

Financial Results

FY2017 (Ended March 2018)

Second Quarter

October 2017
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

FUJITSU GENERAL LIMITED

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

	FY2016 1st Half	FY2017 1st Half	Change		Change vs previous plan	
				%		
Net sales	1,224	1,230	6	-3%	1%	-20
Gross profit (Gross profit margin)	371 (30.3%)	345 (28.0%)	-26 (-2.3%)		-7%	
Operating income (Operating income margin)	126 (10.3%)	78 (6.3%)	-48 (-4.0%)		-38%	8 (0.7%)
Ordinary income (Ordinary income margin)	89 (7.2%)	81 (6.6%)	-8 (-0.6%)		-9%	11 (1.0%)
Net income※ (Net income margin※)	57 (4.7%)	58 (4.7%)	1 (-%)		1%	8 (0.7%)
Net income per share	¥54.85	¥55.10	¥0.25			¥7.31

※Net income attributable to Owners of the Parent

Foreign Exchange rate	Average	(Closing)	Average	(Closing)	Average	(Closing)	Average	(Closing)
Yen/1USD	106	(101)	111	(113)	5	(12)	-2	(-2)
Yen/1AUD	78	(77)	86	(88)	8	(11)	2	(3)
Yen/1EUR	118	(113)	125	(133)	7	(20)	-	(3)
BAHT/1USD	34.9	(34.5)	33.8	(33.2)	-1.1	(-1.3)	-0.3	(-0.8)
RMB/1USD	6.57	(6.68)	6.81	(6.64)	0.24	(-0.04)	-0.03	(-0.16)

Analysis of Financial Results

FUJITSU GENERAL LIMITED

<p>Air Conditioners</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) increased by 0.4 Billion Yen (same level as the previous year, down by 5% based on local currency from previous year). ▪ Air conditioners (Japan) decreased by 0.1 Billion Yen (same level as the previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Decreased by 5.1 Billion Yen (down by 41% from previous year). <p>Rising raw material and parts prices. Sales prices decline in the Middle East region and decrease sales volume to Europe.</p>
<p>Telecommunications and Electronic devices</p>	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales increased by 0.3 Billion Yen (up by 3% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Decreased by 0.1 Billion Yen (down by 22% from previous year). <p>Mainly decrease sales in Telecommunications.</p>

Sales by Segment

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

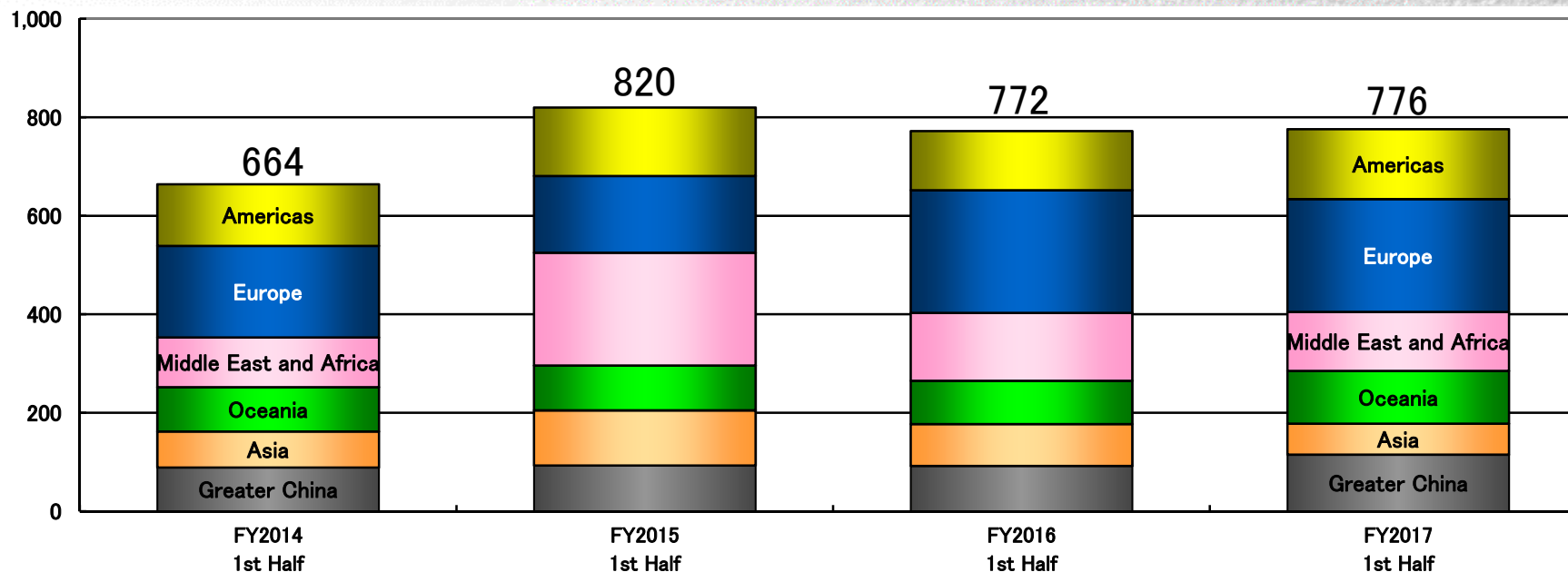
	FY2016		FY2017		Change			Change vs previous plan		
	1st Half		1st Half			%				
Air conditioners	90%	1,105	90%	1,108	-%	3	-4%	-%	-1%	-32
(Japan)		(333)		(332)		(-1)		(-%)		(-18)
(Overseas)		(772)		(776)		(4)	(-5%)	(-%)		(-14)
Telecommunications		55		48		-7		-13%		3
Electronic devices		57		67		10		18%		7
Telecommunications and Electronic devices	9%	112	9%	115	-%	3		3%	1%	10
Others	1%	7	1%	7	-%	-		5%	-%	2
Total	100%	1,224	100%	1,230	-%	6	-3%	1%	-%	-20
Japan	37%	447	36%	449	-1%	2		-%	-1%	-11
Overseas	63%	777	64%	781	1%	4		1%	1%	-9

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

Overseas A/C Sales by Geographic area

FUJITSU GENERAL LIMITED

(Hundred Million Yen)



【Sales by Geographic area】

(Hundred Million Yen)

	FY2014 1st Half		FY2015 1st Half		FY2016 1st Half		FY2017 1st Half		Change			Change vs previous plan		
	%	Value	%	Value	%	Value	%	Value	%	Value	Local currency base	%	Value	
Americas	19%	125	17%	139	16%	120	18%	142	2%	22	19%	11%	-1%	-9
Europe	28%	186	19%	156	32%	249	30%	229	-2%	-20	-8%	-12%	2%	7
Middle East and Africa	15%	101	28%	229	18%	138	15%	120	-3%	-18	-13%	-18%	-1%	-2
Oceania	14%	90	11%	91	11%	88	14%	107	3%	19	21%	11%	1%	1
Asia	11%	73	14%	112	11%	85	8%	63	-3%	-22	-26%	-30%	-1%	-8
Greater China	13%	89	11%	93	12%	92	15%	115	3%	23	25%	20%	-%	-3
Overseas Total	100%	664	100%	820	100%	772	100%	776	-%	4	-%	-5%	-%	-14

[Note1: sales to external customers]

[Note2: subscrip(%) is proportion to Overseas Total]

Segment Information

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

		FY2016 1st Half	FY2017 1st Half	Change		Change vs previous plan	
					%		
Air conditioners	Net sales	1,105	1,108	3	-4%	-%	-32
	Operating income	122	71	-51	-41%		2
	(Operating income margin)	(11.0%)	(6.4%)	(-4.6%)			(0.3%)
Telecommunications and Electronic devices	Net sales	112	115	3		3%	10
	Operating income	6	5	-1		-22%	2
	(Operating income margin)	(5.8%)	(4.4%)	(-1.4%)			(1.5%)
Others	Net sales	7	7	-		5%	2
	Operating income	-2	2	4		-%	4
	(Operating income margin)	(-31.0%)	(21.9%)	(52.9%)			(61.9%)
Total	Net sales	1,224	1,230	6	-3%	1%	-20
	Operating income	126	78	-48		-38%	8
	(Operating income margin)	(10.3%)	(6.3%)	(-4.0%)			(0.7%)

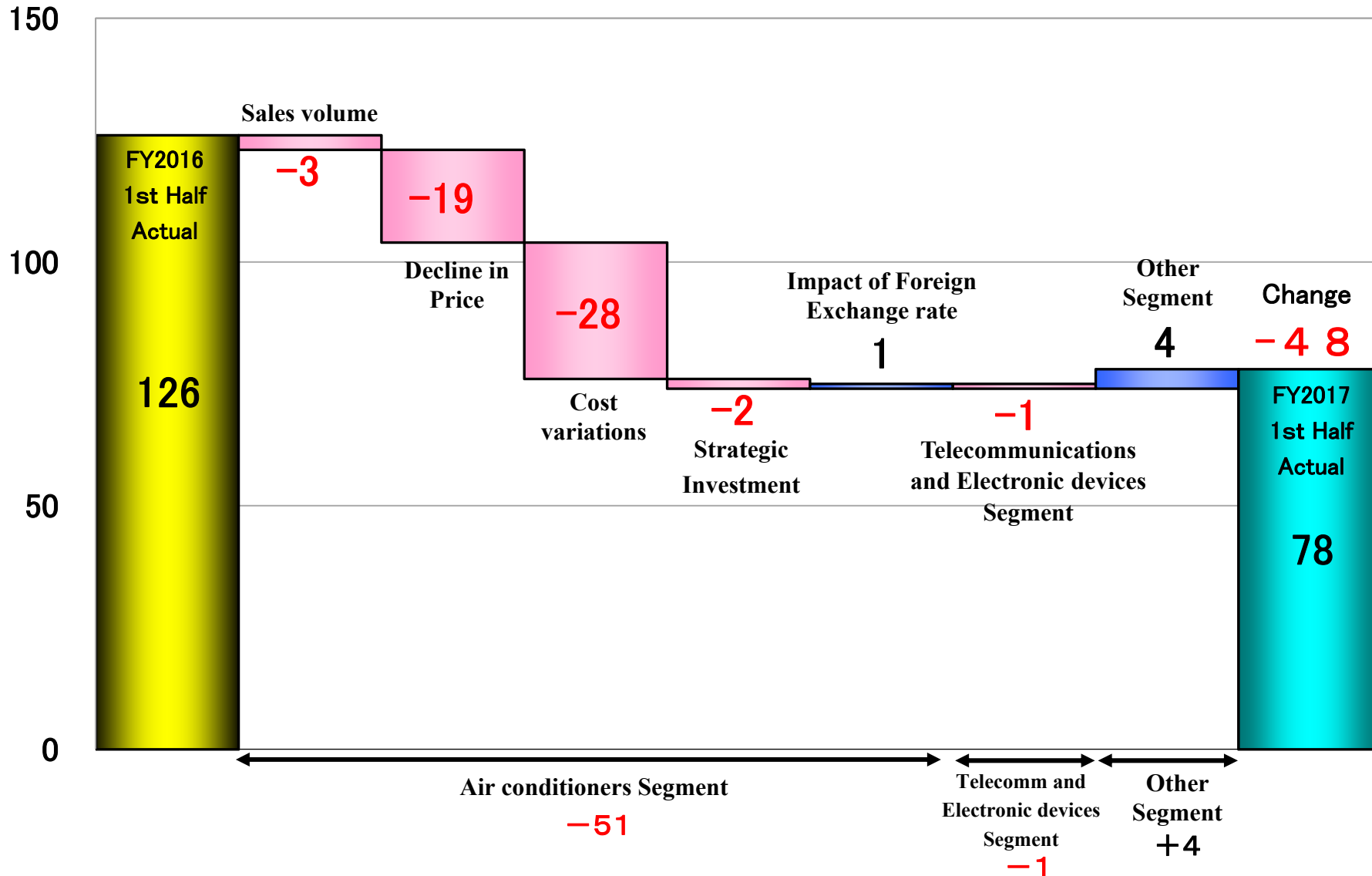
[Note1: sales to external customers]

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

Analysis of Consolidated Operating income (vs previous year)

FUJITSU GENERAL LIMITED

(Hundred Million Yen)



Consolidated Balance Sheets

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

	FY2016		FY2017 2Q		Change
	Actual	ratio	Actual	ratio	
Current assets	1,455	75%	1,414	74%	-41
(Cash and deposits)	(408)		(518)		(110)
(Notes and accounts receivable)	(714)		(539)		(-175)
(Inventories)	(233)		(226)		(-7)
(Others)	(100)		(131)		(31)
Noncurrent assets	484	25%	503	26%	19
Total assets	1,939	100%	1,917	100%	-22
Current liabilities	785	41%	689	36%	-96
(Notes and accounts payable)	(377)		(297)		(-80)
(Others)	(408)		(392)		(-16)
Noncurrent liabilities	197	10%	200	10%	3
Total liabilities	982	51%	889	46%	-93
Shareholders' equity	891	46%	938	49%	47
Accumulated other comprehensive income	37	2%	57	3%	20
Non-controlling interests	29	1%	33	2%	4
Total net assets	957	49%	1,028	54%	71
Total liabilities and net assets	1,939	100%	1,917	100%	-22

Main Financial Data

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

	FY2016 1st Half	FY2017 1st Half	Change	(Reference) FY2016
Operating Cash Flow	224	152	-72	268
Investing Cash Flow	-28	-28	-	-49
Free Cash Flow	196	124	-72	219

R&D Expenses	4.8%	59	5.1%	62	0.3%	3	4.7%	121
Capital Expenditures		27		29		2		55
Depreciation Expenses		30		25		-5		54

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

Shareholders' equity ratio	52.1%	51.9%	-0.2%	47.8%
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Inventory	189	226	37	233
Days Inventory Outstanding	30.1days	33.3days	3.2days	31.7days
Net D/E ratio(times)	-0.46	-0.52	-0.06	-0.44

Consolidated Financial Plan

FUJITSU GENERAL LIMITED

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

(Hundred Million Yen)

	FY2016 (Actual)			FY2017 (Plan)			Change		Change vs previous plan Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	
Net sales	1,224	1,377	2,601	1,230	1,570	2,800	199	6% 8%	-100
Operating income (Operating income margin)	126 (10.3%)	139 (10.1%)	265 (10.2%)	78 (6.3%)	152 (9.7%)	230 (8.2%)	-35 (-2.0%)	-13%	- (0.3%)
Ordinary income (Ordinary income margin)	89 (7.2%)	151 (11.0%)	240 (9.2%)	81 (6.6%)	149 (9.5%)	230 (8.2%)	-10 (-1.0%)	-4%	- (0.3%)
Extraordinary loss	-	80	80	-	-	-	-80	-%	-
Net income※ (Net income margin※)	57 (4.7%)	43 (3.1%)	100 (3.9%)	58 (4.7%)	102 (6.5%)	160 (5.7%)	60 (1.8%)	60%	- (0.2%)

※Net income attributable to Owners of the Parent

Dividend per share (Yen)	11	11	22.9% 22	12	12	15.7% 24	-7.2% 2	-%	-
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[Note2: subscripts(%) of dividend per share is dividend payout ratio]

Foreign Exchange rate (Average)

Yen/1USD	106	113	110	111	112	112	2	-2
Yen/1AUD	78	83	81	86	85	86	5	4
Yen/1EUR	118	120	120	125	130	127	7	5
BAHT/1USD	34.9	35.1	35.0	33.8	33.0	33.3	-1.7	-1.0
RMB/1USD	6.57	6.87	6.69	6.81	6.65	6.73	0.04	-0.09

Analysis of Financial Plan

FUJITSU GENERAL LIMITED

Air Conditioners	<p><Sales></p> <ul style="list-style-type: none"> ▪ Air conditioners (Overseas) increased by 20.1 Billion Yen (up by 11%, up by 8% based on local currency from previous year). ▪ Air conditioners (Japan) increased by 0.5 Billion Yen (up by 1% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Decreased by 3.6 Billion Yen (down by 15% from previous year). <p>Rising raw material and parts prices is expected to result in decrease of profit for the full year, although plan to increase sales and reduction of cost in the whole company.</p>
Telecommunications and Electronic devices	<p><Sales></p> <ul style="list-style-type: none"> ▪ Sales decreased by 0.8 Billion Yen (down by 3% from previous year). <p><Operating income></p> <ul style="list-style-type: none"> ▪ Decreased by 0.4 Billion Yen (down by 18% from previous year). <p>Mainly decrease sales in Telecommunications.</p>

Sales by Segment

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

	FY2016(Actual)			FY2017(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	1,105	1,219	89% 2,324	1,108	1,422	90% 2,530	206	7%	9%	-115
(Japan)	(333)	(222)	(555)	(332)	(228)	(560)	(5)		(1%)	(-20)
(Overseas)	(772)	(997)	(1,769)	(776)	(1,194)	(1,970)	(201)	(8%)	(11%)	(-95)
Telecommunications	55	91	146	48	77	125	-21		-14%	-
Electronic devices	57	60	117	67	63	130	13		11%	10
Telecommunications and Electronic devices	112	151	10% 263	115	140	9% 255	-8		-3%	10
Others	7	7	1% 14	7	8	1% 15	1		5%	5
Total	1,224	1,377	100% 2,601	1,230	1,570	100% 2,800	199	6%	8%	-100
Japan	447	376	32% 823	449	371	29% 820	-3		-%	-15
Overseas	777	1,001	68% 1,778	781	1,199	71% 1,980	202		11%	-85

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

Overseas A/C Sales by Geographic area

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

	FY2016(Actual)			FY2017(Plan)			Change			Change vs previous plan Full Year
	1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (Plan)	Full Year	Full Year	%	Local currency base	
Americas	120	209	329	142	267	409	80	24%	21%	-23
Europe	249	200	449	229	241	470	21	5%	-%	36
Middle East and Africa	138	258	396	120	286	406	10	3%	3%	-43
Oceania	88	132	220	107	154	261	41	19%	14%	9
Asia	85	117	202	63	152	215	13	6%	3%	-55
Greater China	92	81	173	115	94	209	36	21%	17%	-19
Overseas Total	772	997	1,769	776	1,194	1,970	201	11%	8%	-95

<Reference Information> Historical Information

	FY2013 (Actual)		FY2014 (Actual)		FY2015 (Actual)		FY2016 (Actual)		FY2017 (Plan)	
Americas	20%	265	20%	333	19%	332	19%	329	21%	409
Europe	28%	378	25%	415	22%	403	25%	449	24%	470
Middle East and Africa	16%	224	22%	368	27%	490	22%	396	21%	406
Oceania	14%	195	12%	211	12%	216	12%	220	13%	261
Asia	11%	150	11%	188	11%	199	12%	202	11%	215
Greater China	11%	155	10%	165	9%	162	10%	173	10%	209
Overseas Total	100%	1,367	100%	1,680	100%	1,802	100%	1,769	100%	1,970

[Note1: sales to external customers]

[Note2: subscripsts(%) is proportion to Overseas Total]

2. Plan for the Full Year

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

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

		FY2016 (Actual)			FY2017 (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	Net sales	1,105	1,219	2,324	1,108	1,422	2,530	206	7%	9%	-115
	Operating income	122	124	246	71	139	210	-36		-15%	-10
	(Operating income margin)	(11.0%)	(10.2%)	(10.6%)	(6.4%)	(9.8%)	(8.3%)	(-2.3%)			(-)
Telecommunications and Electronic devices	Net sales	112	151	263	115	140	255	-8		-3%	10
	Operating income	6	18	24	5	15	20	-4		-18%	5
	(Operating income margin)	(5.8%)	(12.0%)	(9.3%)	(4.4%)	(10.7%)	(7.8%)	(-1.5%)			(1.7%)
Others	Net sales	7	7	14	7	8	15	1		5%	5
	Operating income	-2	-3	-5	2	-2	-	5		-%	5
	(Operating income margin)	(-31.0%)	(-49.4%)	(-40.0%)	(21.9%)	(-22.7%)	(-)	(40.0%)			(50.0%)
Total	Net sales	1,224	1,377	2,601	1,230	1,570	2,800	199	6%	8%	-100
	Operating income	126	139	265	78	152	230	-35		-13%	-
	(Operating income margin)	(10.3%)	(10.1%)	(10.2%)	(6.3%)	(9.7%)	(8.2%)	(-2.0%)			(0.3%)

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

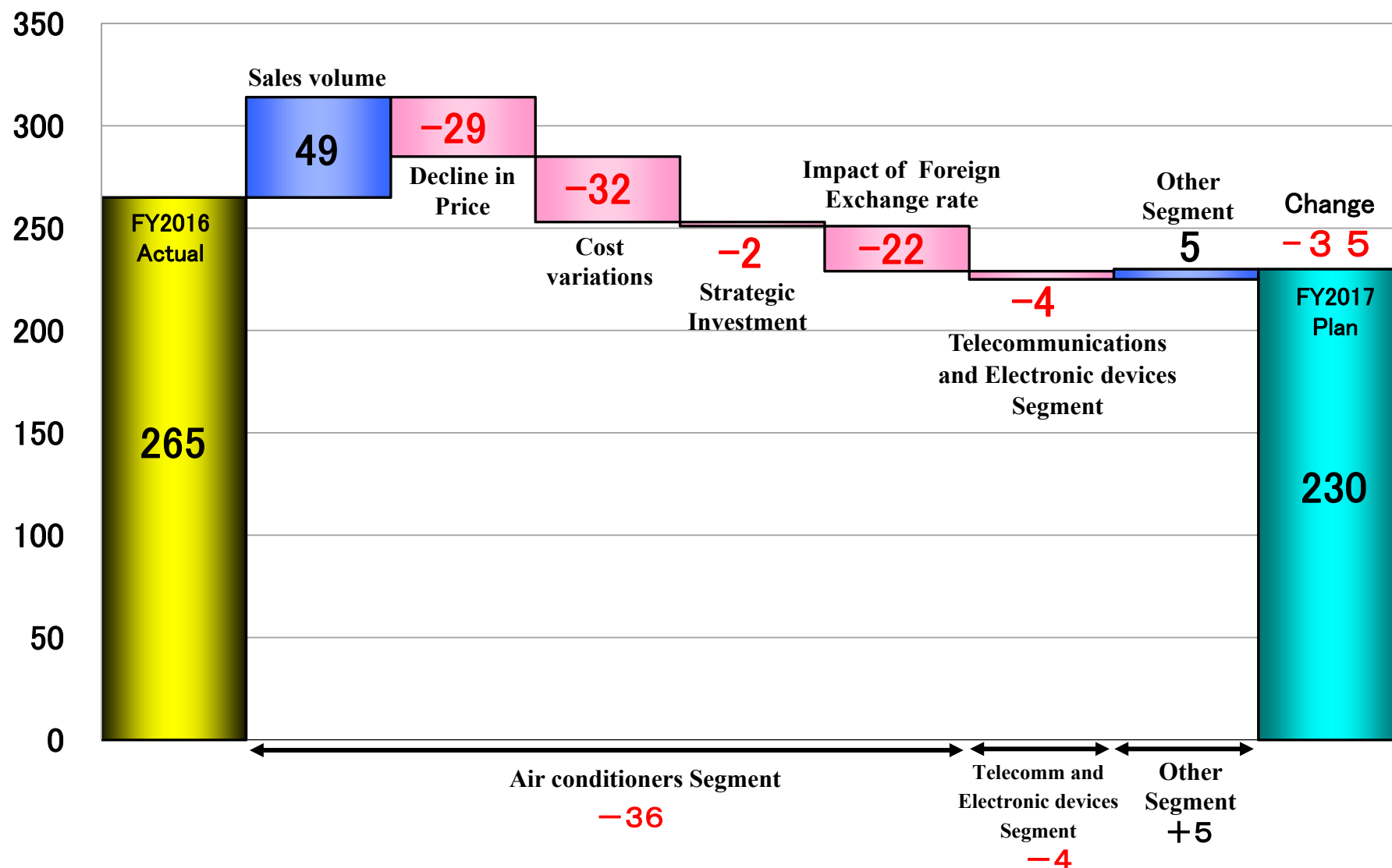
R&D Expenses	4.8%	59	4.5%	62	4.7%	121	5.1%	62	4.3%	68	4.6%	130	-0.1%	9	7%	0.1%	-
Capital Expenditures		27		28		55		29		41		70		15	26%		-
Depreciation Expenses		30		24		54		25		30		55		1	2%		-

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

Analysis of Consolidated Operating income [FY2017] (vs previous year)

FUJITSU GENERAL LIMITED

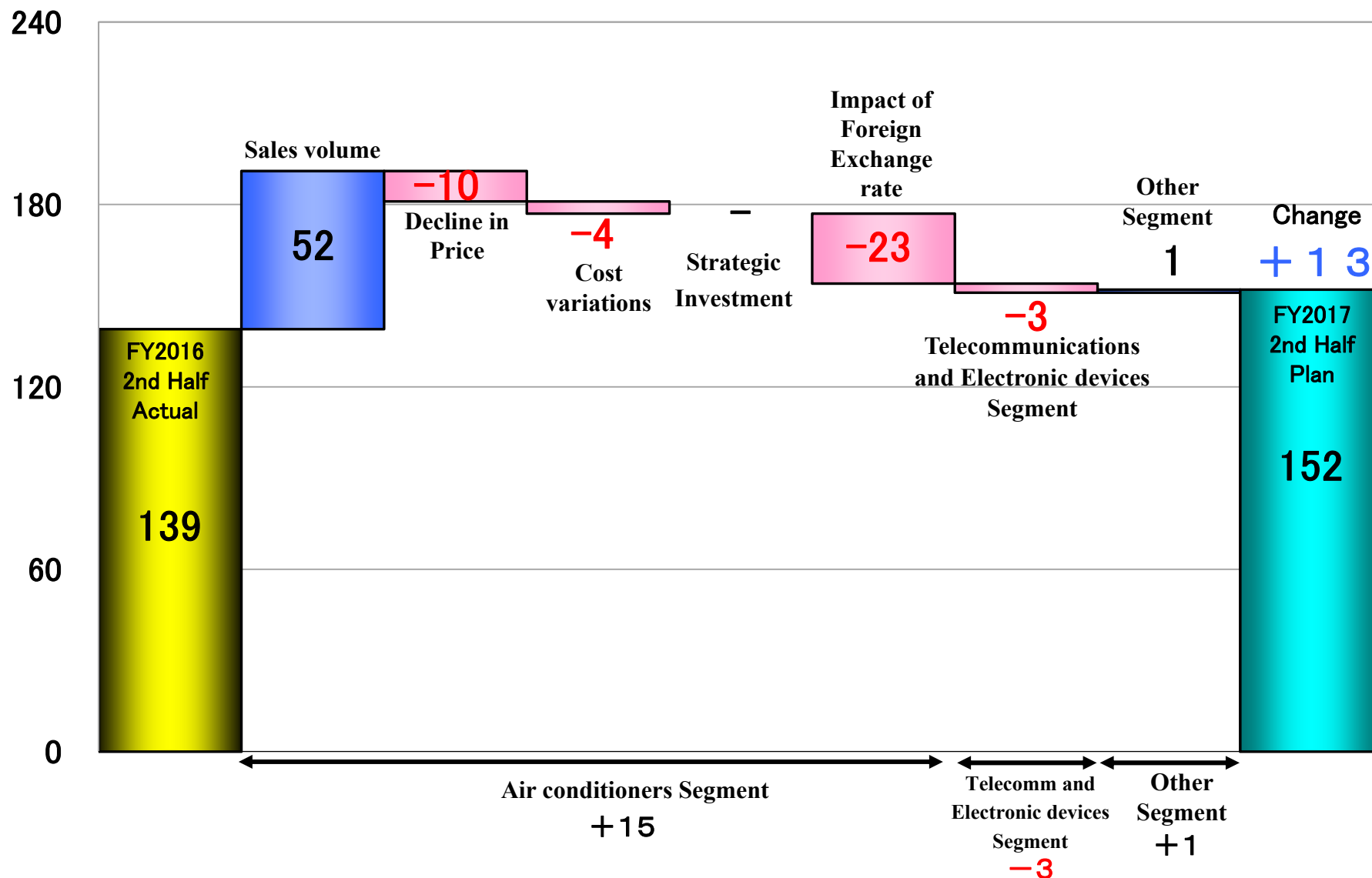
(Hundred Million Yen)



Analysis of Consolidated Operating income [FY2017 Second Half] (vs previous year)

FUJITSU GENERAL LIMITED

(Hundred Million Yen)



Sales by Segment (Quarter Information)

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

	FY2016 (Actual)					FY2017 (Actual)		Change	
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%
Air conditioners	579	526	450	769	2,324	595	513	-13	-9%
(Japan)	(170)	(163)	(92)	(130)	(555)	(179)	(153)	(-10)	(-6%)
(Overseas)	(409)	(363)	(358)	(639)	(1,769)	(416)	(360)	(-3)	(-10%) (-1%)
Telecommunications	17	38	29	62	146	16	32	-6	-17%
Electronic devices	25	32	28	32	117	31	36	4	12%
Telecommunications and Electronic devices	42	70	57	94	263	47	68	-2	-3%
Others	3	4	3	4	14	3	4	-	4%
Total	624	600	510	867	2,601	645	585	-15	-8%
Japan	213	234	150	226	823	227	222	-12	-5%
Overseas	411	366	360	641	1,778	418	363	-3	-1%

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

Consolidated Statements of Income (Quarter Information)

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

	FY2016(Actual)					FY2017(Actual)		Change		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%	
Net sales	624	600	510	867	2,601	645	585	-15	-8%	-2%
Operating income	92	34	33	106	265	68	10	-24		-69%
(Operating income margin)	(14.8%)	(5.6%)	(6.6%)	(12.2%)	(10.2%)	(10.5%)	(1.8%)	(-3.8%)		
Ordinary income	62	27	55	96	240	74	7	-20		-74%
(Ordinary income margin)	(9.9%)	(4.4%)	(10.9%)	(11.0%)	(9.2%)	(11.5%)	(1.2%)	(-3.2%)		
Net income※	41	16	-29	72	100	56	2	-14		-87%
(Net income margin※)	(6.6%)	(2.7%)	(-5.9%)	(8.4%)	(3.9%)	(8.6%)	(0.4%)	(-2.3%)		

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

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

	FY2016(Actual)					FY2017(Actual)		Change		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%	Local currency base
Americas	51	69	71	138	329	59	83	14	21%	11%
Europe	151	98	62	138	449	153	76	-22	-23%	-32%
Middle East and Africa	68	70	102	156	396	57	63	-7	-10%	-17%
Oceania	35	53	54	78	220	37	70	17	31%	16%
Asia	55	30	37	80	202	45	18	-12	-43%	-48%
Greater China	49	43	32	49	173	65	50	7	20%	10%
Overseas Total	409	363	358	639	1,769	416	360	-3	-1%	-10%

[Note2: sales to external customers]

Analysis of consolidated Operating income [FY2017 Second Quarter] (vs previous year)

FUJITSU GENERAL LIMITED

(Hundred Million Yen)

