

February 25, 2011

Company Name: Fuji Electric Holdings 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 the Merger of a Subsidiary

At a meeting convened today, the Board of Directors of Fuji Electric Holdings Co., Ltd. (the "Company") resolved to implement an absorption-type merger with Fuji Technosurvey Co., Ltd., a wholly owned subsidiary of the Company.

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

As previously announced, the Company is scheduled to merge with Fuji Electric Systems Co., Ltd. effective April 1, 2011, as one step toward its goal of being a global company with operations centered on the field of "energy and the environment."

As businesses in this field become increasingly global, the Company is faced with the need to develop intellectual property strategies that address the characteristics of the countries and regions in which it operates. The Company must also develop a comprehensive intellectual property strategy that covers all areas of the Company's business, including operations, R&D, and manufacturing. At the same time, rigorous "black box" measures are required to maintain the confidentiality of information regarding key products while ensuring that these products are manufactured within Japan.

This merger, scheduled for April 1, 2011, will incorporate wholly owned subsidiary Fuji Technosurvey Co., Ltd., which houses the Group's patent acquisition functions, into the Company. The merger will enable Fuji Technosurvey's intellectual property strategy management functions to be integrated into the Company's business and R&D strategy management functions. This will also allow the entire Fuji Electric Group to take advantage of Fuji Technosurvey's intellectual property specialists and serve to further the development of a system capable of properly managing global intellectual property functions.

### 2. Outline of the merger

#### (1) Schedule for the merger

Planned date of merger resolution by the Board of Directors	February 25, 2011
Planned conclusion of merger agreement	February 25, 2011
Planned effective date of merger	April 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 and Fuji Technosurvey 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 Holdings Co., Ltd., as the surviving company and Fuji Technosurvey Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Fuji Electric Systems 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 Systems 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 Holdings Co., Ltd. (Surviving company)	Fuji Technosurvey 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	Managing group patents, applying for new patents, conducting investigations, etc.
(3) Established	August 29, 1923	May 21, 1982
(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	Hisao Shigekane, President and Representative Director
(6) Common stock	¥47,586 million	¥20 million
(7) Shares issued	746,484,957 shares	40,000 shares
(8) Total net assets	¥166,161 million (consolidated)	¥258 million (non-consolidated)
(9) Total assets	¥780,636 million (consolidated)	¥767 million (non-consolidated)
(10) Fiscal year-end	March 31	March 31
(11) Employees	24,226 (consolidated)	64 (non-consolidated)
(12) Major shareholders and percentage ownership	FUJITSU LIMITED: 9.96% Japan Trustee Services Bank, Ltd. (Trust Account): 4.86% The Master Trust Bank of Japan, Ltd. (Trust Account): 4.67%	Fuji Electric Holdings 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 Technosurvey 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	1,902	1,812	1,726
Operating income /loss (Millions of yen)	35,883	-18,855	924	106	24	37
Ordinary income /loss (Millions of yen)	35,808	-20,769	-537	108	25	39
Net income/loss (Millions of yen)	16,792	-73,306	6,757	61	13	4
Net income/loss per share (Yen)	23.49	-102.57	9.46	1,521.52	337.25	105.63
Dividends per share (Yen)	8.0	4.0	1.5	750.0	325.0	-
Net assets per share (Yen)	355.98	182.37	250.28	7,072.03	6,659.27	6,439.89

**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

\*At the 134th Ordinary General Meeting of Shareholders of the Company, which convened on June 24, 2010, the shareholders approved a proposal to change the company name to the name listed above, effective on April 1, 2011, and to change the business content to the content listed above, effective at the conclusion of the above-mentioned Ordinary General Meeting of Shareholders.

**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.