

# Progress and Prospects of Medium-term Plan

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.

# Progress of Medium-term Plan

(Currency : Yen) <b>FY2022 Goal</b>  Net sales : 400 billion Operating income : 40 billion Operating income ratio : 10%	<b>A/C sales Goal</b>  Net sales : 360 billion Compared with FY18 : +120 billion (50% UP) → 5key “Expansion PJ”	<b>Existing</b>	①Expansion of foreign commercial business  ②Aggressive capture of housing equipment route in Japan
		<b>New</b>	③Capture and expansion of Indian market ④Acceleration of collaboration in North America ⑤Product development utilizing external forces

## Existing business : Organic growth

- ① Expansion of foreign commercial business
  - ◇ Expand line-up of our own products, Strengthen sales systems
    - Serialize small VRF(compact and low noise) , introduction of new PAC
    - Strengthen technical support, SE, training facility, showroom
    - Synergy by products of new range (Chiller, Air Handling Units, peripheral equipment) and strengthening service maintenance
- ② Aggressive capture of housing equipment route in Japan
  - ◇ New business development and expansion of existing customers are going forward consistently
    - Proposal of equipment, works, services by direct sales from manufactures

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## New business : collaboration • M&A

⇒ Full-scale build up from FY2019

### ③ Capture and expansion of Indian market

- ◇ Expansion of business by making joint venture into a subsidiary
  - Entry into market of "standard model" in residential A/C
  - Strengthen cost competitiveness by local production
  - Establishment of subsidiary to plan and action Indian strategy
- ◇ Entry into business for design, installation, service maintenance
  - By making ABS into a subsidiary, entry into business in new area + expand sales of commercial use A/C
  - Considering other collaborations and partnership

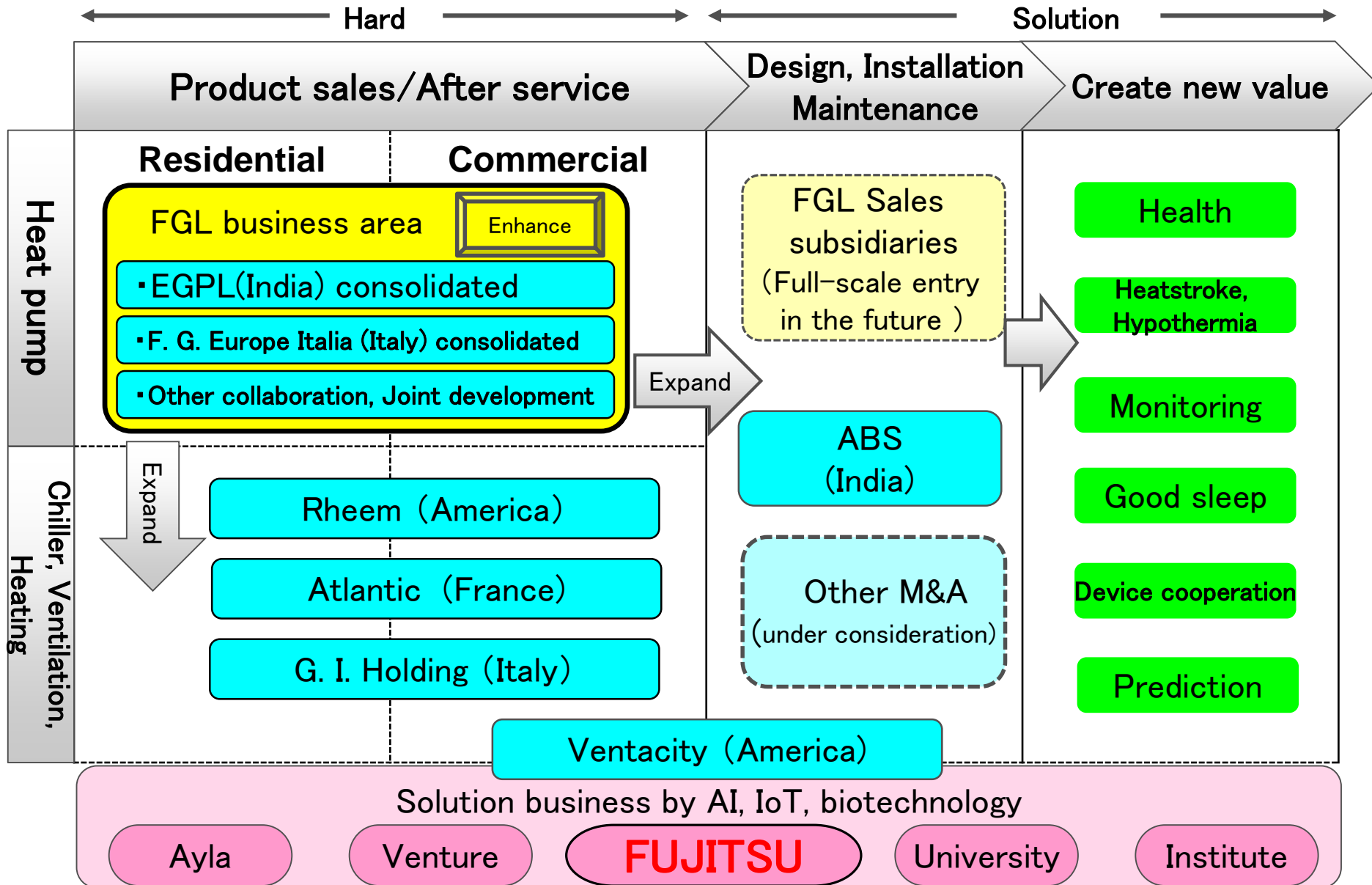
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## New business : collaboration • M&A

- ④ Acceleration of collaboration in North America
  - ◇Expansion of mutual supply and promotion of joint development with Rheem
  - ◇Entry into business for Ventilation and solution by Investing capital for Ventacity
- ⑤ Product development utilizing external forces
  - ◇Enhance business by making Italian distributor into a subsidiary
  - ◇Start business with G.I. Holding, products and joint development
  - ◇Enhance joint development of ATW and so on with Atlantic(France)
  - ◇Expand business area by taking other project(not announced)

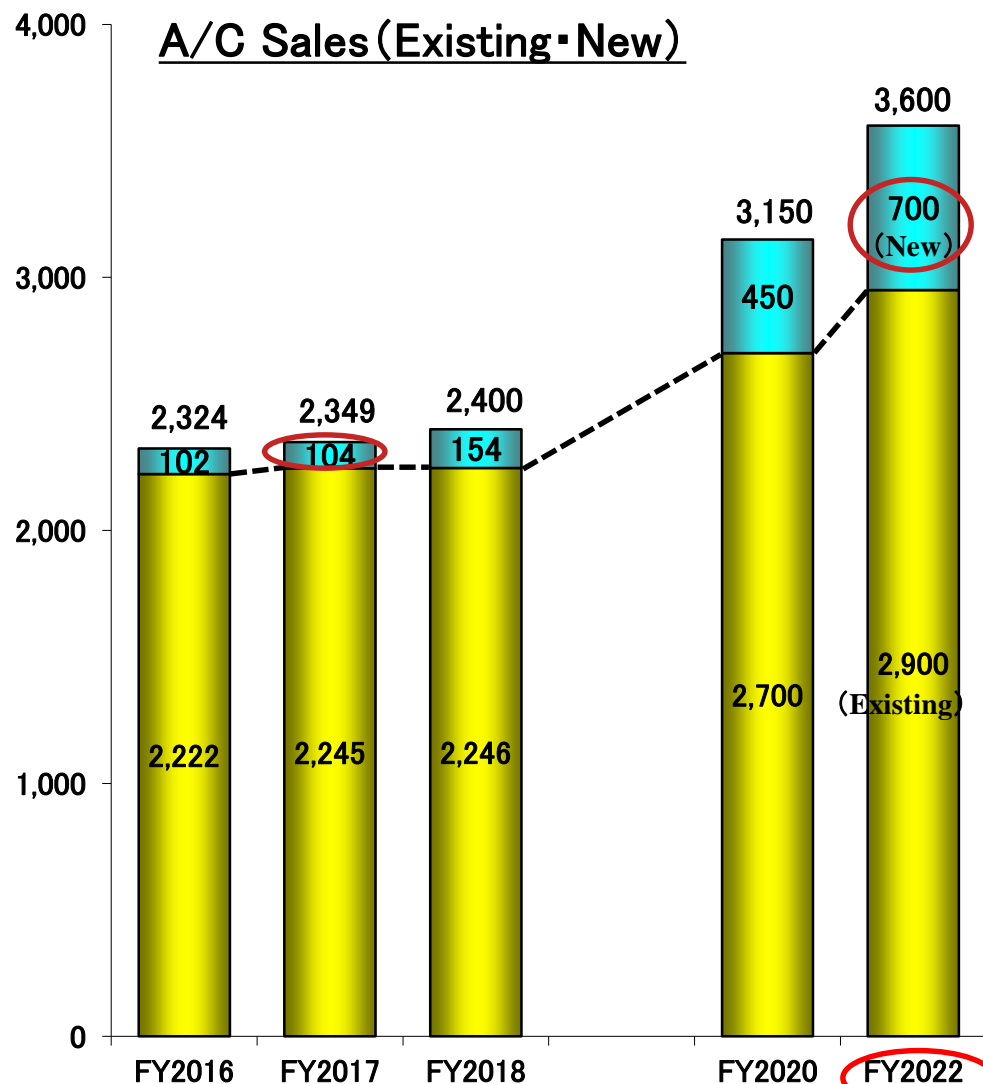
# Conceptual scheme of A/C business



# Progress of Medium-term Plan

(Hundred Million Yen)

## A/C Sales (Existing+New)



## [New business]

	FY2018	FY2020	FY2022	compared with FY2018
India※	106	320	450	+344
North America	24	50	100	+76
Europe	7	20	50	+43
the others	17	60	100	+83
<b>Total</b>	<b>154</b>	<b>450</b>	<b>700</b>	<b>+546</b>

## [Existing business]

Retail store	357	350	350	▲7
Housing Industry	221	250	300	+79
Domestic total	578	600	650	+72
RAC	1,440	1,750	1,850	+410
VRF	194	300	350	+156
the Others	34	50	50	+16
Overseas total	1,668	2,100	2,250	+582
<b>Total</b>	<b>2,246</b>	<b>2,700</b>	<b>2,900</b>	<b>+654</b>

A/C Total	2,400	3,150	3,600	+1,200
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※Including consolidation results of joint venture

# Progress of Medium-term Plan

## 【FY2018 A/C Sales Goal: 240 billion yen】

- ◇ Reviewing announced plan in April (255 billion yen) due to 1<sup>st</sup> half results and market trends for each area (depression in the Middle East, reviewing 2<sup>nd</sup> half plan for each area)

## 【FY2022 A/C Sales Goal: 360 billion yen】

- ◇ Forecast to be generally as planned, though there are some concerns in existing business, there are new collaboration and M&A in new business

### Existing business: Organic growth

- ◇ Development of housing equipment route in Japan and expansion of foreign commercial business are going forward consistently
- ◇ Lengthening stagnation in the Middle East market and uncertainty in the Chinese market are factors of concern <Negative factor>

### New business: collaboration・M&A

- ◇ The project to make ABS (India) and Italian distributor into subsidiaries takes shape
- ◇ Increase new projects under consideration <Positive factor>  
⇒ Recover depression in the Middle East

# Create new value based on pioneering

- ◇ Department dedicated “ Being Innovative Group (B.I.G.) ”  
 (Established in Nov 2016. ) → Working toward the commercialization for  
 “Wearable Cooling Device” and other products
- ◇ Company-wide project called “Ideathon”, 10%-rule  
 → Research theme: “Generation of Drinking Water” “Pursuit easy  
 installation and serviceability for A/C”

## 【Exhibition of Wearable Cooling Device at CEATEC Japan (Oct,2018)】



For “Wearable Cooling Device”, the B.I.G. is playing the leading role in working toward the commercialization in cooperation with WIN Human Recorder Company Limited.





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.

株式会社 富士通ゼネラル