

July 19, 2022

Company Name: Fuji Electric Co., Ltd.
Representative: Michihiro Kitazawa, Chairman of the Board and Chief Executive Officer
Code Number: 6504, listed on the TSE Prime and NSE Premier; and on FSE
Contact: Masayuki Murakami, General Manager, Corporate Planning Office
Corporate Management Planning Headquarters
Telephone: +81-3-5435-7213

Notice Regarding Response to Non-Conforming Products Delivered to JAEA

Fuji Electric announces that an issue of quality non-conformance was found in the static experiment critical facility upgrade equipment delivered to the Japan Atomic Energy Agency (JAEA). Specifically, an onsite inspection conducted by JAEA in July 2022 uncovered that the parts attached to the dump tank supports differed from those confirmed through an inspection conducted by JAEA and Fuji Electric in February 2022. Dump tank and other equipment was ordered from KIMURA CHEMICAL PLANTS CO., LTD. *1

The Company is currently in the process of investigating why KIMURA CHEMICAL PLANTS attached parts that were different from those specified and why this issue was not discovered in pre-deliver inspections by the Company. The findings of these investigations as well as the Company's plans to prevent reoccurrence of similar issues in the future will be reported to JAEA.

JAEA has halted the aforementioned upgrade process and begun implementing measures to uncover the cause of this issue and prevent reoccurrence. Notice regarding this matter was issued by JAEA on July 19, 2022. *2

Fuji Electric is committed to rigorous quality management at the Company and at its suppliers.

Should it be determined that this issue will have a material impact on performance, prompt notification will be issued.

We apologize for any inconvenience this issue has caused shareholders or other stakeholders.

*1 Of the order amount of approximately ¥1.5 billion for the static experiment critical facility upgrade (scheduled to be completed in March 2023), an amount of ¥0.2 billion was used to order dump tank and other equipment from KIMURA CHEMICAL PLANTS CO., LTD.

*2 For more information, please refer to the following release (in Japanese only).

<https://www.jaea.go.jp/04/ntokai/trouble/pdf/220719.pdf>