

# Financial Results

## FY2018 (Ended March 2019)

### Second Quarter

October 2018  
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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# 1. Financial Results for FY2018 First Half



## Consolidated Financial Results

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

	FY2017 1st Half	FY2018 1st Half	Change		Change vs previous plan	
				%		
Net sales	1,230	1,231	1	-%	-%	-19
Gross profit (Gross profit margin)	345 (28.0%)	313 (25.4%)	-32 (-2.6%)		-9%	
Operating income (Operating income margin)	78 (6.3%)	46 (3.8%)	-32 (-2.5%)		-41%	6 (0.6%)
Ordinary income (Ordinary income margin)	81 (6.6%)	68 (5.5%)	-13 (-1.1%)		-16%	18 (1.5%)
Net income※ (Net income margin※)	58 (4.7%)	46 (3.7%)	-12 (-1.0%)		-21%	11 (0.9%)
Net income per share	¥55.10	¥43.79	¥-11.31			¥10.34

※Net income attributable to Owners of the Parent

Foreign Exchange rate	Average (Closing)		Average (Closing)		Average (Closing)		Average (Closing)	
Yen/1USD	111	( 113)	110	( 114)	-1	( 1)	-	( 4)
Yen/1AUD	86	( 88)	82	( 82)	-4	( -6)	-2	( -3)
Yen/1EUR	125	( 133)	130	( 132)	5	( -1)	-	( 2)
BAHT/1USD	33.8	( 33.2)	32.3	( 32.2)	-1.5	( -1.0)	0.2	( -)
RMB/1USD	6.81	( 6.64)	6.51	( 6.88)	-0.30	( 0.24)	0.07	( 0.38)

## Analysis of Financial Results

<p><b>Air Conditioners</b></p>	<p>&lt;Sales&gt;</p> <ul style="list-style-type: none"> <li>▪ Air conditioners (Overseas) decreased by 3.5 Billion Yen ( down by 4%, down by 4% based on local currency from previous year ).</li> <li>▪ Air conditioners (Japan) increased by 2.9 Billion Yen ( up by 9% from previous year ).</li> </ul> <p>&lt;Operating income&gt;</p> <ul style="list-style-type: none"> <li>▪ Decreased by 3.9 Billion Yen ( down by 55% from previous year ). Currency appreciation in production countries, rising raw material and parts prices, and sales prices decline in certain areas.</li> </ul>
<p><b>Telecommunications and Electronic devices</b></p>	<p>&lt;Sales&gt;</p> <ul style="list-style-type: none"> <li>▪ Sales increased by 0.5 Billion Yen ( up by 4% from previous year ).</li> </ul> <p>&lt;Operating income&gt;</p> <ul style="list-style-type: none"> <li>▪ Increased by 0.2 Billion Yen ( up by 46% from previous year ). Mainly increase sales in Telecommunications.</li> </ul>

# 1. Financial Results for FY2018 First Half



## Sales by Segment

(Hundred Million Yen)

	FY2017		FY2018		Change				Change vs previous plan	
	1st Half		1st Half				%			
Air conditioners	90%	1,108	90%	1,102	-%	-6	-%	-1%	1%	-13
(Japan)		(332)		(361)		(29)		(9%)		(6)
(Overseas)		(776)		(741)		(-35)	(-4%)	(-4%)		(-19)
Telecommunications		48		54		6		12%		-1
Electronic devices		67		66		-1		-2%		-4
Telecommunications and Electronic devices	9%	115	9%	120	-%	5		4%	-1%	-5
Others	1%	7	1%	9	-%	2		21%	-%	-1
<b>Total</b>	<b>100%</b>	<b>1,230</b>	<b>100%</b>	<b>1,231</b>	<b>-%</b>	<b>1</b>	<b>-%</b>	<b>-%</b>	<b>-%</b>	<b>-19</b>
Japan	36%	449	39%	485	3%	36		8%	-%	-5
Overseas	64%	781	61%	746	-3%	-35	-4%	-5%	-%	-14

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

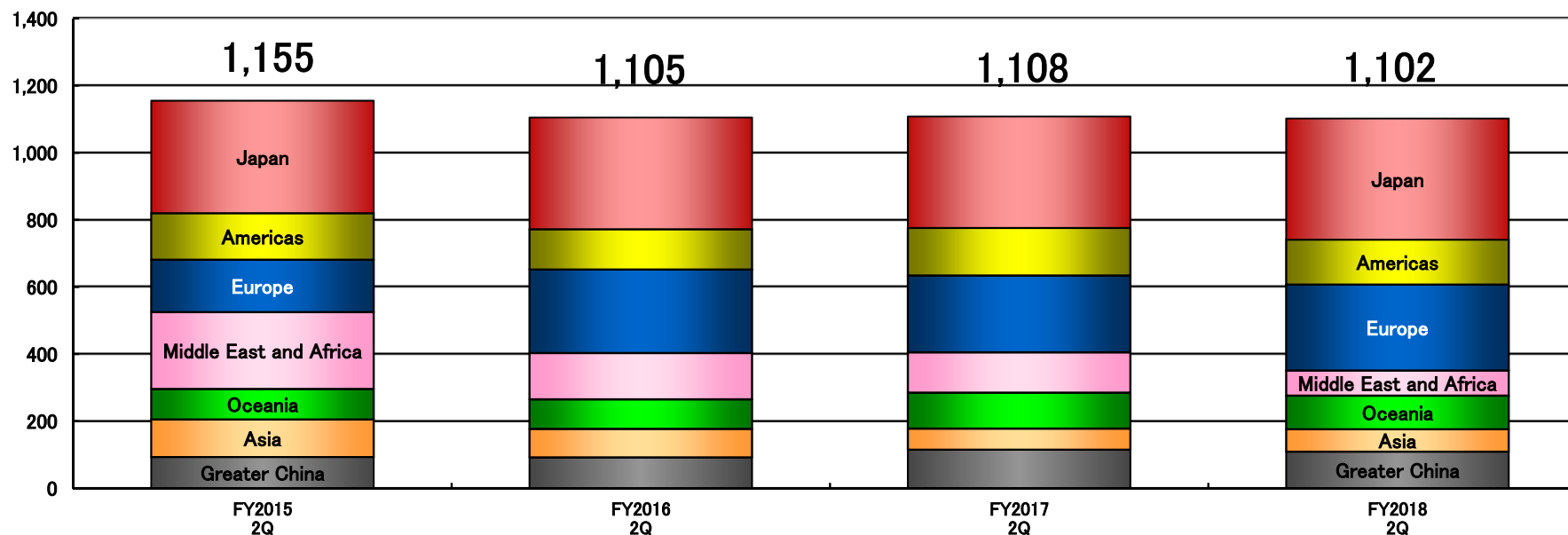
[Note2: subscripts(%) of change % is local currency base]

# 1. Financial Results for FY2018 First Half



## A/C Sales by Geographic area

(Hundred Million Yen)



### 【Sales by Geographic area】

(Hundred Million Yen)

	FY2015 1st Half		FY2016 1st Half		FY2017 1st Half		FY2018 1st Half		Change			Change vs previous plan		
	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value
Japan	29%	335	30%	333	30%	332	33%	361	3%	29	9%	9%	1%	6
Americas	12%	139	11%	120	13%	142	12%	134	-1%	-8	-6%	-2%	-1%	-6
Europe	13%	156	23%	249	21%	229	23%	256	2%	27	12%	10%	1%	6
Middle East and Africa	20%	229	12%	138	11%	120	7%	75	-4%	-45	-37%	-37%	-%	-2
Oceania	8%	91	8%	88	10%	107	9%	100	-1%	-7	-7%	-1%	-%	-
Asia	10%	112	8%	85	5%	63	6%	67	1%	4	7%	6%	-%	2
Greater China	8%	93	8%	92	10%	115	10%	109	-%	-6	-5%	-6%	-1%	-19
<b>Total</b>	100%	<b>1,155</b>	100%	<b>1,105</b>	100%	<b>1,108</b>	100%	<b>1,102</b>	-%	<b>-6</b>	<b>-1%</b>	<b>-%</b>	-%	<b>-13</b>
<b>(Overseas Total)</b>	(71%)	<b>(820)</b>	(70%)	<b>(772)</b>	(70%)	<b>(776)</b>	(67%)	<b>(741)</b>	(-3%)	<b>(-35)</b>	<b>(-4%)</b>	<b>(-4%)</b>	(-1%)	<b>(-19)</b>

[Note1: sales to external customers ]

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

# 1. Financial Results for FY2018 First Half



## Segment Information

(Hundred Million Yen)

		FY2017 1st Half	FY2018 1st Half	Change		Change vs previous plan
					%	
Air conditioners	Net sales	1,108	1,102	-6	-% -1%	-13
	Operating income	71	32	-39	-55%	2
	(Operating income margin)	(6.4%)	(2.9%)	(-3.5%)		(0.2%)
Telecommunications and Electronic devices	Net sales	115	120	5	4%	-5
	Operating income	5	7	2	46%	2
	(Operating income margin)	(4.4%)	(6.1%)	(1.7%)		(2.1%)
Others	Net sales	7	9	2	21%	-1
	Operating income	2	7	5	313%	2
	(Operating income margin)	(21.9%)	(75.1%)	(53.2%)		(25.1%)
Total	Net sales	1,230	1,231	1	-% -%	-19
	Operating income	78	46	-32	-41%	6
	(Operating income margin)	(6.3%)	(3.8%)	(-2.5%)		(0.6%)

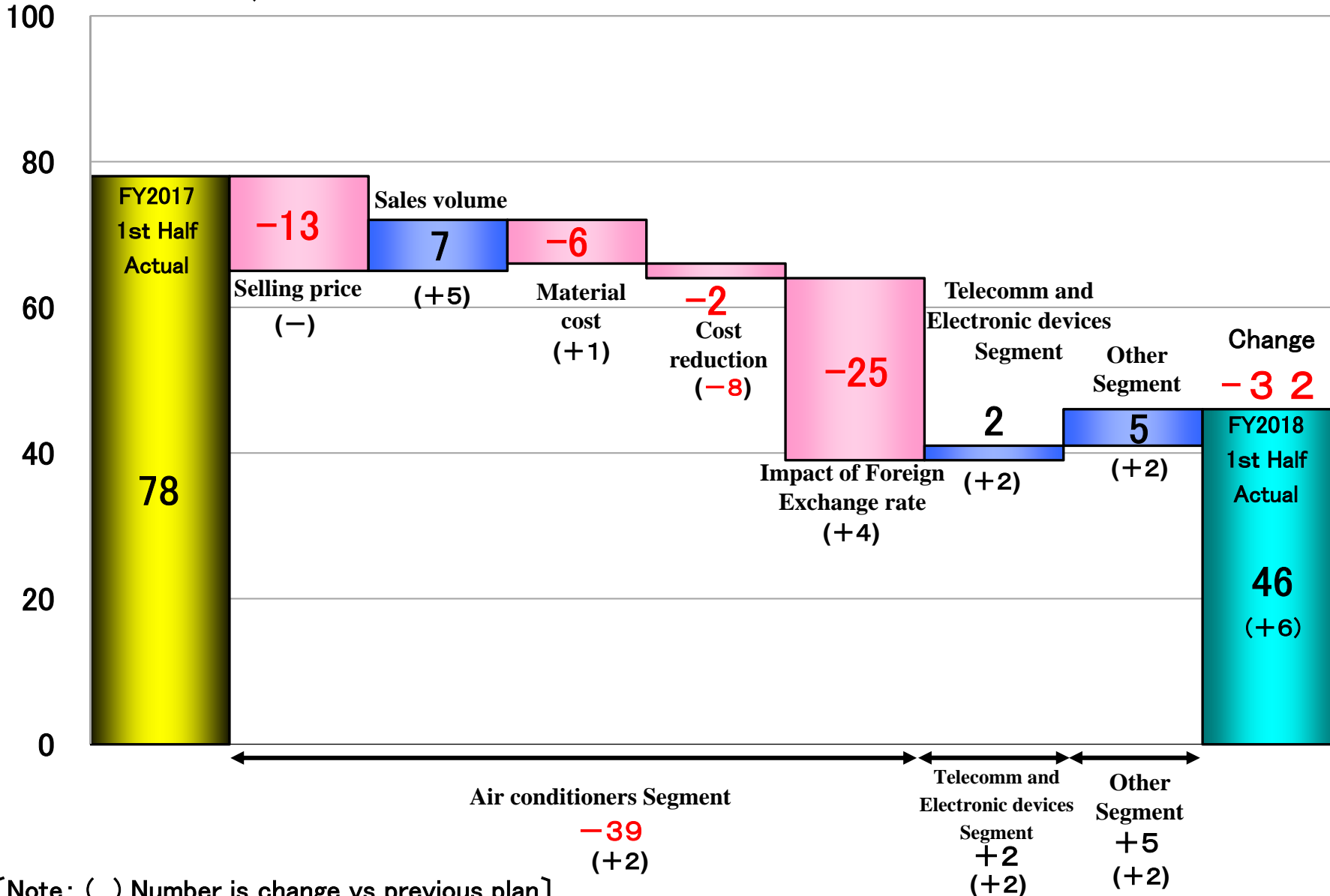
[Note1: sales to external customers] [Note2: subscribers(%) of change % is local currency base]

# 1. Financial Results for FY2018 First Half



## Analysis of Consolidated Operating income (vs previous year)

(Hundred Million Yen)



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



## Consolidated Balance Sheets

(Hundred Million Yen)

	FY2017		FY2018 2Q		Change
	Actual	ratio	Actual	ratio	
<b>Current assets</b>	<b>1,566</b>	<b>74%</b>	<b>1,425</b>	<b>73%</b>	<b>-141</b>
(Cash and deposits)	(427)		(435)		(8)
(Notes and accounts receivable)	(762)		(625)		(-137)
(Inventories)	(279)		(262)		(-17)
(Others)	(98)		(103)		(5)
<b>Noncurrent assets</b>	<b>538</b>	<b>26%</b>	<b>539</b>	<b>27%</b>	<b>1</b>
<b>Total assets</b>	<b>2,104</b>	<b>100%</b>	<b>1,964</b>	<b>100%</b>	<b>-140</b>
<b>Current liabilities</b>	<b>828</b>	<b>40%</b>	<b>659</b>	<b>34%</b>	<b>-169</b>
(Notes and accounts payable)	(448)		(297)		(-151)
(Others)	(380)		(362)		(-18)
<b>Noncurrent liabilities</b>	<b>199</b>	<b>9%</b>	<b>197</b>	<b>10%</b>	<b>-2</b>
<b>Total liabilities</b>	<b>1,027</b>	<b>49%</b>	<b>856</b>	<b>44%</b>	<b>-171</b>
<b>Shareholders' equity</b>	<b>996</b>	<b>47%</b>	<b>1,029</b>	<b>53%</b>	<b>33</b>
Accumulated other comprehensive income	49	3%	44	2%	-5
<b>Non-controlling interests</b>	<b>32</b>	<b>1%</b>	<b>35</b>	<b>1%</b>	<b>3</b>
<b>Total net assets</b>	<b>1,077</b>	<b>51%</b>	<b>1,108</b>	<b>56%</b>	<b>31</b>
<b>Total liabilities and net assets</b>	<b>2,104</b>	<b>100%</b>	<b>1,964</b>	<b>100%</b>	<b>-140</b>

# 1. Financial Results for FY2018 First Half



## Main Financial Data

(Hundred Million Yen)

	FY2017 1st Half	FY2018 1st Half	Change	(Reference) FY2017
Operating Cash Flow	152	53	-99	109
Investing Cash Flow	-28	-28	-	-59
Free Cash Flow	124	25	-99	50

R&D Expenses	5.1%	62	5.3%	65	0.2%	3	4.9%	129
Capital Expenditures		29		23		-6		64
Depreciation Expenses		25		26		1		51

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

Shareholders' equity ratio	51.9%	54.6%	2.7%	49.7%
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Inventory	226	262	36	279
Days Inventory Outstanding	33.3days	40.7days	7.4days	37.8days
CCC*	69.3days	77.8days	8.5days	74.5days

\*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)

	FY2017 (Actual)			FY2018 (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	1,230	1,393	2,623	1,231	1,469	2,700	77	3%	3%	-150
Operating income	78	124	202	46	124	170	-32	-16%	-	-
(Operating income margin)	(6.3%)	(8.9%)	(7.7%)	(3.8%)	(8.4%)	(6.3%)	(-1.4%)			(0.3%)
Ordinary income	81	104	185	68	122	190	5	3%		10
(Ordinary income margin)	(6.6%)	(7.5%)	(7.1%)	(5.5%)	(8.3%)	(7.0%)	(-0.1%)			(0.7%)
Net income※	58	71	129	46	84	130	1	1%		5
(Net income margin※)	(4.7%)	(5.1%)	(4.9%)	(3.7%)	(5.7%)	(4.8%)	(-0.1%)			(0.4%)

※Net income attributable to Owners of the Parent

Dividend per share (Yen)	12	12	19.5% 24	13	13	20.9% 26	1.4%	2	-0.9%	-
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[Note2: subscripts(%) of dividend per share is dividend payout ratio]

### Foreign Exchange rate (Average)

Yen/1USD	111	110	110	110	113	112	2	2
Yen/1AUD	86	86	86	82	80	81	-5	-4
Yen/1EUR	125	133	129	130	130	130	1	-
BAHT/1USD	33.8	31.7	32.5	32.3	33.0	32.8	0.3	0.8
RMB/1USD	6.81	6.48	6.65	6.51	6.80	6.64	-0.01	0.24

Air Conditioners	<p>&lt;Sales&gt;</p> <ul style="list-style-type: none"> <li>▪ Air conditioners (Overseas) increased by 0.8 Billion Yen ( same level as the previous year, up by 1% based on local currency from previous year ).</li> <li>▪ Air conditioners (Japan) increased by 4.3 Billion Yen ( up by 8% from previous year ).</li> </ul> <p>&lt;Operating income&gt;</p> <ul style="list-style-type: none"> <li>▪ Decreased by 2.2 Billion Yen ( down by 14% from previous year ).</li> </ul> <p>Despite a decline in the full year, the profit of second half will be comparable with the previous year due to expansions of sales and increase in sales prices.</p>
Telecommunications and Electronic devices	<p>&lt;Sales&gt;</p> <ul style="list-style-type: none"> <li>▪ Sales increased by 2.1 Billion Yen ( up by 8% from previous year ).</li> </ul> <p>&lt;Operating income&gt;</p> <ul style="list-style-type: none"> <li>▪ Decreased by 0.1 Billion Yen ( down by 5% from previous year ).</li> </ul>
Capital Expenditures	<p>Investment amount 11.0 Billion Yen ( increased by 4.6 Billion, up by 73% from previous year ). Including construction cost about 2.0 Billion Yen regarding Technology Research Building in Kawasaki head office.</p>

## Sales by Segment

(Hundred Million Yen)

	FY2017(Actual)			FY2018(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	1,108	1,241	89% 2,349	1,102	1,298	89% 2,400	51	3%	-150
(Japan)	(332)	(220)	(552)	(361)	(234)	(595)	(43)	(8%)	(-5)
(Overseas)	(776)	(1,021)	(1,797)	(741)	(1,064)	(1,805)	(8)	(1%) (-%)	(-145)
Telecommunications	48	77	125	54	86	140	15	12%	-
Electronic devices	67	67	134	66	74	140	6	4%	-
Telecommunications and Electronic devices	115	144	10% 259	120	160	10% 280	21	8%	-
Others	7	8	1% 15	9	11	1% 20	5	32%	-
<b>Total</b>	<b>1,230</b>	<b>1,393</b>	<b>100% 2,623</b>	<b>1,231</b>	<b>1,469</b>	<b>100% 2,700</b>	<b>77</b>	<b>3%</b>	<b>-150</b>
Japan	449	363	31% 812	485	395	33% 880	68	8%	-20
Overseas	781	1,030	69% 1,811	746	1,074	67% 1,820	9	1% 1%	-130

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

## 2. Plan for the Full Year



# A/C Sales by Geographic area

(Hundred Million Yen)

	FY2017(Actual)			FY2018(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	
Japan	332	220	552	361	234	595	43	8%	8%	-5
Americas	142	207	349	134	241	375	26	7%	9%	-25
Europe	229	265	494	256	279	535	41	8%	8%	-
Middle East and Africa	120	217	337	75	185	260	-77	-23%	-25%	-22
Oceania	107	145	252	100	150	250	-2	-1%	6%	-20
Asia	63	93	156	67	103	170	14	9%	8%	-40
Greater China	115	94	209	109	106	215	6	3%	3%	-38
Total	1,108	1,241	2,349	1,102	1,298	2,400	51	2%	3%	-150
(Overseas Total)	(776)	(1,021)	(1,797)	(741)	(1,064)	(1,805)	(8)	(-%)	(1%)	(-145)

### <Reference Information> Historical Information

	FY2014 (Actual)		FY2015 (Actual)		FY2016 (Actual)		FY2017 (Actual)		FY2018 (Plan)	
Japan	23%	510	23%	529	24%	555	23%	552	25%	595
Americas	15%	333	14%	332	14%	329	15%	349	16%	375
Europe	19%	415	17%	403	19%	449	21%	494	22%	535
Middle East and Africa	17%	368	21%	490	17%	396	14%	337	11%	260
Oceania	10%	211	9%	216	10%	220	11%	252	10%	250
Asia	9%	188	9%	199	9%	202	7%	156	7%	170
Greater China	7%	165	7%	162	7%	173	9%	209	9%	215
Total	100%	2,190	100%	2,331	100%	2,324	100%	2,349	100%	2,400
(Overseas Total)	(77%)	(1,680)	(77%)	(1,802)	(76%)	(1,769)	(77%)	(1,797)	(75%)	(1,805)

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

## 2. Plan for the Full Year

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

(Hundred Million Yen)

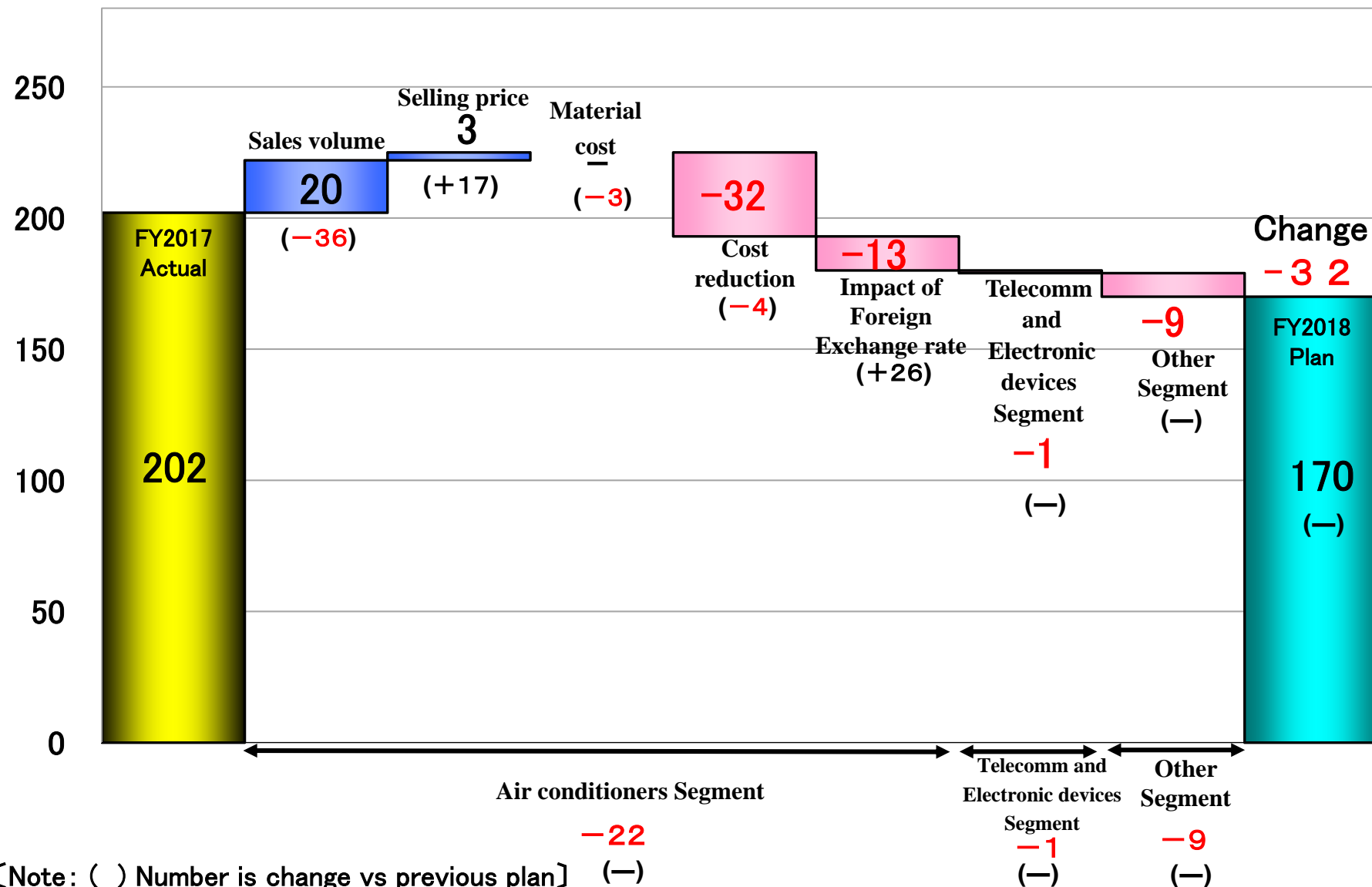
		FY2017 (Actual)			FY2018 (Plan)			Change			Change vs previous plan Full Year
		1st Half	2nd Half	Full Year	1st Half (Actual)	2nd Half (plan)	Full Year	Full Year	%		
Air conditioners	Net sales	1,108	1,241	2,349	1,102	1,298	2,400	51	3%	2%	-150
	Operating income	71	91	162	32	108	140	-22		-14%	-
	(Operating income margin)	(6.4%)	(7.3%)	(6.9%)	(2.9%)	(8.3%)	(5.8%)	(-1.1%)			(0.3%)
Telecommunications and Electronic devices	Net sales	115	144	259	120	160	280	21		8%	-
	Operating income	5	21	26	7	18	25	-1		-5%	-
	(Operating income margin)	(4.4%)	(14.7%)	(10.1%)	(6.1%)	(11.0%)	(8.9%)	(-1.2%)			(-)
Others	Net sales	7	8	15	9	11	20	5		32%	-
	Operating income	2	12	14	7	-2	5	-9		-64%	-
	(Operating income margin)	(21.9%)	(161.1%)	(91.0%)	(75.1%)	(-17.7%)	(25.0%)	(-66.0%)			(-)
Total	Net sales	1,230	1,393	2,623	1,231	1,469	2,700	77	3%	3%	-150
	Operating income	78	124	202	46	124	170	-32		-16%	-
	(Operating income margin)	(6.3%)	(8.9%)	(7.7%)	(3.8%)	(8.4%)	(6.3%)	(-1.4%)			(0.3%)

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

R&D Expenses	5.1%	62	4.8%	67	4.9%	129	5.3%	65	4.8%	70	5.0%	135	0.1%	6	5%	0.3%	-
Capital Expenditures		29		35		64		23		87		110		46	73%		-
Depreciation Expenses		25		26		51		26		29		55		4	9%		-

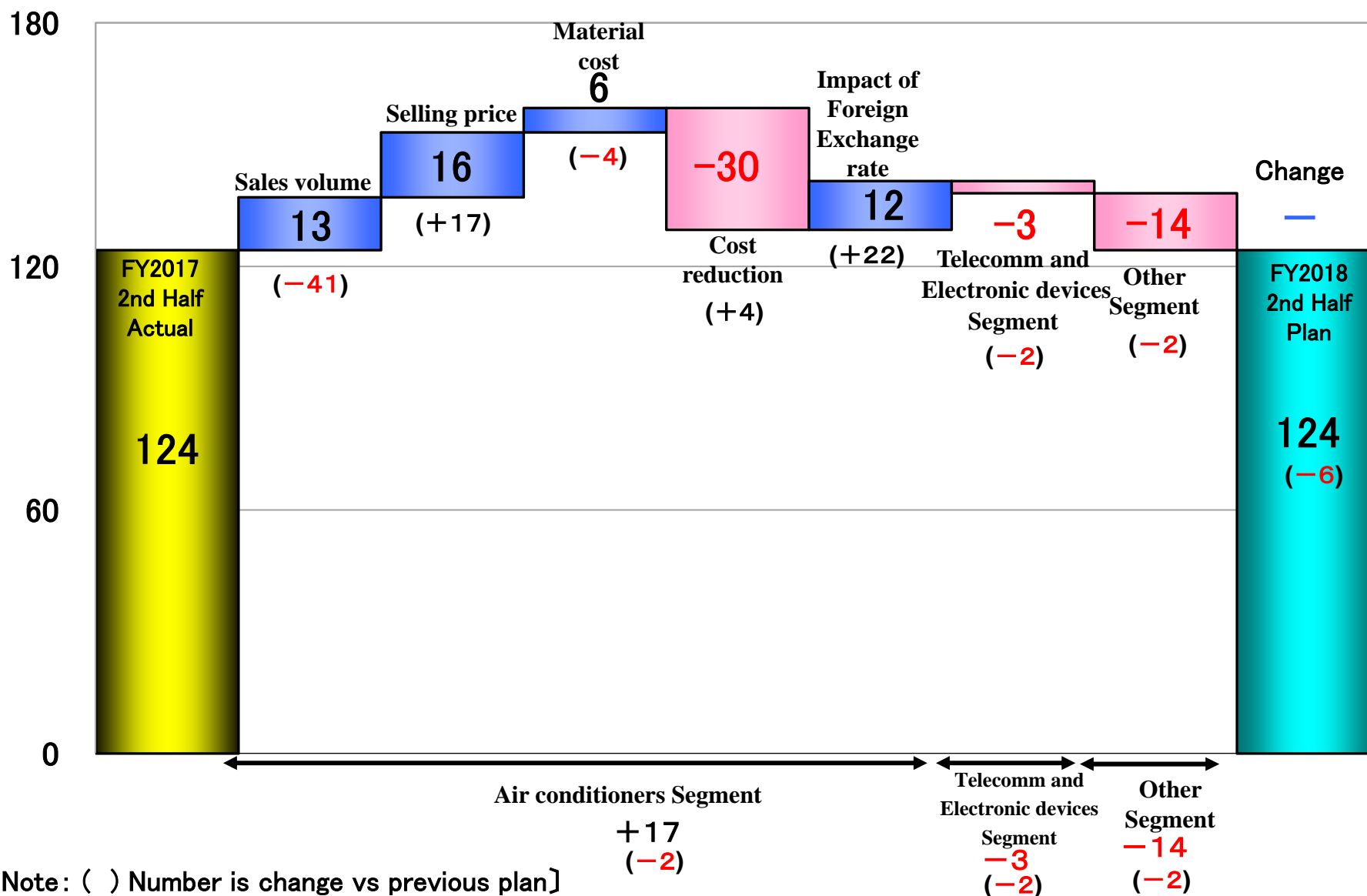
[Note3: subscribers(%) of R&amp;D Expenses is proportion to Total Net Sales]

(Hundred Million Yen)





(Hundred Million Yen)



# Sales by Segment (Quarter Information)

(Hundred Million Yen)

	FY2017 (Actual)					FY2018 (Actual)		Change		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%	
Air conditioners	595	513	397	844	2,349	542	560	47	11%	9%
(Japan)	(179)	(153)	(75)	(145)	(552)	(171)	(190)	(37)		(24%)
(Overseas)	(416)	(360)	(322)	(699)	(1,797)	(371)	(370)	(10)	(6%)	(3%)
Telecommunications	16	32	16	61	125	12	42	10	32%	
Electronic devices	31	36	33	34	134	30	36	–	–%	
Telecommunications and Electronic devices	47	68	49	95	259	42	78	10	15%	
Others	3	4	5	3	15	4	5	1	20%	
Total	645	585	451	942	2,623	588	643	58	12%	10%
Japan	227	222	124	239	812	214	271	49	22%	
Overseas	418	363	327	703	1,811	374	372	9	6%	3%

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

# Consolidated Statements of Income (Quarter Information)



(Hundred Million Yen)

	FY2017(Actual)					FY2018(Actual)		Change		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%	
<b>Net sales</b>	645	585	451	942	2,623	588	643	58	12%	10%
<b>Operating income</b>	68	10	1	123	202	24	22	12	119%	
(Operating income margin)	(10.5%)	(1.8%)	(0.3%)	(13.0%)	(7.7%)	(4.1%)	(3.5%)	(1.7%)		
<b>Ordinary income</b>	74	7	-	104	185	41	27	20	287%	
(Ordinary income margin)	(11.5%)	(1.2%)	(0.1%)	(11.1%)	(7.1%)	(7.0%)	(4.1%)	(2.9%)		
<b>Net income※</b>	56	2	-3	74	129	29	17	15	726%	
(Net income margin※)	(8.6%)	(0.4%)	(-0.6%)	(7.8%)	(4.9%)	(4.9%)	(2.6%)	(2.2%)		

※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)

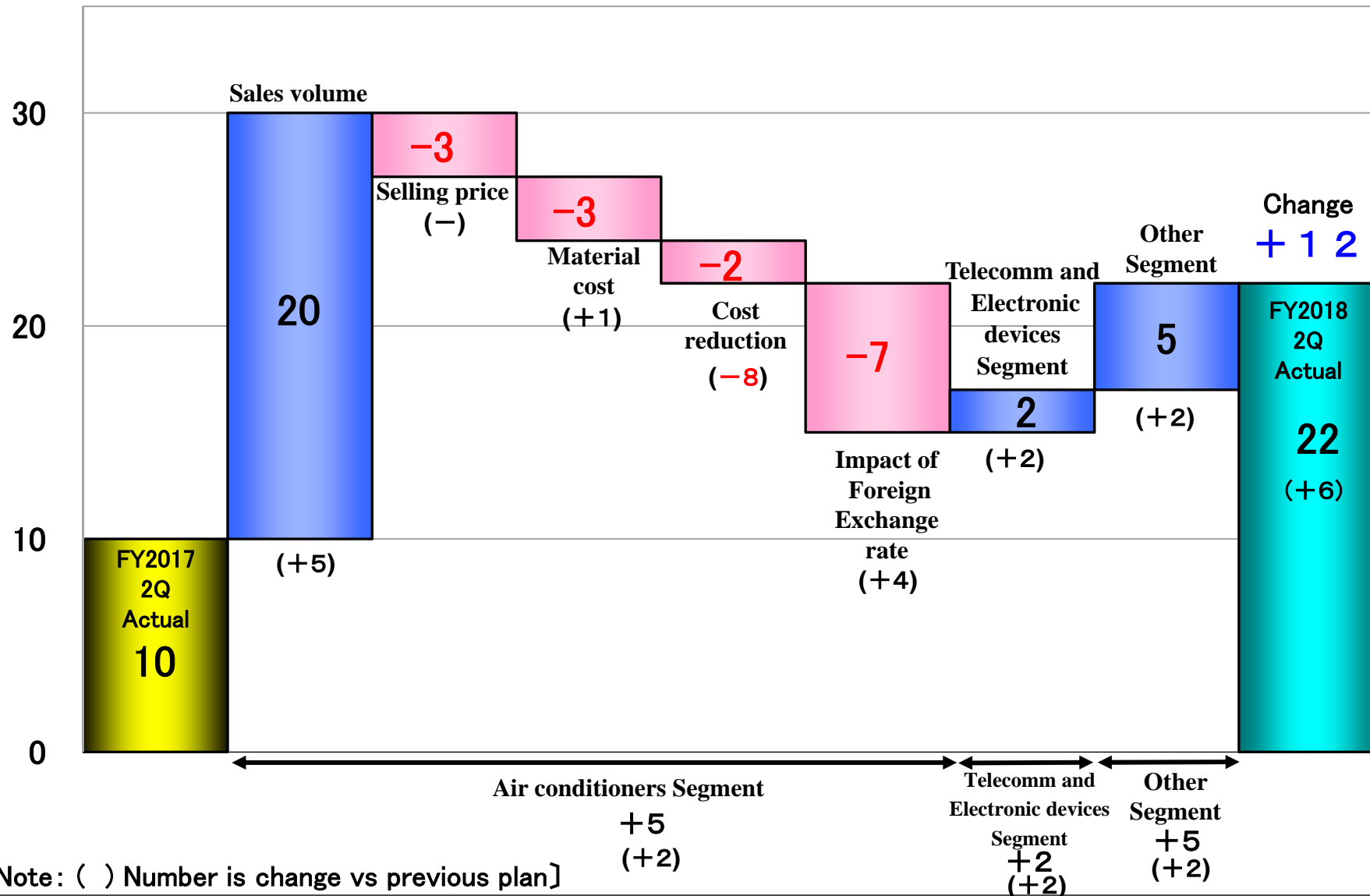
	FY2017(Actual)					FY2018(Actual)		Change		
	1Q	2Q	3Q	4Q	Total	1Q	2Q	2Q	%	Local currency base
<b>Japan</b>	179	153	75	145	552	171	190	37	24%	24%
<b>Americas</b>	59	83	57	150	349	47	87	4	3%	9%
<b>Europe</b>	153	76	89	176	494	146	110	34	45%	46%
<b>Middle East and Africa</b>	57	63	59	158	337	39	36	-27	-42%	-42%
<b>Oceania</b>	37	70	63	82	252	32	68	-2	-4%	4%
<b>Asia</b>	45	18	9	84	156	39	28	10	64%	63%
<b>Greater China</b>	65	50	45	49	209	68	41	-9	-18%	-17%
<b>Total</b>	595	513	397	844	2,349	542	560	47	9%	11%
(Overseas Total)	(416)	(360)	(322)	(699)	(1,797)	(371)	(370)	(10)	(3%)	(6%)

[Note2: sales to external customers]

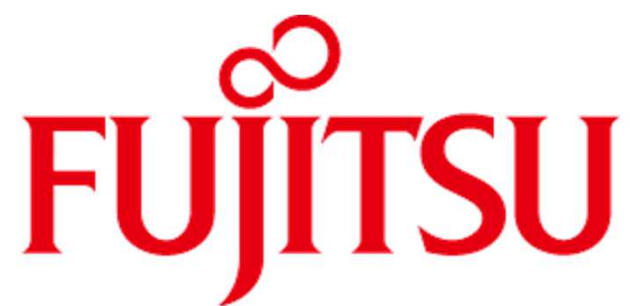
<Reference Information> Analysis of consolidated Operating income  
 [FY2018 Second Quarter] (vs previous year)



(Hundred Million Yen)



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

The logo features the word "FUJITSU" in a bold, red, serif font. Above the letter "I" is a red infinity symbol (∞).

株式会社 富士通ゼネラル