

November 26, 2020

Company Name: Fuji Electric Co., Ltd.
Representative: Michihiro Kitazawa, President and Chairman of the Board of Directors
(Code Number: 6504, listed on the first sections of TSE, NSE and on FSE)
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Notice Regarding Conclusion of Merger Agreement with Consolidated Subsidiary

At a meeting convened today, the Board of Directors of Fuji Electric Co., Ltd. (the “Company”) resolved to conclude a merger agreement with wholly owned subsidiary Ibaraki Fuji Co., Ltd. The merger agreement was concluded thereafter.

This merger is a simple absorption-type merger of a wholly owned subsidiary, and accordingly certain disclosure items and details have been omitted.

1. Objective of the merger

Switchboards, control panels, and other switchgear and controlgear products are core products in the plant system field, and strengthening the competitiveness of these products is crucial to expanding operations in this field.

Ibaraki Fuji manufactures and sells switchgear and controlgear products. The merger of this company into Fuji Electric is aimed at enabling the Company to integrate the resources that were previously dispersed between it and Ibaraki Fuji to facilitate the acceleration of standardization and the shift to in-house production and to thereby strengthen its product lineup.

In this manner, Fuji Electric will seek to expand its power electronics systems businesses.

2. Outline of the merger

(1) Schedule for the merger

Date of merger resolution by the Board of Directors	November 26, 2020 (Thursday)
Conclusion of merger agreement	November 26, 2020 (Thursday)
Planned effective date of merger	April 1, 2021 (Thursday, tentative)

Note: The Company and Ibaraki Fuji Co., Ltd., plan to follow procedures for a simple merger and a short-form merger which, in accordance with the provisions of Paragraph 2, Article 796, and Paragraph 1, Article 784, of the Companies Act, do not require approval from a general meeting of shareholders.

(2) Form of the merger

The merger is expected to take the form of an absorption-type merger, with Fuji Electric Co., Ltd., as the surviving company and Ibaraki Fuji Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Ibaraki Fuji Co., Ltd., is a wholly owned subsidiary of the Company, no plans exist to issue new shares or augment paid-in capital in relation to the merger, nor is any money expected to be delivered due to the merger.

- (4) Handling of share options and bonds with share options in the company to be absorbed Ibaraki Fuji Co., Ltd., has issued no share options or bonds with share options.

3. Overview of companies involved in the merger

(1) Company name	Fuji Electric Co., Ltd. (Surviving company)	Ibaraki Fuji Co., Ltd. (Company to be absorbed)
(2) Business activities	Development, manufacture, sale, and service of various equipment and systems related to social infrastructure in energy, industrial, transportation, and other fields as well as of semiconductor devices, photoconductors, and vending machines, and provision of solutions in relation to these items	Manufacture and sale of control panels
(3) Established	August 29, 1923	April 8, 1969
(4) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi	471 Shimokido, Shimotsuma-shi, Ibaraki
(5) Representative name, position	Michihiro Kitazawa, President and Chairman of the Board of Directors	Yukimasa Kanda, President and Representative Director
(6) Paid-in capital	¥47,586 million	¥100 million
(7) Shares issued	149,296,991 shares	142,600 shares
(8) Total net assets (As of March 31, 2020)	¥406,002 million (consolidated)	¥1,212 million (non-consolidated)
(9) Total assets (As of March 31, 2020)	¥996,827 million (consolidated)	¥1,830 million (non-consolidated)
(10) Fiscal year-end	March 31	March 31
(11) Employees (As of March 31, 2020)	27,960 (consolidated)	91 (non-consolidated)
(12) Major shareholders and percentage ownership (As of March 31, 2020)	Japan Trustee Services Bank, Ltd. (Trust Account): 11.46% The Master Trust Bank of Japan, Ltd. (Trust Account): 10.88% FUJITSU LIMITED: 2.85%	Fuji Electric Co., Ltd.: 100%
(13) Relationships between the companies involved in the merger	Capital relationship	The Company holds 100% of voting rights in the company to be absorbed.
	Personal relationships	Some employees of the Company are concurrently directors of the company to be absorbed.
	Transactional relationships	Transactions involving the sale of products and services are conducted between the Company and the company to be absorbed.
	Status of related parties to the merger	As the company to be absorbed is a consolidated subsidiary of the Company, it is a related party to the merger.

(14) Operating performance for the most recent three-year period

Fiscal period	Fuji Electric Co., Ltd. (Consolidated)			Ibaraki Fuji Co., Ltd. (Non-consolidated)		
	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales (Millions of yen)	893,451	914,915	900,604	4,820	4,005	2,348
Operating income (loss) (Millions of yen)	55,962	59,972	42,515	266	169	(60)
Ordinary income (loss) (Millions of yen)	56,047	63,479	44,513	275	200	(55)
Net income (loss) (Millions of yen)	37,763	40,267	28,793	197	218	(49)
Net income (loss) per share (Yen)	264.34	281.89	201.57	1,383.19	1,528.34	(346.17)
Dividends per share (Yen)	70.00	80.00	80.00	415.00	459.00	0.00
Net assets per share (Yen)	2,314.50	2,470.65	2,559.60	8,189.33	9,302.68	8,497.51

4. Post-merger status

(1) Company name	Fuji Electric Co., Ltd.
(2) Business activities	Development, manufacture, sale, and service of various equipment and systems related to social infrastructure in energy, industrial, transportation, and other fields as well as of semiconductor devices, photoconductors, and vending machines, and provision of solutions in relation to these items
(3) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi
(4) Representative name, position	Michihiro Kitazawa, President and Chairman of the Board of Directors
(5) Paid-in capital	There are no plans to increase paid-in capital through the merger.
(6) Total net assets	(To be confirmed)
(7) Total assets	(To be confirmed)
(8) Fiscal year-end	March 31

5. Outlook for the future

As the company to be absorbed is a consolidated subsidiary, with 100% of its voting rights owned by the Company, the merger is not expected to impact consolidated operating performance. If it becomes apparent that this merger is likely to materially affect consolidated operating performance, the Company will provide timely notice of such expectations.