

July 30, 2014

Company Name: Fuji Electric Co., Ltd.
Representative: Michihiro Kitazawa, President and Representative Director
Code Number: 6504, listed on the first sections of TSE 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 Chiba Tech. 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

Consolidated subsidiary Fuji Electric Chiba Tech. Co., Ltd., provides services in the substation equipment field. By merging with this subsidiary, the Company will be able to strengthen integrated management with the Chiba Factory, its mainstay factory for substation equipment operations. This will enable the Company to utilize its robust track record in expanding equipment replacement businesses while also accelerating global business development.

2. Outline of the merger

(1) Schedule for the merger

Date of merger resolution by the Board of Directors	July 30, 2014 (Wednesday)
Conclusion of merger agreement	July 30, 2014 (Wednesday)
Planned effective date of merger	October 1, 2014 (Wednesday, tentative)

Note: The Company and Fuji Electric Chiba Tech. 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 Chiba Tech. Co., Ltd., being dissolved.

(3) Content of allotments related to the merger

As Fuji Electric Chiba Tech. Co., Ltd., is a wholly owned subsidiary of the Company, no plans exist to issue new shares or augment paid-in capital 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 Chiba Tech. 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 Chiba Tech. 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, transportation, and other sectors, as well as of semiconductor devices, photoconductive drums, and vending machines, and providing solutions in relation to these items	Maintenance, inspection, repair, manufacture, and sales of substation equipment
(3) Established	August 29, 1923	April 1, 1996
(4) Head office	1-1, Tanabeshinden, Kawasaki-ku, Kawasaki-shi	7, Yahata Kaigandori, Ichihara-shi, Chiba
(5) Representative name, position	Michihiro Kitazawa, President and Representative Director	Yuko Fukutome, President and Representative Director
(6) Paid-in capital	¥47,586 million	¥80 million
(7) Shares issued	746,484,957 shares	1,600 shares
(8) Total net assets (As of March 31, 2014)	¥251,225 million (consolidated)	¥810 million (non-consolidated)
(9) Total assets (As of March 31, 2014)	¥810,774 million (consolidated)	¥1,594 million (non-consolidated)
(10) Fiscal year-end	March 31	March 31
(11) Employees (As of March 31, 2014)	25,524 (consolidated)	131 (non-consolidated)
(12) Major shareholders and percentage ownership (As of March 31, 2014)	FUJITSU LIMITED: 9.96% Japan Trustee Services Bank, Ltd. (Trust Account): 8.84% The Master Trust Bank of Japan, Ltd. (Trust Account): 5.18%	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 Chiba Tech. Co., Ltd. (Non-consolidated)		
	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales (Millions of yen)	703,534	745,781	759,911	4,324	3,607	3,276
Operating income/loss (Millions of yen)	19,252	21,992	33,136	410	752	305
Ordinary income/loss (Millions of yen)	18,554	25,714	36,731	404	755	305
Net income/loss (Millions of yen)	11,801	26,368	19,582	240	843	80
Net income/loss per share (Yen)	16.52	36.90	27.41	150,469.62	527,293.48	50,133.69
Dividends per share (Yen)	4.0	5.0	7.0	30,000	750,000	15,000
Net assets per share (Yen)	228.91	272.29	317.96	709,061.85	1,206,355.34	506,489.04

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, transportation, and other 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.