Subsidiary of Fuji Electric Holdings to Dissolve Business and Capital Tie-up with TOENEC CORPORATION

Tokyo, September 29, 2009 — At a meeting held today, the Board of Directors of Fuji Electric Holdings Co., Ltd. decided to dissolve the business and capital tie-up between Fuji Electric Systems Co., Ltd. (FES), FES subsidiary Fuji Denki Sosetsu Co., Ltd. (FDS), and TOENEC CORPORATION, in the field of commercial air-conditioning equipment installation. On the same day, FES, FDS, and TOENEC concluded an agreement to dissolve the business and capital tie-up.

1. Reason for the Dissolution

FES, FDS, and TOENEC concluded a tie-up agreement on August 26, 2004. Since that time, they have worked aggressively in joint management and technical cooperation activities while mutually complementing and strengthening the management resources and operational foundations of FDS and TOENEC. These efforts have achieved a certain degree of success.

As a result of discussions regarding the results of the tie-up and of the operating policies of the three companies, it was decided to dissolve the tie-up rather than to extend it.

2. Details of the Dissolution

The following business tie-up will be dissolved:
• Joint management, order-taking, and installation activities for commercial air-conditioning equipment installation, centered on customers in the Chubu region
• Technical exchange activities regarding commercial air-conditioning equipment installation
• Efficient procurement through joint materials purchasing

3. Changes in Shareholdings Accompanying the Dissolution

(1) The FDS stock held by TOENEC will be handled as follows:
As of September 29, 2009, TOENEC transferred its holdings of FDS stock to FES.
(i) Number of shares: 99,000 shares
(ii) % of issued shares: 7.41% (1,335,700 issued shares)

(2) The book value of the TOENEC stock held by FDS is as follows:
The handling of the TOENEC stock held by FDS is currently under consideration.
(i) Number of shares: 233,000 shares
(ii) Book value: ¥121,160,000 (As of the end of June 2009)

4. Overview of Subsidiaries

(1) Corporate name	Fuji Electric Systems Co., Ltd.	Fuji Denki Sosetsu Co., Ltd.
(2) Head office	Shinagawa-ku, Tokyo	Chuo-ku, Tokyo
(3) Representative	Mitsunori Shirakura President and Representative Director	Tomoyasu Kida President and Representative Director
(4) Line of business	Electrical equipment manufacturing	Installation and construction
(5) Capital	¥25,000 million	¥1,270 million
(6) Established	November 18, 1965	September 21, 1976

5. Overview of TOENEC CORPORATION

(1) Corporate name	TOENEC CORPORATION		
(2) Head office	Naka-ku, Nagoya, Aichi Prefecture		
(3) Representative	Hiroshi Ochi President and Representative Director		
(4) Line of business	Installation and construction		
(5) Capital	¥7,680,785 thousand (As of March 31, 2009)		
(6) Established	October 1, 1944		
(7) Major shareholders and holding percentages	Major shareholders (top ten)		
	Shareholder name	Number of shares (thousands)	Holding percentage
	Chubu Electric Power Co., Inc.	48, 330	50.01
	TOENEC employees stock fund	6,478	6.70
	TOENEC Kyoeikai	1,701	1.76
	Japan Trustee Services Bank, Ltd. (Trust Account 4G)	1,543	1.60
	Japan Trustee Services Bank, Ltd. (Trust Account)	1,247	1.29
	CBNY DFA International Cap Value Portfolio	1,039	1.08
	Bank of Tokyo-Mitsubishi UFJ	1,006	1.04
	The Master Trust Bank of Japan, Ltd. (Trust Account)	795	0.82
	Nippon Life Insurance Company	681	0.70
	Sumitomo Mitsui Banking Corporation	489	0.51
(8) Relationships between the Company and TOENEC	Capital relationships	FDS, a subsidiary of the Company, holds 233,000 shares of TOENEC common stock.	
	Personnel relationships	There are no significant personnel relationships between the Company and TOENEC. Also, there are no significant personnel relationships between the Company's related persons, subsidiaries, and affiliates and TOENEC's related persons, subsidiaries, and affiliates.	

	Transactional relationships	There are no significant transactional relationships between the Company and TOENEC. Also, there are no significant transactional relationships between the Company's related persons, subsidiaries, and affiliates and TOENEC's related persons, subsidiaries, and affiliates.
	Status of concerned parties	TOENEC is not a concerned party of the Company. Also, TOENEC's related persons, subsidiaries, and affiliates do not include any concerned parties of the Company.

(9) TOENEC's consolidated results of operations and consolidated financial position for the most recent three years

Fiscal period	FY ended March 2007	FY ended March 2008	FY ended March 2009
Consolidated net assets	¥67,983 million	¥79,677 million	¥78,789 million
Consolidated total assets	¥180,856 million	¥182,427 million	¥170,660 million
Consolidated net assets per share	¥722.62	¥847.49	¥838.68
Consolidated net sales	¥199,976 million	¥197,386 million	¥173,336 million
Consolidated operating income	¥5,306 million	¥7,566 million	¥5,727 million
Consolidated ordinary profit	¥5,737 million	¥8,663 million	¥6,390 million
Consolidated net income	¥2,689 million	¥6,771 million	¥4,725 million
Consolidated net income per share	¥28.53	¥72.00	¥50.28
Cash dividends per share	¥10	¥10	¥10

6. Timetable

(1) Meeting of the Board of Directors of Fuji Electric Holdings Meeting of the Board of Directors of FES Meeting of the Board of Directors of FDS	September 29, 2009
(2) Conclusion of agreement for dissolution of business and capital tie-up	September 29, 2009

7. Future Outlook

The dissolution of the business and capital tie-up will have a minimal effect on the consolidated performance of the Company.
   In the event of the occurrence of anything requiring disclosure, notification will be made promptly.

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