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Announcement Regarding a Capital Alliance Arrangement

Fuji Electric Holdings Co., Ltd. (“FHC”) and Nidec Corporation (“Nidec”) announced today that the both companies decided to pass on the capital alliance arrangement which had been announced in the press release dated on October 1, 2008 with regard to signing of a memorandum of understanding (MOU) to create a joint venture for industrial compact motor. As a result, no share transfer of subsidiaries will be made.

FHC and Nidec agreed in principle on September 30, 2008 to a capital alliance with regard to the industrial compact motor business of Fuji Electric Motor (“FDM”), one of the Fuji Electric Group companies, targeting commencement of the joint venture in January 1, 2009. Since then, positive discussions have been made between the both companies on the future transfer of all FDM shares to Nidec. Aiming at closing the deal by January 1, 2009, a committee was set up to facilitate the merger and working-level discussions were made between the both parties through due diligences and subcommittees. As such, the both companies have been negotiating in good faith up until today.

However, a rapid deterioration of the business environment that was unforeseen at the time of the signing of a MOU made it extremely difficult for both of FHC and Nidec to properly evaluate FDM’s corporate value. As the result, the both companies reached a conclusion that it was difficult to agree on price and other terms acceptable for the both parities, and therefore decided to call off the capital alliance.

In the course of the discussions on the joint venture, however, the both companies were able to deepen mutual understanding. If an opportunity arises in the future, the both companies would like to partner in a way that benefits the both parties in a broad area.

Your continued support to the both companies would be appreciated.