

Financial Results

FY2022 (Ending March 2023)

Second Quarter

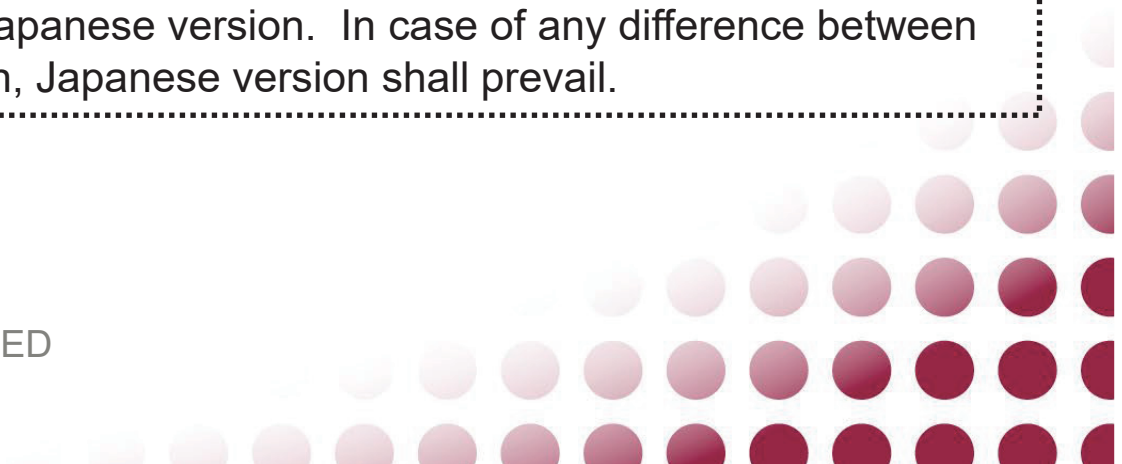
Any forward-looking statement in this report speaks only as of the date on which it is made; Forward-looking statements are based on the company's current assumptions regarding future business and financial performance; these statements by their nature address matters that are uncertain to different 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, 2022 | FUJITSU GENERAL LIMITED



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1. Financial Results for FY2022 First Half



Consolidated Financial Results

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

	FY2021 1st Half	FY2022 1st Half	Change		Change vs disclosure in July
				%	
Net sales	1,344	1,830	486	22% 36%	30
Gross profit (Gross profit margin)	316 (23.5%)	383 (20.9%)	67 (-2.6%)	21%	
Operating income (Operating income margin)	51 (3.8%)	25 (1.4%)	-26 (-2.4%)	-52%	5 (0.3%)
Ordinary income (Ordinary income margin)	54 (4.0%)	78 (4.3%)	24 (0.3%)	44%	23 (1.2%)
Extraordinary loss		-12	-12	-%	-
Net income * (Net income margin *)	32 (2.4%)	50 (2.7%)	18 (0.3%)	57%	20 (1.0%)
Net income per share	¥30.27	¥47.54	¥17.27		¥18.88

* Net income attributable to Owners of Parent

Material prices	Average	Average	Average	Average
Copper(USD/t)	8,299	9,671	1,372	-23
Aluminium(USD/t)	2,481	2,890	409	-45
Foreign Exchange rate	Average (Closing)	Average (Closing)	Average (Closing)	Average
Yen/1USD	110 (112)	135 (145)	25 (33)	1
Yen/1EUR	131 (130)	139 (142)	8 (12)	3
BAHT/1USD	31.8 (33.8)	35.2 (37.8)	3.4 (4.0)	0.1
RMB/1USD	6.48 (6.49)	6.74 (7.10)	0.26 (0.61)	0.06

Analysis of Financial Results

<p>Air Conditioners</p>	<p><Sales> [Overseas] <u>146.4</u> Billion Yen (+55.5 Billion Yen; +61% from PY; +41% based on local currency from PY.) Sales increased with the following factors.</p> <ul style="list-style-type: none"> ▪ Procurement, production, and shipment have been proceeding steadily toward normalization. ▪ Proceeded to ship a high backlog of orders in North America, Europe, and the Middle East. ▪ Maintained strong sales of ATW (Air to Water, heat pump water heaters) in Europe. ▪ Steady progress of after-sales service and maintenance business in Oceania. ▪ Recorded good sales growth of room AC and showed steady progress in solution business in India. ▪ The yen depreciation against each foreign currency. <p>[In Japan] <u>22.1</u> Billion Yen (-8.5 Billion Yen; -28% from PY) Although sales increased in the 2nd quarter, total sales of the 1st half of this fiscal year decreased due to the lockdown in Shanghai.</p> <p><Operating income> <u>1.5</u> Billion Yen (-2.7 Billion Yen; -64% from PY) Despite the impact of higher sales, operating income decreased as the result of cost increase factors such as increasing in components costs, materials costs, ocean freight costs, and unfavorable foreign currency rates.</p>
<p>Info & Comm Syst. and Electronic Devices</p>	<p><Sales> <u>13.2</u> Billion Yen (+1.5 Billion Yen; +13% from PY) Kept decreasing sales due to a decrease in orders for disaster prevention systems. Increased sales of electronic modules, unit products and car-mounted cameras.</p> <p><Operating income> <u>0.3</u> Billion Yen (-0.1 Billion Yen; -35% from PY) Operating income decreased mainly due to decreased sales in Info & Comm Syst.</p>

1. Financial Results for FY2022 First Half



Sales by Segment

(Hundred Million Yen)

	FY2021 1st Half		FY2022 1st Half		Change			Change vs disclosure in July	
						%			
Air Conditioners	90%	1,215	92%	1,685	2%	470	24%	39%	25
(Japan)		(306)		(221)		(-85)		(-28%)	(-39)
(Overseas)		(909)		(1,464)		(555)	(41%)	(61%)	(64)
Info & Comm Syst.		61		51		-10		-16%	-1
Electronic Devices		56		81		25		45%	3
Info & Comm Syst. and Electronic Devices	9%	117	7%	132	-2%	15		13%	2
Others	1%	12	1%	13	-%	1		5%	3
Total	100%	1,344	100%	1,830	-%	486	22%	36%	30
Japan	32%	428	19%	352	-13%	-76		-18%	-37
Overseas	68%	916	81%	1,478	13%	562	41%	61%	67

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

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

1. Financial Results for FY2022 First Half



AC Sales by Geographic area

(Hundred Million Yen)

	FY2021 1st Half	FY2022 1st Half	Change			Change vs disclosure in July
				%	Local currency base	
Japan	306	221	-85	-28%	-28%	-39
Americas	198	382	184	93%	60%	49
Europe	289	392	103	35%	26%	-8
Middle East and Africa	114	259	145	128%	95%	18
Oceania	126	150	24	19%	6%	-15
Asia	101	182	81	79%	56%	15
Greater China	81	99	18	22%	5%	5
Total (Overseas Total)	1,215 (909)	1,685 (1,464)	470 (555)	39% (61%)	24% (41%)	25 (64)

<Reference Information> Historical Information

	FY2018 1st Half		FY2019 1st Half		FY2020 1st Half		FY2021 1st Half		FY2022 1st Half	
Japan	33%	361	30%	364	34%	384	25%	306	13%	221
Americas	12%	134	14%	162	14%	162	16%	198	23%	382
Europe	23%	256	28%	334	22%	244	24%	289	23%	392
Middle East and Africa	7%	75	5%	61	7%	76	10%	114	15%	259
Oceania	9%	100	11%	133	11%	129	10%	126	9%	150
Asia	6%	67	4%	51	4%	50	8%	101	11%	182
Greater China	10%	109	8%	94	8%	89	7%	81	6%	99
Total (Overseas Total)	100% (67%)	1,102 (741)	100% (70%)	1,199 (835)	100% (66%)	1,134 (750)	100% (75%)	1,215 (909)	100% (87%)	1,685 (1,464)

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

1. Financial Results for FY2022 First Half



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

(Hundred Million Yen)

		FY2021 1st Half	FY2022 1st Half	Change		Changes vs disclosure in July	
					%		
Air conditioners	Net sales	1,215	1,685	470	24%	39%	25
	Operating income	42	15	-27		-64%	-5
	(Operating income margin)	(3.4%)	(0.9%)	(-2.5%)			(-0.3%)
Info & Comm Syst. and Electronic Devices	Net sales	117	132	15		13%	2
	Operating income	4	3	-1		-35%	-1
	(Operating income margin)	(3.8%)	(2.2%)	(-1.6%)			(-0.9%)
Others	Net sales	12	13	1		5%	3
	Operating income	5	7	2		27%	11
	(Operating income margin)	(44.6%)	(53.6%)	(9.0%)			(93.6%)
Total	Net sales	1,344	1,830	486	22%	36%	30
	Operating income	51	25	-26		-52%	5
	(Operating income margin)	(3.8%)	(1.4%)	(-2.4%)			(0.3%)

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

R&D Expenses	5.3%	71	4.2%	77	-1.1%	6	8%	-0.2%	-3
Capital Expenditure		37		41		4	11%		-14
Depreciation Expenses		33		37		4	13%		-3

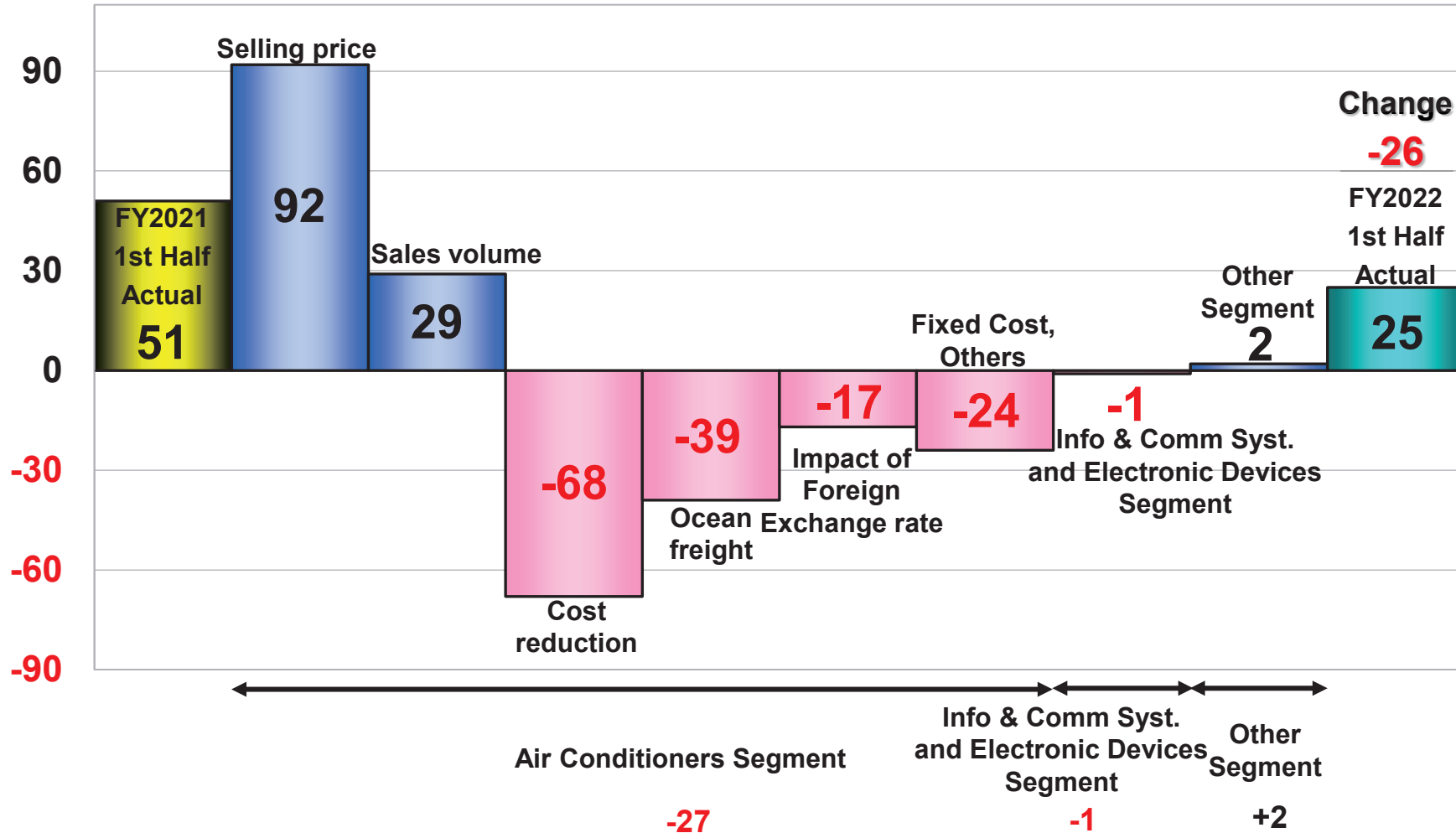
[Note3: subscribers(%) of R&D Expenses is proportion to Total Net Sales]

1. Financial Results for FY2022 First Half



Analysis of Consolidated Operating income (vs previous year)

(Hundred Million Yen)



Consolidated Balance Sheets

(Hundred Million Yen)

	FY2021		FY2022 2Q		Change
	Actual	ratio	Actual	ratio	
Current assets	1,859	69%	2,082	70%	223
(Cash and deposits)	(142)		(155)		(13)
(Notes and accounts receivable)	(832)		(992)		(160)
(Inventories)	(730)		(756)		(26)
(Others)	(155)		(179)		(24)
Noncurrent assets	827	31%	873	30%	46
Total assets	2,686	100%	2,955	100%	269
Current liabilities	1,161	43%	1,389	47%	228
(Notes and accounts payable)	(581)		(682)		(101)
(Short-term loans payable)	(85)		(127)		(42)
(Others)	(495)		(580)		(85)
Noncurrent liabilities	211	8%	201	7%	-10
Total liabilities	1,372	51%	1,590	54%	218
Shareholders' equity	1,178	44%	1,212	41%	34
Accumulated other comprehensive income	83	3%	94	3%	11
Non-controlling interests	53	2%	59	2%	6
Total net assets	1,314	49%	1,365	46%	51
Total liabilities and net assets	2,686	100%	2,955	100%	269

Main Financial Data

(Hundred Million Yen)

	FY2021 1st Half	FY2022 1st Half	Change	(Reference) FY2021
Operating Cash Flow	121	35	-86	-149
Investing Cash Flow	-37	-43	-6	-79
Free Cash Flow	84	-8	-92	-228

Shareholders' equity ratio	50.7%	44.2%	-6.5%	47.0%
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Inventories	474	756	282	730
Days Inventory Outstanding	56.7days	71.9days	15.2days	70.6days
CCC *	88.1days	99.2days	11.1days	99.3days
Net D/E ratio (times)	-0.32	-0.02	0.30	-0.04

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

2. Consolidated Financial Forecast



Consolidated Financial Plan

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

(Hundred Million Yen)

	FY2021 (Actual)			FY2022 (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	1,344	1,497	2,841	1,830	2,070	3,900	1,059	24% 37%	200
Operating income	51	33	84	25	155	180	96	113%	10
(Operating income margin)	(3.8%)	(2.2%)	(3.0%)	(1.4%)	(7.5%)	(4.6%)	(1.6%)		(-%)
Ordinary income	54	60	114	78	142	220	106	93%	20
(Ordinary income margin)	(4.0%)	(4.0%)	(4.0%)	(4.3%)	(6.9%)	(5.6%)	(1.6%)		(0.2%)
Extraordinary loss	-	-8	-8	-12	-	-12	-4	-%	-
Net income*	32	5	37	50	80	130	93	249%	10
(Net income margin *)	(2.4%)	(0.4%)	(1.3%)	(2.7%)	(3.9%)	(3.3%)	(2.0%)		(0.1%)

*Net income attributable to Owners of the Parent

Dividend per share (Yen)	16	16	90.0% 32	17	17	27.4% 34	2	-
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[Note2: subscripts(%) of dividend per share is dividend payout ratio]

Material prices(Average)

Copper(USD/t)	8,299	9,639	9,001	9,671	9,105	9,374	373	98
Aluminum(USD/t)	2,481	3,034	2,805	2,890	3,000	2,948	143	176

Foreign Exchange rate (Average)

Yen/1USD	110	115	113	135	145	140	27	5
Yen/1EUR	131	130	131	139	140	139	8	4
BAHT/1USD	31.8	33.0	32.5	35.2	36.5	35.9	3.4	0.5
RMB/1USD	6.48	6.38	6.43	6.74	6.90	6.82	0.39	0.13

Analysis of Financial Plan

Air Conditioners	<p><Sales in the second half> 189.5 Billion Yen (+58.6 Billion Yen; +45%; +30% based on local currency from PY.)</p> <p><Sales in the full year> 35.8 Billion Yen (+105.6 Billion Yen; +42% +27% based on local currency from PY.)</p> <p>Procurement, production and shipment have been proceeding steadily toward normalization.</p> <p>We plan to expand sales for overseas, such as North America and India mainly and expect a positive impact from the yen depreciation.</p> <p>[North America] (Sales in 2nd half; +102%; +72% based on local currency from PY.) (Sales in full year; +98%; +67% based on local currency from PY.) Expand sales of energy saving AC and promote new customer relationships.</p> <p>[India] (Sales in 2nd half; +63%; +48% based on local currency from PY.) (Sales in full year; +68%; +50% based on local currency from PY.) Expand sales dealer network with an after-sales service system and promote sales of locally produced AC.</p> <p><Operating income in the second half> <u>14.8</u> Billion Yen; +13.8 Billion Yen; 14.7 times from PY)</p> <p><Operating income in the full year> <u>16.3</u> Billion Yen; +11.1 Billion Yen; +216% from PY)</p> <p>In addition to sales expansion and selling price improvement overseas, we plan to increase profits due to such factors as leveling off ocean freight and favorable foreign currency rates.</p>
Info & Comm Syst. and Electronic Devices	<p><Sales in the full year> 30 Billion Yen (+0.7 Billion Yen; +3% from PY)</p> <p>[Info & Comm Syst.] We expect decreases in sales due to a decline in orders for disaster prevention systems.</p> <p>[Electronic Devices] We plan to increase sales by growth in demand for electronic modules and unit products.</p> <p><Operating income in the full year> <u>2.4</u> Billion Yen (+0.3 Billion Yen; +11% from PY)</p>

Sales by Segment

(Hundred Million Yen)

	FY2021(Actual)			FY2022(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	1,215	1,309	^{89%} 2,524	1,685	1,895	^{92%} 3,580	1,056	^{27%} 42%	200
(Japan)	(306)	(226)	(532)	(221)	(234)	(455)	(-77)	(-15%)	(-61)
(Overseas)	(909)	(1,083)	(1,992)	(1,464)	(1,661)	(3,125)	(1,133)	^(38%) (57%)	(261)
Info & Comm Syst.	61	96	157	51	89	140	-17	-11%	-10
Electronic Devices	56	80	136	81	79	160	24	18%	10
Info & Comm Syst.and Electronic Devices	117	176	^{10%} 293	132	168	^{7%} 300	7	3%	-
Others	12	12	^{1%} 24	13	7	^{1%} 20	-4	-19%	-
Total	1,344	1,497	^{100%} 2,841	1,830	2,070	^{100%} 3,900	1,059	^{24%} 37%	200
Japan	428	403	^{29%} 831	352	398	^{19%} 750	-81	-10%	-64
Overseas	916	1,094	^{71%} 2,010	1,478	1,672	^{81%} 3,150	1,140	^{38%} 57%	264

[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)

	FY2021(Actual)			FY2022(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	306	226	532	221	234	455	-77	-15%	-15%	-61
Americas	198	224	422	382	442	824	402	95%	65%	106
Europe	289	403	692	392	462	854	162	24%	14%	-1
Middle East and Africa	114	81	195	259	205	464	269	138%	101%	50
Oceania	126	170	296	150	235	385	89	30%	19%	14
Asia	101	136	237	182	219	401	164	69%	50%	76
Greater China	81	69	150	99	98	197	47	32%	15%	16
Total	1,215	1,309	2,524	1,685	1,895	3,580	1,056	42%	27%	200
(Overseas Total)	(909)	(1,083)	(1,992)	(1,464)	(1,661)	(3,125)	(1,133)	(57%)	(38%)	(261)

<Reference Information> Historical Information

	FY2018 (Actual)		FY2019 (Actual)		FY2020 (Actual)		FY2021 (Actual)		FY2022 (Plan)	
Japan	26%	593	25%	573	27%	621	21%	532	13%	455
Americas	16%	363	16%	365	15%	356	17%	422	23%	824
Europe	23%	516	27%	621	24%	556	27%	692	24%	854
Middle East and Africa	8%	170	9%	201	8%	179	8%	195	13%	464
Oceania	11%	253	12%	290	13%	312	12%	296	11%	385
Asia	7%	162	4%	96	6%	147	9%	237	11%	401
Greater China	9%	192	7%	155	7%	161	6%	150	5%	197
Total	100%	2,249	100%	2,301	100%	2,332	100%	2,524	100%	3,580
(Overseas Total)	(74%)	(1,656)	(75%)	(1,728)	(73%)	(1,711)	(79%)	(1,992)	(87%)	(3,125)

[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)

		FY2021 (Actual)			FY2022 (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	1,215	1,309	2,524	1,685	1,895	3,580	1,056	27% 42%	200
	Operating income	42	10	52	15	148	163	111	216%	4
	(Operating income margin)	(3.4%)	(0.8%)	(2.0%)	(0.9%)	(7.8%)	(4.6%)	(2.6%)		(-0.1%)
Info & Comm Syst. and Electronic Devices	Net sales	117	176	293	132	168	300	7	3%	-
	Operating income	4	17	21	3	21	24	3	11%	-4
	(Operating income margin)	(3.8%)	(9.8%)	(7.4%)	(2.2%)	(12.6%)	(8.0%)	(0.6%)		(-1.3%)
Others	Net sales	12	12	24	13	7	20	-4	-19%	-
	Operating income	5	6	11	7	-14	-7	-18	-%	10
	(Operating income margin)	(44.6%)	(46.5%)	(45.6%)	(53.6%)	(-199.8%)	(-35.0%)	(-80.6%)		(50.0%)
Total	Net sales	1,344	1,497	2,841	1,830	2,070	3,900	1,059	24% 37%	200
	Operating income	51	33	84	25	155	180	96	113%	10
	(Operating income margin)	(3.8%)	(2.2%)	(3.0%)	(1.4%)	(7.5%)	(4.6%)	(1.6%)		(-%)

[Note1: sales to external customers]

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

R&D Expenses	5.3%	71	5.0%	75	5.1%	146	4.2%	77	4.0%	83	4.1%	160	-1.0%	14	6%	-0.2%	-
Capital Expenditure		37		45		82		41		79		120		38	26%		-10
Depreciation Expenses		33		35		68		37		43		80		12	14%		-

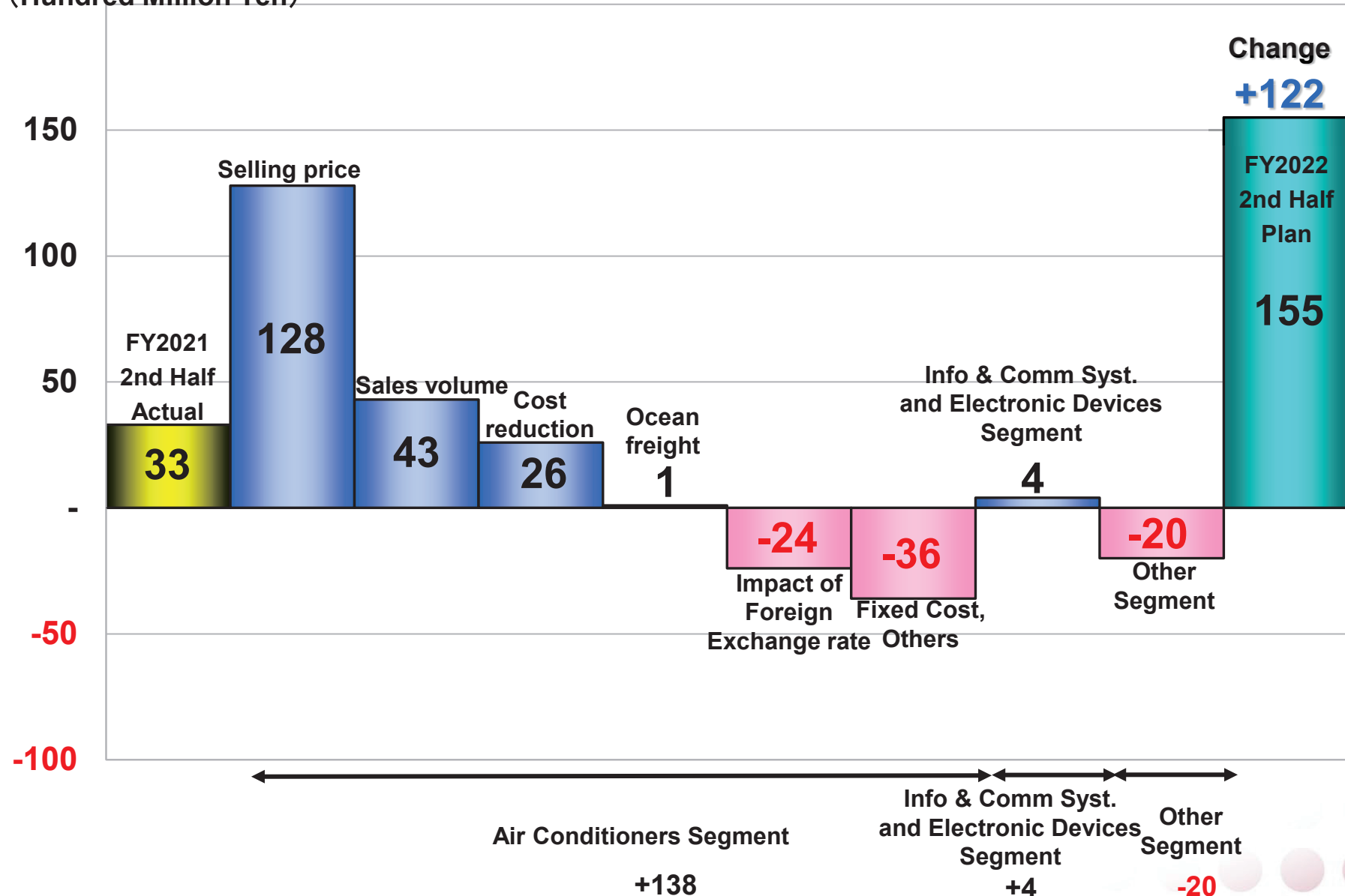
[Note3: subscribers(%) of R&D Expenses is proportion to Total Net Sales]

2. Consolidated Financial Forecast

Analysis of Consolidated Operating Income
[FY2022 Second Half] (vs previous year)



(Hundred Million Yen)

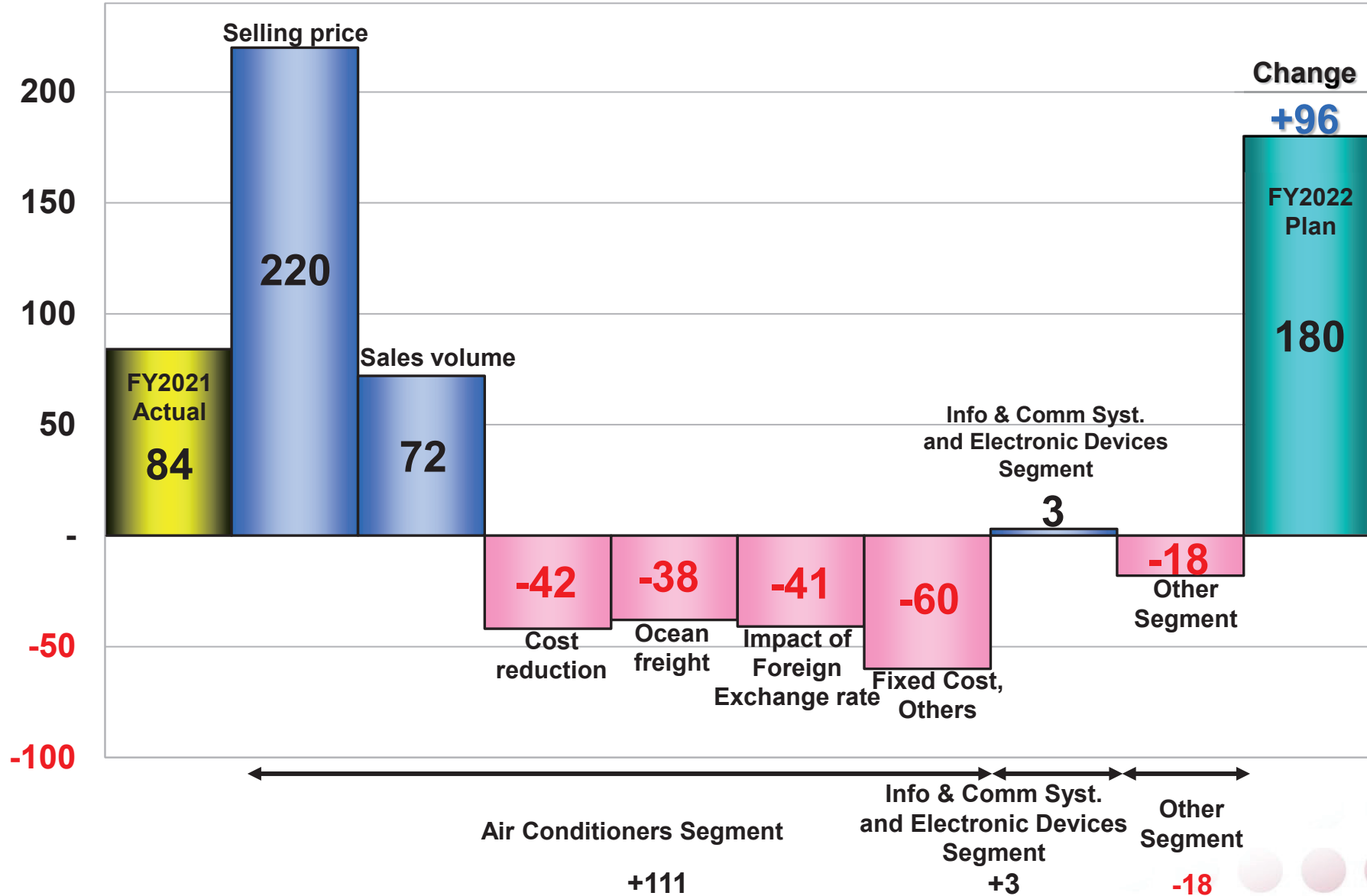


2. Consolidated Financial Forecast

Analysis of Consolidated Operating Income [FY2022](vs previous year)



(Hundred Million Yen)



Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2021 (Actual)					FY2022 (Actual)	
	1Q	2Q	3Q	4Q	Total	1Q	2Q
Air conditioners	690	525	560	749	2,524	769	916
(Japan)	(160)	(146)	(81)	(145)	(532)	(47)	(174)
(Overseas)	(530)	(379)	(479)	(604)	(1,992)	(722)	(742)
Info & Comm Syst.	26	35	34	62	157	21	30
Electronic Devices	25	31	36	44	136	32	49
Info & Comm Syst. and Electronic	51	66	70	106	293	53	79
Others	6	6	7	5	24	7	6
Total	747	597	637	860	2,841	829	1,001
Japan	215	213	153	250	831	105	247
Overseas	532	384	484	610	2,010	724	754

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



(Hundred Million Yen)

	FY2021 (Actual)					FY2022 (Actual)	
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q
Net sales	747	597	637	860	2,841	829	1,001
Operating income	55	-4	1	32	84	16	9
(Operating income margin)	(7.3%)	(-0.6%)	(0.1%)	(3.8%)	(3.0%)	(1.9%)	(0.9%)
Ordinary income	58	-4	3	57	114	58	20
(Ordinary income margin)	(7.7%)	(-0.6%)	(0.4%)	(6.6%)	(4.0%)	(7.0%)	(2.0%)
Net income *	37	-5	-1	6	37	33	17
(Net income margin *)	(4.9%)	(-0.8%)	(-0.2%)	(0.8%)	(1.3%)	(4.0%)	(1.7%)

* Net income attributable to Owners of the Parent base

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

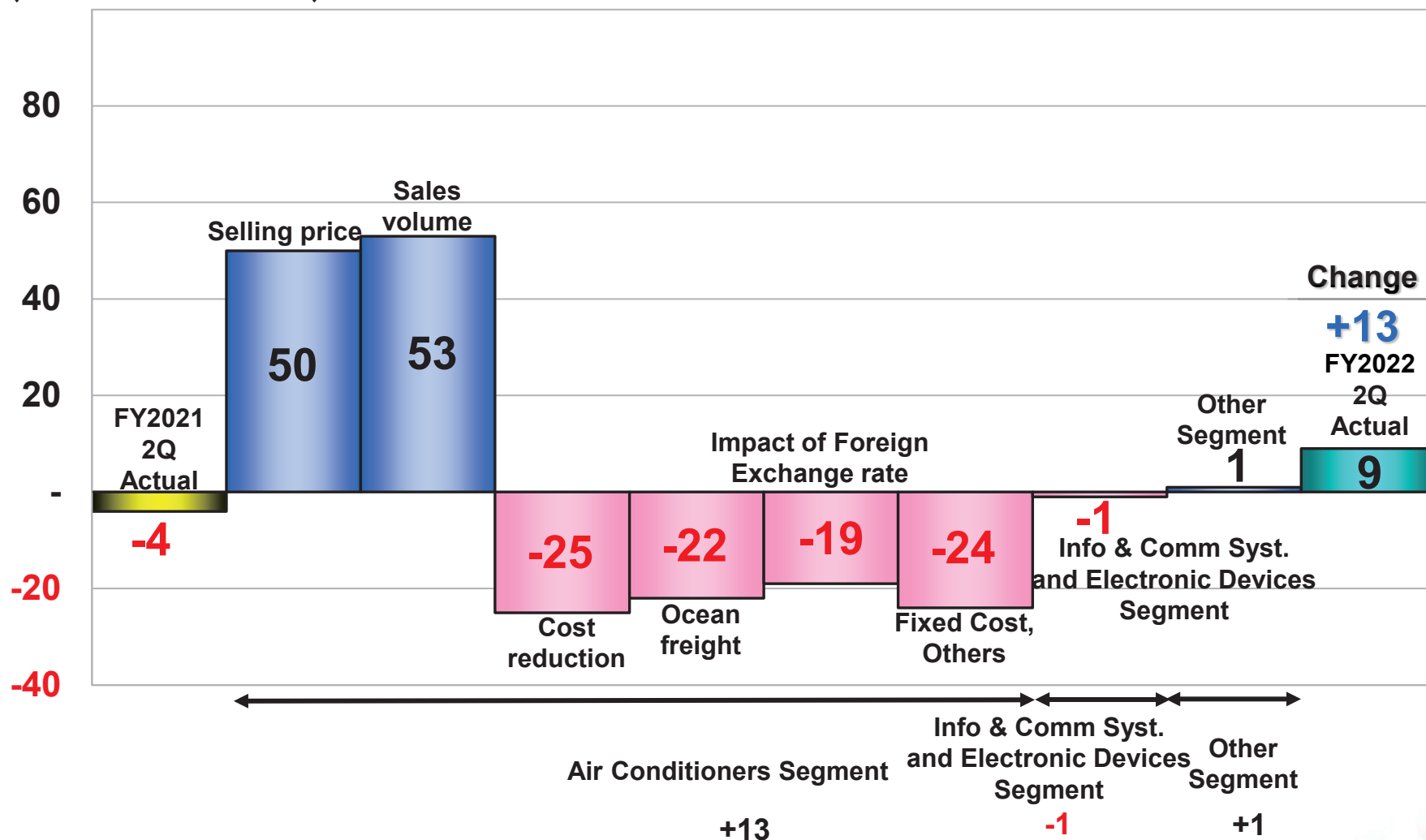
	FY2021 (Actual)					FY2022 (Actual)	
	1 Q	2 Q	3 Q	4 Q	Total	1 Q	2 Q
Japan	160	146	81	145	532	47	174
Americas	124	74	102	122	422	220	162
Europe	168	121	190	213	692	134	258
Middle East and Africa	69	45	34	47	195	136	123
Oceania	69	57	76	94	296	72	78
Asia	50	51	45	91	237	110	72
Greater China	50	31	32	37	150	50	49
Total	690	525	560	749	2,524	769	916
(Overseas Total)	(530)	(379)	(479)	(604)	(1,992)	(722)	(742)

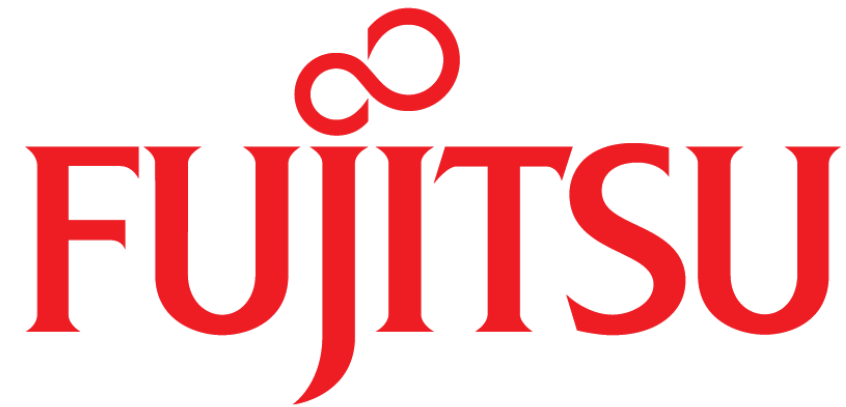
[Note : sales to external customers]

<Reference Information> Analysis of Consolidated Operating Income [FY2022 Second Quarter] (vs previous year)



(Hundred Million Yen)



The logo features a red infinity symbol positioned above the word "FUJITSU". The word "FUJITSU" is rendered in a bold, red, serif typeface with a classic, slightly condensed design.

FUJITSU GENERAL

– Living together for our future –