

January 31, 2013

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 Thermo Systems Co., Ltd. The merger agreement was concluded thereafter.

This merger is a simple absorption-type merger of a wholly owned subsidiary, and accordingly certain disclosure items and details have been omitted.

### 1. Objective of the merger

Fuji Electric Thermo Systems Co., Ltd., was founded in 2002 in response to the slowdown of growth in the market for melting furnaces for the casting industry, a key market to the company. This specialized company was established to operate a business centered on providing after-sales support services to customers in Japan.

Recently, there has been a trend toward revising energy policies in Japan and in other countries as well. For this reason, it is anticipated that the heat management (heat and energy-saving) market will expand into the future, presenting opportunities for significant growth in businesses with an emphasis on industrial electric heating technologies.

In light of these circumstances, the merger was decided with the goal of expanding the Company’s industrial electric heating businesses. Another goal of this merger was facilitating the Company’s full-fledged advancement into the heat management market. These goals will be accomplished by combining the applied power supply technologies employed in the Company’s power electronics and other products as well as related development and marketing capabilities with Fuji Electric Thermo Systems’ applied heating technologies as well as other basic technologies.

### 2. Outline of the merger

#### (1) Schedule for the merger

Date of merger resolution by the Board of Directors	January 31, 2013 (Thursday)
Conclusion of merger agreement	January 31, 2013 (Thursday)
Planned effective date of merger	April 1, 2013 (Monday, tentative)

Note: The Company and Fuji Electric Thermo 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 Thermo Systems Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Fuji Electric Thermo 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 Thermo 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 Thermo 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 energy, industrial, and transportation sectors, as well as of semiconductor devices, photoconductive drums, and vending machines, and providing solutions in relation to these items	Development, design, and manufacturing of melting furnaces, industrial heating units, and eco-friendly products and provision of related after-sales support services
(3) Established	August 29, 1923	February 1, 2002
(4) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi	5520 Minamitamagaki-chou, Suzuka-shi, Mie Prefecture
(5) Representative name, position	Michihiro Kitazawa, President and Representative Director	Hajimu Fukami, President and Representative Director
(6) Paid-in capital	¥47,586 million	¥90 million
(7) Shares issued	746,484,957 shares	1,800 shares
(8) Total net assets (As of December 31, 2013)	¥175,008 million (consolidated)	¥838 million (non-consolidated)
(9) Total assets (As of December 31, 2013)	¥738,955 million (consolidated)	¥4,787 million (non-consolidated)
(10) Fiscal year-end	March 31	March 31
(11) Employees (As of December 31, 2013)	25,199 (consolidated)	104 (non-consolidated)
(12) Major shareholders and percentage ownership (As of September 30, 2012)	FUJITSU LIMITED: 9.96% Japan Trustee Services Bank, Ltd. (Trust Account): 7.71% The Master Trust Bank of Japan, Ltd. (Trust Account): 5.16%	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 employees of the Company are concurrently directors of the company to be absorbed.
	Transactional relationships	Transactions involving the sale of products and services are conducted between the Company and 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 Thermo 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	5,345	5,111	6,057
Operating income/loss (Millions of yen)	924	11,917	19,252	151	141	211
Ordinary income/loss (Millions of yen)	-537	7,225	18,554	149	138	203
Net income/loss (Millions of yen)	6,757	15,104	11,801	76	77	82
Net income/loss per share (Yen)	9.46	21.14	16.52	42,188	42,891	45,639
Dividends per share (Yen)	1.5	4.0	4.0	0	0	0
Net assets per share (Yen)	250.28	217.40	228.91	347,322	390,213	435,852

**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 energy, industrial, 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 capital 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.