

Group Reorganization of the Semiconductor Business (Notice of Agreement for the Merger through Absorption (Simplified Absorption-type Merger) with a Consolidated Subsidiary of Fujitsu Limited)

Tokyo, January 30, 2020 — Fujitsu Limited (herein after referred to as “Fujitsu”) announced a resolution made today at its Board of Directors Meeting to implement a group reorganization (herein after referred to as “the Reorganization”) of the semiconductor business in the Fujitsu Group. This will include an absorption-type merger (herein after referred to as “the Merger”) with Fujitsu being the succeeding company and Fujitsu Semiconductor Limited (hereinafter referred to as “FSL”), a wholly-owned subsidiary of Fujitsu, being the absorbed company, and hereby gives notice to that effect as stated below.

Since this is a simplified absorption-type merger to be implemented between Fujitsu and its wholly-owned subsidiary, certain disclosure items and details have been omitted from this notice.

1. Purpose of the Reorganization

In line with its Management Direction, Fujitsu has advanced the concentration of management resources to Technology Solutions as its core business. On the other hand, regarding the semiconductor business, Fujitsu has built a group structure with FSL managing the entire business to strengthen the company with an independent business.

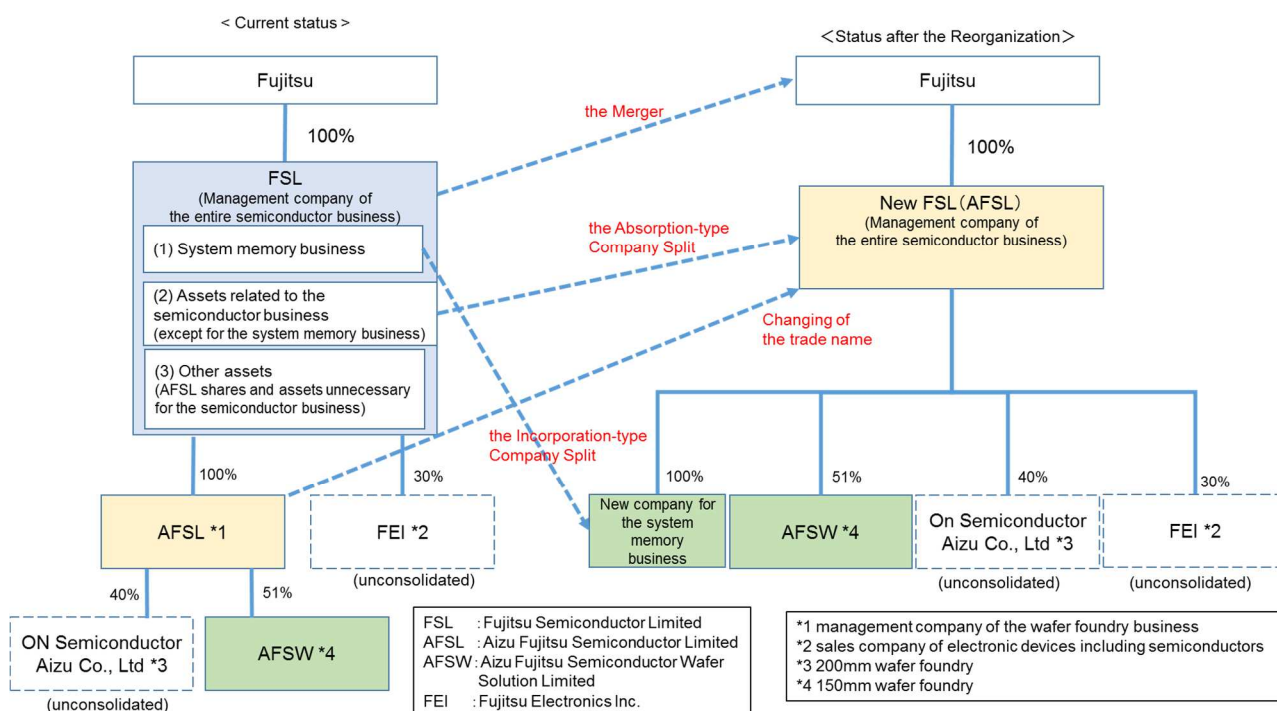
Furthermore, Fujitsu has steadily carried out reforms toward optimal formation through measures related to the FSL Group. These include the separation of Aizu Fujitsu Semiconductor Manufacturing Limited, a 200mm wafer foundry (currently ON Semiconductor Aizu Co., Ltd), and Fujitsu Electronics Inc., a sales company of electronic devices including semiconductors, into unconsolidated companies, as well as the transferring of Mie Fujitsu Semiconductor Limited, a 300mm wafer foundry (currently United Semiconductor Japan Co., Ltd.), to United Microelectronics Corporation in October 2019.

The scale of the semiconductor business has changed considerably from the past through these reforms. Accordingly, Fujitsu has officially decided to implement the reorganization to optimize the scale of FSL to meet the current situation, further strengthening competitiveness, enhancing operational effectiveness and clarifying responsibilities in the 150mm wafer foundry and the system memory business.

<Overview of the Reorganization>

The following changes will take place in order from (1) to (4) on March 31, 2020.

- (1) Split the system memory business of FSL through a company split (incorporation-type company split) (herein after referred to as “the Incorporation-type Company Split”) to accelerate the decision-making process and clarify responsibilities in the system memory business.
- (2) Transfer the assets related to the semiconductor business, owned by FSL, to Aizu Fujitsu Semiconductor Limited (hereinafter referred to as “AFSL”) through a company split (absorption-type company split) (herein after referred to as “the Absorption-type Company Split”) to concentrate management resources of the semiconductor business to AFSL.
- (3) Conduct an absorption-type merger with Fujitsu being the surviving company and FSL being the absorbed company to integrate AFSL shares and assets unnecessary for the semiconductor business, both of which have been possessed by FSL, into Fujitsu (the Merger).
- (4) Change the trade name of AFSL to Fujitsu Semiconductor Limited, which will manage the entire semiconductor business as the new FSL that is optimized to meet the current scale of the semiconductor business.



2. Summary of the Merger

(1) Schedule

Because the Merger meets the requirements of simplified absorption-type merger, it will be carried out without the approval of a resolution at the Shareholders' Meeting of Fujitsu.

Date of resolution by Board of Directors of Fujitsu:	January 30, 2020 (today)
Date agreement for the Merger was concluded:	January 30, 2020 (today)
Effective date of the Merger:	March 31, 2020 (scheduled)

(2) Method of the Merger

The Merger will be conducted through an absorption-type merger method in which Fujitsu will be the surviving company and FSL will be dissolved as the absorbed company.

(3) Allocation of Consideration for the Merger

No shares will be issued or consideration paid in conjunction with the Merger.

(4) Treatment of Share Subscription Rights and Bonds with Share Subscription Rights

FSL has not issued share subscription rights or bonds with share subscription rights.

3. Overview of the Merger

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Semiconductor Limited
Address	Kawasaki, Kanagawa, Japan	Yokohama, Kanagawa, Japan
Representative	Takahito Tokita, President	Kagemasa Magaribuchi, President
Business Description	Development, manufacturing and sales of software as well as products in information processing and	Designing, development, manufacturing and sales of system memories; management of the semi-

	communications; the provision of services	conductor businesses in the Fujitsu Group companies	
Capital	324,625 million yen	60,000 million yen	
Date Established	June 20, 1935	March 21, 2008	
Number of Shares Issued	207,001,821 shares	6,024,000 shares	
Fiscal Year-End	March 31	March 31	
Major Shareholders and Percentage of Shares Held (as of September 30, 2019)	Shareholder	%	Fujitsu Limited, 100% shareholder
	Ichigo Trust Pte. Ltd.	7.35%	
	The Master Trust Bank of Japan, Ltd. (for trust)	6.39%	
	Japan Trustee Services Bank, Ltd. (for trust)	5.33%	
	Fuji Electric Co., Ltd.	2.94%	
	SSBTC CLIENT OMNIBUS ACCOUNT	2.77%	
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2019)	(Consolidated) (Unit: Million Yen, except per share data) Equity: 1,253,630 Total Assets: 3,104,842 Equity per Share Attributable to Owners of the Parent: 5,585.35 Revenue: 3,952,437 Operating Profit: 130,227 Profit before Income Taxes: 161,785 Profit for the Year Attributable to Owners of the Parent: 104,562 Basic Earnings per Share: 512.50 Diluted Earnings per Share: 512.33 *Fujitsu has adopted International Financial Reporting Standards (IFRS) for the preparation of consolidated financial statements.	(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 96,790 Total Assets: 123,246 Net Assets per Share: 16,067 Net Sales: 28,277 Operating Income: 854 Recurring profit: 10,977 Net Profit: 7,868 Net Profit per Share: 1,306 As mentioned in "1. Purpose of the Reorganization," the Incorporation-type Company Split and the Absorption-type Company Split will precede the Merger. Consequently, the financial standing immediately before the Merger is scheduled to be as below. Net assets: 90,877 million yen Total assets: 93,598 million yen Net assets per share: 15,085 yen	

4. Status After the Merger

After the Merger, there will be no changes to Fujitsu's company name, address, name and title of representative, business description, capital, or fiscal year-end.

5. Business Impact

The impact of the Merger on Fujitsu's consolidated financial results is insignificant.

Press Contacts:

Fujitsu Limited
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Inquiries: <https://www.fujitsu.com/global/about/resources/news/presscontacts/form/index.html>

About Fujitsu

Fujitsu is the leading Japanese information and communication technology (ICT) company, offering a full range of technology products, solutions, and services. Approximately 132,000 Fujitsu people support customers in more than 100 countries. We use our experience and the power of ICT to shape the future of society with our customers. Fujitsu Limited (TSE: 6702) reported consolidated revenues of 4.0 trillion yen (US \$36 billion) for the fiscal year ended March 31, 2019. For more information, please see www.fujitsu.com.