

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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**Determination of the Successor Entity and Other Relevant Matters Concerning the Business to Be Acquired by Fuji Electric Following the Dissolution of a T&D Joint Venture Involving Hitachi, Fuji Electric and Meiden
(Progress Report)**

As announced on September 29, 2011, Fuji Electric Co., Ltd. (“Fuji Electric” or “the Company”; TSE:6504) reached a basic agreement (“Basic Agreement”) with Hitachi, Ltd. (“Hitachi”; NYSE:HIY / TSE:6501), Meidensha Corporation (“Meiden”; TSE:6508) and Japan AE Power Systems Corporation (“AE Power”) with respect to the dissolution of their joint-venture relationships in the power transmission and distribution (“T&D”) field. With respect to the business to be acquired by Fuji Electric following the dissolution of the joint venture, the Company or its subsidiary was to serve as the successor entity. Following a meeting of the Board of Directors held today, a resolution was passed for Fuji Electric to serve as the successor entity. Brief details are presented as follows.

1. Overview of the Succession Method

(1) Succession Method

Consistent with the Basic Agreement under which Fuji Electric or a subsidiary of Fuji Electric was to take over part of the business run by AE Power, Fuji Electric was ratified as the successor entity. With respect to the method of succession, and taking into consideration the costs associated with succession and other factors, the decision was made to newly establish a wholly owned subsidiary (“Successor Preparatory Company”) as the succeeding vehicle. Fuji Electric will then acquire the subject subsidiary by way of an absorption-type merger on April 1, 2012.

(2) Schedule (Planned)

Establishment of the Successor Preparatory Company	December 2011
Shareholders' meeting of the Successor Preparatory Company confirming the corporate split from AE Power to the Successor Preparatory Company	January 2012
Shareholders' meeting of the Successor Preparatory Company confirming the absorption-type merger of the Successor Preparatory Company by Fuji Electric (Note)	January 2012
Effective date of the aforementioned corporate split and absorption-type merger	April 1, 2012

Note: A short-form or simplified merger method will be used by Fuji Electric to acquire the Successor Preparatory Company in accordance with Article 796, Paragraph 3 of the Companies Law of Japan. As a result, Fuji Electric will not hold a shareholders' meeting to approve the merger agreement.

(3) Other

- The Successor Preparatory Company does not plan to issue subscription rights to new shares or bonds with subscription rights to shares.
- As a wholly owned Fuji Electric subsidiary, the Successor Preparatory Company does not plan to deliver new shares or monetary and other compensation at the time of the merger.

2. The Subject Company

Overview of the Successor Preparatory Company (the company that will cease to exist following completion of the absorption-type merger) (Planned)

(1)	Company Name	Fuji Electric T&D Succession Co., Ltd.
(2)	Headquarters	1-1 Tanabeshinden, Kawasaki-ku, Kawasaki-shi
(3)	Representative	Kenzo Sugai, Director
(4)	Business field	Preparation and other relevant activities relating to the acquisition of certain businesses from AE Power by Fuji Electric in accordance with the Basic Agreement
(5)	Capital	¥1 million
(6)	Established	December 2011
(7)	No. of Shares Issued	One share
(8)	Fiscal Term	March 31st
(9)	Shareholder	Fuji Electric Co., Ltd. (Shareholding: 100%)

Notes:

1. Plans are in place to establish the Successor Preparatory Company in the future. Accordingly, there are no details of financial position or financial performance for the immediately

preceding fiscal year.

2. For an overview of the Company (“the Absorption-Type Merger Surviving Company”), please refer to disclosure materials presented in the press release “Hitachi, Fuji Electric and Meiden Reach Basic Agreement on Dissolving T&D Joint Venture (Progress Report)” dated September 29, 2011.

3. Outlook

The impact on the Company’s consolidated performance as a result of the succession is yet to be determined. Should Fuji Electric uncover any major impact on its consolidated performance as a result of the succession in the future, details will be disclosed in a timely manner.

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