

FDK

Integrated Report

FDK Group Integrated Report 2025



FDK Identity

Philosophy Inspiring transformation; shaping the future and creating happiness.

The FDK Group Strategy Framework: 10 Years' Scheme

Vision

The FDK Group, as a Smart Energy Partner, assembles advanced technologies so that our customers can utilize electric energy in a safe and efficient manner and contributes to the materialization and development of a sustainable society.

Status-to-be

For Whom	Entities that support people's daily life and society, and individual users
What	To provide offerings that enable customers to best utilize clean and safe electric energy (Batteries/Engineering, Next Generation Batteries, Power Management Solutions)
When	2029

Mid-Term Business Plan

R1 → R2 → R3 → 2029

And Game



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Editorial Policy

FDK has published the FDK Group CSR Report since 2017 so that all of its stakeholders will understand its various activities based on the Basic Sustainability Policy of the FDK Group.

Starting last year, the FDK Group is releasing an Integrated Report that focuses on our businesses and initiatives in both financial and non-financial terms.

Target Period

This report focuses on activities during FY2024 (April 1, 2024 to March 31, 2025). (Some information is included outside of this period.)

Scope

This report covers activities for FDK and the FDK Group. Some of the report is specific to FDK.

Reference Guidelines

The FDK Group Integrated Report 2025 was created with reference to the International Integrated Reporting Framework (International Integrated Reporting Council), Guidance for Integrated Corporate Disclosure and Company-Investor Dialogue for Collaborative Value Creation (Guidance for Collaborative Value Creation) (Ministry of Economy, Trade and Industry), and the GRI (Global Reporting Initiative) Sustainability Reporting Standards.

Note regarding future matters

Statements in this report regarding future matters are based on the judgment of the Group at the time of the report's creation and include elements of risk and uncertainty.

Going forward, various factors may lead to results that differ significantly from predictions and forecasts.



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Message from the President

Strength from Change The *Shin* FDK Begins.



The Japanese word shin embodies a variety of meanings, including "new," "evolution," "deepening," "true value," "belief," and "core."

President & CEO

Ryo Nagano



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A New Turning Point: Capital Structure Changes and Future Outlook

In 2025, FDK Corporation reached its greatest turning point since its founding. A tender offer from Taiwan's SILITECH TECHNOLOGY CORPORATION (hereinafter, SILITECH) resulted in FDK becoming part of the PSA Group and undergoing a major change in its capital structure. As a result, Fujitsu Limited, our long-term parent company, is no longer our largest shareholder, which has paved the way for FDK to transition to a more independent management organization.

This change did not come out of the blue. From the time I became president in 2019, we were already envisioning a future of gradual independence from the Fujitsu Group. We formulated our 10 Years' Scheme and pursued our Mid-Term Business Plan R1 and R2 based on this vision. In this way, we were laying both the organizational and strategic groundwork to ensure that we could demonstrate our worth as a company, regardless of which capital partner we might join on our journey into the future.

Our meeting with SILITECH can be seen as the natural outcome of this effort. SILITECH is not a fund, but an operational company, and they were interested not just in simple equity participation, but in our company business as a whole. Prior to making the public tender, SILITECH executives toured our factories in Japan and attended technology briefings. During these meetings, they expressed deep understanding and appreciation of our technological capabilities and manufacturing systems, and it became clear that our visions for the future were strongly aligned.

A feature of the PSA Group is the "federation model" management style, in which member companies maintain their independence while working together to raise the competitiveness of the Group as a whole. As a member, FDK will be able to leverage its strengths to pursue its business development without being burdened by excessive restrictions. Actual projects to cooperate on technology and link sales channels within the PSA Group are already being launched. Going forward, we expect to generate real synergies through the mutual use of manufacturing resources, cooperation in the electrical component business, and more.

At the same time, our links with Fujitsu have not been completely severed. As a major shareholder, and by providing an outside director, the company will still have some involvement on our own. However, unlike in the past, there will no longer be any control via group policy. Instead, we see the relationship transitioning to one that is more equal and sound, with Fujitsu simply observing the growth of our corporate value as a shareholder and providing advice when needed.

Looking Back on FY2024 and Assessing Results

FY2024 was a year of challenges on many fronts for the FDK Group. Outside the company, our activities were impacted by ongoing uncertainty, including growing geopolitical risk around the world, wild fluctuations in the prices for resources, and exchange rate volatility. Many of these circumstances demanded speedy and flexible responses on our part.

Exchange rates were especially significant. The yen remained historically weak throughout the year, and while this helped our bottom line in some cases, particularly in the batteries business, the rising cost of raw materials was a heavy burden on our results in the electronic devices business. In these conditions, however, we continued to carefully monitor the actual numbers throughout the company, examine management performance indices that did not rely on exchange rate tailwinds, and in other ways worked to improve the quality of management.

In FY2024, consolidated net sales were 63.17 billion yen and operating profit was 1.39 billion yen, showing increases for both over the previous fiscal year. In particular, the batteries business performed strongly, driven by increased demand for Ni-MH batteries in both in-vehicle applications and consumer markets in Japan and overseas. Our facilities-related business also enjoyed



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robust growth, and together these helped ensure healthy performance for the business overall. On the other hand, the electronic devices business saw falling sales due to factors such as reduced demand for switching power supplies used in semiconductor devices, and the segment was down overall compared to the previous fiscal year.

Regarding the three-year cumulative targets under the Mid-Term Business Plan "R2" (net sales of 200 billion yen and operating profit of 5 billion yen), progress has unfortunately fallen short of initial expectations, and the outlook for FY2025, the final year of the plan, looks challenging. The major factor in this is that the recovery of the Ni-MH battery business has been slower than originally forecast. Ongoing uncertainty in the automotive industry in particular has led to a delay in the launch of mass-production systems for new models, making it harder to meet the plan's targets.



Evolution of Business Portfolio and Growth Strategy

Over many years, the FDK Group has developed diverse product lineups and technology foundations to diversify its business portfolio. This structure has been a major supporting factor in our company's resilience. In addition to our mainstay Ni-MH and lithium battery products, the alkaline battery, electronic devices, and facilities-related businesses all operate in different markets. This generates a virtuous circle in which a temporary slowdown in one business is offset by contributions from others.

In FY2024, although Ni-MH batteries did contribute to overall sales, profitability and earnings growth fell short of initial forecasts, becoming a drag on the overall profit increase. On the other hand, our lithium batteries were able to fully meet demand in medical, infrastructure, and smart meter applications, while the new products from the electronic devices business, such as the Bluetooth®* Low Energy modules, attracted customer interest. Furthermore, in our facilities-related business for the EV sector, we were able to offer on-point proposals that addressed the needs of the automotive industry and thereby consistently win new orders. In this way, our business structure that brings products, applications, and markets together in a multilayered combination proved the strength of "balanced management," which makes stable growth possible in the face of short-term market fluctuations.

However, the fact remains that we are only halfway toward our target of "15% of sales from new fields by FY2025." We are making steady progress toward next-generation batteries such as all-solid-state batteries and nickel zinc batteries and progressing through technical specification establishment and customer evaluations toward the pilot mass-production stage. However, we are still some ways away from full-scale commercialization. That said, we are making steady progress toward expanding applications and diversifying the customer base, so the potential from growth is on a greater scale than we had originally envisioned.

In addition, under our new structuring that began in 2025, we are launching initiatives in collaboration with SILITECH to strengthen business development. We expect to add networks and manufacturing facilities within the PSA Group to further strengthen the flexibility and competitiveness of our product supply systems and drive our global expansion.

Going forward, we will continue to build an even stronger portfolio resilient to change by both developing existing businesses and growing new ones.

*The Bluetooth® word mark is a trademark of Bluetooth SIG, Inc.



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Evolving People and Organizations: Cultivating a Culture of Mutual Acknowledgement and Enhancement

I believe that the most important resource for the sustainable growth of a company is its people. In FY2024 in particular, with the unprecedented experience of being the target of a tender offer from SILITECH, many of our employees responded positively, demonstrating levels of flexibility and responsibility we had not previously seen. This served as a reminder of the core strength of the FDK organization and the professionalism of the people working within it.

Since becoming president, I have set the goal of FDK becoming a “company to be proud of, a workplace you want to recommend to family and friends.” The key to fostering this culture is building an organization of “mutual acknowledgement and enhancement.” The “thanks points” system has already taken root within the company, and I have now posted more than 270 messages on the intranet. Feedback and spontaneous responses at worksites are growing, and I feel that the flow of thoughts and ideas within the company has significantly improved through this two-way communication.

In addition, we are continuously evolving our education and personnel evaluation systems. We have been working to create an environment in which employees can feel their growth, through comprehensive e-learning, support for language learning and study abroad, and self-development support. As well, in terms of our personnel evaluation systems, we have introduced multifaceted standards based on job functions and roles, working to design a transparent system that doesn’t just recognize good efforts, but also considers the form of that effort and the goals being pursued.

That said, we still need to do more work on the issue of job satisfaction. While employee satisfaction surveys show some progress, we need to make additional efforts in terms of satisfaction regarding salary levels and reward structures, as well as vertical diversity—that is, mutual understanding between different age and career groups.

We are currently looking to build connections across hierarchical barriers, studying the new diversity-related conception of the Cultural Intelligence Quotient (CQ) throughout our organizations. We are also currently looking at possible human resource exchanges with the PSA Group, thereby adding human resources of diverse backgrounds to the mix and encouraging mutual inspiration.

Sustainability Management and Raising Corporate Value

Ever since our founding, the FDK Group has addressed societal issues as it has grown. In recent years, we have made the promotion of sustainability management a clear priority. This means not just considering the environment and contributing to society, but creating social value in our very business. This “Creating Shared Value” (CSV) is at the core of our efforts to raise corporate value.

Our mainstay products, batteries, are energy storage devices for clean energy that does not emit CO₂. Combined with renewable energy, they are an essential element in realizing a carbon-free society. Compact, high-performance Ni-MH batteries in particular are used in IoT devices and medical, security, and mobility applications. As such, they are a fundamental technology that supports sustainable societies, and demand for them is growing rapidly.

In parallel with such product development, we are focused on introducing renewable energy. In FY2024, the solar power generators went into operation at our Tottori Plant, and the project is being expanded to our Xiamen Plant. These are not just cost-reduction measures; rather, we are positioning them as essential initiatives aimed at promoting decarbonization of all global supply chains.

In addition, in FY2024 we established a company-wide cross-sectional Project Management Office (PMO) as a framework to collect, select, and nurture business ideas from employees on an ongoing



Solar panels installed at the Tottori Plant (Tottori Prefecture)



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basis. Several proposals have already been advanced to subsequent phases, and we expect that this will lead to the creation of new businesses in the future. We are building a culture in which people can take on challenges without fear of failure, thereby boosting the sustainability of the company.

Sustainability efforts are not just limited to the environment. Our efforts are also linked to our five materialities: Provision of safe and secure electric energy; Coexistence with the global environment; Promoting the active participation of diverse human resources; Sustainable enhancement of corporate governance; and Contributing to sustainability in regions, society and communities. In addition, ESG factors are built into all our business activities.

Of the materialities, we see "Promoting the active participation of diverse human resources" as an area requiring further strengthening going forward. Initiatives such as increasing the proportion of female managers, making use of senior talent, and supporting diverse ways of working are already underway. But we need to take this a step further to keep pace with the speed of societal change. Another important challenge is how to take advantage of our collaboration with the PSA Group to transform global human diversity into an organizational strength.

We are committed to sustainability not as a temporary initiative but as a fundamental question about how we exist as a company. I believe that over time, this attitude will win us the trust of all our stakeholders, from customers and employees to shareholders and local communities, thereby becoming a source of corporate value.

Shin FDK: Together with Stakeholders

As detailed in this integrated report, in 2025 the FDK Group encountered a major turning point in its capital structure. In addition to the tender offer from SILITECH, we carried out capital reductions to eliminate deficits that had accumulated over many years and thus strengthened our financial foundations. With this new framework, we see a splendid opportunity to actively envision and forge our own future. Accordingly, we have set "Pursuing *Shin FDK*" as the theme for FY2025.

The Japanese word *shin* embodies a variety of meanings, including "new," "evolution," "deepening," "true value," "belief," and "core." I hope that all employees will invest this *shin* with their own interpretation and act on it in their daily work. I believe that our

organization will be better able to grow into something stronger and more resilient by having all our individual members redefine what FDK means to them and work on their own initiative to achieve this, than by any unilateral, top-down approach from management.

Even major transformations to the corporate structure such as tender offers and capital reductions are ultimately aimed at "bringing smiles to the faces of all stakeholders." This means providing products that customers will continue to prefer, creating environments where employees can work with pride, delivering growth and returns as company to all our shareholders, and building a future in harmony with local communities and society. Achieving all of these with "And" is the very spirit of FDK's "And Game."

Going forward, we will continue to build a strong organization that does not fear change or lose sight of its fundamental essence. With new partners at our side, we are now more determined than ever to take on the challenge of creating new value on the foundations of our principles and past results.

With all my heart, I ask for your continued understanding and support.



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FDK (then Tokyo Denki Kagaku Kogyo Co., Ltd./Fuji Electrochemical Co., Ltd.) began manufacturing carbon-zinc batteries in 1950, and has since delivered a wide range of electronic devices, alkaline batteries, lithium batteries, and Ni-MH batteries to the world. Going forward, FDK, as a Smart Energy Partner, will assemble advanced technologies so that our customers can utilize electric energy in a safe and efficient manner and contribute to the materialization and development of a sustainable society.

1950

Highlights 1

February 1950

Tokyo Denki Kagaku Kogyo Co., Ltd. founded



Tokyo Denki Kagaku Kogyo Co., Ltd. got its start in 1950 when founders Takakiyo Shiki and Tadatsugu Sugita bought dry cell battery factories in Ofuna and Washizu from Tokyo Shibaura Electric Co., Ltd. (now Toshiba). Buoyed by extra demand due to the Korean War, the company solidified its business foundation through the manufacture and sale of carbon-zinc batteries, then began expanding its business.

Highlights 2

October 1969

Listed on the Second Section of the Tokyo Stock Exchange



At its founding, our company began manufacturing carbon-zinc batteries in Washizu Town, Shizuoka Prefecture. We rode the waves of Japan's period of rapid economic growth and the remarkable advances in the electronics industry and expanded rapidly by manufacturing and selling ferrite materials. On October 1, 1969, we were listed on the Second Section of the Tokyo Stock Exchange.

1980

Founding Era

Founded at Washizu, Kosai-shi, Shizuoka. The company consolidates its business foundations as a dry cell battery manufacturer amid extra demand of the Korean War. It later enters the electronic devices business through its research into ferrites.

1950	Tokyo Denki Kagaku Kogyo Co., Ltd. founded Begins manufacture and sales of carbon-zinc batteries
1958	Company name changes to Fuji Electrochemical Co., Ltd.
1959	Begins manufacture of ferrites
1960	Begins manufacture of core memories; enters electronic components industry
1967	Begins production of alkaline batteries
1969	Listed on the Second Section of the Tokyo Stock Exchange
1972	Becomes part of the Fujitsu Group
1973	Releases DC-DC converters
1975	Begins sales of stepping motors



Novel-brand dry batteries (carbon-zinc) Novel-brand dry batteries (alkaline) DC-DC converter

Core technologies at the time

- Powder technology
- Metallurgy technology
- Mass-production technology
- Materials technology

The history of FDK Group technology began with the company's founding in 1950, with metallurgical technologies for processing powders, and powder technology for carbon powder and manganese dioxide used in the company's mainstay carbon-zinc battery products.

In the 1960s, the explosion in demand for televisions drove major growth in ferrites (for deflection yokes) used in cathode-ray tubes. The powder and metallurgical technologies we developed in carbon-zinc batteries helped us in manufacturing these new products.

In the 1970s, FDK applied its metallurgical expertise to ceramic products, manufacturing and selling buzzers, dielectric filters for wireless and communication devices, and noise filters.

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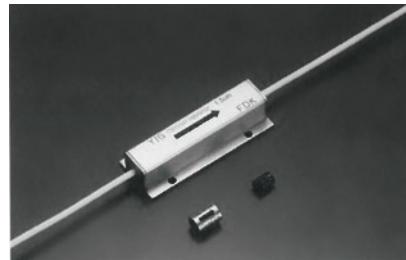


1981

Highlights 1

1982

Develops optical isolators that support Fuji Electrochemical Co., Ltd. and information communications



Beginning in 1980, fiber-optic communications that could transmit large volumes of data at high speed came into practical use. Isolators that use YIG single crystals and optical switches drew attention as key elements of optical communication infrastructure. In 1982, we developed high-performance optical isolators and optical isolator modules, thus playing a major role in information transmission between Japan and the United States.

Highlights 2

September 1, 1984

Listed on the First Section of the Tokyo Stock Exchange



In the wake of the second oil shock of 1979, the company faced a period of difficult business conditions. However, we invested proactively in equipment and bolstered and rationalized our production systems. As a result, we grew our business in ferrites, stepper motors, magnetic heads, lithium batteries, alkaline batteries, and high-performance carbon-zinc batteries. Ultimately, we were listed on the First Section of the Tokyo Stock Exchange on September 1, 1984.

2000

Expansion and globalization

Electronic devices business flourishes, and lithium batteries go on sale. Expands production bases and sales network from Japan to the global stage.

1981 Establishes FUCHI ELECTRONICS CO., LTD.; begins sales of rotary transformers

1982 Develops optical isolators

1983 Begins sales of lithium batteries, toner

1984 Listed on the First Section of the Tokyo Stock Exchange

1992 Establishes FDK ELECTRONICS GMBH; begins sales of non-mercury alkaline batteries

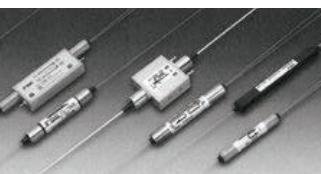
1993 Develops optical switches

1994 Establishes XIAMEN FUCHI ELECTRONICS CO., LTD. (now XIAMEN FDK CORPORATION)

1999 Begins sales of multilayer power inductors for high-frequency applications



XIAMEN FDK CORPORATION



Optical communication components



Rotary transformers

Core technologies at the time

■ Magnetic circuit technology

■ Multilayer technology

■ Battery processing technology

■ Hybrid module technology

■ Mercury-free/Cadmium-free technology

In the 1980s, we used our accumulated powder and metallurgy technologies in magnetic circuit technology and developed and manufactured rotary transformers for videotape recorders (VTRs) and magnetic heads for floppy disk drives. These became our mainstay products at the time.

The 1990s saw the rise of mobile phones. We applied our hybrid module technology to develop and manufacture voltage-controlled oscillators (VCOS) that were used in wireless transmission applications.



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2001

Highlights 1

January 2001
Company name changed to
FDK CORPORATION



To mark the 50th anniversary of the company's founding, on January 1, 2001, the company name was changed from Fuji Electrochemical Co., Ltd. to FDK Corporation. The change unified the company name with the "FDK" trademark that was already being used for our electronic products. It was symbolic of the company's position as a global corporate group, and launched the reborn FDK into the 21st century.

Highlights 2

March 2025
SILITECH TECHNOLOGY CORPORATION
becomes our major shareholder



On March 21, 2025, a tender offer from SILITECH was completed for our company's shares, and we withdrew from the Fujitsu Group, of which we had been a part since 1972. SILITECH became our largest shareholder. We will leverage a range of synergies with SILITECH, raise our corporate value, and work to meet the expectations of all our stakeholders.

Present

Selection and focus for growth

Low-cost manufacturing system through efficient production systems and cost reductions. Profitable growth of core businesses and launch of new business.

- 2001 Company name changed to FDK CORPORATION
- 2002 Develops world's smallest variable optical attenuator
- 2009 Transfers stepping motor business to Minebea Co., Ltd.
Reassigned to the Second Section of the Tokyo Stock Exchange
- 2010 Acquires SANYO Energy Twicell Co., Ltd. (Ni-MH battery business) and SANYO Energy Tottori Co., Ltd. (lithium battery business) from SANYO Electric Co., Ltd.
- 2012 Begins sales of low self-discharge Ni-MH batteries
- 2015 Transfers optical components business to KOHOKU KOGYO Co., Ltd.
Acquires power supply business from Fujitsu Telecom Networks Limited
- 2018 Issues first series of stock acquisition rights via third-party allotment for investment in new businesses
- 2019 Transfers ferrite core, coil device, multi-layer power inductor, Ceramic products business to Nagano Japan Radio Co., Ltd.
Begins shipping samples of all-solid-state SMD batteries
Announces the FDK Group Strategy Framework: 10 Years' Scheme
- 2020 Formulates the FDK Group philosophy
- 2022 Moves from the Second Section to the Standard Section due to the market restructuring of the Tokyo Stock Exchange
- 2023 Begins shipping samples of Bluetooth® Low Energy modules
- 2024 Acquires BAOTOU SANTOKU BATTERY MATERIALS CO., LTD
(battery materials and rare-earth alloys)
- 2025 SILITECH TECHNOLOGY CORPORATION becomes our largest shareholder



Former SANYO Energy Twicell Co., Ltd.
(Now the Takasaki Plant)



Former SANYO Energy Tottori Co., Ltd.
(Now the Tottori Plant)



Former BAOTOU SANTOKU
BATTERY MATERIALS CO., LTD.
(Now BAOTOU FDK CO., LTD.)

Current core technologies

- Electrochemical technology
- Power electronics technology
- Circuit technology
- Fine print technology
- High density mounting technology
- CAE technology
- Materials technology

Around the year 2000, power electronics technology came to the fore. Inverter transformers that are used to illuminate LCD and other display screens became a main part of our business.

Later, in 2010, the company acquired SANYO Energy Twicell Co., Ltd. and SANYO Energy Tottori Co., Ltd. from SANYO Electric Co., Ltd. This launched an era when batteries became a major part of our business.

In developing batteries, the company built up expertise in materials technologies for rare-earth materials, as well as electrical circuit technologies that combine battery products and electronic products.

In recent years, we have been using our accumulated powder, multilayer, and materials technologies to manufacture and develop all-solid-state batteries and nickel zinc batteries, and also hydrogen-absorbing alloys, following the acquisition of BAOTOU FDK from Santoku Corporation.



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Our Businesses

The FDK Group supports lives by providing convenience and comfortable living to people around the world and working to preserve Earth-friendly and life-friendly environments.

We provide a diverse range of batteries and electronic devices that support people in various facets of their daily lives, the ever-evolving digital environment, and the smart cities of the future.

The FDK Group, as a Smart Energy Partner, assembles advanced technologies so that our customers can utilize electric energy in a safe and efficient manner and contributes to the materialization and development of a sustainable society.

Batteries business (48.956 billion yen) 1,226 million yen increase year on year

Ni-MH batteries are very safe and environmentally friendly. They are used to supply power for household appliances and in-vehicle emergency call systems, as backup power supplies for other applications, and more. Ni-MH batteries come in a wide variety of models for multiple applications, and they can be used as a backup power supply when combined with charging/discharging circuits.

Alkaline batteries are very familiar to us in our daily lives. We leverage our solid experience and know-how to produce high-performance alkaline batteries. Their applications are endless, and they are essential in many products.

Lithium batteries provide high voltages and a long life. With a low self-discharge rate and a wide operating temperature range, "primary lithium batteries" are used in a wide range of applications, from residential fire alarms to smart meters for water, gas, and electricity, and thin-type primary lithium batteries are both extremely thin and long lasting and can be installed on cards such as credit cards.

Beginning with energy savings by reducing compressed air consumption using mechanical drive technology, FDK ENGINEERING CO., LTD. supports sustainable manufacturing by our customers with full automation equipment and other technologies that address decarbonization, labor shortages, and other issues.

Mainstay Products



Ni-MH batteries



Alkaline batteries



Lithium batteries

Use: in-vehicle emergency call systems, remote controllers, fire and gas alarms

Core technologies: Electrochemical technology, CAE technology, materials technology

Electronic devices business (14.215 billion yen) 731 million yen decrease year on year

Electronic devices support the digital environment. We provide electronic devices according to customer needs, from switching power supplies that are used to power various devices, to various kinds of modules to control mobility-application electronics and other devices, as well as toner for large-scale printers.

In recent years, we have been developing Bluetooth® Low Energy modules that are among the smallest in the world. They are expected to be used in such applications as compact medical devices that upload and manage cloud-based sensing data, loss-prevention tags that send beacon signal information to smartphones, and monitoring tags that alert families when children or elderly family members leave or return home.

*Shield-type module with built-in antenna, 32 kHz/32 MHz integrated crystal oscillator, and power supply passive components. Reference values. As of May 27, 2024. (FDK survey)

Mainstay Products



Toner/Bluetooth® Low Energy modules

Use: Copiers, communication devices, industrial controller equipment

Core technologies: Power electronics technology, circuit technology, fine print technology, high density mounting technology, CAE technology, materials technology



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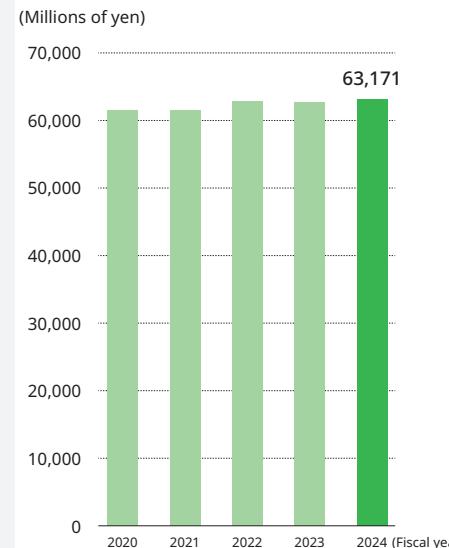
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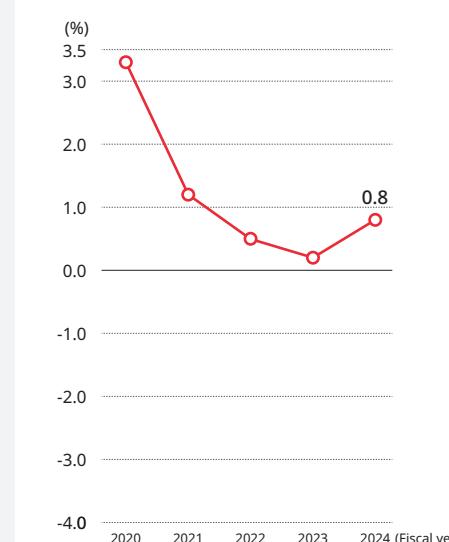
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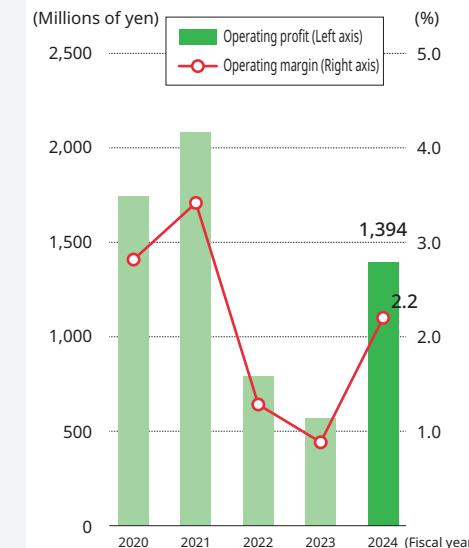
Net sales (consolidated)



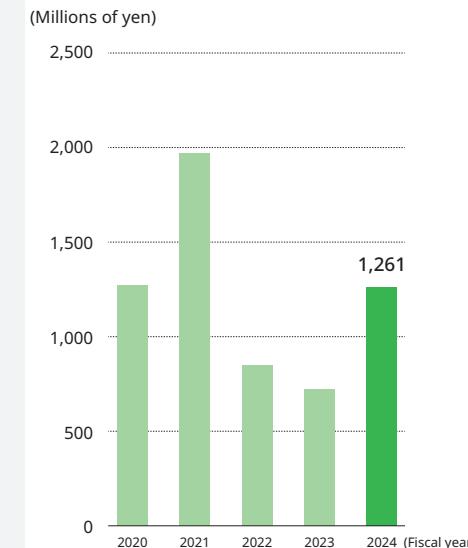
Net profit margin



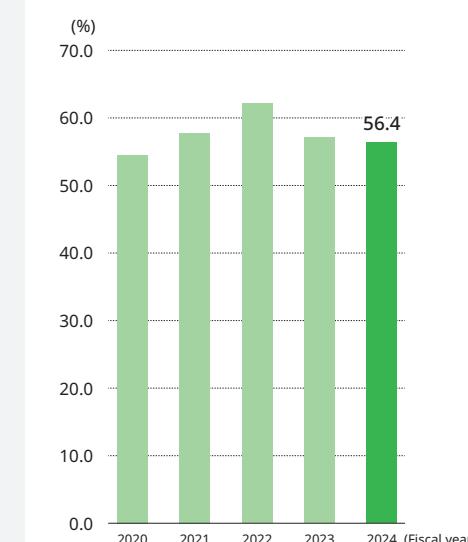
Operating profit (consolidated)/Operating margin



Ordinary profit (consolidated)



Domestic sales share



Net sales have remained above the 61-billion-yen level since FY2019, when we sold off parts of our electronic devices business. In terms of profit and loss, we had an operating profit of 2 billion yen in FY2021. This was achieved by improving profitability through selection and focus on certain areas of the electronic devices business, transferring some businesses, and reforming our profit structure through system for the support of life stage transitions and other measures. Since FY2022, we have experienced a decrease in profits caused by negative external factors against which we lacked the necessary resilience, such as soaring raw material prices and utility costs. However, in FY2024, raw material price fluctuations, cost reductions through technical VE, as well as the weaker yen, all drove profit significantly higher, and both operating profit and ordinary profit were positive for the 8th period in a row.

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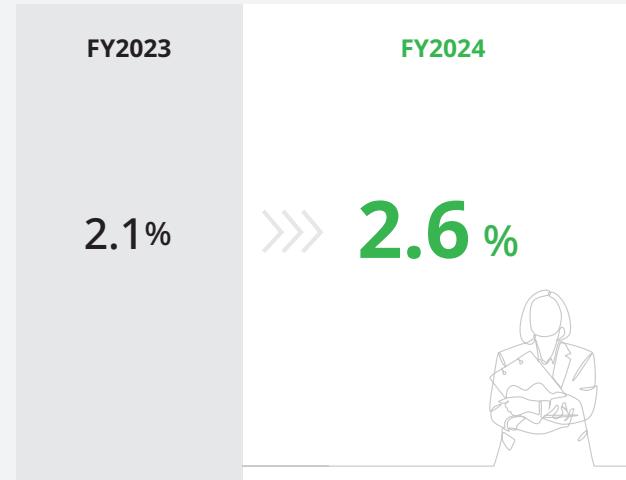
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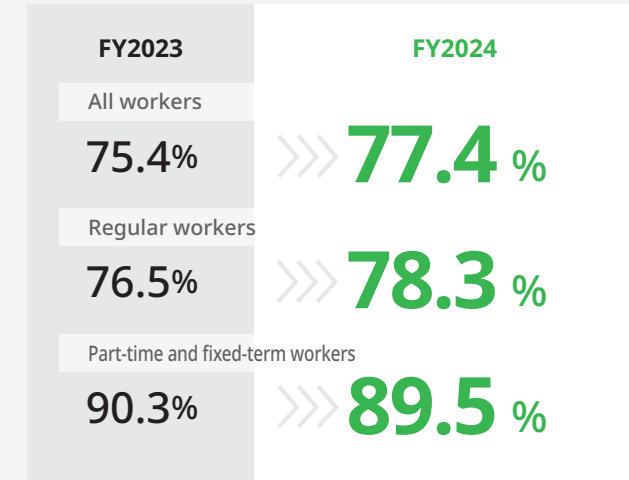


Non-financial information

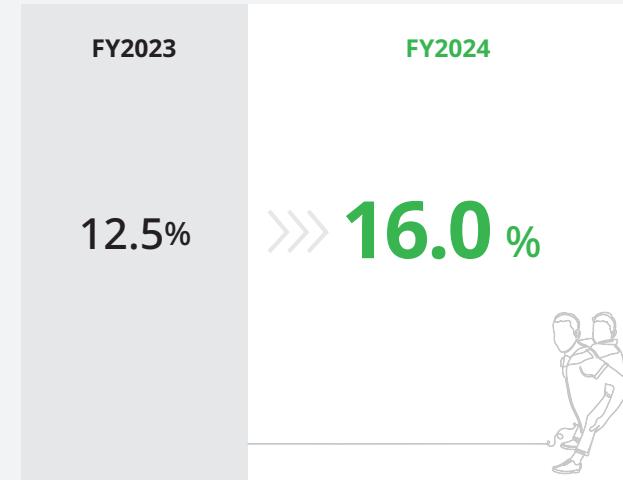
Rate of women in management positions



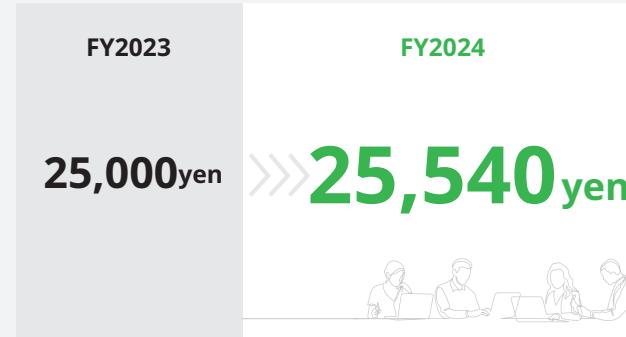
Gender wage gap^{*1}



Rate of male employees taking childcare leave^{*2}

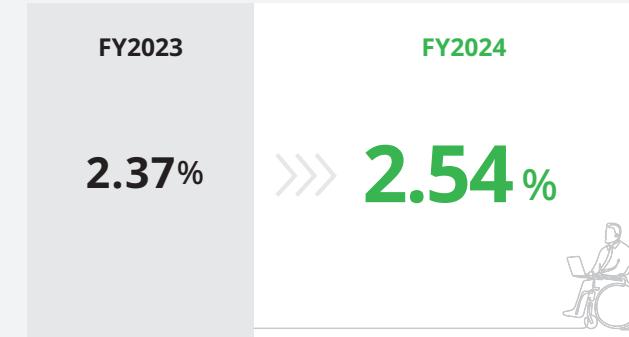


Education and training costs per person



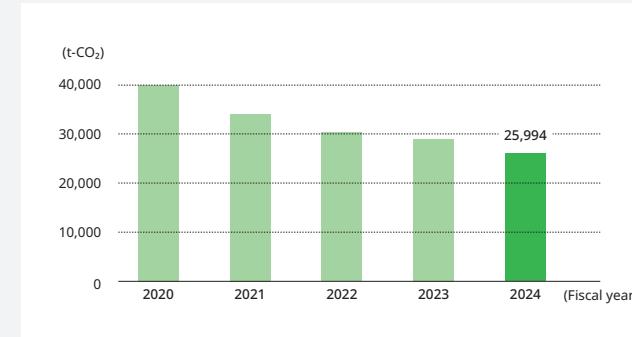
Every year at the FDK Group, we streamline the company-wide education system and reassess curricula in terms of effectiveness.

Rate of employees with disabilities^{*3}



^{*3} Calculated in accordance with the provisions of the Act to Facilitate the Employment of Persons with Disabilities (Act No. 123 of 1960).

CO₂ emissions^{*4}



^{*4} Calculated as the total of Scope 1 and location-based Scope 2, according to the GHG Protocol. The factors for conversion from purchased electricity have been changed and are now calculated as market-based factors both domestically and overseas.

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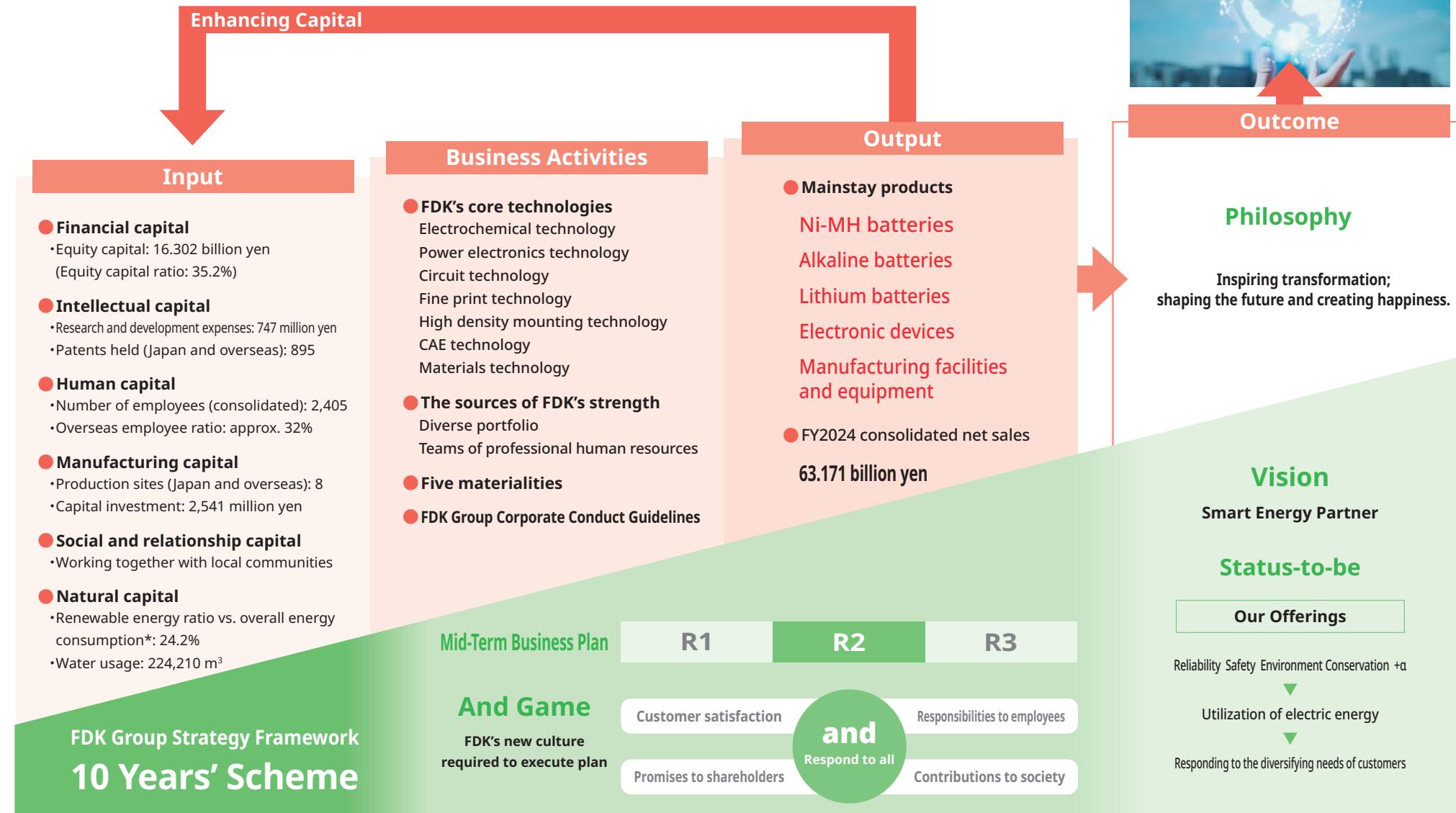
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Vision

FDK's 2029 arrival point

FDK group, as a Smart Energy Partner, assemble advanced technologies, would like our customers to best utilize electric energy in a safe and efficient manner, and contribute to materialization and development of sustainable society.

The company
we aspire to be

Status-to-be

Our condition when the Vision is realized

- Whom

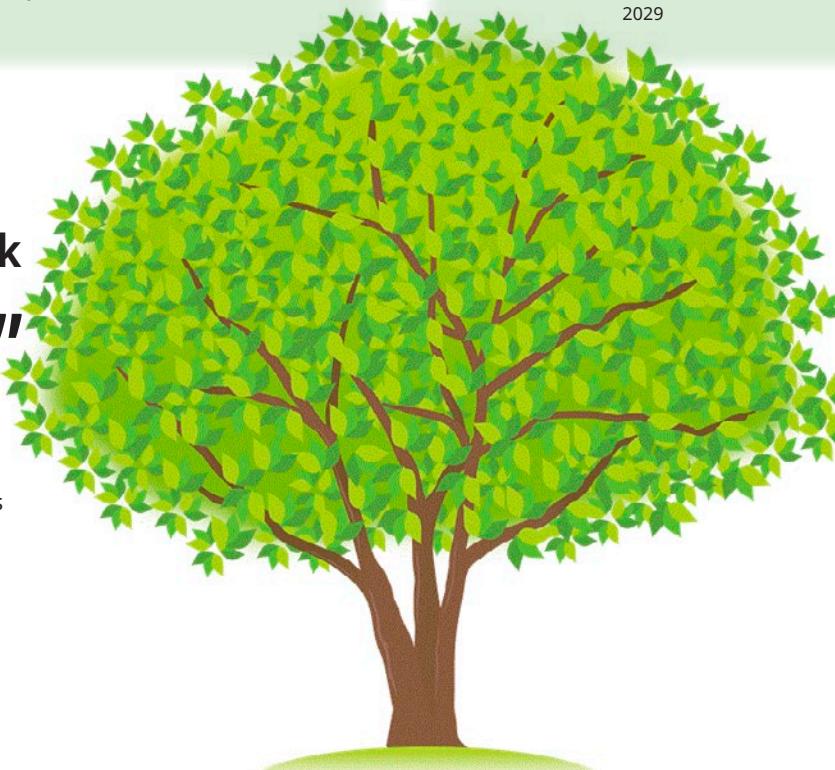
Entities that support people's daily life and society, and individual users

- What

To provide offerings that enable customers to best utilize clean and safe electric energy
(Batteries/Engineering, Next Generation Batteries, Power Management Solutions)

- When

2029



FDK Group Strategy Framework "10 Years' Scheme"

In order to further strengthen our business structure, increase our corporate value, and meet the expectations of our various stakeholders, in FY2019 the FDK Group announced the Group Strategy Framework "10 Years' Scheme."

The 10 Years' Scheme defines the status-to-be for FY2029, the road map to achieve it, and the important values to uphold when executing our plan.

And Game

FDK's new culture required to execute plan

Customer satisfaction

and
Respond to all

Responsibilities to employees

Promises to shareholders

Contributions to society

Mid-Term Business Plan

A road map for achieving our Vision and status-to-be

R1

2020-2022

R2

2023-2025

R3

2026-2028

Mid-Term Business Plan: Looking Back on R1

On October 2019, the group announced the FDK Group Strategy Framework: "10 Years' Scheme" and the Mid-Term Business Plan "R1."

The initial three years of the 10 Years' Scheme were earmarked as a preparatory step-up period for focusing on fundamentals. FY2019 was designated Year 0, during which the focus was on structural reforms and business transformations. For "R1" (FY2020 to FY2022), the goal was to maximize ROI from Year 0.

We set up the three pillars of current businesses, new businesses, and corporate culture and climate. To achieve our Vision and status-to-be, we set out to build a foundation for future growth in current businesses, develop and ship samples of next-generation batteries for new businesses, and engage in culture and climate initiatives to make us a "company that employees are proud of and with workplaces they would recommend to their friends and family." The details are below.

Looking back on the three pillars of R1

	Stabilize current businesses and establish growth with profit	Proactively cultivate new business as a transition to the next generation	Establish a corporate culture in which each employee makes a personal effort to satisfy customers in a self-disciplined way
Outcomes	<ul style="list-style-type: none"> Built a foundation for future growth in the existing three major businesses <ul style="list-style-type: none"> Ni-MH batteries Sowed seeds to expand industrial applications Lithium batteries Consolidated production sites and promoted improvements in efficiency Electronic devices business Promoted and stabilized structural reforms 	<ul style="list-style-type: none"> All-solid-state batteries Shipped samples with a view to starting the business. Promoted development through the introduction of internal and external knowledge Nickel zinc batteries Shipped samples with the expectation of commercialization MH/Air rechargeable batteries Moved to demonstration tests that utilize solar charging (Research project commissioned by the Ministry of the Environment) Power solutions Promoted specific projects and developed elemental technologies 	<ul style="list-style-type: none"> Initiatives to make us a company to be proud of, a workplace you want to recommend to family and friends Formulated our philosophy with the participation of all employees and unified work uniforms Introduced a new personnel system and implemented talent management Systematized and expanded our education system Promoted workstyle reforms, including countermeasures against COVID-19 Strengthened governance and efforts undertaken with respect to sustainability, SDGs and diversity Undertook initiatives to add vitality to internal improvement activities and improve employee satisfaction
Areas of improvement	<ul style="list-style-type: none"> Respond to market changes <ul style="list-style-type: none"> Modulation of Ni-MH and Alkaline battery business: Worsening profit situation due to an inability to respond to market fluctuations and rising raw materials prices during the COVID-19 pandemic Decline in sales for facilities-related business: Delays in the acquisition of new projects occurring during the COVID-19 pandemic due to curbing of investments in the auto industry 	<ul style="list-style-type: none"> All-solid-state batteries: Major delays in commercialization 	<ul style="list-style-type: none"> Aftereffects of structural reform: System for the support of life stage transitions/labor shortages, motivation Delays in the introduction of a new personnel system New employee development system that emerged during COVID-19 pandemic (online handling only) Lack of younger employees/leveraging of older employees Inadequate governance/internal controls (overseas subsidiaries, information security, etc.)

R1 Management results

	FY20-22 cumulative results	Mid-Term Plan R1 cumulative targets
Consolidated Net Sales (Billions of yen)	185.78	176.05
Ratio of operating profit to net sales	2.5%	3.2%
ROIC (Return on Invested Capital)	4.3%	5.9%
Investment in new businesses, etc. (Billions of yen)	1.36	5.5

Overview

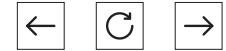
	Outcomes
Outcomes	<ul style="list-style-type: none"> Business expansion despite having conducted business transfers Recovery of YR 0 investment (profit of 610 million yen over 4 years) FY22: Sales profitability maintained despite environmental deterioration
Areas of improvement	<ul style="list-style-type: none"> Announced FY2022 target not achieved Lack of resilience against worsening external environment Delay in investments due to new battery development delays

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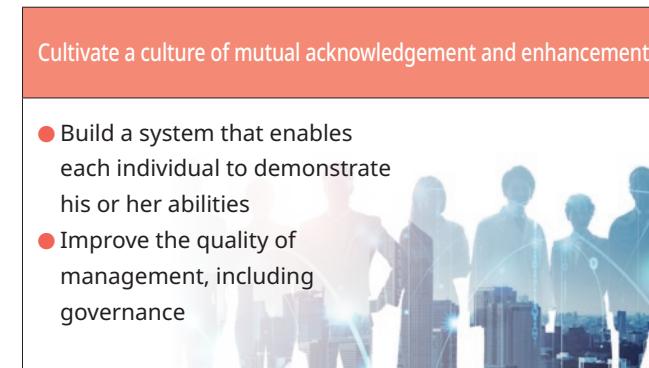
Mid-Term Business Plan: “R2” Three Pillars

As a continuation of the Mid-Term Business Plan “R1,” “R2” (FY2023-FY2025) was announced in April 2023. Under a more challenging business environment than “R1,” it set forth the following goals: (1) Enhance the resilience of our existing three major businesses by strengthening them; (2) accelerate building the foundations for “R3” and beyond by starting new businesses; and (3) enhance the quality of our management by fostering a culture of self-directed ambition.

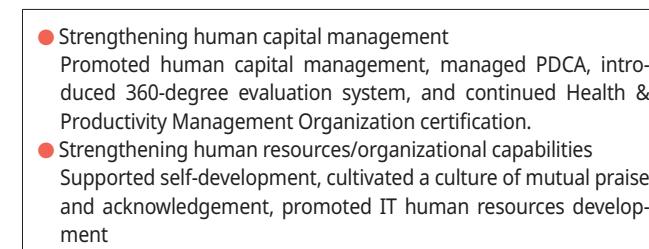
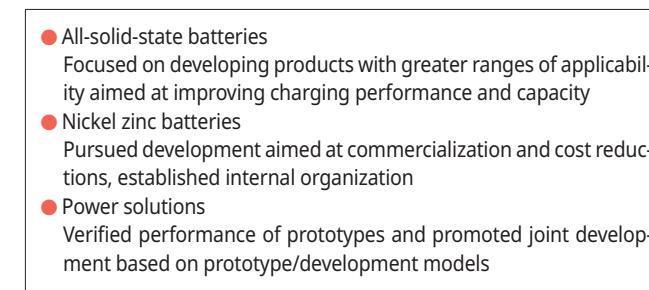
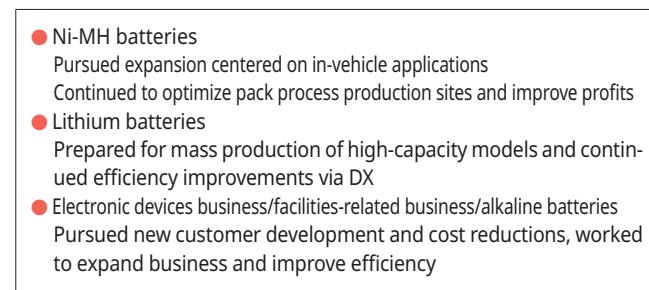
On the business front, we intend to increase the profitability of the entire company by growing our three largest exist-

ing businesses, launch next-generation battery and power solutions businesses and enhance our business presence. In the facilities-related business, which underperformed during R1 due to the impact of COVID-19, we lay the foundation for growth through the development of new businesses, and with alkaline batteries, we pursue profitability improvements through structural reforms and other initiatives. In this way we will continue to work to realize our 2029 status-to-be.

Three pillars of R2



FY2024 progress highlights



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Accelerate the Profitable Growth of Core Businesses

Ni-MH Battery Business

State of the business in FY2024

In FY2024, the Ni-MH battery business saw sales and profits fall due to soaring costs for materials such as rare earth and non-ferrous metals, as well as sluggish sales in the Chinese market.

However, the third quarter experienced a rebound in profits thanks to stabilizing material prices and our VE (Value Engineering) and cost improvement initiatives.

Furthermore, BAOTOU FDK CO., LTD. joined the group in March 2024. Going forward, we will work actively to expand sales in the hydrogen-absorbing alloy business.

Focus markets



In-vehicle application



Power backup

Acquired patents

339 patents

Themes tackled FY2024

Establishing five main markets to target

Throughout FY2024, in the Ni-MH battery business we focused on establishing our five main markets of in-vehicle, power backup, mobility, social infrastructure, and consumer/home appliances.

For the in-vehicle market, we were able to secure a new, large-scale project and successfully grew sales. The market continues to grow year to year. There is a growing focus on performance and safety across a wide range of temperatures, which bodes well for future demand.

In power backup, mobility, and social infrastructure, sales to major social infrastructure customers increased. However, we secured fewer new orders, which was insufficient to raise overall performance. Going forward, we will intensify sales efforts with an eye toward overseas markets.

In consumer and home appliances, rising demand in the Asia region helped us to achieve our sales targets.

Going forward, we will also pursue new sales in the hydrogen-absorbing alloy business for fuel cells and hydrogen storage tanks.

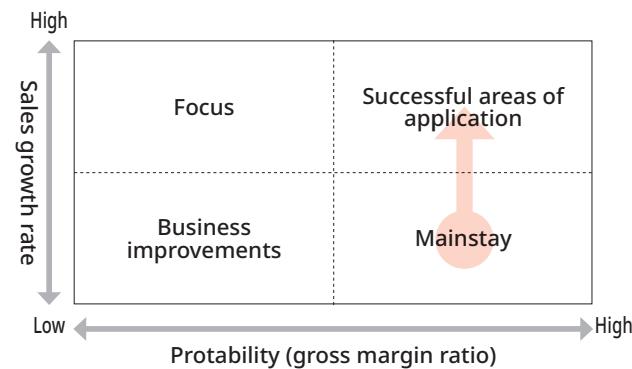
Remaining tasks

Expand sales in power supply backup, mobility, and social infrastructure

Themes to tackle in FY2025

Set *Shin* (new) five main pillars, promote sales expansion

Positioning within the business portfolio



Related materialities

- Provision of safe and reliable electric energy
- Coexistence with the global environment

Initiatives to address materialities

- Contribute to a sustainable society by expanding sales in the five main categories, as newly reassessed in FY2025



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Alkaline Battery Business

● State of the business in FY2024

FY2024 saw lower sales and profits year on year. The sales decline came from a major, year-long fall in sales of lead batteries to OEM suppliers. We continued to experience high raw material costs and a weak yen. In particular, soaring procurement costs for zinc ate into profits and led to the profit decline.

However, the Hyūga-nada earthquake of August 2024, and the "megaquake advisory" issued as part of the Nankai Trough Earthquake Extra Information protocol, sparked special demand for alkaline batteries. This ensured that the business maintained sales profitability, despite the overall year-on-year decline in sales and profits.

Focus markets



Drug stores/DIY stores/
Supermarkets



Mail order company/Online

Acquired patents

139 patents

● Themes tackled in FY2024

Strengthening profitability

Throughout FY2024 in the alkaline battery business, we focused on securing profits through structural reforms, forging new sales channels, and developing products.

Regarding securing profits through structural reforms, we enacted selling price reforms throughout all sales channels and introduced automated packing machines into packaging processes to reduce labor. We also reduced material costs with the use of new additives and continued our minimum operations program.

We developed new sales opportunities and worked to expand sales. We began supplying private-brand products to a large drug-store chain and a large cooperative.

In terms of product development, we continued technological development to improve the performance of products with a view to FY2025 and beyond. We also began developing new packaging formats to reduce environmental impacts.

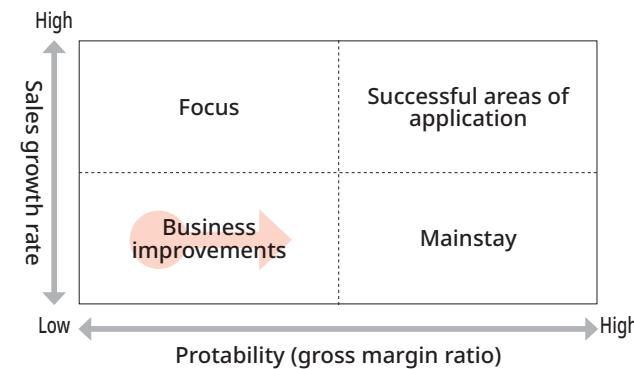
● Remaining tasks

- Strengthen business foundations by promoting countermeasures for aging buildings and facilities and building flexible production systems
- Promote sales and develop value-added products through integrated production and sales
- Launch new brand to become our new alkaline battery identity
- Renew awareness and develop human resources for business continuity

● Themes to tackle in FY2025

- Establish a brand strategy that includes collaboration with other companies, with the goal of building a new brand
- Deploy countermeasures for aging buildings and facilities for business continuity

Positioning within the business portfolio



Related materialities

- Provision of safe and reliable electric energy
- Coexistence with the global environment

Initiatives to address materialities

- Development of next-generation products with improved performance
- Technological development to reduce environmental impact
- Assessing analysis methods for discharge characteristics using elemental technologies

Lithium Battery Business

● State of the business in FY2024

In FY2024 in the lithium battery business, we saw sales grow for domestic meter applications and in the industrial and medical sectors. However, sales fell for overseas security and meter applications, resulting in a year-on-year decline in sales. Geopolitical issues in Ukraine and the Middle East, potential policy changes following the U.S. administration transition, and other events meant that there was abundant uncertainty about future trends and circumstances.

On the other hand, we worked to address external factors such as currency fluctuations, changes in raw material prices, and rising costs of goods and labor by promoting activities aimed at cost reductions and strengthening the resilience of the business.

Focus markets



Smart meter-related



Industrial/Medical

Acquired patents

110 patents

● Themes tackled in FY2024

Commercialization of high-capacity CR17500EX model and strengthening resilience

Throughout FY2024 in the lithium battery business, we focused on strengthening resilience and shipping samples of our high-capacity CR17500EX model.

Our high-capacity CR17500EX model, which was developed as a "product chosen by customers," meets customer needs and reflects market trends for domestic and overseas smart meter devices, IoT equipment, and the like. On the engineering side, we adopted new technologies to increase capacity by 17% compared to our own existing products of the same format, working to differentiate ourselves from other companies with higher capacity. Full-on mass production and sales of this product are scheduled to begin in the second half of FY2025.

To strengthen resilience, we have been building the foundations for a more robust business, by reforming product pricing, improving productivity through factory reorganization, and promoting cost reduction activities by using digital transformation (DX/AI) and other tools. These initiatives aim to address external and internal environment risks such as currency fluctuations, changes in raw material prices, rising costs of goods and labor, shipping issues due to conditions in the Middle East, and U.S. reciprocal tariffs.

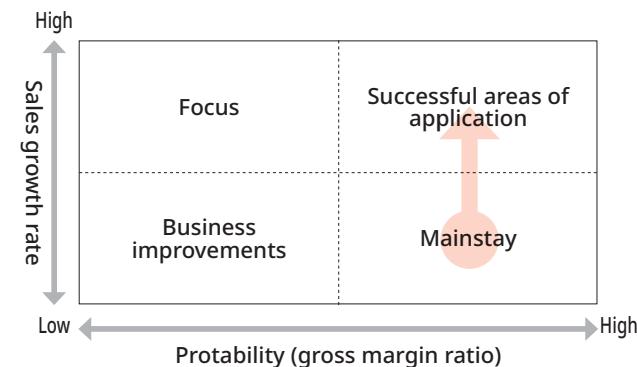
● Remaining tasks

- Smooth transition to mass production for new products
- Further use of DX/AI

● Themes to tackle in FY2025

- Expand sales of new products
- Promote DX/AI, automation

Positioning within the business portfolio



Related materialities

- Provision of safe and reliable electric energy
- Coexistence with the global environment

Initiatives to address materialities

- Commercialization of high-capacity model
- Introduction of solar power systems
- Productivity improvements through factory reorganization

Facilities-related Business

● State of the business in FY2024

In FY2024, the facilities-related business was propelled by a recovery trend in capital investment in the manufacturing industry.

Additionally, we experienced a special situation in which a number of repeat orders for large-scale facilities in the automobile sector, which had been growing since around FY2022, all came together in FY2024. This resulted in a large number of facility deliveries in Japan and overseas that boosted both sales and profits.

Ongoing orders for medium-sized facilities for imaging devices are also providing additional support for the facilities-related business.

Focus markets



Equipment for automobiles

Acquired patents

17 patents

● Themes tackled in FY2024

Strengthening new sales with an eye to the future

FDK Engineering is responsible for the group's facilities-related business. Throughout FY2024, the company worked to raise the value of the business with stronger marketing to develop new customers and cultivate and build sales with existing customers.

In addition to FDK Engineering's strengths in ability to propose concepts and component assembly technology, we strengthened our software development for AI-driven inspection imagers and other equipment, in order to provide the optimal equipment configurations for our customers' needs. In addition, we built collaborative organizations with other companies in the sector, and strove to stabilize business operations and grow profitably to gain new customers and ensure we retain existing customers.

As a result, we were able to expand beyond our traditional sectors such as automobiles, batteries, electrical and electronics, and medical, and make inroads into facilities for the semiconductor and primary industry sectors.



● Remaining tasks

- Strengthen acquisition of new orders and new customers
- Secure personnel (design/control engineers)

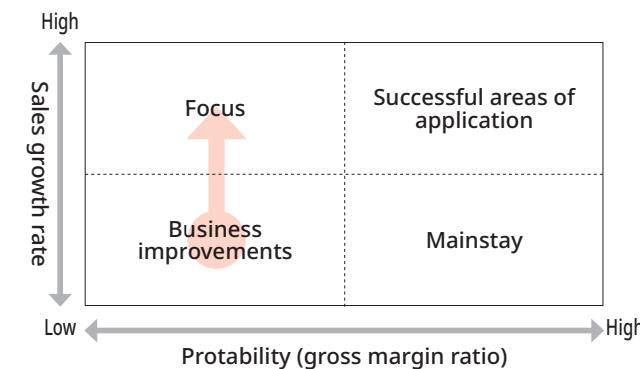


● Themes to tackle in FY2025

Strengthen expansion into new markets and acquire new technology

- Expand development of new customers by strengthening marketing
- Strengthen links with partner companies and boost technology capabilities

Positioning within the business portfolio



SDGs initiatives

- Reduce energy usage by using mechanical drive technology to reduce compressed air consumption.
- Help address issues such as decarbonization and labor shortages by providing facilities that do not use hazardous substances as stipulated in the RoHS Directive, full automation equipment, and more.



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Electronic devices business

● State of the business in FY2024

In FY2024 in the electronic devices business, we started to see a recovery from the difficult previous year in semiconductor markets. However, conditions were uneven throughout sectors and regions, and ongoing inventory adjustments and limited capital investment meant that overall, demand for electronic components was down, even from major customers. As a result, sales were down for power supply products, a core focus of the electronic device business, directly impacting business profitability. Printer and copier markets were also maturing, reducing demand for toner-related products and also contributing to lower profits. In this difficult market environment, the electronic devices business worked to win new business and cultivate and build sales with existing customers. As part of this, we began shipping samples of our Bluetooth® Low Energy modules. The aim is to strengthen our presence in the IoT and smart device markets and lay the foundations for future growth.

Focus markets



Semiconductors/LCDs



Mobility

Acquired patents

171 patents

● Themes tackled in FY2024

Elevate business value, transform business model

In FY2024, the electronic devices business focused on many initiatives to elevate business value and transform its business model.

We worked to strengthen our presence in the IoT and smart device markets and expand the communication modules business, by securing ongoing orders from existing customers for new models, actively pursuing sales to new customers, and shipping samples and expanding sales of our Bluetooth® Low Energy modules.

We also linked up with all-solid-state batteries and power solutions. By fusing electronic devices business and batteries business technologies, we aimed to create next-generation energy solutions, and in FY2024 pushed to develop and bring to market high-value-added products.

We also continued to pursue cost reductions by linking up with external partners to improve production efficiency and optimize supply chains. In addition to cooperative cost reduction work with other companies, we also worked to transform operations and manufacturing through digital transformation, by developing smart factories with AI and robotics, streamlining operations with RPA and Python, and building digital supply chains.

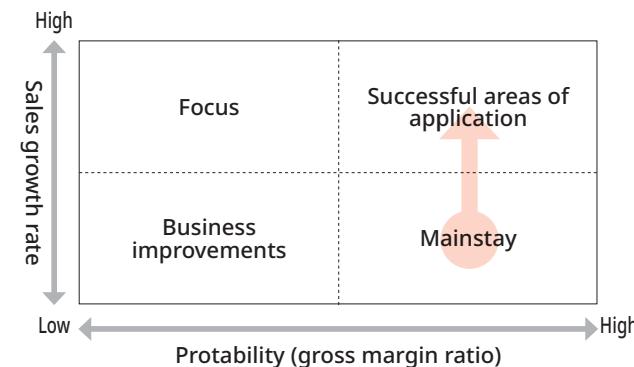
● Remaining tasks

- High dependence on a specific customer
- Gaining new customers
- Rigid cost structures

● Themes to tackle in FY2025

- Leave high dependence on a specific customer (expand sales/differentiate)
- Reduce costs through collaborations and partnerships with other companies

Positioning within the business portfolio



Related materialities

- Provision of safe and reliable electric energy
- Coexistence with the global environment

Initiatives to address materialities

- Cultivate strong relationships with existing customers, develop new customers
- Expand sales of Bluetooth® Low Energy modules
- Link with all-solid-state batteries/power solutions
- Cost reductions through collaboration with other companies

Develop and launch new businesses

For our status-to-be under the group's Strategy Framework, the "10 Years' Scheme," the FDK Group has an 80 billion yen sales target for FY2029, with 30% of this generated by new business. In recent years, we have been focused on promoting the commercial use of nickel zinc batteries. The foundations of our nickel zinc batteries were built on the

Ni-MH batteries that we have been manufacturing for many years now. Nickel zinc batteries are lighter and have less environmental impact than lead-acid batteries. They are also very safe, and have excellent charging and discharging characteristics, and so it is believed that they have significant value in helping to achieve sustainable societies.

Topic: Next-generation batteries (nickel zinc batteries)

About nickel zinc batteries

Nickel zinc batteries have a nickel cathode, the same as in Ni-MH batteries, and a zinc anode, the same as in alkaline batteries. Although they offer high output, a high degree of safety, low cost, and reduced environmental impact, it has been difficult to establish the necessary mass-production technology. We have been working to overcome the obstacles to mass production by drawing on our cathode and manufacturing technology used in Ni-MH batteries and the zinc anode technology of our alkaline batteries, both of which we have cultivated over many years. Our nickel zinc batteries have the following features.

- About double the energy density by weight of lead-acid batteries
- About three times the charge-discharge cycle life of lead-acid batteries
- Use abundant zinc resources; do not use hazardous substances such as lead
- Use aqueous electrolyte, which reduces risk of fire, etc. and boosts safety

With these advantages, it is believed that nickel zinc batteries can replace part of the enormous lead battery market.



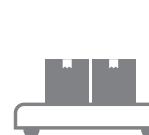
ZR-4/3FAUP nickel zinc battery



Example of battery pack and case interior image



Nickel zinc battery target markets



Electric mobility (AGVs)



Engine starting



Servers/storage devices



Elevator devices



Other backup devices

Initiatives aimed at mass production and shipping

We have been running continuous charging tests in outdoor cabinets at our Takasaki Plant for over two years now. In the same plant, we are also performing continuously running demonstration tests by using the batteries as the power source for automated guided vehicles (AGVs), used for product conveyance in the same factory. We also developed the AGVs themselves in-house. In addition to all this, we are also participating in a demonstration test with Exeo Group, Inc., by supplying nickel zinc batteries for use as backup power supply in their solar car ports.



Ongoing continuous charging test on the grounds of our Takasaki Plant



Takasaki Plant AGV continuously running demonstration test



Exeo Group, Inc.
Grid-free solar car port
*Backup power supply for system control during blackouts

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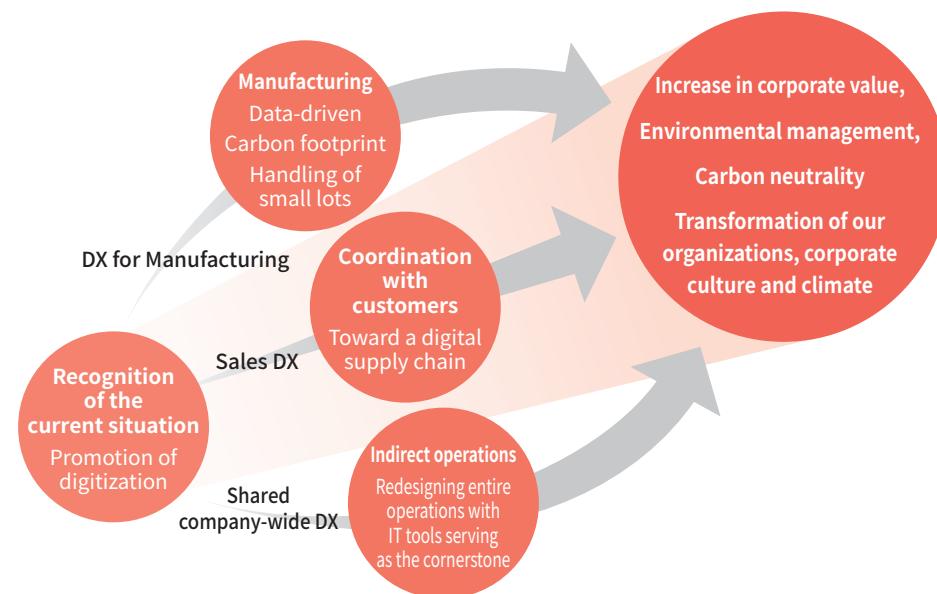
At the FDK Group, we are implementing a comprehensive digital transformation (DX) project across all departments and throughout the Group. This will boost corporate value and provide new value to meet the needs of customers, shareholders, and employees, while promoting transformation in areas such as environmental management (carbon neutrality, etc.) and corporate culture and climate. Demands such as for high-mix, low-volume production and attention to carbon footprints are increasing annually, necessitating a trans-

formation of conventional manufacturing and new approaches. In response, we are redesigning manufacturing processes by using the latest IT tools and digital technologies, creating systems to enable rapid response, addressing the environment, and more. The DX project extends beyond manufacturing to the company at large. It is standardizing business processes and making them more efficient, changing the personnel system and working environments, and transforming the corporate culture and climate itself.

Topic: Company-wide DX project and training digital human resources

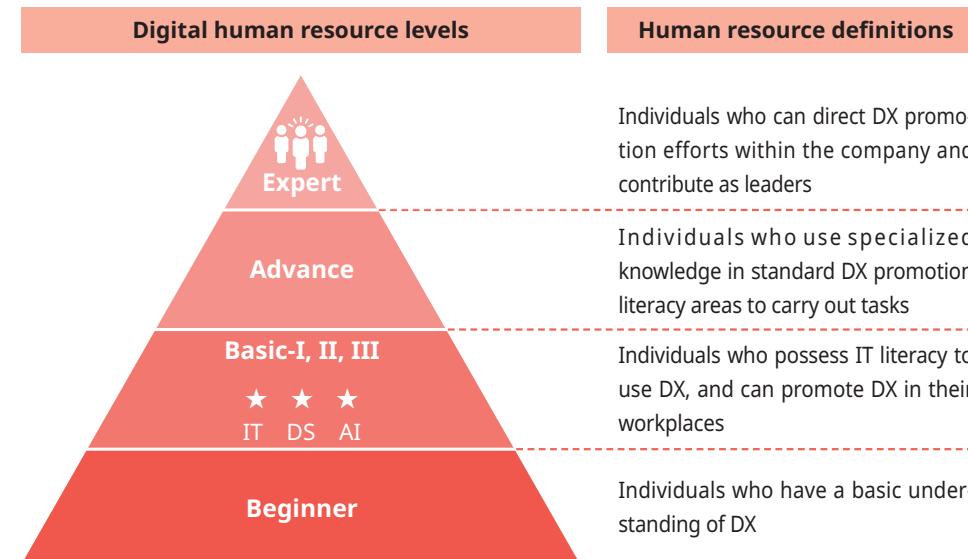
Overview of our DX initiatives

DX at our company begins with an understanding of the current situation and uses digital technology as a basis for bold redesign of manufacturing, indirect operations, and customer collaborations. Each department takes the lead in implementing DX activities, with the aim of providing new value to meet the needs of customers, shareholders, and employees, while raising corporate value and transforming environmental management, organizations, and corporate culture and climate.



Training digital human resources

The goal of our digital human resource training is to ensure that all employees have a certain degree of knowledge of, and the mindset to use digital technology. This enables us to rapidly respond to changes and improve operational efficiency, and leads to sustainable growth for individuals and organizations. We stratify and define digital human resources as per the chart below. We have established a digital human resource certification system that provides DX literacy education, reskilling opportunities, and more.



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Topic: Intellectual property DX

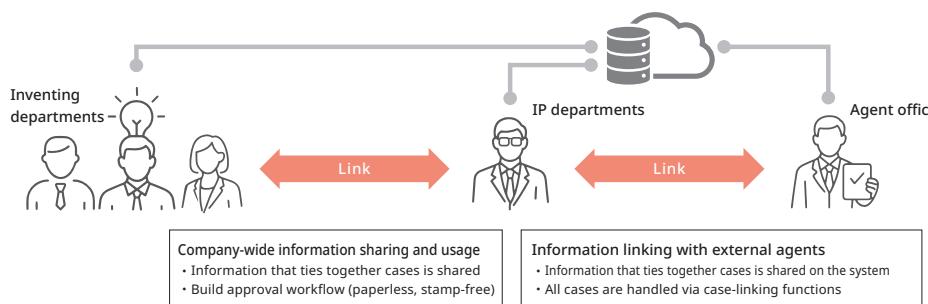
Centralizing our intellectual property management database

At FDK, raising the efficiency of intellectual property operations throughout the company and using and sharing such information are considered prioritized issues. Starting in FY2021, we have been promoting intellectual property DX by trialing a cloud-based management system. This system consolidates and links formerly scattered information on cloud servers to enable information sharing and use throughout the company. The information includes domestic and international rights maintenance and management for patents, designs, and trademarks, histories from idea creation to rights filing and expiration, as well as associated tasks, rewards, and costs.

We have also successfully renewed business processes and reduced costs. We introduced workflow electronic approvals (completely paperless and stamp-free), and reduced overtime in intellectual property departments to about one-fourth of that in FY2020.

We also use the resources acquired through intellectual property DX to actively engage in intellectual property activities that enable us to acquire rights that impact other companies and contribute to management.

A cloud system used to increase operational efficiency



Positive effects of system introduction

Reduces overtime hours	Focus on priority measures	
Overtime work by intellectual property staff Approx. 1/4 of FY2020	Front/Engine support	Delivers information of value
Before introduction (FY2020) Ave. 48 hr./month 9.7 hr. per person/month	<p> Support for shaping inventions</p> <p>Strengthen support for new product commercialization (all-solid-state batteries, lithium batteries, nickel zinc batteries)</p> <p>Optimize filing strategy and rights costs</p>	<p> Shorten response lead time</p> <p>Provide timely information</p> <p>Visualize value of IP and share with entire company</p>

Supporting inventors and business divisions with AI patent survey tools

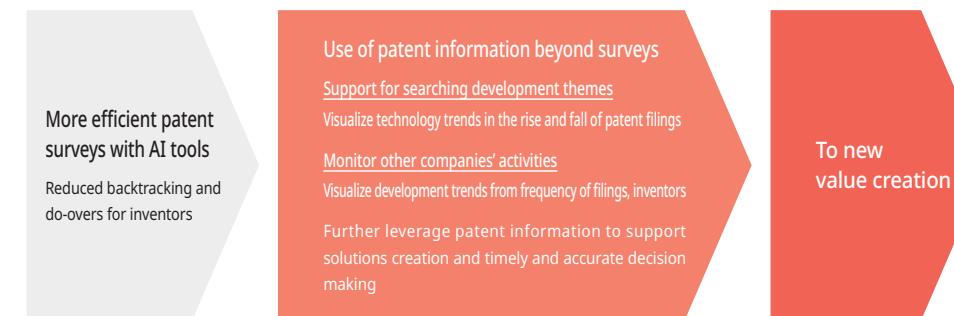
At FDK, inventors use patent search tools by themselves to conduct prior art surveys before filing patents.

However, such surveys require high-level search skills and the ability to parse patent specifications. They are also time-consuming, making it difficult to conduct comprehensive surveys with the existing tools.

To address this issue, we introduced an intellectual property DX countermeasure in the form of AI patent survey tools. The inventor simply inputs a technical summary in plain language, and the AI then automatically searches for prior art and lists such technology in order of relevance. This makes it possible to conduct quick, accurate surveys without high-level skills, and creates an environment in which inventors can focus on their original development work.

In addition, under the slogan "creating new value," intellectual property departments use AI analysis to provide business strategy support, including previously difficult tasks such as searching for new development themes and monitoring competitor activities, ensuring timely, up-to-date data for departments that produce inventions.

Effects of introducing AI patent survey tools



Pioneering intellectual property DX to create new corporate value

With intellectual property DX, our company has steadily achieved results such as improved operational efficiency, cost reductions, optimized filing strategies, and expanded utilization of AI. At the same time, as consistency between IP and management strategies has become obvious, we are working to evolve from an "IP protection" strategy to "IP that contributes to company management." We are also working on strategic uses of IP that help generate social value through, for example, environmental protection or community contributions.

We will continue to strive for sustainable growth and increasing corporate value by maximizing the potential of our intellectual property.

The “10 Years’ Scheme” as Part of FDK’s Identity x Sustainability Management

The ideals we envision

Philosophy

Inspiring transformation; shaping the future and creating happiness

Strategy
Continuously assessed and renewed with changes in the environment

Value
Foundations that always support FDK

FDK’s identity is built on its foundational Values, its Strategies that react to changes in the business environment and elsewhere, and its Philosophy, which remains the same regardless of the management environment. We work to raise corporate value by pursuing sustainability management, based on the materialities that are part of our Values.

The FDK Group Strategy Framework: 10 Years’ Scheme

Vision

The FDK Group, as a Smart Energy Partner, assembles advanced technologies so that our customers can utilize electric energy in a safe and efficient manner and contributes to the materialization and development of a sustainable society.

Status-to-be (Definition of the achieved Vision)

For whom: Entities that support people’s daily life and society, and individual users
What: To provide offerings that enable customers to best utilize clean and safe electric energy (Batteries/Engineering, Next Generation Batteries, Power Management Solutions)
When: 2029

Three Pillars of Mid-Term Business Plan “R2” (FY2023 to FY2025)

1 Accelerate the profitable growth of core businesses

- Ni-MH batteries: Accelerate business model transformation
- Lithium batteries: Provide stable supply of reliable, preferred batteries
- Alkaline batteries: Elevate business value
- Electronic devices business: Further elevate business value through differentiation
- Facilities-related business: Upgrade to be a “preferred facilities manufacturer”

2 Develop and launch new businesses

- All-solid-state batteries: Full-scale market entry
- Next-generation batteries: Promote development and formulate business plan
- Power management solutions: Develop using electronic technologies

3 Cultivate a culture of mutual acknowledgement and enhancement

- Strengthen governance
- Strengthen human capital management
- Social issues initiatives (sustainability)

And Game FDK’s new culture required to execute plan

Customer satisfaction

and

Responsibilities to employees

Promises to shareholders

Contributions to society

and
Respond to all

FDK
Corporate Conduct
Guidelines

FDK’s Sustainability Management: Medium- to long-term target

- Alongside various partners, develop and provide products and solutions that can make a contribution in various situations, including realizing the smart cities of the future
- Contribute to carbon neutrality/Collaborate with stakeholders/Effectively use resources: Effectively use resources from various perspectives
- Enhance investment in human resources (education)/Promote diversity (inclusion)/Support career and skills development/Provide safe and healthy workplaces: Promote comfortable workplaces/Implement health management
- Develop a corporate governance policy for the Group/Enhance accountability to stakeholders/Further integrate risk management into operational processes/ Strengthen operational risk control by implementing internal controls/Maintain a system for monitoring laws, regulations, and social norms with ongoing education
- Disseminate information to connect people/Provide opportunities connected to the future/Promote contribution activities that bring smiles to people’s faces

Materialities

1. Provision of safe and reliable electric energy
2. Coexistence with the global environment
3. Promotion of diverse human resources
4. Sustainable enhancement of corporate governance/Improved risk compliance
5. Contributing to sustainability in regions, society and communities



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Sustainability Management

For the FDK Group, sustainability activities are about working together with stakeholders* to solve various social issues through all our business activities, thereby contributing to the realization of a sustainable society, in line with our philosophy, "Inspiring transformation; shaping the future and creating happiness."

Sustainability Promotion Framework

To advance its sustainability activities, the FDK Group has established a Sustainability Promotion Committee to discuss, decide on, and evaluate the Group-wide realization of the SDGs and medium- and long-term issues in the areas of environment, society, and governance. The Sustainability Promotion Committee, chaired by the President and CEO, conducts periodic reviews of information dissemination, new examples of community service, and the ideal relationship between a sustainable society and business, among other issues.

Promotion Framework Chart



*FDK Group stakeholders: The FDK Group considers customers, suppliers, shareholders, investors, employees, global society, and local communities to be its stakeholders. We also consider organizations such as governments, NPOs, NGOs, academic societies, industry associations, and international organizations to be important stakeholders within "global society and local communities."

Basic Sustainability Policy

The FDK Group works together with stakeholders to solve various social issues through all our business activities, so as to contribute to the realization of a sustainable society in accordance with our philosophy, "Inspiring transformation; shaping the future and creating happiness."

Sustainability Promotion Committee structure

Chair	President & CEO
Vice-Chair	Director for Corporate Headquarters Corporate Officers
Members	Group Presidents, General Managers, Director of Legal and Intellectual Property Dept., Director of Corporate Auditing Dept.
Secretariat	General Affairs and Personnel Department

Sustainability Promotion Subcommittee

Progress management, compilation, and committee reporting of materiality organizational goals

Human Rights Promotion Subcommittee

Human rights due diligence (examination, consolidation, and assessment of human rights risks and identification of negative impacts), responsibility to respect human rights and legal compliance, response to company's priority issues, establishment of consultation services, educational planning, etc.

Responsible Minerals Subcommittee

Summarize issues and problems in response to various demands from society

CSR and Sustainability Survey Subcommittee

Summarize issues and problems in response to various demands from society



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Materialities

The FDK Group has newly identified five materialities in order to realize the Group's philosophy of "Inspiring transformation; shaping the future and creating happiness," and the Vision: "The FDK Group, as a Smart Energy Partner, assembles advanced technologies so that our customers can utilize electric energy in a safe

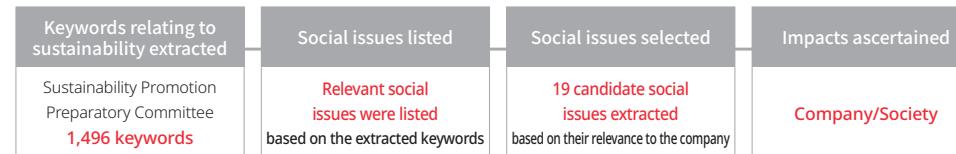
and efficient manner and contributes to the materialization and development of a sustainable society."

Through its business activities, the Group aims to realize the five materialities it has identified and to achieve sustainable development of society and enhancement of its corporate value.

The Materiality Identification Process

In identifying materialities for the FDK Group, we established an internal "Sustainability Promotion Preparatory Committee," whose members identified social issues and then evaluated each candidate materiality from the viewpoint of its importance to the Group and its stakeholders. Five materialities were identified based on discussions at management meetings and other forums. Beginning in FY2022, we have been setting KPIs for each materiality and accordingly implementing initiatives for each business division, etc.

The Social Issue Identification Process



STEP 1 Setting Out the Social Issues

- Social issues were listed by the Sustainability Promotion Preparatory Committee
- The relevance of the listed social issues to our Group was considered, and discussions were held for their selection

STEP 2 Producing the Materiality Map

- A 5-point scale was used to rate the importance of each of the identified social issues from internal and societal perspectives
- The evaluation results were mapped on graphs to examine levels of importance and confirm the positioning of priority issues

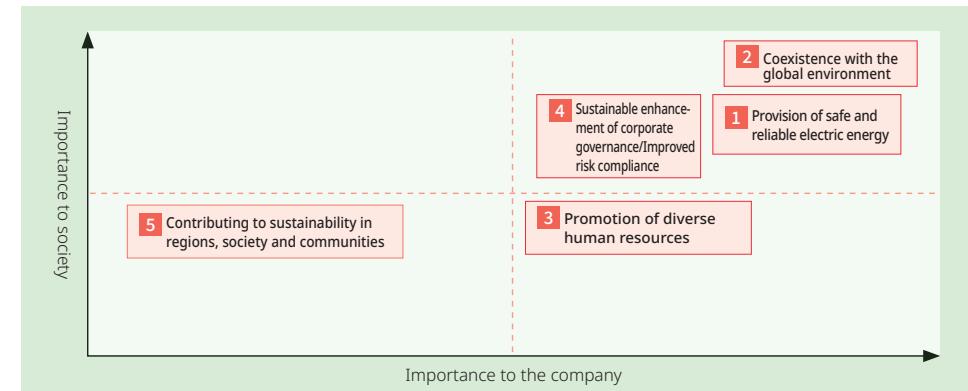
STEP 3 Validation

- The Sustainability Promotion Preparatory Committee members examined priority issues for the company from multiple perspectives in each field

STEP 4 Identifying Materialities

- Materiality issues for the Group were determined at management meetings and in the Sustainability Promotion Committee

The FDK Group's Five Materialities (Prioritized Issues)



Materialities	Materiality measures for the company	ESG category	Relevant SDGs
1 Provision of safe and secure electric energy	<ul style="list-style-type: none"> Provide products and solutions that support a sustainable society 	E-S	
2 Coexistence with the global environment	<ul style="list-style-type: none"> Responding to climate change Contribution to the materialization and evolution of a sustainable society Promoting a recycling-oriented society 	E	
3 Promotion of diverse human resources	<ul style="list-style-type: none"> Creating an environment in which all employees can realize their full potential Creating a healthy workplace where employees can continue growing their careers 	S	
4 Sustainable enhancement of corporate governance/Improved risk compliance	<ul style="list-style-type: none"> Based on the perspectives of stakeholders, strengthen systems and supervisory functions to realize swift decision-making with transparency and objectivity ensured when it comes to corporate management Strengthening the foundation of our risk compliance system Strengthening internal controls Compliance with laws and social norms along with thoroughly undertaking conduct based on high ethical standards 	G	
5 Contributing to sustainability in regions, society and communities	<ul style="list-style-type: none"> Connecting with local communities and bringing to fruition a world full of smiles 	S	

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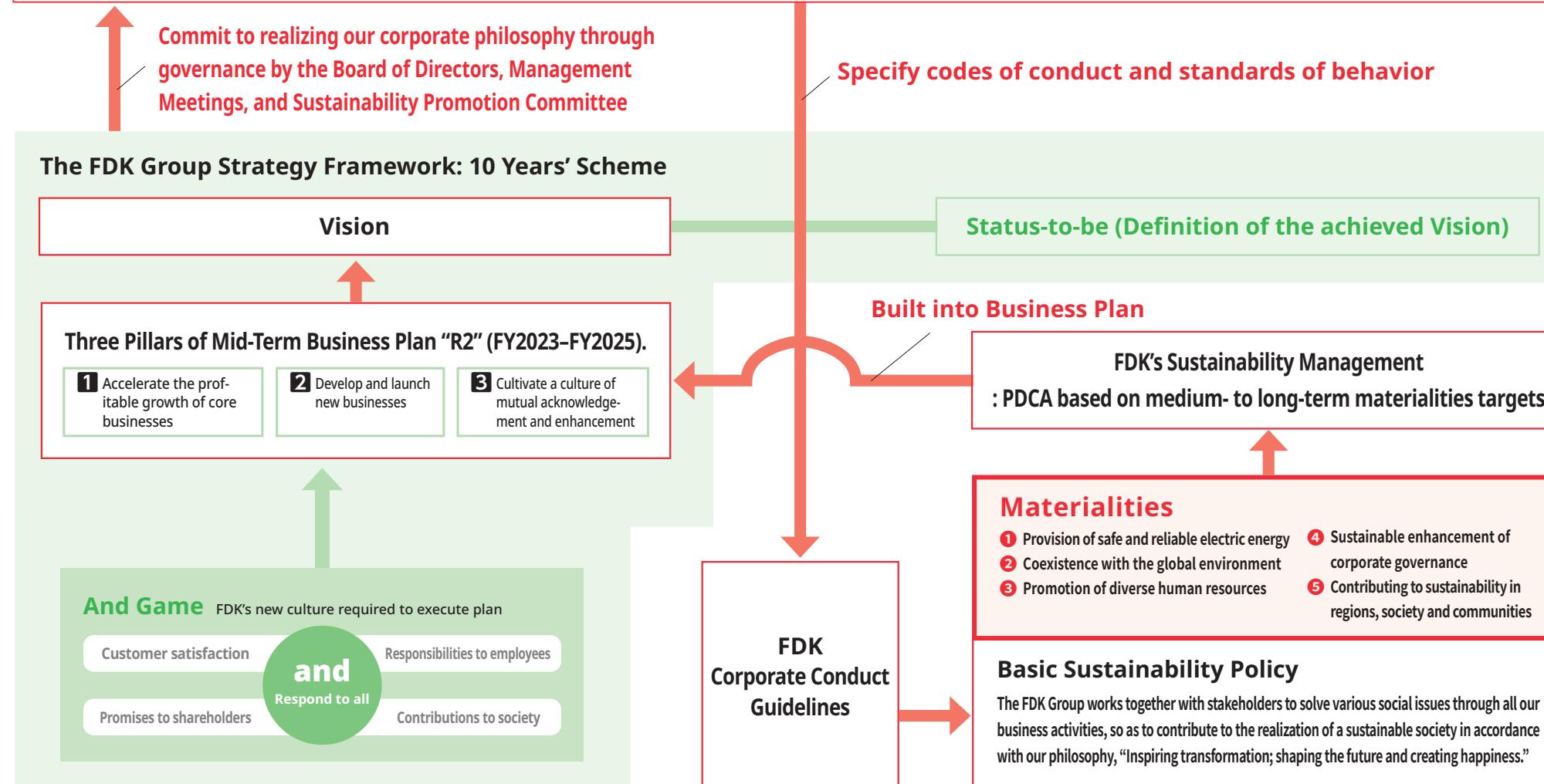
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Positioning of materialities based on the Basic Sustainability Policy of the FDK Group

Materialities for the FDK Group are established by considering priorities in terms of their importance to the Group and its stakeholders, and we are promoting sustainability management to help resolve the SDGs associated with each materiality. We are committed to providing value to all stakeholders and realizing the FDK Group's philosophy by implementing the priority measures for its five materialities.

Philosophy **Inspiring transformation; shaping the future and creating happiness**



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Five Materialities

Materialities	Prioritized theme	Medium- to long-term target	Targets	FY2024 results
① Provision of safe and reliable electric energy	Provide products and solutions that support a sustainable society	<p>■ Alongside various partners, develop and provide products and solutions that can make a contribution in various situations, including realizing the smart cities of the future</p> <p>[Actual applications]</p> <ol style="list-style-type: none"> 1. Smart Infrastructure 2. Smart Home & Office 3. Smart Retail Store 4. Smart Factory & Mobility 	<ol style="list-style-type: none"> 1. Smart Infrastructure Develop products for social infrastructure applications, develop new products to improve performance, develop products that contribute to improved resource efficiency 2. Smart Home & Office Develop products for home appliance applications, develop new products to improve performance, engage in technological development to reduce environmental impact 3. Smart Retail Store Start mass production of products for power backup applications, develop new products to improve performance 4. Smart Factory & Mobility Mass produce and expand sales of in-vehicle accessories and mobility application products 	P.32
② Coexistence with the global environment	Responding to climate change	<p>■ Contributing to carbon neutrality</p> <ol style="list-style-type: none"> 1. Adoption of renewable energy: 100% by 2030 2. Integrated management of emissions in Scope 1 to Scope 3 3. Energy conservation activities: 1% reduction/year = 7% reduction by FY2029 	<ol style="list-style-type: none"> 1. Rate of renewable energy adoption in FY2024: around 24%; begin solar power operations (Tottori Plant) 2. Collect information from suppliers and establish a system for management of Scope 3 emissions 3. Identify energy conservation measures and implement measures to achieve targets, perform systematic renewal of aging facilities 	P.35
	Contribution to the materialization and evolution of a sustainable society	<p>■ Collaboration with stakeholders</p> <ol style="list-style-type: none"> 1. Promote collaboration within the supply chain 2. Restructure internal systems 3. Promote collaboration with external organizations in Japan and abroad 4. Propose international standards 5. Maintain 100% rate in surveys conducted on chemical substances contained in products 6. Maintain 100% rate in surveys conducted on responsible mineral procurement 	<ol style="list-style-type: none"> 1. Engage in human rights due diligence, disclose supplier (including business partners) initiatives in the integrated report 2. Visualize progress by systemizing CSR surveys 3. Gather and act upon information relating to the EU Batteries Regulation and battery due diligence 4. Contribute to international standards through the Battery Association of Japan 5. Maintain 100% rate in surveys conducted on chemical substances contained in products 6. Maintain 100% rate in surveys conducted on responsible mineral procurement 	
	Promoting a recycling-oriented society	<p>■ Effective use of resources: Effective use of resources from various perspectives</p> <p>*Efficiency, long life, reduction, savings, recycling</p> <ol style="list-style-type: none"> 1. Design and develop products that contribute to conservation of resources 2. Design and develop products that contribute to improved resource efficiency 	<ol style="list-style-type: none"> 1. Design and develop resource-conserving products, reduce materials procurement and waste, reduce usage of rare metals such as cobalt, increase product life 2. Reduce volume of materials used, assess plastic reduction, improve materials usage rate 	
③ Promotion of diverse human resources	Creating an environment in which all employees can realize their full potential	<p>■ Enhanced investment in human resources (education)</p>	<ol style="list-style-type: none"> 1. Capacity building <ul style="list-style-type: none"> • Introduce PMO cultivation training to invigorate creative activities within the company 2. Talent management (human resources development) <ul style="list-style-type: none"> • Enhance the development of the next generation of leaders • Continue language education (study abroad) for the development of global human resources 3. Provide learning opportunities <ul style="list-style-type: none"> • Promote the use of e-learning, remote learning, and the Dojos • Foster a culture of self-directed learning, provide opportunities that help improve employee skills and motivation 	P.40
		<p>■ Promotion of diversity (inclusion)</p> <ol style="list-style-type: none"> 1. Support continued recruitment of people with disabilities 2. Develop environment/facilities (expansion of universal design) 3. Enhance work-life balance 	<ol style="list-style-type: none"> 1. Continue and support recruitment activities for people with disabilities and improve knowledge and understanding on the part of departments receiving employees with disabilities 2. Provide diversity and inclusion training, human rights seminars 3. Increase proportion of male employees taking childcare leave Enhance various leave programs and encourage use 	
		<p>■ Career and skills development support</p> <ol style="list-style-type: none"> 1. Increase rate of women in management positions *150% increase from FY21 to FY25 2. Support for 2nd careers 	<ol style="list-style-type: none"> 1. Increase number of female employees in next-generation leader training, hold International Women's Day seminars 2. Conduct training for senior employees Reassess qualification allowance systems 	

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Materialities	Prioritized theme	Medium- to long-term target	Targets	FY2024 results
③ Promotion of diverse human resources	Creating a healthy workplace where employees can continue growing their careers	<ul style="list-style-type: none"> ■ Provision of safe and healthy workplaces: Promoting comfortable workplaces <ul style="list-style-type: none"> 1. Thoroughly reduce occupational health and safety risks 2. Enhance occupational health and safety education ■ Implementing health management <ul style="list-style-type: none"> 1. Acquire Health & Productivity Management Organization certification 2. Enhance work-life balance <ul style="list-style-type: none"> • Measures to combat long working hours • Improve paid leave uptake rate (uptake rate: 80%) • Support balancing work and childcare/nursing care (childcare/nursing care uptake rate among male employees: 30%) 3. Employee health promotion <ul style="list-style-type: none"> • Reduce number of high-risk individuals in periodic health checkups/Improved employee communication 	<ul style="list-style-type: none"> 1. Implement activities to reduce occupational health and safety risks 2. Promote occupational health and safety education and training plans 	P.40
④ Sustainable enhancement of corporate governance/ Improved risk compliance	Based on the perspectives of stakeholders, strengthen systems and supervisory functions to realize swift decision-making with transparency and objectivity ensured when it comes to corporate management	<ul style="list-style-type: none"> ■ Systematically manage and improve the Nomination and Remuneration Advisory Committee ■ Enhance accountability to stakeholders ■ Further integrate risk management into operational processes ■ Strengthen operational risk control by implementing internal controls ■ Maintain a system for monitoring laws, regulations, and social norms/Ongoing education 	<ul style="list-style-type: none"> 1. Manage the Nomination and Remuneration Advisory Committee and ensure recommendations are made to the Board of Directors 2. Develop corporate governance policy 1. Enhance opportunities for dialogue with stakeholders and respond appropriately to their requests 2. Shareholders and investors: Continue considerations regarding the implementation of dialogue, including information disclosure at general shareholders meetings and online 1. Enhance Risk and Compliance Committee operation 2. Enhance compliance education 1. Enhance the internal audit system for the FDK Group 2. Prevent misconduct and recurrence through early detection and rectification of misconduct 1. Promote use of the internal reporting desk and promptly respond to reports 2. Conduct compliance education on an ongoing basis 	P.47
⑤ Contributing to sustainability in regions, society and communities	Connecting with local communities and bringing to fruition a world full of smiles	<ul style="list-style-type: none"> ■ Dissemination of information to connect people <ul style="list-style-type: none"> 1. Communicate with society 2. Support safe and secure living ■ Provide opportunities connected to the future <ul style="list-style-type: none"> 1. Provide learning opportunities 2. Provide opportunities to create new value ■ Contribution activities that bring smiles to people's faces <ul style="list-style-type: none"> Activities to contribute to local communities and society 	<ul style="list-style-type: none"> Disseminate information on disaster prevention Support The Sound of Batteries Powered by the Sun concerts 1. Activities to promote connection with local communities 2. Activities to promote beautification of local communities 3. Activities to promote environmental friendliness 4. Activities to bring lives together 	P.55

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Materialities ① Provision of safe and reliable electric energy

The FDK Group has set out its Vision in the group strategy framework "10 Years' Scheme": The FDK Group, as a Smart Energy Partner, assembles advanced technologies so that our customers can utilize electric energy in a safe and efficient manner and contributes to the materialization and development of a sustainable society. As a manufacturer of batteries and electronic products, the Group provides products and solutions that support a sustainable society. Our high-performance, high-quality batteries and electronic products provide value in a range of fields. As we de-

velop technology to achieve even higher capacity, greater efficiency, and reduced environmental impact and plastic film usage, we are also developing next-generation batteries to contribute to the realization of future smart cities and a sustainable society.

In terms of quality, we have established the FDK Group Quality Policy under which we develop and supply high-quality, safe, and environmentally friendly products that satisfy customers and contribute to society.

Risks and Opportunities

» Risks

- Our existing products stop meeting requirements as customer or global quality standards change
- We lose trust as product defects increase due to quality management issues in manufacturing processes
- Customer satisfaction falls due to supply chain fragility between us and suppliers that leads to quality deficiencies in components and supply delays that impact product quality

» Response to risks

- Review quality management standards and establish stricter quality assurance systems
- Perform regular quality audits for product manufacturing processes and maintain quality assurance system
- Optimize quality standards with suppliers and strengthen collaboration to maintain and improve component quality

» Opportunities

- Strive to win new customers and raise brand value by providing high-quality products sought by markets
- Differentiate our products from competitors' by establishing the company as a quality leader within the industry
- Fulfill our corporate social responsibility by developing eco-friendly products and sustainable supply chains

Indicators and Targets

Prioritized theme

Provide products and solutions that support a sustainable society

Medium- to long-term target	Major FY2024 results
Smart Infrastructure Alongside various partners, develop and provide products and solutions that can make a contribution to various situations, including realizing the smart cities of the future	<ul style="list-style-type: none"> • Begin mass production of highly durable Ni-MH battery models • Pursue product development to improve performance of lithium batteries • Pursue new electronic products development • Pursue new product development in next-generation batteries • Undertake internal performance assessments of next-generation batteries
Smart Home & Office	<ul style="list-style-type: none"> • For Ni-MH batteries, begin mass production of cobalt-reduced products • Develop new lithium battery products and ship samples • Pursue new product development in next-generation batteries
Smart Retail Store	<ul style="list-style-type: none"> • Ship Ni-MH battery samples • Pursue development of new lithium battery products and ship samples • Pursue new product development in next-generation batteries
Smart Factory & Mobility	<ul style="list-style-type: none"> • Begin mass production of high-output Ni-MH battery models • Develop and ship new electronic products • Pursue new product development in next-generation batteries



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Alongside various partners, develop and provide products and solutions that can make a contribution in various situations, including realizing the smart cities of the future.

Our offerings enable reliable applications for clean and safe electric energy to corporate and individual users that support society and people's lifestyles.

Basic Concept

The FDK Group strives to build product development, supply, and quality assurance systems that help resolve social issues, and we work to promote green procurement based on concepts for continually developing and supplying high-quality, safe, environmentally friendly batteries and electronic devices able to satisfy customers.

Examples of Initiatives

FDK Group Initiatives

The FDK Group strives to provide batteries and electronic devices that use environmentally friendly materials by complying with environmental laws and regulations to heighten our value as a company cultivating the future. As part of these measures, the FDK Group works to develop new products, including a next generation of batteries able to provide customers with new added value derived from the distinct technology cultivated in the battery and electronic device businesses thus far.

Examples of New Product Launches (As of June 2025)

Developing HR-AATEX Ni-MH batteries for the in-vehicle accessory market

At FDK, we have added the new HR-AATEX Ni-MH batteries to our product lineup, with mass production and shipping launched in August 2024.

As in-vehicle accessory devices become increasingly diverse, demand is growing for improved discharge performance in low-temperature environments.

To meet these needs, we have developed HR-AATEX Ni-MH batteries that use new hydrogen-absorbing alloys and outer canisters and other methods to increase battery capacity and improve low-temperature discharge performance. The new battery delivers 1.2 times the capacity and about 6 times the discharge duration at -40°C compared with the existing HR-AAUTEW model. This product improves the useability of in-vehicle accessories in cold climates.



Developing the CR17500EX battery, a high-capacity, high-output cylindrical lithium manganese dioxide primary model, and building a mass-production system for it

We have developed the CR17500EX battery, a high-capacity, high-output cylindrical lithium manganese dio-

ide primary model, with mass production scheduled to begin in the latter part of FY2025.

We developed the CR17500EX to meet requests for longer battery life and higher capacity from customers using high-output cylindrical lithium manganese dioxide primary batteries. We reassessed the battery structure and materials and developed the CR17500EX, which has 17% greater capacity compared to the CR17500EP. The increased capacity provides longer running times, making it possible to reduce the number of batteries required in battery packs. The battery also complies with a range of regulations, including the EU's RoHS Directive and Battery Regulation 2023/1542, and has been certified under UL safety standards (File No. MH13421) in the U.S.



Nickel zinc batteries used in Exeo Group grid-free solar car port demonstration tests

Our nickel zinc batteries are being used as a backup power supply for auxiliary equipment in grid-free solar car port demonstration tests being run by Exeo Group, Inc. (hereinafter, Exeo Group).

Grid-free solar carports are standalone systems not connected to the power grid, thus requiring backup power during outages. While lead-acid batteries are typically used in such applications, our nickel zinc batteries were chosen for this demonstration test as an alternative for backup power for auxiliary equipment due to their lighter weight and lower environmental impact. They are also easy to use as they charge in the same way as lead-acid batteries. Going forward, we will collaborate with Exeo Group to gather and accumulate various types of data and work toward commercialization of the batteries.



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Other materialities-related initiatives: Quality assurance

Quality Assurance Activities

Development and Quality Assurance of Products with Considerations for Quality and Safety

FDK Group Quality Policy

"We will provide customers with quality they can rely on."

Philosophy

Our mission is to contribute to society by developing and supplying high-quality, safe, and environmentally friendly products that satisfy customers through a basic quality-first approach. The FDK Group knows it must never cause any grave quality issues nor violate the laws or regulations of each country worldwide. Therefore, every department takes customer-oriented actions throughout each step, from sales to research, planning, development, design, production and even customer service, to provide more thorough quality management.

Quality Action Guidelines

1. We will make quality requests from customers our highest priority and take swift pertinent action to heighten customer satisfaction.
2. We will strengthen fundamental activities in the development stage and incorporate quality, price, delivery, and environmental considerations into production to help prevent quality issues at the mass production stage, improve profitability, strictly adhere to delivery dates, and improve environmental performance.
3. We will continually enhance risk management throughout various aspects of compliance from product safety to the chemical substances contained in products.
4. We will improve manufacturing to thoroughly reduce any loss of quality, such as process waste and losses from complaints.
5. We will continually improve the quality management system to execute more effective quality management.

Quality Assurance System

The FDK Group has built a quality management system to achieve the Quality Policy and Quality Action Guidelines and will always undertake quality assurance activities. As of March 2025, nine of our sites, including those overseas, have acquired ISO 9001 certification, and four have acquired IATF 16949 certification.

Quality Assurance Initiatives

In order to provide quality products and services that satisfy the function and performance requirements as well as other customer needs, FDK fosters cooperation between management and other various departments. This necessitates the participation of every employee in activities across every process of its corporate activities.

FDK Group Corporate Conduct Guidelines

Continually strive to ensure product and service quality and safety in all aspects of our business activities

Work to build an abundant future together with customers and society

Increasing corporate value

The FDK Group engages in collaborative activities linked to quality assurance activities of each business site, including those overseas, across a diverse product line-up.

Quality Assurance Division actively works to share information with all business divisions to drive these activities, formulate quality proposals, escalate responses in the event of problems and quality issues related to compliance, conduct education to nurture human resources, and horizontally share other information such as expertise and examples of defects. We are also adopting a management-side approach, such as by establishing Group-wide Quality Management Committees under the supervision of senior management, and by having senior management personnel confirm improvement activities at work sites.

Improvement Processes of Actions to Strengthen Quality Assurance

1. Initiatives aimed at implementing the FDK Group Quality Policy

Each verification process, from product planning to mass production, is reviewed in accordance with quality-related regulations, etc., drawing on a wide range of knowledge not only from the department itself but also from other related departments, thereby ensuring more objective assessments.

2. Green procurement initiatives

The FDK Group contributes to the development of a sustainable society by conducting business activities that consider the environmental burden and supply environmentally friendly products. The FDK Group provides environmentally friendly products to customers by procuring and using eco-friendly materials based on the FDK Group Green Procurement Standards.

Quality Assurance System

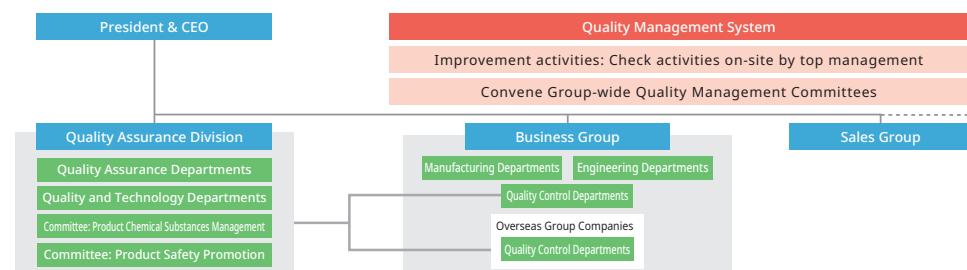
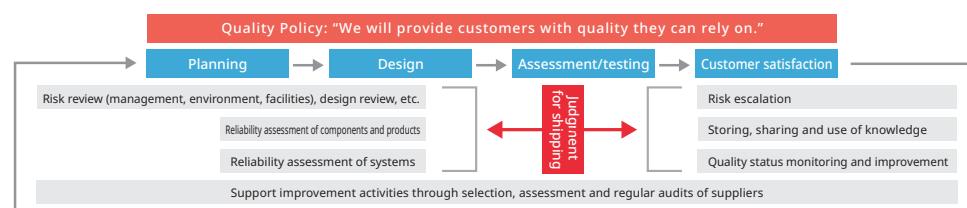


Chart of Each Quality Assurance Verification Process



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Materialities ② Coexistence with the global environment

Amid deepening threats to the global environment such as climate change and resource depletion, companies are being increasingly requested to take responsibility for achieving a sustainable society. The FDK Group considers climate change risk to be a prioritized issue. The Group works to reduce environmental impacts in a number of ways, such as introducing renewable energy, promoting the efficient use of resources by taking advantage of new materials, and contributing to carbon neutrality.

We work to create new markets through the development of sustainable products. At the same time, we build relationships of trust with stakeholders based on policies that take clear positions on cooperation with local communities and respecting human rights. By placing coexistence with the global environment at the core of our business activities, FDK Group is working hard to build a sustainable future.

Risks and Opportunities

» Risks

- Costs increase due to rising temperatures, rising sea levels, heavy rains, and other effects of climate change
- Operations stoppages, including in supply chains, occur due to the effects of climate change
- Energy costs increase as the proportion of renewable energy rises with efforts to achieve carbon neutrality
- Material resource costs increase due to natural resource depletion

» Response to risks

- Build environmental management framework and maintain ISO 14001 certification
- Promote BCP readiness and build BCM framework
- Set environmental targets, increase ratio of renewable energy, and reduce greenhouse gas emissions
- Make efficient use of natural resources by developing products with new materials

» Opportunities

- Pioneer new markets with product development that supports sustainable societies
- Contribute to a recycling-oriented society by promoting circular economies
- Contributing to sustainability in regions, society and communities

Indicators and Targets

Prioritized theme

Responding to climate change

Medium- to long-term target	FY2024 results
Contributing to carbon neutrality	<ul style="list-style-type: none"> • Rate of renewable energy adoption in FY2024: 24.2% • Energy conservation results improved 3.3% compared to FY2023 • Solar power introduced at the Tottori Plant reduced air-conditioning operation during nights and holidays at all factories, air-conditioning machinery renewal, conversion to LED lighting, and other measures

Prioritized theme

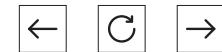
Contribution to the materialization and evolution of a sustainable society

Medium- to long-term target	FY2024 results
Collaboration with stakeholders	<ul style="list-style-type: none"> • Announced human rights due diligence initiatives in the integrated report • Continuously conducted RBA surveys of suppliers • Gathered information relating to the EU Batteries Regulation and battery due diligence, and held in-house seminars • Continued to conduct survey on responsible mineral procurement and chemical substances contained in products

Prioritized theme

Promoting a recycling-oriented society

Medium- to long-term target	FY2024 results
Effective use of resources: Effective use of resources from various perspectives	<ul style="list-style-type: none"> • Began mass production of products with reduced cobalt content • Improved materials usage rate



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Protecting the Global Environment

Basic Concept

The FDK Group recognizes the need for action toward the realization of an independently sustainable and recycling-oriented society with initiatives toward environmental conservation that follow the business activities of the company, which include not only legal compliance in each country and region, greenhouse gas reduction, waste reduction, and thorough management of chemical substances, but also the reduction of our environmental impact through the products that FDK provides. FDK established the FDK Group Occupational Health, Safety, and Environmental Policy to promote even more robust Group-wide environmental management.

Basic Policy based on the FDK Group Occupational Health, Safety, and Environmental Policy

1. Through discussion and full participation of workers, we are building and continuously improving occupational health, safety, and environment management systems, and working to prevent occupational accidents, illnesses, and environmental pollution.
2. We comply with laws and regulations related to occupational health, safety, and environmental factors, and requests from local communities, public organizations, customers, and other groups to which we agree. Furthermore, we also set and comply with our own voluntary standards.
3. We have formulated an action plan based on the major themes described below. The goal is to establish safe and comfortable workplace environments, from where we can contribute to society and the environment with our products and services while making effective use of limited energy resources. In addition, we will periodically review this action plan and continuously improve our occupational health, safety, and environmental performance.
 - (1) Established zero-danger workplaces
 - (2) Pursue the creation of clean and comfortable workplace environments
 - (3) Encourage health management
 - (4) Pursue business activities aimed at a recycling-oriented society
 - (5) Pursue R&D and product design that consider the environment
4. Through training and education activities, we work to elevate health, safety and environmental awareness among all employees, engage in 5S activities, eliminate traffic accidents during work hours and while commuting, and prepare for and respond to emergency situations. We also work to implement behaviors that consider the global environment.
5. We proactively disclose information and engage in dialogue in order to maintain good communication with stakeholders, including local communities, public organizations, and customers.

ISO 14001 Certification Status

FDK CORPORATION

- Head Office, Kosai Plant, Washizu Plant, Takasaki Plant, Tottori Plant
- Sales offices: Tokyo Metropolitan Area, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka, Okinawa Sales Center

Domestic group companies

- FDK ENGINEERING CO., LTD.
- FDK PARTNERS CORPORATION

Overseas Group companies

- FUCHI ELECTRONICS CO., LTD. (Taiwan)
- XIAMEN FDK CORPORATION (Xiamen, China)
- BAOTOU FDK CO., LTD. (Baotou, China)

Carbon neutrality measures

International efforts to achieve a sustainable society, such as the Paris Agreement, are accelerating. Japan, too, has declared its goal of achieving carbon neutrality and a decarbonized society by 2050. The FDK Group considers responding to climate change an important issue and continues to work towards carbon neutrality. In terms of the power used for our own business activities, we are aiming to have at least 37% of our electricity come from renewable energy sources by 2025, and 100% by 2030. In FY2024, we installed solar power generation equipment at our Tottori Plant. As well, with non-fossil fuel energy certificates, the FDK Group as a whole uses renewable energy sources for 24.2% of its electricity needs.

Green Procurement

The FDK Group considers how to improve global environmental problems and is working to contribute to the sustainable development of society by conducting business activities that consider the environmental burden and supply environmentally friendly products. As part of these efforts, it is essential that the products we procure from our suppliers are also environmentally friendly, and we have summarized this idea in the FDK Group Green Procurement Standards. In order to coexist with the global environment and manufacture products that work in harmony with it, the FDK Group is conducting Green Procurement, which takes into account environmental aspects in addition to the aspects of quality, cost, delivery, and service that we have traditionally pursued.

* FDK Group Green Procurement Standards, Version 11.0
(https://www.fdk.co.jp/kankyou/green_proc.html)



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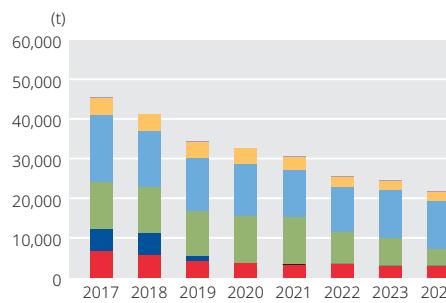


FDK Group 12th Environmental Action Plan FY2024 Achievements

Item	FY2024 Action Plan	Overall Evaluation (✓ or X)
Environmentally conscious design	Develop products that contribute to resource conservation (at least one at each site) Develop products that contribute to improved resource efficiency (at least one at each site)	✓ ✓
Reduction of greenhouse gases	Limit overall CO ₂ emissions from energy consumption at the whole FDK Group in Japan to 28,722 tons or less	✓
Energy efficiency	Improve energy consumption by 1% compared to the previous year at each site using the energy consumption intensity as an indicator	✓
Adoption of renewable energy	Adopt 100% renewable energy across the FDK Group by FY2030 (equivalent to 24% of FY2024 target)	✓
Reduction of chemical substances	Improve emissions of PRTR substances used at each site by 1% by the end of FY2024 compared to the previous fiscal year, using emissions intensity as an indicator	✓
Reduction of waste	Improve the amount of waste generated by 1% compared to the previous fiscal year at each site by the end of FY2024, using the basic unit of waste generation as an indicator	✓
Conservation of water resources	Assess and optimize water consumption	✓
Local environmental efforts and social contribution	Conduct at least 23 initiatives a year toward local environmental efforts and social contribution activities throughout the FDK Group	✓

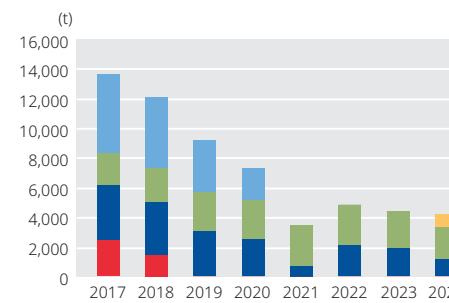
Change in CO₂ Emissions

(Domestic plants and manufacturing affiliates) FY2017 to FY2024



Change in CO₂ Emissions

(Overseas manufacturing affiliates) FY2017 to FY2024



■ Kosai ■ Sanyo ■ Takasaki ■ Tottori ■ Washizu ■ FDK ENGINEERING

■ SUZHOU FDK ■ XIAMEN FDK ■ FUCHI ELECTRONICS ■ FDK INDONESIA ■ BAOTOU FDK

Change in Amount of Waste

(Domestic plants and manufacturing affiliates) FY2017 to FY2024

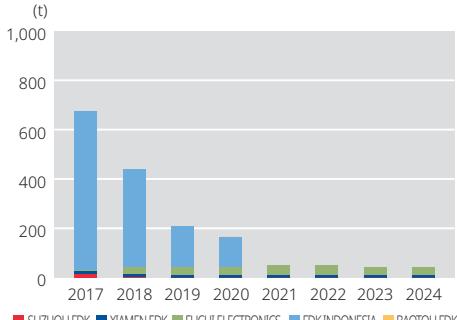


■ Kosai ■ Sanyo ■ Takasaki ■ Tottori ■ Washizu ■ FDK ENGINEERING

The data for Sanyo is up to June 2019.

Change in Amount of Waste

(Overseas manufacturing affiliates) FY2017 to FY2024



■ SUZHOU FDK ■ XIAMEN FDK ■ FUCHI ELECTRONICS ■ FDK INDONESIA ■ BAOTOU FDK

The data for SUZHOU FDK is up to September 2018.

The data for FDK INDONESIA is up to September 2020.

Environmental Performance Data by Business Site (Plants and manufacturing affiliates)

Items	Unit	FY	Kosai Plant	Takasaki Plant	Tottori Plant	Washizu Plant	FDK Engineering	XIAMEN FDK CORPORATION	FUCHI ELECTRONICS CO., LTD.	BAOTOU FDK CO., LTD.
CO ₂ emissions (t-CO ₂)	2024 Previous fiscal year	2,950 2,918	4,058 7,022	12,183 12,062	2,425 2,400	116 116	1,146 1,864	2,156 2,510	925 —	
Water usage (m ³)	2024 Previous fiscal year	56,572 38,189	22,103 20,993	82,133 62,058	21,994 27,026	505 457	10,791 13,953	9,047 10,324	21,065 —	
PRTR chemical emissions (kg)	2024 Previous fiscal year	0 0	3 3	0 0	0 0	— —	— —	— —	— —	
NOx emissions (kg)	2024 Previous fiscal year	0 0	— —	520 422	— —	— —	— —	— —	— —	
Soot (measured density) (g/Nm ³)	2024 Previous fiscal year	— —	— —	— —	— —	— —	— —	— —	— —	
Waste water (m ³)	2024 Previous fiscal year	56,572 38,189	21,153 20,156	43,424 34,581	21,994 27,026	505 457	8,632 11,162	9,047 10,324	3,600 —	
Waste (t)	2024 Previous fiscal year	154 146	380 154	511 465	315 279	9 14	10 11	31 32	0 —	

* “—” indicates items that are not subject to aggregation, are not applicable/available, or were not measured during the fiscal year in question because they are only required to be measured every other year.

* CO₂ emissions were calculated as the total of Scope 1 and Scope 2, according to the GHG Protocol. The factors for conversion from purchased electricity have been changed and are now calculated as market-based factors both domestically and overseas. Amounts corresponding to purchased non-fossil fuel energy certificates (solar) have been subtracted from CO₂ emissions.

XIAMEN FDK CORPORATION: (FY2021) 2,650 MWh; Takasaki Plant: (FY2022) 5,000 MWh, (FY2023) 7,515 MWh, (FY2024) 15,500 MWh

* Sites where operations were stopped or the business was sold have been excluded from the above.

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Collaboration with stakeholders

The FDK Group has long considered respect for human rights as a value of the highest importance. Examples include the first item in our FDK Group Corporate Conduct Guidelines, "We respect human rights" and our commitment to respect human rights and occupational health and safety in our procurement guidelines.

When the Japanese government released its "Guidelines on Respecting Human Rights in Responsible Supply Chains" in September 2022, we took the opportunity to hold discussions on business and human rights. We realized the need to clarify our policy in cooperation with stakeholders, and so issued the FDK Group Human Rights Policy in October 2023.

FDK Group Human Rights Policy

Human rights declaration

The FDK Group hereby declares that it will respect the rights of all people in order to contribute to the materialization and development of a sustainable society, and act in accordance with the FDK Corporate Conduct Guidelines.

Basic concept of our human rights policies

The FDK Group philosophy is "Inspiring transformation; shaping the future and creating happiness." To put this into practice, our Corporate Conduct Guidelines establish "respecting human rights" and "complying with all laws, regulations, and social norms" as codes of conduct.

Employees are the core of our business activities, and we believe that by respecting their rights, we can build work environments in which people can work with enthusiasm.

In addition, by respecting the rights of not just employees but all people involved in our activities, we can help shape the future and create happiness.

Compliance with laws and regulations

The FDK Group supports and respects the International Bill of Human Rights (the Universal Declaration of Human Rights and International Covenants on Human Rights), the ILO Declaration on Fundamental Principles and Rights at Work, the Ten Principles of the UN Global Compact, and other international agreements relating to human rights.

We are also promoting initiatives to respect human rights as stipulated in this policy and based on the UN Guiding Principles on Business and Human Rights.

We are also committed to complying with the laws and regulations of the countries and regions in which we conduct business.

In cases where there is a conflict between internationally recognized human rights and the laws or regulations of local countries or regions, we look for ways to honor both the local laws and the principles of international human rights.

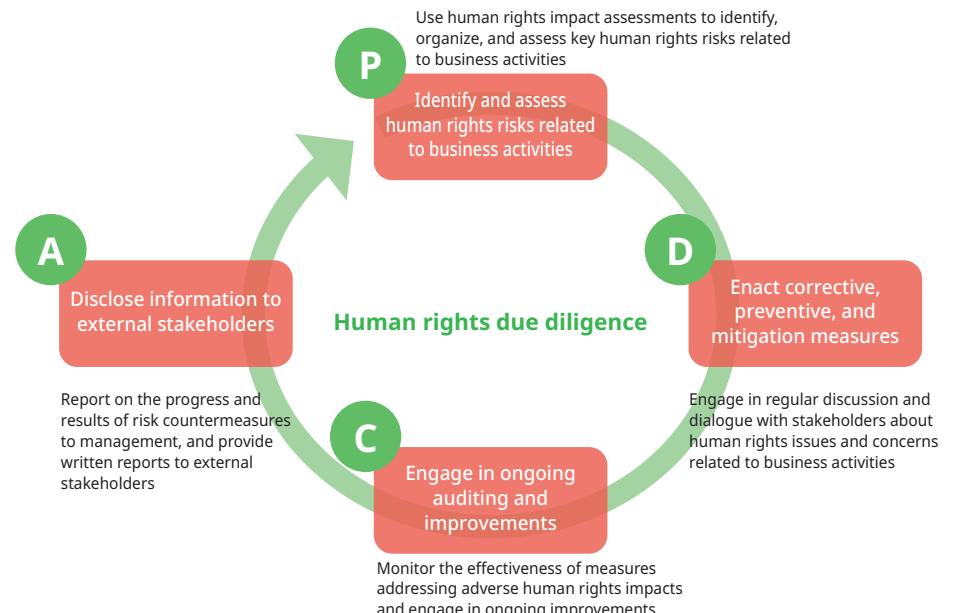
Dialogue with suppliers

We also expect our suppliers to respect human rights and seek their cooperation and understanding with regard to this Policy.

Human rights due diligence

The FDK Group is creating and engaging in a human rights due diligence framework with suppliers to minimize adverse impacts on human rights, in accordance with the UN Guiding Principles on Business and Human Rights.

Human Rights Due Diligence framework (PDCA process)



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Collaboration with stakeholders/Effective use of resources

● Establishing a contact point for remediation, relief, consultation, and Reporting Desk

The FDK Group engages in business activities in various countries and regions around the world.

In order to hear and gain an understanding of opinions from various perspectives, we have set up a contact point on our website to receive consultations and opinions regarding human rights inside and outside the company. With this in mind, we make the following commitment.

"If it becomes clear that the FDK Group has caused or contributed to adverse impacts on human rights, we will work to provide remediation and relief via appropriate measures.

If it is found that adverse impacts on human rights are occurring at a supplier, we will work with stakeholders to make improvements so that human rights are respected and infringements do not occur.

We will maintain the confidentiality of reporters and victims and work diligently to ensure that neither suffer disadvantageous treatment."

Reporting Desk

Contact point (handling department)	Main consultation items/Consultation content/Target group		
[Within the company] FDK CORPORATION Legal and Intellectual Property Department General Affairs and Personnel Department	Sustainability inquiries FDK Group sustainability inquiries Other inquiries regarding FDK Group corporate activities * Including human rights infringements	All stakeholders	
[Outside the company] Hanzomon Sogo Law Office Fax: 03-3262-9001 compliance_fdk@hanzomon.gr.jp	Consultations about business and human rights dialogue/relief Contact points on FDK Group main supply chains (supplier-established compliance contact points)	Main supply chains	
	Ethics and compliance hotline Reporting, consultation regarding misconduct, illegal activities or unethical behavior by organizations or individual employees	FDK Corporation employees/ Partner company employees/	
	Harassment (sexual/power harassment, etc.) consultations Reporting, consultation regarding various types of harassment	Suppliers	

■ Actual FY2024 initiatives

● Training related to respecting human rights

In January 2025, we provided "Business and Human Rights" training for all employees, in order to have each and every employee recognize the importance of respecting human rights, and to identify and assess potential adverse impacts arising from business activities.

FY2024 human rights training achievements

• April 2024

New employee training: Lecture by the Shizuoka Prefecture Human Rights Promotion Center: "Let's Think About Human Rights"
Attendees: 14 new employees

• December 2024

Human rights seminar: Lecture by the INDUSTRIAL EMPLOYMENT STABILIZATION CENTER OF JAPAN: "On Human Rights"

Attendees: 175

• January 2025

"Business and Human Rights" e-learning

Target Participants: 1,786 / Actual Participants: 1,786 (100% attendance)



Human rights seminar

● Surveys by customers, surveys of suppliers

In FY2024, we received and provided answers to survey requests from customers regarding the following: Surveys conducted on chemical substances contained in products (1,142 cases), surveys conducted on responsible mineral procurement (146 cases), and other CSR-related surveys (65 cases).

We also conduct CSR surveys to monitor sustainability initiatives within our supply chains, with an eye to promoting sustainable procurement with our suppliers. In FY2024, 245 business partners cooperated by providing responses, and we reported the survey results back to those suppliers.



Sample of CSR survey results report

● Example of respect for and compliance with laws, regulations, and norms: Responding to the EU Battery Regulation and due diligence obligations

The EU Battery Regulation asserts that batteries are an important energy source and one of the key elements in achieving sustainable development and climate neutrality. As such, demand is expected to increase rapidly. However, as substances such as cobalt, natural graphite, lithium, and nickel are used as active materials in batteries, the countries able to supply these substances are limited, and the growing demand for battery production may contribute to an increase in environmental and social risks. As such, due diligence obligations are scheduled to be applied starting in August 2027.

We also support this perspective, and are gathering relevant information, running in-house seminars, building internal management systems and exchanging information with suppliers so that we can meet these due diligence obligations.

■ Effective use of resources

● Reducing cobalt use in Ni-MH batteries for home appliances

For our Ni-MH batteries for home appliances, we have been developing a product that reduces quantities of cobalt used, which is a rare metal. By working with customers and improving the product design, we received an approval for the product's performance, and mass production began in September 2024.



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Materialities ③ Promotion of diverse human resources

The FDK Group philosophy is "Inspiring transformation; shaping the future and creating happiness." We are pursuing a range of initiatives to put this into practice. We recognize that human resources are a key part of the management capital that supports corporate sustainability. In this era of diversifying values, we are working to create environments without distinctions between minorities and majorities, in which the rights of all diverse individuals

are respected, and all employees are able to fully realize their potential. We are also working to design and operate personnel systems that foster job satisfaction and motivation, provide comprehensive support for career development, and build safe and secure workplaces that enable long-term, healthy work. We are creating a company to be proud of, where diverse human resources thrive, and with workplaces you would recommend to family and friends.

Risks and Opportunities

» Risks

- With changing environments, workstyle diversity grows and access to information increases, meaning that what individuals want from a company becomes more diverse and complex.
- Declines in job satisfaction and motivation may result in the drain of human resources.
- Overwork, manpower shortages, and a lack of educational opportunities may lead to declines in operational efficiency and compliance awareness and a subsequent reduction in corporate value.

» Response to risks

- Create and provide opportunities for participation and action (education, diversity and inclusion).
- Provide support for autonomous career development that matches needs.
- Build safe and comfortable workplace environments (communication).
- Build workplaces conducive to continued work in good health (benefits and welfare).

» Opportunities

- As individuals have greater access to information, we can expect to see diversification of values, greater cross-cultural understanding, and the formation of new ideas.
- We can enhance our ability to respond to changes and business opportunities.
- With a more mobile labor market, we will be able to secure people who can make an immediate impact.

Indicators and Targets

Prioritized theme

Creating an environment in which all employees can realize their full potential

Medium- to long-term target	FY2024 results
Enhanced investment in human resources (education)	<ul style="list-style-type: none"> Enhanced the development of the next generation of leaders Continued overseas language study for the development of global human resources Further promoted the "Dojo" within the company, with the goal of enabling employees to pursue autonomous self-improvement. Total participant count: 836
Promotion of diversity (inclusion)	<ul style="list-style-type: none"> Increased the rate of management positions held by women Provided diversity and inclusion training Held human rights seminars Increased proportion of male employees taking childcare leave Diversity trainees: 913 Inclusion trainees: 2,019
Career and skills development support	<ul style="list-style-type: none"> Conducted training for senior employees Reassessed qualification allowance systems Career and skills development trainees: 356

Prioritized theme

Creating a healthy workplace where employees can continue growing their careers

Medium- to long-term target	FY2024 results
Provision of safe and healthy workplaces: Promoting comfortable workplaces	<ul style="list-style-type: none"> Further evolved PDCA cycle for activities to reduce occupational health and safety risks Distributed traffic safety messages Undertook thorough overtime management, paid leave usage encouragement, stratified education, etc.
Implementing health management	<ul style="list-style-type: none"> Increased participation rate in secondary health examinations Reduced overtime hours Held briefing on results of company-wide stress checks Organized health management data, provided information to improve health literacy, obtained 2025 Health & Productivity Management Organization certification



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Enhanced investment in human resources (education)

Our group's human capital management approach

The FDK Group set forth its approach to human capital management in the Mid-Term Business Plan "R2" announced on April 14, 2023. This approach aims to closely link our management strategies and human resources strategies to achieve our management targets. In our human resources strategy, we focus on three main categories: "Enhancement of the value of human resources," "Reform relating to job satisfaction," and "Working environment reform."

● Enhancement of the value of human resources

We are working to evolve our group's education systems with a focus on autonomous learning by employees and working to raise the value of human resources through the introduction of a side-job system.

In addition, in FY2025 we are introducing a 360-degree evaluation system into our personnel system, and working to promote self-growth by assessing competencies from multiple perspectives.

● Reform relating to job satisfaction

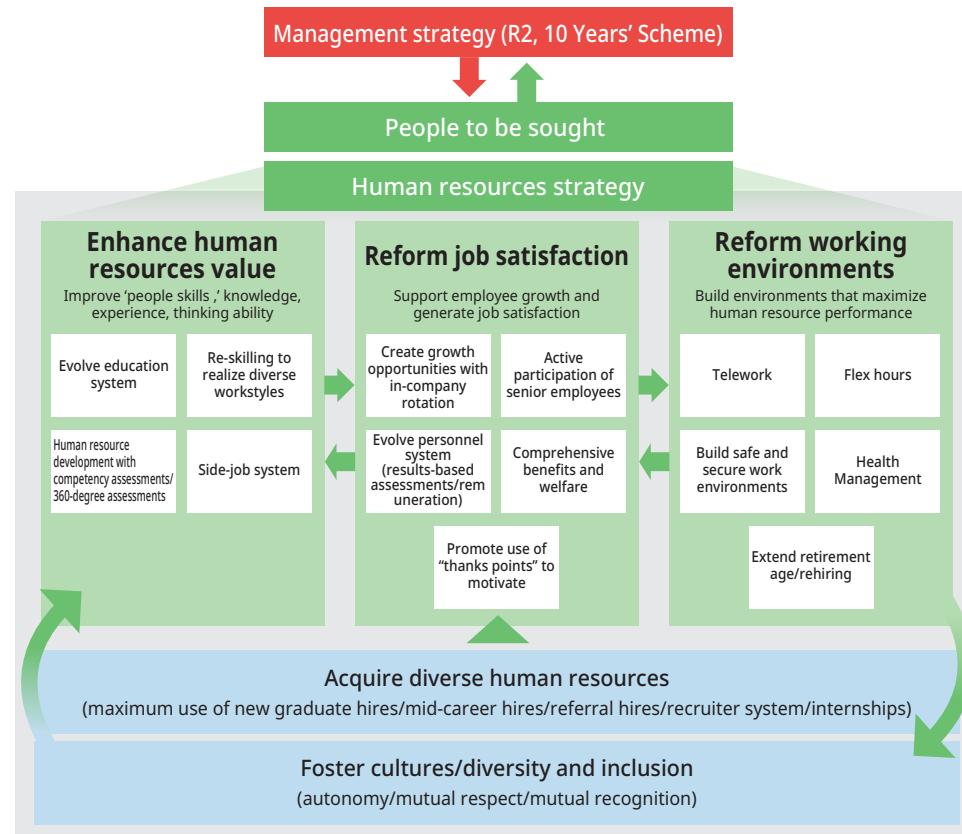
In the FDK Group's personnel evaluation system, we have introduced two evaluation systems and manage them to foster employee job satisfaction. The first of these is a "competency evaluation," which takes career goals that describe the desired position in 3 to 5 years as a starting point, and assesses two elements: initiatives that support medium to long-term growth and the achievement of organizational goals (results). The second system is a "performance evaluation" that evaluates the achievement of organizational goals.

The FDK Group has also introduced a "Thanks Point" system, which gives employees the opportunity to award points to one another, promoting a corporate culture of mutual praise and recognition between employees.

● Working environment reform

The FDK Group works to ensure that our employees are healthy in mind and body and can lead fulfilling lives in both the public and private sectors, as well as to realize a vibrant work environment. Based on the 2023 Health Management Declaration and Health Management Policy, we pursue three initiatives on an ongoing basis: "Building safe and secure workplace environments in which employees can be healthy in body and mind," "Instilling a high health-awareness corporate culture to enhance productivity," and "Enabling all employees to exercise their abilities and individuality to the fullest extent to meet the expectations of customers." We were recognized for the second year in a row as a Certified Health & Productivity Management Outstanding Organizations Recognition Program, run jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

We are also actively engaged in initiatives within the three main focus categories of our human resources strategy: "Enhancement of the value of human resources," "Reform relating to job satisfaction," and "Working environment reform." Such initiatives are positioned as prioritized issues within the group's sustainability activities, and the Sustainability Promotion Committee regularly reviews their progress and status. Furthermore, key items are determined at management meetings, and the results are periodically reported to the Board of Directors.



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Promotion of diversity (inclusion)

Embracing Diversity and Inclusion

Basic Concept

Policy Orientation

The FDK Group promotes diversity in human resources regardless of nationality, gender, sexual orientation, age, ability/disability, religion or values as a basic policy to enable individuals to grow with the company.

Status-to-be

Our Status-to-be is for everyone working in the FDK Group to refuse to engage in any form of discrimination, welcome diverse human resources, and put these behaviors into practice.

Examples of Initiatives and Other Measures

1. Creating a working environment that is friendly for all people

- We have put in place a work environment that is comfortable for people with disabilities and LGBTQ+ people to work in.
- Factory training and trial employment have been conducted for people with disabilities.
- We are systematically promoting the installation of barrier-free, multi-purpose restrooms.

Recruitment initiatives for people with disabilities at our factories

	Most recent initiatives	Most recent hires
Takasaki Plant	<ul style="list-style-type: none"> • Workplace training for special support school students • Hosted vocational training (3 months) • Workplace tours for labor transition support providers 	<ul style="list-style-type: none"> • FY2022: 1 person • FY2025: 1 person
Kosai Plant Washizu Plant	<ul style="list-style-type: none"> • Workplace training for special support school students • Hosted vocational training (3 months) • Workplace tours for labor transition support providers 	<ul style="list-style-type: none"> • FY2022: 2 people • FY2023: 2 people
Tottori Plant	<ul style="list-style-type: none"> • Workplace training for special support school students • Hosted vocational training (3 months) • Follow-up interviews with public health nurses and external support institutions • Participation in supporter training courses • Participation in work support seminars for people with disabilities • Training for workplace counselors supporting people with disabilities 	<ul style="list-style-type: none"> • FY2022: 1 person • FY2023: 2 people • FY2024: 1 person

<Example of initiative to recruit people with disabilities at the Tottori Plant>

With the inclusion of people with mental disabilities in employment obligations in 2018, the Tottori Plant has been promoting the hiring of people with disabilities with recruitment staff and public health nurses who provide knowledge about mental disabilities. The plant now employs people of diverse backgrounds that include those with physical, intellectual, and mental disabilities.

When hires are made, public health nurses and workplaces cooperate to distribute documentation created by the nurses that describe the nature of disabilities for the employing departments. The aim is to build trust and create workplaces where employees can work with confidence.

After the new employees join, their individual strengths and weaknesses are reviewed on a weekly or monthly basis. Action is then taken, including using skill-monitoring sheets to enhance self-esteem and provide feedback about areas for improvement, or establishing a rule to provide the next day's work schedule in advance in order to reduce anxiety, according to the individual's needs.

In addition, staff acquire new knowledge by actively attending Tottori Disabled Employment Supporter Training Courses held by the Tottori Labor Bureau, Tottori Prefecture, the Tottori Vocational Centers for Persons with Disabilities, and other bodies.

2. Improving the personnel treatment system

- We changed the names of grading levels and standardized the grade classifications with those of general employees, and reassessed systems with a focus on role and behavioral characteristics, so as to enable diverse hires to thrive.

3. Full educational activities such as training and seminars

- In management training, we promoted the childcare leave program for men, and provided training for management aimed at encouraging job satisfaction and motivation.
- In conjunction with International Women's Day, we ran a lecture discussing the characteristics of organizations that leverage diverse human resources, and what actions we can take.



FY2024 International Women's Day lecture titled "Organizations That Leverage Diverse Human Resources"

4. Conducting employee satisfaction surveys

- We conducted an employee satisfaction survey for all employees (response rate: 99.1%).

To resolve the issues revealed by the survey results, we conducted a training program on organizational revitalization.



Donating disaster emergency food items (canned bread and water) to children's cafeterias

5. Contributions to local communities and society

- We donated disaster emergency food items (canned bread and water) approaching their expiration date to children's cafeterias in the city. We sold cookies and cakes made by people from work support facilities for people with disabilities.



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In accordance with the action plan based on the "Act on Advancement of Measures to Support Raising the Next Generation of Children," the FDK Group has been actively pursuing work-life balance and other initiatives in order to realize an environment in which each employee can work with vigor and satisfaction. In 2016, we received Platinum Kurumin Certification.

About the Stage 1 Action Plan

In order to further support women's advancement, we drew up an action plan, as follows.

1. Plan period

Five years from April 1, 2016 to March 31, 2021

2. Our challenges

The culture and work environment are not supportive of female employees raising children.

- Workplace management is inadequate in some areas, making it difficult for women to continue working while raising children due to difficulties in balancing work and family life.
- The workplace culture is not conducive to supporting those who continue to work after giving birth or while raising children.
- There is insufficient understanding of flexible working styles in the workplace, making it difficult to take time off without prior notice, such as when a child is sick.

3. Quantitative target

Increase the percentage of women in managerial positions by 125% or more relative to FY2015.

4. Initiative and implementation period details

Initiative 1: Management-led implementation of work-life balance

April 2016 — Success Support Project for Women organized to regularly check the status of activities and share information on various measures and outcomes.

October 2016 — Events hosted by the Office to Support Women's Success on a yearly basis.

Initiative 2: Promoted the creation of a comfortable work environment to enhance workplace responsiveness and management

April 2016 — Planned and reviewed various seminars and training programs.

December 2016 — Conducted management training to renew awareness among male managers and workplace leaders.

June 2017 — Women's career training held to renew awareness among female employees.

Initiative 3: Active recruitment of female employees and implementation of recruitment plans

October 2016 — Consideration given to expanding the workplaces and job areas where female employees are assigned.

February 2017 — Plan implemented for active recruitment of female employees in conjunction with personnel and recruitment plans. To further promote women's advancement and create a work environment in which both men and women can work for many years, we drew up an action plan, as follows.

We also formulated an action plan in accordance with the "Act on the Promotion of Women's Active Engagement in Professional Life" of April 2016. We will continue striving to be a corporation in which both men and women can play an active role.

About the Stage 2 Action Plan

1. Plan period

Five years from April 1, 2021 to March 31, 2026

2. Our challenges

Challenge 1: Workplace management is insufficient in some areas, and the use of the system is not well understood.

Challenge 2: A workplace culture is needed that supports people who continue to work after giving birth, while raising children, while caring for family members, etc.

Challenge 3: There is insufficient understanding of flexible working styles in the workplace, making it difficult to take time off without prior notice.

3. Targets and details of initiatives and implementation period

Goal 1: Increase the percentage of women in managerial positions by 150% or more* relative to FY2021.

Initiative details

April 2021 — Regular meetings of the Diversity Promotion Office, which supports the advancement of women, were held to confirm the status of activities and share information on various measures and outcomes.

April 2021 — Provided a self-development curriculum to support individual career advancement.

June 2021 — Increased the number of female participants in training programs for next-generation leaders.

September 2021 — Held management training for managers and supervisors.

October 2022 — Held exchanges of viewpoints with female managers and supervisors.

Goal 2: Increase the rate of use of flextime, telework, and other systems that contribute to flexible working styles, by 25% relative to FY2021.

Initiative details

April 2021 — Improved the system and raised awareness of it on a regular basis.

June 2021 — Established an environment for telework.

September 2021 — Raised awareness of the importance of work-life balance at management training seminars.

September 2021 — Conducted education on management points and issues regarding telework.

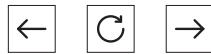
Table 1: Proportion of women in executive positions (%)

FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
1.3	1.4	1.4	1.9	2.1	2.6

Table 2: Proportion of women trainees in next-generation managerial candidate development training (%)

FY2020	FY2021	FY2022	FY2023	FY2024
3	3.8	5.3	7.1	9.1

* Comparison calculated where the proportion of women in managerial positions on April 1, 2021 is 100%.



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Career and skills development support

Human Resource Development

FDK Group strives to nurture human resources by categorizing human resource development into four main themes.

1. Stratified training

We are working to enhance the training tailored to each position, from new hires to executives.

2. Development training

In order to nurture professionals in their respective fields of expertise, we encourage employees to take various examinations, including technical certifications, attend specialist seminars, and adopt cutting-edge technologies and skills.

3. Business leader development

We are working to encourage and promote human resource development and strengthen management skills that can help revitalize organizations, such as next-generation leader training, developmental leader training, and global human resource development (language study abroad).

4. Supporting the growth of a diverse range of individuals

We are working to support and motivate individual personnel through career design training, career support, and other programs.

Review of Various Education and Training Programs

1. Review of stratified education

The curriculum content has been refined to be more specific to the roles and expectations of each specific employee level. For younger employees in particular, we incorporated content that would lead to competency evaluations in conjunction with the operation of the new personnel system.

2. Provide opportunities for self-development

We provide opportunities for personal study for self-development. We provide convenient opportunities for employees to learn and improve their skills through e-learning.

3. Conducting training that takes talent management into account

We provide training to develop the next generation of human resources.

4. Expanding the "Dojo"

Our "Dojo" conducts the following activities.

- (1) Self-improvement activities in a variety of fields to hone employees' knowledge, abilities, and mental and physical skills
- (2) Activities to enhance communication between different departments and generations and to strengthen the organization

Purpose of the "Dojo"

- (1) For FDK Group employees to enrich their lives by developing deeper expertise, education, and experience in various fields.
- (2) To renew awareness of self-improvement, put in place an environment for self-improvement, build a corporate culture in which employees work hard to help and compete with each other, and strengthen organizational capabilities by passing down techniques and conducting exchanges between generations.

Higher Standard of Education

Strengthening Stratified Training (Increasing Overall Quality of Work and Management)

Enhance the comprehensiveness of stratified training tailored to each level and role from junior to senior employees

Cultivate a Climate in which Diverse "Individuals" Can Actively Participate

Improve human resource support and the motivation of each individual through diversity promotion and career support.

Selected Personnel Education

Nurture Global Business and Future Leaders

Nurture business leaders able to actively participate globally from a long-term perspective

Promoting Professionalism

Enhance high-level specialized training and nurture professional human resources (horizontally expand specialized in-house training)

Picture of a Global Human Resource



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Provision of safe and healthy workplaces: Promoting comfortable workplaces

Occupational Health and Safety Activities

Domestic FDK Group Occupational Health, Safety, and Environmental Policy

Basic Philosophy

We respect and value the life and dignity of every individual. In addition, we, as a Smart Energy Partner, assemble advanced technologies so that our customers can utilize electric energy in a safe and efficient manner and contributes to the materialization and development of a sustainable society.

We protect the health and safety of every employee of FDK and will pass on a beautiful global environment abounding with nature to the next generation.

In the development, design, manufacture, and sales of materials and parts related to batteries and electronics, and the associated products and various manufacturing equipment, we will make safety our first priority and work with the participation and input of all employees to create comfortable workplaces, promote mental and physical health, and protect the environment.

Occupational Health and Safety Promotion System

At the FDK Group, the Central Health and Safety Committee meets quarterly as a body to oversee the On-site Safety and Health Committee at each business site and develop the Group-wide activity plans. On-site Safety and Health Committee meetings are held jointly by labor and management at each business site every month to execute activities according to health and safety action plans. Many business sites have acquired the ISO 45001 certification for occupational health and safety management. We take advantage of these management systems in an effort to realize a framework with an even higher level of occupational health and safety.

Initiatives to raise employee health and safety awareness

We provide safety training at all organizational levels in accordance with management systems and e-learning for all employees. We provide training for new graduates and mid-career hires who will be working at manufacturing sites to deepen their understanding of workplace risks before beginning their duties. We also conduct periodic emergency drills and other measures.

ISO 45001 Certification Status

FDK CORPORATION

- Kosai, Washizu, Takasaki, and Tottori plants

Overseas Group companies

- FUCHI ELECTRONICS CO., LTD. (Taiwan)
- XIAMEN FDK CORPORATION (Xiamen, China)
- BAOTOU FDK CO., LTD. (Baotou, China)

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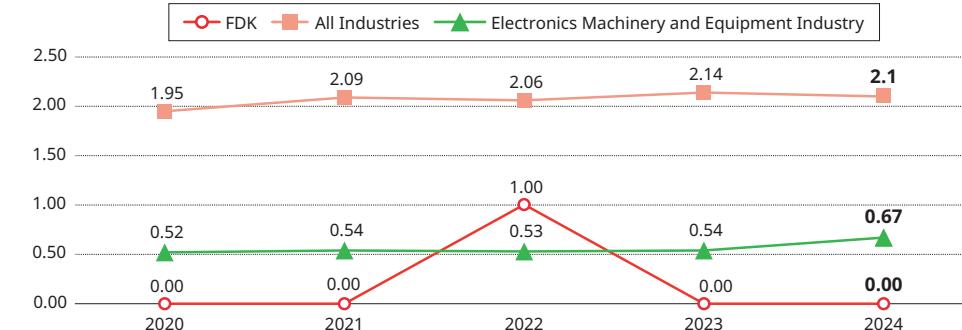
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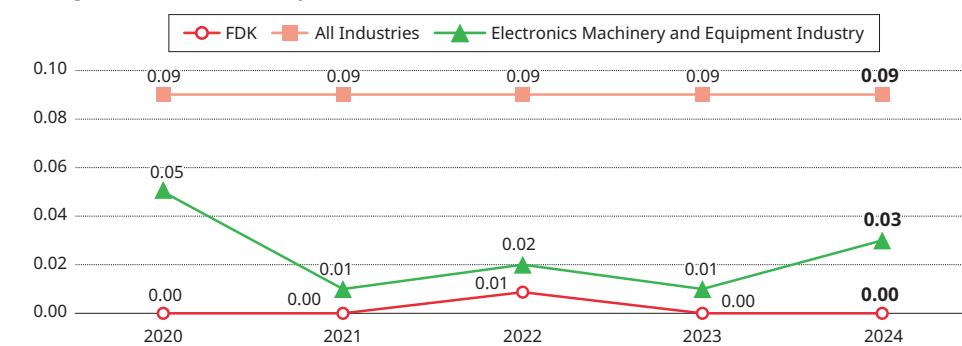
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Changes in the Annual Occurrence Rate



Occurrence rate: Number of fatalities and injuries due to occupational accidents per million hours worked

Changes in Annual Severity Rate



Severity rate: Lost work days per 1,000 hours worked



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Implementing health management

FY2024 Health Management Declaration

The FDK Group's philosophy is "Inspiring transformation: shaping the future and creating happiness." In line with this philosophy, we declare that we will work to maintain and promote the health of our employees, who form the heart of our corporate activities, to ensure that they are healthy in mind and body and can lead fulfilling lives in both public and private sectors, as well as to realize a vibrant work environment.

Health Management Policy

1. In addition to efforts to prevent lifestyle-related diseases and ensure early detection of illnesses through appropriate health checkups, the FDK Group will work to prevent illness among employees and their families by implementing thorough follow-up measures based on checkup results.
2. To protect the health of all employees, the FDK Group will work to disseminate information on health improvement with the aim of enhancing employee health literacy (health awareness and knowledge).
3. The FDK Group will work to enhance communication aimed at realizing a safe and secure work environment, in which each and every employee can work with enthusiasm by fully exercising their abilities and individuality.

Priority Measures

The FDK Group is engaged in health support activities to maintain and improve the health of employees and their families and to enhance their health literacy (health-related knowledge). To this end, it has assigned health management staff to major locations and has worked with the health insurance association to define objectives and priority measures.

Final Target Indicators

- Improving labor productivity:
Reducing presenteeism
- Reducing the number of absentee employees:
Reducing absenteeism
- Improving health literacy:
Improving knowledge and understanding of health and medical care
- Improving work engagement:
Feeling fulfilled and satisfied at work

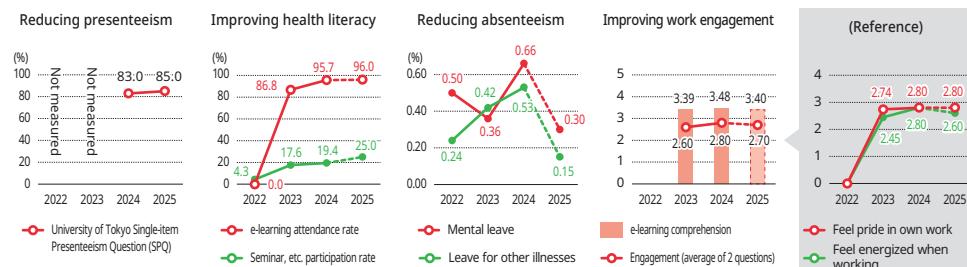
Major FY2024 activity results

- Reduced presenteeism (improving labor productivity)
- Reduced absenteeism (reducing the number of absentee employees)
 - Encouraged secondary health examinations for those with findings in regular checks (91.3% rate in FY2024)
 - Established common, company-wide system for stress checks and follow-up (holding group analysis briefings, seminars)
 - Walking activities (total participants: 1,869; target of 8,000 steps per day; held twice annually)
- Improving health literacy (Improving knowledge and understanding of health and medical care)
 - Published health newsletter (improving lifestyle habits, teeth care, body and hormones, over-eating and over-drinking)
 - Company-wide e-learning (teaching about leave programs, promoting paid leave usage (all employees)/ Assertion e-learning (1,764 participants))
 - Seminars (women's health seminar: "What Women Want Men to Know About Women's Hormones and Health" (80 participants))
 - Influenza vaccinations (group vaccinations at offices/Full cost covered for employees and dependents)
 - Lifestyle illness prevention senryu poem contest (theme: drinking moderation/126 entries (8 prize winners))
- Improving work engagement
 - Organizational revitalization training for executives and department heads, based on results of FY2024 employee satisfaction survey (99.1% response rate) (65 participants)



Attending a health seminar

Effects of health management ■ Final indices



- Reached targets in 2 of 4 indices (health literacy, work engagement)
- The new presenteeism index will be monitored over time with ongoing measurements.
- It is difficult to affect absenteeism for workers already on leave, but there is a need to learn why employees on long-term leave cannot return to work.

Recognition as a Certified Health & Productivity Management Organization

We have been recognized as a Certified Health & Productivity Management Organization for 2025 under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, run jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



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Materialities ④ Sustainable enhancement of corporate governance/Improved risk compliance

At FDK, we know that good relations with a wide range of stakeholders form an important part of our corporate value. Therefore, we believe it is essential to strengthen our governance systems and supervisory functions, taking stakeholders' perspectives into account, in order to realize swift decision-making with transparency and objectivity.

In terms of corporate governance, we are working to fully separate management supervision

and business execution, establish systems for fast, agile execution, ensure appropriate oversight and auditing by outside directors, engage in risk management, promote appropriate operation of internal control systems, and achieve highly transparent management. In addition, we strive to build relationships of trust by actively disclosing information to stakeholders.

Risks and Opportunities

» Risks

- Losses incurred due to scandal or violations of laws or regulations, including data tampering, embezzlement, and bid collusion, and the subsequent loss of trust in the company, loss of social trust, and damage to corporate value.
- Losses incurred due to insufficient accounting processes or internal control violations, and the subsequent loss of trust in the company, loss of social trust, and damage to corporate value.
- Lawsuits and claims for damages that occur from infringement of intellectual property rights of other companies.

» Response to risks

- Improve corporate governance transparency (Mid-Term Business Plan, governance reports).
- Raise compliance awareness with Group-wide compliance education.
- Uncover risks of compliance violations, perform and respond to risk assessments.
- Operate an appropriate internal reporting system.
- Perform thorough surveys to ensure the appropriate registration of company's intellectual property and prevent infringements.
- Comply with regulations and laws and respond to changes in systems.

» Opportunities

- Establish stable management foundations through improved decision-making transparency and appropriate responses to change.
- Win the trust of stakeholders with appropriate information disclosure.
- Strengthen risk management systems.
- Enhance corporate value by establishing compliance systems.
- Promote digital transformation (DX) of intellectual property operations.

Indicators and Targets

Prioritized theme

Strengthen systems and supervisory functions to ensure prompt decision-making with management transparency and objectivity, considering the positions of stakeholders.

Medium- to long-term target	FY2024 results
Systematically manage and improve the Nomination and Remuneration Advisory Committee	<ul style="list-style-type: none"> Managed the Nomination and Remuneration Advisory Committee and ensured recommendations were made to the Board of Directors Developed corporate governance policy
Enhanced accountability to stakeholders	<ul style="list-style-type: none"> Responded to external investigations and inquiries Responses to business partner surveys: 39 Media, investor, and shareholders: 86 Surveys and questionnaires from media and others: 20 Appropriate information disclosure made to shareholders and investors
Further integrated risk management into operational processes	<ul style="list-style-type: none"> Promoted risk control Carried out human rights and compliance e-learning (100% attendance rate)
Strengthened operational risk control by implementing internal controls	<ul style="list-style-type: none"> Supported the setup of internal controls at BAOTOU FDK Audits and recommendations made regarding overseas security export controls at overseas locations Prevented misconduct and recurrence through early detection and rectification of misconduct
Maintained a system for monitoring laws, regulations, and social norms/Ongoing education	<ul style="list-style-type: none"> Internal reports and consultations received: 8 e-learning conducted (100% attendance rate)



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Strengthening Corporate Governance

Basic Concept

FDK Group reviews each measure and the management system as necessary based on the general principles of the Corporate Governance Code stipulated by the Financial Instruments Exchange and executes organizational maintenance, because we believe strengthening corporate governance improves the soundness and transparency of our company and improves the value for FDK shareholders. In addition, we are striving to improve fairness and transparency through wide-ranging information disclosure, including the prompt disclosure of business information and the provision of financial information via the internet.

Our company has introduced a corporate officer system to separate management decision-making and supervisory roles from business execution roles, and to strengthen the monitoring role of the Board of Directors.

The FDK Board of Directors is composed of four directors (excluding directors who are Audit and Supervisory Committee members) and three directors who are Audit and Supervisory Committee members.

Board of Directors meetings are held monthly to determine important management matters and deliberate the progress status of performance and investigate measures.

The Audit and Supervisory Committee is composed of three outside directors, with meetings held monthly and whenever else a meeting is deemed appropriate to monitor and audit the appropriateness and validity of management. Furthermore, each Audit and Supervisory Committee member attends the Board of Directors meetings to share objective and fair insight about overall management on each matter while also auditing the appropriateness and validity of business operations of the directors according to the auditing policies formulated by the Audit and Supervisory Committee.

As a measure to enhance corporate governance aimed at actively promoting compliance throughout the Group, we have established the basic principle of compliance with the law in the FDK Group Corporate Conduct Guidelines.

In March 2022, FDK established a discretionary Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors for the purpose of enhancing the fairness, transparency, and objectivity of procedures related to director nominations and compensation, etc. and further improving our corporate governance system.

The discretionary Nomination and Remuneration Advisory Committee consists of one internal director and two independent outside directors. The Committee deliberates and reports to the Board of Directors on matters including the following, at the request of the Board of Directors, in order to enhance fairness and transparency in the nomination and remuneration of directors and directors who are Audit and Supervisory Committee members.

In FY2024, the Committee met four times, and all Committee members were present.

<Nomination and Remuneration Advisory Committee Advisory Matters>

- Matters concerning the nomination and dismissal of directors and directors who are Audit and Supervisory Committee members
- Matters concerning the selection and dismissal of the representative director
- Matters concerning the nomination of independent outside directors
- Matters concerning the selection and dismissal of members of the Nomination and Remuneration Advisory Committee
- Matters concerning the remuneration of directors and directors who are Audit and Supervisory Committee members

- Matters related to the development and operation of succession plans
- Other matters deemed necessary by the Board of Directors

Officer Training

In an effort to increase the expertise and knowledge of its directors and corporate officers, FDK holds annual training for directors and corporate officers, conducted by an external instructor, with the objective of imparting knowledge both within and outside the scope of their expertise.

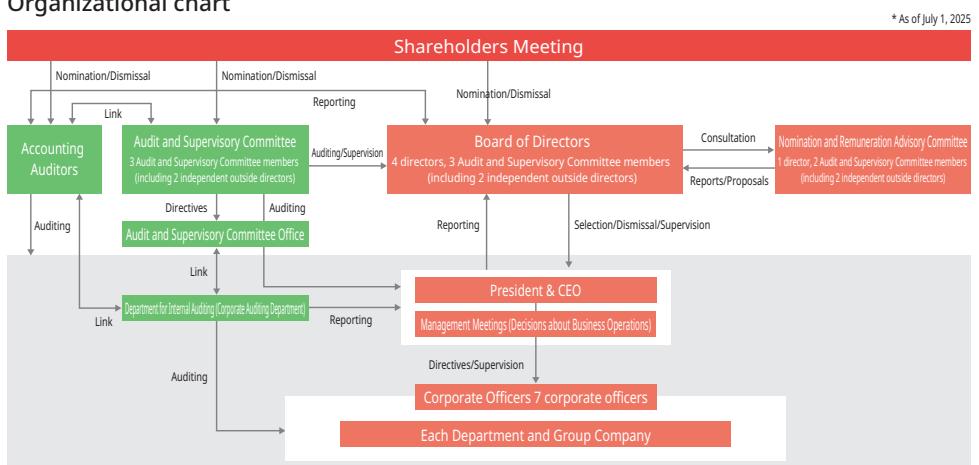
For training in FY2024, a lecturer was invited to speak on the topic of "Business Portfolio Management Investment Reviews."

Board of Directors Performance Evaluation

FDK conducts an annual Board of Directors performance evaluation to identify issues regarding the Board of Directors and enable its members to share such issues in order to make improvements to enhance the Board's effectiveness.

FDK conducts self-evaluations by questionnaire and holds discussions based on the results of third-party analysis of questionnaires. In doing so, the Board of Directors can discuss any issues while continually working to strengthen its supervisory functions.

Organizational chart



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Directors of the FDK Group



Front, from left: Yoshiharu Hirano (Director), Ryo Nagano (President & CEO)

Back, from left: Junichiro Sako, Areta Hsu, Mizue Awazu, Y K Chen, Raira Yamasaki (all Outside Directors)

Skills Matrix

Position in FDK	Name	Corporate management/ Management strategy	Risk compliance/ Legal	Finance and accounting	Business/Development engineering	ESG/ Sustainability	Global
President & CEO	Ryo Nagano	●	●	●		●	●
Director	Yoshiharu Hirano		●		●	●	
Outside Director	Junichiro Sako	●		●			●
Outside Director	Areta Hsu	●	●		●		●
Outside Director (Audit and Supervisory Committee Member)	Mizue Awazu	●		●			●
Outside Director (Audit and Supervisory Committee Member)	Y K Chen	●	●	●	●		●
Outside Director (Audit and Supervisory Committee Member)	Raira Yamasaki		●	●			●



President & CEO

Ryo Nagano

Expected role

Promote the three pillars of the Mid-Term Business Plan "R2": Accelerate the profitable growth of core businesses, develop and launch new businesses, and cultivate a culture of mutual acknowledgement and enhancement. Stabilize the management and financial foundations of the company and guide the company on a growth trajectory to raise corporate value.

April 1985	Joined Fujitsu Limited
July 2005	Director, Global Strategy Office, Global Business Management Unit at same
January 2007	Executive Director, Fujitsu Australia Limited
June 2009	Deputy Director, Overseas Business Management Unit and Head of Global Projects Promotion Office, Fujitsu Limited
April 2015	VP, Corporate Finance Unit and Head of Global Projects Promotion Office at same
May 2016	CFO, FUJITSU AMERICA, INC. VP, Corporate Finance Unit and Head of Global Projects Promotion Office, Fujitsu Limited
April 2019	Corporate Senior Vice President, FDK Group Senior Vice President, Corporate Group, FDK
June 2019	President and CEO, FDK (current) President and Corporate Officer, FDK (current) Group President, Sales Group, FDK

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Director

Yoshiharu Hirano**Expected role**

Carry out our measures to achieve the Mid-Term Business Plan "R2" and establish a growth trajectory to raise the value of our business. Further strengthen corporate governance to raise corporate value.

April 1990	Joined FDK
November 2012	Director, General Affairs Department and Director, PR & IR Office, FDK
April 2016	General Manager, General Affairs & Personnel Division, Director, General Affairs & Personnel Department, Director, Risk Management Department, and Director, PR & IR Office, all FDK
April 2017	Corporate Vice President, FDK (current)
March 2018	General Manager, CSR & Compliance Division, Director, General Affairs & Personnel Department and Director, Risk & Compliance Department, all FDK
April 2018	President and CEO, FDK Partners Corporation (current)
June 2020	Director, FDK (current) Group President, Corporate Group, FDK (current)
April 2021	Chairman, Fuchi Electronics Co., Ltd. (current)
April 2023	General Manager, Consumer Sales Division, FDK (current)
January 2024	Chairman, Xiamen FDK Corporation (current)



Outside Director

Junichiro Sako**Expected role**

Monitor the status of progress on measures to achieve the Mid-Term Business Plan "R2." Draw on broad insights gained from working in business strategy departments to provide opinions as an outside director on the direction of business structural reforms and other matters.

December 2001	Joined Fujitsu Chubu Systems, Ltd.
June 2004	Joined Fujitsu Limited
April 2009	Manager, Corporate Finance Unit at same
June 2012	Corporate Auditor, ANIMO Limited (current)
April 2020	Director, Affiliated Business Unit, Fujitsu Limited
June 2020	Corporate Auditor, FLCS Co., Ltd. (current)
April 2021	General Manager, Business Development Division, Affiliated Business Unit, Fujitsu Limited
April 2022	Head of Affiliated Business Unit at same Representative Director, Global Innovation Partners Inc. (current)
April 2023	Director, Denso Ten Ltd. Representative Director, Fujitsu Semiconductor Fund, Ltd. (current)
June 2024	Director, FDK (current)
September 2024	Outside Director, FCL Components Ltd. (current)
April 2025	Executive Director, Business Management Unit, Fujitsu Limited (current)



Outside Director

Aretha Hsu**Expected role**

Monitor the status of progress on measures to achieve the Mid-Term Business Plan "R2." Draw on broad insights gained as a company representative to provide opinions as an outside director on general management measures aimed at stabilizing the company's financial foundations and promoting sustainable growth.

March 2010	Joined INFO-TEK CORPORATION
June 2014	Assistant Vice President (Sales & Marketing/Production & Material Planning/Procurement), INFO-TEK CORPORATION
November 2020	President, INFO-TEK CORPORATION (current)
December 2020	Board Director, SILITECH (BVI) HOLDING LTD. (current) Board Director, SILITECH (BERMUDA) HOLDING LTD. (current) Board Director, SILITECH TECHNOLOGY CORPORATION SDN. BHD. (current)
January 2021	President, SILITECH TECHNOLOGY CORPORATION (current)
June 2025	Director, FDK (current)



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Outside Director (Audit and Supervisory Committee Member)

Mizue Awazu

Outside Director (Audit and Supervisory Committee Member)

Y K Chen

Outside Director (Audit and Supervisory Committee Member)

Raira Yamasaki**Expected role**

Draw on broad insights gained from professional experience to provide oversight and auditing as an outside director and member of the Audit and Supervisory Committee on the status of progress on measures to achieve the Mid-Term Business Plan "R2," the state of finance and accounting, and general management measures aimed at promoting sustainable growth, including diversity.

August 2006	Joined NY, USA office of KPMG, LLP
June 2008	Accounts Auditing Senior Associate at same
February 2009	Accounting Consultant, Shanghai Friendly Consulting Group
September 2011	Accounting Analyst, Amazon Japan K.K.
June 2014	Accounting and Tax Consultant, Two Miles Accountancy Corporation (Hawaii, USA)
June 2016	Founded Honu Consulting International LLC (Hawaii, USA)
April 2021	Founded Honu Aloha (current)
June 2022	Director (Audit and Supervisory Committee Member), FDK (current)

Expected role

Draw on broad insights gained as a company representative to provide oversight and auditing as an outside director and member of the Audit and Supervisory Committee on the status of progress on measures to achieve the Mid-Term Business Plan "R2" and general management measures aimed at stabilizing the company's financial foundations and promoting sustainable growth.

December 2002	Joined DUPONT TAIWAN LIMITED
September 2011	General Manager, Marketing Excellence, AP Region at same
February 2016	Director, International Business Division, Walsin Technology Corporation
October 2019	Director, Kamaya Electric Co., Ltd.
May 2020	President at same
	Representative Director and Chairman, Nitsuko Electronics Corporation
June 2021	Director, Soshin Electric Co., Ltd.
June 2023	General Manager, Chip-R Unit, Walsin Technology Corporation
June 2024	President, Matsuo Electric Co., Ltd. (current)
March 2025	President, Soshin Electric Co., Ltd. (current)
	Director, Kamaya Electric Co., Ltd. (current)
June 2025	Director (Audit and Supervisory Committee Member), FDK (current)

Expected role

Draw on broad insights gained as a certified public accountant to provide oversight and auditing as an outside director and member of the Audit and Supervisory Committee on the status of progress on measures to achieve the Mid-Term Business Plan "R2" and general management measures aimed at stabilizing the company's financial foundations and promoting sustainable growth.

February 2010	Joined AZSA & Co. (now KPMG AZSA LLC)
April 2014	Finance Officer, UN World Food Programme HQ, Rome, Italy
August 2018	Japan Government Liaison Officer at same
March 2023	Representative, Yamasaki CPA Office (current)
	Outside Director and Audit and Supervisory Committee Member, Soshin Electric Co., Ltd
June 2024	Outside Auditor, Matsuo Electric Co., Ltd. (current)
	Co-Founder, Fidelity Bridge, Inc. (current)
June 2025	Director (Audit and Supervisory Committee Member), FDK (current)

Enhance accountability to stakeholders

Communicating with Stakeholders

As a good corporate citizen, the FDK Group will pursue a thorough understanding of the many needs and expectations of its stakeholders and pursue business activities to meet those needs and expectations. FDK Group works to heighten corporate value by continually engaging in corporate activities that contribute to society through proper disclosure of information that should be made public and through dialogue with stakeholders, which is reflected in business activities.

	Customers	Suppliers	Shareholders/Investors	Employees	Global Society/Local Communities
Areas of concern shared by stakeholders and FDK	<ul style="list-style-type: none"> ● Providing high-quality products ● Safe supplies, thorough supply chain management, legal compliance ● Pursuing reductions in environmental impact ● Safe operations ● BCP readiness ● Fair pricing ● Investment in facilities 	<ul style="list-style-type: none"> ● Just, fair, and transparent dealings ● Thorough supply chain management, legal compliance ● Safe operations ● Business continuity ● Pursuing reductions in environmental impact 	<ul style="list-style-type: none"> ● Increasing corporate value ● Fair stock valuations ● Stable financial base ● Raising ROE, ROIC ● Increasing profits ● Safe operations ● Pursuing ESG, SDGs ● Timely information provision 	<ul style="list-style-type: none"> ● Pursuing workstyle reforms ● Building workplaces where employees can work with enthusiasm ● Making use of a wide range of people ● Comprehensive education, benefits and welfare, etc. 	<ul style="list-style-type: none"> ● Coexistence with local community ● Contributing to local development ● Safe operations ● Pursuing reductions in environmental impact ● Disaster prevention and readiness
Communication opportunities	<ul style="list-style-type: none"> ● Sales department/Quality assurance activities ● Providing products that can be used safely and efficiently ● Exhibition participation ● Information provision through websites ● Handling inquiries through websites 	<ul style="list-style-type: none"> ● Procurement of product materials, resources ● Quality auditing, process auditing, etc. ● Initiatives to reduce environmental impact, CO₂ emissions 	<ul style="list-style-type: none"> ● Holding regular shareholder meetings ● Publishing integrated reports ● Publishing company information pamphlets ● Information distribution through websites, etc. ● Information distribution through press releases 	<ul style="list-style-type: none"> ● Distributing president's messages, including video distribution ● Conducting employee satisfaction surveys ● Providing various kinds of training and e-learning ● Health management, including stress and health checkups ● Discussions with labor unions 	<ul style="list-style-type: none"> ● Holding "The Sound of Batteries Powered by the Sun" concerts ● Volunteer activities such as local cleanups and traffic safety campaigns ● Contributing to environmental impact, CO₂ emission reductions
Value creation through communication	<ul style="list-style-type: none"> ● New product development to improve performance over existing products ● Pursuing R&D into next-generation batteries 	<ul style="list-style-type: none"> ● Ensuring opportunities for equitable dealings ● Building even better partnerships ● Sharing values/fulfilling social responsibilities, with SDGs as common goal 	<ul style="list-style-type: none"> ● Timely and appropriate information disclosure ● Earning appropriate assessments from capital markets, improving corporate value based on feedback from capital market demands ● Disclose initiatives relating to social issues and sustainability 	<ul style="list-style-type: none"> ● Providing labor environments conducive to continued work in good health ● Promoting management and self-awareness of personal health 	<ul style="list-style-type: none"> ● Proactive communication in response to international and local society needs and expectations, participation in social contributions ● Engagement in responsible business activities via declarations and participation



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Strengthen operational risk control by implementing internal controls

Ongoing Operation of Internal Control Systems

Basic Concept

In recognition of the fact that strengthening corporate governance is essential for fulfilling our social responsibilities as a company, the FDK Group will maintain a sound and strong relationship with FDK stakeholders, from customers to suppliers, shareholders, employees, and local communities. We will implement management that complies with relevant laws and articles of incorporation while ensuring the integrity of our operations and the reliability of our financial reporting.

The pursuit of management efficiency and control of the various risks arising in business activities is essential to continually improve the corporate value of the FDK Group. We therefore promote ongoing efforts through various measures.

Systems to Ensure the Appropriateness of Operations

1. Systems to ensure that directors and employees perform their duties in accordance with laws, regulations, and articles of incorporation
2. Systems to store and manage information related to the performance of duties by directors
3. Systems to manage risks of loss
4. Systems to ensure that directors of FDK and subsidiary companies efficiently execute business
5. Systems to ensure the appropriateness of operations of the corporate group comprising the FDK Corporation and its subsidiary companies
6. Systems to ensure the appropriateness of auditing functions by Audit and Supervisory Committee members

Ensuring Compliance

Basic Concept

FDK Group established the "FDK Group Corporate Conduct Guidelines" as the standard of conduct for each and every employee. The Code of Conduct that makes up one element of these Guidelines clearly states that we will respect human rights, act with fairness and freedom in our business dealings, comply with all laws, regulations, and social norms, protect and respect intellectual property, handle information properly and maintain confidentiality, and not use our positions in the organization for personal gain. In carrying out business in

accordance with this Code of Conduct, we work to win the trust of shareholders, suppliers, and consumers.

Compliance Education

To ensure that every employee understands laws and regulations related to the company's work, the FDK Group explains internal regulations, the Foreign Exchange Act, the Product Liability Act, Antimonopoly Act, and the Personal Information Protection Law via various stratified programs, such as new and mid-level employee education and new manager training. In addition to the above, FDK continually conducts a variety of compliance education (including e-learning) for all of our employees. Furthermore, FDK strives to raise awareness about laws and regulations by providing employees with a broad range of information about compliance that includes information about amendments to relevant laws and regulations and with an introduction of examples about violations using the company intranet.

Complying with Laws and Regulations Related to Business Operations

The FDK Group has also put in place dedicated organizations for each field of compliance, such as the "Central Health and Safety Committee," "Group Environmental Management Committee," "Product Chemical Substances Management Committee," "Export Control Committee," and "Product Safety Promotion Committee," in an effort to operate its businesses in compliance with all laws and regulations. Understanding the culture and customs of the regions in which we do business and clearly responding to social trends are part of comprehensive compliance from an ethical perspective.

Internal Reporting System

In order to provide a mechanism for appropriate handling of reports and consultations regarding compliance violations, thereby contributing to the early detection and correction of misconduct, etc. and reinforcing fair business management that complies with laws and regulations in good faith, the FDK Group has established an "Internal Reporting Desk" and a "Supplier Compliance Desk." When reporting to the "Internal Reporting Desk" or "Supplier Compliance Desk," the "Internal Reporting Regulations" guarantee the anonymity of anyone reporting a violation in addition to ensuring that no harm is done to same. Any issue discovered as a result of investigation into a report is immediately addressed with reform measures.

There were eight reports or consultations in FY2024, and all were addressed appropriately.



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Risk Management Initiatives

The FDK Group aims to continually improve corporate value and make contributions to customers, local communities, and all other stakeholders through its global business activities. To achieve these goals, we properly identify any potential risks resulting from our business activities and prioritize important issues requiring a response. The FDK Group has therefore established, practices, and continually improves a Group-wide risk-management system.

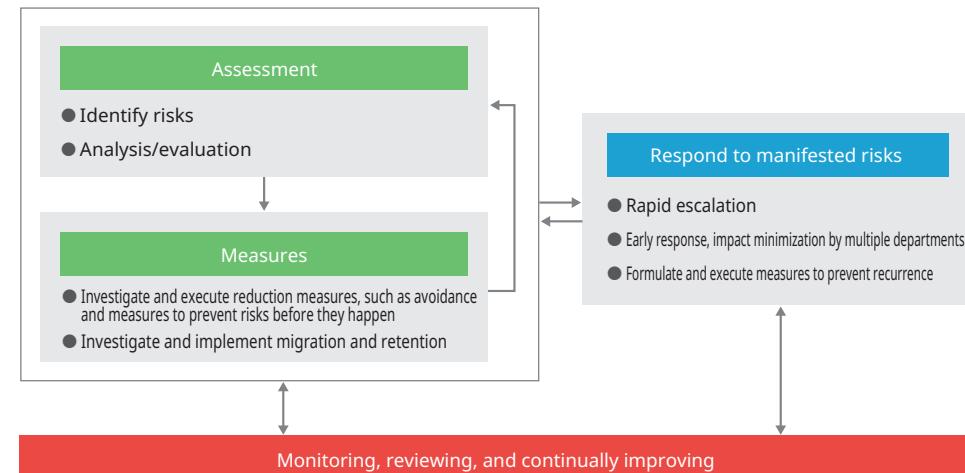
Our Board of Directors drafted the Basic Policy for Establishing an Internal Control System to define rules and systems that pursue management efficiency and control risks resulting from business activities. We also share this basic policy with our shareholders.

Risk Management Process

1. Each department identifies potential risks inherent to business activities and evaluates and verifies them.
2. Clarifies the priority of response for each risk and determines risk-control policies (avoidance, mitigation, migration, and retention of risks).
3. Considers and executes measures in each department to prevent risks before they occur in accordance with relevant policies.
4. If a risk occurs, each department will escalate to the Risk Compliance Committee. All issues are resolved as quickly as possible to minimize their impact through an appropriate response in cooperation with each relevant department and the secretariat of the Risk & Compliance Committee, while working to identify the underlying causes in addition to formulating and executing plans to prevent recurrence.

FDK verifies the progress of execution during each of these steps and makes improvements as necessary.

Risk Management Process Chart



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Materialities ⑤ Contributing to sustainability in regions, society and communities

As a good corporate citizen, the FDK Group understands that it is a member of the local community, and continuously pursues initiatives to create a happy future for all.

In FY2024, we provided information about disaster prevention and awareness through the radio program, Sonaeru Radio, and fused the environment and music to provide new value in our concert, "The Sound of Batteries Powered by the Sun." The 17 nationwide performances were powered by Ni-MH batteries charged with solar energy.

We also run contribution activities rooted in local communities, such as cleanup activities around our facilities, blood donation drives, support for welfare facilities, and providing training for people with disabilities. In particular, our blood drive program has become a regular life-supporting initiative, with a total of 108 participants from the Kosai, Tottori, and Takasaki plants. The FDK Group continues to take steps toward the materialization of a sustainable society by bringing smiles to local communities through our business activities.

Indicators and Targets

Prioritized theme

Connecting with local communities and realizing a world full of smiles

Medium- to long-term target	FY2024 results
Dissemination of information to connect people	Broadcast information on disaster prevention and awareness every Monday on Sonaeru Radio, a program that addresses themes such as social media and disaster prevention enlightenment
Provide opportunities connected to the future	Held "The Sound of Batteries Powered by the Sun" concerts throughout the country, 17 times during the year
Contribution activities that bring smiles to people's faces	Ran cleanup activities around our facilities Held blood donation drives Provided used stamps and plastic bottle caps to welfare councils and local schools Promoted the purchase of goods from vocational aid facilities Provided disaster supplies to food banks Cleaned roadside service stations, weeded flower beds, and planted flowers Hosted trainees with disabilities Collected and donated Bellmarks Participated in local traffic safety activities

Provide opportunities connected to the future

Holding "The Sound of Batteries Powered by the Sun" concerts

As part of its activities for contributing to society, FDK supports "The Sound of Batteries Powered by the Sun" concerts by Yumiko Orishige, the world's only professional claviola performer. These concerts are powered entirely from Ni-MH batteries charged using sunlight, representing a collaboration between Yumiko Orishige, a musician whose music is based on the theme of protecting the global environment, and our environmentally friendly rechargeable batteries aimed at renewable energy. FDK will continue to engage in projects that contribute to society and the environment through activities that utilize the features of FDK businesses.



Contribution activities that bring smiles to people's faces

Held blood donation drives

FDK runs ongoing in-house blood drives as part of its work to contribute to local communities. Society faces chronic blood shortages due to the declining birthrate and aging population. In response, we are organizing blood drives as a "life-supporting initiative" that we can undertake as a company. We have reduced barriers to donation by enabling employees to donate blood during work hours. Currently, we run blood drives two or three times a year at our Kosai, Tottori, and Takasaki plants. In FY2024, a total of 108 employees donated at the three locations. Going forward, we will develop blood drives as an ongoing initiative that connects us to the community and saves lives.



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(Millions of yen)

	FY2023 (Mar 31, 2024)	FY2024 (Mar 31, 2025)
Assets		
Current assets		
Cash and deposits	3,715	4,600
Notes and accounts receivable - trade	16,149	13,534
Contract assets	1,302	641
Electronically recorded monetary claims - operating	1,719	404
Inventories	11,884	10,549
Other	1,866	2,015
Allowance for doubtful accounts	(44)	(12)
Total current assets	36,593	31,734
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,835	5,641
Machinery, equipment and vehicles, net	4,721	4,802
Tools, furniture and fixtures, net	1,012	858
Land	2,193	2,186
Leased assets, net	72	142
Construction in progress	323	257
Total property, plant and equipment	14,158	13,888
Intangible assets	374	329
Investments and other assets		
Investment securities	234	211
Deferred tax assets	45	44
Other	150	132
Total investments and other assets	429	387
Total non-current assets	14,962	14,606
Total assets	51,556	46,340

(Millions of yen)

	FY2023 (Mar 31, 2024)	FY2024 (Mar 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	10,876	7,810
Electronically recorded obligations - operating	4,323	2,559
Short-term borrowings	14,475	14,550
Lease liabilities	40	45
Accounts payable - other	1,610	1,189
Income taxes payable	366	445
Other	2,527	2,279
Total current liabilities	34,219	28,879
Non-current liabilities		
Lease liabilities	40	113
Deferred tax liabilities	412	381
Retirement benefit liability	715	48
Long-term accounts payable - other	156	151
Other	365	351
Total non-current liabilities	1,691	1,046
Total liabilities	35,911	29,925
Net assets		
Shareholders' equity		
Share capital	31,709	31,709
Capital surplus	26,225	26,225
Retained earnings	(44,993)	(44,456)
Treasury shares	(51)	(51)
Total shareholders' equity	12,889	13,425
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59	38
Foreign currency translation adjustment	2,758	2,488
Remeasurements of defined benefit plans	(164)	350
Total accumulated other comprehensive income	2,653	2,877
Non-controlling interests	102	111
Total net assets	15,645	16,414
Total liabilities and net assets	51,556	46,340

* Amounts of less than one million yen are rounded down.



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Consolidated Statement of Income

	(Millions of yen)	
	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)	FY2024 (Apr. 1, 2024 - Mar. 31, 2025)
Net sales	62,676	63,171
Cost of sales	52,749	51,779
Gross profit	9,927	11,392
Selling, general and administrative expenses	9,358	9,997
Operating profit	568	1,394
Non-operating income		
Interest income	64	77
Dividend income	23	24
Foreign exchange gains	110	23
Gain on sale of non-current assets	4	12
Rental income	32	10
Gain on sale of scraps	15	15
Other	60	57
Total non-operating income	311	220
Non-operating expenses		
Interest expenses	119	178
Loss on retirement of non-current assets	26	66
Loss on sale of non-current assets	-	76
Other	14	33
Total non-operating expenses	160	354
Ordinary profit	720	1,261
Extraordinary income		
Gain on bargain purchase	517	-
Subsidy income	128	-
Total extraordinary income	646	-
Extraordinary losses		
Impairment losses	718	345
Total extraordinary losses	718	345
Profit before income taxes	647	916
Income taxes-current	369	391
Income taxes for prior periods	140	-
Income taxes-deferred	16	(22)
Total income taxes	526	368
Profit	121	547
Profit attributable to non-controlling interests	0	10
Profit attributable to owners of parent	120	536

* Amounts of less than one million yen are rounded down.



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Consolidated Statement of Changes in Equity

FY2023 (Apr. 1, 2023 - Mar. 31, 2024)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	31,709	26,225	(45,114)	(50)	12,769	34	1,825	(1,439)	420	6	13,196
Changes during period											
Profit attributable to owners of parent			120		120						120
Purchases of treasury shares			(0)		(0)						(0)
Change in scope of consolidation				-			(11)		(11)	96	84
Net changes of items other than shareholders' equity						24	944	1,275	2,244	(0)	2,243
Total changes during period	-	-	120	(0)	120	24	933	1,275	2,232	95	2,448
Ending balance	31,709	26,225	(44,993)	(51)	12,889	59	2,758	(164)	2,653	102	15,645

FY2024 (Apr. 1, 2024 - Mar. 31, 2025)

	Shareholders' equity					Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	31,709	26,225	(44,993)	(51)	12,889	59	2,758	(164)	2,653	102	15,645
Changes during period											
Profit attributable to owners of parent			536		536						536
Purchases of treasury shares			(0)		(0)						(0)
Change in scope of consolidation											
Net changes of items other than shareholders' equity						(20)	(270)	515	223	9	232
Total changes during period	-	-	536	(0)	536	(20)	(270)	515	223	9	768
Ending balance	31,709	26,225	(44,456)	(51)	13,425	38	2,488	350	2,877	111	16,414

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Consolidated statement of cash flows

	(Millions of yen)		(Millions of yen)	
	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)	FY2024 (Apr. 1, 2024 - Mar. 31, 2025)	FY2023 (Apr. 1, 2023 - Mar. 31, 2024)	FY2024 (Apr. 1, 2024 - Mar. 31, 2025)
Net cash provided by (used in) operating activities				
Profit before income taxes	647	916		
Depreciation	2,405	2,305		
Impairment losses	718	345		
Increase (decrease) in retirement benefit liability	(415)	(414)		
Increase (decrease) in allowance for doubtful accounts	5	(31)		
Interest and dividend income	(87)	(101)		
Interest expenses	119	178		
Foreign exchange gain (loss)	(1)	0		
Gain (loss) on sales of property, plant and equipment	(4)	64		
Loss on retirement of non-current assets	26	66		
Gain on bargain purchase	(517)	-		
Subsidy income	(128)	-		
Decrease (increase) in trade receivables	(1,286)	4,519		
Decrease (increase) in inventories	(77)	1,299		
Increase (decrease) in accounts payable	(31)	(4,750)		
Increase (decrease) in accrued expenses	(267)	208		
Other	937	(435)		
Subtotal	2,042	4,169		
Interest and dividends received	87	101		
Subsidies received	128	-		
Interest paid	(115)	(181)		
Income taxes paid			(523)	(317)
Net cash provided by (used in) operating activities			1,620	3,773
Net cash provided by (used in) investing activities				
Purchase of property, plant and equipment			(2,040)	(2,840)
Proceeds from sale of property, plant and equipment			5	55
Purchase of intangible assets			(18)	(31)
Purchase of investment securities			(5)	(6)
Purchase of shares of subsidiaries resulting in change in scope of consolidation			(475)	-
Other			0	(2)
Net cash provided by (used in) investing activities			(2,533)	(2,825)
Net cash provided by (used in) financing activities				
Net increase (decrease) in short-term borrowings			1,887	73
Purchase of treasury shares			(0)	(0)
Repayments of finance lease liabilities			(73)	(48)
Net cash provided by (used in) financing activities			1,813	24
Effect of exchange rate change on cash and cash equivalents			243	(87)
Increase (decrease) in cash and cash equivalents			1,144	884
Cash and cash equivalents at beginning of period			2,571	3,715
Cash and cash equivalents at end of period			3,715	4,600

* Amounts of less than one million yen are rounded down.



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Key financial and non-financial data over 11 years

(Millions of yen)

	Unit	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
Fiscal year	Net sales (consolidated)	Millions of yen	76,365	80,745	73,682	73,129	72,113	62,123	61,543	61,456	62,784	62,676	63,171
	Year-on-year change	%	-0.3%	5.7%	-8.7%	-0.7%	-1.4%	-13.9%	-0.9%	-0.1%	2.2%	-0.2%	0.8%
	Operating profit	Millions of yen	2,211	1,580	(330)	666	823	841	1,743	2,083	789	568	1,394
	Ratio of operating profit to net sales	%	2.9%	2.0%	-0.4%	0.9%	1.1%	1.4%	2.8%	3.4%	1.3%	0.9%	2.2%
	Ordinary profit (loss)	Millions of yen	504	658	(697)	78	718	565	1,274	1,968	851	720	1,261
	Ratio of ordinary profit to net sales	%	0.7%	0.8%	-0.9%	0.1%	1.0%	0.9%	2.1%	3.2%	1.4%	1.1%	2.0%
	Share of profit (loss) of entities accounted for using equity method	Millions of yen	(2,353)	(602)	(141)	(85)	(60)	(15)	-	-	-	-	-
	Profit (loss) attributable to owners of parent	Millions of yen	961	167	(3,166)	(630)	(290)	(2,340)	2,009	740	318	120	536
	Ratio of profit (loss) attributable to owners of parent	%	1.3%	0.2%	-4.3%	-0.9%	-0.4%	-3.8%	3.3%	1.2%	0.5%	0.2%	0.8%
	Capital investment	Millions of yen	2,593	2,531	3,571	2,672	1,934	1,421	3,847	2,516	3,041	2,210	2,541
	Depreciation	Millions of yen	2,632	2,390	2,443	2,092	2,136	2,131	1,984	2,367	2,291	2,405	2,305
	Research and development expenses	Millions of yen	960	959	937	1,061	947	817	710	711	704	703	747
	Net cash provided by (used in) operating activities	Millions of yen	1,894	5,371	327	567	1,602	2,799	1,996	2,177	2,783	1,620	3,773
	Net cash provided by (used in) investing activities	Millions of yen	(111)	(1,650)	(3,252)	(1,959)	(1,860)	(2,390)	(373)	(3,920)	(2,978)	(2,533)	(2,825)
	Net cash provided by (used in) financing activities	Millions of yen	(2,717)	(2,142)	733	1,559	5,282	99	(4,077)	(2,780)	(116)	1,813	24
	Cash and Cash Equivalents at End of Period	Millions of yen	4,758	5,952	3,538	3,720	8,734	9,063	7,001	2,763	2,571	3,715	4,600



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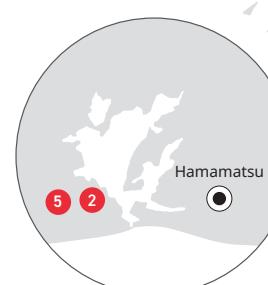
Overview of Group Companies

	Unit	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	
At the fiscal year-end	Net assets	Millions of yen	8,578	7,754	4,638	4,293	10,280	6,739	10,888	12,460	13,196	15,645	16,414
	Shareholders' equity	Millions of yen	8,969	9,135	5,969	5,683	12,207	9,860	11,750	12,451	12,769	12,889	13,425
	Total assets	Millions of yen	57,256	54,217	49,132	51,054	54,145	47,685	48,064	46,903	47,130	51,556	46,340
	Interest-bearing debt	Millions of yen	18,750	17,337	18,294	20,477	19,214	19,182	15,119	12,340	12,223	14,555	14,708
	Net interest (Interest expenses-Interest income and Dividend)	Millions of yen	100	99	104	105	126	108	97	87	50	31	76
Per share information	Earnings per share	Yen	34.33	5.99	(113.04)	(22.53)	(9.91)	(67.82)	58.42	21.47	9.22	3.50	15.55
	Dividend per share	Yen	-	-	-	-	-	-	-	-	-	-	-
	Net assets per share	Yen	282.01	252.43	140.03	153.15	297.79	195.16	315.37	360.92	382.26	450.45	472.48
Ratio	Dividend payout	%	-	-	-	-	-	-	-	-	-	-	-
At the fiscal year-end	Number of employees (Consolidated)	Persons	4,169	4,175	4,103	3,971	3,557	3,030	2,486	2,431	2,436	2,418	2,405
	Number of consolidated subsidiaries	Companies	16	14	14	12	12	12	11	10	9	10	10
	Number of companies accounted for using equity method	Companies	2	2	1	1	1	0	0	0	0	0	0
	Number of subsidiaries and affiliates	Companies	19	18	17	15	15	15	14	12	11	12	12

Overview of Group Companies

Corporate Profile

Company Name	FDK CORPORATION
Founded	1950
Head Office	Shibaura Crystal Shinagawa Bldg., 1-6-41 Konan, Minato-ku, Tokyo 108-8212 Japan
Share capital	3,000 million yen (as of September 1, 2025)
Net sales	FY2024 (Apr. 1, 2024 - Mar. 31, 2024) Consolidated: 63,171 million yen
Employees	Consolidated: 2,405 (as of March 31, 2025)
Description of Business	Manufacture and sales of dry cell batteries, rechargeable batteries, electronics-related materials and components, and goods applying such products
Main Products	Alkaline batteries, Ni-MH batteries, lithium batteries, carbon-zinc batteries, power storage systems, light products, battery production systems for batteries, switching power supplies, toner, various modules



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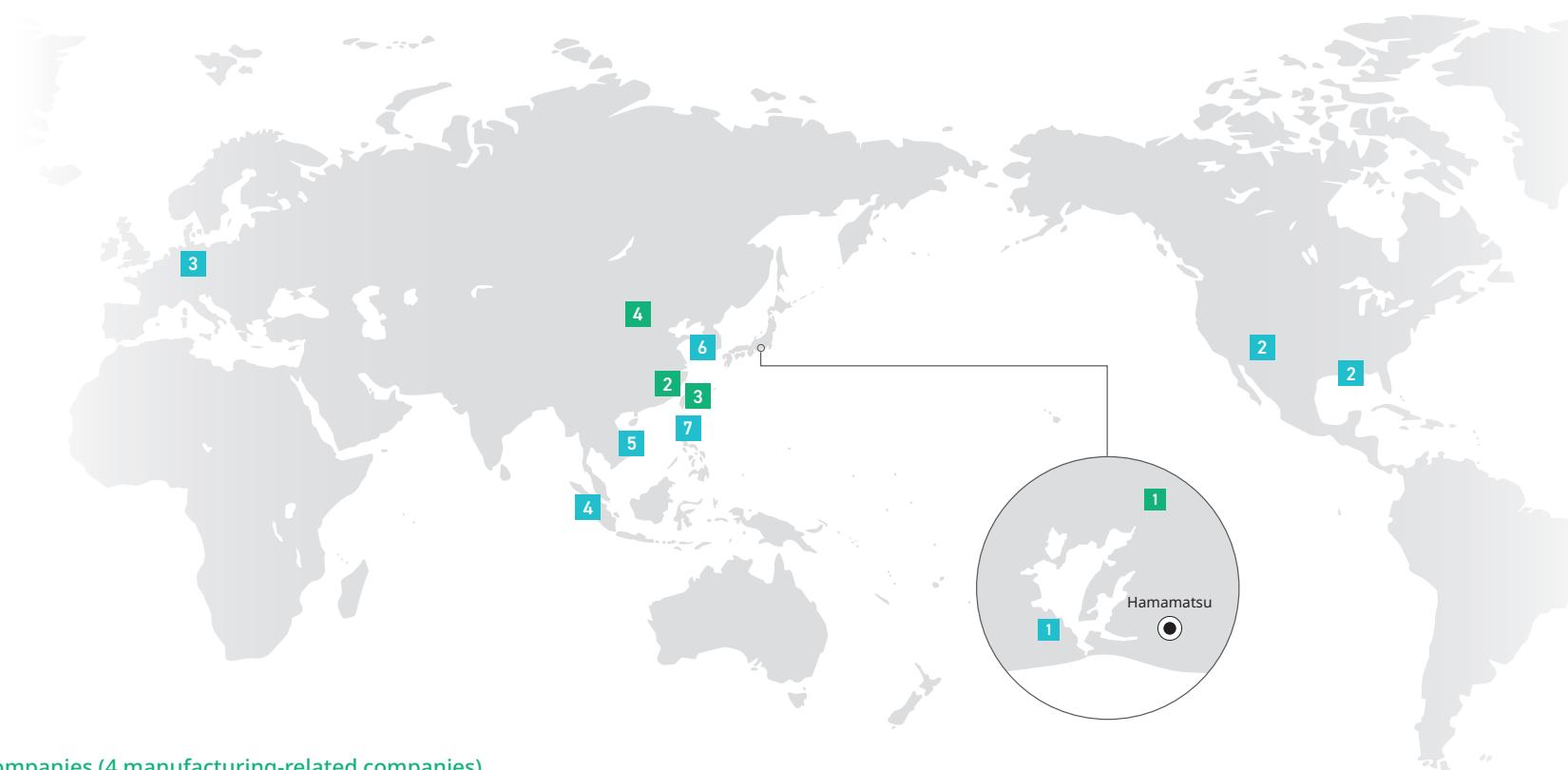
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Group Companies (4 manufacturing-related companies)

Business Site	Address	TEL	ISO14001	ISO45001	ISO90001 and IATF16949
1 FDK ENGINEERING CO., LTD.	281 Hirooka, Hosoe-cho, Hamana-ku, Hamamatsu-shi, Shizuoka 431-1302 Japan	+81-53-522-5280	EC98J2005	-	ISO9001:JQA-QMA15241
2 XIAMEN FDK CORPORATION	No. 16, Malong Road, Huoju Garden, Huoju Hi-Tech District, Xiamen, Fujian, China	+86-592-603-0576	00123E30289R5M/3502	00123S30272R5M/3502	ISO9001: 00120Q30430R4M/3502II-ATF16949: 393676
3 FUCHI ELECTRONICS CO., LTD.	No. 355, Section 2, Nankan Road, Rutsu Shan, Tao Yuan, Taiwan	+886-3-322-2124	4E9E001-04	4E9H001-02	ISO9001: 2015/69024.5 IATF16949: 0551695
4 BAOTOU FDK CO., LTD.	No.21,Rare-earth Street,Rare-earth Hi-tech Industrial Development Zone, Baotou,Inner Mongolia,China	+86-472-5320163	02125E10748R2M	02125S10708R0M	ISO9001: 02125Q10990R2M

Group Companies (7 sales and other companies)

Business Site	Address	TEL	ISO14001	ISO45001	ISO90001 and IATF16949
1 FDK PARTNERS CORPORATION	2281 Washizu, Kusai-shi, Shizuoka 431-0431 Japan	+81-53-576-3121	EC98J2005	-	-
2 FDK AMERICA, INC.	(Head Office) 4655 Great America Pkwy, Suite 410, Santa Clara, CA 95054, U.S.A. (Dallas Office) 2801 Telecom Parkway, MS C1R, Richardson, Texas 75082, U.S.A.	+1-408-746-6815 +1-972-231-2531	-	-	-
3 FDK ELECTRONICS GMBH	Einsteinring 24, 85609 Aschheim/Munich, Germany	+49-89-3306680-0	-	-	ISO9001: 91110693/4
4 FDK SINGAPORE PTE. LTD.	4, Leng Kee Road. #04-08 SiS Bldg., Singapore 159088, Singapore	+65-6472-2328	-	-	-
5 FDK HONG KONG LTD.	Suite 1607-1608A, 16/F, Tower 3, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong	+852-2799-9773	-	-	-
6 FDK KOREA LTD.	Room. 614, Suseo Hyundai Venture-vill Bldg., 10, Bamgogae-ro 1-gil, Gangnam-gu, Seoul, 06349, Republic of Korea	+82-2-582-8452	-	-	-
7 FDK TAIWAN LTD.	8F-4, No.57, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan	+886-2-2311-5161	-	-	-

*ISO14001, ISO45001, IATF16949, and other third-party certifications are as of October 1, 2025.



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Information about shares

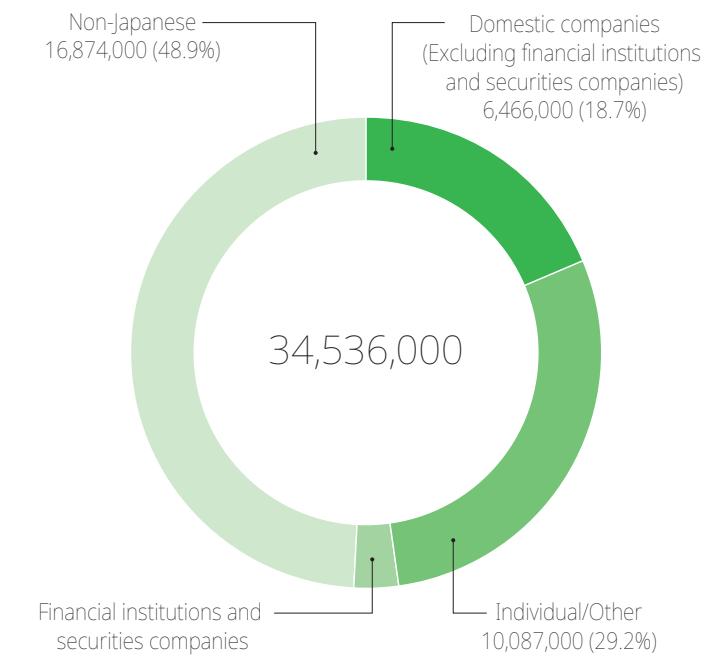
Securities code	6955
Total number of authorized shares	51,000,000
	34,536,302
Total number of issued shares and capital stock	(includes 31,151 treasury shares) Share capital 3,000 million yen As of September 1, 2025
Shares issued during period	None
Number of shareholders	14,811 (as of March 31, 2025)

Major shareholders (top 10)

Shareholder name	Investment in FDK	
	Shares held (thousands)	Shareholding ratio
SILITECH TECHNOLOGY CORPORATION	15,527	45.00
Fujitsu Limited	6,071	17.60
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	377	1.09
MSIP CLIENT SECURITIES	220	0.64
SBI Securities Co., Ltd.	219	0.64
FDK Business Partner Shareholding Association	151	0.44
Takashi Tanaka	140	0.41
Morgan Stanley MUFG Securities Co., Ltd.	136	0.40
Shogo Tanaka	125	0.36
Rakuten Securities, Inc.	122	0.36

*Shareholding ratios are calculated after excluding treasury stock (31,151 shares).

Shareholding breakdown by owner



as of March 31, 2025

*Percentages in parentheses indicate the ownership ratio.



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