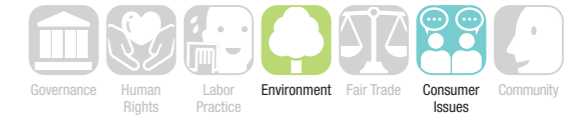




# Relationships with Customers and Suppliers



## Social Requirements

- Increasing importance of product quality and management quality
- Expanse of the reliable and safety needs in the social infrastructure

## The FDK Approach

- Group will take advantage of ecosystems to increase the value of offerings provided together with various partners to enable customers to utilize electric energy in diversified ways.

## Highlights of Relationships with Customers and Suppliers

Number of public announcements regarding products in FY2022	Number of ISO9001-certified production sites	Number of IATF16949-certified production sites	Number of ISO 14001-certified production sites
5	7	4	7

## Initiatives Supporting Relationships with Customers and Suppliers

As a Smart Energy Partner that assembles advanced technologies, the FDK Group would like our customers to best utilize electric energy in a safe and efficient manner, and it hopes to contribute to the materialization and development of a sustainable society. This vision will help to resolve social issues through the products and services provided by the FDK Group.

### Our offerings enable reliable applications for clean and safe electric energy to corporate and individual users that support 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 April 2023)

**FUJITSU alkaline batteries feature improved continuous discharge performance thanks to new technology; the Premium S lineup now includes "Sustainapack"**

Regarding sales of consumer-use FUJITSU alkaline batteries, in late March 2023, FDK began selling products with enhanced continuous discharge performance at home centers, supermarkets, and electronics retailers nationwide.

FUJITSU alkaline batteries come in three series: Premium S, High Power, and Long Life Plus. All products, from D to AAA, employ the newly developed "passivation block technology" to significantly improve continuous discharge performance, with the Premium S (AA) achieving an approximately 40% performance increase.

Also, in order to contribute to achieving the SDGs (Sustainable Development Goals), "Sustainapack," which uses 100% paper packaging, something that has been heavily requested by our customers, has been added to our product lineup to coincide with the launch of "Premium S."



Premium S "Sustainapack"® AA alkaline batteries



Premium S "Sustainapack"® AAA alkaline batteries

#### Shipments begin of high-output Ni-MH battery "HR-4/3FAUP" for power backup applications

FDK has developed the high-output Ni-MH battery "HR-4/3FAUP" for power backup applications, with the start of mass production and shipments in January 2023.

Since 1991, we have been manufacturing and selling Ni-MH batteries for various applications such as security, in-vehicle, medical, and home appliances, offering features such as "usable in a wide range of temperatures," "environmentally friendly with repeated recharging," "highly recyclable," and "low risk of ignition."

In recent years, the need for batteries with higher output and capacity has been increasing due to faster devices and increased data capacity in applications such as security and storage. By thoroughly reviewing the design



Ni-MH battery "HR-4/3FAUP"



Nickel-zinc battery "ZR-4/3FAUP"

and materials used in existing Ni-MH batteries, we were able to achieve higher capacity (25% improvement) while maintaining the same high output and durability.

Given that Ni-MH batteries' low risk of ignition and smoking will lead to simplified export operations and use in applications that require high reliability, such as servers and storage devices, we are aiming to further expand sales volume and distribution channels.

#### Development of the "ZR-4/3FAUP" nickel-zinc battery

FDK has developed a nickel-zinc battery with excellent safety performance and superior charge-discharge characteristics, and has begun sample shipments to selected customers.

In recent years, as countries around the world move toward decarbonization and carbon neutrality, demand for storage batteries has been growing as a way to store electricity to cope with the increase in renewable energy generation and to counter power outages in the event of disasters.

To meet these needs, we have developed nickel-zinc batteries to enable storage batteries that use electric power effectively and efficiently.

Our newly developed nickel-zinc battery "ZR-4/3FAUP" is a secondary battery that applies the positive electrode and structural technologies developed over many years for use in Ni-MH batteries and the zinc negative electrode technology used in alkaline batteries, offering environmentally friendly properties and a high level of safety. Because it can be recharged in a similar way to lead-acid batteries, it has the advantage of being able to replace lead-acid batteries relatively easily. We have started sample shipments to selected customers for use in electric mobility applications and power supply backup applications. Going forward, we will continue to improve the product's performance and increase the number of customers to whom we ship samples, while listening to the applications and requirements they have in mind.

## FY2022 Achievements

- Ni-MH batteries**  
We have pursued mass production of long-life batteries for the in-vehicle accessory market, high-capacity batteries for power backup applications, and electrode plates for Ni-MH batteries for use in large storage batteries.
- Alkaline batteries**  
We have worked to improve discharge performance to meet market needs and to introduce packaging with reduced environmental impact.
- Lithium batteries**  
We are working to improve energy density to serve the market for next-generation smart meters for the carbon-neutral era.
- Electronic devices**  
We are working to reduce CO<sub>2</sub> emissions (carbon neutrality) by adopting low-temperature solder.
- All-solid-state batteries**  
In order to meet a wider range of applications, we are working to improve durability in harsh environmental conditions and to develop new materials and processes for the next generation. In addition, we are preparing to meet a variety of market needs, such as by working with the Electronics Division to develop modules with built-in charging circuits.
- Research and Development**  
We have developed and prototyped battery modules and battery packs with battery management functions that utilize our patented cell balance technology. Going forward, we will explore elemental technologies for smart battery modules as part of the development of e-MaaS solutions, and pursue possibilities for the power solutions business.

## Development 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 develop and supply 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 or 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 precise quality management.

### Quality Action Guidelines

- We will make quality requests from customers our highest priority and take swift pertinent action to heighten customer satisfaction.
- 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 production stage, improve profitability, strictly adhere to delivery dates, and improve environmental performance.
- We will continually enhance risk management throughout various aspects of compliance from product safety to the chemical substances contained in products.
- We will improve manufacturing to thoroughly reduce any loss of quality, such as process waste and losses from complaints.
- 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 2022, seven 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. The FDK Group engages in collaborative activities linked to those 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

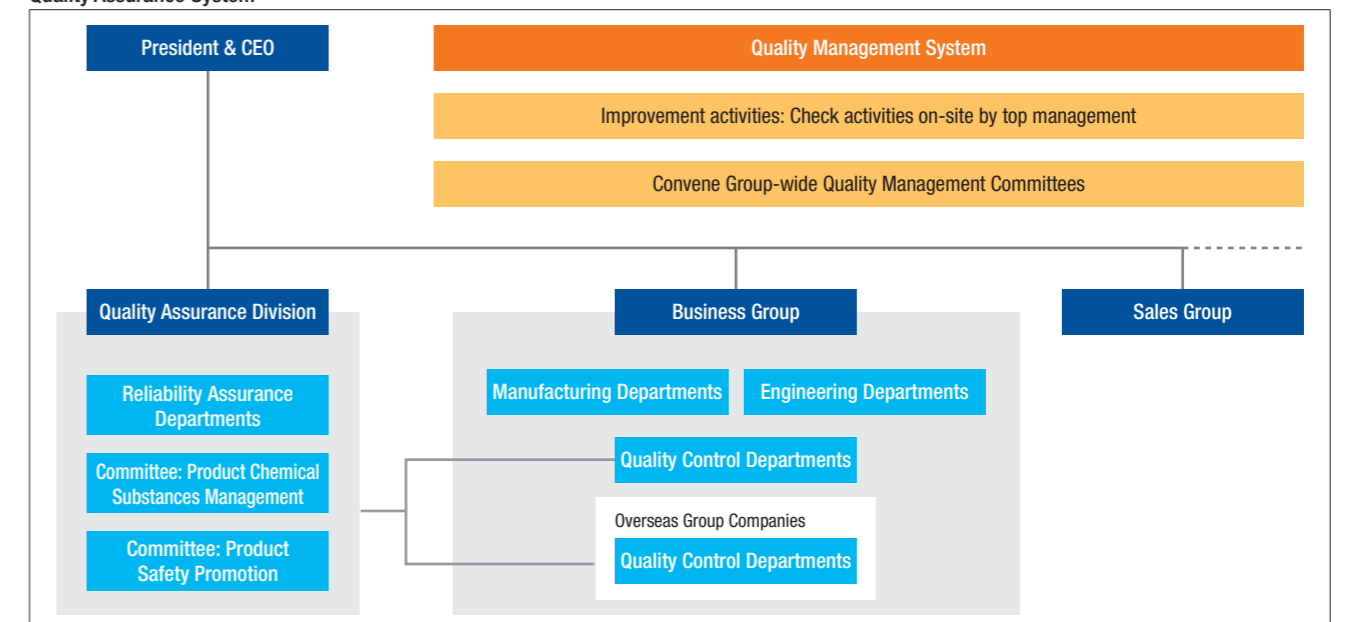
- In order to implement the FDK Group's quality policy, each verification process, from product planning to mass production transfer, is reviewed in

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 assessment.

### 2. Green Procurement Initiatives

The FDK Group contributes to the materialization 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

