



(<http://www.fujiele.co.jp>) in lieu of entry of statement in the Reference Documents for the General Meeting of Shareholders, based on the provisions set forth in laws and regulations and Article 15 of Articles of Incorporation.

“Financial Statements of the Most Recent Accounting Period of the other Wholly-Owned Subsidiary Company in Share Transfer (Macnica, Inc.) provided in Proposal No. 1”

3. Subsequent amendments to the Reference Documents for the General Meeting of Shareholders, if any, will be listed on the Company’s website (<http://www.fujiele.co.jp>).

## REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

### Proposals and references

#### Proposal No. 1: Approval of the Share Transfer Plan

##### 1. Reason for the share transfer

The Company has developed its business since its establishment in 1970 as a distributor specializing in foreign semiconductors (mainly analog semiconductors) as the “BEST CHOICE” to satisfy the needs of customers without being bound by the business groupings of manufacturers. Arising from its detailed customer-oriented services and Japan-focused geographic strategy, it boasts a premier customer-base of small and medium sized enterprises (broad-based customers) in the industrial market segment. In order to respond to the shift of the production sites of its customers to the Asian region, Fuji Electronics has four (4) subsidiaries in the Asia-Pacific region (including one (1) in Hong Kong) and one (1) subsidiary in the United States that handles advanced semiconductors for aerospace applications.

Macnica, Inc. (“Macnica”) was established in 1972 as a technology-focused distributor of imported semiconductors. It has expanded its line of products with a primary emphasis on those products where technical support is critical, such as FPGAs (a type of IC where a user can program the circuit after manufacturing). In terms of Macnica’s operations outside of Japan, since the establishment of its subsidiary in Singapore in 2000, Macnica has globally expanded the scope of its business areas to encompass the Asian, European, North American and South American regions to serve both Japanese and local customers.

As stated above, Macnica and Fuji Electronics operate their principal businesses as independent distributors of semiconductors to supply electronic and/or equipment manufacturers with semiconductors and/or electronic components. The business environment surrounding both companies, however, is changing rapidly due to the maturity of the domestic semiconductor market, increasing competition among semiconductor distributors, the advancement of technologies, the consolidation of semiconductor manufacturers and the globalization in the production sites of customers.

In such business environment, Macnica and Fuji Electronics have reached the consensus that it has become necessary to provide their customers and suppliers with more value-added services than ever by utilizing their unique advantages while combining their strengths in order to ensure the continuing growth and development of their businesses. Therefore, Macnica and Fuji Electronics have agreed to undertake the steps to the management integration (the “Management Integration”).

Through the Management Integration, Macnica and Fuji Electronics will become one of the largest and most technologically advanced business groups in Japan, in terms of being an independent distributor of semiconductors with a primary emphasis on foreign semiconductors and electronic components.

The new business group will strive to become, as a result of integrating the operations of both companies, the industry leading distributor in Japan for all types of customer transactions regardless of their scales, through the expansion of its product lines, including foreign semiconductors and electronic components, and the provision of enhanced services to an extensive customer base ranging from large to small business enterprises.

This proposal, for the purpose of realization of the Management Integration, calls for approval of the share transfer plan with regard to the Company becoming a wholly-owned subsidiary of the joint holding company established by way of share transfer as stipulated in Article 772 of the Companies Act, jointly with Macnica (the “Share Transfer”).

## 2. Summary of the Share Transfer Plan

### Share Transfer Plan (Copy)

Macnica, Inc. (“Macnica”) and Fuji Electronics Co., Ltd. (“Fuji Electronics”) have agreed to conduct a share transfer by way of joint share transfer, thereby jointly preparing a share transfer plan (the “Transfer Plan”) as follows.

#### Article 1 (Share Transfer)

As prescribed in the Transfer Plan, Macnica and Fuji Electronics shall conduct a share transfer by way of joint share transfer (the “Share Transfer”), whereby the wholly-owning parent company incorporated through the share transfer (the “New Company”) acquires all issued shares of Macnica and Fuji Electronics on the New Company Establishment Date (as defined in Article 7 of the Transfer Plan; hereinafter the same shall apply).

#### Article 2 (Purpose, Trade Name, Location of Head Office, Total Number of Authorized Shares, and Other Matters prescribed in Articles of Incorporation of the New Company)

1. Purpose, trade name, location of head office, and total number of authorized shares shall be as follows.

(1) Purpose

The purpose of the New Company shall be as set forth in Article 2 of Articles of Incorporation attached herein as Exhibit 1.

(2) Trade Name

The trade name of the New Company shall be “MACNICA·FUJI ELE HOLDINGS KABUSHIKI KAISHA,” and “MACNICA FUJI ELECTRONICS HOLDINGS, INC.” in English.

(3) Location of Head Office

The head office of the New Company shall be located in Yokohama-shi, Kanagawa-ken at 6-3, Shinyokohama 1-chome, Kohoku-ku, Yokohama-shi, Kanagawa-ken.

(4) Total Number of Authorized Shares

The total number of authorized shares of the New Company shall be two hundred million (200,000,000).

2. Other than matters set forth in the preceding items, matters prescribed in Articles of Incorporation of the New Company shall be as described in Articles of Incorporation attached herein as Exhibit 1.

#### Article 3 (Name of Directors and Auditors, and Accounting Auditor upon Incorporation of the New Company)

1. Name of Directors upon incorporation of the New Company shall be as follows.

Chairman	Haruki Kamiyama
Vice Chairman	Kunio Ikisu
President & CEO	Kiyoshi Nakashima
Executive Vice President & COO	Kiyoshi Ikisu
Director	Shigeyuki Sano
Director	Eiichi Nishizawa
Director	Fumihiko Arai
Director	Shinichi Onodera
Director	Seu, David Daekyung

2. Name of Auditors upon incorporation of the New Company shall be as follows.

Auditor (full-time)	Yutaka Usami
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Auditor  
Auditor

Yoshiaki Asahi  
Fujiaki Mimura

3. Name of Accounting Auditor upon incorporation of the New Company shall be as follows.  
Ernst & Young ShinNihon LLC.

Article 4 (Shares to be Issued upon the Share Transfer and Allotment thereof)

1. The New Company, upon the Share Transfer, shall issue common shares of the New Company to the shareholders of Macnica and Fuji Electronics as of the time immediately before obtaining all issued shares of Macnica and Fuji Electronics (the “Reference Time”), in the number equivalent to the sum of (i) the number of shares obtained by multiplying two point five (2.5) to the number of shares of Macnica issued at the Reference Time, and (ii) the number of shares obtained by multiplying one (1) to the number of shares of Fuji Electronics issued at the Reference Time, in place of shares of Macnica and Fuji Electronics they hold.
2. The New Company shall allot the common shares to be issued by the New Company in accordance with the provision set forth in the preceding paragraph to the shareholders of Macnica and Fuji Electronics registered at the Reference Time as follows.
  - (1) For Macnica shareholders, two point five (2.5) common shares of the New Company for one (1) common share of Macnica they hold.
  - (2) For Fuji Electronics shareholders, one (1) common share of the New Company for one (1) common share of Fuji Electronics they hold.
3. If a fraction less than one share arises in the course of calculation as stated in the preceding two paragraphs, it shall be treated in accordance with Article 234 of the Companies Act and other related laws and regulations.

Article 5 (Treatment of Share Options)

1. The New Company, upon the Share Transfer, shall issue share options (1st series) of the New Company (details are described in Exhibit 3 “Details of Share Options (1st series) of the New Company,” hereinafter referred to as the “Share Options (1st Series) of the New Company”) in the number equivalent to the total number of share options (2nd series) of Macnica (details are described in Exhibit 2 “Details of Macnica Share Options (2nd series),” hereinafter referred to as the “Share Option (2nd Series) of Macnica”) stated or recorded in the share option registry of Macnica as of the day immediately preceding the New Company Establishment Date in place of such Share Options (2nd Series) of Macnica to holders of the Share Options (2nd Series) of Macnica.
2. With regard to allotment of the Share Options (1st Series) of the New Company to be issued in accordance with the provision provided in the preceding paragraph, one (1) Share Option (1st Series) of the New Company shall be allotted for one (1) Share Option (2nd Series) of Macnica held to holders of the Share Options (2nd Series) of Macnica stated or recorded in the share option registry of Macnica as of the day immediately preceding the New Company Establishment Date.

Article 6 (Amount of Capital and Reserve of the New Company)

The amount of capital and reserve upon the New Company Establishment Date shall be as follows.

- (1) Amount of capital  
10.0 billion yen
- (2) Amount of legal capital surplus  
2.5 billion yen

- (3) Amount of legal retained earnings  
0 yen

Article 7 (Establishment Date of the New Company)

The date on which the establishment of the New Company must be registered shall be April 1, 2015 (the “New Company Establishment Date”); provided, however, that such date may be changed by agreement between Macnica and Fuji Electronics upon consultation where necessary in the course of proceedings of the Share Transfer or for other reasons.

Article 8 (Meeting of Shareholders to Approve the Share Transfer Plan)

1. Macnica shall convene an extraordinary general meeting of shareholders on December 26, 2014 to call for resolution regarding approval of the Transfer Plan and matters required for the Share Transfer.
2. Fuji Electronics shall convene an extraordinary general meeting of shareholders on December 26, 2014 to call for resolution regarding approval of the Transfer Plan and matters required for the Share Transfer.
3. The date of the extraordinary general meeting of shareholders stated in preceding two paragraphs may be changed by agreement between Macnica and Fuji Electronics upon consultation where necessary in the course of proceedings of the Share Transfer or for other reasons.

Article 9 (Dividend of Surplus)

1. Macnica may pay dividends at a maximum of 30 yen per share to shareholders or registered pledgees of shares stated or recorded on its final shareholder registry as of March 31, 2015.
2. Fuji Electronics may pay dividends at a maximum of 50 yen per share to shareholders or registered pledgee of shares stated or recorded on its final shareholders’ registry as of February 28, 2015.
3. Except in the case stated in the preceding two paragraphs, Macnica and Fuji Electronics may not resolve matters concerning dividend of surplus with a record date that falls on or before the New Company Establishment Date, provided, however, that this shall not apply where Macnica and Fuji Electronics agree upon consultation.

Article 10 (Listing of Shares, Administrator of Shareholder Registry)

1. The New Company shall be scheduled to list its common shares on the 1<sup>st</sup> section of the Tokyo Stock Exchange on the New Company Establishment Date.
2. The Administrator of Shareholder Registry upon establishment of the New Company shall be Mitsubishi UFJ Trust and Banking Corporation.

Article 11 (Cancellation of Treasury Shares)

Macnica and Fuji Electronics shall cancel all of its respective treasury shares held as of the Reference Time (including treasury shares acquired through share purchase concerning dissenting shareholders’ share purchase demand provided in Article 806, Paragraph 1 of the Companies Act, which is to be exercised upon the Share Transfer) on the Reference Time by resolution at the Board of Directors held by the date immediately preceding the New Company Establishment Date.

Article 12 (Management of Company Property)

Macnica and Fuji Electronics shall, after the preparation of the Transfer Plan until the New Company Establishment Date, conduct their business as well as manage and operate their property with the due care of a prudent manager and have its respective subsidiaries conduct their business as well as manage and operate

their property with the due care of a prudent manager. With regard to an act that may cause significant effect to the property or rights and obligations of Macnica and Fuji Electronics (including its respective subsidiaries), unless otherwise provided for in the Transfer Plan, Macnica and Fuji Electronics shall discuss such matters in advance and carry out such act or have its respective subsidiaries carry out such act with the agreement of the other party.

Article 13 (Effect of the Transfer Plan)

The Transfer Plan shall cease to be effective if (i) a resolution regarding approval of the Transfer Plan or matters required for the Share Transfer cannot be obtained at either of the general meeting of shareholders of Macnica or Fuji Electronics as stated in Article 8, or (ii) the necessary approvals, etc. for the Share Transfer as set forth under applicable laws and regulations cannot be obtained from the related authorities, or (iii) when the Share Transfer is cancelled in accordance with the following article.

Article 14 (Change to the Terms of Share Transfer and Cancellation of the Share Transfer)

Macnica and Fuji Electronics may, after the preparation of the Transfer Plan until the New Company Establishment Date, make changes to the terms of Share Transfer and other content of the Transfer Plan or cancel the Share Transfer by agreement upon consultation, if (i) significant change occurs to the financial condition or business condition of either Macnica or Fuji Electronics, or (ii) matters that may cause significant difficulty to conduct the Share Transfer occur or become apparent, or (iii) other matters that may cause significant difficulty to achieve the objectives of the Transfer Plan occur.

Article 15 (Subject of Consultation)

Matters stipulated in this Transfer Plan, other matters not stipulated herein, and matters required for the Share Transfer, shall be determined by agreement between Macnica and Fuji Electronics upon consultation in accordance with the spirit of the Transfer Plan.

IN WITNESS WHEREOF, this Transfer Plan has been executed in duplicate, with Macnica and Fuji Electronics holding one copy each.

October 27, 2014

6-3, Shinyokohama 1-chome, Kohoku-ku, Yokohama-shi, Kanagawa-ken  
Macnica, Inc.  
President and CEO

Kiyoshi Nakashima (Seal)

Ochanomizu Center Building, 2-12, Hongo 3-chome, Bunkyo-ku, Tokyo  
Fuji Electronics Co., Ltd.  
President

Kiyoshi Ikisu (Seal)

Exhibit 1

Articles of Incorporation  
Chapter I. General Provisions

(Trade Name)

Article 1. The trade name of the Company shall be MACNICA・FUJI ELE HOLDINGS KABUSHIKI KAISHA, and MACNICA FUJI ELECTRONICS HOLDINGS, INC. in English.

(Purpose)

Article 2. The purpose of the Company shall be to control or manage companies engaging in the following businesses and foreign companies engaging in the equivalent businesses through holding shares or equity interest of such companies, as well as to engage in all businesses incidental or related to such businesses:

- (1) Export, import and sales of electronic parts including semiconductors and integrated circuits;
  - (2) Development, export, import, sales and lease of electronic equipment, telecommunications equipment and peripheral equipment and accessories;
  - (3) Development, import, export and sales of software related to Items (1) and (2);
  - (4) Development and processing of electronic parts including semiconductors and integrated circuits;
  - (5) Installation, mounting, adjustment and maintenance of electronic equipment, telecommunications equipment and peripheral equipment and accessories;
  - (6) Guidance and consulting services related to the introduction of electronic equipment, telecommunications equipment and peripheral equipment and accessories;
  - (7) Planning, production, and sales of publications related to information and communications, as well as electronics;
  - (8) Data processing services business;
  - (9) Real estate rental business; and
  - (10) Any and all businesses incidental or related to the preceding Items.
2. The Company is authorized to engage in businesses stated in the Items of the preceding Paragraph.

(Location of Head Office)

Article 3. The head office of the Company shall be located in Yokohama-shi, Kanagawa-ken.

(Organs)

Article 4. The Company shall establish the following organs, in addition to a general meeting of shareholders and directors:

- (1) Board of Directors;
- (2) Auditors;
- (3) Board of Auditors; and
- (4) Accounting Auditor.

(Method of Public Notice)

Article 5. Public notices of the Company shall be electronic public notices; provided, however, that if the Company is unable to issue electronic public notices due to an accident or any other unavoidable



reason, public notices of the Company shall be issued in the Nihon Keizai Shinbun.

## Chapter II. Shares

(Total Number of Authorized Shares)

Article 6. The total number of shares of the Company is authorized to issue shall be two hundred million (200,000,000).

(Acquisition of Treasury Shares)

Article 7. The Company may acquire shares of its own through market transactions, etc. upon resolution by the Board of Directors as prescribed by Article 165, Paragraph 2 of the Companies Act.

(Share Unit Number)

Article 8. The share unit number of the Company shall be one hundred (100).

(Rights With Respect to Shares of Less Than One Unit)

Article 9. Shareholders of the Company may not exercise the rights other than those specified below with respect to shares of less than one unit:

- (1) Rights specified in the items of Article 189, Paragraph 2 of the Companies Act;
- (2) Right to make requests as set forth in Article 166, Paragraph 1 of the Companies Act;
- (3) Right to receive the allotment of shares for subscription or share options for subscription in proportion to the number of shares held by the shareholder; and
- (4) Right to make requests as set forth in the next Article.

(Additional Purchase of Shares of Less Than One Unit)

Article 10. Shareholders of the Company may make requests to the Company with respect to purchasing additional shares to make up one share unit when added to the number of shares currently held in accordance with the Share Handling Regulations.

(Administrator of Shareholder Registry)

Article 11. The Company shall have an administrator of shareholder registry for the shares of the Company.

2. The administrator of shareholder registry and its handling office shall be designated by resolution of the Board of Directors, and announced by public notice.
3. The preparation and keeping of the shareholders registry and the share option registry of the Company, as well as any other administrations with respect to the shareholders registry and the share option registry of the Company, shall be entrusted to the administrator of shareholder registry and shall not be handled by the Company.

(Share Handling Regulations)

Article 12. Handling in relation to the shares of the Company and procedures, etc. for the exercise of rights of shareholders and fees shall be pursuant to laws and regulations and these Articles of Incorporation, and the Share Handling Regulations provided for by the Board of Directors.

## Chapter III. General Meeting of Shareholders

(Convocation)

Article 13. The ordinary general meeting of shareholders of the Company shall be convened in June of each year, and extraordinary general meeting of shareholders may be convened whenever necessary.

(Record Date of the Ordinary General Meeting of Shareholders)

Article 14. The record date of the ordinary general meeting of shareholders of the Company shall be March 31 of each year.

(Person Authorized to Convene the Meeting and the Chairman)

Article 15. The general meeting of shareholders shall be convened and chaired by President & CEO.

2. If President & CEO is unable to do so due to vacancy or accidents, the general meeting of shareholders shall be convened and chaired by another Director, in accordance with the order provided for in advance by the Board of Directors.

(Disclosure of Reference Documents, etc. for the general meeting of shareholders via the Internet and Deemed Provision)

Article 16. In convening the general meeting of shareholders, the Company may deem that it has provided shareholders with information relating to matters to be stated or indicated in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements, by disclosing such information through the use of the internet, in accordance with the provisions of Ministry of Justice ordinances.

(Method of Resolution)

Article 17. Unless otherwise provided by laws and regulations or these Articles of Incorporation, resolutions of a general meeting of shareholders shall require a majority of the voting rights of the shareholders who are present and entitled to exercise voting rights.

2. The resolutions provided for in Article 309, Paragraph 2 of the Companies Act shall require two-thirds (2/3) or more of the voting rights at a meeting where the shareholders holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights are present.

(Exercise of Voting Rights by Proxy)

Article 18. A shareholder may cause one (1) proxy, who is another shareholder of the Company with voting rights, to exercise the voting rights of the shareholder.

2. In the case of the preceding Paragraph, the shareholder or the proxy shall submit a written statement certifying rights of proxy to the Company in each general meeting of shareholders.

#### Chapter IV. Directors and Board of Directors

(Number of Directors)

Article 19. The number of Directors of the Company shall not exceed fifteen (15).

(Method of Election)

Article 20. Directors shall be elected at a general meeting of shareholders.

2. A resolution for the election of Directors shall require a majority of voting rights at a meeting where

the shareholders holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights are present.

3. The election of Directors shall not be made by cumulative voting.

(Term of Office)

- Article 21. The term of office of a Director shall be until the conclusion of the ordinary general meeting of shareholders for the last business year ending within two (2) years after the election of the Director.
2. The term of office of a Director elected to fill a vacancy or to increase the number of Directors shall be the same as the remaining term of office of the incumbent Directors in office.

(Representative Directors and Executive Directors)

- Article 22. The Board of Directors shall elect Representative Directors by its resolution.
2. The Board of Directors shall appoint one (1) President & CEO and one (1) Executive Vice President & COO from among the Representative Directors, and may appoint Chairman, Vice Chairman, Senior Managing Director and Managing Director from among the Directors as necessary.

(Person Authorized to Convene Meetings of the Board of Directors and the Chairman of the Board of Directors)

- Article 23. Unless otherwise provided by laws and regulations, meetings of the Board of Directors shall be convened and chaired by President & CEO.
2. If President & CEO is unable to do so due to vacancy or accidents, meetings of the Board of Directors shall be convened and chaired by another Director, in accordance with the order provided for in advance by the Board of Directors.

(Notice of Convocation of Meetings of the Board of Directors)

- Article 24. Notice of convocation of meetings of the Board of Directors shall be issued to each Director and each Auditor at least three (3) days before the date of the meeting, provided, however, that in the case of urgency, this period may be shortened.
2. Meetings of the Board of Directors may be held without following the procedures for convocation if Directors and Auditors unanimously so consent.

(Omission of Resolution of the Board of Directors)

- Article 25. The Company shall deem that the Board of Directors has made a resolution if requirements in Article 370 of the Companies Act are met.

(Regulations of the Board of Directors)

- Article 26. Matters concerning the Board of Directors shall be as prescribed in the Regulations of the Board of Directors provided for by the Board of Directors, in addition to laws and regulations and these Articles of Incorporation.

(Remuneration, etc.)

- Article 27. Remunerations, bonuses, and other economic benefits received by Directors from the Company as consideration for the performance of their duties (hereinafter referred to as "Remuneration, etc.") shall be provided for by a resolution of the general meeting of shareholders.

(Exemption of the Liabilities of Directors)

- Article 28. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including persons who were Directors in the past) from liability for damages arising from negligence in the performance of their duties, to the extent permitted by laws and regulations.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude contracts with Directors falling under the said Article with respect to limiting liability for damages arising from negligence in the performance of their duties, provided, however, that the limit of the amount set forth in such contracts shall be the minimum amount liable as prescribe by laws and regulations.

#### Chapter V. Auditors and Board of Auditors

(Number of Auditors)

Article 29. The number of Auditors of the Company shall not exceed five (5).

(Method of Election)

Article 30. Auditors of the Company shall be elected at a general meeting of shareholders.

2. A resolution for the election of Auditors shall require a majority of the voting rights at a meeting where the shareholders holding one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights are present.

(Term of Office)

Article 31. The term of office of an Auditor shall be until the conclusion of the ordinary general meeting of shareholders for the last business year ending within four (4) years after the election of the Auditor.

2. The term of office of an Auditor elected to fill a vacancy of Auditors who left office before the expiration of their term of office shall be until the expiration of the term of office of the Auditor who left office.

(Full-time Auditors)

Article 32. Full-time Auditors of the Company shall be elected at a Meeting of the Board of Auditors.

(Notice of Convocation of Meetings of the Board of Auditors)

Article 33. Notice of convocation of meetings of the Board of Auditors shall be issued to each Auditor at least three (3) days before the date of the meeting, provided, however, that in the case of urgency, this period may be shortened.

2. Meetings of the Board of Auditors may be held without following the procedures for convocation if the Auditors unanimously so consent.

(Regulations of the Board of Auditors)

Article 34. Matters concerning the Board of Auditors shall be as prescribed in the Regulations of the Board of Auditors provided for by the Board of Auditors, in addition to relevant laws and regulations and these Articles of Incorporation.

(Remuneration, etc.)

Article 35. Remuneration, etc. of the Auditors shall be provided for by a resolution of the general meeting of

shareholders.

(Exemption of the Liabilities of Auditors)

- Article 36. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Auditors (including persons who were Auditors in the past) from liability for damages arising from negligence in the performance of their duties, to the extent permitted by laws and regulations.
2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude contracts with Auditors falling under the said Article with respect to limiting liability for damages arising from negligence in the performance of their duties, provided, however, that the limit of the amount set forth in such contracts shall be the minimum amount liable as prescribe by laws and regulations.

#### Chapter VI. Accounting Auditor

(Election of Accounting Auditor)

- Article 37. The Accounting Auditor shall be elected at a general meeting of shareholders.

(Term of Office of Accounting Auditor)

- Article 38. The term of office of the Accounting Auditor shall be until the conclusion of the ordinary general meeting of shareholders for the last business year ending within one (1) year from its election.
2. Unless otherwise resolved at the ordinary general meeting of shareholders in the preceding Paragraph, the Accounting Auditor shall be deemed as reelected at the ordinary general meeting of shareholders.

(Remuneration, etc. of Accounting Auditor)

- Article 39. Remuneration, etc. of the Accounting Auditor shall be provided for by President & CEO upon the approval from the Board of Auditors.

#### Chapter VII. Accounts

(Business Year)

- Article 40. The business year of the Company shall be one (1) year from April 1 of each year until March 31 of the following year.

(Interim Dividends)

- Article 41. The Company may distribute interim dividends (composed of dividends of surplus as prescribed by Article 454, Paragraph 5 of the Companies Act) upon resolution by the Board of Directors.

(Record Date of Dividends of Surplus)

- Article 42. Record date of year-end dividends of the Company shall be March 31 of each year.
2. Record date of interim dividends of the Company shall be September 30 of each year.
  3. In addition to the preceding two Items above, the Company may distribute dividends of surplus upon establishing a record date.

(Expiration Period for Dividends)

Article 43. If the dividends are paid by cash and they are not received after the elapse of a full three (3) years from the date their payment commences, the Company shall be relieved of the obligation to make the payment.

2. No interests shall be applicable to the amount mentioned in the preceding Item.

#### Chapter VIII. Supplementary Provisions

(First Business Year)

Article 44. Notwithstanding the provisions provided by Article 40, the first business year of the Company shall be from the date of establishment of the Company until March 31, 2016.

(First Remuneration, etc. of Directors and Auditors)

Article 45. Notwithstanding the provisions provided by Articles 27 and 35, the amount of Remuneration, etc. for Directors from the date of the establishment of the Company to the conclusion of the first ordinary general meeting of shareholders of the Company shall be within five hundred and fifty million (550,000,000) yen, and the amount of Remuneration, etc. for Auditors shall be within seventy million (70,000,000) yen.

(Deletion of Supplementary Provisions)

Article 46. These supplementary provisions shall be deleted at the conclusion of the first ordinary general meeting of shareholders of the Company.

Exhibit 2

Details of Macnica Share Options (2nd series)

(1) Name of Share Options

Macnica Share Options (2nd series)

(2) Class and Number of Shares to Be Issued upon the Exercise of Share Options or its Method of Calculation

100 common shares of the Company for one (1) share option

If the Company carries out a share split (including an allotment of shares of common shares of the Company without contribution; the same shall apply hereafter) or share consolidation of common shares of the Company, the number of shares to be issued shall be adjusted in accordance with the formula set forth below; provided, however, such adjustment shall only apply for the number of shares to be issued for share options which have not been exercised or cancelled as of the time of adjustment and any resulting fraction of less than one share arising therefrom shall be rounded down.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of share split or share consolidation}$$

In addition to the above, if it becomes necessary to adjust the number of shares for unavoidable reasons such as merger, company split, share exchange or share transfer of the Company, the Company shall adjust the number of shares to a reasonable extent in consideration of the terms, etc. of merger, company split, share exchange or share transfer of the Company.

(3) Amount to Be Paid in exchange for Share Options

No amount is required to be paid in exchange for share options.

(4) Value of Assets to Be Contributed upon the Exercise of Share Options

The value of assets to be contributed shall be the amount obtained by multiplying an amount to be paid per share (hereinafter referred to as the "Exercise Price") to be issued upon the exercise of the share options (including the transfer of treasury shares in lieu of issuance; the same shall apply hereafter) by the number of shares to be issued through the exercise of the share options, and the Exercise Price shall be 1,841 yen.

If the Company carries out a share split or share consolidation after the issuance date, the Exercise Price shall be adjusted in accordance with the formula set forth below and any resulting fraction of less than one yen arising therefrom shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of share split or share consolidation}}$$

In addition, if the Company issues new shares or disposes of treasury shares (excluding any issuance through the exercise of the share options or subscription rights as stipulated in Article 280-19 of the Commercial Code before revision issued on April 1, 2002) at a price below the market price, the Exercise Price shall be adjusted in accordance with the formula set forth below and any resulting fraction of less than one yen arising therefrom shall be rounded up. Further, if share options are issued (limited to cases where the price of the shares to be

issued upon the exercise of the share options is below the market price when the share options are issued), the Exercise Price shall be adjusted similarly thereto.

For the formula set forth below, the “Number of shares outstanding” means the number of outstanding shares of the Company minus the number of treasury shares held by the Company, and if the Company disposes of treasury shares, “shares newly issued” shall be read as “treasury shares disposed,” and “Amount to be paid per share” shall be read as “Amount to be disposed per share.”

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment} \times \left( \frac{\text{Number of shares outstanding} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Market price per share before the issuance of new shares}}}{\text{Number of shares outstanding} + \text{Number of shares newly issued}} \right)}{1}$$

In addition to the above, if it becomes necessary to adjust the Exercise Price for unavoidable reasons such as merger or company split of the Company after the issuance date, the Company shall adjust the Exercise Price to the necessary and reasonable extent after considering the terms, etc. of the merger or company split.

(5) Exercise Period of Share Options  
From April 1, 2013 to March 31, 2018

(6) Matters concerning Increases in Stated Capital and Legal Capital Surplus through the Issuance of Shares upon the Exercise of Share Options

1) The amount by which the stated capital increases through the issuance of shares upon the exercise of share options shall be one-half (1/2) of the upper limit of the increase in the amounts of stated capital and other items calculated pursuant to the provisions of Article 17, Paragraph 1 of the Company Accounting Ordinance, and any resulting fraction of less than one yen arising therefrom shall be rounded up.

2) The amount by which the legal capital surplus increases through the issuance of shares upon the exercise of share options shall be the upper limit of the increase in the amounts of stated capital and other items described in 1) above, less the increase in the amount of stated capital set out in 1) above.

(7) Restriction on Acquisition of Share Options by Transfer

Any transfer of share options shall be subject to approval by resolution of the Board of Directors of the Company.

(8) Cause and Terms of Acquisition of Share Options

1) When a proposal for a merger agreement under which the Company is to be a disappearing company, an absorption-type company split agreement or incorporation-type company split plan under which the Company is to be a wholly-owned subsidiary, or a share exchange agreement or share transfer plan under which the Company is to be a wholly-owned subsidiary is approved by resolution of the general meeting of shareholders, the Company may acquire share options without consideration on a date to be separately determined by the Board of Directors of the Company.

2) If a holder of share options ceases to fall under terms and conditions set forth in (12), 1) before exercising the share options, the Company may acquire the share options without consideration on a date to be separately determined by the Board of Directors of the Company.

(9) Treatment of Share Options upon Organizational Restructuring



If the Company carries out a merger (limited to the cases where the Company is to be a disappearing company), absorption-type company split, incorporation-type company split, or share exchange or share transfer (hereinafter collectively referred to as the "Organizational Restructuring"), the Company shall deliver share options of a company listed in Article 236, Paragraph 1, Item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the "Restructured Company") to the holders of the share options remaining unexercised (hereinafter referred to as the "Remaining Share Options") when the Organizational Restructuring becomes effective, in accordance with the terms and conditions set forth below in the following cases:

In such cases, the Remaining Share Options shall become extinct, and the Restructured Company shall newly issue share options; provided, however, that this shall be limited to cases where the relevant merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement, or share transfer plan provides for the issuance of the share options of the Restructured Company in accordance with terms and conditions set forth below.

1) Number of share options of the Restructured Company to be issued

Share options in a number equal to the number of share options held by the holder of the Remaining Share Options shall be issued.

2) Class of shares of the Restructured Company to be issued upon the exercise of share options

Common stock of the Restructured Company

3) Number of shares of the Restructured Company to be issued upon the exercise of share options

To be similarly determined in accordance with (2) above after considering the terms and conditions and other factors of the Organizational Restructuring.

4) Value of assets to be contributed upon the exercise of share options

The value of assets to be contributed upon the exercise of each share option shall be the amount obtained by multiplying the amount to be paid after restructuring (to be obtained by adjusting the Exercise Price in accordance with (4) above) by the number of shares to be issued through the exercise of the relevant share options (to be determined in accordance with 3) above), after considering the terms and conditions of the Organizational Restructuring and other factors.

5) Exercise period of share options

The period commencing on either (i) the first date of the period during which share options may be exercised as set forth in (5) above or (ii) the date on which the Organizational Restructuring becomes effective, whichever is later, and ending on the expiration date of the period during which share options may be exercised as set forth in (5) above.

6) Matters regarding increases in stated capital and legal capital surplus through the issuance of shares upon the exercise of share options

To be similarly determined in accordance with (6) above

7) Restriction on the acquisition of share options by transfer

Any acquisition of share options by transfer shall be subject to an approval by resolution of the Board of Directors of the Restructured Company (the majority of Directors if the Restructured Company is not a company with a Board of Directors).

8) Cause of acquisition of share options

To be similarly determined in accordance with (8) above

(10) Allotment Date of Share Options

August 30, 2010

(11) Treatment of Fractions of Less Than One Share Arising from the Exercise of Share Options

Any fractions of less than one (1) share in the number of shares to be issued to share options holders who exercise share options shall be rounded down.

(12) Other Terms and Conditions regarding the Exercise of Share Options

1) A person to whom share options are allotted is required to be a Director of the Company or a subsidiary of the Company even when the share options are exercised; provided, however, that, this shall not apply to cases where the Board of Directors grants exceptions in consideration of various reasons.

2) No inheritance of share options shall be permitted; provided, however, that, this shall not apply to cases where the Board of Directors grants exceptions in consideration of various reasons.

3) No pledge or other form of disposal of share options shall be permitted.

Exhibit 3

Details of Share Options (1st series) of the New Company

Trade Name of Company: MACNICA FUJI ELECTRONICS HOLDINGS, INC.

Name of Share Options: MACNICA FUJI ELECTRONICS HOLDINGS, INC. Share Options (1st series)

(1) Name of Share Options

MACNICA FUJI ELECTRONICS HOLDINGS, INC. Share Options (1st series)

(2) Class and Number of Shares to Be Issued upon the Exercise of Share Options

The class of shares to be issued upon the exercise of share options shall be common stock, and the number of shares to be issued per share option (hereinafter referred to as the “Number of Shares Granted”) shall be 250 of common stock of the Company; provided, however, that if Macnica, Inc. carries out a share split (including an allotment of shares without contribution; the same shall apply hereafter) or share consolidation of common stock of Macnica, Inc. on or after October 27, 2014 and by the date immediately preceding the date of establishment of the Company or if the Company carries out a share split or share consolidation of common stock of the Company after the issuance the share options, the Number of Shares Granted shall be adjusted in accordance with the formula set forth below and any resulting fraction of less than one share arising therefrom shall be rounded down.

$$\text{Number of Shares Granted after adjustment} = \frac{\text{Number of Shares Granted before adjustment}}{\text{Ratio of share split or share consolidation}} \times$$

In addition to the above, if it becomes necessary to adjust the Number of Shares Granted for unavoidable reasons, the Company shall adjust the Number of Shares Granted to the extent required.

(3) Amount to Be Paid in exchange for Share Options

No amount is required to be paid in exchange for share options.

(4) Value of Assets to Be Contributed upon the Exercise of Share Options

The value of assets to be contributed shall be the amount obtained by multiplying an amount to be paid per share (hereinafter referred to as the “Exercise Price”) to be issued upon the exercise of the share options (including the transfer of treasury shares in lieu of issuance; the same shall apply hereafter) by the number of shares to be issued through the exercise of the share options. The Exercise Price shall be 737 yen.

If Macnica, Inc. carries out a share split or share consolidation of common stock of Macnica, Inc. on or after October 27, 2014 and by the date immediately preceding the date of establishment of the Company or if the Company carries out a share split or share consolidation after the issuance of the share options, the Exercise Price shall be adjusted in accordance with the formula set forth below and any resulting fraction of less than one yen arising therefrom shall be rounded up.

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment}}{\text{Ratio of share split or share consolidation}} \times 1$$

In addition, if Macnica, Inc. issues new shares or disposes of treasury shares (excluding of any issuance or

disposal through the exercise of the share options) at a price below the market price of common stock of Macnica, Inc. on or after October 27, 2014 and by the date immediately preceding the date of establishment of the Company or if the Company issues new shares or disposes of treasury shares at a price below the market price of common stock of the Company after the issuance of the share options, the Exercise Price shall be adjusted in accordance with the formula set forth below and any resulting fraction of less than one yen arising therefrom shall be rounded up. Further, if share options are issued (limited to cases where the price of the shares to be issued upon the exercise of the share options is below the market price when the share options are issued), the Exercise Price shall be adjusted similarly thereto.

For the formula set forth below, the “Number of shares outstanding” means the number of outstanding shares of Macnica, Inc. or the Company minus the number of treasury shares held by Macnica, Inc. or the Company, and if Macnica, Inc. or the Company disposes of treasury shares, “shares newly issued” shall be read as “treasury shares disposed,” and “Amount to be paid per share” shall be read as “Amount to be disposed per share.”

$$\text{Exercise Price after adjustment} = \frac{\text{Exercise Price before adjustment} \times \left( \frac{\text{Number of shares outstanding}}{\text{Number of shares outstanding} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid per share}}{\text{Market price per share before the issuance of new shares}}} \right)}{1}$$

In addition to the above, if it becomes necessary to adjust the Exercise Price for unavoidable reasons such as merger or company split of the Company on or after the allotment date, the Company shall adjust the Exercise Price to the necessary and reasonable extent after considering the terms, etc. of the merger or company split.

(5) Exercise Period of Share Options  
From April 1, 2015 to March 31, 2018

(6) Matters concerning Increases in Stated Capital and Legal Capital Surplus through the Issuance of Shares upon the Exercise of Share Options

1) The amount by which the stated capital increases through the issuance of shares upon the exercise of share options shall be one-half (1/2) of the upper limit of the increase in the amounts of stated capital and other items calculated pursuant to the provisions of Article 17, Paragraph 1 of the Company Accounting Ordinance, and any resulting fraction of less than one yen arising therefrom shall be rounded up.

2) The amount by which the legal capital surplus increases through the issuance of shares upon the exercise of share options shall be the upper limit of the increase in the amounts of stated capital and other items described in 1) above, less the increase in the amount of stated capital set out in 1) above.

(7) Restriction on Acquisition of Share Options by Transfer

Any acquisition of share options by transfer shall be subject to approval by resolution of the Board of Directors of the Company.

(8) Cause and Terms of Acquisition of Share Options

1) When a proposal for a merger agreement under which the Company is to be a disappearing company, an absorption-type company split agreement or incorporation-type company split plan under which the Company is to be a wholly owned subsidiary, or a share exchange agreement or share transfer plan under which the Company is to be a wholly owned subsidiary is approved by resolution of the general meeting of shareholders, the

Company may acquire share options without consideration on a date to be separately determined by the Board of Directors of the Company.

2) If a holder of share options ceases to fall under terms and conditions set forth in (12), 1) before exercising the share options, the Company may acquire the share options without consideration on a date to be separately determined by the Board of Directors of the Company.

(9) Treatment of Share Options upon Organizational Restructuring

If the Company carries out a merger (limited to the cases where the Company is to be a disappearing company), absorption-type company split, incorporation-type company split, or share exchange or share transfer (hereinafter collectively referred to as the “Organizational Restructuring”), the Company shall deliver share options of a company listed in Article 236, Paragraph 1, Item (viii), (a) through (e) of the Companies Act (hereinafter referred to as the “Restructured Company”) to the holders of the share options remaining unexercised (hereinafter referred to as the “Remaining Share Options”) when the Organizational Restructuring becomes effective, in accordance with the terms and conditions set forth below in the following cases:

In such cases, the Remaining Share Options shall become extinct, and the Restructured Company shall newly issue share options; provided, however, that this shall be limited to cases where the relevant merger agreement, absorption-type company split agreement, incorporation-type company split agreement, share exchange agreement, or share transfer plan provides for the issuance of the share options of the Restructured Company in accordance with terms and conditions set forth below.

1) Number of share options of the Restructured Company to be delivered

Share options in a number equal to the number of share options held by the holder of the Remaining Share Options shall be delivered.

2) Class of shares of the Restructured Company to be issued upon the exercise of share options

Common stock of the Restructured Company

3) Number of shares of the Restructured Company to be issued upon the exercise of share options

To be similarly determined in accordance with (2) above after considering the terms and conditions and other factors of the Organizational Restructuring.

4) Value of assets to be contributed upon the exercise of share options

The value of assets to be contributed upon the exercise of each share option shall be the amount obtained by multiplying the amount to be paid after restructuring (to be obtained by adjusting the Exercise Price in accordance with (4) above) by the number of shares to be issued through the exercise of the relevant share options (to be determined in accordance with 3) above), after considering the terms and conditions of the Organizational Restructuring and other factors.

5) Exercise period of share options

The period commencing on either (i) the first date of the period during which share options may be exercised as set forth in (5) above or (ii) the date on which the Organizational Restructuring becomes effective, whichever is later, and ending on the expiration date of the period during which share options may be exercised as set forth in (5) above.

6) Matters regarding increases in stated capital and capital reserve through the issuance of shares upon the exercise of share options

To be similarly determined in accordance with (6) above

7) Restriction on the acquisition of share options by transfer

Any acquisition of share options by transfer shall be subject to an approval by resolution of the Board of Directors of the Restructured Company (the majority of Directors if the Restructured Company is not a company with a Board of Directors).

8) Cause of acquisition of share options

To be similarly determined in accordance with (8) above

(10) Allotment Date of Share Options

April 1, 2015

(11) Treatment of Fractions of Less Than One Share Arising from the Exercise of Share Options

Any fractions of less than one (1) share in the number of shares to be delivered to share options holders who exercise share options shall be rounded down.

(12) Other Terms and Conditions regarding the Exercise of Share Options

1) A person to whom share options are allotted is required to be a Director of the Company or a subsidiary of the Company (including its subsidiary) even when the share options are exercised; provided, however, that, this shall not apply to cases where the Board of Directors grants exceptions in consideration of various reasons.

2) No inheritance of share options shall be permitted; provided, however, that, this shall not apply to cases where the Board of Directors grants exceptions in consideration of various reasons.

3) No pledge or other form of disposal of share options shall be permitted.

3. Matters concerning Appropriateness of Matters provided in Article 773, Paragraph 1, Item 5 and Item 6 of the Companies Act

- (1) Matters concerning Appropriateness of the Amount and Allotment of Consideration for the Share Transfer  
The Company and Macnica, upon establishment of the joint holding company by way of the Share Transfer, have determined the allotment ratio of common shares of the joint holding company to be issued and allotted to the respective shareholders of the Company and Macnica (hereinafter referred to as the “Share Transfer Ratio”) as follows, and have judged them to be appropriate.

1) Allotment concerning the Share Transfer (Share Transfer Ratio)

	Fuji Electronics	Macnica
Share Transfer Ratio	1	2.5

Note 1. Share allotment ratio

One (1) common share of the joint holding company for one (1) common share of Fuji Electronics, and two point five (2.5) common shares of the joint holding company for one (1) common share of Macnica shall be issued and allotted respectively. In case any fractions of less than one share arises in the number of common shares of the joint holding company that must be issued to shareholders of either company, cash will be paid to each of such shareholders in proportion to the value of such fractions of less than one share, pursuant to the provisions of Article 234 of the Companies Act and other relevant laws and regulations. The Share Transfer Ratio stated above is subject to change pursuant to discussions between both companies in case of any significant changes to the terms and conditions for the basis of calculation.

Note 2. Treatment of share unit and shares less than one unit of the joint holding company

The share unit of the joint holding company shall be one hundred (100) shares.  
With regard to the shareholders of Macnica and Fuji Electronics who will be allotted shares less than one hundred (100) shares of the joint holding company due to the Share Transfer, such allotted shares cannot be sold at Tokyo Stock Exchange or other financial instruments exchanges. However, such shareholders who may own such shares less than one share unit may demand purchase of the shares less than one share unit to the joint holding company. In addition, pursuant to the provisions of Article 194, Paragraph 1 of the Companies Act and the articles of incorporation, such shareholders may demand to the joint holding company to sell the number of shares that will amount to one (1) share unit added with the shares less than one share unit that they own.

Note 3. Number of new shares to be issued by the joint holding company through the Share Transfer (plan)

Common shares 58,643,207 shares

The above number is calculated based on the total number of issued shares of the Company (16,320,828 shares; as of the end of August 2014) and the total number of issued shares of Macnica (18,110,252 shares; as of the end of September 2014). However, since it is expected that both companies will cancel all the treasury shares they respectively own (including the treasury shares acquired through purchases of shares regarding demand for purchase of shares of dissenting shareholders exercised upon the Share Transfer as stipulated in Article 806, Paragraph 1 of the Companies Act) by the time immediately preceding the time the joint holding company purchases all the issued shares of both companies, treasury shares owned by the Company (2,009,133 shares;

as of the end of August 2014) and treasury shares owned by Macnica (377,647 shares; as of the end of September 2014), are excluded from the subject of issuance of new shares in the above calculation.

The number of new shares to be issued by the joint holding company may change because the actual number of treasury shares that will be cancelled by the effective date of the Share Transfer is undetermined at present. The number of new shares to be issued by the joint holding company may also change in case of any exercise of share option, etc. of Macnica prior to the effectuation of the Share Transfer.

- 2) Basis of Calculation, etc. of the Share Transfer Ratio
  - a. Basis of calculation

In order to ensure fairness in terms of determining the Share Transfer Ratio used in the Share Transfer, the Company has appointed Daiwa Securities Co. Ltd. (hereinafter “Daiwa Securities”) and Macnica has appointed SMBC Nikko Securities Inc. (hereinafter “SMBC Nikko Securities”), respectively as independent third-party assessors, and have each requested them to calculate the Share Transfer Ratio used for the Share Transfer, and received a Share Transfer Ratio calculation sheet.

With regard to the calculation of the Share Transfer Ratio, Daiwa Securities has adopted the market share price method as both companies are listed on the stock exchange and the market prices of their shares are available, while also carrying out calculation based on comparable listed company analysis as there are several similar comparable listed companies for both companies that allow estimate of share value based on comparison with similar companies. Further, in order to reflect the situation of the future business activities of both companies in the evaluation, calculation was carried out based on discounted cash flow method (hereinafter “DCF method”), where share value is calculated by discounting free cash flow, which is expected to be generated in the future, to the present value using an appropriate discount rate. Calculation result based on each calculation method is as below. The evaluation range of Share Transfer Ratio stated below shows the range of number of common shares of the joint holding company to be allotted for one (1) common share of Macnica in case one (1) common share of the joint holding company is allotted for one (1) common share of the Company.

Evaluation method	Evaluation range of Share Transfer Ratio
Market share price method	1 : 2.329-2.510
Comparable listed company analysis	1 : 2.063-3.119
DCF method	1 : 2.284-3.616

With regard to the market share price method, by setting the calculation basis date on October 24, 2014, which is the previous business day of the preparation date of the Share Transfer Ratio calculation sheet, the closing value on the Tokyo Stock Exchange of both companies on the calculation basis date, and the simple average closing value thereon of the one (1) month, three (3) months, and six (6) months period up to the calculation basis date, and the average closing value during the period starting from the business day following October 7, 2014, the announcement date of the Financial Results for the Second Quarter of the Fiscal Year Ended February 2015 of the Company, up to the calculation basis date, are adopted.

Regarding the calculation of the Share Transfer Ratio, Daiwa Securities has used reference materials and information provided by the Company and Macnica and information open to the public as is in general. All reference materials and information which were subject to the analysis and consideration were assumed to be accurate and complete. Daiwa Securities has not carried out any individual



verification on the accuracy and completeness of these reference materials and information, nor is responsible for such verification. Daiwa Securities has not carried out any individual evaluation, appraisal or assessment including individual analysis and evaluation of all assets and 9 liabilities (including but not limited to financial derivatives, unlisted assets and liabilities, and other contingent liabilities) of the Company and Macnica and their affiliate companies, nor have they requested an independent assessor for such evaluation, appraisal or assessment. Daiwa Securities assumes that the respective business plans, financial estimations and other information on the future provided by the Company and Macnica are prepared rationally based on the best possible estimate and decision by the management of the Company and Macnica at present, and with the consent of the Company, has relied upon such information without individual verification. The financial estimates used as precondition for the calculation include no business years which are expected to substantially increase or decrease in profit. The calculations by Daiwa Securities are based on financial, economical, and market condition as well as other factors as of October 27, 2014.

In addition, Daiwa Securities, as stated below in d. Measures to ensure fairness, based on the request from the Company's Board of Directors, has submitted to the Company a written opinion (Fairness Opinion) as of October 27, 2014, stating that the Share Transfer Ratio is appropriate for the shareholders of the Company from a financial viewpoint, based on above preconditions and other certain preconditions as well as condition of indemnity.

b. Particulars of calculation

In determining the Share Transfer Ratio used in the Share Transfer, the Company has appointed Daiwa Securities and Macnica has appointed SMBC Nikko Securities, respectively as independent third-party assessors, and have each requested them to calculate the Share Transfer Ratio used for the Share Transfer. Based on the calculation results from such independent third-party assessors, and upon careful negotiations and discussions on the Share Transfer Ratio among both companies by taking into account the factors of both companies including financial situation, situation of assets, future prospects, the above Share Transfer Ratio was agreed upon and determined on October 27, 2014, based on the final judgment that the above Share Transfer Ratio to be appropriate.

c. Relationship with the assessors

Daiwa Securities, independent third-party assessor of the Company, and SMBC Nikko Securities, independent third-party assessor of Macnica, are neither related parties of either company, and do not have any important interest regarding the Share Transfer required to be stated.

d. Measures to ensure fairness

In order to ensure fairness in the Share Transfer, the Company has acquired from Daiwa Securities as of October 27, 2014 a written opinion (Fairness Opinion), stating that the Share Transfer Ratio for the Share Transfer is appropriate for the ordinary shareholders of the Company from a financial viewpoint, based on preconditions stated in above a. Basis of calculation and other certain preconditions.

Macnica has acquired from SMBC Nikko Securities as of October 27, 2014 a written opinion (Fairness Opinion), stating that the Share Transfer Ratio for the Share Transfer is appropriate for the ordinary shareholders of Macnica from a financial viewpoint, based on certain preconditions.

Further, the Company has received legal advice from TMI Associates, and Macnica has received legal advice from Anderson Mori & Tomotsune, concerning the method and process of decision making and other procedures pertaining to the Share Transfer.

Both TMI Associates and Anderson Mori & Tomotsune do not fall under related parties of either company nor do they have significant interest in either company to be disclosed regarding the Share Transfer.

- (2) Matters concerning Amount of Capital and Reserve of the Wholly-Owning Parent Company Incorporated through Share Transfer.

The Company and Macnica, upon establishment of the joint holding company, have determined the amount of capital and reserve of such joint holding company to be as follows:

- 1) Amount of capital  
10.0 billion yen
- 2) Amount of legal capital surplus  
2.5 billion yen
- 3) Amount of legal retained earnings  
0 yen

The above amount of capital and reserve have been determined by comprehensively taking into account the capital policies of the joint holding company after establishment and through discussion of the Company and Macnica, within the extent provided for in Article 52 of the Ordinance on Company Accounting.

4. Matters concerning Appropriateness of Matters provided in Article 773, Paragraph 1, Item 9 and Item 10 of the Companies Act with regard to Share Options provided in Article 808, Paragraph 3, Item 3 of the Companies Act

The Company, upon establishment of MACNICA FUJI ELECTRONICS HOLDINGS, INC. as the Wholly-Owning Parent Company Incorporated through Share Transfer through the Share Transfer based on the Transfer Plan jointly prepared with Macnica, in light of its detail and the Share Transfer Ratio of the share option issued by Macnica as stated in below (1), from the viewpoint of equally protecting the rights of shareholders and holders of share options, and based on discussions between the Company and Macnica, it has been determined to issue and allot share options of MACNICA FUJI ELECTRONICS HOLDINGS, INC. as set out below, in place of share options of Macnica, and have judged this to be appropriate.

- (1) One (1) MACNICA FUJI ELECTRONICS HOLDINGS, INC. Share Options (1st series) as stated in Exhibit 3 to the Transfer Plan for one (1) Macnica Share Options (2nd series) (as stated in Exhibit 2 thereto).

5. Matters concerning Macnica

- (1) Details of the Financial Statements with regard to the Most Recent Business Year

The financial statements of Macnica for the fiscal year ended March 31, 2014 have been posted on the Company's website (<http://www.fujiele.co.jp>) in accordance with laws and regulations and Article 15 of the Articles of Incorporation of the Company.

- (2) Disposal of Significant Property, Significant Burden of Debt, or Other Matters that may Cause Significant Effect to the Status of Company Property which Occurred after the Ending Date of the Most Recent Business Year  
Not applicable.

6. Disposal of Significant Property, Significant Burden of Debt, or Other Matters that may Cause Significant Effect to the Status of Company Property which Occurred after the Ending Date of the Most Recent Business Year with regard to the Company  
Not applicable.

7. Matters Pertaining to Persons Assuming Directors of the Wholly-Owning Parent Company Incorporated through Share Transfer

Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
Haruki Kamiyama (February 5, 1946)	February 1975 President and CEO of Macnica, Inc. June 2008 Chairman and CEO of Macnica, Inc. June 2010 Director and Chairman of Macnica, Inc. (Present)	(1) 0 Shares (2) 7,574,350 Shares (3) 18,935,875 Shares
Kunio Ikisu (November 14, 1940)	April 1964 Joined Rikei Corporation September 1970 Established the Company as President and COO November 1980 Representative Director of FUJI ELECTRONICS AMERICA INC. (Present) February 1984 Representative Director of FUJI SEMICONDUCTORS CO. LTD. (Present) June 1995 Representative Director of FUJI SEMICONDUCTOR SINGAPORE PTE LTD (Present) October 1999 Representative Director of CRESTRONICS CO., LTD. (Present) February 2003 Representative Director of TOKYO DENSHI HANBAI CO., LTD. (Present) July 2004 Chairman of the Board of Directors of FUJI ELECTRONICS SHANGHAI CO., LTD. (Present) May 2005 Chairman & CEO of the Company (Present) September 2012 Representative Director of FUJI SEMICONDUCTOR (THAILAND) CO., LTD. (Current)	(1) 489,500 Shares (2) 0 Shares (3) 489,500 Shares

Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
Kiyoshi Nakashima (March 13, 1955)	April 1981 Joined Macnica, Inc. May 1991 Director and Component First Business Department General Manager of Macnica, Inc. April, 1999 Director and Network Business General Manager of Macnica, Inc. June 2003 Managing Director of Macnica, Inc. March 2004 Representative Director of Macnica Networks Corp. April 2005 Executive Vice President of Macnica, Inc. Representative Director of ALTIMA Corp. June 2008 President and CEO of Macnica, Inc. (Present)	(1) 0 Shares (2) 28,518 Shares (3) 71,295 Shares
Kiyoshi Ikisu (January 11, 1949)	January 1973 Joined the Company April 1984 Sales Div. 1 Manager of the Company May 1985 Director of the Company May 1993 Managing Director of the Company May 1997 Senior Managing Director of the Company May 2003 Director and Vice President of the Company May 2005 President & COO of the Company (Present)	(1) 227,600 Shares (2) 0 Shares (3) 227,600 Shares

Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
Shigeyuki Sano (June 9, 1959)	April 1981 Joined Macnica, Inc. March 1995 General Manager, Accounting Division of Macnica, Inc. June 1997 Director and General Manager, Accounting Division of Macnica, Inc. June 2003 Director, in charge of General Affairs of Macnica, Inc. April 2007 Director of Macnica, Inc. (present)	(1) 0 Shares (2) 18,318 Shares (3) 45,795 Shares
Eiichi Nishizawa (March 26, 1957)	April 1982 Joined Toho Mutual Life Insurance Company (Present The Gibraltar Life Insurance Co., Ltd.) December 1999 Joined the Company May 2001 Head of Strategic Planning Office of the Company May 2006 Executive Officer, Head of Strategic Planning Office and General Manager, General Affairs Div. of the Company May 2010 Senior Executive Officer and General Manager, Strategy Planning Div. of the Company May 2011 Director and General Manager, Financial & Accounting Div. of the Company May 2014 Managing Director of the Company (Present)	(1) 0 Shares (2) 0 Shares (3) 0 Shares

Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
Fumihiko Arai (January 4, 1965)	March 1990 Joined Macnica, Inc. June 2003 Director and General Manager of Strategic Business of ALTIMA Corp. April 2006 Director and Vice President of ALTIMA Corp. June 2007 President and CEO of ALTIMA Corp. April 2011 Executive Officer of Macnica, Inc. June 2011 Director of Macnica, Inc. (Present)	(1) 0 Shares (2) 3,100 Shares (3) 7,750 Shares
Shinichi Onodera (January 8, 1956)	April 1978 Joined Wacoal Corp. December 1983 Joined Crown Leasing corporation December 1987 Joined The Fuji Bank, Limited (Present Mizuho Bank, Ltd.) April 2010 Joined the Company as General Manager, General Affairs Div. of the Company May 2010 Executive Officer and General Manager, General Affairs Div. of the Company May 2011 Executive Officer and Deputy General Manager, Marketing Sector of the Company May 2012 Director and Deputy General Manager, Sales Management Sector of the Company May 2014 Managing Director of the Company (Present)	(1) 0 Shares (2) 0 Shares (3) 0 Shares

Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
SEU, DAVID DAEKYUNG (November 23, 1959)	September 1986 Joined Merrill Lynch & Co., Inc. (Investment Banking Division, New York, USA) October 1990 Joined The Sumitomo Trust and Banking Co., Ltd. (Present Sumitomo Mitsui Trust Bank, Limited) February 2000 Director of Sumishin Investment Co., Ltd. (Present Sumitomo Mitsui Trust Investment Co., Ltd.) (Present) June 2007 Director of Macnica, Inc. (Present) (Significant Concurrent Positions) Director of Sumitomo Mitsui Trust Investment Co., Ltd.	(1) 0 Shares (2) 0 Shares (3) 0 Shares

Notes:

1. Each person assuming Director has no special interests with the Company and Macnica, Inc., and neither is going to have special interests with "MACNICA FUJI ELECTRONICS HOLDINGS, INC."
2. Number of the Company's shares held is based on state of ownership on August 31, 2014, number of Macnica's shares held is based on state of ownership on September 30, 2014, and number of the joint holding company's shares allotted is based on these said states of ownership of shares taking the Share Transfer Ratio into consideration.

8. Matters Pertaining to Persons Assuming Auditors of the Wholly-Owning Parent Company Incorporated through Share Transfer

Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
Yutaka Usami (November 15, 1949)	<p>June 1975 Joined Macnica, Inc. June 1994 President and CEO of Net Serve Corporation (Present Networld Corporation) October 2000 Director and Vice President of Networld Corporation November 2009 Adviser of Macnica Networks Corp. June 2011 Audit &amp; Supervisory Board Member of Macnica, Inc. (Present)</p>	<p>(1) 0 Shares (2) 49,383 Shares (3) 123,457 Shares</p>
Yoshiaki Asahi (February 18, 1955)	<p>April 1977 Joined Tokyo Stock Exchange, Inc. (Present Japan Exchange Group, Inc.) April 1983 Joined Japan Associated Finance Co., Ltd. (Present JAFCO Co., Ltd.) July 1993 President and Representative Director of GPC, Ltd. (Present) June 2011 Outside Audit &amp; Supervisory Board Member of Macnica, Inc. (Present) (Significant Concurrent Positions) President and Representative Director of GPC, Ltd.</p>	<p>(1) 0 Shares (2) 1,000 Shares (3) 2,500 Shares</p>



Name (Date of Birth)	Brief History, Position, Area of Responsibility and Other Key Posts Held Concurrently	(1) Number of the Company's Shares Held (2) Number of Macnica's Shares Held (3) Number of the Joint Holding Company's Shares Allotted
Fujiaki Mimura (May 30, 1954)	April 1987 Registered at Tokyo Bar Association January 1991 Established Fujiaki Mimura Law Office June 2002 Established Sakai Mimura Law Office (Present Bingham McCutchen Murase, Sakai Mimura Aizawa - Foreign Law Joint Enterprise) (Present) December 2003 Outside Audit & Supervisory Board Member of Fuji Pharma Co., Ltd. (Present) May 2009 Outside Auditors of the Company (Present) (Significant Concurrent Positions) Outside Audit & Supervisory Board Member of Fuji Pharma Co., Ltd.	(1) 0 Shares (2) 0 Shares (3) 0 Shares

Notes:

1. Each person assuming Auditor has no special interests with the Company and Macnica, Inc., and neither is going to have special interests with "MACNICA FUJI ELECTRONICS HOLDINGS, INC."
2. Number of the Company's shares held is based on state of ownership on August 31, 2014, number of Macnica's shares held is based on state of ownership on September 30, 2014, and number of the joint holding company's shares allotted is based on these said states of ownership of shares taking the Share Transfer Ratio into consideration.
3. Messrs. Yoshiaki Asahi and Fujiaki Mimura are both candidates for Outside Auditors as stipulated in Article 2, Paragraph 3, Item 8 of the Companies Act Enforcement Regulations.
  - (i) Mr. Yoshiaki Asahi as a candidate of Auditor has broad knowledge and deep insight as a business person and he is eligible to become an Outside Auditor to monitor, make proposals and advice from fair and neutral point of view. He is a current Outside Audit & Supervisory Board Member of Macnica, Inc. and he will have held the position of Outside Audit & Supervisory Board Member for three years and six months at the closing date of this extraordinary general meeting of shareholders.
  - (ii) Mr. Fujiaki Mimura as a candidate of Auditor has extensive knowledge and experience in corporate legal work as an attorney and he is eligible to become an Outside Auditor to carry out an audit appropriately on such standpoint as compliance. He is a current Outside Auditor of the Company and he will have held the position of Outside Auditor for five years and seven months at the closing date of this extraordinary general meeting of shareholders.
 As stipulated in Securities Listing Regulations of Tokyo Stock Exchange, Messrs. Yoshiaki Asahi and Fujiaki Mimura will be filed as "Independent Officers" considering they are unlikely to have conflicts of interest with general shareholders.
4. The joint holding company will enter into contracts for limitation of liability pursuant to Article 427, Paragraph 1 of the Companies Act if Outside Auditors are appointed. These contracts limit the amount of their liability for compensation to the minimum amount liable as prescribe by laws and regulations.



9. Matters Pertaining to Assuming Accounting Auditor of the Wholly-Owning Parent Company Incorporated through Share Transfer

Name of organization	Ernst & Young ShinNihon LLC
Offices	Tokyo Head Office: Hibiya Kokusai Building, 2-2-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo (Other Offices) Principal offices: 33 Representative offices: 4 Overseas offices: 41
History	October 1985 Established Showa Ota & Co. January 1986 Established Century Audit Corporation April 2000 Established Century Ota Showa & Co. July 2001 Corporate name changed to Shin Nihon & Co. July 2008 Became Ernst & Young ShinNihon LLC
Corporate Outline	Capital: 890 million yen (As of June 30, 2014) Staffing Total: 6,055 (As of June 30, 2014)

**Proposal No. 2: Partial Amendment to Articles of Incorporation**

1. Reason for Amendment

If Proposal No. 1 is approved and the Share Transfer is conducted, the shareholders of the Company is going to be shareholders of the wholly-owning parent company “MACNICA FUJI ELECTRONICS HOLDINGS, INC.” which is scheduled to be established on April 1, 2015 (plan), and “MACNICA FUJI ELECTRONICS HOLDINGS, INC.” will be the sole shareholder of the Company.

Accordingly, it will be no longer necessary to stipulate record date for determining shareholders with voting rights to be convened to the General Meeting of Shareholders, and thus Article 13 of the current Articles of Incorporation will be deleted and renumber the articles following the current Article 13 accordingly.

These amendments of the Articles of Incorporation will take effect on February 28, 2015, provided that Proposal No. 1 is approved as originally proposed and that, if approved, the share transfer plan approved in Proposal No. 1 remains in effect and has not been canceled by the day immediately preceding February 28, 2015.

2. Details of Amendment

The amendment to Articles of Incorporation is summarized below.

(Sections to be amended are underlined.)

Current Articles of Incorporation	Proposed Changes
<u>(Record Date for General Meeting of Shareholders)</u> <u>Article 13</u> <u>The record date for determining shareholders with voting rights to be convened to the Company’s General Meeting of Shareholders shall be the last day of February of each year.</u> Article <u>14</u> – Article <u>40</u> [Omitted]	[Deleted]  Article <u>13</u> – Article <u>39</u> [Unchanged]

For reference:

In accordance with Article 37 and Article 38, Paragraph 1 of the current Articles of Incorporation (Article 36 and Article 37, Paragraph 1 of the amended Articles of Incorporation), the Company will pay dividends (i.e., a year-end dividend) for fiscal year ending February 2015 (from March 1, 2014 to February 28, 2015) to shareholders or registered pledgees of shares who are recorded in the shareholder registry as of February 28, 2015.