

# FY2024 (Ending March 2025) Third Quarter Financial Results

January 2025

FUJITSU GENERAL LIMITED

# Index

<b>1. Financial Results for FY2024 Nine-Months</b>	
Consolidated 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 [FY2024 Nine-Months] (vs previous year) .....	8
Consolidated Balance Sheets .....	9
Main Financial Data .....	10
<b>2. Consolidated Financial Forecast for the FY2024</b>	
Consolidated 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 [FY2024] (vs previous year) .....	16
<b>3. The Tender offer</b>	
Planned Commencement of the Tender Offer .....	18
〈Appendix〉 .....	19

# 1. Financial Results for FY2024 Nine-Months

# Consolidated Financial Results

[Note 1: subscrip(%) of change % is local currency base ]

	FY2023 9 Months	FY2024 9 Months	(Hundred Million Yen)	
			Change	%
Net sales	2,145	2,432	287	9% 13%
Gross profit	483	588	105	22%
(Gross profit margin)	(22.5%)	(24.2%)	(1.7%)	
Operating income	-5	43	48	-%
(Operating income margin)	(-0.2%)	(1.8%)	(2.0%)	
Ordinary income	48	43	-5	-10%
(Ordinary income margin)	(2.2%)	(1.8%)	(-0.4%)	
Extraordinary gain and loss	2	-79	-81	-%
Net income *	22	-92	-114	-%
(Net income margin *)	(1.0%)	(-3.8%)	(-4.8%)	

\* Net income attributable to Owners of Parent

## Material prices and Foreign Exchange rate (Closing rate)

Copper(USD/t)	8,103	8,981	878
Aluminium(USD/t)	2,376	2,477	101
Yen/1USD	143/(142)	152/(158)	9/(16)
Yen/1EUR	154/(157)	165/(165)	11/(8)
BAHT/1USD	34.9/(34.1)	34.7/(33.8)	-0.2/(-0.3)
RMB/1USD	7.08/(7.08)	7.12/(7.19)	0.04/(0.11)

## Summary of FY2024 9 Months

[Note 2: subscrip(%) of change % is income margin ]

	FY2024	
	9 Months	Strategic cost
Net sales	2,432	-22
Operating income	(1.8%) 43	-28
Ordinary income	43	-28
Extraordinary loss	-79	-79
Net income	(-3.8%) -92	-131

## Overview of Strategic Expenses

### Operating income

The impact on profit and loss due to strategic pricing policies associated with the shift in the product lineup as the measures to refrigerant conversion in North America.

### Extraordinary loss

**(2Q has recorded an Extraordinary Loss, 3Q doesn't)**

The extraordinary loss is a strategic cost associated with the narrowing focus of the Electronic Devices business and declining profitability.

### Net income

The total impact on net income amounts to **-13.1 Billion Yen.**

## Sales by Segment

(Hundred Million Yen)

	FY2023 9 Months	FY2024 9 Months	Change		
				%	Local currency base
Air Conditioner Business	1,922	2,209	287	15%	10%
Info & Comm Syst.	110	132	22	20%	20%
Electronic Devices, etc.	93	70	-23	-25%	-25%
Tech Solutions Business	203	202	-1	-1%	-1%
Others	20	21	1	7%	7%
Total	2,145	2,432	287	13%	9%
Japan	574	601	27	5%	5%
Overseas	1,571	1,831	260	17%	11%

[Note: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024. Financial figures are disclosed based on the segment classifications after the change.]

## AC Sales by Geographic area

(Hundred Million Yen)

		FY2023 9 Months	FY2024 9 Months	Change		
					%	Local currency base
Japan	Japan	361	386	25	7%	7%
Americas	Americas	244	362	118	49%	41%
EMEA	Europe	491	462	-29	-6%	-11%
	Middle East and Africa	166	230	64	38%	35%
APAC	Oceania	254	326	72	28%	21%
	Asia	300	366	66	22%	16%
	Greater China	106	77	-29	-28%	-32%
Total		1,922	2,209	287	15%	10%

[Note 1: sales to external customers ]

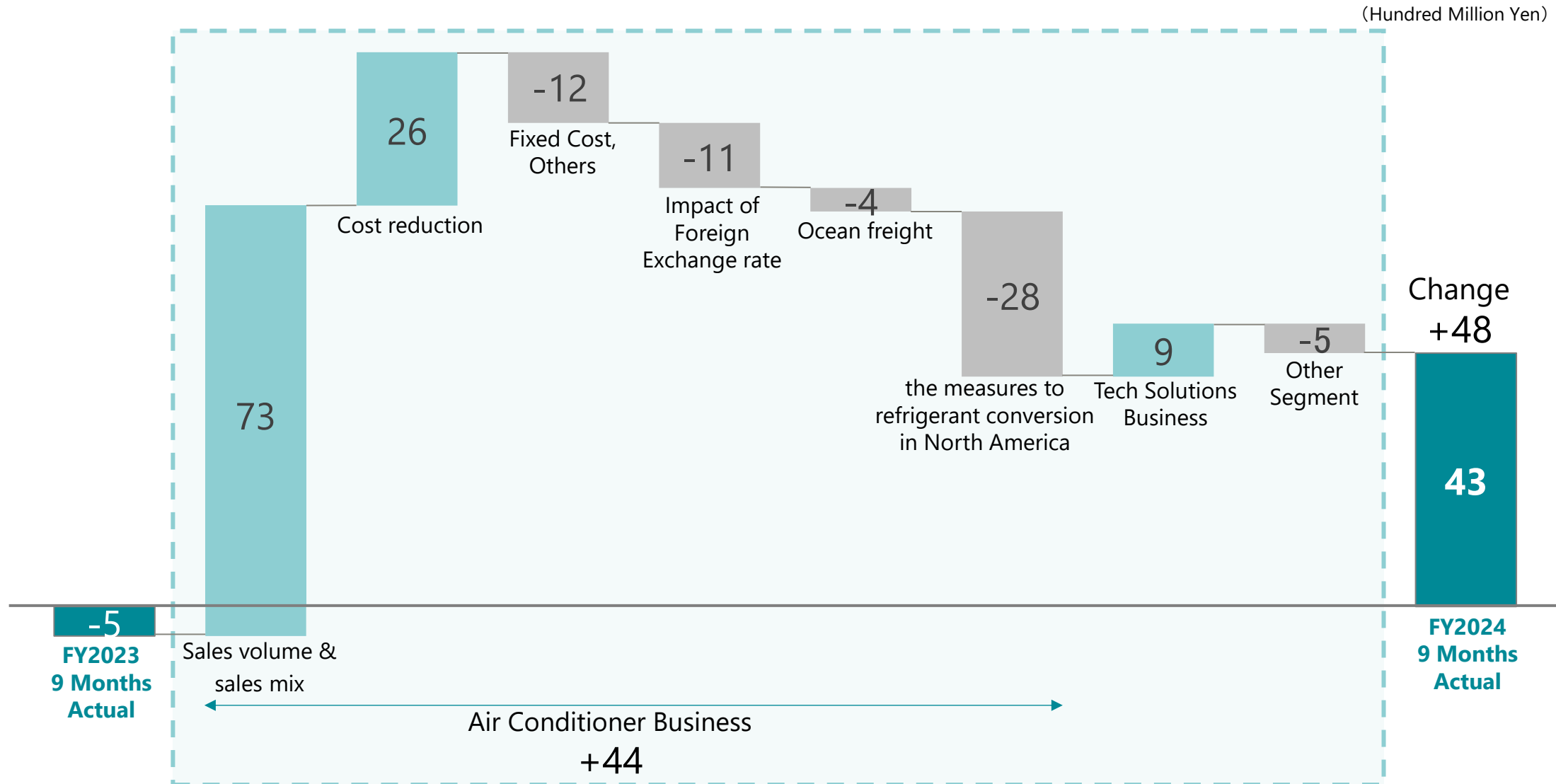
[Note 2: To oversee the regions, we have newly established Japan, Americas, EMEA and APAC on October 1, 2024]

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

		(Hundred Million Yen)			
		FY2023	FY2024	Change	
		9 Months	9 Months		%
Air conditioner Business	Net sales	1,922	2,209	287	15%
	Operating income	-26	18	44	-%
	(Operating income margin)	(-1.4%)	(0.8%)	(2.2%)	
Tech Solutions Business	Net sales	203	202	-1	-1%
	Operating income	12	21	9	71%
	(Operating income margin)	(6.0%)	(10.3%)	(4.3%)	
Others	Net sales	20	21	1	7%
	Operating income	9	4	-5	-51%
	(Operating income margin)	(44.4%)	(20.4%)	(-24.0%)	
Total	Net sales	2,145	2,432	287	13%
	Operating income	-5	43	48	-%
	(Operating income margin)	(-0.2%)	(1.8%)	(2.0%)	
[Note 1: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024. Financial figures are disclosed based on the segment classifications after the change.]					
[Note 2: sales to external customers ]					
R&D Expenses		5.4% 116	4.7% 113	-0.7% -3	-2%
Capital Expenditure		79	51	-28	-35%
Depreciation Expenses		62	69	7	10%

[Note 3: subscripts (%) of R&D Expenses are in proportion to Total Net Sales]

# Analysis of Consolidated Operating income[FY2024 Nine-Months] (vs previous year)



[Note: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024. Financial figures are disclosed based on the segment classifications after the change.]



## Consolidated Balance Sheets

(Hundred Million Yen)

	FY2023		FY2024 3Q		Change
	Actual	ratio	Actual	ratio	
Current assets	1,863	68%	1,715	66%	-148
(Cash and deposits)	(197)		(233)		(36)
(Notes and accounts receivable)	(994)		(738)		(-256)
(Inventories)	(559)		(608)		(49)
(Others)	(113)		(136)		(23)
Noncurrent assets	893	32%	866	34%	-27
<b>Total assets</b>	<b>2,756</b>	<b>100%</b>	<b>2,581</b>	<b>100%</b>	<b>-175</b>
Current liabilities	1,101	40%	1,036	40%	-65
(Notes and accounts payable)	(464)		(477)		(13)
(Short-term loans payable)	(134)		(100)		(-34)
(Others)	(503)		(459)		(-44)
Noncurrent liabilities	189	7%	177	7%	-12
<b>Total liabilities</b>	<b>1,290</b>	<b>47%</b>	<b>1,213</b>	<b>47%</b>	<b>-77</b>
Shareholders' equity	1,226	44%	1,096	43%	-130
Accumulated other comprehensive income	161	6%	185	7%	24
Non-controlling interests	79	3%	87	3%	8
<b>Total net assets</b>	<b>1,466</b>	<b>53%</b>	<b>1,368</b>	<b>53%</b>	<b>-98</b>
<b>Total liabilities and net assets</b>	<b>2,756</b>	<b>100%</b>	<b>2,581</b>	<b>100%</b>	<b>-175</b>

## Main Financial Data

	FY2023 9 Months	FY2024 9 Months	Change	(Hundred Million Yen) (Reference) FY2023
Operating Cash Flow	238	180	-58	426
Investing Cash Flow	-128	-64	64	-164
Free Cash Flow	110	116	6	262
Shareholders' equity ratio	50.3%	49.6%	-0.7%	50.3%
Inventories	713	608	-105	559
Days Inventory Outstanding	86.1days	62.9days	-23.2days	82.9days
CCC *	133.0days	100.5days	-32.5days	136.9days
Net D/E ratio (times)	0.07	-0.10	-0.17	-0.04

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

## 2. Consolidated Financial Forecast for the FY2024

# Consolidated Financial Plan

[Note 1: subscripts(%) of change % is local currency base ]

	FY2023 Actual	FY2024 Plan	Change		Change vs. disclosure in October Full Year
				%	
Net sales	3,165	3,600	435	11% 14%	-
Operating income	57	100	43	74%	-
(Operating income margin)	(1.8%)	(2.8%)	(1.0%)		( -%)
Ordinary income	144	80	-64	-44%	-
(Ordinary income margin)	(4.5%)	(2.2%)	(-2.3%)		( -%)
Extraordinary loss	-60	-79	-19	-%	-
Net income *	31	-70	-101	-%	-
(Net income margin *)	(1.0%)	(-1.9%)	(-2.9%)		( -%)

\* Net income attributable to Owners of Parent

## Material prices and Foreign Exchange rate (Closing rate)

Copper(USD/t)	8,034	9,250	1,216	-34
Aluminium(USD/t)	2,370	2,540	170	4
Yen/1USD	145/(151)	149/(145)	4/(-6)	1/(-)
Yen/1EUR	156/(163)	163/(160)	7/(-3)	-/(-)
BAHT/1USD	35.1/(36.3)	34.6/(34.3)	-0.5/(-2)	-0.1/(-)
RMB/1USD	7.09/(7.10)	7.10/(7.00)	0.01/(-0.10)	0.04/(-)

## Summary of FY2024 Plan

[Note 2: subscripts(%) of change % is income margin ]

	FY2024	
	Plan	Strategic cost
Net sales	3,600	-28
Operating income (2.8%)	100	-47
Ordinary income	80	-47
Extraordinary loss	-79	-79
Net income (-1.9%)	-70	-150

## Strategic cost

The total impact on net income, including extraordinary loss and additional measures for refrigerant conversion in North America, amounts to **-15 billion yen**.

## Sales by Segment

	FY2023 Actual	FY2024 Plan	Change			Change vs. disclosure in October Full Year
				%	Local currency base	
Air Conditioner Business	2,807	3,220	413	15%	12%	-
Info & Comm Syst.	209	260	51	24%	24%	5
Electronic Devices, etc	123	90	-33	-27%	-27%	-5
Tech Solutions Business	332	350	18	5%	5%	-
Others	26	30	4	14%	14%	-
Total	3,165	3,600	435	14%	11%	-
Japan	837	870	33	4%	4%	-
Overseas	2,328	2,730	402	17%	14%	-

[Note: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024. Financial figures are disclosed based on the segment classifications after the change.]

## AC Sales by Geographic area

		FY2023 Actual	FY2024 Plan	Change			(Hundred Million Yen) Change vs. disclosure in October Full Year
					%	Local currency base	
Japan	Japan	492	500	8	2%	2%	-
Americas	Americas	402	570	168	42%	39%	20
EMEA	Europe	698	640	-58	-8%	-12%	-40
	Middle East and Africa	236	380	144	61%	61%	40
APAC	Oceania	366	450	84	23%	17%	-
	Asia	468	550	82	17%	13%	-10
	Greater China	145	130	-15	-10%	-14%	-10
Total		2,807	3,220	413	15%	12%	-

[Note 1: sales to external customers]

[Note 2: To oversee the regions, we have newly established Japan, Americas, EMEA and APAC on October 1, 2024]

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

		(Hundred Million Yen)				
		FY2023 Actual	FY2024 Plan	Change		Change vs. disclosure in October Full Year
					%	
Air conditioner Business	Net sales	2,807	3,220	413	15%	-
	Operating income	4	60	56	1,359%	-
	(Operating income margin)	(0.1%)	(1.9%)	(1.8%)		(-%)
Tech Solutions Business	Net sales	332	350	18	5%	-
	Operating income	41	55	14	32%	-
	(Operating income margin)	(12.5%)	(15.7%)	(3.2%)		(-%)
Others	Net sales	26	30	4	14%	-
	Operating income	12	-15	-27	-%	-
	(Operating income margin)	(44.4%)	(-50.0%)	(-94.4%)		(-%)
Total	Net sales	3,165	3,600	435	14%	-
	Operating income	57	100	43	74%	-
	(Operating income margin)	(1.8%)	(2.8%)	(1.0%)		(-%)

[Note 1: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024.  
Financial figures are disclosed based on the segment classifications after the change.]

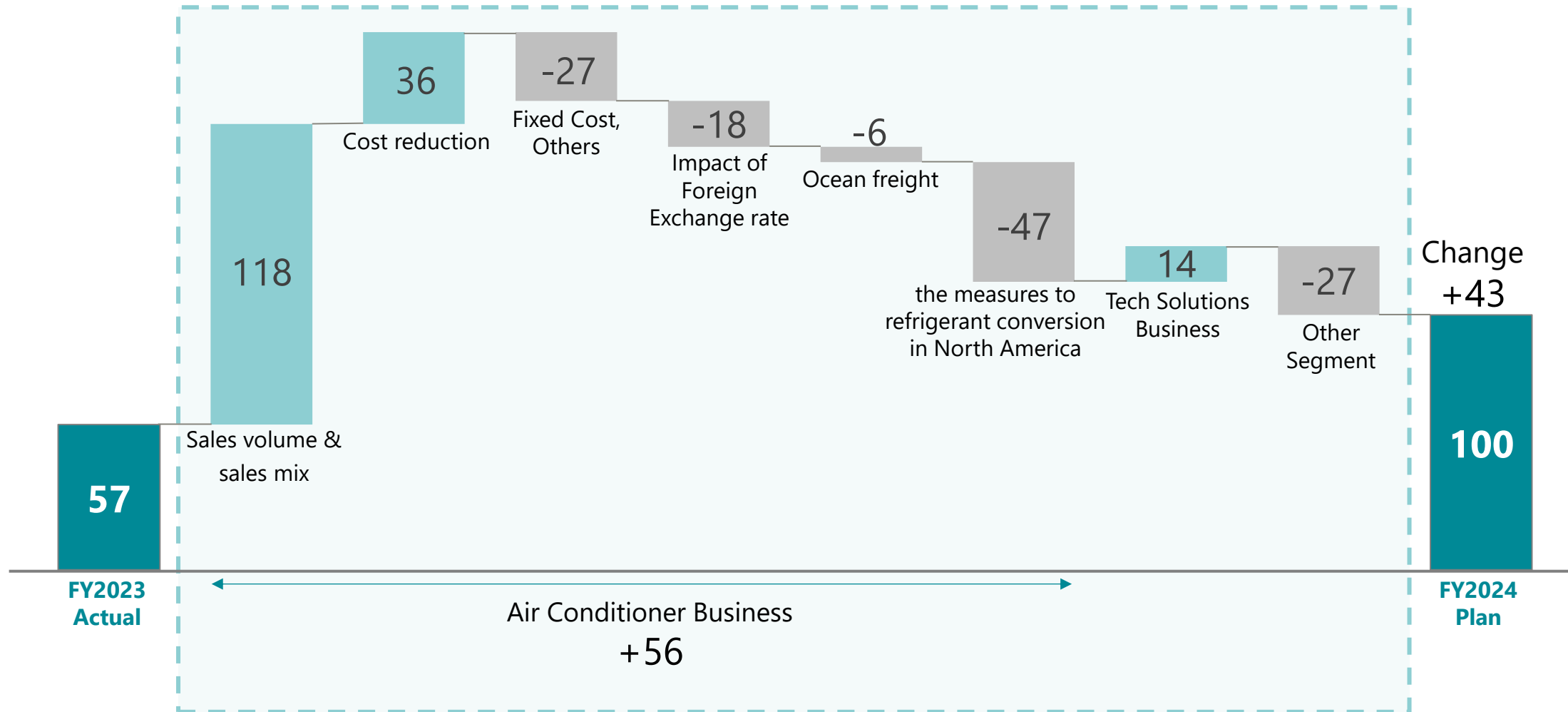
[Note 2: sales to external customers]

R&D Expenses	4.8%	153	4.7%	170	-0.1%	17	11%	-%	-
Capital Expenditure		118		90		-28	-24%		-10
Depreciation Expenses		85		90		5	6%		-

[Note 3: subscripts (%) of R&D Expenses are in proportion to Total Net Sales]

# Analysis of Consolidated Operating income[FY2024] (vs previous year)

(Hundred Million Yen)



[Note: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024. Financial figures are disclosed based on the segment classifications after the change.]



### 3. The Tender Offer

## Planned Commencement of the Tender Offer

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- As announced in the timely disclosure dated January 6, Paloma・Rheem Holdings Co., Ltd. plans the tender offer for the Company's shares. The Company has resolved to express its opinion in support of the Tender Offer and to recommend that its shareholders tender their shares in the Tender Offer.
- The Company has resolved to suspend the payment of year-end dividends for the fiscal year ending March 2025 in light of the fact that the planned Tender Offer. According to Paloma・Rheem Holdings Co., Ltd, the Tender Offer Price has been set based on the assumption that the Company will not pay a year-end dividend.

# Appendix

## Consolidated Statement of Income (Quarter Information)

	(Hundred Million Yen)								
	FY2023 (Actual)					FY2024 (Actual)			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	
Net sales	680	842	623	1,020	3,165	797	919	716	
Operating income	-7	20	-18	62	57	7	23	13	
(Operating income margin)	(-1.0%)	(2.3%)	(-2.9%)	(6.1%)	(1.8%)	(0.9%)	(2.5%)	(1.8%)	
Ordinary income	58	16	-26	96	144	26	-10	27	
(Ordinary income margin)	(8.5%)	(1.9%)	(-4.2%)	(9.4%)	(4.5%)	(3.3%)	(-1.1%)	(3.7%)	
Net income *	36	8	-22	9	31	10	-111	9	
(Net income margin * )	(5.3%)	(0.9%)	(-3.5%)	(0.8%)	(1.0%)	(1.2%)	(-12.1%)	(1.2%)	

\* Net income attributable to Owners of Parent

### Material prices and Foreign Exchange rate (Average rate)

Copper(USD/t)	8,369	7,982	7,846	7,860	8,034	8,358	8,909	9,640
Aluminium(USD/t)	2,407	2,354	2,356	2,356	2,370	2,444	2,396	2,579
Yen/1USD	138	146	146	149	145	156	148	154
Yen/1EUR	150	157	159	162	156	168	164	163
BAHT/1USD	34.3	35.2	35.0	35.7	35.1	36.6	34.3	33.9
RMB/1USD	6.97	7.18	7.15	7.10	7.09	7.10	7.12	7.13

## Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2023(Actual)					FY2024(Actual)		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q
Japan	130	145	86	131	492	141	150	95
Americas	71	93	80	158	402	123	141	98
Europe	171	209	111	207	698	146	154	162
Middle East and Africa	39	81	46	70	236	34	144	52
Oceania	70	89	95	112	366	96	112	118
Asia	102	95	103	168	468	164	107	95
Greater China	37	41	28	39	145	36	22	19
Air conditioner Business	620	753	549	885	2,807	740	830	639
Info & Comm Syst.	25	42	43	99	209	30	50	52
Electronic Devices, etc	29	39	25	30	123	20	32	18
Tech Solutions Business	54	81	68	129	332	50	82	70
Others	6	8	6	6	26	7	7	7
Total	680	842	623	1,020	3,165	797	919	716

[Note 1: The segments were changed to "Air Conditioner Business" and "Tech Solutions Business" based on the corporate reorganization on October 1, 2024.

Financial figures are disclosed based on the segment classifications after the change.]

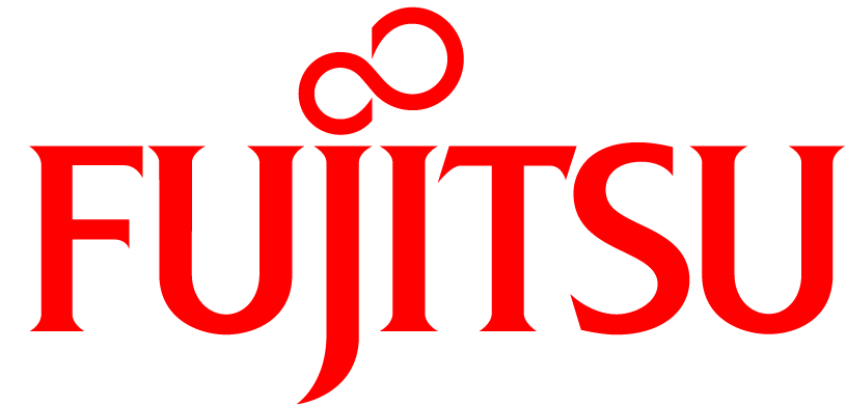
[Note 2: sales to external customers ]

## Disclaimer

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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