



March 27, 2008

Company name: Fuji Electric Holdings Co., Ltd.

Representative: Haruo Ito, President and Representative Director

(Ticker: 6504 TSE / OSE / NSE / FSE)

Contact: Koichi Minami, General Manger, Corporate Planning Group

(Tel: +81-3-5435-7213)

Fuji Electric Systems and Fuji Electric FA Components & Systems to Join to Become One Company

Fuji Electric Holdings Co., Ltd. (“FHC”) announced today that it has decided at the board meeting held today to consolidate operations of two of its wholly owned subsidiaries, Fuji Electric Systems Co., Ltd. (“FES”) and Fuji Electric FA Components & Systems Co., Ltd. (“FCS”), as of July 1, 2008. Details of the consolidation are as follows:

1. Objectives for consolidation

FES, a core operating company of Fuji Electric Group in the energy and electric systems segment, has engaged primarily in building of industrial and power plant and systems. FCS, a core operating company in the electrical distribution, industrial control and drive systems segment, has engaged primarily in route sales of component equipment that supports the operation and safety of factory automation (FA) production lines and intelligent buildings.

In recent years, “creation of system products” and “solutions” are the key words in heavy electric machinery field and new types of business have been actively developed around them. In this backdrop, to acquire new opportunities for future growth, Fuji Electric Group will vigorously strengthen drive systems business (solution service using power electronics) and automation business (process automation, factory automation, and socio automation and solution service) as its driving force. To achieve this, Fuji Electric Group has decided to merge the two companies to combine their resources and meld strengths of the respective companies; the know how to create and propose system solutions that FES has cultivated over the year through infrastructure building in Japan and overseas, and the industry leading component equipment backed by the high technological capability that FCS has accumulated.

This consolidation will allow Fuji Electric Group to offer solution services of higher level that contribute to customers and society. By creating new business models, Fuji Electric Group will strive to further expand its business and raise corporate value for future.

2. Outline of consolidation

1) Scheduled date of consolidation

July 1, 2008

2) Consolidation method

The detailed consolidation method is to be determined at a later date.

3. Overview of FES and FCS (As of March 31, 2007)

1) Corporate name	Fuji Electric Systems Co., Ltd.		Fuji Electric FA Components & Systems Co., Ltd.
2) Line of business	Development, manufacture and sales of and service provision for various equipment and systems related to social infrastructure such as industrial, public, energy and transportation systems		Development, manufacture and sales of control, power distribution, drive control, and gas-related equipment
3) Established	December 1, 1965		October 1, 2003
4) Head office	Shinagawa-ku , Tokyo		Shinagawa-ku, Tokyo
5) Representative	Ginjiro Yanai President		Mitsunori Shirakura President
6) Capital	¥2,500 million		¥10,000 million
7) Issued and outstanding shares	12,980,003 shares		1,000,000 shares
8) Net asset (Non-consolidated)	¥37,684 million		¥15,551 million
9) Total assets (Non-consolidated)	¥236,290 million		¥94,754 million
10) Fiscal year-end	March 31		March 31
11) Employees (Non-consolidated)	5,149		1,908
12) Major customers	Tokyo Electric Power Company, Inc. ITOCHU Corporation Fujitsu Limited, etc.		Fuji EIC Co., Ltd. Chubu Fuji Electric Co., Ltd. Fuji Electric (Shanghai) Co., Ltd., etc.
13) Major shareholder and its shareholding ratio	Wholly owned by Fuji Electric Holdings Co., Ltd.		Wholly owned by Fuji Electric Holdings Co., Ltd.
14) Major bankers	Mizuho Corporate Bank, Ltd. Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd.		Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Limited.
15) Relationship between FES and FCS	Capital relationship	Non	

	Human resource relationship	Standing auditors of FHC also serve as part-time auditors of FES and FCS.
	Business relationship	FES and FCS sell their products each other.
	Related party category	FES and FCS are consolidated subsidiaries of FHC and therefore fall under a related party category.

4. Financial results for the last three years

	FES (Non-consolidated)			FCS (Non-consolidated)		
	March 31, 2005	March 31, 2006	March 31, 2007	March 31, 2005	March 31, 2006	March 31, 2007
Fiscal term ending						
Net sales (¥ million)	227,734	258,344	260,105	95,122	95,085	102,730
Operating income (¥ million)	2,393	5,332	7,518	3,144	3,166	5,149
Ordinary income (¥ million)	1,000	4,894	7,116	3,297	3,364	4,992
Net income (¥ million)	-3,118	1,225	2,195	1,513	1,807	2,133
Net income per share (¥)	-240.24	94.40	169.16	1,478.39	1,774.40	2,133.54
Dividend per share (¥)	—	36.21	67.64	1,478.39	1,596	1,600
Net asset per share (¥)	2,636.94	2,765.83	2,903.28	14,649	15,349	15,551

5. Overview of the company after consolidation

1) Corporate name	Fuji Electric Systems Co., Ltd. (Not confirmed)
2) Line of business	Development, manufacture and sales of and service provision for various equipment and systems related to social infrastructure such as industrial, public, energy and transportation systems; and development, manufacture and sales of drive control equipment and others.
3) Head office	Shinagawa-ku, Tokyo (Not confirmed)
4) Representative	Mitsunori Shirakura (Not confirmed) President
5) Capital	TBD
6) Net asset	TBD

7) Total assets	TBD
8) Fiscal year-end	March 31

6. Effect on business results

The consolidated business results for the fiscal year ending March 2008 will not be affected by this consolidation. A material impact on the business performance for the fiscal year ending March 31, 2009, if any, will be disclosed as soon as it is confirmed.