

July 30, 2010

Company Name: Fuji Electric Holdings Co., Ltd.
Representative: Michihiro Kitazawa, President and Representative Director
Code Number: 6504, listed on the first sections of TSE, OSE and NSE, and on FSE
Contact: Takashi Kusaka, General Manager, Corporate Planning Office
Telephone: +81-3-5435-7213

Notice Concerning Subscription to a Tender Offer

Fuji Electric Holdings Co., Ltd. (hereinafter referred to as “Fuji Electric” or “the Company”) resolved at a meeting of its Board of Directors held today to execute a subscription agreement with Mitsubishi Logistics Corporation (hereinafter referred to as “Mitsubishi Logistics”) concerning Mitsubishi Logistics’ tender offer (hereinafter referred to as “the Tender Offer”) for Fuji Logistics Co., Ltd. (hereinafter referred to as “Fuji Logistics”), a Fuji affiliate accounted for by the equity method, which Mitsubishi Logistics plans to implement from August 2, 2010. The agreement is in connection with 5,587,300 shares of the total amount of shares of Fuji Logistics held by the Company. Brief details of the subscription to the Tender Offer are provided as follows.

1. Rationale for Subscribing to the Tender Offer

As a part of its efforts to split off and consolidate the Group’s logistics operations, the Company established Fuji Logistics in 1975. Thereafter, Fuji Logistics has continued to expand its business beyond the scope of the Group’s core activities, focusing on third-party logistics services (hereinafter referred to as “3PL”) both in Japan and overseas. More recently in February 2010, the Fuji Electric Group announced that it had formulated its new medium-term management plan for the period from fiscal 2009 to fiscal 2011. Under the plan, Fuji’s approach is to become a global company that contributes to society through its businesses in the field of “energy and the environment.” Accordingly, with an eye to its domestic and overseas supply chain, and efforts to develop its offshore business, the Company recognizes the critical need to build a more efficient logistics network.

On conclusion of the Tender Offer, Fuji Electric envisages that Fuji Logistics will join the Mitsubishi Logistics corporate group. On this basis, Fuji Logistics will be better positioned to pursue its 3PL business both at home and abroad based on a sales and marketing strategy that takes full advantage of the Mitsubishi brand. Underpinned by Mitsubishi Logistics’ established global network that comprises approximately 110,000 square meters of storage space spread across 13 major countries worldwide as well as abundant funding capabilities, Fuji Logistics is poised to further develop its overseas business, pursue the development of a comprehensive logistics platform, and reap considerable benefits through enhanced growth.

Again, following completion of the Tender Offer, Fuji Electric plans to promote strong ties with both Mitsubishi Logistics and Fuji Logistics, as important partners in supporting the Group’s logistics structure and systems in Japan and overseas. Taking all of the aforementioned into consideration, the Company recognizes the Tender Offer as an excellent opportunity to build a logistics framework in tune with the objectives of its medium-term management plan. On this basis, Fuji today concluded a subscription agreement with Mitsubishi Logistics. In the absence of any serious error in Mitsubishi Logistics’ representations and warranties as well as any breach of the terms and conditions of the aforementioned

agreement, the Company has agreed to subscribe to the Tender Offer.

As a part of the subscription agreement, Fuji Electric has agreed with Mitsubishi Logistics that, with respect to that portion of Fuji Logistics' common stock held by the Company not subject to the subscription agreement—an amount equivalent to approximately 5% of the total issued and outstanding shares of Fuji Logistics—Fuji Electric will continue to hold the aforementioned common stock for a maximum period of two years after completion of the Tender Offer.

Furthermore, according to a press release issued by Fuji Logistics today, the company held a meeting of its Board of Directors passing a resolution on consent to the Tender Offer.

2. Profile of Fuji Logistics Co., Ltd. (As of March 31, 2010)

(1)	Company name	Fuji Logistics Co., Ltd.	
(2)	Address	3-10-1 Mita, Minato-ku, Tokyo	
(3)	Name and title of representative	Michio Kobayashi, President and Representative Director	
(4)	Business activities	Logistics and other businesses	
(5)	Paid-in capital	¥2,979,675 thousand	
(6)	Date established	February 1975	
(7)	Major shareholders and percentage of shares held	Fuji Electric Holdings Co., Ltd.	27.38%
		Toyota Industries Corporation	26.00%
		Fujitsu Limited	5.07%
		Fuji Logistics Employee Shareholding Association	3.46%
		Kanso-Inc Co., Ltd.	2.70%
		Masao Takahashi	2.00%
		The Bank of Yokohama	1.50%
		Hiroyuki Izuyama	1.20%
		Kita Aichi Lease Co., Ltd.	0.95%
		Sompo Japan Insurance Inc.	0.76%
(8)	Relationships between the listed company and the subject company	Capital relationship	The Company holds 28.21% of the voting rights of Fuji Logistics (shareholding ratio: 27.38%)
		Human resource relationship	Certain employees of the Company hold concurrent positions as directors of Fuji Logistics
		Trading relationship	Fuji Logistics engages in the transportation, packaging and storage of the Company's products on a contract basis

(9) Fuji Logistics' consolidated operating results and financial position over the three most recent fiscal years

(Millions of yen)

Fiscal Year Ended	March 31, 2008	March 31, 2009	March 31, 2010
Operating revenue	41,871	38,750	34,654
Operating income	1,261	563	579
Ordinary income	1,212	514	531
Net income	481	103	175
Net assets	11,248	11,023	11,092
Total assets	28,169	25,039	24,659
			(Yen)
Net assets per share	453.72	444.58	446.56
Net income per share	19.72	4.24	7.19
Cash dividends per share	9.00	7.00	7.00

Note: Information contained in the aforementioned profile is drawn from Fuji Logistics' securities reports for the three fiscal years ended March 31, 2008, March 31, 2009 and March 31, 2010.

3. Profile of Mitsubishi Logistics Corporation (As of March 31, 2010)

(1)	Company name	Mitsubishi Logistics Corporation																					
(2)	Address	1-19-1 Nihonbashi, Chuo-ku, Tokyo																					
(3)	Name and title of representative	Tetsuro Okamoto, President and Representative Director																					
(4)	Business activities	Warehousing; land transportation; marine and harbor transportation; international transportation; customs clearance and cargo handling																					
(5)	Paid-in capital	¥22,393 million																					
(6)	Date established	April 1887																					
(7)	Major shareholders and percentage of shares held	<table> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>5.65%</td> </tr> <tr> <td>Tokio Marine & Nichido Fire Insurance Co., Ltd.</td> <td>5.34%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (trust account)</td> <td>5.15%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (trust account)</td> <td>4.47%</td> </tr> <tr> <td>Kirin Holdings Company, Limited</td> <td>4.22%</td> </tr> <tr> <td>Mitsubishi Estate Co., Ltd.</td> <td>4.17%</td> </tr> <tr> <td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td> <td>3.25%</td> </tr> <tr> <td>Mitsubishi UFJ Trust and Banking Corporation</td> <td>2.15%</td> </tr> <tr> <td>Asahi Glass Co., Ltd.</td> <td>1.88%</td> </tr> <tr> <td>JPMorgan Securities Japan Co., Ltd.</td> <td>1.84%</td> </tr> </table>		Meiji Yasuda Life Insurance Company	5.65%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	5.34%	The Master Trust Bank of Japan, Ltd. (trust account)	5.15%	Japan Trustee Services Bank, Ltd. (trust account)	4.47%	Kirin Holdings Company, Limited	4.22%	Mitsubishi Estate Co., Ltd.	4.17%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3.25%	Mitsubishi UFJ Trust and Banking Corporation	2.15%	Asahi Glass Co., Ltd.	1.88%	JPMorgan Securities Japan Co., Ltd.	1.84%
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JPMorgan Securities Japan Co., Ltd.	1.84%																						
(8)	Relationships between the listed company and the subject company	Capital relationship	None																				
		Human resource relationship	None																				
		Trading relationship	None																				
		Relevant status with related parties	None																				

Note: Information contained in the aforementioned profile is drawn from Mitsubishi Logistics' securities report for the fiscal year ended March 31, 2010.

4. Number and Amount of Shares Subject to Subscription; Percentage of Total Shares Issued and Outstanding

(1)	Number of shares held prior to subscription	6,835,800 shares (Number of voting rights: 6,835) (Percentage of total shares issued and outstanding: 27.38% (as of March 31, 2010))
(2)	Number of shares planned for subscription	5,587,300 shares (Number of voting rights: 5,587) (Transfer amount: ¥2,514,285 thousand (¥450 per share))
(3)	Number of shares held after subscription	1,248,500 shares (Number of voting rights: 1,248) (Percentage of total shares issued and outstanding: 5.00%)

Notes:

1. The transfer amount is calculated by multiplying the number of shares planned for subscription to the Tender Offer (the number of shares planned for subscription) by the purchase price.
2. The number of shares held after subscription is subject to the purchase of all shares planned for

subscription by the Company after completion of the Tender Offer.

5. Schedule for the Tender Offer

(1) Date of conclusion of the subscription agreement	July 30, 2010
(2) Purchase period	August 2, 2010 to September 15, 2010
(3) Date on which the results of the Tender Offer will be announced	September 16, 2010
(4) Date on which settlement will commence	September 24, 2010

6. Conclusion of a Basic Agreement between Mitsubishi Logistics and Fuji Logistics; Business Alliance between Fuji Logistics and Toyota Industries Corporation

In connection with a basic agreement relating to the consignment of business activities between Mitsubishi Logistics and Fuji Logistics, and subject to conclusion and the completion of settlement of the Tender Offer, Fuji Electric has agreed that the Fuji Electric Group's trading transactions with Fuji Logistics will continue unchanged for the foreseeable future after the Tender Offer.

In addition, the Company had concluded a business alliance agreement between Toyota Industries Corporation and Fuji Logistics in March 2004. Plans are in place for this agreement to be terminated on conclusion of the Tender Offer.

7. Outlook

On conclusion of the Tender Offer, and as a result of the Company's subscription to the Tender Offer, Fuji Logistics is scheduled to be removed from Fuji Electric's scope of consolidation as an affiliated company accounted for by the equity method.

In the event that the subscription to the Tender Offer has a material effect on the Company's consolidated and non-consolidated operating results, all pertinent details will be disclosed in a timely manner.

Furthermore, according to a press release issued by Mitsubishi Logistics today, a minimum number of shares scheduled for purchase has been established. In the event that the number of subscribed shares fails to meet this minimum amount, the terms and conditions of the Tender Offer are such that no subscribed shares will be purchased.