

Notice regarding conclusion of share transfer agreement of shares in Fujitsu subsidiary and accounting of capital gains

Tokyo, April 28, 2022 —Fujitsu Limited (“Fujitsu”) announced that it has resolved at its Board of Directors Meeting held today that Fujitsu will transfer shares in PFU Limited (“PFU”), a consolidated subsidiary of Fujitsu, to Ricoh Company, Ltd. (“RicoH”) and concluded a share transfer agreement with Ricoh. The two companies aim to complete the share transfer by July 1, 2022. Fujitsu expects to record the capital gains from the transfer of shares in its financial results for the fiscal year ending March 31, 2023 as outlined below.

1. Overview of the transfer

Fujitsu will transfer 80% of shares in PFU, a wholly owned subsidiary of Fujitsu, to Ricoh.

2. Reason for the transfer

PFU operates businesses centered upon the manufacture, sale, and maintenance of hardware, such as image scanners, for which it holds a high market share, and software that supports digitization of documents; provision of IT managed services, such as cloud construction and operation services and managed security services in Japan; and operating electronics-related businesses, including industrial computer boards and self-service terminals. Meanwhile, Fujitsu continues its shift to become a Digital Transformation (DX) company that contributes to the resolution of issues confronting society. To this end, Fujitsu will focus on digital domains that integrate DX businesses founded in AI, data use, and other technologies with modernization necessary for digital transformation such as migrating to cloud-based systems.

Fujitsu approved the management decision for the transfer of PFU shares with the expectation that Ricoh’s many different synergies could be successfully leveraged to further grow and enhance PFU’s corporate value. Fujitsu believes the planned participation in the Ricoh Group, which develops digital services combining edge devices and business application cloud platforms, can expand business by maximizing the value of the products and services that PFU has cultivated, including the fi Series and ScanSnap brands, and image scanners as well as the technologies and know-how that support these products and services. In addition to the transfer of shares, Fujitsu will continue to explore an alliance with Ricoh to further bolster the businesses of the two companies by taking full advantage of their respective strengths.

3. Overview of PFU

(1) Name	PFU Limited
(2) Head office location	Nu 98-2 Unoke, Kahoku-shi, Ishikawa 929-1192 Japan
(3) Representative	Nagahori Izumi, President and Representative Director
(4) Main business	Document scanners, industrial computing products and other hardware; security, document management and other software

	and services; configuration of IT Infrastructure; and multivendor services provided in cooperation with third-party companies		
(5) Capital	JPY 15 billion		
(6) Establishment	May 17, 1962		
(7) Major shareholders and percentage of shares held	Fujitsu Limited 100%		
(8) Relationship between the parties	Capital	Fujitsu owns 100% of PFU's total issued shares	
	Personnel	Representative Director, COO & CDPO of Fujitsu serves concurrently as a Board Member of PFU. PFU's Board Members also include 1 former Corporate Executive Officer of Fujitsu and 1 former employee of Fujitsu. One of the Audit and Supervisory Board Members of PFU is a Corporate Executive Officer of Fujitsu.	
	Business relationship	Fujitsu and PFU have business transactions related to the provision of information system services to customers of Fujitsu and the sales and maintenance of Fujitsu products. The two companies do not have any other particularly notable business relationship.	
(9) Operating results and financial position for the most recent three fiscal years (JPY)			
Fiscal year ended	March 31, 2019	March 31, 2020	March 31, 2021
Net assets	54,870 million	58,739 million	60,209 million
Total assets	88,382 million	86,492 million	89,754 million
Net assets per share	14,235.38	15,239.25	15,620.47
Revenue	113,764 million	117,395 million	114,938 million
Operating profit	4,042 million	4,989 million	1,207 million
Ordinary income	4,854 million	5,622 million	1,990 million
Net profit for the period	4,963 million	4,767 million	2,311 million
Net profit for the period per share	1,287.74	1,236.98	599.65

4. Overview of Ricoh

(1) Name	Ricoh Company, Ltd.		
(2) Head office location	3-6, Nakamagome 1-chome, Ohta-ku, Tokyo 143-8555 Japan		
(3) Representative	Yoshinori Yamashita, President and CEO		
(4) Main business	Manufacture and sale of office automation products, etc.		
(5) Capital	JPY 135.3 billion		
(6) Net assets	JPY 529.5 billion		
(7) Total assets	JPY 967.7 billion		
(8) Establishment	February 6, 1936		
(9) Relationship between the parties	Capital	Fujitsu and Ricoh have no noteworthy capital ties.	
	Personnel	Fujitsu and Ricoh have no noteworthy personnel ties.	
	Business relationship	Fujitsu and Ricoh have business transactions related to the sales of personal computers and other Fujitsu products and also related to the purchase of multifunction machines, printers and other Ricoh products. The two companies do not have any other particularly notable business relationship.	
	Status of related parties	Ricoh is not a party related to Fujitsu.	

5. Number of shares to be transferred, transfer price, and numbers of shares held before and after transfer

(1) Number of shares held before transfer	3,854,496 shares (Number of voting rights held: 3,854,496) (Percentage of voting rights held: 100%)
(2) Number of shares to be transferred	3,083,596 shares (Number of voting rights: 3,083,596)
(3) Transfer price	JPY 84 billion
(4) Number of shares held after transfer	770,900 shares (Number of voting rights held: 770,900) (Percentage of voting rights held: 20.00%)

6. Schedule

Date of execution	April 28, 2022 (today)
Closing date	July 1, 2022 (scheduled)

7. Impact of the transfer of shares

- Impact on the non-consolidated financial results

In the fiscal year ending March 2023, Fujitsu expects to record a capital gain of approximately 50 billion yen from the transfer of shares as an extraordinary profit on the sale of shares in subsidiary.

- Impact on the consolidated financial results

The impact on the consolidated financial results for the fiscal year ending March 2023 has been omitted as it is immaterial.

(Note)The actual value of the transfer of shares will be adjusted based on the balance sheet of PFU and other factors at the date of the transfer of shares. As a result, the impact on profit and loss described above may change.

The impact on profit and loss described above is included in the consolidated earnings forecast announced today.

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About Fujitsu

Fujitsu's purpose is to make the world more sustainable by building trust in society through innovation. As the digital transformation partner of choice for customers in over 100 countries, our 124,000 employees work to

resolve some of the greatest challenges facing humanity. Our range of services and solutions draw on five key technologies: Computing, Networks, AI, Data & Security, and Converging Technologies, which we bring together to deliver sustainability transformation. Fujitsu Limited (TSE:6702) reported consolidated revenues of 3.6 trillion yen (US\$32 billion) for the fiscal year ended March 31, 2022 and remains the top digital services company in Japan by market share. Find out more: www.fujitsu.com