

July 26, 2012

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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Notice Regarding Conclusion of Merger Agreement with Consolidated Subsidiary

At a meeting convened today, the Board of Directors of Fuji Electric Co., Ltd. (the “Company”) resolved to conclude a merger agreement with wholly owned subsidiary Fuji Electric Retail Systems Co., Ltd. On April 26, 2012, the Company provided notice regarding the start of preparations for this absorption-type merger in “Notice of Merger Preparations to Begin at Consolidated Subsidiary.”

1. Objective of the merger

Fuji Electric Retail Systems Co., Ltd., is a specialized company that develops, manufactures, and sells vending machines and also provides after-sales support services following their installation.

The merger was decided with the goal of strengthening systems for expanding energy-related businesses. This will be accomplished by combining the Company’s power electronics and other energy-saving equipment with Fuji Electric Retail Systems’ cooling and heating technologies as well as other basic technologies.

2. Outline of the merger

(1) Schedule for the merger

Board of Directors resolution to commence merger preparations	April 26, 2012 (Thursday)
Date of merger resolution by the Board of Directors	July 26, 2012 (Thursday)
Conclusion of merger agreement	July 26, 2012 (Thursday)
Planned effective date of merger	October 1, 2012 (Monday, tentative)

Note: The Company and Fuji Electric Retail Systems Co., Ltd., plan to follow procedures for a simple merger and a short-form merger which, in accordance with the provisions of Paragraph 3, Article 796, and Paragraph 1, Article 784, of the Companies Act, do not require approval from a general meeting of shareholders.

(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 Retail Systems Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Fuji Electric Retail Systems 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 Retail Systems Co., Ltd., has issued no share options or bonds with share options.

3. Overview of companies involved in the merger

(1) Company name	Fuji Electric Co., Ltd. (Surviving company)	Fuji Electric Retail Systems Co., Ltd. (Company to be absorbed)
(2) Business content	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 and photoconductive drums, and providing solutions in relation to these items	Development, manufacturing, and sales of vending machines and provision of related services
(3) Established	August 29, 1923	September 20, 1965
(4) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi	11-2, Osaki 1-chome, Shinagawa-ku, Tokyo
(5) Representative name, position	Michihiro Kitazawa, President and Representative Director	Hidehiko Asahi, President and Representative Director
(6) Paid-in capital	¥47,586 million	¥9,789 million
(7) Shares issued	746,484,957 shares	52,113,641 shares
(8) Total net assets (As of March 31, 2012)	¥183,217 million (consolidated)	¥25,608 million (non-consolidated)
(9) Total assets (As of March 31, 2012)	¥792,848 million (consolidated)	¥61,680 million (non-consolidated)
(10) Fiscal year-end	March 31	March 31
(11) Employees (As of March 31, 2012)	24,973 (consolidated)	1,272 (non-consolidated)
(12) Major shareholders and percentage ownership (As of March 31, 2012)	FUJITSU LIMITED: 9.96% Japan Trustee Services Bank, Ltd. (Trust Account): 6.60% The Master Trust Bank of Japan, Ltd. (Trust Account): 4.66%	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 Co., Ltd. (consolidated)			Fuji Electric Retail Systems Co., Ltd. (non-consolidated)		
	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
Net sales (Millions of yen)	691,223	689,065	703,534	115,602	84,849	82,241
Operating income/loss (Millions of yen)	924	11,917	19,252	-1,146	224	1,761
Ordinary income/loss (Millions of yen)	-537	7,225	18,554	-1,016	78	1,163
Net income/loss (Millions of yen)	6,757	15,104	11,801	-7,850	-2,901	-456
Net income/loss per share (Yen)	9.46	21.14	16.52	-150.64	-55.66	-8.75
Dividends per share (Yen)	1.5	4.0	4.0	5.5	-	-
Net assets per share (Yen)	250.28	217.40	228.91	564.31	495.38	491.40

4. Post-merger status

(1) Company name	Fuji Electric Co., Ltd.
(2) Business content	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 vending machines, and providing solutions in relation to these items
(3) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi
(4) Representative name, position	Michihiro Kitazawa, President and Representative Director
(5) Paid-in capital	There are no plans to increase paid-in 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.