

Basic Agreement to Change the Capital Structure of FUJITSU TEN

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Safety Technology

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Kariya, Tokyo and Toyota City, Japan, September 9, 2016 – DENSO Corporation, Fujitsu Limited, and Toyota Motor Corporation have reached a basic agreement to start consideration of changing the capital structure of FUJITSU TEN LIMITED, in which the three companies have stakes.

A review will be conducted to determine the specific changes, and the companies plan to reach a final agreement by the end of fiscal year ending March 31, 2017.

1. Objectives and background of capital structure change

In the automotive field, the interface between the driver and vehicle is becoming increasingly important due to remarkable technological innovations. Against this backdrop, DENSO has agreed with Fujitsu and Toyota to review specific changes to make FUJITSU TEN a group company of DENSO and enhance cooperation between the two companies in developing in-vehicle ECUs, millimeter-wave radar, advanced driver assistance / automated driving technologies, and basic electronic technologies, among others.

Fujitsu believes that information and communication technology (ICT) will become increasingly important in developing next-generation vehicles (e.g. connected cars, automated driving). Fujitsu will enhance its collaboration with DENSO and FUJITSU TEN to strengthen the automotive business and mobility IoT business.

By continuing on as FUJITSU TEN's major shareholder, Toyota is expecting the increase of FUJITSU TEN's corporate value, which is

coupled with the strengthening of the competitiveness of its products. This in turn, contributes to Toyota's goal of making ever-better cars.

FUJITSU TEN, formerly Kobe Industries Corp., was established in 1949 following the dissolution of Kawanishi Machine Works (founded in 1920). After Kobe Industries Corp.'s merger with Fujitsu in 1968, FUJITSU TEN was established in 1972 as a spinoff of Fujitsu's radio division. Since Toyota and DENSO took stakes in 1973, FUJITSU TEN has offered various products and services as a manufacturer of car electronics products including audio and multimedia. Recently, FUJITSU TEN has strengthened its Vehicle ICT business to create new value, while accelerating collaboration with the Fujitsu Group companies to transform itself from a supplier of standalone products to a system manufacturer that proposes and provides connected in-vehicle information equipment and services.

2. Details of the basic agreement

DENSO, Fujitsu, and Toyota will consider changing the capital structure of FUJITSU TEN in which they have stakes as shown below.

Changes in the capital structure (planned)

	Before change	After change
DENSO	10%	51%
Fujitsu	55%	14%
Toyota	35%	35%

FUJITSU TEN will take advantage of its competitive edge as a group company of DENSO (a general automotive component manufacturer) and continue to collaborate with the Fujitsu Group in the ICT field. These arrangements will enhance the development of advanced driver assistance/automated driving technologies and basic electronic technologies to make FUJITSU TEN a system manufacturer that provides connected in-vehicle information equipment and services.

3. Future schedule

DENSO, Fujitsu and Toyota will determine specific changes. The stakeholders plan to reach a final agreement by the end of the fiscal year ending March 31, 2017.

4. Company profile of FUJITSU TEN

1.	Head office location	2-28, Goshō-dori 1-chome, Hyogo-ku, Kobe, Hyogo, Japan
2.	Representative	Chairman and Representative Director: Takashi Shigematsu President and Representative Director: Akira Yamanaka
3.	Establishment	October 25, 1972
4.	Capital	5.3 billion yen
5.	Accounting year-end	March 31
6.	Employees	2,931 (10,318 on a consolidated basis) * As of the end of March 2016
7.	Main businesses	Development, manufacture, and sales of infotainment equipment and automotive electronic equipment
8.	Sales	225.5 billion yen (363.3 billion yen on a consolidated basis) * Year ended in March 2016

Fujitsu Limited

Public and Investor Relations Division

<https://www.fujitsu.com/global/about/resources/news/presscontacts/form/index.html>

About DENSO Corporation

DENSO Corp., headquartered in Kariya, Aichi prefecture, Japan, is a leading global automotive supplier of advanced technology, systems and components in the areas of thermal, powertrain control, electronics and information and safety. Its customers include all the world's major carmakers. Worldwide, the company has more than 200 subsidiaries and affiliates in 38 countries and regions (including Japan) and employs more than 150,000 people. Consolidated global sales for the fiscal year ending March 31, 2016, totaled US\$40.2 billion. Last fiscal year, DENSO spent 8.8 percent of its global consolidated sales on research and development. DENSO common stock is traded on the Tokyo and Nagoya stock exchanges. For more information, go to www.globaldenso.com, or visit our media website at www.globaldenso.com/en/newsreleases/media-center/

In North America, DENSO employs more than 23,000 people at 30 consolidated companies and affiliates. Of these, 25 are manufacturing facilities located in the United States, Canada and Mexico. In the United States alone, DENSO employs more than 15,000 people in California, Michigan, North Carolina, South Carolina, Tennessee, Kentucky, Georgia, Iowa, Ohio, Pennsylvania, Texas, Alabama and Arkansas. DENSO's North American consolidated sales totaled US\$9.9 billion for

the fiscal year ending March 31, 2016. For more information, go to www.densocorp-na.com.

About Fujitsu

Fujitsu is the leading Japanese information and communication technology (ICT) company, offering a full range of technology products, solutions, and services. Approximately 156,000 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 4.7 trillion yen (US\$41 billion) for the fiscal year ended March 31, 2016. For more information, please see <http://www.fujitsu.com>.

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