

Fujitsu Limited
April 23, 2014

Regarding the Consolidation of System LSI Businesses into a New Company

Tokyo, April 23, 2014 – Fujitsu today announced “Fujitsu, Panasonic and Development Bank of Japan to Consolidate System LSI Businesses in New Company,” as attached.

With regard to the consolidation of the system LSI businesses, Fujitsu plans to record an extraordinary loss in its fiscal 2013 consolidated financial results, the impact upon which the company is still assessing. The estimated amount of the extraordinary loss has now been factored into the Fiscal 2013 Earnings Projections that had been announced on January 30, 2014.

Press Contact

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Inquiries: <https://www-s.fujitsu.com/global/news/contacts/inquiries/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 170,000 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 4.4 trillion yen (US\$47 billion) for the fiscal year ended March 31, 2013. For more information, please see <http://www.fujitsu.com>.

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Regarding the Consolidation of System LSI Businesses in New Company

Tokyo, Osaka, and Yokohama, Japan, April 23, 2014 –Fujitsu Limited, Panasonic Corporation, and Development Bank of Japan, Inc. (DBJ) have signed a memorandum of understanding in which DBJ will make an investment and provide a line of credit for a new fabless company specializing in system LSI design and development which Fujitsu and Panasonic will jointly establish.

Aiming for the global development of Japan's system LSI industry, Fujitsu and Panasonic have been in discussions about establishing a new company with a new business model (*1). Fujitsu and Panasonic have been considering the integration of the system LSI business and associated intellectual property of Fujitsu's wholly owned subsidiary, Fujitsu Semiconductor Limited, together with Panasonic's system LSI business and related intellectual property, with both Fujitsu and Panasonic receiving shares in the new company equivalent to the value of their respective contributions.

Based on the agreement reached so far, Fujitsu, Panasonic and DBJ have agreed that DBJ will make a maximum investment of 20.0 billion yen in equity capital in the new company and will provide a maximum credit line of 10.0 billion yen to the new company. As a result, at the time of the business integration, it is expected that the ratio of voting rights held in the new company by Fujitsu, Panasonic and DBJ will be 40%, 20%, and 40%, respectively. The new company will operate independently.

Once the three companies reach an agreement on the details, they are expected to sign a final agreement, aiming for the end of the first quarter of fiscal year 2014 ending March 31, 2015. After completing necessary procedures in various countries in accordance with local competition laws, the integration and start of business is scheduled to take place in the third quarter of fiscal 2014. In addition, the parties concerned are planning to submit a business plan in accordance with the Industrial Competitiveness Enhancement Act, which was signed into law on December 4, 2013.

Fujitsu, Panasonic, and DBJ, the three companies scheduled to be the shareholders of the new company, have agreed to name Yasuo Nishiguchi as its CEO. The former president and representative director of Kyocera Corporation, Mr. Nishiguchi has much experience in management of technology and in management within a variety of other business areas in the electronics industry. Since retiring from Kyocera, Mr. Nishiguchi has been working in outside director positions for a variety of companies and has contributed to the development of numerous of industries, even beyond the electronics industry, through consulting and lectures. Under the insightful leadership of Mr. Nishiguchi, it is expected that the new company, as a fabless semiconductor manufacturer, will focus its management resources on product planning, marketing, and development, and grow its business in global markets.

Fujitsu Semiconductor and Panasonic have been offering outstanding system LSI products and related solutions by capitalizing on their rich management resources in the system LSI business that include cutting-edge technology in video and imaging as well as networking fields, world-class human resources, intellectual property, and customer bases. The new company will consolidate these management resources of the two companies in order to make business profitable and will aim for an initial public offering (IPO) within several years of its establishment.

Plans for the new company include switching to a fabless business model, creating an optimal management structure for the business, integrating open innovation that utilizes outsourcing, and exerting the synergy of both Fujitsu and Panasonic and the resources they possess. In addition, the new company

will place priority in technological areas with high growth potential such as cloud computing, big-data, and optical networks as well as in the fields of medical equipment and energy. In doing so, the new company will be providing added value to its customers as it attempts to expand into markets outside of Japan.

DBJ will provide risk money through its 'Fund for Japanese Industrial Competitiveness' as the new company will create new value which will in turn make Japan more competitive in the area of system LSI.

(*1) Please refer to "Fujitsu and Panasonic to Consolidate System LSI Businesses in New Company," a press release issued February 7, 2013, by Fujitsu and Panasonic:

Fujitsu Press Release: <http://www.fujitsu.com/global/news/pr/archives/month/2013/20130207-05.html>

Panasonic Press Release: <http://panasonic.net/ir/relevant/2013/en130207.pdf>

Reference

1. Profile of Mr. Yasuo Nishiguchi

1943 Born
1975 Joined Kyoto Ceramic Company, Limited (now Kyocera Corporation)
1999 Named President and Representative Director of Kyocera Corporation
2005 Named Chairman, Representative Director, and CEO of Kyocera Corporation (until April 2006)
2009 Visiting professor, Doshisha Business School
Senior fellow, Institute for Technology, Enterprise and Competitiveness of Doshisha University
Ph.D. in Management of Technology

2. Overview of New Company(*2)

Annual Sales: Approximately 150.0 billion yen

Employees: Approximately 3,000

(*2) Based on total projected sales and employees of the relevant businesses of Fujitsu Semiconductor and Panasonic for fiscal 2013 ended March 31, 2014

3. Future Schedule (Projected)

The end of the first quarter of fiscal year 2014	Definitive agreement relating to establishment of the new company
Third quarter of fiscal year 2014	Business integration and establishment of the new company. Payment of capital and setting capacity of finance to new company by DBJ

Press Contacts

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Fujitsu Semiconductor Limited

Public Relations

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About Fujitsu

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About Fujitsu Semiconductor

Fujitsu Semiconductor Limited designs and manufactures semiconductors, providing highly reliable, optimal solutions and support to meet the varying needs of its customers. Products and services include Customized SoCs (ASICs), Foundry Service, ASSPs, and Ferroelectric RAMs (FRAMs), with wide-ranging expertise focusing on mobile, imaging, automotive and high performance applications. Fujitsu Semiconductor also drives power efficiency and environmental initiatives. Headquartered in Yokohama, it was established as a subsidiary of Fujitsu Limited on March 21, 2008. Through its global sales and development network, with sites in Japan and throughout Asia, Europe, and the Americas, Fujitsu Semiconductor offers semiconductor solutions to the global marketplace. For more information, please see: <http://jp.fujitsu.com/fsl/en/>

About Panasonic

Panasonic Corporation is a worldwide leader in the development and engineering of electronic technologies and solutions for customers in residential, non-residential, mobility and personal applications. Since its founding in 1918, the company has expanded globally and now operates over 500 consolidated companies worldwide, recording consolidated net sales of 7.30 trillion yen for the year ended March 31, 2013. Committed to pursuing new value through innovation across divisional lines, the company strives to create a better life and a better world for its customers. For more information about Panasonic, please visit the company's website at <http://panasonic.net/>.

About DBJ

DBJ, is 100% owned by the Japanese government, provides seamlessly integrated investment and loan services. DBJ's corporate philosophy is "Applying financial expertise to design the future". Using creative financing techniques, DBJ is committed to working with customers to resolve their problems, earn their trust and build a prosperous future.

For more information about DBJ, please visit our website at <http://www.dbj.jp/en/>

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