

November 27, 2014

Company Name: Fuji Electric Co., Ltd.

Representative: Michihiro Kitazawa, President and Chairman of the Board of Directors

Code Number: 6504, listed on the first sections of TSE, NSE and FSE

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Notice Regarding the Acquisition of SMB Electric Pte. Ltd. (Conversion to Subsidiary through Stock Acquisition)

Fuji Electric Co., Ltd., today announced that it has signed a share transfer agreement with Osaki Electric Co., Ltd., and OSAKI United International Pte. Ltd. (OUI), a wholly owned subsidiary of Osaki Electric, to purchase 100% of the shares of SMB Electric Pte. Ltd. (SMBE) held by OUI in accordance with a resolution by the Company's board of directors following a meeting held on November 27, 2014. The aim of this transaction is the acquisition of SMBE. Details are as follows.

1. Objective of the share acquisition

The Company is focused on advancing the management policies of expanding energy-related businesses and globalization, and has positioned the fiscal year ending March 31, 2015, as a year for aggressive management expansion. As such, this year will be one in which we boost sales and profitability focused on businesses in the Industrial Infrastructure and Power Electronics segments. As part of these efforts, the Company reached an agreement with Osaki Electric and OUI, which holds 100% of the issued shares of SMBE, to acquire SMBE, and a share transfer agreement was concluded in accordance.

SMBE is a major Singaporean manufacturer of low-voltage switchgears and telecommunications switchgears. This company has a robust track record of delivering such equipment for use in data centers, commercial facilities, industrial plants, and factory equipment in the Asia-Pacific region (Singapore, Malaysia, Indonesia, and Australia). The Company's objectives for acquiring SMBE are as follows.

- To acquire local production sites and human resources as well as sales channels for dealing with companies in the Asia-Pacific region
- To sell systems that combine low-voltage switchgears with the products of the Company's Industrial Infrastructure and Power Electronics segments

After the acquisition, coordination will be pursued between SMBE and the Company's local subsidiaries in the Asia-Pacific region in order to leverage SMBE's sales channels to expand sales of systems to local companies.

As one step in the acquisition, the Company plans to purchase all shares of stock issued by SMBE on December 29, 2014.

2. Overview of the company to be acquired

(1)	Company name	SMB Electric Pte. Ltd.		
(2)	Location	15 Senoko Avenue, Singapore 758305		
(3)	Representative name, position	Lee Wee Hian, Executive Director and CEO		
(4)	Business activities	Manufacture and sale of distribution boards and switchgears		
(5)	Paid-in capital	S\$64,472,000 (¥5,738 million)		
(6)	Established	September 8, 1978		
(7)	Major shareholders and percentage ownership	OSAKI United International Pte. Ltd. (100%)		
(8)	Relationships between the company to be acquired and the Company	Capital relationship	No noteworthy relationship exists.	
		Personal relationships	No noteworthy relationship exists.	
		Transactional relationships	No noteworthy relationship exists.	
(9)	Consolidated operating performance and financial position for the most recent three-year period	(Thousands of S\$)		
	Fiscal period	Fiscal year ended December 31, 2011*1	Fiscal year ended December 31, 2012	Fiscal year ended December 31, 2013
	Net assets	—	93,578 (¥8,328 million)	85,101 (¥7,574 million)
	Total assets	—	121,727 (¥10,834 million)	114,966 (¥10,232 million)
	Net sales	—	102,565 (¥9,128 million)	110,334 (¥9,820 million)
	Operating income	—	203 (¥18 million)	4,340 (¥386 million)
	Ordinary income	—	2,994 (¥266 million)	4,908 (¥437 million)
	Net income	—	2,427 (¥216 million)	4,472 (¥398 million)

Conversion rate: S\$1 = ¥89

*1. SMB United Limited (currently OSAKI United International Pte. Ltd.), holding company for SMB Electric Pte. Ltd., was incorporated into the Osaki Electric Group after a reorganization following the acquisition of these companies in February 2012. Accordingly, figures for SMB Electric consolidated operating performance and financial position for the fiscal year ended December 31, 2011, have been omitted.

*2. Following a reorganization of the Osaki Electric Group conducted during the most recent three-year period, the number of shares issued by SMB Electric increased, resulting in a significant change in per share figures. Accordingly, consolidated net assets per share, consolidated net income per share, and cash dividends per share have been omitted.

3. Overview of counterparty

(1) Company name	OSAKI United International Pte. Ltd.	
(2) Location	47 Yishun Industrial Park A, 4th Floor Singapore 768724	
(3) Representative name, position	Mitsuyasu Watanabe, Executive Director & CEO	
(4) Business activities	Holding company for operating companies conducting manufacture and sale of metering devices, distribution boards, and switchgears	
(5) Paid-in capital	S\$77,590,000	
(6) Established	September 7, 1995	
(7) Net assets (As of December 31, 2013)	S\$169,513,000	
(8) Total assets (As of December 31, 2013)	S\$297,803,000	
(9) Major shareholders and percentage ownership	Osaki Electric Co., Ltd. (100%)	
(10) Relationships between the counterparty and the Company	Capital relationship	No noteworthy relationship exists.
	Personal relationships	No noteworthy relationship exists.
	Transactional relationships	No noteworthy relationship exists.
	Status of related parties to the transaction	No noteworthy relationship exists.

4. Number of shares to be acquired, acquisition cost, and number of shares held before and after acquisition

(1) Number of shares held before acquisition	0 (Percent of total shares issued: 0%)
(2) Number of shares to be acquired	64,472,615 (Percent of total shares issued: 100%, acquisition cost: ¥9,888 million)
(3) Number of shares held after acquisition	64,472,615 (Percent of total shares issued: 100%)

5. Schedule for acquisition

(1) Date of merger resolution by the Board of Directors	November 27, 2014
(2) Conclusion of share transfer agreement	November 27, 2014
(3) Planned effective date of share transfer	December 29, 2014 (tentative)

6. Outlook for the future

The impact of this transaction on the Company's consolidated operating performance is currently undetermined. If it becomes apparent that this merger is likely to materially affect consolidated operating performance, the Company will provide timely notice of such expectations.

(Reference) Forecasts for the Company's consolidated operating performance in the fiscal year ending March 31, 2015 (released October 30, 2014) and actual consolidated operating performance for the fiscal year ended March 31, 2014 (Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Forecast for the fiscal year ending March 31, 2015	790,000	40,000	41,000	24,000
Performance for the fiscal year ended March 31, 2014	759,911	33,136	36,731	19,582