



Story

Approach to Value Creation

In continually addressing five prioritized initiatives based on the FDK Group Sustainability Policy, the Group engages in management as a responsible global corporate citizen. Through the development and supply of batteries, energy storage systems, and electronic products based on the core technologies we have developed over the years, and the provision of battery solutions, the FDK Group, in contributing to the resolution of social issues, is committed to providing value to all stakeholders.

Social Issues

- Growing awareness of CSR
- Importance of product quality and management quality
- Sudden changes in the price of natural resources
- Sharp rising in labor costs at overseas manufacturing base
- Market maturity and change of market structure
- Legislation to promote energy-saving policy
- Enlarging demand to in-vehicle telematics appliance

Vision: Smart Energy Partner

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 status-to-be of the FDK Group: Our offerings

We are adding various functions and features in addition to the reliability, safety, and environmental conservation that we have always offered, thereby achieving a wider range of applications and meeting an increasingly diverse range of customer needs.

Stakeholders

Customers

Shareholders/
Investors

Suppliers

Employees

Global Society/Local Communities

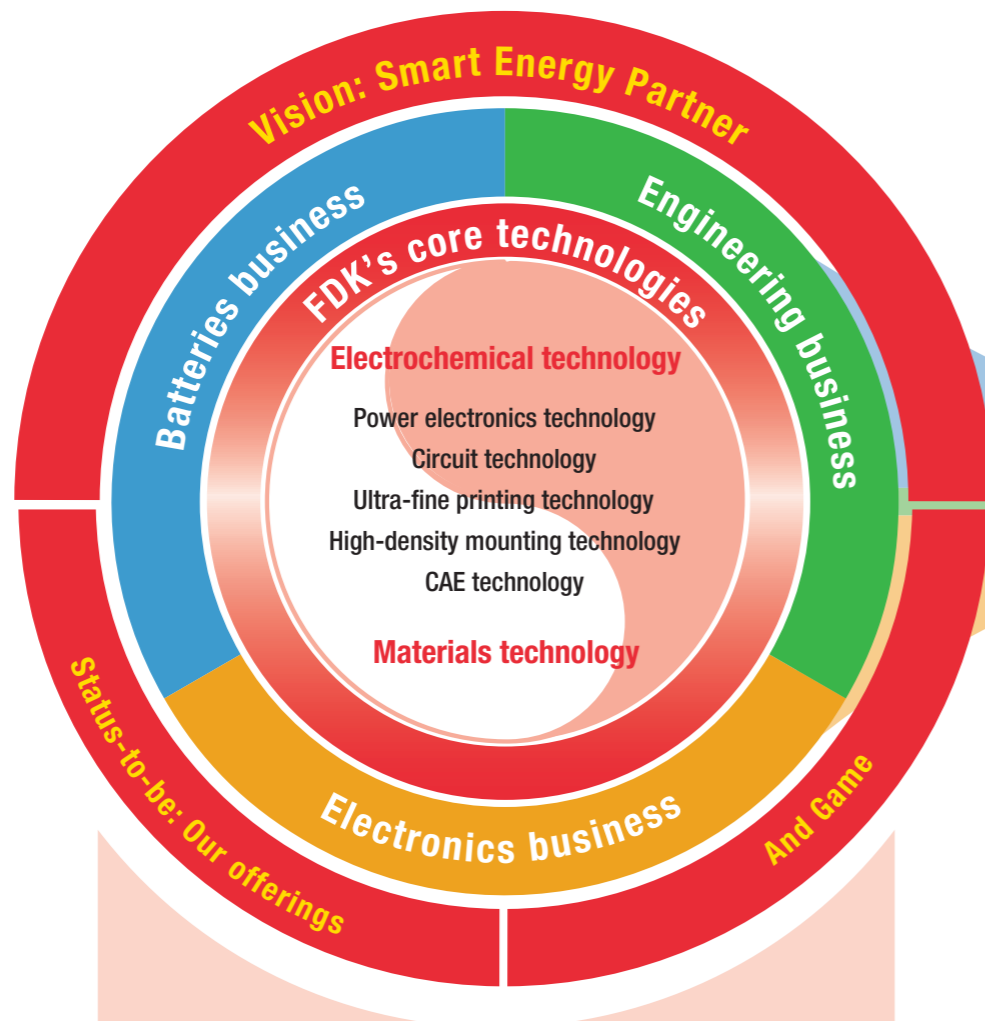
Invested Capital

Business Model

Mid-Term Business Plan / 10 Years' Scheme p.13-14

Output p.17-20

- Intellectual capital
- Manufacturing capital
- Human capital
- Finance capital
- Social and relationship capital
- Natural capital



FDK Group: FDK Group Corporate Conduct Guidelines
Fujitsu Group: The Fujitsu Way

- Philosophy
- Vision
- Standards
- Code

Materialities p.15-16



R2 2023-25

Three Pillars of R2

Under the mid-term business plan R2, we will implement various measures based on the three pillars of "accelerate the profitable growth of core businesses," "develop and launch new businesses," and "cultivate a culture of mutual acknowledgement and enhancement." We will improve the profitability of the company as a whole by growing our three core existing businesses, launching and commercializing businesses such as next-generation batteries and power solutions, and dealing with all stakeholders involved with the FDK Group with an "And Game" attitude, which will lead to an increase in our corporate value.

1. Accelerate the profitable growth of core businesses
2. Develop and launch new businesses
3. Cultivate a culture of mutual acknowledgement and enhancement

Strengthening Resilience and Laying Groundwork for R3

We anticipate that the business environment for R2 will be more challenging than that for R1. Despite this, we will enhance our business resilience by strengthening our three core existing businesses, step up the pace of laying groundwork by launching new businesses, and improve the quality of management by fostering a culture of autonomous pursuit of higher goals. This will then lead into R3, in which we will aim to achieve the status-to-be set forth in the 10 years' scheme.

R1 2020-22

R3 2026-28

Social Infrastructure / Business

Medical and Welfare Sites

Homes

- Ni-MH batteries
- Lithium batteries
- Alkaline batteries
- Facility-related equipment
- Various modules
- Power supply solutions



Story

Mid-Term Business Plan and Materialities

Information on the FDK Group Strategy Framework 10 years' scheme and Mid Term Business Plan "R2"

In order to further strengthen our business structure, increase our corporate value, and meet the expectations of our various stakeholders, the FDK Group has developed a "10 years' scheme" that sets out the status-to-be for FY2029. To make this status-to-be a reality, we implemented the R1 mid-term business plan for the first three years of this period (FY2020–FY2022).

During the R1 period, consolidated net sales exceeded the target for FY2022 despite the transfer of shares in our alkaline battery manufacturing subsidiary, among others. Meanwhile, although the operating margin

remained in the black, it fell short of that in the initial plan due to a lack of resilience to the deteriorating external environment, such as soaring raw material prices.

Given these circumstances, we have refined our business portfolio to realize the status-to-be set out in the 10 years' scheme, developing the R2 mid-term business plan with the three pillars of "accelerate the profitable growth of core businesses," "develop and launch new businesses," and "cultivate a culture of mutual acknowledgement and enhancement."

The Three Pillars of the R2 Mid-Term Business Plan

1. Accelerate the profitable growth of core businesses

- Focus on growing markets and markets presenting high levels of added value
- Optimization of business scale through structural reforms

2. Develop and launch new businesses

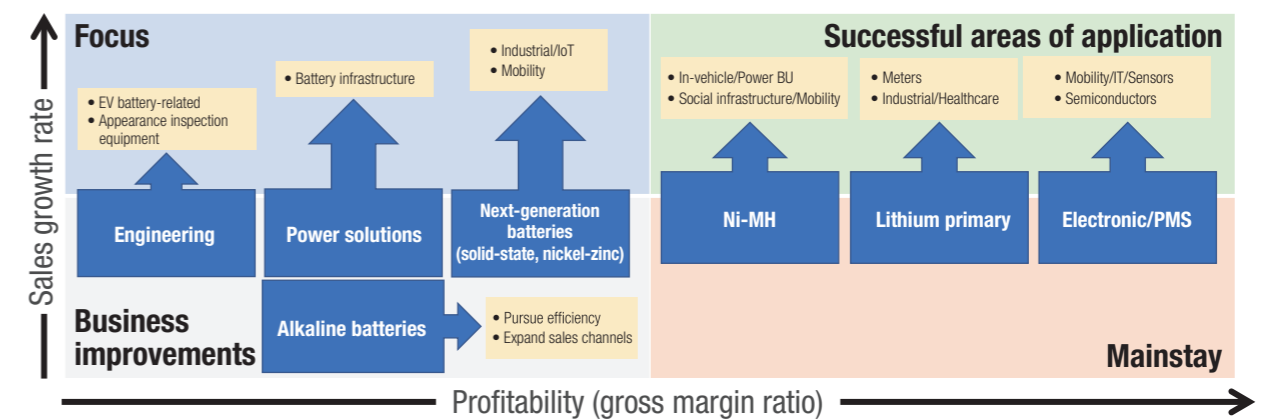
- Full-scale operation of the next-generation battery business and the solutions business
- Develop the elements for a more advanced generation battery business and solutions business

3. Cultivate a culture of mutual acknowledgement and enhancement

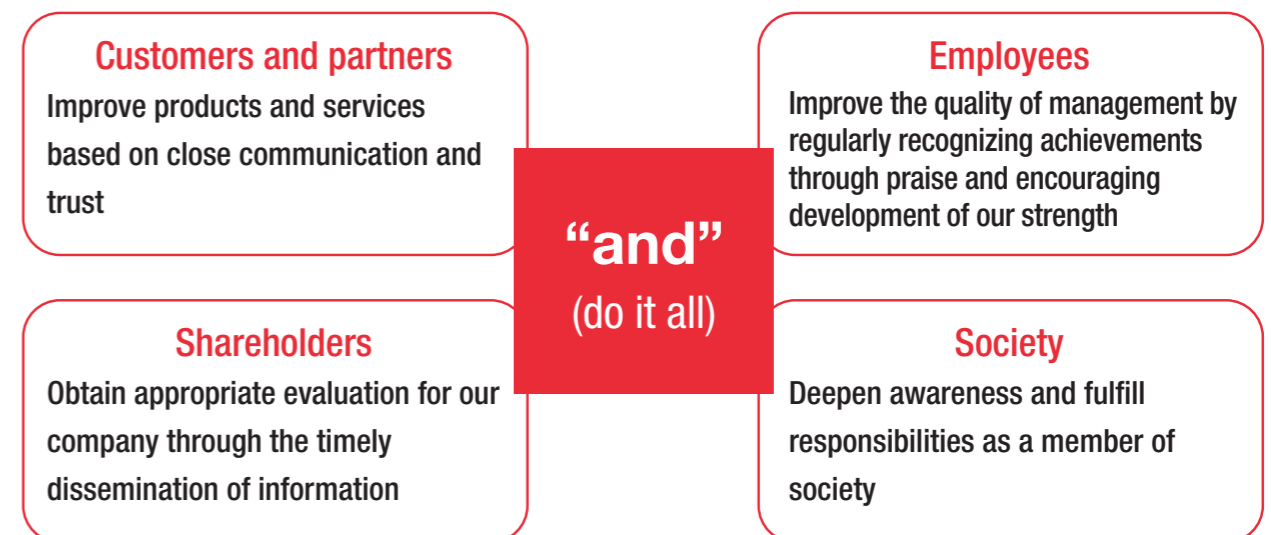
- Building systems that enables each individual to demonstrate their abilities
- Improving the quality of management, including governance

Business Portfolio Based on Market Strategy Mapping (Pillars 1 and 2)

- Increase the profitability of the entire company by growing our three largest current businesses
- Launch a next-generation battery and power solutions business and enhance their business presence
- For Engineering, which unperformed in R1, build a foundation for growth through new business development. For alkaline batteries, improve profitability with minimal operations



Cultivate a Culture of Mutual Acknowledgement and Enhancement (Pillar 3)





Mid-Term Business Plan and Materialities

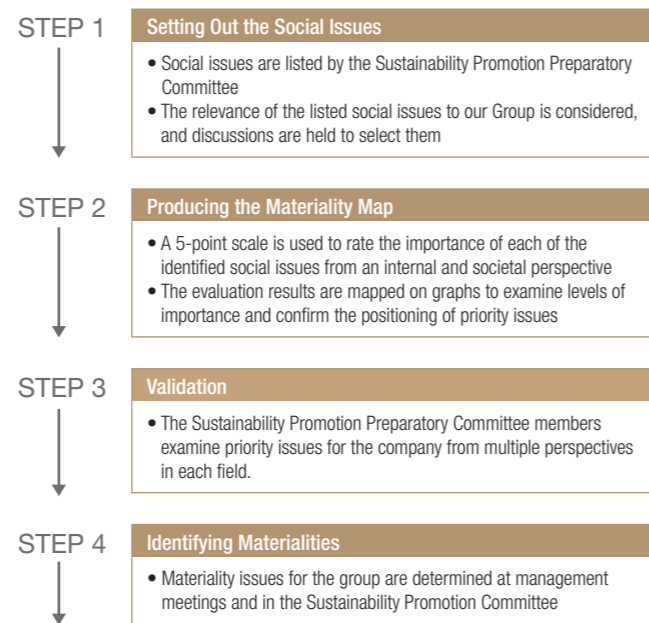
The FDK Group has newly identified five materialities in order to realize the Group's philosophy of "Inspiring transformation; shaping the future and creating happiness," and the Group's vision, "FDK Group, as a Smart Energy Partner, assemble advanced technologies, would like our customers to best utilize electric energy in a safe and efficient manner, and contribute to materialization and development of sustainable society."

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.

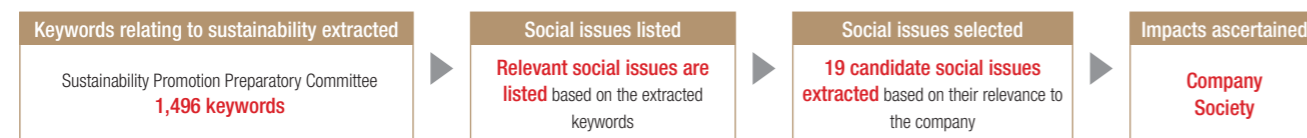
The Materiality Identification Process

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.

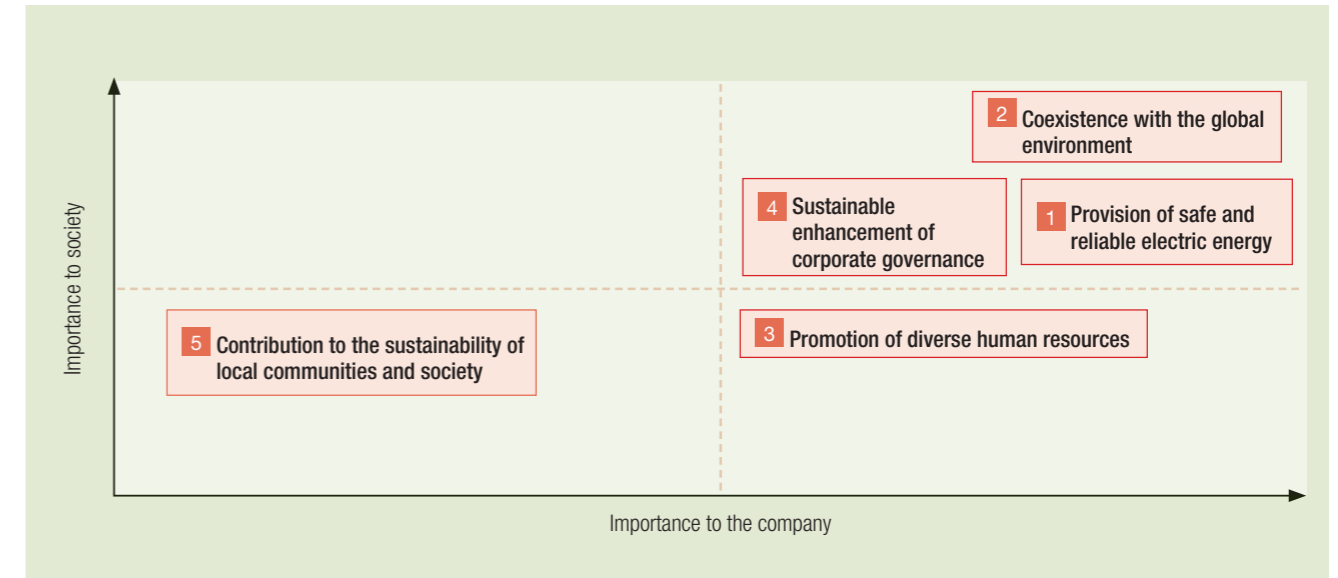
From FY2022, we will set KPIs for each materiality and implement initiatives for each business division, etc. accordingly.



The Social Issue Identification Process



The FDK Group's 5 Materialities (Prioritized Issues)



Materialities	Materiality measures for the company	ESG category	Relevant SDGs
1 Provision of safe and reliable 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"> Promotion of a recycling-oriented society Measures to address climate change Contribution to the global environment 	E	
3 Promotion of diverse human resources	<ul style="list-style-type: none"> Create an environment in which employees demonstrate their capabilities to the fullest Create an environment conducive to continued work in good health 	S	
4 Sustainable enhancement of corporate governance	<ul style="list-style-type: none"> Strengthen systems and supervisory functions to ensure prompt decision-making with management transparency and objectivity, taking into account the positions of stakeholders Strengthen the foundation of the risk compliance system Strengthen internal company controls Ensure compliance with laws, regulations, and social norms and conduct with high ethical standards 	G	
5 Contribution to the sustainability of local communities and society	<ul style="list-style-type: none"> Connect with local communities to create a world full of smiles 	S	



OUTPUT

The FDK Group's Output Product Information

Batteries ▶ Ni-MH batteries

What are Ni-MH batteries?

Ni-MH batteries are a type of rechargeable battery that can be charged and used repeatedly. FDK's batteries offer the advantages of stable discharge voltage and high-current discharge, as well as superb safety performance, being highly resistant to overcharge and over-discharge. They are also highly recyclable and easy to transport.

Advantages

- **The quality and reliability of Japanese manufacturing**
We are committed to manufacturing in Japan so that our products can be used safely and reliably in all applications, and this Japanese craftsmanship, which prides itself on precision and care, has ensured our high standards of quality.
- **Environmentally friendly**
Because they can be repeatedly recharged and discharged, they generate less waste than dry batteries, making them resource-saving, environmentally friendly products.
- **Usable in a wide range of temperatures**
Some products can be used in a range of temperatures as wide as -40°C to +85°C.
- **Long service life**
With their long service life, Ni-MH batteries are ideal as replacements for nickel-cadmium batteries in emergency lights, guide lights, security equipment, etc.
- **Highly recyclable**
Ni-MH batteries are made using metal resources such as nickel and iron, which can be reused through recycling.

Applications

High-durability automotive use

Automotive (eCall, etc.)

High durability

Security

Transport

Medical devices

Guide lights

Meters

High output

Servers/storage

Starters

ATMs

Care lifts

Dry-cell compatibility

Camera strobes

Clocks

Remote controllers

Wireless computer mice

General functions

Information and communications equipment

Audio and visual equipment

Lighting equipment

Batteries ▶ Lithium batteries

What are lithium batteries?

Lithium metal, which has a high capacity relative to mass, is used as the anode material, and FDK's unique technology keeps the self-discharge rate low to achieve long service life. Resistant to both low and high temperatures, they can be used for a wide range of applications.

Advantages

- **The quality and reliability of Japanese manufacturing**
We are committed to manufacturing in Japan so that our products can be used safely and reliably in all applications, and this Japanese craftsmanship, which prides itself on precision and care, has ensured our high standards of quality.
- **Environmentally friendly**
These batteries are environmentally friendly as they do not use hazardous substances subject to regulation under the RoHS Directive.
- **Long service life, long-term reliability**
Optimized material design and laser sealing provide a long service life of 10 to 20 years, depending on the product. As such, they help support long-term operation of equipment.
- **Excellent storage performance**
With an extremely low self-discharge rate of 0.5%/year (at room temperature), they retain more than 95% of their capacity even after 10 years of storage.
- **Usable in a wide range of temperatures**
By employing a non-aqueous electrolyte that does not freeze easily, some products can be used in a range of temperatures as wide as -40°C to +85°C, supporting the operation of equipment even in outdoor environments.
- **Stable discharge voltage**
The spiral electrode design and optimized electrolyte composition provide reliable support for high-load, high-frequency communications.

Applications

Cylindrical-type batteries

Utility meters
(gas, electricity, water)

Household fire alarms
Gas leak alarms

IoT communication modules

Thin-type batteries

Credit cards
(with dynamic code display)
Card-based security systems

Wearable medical devices

Coin-type batteries (primary batteries)

Electronic keys

Coin-type batteries (secondary batteries)*

Dashboard cameras

Security cameras

*Memory backup applications



OUTPUT

The FDK Group's Output Product Information

Batteries ▶ Alkaline batteries

What are alkaline batteries?

Alkaline batteries are primary batteries characterized by their excellent power and longevity, allowing even devices with high power consumption to be used for long periods of time. Highly reliable, they meet all kinds of needs, from high-current to low-current devices.

Advantages

- **The quality and reliability of Japanese manufacturing**
We are committed to manufacturing in Japan so that our products can be used safely and reliably in all applications, and this Japanese craftsmanship, which prides itself on precision and care, has ensured our high standards of quality.
- **FDK's proprietary rare metal coating**
The rare metal coating between the conductive film and the nickel plating layer prevents internal resistance from rising due to oxidation and inhibits the generation of gases inside the battery that can cause leaks.

Applications

Household appliances				
Remote controllers	Mice	LED lights Outdoor goods	Beauty and health equipment	Sanitation appliances

Infection prevention		Musical instruments and audio equipment		
Pulse oximeters	Dispensers	Contactless thermometers	Electronic keyboards	Audio devices Digital voice recorders

Electronics ▶ Modules

Advantages

We deliver compact, high-performance modules by drawing on two of the fundamentals of FDK's technology: electrochemical technology and materials development. We provide finely tuned solutions to meet our customers' needs from the design stage, offering high-density, high-quality, and high-value-added products, modules, and more, based on technology proposal-based design and development.

Applications

High-frequency devices	Communications	
Card readers	GPS modules	Bluetooth® devices

* "Bluetooth" is a registered trademark of Bluetooth SIG, Inc.

Electronics ▶ Power supply solutions

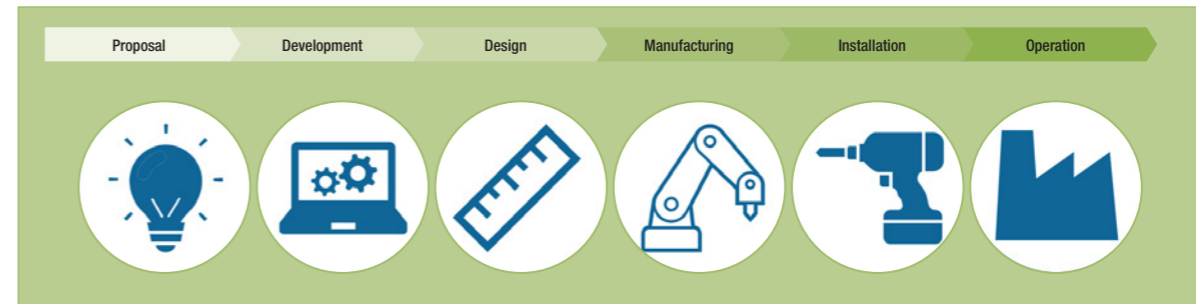
Advantages

Through performance and quality, we support our customers in addressing an increasingly complex set of challenges, providing a wide range of products such as standard power supplies designed for long service life (15 years or more), custom power supplies newly designed to meet customers' needs, and system power supplies that provide a higher level of performance for applications that standalone power supplies cannot handle.

Applications

Equipment		Base stations		
Semiconductor manufacturing equipment	Industrial manufacturing equipment	Receivers	Relays	Transmitters

The company provides total support for helping customers save labor, streamline their operations, and automate their equipment and machinery, from initial proposals to design, manufacturing, and final adjustments, as well as providing high-quality equipment. With the ability to propose concepts as its greatest strength, FDK Engineering handles equipment in a wide range of fields, including automobiles, batteries, electrical and electronics, and medical-related areas, incorporating the next generation of cutting-edge technology and constantly evolving to contribute to the development of both customers and society.



Engineering ▶ Facilities and related equipment

Group company: FDK ENGINEERING CO., LTD.

FDK ENGINEERING CO., LTD. was founded in 1956 as the Machinery Department of Fuji Electrochemical Co., Ltd. (now FDK Corporation) and was established as a subsidiary of the FDK Group in 1990.

A group of expert technicians, FDK ENGINEERING is the only company in the FDK Group that specializes in factory automation equipment. Since its establishment, it has been committed to providing equipment that satisfies its customers, in line with its philosophy of "giving shape to your ideas" and its vision of "pioneering the future of production systems with our skill and heart."





Story

Sustainability Management

For the FDK Group, sustainability activities are about working together with stakeholders* to solve various social problems 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."

* **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."

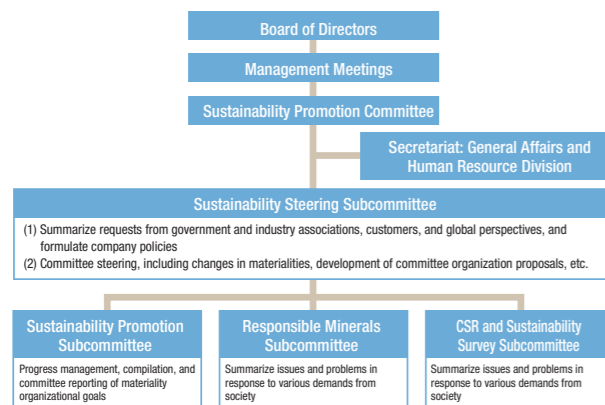
Sustainability Promotion Framework

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.

Composition of the Committee

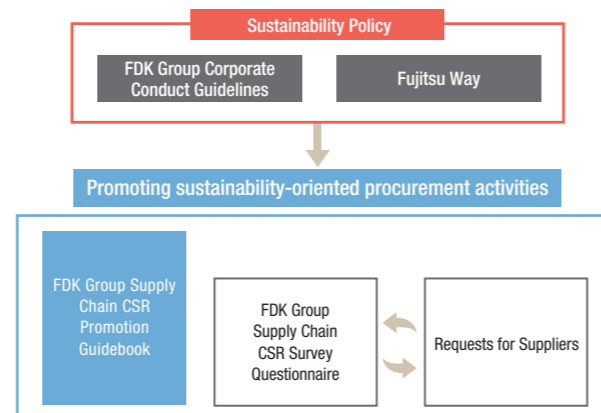
Chair:	: President and CEO
Vice-Chair:	: Director (Corporate Officer) for Corporate Headquarters
Members:	: Group President, Group Vice President, General Manager, Director of Legal and Intellectual Property Dept, Director of Corporate Auditing Dept
Secretariat:	: General Affairs and Personnel Department

Promotion Framework



Sustainability-conscious Procurement Activities

Based on the FDK Group Sustainability Policy, the FDK Group Corporate Conduct Guidelines, and the Fujitsu Way, the FDK Group has prepared the FDK Group Supply Chain CSR Promotion Guidebook as a set of guidelines to promote procurement activities that take into account issues such as respect for human rights, health and safety, conservation of the global environment, legal compliance, fair trade, and corporate ethics, and has made it available on the Group website. In addition to practicing procurement activities in compliance with these guidelines, we also ask the suppliers that make up our supply chain to do the same.



Responsible Mineral Procurement Policy

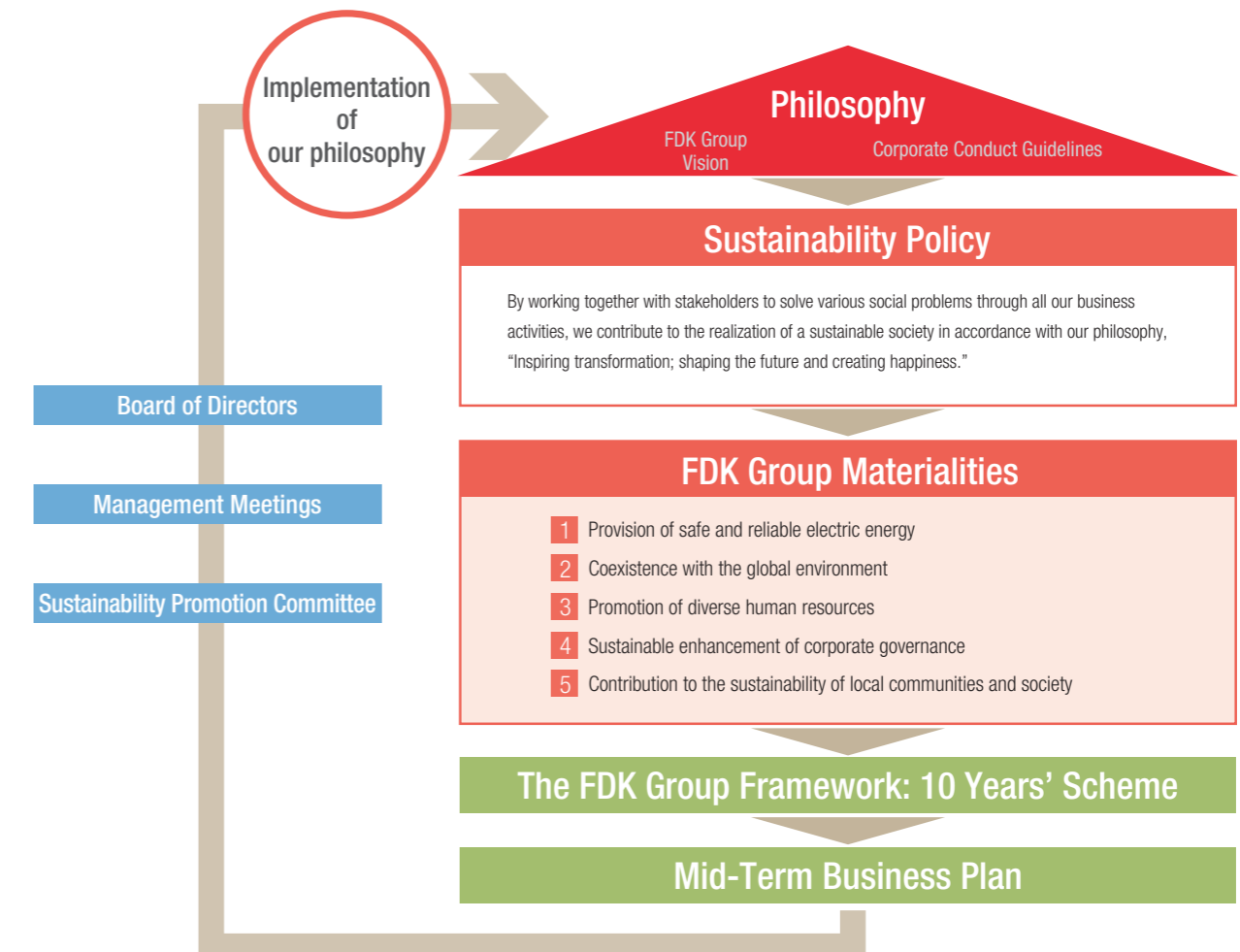
The FDK Group adheres to the Fujitsu Group Policy on Responsible Minerals Procurement and sees its corporate responsibility related to mineral issues as one important CSR challenge. Our policy designates tantalum, tin, gold, tungsten, and cobalt as minerals with a high risk of supporting conflicts, using forced labor, or violating human rights, and it removes any problematic refineries or other business proprietors from the supply chain. The FDK Group will ensure transparency throughout the supply chain and strive for responsible mineral procurement.

Positioning of Materialities in Relation to the FDK Group Sustainability Policy

The FDK Group has defined five materialities based on its Sustainability Policy. These materialities 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 the five materialities.

Sustainability Management Promotion Framework





Story

Five Prioritized Initiatives

The FDK Group has established five prioritized initiatives based on its materialities and is implementing sustainability management accordingly. The purpose of these prioritized initiatives is to contribute to society through the FDK Group's business, to actively address matters required by the RBA and other organizations, and to promote responsible management as a global company, and they are being addressed as follows.

Prioritized Initiative / Materiality Prioritized theme	Medium- to long-term target	FY2022 target	FY2022 result
<p>1 Provision of safe and reliable electric energy</p> <p>Provide products and solutions that support a sustainable society</p>	<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> <ul style="list-style-type: none"> Smart Infrastructure Develop and provide spare and storage batteries, modules, and solutions that can be installed anywhere to support social infrastructure Smart Home & Office Develop and provide batteries, modules, and solutions for use in a wide variety of high-performance equipment for both indoor and outdoor use Smart Retail Store Develop and provide batteries, modules, and solutions to be installed in IoT devices for data communication with the cloud and management centers Smart Factory & Mobility Develop and provide batteries, modules, and solutions for driving vehicles, plant machinery, and other equipment requiring stable operation 	<ul style="list-style-type: none"> Ni-MH batteries: Expand sales of products for social infrastructure, home appliances, power backup, in-vehicle accessories, and mobility applications Alkaline batteries Develop technologies for higher performance (longer life) and improved safety and reliability Develop technologies and products to reduce environmental impact 	<ul style="list-style-type: none"> Lithium batteries Cultivate new business opportunities and accelerate development of new models Maintain the product supply system Electronics business Start mass production of products for residential applications Develop products for mobility applications Development of next-generation technologies Develop next-generation batteries (nickel-zinc batteries) Develop batteries for the generation after next Advance elemental technology development All-solid-state batteries Advance development of compact all-solid-state SMD battery SoliCell®
<p>2 Coexistence with the global environment</p> <p>Measures to address climate change</p>	<p>Contributing to carbon neutrality</p> <ul style="list-style-type: none"> Adoption of renewable energy: 40% or more by 2030 Integrated management of achieved emissions in Scope 1 to Scope 3 Energy conservation activities: 1% reduction/year = 7% reduction by FY2029 	<ul style="list-style-type: none"> Rate of renewable energy adoption in FY2022: 8% Identify issues and establish a system for management of Scope 3 emissions 	<ul style="list-style-type: none"> Identify various energy conservation measures and implement measures to achieve targets Systematic renewal of aging facilities Reduce peak power consumption
<p>Contributing to the realization and development of a sustainable society</p>	<p>Collaboration with stakeholders</p> <ul style="list-style-type: none"> Promote collaboration with the supply chain Restructure internal systems (including information research and disclosure) Promote collaboration with external organizations in Japan and abroad Propose international standards Maintain 100% rate of surveys conducted on chemical substances contained in products Maintain 100% rate of surveys conducted on responsible mineral procurement 	<ul style="list-style-type: none"> Continuously identify issues and provide feedback through Fujitsu Group RBA surveys of suppliers (including business partners) Restructure FDK's system for responding to key questions from various surveys Establish procedures for responding to RBA*1, CDP*2 and other information disclosure agencies 	<ul style="list-style-type: none"> Contribute to international standards through the Battery Association of Japan Maintain 100% rate of surveys conducted on chemical substances contained in products Maintain 100% rate of surveys conducted on responsible mineral procurement
<p>Promotion of a recycling-oriented society</p>	<p>Effective use of resources —effective use of resources from various perspectives—</p> <ul style="list-style-type: none"> *Efficiency, long service life, reduction, savings, recycling Design and develop products that contribute to conservation of resources Design and develop products that contribute to improved resource efficiency 	<ul style="list-style-type: none"> Ni-MH batteries Begin mass production with specifications that change the amount of rare earths used Develop products with specifications using recycled materials Alkaline batteries Introduce new anode additives Lithium batteries Develop higher-performance models for the short-distance communication market Electronics business Apply products using low-melting point solder materials Apply recycling of waste powder to white spot color toner 	<ul style="list-style-type: none"> Development of next-generation technologies Develop alternative materials Develop battery performance simulation technology using CAE Develop elemental technologies All-solid-state batteries Reduce usage of rare metals Efforts to change the rate of cathode material use Efforts toward stable production
<p>3 Promotion of diverse human resources</p> <p>Create an environment in which all employees demonstrate their capabilities to the fullest</p>	<p>Enhanced investment in human resources (education)</p> <ul style="list-style-type: none"> Planning and implementation of training Refine the curriculum for level-specific training, raise overall ability levels through skill development, and enhance training for young employees Enhancement of training taking talent management into account Enhance the development of the next generation of leaders, plan and implement language education for the development of global human resources 	<ul style="list-style-type: none"> Increasing each employee's enthusiasm for learning Promote the use of e-learning and the Dojos, foster a culture of self-directed learning, and improve employee skills and motivation 	<ul style="list-style-type: none"> In addition to conducting training by job level as planned, group training was conducted to strengthen communication skills. Two employees participated in an external Next-Generation Executive training program. We also continued the Next-Generation Development Training Program, and one employee participated in a language study abroad program in the United States.
	<p>Promotion of diversity (inclusion)</p> <ul style="list-style-type: none"> Support/continued recruitment of people with disabilities Facility development (expansion of universal design) 	<ul style="list-style-type: none"> Recruitment activities to comply with the statutory rate of employees with disabilities and improved knowledge and understanding on the part of receiving departments 	<ul style="list-style-type: none"> Planned facility maintenance Install multi-purpose toilets, renovate elevators for wheelchair access
	<p>Career and skills development support</p> <ul style="list-style-type: none"> Increase in the rate of management positions held by women *150% of the FY2021 level by FY2025 Support for 2nd careers 	<ul style="list-style-type: none"> Provide career and skills development support to increase the rate of managerial positions held by women Consider opportunities to think about ways for women to work and hold seminars 	<ul style="list-style-type: none"> Rate of people with disabilities among employees: 2.43% Two new multi-purpose toilets installed.
	<p>Provision of safe and healthy workplaces —promoting comfortable workplaces—</p> <ul style="list-style-type: none"> Thoroughly reduce occupational health and safety risks Enhance occupational health and safety education 	<ul style="list-style-type: none"> Review relevant regulations through evolution of the PDCA cycle for occupational health and safety risk reduction activities (identification of sources of danger, enhancement of risk improvement activities) 	<ul style="list-style-type: none"> The number of female participants in selective training programs increased by 8% compared to the previous year. The number of women in Assistant Manager and executive positions increased by 4. On International Women's Day, our female outside director gave a company-internal lecture, which was attended by 114 people.
<p>Create a workplace conducive to continued work in good health</p>	<p>Implementing health management</p> <ul style="list-style-type: none"> Obtain recognition as a Certified Health & Productivity Management Organization Measures to combat long working hours Improvement of paid leave uptake rate (uptake rate: 70%) Support for balancing work and childcare/nursing care (uptake rate among male employees: 30%) Reduction of high-risk individuals in periodic health checkups/Improved employee communication 	<ul style="list-style-type: none"> Enhance work-life balance with a view to acquiring recognition as a Certified Health & Productivity Management Organization Visualization of the paid leave uptake situation Raise awareness of childcare/nursing care systems and present case studies of other companies 	<ul style="list-style-type: none"> Reorganization of health and safety education and training plans by level and item Enhancement of health education

*1 **Responsible Business Alliance (RBA):** Defines standards for the manufacturing supply chain to ensure that the working environment is safe and that workers are treated with respect and dignity, and that companies take responsibility for the environmental impact of their manufacturing processes and procurement.

*2 **CDP (Carbon Disclosure Project):** An NGO managed by a UK charitable organization. Operates a global disclosure system to help investors, companies, nations, regions, and cities manage their own environmental impacts



Story

Five Prioritized Initiatives

Prioritized Initiative / Materiality Prioritized theme	Medium- to long-term target	FY2022 target	FY2022 result	FY2022 result
<p>4 Sustainable enhancement of corporate governance/ Improved risk compliance</p> <p>Strengthen systems and supervisory functions to ensure prompt decision-making with management transparency and objectivity, taking into account the positions of stakeholders</p>	<p>Development of a Corporate Governance Policy for the Group</p> <p>Enhanced accountability to stakeholders</p> <p>Further integration of risk management into operational processes</p> <p>Strengthen operational risk control by implementing internal controls</p> <p>Maintenance of a system for monitoring laws, regulations, and social norms/Ongoing education</p>	<ul style="list-style-type: none"> Ensure implementation and operation of the annual report in the Nomination and Remuneration Advisory Committee <Committee Report Plan for FY2022> Number of directors and skills matrix report Report on CEO and director position requirements Report on criteria and procedures for selection and dismissal of directors Report on succession planning Report on independence criteria for outside directors <ul style="list-style-type: none"> Enhance opportunities for dialogue with stakeholders and respond appropriately to requests Customers: appropriate disclosure of information in response to requests Business partner surveys: timely and appropriate responses <ul style="list-style-type: none"> Strengthen the foundation of the Risk and Compliance Committee <ul style="list-style-type: none"> Enhance the internal audit system for overseas sites <ul style="list-style-type: none"> Promote use of the whistle-blowing reporting desk and promptly respond to reports 	<ul style="list-style-type: none"> Formulate a proposal for external disclosure on the company website and revisions to the website <ul style="list-style-type: none"> Shareholders and investors: continued consideration regarding the implementation of dialogue, including information disclosure at general shareholders' meetings and on the website Continue internal information sharing measures (IR/PR/marketing and communications strategy) for planned press releases, including implementation of measures to improve PR effectiveness Continue to publish explanatory materials for each announcement of financial results Timely disclosure of financial results and other matters for disclosure, simultaneous disclosure of English language versions (as needed) Provide timely and appropriate explanations to shareholders, institutional investors, and the media, and share communication results internally Consideration of holding financial results briefings Development and publication of Mid-Term Business Plan R2 <ul style="list-style-type: none"> Restructuring of risk management <ul style="list-style-type: none"> Prevention of misconduct and prevention of recurrence through early detection and rectification of misconduct <ul style="list-style-type: none"> Conduct compliance education on an ongoing basis 	<ul style="list-style-type: none"> The annual committee report as described on the left was conducted as planned. The criteria for determining independence were disclosed externally in the Governance Report. A company governance policy and disclosure plan for the company website are being developed (under development). <ul style="list-style-type: none"> Disclosed IR and PR results in a timely manner at quarterly management meetings, and continued to submit press release plans and implement disclosure. Continued to release explanatory materials for financial results. Internal discussions were held to set out, review, and discuss the method and purpose of holding financial results briefings. Development and publication of Mid-Term Business Plan R2 R2 study meetings were held to confirm the direction of the company, including its growth strategy, and the schedule was revised to incorporate the latest situation, given the significant fluctuations in factors such as sales, material market prices, and exchange rates. The content was carefully examined through interviews and investment review meetings, and the entire company took action to release R2 by the end of FY2022, but this was not achieved. (Released on April 14, 2023). <ul style="list-style-type: none"> Using the current risk questionnaire, we examined methods for incorporating risk management into operational processes. A study was conducted on how to select potential risks (summarizing risk areas, identification methods, and evaluation methods). <ul style="list-style-type: none"> Conducted a survey on compliance with the Subcontract Act in relation to purchasing and made improvements accordingly. Conducted a survey on security export control and made improvements accordingly. Developed plans for corrective measures based on analysis of the causes of internal control deficiencies, and made improvements accordingly. <ul style="list-style-type: none"> Conducted e-learning (on copyright/Subcontract Act, etc.) (99.9% attendance rate) Conducted level-specific training and field-specific workshops.
<p>5 Contribution to the sustainability of local communities and society</p> <p>Connect with local communities to create a world full of smiles</p>	<p>Dissemination of information to connect people</p> <ul style="list-style-type: none"> Communication with society Support for safe and secure living <p>Providing opportunities for the future</p> <ul style="list-style-type: none"> Provision of learning opportunities Provision of opportunities to create new value <p>Contribution activities that bring smiles to people's faces</p> <ul style="list-style-type: none"> Contribution to local communities and society 	<ul style="list-style-type: none"> Dissemination of information on disaster prevention <ul style="list-style-type: none"> Support for The Sound of Batteries Powered by the Sun concerts <ul style="list-style-type: none"> Activities to promote connection with local communities Activities to promote beautification of local communities 	<ul style="list-style-type: none"> Disaster prevention information is broadcast every Monday on Sonaeru Radio. Published an educational video on disaster prevention on YouTube. Sponsored disaster awareness activities in conjunction with the Japan Weather Association's "Get to Know Disaster Prevention" program. <ul style="list-style-type: none"> Twenty performances were held over the year in concert halls and similar venues. <ul style="list-style-type: none"> Activities to promote environmental friendliness Activities to bring lives together 	<ul style="list-style-type: none"> Disaster prevention information is broadcast every Monday on Sonaeru Radio. Published an educational video on disaster prevention on YouTube. Sponsored disaster awareness activities in conjunction with the Japan Weather Association's "Get to Know Disaster Prevention" program. <ul style="list-style-type: none"> Twenty performances were held over the year in concert halls and similar venues. <ul style="list-style-type: none"> Participated in local traffic safety activities and promoted the purchase of goods from vocational aid facilities. Conducted cleanup activities around company plants, cleaned up facilities, and maintained local flowerbeds. <ul style="list-style-type: none"> Collected used stamps and plastic bottle caps and donated them to schools. Conducted blood donation campaigns, promoted Red Feather and Green Feather fundraising campaigns, and donated emergency supplies.



Story

Health Management

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 the public and private spheres, as well as to realize a vibrant work environment.

Health Management Policy

- 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.
- In order 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).
- 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 exercising their abilities and individuality to the fullest extent.

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 Group companies in Japan and has worked with the health insurance association to define objectives and priority measures.

Objectives

- Build a work environment that is both physically and mentally healthy and safe to work in
- Improve productivity by establishing a corporate culture of strong health awareness
- Fulfill customer expectations by allowing all employees to exercise their abilities and individuality to the fullest extent

In pursuit of these three objectives, we have established a set of final indicators related to reducing the number of abnormal health findings (presenteeism), reducing the number of employees taking leave (absenteeism), improving health literacy (improving knowledge and understanding of health and medical care), and improving work engagement (feeling fulfilled and satisfied at work), and created a health management strategy map to facilitate improvements with respect to each of these indicators. To this end, efforts are underway in the priority areas of

- Establishing systems from an operational perspective
- Measures to prevent lifestyle-related diseases
- Improving work-life balance

Targets

Final target indicators	
Reducing the number of abnormal health findings	Reducing presenteeism
Reducing the number of employees taking leave	Reducing absenteeism *1
Improving health literacy	Improving knowledge and understanding of health and medical care *2
Improving work engagement	Feeling fulfilled and satisfied at work *3

***1 Absenteeism:**
Percentage of employees who are absent from work for more than one consecutive month under the injury and sick leave system (excluding paid leave and accumulated leave)

***2 Improving knowledge and understanding of health and medical care:**
Percentage of employees who improved their awareness of positive lifestyle changes by attending seminars and reading health bulletins (survey conducted at the end of the fiscal year).

***3 Work engagement:**
Average scores for the two questions "I have a sense of energy at work" and "I feel proud of my work" in the new Simple Occupational Stress Questionnaire.

FY2022 Results ▶▶▶

▶▶▶ Previous initiatives

▶ Measures to prevent lifestyle-related diseases

- With the aim of achieving a 100% uptake rate for regular health checkups and secondary health checkups for those with abnormal findings, employees are encouraged to undergo health checkups.
 - Percentage of those with abnormal findings in FY2022: 39.4% (those with abnormal findings in any of the statutory checkup categories)
- The following activities are being carried out in order to help develop exercise habits and energize the organization through improved communication in the workplace.
 - Total number of participants in walking activities: 1,378
Target 8,000 steps/day, held twice a year
 - Ground golf tournament, 75 participants in total

▶ Improving health literacy

- Health bulletins are issued and seminars are held based on the results of health checkups.
 - Health bulletins: Gynecological checkups, health management in information equipment work, effects of smoking and smoking cessation, teeth and health
 - Seminars: Lecture on promoting men's participation in housework and childcare (52 participants), Smoking etiquette (44 participants), International Women's Day: Thinking about how women live (122 participants)

- Measures to maintain and promote the health of employees and their families are being actively undertaken.
 - Conducting influenza vaccinations at company business sites and subsidizing the costs
 - Full subsidies for medical checkups not only for employees but also for their dependents
- Measures to prevent passive smoking have included reducing the number of smoking areas and limiting the hours of use.
 - A questionnaire on smoking was conducted in September 2023, and the results of the analysis were provided to employees as feedback.
- With the aging population and falling numbers of children, the number of people who are able to donate blood is declining rapidly, and we are actively cooperating in blood donation campaigns as part of our contribution to society.
 - Blood data figures can provide information about one's physical condition, so they are being put to good use in order to maintain good health.
 - Participants in FY2022: 202
 - Tottori Plant registered as a blood donation supporter

▶ Improving work engagement

- We plan and implement improvement measures for problems and issues identified in employee satisfaction surveys and organizational revitalization diagnostics in order to create a better workplace environment.
 - Organizational Revitalization Training for executives and department heads was conducted based on the results of the FY2022 Employee Satisfaction Survey (79 participants)
 - Response rate for FY2022 Employee Satisfaction Survey: 99.1%
- Stress checks are conducted every year, and the results are used to promote awareness of individuals' stress levels, reduce the risk of individual mental health problems, and improve the work environment through group analysis.
 - Participation rate in FY2022: 99.5%

Effectiveness of Health Management: Process Indicators

Priority measures	Indicators	FY2022 result	FY2023 target	FY2025 target
Measures to prevent lifestyle-related diseases	Primary checkup uptake rate	99.9%	100%	100%
	Secondary checkup uptake rate	92.6%	93.5%	95.4%
	Rate of participation in seminars and events	4.3%	15.0%	25.0%
Improving work-life balance	Increasing awareness of positive lifestyle changes through provision of education	0%	80.0%	100%
	Average rate of paid leave usage	84.8%	85.0%	85.0%
	Average overtime hours worked	10.37h	10.26h	10.06h

Effectiveness of Health Management: Outcome Indicators

Priority measures	Indicators	FY2022 result	FY2023 target	FY2025 target
Health checkup results	Prevalence of metabolic syndrome	13.3%	12.3%	11.3%
	Gynecological checkup uptake rate (percentage of women who received either cervical or breast cancer screening)	83.2%	88.0%	90.0%
Situation regarding absence from work due to illness	Rate of absences and leave due to mental health problems	0.50%	0.40%	0.30%
	Rate of absences and leave due to other illnesses	0.24%	0.20%	0.15%
Status of lifestyle habits and health behaviors	Smoking rate	30.5%	30.3%	29.9%
	Increase in the number of employees engaged in habitual exercise (total rate of those engaged in health behaviors)	40.7%	43.0%	45.0%
Occupational stress survey results	Rate of high-stress individuals	8.4%	8.2%	8.0%