Business

Fujitsu General Group Businesses

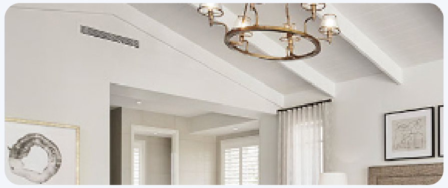
Reorganization of business lines to achieve high profitability

In order to achieve a structure with high profitability, in October 2024, we consolidated our business lines into two businesses: the "Air conditioner Business" and "Tech Solutions Business."

Air Conditioner Business

Residential Air Conditioners (wall-mounted, floor-mounted)

Residential Air Conditioners (ceiling cassette, ducts)



Multi air conditioners for large buildings (VRF)

Air-to-Water (hot water heating systems by heat pump)

Unitary air conditioners (duct-type whole-house air conditioners)

Service solutions

Tech Solutions Business

Information & Communication System (firefighting and disaster prevention)


Firefighting systems


Disaster prevention wireless systems

Information & Communication System (private demand systems)

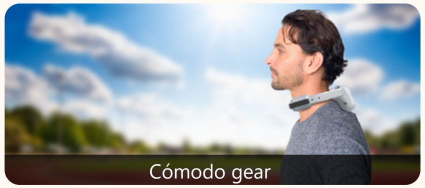

Restaurant industry solutions

Outpatient information solutions for the healthcare industry

Electronic Devices


EMS (development and contracted manufacturing)

New businesses


Cómodo gear

Air Conditioner Business [FY2023 results]

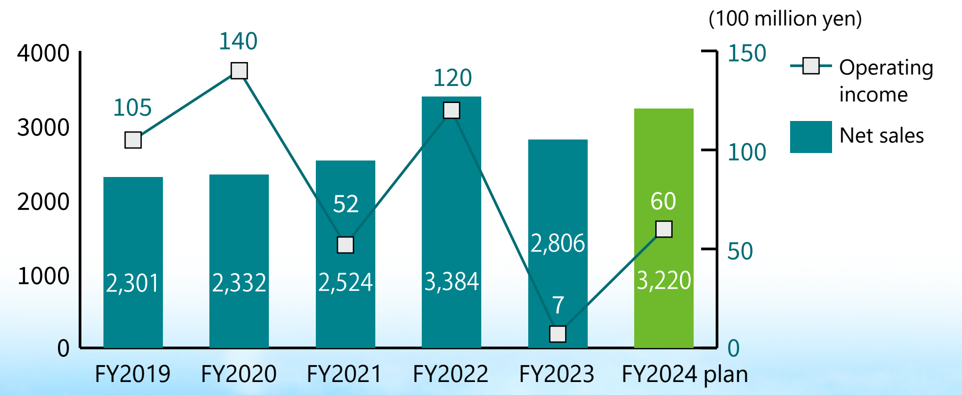
FY2023 results

In the domestic room air conditioner market in Japan, the number of units shipped was lower than in the previous fiscal year across the industry, owing to a fallback from the high levels of the previous fiscal year, rising prices, changes in consumer behavior, and other factors, despite record heat during the summer. At Fujitsu General, shipments normalized during the fiscal year under review, in contrast to the previous fiscal year, when shipments were down significantly owing to lockdowns in Shanghai. As a result, sales recovered, mainly for the housing equipment route, particularly for highly energy-efficient units, and we also focused on improving sales prices, resulting in higher sales.
Overseas, sales were down compared with the previous fiscal year, owing partly to lower sales of Air-to-Water (hot water heating systems by heat pump) to the European market, as well as the significant effect of strong shipments to the Middle East and North American markets in the previous fiscal year.
Additionally, despite significant progress in shipping backorders that arose in the previous fiscal year due to supply delays in line with the normalization of the supply chain, additional orders from sales distributors, etc., were decreased owing to the elimination of concerns about product supply, and dealer inventories were high because of slow demand in each region and other factors. As a result, the elimination of local inventories in North America and elsewhere took longer than initially expected. Under these conditions, we limited shipments and prioritized the promotion of local sales.

Net sales: **2,806** hundred million yen

Japan: **491** hundred million yen	Americas: **402** hundred million yen	Europe: **698** hundred million yen
Middle East and Africa: **236** hundred million yen	Oceania: **366** hundred million yen	Asia: **468** hundred million yen
		Greater China: **145** hundred million yen

Business performance (Air Conditioner Business)



[FY2024 plan]

Air Conditioner Business net sales (FY2024 plan)

Increase in sales (3,220 hundred million yen, +414 hundred million yen, +12% YoY on local currency basis)
- In Japan, we expect higher sales, based on fierce heat nationwide during the peak demand season, as well as our expectation of strong sales for the housing equipment route.
- We are planning to increase our revenue in North America. This is due to the fact that last year we were focused on reducing inventory, which limited shipments, but this year we expect sales of room air conditioners to recover, and a temporary increase in demand before stricter environmental regulations in the United States will also have an impact.
- In Europe, we expect lower sales, owing partly to lower sales of room air conditioners caused by unseasonal weather in the first half of the year, as well as high dealer inventories of Air-to-Water (hot water heating systems by heat pump).
- In the Middle East and Africa, we expect higher sales, as a result of supplying major projects in the first half of the year, and other factors.
- In Oceania, we expect an increase in sales of ducted air conditioning units due to the strengthening of our product lineup, and we also anticipate steady sales in our solutions business, leading to plans for increased revenue.
- In Asia, room air conditioner sales are increasing thanks to strong demand caused by fierce heat in the first half period in our mainstay market, India. We also expect good progress on solution projects, leading to plans for increased revenue.

	FY2024 plan	YoY	YoY (percentage change)
Air Conditioner Business as a whole	**3,220 hundred million yen**	**414 hundred million yen**	**15%**
Japan	500 hundred million yen	9 hundred million yen	2%
Americas	550 hundred million yen	148 hundred million yen	37%
Europe	680 hundred million yen	-18 hundred million yen	-3%
Middle East and Africa	340 hundred million yen	104 hundred million yen	44%
Oceania	450 hundred million yen	84 hundred million yen	23%
Asia	560 hundred million yen	92 hundred million yen	20%
Greater China	140 hundred million yen	-5 hundred million yen	-3%

Air Conditioner Business operating income (FY2024 plan)

Increase in profit (60 hundred million yen, +53 hundred million yen, 7.2x)
- We expect higher expenses associated with efforts to strengthen our business, and the outlook for materials prices and foreign exchange rates is unclear, but we expect higher profits from increased sales due to efforts to expand sales, as well as the promotion of overall measures to reduce costs.

Tech Solutions Business [FY2023 results]

FY2023 results (Information & Communication System)

Net sales were ¥20,951 million (+54.9% YoY).

In public systems, the number of projects under discussion has been increasing, particularly for firefighting command systems and firefighting wireless systems, amid the full-fledged move toward wide-area and jointly operated firefighting and subsidies for infrastructure projects for disaster prevention and mitigation. Additionally, the supply of previously ordered systems has progressed smoothly, and sales of private-sector systems have also risen, resulting in an overall increase in sales. Also, there has been a steady influx of orders for projects to be supplied next fiscal year.

Net sales:
209 hundred million yen

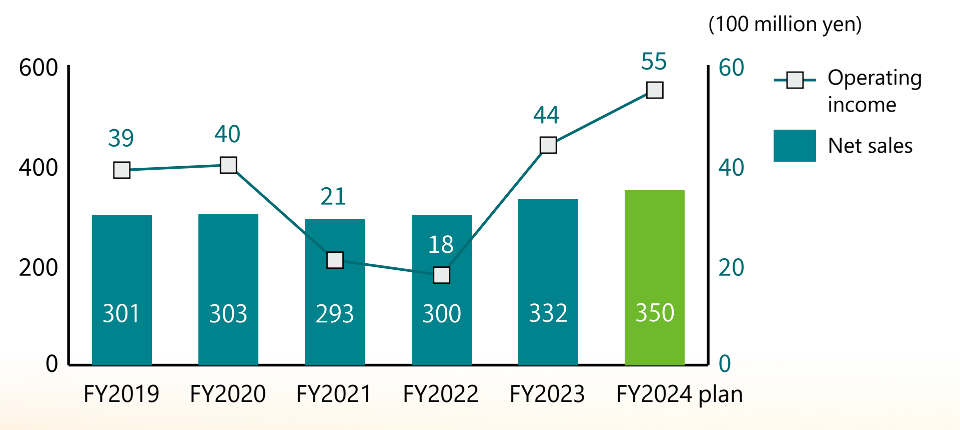
FY2023 results (Electronic Devices)

Net sales were ¥12,254 million (-25.3% YoY).

Although sales of in-vehicle cameras exceeded the previous fiscal year as automotive production recovered, net sales fell as weak capex in China resulted in lower sales in the industrial robot electronic component and unit manufacturing sector.

Net sales:
123 hundred million yen

Business performance (Tech Solutions Business)



*The reportable segment "Information & Communication System and Electronic Devices" was changed to the "Tech Solutions Business" from October 1, 2024.

[FY2024 plan]

Tech Solutions Business net sales (FY2024 plan)

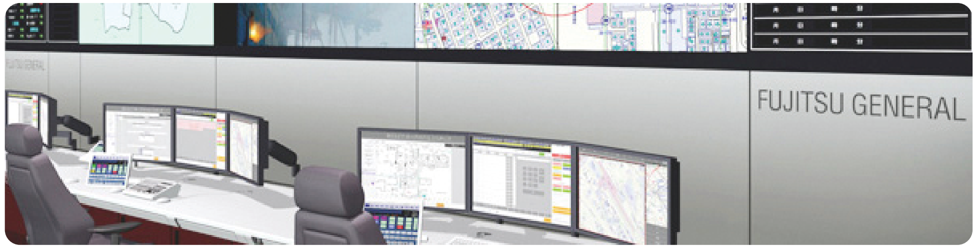
Increase in sales (3,000 hundred million yen, +194 hundred million yen, +11% YoY on local currency basis)

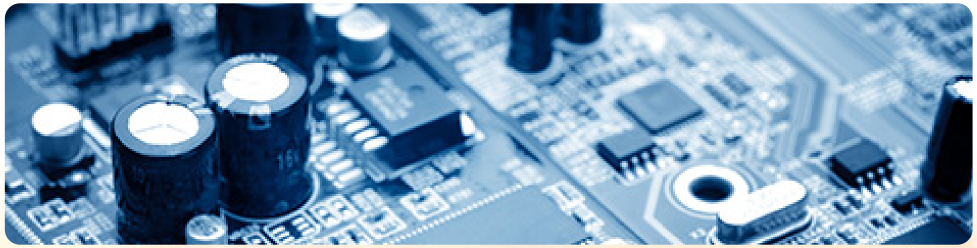
- In Information & Communication System, we plan for higher sales based on our expectation of good progress on supplying previously ordered systems, amid an increase in the number of projects under discussion, particularly firefighting command systems and firefighting wireless systems.
- In Electronic Devices, we expect lower sales, based on our view that sales will fall as a result of weak capex in China in the industrial robot electronic component and unit manufacturing sector, as well as lower sales of in-vehicle cameras.

	FY2024 plan	YoY	YoY (percentage change)
Tech Solutions Business as a whole	**350 hundred million yen**	**18 hundred million yen**	**5%**
Information & Communication System	255 hundred million yen	46 hundred million yen	22%
Electronic Devices	95 hundred million yen	-28 hundred million yen	-22%

Tech Solutions Business operating income (FY2024 plan)

Increase in profit (55 hundred million yen, +11 hundred million yen, +24%)





*In line with a change in segments, the name "Tech Solutions Business" has been used, but as the impact is currently being calculated, only the name has been changed, and figures for the existing "Information & Communication System and Electronic Devices Business" have been provided for the FY2024 plan.