
Others	Net sales	9	10	19	10	10	20	1		7%	-
	Operating income	3	2	5	3	-4	-1	-6		-%	-1
	(Operating income margin)	(38.5%)	(20.2%)	(29.0%)	(32.9%)	(-39.9%)	(-5.0%)	(-34.0%)			(-5.0%)
Total	Net sales	1,329	1,292	2,621	1,266	1,534	2,800	179	7%	7%	150
	Operating income	62	87	149	77	113	190	41		27%	30
	(Operating income margin)	(4.7%)	(6.7%)	(5.7%)	(6.1%)	(7.3%)	(6.8%)	(1.1%)			(0.8%)

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

R&D Expenses	5.0%	67	5.2%	67	5.1%	134	5.4%	69	5.0%	76	5.2%	145	0.1%	11	8%	-0.3%	-
Capital Expenditure		80		59		139		45		55		100		-39	-28%		-
Depreciation Expenses		28		30		58		30		35		65		7	11%		-

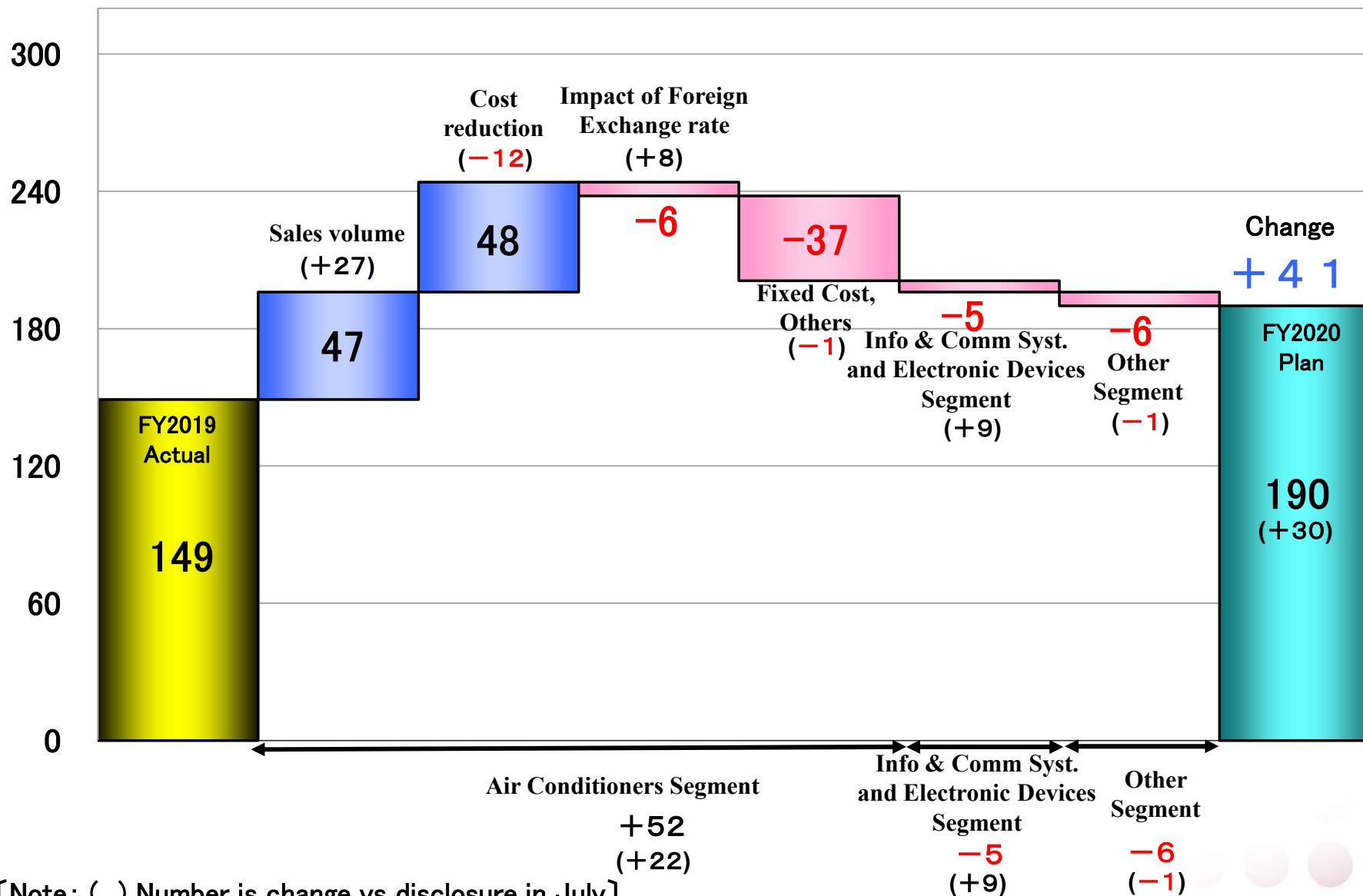
[Note3: subscribers(%) of R&D Expenses is proportion to Total Net Sales]

2. Plan for the Full Year

Analysis of Consolidated Operating Income [FY2020](vs previous year)



(Hundred Million Yen)



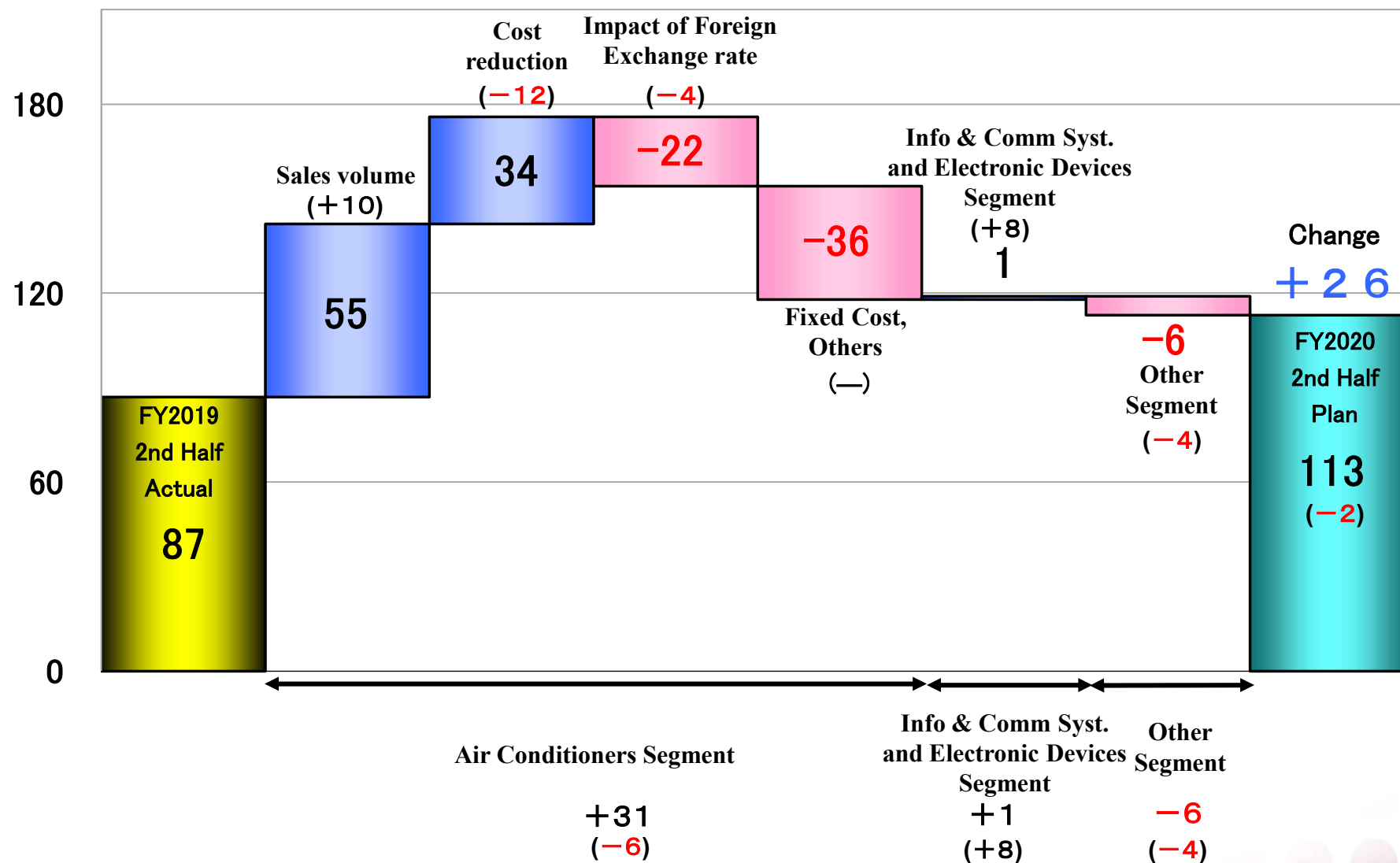
[Note: () Number is change vs disclosure in July]

2. Plan for the Full Year

Analysis of Consolidated Operating Income [FY2020 Second Half] (vs previous year)



(Hundred Million Yen)



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

Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2019 (Actual)					FY2020 (Actual)		Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%
Air Conditioners	584	615	407	695	2,301	530	604	-11	-2%
(Japan)	(182)	(182)	(82)	(127)	(573)	(183)	(201)	(19)	(10%)
(Overseas)	(402)	(433)	(325)	(568)	(1,728)	(347)	(403)	(-30)	(-8%) (-7%)
Info & Comm Syst.	14	51	38	85	188	23	51	-	-1%
Electronic Devices	22	34	28	29	113	23	25	-9	-28%
Info & Comm Syst. and Electronic Devices	36	85	66	114	301	46	76	-9	-11%
Others	4	5	5	5	19	4	6	1	17%
Total	624	705	478	814	2,621	580	686	-19	-3%
Japan	220	271	150	244	885	231	281	10	3%
Overseas	404	434	328	570	1,736	349	405	-29	-8%

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

<Reference Information>



Consolidated Statements of Income(Quarter Information)

(Hundred Million Yen)

	FY2019(Actual)					FY2020(Actual)		Change		
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	2 Q	%	
Net sales	624	705	478	814	2,621	580	686	-19	-3%	-3%
Operating income	25	37	-9	96	149	39	38	1	2%	
(Operating income margin)	(4.1%)	(5.2%)	(-1.9%)	(11.8%)	(5.7%)	(6.8%)	(5.5%)	(0.3%)		
Ordinary income	29	30	-	78	137	46	38	8	23%	
(Ordinary income margin)	(4.6%)	(4.3%)	(-%)	(9.5%)	(5.2%)	(8.0%)	(5.5%)	(1.2%)		
Net income *	19	18	-7	28	58	34	28	10	57%	
(Net income margin *)	(3.1%)	(2.5%)	(-1.6%)	(3.4%)	(2.2%)	(5.9%)	(4.1%)	(1.6%)		

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

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

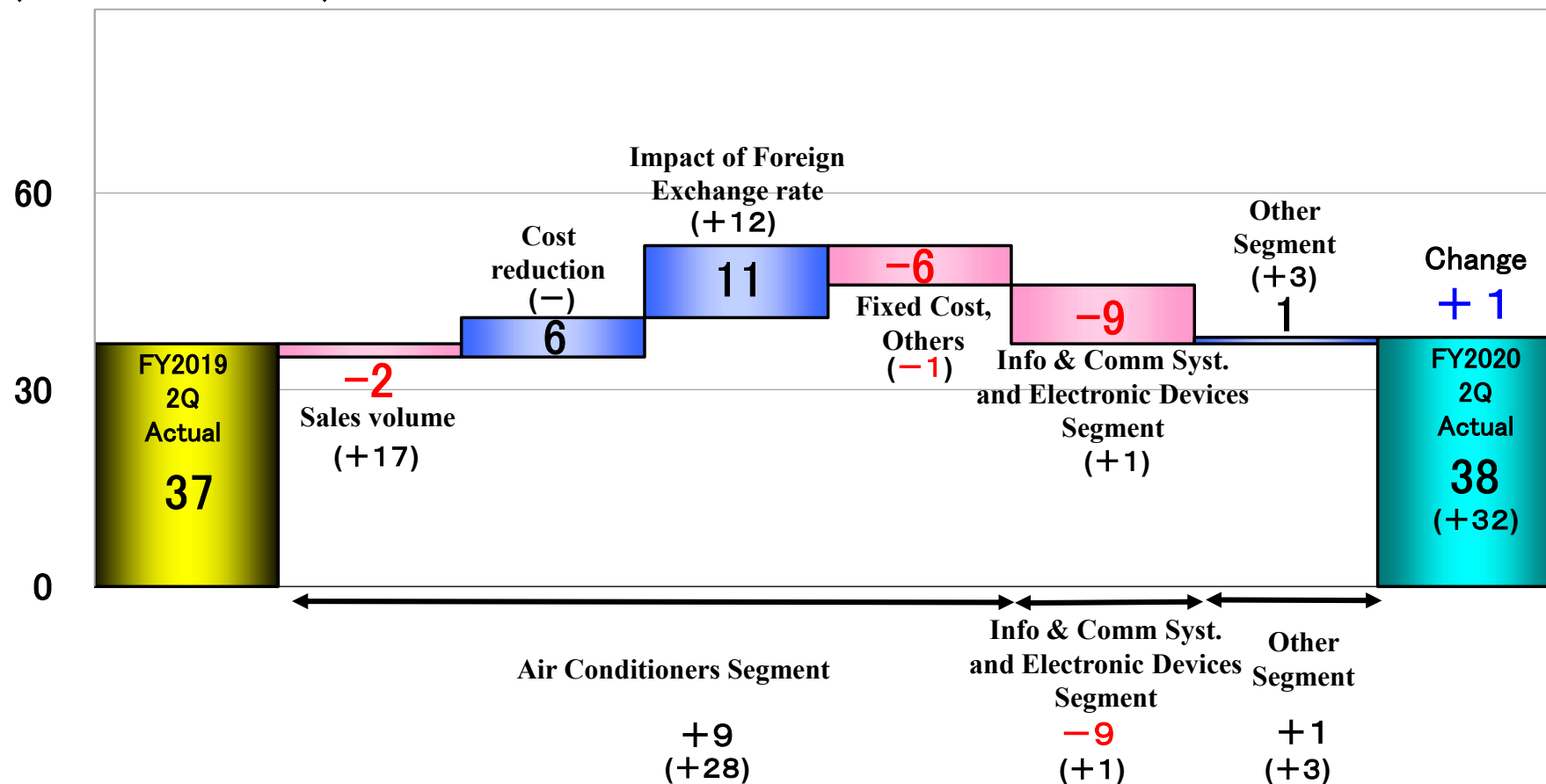
	FY2019(Actual)					FY2020(Actual)		Change		
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q	2 Q	%	Local currency base
Japan	182	182	82	127	573	183	201	19	10%	10%
Americas	64	98	63	140	365	59	103	5	4%	6%
Europe	185	149	115	172	621	128	116	-33	-22%	-25%
Middle East and Africa	21	40	27	113	201	38	38	-2	-3%	-2%
Oceania	53	80	75	82	290	50	79	-1	-1%	-4%
Asia	26	25	13	32	96	21	29	4	15%	17%
Greater China	53	41	32	29	155	51	38	-3	-4%	-5%
Total	584	615	407	695	2,301	530	604	-11	-2%	-2%
(Overseas Total)	(402)	(433)	(325)	(568)	(1,728)	(347)	(403)	(-30)	(-7%)	(-8%)

[Note2: sales to external customers]

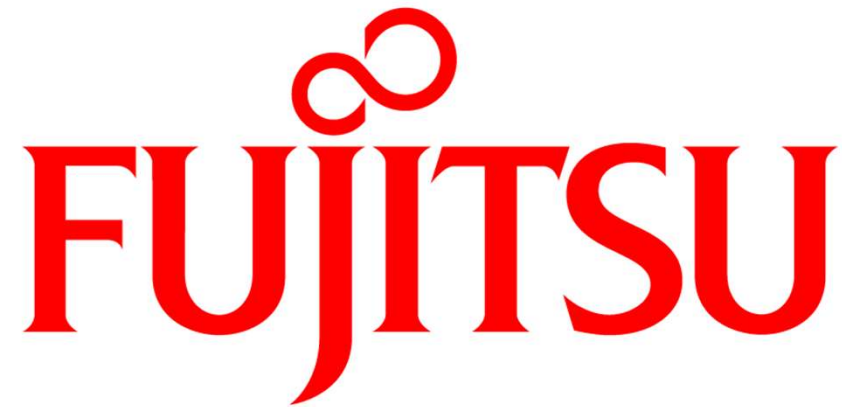
<Reference Information> Analysis of Consolidated Operating Income
 [FY2020 Second Quarter] (vs previous year)



(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 letter 'J' is stylized with a long, downward-pointing tail that curves to the left.

FUJITSU GENERAL

– Living together for our future –