

November 30, 2020

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 on FSE)  
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### Losses Caused Due to Product Defect

As disclosed in Fuji Electric's Annual Report dated August 6, 2020, Fuji Electric (the "Company") received reports of a defect in its certain power semiconductor (manufactured between July 2013 and June 2019) that were used by certain customers. The problem stems from procured parts inside the product which, depending on the application and usage conditions of the equipment it was incorporated into, may have resulted in failure thereof. The Company investigated the facts and conducted negotiations, as appropriate, resulting in settlements with our key customers. To date, the cumulative amount of loss associated with this matter has reached JPY 10.3 billion (JPY 2.1 billion of which were already recorded as an expense on or prior to the cumulative second quarter of FY2020).

The Company will carefully examine the consequences for its other customers and do its best to recover the damages from its insurers and suppliers, and will provide appropriate disclosures on the accounting treatment thereof and its impact on its financial outlook.

The Company is making every possible effort to prevent the recurrence of such incidents going forward. We sincerely apologize to our shareholders and investors for the concern and inconvenience this occurrence has caused.