

January 24, 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 and NSE; and on FSE
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Statement on Media Reports Dated January 24

On January 24, 2020, certain media reports made reference to the alleged involvement of one of our consolidated subsidiaries, Fuji Electric IT Solutions Co., Ltd. (FSL), in fictitious transactions with other companies. Fuji Electric has not made any announcement in this regard.

In November 2019, Fuji Electric received information that, for a number of years, FSL may have been conducting business transactions that could be fictitious (“transactions in question”). As FSL’s parent company, Fuji Electric conducted an internal investigation with the cooperation of outside experts as well as suppliers and clients, and found that there were in fact some such transactions in question.

The internal investigation did not find any evidence indicating that FSL employees were aware that the transactions in question were fictitious, but to raise the objectivity of this finding, in December 2019 Fuji Electric set up a special investigative committee membered exclusively by outside experts, as detailed below. While investigations by this committee is still ongoing, we plan to announce the results as soon as the investigations are completed.

Details of special investigative committee

1. Objectives of establishing the special investigative committee
 - a. Investigation of facts of the issue
 - b. Verification of the effects of the issue on Fuji Electric’s business results and other aspects
 - c. Investigation of the existence of similar incidents
 - d. Analysis of causes
 - e. Proposal of measures to prevent recurrence

2. Members of special investigative committee

The committee consists of the following members.

Chairman: Osamu Sudoh, Attorney-at-law, Sudoh & Partners

Members: Shin Kikuchi, Attorney-at-law, Mori Hamada & Matsumoto

Akiko Maeyama, Attorney-at-law, Hibiya Kyodo Law Firm

Nobuaki Fuse, Certified public accountant, Fuse Certified Public Accountant’s Office

Chairman Sudoh and Mr. Fuse have not had any business dealings with neither Fuji Electric nor FSL, and have no interests in Fuji Electric. Mr. Kikuchi and Ms. Maeyama, on the other hand, are Fuji Electric’s legal advisors and have thorough knowledge of our business, and for this reason we believe that they are indispensable to the committee’s early determination of the facts of the issue at hand. The committee is conducting its investigation with the utmost respect for the Japan Federation of Bar Associations’ guidelines for third-party committee on corporate misconduct.