

## **Fujitsu and Polaris Reach Share Transfer Agreement for the Reorganization of Fujitsu's Mobile Device Business**

**Tokyo, January 31, 2018** – Fujitsu Limited and Polaris Capital Group Co., Ltd., today announced that they have concluded a contractual agreement for Fujitsu to transfer shares in Fujitsu Connected Technologies Limited, a consolidated subsidiary of Fujitsu, as well as shares in a new company that will take over the mobile device business (company factories) of Fujitsu Peripherals Limited, to a new company (the “successor company”) that Polaris will establish. The two companies aim to complete the share transfer by the end of March 2018.

### **1. Background and Purpose of the Transfer**

As the mobile device business has become increasingly commoditized, competition among global vendors has intensified. In light of this environment, in February 2016 Fujitsu performed a Company split of Fujitsu Connected Technologies as a wholly owned subsidiary handling the mobile device business, thereby clarifying management responsibilities and building a structure that could accelerate management decision-making and pursue thorough streamlining.

Now, in order to accelerate the development of Fujitsu Connected Technologies' next-generation devices geared toward the era of 5G and IoT, as well as the development of new service businesses, Fujitsu has made a management decision to transfer shares in Fujitsu Connected Technologies to Polaris. This management decision represents an even higher level of autonomy for Fujitsu Connected Technologies. In line with this, it will become possible to conduct business operations that leverage to the maximum extent Fujitsu Connected Technologies' relationships of trust with communications companies nurtured over many years, its brand strength cultivated through devices catering to the needs of seniors, and a broad range of technological prowess (wireless, biometric authentication, security and other basic technologies, as well as power saving and thermal control technologies). At the same time, with regard to Fujitsu Peripherals' company factories that handle the development, manufacture and repair of ubiquitous products including mobile devices, Fujitsu decided to conduct a Company split in order to expand its original design manufacturing (ODM) and electronics manufacturing services (EMS) businesses as independent business entities, and to transfer those shares to Polaris.

Polaris believes that these businesses hold the potential for further growth, given the strengths of such brands as the Raku Raku smartphone series, which enjoys overwhelming support from seniors, the perennially popular arrows smartphone series, and also the highly advanced technological expertise that supports the development of such products. In addition, the building of new businesses that utilize the Raku Raku Community, one of Japan's premier social networks catering to seniors, and other initiatives will also enhance future growth. Polaris has experiences in multiple projects of manufacturing, IT and mobile business, as well as large company carve-out-type projects. Armed with the knowledge and experience cultivated in these projects, it will smoothly and rapidly build the structure necessary for an independent business,

while maintaining a firm hand on the strengths and unique characteristics of these businesses. Specifically, the company aims to maximize the corporate value of these businesses by positively supporting a growth strategy centered on such pillars as investing in the development of new technology with an eye toward the era of 5G and IoT, expanding the revenue base through a variety of alliances and strategic M&A, delivering new products and services focused on the next generation, and expanding the EMS business.

## **2. Overview of the Transfer**

Fujitsu will set up a new company called Japan EM Solutions Limited, which will take over Fujitsu Peripherals' mobile device business. In addition, the Raku Raku Community SNS for seniors will be handed over to Fujitsu Connected Technologies. Fujitsu will then transfer shares of both Fujitsu Connected Technologies and Japan EM Solutions to the successor company, and under the new structure will retain for itself 30% and 19%, respectively, of Fujitsu Connected Technologies and Japan EM Solutions shares.

Even after migration to the new structure, Fujitsu Connected Technologies will continue to offer products under the telecommunications carrier-focused Raku Raku and arrows brands, as well as products in its own in-house brands.

Fujitsu Peripherals will conduct ODM business with regard to the development and manufacturing of printers as well as a variety of manufacturing equipment, as a wholly owned subsidiary of Fujitsu.

## **3. Details of Fujitsu Connected Technologies and Japan EM Solutions**

### **1. Fujitsu Connected Technologies Limited (details expected as of March 30, 2018)**

Company Name:	Fujitsu Connected Technologies Limited
Headquarters Location:	4 Chome-1-1, Kamikodanaka, Nakahara-ku, Kawasaki, Kanagawa
Representative:	Katsumi Takada, President and Representative Director
Founding:	February 1, 2016
Capitalization:	400 million yen
Number of Employees:	About 540 (consolidated)
Main Business Areas:	Planning, research, development, design, manufacturing, and sales of mobile devices, as well as repair and warranty support

### **2. Japan EM Solutions Limited (details expected as of March 30, 2018)**

Company Name:	Japan E.M.Solutions Co., Ltd.
Headquarters Location:	35 Saho, Kato City, Hyogo
Representative:	Hideaki Takahashi, President and Representative Director
Founding:	February 2018
Capitalization:	400 million yen
Number of Employees:	About 380
Main Business Areas:	Development, manufacturing and repair of mobile devices, contract design and manufacturing services

#### **4. Future Outlook**

Fujitsu expects that the impact on its profit for the period attributable to the owners of the parent in its consolidated financial results for the 2017 fiscal year due to the transfer of shares will be approximately 30 billion yen.

#### **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 155,000 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 4.5 trillion yen (US \$40 billion) for the fiscal year ended March 31, 2017. For more information, please see <http://www.fujitsu.com>.

#### **About Polaris**

Polaris is a leading buyout firm in Japan, and has invested in about 30 Japanese companies with a persistent focus on carve-out from large conglomerates and business succession from individual owners. Since its inception in 2004, Polaris's cumulative capital raised has reached almost JPY200 billion. Our target sectors include (1) technology and manufacturing, (2) consumer goods, retail and wholesale businesses, (3) services logistics, media and entertainment companies. For more information, please see <http://www.polaris-cg.com/us/index.html>.

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