

December 21, 2023

Company Name: Fuji Electric Co., Ltd.

Representative: Michihiro Kitazawa, Chairman of the Board and Chief Executive Officer

Code Number: 6504, listed on the TSE Prime and NSE Premier; and on FSE

Contact: Taizou Kishi, General Manager, Corporate Planning Office

Telephone: +81-3-5435-7213

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 Fuji Electric IT Center 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

Fuji Electric has continued to contribute to the resolution of social and environmental issues and to the creation of customer value through its energy and environment businesses. To achieve further growth, the Company will move forward with the promotion of growth strategies centered on expanding its power electronics and power semiconductor businesses, the further improvement of profitability through the strengthening of global manufacturing capabilities, and the ongoing reinforcement of operating foundations focused on environmental, social, and governance (ESG) factors. In addition, adaptiveness toward operating environment changes will be heightened with the goal of growing sales and profit. In accomplishing these objectives, it will be more important than ever for us to bolster our competitiveness through the use of digital technologies and to strengthen the IT foundations that will support these efforts.

From this perspective, the Company has chosen to absorb Fuji Electric IT Center Co., Ltd., a wholly owned subsidiary that conducts the planning, development, maintenance, and operation of the Fuji Electric Group’s IT foundations. As part of this merger, the maintenance and operation functions of Fuji Electric IT Center Co., Ltd., will be transferred to wholly owned shared service subsidiary Fuji Office & Life Service Co., Ltd. This business combination is scheduled to be conducted with an effective date of April 1, 2024.

Through this business combination, Fuji Electric’s IT planning and development will be consolidated within the Company, which is anticipated to strengthen IT foundations and accelerate initiatives for promoting digital transformation and bolstering cybersecurity.

2. Outline of the merger

(1) Schedule for the merger

Date of merger resolution by the Board of Directors	December 21, 2023 (Thursday)
Conclusion of merger agreement	December 21, 2023 (Thursday)
Planned effective date of merger	April 1, 2024 (Monday, tentative)

Note: This merger will follow procedures for a simple merger, in accordance with the provisions of Paragraph 2,- Article 796, of the Companies Act, for the Company and a short-form merger, in accordance with the provisions of Paragraph 1, Article 784, of the Companies Act, for Fuji Electric IT Center Co., Ltd. Accordingly, this merger does 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 Fuji Electric IT Center Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Fuji Electric IT Center 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
Fuji Electric IT Center 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)	Fuji Electric IT Center 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, vending machines, and store equipment and provision of solutions in relation to these items	Planning, development, maintenance, and operation of the Fuji Electric Group's IT foundations
(3) Established	August 29, 1923	March 11, 1994
(4) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi	11-2, Osaki 1-chome, Shinagawa-ku, Tokyo
(5) Representative name, position	Michihiro Kitazawa, Chairman of the Board and Chief Executive Officer Shiro Kondo, President and Chief Operating Officer	Akira Haruna, President and Representative Director
(6) Paid-in capital	¥47,586 million	¥100 million
(7) Shares issued	149,296,991 shares	8,200 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and percentage ownership (As of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account): 18.62% Custody Bank of Japan Ltd. (Trust Account): 13.27% Asahi Mutual Life Insurance Company: 2.77%	Fuji Electric Co., Ltd.: 100%
(10) Financial position and operating results for the most recent fiscal year	Fiscal year ended March 31, 2023 (consolidated)	Fiscal year ended March 31, 2023 (non-consolidated)
Net assets	¥572,068 million	¥1,545 million
Total assets	¥1,181,552 million	¥5,019 million
Net assets per share	¥3,620.23	¥188,446.07
Net sales	¥1,009,447 million	¥8,772 million
Operating profit (loss)	¥88,882 million	¥354 million
Ordinary profit (loss)	¥87,811 million	¥354 million
Profit attributable to owner of parent	¥61,348 million	¥162 million
Profit per share	¥429.50	¥19,877

4. Post-merger status

There will be no changes to the Company name, head office, representative name or position, business activities, paid-in capital, or fiscal-year end as a result of this merger.

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.