

Corporate Name: Fuji Electric Holdings Co., Ltd.
Representative: Haruo Ito, President and Representative Director
(Ticker: 6504 TSE / OSE / NSE / FSE)
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Notice Regarding Transfer (Acquisition of Shares) of Fuji Electric's Sub-subsidiary Company Associated with Joint Venture in the Field of Electrical Distribution and Industrial Control Equipment with Schneider Group

As notified in its disclosure documents dated March 27, 2008, Fuji Electric Holdings Co., Ltd. ("FHC") reached a basic agreement with Schneider Electric Industries SAS, headquartered in Rueil-mailmaison, France ("Schneider Electric"), with respect to the integration of their respective businesses relating to the electrical distribution and industrial control (ED&C) equipment (the "Business"). Since then both companies have been undertaking discussions aimed at a final agreement.

Fuji Electric FA Components & Systems Co., Ltd. ("FCS"), a wholly owned consolidated subsidiary of FHC, and Schneider Electric Japan Ltd. ("SEJ"), a Japanese subsidiary of the Schneider Group have now signed an agreement to carry out an absorption-type corporate split (spin-off-type corporate split) whereby SEJ will succeed to the Business of FCS (the "Corporate Split").

Owing to the Corporate Split, FCS, the split company, will receive shares of SEJ, the successor company and, as a result, SEJ will become a joint-venture company in which the Fuji Electric Group holds an equity stake of approximately 63% and the Schneider Group holds an equity stake of approximately 37%. SEJ will therefore newly become a sub-subsidiary company of FHC.

Please see the attachment for details concerning the capital relations of the two groups in relation to this matter.

Furthermore, as of October 1, 2008, SEJ will change its company name to Fuji Electric FA Components & Systems Co., Ltd., which FCS is currently using. Consequently, FCS will change its company name to Fuji Electric Assets Management Co., Ltd. as of the same date.

1. Objectives of the Corporate Split

The worldwide ED&C equipment market faces a challenging environment due to the development of IEC standards in the European Union (EU) and their globalization as well as intensifying price competition stemming from the growing strength of emerging markets. Moreover, at the same time, this sector is being forced to cope with new conditions such as environmental protection measures, energy saving, and the reinforcement of product safety.

Against this backdrop, the Fuji Electric Group and the Schneider Group have built a cooperative relationship that includes engaging in mutual product supply from November 2003 onward and the establishment of a manufacturing joint-venture company in China in March 2004. The medium-term objective of the Fuji Electric Group is to expand its share of the Asian market, while that of the Schneider Group is to strengthen its presence in the Japanese market, and the matching of these needs has led to the creation of this new joint venture.

The new joint-venture company aims to expand business operations as a component and solutions provider that is the industry leader in the field of ED&C equipment. It will achieve this by combining the strengths of the two groups, carrying out mutual product supply and joint product development by leveraging their product lineups and development capabilities, sharing their global networks, and integrating their high quality and service and advanced consulting capabilities.

2. Summary of the Corporate Split

1) Schedule for Corporate Split

- Board of directors' meeting to pass resolution regarding the Corporate Split: August 28, 2008
- Conclusion of the Corporate Split agreement: August 28, 2008
- Shareholders' meeting to approve the Corporate Split: September 25, 2008 (scheduled)
- Scheduled date of the Corporate Split (effective date): October 1, 2008 (scheduled)

2) Method of Corporate Split

This will be an absorption-type corporate split (spin-off-type corporate split), whereby FCS is the split company and SEJ is the successor company.

3) Details of share allotment relating to Corporate Split

The successor company will issue 360,220 shares of common stock upon the Corporate Split and grant them to the split company.

4) Decrease in capital, etc. resulting from Corporate Split

The capital, etc. of the split company is not slated to decrease as a result of the Corporate Split.

5) Handling of share warrants and bonds with warrants attached of split company

The split company has not issued any share warrants or bonds with warrants attached.

6) Rights and obligations to which the successor company will succeed

The successor company is slated to succeed to those assets and rights and obligations relating to the Business on which both companies have agreed in the Corporate Split agreement, on the effective date of the Corporate Split.

7) Expectations regarding fulfillment of obligations

We believe that the obligations that should be borne by the split company and the successor company from the effective date of the Corporate Split onward are likely to be fulfilled.

8) Overview of companies concerned with Corporate Split

a) Company Name	Schneider Electric Japan Ltd. (successor company) Note: Scheduled to change name to Fuji Electric FA Components & Systems Co., Ltd. as of October 1, 2008	Fuji Electric FA Components & Systems Co., Ltd. (split company) Note: Scheduled to change name to Fuji Electric Assets Management Co., Ltd. as of October 1, 2008
b) Scope of Business	Sales of and service provision for electrical distribution equipment and industrial control equipment	Development, manufacture and sales of and service provision for electrical distribution equipment and industrial control equipment
c) Date of Establishment	January 29, 1999	October 1, 2003
d) Head Office Location	Taito-ku, Tokyo	Shinagawa-ku, Tokyo
e) Representative	Pierre Leveque, Chief Executive Officer	Naoto Higo, President and Representative Director
f) Capital	¥1.825 billion (as of December 31, 2007)	¥10 billion (as of July 1, 2008) * ¹
g) Number of Shares Outstanding	33,200 (as of December 31, 2007)	1,000,000 (as of July 1, 2008) * ¹

h) Stand-alone Net Assets	¥1.048 billion (as of December 31, 2007)	¥13.307 billion (as of July 1, 2008) * ¹
i) Stand-alone Total Assets	¥2.404 billion (as of December 31, 2007)	¥68.122 billion (as of July 1, 2008) * ¹
j) Stand-alone Number of Employees	161 (as of December 31, 2007)	1,257 (as of July 1, 2008) * ¹
k) Major Shareholders and Shareholding Ratios	Schneider Electric Japan Holdings Ltd. 100%	Fuji Electric Holdings Co., Ltd. 100%
l) Main Banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Citibank Japan Ltd.	Mizuho Corporate Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. Resona Bank, Limited.
m) Relationships between Companies Concerned	Capital Relationship	Not applicable
	Human Resource Relationship	Not applicable
	Business Relationship	The split company has a business relationship involving the OEM supply of products with the successor company.
	Related party category	Not applicable

*¹ Owing to a split-off-type corporate split as of July 1, 2008, FCS transferred its control and drive system equipment business and power supply marketing divisions to Fuji Electric Systems Co., Ltd. Consequently, the above figures for capital, number of shares outstanding, net assets, total assets, and number of employees at FCS are shown as of July 1, 2008. These figures are unaudited.

9) Stand-alone financial results during the past three years

Fiscal year-end	Schneider Electric Japan Ltd. (successor company)			Fuji Electric FA Components & Systems Co., Ltd. (split company) * ²		
	Dec. 2005	Dec. 2006	Dec. 2007	Mar. 2006	Mar. 2007	Mar. 2008
Net sales (millions of yen)	4,669	5,412	5,093	95,085	102,730	103,904
Operating income (millions of yen)	-261	455	238	3,166	5,149	3,732
Ordinary income (millions of yen)	-280	472	253	3,364	4,992	3,062
Net income (millions of yen)	-704	479	389	1,807	2,133	1,578
Net income per share (yen)	-21,205	14,440	11,719	1,774	2,133	1,578
Dividend per share (yen)	0	0	0	1,596	1,600	0
Net assets per share (yen)	5,405	19,845	31,565	15,349	15,551	14,905

*² Owing to a split-off-type corporate split as of July 1, 2008, FCS transferred its control and drive system equipment business and power supply marketing divisions to Fuji Electric Systems Co., Ltd. Consequently, figures relating to FCS differ substantially from the current scope of business.

3. Number of Shares that Fuji Electric's Subsidiary Will Acquire and Status of Shareholding and Voting Rights before and after Acquisition

- 1) Number of shares held before transfer: 0 (zero) (Shareholding ratio: 0%) (Number of voting rights: 0)
- 2) Number of shares to be acquired: 360,220

3) Number of shares held after transfer: 360,220 (Shareholding ratio: approx. 63%) (Number of voting rights: 360,220)

4) Special items regarding voting rights after transfer

At the time of the Corporate Split, SEJ will issue class shares with rights to elect directors (“X-class Shares”) to FCS (scheduled to change its company name to Fuji Electric Assets Management Co., Ltd. as of October 1, 2008), and FCS will hold all of the shares in this category. Consequently, FCS will end up holding approximately 63% of total shares outstanding.

To enable the Schneider Group to participate in the important decision-making of SEJ so that SEJ will be managed based on the objectives of this business integration, Schneider Electric Japan Holdings Ltd. is slated to hold all of the class shares in SEJ with rights to elect directors and veto rights (“Y-class Shares”) (212,480 shares, shareholding ratio: approx. 37%).

Based on the rights to elect directors associated with the X-class Shares, three directors and the statutory auditor for SEJ will be elected at a class shareholders’ meeting that is composed of shareholders of the X-class Shares.

Based on the rights to elect directors associated with Y-class Shares, two directors of SEJ will be elected at a class shareholders’ meeting that is composed of shareholders of the Y-class Shares. Furthermore, based on the veto rights associated with the Y-class Shares, when SEJ adopts a resolution at a shareholders’ meeting or board of directors’ meeting relating to certain matters, a resolution will be required at a class shareholders meeting that is composed of shareholders of the Y-class Shares. The major matters to which the veto rights apply are the following: a share split by the successor company; the transfer of business by the successor company or its subsidiary (which are collectively referred to as “Group Company” hereafter); the sale or transfer of all or substantially all of the assets held by the Group Company; entry into or exit from any joint venture by the Group Company; the acquisition of assets or properties of a certain value or more by the Group Company; and the sale of fixed assets of a certain value or more by the Group Company.

4. Status of Successor Company after the Corporate Split (Status of Sub-subsidiary Company) (As of October 1, 2008)

a) Company Name

Fuji Electric FA Components & Systems Co., Ltd.

Note: Change scheduled for October 1, 2008

b) Representative

Naoto Higo, President and Representative Director

c) Head Office Location

Chuo-ku, Tokyo

Note: Change scheduled for October 1, 2008

d) Main Business Activities

Development, manufacture and sales of and service provision for electrical distribution equipment and industrial control equipment

e) Fiscal Year-End

March 31

f) Stand-alone Number of Employees

Approx. 1,200

g) Main Business Sites

Manufacturing sites: Konosu-shi (Saitama), Otawara-shi (Tochigi)

Sales sites: Chuo-ku (Tokyo), Nagoya-shi (Aichi), Osaka-shi (Osaka), etc.

h) Capital

Approx. ¥8 billion (estimated)

Note: The amount of capital may vary depending on the trend in foreign exchange markets going forward.

i) Total Number of Shares Outstanding

572,700 (comprising 360,220 X-class Shares and 212,480 Y-class Shares)

5. Business Forecast

An announcement will be separately made regarding the expected impact on Fuji Electric Holdings' consolidated business performance in the fiscal year ending March 31, 2009.

6. Change of Name of Split Company Associated with the Corporate Split

1) Reason for change of company name

After the Corporate Split, the split company will become a company that mainly conducts assets management relating to the Business. To clarify this function, the company name will be changed as shown in section 3) below.

2) Scheduled date of change of company name

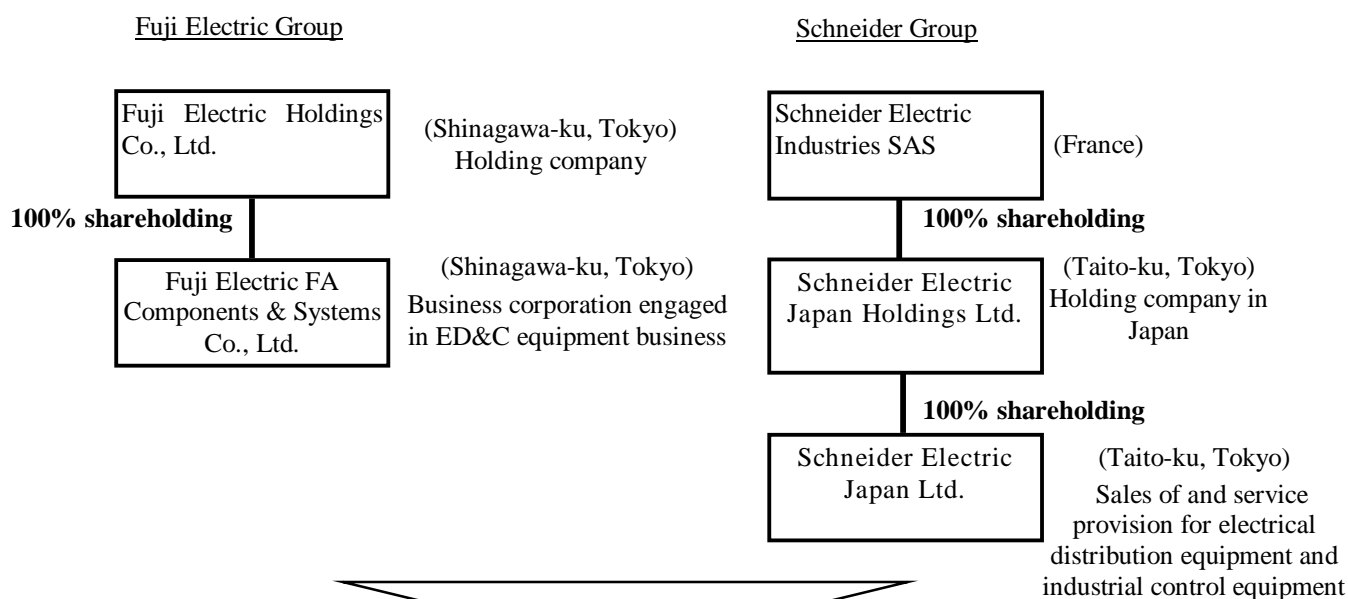
October 1, 2008

3) Overview of split company after change of company name

- a) New company name: Fuji Electric Assets Management Co., Ltd.
- b) Head office location: Shinagawa-ku, Tokyo
- c) Representative: Katsushi Nakayama, President and Representative Director
- d) Capital: ¥10 billion

Attachment

Capital Relationship of Fuji Electric Group and Schneider Group Relating to the Corporate Split

Before the Corporate Split**After the Corporate Split** (October 1, 2008 and thereafter)