

Acquisition of Leading Indian Power Electronics Manufacturer to Expand the Power Electronics Systems Business in India

Fuji Electric Co., Ltd. ("FE"), headquartered in Tokyo, Japan, led by President Michihiro Kitazawa, is pleased to announce that, in order to expand its power electronics systems business in India, it has entered into an agreement with Peepul Capital Fund III LLC and the individual shareholders to acquire the entire shares of Consul Neowatt Power Solutions Private Limited (CNPS), a major power electronics manufacturer in the country.

1. Background

Fuji Electric (FE) is globally developing its core business of Power Electronics Systems and India is one of the key focus areas for FE's global growth plan. FE established Fuji Electric India Pvt. Ltd., a sales company, in 2009, and opened a low-voltage AC Drives factory in 2016. That same year, FE also established an engineering company (Fuji Gemco Private Limited) as a joint venture with a local company. Since then, FE has been developing the industry solutions business mainly to improve the productivity and to save energy for our clients in India.

CNPS is a leading manufacturer of uninterruptible power supply (UPS) systems in India. CNPS is the leading Indian UPS Company and among the fastest growing power electronics company in India. CNPS has a strong customer base in India with a proven track record of supplying reliable power electronic solutions to customers across Industry verticals in manufacturing, healthcare, social infrastructure, and other segments requiring power quality solutions.

FE will expand its power electronics systems business in India, targeting mainly the manufacturing industry and the data center market, which has been booming in recent years, by leveraging CNPS's network of sales and service centers across the country. FE will also leverage the manufacturing infrastructure and product development capabilities of CNPS for the development of price-competitive products specifically designed for demanding site and power conditions.

2. Key Measures

1) Launch of energy solutions business

While India is experiencing ongoing economic growth and expanding infrastructure construction, improvements in power quality is required for uninterrupted business operations. FE energy solution business will focus on improving the power quality and optimization of energy usage, by combining CNPS's UPS solutions with FE's energy management systems (EMSs). FE will propose such solutions for data centers, social infrastructure, buildings and factories, which essentially require a stable and energy efficient power supply.

2) Strengthening the manufacturing system for local production for local consumption

Fuji Electric India and Fuji Gemco have factories in Mumbai (western India) and Faridabad (northern India), respectively. The acquisition of CNPS's factories (Pune in the western region and Chennai in the south) gives FE a large manufacturing presence in India.

FE will now be able to respond faster to customer needs in India with a more efficient production and distribution network by establishing the entire process of production and supply in India—from product development to material procurement, manufacturing, and quality assurance—of AC Drives, UPSs and other components.

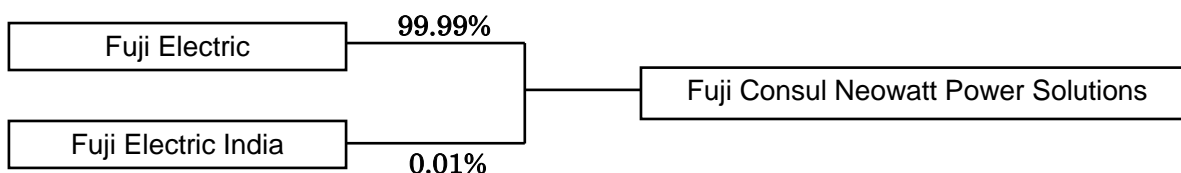
3. Overview of Company to be Acquired

- (1) Company name: Consul Neowatt Power Solutions Private Limited
- (2) Established: 1981
- (3) Head Office: Chennai City, Tamil Nadu State, India
- (4) MD & CEO: Sriram Ramakrishnan
- (5) Number of employees: 810 (as of April 30, 2019)
- (6) Main business: Development, manufacturing, engineering, sales, and service of UPSs, servo voltage stabilizers, active harmonic filters, off-grid solar inverters and other customized power electronic solutions.
- (7) Sales Amount: FY2018 (Apr 1, 2018 - Mar 31, 2019) : 6.7 billion yen (1 INR= 1.61 yen)

4. Overview of Acquisition

- (1) New company name: Fuji Consul Neowatt Power Solutions Private Limited (planned)
- (2) Timing of execution of the share transfer: latest by end of August 2019

5. Equity Ownership Ratio



■ Site Locations

