

July 31, 2014
Fujitsu Limited
Fujitsu Semiconductor Limited

Fujitsu Announces New Direction for its Semiconductor Business

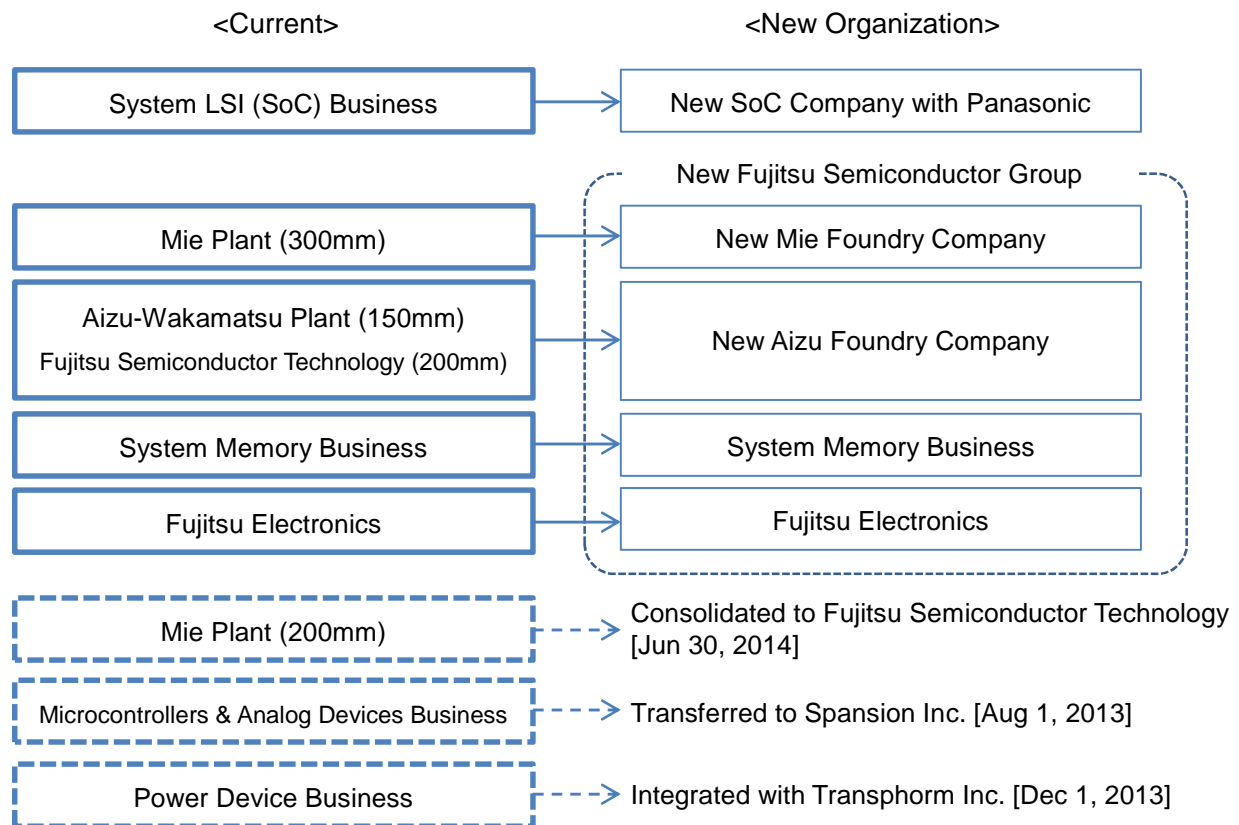
Tokyo and Yokohama, July 31, 2014 — Fujitsu Limited and Fujitsu Semiconductor Limited have today entered into an official contract with Panasonic Corporation and Development Bank of Japan, Inc. (DBJ) whereby Fujitsu Semiconductor and Panasonic would integrate their System LSI businesses, and together with investment from DBJ, a new independent fabless company will be established. These developments are a result of the deliberations Fujitsu Limited and Fujitsu Semiconductor have made based on the February 7, 2013 announcement, “Fujitsu Announces Restructuring and New Direction of its Semiconductor Business.”

In addition, Fujitsu Limited and Fujitsu Semiconductor have decided to expand the scope of foundry operations. Fujitsu Semiconductor’s manufacturing facilities in Mie and Aizu-Wakamatsu, Japan will respectively work to provide stable delivery to customers as new, independent companies, to be established by the end of 2014. The new Aizu foundry company will consist of a 150mm fab company and 200mm fab company, operating within the framework of an Aizu foundry general company.

Fujitsu Semiconductor today also announced that it has entered into a strategic partnership in which ON Semiconductor will obtain a 10% ownership interest in the new Aizu foundry company’s 200mm fab company.

Fujitsu Semiconductor group now includes the Mie and Aizu foundry companies, a system memory business unit, and sales functions (Fujitsu Electronics, Inc. and sales teams in the overseas subsidiaries), and each independent company will pursue sustainable growth, and stable management operations.

Outline of the New Direction of the Semiconductor Business
(Progress from the February 7, 2013 announcement)



(1) Establishment of new System LSI company with Panasonic

Following the April 23, 2014 announcement on the signing of a memorandum of understanding in which Fujitsu Limited, Fujitsu Semiconductor, and Panasonic agreed to consolidate their system LSI businesses, DBJ would provide investment and financing, and Mr. Yasuo Nishiguchi would be tasked as the CEO of the new company, deliberations on details have moved forward, and today, the parties have signed a definitive agreement.

Under the leadership of Mr. Nishiguchi, the new company will leverage its world-class resources for video, imaging and networking fields, aiming for growth as a global fabless company that will within several years pursue an initial public offering. The new company is scheduled to commence operations in the fourth quarter of fiscal 2014, which ends March 31, 2015, after completing necessary requirements with regard to antitrust laws and other procedures in each country.

For more detail, please refer to the release "Regarding the Signing of a Definitive Agreement for the Consolidation of System LSI Businesses in New Company."

(2) Establishment of the Mie foundry company

Mie 300mm wafer fabrication facility operations will be transferred to a newly formed foundry company in accordance with the direction announced in February 2013. In addition to the existing ultra-low power technology, non-volatile memory technology, and process-porting engineering expertise, the new company will seek to enter new business domains with proprietary process development and capital investment, which will enable the foundry business expansion and high fab utilization. Furthermore, the Mie foundry company plans to seek partnerships with external companies to achieve sustainable growth.

(3) Establishment of Aizu foundry companies and strategic partnership with ON Semiconductor

Fujitsu Semiconductor has been optimizing its 200mm manufacturing capacities by transferring its Iwate plant to Denso Corporation, and consolidating Mie plant (200mm) to Fujitsu Semiconductor Technology Limited. Fujitsu Semiconductor will establish new foundry companies based on its process technology and manufacturing expertise in Aizu-Wakamatsu, seeking the development of the Aizu-Wakamatsu community as well as the foundry business expansion. The new companies will be: 1) a management company for administrative functions; 2) a 150mm fab company, for analog and other products; and 3) a 200mm fab company which will handle MCU, Analog, and specialized products.

The 200mm fab company can secure long-term demand through the foundry supplier agreement and agreement with regard to investment made with ON Semiconductor, which also holds a minority ownership in the new company. For those products currently manufactured at the Aizu-Wakamatsu facilities, the new companies will continue to deliver them under the foundry contract with Fujitsu Semiconductor.

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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 162,000 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 4.8 trillion yen (US\$46 billion) for the fiscal year ended March 31, 2014. For more information, please see <http://www.fujitsu.com>.

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