

February 7, 2017

Company Name:	Fuji Electric Co., Ltd.
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(Code Number: 6504; Tokyo Stock Exchange, First Section)	
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Company Name:	Fujitsu Limited
Representative:	Tatsuya Tanaka, Representative Director and President
(Code Number: 6702; Tokyo Stock Exchange, First Section)	
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Notice Regarding Review of Cross-Shareholdings with Major Shareholder

Fuji Electric Co., Ltd. (“Fuji Electric”) and Fujitsu Limited (“Fujitsu”) hereby announce that it was determined that the cross-shareholding relationship between Fuji Electric and Fujitsu will be changed as follows:

Particulars:

1. Background of Change

Fujitsu was incorporated in 1935 as a subsidiary of Fuji Electric Manufacturing Co., Ltd. (the predecessor of Fuji Electric) by succeeding to the rights to manufacture and sell telephone switching systems, telephone equipment and loading coils. Since then, Fuji Electric and Fujitsu have maintained and strengthened their cooperative relationship with each other through cross-shareholdings, while Fujitsu has maintained its independence from Fuji Electric.

Currently, each of Fuji Electric and Fujitsu holds over 10% of the total number of issued and outstanding shares (excluding treasury stock) of the other company, and as a result, each of the companies is the largest equity investor of the other company, excluding our group companies.

Until recently, the foregoing cooperative relationship between both companies has had the effect of stabilizing business management. At present, however, each of Fuji Electric and Fujitsu concentrates on a different business area. Therefore, each company has been reviewing the appropriateness of remaining the largest equity investor of the other, in light of capital efficiency considerations and interests of other shareholders.

Based on these considerations, the companies have also incrementally terminated the practice of appointing directors to each other’s Board of Directors.

As Fuji Electric and Fujitsu further concluded that their cross-shareholding relationship can be changed taking into consideration respective management circumstances and market environments, each has adopted the policy to sell the shares held by each other.

2. Method of Sale of Shares

(1) Sale by Fuji Electric of Fujitsu Shares

Fujitsu will conduct a secondary offering of its shares in overseas markets. For this purpose, Fujitsu will determine the offering price on a day during the period from February 8, 2017 to February 10, 2017, and in line with this, Fuji Electric will sell 168,893,000 Fujitsu shares.

(2) Sale by Fujitsu of Fuji Electric Shares

Fujitsu intends to sell Fuji Electric shares, taking into account stock movements, but the timing of such sale and the number of Fuji Electric shares to be sold have not yet been determined. As a result, the largest shareholder (and a major shareholder) of Fuji Electric may change depending on the number of shares sold.

Although Fujitsu intends to execute repurchases by means of market trade for the purpose of easing the impact on existing shareholders of the above-mentioned secondary offering, Fuji Electric may cancel the sale of Fujitsu shares it holds if the stock price of Fujitsu shares decreases below a certain level. In such case, Fujitsu will cancel its repurchases and its planned sale of Fuji Electric shares. For details of the repurchases, please refer to the “Notice Regarding Determination of Matters Concerning Repurchases” announced by Fujitsu this day.

3. Future Outlook

Both Fuji Electric and Fujitsu intend to hold the remaining shares of the other company for the time being after the implementation of the above-mentioned sale of the other company's shares, in order to maintain their cooperative relationship.

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