

Notice of Agreements for the Mergers through Absorption (Simplified Absorption-type Merger) of Consolidated Subsidiaries (11 SI group companies) of Fujitsu Limited and Recording of an extraordinary profit on the non-consolidated performance

Tokyo, January 28, 2021 — Fujitsu Limited (herein after referred to as “Fujitsu”) announced today that Fujitsu has made a resolution at its board of directors meeting held today that effective on April 1, 2021, its consolidated subsidiaries, Fujitsu Broad Solution & Consulting Inc. (hereinafter referred to as “BSC”), Fujitsu Social Science Laboratory Limited (hereinafter referred to as “SSL”), Fujitsu Software Technologies Limited (hereinafter referred to as “FST”), Fujitsu Advanced Engineering Limited (hereinafter referred to as “FAE”), Fujitsu Public Solutions Limited (hereinafter referred to as “FPSOL”), Fujitsu Applications Limited (hereinafter referred to as “FAP”), Fujitsu Systems Web Technology Limited (hereinafter referred to as “FSWEB”), Fujitsu Kyushu Systems Limited (hereinafter referred to as “FJQS”), Fujitsu Hokuriku Systems Limited (hereinafter referred to as “FJH”), Fujitsu Systems Applications & Support Limited (hereinafter referred to as “FJAS”), Okinawa Fujitsu Systems Engineering Limited (hereinafter referred to as “OKS”; BSC, SSL, FST, FAE, FPSOL, FAP, FSWEB, FJQS, FJH, FJAS and OKS are collectively referred herein as “the target companies”) will merger with Fujitsu and it has concluded agreements for absorption type mergers with the target companies.

Because Fujitsu’s mergers with BSC (Merger 1), SSL (Merger 2), FST (Merger 3), FAE (Merger 4), FPSOL (Merger 5), FAP (Merger 6), FSWEB (Merger 7), FJQS (Merger 8), FJH (Merger 9), FJAS (Merger 10), and OKS (Merger 11; Merger 1, Merger 2, Merger 3, Merger 4, Merger 5, Merger 6, Merger 7, Merger 8, Merger 9, Merger 10 and Merger 11 are collectively referred herein as “the mergers”) are absorption-type mergers of consolidated subsidiaries, certain disclosure items and details have been omitted from this notice.

1. Purpose of the Mergers

Fujitsu has been starting operation which positioned Fujitsu Japan Ltd. as the core of its domestic business from October 2020, identifying “Strengthening issue resolution capabilities in Japan” as an issue to address in order to achieve its “Purpose” announced in the Management Direction presentation given in July 2020. With regard to the initiative, “Contributing to customers’ greater business stability,” Fujitsu is now working to transform its global delivery function (the functions to design, develop, deploy, operate, and maintain systems related to solution services; referred herein as “the delivery function”) to raise the productivity of the solution service business.

To accelerate these efforts, Fujitsu will absorb and merge with 11 major system integration (SI) group companies in Japan on April 1, 2021.

Through this absorption-type merger, Fujitsu will establish a new structure by consolidating the delivery function of Fujitsu and development functions of SI group companies to further enhance productivity, as well as increasing the competitiveness of products through consolidating the knowledge gained from solutions businesses spread across the Fujitsu group, in order to enhance the Fujitsu group’s competitiveness.

2. Summary of the Mergers

(1) Schedule

Because the mergers meet the requirements of simplified absorption-type mergers, Fujitsu will carry it out without the approval of a resolution at the Shareholders’ Meeting.

Date of resolution by Board of Directors: January 28, 2021 (today)

Date agreements for the mergers were concluded: January 28, 2021 (today)

Effective date of the mergers: April 1, 2021 (scheduled)

(2) Method of the Mergers

The mergers will be conducted through an absorption-type mergers method in which Fujitsu will be the surviving company and the target companies will be dissolved as the absorbed company.

(3) Allocation of Consideration for the Mergers

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

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

The target companies have not issued share subscription rights or bonds with share subscription rights.

3. Overview of the Merger

Merger 1

	Surviving Company		Absorbed Company
Company Name	Fujitsu Limited		Fujitsu Broad Solution & Consulting Inc.
Address	Kawasaki, Kanagawa, Japan		Minato-ku, Tokyo, Japan
Representative	Takahito Tokita, CEO and Representative Director		Koji Oka, President and Representative Director
Business Description	Manufacturing and sales of communications systems and information processing systems, and provision of related services.		Development and sale of software and provision of services
Capital	324,625 million yen		100 million yen
Date Established	June 20, 1935		November 20, 1963
Number of Shares Issued	207,001,821 shares		11,799,440 shares
Fiscal Year-End	March 31		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020) ※The Percentage of Shares Held is calculated after exclusion of treasury stock holdings.	Shareholder	%	Fujitsu Limited, 100% shareholder
	The Master Trust Bank of Japan, Ltd. (for trust)	8.59%	
	Ichigo Trust Pte. Ltd.	7.44%	
	Custody Bank of Japan, Ltd. (for trust)	5.77%	
	Fuji Electric Co., Ltd.	2.97%	
	Fujitsu Employee Shareholding Association	2.31%	
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)	(Consolidated) (Unit: Million Yen, except per share data) Equity: 1,348,435 Total Assets: 3,187,445 Equity per Share Attributable to Owners of the Parent: 6,197.11 Revenue: 3,857,797 Operating Profit: 211,483		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 17,968 Total Assets: 23,414 Net Assets per Share: 1,522.86 Net Sales: 30,830 Operating Income: 2,029 Ordinary Income: 1,990 Net Profit: 779

	Profit before Income Taxes: 228,564 Profit for the Year Attributable to Owners of the Parent: 160,042 Basic Earnings per Share: 791.20 Diluted Earnings per Share: 790.76 *Fujitsu has adopted International Financial Reporting Standards (IFRS) for the preparation of consolidated financial statements.	Net Profit per Share: 66.03
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Merger 2

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Social Science Laboratory Limited
Address		Kawasaki, Kanagawa, Japan
Representative		Keisuke Doi, President and Representative Director
Business Description		Software development and system development
Capital		450 million yen
Date Established		July 12, 1972
Number of Shares Issued		900,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)	Omitted	Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 3,505 Total Assets: 14,342 Net Assets per Share: 3,894.64 Net Sales: 29,238 Operating Income: 3,117 Ordinary Income: 3,152 Net Profit: 2,202 Net Profit per Share: 2,447.47

Merger 3

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Software Technologies Limited
Address		Yokohama, Kanagawa, Japan
Representative	Omitted	Masato Nitta, President and Representative Director

Business Description		System integration (Design/development and quality improvement support), software development/maintenance and application support, provision of related products (products and services), operation of various support centers
Capital		100 million yen
Date Established		June 20, 2005
Number of Shares Issued		4,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)		Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 3,683 Total Assets: 8,921 Net Assets per Share: 920,998.90 Net Sales: 19,466 Operating Income: 2,621 Ordinary Income: 2,619 Net Profit: 1,717 Net Profit per Share: 429,343.49

Merger 4

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Advanced Engineering Limited
Address		Shinjuku-ku, Tokyo, Japan
Representative		Hideaki Hirayama, President and Representative Director
Business Description		Software design and development, operation and maintenance services
Capital		100 million yen
Date Established		December 20, 1977
Number of Shares Issued		2,400,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)	Omitted	Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 4,353 Total Assets: 19,254

		Net Assets per Share: 1,814.02 Net Sales: 40,810 Operating Income: 3,537 Ordinary Income: 3,532 Net Profit: 2,296 Net Profit per Share: 956.75
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Merger 5

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Public Solutions Limited
Address		Chiba, Chiba, Japan
Representative		Naokazu Hazeyama, President and Representative Director
Business Description		Contract development and sales of software
Capital		100 million yen
Date Established		July 1, 1985
Number of Shares Issued		2,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)	Omitted	Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 1,155 Total Assets: 3,927 Net Assets per Share: 577,624.42 Net Sales: 6,468 Operating Income: 448 Ordinary Income: 446 Net Profit: 288 Net Profit per Share: 144,362.68

Merger 6

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Applications Limited
Address		Ota-ku, Tokyo, Japan
Representative		Kyouji Arakaki, President and Representative Director
Business Description	Omitted	Technical support related to computer software development and development technology
Capital		100 million yen
Date Established		April 17, 2002
Number of Shares Issued		6,000 shares

Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)		Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 1,377 Total Assets: 2,767 Net Assets per Share: 229,662.45 Net Sales: 4,597 Operating Income: 565 Ordinary Income: 565 Net Profit: 360 Net Profit per Share: 60,051.58

Merger 7

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Systems Web Technology Limited
Address		Minato-ku, Tokyo, Japan
Representative		Toshio Hashimoto, President and Representative Director
Business Description		Development, sales and consulting of computer software
Capital		300 million yen
Date Established		June 11, 1997
Number of Shares Issued		6,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)	Omitted	Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 1,047 Total Assets: 1,994 Net Assets per Share: 174,509.14 Net Sales: 3,340 Operating Income: 503 Ordinary Income: 538 Net Profit: 367 Net Profit per Share: 61,208.68

Merger 8

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Kyushu Systems Limited
Address	Omitted	Fukuoka, Fukuoka, Japan

Representative		Yuuichirou Ishii, President and Representative Director
Business Description		Software development, support and sales
Capital		300 million yen
Date Established		July 20, 1981
Number of Shares Issued		6,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)		Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 8,368 Total Assets: 18,748 Net Assets per Share: 1,394,832.50 Net Sales: 37,304 Operating Income: 4,284 Ordinary Income: 4,249 Net Profit: 2,908 Net Profit per Share: 484,745.86

Merger 9

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Hokuriku Systems Limited
Address		Kanazawa, Ishikawa, Japan
Representative		Tooru Sakane, President and Representative Director
Business Description		Software research, development, system integration, consulting, application software development and sales
Capital		120 million yen
Date Established		September 20, 1983
Number of Shares Issued	Omitted	2416 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)		Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 3,941 Total Assets: 9,306 Net Assets per Share: 1,631,238.84

		Net Sales: 19,321 Operating Income: 3,122 Ordinary Income: 3,120 Net Profit: 2,137 Net Profit per Share: 884,595.07
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Merger 10

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Fujitsu Systems Applications & Support Limited
Address		Sendai, Miyagi, Japan
Representative		Seiichi Tamura, President and Representative Director
Business Description		Application Services, Support Services, IDC Services
Capital		100 million yen
Date Established		December 2, 2013
Number of Shares Issued		2,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)	Omitted	Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 1,141 Total Assets: 2,937 Net Assets per Share: 570,991.66 Net Sales: 7,494 Operating Income: 1,477 Ordinary Income: 1,478 Net Profit: 958 Net Profit per Share: 479,148.23

Merger 11

	Surviving Company	Absorbed Company
Company Name	Fujitsu Limited	Okinawa Fujitsu Systems Engineering Limited
Address		Naha, Okinawa, Japan
Representative		Shin Uchida, President and Representative Director
Business Description	Omitted	Consulting, development and operation of system and sales of computer software-related products
Capital		100 million yen
Date Established		December 20, 1982

Number of Shares Issued		2,000 shares
Fiscal Year-End		March 31
Major Shareholders and Percentage of Shares Held (as of September 30, 2020)		Fujitsu Limited, 100% shareholder
Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020)		(Unconsolidated) (Unit: Million Yen, except per share data) Net Assets: 468 Total Assets: 2,080 Net Assets per Share: 234,406.34 Net Sales: 3,773 Operating Income: 322 Ordinary Income: 320 Net Profit: 209 Net Profit per Share: 104,914.05

4. Status After the Mergers

After the mergers, 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 mergers on Fujitsu's consolidated performance is insignificant. In the fiscal year ending March 2022, Fujitsu expects to record approximately 35 billion yen in the gain on extinguishment of tie-in shares.

Note: The above figures include the effect of the merger of Fujitsu Laboratories, Ltd with Fujitsu Limited announced on the same day.

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About Fujitsu

Fujitsu is the leading Japanese information and communication technology (ICT) company offering a full range of technology products, solutions and services. Approximately 130,000 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 3.9 trillion yen (US\$35 billion) for the fiscal year ended March 31, 2020.

For more information, please see www.fujitsu.com