

To fulfill its social responsibility as a good corporate citizen, the FDK Group commits itself to establishing good relationships with its shareholders, customers and other stakeholders. While seeking co-prosperity with its stakeholders, the FDK Group strives to achieve a sustainable and affluent society.

Communication with Shareholders and Investors

Aiming to be an industrial group that is opened to society, the FDK Group commits itself to increasing the transparency of its corporate management by disclosing relevant information to its shareholders and investors in a timely, lawful and appropriate manner.

Communicating with Shareholders and Investors

The FDK Group set up a Corporate Communication Office in April 2001 to improve the quality of information provided to shareholders, investors and other stakeholders. The Office accepts interviews by institutional investors, securities analysts and fund managers, and provides information via the FDK Group website. Other disclosure activities carried out by the Office include distributing news releases and holding press meetings.

The FDK Group website provides disclosure materials such as flash reports of financial results and business reports. Other available items include the latest information about business performance and new products, recruit information, and information about its environmental activities, for example social and environmental reports.

Using stakeholders' opinions gathered via the website, telephone and fax communications, and interviews and press meetings, the FDK Group will continue to make its public relations and IR activities even more attractive.

Information Disclosure

The FDK Group recognizes that the appropriate and timely disclosure of corporate information to shareholders, investors and securities analysts forms the foundation of a sound security market. The FDK Group, thus, follows the timely disclosure rules set forth by the Tokyo Stock Exchange. For information other than that covered by the rules, we also do our best to ensure accurate and fair disclosure. All information is, in principle, provided in both English and Japanese for the convenience of stakeholders outside Japan.

To help our stakeholders better understand the FDK Group, we actively issue news releases concerning our product development, product strategy, and the establishment of new sites. This activity helps increase our corporate value.

Relationship with Customers

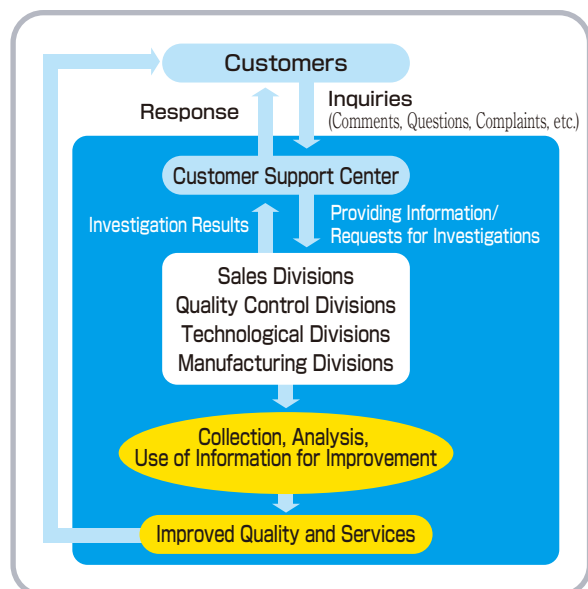
With the belief that customer satisfaction comes first, the FDK Group manufactures products that meet our customers' requirements, attaching great importance to dialogue with our customers and business partners to continually improve the quality and safety of our products.

Communication with Customers

In 2003, the FDK Group opened a website to enhance interactive communication with our customers throughout the world. The FDK Group website not only provides easy-to-understand information about the Group, but it also allows our customers to send us product-specific inquiries.

In addition, our Customer Support Center provides support regarding our consumer products: dry batteries and applied products. The aim is to enhance customer confidence in the FDK Group. Opinions and comments received by the Center are fed back to future product development processes and are reviewed to make improvements that allow us to offer even better products and services.

FUJITSU Battery Customer Support System



Assuring Product Quality and Safety

The FDK Group's quality-oriented *monozukuri* manufacturing (see footnote on page 3) is based on its policy of "providing quality products that live up to customer expectations." Where quality assurance is concerned, the Quality Assurance Division works with relevant departments and sites to ensure product safety and meet our customers' quality requirements. As a part of our quality and safety assurance activities, all of the FDK Group sites established and have been operating quality and environmental management systems certified by the international standards ISO 9001 and ISO 14001 to meet the required quality standards in all phases, from research to design and development and from manufacturing and logistics to sales and after-sales service.

If any product delivered to customers causes or is discovered to have the potential to cause an accident or a failure, the Management Council acts earnestly to immediately identify the cause of the problem and formulate solutions to minimize the consequences.

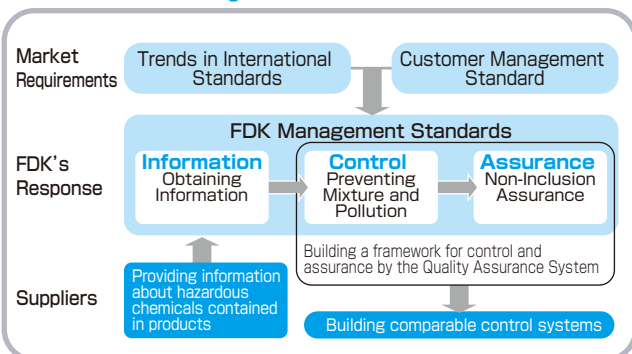
Specifically, all FDK Group sites are instructed to

- promote the manufacturing of safe and environmentally friendly products,
- enhance the quality assessment system from the source,
- respond quickly to customer requests, and
- prevent the occurrence and recurrence of quality problems.

Product safety and environmental requirements are proactively addressed in accordance with the "FDK Product Safety Charter" and the "Control Standard for Chemical Substances Contained in Products." With a focus on formulating our response to the RoHS directive, REACH, and the requirements to reduce PFOS (perfluorooctane sulfonates), we have been building a group-wide system (also covering overseas sites) that controls our operations to meet the requirements established by the "Committee for the Control of Products Containing Hazardous Chemical Substances." Quality is addressed from the product design phase. The "Design Review Promotion Committee" enhances design quality assessment to prevent the occurrence and recurrence of any quality problem.

In June of 2007, we established the "New Product Development System Construction Committee" to further improve the standards for fulfilling safety and quality requirements in the initial phase of product development. The aim is to build a system for the comprehensive assessment of product safety and environmental compatibility from the product planning phase to the start of production.

The Process of Controlling Hazardous Chemicals Contained in Products



Information Security and Protection of Personal Data

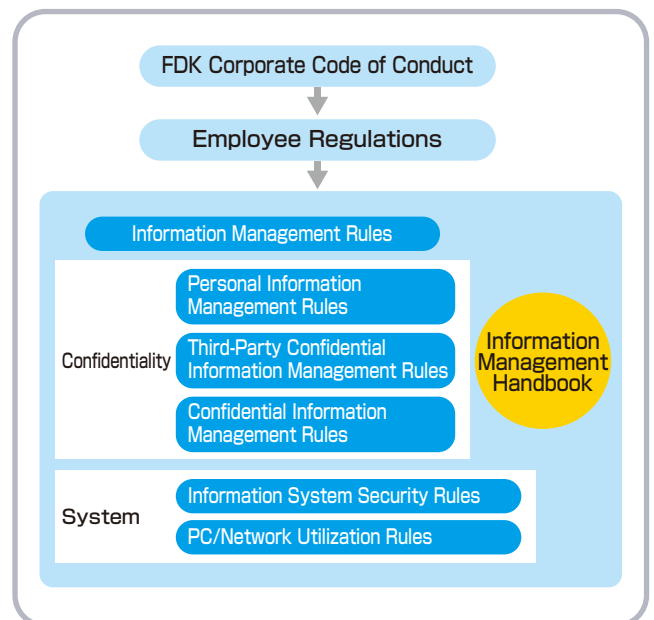
The leakage of personal and confidential information, most typically through the use of file-swapping software, not only hinders our business operations, but it also seriously damages customer confidence in us. The FDK Group commits itself to the appropriate use of corporate secrets and personal information and the prevention of information leakage.

We have established six in-house rules including "Information Management Rules" and "Personal Information Management Rules." An "Information Management Handbook" is distributed to all employees to show the specific actions required to strictly comply with these regulations. A portal site containing all relevant information is available on the intranet, which can be accessed at any time to obtain necessary information. In addition, we have formulated a "Personal Information Protection Policy" for the safeguarding of information about our customers, which can be viewed on the FDK Group website.

All PCs that are used for business operations are password-protected to prevent leakage of information. Portable PCs that are occasionally taken out of the company premises are fitted with special software that automatically encrypts all data stored on hard disks.

Recently, the public has been increasingly concerned about leaks of information from lost storage media. In FY2007, therefore, we revised our internal regulations on the handling of USB memory and other portable storage devices to further strengthen control at workplaces.

System of Information Management Regulations



Relationship with Business Partners

The FDK Group desires to gain and maintain good partnerships with its business partners by acting in accordance with the "FDK Corporate Code of Conduct." In addition, the FDK Group started its green procurement initiative in FY2001 in response to growing public awareness about the environment and the introduction of more stringent regulations governing hazardous chemical substances contained in products.

Fair Trade

In purchasing raw materials, components and packaging materials, the FDK Group promotes fair trade with its suppliers by clearly stating our basic stance for procurement in the Materials Procurement Control Regulations.

Basic Stance for Procurement

- (1) Following the principle of co-existence and co-prosperity with our suppliers, we purchase components and materials that allow us to provide safe, quality products
- (2) We are fully aware of the basic environmental protection policy stipulated in the FDK Environmental Charter and procure products and materials that help reduce the environmental impact of our operations.
- (3) We select suppliers using fair criteria to ensure fair and lawful procurement activities.
- (4) We fully understand and observe procurement-related laws and regulations, and conduct our business with respect for the spirit of the law and social norms.

Procurement-Related Initiatives

To fulfill its social corporate responsibility, the FDK Group has been developing initiatives in accordance with the Green Procurement Guidelines. These green procurement initiatives include support for our business partners in establishing an EMS and conducting investigations into prohibited chemical substances in products (see page 23).

Cooperation with Supplier

Cooperation from our suppliers is indispensable for the provision of green products to our customers. The FDK Group is, therefore, strengthening cooperative activities with its suppliers; for example, supply chain management and the non-use of prohibited chemical substances.

Support for Suppliers

The FDK Group is committed to reducing the environmental impact of its entire supply chain. To this end, we not only address our own supply process, but we also provide support for suppliers in reducing their environmental impact.

Supplier Assessment

The purchase divisions within the FDK Group regularly assess their suppliers using a "Supplier Assessment Standard Chart."

To ensure objectivity, this sheet contains such assessment items as quality, price, delivery date, technological capability, as well as matters related to environmental preservation. Supplier assessment is conducted not only for newly selected companies, but also on a regular basis for existing suppliers.

Information Security

The FDK Group addresses the maintenance of information security and the protection of personal information (see page 13).

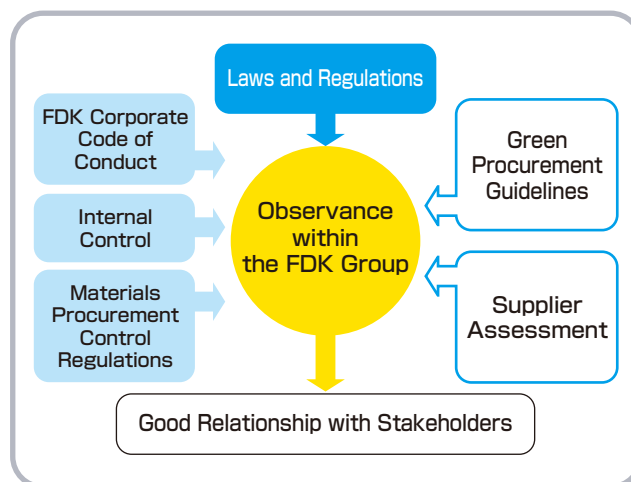
These efforts include raising employee awareness of the need to protect confidential and personal information relating to our business partners and measures to prevent the leakage of information from PCs taken off the company premises.

Compliance

The FDK Group is making efforts to achieve full compliance in its procurement activities according to regulations on internal control. This helps us fulfill our social responsibilities and maintain good relationships with suppliers and other stakeholders.

In FY2007, we provided an in-house training session on the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors. Particular emphasis was placed on the "four obligations" and "11 prohibitions," which are closely related to order-placing and acceptance operations. Possible cases were presented for better understanding.

Compliance in Procurement



With Our Employees

The FDK Group focuses on recruiting and developing skilled employees that are able to support the management of the company through their business operations. We also aim to establish a safe and accident-free working environment where our employees can work in safety and in good health.

Personnel System

One of our basic philosophical principles is to “establish a corporate culture that highly motivates employees.” Our personnel system follows the basic policy of respecting people who value creativity and innovation and have a passion to meet new challenges, and allowing each employee to contribute to the company’s performance and growth, with a view to promoting their human development and well-being. In FY2000, we revised the basic personnel management system, including personnel assessment and job classification. Under the new personnel management framework, the company has focused on three areas: encouraging all employees to play an active part in achieving the management goals, ensuring that all employees share the company’s policy and goals and proceed in a united direction, and making personnel assessment and treatment even fairer and even more acceptable to all employees.

Continual improvement provides us with a sense of accomplishment, self-confidence, and pride in our jobs, and increases our happiness.

Educational System

The FDK Group’s educational system consists of level-specific training programs such as new employee training and specialized training designed to help employees acquire professional knowledge and skills. In 2001, an e-Learning system was introduced to allow our employees to teach themselves at their convenience. It provides business-related basic courses covering product knowledge, language, and basic PC operations. English and Chinese language courses by outside instructors are also available at key sites. The FDK Group also provides its employees and their family members with a range of correspondence courses on business skills and language as well as liberal studies, hobbies, and health promotion.

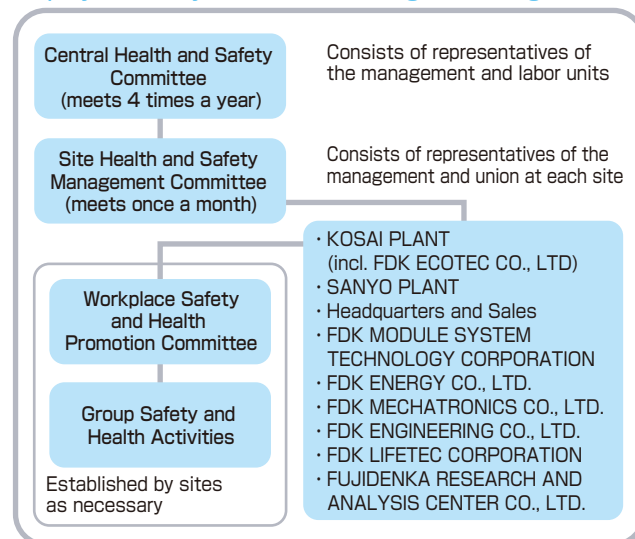


New Employee Training at the FDK Training Center (Q&A Session with the President)

Safety and Health

The FDK Group aims to establish a working environment where all employees can work in safety and in good health. The “Central Health and Safety Committee,” comprising representatives of the management and labor union, formulates a company-wide safety and health policy, prevents labor accidents, investigates the safety and health status of the company, and implements measures for improvement. Each site has a “Health and Safety Management Committee,” an organization that conducts fine-tuned activities such as safety and health patrols to ensure a safe working environment according to the company-wide policy.

Employee Safety and Health Management Organization



The Health Management Office is responsible for providing employees with regular medical checkups and health guidance. Also, an industrial physician is available for consultation. The aim of this office is to understand the health condition of employees and to ensure that the industrial physician, the Human Resource Management Division and the management can take fine-tuned action if any problem has been found.



Safety and Health Patrol at the KOSAI PLANT

Club Activities and Sports Events

The FDK Group has various sports clubs including baseball, football, volleyball, distance running, tennis and surfing. Club members actively take part in competitions with nearby companies and local *ekiden* (road relay) races. An annual softball competition is held in collaboration with the labor union and support from the company's health insurance union. The softball competition starts with local preliminaries, and the winners can enter the national championships. All employees look forward to the annual event because it helps them cultivate mutual friendships.



The Annual Softball Competition



Kosai Ekiden

Accommodating Pregnancy, Child Care and Nursing Needs

To allow its employees to balance both work and family, the FDK Group provides its employees with various assistance programs, including annual paid holidays, paid holiday accumulation system, maternity leaves with shorter working hours, and nursing care leaves with shorter working hours. Employees can also take special holidays to take part in volunteer activities. This is part of the FDK Group's social contribution activities.

Number of Participants in FY2007

Maternity Leave	19
Nursing Care Leave	1
Volunteer Activity Leave	1
Shorter Working Hours	34

Retiree Reemployment System

With the enforcement of the revised Law concerning Stabilization of Employment of Older Persons on April 1, 2006, the FDK Group introduced a retiree reemployment system for individuals who are highly motivated to find satisfaction by continuing to work for the Group and in further developing their abilities even after reaching the age limit of 60.

Employee Awards Program

FDK Group employees who have made outstanding achievements are recognized at the annual foundation ceremony held in February of each year.



Recognition at the Foundation Ceremony

Compensation for Employee Inventions

Prior to revising the employee invention regulations in keeping with the enforcement of the revised Patent Law in 2004, the FDK Group disclosed the relevant standards and held extensive hearings. To increase employee motivation toward invention, the Patent Control Regulations were revised in January 1, 2006 to include ① fixed-rate compensation from license fee income and ② a retiree compensation plan.