

April 27, 2011

Company Name: Fuji Electric 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

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Merger with Consolidated Subsidiary

Fuji Electric Co., Ltd., today announced that a meeting of its Board of Directors convened today approved a resolution to merge with and absorb the Company's wholly owned subsidiary Fuji Electric Device Technology Co., Ltd., as shown below.

Further, because this is a simple merger of a wholly owned subsidiary, certain disclosure items and details have been omitted.

1. Aim of merger

Fuji Electric Device Technology Co., Ltd., specializes in hard disks, which are core components of hard disc drives.

Since November 2010, Fuji Electric Device Technology Co., Ltd., has been restructuring business with a view to transferring the sales, development, and production functions of Fuji Electric Device Technology Co., Ltd., (of the Yamanashi Plant) to Fuji Electric (Malaysia) Sdn. Bhd. during fiscal 2011, the year ending March 2012. However, given the dramatic changes in conditions in the hard disk drive market recently, the Company is aiming to restructure within stepped-up rigor. Consequently, the Company has brought forward the timing of the transfer and will transfer all of the operations, organization, and assets of Fuji Electric Device Technology Co., Ltd., to Fuji Electric (Malaysia) Sdn. Bhd. and the Company by the end of June 2011.

Accordingly, Fuji Electric Device Technology Co., Ltd., will merge into the Company on July 1, 2011.

2. Outline of the merger

(1) Schedule for the merger

| | |
|---|-------------------------|
| Planned date of merger resolution by the Board of Directors | April 27, 2011 |
| Planned conclusion of merger agreement | April 27, 2011 |
| Planned effective date of merger | July 1, 2011(Tentative) |

Note: This merger follows procedures for a simple merger and a short-form merger in accordance with the provisions of Paragraph 3, Article 796, and Paragraph 1, Article 784, of the Companies Act. Accordingly, Fuji Electric Co., Ltd. and Fuji Electric Device Technology Co., Ltd. will not hold general meetings of shareholders to obtain approval of the merger.

(2) Form of the merger

The merger is expected to take the form of an absorption-type merger, with Fuji Electric Co., Ltd., as the surviving company and Fuji Electric Device Technology Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Fuji Electric Device Technology Co., Ltd. is a wholly owned subsidiary of the Company, no plans exist to issue new shares or augment common stock in relation to the merger, nor is any money expected to be delivered due to the merger.

(4) Handling of share options and bonds with share options in the company to be absorbed

Fuji Electric Device Technology Co., Ltd., has issued no share options or bonds with share options.

3. Overview of companies involved in the merger (As of March 31, 2010)

| | | |
|---|---|---|
| (1) Company name | Fuji Electric Co., Ltd. (Surviving company) | Fuji Electric Device Technology Co., Ltd. (Company to be absorbed) |
| (2) Business content | Control and management of the business activities of companies in the Fuji Electric Group through the holding and ownership of their shares | Development, production, and sale of storage devices |
| (3) Established | August 29, 1923 | October 1, 2003 |
| (4) Head office | 1-1, Tanabe Shinden, Kawasaki-ku, Kawasaki-shi | 11-2, Osaki 1-chome, Shinagawa-ku, Tokyo |
| (5) Representative name, position | Michihiro Kitazawa, President and Representative Director | Atsushi Asamura, President and Representative Director |
| (6) Common stock | ¥47,586 million | ¥27,500 million |
| (7) Shares issued | 746,484,957 shares | 1,000,001 shares |
| (8) Total net assets | ¥196,134 million (consolidated) | ¥18,870 million (non-consolidated) |
| (9) Total assets | ¥908,938 million (consolidated) | ¥77,222 million (non-consolidated) |
| (10) Fiscal year-end | March 31 | March 31 |
| (11) Employees | 23,524 (consolidated) | 592 (non-consolidated) |
| (12) Major shareholders and percentage ownership | FUJITSU LIMITED: 9.96% Japan Trustee Services Bank, Ltd. (Trust Account): 5.73% The Master Trust Bank of Japan, Ltd. (Trust Account): 5.14% | Fuji Electric Co., Ltd.: 100% |
| (13) Relationships between the companies involved in the merger | Capital relationship | The Company holds 100% of voting rights in the company to be absorbed. |
| | Personal relationships | Some directors and employees of the Company are concurrently directors of the company to be absorbed. |
| | Transactional relationships | The Company commissions research and development from the company to be absorbed. |
| | Status of related parties to the merger | As the company to be absorbed is a consolidated subsidiary of the Company, it is a related party to the merger. |

(14) Operating performance for the most recent three-year period

| Fiscal period | Fuji Electric Holdings Co., Ltd. (consolidated) | | | Fuji Electric Device Technology Co., Ltd. (non-consolidated) | | |
|--|--|--|--|---|--|--|
| | Fiscal year ended March 31, 2008 | Fiscal year ended March 31, 2009 | Fiscal year ended March 31, 2010 | Fiscal year ended March 31, 2008 | Fiscal year ended March 31, 2009 | Fiscal year ended March 31, 2010 |
| Net sales (Millions of yen) | 922,172 | 766,637 | 691,223 | 156,802 | 110,119 | 69,923 |
| Operating income /loss (Millions of yen) | 35,883 | -18,855 | 924 | 5,255 | -27,419 | -15,536 |
| Ordinary income /loss (Millions of yen) | 35,808 | -20,769 | -537 | 4,364 | -28,253 | -16,351 |
| Net income/loss (Millions of yen) | 16,792 | -73,306 | 6,757 | 2,973 | -37,288 | -5,825 |
| Net income/loss per share (Yen) | 23.49 | -102.57 | 9.46 | 2,973.53 | -37,288.54 | -5,825.27 |
| Dividends per share (Yen) | 8.0 | 4.0 | 1.5 | 2,230 | - | - |
| Net assets per share (Yen) | 355.98 | 182.37 | 250.28 | 33,720.62 | -5,806.17 | 18,870.73 |

4. Post-merger status

| | |
|--------------------------------------|--|
| (1) Company name | Fuji Electric Co., Ltd. |
| (2) Business content | 1. Development, manufacturing, sales and service of various equipment and systems related to social infrastructure in the industrial, public, energy and transportation sectors, as well as of semiconductor devices, photoconductive drums and peripheral imaging devices 2. Control and management of the business activities of companies in the Fuji Electric Group through the holding and ownership of their shares |
| (3) Head office | 1-1, Tanabe Shinden, Kawasaki-ku, Kawasaki-shi |
| (4) Representative name, position | Michihiro Kitazawa, President and Representative Director |
| (5) Common stock | There are no plans to increase common stock through the merger. |
| (6) Total net assets | (To be confirmed) |
| (7) Total assets | (To be confirmed) |
| (8) Fiscal year-end | March 31 |

5. Outlook for the future

As the company to be absorbed is a consolidated subsidiary, with 100% of its voting rights owned by the Company, the merger is not expected to impact consolidated operating performance. If it becomes apparent that this merger is likely to materially affect consolidated operating performance, the Company will provide timely notice of such expectations.