Fujitsu Limited
January 28, 2021

# 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)<br>(Unit: Million Yen, except per share data)<br>Equity: 1,348,435<br>Total Assets: 3,187,445<br>Equity per Share Attributable to Owners of the Parent: 6,197.11<br>Revenue: 3,857,797<br>Operating Profit: 211,483 | | (Unconsolidated)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 17,968<br>Total Assets: 23,414<br>Net Assets per Share: 1,522.86<br>Net Sales: 30,830<br>Operating Income: 2,029<br>Ordinary Income: 1,990<br>Net Profit: 779 |

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

Merger 2

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Social Science Laboratory Limited |
| Address | Omitted | 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) | | Fujitsu Limited, 100% shareholder |
| Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020) | | (Unconsolidated)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 3,505<br>Total Assets: 14,342<br>Net Assets per Share: 3,894.64<br>Net Sales: 29,238<br>Operating Income: 3,117<br>Ordinary Income: 3,152<br>Net Profit: 2,202<br>Net Profit per Share: 2,447.47 |

Merger 3

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

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| 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)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 3,683<br>Total Assets: 8,921<br>Net Assets per Share: 920,998.90<br>Net Sales: 19,466<br>Operating Income: 2,621<br>Ordinary Income: 2,619<br>Net Profit: 1,717<br>Net Profit per Share: 429,343.49 |

Merger 4

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Advanced Engineering Limited |
| Address | Omitted | 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) | | Fujitsu Limited, 100% shareholder |
| Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020) | | (Unconsolidated)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 4,353<br>Total Assets: 19,254 |

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|---|---|---|
| | | Net Assets per Share: 1,814.02<br>Net Sales: 40,810<br>Operating Income: 3,537<br>Ordinary Income: 3,532<br>Net Profit: 2,296<br>Net Profit per Share: 956.75 |

Merger 5

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Public Solutions Limited |
| Address | Omitted | 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) | | Fujitsu Limited, 100% shareholder |
| Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020) | | (Unconsolidated)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 1,155<br>Total Assets: 3,927<br>Net Assets per Share: 577,624.42<br>Net Sales: 6,468<br>Operating Income: 448<br>Ordinary Income: 446<br>Net Profit: 288<br>Net Profit per Share: 144,362.68 |

Merger 6

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Applications Limited |
| Address | Omitted | Ota-ku, Tokyo, Japan |
| Representative | | Kyouji Arakaki, President and Representative Director |
| Business Description | | 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 |

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|---|---|---|
| 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)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 1,377<br>Total Assets: 2,767<br>Net Assets per Share: 229,662.45<br>Net Sales: 4,597<br>Operating Income: 565<br>Ordinary Income: 565<br>Net Profit: 360<br>Net Profit per Share: 60,051.58 |

Merger 7

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Systems Web Technology Limited |
| Address | Omitted | 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) | | Fujitsu Limited, 100% shareholder |
| Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020) | | (Unconsolidated)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 1,047<br>Total Assets: 1,994<br>Net Assets per Share: 174,509.14<br>Net Sales: 3,340<br>Operating Income: 503<br>Ordinary Income: 538<br>Net Profit: 367<br>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 |

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|---|---|---|
| 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)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 8,368<br>Total Assets: 18,748<br>Net Assets per Share: 1,394,832.50<br>Net Sales: 37,304<br>Operating Income: 4,284<br>Ordinary Income: 4,249<br>Net Profit: 2,908<br>Net Profit per Share: 484,745.86 |

Merger 9

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Hokuriku Systems Limited |
| Address | Omitted | 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 | | 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)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 3,941<br>Total Assets: 9,306<br>Net Assets per Share: 1,631,238.84 |

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|---|---|---|
| | | Net Sales: 19,321<br>Operating Income: 3,122<br>Ordinary Income: 3,120<br>Net Profit: 2,137<br>Net Profit per Share: 884,595.07 |

Merger 10

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Fujitsu Systems Applications & Support Limited |
| Address | Omitted | 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) | | Fujitsu Limited, 100% shareholder |
| Financial Condition and Financial Performance in the Most Recent Fiscal Year (as of March 31, 2020) | | (Unconsolidated)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 1,141<br>Total Assets: 2,937<br>Net Assets per Share: 570,991.66<br>Net Sales: 7,494<br>Operating Income: 1,477<br>Ordinary Income: 1,478<br>Net Profit: 958<br>Net Profit per Share: 479,148.23 |

Merger 11

| | Surviving Company | Absorbed Company |
|---|---|---|
| Company Name | Fujitsu Limited | Okinawa Fujitsu Systems Engineering Limited |
| Address | Omitted | Naha, Okinawa, Japan |
| Representative | | Shin Uchida, President and Representative Director |
| Business Description | | 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)<br>(Unit: Million Yen, except per share data)<br>Net Assets: 468<br>Total Assets: 2,080<br>Net Assets per Share: 234,406.34<br>Net Sales: 3,773<br>Operating Income: 322<br>Ordinary Income: 320<br>Net Profit: 209<br>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.

**Press Contacts:**
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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